BUDGET MESSAGE
Delivering Tangible Results in an Evolving Landscape

The Honorable Members of the Board of Supervisors
County of Albemarle
401 McIntire Road
Charlottesville, Virginia 22902

Dear Honorable Members of the Board of Supervisors of Albemarle County:

I am pleased to present to you and the citizens of Albemarle County the Recommended Fiscal Year 2019 combined capital and operating budget totaling $428,500,374. This budget reflects the impacts of a strong local economy and the positive effects of strategic investments and diligent attention to our financial resources and choices. It is balanced with no proposed increases in tax rates and meets all of the County's obligations and mandates. This budget responds to the uncertain economic outlook from the state, national, and international levels by demonstrating our continued commitment to fiscal stewardship and discipline while making important investments in strategic priorities.

Overview

Recommendations provide significant funding to our quality K-12 school system and emphasize our dedication to educational opportunities for the broader community. This budget also recommends the advancement of strategic priorities as identified in the FY 17 – 19 Strategic Plan while simultaneously upholding the levels of service our community expects. It recognizes the need and desire to take steps to transform into a more agile organization that is well positioned to respond to the challenges and opportunities of the future.

Our organizational capacity is still impacted today by significant reductions during the recession that resulted in the dramatic elimination of positions. As our revenues have improved over the years, new positions have been added primarily in public safety and health and welfare (police, fire rescue, and social services) but we have experienced a net decrease in positions in all other functional areas combined. This budget builds on the work of the current year's adopted budget and continues to address capacity issues. It continues to support public safety and health and welfare, while simultaneously attempting to establish balance across the organization by adding resources to critical functions like economic development, project management, and finance, as well as resources for strategic and emerging needs such as revitalization and urbanization projects. Even so, in this recommended budget, per capita staffing remains at FY 09 levels.

A Commitment to Long-Range Planning

The Five-Year Financial Plan and balanced Two-Year Fiscal Plan processes have been valuable tools for taking a long-term look at the County's revenue and expenditure picture, providing a helpful framework for decision making on major financial issues.

Long range financial planning in advance of this budget identified that the cumulative impacts of community and Board aspirations, growing citizen expectations, and service obligations created by population growth are outpacing available resources. The FY 18 budget acknowledged continued economic uncertainty at the state, national, and international levels by proposing responsible strategies that helped buffer the County from potential economic turbulence. It set a financial course for Albemarle County to advance strategic priorities, maximize transformation, sustain a quality organization, make strategic investments and, as always, meet our mandates and obligations. The themes from the FY 18 adopted budget are carried forward in the recommended FY 19 budget, concentrating on delivering tangible results in an evolving landscape.
The County Executive’s FY 19 recommended budget is the culmination of these strategic and financial planning processes. The decision framework for this budget was informed by the Board’s adopted FY 17 – 19 Strategic Plan and reflects our work in priority-driven budgeting. Additionally, recommendations from the Capital Improvement Program oversight committee are addressed in this budget. It also acknowledges our strong local economy and the strategic use of one-time money to advance priorities and avoid creating future obligations.

Guiding Framework
There are four goal areas that are the foundational pillars for the recommended FY 19 budget: education, sustaining a quality organization, advancing strategic priorities, and maximizing transformation and addressing emerging opportunities. Below is a breakdown of how these goal areas are supported in the recommended budget.

Education
The pursuit of education and learning is a cornerstone of our community and Albemarle County values and supports education in its many varied forms. This budget emphasizes our commitment to providing learning and training opportunities for people of all ages and backgrounds and delivers significant support to our quality K-12 system.

In addition, this budget provides educational support to the broader community with recommended funding for partner agencies that support education and learning such as the Boys and Girls Club, United Way, Piedmont Virginia Community College, and our regional libraries. Albemarle County currently funds ten Bright Stars classrooms. This budget introduces one more classroom to increase the capacity for educational opportunities for at-risk four-year-olds.

Our investments in public safety, economic development, project management, and the expansion of broadband to underserved areas of the County all indirectly support education and learning. This budget recognizes that, through cooperative partnership, we achieve common goals that benefit the entire community.

Sustaining a quality organization
This budget aims to continue to build on efforts made in FY 18 to sustain an efficient, adaptable organization. Enhanced funding dedicated to professional development and training underscores our focus on recruiting, training and retaining a skilled and experienced workforce. This budget fulfills the County’s current and upcoming financial commitments and continues to maintain program and service levels supported by the Board during the two-year fiscal plan process.

Strategic priorities
The Board worked through a comprehensive process to identify and rank strategic priorities, review the County's program and service inventory, and provide direction to shape the FY17 - 19 Strategic Plan. This budget places a high priority on the advancement of the quality of life initiatives identified in the FY 17 – 19 strategic plan which consists of eight goals and 22 objectives. FY 19 represents the second year of a two-year action plan and invests resources to continue to advance priorities that are moving from planning to implementation. Feedback received from the Board during a strategic plan work session and the two-year fiscal plan process in the fall provided guidance for this budget to align County resources with strategic priorities to the greatest extent possible. Funding is recommended to provide support for current and future economic development projects, and on infrastructure and amenities to revitalize our aging urban neighborhoods.

Maximizing transformation/address emerging opportunities
One constant for Albemarle County local government is our emphasis on working as one organization committed to excellence. Through this budget, we retain our united focus on innovation, transformation, and efficient use of County resources. It allocates resources to continue our momentum for implementation of transformational initiatives such as CIP process improvements and the Use of Technology needs assessment. This budget will amplify our efforts to position our organization to respond to emerging opportunities which are not captured and planned for in the FY 17 – 19 strategic plan, and will provide resources to enhance our ability to address community needs as they arise, such as the transition of BF Yancey Elementary from a public school into a community-oriented facility.

We are at a Crossroads
The best-designed budgeting process cannot make the hard choices disappear. Because of improving revenues, careful fiscal stewardship and strategic investments, this recommended budget continues to make positive progress. However, a theme that has carried forward over the last several years is the cumulative impacts of community and Board aspirations, growing citizen expectations, and service obligations created by population growth on available
resources. Albemarle County’s population in FY 09 was 94,090. According to the Weldon Cooper Center for Public Service Demographics Research Group, the County’s population estimate as of July 1, 2017 is 107,697. That represents an increase of 14.5% over the period. As our population has grown, it has become both more diverse and more mature. The issues facing our community are more complex today than they were 15 years ago. The delivery of existing services has evolved to meet the need of our changing community but we also must recognize that the types of services our community desires is experiencing a shift as well. The capacity of our capital program will continue to be challenged in the next few years.

We are committed to working collaboratively and creatively to position our organization to address the changing demographics of our community and to sustain and enhance the human, economic, cultural, educational, and natural characteristics of Albemarle County. Addressing these and other important issues will create major budget impacts in the future. This budget will begin important conversations about how to address some of these challenges as we continue to work together towards creating a more aspirational future for Albemarle County.

In Closing

Working together and united by our shared vision and mission for Albemarle County, we have achieved significant progress in the strategic directions that outline our priorities for the future. We continue to scrutinize and adjust work processes, examine programs and services, and use creative partnerships to achieve the community’s priorities as identified in the FY 17 – 19 Strategic Plan. As a result, we remain a vital and productive organization capable of providing core services, meeting critical needs, and responding to changing circumstances, all of which attempts to move the community’s most critical expectations and aspirations forward.

We have developed a budget that we believe best acknowledges our financial realities and critical service pressures and takes steps towards addressing the most pressing needs through thoughtful and strategic choices. Our partnership with citizens will be critical as we continue to transform our local government and to understand the evolving needs and expectations of residents and businesses. In the year ahead, we will focus on this continuing conversation with the Board of Supervisors to help us keep a strategic and intentional focus on future needs and how they should be accommodated in the County’s financial and operational planning with an eye toward progressing towards the future that our community desires and deserves.

Thank you for joining with your local government in a strong partnership that has created many outstanding success stories for our community and for recognizing that, as a community, we can achieve more when we work together.

Respectfully submitted,

Jeffrey B. Richardson
County Executive