

FY 2015 Carryover Review

Comments

At **Carryover**, the Board closes out one fiscal year and makes the first changes to the new fiscal year. As always, and consistent with Virginia law which prohibits local governments from operating in a deficit, we have a positive balance with which to make these changes.

FY 2015 ended with a revenue balance of less than 1% of the General Fund Revenues. Our year-end balance also consists of savings achieved through our operations that have been put back into the General Fund.

In this package, our **Available Balance**, after encumbrances and unencumbered carryover, is \$46.91 million. The County Executive has first covered Critical Requirements, items that the Board of Supervisors has

directed he address as part of Carryover. These items include priorities such as:

- **\$13.1 million to the School's Sinking Fund** for Infrastructure Replacement and Upgrades.
- **\$2 million for the World Police and Fire Games**; plus an additional \$1 million from the Commonwealth of Virginia in support of the Games.
- **\$1.5 million** for the final year of County contributions to be used, in partnership with the School system, for installing **artificial turf** on high school fields. This is consistent with the County/Schools Turf Field Task Force.

The package also honors our Board's commitment to increase our Managed Reserve and Revenue Stabilization Fund in support of maintaining our triple-AAA Bond Rating.

A number of other critical Board Priorities are funded in this package, in particular \$800,000 to address mental health needs through the addition of a second Mobile Crisis Unit and \$650,000 to support prevention efforts in the community. The Mobile Crisis Unit funding supports our Board's commitment to developing a **Diversion First program** to provide treatment instead of incarceration for individuals who are mentally ill and commit minor crimes.

After funding these items the remaining balance of \$5.96 million is set aside to assist with funding non-recurring items during development of the next fiscal year.

September 22, 2015

BOARD MOTIONS

FY 2015 CARRYOVER REVIEW

I move Board approval of the Carryover package including Supplemental Appropriation Resolution AS 16009 and Amendment to the Fiscal Planning Resolution AS 16900.

This approval includes the *FY 2015 Carryover Review* package as presented on July 28, 2015 which resulted in an available **non-recurring balance of \$6.16 million** as well as the following two adjustments.

1. One-time funding in the amount of \$100,000 to support a feasibility study and preliminary design for a community athletic field in the Hybla Valley area. The addition of a public athletic field near

the Murraygate Apartments will provide an additional option in an area that currently has a limited number of recreational facilities.

2. Funding in the amount of \$83,000 for the Fire and Rescue Department (FRD), including \$20,000 for the Functional Movement Screening program to prevent injuries, \$28,000 to allow FRD uniformed personnel to use the County's RECenters to maintain their health and physical fitness, and \$35,000 to purchase flu shot serum for FY 2017 in order to reduce the use of sick leave and the associated overtime associated with backfilling positions. As these amounts are recurring funding needs, the County Executive is directed to include this funding in the FY 2017 Advertised Budget Plan.

With these and associated reserve adjustments, the remaining balance to be set aside in reserve for one-time FY 2016 and FY 2017 requirements is approximately **\$5.96 million**. Based on forecasts for FY 2016 revenues and the FY 2017 budget to be developed this Fall, it is important that as much of this Carryover balance as possible be reserved for one-time funding requirements in FY 2016 or FY 2017.

Based on the success of the Opportunity Neighborhoods (ON) initiative in the Mount Vernon area, the Carryover package includes funding – as part of the Prevention Incentive Fund – to begin the collaborative planning process which will include an assessment to expand the ON program to Reston. It is anticipated that this assessment will be completed so that any additional funding requirements needed to implement the program can be identified for potential inclusion in the FY 2017 budget.

FY 2017 BUDGET GUIDANCE

In addition, I would also move the following 2 items for the Board's consideration.

1. Beginning in FY 2008, the Board has taken actions during several fiscal years to reduce the Social Security offset for service-connected disability retirements from 64 percent to its current level of 15 percent. To continue this graduated approach and maintain the Board's commitment to impacted employees, the County Executive is directed to include funding, beginning in the FY 2017 Advertised Budget Plan, to continue to reduce the offset by 5 percent over the next three fiscal years until the offset is eliminated. Consistent with the Board's policy for pension funding, each year's funding will include a one-time component (estimated at \$1.6 million each year) to address the actuarial accrued liability created by the change as

well as the recurring funding (estimated at \$28,750 per year) associated with the required change in the employer contribution rate.

2. Additionally, public safety employees continue to be impacted by the two-year step hold that exists at Step 8 in the four public safety compensation plans. Elimination of the Step 8 hold will allow for more consistent merit increment increases during an employee's career and will still maintain the 20-year career progression through the public safety pay scales. Therefore, the County Executive is directed to include funding to eliminate the Step 8 hold in the FY 2017 Advertised Budget Plan. As merit increases are awarded on employees' anniversary dates, only partial-year funding – estimated at \$550,000 – would be required in FY 2017; full-year costs are projected to be \$1.1 million.