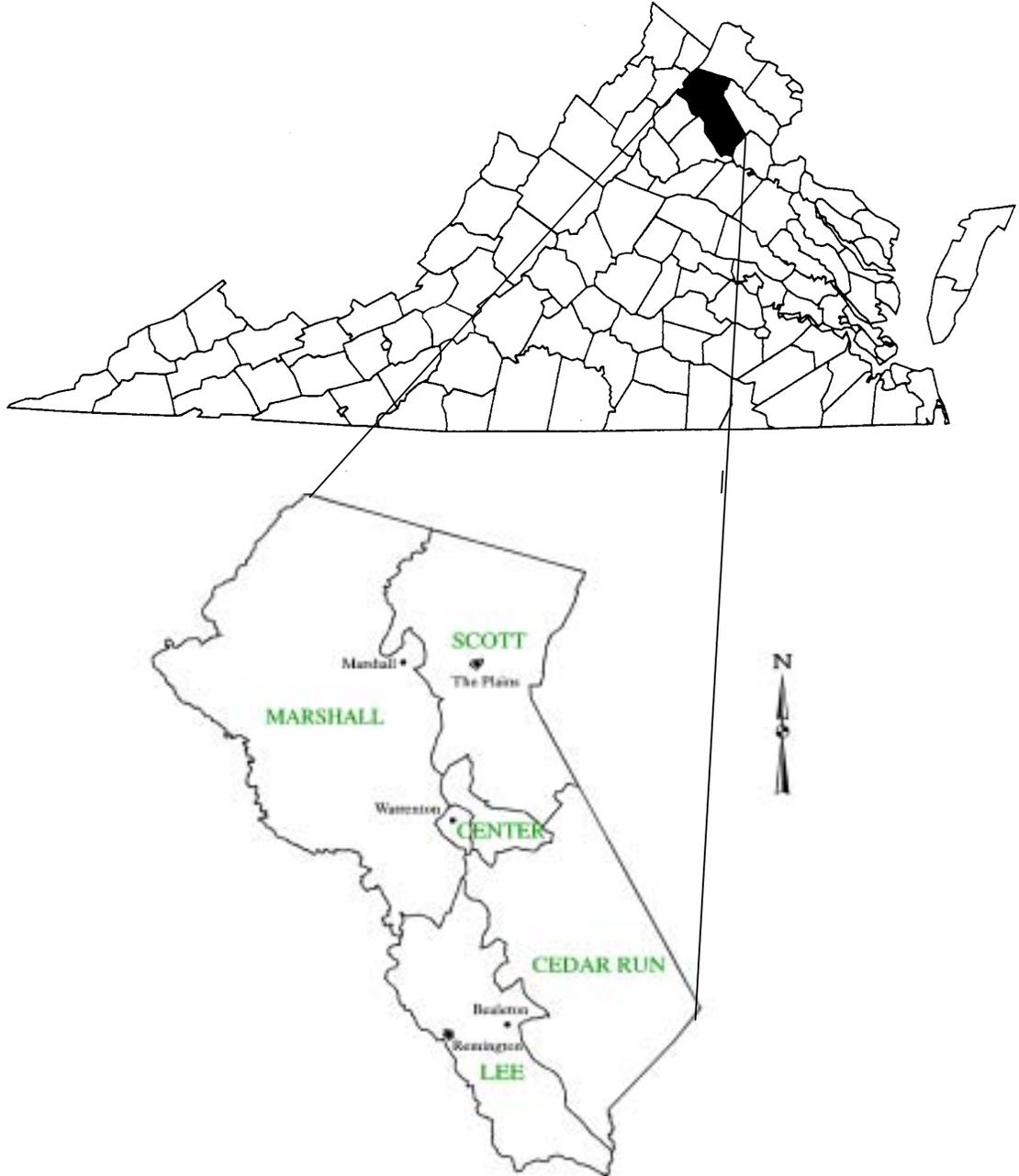


# *County of Fauquier, Virginia*



# FAUQUIER COUNTY, VIRGINIA

Once part of the Northern Neck Proprietary, a vast English land grant held by the 6th Lord Fairfax, Fauquier County was created in 1759 from Prince William County and named for Sir Francis Fauquier, the Colonial Lieutenant Governor at that time.

Originally populated by the Manahoacs, Sioux tribe, and later used as a hunting ground by the Iroquois, Fauquier's first immigrants were of German and English ancestry. Brent Town, the first settlement, was established in 1686 in Southern Fauquier. The first settlement in Northern Fauquier was near The Plains in 1726.

During the American Revolution, many County citizens served in the Continental Army, including Captain John Marshall who would later serve the country as Chief Justice of the U.S. Supreme Court.

During the Civil War the county was frequently criss-crossed by both Northern and Southern armies. The history of the war in Fauquier County is dominated by tales of the escapades of Colonel John S. Mosby, a Partisan Ranger whose unorthodox and highly effective maneuvers would now be called guerrilla warfare. Significant Civil War sites and activities are documented in Fauquier's twelve sites on the Virginia Civil War Trails.

Recovery from devastation to the agricultural economy following the war was helped by the arrival in the early 1900s of several prosperous Northern businessmen who came here to fox hunt during the winter months. Their enthusiasm and investments, combined with Virginia's long history of fine horses, established the area as the Hunt Country capital of Virginia, which continues to this day.

The Fauquier County government is organized under the County Administrator form of government (as defined under Virginia law). The governing body of the County is the Board of Supervisors, which makes policies for the administration of the County. The Board of Supervisors consists of five members representing the five Magisterial Districts in the County: Center, Lee, Scott, Marshall, and Cedar Run. The Chairman of the Board of Supervisors is elected from within the Board of Supervisors and serves generally for a term of one year in addition to being a District Supervisor. The Board of Supervisors appoints a County Administrator to act as the administrative head of the County. The County Administrator serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, and directs business and administrative procedures in the County government. An organizational chart of Fauquier County government is included.

In Virginia, cities and counties are distinct units of government and do not overlap. Fauquier County completely surrounds the Towns of Warrenton, Remington, and The Plains. The County does provide certain government services, such as public education, to the Towns' residents pursuant to agreements with such towns. Property in these towns is subject to County taxation.

The County of Fauquier is located in the north central Piedmont region of Virginia, approximately 40 miles southwest of the nation's capital and approximately 80 miles northwest of Richmond, the state's capital. The County encompasses a land area of approximately 660 square miles. Fauquier County is bordered by the counties of Prince William, Stafford, Culpeper, Warren, Clarke, Loudoun and Rappahannock. The Rappahannock River forms the county's Western border. Interstate 66 runs East-West through the northern portion of the County. In addition, five U.S. primary routes and two state primary routes traverse the County.

Because of its proximity to Washington, D.C., the County has experienced consistent population growth rates over the past ten years. Despite the population growth, the County remains primarily rural in nature.



## **Fauquier County Mission Statement**

*Working within the theme of “Progress with Reverence for Heritage” and with a strong commitment to the accomplishment of meaningful improvements to the efficient, effective, and open conduct of the County government, and to the public health, safety, and welfare and educational opportunities, the Fauquier County Board of Supervisors seeks, within the bounds of fiscal integrity, to preserve the physical beauty, historical heritage and environmental quality of the county while ensuring that population growth and development is a positive force on the general welfare of the community.*

# DEMOGRAPHICS

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Formed as an Independent County .....Chartered in 1759  
 Present Form of Government..... Traditional Board of Supervisors-County Administrator  
 (Five Board Members by Magisterial District)

Area..... 660 square miles  
 Population (2000 Census).....55,139  
 Registered Voters (April 2002).....34,997  
 Median Age (1990).....36  
 Unemployment Rate (2002)..... 2.8%  
 County Civilian Labor Force (June 2002) .....31,615

Education (Public):

Number of Elementary Schools .....10  
 Number of Middle Schools.....4  
 Number of High Schools .....2  
 Number of Alternative Schools .....1  
 Enrollment 2003 (as of 3/31/03).....10,060

Libraries:

Number of Facilities .....3  
 Patrons Registered .....32,065  
 Total Circulation .....406,453

Sheriff's Office Protection:

Administration .....3  
 Law Enforcement.....54  
 Court Services/Civil Process.....14  
 Detention Center .....30  
 Support Services .....8  
 Number of Calls for Which a Deputy was Dispatched.....34,791  
 Total Calls For Service .....47,632

Fire and Rescue Protection:

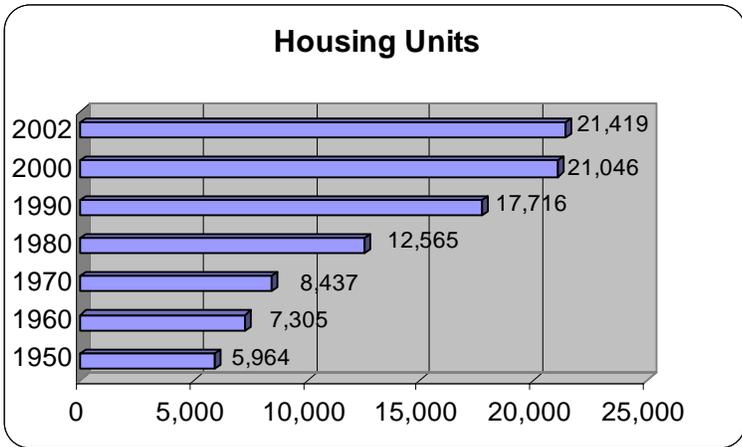
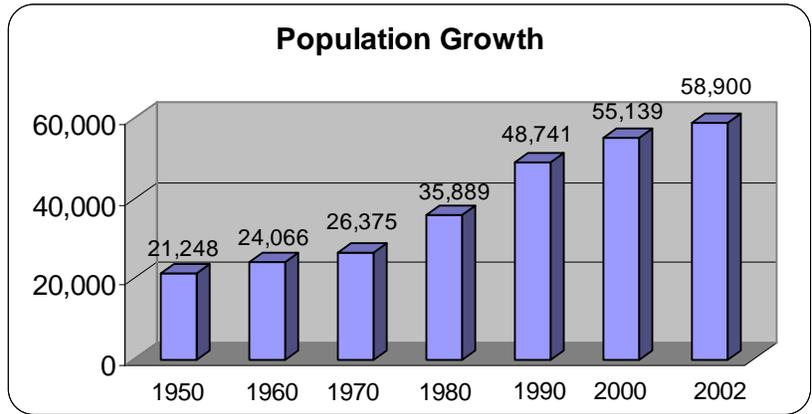
Number of Fire Stations.....5  
 Number of Rescue Stations.....3  
 Combination Fire & Rescue.....5  
 Career Personnel .....20  
 Volunteer Personnel.....370

Parks and Recreation (Public):

State Parks.....1  
 State Forests .....2  
 County Parks.....10

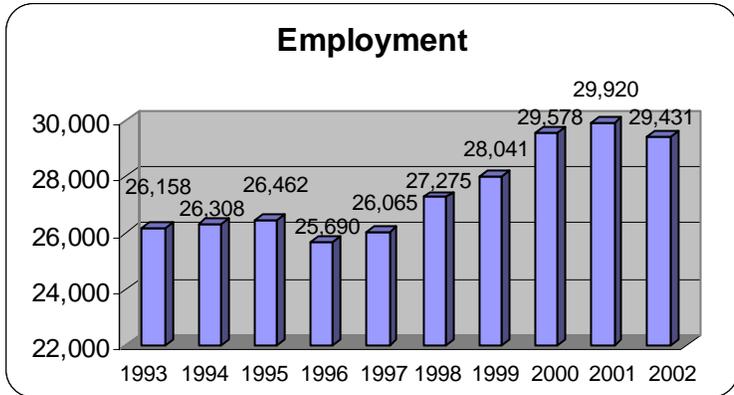
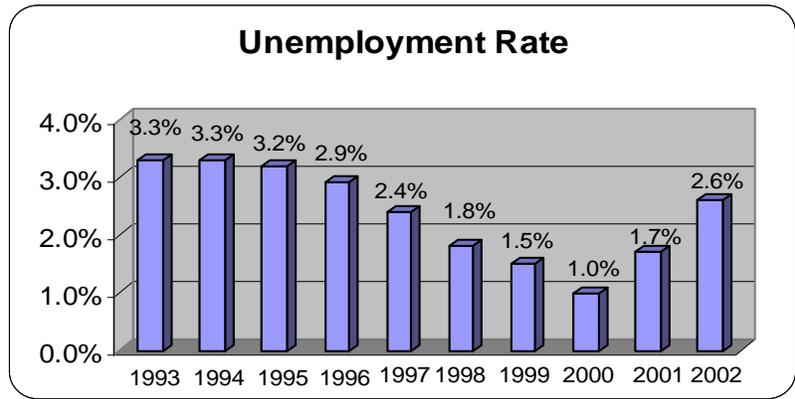
# DEMOGRAPHICS

In the past decade the average annual population growth was 1.3%. In the first two years of the current decade the annual population growth average is 3.4%



Since 1990 approximately 3,700 new houses have been built; an average of 309 houses per year.

Fauquier County has one of the lowest unemployment rates in the State of Virginia.



The current economy conditions have resulted in a slight reduction in the number of County residents employed.

# STRATEGIC GOALS AND OBJECTIVES

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In late FY 2002 the Board of Supervisors approved the development of objectives and measures for their consideration to achieve three primary strategies based on the County's Vision Statement.

## Strategies

- 1. Balance Quality Service with Fiscal Integrity.**
- 2. Manage Growth in a Manner which Protects the County's Agriculture, Environment, Quality of Life, and Historic Resources.**
- 3. Conduct County Government Openly.**

To achieve this goal Fauquier County has selected the Balanced Scorecard as the management system to translate these strategies into tangible objectives and measures. The Balanced Scorecard uses four perspectives to ensure a balanced approach to evaluating achievements of organizational strategy. The four perspectives are customer, financial, internal process and learning and growth.

The Balanced Scorecard will allow the County to translate strategy into operational terms that everyone can understand. By creating this understanding, the County departments and offices can more easily align their activities around the strategy, therefore, making strategy everyone's job.

The projected benefits of the Balance Scorecard to the County are:

- Clarifying the County's vision.
- Aligning County operations to achieve that vision.
- Integrating strategic planning and resource allocation.
- Improving management effectiveness by providing appropriate information for directing change.

As of the printing of this document the County Government is considering the Balance Scorecard shown on the following page. In addition all County Government departments and agencies have prepared subsidiary Balance Scorecards to link their operations with the overall County Scorecard's goals and objectives. Included in this effort is the identification of outcome measurements that will be used in determining the effectiveness of the identified strategies in meeting the established goals and objectives.



## FAUQUIER COUNTY BALANCED SCORECARD

<b><i>Balance Quality Services with Fiscal Integrity</i></b>	
<p style="text-align: center;"><b><u>Customer Perspective</u></b></p> <ul style="list-style-type: none"> <li>Develop external customer service surveys for each department and develop consistent standards to provide services</li> </ul>	<p style="text-align: center;"><b><u>Financial Perspective</u></b></p> <ul style="list-style-type: none"> <li>Develop a five-year budget plan that integrates strategic objectives</li> </ul>
<p style="text-align: center;"><b><u>Internal Process Perspective</u></b></p> <ul style="list-style-type: none"> <li>Develop internal customer service surveys for each department and develop consistent standards to provide services</li> </ul>	<p style="text-align: center;"><b><u>Learning and Growth Perspective</u></b></p> <ul style="list-style-type: none"> <li>Mentor new managers and employees</li> <li>Annually assess staff training needs</li> <li>Develop and implement individualized training curricula</li> </ul>
<b><i>Manage Growth in a Manner which Protects our Agriculture, Environment, Quality of Life, and Historic Resources</i></b>	
<p style="text-align: center;"><b><u>Customer Perspective</u></b></p> <ul style="list-style-type: none"> <li>Transform use value to purchase development rights program</li> <li>Distribute public safety resources to ensure a responsive and quality service (including but not limited to a southern public safety substation)</li> </ul>	<p style="text-align: center;"><b><u>Financial Perspective</u></b></p> <ul style="list-style-type: none"> <li>Develop financial policies that support the preservation of open space /farmland</li> <li>Concentrate commercial and business tax base within selected service districts</li> <li>Promote programs for private/charter schools and home schooling</li> </ul>
<p style="text-align: center;"><b><u>Internal Process Perspective</u></b></p> <ul style="list-style-type: none"> <li>Develop public/private partnerships to protect and preserve our environment</li> <li>Revise development regulations, zoning ordinances and comprehensive plan to emphasize compatible design and proximity of work, home and services</li> <li>Computerize land use records in a cost effective and efficient manner that allows access</li> </ul>	<p style="text-align: center;"><b><u>Learning and Growth Perspective</u></b></p> <ul style="list-style-type: none"> <li>Educate public officials, employees and the general public on managed growth strategies</li> <li>Partner with community colleges and high schools to enhance opportunities for students, employees of local businesses, and adult learning</li> </ul>
<b><i>Conduct County Government Openly</i></b>	
<p style="text-align: center;"><b><u>Customer Perspective</u></b></p> <ul style="list-style-type: none"> <li>Implement television broadcast and web cast capability for county government meetings</li> <li>Create a position of Public Information/FOIA Officer</li> </ul>	<p style="text-align: center;"><b><u>Financial Perspective</u></b></p> <ul style="list-style-type: none"> <li>Implement and maintain E-government</li> </ul>
<p style="text-align: center;"><b><u>Internal Process Perspective</u></b></p>	<p style="text-align: center;"><b><u>Learning and Growth Perspective</u></b></p> <ul style="list-style-type: none"> <li>Use multi-departmental and Board of Supervisors' meetings to gauge progress on organizational strategy</li> </ul>

## BOARD OF SUPERVISORS' PRIORITIES

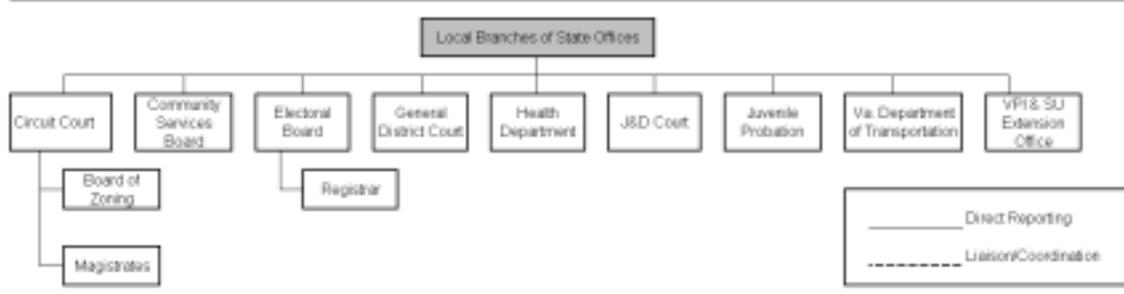
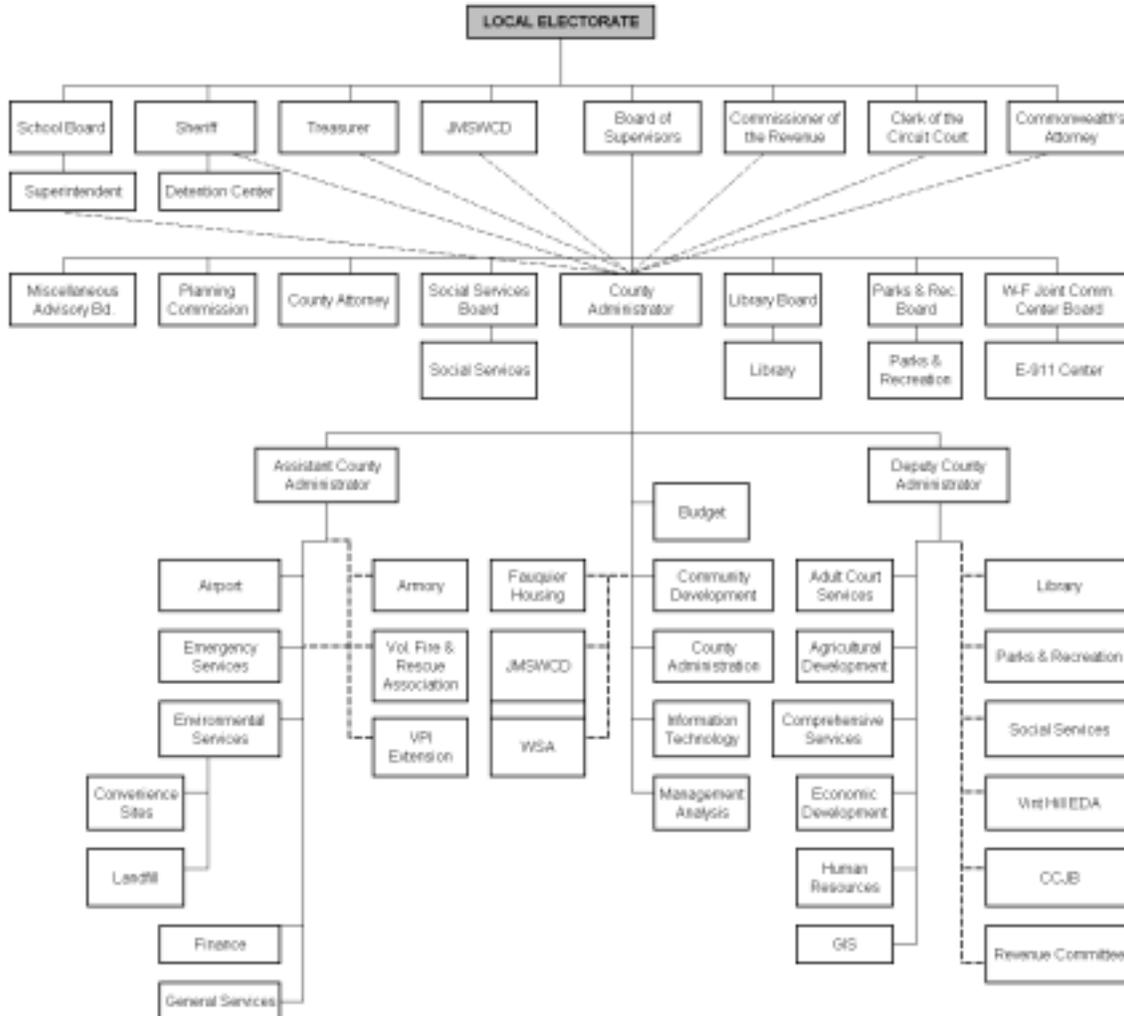
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Other short and long-term priorities identified by Board of Supervisor members for staff action are as follows.

1. Establish a County program of ground water monitoring and protection.
2. Update Chapter 7, Land Use Plan-Villages and Settlements, of the Comprehensive Plan.
3. Provide wastewater treatment for Catlett, Calverton and Midland Service Districts.
4. Develop and implement ordinances for alternative wastewater treatment systems.
5. Establish County Tourism Council for the preservation and promotion of local historical resources.
6. Coordinate with Lord Fairfax Community College, Fauquier County School Division and other educational facilities in developing workforce-training programs to meet the needs of local businesses.
7. Extend public water access to the Opal Service District.
8. Complete an integrated Strategic Transportation Plan for the Service Districts of Bealeton, Calverton, Catlett, Opal, Remington and Midland.
9. Update the County Emergency Operations Plan.
10. Add overlay districts regarding aquifer protection, watershed protection and highway corridors to the Zoning Ordinance.
11. Implement a Proffer Policy that encourages the dedication of conservation easements limiting development on other properties within the impact area of a residential rezoning.



# FAUQUIER COUNTY ORGANIZATION CHART



# PERMANENT POSITIONS – FULL TIME EQUIVALENTS

## PERMANENT POSITIONS

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
<b>GENERAL GOVERNMENT</b>					
Board of Supervisors	9	9	9	9	9
Budget Office	4	3	3	3.5	3.5
Commissioner of Revenue	25.2	25.2	25.2	25.2	25.2
County Administration	4	5	5	5	5
County Attorney	5.6	5.6	5.6	5.6	5.6
Finance	20.5	20.7	20.7	20.7	20.7
Geographic Information Systems	0	0	3	3	3
Human Resource	9	9	9	9	9
Information Technology	10	13	15	13	13
Registrar	3.4	3.4	3.6	4.6	4.6
Treasurer	14	14.8	14	16	16
<i>Subtotal</i>	104.7	108.7	113.1	114.6	114.6
<b>JUDICIAL ADMINISTRATION</b>					
Adult Court Services	4.5	5	8	8	9
Circuit Court	1	1	1	1	1
Clerk of the Circuit Court	12	13	13	14	14
Commonwealth's Attorney	9.5	9.5	9.5	9.5	9.5
Juvenile & Domestic Relations Court	0.8	1	1	1	1
Magistrates	2	2	2	2	2
<i>Subtotal</i>	29.8	31.5	34.5	35.5	36.5
<b>PUBLIC SAFETY</b>					
Emergency Services Administration	1	1	1	0	0
Joint Communications - Radio Administration	1	1	1	1	0
Juvenile Probation	0.5	0.5	0.5	0.5	0.5
Sheriff	103.0	104.5	104.5	113.2	113.2
<i>Subtotal</i>	105.5	107.0	107.0	114.7	113.7
<b>PUBLIC WORKS</b>					
Environmental Services - Convenience Sites	5	5	5	0	0
General Services	39	40	44	45	45
<i>Subtotal</i>	44	45	49	45	45
<b>HEALTH AND WELFARE</b>					
Comprehensive Services	4	4	4	4	4
Social Services	34.0	34.0	35	37	37
<i>Subtotal</i>	38.0	38.0	39.0	41.0	41.0
<b>LIBRARY</b>					
Library	28.6	28.6	28.6	28.6	28.6
<i>Subtotal</i>	28.6	28.6	28.6	28.6	28.6
<b>COMMUNITY DEVELOPMENT</b>					
Agriculture Development	1	1	1	1	1
Community Development	23	24	25	30	30
Economic Development	3	3	3	3	4
Extension Office	1	1	0	0	0
Hospital Hill	1	1	1	1	1
Volunteer Center	0.5	0	0	0	0
<i>Subtotal</i>	29.5	30	30	35	36
<b>FUNDS</b>					
Airport	0	0	0	0	1
Volunteer Fire and Rescue	12	12	19	24	24
Parks and Recreation	16.6	17.3	17.7	17.7	20.7
Joint Communications	19	19	20	21	22
Environmental Services	6.5	7.5	8.5	18.8	21.5
Fleet Maintenance	15	16	16	16	15
<i>Subtotal</i>	69.1	71.8	81.2	97.5	103.2
<b>TOTAL</b>	<b>449.3</b>	<b>460.7</b>	<b>482.4</b>	<b>511.9</b>	<b>518.6</b>

## APPROVED FOR 2004

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Department	Position Title	New or Conversion	Justification
<b>General Fund</b>			
Economic Development	Tourism Program Coordinator	New Full Time	The Board of Supervisors has directed a Fauquier County Tourism Initiative in order to enhance the local economy with revenue and jobs.
<b>Other Funds</b>			
Parks and Recreation	Monroe Park Manager	Conversion Part Time (PT) Permanent to Full Time Permanent	Increased hours are necessary to promote recreational and educational programming and continue to develop the gold mining camp museum.
Parks and Recreation	Park Maintenance Supervisor	New Full Time	This position will provide maintenance supervision for both the Eastern and Northern Regions.
Parks and Recreation	Park Laborer	New Full Time	The Park Laborer will provide services for the Central and Southern Parks.

## Positions Added During FY 2003

Increased workload in the Adult Court Service and Community Development Departments and two separate enterprise funds necessitated the Board of Supervisors to add six new positions during FY 2003.

General Fund:

Adult Court:  
Court Service Officer

Community Development  
Engineer

Enterprise Funds:

Environmental Services:  
Litter Control/Recycling Team Leader  
Litter Control/Recycling Laborer (2)

Airport  
Laborer

# BASIS OF BUDGETING

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**What is a budget?** A budget is a formal document that enables the County to plan for the future, measure the performance of County services, and helps the public understand where the revenues come from and how these revenues are spent on County services. The Commonwealth of Virginia requires that the County budget be based on fund accounting, which is a way to match the source of revenue (such as taxes, service fees, etc.) with the uses (program costs) of that revenue. Therefore, the County budgets and accounts for its revenues and expenditures in various funds.

The County fund structure is similar to your standard filing cabinet. Each drawer of a filing cabinet is a separate fund, used to account for different sources and uses of revenues. There are seven major funds in the Governmental Accounting and Budgeting:

## 1. Basis of Budgeting and Accounting – Government Funds

The General Fund, Parks and Recreation Fund, Special Revenue Funds and Capital Improvements Fund are those using modified accrual accounting and are budgeted on the same basis. This means that obligations of the County are recorded as expenditures and revenues are recognized when they are actually received in cash. This basis of budgeting is consistent with Generally Accepted Accounting Principles (GAAP). Governmental Funds account for the expendable financial resources, other than those accounted for in Proprietary and Fiduciary Funds. The Governmental Fund measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination as would apply to a commercial enterprise.

- a. **General Fund** - The General Fund is the main reporting fund where government keeps track of most of its day-to-day functions. All functions that do not fall under the special purposes of the other funds are accounted for in this fund. The sources of revenue for the General Fund operations are primarily locally derived taxes.
- b. **Parks and Recreation Fund** – This Fund is used to report the operations of the Parks and Recreation Department. It was separated from the General Fund in FY 2001 due to its extensive number of small dollar accounts. The Parks and Recreation Fund is budgeted and accounted for on the same basis as the General Fund. Any fund balance at the end of a fiscal year reverts to the General Fund. Primary source of revenue is a transfer from the General Fund.
- c. **Special Revenue Fund** - Special Revenue Funds account for functions that have sources of revenue that legally must be used for specific services. These revenues can range from grant funding to intergovernmental transfers in to support the funds. Currently the County has two such funds; Joint Communications funded through tax on telephone connections, Fire and Rescue funded by a separate tax levy on real estate.
- d. **Capital Projects Fund** - This Fund accounts for the purchase, construction or renovation of major capital items, such as buildings or major hardware items. Funding support is provided through transfers from the General Fund, School Fund and bond proceeds. State and Federal funding is included in the transfers. Bond proceeds make up the bulk of the funding support of this Fund.

# BASIS OF BUDGETING

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## 2. Basis of Budgeting and Accounting – Proprietary Funds

Proprietary Funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is on determination of net income, financial position and cash flows. Operating revenues include charges for services. These Funds are accounted for using full accrual accounting method. Under this accounting method revenues are recognized in the accounting period in which they are earned while expenses are recognized in the accounting period in which the related liability is incurred. Proprietary funds are budgeted similarly except for depreciation.

- a. **Enterprise Fund** - Enterprise funds account for activities that are financed and operated much like businesses. Fauquier County's landfill operation is an enterprise fund, as is the Warrenton-Fauquier Airport.
- b. **Internal Service Fund** - Internal Service Funds account for the financing of services that one County agency provides for another County agency. Fleet Maintenance Operations is an Internal Service Fund.

## 3. Basis of Budgeting

Budgeting has several purposes. Budgeting is a formal way to convert the County's long-range plans and policies into services and programs and to communicate these plans to the public. In one sense, each government has two budgets during the course of a fiscal year: a revenue budget and an expenditure budget. The revenue budget outlines the revenues (taxes and fees) that are needed to support the County services, including the rate of taxation to be adopted for the coming fiscal year. The expenditure budget outlines the capital (Capital Improvements Plan) and operating costs (departmental budgets) for services and programs proposed for the coming fiscal year in terms of costs in dollars. Once the Board of Supervisors has adopted the budget, the budget becomes the work plan of goals and objectives to be accomplished during the next fiscal year.

In the months prior to budget preparation the Budget Office solicits input from Fauquier County citizens through various venues regarding the upcoming budget. After this information is compiled it is provided to the County Administrator and the Board of Supervisors for their consideration in budget development. Annually the Board of Supervisors holds a retreat and discusses priorities for the both the upcoming calendar year and future years. In FY 2003 the Board of Supervisors and the General County Government initiated the development and use of the Balance Scorecard management system in developing multi-year goals and objectives. While this process has not been fully completed, a number of major priorities have been defined. These priorities are used as a blueprint by the Budget Office in preparing budget instructions and guidelines for departments to use in preparing budget estimates for the coming year.

In October the departments submit their budget requests to the Budget Office for review and analysis. After a series of meetings with departments and agencies, final budget decisions are made by the County Administrator in January for his Proposed Budget. This document is submitted to the Board of Supervisors during the first week in February of each year. The

## **BASIS OF BUDGETING**

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The Board of Supervisors reviews the proposed budget during February and March. The adopted budget and tax rates for the coming year are then set prior to April 1st.

During the fiscal year, a Board of Supervisors' Finance Committee consisting of two Board of Supervisors' members accepts and reviews department requests for budget adjustments. Primary staff support for this Committee is the Budget Office. Adjustments to the budget can be requested for several reasons: receipt of grant funding from local, state, federal, or private sources; emergency expenditure authority request; internal funding reallocations to better appropriate resources for agency operations, etc. On the basis of these reviews, the Finance Committee forwards the requests, with or without a Committee recommendation, to the Board of Supervisors during the next regularly scheduled Board of Supervisors' meeting for discussion, public comment, and ultimate decision on the request. If the amount of the request(s) exceeds one percent of the budget or \$500,000, a public hearing for citizens' comments is required before action can be taken by the Board of Supervisors.

Citizen involvement and understanding of the budget is a key part of the budget process. There are many active committees and task forces that report to the Board of Supervisors on key issues affecting local government and the many communities in the County. To better serve the community most budget related documents and minutes from committees of Finance and Capital Improvements are posted on the Budget Office's internet web page. The Budget Office serves as the media point of contact for questions on the budget.



# FISCAL YEAR 2004 BUDGET CALENDAR

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## August

22

Budget Kickoff  
Budget Submission Packets Distributed to Department Heads,  
Constitutional Officers and Agencies

## October

8

Budget Requests due back to Budget Office

10

Strategy Focus Team Review (New Initiative) Packets Distributed

17

Strategy Focus Team Results due to Budget Office

## November

14

Sheriff's Office and Parks & Recreation Budget Requests due to  
Budget Office

## December

9, 20

County Administrator Meeting with Department and Agency Heads  
& Constitutional Officers

## January

3, 10, 16

County Administrator Meeting with Department and Agency Heads  
& Constitutional Officers

10

County Administrator Meeting with Sheriff's Office

## February

14

School Budget Request due to Budget Office

14

School Division Budget Briefing for County Administrator

18

Board of Supervisors Work Session includes Joint Session  
w/School Board

24

County Administrator to Deliver Proposed FY 2004 Budget to  
Board of Supervisors

26-27

Advertise Public Hearing on County Budget and Tax Rate

## March

3

Board of Supervisors Budget Work Session

5-6

Advertise Public Hearing on County Budget and Tax Rate

17

Board of Supervisors Budget Work Session

17

Public Hearing for Citizens Comments on the FY 2004 Proposed  
Budget and Tax Rates

19

Board of Supervisors Budget Work Session

24

Board of Supervisors Budget Work Session

31

Budget and Capital Improvement Plan Adopted

## June

30

Adopted Budget Book Printed/Distributed

# POLICIES AND PROCEDURES

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## FINANCIAL POLICIES AND PROCEDURES

The following is a brief description of the financial policies that have been adopted to manage the County's resources and contribute to its strong fiscal condition. In brief, the County's financial policies address actions in the following areas:

- Current Year Reviews
- Budget Adjustments
- Cash Management/Investments
- Debt Management
- Use of Current Revenues
- Risk Management
- Capital Improvement Planning

### **Current Year Review**

The Budget Office has operational responsibility to review the budget execution of all-operating agencies, separate funds and capital construction projects. As part of this task is the preparation of quarterly reports that shows the County's financial strength for the budget year. Included in this report is an analysis of revenue projections. Special emphasis is given to a mid-year report, which is a key document used in financial decisions for the remainder of the year.

### **Budget Adjustments**

To address changes to the fiscal plan the Board of Supervisors has approved a Transfer and Supplemental Appropriation Policy to establish procedures for processing requests to change the adopted fiscal plan. Included in the Policy are the specific approvals required to implement any proposed change. There are two kinds of budget adjustments that take place during the fiscal year: a **Transfer** and a **Supplemental Appropriation**.

#### *Transfer*

A transfer involves the movement of budgetary appropriations within a departmental or agency budget or between agency budgets, provided that all actions take place within the same fund.

#### *Intra-Departmental*

A transfer moving funds from one line item to another line item in the same department is an intra-departmental transfer. Constitutional Officers have transfer approval authority of up to \$6,000 within their own organizations. The Budget Office has the approval of all other intra-departmental transfers up to \$6,000 and the County Administrator has approval of transfers over \$6,000.

The Board of Supervisors is the approval authority, upon review and recommendation of the Finance Committee, for all transfers from the Undedicated Contingency Reserve or a Dedicated Reserve. With the review and recommendations of both the Finance and Personnel Committees the Board of Supervisors is the approval authority for all intra- departmental transfer request to establish full-time or part-time permanent positions or create a multi-year financial commitment.

# **POLICIES AND PROCEDURES**

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## ***Inter-Departmental***

A transfer between two departments or agencies in the same fund is an inter-departmental transfer. Any inter-departmental transfer requests will have the explicit approval of all department heads involved in the action. Transfer approval for requests \$6,000 or less is the Budget Office, \$6001 to \$25,000 is the County Administrator and over \$25,000 is the Finance Committee. As with intra-department transfers, the Board of Supervisors has approval authority for transfer request involving new positions or that affects any budget reserve account.

## ***Supplemental Appropriations***

Supplemental appropriations involve actions that increase the overall budget appropriations for the County Budget or a Fund contained therein. Funding sources for these changes may include grants, unanticipated revenues, inter-Fund transfers or the use of Fund Balance.

All requests for supplemental appropriation require Board of Supervisors approval upon recommendation by the Finance Committee.

## ***Public Hearing***

The Commonwealth of Virginia requires a public hearing when supplements to the budget exceed the lesser of \$500,000 or 1 percent of the total budget. The Budget Office has administrative responsibility to ensure the Code of Virginia requirements are met in regard to budget adjustments.

## ***School Division Categorical Transfers***

Transfers between School Division budgetary categories shall also require Board of Supervisor approval only if the School Budget was approved using categorical appropriations.

## ***Capital Fund, Fund Transfers***

The Board of Supervisors is the approval authority, upon recommendation from the Finance Committee, for all requests for transfer between Capital Fund projects.

## ***Cash Management/Investments***

Maintaining the safety of the principal of the County's public investment is the highest priority in the County's cash management policy. The secondary and tertiary priorities are the maintenance of liquidity of the investment and optimization of the rate of return within the parameters of the Code of the Commonwealth of Virginia, respectively. Funds held for future capital projects shall also be invested in accordance with these objectives, and in such a manner so as to ensure compliance with U.S. Treasury arbitrage regulations. Staff from the Treasurer's Office has developed policies and procedures to serve as a guide in the cash management process.

# **POLICIES AND PROCEDURES**

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## **Debt Management**

It is the County's policy to manage debt within the guidelines identified in the Capital Improvement Program. Specifically, debt service expenditures as a percentage of General Fund revenues should remain under ten percent.

## **Use of Current Revenues**

Although a number of options are available for financing the proposed capital improvement program, including bond proceeds and grants, it is the policy of the County to balance the use of the funding sources against the ability to utilize current revenue or pay-as-you-go financing for capital projects. Financing capital projects from current revenues indicates the County's intent to show purposeful restraint in incurring long-term debt. No explicit maximum level or percentage has been adopted for capital projects from current revenues as capital projects and use are based on the merits of the particular project in relation to an agreed upon set of criteria. Use of current revenue is a funding option.

## **Risk Management**

Continuing growth in County assets and operation increases the potential for catastrophic losses resulting from inherent risks that remain unidentified and unanticipated. In recognition of this, the County has adopted a policy of professional and prudent management of risk exposures.

- To protect and preserve the County's assets and work force against losses which could deplete County resources or impair the County's ability to provide services to its citizens;
- To institute all practical measures to eliminate or control injury to persons, loss to property or other loss-producing conditions; and,
- To achieve such objectives in the most effective and economical manner.

While the County's preference is to fully self-insure, various types of commercial insurance such as workers' compensation, automobile, and general liability remain viable alternatives when they are available at an affordable price.

## **Capital Improvement Planning**

It is County policy to balance the need for public facilities, as expressed by the countywide land use plan, with the fiscal capability of the County to provide for those needs. The five-year Capital Improvement Program (CIP), submitted annually to the Board of Supervisors, is the vehicle through which stated need for public facilities is analyzed against the County's ability to pay and stay within its self-imposed debt guidelines.

## **Fiscal Impact Model**

Beginning late in FY 2002, the County has begun pursuing the acquisition of a Fiscal Impact Model. The purpose of this model will be to assist policy makers and staff to foresee future needs for management growth. A number of neighbor jurisdictions are also contemplating the use of a Fiscal Impact Model for this purpose.

# **POLICIES AND PROCEDURES**

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## **FINANCIAL MANAGEMENT TOOLS & LONG RANGE PLANNING DOCUMENTS**

This section is intended to provide a brief description of some of the financial management tools and long range documents used by the County. These tools and planning documents include:

- *Budget*
- *Revenue Forecast*
- *Management Initiatives*
- *Capital Improvement Program*
- *Five Year Financial Plan*

### **Budget**

The primary financial management tool used by the County is the annual budget process. This involves a comprehensive examination of all expenditure and revenue programs of the County, complete with public hearings and approval by the Board of Supervisors.

### **Revenue Forecast**

The county has formed a Revenue Committee headed by the Deputy County Administrator and staffed by the Budget Office, Treasurer's Office, Commissioner of the Revenue, and the Finance Department. Revenue estimates are monitored on a monthly basis by this committee to identify any potential trends that would significantly impact the various revenue sources that have been budgeted in the current budget. The Revenue Committee includes revenue collection and formulation of applicable revenue collection information into a monthly management Finance Committee report. This document is included in the Budget Office's quarterly budget status report.

### **Management Initiatives**

The County has undertaken several management initiatives in its ongoing mission to make its government more productive, streamlined and efficient. Major initiatives designed at improving public service in Fauquier County government include:

Customer Service Task Force;

E-Government Task Force;

Training and Staff Development Task Force.

### **Capital Improvements Program**

A description of this element as a long-range financial management tool is provided in the Capital Improvements Fund section of the budget.

### **Five Year Financial Plan**

One of the Board of Supervisors' goals has been the development of a five (5) year revenue and expenditure General Fund and Fire and Rescue Levy projection. The purpose of this document is to serve as an analytical tool in operational decision-making. Included in this document is the Capital Improvements Program. The initial Plan was completed in early FY 2002.