

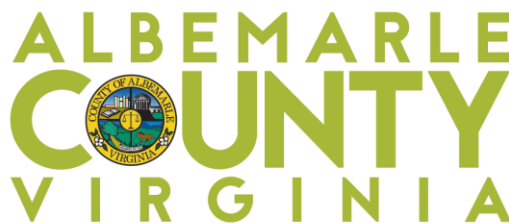
# FY18 - FY19

# Two Year Fiscal Plan

STRATEGIC INVESTMENT AND TRANSFORMATION THAT RESHAPE OUR FUTURE

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11/10/2016



OFFICE OF  
MANAGEMENT  
& BUDGET

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### ATTACHMENT A: FY17-FY19 Strategic Plan

## INTRODUCTION

The County's balanced Two Year Fiscal Plan is focused on strategic investment and transformation that reposition the County for a sustainable financial future. Long range financial planning and the adopted FY17 Operating and Capital Budget recognized that the cumulative impacts of community and Board aspirations, growing citizen expectations and service obligations created by population growth outpace available resources unless the long term trajectory was changed through different approaches and choices. The Two Year Fiscal Plan is shaped by priority driven budgeting and a clear focus on strategic priorities that were developed through Board of Supervisors and community dialogue and choices. The plan also reflects the positive impacts of stronger revenues than were projected this time last year and the strategic use of one time money to advance priorities and avoid creating future obligations.

### Two Year Fiscal Plan Highlights - Strategic Investment and Transformation

- Stronger than projected revenues
- Strategic use of new revenue and one-time money
- Transformation that reduces costs and improves productivity
- Enhanced use of dedicated revenue for specific services
- No tax rate increases for operating, CIP tax rate increases delayed
- Continue to face unmet needs

### Where we are today - Cautious Optimism Based on Strengthened Revenues

Our revenue picture is better than projected this time last year for several reasons outlined below. That improvement allows us to make strategic investments that reposition the organization and shift our long term financial trajectory in a more positive direction.

- Positive change in housing market, both in reassessment values and in new construction
- Local economy better overall, including sales tax, meals tax and other local sources
- Fund balance remaining from last year's budget achieved through a combination of savings/expenditure reductions and stronger than anticipated revenues

### Our Optimism is Tempered by External Realities

While we are cautiously optimistic about some of the signs we are seeing in our local economy, that optimism is tempered by a number of factors we are closely watching.

- Continuing uncertainty/volatility in the national and international economy
- Concern about possibility of economic slowdown based on historic trends
- State struggling with its economic outlook
- Local revenue growth not likely to regain steady, significant upward trend seen prior to the great recession.

**Our Two Year Fiscal Plan Strategies Focus on Three Areas:**

**Funding Strategic Priorities**

**Redevelopment/Revitalization**

- One time funding to catalyze strategic initiatives
- Substantial increase for transportation revenue sharing
- Current year one time staffing resources
- Service district concept

**Economic Development**

Establishes an Economic Development Fund with Three Objectives

1. Match specific state grant opportunities
2. Encourage economic investment in development areas to support neighborhood revitalization
3. Implement Priority Economic Development Initiatives

**Remedy for Salary Compression**

- Addresses salary compression across the organization including police

**Support for other strategic initiatives**

- Adoption of Two Year Fiscal Plan based on Priority Driven Budgeting
- Expansion of the General District Court
- School Facilities
- Educational opportunities for at-risk four year olds
- Increased resources for Family Support Program
- Pantops Master Plan/Rivanna River Corridor

**Transformation**

Restructuring Ongoing Obligations like health insurance

Boosting Productivity/Efficiency

Reinventing Business Processes through consolidation, innovation and technology enhancements

**Quality Organization**

**Supporting Existing Workforce** through market adjustment for employee compensation, classification remedy and classification reviews.

**Building Workforce of the Future** by providing one time departmental workload support and a staffing plan for future position.

## OVERVIEW: FY17-FY19 STRATEGIC PLAN

During the FY17 Five Year Plan and Annual Budget development and approval process, the Board of Supervisors, staff and the public had significant discussions about finding a balance between a realistic level of revenues going forward into the future and the expenditures which can be supported by that revenue. The Five Year Financial Plan developed in November, 2015, demonstrated that the cumulative impacts of community and Board aspirations, growing citizen expectations, and service obligations created by population growth would outpace available resources into the future unless significant transformation was achieved. In response, the FY17 Budget instituted a priority based budgeting process and ongoing Board work sessions and community engagement to determine Board and community priorities in a constrained environment and to decide how best to achieve a more aspirational future.

The Five Year Financial Plan process has been a valuable tool for taking a long term look at the County's revenue and expenditure picture. However, because of the extended time frame, it did not allow us to be as precise as is necessary beyond the first several years or to focus on the hard choices necessary to get balanced in the early years of the plan. Given the critical circumstances we find ourselves in, expanding beyond the Annual Budget to include a balanced Two Year Fiscal Plan has provided a more helpful framework for decision making on major financial issues.

The FY17 Annual Budget supported existing services as much as possible in the short term while putting building blocks in place to plan for a sustainable future that provides a realistic balance. The Budget initiated the following critical steps:

1. *Take organizational transformation to the next level while making strategic investments that reposition us for the future*
2. *Determine Board and community priorities*
3. *Develop a realistic, balanced Two Year Fiscal Plan beginning in FY 18 (FY18 – 19 Fiscal Plan) within the Five Year Plan framework*

## PRIORITY DRIVEN BUDGET PROCESS

With the building blocks put in place by the FY17 Budget, the Board of Supervisors has spent the last several months determining the most urgent community priorities and working through a priority driven budget process to align resources with expenditure needs:

<b>April 2016</b>	<ul style="list-style-type: none"> <li>FY17 Budget adopted including priority driven budget process / balanced Two Year Fiscal Plan</li> </ul>
<b>May, 2016</b>	<ul style="list-style-type: none"> <li>Board of Supervisors (BOS) identifies strategic priorities</li> </ul>
<b>June, 2016</b>	<ul style="list-style-type: none"> <li>BOS ranks most urgent strategic priorities</li> </ul>
<b>July, 2016</b>	<ul style="list-style-type: none"> <li>BOS reviews detailed breakdown of all County programs and services including expenditures for each (Program and Service Inventory)</li> </ul>
<b>July - August, 2016</b>	<ul style="list-style-type: none"> <li>Staff refines strategic priorities to create action objectives to be achieved in the FY17 – 19 Strategic Plan, provides public feedback opportunity</li> </ul>
<b>September, 2016</b>	<ul style="list-style-type: none"> <li>Joint BOS / School Board work session on the Two Year Plan</li> <li>BOS discusses refined action objectives and resource needs</li> </ul>
<b>October 2016</b>	<ul style="list-style-type: none"> <li>BOS continues work on refined action objectives and resources needs and endorses the resulting FY17 – 19 Strategic Plan</li> </ul>
<b>November, 2016</b>	<ul style="list-style-type: none"> <li>Draft balanced Two Year Fiscal Plan which supports the Strategic Plan presented to BOS</li> </ul>

Resource needs to support the newly endorsed strategic plan priorities drove choices in the Two Year Fiscal Plan. Also, the framework of priority driven budgeting outlined below informed decisions, with the inventory of County programs and services serving as a critical tool in following this framework.

- **Prioritize Services** - Evaluate relative importance of individual programs/services
- **Do The Important Things Well** - Cut back on the rest
- **Question Past Patterns of Spending** - Put all the money on the table
- **Know the True Cost of Doing Business** - Focus on full costs of programs
- **Provide Transparency** - Base budget decisions on well understood priorities and results

### FY17 - 19 ADOPTED STRATEGIC PLAN

As the County transitioned to a balanced Two Year Fiscal Plan as part of its priority driven budgeting approach, it sought to structure the strategic plan into a Two Year Action Plan to align identified priorities with the financial decision-making timeline. **The two year action objectives listed below have been identified by the Board as the most immediate, urgent and clearly-defined objectives associated with the County's long-term goals.** The intention is to complete these objectives in the FY17-19 timeframe, directing additional time and resources as necessary to ensure successful completion. The first two action objectives listed below (Redevelop Rio/Route 29 Intersection Area, and Revitalize Aging Urban Neighborhoods) have specific steps outlined that provide more detail as to how the objectives will be achieved. It should be noted that many of the activities identified in the action objectives are focused on creating positive economic development opportunities. A complete copy of the FY17 - 19 Strategic Plan is provided as Attachment A.

- Redevelop Rio/Route 29 Intersection Area
- Revitalize Aging Urban Neighborhoods
- Increase the physical capacity for educational opportunities for at-risk four-year-olds through an expansion of Woodbrook Elementary and collaboration with local agencies and other non-profit/private providers/foundations
- Implement a salary compression remedy, using turnover and overtime data to prioritize specific areas that need attention, with an initial focus on police and other most critical departments
- Increase support for Family Support program including developing more robust partnerships with entities including Region Ten
- Adopt a balanced Two Year Fiscal Plan through priority driven budgeting, efficiency and transformation initiatives, and implementation of alternate funding strategies, and by December 2017 improve long-term structural realignment
- Establish direction, complete design, and be under construction for the project to expand the General District Court
- Adopt updated Pantops Master Plan including a joint Rivanna River Corridor Plan also approved by the City

## FY18-FY19 TWO YEAR FISCAL PLAN - ASSUMPTIONS: INCREASES/DECREASES

Increase/Decrease -vs-FY17					Increase/Decrease -vs- FY18 Proj			
Topic	FY18 Ongoing	FY18 One-time	FY18 Total	Assumption	FY19 Ongoing	FY19 One-time	FY19 Total	Assumption
<b>Revenue</b>								
Current Real Estate Revenue	4,501,558		4,501,558	1.8%	3,920,474		3,920,474	2.0%
Increase Tax Rate for Debt/Pay-Go	0		0		2,295,756		2,295,756	1.3 cents
Reduce Tax Rate for Water Resources	0		0		(1,236,176)		(1,236,176)	
Increase Water Resources Fee	0		0		1,236,176		1,236,176	
Personal Property, Delinquencies, Other General Property, Other Local Taxes, and Other Local Revenue	5,464,872		5,464,872		2,198,973		2,198,973	
State Revenue	(113,569)		(113,569)	-0.5%	68,587		68,587	0.3%
Application of new State funding to support operations	70,000		70,000		0		0	
Federal Revenue	286,343		286,343	5.6%	256,828		256,828	4.7%
Transfers In	482,121		482,121		366,977		366,977	
Use of Fund Balance		1,399,000	1,399,000			(1,730,000)	(1,730,000)	
<b>Total - Revenue Change</b>	<b>10,691,325</b>	<b>1,399,000</b>	<b>12,090,325</b>		<b>9,107,595</b>	<b>(1,730,000)</b>	<b>7,377,595</b>	
<b>Obligations/Requirements</b>								
Transfer to School Division	4,552,038		4,552,038	Per formula	2,823,969		2,823,969	Per formula
Transfer to Debt Service/Pay-as-you-Go	895,694		895,694	Per formula	549,652		549,652	Per formula
Transfer to Fire/Rescue - Operations	519,338		519,338	7.2 cents	341,436		341,436	7.2 cents
Revenue Sharing payment to the City	305,411		305,411		295,734		295,734	
Transfer to Water Resources	46,538		46,538	0.7 cents	33,195		33,195	0.7 cents
Transfer to Fire/Rescue Capital/Debt	26,593		26,593	0.4 cents	18,969		18,969	0.4 cents
Transfer to Debt Service/Pay-as-you-Go - Tax Rate Increases	0		0		2,295,756		2,295,756	1.3 cents
<b>Subtotal - Obligations/Requirements</b>	<b>6,345,612</b>	<b>0</b>	<b>6,345,612</b>		<b>6,358,711</b>	<b>0</b>	<b>6,358,711</b>	
<b>Balance Available</b>	<b>4,345,713</b>	<b>1,399,000</b>	<b>5,744,713</b>		<b>2,748,884</b>	<b>(1,730,000)</b>	<b>1,018,884</b>	
<b>Support for Existing+A31:N76 Levels of Service</b>								
<b>Departmental Expenditures</b>	<b>FY18 Total</b>	<b>FY18 One-time</b>	<b>FY18 Total</b>	<b>Assumption</b>	<b>FY19 Total</b>	<b>FY18 One-time</b>	<b>FY19 Total</b>	<b>Assumption</b>
Salaries & Benefits	671,939		671,939	2.0%	885,081		885,081	2.0%
Health Insurance	403,608		403,608	7.0%	493,555		493,555	8.0%
Department Operations	169,553		169,553	1.5%	173,024		173,024	1.5%
DSS Reimbursable Expenses	144,041		144,041	0-5%	151,186		151,186	0-5%
Fire Rescue Turnout Gear Replacement	33,700	45,000	78,700		(44,870)		(44,870)	
VRS - Retirement	63,726		63,726		536,468		536,468	
Other Compensation (primarily OT/PT wages)	55,989		55,989	2.0%	71,479		71,479	2.0%
Operating Impact of CIP Projects: Time and Attendance System	38,239		38,239	Full-year cost	2,074		2,074	2.0%
Bright Stars Funding (Local Share)	37,203		37,203	4.0%	29,018		29,018	3.0%
Local Share of Police Department Grants	36,890		36,890		39,311		39,311	
VERIP (health insurance supplements for retirees)	30,750		30,750	4.0%	31,980		31,980	4.0%
Fuel	11,938		11,938	1.5%-2.5%	12,171		12,171	1.5%-2.5%
Dental Insurance	7,679		7,679	5.0%	8,063		8,063	5.0%
Capital Outlay - Departments (furniture, new vehicles, replacement vehicle fee, new computers)	1,933		1,933	1.5%	26,152		26,152	1.5%
<b>Agencies and Joint Operations</b>								
Contractual/Regional Agencies	731,074	(200,000)	531,074	4.0%	756,076		756,076	4.0%
Volunteer Fire Rescue Stations	86,124		86,124	5.0%	90,430		90,430	5.0%
Human Services Agencies (ABRT-Reviewed)	0		0	0.0%	0		0	0.0%
Cultural Agencies	0		0	0.0%	0		0	0.0%
<b>Other</b>								
Other	167,581	(50,000)	117,581		33,740		33,740	
Grants Leveraging Fund	0		0		0		0	
Fuel and Utilities Contingency	0		0		0		0	
Economic Opportunities Fund	10,000	(10,000)	0		0		0	
Innovation Fund	(25,000)	100,000	75,000		0		0	
Priority Based Budgeting Support	0	(50,000)	(50,000)		0		0	
Efficiency Study	(25,000)	(100,000)	(125,000)		0		0	
Reserve for Contingencies	(73,009)		(73,009)		0		0	
<b>Subtotal - Existing Level of Service</b>	<b>2,578,959</b>	<b>(265,000)</b>	<b>2,313,959</b>		<b>3,294,938</b>	<b>0</b>	<b>3,294,938</b>	
<b>Balance Available</b>	<b>1,766,755</b>	<b>1,664,000</b>	<b>3,430,755</b>		<b>(546,054)</b>	<b>(1,730,000)</b>	<b>(2,276,054)</b>	

<i>Expanded/Enhanced Services</i>							
<b>Sustaining a Quality Organization</b>							
Staffing Plan - Sustaining a Quality Organization	391,034	230,000	621,034		408,142	(25,000)	383,142
Departmental Workload Support - Contractual/Temp Support	0	500,000	500,000		0	(500,000)	(500,000)
Classification Reviews	150,000		150,000	Increase to \$300,000	150,000		150,000
Operating Impact of CIP Projects	88,500		88,500		30,500		30,500
<b>Subtotal, Sustaining a Quality Organization</b>	<b>629,534</b>	<b>730,000</b>	<b>1,359,534</b>		<b>588,642</b>	<b>(525,000)</b>	<b>63,642</b>
<b>Advancing Strategic Priorities</b>							
Economic Development Investment Opportunities Support	0	480,000	480,000		0	(480,000)	(480,000)
Address Salary Compression	383,000		383,000	Full-year cost	7,660		7,660
Board's Strategic Priorities Support - Neighborhood revitalization i.e. small scale planning and improvements	0	320,000	320,000		0	(320,000)	(320,000)
Board's Strategic Priorities Support - At risk four year olds, Pantops Mater Plan/Rivanna River, and Family Support	0	100,000	100,000		0	(100,000)	(100,000)
Development Areas/Urbanization Initiatives - Economic Dev Investment Pool*	0		0		0		0
<b>Subtotal, Advancing Strategic Priorities</b>	<b>383,000</b>	<b>900,000</b>	<b>1,283,000</b>		<b>7,660</b>	<b>(900,000)</b>	<b>(892,340)</b>
<b>Maximizing Transformation</b>							
CSA	160,359	(350,000)	(189,641)		0		0
Lapse	(97,838)		(97,838)	1.5% of salaries	(14,815)		(14,815)
Increase P-Card Program	(60,000)		(60,000)		(10,000)		(10,000)
Reductions in controllable overtime	(55,187)		(55,187)		(39,419)		(39,419)
Implement Surplus Management Programs	(50,000)		(50,000)		0		0
Finance - Modifications to Property Insurance	(36,495)		(36,495)		0		0
Finance - Exterior Kiosk	(10,000)		(10,000)		(47,000)		(47,000)
Finance - Automate FMLA process	(10,000)		(10,000)		0		0
Finance - Paperless Paystubs	(9,950)		(9,950)		0		0
FES - Electricity Usage/Rate Study	(9,300)		(9,300)		(2,200)		(2,200)
Implement OA Pool	0		0		(45,000)		(45,000)
Combine DSS and Housing	0		0		(100,000)		(100,000)
Convert Copy Center to Imaging Center	0		0		(100,000)		(100,000)
Fleet Maintenance Consolidation	0		0		(50,000)		(50,000)
Women's Center Funding	0		0		150,000		150,000
Staffing Plan - Maximizing Transformation	45,000	109,000	154,000		1,800	(30,000)	(28,200)
Investment in Transformational Initiatives	0	275,000	275,000		0	(275,000)	(275,000)
<b>Subtotal, Maximizing Transformation</b>	<b>(133,411)</b>	<b>34,000</b>	<b>(99,411)</b>		<b>(256,634)</b>	<b>(305,000)</b>	<b>(561,634)</b>
<b>Subtotal - Expanded/Enhanced Services</b>					<b>339,668</b>	<b>(1,730,000)</b>	<b>(1,390,332)</b>
<b>TOTAL INCREASES</b>					<b>9,993,317</b>	<b>(1,730,000)</b>	<b>8,263,317</b>
<b>Change in Revenues - Expenditures</b>					<b>(885,722)</b>	<b>0</b>	<b>(885,722)</b>
<b>Total Revenues - Total Expenditures</b>					<b>1,910</b>	<b>0</b>	<b>1,910</b>

The remaining balance at the end of FY18 is planned for use on one-time expenditures in FY19.



## FY18 - FY19 TWO YEAR FISCAL PLAN PROJECTED REVENUES

	FY17				FY18			FY19		
	FY16 Actual Preliminary	FY17 Adopted	FY17 Projected	% Change	FY18 Projected	FY17 Adopted	% Change	FY19 Projected	\$ Change	% Change
<b>General Fund Revenue</b>										
General Property Taxes	167,004,984	166,891,683	170,541,130	2.2%	174,352,145	7,460,462	4.5%	180,130,461	5,778,316	3.3%
Other Local Taxes	51,533,287	51,867,476	52,338,176	0.9%	53,829,657	1,962,181	3.8%	55,056,521	1,226,864	2.3%
Permits & Fees	2,643,451	2,077,404	2,381,171	14.6%	2,407,230	329,826	15.9%	3,665,570	1,258,340	52.3%
Fines & Forfeitures	472,385	411,226	409,313	-0.5%	407,266	-3,960	-1.0%	405,230	-2,036	-0.5%
Use of Money & Property	1,216,380	1,054,699	1,115,436	5.8%	1,127,435	72,736	6.9%	1,139,566	12,131	1.1%
Charges for Services	1,738,122	1,768,143	1,768,143	0.0%	1,794,665	26,522	1.5%	1,821,585	26,920	1.5%
Other Local Revenue	477,079	482,211	484,958	0.6%	602,232	120,021	24.9%	619,615	17,383	2.9%
<b>Local Revenues</b>	<b>225,085,688</b>	<b>224,552,842</b>	<b>229,038,327</b>	<b>2.0%</b>	<b>234,520,630</b>	<b>9,967,788</b>	<b>4.4%</b>	<b>242,838,549</b>	<b>8,317,919</b>	<b>3.5%</b>
Payments in Lieu of Taxes - State	135,804	132,940	137,026	3.1%	138,259	5,319	4.0%	139,504	1,245	0.9%
Non-Categorical Aid - State	15,792,701	15,744,744	15,863,283	0.8%	15,883,779	139,035	0.9%	15,904,869	21,090	0.1%
Shared Expenses - State	2,150,924	2,184,697	2,166,100	-0.9%	2,185,595	898	0.0%	2,205,266	19,671	0.9%
Categorical Aid - State	4,992,007	5,175,243	4,889,972	-5.5%	4,984,422	-190,821	-3.7%	5,008,994	24,572	0.5%
<b>State Revenues</b>	<b>23,071,436</b>	<b>23,237,624</b>	<b>23,056,381</b>	<b>-0.8%</b>	<b>23,192,055</b>	<b>-45,569</b>	<b>-0.2%</b>	<b>23,258,633</b>	<b>66,578</b>	<b>0.3%</b>
Federal Revenue	6,009,389	5,134,906	5,214,765	1.6%	5,421,249	286,343	5.6%	5,678,077	256,828	4.7%
Transfers In	3,022,840	3,180,779	3,180,779	0.0%	3,143,562	-37,217	-1.2%	3,169,103	25,541	0.8%
Use of Fund Balance	0	1,316,000	1,902,418	44.6%	2,561,000	1,245,000	94.6%	940,000	-1,621,000	-63.3%
<b>Total General Fund Revenue</b>	<b>247,189,353</b>	<b>257,422,151</b>	<b>262,392,670</b>	<b>1.9%</b>	<b>268,838,496</b>	<b>11,416,345</b>	<b>4.4%</b>	<b>275,884,362</b>	<b>7,045,866</b>	<b>2.6%</b>

## PROJECTED REVENUE ASSUMPTIONS: ADD'L INFORMATION

## REVENUE PROJECTION PROCESS

The County's five-year plan and the General Fund's annual local, state and federal budget revenue projections are prepared by a Revenue Team that is led by the Department of Finance's Manager of Economic Analysis & Forecasting. Each fall these numbers are updated based on the most current information available at the time. Members of the Revenue team include representatives from various divisions of the Finance Department including auditing, Revenue Administration, and Real Estate, as well as from the offices of OMB and Community Development.

The Revenue Team uses all of the following approaches identified by the Government Finance Officers Association (GFOA) as best practices in order to generate forecasts of the County's General Fund revenues:

## Qualitative/Quantitative Approach

- Institutional Knowledge

## Quantitative Approaches

- Year-Over-Year (YOY) Methodology
- Assumed Rates of Growth
- Linear Trend Line Analysis
- Multivariate Regression Modelling

## Qualitative Approach

- Intuition

**REVENUES RECEIVED IN FY16 PROVIDE A BASIS FOR THE FY18 - FY22 REVENUE PROJECTION UPDATES**

The County's five-year financial planning projections for the time period of FY 18 - FY 22 utilize all of the techniques mentioned above and the revenue update effort begins with a careful review of the most recent estimate of the actual revenues received FY 16. The County's FY 16 overall estimated revenues came in well within the revenue projection tolerance levels identified in the GFOA guidelines.

Revenue team members carefully study the results of each revenue stream to inform the future projections. Information about FY 16 revenue sources that had significant variances from the initially budgeted amount is provided below:

- Real Estate - The tax rate change that occurred during FY 16 had positively impacted the real estate revenues received in FY 16;
- Public Service Tax - The State's assessment of one company's property subject to Public Service Tax increased significantly from the previous year. This huge assessment increase was unforeseen (and unforeseeable);
- Personal Property Tax - The better-than-expected growth in this revenue stream reflects the persisting strength of the County's economy. Auto sales at the national level continued to be strong in FY 16; this strength existed at the local level as well and had a positive impact on the County's PPT revenue;
- Penalty & Interest - Finance Department aggressively pursued delinquent accounts in the past year. The higher-than-expected money collected in this revenue line reflects this enhanced effort, especially the collection of a major sum of money from one particular delinquent property owner;
- Sales Tax - Better-than-expected revenue reflects a stronger local economy than was expected last year at this time;
- Consumer Utility Tax (CUT) - This revenue stream has been on a generally downward trend during the course of the past several years. One exception was that CUT actual increased in FY 15 and this situation bumped up the forecast for FY 16. Unfortunately, FY 16's results continued the multiyear downward trend. The driving force behind this trend has been annual declines in telecommunications tax revenue, as people switch from landlines to Skype, FaceTime, and other forms of electronic communication which are not subject to taxation. Note: Electricity-based CUT revenue has been flat the past few years, even though the County's population and business base has been growing; this situation suggests that improved energy efficiency might flatten out revenue in this portion of the CUT;
- Business License Tax - The June 2016 payment, reflected in FY 16 BPOL, reflects stronger-than-expected business conditions in the County in calendar year 2015 and a redoubling of collection efforts by the Revenue Administration Division. Note: Calendar year 2015 represents something of a "snap-back" from the outright contraction in the Charlottesville MSA's regional Gross Domestic Product (GDP) that took place in calendar year 2014. The contraction is documented in data from the U.S. Department of Commerce, Bureau of Economic Analysis. This "snap back" in calendar year 2015 was greater than expected;

## PROJECTED REVENUE ASSUMPTIONS: ADDITIONAL INFORMATION (CONTINUED)

- Motor Vehicle Licenses - This decline primarily reflects a change in billing practices that took place in FY 16;
- Clerk Fees -This stream is a combination of Recordation Tax, Tax on Wills, and Seller's Tax. Variance reflects primarily an unexpected drop in Recordation Tax;
- Food & Beverage Tax -This stream was positively impacted by better-than-expected increases in the sales in existing eating establishments, as well as the addition of several new restaurants in FY 16;
- Inspection Related Fees - These fees reflect robust growth in new construction in the County in FY 16. Note: The Department of Community Development increased its inspection related fees in FY 16;
- State Categorical Aid - The revenues received reflected lower-than-anticipated revenues for Assistance-Social Services, Administration-Social Services, and DSS Services. Note: Lower-than-anticipated revenues typically are counterbalanced by lower-than-expected expenditures; and
- Federal Categorical Aid - This variance indicates higher-than-expected revenues for nearly all of the lines within Federal Categorical Aid. Note: Higher-than-anticipated revenue typically are offset by higher-than-anticipated expenditures in DSS categories.



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## REAL PROPERTY

- Revenues in the Two Year Fiscal Plan reflect a rise in the forecasted amount of the January 1, 2017 (and subsequent) reassessments. Essentially, the Revenue Team knew in the summer of 2016 the level at which the January 1, 2016 reassessments had landed, whereas the Team was only able to project this amount in the summer of 2015. This new knowledge about the January 1, 2016 reassessments had a positive impact on the projected January 1, 2017 reassessments as well as later reassessments;
- It also reflects:
  - A change in the projections for land used deferrals; and
  - An assumed real property tax rate of \$0.839 in FY 18
  - The same set of assumptions that positively impacted the October 2016 FY 18 real property tax revenue forecast also lifted the October 2016 FY 19 real property tax revenue forecast.

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## LOCAL PERSONAL PROPERTY TAX (PPT)

The increase in the forecasted PPT revenues is the result of the better-than-expected performance of this revenue stream in FY 16. Note that, in a multiyear forecast, in which each successive year depends on the prior year, this type of robust performance has a “chain” impact across years. In the case of Local PPT, the strength of the FY 16 revenue translated into the FY 18 jump mentioned above but, also, impacted the forecasted FY 19 figure.

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## SALES TAX

Between October 2015 and October 2016, the forecasted figure for FY 18 Sales Tax revenue increase resulted primarily from better-than-expected growth in Sales Tax revenue in FY 16 which, as mentioned above, has a “chain” impact on the forecasted amounts for subsequent fiscal years.

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## BPOL

This revenue increase reflects primarily the very strong growth that occurred in BPOL revenue in FY 16. The “chain” effect discussed earlier also resulted in a sharp rise in the projected FY 19 BPOL figure.

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## CONSUMER UTILITY TAX

The FY 18 Consumer Utility Tax (CUT) revenue reduction essentially reflects the worse-than-expected performance of this revenue stream in FY 16 as well as a lowered assumption about the rate of growth in CUT revenue in subsequent fiscal years.

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## FOOD & BEVERAGE TAX

The difference between the October 2015 and October 2016 forecasted level of FY 18 F&B revenue was very small, even though this revenue came in much higher in FY 16 than was expected when this was initially budgeted. The Revenue Team recognized in October 2015 that the FY 16 adopted level of F&B tax revenue was too low, and made a forecasting adjustment for FY 18 and forward accordingly.

## FY18 - FY19 TWO YEAR FISCAL PLAN STAFFING PLAN

Proposed Fiscal Year 2017 Positions						
Department	Proposed Position	FTE	Required for Strategic Plan Initiative/Transformation	Required for Workload	Estimated One-Time Costs	Estimated Ongoing Costs
Community Development	Planner	2	Secondary	Primary	0	77,935
Community Development	Permit Intake Support	1	Secondary	Primary	27,739	0
<b>Total</b>		<b>3</b>			<b>27,739</b>	<b>77,935</b>
Proposed Fiscal Year 2018 Positions						
Department	Proposed Position	FTE	Required for Strategic Plan Initiative/Transformation	Required for Workload	Estimated One-Time Costs	Estimated Ongoing Costs
County Attorney	Assistant County Attorney	1	Secondary	Primary	0	142,000
Finance	Buyer	1		Primary	59,000	0
Fire Rescue	Fleet Maintenance Supervisor	1	Primary (Transformation)	Secondary	0	214,000
OMB	Management Analyst	0.5		Primary	0	28,000
Police	Squad Based Officers	2		Primary	0	228,000
	Crime Analyst	1		Primary	0	19,000
<b>Total</b>		<b>6.5</b>			<b>59,000</b>	<b>631,000</b>
Proposed Fiscal Year 2019 Positions						
Department	Proposed Position	FTE	Required for Strategic Plan Initiative/Transformation	Required for Workload	Estimated One-Time Costs	Estimated Ongoing Costs
Commonwealth Attorney	<u>Pt to FT Assistant CA</u>	0.5			0	78,000
Finance	<u>Management Analyst I</u>	1		Primary	0	56,000
HR	<u>Diversity Inclusion Generalist</u>	1	Primary	Secondary	79,000	0
Police	<u>Squad Based Officers</u>	2		Primary	0	316,000
<b>Total</b>		<b>4.5</b>			<b>79,000</b>	<b>450,000</b>

## FY18 - FY19 TWO YEAR FISCAL PLAN CIP/DEBT MODEL

Two-Year Plan Model	FY 17 Updated with eligible FY 18 CIP Requests					Total FY 18-22
Net of Transfers	FY 18	FY 19	FY 20	FY 21	FY 22	
General Fund Transfers						
General Fund Transfer (GFT) to Debt & CIP	23,151,242	23,700,894	24,266,643	24,846,803	25,441,172	121,406,755
Estimated Additional Pennies Required						
CIP			2.00			
16 Referendum for School Projects		1.30				
Reallocation to Sch Operations: revenue generated by estimated increase to the tax rate	0	-213,194	-220,421	-297,248	-306,767	
Total GFT to Debt & CIP	23,151,242	25,783,456	30,033,586	30,699,842	31,450,927	141,119,053
DEBT SERVICE OBLIGATION						
Existing Debt Service	20,115,886	19,832,098	19,256,090	18,435,959	18,001,114	95,641,147
Projected Debt Service	2,281,217	4,568,989	7,499,203	9,279,906	11,389,334	35,018,649
Total Debt Service Obligation	22,397,103	24,401,087	26,755,293	27,715,865	29,390,448	130,659,796
Other Debt Service Revenues	1,280,653	1,392,476	1,415,835	1,517,183	1,618,020	7,224,167
GFT to Debt Service	21,116,450	23,008,611	25,339,458	26,198,682	27,772,428	123,435,629
Total Debt Service Revenues	22,397,103	24,401,087	26,755,293	27,715,865	29,390,448	130,659,796
CAPITAL PROGRAM REVIEW						
CIP Pay-Go	2,034,792	2,774,845	4,694,128	4,501,160	3,678,499	17,683,424
Other CIP Revenues	3,476,153	5,349,721	8,711,799	2,316,949	3,336,134	23,190,756
Borrowed Proceeds	33,039,773	25,965,470	33,354,183	14,330,305	25,712,215	132,401,946
Total CIP Revenues	38,550,718	34,090,036	46,760,110	21,148,414	32,726,848	173,276,126
Beginning CIP Fund Balance	7,469,856	4,945,868	2,489,670	2,612,684	3,159,216	
Total Available CIP Revenue	46,020,574	39,035,904	49,249,780	23,761,098	35,886,064	
Projects	41,074,706	36,546,234	46,637,096	20,601,882	33,095,543	177,955,461
CIP Fund Balance* Estimate	4,945,868	2,489,670	2,612,684	3,159,216	2,790,521	

## \*CIP Fund Balance Restrictions

- FY 16: \$0.6 M is restricted for various uses primarily for revenues received awaiting appropriation for specific uses like Lickinghole Creek Basin fees
- FY 17: \$2.0M is included in the balance for the restricted use of TRSP to be expended in FY 19
- FY 18: \$2.0M is included in the balance for the restricted use of TRSP to be expended in FY 19
- FY 19-22: \$0 restricted

Project Expenditure Summary by Functional Area	FY 18	FY 19	FY 20	FY 21	FY 22	Total FY 18-22
<b>01-Administration</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>02-Judicial</b>						
Court Facilities Addition/Renovation	\$32,865	\$36,630	\$26,882,218	\$3,387,402	\$13,410,611	\$43,749,725
<b>02-Judicial Total</b>	<b>\$32,865</b>	<b>\$36,630</b>	<b>\$26,882,218</b>	<b>\$3,387,402</b>	<b>\$13,410,611</b>	<b>\$43,749,725</b>
<b>03-Public Safety</b>						
[Fire Rescue] Apparatus Replacement Program	\$1,261,100	\$1,412,100	\$2,920,926	\$50,000	\$2,031,570	\$7,675,696
[Fire Rescue] Mobile Data Computers Replacement	\$0	\$93,280	\$29,975	\$172,480	\$0	\$295,735
[Fire Rescue] Pantops Public Safety Station	\$41,000	\$2,027	\$0	\$0	\$0	\$43,027
[Police] County 800Mhz Radio Replacements	\$592,750	\$191,143	\$217,566	\$1,111,737	\$1,125,410	\$3,238,606
[Police] Mobile Command Center Replacement	\$188,593	\$0	\$0	\$0	\$0	\$188,593
[Police] Mobile Data Computers Replacement	\$37,068	\$37,068	\$133,206	\$548,234	\$433,735	\$1,189,311
[Police] Patrol Video Cameras Replacement	\$108,562	\$134,069	\$178,073	\$135,755	\$109,089	\$665,548
<b>03-Public Safety Total</b>	<b>\$2,229,073</b>	<b>\$1,869,687</b>	<b>\$3,479,746</b>	<b>\$2,018,206</b>	<b>\$3,699,804</b>	<b>\$13,296,516</b>
<b>04-Public Works</b>						
City-County Owned Facilities Maintenance/Replacement	\$306,405	\$0	\$0	\$0	\$0	\$306,405
COB McIntire Window Replacement	\$166,531	\$2,016,682	\$45,807	\$0	\$0	\$2,229,020
County-Owned Facilities Maintenance/Replacement	\$1,216,720	\$1,712,323	\$745,316	\$1,703,524	\$794,417	\$6,172,300
Ivy Fire Station 15 Maintenance Obligation	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Ivy Landfill Remediation	\$523,000	\$523,000	\$523,000	\$523,000	\$523,000	\$2,615,000
Moore's Creek Septage Receiving	\$109,441	\$109,441	\$109,441	\$109,441	\$109,441	\$547,205
<b>04-Public Works Total</b>	<b>\$2,372,097</b>	<b>\$4,411,446</b>	<b>\$1,473,564</b>	<b>\$2,385,965</b>	<b>\$1,476,858</b>	<b>\$12,119,930</b>
<b>05-Community Development</b>						
Sidewalk, Ivy Road (US Route 250 West)	\$40,389	\$42,230	\$0	\$0	\$0	\$82,619
Sidewalks, Rio Road - Avon St - US Route 250 West	\$42,640	\$59,122	\$0	\$0	\$0	\$101,762
Transportation Revenue Sharing Program	\$1,720,000	\$2,000,000	\$0	\$0	\$0	\$3,720,000
<b>05-Community Development Total</b>	<b>\$1,803,029</b>	<b>\$2,101,352</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,904,381</b>
<b>06-Health and Welfare</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>07-Parks, Recreation, &amp; Culture</b>						
City-County Owned Parks Maintenance/Replacement	\$161,230	\$0	\$0	\$0	\$0	\$161,230
County Owned Parks Maintenance/Replacement	\$1,292,848	\$1,271,758	\$534,175	\$352,010	\$458,130	\$3,908,921
Crozet Park Maintenance/Replacement and Improvements	\$231,670	\$141,787	\$150,597	\$50,915	\$93,280	\$668,249
Pilot Fundraising Parks Project	\$0	\$75,000	\$0	\$0	\$0	\$75,000
<b>07-Parks, Recreation, &amp; Culture Total</b>	<b>\$1,685,748</b>	<b>\$1,488,545</b>	<b>\$684,772</b>	<b>\$402,925</b>	<b>\$551,410</b>	<b>\$4,813,400</b>
<b>08-Libraries</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>09-Technology and GIS</b>						
County Server Infrastructure Upgrade	\$440,049	\$452,866	\$465,683	\$478,500	\$491,317	\$2,328,415
GIS Project	\$39,140	\$0	\$0	\$44,800	\$34,500	\$118,440
Telephony Solution Replacement	\$0	\$0	\$545,000	\$0	\$0	\$545,000
<b>09-Technology and GIS Total</b>	<b>\$479,189</b>	<b>\$452,866</b>	<b>\$1,010,683</b>	<b>\$523,300</b>	<b>\$525,817</b>	<b>\$2,991,855</b>
<b>10-ACE*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>11-Other</b>						
Borrowed Proceeds Transfer^	\$27,766,658	\$21,834,722	\$9,439,700	\$8,855,741	\$9,788,756	\$77,685,577
Cost of Issuance	\$647,839	\$509,127	\$636,357	\$298,633	\$504,161	\$2,596,117
Project Management Services-General Govt	\$0	\$0	\$131,657	\$96,616	\$368,232	\$596,505
<b>11-Other Total</b>	<b>\$28,414,497</b>	<b>\$22,343,849</b>	<b>\$10,207,714</b>	<b>\$9,250,990</b>	<b>\$10,661,149</b>	<b>\$80,878,199</b>
<b>01-11 General Government CIP</b>	<b>\$37,016,498</b>	<b>\$32,704,375</b>	<b>\$43,738,697</b>	<b>\$17,968,788</b>	<b>\$30,325,649</b>	<b>\$161,754,006</b>
<b>13-Water Resources</b>						
Hollymead Dam Spillway Improvement	\$95,612	\$10,980	\$0	\$0	\$0	\$106,592
Project Management Services-Water resources	\$0	\$0	\$7,380	\$5,415	\$20,641	\$33,436
Water Resources TMDL	\$1,112,166	\$1,148,325	\$1,180,875	\$1,213,426	\$1,246,027	\$5,900,819
<b>13-Water Resources Total</b>	<b>\$1,207,778</b>	<b>\$1,159,305</b>	<b>\$1,188,255</b>	<b>\$1,218,841</b>	<b>\$1,266,668</b>	<b>\$6,040,847</b>

FY18 - FY19 Two Year Fiscal Plan  
CIP PROJECTS INCLUDED IN MODEL (CONTINUED)

County of Albemarle

**14-School Division**

Administrative Technology	\$263,000	\$263,000	\$263,000	\$263,000	\$263,000	\$1,315,000
High School Capacity Planning	\$400,000	\$0	\$0	\$0	\$0	\$400,000
Instructional Technology	\$575,000	\$575,000	\$575,000	\$575,000	\$575,000	\$2,875,000
Learning Space Modernization	\$3,300,000	\$7,692,906	\$0	\$0	\$0	\$10,992,906
Project Management Services-schools	\$0	\$0	\$85,469	\$62,721	\$239,048	\$387,238
School Bus Replacement Program	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$6,000,000
School Maintenance/Replacement Program	\$6,845,000	\$7,066,938	\$7,318,625	\$7,434,313	\$8,288,934	\$36,953,810
School Security Improvements Program	\$1,512,646	\$1,465,414	\$0	\$0	\$0	\$2,978,060
Scottsville Elementary School Sitework Improvements	\$211,900	\$0	\$0	\$0	\$0	\$211,900
State Technology Grant	\$726,000	\$726,000	\$726,000	\$726,000	\$726,000	\$3,630,000
Telecommunications Network Upgrade	\$0	\$0	\$900,000	\$0	\$0	\$900,000
Western Albemarle High School Environmental Studies Academy Phase 2	\$452,060	\$5,459,500	\$81,750	\$8,960	\$0	\$6,002,270
Woodbrook Elementary School Addition-Modernization	\$15,131,482	\$68,518	\$0	\$0	\$0	\$15,200,000
<b>14-School Division Total</b>	<b>\$30,617,088</b>	<b>\$24,517,276</b>	<b>\$11,149,844</b>	<b>\$10,269,994</b>	<b>\$11,291,982</b>	<b>\$87,846,184</b>

<b>CIP Grand Total</b>	<b>\$68,841,364</b>	<b>\$58,380,956</b>	<b>\$56,076,796</b>	<b>\$29,457,623</b>	<b>\$42,884,299</b>	<b>\$255,641,037</b>
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\*The General Fund Year End Fund Balance planned for the ACE Program is scheduled for FY 17

^^Borrowed Proceeds Transfers is a transfer between CIP funds whereby the General Government CIP fund transfers borrowed proceeds to the School CIP fund and the Water Resources CIP Fund

**CIP Net of Transfers**

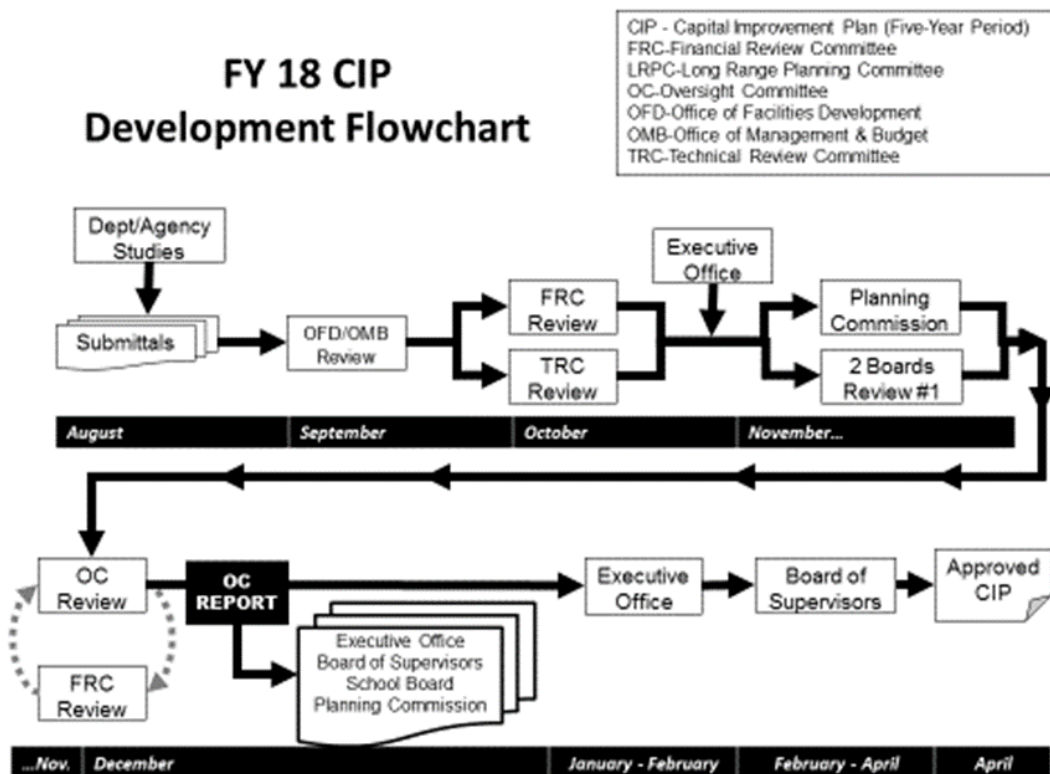
01-11 General Government CIP	\$9,249,840	\$10,869,653	\$34,298,997	\$9,113,047	\$20,536,893	\$84,068,429
13-Water Resources Total	\$1,207,778	\$1,159,305	\$1,188,255	\$1,218,841	\$1,266,668	\$6,040,847
14-School Division Total	\$30,617,088	\$24,517,276	\$11,149,844	\$10,269,994	\$11,291,982	\$87,846,184
<b>CIP Net of Transfers</b>	<b>\$41,074,706</b>	<b>\$36,546,234</b>	<b>\$46,637,096</b>	<b>\$20,601,882</b>	<b>\$33,095,543</b>	<b>\$177,955,460</b>



## MULTI-YEAR CIP EXPENDITURES SUMMARY

The updates to the Capital Improvement Plan (CIP) Planning Model on the preceding page begins with the current Board of Supervisor's adopted Capital Improvement Plan (CIP) and includes the following adjustments:

- Adjusts the five-year time-span from FY 17 - FY 21 to FY 18 -FY 22
- Updates the Revenue projections over the five-year period
  - Projected growth in General Fund revenues transferred to CIP and Debt per County's funding formula
  - Increases the amount of additional one-time funds available to the plan
  - Delays anticipated tax rate increases required to support the CIP to second and third years of the plan
- Updates the Expenditure Projections over the five-year period
  - Courts project moved out (forward) one year based on current timing
  - Funds to support transportation revenue sharing with the State increased to support the County's neighborhood revitalization strategic priority
  - Incorporates other adjustments made by Technical Review Committee at this point in the CIP development process that will be provided to the CIP Oversight Committee
- CIP Oversight Committee is beginning its review in accordance with the amendment year process



## GENERAL FUND FUND BALANCE INFORMATION

## GENERAL FUND ESTIMATED FY16 END-OF-YEAR FUND BALANCE

<b>Audited Fund Balance as of June 30, 2015</b>			<b>\$39,855,507</b>
	<i>Total FY 16 estimated Revenues (1.03% above budgeted amount.)</i>	<b>\$255,007,275</b>	
	<i>Note: If the Board did not raise the tax rate during this fiscal year, the FY 16 revenues would have been 0.40% over the budgeted amount.</i>		
	<i>Total FY 16 estimated Expenditures (1.43% under budgeted amount)</i>	<b>(\$248,798,020)</b>	
FY 16 Estimated Revenues Over Expenditures			<b>\$6,209,255</b>
Projected, un-audited Fund Balance as of June 30, 2016			<b>\$46,064,762</b>
Policy Use of Fund Balance (includes 10% Reserve, School's Reserve Fund, CAFR required inventory and pre-pays)			<b>(\$33,738,188)</b>
Board of Supervisor's currently approved uses of Fund Balance(*includes \$1,788,455 rainy day fund)			<b>(\$3,690,873)</b>
<b>Balance anticipated to be available for one-time uses in current year/2 year fiscal plan</b>			<b>\$8,635,700</b>

## RECOMMENDED ONE-TIME USES OF ESTIMATED AVAILABLE GENERAL FUND FUND BALANCE MONIES

<b>FY17 – Approved and Recommended Uses</b>	
FY 17 Appropriations (carry over and other one-time uses of departmental savings)	\$363,155
Acquisition of Conservation Easements (ACE) matching funds for grants	250,000
<b>Subtotal, FY17 Uses</b>	<b>\$613,155</b>
<b>Continue Contingencies/Reserves</b>	
Net change to continue Rainy Day/Stabilization Fund Reserve, however, reduce amount from \$1,788,455 (current amount ) to \$1,750,000	<b>(\$38,455)</b>
Continue contingency reserve for Fuel & Utilities	256,000
<b>Strategic Use of One-time Monies - Recommended 2 Year Fiscal Plan Uses</b>	
Provide additional cash to Capital Improvement Plan (CIP) for capital projects	\$3,500,000
Additional cash for CIP -targeted for Transportation Revenue Sharing to support neighborhood revitalization	2,000,000
Board of Supervisor's Strategic Priority Support –neighborhood revitalization initiatives, i.e. small scale planning and improvements	320,000
Economic Development Fund – Economic Development Investment Opportunities Support	480,000
Economic Development Fund – Economic Opportunities Fund	150,000
Board of Supervisor's Strategic Priority Support – support for at-risk four year olds, Pantops Master Plan/Rivanna River, and Family Support initiatives	100,000
Transformational Initiatives – i.e. records management, fleet management, fundraising efforts, OA pool	275,000
Grants Matching Fund	100,000
Innovation Fund	150,000
Contractual/Temp Support - Departments	500,000
Staffing Plan – One-Time Costs – Buyer position, Asst. Co. Attorney one-time costs, Police Officer positions – one-time costs	230,000
<b>Subtotal, Recommended 2 Year Fiscal Plan Uses</b>	<b>\$7,805,000</b>
<b>Total</b>	<b>\$8,635,700</b>



# Attachment A:

## ALBEMARLE COUNTY FY17-FY19 STRATEGIC PLAN

AS OF NOV. 4, 2016

Strategic planning is used to set priorities and focus energy and resources to move an organization towards its vision. Albemarle County has used strategic planning for many years to inform policy development and financial decision making and achieve the community desires and values articulated in the County's Comprehensive Plan. The County's strategic planning is guided by a vision, mission and values that serve as the foundation for specific goals and objectives.

Our Vision	Our Mission
<p>Albemarle County envisions a community with...</p> <ul style="list-style-type: none"> <li>• Abundant natural, rural, historic, and scenic resources</li> <li>• Healthy ecosystems</li> <li>• Active and vibrant Development Areas</li> <li>• A physical environment that supports healthy lifestyles</li> <li>• A thriving economy, and</li> <li>• Exceptional educational opportunity</li> </ul> <p><i>...for present and future generations.</i></p>	<p>To enhance the well-being and quality of life for all citizens through the provision of the highest level of public service consistent with the prudent use of public funds.</p>
	<p><b>Our Values</b></p> <p>Innovation      Stewardship      Learning Integrity</p>

To achieve this vision requires establishing long-term goals and strategic action objectives. The Board of Supervisors began its most recent strategic planning process in May 2016, and worked throughout the fall of 2016 to establish the FY17-19 Strategic Plan. The resources required to accomplish this plan are reflected in the FY18-19 Two-Year Fiscal Plan, illustrating the need for close alignment between planning and budgeting.

## Long-Term Strategic Goals

The following long-term strategic goals guided the development of the FY17 – 19 Strategic Plan as outlined on the following pages. These long-term goals are based on established policy documents of the County as well as those focus areas of significant importance to the community based on citizen feedback.

- **Engaged Citizens**

Successfully engage citizens so that local government reflects their values and aspirations

- **Infrastructure Investment**

Prioritize, plan, and invest in critical infrastructure that responds to past and future changes and improves the capacity to serve community needs

- **Thriving Development Areas**

Attract quality employment, commercial, and high density residential uses into development areas by providing services and infrastructure that encourage redevelopment and private investment while protecting the quality of neighborhoods

- **Economic Prosperity**

Foster an environment that stimulates diversified job creation, capital investments, and tax revenues that support community goals

- **Educational Opportunities**

Provide lifelong learning opportunities for all our citizens

- **Natural Resources Stewardship**

Thoughtfully protect and manage Albemarle County's ecosystems and natural resources in both the rural and development areas to safeguard the quality of life of current and future generations

- **Quality Government Operations**

Ensure County government's capacity to provide high quality service that achieves community priorities

- **Rural Area Character**

Preserve the character of rural life with thriving farms and forests, traditional crossroad communities, and protected scenic areas, historic sites, and biodiversity.

## Highest Priority Strategic Objectives Ready For Immediate Resource Investment/Action

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As the County transitioned to a balanced Two-Year Fiscal Plan as part of its priority driven budgeting approach, it sought to structure the strategic plan into a Two-Year Action Plan to align identified priorities with the financial decision-making timeline. **The two-year action objectives listed below have been identified by the Board as the most immediate, urgent and clearly-defined objectives associated with the County's long-term goals.** The intention is to complete these objectives in the FY17–19 timeframe, directing additional time and resources and focus to them as necessary to ensure successful completion. The first two action objectives listed below (Redevelop Rio/Route 29 Intersection Area, and Revitalize Aging Urban Neighborhoods) have specific steps outlined in bullets beneath that provide more detail as to how the objectives will be achieved. It should be noted that many of the activities identified in the first action objective are focused on creating positive economic development opportunities.

### 1. Redevelop Rio/Route 29 Intersection Area

- By December 2016, Board provides direction on use of urban service district(s) to fund enhanced services/ infrastructure, with implementation by July 2018 if approved.
- By April 2017, Board adopts desired vision as an early outcome of the small area plan process.
- By October 2017, Board receives recommendations to increase opportunities for by-right development that meets urban form established in Comprehensive Plan through proactive rezoning and improves balance between commercial, industrial and residential tax base.
- By December 2017, increase partnerships and incentive options that will promote desired business development/expansion.
- By May 2018, present draft ordinance to implement Rio/29 vision and encourage by-right implementation of desired urban land use form.
- By January 2019, leverage existing and planned public investment to enhance place making in Rio/Route 29.

### 2. Revitalize Aging Urban Neighborhoods

- By March 2017, Board considers regional transit organization study endorsed by the Planning and Coordination Council.
- By April 2017, staff will develop technologies and procedures to map storm water infrastructure not already mapped and commence mapping throughout the County.
- By January 2018, dedicate transportation revenue sharing money to targeted development area transportation improvements.
- By January 2018, adopt an action plan in partnership with private, non-profit interests to partner on redevelopment of the Southwood for both affordable residential uses and business uses.
- By January 2018, Board will determine role and responsibility of local government for maintaining infrastructure not already dedicated to public use.

- By December 2018, Board reviews Metropolitan Planning Organization plan for bike/pedestrian improvements.
- By January 2019, increase resources for quality of life projects (i.e. parks) in the development areas through differentiated funding options.
- By January 2019, increase support for planning efforts and improvement actions to address neighborhood level needs.
- By January 2019, work with partners to increase efforts to address aesthetic appearance of entrance corridors and high visibility urban public spaces.
- By January 2019, increase efforts to improve deteriorating physical conditions in the County's aging urban core areas

3. By December 2017, increase the physical capacity for educational opportunities for at-risk four-year-olds through an expansion of Woodbrook Elementary and collaboration with local agencies and other non-profit/private providers/foundations

4. By July 2017, implement a salary compression remedy, using turnover and overtime data to prioritize specific areas that need attention, with an initial focus on police and other most critical departments

5. By January 2019, increase support for Family Support program including developing more robust partnerships with entities including Region Ten.

6. By December 2016, Board adopts a balanced 2-Year Fiscal Plan through priority-driven budgeting, efficiency and transformation initiatives, and implementation of alternate funding strategies, and by December 2017 improve long-term structural realignment.

7. By June 2019, establish direction, complete design, and be under construction for the project to expand the General District Court.

8. By June 2019, Board adopts updated Pantops Master Plan including a joint Rivanna River Corridor Plan also approved by the City.

## STRATEGIC OBJECTIVES REQUIRING FURTHER DEVELOPMENT/DIRECTION

These focus areas are recognized as important items that should continue to be addressed at their current level of effort unless some circumstance would cause the Board to reconsider timing, urgency or readiness. **Many of these areas, for example broadband and economic development, reflect major ongoing initiatives and will come back to the Board for further direction when they are ready for more specific action. Staff recommends that these items' status be reconsidered at that point to determine whether there is a specific action objective that should be identified within the two-year strategic plan period.**

Priority Area	Action Recommendation
1. <b>Develop differentiated funding strategies for core vs. enhanced (e.g., quality of life projects like parks, etc.) projects in the rural areas.</b>	Reconsider following implementation of park crowd funding pilot project in the development area.
2. <b>Establish and implement strategic direction to expand broadband affordable access to under-served, rural communities.</b>	Reconsider following completion of planning grant work.
3. <b>Establish and implement an approach to consider age-friendly community needs and initiatives as part of County planning.</b>	Reconsider based on recommendations that come forward from the newly-formed Charlottesville Area Alliance.
4. <b>Establish and begin implementation of a Board-approved work plan (to include workforce development activities with partners such as CATEC) for the County's newly created Economic Development Office – insure that economic resiliency/ preparedness are a focus of the plan.</b>	Develop schedule for implementing specific strategies following adoption of the plan.
5. <b>Establish and begin implementation of priorities for a natural resource program.</b>	Consider schedule for implementing specific strategies following adoption of the plan.
6. <b>Explore more extensive environmental protection initiatives i.e. implement select recommendations from the Local Climate Action Planning Progress Report (LCAPP).</b>	Maintain current efforts.
7. <b>Determine most critical deficiencies/ challenges facing the community regarding policing and assess capacity of geo-policing to meet those needs.</b>	Reassess need for additional sworn officer positions after vacant positions are filled.

<b>8. Establish strategic direction to address challenge of intensification of uses in the rural area (may include small area plan for specifically designated area and focus on country crossroads.</b>	Maintain current efforts.
<b>9. Continue focus on improving the accessibility of County information, pay particular attention to website and emerging technologies as a vehicle.</b>	Proceed with website redesign/launching of new citizen serving technologies
<b>10. Initiate near-term planning for a new police training facility.</b>	Consider as part of regular CIP assessment/planning process.
<b>11. Establish and implement strategic direction including appropriate public engagement, for school space needs (e.g., preschool, school capacity, modernization of facilities)</b>	Maintain current efforts.
<b>12. Determine desired levels of service for water resource protection programs; and then identify and implement permanent funding source(s) to support those levels of service.</b>	Maintain current efforts including contractual services to assist with utility development.
<b>13. Strategically assess the County's future physical facility needs including working cooperatively with Schools to develop an approach for land banking – focus on better, more frequent and robust communication between Supervisors, School Board and Planning Commission regarding growth impacts as one area of emphasis.</b>	Schedule additional focused communication/information sessions.
<b>14. Assure rural transportation needs are considered with the Secondary Six Year Improvement Plan and regional transportation planning efforts by the Thomas Jefferson Planning District Commission.</b>	Maintain current efforts.