

# FY 2018 Budget Public Hearing



Frederick County, VA



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County Administrator  
March 22, 2017

# Board Budget Priorities and Objectives

- Reassessment of Real Property effective Jan. 1, 2017 will impact revenues
- Consider Public Safety and Education needs as priorities
- Identify and prioritize deferred capital plan
- Provide responsible stewardship of funds to provide best services possible within funding levels

# Board Budget Priorities and Objectives

- Continue to minimize the size of government wherever possible
- Maintain Fund Balance and establish debt policies that provide financial stability

# Budget Priorities and Objectives

- Provide sufficient funding for employee compensation to maintain quality of service
- Provide reasonable funding for schools, using historic 57%/43% sharing of new revenues
- Preserve the fund balance at an appropriate level, per Board policy and best practices

# Budget Priorities and Objectives

- Ensure sufficient funding levels throughout departments for service delivery
- Provide a Contingency Fund for unexpected needs
- Provide for additional staff in critical areas
- Continue reduction in use of fund balance for ongoing expenses

# Budget Priorities and Objectives

- Reduce operating costs and promote efficiencies where possible
- Provide for ongoing capital funding by ongoing revenues or fund balance, if necessary
- Use fund balance only for one time capital
- Maintain service levels in all functional areas
- Carefully consider funding requests for new initiatives

# Budget Priorities and Objectives

- Address Public Safety needs
- Provide support of technology to ensure equipment and infrastructure are up-to-date
- Ensure that critical county and school capital needs are met

# Initial Projected General Fund Revenue Increases

Natural increase in local taxes	\$5,021,855
Non-tax increase in revenue	<u>2,517,701</u>
Total	\$7,539,556
Proposed RE Tax Rate of \$.60	<u>4,323,620</u>
Total Potential Revenues	\$11,863,176



# Initial General Fund Figures

Initial estimated revenue increase	\$11,863,176
Initial expenditure increase requests	<u>(23,149,410)</u>
Deficit in revenues compared to expenditure requests	(\$11,286,234)

# Initial Request from Schools

Initial Operating Expend Request	\$162,620,100
Initial Debt Service Request	16,396,229
Initial Capital Request	<u>4,228,500</u>
Total Initial Request	\$183,244,829
Less revenues - Fed., State, Other	(82,263,277)
Less school transfer	(617,478)
Less beginning balance	(670,629)
Less last year's local transfer	<u>(91,010,648)</u>
Incr in Local Transfer Request	\$ 8,682,797

# Natural Increase in Local Taxes

FY 18 Natural Increase in Local Taxes	\$5,021,855
Less Use of Fund Balance	<u>(1,100,000)</u>
Revenue to be shared with schools	\$3,921,855
School share (57%)	\$2,235,457
County share (43%)	\$1,686,398

# What are the most critical needs?

- Personnel needed in Fire and Rescue to provide adequate 24/7 coverage at stations with highest call volume and to reduce overtime demands on existing staff
- Compensation systems for county and school employees need to be competitive in the market in order to attract and retain qualified employees

# What are the most critical needs?

- Increases in costs over which the county has no control, such as VRS rates for staff
- Personnel needs in other areas – Inspections, Social Services, Parks and Recreation, Treasurer's Office, Sheriff's Office, and Instructional Positions in our Schools.

# What are the most critical needs?

- Both county and school sides of the house have significant, often delayed, capital costs
- Funding is needed to keep infrastructure and buildings in good repair
- Funding needed for replacement programs for equipment and vehicles

# County Administrator's Proposed FY 17-18 Budget

- Proposes a Real Estate Tax Rate of \$.60
- \$4.3 M generated from reassessment is set aside for future capital needs
- New revenues are split 57%/43% with schools
- Capital needs are addressed by appropriating \$5.4 M from the fund balance - \$3.1 M for schools, \$2.3 M for county
- Use of fund balance for operating costs is reduced by \$1.1 M
- Most critical personnel needs are addressed

# Summary of Funds – Non-School

Fund	FY 2017 Adopted	FY 2018 Proposed	Change
General Fund	\$163,306,583	\$179,487,806	\$16,181,223
Regional Jail	\$21,161,388	\$22,363,837	\$1,202,449
Landfill	\$7,035,435	\$9,732,241	\$2,696,806
Division of Court Services	\$704,994	\$651,446	-\$53,548
Shawneeland Sanitary District	\$942,848	\$957,660	\$14,812
Airport Authority	\$1,802,568	\$1,555,958	-\$246,610
Lake Holiday Sanitary District	\$779,998	\$779,998	\$0
EMS Revenue Recovery	\$1,802,974	\$1,593,084	-\$209,890
Economic Development Authority	\$577,495	\$606,820	\$29,325
Subtotal	\$198,114,283	\$217,728,850	\$19,614,567



## Summary of School Related Funds

Fund	FY 2017 Adopted	FY 2018 Proposed	Change
School Operating	\$153,211,000	\$159,879,495	\$6,668,495
School Capital Projects	\$3,000,000	\$3,738,287	\$738,287
Nutrition Services	\$6,669,757	\$7,552,580	\$882,823
Debt Service	\$16,446,289	\$16,396,229	-\$50,060
School Private Purpose	\$75,000	\$75,000	\$0
School Textbook	\$2,666,452	\$3,937,383	\$1,270,931
NREP Operating	\$5,346,744	\$5,511,899	\$165,155
NREP Textbook	\$50,000	\$65,000	\$15,000
Consolidated Services	\$3,600,000	\$3,600,000	\$0
Subtotal	\$191,065,242	\$200,755,873	\$9,690,631

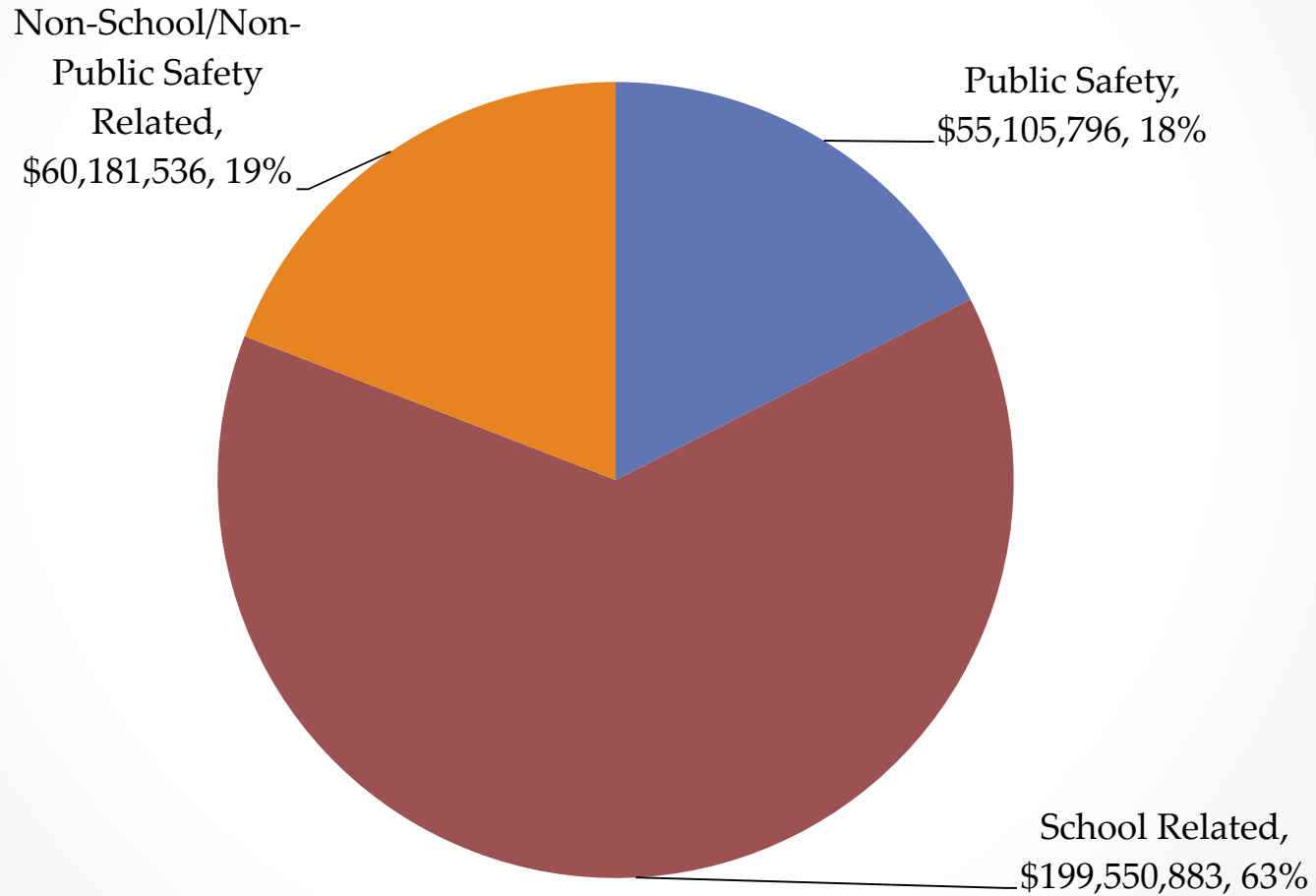
## Summary of All Funds

Fund	FY 2017 Adopted	FY 2018 Proposed	Change
Non-School Funds	\$198,114,283	\$217,728,850	\$19,614,567
School Funds	\$191,065,242	\$200,755,873	\$9,690,631
Sub-Total	\$389,179,525	\$418,484,723	\$29,305,198
Less Transfer Between Funds	-\$97,589,792	-\$103,646,508	-\$6,056,716
Total – All Funds	\$291,589,733	\$314,838,215	\$23,248,482

# FY 2018 Advertised Budget – All Funds

## \$314,838,215

### Where Does It Go?

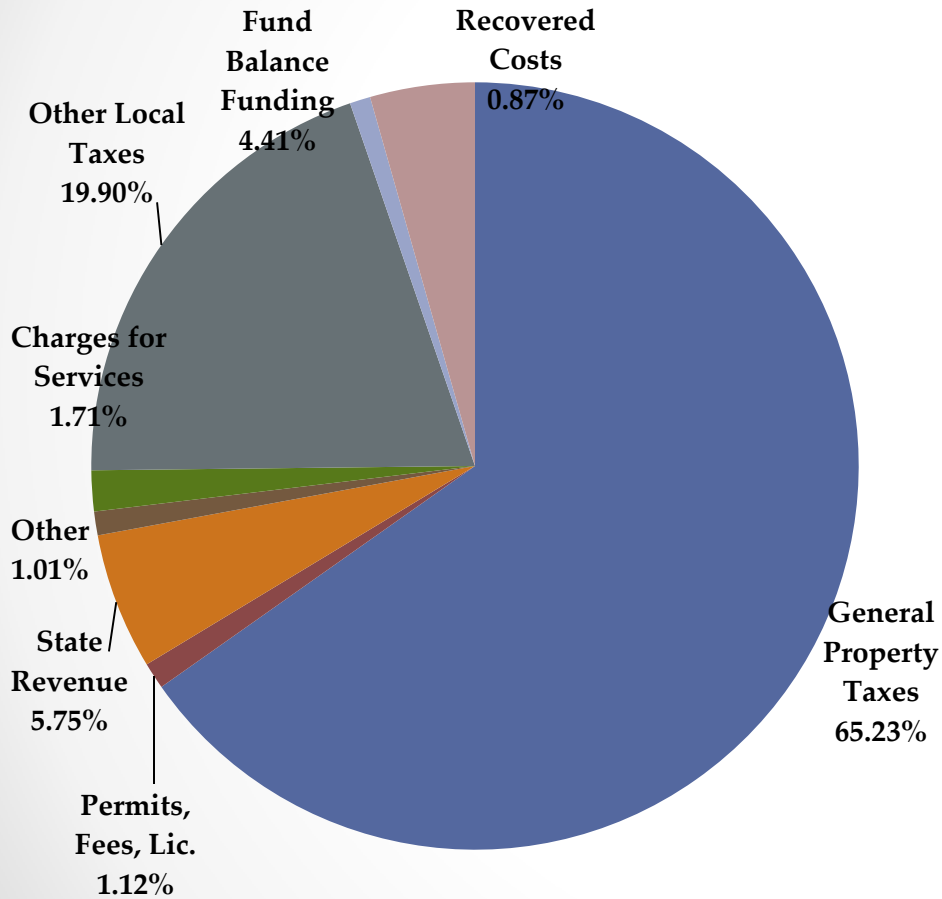


## General Fund Revenues – FY 2017 to FY 2018

Category	FY 2017	FY 2018	Difference
General Property Taxes	\$109,067,433	\$117,080,093	\$8,012,660
Other Local Taxes	\$34,831,980	\$35,717,875	\$885,895
Permits/Privilege Fees	\$1,283,923	\$2,004,806	\$720,883
Fines/Forfeitures	\$324,197	\$915,400	\$91,203
Use of Money/Property	\$159,359	\$192,068	\$32,709
Charges for Services	\$2,710,296	\$3,071,558	\$366,262
Misc. Revenues	\$165,885	\$163,317	-\$2,568
Recovered Costs	\$1,567,516	\$1,559,454	-\$8,062
State	\$9,559,994	\$10,326,388	\$766,394
Federal	\$36,000	\$1,033,800	\$997,800
Fund Balance	\$3,600,000	\$7,918,047	\$4,318,047
<b>Total</b>	<b>\$163,306,583</b>	<b>\$179,487,806</b>	<b>\$16,181,223</b>

# FY 2018 Proposed General Fund Revenue

## \$179,487,806



Category	
General Prop. Taxes	117,080,093
Other Local Taxes	1,804,585
Permits/Fees	2,004,806
State Revenue	10,326,388
Charges for Services	3,076,558
Recovered Costs	1,559,454
Other – Misc.	1,804,585
Fund Balance	<u>7,918,047</u>
	179,487,806

# Analysis of Proposed General Fund Revenues

General Fund Revenue FY 16-17	\$163,306,583
Natural increase local taxes	5,021,855
Proposed RE Tax Rate of \$.60	4,323,620
Non-tax increase in revenues*	2,517,701
Reduction in use of FB for operating	(1,100,000)
Use of FB county one time capital	2,329,760
Use of FB school one time capital	<u>3,088,287</u>
Total Increase	<u>\$ 16,181,223</u>
Total GF Projected Revenues FY 17-18	\$179,487,806

# Analysis of Proposed General Fund Revenues

Total General Fund Revenues	\$179,487,806
Less Capital Reserve	<u>(4,323,620)</u>
Funds Available	175,164,186
Less increase to schools	<u>(5,323,744)</u>
General Fund available for county	169,840,442

# Analysis of Proposed Expenditures

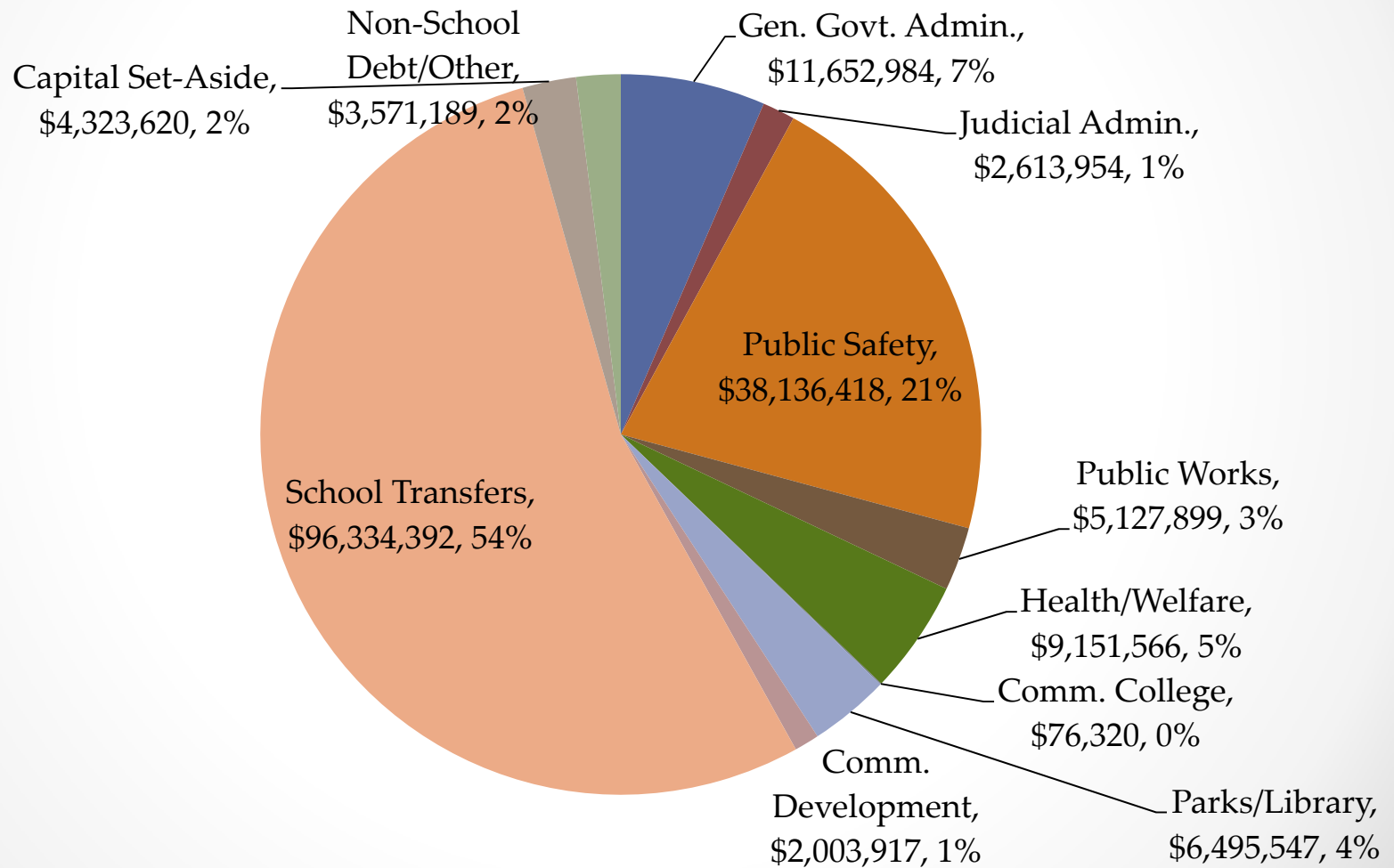
General Fund Revenues available	\$169,840,442
County GF expenditure requests	<u>(177,773,196)</u>
Short funding – reductions made (County only)	\$ (7,932,754)



# FY 2018 Proposed General Fund Budget Expenditures

\$179,487,806

## Where Does It Go?



# How are increased local revenues being spent?

- Increase in local funding for schools of approx. \$5.3 M, including operating and capital
- 2 -2.5% reserve for raises for county staff
- \$3.5 M capital funding for General Fund. Includes Sheriff vehicles, SCBA, and other small capital items

# How are increased local revenues being spent?

- Increased county staffing in critical areas
  - 12 Firefighters/EMS positions w/ equipment
  - 1 Sheriff's Deputy w/ equipment
  - 1 Building Inspector
  - 2 Treasurer Cashiers (mid year hires)
  - 1 Social Services Administrative Position
  - 1 Parks and Rec Technician

# How are increased local revenues being spent?

- Increases in funding for health department, social services, community services board (both jointly funded with the state)
- Increase in Library Funding
- Pictometry Upgrades
- CSA Fund transfer increase
- Microsoft Office 365

# How are increased local revenues being spent?

- Increased insurance costs: health insurance for employees, line of duty, retiree health insurance
- Various increases and decreases in operating costs throughout the general fund

# What is NOT funded in the Proposed General Fund Budget

- The full local funding request from the schools
- New position requests
  - 10 of the 11 requested Patrol Deputies and 1 Investigator requested by the Sheriff
  - 17 of the 29 positions requested by Fire and Rescue

# What is NOT funded in the Proposed General Fund Budget

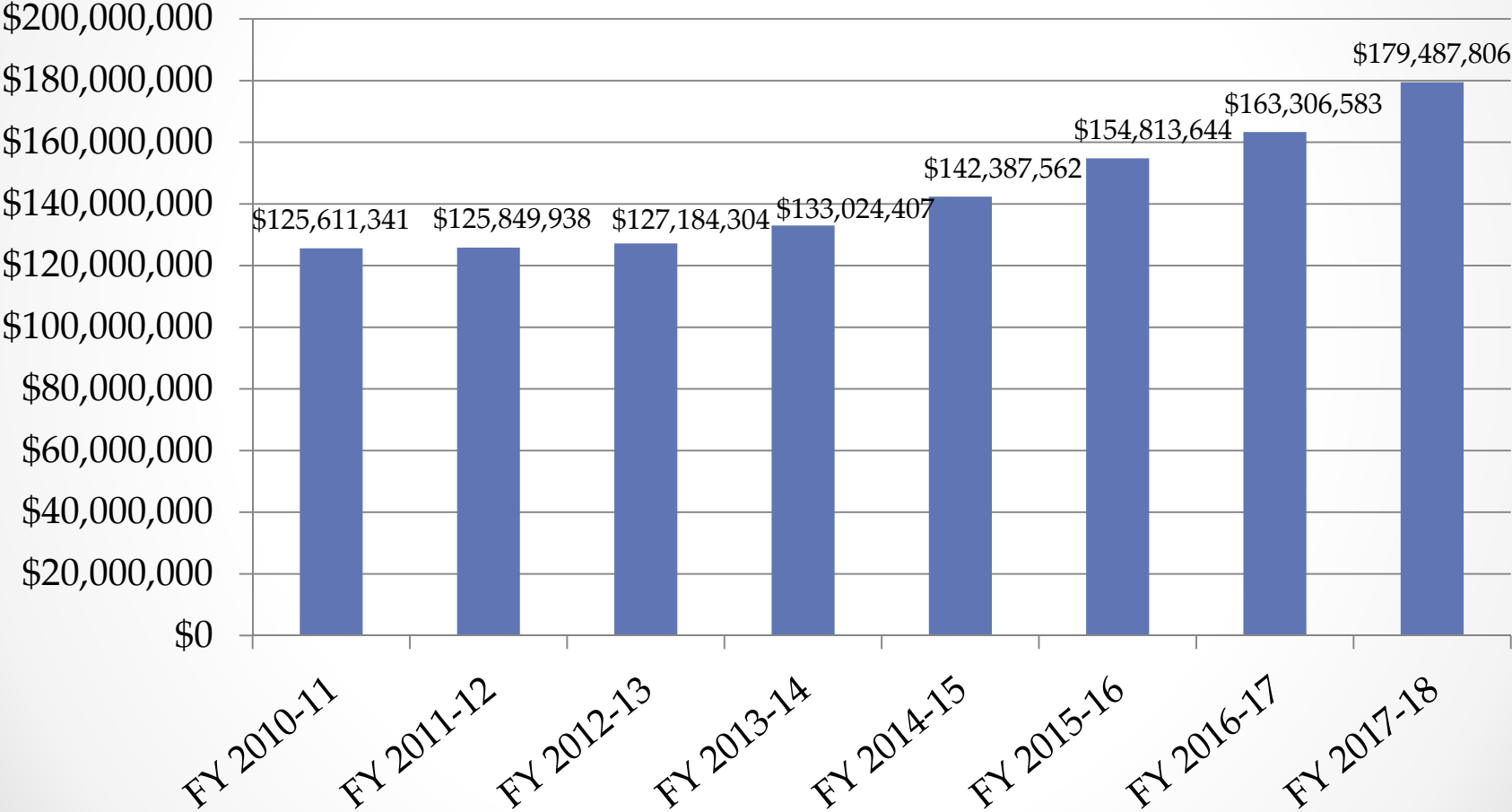
- Capital requests
- Various requests for increases and new initiatives throughout the general fund budget
- Tuition Assistance Program

# Adopted General Fund Budgets

Fiscal Year	General Fund Total
FY 2010	\$126,078,818
FY 2011	\$125,611,341
FY 2012	\$125,849,938
FY 2013	\$127,184,304
FY 2014	\$133,024,407
FY 2015	\$142,387,562
FY 2016	\$154,813,644
FY 2017	\$163,306,583
FY 2018 Proposed	\$179,487,806



# Adopted General Fund Budgets - History

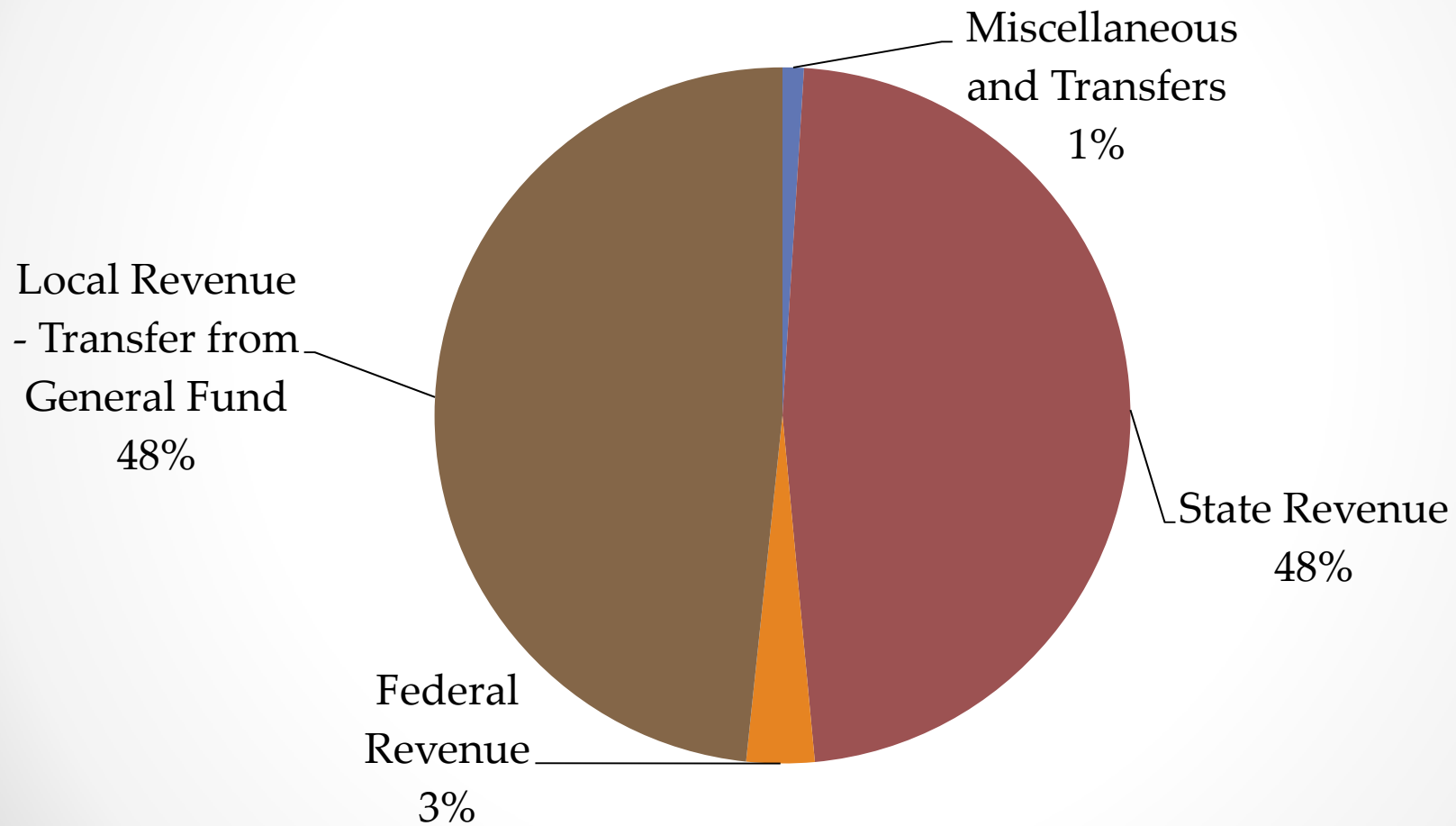


## School Operating Fund Revenues FY 2017 to FY 2018

Category	FY 2017	FY 2018	Difference
Revenue from Local Sources	\$1,083,436	\$967,716	-\$115,720
State	\$72,393,717	\$75,982,926	\$3,589,209
Federal	\$4,695,674	\$5,037,745	\$342,071
Transfer from School Debt	\$0	\$617,478	\$617,478
General Fund Transfer	\$75,038,173	\$77,273,630	\$2,235,457
<b>Total</b>	<b>\$153,211,00</b>	<b>\$159,879,495</b>	<b>\$6,668,495</b>

# School Operating Fund Revenues

\$159,879,495



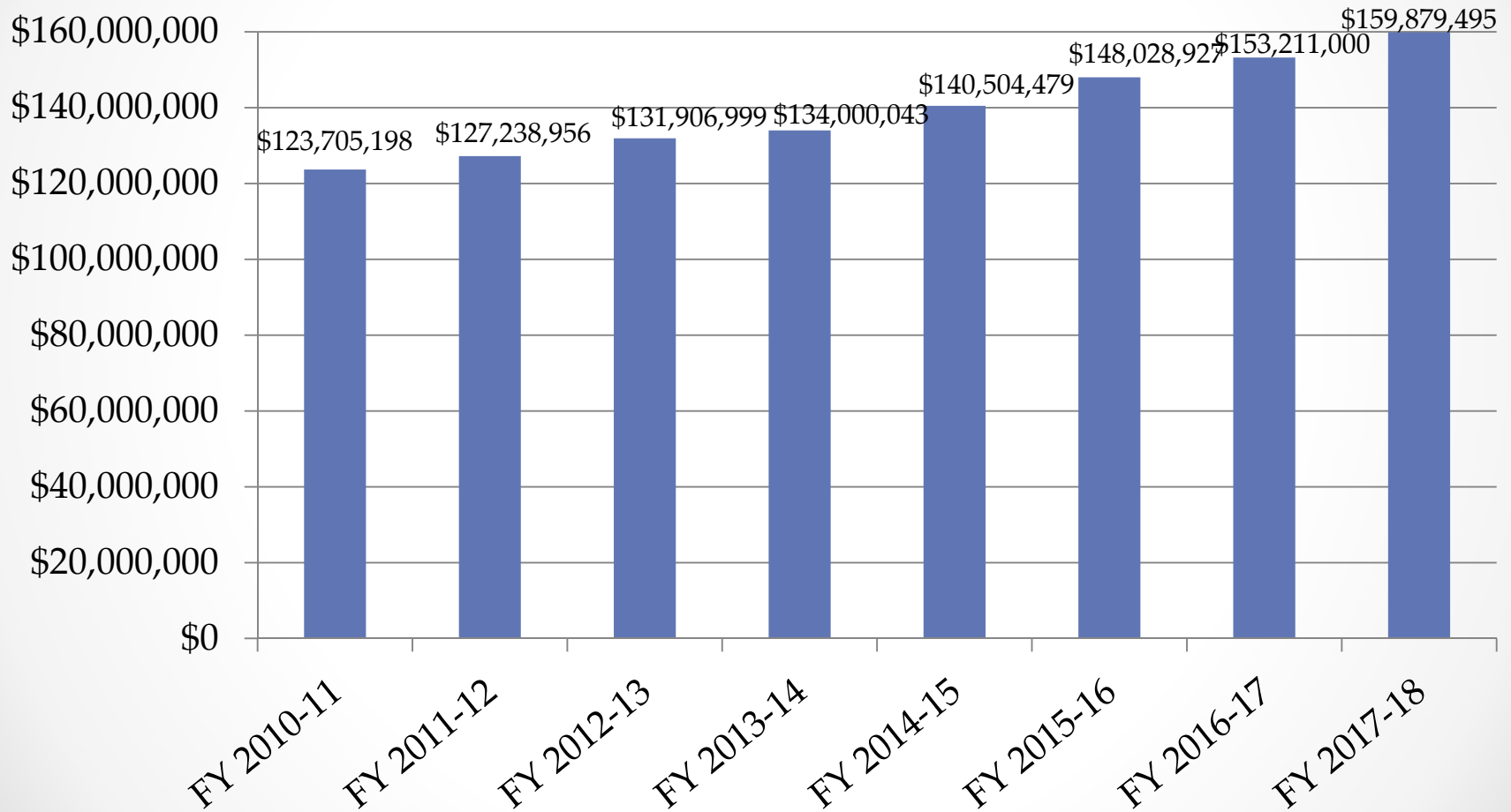
# Frederick County Public Schools Budget Facts

- ❑ Student population for FCPS is expected to increase for FY 2018 by 286 students for a total of 13,803.
- ❑ For FY 2018, the FCPS cost per student is projected to be \$12,748. In comparison, cost per student for FY 2016 was \$11,409 and FY 2015 was \$11,009.
- ❑ The proposed increase in the local transfer to the School Operating Fund is \$2,235,457.
- ❑ The proposed increase to the school capital fund is \$3,088,287.

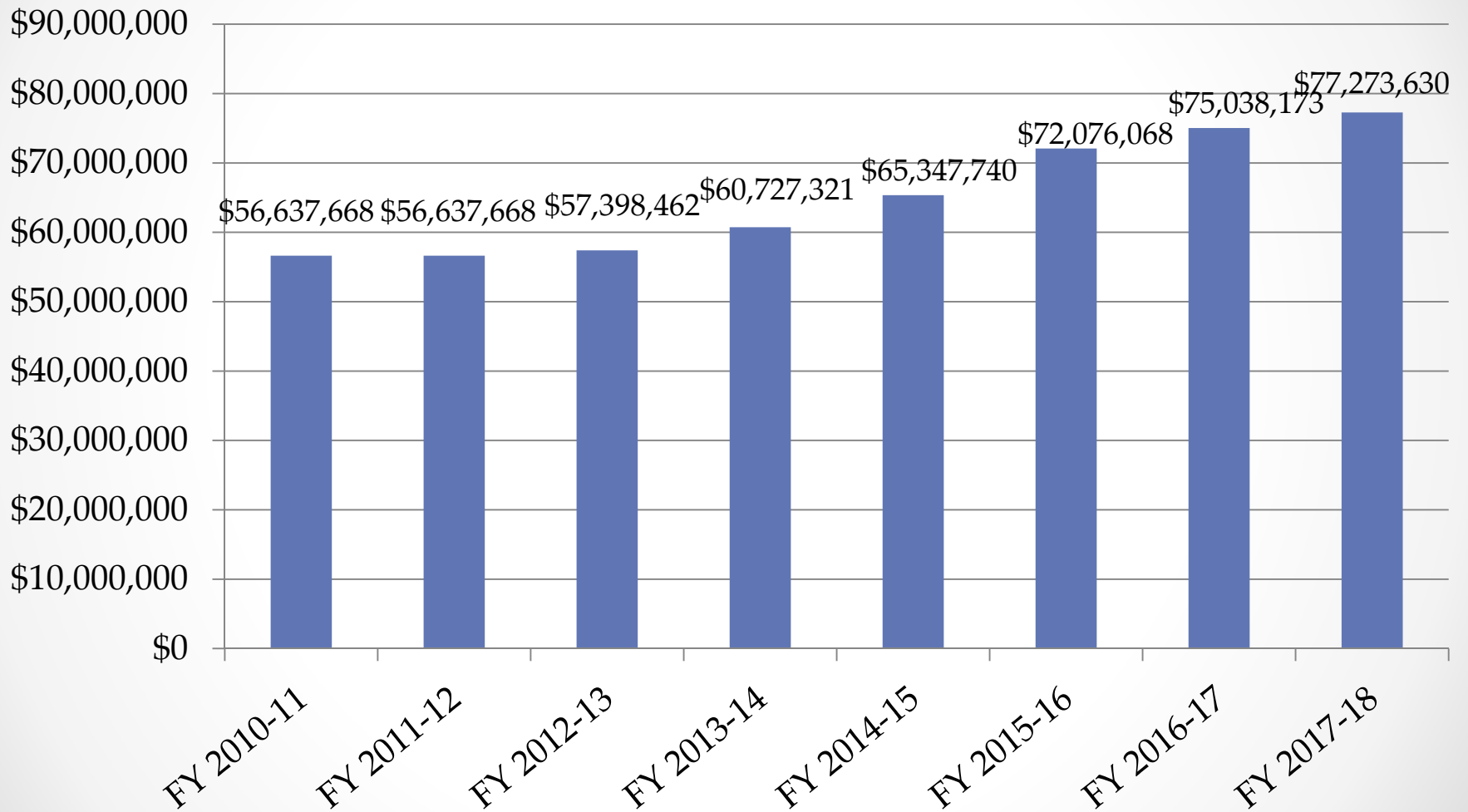
# Adopted School Operating Fund Budgets

Fiscal Year	General Fund Total
FY 2010	\$131,151,560
FY 2011	\$123,705,198
FY 2012	\$127,238,956
FY 2013	\$131,906,999
FY 2014	\$134,000,043
FY 2015	\$140,504,479
FY 2016	\$148,028,927
FY 2017	\$153,211,000
FY 2018 Proposed	\$159,879,495

# Adopted School Operating Fund Budgets - History



# Transfer to School Operating Fund - History



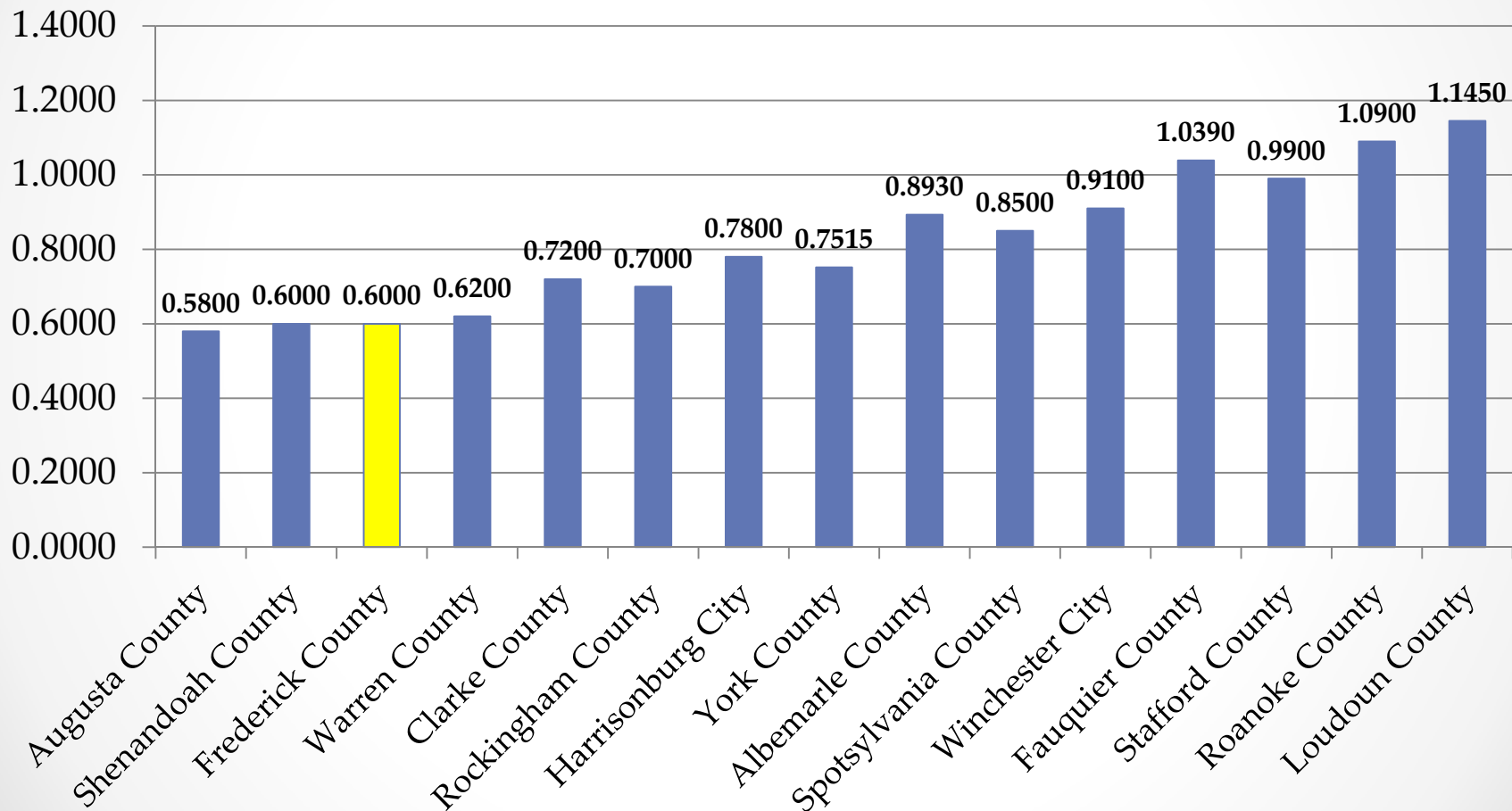
# Frederick County

## Actual Local School Funding vs. Required State Funding Levels

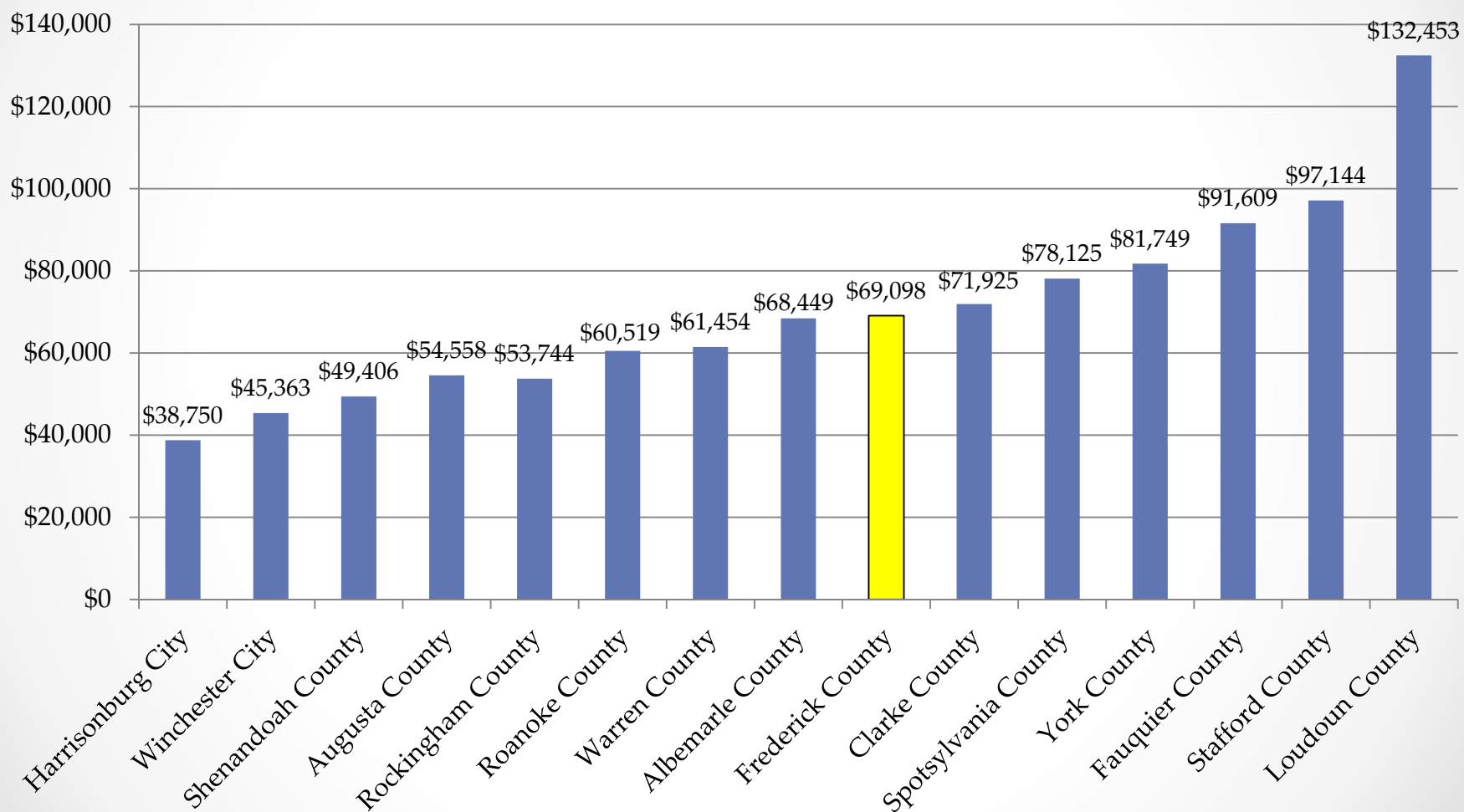
	Local Required Funding	Local Actual Funding	% Above
FY 2018 Proposed	\$35,625,982	\$77,273,630	116%
FY 2017	\$34,794,223	\$75,038,173	115%
FY 2016	\$31,302,120	\$72,076,068	130%
FY 2015	\$31,058,115	\$65,347,740	110%
FY 2014	\$28,159,554	\$60,727,321	115%



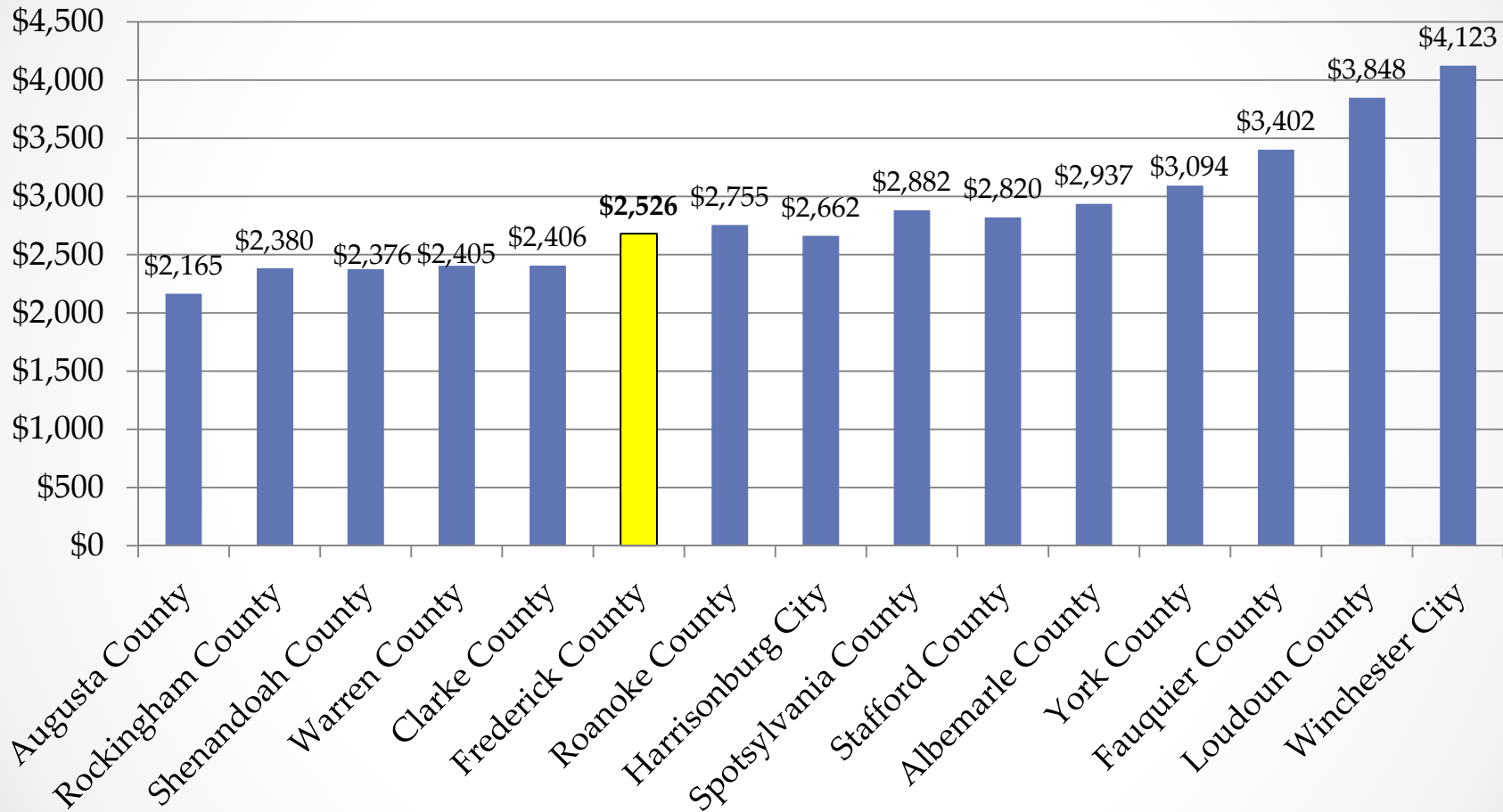
# Current Real Estate Tax Rates of Surrounding and Similar Localities



# Median Income of Surrounding and Similar Localities



# Per Capita Expenditure Comparison of Surrounding and Similar Localities



Source: APA 2015 Comparative Cost Report. 2015 data not yet available.

