

# 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 *1<sup>st</sup> Half FY 2021*

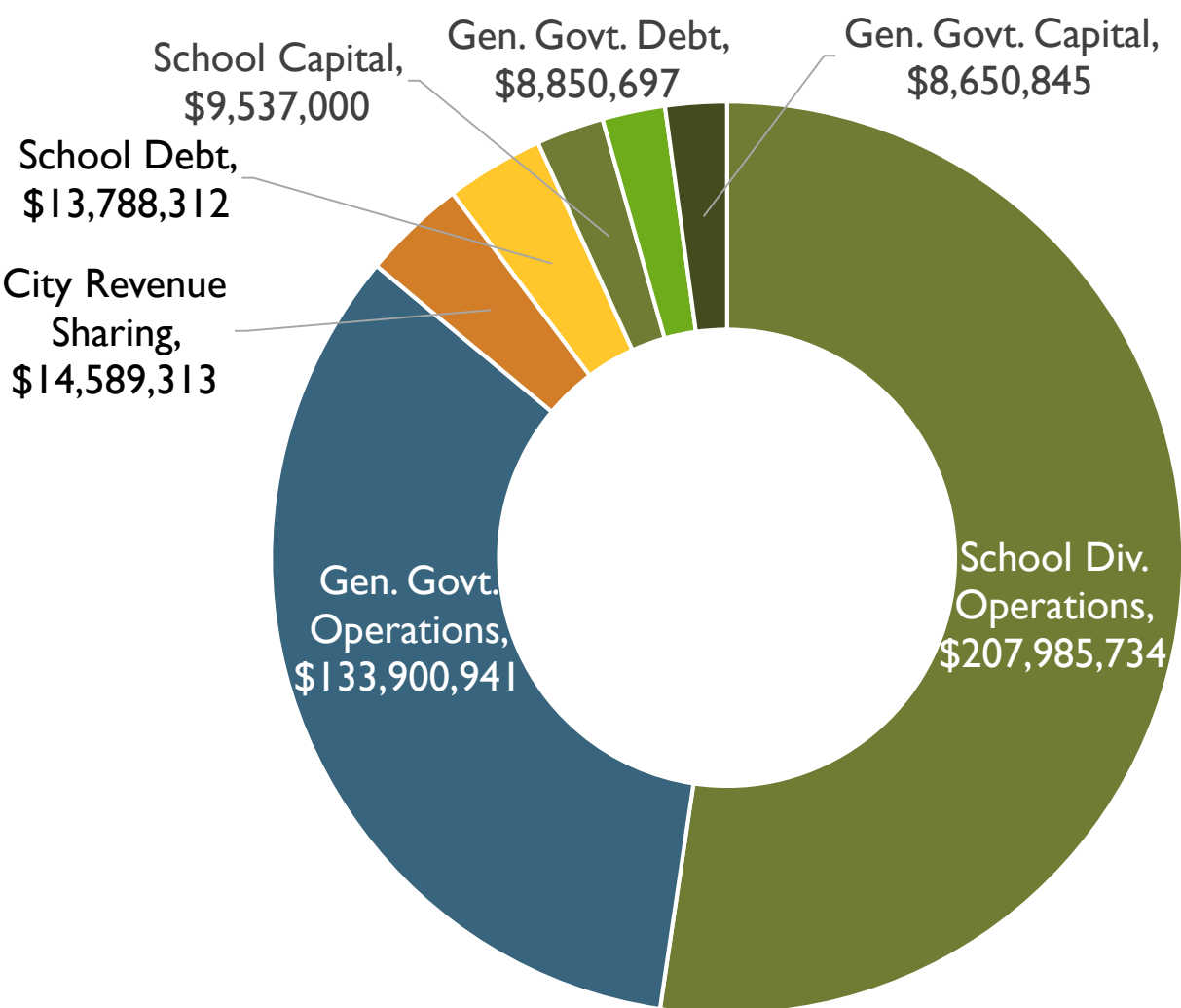
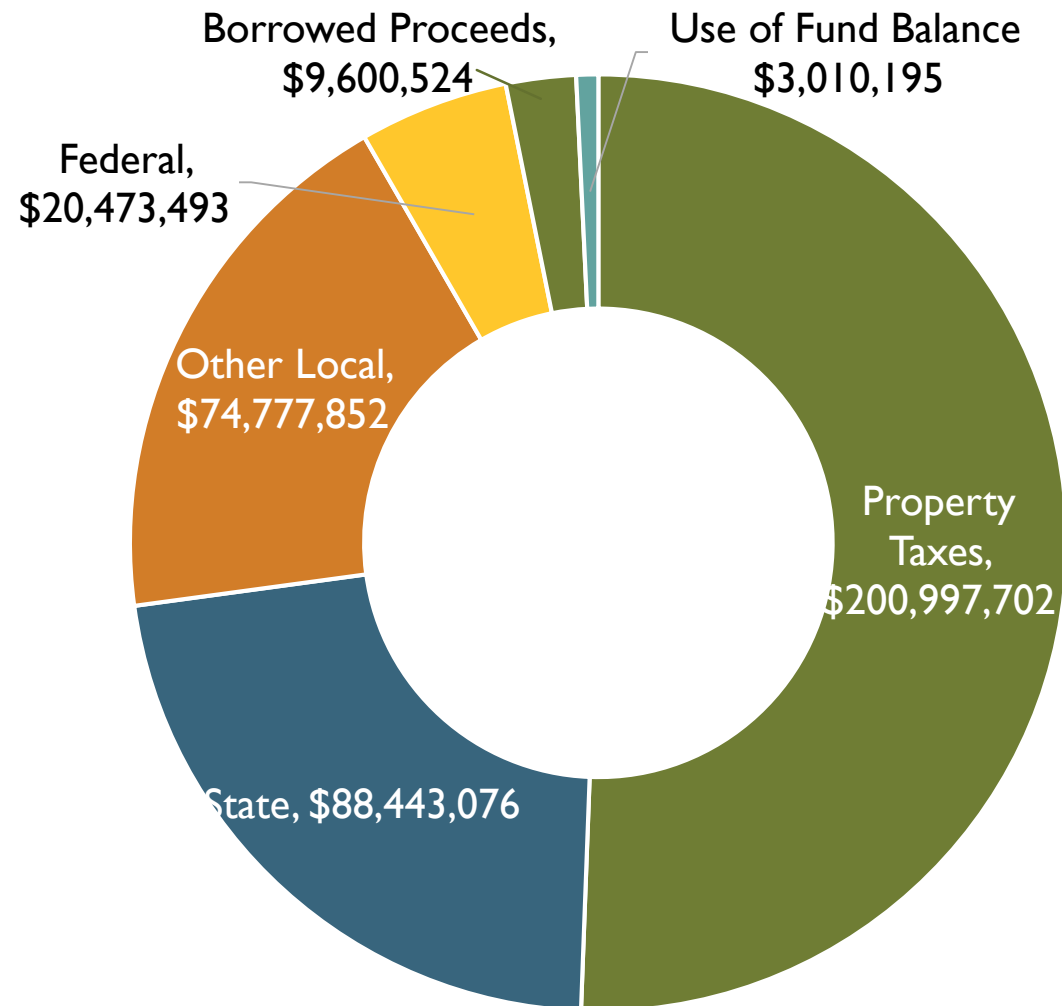
- Respond
- Recover
- Recalibrate

### 6 *2<sup>nd</sup> Half of FY 2021*

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

# FY 21 TOTAL REVENUES & EXPENDITURES: \$397.3M

-\$59.7M FROM FY 20





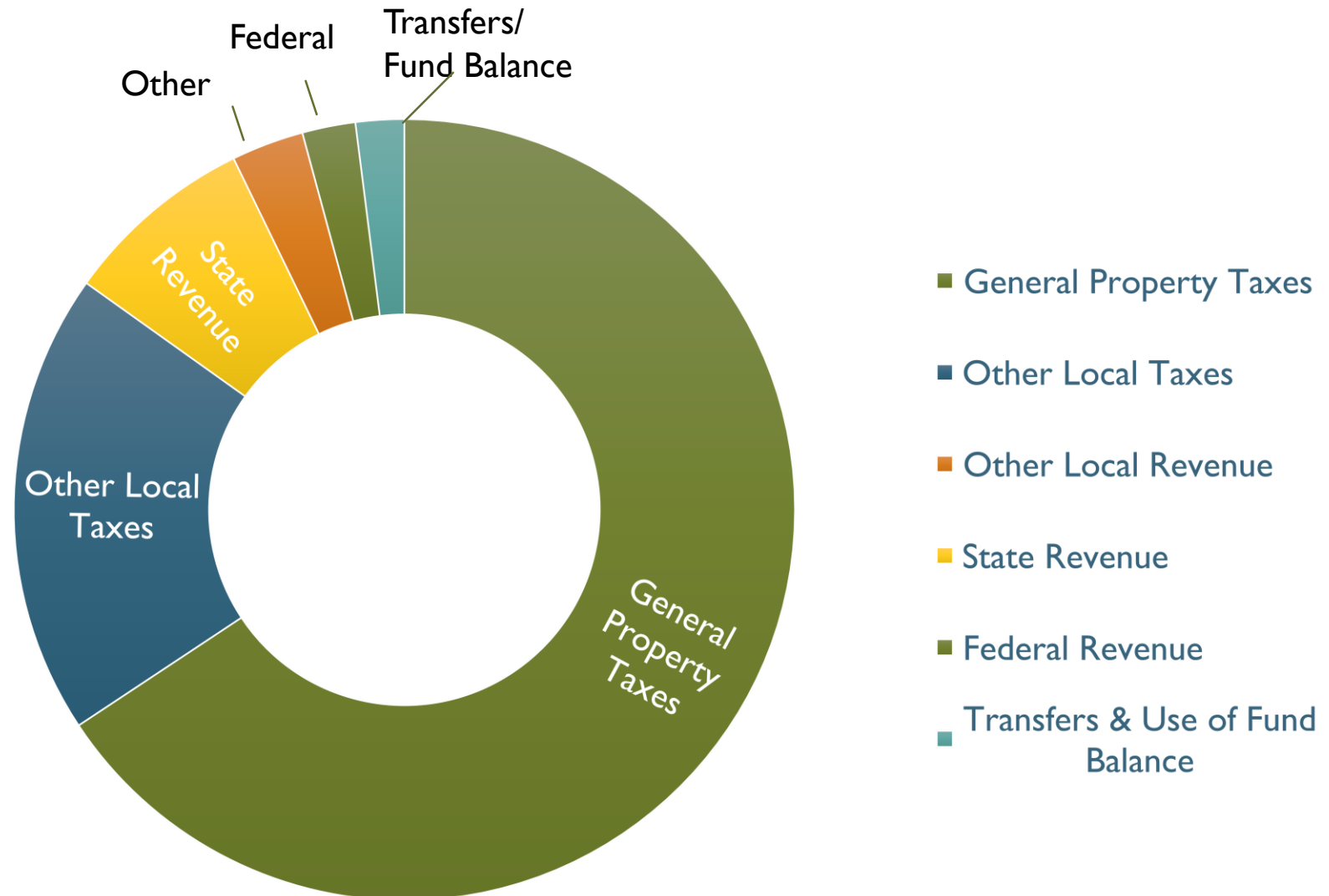


# GENERAL FUND REVENUES



# 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

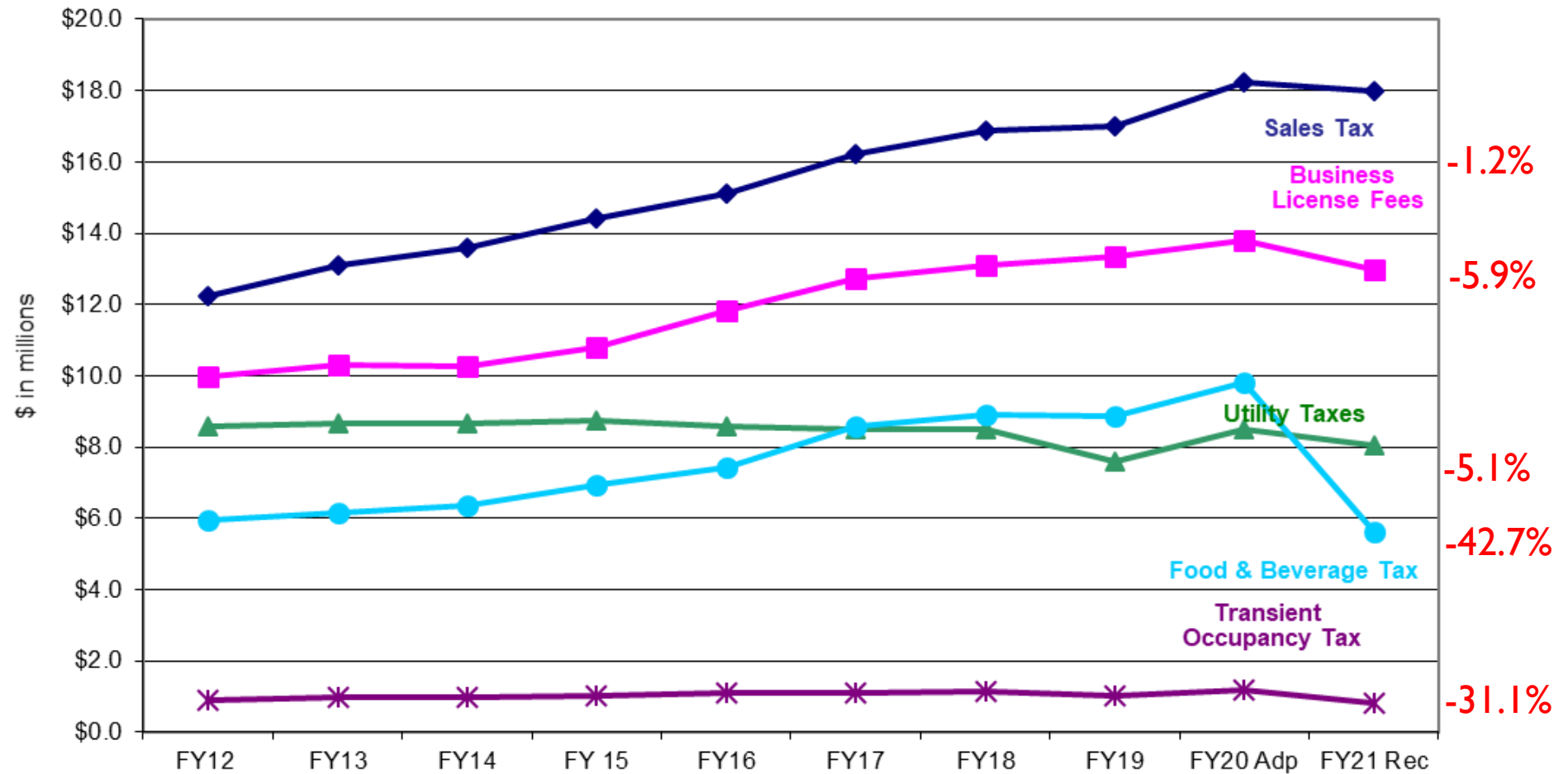
-\$1.23 million  
-7.6%



## Consumer-Driven

-\$5.17 million  
-12.4%

# LOCAL TAX REVENUE - OVER TIME – PAGE 40



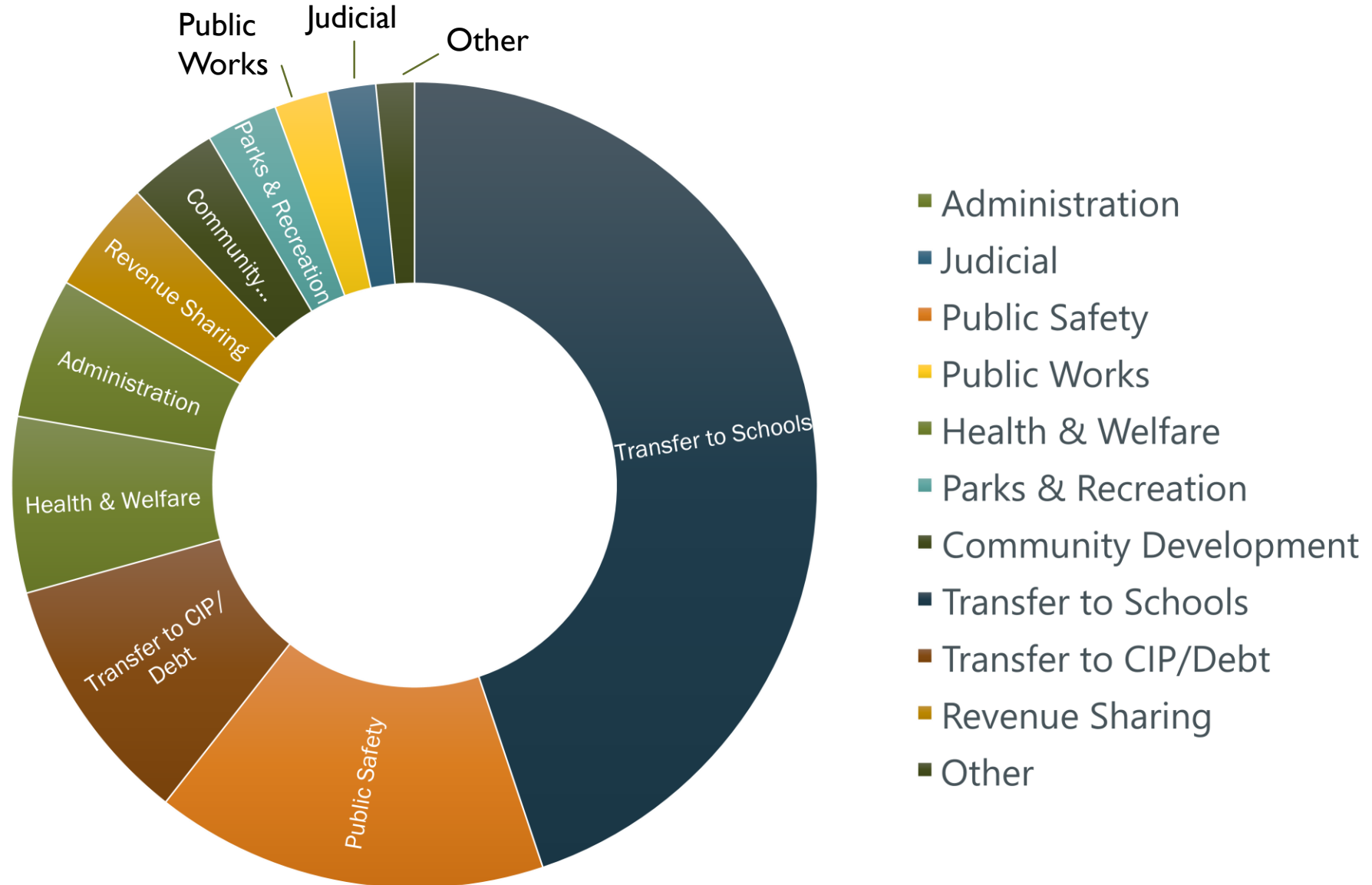


# GENERAL FUND EXPENDITURES



# REVISED FY 21 RECOMMENDED - GENERAL FUND EXPENDITURES

## PAGE 50



# CROSS-DEPARTMENTAL EXPENDITURES

## PAGE 51

- 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

<b>FY 20 Positions</b>	<b>787</b>
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
<b>FY 21 Net Positions</b>	<b>776</b>
<b>Overall Cost Savings Goal FY 21</b>	<b>≈ \$1,000,000</b>



# ADMINISTRATION

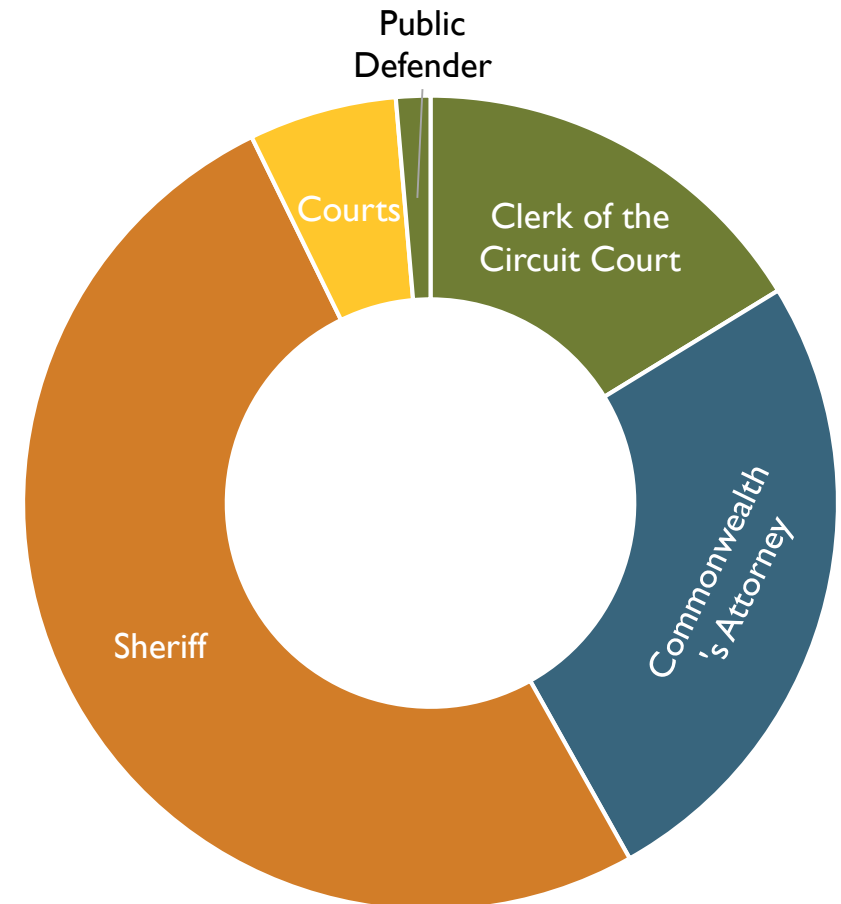
## PAGE 53

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

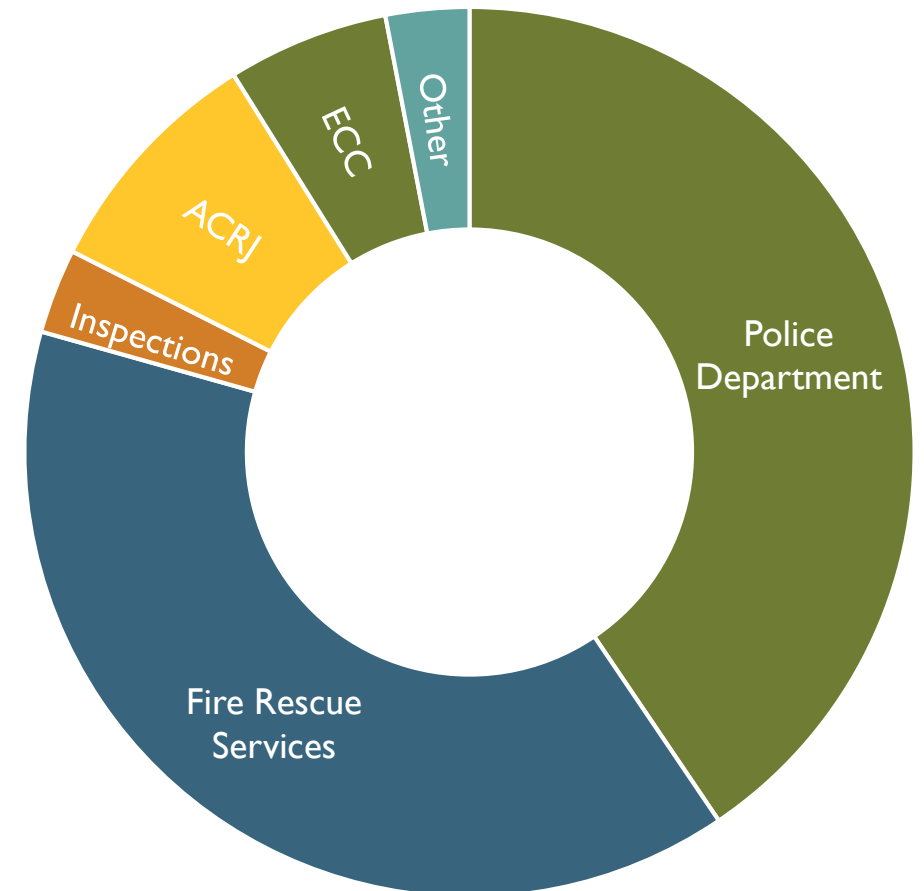
- Board of Supervisors
- Executive Leadership
  - \$35K increase for equity, diversity, and inclusion efforts
- Human Resources
- County Attorney
- Finance
- Information Technology
- Voter Registration and Elections – remains at COB-5th
  - Funds an Assistant Elections Manager position



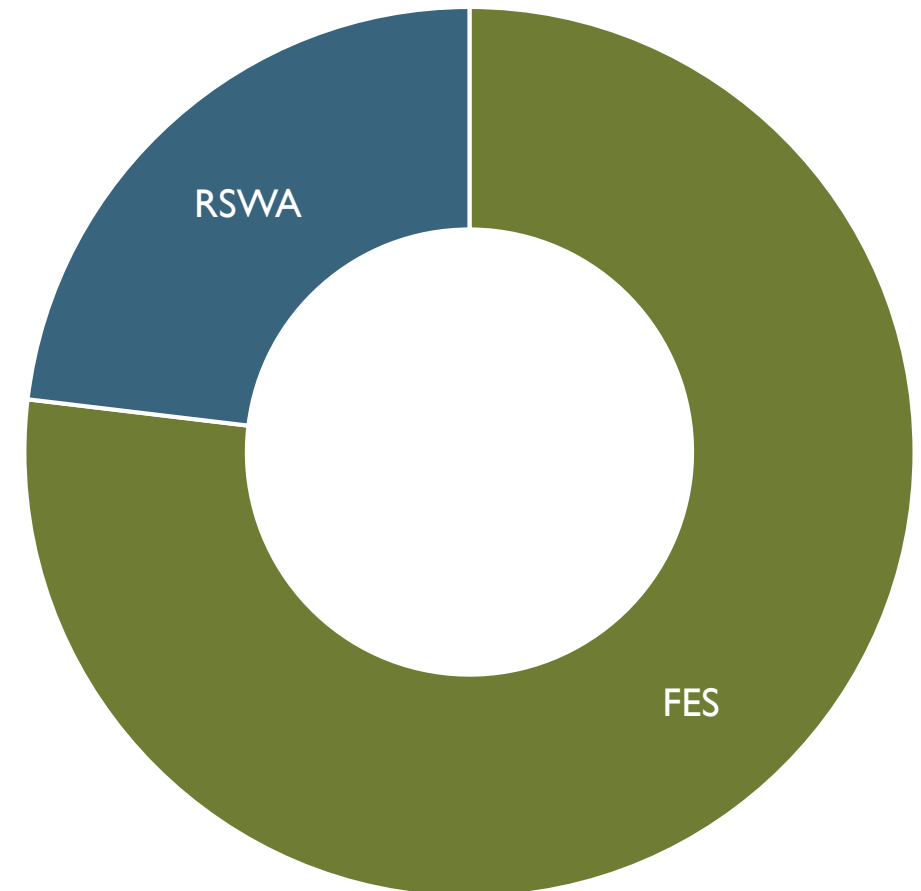
- Clerk of the Circuit Court
- Commonwealth's Attorney
  - Continues funding for an additional Assistant Commonwealth's Attorney approved in FY 20
- Sheriff
- Courts
  - Continues funding for a Legal Assistant for the new Circuit Court judge approved in FY 20
- Public Defender's Office



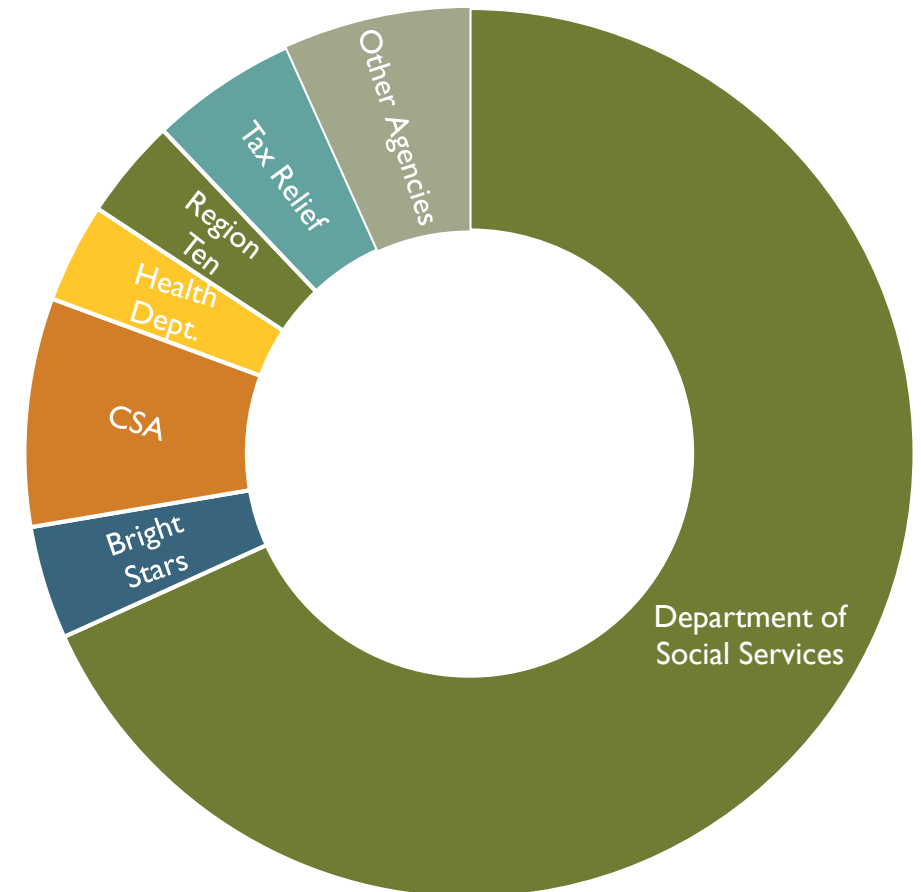
- Police
- Fire Rescue Services (discussed later in today's work session)
- Inspections
- Albemarle-Charlottesville Regional Jail (ACRJ)
- Emergency Communications Center (ECC)
- Other Public Safety Agency Contributions



- 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

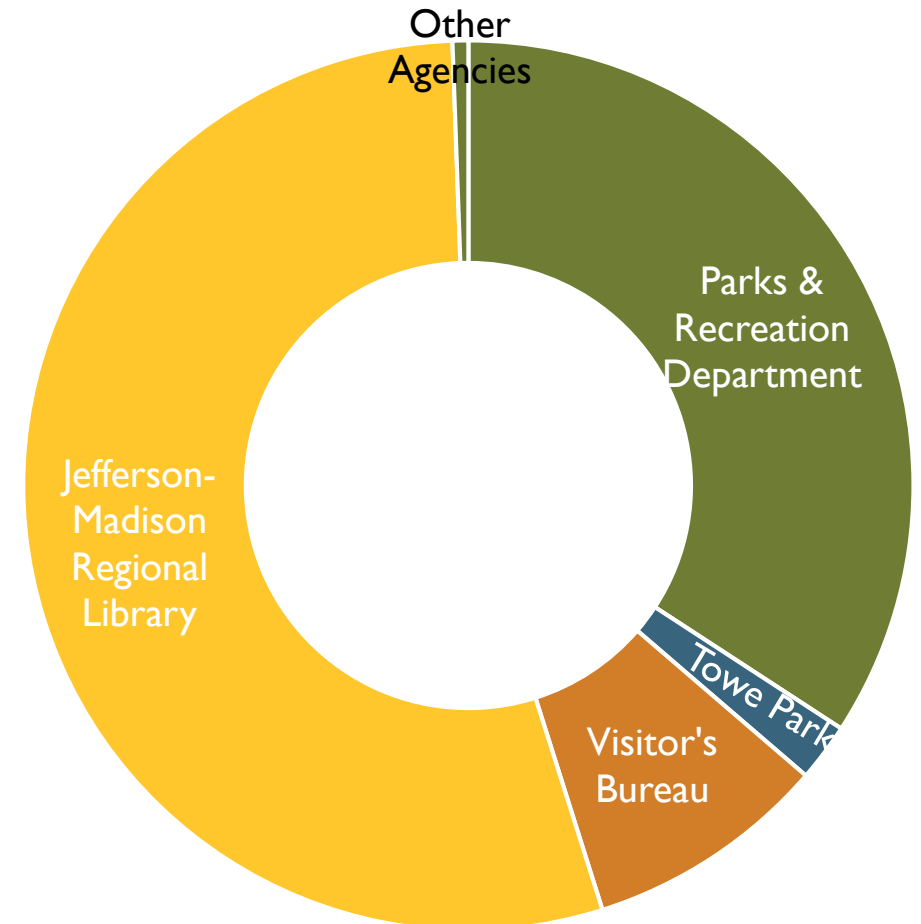


# PARKS, RECREATION, AND CULTURE

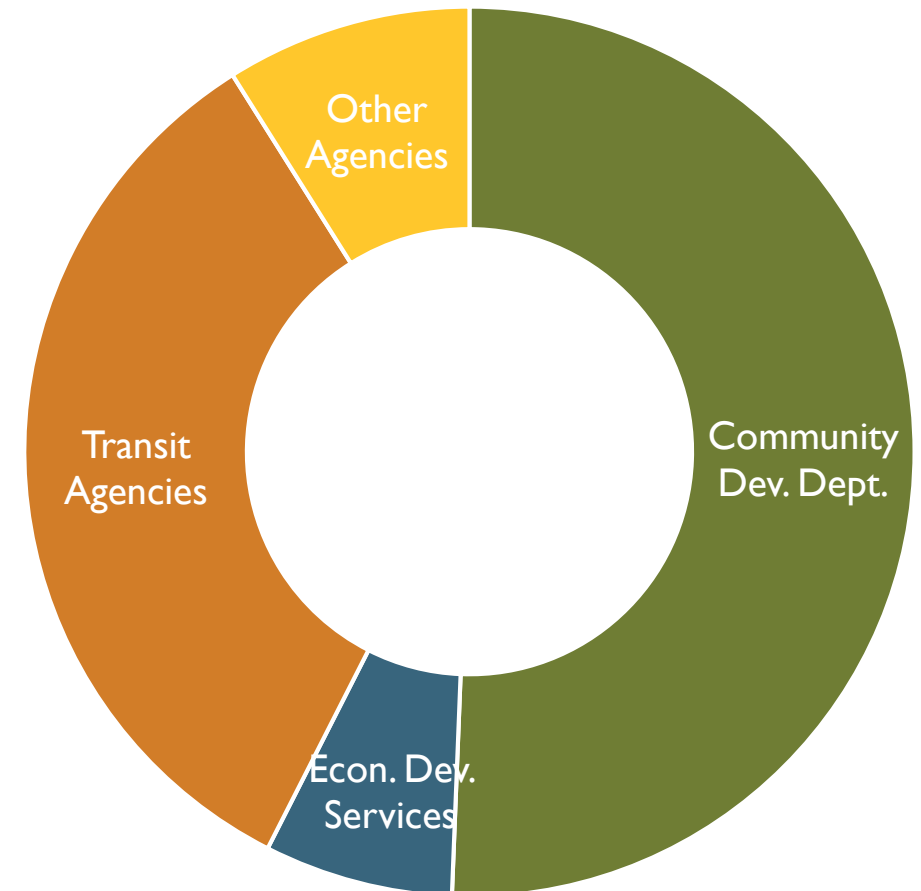
## PAGE 60

\$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 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
<b>County share of existing services at 3/11 Transit Work Session</b>	<b>2,509,756</b>	<b>1,246,468</b>
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
<b>Revised Recommended placeholder, subject to additional analysis</b>	<b>2,363,297</b>	<b>1,135,556</b>



# 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:*

<b>Student Learning</b>	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.
<b>Equity</b>	The budget will provide the resources necessary for creating equitable opportunities for all students.
<b>Current Employees</b>	Best efforts will be made to keep current regular employees, instructional and support staff, employed.
<b>Contingency</b>	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.
<b>Stakeholder Engagement</b>	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.

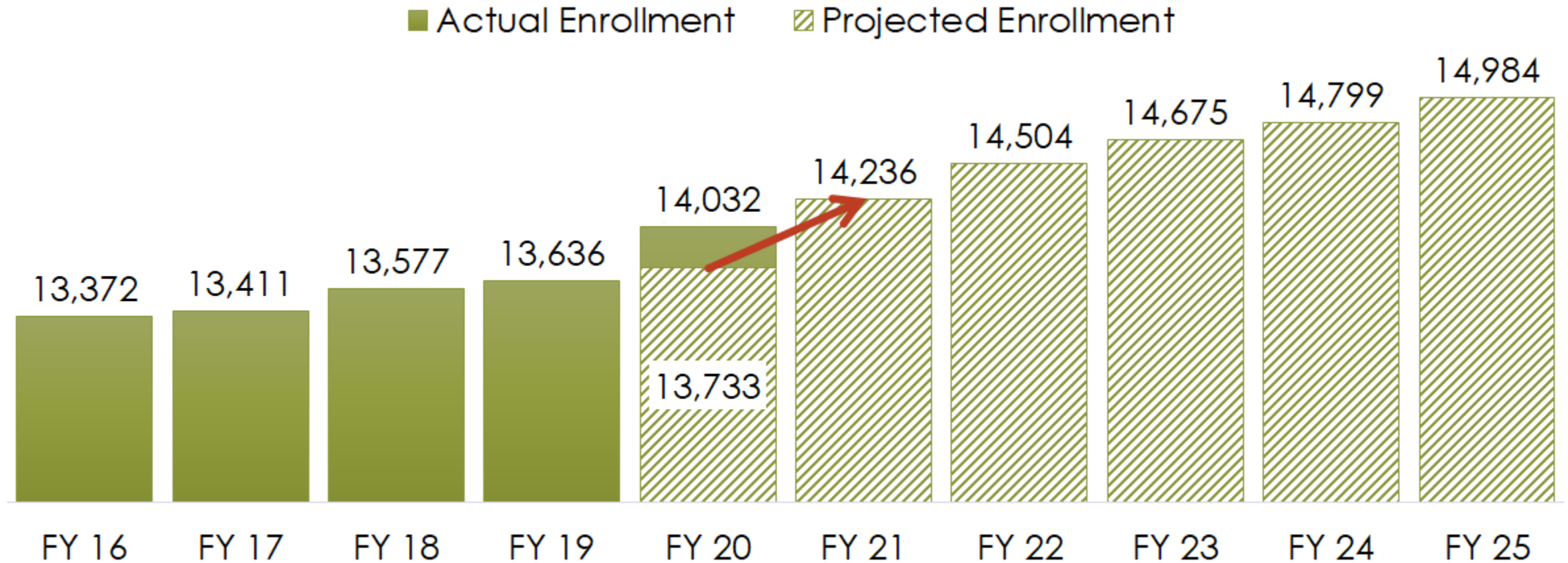
# FY 21 Revenue Estimates

	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

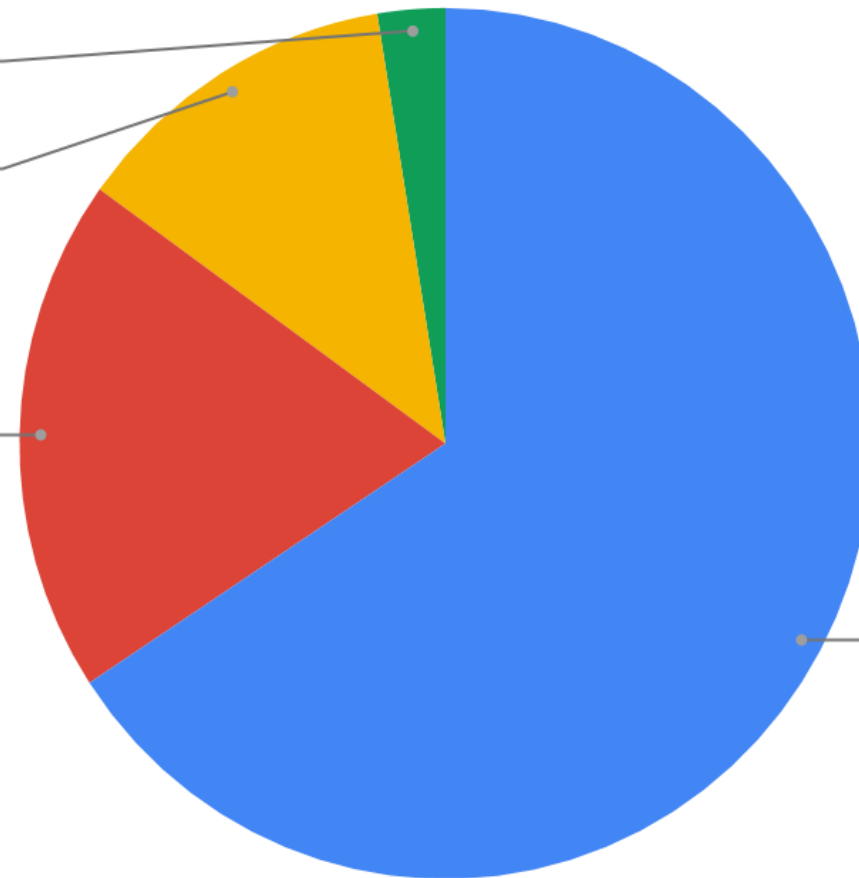
12.5%

Dept Compensation

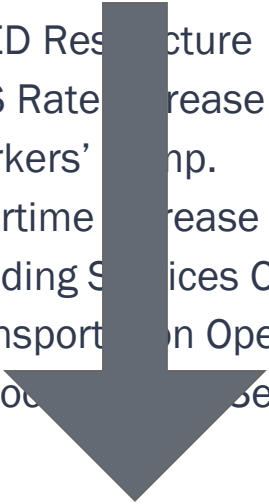


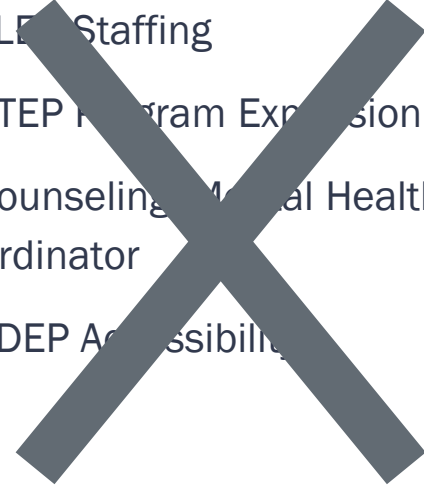
19.2%

School-bsd Comp.

65.7%



# Previous FY 21 Funding Request (Feb. 2020)

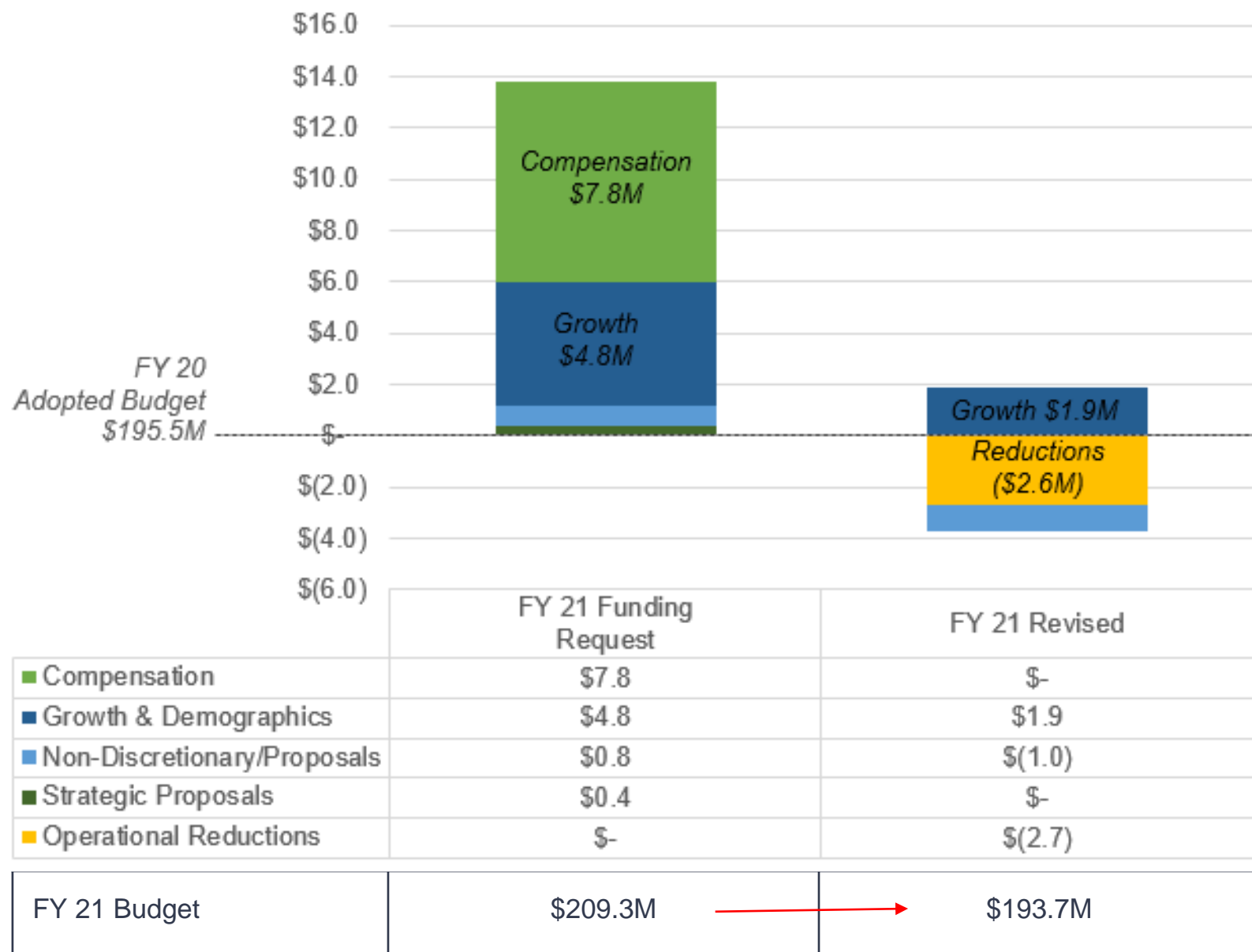
Non-Discretionary/ Directed	Growth & Demographics	Compensation	Strategic Proposals
\$0.8M	\$4.8M	\$7.8M	\$0.4M
<ul style="list-style-type: none"> <li>▶ SPED Respite</li> <li>▶ VRS Rate Increase</li> <li>▶ Workers' Comp.</li> <li>▶ Overtime Increase</li> <li>▶ Building Services Operations</li> <li>▶ Transportation Operations</li> <li>▶ School Security</li> </ul> 	<ul style="list-style-type: none"> <li>▶ Classroom Teachers</li> <li>▶ Special Education Teachers</li> <li>▶ ESOL Teachers</li> <li>▶ Bus Drivers</li> <li>▶ Custodians</li> </ul> 	<ul style="list-style-type: none"> <li>▶ Teacher Salary Increase (2.5% - 3.0%)</li> <li>▶ Classified Salary Increase (1.5% - 2.0%)</li> <li>▶ Raise Minimum Pay Rate (\$13.50 to \$15.00)</li> </ul> 	<ul style="list-style-type: none"> <li>▶ FLETC Staffing</li> <li>▶ STEP Program Expansion</li> <li>▶ Counseling/Mental Health Coordinator</li> <li>▶ EDEP Accessibility</li> </ul> 

# 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)
<b>Operational Reductions Total Change Estimate</b>	<b>(\$2.7M)</b>

# Changes from FY 20

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

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



**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