



**THIS YEAR'S BUDGET PRESENTATION
IS BROUGHT TO YOU BY THE LETTER:**

"V"









Virus



There are lots of **V**s with **Virus**.

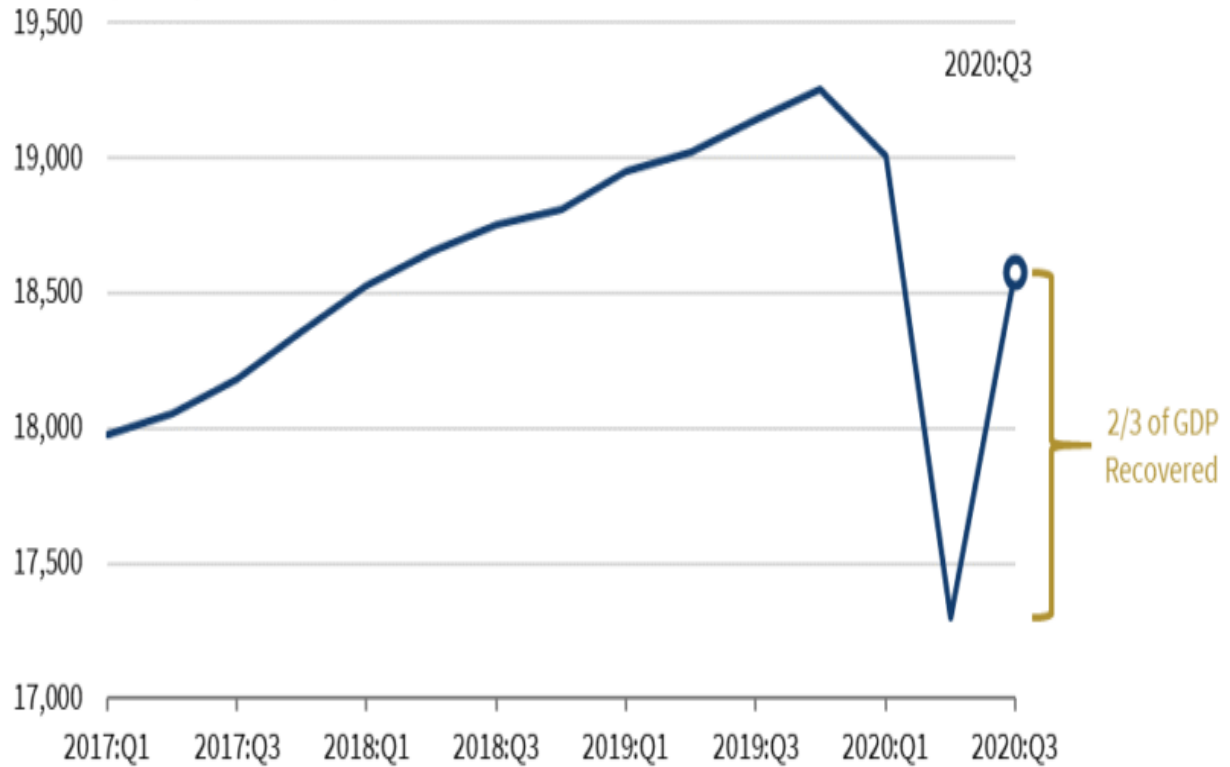
DOW JONES INDUSTRIAL AVERAGE SPRING 2020



U.S. GROSS DOMESTIC PRODUCT 2020

Figure 1. Level of Real GDP

Real GDP (billions, 2012 dollars)

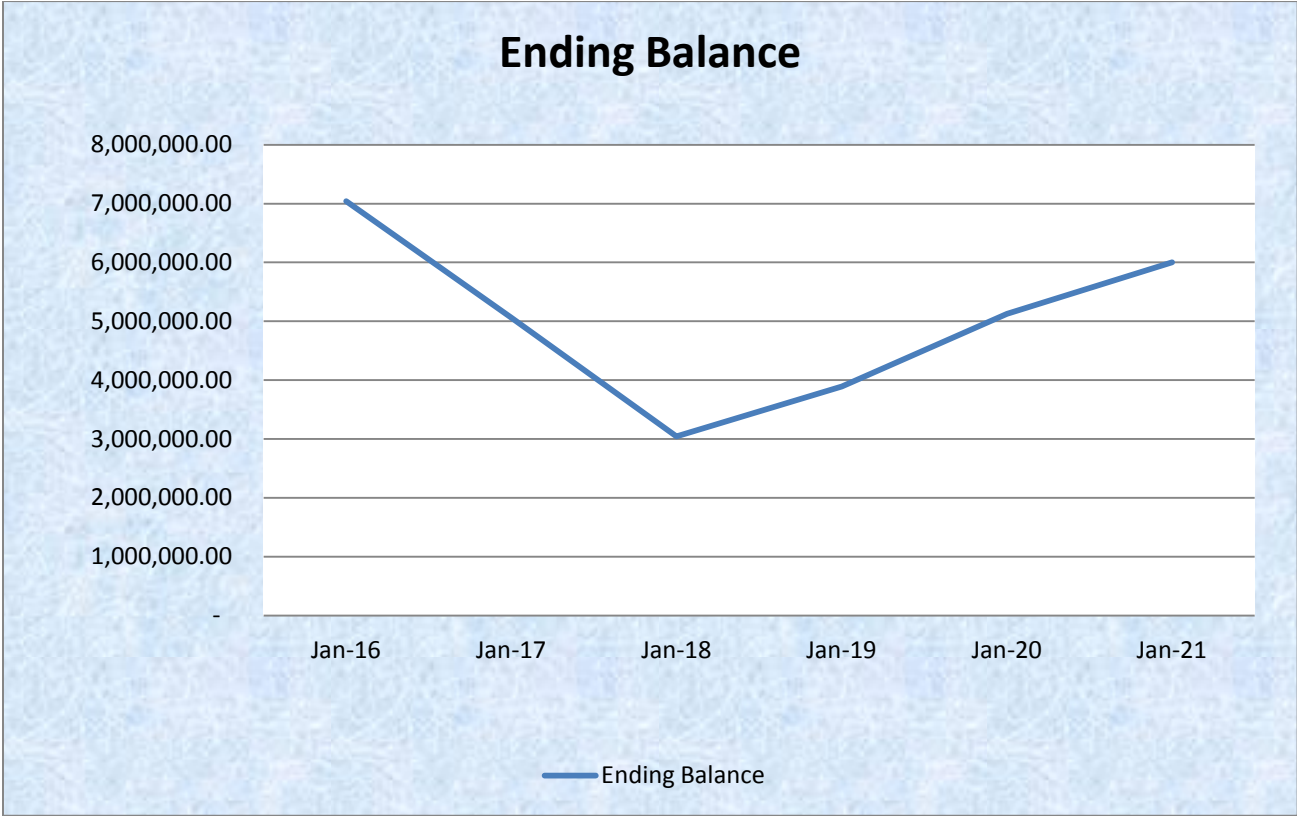


Sources: Bureau of Economic Analysis; CEA calculations.



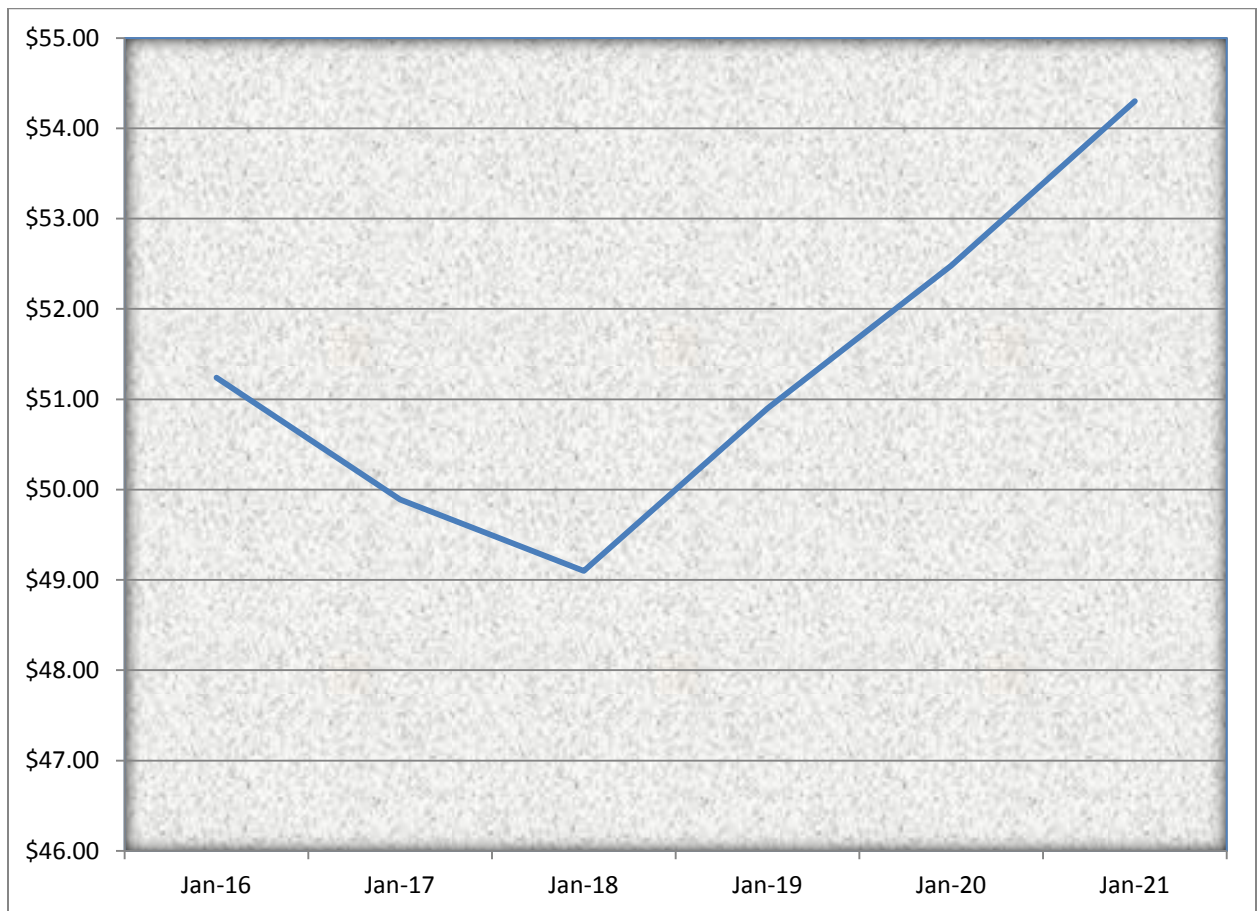
What are our **V**s?

Ending Balances FY2016-FY2021

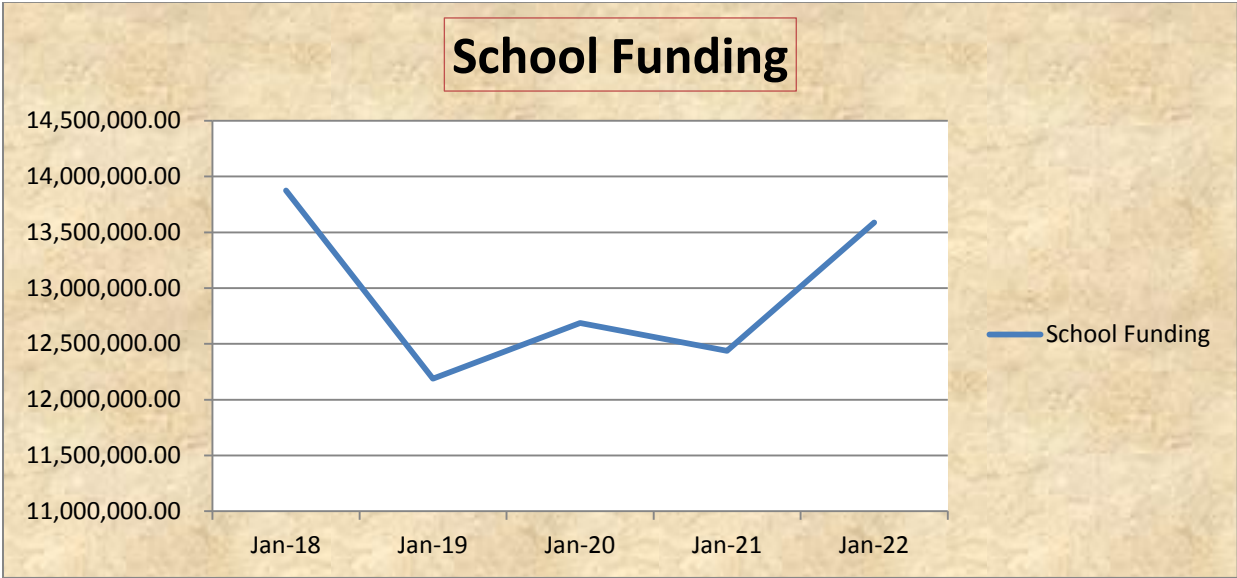




LOCAL REVENUES (Millions)



Local Spending on Education FY18-FY22



The proposed FY 22 Budget increases spending on education by nearly \$1.2m to pay for a 5% pay raise for school board personnel who did not receive a pay increase from State. The Budget also increases pay for Deputies and other government employees who did not receive pay raise from state.



HOW DID WE DO THAT?

--Local Sales Tax Revenues were projected to decline in FY21 by \$400,000.00. Instead they rose by \$500,000.00. That is a \$900,000.00 savings.

--The regional jail bill and juvenile detention bill declined by a combined \$644,000.00.

--Combining the jail savings with the sales tax projection increase we were able to fund \$2.04m in payroll increases.

--Both of the savings and the revenues should recur in FY22, which should fund the increases in FY23.

--ARPA funds from U.S. Government will allow us to supplement local revenues up to 104% of FY 20 levels through FY25. This gives us more confidence that we can support these recurring costs until FY26. At that time we should have a new real property assessment and possibly a meals tax to support supplant ARPA revenue in our general budget.



OTHER GOOD NEWS INCLUDES

--Our Healthcare costs declined so there is no increase in employee premiums in the budget.

--The Governor's G3 plan means the state will pay for about one third of our students at SVCC who were receiving and who could receive our scholarship saving us about \$180,000.00 going forward.

--We were able to reimburse ourselves for many employees' salaries, including EMTs Emergency Management, Public Relations and the County Administrator. This saved us \$350,000.00.

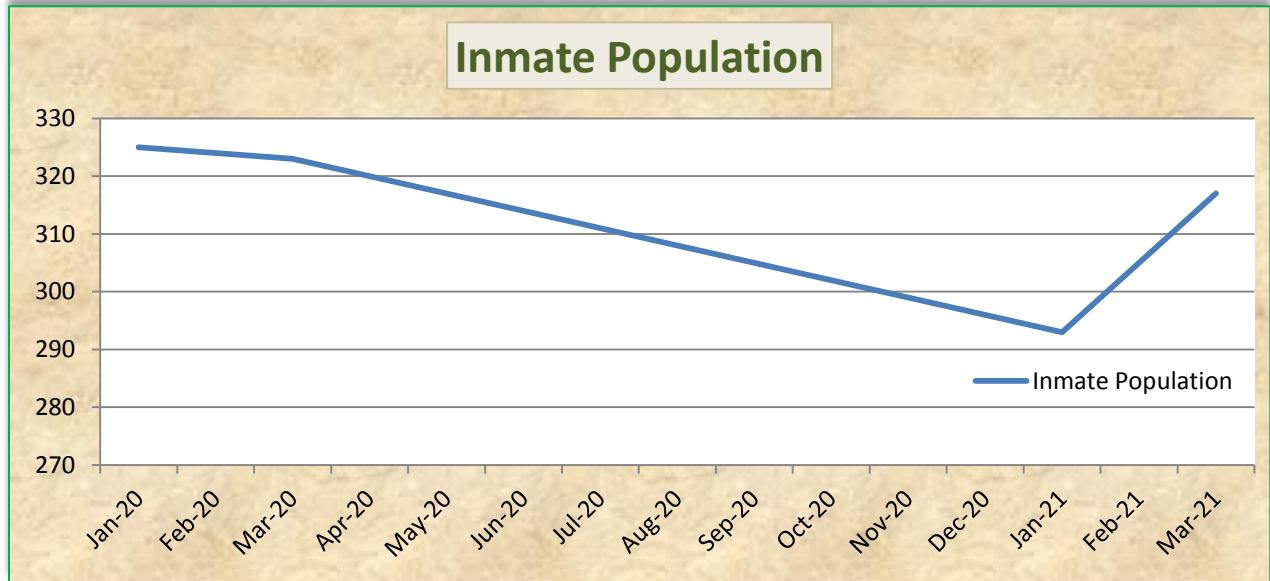
--Because we are going to twice per year billing this fiscal year we will add \$7.5m to our reserves by June 20,2022. This will put us past our goal of \$8m in reserves as recommended by Davenport.



HOWEVER, THERE ARE **V**s TO BE CONCERNED ABOUT



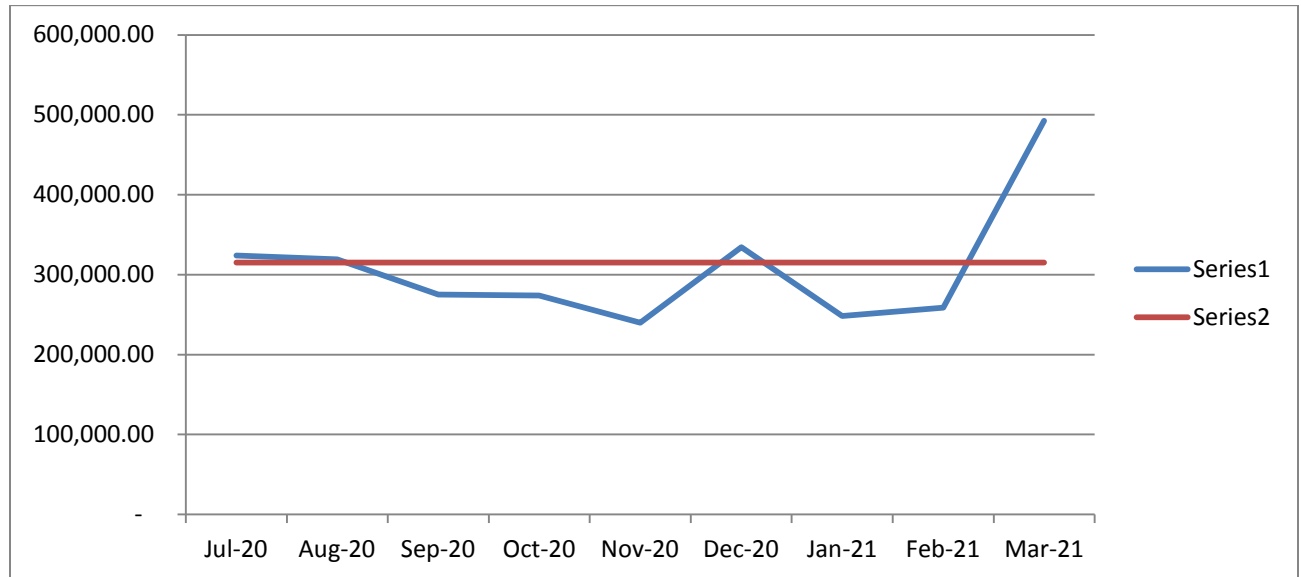
Now that the court system is functioning at full speed again the regional jail population is rebounding. This means our jail costs will rebound.



We budgeted for the same number of inmates in FY2022 as we did in FY2021. The COVID windfall accrued as a repayment from the jail for our overpayment during FY2021. Because we receive that repayment in September the repayment is reflected as revenue in the FY2022 budget.



Actual Health Care Costs v. Budgeted Health Care Costs



Now that the medical industry is shifting its focus away from COVID treatment routine procedures and nonessential procedures are being performed again as well as physicals, colonoscopies, mammograms and the like. This means our health insurance costs will rebound.



WE ALSO HAVE OTHER CONCERNS



--The minimum wage is rising faster than our local median wages. This means we will have increased payroll costs.

--The coal industry is likely to see another decline as Washington environmental policy has again shifted against the industry.

--The costs of providing EMS services continue rise while government reimbursements for Medicaid and Medicare patients continue to decline.

--Our population continues to decline meaning fewer students in schools and thus less state funding to operate them.

--National inflation will increase the cost of goods and services we provide before the increase in property values produces a revenue increase because our reassessment remains several years away.

--We still have long term financial issues due to the stagnation of local economic growth relative to the remainder of the state.

WHAT ARE WE DOING TO ADDRESS THESE PROBLEMS?



To Control Jail Costs: This Budget continues to fund the Commonwealth Attorney's early release work program and funds the electronic home monitoring program for some persons awaiting trial.



To prevent EMS cost overruns: In this budget we include a proposed cigarette tax, which we project will produce \$500,000.00 per year to offset the continued losses in EMS.



--We lose about \$250,000.00-\$300,000.00 per year providing County EMS for the Eastern and Northern Districts. We pay Richlands \$200,000.00 per year to provide EMS for the Western and Northwestern Districts and pay Tazewell \$100,000.00 per year to provide EMS for the Southern District. This costs us about \$500,000.00 per year for operation.

To Avoid Health Insurance Cost Overruns: In this budget we include \$110,000.00 in Health Insurance Contingency.





AND REMEMBER.....

V IS ALSO FOR



Vaccine