

# FY 2017 Year End Overview

Board of Supervisors Work Session

September 26, 2017

# Work Session Agenda

- FY 2017 Year End Summary
  - Unappropriated Balance
  - Capital Reserves
  - Historical Data on Year End Balances
- FY 2017 General Government Revenue Summary
- FY 2017 General Government Expenditure Summary
- Other General Funds
- Internal Service Funds (Health, Dental, Risk Management)
- Next Steps

# FY 2017 Year End Summary

# FY 2017 Year End Summary

Revenues		Expenditures	
Revised Revenue Budget – General Fund	\$184,860,373	Revised Expenditure Budget – General Fund	\$184,860,373
Actual Revenues	\$186,259,860	Actual Expenditures	\$183,917,949
		Encumbrances Carried Forward	(\$166,095)
<b>Revenues above Budget</b>	<b>\$1,399,487</b>	<b>Expenditure Savings</b>	<b>\$776,329</b>

Recommended Allocation of FY 2017 Year-End Balance	
Total Available	\$2,175,816
To FY 2017-18 Fund Balance Policy (Budgeted)	(\$429,719)
To FY 2017-18 Fund Balance Policy (Maintain Target of 11%)	(\$148,030)
To FY 2017-18 Capital Budget	(\$200,000)
Reserve for City/County Sales Tax	(\$350,000)
Reserve for Risk Management Fund Balance	(\$350,000)
Reserve for Childrens’ Services Act (CSA) Fund Balance	(\$525,000)
Website Update	(\$65,000)
<b>Remaining Balance to Capital Reserves</b>	<b>\$108,067</b>

# Unappropriated Balance

General Fund Unappropriated Balance	
Balance at Fiscal Year End 2017	\$22,954,213
FY 2018 Contribution to Fund Balance	\$577,749
Projected Fiscal Year End 2018 Balance	\$23,531,962
Percentage of Budget	11.00%

# Capital Reserves – After Year End Close

Total Capital Reserves	
Balance at Fiscal Year End 2017	\$4,939,380
Use of Capital Reserves for Self Contained Breathing Apparatus (SCBA) Project	(\$879,545)
FY 2018 Capital Reserves Appropriation in CIP	(\$153,420)
Remaining Balance in FY 2017-18 to Capital Reserves (Assuming recommended allocation of year end balance)	\$108,067
<b>Projected Capital Reserve Balance at Fiscal Year End 2018</b>	<b>\$4,014,482</b>

# Summary of Revenue and Expenditures Savings

County	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Unaudited FY 2017
Surplus Revenues	\$ 202,222	\$ 978,954	\$ 2,017,363	\$ 2,183,788	\$ 977,770	\$ 1,399,487
Expenditures Savings	3,936,893	3,665,481	3,001,241	1,272,470	1,341,717	776,329*
<b>TOTAL</b>	4,139,115	4,644,435	5,018,604	3,456,258	2,319,487	2,175,816
Use of Surplus:						
Fire and Rescue Capital-Fee for Service	202,222	-	178,977	-	-	-
General Fund Unappropriated Balance	-	194,239	532,638	500,000	544,881	577,749
Transfer to Capital Reserves	1,270,929	1,442,859	1,910,844	2,354,765	1,492,589	108,067
FY 2017-18 Capital Budget	-	-	-	-	-	200,000
Reserve for City/County Sales Tax	-	-	-	-	-	350,000
Risk Management Fund Balance	-	-	-	-	-	350,000
CSA Fund Balance	-	-	-	-	-	525,000
Roanoke County Website Update	-	-	-	-	-	65,000
*Department Rollovers/Encumbrances	2,665,964	3,007,337	2,396,145	601,493	282,017	- *
<b>TOTAL</b>	\$ 4,139,115	\$ 4,644,435	\$ 5,018,604	\$ 3,456,258	\$ 2,319,487	\$ 2,175,816

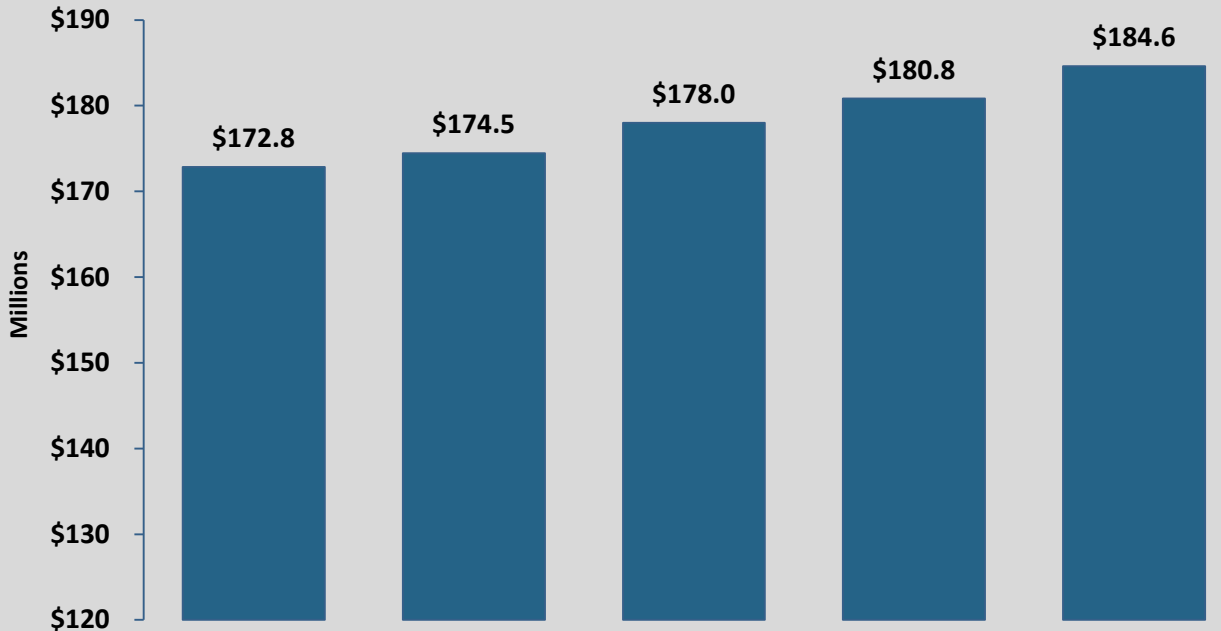
\*For FY 2017, Department Rollovers/Encumbrances of \$166,095 are accounted for in Expenditure Savings total

# FY 2017 Revenue Summary



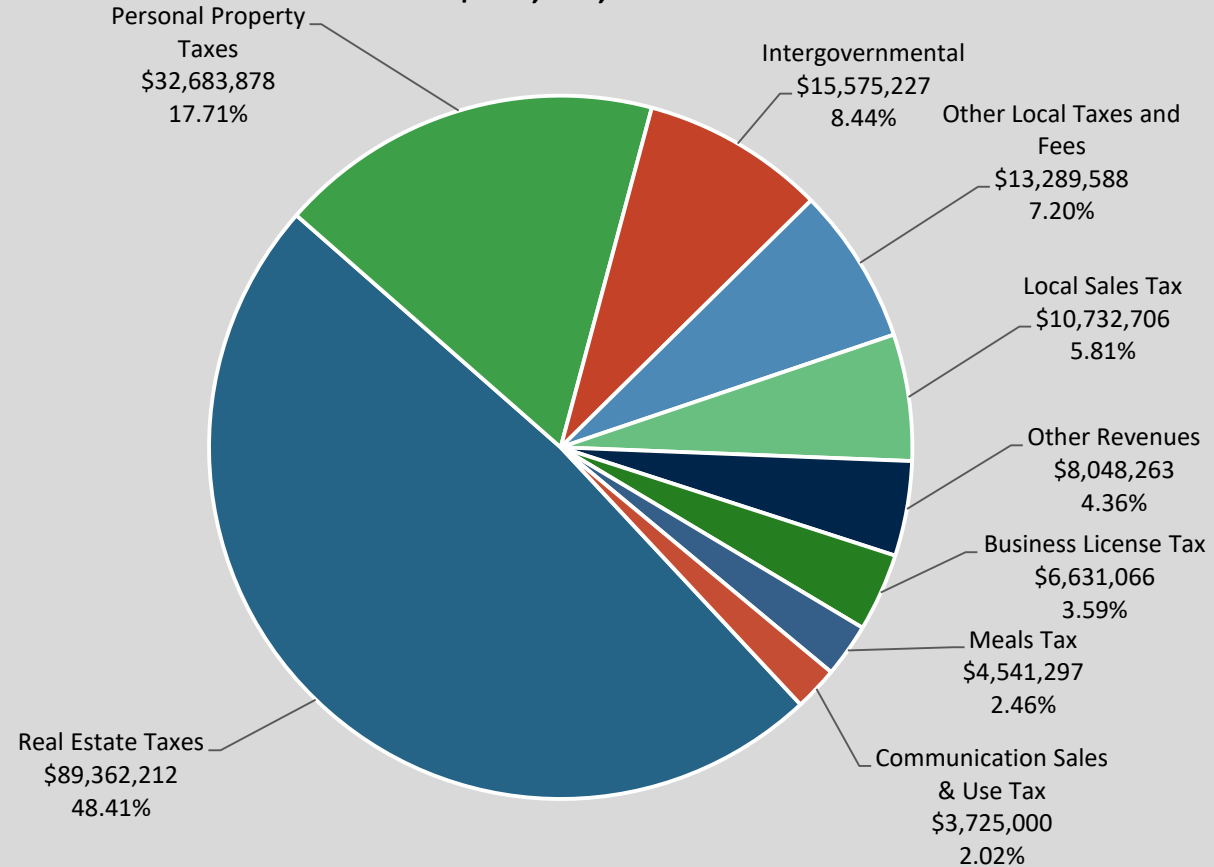
# FY 2017 Actual Revenue

**\*Actual Revenue - FY 2013 through FY 2017**



	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Revenue	\$172,830,147	\$174,451,731	\$177,983,392	\$180,835,808	\$184,589,237
YOY Growth	1.37%	0.94%	2.02%	1.60%	2.08%

**\*FY 2017 Total General Government Revenue  
\$184,589,237**



\*Excludes Appropriated Beginning Balance of \$1,670,623

# FY 2017 Actual Revenue – Budget vs. Actual

Category	Actual FY 2016	Final Budget FY 2017	Actual FY 2017	\$ Difference FY 2017 Final vs. Actual	% Difference FY 2017 Final vs. Actual
Real Estate Taxes	\$88,235,210	\$89,401,101	\$89,362,212	(\$38,889)	-0.04%
Personal Property Taxes	\$31,621,657	\$32,834,622	\$32,683,878	(\$150,744)	-0.46%
Intergovernmental Revenue (State/Federal)	\$15,467,163	\$15,116,479	\$15,575,227	\$458,748	3.03%
Other Local Taxes and Fees <sup>1</sup>	\$13,258,822	\$12,953,400	\$13,289,588	\$336,188	2.60%
Local Sales Tax	\$10,097,025	\$10,252,000	\$10,732,706	\$480,706	4.69%
Other Revenues <sup>2</sup>	\$7,777,933	\$8,026,398	\$8,048,263	\$21,865	0.27%
Business License Tax	\$6,233,126	\$6,447,000	\$6,631,066	\$184,066	2.86%
Meals Tax	\$4,326,106	\$4,362,750	\$4,541,297	\$178,547	4.09%
Communication Sales & Use Tax	\$3,818,766	\$3,796,000	\$3,725,000	(\$71,000)	-1.87%
Appropriated Beginning Balance	\$601,493	\$1,670,623	\$1,670,623	\$0	0.00%
<b>Total</b>	<b>\$181,437,301</b>	<b>\$184,860,373</b>	<b>\$186,259,860</b>	<b>\$1,399,486</b>	<b>0.76%</b>

<sup>1</sup>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

<sup>2</sup>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

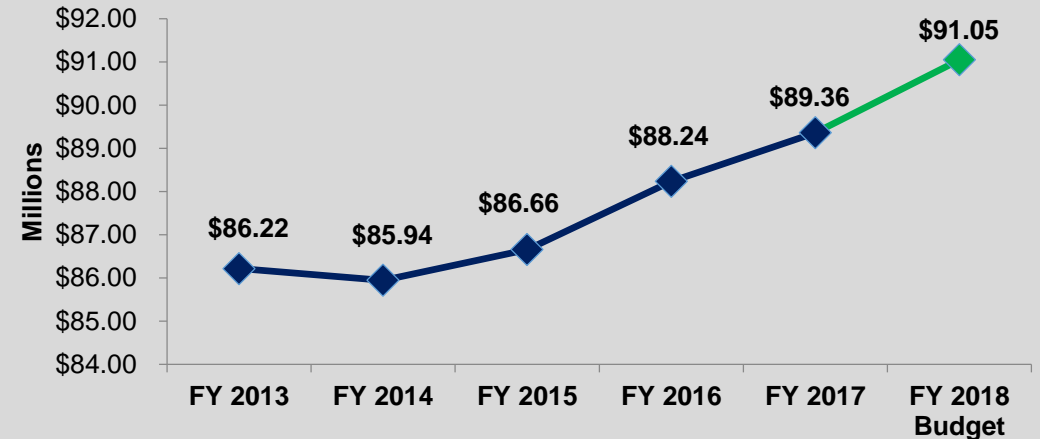
- Real Estate

- FY 2017 Amended Budget: \$89,401,101
- FY 2017 Actual: \$89,362,212
- FY 2017 Variance: (\$38,889)
- Modest growth budgeted for FY 2017 (1.9%)
- Commercial Real Estate: 13.7% of total  
Residential Real Estate: 86.3% of total

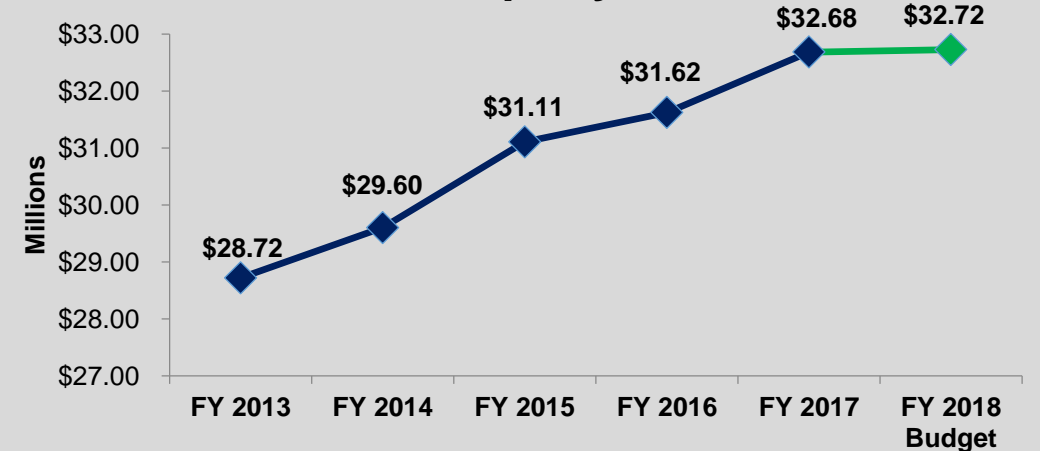
- Personal Property

- FY 2017 Amended Budget: \$32,834,622
- FY 2017 Actual: \$32,683,878
- FY 2017 Variance: (\$150,744)

### Real Estate Revenue



### Personal Property Revenue



# Actual Revenue – Major Categories

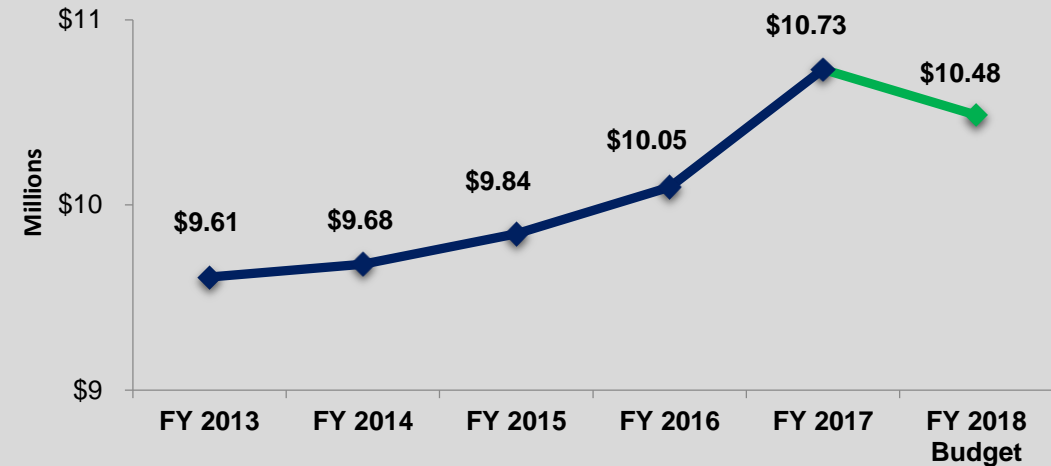
- Sales Tax

- FY 2017 Amended Budget: \$10,252,000
- FY 2017 Actual: \$10,732,706
- FY 2017 Variance: \$480,706
- One-time collections of approximately \$350,000 in FY 2017

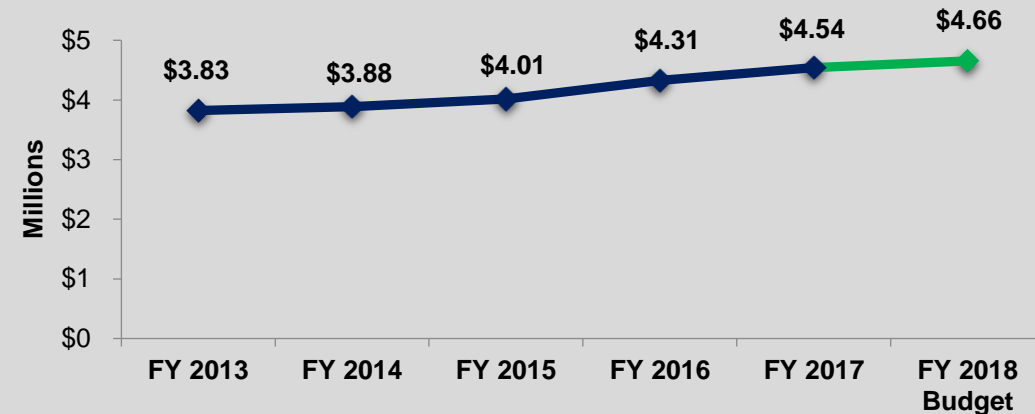
- Meals Tax

- FY 2017 Amended Budget: \$4,362,750
- FY 2017 Actual: \$4,541,297
- FY 2017 Variance: \$178,547

Sales Tax Revenue



Meals Tax



# Actual Revenue – Major Categories

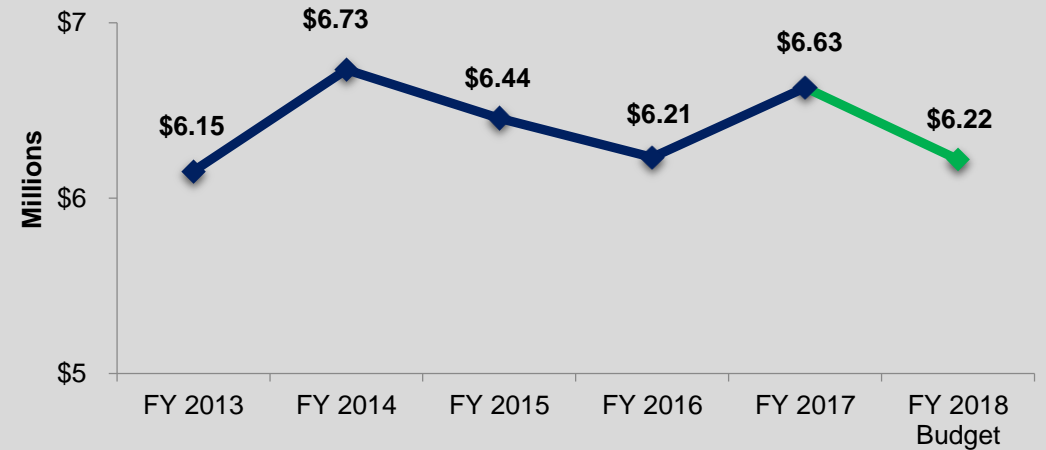
- Business License Tax

- FY 2017 Amended Budget: \$6,447,000
- FY 2017 Actual: \$6,631,066
- FY 2017 Variance: \$184,066
- One-time collections of approximately \$250,000 in FY 2017

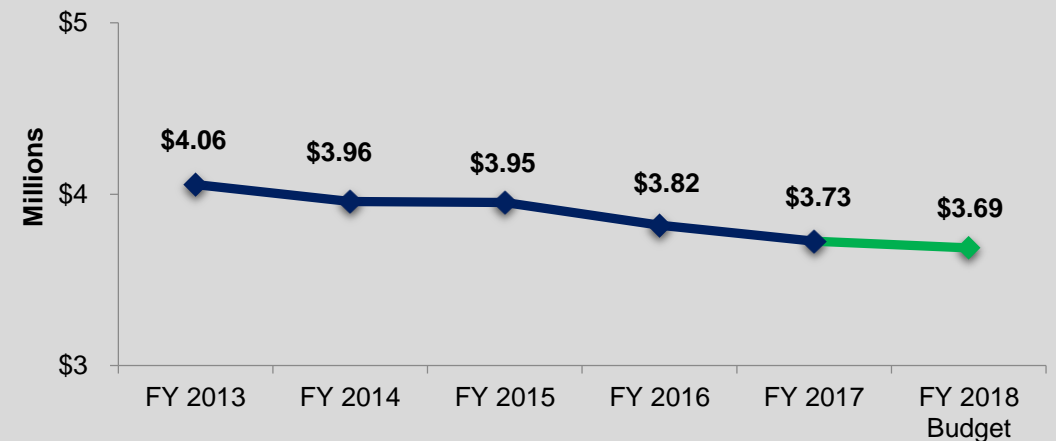
- Communications Sales & Use Tax

- FY 2017 Amended Budget: \$3,796,000
- FY 2017 Actual: \$3,725,000
- FY 2017 Variance: (\$71,000)

### Business License Tax



### Communication Sales & Use Tax



# Actual Revenue – Major Categories

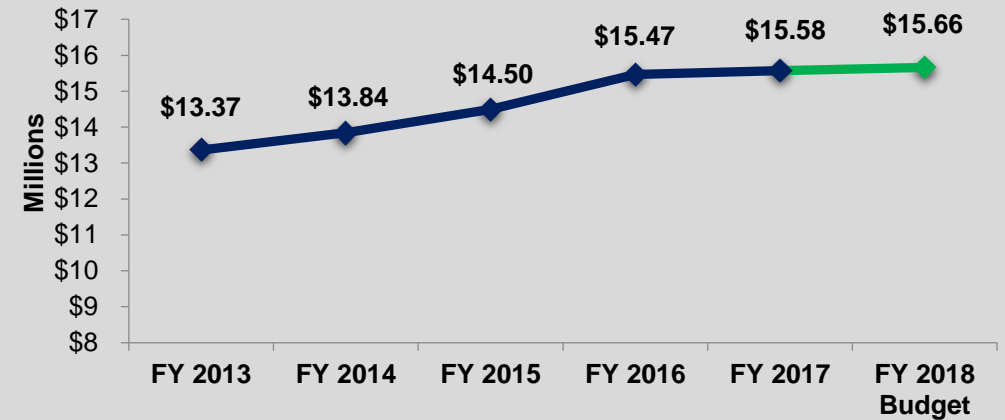
## • Intergovernmental Revenue

- FY 2017 Amended Budget: \$15,116,479
- FY 2017 Actual: \$15,575,227
- FY 2017 Variance: \$458,748
- Primarily due to State and Federal revenue associated with Social Services

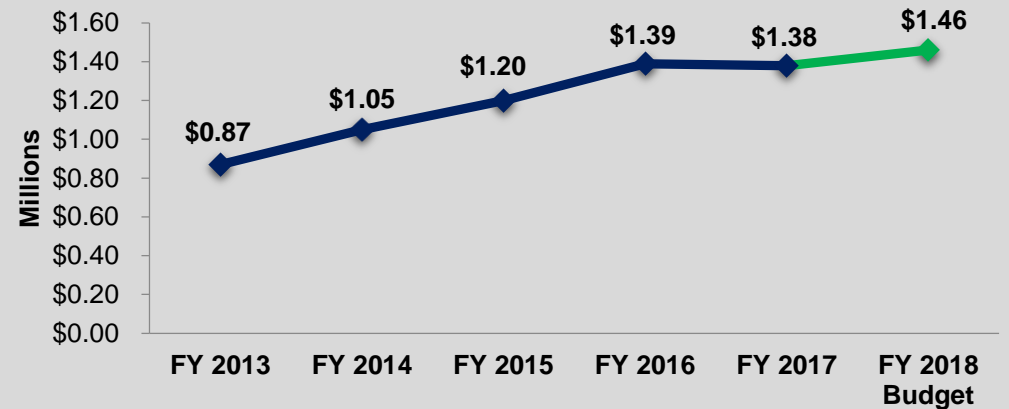
## • Hotel & Motel Room Taxes

- FY 2017 Amended Budget: \$1,184,500
- FY 2017 Actual: \$1,376,286
- FY 2017 Variance: \$191,786

### 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 2017, South Peak CDA realized \$678,821 from total revenue collections (30.2% increase over FY 2016) out of total \$969,744.

Total Revenue Generation FY 2013 through FY 2017						
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Total
South Peak CDA	\$15,723	\$129,288	\$305,155	\$521,192	\$678,821	<b>\$1,650,179</b>
Roanoke County	\$6,738	\$55,409	\$130,781	\$223,368	\$290,923	<b>\$707,220</b>
<b>Total</b>	<b>\$22,461</b>	<b>\$184,697</b>	<b>\$435,936</b>	<b>\$744,560</b>	<b>\$969,744</b>	<b>\$2,357,399</b>

- FY 2017 Budgeted Transfer: \$311,000, Actual: \$678,821
- FY 2018 Budgeted Transfer: \$560,000

# South Peak CDA (Continued)

South Peak CDA Revenue Generation (70% Portion) FY 2013 through FY 2017					
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Real Estate	\$15,723	\$128,110	\$204,047	\$232,317	\$262,239
Personal Property	-	\$1,178	\$23,918	\$21,825	\$35,358
Sales	-	-	-	\$47,349	\$57,992
Business License	-	-	\$16,024	\$18,509	\$14,461
Hotel/Motel	-	-	\$57,054	\$185,836	\$177,423
Meals	-	-	\$4,113	\$15,355	\$131,348
<b>Total</b>	<b>\$15,723</b>	<b>\$129,288</b>	<b>\$305,155</b>	<b>\$521,192</b>	<b>\$678,821</b>

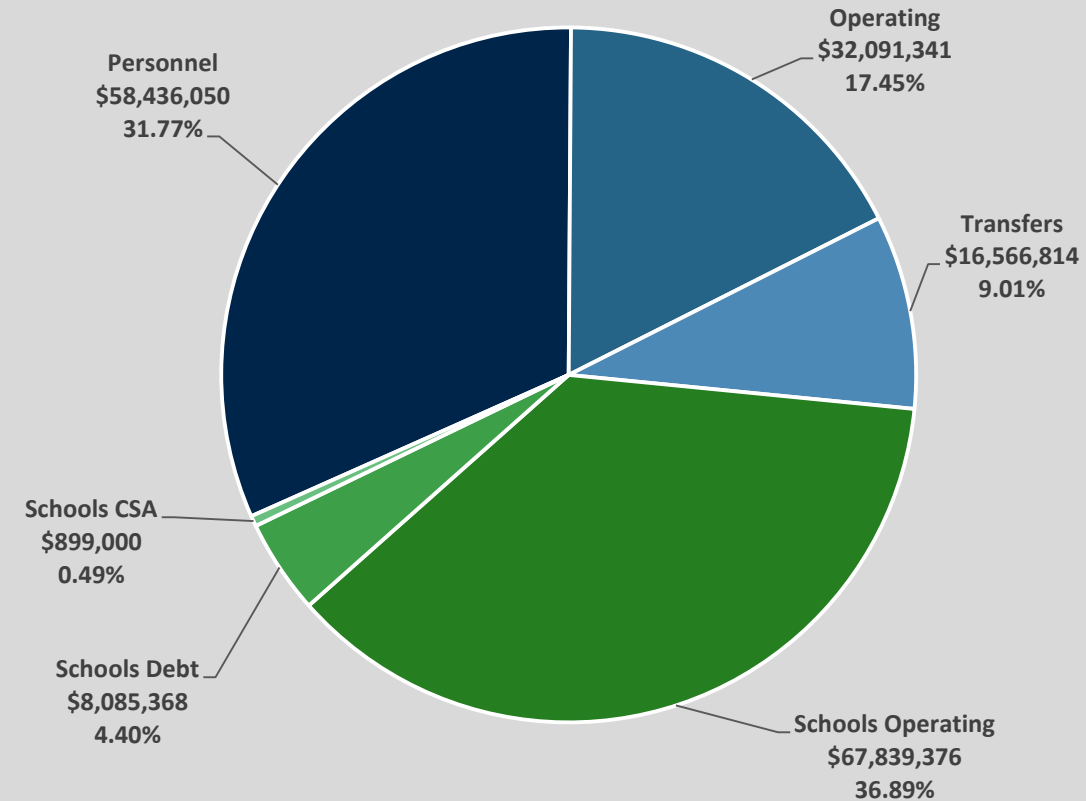


# FY 2017 Expenditure Summary

# Actual Expenditures – General Government Expenditures by Category

Category	FY 2017 Amended	FY 2017 Actual	Encumbrances	Balance	% of Budget Expended
Personnel	\$58,696,807	\$58,436,050	\$0	\$260,757	99.56%
Operating	\$32,911,596	\$32,091,341	\$166,095	\$654,160	98.01%
Transfers	\$16,428,226	\$16,566,814	\$0	(\$138,588)	100.84%
Schools Operating	\$67,839,376	\$67,839,376	\$0	\$0	100.00%
Schools Debt	\$8,085,368	\$8,085,368	\$0	\$0	100.00%
Schools CSA	\$899,000	\$899,000	\$0	\$0	100.00%
<b>Total</b>	<b>\$184,860,373</b>	<b>\$183,917,949</b>	<b>\$166,095</b>	<b>\$776,329</b>	<b>99.58%</b>

**\*FY 2017 Actual Expenditures  
\$183,917,949**



\*Excludes Encumbrances

# Actual Expenditures – General Government Expenditures by Functional Team

Functional Team	Actual FY 2016	Final Budget FY 2017	Encumbrances FY 2017	Actual FY 2017	\$ Difference FY 2017 Final vs. Actual	% Difference FY 2017 Final vs. Actual
Community Services	\$10,561,018	\$10,656,295	\$22,342	\$10,157,574	\$476,379	4.47%
Human Services	\$10,322,565	\$10,219,115	\$17,435	\$10,345,078	(\$143,398)	-1.40%
Internal Services	\$10,390,906	\$10,095,064	\$16,643	\$9,820,357	\$258,065	2.56%
Public Safety	\$52,191,051	\$49,603,519	\$109,676	\$49,037,062	\$456,782	0.92%
Schools Transfers (Revenue Sharing, Debt Service, and CSA)	\$77,350,809	\$76,823,744	\$0	\$76,823,744	\$0	0.00%
Interfund Transfers	\$11,638,259	\$13,169,348	\$0	\$13,411,867	(\$242,519)	-1.84%
Intrafund Transfers	\$4,169,897	\$3,086,642	\$0	\$3,086,642	\$0	0.00%
Non-Departmental/Other	\$4,246,476	\$11,206,646	\$0	\$11,235,626	(\$28,979)	-0.26%
<b>Total</b>	<b>\$180,870,983</b>	<b>\$184,860,373</b>	<b>\$166,095</b>	<b>\$183,917,949</b>	<b>\$776,329</b>	<b>0.42%</b>

# FY 2018 & FY 2019 General Government Budget Areas to Monitor

Budget Area	Issue	Next Steps
Public Transportation (CORTRAN)	Significantly over budget by \$142K in FY 2017	November 8, 2017 work session planned
Separation Pay	Significantly over budget by \$195K in FY 2017	FY 2018 Budget increased by \$50,000. Monitor turnover to better project costs.
Western Virginia Regional Jail -Housing Prisoners	Housing of prisoners at the Regional Jail exceeded budget by \$176K	Added \$125K for housing prisoners in FY 2018 Budget.
VRS Increase	Anticipated increase of approximately \$500,000 for FY 2019	Waiting to get final percentage increase from VRS
CSA & Risk Management Fund Balances	Discussed in later slides	Take steps to increase contributions to increase fund balances

# FY 2017 Other Funds

# Other Major Funds

Fund	FY 2017 Beginning Balance	FY 2017 Revenues	FY 2017 Expenditures	FY 2017 Surplus/(Deficit)	Undesignated Fund Balance (June 30, 2017)	<i>Fund Balance Committed in FY 2018</i>
CommIT	\$2,297,755	\$9,477,762	\$9,416,961	\$60,801	\$2,358,556	\$1,715,000
Criminal Justice Academy	\$181,926	\$260,461	\$301,946	(\$41,485)	\$140,441	\$52,959
Fleet Service Center	\$356,814	\$2,935,460	\$2,949,613	(\$14,153)	\$342,661	\$50,000
Fee Class	\$1,098,743	\$4,898,080	\$4,947,722	(\$49,642)	\$1,049,101	\$250,000

# Other Funds

## Children's Services Act (CSA)

Fund	FY 2017 Beginning Balance	FY 2017 Revenues	FY 2017 Expenditures	FY 2017 Surplus/(Deficit)	Undesignated Fund Balance (June 30, 2017)	Fund Balance Committed in FY 2018
Children's Services Act (CSA)	\$2,714,825	\$5,613,159	\$7,250,326	(\$1,637,167)	\$1,077,658	\$1,063,788

- Fund balance continues to decline
- \$660,000 additional contribution budgeted in FY 2018 (\$330,000 each from County General Fund and School Fund)
- Recommend allocating \$525,000 from available year end funds to CSA Fund Balance
- Alternative Day School expenditures were \$3.7 million in FY 2017
- Work Session scheduled for December 17, 2017

Children's Services Act Fund	Year End Balance
FY 2013	\$6,023,267
FY 2014	\$5,275,027
FY 2015	\$4,199,311
FY 2016	\$2,714,825
FY 2017	\$1,077,658
Projected FY 2018	\$13,870

# FY 2017 Internal Service Funds



# Internal Service Funds

Fund	FY 2017 Beginning Balance	FY 2017 Revenues	FY 2017 Expenditures	FY 2017 Surplus/(Deficit)	Undesignated Fund Balance (June 30, 2017)
Health	\$756,662	\$8,812,004	\$9,830,407	(\$1,018,403)	(\$261,741)
Dental	\$124,846	\$727,232	\$729,762	(\$2,530)	\$122,316
Risk Management	\$707,521	\$1,679,421	\$2,208,920	(\$529,499)	\$178,022

# Health Insurance

- FY 2016-17 Claims Experience
  - 1 claim > \$200,000
  - 15 claims > \$100,000
  - Medical claims as a cost per member increased 7.1%
- State will take over Line of Duty Claims (LOD) which should save the County approximately \$90,000 in FY 2018 and beyond.
- FY 2017 Year End does not reflect actions taken during the FY 2018 Budget Process to address health insurance expenses. These initiatives include:
  - Moving all employees to the Key Care 1000 plan
  - New prescription drug plan
  - Incentivizing Wellness

Health Insurance Reserve Projection	
Beginning Balance (excludes IBNR Reserves)	\$756,662
Health Insurance Contributions	\$8,812,004
Wellness Program	(\$379,467)
Professional Services	(\$84,969)
Health Insurance Claims/ Reinsurance/HRA/ACA Fees	(\$9,365,971)
<b>Undesignated Fund Balance</b>	<b>(\$261,741)</b>
Reserve for IBNR	\$850,953
<b>Cash Balance</b>	<b>\$589,212</b>

# Risk Management

- Workers' Compensation
  - Significant portion of FY 2017 claims are legacy claims
    - Legacy Claims: \$770,000
    - New claims in FY 2017: \$493,000
    - Settlements: \$137,000
    - Total Claims: \$1.4 million
  - Partnership with VACORP has resulted in more settled claims and better management of the claims process
- Recommend allocating \$350,000 from available year end funds to Risk Management Fund Balance

Risk Management Reserve Projection	
Beginning Balance	\$707,521
Revenues	\$1,679,421
Expenditures	\$2,208,920
<b>Undesignated Fund Balance</b>	<b>\$178,022</b>
Reserve for IBNR	\$2,288,000
<b>Cash Balance</b>	<b>\$2,466,022</b>

# Next Steps

- Continue partnership with departments to manage budgets more precisely
- Continued monitoring of expenditures
  - Timely tracking of vacancies
  - Analysis of personnel expenditures
  - Emphasis on expenditures that were over budget in FY 2017
- 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 2018
  - Emphasis on revenues that underperformed in FY 2017

# Next Steps – Work Sessions and Briefings

(Through December 2017)

Work Session or Briefing Topic	Date
County Fees and Charges for Services Work Session	October 24, 2017
CORTRAN Work Session	November 8, 2017
Capital Improvement Program (CIP) Update Work Session	November 8, 2017
Fiscal Year 2016-2017 Audit Results Briefing	November 21, 2017
Linking the Community Strategic Plan to the FY 2018-2019 Budget Work Session (Tentative)	November 21, 2017
2018 Reassessment and Regional Economic Conditions Briefing	December 5, 2017
Children’s Services Act (CSA) Update Work Session	December 19, 2017

# Comments