Expanding Opportunity

FY 21 Recommended Budget
February 25, 2020
Board Work Session 1

FY 21 SCHEDULE

Feb. 25 TODAY
Revenue and Expenditure Overviews, Non-Dept. School Board Request Capital

March 3
General Government functional areas

March 4
Public Hearing on Recommended Budget

March 5
Revenue Update

Finalize Advertised Tax Rate

Board approves Proposed FY 21 Budget

March 11
Work Session on Transit

April 13
Public Hearing on Board's Proposed Budget

*Work Session Placeholder March 17 – if needed

WORK SESSION PROCESS

Along the way:

Interactive Approach

Staff presents information

Board dialogue

Items that require further information and/or discussion identified for

"the list"

Finalizing Board's Proposed Budget:

March 5

Board members complete discussion and finalize direction

Board finalizes Proposed Budget and determines tax rate for advertisement

AGENDA

5:00 - 5:45 Overview:

- Revenues
- Expenditures
- Non-Departmental
  - Revenue Sharing
  - Recommended uses of Fund Balance

5:45 - 6:30 School Division Request

6:30 - 6:45 Break

6:45 - 8:00 Capital

Overview

FY 21 Recommended Budget

- Balanced on the current tax rate ($0.854 per $100 assessed value)
- Meets mandates and obligations
- Focus on community infrastructure, equity, working differently
- Funds CIP Advisory Committee's Recommended projects
- Supports our community partners and agencies

NEW - EFFICIENCIES AND ORGANIZATIONAL IMPROVEMENTS

PG. 35 - 44

- Process improvements
- Customer Service
- Fiscal Responsibility
- Maximizing Employee Time
- Energy Efficiency

RECOMMENDED FY21 TOTAL BUDGET
$451M
-1.3%
PGS. 28 AND 29

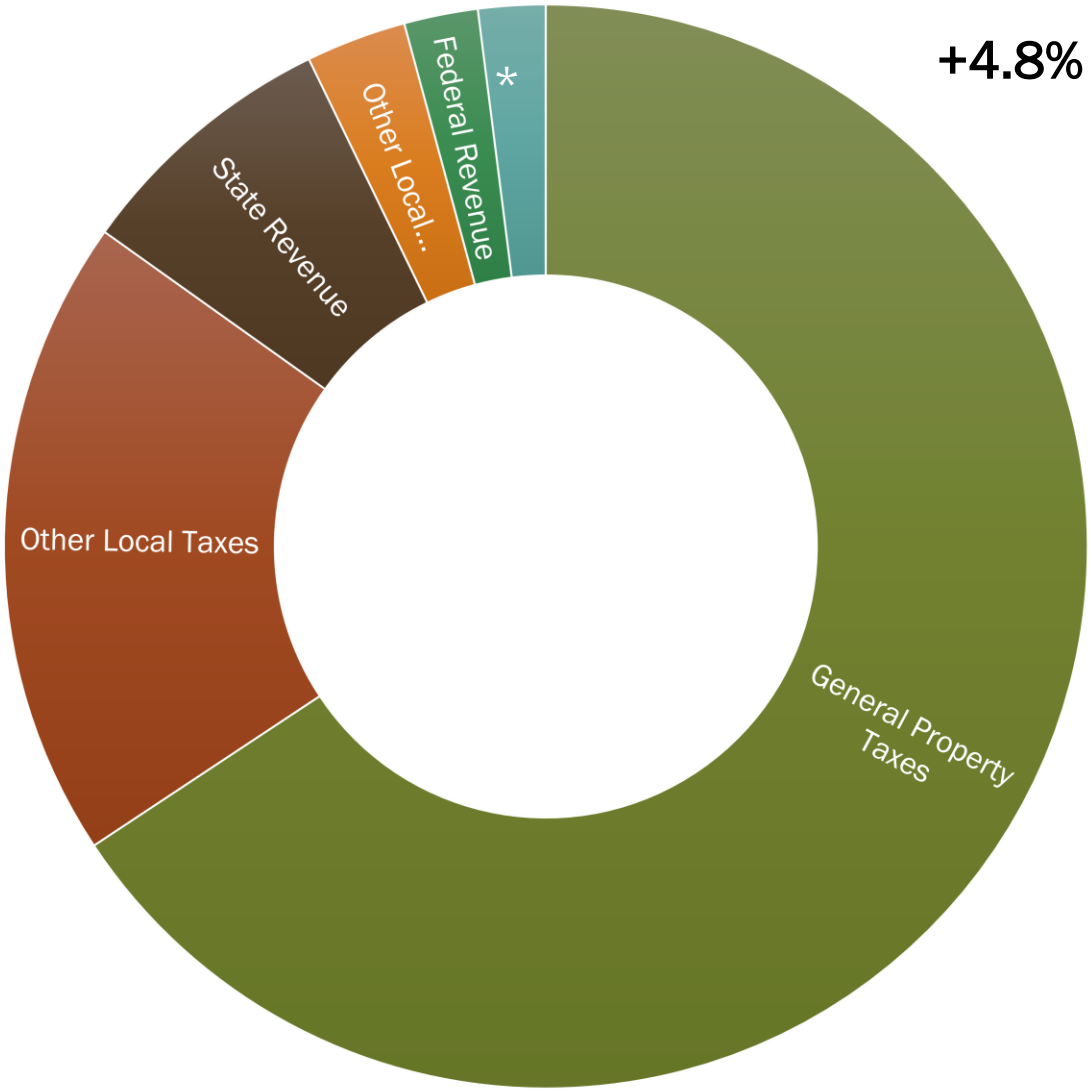
- Includes *All* Funds, i.e. Schools, Capital, General Government, Debt, School Special Revenue Funds, multitude of other Funds (pgs. 179 – 193)
- 1.3% decrease from FY 20 Adopted Budget primarily due to timing of capital projects and capital-related debt service

REVENUES

FY 21 RECOMMENDED BUDGET - GENERAL FUND REVENUES PGS. 49 - 62

$321.6M

- General Property Taxes
- Other Local Taxes
- Other Local Revenue
- State Revenue
- Federal Revenue
- Transfers & Use of Fund Balance*



MAJOR DRIVERS OF LOCAL REVENUES

Real Estate

+$8.8 million
5.4%

Local Personal Property

+$0.6 million
2.2%

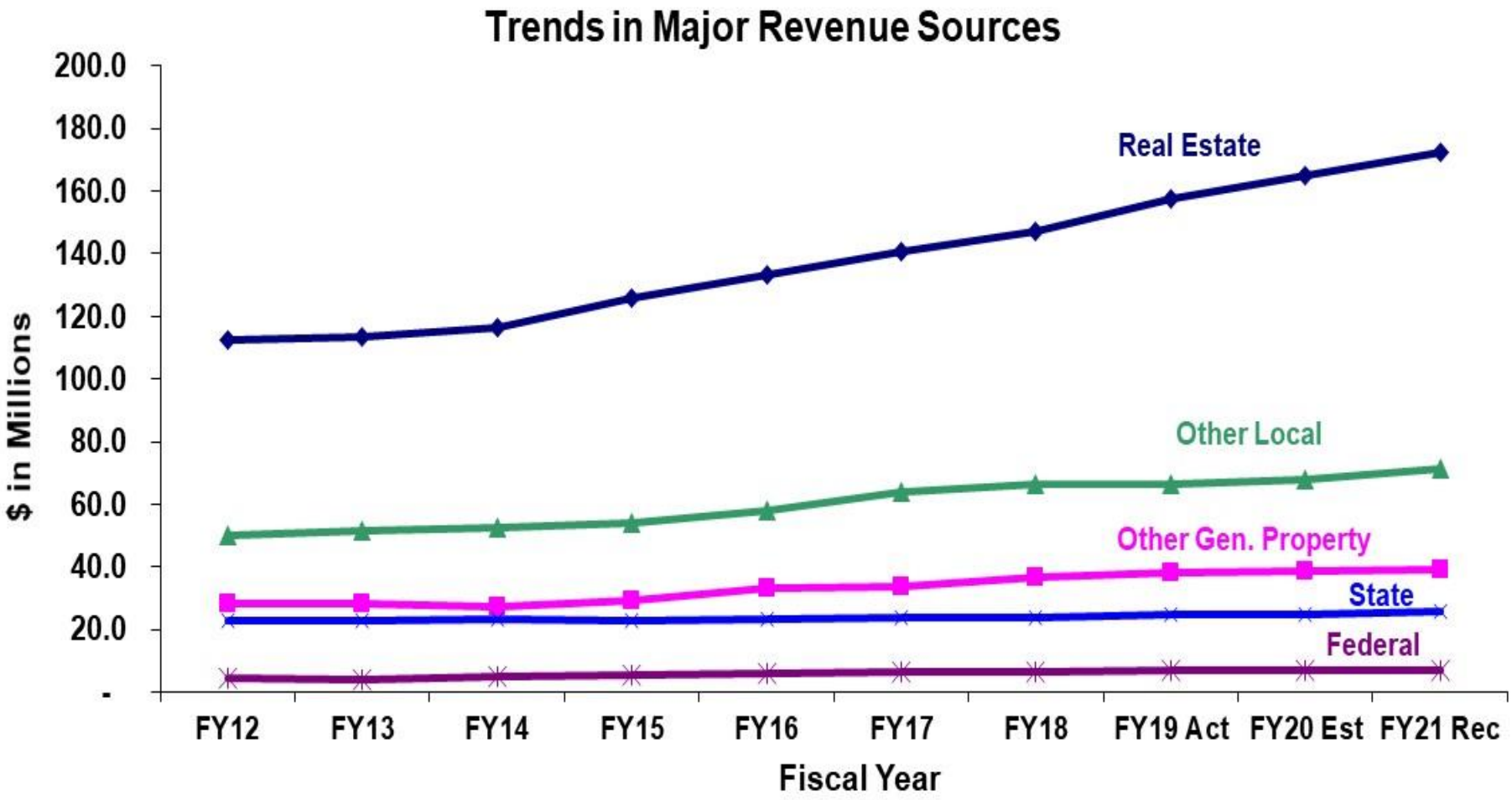
Business-Driven

+$0.37 million
2.3%

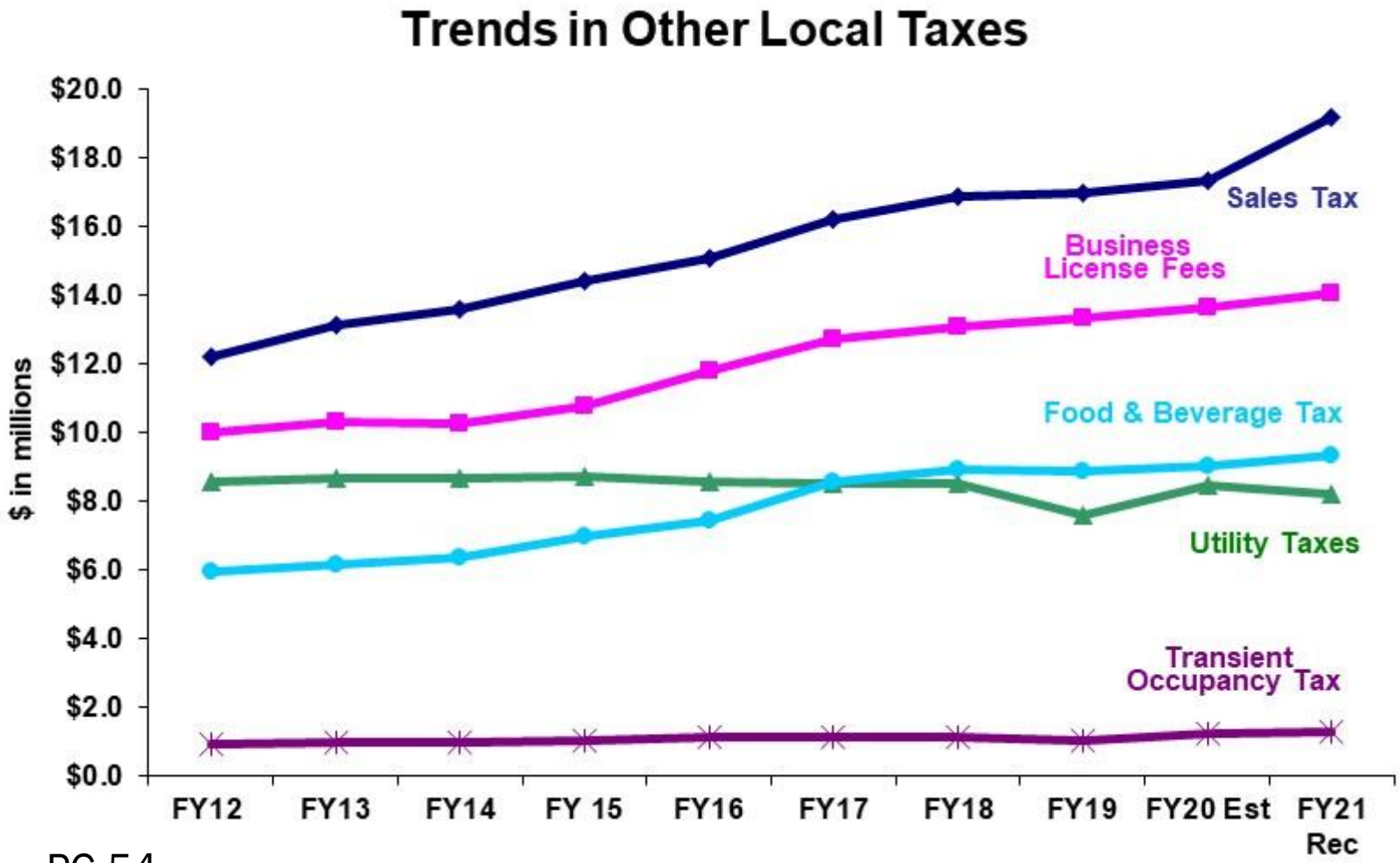
Consumer-Driven

+$0.65 million
1.6%

FY 21 Projections


Trends in Major Revenue Sources
200.0
180.0
160.0
140.0
120.0
100.0
80.0
60.0
40.0
20.0
-
$ in Millions
Real Estate
Other Local
Other Gen. Property
State
Federal
FY12
FY13
FY14
FY15
FY16
FY17
FY18
FY19 Act
FY20 Est
FY21 Rec
Fiscal Year

PG 50


Trends in Other Local Taxes
$ in millions
$20.0
$18.0
$16.0
$14.0
$12.0
$10.0
$8.0
$6.0
$4.0
$2.0
$0.0
FY12
FY13
FY14
FY 15
FY16
FY17
FY18
FY19
FY20 Est
FY21 Rec
Sales Tax
Business License Fees
Food & Beverage Tax
Utility Taxes
Transient Occupancy Tax

PG 54

REAL ESTATE PROPERTY TAXES

- Calculated at the current rate of $0.854 per $100 of assessed value
- Expected to generate $172.3M or 53.6% of General Fund revenues
- Each penny on the real estate tax rate yields ~$2M in estimated collectable real estate tax revenues
- "Lowered" or "Effective" Tax Rate would be 0.826 per $100 of assessed value
- Tax Relief for Elderly/Disabled Program - $1.2M Total (16.7% increase)

REVENUE UPDATE

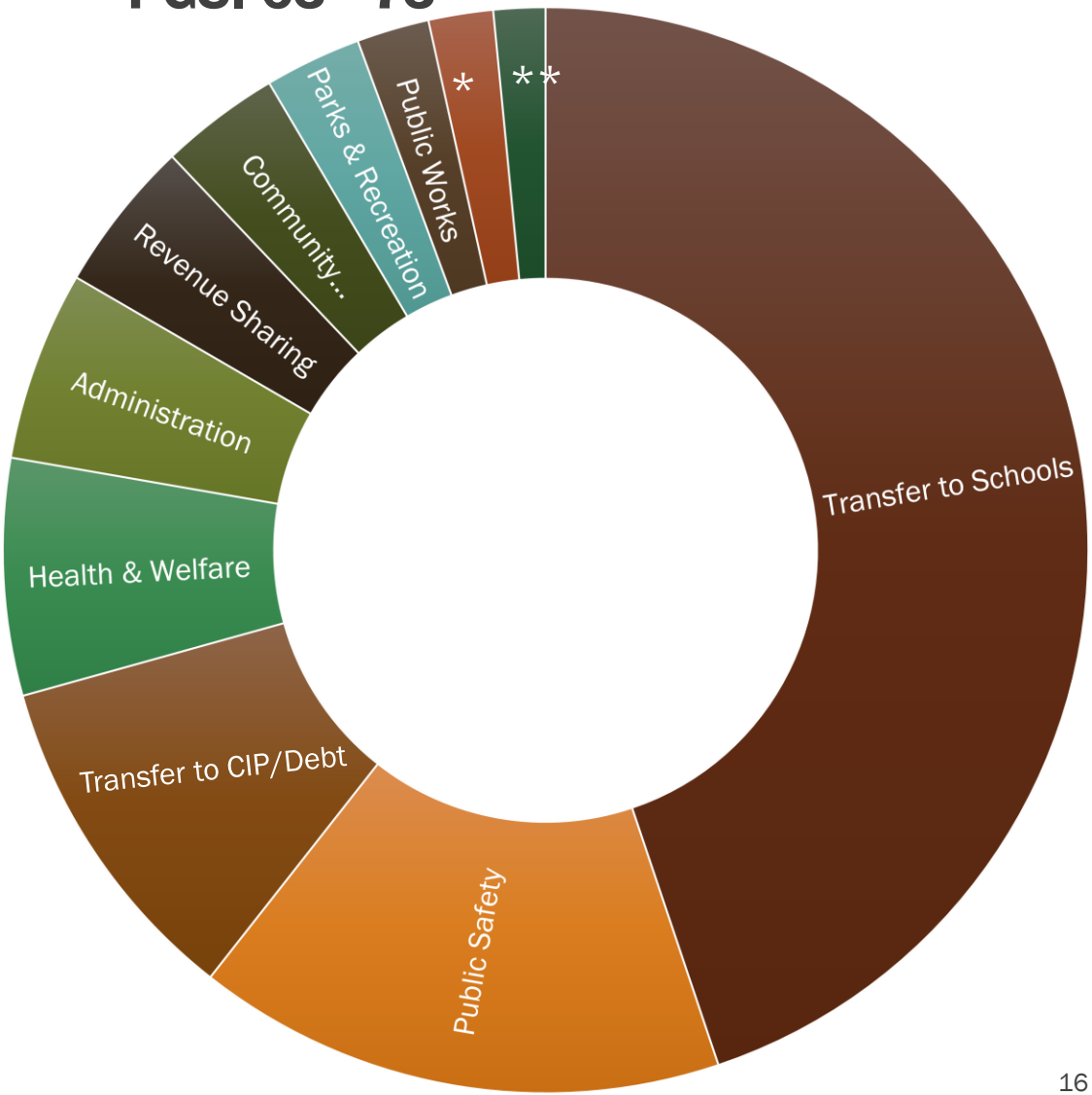
Board will receive Revenue Update on March 5

EXPENDITURES

FY 21 RECOMMENDED BUDGET - GENERAL FUND EXPENDITURES PGS. 63 - 73

$321.6M

- Administration
- Judicial *
- Public Safety
- Public Works
- Health & Welfare
- Parks & Recreation
- Community Development
- Transfer to Schools
- Transfer to CIP/Debt
- Revenue Sharing
- Other **



GENERAL FUND EXPENDITURES CHAPTER INCLUDES:

- Expenditures per category, such as Administration, Public Safety… pgs. 64 - 65
- Expenditures by type, such as salaries, transfers, agencies…

  pg. 67
- ABRT and Cultural Agency summaries – pgs. 69 - 70
- Position changes and trends over time – pgs. 71 - 73

NON-DEPARTMENTAL CHAPTER (PGS. 165 – 178) INCLUDES:

- Transfers
- Reserves
- Revenue Sharing
- General Fund fund balance

REVENUE SHARING WITH THE CITY
PGS. 167 - 169

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%
FY 21	**$14,589,313**	**389,706**	**2.7%**

RECOMMENDED USES OF GENERAL FUND FUND BALANCE – PG. 177

AUDITED FUND BALANCE JUNE 30, 2018	$	53,493,624
Net Change in Fund Balance	$	2,284,334
AUDITED GENERAL FUND FUND BALANCE JUNE 30, 2019	**$**	**55,777,958**

Policy Use of Fund Balance		
10% unassigned fund balance reserve	$	36,406,478
General Fund - School Reserve Fund	$	3,348,919
Unspendable Fund Balance (Inventory & Prepaids)	$	362,776
1% Stabilization Reserve	$	3,067,867
Subtotal, Policy Use of Fund Balance	**$**	**43,186,040**

Appropriated and Obligated Uses of Fund Balance		
FY 20 Adopted Use of Fund Balance	$	1,621,033
Other Appropriated and Obligated Uses of Fund Balance (FY 20)	$	4,174,613
Subtotal, Appropriated and Obligated Uses of Fund Balance	**$**	**5,795,646**

Recommended CIP Policy-Related Equity Funding		
CIP Cash Equity Supplement	$	800,000
Subtotal, Recommended CIP Policy-Related Equity Funding	**$**	**800,000**

Audited June 30, 2019 Fund Balance	$	55,777,958
Policy Use of Fund Balance	$	(43,186,040)
Appropriated and Obligated Uses of Fund Balance	$	(5,795,646)
Recommended CIP Policy-Related Equity Funding	$	(800,000)
Unobligated General Fund Fund Balance	**$**	**5,996,272**

Obligated Uses: includes $610K in support of Early Voting location and $527K towards Southwood Performance Agreement with Habitat for Humanity.

RECOMMENDED USES OF $6M UNOBLIGATED GF FUND BALANCE – PG. 178

FY 20	
CIP – Equity –CIP Advisory Committee Recommendation	$1.50M
CIP – Strategic Reserve	$1.80M
Climate Action – AHIP- weatherization/repair	$0.25M
Economic Development	$0.25M
FY 21	
Reserves	
Contingency	$379K
Business Process Optimization	$300K
Strategic Operating Reserve	$145K
Innovation Fund	$ 20K
Grants Leveraging	$ 60K
Training Pool	$ 35K
Fire Rescue Advanced Life Support positions– first -year support	$468K
County Attorney position– over-hire	$ 98K
Regional Partnership Transit Study	$100K
One-time departmental costs	$590K

Summary

FY 21 Recommended Budget

- Balanced on the current tax rate ($0.854 per $100 assessed value)
- Focus on community infrastructure, equity, working differently
- Supports our community partners and agencies
- Strategically utilizes one-time funding

SCHOOL BOARD'S FUNDING REQUEST
FY 21

Albemarle County
Public Schools

CIP AND CAPITAL BUDGET
COMMUNITY INFRASTRUCTURE

TODAY'S CIP CONSIDERATIONS

- Review Recommended FY 21 – FY 25 CIP and FY 21 Capital Budget

- Consider potential uses of Advancing Strategic Priorities Capital Reserve

- Courts design
- 2016 Bond Ref
- Pantops Station 16
- High School Center 2
- Scottsville Elementary
- Red Hill Elementary
- Quality of Life projects
- Biscuit Run Park

CIP ADVISORY COMMITTEE'S RECOMMENDATION

Recap CIP Advisory Committee's FY 21 – FY 25 CIP Recommendation	**Base** **FY 21 – FY 25 CIP**	**Recommended** **FY 21 – FY 25 CIP**
	• Maintenance and replacement • Ongoing programs • Courts • Bike/Ped • ACE	Adds $55M as follows: • $22.75M in transportation leveraging funding • $4M for Economic Development P3 funding • $6.25M for Cale Expansion and Site Improvements • $20.4M for Crozet Addition and Improvements • $1.6M reserve (year 3)
Five Year total	$155.6M	$210.6M
Estimated additional $ Equivalent to pennies on tax rate	CY 21 – 1.5 ¢*	5.0 ¢ CY 20 - CY 24 1.0 cent per year
Estimated additional year-end funding	Total of $4M in last four years of plan	Total of $5.5M over five years of plan

(*Note for Base Model: Estimated additional 0.8¢ tax rate equivalent for operating impacts in CY 22 for School's High School Center II)

RECOMMENDED $211.2M
FY 21 – FY 25 CIP
REVENUE ASSUMPTION

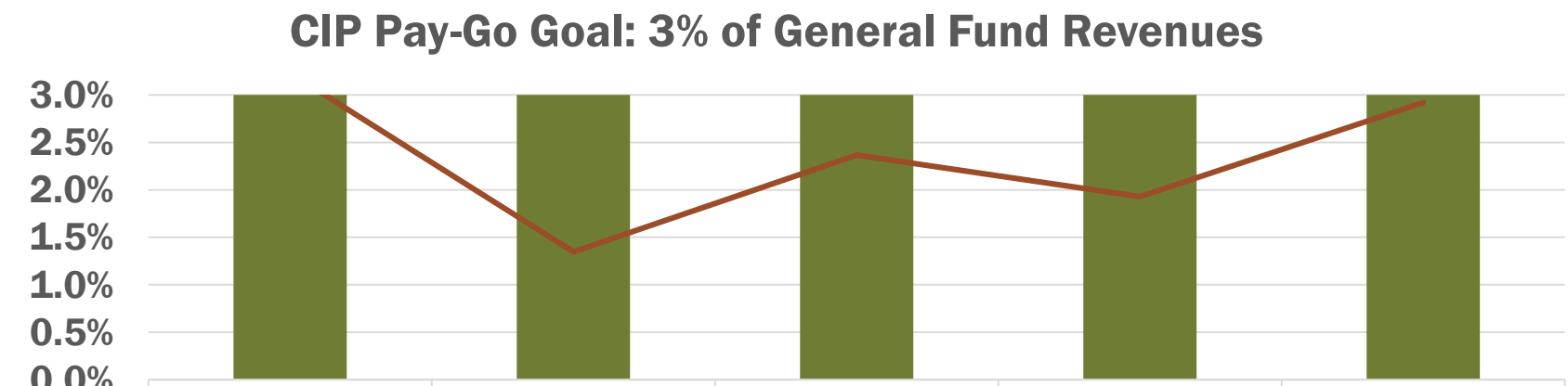
Estimated additional $ equivalent tax rate requirements	FY 21	FY 22	FY 23	FY 24	FY 25
Advisory Committee Recommendation	1 ¢	1 ¢	1 ¢	1.¢	1.¢
Recommended Revenue Assumption adjustment*	DELAYED*	1 ¢	1 ¢	1 ¢	1 ¢

*This approach assumes an estimated equivalent 1¢ on tax rate in FY 26.

WHY DELAY TAX RATE INCREASE FOR CIP?

- January Revenue update resulted in $775K additional on-going revenues to CIP per formula
- Next Debt issuance FY 21
- General Fund fund balance recommendation provides additional cash equity
  - $800K as Cash Equity Supplement for FY 20
  - $1.5M in additional Cash Equity for FY 21

CIP EQUITY FUNDING – “PAY AS YOU GO” –



	FY21	FY22	FY23	FY24	FY25
Goal	3.0%	3.0%	3.0%	3.0%	3.0%
GFT	3.2%	1.3%	2.4%	1.9%	2.9%

RECOMMENDED $211.2M FY 21 – FY 25 CIP EXPENDITURES INCLUDES:

- Mandates, Obligations, Maintenance & Replacement Projects
- Continuation of Capital Projects approved in FY 20
- CIP Advisory Committee Recommended Expenditures:
  - Transportation Leveraging Program Additional Funding
  - Economic Development funding to support Public Private Partnerships (P3s)
  - Crozet Elementary School Addition and Improvements
  - Cale Elementary School Expansion and Site Improvements

RECOMMENDED FY 21 – FY 25 CIP EXPENDITURE ASSUMPTIONS

	FY 21	FY 22	FY 23	FY 24	FY 25
Transportation Leveraging			$8.0M	$5.75M	$9.0M
Economic Develop. funding for P3s	$1.0M	$1.0M		$2.0M	
Cale Expansion and Site Improvements		$6.25M			
Crozet Addition and Improvements	$20.4M				
Capacity Reserve			$1.6M		

SCHOOL CAPACITY

Crozet Elementary
$20.4M

Cale Elementary

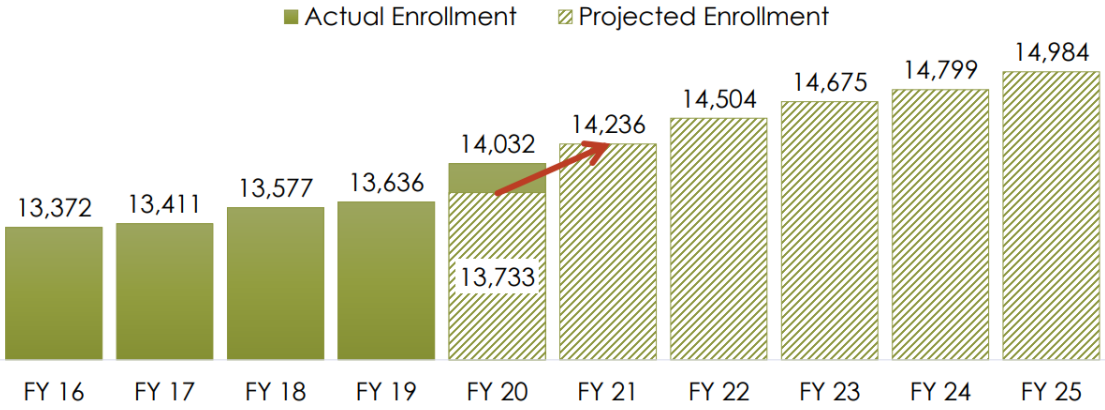
$ 6.25M

CROZET

Adds 28,000 Sq. Ft., ~ 368 seats, site improvements and renovations

CALE

Adds 11,780 Sq. Ft, ~ 100 seats and site improvements



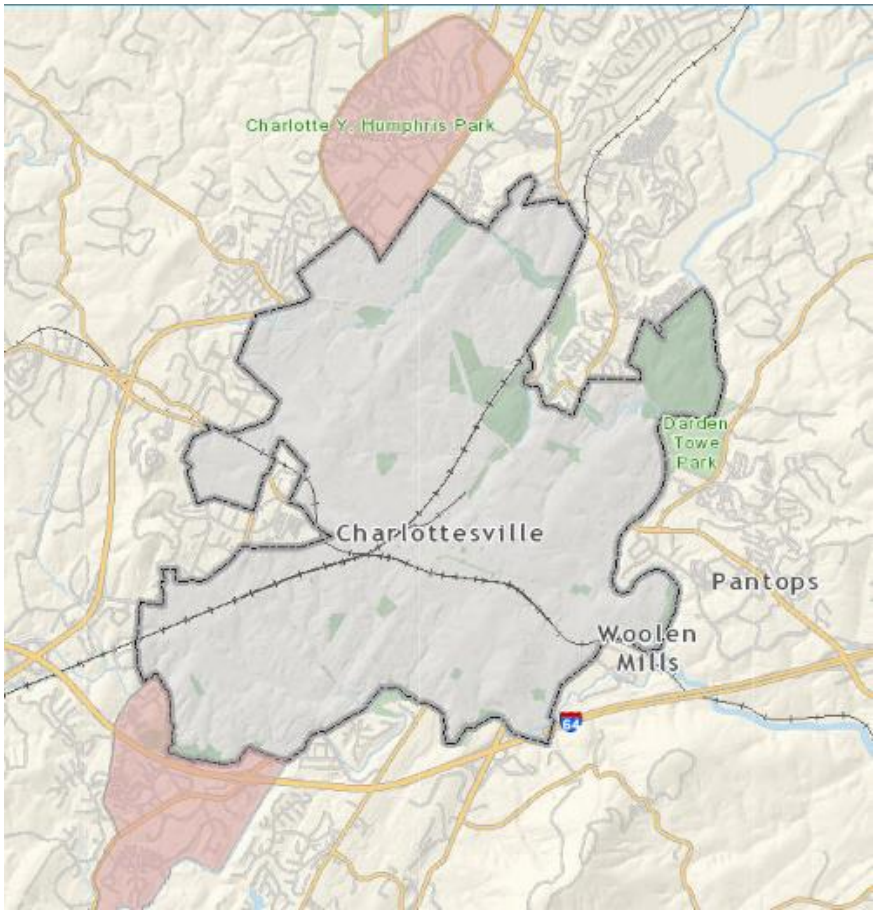
TRANSPORTATION LEVERAGING

$22.75M

Leverages State and Federal dollars

PUBLIC-PRIVATE PARTNERSHIPS (P3S)

$4M



Positions County to make strategic investments in land acquisition for economic development opportunities

THE CIP SUPPORTS THE 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

Quality Government Operations

The Recommended Budget provides an additional $1.8M for the Advancing Strategic Priority Capital Reserve, bringing the total reserve to $3.8M.

THE FOLLOWING EXTERNAL REQUESTS WERE RECEIVED BY THE BOARD PRIOR TO APPROVED PROCESS

- **8/21/2019** - Crozet Aquatic Center made a presentation to the Board of Supervisors
- **9/25/2019** - Thomas Jefferson Community Land Trust provided request by letter
- **10/21/2019** - Boys & Girls Club provided a request by letter

BOARD APPROVED ADVANCING STRATEGIC PRIORITIES CAPITAL RESERVE PROCESS ON JAN 15

Could be utilized for external or internal requests

<u>Approved Process:</u>

- Incorporate requests into annual budget process
- Prior to request coming to Board, staff would review and make recommendations utilizing criteria, such as:
  - Strategic Plan connection
  - Leveraging opportunities
  - Other considerations such as timing, safety, urgency, connection to other County plans

On Feb. 19, three Board members expressed interest in learning more about the potential of including an additional convenience center in the CIP.

SOLID WASTE CONVENIENCE CENTER - BACKGROUND

Combined BOS/SB Capital Project Ranking	
1	Transportation Leveraging
2	Economic Development funding for P3s
3	Cale Expansion and Site Improvements
3	Crozet Addition and Improvements
4	Technology Replacement Program
5	Climate Action Plan Implementation
6	Drainage Infrastructure Maint/Repair Program
6	Recycling Convenience Center
7	Water Quality Mandated TMDL Program
7	AHS/WAHS Renovations
8	School Safety Improvements
9	Elevator Additions
10	Greenways and Blueways projects
11	Middle School Facility Planning Study

- FY 20 Capital Budget includes Convenience Center at Ivy MUC
- FY 21 Operating Budget includes operational costs at Ivy MUC Convenience Center

Staff request was received for additional center:

- Would provide same services as center at Ivy
- And, would provide place for citizens to bring trash that would be compacted and removed from the center on a daily basis

A SECOND SOLID WASTE CONVENIENCE CENTER – HIGH LEVEL COST ESTIMATE

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Project Costs	$420K	$780K			
Operating Costs			$560K	$580K	$595K

Estimate Assumptions:

- County would purchase land for this facility, make all necessary improvements to the site, and purchase containers and other amenities for operation
- RSWA would coordinate construction and would manage facility

ADVANCING STRATEGIC PRIORITIES CAPITAL RESERVE CRITERIA
CONVENIENCE CENTER

- Strategic Plan connection
  - Climate Action
    - Increases Recycling opportunities
  - Economic Development
    - Outdoor destination community
    - Tourism

- Leveraging opportunities
  - TBD

- Other considerations such as timing, safety, urgency, connection to other County plans
  - Final Committee Report of the long Range Solid Waste Solutions Advisory Committee – 2015

Does the Board desire to discuss any other potential uses of the Advancing Strategic Priorities Reserve during this annual budget process?

PLAN FOR THE NEXT CIP DEVELOPMENT PROCESS
FY 22 – FY 26

- Update revenue assumptions
- Update timing and cost assumptions
- Update spend plan timing
- Consider any urgent and emerging needs for FY 22 – FY 26
- Consider additional/new projects for year 5 of the CIP (FY 26)

FY 21 CAPITAL BUDGET

- Total amount is $49M
- Includes:
  - Maintenance and replacement programs
  - $6M Bike/Ped Quality of Life Projects included in Transportation Leveraging Program
  - $500K for ACE Program
  - $1M Economic Development Funding for P3's
  - Crozet Elementary Addition and Improvements Project

Next Steps

March 3

General Government functional areas

March 4

Public Hearing on Recommended Budget

March 5

Revenue Update

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