

AT A SPECIAL MEETING OF THE BOARD OF SUPERVISORS OF THE COUNTY OF MONTGOMERY, VIRGINIA HELD ON THE 4<sup>TH</sup> DAY OF NOVEMBER, 2013 AT 6:00 P.M. IN THE BOARD CHAMBERS, MONTGOMERY COUNTY GOVERNMENT CENTER, 755 ROANOKE STREET, CHRISTIANSBURG, VIRGINIA:

PRESENT:	William H. Brown	-Vice Chair
	Mary W. Biggs	-Supervisors
	Gary D. Creed	
	Matthew R. Gabriele	
	Annette S. Perkins	
	Christopher A. Tuck	
	F. Craig Meadows	-County Administrator
	L. Carol Edmonds	-Deputy County Administrator
	Martin M. McMahan	-County Attorney
	Angie Hill	-Financial & Management Services Director
	Marc Magruder	-Budget Manager
	Ruth Richey	-Public Information Officer
ABSENT:	James D. Politis	-Chair

### **CALL TO ORDER**

The Vice - Chair called the meeting to order.

### **INTO WORK SESSION**

On a motion by Mary W. Biggs, seconded by Matthew R. Gabriele and carried unanimously,

BE IT RESOLVED, The Board of Supervisors hereby enters into Work Session for the purpose of discussing the following:

#### **1. FY 13 Year End Report**

The vote on the forgoing motion was as follows:

<u>AYE</u>	<u>NAY</u>	<u>ABSENT</u>
Gary D. Creed	None	James D. Politis
Annette S. Perkins		
Mary W. Biggs		
Christopher A. Tuck		
Matthew R. Gabriele		
William H. Brown		

## **FY 2013 Revenue Collection and General Fund Cash Balance**

### FY 13 Revenue Highlights:

- Total revenues (after the windfall adjustment) exceeded estimates by \$0.1 million or 0.08% of total General Fund budget.
- Designated General Fund and grant revenues were less than the estimates due to timing differences (\$1.4 million):
  - Undesignated Revenues (after the windfall adjustment) exceeded estimates by \$1.5 million or 1.67% of undesignated total of General Fund budget.
  - Increase in motor vehicle valuation on the personal property book (\$0.4 million)
  - Delinquent property tax collections (\$0.3 million)
  - Sales and use tax collections over estimates (\$0.2 million)
  - Prepaid taxes (\$0.4 million)
  - Other miscellaneous collections (\$0.2 million)

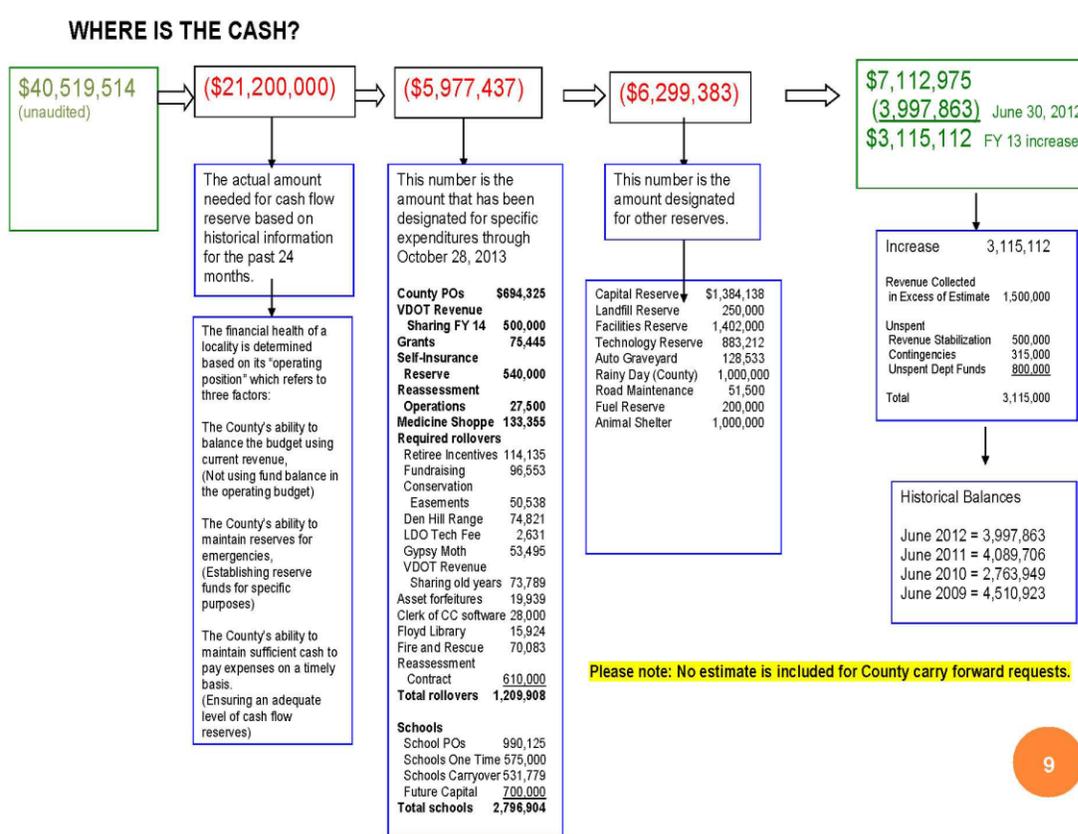
### Conclusions Regarding FY13 Revenue Collections:

- Increases in motor vehicle, delinquent tax collections, sales tax collections, and prepaid taxes allowed us to exceed undesignated revenue estimates.
- These increases were known as we developed the FY 2014 budget – allowing us to utilize the projected growth in the FY 2014 Budget.
- Designated revenue shortfall was tied to expenditures that were not needed due to program savings at the state level.
- Grant funds were delayed due to timing issues.

### Revenue Going Forward:

- FY 14 Budget – with no tax increase – the County estimated \$2.8 million in undesignated revenue growth (the \$1.5 million over the estimates in FY 13 was in this number). This \$1.5 million in growth has already been appropriated in the FY 14 budget and is not new money to spend in FY 15.
- In FY 14, the tax increases (10 cents PP and 2 cents RE) –added \$2 million in additional revenue for a total of \$4.8 million.

- The \$4.8 million provided funding for operating budgets for the County and Schools and earmarked \$1.4 million for future school capital needs.
- Preliminary revenue projections for FY 15 will not be complete until after December collections are analyzed.
- However, the PP book values came in less than estimated for CY 2013 – which is the value that drives FY 14 collections.
- Motor Vehicle value is \$32 million less than anticipated, which results in an \$800,000 shortfall in FY 14 – meaning we will not make that estimate.
- Also, a \$2.8 million abatement in Merchants Capital value creates another \$100,000 revenue shortfall.
- Several categories of personal property valuation came in higher than expected – which should help offset some of the projected shortfall.
- It is estimated that the County will not make the projected revenue in the current year – by how much is uncertain at this time.
- Additional details will be provided as estimates for FY 14 are analyzed and estimates for FY 15 are developed in the coming weeks.



Staff Recommendations:

- Allocate \$5 million of available balance to capital funds.
  - \$3 million to School Capital Fund
    - 2 cents in the budget = \$1.4 million
    - Windfall = \$0.7 million
    - Added Funds = \$3.0 million  
\$5.1 Million by June 2014
  - Allocate \$2 million to County Capital

**OUT OF WORK SESSION**

On a motion by Annette S. Perkins, seconded by Mary W. Biggs and carried unanimously,

BE IT RESOLVED, The Board of Supervisors ends their Work Session to return to Regular Session.

The vote on the forgoing motion was as follows:

<u>AYE</u>	<u>NAY</u>	<u>ABSENT</u>
Annette S. Perkins	None	James D. Politis
Mary W. Biggs		
Christopher A. Tuck		
Matthew R. Gabriele		
Gary D. Creed		
William H. Brown		

**ADJOURNMENT**

The Vice-Chair declared the meeting adjourned to Wednesday, November 13, 2013 at 6:00 p.m.  
The meeting adjourned at 7:04 p.m.

APPROVED \_\_\_\_\_ ATTEST: \_\_\_\_\_  
James D. Politis F. Craig Meadows  
Chair County Administrator