



Brenda G. Garton, County Administrator
March 2, 2015

Proposed FY 2016 Gloucester County Budget

+ Priorities and Objectives



■ Board Directive

- Propose a budget based on equalized Real Estate Tax Rate and level rates on all other local taxes

■ Additional Priorities and Objectives

- Provide salary increases for existing county staff to promote retention of key employees.

+ Priorities and Objectives



■ Additional Priorities and Objectives

- Promote efficiency of operations
- Support functions related to economic development and economic growth and vitality
- Consider privatization where appropriate
- Support staff and departments critical for quick turnaround for projects

+ Priorities and Objectives



■ Additional Priorities and Objectives

- Fund Vehicle and Equipment Replacement Fund and Facilities Maintenance Fund to the greatest extent possible
- Support training and professional development to keep staff abreast of best practices
- Provide high quality service to Gloucester citizens

+ Priorities and Objectives



■ Additional Priorities and Objectives

- Consider reductions in non-essential and non-mandated services
- Consider reductions in county contributions to private efforts
- Prioritize support for volunteer fire and rescue and public safety functions

+ Priorities and Objectives



■ Additional Priorities and Objectives

- Increase utilities rate per Raftelis Report recommendations (3%)
- Propose the use of fund balance only for one-time capital and other expenditures

+ Priorities and Objectives



■ Additional Priorities and Objectives

- Provide funding in operating budget for ongoing contract cost for housing excess inmates at the Middle Peninsula Regional Security Center
- Provide sufficient funding for increases in operating cost for opening the new Page Middle School

+ Issues



- Which services provided by Gloucester County are mandated and which are optional?
- Which services and programs are essential to the mission of the county and the mandates imposed upon the County and which are non-essential?

+ Issues



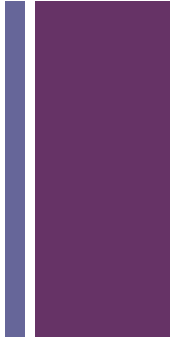
- Are there areas within our current budget and number of funded FTEs where we can reduce resource allocation (that is, people and money) to be more efficient?
- Are there services areas which can be readily provided by the private sector which we can privatize?

+ Issues



- What are the impacts on services and program delivery to the citizens if reductions are made in various areas of the budget?
- How can I reduce the cost of local government without destroying the character and integrity of the county and the factors which make it unique and attractive to new and existing business?

+ Issues



- What is the impact on the organization (on the county and school sides of the house) of the various options I can consider proposing to balance this budget?



The Dilemma

Pay increase (County)	\$343,167
Funding for inmate contract	\$547,500
Facilities Maintenance	\$990,000
Vehicle Replacement	\$663,705
Health Insurance Premiums	\$401,285



The Dilemma

Schools – Operating Costs

Requested local increase	\$1,299,408
■ Increased operating Page MS	\$575,536
■ Pay increase schools (net state)	\$522,443



The Dilemma

Schools – One Time Capital Costs

Remove modulars at high school	\$350,081
Less potential VDEM reimb	(\$234,554)
Other capital needs requested	\$450,411

+ Options Considered



- Privatizing certain areas
- Total or partial elimination of services
- Fair amount to propose for schools
- Salary increases
- Extensive reduction in force (RIF)

+ Options Considered



- Cost of opening Page MS
- Capital needs, county and school
- Long term organizational health
- Citizen and Board expectations of service level and quality



General Reassessment

Overall estimated reduction in value for taxable real estate of \$175,218,005, representing an overall drop in value of 4.11%.

Current real estate tax rate of \$.65

Equalized real estate tax rate is \$.68.

+ FY 2016 Revenue Outlook



Projected decrease in Property Taxes = \$141,394

Decreased use of excess Fund Balance for Capital Fund =
\$1,042,031

Net projected increases in all other areas = \$681,645

Total decrease = \$501,780



General Fund Starting Point



- General Fund Revenue Projected at \$58,277,944
- General Fund Operating Expenditure Requests for a total of \$62,808,577
- Difference is \$4,530,633
- Represents about \$.12 on the real estate tax rate.
 - \$1,299,408 for increase requested by schools, or \$.034
 - \$1,653,705 for two capital funds for vehicles and equipment and facilities maintenance, or \$.043.

+ What to do?



- Considered a multitude of options
- Considered tax rates lower than \$.68
- Essentially analyzed and developed a multitude of ways to balance the budget, not only at \$.68, but also at \$.65, \$.66, \$.67, and \$.69. Ended up with 13 versions.
- Kept in mind objectives.
- No one budget satisfied all the objectives, as some are mutually exclusive

+ Solutions Considered

- Squeeze more savings out of the operating budget, line by line
- Consider Reductions in Force and/or privatization where appropriate
- Level fund the schools
- Is there money left for a raise for county employees?

+ FY 2016 Proposed Budget

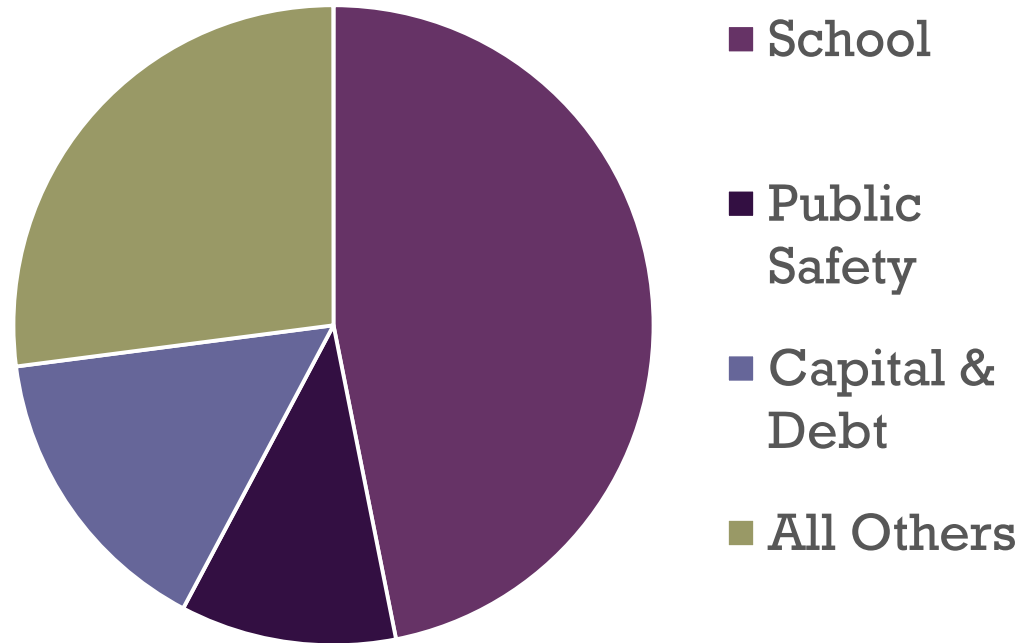


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|----------------------|----------------|
| | |
| General Fund | \$ 27,106,314 |
| Education Funds | \$ 56,843,346 |
| Social Service Funds | \$ 5,577,802 |
| Capital Funds | \$ 11,601,022 |
| Debt Fund | \$ 5,730,799 |
| Enterprise Funds | \$ 7,426,702 |
| Total Budget | \$ 114,285,985 |

+ Priorities Funded in Proposed FY 2016 Budget



- School Operating = \$53,563,563 or 46.9%
- Public Safety = \$12,460,768 or 10.9%
- Capital and Debt = \$17,331,821 or 15.2%
- All Other Needs = \$30,929,833 or 27%



+ Funded in Proposed Budget

- \$574,500 for the contract to house excess inmates at the Middle Peninsula Regional Security Center
- \$326,295 for Vehicle Capital Replacement Fund



+ Funded in Proposed Budget

- \$1,039,527 use of excess fund balance for one time capital projects
- Level local funding for schools
- 2% pay increase for county employees





Not Funded in Proposed Budget



- The requested increase from the School Board
- Capital in the Facilities Maintenance Fund
- Sufficient capital in the Vehicle and Equipment Replacement Fund
- Increase in health insurance premium for county employees



Not Funded in Proposed Budget



- Full requested increase from Gloucester and Abingdon Volunteer Fire and Rescue
- Full request for Social Services
- Full requests from civic organizations

+ Staff Reductions

- Eliminated from position chart and were not requested in the initial budget requests:
 - Assistant County Administrator for Human Services
 - Two deputies in the jail



+ Staff Reductions



- Did not fund requests for new positions:
 - FT Planner in Emergency Services
 - PT Permit Technician in Building Inspections

+ Staff Reductions



- Did not fund vacant positions:
 - FT position in Animal Control
 - PT position in Library
 - FT position in DIT
 - PT position in Utilities
 - FT position in Utilities

+ Staff Reductions



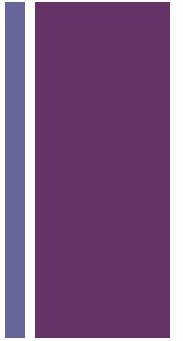
- Reduction in Force (RIF):
 - 2 FT Custodians

+ Staff Additions



- Funded position:
 - PT position in Community Education at Page MS

+ School Operating Fund



	FY 15 Adopted	FY 16 Proposed	\$ Change	% Change
Local	123,424	149,801	26,377	21.4%
Transfer	22,765,728	22,765,728	-	0.0%
State	28,019,400	27,863,716	(155,684)	-0.6%
Federal	2,808,328	2,784,318	(24,010)	-0.9%
	53,716,880	53,563,563	(153,317)	-0.3%

+ Social Service Funds



- Serving County citizens with impacts of poverty and other social concerns
- Includes various child welfare and adult service programs
- Funded half the requested increase in Transfer to Social Service Fund

+ Capital Fund



- Cannot fund the Facilities Maintenance Fund with operating revenue, as recommended by the CIP Committee
- Use approx. \$1 million of excess fund balance in FY 2016 to cash fund various capital projects
- Use \$326,295 to continue funding a portion of the amount needed for Vehicle & Equipment Replacement Fund

+ School Construction Fund

- Fund Balance at June 30, 2014 = \$5 million
 - Includes unspent bond proceeds
 - Includes unspent insurance recoveries
- Budget includes \$400,000 VDOT grant proceeds
- Budget includes \$220,696 in insurance recoveries that will be received on a reimbursement basis
- Completion Fall 2015

+ Debt Fund



- Includes federal reimbursement of \$233,268 for Series 2011 School Bond Interest
- Includes total school debt payments of \$3.4M

+ Utility Fund



- Average increase in water and sewer service rates of 3%
- Includes transfer from General Fund of \$322,617 for payment on Series 2011 Bond
- Includes transfer from General Fund of \$333,940 to address other Utility Fund needs

+ Property Tax Rates



	FY 15 (Current)	Proposed Budget	Suggested Advertising
Real Estate	\$.65	\$.68	\$.72
Mobile Home	\$.65	\$.68	\$.72
Public Service Corporation	\$.65	\$.68	\$.72
Tangible Personal Property	\$2.95	\$2.95	\$3.25
Boats	\$1.00	\$1.00	\$1.00

+ Capital Improvements Plan



- Not presenting a revised Five Year Capital Improvements Plan
- Proposed budget incorporates elements from previous CIP recommendations
- Board did not adopt last year's proposed five year CIP

+ Budget Calendar



- Budget Work Session – Thu., March 19
- Budget Public Hearing* – Mon., March 23
- Joint Work Session with School Board* – Thur., March 26
- Budget Work Session* – Thu., April 2
- Budget Work Session – Thu., April 9
- Budget Work Session – Tue., April 14
- Budget Adoption – Thu., April 16

*At Thomas Calhoun Walker Education Center

+ Questions



- FY 2016 County Administrator's Proposed budget will be posted on the County's web site this week
- www.gloucesterva.info