

**County Executive's Recommended
FY 25 Budget
Work Session #1:**

General Fund Revenues & Expenditures

March 6, 2024



FY 25 Budget Calendar

March

Work Sessions

- 6th General Fund
- 11th School Board & cont. General Fund
- 13th CIP & if needed, General Fund
- 25th Proposed Budget & Taxes Rates
- 27th TBD

April

Public Input

- 10th TBD Work Session
- 17th Public Hearing
- 24th Public Hearing

Town halls currently being scheduled

May

- 1st Adoption & Appropriation

Work Session Process

- Staff presenting info at level of detail in between County Executive presentation & detailed budget document
- Includes many pauses for Board of Supervisors questions, dialogue and identify items for:
 - “The list” for potential adjustment and future Board discussion
 - General information
- Responses outside of work sessions are posted to the website for transparency

Agenda

Budget Overview (pgs. 47-56)

General Fund Revenues (pgs. 57-74)

General Fund Expenditures Summary (pgs. 75-86)

Break, if Board desires

General Fund Expenditures, continued

- Administration (pgs. 87-104)
- Judicial (pgs. 105-115)
- Public Works (pgs. 129-136)
*including Rivanna Solid Waste Authority,
page 135-136*
- Public Safety (pgs. 117-128)



Overview & Total Budget



OUR VISION

Albemarle County envisions a community with the following:

- **ABUNDANT NATURAL, RURAL, HISTORIC, AND SCENIC RESOURCES**
- **HEALTHY ECOSYSTEMS**
- **ACTIVE AND VIBRANT DEVELOPMENT AREAS**
- **A PHYSICAL ENVIRONMENT THAT SUPPORTS HEALTHY LIFESTYLES**
- **A THRIVING ECONOMY**
- **EXCEPTIONAL EDUCATIONAL OPPORTUNITIES**

For present and future generations.

1

SAFETY & WELL-BEING

Nurture a safe and healthy community.

2

RESILIENT, EQUITABLE & ENGAGED COMMUNITY

Design programs and services that promote an equitable, engaged and climate-resilient community.

3

INFRASTRUCTURE & PLACEMAKING

Invest in infrastructure and amenities that create connection, opportunity, and well-being.

4

QUALITY OF LIFE

Encourage a vibrant community with economic and recreational opportunities that serve all community members.

5

EDUCATION & LEARNING

Support exceptional educational opportunities.

6

WORKFORCE & CUSTOMER SERVICE

Recruit & retain engaged public servants who provide quality government services to advance our mission.

Balancing Considerations

Economic Outlook

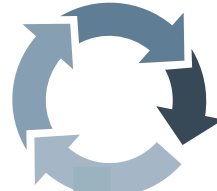
Economic cooling

5-Year Financial Plan

Out-year obligations and operating impacts of capital projects

Strategic Plan

Safety & Well-being, Resilient, Equitable, & Engaged, Infrastructure & Placemaking; Quality of Life; Education & Learning; Workforce & Customer Service



Revenues

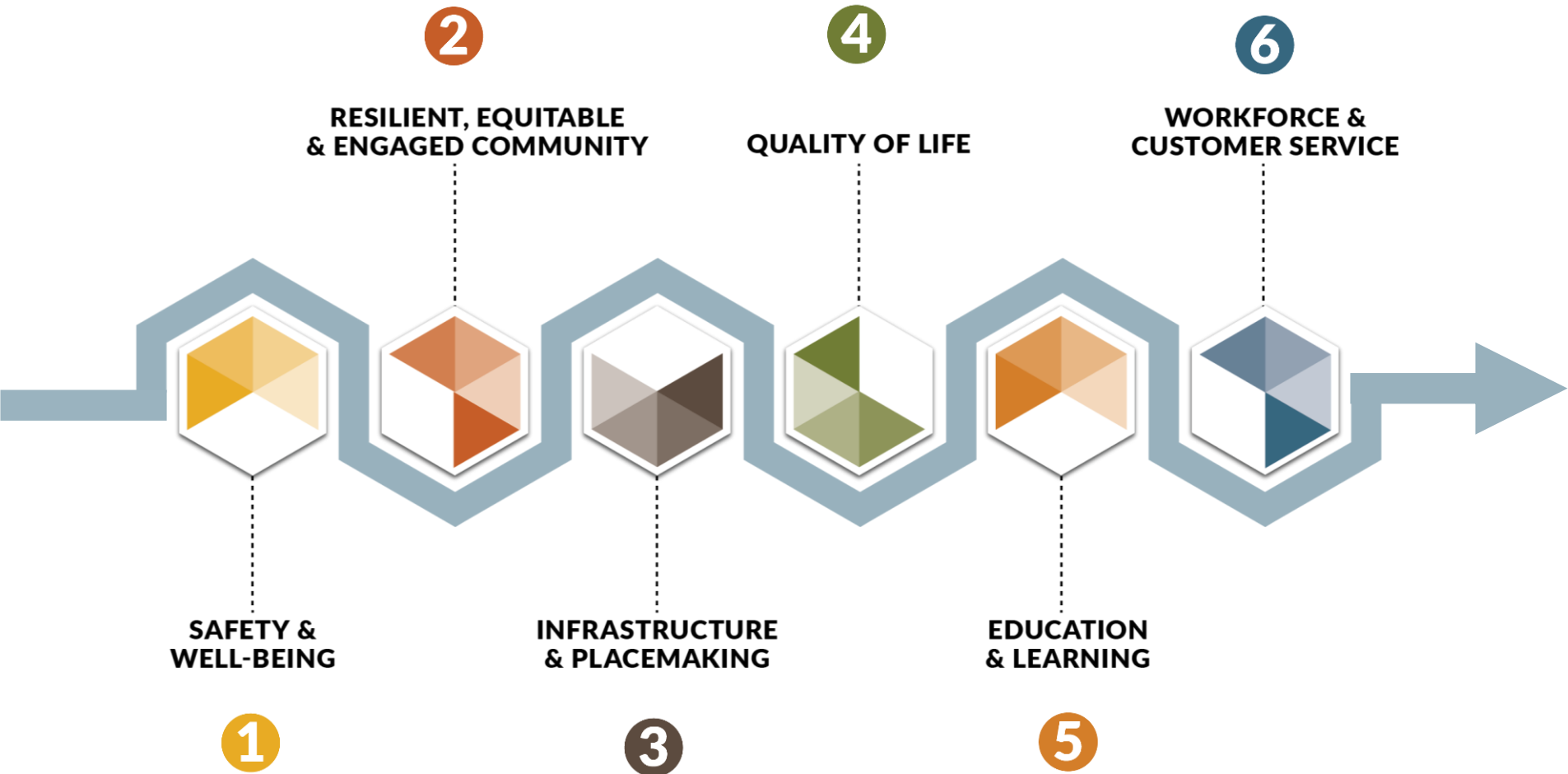
Projections for several years of more moderate growth

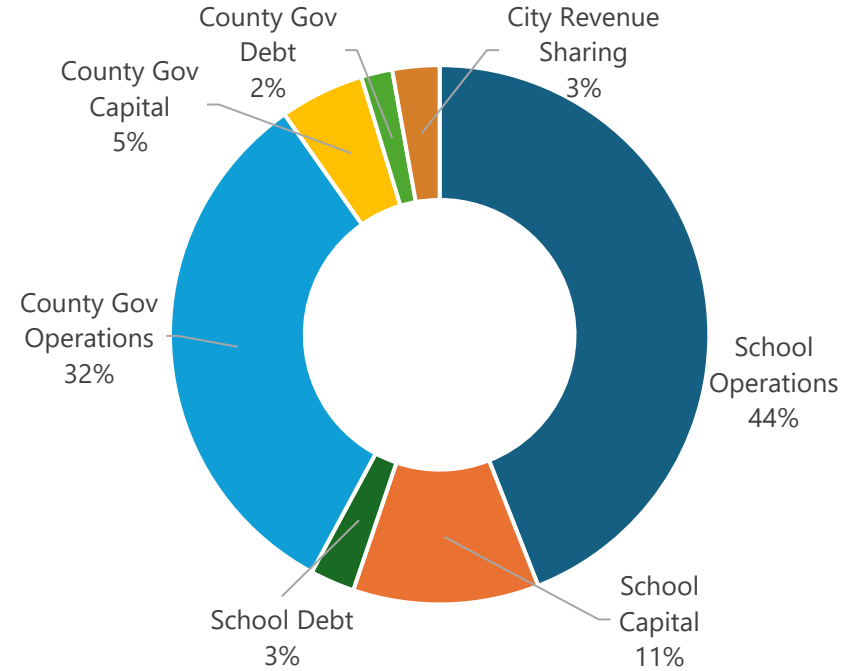
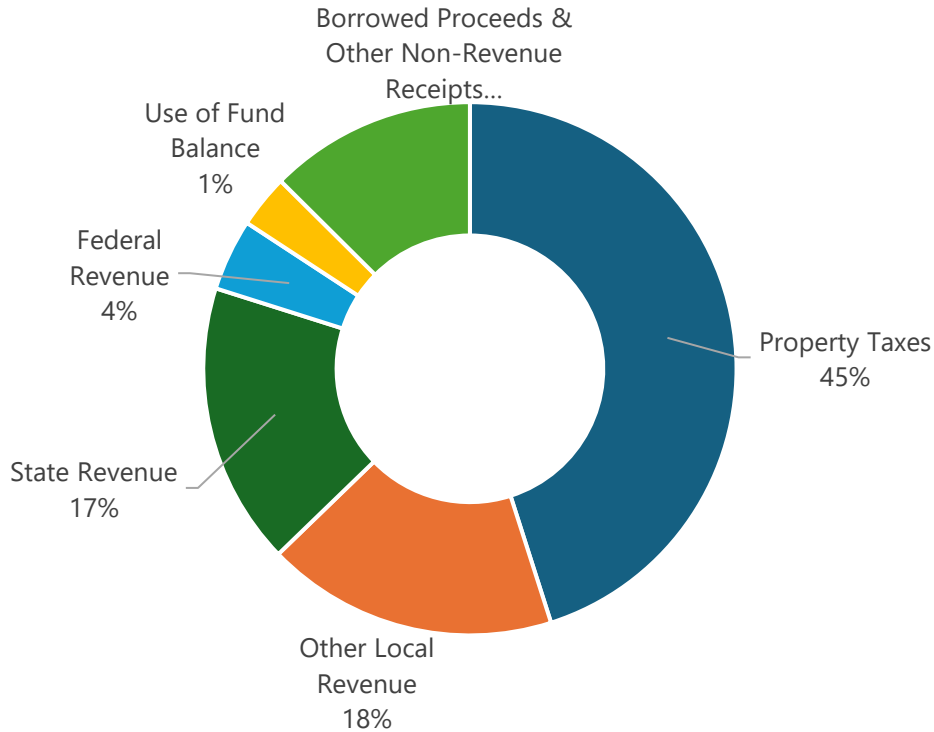
Existing Commitments

5-Year CIP, ongoing impacts of grant-funded programs and services

Financial Policies

Stabilization Reserves, borrowing capacity, maintaining AAA/Aaa/AAA





Total (All Funds) Budget

Total Budget, All Funds Summary

page 50-51

All Funds Budget increases +\$74 M or 13%

General Fund Drivers:

- Local revenues up **+\$19 M** or 5% and reflect changes in the overall local economy

Other Funds' Drivers:

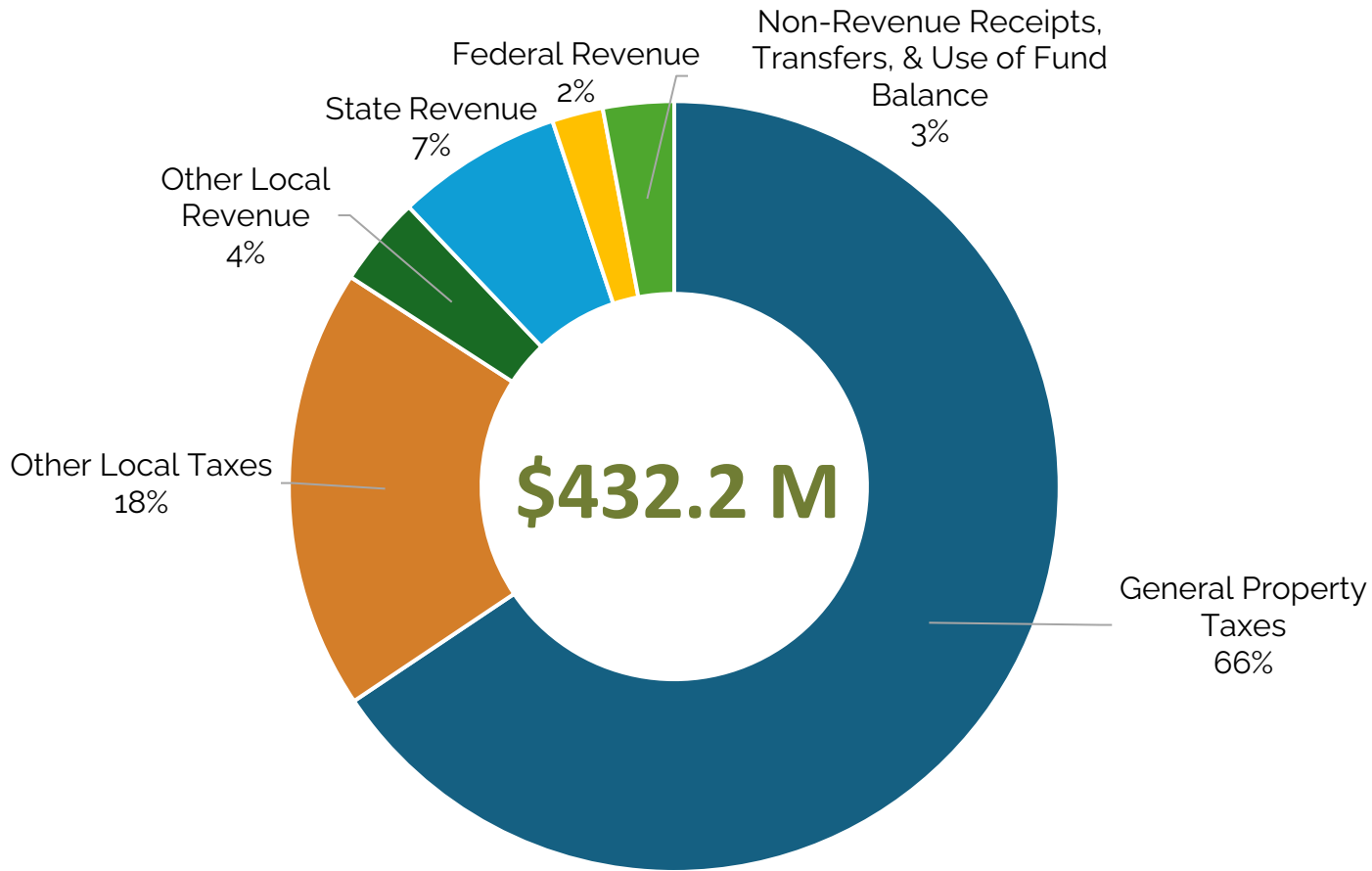
- **+\$62 M** or 266% in borrowed proceeds and use of fund balance, primarily related to the Capital Budget (e.g. construction of Southern Feeder Pattern Elementary, project cost increases)
- State revenues **decrease of \$6 M** or 5%, largely due to state budget and impact to Public Schools



General Fund Revenues

Pages 57-74



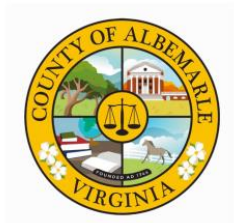


General Fund Revenues

FY 25 **Balanced** on Current Tax Rates



Economic Outlook

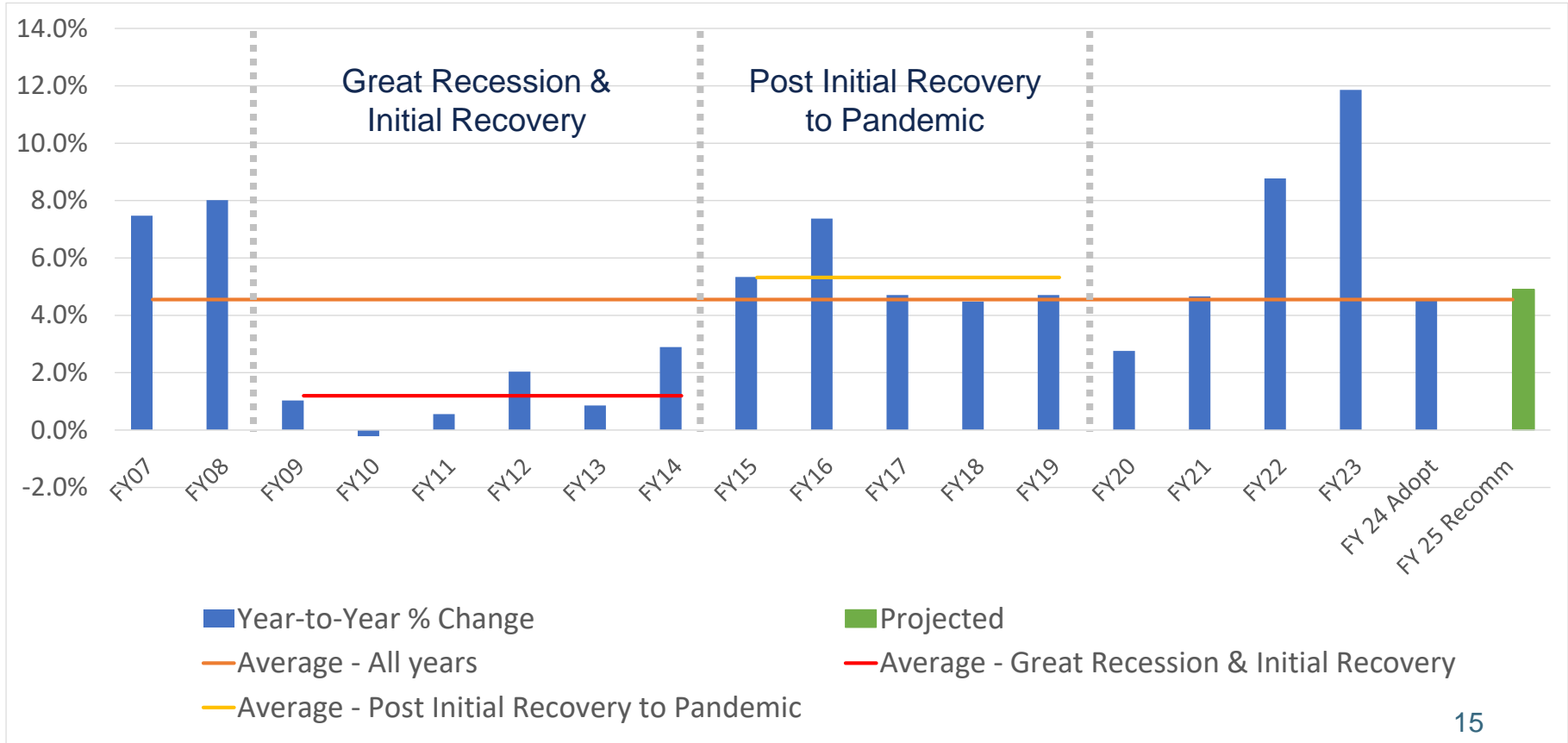


Annual Economic Outlook Report for
Albemarle County, Virginia

Prepared by
Sheryl D. Bailey, Ph.D., Visiting Professor of Practice
Principal Project Lead
School of Public and International Affairs
Virginia Tech

“It[’s] prudent for Albemarle County to also anticipate an economic cooling with the accumulating signals of a likely economic slowdown in the US, state, and globally.”

General Fund Revenue Growth Changes, FY 07 – 23 Actual. FY 24 Adopt, & FY 25 Recommended



Real Estate Tax Revenue

- Calculated at the current rate of \$0.854 per \$100 of assessed value
- Each penny on the tax rate = \$2.9 M, funding split by formula:
 - *Capital & Debt (10%):* \$0.3 M
 - *Public School Operating (54%):* \$1.6 M
 - *County Gov't. Operating (36%):* \$1.0 M
- Calendar Year (CY) 2024 overall reassessments + 4.07% from CY 2023
- “Lowered” or “Effective” Tax Rate: \$0.821 per \$100 of assessed value

Personal Property Tax Revenue

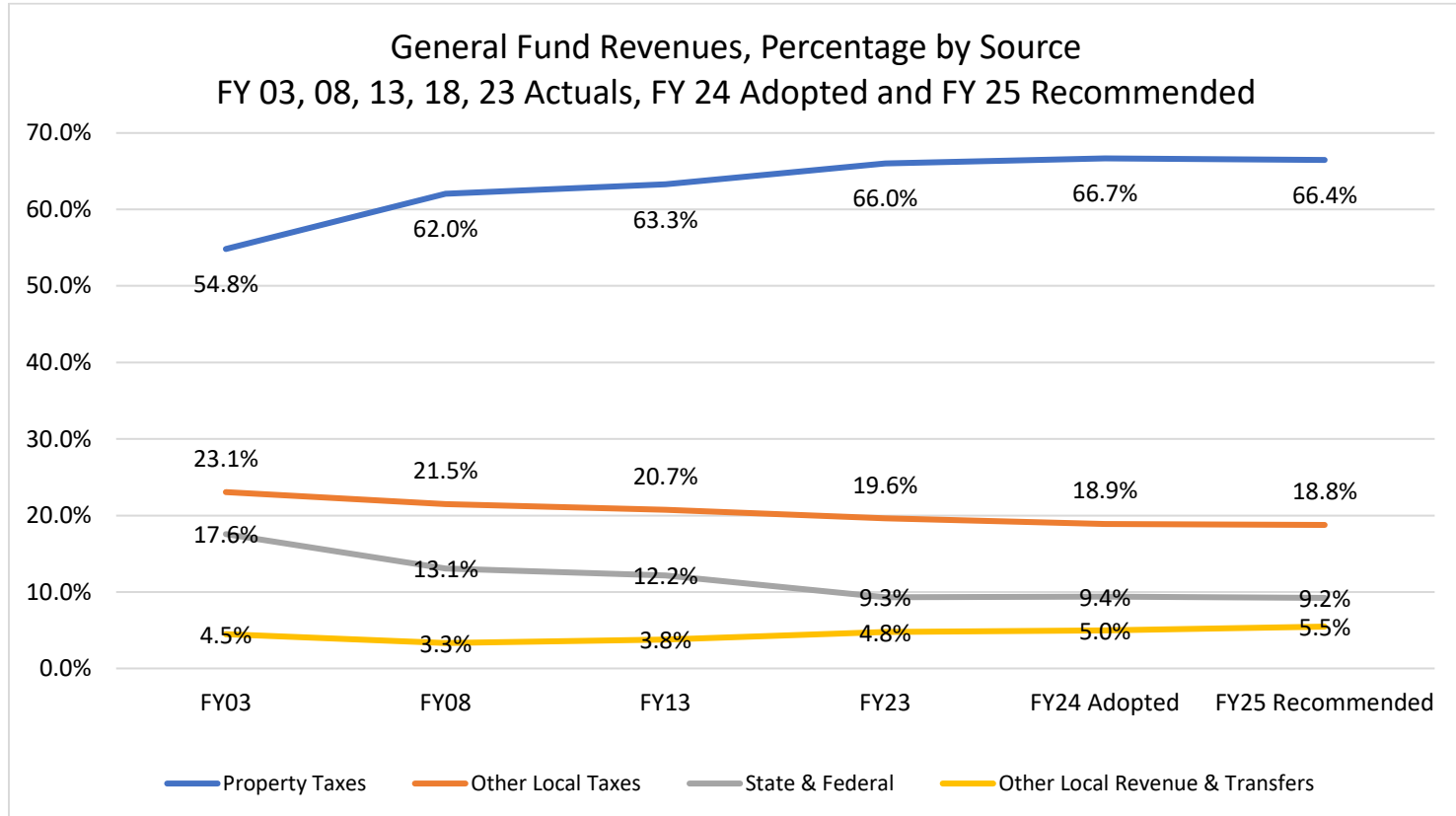
- Rate applies to individual vehicles, motorcycles, boats, as well as business tangible personal property & machinery and tools
 - Calculated at the current rate of \$3.42 per \$100 of assessed value
 - Each penny on personal property tax rate = \$0.1 M
- CY 22: car values increased significantly; Board of Supervisors decreased rate by 86 cents from \$4.28 per \$100 valuation
- CY 23: as car values fell, rate remained at \$3.42 per \$100 valuation
- CY 24: values projected to further decrease, \$1.2 million from FY 24 Adopted
 - To generate same amount as FY24 Adopted, rate would need to increase by 13 cents to \$3.55 per \$100 valuation

Other Local Taxes Summary

How revenue projections reflect an “economic cooling”

- **Sales Tax, total \$25.0 M, +2.5%**
- **Food & Beverage Tax, total \$18.3 M, +4.9%**
Continue current year trend of lower than recent & historical average growth
- **Transient Occupancy Tax, total \$4.4 M, +17.6%**
Reflects FY 24 year-to-date trend, followed by projected slower growth, as other consumer driven taxes experienced post-pandemic
- **Business, Professional, & Occupational Licenses, total \$17.6 M, +1.5%**
Usually below sales tax growth as an approximate trailing economic indicator

Revenue Diversification



State Revenues

Total \$30.1 Million or 7.1% of General Fund Revenues

- Total Change: +0.6 M or 2.1%
- \$15.0 M for Personal Property Tax Relief
- \$4.7 M for reimbursement of Department of Human and Social Services programs
- \$3.2 M for Public Safety support
- \$3.0 M for Telecommunications Tax
- \$2.9 M for Constitutional Officers and Registrar
- \$1.5 M in other sources, mostly vehicle rental tax

General Fund's Fund Balance

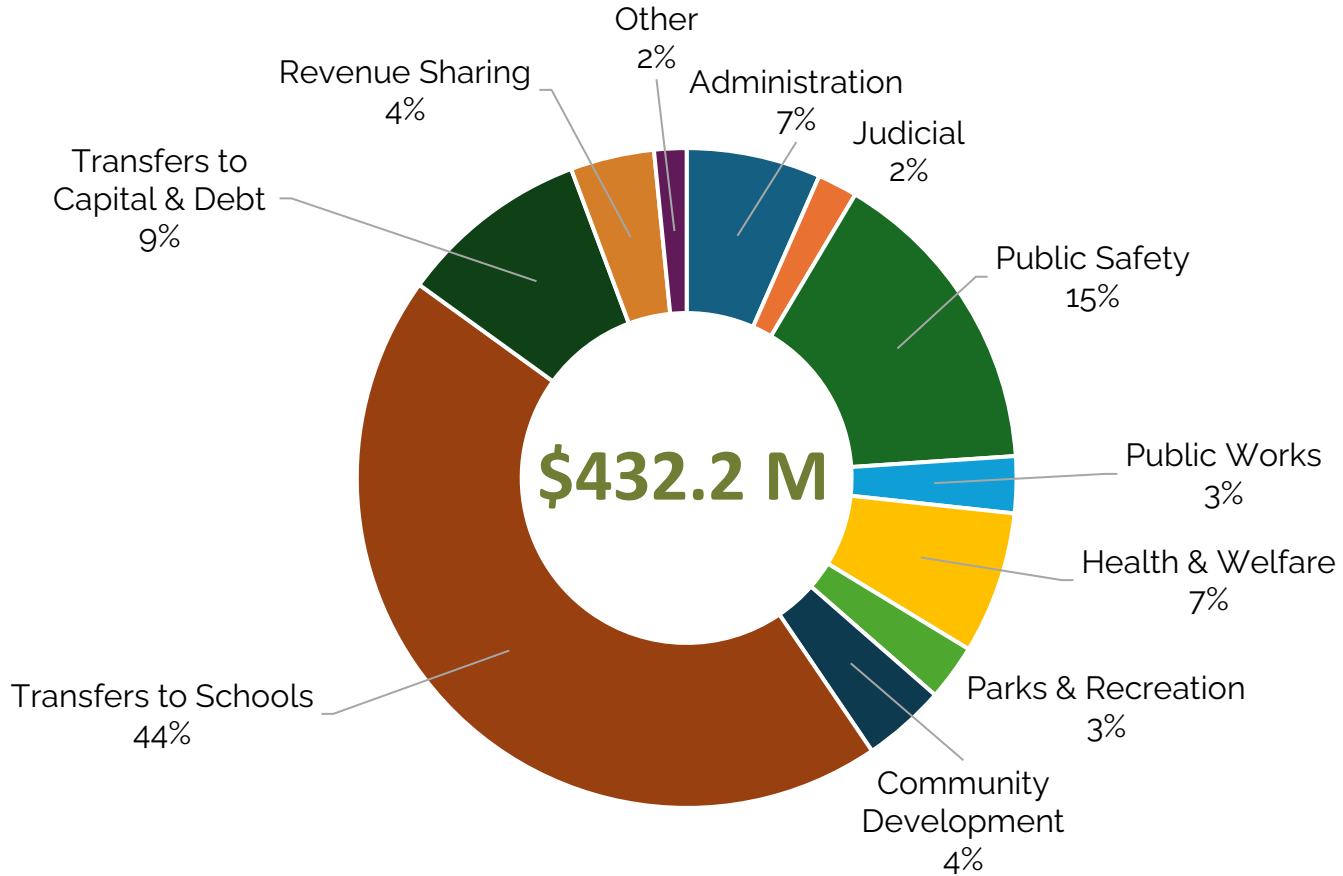
- Fund balance is the result of all past General Fund activity, and totaled \$91.3 million at the end of FY 23
- Most of this balance is committed in FY 24
 - \$48.1 million for 10% unassigned fund balance policy
 - \$9.6 million for 2% Budget Stabilization Reserve policy
 - \$9.1 million for the Education – School Reserve
 - \$15.6 million for decisions made to date in FY 24
- Remaining \$8.8 M programmed for one-time expenses:
 - \$1.3 million transfer to Health Care Fund
 - \$2.0 million transfer to Housing Fund
 - One-time General Fund costs noted on page 74



General Fund Expenditures

Pages 75 - 86





General Fund Expenditures

FY 25 Expenditures

\$10.1 M

Public Schools

Operating funds by formula

\$9.3 M

Workforce & Customer Service

Compensation commitments & adjustment; Healthcare; Community Development System

\$2.2 M

Partner Agencies

ACRJ debt service, County share of ECC, ACRJ, BRJDC

\$2.1 M

Quality of Life

MicroCAT and CAT

\$2.8 M

Obligations

Revenue Sharing payment, CSA, VRS rate changes

\$1.1 M

Safety & Well-Being

Operating cost of General District Court; Firefighters (grant funds ending)

Workforce Stabilization & Personnel Budgeting

Salaries & Related Benefits

- \$4.3 M for full-year implementation of Classification & Compensation Study & 2% cost of living approved during FY 24
- \$0.6 M for Public Safety step increases
- \$1.1 M mid-year salary market review and consideration
- \$0.4 M increase for VA Retirement System rate changes

Health Fund

- \$1.5 million for the employer's contribution
- One-time infusions:
 - \$0.9 million to maintain minimum reserve balance
 - \$0.4 million for Employee Clinic start up costs

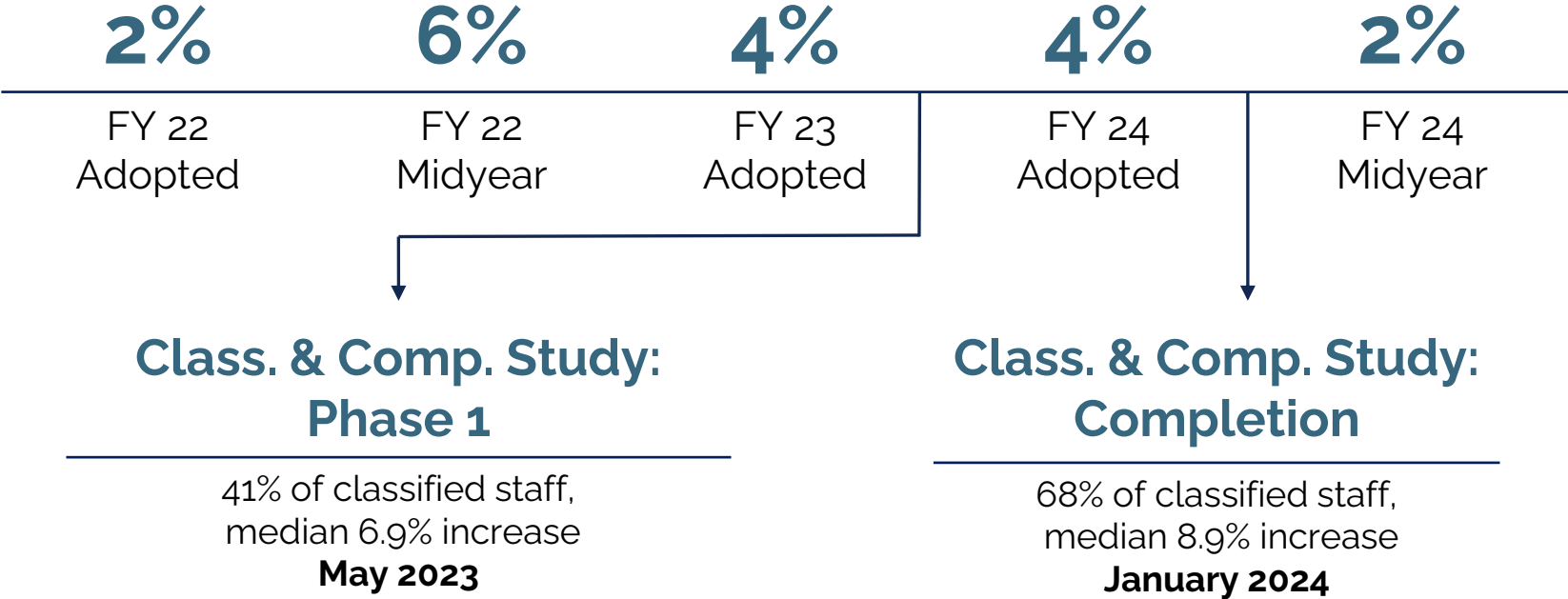
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WORKFORCE & CUSTOMER SERVICE

Recruit & retain engaged public servants who provide quality government services to advance our mission.

Classified Employees

Goal: Move all Employees to Midpoint of Market & Mitigate Compression



Public Safety Pay Plan

2%

FY22
Adopted

3%

FY22
July
Adjustment

6%

FY22
Midyear
Adjustment

4%

FY23

**Class. & Comp.
Study: Full
Implementation**

By January 2023

6%

FY24
Adopted

2%

FY24
Midyear

Employee Recruitment & Retention

FY 23 (Annual)

- Actual Turnover rate 13.4%
- 80 vacancies at peak

FY 24 (July-Feb & Projected)

- Projected Turnover rate 11.3%
- 35 vacancies, today

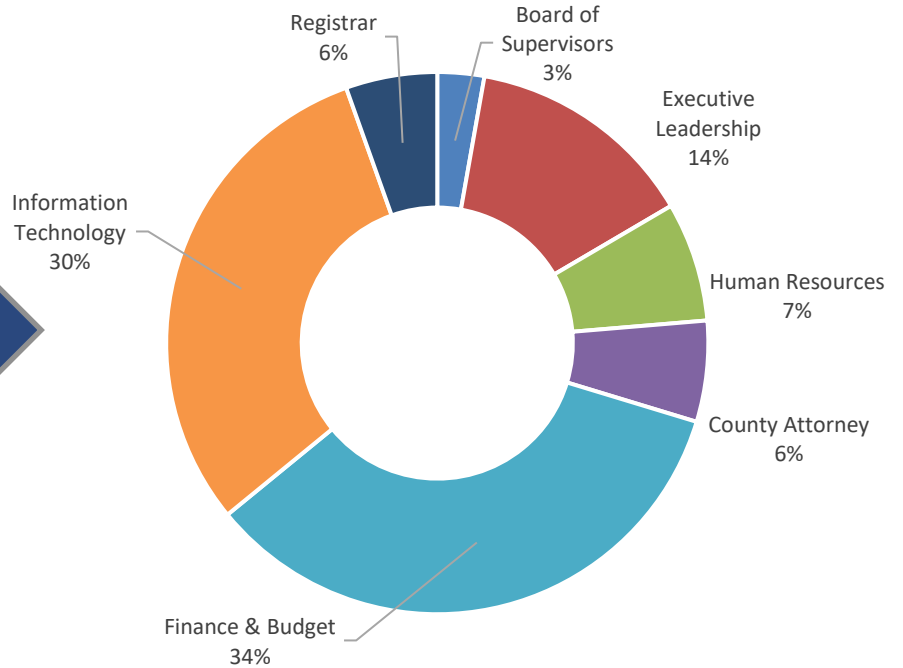
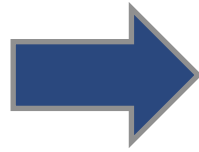
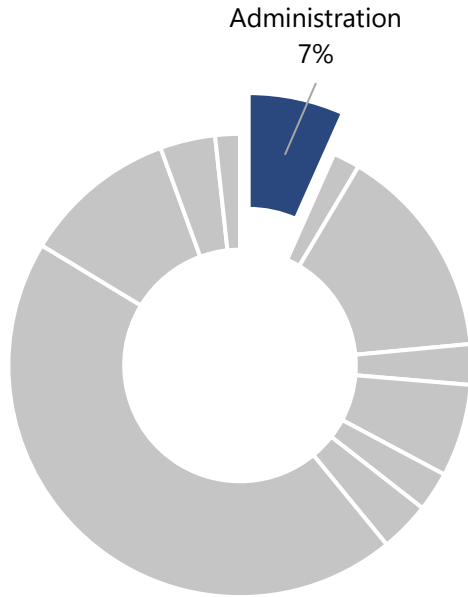
FY 25 Position Changes Summary

Category	Position	FTE
Cost Neutral	• Police Digital Forensic Examiner	1.0
	• Fire Rescue Mechanic	1.0
	• Fire Rescue Instructor	1.0
	• Inclusion & Heath Equity Program Manager	0.6
CIP Operating Impact	• General District Court operational staffing (3 months)	2.0
Compliance	• Children Services Act Coordinator	1.0
	Total	6.6
	Total, excluding cost neutral	3.0

- From FY 20 – 24 Adopted, an average of 31.3 FTE were added annually
- Budget includes 8.0 unfunded FTEs as part of balancing strategy

Administration

\$28.5 million



1

SAFETY & WELL-BEING

2

RESILIENT, EQUITABLE & ENGAGED COMMUNITY

3

INFRASTRUCTURE & PLACEMAKING

4

QUALITY OF LIFE

5

EDUCATION & LEARNING

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WORKFORCE & CUSTOMER SERVICE

Administration

Development & Training

Reallocation of training funds to be managed at an organizational level

Core Systems Modernization & Centralization

\$432k for the new enterprise permitting and licensing system

Voter Registration & Elections

Fully funded request

Board Meeting Minutes Support

\$16K for meeting minutes preparation

Core Systems Modernization

Modernize business processes and technology to transform customer service demands.

FY25: Reengineer and streamline the Community Development System

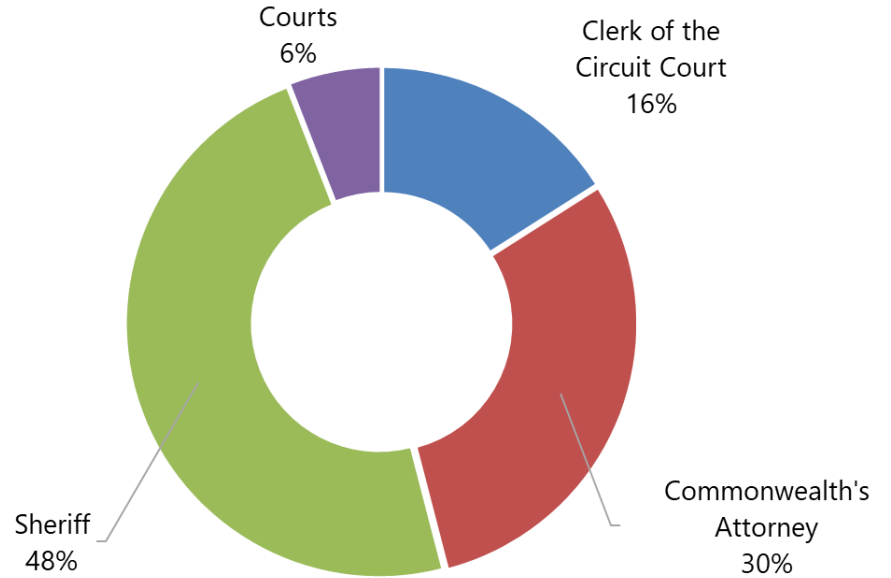
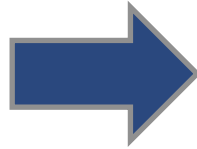
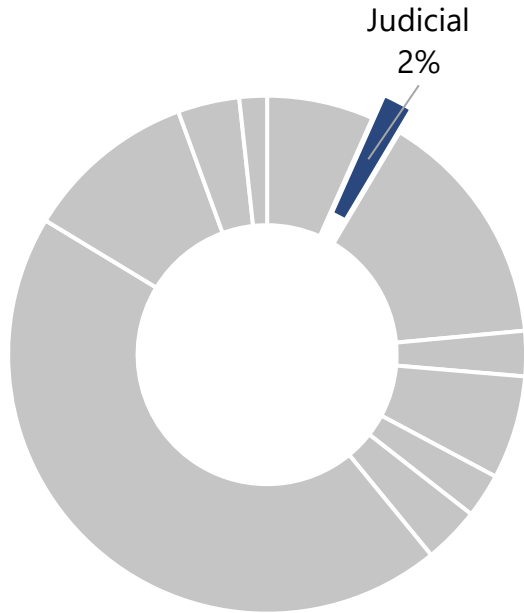
FY25: Replacement of Financial Management System

Strategy includes:

- Policy and process reengineering
- Developing requirements and technical expertise for implementation
- Dedicated full-time resources for operational sustainability
- Project Management/Change Management/Training resources and plans

Judicial

\$8.45 million



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WORKFORCE & CUSTOMER SERVICE

Judicial

Commonwealth Attorney

Fully funded operational requests

Clerk of Courts

Fully funded operational requests

Sheriff

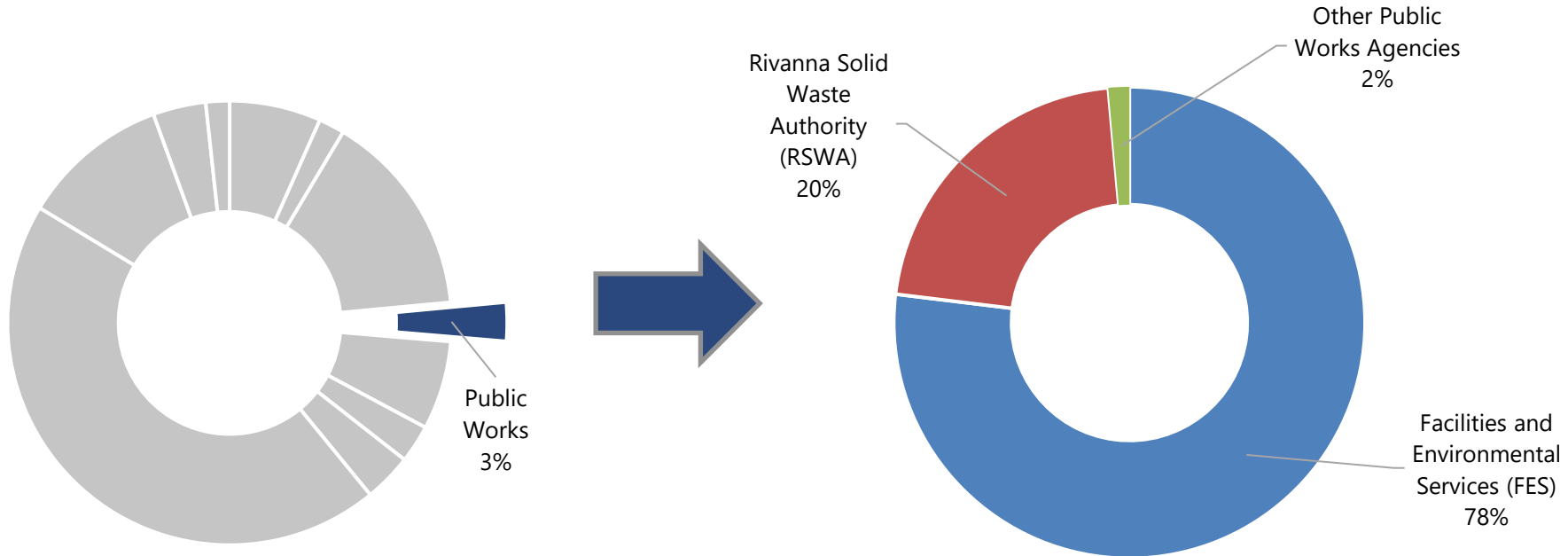
Does not include additional requests for staffing

Public Defender

\$61k related to pay adjustments

Public Works

\$11.9 million



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WORKFORCE & CUSTOMER SERVICE

Public Works

Roadway Litter Pick-ups

Plastic Bag Tax Funding

Courts Operations

\$96K in operational costs for new General District Court facility

Climate Action

Continue work to meet climate goals

Public Works

Continued operations for Streetsweeper and Right-of-Way Management Program

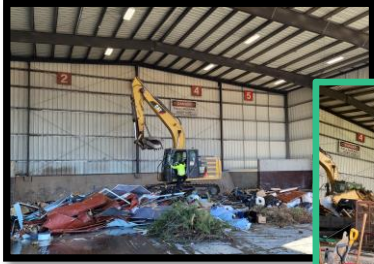
Proposed Changes to Tipping Fees

Ivy Material Utilization Center



Presented to the Albemarle County Board of Supervisors
By Bill Mawyer, Executive Director
March 6, 2024

Services we provide for our community



McIntire Recycling

Recycling



Ivy MUC

Post-closure landfill care



Southern Albemarle Convenience Center



Vegetative Debris

Mulch



Ivy Convenience Center



Paint Collection



Transfer Station

Refuse Disposal

Proposed Tipping Fee Changes for July 1, 2024

1. Increase Vegetative/Yard Waste tipping fees from \$50 to \$54 per ton

- annual revenue increase of \$36,000, based on an estimated 9,000 tons

2. Increase Domestic Waste (Municipal Solid Waste/MSW) and Construction & Demolition Debris (CDD) tipping fees from \$54 to \$58 per ton.

- annual revenue increase of \$256,000, based on an estimated 64,000 tons

~ Total annual revenue increase of \$290,000 ~

Ivy Material Utilization Center

Rate Schedule

Tipping Fees (Per Ton):

Clean Fill Material	\$10.00
Clean Fill-Project > than 10,000 tons*	\$3.50
Vegetation/Yard Waste	\$50.00 \$54
Domestic Waste(MSW)	\$54.00 \$58
Construction Debris(CDD)	\$54.00 \$58
Tires	\$190.00

Tipping Fees (Per Item):

Freon Appliances	\$17.00
Passenger Veh. Tire, Off Rim	\$6.00
Passenger Veh. Tire, With Rim	\$13.00
Large Truck Tire, Off Rim	\$17.00
Large Truck Tire, With Rim	\$33.00

Other Charges

Minimum Charge Per Load	\$6.00	Service Fee Per Ticket-	
Compost, Sold (per ton)	\$75.00	Albemarle County Customers	\$1.00
Trash Stickers (each)	\$2.00	Other Customers	\$10.00
Ticket Request (per copy)	\$1.00	Credit Application Fee (each)	\$35.00

* Project requires advanced approval by RSWA and agreement to special terms and conditions

**Proposed changes to Tipping
Fees**

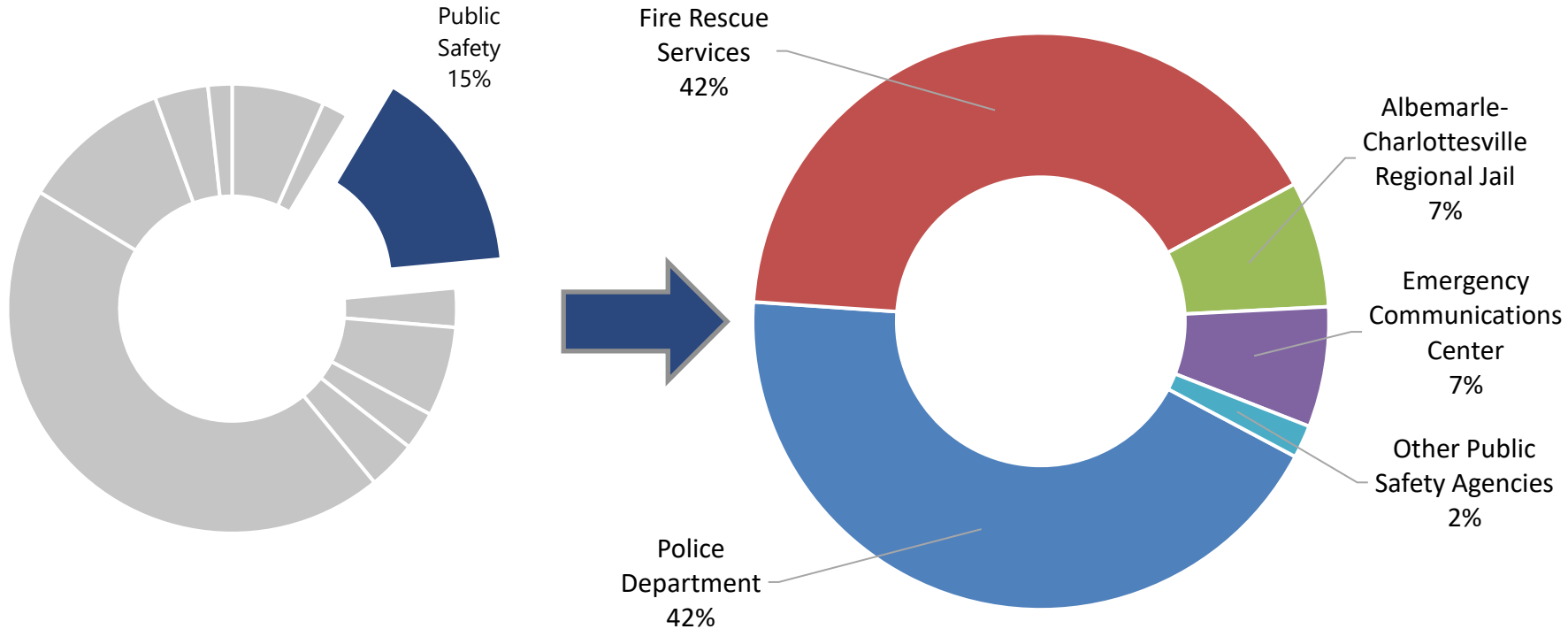
Summary

- **Proposed tipping fee changes will:**
 - **support inflationary and operational expense increases**
 - **align Municipal Solid Waste and Construction & Demolition Debris charges with local markets**
 - **generate about \$290,000 in additional annual revenue, which will reduce the County's allocation to the RSWA**

• **Questions?**

Public Safety

\$65.5 million



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WORKFORCE & CUSTOMER SERVICE

Public Safety

HART

Human Services
Alternative Response
Team

Public
Safety
Technology

Examples include
Photospeed Pilot,
Search and Rescue
Drones

ACPD and
ACFR
Staffing

Budget Neutral Positions
added in FY25

1

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WORKFORCE & CUSTOMER SERVICE

Public Safety

FEMA SAFER Grants

Increase in local share of costs for positions added through FEMA SAFER grants

Emergency Management

Continuation of Emergency Management Programming

Volunteer Fire Rescue

Increased contributions for operational support

Strategic Investments

Maintaining Basic Services

2020 (5 FTEs)

Daytime staff at Crozet Fire
Ambulance at Stony Point

2023 (15 FTEs)

Daytime fire engine & crossed staffed ambulance at North Garden
Added additional staffing to prevent rural area station brownouts
Transitioned Pantops fire engine to 24/7 staffing

2021 (17 FTEs)

Daytime fire engine staffing at Pantops
Transitioned Pantops & Ivy ambulance to 24/7
Daytime Ambulance at East Rivanna
Added second 24/7 Battalion Chief

2025 (30 FTEs)

Add 24/7 Ladder company to Monticello
Add 24/7 Fire engine to Scottsville Station 17



Return on Strategic Investments



Recruitment & Retention

Larger Applicant Pool

Decrease in employee turnover



City-County Mutual Aid Agreement

A no-cost, reciprocal agreement for sharing resources



Ambulance Performance

10% reduction in response times

Paramedic level service provided to critical incidents



Fire Engine Performance

8% reduction in response times

Decreased response time for 2nd & 3rd arriving apparatus

Public Safety Agency Contributions

Regional Partner Changes based on funding agreements and formulas:

- Emergency Communications Center: \$599K increase based upon regional funding formula, which is based upon the County's proportion of calls for service
- Albemarle Charlottesville Regional Jail: \$383K increase based upon a 5-year average of County inmate population and an increase in the County's portion of the debt service for ACRJ renovations
- Charlottesville Albemarle SPCA: \$38K increase based upon contractual funding formula of inflation and population
- Blue Ridge Juvenile Detention Center: \$271K increase based upon a 3-year average of County detention center resident population



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- 1st Adoption & Appropriation