

# STRATEGIC BUDGET MANAGEMENT

There are a variety of processes that lead to the eventual development of the annual budget: the Strategic Plan, Five Year Financial Plan, Capital Improvement Program, department and community agency request processes, and a program and service review. This chapter highlights how the annual budget has incorporated these different processes into the annual financial plan. See the Strategic Goals/Plan and Capital Improvement Program chapters for more details about those two processes.

**Strategic Planning Process:** Over the past 16 years, the County has engaged in organizational improvement and strategic planning activities. In 1992, the County initiated a Quality Improvement Program (QuIP), which focused on departmental improvement plans, employee training, and customer service initiatives. In 1998, the County Board of Supervisors adopted the County's first official Strategic Plan, which combined County plans, goals, and strategies into one document for clarity and focus.

In September 2005, the Board initiated the development of the County's FY07 – FY10 Strategic Plan. After reviewing additional analysis of the 2004 citizen survey results, County data, and information about the County's progress toward current strategic goals and objectives, the Board directed County staff to continue its focus on enhancing quality of life, protecting natural resources, and managing growth. The Board also directed staff to increase their focus on developing infrastructure and a comprehensive funding strategy to meet the County's future needs. During the winter and spring of 2006, staff worked closely with the Board to develop specific measurable objectives for the new plan. The FY07 – FY10 Strategic Plan was finalized in July 2006.

**Five Year Financial Plan:** The five year financial forecast was first used during the FY 05/06 budget development process and is used to help the Board make informed decisions about the future impact of their choices. In 2007, the five year financial plan process was expanded to include a greater focus on Board approval of assumptions that drive the budget, more extensive review of expenditure assumptions, and Board approval of a *balanced* five year plan. This process takes place in the fall just prior to development of the annual budget.

**Capital Improvement Program:** The Capital Improvements Program (CIP) for FY 08-12 and the Capital Needs Assessment for FY 13-17 serve as the planning guides for County expenditures on major capital facilities and equipment needs over the next five and ten year periods respectively, and represent a balance between finite resources and an ever increasing number of competing County priorities and needs.

The CIP process is now a two-year planning process that begins with a detailed review of ten-year needs and the development of the five-year capital plan in the first year and a streamlined review of amendments to the existing CIP in the second year.

**Department and Community Agency Request Processes:** Each year, County departments request funds for existing and proposed new operations. As part of this process, departments submit their mission, goals, and performance objectives for the upcoming year. Department requests are based on a variety of factors including the Strategic Plan, prior direction from the Board of Supervisors, workload issues, departmental goals and objectives, Comprehensive Plan guidelines, and impacts from the Capital Improvement Program.

There are two separate processes for reviewing requests for funding from community agencies. The Commission on Children and Families oversees recommendations for Human Service Agency requests. All other agencies are reviewed jointly by staff from the City of Charlottesville and the County of Albemarle.

**Program and Service Review:** The purpose of the Program and Service Review is to provide information regarding current programs and services to the Board of Supervisors and County administration as they strive to be good stewards of County resources. To achieve this, departments were asked to review all current programs and services and identify where reductions would be made if they had to reduce 10% of the total department budget. A 10% target was selected because it would require consideration of not only line-item adjustments, but also challenge departments to think critically and innovatively about provided programs, whether services could be delivered through alternative means and what operational efficiencies could be achieved to reduce costs. This process is discussed in more detail later in this chapter.

# SUMMARY OF REQUESTED INITIATIVES

Each year during the budget development process, departments identify programs and services that will require funding beyond current levels in the upcoming year. These requests may relate to the operating impact of previously funded capital projects, Strategic Plan objectives, increased departmental workload, objective staffing standards, etc. However, in all cases, these requests (here called "initiatives") would require **new funding above current levels**. The Office of Management and Budget, along with the County Executive's Office, prioritizes these requests. This prioritized list is forwarded to the Leadership Council for their review and approval. As the budget is developed and balanced to available revenues, these initiatives are weighed against programs and services for which funds currently exist. A brief description of each of the requested initiatives is included below.

## Funded Initiatives

- **Police Officers** **\$465,917**  
 Four additional officers are requested to continue to move the Department towards the Comprehensive Plan's staffing objective of 1.5 officers per 1000 population and to provide the resources necessary to support the County's desired level of Police service.
- **Pantops Fire Station Personnel** **\$470,000**  
 Implementation of a (temporary) fire station and staffing in the Pantops development area. This initiative is essential 1) to replace the pending expiration of City fire contract service and 2) support the County's Land Use Policy by providing a level of service consistent with development area expectations.
- **Byrom Park Forest Preserve Park and Preddy Creek Trail Park Maintenance** **\$24,179**  
 This request provides the minimum funding to open and operate the Patricia Byrom Forest Preserve Park and the Preddy Creek Trail Park in FY08-09. Included are funds to hire part time employees to open and close the park gates daily, provide for porta-toilet service, cleaning supplies, and repair and maintenance supplies. Also included are funds for additional fuel as well as other vehicles and equipment expenses. It should be noted that the operating costs for these parks are minimized due to the planned use of the existing inmate workforce crew to take on the routine maintenance of these parks supplemented by the work of trail volunteers.
- **Route 5 Night Service** **\$69,601**  
 The Route 5 transit route currently runs between Barracks Road Shopping Center and Wal-Mart on roads that parallel Route 29 north. Route 5 has service every 30 minutes and operates 6:15 a.m. to 7:15 p.m. This budget initiative is requesting funds to extend service until 11:00 p.m. with service every 30 minutes. Night service along Route 29 north is recommended in the current Transit Development Plan (TDP) that was completed in 2006. The County's transit service is contracted to the Charlottesville Transit Service (CTS).

## Unfunded Initiatives

### Five Year Plan Initiatives

- **Transit** **\$100,000**  
 This funding would be set aside in anticipation of the need for additional investment to move toward an expanded regional transit system.
- **Affordable Housing** **\$100,000**  
 In FY 08/09, funding would be used to bolster the homebuyer assistance program.
- **Environmental Initiatives** **\$50,000**  
 This funding would be used for implementing an Environmental Management System (EMS) for local government only.

### Department-Requested Initiatives

- **Protective Services** **\$163,423**  
 Request funding for one new full-time social worker and expand one half-time social worker to full time to provide Adult Protective Services to vulnerable disabled and elderly adults. This portion of the request totals \$94,168.

This request also includes one new full-time social worker to provide Child Protective Services to vulnerable children. This portion of the request totals \$69,255.

- **Eligibility Services** **\$164,496**  
 Additional Eligibility Workers and OA staff requested to meet the requirements of the agency's benefit programs including Food Stamps, TANF/VIEW and Medicaid, (including Long Term Care) to ensure quality customer service, reduce paid overtime and to maintain compliance with mandated standards.
- **Family Support Services** **\$87,179**  
 Request 1.5 positions to increase the Family Support Program's capacity to serve at-risk students and their families at three middle schools. Currently there is a 0.5 FTE Family Support Worker assigned to these schools. However, the level of prevention services needed with the middle school population is intensive and requires considerable amount of time and coordination with other community resources. This request will provide each of the three middle schools with one full time Family Support Worker.
- **Bright Stars** **\$175,945**  
 Additional preschool program requested to meet current and anticipated increases in applications. Also, request local matching funds to sustain 2007-2008 Governor's Preschool Pilot Grant if the state does not continue the grant for the second year.
- **Battalion Chiefs** **\$318,988**  
 Addition of two (2) Battalion Chiefs to provide 24-hour supervision of career fire rescue operations.
- **Enhanced Entrance Corridor Median Mowing** **\$45,269**  
 This initiative is to increase the frequency of events provided by contractors in a variety of mowing and landscaping tasks including entrance corridor median mowing, entrance corridor shoulder mowing, entrance corridor curb edging, and entrance corridor and County Office Building landscape services.
- **Project Manager** **\$73,223**  
 Additional full-time Project Manager to oversee significant increase in construction volume and offset premium costs associated with employing private contractors for this service.

### **Initiatives Requiring Further Study**

- **Volunteer Recruitment and Retention** **\$314,000**  
 Volunteer program support funding is proposed to help ensure the success and sustainability of our current volunteer-based fire and emergency medical services (EMS) delivery system. While the anticipated addition of career fire and EMS providers will not likely be affected, this proposed initiative does seek to help maintain our current volunteer corps at its present level despite national trends to the contrary.
- **Seminole Trail Personnel** **\$188,177**  
 Addition of 5 FTEs to Seminole Trail VFD to staff a second company during weekdays (M-F 6a-6p) to meet high emergency incident call load.
- **HVAC Technician** **\$101,720**  
 This position will provide in-house capability to perform necessary preventive maintenance, troubleshooting, and repairing of the Heating, Ventilating, and Air Conditioning systems. The complexities of the systems vary at each facility and will require a journeyman level individual with extensive diagnostic experience. This work is currently being completed by contracts.
- **Part-time Assistance for Environmental Management Program** **\$16,678**  
 This part time position would be used for general research, data review and entry, drafting reports, assisting in field work, and other minor record keeping tasks. This will enable the Environmental Program Manager to focus on all of the important environmental initiatives and ensure the County moves forward in its effort to be a leader in protecting the environment.

### **Frozen Positions**

With the accelerated downturn in the housing market creating a revenue shortfall in FY 07/08, the County Executive instituted a hiring freeze that resulted in the "freezing" of 16 vacant positions and a significant expenditure savings in the current fiscal year. The County's Five-Year Financial Plan and recommended FY 08/09 operating budget will maintain this hiring freeze, meaning that for that duration, the budget will include the savings associated with any given 16 positions throughout the organization.

As vacancies occur beyond the original 16 “frozen” positions, a team comprised of several County department heads will review the vacant positions’ relative impacts. The team will recommend to the County Executive filling the vacancies that ensure the County’s most “core” programs and services will be adequately delivered in the long-term. While not always a clear distinction, “core” programs and services are those that meet any of the following criteria:

- Meet a state or federal mandate
- Have a potential immediate or near-term effect on public safety or health
- Have a beneficial effect on the daily lives of a significant segment of the population and/or County departments and is not the core service of any other entity
- Provide direct support or critical indirect support for a “core” service

“Enhanced” programs and services are those that do not meet the “core” criteria and may include services that exceed the requirements of a state or federal mandate and/or support a County Strategic Goal or Objective. In general, “core” positions will be given priority over “enhanced” positions when filling vacancies; however, “enhanced” positions directly related to specific Strategic Plan Objectives will be given additional consideration over some “core” positions.

Additionally, as new vacancies occur, many departments will reorganize as possible, which may result in the reassignment of duties and elimination of a vacant position. As a result of this process to date, the County has eliminated 3 positions and reduced the Office of Management and Budget’s staffing by .5 FTE through reorganization, leaving 13 “frozen” positions. The following list of “frozen” positions is accurate as of February 8, 2008 and will fluctuate as additional vacancies occur.

<b><u>Position</u></b>	<b><u>Department</u></b>
Senior Engineering Inspector	Community Development (Inspections)
Engineer Inspector	Community Development (Inspections)
Civil Engineer	Community Development (Inspections)
Planner	Community Development (Planning)
Senior Planner	Community Development (Planning)
Rural Areas Support Planner	Community Development (Planning)
Intake Support Specialist	Community Development (Central Operations)
Office Associate IV	Finance
Tax Clerk	Finance
Organizational Development Specialist	Human Resources
Office Associate IV	Information Technology
Animal Control Officer	Police
Civilian Patrol Support Assistant	Police

Department	Initiative	Dept Priority	FTEs	Total Cost	Revenue Offset	Net Cost	One Time Cost	Recurring Cost
<b>Funded Initiatives</b>								
Police	Police Officers	1 of 1	4.0	465,917	20,000	445,917	177,000	268,917
Fire Rescue	Pantops Personnel (April 2009)*	2 of 4	6.0	470,000	0	470,000	234,500	747,606
Parks & Rec	Maintenance - Preddy Creek & Byrom Park	1 of 1	0.0	24,179	0	24,179	0	24,179
CDD	Route 5 Night Service	1 of 1	0.0	69,601	0	69,601	0	69,601
		<b>Total</b>	<b>10.0</b>	<b>1,029,697</b>	<b>20,000</b>	<b>1,009,697</b>	<b>411,500</b>	<b>1,110,303</b>

**Unfunded Initiatives**

**Five Year Plan Initiatives**

Transit				100,000	0	100,000	0	100,000
Affordable Housing				100,000	0	100,000	0	100,000
Environmental Initiatives				50,000	0	50,000	0	50,000
		<b>Total</b>		<b>250,000</b>	<b>0</b>	<b>250,000</b>	<b>0</b>	<b>250,000</b>

**Requested by Departments**

DSS	Adult & Child Protective Services Positions	1 of 4	2.5	163,423	22,798	140,625	6,252	134,373
DSS	Eligibility Workers and OA III	2 of 4	2.5	164,496	82,248	82,248	11,628	70,620
DSS	Family Support Workers	3 of 4	1.5	87,179	12,162	75,017	3,626	71,391
DSS	Preschool Program (Bright Stars)	4 of 4	4.0	175,945	101,880	74,065	0	74,065
Fire Rescue	Battalion Chiefs	3 of 4	2.0	318,988	0	318,988	53,000	265,988
Gen. Services	Enhanced Median Mowing	1 of 3	0.0	45,269	0	45,269	0	45,269
OFD	Project Manager	1 of 1	1.0	73,223	0	73,223	0	73,223
		<b>Total</b>	<b>13.5</b>	<b>1,028,523</b>	<b>219,088</b>	<b>809,435</b>	<b>74,506</b>	<b>734,929</b>

**Initiatives Requiring More Study**

Fire Rescue	Volunteer Recruitment and Retention	1 of 4	0.0	314,000	0	314,000	0	314,000
Fire Rescue	Seminole Trail Staffing (half-year)	4 of 4	2.5	188,177	0	188,177	14,500	173,677
Gen. Services	HVAC Technician	2 of 3	1.0	101,720	0	101,720	29,000	72,720
Gen. Services	PT Assistance for Env. Compliance Mgr	3 of 3	0.5	16,678	0	16,678	0	16,678
		<b>Total</b>	<b>4.0</b>	<b>620,575</b>	<b>0</b>	<b>620,575</b>	<b>43,500</b>	<b>577,075</b>

**Frozen Positions**

13 Frozen Positions				703,717	0	703,717	0	703,717
		<b>Total</b>		<b>703,717</b>	<b>0</b>	<b>703,717</b>	<b>0</b>	<b>703,717</b>

\*Recurring costs reflect full year of operations.

## PROGRAM AND SERVICE REVIEW

As a government that is focused on high performance and stewardship, it is imperative that the County of Albemarle continuously review the value and effectiveness of the programs and services it delivers to citizens. The Office of Management and Budget strongly believes that overall, departments currently operate very efficiently, as supported by the tables on pages 56 and 57 in Chapter E – Budget Summary.

The table “COMPARATIVE REAL PROPERTY TAX RATES” (pg 57) shows the Albemarle County’s real property tax rate of 0.68 per \$100 of assessed value is the ninth lowest rate amongst the top 20 Virginia counties in population and the City of Charlottesville. When excluding the County’s unique revenue sharing agreement with the City of Charlottesville, Albemarle County operates on a real property tax rate of 0.58 per \$100 of assessed value, which is tied for the fourth lowest rate amongst this same group.

The table “COMPARATIVE EXPENDITURES” (pg 58) shows that Albemarle County’s per capita expenditures in FY 05/06 were lower than the average of the top 20 Virginia counties in population and the City of Charlottesville in the functional areas of General Administration, Judicial Administration, Public Safety, Public Works, Health & Welfare, Education, and Parks, Recreation & Culture. Only the category of Community Development exceeded the average for this group. These comparisons also hold true when comparing Albemarle’s per capita expenditures to the averages of all Virginia counties.

While these tables provide indications of Albemarle County’s overall efficiency, the County must always continue to find additional ways to effectively meet mandates, progress towards addressing strategic challenges and provide critical core governmental services and results to citizens. The increasing demands for services, coupled with the desire to maintain and/or reduce costs to citizens, compels the County to examine all existing programs and expenditures to identify potential efficiencies, including the reduction or elimination of certain services.

The purpose of the Program and Service Review is to provide information regarding current programs and services to the Board of Supervisors and County administration as they strive to be good stewards of County resources. To achieve this, as part of the County’s long-term Five-Year Financial Planning process, departments were asked to review all current programs and services and identify where reductions would be made if they had to reduce 10% of the total department budget. A 10% target was selected because it would require consideration of not only line-item adjustments, but also challenge departments to think critically and innovatively about provided programs, whether services could be delivered through alternative means and what operational efficiencies could be achieved to reduce costs. Departments also considered the impact of any reductions on customers / citizens, future expenditures and revenues, and the timing of any proposed reduction. This process will be continued as part of the County’s Five-Year Financial Planning and annual budget processes. Because this is the first review in an ongoing process, many proposals identified require additional study and are not ready for immediate implementation. These proposals will be examined in the upcoming fiscal year and beyond and integrated into future annual budgets as appropriate.

Please note that the following list of reductions included in the FY 08/09 operating budget is not a complete list of reductions made in the budget review process. As part of the annual budget process, Office of Management and Budget (OMB) staff scrutinize all line items in departments’ budgets and make adjustments as necessary. The following savings reflect a program or position’s FY 07/08 cost.

### **REDUCTIONS INCORPORATED INTO THE FY 08/09 RECOMMENDED OPERATING BUDGET**

#### **Vehicle (\$339,955) and Computer (\$25,380) Replacement Cycles (Cross-Departmental)**

**Total Savings: \$ 365,335**

The replacement cycles for County vehicles and computers has been extended, with an exception for emergency replacement, based on historical replacement schedules and costs. These cycles will continue to be monitored to ensure their adjustment has not resulted in additional operational costs.

#### **Senior Employment Services Worker and Mental Health & Substance Abuse Worker (Social Services)**

**Savings: \$124,928**

State funding for these positions has not been made available for several years and, as a result, these positions have remained vacant. These positions are beyond the mandated programs and core responsibilities of the department. Because of this and the unlikelihood of funding circumstances changing, these positions have been eliminated.

#### **OMB Reorganization (County Executive’s Office)**

**Savings: \$119,534**

As an alternative to filling the vacant OMB Director position, this position will be under-filled and the specific roles of OMB and the related duties of several positions will be reorganized in order to meet the core needs of the office and its customers. These savings reflect the cumulative result of under-filling the position and a decrease in the number of FTEs from 3.0 to 2.5.

**Development Area Master Plans (Community Development)****Savings: \$65,000**

This reduction will not impact the County's schedule or ability to timely complete master plans for the development areas, but is made to better reflect the historical required workload and expenditures.

**Housing Program Coordinator (Office of Housing)****Savings: \$59,659**

This position has been eliminated; its core functions have been reallocated among existing staff in the Office of Housing and County Executive's Office.

**Total Rewards - Employee Recognition Program (Cross-Departmental)****Savings: \$25,000**

Current funding for this program is \$50,000 and is being reduced based on historical expenditures and feedback from departments. In the future, this program will be budgeted on an organization-wide rather than a departmental basis to help ensure departmental consistency.

**eCivis Grants Locator Contract (County Executive's Office)****Savings: \$17,000**

The eCivis Grants Locator contract began in 2005 and aimed to assist County departments pursue alternative funding sources and better budget for competitive grants. It was found through periodic surveys that most users were aware of the same grant opportunities through other means (e.g. associations and state agencies), so this elimination will minimally impact County departments and grant revenues, if at all.

**Gypsy Moth Program (Parks and Recreation)****Savings: \$16,840**

With the decline of the gypsy moth in the area due to a naturally occurring fungus, the gypsy moth program has been eliminated. The Department of Parks and Recreation previously managed these duties through a private contract, which can still be utilized should gypsy moth activity increase.

