

Year-End Spending Plan

By state code, WJCC cannot carry-over funds from one fiscal year to the next. Additionally, it is vital that the division not operate with a deficit. Financially conservative budgeting should thus result in a surplus at the end of a fiscal year.

The contract by which WJCC operates requires the approval of a year-end spending plan by both city and county governing bodies. Any non-allocated funds must be returned to those governing bodies.

WJCC ended the 2016 fiscal year with a surplus of \$3.4 million or 2.7% of the division's total operating budget. Primarily, the surplus is a result of reduced costs associated with fuel, utilities and attrition.

Fuel & Utilities

WJCC conducts a 3-year analysis each budget cycle to evaluate trends. With the volatility of the oil market, this analysis provides baseline information, but it is still an estimate. In FY16, there were \$680,000 in savings from fuel and utilities; however, there also were line items within that cost center that experienced cost overruns, therefore a portion of those funds was used to balance the cost center.

Due to the trend analysis, in the FY2017 budget the fuel budget lines were reduced by \$250,000 and utilities were reduced by \$25,000.

Attrition

Attrition occurs annually with the natural employment cycle of most organizations. Often, when WJCC employees retire or resign, a new employee will be hired with a lower total cost to the division. This natural transition occurs each year across the division in all job titles and cost centers. Like fuel costs, attrition savings can vary widely, especially when outside forces impact employees (e.g. recession, health care costs, cost of living, etc.)

In fiscal year 2016, \$2.3 million in attrition savings was realized. This amount does not include unfilled positions since the only unfilled positions in WJCC were in the transportation department. As in previous years, WJCC had some difficulty recruiting and retaining bus drivers and bus assistants.

In fiscal year 2017, estimated attrition savings of \$1.4 million were utilized to balance the division's Operating Budget.

WJCC staff have proposed a spending plan that includes high school band uniforms, funds for the Lafayette High School Auxiliary Gym and school buses.

Band Uniforms

All three WJCC high schools have thriving marching band programs. Current band uniforms range between 9-11 years old. Each band has approximately 100 members and each uniform costs approximately \$400 for an estimated total of \$120,000. If expenditures exceed \$40,000 at any school, the program will pay the additional costs.

Lafayette High School Auxiliary Gym

With the demolition of James Blair and limited gym availability, constructing an auxiliary gym for Lafayette High School became a priority for WJCC, the city and the county. Funds were allocated in the Capital Improvements Program (CIP) development process, and WJCC agreed to allocate \$1 million of year-end funds to the project.

In fall 2016, a design committee was formed to determine project specifics, and as a result of that effort a preliminary project estimate of \$2,379,849 has been developed. As the committee reviewed design parameters, additional codes compliance components were incorporated into the project. These features include a fire lane and an improved fire suppression system. Restrooms, bleachers and limited storage were also included in the proposed design. All of these elements are included in the preliminary estimate.

While 5% contingency is built into the preliminary estimate, staff have recommended that additional year-end funds be designated for unforeseen project costs. Based on the scope of the project, value engineering and construction management is estimated at \$170,000 -- \$15,000-\$20,000 for value engineering and \$135,000-\$150,000 for construction management. These funds are also included in the division's proposed year-end spending plan.

School Buses

In 2014, WJCC developed a smooth bus replacement plan. The plan includes a proposed number of replacement buses each fiscal year, the age of the buses to be replaced and estimated future costs for each bus (including a 3% annual rate of inflation). No funding for school bus replacement was included in the FY2017 Operating Budget.

Fiscal Year	Estimated Bus Cost \$ (3% Infl.)	Age Based		Estimated Future Cost
		Original Plan Age > 15 Years	Actual number of buses replaced	
FY2014	110,000	8	9	
FY2015	113,300	1	9	
FY2016	109,000	15	10	
FY2017	112,270	10		1,122,700
FY2018	115,638	-		-
FY2019	119,107	12		1,429,284
FY2020	122,680	5		613,400
FY2021	126,361	12		1,516,332
FY2022	130,152	8		1,041,216
FY2023	134,056	6		804,336
FY2024	138,078	15		2,071,170
FY2025	142,220	-		-

		Age Based		
Fiscal Year	Estimated Bus Cost \$ (3% Infl.)	Original Plan Age > 15 Years	Actual number of buses replaced	Estimated Future Cost
FY2026	146,487	24		3,515,688
FY2027	150,882	12		1,810,584
FY2028	155,408	13		2,020,304
FY2029	160,070	10		1,600,700
FY2030	164,872	9		1,483,848
FY2031	169,818	9		1,528,362
FY2032	174,913	10		1,749,130
Total		155	28	\$ 22,307,054

With over 24% of the division's budget from the state, WJCC staff are closely watching estimated state budget shortfalls. For this reason, plus an anticipated Virginia Retirement System (VRS) increase of 1.83% in FY2018, staff are recommending that 8 buses originally scheduled to be purchased in FY2017 be purchased with year-end funds.

The table below details the model year and mileage of the 10 buses that meet replacement criteria:

Model Year	Passenger Rating	Current Mileage	Bus Type
2001	32	292,034	Special Ed
2001	78	268,982	Regular Ed
2001	32	260,984	Special Ed
2001	78	258,911	Regular Ed
2001	28	241,601	Special Ed
2001	78	238,594	Regular Ed
2001	28	236,204	Special Ed
2001	78	235,801	Regular Ed
2001	78	224,659	Regular Ed
2001	28	222,353	Special Ed

Replaced buses are used as spares, are sold at auction, or are used for parts.