Fiscal Year 2024

Budget Recommendation

February 22, 2023

Agenda

1

FY 24-28 Strategic Plan
Strategic priorities for the next 5 years

2

FY 24 Drivers
Revenues, Expenditures, Trends

3

FY 24 Recommendation
County Executive's FY 24 Budget Recommendation

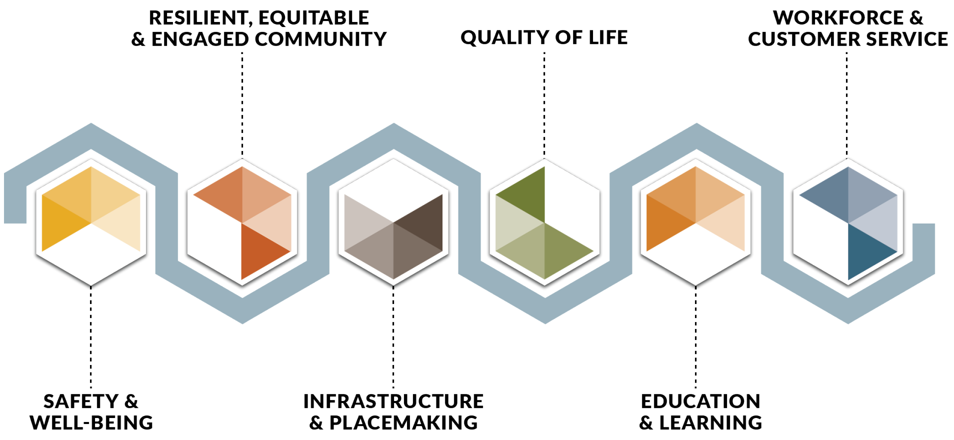
4

Next Steps
Development calendar & prep for work sessions

01

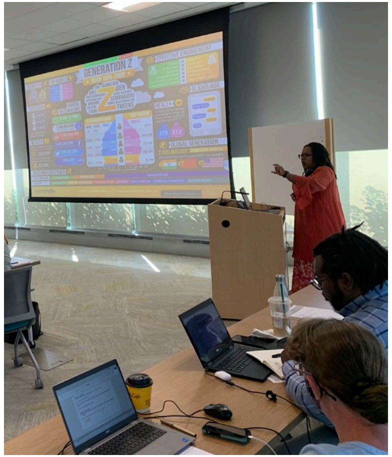
Strategic Plan

FY 24 – 28
Strategic Plan



A Turning Point

After several years of focused efforts to support the community through the COVID-19 pandemic, this Board held its first strategic planning session in August 2022.

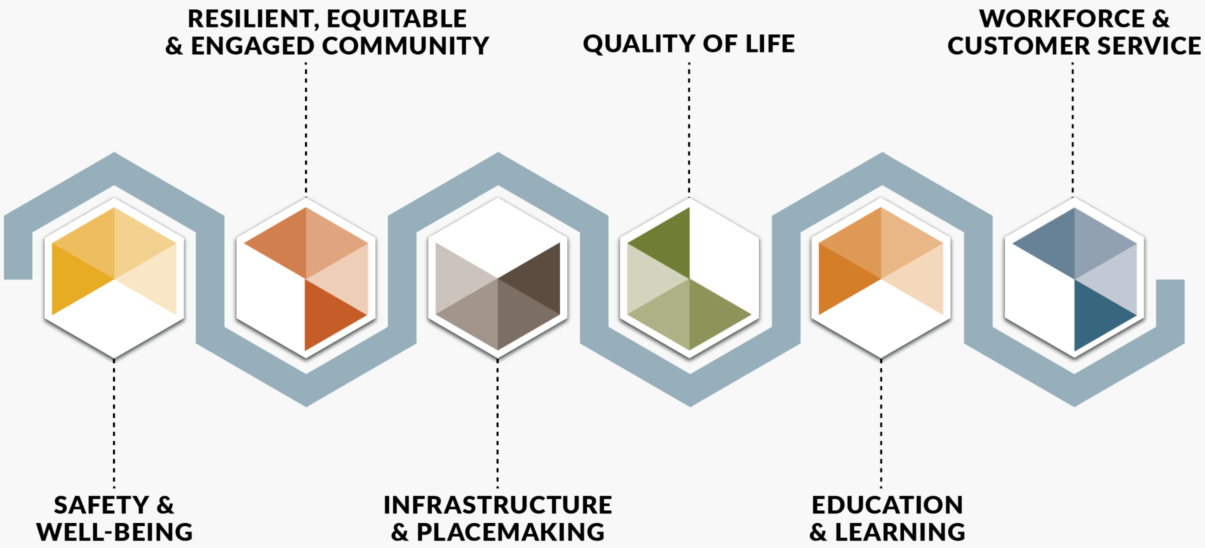


OUR VISION

Albemarle County envisions a community with the following:

- **ABUNDANT NATURAL, RURAL, HISTORIC, AND SCENIC RESOURCES**
- **HEALTHY ECOSYSTEMS**
- **ACTIVE AND VIBRANT DEVELOPMENT AREAS**
- **A PHYSICAL ENVIRONMENT THAT SUPPORTS HEALTHY LIFESTYLES**
- **A THRIVING ECONOMY**
- **EXCEPTIONAL EDUCATIONAL OPPORTUNITIES**

For present and future generations.



1

SAFETY & WELL-BEING

Nurture a safe and healthy community.

2

RESILIENT, EQUITABLE & ENGAGED COMMUNITY

Design programs and services that promote an equitable, engaged and climate-resilient community.

3

INFRASTRUCTURE & PLACEMAKING

Invest in infrastructure and amenities that create connection, opportunity, and well-being.

4

QUALITY OF LIFE

Encourage a vibrant community with economic and recreational opportunities that serve all community members.

5

EDUCATION & LEARNING

Support exceptional educational opportunities.

6

WORKFORCE & CUSTOMER SERVICE

Recruit & retain engaged public servants who provide quality government services to advance our mission.

Balancing Considerations

Economic Outlook
Economic cooling expected

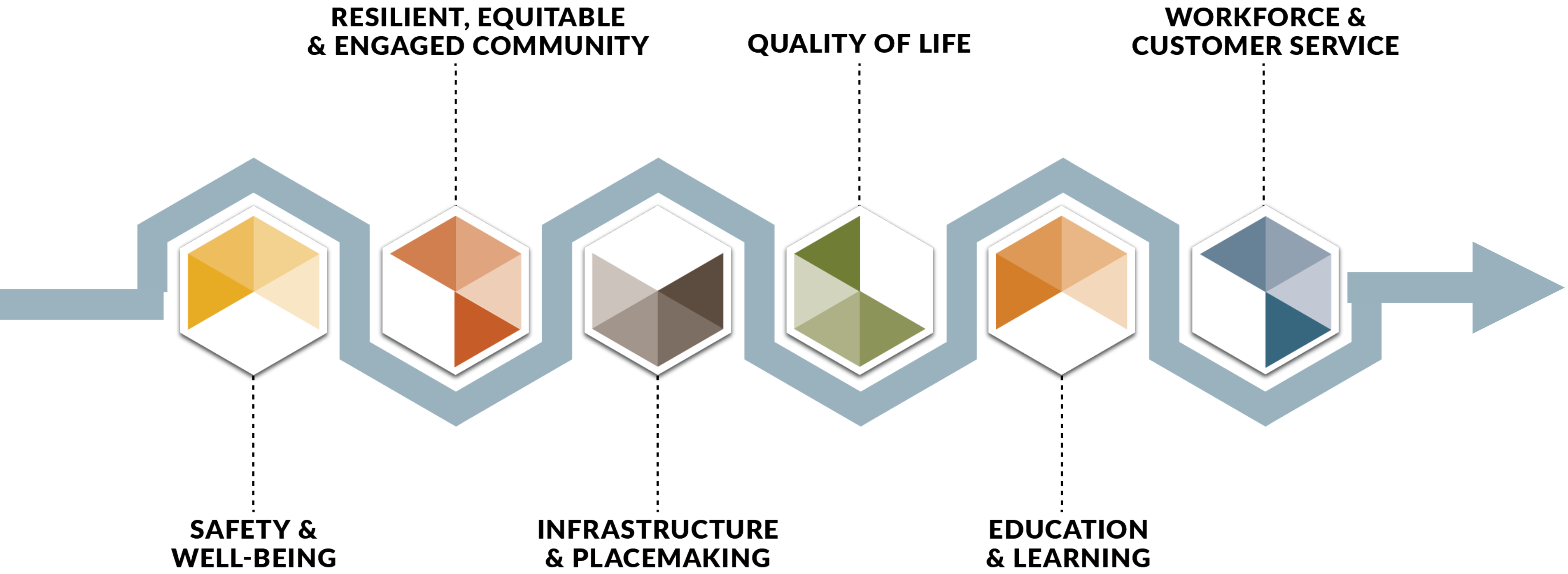
5-Year Financial Plan
Strengthen Budget;
maintain existing CIP

Strategic Plan
Safety & Well-being, Resilient, Equitable, & Engaged, Infrastructure & Placemaking; Quality of Life; Education & Learning; Workforce & Customer Service

Revenues
Projections for FY 24 tempered with out-year expectations

Existing Commitments
5-Year CIP, staffing commitments

Financial Policies
Stabilization Reserves, borrowing capacity, maintaining AAA/Aaa/AAA


RESILIENT, EQUITABLE
& ENGAGED COMMUNITY
QUALITY OF LIFE
WORKFORCE &
CUSTOMER SERVICE
SAFETY &
WELL-BEING
INFRASTRUCTURE
& PLACEMAKING
EDUCATION
& LEARNING

Balanced on Current Tax Rates

Real Property
per $100 of assessed value

$0.854

Food & Beverage
of purchase price

6%

Recommended
Calendar Year 2023

$3.42

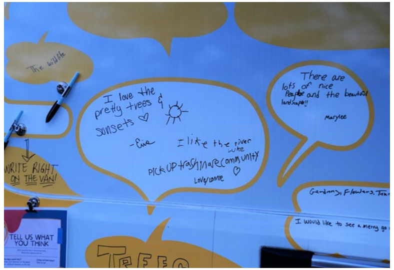
Personal Property
per $100 of valuation

8%

Transient Occupancy
of purchase price

02

Financial Drivers



Economic Outlook

SCHOOL OF PUBLIC AND INTERNATIONAL AFFAIRS
VIRGINIA TECH.

COUNTY OF ALBEMARLE
VIRGINIA

Annual Economic Outlook Report for Albemarle County, Virginia

Prepared by
Sheryl D. Bailey, Ph.D., Visiting Professor of Practice
Principal Project Lead
School of Public and International Affairs
Virginia Tech

"Given the identified history of Albemarle County's economic indicators generally following state and national economic trends…the report…recommends it prudent for Albemarle County to also anticipate an economic cooling with the accumulating signals of a likely economic slowdown in the U.S., state, and globally."

ECONOMIC INDICATORS

-16.2%
Vehicle Values

-18.9%
Residential dwelling unit Certificates of Occupancy

-12.0%
Recorded Deeds tax revenue

+13.46%
Real Property Assessment values

+16.0%
Consumer-Driven Revenues

+11.6%
Business-Driven Revenues

Year over year

ECONOMIC INDICATORS

+0.94%

Population growth estimate

+6.5%

Inflation/CPI (YoY)

+6.8%

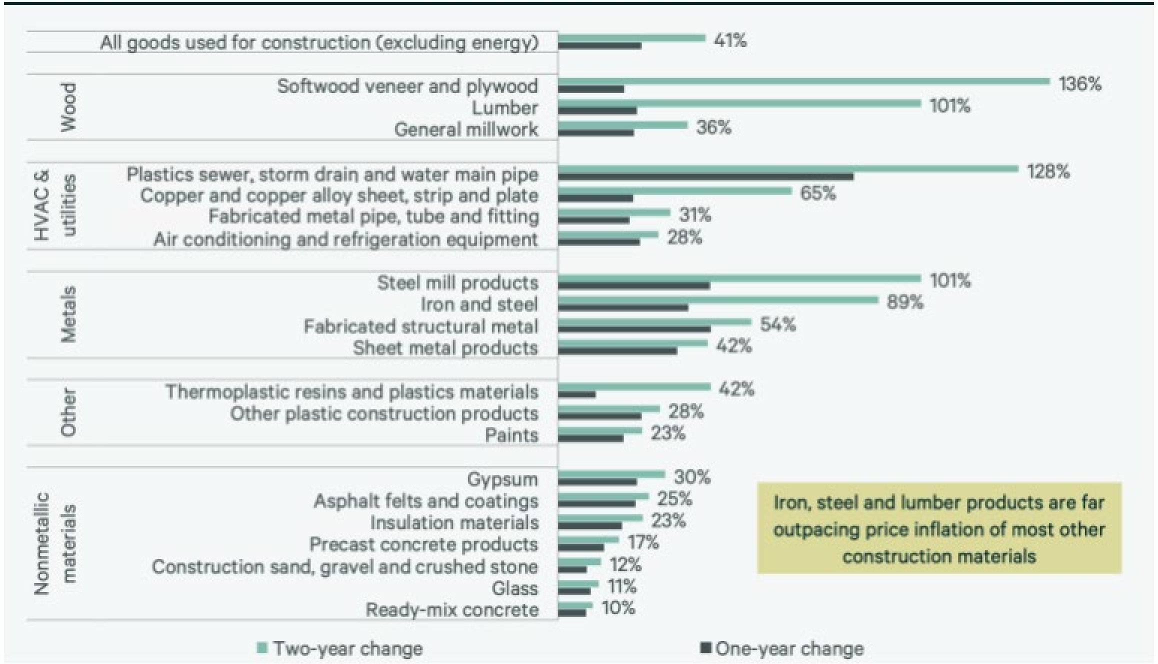
Value of Social Services benefits to residents

2.3%

Unemployment Rate

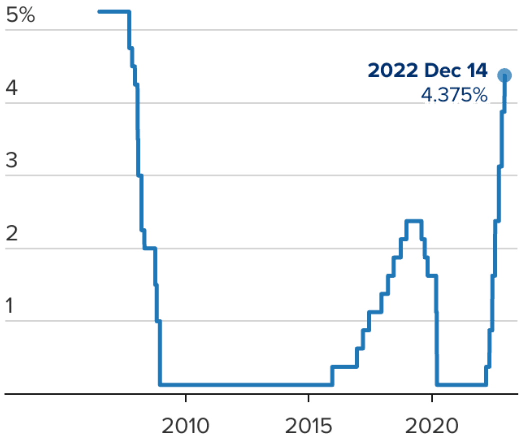
ECONOMIC INDICATORS

Figure 37: Price inflation for select construction commodities, March 2020-March 2022



Source: U.S. Bureau of Labor Statistics, CBRE Strategic Investment Consulting April 2022.

The federal funds target rate since July 2006

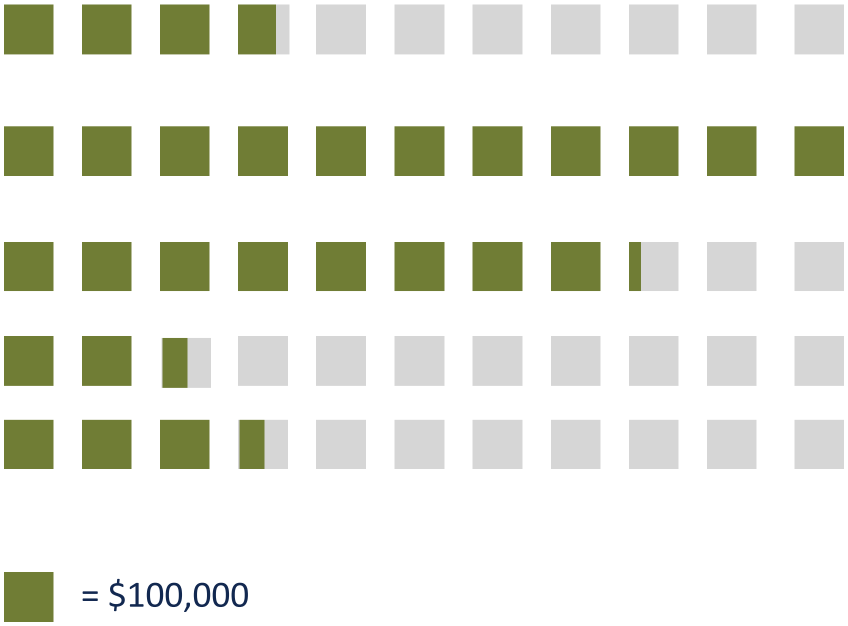


Note: As of Dec. 14, 2022
From December 2008 to present, data reflects the midpoint of the Federal Reserve's target range.

Chart: Gabriel Cortes / CNBC
Source: The Federal Reserve Bank of New York

Rising Costs at Partner Organizations

RSWA	Enhanced operations & increased transport costs	**+18%**
Transit	CAT, JAUNT, Microtransit *Labor and fuel costs*	**+32%**
ECC	By share of calls	**+25%**
JMRL	By circulation	**+ 5%**
CACVB	By agreement	**+59%**



= $100,000

Economic Outlook

SCHOOL OF PUBLIC AND INTERNATIONAL AFFAIRS
VIRGINIA TECH.

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"Albemarle County's history of prudent financial management and its overall solid economic base provide a foundation and community capacity for strategic initiatives."

Credit Worthiness

AAA	Aaa	AAA
Exceptionally Strong	Exceptional	Exceptionally Strong
Fitch	Moody's	Standard & Poor's

03

ACTIVATING THE STRATEGIC PLAN TO STRENGTHEN OUR FOUNDATION

The Fiscal Year 2024 Recommended Budget

FY 23

- Schools capital
- Courts Expansion
- FEMA SAFER I & II
- Community Response
- Biscuit Run Park
- Public Safety Pay Plan
- Southern Convenience
- Core Systems Mod.
- Workforce Stabilization
- Streetsweeper & Vegetation

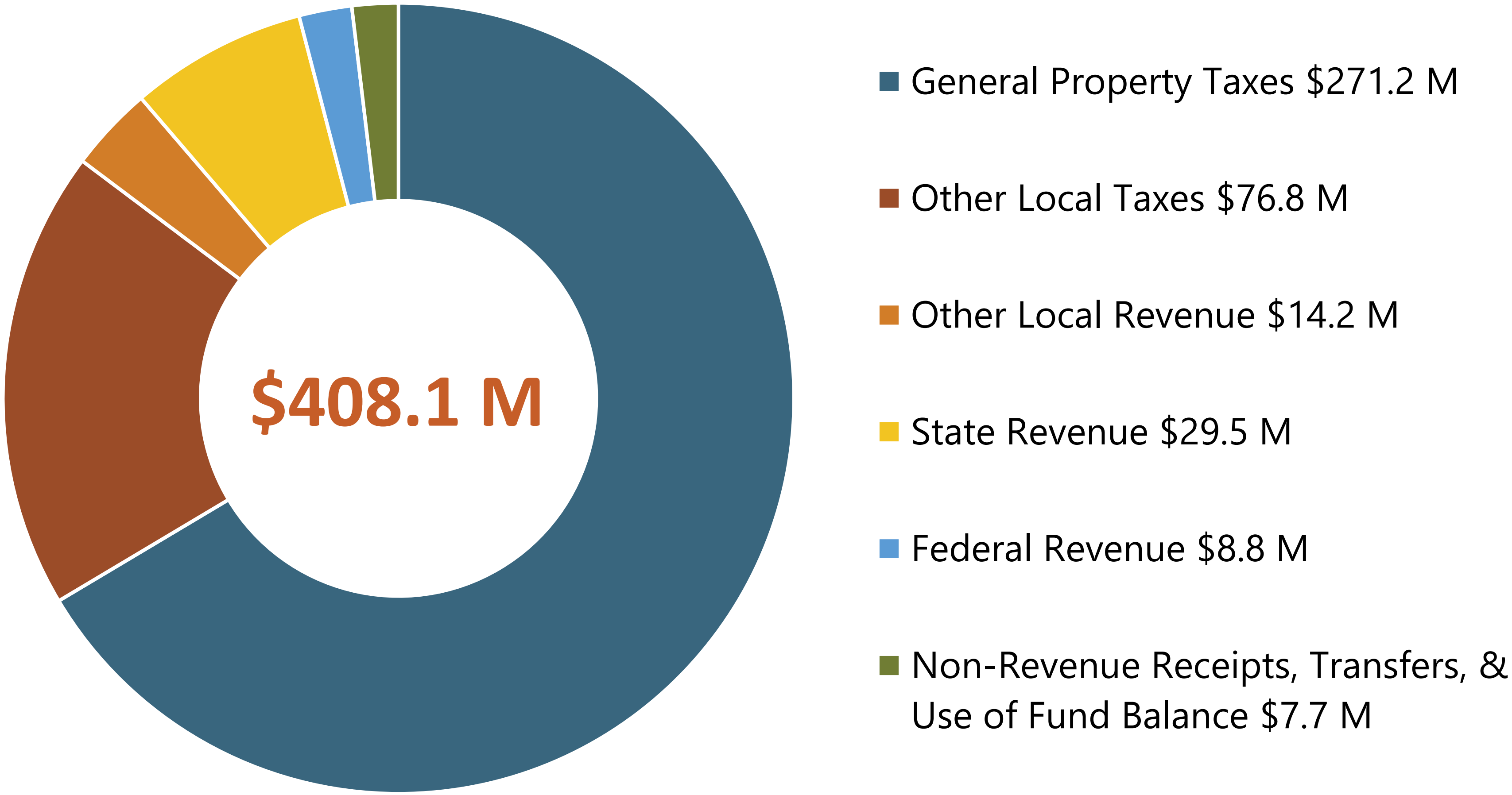
FY 24

- Schools capital and operating
- Safety & Well-being
- Workforce Stabilization
- Rising Capital costs
- Rising partner agency costs

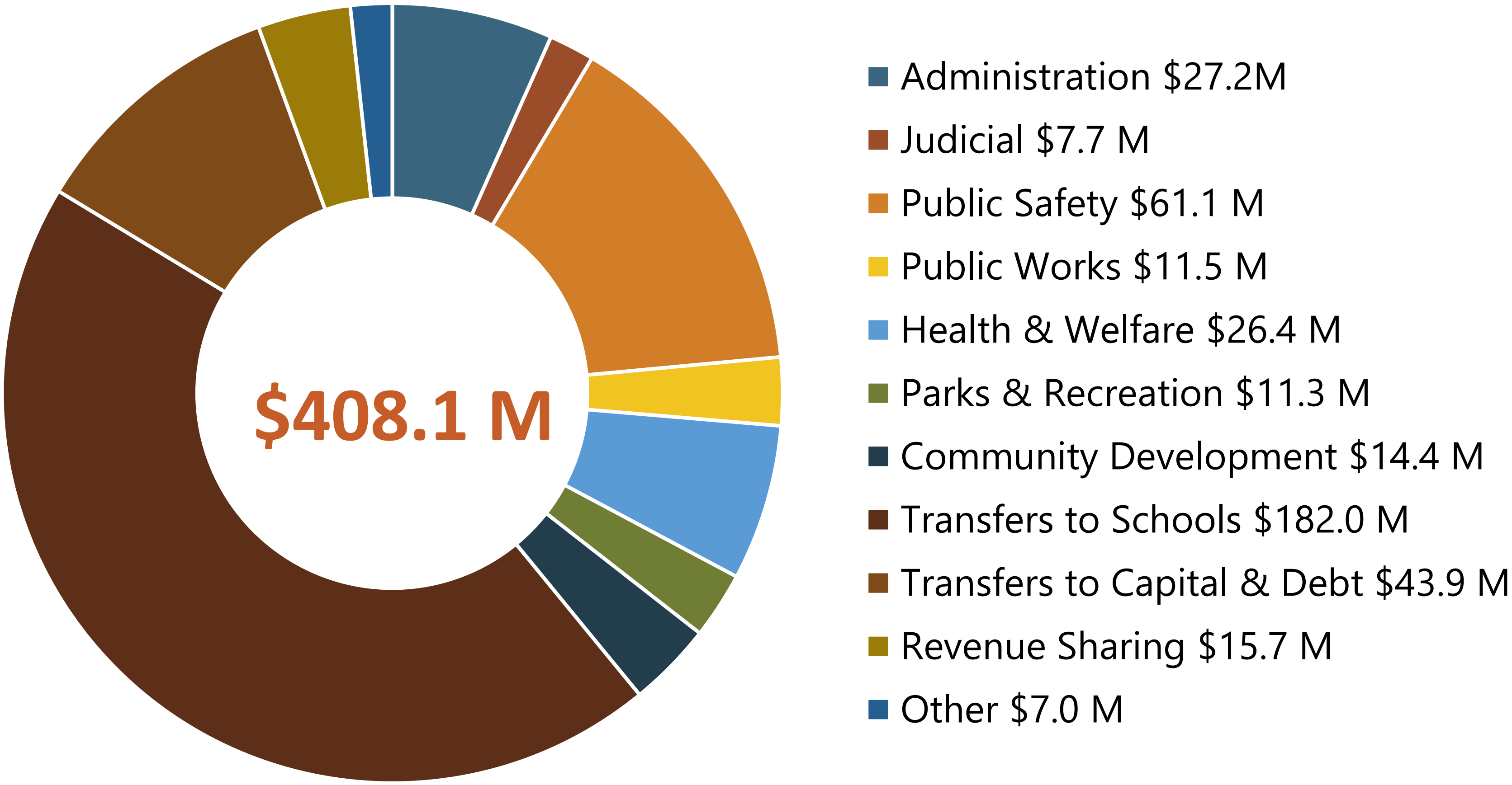
FY 25

- Strategic priorities
- Operating impacts of capital projects
- Capital needs
- Macroeconomic factors
- Emerging needs

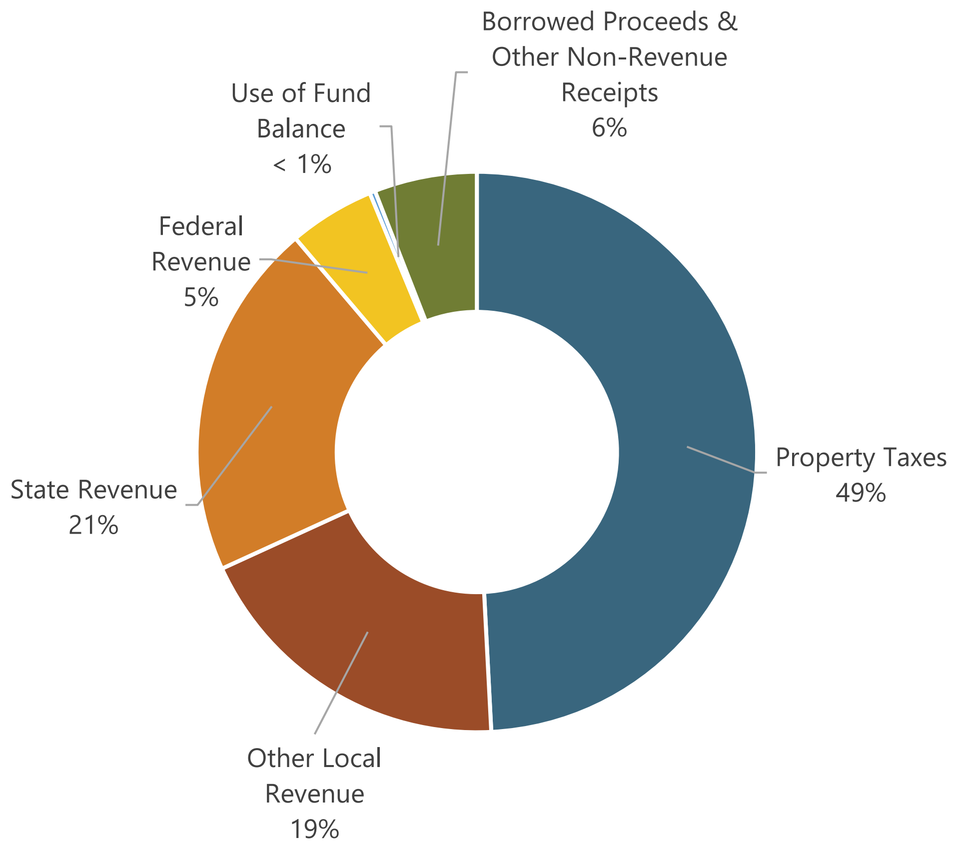
FY 26+

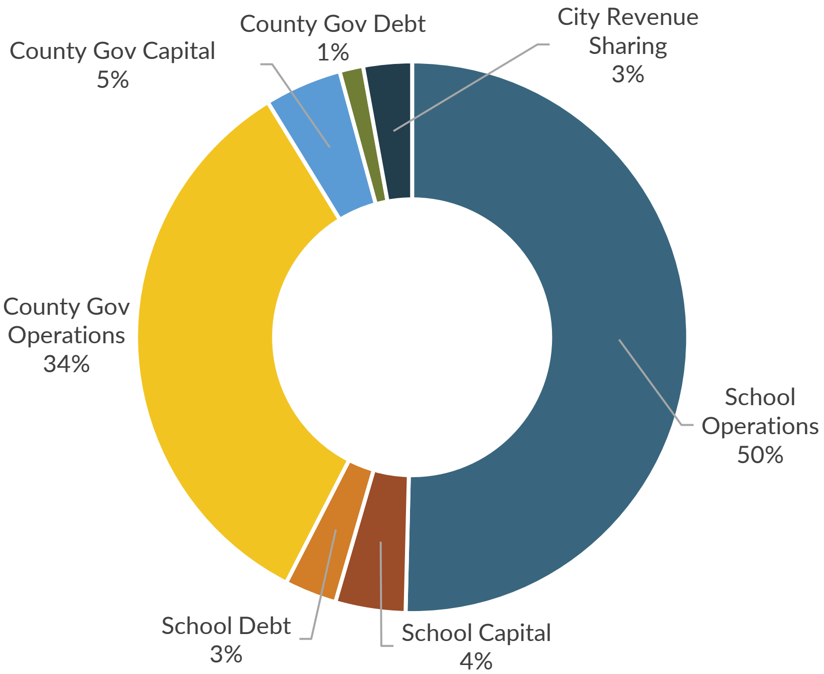


General Fund Revenues



General Fund Expenditures





Total Budget

5

EDUCATION & LEARNING

Support exceptional educational opportunities.

ACPS Operations

Implement strategic plan - salary increases, class size, student safety

5

EDUCATION & LEARNING

Support exceptional educational opportunities.

Systemwide Renovations

$14.3 M
over 5 years

Elementary School 1

$44.1 M
Southern feeder pattern

Elementary School 2

$50.6 M
Northern feeder pattern

High School Center 2

$36.3 M
Systemwide

1

SAFETY & WELL-BEING

Nurture a safe and healthy community.

Public Safety Operations Center

JC Penney site renovation for ACPD/ FR warehousing and maintenance

ACPD Staffing

Squad-based policing
3 officers & 1 Services position

SAFER Grant

Application for 30 firefighter positions to best align resources with system needs.

Emergency Management

Continuity of Operations, Emergency Operations, Active Threat Training

1

SAFETY & WELL-BEING

Nurture a safe and healthy community.

Social Services

Full-year implementation of mid-year staffing in benefits and foster care

Human Services

Broaden Social Services to Human Services to focus on community well-being, supported by 2 FTEs

Emergency Assistance Funding

Designating $260k in local funding – to address urgent, one-time financial needs.

Health & Welfare Agencies

$4.3M to sustain human service programs delivered through partners.

1

SAFETY & WELL-BEING

Nurture a safe and healthy community.

Common-wealth Attorney

2.25 FTE to address projected workload increase

Public Defender

Increases related to pay adjustments

Courts Construction

Breaks ground in 2023 after years of planning

2

RESILIENT, EQUITABLE & ENGAGED COMMUNITY

Design programs and services that promote an equitable, engaged and climate-resilient community.

Equity & Inclusion Trainings

Expand training and learning offerings for staff development

Arts & Cultural

Funding community programs and events

Biannual Community Survey

Resident satisfaction survey

Climate Action

Continue work to meet climate goals

3

INFRASTRUCTURE & PLACEMAKING

Invest in infrastructure and amenities that create connection, opportunity, and well-being.

Transit

Microtransit pilot; rising cost of services from CAT and JAUNT

Transport-ation

Ongoing capital funding to road, bike, ped projects; RAISE & SS4A work

Solid Waste & Recycling

RSWA Baling Facility, operating funds for Southern Convenience Center

Public Works

Streetsweeper, vegetation management

4

QUALITY OF LIFE

Encourage a vibrant community with economic and recreational opportunities that serve all community members.

Biscuit Run Park & Trails

Open Biscuit Run Park; advance grass soccer fields

Rivanna Village Park

Open Rivanna Village Parks

Urban Pocket Park

Identify a location and scope for a small urban park

AC44

Phase 2 development of goals and planning toolkits

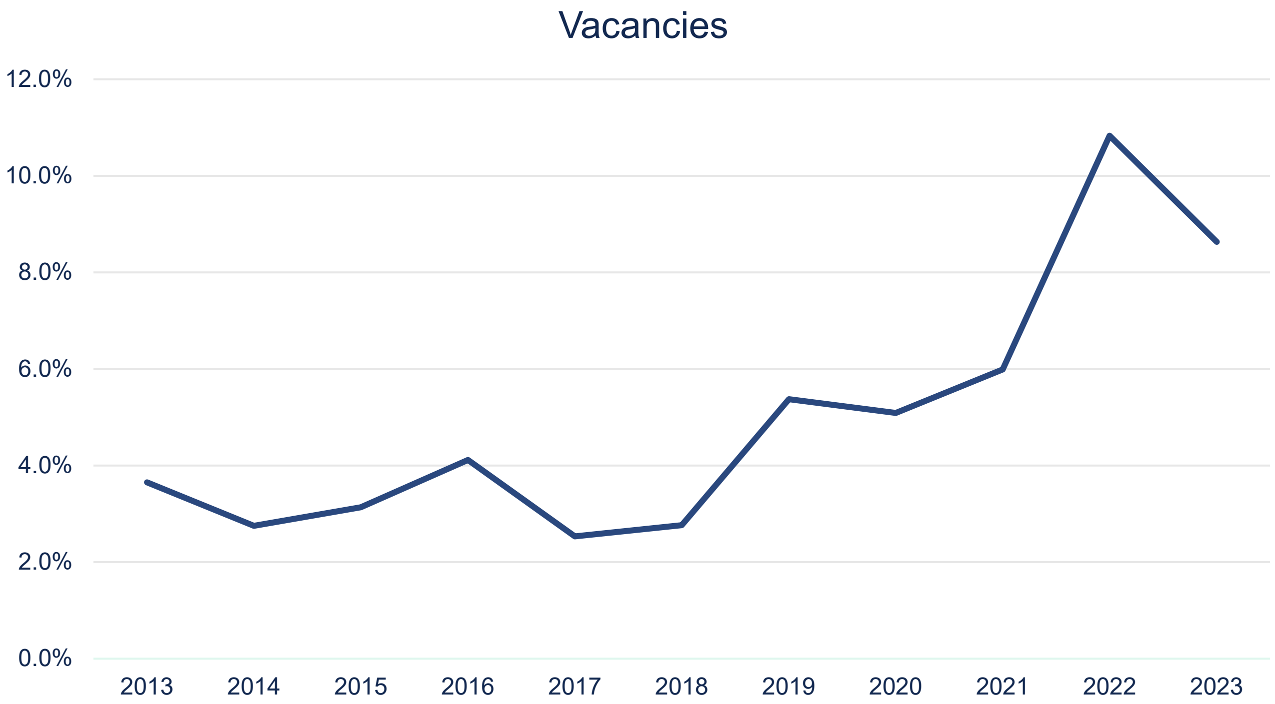
Housing Fund

$3.9M in FY 23 revenues to advance affordable housing projects

Economic Development

Strategic funding for opportunities aligned to Project ENABLE

Workforce Stabilization



Employee Benefit Survey

Near-Term

More & Flexible Leave

Seeking more time for family and time away for work-life balance.

Professional Growth

Training, learning, and development to grow skills and hone talent.

Longer-Term

Flexible Hours/Locations

Increasing work-from-home, 4-day work weeks, and others

Systems

Replace outdated systems with modern technology

Options in the survey included more schedule flexibility, onsite perks, and benefits. **Most popular options shown.**

6

WORKFORCE & CUSTOMER SERVICE

Recruit & retain engaged public servants who provide quality government services to advance our mission.

Core Systems Modernization & Centralization

Human Resources, Community Development, Enterprise Resource Planning, Financial systems projects; meeting organization-wide resource needs comprehensively.

Workplace

5-year facility renovation to modernize office environment with the customer in mind

Development & Training

Enhance Learning & Development program

Compensation

- 4% salary increase for all staff
- 2% step increase to Public Safety Pay Scale
- Employer health insurance increase
- Compensation & Classification Implementation

ACTIVATING THE STRATEGIC PLAN TO

STRENGTHEN OUR FOUNDATION

New Operating Revenues

Public Schools
Operating funds by formula

Schools Capital
Increased project costs & debt service

Workforce Stabilization
Salary and benefits; new positions; Class & Comp implementation

Government Capital
Increased project costs & debt service

Partner Agencies
Rising costs for services

Capital Improvement Plan

Schools Summary

$194.5 M

		24	25	26	27	28
Elementary 1	Southern feeder pattern	✓	✓			
Elementary 2	Northern feeder pattern				✓	✓
Renovations	Systemwide projects	✓	✓	✓	✓	✓
Maintenance	Systemwide projects	✓	✓	✓	✓	✓
School Bus Replacement	Annual fleet cycle	✓	✓	✓	✓	✓

Mountain View expansion construction and High School Center 2 planning underway

Capital Improvement Plan
Government Summary

$122.1 M

		24	25	26	27	28
Transportation Leveraging	Road, bike, pedestrian projects	✓	✓	✓	✓	✓
Economic Development	ED Fund Investments		✓	✓	✓	✓
Biscuit Run	Open park & build 2 soccer fields	✓	✓		✓	
RSWA Baler Facility	Recycling infrastructure	✓				
County Offices Renovations	Workforce stabilization	✓	✓	✓	✓	
Courts	Construction	✓				

Strategic Plan Resource Allocation

Positions

Work Plans

Collaborative Execution

Centralization

Grant Applications

FEMA SAFER	DEQ: Southwood	DEQ: Baling Facility	USDOT	VDOT
Application for 30 firefighters to address system/ resource alignment	$11.8M to address critical sewer issues within Southwood Mobile Home Park	$4M to offset costs of baling facility to sustain recycling baling capability locally	Reconnecting Communities Grant for $337k	$15.8M Avon Street Multimodal Improvements $20.55M 250/Peter Jefferson Pkwy Park & Ride $4.9M Belvedere/Rio Rd

04

Next Steps

FY 24 Budget Development

Calendar

March	April	May
Work Sessions	**Public Input**	**Adoption**

March — Work Sessions

1st	Public Hearing on Recommended Budget
8th	Operating
13th	School Board, CIP
15th	Proposed Budget, Tax Rate
22nd	Work Session: Transit
29th	Work Session: Workforce Stabilization

April — Public Input

12th	Work Session TBD
26th	Public Hearings
TBA	Engagements

May — Adoption

3rd	Approve budget
	Set tax rate

ACTIVATING THE STRATEGIC PLAN TO

STRENGTHEN OUR FOUNDATION

Fiscal Year 2024 Budget Recommendation