



COUNTY BUDGETING
Commissioners work through confusion of \$4.8M budget surprise
By TIM COOK, Spirit editor and reporter Mar 20, 2024 Updated Mar 20, 2024 0

Jackson, Krouse each charged with 42 criminal misdemeanors

By TIM COOK, Spirit editor and reporter Mar 13, 2024 Updated Mar 13, 2024 2



State of the County: *Resilient*

A year ago, Jefferson County faced significant challenges, including widespread staff turnover and disorganized budget documentation. Compounding the difficulties, two commissioners were arrested following a budget meeting and were subsequently removed from office. These events led to the appointment of two new commissioners, introducing more change, requiring additional learning curves, and creating further challenges as the county struggled to stabilize its leadership.

But Jefferson County
prevailed

Resolved budget issues

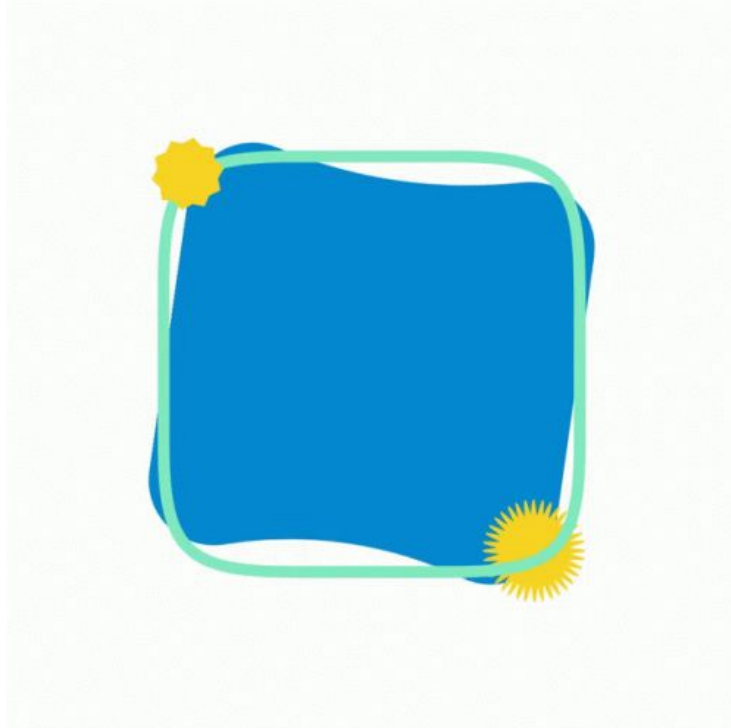
The 2024 budget process began with the fourth county administrator in 12 months and the fifth budget or finance director in 24 months.

The budget was riddled with inconsistencies between what was passed, what was approved by the State, and what was in the County's accounting software.

In 2024, however, the County was able to retain and recruit qualified staff who worked with the Commission to pass a balanced budget and address many of the budgetary inconsistencies.



Established an Office of Human Resources



Most management textbooks recommend outsourcing human resources if you're an organization of 25 people and growing. Around 50 employees, it's time to hire internally.

The Commission has roughly 300 employees, and until 2024, no human resources department.

Lacking in human resources resulted in high turnover, an inability to recruit effectively, and poor training and documentation.

The newly established Office of Human resources rewrote the merit promotion process to establish quantifiable reviews, executed a tuition reduction program with Shepherd and APU, and established a director-in-training program.

Advocated for Federal Funding



The Commission advocated for federal funding to:

- Replace radios and technology at JCC Homeland Security;
- Ambulance purchase;
- ESA building expansion;
- Sinkhole repair and building demolition;
- License plate readers; and
- A bearcat.

Funding was pending in FY25 appropriations bill in December. This is the first attempt Jefferson County has made for federal appropriations.

Purchase and Sale Agreement- Future Facility

After decades of planning, the Jefferson County Commission executed a purchase and sale agreement on 393 N. Lawrence Avenue, Charles Town.

Once the sale is complete, 393 N. Lawrence will be the future home of the Jefferson County Commission office.

The purchase will:

- Location nearly all offices under one roof;
- Substantially reduce operating expenses;
- Improve constituent access



Future Planning- Public Facilities



The future

PUBLIC SAFETY CENTER

1948 Wiltshire Road

With many departments vacating the Jefferson County Public Service Center, and needs for expansion at the Jefferson County Sheriff's Office and demonstrated service-area need at Jefferson County Emergency Services, the Jefferson County Commission designated the existing Jefferson County Public Service Center as the future site of the **Jefferson County Public Safety Center**.

This important step wisely uses public funds by co-locating the Sheriff's office and Emergency Services-

Approved the first Tax Increment Financing District



The Jefferson County Commission approved its first Tax Increment Financing (TIF) district, specifically designated for public infrastructure at the Hill Top House project. This strategic decision aims to foster economic development and revitalization in the area.

Establish a Career Fire Department



Jefferson County has successfully obtained an FDID number, paving the way for the Jefferson County Emergency Services to establish the County's first career fire department. This significant development was supported by the Jefferson County Fire and Rescue Association, highlighting a unified commitment to enhancing local emergency services. Additionally, the Commission is collaborating with a consultant to conduct a comprehensive study on the future of fire services, aiming to optimize and sustain firefighting and rescue operations across the County.

Hired a County Chief Financial Officer



Jefferson County has appointed a Chief Financial Officer (CFO), a strategic move designed to strengthen the County's financial management and oversight. With this role filled, the County benefits from enhanced expertise in budgeting, financial planning, and fiscal accountability, ensuring more efficient and transparent handling of public funds. The presence of a CFO also facilitates better decision-making processes, enabling the County to more effectively meet its financial goals and obligations.

Impact Fees



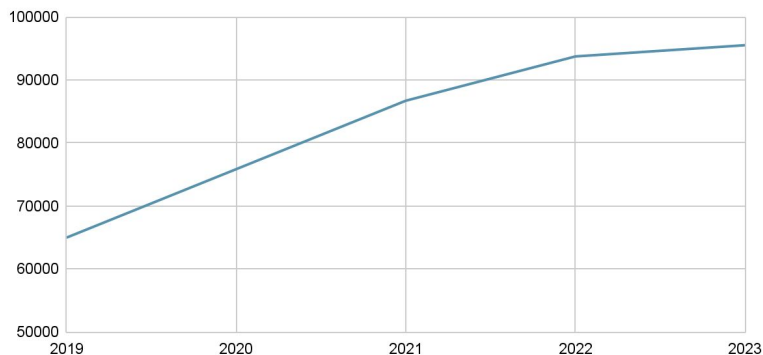
Jefferson County recently reassessed its impact fees, resulting in a new fee structure that ensures growth will cover a greater, yet proportionate, share of the costs associated with County capital asset expansion. This adjustment allows for a more equitable distribution of development costs, aligning them more closely with the benefits received by new developments. The revised impact fees will help the County manage growth sustainably while securing necessary funding for infrastructure and public services.

Economic Overview

Jefferson County's economy is currently experiencing robust growth and stability. The median household income is on a steady rise, reflecting the county's economic vitality. Unemployment rates are low, which bodes well for both current residents and potential newcomers looking for work. The forecast for employment growth is positive, suggesting a thriving job market in the near future. In the housing sector, median home prices are increasing steadily, maintaining a stable pace in the number of home sales. Additionally, inflation is low. Alongside these economic indicators, the population of Jefferson County is also steadily growing, further underscoring the area's economic health and its attractiveness as a place to live and work.

Median household income

Median Household Income (Jefferson County)



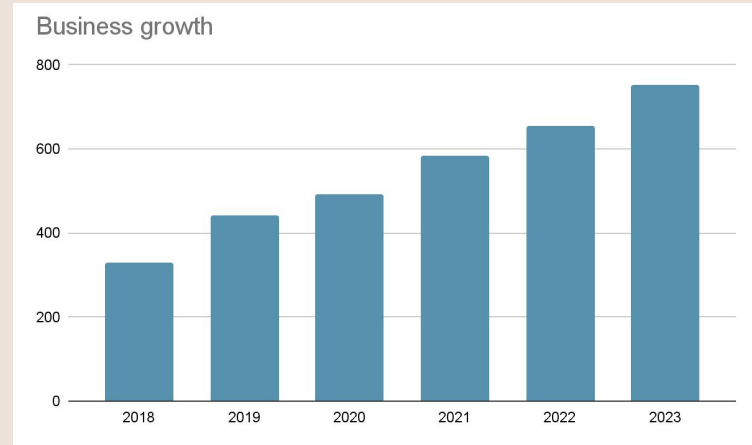
Median household income in Jefferson County in 2023 was \$95,523— an increase of \$1,779 (1.9%) over 2022.

	2023	
Jefferson County, WV	\$95,523	+1.9% over 2022
Berkeley County, WV	\$77,329	+5% over 2022
West Virginia	\$57,917	+4.9% over 2022
Loudoun County	\$178,707	+21.5% over 2022
Frederick County, MD	\$114,089	-1.4% over 2021

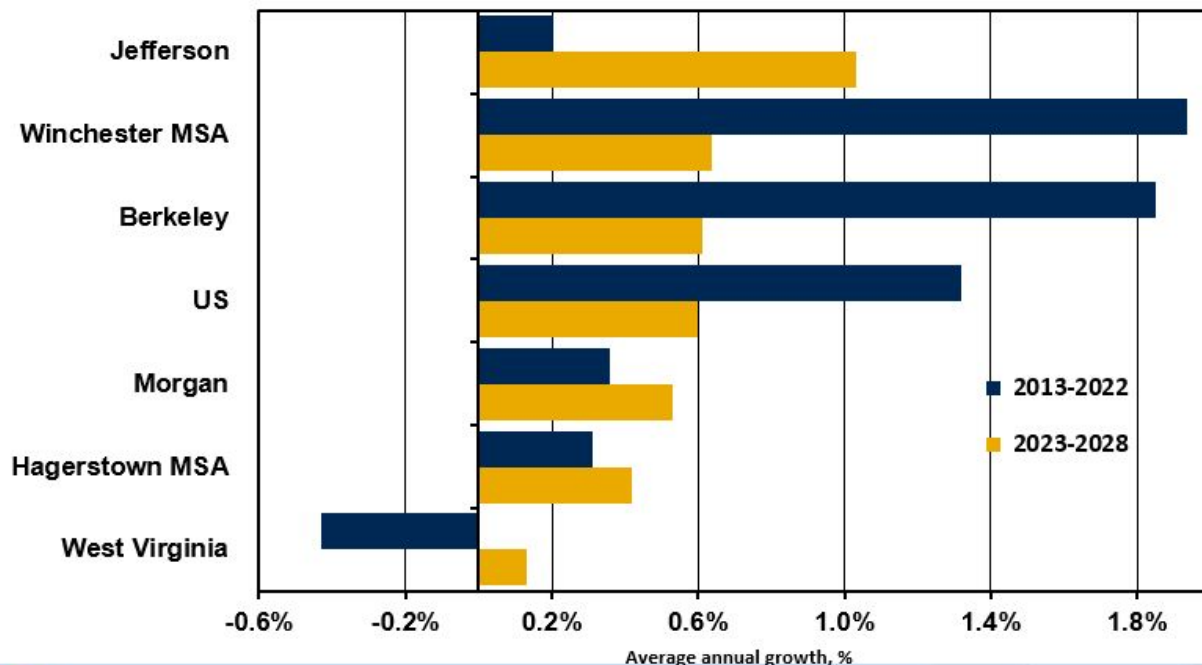
From a regional perspective, Jefferson County continues with income growth. The rate of growth has slowed in recent years, however.

Statistics

- Low unemployment Jefferson County 2.2- 3.1% (2023) vs.
 - West Virginia: 3.3- 4.4%
 - Loudoun County, VA: 2.1-2.7%
 - Frederick County, MD: 1.5- 2.8%
- Growing commercial base. The number of new businesses registered in the County has steadily grown:
 - 2018: 329 new businesses
 - 2019: 443 new businesses
 - 2020: 492 new businesses
 - 2021: 584 new businesses
 - 2022: 656 new businesses
 - 2023: 753 new businesses

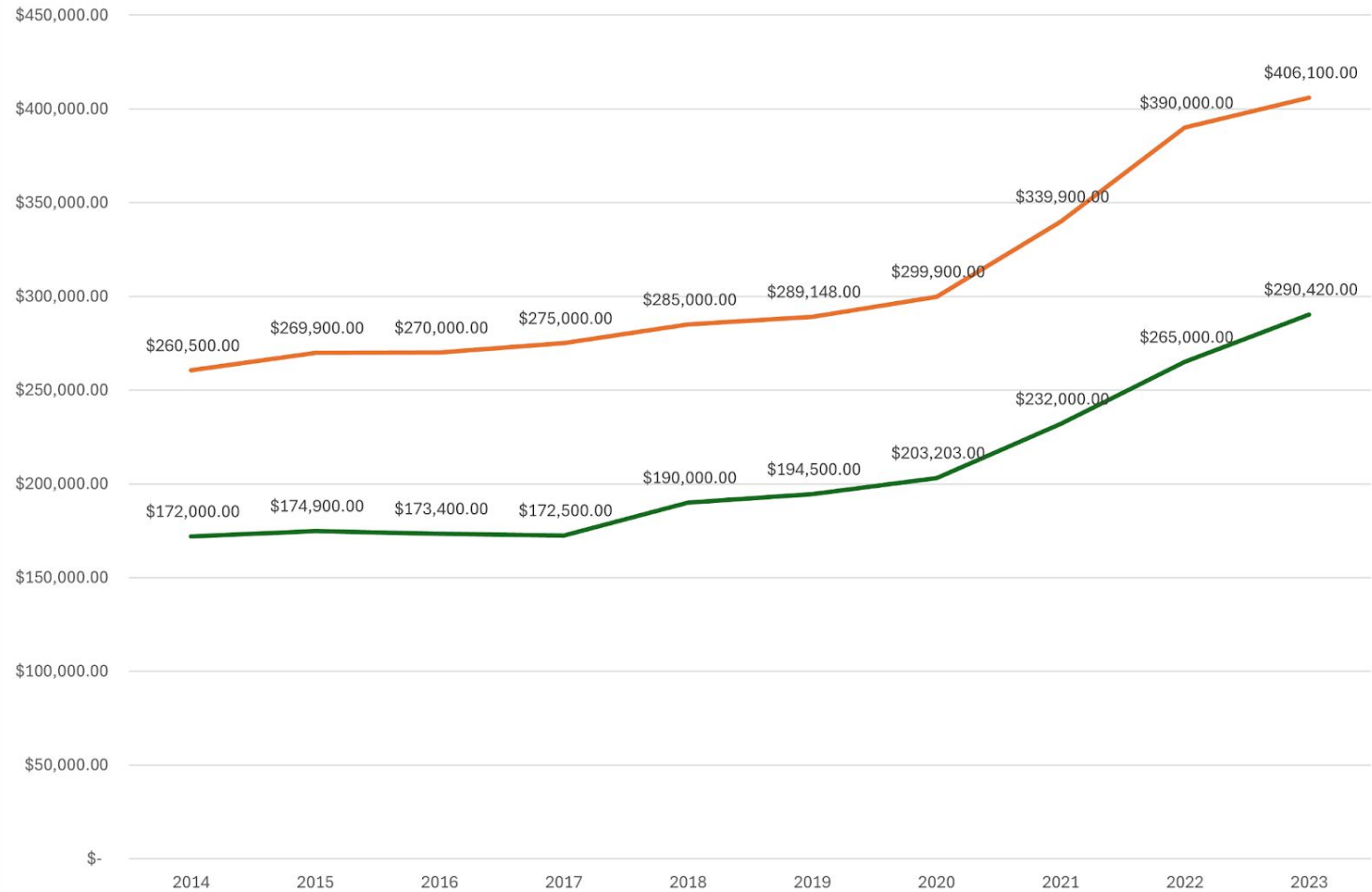


Employment Growth Forecast - EPH



Jefferson
is
expected
to lead
employ-
ment
growth-
2023-
2028

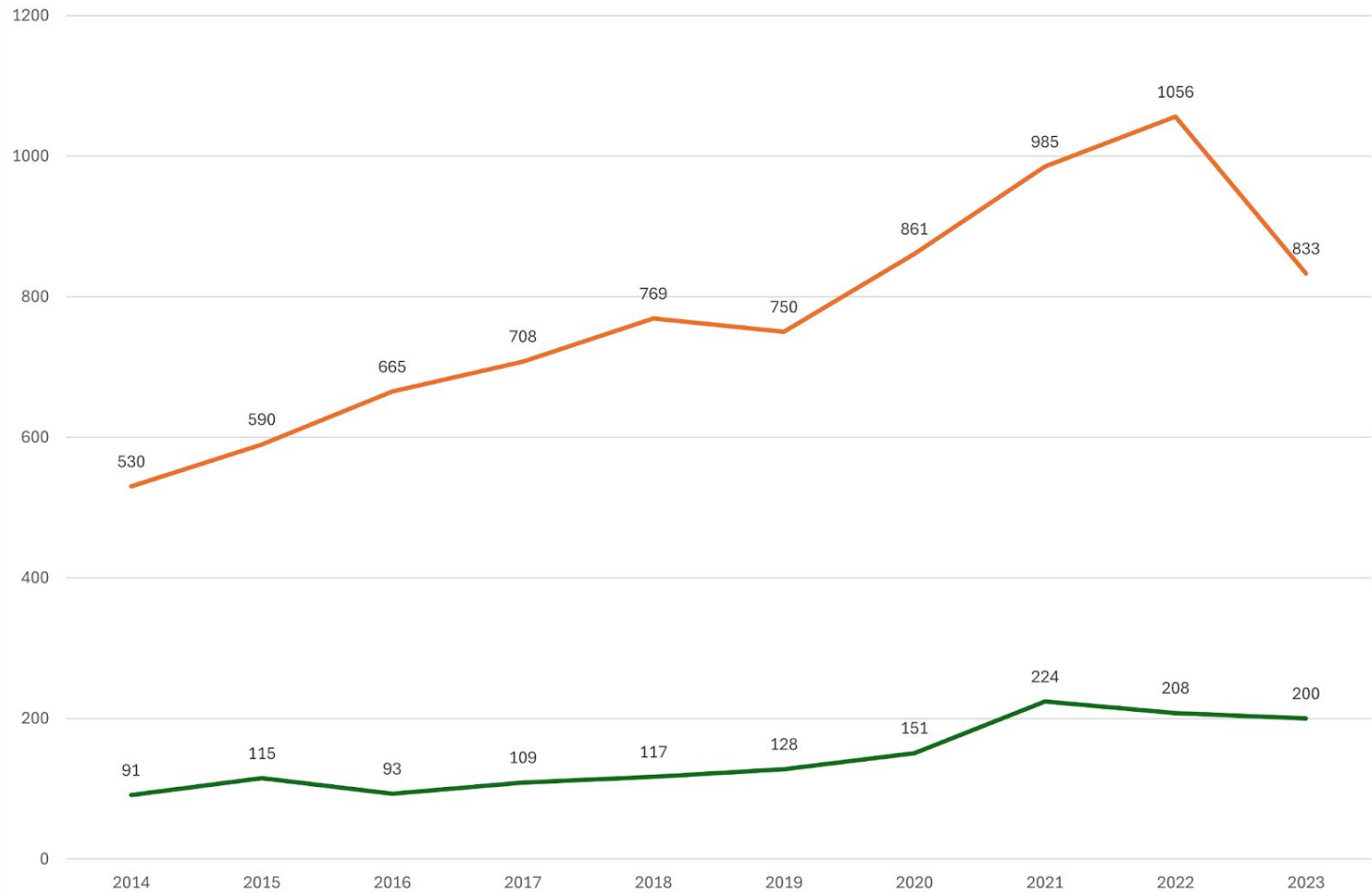
Median Housing Price



Source: Jefferson County, WV Assessor

Median Single-Family Price Median Townhome Price

Number of Sales

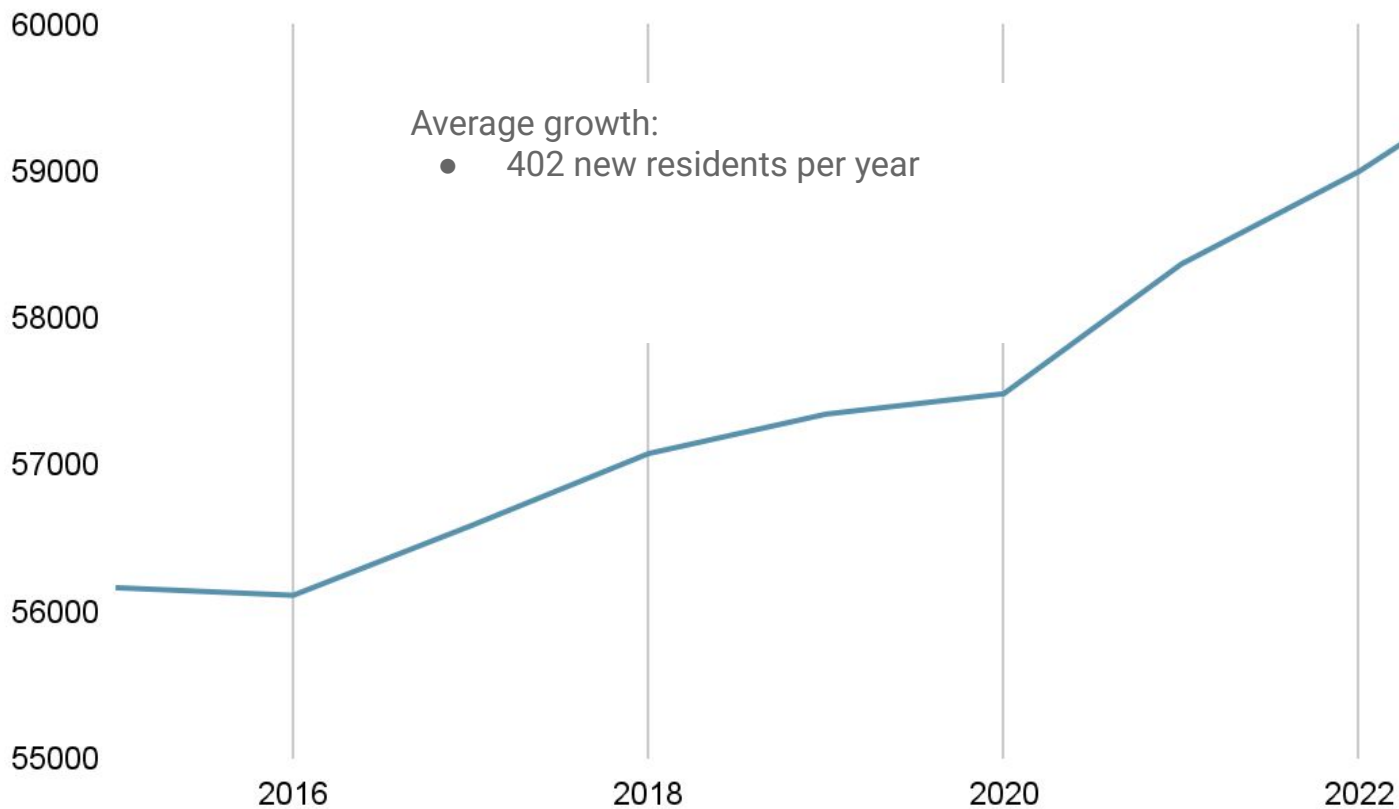


Source: Jefferson County, WV Assessor

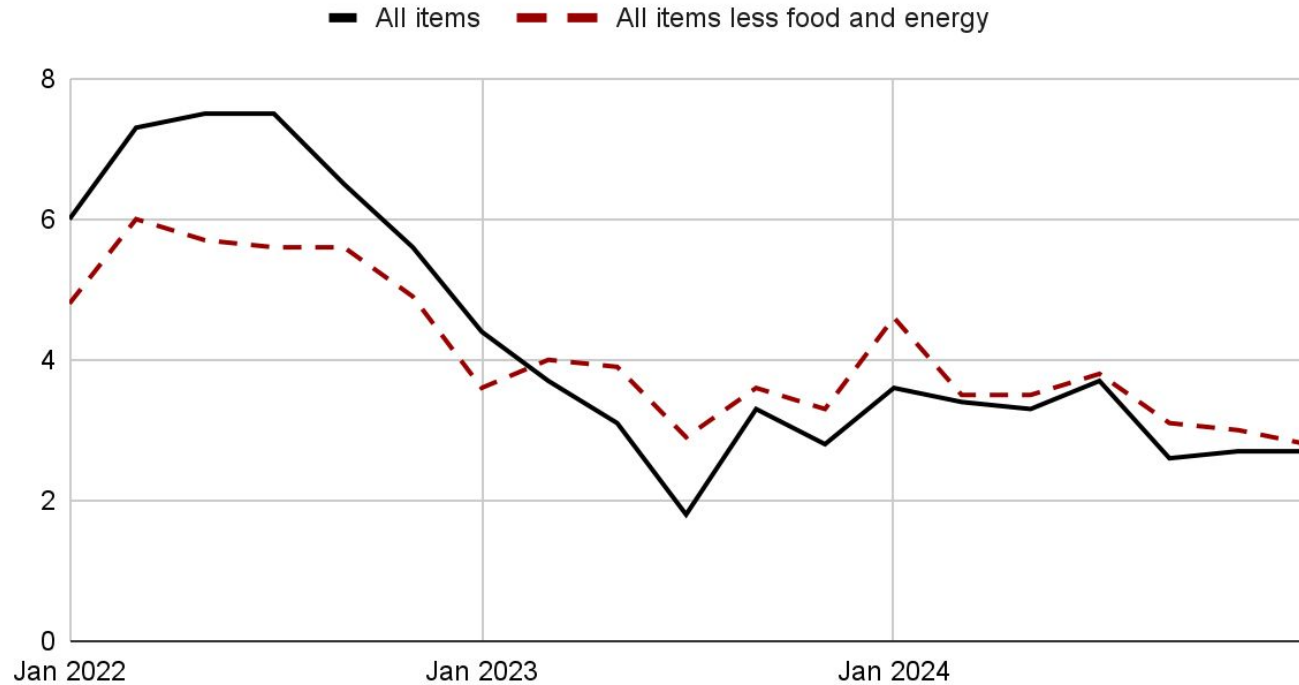
— Single Family Total Sales

— Townhome Total Sales

Population growth



CPI



Annual Consumer Price Index (CPI) for the Washington-Arlington-Alexandria (includes Jefferson County)

Note: deflation in the region- January 2022- mid-year 2023.

* Source: US Bureau of Labor Statistics

Budget process

Presentation will include:

- Revenues and assets overview
- Budget to actuals
- FY 2026 budget requests

Keep in mind:

- Staff mission
 - Exemplary professionalism
 - Outstanding constituent relations
 - Engagement- demonstrating pride in self, commission, and county
- Population growth

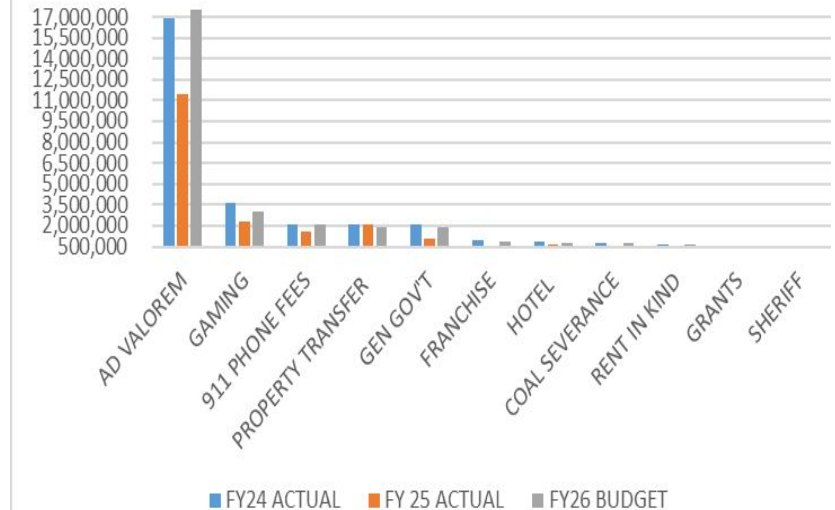
Revenues

Revenue Sources

REVENUE SOURCES

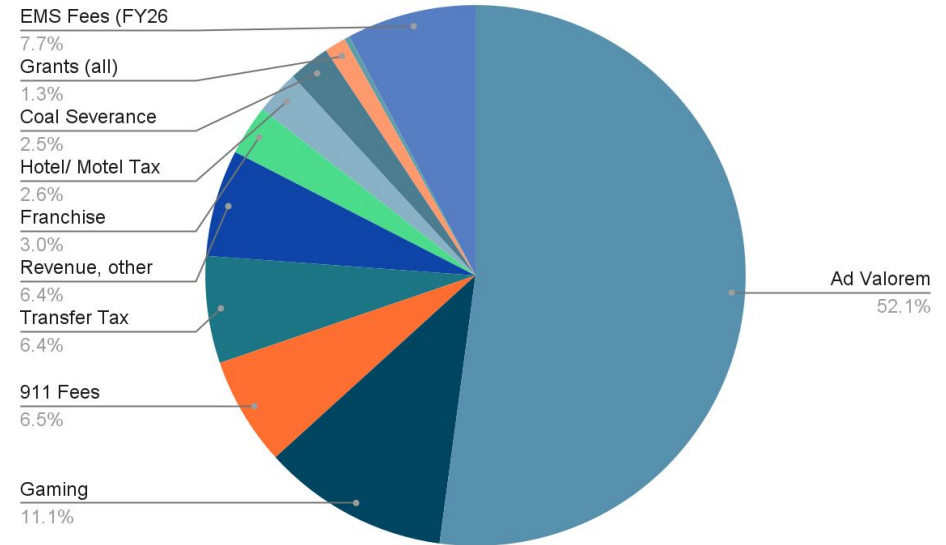
	<u>FY24 ACTUAL</u>	<u>FY 25 ACTUAL</u>	<u>FY26 BUDGET</u>
AD VALOREM	16,842,731	11,431,381	18,475,341
GAMING	3,599,836	2,327,051	2,978,500
911 PHONE FEES	2,097,491	1,623,206	2,103,000
PROPERTY TRNSFR	2,067,132	2,047,389	1,900,000
GEN GOV'T	2,063,987	1,098,809	1,862,995
FRANCHISE	964,802	399,064	815,000
HOTEL	854,354	627,412	800,000
COAL SEVERANCE	801,511	460,809	775,000
RENT IN KIND	660,694	318,325	646,610
GRANTS	415,258	199,614	355,000
SHERIFF	103,274	90,378	94,000
EMS FEES	-	-	2,501,000

REVENUE SOURCES



Property Tax- Largest Source of Revenue

The largest source of revenue is property tax followed by gaming. EMS fees is expected to be third in FY 26, followed by revenue collected by the Transfer Tax and revenues collected for 911 fees.



Understanding Property Tax

- Max levy rate (ie, tax rate) in West Virginia for Class I is \$0.1430 per \$100 of assessed value.
- Jefferson County's Class 1 levy rate for FY24 is \$0.1325 per \$100 of assessed value.
- In West Virginia, revenue received on existing property can only grow by 1% unless the County holds a public hearing to "reduce the rollback rate."
 - Revenue not rate
- The result is that in an environment of increasing property values, rates may fall.
- In FY26, the County is expected to receive a 1% increase in revenue and a reduced levy rate- \$0.1305 for FY25 vs. \$0.1325 for FY24.

2024 JEFFERSON COUNTY LEVY RATE SHEET

RATES PER \$100 VALUATION

	State	County Current	School Current Expenses	School Excess Levy	School Per. Improvement	Municipal	TOTAL	State	County Current	School Current Expenses	School Excess Levy	School Per. Improvement	Municipal	TOTAL
--	-------	----------------	-------------------------	--------------------	-------------------------	-----------	-------	-------	----------------	-------------------------	--------------------	-------------------------	-----------	-------

Class I

Class II

Charles Town District	0.0025	0.1325	0.1940	0.2295	0.0268		0.5853	0.0050	0.2650	0.3880	0.4590	0.0536		1.1706
Charles Town Corporation	0.0025	0.1325	0.1940	0.2295	0.0268	0.1178	0.7031	0.0050	0.2650	0.3880	0.4590	0.0536	0.2356	1.4062
Ranson Corporation	0.0025	0.1325	0.1940	0.2295	0.0268	0.1250	0.7103	0.0050	0.2650	0.3880	0.4590	0.0536	0.2500	1.4206
Harpers Ferry District	0.0025	0.1325	0.1940	0.2295	0.0268		0.5853	0.0050	0.2650	0.3880	0.4590	0.0536		1.1706
Harpers Ferry Corporation	0.0025	0.1325	0.1940	0.2295	0.0268	0.0644	0.6497	0.0050	0.2650	0.3880	0.4590	0.0536	0.1288	1.2994
Bolivar Corporation	0.0025	0.1325	0.1940	0.2295	0.0268	0.0652	0.6505	0.0050	0.2650	0.3880	0.4590	0.0536	0.1304	1.3010
Kabletown District	0.0025	0.1325	0.1940	0.2295	0.0268		0.5853	0.0050	0.2650	0.3880	0.4590	0.0536		1.1706
Middleway District	0.0025	0.1325	0.1940	0.2295	0.0268		0.5853	0.0050	0.2650	0.3880	0.4590	0.0536		1.1706
Shepherdstown District	0.0025	0.1325	0.1940	0.2295	0.0268		0.5853	0.0050	0.2650	0.3880	0.4590	0.0536		1.1706
Shepherdstown Corporation	0.0025	0.1325	0.1940	0.2295	0.0268	0.0854	0.6707	0.0050	0.2650	0.3880	0.4590	0.0536	0.1708	1.3414

Class III

Class IV

Charles Town District	0.0100	0.5300	0.7760	0.9180	0.1072		2.3412							
Charles Town Corporation								0.0100	0.5300	0.7760	0.9180	0.1072	0.4712	2.8124
Ranson Corporation								0.0100	0.5300	0.7760	0.9180	0.1072	0.5000	2.8412
Harpers Ferry District	0.0100	0.5300	0.7760	0.9180	0.1072		2.3412							
Harpers Ferry Corporation								0.0100	0.5300	0.7760	0.9180	0.1072	0.2576	2.5988
Bolivar Corporation								0.0100	0.5300	0.7760	0.9180	0.1072	0.2608	2.6020
Kabletown District	0.0100	0.5300	0.7760	0.9180	0.1072		2.3412							
Middleway District	0.0100	0.5300	0.7760	0.9180	0.1072		2.3412							
Shepherdstown District	0.0100	0.5300	0.7760	0.9180	0.1072		2.3412							
Shepherdstown Corporation								0.0100	0.5300	0.7760	0.9180	0.1072	0.3416	2.6828

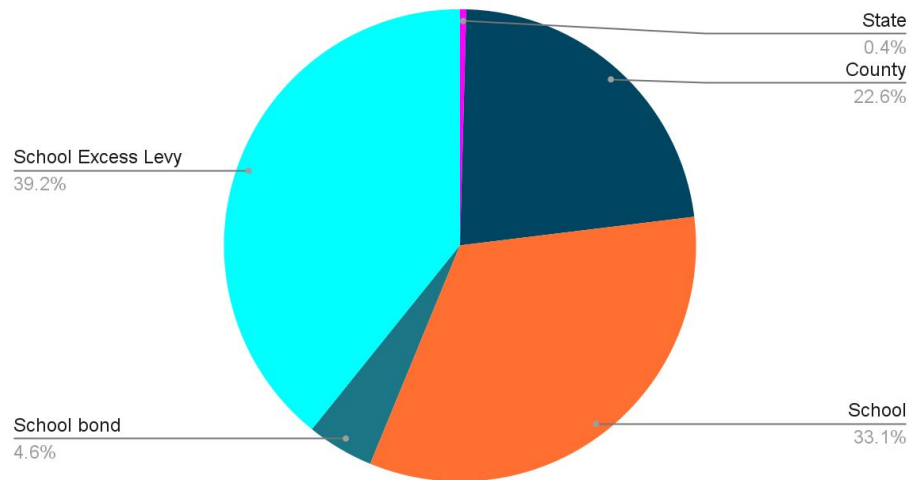
Total Property Taxes– Outside Municipalities

FISCAL YEAR ENDING JUNE 30, 2025 (RATES OF LEVY IN CENTS PER \$100 VALUATION)

(Based on Class One)

- Jefferson County Schools- \$0.1940
- Jefferson County School Bonds- \$0.0268
- School Excess Levy- \$0.2295
- Jefferson County Commission- \$0.1325
- State of WV- \$0.0025

Property tax breakdown



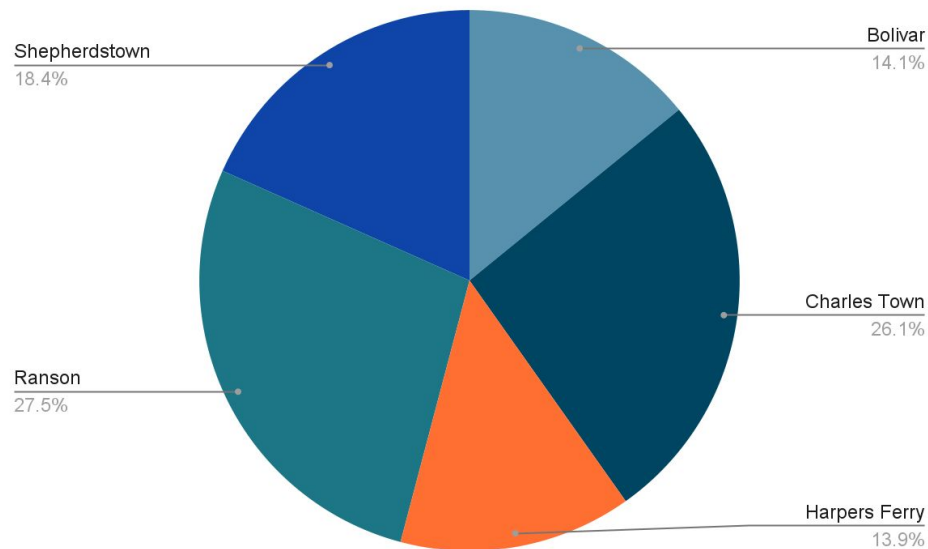
22%

The Commission receives about 22% of property taxes collected outside of municipalities.

Total Property Taxes FY 24– Municipalities

**Total Property Tax FY24- \$/ \$100 of assessed value
(based on Class One)**

- Harpers Ferry- \$0.0632
- Bolivar- \$0.0641
- Shepherdstown- \$0.0833
- Charles Town- \$0.1183
- Ranson- \$0.1250



Municipal Example- Charles Town

FISCAL YEAR ENDING JUNE 30, 2025 (RATES OF LEVY IN CENTS PER \$100 VALUATION)

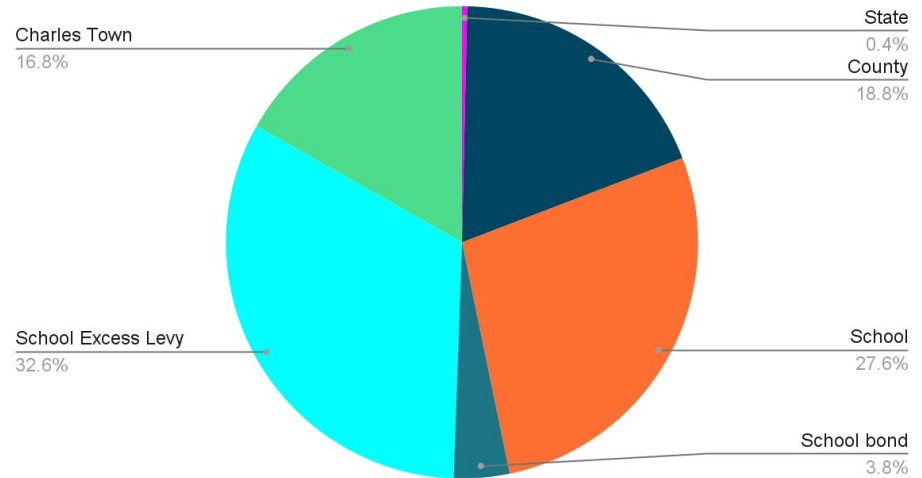
(Based on Class One)

- Jefferson County Schools- \$0.1940
- Jefferson County School Bonds- \$0.0268
- School Excess Levy- \$0.2295
- Jefferson County Commission- \$0.1325
- State of WV- \$0.0025

And

- Charles Town- \$0.1183

Property tax breakdown



18.8%

The Commission receives about 18.8% of property taxes collected in Charles Town.

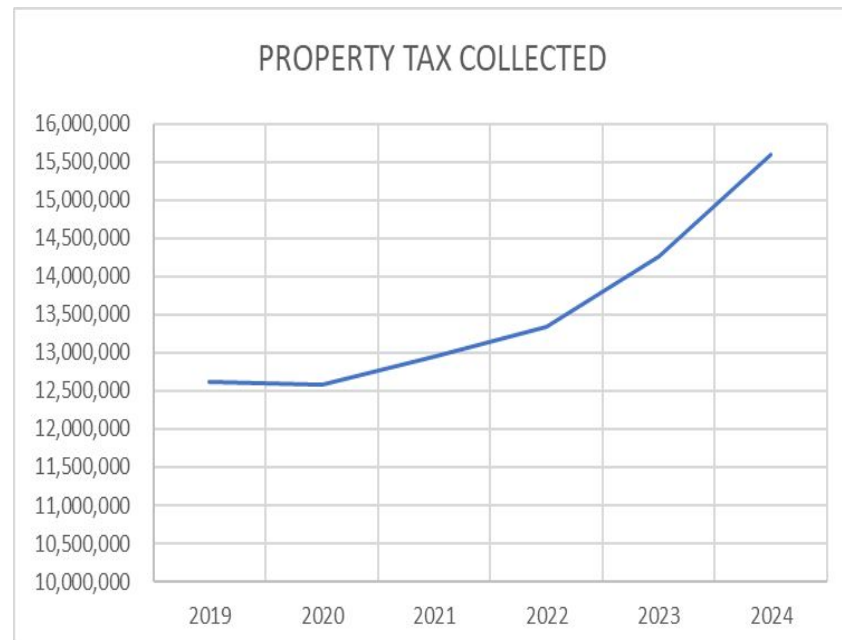
VS.

16.8%

The City of Charles Town receives about 16.8% of property taxes collected in Charles Town.

Historic property taxes for the County

YEAR	COLLECTED
2019	12,616,691
2020	12,585,193
2021	12,955,740
2022	13,331,709
2023	14,257,881
2024	15,590,923



PILTS vs PILOTS

Short for Payment in Lieu of Taxes- PILT.

Federal payment for federally owned land.

To offset impacts to counties- such as emergency services and lost revenue from private ownership.

Rate set by the US Congress.

Short for Payment in Lieu of Taxes- PILOT.

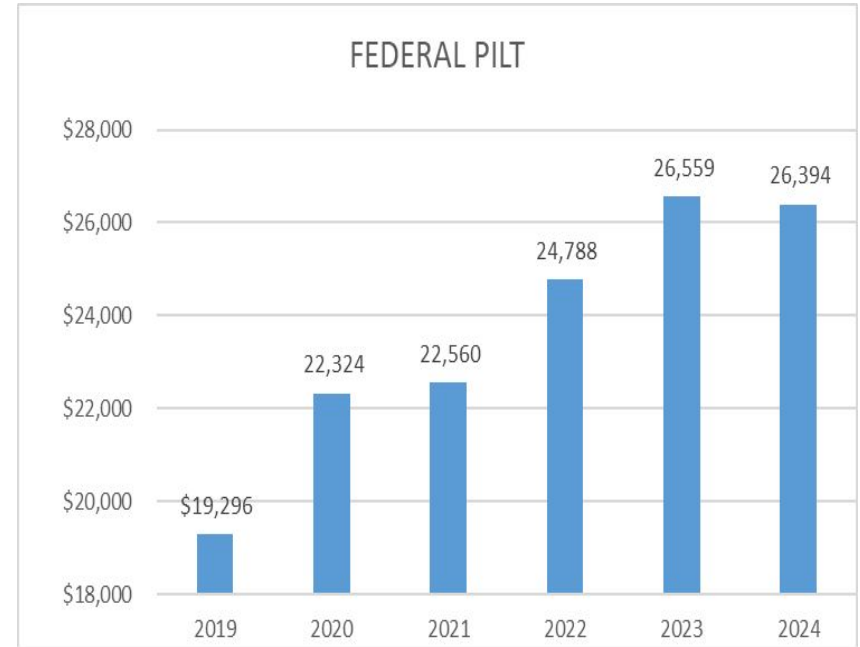
Economic development incentive authorized by the State of West Virginia.

Property is owned by the State or local government entity and leased to private entity- property tax is not owed to the public entity.

Rate and duration set in the PILOT agreement.

Property Taxes– PILOTs and PILTs

<u>PAYEE</u>	LOCAL	AMOUNT <u>FY24</u>
ROXUL USA INC. (2019)		\$313,000
FEDERAL		
DEPT. OF INTERIOR		
YEAR		
2019		\$19,296
2020		22,324
2021		22,560
2022		24,788
2023		26,559
2024		26,394



Hotel/ Motel tax

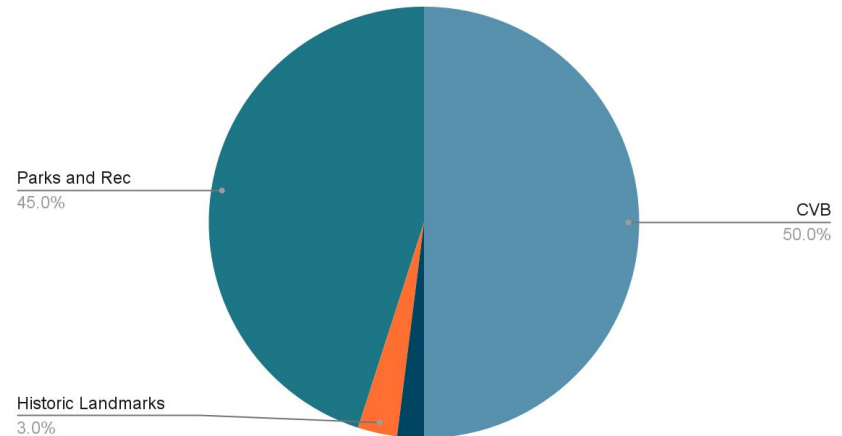
Hotel/ Motel tax is collected on lodging and remitted:

- 50% to the local CVB (WV Code)

Locally Determined

- Arts and Humanities Alliance 2%
- Historic Landmarks Commission 2.9615%
- Parks and Recreation Commission 45.0385%

Hotel/ Motel Tax



County assets

<u>CLASS</u>	<u>AMOUNT</u>	<u>VALUE</u>
AUTOMOBILE	124	\$123,992
BUILDING	17	\$34,698,100
INLAND MARINE	37	\$4,785,584
LAND		

