

FY 2018 Year End Overview

Board of Supervisors Work Session

September 25, 2018

Work Session Agenda

- FY 2018 Year End Summary
- FY 2018 General Government Revenue Summary
- FY 2018 General Government Expenditure Summary
- Other General Funds
- Internal Service Funds (Health, Dental, Risk Management)
- Next Steps

FY 2018 Year End Summary

FY 2018 Year End Summary

Revenues		Expenditures	
Amended Revenue Budget – General Fund	\$188,294,923	Amended Expenditure Budget – General Fund	\$188,294,923
Actual Revenues	\$189,298,497	Actual/Projected Expenditures	\$187,982,396
		Encumbrances Carried Forward	\$140,827
Revenues above Budget	\$1,003,574	Expenditure Savings	\$171,700
% of Amended Budget	100.53%	% of Amended Budget	99.91%

FY 2018 Year-End Balance	Amount
Revenues above Amended Budget	\$1,003,574
Sales Tax Reserve not Required	\$325,000
Expenditure Savings	\$171,700
Total Available Funds at 2018 Year End	\$1,500,274

Summary of Revenue and Expenditures Savings

County	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Unaudited FY 2018
Surplus Revenues	\$ 978,954	\$ 2,017,363	\$ 2,183,788	\$ 977,770	\$ 1,397,659	\$1,003,574
Sales Tax Reserve not Needed	-	-	-	-	-	\$325,000
Expenditures Savings	3,665,481	3,001,241	1,272,470	1,341,717	896,310 *	\$171,700
TOTAL	4,644,435	5,018,604	3,456,258	2,319,487	2,293,969	\$1,500,274

Use of Surplus:

Fire and Rescue Capital-Fee for Service	-	178,977	-	-	-	-
General Fund Unappropriated Balance	194,239	532,638	500,000	544,881	577,749	-
Transfer to Capital Reserves	1,442,859	1,910,844	2,354,765	1,492,589	103,691	-
FY 2017-18 Capital Budget	-	-	-	-	200,000	-
Roanoke County Website Update	-	-	-	-	65,000	-
Reserve for City/County Sales Tax	-	-	-	-	325,000	-
Risk Management Fund Balance	-	-	-	-	350,000	-
CSA Fund Balance	-	-	-	-	525,000	-
*Department Rollovers/Encumbrances	3,007,337	2,396,145	601,493	282,017	147,529	-
TOTAL	\$ 4,644,435	\$ 5,018,604	\$ 3,456,258	\$ 2,319,487	\$ 2,293,969	\$ -

*For FY 2018, Department Rollovers/Encumbrances of \$140,827 are accounted for in Expenditure Savings total

Unappropriated General Government Fund Balance

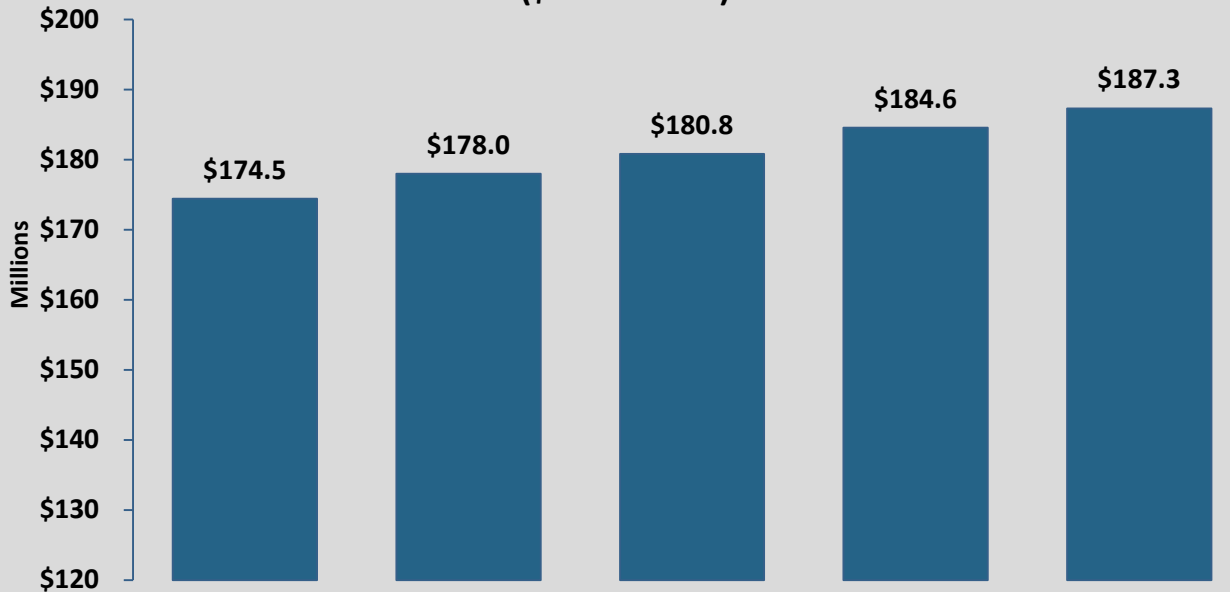
General Fund Unappropriated Balance	
Balance at Fiscal Year End 2018	\$23,531,962
Fund Balance Policy Calculation 12.0% of FY 2019 General Government Fund Budget	\$22,880,500
Fund Balance in Excess of Policy	\$651,462

General Fund Unappropriated Balance & FY 2018 General Government Year-End	
FY 2018 Year End Balance	\$1,500,274
Fund Balance in Excess of Policy	\$651,462
Total Funds Available for Re-Allocation	\$2,151,736

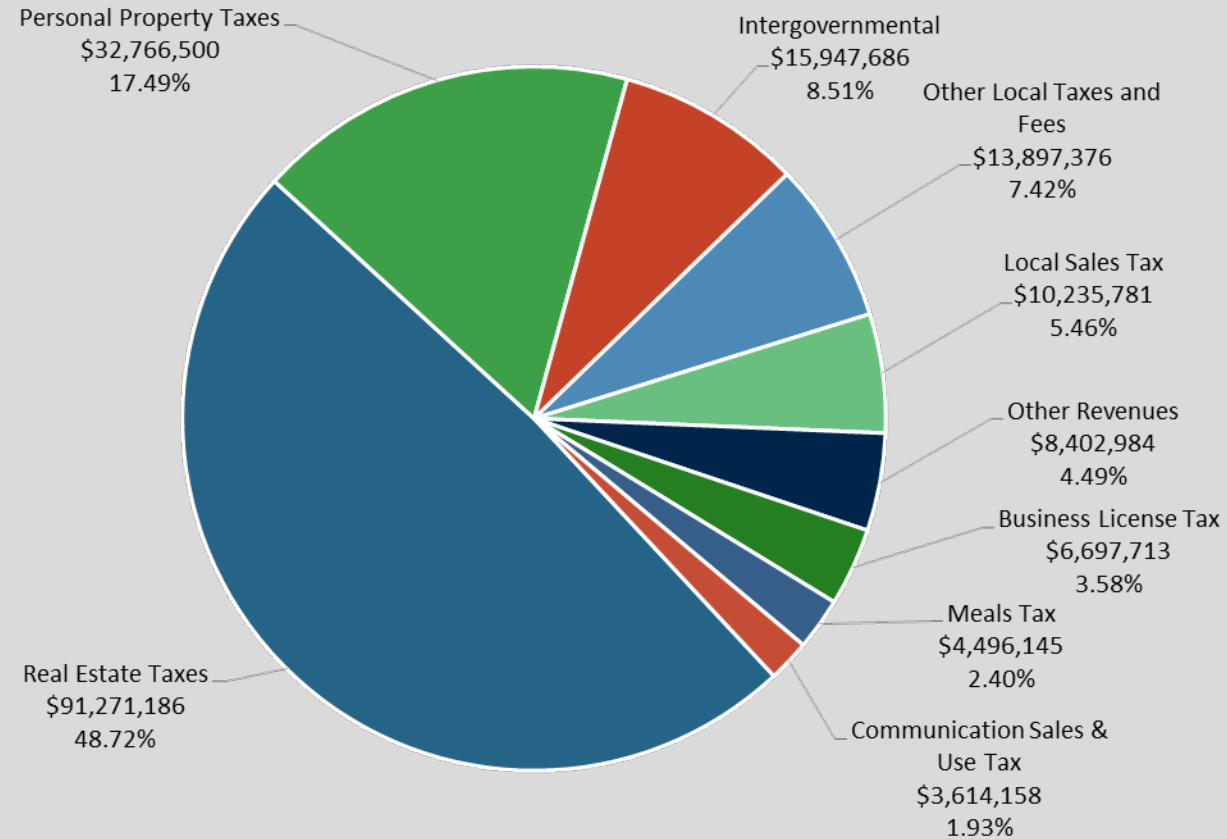
FY 2018 Revenue Summary

FY 2018 Actual Revenue

***Actual Revenue - FY 2014 through FY 2018**
(\$ in millions)



***FY 2018 Total General Government Revenue**
\$187,329,528



*Excludes Appropriated Beginning Balance of \$1,968,969

*Excludes appropriated beginning balance

FY 2018 Revenue – Budget vs. Actual

Category	Actual FY 2017	Final Budget FY 2018	Actual FY 2018	\$ Difference FY 2018 Final vs. Actual	% Difference FY 2018 Final vs. Actual
Real Estate Taxes	\$89,362,212	\$91,049,668	\$91,271,186	\$221,518	0.24%
Personal Property Taxes	\$32,683,878	\$32,723,391	\$32,766,500	\$43,109	0.13%
Intergovernmental Revenue (State/Federal)	\$15,575,227	\$15,813,069	\$15,947,686	\$134,617	0.85%
Other Local Taxes and Fees ¹	\$13,289,587	\$13,468,894	\$13,897,376	\$428,482	3.18%
Local Sales Tax	\$10,732,706	\$10,484,945	\$10,235,781	(\$249,164)	-2.38%
Other Revenues ²	\$8,046,436	\$8,223,112	\$8,402,984	\$179,872	2.19%
Business License Tax	\$6,631,066	\$6,220,000	\$6,697,713	\$477,713	7.68%
Meals Tax	\$4,541,297	\$4,656,620	\$4,496,145	(\$160,475)	-3.45%
Communication Sales & Use Tax	\$3,725,000	\$3,686,255	\$3,614,158	(\$72,097)	-1.96%
Appropriated Beginning Balance	\$1,670,623	\$1,968,969	\$1,968,969	\$0	0.00%
Total	\$186,258,032	\$188,294,923	\$189,298,497	\$1,003,573	0.53%

¹ Other Local Taxes and Fees includes: Public Service Corporation Tax, Payment in Lieu of Taxes, Consumer Utility, Motor Vehicle License, Recordation and Conveyance, Hotel/Motel, Other Local Taxes and Fees

² Other Revenues includes: Penalties & Interest, Permits, Fees, & Licenses, Fines and Forfeitures, Use of Money and Property, Charges for Services, Recovered Costs, and Miscellaneous Revenue

Actual Revenue – Major Categories

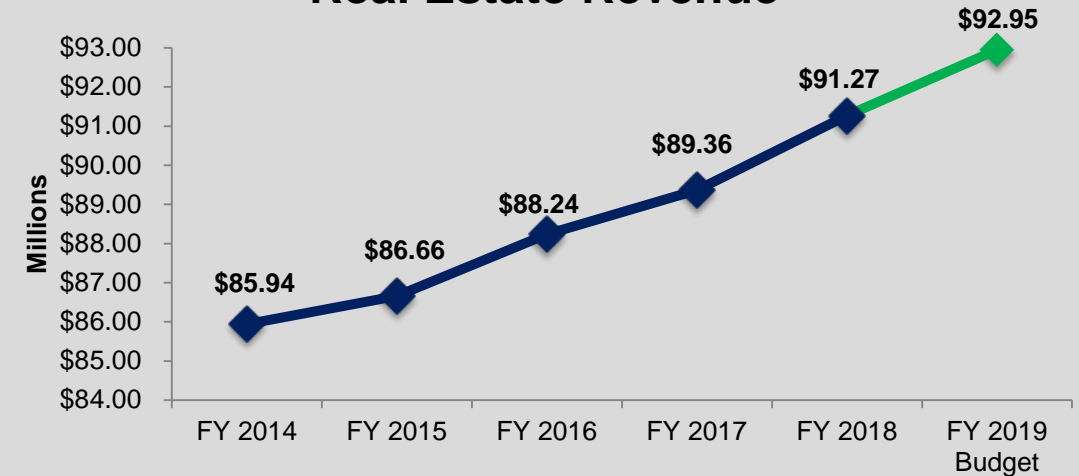
- Real Estate

- FY 2018 Amended Budget: \$91,049,668
- FY 2018 Actual: \$91,271,186
- FY 2018 Variance: \$221,518
- FY 2019 Budget: \$92,945,661
- Commercial Real Estate: 13.62% of total
- Residential Real Estate: 86.38% of total

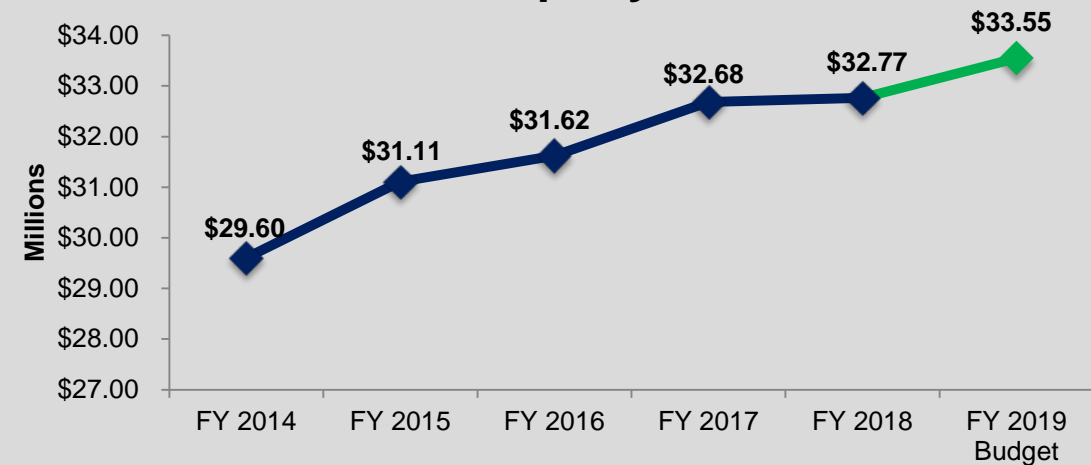
- Personal Property

- FY 2018 Amended Budget: \$32,723,391
- FY 2018 Actual: \$32,766,500
- FY 2018 Variance: \$43,109
- FY 2019 Budget: \$33,546,384

Real Estate Revenue



Personal Property Revenue



Actual Revenue – Major Categories

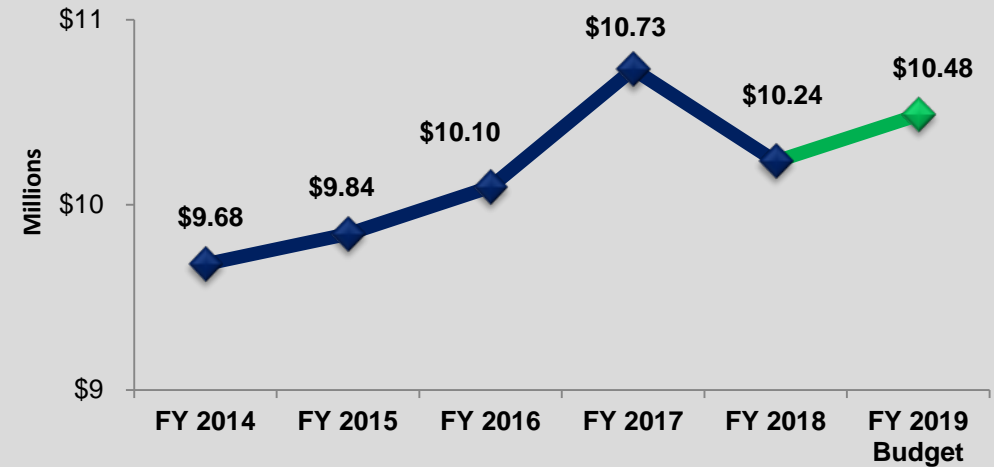
- Sales Tax

- FY 2018 Amended Budget: \$10,484,945
- FY 2018 Actual: \$10,235,781
- FY 2018 Variance: (\$249,164)
- FY 2019 Budget: \$10,484,945
- FY 2017 and FY 2018 included redistribution of County / City Sales Tax

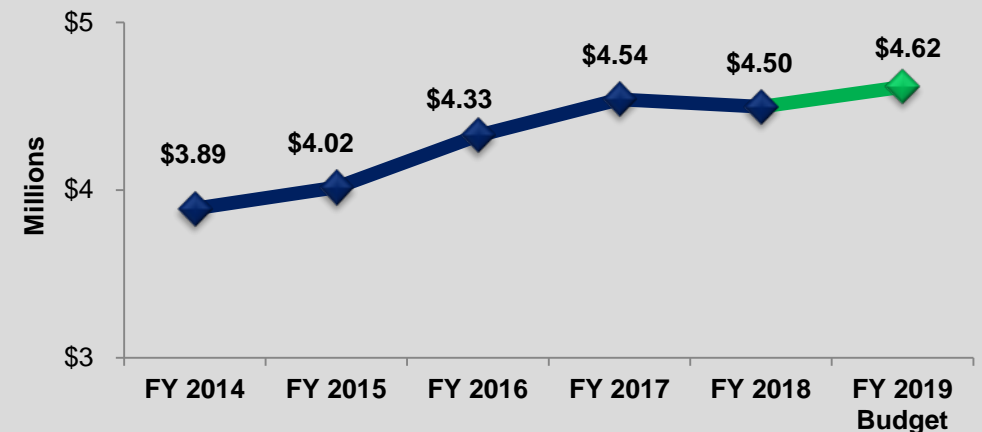
- Meals Tax

- FY 2018 Amended Budget: \$4,656,620
- FY 2018 Actual: \$4,496,145
- FY 2018 Variance: (\$160,475)
- FY 2019 Budget: \$4,616,011
- Verified seven restaurant closed from late FY 2017 through FY 2018

Sales Tax Revenue



Meals Tax



Actual Revenue – Major Categories

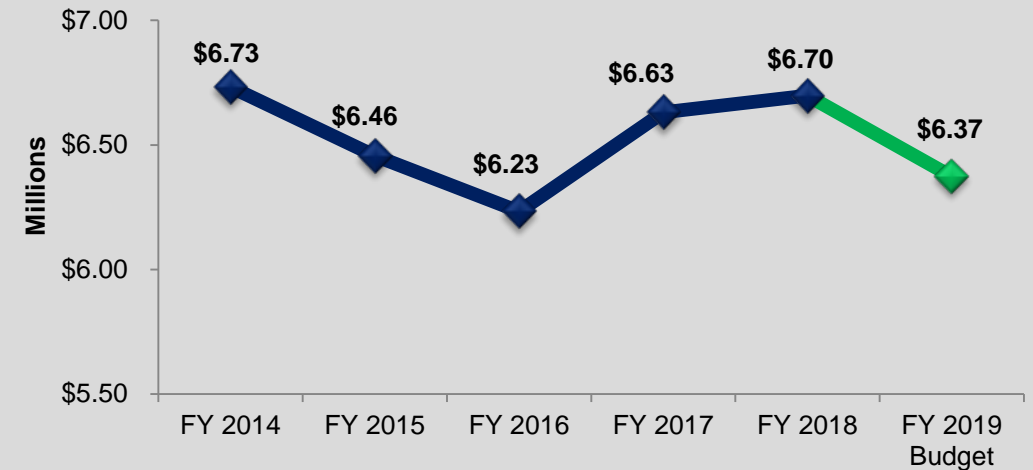
- Business License Tax

- FY 2018 Amended Budget: \$6,220,000
- FY 2018 Actual: \$6,697,713
- FY 2018 Variance: \$477,713
- FY 2019 Budget: \$6,372,200

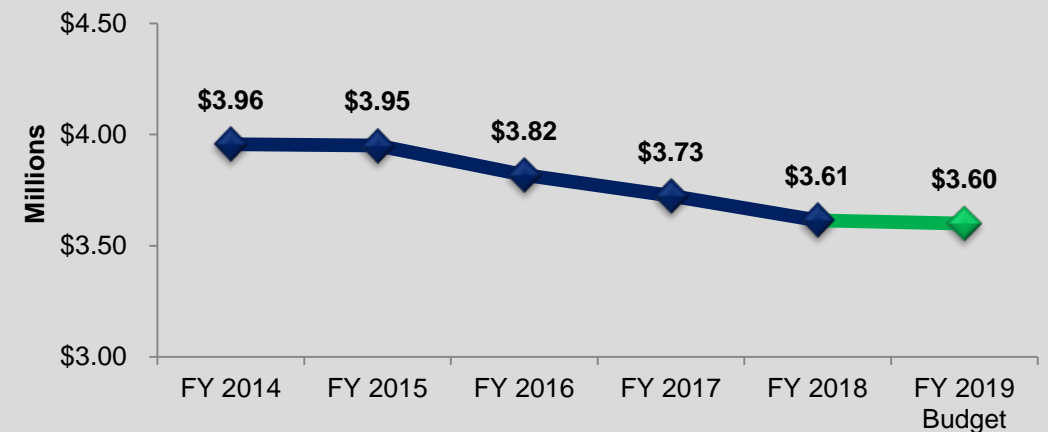
- Communications Sales & Use Tax

- FY 2018 Amended Budget: \$3,686,255
- FY 2018 Actual: \$3,614,158
- FY 2018 Variance: (\$72,097)
- FY 2019 Budget: \$3,600,000

Business License Tax



Communication Sales & Use Tax



Actual Revenue – Major Categories

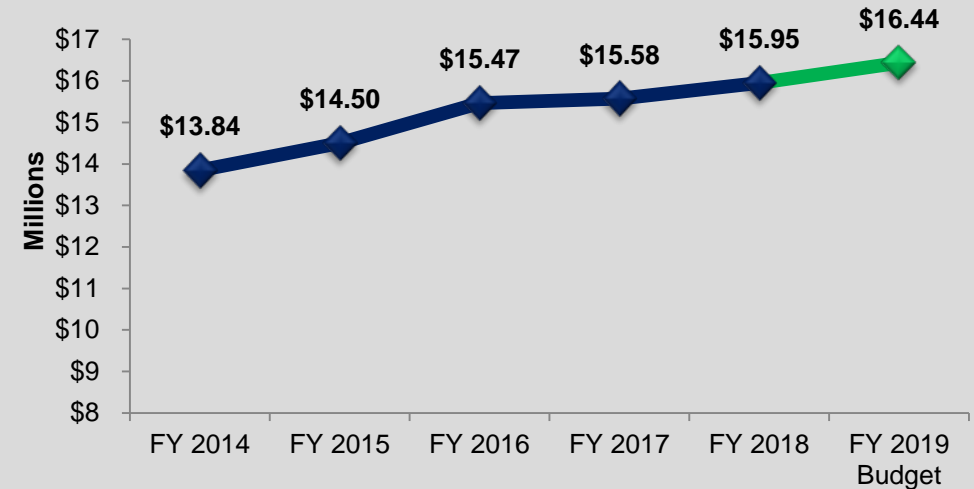
- Intergovernmental Revenue

- FY 2018 Amended Budget: \$15,813,069
- FY 2018 Actual: \$15,947,686
- FY 2018 Variance: \$134,617
- FY 2019 Budget: \$16,436,069
- FY 2018 and FY 2019 increases Primarily due to State and Federal revenue associated with Social Services

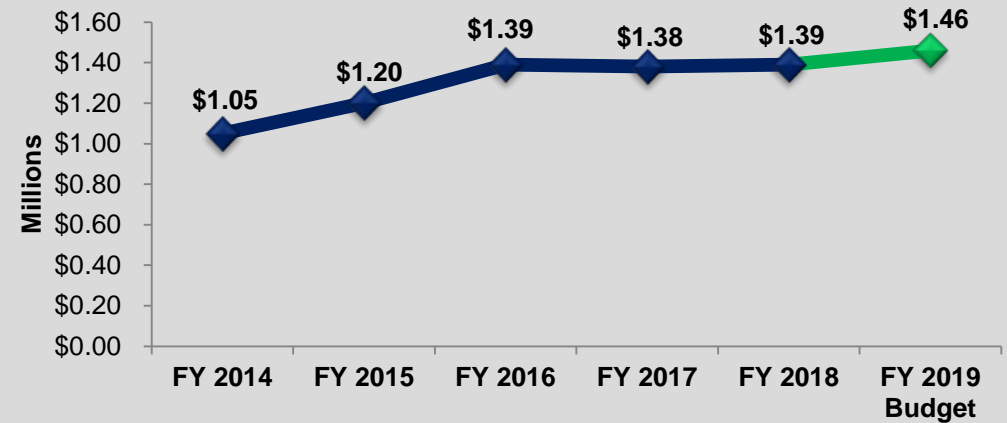
- Hotel & Motel Room Taxes

- FY 2018 Amended Budget: \$1,461,052
- FY 2018 Actual: \$1,385,751
- FY 2018 Variance: (\$75,301)
- FY 2019 Budget: \$1,461,052
- New hotel opened in FY 2019

Intergovernmental Revenue



Hotel & Motel Room Taxes



South Peak CDA

- South Peak CDA receives 70% of the following revenues generated for 20 years.
 - Real Estate
 - Personal Property
 - Sales
 - Business License
 - Hotel/Motel
 - Meals
- In FY 2018, South Peak CDA realized \$649,649 from total revenue collections (4.3% decrease from FY 2017) out of total \$928,070.

Total Revenue Generation FY 2013 through FY 2018

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Total
South Peak CDA	\$15,723	\$129,288	\$305,155	\$521,192	\$678,821	\$649,649	\$2,299,828
Roanoke County	\$6,738	\$55,409	\$130,781	\$223,368	\$290,923	\$278,421	\$985,641
Total	\$22,461	\$184,697	\$435,936	\$744,560	\$969,744	\$928,070	\$3,285,469

- FY 2018 Budgeted Transfer: \$560,000, Actual: \$649,649
- FY 2019 Budgeted Transfer: \$635,000

South Peak CDA (Continued)

South Peak CDA Revenue Generation FY 2013 through FY 2018						
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Real Estate	\$15,723	\$128,110	\$204,047	\$232,317	\$262,239	\$231,786
Personal Property	-	\$1,178	\$23,918	\$21,825	\$35,358	\$30,122
Sales	-	-	-	\$47,349	\$57,992	\$61,839
Business License	-	-	\$16,024	\$18,509	\$14,461	\$22,302
Hotel/Motel	-	-	\$57,054	\$185,836	\$177,423	\$174,302
Meals	-	-	\$4,113	\$15,355	\$131,348	\$129,297
Total	\$15,723	\$129,288	\$305,155	\$521,192	\$678,821	\$649,649

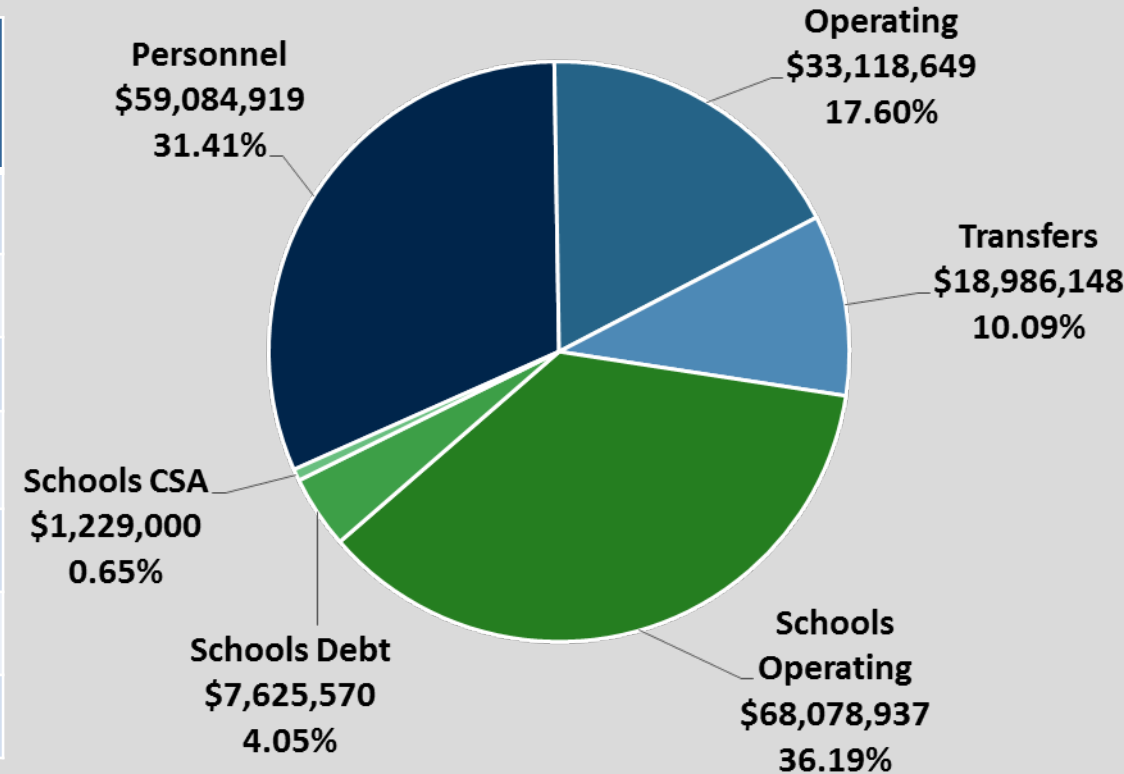
FY 2018 Expenditure Summary

FY 2018 Expenditures – General Government

Expenditures by Category

***FY 2018 Actual/Projected Expenditures
\$188,123,223**

Category	FY 2018 Amended	FY 2018 Actual	Encumbrances	Balance	% of Budget Expended
Personnel	\$59,215,289	\$59,084,919	\$0	\$130,370	99.78%
Operating	\$33,051,552	\$32,977,822	\$140,827	(\$67,097)	100.20%
Transfers	\$19,094,576	\$18,986,148	\$0	\$108,427	99.43%
Schools Operating	\$68,078,937	\$68,078,937	\$0	\$0	100.00%
Schools Debt	\$7,625,570	\$7,625,570	\$0	\$0	100.00%
Schools CSA	\$1,229,000	\$1,229,000	\$0	\$0	100.00%
Total	\$188,294,923	\$187,982,396	\$140,827	\$171,700	99.91%



*Includes FY 2018 Year-End Encumbrances

Actual Expenditures – General Government Expenditures by Functional Team

Functional Team / Budget Category	Actual FY 2017	Final Budget FY 2018	Actual FY 2018	Encumbrances FY 2018	\$ Difference FY 2018 Final vs. Actual	% Difference FY 2018 Final vs. Actual
Community Services	\$10,578,815	\$10,511,052	\$10,082,839	\$54,177	\$374,036	3.56%
Human Services	\$11,530,551	\$10,581,300	\$10,754,509	\$523	(\$173,732)	-1.64%
Internal Services	\$10,488,984	\$10,475,373	\$10,343,159	\$5,506	\$126,708	1.21%
Public Safety	\$52,215,200	\$50,781,187	\$50,538,348	\$97,339	\$145,499	0.29%
Schools Transfers – Revenue Sharing	\$67,839,376	\$68,078,937	\$68,078,937	\$0	\$0	0.00%
Schools Transfers – Debt Service and CSA	\$8,984,368	\$8,854,570	\$8,854,570	\$0	\$0	0.00%
Transfers & Departmental Charges	\$17,163,359	\$24,221,176	\$24,110,428	\$0	\$110,748	0.46%
Non-Departmental/Other	\$5,107,451	\$4,791,329	\$5,219,606	(\$16,718)	(\$411,559)	-8.59%
Total	\$183,908,104	\$188,294,923	\$187,982,396	\$140,827	\$171,700	0.09%

FY 2019 & FY 2020 General Government Budget Areas to Monitor

Budget Area	Issue	Next Steps
Public Transportation (CORTRAN)	FY 2018 Budget: \$420,000 FY 2018 Actual: \$689,236 Difference: (\$269,236)	-FY 2019 Budget increased to \$515,000 -Analyze data received from RADAR -Internal work group created -December 5, 2018 work session planned
Western Virginia Regional Jail - Housing Prisoners	FY 2018 Budget: \$2,303,518 FY 2018 Actual: \$2,547,034 Difference: (\$243,516)	-FY 2019 Budget increased to \$2,450,000 -Work with Sheriff's Office to monitor monthly expenditures and prisoner counts
Tax Relief for Disabled Veterans / Tax Relief for Elderly	FY 2018 Budget: \$825,000 FY 2018 Actual: \$909,424 Difference: (\$84,424)	-FY 2019 Budget increased to \$850,000 -Will need to increase budget again in FY 2020
Children's Service Act (CSA) & Health Insurance Funds	Discussed in later slides	Take steps to increase contributions to increase fund balances

FY 2018 Other Funds

Other Major Funds

Fund	FY 2018 Beginning Balance	FY 2018 Revenues	FY 2018 Expenditures	FY 2018 Surplus/(Deficit)	Undesignated Fund Balance (June 30, 2018)	Fund Balance Committed in FY 2019
Criminal Justice Academy	\$140,441	\$290,143	\$360,937	(\$70,794)	\$69,947	---
Fleet Service Center	\$271,635	\$3,035,889	\$3,104,467	(\$72,514)	\$199,121	---
Fee Class Fund	\$1,043,931	\$4,821,330	\$4,807,427	\$8,934	\$1,052,865	\$250,000
Information Technology	\$343,762	\$5,659,143	\$5,869,309	(\$236,953)	\$106,809	\$140,000
Communications Shop	\$105,824	\$1,270,350	\$1,152,844	\$117,506	\$223,331	\$100,000
Emergency Communications	\$1,031,303	\$2,837,899	*\$3,916,970	(\$1,092,483)	(\$61,180)	\$31,000

*Included a planned use of \$1.0 million to support the Public Safety Radio project as part of the capital budget

Other Funds

Children's Services Act (CSA)

Fund	FY 2018 Beginning Balance	FY 2018 Revenues	FY 2018 Expenditures	FY 2018 Surplus/(Deficit)	Undesignated Fund Balance (June 30, 2018)	Fund Balance Committed in FY 2019
Children's Services Act (CSA)	\$1,150,440	\$6,982,922	\$6,996,073	(\$13,151)	\$1,137,288	\$1,039,010

Fiscal Year	Alternative Day School	Total CSA Costs	% of Alt. Day to Total
FY 2015	\$2.531 M	\$6.084 M	41.6%
FY 2016	\$3.163 M	\$6.809 M	46.5%
FY 2017	\$3.702 M	\$7.244 M	51.1%
FY 2018	\$4.012 M	\$6.996 M	57.4%

Children's Services Act Fund	Year End Balance
FY 2014	\$5,275,027
FY 2015	\$4,199,311
FY 2016	\$2,714,825
FY 2017	\$1,150,440
FY 2018	\$1,137,289
FY 2019 Projected	TBD

Fund Balance Policies

Fund	FYE 2018 Fund Balance (June 30, 2018)	FY 2019 Adopted Budget	Fund Balance Policy %	Fund Balance Policy \$	Surplus/(Deficit) Fund Balance Policy	FY 2019 Commitments
Criminal Justice Academy	\$69,647	\$395,857	10.0%	\$39,586	\$30,061	---
Fleet Service Center	\$199,121	\$3,033,795	7.5%	\$227,535	(\$28,414)	---
Communications Shop	\$223,331	\$1,273,223	10.0%	\$127,322	\$96,008	\$100,000
Emergency Communications	(\$61,180)	\$3,150,270	7.5%	\$236,270	(\$297,450)	\$31,000
*Recreation Fee Class	\$1,052,865	\$6,015,557	5.0%	\$300,778	\$752,087	\$250,000
Children's Services Act	\$1,137,288	\$8,343,504	20.0%	\$1,668,701	(\$531,413)	\$1,039,010

*Includes planned draw down of fund balance annually as part of the ten-year Capital Improvement Program (CIP)

FY 2018 Internal Service Funds

Internal Service Funds

Fund	*FY 2018 Beginning Balance	FY 2018 Revenues	FY 2018 Expenditures	FY 2018 Surplus/(Deficit)	Undesignated Fund Balance (June 30, 2018)
Health*	(\$261,924)	\$10,030,936	\$11,112,240	(\$1,081,304)	(\$1,343,288)
Dental**	122,316	\$726,790	\$721,558	\$5,232	\$127,548
Risk Management	\$178,022	\$2,384,017	\$1,635,205	\$748,812	\$926,834

*Excludes cash balances for Incurred but not Reported (IBNR) claims

**Recommend moving \$100,000 in undesignated fund balance to the Health Insurance Fund at the presentation of final audit results in December 2018.

Health Insurance

- Total Health Insurance Fund expenditures increased from \$9.8 M in FY 2017 to \$11.1 M in FY 2018
 - Claims/prescriptions increased by \$929K
 - Health reinsurance increase by \$173K
 - HRA costs increased by \$194K
- Actions taken during FY 2018 and FY 2019 include:
 - New prescription program (WellDyne)
 - Re-bid Health reinsurance (completed summer 2018)
 - Re-bidding Health insurance (fall/winter 2018)
 - Continue to incentivize wellness by premium differentials and higher employee share for non-wellness program participation
- FY 2019 Health insurance budget increased to \$11.2 M

Health Insurance Fund Details	
Beginning Balance (excludes IBNR Reserves)	(\$261,924)
Projected Health Insurance Contributions	\$10,030,936
Wellness Program	(\$391,675)
Professional Services/Other	(\$104,266)
Health Insurance Claims/Prescriptions	(\$9,437,672)
HRA Contributions	(\$511,035)
Health Reinsurance	(\$667,592)
Undesignated Fund Balance	(\$1,343,288)
Cash Reserve for IBNR	\$935,431
Cash Balance	(\$407,857)

Fund Balance Policies

Health Insurance Fund – 10% of costs plus estimated IBNR reserves		Risk Management Fund – 10% of costs plus estimated IBNR reserves plus \$500,000 auto/property claims	
FYE 2018 Cash Balance	(\$407,857)	FYE 2018 Cash Balance	\$3,025,475
Application of Fund Balance Policy:		Application of Fund Balance Policy:	
10% of FY 2019 Budget	\$1,119,239	10% of FY 2019 Budget	\$165,400
IBNR Reserves	\$935,431	IBNR Reserves	\$2,098,641
		\$500K Auto/Property Reserve	\$500,000
Total Required Fund Balance	\$2,054,670	Total Required Fund Balance	\$2,764,041
Fund Balance Surplus / (Deficit)	(\$2,462,527)	Fund Balance Surplus / (Deficit)	\$261,434

Next Steps

Next Steps

- Re-Allocation of Fiscal Year Ending 2018 Balances (December 2018):
 - Capital Reserves
 - Facilities Assessment
 - Health Insurance Fund Balance
- Continued monitoring of expenditures
 - Timely tracking of vacancies
 - Analysis of personnel expenditures
 - Emphasis on expenditures that were over budget in FY 2018
 - CSA Expenditures
- Continued monitoring of revenues
 - Revenue Team will meet from November through February
 - Mid-year update to the Board of Supervisors to be provided in January 2019; Fiscal Year 2020 revenue estimates provided in February 2019
 - Emphasis on revenues that underperformed in FY 2018

Next Steps – Work Sessions and Briefings

(Through December 2018)

Work Session or Briefing Topic	Date
Fire Department Staffing	November 7, 2018
Communications/Information Technology Organizational Structure	November 7, 2018
Capital Improvement Program (CIP) Update Work Session	November 20, 2018
Fiscal Year 2017-2018 Audit Results Briefing	December 4, 2018
2019 Reassessment Briefing	December 4, 2018
CORTRAN Work Session	December 4, 2018

Questions & Comments