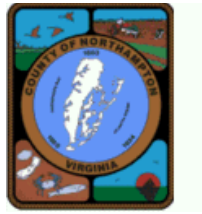


NORTHAMPTON COUNTY



Finance Department
P.O. Box 66
16404 Courthouse Road
Eastville, VA 23347
Phone: (757) 678-0440
Fax: (757) 678-0483

MEMORANDUM

TO: Board of Supervisors
FROM: John D. Chandler, Director of Finance
DATE: January 25, 2022
RE: FY2023 Revenue Projections – General Fund

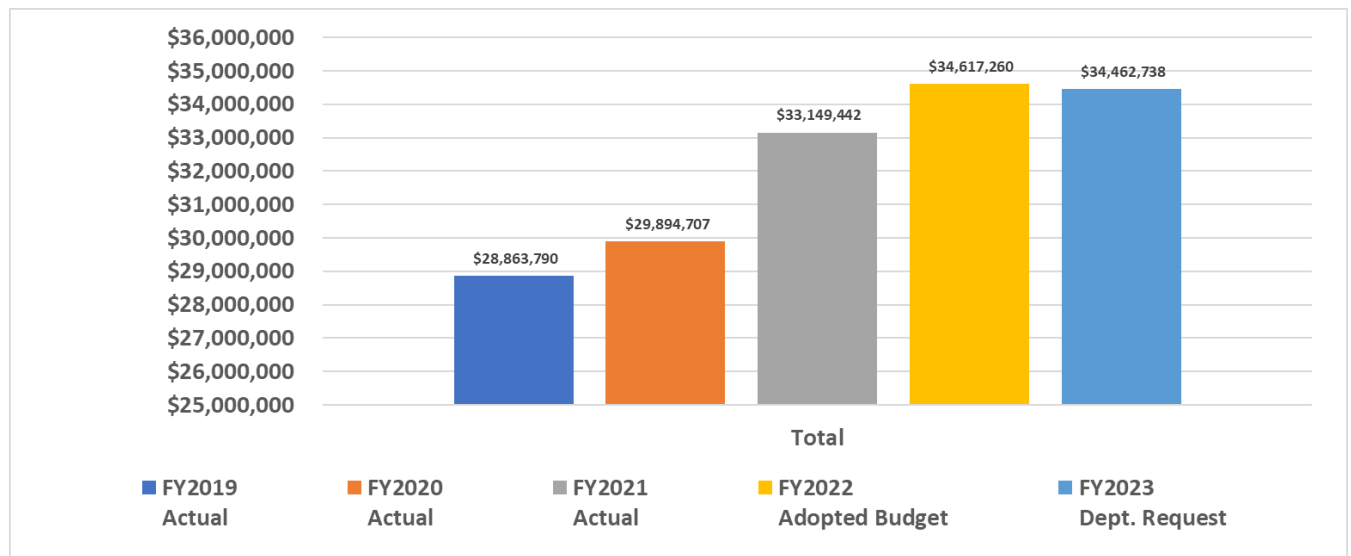
The following is a summary of projected FY 2023 revenue – General Fund.
Attached are:

- Annual Budget by Account Classification – Summary (1 page)
- Annual Budget by Revenue Type Report – Detail (19 pages)
- Projected FY23 Projected Tax Revenue Worksheet (1 page)

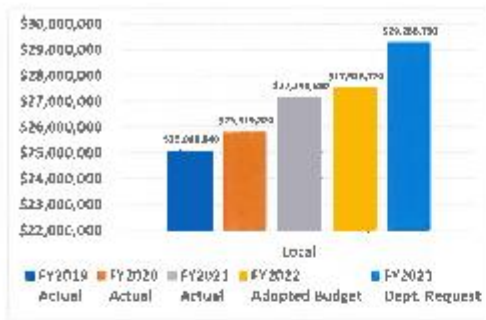
In both of the reports, you will find the following information:

- The last three years of actual history (Fiscal Year 2019, 2020 and 2021)
- The adopted Fiscal Year 2022 Budget
- Fiscal Year 2023 Projected Revenue
- The difference between the FY2023 Projected Revenue column and the FY2022 Adopted Budget
- % Change FY23 vs. FY22

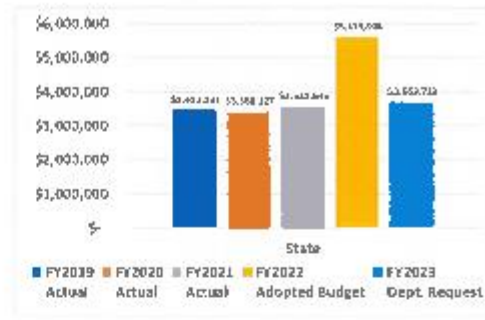
Locality	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Adopted Budget	FY2023 Dept. Request	FY23 vs. FY22	% Change
Local	\$ 25,088,940	\$ 25,819,820	\$ 27,149,580	\$ 27,526,770	\$ 29,288,750	\$ 1,761,980	6.4%
State	\$ 3,432,121	\$ 3,388,127	\$ 3,531,645	\$ 5,579,905	\$ 3,663,723	\$ (1,916,182)	-34.3%
Federal	\$ 30,901	\$ 364,236	\$ 2,281,106	\$ 30,000	\$ 30,000	\$ -	0.0%
Non-Revenue	\$ 311,828	\$ 322,523	\$ 187,111	\$ 1,480,585	\$ 1,480,265	\$ (320)	0.0%
Total	\$ 28,863,790	\$ 29,894,707	\$ 33,149,442	\$ 34,617,260	\$ 34,462,738	\$ (154,522)	-0.4%



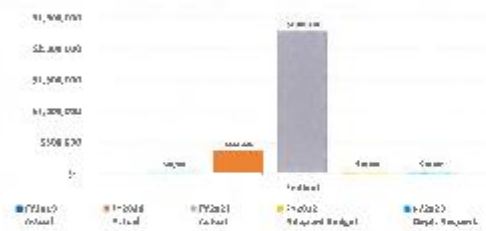
General Fund Revenue



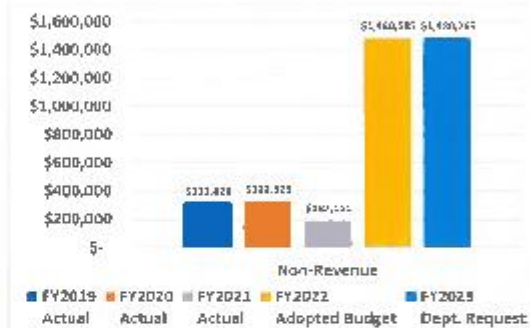
Local Revenue



State Revenue

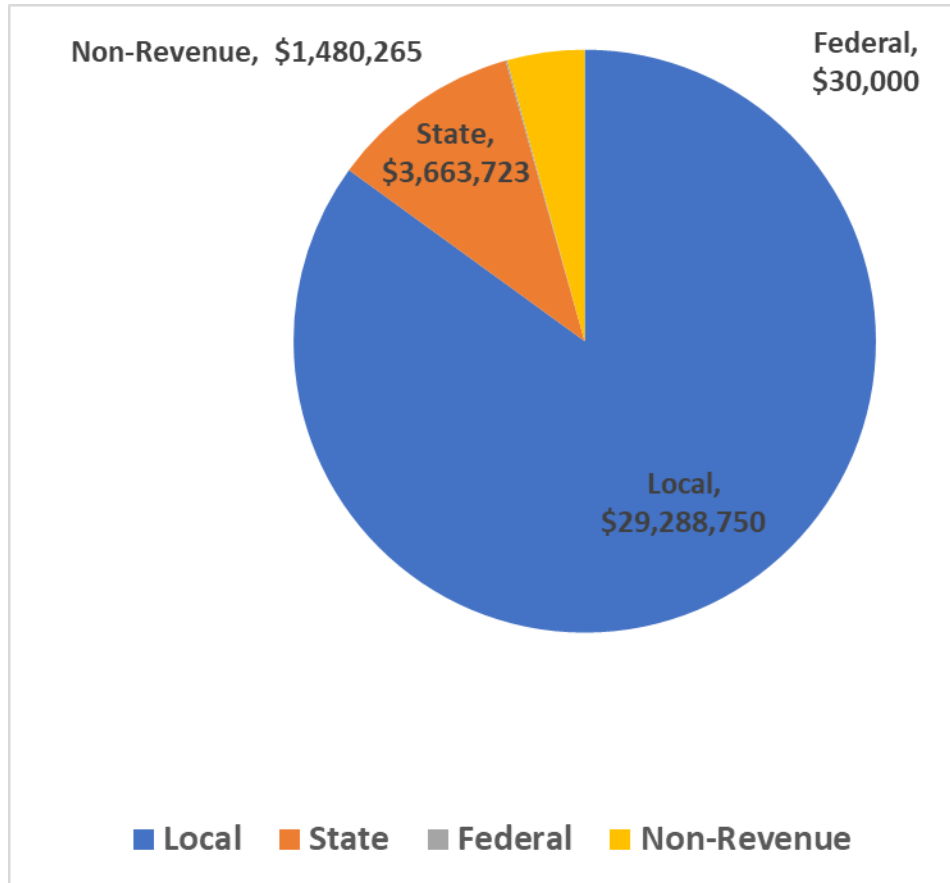


Federal



Non-Revenue (Capital/Undesignated Fund Balance)

Department	Agency	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Adopted Budget	FY2023 Dept. Request	FY23 vs. FY22	% Change
Department: 0411 General Property Taxes Total		\$ 30,220,208	\$ 34,579,185	\$ 30,892,815	\$ 30,820,840	\$ 30,284,065	\$ (537,000)	-2.8%
Department: 0412 Other Local Taxes Total		\$ 4,364,470	\$ 4,641,494	\$ 4,274,341	\$ 4,720,341	\$ 4,190,500	\$ (461,851)	-20.0%
Department: 0413 Permits, Intergov Fees & Reg Mts Total		\$ 138,752	\$ 132,213	\$ 154,323	\$ 136,350	\$ 144,850	\$ 8,500	6.0%
Department: 0414 Fines & Forfeitures Total		\$ 9,214,942	\$ 11,120,914	\$ 10,618,700	\$ 10,000,000	\$ 12,220,000	\$ (1,852,999)	-16.7%
Department: 0415 Use of Money & Property Total		\$ 167,354	\$ 453,450	\$ 54,417	\$ 64,480	\$ 45,484	\$ (19,000)	-29.3%
Department: 0416 Charges for Services Total		\$ 1,347,732	\$ 1,377,054	\$ 1,719,641	\$ 1,496,778	\$ 1,623,063	\$ 126,273	8.6%
Department: 0418 Miscellaneous Total		\$ 80,308	\$ 164,257	\$ 72,004	\$ 10,000	\$ 10,000	\$ -	0.0%
Department: 0419 Recovered Costs Total		\$ 142,342	\$ 83,724	\$ 169,246	\$ 241,580	\$ 95,062	\$ (145,500)	-60.2%
Department: 0422 Non-Categorical Total		\$ -	\$ -	\$ 473,034	\$ 434,000	\$ 370,867	\$ (63,133)	-14.5%
Local Total		\$ 25,088,940	\$ 25,219,420	\$ 27,149,580	\$ 27,526,770	\$ 28,288,750	\$ 1,761,980	6.4%
Department: 0423 Non-Categorical Total		\$ 1,480,251	\$ 1,471,500	\$ 1,504,704	\$ 1,484,167	\$ 1,481,867	\$ (3,000)	-0.2%
Department: 0424 Shared Expenses Total		\$ 1,724,063	\$ 1,701,172	\$ 1,754,974	\$ 1,903,870	\$ 1,903,870	\$ -	0.0%
Department: 0425 State Categorical Aid Other Total		\$ 151,341	\$ 134,903	\$ 208,377	\$ 2,130,214	\$ 216,832	\$ (1,913,382)	-89.8%
Department: 0426 Federal Categorical Aid Other Total		\$ 66,365	\$ 59,543	\$ 65,572	\$ 61,354	\$ 61,054	\$ -	0.0%
State Total		\$ 3,482,121	\$ 3,388,127	\$ 3,531,645	\$ 5,579,805	\$ 3,663,723	\$ (1,916,182)	-34.3%
Department: 0428 Payments in lieu of Taxes Total		\$ 30,301	\$ 26,813	\$ -	\$ 30,300	\$ 30,000	\$ -	0.0%
Department: 0429 Federal Categorical Aid Other Total		\$ -	\$ 298,424	\$ 10,244,606	\$ -	\$ -	\$ -	0.0%
Department: 0430 Financing Proceeds Total		\$ -	\$ 39,000	\$ 253,500	\$ -	\$ -	\$ -	0.0%
Federal Total		\$ 30,301	\$ 364,238	\$ 2,281,106	\$ 30,000	\$ 30,000	\$ -	0.0%
Department: 0404 Fees/for from Other Funds Total		\$ 311,828	\$ 422,524	\$ 267,313	\$ 1,411,585	\$ 1,213,265	\$ (198,320)	-14.0%
Department: 0405 Appropriated Fund Balances Total		\$ -	\$ -	\$ -	\$ 260,300	\$ 269,000	\$ 8,700	3.3%
Non-Revenue Total		\$ 311,828	\$ 322,523	\$ 187,111	\$ 1,480,595	\$ 1,480,265	\$ (320)	0.0%
Grand Total		\$ 28,863,790	\$ 28,894,707	\$ 33,149,442	\$ 34,617,260	\$ 34,462,738	\$ (154,522)	-0.4%



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

	FY23	FY22	Diff.
Dept 11 General Property Tax Revenue	\$20,584,046	\$20,026,443	\$557,603

2022 Tax Billings (FY23)	Change vs. 2021 Tax Billings (FY22)
Tax Billings - \$19,562,540	\$692,867
Late Tax Payments - \$671,506	(\$ 85,264)
Penalties - \$200,000	\$ 0
Interest - \$150,000	(\$ 50,000)

A. Real Estate 2022 Tax Revenue (Projected) \$ 15,911,515

This represents the largest source of county revenue, real estate taxes. At this time, we have used 2021 billings plus 5-year average of new construction additions. New assessments are performed biannually and are in process. The average collection rate of 97% was used when calculating the current year real estate tax revenue. A \$391,210 increase.

Delinquent Real Estate Tax Revenue not included in above \$ 350,200

Delinquent real estate tax revenue is projected to be \$167,500 less than FY22. FY21 was \$307,900.

B. Public Service Companies Tax	\$ 486,695
Public Service Companies tax revenues decreased \$11,207 from the FY22 Budget. The valuation of public service companies is set by the state. The County has no control over these valuations.	
C. Personal Property Tax	\$ 2,793,168
Personal property tax revenues are estimated based on last year's assessment. A \$213,709 increase in projected revenue.	
Delinquent Personal Property Taxes not included in above	\$ 282,500
The taxpayers continue to pay their taxes after the due date. Delinquent personal property tax revenue is projected to be \$68,000 more than the FY22 budget of \$214,500. FY21 was \$231,125.	
D. Boat Taxes	\$ 133,906
A \$32,894 increase in projected revenue.	
E. Mobile Homes	\$ 23,670
A \$1,247 increase in projected revenue.	
F. Farm Equipment	\$ 74,952
A \$2,319 increase in projected revenue.	
G. Heavy Equipment	\$ 50,497
A \$20,933 increase in projected revenue.	
H. Machinery & Tools	\$ 99,043
An \$41,968 increase in projected revenue.	
I. Penalties and Interest (for late payments of taxes)	\$ 350,000
A \$50,000 decrease in projected revenue (Avg. \$350k last 3 years).	
J. BPP Late Filing Penalty (late filing of Business Personal Property)	\$ 27,900
A \$14,030 increase in projected revenue.	

	FY23	FY22	Diff.
Dept. 12 Other Local Taxes	\$6,190,500	\$4,728,641	\$1,461,859

Sales & Use Tax **\$ 2,000,000**

A. Forecasting a **\$400,000** or **25%** increase in projected revenue. The County had expected a reduction of 25% due to COVID; however, in reality we saw an increase. We believe this is due to local citizens shopping on the internet vs. shopping in Hampton Roads or Salisbury. Additionally, Coastal Precast (CPS) has had some very large taxable projects that have increased our sales tax collection significantly. This is a project location specific sales tax and can increase or decrease with the project location. Many CPS projects can be tax exempt. One percent of the 6.3% sales tax for items shipped to Northampton County is shared with the County. The County is mandated to share 13.3% (Was 13.11% FY21, changes annually in September) 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 and FY21 was \$1,957,466 a 35.6% increase from FY20. Last 12 months = \$2,201,602. Actual YTD FY22 has recorded a 40.2% increase vs. YTD FY21.

Note: There is legislation/discussion in the Virginia General Assemble & Governor's office to repeal the 2.5% grocery tax. This would have a large impact on sales tax revenue if there was not another revenue replacement stream. My best estimate is if the grocery tax is

repealed, the impact to sales tax revenue would be approximately \$400k - \$800k combined between the County and School system.

B. 1% Sales Tax Middle/High School Complex	\$1,900,000
This is the new school capital tax that was approved in November 2020 via referendum. Projecting a \$650,000 increase vs. FY22. Collections to date show Grocery portion to be approximately 15%; however, this would be much closer to 20% if Coastal Precast was not included in the calculation. The County does not have to share 13.3% of the school tax with the towns. School tax collections 4 months through December have been \$890,627 vs. \$896,796 in sales tax after sharing with the towns.	
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 \$12,000 increase in projected revenue.	\$ 375,000
F. Bank Stock – A \$5,000 increase in projected revenue.	\$ 35,000
G. Taxes on Recordation - A \$60,000 increase in projected revenue.	\$ 360,000
H. Taxes on Wills - No change in projected revenue.	\$ 5,500
I. Transient Occupancy Tax Northampton - A \$200,000 increase in projected revenue. 5% tax with 60% allocated to Northampton tourism & 40% kept with General Fund. FY21 was \$523,428. YTD is \$531,240.	\$ 600,000
Transient Occupancy Tax Cape Charles - A \$50,000 increase in projected revenue. 2% tax (no share required). FY21 was \$139,872 & YTD is \$78,793.	\$ 150,000
J. Food & Beverage Taxes – A \$84,859 increase in projected revenue. FY21 was \$362,177 & 5 months YTD is \$222,193.	\$ 400,000

	FY23	FY22	Diff.
Dept. 13 Permits, Privilege Fees & Reg License	\$144,850	\$136,650	\$8,200
A. Animal License - No change in projected revenue.		\$ 1,650	
B. Building Permit – A \$7,000 increase in projected revenue.		\$ 100,000	
C. 10% BP for Fire Services – A \$700 increase in projected revenue		\$ 10,000	
D. Rehab. Structure App. Fee – No change in projected revenue.		\$ 500	
E. Certificate of Occupancy – No change in projected revenue		\$ 500	
F. AFD Application Fees – A \$500 increase in projected revenue		\$ 1,000	
G. Transfer Fees – No change in projected revenue.		\$ 1,200	
H. Planning & Zoning Fees - No change in projected revenue.		\$ 30,000	

	FY23	FY22	Diff.
Dept. 14 Fines & Forfeitures	\$222,001	\$409,000	(\$186,999)
A. Fine & Forfeitures - A \$180,999 decrease in projected revenue		\$ 204,001	
FY20 actual \$484,599 FY19 \$605,724			

B. E-Summons - A \$6,000 decrease in projected revenue			\$ 18,000
	FY23	FY22	Diff.
Dept. 15 Use of Money & Property	\$45,383	\$64,480	(\$19,097)
A. Interest on Bank Deposits – No change in projected revenue.			\$ 1,200
B. Interest on Investments - A \$20,000 decrease in projected revenue 0.1% return estimated. Jan. 2020 was 1.75% and FY20 was \$287,083.			\$ 20,000
C. Rent of General Property – A \$903 increase in projected revenue			\$ 24,183
	FY23	FY22	Diff.
Dept. 16 Charges for Services	\$1,625,051	\$1,495,778	\$129,273
A. Sheriff Secondary Employment – No change in projected revenue. Note: Includes \$50,000 for Broadwater			\$100,000
B. Courthouse Security, Maintenance & C.A Fees - a \$141,482 increase in projected revenue.			\$ 449,000
C. Ambulance Fees - a \$7,000 increase in projected revenue. FY21 actual \$334,881.			\$ 300,000
D. Waste Collection & Disposal Fees – A \$19,541 decrease in projected revenue (Collection, Residential, Commercial, Construction, Tires, Metal & Brush FY21 actual \$800,517 which included a large \$81,292 metal sale			\$719,429
E. Solar Farm Fees – a \$332 increase in projected revenue			\$ 16,942
F. Recreation Fees - No change in projected revenue. FY21 actual \$36,049			\$ 39,680
Note - Harbor Fees (In 221-41725 - \$13,500) No change in projected revenue. Actual FY21 \$10,049			\$ 0
	FY23	FY22	Diff.
Dept. 18 Other Miscellaneous – No Change in projected revenue	\$10,000	\$10,000	\$0
	FY23	FY22	Diff.
Dept. 19 Recovered Costs	\$96,062	\$241,569	(\$145,507)
A. Recovered Costs – General – no change in projected revenue			\$ 60,000
B. Recovered Costs RE Tax Auctions – a \$120,507 decrease in projected revenue.			\$ 24,062
C. Recovered Costs Recruiting Grant – a \$1,000 decrease in projected revenue.			\$ 0
D. Recovered Costs Code Enforcement - a \$24,000 decrease in projected revenue.			\$ 12,000
	FY23	FY22	Diff.
Dept. 35 (Changed from 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	FY22 \$1,852,824	FY21 \$1,899,176	Diff. (\$46,352)
A. Mobile Home Titling Taxes – a \$3,000 decrease in projected revenue		\$ 10,000	
B. Recordation Taxes – no change in projected revenue		\$ 46,000	
C. Rolling Stock Taxes - no change in projected revenue		\$ 0	
D. Auto Rental – no change in projected revenue		\$ 4,000	
E. Telecommunications Taxes – a \$43,352 decrease in projected revenue. 32.79% to 911		\$ 370,857	
K. 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.		\$ 0	
F. PPTRA Reimbursement This is revenue received from the state at a set amount. No change.		\$ 1,421,967	

Dept. 23 Shared Expenses	FY23 \$1,903,870	FY22 \$1,903,870	Diff. (\$0)
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Shared Expenses represents FY22 Budget from the Compensation Board. The FY 23 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	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Adopted Budget	FY2023 Dept. Request	FY23 vs. FY22	% Change
42725 - Clerk of Circuit Court	\$ 243,064	\$ 203,573	\$ 215,259	\$ 236,365	\$ 236,365	\$ -	0.0%
42750 - Commissioner of the Revenue	\$ 89,136	\$ 92,992	\$ 92,799	\$ 103,693	\$ 103,693	\$ -	0.0%
42775 - Commonwealth's Attny	\$ 208,412	\$ 236,142	\$ 236,054	\$ 247,914	\$ 247,914	\$ -	0.0%
42800 - Treasurer	\$ 80,417	\$ 82,883	\$ 84,816	\$ 100,892	\$ 100,892	\$ -	0.0%
42825 - Sheriff	\$ 1,066,434	\$ 1,055,501	\$ 1,085,681	\$ 1,140,006	\$ 1,140,006	\$ -	0.0%
42875 - Registrar/Electoral Board	\$ 37,500	\$ 49,080	\$ 39,383	\$ 75,000	\$ 75,000	\$ -	0.0%
	\$ 1,724,963	\$ 1,720,172	\$ 1,753,992	\$ 1,903,870	\$ 1,903,870	\$ -	0.0%

Dept. 26 State Categorical Aid FY23 FY22 Diff.
\$216,832 **\$2,130,014** **(\$1,913,182)**

Account	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Adopted Budget	FY2023 Dept. Request	FY23 vs. FY22	% Change
43950 - Litter Control	\$ 10,343	\$ 8,967	\$ 9,736	\$ 10,100	\$ 13,297	\$ 3,197	31.7%
43975 - Fire Program	\$ 29,868	\$ 31,428	\$ 32,885	\$ 31,428	\$ 34,926	\$ 3,498	11.1%
44025 - Health Dept. Settlement	\$ 23,321	\$ 41,210	\$ 22,517	\$ 20,000	\$ 20,000	\$ -	0.0%
44050 - Other State Grants	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 110,000	\$ (1,890,000)	-94.5%
44075 - Four for Life	\$ 24,185	\$ -	\$ 25,148	\$ 12,513	\$ 12,636	\$ 123	1.0%
44125 - Va. Rescue Squad Asst. Grant	\$ 37,579	\$ 33,005	\$ 91,115	\$ 30,000	\$ 1	\$ (29,999)	-100.0%
44200 - Pesticide Recycling/Johnson G	\$ 1,819	\$ -	\$ -	\$ -	\$ -	\$ -	-
44280 - VA Dept. of Emergency Mgmt.	\$ 3,500	\$ -	\$ -	\$ -	\$ -	\$ -	-
44285 - The Library of Virginia	\$ 6,875	\$ 8,166	\$ 10,816	\$ 10,816	\$ 10,816	\$ -	0.0%
45175 - Victim/Witness Grant	\$ 13,851	\$ 14,125	\$ 14,161	\$ 15,157	\$ 15,156	\$ (1)	0.0%
State Total	\$ 151,341	\$ 136,901	\$ 206,377	\$ 2,130,014	\$ 216,832	\$ (1,913,182)	-89.8%

Dept. 35 Federal Categorical Aid FY23 FY22 Diff.
\$61,054 **\$61,054** **\$0**

Account	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Adopted Budget	FY2023 Dept. Request	FY23 vs. FY22	% Change
44175 - DMV Grant	\$ 10,013	\$ 9,671	\$ 16,588	\$ 8,085	\$ 8,085	\$ -	0.0%
45175 - Victim/Witness Grant	\$ 41,554	\$ 42,374	\$ 42,484	\$ 45,469	\$ 45,469	\$ -	0.0%
45225 - Off. Of Emerg. Services Grant	\$ 15,000	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ -	0.0%
Federal Total	\$ 66,566	\$ 59,545	\$ 66,572	\$ 61,054	\$ 61,054	\$ -	0.0%

Dept. 43. Financing Proceeds FY23 FY22 Diff.
\$0 **\$0** **\$0**

Dept. 44. Transfer from other Funds FY23 FY22 Diff.
\$1,211,265 **\$1,211,585** **(\$320)**

A. Transfer from Social Services (rent for DSS – a **\$320** decrease) \$ 93,767

Transfer from Public Utilities – No change in projected revenue.
5-year repayment complete \$ 0

Transfer from Capital Reserve (310) – No change in projected revenue.
FY21 ending Balance was \$2,864,592. \$1,117,498

Dept. 45. Appropriated Fund Balance FY23 FY22 Diff.
\$269,000 **\$269,000** **(\$0)**

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

I will be glad to answer any questions.

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