



Albemarle County

Executive Summary

File #: 22-508, **Version:** 1

AGENDA DATE: 12/7/2022

TITLE:

Five-Year Financial Plan Work Session

SUBJECT/PROPOSAL/REQUEST: Work session on five-year financial plan: Albemarle County Public Schools operating and capital budgets

ITEM TYPE: Regular Information Item

STAFF CONTACT(S): Richardson, Birch, Bowman, Haas, Schmitt, Kumazawa

PRESENTER (S): Andy Bowman; Maya Kumazawa

LEGAL REVIEW: Not Required

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: Long-range financial planning is part of the County's adopted financial policies: "The County will develop and annually update a long-range five-year Financial Plan. The Financial Plan will include a review of revenue trends and expenditures from the prior years' projections of revenues and expenditures, as well as future costs and the financing of the Capital Improvement Plan."

A long-range financial plan is different from the annual budget in that it emphasizes where the County may be headed at the end of the plan rather than the coming fiscal year. This planning can provide a helpful framework to inform the annual budget to ensure funding recommendations are aligned with County priorities. It also provides a framework to illuminate discussion around questions such as:

- a) Are the County's operating and capital plans in alignment? For example, if the County starts constructing a new facility in the capital budget, is it able to open and operate it in a future operating budget - can the decisions being made today be afforded in future years?
- b) What long-term strategies or policies could be considered to change the long-term trajectory of the financial plan?

The Five-Year Financial Plan is the next step in the County's long-term financial planning process, where to date:

- On August 24, 2022, the Board held a Strategic Planning Retreat for Fiscal Years 2024 - 2028 (FY 24 - 28).
- On September 7, the Board updated the County's Financial Management Policies and approved a FY 24 budget calendar
- On September 21, the Board held a work session on the FY 24 - 28 Strategic Plan Draft
- On October 5, the Board received an Economic Outlook Report presented by Dr. Sheryl Bailey, Visiting Professor of Practice, Virginia Tech
- On October 19, the Board adopted the FY 24 - 28 Strategic Plan goals and objectives.
- On November 2, the Board held the first Five-Year Financial Plan work session that focused on County Government services.

Next, in accordance with the budget development schedule, the series of work sessions to review long-range financial planning information prior to the annual budget process will continue on December 7 (a joint meeting with the School Board), and December 14. Key reference materials from the preceding meetings have been assembled as Attachment A.

STRATEGIC PLAN: Mission - To enhance the well-being and quality of life for all community members through the provision of the highest level of public service consistent with the prudent use of public funds.

DISCUSSION: During this work session, the Board of Supervisors and School Board will discuss the Public Schools' five-year financial plan. The five-year financial plan assumptions will continue to be updated in the annual budget development process and subsequent financial plans.

BUDGET IMPACT: Long-range financial planning connects long-range fiscal planning with strategic priorities and provides an important context for the annual budget process.

RECOMMENDATION:

Staff recommends that each Board share feedback and ask questions on the assumptions used in the Five-Year Financial Plan for the operating and capital budget.

ATTACHMENTS:

A - FY 24 Financial Planning Reference Material