



Albemarle County

Legislation Text

File #: 23-460, **Version:** 1

AGENDA DATE: 11/15/2023

TITLE:

Five-Year Financial Plan Work Session

SUBJECT/PROPOSAL/REQUEST: Work session on the five-year financial plan

ITEM TYPE: Regular Information Item

STAFF CONTACT(S): Richardson, Sumner, Bowman, Davidson, Vinzant

PRESENTER (S): Bowman, Davidson

LEGAL REVIEW: Not Required

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: Long-range financial planning is part of the County's adopted financial policies: "The County will develop and annually update a long-range five-year Financial Plan. The 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

Next, in accordance with the budget development schedule, the Board will hold a series of work sessions in the fall to review long-range financial planning information prior to the annual budget process. The work sessions are scheduled for November 15, December 6 (a joint meeting with the School Board), and December 13.

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, staff will present initial revenue and expenditure assumptions, which have been developed using the best information available at the time, and illustrate the financial plan's alignment with the Strategic Plan. These assumptions will continue to be updated in the annual budget development process and subsequent financial plans. Staff will also share the proposed financial plan's alignment with the Strategic Plan and seek Board feedback on the financial plan.

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

RECOMMENDATION:

Staff recommends that the Board share feedback on the initial long-range Five-Year Financial Plan.

ATTACHMENTS: None