

Board of Supervisors

Robert "Bob" Thomas, Jr., Chairman
Laura A. Sellers, Vice Chairman
Meg Bohmke
Jack R. Cavalier
Wendy E. Maurer
Paul V. Milde, III
Gary F. Snellings

Anthony J. Romanello, ICMA-CM
County Administrator

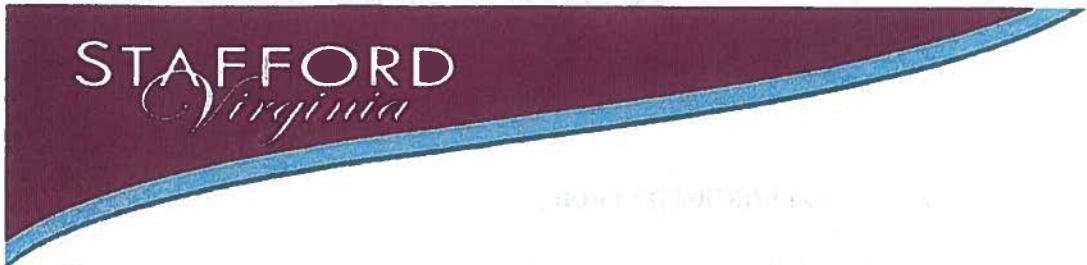
**Finance, Audit & Budget Committee
Meeting Agenda**

January 19, 2016 - 1:30 pm
Conference Room A/B/C - Second Floor

Agenda Item	
1.	Election of Chairman
2.	FY2016 Mid-year review

FAB01192016





BOARD OF SUPERVISORS
Agenda Item

Meeting Date:	January 19, 2016
Title:	FY2016 Midyear Review and Authorize the Release of FY2016 County and Schools 5% Appropriation Hold, and Budget and Appropriate Bond Proceeds
Department:	Finance and Budget
Staff Contact:	Maria J. Perrotte, Chief Financial Officer
Board Committee/ Other BACC:	Finance, Audit and Budget Committee
Staff Recommendation:	Approval
Budget Impact:	See background report
Time Sensitivity:	N/A

ATTACHMENTS:

1.	Background Report	4.	Dr. Benson Letter dtd 1/12/16
2.	Proposed Resolution R16-21	5.	PowerPoint
3.	Proposed Resolution R16-40		

	Consent Agenda		Other Business		Unfinished Business
	Discussion	X	Presentation		Work Session
X	New Business		Public Hearing		Add-On

REVIEW:

X	County Administrator	<i>[Signature]</i>
X	County Attorney	<i>Rysheda M. McClendon for LS</i>

DISTRICT:	N/A
------------------	-----

BACKGROUND REPORT

At mid-year, staff provides the Board and the public with an update of the County's current economic conditions. To provide the maximum financial flexibility, when the FY2016 budget was adopted, a 5% appropriation hold was placed on the General Fund and the Schools' Operating budgets, with release of the 5% hold pending review of current economic conditions. At mid-year, staff projects that revenues are tracking slightly higher than budgeted. In light of current economic conditions, staff recommends full appropriation of the County's and Schools' budgets.

In addition, staff requests appropriation of a portion of the bond funds sold in July, 2015. In order to minimize bond issuance costs, it has been the County's practice to borrow to meet its funding needs for the next two years, budgeting and appropriating as needed for projects. General Obligation bonds from the 2009 referendum were issued in the summer of 2015 and included \$2.7M for the next phase of the Embrey Mill Park. Staff is asking that the Board appropriate bond proceeds in the amount of \$115,000 to be used to construct a playground at the Embrey Mill Park, and to amend the design for the next phase. The County expects to go to bid and issue the construction contract later this year, and at that time will request that the Board appropriate the remainder of the bond proceeds.

The School Board has requested full appropriation of the Schools' Operating budget. (Attachment 5)

Proposed Resolution R16-21 appropriates the General Fund 5% appropriation hold of \$5,380,090, and budgets and appropriates \$115,000 of the bond proceeds for the next phase of the Embrey Mill complex. Proposed Resolution R16-40 appropriates the remaining \$5,861,291 of the Schools' Operating budget.

Staff recommends approval of proposed Resolutions R16-21(County) and R16-40 (Schools).

PROPOSED

BOARD OF SUPERVISORS
COUNTY OF STAFFORD
STAFFORD, VIRGINIA

RESOLUTION

At a regular meeting of the Stafford County Board of Supervisors (the Board) held in the Board Chambers, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 19th day of January, 2016:

MEMBERS:

Robert "Bob" Thomas, Jr., Chairman
Laura A. Sellers, Vice Chairman
Meg Bohmke
Jack R. Cavalier
Wendy E. Maurer
Paul V. Milde, III
Gary F. Snellings

VOTE:

On motion of , seconded by , which carried by a vote of , the following was adopted:

A RESOLUTION AUTHORIZING THE RELEASE OF THE
COUNTY'S FY2016 APPROPRIATION HOLD, AND BUDGETING
AND APPROPRIATING \$115,000 IN BOND PROCEEDS

WHEREAS, to provide financial flexibility, the Board placed a 5% appropriation hold on the adopted FY2016 budgets, with release of the hold pending a mid-year fiscal review; and

WHEREAS, the FY2016 mid-year review projects sufficient revenues to warrant the release of the remaining 5% General Fund appropriation; and

WHEREAS, the Board desires to release the full remaining 5% of the General Fund appropriation; and

WHEREAS, the Board desires to budget and appropriate \$115,000 of the Bond Funds to the Capital Project Fund, to be used towards the ongoing construction and development of the Embrey Mill Park;

NOW, THEREFORE, BE IT RESOLVED by the Stafford County Board of Supervisors on this the 19th day of January, 2016, that it be and hereby does increase the appropriations to the General Fund budget for FY2016 as follows:

<u>General Fund:</u>	Appropriation Release
Board of Supervisors	31,648
Capital Projects	167,017
Central Rappahannock Regional Library	253,361
Commissioner of the Revenue	131,065
Commonwealth's Attorney	146,060
Cooperative Extension	8,772
Corrections	300,529
County Administration	55,610
County Attorney	53,912
Clerk of the Circuit Court	72,256
Circuit Court	13,736
General District Court	5,087
Juvenile and Domestic Relations Court	3,285
Magistrate	441
15th District Court Services Unit	18,066
Economic Development	41,253
Finance and Budget	77,905
Fire and Rescue	820,941
Human Resources	20,473
Human Services, Office of	248,590
Information Technology	107,646
Non-Departmental	131,179
Parks, Recreation and Community Facilities	557,745
Partner Agencies	86,289
Planning and Zoning	113,763
Public Works	192,339
Public Works - Stormwater	26,561
Registrar & Electoral Board	24,097
Sheriff	1,237,920
Social Services	338,536
Treasurer	94,008
Total	<u>\$5,380,090</u>

BE IT FURTHER RESOLVED that One Hundred Fifteen Thousand Dollars (\$115,000) of the Bond Funds are budgeted and appropriated as follows:

Capital Projects Fund	\$115,000
-----------------------	-----------

AJR:nac:kah

PROPOSED

BOARD OF SUPERVISORS
COUNTY OF STAFFORD
STAFFORD, VIRGINIA

RESOLUTION

At a regular meeting of the Stafford County Board of Supervisors (the Board) held in the Board Chambers, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 19th day of January, 2016:

MEMBERS:

Robert "Bob" Thomas, Jr., Chairman
Laura A. Sellers, Vice Chairman
Meg Bohmke
Jack R. Cavalier
Wendy E. Maurer
Paul V. Milde, III
Gary F. Snellings

VOTE:

On motion of , seconded by , which carried by a vote of , the following was adopted:

**A RESOLUTION AUTHORIZING THE RELEASE OF THE SCHOOLS'
FY2016 APPROPRIATION HOLD**

WHEREAS, to provide financial flexibility, the Board placed a 5% appropriation hold on the adopted FY2016 General Fund budget, including the Schools' Operating fund, with release of the hold pending a mid-year fiscal review; and

WHEREAS, the FY2016 mid-year review projects sufficient revenues to warrant the release of the remaining 5% of the FY2016 Schools' Operating Fund appropriation; and

WHEREAS, the Board desires to release the full remaining 5% of the Schools' Operating Fund appropriation for FY2016;

NOW, THEREFORE, BE IT RESOLVED by the Stafford County Board of Supervisors on this the 19th day of January, 2016, that it be and hereby does increase the appropriations to the Schools' FY2016 Operating Fund as follows:

<u>General Fund:</u>	Appropriation Release
Operating Budget Transfer to Schools	5,626,391
Public Day School	25,900
School Bus Capital	<u>209,000</u>
Total	<u><u>\$5,861,291</u></u>

<u>School Operating Fund:</u>	
Operating Budget Transfer to Schools	5,626,391
Public Day School	25,900
School Bus Capital	<u>209,000</u>
Total	<u><u>\$5,861,291</u></u>

AJR:nac:kah

SCHOOL BOARD MEMBERS

NANETTE KIDBY
Chair

HOLLY HAZARD
Vice-Chair

IRENE EGAN
EMILY FALLON
PATRICIA HEALY
C. SCOTT HIRONS
DEWAYNE McOSKER, JR.

STAFFORD COUNTY PUBLIC SCHOOLS

31 Stafford Avenue
Stafford, Virginia 22554-7246
Phone: 540-658-6000
<http://www.staffordschools.net>

W. BRUCE BENSON, Ed.D.
Superintendent



January 12, 2016

Mr. Anthony Romanello, ICMA-CM
County Administrator
County of Stafford
P.O. Box 339
Stafford, Virginia 22555

Dear Mr. Romanello:

The School Board respectfully requests that the Board of Supervisors appropriate to the school division the 5 percent local transfer holdback of \$5,861,291 from the School Board's FY 2016 Adopted Budget for School Operating Funds approved in Resolution R15-205 on June 2, 2015.

Your approval of this request will be greatly appreciated. Please contact me if you have any further questions or need additional information.

Sincerely,

A handwritten signature in cursive script that reads "W. Bruce Benson".

W. Bruce Benson, Ed.D.
Superintendent

WBB:lw:jg

cc: School Board Members
Maria Perrotte
Nancy Collins
Lance Wolff
Kate Gilliam

FY2016 Midyear Review



January 19, 2016

Revenue



- ☞ At midyear, revenues are projected to be slightly above the adopted budget.
 - ☞ Some is one-time money.
- ☞ Personal property, sales tax, meals tax, permit activity, ambulance fees, and recordation continue to be strong.

Expenditures



- ❧ The budget included savings from Woodlands Pool closing for the winter with the opening of the Jeff Rouse Swim and Sport Center.
 - ❧ Woodlands will remain open this year and become a summer only pool in FY2017.
 - ❧ Additional costs will come from contingency.
- ❧ CSA expenditures are tracking closely with budget.

Expenditures



- ❧ Health insurance is tracking slightly above budget. FY2014 health insurance savings were reserved as a hedge against budget overage.
 - ❧ At this time, it appears that the reserve will be sufficient to fund the higher costs.
 - ❧ County/Schools joint RFP for health insurance is underway.
- ❧ Budgeted managed attrition of \$1.1M will be achieved.

Expenditures: Fire & Rescue Staffing Challenge



- ❧ Fire and Rescue is experiencing high turnover.
- ❧ A robust hiring process and academy requirements mean that there is a long lead time until firefighters are ready to serve.
- ❧ Staff is working extra overtime in order to provide adequate coverage. Savings will be found in salary and operating lines to cover the overtime budget overages.
- ❧ Staff is reviewing solutions to the problem.
 - ❧ Public safety staffing plan
 - ❧ Compensation study
 - ❧ Overfills are being approved.

Expenditures: Fire & Rescue Staffing Challenge



- ☞ We anticipate that the FY2017 budget proposal will include measures to address these challenges.
- ☞ Midyear projections indicate that there may be money to implement any measures approved by the Board during the budget process prior to the start of the new fiscal year.

Revenue Stabilization Reserve



- ☞ Revenues are projected to exceed expenditures.
- ☞ Recent enhancements to the Board's financial policies increase Revenue Stabilization Reserve from 1/2% to 2% of General Fund Revenues by 2018.
- ☞ The funding of the reserve will be seen positively by ratings agencies.

Parks Bond Proceeds



- ❧ In order to minimize bond issuance costs, it has been our practice to borrow to meet our funding needs for the next two years, budgeting and appropriating as needed for the projects.
- ❧ General Obligation bonds issued in the summer of 2015 included \$2.7M for the next phase of Embrey Mill Park.
- ❧ We are asking that the Board appropriate bond proceeds in the amount of \$115,000 to be used to construct a playground at the park and to amend the design for the next phase.
- ❧ We expect to go to bid and issue the construction contract later this year, and will request that the Board appropriate the remainder of the bond proceeds at that time.

Schools



- ☞ The School Board has requested release of the 5% appropriation hold.
- ☞ It is expected that the School Board will bring a package to the Board in February on unspent FY2015 carryover monies, including funding for school buses.

Board Action



- ❧ Proposed Resolution R16-21 budgets releases the 5% appropriation hold and appropriates bond proceeds in the amount of \$115,000 to be used to construct a playground at the park and to amend the design for the next phase.
- ❧ Proposed Resolution R16-40 releases the Schools' 5% appropriation hold.
- ❧ Staff recommends approval.

Questions?

