



VIRGINIA LOCAL ELECTED OFFICIALS CONFERENCE

BUDGET BASICS IN VIRGINIA LOCAL GOVERNMENT

PRESENTED BY:

Keli Reekes
Town Manager
Town of South Hill

Andrea Light
Chief Financial Officer
Stafford County

About Us

- **Keli Reekes, Town Manager, Town of South Hill**
 - Received BBA in Accounting/Marketing from James Madison University
 - Over 17 years of local government financial experience; previously APA Auditor (2007-2010); Brunswick County's Director of Finance (2010-2021); Brunswick County's Assistant County Administrator (2021-2023)
 - Virginia Government Finance Officer's Association (VGFOA) Board Member for 8 years; 2024 President and currently Past President
- **Andrea Light, Chief Financial Officer, Stafford County**
 - Masters Accounting and Information Systems
 - Over 18 years of local government financial experience with Schools, Special Districts and County Government
 - VGFOA Board member for 6 years, 2025 President

Introduction

- **Role of Elected Officials:** Approving the budget, advocating for local priorities, ensuring alignment with community needs.
- **Agenda:**
 - Off to a Good Start
 - The Local Budget is Your Community's Story
 - Code of Virginia Overview
 - Revenue Sources
 - Expenditure Overview
 - Capital Improvement Plan
 - Public Perception
 - Communication and Transparency

Off to a Good Start

- **Adopted Financial Policies**
 - Clear instruction for staff
 - Ground rules for everyone
- **A Balanced Budget** reflects fiscal responsibility and sustainable financial planning.
- **Budget/Finance Committee**
 - May consist of 2-3 Council members, staff, management
- **Strong Finance Staff**

Town of South Hill, Virginia Financial Policy Guidelines



1. Financial Policy Objectives

This financial policy is a statement of the guidelines and goals that will influence and guide the management and operations of the Town of South Hill, Virginia. Financial Policy Guidelines that are adopted, adhered to, and regularly reviewed are recognized as the cornerstone of sound fiscal management. Effective Financial Policy Guidelines:

- Contribute significantly to the Town's ability to insulate itself from fiscal crises;
- Enhance the Town's short-term and long-term financial credit;
- Promote long-term financial stability by establishing clear and consistent guidelines;
- Direct attention to the total financial picture of the Town rather than single issues;
- Promote the view of linking long-run financial planning with day-to-day operations; and
- Provide the Town Council and the citizens with a framework for measuring the cost of providing government services against established fiscal parameters and guidelines.

The Local Budget: Tells the Community's Story

- **Tells the Community's Story:** More than just numbers; it reflects the locality's values, priorities, and future direction. The budget shapes the locality's narrative, guiding its growth and development based on collective priorities.
- **Reveals Priorities:** Allocating funds shows what matters most—education, public safety, infrastructure, etc. and should align with your strategic plan
- **5-Year Capital Improvement Plan:** Investments in key areas (e.g., affordable housing, infrastructure, public health) indicate long-term goals, and aligns current decisions with long-term strategic plans.
- **Long Term Financial Plan:** forecasts revenues and expenditure for three to five years
- **Transparency & Accountability:** Clear communication and tracking progress ensure elected officials are meeting community needs.
- **Balancing Resources & Goals:** Tough decisions based on available revenue; reflects the trade-offs between competing needs.

Code of Virginia

15.2, Subtitle II, Chapter 25: Budgets, Audits and Report

- **15.2-2503** *The governing body shall approve the budget and fix a tax rate for the budget year no later than the date on which the fiscal year begins [July 1].*
- **15.2-2506** *...notice shall, at a minimum, include a summary of the total revenues and expenditures for each appropriated fund and the current and proposed real estate and personal property tax levies...No money shall be paid out...unless and until there has first been made an annual, semiannual, quarterly, or monthly appropriation for such contemplated expenditure by the governing body.*
- **15.2-2507** *Any locality may amend its budget to adjust the aggregate amount to be appropriated during the current fiscal year as shown in the currently adopted budget...However, any such amendment which exceeds one percent of the total expenditures shown in the currently adopted budget must be accomplished by publishing notice of a meeting and a public hearing.*

Revenue Sources

- **Primary Revenue Streams:**
 - Real Estate and Personal Property Taxes: Major source of local revenue, typically collected from residential and commercial properties
 - Sales Taxes: Local portion of state sales tax
 - Meals & Lodging Taxes: Taxes collected of local restaurants and hotels
 - State/Federal Grants: Revenue from state and federal government programs
 - Fees and Fines: Fees for services such as permits, licenses, and fines
- **Revenue Trends:**
 - Comparison of growth or decline in major revenue categories over 3-5 years
 - Impact of economic conditions (e.g., COVID recovery, housing market trends)
- **Challenges:** Revenue volatility or fluctuations in key revenue sources, such as property tax collections due to economic conditions.

Expenditure Overview

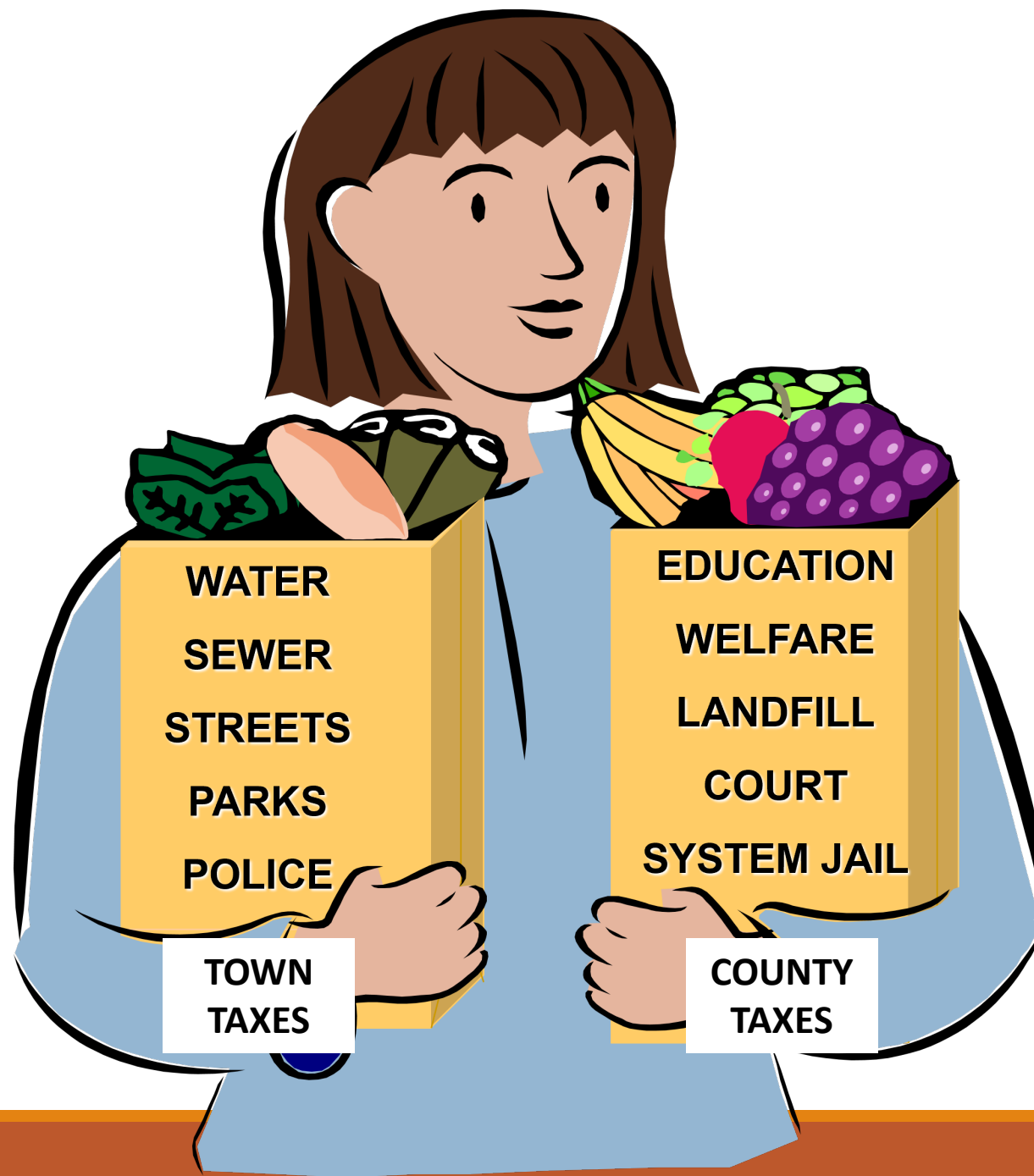
- **Major Expenditure Categories:**
 - Public Safety: Police, fire, emergency medical services
 - Education: Funding for K-12 schools, local community colleges
 - Healthcare and Human Services: Public health programs, social services
 - Public Works and Infrastructure: Road maintenance, sanitation, utilities
 - Parks and Recreation: Maintenance of public spaces, recreational programs
- **Expenditure Trends:**
 - Comparing actual spending vs. budgeted over 3-5 years
 - Areas of potential cost savings or growth
- **Challenges:** Rising costs, such as inflation, health care, and pension obligations increasing operational expenditures.

Capital Improvement Plan (CIP)

- **Purpose of the CIP:**
 - Long-term planning for large capital projects, typically those in excess of \$25,000 (e.g., road construction, new public buildings).
- **Key CIP Projects:**
 - Upcoming and ongoing projects with a focus on infrastructure and public facilities.
 - Timeline and funding sources for these projects.
- **Funding and Financing:**
 - Bonds, grants, and other funding mechanisms.
 - Planned debt issuance and impact on future budgets.

Public Perception

- **Public Support vs. Criticism:** “Whatever it is...I’m against it.”
- **N.I.M.B (Not In My Backyard)**
 - Solar Farms
 - Power Plants
 - Jails/Prisons
 - Public Transportation
- **Double Taxation:** Towns vs. County Taxes



WATER
SEWER
STREETS
PARKS
POLICE

TOWN
TAXES

EDUCATION
WELFARE
LANDFILL
COURT
SYSTEM JAIL

COUNTY
TAXES

Communication & Transparency

- **Post Budget Schedule:** Share key dates (work sessions, public hearings, adoption) at the start of the process on the website, social media and in local media.
- **Hold Public Budget Work Sessions/Meetings:**
 - Schedule public work sessions with entire council where all members can discuss and review budget proposals.
 - Allow for public observation and encourage transparent discussion on priorities and funding options.
- **Keep the Public Informed:**
 - Regularly update citizens on budget progress and revisions through Council meetings, website, social media.
 - Provide clear summaries based on public input and Council decisions.
- **Allow for Public Input:** Residents and businesses can provide feedback and participate in the budget process through public hearings and/or surveys.



ACTUAL FOOTAGE OF A BUDGET PUBLIC HEARING

QUESTIONS?