



**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, 2017

Honorable Board of Supervisors and Citizens of Fauquier County:

The budget for Fiscal Year 2018 (FY 2018), adopted by the Board of Supervisors on March 28, 2017, 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 2018 adopted budget, for the period of July 1, 2017 through June 30, 2018.

The FY 2018 budget process continues the County's two year budgeting process, whereas the FY 2018 adopted budget was drafted with the FY 2017 adopted budget and prepared based on the approved draft fiscal plan for the second year of the two-year budget. Adjustments were made as part of the FY 2018 budget process only as a result of significant changes in revenue projections, the imposition of newly mandated or regulated requirements, or other significant events constituting an emergency that require additional consideration.

The FY 2018 budget totals \$310.9 million beginning July 1, 2017, including no adjustments to the overall real estate tax rate at \$1.039 per \$100 of assessed value and all other tax rates for Tax Year 2017. As part of the FY 2017 budget process, the Board of Supervisors set the tax rate sufficient to cover both years of the two-year budget. While the proposed budget advertised a higher tax rate for flexibility during budget deliberations, no tax rate increases were included in the adopted budget. As such, the average homeowner's real estate tax bill will include no increase at approximately \$3,338 per year based on an average residential assessment of \$321,300. The adopted budget also maintains all other tax rates at their current level.

	Tax Year 2017	Change
Overall Real Estate Tax Rate:	\$1.039	\$0.000
Real Estate – General	\$0.975	\$0.000
Real Estate – Fire & Rescue	\$0.058	\$0.000
Real Estate – Conservation Easement District	\$0.006	\$0.000

The FY 2018 General Fund budget totals \$183.1 million, an overall increase of \$5.5 million or 3.1%, and a \$3.5 million increase over the draft FY 2018 fiscal plan, primarily driven by revised revenue projections due to additions in the base assessment values for real and personal property. The FY 2018 adopted budget includes a \$1.99 million increase in local support to the School

Division to meet rising benefit costs, including mandated increases in the Virginia Retirement System contribution rates for School Divisions and increased health insurance costs.

County Economic Overview

The County continues to experience modest growth primarily resulting from increases in real estate, personal property, and sales taxes. Real estate tax revenue continues to benefit from modest amounts of new construction and improvements, while sales tax continues to experience moderate annual growth. The most significant increase in General Fund revenue was due to additions in the base assessment value of personal property from new business investments equating to an approximate 5% increase, with continued positive growth as a result of new automobile purchases and maintained valuations. In addition, the County has other recent additions in the commercial industries. However, the direct economic benefit of those new businesses on the County's tax base will be long-term with no significant impacts in the short-term due to tax incentive programs.

The impact of the base assessment increases from business personal property did allow for the County to minimize additional tax increases, while setting aside funding of \$1.5 million towards future capital costs for the adopted capital improvement plan (CIP). During the FY 2018 budget process, the Board of Supervisors dedicated a substantial amount of time on the development of the FY 2018-2022 CIP, and how the capital plan would impact the five-year operational plan from a capital and operating standpoint. By allocating the additional funding projected above the original draft FY 2018 plan, this limited the impact of the CIP on the five-year plan reducing the potential, future increases to the real estate tax rate by one and half cents.

Unemployment in Fauquier County has remained relatively steady over the past two years from 3.0% in April 2016 to 3.1% in April 2017. In comparison to the State and nation, the County's unemployment rate continues to trend below the State at 3.6% and significantly below the nation at 4.1% in April 2017. The current unemployment levels are significantly below the County's ten and five-year averages of 4.4% (2006-2015) and 4.8% (2011-2015) as calculated by the State's Employment Commission.

FY 2018 Adopted Budget

The prior approved FY 2018 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 vast majority of the departments and organizations that sought funding in the FY 2017-2018 budget process adhered to the directions related to the second year budget process and did not request increases to their budgets beyond that which had been approved in the draft FY 2018 plan. Overall, the FY 2018 adopted budget includes those limited enhancements included in the approved FY 2018 fiscal plan, with minor changes due to recognition of additional revenue or significant changes in operations.

The FY 2018 adopted budget totals \$310.9 million, with General Fund expenditures totaling \$183.1 million. The General Fund increase equates to approximately \$5.5 million, or 3.1% over the FY 2017 adopted budget. The FY 2018 adopted General Fund budget also includes a \$1.1 million use of fund balance, as planned by the Board of Supervisors in the FY 2017 budget process, to allocate towards one-time funding initiatives.

The FY 2018 adopted budget focuses on three key areas of enhancement while continuing to minimize the necessary level of tax increase with modest revenue growth. These areas of funding have been the focus of budget decisions in recent years and will continue to be a primary focus in the upcoming years as the County focuses on capital needs and priorities, including opportunities

to enhancement economic development, needs with the public safety arena, while balancing these needs with the overall delivery of County programs and services.

- Adequate funding to address key enhancements in public safety.
The FY 2018 adopted budget provides for the full year costs of public safety staffing for fire and rescue and the Sheriff's Office as planned for in FY 2017. Like many localities across the nation, the County continues to be face balancing a joint fire and rescue system with committed volunteer companies that also require career support for adequate staffing during daytime hours. In addition, the Sheriff's Office seeks to increase its patrol division services to ensure constant coverage for the County's citizens and major roadways. The Sheriff's Office also sought funding, as approved in the budget, to address an epidemic compression pay issue for lower ranked law enforcement positions, as seen throughout the Commonwealth. The Sheriff's Offices across the Commonwealth also sought similar funding from the State Compensation Board, the State funding entity for all Constitutional Offices at the local government level.

- Capital needs and priorities.
As the second year of the two year budget process, the Board of Supervisors placed an emphasis during their budget deliberations of reviewing and prioritizing the capital improvement plan. The Board vetted all projects to weigh the impact of each capital project and its importance with education, public health and welfare, and potential impact on economic development. Through this process, the Board reprioritized projects while adding new projects such as the Broadband project that would address the underserved areas of the County. The process also focused on the impact of each project on the County's five year plan for both capital and operating impacts.

- Continuity of services and increase efficiencies in service delivery.
The FY 2018 budget continues the theme of the FY 2017 Adopted Budget, including a series of department enhancements that focus on continuity of services and increased service delivery efficiencies for non-public safety divisions, outside of mandated programs. Since the recession, fixed and mandated cost increases have outpaced base revenue growth in the County and limited the County's ability to provide departmental enhancements that were not focused on public safety or mandated services. The County will continue to focus available resources in key departmental enhancements that will have the greatest impact on overall services and delivery of services to citizens.

FY 2018 Adopted Budget – General Fund Expenditures

<u>General Fund</u>	<u>FY 2017</u> <u>Adopted</u>	<u>FY 2018</u> <u>Adopted</u>	<u>FY2017-18</u> <u>Change(\$)</u>	<u>FY 2017-18</u> <u>Change (%)</u>
General Government	\$ 13,739,612	\$ 14,463,745	\$ 724,133	5.27%
Judicial Administration	3,913,169	3,998,909	85,740	2.19%
Public Safety	26,545,093	28,167,104	1,622,011	6.11%
Public Works	7,679,467	7,879,642	200,175	2.61%
Health & Welfare	11,584,567	11,676,568	92,001	0.79%
Culture	6,225,948	6,354,463	128,515	2.06%
Community Development	5,424,686	5,649,673	224,987	4.15%
Non-Departmental	2,034,420	1,727,662	(306,758)	-15.08%
<u>Local Transfers</u>				
Airport Enterprise Fund	94,104	16,000	(78,104)	-83.00%
Capital Improvement Fund	1,045,550	2,366,061	1,320,511	126.30%
County Asset Replacement Fund	1,914,000	1,329,000	(585,000)	-30.56%
Debt Service Fund	12,694,765	12,572,750	(122,015)	-0.96%
Landfill Enterprise Fund	450,503	666,348	215,845	47.91%
School Division Operating	84,098,708	86,086,173	1,987,465	2.36%
Utility Fund	100,000	100,000	-	0.00%
General Fund Total	\$ 177,544,592	\$ 183,054,098	\$ 5,509,506	3.10%

The FY 2018 adopted budget maintains those increases the Board of Supervisors approved with the FY 2017 adopted budget, and also maintains all tax rates for Tax Year 2017 as originally planned in the FY 2018 approved budget. The primary focus of the FY 2018 planned budget was funding the phased increases in public safety staffing and the full year costs of the mid-FY 2017 two-percent cost-of-living increase to County permanent employees, with a limited level of increase for fixed and mandated cost increases. The FY 2018 adopted budget augments the original fiscal plan by allocating additional revenues in key areas including health insurance cost increases and towards future debt service and capital cash funding needs.

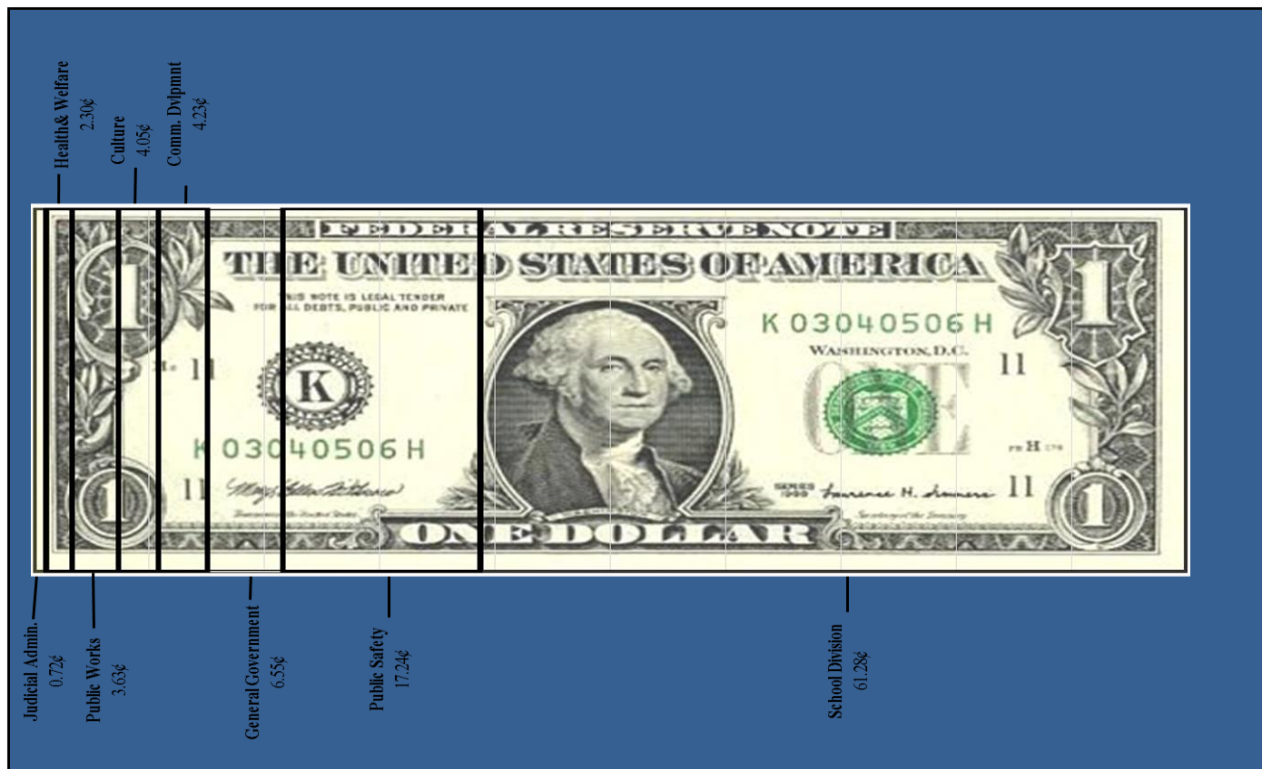
The increases in the FY 2018 General Fund adopted budget include approximately \$685,000 for health insurance projected increases, approximately \$145,000 for increases in formulary-based contributions to support agencies, a \$50,000 projected increase in fleet costs, and an approximately \$100,000 increase in County-wide maintenance service contracts and insurance premiums. The budget also includes a limited set of personnel enhancements including three additional FTEs for County departments, six additional FTEs for public safety, two personnel adjustments approved mid-FY 2017, and funding to address compensation compression issues with the Sheriff's Office's deputy through corporal position ranks. The Board, during their budget deliberations, included funding of approximately \$105,000 to address the compression issue for these lower ranked deputy positions, a public safety compensation issue seen throughout the Commonwealth of Virginia.

The personnel enhancements in the adopted budget include one additional FTE for a captain position at the Upperville fire and rescue station due to the recent announcement of the closure of the Volunteer Station and the transfer of the Station to the County, one additional deputy for Court Services approved mid-FY 2017, and four additional FTEs for the Sheriff's Office patrol division as the second series of patrol staffing, as previously approved with the FY 2017 adopted budget.

The increases in County departments include two additional FTEs in the Commissioner of the Revenue’s Office for Business Taxation Compliance, funded with one-time monies in FY 2018 and to be self-supported in FY 2019, an increase in hours for one full-time FTE in the County Attorney’s Office to address workload demands, and one additional FTE in Parks and Recreation. The Parks and Recreation position would establish a Parks and Facilities Crew Supervisor, with related operating budget increases of approximately \$36,000 for maintenance service, to be established based on the projected opening of the Central Sports Complex in FY 2018. Lastly, the adopted budget includes one project manager position for the Broadband capital project. The position is to be supported with project funding with a term equivalent to the length of the project. A chart is provided on page 35 that outlines the overall change in permanent County positions since the FY 2017 adopted budget, as noted in this overview.

The FY 2018 adopted budget does not include an additional compensation increase for County employees, but a mid-year FY 2017 increase was provided as a 2.0% cost of living adjustment. In addition, the adopted budget increases overall health insurance costs from a projected 3.5% in the original FY 2018 budget plan to 8.0% in the FY 2018 adopted budget. The projected increase would be split between employer and employee at a 90%/10% increase allocation, which equates to a 5.0% increase to employee premiums. Since the recession, the County has limited the level of increase in employee health insurance costs given the availability of funding hindered compensation increases. However, recent health insurance market trends and current health insurance costs have restricted the County’s ability to continue to cover the employee share of those increased costs, but also mitigates passing along those increases to employees by other means such as increased deductibles or plan design changes, with the potential for proposed changes in federal health insurance laws.

The following graphic displays how a tax dollar is allocated to County services based on the FY 2018 adopted budget.



School Division

The FY 2018 budget includes an additional \$1.99 million in local funding to the School Division, an increase of approximately \$800,000 over the draft FY 2018 fiscal plan to fund the increase to health insurance costs from 3.5% to 8.0%, as previously noted. Overall, the increased funding will support projected VRS contribution rate increases as included in the State's biennium budget. VRS contribution 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.

The School Division's Operating Fund adopted budget totals \$137,343,273, a \$3.6 million or 2.7% increase over FY 2017. The direct local funding support to the School Division equates to 56.7% of available local funding, including debt service funding and a 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, supports the School Division through direct and indirect sources, and increases local support to 61.3% of available local funding.

Capital Improvement Program

The adopted plan totals \$97.9 million over the five-year planning period, FY 2018-2022. Of this amount, \$5.6 million would be allocated for public safety and fire and rescue projects, \$2.1 million for potential renovations to the Circuit Courthouse building, \$9.1 million for library facilities, \$4.35 million for parks and recreational projects, \$8.1 million for environmental services projects, \$32.4 million for utility and infrastructure projects including \$20.6 million for broadband development, \$1.95 million for Airport projects, and \$34.3 million for school division projects.

The adopted CIP contains a significant cash funding commitment totaling \$24.97 million including \$14.9 million in General Fund cash contributions, or about 25.5% of total appropriations, over the course of the five-year planning period. The cash component will be addressed through the annual budget appropriation, non-General Fund cash contributions, one-time or existing funding allocations, and/or the annual set-aside of 50% of year-end available fund balance in the General Fund to the County's capital reserve. While the cash funding component is significant, and in excess of the 10% minimum requirement by the Board of Supervisors, this ensures the County does not issue debt for small funding allocations or preliminary engineering and design components of projects.

During the FY 2018 Capital Improvement Program budget process, the Board of Supervisors completed a comprehensive review and prioritization of all projects. The Board's review included the addition of new projects, including the Broadband Development project that would provide broadband services to the underserved areas of the County or those areas with limited internet access, and adjusted project timelines with those projects with the greatest impact or mandated requirements placed within plan years. Overall, the plan continues the Board's commitment to addressing the capital needs of the community within realistic timelines, while staying within the County's ability to pay, with a projected debt ratio of 8.4% in FY 2022.

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. While development and permitting activity annual increases have leveled out from a double digit increase in recent years, the continued growth has provided for positive impacts to fee revenues and higher assessments for new construction and improvements. In addition, the County has experienced positive business development growth, which has provide for increased tax revenues with continued additions

anticipated in out years. The upcoming budget cycle will focus on the impacts of the 2018 general reassessment pared with the implementation of the FY 2019-2020 two-year budget plan. The projected impacts of the reassessment will set the theme for the budget process.

To augment the County's moderate revenue growth, efforts continue to enhance our economic development initiatives and opportunities by attracting new businesses that will help to enhance the County's revenue base, while continuing to support the growth and development of our existing business base. In addition, the Board of Supervisors has provided focus within the County's capital improvement plan to initiate projects that will enhance economic development activities, including varied infrastructure and utility projects.

As part of the prioritization of the capital improvement plan, the County has finalized the five-year operating plan. The five-year plan allows the County to focus on long-term financial planning and foresee the impacts on the County's budget of operations, such as the addition of public safety staffing as well as capital projects. The thorough review and completion of the long-term financial plans allows the County to more readily adapt to changing economic factors in stronger and weaker financial environments.

Acknowledgements

The FY 2018 adopted budget was successful due to the overwhelming dedication of our County's staff and officials. The commitment of staff is essential to our continued long-term planning initiatives and how we support our citizens. 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 on this path to accomplish the County's priorities.

Sincerely,



Paul S. McCulla
County Administrator

Summary of Expenditures and Revenues

FY 2018 Adopted Expenditures by Fund

<u>General Fund</u>	<u>FY 2017</u> <u>Adopted</u>	<u>FY 2018</u> <u>Adopted</u>	<u>FY2017-18</u> <u>Change(\$)</u>	<u>FY 2017-18</u> <u>Change (%)</u>
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Landfill Enterprise Fund	450,503	666,348	215,845	47.91%
School Division Operating	84,098,708	86,086,173	1,987,465	2.36%
Utility Fund	100,000	100,000	-	0.00%
General Fund Total	\$ 177,544,592	\$ 183,054,098	\$ 5,509,506	3.10%
<u>School Division Funds</u>				
School Division Operating Fund	\$ 133,681,540	\$ 137,343,273	\$ 3,661,733	2.7%
School Nutrition Fund	5,564,940	5,495,869	(69,071)	-1.24%
School Textbook Fund	1,092,346	1,181,924	89,578	8.2%
School Asset Replacement Fund	3,008,655	3,389,436	380,781	12.7%
Regional Governor's School Fund	1,575,909	1,571,084	(4,825)	-0.31%
School Division Funds Total	\$ 144,923,390	\$ 148,981,586	\$ 4,058,196	2.80%
<u>Other Funds</u>				
Airport Enterprise Fund	\$ 794,907	\$ 715,851	\$ (79,056)	-9.9%
Ambulance Revenue Recovery Fund	1,412,439	1,383,889	(28,550)	-2.0%
Capital Improvement Fund	2,854,550	17,107,393	14,252,843	499.3%
Conservation Easement Service District Fund	932,966	759,726	(173,240)	-18.6%
County Asset Replacement Fund	2,544,000	1,359,000	(1,185,000)	-46.6%
Debt Service Fund	13,474,147	13,091,837	(382,310)	-2.8%
Fire and Rescue Levy Fund	7,207,326	6,708,423	(498,903)	-6.9%
Fleet Maintenance Fund	3,859,139	3,803,739	(55,400)	-1.4%
Health Insurance Fund	28,805,300	31,118,765	2,313,465	8.0%
Landfill Enterprise Fund	5,620,502	5,846,621	226,119	4.0%
Other Funds Total	\$ 67,505,276	\$ 81,895,244	\$ 14,389,968	21.32%
Total All Funds	\$ 389,973,258	\$ 413,930,928	\$ 23,957,670	6.14%
Less Transfers	\$ (100,297,630)	\$ (103,036,332)	\$ (2,738,702)	2.73%
Total Appropriations	\$ 289,675,628	\$ 310,894,596	\$ 21,218,968	7.33%

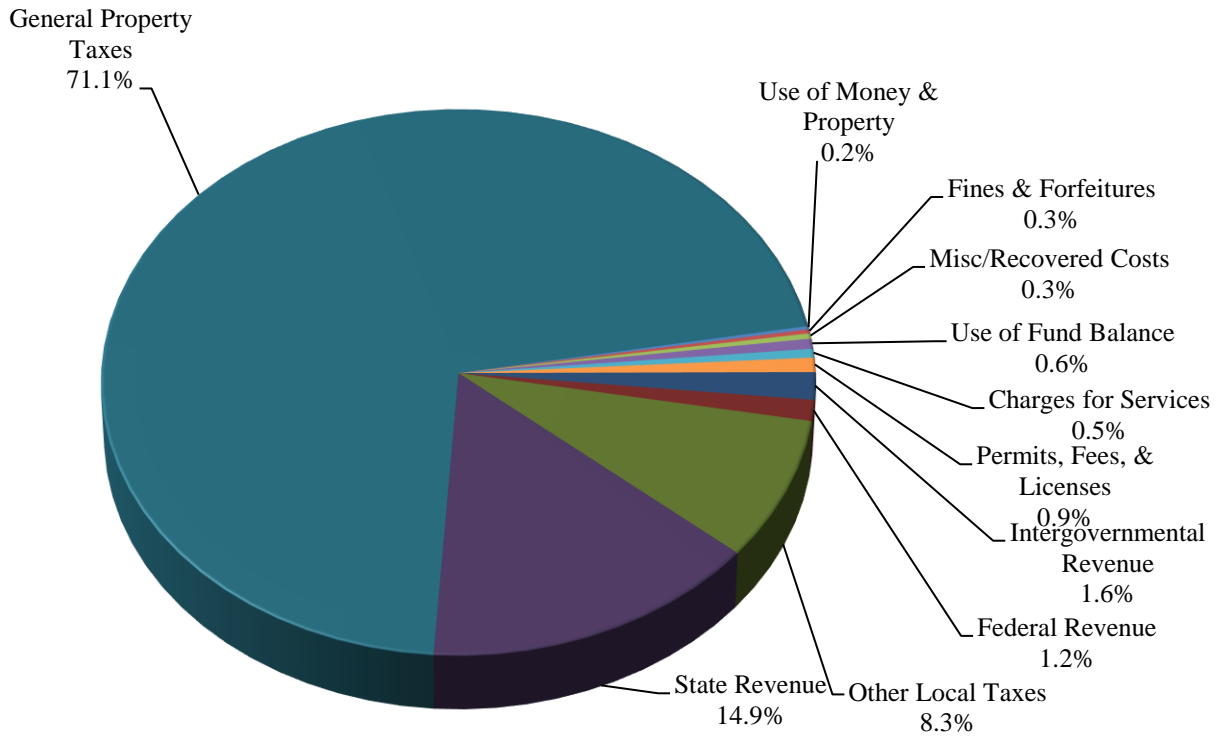
Summary of Expenditures and Revenues

FY 2018 Adopted Revenue by Fund

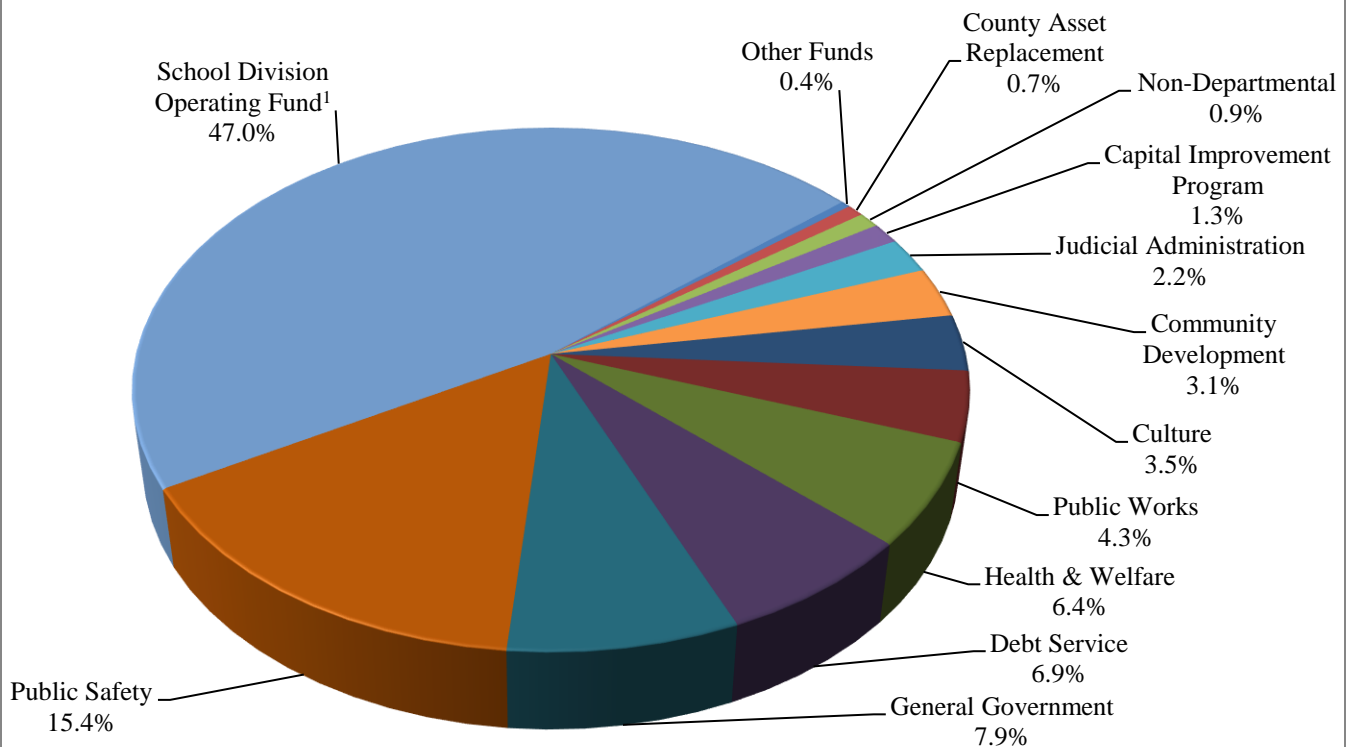
	FY 2017 <u>Adopted</u>	FY 2018 <u>Adopted</u>	FY 2017-18 <u>Change (\$)</u>	FY 2017-18 <u>Change (%)</u>
<u>General Fund</u>				
General Property Taxes	\$ 125,447,902	\$ 130,233,060	\$ 4,785,158	3.8%
Other Local Taxes	14,800,000	15,280,000	480,000	3.24%
Permits, Fees & Licenses	1,510,235	1,556,235	46,000	3.05%
Fines and Forfeitures	457,500	432,500	(25,000)	-5.46%
Use of Money & Property	334,272	361,272	27,000	8.08%
Charges for Services	978,122	953,133	(24,989)	-2.55%
Miscellaneous/Recovered Costs	604,129	581,783	(22,346)	-3.70%
State Revenue	27,366,044	27,325,608	(40,436)	-0.15%
Federal Revenue	2,334,305	2,259,756	(74,549)	-3.19%
Intergovernmental Revenue	2,384,762	2,977,524	592,762	24.86%
Use of Fund Balance	<u>1,327,321</u>	<u>1,093,227</u>	<u>(234,094)</u>	<u>-17.64%</u>
General Fund Total	\$ 177,544,592	\$ 183,054,098	\$ 5,509,506	3.10%
<u>School Division Funds</u>				
School Division Operating Fund	\$ 133,681,540	\$ 137,343,273	\$ 3,661,733	2.7%
School Nutrition Fund	5,564,940	5,495,869	(69,071)	-1.24%
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School Division Funds Total	\$ 144,923,390	\$ 148,981,586	\$ 4,058,196	2.80%
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Airport Enterprise Fund	\$ 794,907	\$ 715,851	\$ (79,056)	-9.9%
Ambulance Revenue Recovery Fund	1,412,439	1,383,889	(28,550)	-2.0%
Capital Improvement Fund	2,854,550	17,107,393	14,252,843	499.3%
Conservation Easement Service District Fund	932,966	759,726	(173,240)	-18.6%
County Asset Replacement Fund	2,544,000	1,359,000	(1,185,000)	-46.6%
Debt Service Fund	13,474,147	13,091,837	(382,310)	-2.8%
Fire and Rescue Levy Fund	7,207,326	6,708,423	(498,903)	-6.9%
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Health Insurance Fund	28,805,300	31,118,765	2,313,465	8.0%
Landfill Enterprise Fund	<u>5,620,502</u>	<u>5,846,621</u>	<u>226,119</u>	<u>4.0%</u>
Other Funds Total	\$ 67,505,276	\$ 81,895,244	\$ 14,389,968	21.32%
Total All Funds	\$ 389,973,258	\$ 413,930,928	\$ 23,957,670	6.14%
Less Transfers	(100,297,630)	(103,036,332)	(2,738,702)	2.73%
Total Appropriations	<u>\$ 289,675,628</u>	<u>\$ 310,894,596</u>	<u>\$ 21,218,968</u>	<u>7.33%</u>

Summary of Expenditures and Revenues

FY 2018 Adopted General Fund Revenue



FY 2018 Adopted General Fund Expenditures



¹ Does not include \$7.82 million in Consolidated/Unified Services shared support.

Summary of Expenditures and Revenues

FY 2018 Adopted Budget General Fund Expenditure Summary

Department	<u>FY 2017 Adopted</u>	<u>FY 2018 Adopted</u>	<u>FY2017-18 Change (\$)</u>	<u>FY2017-18 Change (%)</u>
<u>General Government</u>				
Board of Supervisors	\$ 274,964	\$ 276,928	\$ 1,964	0.7%
Commissioner of the Revenue	1,423,786	1,577,042	153,256	10.8%
County Administration	862,038	1,035,883	173,845	20.2%
County Attorney	680,044	731,629	51,585	7.6%
Finance	1,419,551	1,473,471	53,920	3.8%
Geographic Info Systems	329,944	340,007	10,063	3.0%
Human Resources	2,698,230	2,758,484	60,254	2.2%
Independent Auditor	179,005	181,610	2,605	1.5%
Information Technology	3,767,224	3,900,554	133,330	3.5%
Management & Budget	424,138	454,031	29,893	7.0%
Registrar	430,372	434,945	4,573	1.1%
Treasurer	<u>1,250,316</u>	<u>1,299,161</u>	<u>48,845</u>	<u>3.9%</u>
Subtotal, Gen Government	\$ 13,739,612	\$ 14,463,745	\$ 724,133	5.3%
<u>Judicial Administration</u>				
Adult Court Services	\$ 950,963	\$ 975,803	\$ 24,840	2.6%
Circuit Court	145,695	146,447	752	0.5%
Clerk of the Circuit Court	1,218,869	1,241,676	22,807	1.9%
Commissioner of Accounts	2,400	15,600	13,200	550.0%
Commonwealth's Attorney	1,457,043	1,481,184	24,141	1.7%
General District Court	32,700	32,700	-	0.0%
Juv & Dom Relations Court	17,726	17,726	-	0.0%
Magistrates	<u>87,773</u>	<u>87,773</u>	<u>-</u>	<u>0.0%</u>
Subtotal, Judicial Admin	\$ 3,913,169	\$ 3,998,909	\$ 85,740	2.2%
<u>Public Safety</u>				
Fire, Rescue & Emergency Mgmt.	\$ 7,473,821	\$ 8,239,482	\$ 765,661	10.2%
Juvenile Detention & Probation	309,457	309,457	-	0.0%
Sheriff's Office	<u>18,761,815</u>	<u>19,618,165</u>	<u>856,350</u>	<u>4.6%</u>
Subtotal, Public Safety	\$ 26,545,093	\$ 28,167,104	\$ 1,622,011	6.1%
<u>Public Works</u>				
Env Services (Conv Sites)	\$ 2,582,969	\$ 2,641,182	\$ 58,213	2.3%
General Services	<u>5,096,498</u>	<u>5,238,460</u>	<u>141,962</u>	<u>2.8%</u>
Subtotal, Public Works	\$ 7,679,467	\$ 7,879,642	\$ 200,175	2.6%

Summary of Expenditures and Revenues

Department	FY 2017 Adopted	FY 2018 Adopted	FY2017-18 Change (\$)	FY2017-18 Change (%)
<u>Health & Welfare</u>				
Community Services Board	\$ 460,110	\$ 475,225	\$ 15,115	3.3%
Public Health	584,328	590,172	5,844	1.0%
Social Services	<u>10,540,129</u>	<u>10,611,171</u>	<u>71,042</u>	<u>0.7%</u>
Subtotal, Health & Welfare	\$ 11,584,567	\$ 11,676,568	\$ 92,001	0.8%
 <u>Culture</u>				
Library	\$ 2,304,933	\$ 2,353,360	\$ 48,427	2.1%
Lord Fairfax Comm College	63,345	65,027	1,682	2.7%
<u>Parks & Recreation</u>	<u>3,857,670</u>	<u>3,936,076</u>	<u>78,406</u>	<u>2.0%</u>
Subtotal, Culture	\$ 6,225,948	\$ 6,354,463	\$ 128,515	2.1%
 <u>Community Development</u>				
Agriculture Development	\$ 63,033	\$ 63,781	\$ 748	1.2%
Community Development	3,483,820	3,630,297	146,477	4.2%
Contributions	700,527	701,174	647	0.1%
Cooperative Extension	145,001	152,702	7,701	5.3%
Economic Development	725,913	768,126	42,213	5.8%
John Marshall SWCD	156,606	182,807	26,201	16.7%
<u>Planning Commission/BZA</u>	<u>149,786</u>	<u>150,786</u>	<u>1,000</u>	<u>0.7%</u>
Subtotal, Comm Develop	\$ 5,424,686	\$ 5,649,673	\$ 224,987	4.1%
 <u>Non-Departmental</u>				
	\$ 2,034,420	\$ 1,727,662	\$ (306,758)	-15.1%
Subtotal, Non-Departmental	\$ 2,034,420	\$ 1,727,662	\$ (306,758)	-15.1%
 <u>Transfers</u>				
Airport Enterprise Fund	94,104	16,000	(78,104)	-83.0%
Capital Improvement Fund	1,045,550	2,366,061	1,320,511	126.3%
County Asset Replacement Fund	1,914,000	1,329,000	(585,000)	-30.6%
Debt Service Fund	12,694,765	12,572,750	(122,015)	-1.0%
Landfill Enterprise Fund	450,503	666,348	215,845	47.9%
School Division Operating	84,098,708	86,086,173	1,987,465	2.4%
<u>Utility Fund</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>0.0%</u>
Subtotal, Transfers	\$ 100,397,630	\$ 103,136,332	\$ 2,738,702	2.7%
Total, General Fund	<u>\$ 177,544,592</u>	<u>\$ 183,054,098</u>	<u>\$ 5,509,506</u>	<u>3.1%</u>

Summary of Expenditures and Revenues

FY 2018 Adopted Local Tax Funding Summary

<u>Area</u>	<u>FY 2018 Expenditures</u>	<u>FY 2018 Revenue</u>	<u>FY 2018 Local Funding</u>	<u>% of Total Local Funding</u>
<u>General Government</u>				
County Operating	\$ 65,840,740	\$ 17,265,856	\$ 48,574,884	28.6%
County Share Unified Services	4,253,108	901,630	3,351,478	2.0%
Landfill Enterprise Fund	5,846,621	5,180,273	666,348	0.4%
Airport Enterprise Fund	715,851	699,851	16,000	0.0%
Asset Replacement Fund	1,359,000	30,000	1,329,000	0.8%
Capital Improvement Fund	17,107,393	14,741,332	2,366,061	1.4%
<u>Debt Service Fund</u>	<u>2,442,099</u>	<u>-</u>	<u>2,442,099</u>	<u>1.4%</u>
Subtotal, General Government	<u>\$ 97,564,812</u>	<u>\$ 38,818,942</u>	<u>\$ 58,745,870</u>	<u>34.60%</u>
<u>School Division</u>				
School Division Operating Fund	\$ 137,343,273	\$ 51,257,100	\$ 86,086,173	50.7%
School Division Share Unified Services	9,923,918	2,103,804	7,820,114	4.6%
School Nutrition Fund	5,495,869	5,495,869	-	0.0%
School Textbook Fund	1,181,924	1,181,924	-	0.0%
Regional Governor's School Fund	1,571,084	1,571,084	-	0.0%
School Asset Replacement Fund	3,389,436	3,389,436	-	0.0%
Capital Improvements	-	-	-	0.0%
<u>Debt Service</u>	<u>10,649,738</u>	<u>519,087</u>	<u>10,130,651</u>	<u>6.0%</u>
Subtotal, School System:	<u>\$ 169,555,242</u>	<u>\$ 65,518,304</u>	<u>\$ 104,036,938</u>	<u>61.28%</u>
Total, Government & Schools	<u>\$ 267,120,054</u>	<u>\$ 104,337,246</u>	<u>\$ 162,782,808</u>	<u>95.88%</u>
<u>Internal Service Funds</u>				
Fleet Maintenance Fund	\$ 3,803,739	\$ 3,803,739	\$ -	0.0%
Health Insurance Fund	31,118,765	31,118,765	-	0.0%
Subtotal, Internal Service Funds	<u>\$ 34,922,504</u>	<u>\$ 34,922,504</u>	<u>\$ -</u>	<u>0.0%</u>
<u>Special Revenue Funds</u>				
Fire and Rescue Levy Fund	\$ 6,708,423	\$ 373,802	\$ 6,334,621	3.7%
Conservation Easement	759,726	105,000	654,726	0.4%
Ambulance Revenue Recovery Fund	1,383,889	1,383,889	-	0.0%
Subtotal, Special Revenue Funds	<u>\$ 8,852,038</u>	<u>\$ 1,862,691</u>	<u>\$ 6,989,347</u>	<u>4.12%</u>
Total Appropriations	<u>\$ 310,894,596</u>	<u>\$ 141,122,441</u>	<u>\$ 169,772,155</u>	<u>100.0%</u>

Financial Summaries

All Funds

	<u>FY 2015</u> <u>Actual</u>	<u>FY 2016</u> <u>Actual</u>	<u>FY 2017</u> <u>Budget</u>	<u>FY 2017</u> <u>Estimated</u>	<u>FY 2018</u> <u>Budget</u>
<u>Revenue</u>					
General Property Taxes	\$ 125,034,296	\$ 130,343,752	\$ 132,324,313	\$ 135,397,857	\$ 137,222,407
Other Local Taxes	14,680,690	15,249,808	14,800,000	15,235,000	15,280,000
Permits, Licenses & Fees	1,532,066	1,588,214	1,530,235	1,535,165	1,576,235
Fines & Forfeitures	465,432	395,466	457,500	412,452	432,500
Use of Money & Property	581,670	662,903	639,905	825,077	658,905
Charges for Services	39,836,185	40,333,780	41,996,439	41,966,848	44,668,834
Miscellaneous Revenue	2,765,554	4,214,611	2,866,475	4,330,085	3,511,910
Recovered Costs	1,372,693	1,268,707	1,266,278	1,274,955	1,252,597
Intergovernmental Revenue	81,519,259	83,188,217	82,982,735	87,282,998	83,681,909
<u>Other Financing Sources</u>	<u>107,406,614</u>	<u>106,074,922</u>	<u>107,831,855</u>	<u>110,850,184</u>	<u>121,720,725</u>
Total Revenue	<u>\$ 375,194,459</u>	<u>\$ 383,320,380</u>	<u>\$ 386,695,735</u>	<u>\$ 399,110,621</u>	<u>\$ 410,006,022</u>
<u>Expenditures</u>					
Personnel	\$ 190,097,717	\$ 198,587,429	\$ 204,954,716	\$ 203,343,408	\$ 212,392,627
Operating	30,843,239	32,746,649	31,549,926	33,534,687	36,713,514
Capital	12,267,503	9,454,201	7,842,495	16,323,340	14,623,201
Other Charges	23,421,250	22,534,831	23,338,824	24,035,396	23,330,312
<u>Other Use of Funds</u>	<u>119,658,447</u>	<u>119,013,494</u>	<u>122,287,297</u>	<u>130,603,542</u>	<u>126,871,274</u>
Total Expenditures	<u>\$ 376,288,156</u>	<u>\$ 382,336,604</u>	<u>\$ 389,973,258</u>	<u>\$ 407,840,373</u>	<u>\$ 413,930,928</u>
Net Change in Fund Balance	(1,093,697)	983,776	(3,277,523)	(8,729,752)	(3,924,906)
Fund Balance, July 1	<u>\$ 56,252,944</u>	<u>\$ 55,159,247</u>	<u>\$ 56,143,023</u>	<u>\$ 56,143,023</u>	<u>\$ 47,413,271</u>
Fund Balance, June 30	<u>\$ 55,159,247</u>	<u>\$ 56,143,023</u>	<u>\$ 52,865,500</u>	<u>\$ 47,413,271</u>	<u>\$ 43,488,365</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

General Fund

	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Estimated</u>	<u>Budget</u>
<u>Revenue</u>					
General Property Taxes	\$ 119,620,041	\$ 124,172,634	\$ 125,447,902	\$ 128,465,246	\$ 130,233,060
Other Local Taxes	14,680,690	15,249,808	14,800,000	15,235,000	15,280,000
Permits, Licenses & Fees	1,532,066	1,569,769	1,510,235	1,516,235	1,556,235
Fines & Forfeitures	465,432	394,250	457,500	412,348	432,500
Use of Money & Property	272,775	340,900	334,272	432,941	361,272
Charges for Services	987,141	1,052,285	978,122	986,660	953,133
Miscellaneous Revenue	482,694	401,188	441,767	624,505	433,102
Recovered Costs	340,749	330,813	162,362	215,779	148,681
Intergovernmental Revenue	29,817,842	27,213,195	29,700,349	32,873,897	29,585,364
<u>Other Financing Sources</u>	<u>2,098,402</u>	<u>3,191,021</u>	<u>2,384,762</u>	<u>2,384,762</u>	<u>2,977,524</u>
Total Revenue	<u>\$ 170,297,832</u>	<u>\$ 173,915,863</u>	<u>\$ 176,217,271</u>	<u>\$ 183,147,373</u>	<u>\$ 181,960,871</u>
<u>Expenditures</u>					
Personnel	\$ 47,692,647	\$ 49,858,153	\$ 49,645,102	\$ 50,297,008	\$ 52,395,334
Operating	10,170,609	10,749,206	11,903,738	11,903,738	12,035,692
Capital	472,115	599,975	361,612	610,760	361,612
Other Charges	13,917,043	14,299,815	13,987,090	13,987,090	14,187,466
<u>Other Use of Funds</u>	<u>98,944,215</u>	<u>98,065,423</u>	<u>101,647,050</u>	<u>107,667,410</u>	<u>104,073,994</u>
Total Expenditures	<u>\$ 171,196,629</u>	<u>\$ 173,572,572</u>	<u>\$ 177,544,592</u>	<u>\$ 184,466,006</u>	<u>\$ 183,054,098</u>
 Net Change in Fund Balance	 (898,797)	 343,291	 (1,327,321)	 (1,318,633)	 (1,093,227)
 Fund Balance, July 1	 <u>\$ 23,070,538</u>	 <u>\$ 22,171,741</u>	 <u>\$ 22,515,032</u>	 <u>\$ 22,515,032</u>	 <u>\$ 21,196,399</u>
Fund Balance, June 30	<u>\$ 22,171,741</u>	<u>\$ 22,515,032</u>	<u>\$ 21,187,711</u>	<u>\$ 21,196,399</u>	<u>\$ 20,103,172</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

School Operating Fund

	FY 2015 <u>Actual</u>	FY 2016 <u>Actual</u>	FY 2017 <u>Budget</u>	FY 2017 <u>Estimated</u>	FY 2018 <u>Budget</u>
<u>Revenue</u>					
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-
Permits, Licenses & Fees	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Use of Money & Property	-	-	-	-	-
Charges for Services	-	-	-	-	-
Miscellaneous Revenue	939,471	790,531	721,400	1,772,306	1,375,500
Recovered Costs	-	-	-	-	-
Intergovernmental Revenue	47,697,166	49,586,861	48,861,432	46,178,902	49,881,600
<u>Other Financing Sources</u>	<u>81,146,098</u>	<u>81,749,369</u>	<u>84,098,708</u>	<u>85,310,113</u>	<u>86,086,173</u>
Total Revenue	<u>\$ 129,782,735</u>	<u>\$ 132,126,761</u>	<u>\$ 133,681,540</u>	<u>\$ 133,261,321</u>	<u>\$ 137,343,273</u>
<u>Expenditures</u>					
Personnel	\$ 112,764,910	\$ 115,343,098	\$ 119,154,871	\$ 117,154,871	\$ 121,227,078
Operating	7,639,440	8,491,603	6,934,281	6,855,951	7,454,648
Capital	730,508	317,338	94,728	700,000	94,728
Other Charges	5,072,996	4,859,834	5,157,197	5,157,197	5,395,575
<u>Other Use of Funds</u>	<u>3,563,146</u>	<u>3,299,387</u>	<u>2,340,463</u>	<u>3,251,010</u>	<u>3,171,244</u>
Total Expenditures	<u>\$ 129,771,000</u>	<u>\$ 132,311,260</u>	<u>\$ 133,681,540</u>	<u>\$ 133,119,029</u>	<u>\$ 137,343,273</u>
Net Change in Fund Balance	11,735	(184,499)	-	142,292	-
Fund Balance, July 1	<u>\$ 30,472</u>	<u>\$ 42,207</u>	<u>\$ (142,292)</u>	<u>\$ (142,292)</u>	<u>\$ -</u>
Fund Balance, June 30	<u><u>\$ 42,207</u></u>	<u><u>\$ (142,292)</u></u>	<u><u>\$ (142,292)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Financial Summaries

Fire and Rescue Levy Fund

	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Estimated</u>	<u>Budget</u>
<u>Revenue</u>					
General Property Taxes	\$ 4,776,559	\$ 5,525,622	\$ 6,234,147	\$ 6,287,531	\$ 6,334,621
Other Local Taxes	-	-	-	-	-
Permits, Licenses & Fees	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Use of Money & Property	7,953	16,632	8,000	31,706	10,000
Charges for Services	-	-	-	-	-
Miscellaneous Revenue	118,086	35,763	-	48,626	-
Recovered Costs	45,592	-	-	5,265	-
Intergovernmental Revenue	248,348	254,450	260,764	160,000	273,802
<u>Other Financing Sources</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>\$ 5,196,538</u>	<u>\$ 5,832,467</u>	<u>\$ 6,502,911</u>	<u>\$ 6,533,128</u>	<u>\$ 6,618,423</u>
<u>Expenditures</u>					
Personnel	\$ 112,046	\$ 38,799	\$ 107,113	\$ 107,014	\$ 110,472
Operating	339,340	507,254	474,970	538,669	613,538
Capital	264	-	30,000	30,000	-
Other Charges	2,915,870	2,802,286	3,686,860	3,686,860	3,233,264
<u>Other Use of Funds</u>	<u>1,232,917</u>	<u>1,567,115</u>	<u>2,908,383</u>	<u>2,875,000</u>	<u>2,751,149</u>
Total Expenditures	<u>\$ 4,600,437</u>	<u>\$ 4,915,454</u>	<u>\$ 7,207,326</u>	<u>\$ 7,237,543</u>	<u>\$ 6,708,423</u>
 Net Change in Fund Balance	 596,101	 917,013	 (704,415)	 (704,415)	 (90,000)
 Fund Balance, July 1	 <u>\$ 4,222,975</u>	 <u>\$ 4,819,076</u>	 <u>\$ 5,736,089</u>	 <u>\$ 5,736,089</u>	 <u>\$ 5,031,674</u>
Fund Balance, June 30	<u>\$ 4,819,076</u>	<u>\$ 5,736,089</u>	<u>\$ 5,031,674</u>	<u>\$ 5,031,674</u>	<u>\$ 4,941,674</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

Capital Improvement Fund

	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Estimated</u>	<u>Budget</u>
<u>Revenue</u>					
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-
Permits, Licenses & Fees	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Use of Money & Property	157	219	-	282	-
Charges for Services	-	-	-	-	456,500
Miscellaneous Revenue	-	1,900,000	-	243,535	-
Recovered Costs	-	9,290	-	-	-
Intergovernmental Revenue	185,290	646,055	-	1,986,783	-
<u>Other Financing Sources</u>	<u>2,245,189</u>	<u>2,440,895</u>	<u>2,854,550</u>	<u>3,352,287</u>	<u>14,901,686</u>
Total Revenue	<u>\$ 2,430,636</u>	<u>\$ 4,996,459</u>	<u>\$ 2,854,550</u>	<u>\$ 5,582,887</u>	<u>\$ 15,358,186</u>
<u>Expenditures</u>					
Personnel	\$ -	\$ 1,400	\$ -	\$ 35,214	\$ -
Operating	219,470	320,255	-	266,910	4,617,137
Capital	2,720,246	2,261,799	2,517,000	6,658,499	10,746,425
Other Charges	62,301	62,268	-	450,213	-
<u>Other Use of Funds</u>	<u>333,000</u>	<u>850,949</u>	<u>337,550</u>	<u>1,310,674</u>	<u>1,743,831</u>
Total Expenditures	<u>\$ 3,335,017</u>	<u>\$ 3,496,671</u>	<u>\$ 2,854,550</u>	<u>\$ 8,721,510</u>	<u>\$ 17,107,393</u>
 Net Change in Fund Balance	 (904,381)	 1,499,788	 -	 (3,138,623)	 (1,749,207)
 Fund Balance, July 1	 <u>\$ 10,043,843</u>	 <u>\$ 9,139,462</u>	 <u>\$ 10,639,250</u>	 <u>\$ 10,639,250</u>	 <u>\$ 7,500,627</u>
Fund Balance, June 30	<u>\$ 9,139,462</u>	<u>\$ 10,639,250</u>	<u>\$ 10,639,250</u>	<u>\$ 7,500,627</u>	<u>\$ 5,751,420</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

Debt Service Fund

	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Estimated</u>	<u>Budget</u>
<u>Revenue</u>					
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-
Permits, Licenses & Fees	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Use of Money & Property	-	-	-	-	-
Charges for Services	-	-	-	-	-
Miscellaneous Revenue	3,117	89,192	-	-	-
Recovered Costs	-	-	-	-	-
Intergovernmental Revenue	393,975	396,100	519,088	519,088	519,087
<u>Other Financing Sources</u>	<u>13,743,980</u>	<u>12,645,893</u>	<u>12,694,765</u>	<u>12,694,765</u>	<u>12,572,750</u>
Total Revenue	<u>\$ 14,141,072</u>	<u>\$ 13,131,185</u>	<u>\$ 13,213,853</u>	<u>\$ 13,213,853</u>	<u>\$ 13,091,837</u>
<u>Expenditures</u>					
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Operating	-	-	-	-	-
Capital	-	-	-	-	-
Other Charges	-	-	-	-	-
<u>Other Use of Funds</u>	<u>13,820,220</u>	<u>13,610,159</u>	<u>13,474,147</u>	<u>13,474,147</u>	<u>13,091,837</u>
Total Expenditures	<u>\$ 13,820,220</u>	<u>\$ 13,610,159</u>	<u>\$ 13,474,147</u>	<u>\$ 13,474,147</u>	<u>\$ 13,091,837</u>
Net Change in Fund Balance	320,852	(478,974)	(260,294)	(260,294)	-
Fund Balance, July 1	<u>\$ 565,240</u>	<u>\$ 886,092</u>	<u>\$ 407,118</u>	<u>\$ 407,118</u>	<u>\$ 146,824</u>
Fund Balance, June 30	<u>\$ 886,092</u>	<u>\$ 407,118</u>	<u>\$ 146,824</u>	<u>\$ 146,824</u>	<u>\$ 146,824</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

Non-major Governmental Funds

	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Estimated</u>	<u>Budget</u>
<u>Revenue</u>					
General Property Taxes	\$ 637,696	\$ 645,496	\$ 642,264	\$ 645,080	\$ 654,726
Other Local Taxes	-	-	-	-	-
Permits, Licenses & Fees	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Use of Money & Property	65	809	150	2,100	150
Charges for Services	4,148,298	4,120,741	4,441,372	4,441,372	4,358,791
Miscellaneous Revenue	344,684	236,290	703,500	467,844	703,500
Recovered Costs	961,758	928,629	1,103,916	1,053,916	1,103,916
Intergovernmental Revenue	3,040,044	3,824,761	3,616,296	3,657,395	3,398,202
<u>Other Financing Sources</u>	<u>7,382,117</u>	<u>5,251,018</u>	<u>5,254,463</u>	<u>6,079,529</u>	<u>4,500,244</u>
Total Revenue	<u>\$ 16,514,662</u>	<u>\$ 15,007,744</u>	<u>\$ 15,761,961</u>	<u>\$ 16,347,236</u>	<u>\$ 14,719,529</u>
<u>Expenditures</u>					
Personnel	\$ 3,700,889	\$ 3,854,512	\$ 4,477,895	\$ 4,431,305	\$ 4,504,554
Operating	5,280,575	4,643,269	5,715,905	6,271,529	5,478,207
Capital	5,570,590	4,322,786	4,717,655	4,840,443	3,347,936
Other Charges	482,227	264,923	284,506	284,506	301,586
<u>Other Use of Funds</u>	<u>1,718,773</u>	<u>1,579,668</u>	<u>935,294</u>	<u>1,434,010</u>	<u>1,508,645</u>
Total Expenditures	<u>\$ 16,753,054</u>	<u>\$ 14,665,158</u>	<u>\$ 16,131,255</u>	<u>\$ 17,261,793</u>	<u>\$ 15,140,928</u>
 Net Change in Fund Balance	 (238,392)	 342,586	 (369,294)	 (914,557)	 (421,399)
 Fund Balance, July 1	 <u>\$ 6,217,779</u>	 <u>\$ 5,979,387</u>	 <u>\$ 6,321,973</u>	 <u>\$ 6,321,973</u>	 <u>\$ 5,407,416</u>
Fund Balance, June 30	<u>\$ 5,979,387</u>	<u>\$ 6,321,973</u>	<u>\$ 5,952,679</u>	<u>\$ 5,407,416</u>	<u>\$ 4,986,017</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

Proprietary Funds

	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Estimated</u>	<u>Budget</u>
<u>Revenue</u>					
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-
Permits, Licenses & Fees	-	18,445	20,000	18,930	20,000
Fines & Forfeitures	-	1,216	-	104	-
Use of Money & Property	300,720	304,343	297,483	358,048	287,483
Charges for Services	34,700,746	35,160,754	36,576,945	36,538,816	38,900,410
Miscellaneous Revenue	877,502	761,647	999,808	1,173,269	999,808
Recovered Costs	24,594	(25)	-	(5)	-
Intergovernmental Revenue	136,594	1,266,795	24,806	1,906,933	23,854
<u>Other Financing Sources</u>	<u>790,828</u>	<u>796,726</u>	<u>544,607</u>	<u>1,028,728</u>	<u>682,348</u>
Total Revenue	<u>\$ 36,830,984</u>	<u>\$ 38,309,901</u>	<u>\$ 38,463,649</u>	<u>\$ 41,024,823</u>	<u>\$ 40,913,903</u>
<u>Expenditures</u>					
Personnel	\$ 25,827,225	\$ 29,491,467	\$ 31,569,735	\$ 31,317,997	\$ 34,155,189
Operating	7,193,805	8,035,062	6,521,032	7,697,890	6,514,292
Capital	2,773,780	1,952,303	121,500	3,483,638	72,500
Other Charges	970,813	245,705	223,171	469,530	212,421
<u>Other Use of Funds</u>	<u>46,176</u>	<u>40,793</u>	<u>644,410</u>	<u>591,291</u>	<u>530,574</u>
Total Expenditures	<u>\$ 36,811,799</u>	<u>\$ 39,765,330</u>	<u>\$ 39,079,848</u>	<u>\$ 43,560,346</u>	<u>\$ 41,484,976</u>
Net Change in Fund Balance	19,185	(1,455,429)	(616,199)	(2,535,523)	(571,073)
Fund Balance, July 1	<u>\$ 12,102,097</u>	<u>\$ 12,121,282</u>	<u>\$ 10,665,853</u>	<u>\$ 10,665,853</u>	<u>\$ 8,130,330</u>
Fund Balance, June 30	<u>\$ 12,121,282</u>	<u>\$ 10,665,853</u>	<u>\$ 10,049,654</u>	<u>\$ 8,130,330</u>	<u>\$ 7,559,257</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 2018 totaling \$14,463,745, approximately 7.9% of General Fund expenditures. FY 2018 adopted budget expenditures increase by \$724,133, or 5.3%, from FY 2017. These increases are primarily in the area of personnel, including one mid-FY 2017 adjustment in the Finance department to convert a Procurement positions from part-time to full-time, the establishment of three positions in FY 2018, and one position adjustment in FY 2018.

The FY 2018 budget includes the establishment of a separate Business Taxation division within the Commissioner of the Revenue's Office and two deputy Commissioners of Revenue positions. This division would oversee the business personal property and professional occupational licenses accounts. This includes compliance with State and County code provisions related to these two business taxation areas, and increases in compliance and proper assessment. In FY 2018, the program will be supported with one-time revenues to start the program. In future years, the program is estimated to generate sufficient funding to be self-supporting in nature. The Broadband project manager position is included in the County Administration budget increases, but will be funded from a transfer from the capital project rather than direct General Fund local tax funding. The County Attorney's budget includes the increase in hours for one, full-time attorney from 30 to 37.5 hours per week, in order to address workload issues.

Department	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY2017-18</u>	<u>FY2017-18</u>
	<u>Adopted</u>	<u>Adopted</u>	<u>Change (\$)</u>	<u>Change (%)</u>
<u>General Government</u>				
Board of Supervisors	\$ 274,964	\$ 276,928	\$ 1,964	0.7%
Commissioner of the Revenue	1,423,786	1,577,042	153,256	10.8%
County Administration	862,038	1,035,883	173,845	20.2%
County Attorney	680,044	731,629	51,585	7.6%
Finance	1,419,551	1,473,471	53,920	3.8%
Geographic Info Systems	329,944	340,007	10,063	3.0%
Human Resources	2,698,230	2,758,484	60,254	2.2%
Independent Auditor	179,005	181,610	2,605	1.5%
Information Technology	3,767,224	3,900,554	133,330	3.5%
Management & Budget	424,138	454,031	29,893	7.0%
Registrar	430,372	434,945	4,573	1.1%
Treasurer	<u>1,250,316</u>	<u>1,299,161</u>	<u>48,845</u>	<u>3.9%</u>
Subtotal, Gen Government	\$ 13,739,612	\$ 14,463,745	\$ 724,133	5.3%

Overview by Functional Area

Judicial Administration

This category includes eight divisions with budgets for FY 2018 totaling \$3,998,909, 2.2% of the General Fund. FY 2018 adopted budget expenditures increase by \$85,740, or 2.2%. FY 2018 adopted budget increases primarily include adjustments in costs of benefit provisions. In addition, the Commissioner of Accounts budget which funds office was adjusted to increase their funding level to market rate rents.

<u>Department</u>	<u>FY 2017 Adopted</u>	<u>FY 2018 Adopted</u>	<u>FY2017-18 Change (\$)</u>	<u>FY2017-18 Change (%)</u>
<u>Judicial Administration</u>				
Adult Court Services	\$ 950,963	\$ 975,803	\$ 24,840	2.6%
Circuit Court	145,695	146,447	752	0.5%
Clerk of the Circuit Court	1,218,869	1,241,676	22,807	1.9%
Commissioner of Accounts	2,400	15,600	13,200	550.0%
Commonwealth's Attorney	1,457,043	1,481,184	24,141	1.7%
General District Court	32,700	32,700	-	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>
Subtotal, Judicial Admin	\$ 3,913,169	\$ 3,998,909	\$ 85,740	2.2%

Public Safety

This category includes three departments with budgets for FY 2018 totaling \$28,167,104, 15.4% of the General Fund. FY 2018 adopted budget expenditures increased by \$1,622,011, or 6.1%, primarily funding additional fire and rescue and Sheriff's Office staffing a total increase of six full-time equivalent between FY 2017 and FY 2018. The adopted budget also includes the full-year costs of the ten career fire and rescue technicians within Fire, Rescue, and Emergency Management (DFREM) approved in the FY 2017 budget with a mid-year start date and the second series of the four patrol deputies within the Sheriff's Office to equate to eight, new patrol deputies over the FY 2017-2018 two-year budget. In addition, the adopted budget includes one deputy in the Sheriff's Office established mid-FY 2017 for staffing at the Circuit Court. Also one fire rescue Captain position to oversee the operations of the Upperville Station. The Upperville Volunteer Fire and Rescue Company announced its closure on December 2, 2016, ceding all operations of the company to the County. The Board of Supervisors' strategic initiatives in the near and long-term is ensuring adequate funding for the provision of public safety services. To address these initiatives for FY 2017 and FY 2018, the Board approved the additional career staffing in fire and rescue to facilitate daytime coverage at all fire and rescue stations, and continual patrol coverage of the County.

<u>Department</u>	<u>FY 2017 Adopted</u>	<u>FY 2018 Adopted</u>	<u>FY2017-18 Change (\$)</u>	<u>FY2017-18 Change (%)</u>
<u>Public Safety</u>				
Fire, Rescue & Emergency Mgmt.	\$ 7,473,821	\$ 8,239,482	\$ 765,661	10.2%
Juvenile Detention & Probation	309,457	309,457	-	0.0%
<u>Sheriff's Office</u>	<u>18,761,815</u>	<u>19,618,165</u>	<u>856,350</u>	<u>4.6%</u>
Subtotal, Public Safety	\$ 26,545,093	\$ 28,167,104	\$ 1,622,011	6.1%

Overview by Functional Area

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. The FY 2018 adopted budget for these departments' totals \$7,879,642, 4.3% of the General Fund. FY 2018 expenditures include reduced operating costs for the Environmental Services Convenience Sites for lower tipping fee costs based on historical tonnage. General Services' increases include adjustments in fixed and mandated costs including maintenance contracts and fleet costs. The FY 2018 budget also includes adjustments for rising benefit costs.

<u>Department</u>	<u>FY 2017 Adopted</u>	<u>FY 2018 Adopted</u>	<u>FY2017-18 Change (\$)</u>	<u>FY2017-18 Change (%)</u>
<u>Public Works</u>				
Env Services (Conv Sites)	\$ 2,582,969	\$ 2,641,182	\$ 58,213	2.3%
<u>General Services</u>	<u>5,096,498</u>	<u>5,238,460</u>	<u>141,962</u>	<u>2.8%</u>
Subtotal, Public Works	\$ 7,679,467	\$ 7,879,642	\$ 200,175	2.6%

Health and Welfare

This category includes three agencies with FY 2018 adopted budget totaling \$11,676,568, 6.4% of the General Fund. FY 2018 expenditures increase by \$92,001, or 0.8%. Community Services Board (CSB) and Public Health (State Health Department) funding includes additional funding to support costs for program administered by these entities to County residents, based on jurisdictional funding formulas. The FY 2018 budget includes adjustments for rising benefit costs for the Social Services department.

<u>Department</u>	<u>FY 2017 Adopted</u>	<u>FY 2018 Adopted</u>	<u>FY2017-18 Change (\$)</u>	<u>FY2017-18 Change (%)</u>
<u>Health & Welfare</u>				
Community Services Board	\$ 460,110	\$ 475,225	\$ 15,115	3.3%
Public Health	584,328	590,172	5,844	1.0%
<u>Social Services</u>	<u>10,540,129</u>	<u>10,611,171</u>	<u>71,042</u>	<u>0.7%</u>
Subtotal, Health & Welfare	\$ 11,584,567	\$ 11,676,568	\$ 92,001	0.8%

Overview by Functional Area

Culture

This category includes three divisions within the FY 2018 adopted budget totaling \$6,354,463, 3.5% of the General Fund. FY 2018 expenditures increase by \$128,515, or 2.1%, primarily from personnel enhancements in Parks and Recreation. The FY 2018 adopted budget includes adjustments for rising benefit costs for the Library and Parks and Recreation personnel budgets. In addition, the Parks and Recreation budget includes increases related to the establishment of one maintenance crew supervisor and related operating costs for the projected mid-year opening on the new Central Sports Complex. The Lord Fairfax Community College increases are based on the jurisdictional funding formula agreement.

<u>Department</u>	<u>FY 2017</u> <u>Adopted</u>	<u>FY 2018</u> <u>Adopted</u>	<u>FY2017-18</u> <u>Change (\$)</u>	<u>FY2017-18</u> <u>Change (%)</u>
<u>Culture</u>				
Library	\$ 2,304,933	\$ 2,353,360	\$ 48,427	2.1%
Lord Fairfax Comm College	63,345	65,027	1,682	2.7%
<u>Parks & Recreation</u>	<u>3,857,670</u>	<u>3,936,076</u>	<u>78,406</u>	<u>2.0%</u>
Subtotal, Culture	\$ 6,225,948	\$ 6,354,463	\$ 128,515	2.1%

Overview by Functional Area

Community Development

This category includes seven departments with the FY 2018 adopted budget totaling \$5,649,673, or about 3.1% of the General Fund. FY 2018 expenditure increases of \$224,987, or 4.1%, include adjustments in personnel costs and rising benefit costs, and one-time funding to the John Marshall Soil and Water Conservation District to replacement an aging vehicle.

<u>Department</u>	<u>FY 2017 Adopted</u>	<u>FY 2018 Adopted</u>	<u>FY2017-18 Change (\$)</u>	<u>FY2017-18 Change (%)</u>
<u>Community Development</u>				
Agriculture Development	\$ 63,033	\$ 63,781	\$ 748	1.2%
Community Development	3,483,820	3,630,297	146,477	4.2%
Contributions	700,527	701,174	647	0.1%
Cooperative Extension	145,001	152,702	7,701	5.3%
Economic Development	725,913	768,126	42,213	5.8%
John Marshall SWCD	156,606	182,807	26,201	16.7%
<u>Planning Commission/BZA</u>	<u>149,786</u>	<u>150,786</u>	<u>1,000</u>	<u>0.7%</u>
Subtotal, Comm Develop	\$ 5,424,686	\$ 5,649,673	\$ 224,987	4.1%

Non-Departmental

This category includes utility expenses and various operational contingencies and reserve accounts. The FY 2018 expenditures decrease by approximately \$307,000, primarily from the allocation of FY 2017 adopted budget mid-year compensation increases directly to department budgets. The County holds the approximate compensation increase amounts in the non-departmental budget until such time as compensation increases are allocated to departments.

<u>Department</u>	<u>FY 2017 Adopted</u>	<u>FY 2018 Adopted</u>	<u>FY2017-18 Change (\$)</u>	<u>FY2017-18 Change (%)</u>
<u>Non-Departmental</u>	<u>\$ 2,034,420</u>	<u>\$ 1,727,662</u>	<u>\$ (306,758)</u>	<u>-15.1%</u>
Subtotal, Non-Departmental	\$ 2,034,420	\$ 1,727,662	\$ (306,758)	-15.1%

Overview by Functional Area

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, 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 2018 expenditures increase totals \$2,738,702, which includes a \$1.99 million increase in the local transfer to the School Division. The increase to the School Division primarily is allocated to fund 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 2018 budget includes reduction in one-time funding allocations in the FY 2017 adopted budget including the Airport Enterprise Fund and the Count Asset Replacement Fund that were funded from FY 2016 revenue increase from higher real estate collections due to the Tax Year 2017 rate increases. The increase of \$1,320,511 in the Capital Improvement Fund increases the recurring funding towards the 10% cash funding component of the Capital Improvement Program (CIP). The increase in funding was made available due to increases in tax revenues from business development, and will limit the level of project real estate tax increase in future years to provide this funding. Debt Service Fund transfer adjustments are based on current debt amortization and projected debt issuances as included in the adopted CIP.

<u>Department</u>	<u>FY 2017 Adopted</u>	<u>FY 2018 Adopted</u>	<u>FY2017-18 Change (\$)</u>	<u>FY2017-18 Change (%)</u>
<u>Transfers</u>				
Airport Enterprise Fund	94,104	16,000	(78,104)	-83.0%
Capital Improvement Fund	1,045,550	2,366,061	1,320,511	126.3%
County Asset Replacement Fund	1,914,000	1,329,000	(585,000)	-30.6%
Debt Service Fund	12,694,765	12,572,750	(122,015)	-1.0%
Landfill Enterprise Fund	450,503	666,348	215,845	47.9%
School Division Operating	84,098,708	86,086,173	1,987,465	2.4%
Utility Fund	100,000	100,000	-	0.0%
Subtotal, Transfers	\$ 100,397,630	\$ 103,136,332	\$ 2,738,702	2.7%

Mission Statement, Strategic Goals, and Priorities

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.

Vision Statement

Fauquier County is a thriving community that honors its natural and cultural resources, agricultural heritage and rural landscape while building a sustainable economy and promoting outstanding services and growth within defined service districts.

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.**
Continue to provide for 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

➤ **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 implemented a two-year budget with the FY 2015 budget cycle. The second year serves as a commitment of funding by the Board of Supervisors with adjustments limited to state or federal mandates, revenue adjustments, or operational emergencies. The Board also directed the development of a five-year operating plan, which is was completed with the adoption of the FY 2018..

➤ **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.

Revenue Impacts for Local Governments:

- Fauquier County urges the General Assembly to authorize counties to enact a meal tax of up to 8% without referendum or special approval from the General Assembly. Six counties in Virginia already have exemptions from the referendum requirement. By granting this authority to the rest of the counties within the Commonwealth, the General Assembly will help counties to achieve revenue parity with their surrounding cities and to generate capital revenue to fund needed county and school projects.
- Fauquier County opposes the imposition of additional unfunded state mandates upon localities.
- Fauquier County urges the General Assembly to return to paying \$14 per day for all state responsible inmates for whom they are now paying \$12 per day.

Social Services/Comprehensive Services:

- Fauquier County opposes any changes to CSA policy that would further shift costs from the State to localities.

Mission Statement, Strategic Goals, and Priorities

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.
- Fauquier County seeks continued and increased state funding to assist localities with school- related capital costs.

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 encourages the General Assembly to provide adequate authority for the Virginia Department of Health or localities to respond to, and find solutions for, failing Alternative On-Site Septic Systems—particularly in the case where the homeowners are low- income Virginians.
- Fauquier County supports legislation to prohibit public utilities from establishing transmission corridors over developed growth areas.
- Fauquier County supports legislation authorizing the regulation of Air B&B's at the local level, where their impact is most strongly felt.

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 seeks an increase to the state aid formula for public libraries. Funding available for public libraries currently fall short of the amount needed to fully fund the formula as defined by the Code of Virginia. Funds are needed, as more and more Virginians turn to their public libraries to help bridge the gap between those with access to electronic resources and those without.

Chesapeake Bay Restoration:

- Fauquier County encourages the Commonwealth to work closely and collaboratively with localities, the Rappahannock River Basin Commission and the Potomac Watershed Roundtable in their endeavors to restore water quality.

Transportation Priorities:

- Fauquier County seeks support from the Virginia General Assembly to have the Commonwealth Transportation Board restore the \$1.069 million that was reduced from the preliminary engineering phase for the proposed interchange at Route and Business Route 15/17/29.
- Fauquier County seeks support from the Virginia General Assembly to encourage the Virginia Department of Transportation to construct a traffic light at the intersection of Route 29 North and Mill Run Industrial Park.

Mission Statement, Strategic Goals, and Priorities

- 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).
- Fauquier County requests support for the County's FY 2017-2023 Smart Scale funding request for Intersection Safety Improvements along Route 28 (a contributing corridor of statewide significance) and its intersection with Bastable Mill Road (Route 603) and Bristersburg Road (Route 616).

Broadband:

- Fauquier County supports efforts to expand broadband capabilities in underserved and rural areas including protecting and enhancing local authority to deploy or partner with others, public or private, broadband in unserved and underserved areas.

Five-Year Operational Plan

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. During the FY 2018 budget process, the Board was presented with a draft FY 2017-2021 five-year plan as a guide for finalizing the FY 2018-2022 five-year with the FY 2018 budget. The following is an overview of the final FY 2018-2022 five-year operating plan that focuses both on the department operational impacts on the budget as well as the operational impacts from the FY 2018-2022 Capital Improvement Plan.

The five-year plan primarily focuses on the General Fund budget, as the primary source of local tax funding for component funds. The plan incorporates 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. The plan does exclude School Division funds, as the County only oversees the allocation of the local transfer funding. All School funds, and how funds are allocated, are at the authority of the School Board. The plan focuses 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 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 2018 Adopted Budget assume a modest level of increase based on observed growth in the County's local revenue base and level of funding from State and Federal sources, similar to historical and recent trends.

Expenditure assumptions are based on recommendations provided by County departments as to the needs and changes the department anticipates over the next five years. Additionally, the plan incorporates 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 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 code requirements.

Five-Year Operational Plan

The Plan overall projects an increase in General Fund expenditures of \$24.6 million. The increase in expenditures would be funded with natural growth as well as a general real estate tax rate increase of approximately \$0.119 or eleven and nine-tenth cents over the planning period from FY 2018 - 2022. The plan includes additional County staffing totaling 61.0 positions, including 46 positions for public safety.

Expenditure Projections and Assumptions: The primary drivers of the increase can be allocated to the following areas.

- 1. Capital Projects have a total impact of approximately \$6.6 million.**
 - a. Debt Service - \$5.4 million
 - i. Assumes projected increases as anticipated in the Adopted CIP
 - b. Cash Funding – \$0.3 million.
 - i. Assumes by FY 2021, the CIP cash is fully funded
 - c. Asset Replacement – \$0.4 million.
 - i. Assumes increase as included in adopted FY 2018-2022 plan
 - d. Operating Impacts – \$0.4 million.
 - i. Additional operational costs based on adopted CIP projects
- 2. School Local Transfer totals approximately \$5.0 million.**
 - a. Assume annual increase of \$1.25 million, similar to recent years.
- 3. County Employees Raises totals approximately \$1.8 million.**
 - a. Assumes 2% in FY 2019 and FY 2021, or every two years compensation increase cycle.
- 4. Public Safety Staffing has a total impact of approximately \$5.7 million.**
 - a. DFREM Career Fire and Rescue Staffing – \$5.4 million increase, an additional 43.0 FTE.
 - b. Sheriff's Office – \$0.3 million increase, an additional 3.0 FTE.
- 5. Staffing and Benefit Costs**
 - a. Additional County Staffing totals 16.0 FTE and \$1.5 million.
 - i. FY 2019 – 12.0 additional FTE
 - ii. FY 2020 – 6.0 additional FTE
 - iii. FY 2021 – 1.0 additional FTE
 - b. Benefit Costs increases total approximately \$2.2 million.

Revenue Projections and Assumptions: An annual growth factor of 1.0-2.0% for real property (approx. \$8 million natural growth FY19-22). Equalization of tax rate in reassessment year (Next reassessment effective January 2018) and assumes increase in base similar to 2014 reassessment. An annual growth rate of 3-4% in personal property, with a reset of revenue in FY 2019 based on recent incremental increase from commercial business. An annual growth rate of 3.5% for sales tax and assumes no realization of additional revenue from new businesses that received tax incentive packages during the five year plan. State revenues sources include incremental increases for Social Services and Compensation Board supported Constitutional Officers based on one compensation raise over the five year plan. Relatively flat Federal funding, with decreases directly related to ending of grant funding, and elimination of the use of fund balance.

Five-Year Operational Plan

FY 2018-2022 General Fund Expenditure

	FY 2018		FY 2019		FY 2020		FY 2021		FY 2022
<u>General Fund</u>	<u>Adopted</u>		<u>Projected</u>		<u>Projected</u>		<u>Projected</u>		<u>Projected</u>
General Government	\$ 14,463,745	\$	15,439,665	\$	15,798,889	\$	16,354,962	\$	16,503,924
Judicial Administration	3,998,909		4,156,918		4,202,501		4,324,917		4,378,084
Public Safety	28,167,104		30,758,404		33,145,270		35,988,779		36,264,930
Public Works	7,879,642		8,358,730		8,696,911		8,915,217		9,001,808
Health & Welfare	11,676,568		12,148,948		12,393,098		12,512,129		12,575,124
Culture	6,354,463		6,795,769		7,022,924		7,188,560		7,261,346
Community Development	5,649,673		5,978,765		6,061,907		6,225,960		6,327,046
Non-Departmental	1,727,662		1,932,851		2,160,351		2,160,351		2,160,351
<i>Local Transfers</i>									
Airport Enterprise Fund	16,000		16,000		16,000		16,000		16,000
Capital Improvement Fund	2,366,061		1,966,061		2,269,000		2,269,000		2,285,000
County Asset Replacement Fund	1,329,000		2,227,000		2,096,000		1,916,000		1,956,650
Debt Service Fund	12,572,750		15,040,730		17,636,060		17,668,016		16,997,325
Landfill Enterprise Fund	666,348		701,348		736,348		771,348		806,348
School Division Operating	86,086,173		87,336,173		88,586,173		89,836,173		91,086,173
Utility Fund	100,000		100,000		100,000		100,000		100,000
Total Transfers	\$ 103,136,332	\$	\$ 107,387,312	\$	\$ 111,439,581	\$	\$ 112,576,537	\$	\$ 113,247,496
Total, General Fund	<u>\$ 183,054,098</u>		<u>\$ 192,957,362</u>		<u>\$ 200,921,432</u>		<u>\$ 206,247,412</u>		<u>\$ 207,720,109</u>

FY 2018-2022 General Fund Revenue

	FY 2018		FY 2019		FY 2020		FY 2021		FY 2022
<u>General Fund</u>	<u>Adopted</u>		<u>Projected</u>		<u>Projected</u>		<u>Projected</u>		<u>Projected</u>
General Property Taxes	\$ 130,233,060	\$	139,874,521	\$	147,746,623	\$	152,529,489	\$	153,442,321
Other Local Taxes	15,280,000		15,918,800		16,334,952		16,715,550		17,106,172
Permits, Fees & Licenses	1,556,235		1,571,750		1,611,750		1,641,750		1,671,750
Fines and Forfeitures	432,500		432,500		432,500		432,500		432,500
Use of Money & Property	361,272		405,700		430,700		450,700		475,700
Charges for Services	953,133		948,642		948,642		948,642		948,642
Miscellaneous/Recovered Costs	581,783		569,931		569,931		569,931		569,931
State Revenue	27,325,608		27,455,150		27,536,676		27,619,314		27,703,081
Federal Revenue	2,259,756		2,267,725		2,267,725		2,267,725		2,267,725
Intergovernmental Revenue	2,977,524		3,012,642		3,041,934		3,071,811		3,102,286
Use of Fund Balance	1,093,227		500,000		-		-		-
Total, General Fund	<u>\$ 183,054,098</u>		<u>\$ 192,957,362</u>		<u>\$ 200,921,432</u>		<u>\$ 206,247,412</u>		<u>\$ 207,720,109</u>

Permanent Positions – Adjustments

Total County Personnel Adjustments

The following provides an overview of all adjustments to County permanent positions as approved by the Board of Supervisors since the adoption of the FY 2017 budget, and for the FY 2018 Adopted Budget. Overall, the County’s workforce has increased by 9.94 FTE between the FY 2017 and FY 2018 adopted budgets.

<u>Department</u>	<u>Adjustment</u>	<u>FTE Change</u>
<i><u>Mid-FY 2017 Adjustments</u></i>		
Finance	Eliminate (1) Part-time Buyer & Adj (1) Part-time P-Card Administrator to Full-time	(0.06)
<u>Sheriff's Office</u>	<u>Establish (1) Deputy for Circuit Court</u>	<u>1.00</u>
Subtotal, Mid-FY 2017 Adjustments		<u>0.94</u>
<i><u>FY 2018 Adopted Budget Adjustments</u></i>		
Commissioner of the Revenue	Establish (1) Deputy IV and (1) Deputy II	2.00
County Administration	Establish (1) Project Manager - Broadband CIP Project	1.00
County Attorney	Adjust (1) Senior Assistant County Attorney, 30 to 37.5 hours	0.00
Parks and Recreation	Establish (1) Facilities Crew Supervisor (mid-year for new Central Sports Complex)	1.00
Fire, Rescue, & Emergency Mgmt.	Establish (1) Fire Rescue Captain - Upperville	1.00
<u>Sheriff's Office</u>	<u>Establish (1) Corporal and (3) Deputies - Patrol Division</u>	<u>4.00</u>
Subtotal, FY 2018 Adopted Budget Adjustments		<u>9.00</u>
Total Overall Personnel Adjustments, FY 2018 Adopted Budget		<u>9.94</u>

Permanent Positions – Full Time Equivalents

Department	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Adopted
<u>General Government</u>				
Board of Supervisors	1.00	1.00	1.00	1.00
Commissioner of Revenue	20.00	20.00	20.00	22.00
County Administration	6.77	6.53	7.53	8.53
County Attorney	6.00	6.00	6.00	6.00
Finance	17.53	17.53	18.06	18.00
Geographic Information Systems	4.00	4.00	4.00	4.00
Human Resources	18.00	18.00	18.00	18.00
Information Technology	22.00	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>
Subtotal, General Government	118.30	118.06	119.59	122.53
<u>Judicial Administration</u>				
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	15.04	16.04	16.04	16.04
Commissioner of Accounts	0.00	0.00	0.00	0.00
Commonwealth's Attorney	16.07	16.07	16.07	16.07
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>
Subtotal, Judicial Administration	44.11	45.11	45.11	45.11
<u>Public Safety</u>				
Fire, Rescue & Emergency Management	75.40	75.40	83.00	84.00
Juvenile Detention & Probation	0.00	0.00	0.00	0.00
<u>Sheriff</u>	<u>172.50</u>	<u>172.50</u>	<u>176.50</u>	<u>181.50</u>
Subtotal, Public Safety	247.90	247.90	259.50	265.50
<u>Public Works</u>				
Env. Services (Convenience Sites)	12.50	11.50	11.50	11.50
<u>General Services</u>	<u>53.00</u>	<u>53.00</u>	<u>53.00</u>	<u>53.00</u>
Subtotal, Public Works	65.50	64.50	64.50	64.50

Permanent Positions – Full Time Equivalents

Department	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Adopted
<u>Health and Welfare</u>				
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>48.53</u>	<u>48.53</u>	<u>48.53</u>	<u>48.53</u>
Subtotal, Health and Welfare	48.53	48.53	48.53	48.53
<u>Culture</u>				
Library	34.33	34.33	34.31	34.31
Lord Fairfax Community College	0.00	0.00	0.00	0.00
<u>Parks & Recreation</u>	<u>28.86</u>	<u>28.86</u>	<u>29.86</u>	<u>30.86</u>
Subtotal, Culture	63.19	63.19	64.17	65.17
<u>Community Development</u>				
Agricultural Development	0.00	0.00	1.00	1.00
Community Development	40.53	40.53	40.53	40.53
Contributions	0.00	0.00	0.00	0.00
Cooperative Extension	0.43	0.43	0.43	0.43
Economic Development	3.67	3.67	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>
Subtotal, Community Development	44.63	44.63	45.63	45.63
<u>Non-Departmental</u>				
Non-Departmental	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Subtotal, Non-Departmental	0.00	0.00	0.00	0.00
<u>Other Funds</u>				
Airport Fund	3.00	3.00	3.00	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
Fire and Rescue Tax Levy Fund	0.00	0.00	0.00	0.00
Fleet Maintenance Fund	14.00	14.00	15.00	15.00
<u>Landfill Enterprise Fund</u>	<u>22.50</u>	<u>25.50</u>	<u>25.50</u>	<u>25.50</u>
Subtotal, Other Funds	42.50	45.50	46.50	46.50
County Total	674.66	677.42	693.53	703.47
School Division	1,831.12	1,836.10	1,898.08	1,900.84
Total FTE	2,505.78	2,513.52	2,591.61	2,604.31

County Organizational Chart

