

REVISED FY 2021 RECOMMENDED BUDGET WORK SESSION

BOARD OF SUPERVISORS
APRIL 29, 2020



Respond. Recover. Recalibrate.

**ALBEMARLE COUNTY FISCAL YEAR 2021
RECOMMENDED BUDGET**

RECOMMENDED FY 21 BUDGET DEVELOPMENT SCHEDULE

April 13
Tax Rates Public Hearing

April 22
Revised FY 21 Recommended Budget



May 6
Public Hearing

May 14
Board Approves FY 21 Budget

April 15
Board approves tax rates

State Budget Adopted

April 29
Board Work Session

May 11
Board Work Session

June 3
Appropriations

May 7
ACPS Budget Public Hearing

May 14
ACPS Budget Adoption

TODAY'S AGENDA

- 10:00 Overview
- 10:10 Revenues
- 10:20 General Government
- 11:10 Fire Rescue System-wide Services
- 11:40 Break
- 11:55 School Division Update
- 12:30 Capital Budget
- 12:55 Meeting Wrap Up

WORK SESSION PROCESS

Today's Process:

Interactive Approach
Staff presents information
Board dialogue
Q and A



Items that require additional
information provided by e-mail
Further opportunity for Board
discussion if needed
May 11 Work Session

Approve Revised FY 21 Budget:

May 14



Board members
complete discussion
and approve FY 21
Budget



OVERVIEW





PRINCIPLES

- Adhere to Albemarle County's financial policies
- Continue to respond to the essential service needs of our community
- Position our organization to lead recovery efforts
- Remain flexible and adaptable
- Maintain strategic reserves

REVISED FY 2021 RECOMMENDED BUDGET STRATEGY

3 *Q4 of FY 2020*

- Maintain essential services
- Evaluate discretionary spending
- Freeze positions, 15 to-date
- Review capital projects
- Coordinate with Schools

6 *1st Half FY 2021*

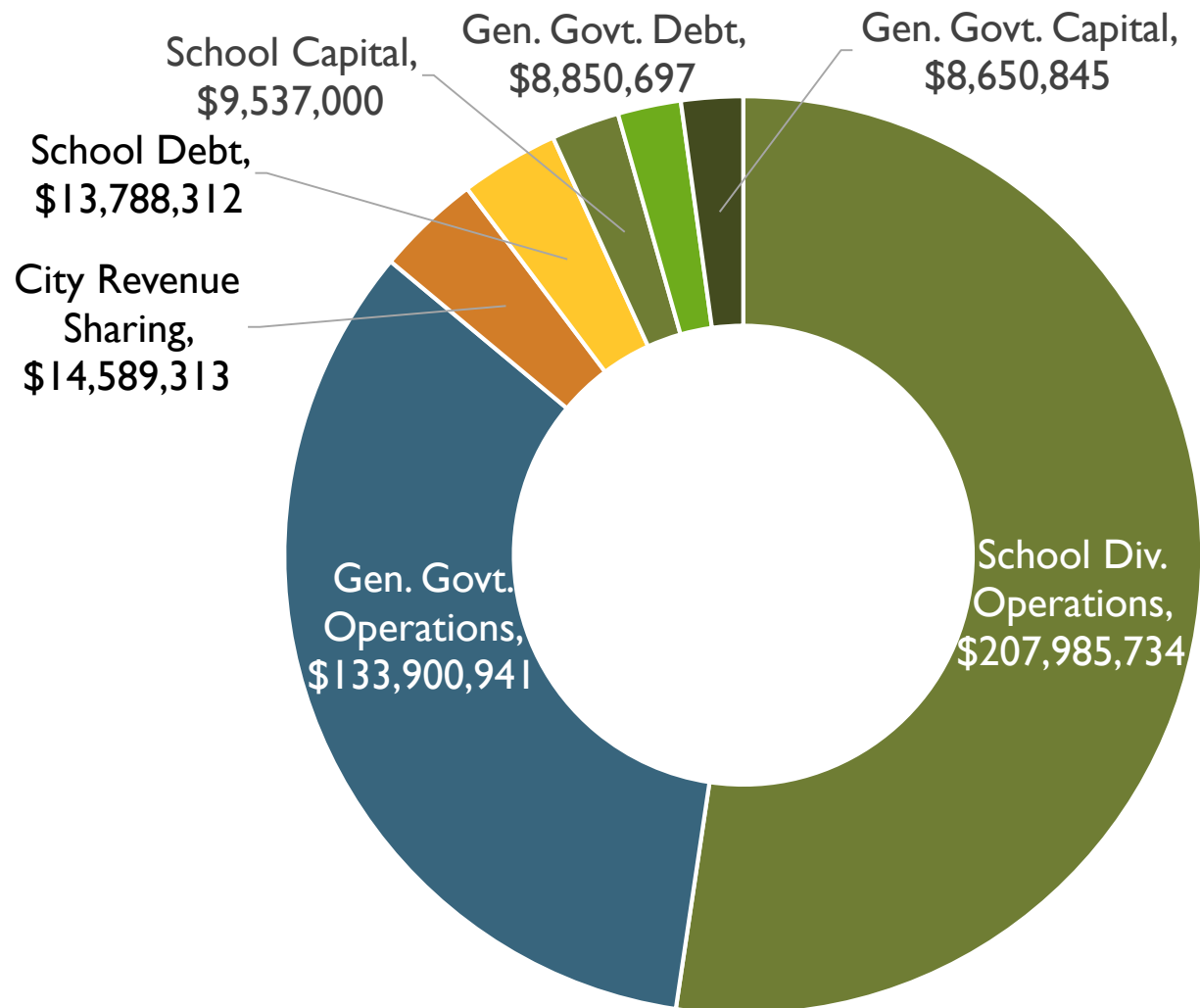
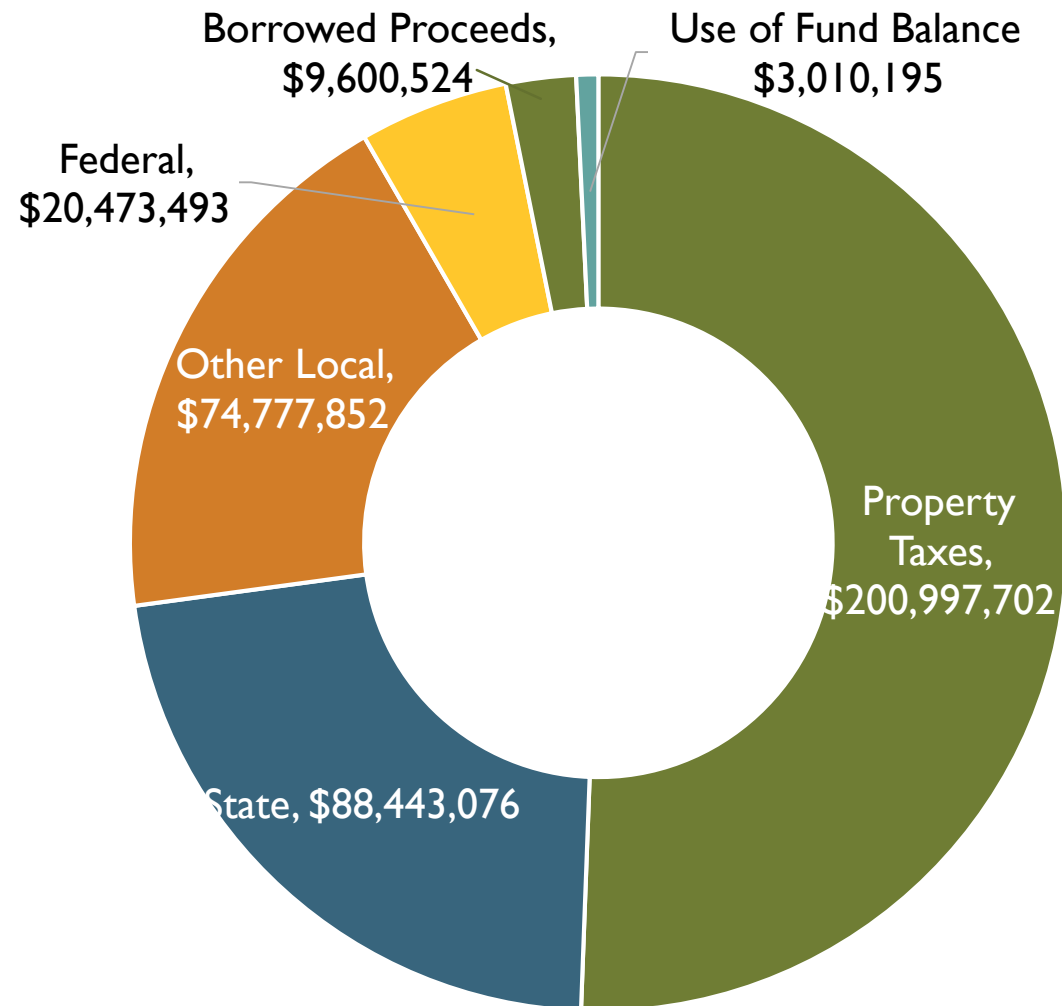
- Respond
- Recover
- Recalibrate

6 *2nd Half of FY 2021*

- Revisit
- Respond accordingly
- Implement longer-term structural changes

FY 21 TOTAL REVENUES & EXPENDITURES: \$397.3M

-\$59.7M FROM FY 20



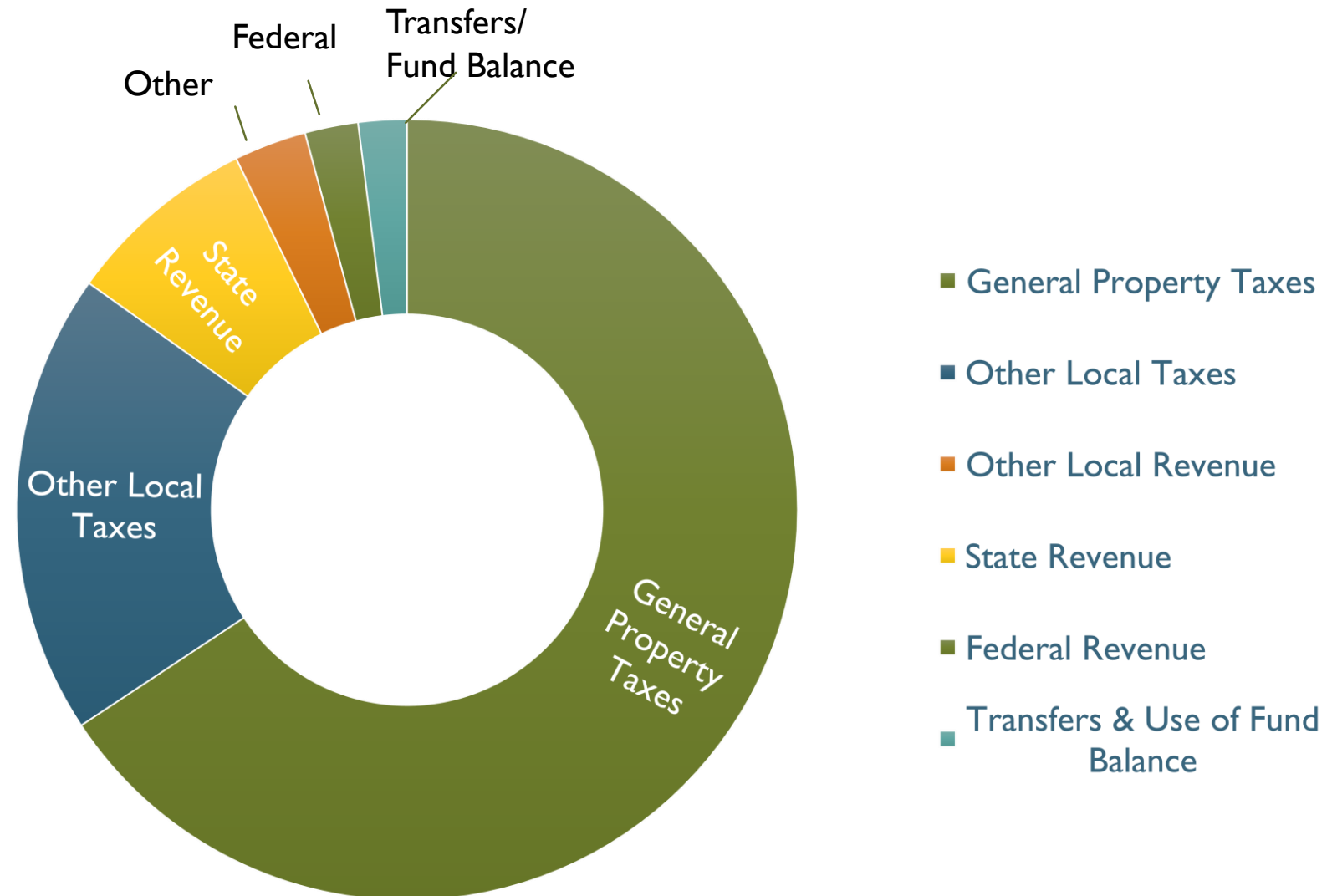


GENERAL FUND REVENUES



REVISED FY 21 RECOMMENDED - GENERAL FUND REVENUES: \$300.4M

-\$6.4M FROM FY 20 – PAGE 35



REVISED MAJOR DRIVERS OF FY 21 LOCAL REVENUES



Real Estate

+\$1.64 million
1.0%



Local Personal Property

-\$0.77 million
-2.6%



Business-Driven

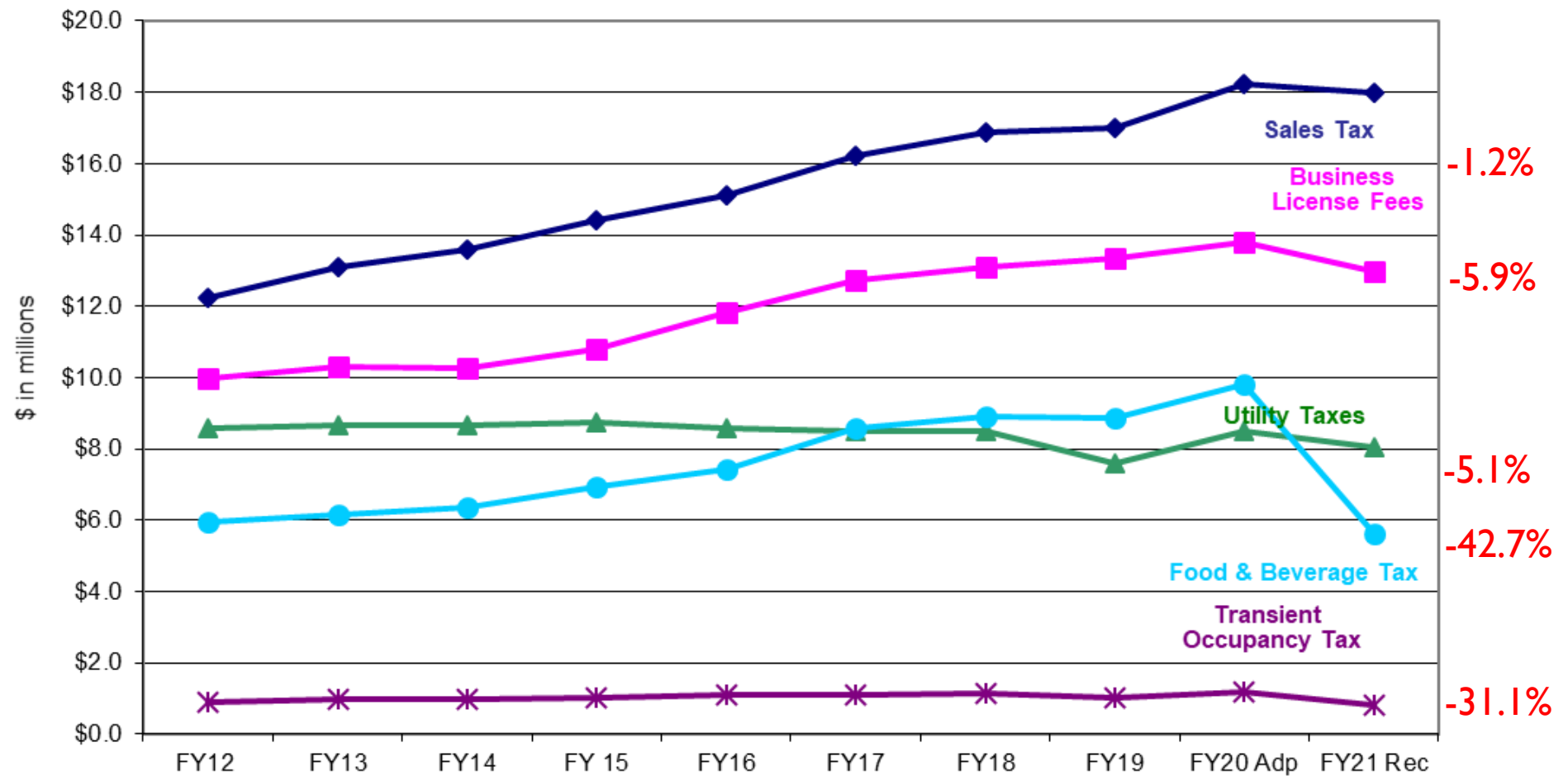
-\$1.23 million
-7.6%



Consumer- Driven

-\$5.17 million
-12.4%

LOCAL TAX REVENUE - OVER TIME – PAGE 40



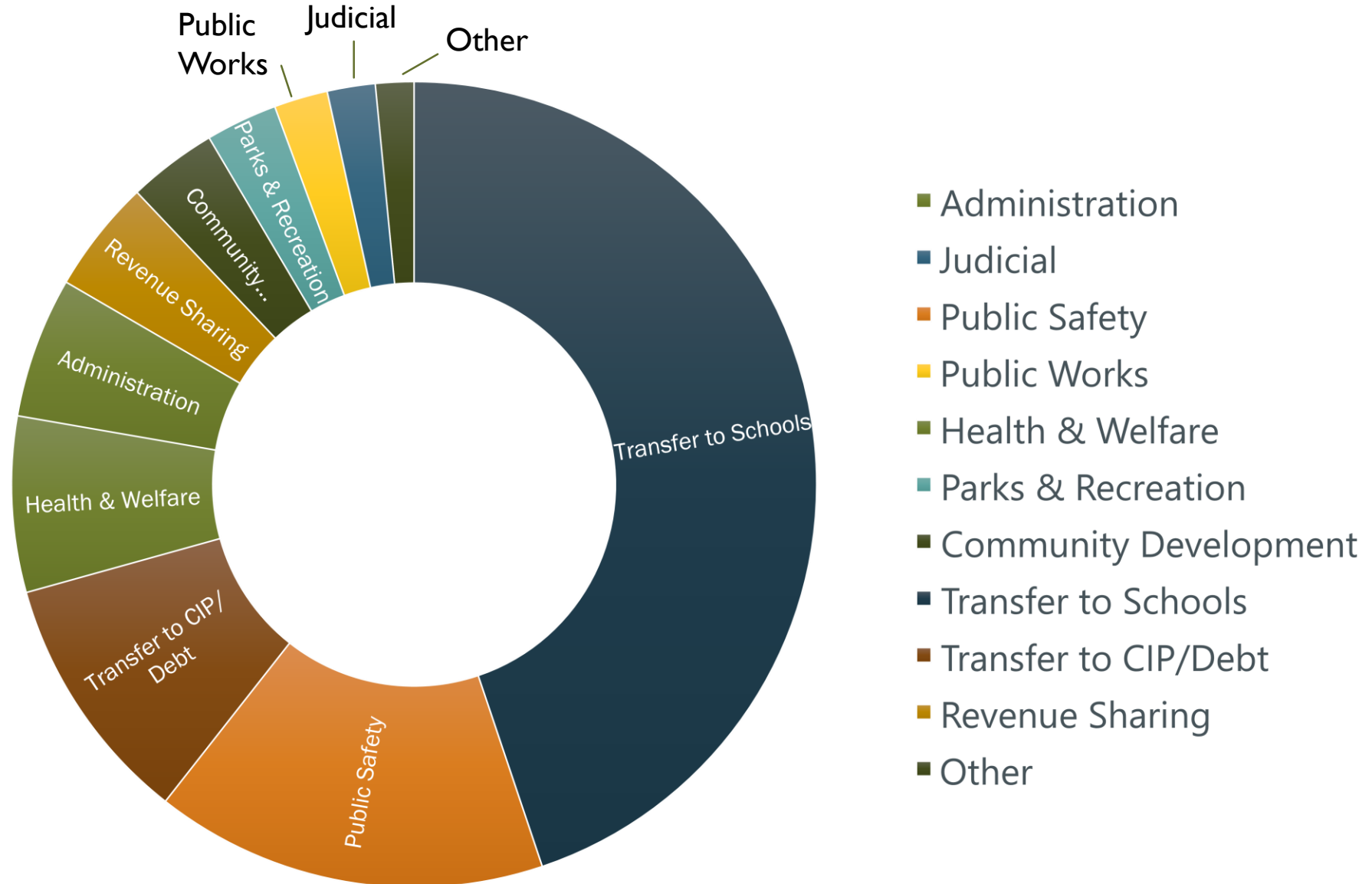


GENERAL FUND EXPENDITURES



REVISED FY 21 RECOMMENDED - GENERAL FUND EXPENDITURES

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CROSS-DEPARTMENTAL EXPENDITURES

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- No market increase for FY 21 salaries
- Virginia Retirement System (VRS) rate change increase: \$871K
- Impact of salary lapse change: \$262K
- Health insurance decrease: (\$632K)
- Decreased travel, training, and education: (\$384K)
- Deferred capital outlay expenses, including fleet replacement: (\$1.2M)

POSITION CHANGE SUMMARY

FY 20 Positions	787
FY 20 (-15 FTE Frozen)	772
FY 21 (-20 FTE Frozen)	752
Asst. Elections Manager +1	753
Environmental Systems Analyst +1	754
24/7 ALS EMS Positions +12	766
Fire Coverage Positions +10	776
FY 21 Net Positions	776
Overall Cost Savings Goal FY 21	≈ \$1,000,000

ADMINISTRATION

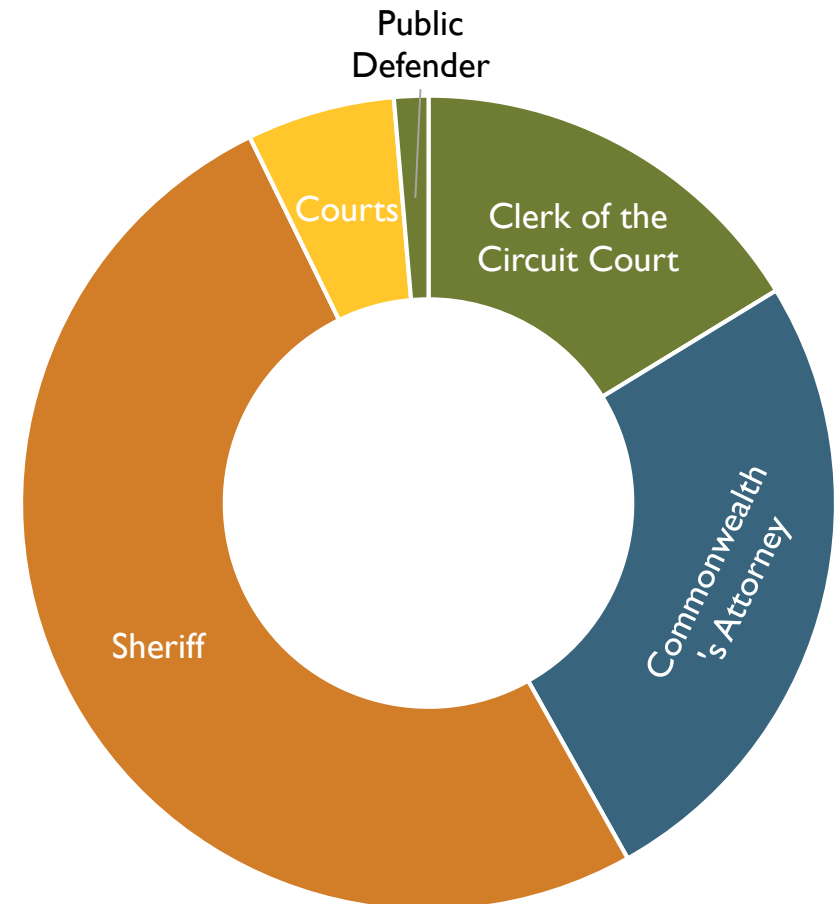
PAGE 53

\$16.6 M Total
\$170K or 1.0% Decrease

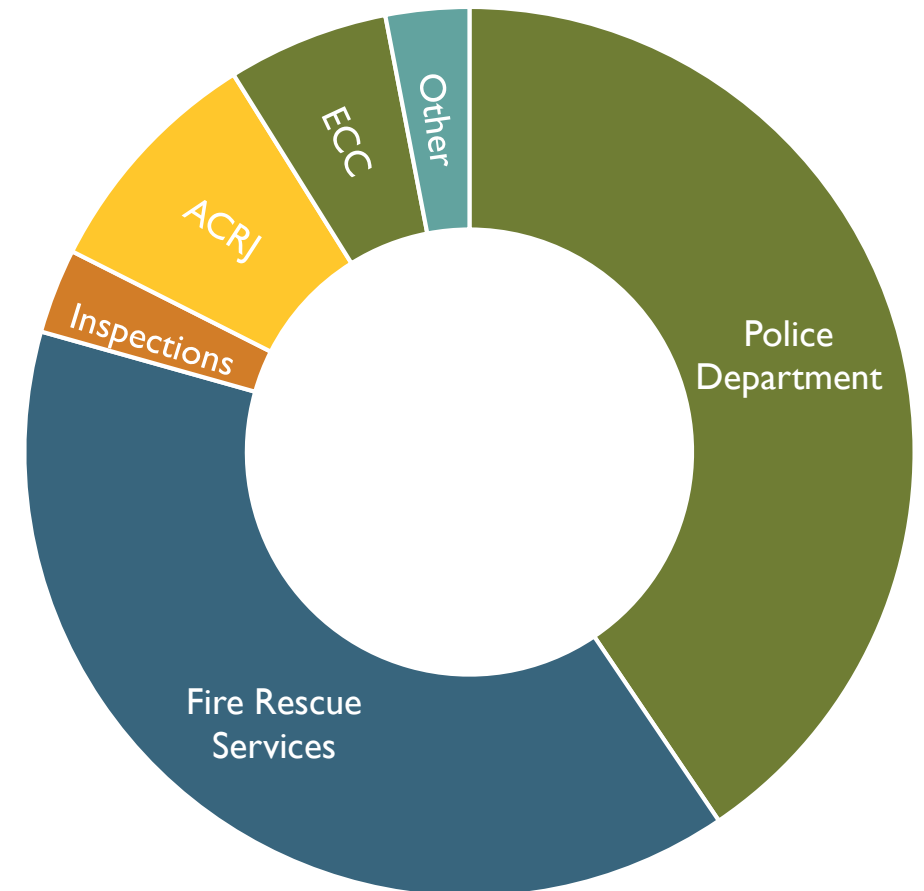
- Board of Supervisors
- Executive Leadership
 - \$35K increase for equity, diversity, and inclusion efforts
- Human Resources
- County Attorney
- Finance
- Information Technology
- Voter Registration and Elections – remains at COB-5th
 - Funds an Assistant Elections Manager position



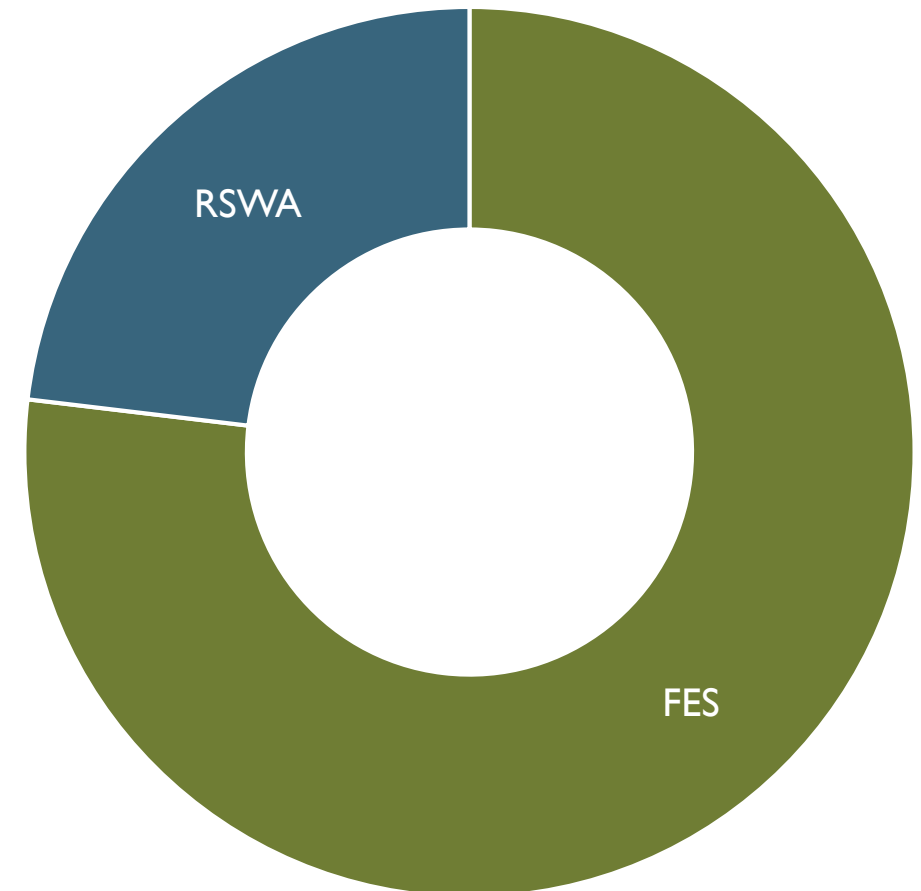
- Clerk of the Circuit Court
- Commonwealth's Attorney
 - Continues funding for an additional Assistant Commonwealth's Attorney approved in FY 20
- Sheriff
- Courts
 - Continues funding for a Legal Assistant for the new Circuit Court judge approved in FY 20
- Public Defender's Office



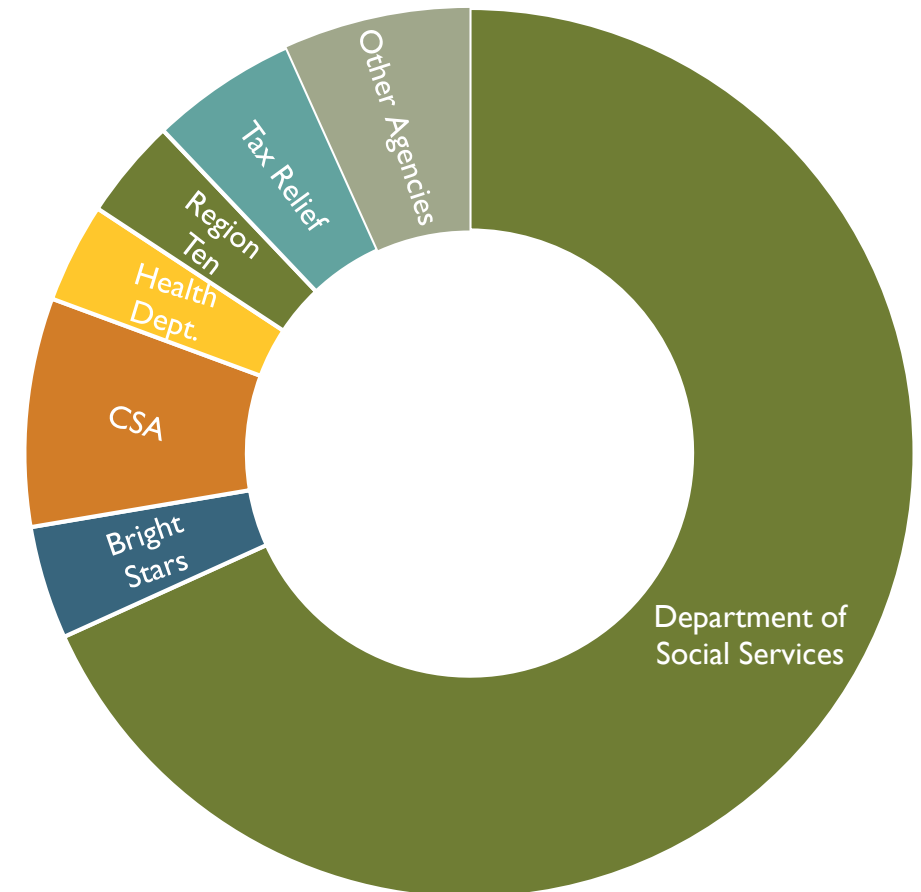
- Police
- Fire Rescue Services (discussed later in today's work session)
- Inspections
- Albemarle-Charlottesville Regional Jail (ACRJ)
- Emergency Communications Center (ECC)
- Other Public Safety Agency Contributions



- Facilities and Environmental Services (FES)
 - Converts non-permanent Environmental Services Systems Analyst to a 1.0 FTE regular position
 - Beautification programs adjusted
- Rivanna Solid Waste Authority (RSWA)
 - Funds operating costs associated with the opening of the Ivy Convenience Center



- Department of Social Services
 - Emergency Utility Program
- Transfer to Bright Stars
- Transfer to Children Services Act (CSA)
- Charlottesville-Albemarle Health Department
 - Yancey Community Center Community Health Worker position
- Tax Relief for the Elderly and Disabled
- Other Agency Contributions
 - No change in ABRT agency funding

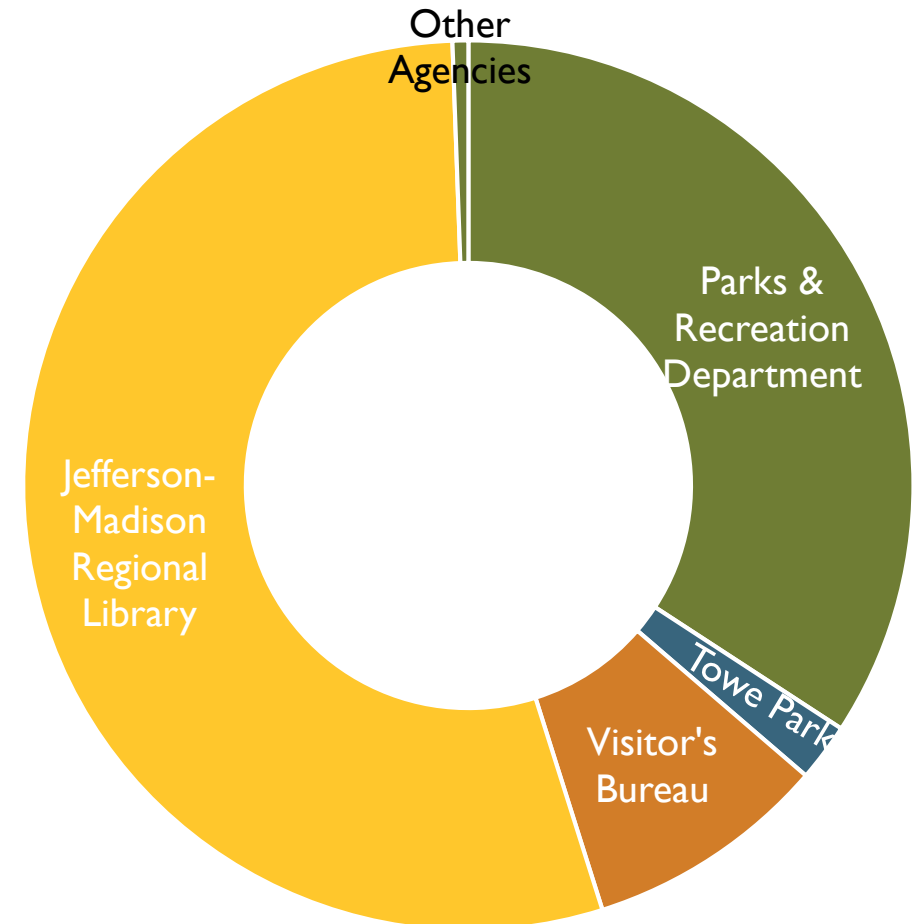


PARKS, RECREATION, AND CULTURE

PAGE 60

\$8.6 M Total
\$568K or 6.2% Decrease

- Parks and Recreation Department
 - No Summer 2020 programs
 - Increased water testing, monitoring, and treatment
- Darden Towe Memorial Park
- Charlottesville-Albemarle Convention & Visitors Bureau
- Jefferson Madison Regional Library
 - No increase in hours at Northside
- Other Agency Contributions
 - No new cultural agencies

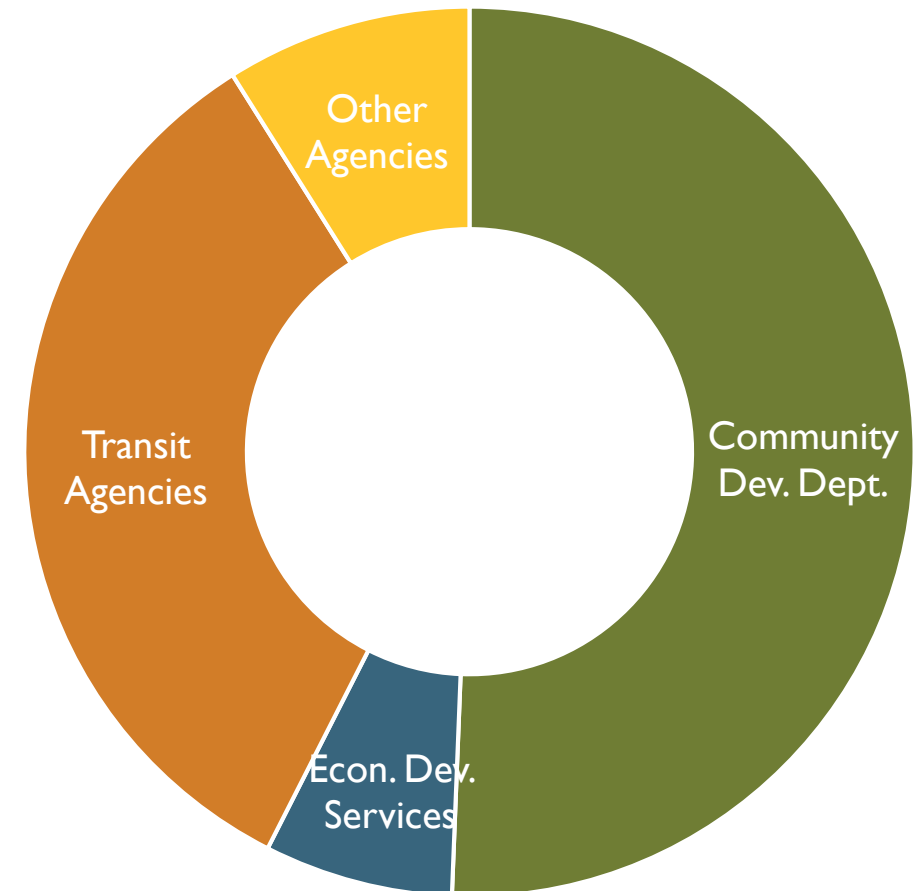


COMMUNITY DEVELOPMENT

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\$10.7 M Total
\$8K or 0.1% Increase

- Community Development Department
- Economic Development Services
- Other Community Development Agency Contributions
- Transit Agencies
 - CAT
 - Jaunt
 - Regional Transit Partnership
 - Afton Express



TRANSIT AGENCIES: CAT AND JAUNT UPDATES SINCE MARCH 11 WORK SESSION

	Jaunt	CAT
County share of existing services at 3/11 Transit Work Session	2,509,756	1,246,468
Credit for federal revenue update shared at work session	-42,086	-77,341
Credit for CAT Director's time for pupil transit	0	-8,288
Remove County's share of proposed salary increases	-104,373	-25,283
Revised Recommended placeholder, subject to additional analysis	2,363,297	1,135,556

TRANSIT AGENCIES: CAT AND JAUNT

CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (CARES) OF 2020

- Federal CARES Act Funding Update
 - \$5.3 M for CAT and \$1.8 M for Jaunt to be applied across FY 20 and FY 21
 - Amounts are for total system, not the County's share
 - May be used for operating, capital, or planning expenses and lost revenue, retroactive to January
 - VA Dept. of Rail & Public Transportation: strongly encourages prioritizing operating expenses before considering use of the CARES act funding for capital projects or planning.
- Impact to the County is to be determined:
 - How much of that funding will be applied to FY 20 and how much to FY 21?
 - What does service and ridership look like in pandemic's transition and recovery phases?
 - Will State budget updates impact transit agencies?

TRANSIT AGENCIES: CAT AND JAUNT

PLANNED NEXT STEPS

- 3/6/6 framework utilized in developing the FY 21 Revised Recommended budget
- FY 20 & FY 21
 - Evaluate County shares of CAT under the MOU with the City
 - Reconcile County share of CAT after City Council review
 - Monitor CAT and Jaunt budgets with the City and Regional Transit Partnership
 - Update funding amounts for agencies as we obtain more certain information
 - For example, the FY 21 impact of CARES funding will be better known at the end of FY 20

RESERVES

- 10% - Unrestricted Fund Balance Reserve
- 1% - Budget Stabilization Reserve
- \$2.0M – Advancing Strategic Priority Reserve - Capital
- \$1.56M – Addition to Advancing Strategic Priority Reserve

Others – Page 65

- Strategic Priority Support Reserve
- Climate Action Funding Pool
- Business Process Optimization Reserve
- Salary and Benefits Reserve
- Personnel Savings
 - 15 currently frozen positions
 - 20 additional frozen positions
- Reserve for Contingencies

FIRE RESCUE



12 positions for
ALS Coverage
Ivy & Pantops



10 positions
for Fire Coverage
Crozet & Pantops



Apparatus
1 Fire Engine
2 Ambulances



Mobile Data Computers



FIRE RESCUE SYSTEM-WIDE SERVICES

DAN EGGLESTON



FIRE COVERAGE POSITIONS

■ Rationale

- Supplement existing resources by aligning personnel with call demand
- Add firefighters to Crozet & Pantops

■ SAFER Grant Funding

- 10 positions for 3 years, across 4 fiscal years
- Application due mid-May
- Awards announced in waves, late summer

	FY 21	FY 22	FY 23	FY 24	FY 25
Total Operating Expenses	\$403,987	\$807,026	\$829,645	\$853,081	\$877,372
Total Grant Revenue	\$235,116	\$486,439	\$367,283	\$120,353	\$0
Net Cost	\$168,872	\$320,587	\$462,362	\$732,728	\$877,372

FY 2020/21 Budget Development Strategies

Board of Supervisors' Budget Work Session
April 29, 2020



Budget Calendar

April 17 - May 6	Budget Survey on Priorities
April 23	School Board Work Session
April 29	BOS Work Session
May 7	Revised Budget Recommendation for School Board Public Hearing
May 14	Budget Adoption
June 3	BOS Appropriation

FY21 Budget Development Priorities

As staff develops recommendations to balance the FY21 budget, the following items will be prioritized:

Student Learning	The budget will support the mission of ACPS in establishing a community of learners and learning, through relationships, relevance and rigor, one student at a time.
Equity	The budget will provide the resources necessary for creating equitable opportunities for all students.
Current Employees	Best efforts will be made to keep current regular employees, instructional and support staff, employed.
Contingency	Knowing revenues will remain uncertain, the budget will include contingencies and flexibilities to respond to any changes that may occur once the fiscal year has begun.
Stakeholder Engagement	The decision-making process will be transparent and well-communicated to staff, students, families, and community. Feedback from stakeholders will be solicited and valued.

Preliminary Community Survey Results

Out of 3,000 responses the following supported or strongly supported the priorities as follows:

Student Learning	96%
Current Employees	91%
Equity	87%
Stakeholder Engagement	81%
Contingency	77%

Note: Results as presented on April 23, 2020

Proposed Budget Strategies

Student Learning

- Make departmental and operational reductions first to prioritize classroom positions.
- Add classroom positions to accommodate at least a *portion* of anticipated growth. (Class size may increase slightly due to growth but other staffing standards will be maintained).

Equity

- Keep previously funded proposals related to equity.
- Keep differentiated staffing whole.
- Continue all current efforts related to equity.

Current Employees

- Make department FTE reductions where there are already vacancies.
- Re-align instructional positions across schools where possible.
- Do not increase health care premiums.

Contingency

- Maintain fund balance & other reserves.
- Utilize conservative state revenue forecasts.
- Utilize operational holdbacks and other management tools.

Stakeholder Engagement

- Survey the community.
- Hold a public hearing on May 7.

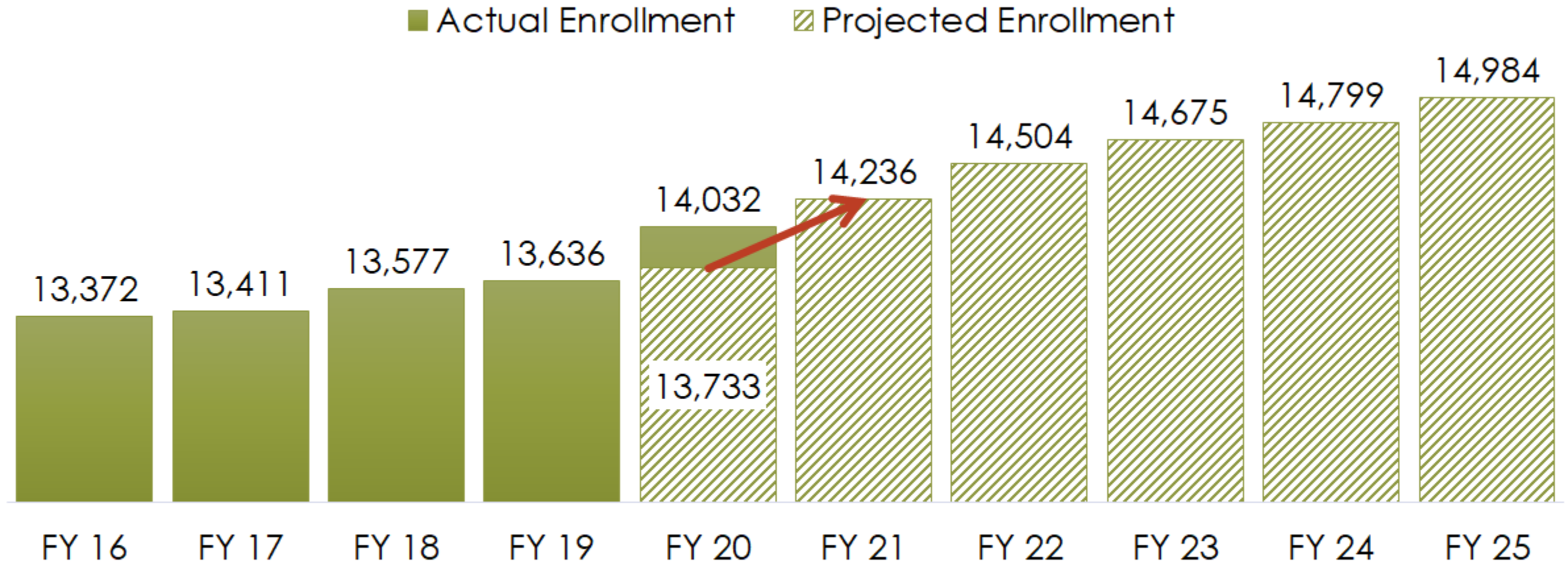
FY 21 Revenue Estimates

	Local Transfer	State Budget	Other	Total
Change from FY 21 SB Funding Request	(\$10.0M)	(\$5.2M)	(\$0.4M)	(\$15.6M)

	Local Transfer	State Budget	Other	Total
Change from FY 20 Adopted Budget	(\$4.0M)	\$2.0M	\$0.2M	(\$1.8M)

*Increases are black
(Decreases are red)*

Student Enrollment, K-12



FY20 to FY21 Actual to Projected Growth = 204 students; Projected to Projected Growth = 503 students

Expenditure Considerations

Approximate Expenditure Categories

School Operations

2.6%

Dept Operations

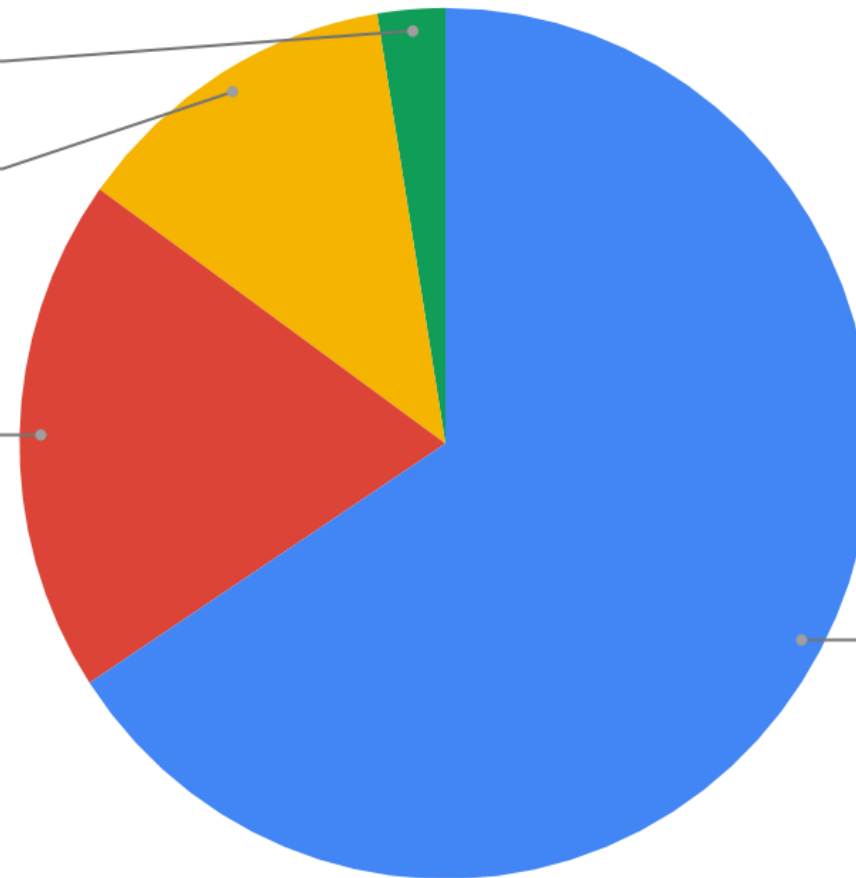
12.5%

Dept Compensation

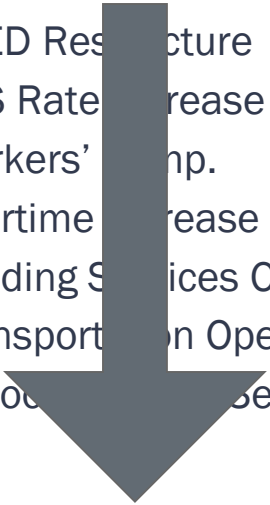
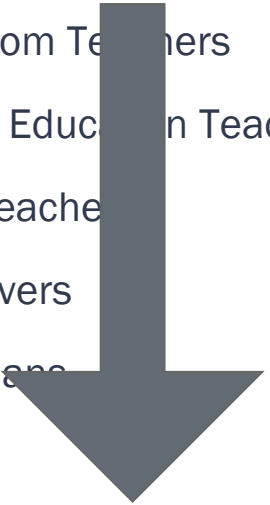
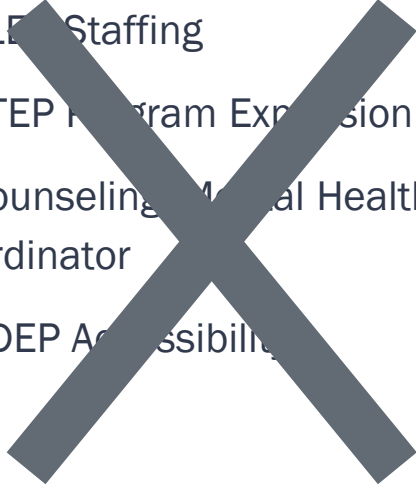
19.2%

School-bsd Comp.

65.7%



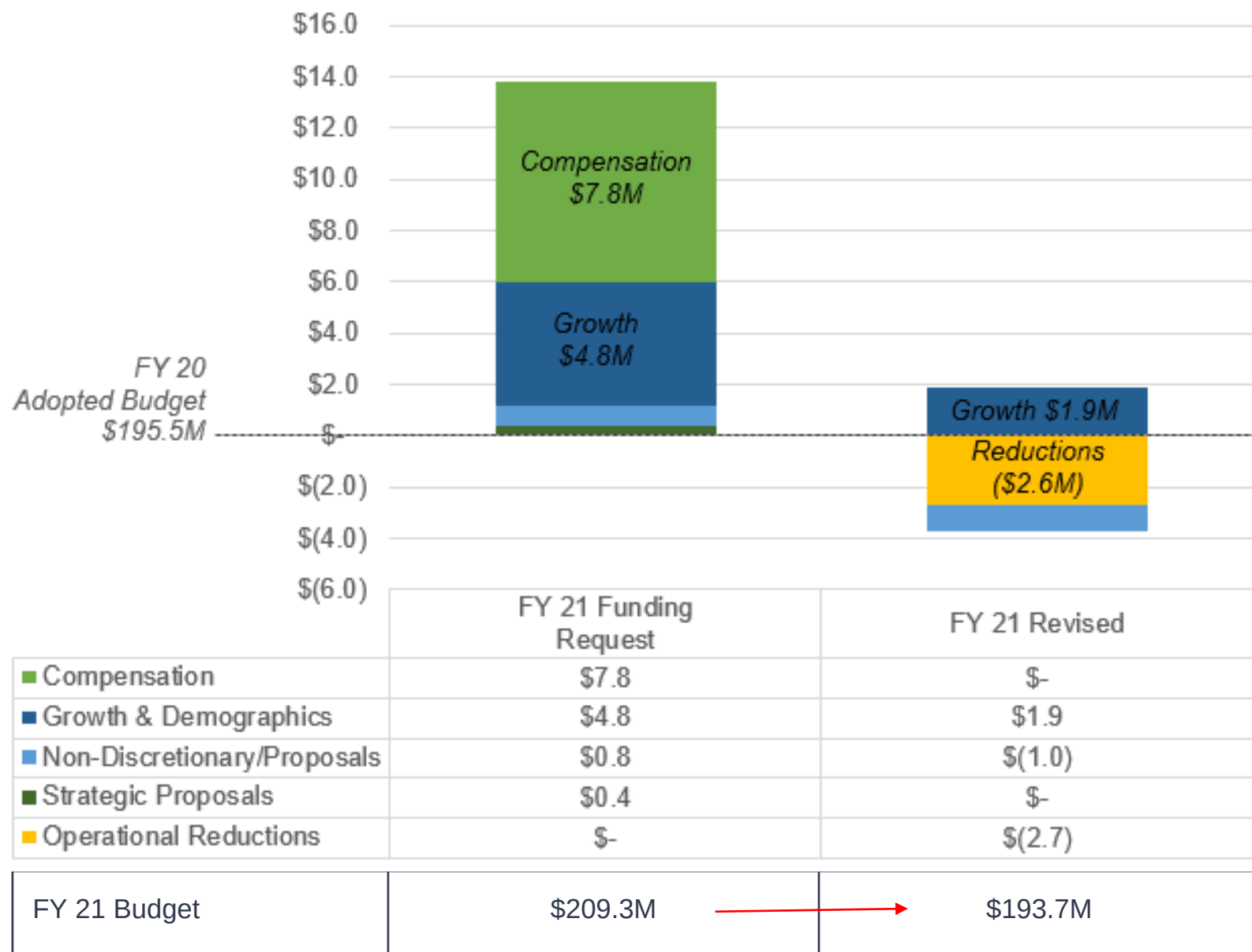
Previous FY 21 Funding Request (Feb. 2020)

Non-Discretionary/ Directed	Growth & Demographics	Compensation	Strategic Proposals
\$0.8M	\$4.8M	\$7.8M	\$0.4M
▶ SPED Respite ▶ VRS Rate Increase ▶ Workers' Comp. ▶ Overtime Increase ▶ Building Services Operations ▶ Transportation Operations ▶ School Security 	▶ Classroom Teachers ▶ Special Education Teachers ▶ ESOL Teachers ▶ Bus Drivers ▶ Custodians 	▶ Teacher Salary Increase (2.5% - 3.0%) ▶ Classified Salary Increase (1.5% - 2.0%) ▶ Raise Minimum Pay Rate (\$13.50 to \$15.00) 	▶ FLETC Staffing ▶ STEP Program Expansion ▶ Counseling/Mental Health Coordinator ▶ EDEP Accessibility 

Revised FY21 Expenditure Changes

Changes from SB FY21 Funding Request	Non- Discretionary/ Directed	Operational Reductions	Growth & Demographics	Compensation	Strategic Proposals	Total
	(\$1.8M)	(\$2.7M)	(\$2.9M)	(\$7.8M)	(\$0.4M)	(\$15.6M)

Changes from SB Adopted FY20 Budget	Non- Discretionary/ Directed	Operational Reductions	Growth & Demographics	Compensation	Strategic Proposals	Total
	(\$1.0M)	(\$2.7M)	\$1.9M	-	-	(\$1.8M)



Summary of Proposed Revisions

Changes from FY 20

Non-Discretionary/Technical Estimates	
Baseline Technical Adj. & Lapse (Updated)	(\$2.4M)
Health Insurance Rate Decrease (New)	(\$0.6M)
Other Benefit Changes	(\$0.3M)
SPED Restructure (Updated)	\$1.1M
VRS Rate Increase	\$0.6M
Operational Changes	\$0.6M
Non-Discr./Technical Estimates Total Change Estimate	(\$1.0M)

Changes from FY 20

Operational Reductions Estimates	
Eliminate Transfer to Learning Resources Fund	(\$0.5M)
Reduce Department and School Operations Budgets	(\$0.8M)
Reduce Department Positions (15 FTE)	(\$1.1M)
Other	(\$0.3M)
Operational Reductions Total Change Estimate	(\$2.7M)

Changes from FY 20

Growth Estimates	
Special Education (5 FTE)	\$0.4M
Classroom Teachers (15 FTE)	\$1.2M
Transportation (5 FTE)	\$0.3M
Growth Total Change Estimate	\$1.9M

This scenario partially funds growth and demographic needs (original request in parentheses):

- 5 (of ~13) SPED FTEs
- 15 (of ~30) General Teacher FTEs
 - Class sizes may increase by approximately 0.4 to 0.6 students
- 5 (of 16) Transportation Driver FTEs

2019 Average Class Sizes

	ACPS	State Staffing Standards
Elementary	19.6	24 to 25
Middle	21.5	24 to 25
High	21.6	24

Revised FY21 Expenditure Changes

Changes from SB FY21 Funding Request	Non- Discretionary/ Directed	Operational Reductions	Growth & Demographics	Compensation	Strategic Proposals	Total
	(\$1.8M)	(\$2.7M)	(\$2.9M)	(\$7.8M)	(\$0.4M)	(\$15.6M)

Changes from SB Adopted FY20 Budget	Non- Discretionary/ Directed	Operational Reductions	Growth & Demographics	Compensation	Strategic Proposals	Total
	(\$1.0M)	(\$2.7M)	\$1.9M	-	-	(\$1.8M)

Questions & Discussion





BREAK





CAPITAL



CAPITAL BUDGET APPROACH – LOCAL GOVT & SCHOOLS

Preserve cash

Minimize additional debt requirements

Delay certain projects while monitoring the economic situation

Support local economy with capital investment

Considerations to move forward

- Mandates and obligations;
- Essential maintenance and replacement projects/programs;
- Select projects currently underway that are essential to infrastructure (i.e. school capacity improvement at Redhill, Scottsville ESs); and/or
- Limited operational budget need (i.e. sidewalk projects)

REVISED FY 21 RECOMMENDED CAPITAL BUDGET – \$18.1M PROCEED

Obligations/Mandates

Senior Center at Belvedere (contribution)
Ivy Landfill Remediation (on-going maintenance)
Moore's Creek Septage Receiving Station – (annual debt service)
Ivy Fire Station 15 Maintenance (annual maintenance)
Regional Firearms Training Center Capital Reserve (County's share)
Cost of Issuance (future bond)

Programs Funded as Requested

Economic Development Funding for P3's
School Technology Programs
County Server Infrastructure Upgrade
Fire/Rescue: Mobile Data Computers Replacement
Police: County 800Mhz Radio Replacements
Police: Patrol Video Camera Replacements
Fire/Rescue: 2 Ambulances + Fire Engine

Programs Funded at Reduced Level

Maintenance/Replacement Programs: School Division, County Facilities, and Parks Facilities
School Bus Replacement Program: 3 SPED Buses + Radio Equipment

REVISED FY 21 RECOMMENDED CAPITAL BUDGET – DELAY

Delayed

Maintenance/Replacement Programs - non-essential projects/programs

School Bus Replacement Program – other school bus replacements delayed 1 year

ACE Program - additional funding

Bike/Pedestrian Quality of Life Projects funding

Crozet Elementary School Addition and Improvements - construction

NEXT STEPS



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Tax Rates Public Hearing

April 22
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