

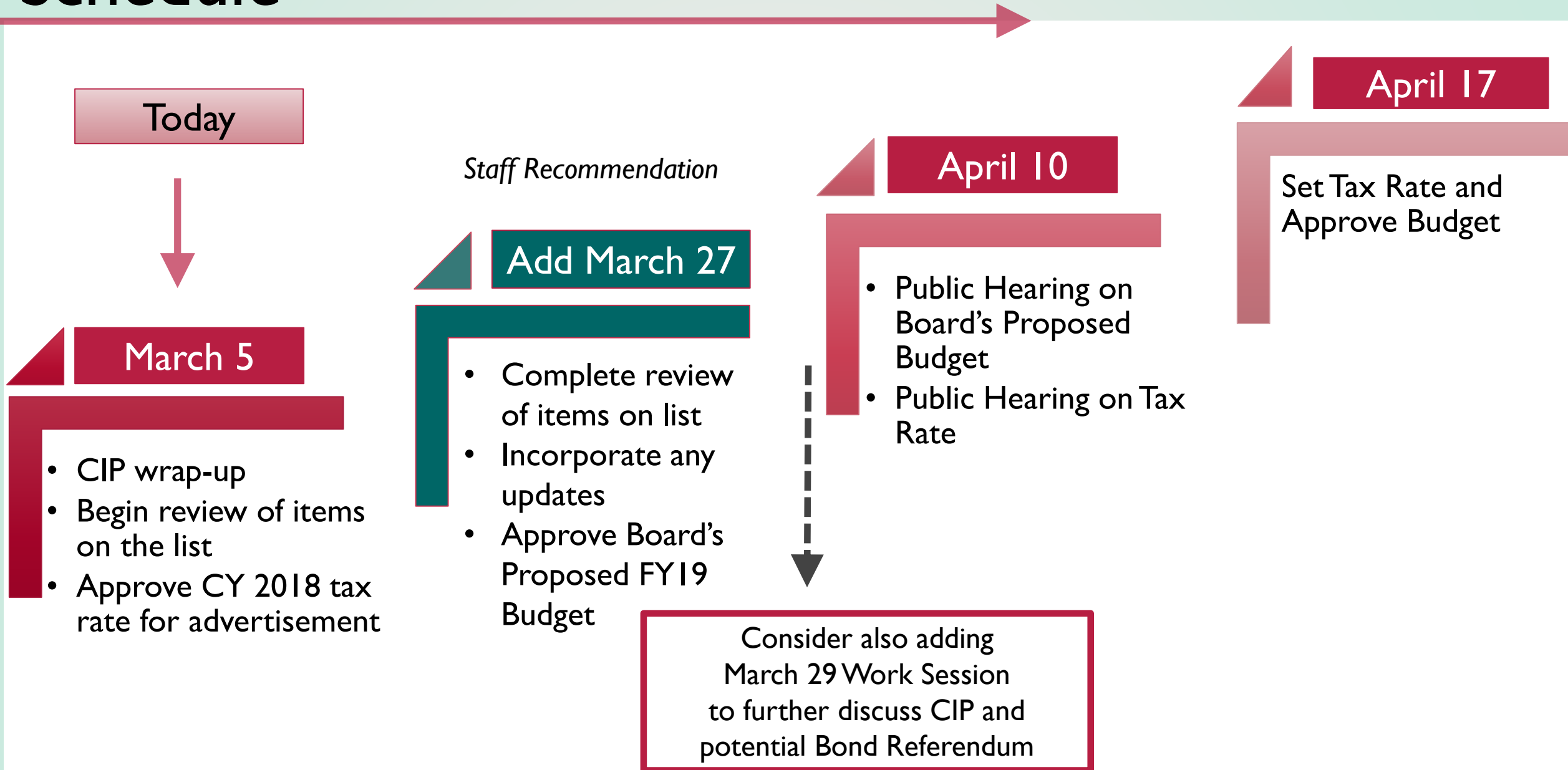
Delivering Tangible Results in an Evolving Landscape

FY 19 RECOMMENDED BUDGET

March 5, 2018
Work Session IV



Schedule



CONSIDERATIONS OF FINALIZING PROPOSED BUDGET ON MARCH 27

Additional
time for
Board to

- Receive additional feedback from constituents during March town hall meetings, before Proposed FY 19 Budget is approved
- Further consider the items on list (including any additional items from March 1 and March 5 work sessions)

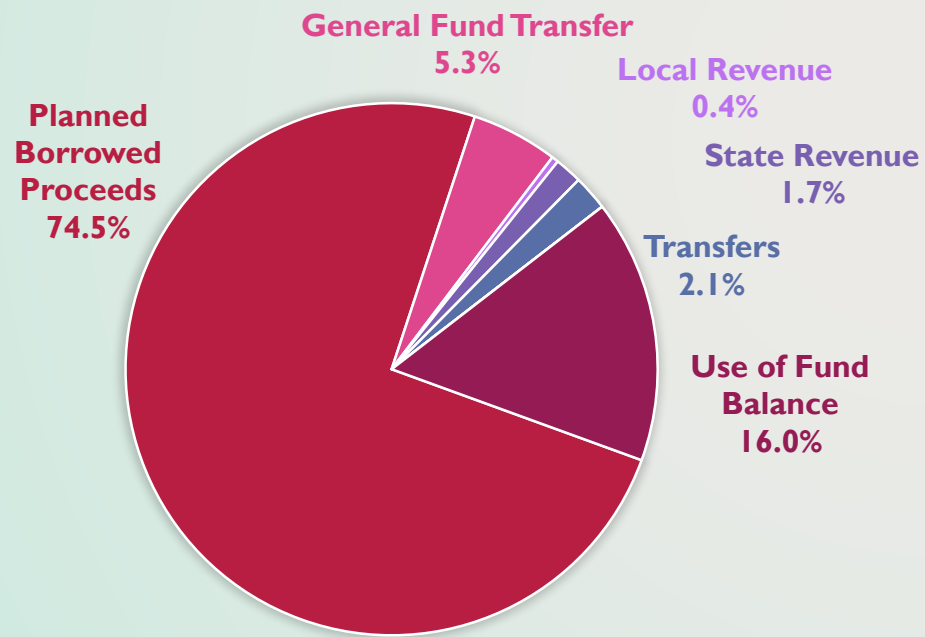
Additional
time for Staff
to

- Update projection revenues based on two additional months of actuals in FY18 and incorporate any updated state revenue projections
- Update projected expenditures based on any new information
- Collaborate with the School Division to review capital needs and determine if we can jointly achieve any further shared operational efficiencies

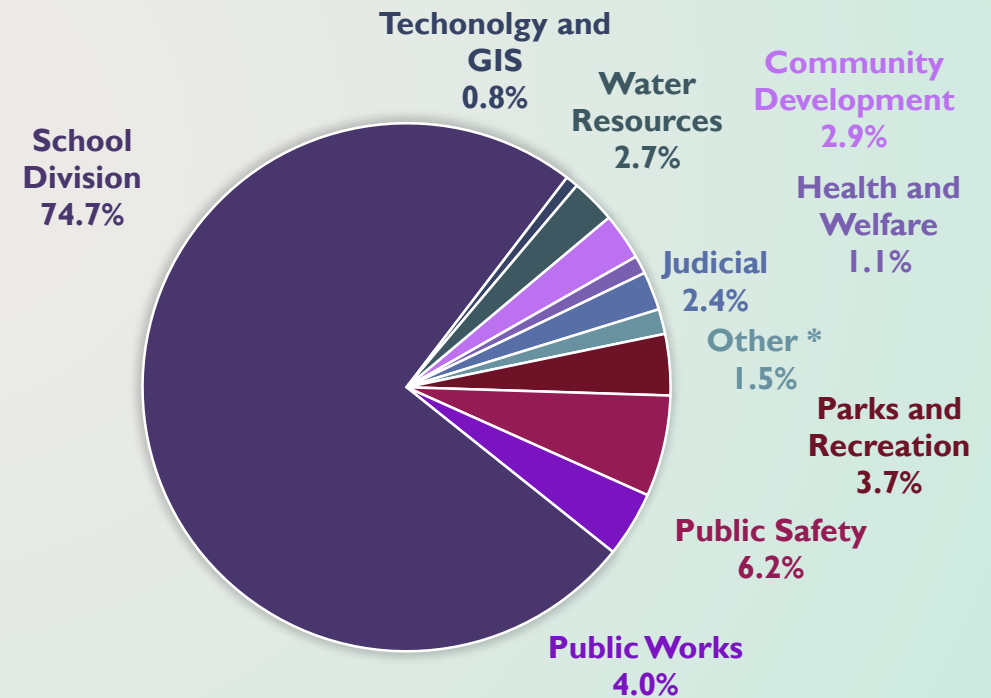
CAPITAL BUDGET – FIRST YEAR OF CIP

RECOMMENDED CAPITAL BUDGET: FY 19 \$57.7M

Revenues



Expenditures



FY 19 CAPITAL BUDGET - HIGHLIGHTS

- Maintenance/Replacement of County Facilities and Parks
- High School Improvement Project funding begins in FY 19
 - Other potential Referendum Quality of Life projects funding would not begin until FY 20
- Water Resources – funded with available one-time money in FY 19
- Volunteer Fire Rescue Facilities Maintenance Pilot project
- Transportation Leveraging Program (*formerly Transportation Revenue Sharing*)
- Recommends two items be funded in FY 18 (current year):
 - Public Safety Tactical Robot
 - Public Safety Mobile Burn Building Training Center

DEBT MANAGEMENT INFORMATION

DEBT MANAGEMENT CHAPTER – PAGE 297

Chapter includes: Existing Debt,
Debt Service Schedules, Policies,
and Amortization Schedule

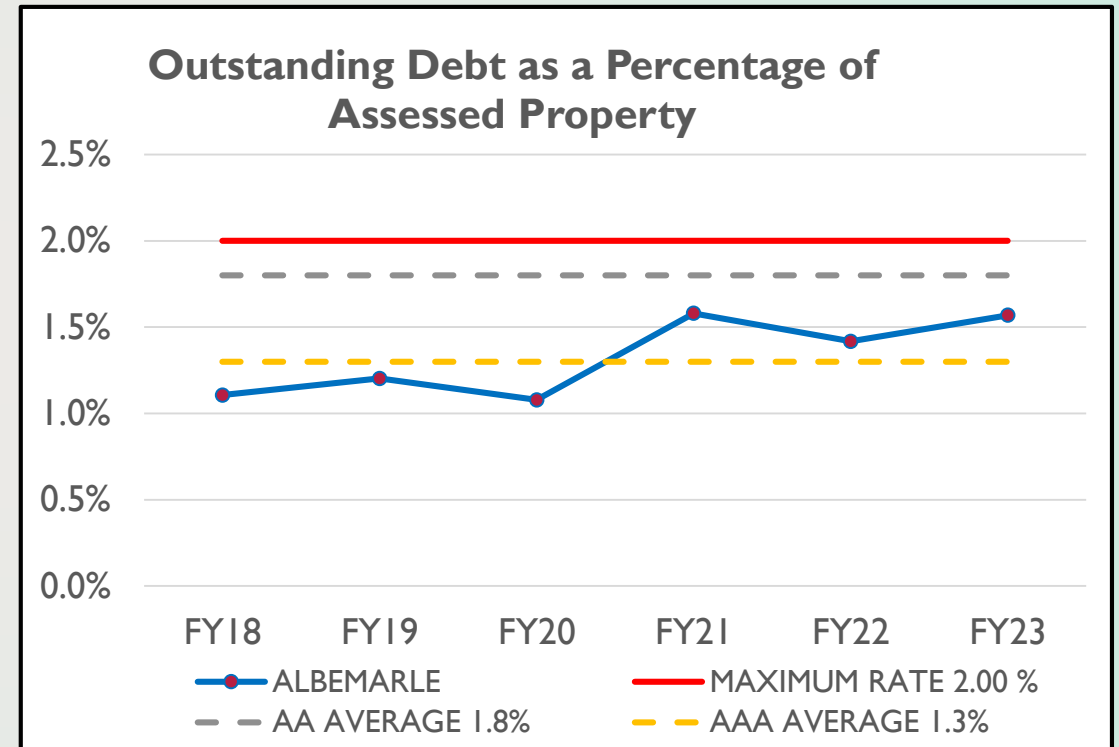
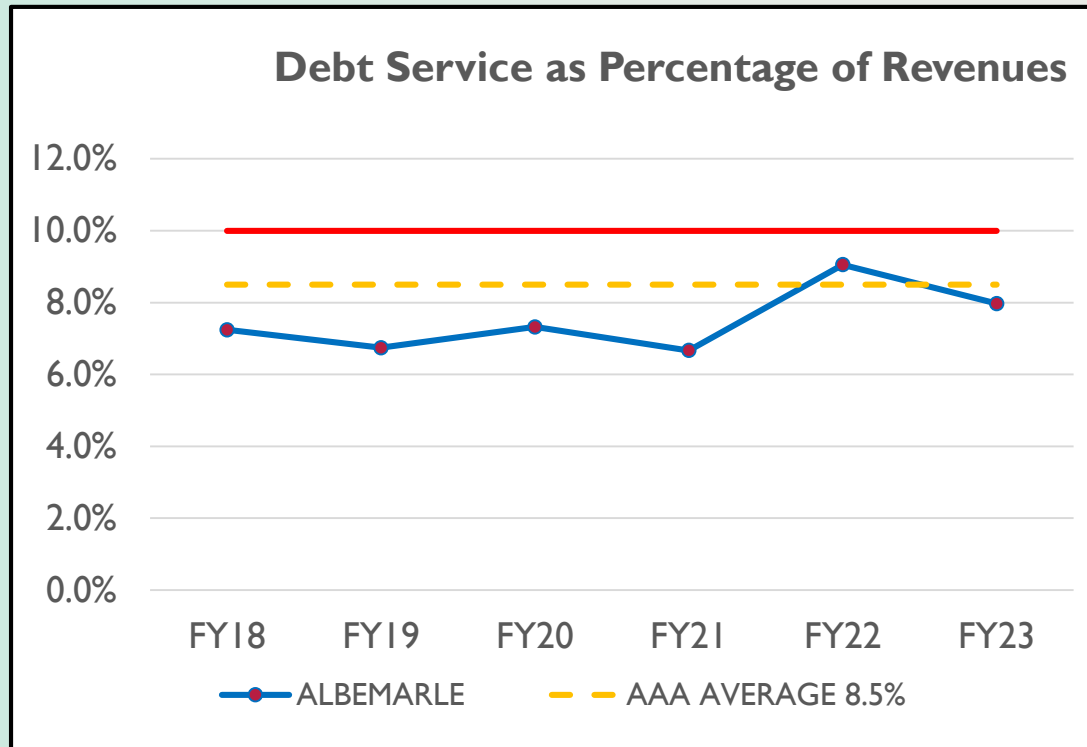
Existing Debt

Balance at the end of FY 17

• Schools	\$132.1M
• Gen Government	<u>\$74.9M</u>
Total:	\$207.0M

*The County intends to maintain a 10 year payout ratio at or
above 60% at end of each adopted five-year CIP*

DEBT CAPACITY POLICY GUIDELINES



CURRENT ITEMS ON LIST FOR BOARD DISCUSSION

- **Unfunded position requests:**

- Finance (5.0 full-time equivalents - FTE)
- Information Technology (1.5 FTE)
- Sheriff's Office (2.0 FTE)
- Police (4.0 FTE)
- Fire Rescue (11.0 FTE)
- FES – Maintenance Mechanic (1.0 FTE)
- Social Services (4.0 FTE)

- **Agency Budget Review Team (ABRT)
Reviewed Agencies**

- Legal Aid Justice Center (3 programs)
- MACAA (2 programs)
- Sin Barreras – Without Borders (1 program)
- Consider reallocating Charlottesville Opera funding to Paramount Theater
- Virginia Cooperative Extension Service 4-H program: increasing part-time hours
- Consider potential use of FY 18's unexpended Fuel Reserve fund in FY 19

SET TAX RATE (CAP) FOR ADVERTISING

REAL ESTATE PROPERTY TAXES

- **FY 19 Budget's recommended tax rate is current rate, or \$0.839 per \$100 of assessed value**
- **"Lowered" or "Effective" Tax Rate would be \$0.8117 per \$100 of assessed value**
- **Each penny on the real estate tax rate yields ~\$1.8 M in estimated collectable real estate tax revenues**
- **Tax Relief for Elderly/Disabled Program - \$950K**

- **Expected to generate 52% of General Fund revenues**
- **A \$7.5M or 5.2% increase over FY18**
 - **\$4.5 M due to appreciation**
 - **Based on 2.2% increase in CY 2018 reassessments, and assumption of additional 2.0% increase in CY 2019 reassessments**
 - **\$3 M due to growth (new construction and land divisions)**

MOTION TO ADVERTISE THE 2018 TAX RATES FOR PUBLIC HEARING

I move that the Board advertise the following rate for public hearing for the 2018 tax year:

\$____/\$100 (rate the Board determines) of assessed value for real estate, public service property, and manufactured homes.

MOTION TO ADVERTISE THE 2018 TAX RATES FOR PUBLIC HEARING

I move that the Board advertise the following rates for public hearing for the 2018 tax year:

\$____/\$100 (rate the Board determines) of assessed value for real estate, public service property, and manufactured homes;

\$4.28/\$100 of assessed value for personal property;

\$4.28/\$100 of assessed value for machinery and tools.

Schedule



March 27

- Complete review of items on list
- Approve Board's Proposed FY 19 Budget

If Board Desires

March 29

- Discuss potential Bond Referendum

April 10

- Public Hearing on Board's Proposed Budget
- Public Hearing on Tax Rate

April 17

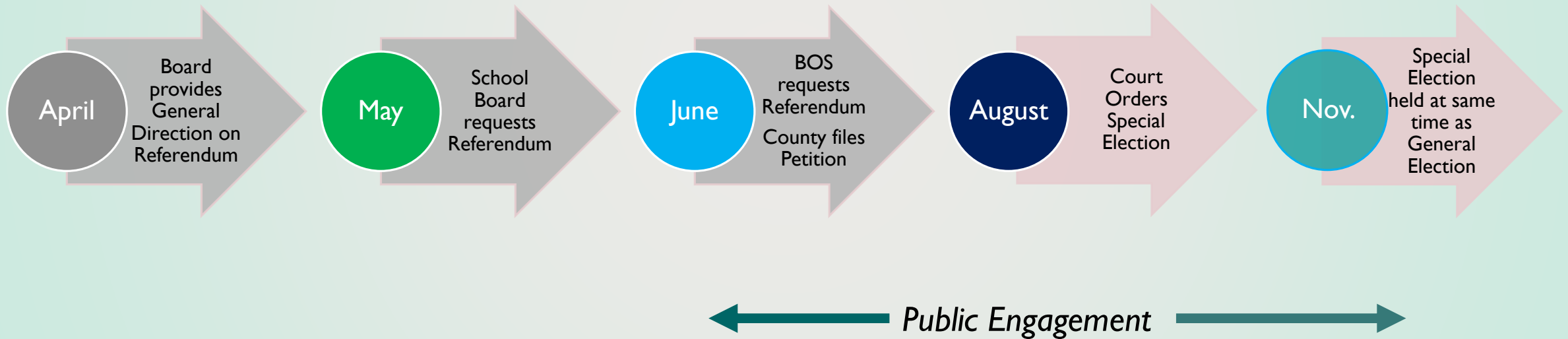
Set Tax Rate and Approve Budget

REFERENCE SLIDES IF NEEDED

REFERENDUM: HIGH SCHOOL CAPACITY & IMPROVEMENT PROJECT

- Current Cost Estimate: \$90 M
- New Educational Model
 - Includes two new centers:
 - Design for Center 1 begins in FY 19
 - Design for Center 2 begins in FY 22
 - Modernizes Existing High Schools
- Operating Impacts start in FY 22
- Current Timeline Scheduled for Completion in FY 24

REFERENDUM TIMING CONSIDERATIONS



OTHER QUALITY OF LIFE REFERENDUM PROJECTS FOR CONSIDERATION (\$39M)

Schools \$24.9M

- Learning Space Modernization (\$12.8M)
- Scottsville Elementary School Additions & Improvements (\$12.1 M)

Transportation \$3.0M

- Route 20/US 250 Intersection Improvement (\$1.1 M)
- Albemarle Bicycle Pedestrian Construction Program (\$1.2 M)
- Northtown Trail (\$0.8M)

Community Facilities & Greenspace \$7.2M

- Parks Athletic Field Improvements (\$2.0 M)
- Darden Towe Park Athletic Field Improvements (\$3.0 M)
- Hedgerow Property Trail Park (\$2.3 M)

Public Safety \$4.1M

- Fire Rescue Training Facility (\$4.1 M)



- Geographic Diversity
- Quality of Life
- Non-Mandated Projects
- High scoring projects in TRC, per category
- Timeliness
- Importance to Citizens
- Conditions of Facilities
- Project Diversity
- Strategic Initiatives

RECOMMENDED CIP BUDGET MODEL: FY 19 - 23

Line	Net of Transfers (\$ in millions)	FY 18 Projected	FY 19	FY 20	FY 21	FY 22	FY 23
A	Capital Improvement Plan (CIP) Budget Model						
B	Capital Revenues						
C	CIP Pay-Go (GFT)	\$ 1.3	\$ 3.0	\$ 7.1	\$ 13.0	\$ 7.8	\$ 12.5
D	Other CIP Revenues	\$ 25.6	\$ 2.4	\$ 14.5	\$ 13.0	\$ 4.8	\$ 4.9
E	Planned Borrowed Proceeds	\$ 22.0	\$ 43.0	\$ 70.3	\$ 38.5	\$ 44.4	\$ 10.9
F	Short-Term Borrowing	\$ -	\$ -	\$ 16.0	\$ -	\$ 23.0	\$ -
G	Use of Fund Balance	\$ 62.9	\$ 9.2	\$ (15.3)	\$ 9.9	\$ (18.8)	\$ 19.6
H	Total Capital Revenues	\$ 111.8	\$ 57.7	\$ 92.6	\$ 74.5	\$ 61.2	\$ 47.8
I	Total Capital Expenditures	\$ 111.8	\$ 57.7	\$ 92.6	\$ 74.5	\$ 61.2	\$ 47.8

* Total FY 19-23 CIP accounts for planned Short-term Borrowing in 2020 (\$16M) and in 2023 (\$23M) that is repaid using Borrowed Proceeds from 2021 and 2023 issuances respectively

RECOMMENDED FINANCIAL CIP MODEL: FY 19 - 23

Line	Net of Transfers (\$ in millions)	FY 18 Projected	FY 19	FY 20	FY 21	FY 22	FY 23	Total FY 19-23
J	Financial Resources & Projected Debt Obligations							
K	General Fund Allocation to Debt and Capital							
	Debt Service Obligation							
L	(Existing and Projected)	\$ 23.7	\$ 23.4	\$ 26.5	\$ 25.1	\$ 35.5	\$ 32.2	\$ 142.8
M	Recommended CIP Pay-Go (GFT)	\$ 1.3	\$ 3.0	\$ 7.1	\$ 13.0	\$ 7.8	\$ 12.5	\$ 43.4
N		\$ 25.0	\$ 26.4	\$ 33.6	\$ 38.1	\$ 43.3	\$ 44.7	\$ 186.1
O	Estimated Additional Revenue Needed*							
P	General Government & School CIP							
Q	Beginning in FY 20			\$ 5.7	\$ 5.8	\$ 6.0	\$ 6.2	\$ 23.8
R	Beginning in FY 21				\$ 3.9	\$ 4.0	\$ 4.2	\$ 12.1
S	Beginning in FY 22					\$ 4.0	\$ 4.2	\$ 8.2
T	Total Additional Revenue for General Government & School CIP			\$ 5.7	\$ 9.7	\$ 14.1	\$ 14.6	\$ 44.0
W	Water Resources Program			\$ 2.9	\$ 2.5	\$ 2.8	\$ 2.9	\$ 11.0
X	Total Additional Revenue		\$ -	\$ 8.6	\$ 12.2	\$ 16.9	\$ 17.4	\$ 55.1

RECOMMENDED CIP: FY 19 – 23 POTENTIAL IMPACTS

Line						
aa	Estimated Additional Dedicated Pennies on the Real Estate Tax Rate that may be needed to generate additional revenue					
		FY 19	FY 20	FY 21	FY 22	FY 23
ab	General Government & School CIP		3.0			
ac	General Government & School CIP			2.0		
ad	General Government & School CIP				2.0	
ae	Water Resources Capital Program, if funded by tax rate increase		1.5			
af	Total Est. Additional Dedicated Pennies		4.5	2.0	2.0	
ag	Estimated Value of a Penny on the Tax Rate	FY 19	FY 20	FY 21	FY 22	FY 23
ah	(\$ in millions)	\$ 1.8	\$ 1.9	\$ 1.9	\$ 2.0	\$ 2.1