

BOARD OF SUPERVISORS

BUDGET WORKS SESSION

March 13, 2018

2:00 P.M.

CALL TO ORDER – ROLL CALL OF MEMBERS

1. Introduction/Overview
2. General Fund Revenues
3. General Fund Expenditures (by functional area)
4. Fund Balance Projections
5. Wrap Up/Next Steps in the Budget Development

4:00 P.M.

ADJOURNMENT

This agenda may be amended on the day of the meeting. Participation of all citizens is encouraged. For those individuals with special needs, please notify County Administration of any accommodations required at least 24 hours in advance of the meeting. The agenda and related materials may be found on the County's website at www.staffordcountyva.gov.



FY2019 Budget Work Session

General Fund Revenue, Expenditures
and Fund Balance

March 13, 2018

Purpose/Agenda

Purpose: To provide a deeper review of General Fund revenues and expenditures and ensure the Board is armed with adequate information to make decisions. To receive Board changes to the Proposed Budget

Agenda:

- General Fund Revenues
- General Fund Expenditures
- Fund Balance

FY2019 Budget Development

- Work Sessions:
 - March 13, 2018, 2:00-4:00 p.m. - General Fund Revenue, Expenditures, and Fund Balance
 - March 20, 2018 12:00 – 2:00 p.m. Capital Improvement Program and Financial Policies
 - March 20, 2018 5:00 – 7:00 p.m. School Board's Presentation
 - March 27, 2018 2:00 – 4:00 p.m. Transportation, Utilities and Other Funds
 - April – other work sessions as needed

FY2019 Proposed Budget Format

Change in Format

Presented in APA Format
Comparability &
Consistency

- CAFR
- Other Localities

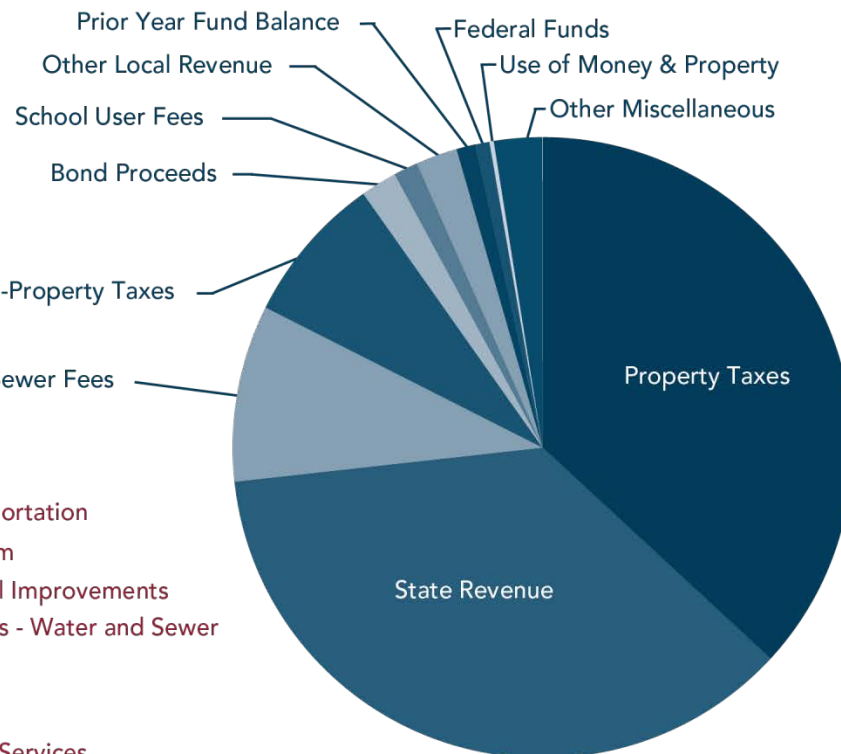
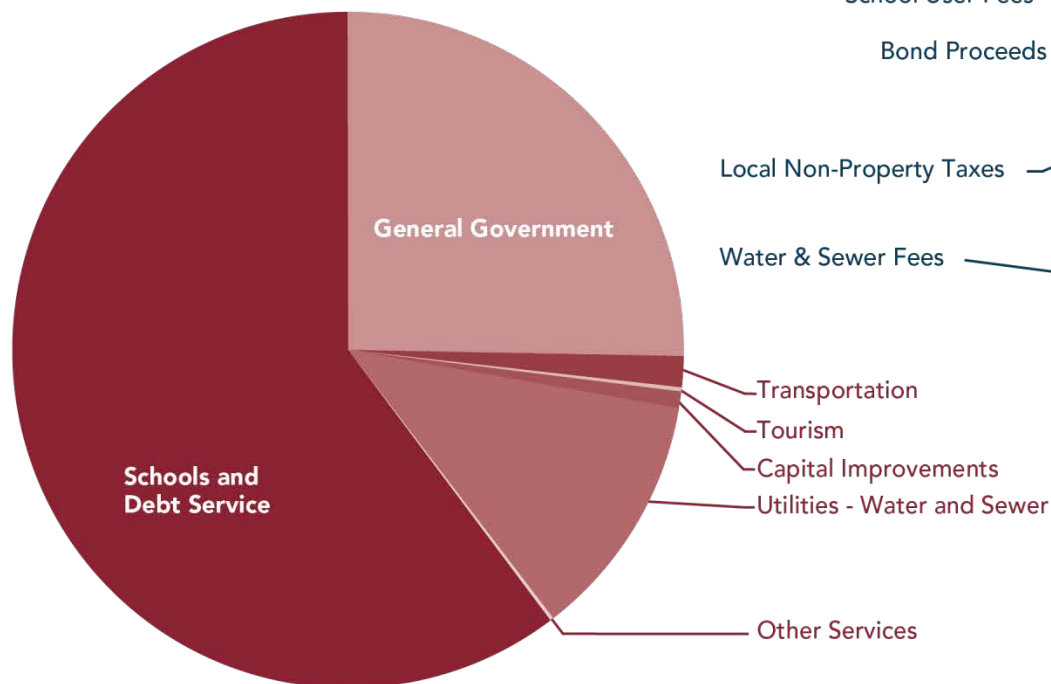
Revenues
Property Taxes
Local Non-Property Taxes
Permits, Fees, and Licenses
Fines and Forfeitures
Use of Money & Property
Charges for Services
State Revenue
Shared Expenses
Federal Funds
Misc. Revenue
Transfers In/Others

Expenditures
General Government
Public Safety
Judicial Administration
Community Development
Health and Human Services
Parks, Recreation and Cultural
Public Works
Education
Non-Departmental

All Funds

Expenditure Summary

Total: \$572,990,283

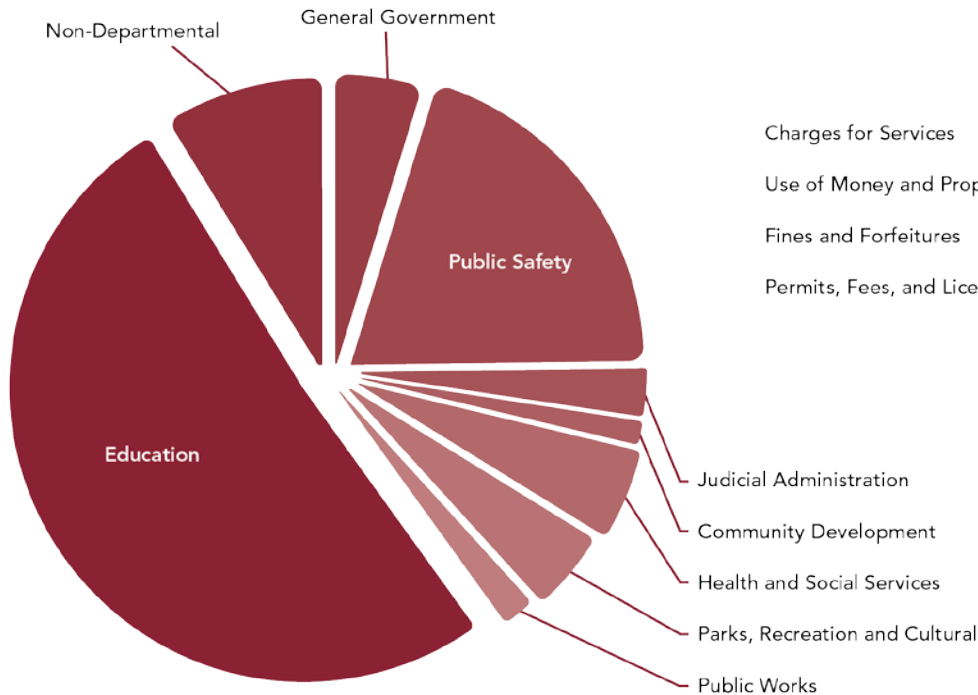


Revenue Summary

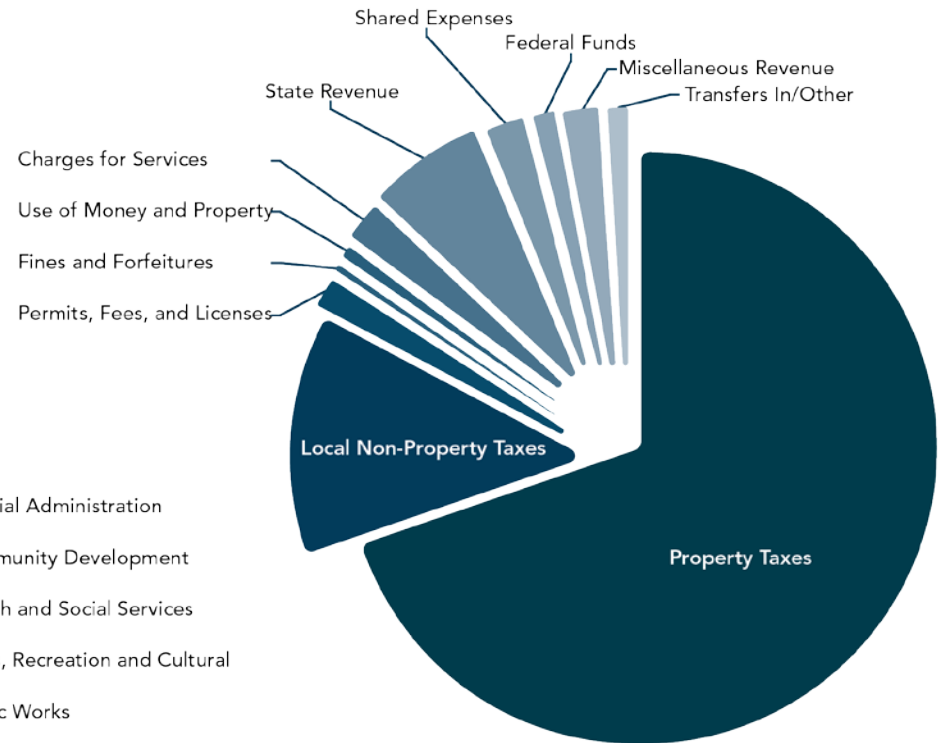
Total: \$573,065,808

General Fund

FY 2019 Proposed Budget General Fund Expenditures



FY 2019 Proposed Budget General Fund Revenues



Total General Fund:
\$301,104,254

General Fund Revenues

\$301.1M

- \$13.4 M, or 4.6% greater than FY2018 Adopted Budget
- \$2.1 M is proposed for planned use of prior year fund balance for one time costs
- New revenue is \$11.2 M, or 3.9% over prior year

Real Estate Tax

\$164.7M – 54.7% of Revenues

Assumptions

- Proposed at the effective rate (less than 1% increase)
- Increasing exonerations
- Collection rate of 98%
- Delinquent collections of \$3.1M

Real Estate Reassessment*

January 2016 to January 2018

- Residential 9%
- Commercial 5%
- Agricultural -3%
- Multi-Family 34%

*Does not include impact of new construction, improvements or increasing exonerations.

Half Penny Effect

- Increases the average residential tax bill by approximately \$15
- Increases revenue by approximately \$800,000

Average Residential Tax Bill

2017	\$2,762
2018 at \$0.965	\$2,908
2018 at \$0.975	\$2,938
2018 at \$0.99	\$2,983

Timing of Public Hearings

<u>Decision to advertise on:</u>	<u>Advertised rate</u>	<u>Date of budget hearing</u>	<u>Date of tax rate hearing</u>	<u>Adoption of budget</u>	<u>Adoption of tax rates</u>	<u>Effect on Taxes</u>
March 13th	Effective rate	April 3rd	April 3rd	April 17th	April 17th	none
	Higher rate	April 3rd	April 17th	April 17th	April 17th	none
March 20th	Effective rate	April 3rd	April 3rd	April 17th	April 17th	none
	Higher rate	April 3rd	April 24th	April 24th	April 24th	minor
Later date	Effective rate	Dependent on decision date	Dependent on decision date	Dependent on decision date	Dependent on decision date	Could impact current year collections
	Higher rate	Dependent on decision date	Dependent on decision date	Dependent on decision date	Dependent on decision date	Could impact current year collections



Other General Fund Revenues

- Personal Property is 6.5% increase over the FY2018 Adopted Budget. FY2017 Actuals finished higher than FY2018 Adopted.
- Consumption Taxes are being conservatively projected looking at the past 12 months of actual revenues and the year over year trend for the past 5 years.
- Building permits & fees are expected to continue steady growth, and are conservatively projected at 3.5% over FY2017 Actuals.
- The Federal Funds Rate, currently at 1.42%, is the highest it has been since September 2008. Interest revenue is projected to increase accordingly.
- Children's Services Act increases are driven primarily by the projected increase to private day school – state reimbursement of 55.6%.
- Transfer in from Tourism fund includes \$750K from 2% of hotel tax and \$10k funding to support Parks and Recreation activities and events.

Discussion and Questions

Cross Departmental Expenditure Changes

General Fund Broad Expenditures	
2% Salary increase	\$1,128,648
1% Market pay adjustments	\$625,000
VRS Savings - Net	\$187,340
Increase in contracts	\$382,623
Utilities increase	\$163,393
Service Contract Increases	\$37,603



General Government

\$14.4M – 4.8% of GF Budget

\$0.8M or 5.7% Change over PY

Department	Proposed Budget	% Change
Board of Supervisors	\$0.7 M	7.9%
Commissioner of the Revenue	\$2.8 M	2.8%
County Administrator	\$1.3 M	4.1%
County Attorney	\$1.1 M	1.7%
Electoral Board and Registrar	\$0.5 M	3.6%
Finance and Budget	\$1.7 M	4.9%
Geographic Information System	\$0.6 M	2.7%
Human Resources	\$0.6 M	11.5%
Information Technology	\$2.3 M	17.8%
Office of Community Engagement	\$0.4 M	3.6%
Treasurer	\$2.2 M	1.7%

Other Issues

Upgrade of current Financial System

Budget Drivers

BOS - Contractual Adjustments
BOS - Automated Board Agendas
Finance and Budget - Budget Analyst
HR - Talent Management System
IT - System Analyst I
IT - Software licensure

One-Time Expenditures

BOS – Replacement Equipment
HR – Talent Management System
HR – Compensation Study
IT – Replace Servers
IT – Replace outdated equipment

Discussion and Questions



Public Safety

\$60.3M – 20.0% of GF Budget

\$1.7M or 2.9% Change over PY

Department	Proposed Budget	% Change
Sheriff	\$25.8 M	3.9%
Fire & Rescue Services	\$21.6 M	4.7%
15th District Court Unit	\$0.4 M	0.8%
Code Compliance	\$4.4 M	7.3%
Rappahannock Juvenile Detention Center	\$1.2 M	(5.3%)
Rappahannock Regional Jail	\$6.9 M	(6.6%)

Other Issues

Jail Contingency
Volunteer F&R budget

Budget Drivers

Sheriff - 5 Deputies
Sheriff - Narcan replenishment
F&R - New Engine Crew (1/2 Year)
F&R - New Volunteer Program Coordinator
F&R - Software for planning & records

One-Time Expenditures

Sheriff - Replacement of in-car equipment
Sheriff - Vehicle replacement
Sheriff – Studies
F&R - One Time costs for new personnel
F&R - Volunteer Station one time items

Volunteer Fire & Rescue Budget

- Zero based budgeting model
 - Fair & equitable budgeting
 - Ensures needs are met
 - System wide base budget
- Set aside funding for one-time needs
- Currently, funds are set aside for capital needs
- Next steps
 - Finalize base budgets
 - Work towards centralized purchasing for homogenous goods
 - Station study to prioritize capital needs

Discussion and Questions

Judicial Administration

\$8.0M – 2.7% of GF Budget

\$0.2M or 2.6% Change over PY

Department	Proposed Budget	% Change
Circuit Court	\$0.4 M	0.3%
Clerk of the Circuit Court	\$1.6 M	1.6%
Commonwealth Attorney	\$3.2 M	2.2%
Court Deputies	\$2.5 M	4.6%
General District Court	\$0.1 M	0.3%
Juvenile and Domestic Relations	\$0.1 M	0.0%
Magistrate	\$0.01 M	0.0%

Budget Drivers

Court Deputies - Payroll changes

One-Time Expenditures

None

Discussion and Questions

Community Development

\$4.0M – 1.3% of GF Budget

\$0.1M or 2.7% Change over PY

Department	Proposed Budget	% Change
Cooperative Extension Program	\$0.2 M	3.1%
Economic Development	\$0.7 M	5.6%
Community Development Partner Agencies	\$0.5 M	(1.4%)
Planning and Zoning	\$2.6 M	2.7%

Budget Drivers

Economic Development - Marketing Position
Economic Development - Admin. Asst. Position

One-Time Expenditures

Community Development - Equipment

Other Issues

None

Discussion and Questions

Health and Human Services

\$11.2M – 3.7% of GF Budget

\$0.8 or 7.7% Change over PY

Department	Proposed Budget	% Change
Human Services	\$1.9 M	2.6%
Health and Social Services Partner Agencies	\$1.4 M	1.6%
Social Services	\$7.8 M	10.2%

Other Issues

Social Services case load

Social Services turnover

Budget Drivers

Social Services - 2 Benefit Programs Specialist II

Social Services - Office Associate II

Social Services - Family Services Specialist III

Social Services - 2 Benefit Programs Specialist II

Medicaid/Medicare Expansion

One-Time Expenditures

None

Discussion and Questions

Parks, Recreation and Cultural

\$13.4M – 4.5% of GF Budget

\$0.3M or 2.1% Change over PY

Department	Proposed Budget	% Change
Parks and Recreation	\$7.9 M	2.7%
Parks, Recreation and Cultural Partner Agencies	\$0.2 M	0.0%
Regional Library	\$5.3 M	1.2%

Other Issues

Repair, Replacement and Rehabilitation

Budget Drivers

P&R - Embrey Mill Fields

P&R - New Adaptive Programs (fee supported)

P&R - New 55+ dinner dances and dinner theater (fee supported)

One-Time Expenditures

P&R - Basketball Backboard

P&R -Inclusive Basketball Goals

P&R -ADA Trail to ADA Kayak Dock

P&R -Bathrooms, ADA Fixtures Parking Lot Lighting Improvements

P&R -Smith Lake - Swings and Rubber Surface to Existing Set

P&R - Parks ADA accessibility upgrades

P&R -Replacement of small equipment and furniture

Discussion and Questions

Public Works

\$5.4M – 1.8% of GF Budget

\$0.3M or 5.7% Change over PY

Department	Proposed Budget	% Change
Engineering	\$0.6 M	(8.6%)
Community Facilities	\$4.8 M	7.8%

Other Issues

New Asset Management System in FY2019 will provide supporting data for 3R

Budget Drivers

Operating impacts Station 14
Operating impacts Animal Shelter
Increase in contracts

One-Time Expenditures

Administration building/Armed Services Parking Lot
Cameras
Courthouse Community Center Cameras
Equipment Replacement Program
Porter Library - Add Shelving to Youth Area
Repair moisture damage to Carl Lewis Building
HVAC/Electrical/Plumbing System Repairs (All County Facilities)

Discussion and Questions



Education

\$158.1M – 52.5% of GF Budget

\$6.4M or 4.2% Change over PY

Department	Proposed Budget	% Change
Operating Budget Transfer	\$119.0 M	2.8%
Shared Serviced/Audit	\$0.1 M	0.0%
Public Day School Transfer	\$0.8 M	55.0%
Private Day School	\$6.7 M	67.4%
Debt Service	\$31.5 M	0.5%

Budget Drivers

Meets growth needs

Additional funding for priorities

Increase in debt service

Expand Public Day School program

Increase in Private Day School costs

Other Issues

4th largest population of students per capita in Virginia

Further review of comparative data next work session

Private Day School

- Assumptions
 - \$72K average costs
 - Maintain 93 students
 - State Funding 55.6%

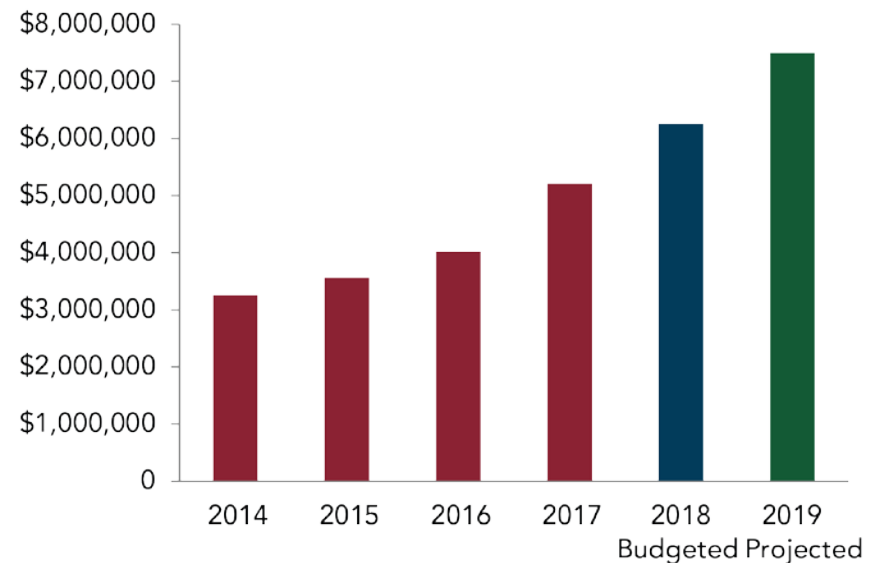
FY2019 Proposed Budget

Expenditures (\$6,696,000)

State Revenue \$3,722,976

Net County Costs (\$2,973,024)

Total Private and Public Day School



Discussion and Questions

Non-Departmental

\$26.4M – 8.8% of GF Budget

\$2.9M or 12.1% Change over PY

Department	Proposed Budget	% Change
Transfer to Capital Projects Fund	\$4.3 M	1638.0%
Transfer to Transportation Fund	\$0.5 M	0.0%
Non-Departmental	\$3.9 M	22.1%
County Debt Service	\$14.1 M	(3.9%)
Vehicle Replacement Program County	\$0.4 M	768.6%
Vehicle Replacement Program Sheriff	\$0.8 M	7.0%
Capital Outlay	\$1.8 M	(50.5%)
Capital Outlay One-Time (Courthouse Ramp-up)	\$0.5 M	(3.0%)

Budget Drivers

Capital projects in excess of \$100k transferred to capital projects fund

Vehicle replacement Program for County
Ramp ups Courts, Fire and Rescue Grant
Market Pay Funding Pool

One-Time Expenditures

Training
Innovation Funding
Vehicle replacement County and Sheriff
Capital expenditures

Other Issues

Change in presentation

Discussion and Questions

Fund Balance

- Projected to meet all policy requirements
- CSA
 - Proposed an increase to the reserve of \$300k by adding \$250k of prior year fund balance.
 - Proposes an increase to the reserve from year end balances from the County and the Schools, equal to 10% of budget overages.
- Corrections Reserve
 - Established in FY2017 with positive true-up from Juvenile Detention Center.
 - Proposes an additional \$450K from existing fund balance to mitigate swings in Jail or Juvenile Detention Center changes in expenditures and year-to-year budgets.
- Capital Projects Reserve projected at \$1.2M available

Discussion and Questions

Wrap Up/Next Steps in Budget Development

- Next Work Session March 20, 2018 at 12:30 p.m. ~ CIP and Financial Policies
- School Board presentation March 20, 2018 at 5:00 p.m.
- Questions