

NORTHAMPTON COUNTY



Finance Department
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MEMORANDUM

TO: Board of Supervisors
FROM: John D. Chandler, Director of Finance
DATE: January 26, 2021
RE: FY2022 Revenue Projections – General Fund

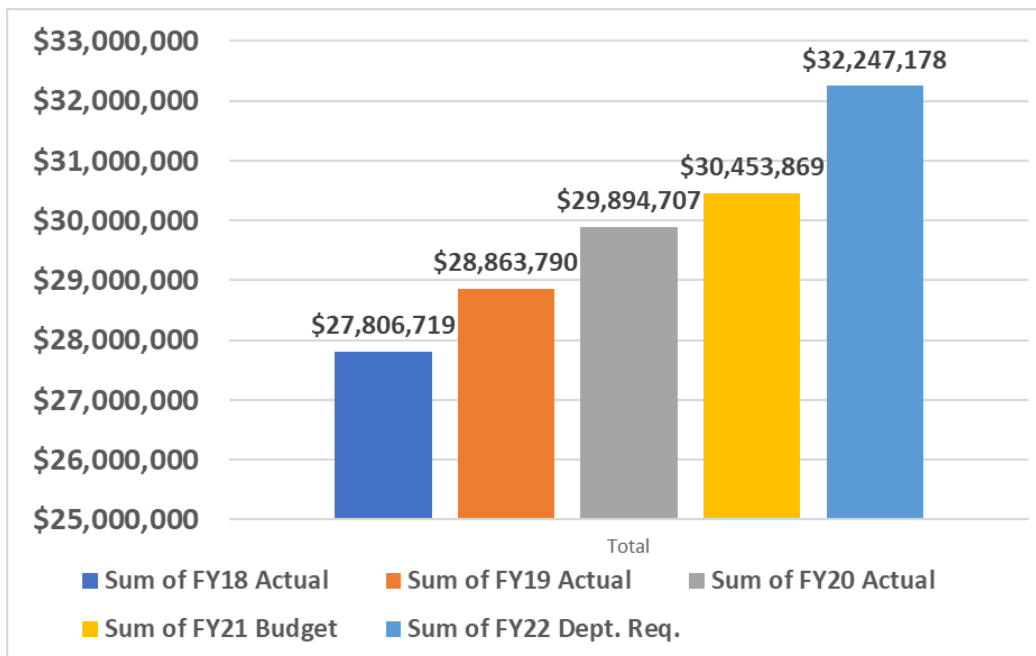
The following is a summary of projected FY 2022 revenue – General Fund.
Attached are:

- Annual Budget by Account Classification – Summary (1 page)
- Annual Budget by Revenue Type Report – Detail (18 pages)
- Projected FY22 Projected Tax Revenue Worksheet (1 page)

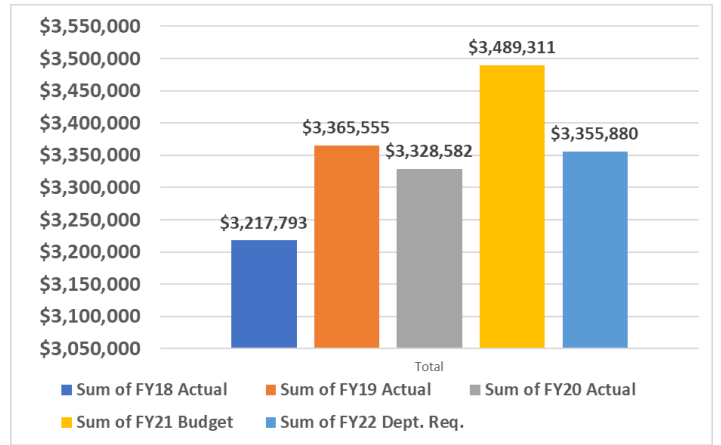
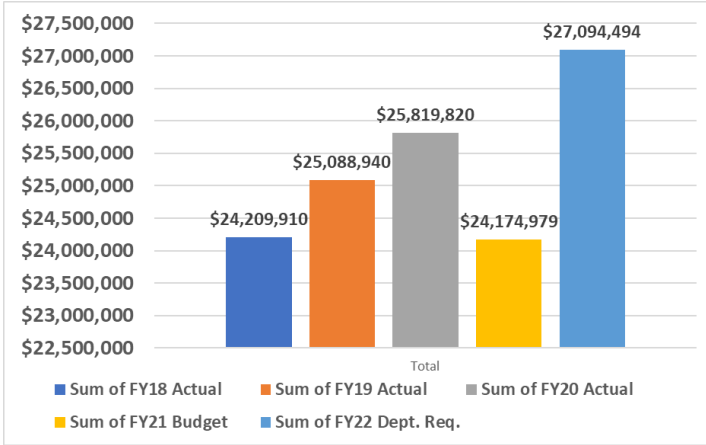
In both of the reports, you will find the following information:

- The last three years of actual history (Fiscal Year 2018, 2019 and 2020)
- The adopted Fiscal Year 2021 Budget
- Fiscal Year 2022 Projected Revenue
- The difference between the FY2022 Projected Revenue column and the FY2021 Adopted Budget
- % Change FY22 vs. FY21

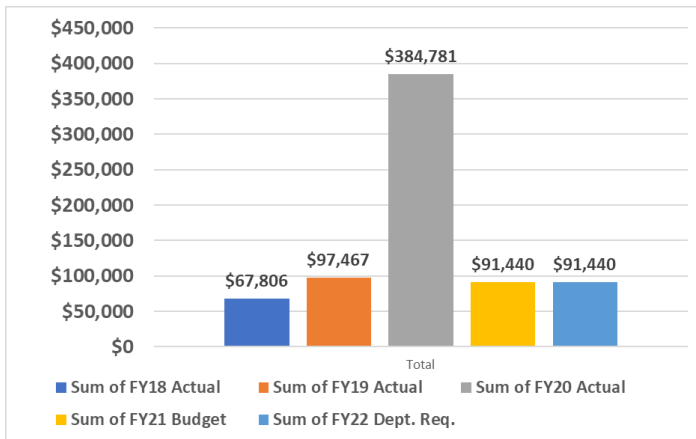
Locality	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY22 Dept. Req.	FY22 Vs. FY21	% Change
Local Total	\$24,209,909.68	\$25,088,939.63	\$25,819,820.10	\$24,174,979.00	\$27,094,494.00	\$5,839,030.00	24.15%
State Total	\$3,217,792.65	\$3,365,555.05	\$3,328,582.28	\$3,489,311.00	\$3,355,880.00	(\$266,862.00)	-7.65%
Federal Total	\$67,805.81	\$97,467.34	\$384,780.98	\$91,440.00	\$91,440.00	\$0.00	0.00%
Non-Revenue Total	\$311,210.58	\$311,828.25	\$361,523.35	\$2,698,139.00	\$1,705,364.00	(\$1,528,273.00)	-56.64%
	<u>\$27,806,718.72</u>	<u>\$28,863,790.27</u>	<u>\$29,894,706.71</u>	<u>\$30,453,869.00</u>	<u>\$32,247,178.00</u>	<u>\$1,793,309.00</u>	<u>5.89%</u>



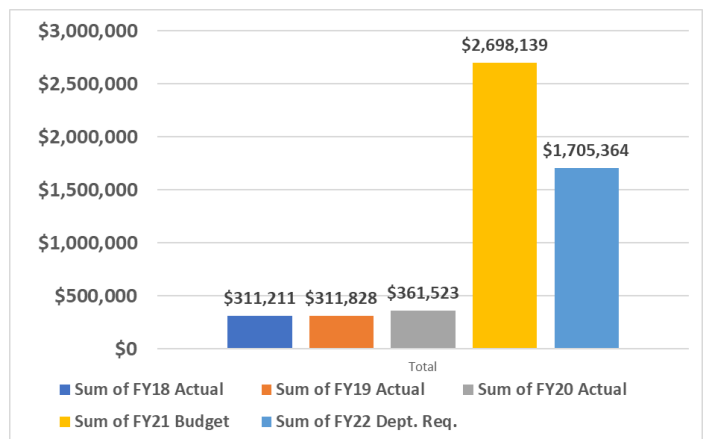
General Fund Revenue



Local Revenue



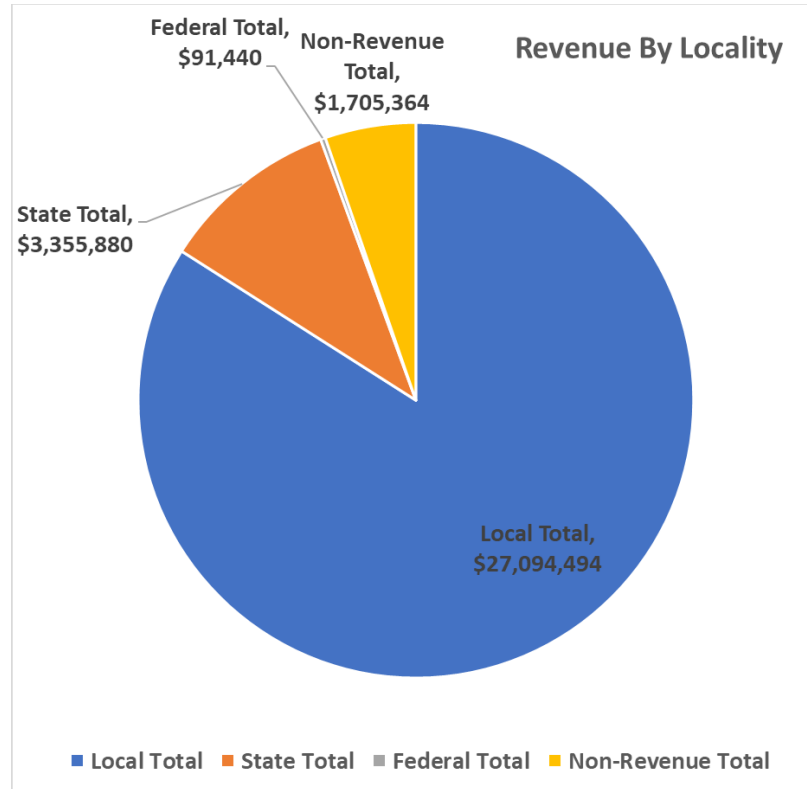
State Revenue



Federal Revenue

Non-Revenue (Undesignated Fund Balance)

Department - Revenue Type	Locality	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY22 Dept. Req.	FY22 Vs. FY21	% Change
Department: 0011 General Property Taxes Total		\$18,272,125.03	\$18,998,268.33	\$19,579,184.83	\$18,594,160.00	\$19,379,924.00	\$785,764.00	4.23%
Department: 0012 Other Local Taxes Total		\$3,482,426.40	\$3,564,410.43	\$3,645,393.92	\$3,093,895.00	\$5,461,709.00	\$2,367,814.00	76.53%
Department: 0013 Permits, Privilege Fees & Reg Lic Total		\$141,646.16	\$118,751.88	\$128,212.99	\$122,400.00	\$136,650.00	\$14,250.00	11.64%
Department: 0014 Fines & Forfeitures Total		\$781,254.72	\$639,442.35	\$511,698.72	\$388,560.00	\$384,000.00	(\$4,560.00)	-1.17%
Department: 0015 Use of Money & Property Total		\$40,290.07	\$187,393.97	\$331,394.83	\$252,779.00	\$64,480.00	(\$188,299.00)	-74.49%
Department: 0016 Charges for Services Total		\$1,349,346.56	\$1,347,732.43	\$1,377,053.15	\$1,487,576.00	\$1,495,778.00	\$8,202.00	0.55%
Department: 0018 Miscellaneous Total		\$33,040.35	\$89,998.19	\$163,157.41	\$10,000.00	\$10,000.00	\$0.00	0.00%
Department: 0019 Recovered Costs Total		\$109,780.39	\$142,942.05	\$83,724.25	\$225,609.00	\$161,953.00	(\$63,656.00)	-28.22%
Local Total		\$24,209,909.68	\$25,088,939.63	\$25,819,820.10	\$24,174,979.00	\$27,094,494.00	\$5,839,030.00	24.15%
Department: 0022 Non-Categorical Total		\$1,489,542.85	\$1,489,251.03	\$1,471,509.49	\$1,488,367.00	\$1,484,967.00	(\$3,400.00)	-0.23%
Department: 0023 Shared Expenses Total		\$1,647,184.20	\$1,724,963.16	\$1,720,171.92	\$1,786,673.00	\$1,738,400.00	(\$48,273.00)	-2.70%
Department: 0026 State Categorical Aid-Other Total		\$81,065.60	\$151,340.86	\$136,900.87	\$214,271.00	\$132,513.00	(\$81,758.00)	-38.16%
State Total		\$3,217,792.65	\$3,365,555.05	\$3,328,582.28	\$3,489,311.00	\$3,355,880.00	(\$266,862.00)	-7.65%
Department: 0035 Federal Categorical Aid-Other Total		\$40,826.81	\$66,566.34	\$357,967.98	\$61,440.00	\$61,440.00	\$0.00	0.00%
Department: 0021 Payments in Lieu of Taxes Total		\$26,979.00	\$30,901.00	\$26,813.00	\$30,000.00	\$30,000.00	\$0.00	0.00%
Federal Total		\$67,805.81	\$97,467.34	\$384,780.98	\$91,440.00	\$91,440.00	\$0.00	0.00%
Department: 0043 Financing Proceeds Total		\$0.00	\$0.00	\$39,000.00	\$0.00	\$0.00	\$0.00	
Department: 0044 Transfer from Other Funds Total		\$311,210.58	\$311,828.25	\$322,523.35	\$1,629,585.00	\$1,094,087.00	(\$535,498.00)	-32.86%
Department: 0045 Appropriated Fund Balance Total		\$0.00	\$0.00	\$0.00	\$1,068,554.00	\$611,277.00	(\$457,277.00)	-42.79%
Non-Revenue Total		\$311,210.58	\$311,828.25	\$361,523.35	\$2,698,139.00	\$1,705,364.00	(\$1,528,273.00)	-56.64%
Grand Total		\$27,806,718.72	\$28,863,790.27	\$29,894,706.71	\$30,453,869.00	\$32,247,178.00	\$1,793,309.00	5.89%



Detailed revenue/support by Account Classification below & on subsequent pages.

Dept 11 General Property Tax Revenue	FY22	FY21	Diff.
	\$19,379,924	\$18,594,160	\$785,764

2021 Tax Billings (FY22)

Change vs. 2020 Tax Billings (FY21)

Tax Billings -	\$18,223,154	\$625,117
Late Tax Payments -	\$756,770	\$90,647
Penalties -	\$200,000	\$20,000
Interest -	\$200,000	\$50,000

- A. **Real Estate 2022 Tax Revenue (Projected)** **\$ 15,006,890**
This represents the largest source of county revenue, real estate taxes. At this time, we have used 2021 reassessments plus 3-year average of new construction additions. New assessments are performed biannually and are in process. The collection rate of 97% - 2% COVID impact reduction was used when calculating the current year real estate tax revenue. This is 3% greater than post-COVID used in FY21. \$424,746 more than FY21.

Delinquent Real Estate Tax Revenue not included in above **\$ 517,700**
Due to COVID we have seen and expect to continue to see that our taxpayers will pay their taxes after the due date. Delinquent real estate tax revenue is projected to be \$77,500 more than FY21. FY20 was \$511,542.

- B. **Public Service Companies Tax** **\$ 497,902**
Public Service Companies tax revenues increased \$24,989 from the FY21 Budget. The valuation of public service companies is set by the state. The County has no control over these valuations.

- C. **Personal Property Tax** **\$ 2,431,214**
Personal property tax revenues are estimated based on last year's assessment. A \$214,079 increase in projected revenue.

Delinquent Personal Property Taxes not included in above **\$ 214,500**
The taxpayers continue to pay their taxes after the due date. Delinquent personal property tax revenue is projected to be \$8,250 more than the FY21 budget of \$206,250. FY20 was \$174,376.

- D. **Boat Taxes** **\$ 101,012**
A \$3,981 increase in projected revenue.

- E. **Mobile Homes** **\$ 22,423**
A \$115 decrease in projected revenue.

- F. **Farm Equipment** **\$ 87,774**
A \$9,193 decrease in projected revenue.

- G. **Heavy Equipment** **\$ 29,564**
A \$4,383 decrease in projected revenue.

- H. **Machinery & Tools** **\$ 57,075**
An \$25,460 decrease in projected revenue.

- I. **Penalties and Interest (for late payments of taxes)** **\$ 400,000**
A \$70,000 increase in projected revenue (Avg. \$350k last 3 years).

- J. **BPP Late Filing Penalty (late filing of Business Personal Property)** **\$ 13,870**
A \$1,370 increase in projected revenue.

	FY22	FY20	Diff.
Dept. 12 Other Local Taxes	\$5,461,709	\$3,093,895	\$2,367,814

- A. **Sales & Use Tax** **\$ 1,550,000**

A \$461,562 or 42.4% increase in projected revenue. The County had expected a reduction of 25% due to COVID; however, in reality we are seeing an increase. We believe this is due to local citizens shopping on the internet vs. shopping in Hampton Roads or Salisbury. One percent of the 5.3% sales tax for items shipped to Northampton County is shared with the County. The County is mandated to send 12.8% of the Sales & Use Tax revenue to the towns based

on school age populations. The percent that must be used is calculated annually by the Weldon Cooper Center. This number represents the total amount **after** allocations to the towns. FY20 was \$1,443,547 a 7.12% increase from FY19. Actual YTD FY21 has recorded a 18.3% increase vs. YTD FY20.

B. 1% Sales Tax Middle/High School Complex This is the new school capital tax that was approved in November via referendum	\$1,550,000
C. Consumer Utility Tax No change in projected revenue. 4-year avg.	\$ 325,000
D. Business License Tax No change in projected revenue.	\$ 40,000
E. Motor Vehicle License Tax – A \$13,002 increase in projected revenue. FY20	\$ 363,000
F. Bank Stock – A \$2,500 decrease in projected revenue.	\$ 30,000
G. Taxes on Recordation - A \$157,500 increase in projected revenue. 12 months	\$ 300,000
H. Taxes on Wills - A \$2,000 decrease in projected revenue.	\$ 5,500
I. Transient Occupancy Tax Northampton - A \$100,000 increase in projected revenue. 5% tax with 60% allocated to Northampton tourism & 40% kept with General Fund.	\$ 400,000
Transient Occupancy Tax Cape Charles - A \$6,250 increase in projected revenue. 2% tax (no share required). FY20 was \$81,689	\$ 100,000
J. Food & Beverage Taxes – No change in projected revenue. FY20 was \$329,119	\$ 300,000
K. Telecommunications Taxes – No change in projected revenue. 32.79% to 911	\$ 414,209
L. Games of Skill Distribution – New tax imposed by Commonwealth Tax is \$1,200 (\$144 or 12% to locality) per machine every month a machine is operated in Virginia Note: This bill currently has a sunset of July 1, 2021. If the date is extended we will include.	\$ 84,000

	FY22	FY21	Diff.
Dept. 13 Permits, Privilege Fees & Reg License	\$136,650	\$122,400	\$14,250
A. Animal License - A \$350 decrease in projected revenue.		\$ 1,650	
B. Building Permit – A \$15,000 increase in projected revenue.		\$ 93,000	
C. 10% BP for Fire Services – A \$1,500 increase in projected revenue		\$ 9,300	
D. Rehab. Structure App. Fee – A \$250 decrease in projected revenue		\$ 500	
E. Certificate of Occupancy – No change in projected revenue		\$ 500	
F. AFD Application Fees – A \$150 decrease in projected revenue		\$ 500	
G. Transfer Fees – A \$500 increase in projected revenue.		\$ 1,200	
H. Planning & Zoning Fees - a \$2,000 decrease in projected revenue.		\$ 30,000	

	FY22	FY21	Diff.
Dept. 14 Fines & Forfeitures	\$384,000	\$388,560	(\$4,560)
A. Fine & Forfeitures - A \$7,560 decrease in projected revenue FY20 actual \$484,599 FY19 \$605,724		\$ 360,000	
B. E-Summons - A \$3,000 increase in projected revenue		\$ 24,000	

	FY22	FY21	Diff.
Dept. 15 Use of Money & Property	\$64,480	\$252,779	(\$188,299)
A. Interest on Bank Deposits – A \$34,800 decrease in projected revenue		\$ 1,200	
B. Interest on Investments - A \$160,000 decrease in projected revenue 0.2% return estimated. Jan. 2020 was 1.75%		\$ 40,000	
C. Rent of General Property – A \$6,501 increase in projected revenue		\$ 23,280	
Dept. 16 Charges for Services	\$1,495,778	\$1,487,576	\$8,202
A. Sheriff Secondary Employment – A \$7,930 decrease in projected revenue Note: Includes \$50,000 for Broadwater		\$100,000	
B. Courthouse Security, Maintenance & C.A Fees - a \$38,278 increase in projected revenue.		\$ 307,518	
C. Ambulance Fees - a \$9,250 decrease in projected revenue. FY20 actual \$283,379.		\$ 293,000	
D. Waste Collection & Disposal Fees – A \$27,506 decrease in projected revenue (Collection, Residential, Commercial, Construction, Tires, Metal & Brush FY20 actual \$738,968.		\$738,970	
E. Solar Farm Fees – New Budget item for fees from Solar Farm		\$ 16,610	
F. Recreation Fees - A \$2,000 decrease in projected revenue. FY20 actual \$38,086		\$ 39,680	
Note - Harbor Fees (In 221-41725 - \$10,404) A \$5,847 decrease in projected revenue Actual FY20 \$10,404		\$ 0	
Dept. 18 Other Miscellaneous – No Change in projected revenue	\$10,000	\$10,000	\$0
Dept. 19 Recovered Costs	\$161,953	\$225,609	(\$63,656)
A. Recovered Costs – General – no change in projected revenue		\$ 60,000	
B. Recovered Costs RE Tax Auctions – no change in projected revenue.		\$ 64,953	
C. Recovered Costs Recruiting Grant – a \$39,656 decrease in projected revenue.		\$ 1,000	
D. Recovered Costs Code Enforcement - a \$24,000 decrease in projected revenue.		\$ 36,000	
Dept. 21 Payments in Lieu of Taxes – No change in projected revenue (Wildlife Refuge – From Federal Gov.)	\$30,000	\$30,000	\$0
Dept. 22 Non-Categorical	\$1,484,967	\$1,488,367	(\$3,400)

A. Mobile Home Titling Taxes – a \$500 decrease in projected revenue	\$ 13,000
B. Recordation Taxes – no change in projected revenue	\$ 46,000
C. Rolling Stock Taxes - a \$2,700 decrease in projected revenue.	\$ 0
D. Auto Rental – a \$200 decrease in projected revenue.	\$ 4,000
E. PPTRA Reimbursement	\$ 1,421,967
This is revenue received from the state at a set amount. No change.	

Dept. 23 Shared Expenses	FY22 \$1,738,400	FY21 \$1,786,673	Diff. (\$48,273)
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Shared Expenses represent current Compensation Board payments. The FY 22 reimbursement level has yet to be published.

Note - Commonwealth does not fund all positions within a department nor do they fund the complete position. Northampton County pays a % of all positions. FY20 was approximately 52.7% Commonwealth & 47.3% County.

Account #	Locality	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY22 Dept. Req.	FY22 Vs. FY21	% Change
42725 - Clerk of Circuit Court	State	\$ 209,183	\$ 243,064	\$ 203,573	\$ 247,413	\$ 235,072	\$ (12,341)	-4.99%
42750 - Commissioner of the Revenue	State	\$ 89,734	\$ 89,136	\$ 92,992	\$ 93,529	\$ 92,844	\$ (685)	-0.73%
42775 - Commonwealth's Attny	State	\$ 217,888	\$ 208,412	\$ 236,142	\$ 237,450	\$ 237,444	\$ (6)	0.00%
42800 - Treasurer	State	\$ 80,137	\$ 80,417	\$ 82,883	\$ 84,696	\$ 84,696	\$ -	0.00%
42825 - Sheriff	State	\$ 1,012,843	\$ 1,066,434	\$ 1,055,501	\$ 1,086,085	\$ 1,047,564	\$ (38,521)	-3.55%
42850 - ES Regional Jail	State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
42875 - Registrar/Electoral Board	State	\$ 37,399	\$ 37,500	\$ 49,080	\$ 37,500	\$ 40,780	\$ 3,280	8.75%
		\$ 1,647,184	\$ 1,724,963	\$ 1,720,172	\$ 1,786,673	\$ 1,738,400	\$ (48,273)	-2.70%

Dept. 26 State Categorical Aid	FY22 \$132,513	FY21 \$214,271	Diff. (\$81,758)
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Account #	Locality	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY22 Dept. Req.	FY22 Vs. FY21	% Change
43950 - Litter Control		\$ 10,194	\$ 10,343	\$ 8,967	\$ 10,100	\$ 10,100	\$ -	0.00%
43975 - Fire Program		\$ 28,848	\$ 29,868	\$ 31,428	\$ 31,428	\$ 31,428	\$ -	0.00%
44025 - Health Dept. Settlement		\$ 19,551	\$ 23,321	\$ 41,210	\$ 20,000	\$ 20,000	\$ -	0.00%
44075 - Four for Life		\$ -	\$ 24,185	\$ -	\$ 11,771	\$ 12,513	\$ 742	6.30%
44125 - Va. Rescue Squad Asst. Grant		\$ 11,558	\$ 37,579	\$ 33,005	\$ 115,000	\$ 32,500	\$ (82,500)	-71.74%
44200 - Pesticide Recycling/Johnson Gras		\$ -	\$ 1,819	\$ -	\$ -	\$ -	\$ -	#DIV/0!
44280 - VA Dept. of Emergency Mgmt.		\$ -	\$ 3,500	\$ -	\$ -	\$ -	\$ -	#DIV/0!
44285 - The Library of Virginia		\$ -	\$ 6,875	\$ 8,166	\$ 10,816	\$ 10,816	\$ -	0.00%
45175 - Victim/Witness Grant		\$ 10,914	\$ 13,851	\$ 14,125	\$ 15,156	\$ 15,156	\$ -	0.00%
		\$ 81,066	\$ 151,341	\$ 136,901	\$ 214,271	\$ 132,513	\$ (81,758)	-38.16%

FY22	FY21	Diff.
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Dept. 35 Federal Categorical Aid

\$61,440

\$61,440

\$0

Account #	Locality	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY22 Dept. Req.	FY22 Vs. FY21	% Change
44175 - DMV Grant	Federal	\$ 8,085	\$ 10,013	\$ 9,671	\$ 8,085	\$ 8,085	\$ -	0.00%
45175 - Victim/Witness Grant	Federal	\$ 32,742	\$ 41,554	\$ 42,374	\$ 45,855	\$ 45,855	\$ -	0.00%
45225 - Off. Of Emerg. Services Grant	Federal	\$ -	\$ 15,000	\$ 7,500	\$ 7,500	\$ 7,500	\$ -	0.00%
45330 - HHS - Provider Relief Cares	Federal	\$ -	\$ -	\$ 4,558	\$ -	\$ -	\$ -	#DIV/0!
45350 - Byrne Justice Asst. Grant	Federal	\$ -	\$ -	\$ 1,332	\$ -	\$ -	\$ -	#DIV/0!
45376 - USDA Grant - Rural Assistance	Federal	\$ -	\$ -	\$ 21,000	\$ -	\$ -	\$ -	#DIV/0!
45420 - COVID-19/CARES Act	Federal	\$ -	\$ -	\$ 245,241	\$ -	\$ -	\$ -	#DIV/0!
45421 - CARES ACT - Elections	Federal	\$ -	\$ -	\$ 8,534	\$ -	\$ -	\$ -	#DIV/0!
45461 - Coastal Zone Management Act	Federal	\$ -	\$ -	\$ 17,757	\$ -	\$ -	\$ -	#DIV/0!
		\$ 40,827	\$ 66,566	\$ 357,968	\$ 61,440	\$ 61,440	\$ -	0.00%

Dept. 43. Financing Proceeds

FY21
\$0

FY20
\$0

Diff.
\$0

Dept. 44. Transfer from other Funds

FY22
\$1,094,087

FY21
\$1,629,585

Diff.
(\$535,498)

A. Transfer from Social Services (rent for DSS – a **\$9,830** increase no change)

\$ 94,087

Transfer from Public Utilities – No change in projected revenue.
5-year repayment complete

\$ 0

Transfer from Capital Reserve (310) – A **\$545,498** reduction in projected revenue.

\$1,000,000

Dept. 45. Appropriated Fund Balance

FY22
\$611,277

FY21
\$1,068,554

Diff.
(\$457,277)

A. Solar Farm Payment received in 2017 – Estimating \$ not needed in FY21
No Change in projected income.

\$200,000

B. E-Summons – Balance from 2017 – Estimating \$ not needed in FY21
No Change in projected income.

\$ 69,000

C. COVID-19 – Fund 2% estimated reduction in RE collections
A \$511,277 in projected income from the 5% or \$853,554 budgeted in FY21
Note: The intent is to “pay back” this in subsequent years with increased late collections.

\$342,277

I will be glad to answer any questions.

Sincerely, John D. Chandler, Director of Finance, Northampton County