



County Administrator's

FY 2015 Recommended Budget



February 11, 2014

Budget Priorities

- Education
- Public Safety
- Transportation
- Well-balanced financial planning



FY 2015 Recommended Budget

Fund	FY 2014 Adopted (in millions)	FY 2015 Recommended (in millions)	Difference \$ (in millions)
General	\$106.9	\$111.4	\$4.5
Economic Dev. Opp.	0.7	0.6	-0.2
Code Compliance	3.1	3.6	0.5
Transportation	8.1	9.1	1.0
School Operating	248.3	253.6	5.3
School Food Service	10.0	9.5	-0.5
Utilities Operating	30.0	31.6	1.6
<i>Subtotal Op. Exp.</i>	<i>\$407.1</i>	<i>\$419.5</i>	<i>\$12.4</i>
Capital Projects	13.5	9.9	-3.5
School Capital Proj.	0.4	7.7	7.3
Utilities Capital Proj.	18.0	13.1	-4.9
<i>Subtotal Capital Exp.</i>	<i>\$31.9</i>	<i>\$30.7</i>	<i>-\$1.2</i>
Total Budget	\$439.0	\$450.2	\$11.2

Revenue

Notable Adjustments



Revenue Adjustments

- Reassessment

- ✓ Overall increase of 4.25% from 2013 values
- ✓ ~6% increase in residential
- ✓ ~2% decrease in commercial

- Equalized rate = \$0.86

- ✓ Budget built at \$0.87; recent changes yield \$0.86
- ✓ Rounding of rate to two decimals nets a \$374K loss from recommended figures



Tax Rate Considerations

- Flexibility due to potential value changes
- Need to make up \$374,000 loss
- \$258,000 full-year cost of 2% raise for sworn Sheriff's staff
- Unknowns on State funding and other areas of the budget



Tax Rate Considerations

- 2% for 600+ employees not included previously = \$761K General Fund and \$220K all other funds



Revenue Adjustments

- Personal Property
 - ✓ Assumes 3-year average 7.3% NADA decline
 - ✓ Won't know until late Feb/early March
 - ✓ Assumes new/newer vehicles replacing some older vehicles
- \$941,735 adjustment to revenues and expenditures to match CAFR presentation of tax relief



Revenue Adjustments

- Overall, General Fund revenues projected to increase \$3.4 million (1.5%)
 - ✓ New construction growth
 - ✓ 1% allowed by State law
 - ✓ Expected increase in sales, BPOL, recordation and meals taxes



Expenditures

Notable Adjustments



Expenditure Adjustments

- \$700,000 – full-year costs of items partially funded in FY 2014
- \$914,000 – increases in benefits
- \$345,000 – increases in contributions to jail and juvenile detention center
- \$208,000 – 4 new positions for Sheriff's communications



Expenditure Adjustments

- \$52,100 – increase deputized Animal Control officers' pay commensurate with other deputies
- \$90,200 – 1 add'l detective to decrease caseloads
- Net \$0 – 6 firefighter/medics added with a corresponding decrease in budgeted overtime



Expenditure Adjustments

- \$70,000 – Career ladder stipends to improve firefighter & firefighter/medic retention
- \$36,600
 - ✓ Increase P/T funding to Treasurer's Office
 - ✓ Convert grant Accounting Tech to full-time
 - ✓ ½ year Heavy Equip Mechanic/Welder
 - ✓ Increase Asst. Farmers' Market Manager position from 10 to 15 hours/week



Expenditure Adjustments

- \$212,800 – 4 new Utilities Field Crew Workers
 - ✓ 2 for new CCTV crew
 - ✓ 2 for valve exercising/hydrant maintenance
- \$61,000 – 2 add'l Eligibility Workers in Social Services ... funded ½ year
- Shift of FRA and Town Centre light show sponsorship to EDO



Debt Service & the CIP



Debt Service & the CIP

- Guideline transfer to CIP up \$664K to \$6.3 million (2.75%)
- Additional \$2 million transfer from GF balance for fire equipment reserve
- \$7.2 million in County projects to be financed this summer
 - ✓ \$5.4 million - final year cost of radio system
 - ✓ \$1.2 million - replacement fire trucks
 - ✓ \$0.6 million - Judicial Center project



Debt Service & the CIP

- Transportation projects include:
 - ✓ Mine/Falcon/Spotsylvania intersection
 - ✓ Jones Powell hill improvement
 - ✓ Paving of unpaved roads
 - ✓ Hickory Ridge/Rt 1 intersection
 - ✓ Study/preliminary engineering for widening of Morris Road

- Improvements at Exits 118 and 126
 - ✓ \$10 million in FY 2015
 - ✓ \$10 million in FY 2016
 - ✓ Maximize Revenue Sharing potential



What's Not Included?



What's Not Included?

- No change in on-going School transfer
 - ✓ removal of one-time \$750K
 - ✓ Level transfer results in **add'l \$2.7 million** in local funding for operations due to debt retirement & keeping borrowing for CIP projects to a minimum in FY 2015
 - ✓ Superintendent's recommended budget has a \$1.9 million funding gap
- No increase for staff other than State-mandated 1% VRS



What's Not Included?

- 2% parity increase for all other staff has become County Administrator's priority for the FY 2015 Budget



Future Challenges



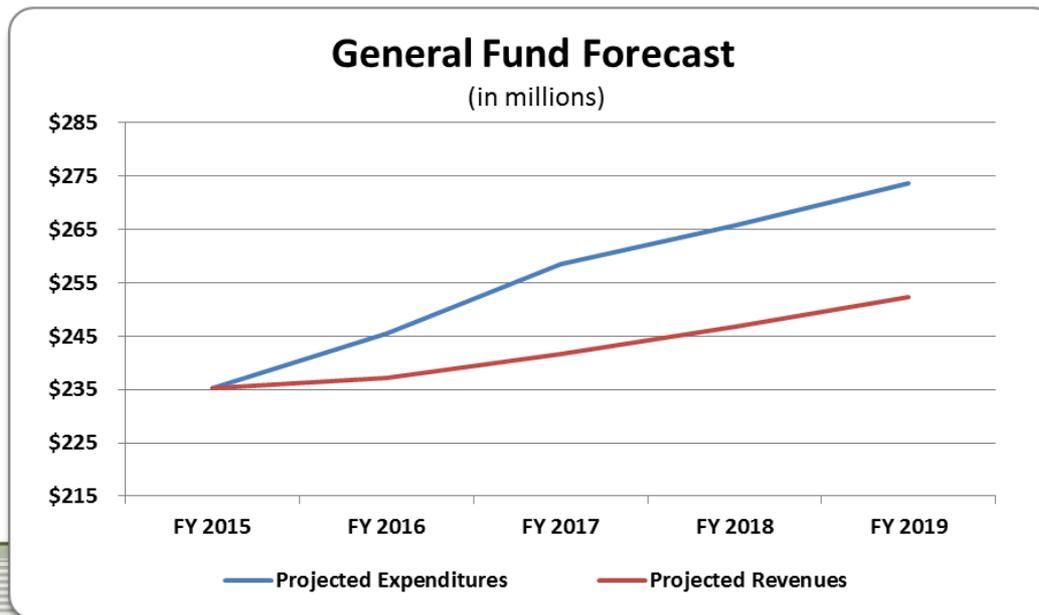
Future Challenges

- Transfer of set asides and decal revenue projected for reinstatement in FY 2016 ... **\$2.9 million GF hole**
- Reinstatement and other Transportation revenues sufficient only through FY 2021 at best. Then, another permanent source of funding necessary to keep Transportation Fund in balance



Future Challenges

- Impacts of build-out of approved but not-yet-constructed developments
- Sizable budget deficits projected over at least the next 4 years



Future Challenges

- Near-term challenges include:
 - ✓ Finalizing estimates of real and personal property revenue given changing values;
 - ✓ Understanding impacts of State budget changes, particularly should the General Assembly approve the former Governor's recommendations on pay for certain Sheriff's deputies and deputy clerk positions
- We are beyond across-the-board cuts



What's Next?



What's Next?

- February 18th – Presentation of School Board's Budget
- February 25th – CBRC presentation/Other Funds/
Decision on advertised tax rates
- March 18th – Const Officers/EDA/CIP
- March 25th – Joint work session with School Board
- April 3rd – Budget/CIP/Tax Rate public hearings
- April 8th – Budget/CIP
- April 10th – Budget work session/Approve CIP
- April 15th – Adopt 2014 tax rates and FY 2015 budget

