

County Administrator's Proposed Fiscal Year 2017-2018 Operating Budget

Board of Supervisors Meeting
March 14, 2017

Proposed FY 2018 Operating Budget Priorities

County Administrator's Proposed FY 2018 General Government Operating Budget Priorities:

- Maintain FY 2017 service levels
- Maintain FY 2017 tax rates
- Modest progress towards Community Strategic Plan initiatives
- Retain and attract a high-quality workforce and address succession planning
- Investment in capital infrastructure and fleet and equipment replacement
- Investment in catalyst economic development projects

Proposed FY 2018 Operating Budget Proposed Tax Rates

**County Administrator's Proposed FY 2018 Operating Budget
maintains prior year tax rates**

Tax	Current Rate (FY 2017 Budget)	Proposed Rate (FY 2018 Budget)	Value of a Penny on Tax Rate
Real Estate	\$1.09/\$100 of Assessed Value	\$1.09/\$100 of Assessed Value (No Change)	\$825,000 / Penny
Personal Property	\$3.50/\$100 of Assessed Value	\$3.50/\$100 of Assessed Value (No Change)	\$86,500 / Penny
Machinery and Tools	\$2.90/\$100 of Assessed Value	\$2.90/\$100 of Assessed Value (No Change)	\$9,100 / Penny

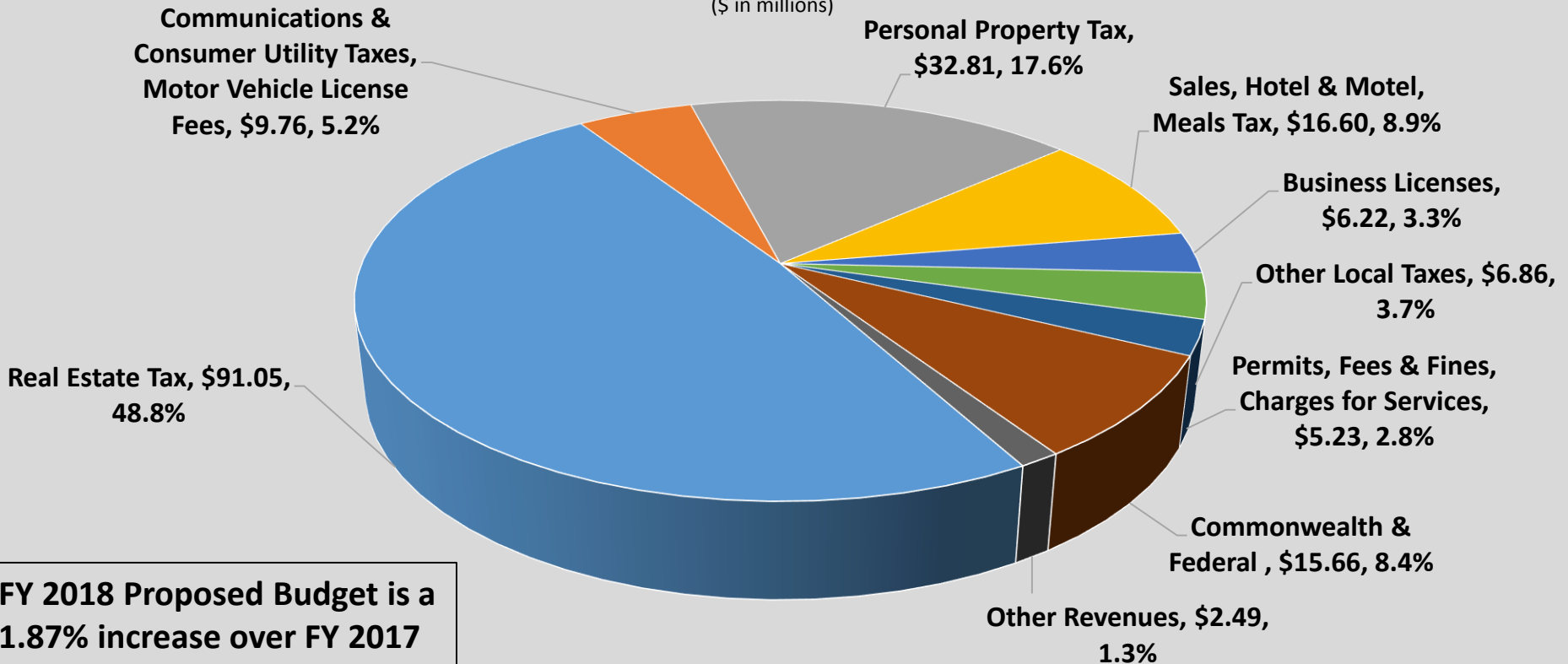
A change in tax rates impacts both current year and FY 2018 for the County but only FY 2018 for Roanoke County Public Schools

Proposed FY 2018 Operating Budget General Government Revenue

FY 2018 General Government Revenue

\$186,679,675

(\$ in millions)



FY 2018 Proposed Budget is a 1.87% increase over FY 2017

Proposed FY 2018 Operating Budget General Government Revenue

Revenue	FY 2017	FY 2018	\$ Change FY 18 – FY 17
Real Estate Tax	\$89,401,101	\$91,049,668	\$1,648,567
Personal Property Tax	32,834,622	32,808,800	(25,822)
Sales, Hotel/Motel & Meals Tax	15,799,250	16,602,617	803,367
Business Licenses	6,447,000	6,220,000	(227,000)
Communications, Consumer Utility, Motor Vehicle License Fees	9,967,300	9,756,588	(210,712)
Other Local Taxes	6,580,200	6,858,121	277,921
Permits, Fees, Licenses, Charges for Services	5,112,433	5,230,348	117,915
Commonwealth & Federal	15,047,703	15,659,332	611,629
Other (Recovered Costs, Misc., etc.)	2,069,606	2,494,201	424,595
Total General Government Revenues	\$183,259,215	\$186,679,675	\$3,420,260

Proposed FY 2018 Operating Budget General Government Revenue

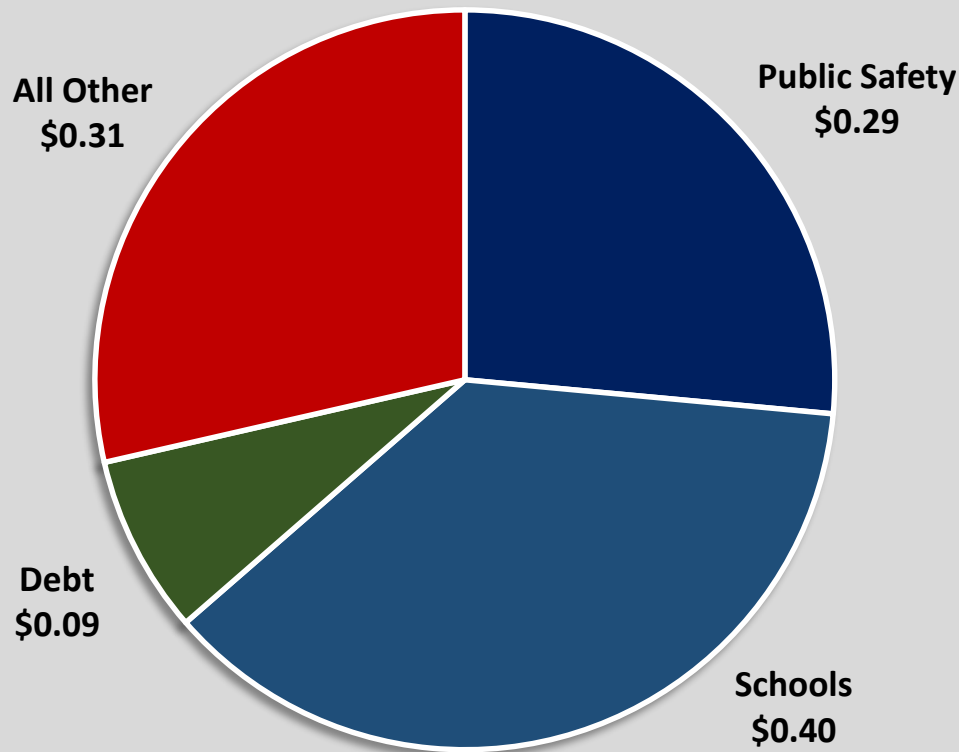
County Administrator's Proposed FY 2018 General Government Budget is \$186.7 million, a 1.87% or \$3.4 million increase over FY 2017

Description	\$ Amount
FY 2018 Additional Budgeted Revenue	\$3,420,460
Transfer for Children's Services Act (CSA) mandated services	(660,000)
Federal Pass-through for Social Services	(338,349)
Budgeting Library revenues	(306,600)
Transfer to Schools (Revenue Sharing Formula)	(258,839)
South Peak & Visit Virginia's Blue Ridge agreements	(256,251)
New FY 2018 Revenue to Maintain Current Services	\$1,600,421

Fiscal Year 2017-2018 Proposed Operating Budget General Government Expenditures

Proposed FY 2018 Operating Budget General Government Expenditures

**\$1.09 / \$100 Assessed Value Real Estate Tax Rate
Distribution for County Services**



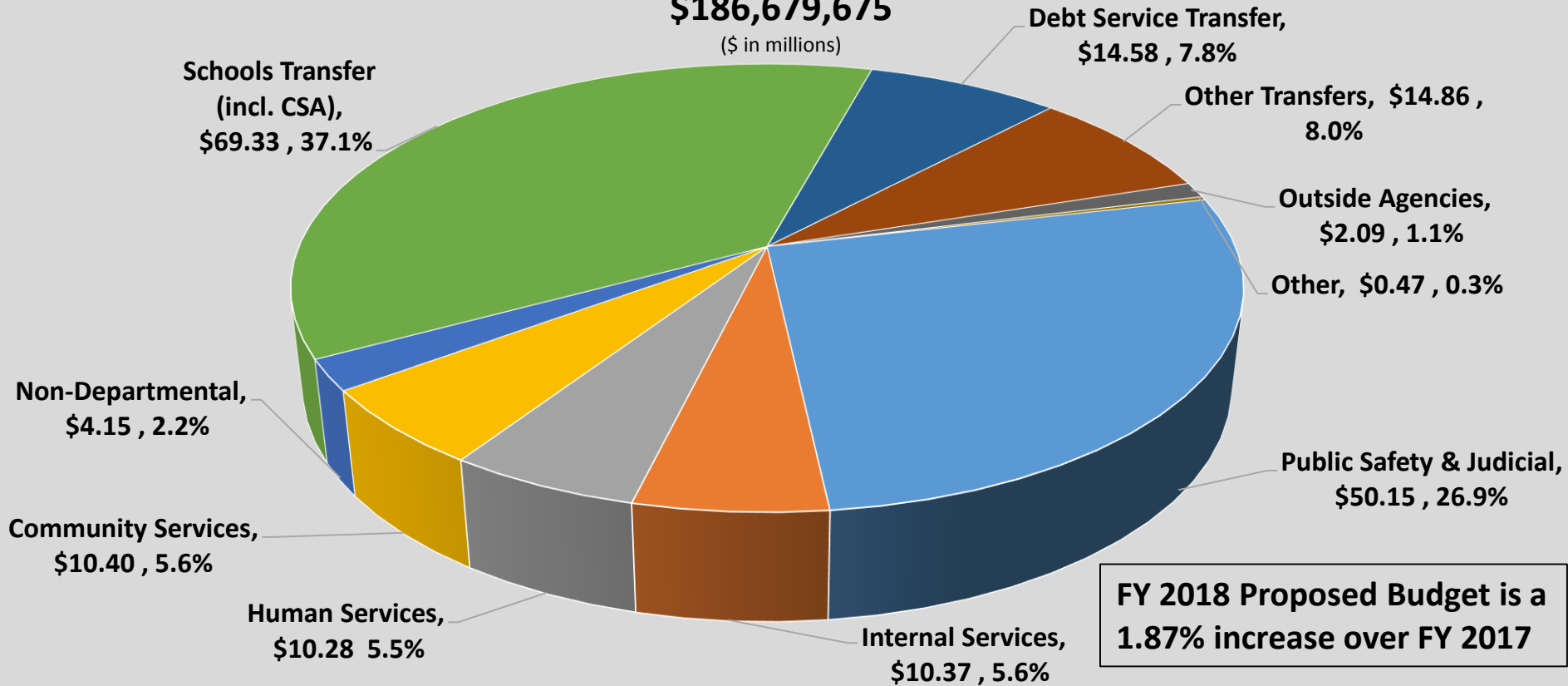
Description	Portion of \$1.09 Supporting Services
Public Safety (incl. DSS)	\$0.29
Roanoke County Public Schools (incl. CSA)	\$0.40
Debt (County & Schools)	\$0.09
All Other Services	\$0.31
Total	\$1.09

Proposed FY 2018 Operating Budget General Government Expenditures

FY 2018 General Government Expenditures

\$186,679,675

(\$ in millions)



FY 2018 Proposed Budget is a 1.87% increase over FY 2017

Proposed FY 2018 Operating Budget General Government Expenditures

Budget Area	FY 2017 Budget	FY 2018 Proposed	\$ Change FY 18 – FY 17
Schools Transfer (includes transfer to CSA on behalf of Schools)	\$ 68,738,376	\$ 69,327,215	\$ 588,839
Public Safety & Judicial	\$ 49,302,227	\$ 50,149,991	\$ 847,764
Community Services	\$ 10,628,464	\$ 10,403,331	\$ (225,133)
Internal Services	\$ 9,968,652	\$ 10,372,013	\$ 403,361
Human Services	\$ 9,805,582	\$ 10,280,999	\$ 475,417
Non-Departmental	\$ 3,629,710	\$ 4,148,886	\$ 519,176
Debt Service Transfer	\$ 14,897,786	\$ 14,575,266	\$ (322,520)
Other Transfers	\$ 13,659,732	\$ 14,860,590	\$ 1,200,858
Outside Agencies	\$ 2,033,805	\$ 2,086,760	\$ 52,955
Other	\$ 594,881	\$ 474,624	\$ (120,257)
Total General Government Expenditures	\$ 183,259,215	\$ 186,679,675	\$ 3,420,460

Proposed FY 2018 Operating Budget Compensation and Benefits

Total Compensation Element General Government Fund	\$ Change Over FY 2017
1.5% compensation adjustment (\$ change represents General Government costs)	\$725,224
Health insurance premium increases including retirees	\$518,153
Salary lapse (based on current vacancy projections)	\$71,000
Holiday pay for regular part-time employees	\$25,000
Tuition reimbursement	\$20,000
Recreation membership and program discounts for full and part-time employees	---
Attrition/Pay Adjustments & Other Benefits Adjustments	(\$539,854)
Total	\$819,523

Proposed FY 2018 Operating Budget Health Insurance

- Fall 2016 – data indicates significant savings per plan participant enrolled in wellness
- January 2017 – renewal rates at status quo - 12.4% increase / would have had a \$800,000 impact on General Government Fund
- Need to promote well-being of employees and create fiscally sustainable health insurance benefit
 - Incentivize wellness through different premium and cost share structure
 - Eliminate Key Care 200 plan
 - “Everybody contributes”
- Even with changes, over \$500,000 increase for County portion of employees and retirees health insurance

Proposed FY 2018 Operating Budget Community Strategic Plan Progress

Community Strategic Plan Initiative	Description	\$ Amount
Ensure Citizen Safety	Public Safety Staffing – Funding for four Firefighter/Paramedic positions	\$180,449 (net cost)
Be a Caring and Inclusive Community	Coordination of Services for Vulnerable Populations – Increased funding for Blue Ridge Behavioral Health Care & Mental Health America of Roanoke Valley	\$36,000 increase over FY 2017
Be a Caring and Inclusive Community	Coordination of Services for Vulnerable Populations – Increased funding for Children’s Service Act (CSA programs) associated with foster care and private day school placements	\$660,000 increase over FY 2017
Keep Roanoke Healthy, Clean & Beautiful	Outdoor Recreation and Natural Resources - Increased funding for turf management and mowing in Parks, Recreation & Tourism	\$30,000 increase over FY 2017

Proposed FY 2018 Operating Budget Community Strategic Plan Progress

Community Strategic Plan Initiative	Description	\$ Amount
Connect Roanoke County to the World	Improve Communications and Data Technology in the Business Sector – Continued support of Roanoke County Broadband Initiative	Continued funding at \$325,000 plus capital investments
Promoting Neighborhood Connections	Plan for Mixed-Use Development and Redevelopment Opportunities – Continued progress on the 419 Corridor Plan	Economic Development Funds and existing planning staff
Promote Lifelong Learning	Educational Partnerships – Transfer to Roanoke County Public Schools based on revenue sharing formula	\$258,839 increase over FY 2017

Proposed FY 2018 Operating Budget General Government Transfers for Roanoke County Public Schools (RCPS)

Description	FY 2017	FY 2018	Increase
Transfer per Revenue Sharing Formula for Schools Operating	\$67,839,376	\$68,098,215	\$258,839

- Continued application of approved revenue sharing formula
- Reflects RCPS Average Daily Membership (ADM) reduction from 13,950 in FY 2017 to 13,700 in FY 2018
- Also transferred from the General Government Fund on behalf of RCPS
 - Debt Service - \$7,625,570
 - Support for CSA - \$1,229,000 (increase of \$330,000)
- March 30, 2017 – School Board to adopt FY 2018 budget

Fiscal Year 2017-2018 Proposed Operating Budget Other General Fund Budgets

Proposed FY 2018 Operating Budget Other General Funds

Fund	FY 2017 Approved	FY 2018 Proposed	\$ Change FY 17 - FY 16
Communications/Information Technology	\$9,414,002	\$10,032,908	\$618,009
Children's Services Act (CSA)	5,985,313	7,250,176	1,264,863
Recreation Fee Class	5,378,920	5,513,349	134,519
Fleet Service Center	3,082,771	2,917,515	(162,256)
Criminal Justice Academy	312,004	371,699	59,695
Other General Fund Budgets	1,047,962	1,052,962	5,000
Total, Other General Funds	\$25,415,451	\$27,332,664	\$1,917,213

Proposed FY 2018 Operating Budget Other General Funds

- Communications / Information Technology
 - Increase primarily due to fully budgeting revenues collected to offset recurring expenditures and personnel costs associated with 1.5% compensation adjustment
- Children's Services Act (CSA)
 - Expenditure increases primarily due to increased expenditures with therapeutic and specialized foster care and private day school placements
- Criminal Justice Academy
 - Reflects budgeting Deputy Sheriff position to support on-going training requirements

Next Steps

Proposed FY 2018 Operating Budget Future Outlook

- Continued modest revenue growth lagging behind inflation will require evaluation of service levels and service delivery
- Virginia Retirement System (VRS) increase in FY 2019 – estimated at over \$500,000
- Continued increase in CSA transfer – estimated at over \$600,000 in FY 2019
- Achieving Fire Department minimum staffing (if SAFER grant not awarded) and continued reduction in volunteers
- Continued emphasis on appropriate economic development projects

Proposed FY 2018 Operating Budget

Important Page Numbers

Document Section / Information	FY 2018 Document Page Number
County Administrator's Transmittal Letter, Summary of General Government Revenue & Expenditure Changes, Summary of Position Changes	TL Section
General Government Revenue & Expenditure Summaries	Pages 78-86
Outside Agency Contributions	Pages 175-182
Roanoke County Public Schools	Pages 192-193, 213-215
Debt Service Fund	Pages 217-231
Capital Fund, CIP, Fleet Replacement	Pages 233-244
FY 2018 Proposed Health & Dental Insurance Rates	Page 248-249

Proposed FY 2018 Operating Budget Next Steps – Work Sessions

Work Session Topic	2017 Date
Roanoke County Fiscal Policies	January 24
FY 2016-2017 Mid-Year Revenue/Exp. Update	January 24
(Tentative) FY 2018-FY 2027 Capital Improvement Program including Schools	February 14
FY 2017-2018 Revenue Overview	February 28
FY 2017-2018 Employee Compensation and Benefits	March 28
FY 2017-2018 County Operating Budget, Outside Agencies, Fees	April 11
Joint Work Session with Schools (if needed)	April 25
FY 2018-FY 2027 Capital Improvement Program	April 25

Note: Additional work sessions may be added if necessary

Proposed FY 2018 – FY 2027 CIP

Next Steps – Tax Rate and Budget Items

Tax Rate/Budget Item	2017 Date
County Administrator's Recommended FY 2018 Operating Budget	March 14
<i>Community Budget Presentations – County Administrator</i>	<i>March 21-22</i>
Budget Public Hearing & Resolution to Establish the Maximum Tax Rate; Public Hearing on Effective Tax Rate	March 28
Operating and Capital Budget Public Hearing; Public Hearing on Tax Rates; Resolution to Establish a Tax Rate	April 11
First Reading of Ordinance to Appropriate Funds for the FY 2018 Operating & Capital Budgets; Final Public Hearing	May 9
Resolution to Adopt FY 2018 Operating & Capital Budget & Second Reading to Appropriate Funds for the FY 2018 Operating & Capital Budgets	May 23

Proposed FY 2018 Operating Budget Next Steps

- The County Administrator's Proposed FY 2017-2018 Operating Budget will be reviewed and discussed by the Board of Supervisors, with adoption of the operating and capital budgets scheduled for May 23, 2017
- The Operating Budget is posted on the County's website at <http://roanokecountyva.gov> – Management & Budget and will be available at all Libraries and in OMB
- Changes to the County Administrator's proposed budget through will be communicated to the Board of Supervisors through budget memorandums and work sessions and will be incorporated into the adopted budget

County Administrator's Closing Remarks

Questions & Comments