



**COUNTY OF FAUQUIER  
OFFICE OF THE COUNTY ADMINISTRATOR**

**PAUL S. McCULLA**  
*County Administrator*

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**CATHERINE M. HERITAGE**  
*Deputy County Administrator*

**June 30, 2015**

Honorable Board of Supervisors and Citizens of Fauquier County:

The budget for Fiscal Year 2016 (FY 2016), adopted by the Board of Supervisors on March 19, 2015, has been prepared in accordance with the requirements contained in Title 15.2 of the Code of Virginia, as amended. This document represents the County's official fiscal plan of revenue and expenditures for the FY 2016 adopted budget, for the period of July 1, 2015 through June 30, 2016.

As part of the FY 2015 budget process, the Board of Supervisors provided direction to County Administration and staff to formulate a two-year, or biennial, budget to include both fiscal years 2015 and 2016. While the Board of Supervisors approved a draft FY 2016 fiscal plan with the FY 2015 adopted budget, given statutory requirements, the Board of Supervisors had to legally adopt the final FY 2016 budget and tax rates for Tax Year 2015, based on the calendar year, through the annual statutorily mandated process for adopting budgets and tax rates.

The Board of Supervisors implemented this new budgetary practice to strengthen the County's financial planning practice, as we prepare for the future. The process creates a strategic focus that improves the County's long term planning, while ensuring current needs are weighed against long-term impacts in budgetary decision-making. Over the next six months, County Administration and staff will finalize and present a five-year operating plan to the Board of Supervisors for consideration. This plan will coordinate both the departmental budgets and the impacts of capital projects on the operating budget, to create a greater understanding of how operating and debt service costs for capital projects impact the overall operating budget.

The FY 2016 adopted budget totals \$297.1 million beginning July 1, 2015, a total increase of 6.97% with General Fund expenditures totaling \$171.3 million. The General Fund increase includes an additional \$1.3 million in local support to the School Division. As the second year of a two-year budget process, the FY 2016 adopted budget includes only a limited set of adjustments as a result of changes in revenue projections, state or federal mandates, or other significant events constituting an emergency that required additional budgetary consideration.

The County continues to experience modest growth in real estate tax from new construction and improvements, as well the sale of the majority of the remaining parcels of the Vint Hill Economic Development Authority which converted the properties to taxable. In addition, both personal property and sales tax continue to provide stable annual growth. Community Development fee revenue continues to show growth, with only limited slowdown in recent months similar to the rest of the region's housing market through the winter. While this slowdown has limited the level of annual growth, permitting and development revenues continue to experience year-over-year increases.

Unemployment in Fauquier County has remained relatively steady over the past two years, dropping from 4.1% in April 2014 to 4.0% in April 2015. The County's unemployment rate is significantly lower than that of the nation and state, while similar to the rest of the region. Residential foreclosure rates have returned to a pre-recession level with a high of 339 filings in 2008 to 95 in 2014. For the first five months of 2015, residential foreclosures have decreased from an average of 7.9 per month in 2014 to an average of 7.0 per month for 2015 to date.

While the continued growth in general fund revenues and the overall condition of the County's economy is positive, the level of fixed and mandated cost increases has outpaced the level of revenue growth. This is coupled with the requirement for expanded services necessitating real estate tax increases to fund services, a trend experienced throughout the region and the nation. As anticipated in the draft FY 2016 fiscal plan, the FY 2016 adopted budget includes an increase to the Tax Year 2015 overall real estate tax rate of \$0.007 to \$0.999 per \$100 of assessed value. The average homeowner's real estate tax bill will increase approximately \$22 per year based on an average residential assessment of \$321,300. The adopted budget maintains all other tax rates at their current level.

### **Overview**

The prior adopted draft FY 2016 fiscal plan was a commitment of funding by the Board of Supervisors with limited revisions due to new federal or state mandates, recognition of changes in revenues, or an emergency in operations. The development of amendments to the FY 2016 draft budget was based on the recognition of new revenues, adjustments in debt service for capital projects, and increased cost for mandated services. Additional revenue adjustments included slightly higher real, personal, and sales tax revenues given forecasting revisions, as well as increased State funding from the reversal of the reduction in aid to localities by the Commonwealth combined with additional funding for State-supported local offices, such as social services reimbursement revenues that were increased based on higher reimbursement rates. The most significant increase in expenditure adjustments related to increased costs for mandated Comprehensive Services Act (CSA) for At-Risk Youth program services given increased caseloads, particularly in the areas of day placements and therapeutic foster care.

The development of the FY 2016 budget, during the two-year budget development process and subsequent adjustments, was significantly impacted by mandated cost increases which limited the availability of an additional \$3.7 million in revenue for enhancements. However with additional revenues from the State for State-supported local offices, funding from the School Division to cover increased day placement costs, and the reversal in reduction in aid to localities; the Board of Supervisors was able to approve a two-percent cost-of-living increase for all permanent County staff and not increase health insurance premiums for FY 2016. The compensation increases is only the second compensation adjustment for staff since 2008.

The additional mandated costs include increased expenditures due to rising caseloads for the CSA program, impact of required benefit rate changes for the School Division related to the funding of benefits through the Virginia Retirement System (VRS), and increased jurisdictional funding for regional participation service agencies. The mandates increased the base funding requirements by approximately \$800,000 or 22% of the additional available funding. In addition to mandated increased costs, fixed costs or prior year commitments totaled approximately \$1.98 million or 53.5% of the additional available funding including a projected two-percent increase in health insurance costs for both the County government and School Division, increased fleet costs, maintenance service contracts, and prior year commitments including increases in cash funding for approved capital improvement projects. In total, fixed and mandated cost increases utilized approximately 75% of the additional \$3.7 million in projected increased local revenues, which includes a \$0.007 increase in the real estate tax rate. The balance of available funding was allocated based on Board priorities, including employee compensation.

### **FY 2016 Adopted Budget**

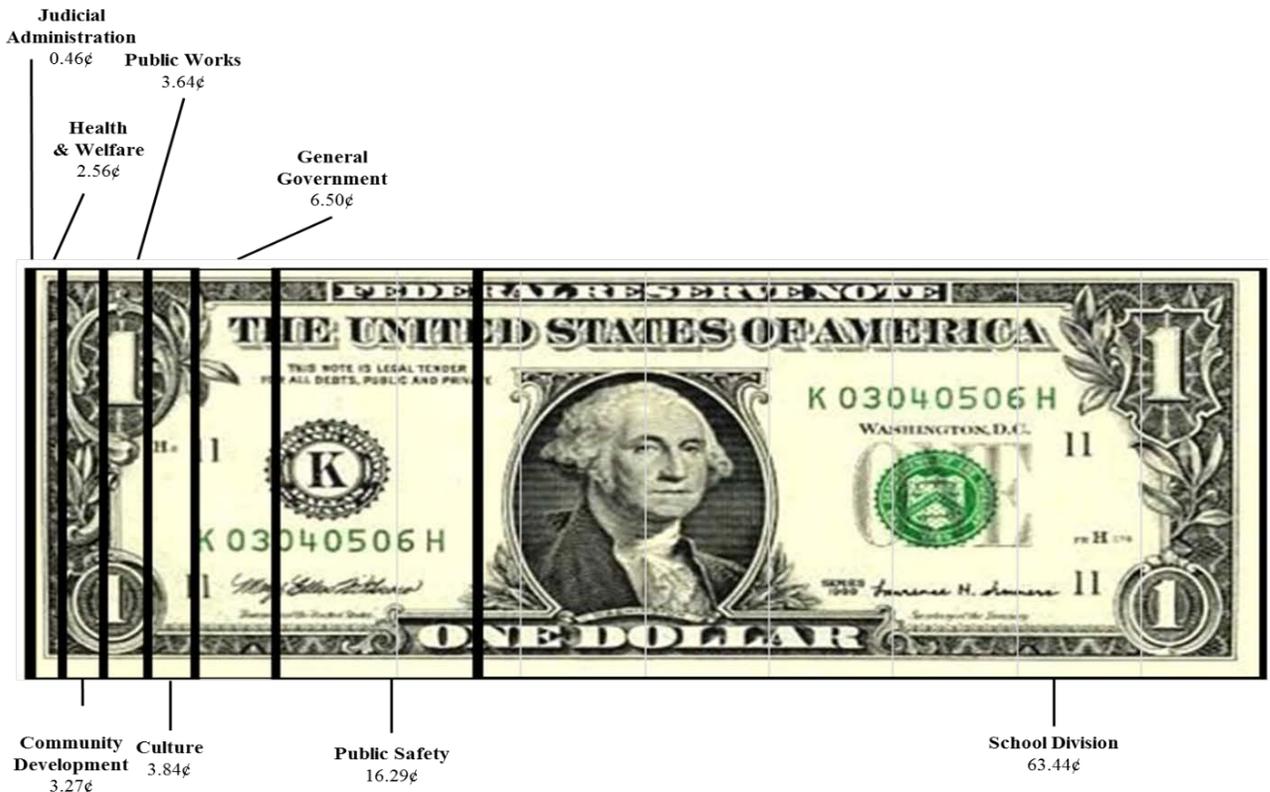
The FY 2016 adopted budget totals \$297.1 million with General Fund expenditures totaling \$171.3 million. The General Fund increased by approximately \$3.7 million or 2.2% over the FY 2015 adopted budget. The FY 2016 budget also includes a seven-tenth of a cent (\$0.007) increase in the overall real estate tax rate mainly to meet the requirements of fixed and mandated cost increases, with a limited set of enhancements to ensure continuity of services and a \$1.3 million increase in the local support to the School Division, as anticipated in the Board approved FY 2016 draft fiscal plan. The FY 2016 adopted General Fund budget also includes a \$1.0 million use of fund balance, an approximately \$340,000 decrease over the FY 2015 adopted budget, and an additional \$300,000 in fund balance to be provided by the School Division as a placeholder of the projected minimum increase in day placements costs related to the CSA program.

As part of the FY 2016 budget, the Board of Supervisors also amended the Stormwater Management fee. The adopted budget includes a provision to exclude (i) parcels having an assessed value of \$2500 or less except parcels subject to perpetual easements and parcels participating in the use value taxation program having a fair market value greater than \$2500; (ii) parcels participating in the tax relief for the elderly program; and (iii) parcels participating in the tax relief for the permanently and totally disabled program. These adjustments to the assessment of the Stormwater management fee will reduce the current yield of the fee by approximately \$25,000.

**FY 2016 Adopted Budget – General Fund Expenditures**

<u>Functional Area</u>	<u>FY 2015 Adopted</u>	<u>FY 2016 Adopted</u>	<u>FY2015-16 Change (\$)</u>	<u>FY 2015-16 Change (%)</u>
General Government	\$ 12,813,719	\$ 13,125,530	\$ 311,811	2.43%
Judicial Administration	3,803,688	3,885,008	81,320	2.14%
Public Safety	25,036,519	24,889,994	(146,525)	-0.59%
Public Works	7,715,415	7,710,490	(4,925)	-0.06%
Health & Welfare	10,061,925	11,125,618	1,063,693	10.57%
Culture	5,941,534	6,039,647	98,113	1.65%
Community Development	5,053,433	4,995,131	(58,302)	-1.15%
Non-Departmental	1,250,883	2,185,699	934,816	74.73%
<u>Local Transfers</u>				
Affordable Housing Fund	201,632	201,632	-	0.00%
Airport Enterprise Fund	16,000	16,000	-	0.00%
Capital Improvement Fund	400,000	728,991	328,991	82.25%
County Asset Replacement Fund	1,333,500	1,299,000	(34,500)	-2.59%
Debt Service Fund	12,674,280	12,540,017	(134,263)	-1.06%
Landfill Enterprise Fund	368,279	373,019	4,740	1.29%
Utility Fund	100,000	100,000	-	0.00%
School Division Operating	80,798,708	82,098,708	1,300,000	1.61%
<b>General Fund Total</b>	<b>\$ 167,569,515</b>	<b>\$ 171,314,484</b>	<b>\$ 3,744,969</b>	<b>2.23%</b>

The following graphic displays how a tax dollar is allocated to County services based on the FY 2016 adopted budget.



The FY 2016 adopted budget includes a limited amount of increases and enhancements, while requiring an increase to the overall real estate tax rate to fund fixed and mandated costs. Given this consideration, enhancements were limited to requests due to potential service breakdown and other Board priorities. The FY 2016 enhancements include one additional deputy clerk in the Clerk of the Circuit Court office due increased workloads within the criminal court administration division, increased contribution to the regional Community Services Board for a newly implemented regional crisis intervention trainer and increased cost for the mental health program, and the compensation increases to permanent County staff, as previously noted, to better align compensation increases to County employees similar to those provided by the School Division.

The fixed cost increases in the FY 2016 budget include approximately \$329,000 for the cash-funding component of the capital improvement program offset by approximately \$135,000 reduction in projected debt service due to a shift in the time of bond issuances for capital projects, approximately \$130,000 for health insurance, approximately \$145,000 for increases in County-wide maintenance service contracts and insurance premiums housed in the Information Technology and Human Resources budgets, and \$50,000 to fund annual audits of the various Volunteer Fire and Rescue companies as approved by the Board mid-FY2015. The balance of fixed costs includes the prior approved increase in local support to the School Division to meet increased benefit costs and other needs in the amount of \$1.3 million, as included in the approved FY 2015-2016 budget plan.

In addition to fixed cost increases, mandated cost increases included \$1,055,000 for CSA program services due to increased caseloads which is offset by \$630,000 in State matching funds, approximately \$232,000 increase to the Northwestern Regional Jail based on the jurisdictional funding formula, approximately \$60,000 for the transition of internet access service lines for County and Volunteer Fire and Rescue remote sites due to the elimination of current service protocols by the communications provider, and approximately \$15,000 to increase jurisdictional funding arrangements based on the terms of those agreements.

### **School Division**

The FY 2016 budget includes an additional \$1.3 million in local funding to the School Division. The School Division's Operating Fund adopted budget totals \$131,650,234, a \$1.8 million or 1.4% increase over FY 2015. The direct local funding support to the School Division equates to 58.8% of available local funding, including debt service funding and transfer to the School Division Operating Fund. The inclusion of consolidated services received by the School Division, but funded within the County government budget such as Human Resources and General Services, support of the School Division through direct and indirect sources increases local support to 63.4% of available local funding.

While the School Division's draft FY 2016 budget included an increase of \$1.3 million from local support, the FY 2016 adopted budget included an additional \$366,631 primarily from State funding. The increased funding was provided for in the State's FY 2016 budget towards salary increases for certain designated positions. The increase in local support was to ensure funding to cover both increases in health insurance and VRS contribution rates. VRS contributions rates for the schools have been increased by the State in an attempt to narrow the gap in funding the school retirement fund with VRS.

## **Capital Improvement Program**

The adopted Capital Improvement plan totals \$95.6 million over the five-year planning period, FY 2016 – FY 2020. Of this amount, \$19.5 million would be allocated for public safety and fire and rescue projects, \$6.0 million for the development of joint-use facilities by the general government, school division, and other organizations, \$1.0 million for County/School office space solutions, \$11.35 million for library facilities, \$17.1 million for parks and recreational projects, \$9.5 million for environmental services projects, \$9.0 million for utility projects, \$2.15 million of Airport projects, and \$20.0 million for school division projects.

The Adopted CIP contains a significant cash funding commitment totaling \$12.5 million, or about 13.1% of total appropriations, over the course of the five-year planning period. The cash component will be addressed through the annual budget appropriation and/or the annual set-aside of 50% of year-end available fund balance in the General Fund to the County's capital reserve. The remaining \$83.1 million would be financed by debt issuances, through a variety of financing methods.

For the FY 2016 Capital Improvement Program budget process, the Board of Supervisors maintained the plan adopted in FY 2015 with limited changes due to revised timelines and project scopes. The most significant change to the plan is a result of the shift of Environmental Services function from a fully operational landfill to a transfer station with reduced landfill operations. The operational change to the landfill reduced the overall CIP by approximately \$8.7 million, within the five-year planning period, given reduction in need to expand landfill cells. Overall, the plan continues the Board's commitment to addressing the capital needs to the community while staying within the County's ability to pay, with a projected debt ratio of 9.6% in FY 2020.

## **Future Trends and Financial Planning**

Current trends continue to show positive indications of the County's economic stability with modest annual growth in property and excise tax revenue. In addition, unemployment and foreclosures have stabilized with no continued adverse effects on the County's economy. Similarly, while development and permitting activities have lower annual increases than in the two prior years, the continued growth has provided for positive impacts to fee revenues and higher assessments for new construction and improvements. As well, the Commonwealth's action to eliminate the reduction in aid to localities and increase funding to State-support local offices, funding reductions that had previously hampered the County's ability to provide increased program and service delivery. This in part provided for the Board of Supervisors' ability to approve the second compensation increase to permanent County staff since 2008.

In the upcoming year, the Board of Supervisors will continue to face challenges with the County's ability to fund competing needs of programs and services, while limiting the tax burden on citizens with moderate revenue growth. To augment the County's moderate revenue growth, efforts continue to enhance our economic development initiatives to help grow the County's existing business base and garner new business prospects to alleviate the tax burdens on the residential tax base.

In the upcoming year, the County will continue to broaden our long-term financial planning with the development of a five-year operating plan. The five-year plan is currently in development and will be presented to the Board of Supervisors after Board elections in November, to allow input by any incoming Board members. In addition, the County will continue with our two-year budget process in the FY 2017 budget cycle. The Board and staff are committed to the continuation of these financial planning goals to provide a broader picture of the County's finances in the near-term and long-term that will enhance decision making.

The upcoming budget cycle will focus on the Board's priority of seeking ways to broaden the tax base, balance the need for expanded services while limiting tax increases, and providing those services requested by the community. These priorities will require innovative and strategic ways to generate revenue to fund program and services, as well as the current provision of services. Additionally, the County will be opening new facilities from approved capital projects over the next two years, after a pause in new capital facilities throughout the recession. While this will provide enhanced access to programs and services to citizens, it will also increase the related operating costs within the budget as will be outlined in the five year operating plan.

### **Acknowledgements**

The implementation of a new budgeting process in the past two budget cycles with the two-year budget model, while an effective process with success in reducing pressures on the budget process in the second year, require significant commitment from County departments and staff. I am most appreciative of the commitment and efforts of these departments and their willingness to comply with the new budgeting policies put into place. Specifically, I would like to commend departments that complied with the direction to only submit adjustment requests in the second year, FY 2016, that were related to operational emergencies or identification of cost-neutral enhancements. Your willingness to work within the structure of the budget process was a great benefit to all staff, as it allowed us to provide for compensation increases to staff and not increase health insurance premiums.

The FY 2016 adopted budget was successful due to the overwhelming dedication of our County's staff and officials in an advancing the budgeting process. I am especially appreciative of the efforts of the Office of Management and Budget, the Commissioner of the Revenue, the Treasurer, and the Finance Department, as well as the budgetary staff and management of the Fauquier County School Division. I look forward to working with the Board of Supervisors in the upcoming year to continue this path to accomplish the County's priorities, while building greater financial stability.

Sincerely,



Paul S. McCulla  
County Administrator

# Mission Statement, Strategic Goals, and Priorities

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The County's Mission Statement and the Board of Supervisors' Strategic Goals and Priorities provide a guiding framework for the County government to align activities and resources. These objectives have served as the focal point for the management of operations and the allocation of resources to the County's functional areas.

## 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.*

## Strategic Goals

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.

## Board of Supervisors' Priorities

- **Broaden the commercial tax base through economic development opportunities.**  
*Since the adoption of the FY 2013 budget, the Board of Supervisors has enhanced the availability of funding for economic development business outreach initiatives to both enhance our existing business base and garner new business prospects. Enhanced initiatives are aimed at boosting the County's commercial tax base to alleviate pressures on the residential tax base and sustain the County's quality of life.*
- **Balance volunteer-career fire and rescue service delivery.**  
*The County continues to work with the volunteer fire and rescue system to ensure a balanced and adequate staffing structure for service delivery. As the County has evolved, the availability of coverage by the volunteers has lessened creating the need for additional career staffing.*
- **Adequate and effective Sheriff's Office staffing.**  
*Over the last several budget cycles, evaluation of the Sheriff's Office staffing needs has been a key area of focus. Staffing additions are to ensure the ongoing safety and welfare of the community with respect to County citizens, public areas, roads, and Schools.*

# Mission Statement, Strategic Goals, and Priorities

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➤ **Enhance long-term financial planning.**

*Since the recession, a primary focus has been on addressing the needs of the County with limited resources. To enhance the County's financial planning process and budget development, the Board of Supervisors directed staff to develop a two-year budget for the FY 2015 budget cycle, including a draft FY 2016 budget which the Board maintained with adjustments incorporated in the FY 2016 adopted budget only due to state or federal mandates, revenue adjustments, or operational emergencies. The Board also directed the development of a five-year operating plan, which is currently in development and will be released during FY 2016.*

➤ **Address the identified capital needs and priorities of the County.**

*The plan focuses on addressing key capital needs within the County that are critical to the development of service districts to boost economic development opportunities as well as address service needs of the County citizenry. These capital related needs include parks and recreation opportunities and the expansion and improvement of library services.*

➤ **Quality education.**

*Funding of the public school system and the ability to receive a quality education in the County's School Division continues to be a priority of the Board of Supervisors.*

## Legislative Priorities

In addition to setting the goals and priorities that frame County operations and allocation of resources, the Board of Supervisors annually adopts a set of legislative priorities that are of interest to the County for the Virginia General Assembly's annual session. These items have a direct impact on County operations and resources.

### State Reduction in Revenue for Local Governments

- Fauquier County opposes the imposition of additional unfunded state mandates upon localities. Fauquier County opposes the devolution of the State FY2014/FY2015 budget deficit onto localities and the "clawback" of any funds already awarded to localities.

### Social Services/Comprehensive Services

- Fauquier County opposes any changes to CSA policy that would further shift costs from the State to localities.
- Fauquier County supports additional funding for the Public Guardianship Program to provide continuing services to incapacitated and indigent adults.

### Education Funding:

- Fauquier County encourages recognition by the Commonwealth that its current policy of using full assessed value in the calculation of the Composite Index penalizes localities that employ land use valuation, and is inconsistent with its land preservation goals and policies.

# Mission Statement, Strategic Goals, and Priorities

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- Fauquier County seeks the establishment of an appeals process for local governments to challenge the computation of their Composite Indexes.
- Fauquier County seeks continued and increased state funding to assist localities with school-related capital costs.

## Local Government Revenue, Land Use and Zoning Authority

- Fauquier County opposes any measure that would eliminate or reduce any local government zoning, land use or revenue authority.
- Fauquier County strongly supports equal taxing authority for cities and counties and supports an expansion of local government taxing authority—particularly to generate revenue to fund necessary capital projects and infrastructure.

## Purchase of Development Rights and Conservation

- Fauquier County supports increased State funding for the purchase of conservation easements and other land conservation needs.

## Libraries

- Fauquier County opposes the reduction by the Commonwealth of funding for public libraries in FY2014 and FY2015.

## Chesapeake Bay Restoration

- Fauquier County encourages the Commonwealth to work closely and collaboratively with localities and with the Rappahannock River Basin Commission in their endeavor to restore water quality.

## Transportation Priorities

- Fauquier County strongly opposes the devolution of the Commonwealth's secondary road maintenance responsibilities onto local governments.
- Fauquier County requests support from the Virginia General Assembly for the Virginia Department of Transportation to accept the entry road into the Warrenton-Fauquier Airport as a publically maintained road (as per Code of Virginia § 33.1-221--Airport Access Program).

# FY 2016 Summary of Expenditures

## FY 2016 Adopted Expenditures by Fund

<u>General Fund</u>	<u>FY 2015 Adopted</u>	<u>FY 2016 Adopted</u>	<u>FY2015-16 Change (\$)</u>	<u>FY 2015-16 Change (%)</u>
General Government	\$ 12,813,719	\$ 13,125,530	\$ 311,811	2.43%
Judicial Administration	3,803,688	3,885,008	81,320	2.14%
Public Safety	25,036,519	24,889,994	(146,525)	-0.59%
Public Works	7,715,415	7,710,490	(4,925)	-0.06%
Health & Welfare	10,061,925	11,125,618	1,063,693	10.57%
Culture	5,941,534	6,039,647	98,113	1.65%
Community Development	5,053,433	4,995,131	(58,302)	-1.15%
Non-Departmental	1,250,883	2,185,699	934,816	74.73%
<i>Local Transfers</i>				
Affordable Housing Fund	201,632	201,632	-	0.00%
Airport Enterprise Fund	16,000	16,000	-	0.00%
Capital Improvement Fund	400,000	728,991	328,991	82.25%
County Asset Replacement Fund	1,333,500	1,299,000	(34,500)	-2.59%
Debt Service Fund	12,674,280	12,540,017	(134,263)	-1.06%
Landfill Enterprise Fund	368,279	373,019	4,740	1.29%
Utility Fund	100,000	100,000	-	0.00%
School Division Operating	<u>80,798,708</u>	<u>82,098,708</u>	<u>1,300,000</u>	<u>1.61%</u>
<b>General Fund Total</b>	<b>\$ 167,569,515</b>	<b>\$ 171,314,484</b>	<b>\$ 3,744,969</b>	<b>2.23%</b>
<u>School Division Funds</u>				
School Division Operating Fund	\$ 129,883,603	\$ 131,650,234	\$ 1,766,631	1.4%
School Nutrition Fund	5,609,088	5,440,546	(168,542)	-3.00%
School Textbook Fund	946,563	1,059,918	113,355	12.0%
School Asset Replacement Fund	2,398,655	2,798,655	400,000	16.7%
Regional Governor's School Fund	<u>1,086,506</u>	<u>1,141,168</u>	<u>54,662</u>	<u>5.03%</u>
<b>School Division Funds Total</b>	<b>\$ 139,924,415</b>	<b>\$ 142,090,521</b>	<b>\$ 2,166,106</b>	<b>1.55%</b>
Affordable Housing Fund	\$ 201,632	\$ 201,632	\$ -	0.0%
Ambulance Revenue Recovery Fund	1,611,846	1,611,964	118	0.0%
Capital Improvement Fund	6,135,500	19,398,500	13,263,000	216.2%
Conservation Easement Service District Fund	817,483	826,222	8,739	1.1%
County Asset Replacement Fund	1,368,500	1,481,416	112,916	8.3%
Debt Service Fund	13,069,144	13,453,729	384,585	2.9%
Fleet Maintenance Fund	3,846,497	3,859,054	12,557	0.3%
Health Insurance Fund	28,044,456	28,677,607	633,151	2.3%
Landfill Enterprise Fund	5,162,479	5,588,287	425,808	8.2%
Volunteer Fire and Rescue Levy Fund	4,986,206	5,055,317	69,111	1.4%
Warrenton-Fauquier Airport Enterprise Fund	<u>798,992</u>	<u>798,992</u>	<u>-</u>	<u>0.0%</u>
<b>Total All Funds</b>	<b>\$ 373,536,665</b>	<b>\$ 394,357,725</b>	<b>\$ 20,821,060</b>	<b>5.57%</b>
Less Transfers	\$ (95,792,399)	\$ (97,257,367)	\$ (1,464,968)	1.53%
<b>Total Appropriations</b>	<b><u>\$ 277,744,266</u></b>	<b><u>\$ 297,100,358</u></b>	<b><u>\$ 19,356,092</u></b>	<b><u>6.97%</u></b>

# FY 2016 Summary of Revenues

## FY 2016 Adopted Revenues by Fund

<u>General Fund</u>	<u>FY 2015 Adopted</u>	<u>FY 2016 Adopted</u>	<u>FY2015-16 Change (\$)</u>	<u>FY 2015-16 Change (%)</u>
General Property Taxes	\$ 118,040,821	\$ 120,566,027	\$ 2,525,206	2.1%
Other Local Taxes	14,320,000	14,497,500	177,500	1.24%
Permits, Fees & Licenses	1,268,195	1,510,679	242,484	19.12%
Fines and Forfeitures	457,850	457,300	(550)	-0.12%
Use of Money & Property	346,149	346,149	-	0.00%
Charges for Services	1,083,622	1,085,842	2,220	0.20%
Miscellaneous/Recovered Costs	542,893	561,038	18,145	3.34%
State Revenue	26,466,822	27,225,741	758,919	2.87%
Federal Revenue	2,023,401	2,107,391	83,990	4.15%
Intergovernmental Revenue	1,679,324	1,656,817	(22,507)	-1.34%
Use of Fund Balance	<u>1,340,438</u>	<u>1,300,000</u>	<u>(40,438)</u>	<u>-3.02%</u>
<b>General Fund Total</b>	<b>\$ 167,569,515</b>	<b>\$ 171,314,484</b>	<b>\$ 3,744,969</b>	<b>2.23%</b>
 <u>School Division Funds</u>				
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Landfill Enterprise Fund	5,162,479	5,588,287	425,808	8.2%
Volunteer Fire and Rescue Levy Fund	4,986,206	5,055,317	69,111	1.4%
Warrenton-Fauquier Airport Enterprise Fund	<u>798,992</u>	<u>798,992</u>	<u>-</u>	<u>0.0%</u>
<b>Total All Funds</b>	<b>\$ 373,536,665</b>	<b>\$ 394,357,725</b>	<b>\$ 20,821,060</b>	<b>5.57%</b>
Less Transfers	(95,792,399)	(97,257,367)	(1,464,968)	1.53%
<b>Total Appropriations</b>	<b><u>\$ 277,744,266</u></b>	<b><u>\$ 297,100,358</u></b>	<b><u>\$ 19,356,092</u></b>	<b><u>6.97%</u></b>

# Financial Summaries

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## All Funds

	<u>FY 2013</u> <u>Actual</u>	<u>FY 2014</u> <u>Actual</u>	<u>FY 2015</u> <u>Budget</u>	<u>FY 2015</u> <u>Estimated</u>	<u>FY 2016</u> <u>Budget</u>
<b><u>Revenue</u></b>					
General Property Taxes	\$ 116,879,493	\$ 120,824,421	\$ 123,419,478	\$ 123,638,432	\$ 126,010,612
Other Local Taxes	13,682,661	14,327,265	14,320,000	14,583,615	14,497,500
Permits, Licenses & Fees	1,541,522	1,418,325	1,288,195	1,389,670	1,530,679
Fines & Forfeitures	548,076	499,745	457,850	470,575	457,300
Use of Money & Property	598,444	721,482	643,496	619,118	643,496
Charges for Services	37,223,550	39,417,057	42,104,706	39,182,547	42,412,337
Miscellaneous Revenue	1,998,855	5,763,123	2,165,293	2,339,571	3,910,918
Recovered Costs	1,326,413	1,304,259	1,359,315	1,512,711	1,037,791
Intergovernmental Revenue	81,036,388	82,991,704	80,776,505	79,811,589	82,082,520
<u>Other Financing Sources</u>	<u>100,535,901</u>	<u>102,714,429</u>	<u>105,499,543</u>	<u>109,395,556</u>	<u>120,264,416</u>
Total Revenue	<u>\$ 355,371,303</u>	<u>\$ 369,981,810</u>	<u>\$ 372,034,381</u>	<u>\$ 372,943,384</u>	<u>\$ 392,847,569</u>
<b><u>Expenditures</u></b>					
Personnel	\$ 183,138,167	\$ 185,813,781	\$ 215,166,446	\$ 174,171,486	\$ 200,438,489
Operating	29,044,122	30,435,838	20,348,069	50,758,436	35,698,749
Capital	26,253,057	12,924,466	8,095,736	10,370,894	22,436,775
Other Charges	21,175,506	21,530,931	15,972,262	20,736,382	17,317,189
<u>Other Use of Funds</u>	<u>110,817,658</u>	<u>116,741,846</u>	<u>113,954,152</u>	<u>118,583,052</u>	<u>118,466,523</u>
Total Expenditures	<u>\$ 370,428,510</u>	<u>\$ 367,446,862</u>	<u>\$ 373,536,665</u>	<u>\$ 374,620,250</u>	<u>\$ 394,357,725</u>
Net Change in Fund Balance	(15,057,207)	2,534,948	(1,502,284)	(1,676,866)	(1,510,156)
Fund Balance, July 1	<u>\$ 70,939,140</u>	<u>\$ 55,881,933</u>	<u>\$ 58,416,881</u>	<u>\$ 58,416,881</u>	<u>\$ 56,740,015</u>
Fund Balance, June 30	<u>\$ 55,881,933</u>	<u>\$ 58,416,881</u>	<u>\$ 56,914,597</u>	<u>\$ 56,740,015</u>	<u>\$ 55,229,859</u>

**Note:** Changes in fund balance relate to adopted budget appropriations for use of fund balance or supplemental appropriations for one-time funding items or carryover of on-going/multiyear projects.

# Financial Summaries

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## General Fund

	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2015</b>	<b>FY 2016</b>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Estimated</u>	<u>Budget</u>
<b><u>Revenue</u></b>					
General Property Taxes	\$ 111,636,775	\$ 115,497,679	\$ 118,040,821	\$ 118,296,420	\$ 120,566,027
Other Local Taxes	13,682,661	14,327,265	14,320,000	14,583,615	14,497,500
Permits, Licenses & Fees	1,541,522	1,418,325	1,268,195	1,371,320	1,510,679
Fines & Forfeitures	548,076	499,745	457,850	470,575	457,300
Use of Money & Property	271,892	326,661	346,149	346,149	346,149
Charges for Services	1,019,807	981,431	1,083,622	1,074,472	1,085,842
Miscellaneous Revenue	336,208	488,603	382,031	490,485	400,176
Recovered Costs	412,577	322,126	160,862	256,300	160,862
Intergovernmental Revenue	27,936,936	30,474,390	28,490,223	29,716,551	29,333,132
<u>Other Financing Sources</u>	<u>1,103,830</u>	<u>2,006,962</u>	<u>1,679,324</u>	<u>1,679,324</u>	<u>1,656,817</u>
Total Revenue	<u>\$ 158,490,284</u>	<u>\$ 166,343,187</u>	<u>\$ 166,229,077</u>	<u>\$ 168,285,211</u>	<u>\$ 170,014,484</u>
<b><u>Expenditures</u></b>					
Personnel	\$ 43,113,648	\$ 46,009,136	\$ 48,007,117	\$ 47,952,368	\$ 48,047,619
Operating	9,909,315	11,078,313	10,673,582	10,673,582	11,028,104
Capital	255,005	622,889	482,482	543,273	135,862
Other Charges	11,092,156	12,921,748	11,953,052	12,264,985	13,249,833
<u>Other Use of Funds</u>	<u>93,113,622</u>	<u>95,588,386</u>	<u>96,453,282</u>	<u>98,191,441</u>	<u>98,853,066</u>
Total Expenditures	<u>\$ 157,483,746</u>	<u>\$ 166,220,472</u>	<u>\$ 167,569,515</u>	<u>\$ 169,625,649</u>	<u>\$ 171,314,484</u>
Net Change in Fund Balance	1,006,538	122,715	(1,340,438)	(1,340,438)	(1,300,000)
Fund Balance, July 1	<u>\$ 23,184,700</u>	<u>\$ 24,191,238</u>	<u>\$ 24,313,953</u>	<u>\$ 24,313,953</u>	<u>\$ 22,973,515</u>
Fund Balance, June 30	<u>\$ 24,191,238</u>	<u>\$ 24,313,953</u>	<u>\$ 22,973,515</u>	<u>\$ 22,973,515</u>	<u>\$ 21,673,515</u>

**Note:** Changes in fund balance relate to adopted budget appropriations for use of fund balance or supplemental appropriations for one-time funding items or carryover of on-going/multiyear projects.

# Financial Summaries

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## School Operating Fund

	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2015</b>	<b>FY 2016</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Estimated</u></b>	<b><u>Budget</u></b>
<b><u>Revenue</u></b>					
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-
Permits, Licenses & Fees	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Use of Money & Property	-	-	-	-	-
Charges for Services	439,317	438,892	-	-	-
Miscellaneous Revenue	346,257	327,202	612,285	758,669	684,600
Recovered Costs	827	165	-	-	-
Intergovernmental Revenue	48,045,058	48,334,458	48,472,610	47,057,197	48,866,926
<b><u>Other Financing Sources</u></b>	<b><u>75,987,668</u></b>	<b><u>78,065,137</u></b>	<b><u>80,798,708</u></b>	<b><u>81,282,611</u></b>	<b><u>82,098,708</u></b>
<b>Total Revenue</b>	<b><u>\$ 124,819,127</u></b>	<b><u>\$ 127,165,854</u></b>	<b><u>\$ 129,883,603</u></b>	<b><u>\$ 129,098,477</u></b>	<b><u>\$ 131,650,234</u></b>
<b><u>Expenditures</u></b>					
Personnel	\$ 109,062,419	\$ 110,629,510	\$ 115,313,319	\$ 94,151,215	\$ 117,267,118
Operating	7,647,987	7,682,119	12,315,093	26,665,143	12,127,925
Capital	838,624	507,354	124,728	161,332	127,728
Other Charges	4,996,139	4,983,551	-	4,601,890	-
<b><u>Other Use of Funds</u></b>	<b><u>2,280,463</u></b>	<b><u>3,345,950</u></b>	<b><u>2,130,463</u></b>	<b><u>3,549,366</u></b>	<b><u>2,130,463</u></b>
<b>Total Expenditures</b>	<b><u>\$ 124,825,632</u></b>	<b><u>\$ 127,148,484</u></b>	<b><u>\$ 129,883,603</u></b>	<b><u>\$ 129,128,946</u></b>	<b><u>\$ 131,650,234</u></b>
 Net Change in Fund Balance	 (6,505)	 17,370	 -	 (30,469)	 -
 Fund Balance, July 1	 <u>\$ 19,604</u>	 <u>\$ 13,099</u>	 <u>\$ 30,469</u>	 <u>\$ 30,469</u>	 <u>\$ -</u>
Fund Balance, June 30	<u>\$ 13,099</u>	<u>\$ 30,469</u>	<u>\$ 30,469</u>	<u>\$ -</u>	<u>\$ -</u>

# Financial Summaries

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## Capital Improvement Fund

	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2015</b>	<b>FY 2016</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Estimated</u></b>	<b><u>Budget</u></b>
<b><u>Revenue</u></b>					
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-
Permits, Licenses & Fees	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Use of Money & Property	8,998	601	-	121	-
Charges for Services	-	-	-	-	-
Miscellaneous Revenue	480,463	3,091,000	-	-	-
Recovered Costs	-	-	-	-	-
Intergovernmental Revenue	705,164	692,195	-	85,924	-
<b><u>Other Financing Sources</u></b>	<b><u>4,499,219</u></b>	<b><u>2,503,524</u></b>	<b><u>6,135,500</u></b>	<b><u>2,145,189</u></b>	<b><u>19,398,500</u></b>
<b>Total Revenue</b>	<b><u>\$ 5,693,844</u></b>	<b><u>\$ 6,287,320</u></b>	<b><u>\$ 6,135,500</u></b>	<b><u>\$ 2,231,034</u></b>	<b><u>\$ 19,398,500</u></b>
<b><u>Expenditures</u></b>					
Personnel	\$ -	\$ 355	\$ -	\$ -	\$ -
Operating	175,306	92,499	25,000	101,337	-
Capital	19,281,864	4,611,113	5,050,000	2,599,806	19,080,000
Other Charges	162,268	162,268	-	100,000	-
<b><u>Other Use of Funds</u></b>	<b><u>366,433</u></b>	<b><u>1,259,632</u></b>	<b><u>1,060,500</u></b>	<b><u>333,000</u></b>	<b><u>318,500</u></b>
<b>Total Expenditures</b>	<b><u>\$ 19,985,871</u></b>	<b><u>\$ 6,125,867</u></b>	<b><u>\$ 6,135,500</u></b>	<b><u>\$ 3,134,143</u></b>	<b><u>\$ 19,398,500</u></b>
 Net Change in Fund Balance	 (14,292,027)	 161,453	 -	 (903,109)	 -
 Fund Balance, July 1	 <u>\$ 24,174,417</u>	 <u>\$ 9,882,390</u>	 <u>\$ 10,043,843</u>	 <u>\$ 10,043,843</u>	 <u>\$ 9,140,734</u>
Fund Balance, June 30	<u>\$ 9,882,390</u>	<u>\$ 10,043,843</u>	<u>\$ 10,043,843</u>	<u>\$ 9,140,734</u>	<u>\$ 9,140,734</u>

**Note:** Changes in fund balance relate to adopted budget appropriations for use of fund balance or supplemental appropriations for one-time funding items or carryover of on-going/multiyear projects. Capital project funds can sometimes fluctuate fund balance significantly at year end due to timing differences between when funding proceeds are received and when expenditures for capital projects are paid.

# Financial Summaries

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## Debt Service Fund

	FY 2013 <u>Actual</u>	FY 2014 <u>Actual</u>	FY 2015 <u>Budget</u>	FY 2015 <u>Estimated</u>	FY 2016 <u>Budget</u>
<b><u>Revenue</u></b>					
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-
Permits, Licenses & Fees	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Use of Money & Property	-	-	-	-	-
Charges for Services	-	-	-	-	-
Miscellaneous Revenue	31,298	597,389	-	3,117	-
Recovered Costs	-	-	-	-	-
Intergovernmental Revenue	406,512	394,400	394,864	196,988	913,712
<u>Other Financing Sources</u>	<u>13,104,206</u>	<u>13,361,043</u>	<u>12,674,280</u>	<u>13,668,280</u>	<u>12,540,017</u>
<b>Total Revenue</b>	<b><u>\$ 13,542,016</u></b>	<b><u>\$ 14,352,832</u></b>	<b><u>\$ 13,069,144</u></b>	<b><u>\$ 13,868,385</u></b>	<b><u>\$ 13,453,729</u></b>
<b><u>Expenditures</u></b>					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	34,284	-	-	36,000	-
Capital	-	-	-	-	-
Other Charges	-	-	-	-	-
<u>Other Use of Funds</u>	<u>13,947,546</u>	<u>14,007,529</u>	<u>13,069,144</u>	<u>13,640,374</u>	<u>13,453,729</u>
<b>Total Expenditures</b>	<b><u>\$ 13,981,830</u></b>	<b><u>\$ 14,007,529</u></b>	<b><u>\$ 13,069,144</u></b>	<b><u>\$ 13,676,374</u></b>	<b><u>\$ 13,453,729</u></b>
Net Change in Fund Balance	(439,814)	345,303	-	192,011	-
Fund Balance, July 1	<u>\$ 659,751</u>	<u>\$ 219,937</u>	<u>\$ 565,240</u>	<u>\$ 565,240</u>	<u>\$ 757,251</u>
Fund Balance, June 30	<u>\$ 219,937</u>	<u>\$ 565,240</u>	<u>\$ 565,240</u>	<u>\$ 757,251</u>	<u>\$ 757,251</u>

**Note:** The change in Fund Balance for the estimated FY 2015 Budget is greater than 10% due to one-time credits issued by the Virginia Public School Authority (VPSA), the bond-holding authority, related to refunded bonds and are reserved for future costs for debt issuance.

# Financial Summaries

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## Non-major Governmental Funds

	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2015</b>	<b>FY 2016</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Estimated</u></b>	<b><u>Budget</u></b>
<b><u>Revenue</u></b>					
General Property Taxes	\$ 5,242,718	\$ 5,326,742	\$ 5,378,657	\$ 5,342,012	\$ 5,444,585
Other Local Taxes	-	-	-	-	-
Permits, Licenses & Fees	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Use of Money & Property	4,471	4,520	2,000	6,078	2,000
Charges for Services	4,317,219	4,079,386	4,909,160	4,130,479	4,678,863
Miscellaneous Revenue	237,628	258,542	697,357	163,508	1,692,834
Recovered Costs	739,551	981,968	816,422	1,256,411	876,929
Intergovernmental Revenue	3,460,392	3,004,588	3,392,632	2,654,446	2,947,684
	<u>4,303,276</u>	<u>5,309,166</u>	<u>3,668,405</u>	<u>6,295,892</u>	<u>3,763,787</u>
<b><u>Other Financing Sources</u></b>					
Total Revenue	<u>\$ 18,305,255</u>	<u>\$ 18,964,912</u>	<u>\$ 18,864,633</u>	<u>\$ 19,848,826</u>	<u>\$ 19,406,682</u>
<b><u>Expenditures</u></b>					
Personnel	\$ 3,690,005	\$ 3,723,720	\$ 3,918,715	\$ 3,600,230	\$ 4,037,225
Operating	4,885,274	4,153,244	5,677,078	5,250,189	5,812,237
Capital	2,616,395	4,623,200	2,504,069	5,096,385	3,070,086
Other Charges	4,409,455	2,907,405	3,503,179	3,281,957	3,500,585
<b><u>Other Use of Funds</u></b>	<u>1,103,828</u>	<u>2,540,349</u>	<u>3,423,438</u>	<u>2,250,390</u>	<u>3,196,705</u>
Total Expenditures	<u>\$ 16,704,957</u>	<u>\$ 17,947,918</u>	<u>\$ 19,026,479</u>	<u>\$ 19,479,151</u>	<u>\$ 19,616,838</u>
Net Change in Fund Balance	1,600,298	1,016,994	(161,846)	369,675	(210,156)
Fund Balance, July 1	<u>\$ 8,217,708</u>	<u>\$ 9,818,006</u>	<u>\$ 10,835,000</u>	<u>\$ 10,835,000</u>	<u>\$ 11,204,675</u>
Fund Balance, June 30	<u>\$ 9,818,006</u>	<u>\$ 10,835,000</u>	<u>\$ 10,673,154</u>	<u>\$ 11,204,675</u>	<u>\$ 10,994,519</u>

# Financial Summaries

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## Proprietary Funds

	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2015</b>	<b>FY 2016</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Estimated</u></b>	<b><u>Budget</u></b>
<b><u>Revenue</u></b>					
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-
Permits, Licenses & Fees	-	-	20,000	18,350	20,000
Fines & Forfeitures	-	-	-	-	-
Use of Money & Property	313,083	389,700	295,347	266,770	295,347
Charges for Services	31,447,207	33,917,348	36,111,924	33,977,596	36,647,632
Miscellaneous Revenue	740,459	1,000,387	1,019,808	923,792	1,133,308
Recovered Costs	-	-	-	-	-
Intergovernmental Revenue	482,326	91,673	21,066	100,683	21,066
<b><u>Other Financing Sources</u></b>	<b><u>1,537,702</u></b>	<b><u>1,468,597</u></b>	<b><u>384,279</u></b>	<b><u>4,324,260</u></b>	<b><u>806,587</u></b>
<b>Total Revenue</b>	<b><u>\$ 34,520,777</u></b>	<b><u>\$ 36,867,705</u></b>	<b><u>\$ 37,852,424</u></b>	<b><u>\$ 39,611,451</u></b>	<b><u>\$ 38,923,940</u></b>
<b><u>Expenditures</u></b>					
Personnel	\$ 27,272,095	\$ 25,451,060	\$ 30,284,178	\$ 28,467,673	\$ 31,086,527
Operating	6,391,956	7,429,663	6,254,785	8,032,185	6,730,483
Capital	3,261,169	2,559,910	26,099	1,970,098	26,099
Other Charges	515,488	555,959	570,389	487,550	566,771
<b><u>Other Use of Funds</u></b>	<b><u>5,766</u></b>	<b><u>-</u></b>	<b><u>716,973</u></b>	<b><u>618,481</u></b>	<b><u>514,060</u></b>
<b>Total Expenditures</b>	<b><u>\$ 37,446,474</u></b>	<b><u>\$ 35,996,592</u></b>	<b><u>\$ 37,852,424</u></b>	<b><u>\$ 39,575,987</u></b>	<b><u>\$ 38,923,940</u></b>
 Net Change in Fund Balance	 (2,925,697)	 871,113	 -	 35,464	 -
 Fund Balance, July 1	 <u>\$ 14,682,960</u>	 <u>\$ 11,757,263</u>	 <u>\$ 12,628,376</u>	 <u>\$ 12,628,376</u>	 <u>\$ 12,663,840</u>
Fund Balance, June 30	<u>\$ 11,757,263</u>	<u>\$ 12,628,376</u>	<u>\$ 12,628,376</u>	<u>\$ 12,663,840</u>	<u>\$ 12,663,840</u>

**Note:** Changes in fund balance in excess of 10% relate to use of bond proceeds for construction of the most recent landfill cell and other related capital costs.

# Overview by Functional Area

## General Government

General Government includes twelve departments with budgets for FY 2016 totaling \$13,125,530, approximately 7.7% of General Fund expenditures. FY 2016 adopted budget expenditures increase by \$311,811 from FY 2015, primarily for anticipated contractual increases in Human Resources (HR), Information Technology (IT), and the Independent Auditor function. In addition in mid-FY 2015, one part-time GIS Specialist position was converted to the a full-time GIS Technician in the Geographic Information Systems Department and one part-time position was converted to a full-time Accounting Technician III in Finance. These positions were established to help address increased workload concerns. HR contractual increases for County insurance policies include workers' compensation, property, machinery and vehicles, general liability, umbrella policies, and Line of Duty Act. Information Technology increases include funding to convert the current internet protocol service for remote sites of County facilities and Volunteer Fire and Rescue companies, due to the elimination of the existing service provision by the provider. The Independent Auditor function increases allow for annual audits of the various Volunteer Fire and Rescue companies, in conjunction with the County's recently adopted Volunteer Fire and Rescue Financial Management Policy, as approved by the Board of Supervisors mid-FY 2015.

<u>Department</u>	<u>FY 2015 Adopted</u>	<u>FY 2016 Adopted</u>	<u>FY2015-16 Change (\$)</u>	<u>FY2015-16 Change (%)</u>
Board of Supervisors	\$ 277,430	\$ 277,641	\$ 211	0.1%
Commissioner of the Revenue	1,372,946	1,405,845	32,899	2.4%
County Administration	739,621	719,620	(20,001)	-2.7%
County Attorney	676,960	678,226	1,266	0.2%
Finance	1,326,624	1,365,848	39,224	3.0%
Geographic Info Systems	302,741	324,782	22,041	7.3%
Human Resources	2,404,203	2,458,335	54,132	2.3%
Independent Auditor	148,094	198,094	50,000	33.8%
Information Technology	3,552,971	3,686,798	133,827	3.8%
Management & Budget	414,376	412,610	(1,766)	-0.4%
Registrar	415,774	416,407	633	0.2%
<u>Treasurer</u>	<u>1,181,979</u>	<u>1,181,324</u>	<u>(655)</u>	<u>-0.1%</u>
<b>Subtotal, Gen Government</b>	<b>\$ 12,813,719</b>	<b>\$ 13,125,530</b>	<b>\$ 311,811</b>	<b>2.4%</b>

## Judicial Administration

This category includes eight divisions with budgets totaling \$3,885,008, 2.3% of the General Fund. FY 2016 expenditures increase by \$81,320, mainly in the Clerk of Circuit Court Office. As part of the FY 2016 adopted budget, one deputy clerk was established to mitigate potential service delivery failures due to increased workloads within the court division. Minor budgetary adjustments within the other departments relate to increases based on historical expenditures.

<u>Department</u>	<u>FY 2015 Adopted</u>	<u>FY 2016 Adopted</u>	<u>FY2015-16 Change (\$)</u>	<u>FY2015-16 Change (%)</u>
Adult Court Services	\$ 959,731	\$ 959,758	\$ 27	0.0%
Circuit Court	141,784	146,398	4,614	3.3%
Clerk of Circuit Court	1,147,484	1,220,702	73,218	6.4%
Commissioner of Accounts	2,400	2,400	-	0.0%
Commonwealth's Attorney	1,414,105	1,417,551	3,446	0.2%
General District Court	32,685	32,700	15	0.0%
Juv & Dom Relations Court	17,726	17,726	-	0.0%
<u>Magistrates</u>	<u>87,773</u>	<u>87,773</u>	<u>-</u>	<u>0.0%</u>
<b>Subtotal, Judicial Admin</b>	<b>\$ 3,803,688</b>	<b>\$ 3,885,008</b>	<b>\$ 81,320</b>	<b>2.1%</b>

# Overview by Functional Area

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## Public Safety

This category includes three departments with budgets totaling \$24,889,994, or about 14.5% of the General Fund. FY 2016 expenditures decrease by \$146,525, primarily driven by the elimination of one-time expenditures included in the FY 2015 budget for start-up costs related to new positions and programs established within Fire, Rescue, and Emergency Management (DFREM) and Sheriff's Office in FY 2015. DFREM's fire and life safety program established in FY 2015 is anticipated to be fully funded in FY 2016 based on a proposed fee schedule, for permitting and inspections. No additional positions for public safety departments were established in FY 2016.

In the upcoming budget cycle, consideration will be made for the potential additional career staffing for DFREM based on the submission of a federal Staffing for Adequate Fire and Emergency Response (SAFER) grant, to increase staffing. This grant, if awarded, would fund an increase in staffing for approximately two years at which time the related costs would require local funding.

<u>Department</u>	<u>FY 2015 Adopted</u>	<u>FY 2016 Adopted</u>	<u>FY 2015-16 \$ Change</u>	<u>FY 2015-16 % Change</u>
Fire, Rescue & Emergency Mgmt.	\$ 6,940,419	\$ 6,843,614	\$ (96,805)	-1.4%
Juvenile Detention & Probation	309,457	309,457	-	0.0%
Sheriff's Office	<u>17,786,643</u>	<u>17,736,923</u>	<u>(49,720)</u>	<u>-0.3%</u>
<b>Subtotal, Public Safety</b>	<b>\$ 25,036,519</b>	<b>\$ 24,889,994</b>	<b>\$ (146,525)</b>	<b>-0.6%</b>

## Public Works

This category includes funding for the Environmental Services' convenience sites function and the Department of General Services' facilities maintenance, management and administrative functions. Budgets for these departments total \$7,710,490, 6.5% of the General Fund. FY 2016 expenditures include reduced personnel costs for Environmental Services Convenience Sites related to the conversion of three full-time Site Attendant positions to two full-time Solid Waste Management Operator I positions. The FY 2016 budget for General Services includes adjustments for rising benefit costs.

<u>Department</u>	<u>FY 2015 Adopted</u>	<u>FY 2016 Adopted</u>	<u>FY 2015-16 \$ Change</u>	<u>FY 2015-16 % Change</u>
Environmental Services - Conv. Sites	\$ 2,653,675	\$ 2,642,431	\$ (11,244)	-0.4%
General Services	<u>5,061,740</u>	<u>5,068,059</u>	<u>6,319</u>	<u>0.1%</u>
<b>Subtotal, Public Works</b>	<b>\$ 7,715,415</b>	<b>\$ 7,710,490</b>	<b>\$ (4,925)</b>	<b>-0.1%</b>

## Overview by Functional Area

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### Health and Welfare

This category includes three agencies with budgets totaling \$11,125,618, 6.5% of the General Fund. FY 2016 expenditures increase by \$1,063,693, primarily driven by increased costs of \$1,055,000 for the CSA program due to higher caseload for day placements and foster care. A taskforce of both County and School Division staff has been created to review the increasing day placement cases to review the reasoning for the caseload increases and determine opportunities for alternate service delivery options that could mitigate ongoing increases in service costs. In addition, Social Services has increased jurisdictional funding of approximately \$57,000 for Birmingham Green Nursing and Assisted Living facilities and other State mandated program costs, offset by adjustments in personnel costs. Community Services Board (CSB) funding includes \$8,000 for increased costs in the mental health program administered by the CSB for increased access to mental health provisions for County residents and \$23,000 for the implementation of a crisis intervention team coordinator to support the regional commission. This funding will serve as the County's jurisdictional proportionate funding for the program.

<u>Department</u>	<u>FY 2015 Adopted</u>	<u>FY 2016 Adopted</u>	<u>FY 2015-16 \$ Change</u>	<u>FY 2015-16 % Change</u>
Community Services Board	\$ 421,285	\$ 452,285	\$ 31,000	7.4%
Public Health	577,945	584,328	6,383	1.1%
<u>Social Services</u>	<u>9,062,695</u>	<u>10,089,005</u>	<u>1,026,310</u>	<u>11.3%</u>
<b>Subtotal, Health &amp; Welfare</b>	<b>\$ 10,061,925</b>	<b>\$ 11,125,618</b>	<b>\$ 1,063,693</b>	<b>10.6%</b>

### Culture

This category includes three divisions with budgets totaling \$6,039,647, 3.5% of the General Fund. FY 2016 expenditures increase by \$98,113 primarily from personnel adjustments in the Library budget and maintenance and scheduling expenditures for the Northern Park athletic fields due to withdrawal of this support from the youth sports organizations. The FY 2016 adopted budget also includes adjustments for rising benefit costs. The Lord Fairfax Community College increases are based on the jurisdictional funding formula agreement.

<u>Department</u>	<u>FY 2015 Adopted</u>	<u>FY 2016 Adopted</u>	<u>FY 2015-16 \$ Change</u>	<u>FY 2015-16 % Change</u>
Library	\$ 2,221,093	\$ 2,284,462	\$ 63,369	2.9%
Lord Fairfax Community College	63,355	65,012	1,657	2.6%
<u>Parks &amp; Recreation</u>	<u>3,657,086</u>	<u>3,690,173</u>	<u>33,087</u>	<u>0.9%</u>
<b>Subtotal, Culture</b>	<b>\$ 5,941,534</b>	<b>\$ 6,039,647</b>	<b>\$ 98,113</b>	<b>1.7%</b>

# Overview by Functional Area

## Community Development

This category includes seven departments with budgets totaling \$4,995,131 or about 2.9% of the General Fund. FY 2016 expenditures reduce primarily by the elimination of one-time startup costs included in the Community Development budget in FY 2015 for the implementation of a State mandated stormwater management program in Community Development. The FY 2016 budget includes increases in Community Contributions, primarily driven by adjustments in the Regional Commission contributions in the amount of \$13,622 as part of a regional agreement to offset reductions in State and Federal administrative funding for temporary housing grants that the Commission administers for the planning district's localities. The remainder of increases in Contributions is related to increase in jurisdictional funding arrangements. The FY 2016 adopted budget also includes adjustments in personnel costs and rising benefit costs.

<u>Department</u>	<u>FY 2015 Adopted</u>	<u>FY 2016 Adopted</u>	<u>FY 2015-16 \$ Change</u>	<u>FY 2015-16 % Change</u>
Agriculture Development	\$ 62,574	\$ 62,643	\$ 69	0.1%
Community Development	3,601,137	3,511,473	(89,664)	-2.5%
Contributions	452,081	467,630	15,549	3.4%
Cooperative Extension	134,652	140,467	5,815	4.3%
Economic Development	506,522	508,161	1,639	0.3%
John Marshall SWCD	147,581	154,971	7,390	5.0%
Planning Commission/BZA	148,886	149,786	900	0.6%
<b>Subtotal, Comm Develop</b>	<b>\$ 5,053,433</b>	<b>\$ 4,995,131</b>	<b>\$ (58,302)</b>	<b>-1.2%</b>

## Non-Departmental

This category includes utility expenses and various operational contingencies and reserve accounts. FY 2016 expenditures increase by \$934,816, primarily for a two-percent cost-of-living compensation increase for permanent County staff which is projected to cost \$800,000. This is only the second salary increase to County staff since 2008. The Board of Supervisors also approved a mid-year two-percent increase in FY 2014 through year-end funds. The salary increase was not originally contemplated in the draft FY 2016. The increase to compensation was made possible during the Board's budget deliberation due to revisions in the State revenue and adjustments in the CIP which reduced anticipated debt service costs. The FY 2016 Projected Budget includes adjustments in vacancy savings, offset by a \$200,000 reserve for potential increases in health insurance costs which is self-funded by the County.

<u>Department</u>	<u>FY 2015 Adopted</u>	<u>FY 2016 Adopted</u>	<u>FY 2015-16 \$ Change</u>	<u>FY 2015-16 % Change</u>
<u>Non-Departmental</u>	\$ 1,250,883	\$ 2,185,699	\$ 934,816	74.7%
<b>Subtotal, Non-Departmental</b>	<b>\$ 1,250,883</b>	<b>\$ 2,185,699</b>	<b>\$ 934,816</b>	<b>74.7%</b>

## Overview by Functional Area

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### Transfers

This category consists of local support provided from the General Fund to other component funds. The General Fund provides local support for the School Division, the Affordable Housing Fund, Landfill Enterprise Fund, and Utility Fund as well as cash funding to the Capital Improvement Program, County's Asset Replacement plan, and debt service expenditures for the County and School Division projects in the Debt Service Fund. FY 2016 expenditure increases total \$1,464,968, which includes a \$1.3 million increase in the local transfer to the School Division. This increase to the School Division primarily funds increased benefit costs related to health insurance and increased VRS contributions rates by the State in an attempt to narrow the gap in funding the school retirement fund with VRS. The FY 2016 budget also includes an increase of \$328,991 which increases the recurring funding for the cash funding component of the Capital Improvement Program, a minimum ten-percent of the annual budget for projects included in the CIP. The balance of cash funding is allocated from available year-end funds. Reductions in local transfers for the County Asset Replacement Fund and Debt Service Fund relate to revisions in project timelines and adjusted debt issuance schedules for capital projects.

<u>Local Transfers by Fund</u>	<u>FY 2015</u> <u>Adopted</u>	<u>FY 2016</u> <u>Adopted</u>	<u>FY 2015-16</u> <u>\$ Change</u>	<u>FY 2015-16</u> <u>% Change</u>
Affordable Housing Fund	\$ 201,632	\$ 201,632	\$ -	0.0%
Airport Enterprise Fund	16,000	16,000	-	0.0%
Capital Improvement Fund	400,000	728,991	328,991	82.2%
County Asset Replacement Fund	1,333,500	1,299,000	(34,500)	-2.6%
Debt Service Fund	12,674,280	12,540,017	(134,263)	-1.1%
Landfill Enterprise Fund	368,279	373,019	4,740	1.3%
School Division Operating	80,798,708	82,098,708	1,300,000	1.6%
<u>Utility Fund</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>0.0%</u>
<b>Subtotal, Transfers</b>	<b>\$ 95,892,399</b>	<b>\$ 97,357,367</b>	<b>\$ 1,464,968</b>	<b>1.5%</b>

## Long-range Financial Planning

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As the County has navigated the recession and post-recession economic environment, the Board of Supervisors has acknowledged the need to enhance the County's financial management and planning processes. As part of this plan, initially a two-year budgeting process was introduced, with the inclusion of the five-year operating plan to be developed after the final adoption of the second year of the biennial budget. This plan is currently under development and will come forward to the Board of Supervisors during the upcoming fiscal year.

The timeline will allow both the current Board of Supervisors members and the incoming Board members to provide guidance and direction for the finalized plan. In addition, the Office of Management and Budget, in coordination with the Information Technology Department, has worked over the past year to create the ability to track and produce reporting for both a two-year budget and five-year financial plan within our existing financial system used by localities throughout the Commonwealth of Virginia.

The five-year plan is currently being developed by County Administration and staff will primarily focus on the General Fund budget, as the primary source of local tax funding for component funds. The plan will incorporate an overview of annual operational impacts from the various enterprise and non-major governmental funds and any need for adjustments in local tax support from the General Fund to those funds. Planning will focus on reducing the use of fund balance, assessing ongoing changes with benefit provisions and changes instituted at the State level to the State maintained retirement program, compensation for County employees, and expansion of programs and services in key service areas; while acknowledging funding requirements and the level of revenue growth necessary to meet these demands.

Revenue assumptions will incorporate various guidance and trend analysis including review of three, five, and ten year historical revenue collections, potential future tax assessments and rates of collection, revenue variances, and projected impacts of growth. Revenue forecasts beyond the FY 2016 Adopted Budget will assume a modest level of increase based on observed growth in the County's local revenue base and level funding from State and Federal sources, similar to historical and recent trends.

Expenditure assumptions will be based on recommendations provided by County departments as to the needs and changes the department anticipates over the next five years, as guidance for expenditure assumptions. Additionally, the plan will incorporate the increase in debt service requirements and operational requirements from capital projects based on the current adopted CIP. Staff has also developed assumptions in regards to compensation increases and benefit cost estimates. The benefit adjustment for health insurance will be based on review of the County's costs trends and market conditions. Adjustments in benefits for Virginia Retirement System (VRS) retirement, group life, and hybrid plan related costs will be timed in coordination with the Commonwealth's biennial budget timeframes, as currently adjusted.

The draft plan will build on the Board's organizational goals, while enhancing the County's financial management practice. The County is committed to instituting this additional financial planning tool to make a more resilient government that can adjust well in the downturns, as well as the upturns for long-term financial sustainability. The finalized plan will outline the requirements for future revenue growth or increased taxation that will be necessitated to fund future obligations and priorities of the community, to meet the County's balanced budget requirements.

# Permanent Positions - Adjustments

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## **Total County Personnel Adjustments**

The following provides an overview of all adjustments to County permanent positions since the adoption of the FY 2015 budget, as approved by the Board of Supervisors. Overall, the County's workforce has increased by 4.00 FTE between the FY 2015 and FY 2016 adopted budgets.

<b><u>Department</u></b>	<b><u>Adjustment</u></b>	<b><u>FTE Change</u></b>
<i>Mid-FY 2015 Adjustments</i>		
Environmental Services - Convenience Sites	Adj. (3) full-time Site Attendant to (2) full-time SWM Operator I	(1.00)
Geographic Information Systems	Adj. Senior GIS Specialist from part-time to GIS Tech I full-time	0.47
Finance	Establish (1) full-time Acctng Tech III, eliminate (1) part-time position	0.23
Library	Adj. Catalogue Librarian from part-time to full-time	0.36
Library	Adj. Library Clerk and Assistant from 20 hours to 19 hours	(0.06)
Airport Enterprise Fund	Establish one full-time Flight Line Technician	1.00
Landfill Enterprise Fund	Adj. (6) full-time Site Attendant to (5) full-time SWM Operator I	<u>(1.00)</u>
<b>Subtotal, Mid-FY 2015 Adjustments</b>		<b><u>0.00</u></b>
<i>FY 2016 Adopted Budget Adjustments</i>		
Clerk of Circuit Court	Establish (1) full-time Deputy Clerk I	1.00
Landfill Enterprise Fund	Establish (3) SWM Operator II for Transfer Station operations	<u>3.00</u>
<b>Subtotal, FY 2016 Adopted Budget Adjustments</b>		<b><u>4.00</u></b>
<b>Total Adjustments to County Permanent Positions, FY 2016 Adopted Budget</b>		<b><u>4.00</u></b>

## Permanent Positions – Full Time Equivalents

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<u>Department</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Adopted</u>	<u>FY 2016 Adopted</u>
<b><u>General Government</u></b>				
Board of Supervisors	1.00	1.00	1.00	1.00
Commissioner of Revenue	20.00	20.00	20.00	20.00
County Administration	6.44	6.77	6.77	6.00
County Attorney	6.00	6.00	6.00	6.00
Finance	20.53	16.53	16.53	17.53
Geographic Information Systems	3.53	3.53	3.53	4.00
Human Resources	12.00	17.00	18.00	18.00
Information Technology	21.00	22.00	22.00	22.00
Management & Budget	4.00	4.00	4.00	4.00
Registrar	3.00	3.00	3.00	3.00
<u>Treasurer</u>	<u>16.00</u>	<u>16.00</u>	<u>16.00</u>	<u>16.00</u>
<b>Subtotal, General Government</b>	<b>113.50</b>	<b>115.83</b>	<b>116.83</b>	<b>117.53</b>
<b><u>Judicial Administration</u></b>				
Adult Court Services	12.00	12.00	12.00	12.00
Circuit Court	1.00	1.00	1.00	1.00
Clerk of Circuit Court	14.77	15.04	15.04	16.04
Commissioner of Accounts	0.00	0.00	0.00	0.00
Commonwealth's Attorney	15.00	15.06	16.06	16.06
General District Court	0.00	0.00	0.00	0.00
Juv. & Domestic Relations Court	0.00	0.00	0.00	0.00
<u>Magistrates</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Subtotal, Judicial Administration</b>	<b>42.77</b>	<b>43.10</b>	<b>44.10</b>	<b>45.10</b>
<b><u>Public Safety</u></b>				
Fire, Rescue & Emergency Management	72.00	72.00	75.40	75.40
Juvenile Detention & Probation	0.00	0.00	0.00	0.00
<u>Sheriff</u>	<u>165.50</u>	<u>165.50</u>	<u>172.50</u>	<u>172.50</u>
<b>Subtotal, Public Safety</b>	<b>237.50</b>	<b>237.50</b>	<b>247.90</b>	<b>247.90</b>
<b><u>Public Works</u></b>				
Env. Services (Convenience Sites)	9.50	9.50	12.50	11.50
<u>General Services</u>	<u>52.60</u>	<u>53.00</u>	<u>53.00</u>	<u>53.00</u>
<b>Subtotal, Public Works</b>	<b>62.10</b>	<b>62.50</b>	<b>65.50</b>	<b>64.50</b>

## Permanent Positions – Full Time Equivalents

<u>Department</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Actual</u>	<u>FY 2015 Adopted</u>	<u>FY 2016 Adopted</u>
<b><u>Health and Welfare</u></b>				
Community Services Board	0.00	0.00	0.00	0.00
Public Health	0.00	0.00	0.00	0.00
<u>Social Services</u>	<u>47.54</u>	<u>47.54</u>	<u>48.53</u>	<u>48.53</u>
<b>Subtotal, Health and Welfare</b>	<b>47.54</b>	<b>47.54</b>	<b>48.53</b>	<b>48.53</b>
<b><u>Culture</u></b>				
Library	34.03	34.03	34.03	34.33
Lord Fairfax Community College	0.00	0.00	0.00	0.00
<u>Parks &amp; Recreation</u>	<u>27.93</u>	<u>27.93</u>	<u>28.86</u>	<u>28.86</u>
<b>Subtotal, Culture</b>	<b>61.96</b>	<b>61.96</b>	<b>62.89</b>	<b>63.19</b>
<b><u>Community Development</u></b>				
Agricultural Development	0.00	0.00	0.00	0.00
Community Development	37.06	37.06	40.53	40.53
Contributions	0.00	0.00	0.00	0.00
Cooperative Extension	0.00	0.00	0.43	0.43
Economic Development	3.53	3.53	3.67	3.67
John Marshall Soil & Water Cons. District	0.00	0.00	0.00	0.00
<u>Planning Commission/BZA</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Subtotal, Community Development</b>	<b>40.59</b>	<b>40.59</b>	<b>44.63</b>	<b>44.63</b>
<b><u>Non-Departmental</u></b>				
<u>Non-Departmental</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Subtotal, Non-Departmental</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b><u>Other Funds</u></b>				
Affordable Housing Fund	0.00	0.00	0.00	0.00
Airport Fund	2.00	2.00	2.00	3.00
Ambulance Revenue Fund	1.00	1.00	1.00	1.00
Conservation Easement District Fund	2.00	2.00	2.00	2.00
Fleet Maintenance Fund	14.00	14.00	14.00	14.00
<u>Landfill Enterprise Fund</u>	<u>17.50</u>	<u>17.50</u>	<u>23.50</u>	<u>25.50</u>
<b>Subtotal, Other Funds</b>	<b>36.50</b>	<b>36.50</b>	<b>42.50</b>	<b>45.50</b>
<b>County Total</b>	<b>642.46</b>	<b>645.52</b>	<b>672.88</b>	<b>676.88</b>
<b>School Division</b>	<b>1,816.32</b>	<b>1,819.48</b>	<b>1,831.12</b>	<b>1,836.10</b>
<b>Total FTE</b>	<b>2,458.78</b>	<b>2,465.00</b>	<b>2,504.00</b>	<b>2,512.98</b>

# County Organizational Chart

