

County Administrator's Proposed Fiscal Year 2017-2018 Operating and Capital Budgets

Community Meetings
March 21 & 22, 2017

Proposed FY 2018 Operating Budget Priorities

County Administrator's Proposed FY 2018 Budget Priorities:

- Maintain FY 2017 tax rates
- Maintain FY 2017 service levels
- 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 Budget Overview

Budget	Description
General Government Budget	Tax rate supported budget or operating budget; where majority of County programs and services are funded
Other General Fund Budgets	Programs and services supported by General Government transfers or fees and revenues generated
Capital and Fleet Budgets	Budgets to maintain capital investments in the County; 10-year look at needed capital investments

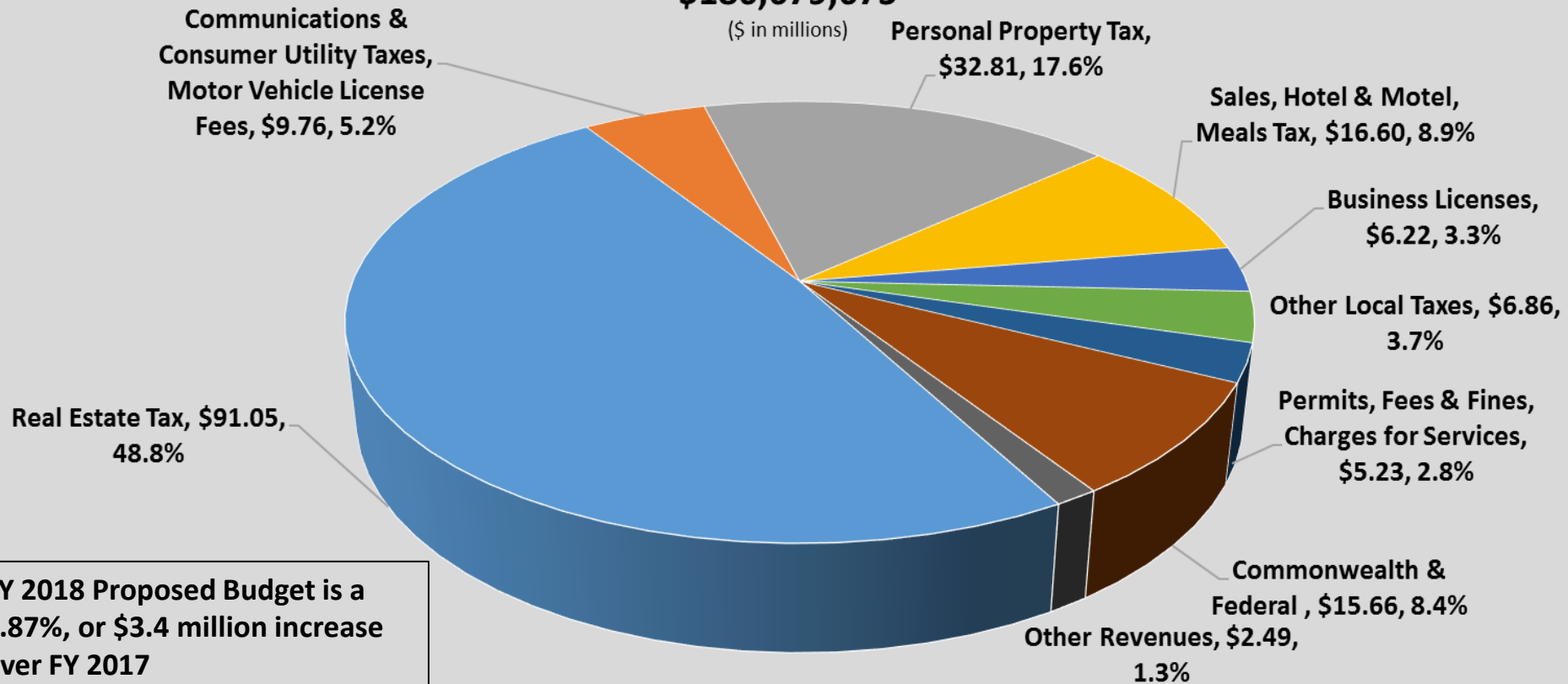
Fiscal Year 2017-2018 Operating Budget Funding

Proposed FY 2018 Operating Budget Where Funding Comes From

FY 2018 Operating Budget Funds

\$186,679,675

(\$ in millions)



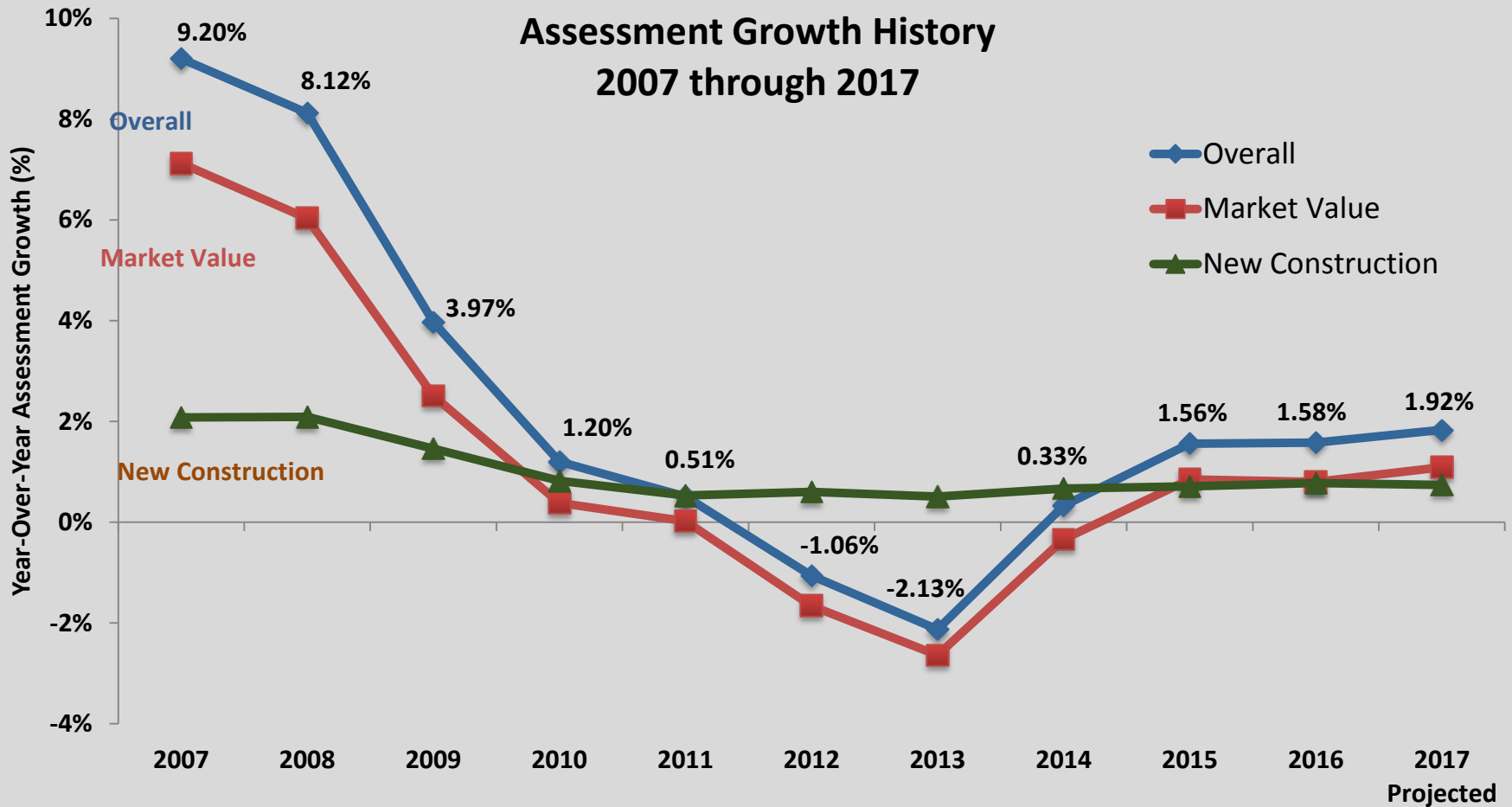
FY 2018 Proposed Budget is a 1.87%, or \$3.4 million increase over FY 2017

History of Tax Rates

Roanoke County Tax Rates since 2005



History of Real Estate Assessments



Proposed FY 2018 Operating Budget Changes in 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

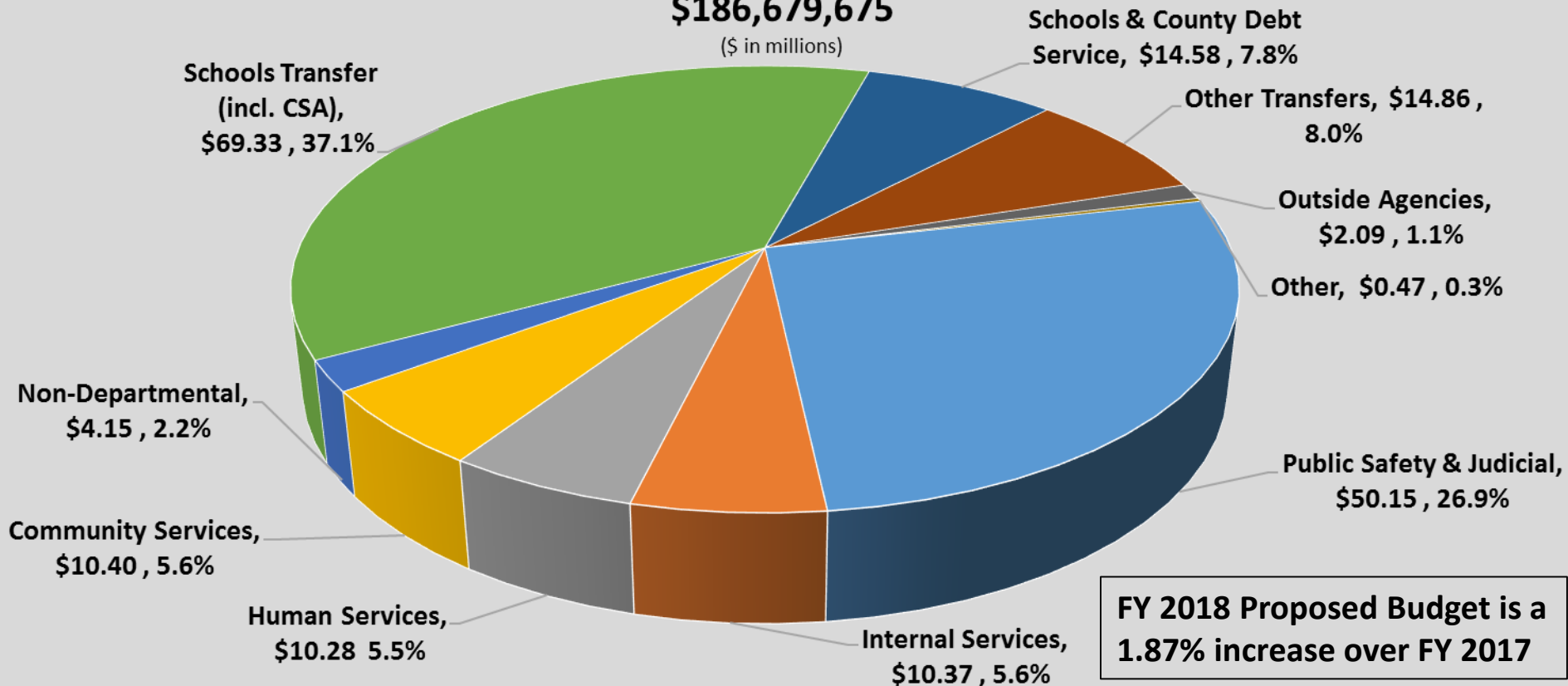
Fiscal Year 2017-2018 Operating Budget Programs and Services

Proposed FY 2018 Operating Budget How Funding is Allocated

FY 2018 General Government Expenditures

\$186,679,675

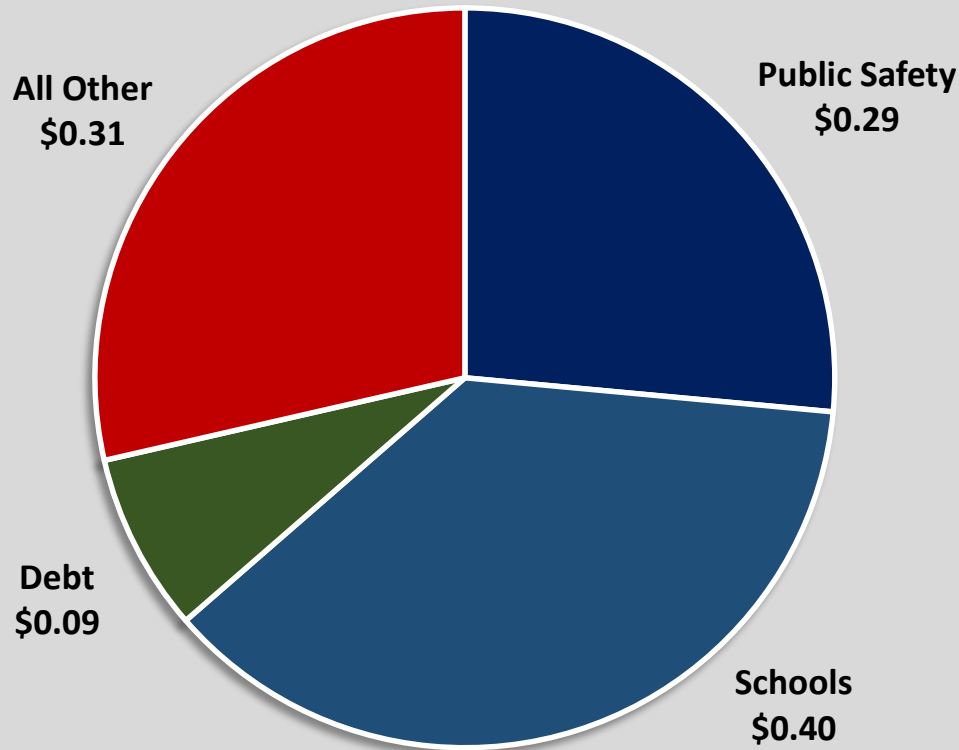
(\$ in millions)



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

Proposed FY 2018 Operating Budget Real Estate Tax Rate

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



Description	Portion of \$1.09 Supporting Services
Public Safety (incl. Social Services)	\$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

Major Budget Components

Budget Component	% of General Government Budget	\$ Amount
Schools Transfers – Operating Support, Debt Service, Children’s Services Act (CSA)	41.2%	\$76,952,785
Employee Compensation and Benefits	31.7%	\$59,181,845
Non-Personnel / Operating	14.5%	\$27,023,741
Transfers to Support Operations, Technology, Capital and Fleet Replacement	8.9%	\$16,571,608
County Debt Service	3.7%	\$6,949,696
Total, General Government Budget	100%	\$186,679,675

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
Schools & County 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 Funding Commitments

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

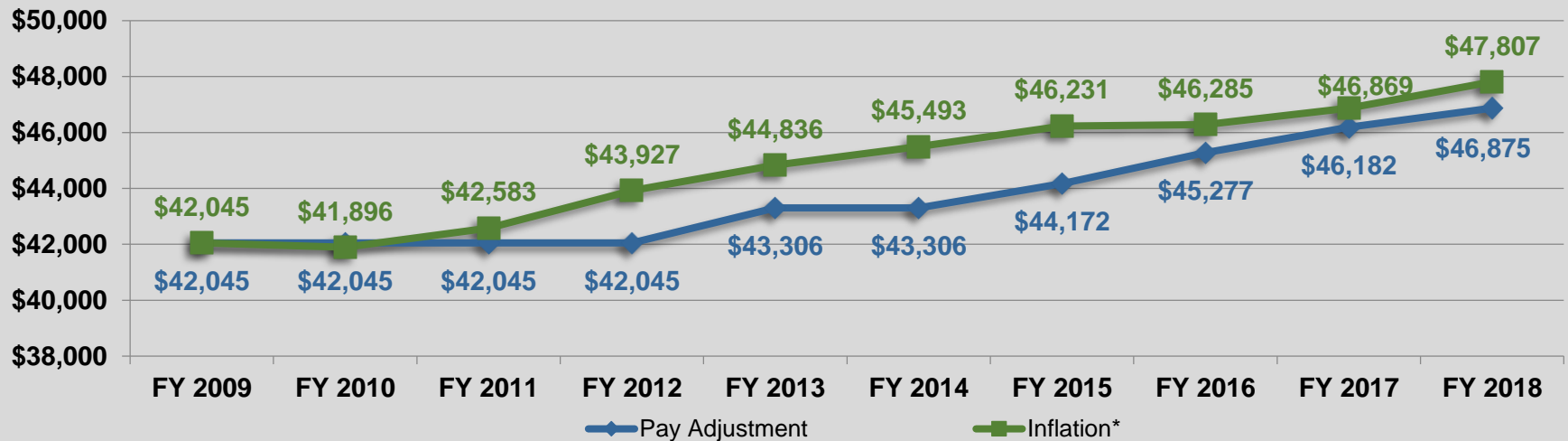
Description	\$ Amount
FY 2018 Additional Budgeted Revenue	\$3,420,460
Transfer for Children's Services Act (CSA) mandated services	(660,000)
Federal Pass-through for Social Services	(338,349)
Budgeting Library revenues (best financial practices)	(306,600)
Transfer to Schools (Revenue Sharing Formula)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

Proposed FY 2018 Operating Budget Compensation and Benefits

Compensation and Benefits	\$ Change Over FY 2017
1.5% compensation adjustment	\$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

History of Pay Adjustments

**Example Salary Adjustments Compared to Inflation
\$42,045 Salaried Employee in FY 2009**



Pay Adjustment	4.0%	----	-----	-----	3.0%	-----	2.0%	2.5%	2.0%	1.5%
Inflation*	3.8%	-0.4%	1.6%	3.2%	2.1%	1.5%	1.6%	0.1%	1.3%	2.0%

Note:

- FY 13 also included a hold harmless 5.75% increase for VRS Plan 1 employees due to state mandate that all employees pay their share of VRS contribution
- Non-recurring bonuses were received in FY 10 (\$500) and FY 12 (\$500 - \$2,500)

*Source: U.S. Bureau of Labor Statistics, www.bls.gov

Proposed FY 2018 Operating Budget Health Insurance

- January 2017 – renewal rates at status quo - 12.4% increase / would have had a \$800,000 impact on General Government Fund
- Even with changes, over \$500,000 increase for County portion of employees and retirees health insurance
- Need to promote well-being of employees and create fiscally sustainable health insurance benefit

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
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 Transfer 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

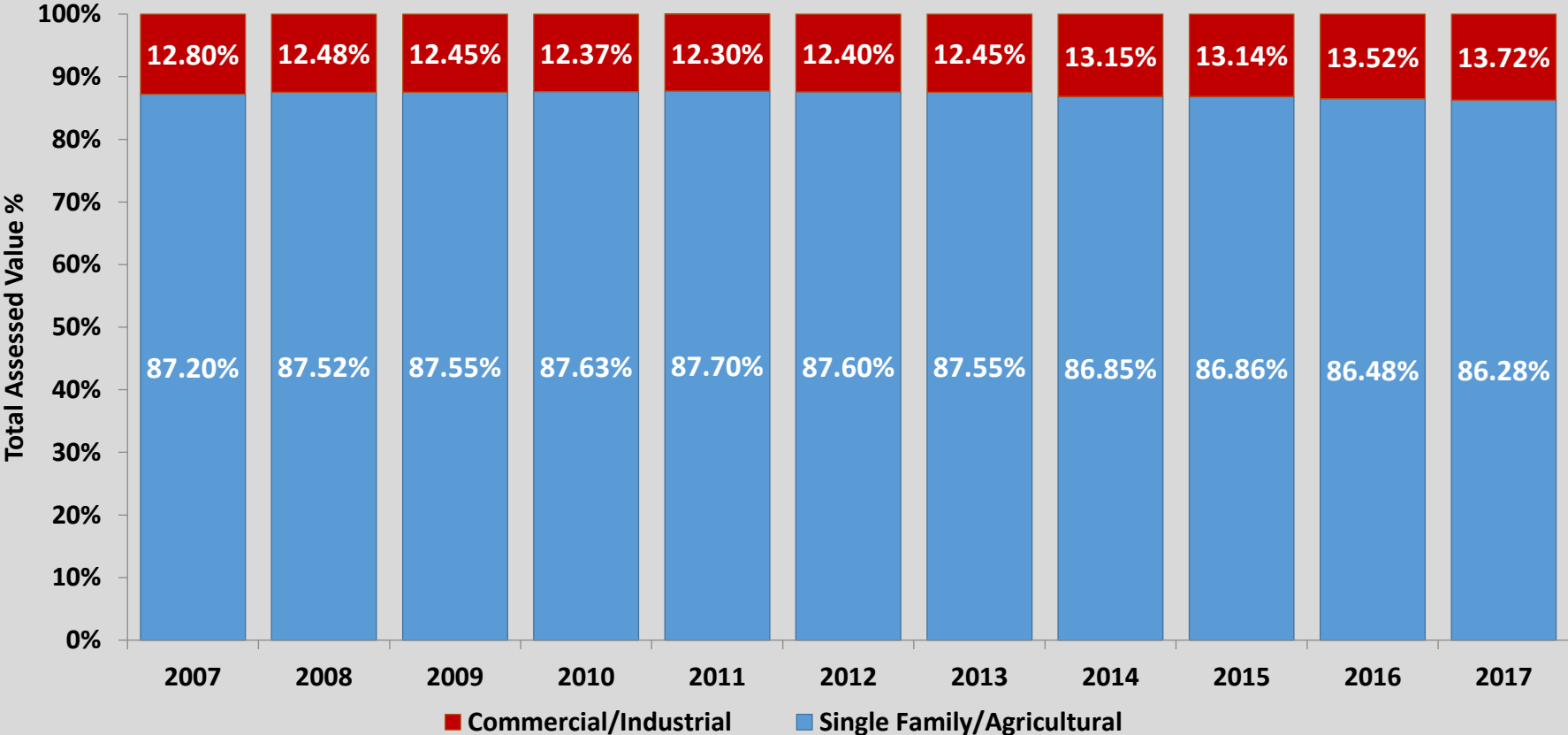
- Continued application of approved revenue sharing formula
- Reflects RCPS Average Daily Membership (ADM) reduction from 13,950 in FY 2017 to 13,700 in FY 2018
- Also transferred from the General Government Fund on behalf of RCPS
 - Debt Service - \$7.63 million
 - Support for CSA - \$1.23 million
- March 30, 2017 – School Board to adopt FY 2018 budget

Proposed FY 2018 Operating Budget Economic Development Priorities

- Economic development priority projects are being implemented to grow the commercial assessment tax base with appropriate development
- Current assessment base 86.3% residential and 13.7% commercial – ratio pushes costs to maintain services disproportionately to the residential properties
- Priorities include:
 - Roanoke County Broadband Initiative
 - Woodhaven Property Acquisition and Development
 - 419 Planning Corridor
 - Explore Park
 - Roanoke-Blacksburg Regional Airport

Residential vs. Commercial Value

**Residential vs. Commercial
2007 through 2017**



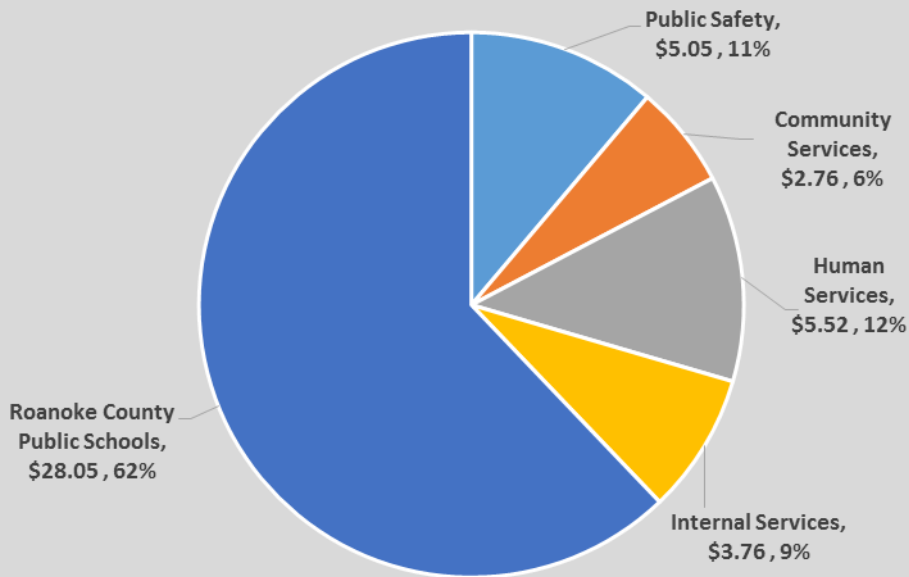
Roanoke County Operating Budget Future Outlook

- 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

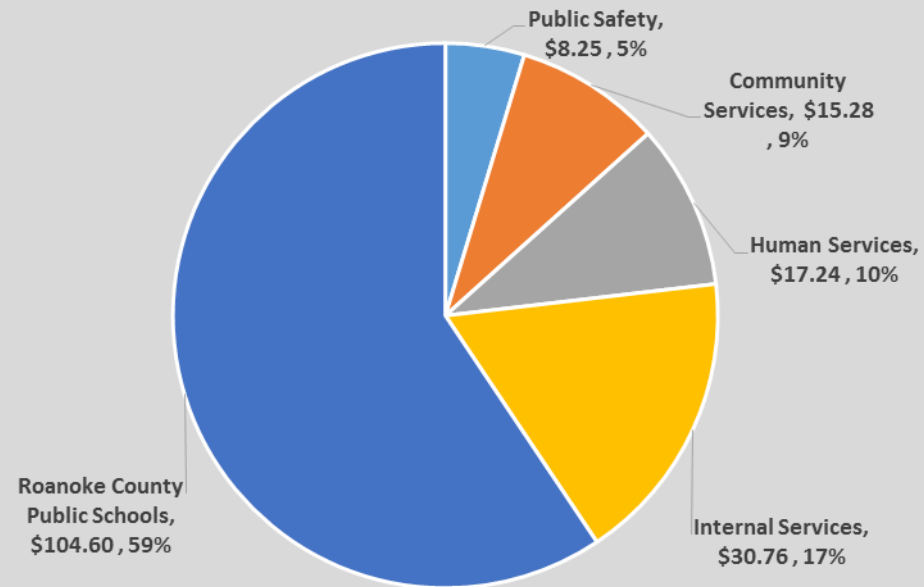
Fiscal Year 2018-2027 Capital Budget & Ten-Year Capital Improvement Program (CIP)

Proposed FY 2018 – FY 2027 CIP

Fiscal Year 2018 Capital Budget
\$45,138,247



Ten-Year Capital Improvement Program
\$176,129,156



Proposed FY 2018 – FY 2027 CIP Major County Projects

Major County Projects	FY 2018	FY 2019-2027
Public Safety Radio Replacement	\$3.2M	---
Self-Contained Breathing Apparatus (Fire & Rescue)	\$1.6M	---
Explore Park	\$4.4M	\$1.3M
Public Service Center	\$1.5M	\$11.5M
Stormwater Management	\$1.3M	\$4.2M



Requested FY 2018 – FY 2027 CIP Projects Roanoke County Public Schools

FY 2018 \$28.0 million / FY 2019 – FY 2027 \$76.6 million

Requested Projects	FY 2018	FY 2019-2027
Cave Spring High School	\$27.0M	\$8.5M
William Byrd High School	---	\$22.75M
Hidden Valley Middle School	---	\$13.18M
Burlington Elementary	---	\$5.3M
Glenvar Elementary	---	\$6.2M
WE Cundiff Elementary	---	\$10.03M
Glen Cove Elementary	---	\$0.89M
Schools Capital Maintenance Program	\$1.0M	\$9.0M
HR & Payroll Software System	\$0.05M	\$0.7M



Proposed FY 2018 – FY 2027 CIP Funding Overview

	County FY 2018 – FY 2027		Schools FY 2018 – FY 2027	
Funding Source	Amount	% of Total	Amount	% of Total
Cash Sources	\$46.4M	64.9%	\$24.6M	23.5%
Bonds	\$25.1M	35.1%	\$80.0M	76.5%
Total	\$71.5M	100.0%	\$104.6M	100.0%

County and Schools Combined – 40.3% Cash Sources / 59.7% Bonds

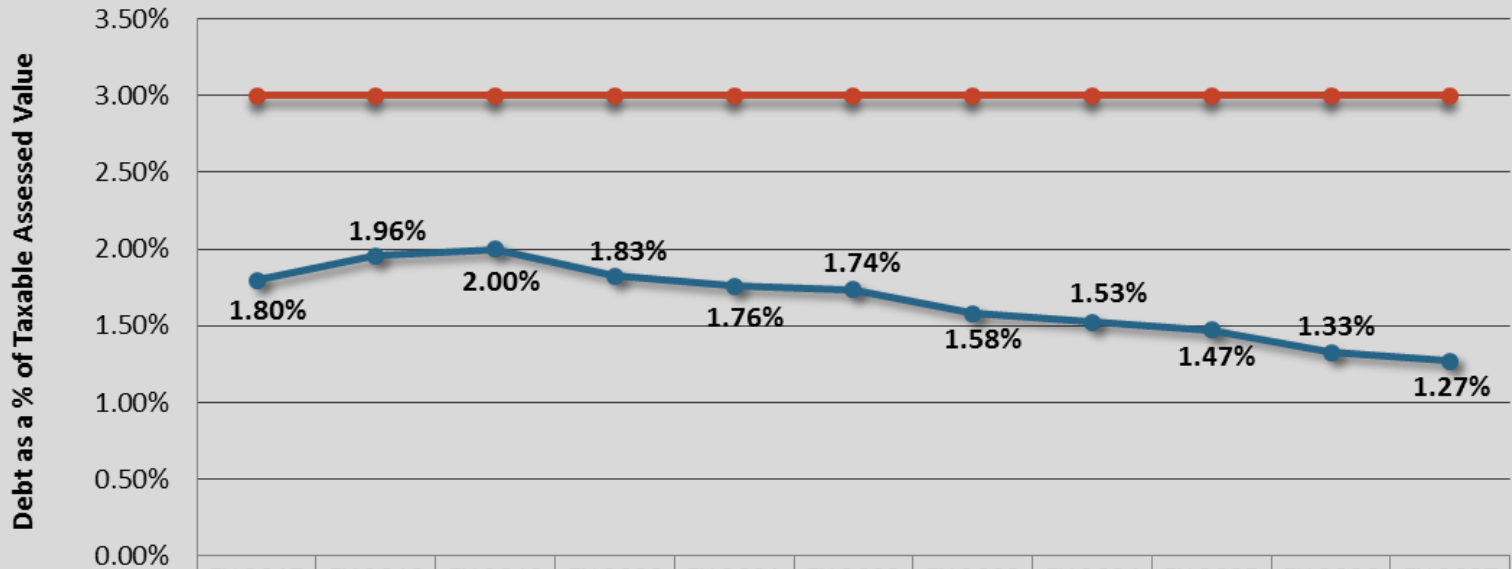
Proposed FY 2018 – FY 2027 CIP Debt Information

**Board of Supervisors imposed debt ratios must be adhered to in each year
of the balanced 10-year plan**

Ratio	Limit	FY 2016 (Actual)	FY 2017 (Projected)	FY 2018 (Projected)
Debt Service as a Percentage of General Government Expenditures	10.0%	7.57%	6.87%	6.65%
Debt as a Percentage of Taxable Assessed Value	3.0%	1.95%	1.80%	1.96%

Proposed FY 2018 – FY 2027 CIP Debt Information

Debt as a Percentage of Taxable Assessed Value



With Projected Debt	1.80%	1.96%	2.00%	1.83%	1.76%	1.74%	1.58%	1.53%	1.47%	1.33%	1.27%
Limit	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Next Steps

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 Operating Budget Next Steps – Tax Rate and Budget Items

Tax Rate/Budget Item	2017 Date
County Administrator's Recommended FY 2018 Operating Budget	March 14
Community Budget Presentations – County Administrator	March 21-22
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://www.roanokecountyva.gov> – Management & Budget and will be available at all Libraries and in OMB
- Changes to the County Administrator's proposed budget will be communicated to the Board of Supervisors through budget memorandums and work sessions and will be incorporated into the adopted budget

Community Discussion Questions & Comments