



**FY 23 Recommended Budget
Work Session #1:
General Fund Revenues & Expenditures
March 9, 2022**

Schedule



Today

General Fund Revenues & Expenditures



Mar 14, 17, 23, 30 & Apr. 6

Mar 14 – Public Schools and CIP

Mar 17 - Propose tax rate and budget for advertisement and public hearing

Mar 23 – Athletic Fields

Mar 30 – ARPA, Housing Initiatives, Boys & Girls Club

Apr 6 – If needed



Apr 27

Public Hearing on the CY 22 tax rate and Board's Proposed Budget



May 4

Board approves FY 23 Budget and sets tax rate

Work Session Process

- Interactive approach
- Staff presents info at level in between County Executive presentation & detailed budget document
- Includes many pauses for Board of Supervisors, questions, dialogue and identify items for:
 1. “The list” for potential adjustment and future Board discussion
 2. General information
- Responses outside of work sessions are posted to the website for transparency

Today's Agenda

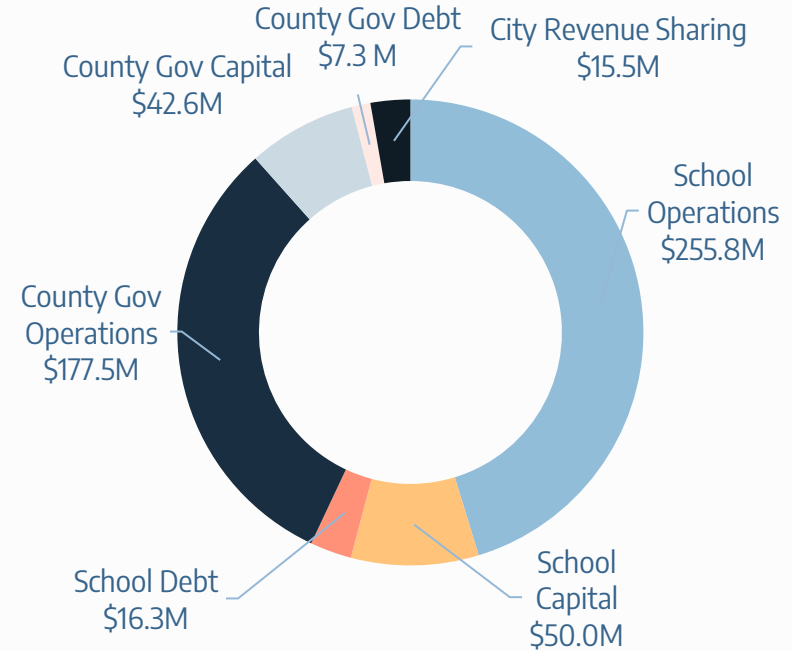
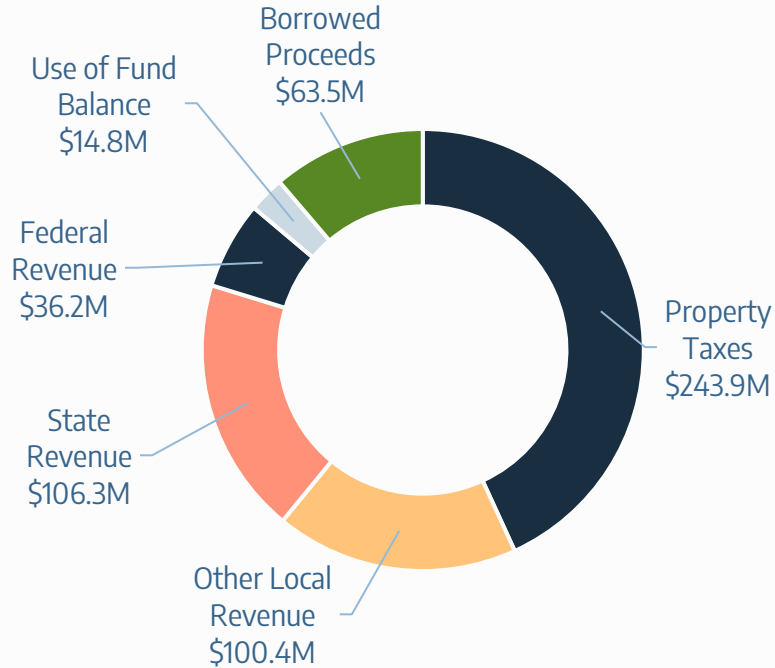
- Overview
- General Fund Revenues (*pg. 45 - 62*)
- General Fund Expenditures Summary (*pgs. 63-72*)
- Administration (*pgs. 73 – 94*)
- Judicial (*pgs. 95 – 108*)
- Public Safety (*pgs. 109 – 120*)
- Break, if Board desires
- Public Works (*pgs. 121 – 130*)
- Health and Welfare (*pgs. 131 – 184*)
- Parks, Recreation, and Culture (*pgs. 185 – 194*)
- Community Development (*pgs. 195 – 206*)
- Non-Departmental (*pgs. 207 – 222*)

Overview



FY22 Total All Funds

Revenues & Expenditures: \$565,137,182



All Funds Summary

General Fund Drivers:

- Local tax revenues up \$49 M or 18% and reflect economic recovery since the FY 22 Adopted Budget
 - \$22 M of this amount appropriated mid-year FY 22

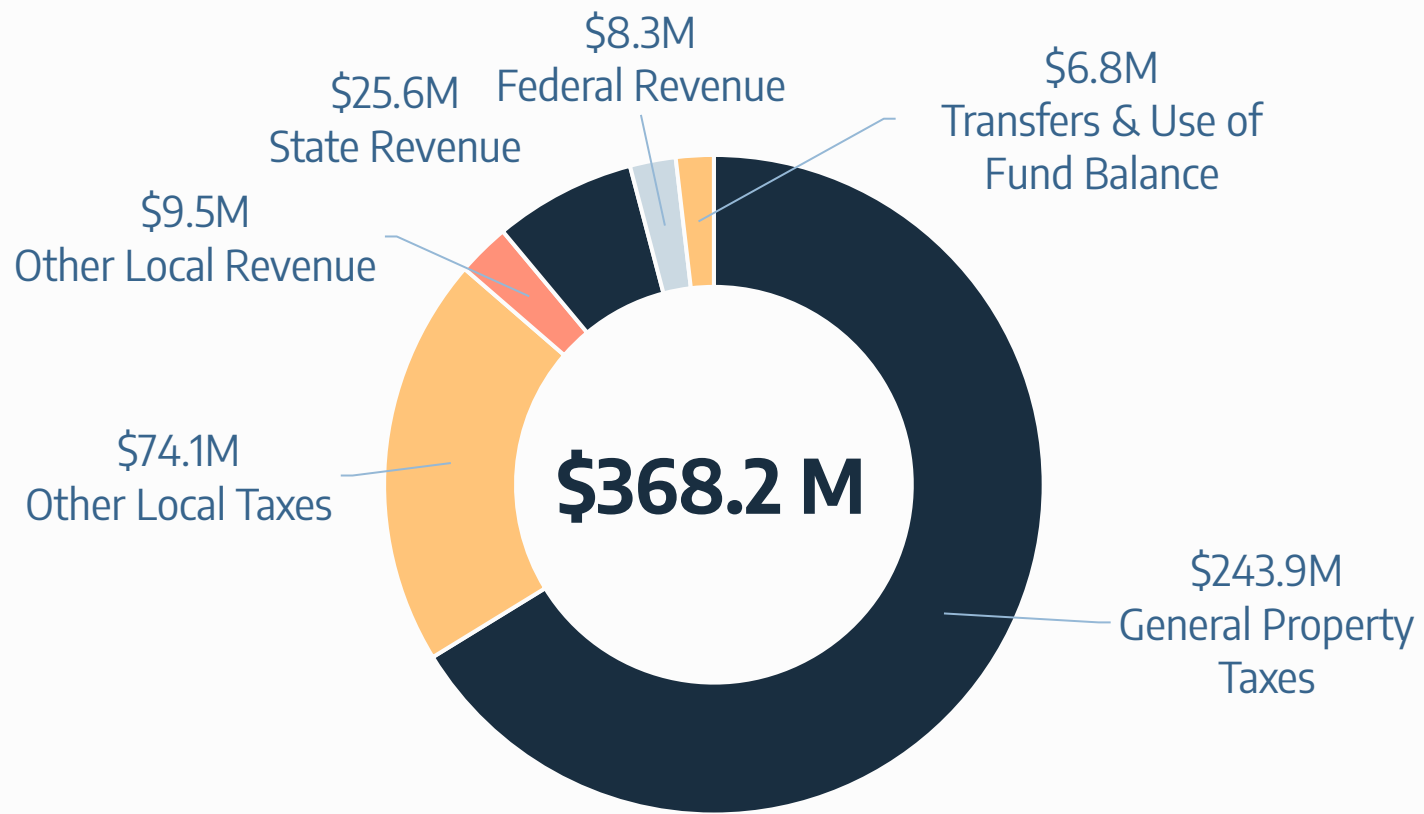
Other Funds' Drivers:

- State revenues up \$11 M or 12%, largely reflects increased support for Public School operations & capital projects.
- Federal revenues up \$15 M or 67%, primarily for \$12 M in American Rescue Plan Act (ARPA) revenue planned for expenditure in FY 23.
- Bond proceeds up \$31 M or 96% and reflect expenditures on planned capital projects.

General Fund Revenue Overview

pages 47-62





General Fund Revenues

A Balanced Recommended Budget

Real Property

\$0.854 *Unchanged*
per \$100 of assessed value

Cigarette

\$0.40
per pack

Food & Beverage

6% *+2%*
of purchase price

Personal Property

\$3.42 *-\$0.86*
per \$100 of valuation (NADA)

Plastic Bag

\$0.05
per disposable plastic bag

Transient Occupancy

8% *+3%*
of purchase price

Real Estate Tax Revenue

- Calculated at the current rate of \$0.854 per \$100 of assessed value
- Each penny on the tax rate = \$2.38 M in estimated collectable tax revenues
- “Lowered” or “Effective” Tax Rate would be \$0.788 per \$100 of assessed value
- Tax Relief for Elderly and Disabled Program
 - \$1.5 M total, 16% increase and includes February 16 Board direction
 - This is an Expenditure in the Non-Departmental Chapter, pg. 220

Personal Property Tax Revenue

- Rate applies to individual vehicles, motorcycles, and boats, as well as business tangible personal property & machinery and tools
- For CY 22, +26% average increase for personal property vehicle valuations
- Calculated at a rate of \$3.42 per \$100 of assessed value, \$0.86 or 20% less than prior year
- Each penny on the tax rate = \$0.1 M in estimated collectable tax revenues

Fiscal Year	% of Total Revenue
2007 Actual	59.6%
2012 Actual	63.6%
2017 Actual	64.2%
2022 <i>Adopted</i>	68.5%
FY 23 <i>Recommended</i>	66.8%



Revenue Diversification Opportunity:

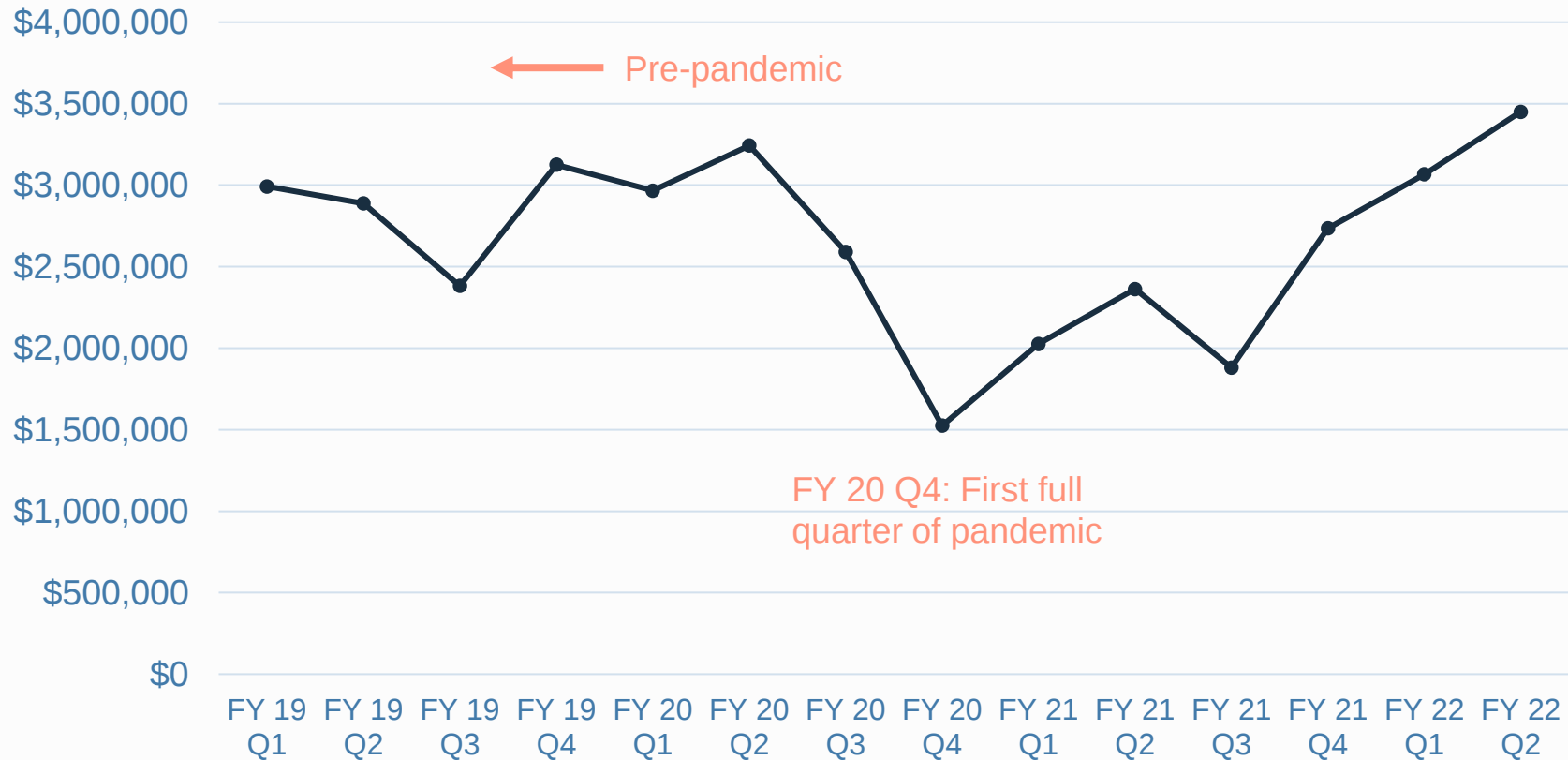
% of Revenues that are
Property Taxes

Food & Beverage and Transient Occupancy Taxes

- Enabling authority to increase rates provided during the 2020 General Assembly session
- Recommended Rate Changes
 - Increase rate from 4% to 6% for Food and Beverage
 - Increase rate from 5% to 8% for Transient Occupancy Tax
- Recommended rates match the City of Charlottesville

Food & Beverage and Transient Occupancy Taxes

Actual Revenue by Quarter, Existing Rates



Food & Beverage and Transient Occupancy Taxes

Jurisdiction	Food and Beverage Tax	Transient Occupancy Tax
Albemarle	4%	5%
Charlottesville	6%	8%
Henrico	4%	8%
Richmond	7.5%	8%
Roanoke	4%	7%
Roanoke (City)	5.5%	8%

Cigarette Tax

Cigarette Tax, \$1.2 M total

- FY 23 is first full year of Cigarette Tax, implemented January 1, 2022
- Revenue is allocated among Schools & CIP in local tax sharing formula. County Government portion funds:
 - Community Response Team
 - Streetsweeper operations
 - Administrative costs

Plastic Bag Tax

Plastic Bag Tax: \$0.02 M total

- Proposed effective January 1, 2023
- Uses restricted by the State for:
 - Environmental cleanup programs,
 - Pollution and litter mitigation programs,
 - Educational programs on environmental waste reduction
 - Providing reusable bags to recipients of Supplemental Nutrition Assistance Program (SNAP) or Women, Infants, and Children Program (WIC) benefit

State Revenues

Total \$25.6 Million or 7% of General Fund

- \$15.0 M for Personal Property Tax Relief
- \$4.0 M for reimbursement of Department of Social Services of programs
- \$2.7 M for Constitutional Officers and Registrar, aligned with proposed General Assembly Budgets
- \$2.7 M for Public Safety support
 - County budget matches the House of Delegates budget, which is level funding
 - Senate budget includes an increase not included in Recommended County budget (House Bill 599)
- \$1.2 M in other sources, mostly vehicle rental tax

State Revenues, continued

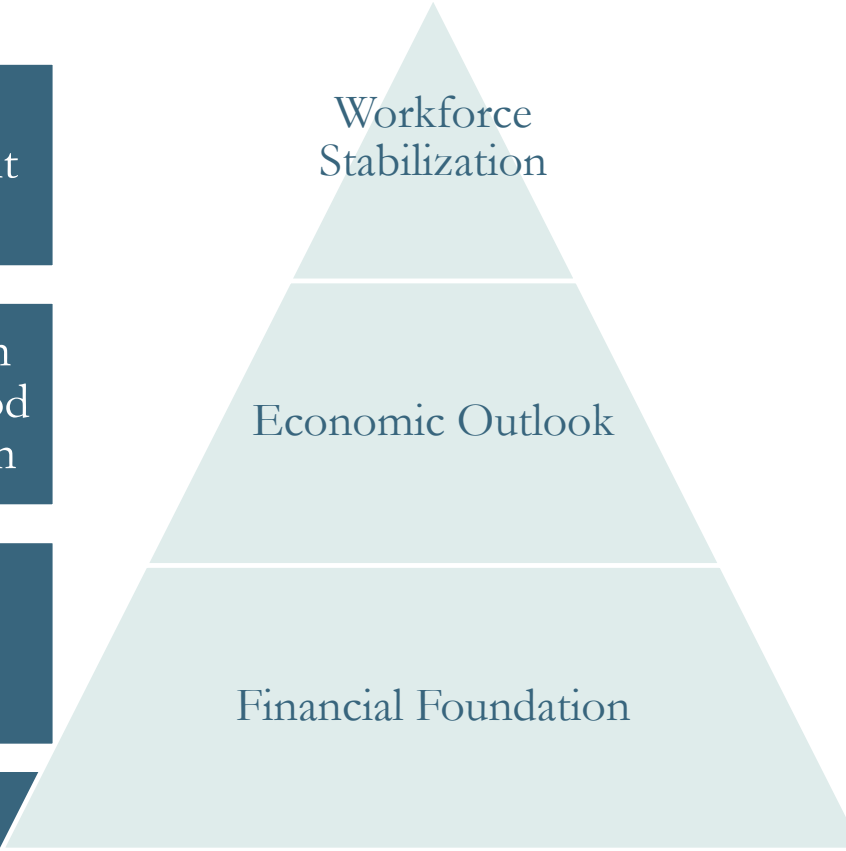
- Remaining Pending Legislation
 - State budget is in conference committee
- Non-General Fund Impacts, to be determined
 - Most notable bill remaining is “Grocery Tax”
 - Programs funded by the state, but not through County funds may be impacted, for example, transportation
 - Public Schools will share on March 14, may impact School capital funding

General Fund Expenditure Overview

pages 65-72



FISCAL YEAR 2020-2023 STRATEGIC PLAN



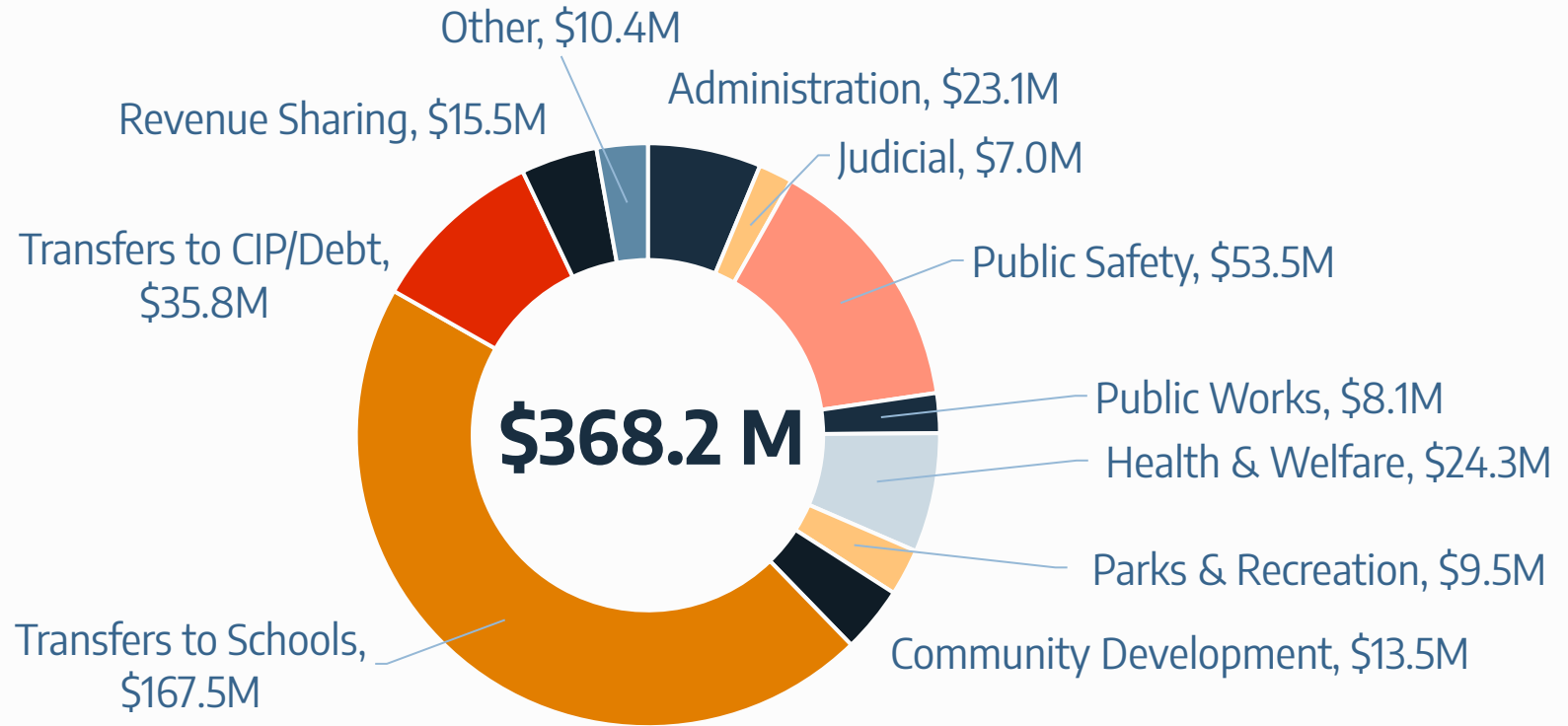
FY 23 Budget Framework

Transformative
Capital
Investments

Working
Differently

Urban Service
Delivery

Quality
Government
Operations



General Fund Expenditures

Operating Budget Drivers

Operations

- \$148k or 19% increase in fuel
- \$650k or 75% increase in vehicle replacement

Workforce Stabilization

- \$2.8 M for a 4% salary increase effective July 1
- \$1.5 M to begin mid-year implementation of salary study
 - \$0.5 M ongoing
 - \$1.0 M one-time
- \$1.3 M for a 6% health insurance premium increase
- \$0.7 M for Virginia Retirement System rate increase

Workforce Stabilization

Strategy presented in December

- December: 6% Market Adjustment,
- July: FY 23 Budget & Additional Market Analysis
- Mid-year FY 23: Pay plan study & implementation

Current Staffing

7% of total approved positions are currently unfilled, excluding new positions added in December. Between 2013-2020, **3-5%** of approved positions were unfilled.

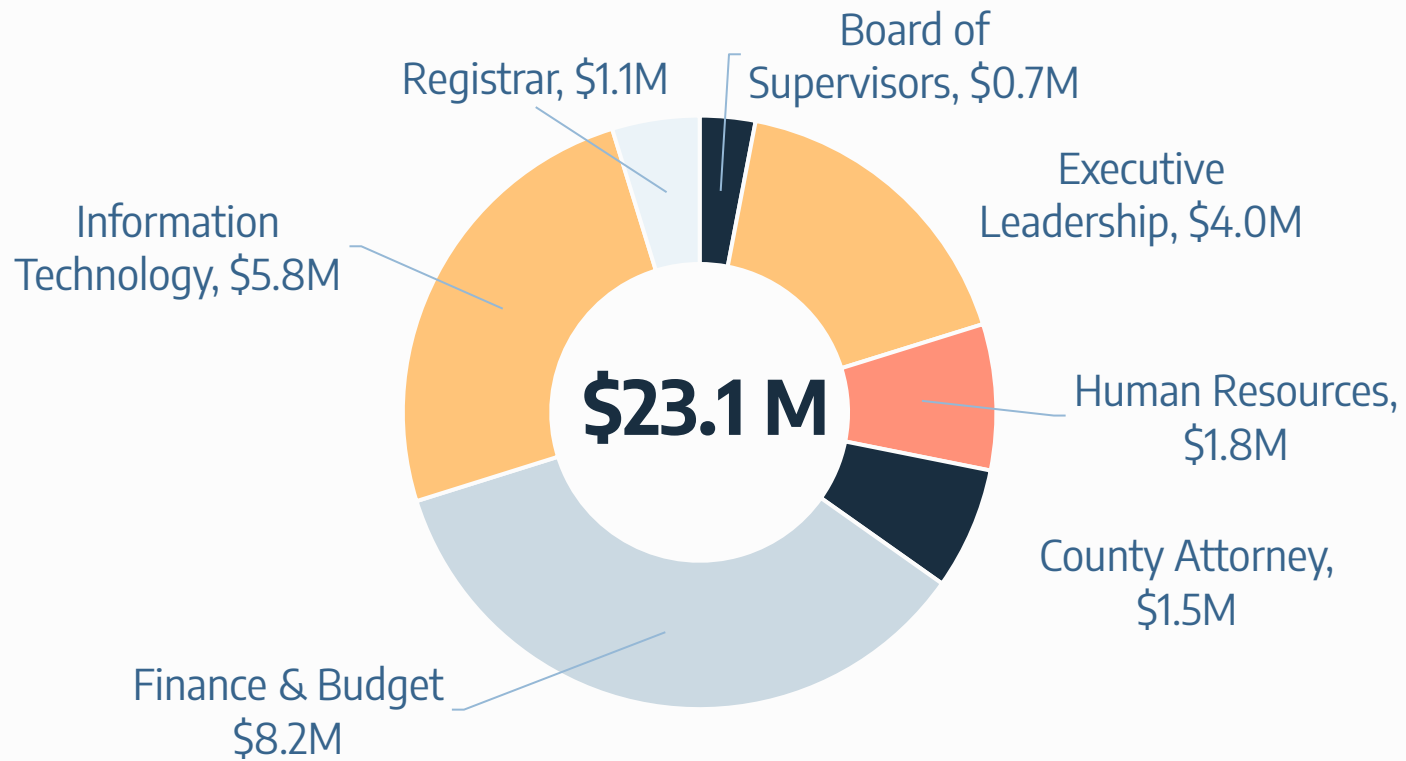
- 7% = about 18 to 36 positions above usual turnover level
- Recruitment challenges not confined to limited number of departments

Retirements

- FY 22: to date, 22 and 9 additional announced
- FY 21: 17
- FY 20: 21

Administration

pages 73-94



Notable Changes

Working Differently

- Executive Leadership (OEI) - Ongoing funding for expiring Yancey Community Center grant
- Executive Leadership (CAPE) - Neighborhood & Community Engagement Specialist positions

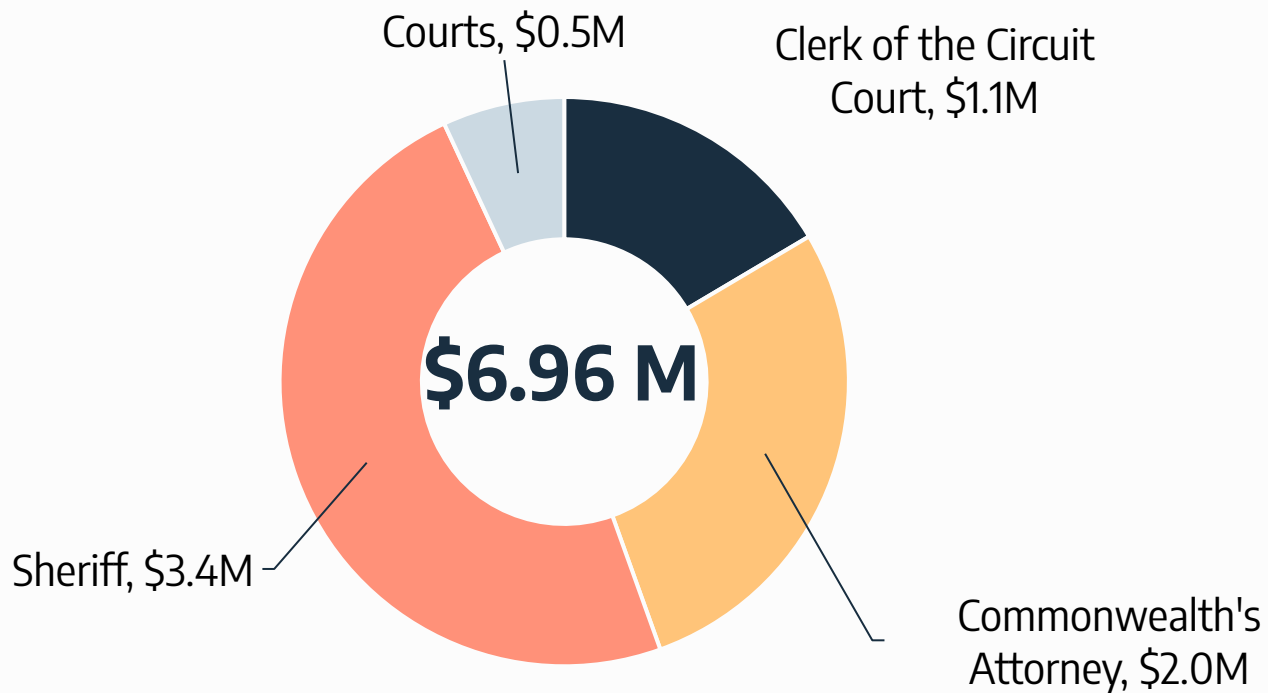
Quality Government Operations

- Board of Supervisors - Boards & Commissions position
- Human Resources (HR) - HR Redesign
- Finance & Budget
 - Senior Procurement Specialist
 - 3 Accountants
 - Revenue Analyst
- Information Technology – Continue Audio Visual Specialist support position, add Systems Engineer.
- Voter Registration and Elections – Fully funded based on election cycle

Judicial

pages 95-108

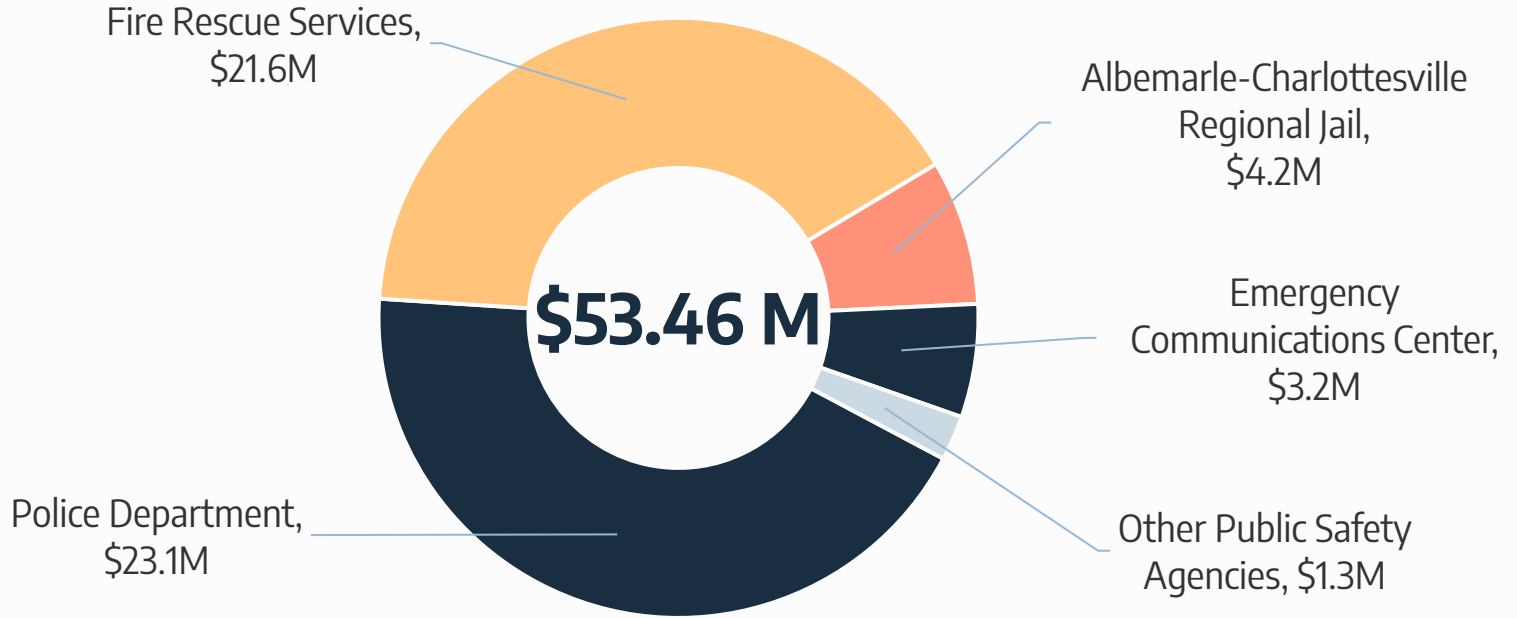




Public Safety

pages 109-120





Notable Changes

Urban Service Delivery

- 2 new Police Officer positions
- Converts temporary, part-time Victim Witness program position to regular full-time (budget neutral)

Contributions to Public Safety Agencies

- Based upon County's share of the costs per each entity's regional agreement
- Increases for Blue Ridge Juvenile Detention Center; Charlottesville Albemarle SPCA; and Emergency Communications Center
- Decrease for Albemarle-Charlottesville Regional Jail

Notable Changes

Fire Rescue Department

- Pantops Public Safety Station: 7 positions to expand fire protection services to 24/7, with long-term savings related to City Fire Contract
- \$100,000 Volunteer Fuel Reimbursement Program
- *To be discussed in Health and Welfare chapter: Community Response Team*

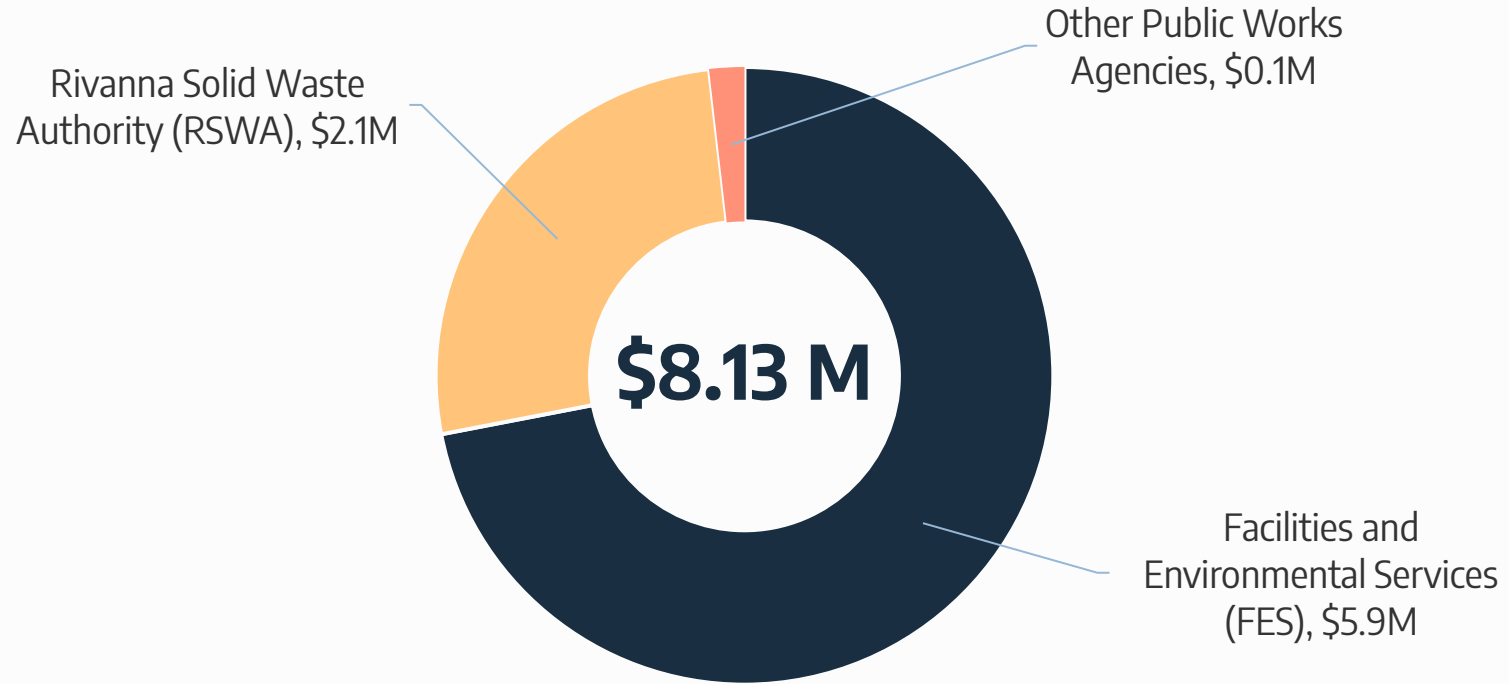
Volunteer Fire Rescue

- Board approved Volunteer Funding policy
- Increase contribution amounts for operating expenses to Volunteer Stations of \$143,140
- Increase contribution amounts for one-time costs to Volunteer Stations of \$83,300

Public Works

pages 121-130





Notable Changes

Urban Service Delivery

- Entrance Corridor Vegetation and Right of Way Management Program
- Streetsweeper Program

Quality Government Operations

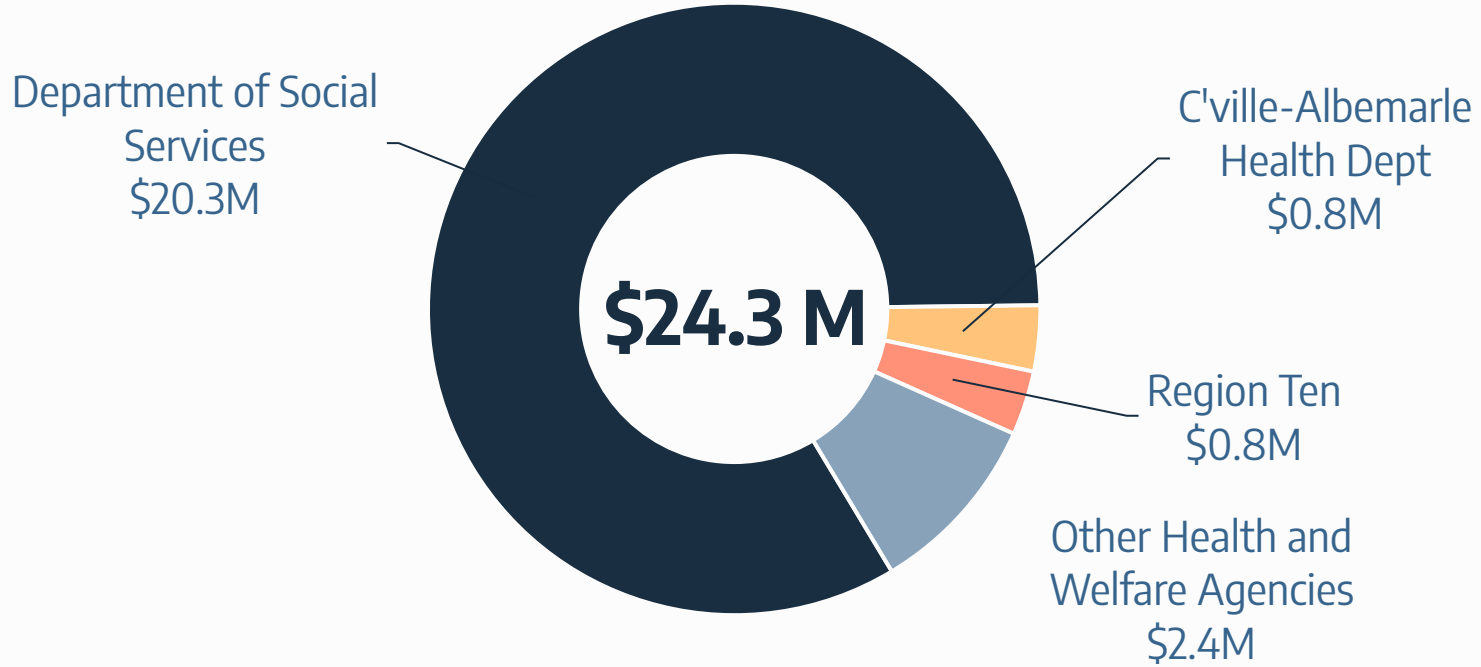
- Increased cleaning costs as result of COVID-19 mitigation strategies (previously funded through Pandemic Reserve)
- Physical Security Specialist conversion to regular full-time (budget neutral)

Contribution to Public Works Agencies

- Contribution to Rivanna Solid Waste Authority (RSWA)
- County share of existing services as well as 6 months of operating costs for the Southern Convenience Center.

Health & Welfare

pages 131-184



Health & Welfare Pages 131-184

Notable Changes

Department of Social Services

- Working Differently
 - Community Response Team Supervisor
- Quality Government Operations
 - 3 Eligibility Workers
 - Housing Financial Analyst

Health and Welfare Contributions

- Increase Community Health Worker Position at Yancey Community Center to full-time

Agency Budget Review Team (ABRT) Agencies

43 program applications reviewed by staff and community volunteer review teams

Agencies' programs that were included in FY22 budget were recommended for funding based on the following evaluations (full detail on pages 138-184):

- Exemplary – FY 22 +4%
- Solid – Level funding
- Poor – 25% reduction

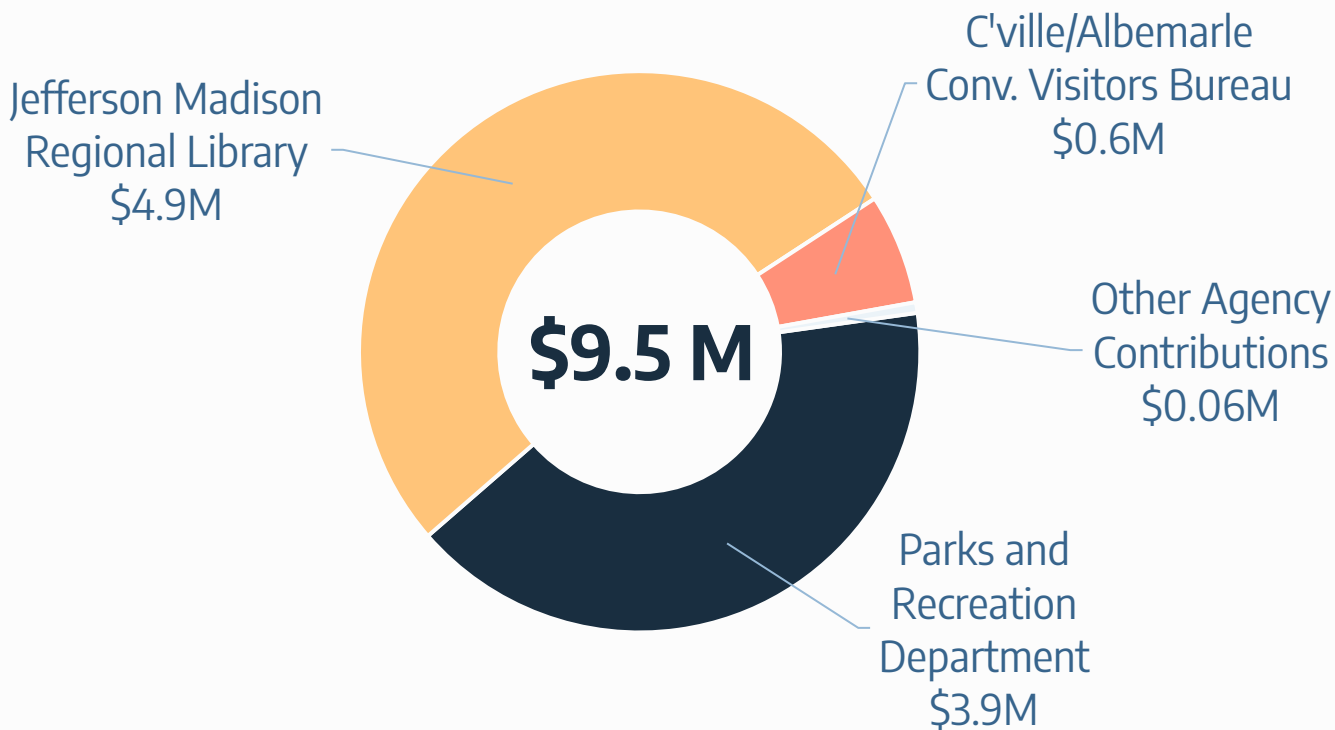
Three new programs rated Exemplary aligned with County goals were recommended to receive funding equivalent to 50% of their request:

- The BridgeLine Case Management Program
- The Fountain Fund Lending Hope Program
- The Partner for Mental Health Systems Navigator

Parks, Recreation & Culture

pages 187-194





Parks, Recreation, & Culture Pages 187-194

Notable Changes

Quality Government Operations

- Summer Swim and Summer Camp Programs, planned return to a full season of programming
- 1 position to phase in Eastern District Maintenance Crew
- Budget neutral changes:
 - Converts a temporary Trail Maintenance position to regular full-time employee
 - Increases Community Center Supervisor by 0.25 FTE

Notable Changes

Jefferson Madison Regional Library

- Increased funding supports \$15 minimum wage and increased Bookmobile services

Charlottesville Albemarle Convention & Visitors Bureau

- Decrease of 0.1% based on regional agreement

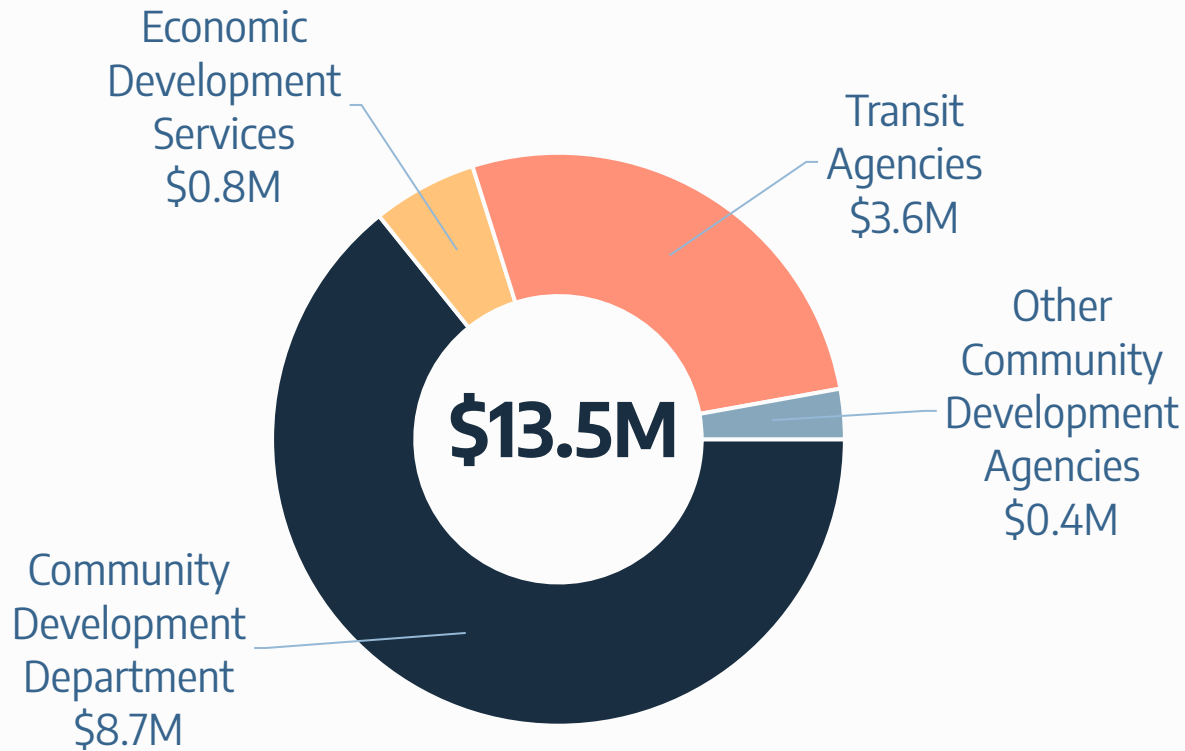
Cultural Agency Contributions

- 10 Arts and Cultural applications reviewed by staff on separate criteria than the ABRT process
- Four new at \$2,500 each: Charlottesville Ballet, Light House Studio, Music Resource Center, and New City Arts Initiative.
- Five increased by \$2,500 each: Live Arts, Paramount Theater, Virginia Discovery Museum, Virginia Festival of the book, and Virginia Film Festival.

Community Development

pages 195-206

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Community Development Pages 195-206

Notable Changes

Community Development Department:

Urban Service Delivery:

- Property Maintenance Inspector + Annual Remediation Fund

Quality Government Operations:

- Management Analyst II
- Geographic Data Services Technician Conversion from temporary to full time

Strategic Use of one-time funds:

- Form Based Code Phase II
- Transportation Project Studies
- Community Development Fee Simplification Study
- Consultant Services for Stream Health Initiative

Notable Changes

Economic Development Office:

- \$5.0M transfer to Economic Development Fund recommended in FY 22

Urban Service Delivery: Transit

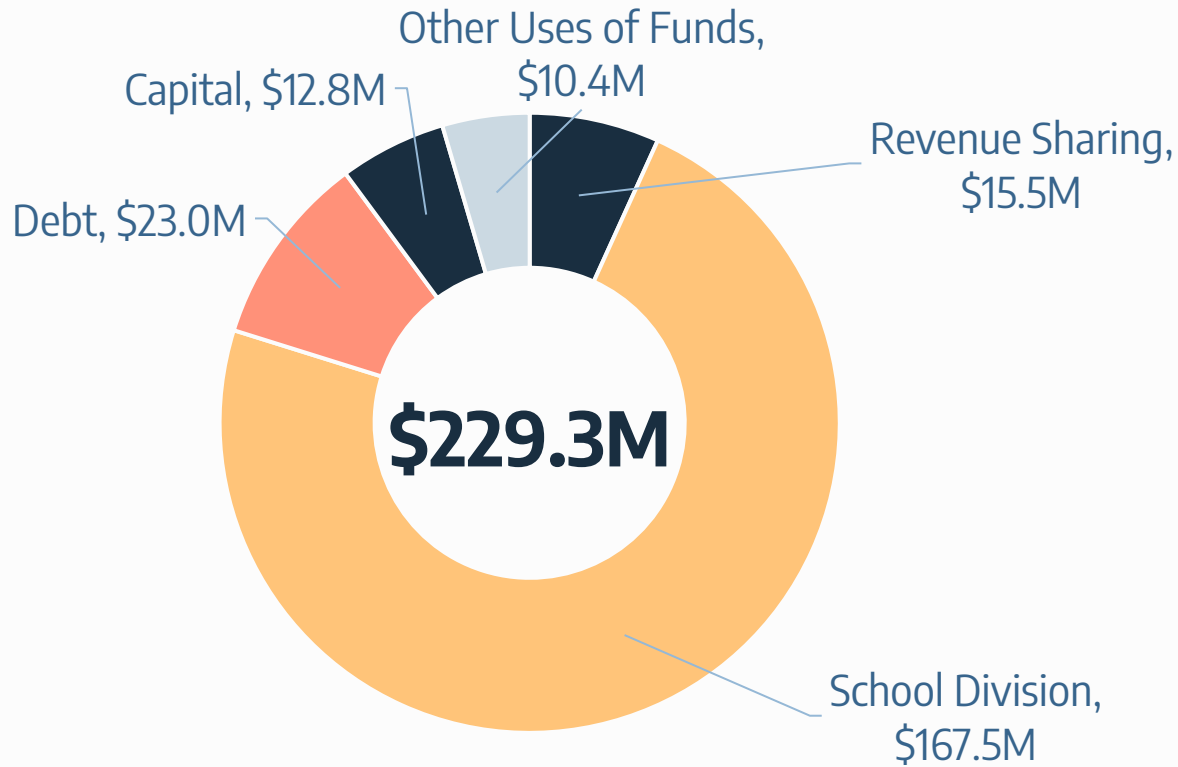
- Charlottesville Area Transit (CAT): level funding of \$1.0M
- Microtransit Reserve: County's match for the microtransit demonstration grant.
- Jaunt: Increases for County's share of existing services
- Regional Transit Partnership (RTP): Includes the County's share of match for a transit governance study

Other Community Development Agencies:

- Thomas Jefferson Planning District Commission (TJPDC) support for the Regional Housing Partnership

Non- Departmental pages 207-222

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Notable Changes

Revenue Sharing

- \$133k increase in the revenue sharing payment to the City of Charlottesville

Transfers: Ongoing

- \$26.3M increase to the ongoing transfer to the Public Schools
- \$5.7M increase to the ongoing transfer to capital projects and debt service

Transfers: One-time

- \$4.1M one-time transfer to CIP recommended in FY 22
- \$3.1 M transfer to Housing Fund recommended in FY 22

Notable Changes

Other Uses of Funds

- \$3.2M for the Business Process Optimization Reserve
 - \$2.0M for Core Systems Modernization, including 6 new positions
- \$558k for the Space Reserve

Schedule



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