VIRGINIA: A BUDGET WORK SESSION OF THE SURRY COUNTY BOARD OF SUPERVISORS BROADCAST REMOTELY FOR THE PUBLIC ON THURSDAY, MAY 20, 2021, AT 7:00 P.M. USING THE 'GOTOMEETING' PLATFORM: https://global.gotomeeting.com/join/447043917

PRESENT: SUPERVISOR ROBERT ELLIOTT, JR.
SUPERVISOR MICHAEL DREWRY
SUPERVISOR JUDY LYTTLE
SUPERVISOR WILLIAM (TIM) CALHOUN
SUPERVISOR RONALD HOWELL, JR.

ALSO PRESENT: MS. DANIELLE POWELL, COUNTY ATTORNEY
MRS. MELISSA ROLLINS, COUNTY ADMINISTRATOR
MR. DAVID HARRISON, DEPUTY COUNTY ADMINISTRATOR
MRS. CAROL SWINDELL, INTERIM FINANCE DIRECTOR
MRS. LAUREN CHAPMAN, COUNTY ADMINISTRATION
MR. DELON BROWN, INFORMATION TECHNOLOGY DIRECTOR
SHERIFF CARLOS TURNER, SHERIFFS DEPARTMENT
MR. JONATHAN JUDKINS, COMMISSIONER OF REVENUE

Call to Order / Moment of Silence / Pledge of Allegiance / Agenda Adoption

Consent Items

1. *Resolution 2021-10: Riverside Regional Jail*

   Supervisor Elliott advised this item would be tabled for future discussion.

Unfinished Business

1. *Budget Discussion and Action on the FY21-22 Proposed Budget and CIP*

   Resolution 2021-11: RESOLUTION ADOPTING BUDGET FOR SURRY COUNTY FOR THE FISCAL YEAR 2022 FOR FISCAL PLANNING PURPOSES AND APPROPRIATING FUNDS

   Resolution 2021-12: RESOLUTION ADOPTING THE TAX RATES FOR SURRY COUNTY FOR CALENDAR YEAR 2021

Supervisor Lyttle made a motion to approve the FY21-22 County Administrators Proposed Budget and CIP as presented. Supervisor Howell seconded the motion. Supervisor Lyttle, Supervisor Elliott and Supervisor Howell voted affirmatively to approve the FY21-22 County Administrators Proposed Budget and CIP as presented. Supervisor Drewry and Supervisor Calhoun voted against approval of the FY21-22 County Administrators Proposed Budget and CIP as presented. The FY21-22 County Administrators Proposed Budget and CIP was approved by majority vote. ***(Approved)***

SUPERVISOR ROBERT ELLIOTT, JR.	**AYE**
SUPERVISOR MICHAEL DREWRY	**NAY**
SUPERVISOR JUDY S. LYTTLE	**AYE**
SUPERVISOR WILLIAM CALHOUN	**NAY**
SUPERVISOR RONALD HOWELL, JR.	**AYE**

(A copy of the final FY21-22 Budget Document and CIP is included as an integral component of these meeting minutes)

Public Comments

[Please email your name, district, and a summary of your public comment to comments@surrycountyva.gov to be included in meeting minutes.]

Mr. Robert Chandler – Expressed concern of tax increase and the strain it could place on citizen's aged 65 and older.

Mrs. Helen Eggleston – Dendron – Expressed concern over tax increase.

Ms. Susan Corvello – Spring Grove – Expressed concerns over transparency and lack of communication from Board Members regarding previous inquiries and emails sent.

Board Comments

[All Board Members comments can be heard in full on the Surry County YouTube page: https://www.youtube.com/watch?v=wb6KlWVzsoE]

Adjournment

There being no further business before the Board, Supervisor Elliott entertained a motion to adjourn. Supervisor Howell made a motion to continue the meeting to Thursday, June 3, 2021, at 7:00PM. Supervisor Calhoun seconded the motion.

Meeting adjourned at 7:25 PM

Item Template: Board of Supervisors Meeting - May 20, 2021

Item Title: Budget Discussion and Action on the FY21-22 Proposed Budget and CIP

Suggested Action: Adopt Resolution 2021-11 formally adopting the FY 21-22 Consolidated Budget
Adopt Resolution 2021-12 setting the 2021 Tax Rates and PPTRA Percentage

Item Type:
Action Item

Item ID:
2021-102

Submitting Department:
Administration

Drafter:
Melissa Rollins

Meeting Body:
Board of Supervisors

Meeting Date:
May 20, 2021 7:00 PM

Agenda Section:
Unfinished Business

Is this a budgeted item? no

If yes, include budgeted amount:

Total Project Cost:

Description of Presented Item: Action is required on the FY 21-22 Proposed Consolidated Budget and Capital Improvement Program. Resolution #2021- and Resolution #2021- if adopted by the Board, will establish the 2021 Tax Rates and the Personal Property Tax Relief Percentage and adopt the FY 21-22 Consolidated Budget and CIP as previously presented April, 21st, May 6th and during the May 13th public hearing.

County Administrator's
FY 2021-22 Proposed Budget
&
Five Year
Capital Improvement Plan
FY 2022-2026

Addendum
As of April 22, 2021

The County Administrator's Proposed Budget was presented on April 15, 2021 and was the subject of a Board of Supervisors work session on April 22, 2021. During that work session, the consensus of the Board was to propose an additional 1 cent increase in the real estate tax rate, bringing the total increase to 6 cents. This would increase the tax rate from its current level of 71 cents to 77 cents. The revenue from the additional penny will be directed to public safety projects in the Capital Improvements Program, to include replacement of Sheriff vehicles.

To assist with the impact of the proposed tax rate, the County has proposed to expand its tax relief program for elderly and disabled persons, increasing the maximum tax exemption from $750 to $1,000.

The budget changes are as follows:

	General Fund	Capital Improvement Projects Fund
Budget as Proposed on April 15, 2021	$ 27,902,167	$ 2,333,853
Additional 1 cent on real estate tax rate, directed to capital costs for public safety, to include the replacement of Sheriff vehicles	287,195	287,195
Proposed Budget as revised, April 22, 2021	$ 28,189,362	$ 2,621,048

Fiscal 2022 Budget Public Hearing May 13, 2021

Melissa D. Rollins
County Administrator

Tonight's Public Hearing

By the Code of Virginia the Board is prohibited from voting on the proposed budget tonight.

The Board is scheduled to vote on the FY22 Budget and CIP at a May 20, 2021 Special Meeting.

FY22 Budget Adoption, to include setting of tax rates, is scheduled for May 20th.

FY 22 BUDGET –Revenue Drivers

- FY22 Revenue is essentially flat compared to the FY21 Adopted Budget, with a total increase of $188,312 or 0.7% absent a tax rate increase
  - Local revenue is increasing by only $98,672 or 0.4%
  - State revenue increases by $89,640, but the vast majority of that (86%) is targeted to pay for salary increases for Constitutional Offices and the Registrar/Electoral Board
- The County lost $710,000 in Public Service Corporation revenue due to a Sales/Assessment ratio that is projected to be 95.1% instead of 100%. This foregone revenue equates to 2.5 cents on the tax rate.
- Investment income is projected to decline by $105,000 due to a drop in interest rates and declining cash caused by use of fund balance
- Proposed increase of 6 cents to real estate tax rate; no other tax rate increases

FY 21 PROPOSED BUDGET – Current Budget Status

- The combined budget requests from County departments, the Schools and other outside agencies totaled $28.9M, which would have required a tax rate increase of approximately 11 cents to fund.
- Without ongoing revenue to support the CIP, recommended projects are minimal. The equivalent of four cents on the tax rate is needed to pay for needed ongoing CIP projects such as major facility repair and vehicle/school bus replacements.
- After scrubbing the requests, we have reduced planned expenditures to $27.9M, a reduction of $378K.
- The recommended expenditures represent an increase of $2.7M in ongoing costs
- Because revenue is essentially flat for FY22, additional revenue of just $188K is available to cover these increased costs.
- A tax rate increase of 9 cents is needed to cover the gap between revenue and expenditures, of which 4 cents is needed for CIP. The current budget proposal includes a 6-cent tax rate increase: 5 cents for operating costs, and 1 cent for ongoing CIP to be directed toward public safety, including Sheriff vehicle replacements.

FY 21 PROPOSED BUDGET – Major Cost Drivers - Ongoing

• New/restored positions and OT	$581K
• 5% salary increase	307K
• Schools (includes 5% salary increase)	294K
• Increased debt service	182K
• Begin revenue stabilization fund	119K
• Increased CSA costs	94K
• Corrections/Detention	61K
• Restore contingency to $100K	41K
• Workers comp claim improvement	(27K)
• Other	(28K)

Calendar Year 2021 real estate tax rate is proposed to increase by 6 cents; other rates remain unchanged

Taxable Property	Tax Rate
Real Estate, including Mobile Homes	$ 0.77
Personal and Business Property	$ 4.00
Machinery & Tools	$ 1.00
Passenger Buses	$ 3.00

Board will adopt the 2021 Tax Rates on May 20, 2021.

Tax Relief for Elderly and Disabled

- ❑ To help alleviate the impact of the proposed real estate tax rate increase, an expansion of the current tax relief for Elderly and Disabled citizens is proposed
- ❑ The maximum exemption is increased from its current level of $750 to $1,000
- ❑ Based on 2020 activity, this increased exemption is estimated to provide an additional $6,000-$8,000 in tax relief, with a total tax exemption amount estimated at $46-48,000

	General Fund	Capital Improvement Projects Fund
Budget as Proposed on April 15, 2021	$ 27,902,167	$ 2,333,853
Additional 1 cent on real estate tax rate, directed to capital costs for public safety, to include the replacement of Sheriff vehicles	287,195	287,195
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Budget Changes from Original Proposed

Balancing the Budget

FUND	FY 2020-21 ADOPTED	FY 2021-22 PROPOSED	CHANGE $	CHANGE %
GENERAL	$ 28,369,042	$ 28,189,362	$ (179,680)	-0.6%
CIP	8,165,016	2,621,048	(5,543,968)	-67.9%
VPA	1,825,501	1,959,572	134,071	7.3%
CSA	435,677	617,928	182,251	41.8%
TASK FORCE	25,000	25,000	-	0.0%
SPECIAL WELFARE	42,852	54,616	11,764	27.5%
AGENCY ON AGING	32,288	32,288	-	0.0%
INDOOR PLUMBING	11,730	11,730	-	0.0%
ECONOMIC DEVELOPMENT	80,000	80,000	-	0.0%
DEBT SERVICE	2,123,391	2,303,041	179,650	8.5%
WATER & SEWER	162,850	189,171	26,321	16.2%
TOTAL COUNTY FUNDS	$ 41,273,347	$ 36,083,756	$ (5,189,591)	-12.6%
SCHOOL OPERATING	$ 15,974,802	$ 16,981,556	$ 1,006,754	6.3%
SCHOOL CAFETERIA	513,000	513,348	348	0.1%
TOTAL SCHOOL FUNDS	$ 16,487,802	$ 17,494,904	$ 1,007,102	6.1%
TOTAL - ALL FUNDS	**$ 57,761,149**	**$ 53,578,660**	**$ (4,182,489)**	**-7.2%**

Total Budget for All Funds…………$53,578,660

Vehicle Leasing vs. Purchase Discussion

- Per the Board of Supervisors' request, staff reviewed the option of leasing vehicles for the Sheriff's department in consultation with the County's Financial Advisor
- Staff and our Financial Advisor recommend that the County cash fund vehicles for the following reasons:
  - Given the number of vehicles that need to be replaced, both currently and on an ongoing basis, the County will be in an endless cycle of leasing with rising interest rates, and the cost of exit is high
  - Total costs for leased vehicles tend to be higher and the lease terms are not always transparent
  - It's better to save the County's limited debt capacity for larger, longer term projects
  - Vehicle leases can result in an outsized impact on debt capacity and cash flows. For example:
    - The payment on a $100,000 lease over 5 years @ 2% = $22k
    - That same $22k payment could support $330,000 in projects if it were used for a project that could be financed over 20 years @ 3%, or more than triple that of the lease

The complete detail for the FY22 Proposed County Budget and 2022-2026 Capital Improvements Plan is posted with the Public Hearing Agenda on the County's website at: www.surrycountyva.gov

Surry County, VA (surrycountyva.gov)

Questions or Comments

Real Estate Tax Relief for Elderly & Disabled Overview

Current Surry County Qualifications

Sec. *16-55.* - Qualifications. The qualifications for the exemption for this division are as follows:

(1) Such exemption may be granted for any tax year following the date that the head of the household occupying such dwelling and owning title or partial title thereto reaches the age of 65 years and, in addition;

(2) The total combined income during the immediately preceding calendar year from all sources of the owners of the dwelling living therein does not exceed **$35,000.00**; provided that the first $6,500.00 of income of each relative, other than spouse, of the owner or owners, who is living in the dwelling, shall not be included in such total;

(3) The net combined financial worth, including equitable interests, as of December 31 of the immediately preceding calendar year, of the owners, and of the spouse of any owner, excluding the value of the dwelling and the land not exceeding one acre upon which it is situated, does not exceed **$100,000.00**;

(4) No applicant shall be entitled to exemption who is not a resident of the county;

(5) Exemption shall also be granted to property owners less than 65 years of age who are permanently and totally disabled and who are otherwise eligible for relief.

2020 Applicants		
Applicants receiving 25% exemption	$30,001 - $35,000	5
Applicants receiving 50% exemption	$25,001 - $30,000	8
Applicants receiving 75% exemption	$20,001 - $25,000	13
Applicants receiving 100% exemption	$0 - $20,000	46
Total Applicants:		**72**

Net cost of tax exemption for the County: (this does NOT include the Disabled Veterans)	
2020	$38,553
2019	$25,775
2018	$27,160
2017	$35,096
2016	$37,666

Real Estate Tax Relief for Elderly & Disabled Overview

Proposal to be Considered to be Effective for Tax Year 2021

Maximum Tax Exemption allowance increase from **$750.00 to $1,000.00.**

Note: With the **$1,000.00** maximum tax exemption allowance the cost (based on 2020 applicants) to the County would range from **$44,000 - $46,000** for tax year 2021, an increase ranging from **$6,000 - $8,000** from the exemption given in 2020. This accounts for a proposed real estate tax rate increase.

Without increasing this deduction, tax relief recipients would collectively pay about **$4,000 more** than they did in 2020 with the proposed tax rate increase. By increasing the exemption, recipients would pay approximately **$2,500 less** than they did in 2020.

The number of qualified applicants has increased to between **75 - 80** for **2021**.

If the number of applicants should continue to increase in successive years with the **$1,000.00** maximum tax exemption allowance, the cost to the County would be annually around **$50,000**.

County Administrator's Proposed FY 21-22 Budget

Presented April 15, 2021

Board of Supervisors Strategic Goals & Priorities

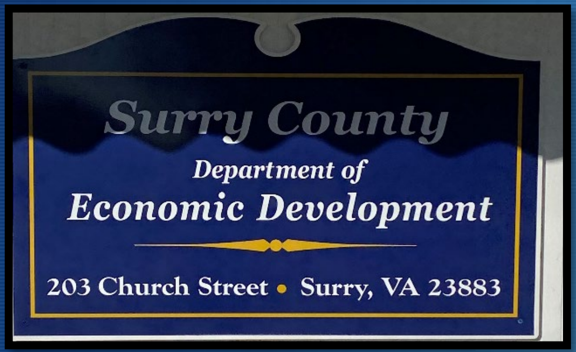
Mission Statement 2020

We will exemplify and work with citizens to achieve *unity in the community.* *This is essential to maintaining a strong commitment towards efficient and effective operations and to positively impacting public safety, health & wellness, education, and overall quality of life of informed, engaged and participatory citizens and stakeholders of Surry County.*

- Community
- Economic Development
- Education
- Fiscal Responsibility
- Transportation

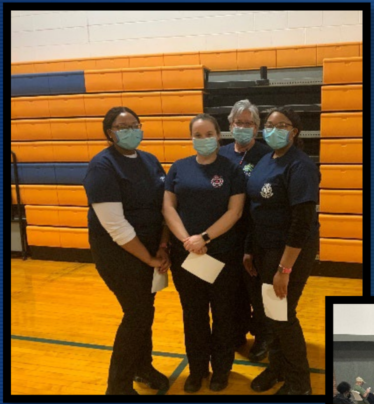
FY 20-21 HIGHLIGHTS & ACCOMPLISHMENTS

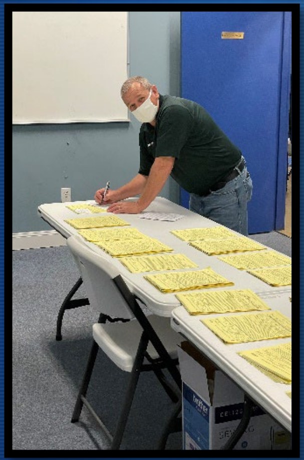
Roughly 29% of Surry County vaccinated as of April 10th

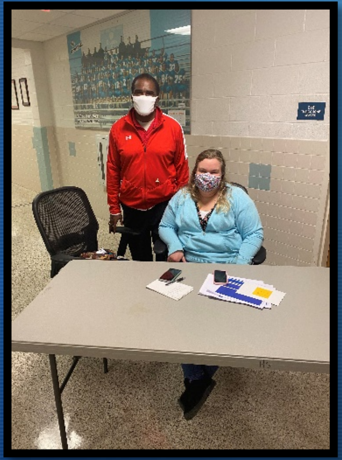


- ❑ Hiring of a Full-Time, Experienced Economic Development Director
- ❑ Established an Economic Development Office with Space Needs for the EDA
- ❑ Grays Creek Celebration as Scenic River Designation
- ❑ Received the County’s first award from the Virginia Economic Development Association (VEDA) for the PGECE Fiber to the Home Project

- ❑ Completed the Rails to Trails Project at Surry County Marina
- ❑ Awarded $300,000 in healthy behavior grant funds from OBICI Healthcare Foundation for Food Access/Grocery project
- ❑ Leveraged a subsequent food access/grocery grant award from the Genan Foundation - $107,000
- ❑ Managed CARE Act funding of $1.2 million for Emergency Services/Public Safety, Technology, Food Access, General Administration, Recreation, & Funding Support for Towns



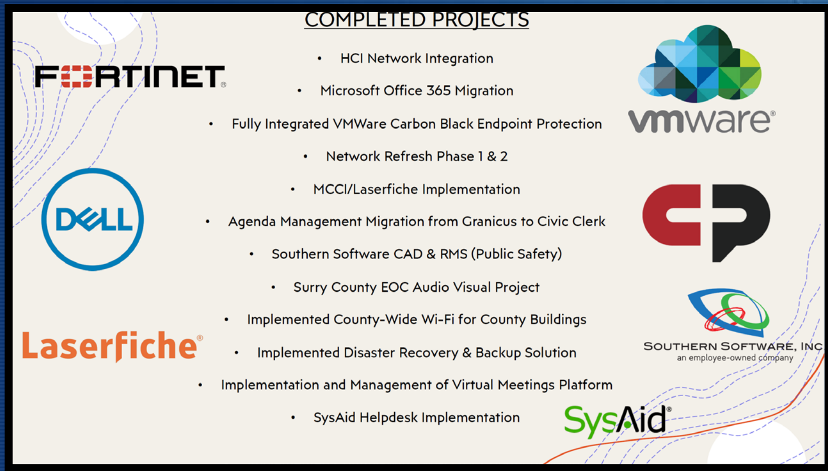




- Successfully planned, executed and administered 1st and 2nd dose vaccination clinics
- 17% of County population vaccinated at March 1st
- Successfully conducted COVID testing during the Pandemic
- Leveraged volunteer coordination, exemplifying unity in the community
- Equity pilot program with VDEM to distribute PPE and COVD-19 information

- ❑ Delivered the County's 1st State of the County Address for 2020
- ❑ Successfully planned the Drive-Up Christmas Concert during the Pandemic
- ❑ Completed Construction of the Emergency Operations Center/Volunteer Rescue Squad
- ❑ Completed Construction of the Dendron Water System Project
- ❑ Implemented Emergency Medical Dispatch (EMD) to improve outcomes for dispatching

- ❑ The presidential election was successfully managed and executed during the Pandemic with no hiccups
- ❑ Secured state of the art exercise equipment for Community use through Parks & Recreation and for public safety volunteers
- ❑ Received a $10,000 Wander Love and a $20,000 Recovery Marketing Leverage Grant for Tourism
- ❑ Provided food giveaway assistance to the vulnerable population during the Pandemic
- ❑ Received other grants and donations for animal control, litter control and emergency management



- ❑ Completed numerous technology and support services milestone during the Pandemic

- ❑ Conducted a RuralBand Technology Information Summit

- ❑ Completed various capital projects upgrades: temporary roof repairs, gas pump replacement, and accomplished site improvements to County owned property

- ❑ Maintained strong tax collections during the Pandemic

Highlights & Accomplishments

- No issues reported -FYE June 30, 2020 Comprehensive Annual Financial Report – GFOA Award for Excellence in Financial Reporting.

- Adopted a newly revised Comprehensive Plan in September 2020

- Completed two extensive funding packages for federal funding opportunities for Transportation and Economic Development Projects

BUDGET OVERVIEW

- ❑ Main Drivers
- ❑ Revenue Drivers
- ❑ Policy Implications
- ❑ Current Budget Status
- ❑ Proposed Budget Highlights

FY 22 BUDGET – Drivers/Issues

- Preparation of the Budget has been undertaken with the following goals in mind:
  - Support of County Mission/Vision/Values
  - Funding County obligations responsibly and sustainably
  - Providing compensation increases for County, Social Services and School staff
  - Addressing deferred capital needs to reduce future costs
  - Investing in quality of life improvements for the community
  - Following the advice of the County’s financial advisor, preserve fund balance

FY 22 BUDGET – Revenue Drivers

- FY22 Revenue is essentially flat compared to the FY21 Adopted Budget, with a total increase of $188,312 or 0.7%
  - Local revenue is increasing by only $98,672 or 0.4%
  - State revenue increases by $89,640, but the vast majority of that (86%) is targeted to pay for salary increases for Constitutional Offices and the Registrar/Electoral Board
- The County lost $710,000 in Public Service Corporation revenue due to a Sales/Assessment ratio that is projected to be 95.1% instead of 100%. This foregone revenue equates to 2.5 cents on the tax rate.
- Investment income is projected to decline by $105,000 due to a drop in interest rates and declining cash caused by use of fund balance
- Proposed increase of 5 cents to real estate tax rate; no other tax rate increases

FY 22 BUDGET – Policy Implications

- The negative revenue impacts due to a sales assessment ratio that is under 100% and a decline in interest income suggest the need for consideration of several policy changes:
  1. Move to a more frequent reassessment cycle of every 2-4 years instead of the current period of 6 years
     - This would provide for more equity for property owners in paying real estate taxes, as properties would be benchmarked to the current market more frequently
     - More frequent assessments would help to ensure that the County's Sales/Assessment ratio stays at or near 100%, which would maximize the Public Service Corporation revenue, which is the County's single largest tax source and accounts for 59% of total local revenue

FY 22 BUDGET – Policy Implications

2. Establish and build a revenue stabilization fund to provide a buffer for fluctuations in public service corporation revenue.

3. Avoid any further draw down of fund balance

4. Provide ongoing revenue to fund capital needs that arise every year but which are not candidates for funding with debt, such as school bus and vehicle replacements, HVAC and other major maintenance needs and technology improvements

5. Ensure that ongoing costs are paid with ongoing revenue

FY 21 PROPOSED BUDGET – Current Budget Status

- The combined budget requests from County departments, the Schools and other outside agencies totaled $28.9M, which would have required a tax rate increase of approximately 11 cents to fund.
- Without ongoing revenue to support the CIP, recommended projects are minimal. The equivalent of four cents on the tax rate is needed to pay for needed ongoing CIP projects such as major facility repair and vehicle/school bus replacements.
- After scrubbing the requests, we have reduced planned expenditures to $27.9M, a reduction of $378K.
- The recommended expenditures represent an increase of $2.7M in ongoing costs
- Because revenue is essentially flat for FY22, additional revenue of just $188K is available to cover these increased costs.
- A tax rate increase of 9 cents is needed to cover the gap between revenue and expenditures, of which 4 cents is needed for CIP. The current budget proposal includes a 5 cent tax rate increase for operating costs.

FY 21 PROPOSED BUDGET – Major Cost Drivers - Ongoing

• New/restored positions and OT	$581K
• 5% salary increase	307K
• Schools (includes 5% salary increase)	294K
• Increased debt service	182K
• Begin revenue stabilization fund	119K
• Increased CSA costs	94K
• Corrections/Detention	61K
• Restore contingency to $100K	41K
• Workers comp claim improvement	(27K)
• Other	(28K)

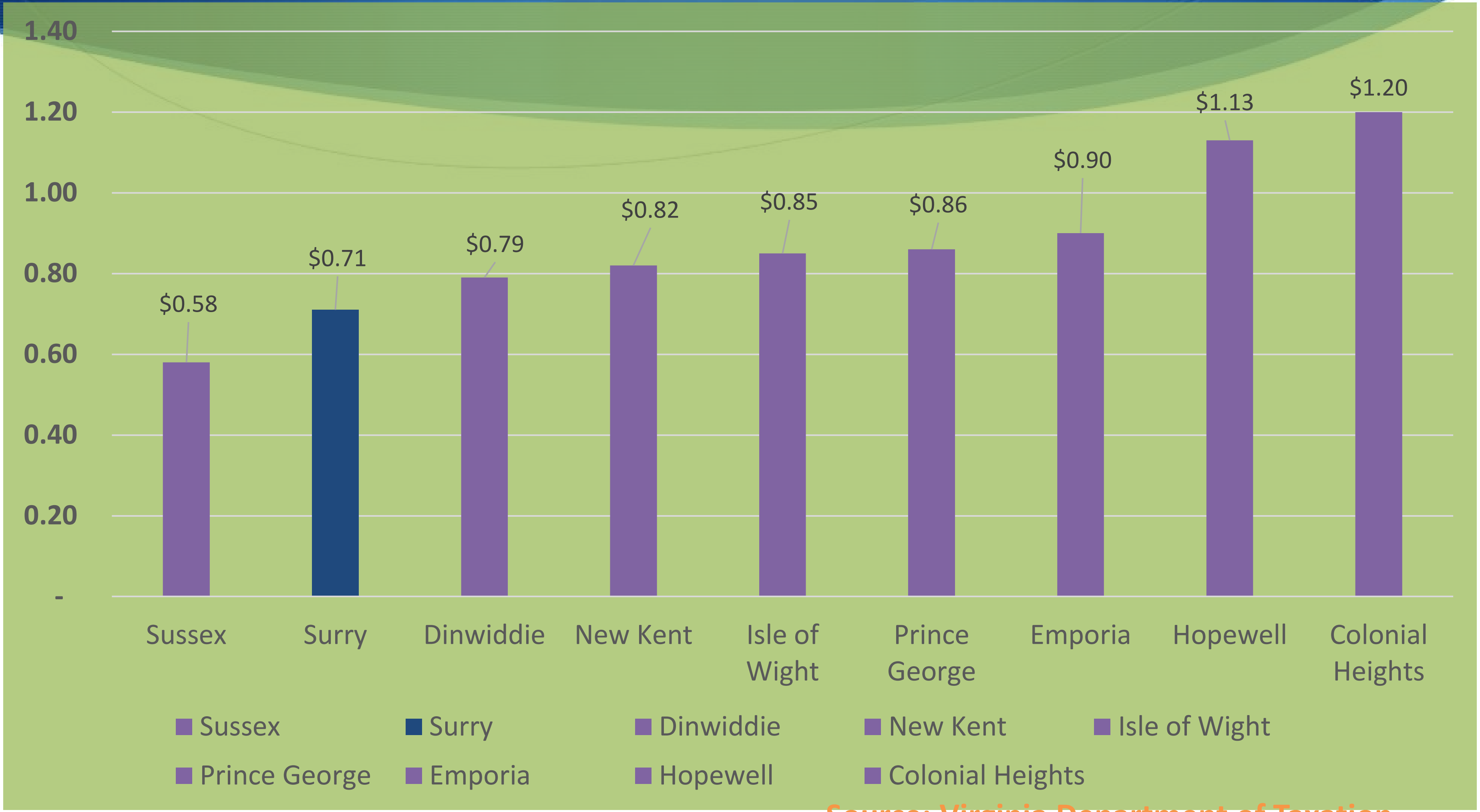
Budget Basis – Current Tax Rates

Tax Type	Current Rate	Estimate Revenue Per Penny	Percent of Total	Basis of Value
Real Estate-Residential*	**$0.71**	$91,549	32.0%	One cent
Real Estate-Public Service	**$0.71**	$195,646	68.0%	One cent
TOTAL		**$287,195**	**100.0%**	

*Paid by Surry Citizens

PPTRA Relief Percentage – Reduce to 40% from current 41%
Personal Property Tax Rate since 2010 - $4.00

Real Estate Tax Rate Per $100 of Assessed Value



Source: Virginia Department of Taxation 2018 Assessment/Sales Ratio Study

Proposed Tax Rate

- In order to fully fund both the operational and capital needs of the County, a 9 cent tax rate is needed in FY22:
  - 5 cents to balance operating budget and to provide seed money for a revenue stabilization fund, which was recommended by the County's financial advisor
  - 4 cents to provide ongoing funds for ongoing, non-major capital needs such as vehicle replacement, HVAC repair/replacement, roof rehabilitation, etc.
- If the due date cycle for real estate tax payments is changed from an annual to a semi-annual cycle, it provides an estimated one-time cash infusion of approximately $9-10M. If personal property is included, it adds approx. $700K
  - Allows Surry to responsibly and sustainably fund needed capital projects while gradually increasing ongoing tax dollars for ongoing CIP in future budgets
  - The real estate tax rate increase for FY22 would only need to be 5 cents

Assessed Value of Real Property

Year	Assessed Value	Tax Rate
2020	$ 960,993,500	$ 0.71
2019	949,954,600	0.71
2018	927,483,200	0.71
2017	923,146,000	0.71
2016	917,943,500	0.71
2015	890,958,700	0.73
2014	885,879,900	0.73
2013	884,724,200	0.73
2012	878,370,600	0.73
2011	875,984,300	0.73
2010	872,027,400	0.73

Change in Real Property Assessed Value Over Ten Year Period
10.2%

Compound Average Annual Growth Rate: 1%

Reassessment Years:
2016 & 2010

Assessed Value of Other Property

Fiscal Year	Personal Property	Machinery & Tools	Public Service
2020	$ 59,678,167	$ 2,813,507	$1,935,274,114
2019	56,830,130	2,255,765	1,892,813,173
2018	54,401,525	2,366,490	1,927,140,899
2017	53,527,229	2,876,946	1,937,479,967
2016	51,381,116	2,228,648	1,785,663,243
2015	50,593,919	2,246,971	1,807,206,155
2014	49,970,173	2,192,651	1,824,746,203
2013	50,293,488	1,733,938	1,783,632,381
2012	50,829,529	1,720,460	1,671,151,050
2011	49,490,806	2,023,995	1,554,628,083
2010	47,762,566	2,220,830	1,478,178,593

Compound Avg. Annual Growth Rate over 10 years:

Personal Prop:
+ 2.3%

Machinery & Tools:
+2.4%

Public Service:
+2.7%

GENERAL FUND HIGHLIGHTS

Surry Garden Club
At the Pavilion

General Fund Highlights

- **BALANCED BUDGET ALL FUNDS -$53,004,270**

  - **Proposed General Fund of $27,902,167including transfers to other funds of $16,428,247**

- Public Service Corporation taxes - $14,869,091; projecting a 95.1% Ratio and the impact of a 5 cents tax rate increase

- School Local Funding - $12,636,545; fully funds School request, to include salary increases of 5%, an increase of $293,560 or 2.4%.

- VPA Local Funding - **$475,000 – VPA Request was $622,539**

General Fund Highlights, Continued

- ❑ Restores contingency of $100,000 – consistent with prior years
- ❑ Health insurance premiums are decreasing by 1%

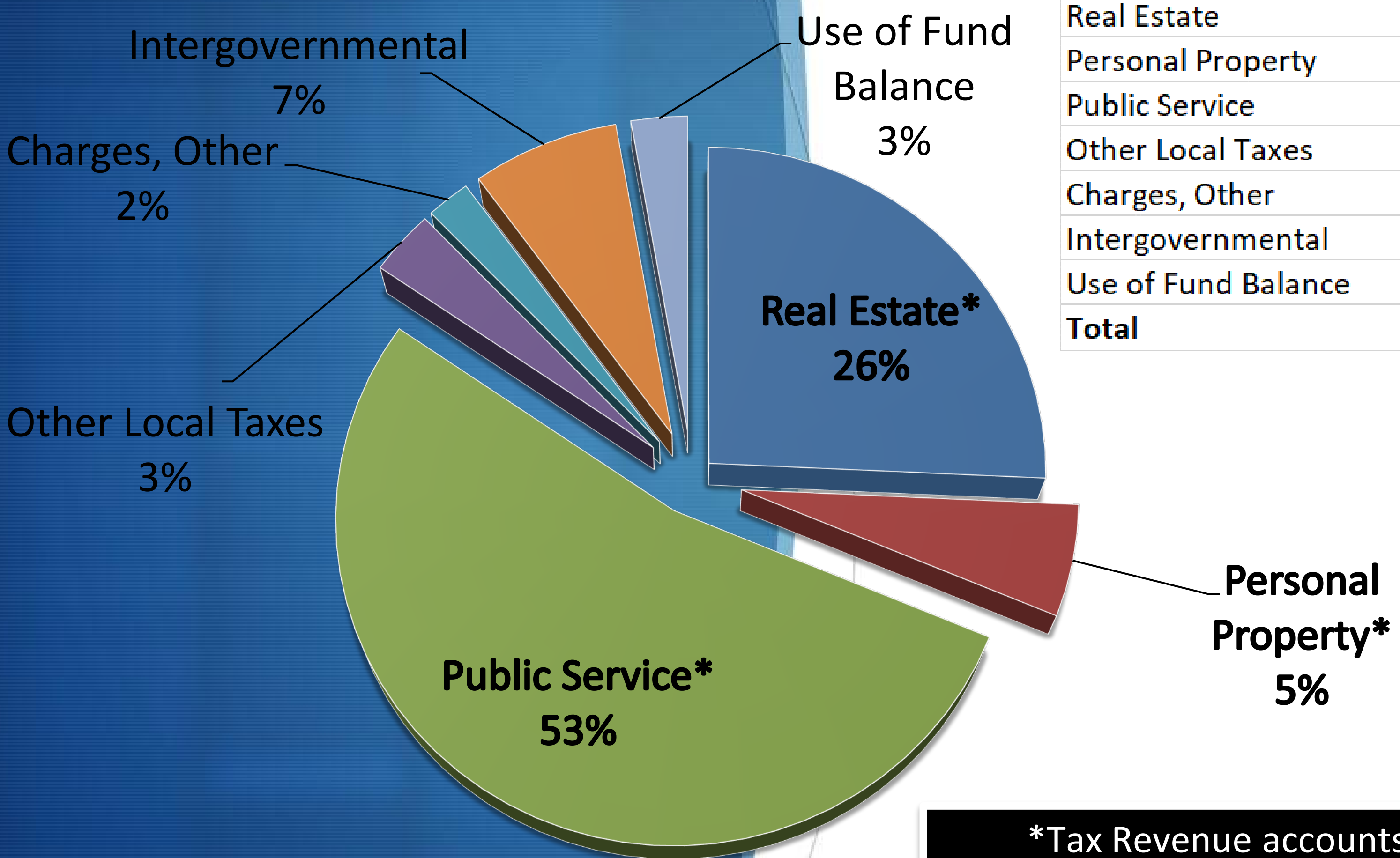
General Fund Highlights, Continued

- ❑ Recommended new positions:
  - ❑ HR Manager
  - ❑ Accounting Manager
  - ❑ Upgrade PT Assistant Registrar position to full time
  - ❑ Deputy City Manager (approved in FY21 but not funded)
  - ❑ Facilities/Property Manager (approved in FY21 but not funded)
- ❑ Overtime for Dispatchers - $27K
- ❑ Restored Positions that were unfunded to balance FY21 Budget:
  - ❑ Finance Director
  - ❑ ½ Year of Treasurer Clerk

General Fund Highlights, Continued

- Staff recommends changing from an annual to semi-annual due date schedule for real estate property taxes
- Due dates for the January 1 assessment would be June 5 and December 5
- Most surrounding localities have a semi-annual payment schedule
- This change would benefit taxpayers by making payments more budget friendly instead of requiring one large payment in December
- The change would create a one-time cash infusion of approximately $9-10M in June of the year of implementation
- This cash could be used to fund CIP projects and to create a fully funded revenue stabilization fund for Public Service Corporation taxes

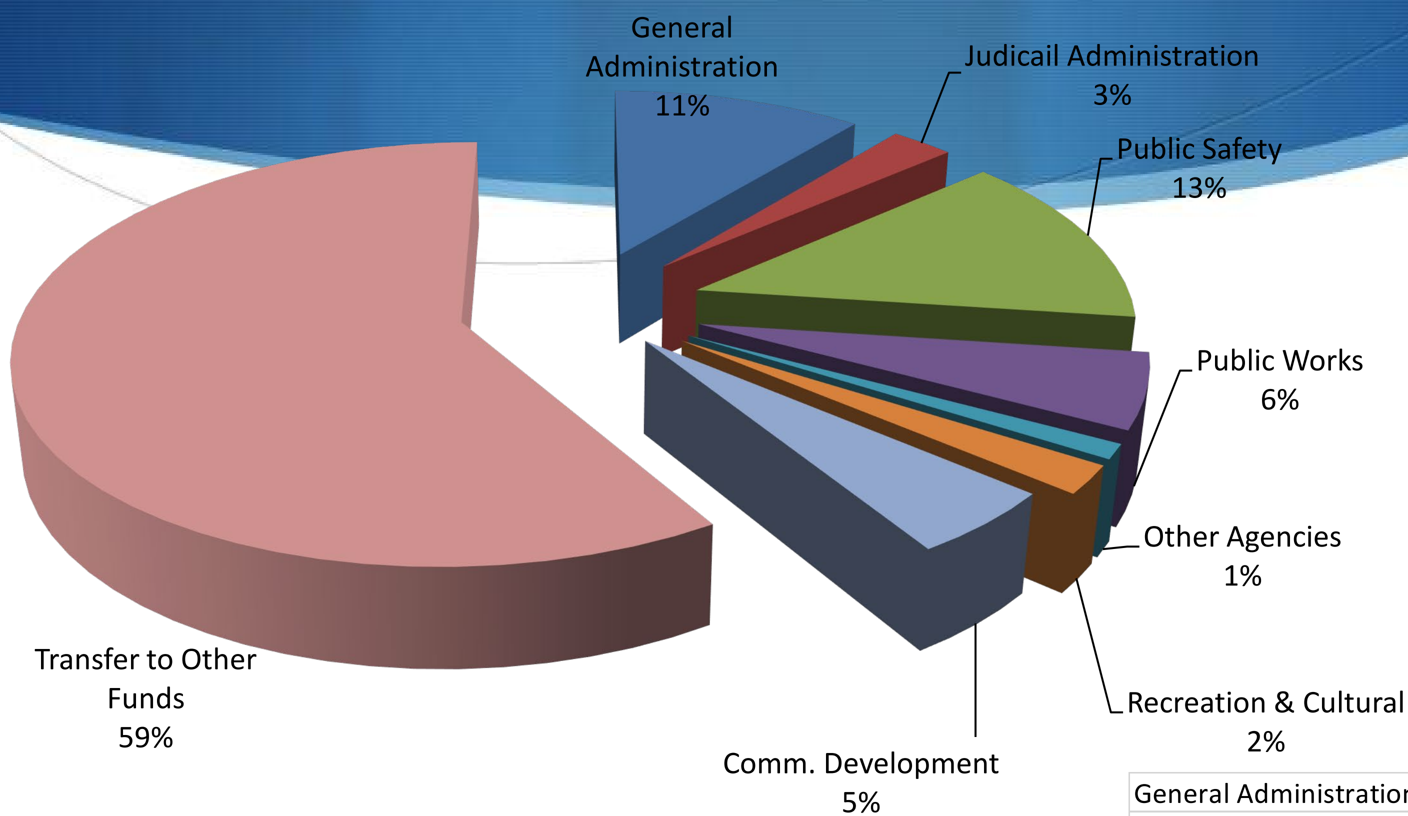
Revenue by Source



Real Estate	$	7,177,746
Personal Property		1,545,000
Public Service		14,869,091
Other Local Taxes		909,000
Charges, Other		604,136
Intergovernmental		2,023,341
Use of Fund Balance		773,853
Total	**$**	**27,902,167**

*Tax Revenue accounts for 87% of total revenue

Components of General Fund Expenditures



General Administration	$ 3,034,528
Judicial Administration	760,180
Public Safety	3,769,562
Public Works	1,607,527
Other Agencies	318,275
Recreation & Cultural	604,630
Comm. Development	1,379,218
Transfer to Other Funds	16,428,247
Total	**$ 27,902,167**

Budget net of transfers = $11.47 mil, of which XX% is personnel related costs

Proposed Local Revenues

Revenue Type	FY21 Adopted	FY22 Budget	$ Change	% Change
Property Taxes	$ 22,111,639	$ 23,691,837	$ 1,580,198	7.1%
Other Local Taxes	840,000	909,000	69,000	8.2%
Permits, Licenses	32,800	35,950	3,150	9.6%
Fines & Forfeitures	40,000	30,000	(10,000)	-25.0%
Use of $ & Property	187,626	82,626	(105,000)	-56.0%
Charges for Services	78,450	72,950	(5,500)	-7.0%
Misc. Revenue	278,810	281,610	2,800	1.0%
Recovered Costs	1,000	1,000	0	0.0%
Total Local Revenue	**$ 23,570,325**	**$ 25,104,973**	**$ 1,534,648**	**6.5%**

General Fund
Proposed Intergovernmental Revenues

Revenue Type	FY21 Adopted	FY22 Budget	$ Change	% Change
State:				
Non-Categorical Aid	$ 742,907	$ 742,107	$ (800)	-0.1%
Shared Expenses	1,008,751	1,085,716	76,965	7.6%
Categorical Aid	182,043	195,518	13,475	7.4%
Total State Revenue	$ 1,933,701	$ 2,023,341	$ 89,640	4.6%
Federal:				
Categorical Aid	$ 0	$ 0	$ 0	0%
Total State/Federal	$ 1,933,701	$ 2,023,341	$ 89,640	4.6%
Total Revenue*	**$ 25,504,026**	**$ 27,128,314**	**$ 1,624,288**	**6.4%**

*excludes use of reserves

Proposed Changes in Positions

New Full Time Positions Requested:

- ❑ HR Manager
- ❑ Accounting Manager
- ❑ Upgrade PT Assistant Registrar position to full time
- ❑ Deputy City Manager (approved in FY21 but not funded)
- ❑ Facilities/Property Manager (approved in FY21 but not funded)

Other Position Changes:

- ❑ Overtime for Dispatchers - $27K

Restore Positions that were unfunded to balance FY21 Budget:

- ❑ Finance Director
- ❑ ½ Year of Treasurer Clerk

General Fund, Proposed Expenditures

Function		FY21 Budget		FY22 Budget		$ Change	% Change
General Administration	$	1,836,156	$	3,034,528	$	1,198,372	65.3%
Judicial Administration		744,362		760,180		15,818	2.1%
Public Safety		3,706,873		3,769,562		62,689	1.7%
Public Works		1,589,392		1,607,527		18,135	1.1%
Other Agencies		317,589		318,275		686	0.2%
Recreation & Cultural		653,497		604,630		(48,867)	-7.5%
Comm. Development		1,392,161		1,379,218		(12,943)	-0.9%
Trans to Other Funds		18,129,012		16,428,247		(1,700,765)	-9.4%
General Fund Total	**$**	**28,369,042**	**$**	**27,902,167**	**$**	**(466,875)**	**-1.6%**

FY21 Proposed Expenditures, Other Funds

Fund Type/Name	FY21Budget	FY22 Budget	$ Change	% Change
General Fund (from slide 12)	**$ 28,369,042**	**$ 27,902,167**	**(466,875)**	**-1.6%**
Debt Service Fund 700	$ 2,123,391	$ 2,303,041	$ 179,650	8.5%
Special Revenue:				
VA Public Assistance Fund 201	1,825,501	1,959,572	134,071	7.3%
Comp Services Act Fund 204	453,677	617,928	182,251	41.8%
School Fund 205 (incl cafeteria 207)	16,487,802	17,494,904	1,007,102	6.1%
Indoor Pluming Rehab Fund 400	11,730	11,730	0	0.0%
Economic Development Fund 601	80,000	80,000	0	0.0%
Capital:				
Capital Fund 200	8,165,016	2,333,853	(5,831,163)	-71.4%
Enterprise:				
Utilities Fund 800	162,850	189,171	26,321	16.2%
Fiduciary:				
Special Welfare Fund 350	42,852	54,616	11,764	27.5%
Asset Forfeiture	25,000	25,000	0	0%
Agency on Aging Fund 390	$ 32,288	$ 32,288	$ 0	0%
TOTAL BUDGET	**$ 57,761,149**	**$ $53,004,270**	**$ (4,756,879)**	**-8.2%**

DEBT SERVICE HIGHLIGHTS

- Budget = $2,333,853
- County Debt Service - $2,042,778
- School Portion of Debt Service - $237,263
- Anticipated New Borrowing in 5 Year CIP = $7.15 million

Debt Service is in Compliance with County Policies:

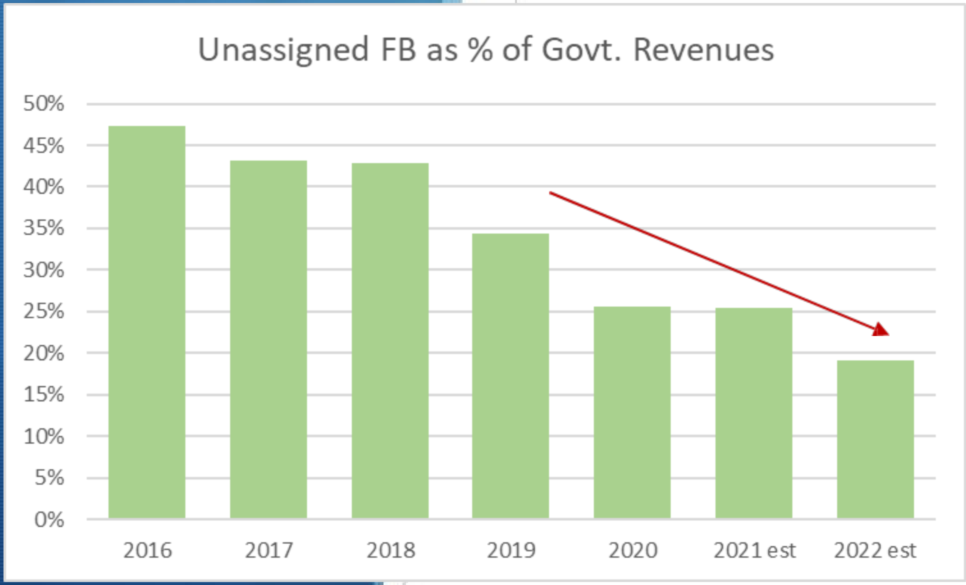
- Net bonded debt shall not exceed 3% of the assessed valuation of real and personal property.
- General fund debt service expenditures should not exceed 12% of annual general fund expenditures. The County should maintain a target of 10% for this ratio.

Budget Impact – Fund Balance

- Current fund balance policy requires a reserve of 25% of General Fund expenditures
- The County's financial advisor recommends including the School expenditures in the calculation, as is best practice
- With the addition of the School Budget (net of General Fund transfer), the 25% reserve equates to $8.1M
- Total fund balance will decline in FY21 due to planned uses in budget. Staff proposes limited use of fund balance in the FY22 budget - $774K – for reassessment/Board of Equalization costs and a very scaled back CIP program
- Projected unassigned fund balance at 6/20/22 - $6.1M

General Fund Unassigned Fund Balance

Fiscal Year	Unassigned Fund Balance	General Fund Revenues	School Operating Revenues	Transfer from GF to Schools	Governmental Revenues	UAFB vs. Govt'l Revenues
2016	$ 13,442,281	$ 25,157,033	$ 15,405,456	$ (12,144,442)	$ 28,418,047	47%
2017	12,813,118	25,978,656	15,522,598	(11,779,950)	29,721,304	43%
2018	12,783,307	26,485,252	16,088,178	(12,714,899)	29,858,531	43%
2019	10,494,377	27,088,000	15,593,344	(12,134,545)	30,546,799	34%
2020	7,881,289	27,687,128	15,157,489	(12,104,993)	30,739,624	26%
2021 est	7,800,000	27,000,000	15,974,802	(12,342,985)	30,631,817	25%
2022 est	6,100,000	27,128,314	16,981,556	(12,636,545)	31,473,325	19%



CAPITAL PROJECTS HIGHLIGHTS

Five Year CIP - $15.635 mil

Details can be found in the FY 22-26 Capital Improvement Plan Document

Funding Sources:

Grants

Grayland Property Tier 3 Costs	$ 200,000
	$ 200,000

New Debt:

New Financial Management System	$ 1,000,000
New fire apparatus	565,000
Mobile Communication System	**$ 1,565,000**

Fund Balance

Technology Improvements	$ 25,000
Grayland Property Tier 3 Costs	100,000
Vehicle Acquisition	104,877
Major Infrastructure Repair	160,476
Gov't Center Building Security	53,500
Upgrade E-911 Recording system	50,000
Community/Econ Dev. Improvements	75,000
	$ 568,853

TOTAL	**$ 2,333,853**

Capital Improvement Projects	FY 2022
GENERAL GOVT ADMINISTRATION	
New Financial Management System	$ 1,000,000
Technology Improvements	25,000
Grayland Property Tier 3 Costs	300,000
Total General Administration	**$ 1,325,000**
FACILITY MAINTENANCE	
Vehicle Acquisition	$ 104,877
Major Infrastructure Repair	160,476
Gov't Center Building Security	53,500
Total Public Works	**$ 318,853**
PUBLIC SAFETY	
Upgrade E-911 Recording system	$ 50,000
New fire apparatus	565,000
Total Public Safety	**$ 615,000**
COMMUNITY/ECON DEV IMPROVEMENTS	
Community/Econ Dev. Improvements	**$ 75,000**
Total Community/Econ Dev Improvements	**$ 75,000**
TOTAL ALL PROJECTS	**$ 2,333,853**

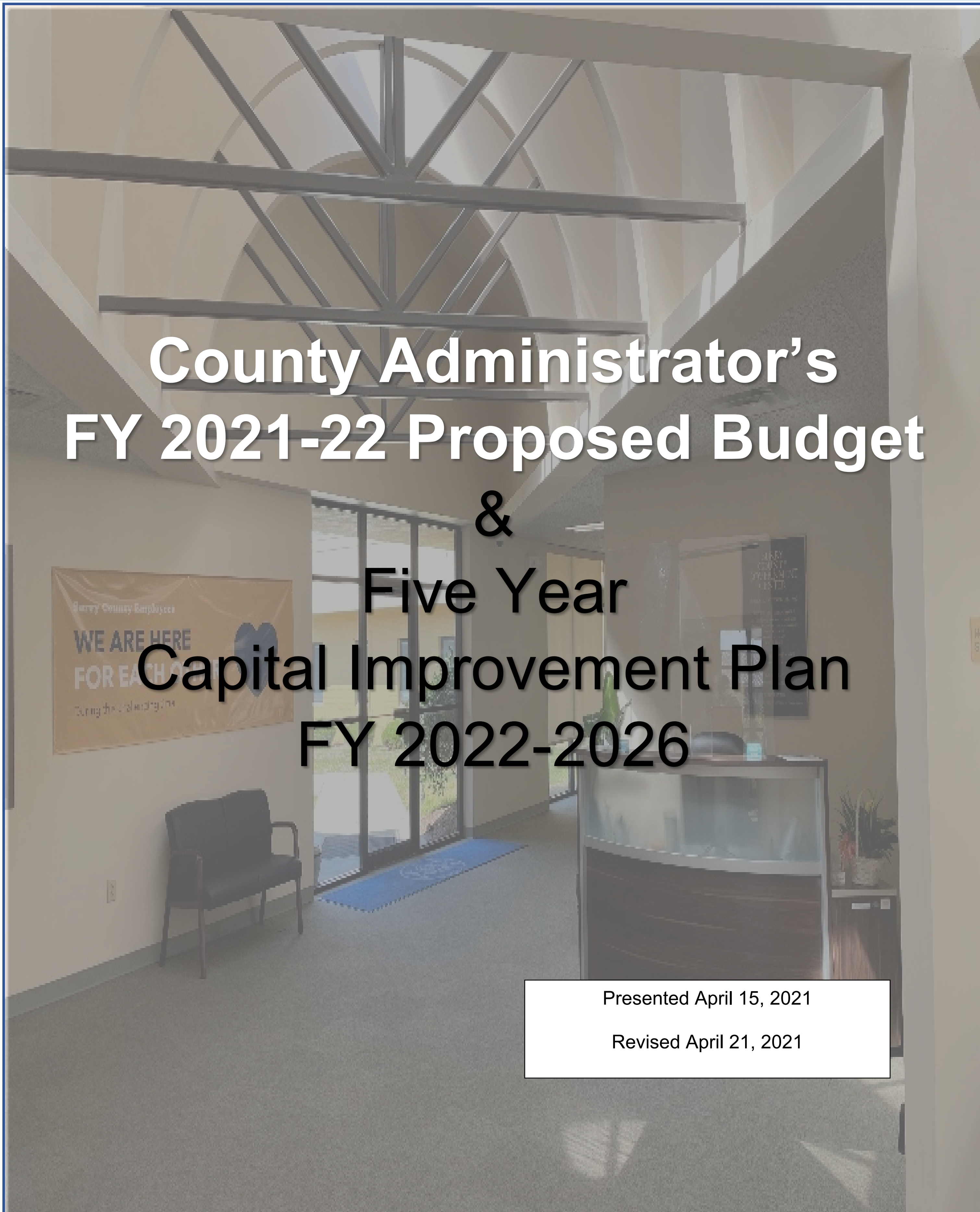
Board Feedback

- Advertise the proposed budget at a tax rate increase of $0.76 (5 cents increase).
- Reconvene a work session to further deliberate the budget at the Board’s discretion

Next Steps

Date Subject to Change	Day	Action Item
April 15, 2021	Thursday	• 6:00 P.M. - Budget Work session #2 with the Board ofSupervisors • County Administrator Presents FY 21-22 Proposed Budget to the Board of Supervisors
April 16, 2021	Friday	• Release Advertisement for Public Hearing to the Local Paper
April 21, 2021	Wednesday	• FY 21-22 Proposed Budget is Published in the Local Paper
May 6, 2021	Thursday	• Regular Board of Supervisors Meeting • Board of Supervisors Conducts Public Hearing on the FY 21-22 Proposed Budget
May 11, 2021[1]	Tuesday	• 6:00 P.M. – Budget Work Session #3 with the Board ofSupervisors (if needed)
May 13, 2021	Thursday	• 7:00 P.M. Board of Supervisors considers action on FY 21-22 Budget, sets tax rates and adopts Budget Resolutions

(1) Tentative



County Administrator's FY 2021-22 Proposed Budget

&

Five Year Capital Improvement Plan FY 2022-2026

Presented April 15, 2021

Revised April 21, 2021

Surry County Board of Supervisors

Robert L. Elliott, Chairman, Claremont District

Michael Drewry, Vice-Chair, Dendron District

Judy S. Lyttle, Bacon's Castle District

Ronald Howell, Carsley District

William T. Calhoun, Surry District

County Administrator

Melissa D. Rollins

Deputy County Administrator

David A. Harrison

Form of Government

Surry County (County) operates under the traditional, or County Administrator, form of government (as defined under Virginia Law). The Board of Supervisors (Board) is a five-member body, elected by the voters of the Electoral District in which they live. The Chairman and Vice Chairman of the Board are elected annually by its members. Each member serves a four-year term. This body enacts ordinances, appropriates funds, sets tax rates, establishes policies and generally oversees the operation of the County government. The County Administrator is appointed by, and serves at the pleasure of, the Board of Supervisors. As the Chief Executive Officer of the County, he or she is responsible for developing an annual budget and carrying out policies and laws which are reviewed and approved by the Board. The County Administrator directs business and administrative policies and recommends to the Board those methods, procedures, and policies which will properly govern the County.

Department Directors & Supervisors

Carol Swindell
Interim Finance Director

David Harrison
Planning & Community Development

Panayiotis Jabri
Economic Development

Delon Brown
Information Technology & Support Services

Ray Phelps
Chief of Emergency Management

Stanley Jones, III
Parks & Recreation

LaJuene Stone
Dept. of Youth & Family Resources

Stacey Williams
Project/Facility Manager

Hermione Slade
Solid Waste & Recycling

LaSonya White
VCE Unit Coordinator

Constitutional Officers and State Officials

Carlos Turner, Sheriff
Jonathan Judkins, Commissioner of the Revenue
Onike Ruffin, Treasurer
Gail Clayton, Clerk, Surry Circuit Court
Sharna' White, Registrar
Janeen Jackson, District Court Clerk

School System & Social Services

Dr. Serbrenia Simms, Division Superintendent
Valerie Pierce, Director of Surry Social Services

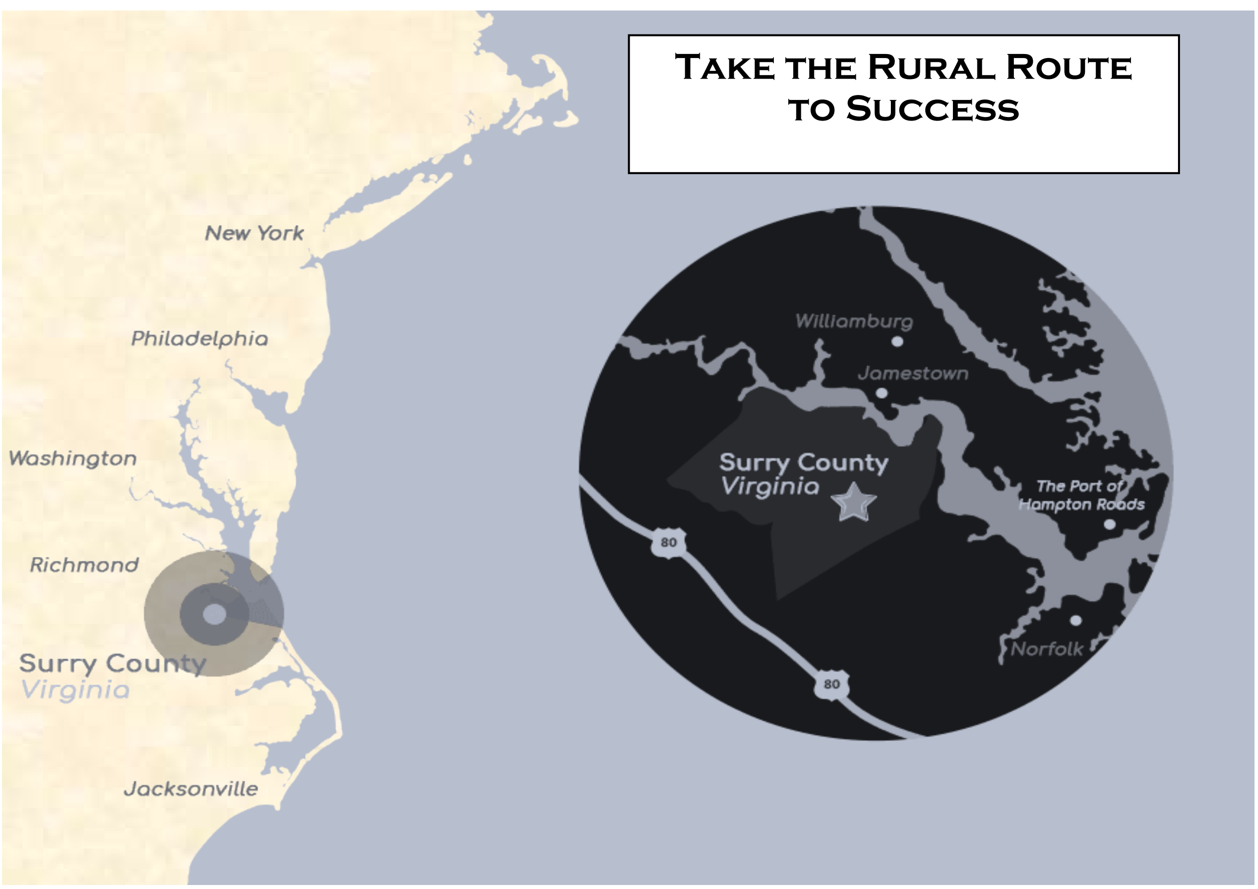
ABOUT SURRY COUNTY

Surry County is a 306-square-mile county located on the James River in southeastern Virginia, with unique location attributes that position it well for energy production, including an existing nuclear facility, and for manufacturing, especially agriculture products such as wood pellets. The county's workforce comes from the Hampton Roads and Richmond MSA to the East and West and from Williamsburg just a ferry ride North. Besides serving as an energy, agriculture and production hub, Surry is popular for residents seeking unique waterfront housing and small town and rural communities.

Surry County is known for its strong economic development potential, passion for the community and rural charm. Nationwide we are known for historical landmarks like Bacon's Castle, Chippokes State Park and nearby Jamestown and Williamsburg. The waterfront location affords access to multiple natural refuges and parks and boat recreation on the river and the newly renovated Grays Creek Marina offers stunning views and access to the onsite Surry Seafood Company, boating, fishing and kayaking. A growing winery location, the county also produces large hauls of peanuts, cotton and soybeans each year for the state.

Known for its passion for community and strong economic development growth potential, Surry's strategic position in the Hampton Roads Region is well-suited for business opportunity.

- Direct access to the James River
- 25 miles to Newport News-Williamsburg International Airport
- 50 Miles from Richmond
- 40 Miles from Norfolk
- Close proximity to the Port of Virginia, international airports, railroads and major highways



Public Hearings and Work Sessions Schedule

The Board of Supervisors of Surry County invites comments on the Proposed Budget for the fiscal year ending June 30, 2022. The Public Hearing is tentatively scheduled for May 13, 2021.

April 15, 2021	Thursday	• Regular Board of Supervisors Meeting • County Administrator Presents FY 21-22 Proposed Budget to the Board of Supervisors
April 22, 2021(1)	Thursday	• 6:00 P.M. - Budget Work session #1 with the Board of Supervisors
April 23, 2021	Friday	• Release Advertisement for Public Hearing to the Local Paper
April 28, 2021	Wednesday	• FY 20-21 Proposed Budget is Published in the Local Paper
May 6, 2021	Thursday	• Regular Board of Supervisors Meeting • Board of Supervisors Conducts Public Hearing on the FY 21-22 Proposed Budget
May 13, 2021	Thursday	• 7:00 P.M. Board of Supervisors considers action on FY 21-22 Budget, sets tax rates and adopts Budget Resolutions

(1) tentative

- Written comments may be emailed to the Office of the County Administrator: **comments@surrycountyva.gov**. Budget information will be available on the County's website at www.surrycountyva.gov

- After the reopening of County facilities to the public, copies of the Proposed Budget will be available at the County Administrator's Office – Government Center located at 45 School Street, Surry, VA and at the Blackwater Regional Library.

Stay Engaged with the County!

VISIT US ON THE WEB! https://www.surrycountyva.gov/

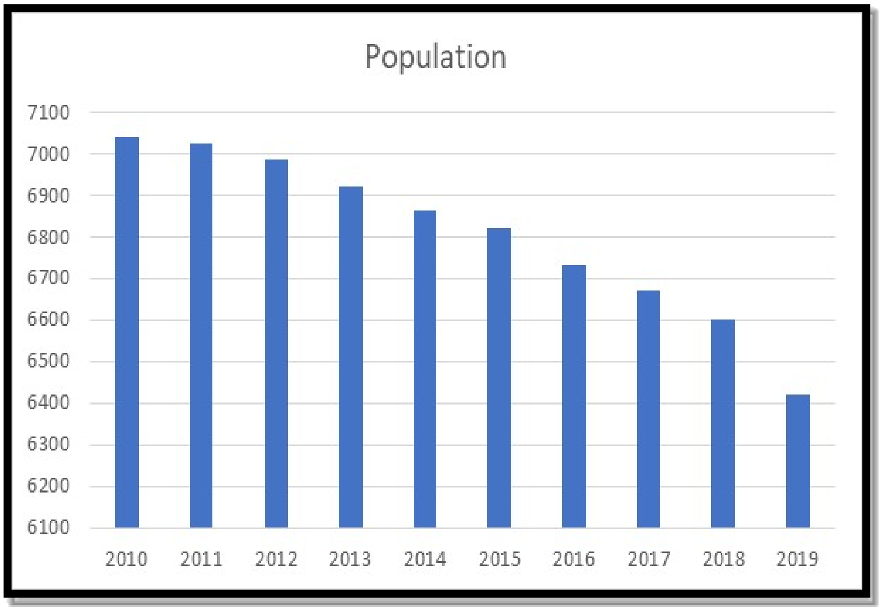
LIKE US ON FACEBOOK!

https://www.facebook.com/surrycounty/

SURRY COUNTY

Budget in Brief

The budget document is being further developed to include revenue and expenditure summaries, departmental discussions CIP, and supplemental documents. The power point presentation and the accompanied narrative is a component to the document.



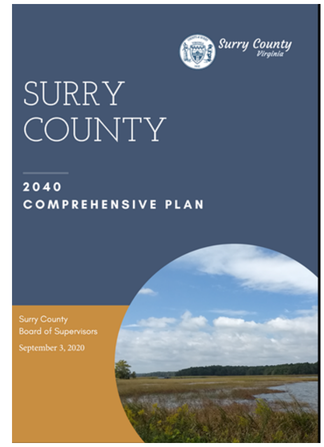
Surry County is home to approximately 6,523 people as of a U.S. Census American Community Survey conducted in July 2019. This is a 9.3% decrease from the 2010 U.S. Census.

The approximate 2019 median age in the County is 49.8 years old. The population is becoming older, on average, as it is all over the country due to the aging of the post-war baby boom generation born between 1946 and 1964. Surry's 2010 median age was 43.5.

Location

Surry is part of the vibrant and growing Hampton Roads region of more than 1.7 million people. The region is recognized as one of the largest Metropolitan Statistical Areas in the U.S. It includes cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg, and along with Surry, includes the counties of Isle of Wight, James City, Southampton and York. Centrally located on the east coast, Surry is within an hour's drive to over a million residents and a day's drive to nearly half of the U.S. population.

Comprehensive Plan 2020- Opportunity for Growth



The Surry County Comprehensive Plan serves as a guide to landowners, developers, businesses, citizens and County officials about future land use and other community development decisions.

The themes of the 2020 Adopted Comprehensive Plan are consistent with the strategic initiatives of the Board of Supervisors.

- <u>Preserve Surry's Character</u>
- <u>Grow Surry's Economy</u>
- <u>Enhance Quality of Life for All Residents</u>

Strategic Priorities

The Board of Supervisors responsibilities remain unchanged: *"…. strive to maintain a strong commitment towards efficiency and effectiveness in County government and positively impact the public safety, health, education & welfare of the citizens of Surry through effective leadership and fiscal integrity. The Board will encourage the orderly growth and development of the community to enhance the quality of life for the citizens of Surry County".*

The Strategic Action agenda set in 2020 establishes the framework for goal setting in the five core areas:

- **COMMUNITY (DEVELOPMENT, ENGAGEMENT, OPPORTUNITY)**
- **ECONOMIC DEVELOPMENT (BUSINESS RETENTION & EXPANSION, HEALTH & WELLNESS, WORKFORCE & TOURISM PROMOTION)**
- **EDUCATION (RENEWED RELATIONSHIPS, COLLABORATION AND SHARED ACCOUNTABILITY**
- **FISCAL RESPONSIBILITY (ACCOUNTABILITY AND TRANSPARENCY, FISCAL POLICIES)**
- **TRANSPORTATION (OPPORTUNITY THAT EXIST**

Community - Surry County's unique historic assets, natural environment, rural charm, strong family roots, homegrown hospitality, sense of serenity and security and attractive landscape will be preserved while considering growth opportunities including revitalization of main corridors and other beatification efforts. Community engagement initiatives and activities will be broadened to keep an informed, engaged and participatory citizenry; recognizing the population trends, the county will work through the comprehensive plan to develop key strategies to help reverse adverse trends, fill community business gaps and identify programs and services for the aging population.

Economic Development – The County will identify areas in the County "ripe" for development and continue to identify ways to capitalize on the County's agri-tourism and niche/specialized farming industries. The County will lead in building regional, state and national partners in identifying business and growth opportunities suitable and or unique to Surry County; business growth will afford opportunities to work with existing and new corporate partners to enhance workforce opportunities. Broadband implementation will continue to be supported as the cornerstone of educational, quality of life, business growth, and overall quality of life improvement. Health and wellness will be an integral component of enhancing the economic and social well-being of the entire County.

Education – Continue to recognize and engage with the School System as a vital partner in the vision and goal setting of the County (i.e. shared accountability). Develop means to highlight the successes and achievements of the School Division county-wide and to brand the "educational system" as a desire to locate, work and do business in Surry County. Support and collaborate on joint facility planning and educational opportunities such as technical programs and internships aimed to prepare students for an advanced and competitive workforce.

Fiscal Responsibility – Continue to balance quality of government services with fiscal responsibility; solidify tax dollars with services needed and desired for a wholesome quality of life and delivery of quality services. Continue to develop transparent communication tools on fiscal matters. Continue practices that ensure strong financial management.

Transportation –Identify the potential opportunities of the proximity of Route 10, 31 and Route 40 in Surry County to major thoroughfares and expanded highways as Interstates 95, 64 and Route 460 and to waterways, rail and the Ports of Virginia and Richmond. Collaborate with VDOT and state legislators on potential for expansion of route 10, the County's major highway; begin dialogue on transportation needs in the county over the next 10-20 years (i.e. bridge); seek development opportunities as a result of main infrastructure that has been installed along Route 31. Create a bicycle/pedestrian plan to provide a safe route and alternative transportation nodes to connect the Town of Surry to various activity centers such as the James-Town Scotland Ferry.

Dialogue from the Board of Supervisors and county leadership after the 2020 retreat helped set the framework for a newly defined mission statement for the County.

Mission Statement 2020

We will exemplify and work with citizens to achieve *unity in the community.*

This is essential to maintaining a strong commitment towards efficiency and effectiveness in how we operate and to positively impacting the public safety, health & wellness, education, and overall quality of life of informed, engaged and participatory citizens and stakeholders of Surry County.

Budget Overview

Budget Amendment Process

The budget may be amended in one of two ways. If the amendment would change total revenues, then the governing body must formally approve the transfer of funds from one appropriation group to another. The recommendation going forth is that this will be done via an appropriation resolution. In certain instances, as outlined in the State Code, a public hearing may be required before the governing body can take action.

The County Administrator is authorized to transfer funds between departments within an appropriation group or between budget line items within a particular department throughout the year to manage operations. The County Administrator is authorized to apply for an accept grants requiring a local match up to $5,000.

Budget Organization

The General Fund of the County is divided into functional areas, General Administration, Judicial Administration, Public Safety, Community Development, Parks, Recreation & Cultural, Education, Health & Welfare and Public Works. Each department within a functional area has its own budget; for example: Sheriff & Emergency Medical Services (EMS) are within the functional area of Public Safety. The budget format presents expenditures by functional area and departments within a specific function.

Structure of County Funds

General Fund

- General Administration
- Judicial Administration
- Public Safety
- Community Development
- Parks, Recreation & Cultural
- Education, Health & Welfare
- Public Works
- Debt Services

Other Governmental Funds

- Social Services
    - Special Welfare
    - Crater Area Agency on Aging
- Comprehensive Services
- Indoor Plumbing & Rehabilitation
- Economic Development
- Water & Sewer (Utilities Fund)

Capital Projects Fund

- General Administration
- Facilities
- Education
- Public Safety
- Parks & Recreation

Explanation of Governmental and Other Funds

- General Fund - The general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund due to legal, contractual, statutory or financial management requirements. It is funded through taxes and other revenue sources.
- Special Revenue Funds - Used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- Capital Projects Fund - Used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary funds).
- Debt Service Fund - Used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.
- Economic Development Fund –Money in the Fund reflects a transfer in 2016 to dedicate financial resources toward economic development. Planned uses of the fund could include, but are limited to business incentives, professional services, property acquisition, etc.
- Comprehensive Services Act Fund (CSA) The CSA Fund is used to account for the revenues and expenditures related to services provided to at-risk youth and families. Revenue is derived from the state and local funding. CSA services are administered by the Family Assessment and Planning Team (FAPT) who works directly with you and families to refer cases to the Community Policy and Management Team (CPMT) for approval. The fund mandates a local share for CSA expenditures.
- Special Welfare/Agency on Aging – A part of the VPA fund used to account for activities associated with specific groups as senior population; special revenue funds are used where legal or contractual requirements restrict the use of resources to specific purposes.
- VPA Fund – Virginia Public Assistance Fund (VPA) supports the activities of administration of the health and welfare services in the County. Services are provided to the needy individuals and their families. It is supported with federal, state and local funds.
- Indoor Plumbing Rehabilitation (IPR - Special Revenue Fund)- The Department of Housing and Community Development (DHCD) program with the County to provide 0% forgivable loans to eligible participants for the installation of indoor plumbing to owners of substandard housing where indoor plumbing is non-existent or where the existing plumbing has failed ended in 2016. The IPR Fund reflects program income received from prior recipients to continue projects until Funds are depleted.
- Water & Sewer – used to account for activities specific to maintenance of the County's water system and sewer collection activities. It is considered an Enterprise Fund where operations are supported by user charges financed and operated similar to a private business. The Fund should be self-supporting.
- School & Cafeteria Fund – the component unit School Board as identified in the County's CAFR as a unit of the primary government; it is defined by having a fiscal dependence on the primary government. It supports activities association with Education of K-12 students; the cafeteria fund supports the operations of the food service programs.

Monetary transfers are made from the general fund to the following funds: Capital Projects, Virginia Public Assistance, School and Cafeteria, Comprehensive Services, Economic Development, Debt Service and the Water & Sewer/Utilities Fund.

The County Administrator sets the stage to the departments at the beginning of the budget cycle the tone and the focus of the overall budget. This information is based on guidance from the Board of Supervisors.

Operational initiatives are provided by each department and are presented on each department's budget page. Also included in the departmental sections are the key performance measures.

The budget is monitored through the monthly financial management reports. These reports indicate actual financial results compared to budget. These reports are reviewed by the user departments, Finance, and County Administration.

Budgetary control is maintained on a line-item basis. Purchases of goods and services are generally accomplished by the use of a formal purchase order. Funds are encumbered based on purchase orders to best ensure funds are reflect as obligated and are not available to be spent.

Operating and Capital Budgets

The Operating Budget includes expenditures that are generally of a recurring nature and are appropriated for one year only. It provides for the provision of all County services but does not result in major physical assets for the county. Year-to-year changes in the Operating Budget are expected to be fairly stable and represent incremental changes in the cost of doing business, the size of the County and the types and level of service that are provided. Resources for the Operating Budget generally come from taxes, user fees, and intergovernmental payments that typically recur from year to year.

The Capital Budget on the other hand, includes one-time costs for projects that may last several years. The projects result in major physical assets in the county and may include projects associated with public safety, general government administration, parks and recreation, public works and education. Wide fluctuations are expected in the Capital Budget from year to year depending on the phasing of projects. Resources for the Capital Budget generally come from bond sales, grants, other one-time sources and transfers from the Operating Budget to support capital projects. Capital projects may produce ongoing operating costs and such is reflected in the operating budget of the perspective department. (Example: a new building will require electricity and such costs will be in the Maintenance Dept. operating budget).

Fiscal Policies

A fiscally efficient government is one of the strategic goals of the Board of Supervisors. Financial policies provide a framework for the County's departments to make sound financial decisions, promote fiscal transparency, and to ensure compliance with prevailing local, state and federal laws and regulations.

While the County's current policies require a refresh and formal adoption by the Board of Supervisors, the below standards are recognized as effective financial practices.

- The County will establish and maintain an internal control structure and accounting practices to ensure compliance with Generally Accepted Accounting Principles (GAAP).
- An independent firm of certified public accountants will perform an annual financial and compliance audit according to generally accepted auditing standards in the United States of America; Government Auditing Standards issued by the Comptroller General of the United States; Specifications for Audit of Counties, Cities and Towns issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the Uniform Guidance. The financial statements and the results of the audit will be presented annually to the Board of Supervisors.
- The County will annually seek the GFOA's Certificate of Achievement for Excellence in Financial Reporting.
- The County Administrator will propose a balanced and a five-year Capital Improvements Program that are linked to the County's Strategic Plan and Comprehensive Plan. The Board of Supervisors shall adopt the first year of the Capital Improvement Plan as the Capital Improvement Budget.
- The CIP will include both school, general government, and utility capital needs; it will provide a description and estimated cost for each project.

- A diversified revenue system, inclusive of state and federal funds as well as user fees for services that support specific programs.

- Financing recurring expenses from recurring revenue sources and not rely on non-recurring revenue to fund on-going, operating expenditures.

- The County shall maintain a budgeting control system to monitor actual-to-budget performance, and shall take immediate corrective action if revenue and expenditure estimates project a year-end operating deficit.

- At least quarterly, the County will publicly publish financial information including budget to actual performance. A monthly report has been provided.

Debt Management

In consultation with the County's financial advisor, financing for the County's five-year Capital Improvements Program shall:

- Consider a five-year forecast of revenues and expenditures.
- Include an evaluation of pay-as-you-go projects and debt financing.
- Avoid financing if the term of the indebtedness exceeds the expected useful life of the project.
- When feasible, bundle capital projects to limit the number of borrowings as well as to reduce the costs of issuance by achieving greater economies of scale.

The County shall maintain the following standards regarding debt:

- Net bonded debt shall not exceed 3% of the assessed valuation of real and personal property.
- General fund debt service expenditures should not exceed 12% of annual general fund expenditures. The County should maintain a target of 10% for this ratio.

Fund Balance (Reserves) – The county shall maintain a fund balance position that meets the County's needs and challenges and mitigate current and future.

- The County shall maintain a General Fund Unassigned Fund Balance at the end of the fiscal year in an amount no less than 25% of annual general fund revenues, not including transfers.

- Monies in excess of 25% may be considered to supplement pay as you go capital outlay or remain in the undersigned fund balance to be used for other purposes as authorized by the Board of Supervisors.

- The County should not use fund balance to finance current operations as it is not sustainable.

- The use of the General Fund's Unassigned Fund Balance may be necessary from time to time to meet unexpected events including, but not limited to: catastrophic (emergency funds in the event of natural or man- made disasters); financial opportunity (to enhance the well-being of Surry County; Following any use of fund balance that draws the balance below the minimum funding level, the Board of Supervisors will adopt and timeline to replenish the balance to its minimum funding level of 25%.

Cash and Investments

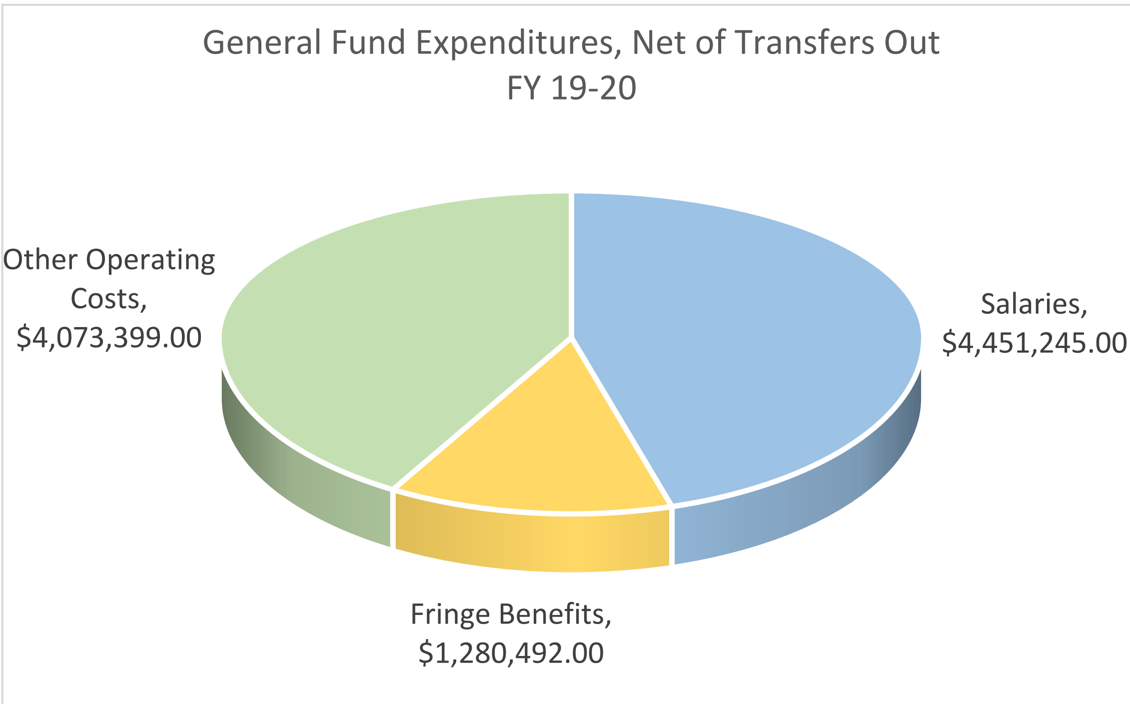
- The County shall follow the Cash and Investment Policies established by the Treasurer, a Constitutional Officer of the Commonwealth of Virginia. Such policies shall be reviewed and updated annually, and be in accordance with all applicable laws and regulations.

- The Treasurer will provide the Board of Supervisors, at least monthly, with a report of investments held by the County.

Expenditure Composition of the General Fund
Where is the Money Spent

Transparency

FY 19-20 actual expenditures of the General Fund were $9,9805,166, not including transfers to other funds. To get a better understanding of where general fund dollars are spent, a review of actual expenditures for FY 19-20 is shown below. As with most governments, personnel cost represents most general government expenditures.



Advertising	**$39,277**	**Cost for legal ads**
Agency Contributions (Except Fire & Rescue)	$474,175	Agency Breakdown Provided in Budget Document; includes all contributions except fire and rescue
Auditing	$50,890	Auditing services and cost to produce financial reports
Boards and commissions	$6,365	Compensation to Various Boards and Commissions appointed by the Board
Building Repairs	$2242,486	Repairs to several government buildings; this amount will fluctuate; breakdown of buildings and facilities maintained by the County is included in the budget document
Communications	$129,115	Verizon telephone, monthly fees for mobile devices including IPADs, internet services
Contractual Services	$629,922	Interim administrator services, comprehensive plan consultant, maintenance service contractors, emergency services contracts

		(instant alert, generator maintenance, EMS radio maintenance county-wide including fire and rescue agencies, utility marking services
Contributions to Public Safety Volunteer Agencies	$476,405	Quarterly contributions to the volunteer fire and rescue squad; the rescue squad is paid 7% of the monthly fees collected from ambulatory billing services as administrative costs
Convention & Education	$50,116	Cost to attend trainings to include travel, mileage, meals, conference registration; some revenue recovery is associated with this expense
Detention/Prisoner Care	$281,569	The cost for prisoner care in Riverside Regional Jail ($184,892), Crater Youth Detention for the youth population ($44,754) and Riverside Criminal Justice Agency
Electricity Services	$150,305	The cost for Dominion and PGEC electrical services for all County Buildings
Fuels	$102,304	Vehicle fuel for all County fleet vehicles and marina fuel
Indexing/microfilming	$16,777	The annual cost for microfilming and indexing circuit court records
Legal Fees	$90,927	Cost paid to the County attorney for legal fees
Maintenance Contracts	$246,367	Information technology ($97,000) associated with county copiers, printers, financial software system, municode, postage meters, phone system maintenance
Mileage	$4,802	Reimbursement for use of personal vehicles during business travel
Motor Vehicle Insurance	$33,896	Motor vehicle insurance (VA Association of County Pooled Insurance Program)
Office Supplies & Equipment	$78,826	Office supplies and equipment for all departments
Paid Rescue Squad Services	$447,568	Contract service cost to provide 24/7 paid rescue services; fee recovery for FY 19=$193,000) or 43%
Parks Special Activities	$11,600	Cost for special annual activities as fireworks and Pow Pow
Professional Services	$278,799	Interim Finance Services from vacant salaries, election officers, salary study fee, county administrator search fee, parks and rec sports officials; the majority of the cost is for sanitation landfill monitoring and remediation services; this line item will fluctuate
Property Insurance	$43,002	Property insurance for all county buildings (VA Association of Counties Pooled Insurance Program)
Rent for Office Space	$12,552	Rent paid to the Commonwealth Attorney for use of space and to the Victim Witness Program; a small portion ($300) is for facility rental used during elections
Uniforms	$17,240	Cost associated for uniforms (Sheriff, Public Works, EMS and Animal Control)
Veterinary services	$13,352	Cost for medical services for the care of animals

Waste Disposal at Landfill	$111,616	Cost for disposal of waste at the landfill; the county pays the tipping fees
Water & Sewer	$12,532	Paid to the Town of Surry for water utilities
Other Operating Expenses	$192,883	Other expenses not identified above
Total Primary General Operating Expenditures	**$3,775,594**	**TOTAL AMOUNT SPENT FOR OPERATING THE GENERAL FUND EXCLUDING PERSONNEL IN FY 18-19**

SECTION A

BUDGET MESSAGE & FINANCIAL SUMMARIES

Board of Supervisors

Robert Elliott, Chair
Michael A. Drewry, Vice-Chair
Timothy Calhoun
Judy S. Lyttle
Ronald Howell, Jr.

"The Countrie it selfe, I must confesse is a very pleasant land, rich in commodities; and fertile in soyle..."
Samuel Argall, ca. 1609

Melissa D. Rollins
County Administrator

April 15, 2021

Dear Members of the Board of Supervisors:

I respectfully submit for your consideration, the Proposed Budget for Fiscal Year 2021-2022. The intent of the budget message is to describe the important features of the budget and communicate any major changes for the current year in financial policies, expenditures, and revenues together with the reasons for such changes. It also includes information on debt services, capital improvement projects and other information that will assist the Board in understanding the budget as a whole.

Since the beginning of the COVID-19 Pandemic, the County like other local governments have been working to prevent the spread COVID by educating citizens, encouraging social distancing, following state guidelines, implementing operational changes, and managing the Coronavirus Aid, Relief and Economic Security (CARES) Act and other relief funding. Under the circumstances of Pandemic last March, the FY 2021 Budget was revised and reduced by $814,000, no changes were made to tax rates, positions remained unfilled and no salary increases were made. As this year's budget submittal is being developed, I can't help but to reflect on what the County has gone through during this global Pandemic and even through the vast operational changes and challenges associated with providing services to the public along with administration of the vaccine to citizens, the County has demonstrated its resilience and resolve.

Government officials at every level are concerned about the financial impact this Pandemic has had on the operations of the public sector. In Surry County, we did not experience a dramatic decrease in revenue, but have been impacted in a couple areas: (1) our ability to raise revenue through investment of excess funds has been greatly diminished due to the reduction in interest rates, and (2) revenues immediately impacted by the Pandemic were certain departmental charges for service simply because the County could not offer the services, an obvious example parks and recreation fees. However, the expense associated with providing the programs did not occur. On the School side, we were challenged with providing the technology provisions mandated as a result of having to create a 100% virtual learning environment and more.

Budget Considerations and Challenges:

At the local level, we remain concerned about the loss of revenue from public service corporation tax revenue, the County's major revenue source. This, coupled with the downshifting of costs from the State in the form of mandates, remains at the forefront of annual budget discussions. This year, the proposed budget is based on a significant reduction in the amount of public service corporation taxes anticipated in FY 21-22.

The proposed budget maintains the current level of services includes a proposed tax rate increase of $0.05 from $0.71 cents per $100 of assessed value to $0.76 cents. The additional revenue from the increase is $1,435,976 ($978,230 from public service corporations and $457,746 from real estate paid by property owners). The County's real estate tax rate has remained level at 71 cents since 2016, when it was reduced from the prior amount of 73 cents because of the reassessment. Since that time, revenue increases have been modest while the cost of maintaining existing service levels to the community has steadily risen. County department budgets have remained mostly level except for benefit cost increases.

The proposed FY 2021-2022 Annual Operating Budget and the FY 2022-2026 CIP were developed to advance the Board of Supervisor's strategic vision of enhancing the quality of life for the citizens for Surry. Key management considerations in the formulation of the budget were:

- Providing adequate compensation for County and School staff;
- Providing adequate staffing resources to deliver services effectively; and
- Responsibly and sustainably funding County obligations.

Balancing the Budget: Budget Development, Challenges & Opportunities

The FY2021-22 Budget was developed with revenue constraints. The County's sales assessment ratio declined to 95.1%, which reduced Public Service Corporation taxes by over $710,000 from what they would have been if the ratio were 100%. This shortfall is equivalent to 2.5 cents on the tax rate. Public Service Corporation taxes account for 59% of total local revenue. Growth in other revenue sources was minimal and as a result, the overall local revenue growth was just $98,673 or 0.4%. State revenue increased by $89,640 or 4.6%, largely due to funding from the State Compensation Board to support the cost of salary increases for Constitutional Officers and their staff.

On the expenditure side, funding is included to provide a 5% salary increase for County and School staff, consistent with State guidance. The School system made reductions in their costs to offset a portion of the salary increase, and the net increase in School funding from the County is $293,560. The cost to provide the 5% salary increase for County staff and Constitutional officers is $306,795. Neither County nor School staff received a raise in FY2020-21, and it's important that Surry remain competitive in order to attract and retain qualified personnel.

This budget provides for additional positions and restores previously unfunded positions in order to effectively provide services to the community. Funding is also included for overtime costs associated with the County's E-911 service, which is challenging to staff and tends to have high turnover. The cost of these position related changes is $580,572.

The FY2020-21 Budget included cuts to operating budgets throughout the County, as well as reductions in or elimination of support for outside agencies. We take the opportunity to look internally to determine where cost can be cut or eliminated each year. Citing two examples: we eliminated a $35,000 contact for a consultant to mark our utilities infrastructure and will be looking to codes compliance for this service; we were able to decrease our experience modification for worker's compensation premiums reducing cost by nearly $30,000 for FY 21-22. With few exceptions these cuts remain in place for FY2021-22.

The County issued bonds in FY2020-21 to pay for the cost of a new public safety radio system. The additional debt service on these bonds is funded by the general fund and is $181,925.

The net result of budget changes for FY2021-22, coupled with flat revenue growth, is a shortfall of $1.44M. The County cannot maintain existing services without additional tax revenue. I am therefore recommending a 5 cent or 7% increase in current real estate tax rate of $.71/$100 of assessed value. It should be noted that this tax rate increase will also apply to Public Service Corporations (PSC), and because Surry's budget is heavily dependent upon PSC taxes, 68% of the revenue generated from this tax rate increase will come from PSC revenue, with 32% coming from other assessed real estate in the County.

The FY21-22 Budget was prepared while starting with several challenges, including a stagnant economy due to the impacts of COVID-19, an increase in state mandated costs for Children's Services Act (CSA) services and increased costs for correction and detention.

The major differences and budget drivers from FY 2021 to FY 2022 include:

FY 2021-22 Major Operating Budget Drivers

Item	Amount	Explanation
Major Revenue Declines:		
Decline in Public Service Corp Revenue	$ (710,000)	The sales assessment ratio is below 100%, at 95.1%
Decline in Interest Income	(105,000)	Fed action related the economic meltdown due to COVID-19 have driven interest rates close to 0%
	$ (815,000)	**Revenue declines are equivalent to almost 3 cents on the tax rate**
Major Expenditure Increases:		
5% COLA for County and State employees	$ 307,000	
County support of Schools	294,000	Provides a 5% COLA for teachers and school staff, net of cost reductions
Debt Service for new bonds	182,000	Principal and interest on bonds issued in 2020-21 for new public safety radio system
Deputy County Administrator	132,000	Position approved in FY21 but not funded
Property/Facilities Manager	135,000	Position approved in FY21 but not funded (offset by the reduction in Project Management Cost consultant)
HR Manager	81,000	New position
Accounting Manager	93,000	New position
Upgrade part time Assistant Registrar to full time	21,000	New position
Restore Finance Director position	73,000	Position unfunded to balance FY21 budget with no tax rate increase, net of outside consulting costs
Restore Assistant Treasurer position	23,000	Position unfunded to balance FY21 budget with no tax rate increase
Codes Compliance Officer	58,000	New position
Overtime for Dispatchers	27,000	

Increased local cost for mandated Children's Services Agency costs	94,000	
Correction and Detention	61,000	Contractual cost increases for jail and juvenile detention costs
Other changes (net)	43,000	
	$ 1,624,000	

All Funds

The summary of all funds is shown in the table below:

FUND	FY 2020-21 ADOPTED	FY 2021-22 PROPOSED	CHANGE $	%
GENERAL	28,369,042	27,902,167	(466,875)	-1.6%
CIP	8,165,016	2,333,853	(5,831,163)	-71.4%
VPA	1,825,501	1,959,572	134,071	7.3%
CSA	435,677	617,928	182,251	41.8%
TASK FORCE	25,000	25,000	-	0.0%
SPECIAL WELFARE	42,852	54,616	11,764	27.5%
AGENCY ON AGING	32,288	32,288	-	0.0%
INDOOR PLUMBING	11,730	11,730	-	0.0%
ECONOMIC DEVELOPMENT	80,000	80,000	-	0.0%
DEBT SERVICE	2,123,391	2,303,041	179,650	8.5%
WATER & SEWER	162,850	189,171	26,321	16.2%
TOTAL COUNTY FUNDS	$ 41,273,347	$ 35,509,366	$ (5,763,981)	-14.0%
SCHOOL OPERATING	15,974,802	16,981,556	1,006,754	6.3%
SCHOOL CAFETERIA	513,000	513,348	348	0.1%
TOTAL SCHOOL FUNDS	$ 16,487,802	$ 17,494,904	$ 1,007,102	6.1%
TOTAL - ALL FUNDS	**$ 57,761,149**	**$ 53,004,270**	**$ (4,756,879)**	**-8.2%**

Budget Development Process
This year, budget meetings were held to clarify department requests and to assist performance measure development, with a goal of aligning services with the mission of the County. Further development of the budget document will include established departmental goals and objectives, performance measures and fiscal year highlights and accomplishments. Budget communication provided to all departments and organizations indicated that revenue growth was flat and therefore resources would be limited. To this extent, not all requests have been funded:

- **Social Services:** Partial funding of the requested local appropriation
- **Organizations:** A number of external agencies and organizations were not fully funded
- **Various Departments:** Only necessary line-item increases are recommended
- **Capital Project Requests:** Very limited CIP projects funded for FY2021-22, funded with $569K in fund balance. In order to fully fund ongoing non-major CIP projects, the equivalent of a 4-cent increase in the tax rate is needed.

Summary

The proposed budget was prepared as COVID-19 continued to impact our local economy. Revenue growth is almost non-existent, primarily due to lower public service corporation (PSC) tax revenue caused by a sales assessment ratio that is well below 100%. The County currently conducts a reassessment every six years. A more frequent update of assessed property valuations is recommended to ensure that taxes are equitable and that the County receives the as close to the maximum amount of PSC tax as possible.

Included in the budget document that follows is a listing of FY 2020-2021 Highlights and Accomplishments which demonstrate the commitment of County departments to provide outstanding services to the citizens of Surry. Further details about the proposed budget including major changes from the current fiscal year are addressed throughout the document. The proposed spending plan and tax rates are preliminary and will be the subject of work sessions by the Board of Supervisors, followed by a public hearing and further consideration until the Budget is adopted, currently scheduled for May 13, 2021.

Preparation of this budget proposal resulted from a team effort by all departments and school division leadership. The FY 21-22 proposed budget continues existing County services, provides for sustainability through filling critical positions, and responds to changes in required contractual costs. With continued forward-thinking, creative strategic planning and a renewed commitment to collaboration and unity, we will be better able to seek the opportunities ahead for the good of the community. I would like to recognize and express my sincerest gratitude to the County's Leadership Team throughout the budget process and through the challenges of the COVID-19 operational change, Ms. Carol Swindell, Interim Director of Finance for her dedication to the budget process and for the support of the Board of Supervisors. I look forward to working with you throughout the remainder of the budget process.

Respectfully Submitted,

Melissa D. Rollins
County Administrator

County Administrator's
FY 2021-22 Proposed Budget
&
Five Year
Capital Improvement Plan
FY 2022-2026

Addendum
As of April 22, 2021

The County Administrator's Proposed Budget was presented on April 15, 2021 and was the subject of a Board of Supervisors work session on April 22, 2021. During that work session, the consensus of the Board was to propose an additional 1 cent increase in the real estate tax rate, bringing the total increase to 6 cents. This would increase the tax rate from its current level of 71 cents to 77 cents. The revenue from the additional penny will be directed to public safety projects in the Capital Improvements Program, to include replacement of Sheriff vehicles.

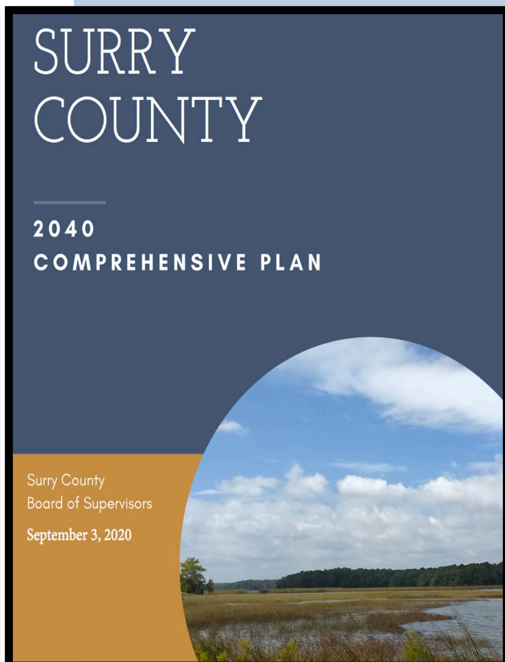
To assist with the impact of the proposed tax rate, the County has proposed to expand its tax relief program for elderly and disabled persons, increasing the maximum tax exemption from $750 to $1,000.

The budget changes are as follows:

	General Fund	Capital Improvement Projects Fund
Budget as Proposed on April 15, 2021	$ 27,902,167	$ 2,333,853
Additional 1 cent on real estate tax rate, directed to capital costs for public safety, to include the replacement of Sheriff vehicles	287,195	287,195
Proposed Budget as revised, April 22, 2021	$ 28,189,362	$ 2,621,048

FY2022-FY2026

CAPITAL IMPROVEMENT PROGRAM


SURRY COUNTY

2040 COMPREHENSIVE PLAN

Surry County
Board of Supervisors

September 3, 2020

Pictured: Fishing Pier at Surry Marina, Emergency Operations Center & Volunteer Rescue Squad Bay Area, Roof Repair Surry Government Center, Installation of Fiber (PGECE Broadband Project).

Capital Improvement Program (CIP)

Executive Summary

Overview

The County's five-year Capital Improvement Program (CIP), revised annually, is a long-term planning tool that guides the design, financing, construction, and maintenance of public infrastructure. The first year of the CIP is the Capital Budget and is the only year with a budget appropriation for spending. The remaining four years of the CIP include projects identified for implementation, the estimated cost, and the potential funding sources. The projects are reviewed for need, cost and priority annually during the budget process. New projects may be added or other projects may be deleted. Fostering a healthy community requires a balance between taking care of existing facilities and services, planning for economic development opportunities via investment in critical infrastructure and addressing public safety and other needs associated with increasing service demands.

The CIP is developed within the context of the County's Comprehensive Plan, a plan structured around three key themes: preservation of Surry's character, growth of the Surry's economy and enhanced quality of life for all.

CIP Criteria

Each locality establishes its own criteria for capital improvements projects. For Surry County, a capital improvement project generally has a cost in excess of $30,000 and a life expectancy of at least five years. Although the CIP is a means of implementing the recommendations of the County's Comprehensive Plan, proposed projects are not limited to those listed in the plan. Projects pertaining to the renovation, maintenance and/or construction of public facilities, equipment purchases and land acquisition for public use are typical projects included in the capital improvement plan.

The County's CIP is divided into five main project categories: General Administration, Maintenance of Public Facilities, Public Safety, Community and Economic Development (includes Parks and Recreation) and Education (Schools) where the County is a major funding source.

The CIP represents the mutual efforts of County departments and agencies to meet the infrastructure needs of County residents, businesses and visitors. The plan typically does not fully fund all of the CIP requests and projects should be prioritized to provide the maximum benefit. The availability of funding plays a role in allocating limited resources.

Guiding Principles

Basic principles are used to help shape the Capital Improvements Plan. These principles include, but are not limited to, developing a balanced capital strategy to fund projects in a variety of program areas while meeting those needs with the highest priority. This ensures the CIP will be the platform for development in the county and business community. To further guide the CIP decision-making process, potential projects in the CIP are evaluated based on the following objectives:

- ✓ A legal obligation or federal or state mandate is met;
- ✓ Positive fiscal impact (potential to increase value of tax base, potential cost savings, potential positive economic benefits);

- ✓ Health and welfare concerns, safety or emergency needs are met;
- ✓ Results in a positive community impact and broad community support;
- ✓ Ease of Implementation considering cost, process, political environment and other factors; and
- ✓ Funding within the parameters of established financial policies

Benefits of Capital Improvements Programming

The primary benefit of Capital Improvements Plan is that it requires the county to plan for its capital needs in concert with available financing over a five-year period. This process contributes to a responsible fiscal policy. Other benefits of the CIP include:

- The fostering of a sound and stable financial program over a five-year period based on current economic trends;
- The coordination of projects that promote informed decisions and joint programs among county departments;
- The enabling of private businesses and citizens to know when certain public improvements will be undertaken, allowing more efficient and effective planning;
- The focused goals and needs of the community are met through the provision of new facilities and infrastructure Improvements;
- The annual evaluation of the infrastructure needs for the provision of services for the public health and safety of the citizens of the county; and
- The provision of a logical process for assigning priorities to projects based on their impact on the county

Impact on Operating Budget

As projects are selected for inclusion in the CIP, they are also evaluated for impacts on the operating budget. While efforts are made to minimize the operating impacts as much as possible, some impact cannot be avoided. These future operating impacts should be weighed and considered before a capital project is recommended for funding. Expected operating costs associated with new facilities should be added to department budgets in the year the facility is projected to open. Likewise, projects that renovate an existing facility may reduce operating expenditures due to decreases in necessary maintenance or utility costs.

Funding Sources

A variety of funding options exist for the County's Capital Improvement Program (CIP). Options include direct County contribution from the assigned fund balance, proceeds from the sale of bonds, contributions from outside sources, Federal and state funds, and grants. Additional details on these funding sources can be found below.

Contributions from the General Fund (Assigned Fund Balance)

The General Fund receives taxes and fees, including real estate and personal property taxes, which are collected to support the general operation of the County. Where current financial policies do not dictate a certain percentage of use of estimated General Fund revenues each year for the Capital Budget, a certain amount of funds are allotted based on the availability of prior year reserves. In other words, funds that remain unspent from the operating budget from year to year may be used to finance certain capital projects on a pay-as-you go basis. This has enabled the County to pay for projects such as equipment, vehicles, building renovation and broadband and other technology improvements.

Proceeds from General Obligation Bonds

The issuance of bonds is a method used by many localities to fund capital projects. Bond issuances are governed by state laws and regulations. A loan is issued to the county based on appropriate levels of debt, revenue and reserves in exchange for the promise to repay the loan with interest. The term of the bond is usually 15 to 30 years. Typically, government regulations require that the proceeds from bonds issues be expended on one-time capital projects within a certain time frame after the issuance. Bond proceeds have been used to finance school as well as general government projects. The level of debt that the County incurs is governed by Board approved financial policies.

Federal and State Government

The federal and state governments may provide funding in the form of grants. In Surry, State and federal grant funds have been used to support the broadband initiative and a portion of the improvements at the Surry County Marina. It is important to note that funding received from these sources *may* require a local match from the County.

Financial Policies

The County's financial policies establish the framework for financial planning and management and provide guidelines against which budgetary performance can be measured and proposals for future projects can be evaluated. The policies further ensure that the County strives for excellence in governing by providing direction in the areas of revenues, operating expenditures, CIP expenditures, and debt management. The Board of Supervisors retains the services of a financial advisor to work with County staff to review & make recommendations for changes in fiscal policies for the county, to develop a long-range funding plan to best systematically plan for infrastructure and other capital improvements and to help maintain the County's sound financial position.

CIP Development Process

Preparation of the CIP is a dynamic process that occurs over a number of months, in conjunction with the County's annual budget process. Development of the five-year plan generally happens through the following processes:

- Departments submit their capital project requests;
- Finance determines the availability of CIP funds in accordance with the Board of Supervisors' established financial policies and current revenue projections;
- Budget staff compiles project requests and works with the submitting departments to verify the accuracy of project cost estimates, including operating costs; and
- Upon final analysis of projects and matching available funding with prioritized requests, staff prepares the County Administrator's Proposed CIP.

Once a consensus has been reached on a recommended list of projects, an annual schedule for the current and next four fiscal years is developed for each project along with the proposed funding sources. The Board of Supervisors conducts a public hearing where the proposed CIP is presented. After all public comments have been received and discussion satisfied, the CIP is then adopted. This is usually done in conjunction with the public hearing and adoption of the annual operating budget. The first year of the

CIP is incorporated into the County Administrator's Recommended Budget as the Capital Improvements Budget for the upcoming fiscal year.

Current CIP Highlights

There are capital projects that should be addressed by using ongoing revenues that do not fit the criteria for long-term borrowing. This can be only accomplished when revenues are sufficiently generated to accommodate these CIP needs.

Over the course of ensuing budget cycles there will need to have continued concrete dialogue about the County's Capital Improvement Plan and potential projects that could be included for consideration. Development of a strategic and financially sound Capital Improvement Plan encompassing all the County's capital needs takes time to develop. Good infrastructure management investment is not only needed to ensure basic health and safety for citizens, but carefully planned investment can maximize the economic potential and visual attractiveness of the community. Capital needs in the FY20-21 adopted budget were deferred due to shortfall in revenues and the County's decision to remain revenue neutral during a Pandemic year. To this extent, when capital needs are pushed further into the budget cycle, the result is the need to take care of unmet needs that have progressed over time in a single year. More so, this often results in increased costs.

Rethink
Repurpose
Re-engineer

The County has been fortunate in previous years to have sufficient fund balance to take on several projects. Like any other savings, without replenishing it, it is no longer available for use. Further, when fund balance is used to balance the operating budget as in the past two fiscal years, the practice is unsustainable. In previous years, the School Division has been mindful of potential year end savings and requests Board approval for the use of carryover funds to fund capital improvement for school facilities. This has enabled the division to accomplish a number of projects. As School facilities are largely funded by the County and the needs of the County span across multiple functions, Education, Public Safety, Community and Economic Development, and Technology, both County and School Administrators are looking to rethink, repurpose and re-engineer the CIP process whereby any funds remaining are viewed in totality for use by the County based on priority and/or need. Below is a list of many projects that were paid for using savings generated over several fiscal years generated from fund balance.

Project	Cost
High School Roof Replacement	$ 1,430,518.00
Broadband Infrastructure, VATI Grant Match	$ 2,225,000.00
Repaved and Resealed School Parking Lots	$ 138,000.00
Replaced HVAC roof Topos at SCHS	$ 287,000.00
HVAC Maintenance, Repair and Replacement - Schools	$ 158,000.00
School Bus Replacement- FY 18, 19, 20	$ 360,000.00
Ambulance Replacement - FY 21	$ 262,000.00
Fire Surpression System Windsor Mill	$ 490,000.00
Ligting and security upgrades	$ 140,000.00
Sanitation truck and fleet vehicles FY 17,18, 19	$ 433,336.00
	$ 5,923,854.00

While the proposed CIP is inclusive of some projects that have been on the County's radar for quite some time, it is not inclusive of other projects that may be included in subsequent plans. To this point, discussion has ensued between Administration and applicable staff regarding the need to conduct a facility needs assessment to determine the appropriate amount of funding that is needed each year for facilities maintenance, vehicle replacement and other projects. In the meantime, the following projects have been placed on the County's radar for evaluation, discussion and/or inclusion in a Capital Improvement Plan:

1. Dog Park
2. Surry West Business Park Improvements (Signage/Grounds)
3. Picnic Shelters & Outdoor Restrooms
4. Fire Engine Replacements
5. Police Vehicle Replacements
6. Roof Replacement government center/courthouse
7. Parking Lot Improvements Rec Center
8. Insulation of Bay Area EMS Building
9. Access Control Replacement Project-Emergency Services and Gov't Center
10. HVAC Replacements
11. Lift HVAC units on Gov't Center
12. Existing Solid Waste Facility Improvements
13. Walking Trail -Surry Community Center
14. General Services Admin Building Renovation/New Construction
15. Covered Shelter for Sheriff Rescue Boat
16. Leisure Activity Center at the Marina
17. EMS Recording Software
18. New Boat for EMS Use
19. Kitchen Upgrade Rec Center (Commercial Use)
20. Gov't Center Interior Improvements
21. Various Facilities Exterior Improvements
22. Health Dept. Interior Improvements
23. Gov Center Building Security Front Entrance
24. Playground Equipment Rec Center
25. Water System Upgrades Industrial Park
26. Solid Waste Convenience/Recycling Center (Dendron)
27. EOC Bay Area Climate Control
28. Grayland Property Site Work
29. Window Tinting (EMS Building)
30. Financial Software Management System
31. County Vehicle Replacements
32. School HVAC/Electrical Upgrades
33. School (Elem) Roof Replacement
34. School Playground Refurbish
35. School Cafeteria Equip. Replacement
36. Athletic Field Parking, Lighting & Fieldhouse Improvement
37. Lighting Improvement School Gym and Café
38. School Facilities Interior Repairs
39. School Window Treatments
40. School Well Replacement
41. Digital Data Control Automation (3) Schools
42. Refurbish Tennis Courts
43. School Bus Replacements
44. Library Exterior Maintenance

The above list is in no priority order and are not all are recommended for inclusion in a current or future CIP.

Funding a FY 21-22 CIP:

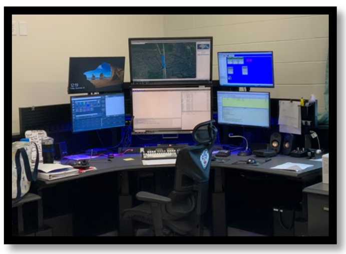
At the proposed tax rate adjustment of five cents, there is no flexibility to fund ongoing CIP needs. The FY 21-22 proposed CIP plan includes the use of fund balance in the amount of $568,853. It is also recommended that a policy be implemented to replenish the fund balance when one-time revenue streams are realized.

General Government Capital Improvement Program

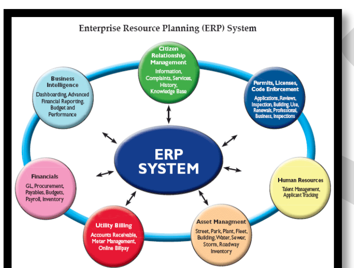
FY 21-22 CIP Budget: $568,853

Capital Improvement Program Expenditures

Fire Apparatus: County Goal: Public Safety - $565,000
The aging of existing fire apparatus requires the acquisition of new and replacement equipment. A systematic approach is used for replacing old fire apparatus that have exceeded their life expectancy. Fire apparatus in FY 22 includes the replacement of a fire engine assigned to the Volunteer Fire Station.



Recording Software: County Goal: Public Safety - $50,000
Recording software is the link between first responders and the public. The software captures all telephone and radio traffic coming into and going out of the communications center. The current software has reached its useful life and is no longer supported.



General Gov't Administration: ERP Upgrade: County Goal: Financial Stability – $1,000,000
The project will provide for an enterprise resource planning (ERP) solution to integrate and manage the County's finance, human resources, payroll, and other systems county-wide. The current system was implemented in 1999.

Physical Security upgrade: County Goal: Public Safety - $53,500
The project will upgrade the physical security, access control and intrusion and detection systems in County buildings. Funding will be used for items such as ID badge printing solutions, ID card detection and video surveillance. It also includes cost to make alterations to the front doors of the government center to improve entryway and exits and replacement of the metal detector for added security.

Infrastructure repair for ongoing maintneance needs is also included in Facility Maintneance to take care of facility management related projects considered to be priority in nature based on the funding avaialble.

Vehicle Replacement: County Goal: Public Safety - $104,877

The Sheriff department has a fleet of 21 vehicles ranging from year 2005 to 2020. Eight vehicles exceed 120,000 miles. The budget includes cost for two replacement vehicles for the Sheriff Department and one other department vehicle replacements for Facility Maintenance where mileage exceeds 200,000. Due to budget constraints in FY 20-21, no vehicles were replaced.

Community & Economic Development: County Goal: Quality of Life - $75,000

Quality of life is highlighted as a major element in the County's newly Adopted Comprehensive Plan. To this extent, community, recreational, tourism and economic development related projects that bring maximum benefit to citizens of the County should be heavily considered. Funding is set aside to capture specific projects based on need, accessibility to the public and broader input.

Site Entrance-Grayland Property

Grayland Property site development: County Goal: Quality of Life – 300,000

To seek grant opportunities from VEDA under the site development program to advance the tier level on the property and from DHCD for site work assistance (site readiness) for future development. Includes 1/3 local funding commitment.   The County has also submitted a request for Federal funding in the Federal Transportation Infrastructure Funding package request from Congressman Donald McEachin.

Carpet Replacement - Courthouse

Facility Maintenance: County Goal: Financial Stability/Public Safety - $160,476

Beginning in FY2020-21, funds for major building/infrastructure repairs that are capital in nature are included in the CIP Budget rather than the Maintenance Department operating budget. This provides better planning for and tracking of major repairs.

Technology Improvements : County Goal: Financial Stability - $25,000

Technology and Support Services is critical to the day- to- day operations of all users across a variety of platforms. Maintenance and or upgrade of information technology equipment and systems is critical to continuity of operations. Funding to support improvements is budgeted annually.

Technology Improvements-EOC

School System Capital Projects: County Goal: Quality Education - $0

Capital projects for the School Division are funded within the County's Capital Improvement fund. Annually, the Division submits a list of projects for consideration. FY 21-22 are not included due to budget constraints.

SUPPLEMENTAL BUDGET INFORMATION

FY 20-21 Proposed Budget

April 15, 2021

Assessement Cycles			
Source: 2019 VA Local Tax Rates (Weldon Cooper)			
	Frequency (Years)	In House	Contracted
Charles City	Four		X
Colonial Heights	Annual	X	
Hopewell	Two	X	
Williamsburg	Annual	X	
Dinwiddie	Six		X
Franklin	Two	X	
Isle of Wight	Four		X
James City	Two	X	
New Kent	Two	X	
Prince George	Annual	X	
Southampton	Four/Six		X
Surry	Three/Six		X
Sussex	Four/Six		X
York	Two	X	

Revenue Impact from 5 cent Tax Rate increase

Revenue Category	Amount	Percent of Total
Real Estate	$ 457,746	32%
Public Service Corporations	978,230	68%
Total	$ 1,435,976	100%

Impact of Tax Rate Increase at Various Assessed Values

Home Assessed Value	Tax at 71 cents	Tax at 76 cents	Annual Difference	Monthly Difference
$ 140,000.00	$ 994.00	$ 1,064.00	$ 70.00	$ 5.83
150,000.00	1,065.00	1,140.00	75.00	6.25
175,000.00	1,242.50	1,330.00	87.50	7.29
200,000.00	1,420.00	1,520.00	100.00	8.33

	The Volitity of Public Service Corporation Taxes			
	Tax Year	Revenue Received	Variance	
	2014	$ 13,333,421		
	2015	$ 13,192,605	$ (140,816)	
	2016	$ 13,049,053	$ (143,552)	
	2017	$ 13,781,042	$ 731,989	
	2018	$ 13,704,888	$ (76,154)	
	2019	$ 13,459,696	$ (245,192)	
	2020	$ 13,757,889	$ 298,193	
	2021	$ 14,568,693	$ 810,804	
	*2022	$ 13,809,661	$ (759,032)	
		Net Impact 2014-22	$ 476,240	
	*Projected			

Currently - $750 for qualifying persons from $500 in 2019.

received = 68 in 2019 to 74 in 2020

Net cost of tax exemption for the County: (Real Estate Elderly and Disabled)		Disabled Veterans Exemption	Totals
2020	$38,553	$64,274	$102,827
2019	$25,775	$54,603	$80,378
2018	$27,160	$51,244	$78,404
2017	$35,096	$42,847	$77,943
2016	$37,666	$41,202	$78,868

American Rescue Plan Funds

$1.2 million anticipated County Funds over two payments-2 years

$1.5 million anticipated for Schools (at this time, believe that a smaller portion can be allocated for CIP, but most is restrictive for use attributed to COVID relief, learning loss, space needs)

Waiting on U.S. Treasury Guidance to determine criteria for use of funds; anticipate receiving in the coming weeks

- These funds are not being used in the FY 21-22 budget. When received, the County will need to formally accept and appropriate the funds for spending according to the established criteria. These funds do not typically support operating costs and are considered for use for one-time needs.

The County has been fortunate in previous years to have sufficient fund balance to take on several projects.

- Like any other savings, if funds are spent without being replenished, those savings are no longer available for use.
- Further, when fund balance is used to balance the operating budget as in the past three fiscal years, the practice is unsustainable.
- In previous years, the School Division has been mindful of potential year-end savings and has requested Board of Supervisors approval to carry over unspent funds to pay for capital improvement for school facilities in the subsequent year. This practice has enabled the division to accomplish several projects.
- As School facilities are largely funded by the County and the needs of the County span across multiple functions (Education, Public Safety, Community and Economic Development, and Technology), both County and School Administrators are looking to rethink, repurpose and re-engineer the CIP process so that any surplus funds are viewed in totality for use by the County based on priority and/or need.

The CIP…..

Rethink
Repurpose
Re-engineer

Projects Funded with Fund Balance

Project	Cost
High School Roof Replacement	$ 1,430,518.00
Broadband Infrastructure, VATI Grant Match	$ 2,225,000.00
Repaved and Resealed School Parking Lots	$ 138,000.00
Replaced HVAC roof Topos at SCHS	$ 287,000.00
HVAC Maintenance, Repair and Replacement - Schools	$ 158,000.00
School Bus Replacement- FY 18, 19, 20	$ 360,000.00
Ambulance Replacement - FY 21	$ 262,000.00
Fire Suppression System Windsor Mill	$ 490,000.00
Lighting and security upgrades	$ 140,000.00
Sanitation truck and fleet vehicles FY 17,18, 19	$ 433,336.00
	$ 5,923,854.00

Future Considerations/Discussion

- The impact of Solar Operations on the County
- Landuse Taxation and Regulation
- Water Utility – Rate Study
- County Owned Property Return to Tax Roll
- County Owned Facility Consolidation
- Cigarette Tax Legislation
- Solid Waste Collection

I look forward to further deliberations on the budget process!

Land Use Assessment - Notes

- What is the public purpose for enacting a program in Surry? Generally, land use taxation is done in localities where there is a lot of development activity and there is a desire to preserve open space. Surry does not currently have that situation.

- The Commissioner of Revenue is charged with assessing values for properties in land use and must also oversee the program and ensure that land remains eligible for the program. This will require additional staff and training, as well as changes to the County's IT system.

- Once the County establishes land use for a particular type of property, owners of other property types eligible for land use per the Virginia Code (e.g., forestry) will likely ask the County to expand the land use designations.

- The Commissioner of Revenue must assess both the fair market value and the use value, because the difference between the two values represents deferred taxes that must be repaid, plus interest, should the land be converted to an ineligible use. This deferred tax is referred to as the "rollback" tax and Virginia Code requires that landowners who convert their land to an ineligible use must pay back to the locality five years of rollback taxes plus interest.

- The tax burden for the cost of the deferment program will be shifted from owners of property in land use taxation to all other owners who pay real estate taxes. This raises a question regarding the public purpose for enacting the program.

- The program has potential for abuse and will require ongoing monitoring to ensure that land remains eligible.

In order to allow time for the community to adequately be educated and have an opportunity to provide input and for County staff to evaluate the full range of impacts and resources needed, staff recommends that the program not be implemented with the FY22 Budget process.

Resolution 2021-11

AT A REGULAR MEETING OF THE SURRY COUNTY BOARD OF SUPERVISORS HELD IN THE GENERAL DISTRICT COURTROOM OF THE SURRY COUNTY GOVERNMENT CENTER AND BROADCAST VIRTUALLY FOR THE PUBLIC ON MAY 20, 2021 AT 7:00 P.M.

PRESENT:	VOTE:
The Honorable Robert Elliott, Chairperson	AYE
The Honorable Michael H. Drewry, Vice-Chair	NAY
The Honorable Timothy Calhoun	NAY
The Honorable Ronald Howell, Jr.	AYE
The Honorable Judy S. Lyttle	AYE

RESOLUTION ADOPTING A BUDGET FOR SURRY COUNTY FOR THE FISCAL YEAR 2022 FOR FISCAL PLANNING PURPOSES AND APPROPRIATING FUNDS

WHEREAS, the proposed budget for fiscal planning purposes for Surry County for fiscal year 2021-2022 has been examined and discussed by the Surry County Board of Supervisors and a public hearing has been conducted after public notice as is required by law.

BE IT RESOLVED, that the budget as proposed is adopted in the amount of **$53,609,770**, with reference made to the documents previously presented to the Board of Supervisors by the Surry County Administrator and to the published notice which are incorporated herein by reference for a more detailed description of the proposed budget.

The following amounts are hereby appropriated in the FY 2021-2022 categories of the budget (revenue and expenditures) are as follows:

Section 1.

REVENUE BY SOURCE

Local	$ 25,516,252
State	$ 5,845,780
Federal	$ 2,968,468
Reserves	$ 798,828
Transfers from Other Funds	$ 15,859,394
Total Revenue/Transfers In	**$ 50,988,722**

EXPENDITURES BY FUND

General Fund:	
General Government Administration	$ 3,029,163
Judicial Administration	$ 792,656
Public Safety	$ 3,769,562

Public Works	$ 1,607,526
Other Agencies	$ 318,275
Parks, Recreation & Cultural	$ 604,630
Community Development	$ 1,383,218
Transfers to School Fund	$ 12,636,545
Transfer to Capital Projects Fund	$ 856,048
Transfer to VPA Fund	$ 475,000
Transfer to CSA Fund	$ 245,874
Transfer to Economic Dev Fund	$ 80,000
Transfer to Debt Service Fund	$ 2,284,804
Transfers to Utilities Fund	$ 137,171
Total General Fund	**$ 28,220,472**
Other Funds:	
Debt Service Fund	$ 2,303,041
Virginia Public Assistance Funds (3)	$ 2,046,476
Comprehensive Services Fund	$ 617,928
School Fund	$ 17,494,904
DEA/Task Force Fund	$ 25,000
IPR Fund	$ 11,730
Economic Development Fund	$ 80,000
Utilities Fund	$ 189,171
Total Other Funds	**$ 22,768,250**
Total Operating Expenditures	**$ 50,988,722**

CAPITAL PROJECTS BUDGET

Capital Projects Revenue	
Grants	$ 200,000
Transfer from General Fund	$ 856,048
Long-Term Debt	$ 1,565,000
Total Revenue	**$ 2,621,048**
Capital Project Expenditures	
New Financial Management System	$ 1,000,000
Technology Upgrades	$ 25,000
Grayland Property Tier 3 Costs	$ 300,000
Major Infrastructure Repair	$ 160,476
Vehicle Acquisition	$ 392,072
Government Center Building Security	$ 53,500
Upgrade E-911 Recording System	$ 50,000
New Fire Apparatus	$ 565,000
Community/Economic Development Improvements	$ 75,000
Total Capital Expenditures	**$ 2,621,048**

TOTAL CONSOLIDATED BUDGET	**$ 53,609,770**

Section 2.

The County Administrator may increase appropriations for the following items of non-budgetary revenue that may occur during the fiscal year.

a. Insurance recoveries received for damaged county vehicles or other property for which County funds have been expended to make repairs

b. Refunds or reimbursements made to the County for which the County has expended funds directly related to that refund or reimbursement.

c. Any revenue source not to exceed $3,000, to include donations made by citizens or a citizen's group in support of a county program. Any remaining unencumbered balance of a restricted donation at the end of the fiscal year will be re-appropriated into the subsequent fiscal year for the same purpose.

Section 3.

The County Administrator is hereby authorized to apply for and accept all County grants which require less than $5,000 in local match to receive without further Board action.

Section 4.

The following applies to the appropriation of grant funds:

a. That the approval by the Board of Supervisors of any grant funds constitutes the appropriation of both the revenue and expenditure required by the terms of the grant.

b. The County Administrator may reduce or increase any grant appropriation to the level approved by the granting agency during the fiscal year. Any grant, up to $25,000, not included in the adopted budget may be amended by the County Administrator upon both notification and actual receipt of grant funds by the Treasurer.

Section 5.

The County Administrator is authorized to transfer funds and personnel from time to time within and between the offices and activities delineated in this Resolution as s/he may deem in the best interest of the County in order to carry out the work of the County as approved by the Board of Supervisors during the coming fiscal year.

Section 6.

The County Administrator be authorized to administer the County's Personnel Policy and Pay Plan as previously adopted by the Board of Supervisors.

Section 7.

All outstanding encumbrances, Capital Projects, and Grants in all County funds at June 30, 2021, shall be an amendment to the FY 2022 budget, and appropriated to the FY 2022 budget to the same department and account for which they were appropriated and/or encumbered in the previous year.

BE IT FURTHER RESOLVED, that this budget is adopted for fiscal planning purposes only and does not represent the acknowledgment of any obligation to pay out any amount approved for possible future appropriations hereafter.

DONE THIS 20TH DAY OF May, 2021

Attest:

Melissa D. Rollins

MELISSA D. ROLLINS, COUNTY ADMINISTRATOR
CLERK, BOARD OF SUPERVISORS

RESOLUTION 2021-12

AT A REGULAR MEETING OF THE SURRY COUNTY BOARD OF SUPERVISORS HELD IN THE GENERAL DISTRICT COURTROOM OF THE SURRY COUNTY GOVERNMENT CENTER AND BROADCAST VIRTUALLY FOR THE PUBLIC ON MAY 20, 2021 AT 7:00 P.M.

PRESENT:	VOTE:
The Honorable Robert Elliott, Chairperson	AYE
The Honorable Michael H. Drewry, Vice-Chair	NAY
The Honorable Timothy Calhoun	NAY
The Honorable Ronald Howell, Jr.	AYE
The Honorable Judy S. Lyttle	AYE

RESOLUTION ADOPTING THE TAX RATES
FOR SURRY COUNTY FOR CALENDAR YEAR 2021

WHEREAS, it is mandated by law that the governing body of this County adopt a budget for fiscal planning purposes and fix the respective local tax rates each year and;

WHEREAS, the Surry County Board of Supervisors has complied with the law by preparing a proposed budget, holding the required public hearings after proper and legal notice and having deliberated;

NOW THEREFORE BE IT RESOLVED, that the tax rates for calendar year 2021 are fixed as follows:

Real Estate, including Mobile Homes	\$0.77/\$100 of assessed value (increase of six cents)
Personal Property & Business Property	\$4.00/\$100 of assessed value (no change)
Passenger Buses	\$3.00/\$100 of assessed value (no change)
Forest Harvesting Equipment	\$0.00/\$100 of assessed value (decrease of \$3.00)
Personal Property Tax Relief Percentage	40.0% (decrease of 1%)
Machinery & Tools	\$1.00/\$100 of assessed value (no change)
Contract Carriers	\$1.00/\$100 of assessed value (no change)
Merchants Capital	\$0.00/\$100 of assessed value (no change)
Farm Machinery & Tools	\$0.00/\$100 of assessed value (no change)

Certain motor vehicles valued at up to \$15,000 owned by an active member of a Volunteer Rescue or Volunteer Fire Department operating in Surry County upon certain certification by the Commissioner of Revenue	\$0.00/\$100 of assessed value
Motor vehicles specially equipped to provide transportation for physically handicapped individuals upon certain certification by the Commissioner of Revenue	\$0.00/\$100 of assessed value

One motor vehicle owned and regularly used by a veteran who has either lost, or lost the use of, one or both legs, or an arm or a hand, or who is blind or who is permanently and totally disabled and certified by the Department of Veterans

Services $0.00/$100 of assessed value

DONE THIS 20th DAY OF May, 2021

Attest:

Melissa D. Rollins

MELISSA D. ROLLINS, COUNTY ADMINISTRATOR
CLERK, BOARD OF SUPERVISORS