

**CAROLINE COUNTY BOARD OF SUPERVISORS
BUDGET WORKSESSION
COMMUNITY SERVICES CENTER
MILFORD, VIRGINIA**

6:00 P.M.

1. Reconvene From April 11, 2023 Board Of Supervisors Meeting

Requesting County Administration
Department

2. Adopt Agenda For April 25, 2023 Worksession

Requesting County Administration
Department

3. Discussion Of Proposed Fiscal Year 2023/2024 Budget

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Documents:

[INCREASED FY 24 REVENUE PROJECTIONS.PDF](#)

4. Other Items Identified By Board Members

Requesting County Administration
Department

ADJOURNMENT

APRIL 25, 2023 PORTFOLIO

Requesting County Administration
Department

Documents:

[APRIL 25, 2023 PORTFOLIO.PDF](#)



MEMORANDUM

To: Board of Supervisors

From: Charles M. Culley, Jr., County Administrator
Alan L. Partin, Deputy County Administrator
Tomeka C. Smith, Finance Director

Date: April 24, 2023

Subject: Proposed Adjustments to County Administrator's Proposed Fiscal Year
2023/2024 Budget

Recommended Changes Following Completion of 2023 Tax Year Book by Commissioner of the Revenue's Office

The adoption of the Tax Year 2023 tax rates by the Board of Supervisors on April 11th enabled the Commissioner of the Revenue's Office to download values from JD Power (formerly NADA), apply the appropriate tax rates and complete the tax book for 2023.

This allowed staff to reexamine and project property tax revenues with greater accuracy based on the actual billed book. Six percent (6%) growth in the number of vehicles, boats, and other personal property being taxed in Caroline County is now projected. This allows revenue growth without the value of individual vehicles increasing from FY 2023 to FY 2024. The revenue adjustments can be summarized as follows:

- Increase to Personal Property Tax revenues of \$621,922
- Increase to Machinery & Tools Tax revenues of \$231,485
- Increase to Motor Vehicle Carrier Tax revenues of \$53,450

Total Increase = \$906,857

Recommended Changes Following Additional Review of Current Year Revenues (FY 2023) through March 31, 2023

Following the presentation of the County Administrator’s recommended budget on April 11th, and in preparation for the FY 2023 3rd quarter report, staff analyzed preliminary data for revenues up to March 31, 2023. This enabled the Finance Department to make the following revenue projection adjustments for FY 2024:

- Increase to Business Professional Occupational License (BPOL) revenues of \$256,536
- Decrease to Ambulance/EMS Revenue Recovery Services (due to reduced collection rate per Chief Loftus) of \$109,519

Total Increase = \$147,017

NET INCREASE TO GENERAL FUND REVENUE = \$1,053,874

Recommended Use of Increased Revenue Projections

- Redirect the transfer of \$879,855 in revenues from the Caroline Detention Center Fund, originally proposed to the General Fund, to the Capital Improvement Funds and add \$59,073 from the General Fund totaling **\$938,928**. The transferred funds to the Capital Improvements Fund will now be used to pay cash (rather than use lease purchase financing) for the FY 2024 capital improvements.
- Reduce the projected total transfer from the Undesignated General Fund Balance to meet expenditures in FY 2024 by **\$114,946** (from \$2,551,068 to \$2,436,122)

Reevaluation of Interest Revenue for Utility Fund

Due to the increase in interest rates, staff reevaluated the interest revenue accruing vs. interest costs from the \$20 million utility borrowing in 2021 (largely for the Polecat Creek Wastewater Interceptor Project and accompanying improvements) to more accurately estimate revenue vs expenditures for the Utility Fund. As a result, additional revenue of \$494,000 is projected from interest for the Utility Fund in FY 2024.

Total Increase of \$494,000 in Utility Fund Revenue

- Line item 502-041050-0010: Transfer from General Fund to the Utility Fund for debt service will reduce by \$494,000 (from \$2,291,165 to \$1,797,165) in the Utility Fund. Likewise, the offsetting account, Line item 100-093100-9010: Transfer from General Fund to Utility Fund in the General Fund would be reduced by \$494,000.
- Due to the decreasing expenditure in the General Fund, the projected total transfer from the Undesignated General Fund Balance to meet expenditures in FY 2024 will be reduced by **\$494,000** (from \$2,436,122 to \$1,942,122)



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