



County Administrator's Proposed Budget

Fiscal Year 2020

J. Brent Fedors

Agenda

- Introduction – Setting the stage
- Objectives and guidance from the Board
- FY 2020 Proposed Budget Highlights
- Challenge and approach
- A look at individual funds
 - General Fund (net of transfers), Education Funds, Social Services Funds, Capital Fund, Debt Service Fund, Enterprise Funds
- General Fund summary & revenue outlook
- The FY 2020 Proposed Budget
- Capital Improvement Plan Recommendations
- Suggested Tax Rate Advertising



Administrator's Personal Goals

To listen, observe, and become intimately familiar with the Board's (and its members') priorities and inclinations.

To carry forward lessons learned from prior years and leverage them to create enhanced value in the future.

To continuously engage with the Board in efforts to better anticipate its (and its members') changing expectations.

To acknowledge community influences and be sensitive to the needs of each Board Member's constituencies.

To propose a budget that perfectly aligns with the Board's intent, requiring little or no change by the Board prior to adoption.



Objectives

To propose a balanced budget that:

- Aligns with Board guidance and strategic priorities
- Delivers enhanced value to County citizens
- Aligns resources with needs; *promotes resource productivity*
- Accurately projects anticipated expenditures, *revenues, and vacancy / transfer credits*
- Better leverages taxpayer dollars for public benefit
- Supports the current and future needs of our Community
- Sets up a resilient operating budget beyond current year
- *Doesn't break the new Pay Plan right out of the gate*



Guidance from the Board

- Produce a budget that:
 - Is lean, but sustainable
 - Incorporates little or no real estate tax increase
 - Does not reduce service levels
 - Does not eliminate programs
- Develop ‘excursion options’ that give the Board the ability to contemplate:
 - Elimination of any proposed real estate tax increase
 - Use of operating revenues to meet other unmet needs
 - Use of fund balances to meet other unmet needs



Board Strategic Priorities

1. Compensation improvements (County & School)
2. Capital to improve/protect public infrastructure
3. Economic development/growth
4. Expanded broadband availability
5. Long term solution for local jail overcrowding
6. Protection of potable groundwater supply
7. Upgraded public water/sewer infrastructure
8. Enhanced public recreation/waterway access



FY 2020 Budget Highlights

The FY 2020 Proposed Budget provides for:

- Maintenance of the County and Schools' established Compensation Plans
- Additional incremental funding for only the most critical and mandatory obligations
- Level (or reduced) funding in all other areas
- Cash funding of higher priority, non-bondable CIP & FMRR requests
- VPSA financing for design and A/E activities, plus bondable GCPS projects

The FY 2020 Proposed Budget incorporates:

- No increase to the real estate tax rate
- Natural revenue growth of approximately \$2.75M (including ~\$1.1M GCPS)
- Three years of lessons learned; Aggressive revenue/expense forecasting
- Expenditure underspend projections; Aggressive vacancy/transfer savings

The FY 2020 Proposed Budget does not reduce services or eliminate programs



FY19 → FY19R Adjustments

\$ 66.22M	FY19 Budget (as originally approved)
\$ 372K	FMRR Carryovers from FY18 (non-recurring)
\$ 139K	GCPS FMRR (BDAs) (non-recurring)
\$ 352K	GCPS SROs (Current + two FTEs) (\$76K trailing)
\$ 111K	DSS (Medicaid Expansion) (\$17.2K trailing)
\$ 1.39M	Edgehill, TAP, HMGP, and other (one-time grants)
\$ 1.35M	CIP Carryovers / Accelerations (non-recurring)
<u>(\$ 2.40M)</u>	<u>FY19 Xfer out to Capital (one-time)</u>
\$ 67.53M	FY19 Budget Revised (as amended)



FY19 → FY19R Run Rate

\$ 66.22M	FY19 Budget (as originally approved)
\$ 372K	FMRR Carryovers from FY18 (non-recurring)
\$ 139K	GCPS FMRR (BDAs) (non-recurring)
\$ 352K	GCPS SROs (Current + two FTEs) (\$76K trailing)
\$ 111K	DSS (Medicaid Expansion) (\$17.2K trailing)
\$ 1.39M	Edgehill, TAP, HMGP, and other (one-time grants)
\$ 1.35M	GIP Carryovers / Accelerations (non-recurring)
<u>(\$ 2.40M)</u>	<u>FY19 Xfer out to Capital (one-time)</u>
\$ 67.53M	FY19 Budget Revised (as amended)

Use of one-time funding sources to support one-time incremental expenditures and accelerations eliminates carry-forward pressure on operating revenues.



Starting Point – \$93K Trailing Obligation*

*Excluding compensation, which (net of FY19 adjustments) has been building over time...

\$ 93K	FY19 Run Rate Impacts (trailing obligations)
\$ 1.00M	GCPS Support Staff Compensation Deficit \$1.54M requested by GCPS for support staff, minus proposed 2.8% (step inclusive) COLA, minus carryforward 1% gap
\$ 432K	GCPS 1% Carryforward Compensation Deficit
\$ 178K	County 1% Carryforward Compensation Deficit (Includes DSS)
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\$ 1.70M	Total Funding Deficit (mostly Compensation related)



\$4.14M Additional Ask (over FY19R)

\$ 3.56M	Increase in transfer to schools (Incl. GCPS full compensation fix, COLA/step, HMP ↑, add'l days/positions, FMRR, etc.)
(\$ 1.38M)	Decrease in CIP transfer (YOY incremental ↓ net of carryovers)
(\$ 139K)	Other (net) change in transfers (\$242K↓ Debt Svc; \$103K↑ DSS)
\$ 328K	County HMP increase (12% increase estimate from Cigna)
\$ 489K	Civic & Fire/Rescue increase requests (incl. GMHS)
\$ 197K	Increase in FMRR (YOY incremental ↑ net of carryovers)
\$ 380K	County 2.8% (step inclusive) COLA Excl. DSS (in Xfer request)
\$ 183K	County compensation fix (1% not funded from FY19 (GF & DSS); constitutional officers / BOS benchmarking)
\$ 522K	Other (net) personnel & operating requests
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\$ 4.14M	Net additional ask in FY20 submittals



\$522K Additional Detail

\$	76K	Public Safety Radio SUA Increase
\$	87K	Workplace Safety / Training Specialist (New!)
\$	45K	IT Systems Maintenance Agreement Increase
\$	42K	Bay Transit (to maintain current service delivery)
\$	56K	Animal Control (Additional Officer)
\$	56K	Increase CGHC Juvenile Home (Utilization based)
\$	33K	Constitutional Officer / BOS Salary Benchmarking
\$	30K	County Property / Casualty / WC Insurance
\$	97K	Other (net) personnel & operating puts/takes
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\$	522K	(From previous slide)



Creates a Huge Challenge

\$66.22M FY19 As Adopted (FY19 Revised, net of one-time impacts)

\$ 4.14M Net additional ask in FY20 submittals
(Personnel and Operating; Incorporates Trailing Obligation Items)

\$70.36M FY20 GF operating budget request

\$ 0K Total unfunded operating carryover
(Prior Year Operating Expense funded with non-recurring funds)

\$70.36M Total recurring revenue funding challenge

\$ 1.31M Non-Recurring Impact (capital Xfer exchange)

\$71.67M Total Equivalent FY20 Budget Request
(\$5.45M over FY19 as Adopted)



Budget Approach - Operating

- Start working from the FY20 request – the stated need
 - NOT from the FY19 base, and NOT from the identified gap
- Evaluate costs by function, unit and type
 - Determine base needs, compare to FY16, FY17, and FY18 actuals and FY19 trend, and adjust
- Identify and capture cost savings opportunities
 - Enterprise fund overhead support, resource sharing, cost compression
- Leverage vacancies in areas of greatest need
 - Hiring “frost” / vacancy reallocations, position eliminations, resource reassignments, FT → PT conversions
- Identify and capture year-end unassigned funds
 - Vacancy savings, year-end under-transferred funds, budget over-estimates, committed fund rebalancing
- Evaluate funding sources
 - Compare to FY16, FY17, and FY18 actuals and FY19 trend, identify influencing factors and adjust
- Leverage enhanced knowledge of specific departmental needs
 - Second, and in some cases third or more meetings with directors / constitutional officers
- Exercise best judgement – balance needs vs. funding



Proposed FY20 Pay Plan

FY20 Request:

Schools: Support personnel market compensation fix (incl. 1% fix)

Adjusted scale & step increase (teachers) (incl. 1% fix)

HMP premium increase (\$1.16M)

County: 2.8% (step inclusive) COLA (aligned w/ 2019 SSI increase)

HMP premium increase (12%)

1% fix (unfunded in FY19)

FY20 Proposed:

County and Schools: 2.8% (step inclusive) COLA

County and Schools: Fund HMP premium increase



Salary Increase History

	County:	Schools:
FY10	None	\$400 “gratuity” (contract EEs ½ time +)
FY11	None	None
FY12	None	None
FY13	2%	2%
FY14	4.85% (band & compression only)	2%
FY15	3% bonus (Gr 2-8)	3% bonus (lower grade EEs)
FY16	None	None
FY17	4% catch-up COLA	4% catch-up COLA; 2% bonus (net FY18 step increase Δ s)
FY18	2% bonus	0.355% equivalent – step increase (teachers only)
FY19	~8% Market Adjustment; 2% COLA	5.25 – 13.34% market adjustment (teachers); 4% COLA (support staff)
FY20 (proposed):	2.8% (step inclusive) COLA for County and Schools	

- Note: Does not include one-off increases for select staff (County or Schools) or VRS offsets
- From 1994 through 2009 both County and Schools saw annual increases; Between 2008 to 2018 (11 years) – about 16.6%
- 2019 Social Security increase = 2.8%



Department	Facilities Maintenance Repair Replacement Items	FY2020	FY2021	FY2022	FY2023	FY2024
AC	Video Surveillance			8,500		
AC	Storage Barn	6,462				
AC	Carport-additional amount above FY19 approved amount	1,200				
FM	02 Courthouse HVAC replacement phase 2- 2020 (phase 3- 2021)	40,000	63,000	39,000	16,000	16,000
FM	Vehicle replacement	-	74,000	79,000	92,000	30,000
FM	Building modification	30,000	50,000	60,000	60,000	50,000
FM	Fire alarm Building 1	12,500				
FM	Proximity card reader system (2020 DIT)	7,000	9,500	10,800	11,500	
FM	Toro commercial riding Z-mower	-	10,700			
FM	Fuel station concrete pad replacement	-	-	8,800		
FM	Storm water collection improvements for Courthouse campus	-	5,500			
FM	Parking lot striping		2,000	1,600	1,500	
Cable	Cable Communications Program (Facilities & Equipment)	15,000	15,000	15,000	15,000	15,000
Library/IT	PC replacement at the Library (26)		13,000			
IT	Annual PC Replacement	30,000	71,913	71,913	71,913	71,913
IT	Backup system upgrades (EOL)	37,000				
IT	Com+/Fin+ Phase I Upgrade	40,000				
IT	Programming and Prof. Consult Serv. Est. for CivicPlus Modules	25,600				
IT	Programming and Prof. Consult Serv. Est. for CivicPlus Modules		12,800			
IT	Programming and Prof. Consult Serv. Est. for Econ Development Header Package	8,270				
IT	TLC System and Server upgrade for Library at Point and Main		TBD			
IT	System consolidation for work management primary applications		TBD			
Sheriff	Vehicle Replacement	266,300	266,300	266,300	266,300	266,300
Sheriff	Toughbooks	108,000				
PRT	Soccer Goal Replacement	-	3,500	3,000		
PRT	Gymnastics Equipment Replacement	5,000	5,000	5,000	5,000	5,000
PRT	Master Planning	-	10,000	17,500	20,000	5,000
PRT	Beaverdam Improvements - Ranger Station Renovation	-	10,000			
PRT	Ark Park Improvements	-	15,000	40,000		
PRT	Dog Park					45,000
PRT	Historic Building Rehabilitation/Renovation	31,000	35,000	25,000	25,000	25,000
Total	TOTAL FMRR	\$ 663,332	\$ 680,713	\$ 642,913	\$ 584,213	\$ 529,213

FMRR



General Fund Operating (Excluding Transfers)

\$ 33.73M	FY20 GF operating request
(\$ 75K)	Personnel expense Animal Control Officer (1/1 FTE - \$56K); General District Court Supplements (\$19K)
(\$ 108K)	Level fund / no new civic contributions (except transit) Gloucester Housing Partnership (\$14K); Tidewater Soil & Water Conservation District (\$4K); Puller Center (\$37K); Bay Transit (\$28.7K of \$42K escalation funded; \$13.2K rental income offset); GMHS (\$40K)
(\$ 172K)	Fund VF&R @ 3%+3% – Fire/Rescue escalation deferral Funded \$32K AVFR FY19 gap; Unfunded: \$130K of GVFRS' 16% escalation request and \$42K of AVFR's 13% escalation request
(\$ 149K)	Personnel expense (1% compensation fix from FY19)
(\$ 143K)	FMRR 5 year rebalancing
(\$ 97K)	GIS (Pictometry and map printing)
(\$ 16K)	Other individual line item puts / takes (net)
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\$ 32.97M	FY20 GF operating budget funded



General Fund

General Fund	FY2018 Final Budget	FY2018 Actual	FY2019 Revised	FY2019 Expected	FY2020 Proposed	Dollar Change	% Change
General Fund (10) Total	\$63,733,604	\$62,878,497	\$67,530,901	\$67,530,901	\$68,177,234	\$646,333	1.0%
School Operating Fund	\$24,272,917	\$24,194,147	\$25,900,108	\$25,900,108	\$26,501,232	\$601,124	2.3%
Social Services	\$1,327,183	\$961,718	\$1,608,032	\$1,608,032	\$1,711,314	\$103,282	6.4%
Children's Services Act	\$639,000	\$351,621	\$613,000	\$613,000	\$613,000	\$0	0.0%
Capital Fund	\$1,529,765	\$1,524,583	\$3,746,483	\$3,746,483	\$2,365,292	(\$1,381,191)	-36.9%
Debt Service Fund	\$5,450,797	\$5,441,615	\$4,254,734	\$4,254,734	\$4,012,263	(\$242,471)	-5.7%
Utilities Fund	\$430,524	\$430,524	\$0	\$0	\$0	\$0	
General Fund Total w/o Xfers	\$30,083,418	\$29,974,289	\$31,408,544	\$31,408,544	\$32,974,133	\$1,565,589	5.0%

\$32.97M

FY20 General Fund operating budget funded

- \$1.57M increase from FY19R, \$806K in offsets, including \$161K increase in vacancy / transfer savings estimate; \$317K reduction associated with personnel / position changes / eliminations; \$86K Pictometry 1 year delay, and others
- Major priorities funded: \$328K HMP increase; \$380K 2.8% (step inclusive) COLA; \$180K Volunteer F&R Increase; \$87K Safety / Training FTE; \$76K Public Safety Radio SUA increase; \$56K CGHC / juvenile detention increase; \$54K FMRR increase; \$30K Property/casualty/WC insurance renewal; \$19K 2020 Presidential Election (no-excuse early voting impact still TBD)



Schools' Transfer Request

\$25.68M	FY19 starting point (net of one-time items)
\$ 2.64M	Compensation adjustments
\$ 1.16M	HMP increase
\$ 862K	Personnel additions (13.5 FTEs)
\$ 125K	Four additional days added to school year
\$ 356K	FMRR & Technology Needs
\$ 311K	Other Requests
(\$ 1.25M)	New State and Federal revenue
(\$ 350K)	Internal Savings (attrition, line items, etc.)
(\$ 300K)	Employee HMP premium increase / RX Rebates
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\$29.24M	FY20 local transfer request (up \$3.56M)

Note: Figures taken from the School Superintendent's proposed budget presentation to the School Board



Schools' Operating / Debt Service

School Operating Fund	FY2018 Final Budget	FY2018 Actual	FY2019 Revised	FY2019 Expected	FY2020 Proposed	Dollar Change	% Change
Local	\$617,467	\$544,675	\$117,500	\$117,500	\$566,596	\$449,096	382.2%
Local Transfer	\$24,272,917	\$24,194,147	\$25,900,108	\$25,900,108	\$26,501,232	\$601,124	2.3%
Commonwealth	\$29,681,657	\$29,694,772	\$30,703,339	\$30,703,339	\$31,949,703	\$1,246,364	4.1%
Federal	\$2,465,541	\$2,314,228	\$2,931,122	\$2,931,122	\$2,486,238	(\$444,884)	-15.2%
Total Revenue	\$57,037,582	\$56,747,822	\$59,652,069	\$59,652,069	\$61,503,769	\$1,851,700	3.1%
Debt Service from County GF	\$3,258,683	\$3,250,549	\$3,511,318	\$3,511,318	\$3,273,552	(\$237,766)	-6.8%
Total County GF for Schools	\$27,531,600	\$27,444,696	\$29,411,426	\$29,411,426	\$29,774,784	\$363,358	1.2%

\$26.50M

FY20 General Fund transfer funded (funding suggestion)

- Includes \$820K increase in Local Transfer toward 2.8% FY20 (step inclusive) COLA & FY20 HMP
- Leaves incremental \$354K in GCPS' budget to address non-compensation / non-HMP items
- Accounts for \$167,697 reduction in funding from State (GA Approved Budget)
- Does not fund market correction for support staff
- Does not fund system-wide 1% compensation gap

Note: Figures taken from the School Superintendent's proposed budget presentation to the School Board



Education Funds

Note that this basis includes one-time appropriations (\$80K for Peasley Vestibule Project; \$139K for PS Radio BDAs). Back these out to get GCPS' \$25.68M starting point and \$820K Dollar Change

Education Funds	FY2018 Final Budget	FY2018 Actual	FY2019 Revised	FY2019 Expected	FY2020 Proposed	Dollar Change	% Change
Local	\$617,467	\$544,675	\$117,500	\$117,500	\$566,596	\$449,096	0.0%
Local Transfer	\$24,272,917	\$24,194,147	\$25,900,108	\$25,900,108	\$26,501,232	\$601,124	2.3%
Commonwealth	\$29,681,657	\$29,694,772	\$30,703,339	\$30,703,339	\$31,949,703	\$1,246,364	4.1%
Federal	\$2,465,541	\$2,314,228	\$2,931,122	\$2,931,122	\$2,486,238	(\$444,884)	-15.2%
Subtotal Operating Revenue	\$57,037,582	\$56,747,822	\$59,652,069	\$59,652,069	\$61,503,769	\$1,851,700	3.1%
Cafeteria Fund	\$2,666,011	\$2,510,619	\$2,613,473	\$2,613,473	\$2,688,473	\$75,000	2.9%
Special Education	\$691,676	\$588,883	\$724,698	\$724,698	\$734,686	\$9,988	1.4%
Total Education Funds	\$60,395,269	\$59,847,324	\$62,990,240	\$62,990,240	\$64,926,928	\$1,936,688	3.1%

\$26.50M

FY20 General Fund transfer funded (funding suggestion)

- Includes \$820K increase in Local Transfer toward 2.8% FY20 (step inclusive) COLA & FY20 HMP
- Leaves incremental \$354K in GCPS' budget to address non-compensation / non-HMP items
- Accounts for \$167,697 reduction in funding from State (GA Approved Budget)
- Does not fund market correction for support staff
- Does not fund system-wide 1% compensation gap

Note: Figures taken from the School Superintendent's proposed budget presentation to the School Board



Social Services Funds

Social Services	FY2018 Final Budget	FY2018 Actual	FY2019 Revised Budget	FY2019 Expected	FY2020 Proposed	Dollar Change	% Change
Local	\$0	\$3,962	\$0	\$0	\$0	\$0	0.0%
Local Transfer	\$1,327,183	\$961,718	\$1,608,032	\$1,608,032	\$1,711,314	\$103,282	6.4%
Commonwealth	\$1,411,912	\$1,194,969	\$1,522,544	\$1,522,544	\$1,561,348	\$38,804	2.5%
Federal	\$1,517,776	\$1,679,685	\$1,860,872	\$1,860,872	\$1,971,050	\$110,178	5.9%
Total Revenue	\$4,256,871	\$3,840,334	\$4,991,448	\$4,991,448	\$5,243,712	\$252,264	5.1%

Children's Services Act Fund	FY2018 Final Budget	FY2018 Actual	FY2019 Revised Budget	FY2019 Expected	FY2020 Proposed	Dollar Change	% Change
Revenue							
Local	\$3,720	\$13,039	\$3,720	\$3,720	\$3,720	\$0	0.0%
Local Transfer	\$639,000	\$351,621	\$613,000	\$613,000	\$613,000	\$0	0.0%
Commonwealth	\$825,280	\$508,130	\$789,280	\$789,280	\$789,280	\$0	0.0%
Federal	\$18,000	\$30,332	\$18,000	\$18,000	\$18,000	\$0	0.0%
Total Revenue	\$1,486,000	\$903,123	\$1,424,000	\$1,424,000	\$1,424,000	\$0	0.0%

\$ 2.32M

FY20 General Fund transfer funded

- Includes splits / offsets to accommodate FY20 12% HMP increase and 2.8% (step inclusive) COLA; Does not fund 1% system wide compensation gap
- ~30% of HMP and compensation matters funded with Federal dollars



Capital Funds

Capital Fund	FY2018 Final Budget	FY2018 Actual	FY2019 Revised Budget	FY2019 Expected	FY2020 Proposed	Dollar Change	% Change
Local	\$0	\$21,878	\$100,000	\$100,000	\$0	(\$100,000)	-100.0%
Local Transfer	\$1,529,765	\$1,524,583	\$3,746,483	\$3,746,483	\$2,365,292	(\$1,381,191)	-36.9%
Commonwealth	\$233,735	\$138,043	\$150,000	\$150,000	\$0	(\$150,000)	-100.0%
Federal	\$1,195,283	\$1,011,596	\$1,383,378	\$1,383,378	\$0	(\$1,383,378)	-100.0%
Loan Proceeds	\$1,597,000	\$0	\$0	\$0	\$8,979,916	\$8,979,916	0.0%
Committed FB	\$0	\$0	\$36,000	\$36,000	\$0	(\$36,000)	-100.0%
Total Revenue	\$4,555,783	\$2,696,100	\$5,415,861	\$5,415,861	\$11,345,208	\$5,929,347	109.5%

\$ 2.37M

FY20 General Fund transfer funded

- \$1.7M in unassigned fund balance from FY18 year-end operating results
- \$125K from Proffer Monies Fund (Animal Control Office Expansion)
- \$543K from UFB or otherwise from Capital Committed Fund (Subsequent Expenditures / Reserve)
- \$100K EPA Grant NOT awarded for FY20
- VPSA used to fund design and A/E work, plus other bondable projects



Debt Service Fund

Debt Service Fund	FY2018 Final Budget	FY2018 Actual	FY2019 Revised Budget	FY2019 Expected	FY2020 Proposed	Dollar Change	% Change
Local	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Local Transfer	\$5,450,797	\$5,441,615	\$4,254,734	\$4,254,734	\$4,012,263	(\$242,471)	-5.7%
Federal	\$233,268	\$236,708	\$235,030	\$235,030	\$235,115	\$85	0.0%
Loan Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Total Revenue	\$5,684,065	\$5,678,323	\$4,489,764	\$4,489,764	\$4,247,378	(\$242,386)	-5.4%

\$ 4.01M

FY19 General Fund transfer funded

- Reduced by \$242K due retirement of, and final payment on retired debt
- Other funding sourced through Federal reimbursements of \$235K for Series 2011 School Bond Interest

Includes total School debt payments of \$3.27M (net)



Enterprise Funds

No proposed increase in district or water / sewer rates.
Rate increase study recommended for FY21.

Utilities Fund	FY2018 Final Budget	FY2018 Actual	FY2019 Revised Budget	FY2019 Expected	FY2020 Proposed	Dollar Change	% Change
Charges for Services	\$4,379,200	\$5,009,801	\$4,531,200	\$4,531,200	\$4,310,700	(\$220,500)	-4.9%
Local Transfer	\$430,524	\$430,524	\$0	\$0	\$0	\$0	0.0%
Development/Connection Fee	\$395,000	\$415,072	\$418,500	\$418,500	\$500,000	\$81,500	19.5%
Loan Proceeds/DSRF	\$0	\$0	\$1,866,455	\$1,866,455	\$0	(\$1,866,455)	-100.0%
Use of Fund Balance/Other	\$550,000	\$0	\$0	\$0	\$0	\$0	0.0%
Total Revenue	\$5,754,724	\$5,855,398	\$6,816,155	\$6,816,155	\$4,810,700	(\$2,005,455)	-29.4%
Expenditure							
Personnel (includes PTWAR)	\$1,515,057	\$1,149,536	\$1,751,181	\$1,751,181	\$2,083,467	\$332,286	19.0%
Operating	\$972,900	\$2,106,629	\$1,745,716	\$1,745,716	\$1,265,288	(\$480,428)	-27.5%
Capital	\$575,000	\$74,850	\$589,000	\$589,000	\$600,000	\$11,000	1.9%
Debt Service	\$2,691,767	\$172,405	\$2,730,258	\$2,730,258	\$861,945	(\$1,868,313)	-68.4%
Total Expenditure	\$5,754,724	\$3,503,420	\$6,816,155	\$6,816,155	\$4,810,700	(\$2,005,455)	-29.4%
Full-Time Equivalents	26	26	24.5	24.5	26.5		

(\$ 192K)

FY20 Revenue to General Fund proposed

- Enterprise transfer back into General Fund at rate of 4% of revenues (\$192K) to offset General Fund investment in HR, recruiting, finance, purchasing, IT, and Admin support
- Enterprise Fund self-supports proposed 2.8% (step inclusive) COLA and FY20 12% HMP increase; Enterprise budget does not fund 1% system wide compensation gap



Sanitary Districts

Note that revenues are not fully supporting expenditures in the Gloucester Sanitary District. Rate currently at 1¢ per hundred. Rate and District boundary study recommended for FY21.

GSD Fund	FY2018 Final Budget	FY2018 Actual	FY2019 Revised Budget	FY2019 Expected	FY2020 Proposed	Dollar Change	% Change
Revenue							
Local Revenue	\$19,210	\$18,964	\$18,860	\$18,860	\$19,340	\$480	2.5%
Use of Fund Balance	\$15,790	\$0	\$6,140	\$6,140	\$14,660	\$8,520	138.8%
Total Revenue	\$35,000	\$18,964	\$25,000	\$25,000	\$34,000	\$9,000	36.0%
Expenditure							
Operating	\$35,000	\$32,258	\$25,000	\$25,000	\$34,000	\$9,000	36.0%
Total Expenditure	\$35,000	\$32,258	\$25,000	\$25,000	\$34,000	\$9,000	36.0%

GPSD Fund	FY2018 Final Budget	FY2018 Actual	FY2019 Revised Budget	FY2019 Expected	FY2020 Proposed	Dollar Change	% Change
Revenue							
Local Revenue	\$19,950	\$21,362	\$19,860	\$19,860	\$22,300	\$2,440	12.3%
Use of Fund Balance	\$0	\$0	\$0	\$0	\$1,370	\$1,370	0.0%
Total Revenue	\$19,950	\$21,362	\$19,860	\$19,860	\$23,670	\$3,810	19.2%
Expenditure							
Operating	\$19,950	\$19,145	\$19,860	\$19,860	\$23,670	\$3,810	19.2%
Total Expenditure	\$19,950	\$19,145	\$19,860	\$19,860	\$23,670	\$3,810	19.2%



Mosquito Control

Note that revenues are not fully supporting expenditures in the Mosquito Control Districts. Rate currently at 1¢ per hundred. Rate study recommended for FY21.

Mosquito Control	FY2018 Final Budget	FY2018 Actual	FY2019 Revised Budget	FY2019 Expected	FY2020 Proposed	Dollar Change	% Change
Revenue							
Local Revenue	\$96,103	\$98,391	\$96,390	\$96,390	\$98,390	\$2,000	2.1%
Use of Fund Balance	\$30,000	\$0	\$31,145	\$31,145	\$30,000	(\$1,145)	-3.7%
Total Revenue	\$126,103	\$98,391	\$127,535	\$127,535	\$128,390	\$855	0.7%
Expenditure							
Personnel (includes PT WAR)	\$17,775	\$19,395	\$17,775	\$17,775	\$17,775	\$0	0.0%
Operating	\$108,328	\$79,028	\$109,760	\$109,760	\$110,615	\$855	0.8%
Total Expenditure	\$126,103	\$98,422	\$127,535	\$127,535	\$128,390	\$855	0.7%

General Fund Summary

\$71.67M	FY20 General Fund operating budget (request)
(\$ 759K)	GF incremental operating requests unfunded
(\$ 2.74M)	GF transfer increase unfunded – GCPS
<hr/>	<hr/>
\$68.17M	FY20 GF operating budget (proposed)
\$68.17M	FY20 GF operating budget (proposed)
\$66.22M	FY19 GF Budget as adopted
<hr/>	<hr/>
\$ 1.95M	Incremental Additional Funding FY19 → FY20 (Increased revenue pressure over FY19 as adopted)



Incremental Funding Summary

\$ 1.57M	FY20 General Fund operating budget
	<ul style="list-style-type: none"> \$1.57M increase from FY19R, \$806K in offsets, including \$161K increase in vacancy / transfer savings estimate; \$317K reduction associated with personnel / position changes / eliminations; \$86K Pictometry 1 year delay, and others Major priorities funded: \$328K HMP increase; \$380K 2.8% (step inclusive) COLA; \$180K Volunteer F&R Increase; \$87K Safety / Training FTE; \$76K Public Safety Radio SUA increase; \$56K CGHC / juvenile detention increase; \$54K FMRR increase; \$30K Property/casualty/WC insurance renewal; \$19K 2020 Presidential Election (no-excuse early voting impact still TBD)
\$ 601K	General Fund transfer increase – GCPS (\$25.9M basis)
\$ 103K	General Fund transfer increase – Social Services/CSA
(\$ 1.38M)	General Fund transfer decrease – Capital Fund
(\$ 242K)	General Fund transfer decrease – Debt Service
\$ 0K	General Fund transfer – Utilities / Enterprise
\$ 646K	Incremental Additional Funding FY19R → FY20
\$ 0K	Total unbudgeted operating carryover (Hole)
\$ 646K	Increased budget over FY19 Revised (proposed)



FY20 Revenue Outlook Summary

General Fund Revenues	FY2018 Final Budget	FY2018 Actual	FY2019 Revised Budget	FY2019 Expected	FY2020 Proposed	Dollar Change	% Change
General Property Taxes	\$39,545,348	\$40,331,122	\$40,787,655	\$40,787,655	\$41,395,461	\$607,806	1%
Other Local Taxes	\$10,174,980	\$10,564,569	\$10,641,280	\$10,641,280	\$11,160,611	\$519,331	5%
Licenses, Permits, & Fees	\$395,680	\$438,668	\$431,580	\$431,580	\$476,535	\$44,955	10%
Fines & Forfeitures	\$85,150	\$118,878	\$100,200	\$100,200	\$120,200	\$20,000	20%
Use of Money & Property	\$145,750	\$354,456	\$297,046	\$297,046	\$379,295	\$82,249	28%
Charges for Services	\$1,043,675	\$1,090,354	\$1,089,642	\$1,089,642	\$1,138,463	\$48,821	4%
Miscellaneous	\$130,930	\$284,790	\$199,525	\$199,525	\$183,194	(\$16,331)	-8%
Recovered Costs	\$371,200	\$434,665	\$187,720	\$187,720	\$501,178	\$313,458	167%
Commonwealth	\$9,077,991	\$8,939,932	\$8,893,056	\$8,893,056	\$9,088,044	\$194,988	2%
Federal	\$287,482	\$321,063	\$363,845	\$363,845	\$300,144	(\$63,701)	-18%
Fund Balance	\$2,475,418	\$0	\$4,539,352	\$4,539,352	\$3,434,108	(\$1,105,244)	-24%
Total General Fund Revenues	\$63,733,604	\$62,878,497	\$67,530,901	\$67,530,901	\$68,177,234	\$646,333	1.0%

(\$68.17M) FY20 Projected GF revenue (no rate impact)



FY20 Revenue Outlook Detail

Property Taxes	FY2018 Final Budget	FY2018 Actual	FY2019 Revised Budget	FY2019 Expected	FY2020 Proposed	Dollar Change	% Change
Revenue							
CURRENT REAL ESTATE	\$28,415,348	\$28,871,402	\$29,285,655	\$29,285,655	\$29,585,601	\$299,946	1%
DELINQUENT REAL ESTATE	\$700,000	\$755,530	\$700,000	\$700,000	\$740,000	\$40,000	6%
PUBLIC SERVICE CORP	\$1,000,000	\$998,144	\$1,100,000	\$1,100,000	\$1,100,000	\$0	0%
CURRENT PERS PROP	\$8,100,000	\$8,332,645	\$8,262,000	\$8,262,000	\$8,509,860	\$247,860	3%
DELINQUENT PERS PROP	\$750,000	\$776,414	\$800,000	\$800,000	\$800,000	\$0	0%
MANUFACTURED HOME	\$40,000	\$45,710	\$50,000	\$50,000	\$50,000	\$0	0%
PENALTIES	\$350,000	\$361,839	\$400,000	\$400,000	\$400,000	\$0	0%
INTEREST	\$190,000	\$189,438	\$190,000	\$190,000	\$210,000	\$20,000	11%
Total	\$39,545,348	\$40,331,122	\$40,787,655	\$40,787,655	\$41,395,461	\$607,806	1%

Other Local Taxes	FY2018 Final Budget	FY2018 Actual	FY2019 Revised Budget	FY2019 Expected	FY2020 Proposed	Dollar Change	% Change
Revenue							
LOCAL SALES TAX	\$4,404,000	\$4,627,344	\$4,617,000	\$4,617,000	\$4,755,510	\$138,510	3%
CONSUMER UTILITY TAX	\$720,000	\$733,044	\$750,000	\$750,000	\$760,000	\$10,000	1%
BUSINESS LICENSE TAX	\$1,692,614	\$1,729,800	\$1,800,000	\$1,800,000	\$2,000,000	\$200,000	11%
MEALS TAX	\$2,280,000	\$2,274,619	\$2,339,280	\$2,339,280	\$2,400,101	\$60,821	3%
LODGING TAX	\$208,366	\$204,599	\$200,000	\$200,000	\$205,000	\$5,000	3%
OTHER LOCAL TAXES	\$870,000	\$995,164	\$935,000	\$935,000	\$1,040,000	\$105,000	11%
Total	\$10,174,980	\$10,564,569	\$10,641,280	\$10,641,280	\$11,160,611	\$519,331	5%



Projected Fund Balance Capacity

- End of FY 19 / beginning of FY20 Unassigned Fund Balance Estimate:
 - \$17.3M (excl. FY19 YE results)
- Fund Balance Policy (14-16%) target range:
 - \$14.9M - \$17.0M
- Unassigned Fund Balance available for use:
 - \$0.3M - \$2.4M (\$1.35M midpoint)
- CA recommended target
 - \$1.7M Unassigned Fund Balance to support FY20 PayGo CIP (up from \$1.6M w/ non-award of EPA Grant)



Proposed use of Fund Balances

- CA proposed funding for FY20 PayGo CIP:
 - \$ 1.70M Unassigned Fund Balance (UFB)
 - \$ 125K Proffer Monies Committed Fund Balance
 - \$ 543K Capital Committed Fund Balance (reserve)
 - \$ 2.37M Total Fund Balance supporting FY20 PayGo CIP



Proposed use of Fund Balances

\$ 2.37M	Total Fund Balance supporting FY20 PayGo CIP
\$ 210K	FMRR Committed Fund
\$ 422K	Cable Services Fund Rebalance for FMRR
\$ 61K	Tourism Committed Fund (Tourism Ops (\$30K); FMRR (\$31K))
\$ 129K	Asset Forfeiture (neutral impact)
\$ 183K	CA Contingency Assigned Fund
\$ 64K	Unassigned Fund Balance (to balance budget)
<hr/>	
\$ 3.43M	Total Fund Balance supporting FY20 proposed budget

Update: State Sales/Use Tax projections up \$59K (offsets UFB used to balance budget)



Funding the Proposed Budget

\$68.17M	FY20 GF operating budget (proposed)
<u>(\$64.74M)</u>	<u>FY20 Projected revenue (w/o tax impact; no use of FB)</u>
\$ 3.43M	Proposed budget/revenue GAP
\$ 693K	Proposed use of Fund balances for FY20 FMRR
\$ 183K	Proposed use of Fund balances for CA Contingency
\$ 193K	Proposed use of Fund balances for Other (\$129K Asset Forfeiture, \$64K UFB temp. hold to balance budget)
<u>\$ 2.37M</u>	<u>Proposed use of Fund balances for FY20 PayGo CIP</u>
\$ 3.43M	Total proposed use of Fund balances

Using Fund balances to support FMRR could create a “hole” to start the following year’s budget process – propose to fill this gap with recurring prior year underspend allocation to FMRR Committed Fund as needed to support recurring obligation at 5-year run-rate level moving forward



Caution: FY21 PayGo CIP at risk

How lean is lean enough?

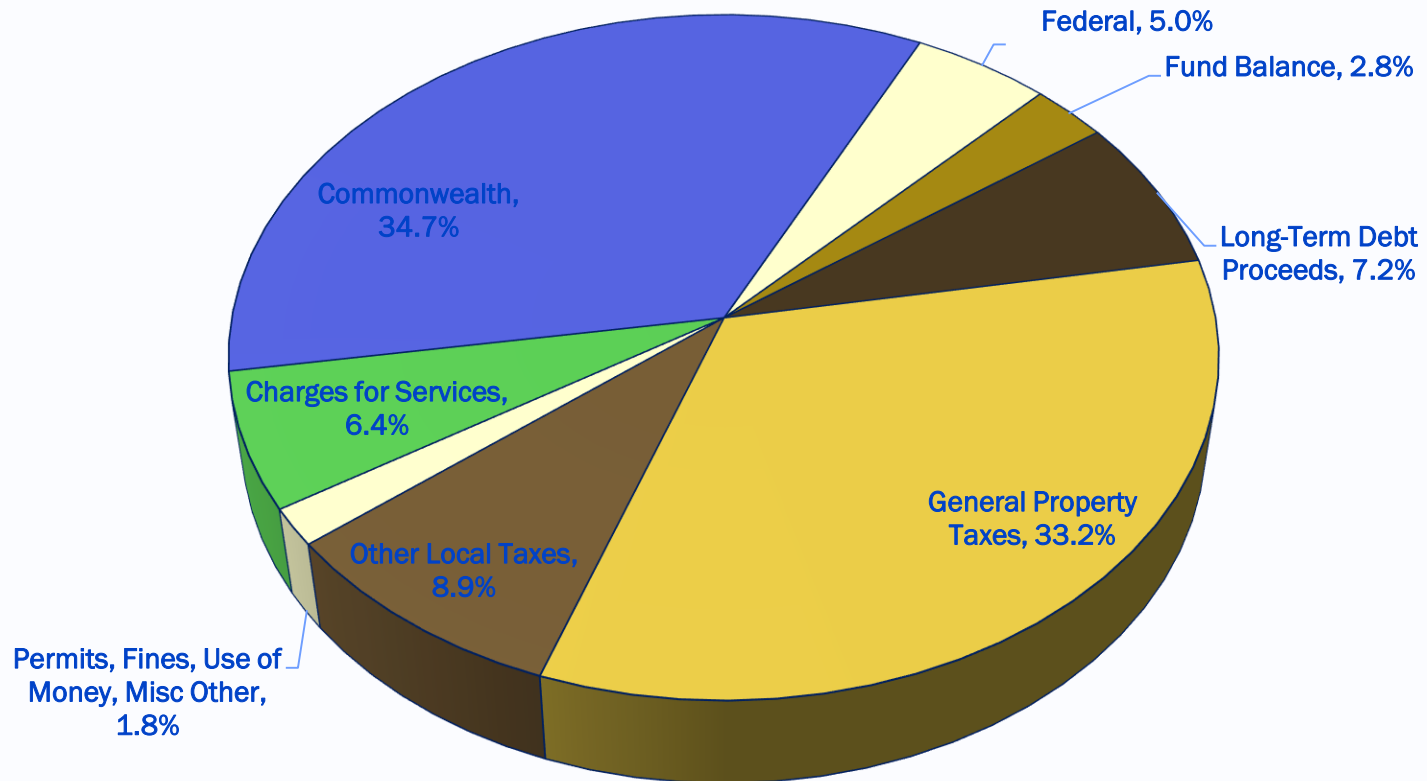
Past practice relied on fiscal year end contributions to unassigned fund balance to support PayGo CIP. Future years (current, FY20 and beyond) are not anticipated to contribute to unassigned fund balance in such a substantial manner as previously realized.

With fiscal year underspend anticipated to be minimal (likely enough to support recurring FMRR), funding PayGo CIP will be extremely challenging in FY21 and beyond without deliberate action to fund a CIP reserve pool.



Projected Revenues by Source

FY20 Total Revenue for the County



Half of increase
due to changes w/
debt/borrowing

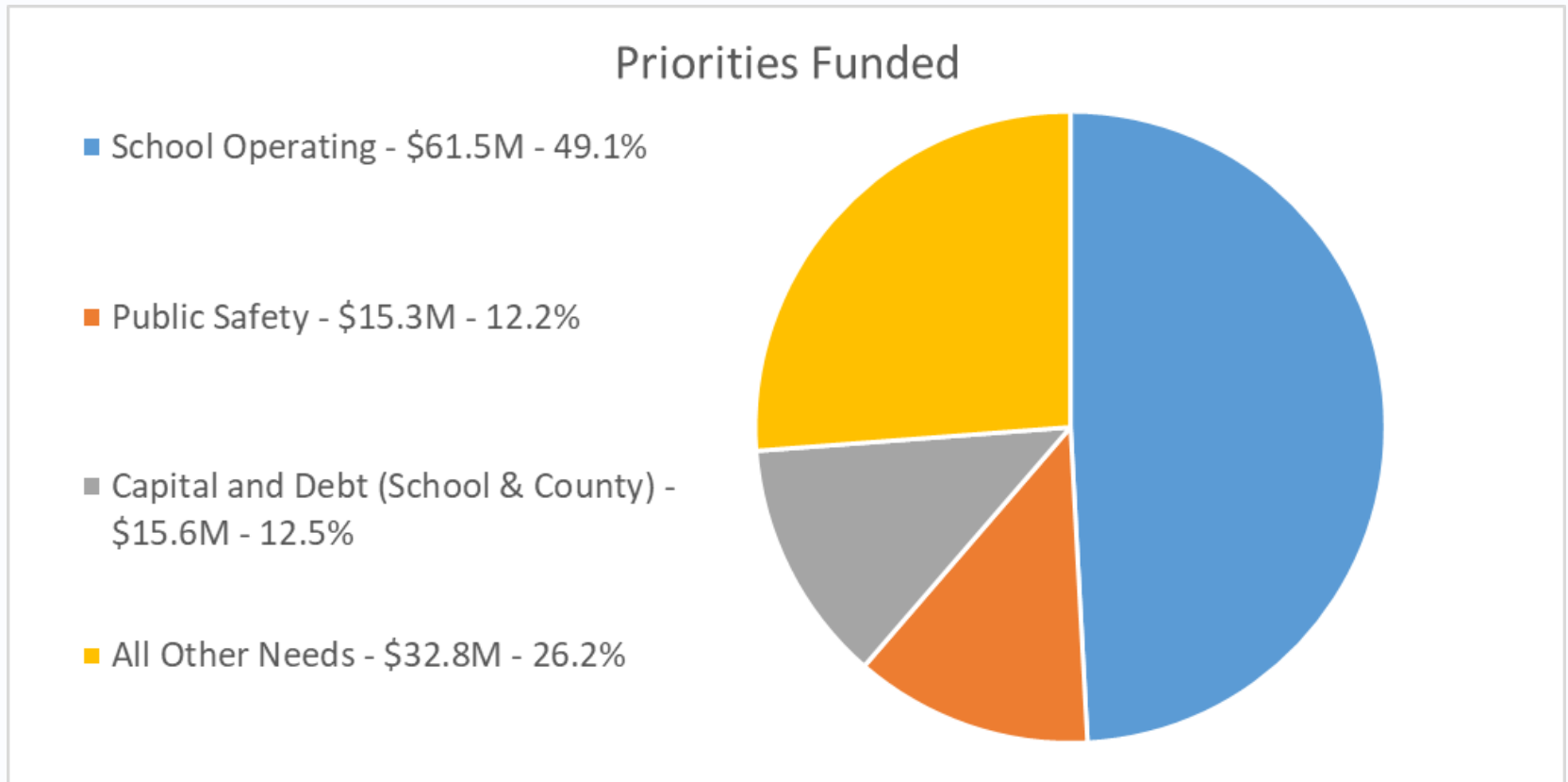
FY 2020 Proposed Budget

Category Expenditure Summary	FY2018 Final Budget	FY2018 Actual	FY2019 Revised Budget	FY2019 Expected	FY2020 Proposed	Difference	% Change
General Fund	\$30,083,419	\$28,798,679	\$31,408,544	\$31,408,544	\$32,974,133	\$1,565,589	5.0%
School Operating	\$57,037,582	\$56,747,822	\$59,652,069	\$59,652,069	\$61,503,769	\$1,851,700	3.1%
School Cafeteria	\$2,723,616	\$2,468,059	\$2,613,473	\$2,613,473	\$2,688,473	\$75,000	2.9%
School Special Education	\$691,676	\$588,524	\$724,698	\$724,698	\$734,686	\$9,988	1.4%
Social Services	\$4,256,871	\$3,840,334	\$4,991,448	\$4,991,448	\$5,243,712	\$252,264	5.1%
Children's Services Act	\$1,486,000	\$903,123	\$1,424,000	\$1,424,000	\$1,424,000	\$0	0.0%
Capital Fund	\$4,555,783	\$2,682,621	\$5,415,861	\$5,415,861	\$11,345,208	\$5,929,347	109.5%
Debt Service Fund	\$5,684,065	\$5,678,323	\$4,489,764	\$4,489,764	\$4,247,378	(\$242,386)	-5.4%
Gloucester Sanitary Districts #1	\$35,000	\$32,258	\$25,000	\$25,000	\$34,000	\$9,000	36.0%
Gloucester Point Sanitary	\$19,950	\$19,145	\$19,860	\$19,860	\$23,670	\$3,810	19.2%
Utility Fund	\$5,754,724	\$3,503,420	\$6,816,155	\$6,816,155	\$4,810,700	(\$2,005,455)	-29.4%
Mosquito Control	\$126,103	\$98,422	\$127,535	\$127,535	\$128,390	\$855	0.7%
Total Expenditure for the County	\$112,454,789	\$105,360,731	\$117,708,407	\$117,708,407	\$125,158,120	\$7,449,713	6.3%

- Budget balanced with no Real Estate rate increase, expected Reassessment January 2020 (with no equalization on valuation increase up to 3%), aggressive use of fund balances, enhanced Real Estate and Personal Property Tax revenue projection accuracy, aggressive revenue growth assumptions



Priorities Funded



Excursion – Unfunded Priorities

\$ 420K	Fund a future year CIP Reserve Pool
\$ 420K	De-risk the budget / establish operating reserve / rainy day fund
\$ 143K	FMRR (expressed need rebalanced out / unfunded)
\$ 75K	Personnel expense Animal Control Officer (1/1 FTE - \$56K); General District Court Supplements (\$19K)
\$ 95K	Civic contributions Gloucester Housing Partnership (\$14K); Tidewater Soil & Water Conservation District (\$4K); Puller Center (\$37K); GMHS (\$40K)
\$ 172K	Fund VF&R beyond 3%+3% \$130K of GVFRS' 16% escalation request and \$42K of AVFR's 13% escalation request
\$ 149K	Personnel expense (1% compensation fix from FY19)
\$ 97K	GIS (Pictometry and map printing)



Excursion – Unfunded Priorities

\$ 125K	GCPS – add 4 days (180 day school year)
\$ 431K	GCPS – Personnel expense (1% comp fix from FY19)
\$ 1.00M	GCPS – Support Personnel Market Compensation \$144K per 1%
\$ 862K	GCPS – Personnel (additional positions – 13.5 FTE) Guidance Counselors (2 FTE); Graduation Coach (PT to FT conversion); VPI Teacher plus paraprofessional; Math Interventionist; Groundskeeper; Technology Teacher (2); Special Education Teacher (2); Kindergarten Teacher; Administrative Assistant (2)
\$ 137K	GCPS – Instruction Requests
\$ 57K	GCPS – Administration Requests
\$ 25K	GCPS – Operation & Maintenance Requests
\$ 92K	GCPS – Utility / Insurance Requests
\$ 135K	GCPS – FMRR Requests
\$ 221K	GCPS – Technology Requests



Excursion – Revenues & Offsets

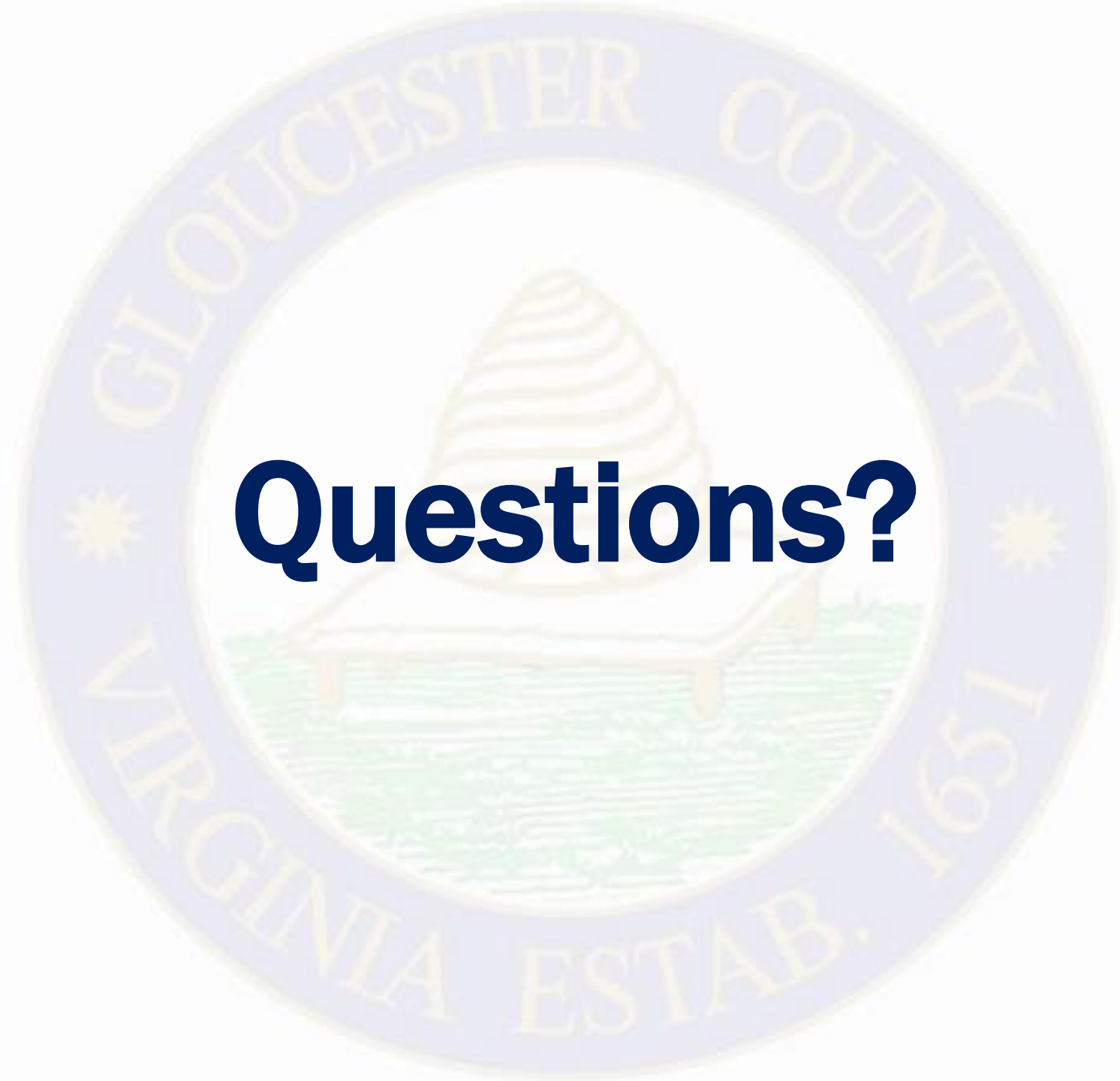
\$ 420K Value of 1¢ on the Real Estate Tax rate

~\$ 400K Estimate of Boat Tax at \$1 per hundred

Next GA Session: Potential to amend Gloucester into the Halifax Local Option Sales Tax by Referendum to support school capital projects – up to 1% incremental sales tax

\$ TBD Major service reduction / program elimination





Questions?

CIP Objectives / Approach

- ✓ Identify needs for capital improvement
- ✓ Document needs
- ✓ Assess alignment with BOS Strategy / Comp Plan
- ✓ Prioritize needs
- ✓ Evaluate funding options
- Balance needs with available funding
- Evaluate, modify (if needed) & adopt a plan of action
 - Appropriate funding
 - Execute projects that meet the stated needs



FY20 CIP Summary (Excl. Utilities)

Department	Project Title	Year One FY2020	Funding
Radio O&M	Public Service Radio NICE Call Recording Replacement	54,000	Paygo
Schools	RENOVATION of Gloucester High School (All at once approach)	7,190,000	Debt/VP SA
Engineering	ADA Accessibility Improvements - County Complex	47,000	Paygo
Schools	HVAC Replacement at Peasley & Bethel	220,000	Paygo
Schools	Roofing Replacement/Coating Achilles and Botetourt	441,000	PayGo
Schools	Page Athletic Fields	400,000	Debt/VP SA
Schools	Lighting Replacement - Botetourt, Bethel, Achilles, and TC Walker	129,176	Paygo
Schools	School Bus Replacement Program (5 per year)	493,319	Paygo
Schools	Bus Compound Relocation	600,000	Debt/VP SA
Schools	New Achilles Bus Loop	789,916	Debt/VP SA
Animal Control	Animal Control Office at Shelter Location	197,182	Paygo
PR&T	Athletic Field Regrading - Woodville (New!)	255,000	Paygo
B&G	Law Enforcement Generator Replacement (Jail) (New!)	57,000	Paygo
PR&T	Irrigation System - Woodville Park	146,887	Paygo
Engineering	Asphalt Paving & Overlay-Justice Dr & Law Enforcement Parking Lot	124,000	Paygo
PR&T	Paving & Striping of Parking Lots-Variou s	190,728	Paygo
PR&T	Athletic Field and Parking Lot Lighting (Woodville & Abingdon)	10,000	Paygo
Total FY 2020 Non-Enterprise CIP (Excluding Prior Year Carryforwards)		11,345,208	



FY20 CIP Summary

\$ 2.37M	FY20 Non-enterprise PayGo CIP, w/o carryforwards
\$ 8.98M	FY20 Non-enterprise debt funded CIP
\$ TBD	FY19 → FY20 carryforwards
<hr/>	
\$11.35M	Total Proposed FY20 CIP (Capital Fund)

\$ 515K
Proposed FY20
Enterprise CIP
(Utilities)

Project Title	Year One FY2020	Funding
Replace Reverse Osmosis Membranes Ph2	100,000	Paygo
Rehab/Repair PS #11 (Courthouse North) Phase II	250,000	Paygo
Radio-Read Conversion	100,000	Paygo
Abandon/Demolish Radial Well Facility	65,000	Paygo
Total FY 2020 Enterprise CIP	515,000	



Proposed use of Fund Balances

- End of FY 19 / beginning of FY20 Unencumbered, Unassigned Fund Balance Estimate: \$17.3M (excl. FY19 YE results)
- Fund Balance Policy (14-16%) target: \$14.9M - \$17.0M
- Unassigned Fund Balance available for use: \$0.3M - \$2.4M (\$1.35M midpoint)
- CA proposed funding for FY20 PayGo CIP:
 - \$ 1.70M Unassigned Fund Balance (UFB)
 - \$ 125K Proffer Monies Committed Fund Balance
 - \$ 543K Capital Committed Fund Balance (reserve)
 - \$ 2.37M Total Fund Balance supporting FY20 PayGo CIP



FY20 CIP Funding Summary

\$ 1.70M	Unassigned Fund Balance (UFB)
\$ 125K	Proffer Monies Committed Fund Balance
<u>\$ 543K</u>	<u>Capital Committed Fund Balance (reserve)</u>
\$ 2.37M	Total Fund Balance supporting FY20 PayGo CIP
\$ 8.98M	VPSA financing for GCPS capital projects, design, A/E, etc.
<u>\$ 11.35M</u>	<u>Total CIP Funded</u>



Pay-Go / Cash Project Plan

Department	Project Title	CA Quartile	Schools 1-9 Ranking	Dept Dir Wtd (/10) Ranking	CIP Team Wtd (/10) Ranking	Plan Com Wtd (/10) Ranking	Average (/10) Ranking
Radio O&M	Public Service Radio Fire Station Alerting, HVAC & Electrical	4	0	8.9	8.2	5.6	7.6
Radio O&M	Public Service Radio NICE Call Recording Replacement	4	0	8.9	8.5	5.3	7.6
Radio O&M	Public Service Radio Tower and Microwave Upgrades	4	0	8.9	8.2	5.0	7.4
Engineering	ADA Accessibility Improvements - County Complex	4	0	6.8	6.9	5.7	6.4
B&G	Arc Flash (New!)	4	0	7.2	6.2	5.6	6.4
Schools	HVAC Replacement at Peasley & Bethel	4	2	8.0	4.7	4.8	5.8
Schools	Roofing Replacement/Coating Achilles and Botetourt	4	8	7.6	5.1	4.7	5.8
Schools	Lighting Replacement - Botetourt, Bethel, Achilles, and TC Walker	3	4	10.0	6.4	4.2	6.8
PR&T	Restrooms and Concessions Building -Woodville Park	3	0	7.5	7.0	3.5	6
Schools	School Bus Replacement Program (5 per year)	3	7	7.2	5.6	5.1	5.9
Schools	Playground Equipment Replacement at Various Elementary Schools	3	6	6.5	5.2	3.5	5.1
Sheriff	Toughbook Replacements (New!)	3	0	4.1	5.0	5.3	4.8
IT	ERP Software (Replace Fin Plus, Community Plus, etc)	3	0	5.2	3.5	4.8	4.5
Animal Control	Animal Control Office at Shelter Location	3	0	4.5	4.5	4.1	4.4
PR&T	Athletic Field Regrading - Woodville (New!)	3	0	5.3	4.4	3.1	4.3
B&G	Law Enforcement Generator Replacement (Jail) (New!)	3	0	3.3	3.7	5.6	4.2
PR&T	Irrigation System - Woodville Park	3	0	4.6	4.7	2.5	3.9
Engineering	Asphalt Paving & Overlay-Justice Dr & Law Enforcement Parking Lot	3	0	3.4	3.4	4.5	3.8
PR&T	Paving & Striping of Parking Lots-Variou	2	0	6.7	5.4	3.9	5.3
PR&T	Ark Park Road Improvement	2	0	6.4	5.0	3.6	5
PR&T	Athletic Field and Parking Lot Lighting (Woodville & Abingdon)	2	0	5.6	5.6	3.3	4.8
Comm. Eng.	Cable Communications Program	2	0	5.4	5.1	3.8	4.8
Engineering	Hutchinson House Demolition/Stabilization	2	0	5.8	2.9	3.6	4.1
Engineering	Asphalt Paving & Overlay-2002 Courthouse Pking Lot	2	0	3.4	3.4	4.5	3.8



Pay-Go / Cash Project Plan

FY21 and beyond expected to be difficult PayGo years

Department	Project Title	Total Cost	Year One FY2020	Year Two FY2021	Year Three FY2022	Year Four FY2023	Year Five FY2024	Year Six and Beyond
Radio O&M	Public Service Radio Fire Station Alerting, HVAC & Electrical	216,700					216,700	
Radio O&M	Public Service Radio NICE Call Recording Replacement	54,000	54,000					
Radio O&M	Public Service Radio Tower and Microwave Upgrades	389,400			389,400			
Engineering	ADA Accessibility Improvements - County Complex	47,000	47,000					
B&G	Arc Flash (New!)	210,000		210,000				
Schools	HVAC Replacement at Peasley & Bethel	1,499,109	220,000	339,109		500,000	440,000	
Schools	Roofing Replacement/Coating Achilles and Botetourt	666,000	441,000	225,000				
Schools	Lighting Replacement - Botetourt, Bethel, Achilles, and TC Walker	870,275	129,176	328,823	314,276	98,000		
PR&T	Restrooms and Concessions Building -Woodville Park	578,000				578,000		
Schools	School Bus Replacement Program (5 per year)	2,619,097	493,319	508,118	523,362	539,063	555,235	
Schools	Playground Equipment Replacement at Various Elementary Schools	613,174		179,834	216,670	216,670		
Sheriff	Toughbook Replacements (New!)	0						
IT	ERP Software (Replace Fin Plus, Community Plus, etc)	667,000			667,000			
Animal Control	Animal Control Office at Shelter Location	197,182	197,182					
PR&T	Athletic Field Regrading - Woodville (New!)	255,000	255,000					
B&G	Law Enforcement Generator Replacement (Jail) (New!)	57,000	57,000					
PR&T	Irrigation System - Woodville Park	146,887	146,887					
Engineering	Asphalt Paving & Overlay-Justice Dr & Law Enforcement Parking Lot	124,000	124,000					
PR&T	Paving & Striping of Parking Lots-Variou	1,725,361	190,728	477,238		224,132	447,229	386,034
PR&T	Ark Park Road Improvement	107,016					107,016	
PR&T	Athletic Field and Parking Lot Lighting (Woodville & Abingdon)	1,370,000	10,000		490,000		370,000	500,000
Comm. Eng.	Cable Communications Program	300,000		100,000		100,000		100,000
Engineering	Hutchinson House Demolition/Stabilization	115,000				115,000		
Engineering	Asphalt Paving & Overlay-2002 Courthouse Pking Lot	168,000				168,000		



Bond / Financed Project Plan

Scenario 2 – GHS Renovation (All at once)

TBD pending project funding decisions

Department	Project Title	CA Quartile	Schools 1-9 Ranking	Dept Dir Wtd (/10) Ranking	CIP Team Wtd (/10) Ranking	Plan Com Wtd (/10) Ranking	Average Ranking
Radio O&M	Public Safety Radio Portable & Mobile Replacement	4	0	8.9	7.8	5.6	7.4
Schools	RENOVATION of Gloucester High School	4	1	9.4	6.2	4.0	6.5
Schools	Page Athletic Fields	4	5	8.5	3.3	3.2	5
Schools	Bus Compound Relocation	3	9	8.3	4.1	3.4	5.3
Schools	New Achilles Bus Loop	3	3	6.7	4.7	4.2	5.2
Libraries	Construction of County Library	3	0	5.0	5.0	2.6	4.2
PR&T	Support Facilities & Equipment-Woodville	2	0	5.7	4.4	2.7	4.3

Department	Project Title	Total Cost	Year One FY2020	Year Two FY2021	Year Three FY2022	Year Four FY2023	Year Five FY2024	Year Six and Beyond
Radio O&M	Public Safety Radio Portable & Mobile Replacement	3,224,630						3,224,630
Schools	RENOVATION of Gloucester High School (All at once)	75,297,275	7,190,000	52,972,325	15,134,950			
Schools	Page Athletic Fields	400,000	400,000					
Schools	Bus Compound Relocation	7,019,700	600,000	6,419,700				
Schools	New Achilles Bus Loop	789,916	789,916					
Libraries	Construction of County Library	4,800,000				288,000	4,512,000	
PR&T	Support Facilities & Equipment-Woodville	4,465,646						4,465,646
Total Financed		95,997,167	8,979,916	59,392,025	15,134,950	288,000	4,512,000	7,690,276
Borrowing Activity			8,979,916	59,392,025	15,134,950		4,800,000	7,690,276
Remaining Financing Capacity - Cumulative (\$23,205,224 Initial) (Bronze Policy Limited)			14,225,308	(45,166,717)	(60,301,667)	(60,301,667)	(65,101,667)	(72,791,943)



Projected Debt Service Impacts

- Davenport Benchmarked and proposed modified Debt Policies
- Policy Conformance (to maintain creditworthiness) is paramount
- Impacts are a function of amount financed and term
- Policy limits (except existing \$/capita) are not the limiting factor
- Affordability / potential tax rate impact is of most significant concern

Projects	Recommended Policy Levels	Scenario 1	Scenario 2	Scenario 3
20 Year Level Debt Service at 4.5%				
2	Recommended CIP	\$ 20,599,192	\$ 20,599,192	\$ 20,599,192
3	GHS Renovation [1 Phase]	\$ 75,297,275	\$ 52,625,000	\$ 31,575,000
4	Total Projects Funded	\$ 95,896,467	\$ 73,224,192	\$ 52,174,192
5	Total Proposed Debt Service	\$ 146,912,939	\$ 112,052,721	\$ 79,687,864
6	Upfront (FY 2021) Tax Rate Impact	14.37¢	10.88¢	7.63¢
7	Natural/Targeted Tax Rate Impact ⁽¹⁾	16.00¢	12.24¢	8.76¢
8	Debt as % of Assessed Value	Max 3%	2.44%	1.94%
9	Debt Service to Governmental Expenditures	Max 15%	9.88%	8.37%
10	10 Year Payout Ratio	Min 50%	49.92%	53.28%
11	10 Year Payout Ratio - # of Years out of Compliance		1	-
12	Current Policy / Recommend Excluding			
13	Debt per Capita	Max 1,700	2,969	2,361
14	Debt per Capita - # of Years out of Compliance		12	9
25 Year Level Debt Service at 5.0%				
2	Recommended CIP	\$ 20,599,192	\$ 20,599,192	\$ 20,599,192
3	GHS Renovation [1 Phase]	\$ 75,297,275	\$ 52,625,000	\$ 31,575,000
4	Total Projects Funded	\$ 95,896,467	\$ 73,224,192	\$ 52,174,192
5	Total Proposed Debt Service	\$ 168,809,157	\$ 128,592,816	\$ 91,254,085
6	Upfront (FY 2021) Tax Rate Impact	13.30¢	10.07¢	7.09¢
7	Natural/Targeted Tax Rate Impact ⁽¹⁾	14.82¢	11.35¢	8.13¢
8	Debt as % of Assessed Value	Max 3%	2.44%	1.94%
9	Debt Service to Governmental Expenditures	Max 15%	9.46%	8.05%
10	10 Year Payout Ratio	Min 50%	41.11%	45.03%
11	10 Year Payout Ratio - # of Years out of Compliance		9	8
12	Current Policy / Recommend Excluding			
13	Debt per Capita	Max 1,700	2,972	2,363
14	Debt per Capita - # of Years out of Compliance		14	10



Borrowing Considerations

- Project scope / cost ceilings must be determined
- Decisions made this year (to fund design and A/E work) are critical, as debt service on approved projects would begin in FY21
 - We don't want million dollar binders just to sit on shelves
- FY21 (next budget season) decisions will need to be made on how to fund the debt service associated with approved projects
- Potential for major impact to Real Estate Tax Rate
- Potential alternate funding via local option (up to 1%) sales tax subject to referendum (Halifax model) – **REQUIRES GA ACTION** in 2020 session
- Borrowings to be scheduled (likely annually during project execution) as needed... **NOT** attempting to borrow all up front



Deprioritized considering other opportunities to address the need

Utilities – Enterprise Funded

Department	Dept Dir Wtd (/10) Ranking	Project Title	Total Cost	Year One FY2020	Year Two FY2021	Year Three FY2022	Year Four FY2023	Year Five FY2024	Year Six and Beyond
Utilities	9.6	Replace Reverse Osmosis Membranes Ph2	100,000	100,000					
Utilities	9.5	Rebuild PS #13 (Courthouse South)	1,200,000						1,200,000
Utilities	9.4	Sawgrass Pointe Waterline Replacement (New!)	155,000		35,000	120,000			
Utilities	9.4	Kerns Avenue Waterline Replacement	130,000		55,000	75,000			
Utilities	9.3	Gloucester St and Clements Ave WL Improvement (New!)	135,000				35,000	100,000	
Utilities	9.3	Rehab/Repair PS #11 (Courthouse North) Phase II	1,000,000	250,000	250,000	250,000	250,000		
Utilities	9.2	Replace Water Treatment Plant Motor Control Center (New!)	350,000						350,000
Utilities	9.1	Rebuild PS #12 Summerville	600,000						600,000
Utilities	9.1	South St/Martin St/Carriage Ct (New!)	200,000						200,000
Utilities	9.0	Radio-Read Conversion	700,000	100,000	100,000	100,000	100,000	100,000	200,000
Utilities	9.0	Chiskiake Village Subdivision Waterline Replacement (New!)	360,000					60,000	300,000
Utilities	9.0	Bellehaven Subdivision Waterline Replacement (New!)	170,000					30,000	140,000
Utilities	9.0	Tillage Heights Subdivision Waterline Replacements (New!)	160,000						160,000
Utilities	9.0	Riverdale & Holly Cove Subdivision Waterlines (New!)	310,000						310,000
Utilities	9.0	Berkeley Point Subdivision Waterline Improvements (New!)	250,000						250,000
Utilities	9.0	Azalea Point Rd & Shane Rd Waterline Improvements (New!)	300,000						300,000
Utilities	9.0	Terrapin Cove Road Waterline Improvements (New!)	500,000						500,000
Utilities	8.8	George Washington Mem Highway Widening (Water) (New!)	100,000			50,000			50,000
Utilities	8.8	George Washington Mem Highway Widening (Sewer) (New!)	180,000			30,000			150,000
Utilities	8.6	Belroi Road/Roaring Springs Road Waterline (New!)	1,000,000						1,000,000
Utilities	8.5	Abandon/Demolish Radial Well Facility	65,000	65,000					
Utilities	8.0	Independence Road Waterline Improvements (New!)	120,000					32,000	88,000
Utilities	6.4	Utility Yard	1,500,000						1,500,000
Total Utilities (Enterprise Funded Through FY24)			9,585,000	515,000	440,000	625,000	385,000	322,000	7,298,000





**CIP
Questions?**

Proposed Tax Rate Advertising

	CY 2018	Suggested Advertising (CY 2019)
Real Estate	\$0.695	\$0.75
Manufactured Homes	\$0.695	\$0.75
Public Service Corporation	\$0.695	\$0.75
Tangible Personal Property	\$2.95	\$2.95
Boats	\$0.0000000000000001	\$1.00
Gloucester Sanitary District #1	\$0.01	\$0.01
Gloucester Point Sanitary Distri	\$0.01	\$0.01
Mosquito Control	\$0.01	\$0.01



Budget Calendar

March 12	Budget Work Session
March 19	Joint Work Session w/School Board*
TBD ?	Chair / Vice Chair Budget Town Hall
March 27	FY20 Budget & Tax Rate Public Hearings*
April 2	Regular Meeting
April 3	Possible Budget Work Session (new)
April 9	Possible Budget Work Session
April 11	Possible Budget Work Session
April 15	FY2020 Budget Adoption
April 16	Regular Work Session

Note: *At Thomas Calhoun Walker Education Center

Note: All meetings at 6:30 PM unless otherwise noted



