



# Fiscal Year 25-26 County Administrator's Adopted Operating Budget & Capital Improvement Plan

Revised For Adoption – May 8, 2025

# Surry County Board Of Supervisors



Mr. Walter Hardy  
Bacon's Castle District



Mr. Timothy Calhoun  
Surry District



Dr. Robert Elliott, Jr., Chair  
Claremont District



Ms. Amy Drewry  
Dendron District



Mr. Breyon Pierce, Vice-Chair  
Carsley District

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## County Administrator

*Melissa D. Rollins*

## Deputy County Administrator

*David A. Harrison*

## Deputy County Administrator of Operations & Infrastructure

*Delon Brown*

### Form of Government

Surry County (County) operates under the traditional, or County Administrator, form of government (as defined under Virginia Law). The Board of Supervisors (Board) is a five-member body, elected by the voters of the Electoral District in which they live. The Chairman and Vice Chairman of the Board are elected annually by its members. Each member serves a four-year term. This body enacts ordinances, appropriates funds, sets tax rates, establishes policies and generally oversees the operation of the County government. The County Administrator is appointed by, and serves at the pleasure of, the Board of Supervisors. As the Chief Executive Officer of the County, he or she is responsible for developing an annual budget and carrying out policies and laws which are reviewed and approved by the Board. The County Administrator assisted by the County's Deputy Administrators directs business and administrative policies and recommends to the Board those methods, procedures, and policies which will properly govern the County.

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*Department Directors & Supervisors*

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**Lola Perkins**  
County Attorney

**Carol Swindell**  
*Interim Finance Director*

**Horace Wade**  
*Planning & Community Development*

**Renee Chaplin**  
*Economic Development*

**Ray Phelps**  
*Chief of Emergency Management*

**Darryl Rawlings**  
*Parks & Recreation*

**LaJeune Stone**  
*Dept. of Youth & Family Resources*

**Matt Westheimer**  
*Building Official*

**Antonio Rawlings**  
*Maintenance Supervisor*

**Derrick Moore**  
*Solid Waste & Recycling*

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*Constitutional Officers and State Officials*

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**Carlos Turner, Sheriff**  
**Jonathan Judkins, Commissioner of the Revenue**  
**Onike Ruffin, Treasurer**  
**Thomas Mayes, Clerk, Surry Circuit Court**  
**Sharna' White, Registrar**  
**Janeen Jackson, District Court Clerk**

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*School System & Social Services*

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*Dr. Herbert Monroe, Division Superintendent*  
*Valerie Pierce, Director of Surry Social Services*

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## ABOUT SURRY COUNTY

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Surry County spans 306 square miles along the James River in southeastern Virginia. Its strategic location makes it ideal for energy production—with an existing nuclear facility—and for manufacturing, particularly in agricultural products. The county draws its workforce from the Hampton Roads and Richmond metropolitan areas to the east and west, as well as from Williamsburg, just a ferry ride to the north. In addition to its role as a hub for energy, agriculture, and manufacturing, Surry is also a sought-after residential destination, known for its scenic waterfront homes, rural charm, and welcoming community atmosphere.

### Fully Wired for Broadband

Surry County, a rural locality in the Commonwealth is proud of its designation as a fully wired community. Every home in Surry County has access to high speed, and reliable internet service through the County's partnership with Prince George Electric Cooperative's Ruralband Fiber to the Home Broadband Initiative.

Surry County is known for its strong economic development potential, passion for the community and rural charm. Nationwide we are known for historical landmarks like Bacon's Castle, Chippokes State Park and nearby Jamestown and Williamsburg. The waterfront location affords access to multiple natural refuges and parks and boat recreation on the river and the Grays Creek Marina offers stunning views and access to the onsite Surry Seafood Company, boating, fishing and kayaking. A growing winery location, the county also produces large hauls of peanuts, cotton and soybeans each year for the state.

**Surry's strategic position in the Hampton Roads Region is well-suited for business opportunity.**



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# Public Hearings and Work Sessions Schedule

The Board of Supervisors of Surry County invites comments on the Proposed Budget for the fiscal year ending June 30, 2026. The Public Hearing is tentatively scheduled for May 1, 2025.



- Comments on the budget can be emailed to: [budget@surrycountyva.gov](mailto:budget@surrycountyva.gov). Budget information will be available on the County's website.
- Copies of the Proposed Budget will be available at the County Administrator's Office – Government Center located at 45 School Street, Surry, VA.

## STAY CONNECTED



**FACEBOOK:**  
<https://www.facebook.com/surrycountyvirginia/>





**WEBSITE:**  
<https://www.surrycountyva.gov/>







**WORK SESSIONS**

 **DATE**  
FEB 25-26, 2025

 **TIME**  
10AM-3PM

 **LOCATION**  
AUX CONF ROOM

**Board of Supervisors & Department Heads**



Engaging, Advocating, Learning, Improving & Celebrating

# SURRY COUNTY

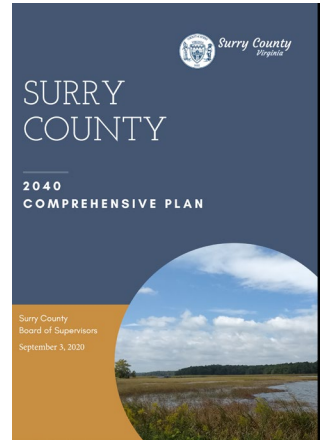
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## Budget in Brief

The budget document is being further developed to include revenue and expenditure summaries, departmental discussions CIP, and supplemental documents. The power point presentation and the accompanied narrative are components to the document.



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## UPDATE PLANNED FOR 2026

The Surry County Comprehensive Plan serves as a guide to landowners, developers, businesses, citizens and County officials about future land use and other community development decisions.

The themes of the 2020 Adopted Comprehensive Plan are consistent with the strategic initiatives of the Board of Supervisors.

- Preserve Surry's Character
- Grow Surry's Economy
- Enhance Quality of Life for All Residents

### 2025 STRATEGIC PLANNING EXERCISE OF THE BOARD OF SUPERVISORS

- ☐ USE EXISTING ASSETS TO PROMOTE TOURISM AND AGRI-TOURISM
- ☐ USE TAX DOLLARS GENERATED FROM PROPERTY TAXES TO BUILD AND GROW ACCESS TO PARKS, RECREATION AND CULTURAL PROGRAMS & AMENITIES
- ☐ UTILIZE SMART STRATEGIES TO BUILD A TAXBASE & PROMOTE GROWTH AND DEVELOPMENT WHILE PROTECTING THE COUNTY'S RURAL CHARACTER
- ☐ SEEK OPPORTUNITIES TO ADDRESS HOUSING
- ☐ ELIMINATE TRANSPORTATION BARRIERS
- ☐ TARGET INITIATIVES TO SUPPORT SENIORS & YOUTH
- ☐ **BRANDING THE COUNTY FOR ECONOMIC & COMMUNITY DEVELOPMENT OPPORTUNITIES— "BE THE BEST SURRY WE CAN BE"**

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## Prior Year Strategic Priorities

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### ***The Board of Supervisors remains committed to its core responsibilities:***

*We are dedicated to delivering efficient and effective government services that positively impact public safety, health, education, and the overall well-being of Surry County residents. The Board will continue to support thoughtful and orderly growth that enhances the quality of life for all members of our community.*

The Strategic Action agenda establishes the framework for goal setting in the five core areas:

## **1. Community Development: Honoring Heritage, Building Tomorrow**



### **Preserving Our Identity**

Surry County is dedicated to protecting its historic sites, natural beauty, rural character, and long-standing community traditions.



### **Revitalization & Beautification**

Targeted efforts will improve main corridors and public spaces while preserving the county's charm.



### **Engaged & Empowered Community**

Ongoing outreach and engagement initiatives will keep residents informed, involved, and part of the county's future.



### **All Ages, One Community**

Programs and services will support seniors, attract younger residents, and help close local business and service gaps.



### **Enhanced Parks & Recreation**

Investments in parks and amenities will create vibrant spaces for leisure, connection, and wellness.



### **Housing Solutions**

With housing challenges top of mind, Surry County is actively seeking solutions that meet current and future needs.

## **2. Economic Development: Growing Surry's Future**



### **Targeted Development**

Identifying key growth zones to attract investment and align with the county's unique strengths.



### **Strategic Partnerships**

Building strong regional, state, and national alliances to drive business development tailored to Surry's character.



### **Business & Workforce Expansion**

Supporting both new and existing enterprises to create meaningful jobs and strengthen the local economy.



### **Broadband as a Foundation**

Expanding high-speed internet access to power education, business, healthcare, and everyday life and market it as an attraction tool for visitors, potential residents and industry.



### **Health & Wellness**

Integrating wellness initiatives into economic plans to support a thriving, resilient community.

#### **Agri-Tourism Promotion**

Showcasing local farms and agricultural assets through events, tours, and rural experiences.

### 3. Education: Investing in Our Future

#### **Strong Schools, Strong Community**

Surry County proudly partners with its School System to shape a shared vision for growth, success, and accountability.

#### **Celebrating Success**

Branding and outreach efforts will highlight the School Division's achievements, promoting Surry's educational excellence as a key reason to live, work, and invest here.

#### **Career-Ready Programs**

Support will continue for joint educational initiatives—such as technical training, internships, and workforce readiness programs—designed to prepare students for a competitive future.

#### **Collaborative Facility Planning**

The County and School System will work together on long-term facility needs, ensuring open dialogue and shared goals in building for tomorrow.

### 4. Fiscal Responsibility: Stewarding Resources Wisely

#### **Balanced & Responsible Governance**

Surry County is committed to delivering high-quality government services while maintaining sound fiscal responsibility.

#### **Smart Use of Tax Dollars**

We aim to align tax investments with the services that enhance quality of life and meet community needs.

#### **Transparent Communication**

The County will continue to develop accessible tools to keep residents informed.

#### **Efficient Shared Services**

By partnering with other entities to share services where practical, we maximize value and reduce unnecessary costs.

### 5. Transportation: Connecting Surry for the Future

#### **Strategic Location**

Surry County's access to Routes 10, 31, and 40 places it within reach of major interstates—95, 64, and 460—as well as vital transportation networks like railways, waterways, and the Ports of Virginia and Richmond.

#### **Planning for Growth**

Collaborating with state legislators to explore expansion of Surry's main artery via access across the James River will support long-term mobility and economic growth.

#### **Future-Focused Infrastructure**

The County is initiating dialogue around transportation needs over the next 10–20 years, including major infrastructure considerations such as bridges and tunnels.

### **Development-Ready Corridors**

Infrastructure investments along Route 31 open new doors for targeted development and economic opportunity.

### **Bike & Pedestrian Connectivity**

A new bicycle and pedestrian plan will focus on safe, accessible routes—connecting the Town of Surry with destinations like the Jamestown-Scotland Ferry and other key activity centers.

## Budget Overview

### **Budget Amendment Process**

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The budget may be amended in one or two ways. If the amendment changes total revenues, then the governing body must formally approve the transfer of funds from one appropriation group to another. This occurs via an appropriation resolution. In certain instances, as outlined in the State Code, a public hearing may be required before the governing body can act.

The County Administrator is authorized to transfer funds between departments within an appropriation group or between budget line items within a particular department throughout the year to manage operations. The County Administrator is authorized to apply for and accept grants requiring a local match up to \$5,000.

### **Budget Organization**

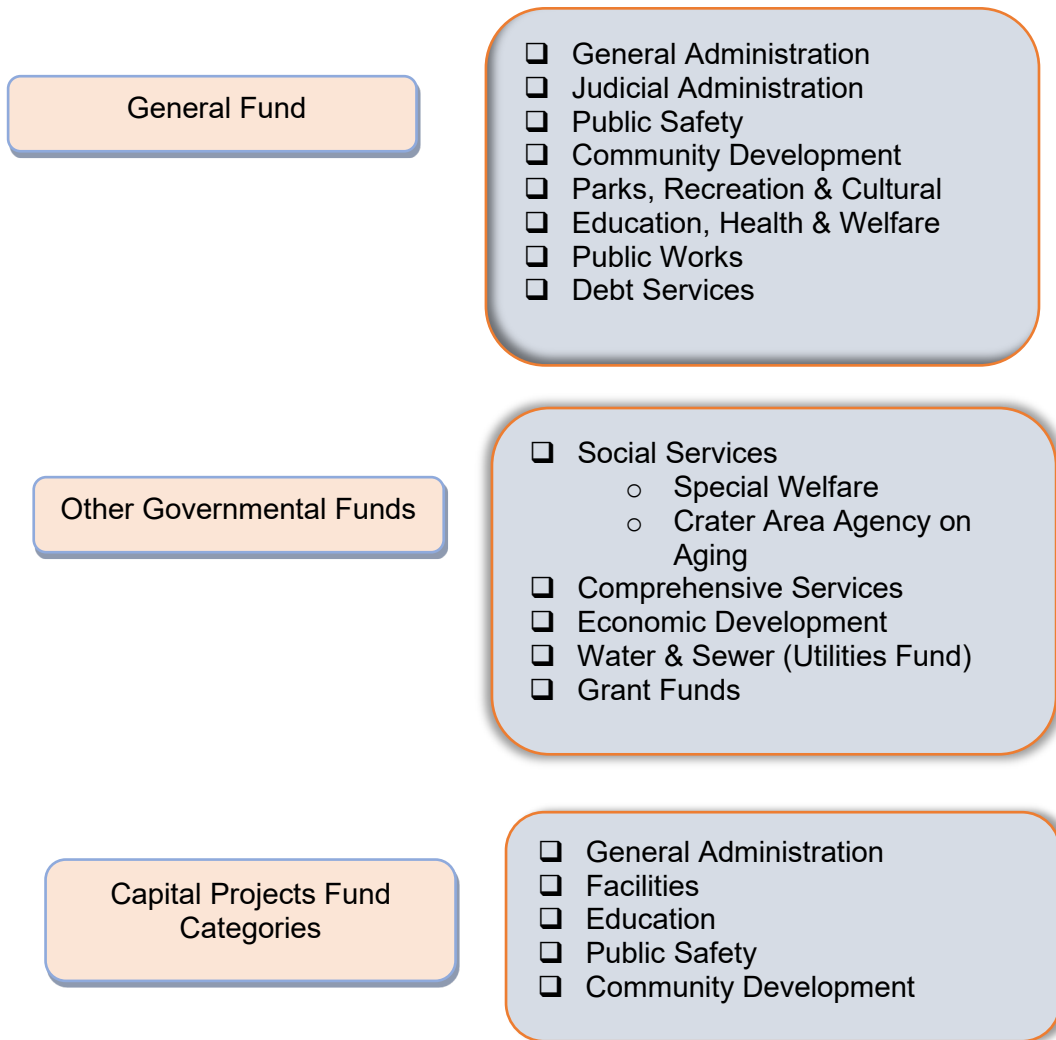
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The General Fund of the County is divided into functional areas, General Administration, Judicial Administration, Public Safety, Community Development, Parks, Recreation & Cultural, Education, Health & Welfare and Public Works. Each department within a functional area has its own budget; for example: Sheriff & Emergency Medical Services (EMS) are within the functional area of Public Safety. The budget format presents expenditures by functional area and departments within a specific function.

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## Structure of County Funds

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### *Explanation of Governmental and Other Funds*

- **General Fund** - The general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund due to legal, contractual, statutory or financial management requirements. It is funded through taxes and other revenue sources.
- **Special Revenue Funds** - Used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- **Capital Projects Fund** - Used to account for financial resources to be used for the acquisition or construction of major capital facilities.
- **Debt Service Fund** - Used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.



- Economic Development Fund –Money in the Fund reflects a transfer to dedicate financial resources toward economic development. Planned uses of the fund could include, but are limited to business incentives, professional services, property acquisition, etc.
- Grants Fund – Established in FY 25 a fund to account for and manage County grant activity.
- Comprehensive Services Act Fund (CSA) The CSA Fund is used to account for the revenues and expenditures related to services provided to at-risk youth and families. Revenue is derived from the state and local funding. CSA services are administered by the Family Assessment and Planning Team (FAPT) who works directly with you and families to refer cases to the Community Policy and Management Team (CPMT) for approval. The fund mandates a local share for CSA expenditures.
- Special Welfare/Agency on Aging – A part of the VPA fund used to account for activities associated with specific groups as senior population; special revenue funds are used where legal or contractual requirements restrict the use of resources to specific purposes.
- VPA Fund – Virginia Public Assistance Fund (VPA) supports the activities of administration of the health and welfare services in the County. Services are provided to the needy individuals and their families. It is supported with federal, state and local funds.
- Water & Sewer – used to account for activities specific to maintenance of the County’s water system and sewer collection activities. It is considered an Enterprise Fund where operations are supported by user charges financed and operated similar to a private business. The Fund should be self-supporting however, it is not.
- School & Cafeteria Fund – the component unit School Board as identified in the County’s ACFR as a unit of the primary government; it is defined by having a fiscal dependence on the primary government. It supports activities association with Education of K-12 students; the cafeteria fund supports the operations of the food service programs.

Monetary transfers are made from the general fund to the following funds: Capital Projects, Virginia Public Assistance, School and Cafeteria, Comprehensive Services, Economic Development, Debt Service and the Water & Sewer/Utilities Fund.

#### BUDGET DIRECTIVES, PERFORMANCE MEASUREMENT, AND MONITORING

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The County Administrator sets the stage to the departments at the beginning of the budget cycle the tone and the focus of the overall budget. This information is based on guidance from the Board of Supervisors.

The budget is monitored through the monthly financial management reports. These reports indicate actual financial results compared to budget. These reports are reviewed by the user departments, Finance, and County Administration.

Budgetary control is maintained on a line-item basis. Purchases of goods and services are generally accomplished by the use of a formal purchase order. Funds are encumbered based on purchase orders to best ensure funds are reflected as obligated and are not available to be spent.

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## OPERATING AND CAPITAL BUDGETS

There are many features that distinguish the Operating Budget from the Capital Budget. The Operating Budget includes expenditures that are generally of a recurring nature and are appropriated for one year only. It provides for the provision of all County services but does not result in major physical assets for the community. Year-to-year changes in the Operating Budget are expected to be stable and represent incremental changes in the cost of doing business, the size of the County, and the types and level of service that are provided. Resources for the Operating Budget generally come from taxes, user fees, and intergovernmental payments that typically recur from year to year.

The Capital Budget on the other hand, includes one-time costs for projects that may last several years. The projects result in major physical assets in the community. Wide fluctuations are expected in the Capital Budget from year to year depending on how projects are phased in and/or completed. Resources for the Capital Budget generally come from bond sales, grants, other one-time sources, and transfers from the Operating Budget. Despite these differences, the Operating and Capital Budgets are closely linked. The most obvious connection is that the Operating Budget assumes the cost of maintaining and operating new facilities that are built under the Capital Budget. In addition, a portion of the funding for capital projects are transfers from the Operating Fund. Notably, the county established a policy to dedicate three cents on the tax rate to fund capital projects that do not meet debt financing criteria.

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## FISCAL POLICIES

A fiscally efficient government is one of the strategic goals of the Board of Supervisors. Financial policies provide a framework for the County's departments to make sound financial decisions, promote fiscal transparency, and to ensure compliance with prevailing local, state and federal laws and regulations.

The County's policies were updated and adopted by the Board of Supervisors in June 2023.

The following Fiscal Policies provide a framework for the County to make sound financial decisions, promote fiscal transparency, and to ensure compliance with prevailing local, state and federal laws and regulations.

## ACCOUNTING AND FINANCIAL REPORTING

- The County will establish and maintain an internal control structure and accounting practices to ensure compliance with Generally Accepted Accounting Principles (GAAP).
- An independent firm of certified public accountants will perform an annual financial and compliance audit according to generally accepted auditing standards in the United States of America; Government Auditing Standards issued by the Comptroller General of the United States; Specifications for Audit of Counties, Cities and Towns issued by the Auditor of Public

Accounts of the Commonwealth of Virginia; and the Uniform Guidance. The financial statements and the results of the audit will be presented annually to the Board of Supervisors.

- The County will annually seek the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

## **BUDGET**

The County Administrator will propose a balanced operating budget and a five-year Capital Improvements Program (CIP) that are linked to the County's overarching strategies and its Comprehensive Plan. The Board of Supervisors shall adopt the first year of the Capital Improvement Plan as the Capital Improvement Budget. The CIP will include school, general government, and other capital needs.

The budget will include:

- A diversified revenue system, inclusive of state and federal funds as well as user fees for services that support specific programs.
- A diversified revenue structure needed to shelter the government from fluctuations in any one revenue source and to ensure its ability to provide ongoing services.
- A revenue stabilization fund to safeguard against revenue fluctuations that adversely impact the budget.
- Financing recurring expenses from recurring revenue sources and not relying on non-recurring revenue to fund on-going operating expenditures and recurring capital expenditures.
- A minimum of three cents of the Real Estate Tax revenue will be dedicated towards cash funding capital projects.
- The County shall maintain a budgeting control system to monitor actual-to-budget performance

## **DEBT MANAGEMENT – THE COUNTY IS WELL WITHIN THE POLICY GUIDELINES**

In consultation with the County's financial advisor, financing for the County's five-year Capital Improvements Program shall:

- Be based on a five-year forecast of revenues and expenditures.
- Include an evaluation of pay-as-you-go projects and debt financing.
- Avoid financing if the term of the indebtedness exceeds the expected useful life of the project.
- When feasible, bundle capital projects to limit the number of borrowings as well as to reduce the costs of issuance by achieving greater economies of scale.

The County shall maintain the following standards regarding debt:

- Outstanding debt shall not exceed 3% of the assessed valuation of real and personal property.
- Annual debt service requirements should target 10% or less and shall not exceed 12% of total operating revenues, including revenues allocated to Surry County for public education.

## **FUND BALANCE (RESERVES) – THE COUNTY IS WELL WITHIN THE POLICY GUIDELINES**

- The County shall establish an Assigned Fund Balance in the General Fund in an amount equal to or greater than any planned use of fund balance for the following year's budget.
- The County shall establish an Assigned Fund Balance in the General Fund in an amount equal to

or greater than 25% of the following fiscal year's budgeted General Fund and School Operating budgets, net of transfers.

- The County shall establish an Assigned Fund Balance in each respective fund in an amount equal to the fiscal year's carryover encumbrances and projects.
- The County shall maintain a General Fund Unassigned Fund Balance at the end of the fiscal year in an amount equal to or greater than 15%, with a target of the total governmental expenditures including the school operating expenditures (net of the transfer from the County).
- The use of the General Fund's Unassigned Fund Balance may be necessary from time to time to meet unexpected events including, but not limited to: catastrophic (emergency funds in the event of natural or man-made disasters); financial opportunity (to enhance the well-being of Surry County or other such global purpose to protect its long-term fiscal security); operational (provide additional funds for limited unexpected needs); and revenue shortfalls (to provide limited funds to smooth fluctuations caused by changes in economic conditions); etc.
- If the use of the General Fund's Unassigned Fund Balance causes the balance to fall below the minimum 15% level, the Board of Supervisors will adopt a plan and a timeline for replenishing the balance to its minimum 15% level.

#### CASH AND INVESTMENTS

- The County shall follow the Cash and Investment Policies established by the Treasurer, a Constitutional Officer of the Commonwealth of Virginia. Such policies shall be reviewed and updated annually, and be in accordance with all applicable laws and regulations.
- The Treasurer will provide the Board of Supervisors, at least monthly, with a report of investments held by the County.

#### GRANTS

- The County shall seek to obtain grants that are consistent with the County's Strategic Priorities and Comprehensive Plan.
- The County shall terminate grant-funded programs and associated positions as directed by the Board of Supervisors when grant funds are no longer available. Grants for positions should not be supplemented.
- The County will review and update the Grants policies and procedures on an annual basis, and departments shall follow the procedures contained therein.

# **Budget Message**

## **and**

# **FINANCIAL SUMMARIES**

*May 1, 2025: The Board of Supervisors adopted the personal property tax rate of \$3.75 cents per \$100 of assessed value after the recommended budget was presented. This required a reduction of \$183,000 in local tax revenue. This adjustment and other final changes have been made to the budget as shown in the following summary of changes.*



## BUDGET ERRATA (Changes After Budget Proposal)

|                                   | FY 24-25 Adopted     | Proposed FY 25-26    | Change \$             | Change %      |
|-----------------------------------|----------------------|----------------------|-----------------------|---------------|
| General Government Administration | \$ 3,996,195         | \$ 4,751,921         | \$ 755,726            | 18.9%         |
| Judicial Administration           | 904,003              | 930,137              | 26,134                | 2.9%          |
| Public Safety                     | 5,275,474            | 5,698,224            | 422,750               | 8.0%          |
| Public Works                      | 1,722,704            | 1,747,616            | 24,912                | 1.4%          |
| Planning & Community Development  | 1,825,830            | 1,795,050            | (30,780)              | -1.7%         |
| Parks, Recreation & Cultural      | 706,095              | 924,696              | 218,601               | 31.0%         |
| Other Agencies                    | 357,874              | 383,452              | 25,578                | 7.1%          |
| <b>GF Operating Costs</b>         | <b>\$ 14,788,175</b> | <b>\$ 16,231,097</b> | <b>1,442,922</b>      | <b>9.8%</b>   |
| Revenue Stabilization Fund        | \$ -                 | \$ 879,848           | 879,848               | 100.0%        |
| Transfers to Fund & CIP Reserves  | \$ 17,797,511        | \$ 19,460,666        | 1,663,155             | 9.3%          |
| <b>Total General Fund</b>         | <b>\$ 32,585,686</b> | <b>\$ 36,571,610</b> | <b>3,985,924</b>      | <b>12.2%</b>  |
| CIP Fund                          | \$ 14,199,052        | \$ 1,180,964         | (\$13,018,088)        | -91.7%        |
| VPA                               | 1,967,022            | 1,986,526            | \$19,504              | 1.0%          |
| CSA                               | 666,665              | 577,772              | (\$88,893)            | -13.3%        |
| Task Force                        | 25,000               | 25,000               | \$0                   | 0.0%          |
| Special Welfare                   | 40,973               | 50,800               | \$9,827               | 24.0%         |
| Agency on Aging                   | 32,288               | 50,504               | \$18,216              | 56.4%         |
| Economic Development              | 80,000               | 127,667              | \$47,667              | 59.6%         |
| Debt Service                      | 2,295,026            | 2,305,167            | \$10,141              | 0.4%          |
| Water & Sewer                     | 92,640               | 100,000              | \$7,360               | 7.9%          |
| School Operating Fund             | 17,599,621           | 18,526,046           | \$926,425             | 5.3%          |
| School Cafeteria                  | 625,980              | 638,031              | \$12,051              | 1.9%          |
| <b>Total Other Funds</b>          | <b>\$ 37,624,267</b> | <b>\$ 25,568,477</b> | <b>(\$12,055,790)</b> | <b>-32.0%</b> |
| <b>Total All Funds</b>            | <b>\$ 70,209,953</b> | <b>\$ 62,140,087</b> | <b>\$ (8,069,866)</b> | <b>-11.5%</b> |

### Summary of Changes to Budget Proposal

|                         |  |
|-------------------------|--|
| <b>\$ 36,790,488.00</b> | Original General Revenue                                       |
| \$ (183,000.00)         | Reduction in PP Tax Revenue Based on \$3.75 rate               |
| \$ (48,000.00)          | Reduction in Shared Service Revenue                            |
| \$ 12,122.00            | Add: Victim Witness Grant Revenue- Final Approval              |
| <b>\$ 36,571,610.00</b> | <b>Revised General Fund Budget Revenue</b>                     |
| <b>\$ 36,790,488.00</b> | <b>Original General Fund Expenses</b>                          |
| \$ (191,595.00)         | Reduction in Rev Stabilization Fund                            |
| \$ 80,190.00            | Info Technology/Support Position Net                           |
| \$ (25,000.00)          | Reduced Contingency  |
| \$ 2,142.00             | Victim Witness Budget Change                                   |
| \$ 385.00               | Corrected Local Support to CPDC                                |
| \$ (85,000.00)          | Reduced Local CIP Transfer- for Circuit Court (window) Project |
| <b>\$ 36,571,610.00</b> | <b>Revised Budget Expenses</b>                                 |
| \$ 135,000.00           | Increase Local Appropriation to the School System              |
| \$ (135,000.00)         | Decrease Local Transfer to CIP (School Bus Removed)            |



# County of Surry

## BOARD OF SUPERVISORS

ROBERT ELLIOTT JR.  
BREYON PIERCE  
AMY DREWRY  
WILLIAM CALHOUN  
WALTER HARDY



## COUNTY ADMINISTRATOR

MELISSA D. ROLLINS

**Founded 1652**

April 10, 2025

Dear Chairman Elliott and Members of the Surry County Board of Supervisors:

I am pleased to present the proposed Fiscal Year 2026 budget. This document serves to provide you and the citizens of the County with a clear understanding of our financial resources and how we plan to deliver services that effectively meet the needs of our community. I extend my gratitude for your active participation throughout the budgeting process. Your contributions during work sessions and policy decisions have been instrumental in shaping this budget.

I also wish to acknowledge the invaluable input and leadership of those who have made this effort possible. Their dedication enables us to deliver outstanding services to our citizens and implement initiatives that make Surry a remarkable place to live, visit, and conduct business—a place truly committed to "Being the Best Surry We Can Be."

Budget development is a collaborative effort involving, the Board of Supervisors, County staff, Constitutional Officers, the school system, various external agencies and citizens through public input. Together, these stakeholders establish spending priorities that shape the future funding and policy decisions of the governing body. Essentially, the budget functions as a strategic spending plan, providing clarity on how resources will be allocated to support public safety, general administration, public works, education, capital improvements, and other essential services.

Once approved, the budget becomes a financial blueprint for the County, guiding the delivery of services and ensuring alignment with organizational goals. It also serves as an actionable framework for County departments to set objectives and prioritize tasks that reflect the County's mission and the strategic policies established by its leadership.

In compliance with the Code of Virginia, the FY 2026 budget has been carefully structured to ensure balance. My staff and I have taken deliberate measures to provide revenue and expenditure projections based on the most reliable data currently available. Notably, as the County heavily relies on public service revenue, updated estimates received after the initial advertisement for a lowered effective tax rate of \$0.69 revealed substantial changes. These revisions prompted the decision to re-advertise with the accurately lowered tax rate of \$0.65, accompanied by a new public hearing date, to ensure transparency and accuracy in budget preparation.

### Primary Budget Actions:

- **Assessing Real Property Impact:** Evaluates the effects of the 2025 reassessed real property values conducted by Wingate Appraisal.
- **Savings Plan Development:** Establishes a savings plan utilizing the revenue from the one-time influx resulting from the June 2025 personal property tax billing adjustment - \$1.1 mil.
- **Revenue Stabilization Fund:** Rebuilds the revenue stabilization fund using surplus revenues as a safeguard against unexpected losses, unforeseen expenses, and supporting future capital improvement planning - \$1.07 mil.
- **Real Estate Tax Rate:** Retains the real estate tax rate at \$0.71, avoiding equalization at \$0.65, which aligns with common policy decisions by local governments to address increasing demands, rising costs, and infrastructure needs. This serves as a forward-looking financial mechanism.
- **Personal Property Tax Rate:** Maintains the personal property tax rate at \$4.00 while considering the potential impacts of a reduced rate on residents and the budget.
- **Service-Oriented Budgeting:** Develops a budget that prioritizes quality service delivery, addresses staff needs in response to regulatory demands, and ensures resources are allocated to sustain safe and efficient operations.
- **Strategic Initiative Alignment:** Aligns budget priorities with the objectives of approved strategic initiatives and available financial resources.
- **Employee Investment:** Funds for the 12% health insurance increase and a 3.0% cost-of-living adjustment, along with state-mandated pay raises for state-supported employees and Compensation Board-funded staff. These measures aim to enhance employee retention and sustainability. Funds have been allocated within the Contingency budget to support the implementation of a performance-based merit system, pending development and execution by Human Resources.
- **Community Engagement:** Allocates resources to youth and senior programs, activities, and other initiatives that foster community involvement.
- **Strategic Funding Adjustments:** Applies prudent funding increases and reductions to external agencies and organizations, ensuring resources are directed where they are most needed.

- **Capital Improvement Planning:** Adopts a one-year capital improvement planning approach, allowing for better strategic prioritization and alignment with economic development goals.
- **Educational Investment:** Provides increased support for education, including \$448,000 to address teacher salary raises and an additional \$135,000 allocated in the capital improvement budget for transportation needs. The requested increase was \$738,000.

The FY 25-26 General Fund of the County is projected to increase by 12% or \$4.2 million. This includes two sources of funding that essentially are savings for unexpected needs and planning for future capital needs. Essentially, these sources totaling \$2.14 million, are not expenditures. The General Fund operating costs reflect an increase of \$1.3 million or 9.4%.

The FY2026 Proposed Budget combined total for all County Funds is \$62.48 mil, reflecting a decrease of \$7.38 mil, 10.6%. **This decrease is mostly due to the budgeting of one-time projects in the CIP fund.** The summary of all funds is shown in the table below:

|                                   | FY 24-25 Adopted     | FY 25-26 Amended     |  | Change \$             | Change %      |
|-----------------------------------|----------------------|----------------------|--|-----------------------|---------------|
| General Government Administration | \$ 3,996,195         | \$ 4,696,831         |  | 700,636               | 17.5%         |
| Judicial Administration           | \$ 904,003           | \$ 927,995           |  | 23,992                | 2.7%          |
| Public Safety                     | \$ 5,275,474         | \$ 5,698,224         |  | 422,750               | 8.0%          |
| Public Works                      | \$ 1,722,704         | \$ 1,747,616         |  | 24,912                | 1.4%          |
| Planning & Community Development  | \$ 1,825,830         | \$ 1,794,665         |  | (31,165)              | -1.7%         |
| Parks, Recreation & Cultural      | \$ 706,095           | \$ 924,696           |  | 218,601               | 31.0%         |
| Other Agencies                    | \$ 357,874           | \$ 383,452           |  | 25,578                | 7.1%          |
| <b>GF Operating Costs</b>         | <b>\$ 14,788,175</b> | <b>\$ 16,173,480</b> |  | <b>1,385,305</b>      | <b>9.4%</b>   |
| Revenue Stabilization Fund        | \$ -                 | \$ 1,071,343         |  | 1,071,343             | 100.0%        |
| Transfers to Fund & CIP Reserves  | \$ 17,797,511        | \$ 19,545,666        |  | 1,748,155             | 9.8%          |
| <b>Total General Fund</b>         | <b>\$ 32,585,686</b> | <b>\$ 36,790,488</b> |  | <b>4,204,802</b>      | <b>12.9%</b>  |
|                                   |                      |                      |  |                       |               |
| CIP Fund                          | \$ 14,199,052        | \$ 1,400,964         |  | (\$12,798,088)        | -90.1%        |
| VPA                               | \$ 1,967,022         | \$ 1,986,526         |  | \$19,504              | 1.0%          |
| CSA                               | \$ 666,665           | \$ 577,772           |  | (\$88,893)            | -13.3%        |
| Task Force                        | \$ 25,000            | \$ 25,000            |  | \$0                   | 0.0%          |
| Special Welfare                   | \$ 40,973            | \$ 50,800            |  | \$9,827               | 24.0%         |
| Agency on Aging                   | \$ 32,288            | \$ 50,504            |  | \$18,216              | 56.4%         |
| Economic Development              | \$ 80,000            | \$ 127,667           |  | \$47,667              | 59.6%         |
| Debt Service                      | \$ 2,295,026         | \$ 2,305,167         |  | \$10,141              | 0.4%          |
| Water & Sewer                     | \$ 92,640            | \$ 100,000           |  | \$7,360               | 7.9%          |
| School Operating Fund             | \$ 17,259,621        | \$ 18,391,046        |  | \$1,131,425           | 6.6%          |
| School Cafeteria                  | \$ 625,980           | \$ 683,031           |  | \$57,051              | 9.1%          |
| <b>Total Other Funds</b>          | <b>\$ 37,284,267</b> | <b>\$ 25,698,477</b> |  | <b>(\$11,585,790)</b> | <b>-31.1%</b> |
| <b>Total All Funds</b>            | <b>\$ 69,869,953</b> | <b>\$ 62,488,965</b> |  | <b>\$ (7,380,988)</b> | <b>-10.6%</b> |

**Conclusion:**

Surry County remains steadfast in its commitment to aligning resources with strategic priorities while embracing a forward-thinking approach to planning. With targeted development reducing the residential tax burden, the County is poised for future growth opportunities. Our rural community, equipped with robust energy capacity and high-speed internet, presents an attractive environment for development. Expanding infrastructure capacity will support measured commercial growth, address the demand for housing, creating a balanced tax base between commercial and current residential taxpayers, ensuring long-term prosperity while preserving the rural charm of the County.

I am immensely proud of the dedication and hard work of the Surry County team, whose efforts consistently address the everyday challenges of local government while enhancing services for residents. Through their tireless contributions and the visionary leadership of the Board of Supervisors, we have achieved significant milestones in making Surry County, a small local government more service oriented, adaptive to modern needs, and strategically focused on building a thriving community. Thank you for your thoughtful engagement throughout the budget process and for the opportunity to serve you, the staff, and the citizens of Surry County, Virginia.

Respectfully submitted,

A handwritten signature in cursive script, reading "Melissa D. Rollins".

Melissa D. Rollins, Surry County Administrator

