



Albemarle County

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AGENDA DATE: 5/11/2016

TITLE:
Strategic Priorities/Two Year Fiscal Plan Development Process

SUBJECT/PROPOSAL/REQUEST: Overview of process for identifying, ranking and assigning resources to Board priorities leading to development of a balanced Two-Year Fiscal Plan by December, 2016.

ITEM TYPE: Regular Information Item

STAFF CONTACT(S): Tom Foley, Lee Catlin, Lori Allshouse, Louise Wyatt

PRESENTER (S): Lori Allshouse, Lee Catlin

LEGAL REVIEW: No

REVIEWED BY: Thomas C. Foley

BACKGROUND: During the FY17 Five Year Plan and Annual Budget development and approval process, the Board, staff and the public had significant discussions about the ongoing structural fiscal imbalance facing the County and the critical need to address that gap on a long term basis. The Five-Year Financial Plan demonstrates that the cumulative impacts of community and Board aspirations, growing citizen expectations, and service obligations created by population growth outpace available resources into the future. Natural growth in revenues is not sufficient to meet our obligations and commitments and also maintain critical services at existing levels. International, national and state economic pressures have prevented our economy from regaining the momentum we had hoped for and expected, and we firmly believe that is the long term reality we face. The adopted FY17 budget recognizes that finding a balance between a realistic level of revenues going forward into the future and the expenditures which can be supported by that revenue is a large and challenging task that must be accomplished through Board of Supervisors and community dialogue and serious choices about the allocation of available resources.

STRATEGIC PLAN: This discussion relates to all items in the Strategic Plan.

DISCUSSION: The FY17 budget includes instituting a priority based budgeting process and ongoing Board work sessions and community engagement to determine Board and community priorities in a constrained environment and to determine what our citizens are prepared to pay to achieve a more aspirational future. This will involve the Board and our citizens working through a comprehensive process of identifying priority services and necessary funding levels to support those services and then aligning resources and desired services in a sustainable way for the future.

The Five-Year Financial Plan process has been a valuable tool for taking a long term look at the County's revenue and expenditure picture but, because of the extended time frame, it does not allow us to be as precise as is necessary beyond the first several years. Given the critical circumstances we find ourselves in, expanding beyond the annual budget to include a balanced Two-Year Fiscal Plan will provide a more helpful framework for decision making on major financial issues.

The Board is scheduled to begin this critical process with a strategic priority setting session on May 17, 2016, and the process will culminate with the adoption of a balanced Two-Year Fiscal Plan by December, 2016. During that time, the Board will be actively engaged in identifying and ranking priorities, understanding specific program and service costs and impacts, and providing direction to staff regarding resource allocation that will shape the development and ultimate adoption of the Two-Year Fiscal Plan. Staff will introduce this process including major milestones in detail on May 11 for discussion with the Board so that clear shared expectations and understanding about how the process will occur can be established. Attachment A provides a high level look at the major milestones in the process.

Additional details about the May 17 strategic priorities session also will be discussed during this agenda item, including distribution of background materials for the Board's review.

BUDGET IMPACT: There is no immediate budget impact associated with this item.

RECOMMENDATION:

No action is required by the Board on this item.

ATTACHMENTS:

Attachment A - Milestones Chart