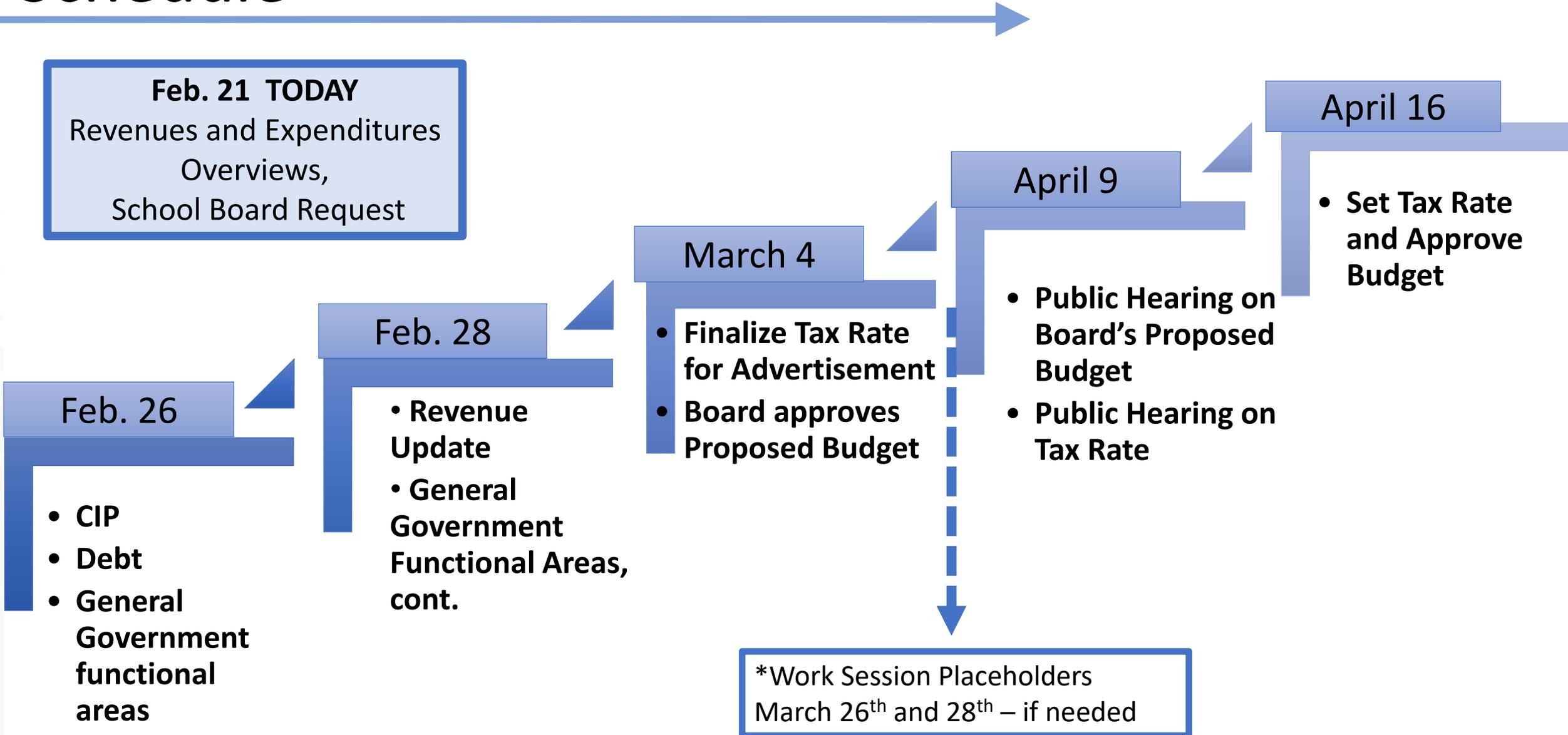


▶ Albemarle 2020

FY 20 Recommended Budget
Feb. 21, 2019 Work Session 1



Schedule



Work Session Process

Along the way:

Interactive Approach
Staff presents information
Board dialogue



Items that require further information and/or discussion identified for "the lists"

Finalizing Board's Proposed Budget:

March 4



Board members complete discussion and finalize direction



Board finalizes Proposed Budget and determines tax rate for advertisement

Today's agenda

- **Overview**

- Highlights
- General Fund Revenues
- Recommended Use of GF Fund Balance
- General Fund Expenditures
- Agency Funding
- General Fund Transfers
- Revenue Sharing
- City/County Collaboration

- **School Board Request**



The County's long-range planning and Board direction provides the foundation for this Budget

- FY 20 –22 Strategic Plan
- FY 20 –24 Capital Improvement Plan (CIP)
- FY 20 –24 Five-Year Financial Plan
 - FY 20 –22 Two-Year Fiscal Plan

Recommended Budget Supports the FY20-22 Strategic Plan

Climate Action
Planning

Outdoor
Recreational Parks
and Amenities

Economic
Development
Program

School Space Needs

Infrastructure
Planning

Aging Urban
Neighborhood
Revitalization

Court Complex
Expansion/
Upgrade

Rio/29 Area
Redevelopment

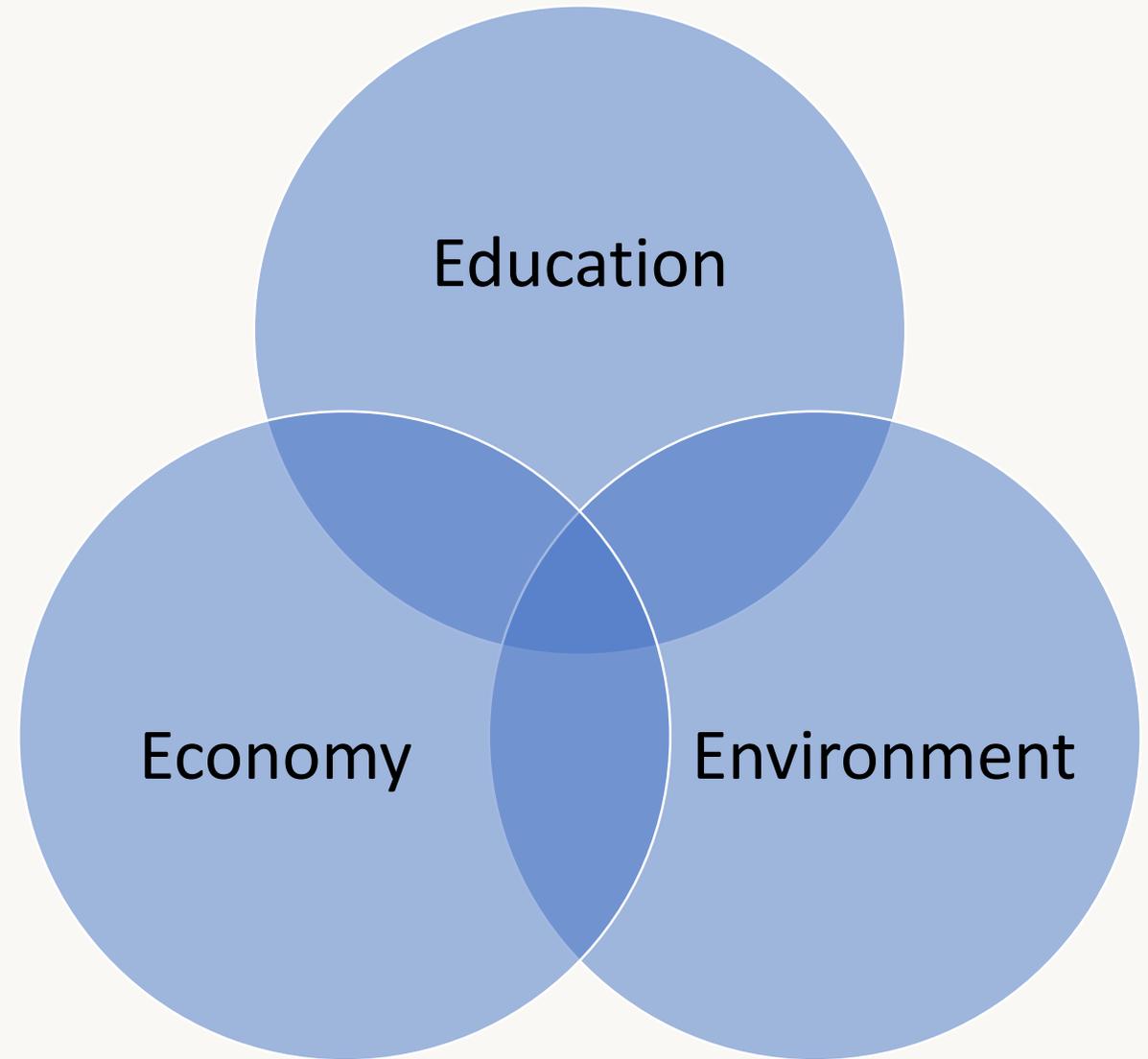
Broadband
Expansion

Also includes Capital and Operating Strategic Planning Contingencies



FY 20 Highlights

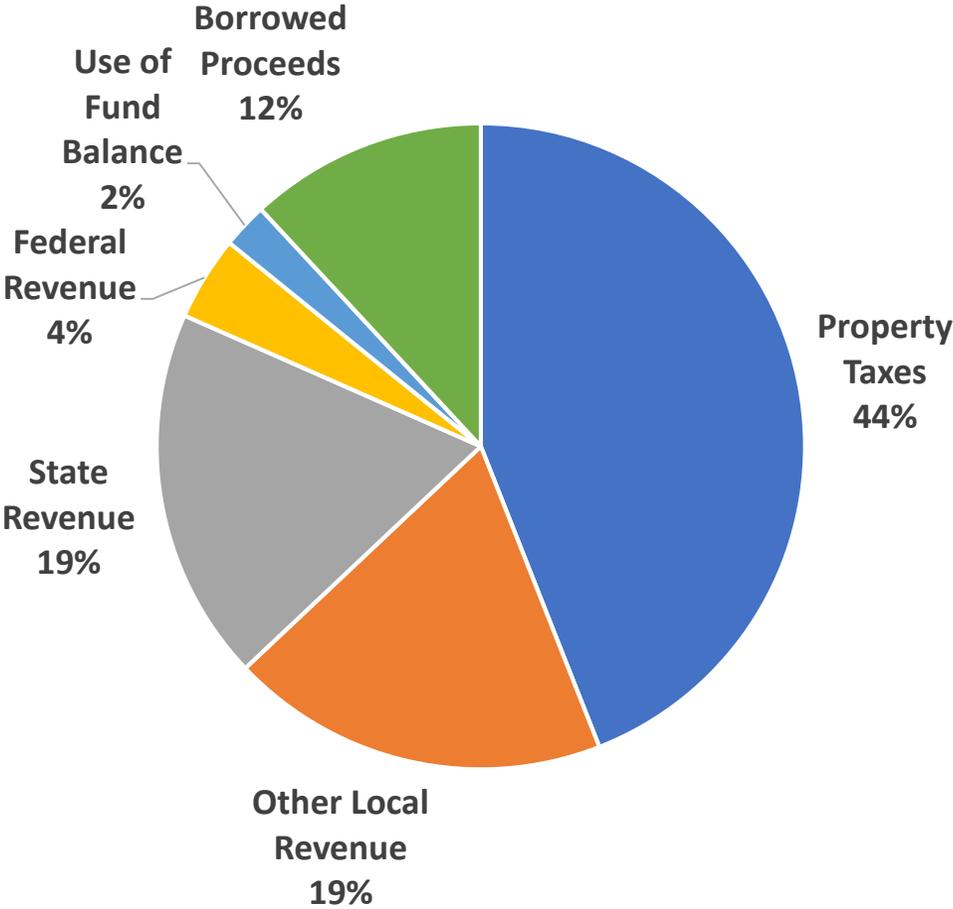
- Based on Board guidance obtained from the County's long range planning processes
- Sustained economic growth, balanced against an uncertain longer-term outlook
- Invests in 21st century infrastructure to further our vision
- Reinforces the foundation of government services
- Balanced on a recommended tax rate of \$0.854 per \$100 assessed value, an increase of 1.5 cents in CY 19, dedicated to the capital program



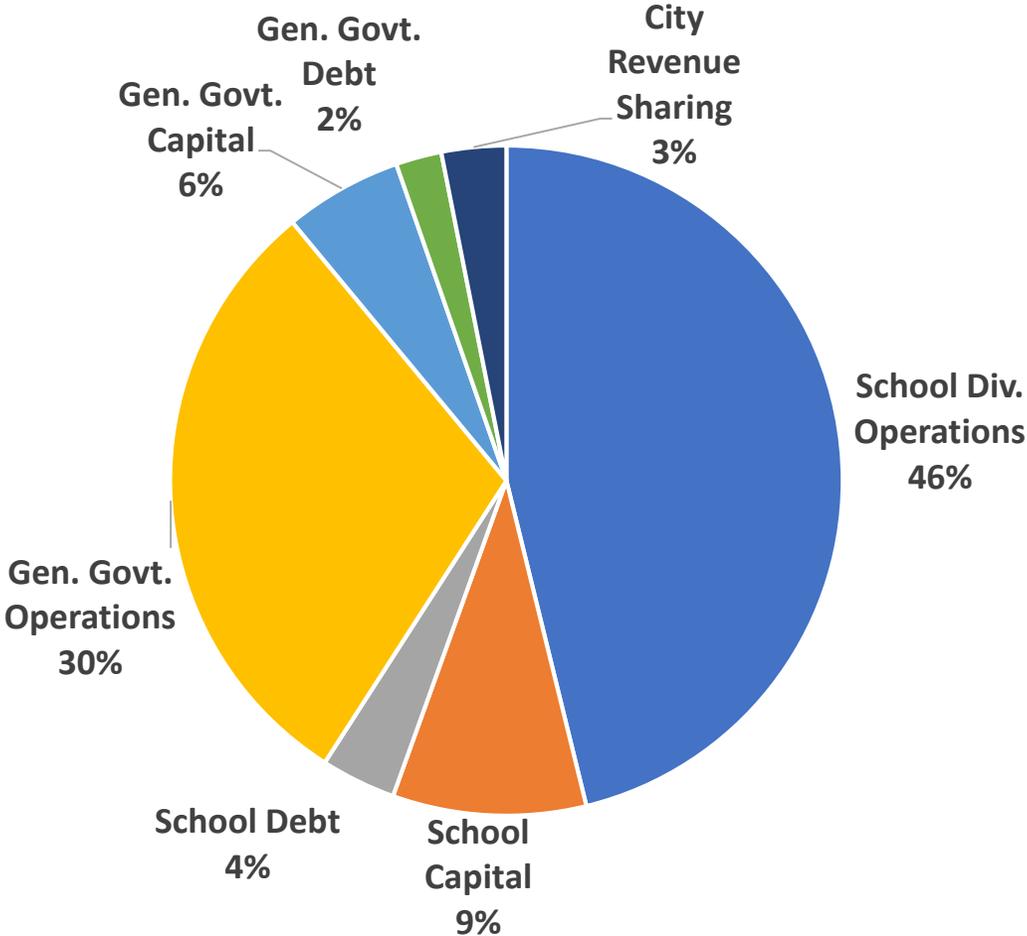
Government Services

FY 20 Recommended Total County Budget - \$456.8M

Where the money will come from

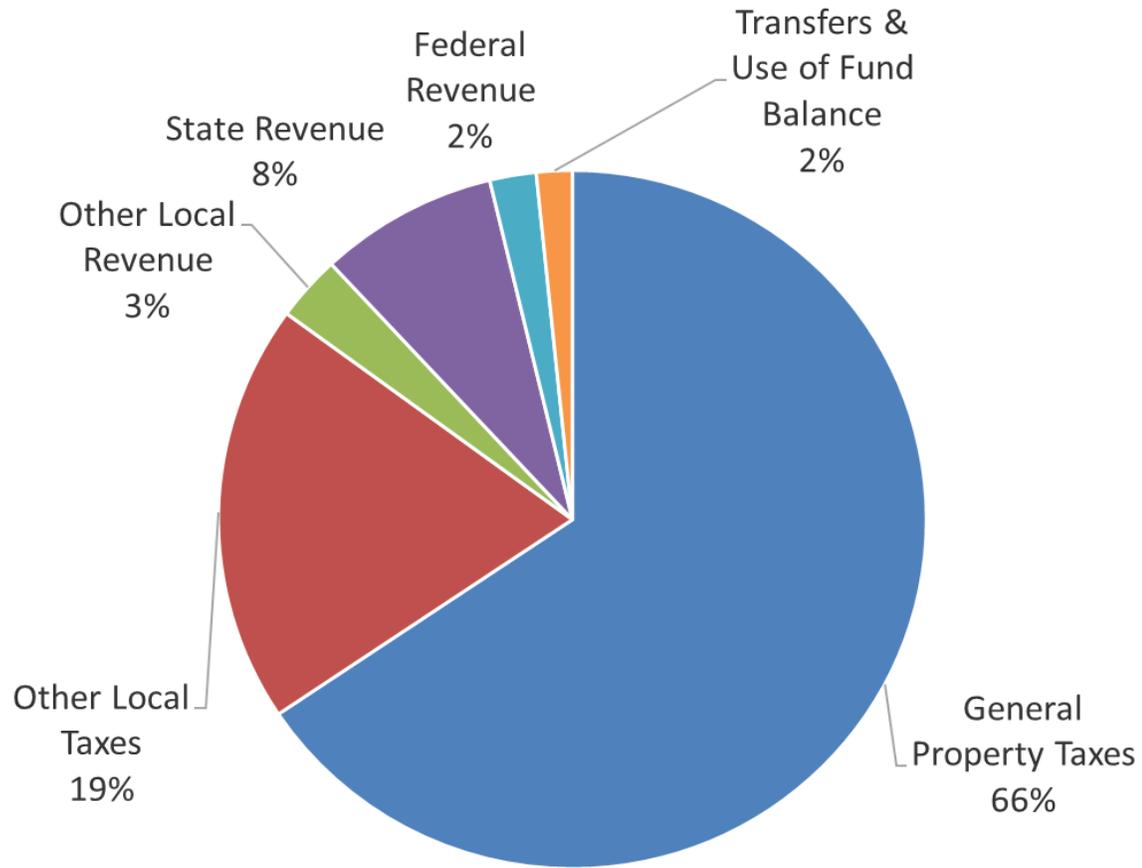


How the money will be spent

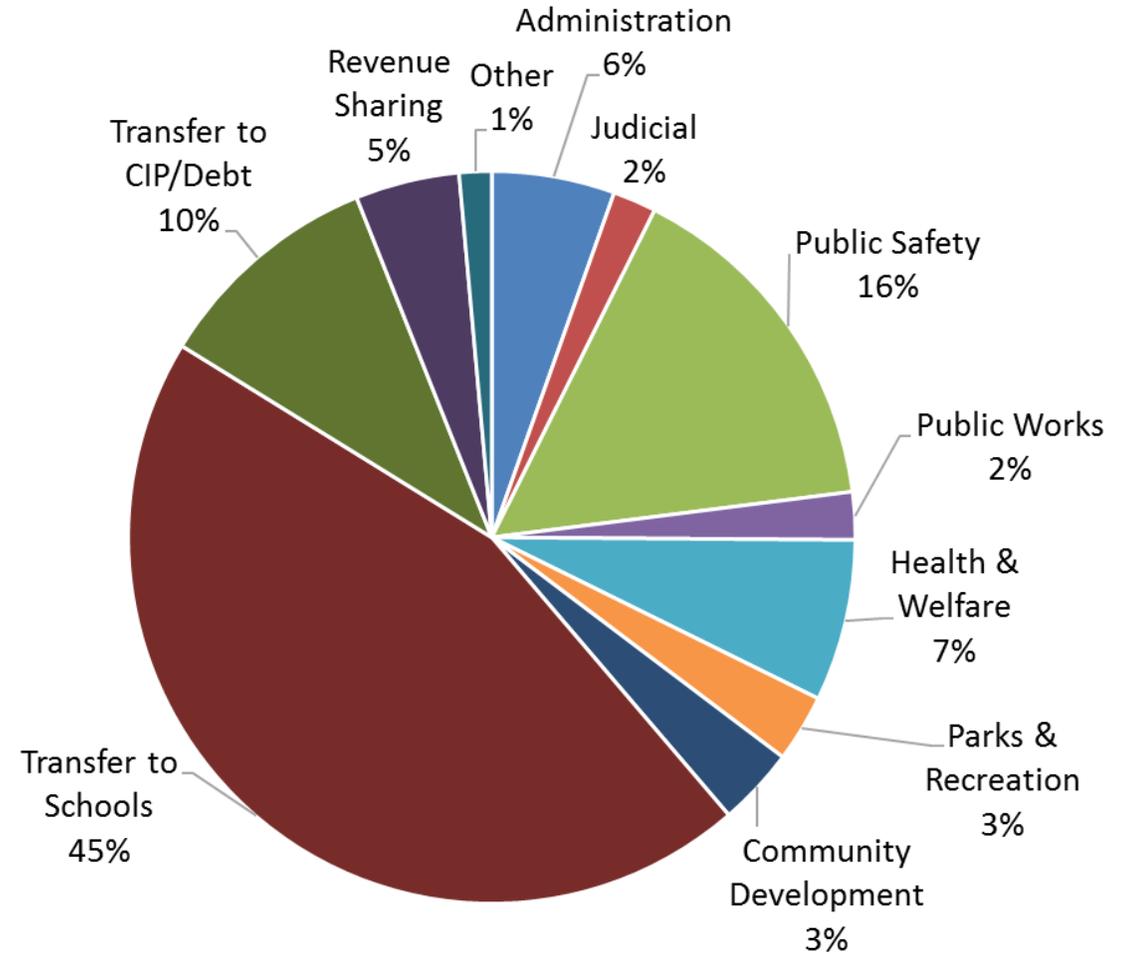


FY 20 Recommended General Fund - \$306.7M

Where the money will come from



How the money will be spent



A closer look at General Fund Revenues

page 39 - 52



County's Revenue Team uses following approaches to forecast General Fund Revenues

- Linear Trend Line Analysis
- Year-Over-Year (YOY) Methodology
- Assumed Rates of Growth
- Algorithm Modeling
- Regression Modeling
- Institutional Knowledge and Intuition



General Fund Revenue Forecast



- Continuing growth in the global and U.S. economies.
- The overall state of the economy looks good in the near-term.
- Strong Local revenue growth.
- Some potential headwinds: High corporate debt in the U.S.; rising interest rates; and U.S. – China trade situation.

General Fund REVENUES

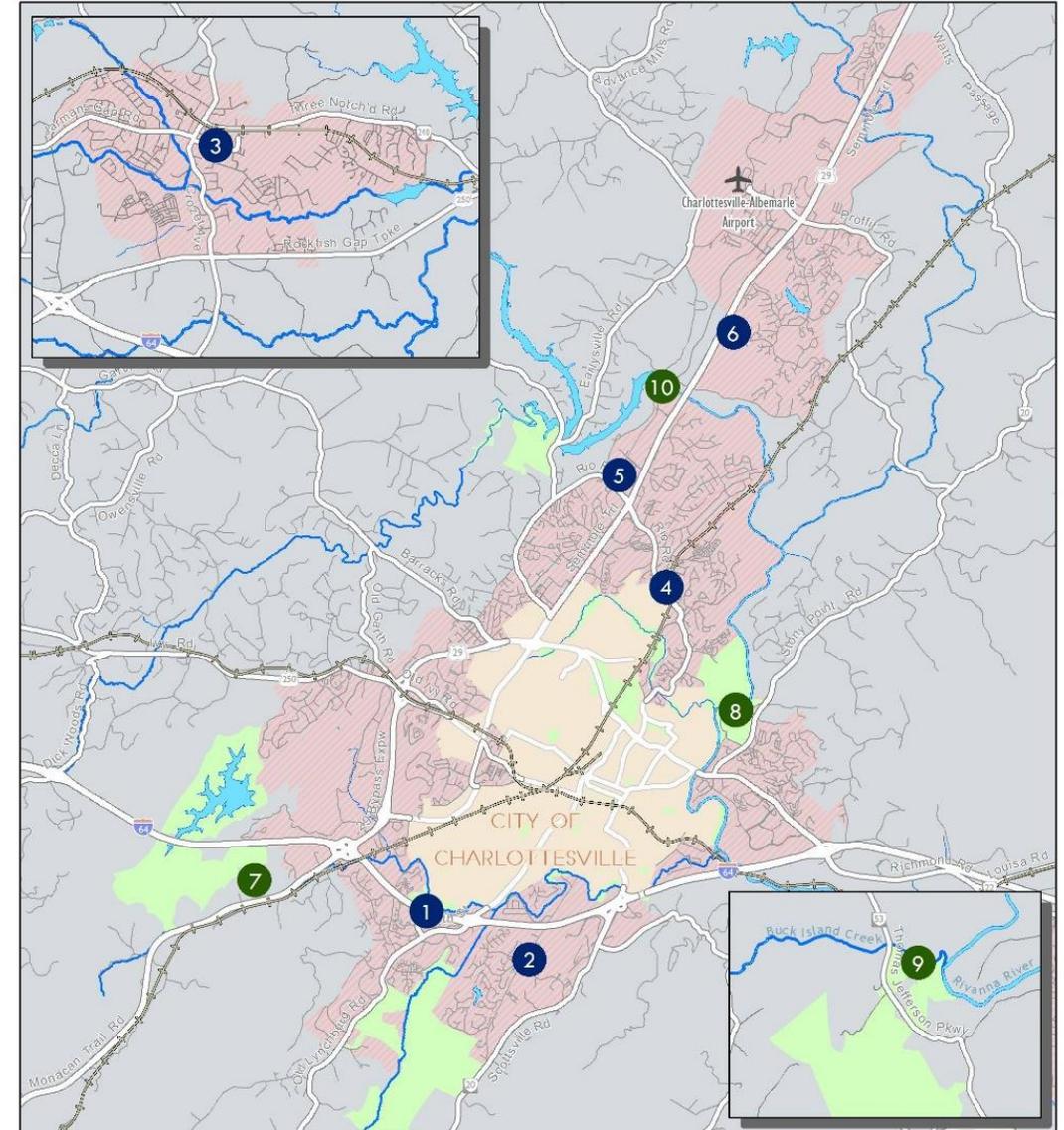
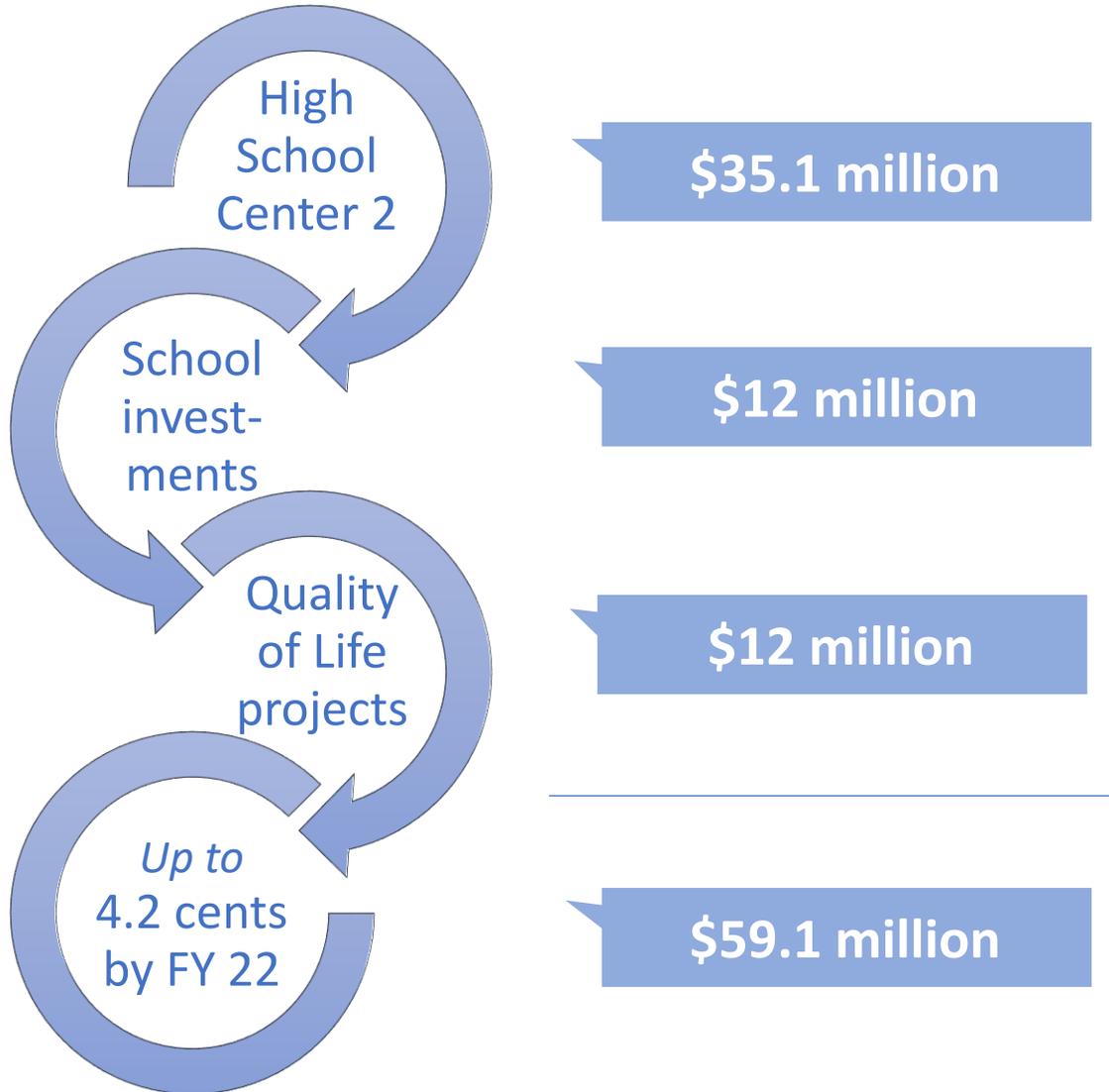
(\$ IN MILLIONS)

	FY 19 ADOPTED	FY 20 RECOMM	\$ Change	% Change
Local Revenue				
Gen. Property Taxes (incl. Real Estate, Personal Property, Public Service)	\$187.73	\$201.20	\$13.48	7.2%
Other Local Taxes	58.43	59.66	1.23	2.1%
Other Local Revenue	8.72	9.28	0.56	6.4%
Subtotal, Local	254.87	270.14	15.26	6.0%
State Revenue	24.53	25.07	0.53	2.2%
Federal Revenue	6.05	6.51	0.45	7.5%
Transfers	3.87	3.40	(0.46)	-12.0%
Use of Fund Balance	2.37	1.62	(0.75)	-31.6%
Subtotal, Other	36.82	36.60	(0.22)	-0.6%
Total General Fund	\$291.69	\$306.73	\$15.04	5.2%

Over 73% of Voters approved the 2016 Bond Referendum for up to \$35M in School Projects.
Expansion of Woodbrook Elementary School and modernization and security projects at schools throughout community



FY19-23 Capital Improvement Plan

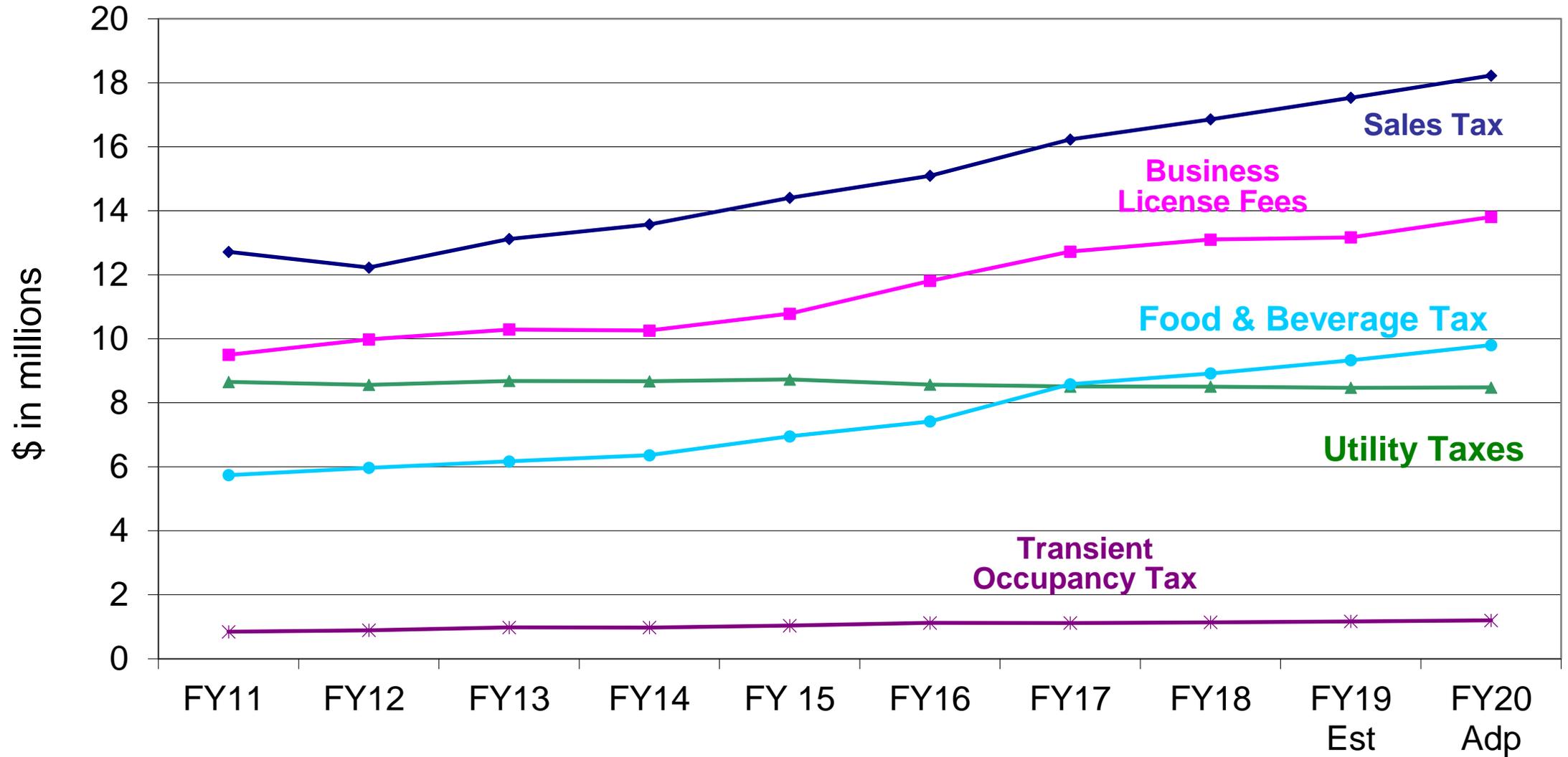


Real Estate property taxes

- Calculated at the recommended rate of \$0.854 per \$100 of assessed value, an increase of 1.5 cents in CY 19, dedicated to the capital program/debt service
- Each penny on the real estate tax rate yields ~\$1.9M in estimated collectable real estate tax revenues
- “Lowered” or “Effective” Tax Rate would be \$0.807 per \$100 of assessed value
- Tax Relief for Elderly/Disabled Program
\$1.0M Total (7.4% increase)

- Expected to generate \$164M or 53% of General Fund revenues
- An \$11.5M or 7.5% increase over FY 19
 - \$5.15M due to appreciation
 - Based on 4.0% increase in CY 2019 reassessments, and assumption of additional 2.5% increase in CY 2020 reassessments
 - \$3.4M due to growth (new construction and land divisions)
 - \$2.95 M due to tax rate increase

Trends in Other Local Taxes



General Fund **State Revenues** – 8% of GF Revenues

\$25.1M – Increase of \$535K or 2.2%

Pgs. 48 and 49

- **Categorical Aid** - \$6.8M - includes Social Services funding, Recordation taxes, HB599 (law enforcement), Fire Rescue Services funding, and miscellaneous
- **Non-Categorical Aid** – \$15.9M - includes \$14.9M in Personal Property Tax Relief, vehicle rental tax, and misc.
- **Shared Expenses** – \$2.3M - Commonwealth Attorney, Clerk of Circuit Court, Sheriff, Registrar and \$ for Finance.
- **Payments in Lieu of Taxes** - \$161K - from UVA.

General Fund **Federal Revenues** – 2% of GF Revenues
\$6.5M – Increase of \$454K or 7.5%

Page 50

- **Categorical Aid** - \$6.5M - Designated for specific use – usually received on a reimbursement basis. Primarily for Social Services and Medicaid reimbursements.
- **Payment in lieu of taxes** - \$41K for tax exempt Federal park lands located in the County.

General Fund fund balance – PAGE 171



June 30, 2018 Audited Fund Balance	\$53.5 M
<u>Less Policy Use of Fund Balance</u>	
• 10% Unassigned Fund Balance	\$34.8 M
• School Reserve Fund	\$3.2 M
• Committed, prepaids/inventory	\$0.1 M
• 1% Stabilization Reserve	\$2.9 M
Less Appropriated Use of Fund Balance (FY 19)	\$4.3 M
Less Recommended CIP Policy-Related Equity Funding	<u>\$1.9 M</u>
Undesignated Fund Balance	\$6.3 M

Recommended Strategic Investment of Undesignated Fund Balance

Page 52 and Page 172

Putting it to work in FY 19

\$4.7M

- **Econ. Development Fund - \$3.2M**
- **Housing Fund - \$700K**
- **Broadband Incentives - \$800K**

Putting it to work in FY 20

\$1.6M

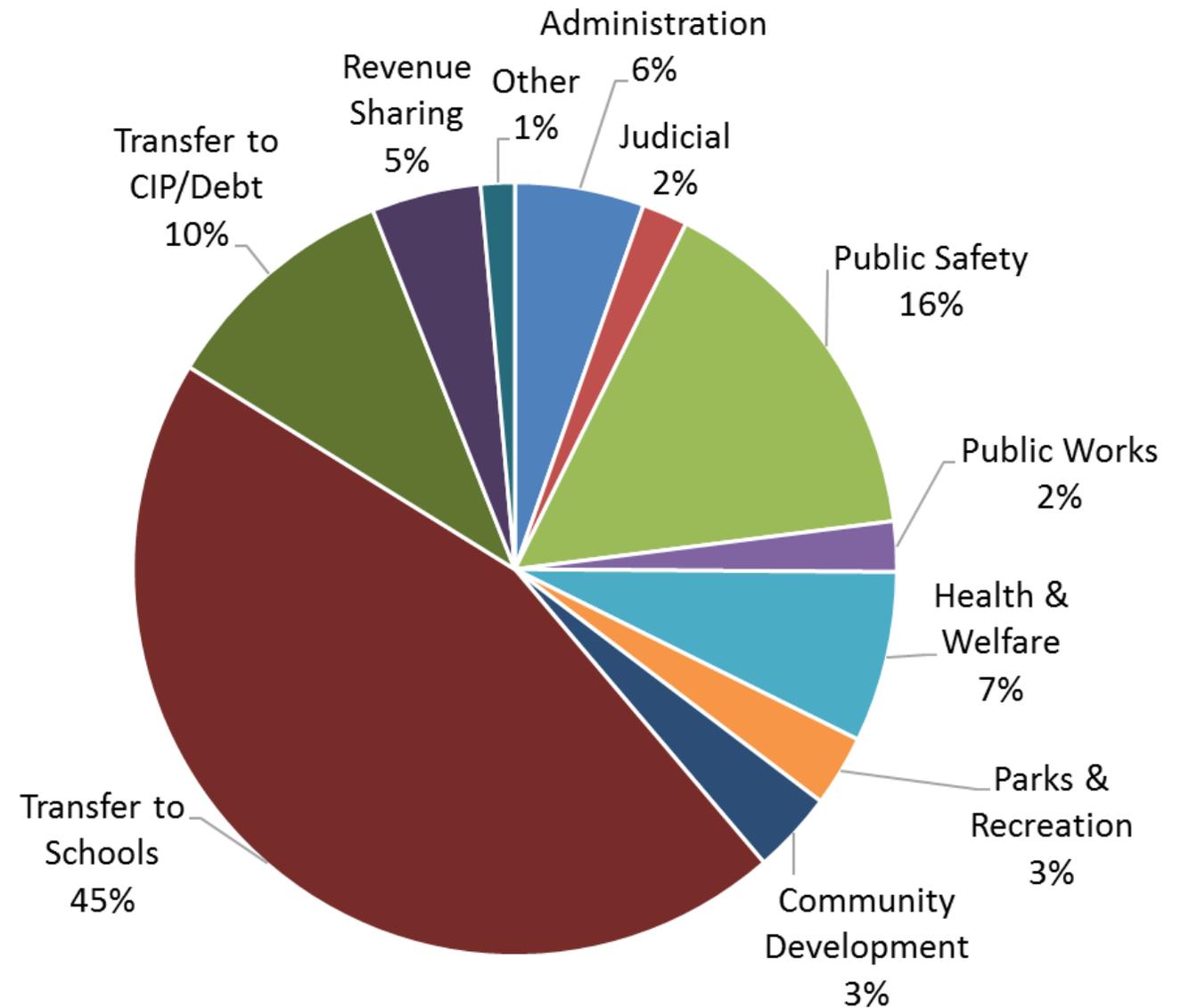
- **Grants Leveraging - \$60K**
- **Innovation Fund - \$100K**
- **Business Process Optimization - \$250K**
- **Contingencies - \$237K**
- **CIP and Grant Support - \$150K**
- **Water Resources - \$187K**
- **One-time Expenditures - \$637K**

General Fund Revenue Forecast



Board will receive Revenue
Update
on February 28

A closer look at General Fund expenditures pages 53-62



General Fund EXPENDITURES

(\$ IN MILLIONS)

	FY 19 ADOPTED	FY 20 RECOMM	\$ Change	% Change
Administration	\$15.09	\$16.77	\$1.68	11.1%
Judicial	5.32	5.90	0.58	10.9%
Public Safety	44.30	47.88	3.58	8.1%
Public Works	5.92	6.47	0.55	9.2%
Health & Welfare	21.29	21.91	0.62	2.9%
Parks, Recreation & Culture	8.59	9.15	0.56	6.5%
Community Development	10.03	10.62	0.59	5.8%
Subtotal, Depts and Agencies	\$110.56	\$118.70	\$8.14	7.4%
Revenue Sharing	15.70	14.20	(1.50)	-9.5%
Transfer to Schools	131.31	138.20	6.89	5.2%
Transfer to Capital/Debt Service	27.40	31.22	3.82	14.0%
Other Uses of Funds	6.73	4.41	(2.32)	-34.4%
Subtotal, Other	\$181.14	\$188.03	\$6.90	3.8%
Total General Fund	\$291.69	\$306.73	\$15.04	5.2%

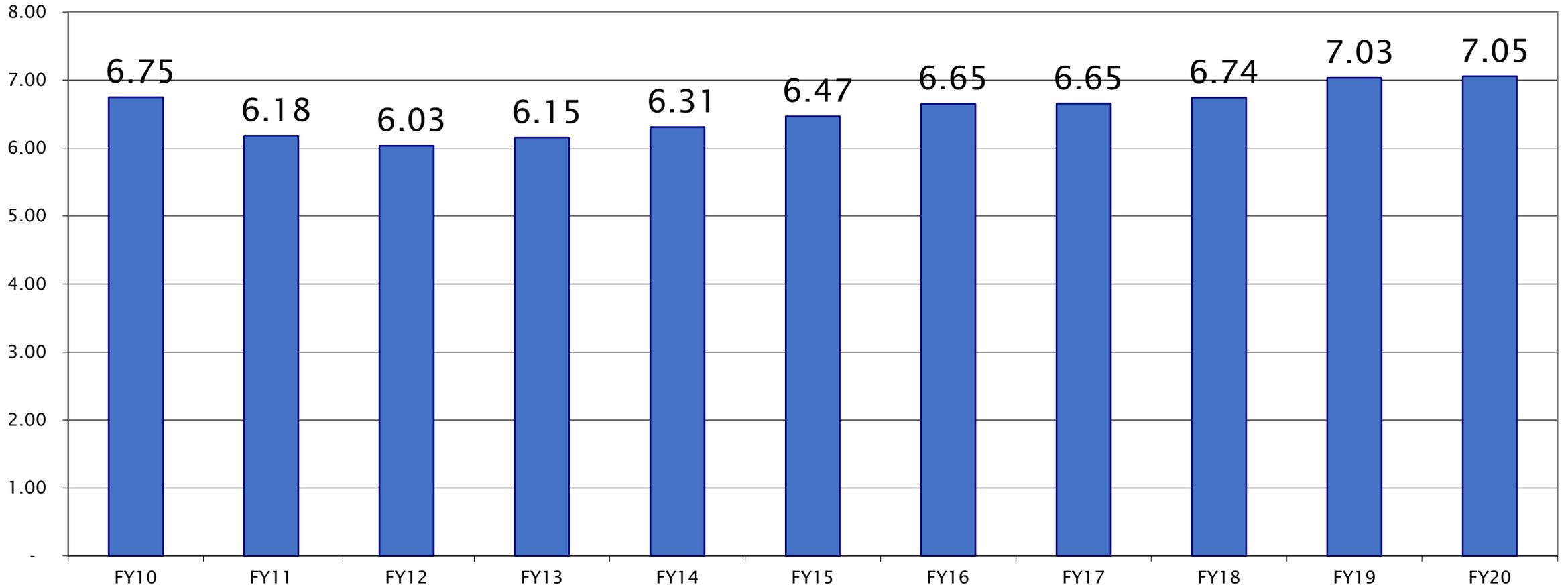


General Fund EXPENDITURES Cross-Departmental Recommended Budget includes:



- 2.3% salary increase and 0.7% pay-for-performance reserve: \$1.65 M increase
- 5.4% increase in employer contribution to health insurance costs and implementation of differentiated health insurance employer contribution rates effective January 1, 2020: \$430k increase
- Implementation of a full year of the Public Safety Pay Plan: \$900k increase
- Increases budgeted salary lapse from 1.5% to 2.0% of salaries: \$271k decrease

General Government Positions Per 1,000 Population



Positions
included in
FY 20
Recommended
Budget:

15.5
net increase

Department	Position	Net FTE
Executive Leadership	Performance & Policy Analyst	1.0
Police	Police Officer	1.0
	Public Safety Freedom of Info. Act position	0.5
Social Services	Assistant Director	1.0
Clerk of the Circuit Court	Deputy Clerk	1.0
Sheriff	Sheriff's Deputies <i>2 half-time to full-time</i>	1.0
Parks & Recreation	Facilities Maintenance Supervisor	1.0
	Park & Greenbelt Planner	1.0
Facilities & Environmental Services	Temp positions converted to ongoing	2.5
Community Development	Deputy Director	1.0
	Zoning Compliance position	1.0
	Chief of Housing	(1.0)
IT	Business Intelligence Manager	1.0
Finance	Land Use Administrator	1.0
	Purchase card Program Administrator	1.0
	Tax Accountant	1.0
Human Resources	Technical Trainer <i>half-time to full-time</i>	0.5

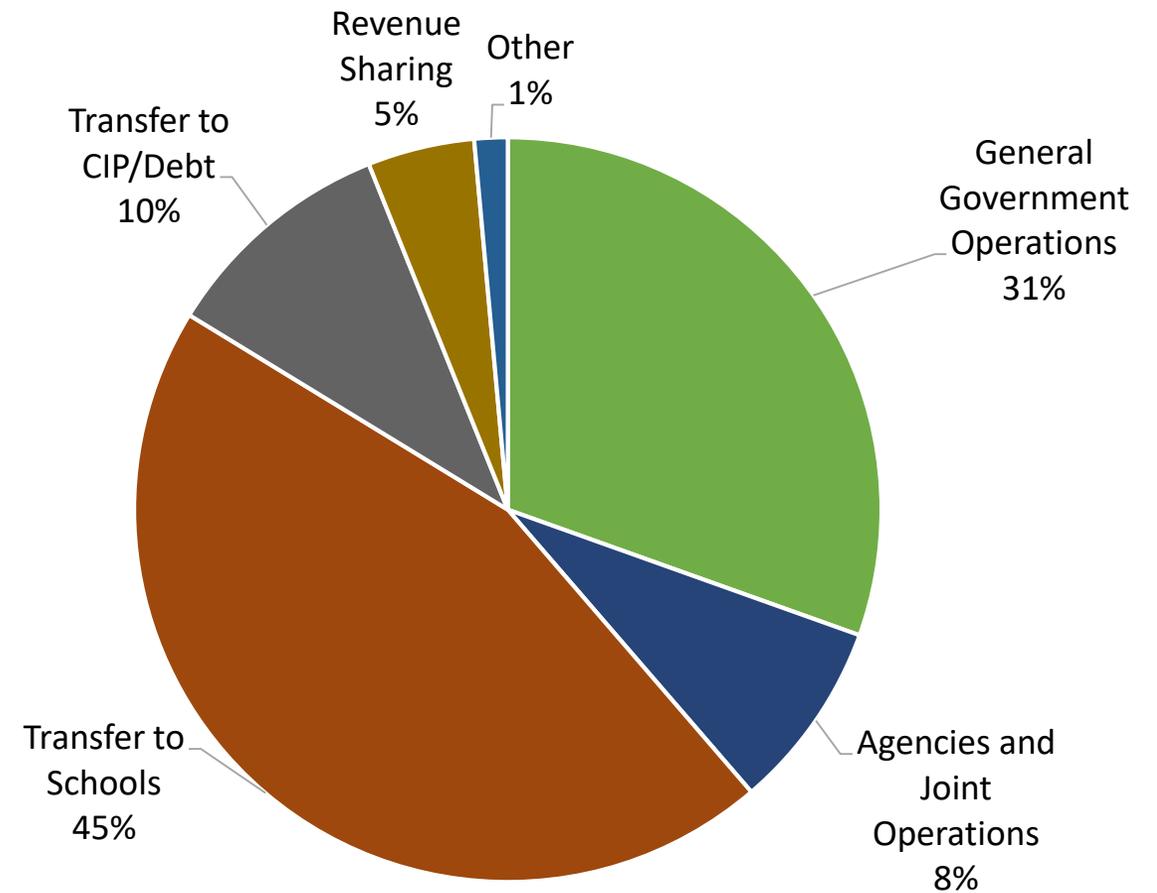


Agency and Joint Operations Funding

FY 20 Recommended Budget
\$25.2 M or 8% of the General Fund

21% of all General Government Operations
(Departments + Agencies)

\$1.6 M or 6.8% increase



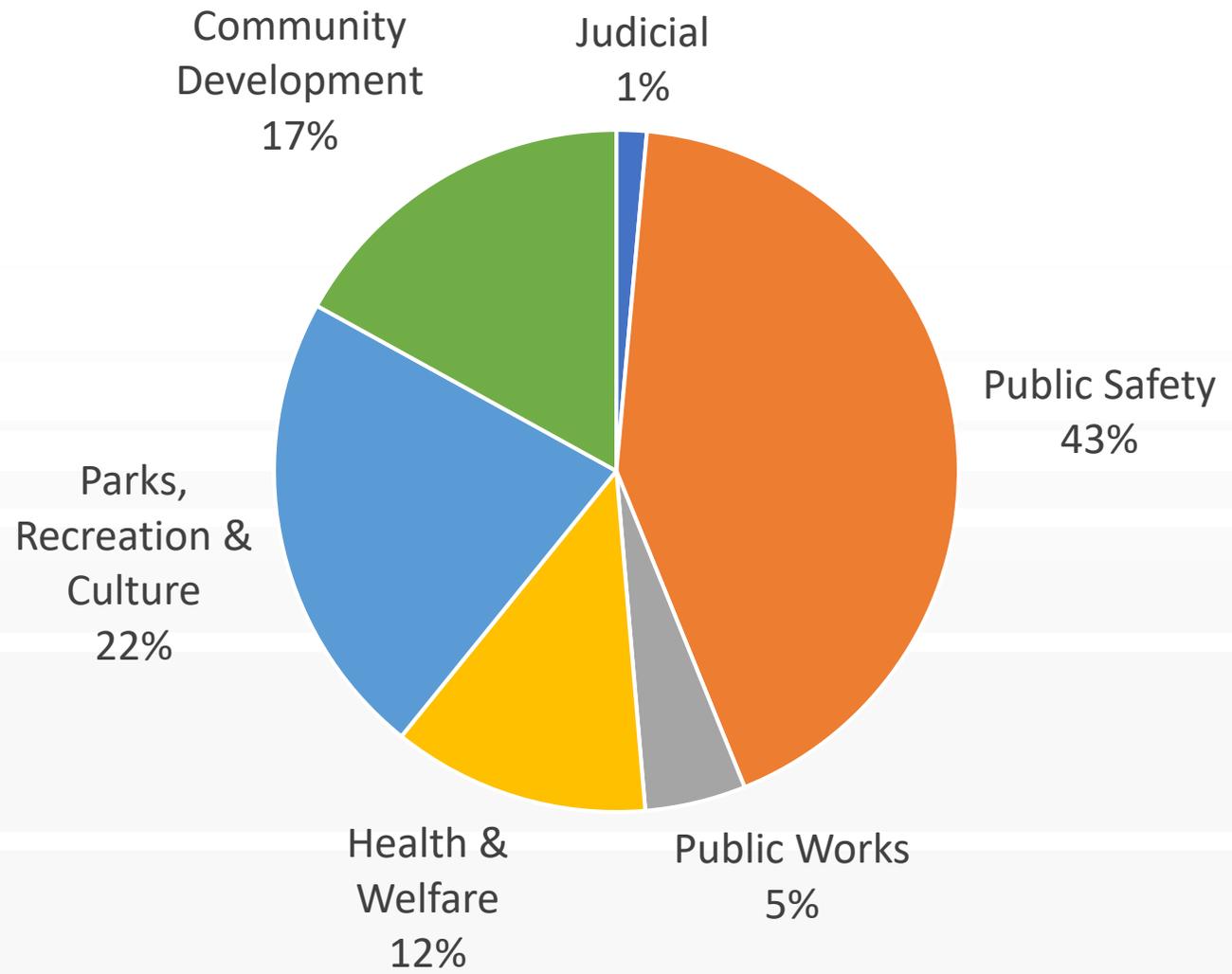


Agencies by Type

- Regional Authorities & Joint Exercise of Power Agreements
- Agencies for which we have written agreements
- Human Services – Agency Budget Review Team Process
- Cultural Agencies and Festivals
- Others



Agencies by Functional Area





Agencies & Community Partners

Continued support

- Community Development
- Health & Welfare
- Public Safety
- Parks, Recreation, Cultural Agencies

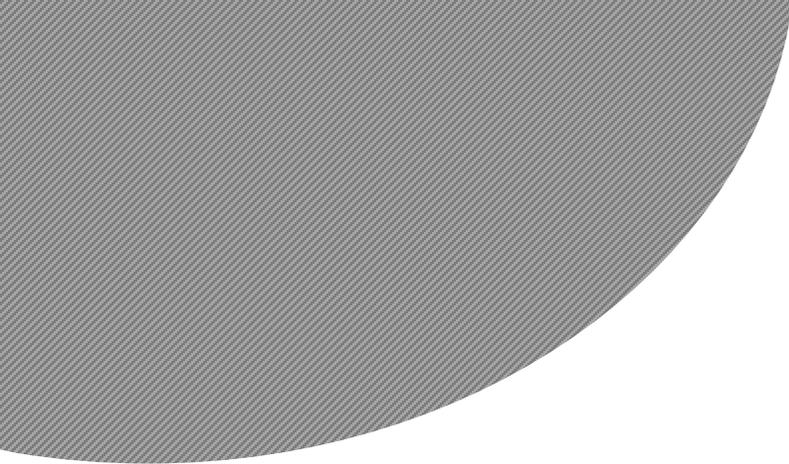
Enhanced Support

- Emergency Communications Center
- Jefferson Madison Regional Library
- Regional Transit Partnership
- JAUNT
- Piedmont Housing Alliance

New Support

- Thomas Jefferson Area Coalition for the Homeless/PACEM
- Jefferson School African American Heritage Ctr
- Georgia's Healing House
- Light House Studio
- On Our Own





Non-departmental, page 159 - 172



General Fund Transfers (Pgs. 162 - 167) include:

- Transfer to the School Fund: \$138.2 M
 - Increase of \$6.9 M, or 5.2%
 - This includes an additional \$50k for operational expenses associated with the GO Bond funding of Western Albemarle High School Environmental Studies Academy
- Transfer to Capital Improvement Fund & Debt Service: \$31.0 M
 - \$4.1 M, or 15.2% increase
 - Includes \$2.9 million from dedicated tax rate increase
 - Also includes \$196k from General Fund for Facilities Planning & Construction
- Transfer to Stormwater Capital Fund - \$187k
 - Provides a “bridge year” until ongoing funding is identified
- Transfer of dedicated funding to Water Resources Fund - \$1.4 M
 - Equivalent to 0.7 cents on the real estate tax rate

Revenue Sharing with the City

Pages 160 and 161

FISCAL YEAR	AMOUNT	DOLLAR CHANGE	PERCENT CHANGE
FY 16	16,058,668	(408,313)	-2.5%
FY 17	15,767,084	(291,584)	-1.8%
FY 18	15,855,485	88,401	0.6%
FY 19	15,696,360	(159,125)	-1.0%
FY 20	14,199,607	(1,496,753)	-9.4%

Recommended FY 20 Budget supports programs and projects that are undertaken in collaboration with the City





Operating Budget
includes **\$23.5M** in support of
City/County Memorandums of Understanding
& Other Collaborative Efforts



County Funding Supports City/County Memorandums of Understanding \$6.6M



Examples

EDUCATION

*Literacy Volunteers, Piedmont Virginia Community College (PVCC) **

ENVIRONMENT

Rivanna Solid Waste Authority (RSWA), Thomas Jefferson Soil & Water Conservation District (TJSWCD), Rivanna Conservation Alliance-Stream Watch

REDEVELOPMENT & AFFORDABLE HOUSING

*Albemarle Housing Improvement Program (AHIP), Piedmont Housing Alliance, Thomas Jefferson Area Coalition for Homeless (TJACH), Housing Choice Vouchers ** (Federal \$)*

TRANSPORTATION

Charlottesville Area Transit (CAT), JAUNT, Regional Transit Partnership

ECONOMIC DEVELOPMENT

CACVB, Economic Development Agency Contributions, United Way Self Sufficiency; Cultural Agencies like Paramount Theater, VA Festival of Book & VA Film Festival



County Funding that Supports Other City/County Collaborative Efforts

\$16.9M



Examples

Health & Welfare	<i>ABRT Agencies, Jefferson Area Board for Aging (JABA), Region 10, Health Department</i>
Judicial	<i>Juvenile & Domestic Relations Court, Magistrate, Public Defender</i>
Public Safety	<i>Emergency Communications Center (ECC), Blue Ridge Juvenile Detention Center, Offender Aid Restoration, Regional Jail, Charlottesville/Albemarle SPCA, Regional Firearms Training Center Operating Costs and Capital Reserve, City Fire Contract</i>
Other	<i>Darden Towe Park, Jefferson Madison Regional Library (JMRL), Thomas Jefferson Planning District Commission (TJPDC)</i>



City-County Shared Capital Projects



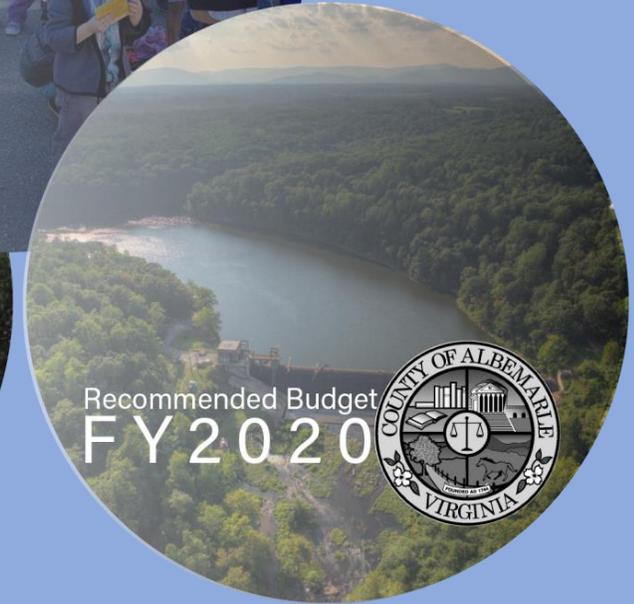
- **Darden Towe Athletic Field Improvements** (Turf and Lighting)
\$2.9 M Project to start in FY 20. This amount includes a City Contribution of \$928K
- **Courts Complex Project**
 - \$44 M Project (Including Carry Forward). This amount includes a City Contribution of \$6.38M Per MOU
- **City-County Parks Maintenance/Replacement Program**
 - On Going Program that includes Darden Towe and Ivy Creek Natural Area
- **City-County Co-Owned Facilities Maintenance/Replacement Program**
 - On Going Program that includes Central Library, J & DR, Preston Morris Building, Wheeler Building , Jessup House, etc.

Additionally, County staff is planning and developing multiple trail and sidewalk projects that extend to City's boundaries

In Summary

- **Overview**

- **General Fund Revenues**
- **Recommended Use of GF Fund Balance**
- **General Fund Expenditures**
- **Agency Funding**
- **General Fund Transfers**
- **Revenue Sharing**
- **City/County Collaboration**



Next Steps

