

Budget Worksession

February 28, 2018

1. Scenario B1 and H1
2. Updated School Debt Schedule
3. Budget Ad
4. March 7, 2018 & March 14, 2018 Workessions



Finance Department
Cheryl B. Shiffler
Director

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MEMORANDUM

TO: Board of Supervisors & Finance Committee

FROM: Cheryl Shiffler, Finance Director

DATE: February 23, 2018

SUBJECT: B1 and H1 Scenarios

Attached are the two new scenarios requested during Wednesday's worksession. Both scenarios fund all 20 positions requested in the Fire and Rescue Department and reduces new position requests in the Sheriff's Department to one deputy. Capital changes include reductions in the Sheriff's Department to one new deputy vehicle and inclusion of vehicles and associated equipment for three new positions in the Fire and Rescue Department. Scenario B1, which includes a 3-cent tax increase and the use of \$1.7 million from the capital/debt reserve funding, increases the operating contingency by \$94,857. Scenario H1 does not include a tax increase, eliminates all funding for the capital/debt reserve, and would reduce the operating contingency by \$80,357.

| <u>SCENARIO B1 - 3 cent tax increase</u> | <u>SCENARIO H1 - No tax increase</u> |
|--|--|
| <p>New Positions</p> <ul style="list-style-type: none"> -20 Firefighters & related equip. Cost per firefighter: \$67,093 -1 Sheriff Deputy & related equip. Cost per deputy: \$103,079 -Asst. Commonwealth Attorney -Legal Secretary -Account Clerk - COR -Assessor -Family Services Specialist - Soc. Svcs. | <p>New Positions</p> <ul style="list-style-type: none"> -20 Firefighters & related equip. Cost per firefighter: \$67,093 -1 Sheriff Deputy & related equip. Cost per deputy: \$103,079 -Asst. Commonwealth Attorney -Legal Secretary -Account Clerk - COR -Assessor -Family Services Specialist - Soc. Svcs. |
| <p>No Outside Agency increases except</p> <ul style="list-style-type: none"> -Health Dept -Northwestern Comm. Services -Handley Library -LFCC -NSV Regional Commission | <p>No Outside Agency increases except</p> <ul style="list-style-type: none"> -Health Dept -Northwestern Comm. Services -Handley Library -LFCC -NSV Regional Commission |
| <p>Capital Requests</p> <ul style="list-style-type: none"> -Abrams Creek Greenway project due to grant revenue -Scanner for Finance-required by IT -Switch Replacement - IT -1 Receiver Can - Refuse Collection -Land for Albin site relocation -Heat Pump Replacement 4th Floor CAB -Tracer system HVAC controls CAB - 3 Vehicles for New F & R positions -New building automation system - PSB -1 Vehicle for new Deputy | <p>Capital Requests</p> <ul style="list-style-type: none"> -Abrams Creek Greenway project due to grant revenue -Scanner for Finance-required by IT -Switch Replacement - IT -1 Receiver Can - Refuse Collection -Land for Albin site relocation -Heat Pump Replacement 4th Floor CAB -Tracer system HVAC controls CAB - 3 Vehicles for New F & R positions -New building automation system - PSB -1 Vehicle for new Deputy |
| 3% Merit | 3% Merit |
| School Operating Transfer increase \$ 6,152,080 | School Operating Transfer increase \$5,937,544 |
| <p>Other Significant Operating</p> <ul style="list-style-type: none"> -Design/Survey work for new Albin site -Replace culvert & pave Round Hill site | <p>Other Significant Operating</p> <ul style="list-style-type: none"> -Design/Survey work for new Albin site -Replace culvert & pave Round Hill site |
| <p>\$94,857 Operating Contingency Add-on \$2,623,620 Capital/Debt Reserve</p> | <p>\$80,357 Operating Contingency Shortage \$0 Capital/Debt Reserve</p> |

FY 2018-2019 BUDGET REDUCTIONS - GENERAL FUND

| <u>Dept Code</u> | <u>Department</u> | <u>Description</u> | <u>Increase (Decrease)</u> | <u>B1 Reductions - Scenario B</u> | <u>H1 Reductions - Scenario H</u> |
|------------------|-------------------------|---|--|--|--|
| 1203 | Human Resources | Salaries/Fringes-Education Tuition Ass. | 36,060 | 6,000 | 6,000 |
| 1209 | Commissioner of Revenue | Salary adjustments for 7 employees | 132,948 | 15,468 | 15,468 |
| 1210 | Reassessment | Salary adjustment for 1 employee | 109,459 | 3,490 | 3,490 |
| 1220 | Information Technology | Salaries/Fringes-Education/Tuition Ass. Office Supplies - Refresh Program Travel IT Equip-software for Drone | 67,684 180,528 17,300 15,000 | 3,150 92,000 10,000 15,000 | 3,150 92,000 10,000 15,000 |
| 1224 | Other | Blue Ridge Legal Services-NEW NW Works-Increase Sinclair Health Clinic-NEW Bluemont Concert Series-NEW CLEAN, Inc.-Increase Habitat for Humanity-NEW | 5,547 123,700 50,000 8,000 5,000 13,200 | 5,547 123,700 50,000 8,000 5,000 13,200 | 5,547 123,700 50,000 8,000 5,000 13,200 |
| 1302 | Registrar | Salary increases for Registrar & Asst. | 59,298 | 39,618 | 39,618 |
| 2102 | General District Court | Supplements to staff salaries | 36,199 | 36,199 | 36,199 |
| 2105 | J & D Court | Supplements to staff salaries | 28,443 | 28,443 | 28,443 |
| 2201 | Commonwealth Attorney | Repair & Maint.-Vehicle | 2,500 | 2,500 | 2,500 |

| <u>Dept Code</u> | <u>Department</u> | <u>Description</u> | <u>Increase (Decrease)</u> | <u>B1 Reductions - Scenario B</u> | <u>H1 Reductions - Scenario H</u> |
|------------------|-----------------------|--|----------------------------|-----------------------------------|-----------------------------------|
| | | Motor Vehicle - Replacement | 32,329 | 32,329 | 32,329 |
| 3102 | Sheriff | NEW DEPUTIES/INVESTIGATOR Cut 7/Leave 1 | 898,884 | 405,391 | 405,391 |
| | | Prof. Health Services | 7,486 | 4,200 | 4,200 |
| | | Repair and Maintenance - Vehicle | 176,840 | 76,000 | 76,000 |
| | | Maint. Service Contracts | 95,368 | 95,368 | 95,368 |
| | | Office Supplies | 72,585 | 72,585 | 72,585 |
| | | Vehicle and Powered Equip. | 368,076 | 441,282 | 441,282 |
| | | Police Supplies | 82,703 | 49,531 | 49,531 |
| | | Uniforms | 75,873 | 15,729 | 15,729 |
| | | Uniforms - Dive Team | 22,324 | 10,000 | 10,000 |
| | | Travel | 43,350 | 8,400 | 8,400 |
| | | Machinery & Equip.-radios + installation; cameras, drone | 2,330,031 | 2,330,031 | 2,330,031 |
| | | Vehicles-cutting all except those for any new positions | 954,742 | 1,280,698 | 1,280,698 |
| 3202 | Volunteer Fire Depts. | Fuel Assistance | 187,690 | 187,690 | 187,690 |
| | | Travel - training | 13,200 | 13,200 | 13,200 |
| 3203 | Ambulance & Rescue | Lord Fairfax EMS Council | 1,600 | 1,600 | 1,600 |
| 3401 | Inspections | Motor Vehicles | 28,000 | 56,000 | 56,000 |
| 3505 | Fire and Rescue | 20 NEW FIREFIGHTERS (Fund all positions) | 2,003,013 | 0 | 0 |
| | | Repair & Maint. - Vehicle | 36,250 | 19,750 | 19,750 |
| | | Other Contractual Services | 60,920 | 0 | 0 |
| | | Vehicle & Powered Equip. Supplies | 104,000 | 71,450 | 71,450 |
| | | Uniforms | 159,038 | 0 | 0 |
| | | Other Operating Supplies | 40,490 | 30,690 | 30,690 |
| | | Radio Equipment | 149,500 | 100,000 | 100,000 |

| Dept Code | Department | Description | Increase (Decrease) | B1 Reductions - Scenario B | H1 Reductions - Scenario H |
|-----------|-------------------------|---|------------------------|----------------------------|----------------------------|
| | | Motor Vehicles Misc. Equipment-cameras, extrication equip., washers/extractors, SCBA Phase 2 | 220,500 (1,868,758) | 126,000 1,131,242 | 126,000 1,131,242 |
| 4201 | General Engineering | Motor Vehicle | 30,000 | 30,000 | 30,000 |
| 4203 | Refuse Collection | NEW ASST. CONV. SITE SUPR. 30x60 shed/bay garage | 74,558 20,000 | 53,716 20,000 | 53,716 20,000 |
| 4301 | Maintenance | Motor Vehicle | 35,000 | 35,000 | 35,000 |
| 4304 | County Office Buildings | CAB lobby alterations Parking lot repairs - Millwood | 40,000 5,000 | 40,000 5,000 | 40,000 5,000 |
| 4305 | Animal Shelter | NEW ANIMAL CARETAKER | 82,204 | 43,883 | 43,883 |
| 5305 | Area Agency on Aging | Increase in contribution request | 3,000 | 3,000 | 3,000 |
| 5316 | Social Services Admin. | The Laurel Center-increase | 6,000 | 6,000 | 6,000 |
| 7101 | Parks Administration | Improvements-Snowden Bridge Park Development, Indoor Aquatic Center Design | 1,768,900 | 950,000 | 950,000 |
| 7104 | Recreation Centers | Advertising Contracted Rental | 17,459 15,625 | 6,685 6,685 | |
| | | | | | |

| Dept Code | Department | Description | Increase (Decrease) | B1 Reductions - Scenario B | H1 Reductions - Scenario H |
|----------------------|-------------------------|--|--------------------------------|---|---|
| 7109 | Clearbrook Park | Machinery & Equip.-trailer, mower Motor Vehicles-2 pickup trucks Improvements-Spray Ground, Pedestrian Bridge Replacement, Parking Design | 43,000 70,000 647,000 | 43,000 70,000 647,000 | 43,000 70,000 647,000 |
| 7110 | Sherando Park | Machinery & Equipment-Infield Drag, mower Motor Vehicle-pickup truck Improvements-Spray Ground, Softball Complex Design, Northwest Bathroom | 88,000 39,000 801,000 | 88,000 39,000 801,000 | 88,000 39,000 801,000 |
| 8101 | Planning | Motor Vehicle | 26,700 | 26,700 | 26,700 |
| 8102 | EDA Transfer - Fund 31 | NEW RESEARCH MANAGER | 44,459 | 52,232 | 52,232 |
| 8203 | Soil/Water Conservation | Increase in contribution request | 4,250 | 4,250 | 4,250 |

| | | | | | |
|---------|---------------------|--|--|------------|------------|
| Various | Health Care savings | | | 350,000 | 350,000 |
| | | | | 10,337,632 | 10,324,262 |
| | | Operating Contingency | | (94,857) | 80,357 |
| | | | | 10,242,775 | 10,404,619 |
| | | GF Cuts Needed | | 10,973,775 | 10,404,619 |
| | | Reserve funding split (43percent of 1.7 million) | | 731,000 | 0 |
| | | Maintains 2.6 million | | 10,242,775 | 10,404,619 |

Frederick County Public Schools Debt Service

Assumes 4.36% interest rate

| | Existing Debt | | | 12th Elementary School Debt \$27.0 M | | | Replacement Aylor Middle School \$52.0M | | | 4th High School \$83.0M | | | Armel Addition/Renovation \$9.8M | | | James Wood High Addition/Renovation \$55.0M | | | Sherando High Addition/Renovation \$59.5M | | | Existing, 12th Elementary, Aylor, 4th High, Armel, JWHS & SHS School Debt | |
|--------|----------------------------------|-----------|------------|---|-----------------------|--------------------|--|-----------------------|--------------------|----------------------------|-----------------------|--------------------|-------------------------------------|-----------------------|--------------------|--|-----------------------|--------------------|---|-----------------------|--------------------|---|--|
| | Principal | Interest | Total | Projected Principal | Projected Interest | Projected Total | Projected Principal | Projected Interest | Projected Total | Projected Principal | Projected Interest | Projected Total | Projected Principal | Projected Interest | Projected Total | Projected Principal | Projected Interest | Projected Total | Projected Principal | Projected Interest | Projected Total | Total Projected Debt Service Payments | Fiscal Year End Projected Outstanding Principal at June 30 |
| FY2018 | 10,784,583 | 4,969,168 | 15,753,751 | | | | | | | | | | | | | | | | | | | 15,753,751 | 102,942,535 |
| FY2019 | 10,341,220 | 4,453,035 | 14,794,255 | - | 147,150 | 147,150 | | | | | | | | | | | | | | | | 14,941,405 | 92,601,315 |
| FY2020 | 10,180,047 | 3,954,044 | 14,134,091 | 877,500 | 922,631 | 1,800,131 | 437,500 | 530,013 | 967,513 | - | 8,720 | 8,720 | | | | | | | | | 16,910,455 | 83,736,268 | |
| FY2021 | 9,733,540 | 3,491,494 | 13,225,034 | 1,350,000 | 1,109,511 | 2,459,511 | 1,322,500 | 1,333,125 | 2,655,625 | 425,000 | 537,915 | 962,915 | - | 23,980 | 23,980 | | | | | | 19,327,065 | 75,785,228 | |
| FY2022 | 9,731,944 | 3,041,115 | 12,773,059 | 1,350,000 | 1,050,651 | 2,400,651 | 2,222,500 | 1,977,424 | 4,199,924 | 1,452,500 | 1,487,796 | 2,940,296 | 127,500 | 140,011 | 267,511 | | | | | | 22,581,440 | 68,108,284 | |
| FY2023 | 8,590,784 | 2,607,867 | 11,198,651 | 1,350,000 | 991,791 | 2,341,791 | 2,600,000 | 2,036,883 | 4,636,883 | 2,697,500 | 2,482,966 | 5,180,466 | 287,500 | 277,024 | 564,524 | - | 17,440 | 17,440 | | | 23,957,194 | 61,300,000 | |
| FY2024 | 7,780,000 | 2,230,754 | 10,010,754 | 1,350,000 | 932,931 | 2,282,931 | 2,600,000 | 1,923,523 | 4,523,523 | 3,735,000 | 3,156,967 | 6,891,967 | 490,000 | 398,504 | 888,504 | 277,500 | 339,481 | 616,981 | 300,000 | 368,420 | 668,420 | 25,883,080 | 55,337,500 |
| FY2025 | 6,855,000 | 1,895,969 | 8,750,969 | 1,350,000 | 874,071 | 2,224,071 | 2,600,000 | 1,810,163 | 4,410,163 | 4,150,000 | 3,166,014 | 7,316,014 | 490,000 | 377,140 | 867,140 | 962,000 | 1,000,685 | 1,962,685 | 1,043,000 | 1,084,267 | 2,127,267 | 27,658,309 | 50,325,000 |
| FY2026 | 6,000,000 | 1,610,521 | 7,610,521 | 1,350,000 | 815,211 | 2,165,211 | 2,600,000 | 1,696,803 | 4,296,803 | 4,150,000 | 2,985,074 | 7,135,074 | 490,000 | 355,776 | 845,776 | 1,856,000 | 1,718,821 | 3,574,821 | 2,009,000 | 1,860,085 | 3,869,085 | 29,497,291 | 46,185,000 |
| FY2027 | 5,425,000 | 1,373,569 | 6,798,569 | 1,350,000 | 756,351 | 2,106,351 | 2,600,000 | 1,583,443 | 4,183,443 | 4,150,000 | 2,804,134 | 6,954,134 | 490,000 | 334,412 | 824,412 | 2,750,000 | 2,203,086 | 4,953,086 | 2,975,000 | 2,383,198 | 5,358,198 | 31,178,193 | 42,620,000 |
| FY2028 | 4,815,000 | 1,169,750 | 5,984,750 | 1,350,000 | 697,491 | 2,047,491 | 2,600,000 | 1,470,083 | 4,070,083 | 4,150,000 | 2,623,194 | 6,773,194 | 490,000 | 313,048 | 803,048 | 2,750,000 | 2,083,186 | 4,833,186 | 2,975,000 | 2,253,488 | 5,228,488 | 29,740,240 | 37,805,000 |
| FY2029 | 4,410,000 | 995,019 | 5,405,019 | 1,350,000 | 638,631 | 1,988,631 | 2,600,000 | 1,356,723 | 3,956,723 | 4,150,000 | 2,442,254 | 6,592,254 | 490,000 | 291,684 | 781,684 | 2,750,000 | 1,963,286 | 4,713,286 | 2,975,000 | 2,123,778 | 5,098,778 | 28,536,375 | 33,395,000 |
| FY2030 | 3,455,000 | 860,449 | 4,315,449 | 1,350,000 | 579,771 | 1,929,771 | 2,600,000 | 1,243,363 | 3,843,363 | 4,150,000 | 2,261,314 | 6,411,314 | 490,000 | 270,320 | 760,320 | 2,750,000 | 1,843,386 | 4,593,386 | 2,975,000 | 1,994,068 | 4,969,068 | 26,822,671 | 29,940,000 |
| FY2031 | 3,455,000 | 603,800 | 4,058,800 | 1,350,000 | 520,911 | 1,870,911 | 2,600,000 | 1,130,003 | 3,730,003 | 4,150,000 | 2,080,374 | 6,230,374 | 490,000 | 248,956 | 738,956 | 2,750,000 | 1,723,486 | 4,473,486 | 2,975,000 | 1,864,358 | 4,839,358 | 25,941,888 | 26,485,000 |
| FY2032 | 3,080,000 | 351,221 | 3,431,221 | 1,350,000 | 462,051 | 1,812,051 | 2,600,000 | 1,016,643 | 3,616,643 | 4,150,000 | 1,899,434 | 6,049,434 | 490,000 | 227,592 | 717,592 | 2,750,000 | 1,603,586 | 4,353,586 | 2,975,000 | 1,734,648 | 4,709,648 | 24,690,175 | 23,405,000 |
| FY2033 | 2,685,000 | 255,205 | 2,940,205 | 1,350,000 | 403,191 | 1,753,191 | 2,600,000 | 903,283 | 3,503,283 | 4,150,000 | 1,718,494 | 5,868,494 | 490,000 | 206,228 | 696,228 | 2,750,000 | 1,483,686 | 4,233,686 | 2,975,000 | 1,604,938 | 4,579,938 | 23,575,025 | 20,720,000 |
| FY2034 | 2,460,000 | 169,406 | 2,629,406 | 1,350,000 | 344,331 | 1,694,331 | 2,600,000 | 789,923 | 3,389,923 | 4,150,000 | 1,537,554 | 5,687,554 | 490,000 | 184,864 | 674,864 | 2,750,000 | 1,363,786 | 4,113,786 | 2,975,000 | 1,475,228 | 4,450,228 | 22,640,092 | 18,260,000 |
| FY2035 | 2,210,000 | 91,711 | 2,301,711 | 1,350,000 | 285,471 | 1,635,471 | 2,600,000 | 676,563 | 3,276,563 | 4,150,000 | 1,356,614 | 5,506,614 | 490,000 | 163,500 | 653,500 | 2,750,000 | 1,243,886 | 3,993,886 | 2,975,000 | 1,345,518 | 4,320,518 | 21,688,263 | 16,050,000 |
| FY2036 | 1,330,000 | 33,791 | 1,363,791 | 1,350,000 | 226,611 | 1,576,611 | 2,600,000 | 563,203 | 3,163,203 | 4,150,000 | 1,175,674 | 5,325,674 | 490,000 | 142,136 | 632,136 | 2,750,000 | 1,123,986 | 3,873,986 | 2,975,000 | 1,215,808 | 4,190,808 | 20,126,209 | 14,720,000 |
| FY2037 | 405,000 | 6,176 | 411,176 | 1,350,000 | 167,751 | 1,517,751 | 2,600,000 | 449,843 | 3,049,843 | 4,150,000 | 994,734 | 5,144,734 | 490,000 | 120,772 | 610,772 | 2,750,000 | 1,004,086 | 3,754,086 | 2,975,000 | 1,086,098 | 4,061,098 | 18,549,460 | 14,315,000 |
| FY2038 | | | | 1,350,000 | 108,891 | 1,458,891 | 2,600,000 | 336,483 | 2,936,483 | 4,150,000 | 813,794 | 4,963,794 | 490,000 | 99,408 | 589,408 | 2,750,000 | 884,186 | 3,634,186 | 2,975,000 | 956,388 | 3,931,388 | 17,514,150 | 14,315,000 |
| FY2039 | | | | 1,350,000 | 50,031 | 1,400,031 | 2,600,000 | 223,123 | 2,823,123 | 4,150,000 | 632,854 | 4,782,854 | 490,000 | 78,044 | 568,044 | 2,750,000 | 764,286 | 3,514,286 | 2,975,000 | 826,678 | 3,801,678 | 16,890,016 | 14,315,000 |
| FY2040 | | | | 472,500 | 10,301 | 482,801 | 2,162,500 | 119,301 | 2,281,801 | 4,150,000 | 451,914 | 4,601,914 | 490,000 | 56,680 | 546,680 | 2,750,000 | 644,386 | 3,394,386 | 2,975,000 | 696,968 | 3,671,968 | 14,979,550 | 13,000,000 |
| FY2041 | | | | | | | 1,277,500 | 44,309 | 1,321,809 | 3,725,000 | 280,239 | 4,005,239 | 490,000 | 35,316 | 525,316 | 2,750,000 | 524,486 | 3,274,486 | 2,975,000 | 567,258 | 3,542,258 | 12,669,108 | 11,217,500 |
| FY2042 | | | | | | | 377,500 | 8,230 | 385,730 | 2,697,500 | 140,229 | 2,837,729 | 362,500 | 16,732 | 379,232 | 2,750,000 | 404,586 | 3,154,586 | 2,975,000 | 437,548 | 3,412,548 | 10,169,824 | 9,162,500 |
| FY2043 | | | | | | | | | | 1,452,500 | 49,759 | 1,502,259 | 202,500 | 4,415 | 206,915 | 2,750,000 | 284,686 | 3,034,686 | 2,975,000 | 307,838 | 3,282,838 | 8,026,697 | 7,380,000 |
| FY2044 | | | | | | | | | | 415,000 | 9,047 | 424,047 | - | | | 2,472,500 | 170,836 | 2,643,336 | 2,675,000 | 184,668 | 2,859,668 | 5,927,051 | 5,562,500 |
| FY2045 | | | | | | | | | | | | | | | | 1,788,000 | 77,957 | 1,865,957 | 1,932,000 | 84,235 | 2,016,235 | 3,882,192 | 3,720,000 |
| FY2046 | | | | | | | | | | | | | | | | 894,000 | 19,489 | 913,489 | 966,000 | 21,059 | 987,059 | 1,900,548 | 1,860,000 |
| | 113,727,118 | | | 27,000,000 | | | 52,000,000 | | | 83,000,000 | | | 9,800,000 | | | 55,000,000 | | | 59,500,000 | | | | |
| | Projected yearly operating costs | | | \$2.4M | | | \$ 300,000 | | | \$7.5M | | | See Note Below | | | See Note Below | | | See Note Below | | | | |

Note:
Operating costs/savings cannot be projected until an energy model is run, designed, and installed.