



# Albemarle County

## Legislation Text

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**File #:** 23-482, **Version:** 1

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**AGENDA DATE:** 12/6/2023

**TITLE:**

Five-Year Financial Plan Work Session

**SUBJECT/PROPOSAL/REQUEST:** Conduct a work session with the School Board on the five-year financial plan and Capital Improvement Plan

**ITEM TYPE:** Regular Information Item

**STAFF CONTACT(S):** Richardson, Sumner, Bowman, Haas, Schmitt, Kumazawa

**PRESENTER (S):** Andy Bowman; Maya Kumazawa

**LEGAL REVIEW:** Not Required

**REVIEWED BY:** Jeffrey B. Richardson

**BACKGROUND:** Long-range financial planning is part of the County's adopted financial policies. The Five-Year Financial Plan will include a review of revenue trends and expenditures from the prior years' projections of revenues and expenditures, as well as future costs and the financing of the Capital Improvement Plan. A long-range financial plan is different from the annual budget in that it emphasizes where the County may be headed at the end of the plan rather than the coming fiscal year. This planning can provide a helpful framework to inform the annual budget to ensure funding recommendations are aligned with County priorities. It also provides a framework to illuminate discussion around questions such as:

- a) Are the County's operating and capital plans in alignment? For example, if the County starts constructing a new facility in the capital budget, is it able to open and operate it in a future operating budget - can the decisions being made today be afforded in future years?
- b) What long-term strategies or policies could be considered to change the long-term trajectory of the financial plan?

The Five-Year Financial Plan is the next step in the County's long-term financial planning process, where to date:

- On August 16, the Board approved the FY 25 operating and capital budget calendar
- On October 4, the Board received an Economic Outlook Report
- On November 15, the Board held the first Five-Year Financial Plan work session that focused on initial revenue and expenditure assumptions, which are developed using the best information available at the time, and illustrate the financial plan's alignment with the Strategic Plan

Next, in accordance with the budget development schedule, the series of work sessions to review long-range financial planning information prior to the annual budget process will continue on December 6 (a joint meeting with the School Board) and December 13. Key reference materials have been assembled as Attachment A (School Board's Request - Long-range Planning) and Attachment B (presentation to the Board of Supervisors from November 15, 2023 on Five-Year Financial Plan).

**STRATEGIC PLAN:** Mission - To enhance the well-being and quality of life for all community members through the provision of the highest level of public service consistent with the prudent use of public funds.

**DISCUSSION:** During this work session, the Board of Supervisors and School Board will discuss the development of the FY 25-29 Capital Improvements Plan, the Public Schools' capital funding request and workforce stabilization - healthcare strategies. The Five-Year Financial Plan assumptions will continue to be updated in the annual budget development process and subsequent financial plans.

**BUDGET IMPACT:** Long-range financial planning connects long-range fiscal planning with strategic priorities and provides an important context for the annual budget process.

**RECOMMENDATION:**

Staff recommends that each Board share feedback and ask questions on the assumptions used in the development of the FY 25-29 Capital Improvements Plan, the Public Schools' capital funding request and workforce stabilization - healthcare strategies.

**ATTACHMENTS:**

A - School Board Request - Long-Range Planning

B - Presentation to the Board of Supervisors from November 15, 2023 on Five-Year Financial Plan