

County of Henrico, Virginia

APPROVED BUDGET

Fiscal Year 2015-16



Includes Summary of 5 Year Capital Improvement Program



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Henrico County
Virginia**

For the Fiscal Year Beginning

July 1, 2014

Executive Director

COUNTY OF HENRICO

Board of Supervisors



Frank J. Thornton
Chairman
Fairfield District



Tyrone E. Nelson
Vice Chairman
Varina District



Richard W. Glover
Brookland District



David A. Kaechele
Three Chopt District



Patricia S. O'Bannon
Tuckahoe District



COUNTY OF HENRICO

OUR MISSION

In partnership with our citizens, the Henrico County Government is dedicated to enhancing the quality of life for all our residents. As a nationally acclaimed local government, the County accepts the challenges of our changing social, physical and economic environments by serving in an efficient manner, with pride and with concern for the present and excitement for the future.

OUR VALUES

We are dedicated to providing our citizens responsible government, characterized by integrity and accountability. We will provide service in a professional manner with sensitivity to the needs of all people and our environment.

We are committed to the concept that the public, as our customers, deserves honest consideration, professional conduct and respect regarding all government activities.

We believe that our reputation for integrity, credibility and sensitivity to employee and citizen needs is a key asset.

We recognize that our employees are a valuable resource to be treated with equality, fairness and justice.

We believe that accountability and responsibility in handling the public's property and money are essential.



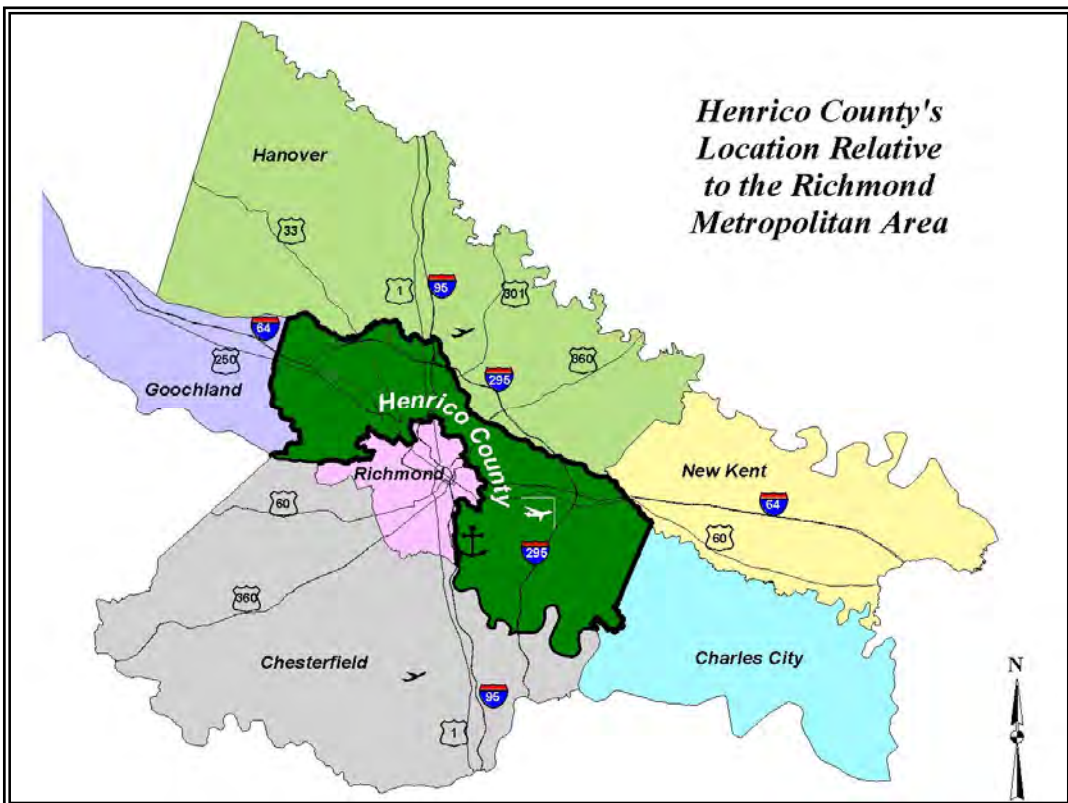
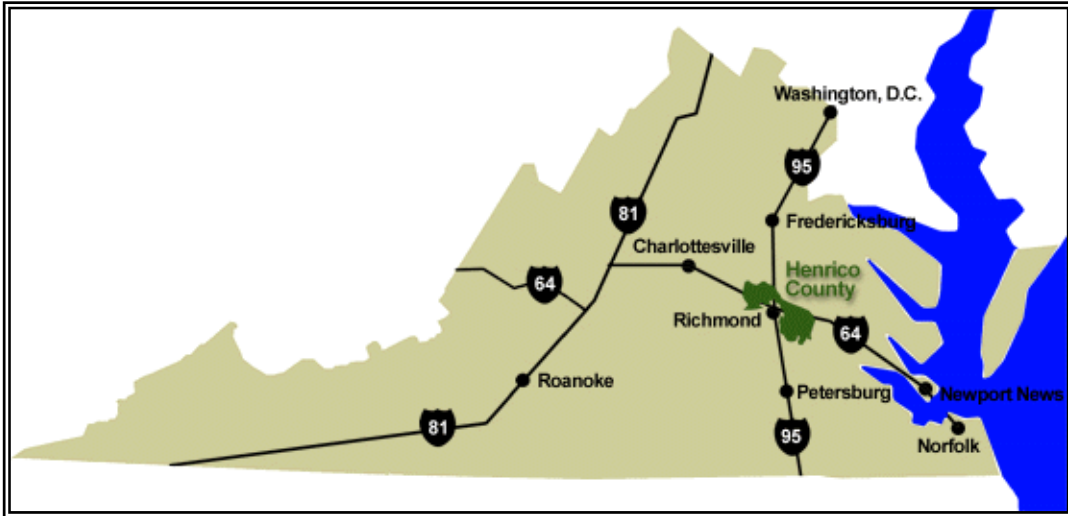
John A. Vithoukas
County Manager



Henrico County Profile

Overview of Henrico County

Henrico County is situated in central Virginia along the northern and eastern borders of Virginia's capital city of Richmond. The County lies between the James and Chickahominy rivers, and constitutes approximately a third of the Richmond Metropolitan area. Today, over 318,000 Henrico County residents live in a well-planned community of 244.12 square miles consisting of beautiful residential communities, large expanses of farm land, and carefully developed office, retail and diversified industrial areas. Henrico has been recognized for its premier schools, neighborhoods, and government operations. Henrico's rich history has allowed the County to progress from its early beginnings in 1611, into a distinguished place to live and work.



Henrico County Profile

History of Henrico County

Henrico is one of the oldest political subdivisions in Virginia and was the scene of the second settlement in the colony. Its first boundaries incorporated an area from which 10 Virginia counties were later formed in whole or in part, as well as the cities of Richmond, Charlottesville, and Colonial Heights.

In 1611, Sir Thomas Dale left Jamestown to establish a settlement on the Powhatan River, now called the James River. Relations with the Arrohatloc Indians had steadily deteriorated since 1607, and Dale's party suffered constant attacks. They finally came to a peninsula on the north side of the river, now Farrar's Island, where Dale established the colony's second settlement, "Henricus," known also as the "city" or "town" of "Henrico."

Life in the New World was hard, but the English had high hopes that their settlements would add valuable minerals and raw materials to their economy, in addition to providing strategic military outposts. They also saw this land as a new frontier for spreading Christianity.

Virginia's economy was sharply transformed in 1612 by the introduction of new strains of mild tobacco by colonist John Rolfe. Rolfe's tobacco was shipped to England, and Virginia's economy soon began to prosper. In 1614, peace with the Indians was temporarily established, following Rolfe's marriage to Powhatan's daughter, Pocahontas. Both the tobacco leaf and Pocahontas are represented on the County's seal as symbols of our early heritage. Many different depictions of Pocahontas exist today, as seen in the image to the right, courtesy of William E. Ryder and the Virginia Historical Society.

In 1634, Virginia was divided into eight shires, or counties, one being Henrico. The County was named for Henry, Prince of Wales, the eldest son of King James I of England.

In 1776, Henrico representatives Richard Adams and Nathaniel Wilkerson participated in the Fifth Virginia Convention, which voted to send delegates to the Continental Congress to propose separation from the British. That proposal led to the Declaration of Independence. In 1788, seven years after the Revolutionary War, the General Assembly called a special convention to consider the ratification of the proposed United States Constitution. After 25 days of heated debate, Virginia voted 89-79 in favor of ratification.

Many important Civil War battles were fought on Henrico soil, including the battles of Seven Pines, Savage's Station, Glendale, Malvern Hill, Yellow Tavern, New Market Heights, and others in defense of Richmond.

In 1934, exactly 300 years after becoming one of the original shires, Henrico became the only county in Virginia to adopt the county manager form of government.

Source: Henrico County, Public Relations and Media Services



Henrico County Profile

Henrico County's Form of Government

In a public referendum held on September 19, 1933, the citizens of Henrico County approved the implementation of a new form of local government. Under the new County Manager form of government, all of the administrative functions of the county government were placed under a county manager appointed by the Board of Supervisors while the legislative authority and responsibility continued to reside with the Board of Supervisors.

Henrico County's Board of Supervisors consists of five representatives, one from each of the County's five magisterial districts: Brookland, Fairfield, Three Chopt, Tuckahoe and Varina. Supervisors are elected for four-year terms. The Board annually elects a chairman who presides at each Board meeting and serves as the official head of the County government, and a vice chairman who serves in the absence of the chairman. This election occurs in January of each calendar year.

The administrative head of Henrico County's form of government is the county manager. The county manager is appointed by the Board of Supervisors and serves at the pleasure of the Board. The duties of the county manager are to carry out the policies determined by the Board of Supervisors, to coordinate the business affairs of the County by installation and enforcement of administrative procedures, and to conduct the day-to-day business operations through a staff of professional administrators. This position has no definite term and the manager may be removed by a majority vote of the Board at any time.



The county manager form of government allows for the grouping and consolidation of administrative functions of the County into departments. The constitutional offices of treasurer and commissioner of the revenue do not exist under the county manager form of government. Those functions are combined into a Department of Finance which is headed by a director of finance. Heads of all County government departments with the exception of the following constitutional officers are appointed and discharged by the county manager: clerk of the circuit court, commonwealth's attorney and sheriff. Within the limits set by the County personnel system, pay and classification plan, the county manager determines and fixes the salaries of all appointees (employees).

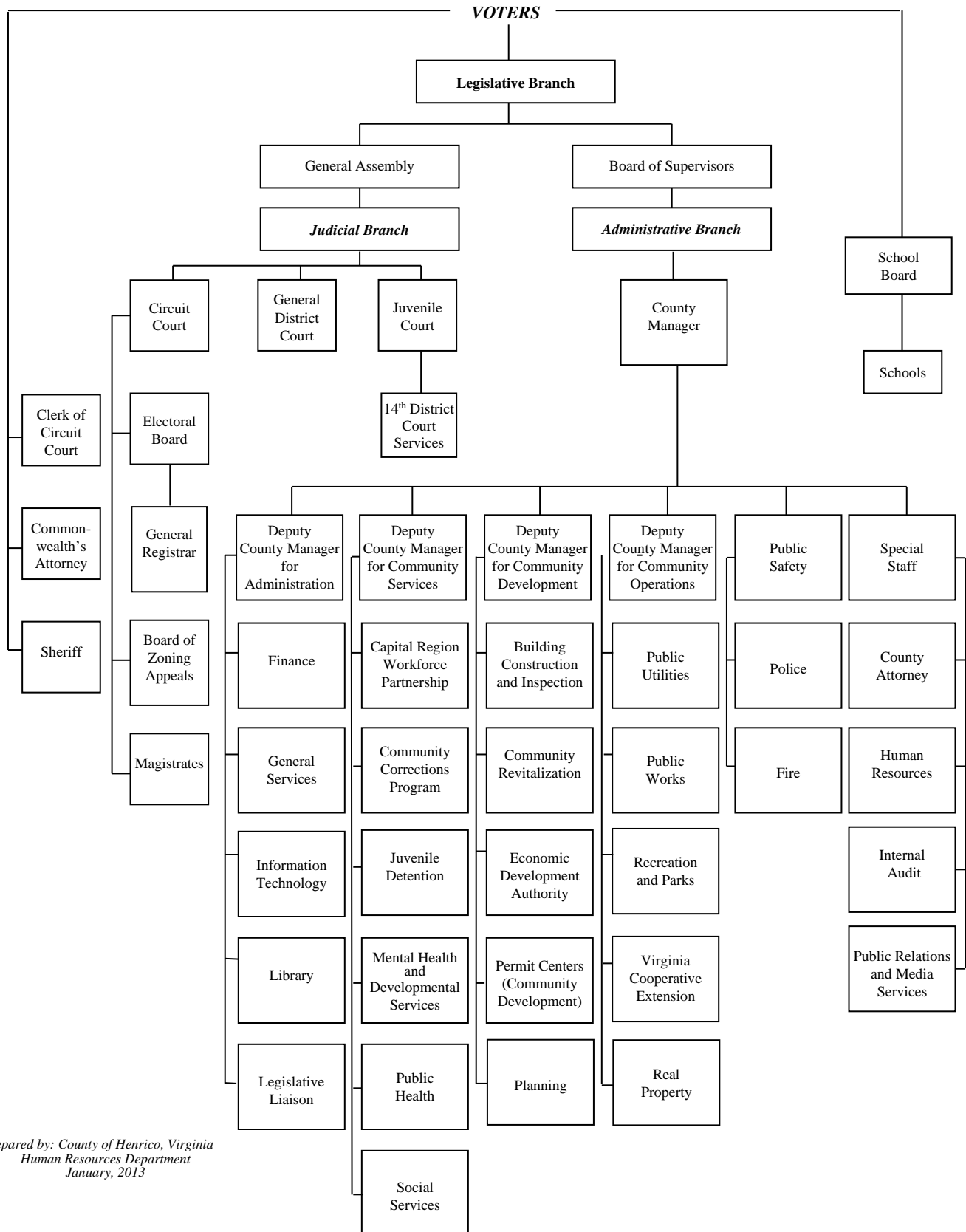
The School Board is elected by the voters to represent each of the five magisterial districts. They are elected for four-year in a sequence similar to that of the County Board Members and are responsible for the allocation and control of school finances, programs and personnel. The superintendent of schools is appointed by the School board and administers the operations of the County's public schools. The County Board of Supervisors determines the total amount of local funding appropriated to the public school system; however the use of these funds is determined solely by the School Board and is independent of the County Board of Supervisors and the County Manager, as prescribed by Virginia law.

The structure of Henrico County's government is depicted in an organizational chart on the following page.

Source: Henrico County, County Manager's Office

Henrico County Profile

Organization Chart



Henrico County Profile

Economy

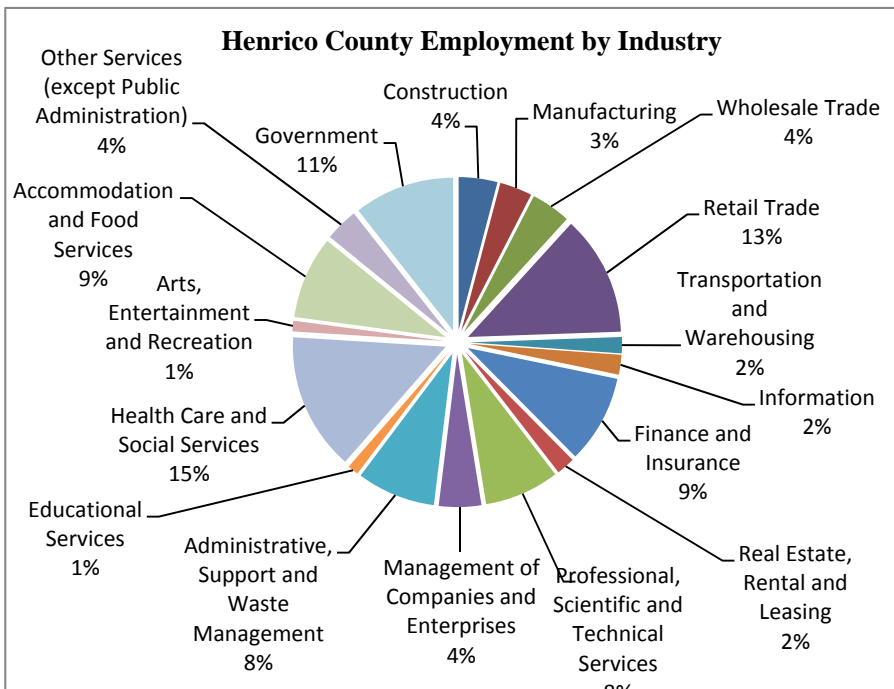
Located in the heart of the Eastern Seaboard, Henrico County offers a business-friendly environment with competitive tax rates and a cost of living below the national average. The County's triple, triple-A bond rating, diverse economic base, ample land supply and favorable location within the Richmond metropolitan area contribute to the County's continued development and expansion. The County is home to approximately 25,000 businesses and four Fortune 1000 headquarters including Altria, Genworth Financial, Brink's, and Markel Corporation. The chart to the right displays the top ten largest employers in Henrico County according to the Quarterly Census of Employment and Wages (QCEW) for the 2nd Qtr. of 2014.

Top Ten Employers with ≥ 1,000 Employees

Rank	Employer
1	Henrico County School Board
2	County of Henrico, VA
3	Bon Secours Richmond Health System
4	Capital One Bank
5	HCA Virginia Health System
6	Anthem
7	Walmart
8	Bank of America
9	Wells Fargo Bank NA
10	United States Postal Service

Henrico County's local economy is characterized by diversity with a healthy representation of businesses from numerous industries including retail, manufacturing, financial, insurance, health and life services, and more. The local employment base in the County is substantial and diverse, as see in the chart below with QCEW data from the 2nd Qtr. of 2014, and represents approximately one-third of the Richmond metropolitan statistical area's (MSA)

employment base. The broad employment base supports relatively low unemployment rates within the County. In addition, the region offers a highly educated workforce, with 89.6 percent of the population 18 years and older holding high school degrees or higher and 37.0 percent holding bachelor's degrees or higher.



average of 4.5 percent. Henrico continues to experience healthy job growth with 1,268 new and saved jobs added in 2014 and ranked fifth in the number of jobs added among all Virginia localities. In addition, eight businesses in Henrico were among "America's Fastest Growing Companies" in 2014, according to the Inc. 5000 List.

Henrico's unemployment rate continues to improve and decreased to 4.4 percent in December 2014 compared to 4.9 percent in December 2013. The County's unemployment rate remains lower than the Richmond MSA average of 4.7 percent and the national average of 5.6 percent as well as the state

Henrico's local economy continues to get a significant boost from visitor spending in the County. In fact, during 2013, the County captured \$783.6 million in visitor spending, a 5.0 percent increase from last year, and had the fifth highest total of any Virginia locality, according to the U.S. Travel Association. Henrico topped all localities in central Virginia and trailed only the counties of Arlington, Fairfax and Loudoun and the city of Virginia Beach. Under the direction of the Board of Supervisors, Henrico has taken steps to promote tourism in the county. In March 2013, officials launched the Visit Henrico campaign to promote Henrico as a destination for tourists and youth and adult recreational sports tournaments.

Henrico County Profile

Demographics

Demographic trends of the past decade indicate that the County is becoming increasingly urban and diverse. According to the U.S Census Bureau's decennial census, the total minority population in Henrico, which includes racial and ethnic minority groups, has increased to 43 percent of the whole population in 2010, compared to 33 percent in 2000. As a result of these changing demographics, the County has been infused with new cultures and traditions that are enriching the community as a whole.

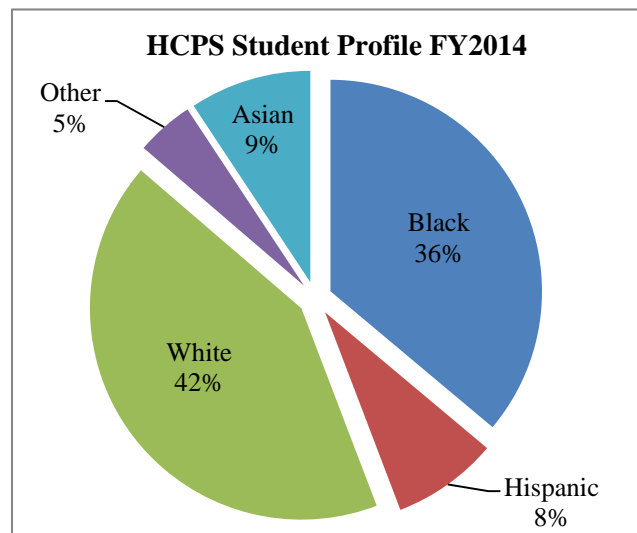
<i>Population by Race</i>	<i>2000</i>	<i>2010</i>	<i>% Change</i>
American Indian & Alaska native alone	920	1,012	10.0%
Asian /Pacific Islander	9,533	20,179	111.7%
Black or African American alone	64,820	90,669	39.9%
Other/Multiracial	6,284	13,356	112.5%
White alone	180,780	181,719	0.5%
Total	262,337	306,935	17.0%

Education

In Henrico County, education is a top priority. The Henrico County Public School (HCPS) system currently has 9 high schools, 12 middle schools, 46 elementary schools, 2 technical centers, and 3 program centers. The average daily membership of HCPS was 49,894 in 2014, which represents an increase of 13.6 percent since 2003. Henrico County's student population is racially and economically diverse. In fact, HCPS is a majority minority school system, as seen in the chart to the right.

Henrico County Public Schools (HCPS) have been recognized during the 2014 school year by publications including U.S. News & World Report, the National School Board Association and the National Association of Music Merchants. In addition, Henrico has the lowest per pupil cost among the twenty-five largest localities by population in Virginia according to the Superintendents 2013 Annual Report.

Henrico County's school division is equipped with the latest technology and laptops are provided to each of the more than 26,000 secondary students each year through the Teaching and Learning Initiative. HCPS was one of the first school divisions in the country to start this initiative in 2001.



Parks, Recreation and Culture

The Henrico County Public Library (HCPL) system has nine library branches, one municipal government and law library, a bookmobile which circulate over half a million volumes. HCPL was designated a Four-star library system in Library Journal's National Ranking of Libraries in 2014. The designation from the Library Journal was based on national rankings that consider per-capita circulation, visits, program attendance and public computer access.

Henrico's Department of Recreation and Parks maintains 3,783 acres of public park land. The park system includes 8 county parks, 10 community parks, 17 neighborhood parks, 28 specialty facilities/sites, 19 athletic fields, 174 athletic fields and 57 playgrounds. There are approximately 4.1 million visits to the park system every year.

Henrico County Profile

Public Safety

The Henrico County Police Division has three police stations and over 600 sworn police officers that serve the County. The Division is fully accredited by the Commission for Accreditation of Law Enforcement Agencies (CALEA); an accreditation it has maintained since 1987. On an annual basis, the Henrico Police Division responds to approximately 200,000 calls for service. The County remains a safe place to live, work and play because of the Division's tireless efforts. In fact, according to police records, Henrico experienced the lowest rate of crimes per 1,000 residents in 2014 since the data collection began in 1975.

The Henrico County Fire Division operates 20 fire stations and one training facility within the County. The Division currently has 20 engines, 15 Advanced Life Support Medic units, and 5 ladder trucks on duty each day and responds to approximately 41,000 calls for service every year. Henrico Fire Division was one of the first in the world to receive International Accreditation from the Commission on Fire Accreditation International (CFAI) in 1998; an accreditation it has maintained since that time. All field personnel are certified to the Emergency Medical Technician (EMT) level and over 200 firefighters are also certified to provide advanced life support (ALS) services. The high level of training within the division has resulted in a cardiac arrest survival rate in the County which is three times higher than the national average.

Transportation

Henrico County is one of only two counties in Virginia that maintains its own roadways. The decision made by Henrico citizens more than 80 years ago to maintain the County's roadways has allowed the County an added degree of flexibility in addressing the County's roadway needs. Henrico's Public Works Department maintains over 3,400 lane miles of road, the third largest road network in Virginia.

The region is a major interstate highway crossroads for Interstates 95 and 64. Much of the Interstate 295 northern beltway around Richmond tracks through Henrico County. In fact, as seen in the image to the right, most locations within the county can be reached within 15 minutes. The highway network is complemented by excellent air and rail service. Richmond International Airport provides both domestic and international service to more than three

million passengers per year. In addition, Amtrak provides passenger rail service in Henrico County, with Henrico's Staples Mill Road Amtrak station being the busiest passenger train station in Virginia.



GUIDE TO USING THIS DOCUMENT

This document represents the Approved 2015-16 Annual Fiscal Plan for the County of Henrico, Virginia. The purpose of the Annual Fiscal Plan is to provide useful, concise information about the County's financial plans and operations to residents, elected officials and other interested parties. The budget document has been divided into the seven sections described below:

Introduction:

The Introduction section of the document contains specific information about the County's basis of budgeting and fund structure, financial guidelines, the budget process and the budget calendar. In addition, the County Manager's transmittal letter to the Board of Supervisors, and three-year revenue and expenditure forecasts are provided.

Revenue and Expenditure Summaries:

The Revenue and Expenditure Summaries provide the reader with an overview of the County's FY2015-16 Budget. The tables presented in this section identify the sources of funding and requirements for all of the County's funds by department.

General Fund:

As prescribed by the State Auditor of Public Accounts, Henrico County has chosen to organize its General Fund expenditures by function with a summary narrative for each department. The narrative provides information about the department's major objectives, operational plans, the number of authorized positions, and a breakdown of expenditures by personnel, operating, and capital allocations. Personnel expenditures include all salary expenses and corresponding benefits such as FICA, VRS, health insurance, and life insurance. Capital Outlay expenditures are purchases of fixed assets with a life expectancy greater than two years. Operating expenditures are all other recurring expenses needed for department operations.

Special Revenue Fund:

The Special Revenue Fund section accounts for the resources obtained and the legally restricted expenditures relating to State and Federal Grants, the Utility Department's Solid Waste and Street Light operations, and the School Cafeterias. The format of this section is similar to that of the General Fund section. A summary narrative is provided for each program with information about its objectives and service levels. The program budget is broken down by personnel, operating and capital outlay expenditures; and the personnel complement is provided where applicable.

Enterprise Funds:

The Enterprise Funds section accounts for operations that are funded and operated in a manner similar to private business enterprises. The intent of the County is to recover the cost of providing services to the general public through user charges. The Enterprise Funds include the Water and Wastewater Utility operations and the County-owned golf course.

The Water and Sewer Enterprise Fund accounts for the provision of water and sewer services to residents of Henrico County, and wholesale service to Hanover and Goochland Counties. The Belmont Park Golf Course Enterprise Fund accounts for the operations of Belmont Park Golf Course. All activities necessary to provide such services are accounted for in the respective funds, including operations, maintenance, construction, financing, and the related debt service.

All Other Funds:

This section includes information on the County's four Internal Service Funds, as well as the Debt Service Fund and the Agency Fund. The Internal Service Funds include the County's Central Automotive Maintenance operations, the Technology Replacement Fund, the Risk Management Fund, and the Healthcare Fund. A description of the County's Debt Service Fund is provided in addition to more detailed information about principal, interest, and other debt expenditures. A summary of the County's outstanding general long-term debt obligations at year-end is also presented. The Agency Funds account for the revenues and expenditures of the James River Juvenile Detention Center, the OPEB-GASB 45 requirement, and the Line of Duty Fiduciary Fund.

The Capital Improvement Program:

The FY2015-16 Capital Budget is presented by project and fund, and a narrative section discusses the capital projects by type. There is also a section that addresses anticipated operating expenditures associated with these projects.

For more detailed information, please contact the Office of Management and Budget of the County of Henrico at (804) 501-4295 or visit our web site at <http://www.henrico.us/finance/divisions/office-of-management-and-budget>.

**COUNTY OF HENRICO, VIRGINIA
APPROVED ANNUAL FISCAL PLAN 2015-16
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INTRODUCTION





John A. Vithoukas
County Manager

COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

July 1, 2015

The Honorable Board of Supervisors
County of Henrico
Virginia

Honorable Members of the Board:

Enclosed is the Approved Budget for FY2015-16, including both the operating and capital budgets, that were approved by the Board of Supervisors at the April 28, 2015 meeting. The Board of Supervisors made no changes to the department allocations included in the FY2015-16 proposed budget that you received at your March 10, 2015 meeting.

Again, I would like to thank the County staff for their efforts in developing this budget. And, as always, the staff and I stand ready to assist you in answering any questions you may have regarding the Approved Budget for FY2015-16.

Respectfully submitted,

John A. Vithoukas
County Manager





COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

John A. Vithoukas
County Manager

March 10, 2015

The Honorable Board of Supervisors
County of Henrico, Virginia

Honorable Members of the Board:

I am pleased and proud to submit to you the FY2015-16 Proposed Budget for Henrico County. In spite of limited revenue growth, the budget before you recommends additional resources for the County's core services and addresses its most pressing needs. This spending plan also preserves the real estate tax rate of 87 cents, the lowest by far of any large, urban locality in Virginia. It also provides tax cuts for the County's existing and potential future manufacturing businesses, and additional real estate tax relief for the County's aging population. Further, as Henrico has realized significant national participation in our sports venues, the budget before you seeks to further enhance sports tourism in Henrico County.

Henrico County is fortunate to have had almost two decades of consistency of policy from the Board of Supervisors that reflects, at its core, the interests of the citizens - a philosophy we call "the Henrico way." It is with humility that we collectively thank Dave Kaechele for his 36 years of service at the close of 2015. His leadership has been the cornerstone of our success in maintaining policies that always place the citizen first. He has been a true servant leader for our community.

This budget proposal before you will strengthen the County's economic development efforts by maintaining and enhancing policies attractive to companies near and far. This will be accomplished by maintaining the lowest real estate tax rate of any urban jurisdiction in Virginia and the rest of the nation - one that has not increased in 37 years. Additionally, our success is also attributed to our strong business community and this budget puts forward a concerted effort to attract more high paying manufacturing jobs into our county by reducing the machinery and tools tax. Specifically for calendar year 2015 and beyond, the machinery and tools tax rate is proposed to be lowered from \$1.00 to \$0.30 per \$100 assessed valuation. This rate reduction will place Henrico County on more site selection lists for national and international manufacturing businesses seeking relocation opportunities, thereby yielding more job prospects for the County. Combined with our already business-friendly full BPOL tax exemption of the first \$100,000 of receipts and our low business personal property tax structure, this continued focus on economic development will yield positive results for many years.

Balancing the budget before you with estimated General Fund revenue growth of only 2.6 percent, required strategic focus on the County's most critical needs. In fact, **more than three-fourths of all incremental General Fund revenue growth has been allocated to the Henrico County Public Schools**. When considering the efforts made in the area of public safety in the budget before you, 92 percent of all incremental revenue growth in the FY2015-16 Proposed Budget has been allocated to our school system and public safety efforts. With only a small slice of the revenue pie available outside these two critical areas this budget "sticks to our knitting" of prioritized funding and specific highlights are as follows:

1. The budget rewards all General Government and Schools employees with a 2.0 percent salary increase, effective October 2015;
2. It directs substantial funding to a number of public safety efforts, including necessary debt service requirements for the replacement communication system project, the addition of ten new police officers – the third year of a five-year commitment – as well as appropriating sufficient resources to construct the new fire station #19 in northwest Henrico County, the final project of the 2005 General Obligation (GO) Bond Referendum;
3. It funds the County’s federally mandated Chesapeake Bay TMDL requirements with identified current, ongoing revenues of just over \$2.3 million, an annual level of funding that should meet permit requirements for the first ten years without a new storm water tax or levy;
4. It provides positions and operating dollars sufficient for the opening of the new Libbie Mill and Varina Area Libraries, as well as the new Short Pump Park, all of which were approved by the citizens in the March 2005 GO Bond Referendum and will open in the coming fiscal year;
5. It recommends resources for the County’s sports tourism efforts by identifying an additional \$6.0 million for the construction of the first phase of Greenwood Park, a planned multi-field soccer complex that will significantly enhance the County’s sports tourism initiative;
6. It appropriates additional funding for the Cobbs Creek Reservoir, wherein the County now owns all land parcels in Cumberland County necessary to move forward. The County's water needs for the next fifty plus years are now secured with this project, and;
7. It establishes a designated reserve for the future purchase of replacement voting machines – necessary as the General Assembly eliminated a funding recommendation within the Governor’s proposed amendments to the FY15 State budget.

Within an environment of limited revenue growth and in an effort to fund all necessary service requirements, further expense reductions were also necessary and have been made in focused areas. Total cost increases in the FY2015-16 Proposed Budget funded with current revenue streams total \$34.6 million. That being said, total incremental revenue growth estimates in the Proposed Budget only total \$22.9 million. As such, \$11.7 million in additional cost savings were necessary to provide the Board with a balanced budget that accomplished the many initiatives detailed in this narrative. Further, as a direct result of departmental efficiencies achieved by our valued employees and lowered staffing requirements in a number of agencies, 13 vacant positions are being reclassified and moved to areas of critical need.

FY16 Cost Increases Funded with Current Revenues*	
Expense	FY16 Increase
Cost of October 2015 Salary Increase	\$9.1 million
Annualize Partial-Year Raise from FY15	\$6.6 million
Eliminate One-Time Schools Funds from FY15	\$4.5 million
Chesapeake Bay TMDL w/ Current Revenue	\$2.3 million
FY16 Meals Tax Increment to FY17 Capital Reserve	\$2.0 million
Healthcare Increase	\$1.7 million
20 Teachers to maintain pupil-teacher ratio	\$1.3 million
School Improvement Initiatives	\$1.2 million
Fund School Buses – Current Local Revenue	\$1.0 million
Fund Greenwood Park – Current Local Revenues	\$1.0 million
Ten Additional Police Officers (Year 3)	\$0.6 million
REAP Maximum to \$3,000	\$0.4 million
Other Fixed Cost Increases	\$2.9 million
Cost Increases – FY16 Proposed Budget	\$34.6 million
<i>*Does not include cost increases funded with planned one-time resources, such as the first-year costs of the new bond projects.</i>	

As we continue our climb from the most recent negative economic environment and as revenues grow at levels less than inflation plus population growth, every additional dollar of revenue must be stretched farther to best serve Henrico citizens and address core service demands. This is not a new

concept for Henrico County, which has always prided itself on being a lean, well-managed local government. This annual plan reinforces this Board of Supervisors’ strategic priorities namely – schools, public safety, and economic development. I hope it is clear that the inherent strategy in the budget before you reflects those priorities.

Handful of Sources Creating Environment of Slight Positive Revenue Growth

In looking at the budget before you, total estimated General Fund revenues for FY2015-16, prior to transfers to other funds are \$902.2 million, which represents an increase of \$22.9 million or 2.6 percent when compared to the current fiscal year. Net of transfers and uses of fund balance, **the**

FY16 General Fund Revenues				
Category	FY15 Approved	FY16 Proposed	Difference	% Change
Real Estate Tax	\$270.1 million	\$279.6 million	\$9.5 million	3.5%
RE Tax for Stormwater	\$0.0 million	\$2.3 million	\$2.3 million	100.0%
Personal Property Tax	\$110.7 million	\$113.1 million	\$2.4 million	2.2%
Meals Tax	\$18.0 million	\$20.0 million	\$2.0 million	11.1%
Local Sales Tax	\$57.0 million	\$58.1 million	\$1.1 million	2.0%
<u>All Other Local Revenues</u>	<u>\$100.7 million</u>	<u>\$100.7 million</u>	<u>\$0.0 million</u>	<u>0.0%</u>
Total Local Revenues	\$556.5 million	\$573.8 million	\$17.3 million	3.1%
State Aid for Schools	\$232.9 million	\$239.0 million	\$6.1 million	2.6%
<u>All Other State & Federal</u>	<u>\$89.9 million</u>	<u>\$89.4 million</u>	<u>(\$0.5 million)</u>	<u>(0.6%)</u>
Total State and Federal Revs.	\$322.8 million	\$328.4 million	\$5.6 million	1.7%
Total General Fund Revs.	\$879.3 million	\$902.2 million	\$22.9 million	2.6%
Transfers/Cash Reserves	(<u>\$111.9 million</u>)	(<u>\$116.4 million</u>)	(<u>\$4.5 million</u>)	<u>4.0%</u>
TOTAL NET REVENUES	\$767.4 million	\$785.8 million	\$18.4 million	2.4%

County’s overall General Fund is growing by 2.4 percent. As can be seen in the chart to the left, all of the County’s revenue growth can be attributed to five sources: real estate tax, personal property tax, meals tax, local sales tax, and State Aid for

Schools. In fact, outside of these five components, the remaining 400 individual revenue sources reflect a net decline of \$500,000, mostly due to several areas of State Aid for General Government, including the Communications Sales & Use Tax and the reduction made in House Bill #599 funding for Police in FY2014-15.

Real estate tax revenues in the Proposed Budget reflect an overall increase of \$9.5 million from the current fiscal year estimate. For the second consecutive year, after five previous years of declines, the reassessment of real estate in Henrico increased in January 2015. The increase in reassessments, both residential and commercial properties, totals 2.5 percent. With overall increase in the tax base of \$1.2 billion in January 2015, the County’s real estate tax base remains below that of January 2009. The increase in reassessments follows a previous year of 2.8 percent growth – growth of between 2 and 3 percent is exactly what this County expected to achieve when the real estate “bottom” was met, and reflects a level anticipated each year for the foreseeable future.

Growth in sales tax and meals tax receipts are being driven by the County’s continued tourism efforts. In fact, during 2014, the County recorded a 5.0 percent increase from tourism spending, and had the fifth highest total of any Virginia locality, according to the U.S. Travel Association. Henrico topped all localities in central Virginia and trailed only the counties of Arlington, Fairfax and Loudoun and the city of Virginia Beach. Under the direction of the Board of Supervisors, Henrico has taken steps to highlight our County to the world. In March 2013 the *Visit Henrico* campaign was launched to promote Henrico as a destination for tourists and youth and adult recreational sports tournaments. The results continue to impress.

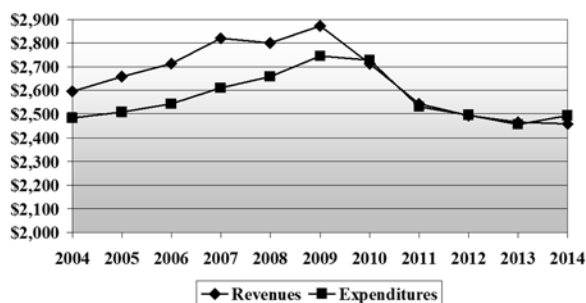
In looking at projected revenues from the State in the budget before you, a net increase of \$5.6 million is anticipated, all of which is in the area of State aid for K-12 Education. State aid for schools is increasing \$6.1 million, while all other sources from the State reflect a net decline of \$500,000. While increased aid from the Commonwealth is a positive as it represents approximately one-third of all General Fund

revenues, Henrico County must continue to be extremely cautious when appropriating these funds due to continued uncertainty in the State’s ability to meet its revenue estimates. In fact, within a recent seven-month window, the State went from achieving a balanced budget, to announcing a budget “shortfall” in the billions of dollars, to providing funding for raises and announcing revenue “surpluses.” Further, of the \$6.1 million in additional State aid for schools, \$2.0 million represents funding provided by the General Assembly to give instructional staff a salary increase – however, these funds are contingent upon the State meeting its revenue estimates in the current fiscal year. In an effort to address its budget difficulties, the General Assembly utilized a number of one-time funds as a temporary solution, funds that will have to be achieved through either revenue growth or expense cuts as the State approaches the next biennial budget. Again, I cannot emphasize enough the importance of remaining extremely cautious and conservative with the assumption of State revenues.

Slow Revenue Growth Environment Requires Investments in the Most Critical Needs

Within the eleven year 2004-2014 Financial Trends Monitoring System document, after a second year of slight positive economic gains recognized in FY2013-14, a number of warning signs were lifted. One such trend can be seen to the right, and reflects the County’s revenues and expenditures per capita on an inflation-adjusted basis. Inflation-adjusted revenues per capita actually declined in FY2013-14 for the fifth consecutive year, in spite of 2.9 percent growth in overall revenue collections as inflation plus population growth totaled 3.1 percent for the fiscal year. Overall revenue growth in the

Revenues/Expenditures per Capita
(In Constant Dollars)



FY2014-15 budget, outside of the first-time recognition of the County meals tax and an additional Gas Tax allocation approved by the 2013 General Assembly, are only estimated to grow 1.0 percent. The FY2015-16 Proposed Budget assumes revenue growth of 2.6 percent. Base revenue growth per capita in both the current fiscal year and next fiscal year are expected once again to lag inflation levels. While in years past revenue growth lagging inflation and population growth would sound an alarm and merit a warning, revenue growth between 2.0 and 3.0 percent is the expected new normal for the foreseeable future. This new economic reality is recognized and the County continues to develop spending plans accordingly.

Fund Balance – General Fund



With the first signs of revenue growth in FY2013-14 and FY2014-15, the Board implemented cautionary measures to add fiscal structure back to the budget, with a focus on reversing net declines in the County’s cash reserves – or fund balance levels. You can see in the chart to the right that those measures have so far been successful, as overall cash reserves grew for the first time in five years in FY2013-14, and further growth is expected in the current fiscal year as well due to the many

structural additions made by the Board in the FY2014-15 budget. The County’s cash reserves are critical in maintaining its all-important triple-AAA bond rating. Further, the entire net increase in FY2014-15 General Fund expenditures was allocated to Henrico County Public Schools, with significant investments also made to the County’s public safety efforts made possible through expenditure reductions in other areas. Again, within a limited revenue growth environment, spending

decisions must be made regarding the County’s critical and core services. The budget before you accomplishes just that, as budgetary increases are focused on the County’s school system, our public safety efforts, economic development, as well as completing citizen approved referendum projects.

Schools FY2015-16 Proposed Budget

The overall General Fund budget for schools is increasing \$10.4 million or 2.4 percent to \$441.2 million, representing more than 56 percent of the entire General Fund budget. However, the \$10.4 million increase is misleading for a number of reasons. As can be

FY2015-16 Proposed Additional Allocation to Schools	
Elimination of FY15 VRS Reserve	\$4.5 million
Meals Tax Increase – to FY17 Capital Reserve	\$2.0 million
Local Funding for School Buses	\$1.0 million
General Fund Expenditure Increase	\$10.4 million
Total Allocation Increase to Schools	\$17.9 million

seen in the table to the right, the incremental General Fund resources being provided to our school system is actually \$17.9 million, which represents more than three-fourths of the total General Fund revenue increase of \$22.9 million in the FY2015-16 Proposed Budget. Of the \$17.9 million in additional resources provided to our school system, \$11.8 million or two-thirds represents local funds, while the remaining \$6.1 million reflects additional funding from the State. It cannot be understated that the success of our school system is a key component of the County’s economic development strategy.

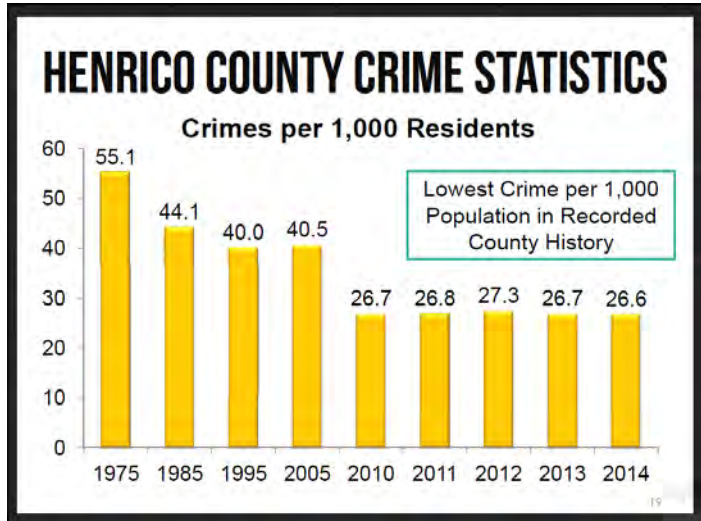
Several items within the allocation for schools worthy of note, a total of just under \$4.0 million has been included in Schools’ allocation for a 2.0 percent salary increase for all employees effective in October 2015. Further, \$1.0 million in current General Fund revenues has been included for the replacement of school buses. With a fleet approaching 700 buses, it is paramount that a systematic replacement cycle be created. This recommended \$1.0 million is intended as a permanent allocation and in this regard - the Superintendent has agreed to match \$1.0 million beginning in the FY2016-17 education budget, for a total \$2.0 million annual school bus replacement plan going forward.

The Proposed Budget also includes an additional \$150,000 allocation for an after school academic enrichment pilot program, which would be available to elementary and middle school students at participating schools who struggle to pass the Standards of Learning (SOL) tests and will focus on learning activities tailored to their individual academic needs. The program would be offered at the end of the regular school day for an identified number of days, and will include academic support activities such as tutoring, homework completion and a recreational component. Participating schools will be identified based upon the students’ performance on various assessments to include SOL tests.

Finally, the estimate for meals tax receipts in the FY2015-16 Proposed Budget is increasing \$2.0 million to \$20.0 million annually from the current fiscal year estimate of \$18.0 million – all of which is being placed into a designated reserve for meals tax-funded capital projects to be appropriated at a future date. The Proposed capital budget within this document includes an additional amount of just under \$2.0 million from meals taxes collected (but not budgeted) in June 2014, when the tax was implemented. From the initial allocation of meals tax resources in the current fiscal year, a number of deferred maintenance projects are currently underway and the Superintendent will present that information to the Board of Supervisors. Every dollar of meals tax receipts has been and will be dedicated to our school system.

Public Safety

The proposed budget before you includes ten new Police Officers in Patrol Operations to increase service coverage; the third year of a five-year commitment of adding ten new positions per year. The goal in adding these fifty positions within five years is to attain a goal of 90 percent service area coverage. You can see in the chart to the right that in 2014, the first year of the five-year commitment to add ten Police Officers per year, crimes per 1,000 residents were at the lowest level recorded in the history of Henrico County. As with the first twenty positions added over the past two fiscal years, these ten positions were offset from vacant positions eliminated in other County departments due to recognized operational efficiencies.



The FY2015-16 Proposed Capital Budget includes funding sufficient to complete a new fire station in the northwest area of the County, currently known as Fire Station #19, representing the final project from the March 2005 General Obligation Bond Referendum. This project has been delayed due to insufficient funding to complete construction of this facility. With the overall increase in cash reserves in FY14 previously noted, funding was made available for completion of this necessary public safety project.

The budget before you also includes appropriate funding for the planned debt issuance of \$39.1 million for the replacement of the County's 800 MHz radio communication system, a debt issuance in which this Board has previously authorized. This debt is expected to be incurred in FY2015-16. As a reminder to the Board, this project is anticipated to cost in excess of \$60 million, and will be funded with a combination of debt financing and pay as you go funding.

Chesapeake Bay TMDL Permit Requirements

In the current year budget, \$2.3 million in real estate tax revenue resulting from new construction in 2013 was placed in a **reserve account** with the intent of establishing a permanent funding source for any future Chesapeake Bay TMDL permit requirements and thus delaying any need for a stormwater utility fee. Subsequent to this, the County received its draft MS4 permit from the Environmental Protection Agency (EPA), and is expecting to have a final permit in the spring of 2015. The Chesapeake Bay TMDL reserve account provides a recurring source to help meet the anticipated requirements outlined in the permit for street sweeping, and maintenance of outfalls. It is expected that the \$2.3 million of annual funding will be sufficient to meet the requirements of this federal mandate for the next ten years. By resisting a new tax that most affected Virginia localities have implemented, and by carving out unanticipated revenues from new construction last year, Henrico County will be able to avoid a storm water utility tax. This future stability offers another economic development advantage for our county.

Economic Development and Sports Tourism

In an effort to further boost the attractiveness of the County to potential manufacturing companies – companies that typically bring a substantial number of jobs – the budget before you includes a recommendation to lower the machinery and tools (M&T) tax from \$1.00 to \$0.30 per \$100 assessed valuation. When calculated out on the County's depreciation schedule, this new M&T tax rate would mean Henrico County would have the lowest effective M&T tax rate in central Virginia and one of the

lowest in all of Virginia. The County's existing 167 businesses that pay M&T tax would also benefit from this decision – which will impact the County's existing tax collections by approximately \$1.3 million, all of which have been recognized in the budget before you.

Another economic development initiative, the FY2015-16 Proposed Budget adds another \$6.0 million for the construction of the first phase of Greenwood Park, a planned multi-field soccer complex on 88 acres along the Chickahominy River off Greenwood Road. Further, funding for the design phase of an extension of Woodman Road has been provided from existing appropriations, a project that will make accessing Greenwood Park from the interstate that much easier. Last year, Henrico County's sports tourism efforts generated in excess of \$40 million in economic development to the County – a figure that rises each and every year. Not only will Greenwood Park boost those figures substantially, the increased tourism traffic in the area will have a residual positive impact on businesses surrounding this area, generating yet additional economic development opportunities, and subsequently increased tax revenue for the County.

Voting Machines

As the County's existing direct record equipment (DRE) voting machines reach the end of their useful life, new machines will soon be required for the County's 93 voting precincts. As mandated by the State, the County will be moving away from DRE systems to an optical scan voting system. To provide necessary flexibility, the Proposed Budget establishes a voting equipment replacement reserve, in the amount of \$1.0 million, for future appropriation by the Board of Supervisors.

Varina and Libbie Mill Area Libraries

The budget before you includes funding for 27 new positions associated with opening both the Libbie Mill and Varina Area Libraries, both of which will open in FY2015-16. The new positions being added will join the ten positions added for these libraries in the current fiscal year, as well as the existing Dumbarton Area Library and Varina Branch Library, and are necessary due to the significant increases in size and scope from the current library operations at these two facilities.

Cobbs Creek Reservoir

The FY2015-16 Proposed Capital Budget includes additional appropriation for construction of the Cobbs Creek Reservoir, which the County now owns every parcel in Cumberland County necessary to move forward. Further, the budget before you includes a recommendation for a 3.0 percent increase in water and sewer rates, necessary to continue the funding plan for the completion of this \$280 million project. Further, this funding allows the County to continue offering a 38 percent discount on water and sewer rates for the **more than 20 percent of customers that now use a water volume of 7 ccf or less per month.**

New General District Court Judge

During the 2015 General Assembly session, a new judge in the General District Court was approved for Henrico County and will begin serving on November 1, 2015. With this new judge, the County has a number of funding commitments it must make in relatively short order, including construction of a new court room within the County courts complex and additional deputies in the Sheriff's Office. Due to the timing of this approved judgeship, the FY2015-16 Proposed Budget does not include funding for any of these initiatives as staff is currently drafting cost estimates. An amendment to the FY2015-16 budget will come before the Board in July 2015. At this writing, a small task force is working to identify the location of the new courtroom within the courts complex.

Aging Population

With more than a quarter of our population at the age of 65 or older, a trend that is expected to grow for the foreseeable future, the budget before you establishes a "Senior Ombudsman," a position that will spend every day working with our senior citizen population in a variety of manners, including planning, organizing, and coordinating services for Henrico County senior citizens, thereby

strengthening the community at large. As a note, this position was established due to the reclassification of a position made vacant due to operational efficiencies in County administrative areas.

In addition to this position, the maximum award for the County's Real Estate Advantage Program (REAP) is proposed to increase from \$2,500 to \$3,000, effective January 2016, in an effort to keep pace with rising residential real estate assessments. As such, the County's 65 years of age and over population that have a net worth of \$350,000 or less and have annual incomes of \$67,000 or less, will be eligible for tax relief on their respective homes up to the first \$344,800 of assessed valuation.

Improve Focus on Existing Residential and Commercial Structures

Within the FY2015-16 Proposed Budget, two vacant positions have been reclassified and moved to two agencies – one to Building Inspections and one to Community Revitalization – in an effort to improve focus on existing residential and commercial structures countywide. This additional staff will allow for enhanced concentration on areas of need, particularly aging structures across the County, to ensure that the buildings are safe.

To accomplish the task of balancing each of these necessary cost increases with limited revenue growth, a number of cost cutting strategies were needed, including reclassifying vacant positions from administrative areas to other areas, recognizing savings from expected vacancies resulting from focused hiring practices, eliminating office space leases, and recognition of debt service savings. Each balancing action was taken with the impact on both FY2015-16 and FY2016-17 in mind. As previously mentioned, \$11.7 million in cost cutting measures are present in the FY2015-16 Proposed Budget. Examples of these balancing strategies are as follows:

Reclassifying Vacant Positions and Recognition of Vacancy Savings

A total of 13 vacant positions removed from departmental complements in prior years due to recognized efficiencies in those areas have been reclassified to areas of critical need, and therefore are not net additions to the overall County complement. These 13 positions were distributed as follows: ten to Police for the addition of the new Police Officers for the third consecutive year; two positions – one to Building Inspections and one to Community Revitalization – to improve focus on existing residential and commercial structures countywide; and the before-mentioned "Senior Ombudsman" position.

Further, the County continues to only hire absolutely necessary vacant positions, and in some cases waiting a period of time before hiring vacant positions, in an effort to preserve funds. In fact, the County continues to hold a revolving number of around 250 vacant positions, across all departments. This practice has afforded the County the ability to budget \$3.3 million in vacancy savings within the General Fund, and \$4.4 million across all funds, in an effort to cut costs. Schools has also assumed a vacancy savings of more than \$3.0 million, capturing anticipated retirements of higher salaried personnel. As this practice continues and as Henrico continues the transition to a high performing organization, this County will continue to become even leaner and vacant positions will continue to be considered for either reclassification or elimination.

Debt Service Savings

In the budget before you, two cost savings initiatives are present in an effort to lower the County's debt service requirements in FY2015-16. First, the Board has already authorized the refunding of a number of outstanding bonds, an action that will be taking place in the coming weeks. As a result, \$250,000 in annual savings is projected and assumed in the FY2015-16 Proposed Budget. The budget also includes a recommendation to eliminate \$2.0 million in appropriated bond proceeds within a number of completed Schools projects, and pay off debt service obligations in FY2015-16.

Other Savings Initiatives

An additional \$2.1 million in targeted reductions were needed to balance the FY2015-16 Proposed Budget within limited available resources, with some examples as follows:

- ✓ A strategic initiative to find permanent County-owned space for services currently operating out of leased space has proven successful to date, and the budget before you includes \$300,000 in lease savings due to the planned elimination of the North Run lease and the leased space for Drug Court;
- ✓ Approximately \$900,000 was saved due to the General Assembly utilizing one-time resources through the sale of unclaimed property to lower the VRS rate for teachers;
- ✓ Schools is also saving \$860,000 in annual local match requirements due to the expiration of the Teacher Incentive Fund (TIF) grant.

Developing the FY16 Budget Required an Eye on FY17

In order to avoid the trap of “year-to-year” budgeting, each and every budgetary action in the FY2015-16 Proposed Budget was considered only with the assurance that there were no negative implications on the subsequent fiscal year. The table to the right highlights a number of known cost increases forthcoming in FY2016-17. As can be seen in the chart, there are at least \$16.4 million in new operating cost increases planned for FY2016-17, and an additional \$20.0 million in one-time radio equipment associated with the County’s new communication system that will go live in 2017. For the past three fiscal years and for the next two fiscal years, the County has/will set aside in a designated capacity within cash reserves, \$4.0 million annually for this \$20.0 million planned expenditure in 2017.

Anticipated Cost Increases in FY17	
<u>Expense</u>	<u>Anticipated Cost Inc. FY17</u>
Annualizing Salary Increase	\$1.9 million
Estimate of VRS Increase	\$2.0 million
Full-Year Debt Service on Communication System	\$3.5 million
Second-Year of Bond Project Operating Costs	\$2.1 million
Maintain Pupil-Teacher Ratio – 20 Positions	\$1.3 million
Additional Funds for Technology Replacement	\$1.0 million
Additional Funds for School Buses	\$1.0 million
Estimate of Healthcare Cost Increase	\$3.0 million
<u>Addition of 10 Police Officers (Yr 4)</u>	<u>\$0.6 million</u>
Operating Budget Commitments – FY17	\$16.4 million
Radio Equip. - Comm. System (Desig. Cash Reserves)	\$20.0 million

While local economic indicators continue to reflect positive outcomes, and slow subsequent local revenue growth is anticipated to continue into FY2016-17, Henrico County’s fiscal outlook continues to be clouded by uncertainty at the State level. To balance the budget “shortfall” announced by the Governor in May 2014, the State utilized a significant amount of one-time resources from its Rainy Day Fund, funds that must be replaced with either sufficient revenue growth or expense cuts, or a combination of the two, in the 2016-2018 Biennial Budget. While there is a significant question mark beside one-third of our General Fund revenues, Henrico County is prepared for the challenges ahead, and this budget takes us further in the appropriate direction as we continue to find ways to stretch every incremental dollar in an effort to fund this County’s core service commitments to its citizens.

Summary

I hope it is quite clear that every dollar in the plan before you was budgeted with limited revenue growth and pressing service demands in mind. The Proposed Budget utilizes both new resources and identified cost savings in an effort to maximize resources to the County’s critical needs and maintains our forward-looking approach to budgeting. Further, this strategy has allowed the County to reward its hard working employees with a much deserved salary increase. Maximizing the County’s limited resources is a trademark of this County’s past, current and future success - it is the “Henrico Way.” Managing in an environment of slow revenue growth into the foreseeable future, the actions of the

Board of Supervisors over many years, particularly in the past few years, has established a solid foundation for the County's finances - one that is sustainable going forward.

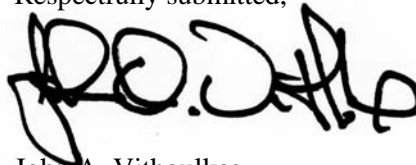
While we must remain cautious, the positive local economic signs are welcome - real estate assessments grew for the second consecutive year, tourism in Henrico County continues to grow, and our business community continues to prosper. Further economic development initiatives present within this Proposed Budget will only further strengthen our local economic outlook. While there is always uncertainty with future economic conditions, one thing that will be certain is we will do everything to continue providing an environment that fosters positive economic growth. Maintaining the lowest real estate tax rate of any urban locality in Virginia is key in this area. The fact that this budget proposal adds clarity for stormwater costs and requirements is an added plus.

As is our common practice, everything put forward in the FY2015-16 Proposed Budget has been vetted for its impact in FY2016-17. We do anticipate continued slow growth in our local revenues, and the concern regarding the sustainability of the State meeting its revenue estimates, further validates the approach that this County has historically taken regarding its revenue estimates - extremely cautious. The budget before you continues that cautious approach.

I would like to thank the County staff for the many hours of hard work that went into the development of this budget. I would also like to thank the Superintendent and the School Board for their efforts and continued cooperation that will result in the continued success of our County. Henrico County employees have been asked to do their respective jobs with significantly fewer resources. It is only because of their efforts and the continued work and vigilant oversight of our Board of Supervisors that this County has been as successful as it has been during this difficult economic time.

As always, the staff and I stand ready to assist you in making the best possible choices for the future of our community.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'John A. Vithoukas', written in a cursive style.

John A. Vithoukas
County Manager

BASIS OF BUDGETING AND FUND STRUCTURE

BASIS OF BUDGETING

Budgets are adopted on a basis consistent with generally accepted accounting principles ("GAAP"). Governmental and Fiduciary Funds utilize the modified accrual basis of accounting under which revenues and related assets are recorded when measurable and available to finance operations during the year. Proprietary Funds use the accrual basis of accounting which recognizes revenues when earned and expenses when incurred. Annual operating budgets are adopted for all Governmental Funds except for the Capital Projects Fund in which effective budgetary control is achieved on a project-by-project basis when funding sources become available. All appropriations lapse at year-end, except those for the Capital Projects Fund. It is the intention of the Board of Supervisors that appropriations for capital projects continue until completion of the project.

FUND STRUCTURE

The budget of the County is organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. The various funds are grouped as follows:

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the County are financed. These include:

General Fund

The General Fund accounts for all revenue and expenditures of the County which are not accounted for in the other funds. Revenues are primarily derived from general property taxes, local sales taxes, license and permit fees, and revenues received from the State for educational and other purposes. A significant part of General Fund revenues is used to maintain and operate the general government, however, a portion is also transferred to other funds principally to fund debt service requirements and capital projects. Expenditures include, among other things, those for general government, education, public safety, highways and streets, recreation, parks, and culture.

Special Revenue Fund

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the resources obtained and used relating to State and Federal Grants, Social Services programs, Mental Health and Developmental Services programs, the Utility Department's Solid Waste and Street Light operations and the School Cafeteria.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principal on all governmental fund long-term debt except for accrued compensated absences and capital lease obligations which are paid by the fund incurring such expenditures. Debt Service Fund resources are derived from transfers from the General Fund.

Capital Projects Fund

The Capital Projects Fund accounts for all general government and school system capital projects which are financed through a combination of proceeds from general obligation bonds and operating transfers from the General Fund, Special Revenue Fund, and Internal Service Fund.

Basis of Budgeting and Fund Structure (continued)

PROPRIETARY FUNDS

Proprietary funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the County is that the cost of providing services to the general public be financed or recovered through charges to users of such services. These funds include:

Enterprise Funds

These funds account for the operation, maintenance and construction of the County-owned water and wastewater (sewer) utility, and the County-owned golf course.

Internal Service Funds

An Internal Service Fund accounts for the financing of goods or services provided by one department to other departments of the government on a cost-reimbursement basis. The Internal Service Fund budgets for the County are: the Central Automotive Maintenance operations, the Technology Replacement Fund, the Risk Management Fund, and the Healthcare Fund.

FIDUCIARY FUND

Fiduciary funds are used if the government has a fiduciary or custodial responsibility for assets.

James River Juvenile Detention Center Agency Fund

The Agency Fund accounts for assets held by the County for the James River Juvenile Detention Commission. All revenue and expenditures related to operations are accounted for in separate sub-funds, operating, debt, and capital. Resources for operations are primarily derived from a transfer from the General Fund and payments from the State and other localities.

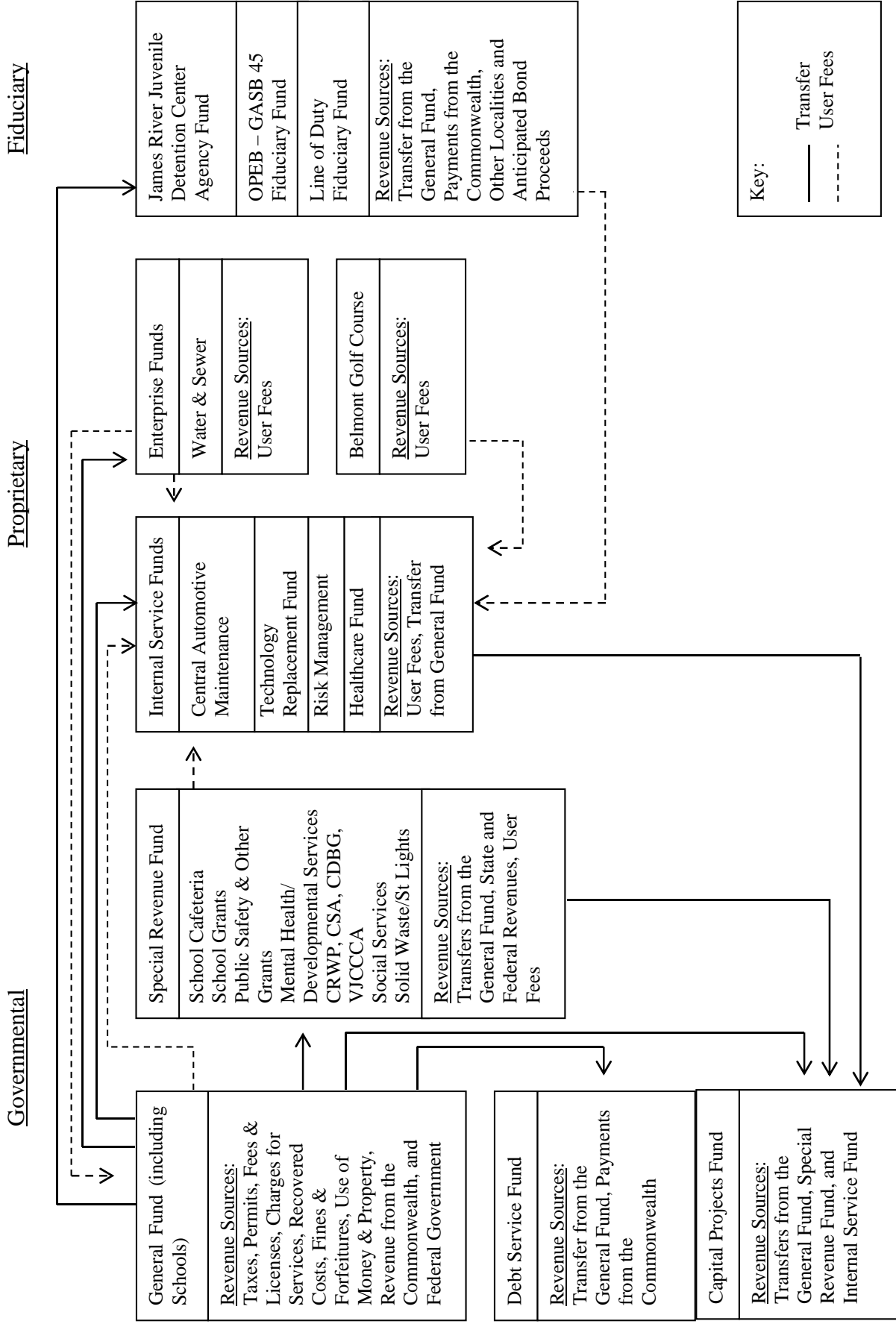
Other Post Employee Benefits Fiduciary Fund (GASB 45)

The Fiduciary Fund accounts for assets held by the County for Other Post Employee Benefits (OPEB-GASB 45 costs). Resources for these cost requirements are derived from a transfer from the General Fund.

Line of Duty

The Line of Duty Fiduciary Fund was created due to a mandate from the Commonwealth of Virginia that requires localities to pay the cost of this State approved benefit. Resources for this cost requirement are derived from a transfer to OPEB-GASB 45 Fiduciary Fund.

STRUCTURE OF COUNTY FUNDS



HENRICO COUNTY'S BUDGET PROCESS

THE BUDGET CYCLE

Aug 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
27	28	29	30	31	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6

Sep 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
31	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	1	2	3	4
5	6	7	8	9	10	11

Oct 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
28	29	30	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	1
2	3	4	5	6	7	8

August through September Revenue Estimates

Henrico County's budget process begins with an estimate of revenues in order to develop a budget balanced within resources. Revenue estimates begin in August of the year prior to the fiscal year being adopted. This process includes the review of current County finances, local and regional economic conditions, and a re-examination of key local economic indicators. This includes such specifics as building permits, tax assessments, business license records, retail sales by category and type. The questions that are asked in this review are aimed at acquiring relevant financial information that will set the broad limits of budgetary possibilities. From a fiscal perspective, the basic question is whether current revenues support the necessary budgetary outlays.

October Target Development

The next step in the budget process is to create a funding or target allocation for each department, which is calculated by the Office of Management and Budget in October. Debt service requirements are the top priority before targets are created for the individual departments. Payroll expenditures are the next "fixed" obligation. The target allocation provides the funding for all of the current positions in the County's personnel complement. The target allocation assigned to the individual department also provides funding for operating and capital outlay items, which are based on the prior year approved budget. It does not automatically include an inflation factor for operating expenditures, nor does it fund any new services or positions. The

target allocations do, where applicable, include the operating costs of new facilities approved in prior year budgets. This "link" between the operating and capital budgets is performed through an annual crosswalk that determines all such costs. The FY2014-15 Operating budget includes all operating costs arising from new facilities that are anticipated to become operational during the fiscal year. For additional information, please see "Capital Improvement Program – Implications on Operating Budget", found elsewhere in this document.

THE BUDGET CYCLE

Nov 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
26	27	28	29	30	31	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	1	2	3	4	5	6

November

Budget Call for Estimates

Each year all County departments receive the County Manager's "Call for Estimates" (i.e., budget call) in November, which contains the budget policy, special budget instructions, various revisions to the budget manual, a budget calendar, and the target allocation. The Call for Estimates is accompanied by information on using the County's Automated Budget System, which enables the departments to prepare their budget requests on their departmental personal computers and submit them to the Office of Management and Budget (OMB) electronically. The budget request consists of expenditure estimates in detail by line item, and in summary, together with supporting

narrative information. When expenditure needs exceed the target allocation, departments must submit a request for additional funding. Certain County departments such as Education, Police, and Fire are considered priorities when allocating new funds among departments. Each request must be prioritized and prepared with detailed justification to support the need for additional funding.

November through December

Financial Trend Monitoring System

An important step of the budget process involves the completion of the Financial Trend Monitoring System Trends Document, which represents an eleven-year evaluation of past financial and economic indicators. These indicators, over time, may reflect fluctuations, which when analyzed, prove to be extremely valuable as a management tool. The document allows staff to monitor changes in all aspects of the local economy and provides an insight into possible trends that may impact future decision making. This document, which analyzes historical trends, is utilized as a forecasting tool and provides a logical way of introducing long-range considerations into the annual budget process. The County benefits by examining historical trends of financial and economic indicators prior to initiating the budget process. For more information regarding the Trends document, please see: <http://www.henrico.us/finance/divisions/office-of-management-and-budget/financial-trends/>

Dec 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
30	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31	1	2	3
4	5	6	7	8	9	10

December

Budget Submissions

All County departments submit their budgets in the first week in December for initial review by the Office of Management and Budget. This includes both the target allocation as well as any supplemental requests for funding. The Budget Director and the OMB staff prepare the revenue estimates, and work closely with the County Manager and department administrators in reviewing expenditure estimates both in program and financial terms.

Jan 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
28	29	30	31	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
1	2	3	4	5	6	7

December through January

Review of Budget Submissions

The Office of Management and Budget reviews each department's budget submission and provides recommendations, as appropriate, to the County Manager. These recommendations include expenditure analyses and evaluations of budget submissions. As a result of this review, a narrative for each department is created.

THE BUDGET CYCLE

Feb 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
25	26	27	28	29	30	31
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
1	2	3	4	5	6	7

these reviews and have the opportunity to make presentations and answer questions relative to their budget requests. The Budget Office finalizes recommendations based on the Executive Review Committee results.

January through February
Executive Budget Reviews

After the expenditure estimates are analyzed, department requests are presented to the Executive Budget Review Committee. This Committee holds hearings to discuss budget submissions with departments in the last week of January through the first week in February. The Executive Budget Review Committee consists of the County Manager, (four) Deputy County Managers, the Director of Finance, the Director of Human Resources, one department director on a rotating basis, the Director of the Office of Management and Budget (OMB), and the supporting (six) budget analysts. The representatives from the departments are present at the time of

Mar 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
22	23	24	25	26	27	28
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4

long periods of intensive research and analysis. The purpose of the document is to present to the legislative body and the public a comprehensive picture of proposed operations for the budget year, expressed in both verbal and statistical terms. During the hearings, the Board of Supervisors examines all line items in each of the department’s budgets and all associated operational premises. These hearings are held during the course of one week, in the middle of March, approximately eight hours per day. Based on these hearings, the County Board of Supervisors may amend the County Manager’s Proposed Budget.

March
Legislative Budget Reviews

Based on information exchanged during the Executive Budget Reviews, a balanced budget is recommended by the County Manager to the County Board of Supervisors as the Proposed Budget in early March. (The Code of Virginia requires that the County Manager submit a balanced budget to the Board of Supervisors). The Legislative Budget Review Committee is comprised of the County Board of Supervisors, which represents each of the County’s five magisterial districts. The budget document that is presented to the County Board of Supervisors during these hearings represents the culmination of

Apr 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	1	2
3	4	5	6	7	8	9

April (Second and Fourth Tuesdays)
Public Hearing and Adoption of Budget

Once the County Board of Supervisors has received the County Manager’s Proposed Budget, advertisements in the local newspaper are ordered and a date is set for the Budget Public Hearing in April. The FY2015-16 Public Hearing was held on April 14, 2015. The public hearing that sets the tax levies was held on April 28, 2015. The Code of Virginia requires that the County advertise a synopsis of the budget in the newspaper and that one or more public hearings be held before the Board adopts the budget. The Board of Supervisors adopts the Annual Fiscal Plan during this month and sets tax levies for the Calendar Year.

THE BUDGET CYCLE

May 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
26	27	28	29	30	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6

May

Publish and Distribute Budget

During the month of May, the final Annual Fiscal Plan is compiled, published, and distributed.

Jun 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
31	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	1	2	3	4
5	6	7	8	9	10	11

June

Appropriation of Budget

In the final month of the current fiscal year (last Board meeting in June), the Board of Supervisors appropriates funding for the next Annual Fiscal Plan, which is required by the Code of Virginia.

During the Fiscal Year

Transfers

The County Manager is authorized to transfer budgeted amounts between departments within any Fund; however, any revisions that alter the total budgeted amounts and/or appropriations of any Fund require an amendment to the budget. The Code of Virginia requires that the Board of Supervisors approve any amendment request. If the total amendment requested at any one time is over one percent of the current total appropriation, the request also must be advertised in the newspaper and a public hearing must be held before the Board can act.

FINANCIAL GUIDELINES

The following informal guidelines represent principles and practices that have guided the County in the past and have helped foster the County's current financial stability. These guidelines allow the Board maximum flexibility each year when determining how best to meet the needs of County residents when adopting the Annual Fiscal Plan.

General Guidelines:

The County of Henrico will maintain its AAA General Obligation Bond ratings with Standard and Poors, Moody's Investor Service and Fitch IBCA. Currently, Henrico County is one of 35 Counties in the nation that maintains a AAA/AAA/Aaa General Obligation Bond rating.

The County of Henrico will continue its efforts of "Changing the way Henrico does business", as a means of ensuring the County's residents an efficient and highly effective local government.

The County of Henrico will utilize technological advances as a means of providing more convenient and streamlined services to citizens, increasing employee productivity and reducing the need for new positions.

The County of Henrico will allocate new dollars (after meeting fixed commitments such as debt service requirements and benefits changes) to the areas of Education and Public Safety first.

The County of Henrico will attempt to utilize benefits of new economic development successes as a means of maintaining the low tax rate environment the residents currently enjoy. In addition, the County will maintain a balance between the need for real estate tax relief for residents with the long-term operational needs of the County. In that regard, **the FY2015-16 Annual Fiscal Plan is based on a Real Estate Tax rate of \$0.87/\$100 of assessed valuation for CY2015 real estate tax levies.**

The County of Henrico will continue its proactive efforts to bolster the quality of life our residents now enjoy.

Budgetary Guidelines:

The County's budgetary policies are based upon guidelines and restrictions established by State and County Code and Generally Accepted Accounting Principles (GAAP) for Governmental entities. These provisions set forth the County's fiscal year, public hearing and advertising requirements, restrictions on taxation, and also stipulate that the County must maintain a balanced budget.

The County's budget may be considered balanced if estimated revenues meet planned expenditures.

Cash Management:

The County will invest public funds in a manner that provides the highest investment return with the maximum safety while meeting daily cash flow demands. The County will deposit available funds on the same day they are received.

Capital Improvement Program Guidelines:

The County will develop a Five-Year Capital Improvement Program annually. The first year of this plan or a portion thereof will be approved by the Board of Supervisors after legal advertising and public hearing requirements have been met.

The County's Capital Improvement Program will utilize debt financing as a funding source only after it has been determined that the County can afford to service this debt and associated operating costs in subsequent years. The County will attempt to maximize the use of pay-as-you-go financing for capital projects.

Financial Guidelines (continued)

The County will continue to enhance the level of pay-as-you-go funding in the annual Capital budget as a means of reducing reliance on debt financing for capital projects.

The County will ensure that all operating costs arising from approved capital projects are accounted for in the operating budget, through the compilation of an annual crosswalk analysis that captures all such costs.

The County will maintain its physical assets at a level adequate to protect the County's capital investment and minimize future maintenance and replacement costs. The operating budget will provide for the adequate maintenance of these facilities and infrastructure.

Debt Guidelines:

A long-term debt affordability analysis will be completed on an annual basis as a means of ensuring that the County does not exceed its ability to service current and future debt requirements. This analysis will verify that the County is maintaining the following prescribed ratios and will be performed in conjunction with the County's Capital Improvement Program Process. The guidelines that are utilized are as follows:

Debt Service as a Percentage of General Fund Expenditures: 7.75%
Debt as a Percentage of Assessed Value: 1.49%
Debt per Capita: \$1,650

The County will adopt annual water and sewer rates that will generate sufficient revenues to meet the legal requirements of Enterprise Fund bond covenants. These rates will also allow for adequate capital replacement in water and sewer systems.

Revenues:

Multi-Year revenue and expenditure forecasts for all County funds will be included as a part of the Adopted Annual Fiscal Plan.

The County of Henrico will attempt to maintain a stable but diversified revenue base as a means of sheltering it from fluctuations in the economy.

The County will continue to strive to exceed a 70% residential – 30% commercial real estate assessment ratio. Maintaining a healthy commercial ratio will help the County maintain current tax rates while continuing to enhance service delivery efforts – particularly in the area of Education.

While revenues are monitored continually, a report is compiled quarterly that depicts current year trends, receipts, and explains any unanticipated revenue variances. With the approval by the voters of a referendum on November 5, 2013 and subsequent ordinance approved by the Board of Supervisors on February 25, 2014, all revenues generated by a 4% tax on food and beverages sold in restaurants, commonly known as a "meals tax", will support the operations and capital infrastructure of Henrico County Public Schools.

Financial Guidelines (continued)

Fund Balance Guidelines:

The County has, over time, maintained a healthy unassigned fund balance – as compared to similar sized Virginia localities. As a percentage of actual General Fund expenditures, the County’s unassigned (formally undesignated) fund balance has been:

FY99:	10.67%
FY00:	12.90%
FY01:	15.54%
FY02:	16.69%
FY03:	17.79%
FY04:	18.04%
FY05:	18.00%
FY06:	18.00%
FY07:	18.00%
FY08:	18.00%
FY09:	18.00%
FY10:	18.00%
FY11:	18.00%
FY12:	15.00%
FY13:	15.00%
FY14:	15.00%

During the FY2005-06 budget, the Board of Supervisors agreed with a policy recommendation to maintain the undesignated fund balance at a level of 18.0 percent of General Fund expenditures effective June 30, 2006. During the fiscal year-end closing of the County’s books, any funding over the agreed upon level of unassigned fund balance will be allocated to a Capital Reserve Fund for future allocation as a pay-as-you-go funding source in the Capital Budget. The policy of maintaining this reserve will be examined on an annual basis, during the budget process.

During the FY2012-13 Approved Budget, the Board of Supervisors agreed to reduce the amount of unassigned fund balance maintained from 18.0 percent to 15.0 percent of General Fund expenditures. The one-time funding generated due to this reduction as of June 30, 2012 was assigned to a dedicated vehicle replacement reserve that was used to replace police vehicles, fire apparatus and school buses.

The County will not use its unassigned fund balance to subsidize current operations.

Note: The fund balance portrayal above is different than the analysis performed annually in the Trends document. The Trends portrayal examines the Unassigned Fund Balance as a percentage of revenues in the Operating Funds – which includes the General, Special Revenue and Debt Service Funds. The portrayal above reflects the County’s Unassigned Fund Balance as a percentage of General Fund Expenditures.

Inter-Fund Guidelines:

The General Fund will be reimbursed annually by the Enterprise Fund for general and administrative services provided such as finance, personnel, and administration.

The General Fund will reimburse the Enterprise Fund, on an annual basis, for debt service requirements associated with the Elko Tract Infrastructure Improvement Bonds.

The General Fund will subsidize the Solid Waste Operation for costs not recouped from user fees associated with curbside recycling, bulky waste pickup, neighborhood cleanups and bagged leaf collection.

**REVENUE
AND
EXPENDITURE
SUMMARIES**

**COUNTY OF HENRICO, VIRGINIA
SOURCE OF APPROVED REVENUES
- ALL FUNDS -**

Revenues: Function/Program	FY 13-14 Actual	FY 14-15 Original	FY 15-16 Approved
Revenue from Local Sources:			
General Property Taxes	\$367,189,992	\$394,675,000	\$408,950,000
Other Local Taxes	124,914,326	134,835,000	138,455,000
Permits, Fees, and Licenses	4,353,372	5,374,204	5,142,472
Fines and Forfeitures	3,024,018	2,903,283	2,894,566
Use of Money and Property	4,003,555	8,473,663	8,532,756
Charges for Services	133,652,835	134,821,427	136,816,904
Recovered Costs	114,621,744	122,314,471	125,110,320
Miscellaneous	13,245,679	9,101,402	9,223,380
Shared Expenses	411,784	403,702	423,888
Total from Local Sources	<u>\$765,417,305</u>	<u>\$812,902,152</u>	<u>\$835,549,286</u>
Revenue from the Commonwealth:			
Non-categorical Aid	55,916,215	17,939,774	17,970,335
Shared Expenses	18,335,602	17,749,673	17,853,369
Categorical Aid	309,790,106	320,926,781	328,368,396
Total from the Commonwealth	<u>\$384,041,923</u>	<u>\$356,616,228</u>	<u>\$364,192,100</u>
Revenue from the Federal Government:			
Categorical Aid	56,927,453	56,579,806	57,165,205
Total from the Federal Government	<u>\$56,927,453</u>	<u>\$56,579,806</u>	<u>\$57,165,205</u>
Total Revenues	<u>\$1,206,386,681</u>	<u>\$1,226,098,186</u>	<u>\$1,256,906,591</u>
(To) From Fund Balance/Retained Earnings			
(To) From General Fund Balance	(28,381,376)	5,000,000	5,000,000
(To) From Vehicle Replacement Reserve	6,574,800	0	0
(To) From General Fund - Revenue Stabilization	4,097,452	339,124	2,074,331
(To) From Fund Balance - Designated Capital Reserve	1,420,000	2,600,000	10,430,000
Use of Fund Balance - des FY13 Public Works	208,500	8,751,467	6,531,502
Use of Fund Balance - des RE Tax (Ches. Bay TMDL)	0	2,348,000	0
Use of Fund Balance - des FY14 Permit Fee (to Capital)	0	500,000	500,000
Use of Special Revenue Fund	0	500,000	500,000
Use of Fund Balance - Capital Initiatives	0	0	1,000,000
From Fund Balance - Voting Machine Reserve	0	0	1,000,000
(To) Fund Balance - Voting Machine Reserve	0	0	(1,000,000)
(To) From Fund Balance - Chesapeake Bay TMDL	0	(2,348,000)	0
(To) From Fund Balance - Meals Tax FY16	0	0	(2,000,000)
(To) From Fund Balance -State Rev Stabilization	0	0	1,000,000
(To) From Fund Balance - Meals Tax FY14 Collection	0	0	1,990,470
(To) From School Cafeterias	(930,745)	(44,690)	511,734
(To) From Solid Waste	(1,878,602)	1,912,769	(112,170)
(To) From Retained Earnings - Water & Sewer	(27,848,703)	(29,326,830)	(28,198,438)
(To) From Balance VRS Reserve	(1,000,000)	4,497,376	0
(To) From Other Funds	(4,447,161)	4,013,520	5,302,884
Total Fund Balance	<u>(\$52,185,835)</u>	<u>(1,257,264)</u>	<u>4,530,313</u>
Total Revenues and Fund Balances	<u>\$1,154,200,846</u>	<u>\$1,224,840,922</u>	<u>\$ 1,261,436,904</u>
Operating Transfers to Capital Projects Fund	(11,060,054)	(34,976,992)	(43,974,772)
Interdepartmental Billings	(87,227,389)	(92,195,429)	(94,525,252)
Total Source of Funding	<u><u>\$1,055,913,403</u></u>	<u><u>\$1,097,668,501</u></u>	<u><u>\$1,122,936,880</u></u>

**COUNTY OF HENRICO, VIRGINIA
TOTAL APPROVED EXPENDITURES
- ALL FUNDS -**

<u>Department</u>	<u>FY 13-14 Actual</u>	<u>FY 14-15 Original</u>	<u>FY 15-16 Approved</u>
01 Board of Supervisors	\$996,678	\$1,007,605	\$1,027,440
02 Library	13,841,505	15,075,476	17,067,727
03 Sheriff	38,031,995	35,432,083	36,315,266
04 Circuit Court	3,001,405	2,977,143	2,979,107
05 Commonwealth's Attorney	5,408,506	5,373,007	5,426,444
06 General District Court	241,749	214,362	214,362
07 Juvenile & Domestic Relations Court	3,274,415	3,312,234	3,348,370
08 Electoral Board	1,244,857	1,320,970	1,332,123
09 County Manager	1,737,887	1,690,995	1,702,927
09 Public Relations and Media Services	1,743,842	1,722,833	1,749,523
10 County Attorney	2,125,593	2,160,403	2,185,408
11 Human Resources	21,295,479	16,974,197	17,418,667
12 Police	69,704,341	68,956,946	70,746,490
13 Fire	51,883,296	51,357,234	52,722,701
14 Finance	12,251,391	12,965,550	13,423,106
16 General Services	34,786,925	34,802,147	34,618,179
17 Internal Audit	415,938	411,467	420,580
18 Debt Service	58,744,833	58,694,837	56,805,548
19 Information Technology	11,583,617	12,688,225	12,873,705
21 Agriculture and Home Extension	334,751	369,699	383,031
22 Social Services	25,482,709	27,041,346	27,477,333
23 Recreation & Parks	17,293,314	18,319,457	18,599,680
24 Public Health	1,771,087	1,771,094	1,779,094
26 Mental Health & Developmental Services	31,223,359	33,956,533	34,953,960
27 Capital Region Workforce Partnership	5,689,338	5,731,353	5,828,028
28 Public Works	44,654,276	48,629,102	48,942,077
29 Real Property	631,838	606,008	619,207
30 Economic Development	19,179,385	14,273,330	14,422,484
31 Public Utilities	89,328,390	90,193,542	93,271,054
32 Non-Departmental	9,941,381	11,801,263	12,201,263
33 Building Inspections	3,801,340	4,052,742	4,141,366
34 Planning	3,572,993	3,862,043	3,891,345
35 Permit Centers	834,249	849,630	873,598
36 Community Corrections Program	1,673,504	1,848,453	1,834,445
37 Technology Replacement	1,449,678	2,043,083	2,317,152
38 Community Revitalization	3,626,270	1,467,094	1,549,846
40 James River Juvenile Detention Center	5,491,828	5,481,997	5,651,605
42 Healthcare	81,795,837	97,952,363	101,652,506
50 Education	463,051,013	492,476,084	504,695,385
60 Interdepartmental Billings	(87,227,389)	(92,195,429)	(94,525,252)
Total Expenditures	<u>\$1,055,913,403</u>	<u>\$1,097,668,501</u>	<u>\$1,122,936,880</u>

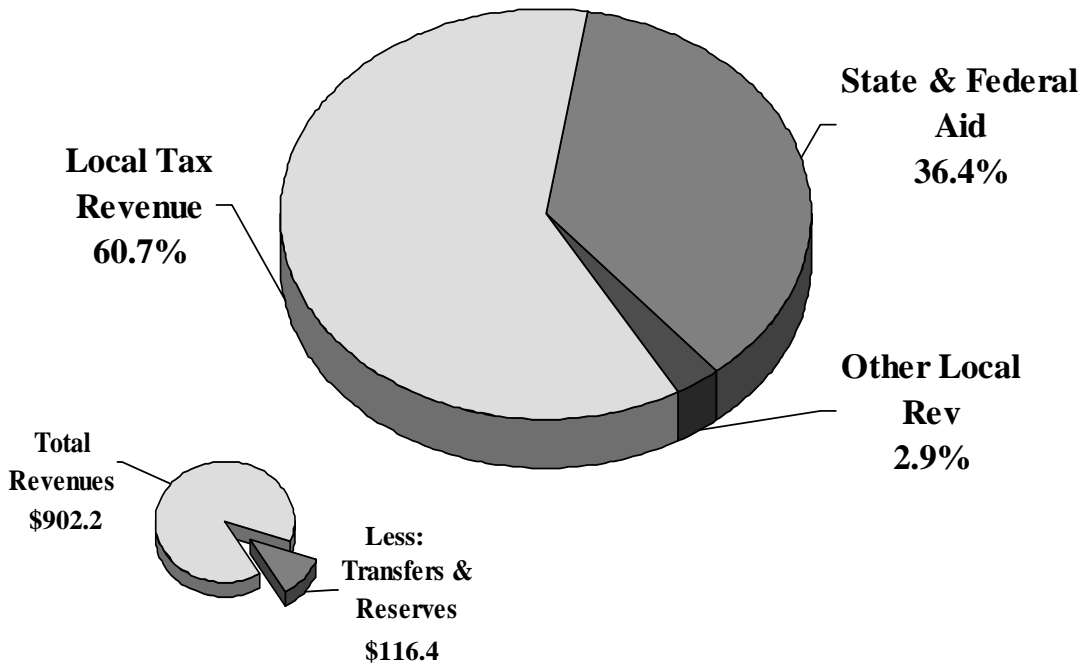
COUNTY OF HENRICO, VIRGINIA
APPROVED GENERAL FUND REVENUES
FY 2015-16

Revenues:	FY 13-14	FY 14-15	FY 15-16
Function/Program	Actual	Original	Approved
Revenue from Local Sources:			
General Property Taxes	\$364,719,543	\$394,675,000	\$408,950,000
Other Local Taxes	122,666,775	134,835,000	138,455,000
Permits, Fees, & Licenses	4,164,815	4,263,100	4,126,100
Fines & Forfeitures	2,649,202	2,590,000	2,590,000
From Use of Money & Property	3,285,015	7,915,600	7,915,600
Charges for Services	4,235,068	3,566,250	3,585,100
Miscellaneous	6,741,957	4,217,500	4,132,500
Recovered Costs	4,212,095	4,437,870	4,037,870
Total from Local Sources	<u>512,674,470</u>	<u>556,500,320</u>	<u>573,792,170</u>
Revenue from the Commonwealth:			
Categorical Aid:			
Education	225,547,500	232,878,000	239,009,800
Public Works	43,142,087	43,100,000	43,317,000
Public Safety (HB #599)	8,526,916	8,500,000	8,500,000
Social Services	4,776,914	0	0
Other	4,799,620	4,496,475	4,296,475
Total Categorical Aid	<u>286,793,037</u>	<u>288,974,475</u>	<u>295,123,275</u>
Non-Categorical Aid:			
General Government	54,610,566	17,218,500	16,718,500
Total Non-Categorical Aid	<u>54,610,566</u>	<u>17,218,500</u>	<u>16,718,500</u>
Shared Expenses:			
State Share of Salaries & Benefits	16,738,831	16,236,400	16,222,000
Total from the Commonwealth	<u>358,142,434</u>	<u>322,429,375</u>	<u>328,063,775</u>
Revenue from the Federal Government			
Total Revenues	<u>9,912,081</u>	<u>380,000</u>	<u>380,000</u>
Total Revenues	<u>880,728,985</u>	<u>879,309,695</u>	<u>902,235,945</u>
Interfund Transfers:			
To Debt Service Fund	(58,744,833)	(58,694,837)	(54,805,548)
To Capital Projects Fund	(10,547,490)	(30,901,267)	(43,474,772)
To Enterprise Fund	(1,931,608)	(1,928,108)	(1,930,308)
To Internal Service Fund - Tech Replacement	0	(1,000,000)	(1,000,000)
To Risk Management	(12,348,627)	(8,411,454)	(8,397,952)
To Special Revenue Fund	(18,959,052)	(26,345,732)	(26,610,991)
To JRJDC Agency Fund	(3,272,393)	(3,297,020)	(3,426,586)
To OPEB-GASB 45 Fiduciary Fund	(2,500,000)	(2,500,000)	(2,750,000)
To Line of Duty	(481,636)	(500,000)	(550,000)
Operating Transfer LTD	(468,000)	0	0
Total Transfers	<u>(109,253,639)</u>	<u>(133,578,418)</u>	<u>(142,946,157)</u>
(To) From Fund Balance - Capital Projects	1,500,000	5,000,000	5,000,000
(To) From Fund Balance - Designated Capital Reserve	1,420,000	2,600,000	10,430,000
(To) From Vehicle Replacement Reserve	6,574,800	0	0
Use of Fund Balance - des FY13 Public Works	208,500	8,751,467	6,531,502
Use of Fund Balance - des RE Tax (Ches. Bay TMDL)	0	2,348,000	0
Use of Fund Balance - des FY14 Permit Fee (to Capital)	0	500,000	500,000
Use of Fund Balance - Cap Initiatives	0	0	1,000,000
From Fund Balance - Voting Machine Reserve	0	0	1,000,000
(To) Fund Balance - Voting Machine Reserve	0	0	(1,000,000)
(To) From Fund Balance - Chesapeake Bay TMDL	0	(2,348,000)	0
Use of Fund Balance General Fund	(29,410,534)	0	0
(To) From Fund Balance - Meals Tax FY14 Collection	0	0	1,990,470
(To) From Fund Balance - Meals Tax FY16	0	0	(2,000,000)
(To) From Fund Balance - VRS Reserve	(1,000,000)	4,497,376	0
(To) Revenue Stabilization	0	0	1,000,000
From Sinking Fund - Bond Ops	4,097,452	339,124	2,074,331
Total Resources Net of Transfers	<u>\$754,865,564</u>	<u>\$767,419,244</u>	<u>\$785,816,091</u>

**COUNTY OF HENRICO, VIRGINIA
APPROVED GENERAL FUND EXPENDITURES
FY 2015-16**

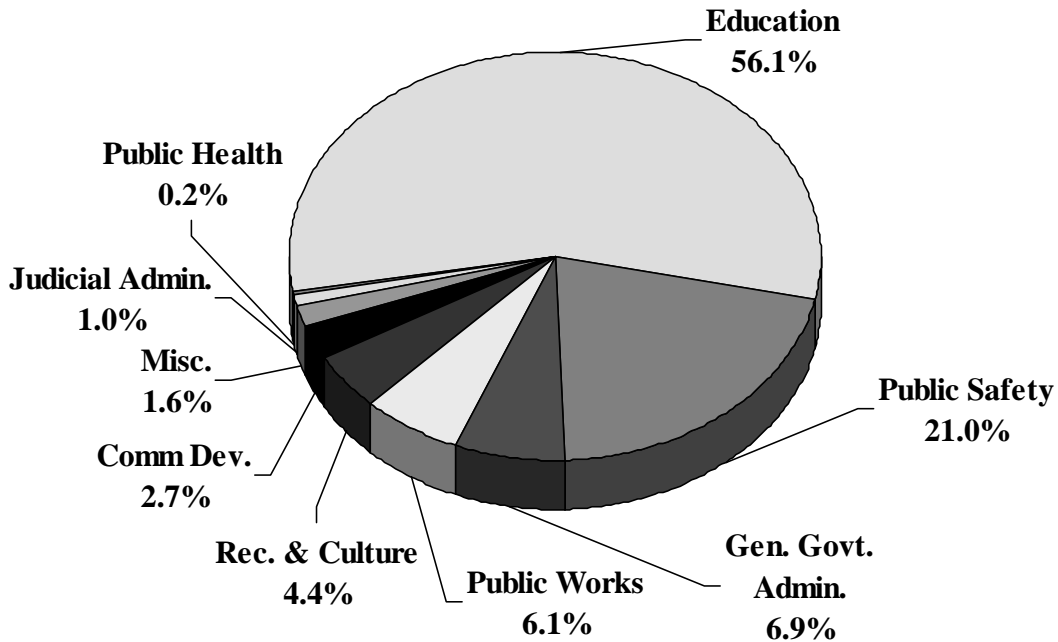
Expenditures: Function/Activity	FY 13-14 Actual	FY 14-15 Original	FY 15-16 Approved
General Government Administration	\$50,664,019	\$53,867,120	\$54,416,121
Judicial Administration	7,855,674	7,882,214	7,913,112
Public Safety:			
Police Operations	59,998,973	60,238,925	61,825,476
Animal Protection	1,329,101	1,431,610	1,444,180
Communications/Radio Shop	5,893,971	5,798,686	5,975,117
Total Police	<u>67,222,045</u>	<u>67,469,221</u>	<u>69,244,773</u>
Administration	2,447,354	2,286,771	2,625,027
Emergency Planning & Safety	378,342	371,215	177,395
Operations	48,295,654	48,480,623	49,701,654
Volunteer Rescue Squads	213,980	218,625	218,625
Total Fire	<u>51,335,330</u>	<u>51,357,234</u>	<u>52,722,701</u>
Sheriff	38,031,995	35,432,083	36,315,266
Juvenile Detention	2,160,867	2,174,410	2,198,978
Building Inspections	3,801,340	4,052,742	4,141,366
Total Public Safety	<u>162,551,577</u>	<u>160,485,690</u>	<u>164,623,084</u>
Public Works	44,634,706	47,732,102	48,045,077
Health & Social Services:			
Public Health	1,771,087	1,771,094	1,779,094
Social Services	17,913,619	0	0
Total Health & Social Services	<u>19,684,706</u>	<u>1,771,094</u>	<u>1,779,094</u>
Education:			
Instruction	327,585,451	343,209,773	356,036,523
Administrative Services	9,352,782	11,819,128	10,085,839
Operations	67,542,712	70,890,108	70,160,208
Finance	2,969,283	3,353,440	3,370,631
School Board & Superintendent	1,501,029	1,513,211	1,518,427
Adjustments	0	0	0
Total Education	<u>408,951,257</u>	<u>430,785,660</u>	<u>441,171,628</u>
Recreation, Parks, & Culture:			
Recreation & Parks	16,185,371	17,246,829	17,528,681
Library	13,840,631	15,075,476	17,067,727
Total Recreation, Parks, & Culture	<u>30,026,002</u>	<u>32,322,305</u>	<u>34,596,408</u>
Community Development	20,556,242	20,821,796	21,120,304
Miscellaneous:			
Non-Departmental	9,941,381	11,751,263	12,151,263
Total Miscellaneous	<u>9,941,381</u>	<u>11,751,263</u>	<u>12,151,263</u>
Total General Fund Expenditures	<u><u>\$754,865,564</u></u>	<u><u>\$767,419,244</u></u>	<u><u>\$785,816,091</u></u>

FY2015-16 General Fund Revenues
\$902,235,945



Note: General Fund Revenues less Transfers & Reserves equals General Fund Expenditures of \$785,816,091.

FY2015-16 General Fund Expenditures
\$785,816,091



**COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND REVENUES
FY 2015-16**

Revenues: Subfund/Activity	FY 13-14 Actual	FY 14-15 Original	FY 15-16 Approved
Capital Region Workforce Partnership (CRWP)			
CRWP	\$5,488,732	\$5,561,325	\$5,763,648
Transfer From the General Fund	200,606	170,028	64,380
Total Capital Region Workforce Partnership	<u>5,689,338</u>	<u>5,731,353</u>	<u>5,828,028</u>
Commonwealth's Attorney			
Commonwealth's Attorney	41,427	0	0
Special Drug Prosecutor	118,327	129,773	131,998
Victim/Witness Assistance Program	361,995	363,226	374,058
Asset Forfeitures	47,256	0	0
Transfer From the General Fund	398,529	404,896	416,342
Total Commonwealth's Attorney	<u>967,534</u>	<u>897,895</u>	<u>922,398</u>
Community Corrections Program			
CCP	1,534,810	1,548,271	1,556,054
Transfer From the General Fund	138,694	300,182	278,391
Total Community Corrections	<u>1,673,504</u>	<u>1,848,453</u>	<u>1,834,445</u>
Community Development Block Grant			
CDBG/HOME	2,273,406	0	0
Total Community Development Block Grant	<u>2,273,406</u>	<u>0</u>	<u>0</u>
Economic Development			
Governors Opportunity Award	0	0	0
White Oak CDA	2,760,680	0	0
Reynolds Crossing CDA	1,957,320	0	0
Total Economic Development	<u>4,718,000</u>	<u>0</u>	<u>0</u>
Education			
State, Federal & Other Grants	35,427,221	40,266,678	39,751,525
Total Schools Grants	<u>35,427,221</u>	<u>40,266,678</u>	<u>39,751,525</u>
Cafeteria Receipts	7,561,275	8,645,791	8,645,791
State Food Payments - Nat. Sch. Lunch Prog.	447,598	463,194	463,194
Federal School Lunch Program	11,344,915	12,175,841	12,175,841
Recoveries & Rebates	252,711	183,610	183,610
(To) From Cafeteria Fund Balance	(933,964)	(44,690)	(44,690)
Total School Cafeteria	<u>18,672,535</u>	<u>21,423,746</u>	<u>23,772,232</u>
Total Education	<u>54,099,756</u>	<u>61,690,424</u>	<u>63,523,757</u>

Special Revenue Fund Revenues (cont'd)

Revenues:			
Subfund/Activity	FY 13-14	FY 14-15	FY 15-16
	Actual	Original	Approved
Juvenile & Domestic Relations Court			
Virginia Juvenile Community Crime Act	410,075	372,605	372,605
USDA	25,460	24,338	26,864
Transfer From the General Fund	506,465	525,284	534,326
Total Juvenile & Domestic Relations Court	<u>942,000</u>	<u>922,227</u>	<u>933,795</u>
Mental Health & Developmental Services			
State and Federal Grants	8,556,306	8,844,438	9,529,675
Payments from Other Localities	208,305	214,554	214,554
Miscellaneous Revenues	10,845,367	11,127,034	11,179,222
Transfer From General Fund	<u>11,613,381</u>	<u>13,770,507</u>	<u>14,030,509</u>
Total Mental Health	31,223,359	33,956,533	34,953,960
Non-Departmental			
Transfer From General Fund	0	50,000	50,000
Public Safety			
Police - State & Federal Grants	1,327,810	1,025,725	1,039,717
Police - ARRA	0	0	0
Police - Donations	53,803	0	0
Metro Aviation/Extradition Reimbursement	232,368	334,668	334,668
Fire - Local Miscellaneous	118,950	0	0
Fire - State & Federal	311,343	0	0
Fire - Homeland Security	117,673	0	0
Asset Forfeitures	773,413	0	0
Transfer to Capital Projects	0	(500,000)	(500,000)
Transfer from Special Revenue Fund - Fund Balance	0	500,000	500,000
Transfer From General Fund	<u>94,902</u>	<u>127,332</u>	<u>127,332</u>
Total Public Safety	3,030,262	1,487,725	1,501,717
Public Utilities			
Solid Waste:			
Refuse Collection Billing	7,721,513	7,560,000	7,750,000
Weighing Fees - Charged Sales	1,314,867	0	0
Public Use/Host/Recycle Fees	2,029,000	1,716,000	1,766,000
Miscellaneous Revenues	367,446	337,975	341,975
Transfer to Capital Projects Fund	(450,000)	(2,000,000)	0
Transfer From General Fund	2,709,207	3,018,511	3,018,511
(To) From Solid Waste Fund Balance	<u>(1,878,602)</u>	<u>1,912,769</u>	<u>(112,170)</u>
Total Solid Waste	11,813,431	12,545,255	12,764,316
Street Lighting:			
Charge for Street Lights	<u>66,186</u>	<u>83,100</u>	<u>83,100</u>
Total Street Lighting	66,186	83,100	83,100

Special Revenue Fund Revenues (cont'd)

Revenues:			
<u>Subfund/Activity</u>	<u>FY 13-14 Actual</u>	<u>FY 14-15 Original</u>	<u>FY 15-16 Approved</u>
Public Works			
Best Management Practices	0	50,000	50,000
Watershed Management Program	19,570	847,000	847,000
Total Public Works	<u>19,570</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation	900	0	0
Public Library	874	0	0
Total Recreation	<u>1,774</u>	<u>0</u>	<u>0</u>
Social Services			
State and Federal Grants - Social Services	0	14,036,124	14,292,756
Transfer From the General Fund - Social Services	0	4,356,311	4,430,135
State and Federal Grants - CSA	118,372	0	0
Comprehensive Services Act (CSA)	4,164,424	5,476,230	5,093,377
Transfer From the General Fund - CSA	3,286,294	3,172,681	3,661,065
Total Social Services	<u>7,569,090</u>	<u>27,041,346</u>	<u>27,477,333</u>
Total Revenues	<u><u>\$124,087,210</u></u>	<u><u>\$147,151,311</u></u>	<u><u>\$150,769,849</u></u>

COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND EXPENDITURES
FY 2015-16

Expenditures: Subfund/Activity	FY 13-14 Actual	FY 14-15 Original	FY 15-16 Approved
Capital Region Workforce Partnership (CRWP)	\$5,689,338	\$5,731,353	\$5,828,028
Commonwealth's Attorney			
Commonwealth's Attorney	41,427	0	0
Victim/Witness Program	693,809	706,937	728,538
Special Drug Prosecutor	185,042	190,958	193,860
Asset Forfeitures - Commonwealth's Attorney	47,256	0	0
Total Commonwealth's Attorney	<u>967,534</u>	<u>897,895</u>	<u>922,398</u>
Community Corrections Program	1,673,504	1,848,453	1,834,445
Community Revitalization - CDBG/HOME	1,530,954	0	0
ARRA - CDBG and Community Revitalization	742,452	0	0
Total CDBG/HOME	<u>2,273,406</u>	<u>0</u>	<u>0</u>
Economic Development			
Governor's Opportunity Fund	0	0	0
White Oak Village CDA	3,806,000	0	0
Reynolds Crossing CDA	912,000	0	0
Total Economic Development	<u>4,718,000</u>	<u>0</u>	<u>0</u>
Education			
State, Federal & Other Grants	35,427,221	40,266,678	39,751,525
School Cafeterias	18,672,535	21,423,746	23,772,232
Total Education	<u>54,099,756</u>	<u>61,690,424</u>	<u>63,523,757</u>
General Services	0	0	0
Juvenile & Domestic Relations Court			
Probation - VJCCCA	577,617	593,611	597,917
Detention - VJCCCA	320,376	304,278	309,014
Juvenile Probation	17,630	0	0
USDA	26,377	24,338	26,864
Total Juvenile & Domestic Relations Court	<u>942,000</u>	<u>922,227</u>	<u>933,795</u>
Mental Health & Developmental Services			
Clinical Services	14,899,111	16,183,401	16,760,373
Community Support Services	9,880,930	10,867,058	11,209,844
Administrative and Program Support	6,443,318	6,906,074	6,983,743
Total Mental Health	<u>31,223,359</u>	<u>33,956,533</u>	<u>34,953,960</u>

Special Revenue Fund Expenditures (cont'd)

Expenditures: Subfund/Activity	FY 13-14 Actual	FY 14-15 Original	FY 15-16 Approved
Non-Departmental	0	50,000	50,000
Public Safety			
State and Federal Grants - Police	327,519	0	0
ARRA - Police	0	0	0
Communications	975,641	1,025,725	1,039,717
Metro Aviation	285,863	387,000	387,000
Henrico Extraditions	41,407	75,000	75,000
Asset Forfeitures - Police	851,866	0	0
State and Federal Grants - Fire	547,966	0	0
Total Public Safety	<u>3,030,262</u>	<u>1,487,725</u>	<u>1,501,717</u>
Public Utilities			
Solid Waste	11,813,431	12,545,255	12,764,316
Street Lighting	66,186	83,100	83,100
Total Public Utilities	<u>11,879,617</u>	<u>12,628,355</u>	<u>12,847,416</u>
Public Works			
Best Management Practices	0	50,000	50,000
Construction	0	0	0
Watershed Program	19,570	847,000	847,000
Total Public Works	<u>19,570</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation & Parks	900	0	0
Public Library	874	0	0
Total Recreation, Parks, & Culture	<u>1,774</u>	<u>0</u>	<u>0</u>
Social Services			
Administration	0	12,325,400	12,653,662
Public Welfare Board	0	290,489	290,489
Public Assistance	0	5,776,546	5,778,740
Comprehensive Services Act (CSA)	7,569,090	8,648,911	8,754,442
Total Social Services	<u>7,569,090</u>	<u>27,041,346</u>	<u>27,477,333</u>
Total Expenditures	<u>\$124,087,210</u>	<u>\$147,151,311</u>	<u>\$150,769,849</u>

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - WATER & SEWER ENTERPRISE FUND
FY 2015-16

Water and Sewer Enterprise Fund

Revenues/Resources	FY 13-14 Actual	FY 14-15 Original	FY 15-16 Approved
<u>Water and Sewer Operating Budget:</u>			
Sale of Water	\$45,607,501	\$49,000,825	\$48,000,000
Sale of Sewer	46,418,270	47,162,409	48,740,000
Water Connection Fees	5,461,941	2,527,692	4,335,508
Sewer Connection Fees	1,020,668	2,156,723	1,500,000
Interest Earnings	913,109	451,260	451,260
Strong Waste Surcharge	2,131,124	2,000,000	2,000,000
Other Water/Sewer revenues	1,813,255	1,665,000	1,665,000
Transfer from General Fund	1,931,608	1,928,108	1,930,308
Total Operating Revenues	105,297,476	106,892,017	108,622,076
Operating Expenditures			
<u>Water and Sewer Operating Budget:</u>			
Personnel	19,338,727	20,403,780	20,508,294
Operating	42,578,674	38,922,511	40,422,511
Capital Outlay	363,232	785,527	785,527
Sub-Total Operating	62,280,633	60,111,818	61,716,332
Debt Service	15,168,140	17,453,369	18,707,306
Total Operating Expenditures	77,448,773	77,565,187	80,423,638
Results of Operations (Prior to Capital Expenses)	(27,848,703)	(29,326,830)	(28,198,438)
Budget For Capital Use (Below)	n/a	(16,733,480)	(29,000,000)
Capital Budget Expenditures			
	FY13-14 Actual	FY14-15 Original	FY15-16 Approved
Approved Capital Projects (FY2014-15 Budget)		29,000,000	
Proposed Capital Projects (New FY2015-16 Budget)			65,500,000
Continuing Capital Projects (Previously Approved) (1)	55,451,757		
Total Capital Budget Expenses:	55,451,757	29,000,000	65,500,000
Capital Budget Resources			
Water and Sewer Revenues	53,752,974	29,000,000	36,200,000
Revenue Bonds (2006 Series)	32,100	0	0
Revenue Bonds (2014 Series)	1,666,683	0	0
Revenue Bonds			29,300,000
RZEDB - Recovery Zone Economic	0	0	0
Total Capital Budget Resources:	55,451,757	29,000,000	65,500,000
Fund Equity (Unreserved) (2)	24,886,066	31,944,745	17,211,334

Notes:

(1) This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2013-14 represents actual spending, as per the 2014 audit.

(2) FY14 Fund Equity represents actual unreserved equity, as per 2014 audit. FY2014-15 and FY2015-16 unreserved fund equity is based on current cash flow model prepared by the Department. Totals from above do not equal fund equity, as there is also a reserved component that cannot be calculated annually.

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - BELMONT GOLF COURSE ENTERPRISE FUND
FY 2015-16

<u>Fund-Function/Activity</u>	<u>FY 13-14</u> <u>Actual</u>	<u>FY 14-15</u> <u>Original</u>	<u>FY 15-16</u> <u>Approved</u>
Belmont Golf Course Fund			
Revenues:			
Operating	\$852,933	\$1,072,628	\$1,070,999
Miscellaneous Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	852,933	1,072,628	1,070,999
(To) From Retained Earnings	<u>254,110</u>	<u>0</u>	<u>0</u>
Total Resources	\$1,107,043	\$1,072,628	\$1,070,999
Expenses:			
Loan Repayment to County	0	0	0
Operating	<u>1,107,043</u>	<u>1,072,628</u>	<u>1,070,999</u>
Total Operating Expenses	\$1,107,043	\$1,072,628	\$1,070,999

**COUNTY OF HENRICO, VIRGINIA
ALL OTHER FUNDS
FY 2015-16**

<u>Fund-Function/Activity</u>	<u>FY 13-14 Actual</u>	<u>FY 14-15 Original</u>	<u>FY 15-16 Approved</u>
Internal Service Funds			
Central Automotive Maintenance			
Revenues:			
Charges for Automotive Maintenance - West	\$6,511,454	\$6,436,000	\$6,440,002
Charges for Automotive Maintenance - East	2,225,273	2,001,000	2,009,750
Charges for Use of Motor Pool	4,173,434	4,134,000	4,134,000
Charges for Gasoline	7,499,286	7,577,940	7,577,940
Miscellaneous	455,169	345,100	345,100
(Gain)/Loss on Sale of Property	0	0	0
Transfer to Capital Projects	(62,564)	(1,575,725)	0
Fund Balance-CAM	654,765	1,524,108	0
Total Revenues	<u><u>\$21,456,817</u></u>	<u><u>\$20,442,423</u></u>	<u><u>\$20,506,792</u></u>
Expenses:			
Central Automotive Maintenance	\$21,456,817	\$20,442,423	\$20,506,792
Total Expenses	<u><u>\$21,456,817</u></u>	<u><u>\$20,442,423</u></u>	<u><u>\$20,506,792</u></u>
Technology Replacement Fund			
Revenues:			
Transfer from General Fund	\$0	\$1,000,000	\$1,000,000
(To) From Retained Earnings - Technology	1,449,678	1,043,083	1,317,152
Total Revenues	<u><u>\$1,449,678</u></u>	<u><u>\$2,043,083</u></u>	<u><u>\$2,317,152</u></u>
Expenses:			
Data Processing Equipment	\$1,449,678	\$2,043,083	\$2,317,152
Total Expenses	<u><u>\$1,449,678</u></u>	<u><u>\$2,043,083</u></u>	<u><u>\$2,317,152</u></u>

All Other Funds (cont'd)

<u>Fund-Function/Activity</u>	<u>FY 13-14 Actual</u>	<u>FY 14-15 Original</u>	<u>FY 15-16 Approved</u>
Risk Management			
Revenues:			
Transfer from General Fund	\$12,348,627	\$8,411,454	\$8,397,952
Public Utilities Charges	912,237	629,403	750,000
Recon-Workers' Compensation	260,876	0	0
Prop/Liability Recovery	189,833	0	0
A/R-S1 P/L Subrogation	0	0	0
Interest Income	0	0	0
Total Revenues	<u>\$13,711,573</u>	<u>\$9,040,857</u>	<u>\$9,147,952</u>
Expenses:			
Risk Management	\$13,711,573	\$9,040,857	\$9,147,952
Total Expenses	<u>\$13,711,573</u>	<u>\$9,040,857</u>	<u>\$9,147,952</u>
Healthcare Fund			
Revenues:			
County Contribution	\$65,055,910	\$70,847,430	\$73,041,136
Employee Contribution	16,875,404	17,828,172	18,363,016
Retiree Contribution	5,373,835	6,692,788	6,893,573
Retiree Subsidy	639,682	771,994	859,701
Disabled Subsidy	74,980	133,582	117,623
COBRA	176,772	326,687	336,487
Other Revenues	99,853	75,000	75,000
Early Retirement Reimbursement Program	0	0	0
Healthcare - Wellness Payment	412,732	150,000	150,000
Fund Balance (Includes IBNR)	(6,913,331)	1,126,710	1,815,970
Total Revenues	<u>\$81,795,837</u>	<u>\$97,952,363</u>	<u>\$101,652,506</u>
Expenses:			
Healthcare	\$81,795,837	\$97,952,363	\$101,652,506
Total Expenses	<u>\$81,795,837</u>	<u>\$97,952,363</u>	<u>\$101,652,506</u>
Debt Service Fund			
Revenues:			
Transfer from General Fund	\$58,744,833	\$58,694,837	\$54,805,548
From Capital Projects Fund Balance	0	0	2,000,000
Total Revenues	<u>\$58,744,833</u>	<u>\$58,694,837</u>	<u>\$56,805,548</u>
Expenditures:			
Debt Service - General Government	\$18,787,305	\$19,429,832	\$17,999,230
Debt Service - Public Works	3,392,362	3,465,212	3,394,738
Debt Service - Education	36,565,166	35,799,793	35,411,580
Total Expenditures	<u>\$58,744,833</u>	<u>\$58,694,837</u>	<u>\$56,805,548</u>
Adjustment for Interfund Transactions	<u>(\$87,227,389)</u>	<u>(\$92,195,429)</u>	<u>(\$94,525,252)</u>

**COUNTY OF HENRICO, VIRGINIA
REVENUES & EXPENDITURES - AGENCY FUNDS
FY 2015-16**

<u>Fund-Function/Activity</u>	<u>FY 13-14 Actual</u>	<u>FY 14-15 Original</u>	<u>FY 15-16 Approved</u>
JRJDC Agency Fund			
Revenues:			
Transfer from General Fund	\$3,272,393	\$3,297,020	\$3,426,586
Revenue from Federal Government	84,870	0	0
Revenue from the Commonwealth	1,596,771	1,513,273	1,631,369
Revenue from Goochland/Powhatan	411,784	403,702	423,888
Revenue from Other Localities	5,478	0	0
Interest Income	7,243	0	0
(To) From Fund Balance-JRJDC	113,289	268,002	169,762
Total Revenues	<u>\$5,491,828</u>	<u>\$5,481,997</u>	<u>\$5,651,605</u>
Expenses:			
Operating	\$4,823,479	\$4,809,033	\$4,980,278
Debt Service	668,349	672,964	671,327
Total Expenses	<u>\$5,491,828</u>	<u>\$5,481,997</u>	<u>\$5,651,605</u>
Other Post Employment Benefits - GASB 45			
Revenues:			
Transfer from General Fund	\$2,500,000	\$2,500,000	\$2,750,000
Total Revenues	<u>\$2,500,000</u>	<u>\$2,500,000</u>	<u>\$2,750,000</u>
Expenses:			
Operating	\$2,500,000	\$2,500,000	\$2,750,000
Total Expenses	<u>\$2,500,000</u>	<u>\$2,500,000</u>	<u>\$2,750,000</u>
Line of Duty Act (LODA)			
Revenues:			
Operating Transfer from General Fund	\$481,636	\$500,000	\$550,000
Total Revenues	<u>\$481,636</u>	<u>\$500,000</u>	<u>\$550,000</u>
Expenses:			
Operating	\$481,636	\$500,000	\$550,000
Total Expenses	<u>\$481,636</u>	<u>\$500,000</u>	<u>\$550,000</u>

COUNTY OF HENRICO, VIRGINIA
TOTAL REVENUES (BY SOURCE) - ACROSS ALL FUNDS
FY 2015-16

	General Fund	Special Revenue Fund	Water & Sewer Enterprise Fund	Belmont Golf Enterprise Fund	Debt Service Fund	Internal Service Funds	Agency Funds	Total All Funds
Revenue from Local Sources:								
General Property Taxes	\$408,950,000	\$0	\$0	\$0	\$0	\$0	\$0	\$408,950,000
Other Local Taxes	\$138,455,000	0	0	0	0	0	0	138,455,000
Permits, Fees, and Licenses	\$4,126,100	1,016,372	0	0	0	0	0	5,142,472
Fines and Forfeitures	\$2,590,000	174,566	130,000	0	0	0	0	2,894,566
Use of Money and Property	\$7,915,600	198,156	0	0	0	419,000	0	8,532,756
Charges for Services	\$3,585,100	29,020,297	103,140,508	1,070,999	0	0	0	136,816,904
Recovered Costs	\$4,037,870	549,222	0	0	0	120,523,228	0	125,110,320
Shared Expenses	\$0	0	0	0	0	0	423,888	423,888
Miscellaneous	\$4,132,500	1,518,520	3,421,260	0	0	151,100	0	9,223,380
Total from Local Sources	573,792,170	32,477,133	106,691,768	1,070,999	0	121,093,328	423,888	835,549,286
Revenue from the Commonwealth:								
Non-categorical Aid	16,718,500	1,251,835	0	0	0	0	0	17,970,335
Shared Expenses	16,222,000	0	0	0	0	0	1,631,369	17,853,369
Categorical Aid	295,123,275	33,245,121	0	0	0	0	0	328,368,396
Total from the Commonwealth	328,063,775	34,496,956	0	0	0	0	1,631,369	364,192,100
Revenue from the Federal Government:								
Categorical Aid	380,000	56,785,205	0	0	0	0	0	57,165,205
Total from the Federal Government	380,000	56,785,205	0	0	0	0	0	57,165,205
Total Revenues	\$902,235,945	\$123,759,294	\$106,691,768	\$1,070,999	\$0	\$121,093,328	\$2,055,257	\$1,256,906,591
Operating Transfers	(99,471,385)	26,610,991	1,930,308	0	56,805,548	(85,127,300)	6,726,586	(92,525,252)
Transfers to Capital Projects	(43,474,772)	(500,000)	0	0	0	0	0	(43,974,772)
Total Resources	\$759,289,788	\$149,870,285	\$108,622,076	\$1,070,999	\$56,805,548	\$35,966,028	\$8,781,843	\$1,120,406,567
(To) From Fund Balance	5,000,000	899,564	(28,198,438)	0	0	3,133,122	169,762	(18,995,990)
(To) From Fund Balance - Designated Cap	10,430,000	0	0	0	0	0	0	10,430,000
(To) From Fund Balance - Meals Tax FY16	(2,000,000)	0	0	0	0	0	0	(2,000,000)
(To) From Fund Balance -State Rev Stabilization	1,000,000	0	0	0	0	0	0	1,000,000
(To) From Fund Balance - Meals Tax FY14 Collection	1,990,470	0	0	0	0	0	0	1,990,470
(To) From Fund Balance - Voting Machine Reserve	(1,000,000)	0	0	0	0	0	0	(1,000,000)
From Fund Balance - Voting Machine Reserve	1,000,000	0	0	0	0	0	0	1,000,000
Use of Fund Balance - des FY13 Public Works	6,531,502	0	0	0	0	0	0	6,531,502
Use of Fund Balance - des FY14 Permit Fee (to Capital)	500,000	0	0	0	0	0	0	500,000
Use of Fund Balance - Cap Initiatives	1,000,000	0	0	0	0	0	0	1,000,000
From Sinking Fund - Bond Ops	2,074,331	0	0	0	0	0	0	2,074,331
Total All Funds	\$785,816,091	\$150,769,849	\$80,423,638	\$1,070,999	\$56,805,548	\$39,099,150	\$8,951,605	\$1,122,936,880

COUNTY OF HENRICO, VIRGINIA
TOTAL EXPENDITURES BY DEPARTMENT - ACROSS ALL FUNDS
FY 2015-16

Department	General Fund	Special Revenue Fund	Water & Sewer Enterprise Fund	Belmont Golf Enterprise Fund	Debt Service Fund	Internal Service Funds	Agency Funds	Total All Funds
01 Board of Supervisors	\$1,027,440							\$1,027,440
02 Library	17,067,727							17,067,727
03 Sheriff	36,315,266							36,315,266
04 Circuit Court	2,979,107							2,979,107
05 Commonwealth's Attorney	4,504,046	\$922,398						5,426,444
06 General District Court	214,362							214,362
07 Juvenile & Domestic Relations Court	2,414,575	933,795						3,348,370
08 Electoral Board	1,332,123							1,332,123
09 County Manager	3,452,450							3,452,450
10 County Attorney	2,185,408							2,185,408
11 Human Resources	4,970,715					\$9,147,952	\$3,300,000	17,418,667
12 Public Safety - Police	69,244,773	1,501,717						70,746,490
13 Public Safety - Fire	52,722,701							52,722,701
14 Finance	13,423,106							13,423,106
16 General Services	14,111,387					\$20,506,792		34,618,179
17 Internal Audit	420,580							420,580
18 Debt Service					\$21,393,968			21,393,968
19 Information Technology	12,873,705							12,873,705
21 Agriculture and Home Extension	383,031							383,031
22 Social Services		27,477,333						27,477,333
23 Recreation & Parks	17,528,681							17,528,681
24 Public Health	1,779,094			\$1,070,999				1,779,094
26 Mental Health & Developmental Services		34,953,960						34,953,960
27 Capital Region Workforce Partnership		5,828,028						5,828,028
28 Public Works	48,045,077	897,000						48,942,077
29 Real Property	619,207							619,207
30 Economic Development	14,422,484							14,422,484
31 Public Utilities			\$80,423,638					80,423,638
32 Non-Departmental	12,151,263	50,000						12,201,263
33 Building Inspections	4,141,366							4,141,366
34 Planning	3,891,345							3,891,345
35 Permit Centers	873,598							873,598
36 Community Corrections Program		1,834,445						1,834,445
37 Technology Replacement	1,549,846					2,317,152		2,317,152
38 Community Revitalization								
40 James River Juvenile Detention Ctr							5,651,605	5,651,605
42 Healthcare								
50 Education	441,171,628	63,523,757			35,411,580	101,652,506		540,106,965
60 Interdepartmental Billings								
Total Expenditures	\$785,816,091	\$150,769,849	\$80,423,638	\$1,070,999	\$56,805,548	\$94,525,252	\$8,951,605	\$1,122,936,880

**Estimated Changes to Undesignated Fund Balances
FY2014 Actual through FY2016 Projected (By Fund)**

	Revenues	Expenditures/ Transfers	Fund Balance
GENERAL FUND			
Undesignated Fund Balance - FY2014 Actual			\$ 116,621,915 *
FY2015 Budgeted Revenues	879,309,695		
FY2015 Budgeted Expenditures		(767,419,244)	
FY2015 Budgeted Transfers to Other Funds		(111,890,451)	
FY2015 Use of Fund Balance-Capital Projects		(7,600,000)	
FY2015 Anticipated Results of Operations			6,090,972
FY2015 Projected Use of Fund Balance-Capital Projects			(7,600,000)
Projected Ending Undesignated Fund Balance FY2015			115,112,887
FY2016 Budgeted Revenues	902,235,945		
FY2016 Budgeted Expenditures		(785,816,091)	
FY2016 Budgeted Transfers to Other Funds		(116,419,854)	
FY2016 Use of Fund Balance-Capital Projects		(15,430,000)	
FY2016 Anticipated Results of Operations			18,189,527
FY2016 Projected Use of Fund Balance-Capital Projects			(15,430,000)
Projected Ending Undesignated Fund Balance FY2016			\$ 117,872,413
*Reflects an undesignated fund balance of 15.0 percent of General Fund expenditures as of June 30, 2014. Prior to this adjustment, Henrico policy for General Fund undesignated fund balance reflected 18.0 percent of expenditures.			
SPECIAL REVENUE FUND			
Undesignated Fund Balance - FY2014 Actual			\$ 0
FY2015 Budgeted Revenues	144,783,232		
FY2015 Budgeted Use of Reserves (net)	2,368,079		
FY2015 Budgeted Total Resources	147,151,311		
FY2015 Budgeted Expenditures		(147,151,311)	
FY2015 Projected Use of Undesignated Fund Balance			0
Projected Ending Undesignated Fund Balance FY2015			0
FY2016 Budgeted Revenues	150,426,709		
FY2016 Budgeted Use of Reserves (net)	343,140		
FY2016 Budgeted Total Resources	150,769,849		
FY2016 Budgeted Expenditures		(150,769,849)	
FY2016 Projected Use of Undesignated Fund Balance			0
Projected Ending Undesignated Fund Balance FY2016			\$ 0

**Estimated Changes to Undesignated Fund Balances
FY2014 Actual through FY2016 Projected (By Fund)**

	<u>Revenues</u>	<u>Expenditures/ Transfers</u>	<u>Fund Balance</u>
INTERNAL SERVICE FUNDS			
Unreserved Retained Earnings - FY2014 Actual			\$ 31,202,962
FY2015 Budgeted Revenues	127,360,550		
FY2015 Budgeted Expenditures		(129,478,726)	
FY2015 Projected Use of Retained Earnings and Fund Balance			(2,118,176)
Projected Ending Unreserved Retained Earnings FY2015			29,084,786
FY2016 Budgeted Revenues	130,513,531		
FY2016 Budgeted Expenditures		(133,624,402)	
FY2016 Projected Use of Retained Earnings and Fund Balance			(3,110,871)
Projected Ending Unreserved Retained Earnings FY2016			\$ 25,973,915
WATER & SEWER ENTERPRISE FUND			
Unreserved Fund Equity - FY2014 Actual			\$ 24,886,066
FY2015 Budgeted Revenues	106,892,017		
FY2015 Budgeted Expenditures		(77,565,187)	
FY2015 Budgeted for Capital Use		(29,000,000)	
FY2015 Budgeted Expenditures and Transfers		(106,565,187)	
FY2015 Projected Change to Unreserved Fund Equity			326,830
Projected Unreserved Fund Equity FY2015			25,212,896
FY2016 Budgeted Revenues	108,622,076		
FY2016 Budgeted Revenues - Revenue Bonds - Capital	29,300,000		
FY2016 Budgeted Expenditures		(80,423,638)	
FY2016 Budgeted for Capital Use		(65,500,000)	
FY2016 Budgeted Expenditures and Transfers		(145,923,638)	
FY2016 Projected Change to Unreserved Fund Equity			(8,001,562)
Projected Unreserved Fund Equity FY2016			\$ 17,211,334
JRJDC AGENCY FUND			
Unreserved Retained Earnings - FY2014 Actual			\$ 2,545,383
FY2015 Budgeted Revenues	5,213,995		
FY2015 Budgeted Expenditures		(5,481,997)	
FY2015 Budgeted Use of Unreserved Retained Earnings			(268,002)
Projected Ending Unreserved Retained Earnings FY2015			2,277,381
FY2016 Budgeted Revenues	5,481,843		
FY2016 Budgeted Expenditures		(5,651,605)	
FY2016 Budgeted Use of Unreserved Retained Earnings			(169,762)
Projected Ending Unreserved Retained Earnings FY2016			\$ 2,107,619

THREE YEAR FORECAST OF REVENUES AND EXPENDITURES

Background

The Henrico County budget is organized on the basis of funds. Each fund is considered a separate accounting entity. Accounting for the operation of each fund is performed using a separate set of self-balancing accounts comprising each fund's assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate.

Funds are grouped into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds. Governmental Funds include most governmental functions of the County and include the General, Special Revenue, Debt Service and Capital Projects Funds. Proprietary Funds, on the other hand, account for functions financed and operated in a manner similar to a private business enterprise. The intent of Proprietary Funds is to finance or recover, through charges to users, the cost of providing these services. Proprietary Funds used by Henrico County include both the Enterprise (Public Utilities and Belmont Golf Course) and Internal Service Funds such as Central Automotive Maintenance (CAM). Other Internal Service funds are the Technology Replacement Fund established in 2001 for the purpose of funding a computer replacement program. In FY2005, the Risk Management function was moved to the Internal Service Fund series for more appropriate classification. In FY2008, the County's health care program transitioned to a self-insurance program and the Healthcare Internal Service Fund was created to account for these costs. Fiduciary Funds budgeted by Henrico County are for the James River Juvenile Detention Center (JRJDC) Agency Fund. As the fiscal agent for JRJDC, Henrico eliminates the need for the Commission to duplicate various administrative functions related to personnel, procurement, accounting, and budget responsibilities.

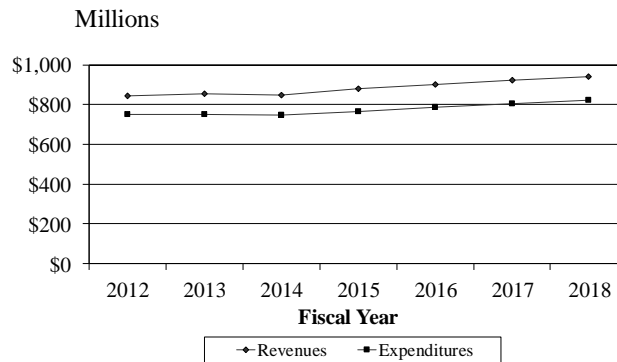
The information that follows constitutes the forecast of the County's cost of operations for FY2016 through FY2018. The FY2016 data represents the budget adopted by the Board of Supervisors, while FY2017 and FY2018 are included for projective purposes. This data is presented by fund and includes a description of major revenue and expenditure assumptions used to develop each forecast. Henrico County has opted to project revenues and expenses of each fund, as opposed to simply projecting the County's General Fund requirements. The actual forecasts, showing the relationship between revenues and expenditures and the predicted effects on fund balance, are presented in a schedule at the end of the narrative.

The revenue and expenditure forecasts for each fund are formulated using a combination of statistical forecasting techniques, regional economic data, and local government operating experience. Preliminary estimates for the subsequent fiscal year are initiated in August of each year, using a variety of forecasting models.

In the late fall, the County's annual financial audit is finalized. The previous year's revenue and expenditure forecasts are compared against audited financial statements to determine if revenue model refinements are necessary. At that point, refined forecasts are prepared for the upcoming fiscal year.

Revised estimates are analyzed against a variety of forecasted economic data with special emphasis on: consumer and wholesale prices, local population, retail sales, building and construction activity, employment, wages, interest rates, and Federal/State funding to ensure the forecast is consistent with future economic expectations. Continuing refinements are made until the budget is adopted by the Board of Supervisors annually.

**Three Year Forecast
Revenues and Expenditures
General Fund**



Fiscal Years 2015 through 2018 are estimated. Revenues depicted are prior to transfers to other funds.

GENERAL FUND

(Fund 01)

The General Fund reflects all revenues and expenditures of the County not required to be accounted for in another fund. Local revenues are primarily derived from Real and Personal Property Taxes, Business License Taxes, Local Sales Tax, Charges for Services, and Use of Money and Property. Revenues are received from the State for educational purposes, public safety, constitutional officers, and road maintenance. Revenues from the Federal Government are largely for social services and education.

Major expenditures include the cost of general government services such as education, public safety, streets and roadways, health and social services, recreation and libraries, and transfers to other funds, primarily to fund the County's debt service requirements and capital projects.

Revenues

Assumptions

Total estimated General Fund revenue for FY2016, prior to transfers to other funds, is \$902,235,945. This, reflects an increase of \$22,926,250, or 2.6 percent above FY2015 estimates. General Fund revenues for the County of Henrico are categorized into three broad categories: Local Tax Revenue, Other Local Revenue, and State and Federal Revenue. The table below summarizes General Fund revenue by category. Following is a brief discussion of the revenue components in each of these categories, including graphs depicting the historical trends of these revenue sources as compared with future projections.

Description	FY2014 Actual	FY2015 Original	FY2016 Approved	Increase (Decrease)
Local Tax Revenue	\$ 487,386,318	\$ 529,510,000	\$ 547,405,000	\$ 17,895,000
Other Local Revenue	25,288,152	26,990,320	26,387,170	(603,150)
State and Federal Revenue	368,054,515	322,809,375	328,443,775	5,634,400
Total General Fund Revenue	\$ 880,728,985	\$ 879,309,695	\$ 902,235,945	\$ 22,926,250

Local Tax Revenue:

Local Tax Revenue represents Henrico County’s principal source of local revenue. County tax revenue is projected to total \$547.4 million or 60.7 percent of total General Fund revenue for FY2016. This represents an increase of 3.4 percent, or \$17.9 million above the current fiscal year. Local Tax Revenue includes:

Local Tax Revenue	FY2015 Original	FY2016 Approved	Increase (Decrease)	Percent Change	Pct. Of Revenue
Real Property Tax	\$ 278,385,000	\$ 290,285,000	\$ 11,900,000	4.3%	53.0%
Personal Property Tax	110,815,000	113,190,000	2,375,000	2.1%	20.7%
Other Property Taxes	5,475,000	5,475,000	0	0.0%	1.0%
Local Sales Tax	57,000,000	58,120,000	1,120,000	2.0%	10.6%
Business License Tax	30,000,000	30,600,000	600,000	2.0%	5.6%
Motor Vehicle License Tax	6,325,000	6,325,000	0	0.0%	1.2%
Consumer Utility Tax	2,600,000	2,600,000	0	0.0%	0.5%
Hotel/Motel Tax	10,400,000	10,400,000	0	0.0%	1.9%
Bank Franchise Tax	5,000,000	5,000,000	0	0.0%	0.9%
Food & Beverage (Meals) Tax	18,000,000	20,000,000	2,000,000	11.1%	3.7%
Other Local Taxes	5,510,000	5,410,000	(100,000)	(1.8%)	1.0%
Total Local Tax Revenue	\$ 529,510,000	\$ 547,405,000	\$ 17,895,000	3.4%	100.0%

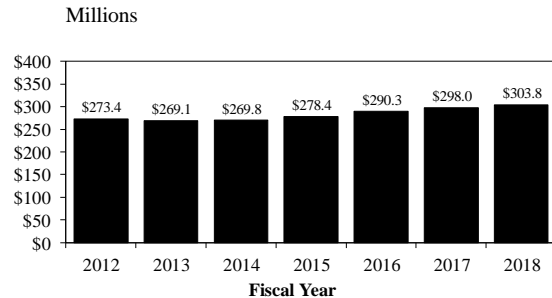
The majority, 73.7 percent, of the \$547.4 million in Local Tax revenues is derived from Real and Personal Property Tax (including delinquent collections) which are estimated to generate approximately \$403.5 million or 44.7 percent of total General Fund revenue. Local Sales Tax revenue increased \$1,120,000, or 2.0 percent in FY2016 and makes up 10.6 percent of Local Tax revenue. Business & Professional License (BPOL) Tax revenue is projected to increase by \$600,000 in FY2016.

The Motor Vehicle License Tax revenue is projected to remain steady at \$6.3 million in FY2016. The Consumer Utility Tax revenue (electric only) estimate of \$2.6 million remained flat for FY2016. Revenue from the 8.0 percent Hotel/Motel Tax, estimated to total \$10.4 million, remains flat in FY2016. These funds will be paid to the Richmond Convention Center during FY2016. The Convention Center will return \$2.6 million (a fourth of the 8.0 percent levy) to the County at the end of FY2016. The assumptions used when preparing the FY2016 – FY2018 revenue estimates for each of these taxes are described in greater detail in the following pages.

Real Property Taxes are estimated to generate \$290.3 million or 32.2 percent of the County’s total General Fund revenue in FY2016. This revenue estimate increased by \$11,900,000 in FY2016. Included within this total is revenue derived from current real estate taxes and real estate taxes paid by public service corporations. The FY2016 budget is balanced within the tax rate of \$0.87 per \$100 of assessed value for CY2015.

Assessment information for January 2015 indicates real estate assessments total \$33.1 billion, reflecting an increase of approximately \$1.19 billion, or 3.7 percent from the January 2014 assessed values. The increase was driven by increased residential reassessments of 2.6 percent – only the second increase in seven years. The commercial percentage of the tax base equated to 31.1 percent in January 2015, equal to the ratio in January 2014, as commercial real estate reassessments increased 2.4 percent.

Real Property Tax Revenues

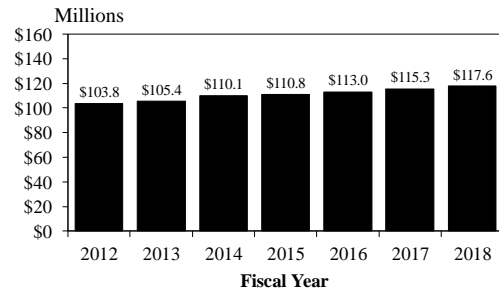


Fiscal Years 2015 through 2018 are estimated.

Out year projections on movements in countywide assessments are based on a forecast model factoring in changes in both residential and commercial values as well as the addition of new residential and commercial construction. The FY2017 and FY2018 projections assume increases to the County’s real property tax collections of 2.8 percent and 2.0 percent in each year, respectively.

Personal Property Taxes are levied on the tangible property of individuals and businesses. For individuals, this tax is primarily on automobiles and recreational vehicles. Business personal property includes motor vehicles, machines, furniture, computers, fixtures and tools. The approved budget maintains the following Personal Property Tax rates: \$3.50 per \$100 of assessed value for tangible personal property; \$0.30 per \$100 of assessed value for machinery and tools; \$1.60 per \$100 of assessed value on airplanes; and \$1.00 per \$100 of assessed value for one vehicle for rescue squad volunteers. Also included is the Personal Property Tax rate of \$0.01 per \$100 of assessed value for tangible personal property owned by disabled veterans and vehicles equipped for the physically handicapped. The FY2016 Approved Budget reduced the tax rate for machinery and tools from \$1.00 per \$100 assessed value to \$0.30 per \$100 in an effort to enhance the County’s economic development efforts.

Personal Property Tax Revenues



Fiscal Years 2015 through 2018 are estimated. Actuals and projections include PPTRA.

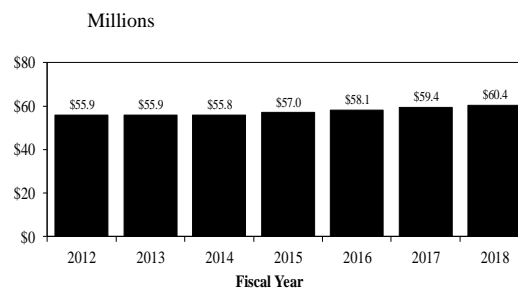
FY2016 marks the eighteenth year of the Personal Property Tax Relief Act (PPTRA) enacted by the General Assembly in 1998, although actual reimbursements to localities were capped by the State in the 2004 legislative session. Due to the State payment cap the amount of tax relief will vary by year and locality. The amount of funding Henrico will receive on an annual basis is \$37.0 million. For Henrico residents owning qualifying individual vehicles assessed at or below \$1,000, the State’s reimbursement is intended to pay 100.0 percent of the CY2015 tax levy. For qualifying individual vehicles assessed between \$1,001 and \$20,000, the State will pay Henrico County 55.0 percent of the CY2015 tax levy. With qualifying individual vehicles valued at \$20,001 or more, the State will pay Henrico County 55.0 percent of the CY2015 tax levy for the first \$20,000 of value only. The PPTRA payments from the State are included in the actual and projected revenues. Henrico’s payment from the State will remain constant at \$37.0 million, so as personal property values increase over time, the actual percentage of State reimbursement will decrease.

Personal Property Tax revenue is estimated at \$113.1 million for FY2016. This represents 12.6 percent of total General Fund revenue. This revenue includes taxes from current personal property, taxes on personal property owned by public service corporations, and PPTRA. It is projected that Personal Property Tax receipts will increase by 2.3 percent in FY2017 and 1.8 percent in FY2018.

Other General Property Tax revenue includes delinquent real estate and personal property taxes, land redemptions and interest and penalties on delinquent taxes.

Local Sales Tax revenue is considered an elastic revenue source because it is responsive to changes in the economy. Effective July 1, 2013, Virginia’s Sales Tax rate was increased from 5.0 percent to 5.3 percent with the State retaining 4.3 percent and the return to the locality will remain flat at 1.0 percent. Local Sales Tax revenue is projected to generate \$58.1 million in FY2016, an increase of \$1.1 million, or 2.0 percent from the current fiscal year budget. Local Sales Tax revenues are projected to increase by 2.0 percent in FY2017 and 1.6 percent FY2018. Henrico County’s retailers continue to lead the Richmond Metropolitan Area in the generation of Local Sales Tax revenue. As of May 2015, Henrico County is recording 38.51 percent of the Local Sales Tax dollars redistributed to

Local Sales Tax

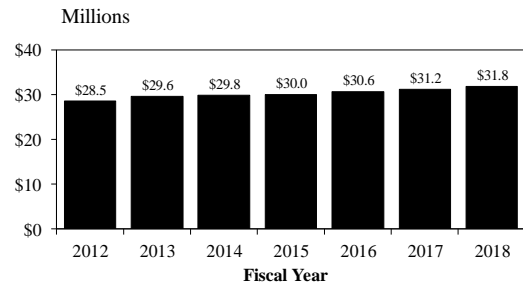


Fiscal Years 2015 through 2018 are estimated.

localities in the Richmond Metropolitan Area by the State.

Business & Professional License (BPOL) Taxes are levied on businesses operating in the County. All County businesses must hold a valid business license, but that license may or may not be taxable. In January 1996, Henrico County embarked on the most ambitious BPOL tax reduction strategy in Virginia in an effort to continue to attract economic development to the County. This strategy, completed with the FY2000 Annual Fiscal Plan, resulted in the exemption of the first \$100,000 of gross receipts for County businesses. This exemption is different from the “threshold” tax reduction in other Virginia localities. For Henrico County businesses, the first \$100,000 of gross receipts is exempt from the BPOL tax – regardless of total gross receipts. In a “threshold” locality, if a business exceeds \$100,000 in gross receipts, all gross receipts are taxable as the tax reduction only applies to businesses with total gross receipts below the \$100,000 threshold. In addition, the FY2016 budget maintains a maximum uniform BPOL tax rate of \$0.20/\$100 of gross receipts for all business categories. A category change was implemented in FY2002, when utility companies discontinued paying BPOL taxes, and began paying a Local Consumption Tax, which is based on actual usage of electricity. This change was initiated by the State due to the forthcoming deregulation of the utility industry in Virginia. The FY2015 forecast assumes BPOL tax receipts will increase to a level of \$30.0 million. It is projected that receipts will increase by 2.0 percent in both FY2017 and FY2018, respectively.

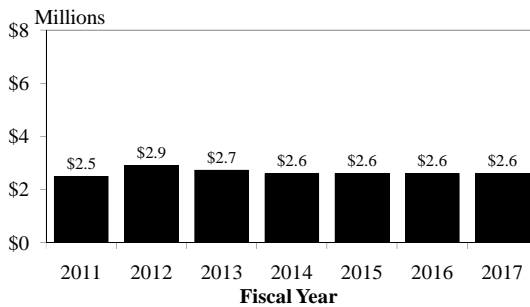
Business, Professional & Occupational License Tax (BPOL) Revenues



Fiscal Years 2015 through 2018 are estimated.

Motor Vehicle License Taxes are collected for every motor vehicle or trailer normally garaged, stored or parked in the County. The projection remains constant at \$6.3 million during the forecast period.

Consumer Utility Tax

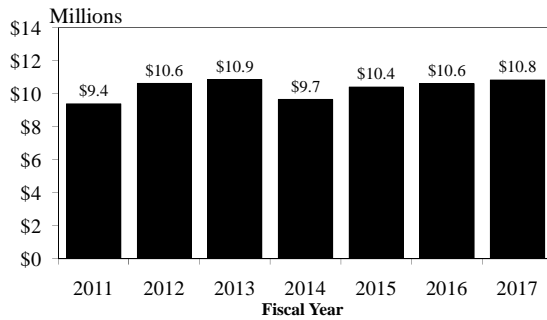


Fiscal Years 2014 through 2017 are estimated.

Consumer Utility Taxes are estimated to remain flat at \$2.6 million for FY2016, FY2017, and FY2018. This is a result of legislation approved by the General Assembly in the 2006 Legislative Session, which was the passage of the Virginia Communications Sales & Use Tax (HB568). This bill changed the way certain communication mediums are taxed in Virginia by removing the taxing authority from localities and placing a statewide tax on certain services. Included in the statewide 5.0 percent sales and use tax are landline telephones, cellular telephones, Voice Over Internet Protocol (VOIP), paging services, cable television services, satellite television services, and satellite radio. With the passage of HB568, localities no longer administer several local taxes and fees such as the Consumer Utility taxes on landline telephones,

the mobile phone utility tax, local E-911, and cable franchise fees. This does not affect the Consumer Utility Tax as it applies to electric and gas companies, as well as Wireless E-911 fees received by the County from the State. The State distributes the revenues from the Virginia Communications Sales and Use Tax to localities based upon FY2006 actual receipts for the taxes and fees that were eliminated, after administrative costs for the tax are covered along with funding for the telephone relay service center for the deaf and payment of any local cable franchise fees that will now be collected by the State Department of Taxation. In total, the Communications Sales & Use Tax, which went into effect January 1, 2007, is projected to total \$13.5 million in FY2016.

Hotel/Motel Tax Revenue



Fiscal Years 2014 through 2017 are estimated.

Hotel/Motel Taxes under the Code of Virginia are defined as “transient occupancy taxes.” These taxes are similar to the Sales Tax in that they are based on the value of a purchase, which in this case is a motel or hotel room. The Hotel/Motel Tax rate in the Richmond Metropolitan Area is 8.0 percent, all of which is transferred to the Richmond Convention Center. At the end of the fiscal year, Henrico County’s local 2.0 percent component for tourism expenses will be returned from the Authority. FY2016 revenue estimates for the Hotel/Motel Tax total \$10.4 million. It is anticipated that revenues will increase by 2.0 percent in FY2017 and FY2018, respectively.

Meals Tax in November, 2013. As pledged to the voters in Henrico, the ordinance passed by the Board of Supervisors in February, 2014 states the Meals Tax will be earmarked for School’s operating and capital budget needs. The FY2016 forecast is \$20.0 million, and it is projected this revenue will remain flat in the projected years of FY2017 and FY2018.

Food & Beverage (Meals) Tax represents revenue forecasted to be generated by the passage of the

Bank Franchise Taxes are derived from the taxation of net capital on banks located in the County. In FY2016, Bank Franchise Taxes are estimated at \$5.0 million and is projected to remain constant in FY2017 and FY2018.

Other Local Taxes includes funds received for grantor’s taxes, recordation taxes, daily rental tax, and the consumption tax. In total \$5.4 million is budgeted in FY2016, which is a decrease from the current fiscal year by \$100,000 or 1.8 percent. It is projected that revenues will remain at the FY2016 level for FY2017 and FY2018.

Other Local Revenue:

Other Local Revenue is estimated to generate nearly \$26.4 million in FY2016. This represents a \$603,150, or a 2.2 percent decrease from FY2015. More detailed information on each of these categories of local revenue is included in the pages that follow.

Other Local Revenue	FY2015 Original	FY2016 Approved	Increase (Decrease)	Percent Change
Permits, Fees and Licenses	\$ 4,263,100	\$ 4,126,100	\$ (137,000)	(3.2%)
Fines and Forfeitures	2,590,000	2,590,000	0	0.0%
Use of Money and Property	7,915,600	7,915,600	0	0.0%
Charges for Services	3,566,250	3,585,100	18,850	0.5%
Miscellaneous	8,655,370	8,170,370	(485,000)	(5.6%)
Total Other Local Revenue	\$ 26,990,320	\$ 26,387,170	\$ (603,150)	(2.2%)

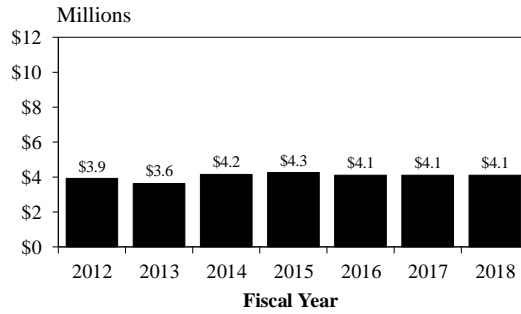
Permits, Fees and Licenses include such items as structure and equipment permits, municipal library fees, zoning application fees, fees for the rental of school facilities and dog licenses. This revenue category is estimated to generate \$4.1 million in FY2016, which represents a \$137,000, or 3.2 percent decrease when compared to FY2015.

Building Permit Fees, which are an elastic revenue source, account for more than 64.2 percent of this revenue category in the current budget year. In FY2016, Building Permit Fees are estimated to stay at the same level. The projection for this revenue is based on restructuring the fee structure and staying conservative with development growth.

Information through May 2015 indicates a decrease of 3.1 percent in the number of permits issued but an increase in permit value of 42.3 percent or \$161,990,014 year-to-date in FY2015. This increase is reflective of a number of large projects currently underway in Henrico County. The forecast for Permits, Fees and License revenues is projected to remain flat at \$4.1 million in FY2017 and FY2018.

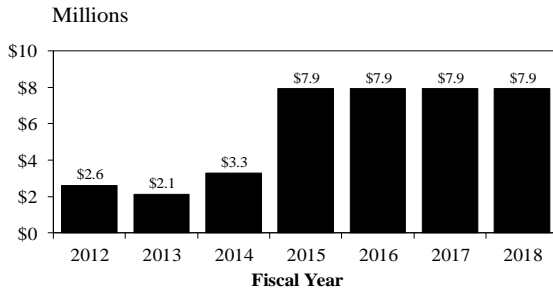
Fines and Forfeitures include revenue for such items as traffic and parking violations, false alarm fees and courthouse maintenance fees. This category is estimated at \$2.6 million in FY2016 and is projected to remain constant for FY2017 and FY2018.

Permits, Fees, and Licenses



Fiscal Years 2015 through 2018 are estimated.

Use of Money and Property



Fiscal Years 2015 through 2018 are estimated.

Use of Money and Property is estimated to generate \$7.9 million in FY2016. This category of revenue includes receipts from the sale of County property and interest on County investments. The County generates revenue from the prudent and timely investment of cash reserves. The County invests cash reserves in Banker's Acceptances, Certificates of Deposit, Commercial Paper and Treasury Notes. Adherence to stringent cash management principles requires investing public funds in instruments that are safe, liquid, and generate adequate yields (See "Financial Guidelines"). Revenue from use of money and property is projected to remain constant at \$7.9 million in FY2017 and FY2018.

Charges for Services are revenues paid by users of various County services including participation fees for Recreation and Parks special interest classes and sports leagues; charges for overdue and lost books; cafeteria receipts; and charges for data processing services. Revenue from Charges for Services is estimated at \$3.6 million in FY2016 and is projected to remain constant in FY2017 and FY2018.

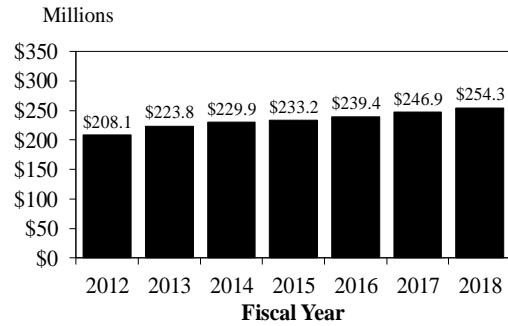
State and Federal Revenue:

State and Federal revenue is estimated at \$328.4 million in FY2016, which represents 36.4 percent of total General Fund revenue. This is a projected increase of approximately 1.7 percent over the current fiscal year. This category is comprised of revenue for General Government programs totaling \$89.1 million and Education funding of \$239.4 million. The following is a look at the components.

State and Federal Aid to Education is estimated to increase from \$233.2 million in FY2015 to \$239.4 million in FY2016. This represents an increase of \$6.1 million or 2.6 percent. The projection assumes an increase of 3.1 percent in FY2017 and 3.0 percent in FY2018.

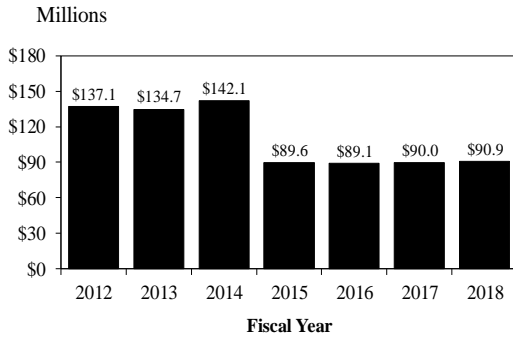
Federal reimbursements for Education have a minimal impact on the level of total appropriations in the General Fund as all of the Federal grants awarded to HCPS is recognized in the County’s Special Revenue Fund. In FY2016, Federal funding in the General Fund for Education totals \$350,000 and is forecasted to remain constant in FY2017 and FY2018.

State and Federal Aid to Education



Fiscal Years 2015 through 2018 are estimated.

State and Federal Aid to General Gov’t.



Fiscal Years 2015 through 2018 are estimated. PPTRA payments are reflected in the FY2012-FY2014 totals. Current and future year projections include the estimate for personal property in one central location (local revenue).

State and Federal Aid to General Government is estimated at \$89.1 million in FY2016. This represents a decrease of \$497,400 or 0.6 percent when compared to the FY2015 budget. General Government programs for which Henrico County receives State and Federal funding include police, street and highway maintenance, and partial payments for the salaries and benefits of constitutional officers and their employees. The budget estimate for the car tax payment from the State is included in the local Personal Property Tax projections for FY2015 through FY2018, due to the State not fully implementing the PPTRA (see Personal Property Taxes section). As such the budget for personal property tax is in one central location. It must be noted that the budget adopted by the Virginia General Assembly in May 2004 froze the PPTRA reimbursement to localities. The future payment to

localities will equal the actual FY2005 payment. Henrico’s payment under the State cap is \$37.0 million. As such, over time, the reimbursement from the State will remain flat, while the local component (paid by the County taxpayers) will increase.

Henrico is projected to receive \$43.3 million for road maintenance in FY2016. This includes the recalibration of the lane mile rate for which Henrico’s gasoline tax allocation is calculated. This recalibration was part of the 2013 Omnibus Transportation package passed by the General Assembly. This forecast projects these funds to grow at a rate of 2.0 percent per year, with the remainder of State and Federal Aid remaining flat.

Federal Aid to General Government is estimated at \$30,000 in FY2016. The majority of federal revenues are designated for education.

Expenditures

Assumptions

In the course of developing the FY2016 Annual Fiscal Plan, difficult decisions were required to bring the budget into balance and maintain the real estate tax rate at \$0.87 per \$100 of assessed value in CY2015. These decisions were reached after careful review and planning by the Board of Supervisors. This planning reaches beyond FY2016 and is intended to establish a balance between the County’s recurring revenues and expenditures in future years. The FY2016 General Fund Budget of \$785.8 million represents an increase of \$18.4 million or 2.4 percent, which is discussed below and in greater detail in the County Manager’s Budget Message and respective department narratives.

Education is the top priority of the Board of Supervisors. In FY2016, the Education budget represents 56.1 percent of General Fund expenditures. General Fund Education expenditures total \$441.2 million in the Annual Fiscal Plan, which represents an increase of \$10.4 million, or 2.4 percent. Of the total expenditures in Education, 45.7 percent are funded with locally generated revenues and 54.3 percent are funded with State and Federal funding. It must be noted that the totals above do not include Debt Service costs for Education, which are entirely a local responsibility (see the Debt Service Fund forecast).

For General Government, the total for the FY2016 Annual Fiscal Plan is \$344.6 million, which represents an increase of \$8.0 million, or 2.4 percent. The focus continues to remain on Public Safety as the budget includes the addition of ten new Police Officers. In addition to the new Police Officers, the FY2016 Annual Fiscal Plan also provides operating costs for Libbie Mill and Varina Area Libraries (both of which were projects approved in the 2005 G.O. Bond Referendum), new positions for enhanced community revitalization efforts, enhancement of the Real Estate Advantage Program (REAP) from a maximum tax relief of \$2,500 to \$3,000, and a new position to serve as an advocate for senior citizens.

General Fund expenditures are forecasted to grow by 2.6 percent in FY2017 and 2.3 percent in FY2018. The proposed levels of operational funding allows for the continuation of existing service levels as well as new operating costs associated with projects approved in the March 2005 Bond Referendum. In addition, funding has been dedicated for much need operating and capital projects for Schools, various road maintenance and construction projects.

The FY2016 Capital Budget totals \$109.6 million. The five-year Capital Improvement Program for FY2016 through FY2020 includes requests that exceed \$1.5 billion. The County of Henrico will continue to ensure necessary Capital Projects are funded in a manner that maintains the County's AAA/AAA/Aaa bond ratings (See "Financial Guidelines"). Of the \$109.6 million FY2016 Capital Budget, \$65.5 million is for Water and Sewer projects. Water and Sewer projects are funded by revenues from water and sewer user and connection fees. The remaining balance of \$44.1 million within the FY2016 Capital Budget has been approved for Education and County General Fund supported departments.

As a means of ensuring the County does not rely too heavily on debt financing for required infrastructure improvements, the FY2016 Annual Fiscal Plan includes \$44.1 million in pay-as-you-go funding from a variety of sources. Of the total \$44.1 million, \$5.0 million is allocated annually for various Education and General Government maintenance projects. For General Government, the following projects are approved in FY2016: \$600,000 for technology upgrade projects; \$150,000 to continue implementing and updating the Geographic Information System; \$500,000 will go towards various facility rehabilitation projects for Recreation and Parks; and \$1,250,000 to General Government facility and pavement rehabilitation projects. For Education, the remaining \$2,500,000 will go towards various mechanical improvements and roof replacement projects. For various road improvements and bridge rehabilitation projects, \$850,000 from the Motor Vehicle License Tax and \$6.5 million of residual Gasoline Tax collections will be utilized. Other miscellaneous PAYGO resources include \$6.0 million for Greenwood Park, \$500,000 in Permit Fees for the replacement of the Tidemark system used by community development agencies, \$6.4 million in various sources will go towards the construction of Fire Station #19, \$500,000 for the Fire Station Alerting System, and \$190,000 for the repurposing of Dumbarton Library.

Two resources of note in the FY2016 Capital Budget are worthy of separate mention. First, new in the FY2016 Capital Budget is \$2,348,000 dedicated to meeting the County's MS4/TMDL Permit requirements. This resource was identified in the FY2015 Annual Fiscal Plan and generated by real estate revenues from new construction in 2014. This resource is ongoing and will meet requirements for the County's MS4/TMDL Permit for the next ten years.

Finally, the projected revenues from the food and beverage tax will once again be allocated to Schools as prescribed in the ordinance the Board of Supervisors passed. A total of \$10,990,470 is allocated to various Education capital projects. Of the \$10.99 million, \$9.0 million represents ongoing revenues and \$1.99 million represents the amount of tax collected in June, 2014 – the first month the tax was collected in Henrico. Also referred to as the meals tax, this revenue source was approved by the voters in November, 2013 to fund the capital and operational needs of the County's school system.

To (From) Debt Service Fund represents the forecast of General Fund support to the Debt Service Fund. The debt service levels through FY2018 are calculated on existing and projected debt service requirements. The forecast period is based on projected debt service costs arising from the \$237.0 million General Obligation (GO) Bond Referendum approved by the voters in November 2000 and projected debt service on the \$349.3 million General Obligation (GO) Bond Referendum approved by the voters in March 2005.

To (From) Capital Projects is projected at \$43.8 million in FY2016, of which, \$5.0 million is targeted for General Fund (pay-as-you-go) support for capital improvement projects – as mentioned above. Motor Vehicle License revenue totaling \$850,000 is designated for various road improvement projects. Also, with the approval of the Meals Tax in November 2013, \$9.0 million of the revenue generated will be placed in an Education Meals Tax Project Reserve. In addition, \$4.8 million is allocated for a Vehicle Replacement Reserve, comprised of \$1.5 million for the fire apparatus replace program, \$2.3 million for police vehicles, and \$1.0 million for school bus replacement. Projections for FY2017 and FY2018 include transfers of \$39.7 million and \$29.7 million in each year, respectively.

To (From) Water and Sewer Enterprise Fund represents the annual transfer to pay for the debt service costs associated with \$32.0 million in debt for infrastructure improvements made at the Elko Industrial Tract for current and future economic development prospects. The FY2016 estimate of these costs is \$1.9 million and the estimated costs for FY2017 and FY2018 remain flat.

To (From) Risk Management Fund is the transfer of funds to support risk management operations. The fund was established in FY2005. The FY2016 transfer is for \$8.4 million to support the County's Risk Management operations, which includes the cost of the County's self-insurance program (excluding healthcare which is a separate Internal Service Fund) and the cost to purchase insurance policies as well as funding the administrative costs of the operation. The anticipated transfer to fund the cost of the County's Risk Management operation for FY2017 and FY2018 is estimated at \$8.6 million and \$8.7 million in each year, respectively.

To (From) Special Revenue Fund is the anticipated local requirement from the General Fund to support a variety of State and Federal grant programs including the Capital Region Workforce Partnership (CRWP – formerly CATC), the Community Corrections Services Program, the Department of Social Services including the Comprehensive Services Act (CSA) program, and the Virginia Juvenile Community Crime Control Act (VJCCCA). Also included in the transfer is the County's funding for the curbside-recycling program in the Solid Waste Division and the County's funding for the Department of Mental Health and Developmental Services. The transfer to the Special Revenue Fund is estimated at \$26.6 million in FY2016. The projections over the forecast period are \$26.9 million in FY2017 and \$27.1 in FY2018, and were determined after analyzing all of the individual components of the Special Revenue Fund.

To (From) JRJDC Agency Fund represents the transfer to pay for Henrico County's share of the operating costs and debt service requirements associated with the James River Juvenile Detention Center (JRJDC). The JRJDC Agency Fund accounts for the James River Juvenile Detention Center budget. Henrico County, as the majority partner serves as the fiscal agent for the James River Juvenile Detention Center Commission. The JRJDC Agency Fund accounts for the Commission's revenues from participating localities, operating and debt service expenditures. As the forecast indicates, the transfer to the JRJDC Agency Fund is anticipated at \$3.4 million for FY2016. The transfer for the JRJDC Agency fund is projected to decrease in FY2017 to \$2.8 million in FY2017 as a result of the last year of debt service requirements being FY2016. The transfer in FY2018 is projected to total \$2.9 million.

(To) From OPEB - GASB 45 represents the anticipated funding for the costs associated with the accounting requirement issued by the Government Accounting Standards Board (GASB) known as GASB 45. A new fiduciary fund was created in FY2006 with an allocation of \$6.7 million. The transfer will allow the County to budget for the annual cost of public employee non-pension benefits, all outstanding obligations and commitments related to Other Post Employment Benefits (OPEB) in the same manner as reporting financial information for pensions. Projections for FY2016, FY2017, and FY2018 total \$2.8 million each year, which is anticipated to fully fund the County's obligation in this area.

(To) From Line of Duty represents the anticipated funding needed for expenses associated with the Line of Duty payments. The Line of Duty Fiduciary Fund was created in the FY2012-13 Annual Fiscal Plan because of a mandate from the Commonwealth of Virginia that requires localities to pay the cost of this State approved benefit.

Projections for FY2016, FY2017, and FY2018 remain flat at \$550,000 each year, which will fund the County's obligation in this area.

(To) From Fund Balance – Capital Projects represents the allocation of funding for pay-as-you-go construction from General Fund balance for Education and General Government to support various ongoing projects. In FY2016, \$5.0 million is being allocated for General Government and Education projects. FY2017 and FY2018 forecasts project the use of \$5.0 million each year, respectively, for Education and General Government projects.

(To) From Fund Balance – Capital Reserve represents the allocation of designated funding for specific projects. In FY2016, \$10.4 million is being allocated for three projects: \$6,240,000 for the construction of Fire Station #19, \$4,000,000 for Greenwood Park, and \$190,000 for the repurposing of Dumbarton Library. The FY2017 forecast of \$20,000,000 has been dedicated to the County radio communications system replacement and the FY2018 forecast of \$10,000,000 is projected to be dedicated to the Greenwood Park project.

(To) From Vehicle Replacement Reserve represents the transfer of resources from the Designated Vehicle Replacement Reserve within the Designated General Fund balance. In FY2016, \$4.8 million is being allocated to the General Fund for the replacement of Education and General Government vehicles - \$1.0 million for Education vehicle replacement, and approximately \$4.1 million for General Government (Public Safety) vehicle replacement. As current resources are being utilized to fund this purpose, no use of this reserve is projected for FY2016, FY2017, or FY2018.

Use of Fund Balance – Public Works Revenues represents the transfer of resources for Public Works designated within the County's fund balance for bridge rehabilitation. These are a product of the recalibration of the County's lane mile rate, which provided additional gasoline tax resources. The FY2016 amount is projected to be \$6.5 million.

(To) From Fund Balance – Building Permit Fees represents revenues generated from the building permit fee restructuring dedicated to the replacement of the Tidemark system. This amount will be set aside, then appropriated when needed for the project.

From Sinking Fund – Bond Ops are funds held in reserve to offset increases in future operating costs associated with schools, parks, fire facilities, and libraries that will be constructed with General Obligation Bond funds authorized by the voters in the March 2005 referendum. This funding source was first used in FY2003. The use of the designated fund balance is an allocation from the Sinking Fund reserve, which was created by the Board of Supervisors in FY2002 to pay for Bond Referendum operating costs. The fund uses current revenues as a financing source and not one-time sources. Once the large one-time incremental increases, which arise from these projects, dissipate, then the reserve will no longer be required. In FY2016, a forecasted use of \$2.1 million is anticipated and \$2.6 million is anticipated for FY2017.

Ending General Fund Balance represents reserves not appropriated for expenditure, including the designated and undesignated balances. The undesignated portion of fund balance in FY2013 was reduced to 15.0 percent, from 18.0 percent of general fund expenditures in order to accommodate the funding of replacement Education and General Government vehicles. Undesignated fund balance is projected at 15.0 percent of general fund expenditures in FY2015, FY2016, FY2017, and FY2018.

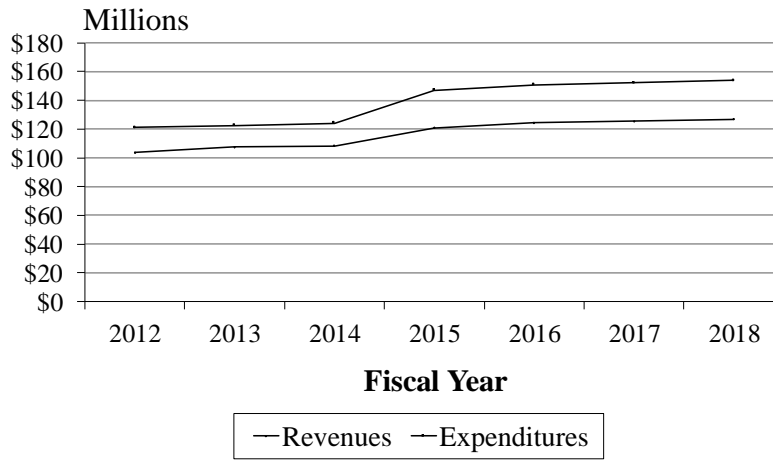
General Fund Forecast

	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18
	Actual	Original	Approved	Forecast	Forecast
Revenues:					
Current Real Estate Tax	\$ 269,856,365	\$ 270,100,000	\$ 282,000,000	\$ 289,755,000	\$ 295,550,100
P.S. Real Estate Tax	7,988,783	8,285,000	8,285,000	8,285,000	8,285,000
Current Personal Prop. Tax ⁽¹⁾	73,022,744	110,700,000	113,075,000	115,619,000	117,643,000
P.S. Personal Property Tax	110,089	115,000	115,000	115,000	115,000
Other General Property Tax	13,741,562	5,475,000	5,475,000	5,475,000	5,475,000
Local Sales Tax	55,824,515	57,000,000	58,120,000	59,427,000	60,400,000
Business License Tax	29,827,991	30,000,000	30,600,000	31,212,000	31,822,000
Motor Vehicle License Tax	6,714,426	6,325,000	6,325,000	6,325,000	6,325,000
Consumer Utility Tax	2,725,264	2,600,000	2,600,000	2,600,000	2,600,000
Bank Franchise Tax	9,138,480	5,000,000	5,000,000	5,000,000	5,000,000
Hotel/Motel Tax	11,007,648	10,400,000	10,400,000	10,608,000	10,820,000
Food & Beverage (Meals) Tax	1,990,470	18,000,000	20,000,000	20,000,000	20,000,000
Other Local Taxes	5,437,981	5,510,000	5,410,000	5,410,000	5,410,000
Local Taxes Sub-Total	487,386,318	529,510,000	547,405,000	559,831,000	569,445,100
Permits, Fees, & Licenses	4,164,815	4,263,100	4,126,100	4,126,100	4,126,100
Fines & Forfeitures	2,649,202	2,590,000	2,590,000	2,590,000	2,590,000
Use of Money & Property	3,285,015	7,915,600	7,915,600	7,915,600	7,915,600
Charges for Services	4,235,068	3,566,250	3,585,100	3,585,100	3,585,100
Miscellaneous Revenue	10,954,052	8,655,370	8,170,370	8,170,370	8,170,370
Total Local Revenue	512,674,470	556,500,320	573,792,170	586,218,170	595,832,270
State & Federal-Schools	225,914,372	233,228,000	239,359,800	246,890,000	254,286,000
State & Federal-General Government ⁽¹⁾	142,140,143	89,581,375	89,083,975	89,974,815	90,874,563
Total State & Fed. Revenue	368,054,515	322,809,375	328,443,775	336,864,815	345,160,563
Total Revenue	\$ 880,728,985	\$ 879,309,695	\$ 902,235,945	\$ 923,082,985	\$ 940,992,833
⁽¹⁾ Actual PPTRA Car Tax Reimbursements are reflected as State Aid, although budget estimates do not break out PPTRA Reimbursements from Current Personal Property Tax estimates. FY14 actual = \$37,001,783. Forecast period FY15 thru FY18 equal \$37,000,000.					
Transfers:					
(To) From Debt Service Fund	\$ (58,744,833)	\$ (58,694,837)	\$ (54,805,548)	\$ (59,981,646)	\$ (55,722,535)
(To) From Capital Projects Fund	(10,547,490)	(30,901,267)	(43,474,772)	(39,698,000)	(29,698,000)
(To) From Enterprise Fund	(1,931,608)	(1,928,108)	(1,930,308)	(1,928,621)	(1,929,921)
(To) From Risk Management Fund	(12,348,627)	(8,411,454)	(8,397,952)	(8,565,911)	(8,737,229)
(To) From Technology Replacement	-	(1,000,000)	(1,000,000)	(1,947,600)	(2,447,600)
(To) From Special Revenue Fund	(18,959,092)	(26,345,732)	(26,610,991)	(26,877,101)	(27,145,872)
(To) From JRJDC Agency Fund	(3,272,393)	(3,297,020)	(3,426,586)	(2,810,364)	(2,866,571)
(To) From OPEB - GASB 45 Fiduciary Fund	(2,500,000)	(2,500,000)	(2,750,000)	(2,750,000)	(2,750,000)
(To) From Line of Duty	(481,636)	(500,000)	(550,000)	(550,000)	(550,000)
Oper. Transfer- LTD	(468,000)	-	-	-	-
(To) From Fund Balance - Capital Projects	1,500,000	5,000,000	5,000,000	5,000,000	5,000,000
(To) From Fund Balance - Capital Reserve	1,420,000	2,600,000	10,430,000	20,000,000	10,000,000
(To) From Vehicle Replacement Reserve	6,574,800	-	-	-	-
Use of Fund Balance - Public Works Revenues	208,500	8,751,467	6,531,502	-	-
Use of Fund Balance - RE Tax for TMDL	-	2,348,000	-	-	-
(To) From Fund Balance - Chesapeake Bay - TMDL	-	(2,348,000)	-	-	-
Use of Fund Balance - Building Permit Fees	-	500,000	500,000	500,000	500,000
Use of Fund Balance - Capital Initiatives	-	-	1,000,000	-	-
From Fund Balance - Voting Machine Reserve	-	-	1,000,000	-	-
(To) From Fund Balance - Voting Machine Reserve	-	-	(1,000,000)	-	-
(To) From Fund Balance-VRS Reserve	(1,000,000)	4,497,376	-	-	-
Use of Fund Balance General Fund	(29,410,493)	-	-	-	-
(To) From Fund Balance - Meals Tax Reserve Use	-	-	1,990,470	2,000,000	2,000,000
(To) From Fund Balance - Meals Tax FY16	-	-	(2,000,000)	(2,000,000)	(2,000,000)
(To) From Revenue Stabilization Reserve	-	-	1,000,000	-	-
From Sinking Fund - Bond Ops	4,097,452	339,124	2,074,331	2,609,562	-
Total Transfers	\$ (125,863,420)	\$ (111,890,451)	\$ (116,419,854)	\$ (116,999,681)	\$ (116,347,728)
Total Resources	\$ 754,865,564	\$ 767,419,244	\$ 785,816,091	\$ 806,083,304	\$ 824,645,105
Expenditures:					
General Government Administration	\$ 50,664,019	\$ 53,867,120	\$ 54,416,121	55,638,820	56,751,687
Judicial Administration	7,855,674	7,882,214	7,913,112	8,071,374	8,232,802
Public Safety	162,551,577	160,485,690	164,623,084	170,333,949	174,240,628
Public Works	44,634,706	47,732,102	48,045,077	49,005,979	49,986,098
Health & Social Services	19,684,706	1,771,094	1,779,094	1,814,676	1,850,969
Education	408,951,257	430,785,660	441,171,628	451,558,064.56	462,867,426
Recreation & Culture	30,026,002	32,322,305	34,596,408	35,844,956	36,561,855
Community Development	20,556,242	20,821,796	21,120,304	21,542,710	21,758,137
Miscellaneous	9,941,381	11,751,263	12,151,263	12,272,776	12,395,503
Total Expenditures	\$ 754,865,564	\$ 767,419,244	\$ 785,816,091	\$ 806,083,304	\$ 824,645,105
Fund Balance:					
Reserved (*)	\$ 6,812,318	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Assigned (**)	87,133,095	82,296,595	80,222,264	77,612,702	77,612,702
Unassigned Fund Balance	116,621,915	115,112,887	117,872,414	120,912,496	123,696,766
Total Fund Balance	\$ 210,567,328	\$ 207,409,482	\$ 208,094,678	208,525,198	\$ 211,309,468

* Represents reserves (largely comprised of encumbrances).

** Changes to designated fund balance are the results of the use of or addition to the Revenue Stabilization Fund and Designated State Revenues.

Three Year Forecast Revenues and Expenditures Special Revenue Fund



Fiscal Years 2015 through 2018 are estimated. Revenues exclude transfers from other funds.

SPECIAL REVENUE FUND

(Fund 11)

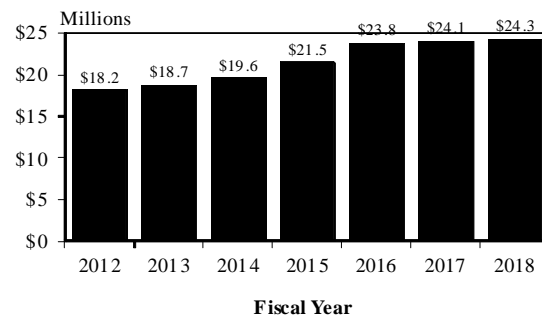
The Special Revenue Fund accounts for proceeds from revenue sources that legally restrict expenditures to specified purposes. Henrico County's Special Revenue Fund includes the Department of Public Utilities' Solid Waste and Street Lighting operations; Public Works' Watershed and Best Management Practices programs; Schools' Cafeteria Programs; Mental Health; Social Services; State and Federal grants for various educational and County programs; certain aspects of the Economic Development Authority; asset forfeitures; and the Police Metro Aviation Unit. The Special Revenue Fund budget for FY2016 is \$150,769,849, which represents an increase of \$3,618,538, or 2.5 percent, from the current fiscal year. Projected resources and requirement for FY2017 and FY2018 are included in the pages that follow.

Revenues

Assumptions

School Cafeteria revenues support the operations of all County public school cafeterias. Funding is received from specific State and Federal governments grant programs as well as revenues generated by the school lunch program. Receipts for FY2016 are estimated at \$23,816,922, compared to \$21,468,436 in FY2015. FY2017 and FY2018 revenue estimates of \$24,055,091 and \$24,295,642 respectively, reflect projected increases of 1.0 percent based on anticipated growth in pupil enrollment and cafeteria operations.

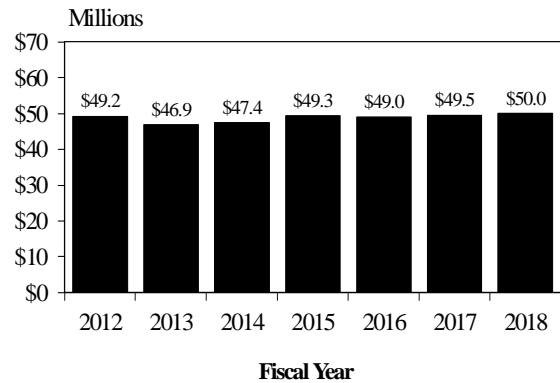
School Cafeteria Revenue



Fiscal Years 2015 through 2018 are estimated.

State, Federal and Other Grants revenue funds various programs, principally those related to Education, the Capital Region Workforce Partnership (CRWP), the Community Corrections Services Program, the Community Development Block Grant (CDBG), and the Virginia Juvenile Community Crime Control Act (VJCCCA). Grant funding, for FY2016, totals \$49,016,469. In the event additional grant funding is received during the fiscal year, the County will recognize the revenue only after official notification has been received from the State or Federal government, and approval has been obtained in the form of a budget amendment from the Board of Supervisors.

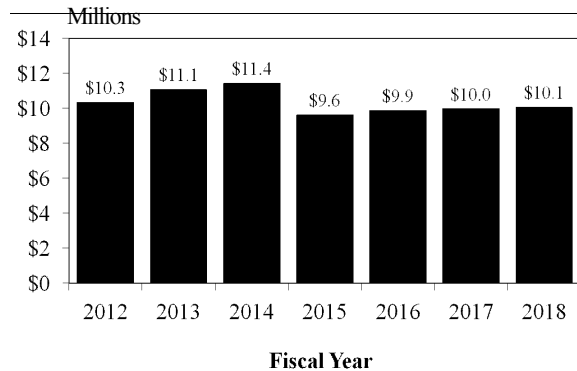
State, Federal, and Other Grant Revenue



Fiscal Years 2015 through 2018 are estimated. Revenues do not include transfers from other funds.

Solid Waste revenues support the operation and maintenance of the County's solid waste disposal operation. A portion of the funding is user charges from customers who receive County refuse removal service. Revenue is also collected from landfill user fees paid by commercial trash hauling companies and County residents. The cost of providing curbside recycling, bagged leaf collection, neighborhood cleanup, and bulky waste services throughout the County will be funded by a General Fund subsidy to the Solid Waste Fund. The amount of the General Fund subsidy will be net of any user fee revenue generated by these services. Incremental increases in the General Fund subsidy are forecasted to support inflationary and population growth in existing subsidized programs. There are no additional program subsidies forecasted.

Solid Waste Revenue



Fiscal Years 2015 through 2018 are estimated. Revenues do not include transfers from other funds.

In FY2016, the revenue generated by fees related to the disposal of solid waste is forecasted to increase by \$244,000, or 2.5 percent. The forecasts for FY2017 and FY2018 reflect annual increases in revenues of 1.0 percent.

Street Lighting revenues fund the operation and maintenance of the street lighting districts throughout the County. Funding is provided by a specific annual surcharge levied on each property within a street light district. Street lighting revenue estimates throughout the forecast period support operating costs of existing streetlights.

Mental Health revenues are restricted to providing community based mental health, developmental, and substance abuse services to the residents of Henrico, Charles City, and New Kent counties. The Mental Health budget for FY2016 is \$34,953,960 including the General Fund contribution of \$14,030,509, State revenues of \$7,728,652, federal revenues of \$1,801,023, fee revenues of \$10,234,822, and \$344,400 of contract revenues from Sheltered Employment. Additionally, Henrico is budgeted to receive a total of \$214,554 of fee revenues from Charles City and New Kent counties. A 1.0 percent increase in Mental Health revenues is projected for both FY2017 and FY2018. The forecast is based on anticipated increases in State and Federal grant funding. MH/DS/SA receives funding through State and Federal Aid programs including the Reinvestment Program, community care funds from the State, and the Part C Grant program. It is expected that these funding sources will continue in the future.

The Police Metro Aviation Unit is a regional multi-jurisdictional effort that includes the City of Richmond, along with Chesterfield and Henrico counties. It is projected that each locality will contribute \$127,332 in FY2016, \$128,605 in FY2017, and \$129,891 in FY2018 based upon 1.0 percent increases in the latter two fiscal years. It is anticipated that the State Supreme Court will reimburse the Metro Aviation Unit \$80,000 for costs incurred to extradite prisoners in each year of the forecast period.

Social Services revenues support an array of community services. Among them are supplemental nutrition, assistance for needy families, medical assistance, protective services, and assistance with foster care and adoption. Additionally, the Comprehensive Services Act (CSA) is funded within this department. The Social Services budget for FY2016 is \$27,477,333, of which, \$8,754,442 is directed toward the (CSA), and \$18,722,891 support all other Social Services efforts. The General Fund contribution is \$8,091,200, State revenues are \$9,699,700, Federal revenues total \$9,638,749, and other local revenues amount to \$47,684. A 1.0 percent increase in revenues is projected for both FY2017 and FY2018, based on anticipated increases in State and Federal funding.

Best Management Practice devices are basins for treating storm water to improve water quality. The Department of Public Works is responsible for the long-term maintenance of Best Management Practice (BMP) devices in single family residential subdivisions within Henrico County. The BMP maintenance fee of \$100 per lot is paid by developers at the time subdivisions are recorded. **The Watershed Management Program** provides alternatives to construction of BMPs in certain areas and will reduce the number of BMPs constructed in the future. The fee for the environmental fund is \$8,000 per pound of pollutant removal required and is paid by developers prior to POD approval and subdivision recordation.

(To) From General Fund represents local revenues, received by the General Fund and transferred to the Special Revenue Fund. Several State and Federal programs require a commitment of local funds before the locality is eligible to receive grant funds.

In FY2016, the transfer of \$26,610,991 includes the County's contribution of \$1,343,439 to fund the State Community Corrections Programs, the Capital Region Workforce Partnership (CRWP), the Special Drug Prosecutor, the Virginia Juvenile Community Crime Control Act (VJCCCA), and the State Victim/Witness Program; \$127,332 for Henrico County's portion of the regional Police Metro Aviation Unit; \$3,018,511 in support of Solid Waste programs; \$8,091,200 in local support of Social Services, which includes funding for the CSA; and \$14,030,509 for Mental Health. The total transfer from the General Fund is projected to increase to \$26,877,101 in FY2017 and \$27,145,87 in FY2018.

(To) From School Cafeteria Fund Balance is a reserve, accumulated from the operation of the school cafeterias. The School Board's practice has been to charge enough for cafeteria meals to cover the cost of providing the service to County students. Expenditure projections are based on prior experience and student enrollment.

(To) From Solid Waste Fund Balance is a reserve, which has accumulated over time from the solid waste operations to fund expansion and closure projects related to County owned landfills. It is the County's practice to ensure solid waste charges are sufficient to cover operating expenditures. Occasionally, operational costs exceed revenues and a use of reserves is required, however, this balance has grown in recent years, from approximately \$8.1 million at the end of FY10 to roughly \$16.2 million at the close of FY2014. The forecast for FY2017 and FY2018 reflects an increase in the Solid Waste Fund Balance as a result of revenues exceeding expenditures.

Expenditures

Assumptions

The development of the FY2016 Special Revenue Fund budget assumes recurring revenues will support recurring expenditures in future years. Special Revenue Fund resources and requirements for FY2017 and FY2018 are expected to grow at an average rate of 1.0 percent respectively. The modest growth rate in grant related revenue is predicated on the basis that ongoing Federal and State budgetary constraints will limit substantial increases in grant funding.

Ending Special Revenue Fund Balance is the sum of fund balances in all sub-funds, which are expected to remain on June 30th of each of the forecasted fiscal years, within the School Cafeteria Fund, Solid Waste Fund, and Street Light Fund. The State and Federal Grants fund balance and the Economic Development Authority fund balance are forecasted to be zero in FY2015 through FY2018 based on the assumption that all funding will be spent in the fiscal year it is budgeted. If a balance exists on June 30th, it is the County's policy to carry those funds forward to the next fiscal year.

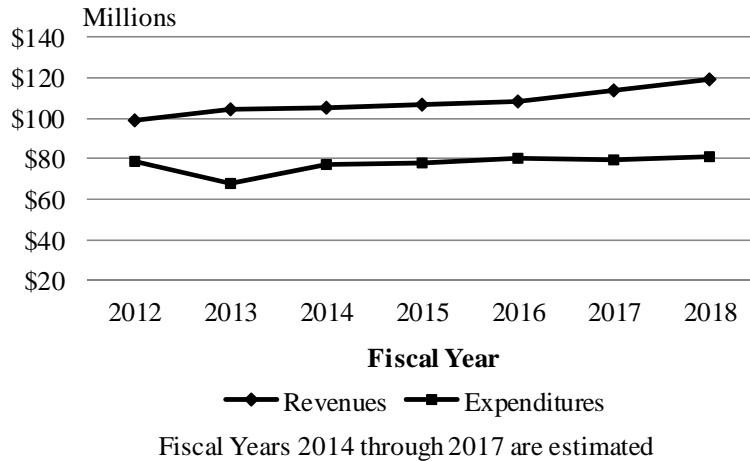
Special Revenue Fund Forecast

	FY 13-14 Actual	FY 14-15 Original	FY 15-16 Forecast	FY16-17 Forecast	FY17-18 Forecast
Revenues:					
School Cafeteria	\$ 19,606,499	\$ 21,468,436	\$ 23,816,922	\$ 24,055,091	\$ 24,295,642
State, Federal & Other Grants	47,438,279	49,291,941	49,016,469	49,506,634	50,001,700
Asset Forfeitures	820,669	0	0	0	0
Donations	174,527	0	0	0	0
Revenue from Local Sources - CDA	4,718,000	0	0	0	0
Other Local Taxes - EDA	0	0	0	0	0
Solid Waste	11,432,826	9,613,975	9,857,975	9,956,555	10,056,120
Street Lighting	66,186	83,100	83,100	83,100	83,100
Mental Health	19,609,978	20,186,026	20,923,451	21,132,686	21,344,012
Metro Aviation/Extradition	232,368	334,668	334,668	334,668	334,668
Social Services *	4,282,796	19,062,354	19,386,133	19,579,994	19,775,794
Watershed/Best Management Practices	19,570	897,000	897,000	897,000	897,000
Subtotal Revenues	\$ 108,401,698	\$ 120,937,500	\$ 124,315,718	\$ 125,545,728	\$ 126,788,037
From General Fund:					
State, Federal & Other Grants	\$ 1,244,294	\$ 1,450,390	\$ 1,343,439	\$ 1,356,873	\$ 1,370,442
Mental Health	11,613,381	13,770,507	14,030,509	14,170,814	14,312,522
Metro Aviation	94,902	127,332	127,332	128,605	129,891
Social Services *	3,286,294	7,978,992	8,091,200	8,172,112	8,253,833
Solid Waste	2,709,207	3,018,511	3,018,511	3,048,696	3,079,183
Subtotal From General Fund	\$ 18,948,078	\$ 26,345,732	\$ 26,610,991	\$ 26,877,101	\$ 27,145,872
(To) Capital Projects Fund for Solid Waste	(450,000)	(2,000,000)	0	0	0
(To) Capital Projects Fund for Mental Health	0	0	0	0	0
(To) Capital Projects Fund for Wireless	0	0	0	0	0
(To) From Wireless Fund Balance	0	0	0	0	0
(To) From Economic Development Fund Balance	0	0	0	0	0
(To) Short Pump CDA	0	0	0	0	0
(To) From Mental Health Fund Balance	0	0	0	0	0
(To) From School Cafeteria Fund Balance	(933,964)	(44,690)	(44,690)	0	0
(To) From Solid Waste Fund Balance	(1,878,602)	1,912,769	(112,170)	(113,292)	(114,425)
(To) From Street Light Fund Balance	0	0	0	0	0
Total Resources	\$ 124,087,210	\$ 147,151,311	\$ 150,769,849	\$ 152,309,537	\$ 153,819,484
Expenditures:					
School Cafeteria	\$ 18,672,535	\$ 21,423,746	\$ 23,772,232	\$ 24,055,091	\$ 24,295,642
State, Federal & Other Grants	50,154,206	50,742,331	50,359,908	50,863,507	51,372,142
Economic Development Authority	4,718,000	0	0	0	0
Solid Waste	11,813,431	12,545,255	12,764,316	12,891,959	13,020,879
Street Lighting	66,186	83,100	83,100	83,100	83,100
Mental Health	31,223,359	33,956,533	34,953,960	35,303,500	35,656,535
Metro Aviation/Extradition	327,270	462,000	462,000	463,273	464,559
Social Services *	7,092,653	27,041,346	27,477,333	27,752,106	28,029,627
Watershed/Best Management Practices	19,570	897,000	897,000	897,000	897,000
Total Expenditures	\$ 124,087,210	\$ 147,151,311	\$ 150,769,849	\$ 152,309,537	\$ 153,819,484
Ending Special Revenue Fund Balance:					
Schools	\$ 11,324,869	\$ 11,369,559	\$ 11,414,249	\$ 11,414,249	\$ 11,414,249
State, Federal & Other Grants, Forfeitures **	24,705,957	0	0	0	0
Economic Development Authority	5,499,949	0	0	0	0
Solid Waste	16,210,727	14,297,958	14,410,128	14,523,420	14,637,844
Street Lighting	799,772	799,772	799,772	799,772	799,772
Total Fund Balance	\$ 58,541,274	\$ 26,467,289	\$ 26,624,149	\$ 26,737,441	\$ 26,851,865

* Actual results from FY2013-14 for the Department of Social Services (DSS) reflect only CSA funds, as the remainder of DSS funding was moved into the Special Revenue Fund at the beginning of FY2014-15.

** Forecast assumes miscellaneous grant appropriations will be spent by 6/30/15. EDA balances will be appropriated annually, through a budget amendment, based on actual receipts. Any unspent appropriations will be carried forward into FY2015-16.

Three Year Forecast Revenues and Expenditures Enterprise Fund – Water & Sewer



ENTERPRISE FUNDS

(Funds 51 and 52)

Enterprise Funds account for operations funded and operated in a manner similar to private business enterprises, where the intent of the County is to recover, through user charges, the cost of providing services to users of the service.

The Water and Sewer Enterprise Fund (Fund 51) accounts for the provision of water and sewer services to residents of Henrico County, and wholesale service to Hanover and Goochland Counties. The Belmont Park Golf Course Enterprise Fund (Fund 52) accounts for the operations of Belmont Park Golf Course. All activities necessary to provide such services are accounted for in the respective funds, including operations, maintenance, construction, financing, and related debt service.

The three-year forecast narrative of revenues and expenditures has been prepared for each of these operations separately, using the same basic framework as the General Fund.

Water and Sewer Operations (Fund 5101)

Revenues

Assumptions

Water and Sewer Enterprise Fund revenues are forecasted with increases in customer growth necessary to keep pace with routine operating costs, expansion and rehabilitation of infrastructure and the debt service payments on outstanding debt. Forecasted revenues also satisfy the requirements of the County’s revenue bond covenants for current and future debt issues.

Sale of Water for FY2015-16 is based on a 3.0 percent increase in water rates. Forecasts for FY2016-17 and FY2017-18 were prepared using 5.0 percent rate increases in each year. These increases will support inflationary growth in expenditures and planned rehabilitation projects, as well as future new capital infrastructure needs, including the Cobbs Creek Reservoir.

Water Basic Fees are those fees collected for initial connection to the County's water distribution system. This revenue category mirrors economic development activity and all collections are used to fund the cost of expanding the County's water system. Forecasted revenue collections in FY2015-16 reflect an increase of 3.0 percent in water connection fees. The forecast for Water Basic Fees reflects 5.0 percent rate increases in each year, with little consideration given to the performance of the commercial and residential real estate markets due to the uncertainty in this area.

Sale of Sewer Services for FY2015-16 is based on a 3.0 percent increase in sewer rates. Like Sale of Water Service revenues, noted above, forecasts for FY2016-17 and FY2017-18 were prepared using 5.0 percent rate increases in each year. The majority of these increases will be used to support growth in expenditures and capital infrastructure projects and rehabilitation.

Sewer Basic Fees are those fees collected for initial connection to the County's sewage system. This revenue category mirrors economic development activity and all collections are used to fund the cost of expanding the County's sewer system. Like Water Basic Fees, as noted above, forecasted revenue collections in FY2015-16 reflect an increase of 3.0 percent in connection fees. A 5.0 percent increase in fees has been projected for both FY2016-17 and FY2017-18.

(To) From General Fund includes the General Fund payment to support debt service on the portion of the \$32.0 million subordinate Water and Sewer Revenue bonds sold in FY1997-98 to fund the infrastructure improvements of the Elko Tract in eastern Henrico County (these bonds were refunded in FY2009-10). The payment in FY2015-16 totals \$1,930,308.

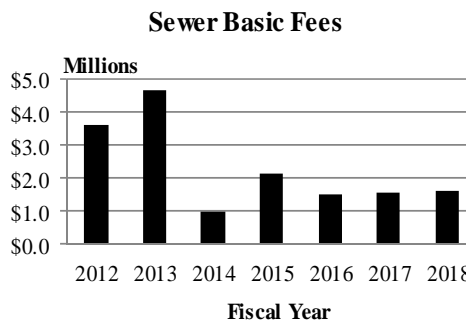
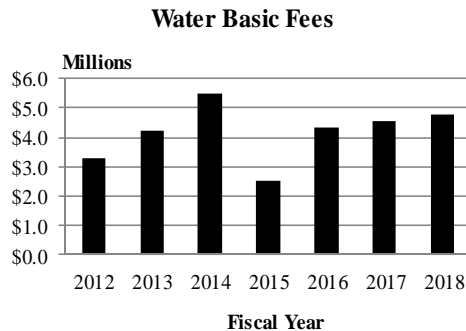
In addition to payment of the debt service, the General Fund is also responsible for the annual repayment of the \$9.6 million loan made in FY1996-97 to the Capital Projects Fund for additional infrastructure built at the Elko Tract site. The County's year-end financial statements disclose this loan as an asset in the Water and Sewer Enterprise Fund and a liability in the Capital Projects Fund; however, the General Fund is responsible for repaying the debt. The annual repayment of this loan was included in the General Fund transfer amount in FY1998-99. However, from FY1999-00 through FY2009-10, this amount was reflected as an expenditure in the General Fund for budget purposes, therefore, was not reflected in the General Fund transfer amount. With the refunding of the \$32.0 million subordinate Water and Sewer Revenue bonds in FY2009-10, the structure of these payments from the General Fund is solely reflected in the General Fund transfer amount.

Budget for Capital Use projections represent non-bond resources, available from Water and Sewer Operations to supplement utility infrastructure rehabilitation, expansion and other capital improvement activities. The transfer amounts for the forecast period reflect the planned appropriations for capital improvement projects to be supported by non-bond resources.

Expenditures

Assumptions

Expenditures developed for the forecast period represent total operating costs for providing water and sewer service to County residents. Operating costs include infrastructure maintenance, operation of the water and sewer systems and debt service on bond issues.



Results of Operations (Prior to Capital Expenses) reflect the anticipated variance of revenues less expenditures.

Water and Sewer Construction Fund (Fund 5102)

Capital Budget Expenditures

Assumptions

Approved/Proposed Capital Projects are expected to total \$65.5 million in FY2015-16, \$210.0 million in FY2016-17, and \$65.5 million in FY2017-18. These projections represent expenditures for projects planned in future years listed in the Capital Projects Fund section of this budget document.

Continuing Capital Projects represent the expenditures in construction appropriations based on projected resources and corresponding expenditures throughout the forecast period.

Capital Budget Resources

Assumptions

Water and Sewer Revenue projections represent non-bond resources transferred from the Operations sub-fund to the Construction sub-fund to support costs related to system rehabilitation, expansion and improvements. This transfer includes the connection fees paid by real-estate developers and new customers for initial connection to the County's water and sewer systems.

Revenue Bonds (2006 Series) represents the proceeds from the sale of \$80.0 million in revenue bonds issued in 2006 to finance necessary new and rehabilitation capital projects.

Revenue Bonds (2014 Series) represents the proceeds from the sale of \$75.0 million in revenue bonds issued in 2014 to finance necessary system rehabilitation capital projects.

Revenue Bonds represents the planned usage of bond proceeds for new and rehabilitation capital projects, the specific series for which has not yet been determined.

Water & Sewer Enterprise Fund Forecast

	<u>FY 13-14 Actual</u>	<u>FY 14-15 Original</u>	<u>FY 15-16 Forecast</u>	<u>FY 16-17 Forecast</u>	<u>FY 17-18 Forecast</u>
Water & Sewer Operations Subfund					
Revenues:					
Sale of Water	\$ 45,607,501	\$ 49,000,825	\$ 48,000,000	\$ 50,400,000	\$ 52,920,000
Water Connection Fees	5,461,941	2,527,692	4,335,508	4,552,283	4,779,898
Sale of Sewer Services	46,418,270	47,162,409	48,740,000	51,177,000	53,735,850
Sewer Connection Fees	1,020,668	2,156,723	1,500,000	1,575,000	1,653,750
Miscellaneous Revenue	4,857,488	4,116,260	4,116,260	4,322,073	4,538,177
Transfer from General Fund	1,931,608	1,928,108	1,930,308	1,928,621	1,929,921
Total Revenue	\$ 105,297,476	\$ 106,892,017	\$ 108,622,076	\$ 113,954,977	\$ 119,557,595
Expenditures:					
Personnel	\$ 19,338,727	\$ 20,403,780	\$ 20,508,294	\$ 20,918,460	\$ 21,336,829
Operating	42,578,674	38,922,511	40,422,511	41,230,961	42,055,580
Capital Outlay	363,232	785,527	785,527	801,238	817,262
Sub-Total	62,280,633	60,111,818	61,716,332	62,950,659	64,209,672
Debt Service	15,168,140	17,453,369	18,707,306	16,759,388	16,752,001
Total Expenditures	\$ 77,448,773	\$ 77,565,187	\$ 80,423,638	\$ 79,710,047	\$ 80,961,673
Results of Operations (Prior to Capital Expenses)	27,848,703	29,326,830	28,198,438	34,244,931	38,595,922
Budget For Capital Use (Below)	n/a	(29,000,000)	(65,500,000)	(210,050,000)	(65,525,000)

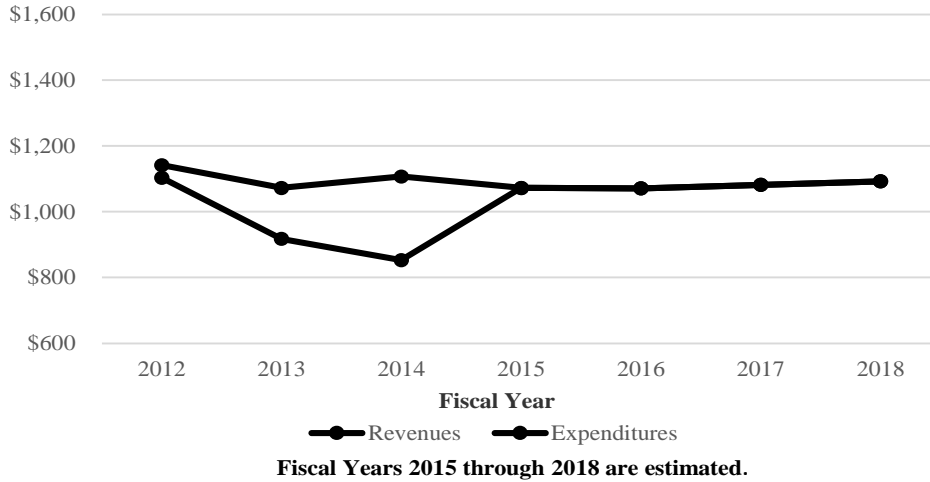
Capital Budget Expenditures	<u>FY 13-14 Actual</u>	<u>FY 14-15 Original</u>	<u>FY 15-16 Forecast</u>	<u>FY 16-17 Forecast</u>	<u>FY 17-18 Forecast</u>
Approved/Requested Capital Projects	-	29,000,000	65,500,000	210,050,000	65,525,000
Continuing Capital Projects (Previously Approved) ⁽¹⁾	55,451,757	-	-	-	-
Total Capital	55,451,757	29,000,000	65,500,000	210,050,000	65,525,000
Capital Budget Resources					
Water and Sewer Revenues	53,752,974	29,000,000	36,200,000	27,900,000	49,775,000
Revenue Bonds (2006 Series)	32,100	-	-	-	-
Revenue Bonds (2014 Series)	1,666,683	-	-	-	-
Revenue Bonds	-	-	29,300,000	182,150,000	15,750,000
Total Capital Budget Resources	55,451,757	29,000,000	65,500,000	210,050,000	65,525,000

Notes:

⁽¹⁾ This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2013-14 represents actual spending, as per the 2014 audit.

Note: Fund Equity as of June 30, 2014 was \$24,886,066.

Three Year Forecast Revenues and Expenditures Enterprise Fund – Belmont Golf Course



Belmont Park Golf Course Operations (Fund 5201)

Revenues

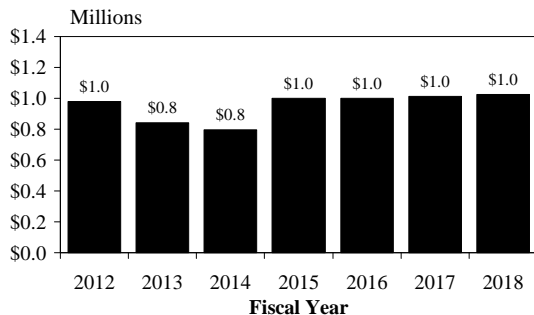
Assumptions

Golf Course Fees revenue for FY2016 is estimated to total \$1,000,999. This estimate, a \$1,962 or 0.2 percent decrease, is part of an effort to restore fiscal stability to the golf course and closer reflect the reality of the golf course's revenue generating capability. The estimate for FY2015 included an increase in greens fees of \$2 and an increase of \$1 for golf cart fees. The increases in fees along with reductions in expenditures should bring fiscal stability back to the golf course. Revenue projections for FY2017 and FY2018 are based upon modest one percent growth.

Snack Bar Revenues prior to January 1, 2000 were a percentage of gross receipts from the vendor operating the snack bar. Since January 1, 2000, the County operates the Snack Bar with departmental employees and collects all revenues from snack bar sales. Revenues are projected at \$70,000 for FY2016, FY2017, and FY2018.

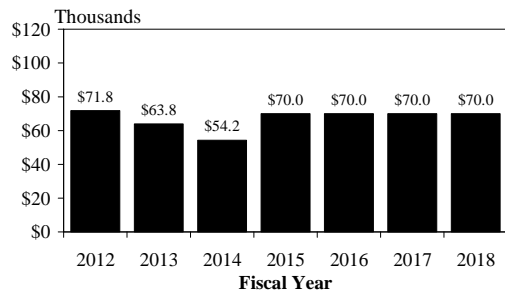
(To) From Golf Course Retained Earnings is Retained Earnings from golf course operations to be used for future golf course operations, maintenance or improvements. During the forecast period there is no scheduled use of Retained Earnings.

Golf Course Fees



Fiscal Years 2014 through 2017 are estimated.

Snack Bar Revenues



Fiscal Years 2014 through 2017 are estimated.

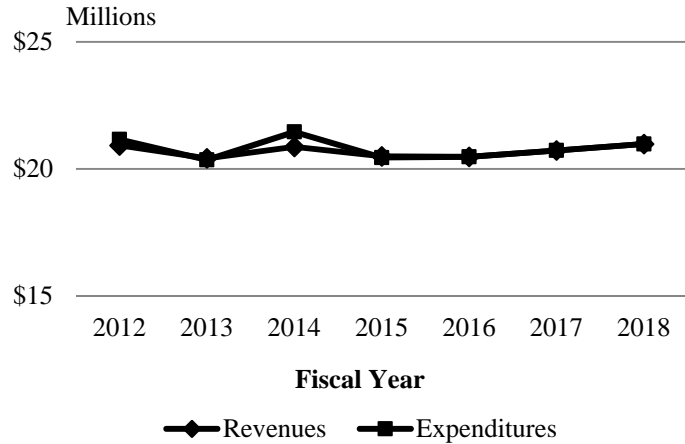
Expenditures

Assumptions

Operational Expenses in FY2016 are estimated to remain relatively flat, only decreasing by \$1,629 or 0.2 percent. This estimate maintains the reductions made that were necessary to bring fiscal structure back to the Golf Course's finances. These reductions were made through a number of targeted efforts, realizing greater efficiencies, and reducing personnel expenses at the Golf Course, including eliminating one position from the Golf Course's complement. Estimates in FY2017 and FY2018 reflect modest 1.0 percent growth per year.

	Belmont Golf Course				
	Enterprise Fund Forecast				
	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY17-18
	Actual	Original	Approved	Forecast	Forecast
Belmont Golf Course Operations					
Revenues:					
Golf Course Fees	\$ 797,062	\$ 1,002,628	\$ 1,000,999	\$ 1,011,709	\$ 1,022,526
Snack Bar Revenues	54,219	70,000	70,000	70,000	70,000
Gain/Loss on Sale of Property	0	0	0	0	
Recoveries & Rebates	1,652	0	0	0	
Total Revenues	<u>\$ 852,933</u>	<u>\$ 1,072,628</u>	<u>\$ 1,070,999</u>	<u>\$ 1,081,709</u>	<u>\$ 1,092,526</u>
Plus:					
(To)From Golf Course					
Retained Earnings	254,110	0	0	0	0
Total Resources	<u>\$ 1,107,043</u>	<u>\$ 1,072,628</u>	<u>\$ 1,070,999</u>	<u>\$ 1,081,709</u>	<u>\$ 1,092,526</u>
Expenditures:					
Operational Expenses	<u>\$ 1,107,043</u>	<u>\$ 1,072,628</u>	<u>\$ 1,070,999</u>	<u>\$ 1,081,709</u>	<u>\$ 1,092,526</u>
Total Net Assets	<u>\$ 315,596</u>	<u>\$ 315,596</u>	<u>\$ 315,596</u>	<u>\$ 315,596</u>	<u>\$ 315,596</u>

Three Year Forecast Revenues and Expenditures Central Automotive Maintenance



Fiscal Years 2015 through 2018 are estimated. Revenues exclude transfers from other funds.

CENTRAL AUTOMOTIVE MAINTENANCE

(Fund 61)

Central Automotive Maintenance, which operates as an Internal Service Fund, accounts for the County's Central Automotive Maintenance operation. Resources for this fund are primarily from interdepartmental charges.

Revenues

Assumptions

Charges for Automotive Maintenance - West are billings by Central Automotive Maintenance (CAM) for work performed at the maintenance facility on Woodman Road, in the western part of the County. Projected billing for FY2015-16 is \$6,440,002. Projected billings for FY2016-17 and FY2017-18 are forecasted at \$6,568,802 and \$6,700,178, respectively. Increases are based on the anticipated actual billings for the maintenance facility during this period.

Charges for Automotive Maintenance - East are billings by CAM for work performed at the maintenance facility on Dabbs House Road, in the eastern portion of the County. Projected billing for FY2015-16 is \$2,009,750. Projected billings for FY2016-17 and FY2017-18 are \$2,049,945 and \$2,090,944, respectively, representing a 2.0 percent annual increase.

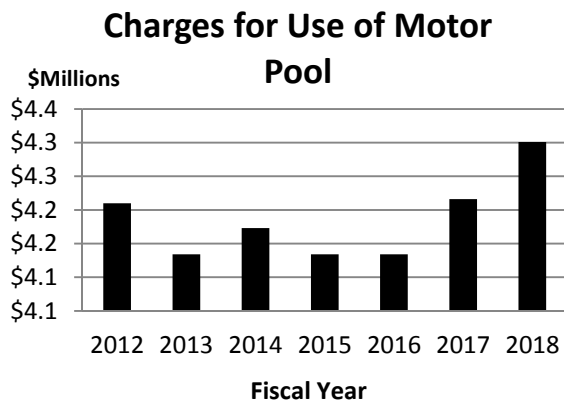
Charges for Use of Motor Pool are collected from departments using County motor pool vehicles. These charges offset maintenance and operational expenses as well as accumulating a reserve for replacement of motor pool vehicles. The vehicle replacement reserve is based on replacing the vehicles after 80,000 miles. Projected billing for the use of vehicles in FY2015-16 is \$4,134,000. Projected billings for FY2016-17 and FY2017-18 are \$4,216,680 and \$4,301,014, respectively, assuming an annual 2.0 percent increase due to projected vehicle replacements and the rising cost of repairs.

Charges for Gasoline represents the charge for gasoline and diesel fuel used by County departments. A nominal mark-up on top of the wholesale price is used to offset CAM's maintenance and operational expenses in this area. The

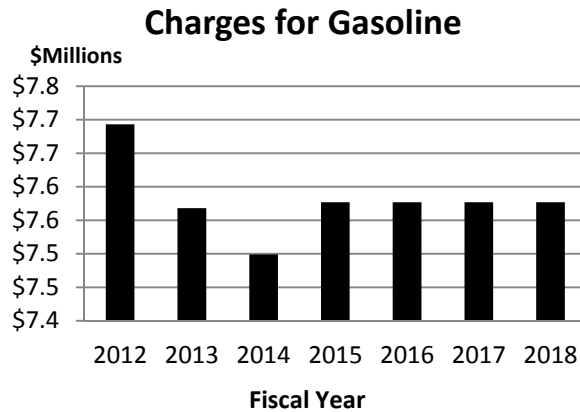
recent decreases in the wholesale cost of gasoline reflect the volatility of this commodity, therefore the projections for gasoline at this moment remain flat.

(To) From Capital Projects is the transfer from CAM’s retained earnings to the Capital Projects Fund for purchase of a one-time Capital need. There is no current or future planned use of retained earnings.

(To) From Internal Service Fund Retained Earnings is used to accumulate a reserve for replacement of motor pool vehicles when the vehicles reach the end of their useful life. Occasionally, increases in the cost of CAM operations, such as in gasoline and diesel fuel, requires Internal Service Fund Retained Earnings to be utilized to offset a portion of the additional expenses. It should be noted that a portion of the motor pool charge is also set aside for the replacement of vehicles.



Fiscal years 2015 through 2018 are estimated.



Fiscal years 2015 through 2018 are estimated.

Expenditures

Assumptions

The development of the Central Automotive Maintenance Internal Service Fund budget assumes revenues and transfers will support expenditures in future years. For FY2016-17 and FY2017-18, Internal Service Fund expenses are projected to grow at an annual rate of 2.0 percent.

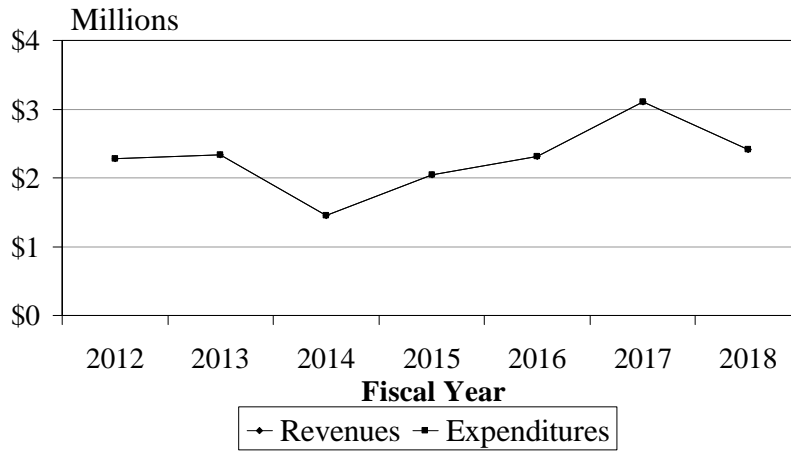
The proposed level of operational funding allows for increases in personnel costs such as changes in the cost of benefits and provides adequate operational adjustments necessary to overcome increases of vehicle repairs.

Retained Earnings, June 30, 2014, is \$7,030,975. The impact of anticipated resources and expenditures on the ending balance is projected for each fiscal year of the forecast period.

Central Automotive Maintenance Internal Service Fund Forecast

	FY13-14 Actual	FY14-15 Original	FY15-16 Forecast	FY16-17 Forecast	FY17-18 Forecast
Revenues:					
Charges for Auto Maint West	\$ 6,511,454	\$ 6,436,000	\$ 6,440,002	\$ 6,568,802	\$ 6,700,178
Charges for Auto Maint East	2,225,273	2,001,000	2,009,750	2,049,945	2,090,944
Charges for Use of Motor Pool	4,173,434	4,134,000	4,134,000	4,216,680	4,301,014
Charges for Gasoline	7,499,286	7,577,940	7,577,940	7,577,940	7,577,940
Miscellaneous Revenues	455,169	345,100	345,100	345,100	345,100
Gain/Loss on Sale of Property	0	0	0	0	0
Total Revenues	\$ 20,864,616	\$ 20,494,040	\$ 20,506,792	\$ 20,758,467	\$ 21,015,176
(To) From General Fund	0	0	0	0	0
(To) From Contributions in Aid	0	0	0	0	0
(To) From Capital Projects	(62,564)	(1,575,725)	0	0	0
(To) From Retained Earnings	654,765	1,524,108	0	0	0
Total Resources	\$ 21,456,817	\$ 20,442,423	\$ 20,506,792	\$ 20,758,467	\$ 21,015,176
 Expenditures:					
Central Automotive Maintenance	\$ 21,456,817	\$ 20,442,423	\$ 20,506,792	\$ 20,758,467	\$ 21,015,176
Total Expenditures	\$ 21,456,817	\$ 20,442,423	\$ 20,506,792	\$ 20,758,467	\$ 21,015,176
Retained Earnings June 30	\$ 7,030,975	\$ 5,506,867	\$ 5,506,867	\$ 5,506,867	\$ 5,506,867

Three Year Forecast Revenues and Expenditures Technology Replacement



Fiscal Years 2015 through 2018 are estimated.

TECHNOLOGY REPLACEMENT FUND

(Fund 6101)

The Technology Replacement Fund, established in FY2001 as an Internal Service Fund, was created to develop a method of replacing computer equipment on a regular schedule. The goal of the fund is to establish a means to pay for computer equipment and reduce the impact of large one-time computer purchases in a given year. Resources for this fund come from interdepartmental charges and the General Fund. In FY2004, the Technology Replacement Fund approach obtained a National Association of Counties award for Financial Innovation. Prior to that, American City and County magazine cited this funding mechanism as an example of how to minimize incremental expenditure increases for technology related items.

Revenues

Assumptions

Accumulated Technology Replacement represents the funds collected from the departments participating in the technology replacement program. Charges are collected to pay for replacement of computer equipment in the future. By FY2017, it is believed that funding should be reinstated to the various departments so that they will be able to once again absorb this annual charge. The FY2017 forecast of \$2.0 million represents an estimate of the equipment that is currently located in all of the participating departments. The FY2018 forecast of \$2.5 million reflects the addition of \$500,000 to cover the future computer equipment replacement costs for the new Libbie Mill and Varina Area Libraries. As a side note, an inventory of all departmental equipment is planned to re-evaluate current value.

(To) From General Fund is the transfer from the General Fund for the initial purchase of computer equipment. The FY2016 forecast reflects a transfer of \$1.0 million. This transfer is necessary in order to revitalize the program as the Technology Replacement Fund's fund balance has been depleted as a result of the removal of funding in FY2013 from the departments that participate in the program.

(To) From Technology Replacement Fund Retained Earnings is used to accumulate a reserve for the purchase of replacement computer equipment, when the original equipment has reached the end of its useful life.

Expenses

Assumptions

The development of the Technology Replacement Fund budget assumes revenues and transfers will support expenditures in future years. For FY2016, the Technology Replacement Fund expenses are projected to be \$2,317,152. For FY2017,

forecasted expenses are projected to be \$3,109,317 and in FY2018, expenses are projected to be \$2,412,140. The FY2017 and FY2018 forecasts assume that all items in the Fund, which qualify for replacement, will be purchased on a pre-determined schedule.

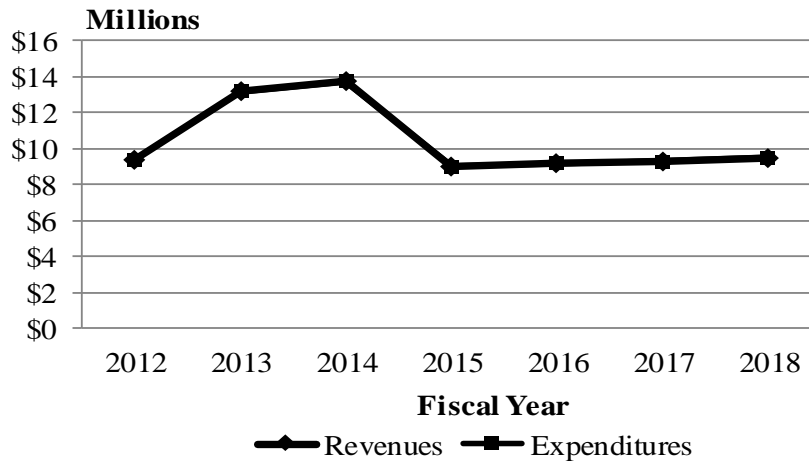
Retained Earnings, June 30, 2014, is \$5,071,512. The impact of anticipated resources, including operating transfers and expenditures on the ending balance, is projected for each fiscal year of the forecast period.

Technology Replacement Internal Service Fund Forecast

	FY 13-14 Actual	FY 14-15 Original	FY 15-16 Forecast	FY 16-17 Forecast	FY 17-18 Forecast
Revenues:					
Accumulated Technology Replacement - General Fund	\$ 0	\$ 0	\$ 0	\$ 1,947,600	\$ 2,447,600
Accumulated Technology Replacement - Special Revenue	0	0	0	45,000	45,000
Accumulated Technology Replacement - Belmont	0	0	0	3,000	3,000
Accumulated Technology Replacement - JRJDC	0	0	0	2,100	2,100
Accumulated Technology Replacement - Risk Mgmt	0	0	0	2,300	2,300
Transfer from General Fund	0	1,000,000	1,000,000	0	0
(To) From Retained Earnings - Technology Replacement	1,449,677	1,043,083	1,317,152	1,109,317	(87,860)
Total Revenues	\$ 1,449,677	\$ 2,043,083	\$ 2,317,152	\$ 3,109,317	\$ 2,412,140
Expenditures:					
Technology Equipment	\$ 1,449,677	\$ 2,043,083	\$ 2,317,152	\$ 3,109,317	\$ 2,412,140
Total Expenditures	\$ 1,449,677	\$ 2,043,083	\$ 2,317,152	\$ 3,109,317	\$ 2,412,140
Retained Earnings June 30*	\$ 5,071,512	\$ 4,028,429	\$ 2,711,277	\$ 1,601,960	\$ 1,689,820

*Retained Earnings are designated for future technology replacement costs. There is no undesignated balance within the Technology Replacement Fund.

**Three Year Forecast
Revenues and Expenditures
Risk Management**



Fiscal years 2015 through 2018 are estimated

RISK MANAGEMENT

(Fund 6301)

The Risk Management Fund was established in FY2004-05 as an Internal Service Fund. Prior to this date, costs associated with this function were expended in the General Fund. Because Risk Management provides services to all agencies, including education, across all funds, the budget is more properly captured within the Internal Service Fund Series. Resources for this fund are primarily provided by a transfer from the General Fund as well as interdepartmental charges from Public Utilities. Risk Management provides protection from accidental losses arising out of the County and Public School operations, including workers’ compensation, automobile, property, and liability claims.

Revenues

Assumptions

Public Utilities Charges are based on actual claims cost and a pro rata share of the insurance costs expended by the Department of Public Utilities in the Water and Sewer Enterprise Fund (Fund 5101). Each fiscal year, the Risk Management Internal Service Fund receives a reimbursement from expenses associated with the Public Utilities’ Water and Sewer Enterprise Fund in the prior fiscal year. Projected billings for FY2016-17 and FY2017-18 have increased to \$750,000 per year, from the FY2014-15 projection of \$629,403 based on an analysis of prior year actual costs.

Recovered Costs - Miscellaneous includes recovered costs associated with property and liability as well as workers’ compensation.

Use of Money and Property represents interest on the certificate of deposit for self-insurance.

(To) From General Fund represents the transfer from the General Fund for approximately 92 percent of the forecasted revenues associated with this fund. A transfer from the General Fund totaling \$8,397,952 is anticipated for FY2015-16, with a 2.0 percent increase projected for FY2016-17 and FY2017-18.

Expenditures

Assumptions

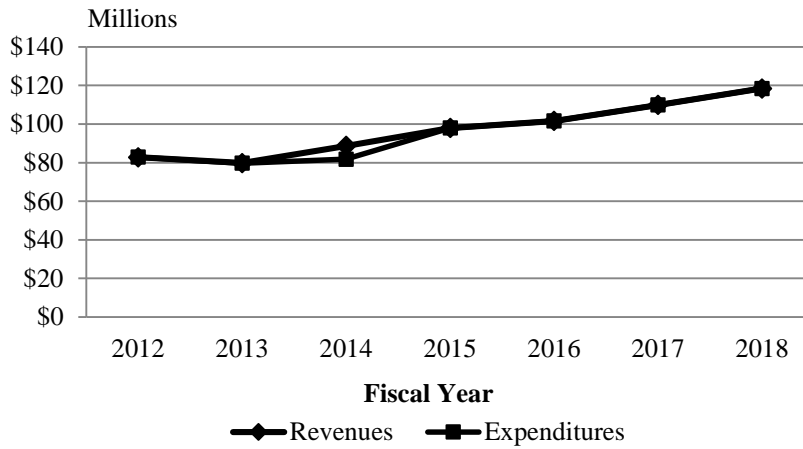
The development of the Risk Management Fund budget assumes revenues and transfers will support expenditures in future years. For FY2016-17 and FY2017-18, Internal Service Fund expenses are projected to grow at an annual rate of approximately 2.0 percent. Due to the unpredictable nature of expenditures, the budget is kept relatively flat with only a small incremental increase built into the forecast. The budget is amended annually on a case-by-case basis with funding provided by the Self-Insurance Reserve, which is a designated reserve within the County's General Fund Balance.

Self-Insurance Reserve, June 30, 2014, totals \$7,500,000. The County has designated this amount in the General Fund's fund balance specifically for self-insurance.

Risk Management Internal Service Fund Forecast

	<u>FY13-14 Actual</u>	<u>FY14-15 Original</u>	<u>FY15-16 Forecast</u>	<u>FY16-17 Forecast</u>	<u>FY17-18 Forecast</u>
Revenues:					
Public Utilities Charges	\$ 912,237	\$ 629,403	\$ 750,000	\$ 750,000	\$ 750,000
Recovered Costs - Misc	429,104	-	-	-	-
Use of Money and Property	10,270	-	-	-	-
Total Revenues	<u>\$ 1,351,611</u>	<u>\$ 629,403</u>	<u>\$ 750,000</u>	<u>\$ 750,000</u>	<u>\$ 750,000</u>
(To) From General Fund	<u>\$ 12,359,962</u>	<u>\$ 8,411,454</u>	<u>\$ 8,397,952</u>	<u>\$ 8,565,911</u>	<u>\$ 8,737,229</u>
Total Resources	<u><u>\$ 13,711,573</u></u>	<u><u>\$ 9,040,857</u></u>	<u><u>\$ 9,147,952</u></u>	<u><u>\$ 9,315,911</u></u>	<u><u>\$ 9,487,229</u></u>
Expenditures:					
Risk Management	<u>\$ 13,711,573</u>	<u>\$ 9,040,857</u>	<u>\$ 9,147,952</u>	<u>\$ 9,315,911</u>	<u>\$ 9,487,229</u>
Total Expenditures	<u><u>\$ 13,711,573</u></u>	<u><u>\$ 9,040,857</u></u>	<u><u>\$ 9,147,952</u></u>	<u><u>\$ 9,315,911</u></u>	<u><u>\$ 9,487,229</u></u>
Self-Insurance Reserve	<u><u>\$ 7,500,000</u></u>	<u><u>\$ 7,500,000</u></u>	<u><u>\$ 7,500,000</u></u>	<u><u>\$ 7,500,000</u></u>	<u><u>\$ 7,500,000</u></u>

**Three Year Forecast
Revenues and Expenditures
Healthcare Fund**



Fiscal years 2015 through 2018 are estimated

HEALTHCARE FUND

(Fund 6401)

Effective January 1, 2008, Henrico County’s healthcare program transitioned to a self-insurance program. Prior to this transition, the County’s healthcare program operated as a fully insured program, which, in exchange for the payment of a premium, an insurance company assumed the risk, administered the program, and paid all claims. With the transition to a self-insured program, the County pays claims and third party administrative fees. Self-insurance allows the County to more fully control all aspects of the plan, including setting rates to smooth out the impact of cost increases on employees and the County, while maintaining adequate funding to cover claims, expenses, and reserves. The cost to fund healthcare expenses is covered by payments from active employees, the County and the School Board, retirees, and retention of interest earnings. The County and Schools contributions are budgeted in departmental budgets, and the Healthcare Fund charges departments based upon actual participants in the program. Revenues to the Healthcare Fund in excess of expenditures accumulate in a premium stabilization reserve, which allows the County to maintain rate increases at manageable levels.

Revenues

Assumptions

County Contribution – Active reflects the County’s contributions for active General Government and Schools employees budgeted within each respective department. For General Government employees, the County calculates a blended rate for each County employee for healthcare calculation purposes. Schools, on the other hand, estimates healthcare costs for each individual eligible employee based on the plan in which they participate. The forecast for FY2015-16 reflects an increase in the County’s contribution for active employees of 3.1 percent. The forecasts for FY2016-17 and FY2017-18 assume rate increases of 6.0 percent annually, as well as 2.0 percent annual enrollment growth.

Employee Contribution represents contributions from active General Government and Schools employees toward their respective individual healthcare plans. The forecast for FY2015-16 reflects an overall increase of 3.0 percent, which assumes a rate increase of 2.9 percent in calendar year 2015 (which will impact the first half of FY2015-16). The forecasts for FY2016-17 and FY2017-18 assume rate increases of 6.0 percent annually, as well as 2.0 percent annual enrollment growth.

Retiree Contribution reflects rate payments by County retirees under 65 years of age that continue to participate in the County's healthcare program. The forecast for FY2015-16 reflects an increase of 3.0 percent, assuming a rate increase of 2.9 percent in calendar year 2015 (which will impact the first half of FY2015-16). The forecasts for FY2016-17 and FY2017-18 assume rate increases of 8.0 percent, respectively.

Retiree Subsidy and **Disabled Subsidy** represent County contributions to retiree healthcare plans. The Disabled Subsidy reflects the healthcare subsidy provided to disabled retirees prior to January 1, 2003. The Disabled Subsidy forecast for FY2016-17 through FY2017-18 remains flat. For retirees after January 1, 2003, the healthcare supplement is referred to as a Retiree Subsidy, and is provided to County retirees with a minimum of 20 years in the Virginia Retirement System (VRS) of which 10 years must be with Henrico County. The total subsidy is calculated based on each full year of VRS service. The forecast for the Retiree Subsidy reflects an increase of 11.4 percent in FY2015-16. In addition, 5.0 percent annual increases are projected for FY2016-17 and FY2017-18 based upon the anticipated rate of employee retirement for which the Retiree Subsidy is applicable.

COBRA reflects rate payments from eligible COBRA participants. Under the Consolidated Omnibus Reconciliation Act of 1985 (COBRA), extended coverage for healthcare may be purchased (at the participant's expense) for former participants of the County's healthcare program and their qualified beneficiaries, if coverage is lost under a group plan due to termination of employment or a reduction of work hours. The cost to COBRA participants is the full plan rate for that calendar year.

Recoveries and Rebates represent small, one-time miscellaneous recovered cost and rebate revenues related to the Healthcare Fund.

Interest Income reflects interest earned throughout the fiscal year on bank balances relating to the Healthcare Fund. The annual forecast for this revenue remains flat at \$75,000.

(To) From Premium Stabilization Reserve reflects the amount of funding either added to or utilized from the Premium Stabilization Reserve in each respective fiscal year. The FY2015-16 Approved Budget assumes the use of \$1,815,970 from the Premium Stabilization Reserve to help offset the healthcare cost increase to the County. The FY2014-15 budgeted amount represents an estimation of costs associated with the Transitional Reinsurance fee and Patient Centered Outcomes Research fee, which are mandatory costs imposed under the Affordable Care Act. The forecast for FY2016-17 and FY2017-18 assumes that no funds from the Premium Stabilization Reserve will be utilized. To forecast the amount of funding to be added to or utilized from the Premium Stabilization Reserve is a difficult task, as the amount of claims paid by the Healthcare Fund fluctuates each fiscal year. It must be noted that consideration of funding additions to or subtractions from the Premium Stabilization Reserve must be recognized when calendar year plan rates are established. As such, unless there is a planned utilization of funds from the reserve any given year, the intent of the Healthcare Fund is to generate a positive revenue variance as compared to expenditures, yielding an addition to the Premium Stabilization Reserve.

Expenditures

Assumptions

Claims expenditures reflect the County's cost of service for each participant in the program. In other words, these expenditures reflect the cost of healthcare services and pharmaceutical requirements for enrolled participants outside of any co-pay the program participant is responsible for per the defined benefit structure. The forecast for FY2015-16 assumes an increase in claims expenditures by 4.4 percent, and the forecasts for FY2016-17 and FY2017-18 assume increases of 6.6 percent and 8.4 percent, respectively.

Other Administrative Fees represent the cost of third party administrative fees, the costs of an annual actuarial study and claims audit, and the premium payment for excess risk insurance. The County's excess risk insurance protects the County from any individual claim greater than \$500,000 and total annual payments that exceed 125.0 percent of actuarially projected annual claims. The FY2015-16 budget also includes funding for costs related to the County's healthcare consultant, as well as costs associated with the Affordable Care Act (ACA), which include \$815,970 for a Transitional Reinsurance Fee and \$35,000 for a Patient Centered Outcomes Research Institute (PCORI) fee. The FY2015-16 budget also reflects the payment from the County's healthcare administrator in the amount of \$150,000 to support the Wellness Program initiative.

The forecast for FY2015-16 projects a decrease in other administrative fee costs of 4.2 percent. The decrease is attributable to a reduction in the ACA's Transitional Reinsurance Fee annual per capita contribution rate for 2015 being reduced to \$44 per covered life, from \$63 per covered life in 2014. The forecasts for FY2016-17 and FY2017-18 assume no change in other administrative fee costs.

Premium Stabilization Reserve (PSR)

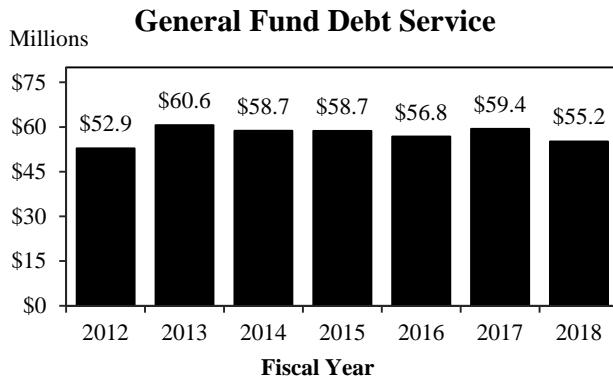
The Healthcare Fund's **Premium Stabilization Reserve (PSR)** reflects the accumulation of annual revenues collected in excess of expenditures. This reserve allows the County to maintain annual rate increases at manageable levels. For example, in FY2015-16, approximately \$1.8 million from the PSR is designated for use in the Annual Fiscal Plan to minimize rate increases to the County. As of June 30, 2014, the PSR has a balance of \$19,453,949, prior to consideration of the County's "Incurred But Not Reported" liability referenced below.

Incurred But Not Reported (IBNR) represents an actuarially estimated dollar amount of claims that have been incurred by program participants but have not yet been reported by the healthcare provider as of June 30, 2014. Because these claims have not yet been reported, IBNR must be included as an offset to the Premium Stabilization Reserve to accurately calculate the "**Uncommitted PSR,**" which reflects the true available balance that can be utilized. IBNR also reflects the total cost to the County if the decision were made to revert back to a fully insured healthcare program. Because IBNR will fluctuate annually, and is difficult to predict, this forecast reflects no change from the IBNR estimate as of June 30, 2014 in future years.

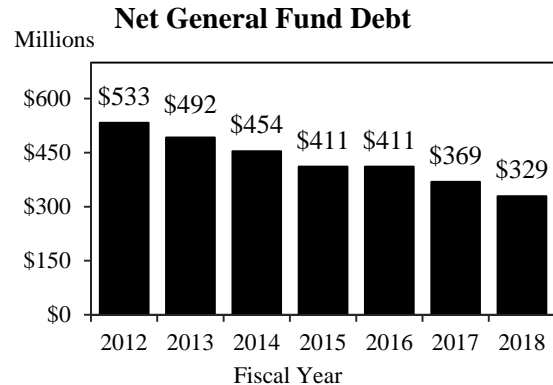
Healthcare Internal Service Fund Forecast

	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18
	Actual	Original	Forecast	Forecast	Forecast
Revenues:					
County Contribution - Active	\$ 65,055,910	\$ 70,847,430	\$ 73,041,136	\$ 78,884,427	\$ 85,195,181
Employee Contribution	16,818,160	17,828,171	18,363,017	19,832,058	21,418,623
Retiree Contribution	5,373,835	6,692,789	6,893,572	7,445,058	8,040,663
Retiree Subsidy	639,682	771,994	859,701	902,686	947,820
Disabled Subsidy	74,980	133,582	117,623	270,000	270,000
COBRA	234,016	326,687	336,487	363,406	392,479
Healthcare - Wellness Payment	412,732	150,000	150,000	150,000	150,000
Interest Income	99,853	75,000	75,000	75,000	75,000
Total Revenues	<u>\$ 88,709,168</u>	<u>\$ 96,825,653</u>	<u>\$ 99,836,536</u>	<u>\$ 107,922,635</u>	<u>\$ 116,489,765</u>
(To) From Premium Stabilization Fund	\$ (6,913,331)	\$ 1,126,710	\$ 1,815,970	\$ -	\$ -
Total Resources	<u>\$ 81,795,837</u>	<u>\$ 97,952,363</u>	<u>\$ 101,652,506</u>	<u>\$ 107,922,635</u>	<u>\$ 116,489,765</u>
Expenditures:					
Claims	77,118,274	91,315,363	95,299,536	101,569,665	110,136,795
Other Administrative Fees	\$ 4,677,563	\$ 6,637,000	\$ 6,352,970	\$ 6,352,970	\$ 6,352,970
Total Expenditures	<u>\$ 81,795,837</u>	<u>\$ 97,952,363</u>	<u>\$ 101,652,506</u>	<u>\$ 107,922,635</u>	<u>\$ 116,489,765</u>
Premium Stabilization Reserve (PSR):					
Premium Stabilization Reserve (PSR)	19,453,949	18,327,239	16,511,269	16,511,269	16,511,269
Incurred But Not Reported (IBNR)	\$ (7,430,000)	\$ (7,430,000)	\$ (7,430,000)	\$ (7,430,000)	\$ (7,430,000)
Uncommitted PSR	<u>\$ 12,023,949</u>	<u>\$ 10,897,239</u>	<u>\$ 9,081,269</u>	<u>\$ 9,081,269</u>	<u>\$ 9,081,269</u>

Three Year Forecast Revenues and Expenditures Debt Service Fund



Fiscal Years 2015 through 2018 are estimated.



Fiscal Years 2015 through 2018 are estimated.

DEBT SERVICE FUND

(Fund 71)

The Debt Service Fund accounts for the accumulation of financial resources for payment of interest and principal on all governmental fund long-term debt, except accrued compensated absences and capital lease obligations, which are paid by the fund incurring these expenses. Debt Service Fund resources can include transfers from the General Fund and Capital Projects Fund. Miscellaneous revenue includes capitalized interest and reimbursements from other localities and the State. Debt service requirements for bonds issued by the County's Water and Sewer Utility are accounted for in the Enterprise Fund. Debt service on bonds issued by the James River Juvenile Detention Center Commission (JRJDC), for construction of the facility, is accounted for in the JRJDC Agency Fund. However, the outstanding principal and debt service of the JRJDC are considered County obligations when calculating the County's debt ratios.

Revenues

Assumptions

(To) From General Fund represents the transfer of local resources to support debt service requirements. Debt service requirements in fiscal years 2015 through 2018 are calculated on existing debt service and anticipated debt service. The County citizens approved a General Obligation (G.O.) Bond referendum that was included on the November 2000 ballot. The referendum included School construction projects totaling \$170,500,000, and General Government projects totaling \$66,500,000. The G.O. Bond funding for these projects was issued between FY2001 and FY2007. The County citizens again approved a G.O. Bond referendum that was included on the March 2005 ballot. The referendum included School construction projects totaling \$220,000,000, and General Government projects totaling \$129,300,000. The funding for these projects was anticipated from seven G.O. Bond issues between FY2006 and FY2013.

Also included in these assumptions is the issue of \$39,100,000 of debt for the replacement of the 800 MHz Communication System used by Henrico's public safety agencies. It is projected this issue will occur in FY2016.

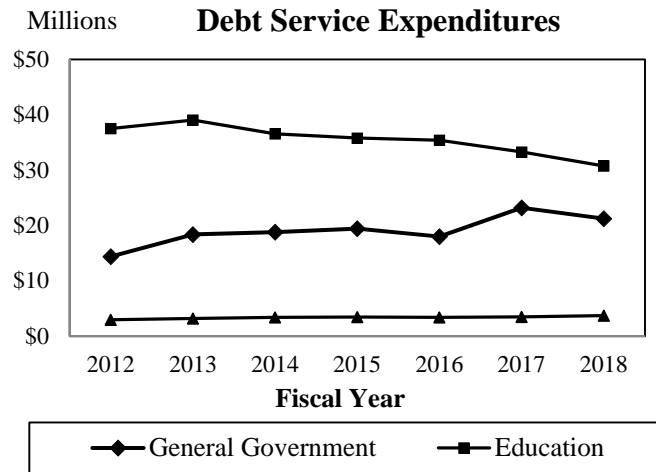
(To) From Fund Equity represents the use of resources accumulated as a result of differences in actual versus projected debt service costs. The savings results from two factors, which are difficult to predict in projecting debt service payments for anticipated bond issues. One is the timing and structure of the actual bond issue and the other factor is the favorable interest rates the County receives as a result of Henrico's triple AAA bond rating. Fund equity provides an additional source of funding for debt service or pay-as-you-go funding source for capital projects.

(To) Capital Projects Fund represents the transfer of excess accumulated debt service fund equity for funding pay-as-you-go capital projects. It could also represent the utilization of interest earnings from bond proceeds to help offset debt service payments. The use of debt service fund equity is one-time in nature and must be used for a one-time expenditure.

Expenditures

Assumptions

Debt Service - General Government includes principal and interest payments on General Obligation (G.O.) Bond issues and Industrial Development Authority (IDA) Lease Revenue Bond issues. These obligations fund a variety of projects including parks, libraries, fire stations, a radio communication system, a parking deck, a communication/training facility, as well as technology initiatives. The only debt projected to be issued during the forecast period is associated with the replacement of the public safety communications system, a cost estimated at \$60.9 million, of which \$39.1 million is anticipated to be financed. This debt is projected to be issued in FY2015-16. The full impact of this debt issue is forecasted in FY2016-17 for an estimated \$5.5 million debt service obligation.



Fiscal Years 2015 through 2018 are estimated.

Debt Service - Education includes principal and interest payments on Education General Obligation (G.O.) Bonds, Virginia Public School Authority (VPSA) Bonds, and Literary Fund Loans. These obligations support construction and improvement of facilities operated by the County's School System. With all debt issued for the 2005 G.O. Bond Referendum, no additional debt service is projected at this time.

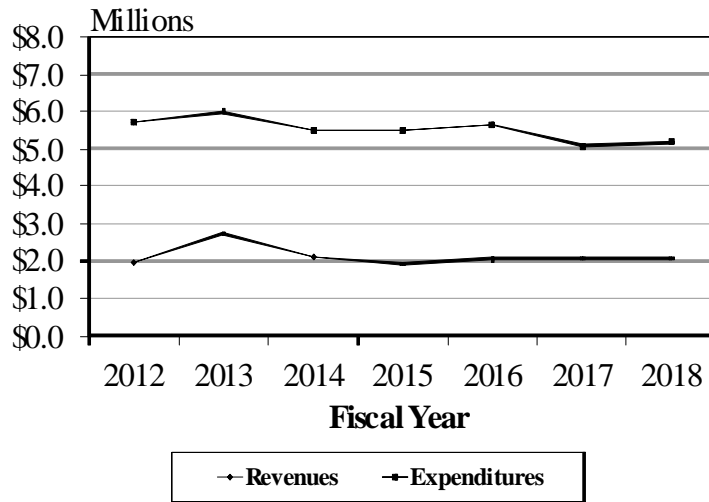
Debt Service - Public Works includes principal and interest payments on General Obligation (G.O.) Bonds issued to support road improvements throughout the County.

Debt Service Fund Forecast

	FY 2014 Actual	FY2015 Approved	FY2016 Forecast	FY2017 Forecast	FY2018 Forecast
Revenues:					
(To) From General Fund	\$ 58,744,833	\$ 58,694,837	\$ 54,805,548	\$ 59,981,646	\$ 55,722,535
(To) From Fund Equity	0	0	0	0	0
(To) From Capital Projects Fund	0	0	2,000,000	0	0
Miscellaneous Revenue	0	0	0	0	0
Total Revenues	\$ 58,744,833	\$ 58,694,837	\$ 56,805,548	\$ 59,981,646	\$ 55,722,535
Expenditures:					
Debt Service - General					
Government	\$ 18,787,305	\$ 19,429,832	\$ 17,999,230	23,195,694	21,235,323
Debt Service - Education	36,565,166	35,799,793	35,411,580	33,292,773	30,757,369
Debt Service - Public Works	3,392,362	3,465,212	3,394,738	3,493,179	3,729,843
Total Expenditures	\$ 58,744,833	\$ 58,694,837	\$ 56,805,548	\$ 59,981,646	\$ 55,722,535
Fund Equity*	\$ 757,411	\$ 757,411	\$ 757,411	\$ 757,411	\$ 757,411

*Represents balance that has accumulated in the Debt Service Fund over a period of years.

Three Year Forecast Revenues and Expenditures JRJDC Agency Fund



Fiscal Years 2015 through 2018 are estimated.
Revenues exclude transfers from other funds.

JRJDC AGENCY FUND

(Fund 82)

The JRJDC Agency Fund, created in December 1998, accounts for revenues and expenditures related to the James River Juvenile Detention Center (JRJDC). The JRJDC Commission includes Goochland, Powhatan, and Henrico counties. Henrico, as the majority partner, serves as fiscal agent for the Commission, thereby eliminating duplicate administrative functions for personnel, procurement, accounting, and budget responsibilities. Construction of the sixty-bed facility, located in Powhatan County, began in the spring of 1999, and the facility opened in April, 2001.

JRJDC Operations and Debt Subfunds (Fund 8201 & 8202)

Revenues

Assumptions

Revenue from the Commonwealth represents funding from the State, received quarterly, for day-to-day operational costs of the facility. As there is uncertainty in the level of future funding from the State, conservative revenue estimates will continue to be utilized. Annual revenue of \$1,631,369 is forecast for the period from FY2016 to FY2018.

Revenue from Goochland/Powhatan is funding from Goochland and Powhatan for each county's 6.7 percent share of operating costs of the facility. Per the JRJDC Commission's agreement, Powhatan and Goochland have four beds each in the sixty-bed facility. Revenues from Goochland and Powhatan combined are projected at \$423,888 for FY2016, \$432,366 for FY2017, and \$441,014 for FY2018.

To (From) General Fund represents Henrico County's share of operation and debt costs. Per the JRJDC agreement, Henrico has fifty-two beds. The Commission will bill Henrico 86.6 percent of operational costs. This transfer also includes funds for principle and interest payments on the \$7.125 million of bonds issued in November, 2000 for facility construction. The projected outstanding balance as of June 30, 2015 is \$650,000. As majority partner, Henrico is responsible for debt service payments projected at \$671,327 in FY2016, which will complete the bond payments. Goochland made a one-time payment of \$511,646 in FY2001. Powhatan was relinquished of debt responsibility, since the facility is located in that county.

To (From) Retained Earnings is the anticipated difference between revenues and expenditures. The use of Fund Equity is projected at \$169,762 for FY2016, \$205,785 for FY2017, and \$242,528 for FY2018. Although use of fund equity is projected throughout the forecast period, it should be noted that historically, use of fund equity has been markedly less than projections, due to expenditure savings as well as the realization of miscellaneous revenues that are not reliable enough to fall within the budget structure of the JRJDC.

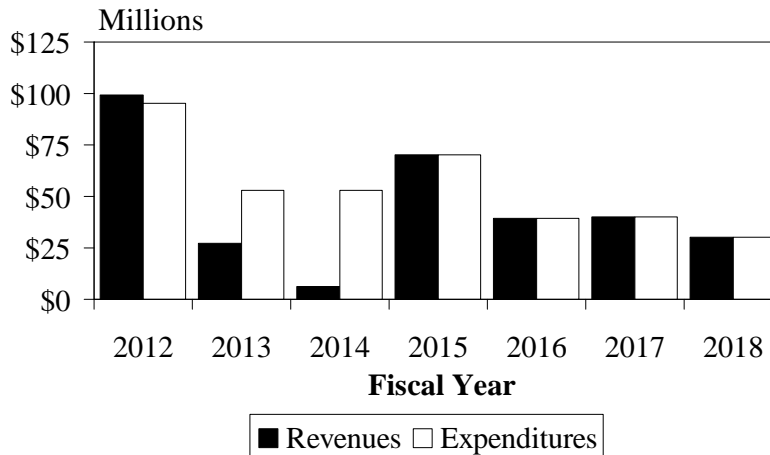
Expenditures

Assumptions

James River Juvenile Detention Center includes the personnel, operating, and capital expenditures required to operate the facility. The JRJDC Agency Fund requirements for the forecast period are expected to grow at an annual rate of 2.0 percent. This level of operational funding allows for operational adjustments for actual costs incurred in the day-to-day operations of the James River Juvenile Detention Center.

	<u>FY13-14</u> <u>Actual</u>	<u>FY14-15</u> <u>Original</u>	<u>FY15-16</u> <u>Forecast</u>	<u>FY16-17</u> <u>Forecast</u>	<u>FY17-18</u> <u>Forecast</u>
JRJDC Operations and Debt Service Subfunds					
Revenues:					
Revenue from Commonwealth	\$ 1,596,771	\$ 1,513,273	\$ 1,631,369	\$ 1,631,369	\$ 1,631,369
Revenue from Federal Govt	84,870	0	0	0	0
Revenue from Goochland	205,892	201,851	211,944	216,183	220,507
Revenue from Powhatan	205,892	201,851	211,944	216,183	220,507
Other Localities	5,478	0	0	0	0
Recovered Costs	0	0	0	0	0
Interest Income	7,243	0	0	0	0
Total Revenues	<u>2,106,146</u>	<u>1,916,975</u>	<u>2,055,257</u>	<u>2,063,735</u>	<u>2,072,382</u>
Plus:					
(To) From Construction Subfund	0	0	0	0	0
(To) From General Fund	3,272,393	3,297,020	3,426,586	2,810,364	2,866,571
(To) From Retained Earnings	113,289	268,002	169,762	205,785	242,528
Total Resources	<u>\$ 5,491,828</u>	<u>\$ 5,481,997</u>	<u>\$ 5,651,605</u>	<u>\$ 5,079,884</u>	<u>\$ 5,181,481</u>
Expenditures:					
James River Juvenile Detention Center	\$ 4,823,479	\$ 4,809,033	\$ 4,980,278	\$ 5,079,884	\$ 5,181,481
Debt Service	668,349	672,964	671,327	0	0
Total Expenditures	<u>\$ 5,491,828</u>	<u>\$ 5,481,997</u>	<u>\$ 5,651,605</u>	<u>\$ 5,079,884</u>	<u>\$ 5,181,481</u>
Ending Retained Earnings	<u>\$ 2,545,383</u>	<u>\$ 2,277,381</u>	<u>\$ 2,107,619</u>	<u>\$ 1,901,834</u>	<u>\$ 1,659,307</u>

Three Year Forecast Revenues and Expenditures Capital Projects Fund



Fiscal Years 2015 through 2018 are estimated.

CAPITAL PROJECTS FUND

(Fund 21)

The Capital Projects Fund accounts for all general government and school system capital projects, which are financed through a combination of general obligation bonds and operating transfers from the General Fund and Special Revenue Fund.

The County of Henrico adopts both an operating and capital budget annually. These two separate budgets, when combined, represent the total appropriation made by the Board of Supervisors each year. This “fund” forecast encompasses the County’s Capital Projects Fund, which is representative of the County’s capital budget. A separate narrative, found elsewhere in this document, includes the operating impact of approved capital projects on the County’s operating budget. The County of Henrico will not approve funding for a capital project in the capital budget unless all operating cost increases are known, and have been incorporated into the operating budget.

Revenues

Assumptions

Use of Money & Property represents the interest earned on the balance remaining within the Capital Projects Fund from bond proceeds and other sources of funding.

Miscellaneous Revenues includes payments received from other localities or other entities for shared capital project costs. The FY2016 forecast includes \$160,000 in other local revenue which was generated by a donation. This funding will be applied towards the Fire Station #19 project.

Intergovernmental Revenues include various State grants, Federal ARRA grants, VDOT Construction Aid Drawdown, and funds received from the Community Development Block Grant as reimbursement for project costs.

Debt Financing allows the County to meet its infrastructure needs without sacrificing other operational requirements. The Board of Supervisors must authorize the issuance of debt, which will only be sought once an affordability analysis has been performed.

Transfers:

(To) From General Fund is the transfer of non-bond resources from the General Fund. The FY2016 transfer of \$38,649,972 includes a \$5.0 million allocation for pay-as-you-go construction from General Fund balance is to be divided equally between General Government and Education to support various ongoing projects. The forecast includes a

\$10,430,000 allocation from the Designated Capital Reserve Fund balance, which will provide partial funding for the construction of Fire Station #19, Greenwood Park, and the Dumbarton Library Repurpose project. General Fund revenues of \$1.0 million and Capital Initiatives funding of \$1.0 million will provide additional funding for the Greenwood Park project. Building Inspections' Permit Fee revenue of \$500,000 is forecasted for Information Technology's Tidemark replacement project.

The FY2016 transfer includes the use of Education Meals Tax revenue of \$9.0 million and \$1,990,470 in FY2013-14 Meals Tax receipts for various maintenance and rehabilitation projects identified by Schools. The reserve that is tied to this revenue source will allow these funds to be appropriated on a project by project basis and will allow unspent balances to be returned to this reserve as a means of fully maximizing this revenue source.

The FY2016 transfer includes the use of \$6,531,502 in Public Works' reserve funding for various bridge rehabilitation projects. The forecast also includes the Motor Vehicle License Fee revenue of \$850,000, which supports various Public Works' ongoing projects. Dedicated General Fund resources of \$2,348,000 are included for an ongoing stormwater project which has been submitted to meet the County's Chesapeake Bay Total Maximum Daily Load (TMDL) permit requirement.

The FY2017 forecasted transfer of \$40,198,000 includes a \$5.0 million allocation for pay-as-you-go construction from General Fund balance for General Government and Schools to support various ongoing projects and includes \$20.0 million allocation from the Designated Capital Reserve Fund balance, which will provide the remaining funding needed for the final phase of the replacement of the County's radio communications system. The FY2017 forecasted transfer also includes \$9.0 million from Education Meals Tax revenue, \$2.0 million of prior year additional Meals Tax receipts, \$2,348,000 of dedicated stormwater funding, and \$850,000 from Motor Vehicle License Fee revenue. The FY2018 forecast of \$30,198,000 mirrors the FY2017 forecast with the exception the Designated Capital Reserve Fund balance, which is forecasted at a cost of \$10.0 million for the Greenwood Park development project.

(To) From Special Revenue Fund is the transfer of non-bond resources from the Special Revenue Fund. In the FY2016, FY2017, and FY2018 forecast, Special Revenue Fund balance of \$500,000 has been dedicated for the phased replacement of the Fire Station Alerting System.

Expenditures

Assumptions

Capital Project Expenditures over the three-year forecast period are requested at \$109,705,972. General Fund balance expenditures for the three-year period total \$15.0 million of which \$7.5 million has been designated for Schools and the remaining \$7.5 million is designated for General Government. Forecasted FY2016 expenditures which have been designated for Schools will cover mechanical improvements of \$1,607,500 and roof replacements of \$892,500. The remaining \$2.5 million for General Government includes \$600,000 for Information Technology projects, \$550,000 for mechanical improvements, \$500,000 for Recreation facility rehabilitation projects, \$400,000 for pavement rehabilitation projects, \$300,000 for roof replacement and rehabilitation projects, and \$150,000 for the Geographic Information System project. FY2017 and FY2018 expenditures are forecasted at \$5.0 million per year, with Education and General Government each receiving \$2.5 million, respectively.

Designated Capital Reserve Fund balance expenditures for the three-year period total \$40,430,000. FY2016 expenditures of \$10,430,000 provide partial funding for the construction of Fire Station #19 - \$6,240,000, Greenwood Park - \$4,000,000, and the Dumbarton Library Repurpose project - \$190,000. FY2017 forecasted expenditures totaling \$20.0 million have been dedicated to fund the final phase of the County radio communications system replacement project. FY2018 expenditures of \$10.0 million have been forecasted for the Greenwood Park development project. General Fund revenues of \$1.0 million and Capital Initiatives funding of \$1.0 million will provide additional funding for the Greenwood Park project in FY2016. Permit Fee revenue for the three-year period totals \$1.5 million for Information Technology's Tidemark replacement project.

Education Meals Tax revenue and prior year additional Meals Tax receipts combined are forecasted to generate \$32,990,470 over the three-year period which would provide funding for various Schools infrastructure projects. In FY2016, Public Works' reserve funding of \$6,351,502 will provide for various bridge rehabilitation projects. Dedicated stormwater funding is forecasted to generate \$7,044,000 million over a three-year period, which would allow for stormwater infrastructure projects required by the EPA as part of the Chesapeake Bay TMDL. The Motor

Vehicle License Fee revenue is forecasted to generate \$2,550,000 for the three year period which will cover on-going general construction.

Special Revenue fund balance of \$1.5 million over the three-year period will cover all remaining costs associated with the Fire Station Alerting System.

(To) From Capital Projects Fund Equity represents the change in accumulated construction appropriations based on projected resources and corresponding expenditures throughout the forecast period.

Capital Projects Fund Balance represents the estimated amount of available appropriations based on the addition of new resources less projected expenditures.

Below is a list of projects funded by the General Fund transfer in the Approved FY2014-15 and FY2015-16 Capital Budgets.

FY2015
From General Fund - \$27,076,467

Project	Total
Recreation Facility Rehabilitation	\$ 500,000
Geographic Information System	150,000
General Road Construction	800,000
Information Technology Projects	900,000
Education Meals Tax Project Reserve	9,000,000
Schools - Mechanical Improvement	2,150,000
Schools - Roof Replacement	350,000
Mechanical Improvements	600,000
Roof Replacement and Rehabilitation	50,000
Pavement Rehabilitation	300,000
Greenwood Park	1,000,000
Tidemark Replacement	500,000
Bridge Rehabilitation	8,751,467
Police Central Station	1,975,000
New Guardrails	50,000
Total From General Fund	\$ 27,076,467

FY2016
From General Fund - \$38,649,972

Project	Total
Recreation Facility Rehabilitation	\$ 500,000
Geographic Information System	150,000
General Road Construction	850,000
Information Technology Projects	600,000
Education Meals Tax Project Reserve	10,990,470
Schools - Mechanical Improvement	1,607,500
Schools - Roof Replacement	892,500
Mechanical Improvements	550,000
Roof Replacement and Rehabilitation	300,000
Pavement Rehabilitation	400,000
Greenwood Park	6,000,000
Tidemark Replacement	500,000
Bridge Rehabilitation	6,531,502
Fire Station #19	6,240,000
Dumbarton Library Repurpose	190,000
Chesapeake Bay TMDL Compliance	2,348,000
Total From General Fund	\$ 38,649,972

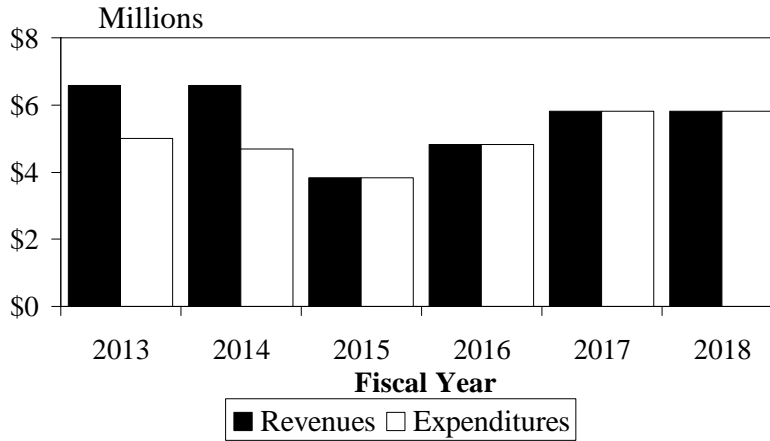
Capital Projects Fund Forecast

	FY 13-14 Actual	FY 14-15 Original	FY 15-16 Forecast	FY 16-17 Forecast	FY 17-18 Forecast
Resources:					
Revenues:					
Use of Money and Property	\$ 173,983	-	-	-	-
Miscellaneous Revenues	727,950	-	160,000	-	-
Intergovernmental	914,857	-	-	-	-
Subtotal Revenues	\$ 1,816,790	\$ -	\$ 160,000	\$ -	\$ -
Other Financing (Uses) Sources:					
Bonds:					
Debt Financing	\$ -	\$ 39,100,000	\$ -	\$ -	\$ -
Subtotal Bonds:	\$ -	\$ 39,100,000	\$ -	\$ -	\$ -
Transfers:					
(To) From General Fund:					
General Fund Balance	\$ 3,122,690	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Designated Capital Reserve	-	2,600,000	10,430,000	20,000,000	10,000,000
General Fund Revenue - License Fee	850,000	850,000	850,000	850,000	850,000
Public Works Reserve	-	8,751,467	6,531,502	-	-
Education Meals Tax	-	9,000,000	9,000,000	9,000,000	9,000,000
Meals Tax (Prior Year Addtl Receipts)	-	-	1,990,470	2,000,000	2,000,000
Permit Fee Revenue	-	500,000	500,000	500,000	500,000
HB#599 Revenue	-	375,000	-	-	-
Stormwater Dedication	-	-	2,348,000	2,348,000	2,348,000
General Fund Revenues	-	-	1,000,000	-	-
Capital Initiatives	-	-	1,000,000	-	-
Subtotal General Fund Transfers	\$ 3,972,690	\$ 27,076,467	\$ 38,649,972	\$ 39,698,000	\$ 29,698,000
Transfers:					
(To) From Special Revenue Fund:					
Landfill Fees	\$ 450,000	\$ 2,000,000	\$ -	\$ -	\$ -
Fund Balance - State and Fed Grants	-	500,000	500,000	500,000	500,000
Subtotal Special Revenue Fund	\$ 450,000	\$ 2,500,000	\$ 500,000	\$ 500,000	\$ 500,000
(To) From CAM Fund Balance					
Capital Projects	\$ -	\$ 1,575,725	\$ -	\$ -	\$ -
Total Resources and Transfers	\$ 6,239,480	\$ 70,252,192	\$ 39,309,972	\$ 40,198,000	\$ 30,198,000
Expenditures:					
General Government	\$ 17,970,675	\$ 47,150,725	\$ 16,090,000	\$ 23,500,000	\$ 13,500,000
Education	27,995,305	11,500,000	13,490,470	13,500,000	13,500,000
Public Works	4,424,813	9,601,467	9,729,502	3,198,000	3,198,000
Utilities - Landfill	2,483,863	2,000,000	-	-	-
Total Expenditures	\$ 52,874,656	\$ 70,252,192	\$ 39,309,972	\$ 40,198,000	\$ 30,198,000
(To) From Capital Projects	\$ 46,635,176	\$ 1,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000
Fund Equity					
Capital Projects Fund Balance	\$ 156,665,426	\$ 155,665,426	\$ 135,665,426	\$ 115,665,426	\$ 95,665,426

Notes:

Revenues and Expenditures in forecast years are based on anticipated appropriations.
 From Capital Projects Fund Balance is the use of cash to complete projects where funds were appropriated in prior years.
 To Capital Projects Fund Balance is the anticipated addition to Fund Balance of unspent current year appropriations.
 (*) Source - Trial Balance. Represents unspent balance as of 6/30/14.

**Three Year Forecast
Revenues and Expenditures
Vehicle Replacement Reserve Fund**



Fiscal Years 2015 through 2018 are estimated.

VEHICLE REPLACEMENT RESERVE FUND

(Fund 22)

The Vehicle Replacement Reserve was created in the FY2012-13 Capital Budget as a result of a revision to the County’s Fund Balance guidelines that generated one-time savings. Henrico’s internal policy of maintaining an undesignated fund balance equivalent to 18.0 percent of General Fund expenditures was lowered to 15.0 percent of General Fund expenditures at fiscal year-end June 30, 2012. The Vehicle Replacement Reserve funded the vehicle replacement programs for Education, Fire, and Police in FY2013 and FY2014 that were previously funded in the individual departmental operating budgets. Beginning with FY2015, in an effort to provide structure to the County’s finances, expenditures in the Vehicle Replacement Fund are now being supported by ongoing General Fund revenues. The Vehicle Replacement Fund falls under the Capital Projects Fund but has been assigned a separate fund in order to isolate expenditures for this specific purpose.

Revenues

Transfers:

(To) From General Fund is the transfer of resources from General Fund revenues. The FY2016 transfer totals \$4,824,800 and will fund the School Bus Replacement Program - \$1,000,000, the Fire Apparatus Replacement Program - \$1,500,000, and the Police Vehicle Replacement Program - \$2,324,800. The FY2017 and FY2018 transfers total \$5,824,800 respectively and reflect an additional \$1,000,000 for the School Bus Replacement Program which is to come from savings within the HCPS operating budget.

Expenditures

Assumptions

Vehicle Replacement Reserve Expenditures over the forecast period are requested at \$16,474,400. Expenditures for General Government total \$11,474,400 and include Fire’s Apparatus Replacement Program - \$4.5 million and Police’s Vehicle Replacement Program - \$6,974,400. Expenditures for Education’s School Bus Replacement Program total \$5.0 million over the forecast period.

(To) From Vehicle Replacement Fund Equity represents the change in accumulated vehicle appropriations based on projected resources and corresponding expenditures throughout the forecast period.

Vehicle Replacement Reserve Fund Balance represents the estimated amount of available appropriations based on the addition of new resources less projected expenditures.

Vehicle Replacement Reserve Fund Forecast

	FY 13-14 Actual	FY 14-15 Original	FY 15-16 Forecast	FY 16-17 Forecast	FY 17-18 Forecast
Resources:					
Transfers:					
(To) From General Fund:					
Designated Vehicle Replacement Reserve	\$ 6,574,800	\$ -	\$ -	\$ -	\$ -
General Fund Revenues	-	3,824,800	4,824,800	5,824,800	5,824,800
Subtotal General Fund Transfers	\$ 6,574,800	\$ 3,824,800	\$ 4,824,800	\$ 5,824,800	\$ 5,824,800
Total Resources and Transfers	<u>\$ 6,574,800</u>	<u>\$ 3,824,800</u>	<u>\$ 4,824,800</u>	<u>\$ 5,824,800</u>	<u>\$ 5,824,800</u>
Expenditures:					
General Government	\$ 2,839,250	\$ 3,824,800	\$ 3,824,800	\$ 3,824,800	\$ 3,824,800
Education	1,839,230	0	1,000,000	2,000,000	2,000,000
Total Expenditures	<u>\$ 4,678,480</u>	<u>\$ 3,824,800</u>	<u>\$ 4,824,800</u>	<u>\$ 5,824,800</u>	<u>\$ 5,824,800</u>
(To) From Vehicle Replacement Reserve Fund Equity	\$ 4,678,480	\$ -	\$ -	\$ -	\$ -
Vehicle Replacement Reserve Fund Balance*	<u>\$ 10,610,946</u>	<u>\$ 10,610,946</u>	<u>\$ 10,610,946</u>	<u>\$ 10,610,946</u>	<u>\$ 10,610,946</u>

Notes:

Revenues and Expenditures in forecast years are based on anticipated appropriations.
Fund Balance of unspent current year appropriations.

(*) Source - Trial Balance. Represents unspent balance as of 6/30/14.

GENERAL FUND

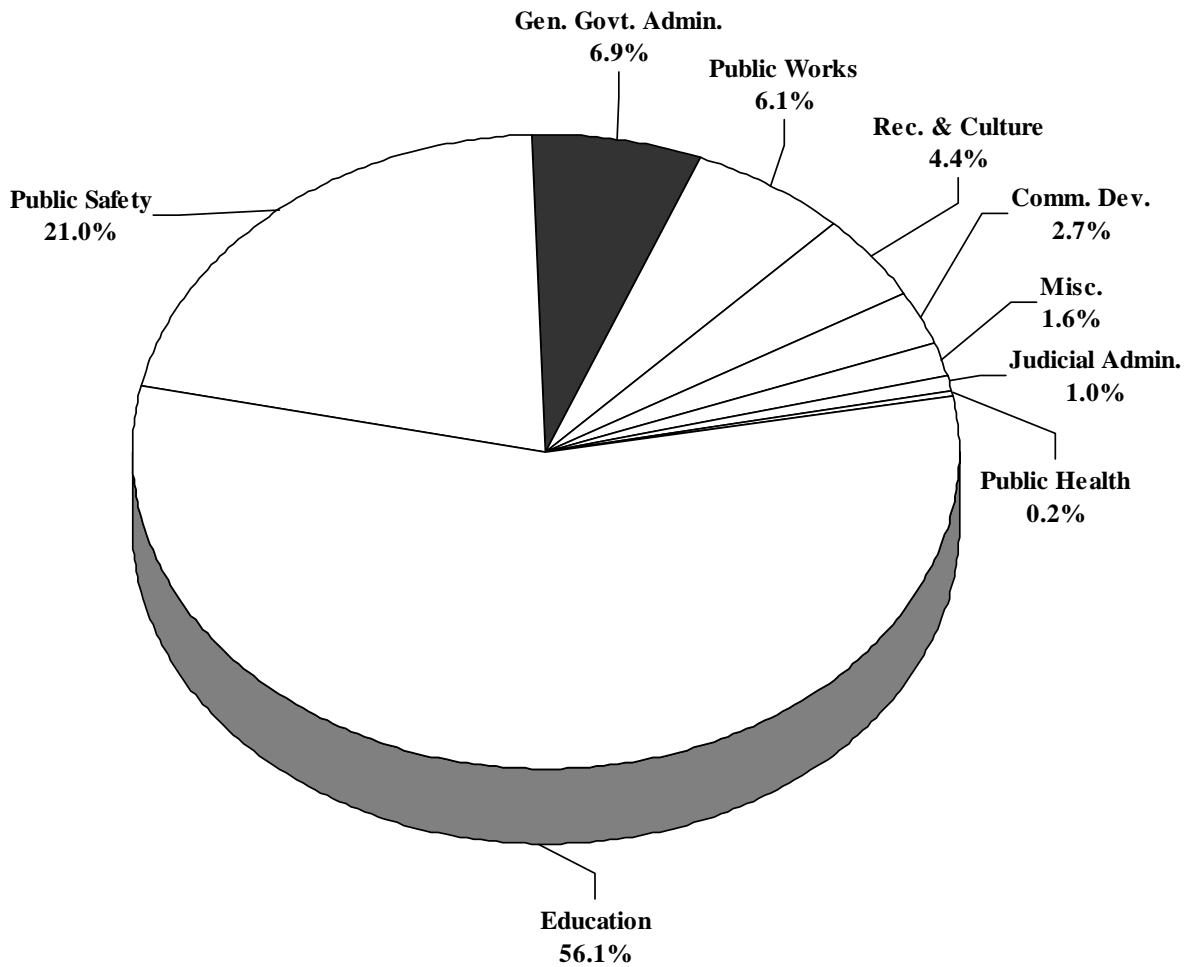
COUNTY OF HENRICO, VIRGINIA
APPROVED GENERAL FUND REVENUES
FY 2015-16

Revenues:	FY 13-14	FY 14-15	FY 15-16
Function/Program	Actual	Original	Approved
Revenue from Local Sources:			
General Property Taxes	\$364,719,543	\$394,675,000	\$408,950,000
Other Local Taxes	122,666,775	134,835,000	138,455,000
Permits, Fees, & Licenses	4,164,815	4,263,100	4,126,100
Fines & Forfeitures	2,649,202	2,590,000	2,590,000
From Use of Money & Property	3,285,015	7,915,600	7,915,600
Charges for Services	4,235,068	3,566,250	3,585,100
Miscellaneous	6,741,957	4,217,500	4,132,500
Recovered Costs	4,212,095	4,437,870	4,037,870
Total from Local Sources	<u>512,674,470</u>	<u>556,500,320</u>	<u>573,792,170</u>
Revenue from the Commonwealth:			
Categorical Aid:			
Education	225,547,500	232,878,000	239,009,800
Public Works	43,142,087	43,100,000	43,317,000
Public Safety (HB #599)	8,526,916	8,500,000	8,500,000
Social Services	4,776,914	0	0
Other	4,799,620	4,496,475	4,296,475
Total Categorical Aid	<u>286,793,037</u>	<u>288,974,475</u>	<u>295,123,275</u>
Non-Categorical Aid:			
General Government	54,610,566	17,218,500	16,718,500
Total Non-Categorical Aid	<u>54,610,566</u>	<u>17,218,500</u>	<u>16,718,500</u>
Shared Expenses:			
State Share of Salaries & Benefits	16,738,831	16,236,400	16,222,000
Total from the Commonwealth	<u>358,142,434</u>	<u>322,429,375</u>	<u>328,063,775</u>
Revenue from the Federal Government			
Total Revenues	<u>9,912,081</u>	<u>380,000</u>	<u>380,000</u>
Total Revenues	<u>880,728,985</u>	<u>879,309,695</u>	<u>902,235,945</u>
Interfund Transfers:			
To Debt Service Fund	(58,744,833)	(58,694,837)	(54,805,548)
To Capital Projects Fund	(10,547,490)	(30,901,267)	(43,474,772)
To Enterprise Fund	(1,931,608)	(1,928,108)	(1,930,308)
To Internal Service Fund - Tech Replacement	0	(1,000,000)	(1,000,000)
To Risk Management	(12,348,627)	(8,411,454)	(8,397,952)
To Special Revenue Fund	(18,959,052)	(26,345,732)	(26,610,991)
To JRJDC Agency Fund	(3,272,393)	(3,297,020)	(3,426,586)
To OPEB-GASB 45 Fiduciary Fund	(2,500,000)	(2,500,000)	(2,750,000)
To Line of Duty	(481,636)	(500,000)	(550,000)
Operating Transfer LTD	(468,000)	0	0
Total Transfers	<u>(109,253,639)</u>	<u>(133,578,418)</u>	<u>(142,946,157)</u>
(To) From Fund Balance - Capital Projects	1,500,000	5,000,000	5,000,000
(To) From Fund Balance - Designated Capital Reserve	1,420,000	2,600,000	10,430,000
(To) From Vehicle Replacement Reserve	6,574,800	0	0
Use of Fund Balance - des FY13 Public Works	208,500	8,751,467	6,531,502
Use of Fund Balance - des RE Tax (Ches. Bay TMDL)	0	2,348,000	0
Use of Fund Balance - des FY14 Permit Fee (to Capital)	0	500,000	500,000
Use of Fund Balance - Cap Initiatives	0	0	1,000,000
From Fund Balance - Voting Machine Reserve	0	0	1,000,000
(To) Fund Balance - Voting Machine Reserve	0	0	(1,000,000)
(To) From Fund Balance - Chesapeake Bay TMDL	0	(2,348,000)	0
Use of Fund Balance General Fund	(29,410,534)	0	0
(To) From Fund Balance - Meals Tax FY14 Collection	0	0	1,990,470
(To) From Fund Balance - Meals Tax FY16	0	0	(2,000,000)
(To) From Fund Balance - VRS Reserve	(1,000,000)	4,497,376	0
(To) Revenue Stabilization	0	0	1,000,000
From Sinking Fund - Bond Ops	4,097,452	339,124	2,074,331
Total Resources Net of Transfers	<u>\$754,865,564</u>	<u>\$767,419,244</u>	<u>\$785,816,091</u>

COUNTY OF HENRICO, VIRGINIA

General Government Administration

\$54,416,121



Total General Fund

\$785,816,091

**COUNTY OF HENRICO, VIRGINIA
GENERAL GOVERNMENT ADMINISTRATION - GENERAL FUND
FY 2015-16**

<u>Department</u>	<u>FY 13-14 Actual</u>	<u>FY 14-15 Original</u>	<u>FY 15-16 Approved</u>
Board of Supervisors	\$996,678	\$1,007,605	\$1,027,440
County Manager:			
Administration	1,737,887	1,690,995	1,702,927
Public Relations	818,456	807,519	825,928
Media Services	925,386	915,314	923,595
Total County Manager	<u>3,481,729</u>	<u>3,413,828</u>	<u>3,452,450</u>
County Attorney	2,125,593	2,160,403	2,185,408
Human Resources:			
Human Resources	3,882,193	4,127,764	4,093,391
Group Benefits	720,077	805,576	877,324
Total Human Resources	<u>4,602,270</u>	<u>4,933,340</u>	<u>4,970,715</u>
Finance:			
Administration	526,107	336,247	335,270
Technology	863,126	860,620	881,159
Accounting	1,451,893	1,581,467	1,604,143
Budget	747,261	754,754	779,504
Treasury	2,064,653	2,184,503	2,244,493
Purchasing	1,112,103	1,230,603	1,274,577
Real Estate Assessment	2,796,991	2,855,698	2,906,146
Board of Real Estate Review	15,945	18,721	18,721
Vehicle	1,377,143	1,418,405	1,514,461
Business	1,296,169	1,724,532	1,864,632
Total Finance	<u>12,251,391</u>	<u>12,965,550</u>	<u>13,423,106</u>
General Services:			
Records Management	511,602	454,443	463,420
Administration	1,928,960	2,113,929	1,825,206
Employee Cafeteria	371,492	427,966	444,140
Maintenance and Custodial	9,225,470	9,934,222	9,929,033
Security	1,292,584	1,429,164	1,449,588
Total General Services	<u>13,330,108</u>	<u>14,359,724</u>	<u>14,111,387</u>
Internal Audit	415,938	411,467	420,580
Information Technology	11,583,617	12,688,225	12,873,705
Real Property	631,838	606,008	619,207
Electoral Board	1,244,857	1,320,970	1,332,123
Total General Government Administration	<u><u>\$50,664,019</u></u>	<u><u>\$53,867,120</u></u>	<u><u>\$54,416,121</u></u>

BOARD OF SUPERVISORS

Description

The County Board of Supervisors is the elected governing body of the County and is responsible for establishing policy within the framework of the Constitution of Virginia and the Code of Virginia.

Board members are elected to four-year terms by the voters in each of the five magisterial districts: Brookland, Fairfield, Three Chopt, Tuckahoe, and Varina. The Board appoints the County Manager, who is the chief administrative officer of the County. They also appoint the members of the Social Services Board, Library Board, Mental Health and Developmental Services Board, the Board of Real Estate Review and Equalization, the Planning Commission, and several other advisory boards and commissions.

The Board of Supervisors adopts the annual operating and capital budgets and appropriates all funds for expenditure.

Objectives

- To provide broad policy direction and oversight to the County administration pursuant to the laws of the United States, Commonwealth, County, and other applicable regulations.

- To maintain minimum tax rates necessary to provide service levels which ensure a high quality of life for the citizens of Henrico County.

Budget Highlights

The Board of Supervisors' approved budget for FY2015-16 includes funding for continuing correspondence with constituents and for periodic "town meetings", in addition to office expenses and personnel costs. The County's annual audit and general County advertisement requirements are also funded within the operating costs of this budget.

The department's approved budget for FY2015-16 is \$1,027,440. This represents an overall increase of \$19,835 or 2.0 percent compared to FY2014-15. The increase is due entirely to personnel cost increases, mostly due to full recognition of the raise that became effective in December of 2014 and a partial-year 2.0 percent wage scale increase. The operating budget remains flat from FY2014-15.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 706,974	\$ 703,162	\$ 722,997	2.8%
Operation	289,404	304,443	304,443	0.0%
Capital	300	0	0	0.0%
Total	<u>\$ 996,678</u>	<u>\$ 1,007,605</u>	<u>\$ 1,027,440</u>	<u>2.0%</u>
Personnel Complement	4	4	4	0

Board of Supervisors (cont'd)

	Performance Measures			Change
	FY14	FY15	FY16	15 to 16
Performance Measures				
Population of County Served*	321,374	326,998	332,720	5,722
Regular Board Meetings Held	22	22	22	0
Special Board Meetings Held	26	26	26	0
Town Meetings Hosted	14	20	20	0
Board Papers Considered	231	271	300	29
Provisional Use Permits/Zoning Cases Considered	44	56	60	4
Board and Commission Members Appointed	144	115	143	28

*Population data provided by the Department of Planning

COUNTY MANAGER

Description

The County Manager is the chief administrative officer of the County. He is responsible for the execution of policies established by the Board of Supervisors and for advising and recommending actions to the Board to meet the needs of County residents. In addition to administering the day-to-day operations of the County, the Manager is required by law to present an annual budget to the Board of Supervisors for consideration of all needed County expenditures.

Board of Supervisors advised on County business and finances. Also, funds are included that allow the County Manager and his four deputies to maintain memberships and participation in organizations and meetings necessary to keep abreast of current trends and developments beneficial to the County and its citizens.

Objectives

- To keep the Board of Supervisors and the public informed of the activities of the County Government.
- To effectively and efficiently manage the County Government.
- To execute all duties required by law and the Board of Supervisors.
- To monitor and advise County officials on all pertinent legislation before the Virginia General Assembly, and prepare the annual legislative program and summary.

Additionally, the County Manager and his deputies actively engage in promoting County interests by maintaining close communication with important sectors of the community, such as County residents, civic groups, other area governments, the local business community, and the legislative delegation for the region.

This past year the County Manager's office also increased community outreach through social media and through the creation of a program for citizens to become more familiar with the County's operations. The Henrico Citizens Academy is a five-week program with one session each week. The sessions include informational presentations given by county officials, firsthand experiences with county services, and facility tours.

Budget Highlights

The FY2015-16 County Manager's office budget includes funding to cover the costs of personnel, routine office expenses, and other expenditures needed to keep the members of the

The County Manager's budget for FY2015-16 is \$1,702,927. This represents an increase of \$11,932 or 0.7 percent compared to FY2014-15. The increase is due entirely to personnel cost increases, mostly due to full recognition of the raise that became effective in December of 2014 and a partial-year 2.0 percent wage scale increase. The operating and capital components of the budget remain flat.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 1,639,868	\$ 1,629,802	\$ 1,641,734	0.7%
Operation	95,428	61,193	61,193	0.0%
Capital	2,591	0	0	0.0%
Total	\$ 1,737,887	\$ 1,690,995	\$ 1,702,927	0.7%
 Personnel Complement	 13	 13	 13	 0

COUNTY MANAGER

Public Relations & Media Services

Description

The Public Relations & Media Services Department directs the County’s public communications efforts and increases awareness and understanding of Henrico County Government activities for the County’s corporate and private residents, employees, students, civic organizations, the media and other jurisdictions throughout the Commonwealth and the nation. The Department creates and implements communications and public awareness campaigns targeted to a variety of audiences. Activities include news releases, media advisories, news conferences, photography, Henrico County Television (HCTV), public service announcements, a speakers' bureau, print publications, including the County's annual report, audio publications, media relations, news tracking, agency consultation, web site news maintenance, special events planning, streaming Board of Supervisors meetings and more.

- To establish and maintain contacts with media representatives to ensure accurate coverage of County activities.
- To create crisis and emergency communication plans.
- To enhance the visibility of Henrico County as a desirable place to live, work, and enjoy leisure hours.
- To disseminate information to County residents through print publications, feature television programs, HCTV message boards, the media, the web site, and other available avenues.

The Department oversees operations of HCTV. Along with producing full-length, feature programming to broadcast on HCTV, the Department assists internal clients with audio-visual presentation services. The Department of Public Relations & Media Services continues to offer residents timely information and quality programming through HCTV.

Budget Highlights

The Public Relations & Media Services department’s approved budget for FY2015-16 is \$1,749,523, which is a \$26,690 or a 1.5 percent increase from the FY2014-15 approved budget. The increase is attributable to personnel cost increases, mostly due to full recognition of the raise that became effective in December of 2014 and a partial-year 2.0 percent wage scale increase in FY2015-16. The operating component of the budget remains flat.

Objectives

- To provide County agencies with effective support and technical assistance in crisis consultation, media relations and planning of special events.

The department is separated into two divisions: Public Relations and Media Services.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>15 to 16</u>
Personnel	\$ 1,520,105	\$ 1,497,356	\$ 1,524,046	1.8%
Operation	216,673	225,477	225,477	0.0%
Capital	7,064	0	0	0.0%
Total	<u>\$ 1,743,842</u>	<u>\$ 1,722,833</u>	<u>\$ 1,749,523</u>	<u>1.5%</u>
Personnel Complement	19	19	19	0

Public Relations & Media Services (cont'd)

Performance Measures

	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Video Shoots	504	500	500	0
Publications Distributed	272,900	300,000	300,000	0
Cable TV Messages	1,442	1,600	1,600	0
Information Packets Distributed	7,083	15,500	10,000	(5,500)
Media Contacts Made	7,083	8,000	8,000	0
DVD Duplication	1,617	2,500	2,000	(500)
Print Articles Generated	342	300	350	50
Photos Taken/Distributed	1,354	2,000	1,500	(500)

Public Relations

The Public Relations component of the approved budget for FY2015-16 is \$825,928. Compared to the approved FY2014-15 budget, this is an increase of \$18,409 or 2.3 percent. The increase is attributed entirely to personnel costs.

The employees in the Public Relations office focus on media relations and public awareness of County policies and activities via coverage in print, broadcast media, and publications. Public Relations is also responsible for tours, the speakers' bureau, and other bulletins that include tips on special events planning and promotion, working with the media, writing news releases and public service announcements, and listing other in-house services.

Media Services

The Media Services component of the approved budget for FY2015-16 is \$923,595, which is an increase of \$8,281 or 0.9 percent from FY2014-15. The increase is attributed entirely to personnel costs.

The employees in the Media Services office serve as a media support staff, offering other County agencies assistance with audio-visual production and presentation. The office provides streaming video coverage of Board of Supervisors meetings and is also responsible for producing programs and operating HCTV.

In FY2014-15, for the second consecutive year, HCTV was named the third best overall government television station in the country, by the National Association of Telecommunications Officers and Advisors (NATOA), trailing only San Diego and Seattle.

For FY2015-16, Public Relations and Media Services will continue providing the same quality and level of service. The department will continue to assist agencies with media and public information needs, will be available to disseminate information during crisis situations, will write and produce quarterly and annual publications, will live stream every board meeting, will assist with special projects and event planning, and will produce approximately 30 new, original programs for HCTV.

COUNTY ATTORNEY

Description

The County Attorney's Office serves as legal advisor to the County government, including its various departments, divisions, and agencies. The Office prosecutes or defends all actions involving County officials and employees arising out of acts performed in the course of their employment. In addition to litigation, the office is called upon to interpret State and Federal laws, County ordinances, and County resolutions, and to draft County ordinances and proposed State legislation.

County, the School Board, and the Economic Development Authority.

The Office represents the County and its officials and employees in civil litigation and in criminal prosecutions of violations of certain County ordinances. The office handles a great variety of cases, such as bankruptcy, civil rights, construction, corrections, employment discrimination, land use, personal injury, procurement, professional responsibility, special education, taxation, and wrongful death. During FY2013-14, 35 new lawsuits were filed in courts of record.

Objectives

- To provide the County government with quality legal services.
- To protect the County treasury from damage awards as a result of litigation.

At present, 29 cases are pending in state and federal courts of record, which include trial and appellate courts. In FY2013-14, the office made 69 appearances in these courts. During that same period, the office handled 1,123 cases in courts not of record: 145 cases in the Henrico County General District Court and 978 cases in the Henrico County Juvenile and Domestic Relations District Court. Moreover, the office handled 32 administrative proceedings over the same period.

Budget Highlights

The County Attorney's Office is charged by statute with providing all legal services of a civil nature required by the County and its various boards, commissions, and agencies. This responsibility includes rendering legal advice to the Board of Supervisors, the County Manager and his staff, the Planning Commission, the Board of Zoning Appeals, the School Board, the Superintendent of Schools, the Economic Development Authority, department heads, key officials, and employees. The Office also drafts County ordinances and resolutions for presentation to the Board of Supervisors, drafts resolutions for presentation to the Economic Development Authority, and reviews and approves contracts entered into by the

In addition to litigation matters, the office handles a huge volume of transactional work on behalf of County departments. This work includes 1,129 contracts drafted or reviewed, 332 deeds and leases drafted or reviewed, 320 board papers drafted or reviewed, 426 Freedom of Information Act requests handled, 221 Subpoenas Duces Tecum handled, 26 restrictive covenants reviewed, 12 festival permit applications reviewed, 110 sets of conditional zoning proffers reviewed, and nine official opinions.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 2,067,651	\$ 2,095,871	\$ 2,120,876	1.2%
Operation	57,253	64,532	64,532	0.0%
Capital	689	0	0	0.0%
Total	\$ 2,125,593	\$ 2,160,403	\$ 2,185,408	1.2%
 Personnel Complement	 19	 19	 19	 0

County Attorney (cont'd)

	Performance Measures			
	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
New Cases Filed	35	30	30	0
Cases Disposed of	30	25	25	0
Administrative Proceedings	21	45	45	0
Court Appearances	1,192	1,200	1,200	0

During the months of January, February, and March 2014, while the General Assembly was in session, 110 articles of proposed legislation were reviewed. Finally, during FY2013-14, the County Attorney's office recovered \$235,282, owed to the County through bankruptcy proceedings, \$1,097 in overweight vehicle revenue from citations, and \$5,357 in revenue from delinquent tax sales.

The department's approved budget for FY2015-16 is \$2,185,408, which reflects an increase of \$25,005 or 1.2 percent compared to FY2014-15. The increase is attributable to personnel cost increases, mostly due to full recognition of the raise that became effective in December of 2014 and a partial-year 2.0 percent wage scale increase. The operating component of the budget remains flat.

HUMAN RESOURCES

Description

With significant leadership transitions, continued organizational and cultural changes, a heightened emphasis on cost savings, and the ongoing importance of continuing to provide the best possible service to its customers, the County has risen to the challenge, despite the continued tightening of budgetary constraints. As an agency reporting directly to the County Manager, the Department of Human Resources (HR) has worked to support the County’s mission and vision in all of its endeavors. HR continues to focus on the three Cs (communication, collaboration, and credibility), while providing services in the areas of employment and compensation management, employee development and training, benefits administration, fitness and wellness, risk management, employee health services, job classification, employee relations, employee and applicant records, and information systems, including personnel and payroll transactions.

- To attract and retain the “right” employees in the “right” seats at all job levels.
- To maintain high employment and low turnover.
- To enhance employee health, fitness, and wellness efforts in an attempt to manage rising health care costs.
- To provide innovative training programs for County employees in customer service and technology as well as training to promote continued employee development.
- To ensure leadership readiness through the award-winning career enrichment, succession management, leadership development programs and the newly-created Emerging Leaders program.
- To keep the County’s compensation and benefits at a competitive level, and to partner with Henrico County Public Schools to maintain a unified pay plan.

Objectives

- To focus on Communication, Collaboration, and Credibility as we serve our customers.
- To remain an employer-of-choice.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 3,391,095	\$ 3,554,201	\$ 3,519,828	(1.0%)
Operation	490,748	573,563	573,213	(0.1%)
Capital	350	0	350	0.0%
Total	<u>\$ 3,882,193</u>	<u>\$ 4,127,764</u>	<u>\$ 4,093,391</u>	<u>(0.8%)</u>
Employee Services	<u>\$ 720,077</u>	<u>\$ 805,576</u>	<u>\$ 877,324</u>	8.9%
Total Budget	<u>\$ 4,602,270</u>	<u>\$ 4,933,340</u>	<u>\$ 4,970,715</u>	0.8%
Personnel Complement*	48	47	46	(1)

*During FY2014-15, one HR Analyst II position was transferred to Risk Management and one TSS IV position was transferred to Information Technology. One Senior Management Specialist position was added to HR's complement for FY2015-16.

Performance Measures				
	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Applications Received	39,165	33,924	35,500	1,576
Retirements (FY)	152	115	115	0
Effectiveness Measures				
Turnover Rate	9.1%	8.4%	9.2%	0.8%

- To provide assistance to employees and supervisors in areas impacting employee relations and promote EEO and diversity awareness.
- To maintain all personnel records in an effective and efficient manner.
- To ensure that all laws, regulations and policies are followed.
- To attract and utilize volunteers in all departments.
- To be organizationally astute to the needs of the County of Henrico and serve as an internal consultant to the County Manager’s Office and to operating departments regarding human resource management.

addition of a new Senior Management Specialist position, which is being created to act as a liaison between the County and its growing senior community. The operating component totals \$573,213 and remains relatively flat from the previous fiscal year although various accounts have been adjusted to more accurately reflect current actuals.

The FY2015-16 budget for the Group Benefits section of the Human Resources budget is \$877,324, increasing by a net difference of \$71,748 or 8.9 percent from the previous approved fiscal year budget. This budget captures the costs associated with the retiree health benefit supplement, which was authorized by the Board of Supervisors effective January 1, 2003. This County-wide benefit is included at a cost of \$809,701, increasing by \$87,707 from the previous fiscal year. It provides coverage for 475 retirees at an average monthly cost of \$106 per retiree and provides coverage for 83 Voluntary Retirement Incentive Program (VRIP) retirees at an average monthly cost of \$205.

Budget Highlights

The Department of Human Resources budget for FY2015-16 totals \$4,970,715, representing a net increase of \$37,375 or 0.8 percent from the previous approved budget. The Human Resources budget includes both the departmental budget and the group benefits budget. Each of these components is noted in the following narrative.

The Group Benefits budget also includes health care premiums for disabled retirees which total \$67,623 for FY2015-16, decreasing by \$15,959 from the previous fiscal year. This amount will provide health care premiums for nine disabled retirees which represents a reduction of two disabled retirees from the previous fiscal year.

The Human Resources section of the FY2015-16 budget is \$4,093,391, which represents a net decrease of \$34,373 or 0.8 percent from the previous fiscal year. This reduction is driven solely by the personnel component and reflects several positions which were vacated during the year as well as the transfer of one Human Resources Analyst II position to Risk Management and the transfer of one Technology Support Specialist IV position to Information Technology. This reduction was offset by the partial year impact of the 2.0 percent raise as well as rising health care costs. This reduction was also offset by the

With an increased emphasis on cost savings, the Department of Human Resources has implemented, on behalf of the Board of Supervisors and the County Manager, a very stringent hiring freeze, resulting in savings in salary and benefit costs.

The employee turnover rate was reported at 8.4% this past year. This marked the twenty-seventh consecutive year Henrico has maintained a single-digit turnover rate. These efforts and more have further validated Henrico County as one of the “leanest” local

Human Resources (cont'd)

governments in the Commonwealth, with one of the lowest employee-to-citizen population ratios.

One of the more visible and also highly valuable services provided as a department and as an employer is in employee attraction and retention, which HR accomplishes through competitive benefits and strategic initiatives to increase the overall well-being of County employees. And despite the hiring freeze and difficult budgetary conditions, the County of Henrico remains a preferred employer, as evidenced by a high number of applications – 33,924 total.

In further alignment with the County Manager's vision, HR revised the County's nine core competencies to reflect the importance of encouraging leadership at all levels of the organization and a greater focus on engagement of County employees. Training classes were reviewed and updated with a goal of reinforcing the County's changing culture, and the employee newsletter *The County Connection* strategically targeted numerous stories featuring areas of innovation, collaboration, and high level service throughout the organization, in order to educate, engage and inspire current employees.

Still in its infancy, the County's Internship Program also saw a tremendous growth in both its scope and participation this past fiscal year. Initially it had focused primarily on summer interns and is now a year-round program, and the County has had its first full-time hire from the emeritus interns of this revised program. The interns bring their expertise and fresh perspectives to provide high level service to the County. Their work projects include designing and teaching classes for employees and citizens, reviewing construction plans, conducting research and analysis, organizing community outreach programs and events, and developing software and code. This work not only allows them to practice their skills, but also in many cases reaffirms their interest in and commitment to their field of study, fifteen County agencies are already benefitting from their contributions, and there are still numerous opportunities to bring interns into the workplace and invest in tomorrow's workforce.

HR made exciting changes to several of its training classes and professional development program offerings, as well. Of particular note, HR launched the new Emerging Leaders Certification Program (ELCP), which incorporates a focus on customer service skills while expanding on the themes of leadership growth and accountability for all employees, regardless of their position within the organization.

The Leadership Development Program (LDP) was likewise redesigned to make it more challenging and engaging to participants, requiring a lighter level of thought and reflection. Revisions include mandatory participation in a feedback assessment by one's peers, direct reports, and supervisors; identifying themes and goals for development; justifying one's hours of learning to an advisor review panel; and participation in leadership discussion groups.

In addition to professional development opportunities, HR continues to offer employees support in improving and maintaining their overall physical health through gym and weight room access, fitness classes, physical training sessions, and numerous diverse program offerings, such as Team Henrico events, the socially driven F.I.T.T. Club, and the Diabetes Wellness Series. All programs are strategically designed to cater directly to the needs of our customers, either in response to gathered wellness data, to aid the development of an employee's wellness support network or to garner new membership and retention. In one year Henrico F.I.T.T. Club members logged 16,262 hours of exercise, measurably improved cardiovascular fitness, increased flexibility by an average of 2.75 inches and cumulatively lost 133 pounds of body weight.

Looking forward to next year, the Department of Human Resources is already excited about a number of new projects that are on the horizon, the seeds of which were planted this past year. HR is in the process of making significant changes to New Employee Orientation (NEO) to reflect the changing culture of the organization. The County Manager has already begun attending NEO on a regular basis to greet new employees, introduce his vision, share his expectations, and answer questions, and many more initiatives will be implemented beginning in early FY2014-15. Around the same time, HR will be launching its first series of Vision to Performance (V2P) classes, which are specifically aligned with the Henrico way, the development goal of leadership at all levels, and the County Manager's vision.

For the past few years, the Department of Human Resources has embraced a change in its culture to reflect "Communication, Collaboration, and Credibility." This approach is not a "fad" or a mission statement framed on a wall – it is an embedded philosophy and a set of behaviors that can be seen and experienced by HR's customers. It serves as a mirror which is held up to all of the Department's undertakings, to reflect on daily work alignment with the goals both of the department and of the

Human Resources (cont'd)

organization. HR continues to actively seek opportunities to partner with other agencies; to cultivate and nurture employees; and to improve efficiency and transform existing services to better meet ever-changing organizational needs.

FINANCE

Description

The Director of Finance is charged by State law with all duties mandated for the constitutional offices of the Treasurer and Commissioner of Revenue as prescribed by the Code of Virginia §15.2-617, along with the preparation and administration of the County budget and the Comprehensive Annual Financial Report (CAFR). To accomplish these tasks, the Department is comprised of administration and technology functions, and six divisions: Real Estate Assessment, Revenue (split into Business and Vehicle sections), Accounting, Treasury, Purchasing, and the Office of Management and Budget.

- To administer all licensing activities in the County.
- To maintain complete and accurate accounting records for the County.
- To maintain the County’s triple AAA bond ratings through sound financial management, the accurate recording of financial activity, and the timely preparation of the Comprehensive Annual Financial Report.
- To prepare, administer, and monitor the Capital and Operating Annual Fiscal Plans of the County.
- To procure goods and services required by County departments and Schools at the lowest price in a legally responsible manner.
- To continue the commitment for the education and career development of all Department employees.
- To promote the most innovative technologies available to enhance financial service delivery, information management, and customer service.
- To administer the Real Estate Tax Advantage Program (REAP) for the elderly and/or disabled.

Objectives

- To continue the improvement of customer service for both internal and external customers.
- To provide convenient property tax information for the citizens of Henrico County.
- To assess all real estate and certain personal property located in the County.
- To review, assess, bill, and collect all taxes, licenses, and fees in the County in conformance with all local, state, and federal regulations.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 10,954,962	\$ 11,567,566	\$ 12,016,270	3.9%
Operation	1,279,676	1,377,992	1,394,203	1.2%
Capital	16,753	19,992	12,633	(36.8%)
Total	<u>\$ 12,251,391</u>	<u>\$ 12,965,550</u>	<u>\$ 13,423,106</u>	<u>3.5%</u>
Personnel Complement	168	168	168	0

Performance Measures				
	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Parcels of Land Reviewed	113,641	114,283	114,783	500
Vehicles Assessed	351,318	354,633	360,000	5,367
Business License Payments	6,945	7,047	7,250	203
Cashier Transactions Per Teller/Day	98	95	98	3
Budget Transfer Document Processed	1,375	1,400	1,400	0
Checks Written	91,372	103,470	103,500	30
Accounts Payable Transactions	211,346	212,000	213,000	1,000
Debit Card Transactions	91,358	95,000	95,000	0
Credit Card Transactions	95,355	85,000	114,000	29,000
Tax Advantage Applicants	6,606	6,394	6,700	306
Electronic Bill Payments	220,600	266,524	266,524	0
Tax Bills Generated	602,821	618,275	618,275	0
Annual Contracts Maintained	409	400	400	0
Effectiveness Measures				
G.O. Bond Ratings				
Standard & Poor	AAA	AAA	AAA	N/A
Moody's	Aaa	Aaa	Aaa	N/A
Fitch	AAA	AAA	AAA	N/A
Number of Years - GFOA Award for Budget	24	25	26	1
Number of Years - GFOA Award for CAFR	31	32	33	1

Budget Highlights

The Department of Finance's approved budget for FY2015-16 totals \$13,423,106, representing an overall increase of \$457,556 or 3.5 percent from the previous approved budget. This increase is driven primarily by increased personnel costs due to a 2.0 percent partial year salary increase in FY2015-16 and the annualization of a partial year salary increase provided in FY2014-15. Finance has eliminated fourteen positions from the personnel complement since FY2009-10. The addition of Purchasing in FY2013-14, brought the total number of Finance personnel back to FY2009-10 levels, yet the total amount budgeted for personnel costs has only increased 8.5 percent over the same period.

The operating component of the Finance budget has increased slightly due to fixed cost increases in Technology and Purchasing. While there is a slight operating increase in FY2015-16, the Finance operating budget has decreased 17.4 percent since FY2009-10, including the addition of Purchasing.

Similarly, the capital portion of the Finance budget has decreased over the same time period. Capital outlay has decreased by 72.2 percent since FY2009-10.

During FY2014-15, the Department of Finance again received recognition from the Government Finance Officer's Association (GFOA) for the Annual Fiscal Plan and the Comprehensive Annual Financial Report (CAFR). The County has been awarded the Certificate of Achievement for Excellence in Financial Reporting from GFOA for the CAFR for thirty-two consecutive years. The Office of Management and Budget received the Distinguished Budget Presentation Award from GFOA for the Annual Fiscal Plan for the twenty-fifth consecutive year.

In addition to sound fiscal planning, Henrico County also makes every effort to operate in a conservative fashion by maximizing efficiencies, prudently managing resources and engaging in special initiatives to ensure the appropriate level of tax collection. One

Finance (cont'd)

example is the County's proactive debt management, taking advantage of favorable interest rates to minimize costs through new debt issuances and debt refundings. Also, the County continues the practice of conservatively estimating revenues and minimizing expenditures without compromising service delivery. In these difficult economic times, fiscal prudence, combined with proactive, and pragmatic fiscal management is of absolute necessity. The adverse economic conditions that have existed the past few years has compelled Henrico County to examine the entire process by which it conducts business in order to more cost effectively provide valuable services to citizens. This examination has led to the County's departments and agencies, including Finance, to streamline operations, identify cost savings and implement efficiency measures to maximize the value of taxpayer's dollars. The Department has adopted many cost cutting and efficiency maximizing strategies that are consistent with the County's overall goal of continuing to provide exceptional services to citizens.

Among these efforts, there were several notable accomplishments that occurred during the 2014-15 fiscal year, which include:

- 1) Filling only critically needed vacant positions.
- 2) Continue to expand the use of volunteers and interns to assist the department in providing services.
- 3) Continue to seek ways to provide more efficient services to citizens through the use of technology.

Administration

The Administration function oversees all activities of the Finance Department with the Director of Finance establishing the policies and procedures under which the department operates. The administrative staff is responsible for the issuance of all County debt and maintains all of the debt issuance records as well as handling all subsequent reviews or filings related to that debt. The Administration staff also monitors the County's investments and administers the County's Investment and Cash Management Guidelines. Within Administration exists the Technology function, which maintains the Finance Department's computers, printers, servers, and other related equipment. This section also handles personal computer software installations and upgrades along with assisting in the implementation of new systems or upgrades of

existing systems in the department. In addition, due to the continued economic difficulties experienced this year, the Department of Finance has also assisted in the presentation of economic updates at numerous community forums and gatherings.

Real Estate Assessment

The Real Estate Assessment Division is responsible for the review/reassessment of all real property in Henrico County, in conformance with the standards of Market Value and Uniformity as mandated by Article X of the Constitution of Virginia, Title 58.1, of the Code of Virginia, and the County Manager Act located in Section 15.2 of the Code of Virginia. Henrico County employs an annual countywide reassessment program using a Computer Assisted Mass Appraisal (CAMA) system. Changes in assessed value are based on actions of buyers and sellers in the local real estate market. The Real Estate Assessment Division maintains accurate and up-to-date records on each parcel of real estate in the County. These records reflect uniform, comprehensive, and descriptive data relative to location, improvements, ownership, sales information, and assessed value.

The Real Estate Assessment Division is responsible for tracking all changes in assessed value including reassessment and new construction. Real Estate Assessment staff also provides valuation recommendations and administrative support to the Board of Real Estate Review and Equalization. New subdivisions, parcel splits/combinations, deeds, wills, etc. recorded in the Clerk's Office of the Circuit Court of Henrico County are received and processed by the Real Estate Assessment Division. Also, accounts for individuals as well as properties eligible for assessment adjustments or exemption are catalogued.

As of January 1, 2015, the taxable assessed value of the County was approximately \$33.1 billion, an increase of 3.7 percent, or approximately \$1.2 billion compared to January 1, 2014, which includes new construction. The real estate market appears to be in recovery with modest increases in both residential and commercial values.

The Real Estate Assessment Division is committed to providing the public and citizenry with accurate and up to date information for all real property with the highest level of customer service. For the calendar year 2014, the division processed 14,933 telephone inquiries and 1,625 walk-in requests for property information.

Finance (cont'd)

The Real Estate Assessment Division administers a countywide Partial Real Estate Tax Credit program for qualifying rehabilitated or renovated multi-family, commercial/industrial, and hotel/motel properties. The structure (building) for multi-family and commercial /industrial properties must be at least 26 years old and property devoted to hotel and motel use whose structures are rehabilitated for residential use must be no less than 35 years old. For 2015, a total of 17 commercial property owners will receive \$244,249 in tax credits. The "Reinvest" residential rehabilitation program was initiated on January 1, 2010. A total of 72 properties have been completed with a total tax credit of \$38,006. To encourage increased participation in the reinvestment of older properties, the maximum assessed value has been changed from \$200,000 to \$250,000. Additionally, in 2011, the Commonwealth of Virginia modified the Constitution to exempt the residence of permanently disabled veterans. As of January 1, 2015, 269 homes have been exempted for a total tax savings for the veterans of \$486,467 based on the current tax rate.

The Real Estate Assessment Division manages a countywide Land Use program for the assessment of qualifying land based on agricultural, horticultural, forestry, or open-space use value rather than market value. Forestland eligibility includes a twenty acre minimum and other classifications require a five acre minimum. A total of 449 property owners are currently in the program totaling approximately 30,000 acres.

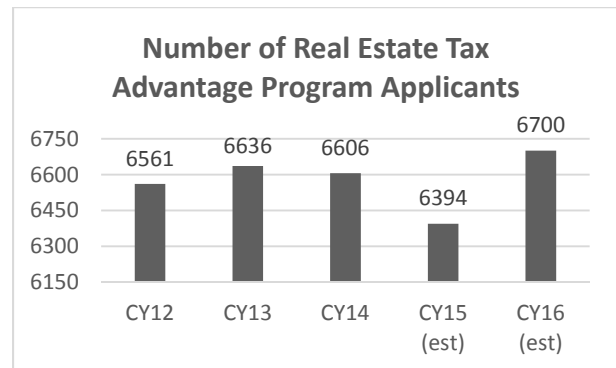
Revenue

The Revenue Division consists of two sections: Business and Vehicle. The Business section administers business license/personal property taxes within the County along with a variety of other taxes, including the collection and monitoring of the Meals Tax and the relevant portion of the Virginia Sales and Use Tax attributable to Henrico County. The Vehicle Section administers vehicle license/personal property taxes within the County, as well as a variety of other taxes.

The total number of business licenses issued in calendar year 2014 remained reasonably constant when compared to the previous fiscal year. In FY2014-15, the Business section continues design work on developing a combined business license/personal property computer system. The Division continued imaging over 100,000 documents within the office and outsourced printing and mailing of business license/personal property renewal forms.

The Division updated depreciation schedules for computer, furniture and fixtures, and machinery and tools as well as updated tax code and forms on the Internet.

The Revenue Division continues to verify vehicles are in compliance with the Personal Property Tax Relief Act. The Division offers State Income Tax assistance to citizens. This Division also offers assistance to citizens through the Real Estate Tax Advantage Program (REAP), which provides real estate tax relief for persons 65 years of age and older, or permanently and totally disabled persons, so long as they own and occupy their home. For calendar year 2015, the maximum net worth and income thresholds are \$350,000 and \$67,000, respectively. During calendar year 2015, all qualifying participants will receive tax relief for 100 percent of their taxes up to a maximum of \$2,500. This threshold will increase to \$3,000 in calendar year 2016. REAP continues to provide immediate tax relief to a large percentage of seniors.



In addition to assessing these businesses or vehicles for license and/or personal property taxes, the division continually seeks to improve the administrative duties to streamline processes. It also continues its effort from the "Henrico, VA" initiative, which was implemented to reduce the miscoding of local tax revenues to area localities. Additional duties performed by the Division include the administration, collection, and auditing (where authorized under the State Code) of the following taxes: Bank Franchise, Communications' Sales, Consumer Utility, Daily Rental, Hotel/Motel Transient Occupancy, Off-Track Betting, Public Service Corporation, Food and Beverage, and the local portion of the Virginia Sales and Use.

Accounting

The Accounting Division has three operating sections: General Accounting, Payroll, and Accounts Payable. The General Accounting Section assigns and

Finance (cont'd)

establishes all account coding, exercises pre-audit control over receipts and disbursements, accumulates information to meet budget requirements, prepares financial statements, maintains inventory records of County property, maintains and supervises fixed assets, grants accounting, and complies with IRS arbitrage/rebate requirements. The Payroll Section audits and approves payrolls, issues checks, records all payroll deductions, deposits taxes withheld, and completes required reporting of such activity.

The Accounts Payable Section verifies that expenditures are within the approved limits and exercises pre-audit control over expenditures and disbursement of funds. The number of accounts payable transactions processed in FY2013-14 was 211,346 and it is projected that 212,000 will be processed during FY2014-15 and 213,000 transactions are forecasted to be processed in FY2015-16. The Accounts Payable Section initiated an invoice imaging system during FY2010-11 that streamlines the data storage and retrieval process. In FY2013-14, 109,071 invoices were scanned into the imaging system.

In addition, the Division processes approximately 22,255 payroll direct deposits per month. The Accounting Division, in cooperation with other areas of Administration, also facilitates information and provides as-needed assistance in the County's annual external audit. Despite the economic climate, the County audit assessment was distinctly favorable, further illustrating the soundness and conservative nature of Henrico County's fiscal management.

Treasury

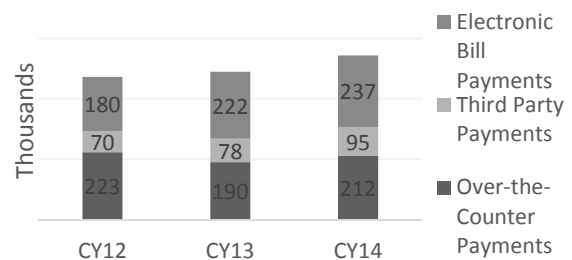
The Treasury Division serves as the County's cashier and provides tellers, at both the Western Government Center (WGC) and the Eastern Government Center (EGC), to collect taxes, fees, Department of Public Utilities (DPU) and parking ticket payments from citizens. Treasury is also responsible for the billing of real estate and personal property taxes as well as dog license fees. Additional functions include billing and collection of delinquent taxes and fees, taxpayer liaison and account maintenance.

The number of pin-based debit card transactions for the most recent fiscal year was 91,358. Credit card and E-Check payments increased from 78,146 in FY2012-13 to 95,355 in FY2013-14, a 22.0 percent increase. Treasury recently enhanced the on-line remittance process by offering electronic checks (E-Checks) as an additional lower cost payment alternative for citizens and to increase the timeliness of the check deposits;

these payment types are expected to increase another 20.0 percent in FY2014-15.

The cashiers processed 138,481 checks in-person during FY2013-14, while the County Lockbox Operation Center processed 483,029 paper checks. Electronic Bill Payments, during the same period, increased 6.71 percent from 222,104 to 237,015 and are projected to increase another 20.0 percent by the end of FY2014-15.

Cashier Transactions



The Treasury Division continues to expand payment options for taxpayers and County customers by providing various payment methods: cash, check, debit cards, credit cards, electronic checks, and bill paying services. Treasury installed remote deposit scanners to electronically deposit checks. These scanners have decreased the time it takes for checks to process through the bank, thus increasing the efficiency of applying payments to customer accounts.

Real estate and personal property tax bills are mailed in two installments, with due dates of June 5th and December 5th. Treasury mailed 602,821 bills during FY2013-14, a decrease of 2.8 percent from the previous year. This decrease is attributable to the consolidation of accounts during phase two of the billing system project and the division working with technology staff to begin electronic billing for large business and leasing companies during FY2013-14. The collaboration with technology staff resulted in five mortgage files being submitted electronically for 119,329 accounts and the initiation of a pilot program with leasing companies using electronic files for billing. The Taxpayer Assistance and Account Maintenance teams within Treasury answered 57,025 incoming telephone inquiries from citizens (down 19.1 percent from last year), handled 24,476 pieces of mail (down 10.3 percent), and processed 64,497 personal property and real estate customer account adjustments during FY2013-14 (an increase of 21.9 percent).

The Revenue Collection Officer (RCO) team collected \$4.4 million of delinquent real estate taxes and \$965,998 of delinquent business taxes during

Finance (cont'd)

FY2013-14. In addition, RCO's were responsible for processing a total of 32,981 new Department of Motor Vehicle registration withholdings (VRW) resulting in collection of 31,487 vehicle personal property accounts. Collections utilizing the Commonwealth of Virginia's Debt-Set-Off Program (funds withheld from individual state income tax returns) produced \$1,686,450 in revenue from unpaid taxes, utility debts and library and miscellaneous fees. The collection of 373 NSF (non-sufficient fund) checks for multiple Henrico Departments resulted in \$305,485 worth of additional revenue.

Office of Management and Budget

The Office of Management and Budget (OMB) prepares and monitors the operating and capital budgets. This Division works closely with the County Manager's Office in monitoring current revenue collections and projecting future resources as a means of preparing a realistic budget for future fiscal years. Throughout the year, OMB maintains close contact with all operating departments to avoid deficit spending and to ensure the prudent use of County funds. In addition to preparing the budget, OMB conducts a comprehensive analysis of historic and current economic conditions in Henrico County, culminating in the creation of the Financial Trends Monitoring System. This document, which is completed every fiscal year, takes into account multiple economic factors and financial information to identify past trends that aid in the derivation of statistical models to accurately forecast the future economic health of the County.

It is also the responsibility of OMB to engage in special studies as they are deemed necessary, as well as conduct a thorough fiscal impact analysis of legislation proposed by the General Assembly. While Henrico County is clearly not immune to changes in the economy, it can mitigate the effects of adverse economic conditions through prudent and conservative fiscal policies. One of the many such proactive measures that the Board of Supervisors has implemented is to plan on a multi-year basis. This allows budgetary and fiscal planning to be conducted more accurately, based on exhaustive analyses of current and anticipated revenues and expenditures, in a thoroughly preparative fashion.

Limiting spending during strong economic times not only allows for prudent fiscal management in the short term, but also helps to prepare for more trying economic times in the long term. In addition, revenue

projections are done on a conservative basis, in accordance with the multi-year planning approach that the County has adopted. Factors such as state aid, personal property tax and sales tax revenues, are some of the revenue sources that are estimated conservatively.

All of these efforts have contributed to the conservative nature of Henrico County's budgetary processes and fiscal policy, and to the exceptional services that the County provides for its citizens on a continual basis.

Purchasing

During FY2013-14, as part of a County-wide reorganization, the Purchasing division was aligned with the Finance Department. The mission of the Purchasing division is to professionally procure all goods and services essential to Henrico County and Henrico County Public Schools, and to ensure the integrity and efficiency of the procurement process in an environment that is fair to all qualified suppliers. The goal of the division is to provide overall direction, management and oversight of the County's centralized procurement functions and the surplus property program. Operation of the division is accomplished in accordance with the Code of Virginia (Chapter 43, Title 2.2 Virginia Public Procurement Act) and the Code of the County of Henrico, Chapter 16. In addition, the division supports the Board of Supervisors' Supplier Diversity Program.

In FY2013-14, the Purchasing team processed a total of 8,977 purchase requisitions totaling \$281,569,617. In addition, 177 solicitations were issued and 158 contracts were awarded. Of these contracts, ninety-eight or 62 percent were to Small, Women- and Minority-Owned (SWAM) suppliers. County purchases from SWAM suppliers totaled \$134.2 million, or 51.3 percent, during FY2013-14.

The Supplier Diversity Program was created to actively promote procurement from SWAM suppliers in a competitive manner and ensures the inclusion of SWAM suppliers on solicitation lists. Supplier Diversity is a significant part of the Henrico County business strategy. As a major purchaser of goods, services, insurance, and construction, Henrico County has the opportunity to facilitate diverse business growth.

The Purchasing division has received numerous awards for its performance and contributions to the

Finance (cont'd)

procurement field and was recognized by the National Association of Counties (NaCO) for an Online Construction Document Management System (eBid).

GENERAL SERVICES

Description

The Department of General Services is dedicated to providing quality support services for all County operations. The Department provides services in an effective, economical, and efficient manner, with pride and concern for those served. General Services is a diversified operation that consists of two divisions: Facilities Management and Support Services.

The Facilities Management Division is responsible for capital improvement projects, energy management, maintenance of the buildings and grounds, custodial services, food services, and security. Building and Grounds Maintenance provides a safe and clean environment for citizens and employees to conduct business by maintaining over 2,680,779 square feet of County buildings. Building Security safeguards County property and monitors the security of facilities through patrols and 24 hour per day security console operations. Capital Construction Administration is responsible for administering capital projects in various stages of design and construction. Employee Food Services operates the cafeteria at the Western Government Complex and provides catering services to functions within the County complex and the Training Center.

Support Services is comprised of Records Management and Central Automotive Maintenance. Records Management includes the copy center, mail delivery, and record retention functions. Central Automotive Maintenance (CAM) provides fleet management and automotive maintenance for the County. Details of CAM's budget can be found in the Internal Service Fund section of this book.

Objectives

- To provide County departments and agencies with effective support in the areas of food service, automotive maintenance and office support services so departments and agencies can effectively carry out their assigned functions.
- To provide facilities planning, design and construction, grounds maintenance services for general government agencies, food services and 24/7 security services to enhance the use and quality of County facilities.
- To exercise sound financial management and accountability of public funds used toward departmental and County-wide objectives through a uniform system of accounting, financial reporting and internal control.

Budget Highlights

The Department's budget for FY2015-16 is \$14,111,387. This represents a decrease of \$248,337, or 1.7 percent when compared to the FY2014-15 approved budget. The decrease is attributable to savings found in several operating line items. The personnel component of the budget is increasing \$59,100, or 0.8 percent, due to personnel cost increases associated with a 2.0 percent partial year salary increase in FY2015-16 as well as the annualized cost of a salary increase implemented in December 2014. Operating and capital expenditures outside of personnel are decreasing \$307,437, or 4.1 percent from the prior year approved budget.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 6,507,490	\$ 6,973,017	\$ 7,032,117	0.8%
Operation	6,534,087	7,034,241	6,734,304	(4.3%)
Capital	288,531	352,466	344,966	(2.1%)
Total	<u>\$ 13,330,108</u>	<u>\$ 14,359,724</u>	<u>\$ 14,111,387</u>	<u>(1.7%)</u>

Personnel Complement	120	120	119 ⁽¹⁾	1
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⁽¹⁾One position was transferred to Information Technology.

General Services (cont'd)

Performance Measures

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>Change 15 to 16</u>
Workload Measures				
Preventive Mechanical Maint. Work Orders	9,117	9,200	9,200	0
Corrective Maintenance Work Orders	10,931	12,000	12,000	0
Square Feet Maintained	2,672,477	2,680,779	2,810,639	129,860

Division of Facilities Management

Maintenance & Custodial

In the Maintenance and Custodial section of Facilities Management, the budget for FY2015-16 is \$9,929,033, representing a decrease of \$5,189, or 0.1 percent from the FY2014-15 approved budget, due to some savings found within the operating and capital portions of the Division's budget.

The Maintenance and Custodial division of General Services provides building, custodial, and grounds maintenance at numerous County facilities, and coordination of the Training Center. The \$160,000 allocation remains dedicated for the Division's Building Maintenance Program, which supports painting, re-carpeting and fitness center equipment replacement.

Security

The budget for the Security section of Facilities Management totals \$1,449,588, representing an increase of \$20,424, or 1.4 percent from the prior year approved budget. Personnel costs account for the entirety of the increase. Security safeguards County property with a complement of 28 employees by monitoring the security of facilities through patrols and a 24-hour per day security console operation.

Administration

The General Services Administration budget totals \$1,825,206, representing a decrease of \$288,723, or 13.7 percent from the prior fiscal year. This decrease is due to the anticipated elimination of the North Run office complex lease and the transfer of one position to the Information Technology department. General Services Administration provides budgetary oversight and fiscal management to the three divisions and is responsible for the administration, planning, design, and construction contracts for habitable buildings for General Government. The Administration division is

also responsible for the County's energy management and has been tasked with promoting an environment that generates conservation across all activities within the County. There are currently nineteen employees that comprise the Administration division.

Employee Cafeteria

In FY2015-16, the budget for the Employee Cafeteria totals \$444,140, which reflects an increase of \$16,174, or 3.8 percent when compared to the FY2014-15 budget. The entirety of this increase is reflected in the personnel component of the budget. There is no change to either the operating or capital components of the budget relative to the prior year approved budget. This area operates the cafeteria at the Western Government Complex with six full-time positions.

Division of Support Services

Records Management

The FY2015-16 budget of \$463,420 for the Records Management division represents an increase of \$8,977, or 2.0 percent when compared to the FY2014-15 approved budget. The increase is attributable to cost increases within the personnel component of the budget. Records Management has eight employees to operate the County's internal mail system, copy center, print shop, and the County's offsite record storage.

Central Automotive Maintenance

The budget for this area is captured in the Internal Service Fund as opposed to the General Fund since funding for operations are provided primarily through inter-departmental billings. Central Automotive Maintenance (CAM) is the area within the Department of General Services that maintains all County motorized equipment; operates eight self-service fueling facilities throughout the County; and leases vehicles to departments on a monthly or daily basis.

INTERNAL AUDIT

Description

Internal Audit assists the County Manager and the Board of Supervisors by providing objective analyses, recommendations, advice and comments concerning those areas reviewed to ensure an appropriate level of control at a reasonable cost. To be effective, Internal Audit must maintain independence, and therefore reports directly to the County Manager and the County's Audit Committee. The focus of Internal Audit is on General Government, as Education has a separate internal audit function.

Internal Audit evaluates the adequacy and effectiveness of County agencies' internal controls and examines the quality of performance of their operations for improvement of accountability within the General Government. Assessing quality of performance includes appraising the reliability and integrity of financial and operating information and the means to process data; evaluating the sufficiency of compliance with significant plans, policies, procedures, laws, and regulations; ascertaining the adequacy of controls for safeguarding General Government assets and, as appropriate, verifying asset existence; and examining efficient use of General Government resources and program accomplishments.

Objectives

- Perform an annual risk assessment, identify areas of risk for audit, and conduct internal audits to evaluate controls, recommend workable improvements, and note commendable practices that can be shared with other agencies.

- Follow up on prior internal audits to determine that agreed-upon management action plans have been effectively implemented to address the risks identified during the audits.
- Assist with the County's annual external audit.
- Advise County management and the County's Audit Committee on potential improvements in operations and results through technical assistance.
- Perform requested special audits and follow up on issues raised through the fraud reporting mechanisms and recommend corrective action as required.
- Administer office activities for continuous professional education, training, and skills development, ensuring excellent quality and adherence to independent auditing with integrity.

Budget Highlights

The auditing environment has become increasingly complex and challenging as the County and its agencies implement additional technology and as regulations and accounting requirements are continuously changing. To meet these challenges and provide quality audit results, Internal Audit uses enhanced auditing software in all of its audits to better examine activity in a cost effective manner. The department pays annual software licensing costs to

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 404,691	\$ 398,888	\$ 408,001	2.3%
Operation	11,247	12,579	12,579	0.0%
Capital	0	0	0	0.0%
Total	\$ 415,938	\$ 411,467	\$ 420,580	2.2%
 Personnel Complement	 4	 4	 4	 0

Internal Audit (cont'd)

Performance Measures				
	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Audit Projects: Audits, Follow Ups, Consults	26	26	26	0
Efficiency Measures				
General Gov't budget/audit position (mil)	\$ 144	\$ 151	\$ 151	0
General Gov't employees/audit position	981	984	984	0

maintain current versions and support for these tools. In addition, the department requires all staff to maintain professional certifications and provides annual continuing education to stay current with requirements, business risks, and the latest audit techniques. The software licensing costs as well as the continuing education costs are the two largest components of the operating budget for Internal Audit.

As the majority of the department's budget (97%) consists of personnel costs, service levels will continue at current levels on audits, special projects, and follow-ups. Internal Audit conducts an annual survey and finalizes a risk-based planning assessment to select and perform routine audits of the effectiveness of controls in a number of areas. The goal of the audit planning process is to select auditable areas of risk in each of the major operating segments each year – Administration, Community Services, Community Development, Community Operations, and Public Safety.

The fraud reporting webpage may generate additional special projects. Technical assistance will be provided to agencies as requested. The department also assists

the County's external auditors with the required annual financial and compliance audits to help control those costs.

Some of the internal audits conducted by the department in FY2014-15 include DPU expenditures, Permit Centers' money receipts and expenditures, and Recreation and Parks' reservation and enrollment system.

Internal Audit's budget of \$420,580 represents an increase of \$9,113 or 2.2 percent over the FY2014-15 approved budget. This increase is driven solely by the personnel component and reflects the full-year impact of the raise that became effective in December of 2014 as well as a partial-year 2.0 percent wage scale increase. The operating component remained flat from the previous fiscal year.

Although the operating component remained flat from the previous fiscal year, funding of \$200 was reallocated from printing and binding and office supplies to computer software to cover additional costs associated with expanded software capabilities.

INFORMATION TECHNOLOGY

Description

The Department of Information Technology is responsible for serving all computer-oriented information processing needs of County agencies. This includes information and office automation equipment selection, application development and/or software selection assistance, ongoing hardware and software maintenance, and data and telecommunications network development and support. The computer center now operates twelve hours a day, five days a week. Major areas of service include Finance, Community Development /Operations Agencies, Human Resources, and all Public Safety agencies. IT provides a help desk to provide assistance to agency personnel on any computer related problems.

The Department also administers and maintains the County's telecommunications infrastructure including telephone systems, mobile devices, and the voice and data plant. In addition, the Department is responsible for the maintenance and support of the Emergency E-911 system for Public Safety and the management of the County's Geographic Information System (GIS).

Objectives

- To provide enterprise server based computer capabilities to County agencies.

- To assist County agencies in increasing efficiency and effectiveness through the use of advanced technological tools for administrative and field operations.
- To provide application development and/or software selection services.
- To maintain operational efficiency through the use of state-of-the-art equipment and software.
- To administer the Department's information technology resources in a manner that best serves the County's operational and customer service needs.
- To maintain the highest level of proficiency of staff in all areas of technical support.
- To host and support various enterprise applications, including email and Internet connections, to all County agencies.
- To monitor, maintain, and upgrade the County's local and wide area network (LAN/WAN) as efficiently and effectively as possible.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 8,319,232	\$ 8,704,561	\$ 8,890,041	2.1%
Operation	2,986,937	3,461,449	3,461,449	0.0%
Capital	277,448	522,215	522,215	0.0%
Total	<u>\$ 11,583,617</u>	<u>\$ 12,688,225</u>	<u>\$ 12,873,705</u>	<u>1.5%</u>
Personnel Complement*	88	88	90	2

*One position was transferred from General Services and one position was transferred from Human Resources to Information Technology's complement during FY2014-15.

Performance Measures

	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Website Visits	2,232,898	2,440,719	2,618,308	177,589
Website Unique Visitors	1,160,017	1,267,127	1,373,534	106,407
Website Page Views	6,865,209	7,014,890	7,230,287	215,397

- To manage GIS technology to enhance coordination of Community Development services among County departments.
- To provide the County with an efficient and dependable telecommunications network.

Budget Highlights

The Department of Information Technology’s (IT) FY2015-16 budget totals \$12,873,705, which represents a net increase of \$185,480 or 1.5 percent from the previous approved budget. This increase is driven solely by the personnel component which includes the transfer of two positions to IT during FY2014-15, one from General Services and one from Human Resources. This component also includes the partial year impact of the 2.0 percent raise as well as rising health care costs. It is important to note that there were recent retirements within the department which offset the overall increase.

The operating component is forecasted at a total cost of \$3,461,449 for the FY2015-16 budget and remains flat from the previous year. Several accounts were adjusted to more accurately reflect forecasted expenditures. The capital component remains constant as well, totaling \$522,215, which will allow for the purchase of new and replacement computer equipment as well as furniture replacement needed for the department.

Information Technology has started two enterprise projects in FY2014-15. The first is Microsoft Office 365. This product moves the County’s email and collaborative infrastructure into Microsoft’s cloud environment. Also, the County has contracted to introduce a Voice over IP (VoIP) telecommunications system. This system will replace the County’s legacy phone system.

During FY2015-16, the Department of Information Technology will continue to expand its virtual server environment. Currently IT has approximately 276

virtual servers running on nineteen physical servers. The County has 152 physical servers. In keeping with IT’s movement toward the use of VMWare, the Database Team has moved 80.0 percent of over 175 databases to Microsoft SQLServer 2012. This version will be supported by Microsoft for at least the next five years. All Police reporting systems, Computer Aided Dispatch, and the Sheriff’s Office Medical Service databases are now running in a high availability architecture at multiple facilities. This architecture allows one facility to suffer a catastrophic anomaly but permits the databases to continue to operate.

The Oracle databases for Oracle HRMS/Financials, Social Services, Finance applications, and mobile development were moved to the newly acquired Oracle database appliance X4-2. IT continues to look into creating a disaster recovery database appliance housed at the County Training Center (CTC). This migration resulted in significant performance improvement in the Oracle HRMS and Financials processes. The Department has also achieved their Oracle database consolidation goals. During the next year the focus would be to replace their aging application server hardware with either Oracle Database appliance guest virtual machines or a separate hardware virtualized VMWare instance.

In FY2014-15, Information Technology is in the process of upgrading the County’s data network infrastructure in the primary data centers, located in both the Information Technology Department offices and the E911 Center. This upgrade includes new routing and switching gear for both the main distribution networks and the server networks. This will better prepare the County for VoIP, virtual server infrastructure enhancements, and also will provide full redundancy to all network closets in the Western Government Center (WGC) and CTC campuses distributed to both locations. Also, included in the campus redundancy project was the addition of a much higher capacity fiber-optic cable placed between the WGC and CTC campus. Effectively, the addition of the fiber-optic cabling has allowed the Information

Information Technology (cont'd)

Technology Department to logically couple the main computer room network and the CTC computer room network into one comprehensive network, while maintaining physically separate locations for the computer room equipment.

In collaboration with Police, IT implemented the innovative TEMPO dashboard which provides a browser based menu for all Police reporting applications and a set of user subscription based situational and historical awareness applications. The subscription based applications allow Officers to: view maps and tabular data of crime, arrests, warrants, calls for service and other data which can be mapped that meets their specific needs; view photographs of interest published by the Crime Analysis Unit and others of persons, place and property; read and comment on daily briefs published by various units; read and contribute to forums on specific topics ranging from crime in a patrol zone to current gang activities; view a full range of metrics on the units of work an officer has performed as measured by reports completed, arrests made, calls sent to, assigned investigations, warrants served and obtained, etc.

The Police Team has made many other enhancements to multiple reporting systems. For example, the incident and crime reporting application was enhanced to collect extensive data on domestic violence and mental health incidences. Prior to these enhancements, up to five pages of questions were manually completed and the data was not available as a part of the overall incident report application.

As part of the Web Team's goal to make the County's website easier to use, the website moved from the difficult www.co.henrico.va.us URL to an easier to use Henrico.us URL. The Web Team has also been working closely with agencies around the County to fine tune plans on the migration to a service-oriented website. The topology and technical changes have started development with the plan on an iterative approach to releasing new features as the County migrates to the new site. Some enhancements already implemented include data collection forms tied into back-end systems, the introduction of location templates and pages, custom pages for presentation of parks, and improvements on using the site on a wide range of devices. Upcoming products include an emergency alert system integrated into the County's site and a calendar to improve presenting event information to citizens.

IT continued development work in Oracle Application Express (APEX), replacing legacy departmental Access Database systems and manual operations with six new systems for DPW, the County Manager's Office, and General Services. These include: the MS/4 facility Management System (STRM), the Storm Water Management System (SWM), Boards and Commissions System (BIDS), Henrico-Owned Parcel System (HOPS), Utility Payment system (GSUT), and the Security Incident Reports System (SIRS). Additional APEX development includes four new systems: the Fire Drill and Inspection system for MH/DS, Septic Pump Out system for DPW, Budget System for Finance, and an Evidence Tracking System for Circuit Court. IT supports over thirty APEX applications covering twelve different agencies.

The Cad24x7 system received numerous enhancements during the past year. Foremost among these were the replacement of the commercial GeoComm map with an in-house custom developed 9-1-1 map. This saves an annual \$23,000 maintenance fee and provides a more tailor-made map which seamlessly integrates with the Cad24x7 dispatching system. Also the new ASAP alarm interface was implemented which allows approved commercial alarm companies to electronically submit alarm calls to the Cad24x7 system. Now thousands of alarm calls will be automatically received via the ASAP interface each year relieving the dispatchers from having to answer and enter those calls into the system and making the County's emergency response to those calls for service faster.

Also a new Fire alerting system is being implemented starting this year. The new alerting system will roll out over three to four years so during this time the Cad24x7 system will need to interface to both the new and old Fire alerting systems. Towards this end IT is developing a custom alerting interface program which will allow the dispatchers to manage both the old and new Fire alerting systems from a single program.

A new Fire support system called CADPassport will be implemented and will provide enhanced integration between the Cad24x7 system and the FireRoster system. CadPassport will provide information on which firefighters are assigned to each piece of fire apparatus; automatic updates to Fire/EMS medical service level (which are dependent upon who is riding on the unit); and will allow firefighters to subscribe to receive text messages related to any call for service to

Information Technology (cont'd)

which their current unit is assigned.

The GIS Office has upgraded the County's ArcGIS platform to version 10.2, providing enhancements to GIS desktop and server capabilities. County agencies now have access to several cloud-based GIS solutions, as the GIS Office has implemented both ArcGIS Online for Henrico County and pictometry oblique

aerial photography. Additionally, plans have been finalized for bi-annual aerial photography and base-mapping updates for the next several years. GIS continues to support diverse project areas including DPW's MS4 Apex application, DPU's Cityworks implementation, and has taken over GIS responsibilities for Community Revitalization.

REAL PROPERTY

Description

The Real Property department plans and supervises the administration of the acquisition, leasing, and disposal of real property (real estate) for the County of Henrico, including General Government, Economic Development Authority, and Schools. While managing the County's real estate portfolio, Real Property also advises and makes recommendations to the County Manager, Deputy County Managers, the Board of Supervisors, and the School Board regarding these properties and performs related work as directed. The Department's experienced and professional staff work daily in cooperation with departments including, but not limited to, Public Utilities, Public Works, Recreation and Parks, Planning, Budget, Schools, and the County Attorney's Office to collect relevant information about particular properties.

The department also prepares presentations for public forums such as Board of Supervisors' Meetings, Magisterial District Meetings, and in court, when necessary. Furthermore, the Department, as directed, represents the County in negotiations with its citizens and the private sector for the acquisition or disposal of real estate.

Objectives

- To acquire real estate by purchase or lease at fair market value.
- To dispose of surplus real estate owned by the County at the maximum value permitted by law.

- To perform the necessary administrative duties required for the acquisition, leasing, and disposal of real property for the County Government and the County School Board.

Budget Highlights

The Real Property Department will continue to strive to maintain the existing level of service to the County and the public in FY2015-16. Currently, the department manages 106 County-leased properties. Included are eight leases for the Department of Mental Health & Developmental Services, which includes properties for supervised Independent Living programs. In addition, the department manages office space and warehouse storage facilities for various departments such as General Registrar, General Services, Recreation and Parks, Public Libraries, and Henrico County Public Schools. Further, Real Property manages approximately 44 cell tower leases and continues to receive requests to review new sites or add new cellular technology like "nodes" at existing County and School sites.

The Department anticipates increased requests from the Department of Public Works for road and drainage projects and from the Department of Public Utilities water and sewer projects. Moreover, public sector easement recordings handled by the Department rose 45.0 percent to 64 last year and the trend is expected to continue with the steady rise in commercial real estate development activity.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 605,141	\$ 588,157	\$ 601,356	2.2%
Operation	26,697	17,851	17,851	0.0%
Capital	0	0	0	0.0%
Total	\$ 631,838	\$ 606,008	\$ 619,207	2.2%
 Personnel Complement	 7	 7	 7	 0

Real Property (cont'd)

	Performance Measures			
	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Property & Easements Purchased (mil)	1,890,933	7,000,000	2,000,000	(5,000,000)
Property Leased to Others (k)	653,388	660,000	665,000	5,000
Property Leased from Others (mil)	1,721,000	150,000	151	(149,849)
Leased Managed	110	108	106	(2)

Finally, Real Property will continue to assist the County in acquiring properties for future fire and police stations and parks, as well as assist Schools in the acquisition of land and easements for new and existing schools. During FY2015-16, the Department will focus attention on the County initiative to selectively cull surplus property inventory with the intention of returning it to the taxable land book by selling it for maximum value.

The Real Property budget of \$619,207 represents an increase of \$13,199 or 2.2 percent over the FY2014-15 approved budget. This increase is driven solely by the personnel component, mostly due to full recognition of the raise that became effective in December of 2014 and a partial-year 2.0 percent wage scale increase. The operating component of the budget remained flat.

ELECTORAL BOARD

Description

The General Registrar provides appropriate forms for those registering to vote, maintains the official voter registration records for Henrico County, and other duties defined in the Code of Virginia and by the State Board of Elections. The official voter registration records allow the Registrar to provide an accurate list of voters to each polling place. The Henrico County Electoral Board delegates to the General Registrar the duties of arranging and supervising the elections held in Henrico County. The mission statement of the Office of Voter Registration and Elections is: *To promote consistent administration of all elections, registration and campaign finance laws, rules and regulations.*

- To provide information about the requirements, procedures, and codes governing campaign reporting.
- To educate staff and poll workers on registration and election laws as well as voting procedures and ensure all poll workers are notified of training dates before each election.
- To ensure every precinct conducts fair and impartial elections and a safe and secure voting environment is provided to each voter.
- To provide information to the public regarding the administration of elections in the County and Commonwealth.
- To attend educational seminars relevant to changes in election laws and policy procedures.
- To provide training to all chiefs and assistant chiefs before each election is conducted.
- To ensure the programming of ballots is designed in a timely manner to permit voters to cast and mail ballots to the Registrar's office before the voting deadline for each election.

Objectives

- To provide County residents the opportunity to register to vote.
- To provide fair and honest Federal, Commonwealth and County elections to qualified registered voters of the County of Henrico.
- To offer absentee voting to all qualified voters of the County of Henrico who request this service.
- To ensure the number of absentee voters is correctly projected, all absentee requests are reported, and issue correct ballots to each voter.

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Personnel	\$ 974,779	\$ 1,018,269	\$ 1,029,422	1.1%
Operation	270,078	302,701	302,701	0.0%
Capital	0	0	0	0.0%
Total	\$ 1,244,857	\$ 1,320,970	\$ 1,332,123	0.8%
Personnel Complement*	8	8	8	0

*Complement does not include 1 Complement IV position, whose salary is set and funded by the State.

Electoral Board (cont'd)

Performance Measures

	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Number of Registered Voters	206,176	207,043	210,216	3,173
Efficiency Measures				
% of Manuals Published before Training	100%	100%	100%	0
% of Attendance for All Chief and Assistants	95%	100%	100%	0
% Accuracy of Daily Registration Reports	95%	100%	100%	0
% of Polling Locations Meeting ADA	100%	100%	100%	0
% of Ballots Passing Public Testing	100%	100%	100%	0
% of Ballots Cast Reconciled with Voters	100%	100%	100%	0
% of Candidates Receiving Filing Manuals	100%	100%	100%	0

- To ensure all required media advertisement from Virginia General Code is published.
- To ensure precinct manuals on Election Day procedures and actions are supplied to all precinct workers.
- To record all candidate filings for upcoming elections and to collect information on candidates' contributions, committees, and treasurers.
- To provide regulation advice for political advertising.
- To provide required forms and supplies to candidates, treasurers, and committees.

The Electoral Board's budget for FY2015-16 will cover the operating costs of the voter registration operation along with costs associated with elections held during the fiscal year. Those elections include the Virginia State Senate's two districts in Henrico County, the Virginia State House of Delegate's eight districts in Henrico County, the Henrico County Board of Supervisor's five districts, the Henrico County School Board's five districts, the Henrico County Commonwealth Attorney, the Henrico County Clerk of Court, and the Henrico County Sheriff. The Electoral Board must also prepare for the 2016 Presidential Primary and a June Primary for United States Congressional Districts in Henrico County.

An additional election resource is the Henrico County Student Page Program, which is supervised by the department. High school students volunteer to work on Election Day at the polling places to earn community service hours.

Budget Highlights

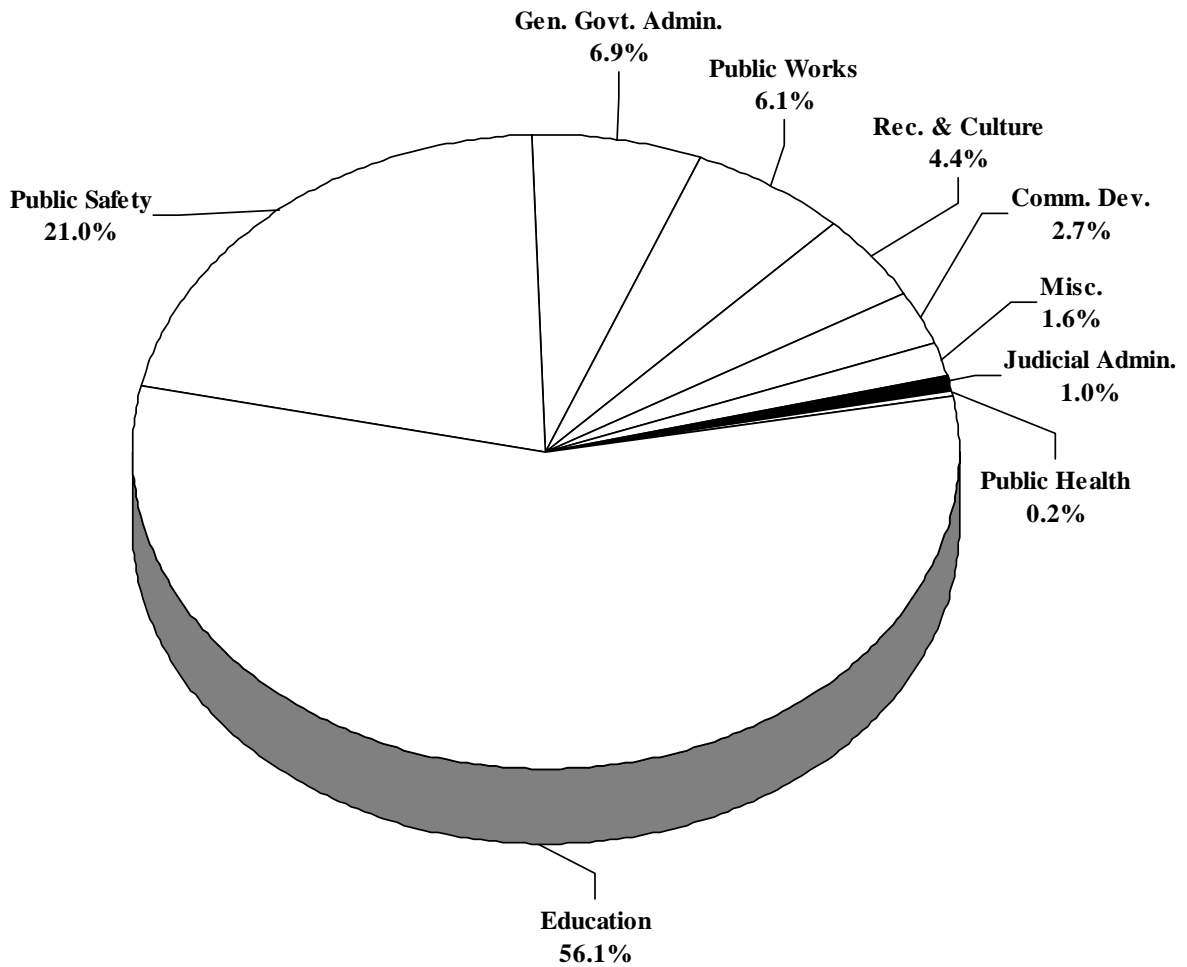
The Department's budget for FY2015-16 is \$1,332,123. This represents an increase of \$11,153 or 0.8 percent compared to the FY2014-15 budget. The entire budgetary increase is due to an increase in the personnel component and reflects the annualization of a merit based salary increase provided in FY2014-15 as well as a partial-year 2.0 percent wage scale increase. Operating expenditures are forecasted to remain flat compared to the prior fiscal year.

The page duties include assisting with the opening of polls on Election Day, distributing voting guide pamphlets, operating doors for elderly and disabled voters, and other duties as assigned by the Chief Officer of Election. In the 2014 November Election, students earned 1,850 hours of community service.

COUNTY OF HENRICO, VIRGINIA

Judicial Administration

\$7,913,112



Total General Fund

\$785,816,091

**COUNTY OF HENRICO, VIRGINIA
 JUDICIAL ADMINISTRATION - GENERAL FUND
 FY 2015-16**

<u>Department</u>	<u>FY 13-14 Actual</u>	<u>FY 14-15 Original</u>	<u>FY 15-16 Approved</u>
Circuit Court:			
Court Clerk	\$2,482,429	\$2,450,671	\$2,443,708
Court Services	518,976	526,472	535,399
Total Circuit Court	<u>3,001,405</u>	<u>2,977,143</u>	<u>2,979,107</u>
General District Court:			
Court Services	235,324	208,076	208,076
Magistrates	6,425	6,286	6,286
Total General District Court	<u>241,749</u>	<u>214,362</u>	<u>214,362</u>
Juvenile and Domestic Relations District Court:			
Court Services	150,188	192,525	192,525
Juvenile Probation	21,360	23,072	23,072
Total Juvenile District Court	<u>171,548</u>	<u>215,597</u>	<u>215,597</u>
Commonwealth's Attorney	4,440,972	4,475,112	4,504,046
Total Judicial Administration	<u><u>\$7,855,674</u></u>	<u><u>\$7,882,214</u></u>	<u><u>\$7,913,112</u></u>

CIRCUIT COURT

Court Clerk

Description

The Circuit Court Clerk is a Constitutional Officer elected for a term of eight years, who serves as the administrative officer of the Circuit Court, is the Register of Deeds, and serves as a Probate Judge in other states. The Circuit Court Clerk is responsible for maintaining and administering the files in felony cases, claims over \$25,000, matters including adoptions, divorces, disputes concerning wills and estates, controversies involving property as well as maintaining and administering the files for misdemeanor appeals and civil appeals from District Court. The Clerk is also responsible for the collection of fines and costs in criminal cases; the collection of recordation fees and taxes; and maintains a financial system to track the collections and remittance of these sums to the State and local governments.

The Clerk is also responsible for maintaining the marriage licenses issued by the office of the Clerk as well as the issuance of concealed handgun permits. The land records, which need to be retained permanently by the Clerk, include deeds, surveys, wills, the indices for judgments, financing statements, and assumed names (or partnership names). The land records section of the Clerk's office contains a portion of the history of the County of Henrico and the importance of preserving these records is imperative.

Objectives

- To provide access to all public records using technology to the extent allowed by law.
- To maintain and preserve the integrity of all documents of historical value to the County.
- To provide services to the public in the areas of land records, marriage licenses, and probates of wills.
- To efficiently assist attorneys and the public in all areas of the Clerk's Office.

Budget Highlights

The Circuit Court Clerk's budget of \$2,443,708 represents a net decrease of \$6,963 or 0.3 percent from the FY2014-15 approved budget. The personnel component is the driver of the reduction and reflects several retirements within the department. Although this component experienced an overall decrease, the partial year impact of the 2.0 percent raise is included as well as increased health care costs. The operating component totals \$227,608 and mirrors the FY2014-15 submission.

Pursuant to Virginia Code Section 17.1-279, the Clerk

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 2,180,693	\$ 2,223,063	\$ 2,216,100	(0.3%)
Operation	301,736	227,608	227,608	0.0%
Capital	0	0	0	0.0%
Total	\$ 2,482,429	\$ 2,450,671	\$ 2,443,708	(0.3%)
Personnel Complement	N/A	N/A	N/A	N/A

Note: The Circuit Court Clerk positions [38] are funded by the State and are either Complement III or IV positions

Performance Measures

	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Civil Cases Commenced	3,237	3,475	3,500	25
Criminal Cases Commenced	5,375	5,073	5,100	27
Number of Wills and Administrations Recorded	1,100	1,093	1,100	7
Number of Instruments Recorded in Deed Books	51,257	36,443	46,000	9,557
Marriage Licenses Issued	1,892	2,172	2,300	128
Number of Judgments Docketed	18,020	17,607	17,000	(607)
Concealed Weapon Permits Issued	3,225	2,590	2,600	10

collects a \$5.00 technology fee on all instruments recorded in the land books, judgments docketed, and all civil suits commenced. Of this total, \$4.00 is to be reimbursed to the locality by the Compensation Board to support technology efforts within the Clerk’s office. The funding is distributed to the Clerk by the Compensation Board. The Clerk implemented an electronic recording system in the Clerk’s office and currently maintains deeds, plats, judgments, wills and fiduciaries, criminal orders, and civil orders.

It should be noted that in FY2010-11 this revenue source was removed from State restricted revenue and replaced with a line of credit. This revenue source is not included in the County’s original budget, but is appropriated during the fiscal year as the Compensation Board makes funds available. Upon the implementation of the secure remote site to land records, the Code of Virginia provides that the Clerk can apply to the Compensation Board to implement other technology projects within the office.

In September 2014, funding of \$280,816, which was appropriated during the prior year from funding received by the Virginia Compensation Board, was reappropriated to be spent during FY2014-15. In addition, new funding of \$156,104 was also appropriated in September. This appropriation of funds has been used to continue making enhancements and improvements to the current imaging system for indexes and land records and improving access to court records in order to provide better service to the public in the records room.

In 2014, the Clerk implemented an on-line system for Officers of the Court to remotely access criminal and civil records. This system is offered to attorneys and their staff by a paid subscription. The system enables attorneys to have access to court files without leaving

their office. The Clerk currently has more than 100 users of the system.

Also of interest is the reduction in excess clerk fees to the local government. The fee allocation to localities was reduced by 50.0 percent in the FY2010-11 State budget cycle. This reduced the amount of funds reimbursed to the locality by the Commonwealth from the collection of fees by the Circuit Court Clerk.

The table below reflects actuals for FY2005-06 through FY2013-14 as well as the budget forecast for FY2014-15 and FY2015-16 for both State and County funding. State funding represents only those revenues that are generated by the Compensation Board and excludes Clerk Excess Fees, State Recordation Tax, and the Clerk’s Technology Trust Fund. In addition, the County portion below represents the difference between the Compensation Board revenues and actuals and/or budget for the Circuit Court Clerk’s Office.

Fiscal Year	State Funding	County Funding	% County
2005-06	1,552,202	642,456	29.3%
2006-07	1,218,402	1,068,493	46.7%
2007-08	1,318,388	1,160,825	46.8%
2008-09	1,156,809	1,274,591	52.4%
2009-10	1,020,916	1,411,650	58.0%
2010-11	1,156,485	1,178,984	50.5%
2011-12	1,138,564	1,322,374	53.7%
2012-13	1,160,474	1,318,458	53.2%
2013-14	1,226,908	1,255,521	50.6%
2014-15	1,150,000	1,300,671	53.1%
2015-16	1,150,000	1,293,708	52.9%

CIRCUIT COURT

Court Services

Description

The Circuit Court of Henrico County (Fourteenth Judicial Circuit) is the trial court of general jurisdiction with the authority to try a full range of civil, chancery/equity, and criminal cases.

In civil cases, the Circuit Court exercises concurrent jurisdiction with the General District Court in money claims of one to twenty-five thousand dollars, and original jurisdiction for claims over twenty-five thousand dollars. Also included on the civil docket are condemnation trials.

In criminal cases, the Circuit Court has jurisdiction over the trials of misdemeanor and felony cases – offenses punishable by confinement in jails or other correctional institutions. Court costs and fines are assessed in court against those charged.

The Circuit Court also exercises jurisdiction in domestic and other chancery/equity cases. This includes all divorce matters, as well as disputes concerning wills and estates, guardianships and partition suits.

The Circuit Court exercises appellate jurisdiction over appeals of civil and criminal matters from the Henrico Juvenile and Domestic Relations District Court and the Henrico General District Court. Circuit Court judges also hear appeals from certain administrative agencies in the Commonwealth and Henrico County.

Objectives

- To administer justice fairly, according to applicable laws, in a timely manner.
- To operate an efficient and effective court system in the administration of justice for the citizens of Henrico County.

Budget Highlights

There are five judges elected to the Circuit Court by the General Assembly of Virginia, each for a term of eight years. One Judge is elected Chief Judge every two years. The Chief Judge serves as the administrative judge of the support staff, which consists of one part-time and four full-time clerical positions, and three law clerks. The Judges' salaries are paid directly by the Commonwealth. In 2007, the Judicial Council approved a sixth judge for the Circuit Court, but as of 2015 the sixth judge has not been approved by the General Assembly. Fines and costs against those found guilty in certain felony and misdemeanor cases from Henrico charges are assessed by the judges. These fines and costs are collected by the Circuit Court Clerk's Office.

The Circuit Court's budget for FY2015-16 is \$535,399. This represents an increase of \$8,927 or 1.7 percent from the FY2014-15 approved budget, solely attributable to increased personnel costs. The operating and capital components of the budget remain flat.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>15 to 16</u>
Personnel	\$ 471,238	\$ 480,728	\$ 489,655	1.9%
Operation	46,679	44,344	44,344	0.0%
Capital	1,059	1,400	1,400	0.0%
Total	<u>\$ 518,976</u>	<u>\$ 526,472</u>	<u>\$ 535,399</u>	<u>1.7%</u>
Personnel Complement	8	8	8	0

Circuit Court Services (cont'd)

	Performance Measures			Change
	FY14	FY15	FY16	15 to 16
Workload Measures				
Full Time Judges	5	5	5	0
Jury Commissioners	4	4	6	2
Citizens Eligible to Serve as Petit Jurors	4,500	4,500	4,500	0
Citizens Called to Serve as Petit Jurors	4,200	4,200	4,200	0
Jury Panels	700	700	700	0
Grand Jurors Called to Serve	99	108	108	0
Grand Jurors on Master Panel	120	120	120	0

Service levels of this court are governed by the number of cases filed each year – criminal, civil law, chancery law (including divorces) along with those carried over from the past year, and requests for juries. According to 2013 Caseload Statistical Information, the caseload for the Fourteenth Circuit showed 8,650 cases (civil and criminal) commenced in 2013, with an average of 1,730 per judge, ranking 12th in the state. There were 5,403 total criminal cases commenced, with an average of 1,081 per judge, ranking 17th among the 31 circuits.

There were 3,247 civil cases commenced, with an average of 650 per judge, ranking 10th among the 31 circuits. The total number of cases (civil and criminal) concluded was 8,086 in 2013, with an average of 1,617 per judge. The Circuit Court responds to telephone inquiries from citizens and other courts, coordinates with the Sheriff on the security of the courthouse, provides internships to law students, and contributes

to educational programs to improve the administration of justice.

Individual judges also actively participate in organizations, committees, and programs outside of their everyday duties in the courtroom, including but not limited to the Virginia Criminal Sentencing Commission, the Benchbook Committee, the Drug Court Program, Virginia Continuing Legal Education and Bench Bar Conference.

The judges make themselves available for Three Judge Panels at the request of the Chief Justice and any other committee or panel the Chief Justice may request of them. In addition to these activities, judges also participate in mock trials conducted by the University of Richmond School Of Law and by local high school students, as well as mock trials for police officer training.

GENERAL DISTRICT COURT

Court Services

Description

The General District Court exercises original jurisdiction over all misdemeanor cases and also has jurisdiction over civil matters where less than fifteen thousand dollars is involved. Preliminary hearings in felony cases are also conducted in this court. The average monthly caseload for the Court is 10,000 new cases. In addition to new cases, the Clerk's Office processes an average of 3,000 witness subpoenas, 300 requests for certified copies of prior convictions, 350 requests for restricted licenses, 80 protective orders, 1,000 garnishments, 800 requests for civil abstracts, and 800 writs of possession on a monthly basis. The Clerk's Office also assists citizens with phone inquiries and in-person visits; averaging 12,000 phone calls and 1,000 walk-ins monthly. General District Court judges preside over traffic cases and certain violations of the County Code. There are four judges serving in this court, having been appointed by the General Assembly for a term of six years. The judges, clerk, and deputy clerks are all paid directly by the Commonwealth. The County provides space, furniture, and support for the General District Court.

Objectives

- To ensure the efficient operation of the General District Court through support of the activities of the Clerk's office.
- To maintain accurate and timely court records.
- To maintain an accurate accounting of court funds.
- To provide adequate maintenance, storage, and retrieval of court records.

Budget Highlights

The General District Court's FY2015-16 budget of \$208,076 represents no increase from the FY2014-15 approved budget. The budget is to support the daily operation of the General District Court, which consists of four courtrooms and administrative offices, occupied by four judges and 34 employees. The staff of the General District Court is comprised entirely of state employees, so all personnel costs are paid by the Commonwealth of Virginia and are not reflected in this budget.

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	15 to 16
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	235,324	208,076	208,076	0.0%
Capital	0	0	0	0.0%
Total	\$ 235,324	\$ 208,076	\$ 208,076	0.0%

Personnel Complement N/A N/A N/A N/A

*Personnel expenses are paid by the Commonwealth of Virginia

General District Court Services (cont'd)

	Performance Measures			Change
	FY14	FY15	FY16	15 to 16
Workload Measures				
Total New Cases Filed	114,067	126,822	126,822	0
Total New Criminal Cases Filed	13,158	13,967	13,967	0
Total New Civil Cases Filed	36,025	39,300	39,300	0
Total New Traffic Cases Filed	64,844	73,555	73,555	0
Number of Full-Time Judges	4	4	4	0

*Note: These estimates are prepared by State Supreme Court personnel.

GENERAL DISTRICT COURT

Magistrate

Description

The principal function of the Magistrate’s office is to provide independent review of complaints from police officers, sheriff’s deputies, and residents. These complaints provide the magistrate with facts needed to determine whether a warrant of arrest should be issued. In addition to issuing warrants of arrest, magistrates conduct bail hearings, commit offenders to jail, and release prisoners from jail. The Magistrate’s office operates under the supervision of the Supreme Court of Virginia.

Budget Highlights

This is the seventeenth year that the Magistrate's operation will be budgeted separately from the Clerk of the General District Court. This change has allowed for better flexibility in meeting the operational needs of each office. Funding in FY2015-16 continues to support the daily operation for thirteen Magistrates. There are no County paid positions assigned to this office, as the thirteen magistrates are State employees. The County does provide space, furnishings, and operating expenses for the Magistrate’s office.

Objectives

- To provide efficient, unbiased, and professional services to law enforcement officers, mental health professionals, and citizens.
- To cooperate with the Sheriff’s department to try to develop a more efficient means of committing defendants and releasing those who have posted bonds.

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	6,325	6,286	6,286	0.0%
Capital	100	0	0	0.0%
Total	<u>\$ 6,425</u>	<u>\$ 6,286</u>	<u>\$ 6,286</u>	<u>0.0%</u>
Personnel Complement *	N/A	N/A	N/A	N/A

*Personnel Expenses are paid by the Commonwealth of Virginia.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

Court Services

Description

The Juvenile and Domestic Relations District Court exercises original jurisdiction over cases involving persons less than 18 years of age and all members of their families regardless of age. This court also holds jurisdiction over other cases involving adults related by blood or marriage to persons under the age of 18, including spousal abuse, custody, visitation, and support. The Juvenile Court differs from other courts in their commitment to rehabilitate those who come before the court, in addition to protecting the public and holding juvenile offenders accountable for their behavior.

The Judges of the Juvenile and Domestic Relations District Court are elected by the General Assembly for a term of six years. The Judges, Clerk, and Deputy Clerks are paid directly by the Commonwealth. The County provides space, furniture, and support for the court. Currently, five full-time judges preside over the Henrico County Juvenile and Domestic Relations District Court.

Objectives

- To continue making enhancements to the customer service area of the Clerk's office to provide more efficient service delivery to the public.
- To evaluate and implement innovative technology available for the Juvenile and Domestic Relations District Court.
- To continue to provide training opportunities to staff to improve services to the public.
- To ensure the efficient and effective operation of the Juvenile and Domestic Relations District Court for the citizens of Henrico County.

Budget Highlights

The FY2015-16 budget for the Juvenile and Domestic Relations District Court is \$192,525. These funds support the operational needs of the five judges and their staff, whose salaries are funded by the State.

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Personnel	\$ 15,851	\$ 0	\$ 0	0.0%
Operation	130,273	188,775	188,775	0.0%
Capital	4,064	3,750	3,750	0.0%
Total	\$ 150,188	\$ 192,525	\$ 192,525	0.0%
 Personnel Complement	 0	 0	 0	 0

Juvenile & Domestic Relations District Court (cont'd)

	Performance Measures			Change
	FY14	FY15	FY16	15 to 16
Workload Measures				
Cases filed in Juvenile Court	19,946	20,942	22,039	1,097
Court Hearings	50,995	53,545	56,222	2,677
Efficiency Measures				
Caseload per Judge*	3,989	4,188	4,399	211

*Note: These estimates are prepared by State Supreme Court Personnel.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

Probation

Description

The 14th District Court Services Unit provides all services mandated by the Code of Virginia, which include Diversion Intervention for non-violent offenders, domestic and delinquent intake services, assessment and investigations, supervised probation, direct care supervision, and community based parole services. Detention services are provided through Henrico Juvenile Detention Center. The Court Services Unit, in addition to their General Fund budget, utilizes grant funding such as the Virginia Juvenile Community Crime Control Act (VJCCCA) to provide a number of programs and services such as: anger management, substance abuse counseling, larceny reduction programs, GPS electronic monitoring, in-home counseling services, group home placements and sex offender treatment. Also, the 14th District Court Services Unit participates in Henrico's gang reduction initiative by hosting monthly meetings with local law enforcement, school personnel, the adult probation office, and community corrections officers.

Objectives

- To provide necessary intake, investigative and probation/parole services as required by the Court and the Code of Virginia.
- To refer youth and parents to community based services under the Virginia Juvenile Community Crime Control Act, or under State supported programs.

- To protect the public by preparing court involved youth to be successful citizens.

Budget Highlights

The Department's budget for FY2015-16 is \$23,072. This submission reflects no change from FY2014-15.

For the past twelve years, a Federal Juvenile Accountability Block Grant (JABG) has been awarded to the County to provide Multisystem Therapy (MST) to chronic and/or serious offenders living with their families in the community. MST is provided by staff at Henrico Area Mental Health. However, the Federal FY2015 budget does not include JABG funding. The Department has to determine how to proceed with the complete elimination of these funds.

As of January 6, 2015 the Court Services Unit had 656 open cases in various levels of supervision. Though the number of juvenile complaints decreased in FY2014-15 when compared to the number of complaints during FY2013-14, domestic complaints reflects the inverse. The overall severity of crimes has increased in recent years, causing the need for higher levels of supervision and more community based services.

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	21,290	23,072	23,072	0.0%
Capital	100	0	0	0.0%
Total	\$ 21,390	\$ 23,072	\$ 23,072	0.0%
Personnel Complement *	N/A	N/A	N/A	N/A

*Personnel expenses are paid by the Commonwealth of Virginia.

Probation (cont'd)

	Performance Measures			Change
	FY14	FY15	FY16	15 to 16
Workload Measures				
Total Juvenile Camplaints	2,863	3,200	3,000	(200)
Total Domestic Complaints	5,353	4,700	5,400	700

COMMONWEALTH'S ATTORNEY

Description

The Commonwealth's Attorney is a Constitutional Officer elected for a term of four years. The Commonwealth's Attorney is responsible for prosecuting criminal offenses that occur in Henrico County. Trials and hearings occur in the Circuit Courts, General District Courts and the Juvenile and Domestic Relations Courts. Additionally, the Commonwealth's Attorney's Office provides legal advice and training to the Division of Police as well as other law enforcement agencies, including the Virginia State Police and the Richmond Airport Police.

- To work with other criminal justice agencies to strengthen juvenile prosecutions and crime prevention.
- To make the public aware of Virginia Exile laws and enforce them appropriately.
- To train local law enforcement agencies in criminal law and criminal procedures.

Objectives

- To enforce criminal laws in Henrico County.
- To operate the Victim-Witness program.
- To cooperate on behalf of Henrico County in the operation of two investigative multi-jurisdictional grand juries.
- To promote a better understanding of the criminal justice system among citizens.
- To proactively investigate and prosecute drug dealers.
- To prosecute criminal cases.

Budget Highlights

The Commonwealth's Attorney's Office approved budget for FY2015-16 totals \$4,504,046 representing an overall increase of \$28,934 or 0.6 percent when compared to the FY2014-15 approved budget. This increase is driven solely by the personnel component and reflects the full-year impact of a salary increase in FY2014-15 as well as the partial year impact of a 2.0 percent raise in FY2015-16. The operating and capital outlay components reflect the movement of \$61 from the operating budget into the capital outlay budget. This budget adjustment was made in order to more accurately reflect planned expenditures in capital outlay in FY2015-16.

In FY2015-16, the Commonwealth's Attorney's Office will continue to prosecute traffic and criminal cases in all of the Henrico County Courts. Aggressive

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>15 to 16</u>
Personnel	\$ 4,314,304	\$ 4,368,495	\$ 4,397,429	0.7%
Operation	120,554	98,722	98,661	(0.1%)
Capital	6,114	7,895	7,956	0.8%
Total	<u>\$ 4,440,972</u>	<u>\$ 4,475,112</u>	<u>\$ 4,504,046</u>	<u>0.6%</u>
Personnel Complement	56	56	56 *	0

*This personnel count includes 51 positions in Commonwealth's Attorney's Office, and 5 in Victim Witness (1 comp I and 4 comp II). Should trends require, an additional attorney for General District Court may be requested from the hold complement effective December 2015.

Performance Measures

	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Circuit Court Defendants	1,206	1,625	1,300	(325)
Show Cause Hearings	696	1,025	1,000	(25)
Misdemeanor Appeals	1,184	2,125	1,200	(925)
General District Court Criminal Cases	35,687	35,325	35,500	175
General District Court Traffic Cases	90,598	110,150	100,000	(10,150)
Juvenile Court Misdemeanors	1,838	2,375	2,000	(375)
Juvenile Court Felonies	622	775	700	(75)
Effectiveness Measure				
Circuit Court Indictments	2,199	2,550	2,300	(250)

prosecution of those who commit violent crimes will remain the number one priority. The Office will continue to work closely with the Division of Police to reduce crime, proactively as well as reactively, by ensuring that those who commit crimes are held accountable. The Commonwealth's Attorney's Office will continue to pursue narcotics traffickers through the utilization of two multi-jurisdictional grand juries. In addition, the Commonwealth's Attorney's Office will continue to provide legal training to the Division of Police in its basic academies as well as in continuing service training. Special efforts will also continue to be made to reduce domestic violence. Also, Enforcement of Virginia Exile laws will continue as a method of reducing violent crime.

It is important to note that the Commonwealth's Attorney's Office has begun to see an increase in child abuse cases during the past year with 449 case alerts from child protective services in calendar year 2014 compared to 185 case alerts in the first ten months of 2013. This trend is being monitored closely and additional resources may be warranted if this trend continues. Any departmental needs regarding this issue during FY2015-16 will be met.

The Exile Grant, a grant from the State that began in FY2002-03 and provided for a specialized prosecutor and a secretary to enforce violations of Virginia Exile laws, was discontinued in FY2006-07. In the FY2006-07 approved budget, anticipating that the grant would be discontinued, the funding for these two positions was included in the General Fund component of the Commonwealth's Attorney's budget. Funding for

these positions remains in the General Fund component in the FY2015-16 budget.

As of January 2, 2015, the Commonwealth Attorney's personnel complement, including Special Drug and Victim Witness, consisted of 62 positions. This consists of 18 complement I positions; 37 complement II positions; 6 complement III positions, and 1 complement IV position (Attorney for the Commonwealth). The Office's complement reflects the complement I, II and IV positions, which total 56 positions.

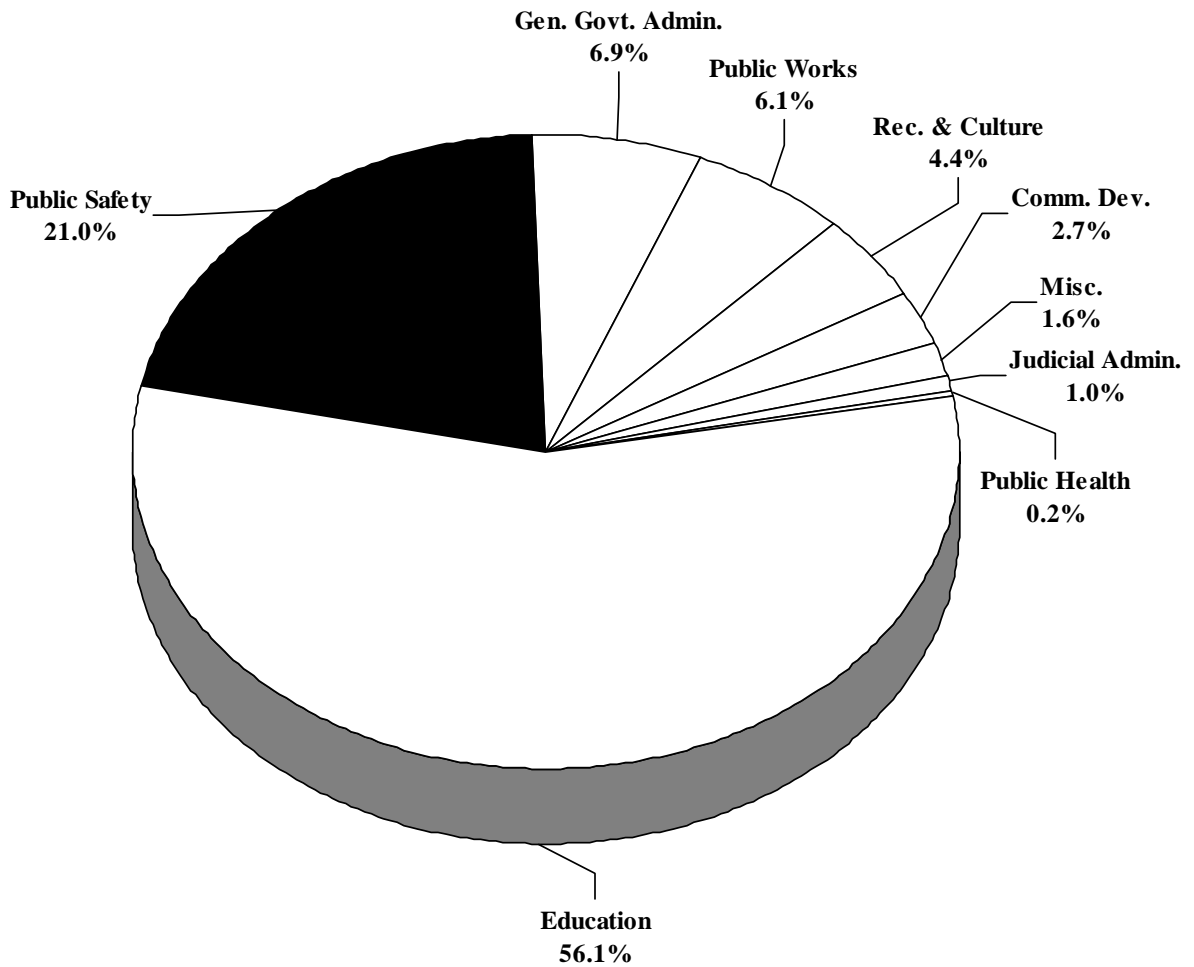
The following table presents a historical depiction of State funding for the Commonwealth's Attorney's Office.

Fiscal Year	State Funding	% State
2006-07	1,750,090	47%
2007-08	2,025,318	48%
2008-09	1,993,720	44%
2009-10	1,715,708	38%
2010-11	1,798,606	39%
2011-12	1,786,354	38%
2012-13	1,817,870	41%
2013-14	1,907,000	42%
2014-15	1,877,000	42%
2015-16	1,877,000	42%



COUNTY OF HENRICO, VIRGINIA

Public Safety
\$164,623,084



Total General Fund
\$785,816,091

**COUNTY OF HENRICO, VIRGINIA
PUBLIC SAFETY - GENERAL FUND
FY 2015-16**

<u>Department</u>	<u>FY 13-14 Actual</u>	<u>FY 14-15 Original</u>	<u>FY 15-16 Approved</u>
Division of Police:			
Police Operations	\$59,998,973	\$60,238,925	\$61,825,476
Animal Protection	1,329,101	1,431,610	1,444,180
Communications/Radio Shop	5,893,971	5,798,686	5,975,117
Total Division of Police	<u>67,222,045</u>	<u>67,469,221</u>	<u>69,244,773</u>
Division of Fire:			
Administration	2,447,354	2,286,771	2,625,027
Emergency Planning & Safety	378,342	371,215	177,395
Operations	48,295,654	48,480,623	49,701,654
Volunteer Rescue Squads	<u>213,980</u>	<u>218,625</u>	<u>218,625</u>
Total Division of Fire	<u>51,335,330</u>	<u>51,357,234</u>	<u>52,722,701</u>
Sheriff:			
Administration	11,710,810	10,207,104	10,450,189
Jail West	16,762,645	15,837,130	16,543,282
Jail East	<u>9,558,540</u>	<u>9,387,849</u>	<u>9,321,795</u>
Total Sheriff	<u>38,031,995</u>	<u>35,432,083</u>	<u>36,315,266</u>
Juvenile Detention	2,160,867	2,174,410	2,198,978
Building Inspections:			
Building Inspections	3,632,864	3,794,730	3,805,529
Community Maintenance	<u>168,476</u>	<u>258,012</u>	<u>335,837</u>
Total Building Inspections	<u>3,801,340</u>	<u>4,052,742</u>	<u>4,141,366</u>
 Total Public Safety	 <u><u>\$162,551,577</u></u>	 <u><u>\$160,485,690</u></u>	 <u><u>\$164,623,084</u></u>

PUBLIC SAFETY

Police Division

Description

The Division responds to citizen complaints, provides patrol coverage, enforces traffic laws, investigates criminal activity, and provides educational programs on such topics as drug awareness and crime prevention. In addition, the Division conducts crime analysis, investigates animal complaints, operates citizen police academies, and provides emergency communications for the County.

With the exception of several specialized components of the organization that report to the Chief of Police, the Police Division consists of two primary commands, Field Operations and Support Operations. Field Operations encompasses the Patrol Bureau, the Investigative Bureau, the CASE Unit, Animal Protection, and the Special Operations Group. Support Operations is responsible for the Administrative Services and Support Services Bureaus. By dividing the agency into functions associated with various organizational entities, the Division is able to formally establish and categorize components according to job function, and to define organizational philosophies.

Objectives

- To achieve total professionalism, through training, commitment and action within the rule of law, in response to the needs of the community.
- To establish as a cornerstone of all Division endeavors, a partnership with the community that is based upon mutual trust and integrity.
- To eliminate opportunity for crime and reduce fear of crime through Intelligence-Led Policing (ILP) and the Division's policing strategy TEMPO (Technology Enhanced Modern Policing Operations). TEMPO is the efficient use of intelligence in the deployment of resources to effectively prevent, deter, and respond to crime and quality of life concerns. To achieve the highest level of safety possible on our streets through education, enforcement, and high visibility.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 61,476,908	\$ 61,307,332	\$ 62,692,494	2.3%
Operation	5,501,902	5,734,949	6,126,889	6.8%
Capital	243,235	426,940	425,390	(0.4%)
Total	<u>\$ 67,222,045</u>	<u>\$ 67,469,221</u>	<u>\$ 69,244,773</u>	<u>2.6%</u>
Personnel Complement*	807	815	827	12

*Complement includes sixteen complement II positions funded by State revenue (Wireless E-911 funds). The complement also includes two Police Support Technicians added during FY2014-15 and the addition of ten Police Officer positions for FY2015-16.

Performance Measures

	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Total Calls for Service	197,502	201,452	205,481	4,029
Number of Animal Calls	18,654	18,932	19,215	283
Number of Part I Crimes	8,310	8,476	8,646	170
Number of Criminal Arrests	27,671	27,947	28,226	279
Number of Traffic Arrests	40,935	41,753	42,588	835

- To extend compassion impartially to all persons, regardless of the nature of the interaction, through fairness and understanding in response to those with whom contact is necessitated.
- To hold all division personnel accountable to the highest standards of conduct in performing our service to the community and embracing the ideals of our Constitution and democratic society.
- To provide our employees with an environment in which to work that is sensitive to their needs, and conducive to the accomplishment of the highest quality of work.

Budget Highlights

The FY2015-16 budget for the Police Division totals \$69,244,773, which represents an overall increase of \$1,775,552 or 2.6 percent from the FY2014-15 approved budget. The personnel component increased by a net difference of \$1,385,162 or 2.3 percent from the previous approved fiscal year. The personnel component includes funding of \$603,940 associated with ten new Police Officer positions which will allow the Division to staff additional service areas. In addition, funding of \$86,476 is included for two Police Support Technician I positions, which were added to the complement during FY2014-15 to enhance the Police Athletic League (PAL) program. This component also reflects the partial year impact of a 2.0 percent raise in FY2015-16 as well as rising health care costs. Ongoing funding of \$189,895 is included in order to cover the costs associated with the 147 positions authorized to receive the \$1,200 per year clothing allowance. It is important to note that these adjustments were partially offset by the reduction of

salaries and benefits associated with a large number of recent retirements of long-term employees within the Police Division.

The operating component is forecasted to increase by \$391,940 or 6.8 percent from the previous approved budget. Funding of \$78,980 was added for on-going operating costs associated with the ten new Police Officer. It is important to note that the one-time costs of \$67,020 for these positions are already included in the base budget as a result of the ten positions which were added in the previous fiscal year. The total operating amount budgeted for the new positions is \$146,000. The FY2015-16 operating budget also includes budget adjustments of \$96,000 for body-worn camera digital storage; \$50,000 to enhance the ballistic vest replacement program; \$35,000 for software to assist Division personnel with recovering stolen property; \$20,000 for the polygraph services contract; and \$38,450 is included for the rising costs associated with the Radio Shop. In addition, funding of \$73,510 is included to cover facility costs associated with the new Central Station building.

The capital component is forecasted to decrease by a net difference of \$1,550 or 0.4 percent for FY2015-16. In total, funding of \$375,390 is included for one-time capital costs associated with the ten new Police Officer positions. The capital component also includes the digital camera replacement program and replacement equipment for the Radio Shop. It is important to note that the Division has funding totaling \$2,324,800 in the capital budget, found elsewhere in this document, for the police vehicle replacement program, which will allow for the purchase of 108 vehicles in FY2015-16.

The Division's third police station, open since Fall 2013, currently operates from a leased facility located at 10101 Brook Road in the Virginia Center Commons Mall. The permanent facility under construction on

Police (cont'd)

Villa Park Drive, is expected to be completed in September 2015. Since its creation, Central Station officers and staff have made significant contributions to reduce crime, address quality of life issues, and engage their community.

In 2014, the Chief of Police attended training hosted by the Police Executive Research Forum entitled "Fair and Impartial Policing". The value of this training was so evident that a training program has been implemented to training all sworn officers in the Division. The Fair and Impartial Policing (FIP) training program applies the modern science of bias to policing; it trains officers on the effect of implicit bias and gives them the information and skills they need to reduce and manage their biases. The curricula address, not just racial/ethnic bias, but biases based on other factors, such as gender, sexual orientation, religion, socio-economic status and others. This training has been paired with the issuance of body-worn camera to uniformed officers. Officers must complete the Fair and Impartial Policing training prior to issuance of a body-worn camera.

In 2014, the Police Division placed first in the Virginia Association of Chiefs of Police Law Enforcement Challenge. This award is presented to agencies of similar size categories based on judging criteria that evaluates the agency's efforts in reducing impaired driving, speeding, and occupant protection violations and crashes. The judges review the efforts of each agency in the following categories throughout the year: Policy and Guidelines, Training of Officers, Recognition of Agency and Officers, Public Education and Information, Enforcement Efforts, and Effectiveness of Efforts. This was the tenth consecutive year the Henrico County Police Division received this award, and has placed first each year.

The International Association of Chiefs of Police also conducts a law enforcement challenge similar to Virginia. The Police Division has consistently placed as one of the top three for the Law Enforcement Challenge internationally, winning first place in both 2012 and 2013.

The Criminal Justice Services Board of the Virginia Department of Criminal Justice Services (DCJS) recertified the County of Henrico in December 2013 as a Certified Crime Prevention Community (CCPC). This is Henrico County's third recertification since its initial certification in 2003. The goal of the Certified

Crime Prevention Community Program (CCPC) is to publicly recognize and certify localities implement a defined set of community safety strategies as part of a comprehensive, community safety/crime prevention effort. To obtain certification and recertification, a locality must meet twelve core community safety elements/strategies augmented by a minimum of seven approved optional elements. This recertification is a major accomplishment and a true example of the many partnerships within Henrico County.

Henrico County's Crisis Intervention Team (CIT) model was developed in 2008. The team consists of selected staff from Henrico County Police and Fire Divisions, the Henrico Sheriff's Office, and Henrico Area Mental Health and Developmental Services. This team responds to citizens in psychiatric crisis with the goal of avoiding unnecessary hospitalization or incarceration. This model significantly improved the County's response to citizens, has increased the awareness and utilization of resources available to citizens and responders, and has reduced the involvement of Henrico's criminal justice system when alternatives are more effective. To this point, approximately 1,200 first responders from 30 jurisdictions or agencies have been trained. The de-escalation skills learned in CIT have become a key requirement of the Division's deployment of less-lethal Tasers to patrol officers. Officers must first attend CIT before they will be issued a Taser.

The Henrico County Police Division, in collaboration with the Virginia Crisis Intervention Team, sponsored a statewide CIT Conference for CIT first responders. This conference provided exemplary advanced training, promoted collaboration among Virginia's CIT officers and mental health professionals, and helped develop innovative approaches to transform the criminal justice and mental health systems as they help those in psychiatric crisis.

The County's CIT Crisis Receiving Center (CRC) increases officers' efficiency on mental health related calls by reducing the time officers spends on an Emergency Custody Order (ECO). This can represent as much as nine hours per (ECO). Since the CRC opened in 2012, it has seen a 14.0 percent reduction in involuntary hospitalizations and a 24.0 percent diversion from hospitalization. The CRC currently serves approximately 40 to 60 persons per month. The National Association of Counties (NACo) granted Henrico County a 2014 Achievement Award for its

Police (cont'd)

program titled "Crisis Intervention Team Crisis Receiving Center" in the category of Human Services. The CRC adheres to the principles of recovery which emphasizes dignity, respect, trauma informed care, and consumer and family choice. Individuals and their family actively participate in the treatment choices and are informed throughout the process.

Another component of Henrico County's CIT program is a community response continuum and STAR team (Services to Aid Recovery). This program is a coordinated outreach initiative between CIT trained police officers and mental health clinicians. The goal is to assist those citizens who are not currently in crisis but have requested help and are unable to access help through traditional means. An assessment of potential harm, called a lethality screening, is completed and outside resources are utilized if needed.

The Police Division remains a recognized professional law enforcement agency through its efforts to maintain international accreditation. In 2014, the Division earned its eighth reaccreditation since it was first accredited in 1987. The Commission on Accreditation for Law Enforcement Agencies (CALEA) chose to present the Division with its highest award, the "CALEA Gold Standard Advanced Accreditation with Excellence." The Division has also established the goal of becoming a TRI-ARC accredited agency during the next reaccreditation in 2017. TRI-ARC is achieved when the Training Unit and the Emergency Communications Section seek independent accredited status through CALEA. In addition, the Division has four Command Staff Officers serving as assessors including the Chief of Police who is a team leader for assessment teams evaluating other law enforcement agencies seeking accreditation. The selection of individuals to serve as assessors is the result of the reputation of the organization and completion of a rigorous training course for the assessors. Each assessor is selected by the accrediting authority and each must be re-certified every three years through attendance at a re-training seminar.

Recruiting intelligent and effective police officers representative of the community served is a high priority for the Police Division. In 2014, Military Times magazine ranked the Henrico Police Division as one of the top 24 best employers of military veterans

throughout the United States.

The Police Division complement totals 827 in FY2015-16. One of the Division's top priorities is maintaining the appropriate level of patrol officers, detectives, and command staff. Included in the FY2015-16 Police Complement are sixteen communication officer positions, whose salary and benefits are funded in the Special Revenue Fund. The County receives funding to support these positions from the State Wireless Board, which distributes to localities a portion of the E-911 service fee collected by the State. The State service fee is \$0.75 per month charged to each cellular phone.

The Police complement includes a total of thirty-four School Resource Officers. Twenty-six are assigned to a specific County middle or high school while the remaining eight provide education and law enforcement services to County elementary schools. The School Resource Officer Program is a joint effort between the Police Division and the Henrico County Public Schools. The Henrico County Public Schools provides funding for twenty-one of these Officers while the Police Division funds the remaining thirteen School Resource Officer positions.

In FY2014-15, two Police Support Technician positions were added to support the Police Athletic League (PAL) program. These positions provide the day-to-day support needed by the program formerly provided by the elementary School Resource Officers. These sworn positions are now able to dedicate their full attention to the needs in their assigned schools.

As stated earlier, the budget includes ten new Police Officer positions for FY2015-16. This budget reflects year three of a five-year plan to add ten new positions per year to the Police Division's complement. A total of 265 sworn positions are currently assigned to the Patrol Stations. Currently the County is divided into forty-five service areas. The Division's request to add ten additional sworn officer positions to their complement would reduce the number of unstaffed service areas and enhance the Division's ability to respond to calls for service, focus on specific crime issues, and address crimes occurring in hot spots known for illegal activity.

Police (cont'd)

Police Staffing

The Office of Management and Budget has prepared a historical depiction of new positions included within the Police Division budget over the past twenty-two years. This is included as a historical reference.

The tables in the column show personnel additions and subtractions by position type and funding source from FY1994-95 to FY2015-16.

Position Type	No.
Police Officer	178
Animal Control Officer	2
Communications Officer	19
Police Support Technician	11
Police Support Tech (trans to Sheriff)	(14)
Technical Support	5
Radio Repair Shop (trans to GS)	(5)
Radio Repair Shop (trans from GS)	7
Other	2
Total	205

Funding Source	No.
Grants (*)	90
State Wireless E-911	16
General Fund	99
Total:	205

It must be noted that of the 90 positions added with grant funding, 83 were police officers and 7 were civilians.

**Note: Grant funding has been used as an initial funding source for these new Police positions. At this time, all grant funding has been replaced by General Fund dollars.*

PUBLIC SAFETY

Division of Fire

Description

The Henrico County Division of Fire provides fire suppression, emergency medical services, technical rescue, hazardous materials mitigation, fire prevention, public education, and disaster preparedness to the citizens and visitors of Henrico County.

The Division of Fire is a community-driven, professional public safety and service organization that takes pride in stewardship and innovation, while maintaining public trust. The Division is committed to and guided by its core values of Professionalism, Respect, Integrity, Dedication, and Empathy (**PRIDE**).

The Division of Fire is an all-hazards department with a focus on improving the quality of life for all citizens in Henrico County. The Division takes a proactive approach to reducing risk throughout the community through a wide range of planning, response, and recovery initiatives. In addition to the traditional role as the provider of fire prevention and fire protection, the Division is also the primary provider of Emergency Medical Services, including both first-response and advanced life support emergency transport. The Division of Fire operates several specialty teams including the regional hazardous materials team, the technical rescue team, and the search, rescue, and dive team.

Objectives

- Enhance the County’s overall ability to prepare for, respond to, recover from, and mitigate hazards, emergencies, and disasters.
- Ensure a workforce that is prepared to achieve the mission and vision of the Henrico County Division of Fire while exemplifying our core values.
- Ensure business process and data management systems that meet the current and future needs of the Henrico County Division of Fire.
- Utilize an optimized community-driven service delivery model.
- Provide an effective and comprehensive training and certification program.
- Utilize technology efficiently and effectively within the Division of Fire to meet current and future needs.
- Maintain a comprehensive community risk reduction model.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 46,085,606	\$ 46,508,084	\$ 47,654,121	2.5%
Operation	4,992,283	4,586,168	4,732,905	3.2%
Capital	257,441	262,982	335,675	27.6%
Total	<u>\$ 51,335,330</u>	<u>\$ 51,357,234</u>	<u>\$ 52,722,701</u>	<u>2.7%</u>
Personnel Complement	548	548	548	0

Fire (cont'd)

Performance Measures

	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Total Calls for Service	43,143	43,955	44,767	812
Total EMS and Rescue Calls for Service	35,662	36,504	37,346	842
Fire Incidents	777	733	690	(43)
Fires per 1,000 Population	2	2	2	0

Budget Highlights

The Division of Fire’s budget for FY2015-16 is \$52,722,701, representing an increase of \$1,365,467 or 2.7 percent from the previous approved budget. The personnel component increased by \$1,146,037 or 2.5 percent due to the partial year impact of a 2.0 percent raise in FY2015-16 as well as rising health care expenditures.

The operating component is forecasted to increase by \$146,737 or 3.2 percent from the previous approved budget. This increase reflects several budget adjustments that were required in this area of the budget. The Metro Ethernet installation cost of \$70,000 for all fire stations is included in this total. In addition, \$35,000 was added to cover the rising cost of medical supplies and purchase of RSI medical boxes. Funding of \$26,000 is included for maintenance fees associated with the new Fire Alerting system. A total of \$8,000 was added for replacement dive suits which are included under the Equipment Replacement Plan. The operating component also includes additional costs associated with the replacement of Fire Station #10 totaling \$4,430.

Beginning in FY2011-12, the Division initiated a multi-year lease of monitor-defibrillators. This lease program provides for 54 monitors-defibrillators located on each front-line response unit and support vehicles. The annual cost of the lease program is \$279,156, which reflects an anticipated lease cost increase of 3.0 percent. The FY2015-16 operating budget also includes \$286,208 for medical and laboratory supplies including medications, personal protective equipment to manage infection control risks, general supplies for EMS services, and disposable supplies for the defibrillator lease program.

The capital component for FY2015-16 totals \$305,836 and represents an overall increase of \$72,693 or 27.6 percent from the previous approved budget. This increase reflects the addition of \$40,000 which will provide an ongoing funding source to eventually

replace all of the existing public access Automated External Defibrillators (AED) which are located in many County facilities. Included in capital is the funding for the Division of Fire's Equipment Replacement Plan, which currently totals \$138,211 for FY2015-16. This replacement plan includes equipment that generally has a useful life beyond one year and allows for a more consistent approach to acquiring and managing equipment that is critical for both service delivery and firefighter safety. Items covered under the Equipment Replacement Plan include power stretchers and stair chairs, continuous positive airway pressure devices (CPAP), thermal imaging cameras (TIC), ventilation saws, rescue harnesses, bikes, and gas monitors.

Additional funding is provided for various other types of specialized firefighter equipment needed for the Division. Also, funding is included as a part of the ongoing plan to refurbish the fire stations as well as replacement telecommunications and computer equipment. It is important to note that the Division has funding totaling \$1,500,000 in the capital budget, found elsewhere in this document, for the apparatus replacement program, which will allow for the acquisition of two engines and one ambulance.

In FY2015-16, the Division of Fire will focus on expanding the quality of existing programs as well as continuing to provide a consistently high level of service to the citizens of the County. Examples of these programs include enhancing firefighter safety, fully leveraging the recently deployed online training platform, along with expanded and targeted prevention efforts in the community.

In 2013, the Division achieved accredited status from the Commission on Fire Service Accreditation (CFAI) for the 4th time. The Division was the first accredited fire service organization in the Commonwealth of Virginia and the ninth in the world to achieve this

Fire (cont'd)

status. There are currently only 187 CFAI accredited fire service organizations in the world.

The Division continues to be a leader in the provision of emergency medical services. In FY2015-16, \$218,625 of General Fund support will provide medical supplies, fuel, and insurance premium payments for the three volunteer rescue squads located in the County. This is in addition to \$205,000 in "Four for Life" funding from the Commonwealth of Virginia, which flows through the Division's budget and is disbursed to the volunteer rescue squads in order to reimburse for qualifying expenses. Between the "Four for Life" and General Fund support, over \$423,625 is provided to the three volunteer rescue squads.

The Division continues to provide specialized response services to the citizens of Henrico. These services include, but are not limited to the Hazardous Incident Team, Search and Rescue Team, and the Technical Rescue Team. In addition, the Division actively supports fire prevention efforts in the community through the Fire Prevention Associate Program, and the Fourth Grade Fire Education Program. The Division also supports efforts aimed at providing County youth with opportunities that build character, emphasize core values, and orient young people to potential careers in public safety. Examples of these programs include the Fire Explorer Program and the Teen Summer Fire Academy.

Firefighter safety and wellness continues to be a top priority for the Division. Proper equipment and apparatus is vital to the safety of the firefighters and the FY2015-16 budget continues to allocate resources to ensure a systematic replacement approach. Funding of \$165,109 is included within the existing budget for replacement turnout gear for firefighters as part of the on-going replacement plan. In addition, funding in the amount of \$28,000 is included for maintenance and repairs of self-contained breathing apparatus (SCBA). These efforts will continue to provide the Division's personnel with the best available personal protective equipment.

Streamlining and enhancing training continues to be a priority in the Division of Fire. The Division is designated as a self-certifying agency by the Commonwealth of Virginia Department of Fire Programs. This status allows Division training staff the ability to plan, develop, and deliver training programs that meet the specific training needs of the Division of Fire while ensuring compliance with

National Board on Fire Service Professional Qualifications standards. Since FY2004-05, the Division of Fire's Training section has conducted more than nineteen Recruit Academies, putting more than 320 new firefighters through a six-month Basic Firefighter Recruit Academy. In FY2013-14, the Division implemented an online training and records management system. This system will improve the efficiency of training delivery and support efforts at improving the Division of Fire's Insurance Services Organization (ISO) rating. An improvement in ISO rating is tied to lower insurance costs for County residents and businesses.

Enhancing community preparedness continues to be a priority for the Division of Fire. The Division's Office of Emergency Management (OEM) continues to protect citizens and businesses of Henrico County by promoting awareness and assisting in the development of community resilience through coordinated planning efforts. OEM works with County agencies to help coordinate resources in large scale disasters through the Emergency Operations Center and offers training to County staff ranging from general disaster preparedness, workplace continuity of operations planning, and in-depth training and coordination for the County's Emergency Operations Center.

The Division of Fire offers numerous outreach programs to help citizens become better prepared, including Community Emergency Response Team (CERT) classes. Since 2001, over 700 citizens and business representatives have completed this CERT training. The Division also hosted two regional Survivor Day sessions in Henrico in concert with nine other localities in Central Virginia. Participants received training directly from Henrico Fire, Henrico Health Department, and Henrico Division of Police. CERT members are exposed to many volunteer groups such as the Division's Fire Explorer Post, Medical Reserve Corps and Fire Corps representatives, and the Henrico Amateur Radio Cadre. In FY2014-15, the Division of Fire launched a revamped Citizen's Fire Academy. A total of twenty-one County residents completed a comprehensive program that exposed each of them to all aspects of Division operations.

The Division of Fire has led efforts to train 602 students in the Incident Command System, using instructors from the Division of Fire and the Division of Police. In addition the Incident Management Team (IMT) has trained over 200 County and State employees for large scale incidents.

Fire (cont'd)

In FY2015-16, the Division will continue its efforts to enhance marine firefighting and rescue capabilities. In FY2013-14, the County was awarded a FEMA Port Security Grant to purchase a thirty-two foot all hazard emergency response vessel. The Division will take possession of the new fire boat in the spring of 2015. This fire boat will provide the only firefighting capability on the James River within Henrico County's jurisdiction.

The Division operates a specialty repair shop program, by assigning firefighters to these shops in addition to their normal duties. The shops repair and maintain equipment at a lower cost and with less down time than if the County had to purchase these services from an outside vendor. There are twenty-eight such specialty

shops, including the Hose and Nozzle shop, SCBA shop, Oxygen Cylinder shop, Hurst Tool shop, Small Engine shop, and the CPAP shop.

The Division expects to continue to face a number of challenges over the coming years. Some of these challenges include increased service demands due to an expanding and aging population, turnover of personnel due to retirement, and the continued development of mixed use, high density, and high service demand properties such as nursing homes, assisted living facilities and commercial/residential mixed use buildings. The Division continues to plan for these challenges and will meet the increasing service demands presented by these challenges.

SHERIFF

Description

The Sheriff is an elected Constitutional Officer. The Sheriff's Office provides Court Services, including court security, civil process, and transportation of inmates. Court security maintains courthouse safety through screening of individuals entering the courthouse and provides security for five Circuit Court courtrooms, four General District Court courtrooms, and five Juvenile and Domestic Relations Court courtrooms, all located in the western portion of the County. Civil Process deputies serve thousands of civil papers a month to individuals inside and outside the County. An automated tracking system is used to manage the papers. Transportation is responsible for taking inmates to and from court appearances, medical appointments, and for movement between detention facilities. The Sheriff's Office is divided into two geographically located separate facilities and also divided into three areas of responsibility, Jail East, Jail West, and Administration.

- To maximize the level and quality of security for the court facilities and provide for the safety of the visiting public and court personnel working in these facilities.
- To maximize the timely and accurate service of civil papers.
- To maximize organizational effectiveness and integrity through the recruitment and employment of highly qualified personnel; to ensure that all available internal and external training resources are utilized; and to develop comprehensive professional and leadership training programs for all staff levels.
- To maintain American Correctional Association and Department of Corrections accreditation of the jail facilities, court security, civil process, transportation, and training sections which will enhance the level and quality of services that are available to the inmates and the public.
- To achieve Virginia Law Enforcement Professional Standard Commission accreditation of court security, civil process, transportation, and training sections.

Objectives

- To achieve the highest level of quality of life, safety, and health of inmates, as well as staff, through medical services, mental health programs, vocational and educational programs, vocational sanitation, staff training, and reduction of incidents of aggression within jail facilities.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 24,621,831	\$ 23,842,890	\$ 24,626,073	3.3%
Operation	13,249,971	11,564,121	11,679,012	1.0%
Capital	160,193	25,072	10,181	(59.4%)
Total	<u>\$ 38,031,995</u>	<u>\$ 35,432,083</u>	<u>\$ 36,315,266</u>	<u>2.5%</u>
 Personnel Complement*	 371	 371	 373	 2

*Includes a Division Director and a Nurse Practitioner position added during FY2014-15. Personnel totals above do not include one Complement IV position.

Performance Measures

	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Number of Civil Papers Served	105,120	106,000	110,000	4,000
Average Daily Inmate Population	1,175	1,200	1,200	0
Number of Commitals to Jail	14,094	14,500	15,000	500
Work Release Participants (Monthly Avg)	283	290	350	60
Home Incarceration (Monthly Avg)	93	86	140	54
Average Number of State Inmates	300	310	310	0

- To maintain a collaborative relationship with other criminal justice agencies and other units of federal, state, and local government; and to ensure efficient and effective operation of the Sheriff's Office.
- To maintain the level of educational and vocational training programs in concert with mental health programs and services to the inmate population which improves their reintegration into society with an increased sense of self-worth, and the marketable skills to lead productive and law abiding lives.

Budget Highlights

The Sheriff's Office budget for FY2015-16 totals \$36,315,266 which represents an overall increase of \$883,183 or 2.5 percent when compared to the approved budget. Personnel expenditures, which comprise 67.8 percent of the total budget, are a driver of the overall increase. This increase is due to the addition of two new inmate health care related positions, a Division Director and a Nurse Practitioner, which were added to the complement during FY2014-15. These positions were previously associated with the contract which provides medical care to the inmates and were added to the County's complement in order to streamline services and lower the contractual amount paid to the medical vendor. The personnel increase also reflects the partial year impact of the 2.0 percent raise as well as rising health care expenditures. It is important to note that this increase was offset by several positions which were vacated during the year.

The operating component increased by \$114,891 or 1.0 percent from the previous fiscal year. A total of \$100,000 was added as a budget adjustment to cover

increasing medical expenditures. Several adjustments have been made recently to lower the trend in rising medical costs as actuals totaled \$7,398,729 in FY2013-14. A total of sixty-eight state-responsible inmates were removed during FY2014-15 from the County's jail, which should reduce medical costs by a significant amount. However, it is important to note that there have been concerns that some of these inmates will be replaced by other inmates as a result of other state jail closings. In addition to hiring two key health care staff from the medical vendor, two other non-vital positions were eliminated from the contract as well, which allowed for a reduction in the current contract. As a result of these efforts, the forecasted budget for medical account totals \$6,281,291 for FY2015-16.

The Sheriff's Office operates two separate jail facilities. Henrico County Regional Jail West, located in the western portion of the County, opened in 1980 and expanded in 1996. This maximum-security facility has a capacity of 521 inmates, housing both male and female inmates. The Sheriff and his administrative staff are also at this location.

Henrico County Regional Jail East, in New Kent County, was built in 1996 as a regional cooperation effort between Goochland, Henrico, and New Kent counties. The jail is operated by the Henrico County Sheriff's Office and has a capacity of 526 inmates. It houses male and female inmates, in a barrier free environment between deputies and inmates. New Kent and Goochland counties reimburse Henrico County for the number of prisoner days used each month. The jails also house State prisoners, typically serving sentences of less than one year. The State reimburses Henrico County for inmates held on their behalf, although the reimbursement does not actually capture the cost of incarceration.

Sheriff (cont'd)

Jail Security staff maintain the safety and order in the facilities and move inmates throughout the facilities. Jail Services staff provide programs and services to the inmate population, including recreation, visitation, educational opportunities and mental health/substance abuse services.

One of the main focuses of the Henrico County Sheriff's Office is the security of jail facilities and the level of services and programs offered to the inmate population. In addition to the GED certification classes, the Sheriff's Office continues to offer vocational classes in Automotive Technology, Computer Programming, and Cosmetology. The Henrico County Public School system offers the classes with funding provided by the Sheriff's Office.

It is important to note that the Sheriff's Office graduated the first student basic jailor academy in the summer of 2011. The academy trains students at Virginia Commonwealth University as Correctional Deputies as well as awards the student who completes the academy with college credit. This training is provided at a minimal cost to the student. After the students complete the academy and are certified as Correctional Deputies they are used as Correctional Officers to reduce the need for deputies to work overtime, which reduces costs. The fourth student basic jailor academy, which had a total of 21 students enrolled, was completed in August 2014. As a result of the success of the summer student basic academy, the Sheriff's Office received a National Association of Counties (NACO) award in 2012 for "Best in Category" in the field of Criminal Justice.

The Sheriff's Office continues to utilize cost savings initiatives started in the prior fiscal year. For example, the movement to the electronic filing system for the inmate classification record folders has generated continued savings for the Sheriff's Office. Additionally, serving meals in the chow hall continues to reduce the overall cost for meals. On a related note, the change that was made in the reporting schedule for Alternative Sentencing (weekenders) last year continues to save funding as this action eliminated the number of meals prepared for this inmate population.

Additionally, several inmates with medical conditions which result in costly medical bills, have been deferred to Alternative Sentencing. The Henrico County Judges and Commonwealth's Attorney Office work with the department to find options for high cost

inmates with medical and mental health issues such as home incarceration and GPS monitoring.

This year, the canteen service offered inmates and their families an opportunity to purchase special holiday packs containing a variety of snack items. A total of \$42,315 in revenue has been generated from the sales of these packs. The holiday packs will now be offered four times a year instead of two times a year to generate more revenue.

The Sheriff's Office has plans to install fifty-nine kiosks within the housing units, common areas, and the lobby to enhance the overall efficiency of jail operations. The affected services include the following: commissary ordering, inmate e-mail, law library access, inmate requests, grievance filing, medical appointment requests, announcements, and an inmate calendar.

In addition, Bondsmen and the general public are now able to access Basic Inmate Information via the Internet. This saves on manpower hours used to field questions related to jail inmate information. The site can be found at the following address: <http://www.henricosheriff.org/search/>.

The Sheriff's FY2015-16 budget will be offset by an estimated \$13,189,000 or 36.3 percent of expenditures, with State revenues. The State Compensation Board reimbursement is for salaries and benefits as well as a per diem rate for State responsible inmates only.

It should be noted that in FY2013-14, the overall percentage of jail operating costs paid by the State was 36.3 percent, 57.6 percent was paid by the County, and the remaining 6.1 percent was paid with various other departmental revenues. In the FY2015-16 budget, it is estimated that the Henrico County Sheriff's Office will receive 36.3 percent of funding from the State while the County will contribute 58.4 percent of funding (the remaining 5.3 percent will be funded with departmental revenues).

The chart on the following page shows State funding as well as the number of State responsible inmates in the County's jail over an eleven-year time period. Actual funding received from the State has decreased from \$14,234,221 in FY2005-06 to \$13,805,530 in FY2013-14. In FY2005-06, the average daily population totaled 1,169, with 909 local inmates and

Sheriff (cont'd)

260 State inmates. However, in FY2013-14, the average daily population totaled 1,175 with 875 local inmates and 300 State inmates. The number of State inmates housed in the County's jail has increased by 40 or 15.4 percent since FY2005-06 while the percentage of State funding has decreased over the same time period.

Fiscal Year	State Funding	% of State Funding	State Resp. Inmates	% of Total Inmates
FY06	14,234,221	50.7%	260	22%
FY07	15,124,854	48.7%	194	16%
FY08	15,068,558	46.1%	69	6%
FY09	14,967,520	42.2%	103	9%
FY10	13,064,081	38.6%	250	22%
FY11	12,797,756	37.3%	225	19%
FY12	12,763,626	35.8%	268	24%
FY13	12,935,558	35.4%	322	27%
FY14	13,805,530	36.3%	300	26%
FY15	13,189,000	37.2%	310	26%
FY16	13,189,000	36.3%	310	26%

The number of prisoners confined in the Henrico Regional System is remaining constant but is the driving force behind the operational projections for the fiscal year. The FY2015-16 budget was prepared on the assumption of an average daily inmate population of 1,200. This estimate is based on 675 prisoners

at Jail West and 525 housed at Jail East. Areas that are directly affected include medical services, food services, mental health services, and other operational costs spread among different associated categories.

Fiscal Year	Cost Per Inmate - County Share	Cost Per Inmate - State Share	Cost Per Inmate - Total
FY06	11,864	12,176	24,040
FY07	12,898	12,257	25,154
FY08	14,811	12,663	27,474
FY09	17,602	12,859	30,461
FY10	18,202	11,460	29,662
FY11	18,440	10,966	29,406
FY12	20,088	11,216	31,304
FY13	19,913	10,935	30,848
FY14	20,618	11,749	32,367
FY15	18,536	10,991	29,527
FY16	19,272	10,991	30,263

The chart above depicts the total cost per inmate for the County and State as well as the overall cost per inmate over an eleven-year time period. The funding provided to the County from the State to cover the cost per inmate has decreased from \$12,176 in FY2005-06 to \$11,749 in FY2013-14 while the County's share has increased from \$11,864 in FY2005-06 to \$20,618 in FY2013-14.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

Detention Home

Description

The Detention Home incarcerates juveniles who are awaiting court action for committing criminal offenses. Some juveniles may also be sentenced for up to thirty days after having been found guilty of an offense. This group includes criminal offenders, children in need of supervision, and certain traffic offenders. While housed at the Detention Home, juveniles are offered programs in education, recreation, and optional religious services as well as receive mental health screenings, evaluations, medical services, and follow-up evaluations as necessary.

- To work within interagency agreements and contracts with Henrico County Police, Fire, Sheriff, MH/DS/SA, and the Henrico County Court System.

Budget Highlights

The Juvenile Detention Home provides protection, safe care, and basic needs and services to juveniles placed in the home by the courts through statutory regulation. All aspects of service levels in the Detention Home are mandated by the State and will remain unchanged in the upcoming fiscal year. Operational procedures, programs, professional services, and support services are all to stay in compliance with State mandated regulations for licensure. In addition, staff will be provided with ongoing training and development.

The personnel complement includes two full-time Mental Health Clinicians who provide mental health assessments and court ordered evaluations for the Detention Home. In addition to the 30 positions in the agency's personnel complement, three full-time teachers and one full-time reading specialist from Henrico County Schools are currently assigned to the agency for an eleven-month educational program along with two teachers that are shared with James River Juvenile Detention Center. These positions are funded by the Virginia Department of Education and their associated costs are included in the Education budget.

Objectives

- To provide safe care for the juveniles placed under the supervision of the home.
- To retain certification from Virginia's Interdepartmental Licensing and Regulation Unit for Children.
- To administer an identifiable and assessable program of detention.
- To provide ongoing staff training and organizational development programs.
- To provide, in conjunction with the Henrico County School System, an education program that conforms to the Educational Standards for Residential Care Facilities of the Virginia Department of Education.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 2,038,181	\$ 2,041,563	\$ 2,066,131	1.2%
Operation	121,110	129,993	129,203	(0.6%)
Capital	1,576	2,854	3,644	27.7%
Total	2,160,867	2,174,410	2,198,978	1.1%
 Personnel Complement	 30	 30	 30	 0

Juvenile Detention (cont'd)

	Performance Measures			Change
	FY14	FY15	FY16	15 to 16
Workload Measures				
Admissions	1,040	855	855	0
Secure Detention Days	5,680	5,376	5,376	0
Average Daily Population	16	15	15	0
Average Length of Stay, Days	5	6	6	0

The Juvenile Detention Home's budget for FY2015-16 is \$2,198,978, which is an increase of \$24,568, or 1.1 percent from the FY2014-15 approved budget. The increase is due to increased personnel costs associated with a 2.0 percent partial year raise during FY2015-16 and the annualization of the salary increase provided in FY2014-15.

State aid for the Juvenile Detention Home in the FY2015-16 budget is estimated to total \$549,475, which includes \$548,975 for the Juvenile Detention Home's block grant and \$500 in estimated per diem payments for State-responsible juveniles.

BUILDING INSPECTIONS

Description

The Code of Virginia requires all local governments to enforce the Virginia Uniform Statewide Building Code (USBC). The Department of Building Construction and Inspections fulfills this role for Henrico County by reviewing and inspecting the structural, mechanical, electrical, and plumbing systems of buildings and structures in Henrico County to ensure the safety, health, and welfare of the County's citizens. The reviews and inspections are based on criteria that are consistent with nationally recognized codes and standards at reasonable cost levels.

The Department also enforces the maintenance and unsafe provisions of the USBC and the Drug Blight and Bawdy Places ordinances to further the objectives of the County's Community Maintenance Program. In addition, the Department administers the graffiti ordinance to remove graffiti in the County.

These traditional code enforcement activities are supplemented with public awareness programs that include a quarterly newsletter to educate residents, contractors, architects, and engineers about specific

code and enforcement issues. Educational programs are produced in cooperation with Chesterfield and Hanover Counties to educate the public and the construction community about various construction issues.

Objectives

- To ensure the public health, safety, and welfare affected by the design and construction of buildings and structures in Henrico County.
- To ensure the quality of inspections by field staff through education and certification to State standards.
- To provide services that equal customer expectations for professionalism and accountability.
- To establish policies and procedures that are consistent, practical, workable, and enforceable.

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Personnel	\$ 3,723,268	\$ 3,831,471	\$ 3,917,327	2.2%
Operation	228,651	375,321	381,813	1.7%
Capital	400	300	300	0.0%
Sub-Total	<u>\$ 3,952,319</u>	<u>\$ 4,207,092</u>	<u>\$ 4,299,440</u>	<u>2.2%</u>
Interdepartmental Billings	(150,979)	(154,350)	(158,074)	2.4%
Total Budget	<u>\$ 3,801,340</u>	<u>\$ 4,052,742</u>	<u>\$ 4,141,366</u>	<u>2.2%</u>
Personnel Complement*	53	52	53	1

*Reflects the addition of one Inspections Supervisor position in FY2015-16 for County wide improvement.

Building Inspections (cont'd)

Performance Measures				
	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Total Permits Issued	13,972	14,000	14,000	0
Single Family Permits Issued	782	750	750	0
Building Inspections	26,441	25,000	25,000	0
Electrical Inspections	10,976	13,000	13,000	0
Mechanical Inspections	11,582	11,000	11,000	0
Plumbing Inspections	17,512	17,000	17,000	0
Fire Protection Inspections	3,628	3,000	3,000	0
Elevator Inspections	233	250	250	0
Sign Inspections	618	600	600	0
Existing Structure Inspections	2,582	2,300	2,300	0
FOG Inspections	343	300	300	0
Total Inspections	70,990	69,850	69,850	0
Efficiency Measures				
Residential Inspections/Inspector/Day	11	11	11	0
Mech./Plumbing Inspections/Inspector/Day	18	20	20	0
Electrical Inspections/Inspector/Day	14	15	15	0
Fire Protection Inspections/Inspector/Day	7	5	5	0
Commercial Inspections/Inspector/Day	8	7	7	0
Avg. # of Inspections/Single Family Dwelling	38	38	38	0

The Department of Building Construction and Inspections budget is divided into two sections: Building Inspections and Community Maintenance. The total FY2015-16 budget for the Department is \$4,141,366, an increase of 2.2 percent when compared to the FY2014-15 approved budget. There is a 2.2 percent increase reflected in the personnel component, attributable to the annualization of a partial year salary increase in FY2014-15, as well as a 2.0 percent partial year raise in FY2015-16. The addition of a new Inspections Supervisor dedicated to a County wide improvement initiative being coordinated with Community Revitalization also contributed to increased personnel costs. The operating component of the budget has increased 1.7 percent, or \$6,492, due to automotive and telecommunications needs for the new Inspections Supervisor. The capital outlay component has remained constant.

Workload projections are based on current conditions and future developments that have already been announced for Henrico County. The Department

projects development continuing at the current pace for both FY2014-15 and FY2015-16.

The Building Inspections section is responsible for assuring that structural stability, fire safety, and electrical safety is provided in newly constructed buildings throughout the County through compliance with nationally recognized building codes and standards. This section also inspects structures for compliance with accessibility, sanitation, light and ventilation, and energy and water conservation standards as referenced in the building code.

The Building Inspections section's budget for FY2015-16 totals \$3,805,529. This reflects an increase of \$10,799 in personnel expenses when compared to the FY2014-15 approved budget. The operating and capital components remains flat for FY2015-16.

The Community Maintenance Division within the Building Inspections Department is responsible for resolving violations of the building code and graffiti

Building Inspections (cont'd)

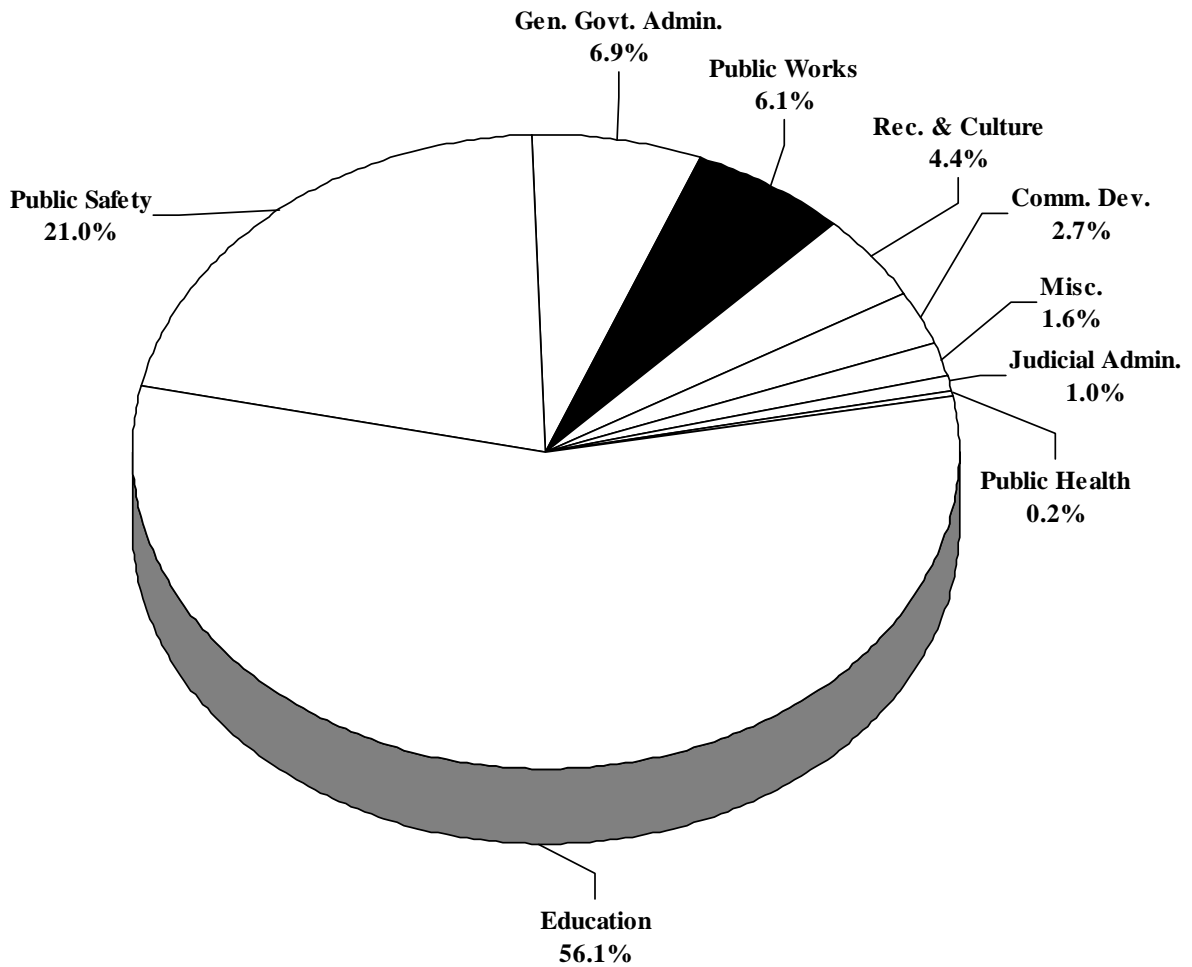
ordinance for existing structures. This Division's budget totals \$335,837, which is an increase of \$77,825 when compared to the prior fiscal year. This increase is associated with the addition of an Inspections Supervisor position, which is part of a County wide revitalization initiative being coordinated with Community Revitalization to focus on enhanced code enforcement/community revitalization and also aimed at improving residential housing and commercial properties throughout the County. Also included in this budget are the costs for two positions that are part of an initiative to ensure that restaurants have the proper equipment to prevent oil and grease from entering the sewer system. The ongoing cost for these two positions total \$158,074.

The entirety of this cost will be reimbursed by the Department of Public Utilities. As such, an interdepartmental billing account has been budgeted to reflect the reimbursement of these ongoing costs.

The Community Maintenance Division will continue to work closely with the Department of Community Revitalization, as they also provide community maintenance services. Community Revitalization's services include those related to identifying the needs of established communities and providing assistance in improving the properties in these areas.

COUNTY OF HENRICO, VIRGINIA

Public Works
\$48,045,077



Total General Fund
\$785,816,091

**COUNTY OF HENRICO, VIRGINIA
PUBLIC WORKS - GENERAL FUND
FY 2015-16**

<u>Division</u>	<u>FY 15-16 Actual</u>	<u>FY 14-15 Original</u>	<u>FY 15-16 Approved</u>
Administration	\$1,398,991	\$1,118,842	\$1,220,325
Road Maintenance	29,068,534	30,250,254	30,322,256
Traffic Engineering	2,840,282	3,311,880	3,309,133
Construction	2,079,585	2,625,967	2,687,977
Design	1,880,283	1,940,958	1,917,472
Mass Transit	5,581,202	6,608,351	6,686,563
Environmental	1,413,778	1,473,834	1,492,663
Standing Water Initiative	372,051	402,016	408,688
Total Public Works	<u><u>\$44,634,706</u></u>	<u><u>\$47,732,102</u></u>	<u><u>\$48,045,077</u></u>

PUBLIC WORKS

Description

The Henrico County Department of Public Works maintains the third largest road network in the State of Virginia after the State of Virginia and the City of Virginia Beach. The Department is responsible for the construction and maintenance of all secondary roads in the County, storm water drainage, administration of Public Transit services, and enforcement of erosion and sedimentation laws and ordinances. The Department is organized into the following divisions: Administration, Design, Maintenance, Construction, Transportation Development, Traffic Engineering, Environmental Control, and Standing Water Initiative.

The majority of departmental services are funded by an allocation of gasoline tax revenues from the State of Virginia and license fee revenue collected in the County's General Fund. In addition, the General Fund provides funding for certain services in accordance with the Board of Supervisors' directives for various programs. These include the Environmental Control Program, Vacuum Leaf services, the JOBS transit service, the Standing Water Initiative, and supplemental funding for the Mass Transit Division.

Objectives

- To develop and maintain a safe and efficient road system.
- To develop and maintain an efficient and economical storm drainage system.

- To ensure that the construction of road and drainage facilities is accomplished in accordance with appropriate standards and in an environmentally correct manner.
- To review and provide for the most cost-effective system of Public Transit for the residents of the County.
- To provide prompt responses to citizen inquiries or requests for service.
- To enforce Chesapeake Bay Act regulations along with current erosion and sedimentation control ordinances and policies.

Budget Highlights

The Department's approved budget for FY2015-16 is \$48,045,077, representing an increase of \$312,975 or 0.7 percent from the previous approved budget. Within this overall approved budget, which combines both Gas Tax and General Fund supported programs; the personnel component is budgeted to increase by a net difference of \$304,506 or 2.0 percent. The operating component is forecasted to increase by \$4,769 and capital outlay expenditures are expected to increase by \$3,700 or 0.2 percent.

The FY2015-16 approved budget is to be funded by \$39,922,262 from the State's Gas Tax maintenance

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 14,339,220	\$ 14,944,633	\$ 15,249,139	2.0%
Operation	28,769,847	31,190,819	31,195,588	0.0%
Capital	1,525,639	1,596,650	1,600,350	0.2%
Total	<u>\$ 44,634,706</u>	<u>\$ 47,732,102</u>	<u>\$ 48,045,077</u>	<u>0.7%</u>

Personnel Complement	254	257 *	257	0
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*Three positions added in the FY2014-15 Environmental Inspection Division's budget in order to comply with Virginia Stormwater Management (VSMP) mandate.

Public Works (cont'd)

Performance Measures

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>Change 15 to 16</u>
Workload Measures				
Lane Miles of Road Maintained	3,454	3,461	3,471	10
Traffic Signals Maintained	150	150	153	3
Development Plans Reviewed	875	1,600	1,650	50

allocation, \$7,552,651 from the County’s General Fund subsidy, and \$570,164 from miscellaneous departmental revenue. The total projected Gas Tax for FY2015-16 is based on the allocation for operations and maintenance and does not include a construction allocation. If gas tax were allocated for construction it would be included in the capital budget section of this document. There has not been a construction allocation funded by gas tax since FY2008-09.

This funding source is utilized for approximately 83.1 percent of the operating budget. In other words, the gas tax allocation will support the Department of Public Works’ divisions with the exception of the Standing Water Initiative and Environmental Inspection. This revenue source is restricted to roadway maintenance activities.

The functions supported by the General Fund subsidy total \$7,552,651. The General Fund supports 100 percent of expenses related to the Standing Water Initiative and Environmental Inspection divisions which combined total \$1,901,351. The Standing Water Initiative is budgeted at \$408,688 and the Environmental Inspection Division is budgeted at \$1,492,663 for the approved FY2015-16 budget.

General Fund support is also provided for Mass Transit and Leaf Collection services. Specifically, General Fund support of \$5,349,800 in FY2015-16 will subsidize the GRTC and JOBS services costs in the Mass Transit budget. The Leaf Collection services budget totals \$473,700. Within this total budget, the General Fund will support \$301,500, Leaf Collection Fees will total \$170,000, and the remaining \$2,200 will be provided by miscellaneous revenues. It is important to note that this budget includes free leaf vacuum service for all County residents that currently participate in the Real Estate Tax Advantage Program (REAP).

The third and final source of funding is generated from miscellaneous fees, which total \$570,164 for the approved budget. These charges/fees are used as enhancements to the Gas Tax revenue for all divisions with the exception of the Standing Water Initiative and Environmental Inspection divisions.

What follows is a discussion of each of the divisions within the approved budget for Public Works.

Roadway Maintenance and Administration

The total approved budget for the divisions that fall within this group is \$46,143,726. With the exception of Mass Transit, the Roadway Maintenance and Administration divisions represent the core services to maintain the existing roadway system provided by Public Works and therefore utilize \$39,922,262 of State Gas Tax maintenance allocation in providing these services. The remainder of funding is provided by other revenue in the General Fund, including a \$5,349,800 subsidy to support Mass Transit Services. The personnel component is forecasted to increase by a net difference of \$279,005 or 2.1 percent which reflects the full-year impact of the raise provided in the prior fiscal year as well as costs associated with the partial year impact of the 2.0 percent raise in FY2015-16. The operating component remained relatively flat with an increase of \$4,769 from the previous approved budget.

The capital outlay component remained relatively flat with an increase of \$3,700 compared to the prior fiscal year. There are several noteworthy capital purchases forecasted within the \$1,268,300 approved capital component. Capital outlay items budgeted includes the following: six reversible snow plows, four single axle dump trucks, one patch truck, one air sweeper, one mechanical sweeper, one backhoe, one loader, 100 LED luminaries and 110 LED bulbs for street lights, as well

Public Works (cont'd)

as ten uninterruptable power supplies and associated cabinets for traffic signals.

Standing Water Initiative Division

The Standing Water Initiative Division is a program that is funded solely through the General Fund at a total cost of \$408,688. The personnel component comprises 79.9 percent or \$326,438 of the total budget.

Environmental Inspection Division

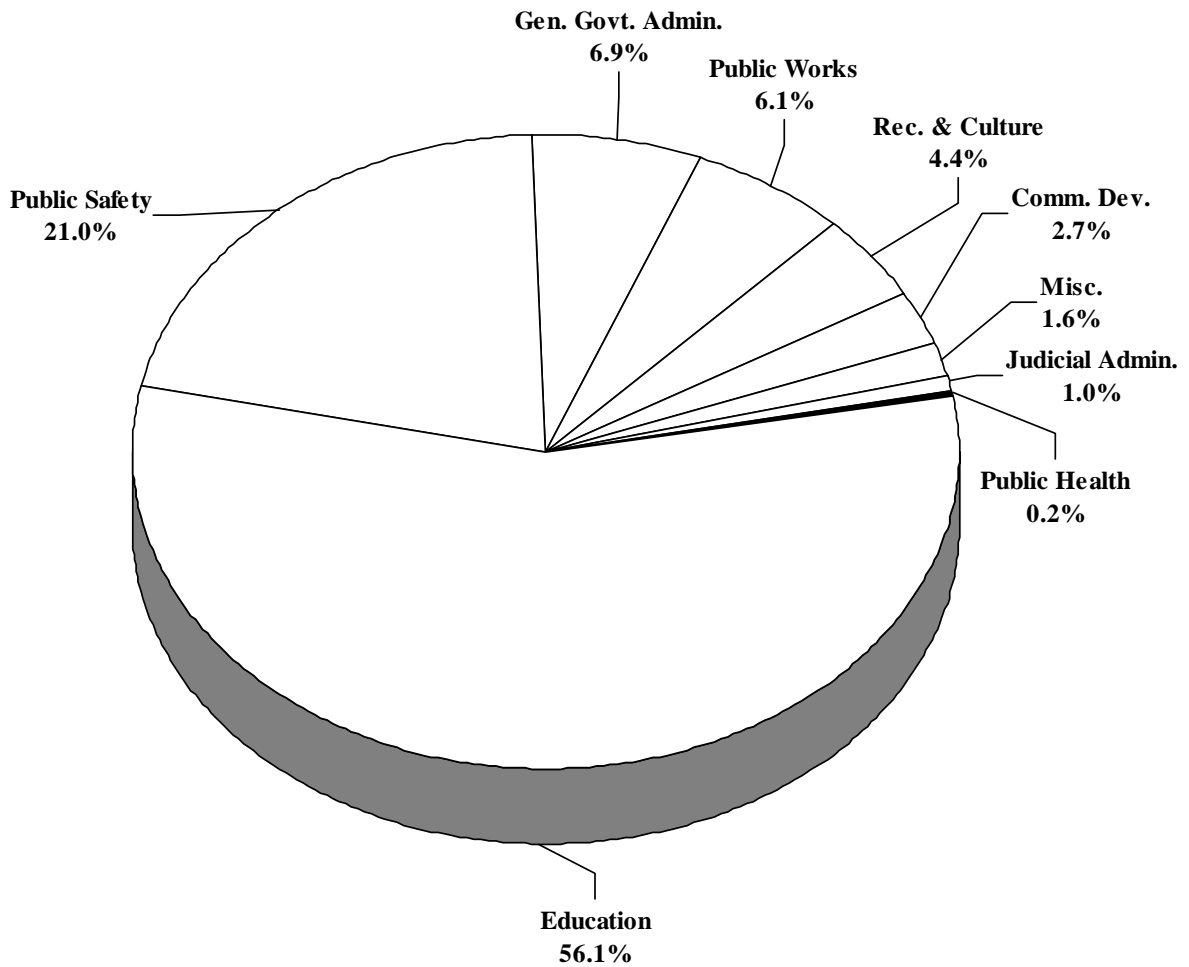
The Environmental Inspection Division is funded solely through the General Fund at a total cost of \$1,492,663. Expenditures are forecasted to increase by \$18,829 or 1.3 percent from the FY2014-15 approved budget as a result of the adjustments made to the personnel component. The operating and capital outlay components remained flat compared to the previous fiscal year.



COUNTY OF HENRICO, VIRGINIA

Public Health

\$1,779,094



Total General Fund

\$785,816,091

**COUNTY OF HENRICO, VIRGINIA
HEALTH AND SOCIAL SERVICES - GENERAL FUND
FY 2015-16**

<u>Department</u>	<u>FY 13-14 Actual</u>	<u>FY 14-15 Original</u>	<u>FY 15-16 Approved</u>
Public Health	\$1,771,087	\$1,771,094	\$1,779,094
Social Services:*			
Administration	11,668,252	0	0
Public Welfare Board	40,186	0	0
Public Assistance	4,492,447	0	0
Employment Services Program	<u>1,712,734</u>	<u>0</u>	<u>0</u>
Total Social Services	<u>17,913,619</u>	<u>0</u>	<u>0</u>
Total Health and Social Services	<u>\$19,684,706</u>	<u>\$1,771,094</u>	<u>\$1,779,094</u>

* Expenses moved to Special Revenue Fund in FY2014-15 to properly account for the State and Federal revenues that represent the bulk of funding in this area.

PUBLIC HEALTH

Description

The Health Department provides medical, environmental and other public health services to the residents of Henrico County. The State and County provide cooperative funding consisting of 55.0 percent in State funds and 45.0 percent in County funds. The County also provides additional funding to assist with the maternity program. The budget herein reflects the County's 45.0 percent funding level for the cooperative budget and additional funds to support the maternity program.

- To prevent environmental contamination through enforcement of regulations governing on-site sewage disposal, installation of wells and the monitoring of water supplies.
- To assist the County with special services that includes but is not limited to fire and flood disaster, sanitation, lead hazard evaluation, and rabies control.
- To assure emergency preparedness for large scale health emergencies.

Objectives

- To promote a healthier lifestyle through health education and outreach.
- To minimize the spread of communicable disease through epidemiological monitoring of infectious diseases.
- Promote childhood immunizations.
- Provide inspection of food establishments, licensed child-care centers, motels, and hotels.
- To provide clinical services for clients in need of prenatal care, well-child care, family planning, or Women Infant and Children (WIC).

Budget Highlights

The Department's budget for FY2015-16 reflects the 45.0 percent County share of the cooperative budget, as well as costs associated with the East End Health Clinic, which combined total \$1,593,596. Additional county funding of \$183,698 is also provided for the local maternity program, as well as an additional \$1,800 for telecommunications costs. The sum of these figures amounts to total County funding of \$1,779,094, which represents an increase of \$8,000, or 0.5 percent above the FY2014-15 approved budget. The increase in the FY2015-16 budget from the prior fiscal year is entirely attributable to the increased costs associated with the new East End Health Clinic. There are no County funded positions assigned to Public Health.

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	1,771,087	1,771,094	1,779,094	0.5%
Capital	0	0	0	0.0%
Total	\$ 1,771,087	\$ 1,771,094	\$ 1,779,094	0.5%
 Personnel Complement*	 N/A	 N/A	 N/A	 N/A

*Does not reflect 90 classified and non-classified State positions. The County portion of funding for these positions resided in natural account 50440 (Payment to State/Local Health Dept.) within the operating component of the budget.

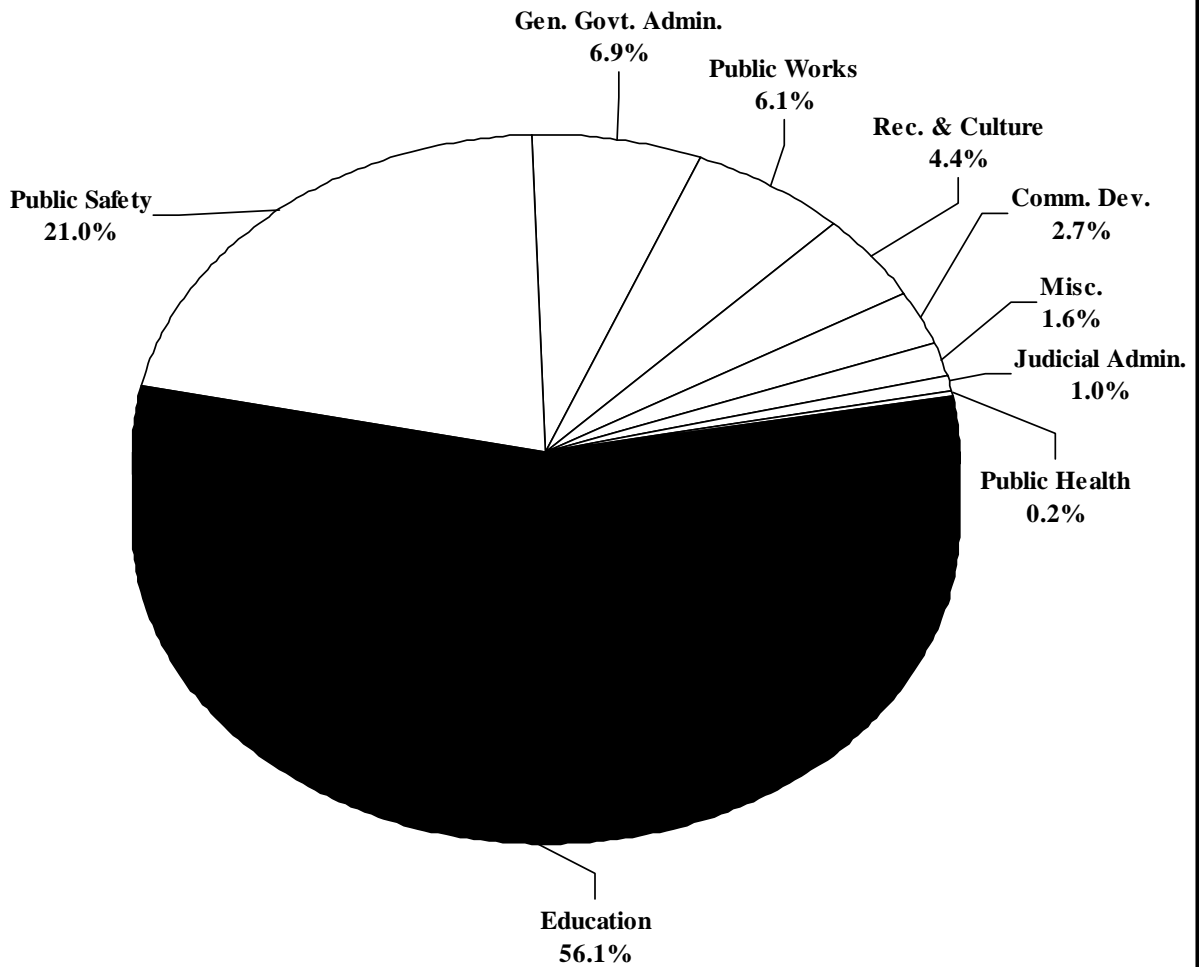
Public Health (cont'd)

	Performance Measures			Change
	FY14	FY15	FY16	15 to 16
Workload Measures				
Number of Patient Visits	28,090	28,090	28,500	410
Maternity Visits	2,689	2,686	2,750	64
Nursing Home Screening	645	645	700	55
Food Service Protection Visits	3,399	3,399	3,500	101
WIC Visits	12,188	12,500	12,500	0

COUNTY OF HENRICO, VIRGINIA

Education

\$441,171,628



Total General Fund

\$785,816,091

**COUNTY OF HENRICO, VIRGINIA
EDUCATION - ALL FUNDS
FY 2015-16**

<u>Fund/Division</u>	<u>FY 13-14 Actual</u>	<u>FY 14-15 Original</u>	<u>FY 15-16 Approved</u>
General Fund:			
Instruction	\$327,585,451	\$343,209,773	\$356,036,523
Administrative Services	9,352,782	11,819,128	10,085,839
Operations	67,542,712	70,890,108	70,160,208
Finance	2,969,283	3,353,440	3,370,631
School Board and Superintendent	1,501,029	1,513,211	1,518,427
Total General Fund	<u>408,951,257</u>	<u>430,785,660</u>	<u>441,171,628</u>
Special Revenue Fund:			
School Food Service	\$18,672,535	\$21,423,746	\$23,772,232
State, Federal, and Other Grants:			
Computer Insurance Coverage	(11,751)	0	0
CTE Resource Center	871,740	1,028,318	991,936
Distance Learning	5,268	0	0
DMAS School Health	240,578	233,015	995,757
Driver Education	168,987	214,104	119,372
Federal Class Size	959,777	1,362,698	1,377,867
Gen. Adult Education	333,383	461,444	301,108
Head Start	1,347,348	1,445,712	1,236,130
Homeless Assistance	56,524	102,250	104,365
Humanities Center Grants	7,475	10,000	8,000
Individual Student Alternative Ed Plan Grant	53,821	55,761	58,106
Juvenile Detention Home	1,263,720	1,383,020	1,421,697
Mentor Teacher Program	27,951	25,018	25,018
Miscellaneous School Grants - Federal	(78,877)	0	281,304
Miscellaneous School Grants - Local	1,091,898	12,000	1,122,286
Miscellaneous School Grants - State	1,263,579	500,000	1,193,729
Pell Grants	346,318	250,000	250,000
Perkins Act III	601,231	655,874	666,817
Pre-School	274,135	289,610	275,686
Reading Intervention	677,755	764,916	772,451
Reserve for State and Federal Grants	0	3,569,611	3,153,157
SOL Algebra Readiness	345,355	484,913	462,678
Special Education Jail Program Grant	112,786	115,850	119,556
State Four Year Old Program	1,748,115	2,822,978	2,870,702
Summer School	1,274,513	1,607,789	1,607,789
Teacher Incentive Fund Grant	1,079,846	1,097,879	0
Technology (State)	1,142,933	2,194,400	2,194,400
Title I	8,767,700	7,235,145	7,875,195
Title II-D Technology	27,878	0	0

Education - All Funds (cont'd)

<u>Fund/Division</u>	<u>FY 13-14 Actual</u>	<u>FY 14-15 Original</u>	<u>FY 15-16 Approved</u>
State, Federal, and Other Grants: (cont'd)			
Title III - ESL	248,323	306,972	318,404
Title VI - B Special Education	10,916,403	10,056,411	9,660,719
Stemgeo Project	0	100,000	0
Adult Education Catalog Classes	95,341	280,820	98,550
Other Special Revenue Grants	167,168	1,600,170	188,746
Subtotal Grants	<u>35,427,221</u>	<u>40,266,678</u>	<u>39,751,525</u>
Total Special Revenue Fund	\$54,099,756	\$61,690,424	\$63,523,757
Debt Service Fund:			
General Obligation	<u>36,565,166</u>	<u>35,799,793</u>	<u>35,411,580</u>
Total Debt Service Fund	36,565,166	35,799,793	35,411,580
Total Education - All Funds	<u><u>\$499,616,179</u></u>	<u><u>\$528,275,877</u></u>	<u><u>\$540,106,965</u></u>

EDUCATION

Description

The Henrico County Public School system is responsible for the construction, operation and maintenance of educational facilities and programs in the County. The School Board, elected by the voters of Henrico County by magisterial district, is charged with providing a total educational environment to prepare the students of today for the world of tomorrow. The Superintendent, appointed by the School Board as the Chief Administrative Officer, is charged with establishing and supervising the policies of the Henrico County Public Schools in accordance with the laws of the Commonwealth of Virginia, the regulations adopted by the State Board of Education, and the directives of the Henrico County School Board, which are guided by the mission statement: *Henrico County Public Schools, an innovative leader in educational excellence, will actively engage our students in diverse educational, social, and civic learning experiences that inspire and empower them to become contributing citizens.*

The Divisions of Instruction, Administrative Services, Operations, Finance, and School Board and Superintendent have been established to accomplish the educational objectives of the County. A description of each follows.

In FY2015-16, the Division of Instruction will provide instructional programs to 23,166 elementary school students (grades K-5); 11,413 middle school students (grades 6-8) and 15,647 high school students (grades 9-12). This Division includes the departments of

Elementary Education, Secondary Education, Career and Technical Education, Exceptional Education, Technology and Information Services, and Staff Development.

The Division of Administrative Services provides support to instructional and non-instructional programs through recruitment, selection, assignment, and evaluation of personnel. Additionally, this Division provides support to the other Divisions in the School system. This includes educational research, evaluation, student testing and assessment, program audit services, curriculum development, records management, facility monitoring, system-wide planning services, and coordination of programs promoting International Education. Finally, the Division provides support systems for employees in Human Resources and Student Health Services; and analyzes current regulatory/legal and economic development for their affect on schools.

The Division of Operations provides support for building construction and maintenance, warehousing, pupil transportation, and the student breakfast and lunch programs for all schools.

The Division of Finance includes the areas of School Finance, Budget, Payroll, and General Services. The Division of the School Board and the Superintendent is responsible for compliance requirements of Federal and State laws, regulations, and standards.

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Personnel	\$ 398,002,203	\$ 413,725,743	\$ 425,894,525	2.9%
Operation	53,758,920	65,458,504	63,255,830	(3.4%)
Capital	11,289,890	13,291,837	15,545,030	17.0%
Debt Service	35,565,166	35,799,793	35,411,580	(1.1%)
Total	\$ 498,616,179	\$ 528,275,877	\$ 540,106,965	2.2%
Personnel Complement	6,642.25	6,677.05	6,736.55	59.50
Average Daily Membership	49,343	49,812	50,226	414

*The personnel complement in FY2014-15 reflects the Superintendent's Proposed Budget.

Education (cont'd)

Objectives

- To strengthen instruction across the curriculum and improve student performance at all grade levels in reading, writing, math, and analytical skills.
- To meet safety and security guidelines to foster an environment where all members of the HCPS community can safely learn, work, and play.
- To ensure a level of staffing consistent with programmatic and support service needs.
- To provide additional teacher training opportunities.
- To meet compliance requirements of Federal and State laws, regulations, and standards.
- To operate and maintain all facilities and equipment in a manner to ensure optimal returns on the public investment.

Budget Highlights

The total budget for Henrico County Public Schools (HCPS) in FY2015-16, which includes the General Fund budget, School Cafeteria Fund, State and Federal Grants Fund, and the education portion of the Debt Service Fund, is \$540,106,965. This reflects an increase of \$11,831,088 or 2.2 percent when compared to the FY2014-15 approved budget. Included in the increase is funding for a partial year salary adjustment.

Of the total \$540,106,965, \$441,171,628 of that amount is the General Fund budget for HCPS. Put another way, the General Fund budget consists of 81.7 percent of the total HCPS budget. The General Fund reflects a \$10,385,968, or 2.4 percent increase when compared to the FY2014-15 budget. Of the General Fund total, State revenues fund \$239,009,800, or 54.2 percent of the FY2014-15 budget. Federal revenues account for \$350,000, while the remaining \$201,811,828 comes from local resources.

There are two items of note that are worthy of mention. First, the General Fund budget for HCPS accounts for 56.1 percent of the total General Fund budget. Second, three-fourths of new revenues in the FY2015-16 County General Fund budget are being dedicated to HCPS. Both of these statistics, combined with the fact the entire incremental budget increase in FY2014-15 was dedicated to HCPS, exemplifies the commitment

the Board of Supervisors makes to education as it is the largest funding priority on an annual basis.

In an effort to improve test scores at 28 schools that failed to fully meet State accreditation, an additional \$1,150,000 in local resources was provided for school improvement efforts in the FY2015-16 General Fund budget. The FY2015-16 cost center for School Improvement is \$1,815,588 and includes 15.5 FTEs, of which 13.5 are instructional positions to provide individualized instructional assistance to students who require it in subjects such as reading and math. Not included in the cost center are additional supports redirected to assist with the 28 schools, including additional classroom teachers to reduce class sizes. Included in the new resources for school improvement is \$150,000 for a pilot program for afterschool academic enrichment, which will provide incentive payments for teachers to participate at a number of schools. The total for the pilot program is \$300,000 as HCPS was able to redirect \$150,000 to match the County's additional resources.

Also included in the FY2015-16 budget for HCPS is an additional \$100,000 for residency enforcement. These funds will be utilized to ensure that all students in Henrico County Public Schools meet residency requirements.

The staffing level for FY2015-16 will reflect an average class size of 21.4:1 for elementary schools, 23.1:1 for middle schools, and 23.1:1 for high schools. This reflects no change when compared to staffing levels in the current fiscal year. To maintain these staffing levels, a total of 37.0 FTE positions are being added for teacher positions at a cost of \$2,331,300. 16.0 of those will go towards a teacher reserve and allocated to schools when needed. 1.0 FTE position will be dedicated to CTE for a heavy equipment repair class while the remaining 20.0 FTE positions will go towards elementary and secondary education positions. It should be noted the position for the heavy equipment repair class is a collaborative effort between HCPS and Central Automotive Maintenance (CAM). The class will be taught at the western CAM facility.

In order to provide a 21st century education to the students in Henrico County, Education's FY2015-16 General Fund and Special Revenue Fund Budgets includes \$15,093,642 for technology. Included in this amount is funding for the laptop leases. The laptop initiative began in FY2001-02 when the School system

Education (cont'd)

entered into an agreement to provide laptop computers to all high school students and 7th and 8th graders. In FY2002-03, the agreement was amended to include 6th grade students. The projected cost for the laptop initiative in FY2015-16 is \$12,782,979 with an additional \$1.3 million allocated for lease payments associated with middle school laptop computers and elementary school laptops and print management systems.

There are two components of the HCPS budget that are in the Special Revenue Fund. Those are the School Cafeteria Fund and the State and Federal Grants Fund. Both funds do not have any local tax dollars allocated in them. In the case of grants in the State and Federal Grant Fund that require a local match, those dollars are provided through utilization of General Fund expenses.

The FY2015-16 budget for the School Cafeteria Fund is \$23,772,232, which reflects an increase of \$2,348,486, or 11.0 percent when compared to the FY2014-15 budget. Of this increase, \$1,754,657 is supported by increased revenues from the Federal Government as School Nutrition Services is a National School Lunch Program (NSLP). No local tax dollars are allocated to this program. The increase will go towards increased food costs as well as the replacement of kitchen equipment.

The FY2015-16 budget for the State and Federal Grants Fund is \$39,751,525, which is a decrease of \$272,723 or 0.7 percent when compared to the FY2014-15 approved budget. This fund is where HCPS accounts for grant funds, mostly from the Commonwealth of Virginia or the Federal Government. Examples include the Title I-A program, the Algebra Readiness Grant, and the Head Start Program. The FY2015-16 budget includes an additional \$753,000 in Medicaid reimbursements that will be applied to school improvement efforts.

The amount budgeted for debt service related to education is \$35,411,580, which is a decrease of \$388,213, or 1.1 percent as a result of a reduction in the amount of interest paid on outstanding debt. The debt service paid for education is for outstanding debt related to the issue of General Obligation (GO) bonds and Virginia Public School Authority (VPSA) bonds. More information on debt issued and total debt service can be found in the debt service fund narrative within this document.

As a result of the approval of the referendum in November, 2013, the FY2015-16 budget continues to

reflect the inclusion of revenues to be generated from the food and beverage tax, more commonly referred to as the meals tax. In FY2015-16, \$20,000,000 is projected in meals tax resources. Of this amount, \$9,000,000 will continue to be allocated to the operating budget, \$9,000,000 will continue to be allocated to the capital budget for deferred maintenance projects, and \$2,000,000 will be allocated to a reserve for capital needs to be identified for the FY2016-17 capital budget. In addition to the \$20,000,000 projected to be collected in FY2015-16, the amount of meals tax collected in June, 2014 of \$1,990,470 will also be allocated for deferred maintenance projects in the FY2015-16 capital budget. The combined \$10,990,470 of meals tax resources are in addition to the \$2,500,000 allocated in the capital budget for mechanical improvements and roof replacements.

The School Resource Officer (SRO) program provides a safer environment to the students and staff of the schools while also providing a positive role model and adviser to the students. As a joint effort with the Division of Police, there is assigned to each middle and high school in the County a uniformed Police Officer. A total of 34 Police Officers participate in the program.

The new effort for the heavy equipment repair class is the latest in a number of collaborative efforts where, in order to provide more resources to student instruction, the County's General Government provides services to HCPS. Included in these are:

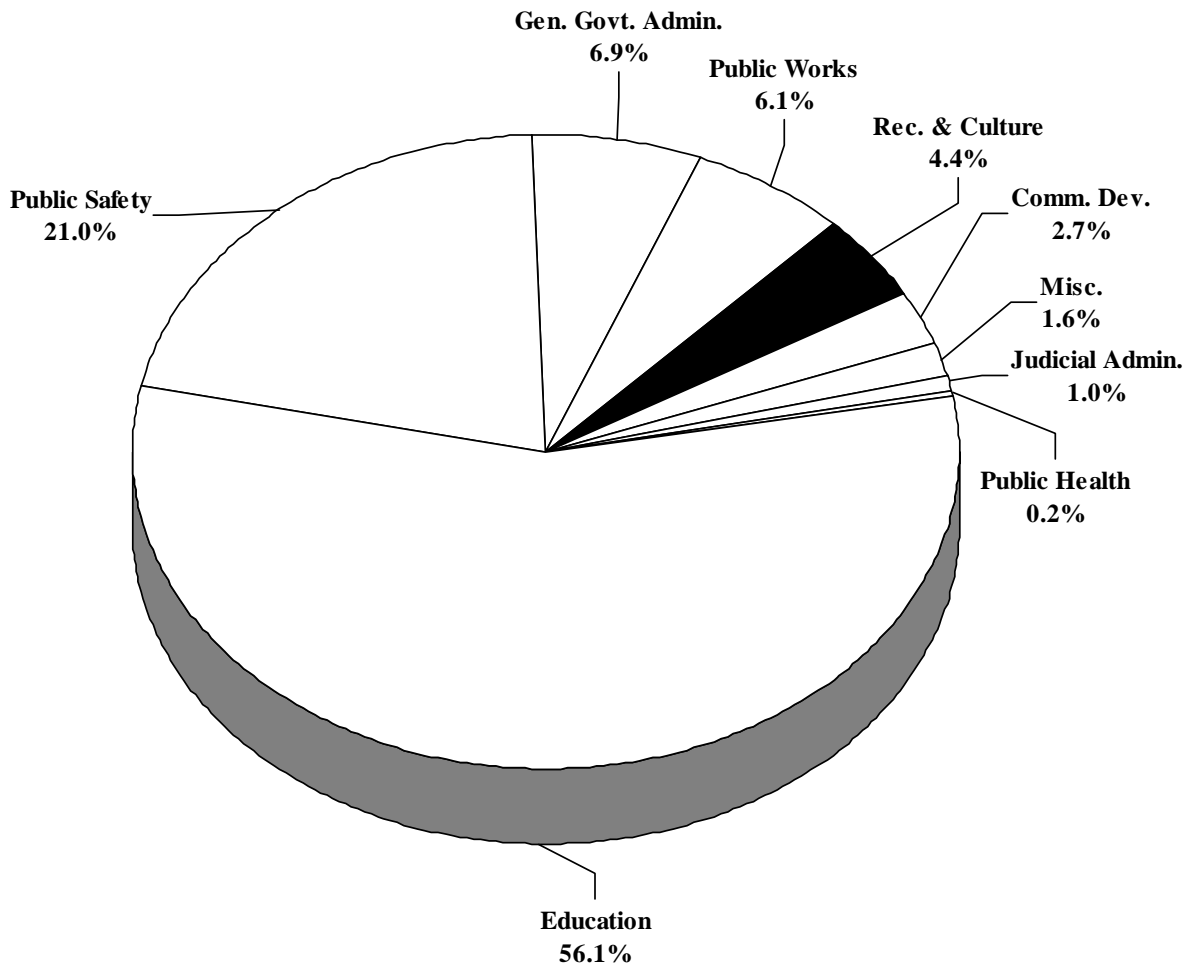
- Consolidated financial operations;
- Consolidated human resources management systems;
- The provision of the County Attorney's staff;
- A consolidated self-insurance health care system;
- The provision of School Resource Officers (SRO), including SROs at all elementary schools funded by the Division of Police;
- Centralized Purchasing, Risk Management, and CAM functions; and
- Collaborative efforts with the Division of Recreation and Parks related to programs and field maintenance.

In order to continue to provide a premier education to the children who attend one of the 72 schools in Henrico County at the most efficient point possible, more collaborative efforts with General Government will be explored.

COUNTY OF HENRICO, VIRGINIA

Recreation, Parks, and Culture

\$34,596,408



Total General Fund

\$785,816,091

**COUNTY OF HENRICO, VIRGINIA
RECREATION, PARKS AND CULTURE - GENERAL FUND
FY 2015-16**

<u>Department</u>	<u>FY 13-14 Actual</u>	<u>FY 14-15 Original</u>	<u>FY 15-16 Approved</u>
Recreation & Parks:			
Administration	\$2,184,885	\$2,849,343	\$2,657,158
Recreation Services	6,091,636	5,982,967	6,366,200
Parks Services	<u>7,908,850</u>	<u>8,414,519</u>	<u>8,505,323</u>
Total Recreation & Parks	16,185,371	17,246,829	17,528,681
Public Library	13,840,631	15,075,476	17,067,727
Total Recreation, Parks and Culture	<u><u>\$30,026,002</u></u>	<u><u>\$32,322,305</u></u>	<u><u>\$34,596,408</u></u>

RECREATION AND PARKS

Description

The Division of Recreation and Parks offers a variety of quality programs, services, events, facilities, and parks to meet the leisure needs of the residents of Henrico County. To accomplish these objectives, the Division is composed of the following three operational units: Park Services, Recreation Services, and Administrative Services.

Park Services is responsible for the care and maintenance of the County's park system of over 3,600 acres and 140 recreation buildings. Within Park Services are four principal service delivery areas. The Resource and Custodial section is responsible for the custodial operations at Recreation facilities as well as event preparation and clean up. The Grass and Grounds Services section is responsible for general lawn, grounds, and plant maintenance of all park areas except athletic fields. This section also maintains National Recreation and Parks Association certified playground inspectors who provide weekly safety inspections of all play areas and coordinate all necessary equipment repairs or replacements. The Sports Management section is responsible for the care and preparation of all sports fields scheduled for use through the Division of Recreation and Parks, which includes fields on Henrico County Public School sites. The Trades section is responsible for the maintenance of the Division's buildings including HVAC, painting, carpentry, plumbing, machinery repairs and small construction projects.

Recreation Services provides expertise to create affordable recreational, cultural, educational, and leisure opportunities to benefit and enhance the lives

of all Henrico County citizens. This area oversees recreation facility operations, including recreation and community centers and historic facilities, as well as providing recreation programs, classes, and special events. It includes staffing in the following sections: Recreation Programs, History, Sports, Special Events, and Tourism.

The Recreation Programs area is responsible for all general-interest recreation programs, classes, and activities. These include programs for preschoolers, youth, teens, adults, and seniors in the areas of sports, community recreation, cultural arts, nature and outdoors, and therapeutic recreation. This area also provides summer camp opportunities in these program areas and programs both the Henrico Theatre and Three Lakes Nature Center.

The History section is responsible for the interpretation and programming of Henrico County historic sites, structures and artifacts. The Division owns and maintains several signature historic sites open for public visitation. These include the Dabbs House museum, Meadow Farm Museum, Virginia Randolph Museum, and Walkerton Tavern.

The Sports section schedules the use of athletic fields and gymnasiums for youth and adult athletic leagues and associations as well as outside sports tournaments. It also provides recreational sports programs, including summer youth basketball camp, summer youth golf camp, recreational tennis leagues, and adult recreational sports leagues such as softball, kickball, volleyball, and disc golf.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 11,925,103	\$ 12,698,453	\$ 12,910,783	1.7%
Operation	3,712,698	3,978,571	4,020,593	1.1%
Capital	547,570	569,805	597,305	4.8%
Total	<u>\$ 16,185,371</u>	<u>\$ 17,246,829</u>	<u>\$ 17,528,681</u>	<u>1.6%</u>

Personnel Complement*	173	172	172	0
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*In FY2013-14, two positions were eliminated in the budget and two positions were moved to the Hold Complement as part of Recreation's reorganization. In FY2014-15, one position was eliminated.

Performance Measures				
	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Park Visitation	3,333,223	3,800,000	4,100,000	300,000
Special Event Attendance	37,580	47,000	52,000	5,000
Reported Visitation ⁽¹⁾	317,128	300,000	300,000	0
Number of Youth Sports Participants	43,730	45,000	46,000	1,000
Turf Acres Mowed	4,856	5,350	5,500	150
Number of General Acres Mowed	14,889	15,500	16,500	1,000
Number of Work Orders Processed	4,709	4,800	4,900	100
Number of Irrigation Sites Maintained	127	127	128	1
Number of Special Event Set-Ups	328	360	360	0
Number of Habitable Structures	98	98	96	(2)
Number of Historic Sites	35	35	35	0
Number of Shelter Reservations	2,127	2,430	2,500	70
Effectiveness Measures				
% of Programs Offered vs. Held	66%	68%	75%	7%
% of Actual Enrollments vs. Capacity	41%	46%	65%	19%

⁽¹⁾Reflects visitation to Meadow Farm, Three Lakes Nature Center, and Dabbs House, which is reported to the Richmond Region Tourism (formerly RMCVB).

The Special Events section offers a variety of large free events in the parks for residents and visitors to enjoy. These include the Old Fashioned Fourth of July, Harvest Festival, Monster Mash, and the Parade of Lights. Staff also plans a number of smaller neighborhood events throughout the year, including ice cream socials, skating exhibitions, outdoor movies, and community events. This section is also responsible for administering both park use and borrowed equipment requests and manages all school use permits, schedules off-duty police assignments, and manages the park caretakers.

The Tourism section is also part of this section and is responsible for Henrico County's focus on promoting tourism and attracting visitors to Henrico County as well as marketing the County as a destination for both sports tournaments and cultural and family travel. This area also operates the Dabbs House Tourist Information Center.

Administration Services provides all necessary support services to permit the Division to deliver its core services to the citizens of Henrico County. This area oversees the Division's information technology,

personnel, financial, and customer service needs, including software support, accounts receivable and payable, procurement, records management, and customer registration. Also included in this area is Planning Services, which provides expertise to lead and guide the development and redevelopment of the County's park system. This operational unit is responsible for master planning, design development, construction documentation, and project bidding and construction administration as well as maintaining the division's annual five-year Capital Improvement Program.

Objectives

- To provide the citizens of Henrico County safe, clean, and well-maintained parks and facilities.
- To provide the citizens of Henrico County with a wide-range of convenient and affordable general-interest recreation programs, classes, activities, and special events.

Recreation (cont'd)

- To ensure the protection of open spaces and historically significant properties in the County for the recreational and educational needs of future generations of citizens.
- To maximize the use of parks, open space, athletic sites and facilities using best management practices.
- To attract visitors to Henrico County as a premier sports tournament, and cultural heritage destination.

Budget Highlights

The Division's FY2015-16 budget is \$17,528,681, which represents a \$281,852, or 1.6 percent increase when compared to the FY2014-15 approved budget. The personnel component increased \$212,330 as a result of revised estimates in salaries benefit costs, which includes a partial year 2.0 percent salary adjustment. The operating component increased \$42,022 and the capital outlay component increased \$27,500, both of which are the result of operating costs for the opening of Short Pump Park, which is the last Recreation project from the 2005 General Obligation Bond Referendum and is anticipated to open

Administrative Services

The FY2015-16 budget for Administration totals \$2,657,158 and includes the Director's office, the Business Office, Information Technology, Capital Planning and Development, and Marketing sections. The budget for FY2015-16 reflects a decrease of 6.7 percent as a result of the Tourism section being reflected in Recreation Services, whereas this section was included in Administrative Services in FY2014-15.

Recreation Services

The FY2015-16 budget for Recreation Services totals \$6,366,200, which reflects an increase of 6.4 percent when compared to FY2014-15. The increase is the result of the reallocation of the Tourism section back to Recreation Services along with revised estimates for salaries and benefits.

The capital component totals \$21,743 and includes \$9,750 to preserve historic artifacts and \$11,993 to purchase new and replacement furniture and fixtures for the various recreation centers. Revenue collected as a Set-Up Fee charged to the renters of the centers

will support the funding for the replacement of furniture. This fee was approved in FY2001-02 and the replacement furniture expenditures program was approved in the FY2002-03 budget.

Park Services

In the area of Park Services, the budget for FY2015-16 is \$8,505,323, which represents a 1.1 percent increase when compared to the FY2014-15 approved budget. The operating component of the Park Services budget is projected to increase \$42,022 as a result of operating costs for Short Pump Park. The capital outlay component, which totals \$572,112, will increase \$27,500 also as a result of new equipment required for Short Pump Park.

The equipment replacement program was initiated in the FY2008-09 approved budget in order to provide a regular replacement schedule for necessary equipment to be replaced. In FY2015-16, two large event tents, a reel mower, an aerator, two zero-turn mowers, two large area mowers, an infield utility tractor, and a utility trailer will be replaced through the fund for a total of \$120,800. Other equipment purchases include utility trailers, weed trimmers, backpack blowers, chain saws, and replacement chairs for events.

The Facility Rehabilitation portion of the budget totals \$353,782 in the FY2015-16 budget. This plan was initiated in the FY2000-01 approved budget in order to maintain the Division's facilities on a yearly basis. Projects in the Facility Rehabilitation program include painting projects, field renovations, electrical projects, power washing/sealing projects, roofing, fencing projects, and an HVAC project. This funding is in addition to the Facility Rehabilitation program included in the County's Capital Improvements Program.

Revenues

Anticipated departmental revenue equals \$685,600 for FY2015-16, which reflects a 6.8 percent increase compared to FY2014-15. Recreation generates revenues through program fees and facility rentals. No program or rental fees are proposed to be increased in FY2015-16.

Division Highlights

In FY2012-13, the Division of Recreation and Parks implemented a targeted marketing plan to attract sports tournaments to Henrico County. The County has always been a desirable destination for these

Recreation (cont'd)

events, but the tourism effort brings a greater focus on attracting new events to Henrico. In 2014, Henrico County hosted 135 sports tournaments where participating teams travelled to Henrico from outside the Richmond Metropolitan Area. These included the 2014 U.S. Quidditch Mid-Atlantic Regional Championship, the Triple Crown U.S. Baseball Championships, the 13 to 15 year old Babe Ruth Baseball Southeast Regional, the 13 year old Babe Ruth Baseball World Series, and the 2014 Elite Clubs National League (ECNL) National Finals. The estimated visitor spending related to these tournaments exceeded \$40 million in 2014.

In addition to the sports tourism efforts, the Tourism section within the Division also creates marketing strategies to attract people to Henrico for its cultural and historical attractions. A large piece of the historical component in 2014 was the coordination of the Battle of New Market Heights Reenactment weekend to celebrate the 150th anniversary of this Civil War event. The reenactment attracted 5,000 spectators and nearly 1,000 reenactors.

In an effort to provide greater registration options and enhance customer service, the Division launched Henrico County Recreation and Parks (HCRP) Connect. HCRP Connect is a new online class and program registration system that replaced the aging system utilized by the Division. In FY2013-14, 63.0 percent of all registration transactions have been online transactions with 92.0 percent of all reservations being made online. In conjunction with the change to online registrations, personnel who previously performed manual registration transactions are now deployed in recreation centers to provide onsite customer service support with respect to registrations and reservations.

In an effort to reduce the need for storage, the Division of Recreation and Parks has commenced reviewing its collection of 38,000 historic objects. Many of these are now on display in the County's 14 historic sites. This process is ongoing, with a review whether an item is necessary to keep in the Division's inventory being part of the process.

Throughout the year, many improvements were made to the Division's facilities. These included:

- Replacing the front porch at Walkerton Tavern;
- Renovating the turf at all softball fields at RF&P;
- The installation of bleacher shade structures at RF&P softball and new shade structures at the Challenger Field at Tuckahoe Park;
- Replacing athletic light poles at Seven Pines, Club Road, and Sandston Recreation;
- Replacing HVAC units at Sandston Recreation, Meadow Farm Orientation Center, Varina Recreation, and Walkerton Tavern;
- Painting the interior of the Henrico Theatre and train cars at the RF&P baseball complex;
- Turf replacement at the Courtney Road Service Station;
- Replacing the irrigation system at Tuckahoe Park;
- Several improvements in collaboration with Henrico County Public Schools at Highland Springs High School, including the replacement of the scoreboard, painting the bleachers, goal posts, and press box, and renovating the tennis courts;
- Paving the front parking lot at Meadow Farm, football parking lot at RF&P and entire RF&P entrance road;
- Replacing playground equipment at Meadow Farm; and
- Renovating two athletic fields at Tuckahoe Middle School.

Twin Hickory Park, one of the last two recreation projects from the 2005 General Obligation Bond Referendum, opened in July, 2014. The park features a multi-purpose field, walking trails, open play areas, playgrounds, and a "sprayground" that provides a zero-depth water play area intended for children 12 and under. The last project from the 2005 Referendum, the improvements at Short Pump Park, is currently scheduled to open in the first half of 2016.

LIBRARY

Description

Henrico County Public Library’s (HCPL) mission is to promote reading and lifelong learning, connect people with the information they need, and enrich community life. HCPL accomplishes this by delivering excellent library service and providing access to a varied collection of materials. The library serves the County’s diverse community by assisting customers in finding the information they seek using a variety of formats. This service is available through the traditional customer visits to any of the 11 library facilities as well as the expanding “virtual branch” available online 24/7 that provides the community with expanding e-services.

To accommodate the community’s changing needs, Henrico libraries are home to 429 public computer workstations, including 35 public laptops and minibooks that are available for checkout at the desk to use in the library. Color and black and white printers, scanners, and Wi-Fi access are all available as well.

Objectives

- HCPL customers will be offered a responsive and relevant collection that is available in a timely manner.

- The Library System will offer services and programs that reach out to Henrico County’s changing population in ways that respond to their unique and diverse needs.
- To provide customers with a positive experience that meets their needs and expectations and that enriches community life.
- To supply citizens with information related to services provided by community agencies and organizations.
- All libraries will be welcoming and engaging places that provide maximum accessibility and an array of spaces to meet the community’s growing needs.

Budget Highlights

The Department’s approved budget for FY2015-16 totals \$17,067,727, representing an increase of \$1,992,251 or 13.2 percent from the previous approved budget. The overall increase in the FY2015-16 approved budget is primarily due to the budgeting of \$1,722,136 for ongoing costs of Libbie

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Personnel	\$ 10,261,392	\$ 11,167,931	\$ 12,799,757	14.6%
Operation	3,507,245	3,862,545	4,082,970	5.7%
Capital	71,994	45,000	185,000	311.1%
Total	\$ 13,840,631	\$ 15,075,476	\$ 17,067,727	13.2%

Personnel Complement 161 171 * 198 ** 27

*Ten positions added in the FY2014-15 budget to staff the new Libbie Mill and Varina Area Libraries.

**Eleven full-time positions and thirty-two part-time positions added in FY2015-16 budget to staff the new Libbie Mill and Varina Area Libraries.

Performance Measures

	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Annual Circulation of Materials	3,939,488	3,959,185	4,003,065	43,880
Customer Visits	2,032,388	2,052,712	2,093,766	41,054
Program Attendance - Children	48,052	48,533	49,503	970
Program Attendance - Teen/Young Adult	3,465	3,465	3,500	35
Program Attendance - Adult	5,090	4,836	4,836	0
Number of Programs	2,465	2,391	2,391	0
Number of Holds Requested by Customers	438,131	424,987	424,987	0
Number of Holds Filled - Inside Library	223,239	216,542	216,542	0
Number of Holds Filled - Drive Up Window	50,513	50,513	51,018	505
Number of Library Cards Issued	19,249	19,441	19,830	389
Number of Classes Taught	270	270	273	3
Total Class Attendance	1,549	1,549	1,564	15
Number of Volumes Added	109,655	164,483	166,127	1,644
Outside Use of Meeting Rooms	100,048	102,549	105,626	3,077
Outside Use of Study Rooms	37,428	38,551	40,478	1,927
Outreach Programming Attendance	33,639	33,639	33,639	0
Total Number of Library Members	245,185	247,637	252,590	4,953
Efficiency Measures				
Number of Self-Service Check-Out Transactions	1,537,850	1,553,229	1,568,761	15,532
Number of Self-Service Check-In Transactions	142,622	1,434,828	1,449,177	14,349
Number of Library Catalog Visits	870,032	878,732	883,126	4,394
Number of Library Web Site Visits	2,544,383	2,595,271	2,647,176	51,905
Effectiveness Measures				
Reference Questions Answered	816,894	825,063	833,314	8,251
Public Workstations:				
Number of Customers Using	180,154	181,956	181,956	0
Number of Sessions by Customers Using	464,190	464,190	468,832	4,642
Number of Public WiFi Connections by Customers	947,864	995,257	1,094,783	99,526
Number of Titles in Collection	338,485	450,185	373,654	(76,531)
Number of Volumes in Collection	903,125	1,047,625	942,863	(104,762)
Number of Electronic Databases Available*	29	19	17	(2)
Number of Volunteer Hours Used	9,879	9,978	10,078	100

*Includes 3 Find It VA databases from the State

Mill and Varina Area Libraries. The funding for the two new libraries will be furnished entirely with reserves from the sinking fund in the first year. The total amount added for Libbie Mill and Varina Area Library includes \$1,496,711 for the personnel costs

associated with 11 new full-time positions and 32 new part-time positions (16 full-time equivalents), the annualization of the cost of ten positions funded for a partial year in FY2014-15 as well as \$225,425 for ongoing operating and capital expenses.

Library (cont'd)

The capital component of HCPL's FY2015-16 approved budget includes \$135,000 for a new Library Maintenance Plan. Funding for the Library Maintenance Plan will provide HCPL with the ability to refurbish high traffic public areas throughout the Library system as needed.

The remainder of the budgetary increase in FY2015-16, equal to \$135,115, is entirely due to increases in the personnel complement which is primarily driven by the annualization of the raise provided in FY2014-15 as well as the partial year impact of a 2.0 percent raise in FY2015-16.

Departmental Highlights

National and Local Awards

Henrico County Public Library was honored again to have been recognized with national and state awards. HCPL was awarded two National Association of Counties (NACo) Achievement Awards and two Virginia Association of Counties (VACo) Achievement Awards. These awards were given for the transition from the Bookmobile to Mobile Library Service and for the ESL Conversation Café. HCPL also received an award from the Virginia Public Library Director's Association (VPLDA) in the category of Outstanding Website.

In addition, Henrico's Library System was designated as one of America's Star Libraries by the Library Journal, the library field's leading professional publication, which gave HCPL 4 stars. This reinforces Henrico's place among the best library systems in the nation.

Fairfield Area Library and Sandston Branch Library Refresh

Fairfield and Sandston Libraries are currently undergoing a refresh to provide spaces that are updated, more comfortable and equipped to better serve patrons. The Fairfield Library has removed some shelving to make room for more public seating and study tables. Lighting, carpet and paint will also be refreshed at both Fairfield and Sandston Library.

Digital Media Lab (DML) at the Twin Hickory Library

The Digital Media Lab at the Twin Hickory Library was opened to the public on September 4, 2014. Patrons can book a two-hour reservation with

Evanced to use the podcasting, scanning or video station and equipment, as well as submit a file to be printed on the 3D printer. This pilot project offers resources to help the community create and learn while experimenting with technology that they may not have had access to otherwise.

All Henrico Reads

All Henrico Reads in 2014 with Lee Smith brought the Henrico Community together through discussion and culminated in the April 2 author event at Glen Allen High School. During the morning session Ms. Smith urged more than 500 students to tell their stories now and not to wait until they "grow up." Live streaming to all schools allowed even more students to benefit from her visit. It was an inspiring and motivating talk that was reinforced by the many students who eagerly asked questions during the questions and answers portion.

Summer Reading Club

Henrico County Public Library celebrated its 2014 Summer Reading Club (SRC) with over 10,000 children, teens, and adults registered. Of those, children's registrations accounted for more than half of the total. The finisher rate (5 books read for adults and teens, and 10 books or hours read for children) held steady at about 50% or 5,119 total, which is in line with other library systems.

Science, Technology, Engineering, Arts, and Mathematics (STEAM) at the Library

STEAM activities are offered all year long at the Library to complement Henrico County Public Schools STEAM curriculum and to get patrons, from preschool age to teens, excited by science, engineering and math. The Summer Reading Club STEAM theme, "Fizz, Boom, Read!" provided many opportunities for fun and education programs based around robotics, electronics, science and Lego. Library patrons of all ages explored making robots, performed science experiments, took apart small appliances, investigated rocket propulsion, created Lego masterpieces, and enjoyed a host of other science and technology activities at all HCPL locations.

WiFi Continues to be Popular

The Library's WiFi continues to be an extremely valuable and popular service for the community.

Library (cont'd)

Library members can come in with their laptops, tablets or phones and use the library network to access email and the Internet, many of whom are using this service to look for and apply for jobs using many of the public library's online resources. There have been over 947,852 WiFi connections in 2014, a 54% increase since 2013, reflecting an enormous growth in the public's use of this service.

Online Communication and Social Media

The Library continues to explore new ways of communicating with the community beyond traditional print media. In addition to the Library's website, HCPL is finding great success in social media outlets such as Twitter, Facebook, eNewsletters, and blogs. The public library continues to offer classes to members of the community who are new to these technologies. HCPL currently has 1,685 Facebook followers and 961 followers on Twitter with more and more subscribing each week. The online newsletter currently has nearly 3,000 subscribers.

E-Formats

Library members are able to check out books, magazines, and audio books online and download them to their personal computers or other digital devices 24/7 from wherever they are. In FY14, HCPL patrons checked 362,896 eBooks, eAudiobooks, and eMagazines, a 93% increase from the year before. HCPL monitors publishing trends and circulation/use data to purchase the most stable formats and popular titles.

The Library of Virginia made Zinio digital magazine service available to public libraries in Virginia,

including Henrico in FY2013-14. Henrico County Public Library cardholders can read cover-to-cover, full digital editions of popular magazines, which are current and released at the same time as their print editions on a computer, Smartphone, or tablet. The service allows patrons to check out as many issues as they want, and keep them for as long as they like. There are no expiration dates. The most popular titles have included US Weekly, Newsweek, The Economist, Oprah, National Geographic, and Martha Stewart Living.

eBook Clinics & Consultations

HCPL's eBook clinics and consultations give community members the opportunity to ask questions in an informal setting and learn more about eReaders, eBooks, and tablets. Matt Phillips, HCPL's Emerging Technologies Librarian, led thirteen eBooks workshops and consultations at various libraries in January and February 2014. His demonstrations included how to check out eBooks in both the Kindle and ePub formats and how to check out an audiobook. The participants were enthusiastic about learning how to use the library's collection.

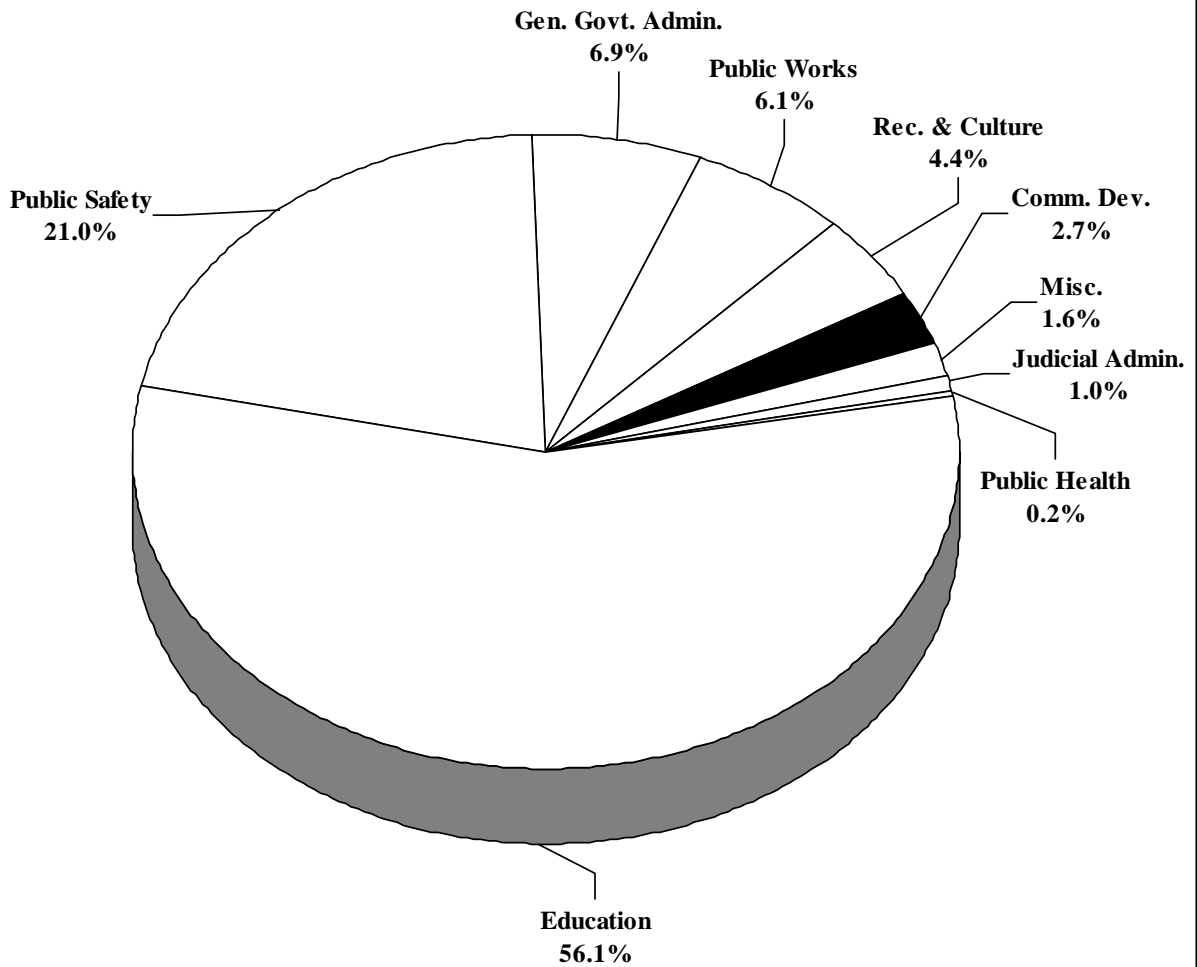
Libbie Mill and Varina Area Libraries

In spring 2014, Gulf Seaboard General Contractors, Inc. was awarded the contract to build the Libbie Mill Library and Kenbridge Construction, Co., Inc. was awarded the contract to build the Varina Area Library. Both projects broke ground summer 2014 — Varina in June and Libbie Mill in August. The Libbie Mill Library is projected to open November 2015 and the Varina Area Library is projected to open in March 2016.

COUNTY OF HENRICO, VIRGINIA

Community Development

\$21,120,304



Total General Fund

\$785,816,091

**COUNTY OF HENRICO, VIRGINIA
COMMUNITY DEVELOPMENT - GENERAL FUND
FY 2015-16**

<u>Department</u>	<u>FY 13-14 Actual</u>	<u>FY 14-15 Original</u>	<u>FY 15-16 Approved</u>
Economic Development	\$14,461,385	\$14,273,330	\$14,422,484
Planning:			
Administration	3,424,391	3,711,893	3,741,195
Board of Zoning Appeals	148,602	150,150	150,150
Total Planning	<u>3,572,993</u>	<u>3,862,043</u>	<u>3,891,345</u>
Community Revitalization	1,352,864	1,467,094	1,549,846
Agriculture and Home Extension	334,751	369,699	383,031
Permit Center	834,249	849,630	873,598
Total Community Development	<u><u>\$20,556,242</u></u>	<u><u>\$20,821,796</u></u>	<u><u>\$21,120,304</u></u>

ECONOMIC DEVELOPMENT

Description

The Economic Development Authority was created as a political subdivision of the Commonwealth of Virginia and, as such, may issue tax exempt bonds for the purpose of promoting industry and developing trade, by inducing desirable businesses to locate or remain in the County. The bonds and notes financed by private lenders for approved projects do not constitute a debt of the Commonwealth, the County, or the Authority. The debts are repaid solely from the revenues and receipts derived from the projects.

- To create employment opportunities and to increase the nonresidential tax base.
- To increase the number of corporate inquiries and prospect visits to Henrico County.
- To promote the retention and expansion of existing major primary corporate businesses.

In 1984, the Authority was designated as the official economic development organization for the County of Henrico, and was authorized to undertake those activities necessary to accomplish the County's economic development goals. Although the Authority is officially independent of the County, it works closely with the County government and receives support in the form of an annual operating subsidy. This budget includes that subsidy. Reimbursements for expenditures are subject to the same controls as other County departments.

Budget Highlights

The budget for the Economic Development Authority is \$14,422,484. This is an increase of \$149,154, or 1.0 percent, over the FY2014-15 approved budget. This budgetary growth is due to increases in the funding requirements for the Greater Richmond Partnership and Richmond Region Tourism, as well as increased salary dollars to support a new marketing management position and added funding for maintenance of the White Oak Technology Park.

Objectives

- To increase the number of successful locations of new businesses in Henrico County.
- To conduct a successful business retention program.

Since FY1997-98 the County's share of the Richmond Center Expansion Project, funded with Hotel/Motel Tax revenues has been included in this budget. Beginning in FY2000-01, the entire 8.0 percent Hotel/Motel tax levy has been transferred to the Richmond Convention Center Authority. At the end of the fiscal year, Henrico's local 2.0 percent component is returned from the Authority. In FY2015-16, \$10,400,000 is included for the Richmond Center Expansion Project.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	3,518,153	3,869,530	4,018,684	3.9%
Capital	3,392	3,800	3,800	0.0%
Sub-Total	\$ 3,521,545	\$ 3,873,330	\$ 4,022,484	3.9%
Other Payments	10,939,840	10,400,000	10,400,000	0.0%
Total Budget	<u>\$ 14,461,385</u>	<u>\$ 14,273,330</u>	<u>\$ 14,422,484</u>	<u>1.0%</u>
Personnel Complement*	N/A	N/A	N/A	N/A

*Eight employees are supported by the County in this budget, but are not in the County's Complement.

Performance Measures

	FY14	FY15	FY16	Change 15 to 16
Effectiveness Measures				
Value of New Capital Investments	\$ 105,956,240	\$ 60,000,000	\$ 60,000,000	0
Announced New Business Establishments	11	14	14	0
Announced New Jobs Created	1,212	500	500	0
Investment From Business Expansions	\$ 131,950,000	\$ 35,000,000	\$ 35,000,000	0
Business Expansions and Retentions	4	10	10	0
Jobs Created - Expansions and Retentions	164	300	300	0

This budget for FY2015-16 contains the County's \$385,000 contributions to the Greater Richmond Partnership, an increase of \$15,000, along with \$2,393,090 for Richmond Region Tourism, an increase of \$15,040.

The Authority's staff members are not included in the County's complement since they are paid by the Economic Development Authority. The funding for salary and FICA requirements for these positions is provided by the County. The benefit costs of all positions are provided by the Authority. Funding of \$75,790 has been added to this budget in support of the addition of a Marketing Manager position. Funds have also been added to support a 2.0 percent salary increase to become effective during FY2015-16. Additionally, \$24,210 in annual funding has been allocated for improvements at White Oak Technology Park.

The following historical information is noted:

What follows is a table of Richmond Region Tourism (formerly RMCVB) funding budgeted in the previous five fiscal years.

FY2014-15	\$2,378,050
FY2013-14	\$2,053,870
FY2012-13	\$2,053,870
FY2011-12	\$1,750,847
FY2010-11	\$1,750,847

What follows is a table of funding budgeted for the Greater Richmond Partnership in the previous five fiscal years.

FY2014-15	\$370,000
FY2013-14	\$320,000
FY2012-13	\$370,000
FY2011-12	\$370,000
FY2010-11	\$370,000

PLANNING

Description

The Department of Planning provides staff support to the Planning Commission, the Board of Zoning Appeals, and the Board of Supervisors relating to land development activities in the County. The department is organized into five divisions: Comprehensive Planning; Development Review and Design; Zoning Administration; Planning Systems; and Administrative.

Comprehensive Planning prepares long-range plans, evaluates rezoning requests, and handles planning data management, demographic and land-use information. Development Review and Design is responsible for the review of development plans. Zoning Administration enforces subdivision and zoning ordinances of the Henrico County Code. The Planning Systems Division provides information technology support to the entire department. Administrative Support provides budget, personnel, and clerical support for the operation of the office.

Objectives

- To provide a comprehensive planning program with an emphasis on urban design in order to provide both public and private decision makers with a more informed basis for land use decisions and growth management.
- To continue an enforcement program that obtains compliance with the code for new development as well as correcting zoning and subdivision violations.

- To provide timely services to the public, other agencies, and technical and administrative support to the Board of Supervisors, the Planning Commission, and the Board of Zoning Appeals in matters relating to the Comprehensive Plan, zoning and subdivision ordinances, building permits, plans of development, subdivisions, use permits, variances, rezoning and enforcement of zoning regulations.
- To encourage the continued economic development of the county by continuing to work with the Economic Development Authority, developers, their representatives, and the general public to facilitate and expedite their requests for development approval or general planning assistance.
- To improve and protect the health, safety, and welfare of Henrico citizens consistent with the Code of Virginia, policies, ordinances, and resolutions adopted by the Board of Supervisors with good land use planning and zoning practices.
- To inspire and encourage the protection and enhancement of natural, historical, and cultural resources through the preservation of those sites, buildings, features, and structures identified as important to Henrico County's heritage.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 3,405,683	\$ 3,578,752	\$ 3,608,054	0.8%
Operation	162,453	275,291	275,291	0.0%
Capital	4,857	8,000	8,000	0.0%
Total	<u>3,572,993</u>	<u>3,862,043</u>	<u>3,891,345</u>	<u>0.8%</u>
 Personnel Complement	 44	 44	 44	 0

	Performance Measures			Change
	FY14	FY15	FY16	15 to 16
Workload Measures				
Reviews Completed by Dev. Review & Design	284	300	300	0
Zoning Petitions & Provisional Use Permits	62	60	60	0
Variance and Use Permits Processed	64	60	60	0
Maps Prepared	1,191	1,100	1,100	0

- To continue to maintain effective and efficient procedures for meeting legal requirements that set forth maximum time periods within which activities must be accomplished.
- To implement decisions of the Board of Supervisors and the policies of the County Manager related to Department of Planning responsibilities.

Budget Highlights

The Department of Planning’s budget for FY2015-16 is \$3,891,345, which represents an increase of \$29,302 or 0.8 percent from the FY2014-15 approved budget, all of which is reflected in changes in personnel costs as a result of the full-year raise that became effective in December of 2014 and a partial-year 2.0 percent wage scale increase. There are no changes to either the operating or capital outlay portions of the budget from the prior year approved budget.

The Department of Planning’s mission to “Provide the professional planning leadership to accomplish excellent management of the valued resources which create our coveted quality of life” involves a wide spectrum of goals, functions, and accountability. It goes beyond the construction indicators shown in the department’s land use applications, which have declined with the economy. The department has many continuous functions and responsibilities.

The department manages land use policy and planning to provide the framework for the physical, social, and economic growth of the county. The implementation and required updates to the county’s Comprehensive Plan are mandated by the Code of Virginia. These are necessary and on-going responsibilities of the Planning department staff, which also provides a gamut of expertise in drafting white papers, monitoring state and federal land use legislation and policy, conducting small area studies, and site analysis. Planning is often called upon to review and assist in long range plans for the airport, Richmond

International Raceway, and other major economic generators for the county.

County development standards and regulations, such as zoning ordinance revisions for statutory and land use policy changes at the federal, state, and local levels, are a department priority. This also includes an annual review of the General Assembly actions as well as revisions in response to the County’s changing growth patterns, and needs of the development community and residents.

Planning provides geographic and demographic management for certain GIS layers and statistical data used by most departments within the county. The County Attorney’s and County Manager’s offices, Community Revitalization, Permit Center, and Media Services often receive mapping support through Planning’s office.

The knowledge base of staff supports many regional and local groups including the Richmond Regional Planning District Commission (RRPDC), Metropolitan Planning Organization (MPO), Urban Land Institute (ULI), and special committees for the General Assembly and VCU. The department assists in reviewing impacts of adjacent development such as future renovations and expansions of the University of Richmond; examining best practices with nearby localities; and review of adjacent localities’ comprehensive plans to determine impact on county residents and businesses.

The department also organizes, as needed, and participates, as requested, in numerous community meetings to keep citizens aware of land use and other issues affecting the public. Staff routinely provides internal consulting for county departments. This includes design assistance for General Services, Public Works, Community Revitalization, and informal plans discussed with Board members and Planning Commissioners. The department spends countless hours in providing zoning code interpretations and research ancillary to applications for variances, rezoning, and provisional use permits.

Planning (cont'd)

Over the past three years, the department has implemented a number of cost cutting initiatives including decreases in paper consumption, the return of County vehicles and cell phones, revising legal advertising schedules, and discontinuing costly publications and equipment maintenance service contracts.

These changes have been accomplished with minimal impact on the department's productivity, which is demonstrated by the department's 20 NACO awards since 1998. Also, after an extensive review and research process, the department successfully revised the urban mixed use district ordinance. The revisions focused on giving developers greater flexibility to react to market changes while still ensuring a development that makes efficient use of available land and county services. The Department of Planning collects certain fees to help offset the expenses depicted in this budget. These include zoning

application fees and fees paid for the sale of GIS maps. The total of these two revenues is budgeted to be \$150,000 in FY2015-16.

Personnel costs for the Department of Planning's 44 employees represent 92.7 percent of the Department's budget. The operating and capital outlay components of the budget will remain flat from the prior year approved budget, at \$275,291 and \$8,000, respectively.

There are two components to the budget: Administration, which includes five divisions, and Boards and Commissions, which includes the Planning Commission and the Board of Zoning Appeals. The Boards and Commissions portion of the budget totals \$150,150 for FY2015-16 and supports the Planning Commission. The Administration portion of the budget totals \$3,741,195, which represents an increase of \$29,302 or 0.8 percent from the previous fiscal year.

COMMUNITY REVITALIZATION

Description

The Department of Community Revitalization coordinates the County's revitalization efforts and community development programs. The department plays an integral role in the enhancement of existing residential, commercial, and industrial areas in the County. The Department is divided into two major divisions (Community Development and Community Maintenance) and is responsible for administering the following programs: Community Maintenance program; CDBG, HOME and ESG programs; Virginia Enterprise Zone program; Commercial Revitalization Assistance; Neighborhood Revitalization Assistance; Volunteer Assistance Program and property maintenance and zoning enforcement in developed communities.

- To identify needs within the County's older communities and offer staff and volunteer services to improve properties and structures as a part of the Volunteer Assistance Program.
- To prepare commercial enhancement plans in older commercial corridors and districts in the County in order to identify barriers for new investment and to develop realistic plans of action for addressing concerns.
- To coordinate the review of tax credit applications and low-interest bond financing requests in order to encourage rehabilitation and new investment in the County's older multifamily developments.
- To prepare neighborhood plans in older residential communities in the County in order to ensure that such areas remain attractive for existing and potential residents.
- To perform special projects requested by the Board of Supervisors, County Manager, or other departments.

Objectives

- To administer and aggressively market the County's Enterprise Zone program to potential new and existing businesses and/or property owners.
- To administer the CDBG, HOME and ESG programs to assist in meeting the County's community development objectives.
- To administer the Community Maintenance program of environmental and zoning enforcement.

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Personnel	\$ 1,103,969	\$ 1,178,159	\$ 1,257,791	6.8%
Operation	245,413	283,032	286,152	1.1%
Capital	3,482	5,903	5,903	0.0%
Total	\$ 1,352,864	\$ 1,467,094	\$ 1,549,846	5.6%
 Personnel Complement ⁽¹⁾	 16	 16	 17 ⁽²⁾	 1

⁽¹⁾ Personnel Complement does not include 6 Complement III positions that are funded through grant programs.

⁽²⁾ Reflects additional Zoning Enforcement Inspector position to be added in FY2015-16.

Community Revitalization (cont'd)

Performance Measures				
	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Community Maintenance Cases	10,609	10,300	11,000	700
Inspections Made	27,273	26,000	27,500	1,500
Technical Assistance to Business	744	750	775	25
Enterprise Zone Design Asst. Provided	9	9	10	1
Efficiency Measures				
Volunteers Participating	586	600	600	0
Volunteers Hours Worked	3,478	3,500	3,500	0
CCP Hours Worked	6,194	6,000	6,000	0
Effectiveness Measures				
Violations Issued	3,638	3,300	4,000	700
Enterprise Zone Grants Completed	23	23	24	1
Value of Entrprz Zone Grant Assisted Proj	\$ 264,880	\$ 275,000	\$ 1,000,000	\$ 725,000
Value of All Enterprise Zone Projects	\$ 33,136,410	\$ 34,000,000	\$ 40,000,000	\$ 6,000,000
Value of Grants Awarded	\$ 86,766	\$ 90,000	\$ 95,000	\$ 5,000

Budget Highlights

The Community Revitalization Department’s mission statement is as follows: *“To coordinate the County’s revitalization programs and services intended to promote healthy, vibrant, and attractive residential, commercial, and industrial communities.”*

The Department’s budget for FY2015-16 is \$1,549,846. This represents an increase of \$82,752, or 5.6 percent from the FY2014-15 approved budget. The personnel portion of the budget is increasing \$79,632, or 6.8 percent from the FY2014-15 approved budget. This increase is mostly attributable to the addition of a Code Enforcement Inspector position dedicated to an initiative to improve focus on residential and commercial properties county wide.

The operating portion of the budget is increasing \$3,120, or 1.1 percent from the prior year approved budget. There is no change to the capital outlay portion of the budget.

Community Revitalization will also collaborate with the Department of Building Construction and Inspections to engage in a multi-faceted effort to proactively enforce compliance with applicable codes directed at creating and maintaining clean and safe communities.

The Department is dedicated to preserving and revitalizing the County’s mature neighborhoods, business corridors and industrial areas through its programs and activities. Staff provides presentations for a number of neighborhood, business and community organizations to raise citizen awareness regarding community maintenance requirements, and housing assistance and Enterprise Zone programs administered by the Department. The meetings also allow for the collection of valuable feedback on Department programs and solicit volunteers for assistance projects.

The Community Development Division administers the Housing and Urban Development CDBG and HOME grant programs within Henrico County. Beginning with FY2014-15, Henrico became a HUD entitlement community for Emergency Solutions Grant (ESG) funds. These funds are used for homeless prevention and rapid rehousing programs. All three of these grants, which are awarded by the Federal government each year, are based on the Federal fiscal year that runs from October 1st through September 30th.

There are six positions within the Department that are grant-funded and are not included in the County’s personnel complement. This funding is appropriated

Community Revitalization (cont'd)

once the grant awards are made and the projects and programs to be supported by the award have been identified. Grant funding that is not expended by the end of the County's fiscal year is re-appropriated in the following year in order to complete the use of this funding. A few of the Community Development Division's major accomplishments within the CDBG and HOME grant programs include the continuation of the projects: Homes Housing Rehabilitation and Emergency and Minor Repair Program, the CONNECT Program for at-risk youth, as well as down payment assistance to first-time homebuyers, and funding of the Commercial Assistance and Enterprise Zone Programs. CDBG funds in FY2014-15 were also used to assist with facilities serving low income persons and communities including sidewalk and drainage improvements on Laburnum Avenue, an emergency generator for a senior apartment community, design for accessible playground, and a new HVAC system for a program serving disabled students.

The Community Development Division also administers the Enterprise Zone Program, including the Commercial Assistance Program and the Façade Grants Program. In 2014 the Department of Housing and Community Development approved a re-designation, extending the duration of the Henrico County Enterprise Zone for an additional eight years, through 2022.

The Community Maintenance Division conducts field inspections, coordinates community clean-ups, and provides assistance activities for neighborhoods throughout the County. The Division is involved in Operation Paintbrush, which matches civic, church, business and neighborhood groups with indigent senior citizens whose houses need minor repairs and painting. Volunteers continue to contribute many hours to neighborhood clean-up activities as well as assistance projects ranging from yard maintenance and clean-up to house repairs and painting for low-income and senior citizens.

Supervision of volunteers on weekends requires a substantial number of staff work hours outside the normal five-day schedule. The courts' assignment of some Community Corrections Program participants to perform community service also contributes additional hours to the community maintenance programs.

The Community Maintenance Division of the Department of Community Revitalization will continue to work closely with Building Inspections' Existing Structures Division as they provide certain community maintenance services related to violations to the building codes in existing structures and ordinances on graffiti. Historical expenses in both areas are depicted below:

Total Community Maintenance Costs:
A Historical Overview

FY	Building Inspections	Community Revitalization	Total
2005-06	327,738	1,302,406	1,630,144
2006-07	329,687	1,408,457	1,738,144
2007-08	280,159	1,487,106	1,767,265
2008-09	399,340	1,773,295	2,172,635
2009-10	412,545	1,763,516	2,176,061
2010-11	360,529	1,576,211	1,936,740
2011-12	369,130	1,534,445	1,903,575
2012-13	336,336	1,516,392	1,852,728
2013-14	255,275	1,473,675	1,728,950
2014-15	258,012	1,467,094	1,725,106
2015-16 *	259,556	1,538,449	1,798,005

*Proposed for FY2015-16

Note: In FY2004-05, Planning's Division of Community Maintenance became the Department of Community Revitalization.

AGRICULTURE AND HOME EXTENSION

Description

The Henrico Extension Office is the local arm of the national Cooperative Extension system that began with the passage of the Smith-Lever Act in 1914. The Cooperative Extension is a partnership between the USDA, the 106 land-grant colleges and universities across the nation, and state and local governments. In Virginia, Cooperative Extension is administered through Virginia Tech and Virginia State University.

The Cooperative Extension system employs tens of thousands of community-based educators and campus-based faculty and staff statewide. It has a remarkably broad scope of work centered on program areas that include the following: agriculture and natural resources; 4-H youth development; family and consumer sciences; leadership development; and community and economic development. Cooperative Extension provides research-based information through an informal educational process that is designed to address specific issues and needs relevant to the communities each local office serves.

Objectives

- To assess local issues and needs through a periodic situation analysis process conducted in cooperation with the Henrico Extension Leadership Council.
- To provide timely, research-based recommendations to citizens in response to their inquiries.

- To develop the subject matter expertise and leadership skills of a dedicated cadre of volunteers who in turn multiply the educational reach of the professional staff far beyond their capacity alone.
- To design educational programs by employing a variety of delivery methods that provide citizens with needed information to make life-enhancing decisions.
- To make appropriate use of technology to provide more efficient, cost-effective means of communication and service to citizens.

Budget Highlights

The Agriculture and Home Extension approved budget of \$383,031 for FY2015-16 increased by 3.6 percent from the FY2014-15 approved budget. The increase in personnel costs is attributable to the annualized costs of a salary increase implemented in December 2014 as well as a partial year 2.0 percent salary increase in FY2015-16. The increase in the operating component of the budget is driven entirely by a State mandated 4.0 percent merit raise to the five Extension Agents; these positions are funded by Virginia Tech and reimbursed by the County.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 115,720	\$ 117,390	\$ 120,317	2.5%
Operation	219,031	252,309	262,714	4.1%
Capital	0	0	0	0.0%
Total	\$ 334,751	\$ 369,699	\$ 383,031	3.6%
Personnel Complement*	2	2	2	0

*Does not include Extension Agents who are paid directly by Virginia Tech.

Agriculture & Home Extension (cont'd)

Performace Measures				
	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Citizens Assisted	26,200	26,585	27,100	515
Programs Presented	470	469	500	31
4-H Youth Enrolled	1,950	2,140	2,000	(140)
Samples Analyzed and Identified	750	800	850	50
Efficiency Measures				
Volunteer Hours Supporting Programs	15,980	16,140	16,500	360

Throughout the history of Cooperative Extension, volunteers have been a critical resource to extend knowledge to the community. While the university-provided training and expertise of professional staff is necessary for program design and implementation, it is often the volunteer staff that fulfills the service levels expected by citizens.

Volunteers within the 4-H program serve as judges and coordinators for various contests held throughout the year at the local and state levels. Others serve as counselors for camps and conferences held at either the Jamestown 4-H Center or on the campuses of Virginia Tech and Virginia State. Many volunteers serve as club leaders working throughout the year with youth groups that range in size from six to thirty-plus members between the ages of five and nineteen. Each year Henrico Master Gardener volunteers contribute in excess of 7,000 hours to the Environmental Horticulture program and make thousands of citizen contacts by phone and in person. They assist residents who call the Horticulture Helpline, visit the Extension Office, or participate in various educational programs offered throughout the County at a variety of venues. Popular programs include the Speakers' Bureau, Junior Master Gardeners, Gardens Growing Families, SMART Lawns, and Tree Smarts.

The Family and Consumer Sciences program addresses tasks most relevant to the cornerstone of a healthy community: the family unit. This program helps citizens learn to make good choices for themselves and their families in the areas of food,

nutrition, and health & family financial management. Financial education courses teach critical thinking skills related to consumer goals, needs, and wants. The workshops offered teach a range of basic financial concepts including spending plans; understanding credit and financial institutions; and recordkeeping. These classes are held in a variety of settings including churches, schools, and workplaces. Tax preparation assistance is given on an annual basis to those who meet income guidelines, with special focus on the Earned Income Tax Credit.

Nutrition education is provided through community workshops, in-school and afterschool educational programs, and interactive displays at public events. These programs are designed to help citizens make healthy lifestyle choices for nutrition and health. The Family Nutrition Program is designed to teach low income citizens how to make the best use of their food dollars and make healthy dietary choices.

The Agriculture and Home Extension approved budget for FY2015-16 continues to reflect only Henrico County's contribution to the Department's annual expenses. The personnel complement includes two support staff positions. A total of five Extension Agent positions, whose funding is located in the operating portion of the Department's budget, are paid directly by Virginia Tech. Henrico County reimburses Virginia Tech for 100.0 percent of the salary and benefit costs of two Extension Agent positions, and 50.0 percent of the salary and benefit costs of the other three Extension Agent positions.

PERMIT CENTERS

Description

The Department of Community Development, better known as the Permit Centers, is a convenient “one-stop shop” for residents seeking community development services including permits and applications. The Department has two locations referred to as the Permit Center-East and the Permit Center-West. The Permit Center-East has been in service since 1989. Due to the success of the eastern location, services were expanded to a western location that opened in April 2001. The Permit Centers are staffed by representatives from Building Inspections, Planning, Public Utilities, and Public Works.

- To assist the public with questions concerning the agendas and processes of the Planning Commission and Board of Zoning Appeals.
- To provide a streamlined development review process at a convenient location.
- To accurately track, monitor, and administer the costs of providing these services in order to provide them in a cost efficient manner.

Objectives

- To consistently provide quality services to all citizens and customers in a professional, accurate, and efficient manner.
- To assist the public – including private citizens, builders, developers, and engineers – with their permitting and licensing needs.
- To provide information to the public concerning the requirements and regulations related to zoning and subdivisions of property, building construction, and other aspects of the development process.

Budget Highlights

The one-stop convenience at both the East and West locations simplifies the process for obtaining permits for the customer and improves overall service levels. Services provided include the processing of building permits and answering inquiries regarding code regulations, zoning, water/sewer availability, as well as road and drainage issues.

Staff is utilized from Building Inspections, Public Works, Public Utilities, and Planning. Funds to pay for staff serving these functions are in the Permits Centers’ budget and complement. Four staff members included in the complement have their personnel expenditures reimbursed, via interdepartmental transfer, by the appropriate department related to the

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 1,057,546	\$ 1,057,928	\$ 1,092,530	3.3%
Operation	16,231	20,165	18,815	(6.7%)
Capital	100	6,150	7,500	22.0%
Sub-Total	<u>\$ 1,073,877</u>	<u>\$ 1,084,243</u>	<u>\$ 1,118,845</u>	<u>3.2%</u>
Interdepartmental Billings	<u>(239,628)</u>	<u>(234,613)</u>	<u>(245,247)</u> *	<u>4.5%</u>
Total Budget	<u>\$ 834,249</u>	<u>\$ 849,630</u>	<u>\$ 873,598</u>	<u>2.8%</u>
Personnel Complement ⁽¹⁾	16	16	16	0

*Reflects the reimbursement of four positions (2 Public Works; 2 Public Utilities) assigned to the Permit Center, which are reflected in the Permit Centers' personnel complement.

Permit Centers (cont'd)

Performance Measures

	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Total Number of Inquiries	15,278	22,920	23,378	458
Permit Applications Received	5,085	5,075	5,177	102
Reviews Performed	10,930	10,923	11,141	218
Business Licenses Reviewed	3,730	3,501	3,571	70

services furnished. Those reimbursements for FY2015-16 will be from the Public Works and Public Utilities departments. The sum of these reimbursements, totaling \$245,247, is shown as a negative amount in the Permit Centers' budget.

The Permit Centers' budget for FY2015-16 is \$873,598, which is an increase of \$23,968, or 2.8 percent from the prior year approved budget. The personnel portion of the budget is increasing \$34,602 or 3.3 percent. The personnel increase is partially offset by a corresponding increase in departmental billings resulting in the total budgetary increase of \$23,968.

The operating portion of the budget is decreasing \$1,350, or 6.7 percent, which has been offset by an increase in the capital outlay portion of the budget by an identical amount. The increase in capital outlay of \$1,350 is being utilized to continue to make needed furniture and fixture replacements used by the public, as well as to invest in a digital scanner to retain electronic copies of business license applications and supporting materials as they pertain to zoning ordinance compliance, thereby streamlining the document retention process.

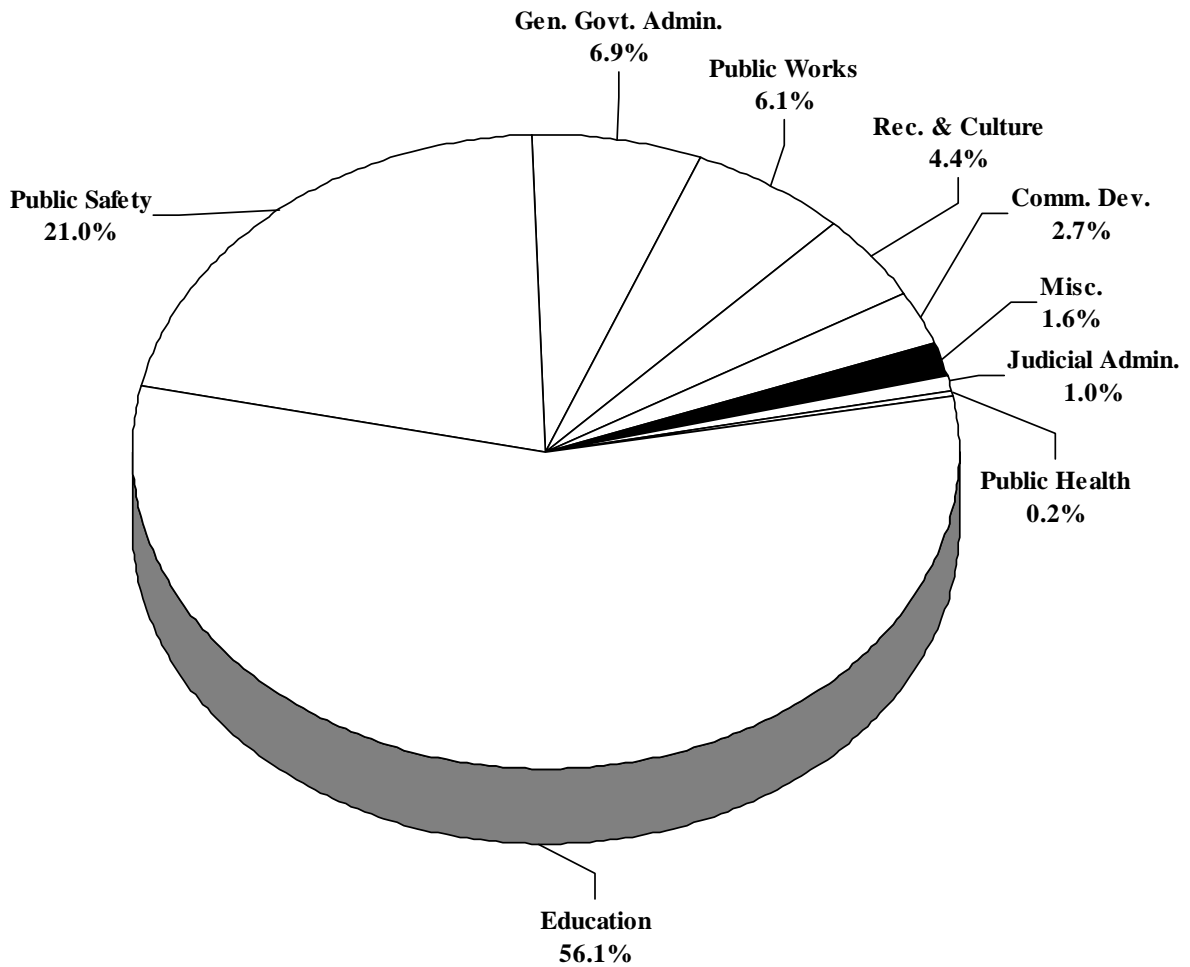
The Permit Centers were designed to make it more convenient to process and approve a permit at a central location. Technology was one of the driving forces to accomplish this process through the use of the Geographic Information System (GIS) and the Tidemark software system. Now, when a resident

or builder enters the Permit Centers, they can leave with an approved permit for additions, decks, and accessory structures in one hour or less. Customers can also have copies of maps within fifteen minutes. The department continues to evaluate areas to improve operational efficiencies as an ongoing effort toward continual service improvement. For example, the department has implemented new management practices to make the staff more flexible in responding to citizens' request for assistance. In addition, regular staff rotations have continued between the East and West Permit Centers, allowing junior staff the opportunity to experience a wider variety of public service environments, hone and exercise leadership skills and practice supervisory techniques. Also, the department continues to work closely with cooperating agencies through consultation with their counterparts to ensure that customer assistance is being provided consistent with established policies, regulations and interpretation.

In an effort to increase employee engagement and job satisfaction, a policy was established allowing technicians to shadow employees in other departments whose missions align with the overall objectives of the Permit Centers, and are of personal and professional interest to the technicians. This effort has broadened the scope of technicians' understanding of services delivered by cooperating agencies, increasing employee morale and contributing to a more comprehensive perspective of the Permit Centers' processes and enhanced customer service.

COUNTY OF HENRICO, VIRGINIA

Miscellaneous
\$12,151,263



Total General Fund
\$785,816,091

**COUNTY OF HENRICO, VIRGINIA
 MISCELLANEOUS - GENERAL FUND
 FY 2015-16**

<u>Department</u>	<u>FY 13-14 Actual</u>	<u>FY 14-15 Original</u>	<u>FY 15-16 Approved</u>
Non-Departmental			
Tax Relief Program	7,699,765	7,797,550	8,197,550
Payments to Outside Agencies	2,193,304	2,355,675	2,293,874
Reserve - Miscellaneous	0	1,548,513	1,610,314
Other	36,920	35,525	35,525
Sandston Recreation Center	11,392	14,000	14,000
Total Miscellaneous	<u>\$9,941,381</u>	<u>\$11,751,263</u>	<u>\$12,151,263</u>

NON-DEPARTMENTAL

County Supported Activities

Description

Certain General Fund functions which cannot logically be categorized with any of the established departments are included within this Non-Departmental category. These functions are largely comprised of funding for community organizations and the County's Real Estate Advantage (Tax Relief) Program.

Objectives

- To cover the funding requirements of a number of approved regionally or jointly supported outside agencies.
- To provide funding for the County's Real Estate Advantage Program (REAP), which provides tax relief for elderly and handicapped citizens.
- To provide funding to a number of approved not-for-profit agencies that provide needed and useful services to residents of Henrico County.
- To provide funding for payments to County Board members who serve on certain Boards and Commissions.

Budget Highlights

The amount of funding requested from organizations in the private sector for contributions from the County continues to exceed available funding. The FY2015-16 budget has attempted to strike a balance between these requests and available resources.

In addition to the funding for outside agencies shown in this budget, contributions are made to other agencies in the Schools' budget, including: Partners in the Arts; Richmond Symphony; Valentine Museum; Virginia Historical Society; and The American Civil War Center at Tredegar.

Henrico's contributions to the Greater Richmond Partnership Inc., for \$385,000, and Richmond Region Tourism, for \$2,393,090, are budgeted in the County's Economic Development budget.

The cost of the County's Real Estate Tax Advantage Program (REAP) is also budgeted in the non-departmental area. As of January 1, 2015, the maximum benefit for the REAP program was increased from \$1,500 to \$2,500 per participating home, and will increase to \$3,000 in January of 2016. The eligibility parameters are unchanged and continue to be the most inclusive in the region.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Tax Relief Programs	\$ 7,699,765	\$ 7,797,550	\$ 8,197,550	5.1%
Board Members ⁽¹⁾	32,026	35,525	35,525	0.0%
Donations to Agencies	1,408,056	1,562,356	1,504,991	(3.7%)
Share of Other Agencies	785,248	793,319	801,270	1.0%
Reserve for Contingences	\$ 0	\$ 1,548,513	\$ 1,597,927	3.2%
Total ⁽²⁾	<u>\$ 9,925,095</u>	<u>\$ 11,737,263</u>	<u>\$ 12,137,263</u>	<u>3.4%</u>
Personnel Complement	N/A	N/A	N/A	N/A

⁽¹⁾Capital Regional Airport commission and Richmond Regional Planning District Commission.

⁽²⁾Not including Sandston Community House.

Non-Departmental - County Supported Activities (cont'd)

Details of Activities

	FY 13-14	FY 14-15	FY 15-16
	Actual	Original	Approved
A. County Functions:			
1. Tax Relief Programs	\$ 7,699,765	\$ 7,797,550	\$ 8,197,550
B. Board Members for:			
1. Capital Region Airport Commission	12,918	12,918	12,918
2. Richmond Regional Plan. Dist. Comm.	19,108	22,607	22,607
Sub-Total	<u>32,026</u>	<u>35,525</u>	<u>35,525</u>
C. Donations to:			
1. American Red Cross - Greater Richmond	0	0	0
2. Arts and Cultural Funding Consortium (Cultureworks) ⁽¹⁾	40,986	40,986	40,986
3. Asian American Society of Virginia	6,822	6,822	6,822
4. Assoc. for the Preservation of Henrico Antiquities	13,122	13,122	13,122
5. Better Housing Coalition	32,805	32,805	32,805
6. CARITAS	32,805	32,805	32,805
7. CASA (Court Appointed Special Advocates)	3,789	3,789	3,789
8. Children's Hospital	1,314	1,314	1,314
9. ChinaFest ⁽²⁾	0	0	0
10. Community Brain Injury Services (Mill House) ⁽³⁾	17,217	17,217	17,217
11. Cultural Arts Center at Glen Allen	550,000	550,000	550,000
12. FeedMore (Meals on Wheels, Cent. Va. Foodbank)	18,954	18,954	18,954
13. Festival of India ⁽⁴⁾	0	5,000	5,000
14. FISH (Eastern Henrico County)	26,244	26,244	26,244
15. Friends of Henrico County Public Library	0	0	0
16. Ginter (Lewis) Botanical Garden	98,415	98,415	98,415
17. The Healing Place ⁽⁵⁾	0	0	10,000
18. Henrico Community Partners	2,300	2,300	2,300
19. Henrico Education Foundation ⁽⁶⁾	0	0	0
20. Henrico Police Athletic League	19,683	19,683	19,683
21. Henricus Foundation	195,000	344,300	271,935
22. Hilliard House	41,337	41,337	41,337
23. Homeward	10,269	10,269	10,269
24. James River Advisory Council	4,050	4,050	4,050
25. Jamestown 4-H Education Center ⁽⁷⁾	0	0	0
26. Leadership Metro Richmond	9,837	9,837	9,837
27. Legal Aid Justice Center	0	0	0
28. Maymont Foundation Nature Center	55,000	55,000	55,000
29. Sports Backers (Metropolitan Richmond)	20,655	20,655	20,655
30. Northstar Academy	0	0	0
31. Offender Aid and Restoration (OAR) Center ⁽⁸⁾	0	0	5,000
32. Read Center, The	16,407	16,407	16,407
33. Resources for Independent Living ⁽⁹⁾	36,162	36,162	36,162
34. Richmond Area ARC (Camp Baker)	6,561	6,561	6,561
35. Richmond Forum	3,276	3,276	3,276
36. Safe Harbor	17,091	17,091	17,091
37. Salvation Army	15,489	15,489	15,489
38. Greater Richmond SCAN (Stop Child Abuse Now)	3,438	3,438	3,438
39. Science Museum of Virginia	10,000	10,000	10,000

Non-Departmental - County Supported Activities (cont'd)

	FY 13-14	FY 14-15	FY 15-16
	Actual	Original	Recommended
40. Science Museum of Virginia (Va. Aviation Museum)	9,000	9,000	9,000
41. Senior Connections (CAAA)	35,334	35,334	35,334
42. St. Joseph's Villa (Flagler Home)	34,174	34,174	34,174
43. Virginia High-Speed Rail Development Committee ⁽¹⁰⁾	0	0	0
44. Virginia Holocaust Museum	0	0	0
45. Virginia Supportive Housing	0	0	0
46. YWCA	20,520	20,520	20,520
47. Youth Life Foundation of Richmond	0	0	0
Sub-Total	1,408,056	1,562,356	1,504,991
D. Henrico's Share of Funding for:			
1. GRTC Taxicab Service Program	9,000	9,000	9,000
2. Henricopolis Soil/Water Conservation	85,000	85,000	87,550
3. Med-Flight Program	30,100	34,200	34,200
4. National Association of Counties	6,001	5,800	5,800
5. Reynolds Community College (Oper.) ⁽¹¹⁾	91,031	93,136	94,889
6. Reynolds Community College (Capital)	282,613	289,147	294,611
7. Richmond Regional Plan. Dist. Comm.	188,929	191,476	192,324
8. RMA/Diamond Stadium ⁽¹²⁾	0	0	0
9. Virginia Association of Counties	69,274	70,560	67,896
10. Virginia Institute of Government	15,000	15,000	15,000
11. Virginia Municipal League	0	0	0
12. Other Civic & Cultural Organizations ⁽¹³⁾	13,194	0	0
Sub-Total	790,142	793,319	801,270
E. Reserve for Educational Training:	0	422,671	422,671
Reserve for Tuition:	0	143,473	143,473
Reserve for Contingencies:	0	982,369	1,031,783
Sub-Total	0	1,548,513	1,597,927
Total	0	1,548,513	1,597,927
	\$ 9,929,989	\$ 11,737,263	\$ 12,137,263

Notes:

- ⁽¹⁾ The Arts & Cultural Funding Consortium includes:
- a. Black History Museum and Cultural Center
 - b. Children's Museum of Richmond (Operating)
 - c. CultureWorks (The Arts Council of Richmond)
 - d. Edgar Allen Poe Museum
 - e. Elegba Folklore Society
 - f. New Virginia Review
 - g. Richmond Ballet (Operating)
 - h. Richmond Jazz Society
 - i. Richmond Symphony (Operating)
 - j. Valentine Museum (Richmond History Center)
 - k. Virginia Historical Society
 - l. Virginia Opera (Operating)
 - m. Virginia Repertory Theatre
 - n. Visual Arts Center of Richmond

Non-Departmental - County Supported Activities (cont'd)

- (2) Funding of \$10,000 was provided to ChinaFest through budget transfers in FY2007, FY2008, FY2009, and FY2015.
- (3) Community Brain Injury Services (the Mill House) was formerly known as the Community Futures Foundation.
- (4) Funding of \$10,000 was provided for the Festival of India through a Budget Transfer during FY2010-11 and FY2012-13.
- (5) Funding of \$10,000 was provided to The Healing Place through a budget transfer in FY2015.
- (6) Funding has been provided to the Henrico Education Foundation through budget transfers in FY2000 through FY2009, and FY2011 through FY2014.
- (7) Funding of \$25,000 and \$62,500 was provided in the FY1989 and FY1990 Approved Budgets respectively.
- (8) Funding of \$5,000 was provided to Offender Aid and Restoration through a budget transfer in FY2015.
- (9) Resources for Independent Living was previously named Central Virginia Independent Living Inc.
- (10) Funding of \$10,000 was provided to the Virginia High Speed Rail Development Committee through the EDA section of the Approved budgets from FY2004 through FY2013. Additionally, the organization received \$10,000 through a budget transfer in FY2015.
- (11) Payments for Reynolds Community College are made through the Community College Workforce Alliance.
- (12) Funding of \$100,000 for Henrico's share of lighting improvement costs at the Diamond, in accordance with the members of the Richmond Metropolitan agreement of the Authority, was appropriated via budget amendment in June of 2013.

(13) Other Civic & Cultural Organizations:	<u>FY 2013-14</u>
c. Vocational Education	400
d. Henrico Ed. Foudation Scholarship	2,400
e. 2011 Commemoration Commission	4,894
f. Eastern Henrico Business Association	<u>5,500</u>
Total Other	\$ <u>13,194</u>

Note: Budgeted in Economic Development:

	<u>FY 2015-16</u>
Greater Richmond Partnership	\$ <u>385,000</u>
Richmond Metropolitan Convention & Visitors Bureau (RMCVB)	2,393,090

NON-DEPARTMENTAL

Sandston Recreation Center

Description

The Sandston Recreation Center provides a facility for indoor recreation for the Sandston community. Funding is provided through a charge of \$.50 each month on all water bills within Sanitary District Two. The center also receives funds in addition to those included in the County budget from rental fees and donations from users and community organizations.

Budget Highlights

The budget for the Sandston Recreation Center, supported by the additional charge on water bills in Sanitary District Two, reflects no changes when compared to the FY2014-15 budget. There are no changes in service levels for FY2015-16. Funds are used for utilities, maintenance, and repairs of the facility.

Objectives

- To provide meeting and recreational opportunities for the Sandston community.
- To provide space to community organizations for meetings and public activities.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	11,392	14,000	14,000	0.0%
Capital	0	0	0	0.0%
Total	\$ 11,392	\$ 14,000	\$ 14,000	0.0%
 Personnel Complement	 N/A	 N/A	 N/A	 N/A

CAPITAL IMPROVEMENT TRANSFERS

Description

A capital improvement is an item for which the purchase, construction, or other acquisition, such as land and/or equipment, will represent a public betterment to the community and add to the total physical worth of the County.

Budget Highlights

Within the approved Capital Budget for FY2015-16 are general government and education projects to be funded from various General Fund revenues. This will be accomplished through a transfer from the General Fund to the Capital Projects Fund in the amount of \$43,474,772.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Transfer to Capital Projects	\$ 10,547,490	\$ 30,901,267	\$ 43,474,772	40.7%

Capital Improvement Transfers (cont'd)

GENERAL FUND TRANSFERS

	<u>FY2015-16</u>
General Fund - Fund Balance:	
Mechanical Improvements - Education	\$1,607,500
Roof Replacements - Education	892,500
Mechanical Improvements	550,000
Roof Replacement and Rehabilitation	300,000
Pavement Rehabilitation	400,000
Information Technology Projects	600,000
Geographic Information System	150,000
Facility Rehabilitation	<u>500,000</u>
Subtotal General Fund - Fund Balance:	\$5,000,000
General Fund - Capital Initiatives:	
Greenwood Park	\$1,000,000
General Fund - Designated Capital Reserve:	
Fire Station #19	\$6,240,000
Greenwood Park	4,000,000
Dumbarton Library Repurpose	<u>190,000</u>
Subtotal General Fund - Designated Capital Reserve:	\$10,430,000
General Fund Revenue - Education Meals Tax:	
Education Meals Tax Project Reserve	\$9,000,000
General Fund Revenue - FY14 Meals Tax:	
Education Meals Tax Project Reserve	\$1,990,470
General Fund - Public Works Reserve:	
Bridge Rehabilitation	\$6,531,502
General Fund - Permit Fee Revenue:	
Tidemark Replacement	\$500,000
General Fund - Stormwater Dedication:	
Chesapeake Bay TMDL/MS4 Compliance	\$2,348,000
General Fund Revenues:	
Greenwood Park	\$1,000,000
General Fund Revenue (Motor Vehicle License Fee) - Public Works:	
General Road Construction	\$850,000
General Fund Revenues - Vehicle Replacement Reserve:	
Fire Apparatus Replacement Program	\$1,500,000
Police Vehicle Replacement Program	2,324,800
School Bus Replacement Program	<u>1,000,000</u>
Subtotal General Fund Revenues - Vehicle Replacement Reserve:	\$4,824,800
 Total General Fund Transfer	 <u><u>\$43,474,772</u></u>



SPECIAL REVENUE FUND

COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND REVENUES
FY 2015-16

Revenues:			
Subfund/Activity	FY 13-14	FY 14-15	FY 15-16
	Actual	Original	Approved
Capital Region Workforce Partnership (CRWP)			
CRWP	\$5,488,732	\$5,561,325	\$5,763,648
Transfer From the General Fund	200,606	170,028	64,380
Total Capital Region Workforce Partnership	<u>5,689,338</u>	<u>5,731,353</u>	<u>5,828,028</u>
Commonwealth's Attorney			
Commonwealth's Attorney	41,427	0	0
Special Drug Prosecutor	118,327	129,773	131,998
Victim/Witness Assistance Program	361,995	363,226	374,058
Asset Forfeitures	47,256	0	0
Transfer From the General Fund	398,529	404,896	416,342
Total Commonwealth's Attorney	<u>967,534</u>	<u>897,895</u>	<u>922,398</u>
Community Corrections Program			
CCP	1,534,810	1,548,271	1,556,054
Transfer From the General Fund	138,694	300,182	278,391
Total Community Corrections	<u>1,673,504</u>	<u>1,848,453</u>	<u>1,834,445</u>
Community Development Block Grant			
CDBG/HOME	2,273,406	0	0
Total Community Development Block Grant	<u>2,273,406</u>	<u>0</u>	<u>0</u>
Economic Development			
Governors Opportunity Award	0	0	0
White Oak CDA	2,760,680	0	0
Reynolds Crossing CDA	1,957,320	0	0
Total Economic Development	<u>4,718,000</u>	<u>0</u>	<u>0</u>
Education			
State, Federal & Other Grants	35,427,221	40,266,678	39,751,525
Total Schools Grants	<u>35,427,221</u>	<u>40,266,678</u>	<u>39,751,525</u>
Cafeteria Receipts	7,561,275	8,645,791	8,645,791
State Food Payments - Nat. Sch. Lunch Prog.	447,598	463,194	463,194
Federal School Lunch Program	11,344,915	12,175,841	12,175,841
Recoveries & Rebates	252,711	183,610	183,610
(To) From Cafeteria Fund Balance	(933,964)	(44,690)	(44,690)
Total School Cafeteria	<u>18,672,535</u>	<u>21,423,746</u>	<u>23,772,232</u>
Total Education	<u>54,099,756</u>	<u>61,690,424</u>	<u>63,523,757</u>

Special Revenue Fund Revenues (cont'd)

Revenues:			
Subfund/Activity	FY 13-14	FY 14-15	FY 15-16
	Actual	Original	Approved
Juvenile & Domestic Relations Court			
Virginia Juvenile Community Crime Act	410,075	372,605	372,605
USDA	25,460	24,338	26,864
Transfer From the General Fund	506,465	525,284	534,326
Total Juvenile & Domestic Relations Court	<u>942,000</u>	<u>922,227</u>	<u>933,795</u>
Mental Health & Developmental Services			
State and Federal Grants	8,556,306	8,844,438	9,529,675
Payments from Other Localities	208,305	214,554	214,554
Miscellaneous Revenues	10,845,367	11,127,034	11,179,222
Transfer From General Fund	<u>11,613,381</u>	<u>13,770,507</u>	<u>14,030,509</u>
Total Mental Health	31,223,359	33,956,533	34,953,960
Non-Departmental			
Transfer From General Fund	0	50,000	50,000
Public Safety			
Police - State & Federal Grants	1,327,810	1,025,725	1,039,717
Police - ARRA	0	0	0
Police - Donations	53,803	0	0
Metro Aviation/Extradition Reimbursement	232,368	334,668	334,668
Fire - Local Miscellaneous	118,950	0	0
Fire - State & Federal	311,343	0	0
Fire - Homeland Security	117,673	0	0
Asset Forfeitures	773,413	0	0
Transfer to Capital Projects	0	(500,000)	(500,000)
Transfer from Special Revenue Fund - Fund Balance	0	500,000	500,000
Transfer From General Fund	<u>94,902</u>	<u>127,332</u>	<u>127,332</u>
Total Public Safety	3,030,262	1,487,725	1,501,717
Public Utilities			
Solid Waste:			
Refuse Collection Billing	7,721,513	7,560,000	7,750,000
Weighing Fees - Charged Sales	1,314,867	0	0
Public Use/Host/Recycle Fees	2,029,000	1,716,000	1,766,000
Miscellaneous Revenues	367,446	337,975	341,975
Transfer to Capital Projects Fund	(450,000)	(2,000,000)	0
Transfer From General Fund	2,709,207	3,018,511	3,018,511
(To) From Solid Waste Fund Balance	<u>(1,878,602)</u>	<u>1,912,769</u>	<u>(112,170)</u>
Total Solid Waste	11,813,431	12,545,255	12,764,316
Street Lighting:			
Charge for Street Lights	<u>66,186</u>	<u>83,100</u>	<u>83,100</u>
Total Street Lighting	66,186	83,100	83,100

Special Revenue Fund Revenues (cont'd)

Revenues:			
Subfund/Activity	FY 13-14	FY 14-15	FY 15-16
	Actual	Original	Approved
Public Works			
Best Management Practices	0	50,000	50,000
Watershed Management Program	19,570	847,000	847,000
Total Public Works	<u>19,570</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation	900	0	0
Public Library	874	0	0
Total Recreation	<u>1,774</u>	<u>0</u>	<u>0</u>
Social Services			
State and Federal Grants - Social Services	0	14,036,124	14,292,756
Transfer From the General Fund - Social Services	0	4,356,311	4,430,135
State and Federal Grants - CSA	118,372	0	0
Comprehensive Services Act (CSA)	4,164,424	5,476,230	5,093,377
Transfer From the General Fund - CSA	3,286,294	3,172,681	3,661,065
Total Social Services	<u>7,569,090</u>	<u>27,041,346</u>	<u>27,477,333</u>
Total Revenues	<u><u>\$124,087,210</u></u>	<u><u>\$147,151,311</u></u>	<u><u>\$150,769,849</u></u>

COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND EXPENDITURES
FY 2015-16

Expenditures: Subfund/Activity	FY 13-14 Actual	FY 14-15 Original	FY 15-16 Approved
Capital Region Workforce Partnership (CRWP)	\$5,689,338	\$5,731,353	\$5,828,028
Commonwealth's Attorney			
Commonwealth's Attorney	41,427	0	0
Victim/Witness Program	693,809	706,937	728,538
Special Drug Prosecutor	185,042	190,958	193,860
Asset Forfeitures - Commonwealth's Attorney	47,256	0	0
Total Commonwealth's Attorney	<u>967,534</u>	<u>897,895</u>	<u>922,398</u>
Community Corrections Program	1,673,504	1,848,453	1,834,445
Community Revitalization - CDBG/HOME	1,530,954	0	0
ARRA - CDBG and Community Revitalization	742,452	0	0
Total CDBG/HOME	<u>2,273,406</u>	<u>0</u>	<u>0</u>
Economic Development			
Governor's Opportunity Fund	0	0	0
White Oak Village CDA	3,806,000	0	0
Reynolds Crossing CDA	912,000	0	0
Total Economic Development	<u>4,718,000</u>	<u>0</u>	<u>0</u>
Education			
State, Federal & Other Grants	35,427,221	40,266,678	39,751,525
School Cafeterias	18,672,535	21,423,746	23,772,232
Total Education	<u>54,099,756</u>	<u>61,690,424</u>	<u>63,523,757</u>
General Services	0	0	0
Juvenile & Domestic Relations Court			
Probation - VJCCCA	577,617	593,611	597,917
Detention - VJCCCA	320,376	304,278	309,014
Juvenile Probation	17,630	0	0
USDA	26,377	24,338	26,864
Total Juvenile & Domestic Relations Court	<u>942,000</u>	<u>922,227</u>	<u>933,795</u>
Mental Health & Developmental Services			
Clinical Services	14,899,111	16,183,401	16,760,373
Community Support Services	9,880,930	10,867,058	11,209,844
Administrative and Program Support	6,443,318	6,906,074	6,983,743
Total Mental Health	<u>31,223,359</u>	<u>33,956,533</u>	<u>34,953,960</u>

Special Revenue Fund Expenditures (cont'd)

Expenditures: Subfund/Activity	FY 13-14 Actual	FY 14-15 Original	FY 15-16 Approved
Non-Departmental	0	50,000	50,000
Public Safety			
State and Federal Grants - Police	327,519	0	0
ARRA - Police	0	0	0
Communications	975,641	1,025,725	1,039,717
Metro Aviation	285,863	387,000	387,000
Henrico Extraditions	41,407	75,000	75,000
Asset Forfeitures - Police	851,866	0	0
State and Federal Grants - Fire	547,966	0	0
Total Public Safety	<u>3,030,262</u>	<u>1,487,725</u>	<u>1,501,717</u>
Public Utilities			
Solid Waste	11,813,431	12,545,255	12,764,316
Street Lighting	66,186	83,100	83,100
Total Public Utilities	<u>11,879,617</u>	<u>12,628,355</u>	<u>12,847,416</u>
Public Works			
Best Management Practices	0	50,000	50,000
Construction	0	0	0
Watershed Program	19,570	847,000	847,000
Total Public Works	<u>19,570</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation & Parks	900	0	0
Public Library	874	0	0
Total Recreation, Parks, & Culture	<u>1,774</u>	<u>0</u>	<u>0</u>
Social Services			
Administration	0	12,325,400	12,653,662
Public Welfare Board	0	290,489	290,489
Public Assistance	0	5,776,546	5,778,740
Comprehensive Services Act (CSA)	7,569,090	8,648,911	8,754,442
Total Social Services	<u>7,569,090</u>	<u>27,041,346</u>	<u>27,477,333</u>
Total Expenditures	<u>\$124,087,210</u>	<u>\$147,151,311</u>	<u>\$150,769,849</u>

CAPITAL REGION WORKFORCE PARTNERSHIP

Description

The Capital Region Workforce Partnership (CRWP) is an eight locality consortium with elected representation from Henrico, Chesterfield, Goochland, Hanover, Charles City, New Kent and Powhatan Counties and the City of Richmond. The Partnership, in cooperation with the Resource Workforce Investment Board (WIB) it appoints, has responsibility for disbursing and conducting oversight of federal funds allocated to the region from the Workforce Investment Act of 1998, and other federal, state, and local grants and resources that become available to support the Capital Region’s workforce efforts. Henrico County serves as grant recipient and fiscal agent for these funds.

The Capital Region Workforce Partnership is the Henrico County Agency currently responsible for providing administrative support to the Partnership Board, the WIB and its standing committees, and is directly responsible for managing contracts awarded by WIB and the Partnership for delivery of Workforce Investment Act (WIA) services through the three Workforce Centers in the Region.

Objectives

- Provide Regional leadership to develop innovative strategies and partnerships to advance and sustain workforce solutions.
- Align workforce development efforts to business and industry sector needs to ensure resources are deployed efficiently and effectively, and to reduce redundancies in delivery among workforce partners.

- Raise awareness of the public workforce development system as the “go to place” for workforce solutions for both the business sector and job seekers.

Budget Highlights

The CRWP is responsible for the administrative requirements of its various funding sources and the implementation of policies, budgets, performance requirements, and other requirements that are developed by the Partnership, as well as the State of Virginia, Virginia Community College System (VCCS), and the U.S. Department of Labor. ResCare was awarded the Title I WIA contract to deliver Adult and Dislocated Worker Services to those who meet WIA eligibility criteria under WIA regulations. WIA Services include case management, employment assistance, responding to the needs of businesses for workers, publicizing the availability of skilled job seekers to potential employers, providing access to training, paying training costs as appropriate, and developing opportunities for better earnings for the unemployed, under employed, economically disadvantaged; and in some cases the incumbent workforce that may require skill upgrades. The contractor (ResCare), is also responsible for meeting the performance requirements imposed by the WIB and Partnership.

A partnership among three mandated partner agencies and the fiscal agent (Henrico County), continue to serve as One-Stop Operator, coordinating the work of all partner agencies in the delivery of services through the designated one-stop

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Personnel	\$ 1,294,253	\$ 1,536,616	\$ 1,160,035	(24.5%)
Operation	4,272,909	4,194,737	4,667,993	11.3%
Capital	122,176	0	0	0.0%
Total	\$ 5,689,338	\$ 5,731,353	\$ 5,828,028	1.7%
Personnel Complement	N/A	N/A	N/A	N/A

Performance Measures				
	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Universal Core Services	18,000	25,447	25,000	(447)
New WIA Program Enrollments	1,085	975	1,025	50
Total Served by WIA Funds	2,500	2,500	2,500	0
Individuals Receiving Training Services	104	172	200	28

centers under WIA, and other grants. In providing such services, the One Stop Operator is responsible for working collaboratively with the other mandated and optional partner programs to ensure that services and access to services are clearly defined and easily accessible for businesses and job seekers.

There are currently five youth service contractors providing assistance to youth ages 14-21 who are low income and have at least one identified barrier to success in education or employment.

All service contracts are in the process of being put out to bid for FY2015-16 and new arrangements will be in place by July 1, 2015. Coinciding with this date is the implementation of the new federal legislation, known as the Workforce Innovation and Opportunity Act (WIOA), which will replace the Workforce Investment Act.

Outcomes

The performance outcomes of CRWP’s services are an important indicator of the program’s success. The following results were achieved in FY2014-15: 73 percent of the assisted Adults/Dislocated workers received a job and 90 percent of the individuals who received a job kept that job with an average salary of \$27,304. Regarding the Youth assisted by CRWP, 67 percent were placed in an education program or a job, 89 percent earned a Certificate or Credential and 43 percent gained literacy and/or numeracy.

All of the above results reflect either meeting or exceeding the rates negotiated with the State prior to the start of the program year.

Budget Details

The FY2015-16 CRWP budget in the amount of \$5,828,028 reflects an overall increase of \$96,675, or 1.7% from the approved FY2014-15 budget. Personnel costs decreased by \$376,581, or 24.5 percent. This decrease is in direct relation to a

reduction in salaries and associated benefits due to current vacancies within the department as well as the elimination of vacant positions. Operating expenses increased by \$473,256, or 11.3 percent from the approved FY2014-15 budget and no capital outlay funding has been requested. Rent and service contracts represent the largest line item increases in the operating component. The Resource operating budget reflects the total cost of all rents that will be due and payable.

It is important to note, the exact amount of federal funding for FY2015-16 is currently unknown. First, federal funding is awarded on a Federal fiscal year basis. The federal fiscal year begins three months after the beginning of the County’s fiscal year. Second, federal funding is distributed on a formulaic basis and the regional variables that impact this formula are subject to change. For instance, the Capital Region and the State of Virginia are experiencing slightly decreasing unemployment rates which may impact the level of funding the Richmond Metro Area is able to access through the formula. That being said the Capital Region’s unemployment rate which has historically hovered at or below 4.1 percent continues to remain above its historical average. Finally, as mentioned elsewhere, July 1, 2015 will mark the first year that funds are appropriated under the new Workforce Innovation and Opportunity Act. This adds another unknown element to the equation. It is important to note that new federal funding has been conservatively projected.

The Capital Region Workforce Partnership is receiving additional federal funding in FY2015-16 through continuation of some special grants and through a new grant aimed at on-the-job training. The FY2015-16 budget reflects \$670,413 in revenue from these grant sources.

The FY2015-16 budget includes a grant reserve in the amount of \$200,000. Once into FY2015-16, funds in the reserve account will be transferred between

Capital Region Workforce Partnership (cont'd)

programs/accounts as more specific and detailed information becomes available on specific grants that may become available.

As in the past, there remains the possibility of being awarded additional grants during the year. These funds will be considered for appropriation during the course of the fiscal year.

Henrico County and Local Funding

Revenue from local contributions outside of Henrico County is expected to total \$120,435 in FY2015-16. Henrico County's contribution to CRWP's administrative expenses is budgeted at \$64,380 for FY2015-16. It should be noted that the Henrico County contribution has been reduced by 62.1 percent from the prior fiscal year approved budget. This reduction is the result of a new contribution formula unanimously adopted by the eight jurisdictions that bases the amount on the proportional share of workforce services received

by each jurisdiction.

The WIA remains the primary funding source for the Capital Region Workforce Partnership's personnel costs. There are currently 17 positions funded in the approved budget. There is currently no expected need for additional staff in FY2015-16.

The percentage of salary of the Director of the Capital Region Workforce Partnership charged to non-federal local funds from the eight jurisdictions that comprise the Capital Region will be reduced from 100% to 25%, with the balance going to the federal grant.

The table below shows contributions to CRWP from Henrico County and from other localities as well as Henrico's contributions as a percentage of total local contributions. It should be noted that for FY2015-16, Henrico's share of the total funding provided will be reduced by over 60 percent.

Fiscal Year	Henrico Contribution	All Other Local Contributions	Henrico as a % of Total Local Contribution
FY2007	\$ 195,860	\$ 77,220	71.72%
FY2008	\$ 201,447	\$ 75,180	72.82%
FY2009	\$ 208,665	\$ 75,180	73.51%
FY2010	\$ 210,648	\$ 71,580	74.64%
FY2011	\$ 210,648	\$ 127,280	62.34%
FY2012	\$ 217,695	\$ 127,280	63.10%
FY2013	\$ 206,810	\$ 127,280	61.90%
FY2014	\$ 200,606	\$ 62,280	76.31%
FY2015	\$ 170,028	\$ 62,080	73.25%
FY2016	\$ 64,380*	\$ 120,435	34.83%

*Requested Amounts based on new formula.

COMMONWEALTH'S ATTORNEY

Special Drug Prosecutor

Description

The General Assembly of Virginia passed legislation in 1983 under Section 19.2-215.3 establishing the Special Drug Prosecutor Program and creating multi-jurisdiction grand juries (MJGJs). A MJGJ, in contrast to a regular grand jury, is an investigative body with the statutory authority to issue statewide subpoenas for documents and other evidence, and to call for sworn testimony of persons with information related to specific criminal offenses. Henrico's Drug Prosecutor program was implemented in May of 1984. The goal is to investigate criminal violations of Virginia drug laws as well as other illegal activities, including homicide, abduction, perjury, embezzlement, computer crimes, Medicaid fraud, and trademark infringement.

- Administer use of the grand jury by prosecutors from each of the member jurisdictions Commonwealth's Attorney's Offices.

Budget Highlights

The use of the Special Drug Prosecutor Program provides a vital function for the County of Henrico. The Program's approved budget for FY2015-16 is \$193,860, which includes General Fund support of \$61,862. The General Fund support reflects an increase of \$677 compare to last fiscal year. The increase in the General Fund support is less than the entire budgetary increase for the program because of the anticipation of additional state funding resulting from changes to the Compensation Board's reimbursement for Special Drug Prosecutor.

The budget reflects an increase of 1.5 percent when compared to the FY2014-15 approved budget which is due entirely to an increase in personnel costs. The increase in personnel costs is attributable to the annualization of a salary increase in FY2014-15 in addition to the partial year impact of a 2.0 percent raise in FY2015-16. The State Compensation Board and the County both contribute to the salaries and associated personnel costs for the two positions funded through the program. The operating component has been

Objectives

- Investigate and prosecute those involved in the illegal use or distribution of drugs, and drug paraphernalia.
- Provide assistance in any other provision of law when such condition is discovered in the course of an investigation, which a multi-jurisdiction drug prosecutor is otherwise authorized to undertake and to investigate any condition, which involves or tends to promote any attempt, solicitation or conspiracy to violate laws.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>15 to 16</u>
Personnel	\$ 179,296	\$ 185,208	\$ 188,402	1.7%
Operation	5,746	5,750	5,458	(5.1%)
Capital	0	0	0	0.0%
Total	\$ 185,042	\$ 190,958	\$ 193,860	1.5%
 Personnel Complement	 N/A	 N/A	 N/A	 N/A

Special Drug Prosecutor (cont'd)

Performance Measures

	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Total Subpoenae	1,613	2,375	2,000	(375)
Total Indictments	268	925	500	(425)
Total Defendants	375	350	325	(25)

reduced by \$292 compared to the FY2014-15 approved budget.

The Special Drug Prosecutor’s responsibilities include working with a multi-jurisdictional investigative grand jury comprised of the Counties of Henrico, Hanover and Chesterfield, and the City of Richmond. The Special Drug Prosecutor coordinates witnesses and subpoenas for tangible evidence ordered by the grand jury and handles a full caseload of criminal matters. The multi-jurisdictional grand jury plays an essential role in the investigation of drug and homicide cases in the Richmond metropolitan area.

The following table presents a historical depiction of the State/County split for the program.

Fiscal Year	State Funding	Approved County Funding	% County
2006-07	105,767	38,545	27%
2007-08	121,594	32,539	21%
2008-09	130,357	32,773	20%
2009-10	124,305	44,730	26%
2010-11	124,305	52,855	30%
2011-12	119,400	69,563	37%
2012-13	119,400	66,715	36%
2013-14	121,533	66,715	35%
2014-15	129,773	61,185	32%
2015-16	131,998	61,862	31%

COMMONWEALTH'S ATTORNEY

Victim/Witness Assistance Program

Description

The Victim/Witness Assistance Program was established in Virginia in 1984 under Section 9-173.3 of the Code of Virginia. Henrico's Victim/Witness program was implemented in May of 1988. The goal is to assist crime victims and witnesses through the criminal justice system by providing the information and assistance required by the Crime Victim and Witness Rights Act 19.2 - 11.01. These services include: information of the victim/witness' case, explanation about court procedures, assistance in applying for Crime Victims' Compensation, assistance in preparing Victim Impact Statements and Parole Input Forms and short term crisis counseling.

- To increase victim cooperation and successful prosecution through providing the victim/witness more information on court room procedures and the criminal justice system.
- To provide victim/witness services in a cost-effective manner through the utilization and coordination of volunteer time and services.

Objectives

- To reduce delays in the court process by reducing the incidences of witness "no-show" through improved notification services.
- To reduce the trauma of crime for victims through crisis intervention and specialized counseling.
- To enable authorities to quickly establish and maintain contact with victims and witnesses.

Budget Highlights

The Victim/Witness Assistance Program continues to provide a vital function to the criminal justice systems in Henrico County. The FY2015-16 approved budget is \$728,538 which reflects an increase of \$21,601 or 3.1 percent when compared to the FY2014-15 approved budget. The personnel component is increasing by 3.3 percent due to costs associated with the annualization of a raise in FY2014-15 as well as the partial year impact of a 2.0 percent raise in FY2015-16. The personnel component is also increasing as a result of additional grant funding appropriated to temporary salaries during FY2014-15. The operating component reflects an increase of \$1,881 or 1.7 percent which is entirely due to the

Annual Fiscal Plan

<u>Description</u>	<u>FY14</u> <u>Actual</u>	<u>FY15</u> <u>Original</u>	<u>FY16</u> <u>Approved</u>	<u>15 to 16</u>
Personnel	\$ 586,940	\$ 597,490	\$ 617,070	3.3%
Operation	105,611	108,181	110,062	1.7%
Capital	1,258	1,266	1,406	11.1%
Total	\$ 693,809	\$ 706,937	\$ 728,538	3.1%
Personnel Complement*	N/A	N/A	N/A	N/A

*Five positions (4 comp II, 1 comp I) remain within the Commonwealth's Attorney's Office compliment. Victim Witness maintains the budget for nine total positions (4 comp III, 4 comp II, 1 comp I). Should trends require, an additional attorney for General District Court may be requested from the hold complement effective December 2015.

Victim/Witness Assistance Program (cont'd)

Performance Measures				
	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Victims Assisted	4,791	4,800	4,800	0

annual 2.0 percent increase in the lease agreement for the Victim/Witness and CASA building. The capital outlay component is increasing by \$140 compared to the prior fiscal year which is due to the appropriation of additional grant funding during FY2014-15.

The FY2015-16 approved budget includes a General Fund transfer of \$354,480, to provide funding for the program costs. State/federal grant funding is anticipated to be \$374,058. The state funding portion increased by \$10,832 compared to the approved budget of last fiscal year because of the addition of new funding in the bi-annual grant provided by DCJS in July of 2014. The additional amount was appropriated in the September Board paper in FY2014-15. This estimated grant funding is fully budgeted in the FY2015-16 approved budget. The budget includes funding for nine full-time positions, four of which are complement III, four are complement II, and one complement I position, an Office Assistant IV.

The following is a historical depiction of State and County funding for the program by fiscal year over a ten year period.

Fiscal Year	State Funding	County Funding	% County
2006-07	330,275	281,146	46%
2007-08	355,151	263,483	43%
2008-09	327,496	325,160	50%
2009-10	327,509	338,760	51%
2010-11	342,625	334,808	49%
2011-12	342,625	326,686	49%
2012-13	363,093	324,629	47%
2013-14	363,226	331,814	48%
2014-15	363,226	346,225	49%
2015-16	374,058	354,480	48%

COMMUNITY CORRECTIONS PROGRAM

Community-Based Probation and Pretrial Services Program

Description

The purpose of the Henrico Community Corrections Program (CCP) is to provide the Henrico County Court System with alternatives to incarceration through a range of probation and pretrial services for adults. The CCP mission is to enhance public safety through assessments and community supervision guided by best practices.

Probationers are supervised according to risks and needs based upon assessments and case plan goals, and referred to counseling and community resources. They also perform community service work and make restitution to their victims as retribution and restorative justice. Pretrial Services Officers conduct risk assessments with defendants who are in jail awaiting trial. They provide the court with risk assessments and bond recommendations at arraignment, and supervise defendants so ordered by the court as a condition of release pending trial. Henrico's Community Corrections Program has provided services to the courts since 1995, and, through the former Community Diversion Incentive (CDI) Program, since 1983.

The Drug Court Program is under the auspices of the Community Corrections Program and is presented in this document as a separate budget for clarity in understanding its functions as well as its separate funding source.

Objectives

- To collaborate with community service agencies and community resources.
- To coordinate the program with the Courts and criminal justice partners, while developing partnerships with the Community Criminal Justice Board.
- To assign probationers, court ordered to perform community service, to community maintenance and improvement projects, and to public or private non-profit community agencies.
- To provide case management services and supervision to probationers throughout their court ordered participation.
- To monitor probationers for payment of court ordered costs and restitution to the courts and victims.
- To implement evidence-based practices and programs, including validated risk assessments, strategies for effective pretrial supervision and motivational interviewing.
- To provide a means of either pretrial release to bail, unsecured release on recognizance, or release on secure bond.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 1,153,493	\$ 1,362,396	\$ 1,356,340	(0.4%)
Operation	66,315	52,919	49,106	(7.2%)
Capital	16,564	11,192	11,829	5.7%
Total	<u>\$ 1,236,372</u>	<u>\$ 1,426,507</u>	<u>\$ 1,417,275</u>	<u>(0.6%)</u>

Personnel Complement*	1	1	1	0
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*Twenty-One Complement III positions are also funded in this budget for FY2015-16.

Community Corrections Program (cont'd)

Performance Measures

	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
New Pretrial Cases Supervised	1,406	1,600	1,700	100
New Probation Cases Supervised	1,829	1,900	1,900	0
Pretrial Investigations Conducted	1,696	2,000	2,000	0
Client Hours of Community Service Completed	13,884	20,000	20,000	0
New Restitution Cases Monitored	388	500	450	(50)
Effectiveness Measures				
Value of Restitution Collected	\$ 259,502	\$ 350,000	\$ 300,000	\$ (50,000)

- To provide case management services and supervision, substance testing, and other services to defendants released from jail while awaiting trial.

\$300,000. Of this value, it is estimated that close to half will go to County Departments. The Restitution Monitoring Program (a Community Criminal Justice Board project) is designed to track payments made by offenders to victims and increase the payment amount collected.

Budget Highlights

The Community Corrections budget includes four distinct programs for FY2015-16: (a) Pretrial Services; (b) Probation Services; (c) Community Service Coordination; and (d) the Drug Court Program (The Drug Court Program is presented as a separate budget narrative). Pretrial and Probation Services are principally funded by the State, with probation fees that are collected by the Department also contributing to the funding of these services. The Community Services Coordination Program is locally funded through the County's General Fund contribution of \$129,028, along with fee revenues of \$7,480.

The Community Corrections Program's budget for FY2015-16 is \$1,417,275, which is a decrease of \$9,232, or 0.6 percent, from the FY2014-15 approved budget. Personnel requirements decreased by \$6,056 or 0.4 percent, as full recognition of the raise that became effective in December of 2014, along with a 2.0 percent wage scale increase that is due to become effective during FY2015-16, were more than offset by savings from employee attrition. The operating component decreased by \$3,813, or 7.2 percent, to \$49,106. A total of \$11,829 is budgeted in capital for the replacement of computers and furniture.

The Pretrial Services Unit continues to participate in a two and a half year statewide research study under the direction of the Department of Criminal Justice Services (DCJS) using new strategies for effective pretrial supervision aimed at increasing defendant court appearances, accountability, and public safety.

Funding from the General Fund is budgeted to increase by \$985, or 0.8 percent, over the FY2014-15 Approved Budget due to the salary increase budgeted for the one General Fund supported position. The FY2015-16 projection for State funding is \$1,144,988, which is 0.4 percent below the amount in the FY2014-15 Approved Budget. The program also collects probation and restitution monitoring fees, which are utilized to support the operations and services provided by the Department.

The estimated value of community service hours to be completed by probationers in FY2015-16 is

COMMUNITY CORRECTIONS PROGRAM

Drug Court Program

Description

The Drug Court Program was initiated in January of 2003. The Drug Court provides intense supervision and treatment, frequent judicial reviews, mandatory drug testing, graduated sanctions, aftercare, and other rehabilitative services to nonviolent, substance abusing offenders for a minimum of twelve months, with the average participation lasting eighteen months. There are up to forty new participants placed in the program each year that have their progress closely monitored and evaluated by program staff.

- To locate additional resources to contribute towards the support of the Drug Court Program in the future.
- To provide comprehensive treatment to substance abusing offenders.
- To administer, monitor, and evaluate the Drug Court Program for effectiveness and economic impact.

Working with other organizations and agencies is key to the success of the Drug Court. The program coordinates its efforts with other County agencies and nonprofit organizations in the region to help deliver the program's services. In addition, the Sheriff provides one part-time investigator to the program as a local in-kind County contribution. The Commonwealth's Attorney's Office, Henrico Mental Health and Developmental Services (MH/DS), the Circuit Court and the Community Corrections Program also provide local in-kind contributions to the program.

Budget Highlights

The Drug Court Program will complete its twelfth year of operations in FY2014-15. Caseloads continue to increase as new cases are constantly added. The program was started with the use of federal funding. However, federal funds were discontinued in FY2005-06. The Drug Court program for Henrico County received a grant from the State in the amount of \$232,261 in FY2005-06 to support the program and replace the discontinued federal funding. It is anticipated that funding from the Virginia Supreme Court, which took over the administration of these grants from the Department of Criminal Justice Services, will provide funding of \$250,000 in FY2015-16. The Drug Court also collects probation fees to help defray the costs of the program. These fees were raised from \$25 to \$50 per participant during FY2013-14. The program is expected to receive \$17,807 in fee revenues during FY2015-16.

Objectives

- To reduce crime resulting from substance abusing offenders.
- To assist participants with finding gainful employment or increasing their educational achievements.

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Personnel	\$ 308,013	\$ 339,719	\$ 353,027	3.9%
Operation	129,119	82,227	62,643	(23.8%)
Capital	0	0	1,500	0.0%
Total	<u>\$ 437,132</u>	<u>\$ 421,946</u>	<u>\$ 417,170</u>	<u>(1.1%)</u>

Personnel Complement*	1	1	1	0
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*Personnel Complement does not reflect 4 Complement III positions that are supported by this budget.

Drug Court (cont'd)

Performance Measures				
	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Community Awareness Activities	23	22	24	2
Efficiency Measures				
% of Referrals Assessed on Time	100%	100%	100%	0%
Effectiveness Measures				
% of Participants Gainfully Employed/Schooled	85%	84%	85%	1%
% of Participants Staying Drug-Free	67%	68%	68%	0%
% of Participants Not Re-Arrested	95%	95%	95%	0%

By the end of FY2014-15, the offices of the Drug Court will move into a County building, thus eliminating the need for lease payments. This decreased expenditure requirement allowed for a \$22,776, or 13.2 percent reduction of General Fund support, to a total of \$149,363.

The personnel budget increased by \$13,308, or 3.9 percent, due to higher salary costs stemming from full recognition of the raise that became effective in December of 2014, along with a partial-year 2.0 percent wage scale increase in FY2015-16. The operations area decreased by \$19,584, or 23.8 percent. The savings from the end of the lease obligation, noted above, were partially offset by increased drug testing costs. Additionally, \$1,500 was added to the capital portion of the budget to allow for the replacement of computer equipment.

The Drug Court maintains a full caseload averaging 40 new cases each year. Services are provided by; one Complement I position, a Community Corrections Unit Supervisor, and four positions that are Complement III, including one County Probation Officer, one Office Assistant III, and two MH/DS Clinicians.

The Henrico Drug Court's NACo Award winning "Healthy Lifestyles Initiative" continues to provide assistance for participants to gain access to primary health and wellness programming. Professionals with the Fan Free Clinic provided quarterly rapid results HIV testing at the Drug Court Office. Representatives from MADD and the Drive to Work Program provided seminars for the participants on lawful driving. The Drug Court continues to host quarterly Family Day events to help reestablish family ties that have been damaged by years of substance abuse.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

Probation-VJCCCA

Description

Since 1996, the Virginia Juvenile Community Crime Control Act (VJCCCA) has provided funding for all community based programs and services in the juvenile justice system except secure detention. Juvenile and Domestic Relations District Court Judges and Court Service Unit staff utilize VJCCCA funding to provide an array of programs and services to juveniles and their families. This is accomplished by the use of private vendors, independent contractors, and VJCCCA staff. The programs/services provided include home based services, GPS electronic monitoring, a two-level larceny reduction program, anger management and parenting groups, psychological and substance abuse assessments, drug screens and Project Fresh Start.

VJCCCA funds continue to offer services that are accessible in a timely manner and provide much needed resources to the youth and their families. This funding continues to develop programs and services that address the juvenile justice needs of Henrico County. Each VJCCCA program has its own unique program goals, but all seek to hold youth accountable for their behavior and reduce continued delinquent behavior. Beyond these goals, parental participation is required within all VJCCCA programs.

Objectives

- To provide a continuum of service to the Court and Court Service Unit staff that best fit the needs of Henrico County.
- To continue to provide services to the Court and Court Service Unit staff that are easily accessible and available.
- To continue to provide services that promotes parental participation to assist juveniles and their families in making positive changes.
- To encourage a public/private partnership in the design and delivery of services.

Budget Highlights

The Juvenile Probation VJCCCA budget for FY2015-16 totals \$597,917, which includes County support of \$440,594. The Program's budget reflects a \$4,306, or 0.7 percent, increase when compared to FY2014-15. This increase reflects a partial year 2.0 percent salary increase in FY2015-16 as well as the annualization of the December 2014 salary increase.

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Personnel	\$ 154,579	\$ 206,288	\$ 210,594	2.1%
Operation	423,038	387,323	387,323	0.0%
Capital	0	0	0	0.0%
Total	\$ 577,617	\$ 593,611	\$ 597,917	0.7%

Personnel Complement* N/A N/A N/A N/A

*Personnel Complement does not reflect 3 Complement III positions that are supported by this budget.

VJCCCA Probation (cont'd)

	Performance Measures			Change
	FY14	FY15	FY16	15 to 16
Workload Measures				
Number of Referrals from Probation/Court Order	939	939	939	0

Probation will continue to use VJCCCA funding to provide a wide variety of services and programs to offenders and their families, including psychological and substance abuse assessments, anger management, parenting groups, and drugs screens. These services and programs continue to be utilized as alternatives to secure detention.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

Detention Home - VJCCCA

Description

In 1996, funding through the Virginia Juvenile Community Crime Control Act (VJCCCA) replaced the State Block Grant system for all community based programs and services in the juvenile justice system outside of secure detention. A major advantage of this funding is Henrico's ability to develop programs and services that specifically address its juvenile justice needs.

Objectives

- To help alleviate the problem of overcrowding in secure detention.
- To allow children to live with their custodial parents while in the program or until Court disposition.
- To operate the Outreach Program effectively per Court orders, thereby reducing the number of youths kept in detention.
- To provide a less restrictive alternative to incarceration.

Budget Highlights

Juvenile Detention's budget for the Virginia Juvenile Community Crime Control Act totals \$309,014 including the County contribution of \$93,732. The total budget reflects an increase of \$4,736, or 1.6 percent when compared to the FY2014-15 budget, solely the result of personnel cost increases. The operating component has remained flat.

The budget will support Detention Outreach and the Services Through Opportunity Programs (STOP) offered through Juvenile Detention. The STOP program was developed to monitor non-violent juveniles as an alternative to weekend sentencing in secure detention. The Department coordinates with Recreation and Parks to identify various park sites that require cleanup including picking up trash and sweeping sidewalks. The program requires juveniles that violate conditions of the program to finish the remainder of their Court ordered sentence in secure detention. All employees working with the STOP program are required to take CPR, first aid and defensive driving classes.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 271,562	\$ 260,913	\$ 265,649	1.8%
Operation	48,814	43,365	43,365	0.0%
Capital	0	0	0	0.0%
Total	320,376	304,278	309,014	1.6%
 Personnel Complement	 30	 30	 30	 0

VJCCCA - Detention (cont'd)

Performance Measures				
	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Electronic Monitoring Days	6,823	6,364	6,384	20
Outreach Participants w/Electronic Monitc	200	172	172	0
Outreach Participants w/o Electronic Moni	59	60	60	0
STOP Participants	75	100	100	0
STOP Program Days	389	342	342	0
Efficiency Measures				
Average Length of Stay w/Electronic Moni	34	37	37	0
Average Length of Stay w/o Electronic Mo	58	64	64	0

The Detention Outreach Program is supported by 3 Complement II positions (1 Outreach Coordinator, 2 Outreach Workers) and provides an alternative to secure detention by offering direct and indirect services to children requiring less restrictive supervision. For those youths who need more restrictive supervision, the Electronic Monitoring component of Detention Outreach will be utilized. Juveniles that generally qualify for this program have reoccurring behavior issues such as curfew violations, running away from home and truancy.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

USDA Grant

Description

Each year the United States Department of Agriculture (USDA) awards a grant to the County to assist with caring for juveniles who are in some form of detention. Henrico County's Juvenile Detention Home qualifies for a portion of this grant. Funds can be used for food, supplies, kitchen equipment, and relief wages for cooks. Funds are awarded based upon the number of breakfast and lunch meals served and reported monthly. Unspent funds at the end of each year may be carried over to the next fiscal year and accumulated for qualifying large item purchases. The Virginia Department of Juvenile Justice and the Federal Government jointly monitor the program's guidelines and expenditures.

Budget Highlights

In FY2015-16, the Juvenile Detention Home will continue to use USDA Federal grant funds to supplement operating expenses for the Detention Home's kitchen and food service. The Department projects \$26,864 in USDA grant funding for FY2015-16, which is a \$2,526 or 10.4 percent increase when compared to the approved budget for FY2014-15. These funds will continue to be used to purchase food, food service equipment, and maintain and repair kitchen equipment. The total food budget for FY2015-16, including amounts budgeted in the General Fund, will total \$73,037.

Objectives

- To file all reports promptly and accurately for reimbursement of funds.
- To disburse grant funds for eligible items for the benefit of detained youths.

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	25,677	19,775	21,918	10.8%
Capital	700	4,563	4,946	8.4%
Total	\$ 26,377	\$ 24,338	\$ 26,864	10.4%
Personnel Complement	N/A	N/A	N/A	N/A

MENTAL HEALTH & DEVELOPMENTAL SERVICES

Description

MH/DS/SA Services provides community-based mental health, intellectual disability, substance abuse, prevention, and early intervention services to the residents of Henrico, Charles City, and New Kent counties, under the direction of the Henrico Area Mental Health & Developmental Services Board. The Department serves people experiencing the effects of, or who are at risk for, mental illness, intellectual disabilities, substance abuse, and children with developmental delay. The vision of the Department is:

Promote dignity, recovery and self-sufficiency in the lives of the people we serve, help our community embrace people with mental disabilities, and lead in providing innovative and responsive services that exceed our community's expectations.

The vision is carried out through a wide range of emergency, inpatient, outpatient, case management, day support, assertive community intervention, residential, prevention, jail based, and early intervention services.

Objectives

- To provide emergency services 24 hours per day, seven days a week.
- To provide protective inpatient services to individuals who are dangerous to themselves or to others or unable to care for themselves.

- To provide medical and social detoxification services to the chemically dependent.
- To provide ongoing support and treatment services to individuals with long-term mental illness, including case management, psychiatric treatment, crisis intervention, residential, and day support services.
- To provide treatment and family support for youth and their families experiencing serious emotional disturbance and/or acute psychiatric symptoms.
- To provide early intervention for infants and toddlers experiencing significant developmental delay.
- To provide time limited treatment for persons with addiction and/or substance use disorders.
- To provide evidence based prevention services to youth and their families to prevent mental health problems, substance abuse, and delinquency.
- To provide ongoing supportive services to individuals with intellectual disabilities, including residential, day support, and case management services.
- To provide prescreening evaluations, attend involuntary commitment hearings, and supervise mandatory outpatient treatment as ordered by the court.

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Personnel	\$ 23,864,076	\$ 25,340,911	\$ 26,146,330	3.2%
Operation	7,134,289	8,615,622	8,807,630	2.2%
Capital	224,994	0	0	0.0%
Total	\$ 31,223,359	\$ 33,956,533	\$ 34,953,960	2.9%

Personnel Complement*	220	219	219	0
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*Personnel Complement totals above do not include 140 Complement III positions in FY2015-16.

Mental Health & Development Services (cont'd)

Performance Measures

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>Change 15 to 16</u>
Workload Measures				
Persons Served by Emergency Services	2,084	1,800	2,100	300
Persons Served by Mental Health Services	4,493	4,300	4,500	200
Persons Served by Development Services	1,694	1,700	1,700	0
Persons Served by Substance Abuse Services	1,623	1,500	1,600	100

Budget Highlights

The State Department of Behavioral Health and Developmental Services (DBHDS) has identified four priority population groups for the Community Services Board system. MH/DS/SA spends the majority of its funding serving these groups, which are: those with serious mental illness, those with intellectual disabilities, those with substance use disorders, and children and youth. Services to these priority populations are delivered directly by MH/DS/SA and/or contracted through private vendors.

Each of these priority groups requires a continuum of care in order to achieve a better quality of life and avoid more costly services. The continuum of care for these populations may include psychiatric services, vocational or day support programs, intensive case management, outpatient care, housing, transportation, or inpatient care.

The Department's budget is divided into areas that mirror these priority groups. In Mental Health Services, persons with general mental health problems and those ordered by the courts and other correctional agencies for evaluation/treatment are also served in addition to those with serious mental illness.

Services in support of other County agencies are among the important contributions of this Department. These include services to Public Safety (Police, Fire and Sheriff), Juvenile Detention, and on-site services to the Juvenile Court. Emergency services are offered to all clients on a 7-day a week, 24-hour per day basis. The Emergency Services Program works closely with public safety personnel to address community safety issues. The department continues to train first responders in the Crisis Intervention Team (CIT) model and expanded the Crisis Receiving Center at Parham Doctors Hospital

operations to 14 hours per day. Mental health and substance abuse services are provided in both Henrico jail facilities and both detention facilities. The Department also provides extensive evaluations to local courts.

The Administrative Services section of the Department supports the Executive Director's office, the various information systems, and the general business functions. The Department operates a large wide area network on which resides a client data and billing system in addition to general office software. Administrative Services includes office support staff at various locations, facilities management for 17 facilities, medical records management, human resources, and financial management.

Sheltered Employment enables individuals with intellectual disabilities to work at jobs outside of their home and earn wages. This section operates Cypress Enterprises and Hermitage Enterprises.

The Department's approved FY2015-16 budget, including the Sheltered Employment program, is \$34,953,960. Personnel expenditures are budgeted to be \$26,146,330, or 74.8 percent, of the total. Personnel increased \$805,419, or 3.2 percent, over the FY2014-15 budget. This increase was due, in part to higher salary costs stemming from full recognition of the raise that became effective in December of 2014, along with a partial-year 2.0 percent wage scale increase in FY2015-16. Additionally, the agency was awarded restricted State and federal funding during FY2014-15 to begin the Young Adult Services program to serve young adults ages 16-25 experiencing serious behavioral health conditions. This program added salaries of \$323,714 for seven complement III positions: a clinical supervisor, a clinician, three case managers, a support

Mental Health and Developmental Services (cont'd)

service specialist and an office assistant IV. Part-time salaries increased \$50,761, or 9.8 percent, to add a part-time nurse practitioner for the Young Adult Services program.

Temporary salaries increased \$86,915, or 9.8 percent; \$21,825 of the increase was for the Young Adult Services program. Temporary salaries also increased in Prevention for the Summer Employment Program for Youth, in Emergency Services, and in Substance Abuse Services. Total personnel expenditures would have decreased without the new positions from restricted funding.

Operating expenses are \$8,807,630, or 25.2 percent of the total budget proposal. Approximately 69 percent of these expenses are directly client-related. Medical Services are \$1,456,636, an increase of \$40,297, or 2.8 percent. A portion of the increase, \$13,003, is for a 3.0 percent increase for contract psychiatrists. Additionally, \$23,444 of the increase is for medical services through a State Part C grant. Rent of facilities is \$977,608. The largest facility lease is the East Center at \$324,201. Maintenance services increased \$33,313, or 56.7 percent, to \$92,046 for FY2015-16 because of growth in maintenance costs for the Cerner client data system to meet requirements for electronic medical records. Computer software increased \$42,880 to cover Office365, the DSM-5, and patient portal software costs for the electronic medical records system. Methadone treatment services increased \$20,000 or 37.5 percent to \$73,400, because of an increase in clients needing this service.

The Department estimates revenues at \$34,953,960 in FY2015-16, an increase of \$997,427, or 2.9 percent, over the FY2014-15 adopted budget. The County transfer of \$14,030,509 is \$260,002 higher than the FY2014-15 level, and will represent 40.1 percent of FY2015-16 revenues.

The balance of the MH/DS/SA revenues are comprised of 27.2 percent Federal and State, 26.3 percent third party client fees, with the remaining 6.4 percent coming from other local governments, sheltered employment contracts, and reserve funds. This \$600,000 reserve allows for immediate expenditure appropriation when grants are received. Funds from this reserve are only available for expenditure once they are received and approved by the County. Sheltered Employment revenue is expected to remain flat at \$344,400 for FY2015-16.

The Department's State performance contract revenue for FY2015-16 is projected to be \$5,743,810, a 9.6 percent budgetary growth that is principally due to \$488,831 of restricted funds for the Young Adult Services program that began during FY2014-15. Other increases include growth of \$10,505 in State general funds awarded during FY2014-15 and the State OBRA (Omnibus Budget Reconciliation Act) Nursing Home grant, which grew by \$2,114.

Fee revenue has been budgeted at \$9,186,406 for FY2015-16, a 0.5 percent increase over the FY2014-15 approved budget. Medicaid revenue is projected to increase \$73,827, or 1.0 percent, over FY2014-15 levels. Medicaid case management for persons with intellectual disabilities is projected to increase \$285,835; this increase will offset decreases in Medicaid waiver revenue and Medicaid revenue for mental health services. Self-pay and insurance revenue is anticipated to decrease \$17,952, or 2.0 percent below FY2014-15 levels.

What follows is a section-by-section description of expenditure changes for the Department in the FY2015-16 budget.

The mission of **Mental Health Services** is to provide mental health services to the residents of Henrico, New Kent, and Charles City counties with 159 full-time and 4 part-time employees. The FY2015-16 budget for Mental Health Services increased \$602,583, to \$14,905,014, which is 4.2 percent higher than the FY2014-15 adopted budget. The Young Adult Services program that was implemented during FY2014-15 added \$581,285 to this total. Without the addition of this program this section's budget would have grown by only \$21,298, or 0.1 percent. Personnel costs comprise 83.0 percent of the Mental Health Services budget.

The **Substance Abuse Services** budget is \$1,855,359, a decrease of \$25,611, or 1.4 percent, from the FY2014-15 budget. Sixteen full-time and four part-time employees provide these services. Personnel expenses make up 89.9 percent of the substance abuse budget. Operating costs increased by \$18,950, or 11.3 percent, in FY2015-16 because of the increase in methadone treatment services described above.

The budget for **Developmental Services** reflects an expenditure increase of \$159,191, or 1.5 percent, to \$10,547,473. These services are provided by

Mental Health and Developmental Services (cont'd)

113 full-time and 12 part-time employees. Personnel costs account for 74.0 percent of the Developmental Services budget. Operating costs increased by \$13,944, or 0.5 percent, in FY2015-16.

The budget for spending on **Administration** increased 3.2 percent, or \$261,264, to \$7,301,714. Fifty-one full-time and three part-time employees comprise the administrative staff. Operational funding increased \$88,168, or 2.7 percent, to \$3,350,205, due to inflation in facility leases, software costs, and anticipated payments for licensed programs per proposed State budget changes.

Sheltered Employment funding in FY2015-16 remains at the adopted FY2014-15 level of \$344,400. One full-time and one part-time position support the Sheltered Employment operation.

Day Support Services

Over the past seventeen years the County of Henrico has provided additional funding to Mental Health and Developmental Services Day Support Services to ensure that individuals who graduate from Special Education programs, and other adults living in the community who need day support services, will be served immediately. Funding for Day Support Services in the FY2015-16 budget is \$1,838,793. This amount is unchanged from the FY2014-15 adopted budget.

In FY2015-16 it is anticipated that approximately 21 individuals with intellectual disabilities, graduating from high school, will be in need of a day support program. The cost of providing services to these graduates will be absorbed within current resources.

What follows is a list of additional funding received in prior years.

FY2014-15	\$ 92,574
FY2013-14	\$125,435
FY2012-13	(\$100,000)
FY2011-12	\$21,130
FY2010-11	\$226,376
FY2009-10	\$126,650
FY2008-09	\$214,800
FY2007-08	\$147,000
FY2006-07	\$167,000
FY2005-06	Fully Funded
FY2004-05	\$199,000
FY2003-04	\$253,330
FY2002-03	\$192,935
FY2001-02	\$172,110
FY2000-01	\$200,790
FY1999-00	\$172,110

POLICE DIVISION

Metro Aviation Unit

Description

In 1986 the Counties of Henrico and Chesterfield, and the City of Richmond entered into a multi-jurisdictional agreement, which facilitated the use of police aircraft in all three jurisdictions and created the Metro Aviation Unit. As a part of this agreement, the Henrico Police Division is charged with housing the aircraft; supervision of the pilots; fiscal management; and planning the training for the Unit.

Objectives

- The Unit will provide aerial observation and support for all jurisdictions.
- The Unit will conduct patrols of identified high crime areas.
- The Unit will provide transportation of prisoners to and from other jurisdictions upon request.
- The Unit will provide aerial photographs of any location in the metropolitan area upon request.
- The Unit will provide routine and special aerial patrol within the tri-jurisdictional area.

Budget Highlights

The FY2015-16 budget includes \$80,000 for the extradition of prisoners, which is fully reimbursable from the State Supreme Court. The remaining balance of the budget, \$382,000, is divided equally between Chesterfield County, the City of Richmond, and Henrico County. In FY2015-16, Henrico's share of the budget remains constant at \$127,332.

Henrico's Police Division manages the Metro Aviation Unit. This section of the Police Division also handles extradition of prisoners, which is entirely reimbursable from the State of Virginia. The combined budget for Metro Aviation and Extradition totals \$462,000.

The Metro Aviation Unit continues to be a valuable and effective crime fighting tool to the participating localities and the region. The localities continue to increase their usage of the unit and each locality now assigns three pilots to the unit.

The three participating jurisdictions approved the purchase of an additional patrol plane, a Cessna 182, and in July 2006, the Board of Supervisors approved a budget amendment to increase the Metro Aviation Unit's budget for the purchase of the new aircraft. The aircraft is equipped with the latest technology

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	316,847	422,000	422,000	0.0%
Capital	10,423	40,000	40,000	0.0%
Total	\$ 327,270	\$ 462,000	\$ 462,000	0.0%
Personnel Complement	N/A	N/A	N/A	N/A

Metro Aviation (cont'd)

	Performance Measures			
	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Number of Aerial Transports	41	44	45	1
Flight Hours for Aerial Transports	155	167	170	3
Extraditions (commercial carriers)	22	24	25	1

including an electronic instrument panel, an integrated spotlight, a forward looking infra-red (FLIR) system, and a video downlink that permits the aircraft to broadcast images while flying for viewing at varying locations within the three jurisdictions. The Metro Aviation Unit's two other aircraft are of varying ages including a transport plane over twenty-six years old and a thirteen year old patrol plane.

The Metro Aviation Unit moved to a new hanger with a fuel storage tank in the Sandston area in December, 2012. The facility is 4,500 square feet, three stories tall, includes 1,100 square feet of office space, and houses the three small planes shared by all localities. This relocation provided combined lease savings to the three participating jurisdictions of roughly \$20,000 per year.

POLICE DIVISION

Wireless E-911

Description

The Henrico County Emergency Communications Center began answering wireless E-911 calls in June 2000. The State Police had previously answered these calls, however State legislation was enacted, which mandated localities to begin answering wireless E-911 calls. The Emergency Communications Center answers all emergency and non-emergency calls for service and dispatches the appropriate unit, Police, Fire, or Emergency Medical Service, to the location of the call. The emergency communications operators spend more time processing a wireless call than they spend processing a wireline E-911 call. Some of the unique problems of a wireless call are a limited ability to determine the exact caller location and the uncertainty of being able to reconnect with the caller if they are disconnected.

Objectives

- To answer the wireless call and collect information from the wireless caller to allow for location identification.
- To dispatch appropriate emergency or non-emergency unit to the location of the call for service.

Budget Highlights

Henrico began receiving funding from the State Wireless Board to pay for the cost of receiving wireless E-911 calls in FY1999-00. The funding is provided from the State E-911 Cellular Tax, \$0.75 per month charged to each cellular phone, and distributed to localities through the State Wireless Board. In 2006, the General Assembly approved a change in the method of distributing the revenue collected. In the approved legislation, 60% of the revenue collected from the \$0.75 monthly fee is distributed to the localities. The distribution from the State Wireless Board to each locality is based on the cost to operate the localities emergency communications center as well as the call load of the center.

In 2014, Police Division staff participated on a subcommittee of the State Wireless Board to develop a white paper on implementation of “Text-to-911” service in Virginia Public Safety Answering Points. The Division is studying the feasibility of accepting 911 text messages along with other metro area jurisdictions.

As the number of cell phones continues to increase the number of emergency calls being made from phones

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 910,546	\$ 941,536	\$ 952,468	1.2%
Operation	35,016	84,189	87,249	3.6%
Capital	30,079	0	0	0.0%
Total	\$ 975,641	\$ 1,025,725	\$ 1,039,717	1.4%
Personnel Complement*	N/A	N/A	N/A	N/A

*Sixteen Communications Officers are included in the Police General Fund Complement.

Wireless E-911 (cont'd)

Performance Measures				
	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Wireless 911 Calls Received	135,696	136,000	136,000	0
Percentage Wireless 911 Calls to Total 911 Calls Received	76.36%	76.38%	76.38%	0.00%
Percentage Wireless 911 Calls to Total Calls (Emergency & Non-emergency) Received	23.25%	23.25%	23.25%	0.00%

is increasing. Cell phones provide a quick, easy, and efficient means of reporting traffic accidents and other emergencies, which do not always occur near a landline phone. As the performance measures indicate, the number of E-911 calls received from cell phones is increasing at a faster rate than the number of wireline emergency calls received by the emergency communications center.

The Wireless E-911 budget for FY2015-16 totals \$1,039,717, representing an increase of \$13,992 or 1.4 percent from the previous approved budget. The personnel component increased by a net difference of \$10,932 or 1.2 percent.

The operating component increased by \$3,060 or 3.6 percent from the previous fiscal year to reflect the cost of voice recorder software licenses and on-going associated maintenance for ten new police officers. The budget for FY2015-16 includes funding for

sixteen communications officers, maintenance costs for mapping and verbal response software as well as telecommunications costs associated with the emergency communication center's ability to handle wireless calls.

As previously stated a new distribution formula was approved in the 2006 General Assembly session. Under this formula, localities receive sixty percent of the revenue after allocations to two State agencies, the Division of Public Safety Communications (DPSC) and Virginia Geographical Information Network (VGIN). These two State agencies directly support Wireless E-911. Based on information provided by the Wireless Board, historically the localities were receiving forty-eight percent of the revenue collected, so the change has been beneficial to localities. Having said this, the County will continue to conservatively project the amount of Wireless E-911 revenues received from the State in FY2015-16.

SOCIAL SERVICES

Description

The Department of Social Services focuses on providing an array of services to children, families, and individuals who are in need of human-based services including financial assistance. The financial assistance and social services programs provided by the Department assist individuals and families in meeting their basic human needs; increase their capacity to function independently; and provide protection for the elderly, disabled, and abused or neglected children. Funding to support these efforts is provided by the Federal, State, and County governments as well as through community partnerships.

The Department helps those who cannot provide for themselves financially on a temporary or longer basis to obtain the basic necessities of life and adequate health care. The financial assistance programs provide temporary cash assistance and employment-related services to enable families with children to become self-supporting. These programs also include medical and health-related services for certain individuals and families with low incomes.

The Department is also responsible for the protection of the community's children and adults from abuse and neglect. Family services workers engage in various local, State, and Federal initiatives that will support and preserve families. When these efforts are no longer viable options and/or the courts remove the

child or children from their caretaker, foster care services are provided. When children are unable to return to their own families, the goal for the child is adoption.

A goal of the Department of Social Services is to reduce the number of children in institutional placements. Another goal is to make home and community based services available to assist the disabled and elderly. Through the use of varied program funds and community resources, the Department works with clients to become or to remain economically self-supporting. These efforts are accomplished via job training, other employment related activities, and other supportive services.

Objectives

- To process applications and reviews for benefit programs within State and Federal standards of promptness.
- To offer and/or provide family services and interventions as prescribed by State/Federal standards.
- To guarantee all foster parent applicants will receive orientation and training prior to the placement of a child.

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Personnel	\$ 10,778,616	\$ 11,332,295	\$ 11,662,751	2.9%
Operation	7,058,247	7,048,880	7,048,880	0.0%
Capital	77,014	11,260	11,260	0.0%
Total	\$ 17,913,877	\$ 18,392,435	\$ 18,722,891	1.8%
Personnel Complement*	176	176	180	(4)

*Four Complement II positions were added during FY2014-15 to support a Medicaid funded medical insurance program (FAMIS).

Social Services (cont'd)

Performance Measures

	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Foster Child Initial Placement in Family Homes	77%	79%	79%	0%
Family Foster Home Recruitment	30 *	20	20	0
*Media outreach				
Efficiency Measures				
SNAP Application Timely Processing	97%	97%	97%	0%
CPS Complaints Initiate Within Timeframe	92%	92%	92%	0%
Effectiveness Measures				
Fraud Prosecution Rate	100%	100%	100%	0%
Customer Appeals Sustained	99%	99%	99%	0%

- To make certain required foster care administrative responsibilities and judicial hearings will be held in compliance with State and Federal rules.
- To initiate investigations on all valid adult and child abuse complaints within policy timeframes.
- To ensure all cases closed in the Adult Protective Services program will result in the client living in a safe situation.
- To provide job registrants with employment or education/training leading to employment.
- To ensure employed clients will maintain employment for more than 90 days.
- To successfully prosecute all cases where payment fraud is evident.

increase above the FY2014-15 amount. The Department also anticipates receiving \$47,684 from other local sources, which is 0.3 percent of the total budget.

The personnel component increased by \$330,456, or 2.9 percent, from the FY2014-15 approved budget. This budgetary growth is partially due to full recognition of the raise that became effective in December of 2014, along with a partial-year 2.0 percent wage scale increase that will become effective during FY2015-16. Additionally, four positions were added in FY2014-15 in order to serve citizens in need of a Medicaid funded medical insurance program (FAMIS). These personnel cost increases were mitigated by cost savings from turnover of staff.

The operating component of the budget, \$7,048,880, experienced no change from the FY2014-15 approved budget. A total of \$11,260 is budgeted for capital needs. This figure is also unchanged from FY2014-15.

Budget Highlights

The Department's budget for FY2015-16 is \$18,722,891, which represents an increase of \$330,456, or 1.8 percent, from the FY2014-15 approved budget. The Department anticipates collecting \$14,245,072 in revenue from State and Federal governments, which is 76.3 percent of funding. An additional \$4,430,135, representing 23.4 percent of all funding, will be provided through a transfer from the General Fund. This is a 1.7 percent

The Department of Social Services provides critical services to County residents within legally binding timeframes. These services are rendered to all socio-economic groups and are often the last resort for residents of Henrico County. Programs provided by Social Services include the following: Adult/Child Protective Service, Adult Services, Foster Care, Adoptions, Child Day Care, Employment Services, Custody Investigations, Home Studies, and housing services. Benefits administered

Social Services (cont'd)

by the Department include Medicaid; Supplemental Nutrition Assistance Program (SNAP), formerly the Food Stamp program; Temporary Assistance for Needy Families (TANF), General Relief, Refugee, and Long-Term Care.

In the past year, Social Services has experienced a 6.5 percent increase in the number of cases for the Medicaid Program, with a 9.0 percent decrease in the TANF Program, and a 5.5 percent decrease in the SNAP Program. The Department anticipates an additional 2,000 FAMIS cases will be added to the Medicaid Program caseload by May 2015, as cases which were previously handled by the State are due for renewal and converted to the Social Services caseload. The Department anticipates the TANF and SNAP caseloads to remain fairly constant. A comparison of May 2014 versus May 2013 reveals that the combined caseloads increased by 0.7 percent.

Foster Care caseload numbers increased by 17.2 percent during FY2013-14, and the continued demand for residential placements is an ongoing concern. In many cases these youth came

into foster care due to significant emotional, behavioral, and mental health needs.

The mission of the Adult Services Programs is to provide services that protect older and incapacitated adults from abuse, neglect, or exploitation and provide access to long-term care services. The Department has experienced increases in service demands in this program area. In FY2013-14, the number of requests for nursing home and personal care waivers increased by 8.0 percent over the prior fiscal year. This program has seen a consistent increase in request for services since FY2009-10. While it is a state-wide goal in the Adult Services Program to allow adults to remain in the least restrictive setting and function as independently as possible, state funding to support this effort has been reduced. Collaborative local efforts between the Department of Social Services and the Health Department in FY2013-14 have met the increased demand for screening services. Based on the aging demographics of the community, this is a quality of life issue that will continue to be monitored by the Department in the upcoming year.

COMPREHENSIVE SERVICES ACT

Description

The Comprehensive Services Act (CSA) is a State mandated program that insures services to at-risk youth and families. CSA provides a collaborative system of services and funding that is child-centered, family-focused, and community-based. The Comprehensive Services Act is implemented by law at a local level under the direction of a Community Policy and Management Team (CPMT). The Henrico Policy and Management Team, which is a multi-agency team within the County, must plan all services to children. Funding for these services must be approved by the CPMT. The Henrico Department of Social Services acts as the fiscal agent for CSA.

Objectives

- Provide services that are responsive to diverse strengths and needs of youth and family.
- Increase interagency collaboration and family involvement in the provision of services to children.
- Encourage public and private partnerships.
- Identify, and intervene early with, young children and their families.

Budget Highlights

The Comprehensive Services Act approved budget for FY2015-16 is \$8,754,442. This represents an increase of \$105,531, or 1.2 percent, over the FY2014-15 budget. The increase is due to growth in Purchase of Services not being fully counteracted by a decrease of \$22,852 in the administration requirements.

The Henrico Policy and Management Team (HPMT) administers the CSA program with the help of a full-time coordinator. The existence and membership of HPMT is established by the Code of Virginia and includes agency directors of Mental Health and Developmental Services, Juvenile Court Services, Public Health, Education and Social Services; a local government administrator; a private provider representative; and a parent representative.

In FY2015-16, CSA is estimated to fund services for an estimated 350 children. These services will include the following: 1) placement of foster care children into services ranging from family foster homes to intensive psychiatric residential treatment facilities; 2) special education programs including private programs when children's educational needs exceed public school resources; 3) residential treatment for substance abusers, sexual offenders, and those with severe psychiatric disorders, when the

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Personnel	\$ 338,837	\$ 398,365	\$ 376,630	(5.5%)
Operation	7,229,768	8,249,996	8,377,262	1.5%
Capital	207	550	550	0.0%
Total	\$ 7,568,812	\$ 8,648,911	\$ 8,754,442	1.2%
Personnel Complement*	N/A	N/A	N/A	N/A

*Total personnel complement of positions is reflected within Social Services budget.

Performance Measures

	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Children Served	338	340	350	10
Children Served in Residential Programs	46	50	55	5

safety of the child and/or community precludes services in the home; 4) community based services for children and families such as in home counseling, emergency shelter placements, and psychological/parenting assessments focusing on risk and service planning to work toward reunification of children that are in foster care.

Funding to purchase services for children and families accounts for \$8,358,659, or 95.5, percent of the total budget, yielding an administrative component of 4.5 percent. The FY2015-16 budget includes continued provision of staff for structured oversight of purchased services, conduct state required utilization review activities, and support the placement of children into family-based environments as well as monitor the cases of children funded through CSA. The CSA staff has had an active role in the development of prevention services through participation in all Family Partnership Meetings.

The CSA staff has worked closely with HCPS in reviewing students at risk for private school placements. As more students are transferring into the HCPS from other localities with IEP's written for private day placements, the review of these placements by HCPS, with the support of CSA, is essential to focus on bringing students back into the public school setting.

Members of the CSA staff have provided consistent utilization review of children placed in congregate care dramatically reducing the length of time for residential stays. CSA services are critical for discharge planning and maintaining the goal of returning home. Staff has also been active in working with residential service providers to obtain private parental placements for children with serious mental health issues; thus, eliminating a cost to CSA.

The FY2015-16 budget for CSA continues the local match requirement for Medicaid costs incurred by the State on behalf of Henrico's CSA unit. Based on the current trend in Medicaid payments for CSA children, the estimated local match for FY2015-16 is \$485,000.

The following four year history shows dramatic growth, in the actual cost of the CSA program in FY2011-12, FY2012-13, and FY2013-14.

Fiscal Year	Actual Expenses	Change
FY2010-11	\$5,927,142	
FY2011-12	\$6,470,581	\$543,439
FY2012-13	\$7,092,653	\$622,072
FY2013-14	\$7,568,812	\$476,159

It has been observed that this trend of sharply rising CSA expenditures is continuing in FY2014-15 as well. In response, funding for Treatment Services has been increased by \$128,383 in FY2015-16. In an effort to assess the cause of the expenditure growth trend, the funding for these services has been split, with the cost center for educational services receiving 70.0 percent of funding and all other areas receiving 30.0 percent.

In FY2015-16, the County will provide a projected total of \$3,640,915 as a direct match for all CSA funding; that is purchased services, administration, and Medicaid. This amount represents an increase of \$38,384 over the General Fund transfer amount from FY2014-15. This local share is derived from several different estimated percentages, based on the type of service being provided by CSA. Mandated services will receive local funding in the amount of \$2,902,055.

CSA Administration will receive \$253,860 in local funding. In addition, the County will provide a forecasted local match of Medicaid services totaling \$485,000 for the total contribution of \$3,640,915 noted above. The State will provide funding for the remainder of the CSA budget, totaling \$5,468,528, less the Medicaid local match of \$485,000, for a net contribution of \$4,983,528.

A grant for the Safe and Stable Families Program is also administered through the CSA. This grant is expected to receive \$97,499 federal and \$12,350 State funding. A local match of \$20,150 is also included in this budget for this grant.

PUBLIC UTILITIES

Solid Waste and Street Lighting

Description

In addition to the water and sewer services reflected in the Enterprise Fund, the Department of Public Utilities provides solid waste disposal, limited refuse collection, and street lighting services to residents of Henrico County.

Revenue from user charges supports the activities necessary to provide all Solid Waste services except curbside recycling, bulky waste services, bagged leaf collection and neighborhood cleanup activities. These programs are supported by General Fund revenue. Street Lighting services are supported by a Sanitary District tax levy on real and personal property in those Sanitary Districts where street lights are installed.

The solid waste services provided consist of operating a sanitary landfill, transfer station, public use areas, limited curbside refuse collection and recyclables collection, neighborhood and community maintenance cleanups, Keep Henrico Beautiful program, bulky waste and bagged leaf collection, and maintaining a closed landfill. The street lighting services provided consist of accounting for the operation and maintenance of several designated street lighting districts.

Objectives

- To provide for disposal of solid waste in a manner consistent with State and Federal laws and regulations and policies of the County Board of Supervisors.
- To administer the street lighting program in sanitary Districts 2, 3, 3.1, 12 and 23 in a manner consistent with policies of the County Board of Supervisors.

Budget Highlights

Projected revenues in FY2015-16 are \$12,847,416, inclusive of a General Fund subsidy of \$3,018,511, which remains flat from the prior year approved budget based upon anticipated expenditures in the four General Fund supported programs administered by Solid Waste. Outside of the General Fund transfer, locally generated revenues are projected to increase \$244,000 or 2.5 percent as compared to the prior fiscal year. Revenues are sufficient to cover all operating expenditures for Solid Waste in FY2015-16. Total expenditures of \$12,847,416 reflect an increase of \$219,061, or 1.7 percent compared to the FY2014-15 approved budget.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 3,258,985	\$ 3,815,813	\$ 3,805,538	(0.3%)
Operation	6,972,557	7,980,242	7,980,242	0.0%
Capital	1,581,889	749,200	978,536	30.6%
Total Solid Waste	<u>\$ 11,813,431</u>	<u>\$ 12,545,255</u>	<u>\$ 12,764,316</u>	<u>1.7%</u>
Street Lights	66,186	83,100	83,100	0.0%
Total Solid Waste/Street Lights	<u>\$ 11,879,617</u>	<u>\$ 12,628,355</u>	<u>\$ 12,847,416</u>	<u>1.7%</u>
 Personnel Complement	 69	 69	 69	 0

Solid Waste (cont'd)

Performance Measures

	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Tons Collected by Refuse Collection	40,606	42,000	42,000	0
Tons Collected by Bulky Waste	479	750	750	0
Tons Collected by Outside Sources	51,824	0 ⁽¹⁾	0	0
Tons Collected by Neighborhood Cleanups	2,839	3,000	3,100	100
Tons Deposited in Public Use Areas	29,942	32,000	32,000	0
Number of Refuse Customers	43,728	44,000	45,000	1,000

⁽¹⁾ Reflects closure of the County Landfill in FY2014-15, eliminating availability to outside sources.

The personnel component of the Division of Solid Waste’s FY2015-16 budget reflects a net decrease of \$10,275, or 0.3 percent. The operating component of the budget remains flat from the prior year approved budget. The capital outlay component of the budget is increasing \$229,336, or 30.6 percent due to the replacement of refuse and public use area (PUA) equipment that has reached the end of its useful life. Overall, the operating and capital components of the budget reflect an increase of \$229,336, or 2.6 percent from the FY2014-15 approved budget.

The Solid Waste budget is captured in four distinct areas – Administration, Collection Operations, Processing and Disposal and Litter Control (Keep Henrico Beautiful). What follows is a description of each major area in the Solid Waste Budget:

Administration:

The budget for Administration is \$1,645,929 and represents an increase of \$233,101, or 16.5 percent. The bulk of the increase is attributable to the replacement of refuse and PUA equipment, which is reflected in the capital component of the budget.

Collection Operations:

The budget for Collection Operations totals \$4,429,860, and represents an increase of 0.4 percent when compared to the prior fiscal year approved budget.

Refuse Collection

The budget for the Refuse Collection area is \$3,403,444, which represents an increase of \$20,686, or 0.6 percent. Weekly refuse collection services are provided to over 43,000 households in the County by

eleven refuse collection crews, operating County owned equipment.

Bulky Waste Collection

Bulky Waste Collection operates during normal business hours and will collect large items, such as furniture, appliances and yard waste, and deposit them in a solid waste disposal facility. The cost for this service is a \$43 per trip fee. The program also receives a subsidy of \$227,996 from the General Fund. The FY2015-16 budget continues to include the estimated cost to provide free bulky waste pick up for all County residents that currently participate in the Real Estate Tax Advantage Program (REAP).

Bagged Leaf Services

The budget for Bagged Leaf Services is \$155,422, which remains flat from the prior fiscal year approved budget. Bagged Leaf Services provides two collections in each neighborhood from November through January according to a published Leaf Collection Schedule. A transfer from the General Fund fully supports the costs associated with Bagged Leaf Services.

Community and Neighborhood Cleanup

Cleanup expenditures total \$504,647 in FY2015-16, which represents no change from the prior year approved budget. There are no personnel costs budgeted for Cleanup activities, however \$302,596 is budgeted for employees from other areas of Solid Waste to perform this service. Cleanup costs are fully supported by a General Fund subsidy.

Processing and Disposal:

The budget of \$6,590,839 in FY2015-16 for Processing and Disposal represents a decrease of

Solid Waste (cont'd)

\$34,317, or 0.5 percent from the prior year approved budget.

The Processing and Disposal budget components cover recycling, transfer station and public use area operation, and landfill post closure.

Recycling

Recycling expenditures total \$3,142,686 in FY2015-16, representing an increase of \$943, or less than 0.1 percent. The County contracts recycling services through the Central Virginia Waste Management Authority (CVWMA). The curbside recycling program currently serves approximately 85,000 homes in the County at \$1.95 per home per month. The County also contracts with CVWMA for the collection of recyclables at 12 drop-off locations (9 fire stations, 2 public use areas, and the Shane Road Recycling Center). Recycling costs are supported by a \$2,130,666 subsidy from the General Fund.

Transfer Station

On July 1, 2014, the County began operating a transfer station at Ford's Country Lane due to the closure of the landfill. The FY2015-16 budget for this operation totals \$1,121,935. The transfer station will accept refuse from the County's Refuse Collection Service, Public Use Areas, Bulky Waste Collection, and Community/Neighborhood Cleanups.

Public Use Areas

The FY2015-16 budget for the Public Use Areas is \$1,485,868, a decrease of \$14,326, or 1.0 percent. Solid Waste operates two Public Use Areas in the County, on the western end at Ford's Country Lane, and on the eastern end at Charles City Road. The Public Use Areas are available to citizens to deposit refuse for a fee of \$3 per visit and deposit recyclables at no charge. Coupon books are available for ten visits at a cost of \$27 and for fifteen visits at a cost of \$40. The Public Use Areas are open three hundred and sixty one days a year, closing on January 1st, July 4th, Thanksgiving Day and Christmas Day. The Public Use Areas receive approximately 31,000 tons of refuse annually.

Landfill Post Closure

Landfill Post Closure expenditures of \$840,350 in FY2015-16 represent no change from the prior year budget. Funding in this area exists for temporary operation of the County landfill located at Ford's Country Lane and post closure care of the closed landfill at Nine Mile Road. For FY2015-16, the County landfill located at Ford's Country Lane will

continue to operate on a limited basis in preparation for landfill closure in Calendar Year 2015.

Litter Control (Keep Henrico Beautiful):

The budget for Litter Control is increasing by \$898, or 0.9 percent. Solid Waste receives an annual grant from the State Litter Control Board for this program, which is budgeted at \$30,000 in FY2015-16.

General Fund Subsidies:

The General Fund subsidy of \$3,018,511 represents no change from the prior fiscal year. Included in the subsidy is \$2,130,666 for the curbside recycling program and \$887,845 for the cost of Community and Neighborhood Cleanup activities, Bagged Leaf Collection and Bulky Waste Collection. The subsidy for Bulky Waste Collection is net of the revenue from the \$43 per trip fee. The FY2015-16 subsidy for bulky waste factors in the cost of REAP participants receiving free bulky waste pick up service. The components of the General Fund subsidies for Recycling, Community and Neighborhood Cleanups, Bagged Leaf Collections, and Bulky Waste Collection are depicted below.

	<u>FY14-15</u>	<u>FY15-16</u>	<u>% Change</u>
Recycling	2,130,666	2,130,666	0.0%
Bulky Waste	227,996	227,996	0.0%
Cleanups	504,647	504,647	0.0%
Bagged Leaf	155,202	155,202	0.0%
Total	\$3,018,511	\$3,018,511	0.0%

The ten year history of Community Maintenance Cleanup projects are shown below.

<u>Community Maintenance</u>	<u>No.</u>	<u>Total Cost</u>
FY2004-05	25	\$423,600
FY2005-06	27	\$448,040
FY2006-07	30	\$464,990
FY2007-08	31	\$419,814
FY2008-09	31	\$416,086
FY2009-10	31	\$398,857
FY2010-11	31	\$388,895
FY2011-12	30	\$387,051
FY2012-13	32	\$377,160
FY2013-14	31	\$396,668

Solid Waste (cont'd)

This compares to the ten year summary of Neighborhood Cleanup projects below:

<i>Neighborhood Cleanups</i>	<i>No.</i>	<i>Total Cost</i>
FY2004-05	22	\$9,077
FY2005-06	26	\$11,645
FY2006-07	29	\$11,038
FY2007-08	44	\$16,539
FY2008-09	41	\$14,560
FY2009-10	40	\$13,512
FY2010-11	39	\$14,843
FY2011-12	41	\$14,860
FY2012-13	40	\$15,250
FY2013-14	45	\$16,787

Street Lighting

The County provides street lighting in certain areas and the costs for street lighting are supported by supplemental tax levies to residents and businesses in those areas. The budget for FY2015-16 will maintain services levels for the current 156 street lights in District #2, 163 street lights in District #3, the 27 street

lights in District #3.1, the 27 street lights in District #23, and the 87 street lights in District #12. Projected street lighting revenues and expenditures in FY2015-16 total \$83,100, representing no change from the prior year approved budget.

The street lighting personal property levy for each Sanitary District remains at \$0.001 for all districts and proposed real property levies remain unchanged for FY2015-16 at the following rates:

Sanitary District	Approved Rate
District #2	\$0.003
District #3	\$0.010
District #3.1	\$0.031
District #23	\$0.010
District #12	\$0.010

It should be noted that the real property rates were decreased for street lighting in the FY2006-07 approved budget. Prior to that decrease, the real property tax levies had not been reduced since calendar year 1981 for all existing sanitary districts.

PUBLIC WORKS

Best Management Practices

Description

The Department of Public Works is responsible for the long-term maintenance of Best Management Practice (BMP) devices in single-family residential subdivisions within Henrico County. BMP devices are basins for treating storm water to improve water quality. A fee is paid by developers at the time subdivisions are recorded to offset the County's cost of maintaining BMPs.

time, the Department plans to use an annual contractor to perform BMP maintenance.

An alternative storm water management program has been developed. The program was adopted on August 14, 2001 by the Board of Supervisors and will reduce the number of BMPs constructed for future development projects by providing more cost effective alternatives through a comprehensive, watershed management approach. Use of a subdivision lot for a BMP device not only reduces revenue for the developer by preventing the sale of this lot, but also effectively decreases the value of adjacent lots. The Best Management Practices Program will eventually be phased out as the new Watershed Management Program is implemented. Eventually, all revenue will be generated through the new Environmental Fund that was established to fund projects identified by the Watershed Management Program.

Objective

- To provide the long-term maintenance of BMP devices in accordance with Federal and State regulations.

Budget Highlights

The approved budget of \$50,000 is based on the amount of anticipated fee revenue. The BMP maintenance fee is \$100 per lot and is paid by developers when subdivisions are recorded. At this

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	0	50,000	50,000	0.0%
Capital	0	0	0	0.0%
Total	<u>\$ 0</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>0.0%</u>
Personnel Complement	N/A	N/A	N/A	N/A

PUBLIC WORKS

Watershed Program

Description

The Department of Public Works has developed and implemented an innovative program that addresses storm water quality requirements mandated by State and Federal regulations for development projects. The Watershed Program provides more effective alternatives to the typical Best Management Practices (BMPs). One of these alternatives is the contribution to an environmental fund in lieu of constructing BMPs in certain areas. This fund will be used by the Department of Public Works to restore streams and otherwise improve water quality throughout the County.

for the environmental fund is \$8,000 per pound of pollutant removal required and is paid by developers prior to POD approval and subdivision recordation. At this time, the Department plans to conduct individual projects through Requests For Proposal and Professional Service Agreements.

The alternative storm water management program was adopted on August 14, 2001 by the Board of Supervisors. The Program provides alternatives to construction of BMPs in certain areas and will reduce the number of BMPs constructed in the future. To offset the storm water treatment that will not be provided by those BMPs, the Department of Public Works will use funds generated by the Program to conduct projects along streams to improve water quality. These projects will include stream restoration, stream bank stabilization, a streamside buffer establishment, and stream obstruction removal. Funding will also be made available for large, regional BMPs as opportunities become available through cooperation with developers and citizens. Expenditures from this program will not exceed revenues generated.

Objective

- To restore streams and otherwise improve water quality in order to achieve the mandated levels of water quality benefit as the typical on-site BMP approach.

Budget Highlights

The approved budget of \$847,000 is based on the amount of anticipated revenue to be generated from this program, which began in FY2002-03. The fee

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	19,570	847,000	847,000	0.0%
Capital	0	0	0	0.0%
Total	<u>\$ 19,570</u>	<u>\$ 847,000</u>	<u>\$ 847,000</u>	<u>0.0%</u>
Personnel Complement	N/A	N/A	N/A	N/A



ENTERPRISE FUNDS

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - WATER & SEWER ENTERPRISE FUND
FY 2015-16

Water and Sewer Enterprise Fund

Revenues/Resources	FY 13-14 Actual	FY 14-15 Original	FY 15-16 Approved
<u>Water and Sewer Operating Budget:</u>			
Sale of Water	\$45,607,501	\$49,000,825	\$48,000,000
Sale of Sewer	46,418,270	47,162,409	48,740,000
Water Connection Fees	5,461,941	2,527,692	4,335,508
Sewer Connection Fees	1,020,668	2,156,723	1,500,000
Interest Earnings	913,109	451,260	451,260
Strong Waste Surcharge	2,131,124	2,000,000	2,000,000
Other Water/Sewer revenues	1,813,255	1,665,000	1,665,000
Transfer from General Fund	1,931,608	1,928,108	1,930,308
Total Operating Revenues	105,297,476	106,892,017	108,622,076
Operating Expenditures			
<u>Water and Sewer Operating Budget:</u>			
Personnel	19,338,727	20,403,780	20,508,294
Operating	42,578,674	38,922,511	40,422,511
Capital Outlay	363,232	785,527	785,527
Sub-Total Operating	62,280,633	60,111,818	61,716,332
Debt Service	15,168,140	17,453,369	18,707,306
Total Operating Expenditures	77,448,773	77,565,187	80,423,638
Results of Operations (Prior to Capital Expenses)	(27,848,703)	(29,326,830)	(28,198,438)
Budget For Capital Use (Below)	n/a	(16,733,480)	(29,000,000)
Capital Budget Expenditures			
	FY13-14 Actual	FY14-15 Original	FY15-16 Approved
Approved Capital Projects (FY2014-15 Budget)		29,000,000	
Proposed Capital Projects (New FY2015-16 Budget)			65,500,000
Continuing Capital Projects (Previously Approved) (1)	55,451,757		
Total Capital Budget Expenses:	55,451,757	29,000,000	65,500,000
Capital Budget Resources			
Water and Sewer Revenues	53,752,974	29,000,000	36,200,000
Revenue Bonds (2006 Series)	32,100	0	0
Revenue Bonds (2014 Series)	1,666,683	0	0
Revenue Bonds			29,300,000
RZEDB - Recovery Zone Economic	0	0	0
Total Capital Budget Resources:	55,451,757	29,000,000	65,500,000
Fund Equity (Unreserved) (2)	24,886,066	31,944,745	17,211,334

Notes:

(1) This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2013-14 represents actual spending, as per the 2014 audit.

(2) FY14 Fund Equity represents actual unreserved equity, as per 2014 audit. FY2014-15 and FY2015-16 unreserved fund equity is based on current cash flow model prepared by the Department. Totals from above do not equal fund equity, as there is also a reserved component that cannot be calculated annually.

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - BELMONT GOLF COURSE ENTERPRISE FUND
FY 2015-16

Fund-Function/Activity	FY 13-14 Actual	FY 14-15 Original	FY 15-16 Approved
Belmont Golf Course Fund			
Revenues:			
Operating	\$852,933	\$1,072,628	\$1,070,999
Miscellaneous Revenue	0	0	0
Total Revenues	852,933	1,072,628	1,070,999
(To) From Retained Earnings	254,110	0	0
Total Resources	\$1,107,043	\$1,072,628	\$1,070,999
Expenses:			
Loan Repayment to County	0	0	0
Operating	1,107,043	1,072,628	1,070,999
Total Operating Expenses	\$1,107,043	\$1,072,628	\$1,070,999

PUBLIC UTILITIES

Water and Sewer

Description

The Water and Sewer Enterprise Fund accounts for the provision of water and sewer services to residents of Henrico County. All activities necessary to provide such services are accounted for in this fund, including construction, financing, and related debt service. The total cost of water and sewer services is funded by user charge revenue. No County taxes are used to support these services.

Henrico purchased all of its water requirements from the City of Richmond prior to April, 2004. At that time, the Water Treatment Facility (WTF) opened and began providing water to customers, thereby, reducing the quantity of water the County purchases from the City. In addition to water services, the Department is responsible for the installation and maintenance of fire hydrants throughout the County.

Sanitary sewers are separate from storm water collection facilities in the County, and the Department of Public Utilities is responsible for all sanitary sewer services. The Henrico County Water Reclamation Facility (WRF) treats most of the County's wastewater, with a small amount treated by the City of Richmond. Portions of Goochland County, Hanover County and the City of Richmond are also served by the WRF.

Objectives

- To provide adequate quantities of safe drinking water in compliance with State and Federal regulations and County standards, at equitable rates, and to others with whom the County has contracted to provide service.
- To provide wastewater disposal in a manner consistent with State and Federal laws and regulations, V.P.D.E.S. permits and County standards, at equitable rates, and to others with whom the County has contracted to provide service.

Budget Highlights

The Public Utilities' Water and Sewer Fund is an enterprise fund, supporting its operating and capital infrastructure expenditures with revenues derived from customer charges and water and sewer revenue bonds.

The Department provides water and wastewater services to approximately 94 percent of the County's citizens, including the delivery of clean drinking water, sewer disposal, street lighting, refuse management and recycling services. The Solid Waste and Street Lighting functions are discussed in greater detail in a separate narrative within this document.

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Personnel	\$ 19,338,727	\$ 20,403,780	\$ 20,508,294	0.5%
Operation	42,578,674	38,922,511	40,422,511	3.9%
Capital	363,232	785,527	785,527	0.0%
Debt Service	15,168,140	17,453,369	18,707,306	7.2%
Total	\$ 77,448,773	\$ 77,565,187	\$ 80,423,638	3.7%
 Personnel Complement	 306	 306	 306	 0

Performance Measures

	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Average No. of Fire Hydrants in Service	12,464	12,900	12,900	0
Miles of Water Mains	1,582	1,600	1,610	10
Miles of Sewer Mains	1,470	1,485	1,495	10
Number of Water Customers	95,097	96,000	97,000	1,000
Number of Sewer Customers	92,125	93,100	94,100	1,000

Ensuring the efficient delivery of services to citizens has required a commitment to making necessary investments in the System’s operations and critical water and sewer infrastructure. In addition, in order to address system demands resulting from consumer growth, Public Utilities performs capacity improvements that are consistent with the County’s broader planning and residential and commercial development objectives. The Department also engages in strategic, long-term infrastructure planning to ensure that citizens’ and businesses’ water and sewer capacity requirements are sufficiently met well into the future.

Resources

In FY2015-16, projected operating resources of \$108,622,076 will support water and wastewater operations, reflecting an increase of 1.6 percent from the FY2015-16 adopted budget, which includes a proposed 3.0 percent increase in water and sewer rates.

In addition to supporting operating requirements, resources must be sufficient to service debt, bond coverage requirements and future capital requirements within the five-year Capital Improvement Program. Due to the nature of the infrastructure maintained by the Water and Sewer Fund, consistent infrastructure maintenance and replacement must be planned on a multi-year basis, as opposed to the year-to-year analysis included in each budget cycle.

On an annual basis, Public Utilities performs cash flow projections verifying that cash flows are sufficient to cover current and future operating costs, capital infrastructure improvements, debt service, and bond coverage requirements over a multi-year period. These projections are critical in ensuring that rate changes are sufficient in meeting all of the obligations of the fund. The FY2015-16 budget adheres to that premise. Payments and transfers from the General Fund in FY2015-16 total \$1,930,308 for debt service,

all of which will support the debt service costs related to the Elko Tract infrastructure improvements.

Expenditures

The FY2015-16 budget of \$80,423,638 includes expenditures for personnel, operating, capital outlay, and debt service. Overall, the Water and Sewer operating budget is increasing by 3.7 percent, or \$2,858,451. This is attributable to a \$1.5 million increase to the operating portion of the budget related to a required increase in the cost of water purchased from the City of Richmond. The personnel component of the budget is increasing \$104,514, or 0.5 percent, and includes the annualized cost of the salary increase approved in FY2014-15, as well as a partial year salary increase effective FY2015-16. There is no change to the capital outlay portion of the budget from the prior fiscal year.

In addition to the operating budget, the Water and Sewer capital budget (found within the capital budget component of this budget document) totals \$65,500,000 for FY2015-16. This is noted because, as an Enterprise Fund, revenues generated by this operation must support both the operating expenditures in the current year as well as ensuring that capital budget expenditures over a multi-year period may be funded.

Debt Service Requirements:

Projected debt service expenditures of \$18,707,306 represent a net increase of \$1,253,937 or 7.2 percent when compared to the current fiscal year. The proposed FY2015-16 budget includes a prorated debt service payment for an anticipated January 2016 new, 30 year debt issuance of \$116.0 million at a 4.0 rate of interest and 1.5 percent issuance cost. Approximately \$41 million of the planned debt issuance is to provide funding for the Cobbs Creek Reservoir project, while approximately \$75 million would provide funding for a variety of Water and Sewer rehabilitation projects

Public Utilities (cont'd)

and address ongoing maintenance requirements for the County's water and sewer system infrastructure.

The debt service budget will fully fund requirements arising from the Water and Sewer Fund's outstanding debt, which on June 30, 2014 was \$228.1 million, as well as the planned FY2015-16 debt issuance. According to bond covenants for outstanding debt, the Water and Sewer Fund must ensure that net operating revenues be at least 1.25 times the Fund's debt service requirements. In the year that ended June 30, 2014, this coverage equaled 2.4 times the debt service requirements. (Source: FY2013-14 Henrico County Comprehensive Annual Financial Report)

Debt service expenditures, in total, represent 23.3 percent of FY2015-16 operating expenditures. As a note, this is a much higher percentage than what is seen in the General Fund (target of 7.75 percent of General Fund expenditures), and is representative of another difference between the County's General Fund and the Water and Sewer Enterprise Fund.

FY2015-16 Capital Budget:

Specific details regarding the Water and Sewer Fund capital budget for FY2015-16 may be found within the capital budget component of this document. The FY2015-16 Capital Budget for the Water and Sewer Fund totals \$65,500,000. It should be noted that the five-year Capital Improvement Program for the Water and Sewer fund totals \$497,175,000. This amount represents 32.2 percent of the total County five-year Capital Improvement Program. However, when looking at the County's FY2014-15 operating budget, the Water and Sewer fund represents 7.1 percent of approved expenditures. The difference between the relative proportion required for Water and Sewer in

the capital budget as opposed to the operating budget is indicative of the significant infrastructure maintenance and replacement requirements that are present in this operation.

The FY2015-16 budget for the Department of Public Utilities continues to plan for infrastructure improvement and replacement, meet all debt service coverage requirements, and cover all known fixed operational cost increases. Because of the continued emphasis on multi-year planning and strong financial policies, the County of Henrico Department of Public Utilities possesses AAA bond ratings from two of the top three rating agencies, one of only a few public utilities in the United States to possess two AAA bond ratings.

Historical Depiction of Fund Equity (Outside of Restricted Equity for Accounts Receivable, and Debt Service Coverage Requirements):

At the end of each year, the annual audit offers a depiction of fund equity that is available largely for future year infrastructure improvements in the Capital Improvement Program. For the past five years, this unrestricted fund equity has been noted as follows:

FY10: \$ 83,058,432
FY11: \$ 60,371,868
FY12: \$ 51,395,132
FY13: \$ 48,899,271
FY14: \$ 24,886,066

(Source: Annual Audit of the Water and Sewer Enterprise Fund, Respective Fiscal Year.)

BELMONT PARK GOLF COURSE

Description

The Belmont Park Golf Course is operated and maintained by the Division of Recreation and Parks. All activities necessary to run this public facility are accounted for in the Belmont Park Golf Course Enterprise Fund and are paid for by the people who use the course.

- To improve the quality and playing conditions of the sand traps, utilizing existing resources.
- To prepare and serve quality food in a clean and attractive environment for the customers of the Golf Course.

In 2013, Henrico County entered into a Golf Management Services contract for all daily golf operations such as customer service, tee time management, pace-of-play management, maintenance of the 60 leased electric golf carts, management and inventory of the golf pro shop, and the services of a Class A PGA professional. Maintenance of the golf course and food and beverage operations are still provided by the County.

Budget Highlights

The budget for the Belmont Golf Course in FY2015-16 is \$1,070,999, which represents an overall decrease of 0.2 percent when compared to the FY2014-15 approved budget. This budget includes \$974,847 for operation and maintenance of the Golf Course and \$96,152 for the Snack Bar.

Objectives

- To provide a well-run and well-maintained 18-hole daily fee public golf course for the benefit of both residents and guests of Henrico County.
- To utilize all available resources to provide quality maintenance programs, planning, and development to maintain and enhance the Golf Course and services provided to its customers.
- To continue to improve the aesthetics of the Golf Course by improving the turf quality.

The personnel component of the Golf Course budget reflects a 1.2 percent increase when compared to the FY2014-15 approved budget. This is the result of revised estimates for salaries and benefits, including a partial-year 2.0 percent salary adjustment. The operating component reflects a 2.5 percent decrease when compared to the FY2014-15 approved budget. This is the result of efficiencies realized in operating activities as well as shifting \$5,000 to capital outlay. Capital outlay expenditures for the Belmont Golf Course total \$51,569 in FY2015-16 as the Division anticipates the replacement of a mower, the repair of cart paths and renovations to the snack bar area.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 593,567	\$ 507,230	\$ 513,517	1.2%
Operation	443,806	518,829	505,913	(2.5%)
Capital	69,670	46,569	51,569	10.7%
Total	<u>\$ 1,107,043</u>	<u>\$ 1,072,628</u>	<u>\$ 1,070,999</u>	<u>(0.2%)</u>
Personnel Complement*	9	8 *	8	0

*One position was eliminated from the Belmont Golf Course complement in FY2014-15.

Belmont Golf Course (cont'd)

Performance Measures

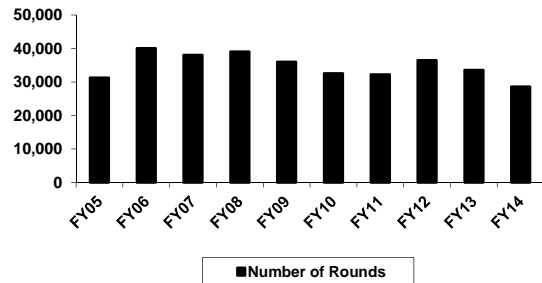
	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Rounds of Golf Played	28,591	31,000	31,500	500
Efficiency Measures				
Golf Revenue per Round	\$28	\$29	\$30	\$1
Food/Beverage Revenue per Round	\$2	\$2	\$2	\$0

A number of reductions were identified in the FY2014-15 budget in an effort to lower expenses to bring fiscal structure back to the Enterprise Fund operation. Over the past five fiscal years, only once has the Golf Course’s revenues exceeded 90 percent of its expenditures. All of the savings identified in the FY2014-15 budget are sustainable savings, and the staff at the Golf Course will make every effort to further identify savings to ensure the efficient operation of the Golf Course and the Snack Bar.

In reviewing the number of rounds played over the past ten fiscal years, the most recent year saw a second consecutive year of decrease in rounds played after a one year uptick following the recent economic downturn. In fact, the number of rounds in FY2013-14 were the lowest number since FY1977-78. Marketing efforts have been underway in recent years in an attempt to attract new golfers to Belmont Golf Course, and those efforts will continue.

The revenues for Belmont Golf Course consist of greens fees, cart rentals, and the sale of items at the Snack Bar. Prices are set to provide a quality yet affordable golfing experience for the County’s citizens. As part of the effort to bring long-term fiscal structure to the Belmont Golf Course’s operations, green fees in FY2014-15 increased by \$2 and cart fees by \$1. The Golf Course, with this increase, will still maintain its competitiveness with other similar golf courses in the Richmond area. The FY2015-16 budget does not include an increase in greens or cart fees.

**Belmont Golf Course:
Number of Rounds Played**



OTHER FUNDS

**COUNTY OF HENRICO, VIRGINIA
ALL OTHER FUNDS
FY 2015-16**

<u>Fund-Function/Activity</u>	<u>FY 13-14 Actual</u>	<u>FY 14-15 Original</u>	<u>FY 15-16 Approved</u>
Internal Service Funds			
Central Automotive Maintenance			
Revenues:			
Charges for Automotive Maintenance - West	\$6,511,454	\$6,436,000	\$6,440,002
Charges for Automotive Maintenance - East	2,225,273	2,001,000	2,009,750
Charges for Use of Motor Pool	4,173,434	4,134,000	4,134,000
Charges for Gasoline	7,499,286	7,577,940	7,577,940
Miscellaneous	455,169	345,100	345,100
(Gain)/Loss on Sale of Property	0	0	0
Transfer to Capital Projects	(62,564)	(1,575,725)	0
Fund Balance-CAM	654,765	1,524,108	0
Total Revenues	<u>\$21,456,817</u>	<u>\$20,442,423</u>	<u>\$20,506,792</u>
Expenses:			
Central Automotive Maintenance	\$21,456,817	\$20,442,423	\$20,506,792
Total Expenses	<u>\$21,456,817</u>	<u>\$20,442,423</u>	<u>\$20,506,792</u>
Technology Replacement Fund			
Revenues:			
Transfer from General Fund	\$0	\$1,000,000	\$1,000,000
(To) From Retained Earnings - Technology	1,449,678	1,043,083	1,317,152
Total Revenues	<u>\$1,449,678</u>	<u>\$2,043,083</u>	<u>\$2,317,152</u>
Expenses:			
Data Processing Equipment	\$1,449,678	\$2,043,083	\$2,317,152
Total Expenses	<u>\$1,449,678</u>	<u>\$2,043,083</u>	<u>\$2,317,152</u>

All Other Funds (cont'd)

Fund-Function/Activity	FY 13-14 Actual	FY 14-15 Original	FY 15-16 Approved
Risk Management			
Revenues:			
Transfer from General Fund	\$12,348,627	\$8,411,454	\$8,397,952
Public Utilities Charges	912,237	629,403	750,000
Recon-Workers' Compensation	260,876	0	0
Prop/Liability Recovery	189,833	0	0
A/R-S1 P/L Subrogation	0	0	0
Interest Income	0	0	0
Total Revenues	\$13,711,573	\$9,040,857	\$9,147,952
Expenses:			
Risk Management	\$13,711,573	\$9,040,857	\$9,147,952
Total Expenses	\$13,711,573	\$9,040,857	\$9,147,952
Healthcare Fund			
Revenues:			
County Contribution	\$65,055,910	\$70,847,430	\$73,041,136
Employee Contribution	16,875,404	17,828,172	18,363,016
Retiree Contribution	5,373,835	6,692,788	6,893,573
Retiree Subsidy	639,682	771,994	859,701
Disabled Subsidy	74,980	133,582	117,623
COBRA	176,772	326,687	336,487
Other Revenues	99,853	75,000	75,000
Early Retirement Reimbursement Program	0	0	0
Healthcare - Wellness Payment	412,732	150,000	150,000
Fund Balance (Includes IBNR)	(6,913,331)	1,126,710	1,815,970
Total Revenues	\$81,795,837	\$97,952,363	\$101,652,506
Expenses:			
Healthcare	\$81,795,837	\$97,952,363	\$101,652,506
Total Expenses	\$81,795,837	\$97,952,363	\$101,652,506
Debt Service Fund			
Revenues:			
Transfer from General Fund	\$58,744,833	\$58,694,837	\$54,805,548
From Capital Projects Fund Balance	0	0	2,000,000
Total Revenues	\$58,744,833	\$58,694,837	\$56,805,548
Expenditures:			
Debt Service - General Government	\$18,787,305	\$19,429,832	\$17,999,230
Debt Service - Public Works	3,392,362	3,465,212	3,394,738
Debt Service - Education	36,565,166	35,799,793	35,411,580
Total Expenditures	\$58,744,833	\$58,694,837	\$56,805,548
Adjustment for Interfund Transactions	(\$87,227,389)	(\$92,195,429)	(\$94,525,252)

CENTRAL AUTOMOTIVE MAINTENANCE

Description

Central Automotive Maintenance (CAM) is a division of the Department of General Services that maintains all automotive equipment, automotive refueling facilities, and leased vehicles used by various County agencies. Maintenance activities are performed at two locations, one in the western portion of the County on Woodman Road, and the other in the eastern portion of the County on Dabbs House Road. There are eight self-service automotive refueling facilities throughout the County that provide gasoline, diesel, and propane fuels. CAM owns and leases passenger sedans, pickup trucks, vans, and several buses to other County departments on a monthly basis. Funding for all of these activities is primarily provided through inter-department billings.

Objectives

- To maintain County automotive equipment as effectively and efficiently as possible.
- To provide leased vehicles to conduct County business.
- To provide fuel for County vehicles.

Budget Highlights

The Department's budget for FY2015-16 is \$20,506,792. This represents an increase of \$64,369, or 0.3 percent when compared to the FY2014-15 approved budget, attributable entirely to personnel cost increases including funds associated with a 2.0 percent partial year salary increase in FY2015-16 and annualizing the salary increase provided in December 2014.

The overall operating component totals \$16,423,082, which reflects no change when compared to the FY2014-15 approved budget. The capital component, excluding vehicles, totals \$175,065 for FY2015-16. Capital expenditures include three sets of mobile heavy duty lifts, one for the East Facility and two for the West Facility.

The FY2015-16 budget also includes \$3,108,800 for the replacement of 132 motor pool vehicles. Vehicles scheduled to be replaced next year include 37 compact sedans, 7 full-size Police sedans, 2 mid-size sedans, 1 mid-size Police sedan, 15 vans, 14 sport utility vehicles, and 56 trucks.

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Personnel	\$ 3,812,048	\$ 4,019,341	\$ 4,083,710	1.6%
Operation	15,421,258	16,423,082	16,423,082	0.0%
Capital	2,223,511	2,563,265	3,283,865	28.1%
Sub-Total	<u>\$ 21,456,817</u>	<u>\$ 23,005,688</u>	<u>\$ 23,790,657</u>	<u>3.4%</u>
Recommended Adjustments	<u>0</u>	<u>(2,563,265)</u>	<u>(3,283,865)</u>	<u>28.1%</u>
Total Budget	<u><u>\$ 21,456,817</u></u>	<u><u>\$ 20,442,423</u></u>	<u><u>\$ 20,506,792</u></u>	<u><u>0.3%</u></u>
Personnel Complement	67	67	67	0

Central Automotive Maintenance (cont'd)

Performance Measures

	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Total Vehicles/Equip. Maintained by CAM	3,395	3,865	3,865	0
Gallons of Fuel Consumed	2,809,075	2,826,000	2,840,000	14,000
Annual Miles Driven	23,708,593	24,581,640	24,600,000	18,360
Equipment to Mechanic Ratio	82	94	94	0

The Division of Central Automotive Maintenance is an internal service fund due to its ability to generate revenues that offset its expenditures. The majority of CAM's revenues are generated from charges to user departments for three primary services: automotive maintenance, motor pool, and fuel. Revenues from automotive maintenance performed at both the West End and East End maintenance facilities are estimated at \$8,449,752 for FY2015-16.

Motor pool revenues are projected at \$4,134,000 in FY2015-16. Vehicle rental charges cover maintenance and operation costs plus a charge for vehicle replacement that accumulates in CAM's fund balance, which is then used for the purchase of replacement vehicles.

The estimate for CAM's fuel revenues totals \$7,577,940 for FY2015-16. Fuel consumed by a department owned vehicle is charged to departments at actual cost plus a mark up per gallon which covers the cost of providing the fuel service. Due to continued uncertainty regarding the price of fuel, in FY2015-16, the charge per gallon of diesel fuel is estimated at \$3.52 and the charge per gallon of gasoline is \$3.13, which is consistent with the current fiscal year.

It should be noted that the budgeted cost per gallon and fleet miles to be driven are estimates.

Historical (budget assumption) fuel cost information is as follows:

Diesel (per gallon)	Dept Cost	CAM Cost
FY2009-10	\$3.84	\$3.75
FY2010-11	\$3.52	\$3.43
FY2011-12	\$3.52	\$3.43
FY2012-13	\$3.52	\$3.43
FY2013-14	\$3.52	\$3.43
FY2014-15	\$3.52	\$3.43
FY2015-16	\$3.52	\$3.43

Gasoline (per gallon)	Dept Cost	CAM Cost
FY2009-10	\$3.59	\$3.50
FY2010-11	\$3.13	\$3.04
FY2011-12	\$3.13	\$3.04
FY2012-13	\$3.13	\$3.04
FY2013-14	\$3.13	\$3.04
FY2014-15	\$3.13	\$3.04
FY2015-16	\$3.13	\$3.04

Miscellaneous revenue for CAM is projected at \$345,100 for FY2015-16 and includes the sale of vehicles, employee use of County vehicles, recoveries and rebates, and revenues from the energy connect program.

TECHNOLOGY REPLACEMENT FUND

Description

The Technology Replacement Fund was created in FY2000-01 to serve as an internal service function for general government technology replacement costs. This fund provides for the replacement of general government computers and related technology equipment. Individual departments will, on an annual basis, transfer funds from their operating budgets to the Technology Replacement Fund for future replacement of computer and related technology equipment included in the program.

Objectives

- To allow Henrico County to utilize technological advancements as they occur.
- To spread the cost of replacing technology equipment over a period of multiple years to reduce the impact of large one-time purchases in a given year.
- To provide centralized accounting to accurately monitor the number and cost of technology equipment replacement.
- To ensure the County does not find itself in the position of having to issue long term debt to pay for routine technology equipment.

Budget Highlights

The FY2015-16 budget for the Technology Replacement Fund totals \$2,317,152. It is important to note that continued funding of \$1,000,000 to support this budget request is to be provided by a transfer from the General Fund. This transfer is necessary in order to revitalize the program as the Technology Replacement Fund's fund balance has been depleted as a result of strategic departmental expenditure reductions during the economic downturn.

The Technology Replacement Fund budget includes funding of \$51,730 for new computer equipment. This total includes \$46,800 for ruggedized laptops and required accessories which will be utilized by ten new Police Officers as well as \$4,930 for one ruggedized laptop associated with a new position in Building Inspections. In addition, this budget includes \$2,265,422 for the replacement of computer equipment. The departments that made formal requests for equipment replacement in FY2015-16 are the Board of Supervisors, Building Inspections, Community Revitalization, County Attorney, County Manager, Division of Fire, Finance, Human Resources, Information Technology, Internal Audit, Planning, Police Division, Public Library, Public Relations and Media Services, Public Works, Recreation and Parks, and Registrar.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	6,616	141,967	0	(100.0%)
Capital	1,443,062	1,901,116	2,317,152	21.9%
Total	\$ 1,449,678	\$ 2,043,083	\$ 2,317,152	13.4%

Technology Replacement Fund (cont'd)

	Performance Measures			
	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Accumulated Value of Equipment	11,414,624	11,471,754	11,523,484	51,730
Computers in Program	2,843	2,853	2,864	11
Other Equipment in Program	1,027	1,027	1,027	0
Effectiveness Measures				
Percent of Eligible Departments in Program	100%	100%	100%	0%

The request for replacement equipment includes equipment that is eligible and approved for replacement based on age and usage. While there may be a budget for specific items, some funding is provided for contingency and will only be spent if necessary. In an effort to reduce expenses, departments were requested to review computer requirements to determine if an extended replacement cycle is practical based on the use of the computer. The Department of Information Technology approves the replacement request based on the computer's use as well as the user's anticipated needs.

FY2015-16 will mark the sixteenth year of the program, and is the thirteenth year equipment in the fund can be replaced. It should be noted that in the current year, there are 2,853 computers and 1,027 other pieces of equipment in the program, which has an accumulated value of \$11,471,754. As of June 30, 2014, the Technology Replacement Fund had accumulated \$5,071,512 for future equipment replacement. The forecasted accumulated balance for the Fund as of June 30, 2016 is \$2,711,277.

RISK MANAGEMENT

Description

Risk Management is a division within the Department of Human Resources that provides protection from accidental losses arising out of the County's General Government and Public Schools operations. The Division is responsible for the management of the self-insurance reserve, administration of workers' compensation, auto, property and liability claims, loss prevention, safety training, and environmental management. Protection is provided through a combination of self-insurance, purchased insurance, and risk transfer mechanisms. Administrative support is provided to the Executive Safety Committee and the Accident Review Board. The safety staff provides training and guidance to all County agencies and Henrico County Public Schools to ensure compliance with state and federal regulations. The environmental coordinator provides administration for the County's environmental program, including the communication of policy, program implementation, and employee awareness training.

- To provide comprehensive insurance coverage for the General Government and Schools at the lowest possible cost when considering the various risks involved.

Budget Highlights

The FY2015-16 budget is reflected within the Internal Service Fund series as Risk Management and provides services to all areas of General Government and Education, across all funds. Risk Management will continue to administer all applicable programs and services to all County agencies.

The Risk Management budget for FY2015-16 totals \$9,147,952 and is funded with a transfer of \$8,397,952 from the County's General Fund and a projected transfer of \$750,000 from the Department of Public Utilities' Water & Sewer Enterprise and Solid Waste Funds. This budget represents an increase of \$107,095 or 1.2 percent from the FY2014-15 approved budget. Personnel expenditures, which comprise 10.2 percent of the budget, are a driver of the overall increase. This increase is partially due to the addition of one position that was transferred from Human Resources during FY2014-15, which was reassigned as a Senior Claims Adjuster in order to cover the workload in this area.

Objectives

- To protect the County against losses which could significantly impact its personnel, property, or financial stability in providing services to the general public.

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Personnel	\$ 866,592	\$ 821,711	\$ 928,806	13.0%
Operation ⁽¹⁾	12,840,910	8,213,546	8,213,546	0.0%
Capital	4,071	5,600	5,600	0.0%
Total	\$ 13,711,573	\$ 9,040,857	\$ 9,147,952	1.2%
 Personnel Complement ⁽²⁾	 10	 10	 11	 1

⁽¹⁾\$9,282,438 of FY2013-14 actual expenditures was funded through a routine budget amendment utilizing funding available in the Self-Insurance Reserve.

⁽²⁾One position was transferred from Human Resources to Risk Management during FY2014-15.

Risk Management (cont'd)

	Performace Measures			Change
	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>15 to 16</u>
Workload Measures				
Workers' Compensation Claims Processed	1,126	950	950	0
Auto. Gen. Liability, Other Claims Processed	592	550	550	0
Property Damage and Loss Claims Processed	954	1,000	1,000	0

In addition, the budget reflects the partial year impact of the 2.0 percent raise and rising health care expenditures. The operating and capital components remained constant from the previous fiscal year.

In FY2015-16, the budget for the Self-Insurance Administration function of Risk Management totals \$1,156,049. Within the Self-Insurance Administration area, eleven employees provide services including claims administration, loss prevention, loss control, safety training, coordination of the Environmental Management Program as well as administration of the Self-Insurance Reserve for General Government and Schools. During FY2015-16, the risk assessment of programs and activities in an effort to recognize, reduce, and control risk exposures will continue to be emphasized. In addition, the development and implementation of the Environmental Management Program will continue, including communication of the County's environmental policy, general employee awareness training, establishing objectives through the Environmental Management System (EMS) process, and implementing standard environmental operating procedures to ensure compliance with regulations. Further, healthcare administration will continue to focus on wellness initiatives and cost containment measures to control County healthcare claims costs to minimize premium increases for plan members.

In FY2015-16, the budget for Claims totals \$6,935,156, reflecting no increase from the prior year approved budget. Funding for a portion of the division's costs is typically provided in the December amendment via a transfer from the Self-Insurance Reserve within the General Fund.

The Division promotes a culture of safe work practice through the review and development of safety programs, emergency action plans, safety training for employees, and analyses of trends in the number and type of claims. Rising medical costs contribute to the increase in the cost of workers' compensation claims. Efforts to control the costs include close monitoring of the claim, negotiated discounts with providers, reduction of bills through a preferred provider network or to the prevailing community rate, and a prescription drug program.

Also included in the FY2015-16 budget is \$1,056,747 for insurance policies/premiums. These funds are for expenditures associated with purchased commercial insurance for both property liability and workers' compensation. It should be noted that the County's costs in this area are also augmented by the Self-Insurance Reserve, which on June 30, 2014 had a balance of \$7.5 million.

HEALTHCARE FUND

Description

Effective January 1, 2008, Henrico County’s health care program transitioned to a self-insurance program. Prior to this transition, the County’s health care program operated as a fully insured program, which, in exchange for the payment of a premium, an insurance company assumed the risk, administered the program, and paid all claims. With the transition to a self-insured program, the County pays claims and third party administrative fees. Self-insurance allows the County to more fully control all aspects of the plan, including setting rates to smooth out the impact of increases on employees and the County, while maintaining adequate funding to cover claims, expenses, and reserves.

Budget Highlights

The cost to fund healthcare expenses is covered by payments from active employees, the County and the School Board, retirees, and retention of interest earnings. The County and Schools contributions are budgeted in departmental budgets, and the Healthcare Fund charges departments based upon actual participants in the program. Revenues to the Healthcare Fund in excess of expenditures accumulate in a premium stabilization reserve. These funds are utilized to allow the County to maintain rate increases at manageable levels.

The budget for FY2015-16 provides funding of \$101,652,506 for the Healthcare Fund. Included in this figure is \$73,041,136 in funding that is budgeted within individual County and Schools departments as the County’s contributions for Healthcare for active employees. Also included in this figure is the cost to the County and Schools for retiree subsidies, which are budgeted within the Human Resources budget.

It is important to note that expenditures already budgeted within individual departments are negated from the Healthcare Fund budget in the “Adjustments for Interdepartmental Billings” to avoid double counting of expenditures. The balance of \$27,634,046 reflects anticipated payments from employees and retirees that participate in the program, as well as interest earnings and the utilization of the Revenue Stabilization Reserve. In FY2015-16, the Healthcare Fund budget also assumes the use of \$1,815,970 from the Premium Stabilization Reserve. This designation of fund balance was necessary to minimize the calendar year 2015 rate increase for employees attributable to overall healthcare cost increases, as well as fees mandated by the Affordable Care Act (ACA). The budget for FY2015-16 includes the third year of funding for mandatory costs related to provisions of the ACA, including \$815,970 to support a Transitional Reinsurance Fee, and \$35,000 for a Patient Centered Outcomes Research (PCOR) fee.

Of the \$101,652,506 budget for Healthcare, \$95,299,536, or 93.8 percent reflects claims expenditures. The balance of \$5,502,000 (less ACA fees) reflects anticipated third party administrative fees (\$3,600,000), the costs of an actuarial study and claims audit (\$100,000), wellness initiatives funding (\$150,000), and the premium payment for excess risk insurance (\$1,600,000). The excess risk insurance protects the County from single large claims greater than \$500,000 and total annual payments greater than 125.0 percent of actuarially projected annual claims. Also included in the budget is \$52,000 in funding for the retainer agreement for the County’s healthcare consultant.

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Claims	\$ 71,746,345	\$ 91,315,363	\$ 95,299,536	4.4%
Other Administrative Fees	4,677,563	5,502,000	5,502,000	0.0%
Payments to Federal Government (ACA)	0	1,135,000	850,970	(25.0%)
Total Healthcare	\$ 76,423,908	\$ 97,952,363	\$ 101,652,506	3.8%

DEBT SERVICE FUND

Description

The Debt Service Fund is used to accumulate financial resources for the payment of interest and principal on all general obligation debt of the County. The debt service on revenue bonds issued by the County's Water and Sewer utility is paid and accounted for within the Enterprise Fund. The debt service on bonds issued by the James River Juvenile Detention Center (JRJDC) Commission is paid and accounted for within the Agency Fund. The County's authority to issue general obligation debt secured solely by the pledge of its full faith and credit is provided by the Constitution of Virginia and the Public Finance Act. There are no limitations imposed by State law or local ordinance on the amount of general obligation debt that may be issued either directly or indirectly. However, with certain exceptions, all debt, which is secured by the general obligation of a county, must be approved at public referendum prior to issuance.

The process of issuing general obligation bonded debt in the County begins with the departments' presentation of capital expenditure needs to the County Manager, who then presents recommendations for funding to the Board of Supervisors. The Board of Supervisors must approve of any debt issue before it is placed on the ballot. Then County citizens must vote on the bond referendum and if the bond referendum is approved the debt can be issued. While there are no limitations imposed by State law, the County utilizes debt guidelines (described herein) to ensure that debt service payments do not impact current operations.

The County is projected to have total outstanding general debt of \$411,405,000 as of June 30, 2015. The distribution of the debt is: \$371,220,000 of General Obligation (GO) bonds (\$258,348,642 for Schools and \$112,871,358 for General Government), \$18,780,000 of Industrial Development Authority (IDA) bonds for the regional jail project, \$4,215,000 of IDA bonds for General Government projects, \$16,540,000 of Virginia Public School Authority (VPSA) bonds, and \$650,000 for the JRJDC, which is included in the total outstanding debt figure above as it is included in the bond rating agencies' calculations. It must be noted that of the \$411,405,000 projected June 30, 2015 outstanding debt, \$274,888,642 or 66.8 percent is attributed to Education projects and \$136,516,358 or 33.2 percent is attributed to General Government projects.

In order to ensure that the County does not exceed its ability to service current and future debt requirements, an annual long-term debt affordability analysis is performed and utilized as a forecasting tool when confronted with the question of potential debt issues. The County has established the following debt affordability guidelines – debt service as a percentage of General Fund Expenditures, 7.75%; debt service as a percentage of assessed value, 1.49%; and debt per capita, \$1,650.

The Board of Supervisors established the debt guidelines in the FY1998-99 Annual Fiscal Plan, which were reaffirmed during growth retreats held in

Annual Fiscal Plan

Description	FY14 Actual	FY15 Original	FY16 Approved	Change 15 to 16
Principal Paymnets	\$ 37,615,001	\$ 38,285,000	\$ 38,174,821	(0.3%)
Interest Payments	21,121,080	20,359,837	18,580,727	(8.7%)
Other Debt Expenses	8,752	50,000	50,000	0.0%
Total	\$ 58,744,833	\$ 58,694,837	\$ 56,805,548	(3.2%)
General Government	\$ 22,179,667	\$ 22,895,044	\$ 21,393,968	(6.6%)
Education	36,565,166	35,799,793	35,411,580	(1.1%)
Total Budget	\$ 117,489,666	\$ 117,389,674	\$ 113,611,096	(3.2%)

Debt Service Fund (cont'd)

the summer of 2004. Following these guidelines has allowed the County to meet its infrastructure needs without sacrificing other operational requirements.

Following are three of the ratios that are calculated in the debt capacity analysis, which was most recently completed in May 2015. The ratio of **net bonded debt to total assessed value** is a standard measure of the County's ability to meet interest and principal payments on its long-term debt. The County has a ratio of **1.11%** in FY2014-15. The **ratio of debt service to General Fund expenditures** measures the percentage of the budget used to pay debt service and provides a measure of the annual demands placed on the operating budget by the County's long-term debt. This ratio is **7.10%** in FY2014-15. **Net bonded debt per capita** is the amount of debt outstanding divided by the number of County residents. The amount of debt per capita in FY2014-15 is **\$1,267**.

The County's bond ratings are as follows:

- **Moody's Investors Service: Aaa**
- **Standard & Poor's: AAA**
- **Fitch IBCA: AAA**

As a note, Henrico is 1 of only 36 counties in the United States to hold the highest rating from each of the three bond rating agencies, which is referred to as a triple AAA bond rating (Aaa, AAA, and AAA).

Budget Highlights

The budget for the Debt Service fund is \$56,805,548, which reflects a 3.2 percent decrease when compared to the FY2014-15 Approved Budget. Of the total, \$38,174,821 is payment towards the principal amount owed, \$18,580,727 is interest owed on the debt, and \$50,000 fees paid related to the service of the debt.

Another way to view the debt service anticipated to be paid in FY2015-16 is by service area, of which \$35,411,580 is payment on Education debt, \$17,999,230 is payment on debt related to General Government functions, and \$3,394,738 is debt related to Public Works projects.

As noted earlier, this budget does not include debt related to the Water and Sewer Enterprise Fund or debt related to the construction of the James River Juvenile Detention Center (JRJDC). The debt service payments for those functions are included in their respective budgets.

Included in the FY2015-16 budget for debt service is \$700,000 for the planned issue of \$39,100,000 for the replacement of the County's 800 MHz communication system. This reflects an interest payment for issuing debt in FY2015-16 and assumes a ten-year payback. The total cost of this project is estimated to exceed \$60.0 million. The remaining balance will be paid with pay-as-you-go (PAYGO) funding.

There are three types of debt the County has issued over the past 18 years that the County will pay debt service on in FY2015-16: General Obligation (GO) Bonds, Virginia Public School Authority (VPSA) Bonds, and Lease/Revenue Bonds.

General Obligation (GO) Debt

Of the total debt service in FY2015-16, \$42,987,600 is related to General Obligation (GO) Bonds. This debt vehicle is issued against the full faith and credit of the County and must be approved by the voters of Henrico. All of the debt service related to GO Bonds is for debt issued as part of two referenda: November 2000 and March 2005.

In November 2000, the County's voters approved a \$237,000,000 GO Bond Referendum. The referendum included projects for Schools, Fire, Public Library, Public Works – road projects, and Recreation and Parks. Of the total \$237,000,000 referendum approved by the voters, Education projects totaled \$170,500,000 and General Government projects totaled \$66,500,000. The financing plan that supported the 2000 GO Bond Referendum utilized \$12,600,000 in VPSA interest earnings and \$4,100,000 from the County's General Fund balance.

The GO Bond referendum approved in November 2000, anticipated the issuance of GO Bonds over a seven year period from FY2000-01 to FY2006-07. In actuality GO Bonds were issued six times over a seven year period with the final issue in November 2006. The following table provides a summary of each GO Bond issue.

Fiscal Year	Amount	Issue Date
FY2000-01	\$37,110,000	May 2001
FY2001-02	\$27,035,000	February 2002
FY2002-03	\$50,230,000	January 2003
FY2003-04	\$38,920,000	May 2004
FY2005-06	\$46,729,550	August 2005
FY2006-07	\$33,169,057	November 2006

Debt Service Fund (cont'd)

On March 8, 2005, the County voters approved a \$349,300,000 General Obligation (GO) Bond Referendum. The referendum included projects for Schools, Fire, Public Library, Public Works – one road project - and Recreation and Parks. Of the total \$349,300,000 referendum approved by the voters, Education projects totaled \$220,000,000 and General Government projects totaled \$129,300,000. The financing plan funded the projects over a seven year period instead of a six year period. By stretching the period of debt issuance over seven years, the debt service and operating costs for these projects came on line more slowly and allowed the maximum use of incremental County resources. The following table provides a summary of each GO Bond issue.

Fiscal Year	Amount	Issue Date
FY2005-06	\$31,085,450	August 2005
FY2006-07	\$38,745,943	November 2006
FY2007-08	\$29,810,000	January 2008
FY2008-09	\$93,090,000	November 2008
FY2009-10	\$0	Delayed to FY11.
FY2010-11	\$72,205,000	July 2010
FY2011-12	\$66,075,000	August 2011

Because of the difficult economic environment, the County chose to take the prudent approach and delay the planned FY2009-10 issuance of GO Bonds one year, to FY2010-11. This decision also pushed back the originally planned bond issues for FY2010-11 and FY2011-12 one year as well.

VPSA Bonds

The second debt instrument utilized that the County will pay debt service on in FY2015-16 is debt issued through the Virginia Public School Authority. VPSA Bonds may only be utilized for school improvements, but do not require a vote of the citizens to issue. However, the debt issued is recorded as a liability therefore is included when calculating the County's debt affordability.

There are four VPSA Bond issues for which debt service in the amount of \$8,372,478 will be paid in FY2015-16: 1996, 1999, 2000, and 2008. The following table provides a summary of each issue.

Fiscal Year	Amount	Issue Date
FY1996-97	\$30,595,000	November 1996
FY1998-99	\$35,740,000	May 1999
FY1999-00	\$15,215,000	May 2000
FY2008-09	\$44,440,000	July 2008

Lease/Revenue Bonds

The third debt instrument utilized that the County will pay debt service on in FY2015-16 is lease/revenue bonds issued through the then Industrial Development Authority, now known as the Henrico Economic Development Authority. These bonds were initially issued in 1996 and 1998 in the amounts of \$28,765,000 and \$26,765,000 respectively and utilized to build the County's Emergency Communications and Training Center, renovate what became the Public Safety Building, purchase an 800 MHz Communication System, renovate several facilities and enhance the County's technology systems. In 2009, the County refunded the balance of these bonds to achieve savings on these bonds (more details follow).

Bond Refundings

During the economic downturn, the County reviewed each coupon of debt issued in order to try to find savings in debt service costs. In total, the County since 2009 was able to find \$14,450,000 in savings for the debt service fund. In addition, another \$14,550,000 in savings was realized for the Water and Sewer Enterprise Fund through targeted refunding efforts.

In May 2009, the County refunded two prior debt issues, the 2001 and 2002 GO Bonds, totaling \$33,785,000 in all. Due to favorable interest rates on AAA bond issues, refunding these two debt issues reduced the County's interest cost by \$1.84 million over the balance of the debt payments. In August 2009, the County refunded two more prior debt issues, the 1996 Industrial Development Authority (IDA) Lease Revenue Bonds and the 1998 IDA Lease Revenue Bonds, totaling \$36,425,000 in all. These bond refundings generated savings of \$5.2 million over the balance of the debt payments. In May 2010, the County refunded \$119,735,000 in total debt, associated with six individual debt issues. These bond refundings generated a gross savings of \$3.9 million over the balance of the debt payments. In September 2012, the County refunded \$37,500,000 from three prior debt issues, the August 2005 Series GO Bonds, the November 2006 Series GO Bonds, and the August 2010 Series A GO Bonds. This bond refunding generated \$2.4 million in savings over the balance of the debt payments.

It should be noted the budget for FY2015-16 assumes \$255,000 in savings for a debt refunding, including both GO bonds and VPSA bonds. This refunding will

Debt Service Fund (cont'd)

occur in the spring of 2015 and will reduce amortized debt service payments over the life of the bonds.

FUDICIARY FUNDS

**COUNTY OF HENRICO, VIRGINIA
REVENUES & EXPENDITURES - AGENCY FUNDS
FY 2015-16**

<u>Fund-Function/Activity</u>	<u>FY 13-14 Actual</u>	<u>FY 14-15 Original</u>	<u>FY 15-16 Approved</u>
JRJDC Agency Fund			
Revenues:			
Transfer from General Fund	\$3,272,393	\$3,297,020	\$3,426,586
Revenue from Federal Government	84,870	0	0
Revenue from the Commonwealth	1,596,771	1,513,273	1,631,369
Revenue from Goochland/Powhatan	411,784	403,702	423,888
Revenue from Other Localities	5,478	0	0
Interest Income	7,243	0	0
(To) From Fund Balance-JRJDC	113,289	268,002	169,762
Total Revenues	<u>\$5,491,828</u>	<u>\$5,481,997</u>	<u>\$5,651,605</u>
Expenses:			
Operating	\$4,823,479	\$4,809,033	\$4,980,278
Debt Service	668,349	672,964	671,327
Total Expenses	<u>\$5,491,828</u>	<u>\$5,481,997</u>	<u>\$5,651,605</u>
Other Post Employment Benefits - GASB 45			
Revenues:			
Transfer from General Fund	\$2,500,000	\$2,500,000	\$2,750,000
Total Revenues	<u>\$2,500,000</u>	<u>\$2,500,000</u>	<u>\$2,750,000</u>
Expenses:			
Operating	\$2,500,000	\$2,500,000	\$2,750,000
Total Expenses	<u>\$2,500,000</u>	<u>\$2,500,000</u>	<u>\$2,750,000</u>
Line of Duty Act (LODA)			
Revenues:			
Operating Transfer from General Fund	\$481,636	\$500,000	\$550,000
Total Revenues	<u>\$481,636</u>	<u>\$500,000</u>	<u>\$550,000</u>
Expenses:			
Operating	\$481,636	\$500,000	\$550,000
Total Expenses	<u>\$481,636</u>	<u>\$500,000</u>	<u>\$550,000</u>

JRJDC AGENCY FUND

James River Juvenile Detention Center

Description

The James River Juvenile Detention Center detains youth who are awaiting court action in Henrico, Goochland, or Powhatan counties for committing criminal offences. Additionally, some youth may be sentenced for up to six months after having been found guilty of an offense. This group includes criminal offenders, children in need of supervision, and certain traffic offenders. The facility can house up to 60 youths, who are offered psychological screening and follow-ups as needed, as well as programs in education and recreation, and opportunities for success through a high expectation management program.

Objectives

- To operate a safe and secure facility for residents and staff, free of serious incidents.
- To establish and maintain a quality system of health and physical care for residents.
- To provide quality programs and services for residents that enable them to return to their communities better equipped for a productive, crime-free life.
- To encourage and develop the professional skills of all employees.

Budget Highlights

The James River Juvenile Detention Commission (JRJDC) is a regional organization of Goochland, Powhatan, and Henrico Counties, formed to operate a juvenile detention facility. Henrico as majority partner serves as the fiscal agent for the operation of the JRJDC. This arrangement eliminates the need for the Commission to duplicate various administrative functions related to personnel matters, procurement activities, and the management of accounting and budgeting efforts.

The operating budget for the JRJDC (excluding debt service) totals \$4,944,278 for FY2015-16. Personnel costs are budgeted to increase by \$135,245, or 3.2 percent, due to higher salary costs stemming from full recognition of the raise that became effective in December of 2014, along with a partial year 2.0 percent wage scale increase in FY2015-16. The budget for operating funds reflects an increase of \$36,000 or 6.0 percent, which stems from initiating annual support of the post-dispositional program that had previously been funded through amendments to the JRJDC budget. Capital outlay totaling \$9,130 is also included in this budget for replacement of furniture as well as medical and recreational equipment.

The average daily population of the facility decreased from 56 during FY2012-13, to 41 during FY2013-14.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 4,053,742	\$ 4,200,522	\$ 4,335,767	3.2%
Operation	752,539	599,381	635,381	6.0%
Capital	17,198	9,130	9,130	0.0%
Debt	\$ 668,349	\$ 672,964	\$ 671,327	(0.2%)
Total	<u>\$ 5,491,828</u>	<u>\$ 5,481,997</u>	<u>\$ 5,651,605</u>	<u>3.1%</u>
Personnel Complement*	N/A	N/A	N/A	N/A

*The Commission has approved funding for 66 full-time positions and 1 part-time position. All positions are Complement III.

Performance Measures

	FY14	FY15	FY16	Change 15 to 16
Workload Measures				
Admissions - Secure Detention	689	600	625	25
Average Daily Population	41	40	44	4
Admissions - Post Dispositional	40	30	35	5
Number of Female Groups Run by Clinicians	46	44	45	
Number of Sub. Abuse Groups Run by Clinicians	45	42	45	3

The majority of this difference is due to the end of the JRJDC’s contract with the City of Richmond to serve detained youth while the Richmond juvenile detention facility was temporarily closed for all of FY2012-13. That agreement called for the JRJDC to serve approximately 10 residents from the City per day for a fee that was approximately \$50,000 per month. The City of Richmond reopened its juvenile detention facility in FY2013-14, so no further revenues, or service requirements are anticipated.

On December 19, 2014, the Commission met and approved a budget submission, which reflects funding needed to operate the facility on a day-to-day basis. The approved budget includes sufficient funding for food, clothing, linens, toiletries, medical services, utilities and maintenance of the facility.

In FY2015-16, the Commission will bill each participating locality their operating share based on the number of beds assigned in the 60-bed facility. Per the JRJDC agreement, Henrico has 52 beds and Powhatan and Goochland have 4 beds each. This allocation results in the Commission billing the participating localities for the operating costs at the following percentages: Henrico - 86.6 percent, Powhatan - 6.7 percent and Goochland - 6.7 percent.

State aid for the Commission is estimated at \$1,631,368 for FY2015-16. This figure is increased by \$118,095, or 7.8 percent, from the FY2014-15 estimate for this revenue.

The Commission projects the use of \$169,762 of fund balance as part of the budget for FY2015-16. While the Commission has often used this budgeting practice, actual use of fund balance has been minimal.

As of June 30, 2014, the Commission had a fund balance of \$2,545,383.

The Commission has budgeted debt payments totaling \$671,327 in the JRJDC Debt Service Fund for FY2015-16. These payments are paid entirely with local funds from Henrico. This payment will complete the process of paying the debt for construction of the facility.

The following is a list of State aid to the Commission for the fiscal years that the JRJDC has been in full operation. The FY2013-14 level of funding was relatively unchanged from levels in FY2001-02, the first full year of operations for the facility.

Fiscal Year	State Aid
2001-02	\$1,570,378
2002-03	\$1,077,234
2003-04	\$1,130,195
2004-05	\$1,346,574
2005-06	\$1,328,775
2006-07	\$1,519,703
2007-08	\$1,554,710
2008-09	\$1,522,679
2009-10	\$1,432,612
2010-11	\$1,412,270
2011-12	\$1,417,499
2012-13	\$1,571,668
2013-14	\$1,596,771
2014-15	\$1,513,273*
2015-16	\$1,631,368*

* Figures for FY2014-15 and FY2015-16 are projections

While estimates of revenues coming to the JRJDC from the State are based on the most recent information received, uncertainties about the amount of State support persist.

OTHER POST EMPLOYMENT BENEFITS AGENCY FUND

Other Post Employment Benefits (OPEB)

Budget Highlights

The budget for FY2015-16 provides funding of \$2,750,000 for costs associated with the accounting requirement from the Governmental Accounting Standards Board (GASB) known as GASB 45, which went into effect in FY2007-08. The GASB 45 pronouncement (*Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*) presented funding issues for many local governments throughout the United States.

Non-pension benefits provided to employees after employment ends are referred to as Other Post Employment Benefits or OPEB. The definition of OPEB, according to the Governmental Accounting Standards Board (GASB), includes health insurance coverage for retirees and their families, dental insurance, life insurance, and term care coverage. Other post employment benefits are a part of the compensation package employees earn each year, even though the benefits are not received until employment has ended. For Henrico County, these benefits are confined to retiree health insurance and specifically, for those retirees that opt to remain with the County's health care provider.

The rating agencies now consider OPEB funding status in their evaluations of government financial condition. It is possible that bond ratings may suffer for those governments with large and/or mounting liabilities and no defined way to pay for these future costs. Under the guidelines, OPEB financial information will

be produced using actuarial valuations performed in accordance with GASB standards. The actuarial valuations should be performed at least every two years for plans that administer OPEB for 200 or more plan members (active and retired) or every three years for plans with fewer than 200 members. Henrico County's update was completed as of June 30, 2013.

As a result of the financial reporting requirements of the Governmental Accounting Standards Board (GASB), this fiduciary fund was created in FY2007-08. This fund allows the County to budget for the annual cost of public employee non-pension benefits and all outstanding obligations and commitments related to OPEB in the same manner as reporting financial information for pensions. It is the intent of the County of Henrico to fully meet the GASB 45 funding requirement that began in FY2007-08. Due to Henrico's aggressive funding of GASB 45 requirements in FY2007-08, FY2008-09, and FY2010, Henrico was able to reduce funding in FY2010-11 to \$3,000,000. The County chose in FY2012-13 to fund the Line of Duty Act benefit by reducing the General Fund payment to this Fiduciary Fund. The allocation for FY2013-14 and FY2014-15 remained constant at \$2,500,000. The allocation of \$2,750,000 for FY2015-16 reflects an increase of \$250,000 from the FY2014-15 budget and is forecasted to meet the anticipated funding requirements. Future contributions will continue to be based on completed independent actuarial analysis.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
OPEB contribution	\$ 2,500,000	\$ 2,500,000	\$ 2,750,000	10.0%
Total OPEB	\$ 2,500,000	\$ 2,500,000	\$ 2,750,000	10.0%

LINE OF DUTY – FIDUCIARY FUND

Line of Duty

Description

The Line of Duty Fiduciary Fund was created in the FY2012-13 Annual Fiscal Plan due to a mandate from the Commonwealth of Virginia that requires localities to pay the cost of this State approved benefit. The Line of Duty benefit was initially approved by the General Assembly as an additional life insurance payment for public safety employees that die in the line of duty. However, the General Assembly expanded the benefit during the 1998 session of the General Assembly to include health insurance coverage. The health insurance benefit covers the public safety employee that dies or becomes disabled in the line of duty as well as their spouse and dependents. The expanded benefit was effective July 1, 2000.

During the 2010 session of the General Assembly, due to the increasing cost of this State benefit directly related to the increasing cost of providing healthcare insurance, the 2010-2012 Biennial Budget passed the cost of the line of duty benefits from the Commonwealth of Virginia to localities. Localities were given two options to pay for the line of duty costs. The first option was for localities to pay the costs of the

line of duty benefits directly. The second option was to participate in a line of duty pool administered by the Virginia Retirement System (VRS). The County of Henrico chose the first option to pay the costs of the program directly.

Budget Highlights

The budget for FY2015-16 totals \$550,000 and reflects an increase of \$50,000 from the previous approved budget. This additional funding is needed in order to provide for projected cost increases associated with the Line of Duty payments.

As a result of the General Assembly passing the cost of this State approved benefit to localities, a new fiduciary fund was created for FY2012-13 with an original forecasted budget of \$500,000. This fiduciary fund allows the County to budget for the annual cost of the Line of Duty. Currently, this benefit provides coverage for 42 retirees at an average monthly cost of \$1,001 per retiree.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Line of Duty contribution	\$ 481,636	\$ 500,000	\$ 550,000	10.0%
Total Line of Duty	<u>\$ 481,636</u>	<u>\$ 500,000</u>	<u>\$ 550,000</u>	<u>10.0%</u>

ADJUSTMENTS

Description

Resources to support the Central Automotive Maintenance operation, the Technology Replacement functions, and the Healthcare Fund in the Internal Service Funds, come via transfers from other operating departments in the form of interdepartmental billings and transfers from the operating Funds, as required. To avoid a duplication of those anticipated expenditures, the amount of funds budgeted for Internal Service Fund activities are deducted from total budget requests.

Objectives

- To be sure that any anticipated expenditure in the Internal Service Fund is recognized and offset by a negative entry of like amount to avoid duplication of anticipated expenditures to be billed to other departments.

Budget Highlights

The amount to be funded through interdepartmental billings is determined by the level of service required by the user departments. Service levels for those

departments can be found within their individual operating budgets.

Beginning in FY1996-97, only the Central Automotive Maintenance operation was accounted for in the Internal Service Fund. Prior to FY1996-97, all County Information Technology operations were also in the Internal Service Fund. The Department of Information Technology was moved and is accounted for in the General Fund where its activities can more properly be reported at year-end. Since FY2000-01, the Technology Replacement Fund has been accounted for as an Internal Service Fund. This Fund allows the County to replace all computers on a scheduled basis, thereby avoiding large, one-time increases in this area. Effective January 1, 2008, the County's health care program transitioned to a self-insurance program. The Healthcare Fund has been designated as an Internal Service Fund as the majority of its funding is budgeted in departmental budgets. The health care costs that are budgeted within departmental budgets are included in the adjustment, while revenues from outside sources are not included in the adjustment.

Annual Fiscal Plan

<u>Description</u>	<u>FY14 Actual</u>	<u>FY15 Original</u>	<u>FY16 Approved</u>	<u>Change 15 to 16</u>
Total	\$ (87,227,389)	\$ (92,195,429)	\$ (94,525,252)	2.5%



CAPITAL BUDGET

CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) accounts for capital improvement projects that generally require a significant outlay of funds and have a project life of longer than one year. Once funds are appropriated to the Capital Projects Fund for a project, the funds remain appropriated until the project is completed.

Henrico County's capital improvement needs and funding requirements are outlined in a separate document - the Capital Improvement Program FY2015-16 through FY2019-20. The CIP represents infrastructure improvements requested by County departments over the next five years to meet existing and future service obligations. In evaluating each of the projects, the CIP process takes into account such factors as population growth, density, desired service levels, economic development concerns, and the County's fiscal condition. In the end, the CIP reflects the needs and desires of the residents of Henrico.

The CIP also represents a balance between available resources and competing County priorities. Service demands continue to complicate the task of allocating limited resources. Those projects associated with the maintenance of existing infrastructure that have an identifiable funding source have been approved for funding in FY2015-16. These projects include infrastructure improvements associated with water and sewer transmission and routine maintenance associated with Education facilities to ensure the County's existing infrastructure remains sound. Although many other projects are also needed, funding constraints necessitate only the highest priority projects be recommended for funding in FY2015-16.

The Capital Improvement Program provides for the orderly and systematic financing and acquisition of public improvements. It also provides information for the individual taxpayer, neighborhood councils, and other civic groups interested in the County's development plan; a statement of intention for Federal and State agencies who provide grants-in-aid to the County; and a source of information for potential investors who may purchase municipal securities. By projecting and scheduling capital improvements in advance of actual needs, the County obtains several advantages.

1. Reduction of the need for "crash programs" to finance the construction of County facilities.
2. Budgeting takes place within a system, which assures capital projects will be built according to a predetermined priority system while planning in advance for revenue needed to finance and complete these capital projects.
3. Advance planning ensures projects are well thought out in advance of construction.
4. It permits major purchases to be scheduled in conjunction with favorable market conditions.
5. Coordination with the operating budget is ensured. An important aspect of capital improvement planning is the affect capital expenditures have upon the annual operating cost of the County. When a new facility is established, it must be maintained and staffed, and obligations, which begin when it is made operational, will become continuous. Within the approved FY2015-16 Operating budget, all operating costs arising from current and previously approved capital projects that are becoming operational have been accounted for through a crosswalk analysis that is updated annually.

Funding for CIP projects typically comes from current revenues (pay-as-you-go financing). The operating budget is the primary mechanism through which current revenues are appropriated to capital projects. It is important to note that the FY2015-16 CIP includes the Education Meals Tax revenue which was approved by the voters in November 2013. A total of \$11.0 million associated with this revenue has been dedicated to various school maintenance and rehabilitation projects. In addition, funding of \$29.3 million associated with revenue bond financing is included for Public Utilities projects. Other sources of financing for the CIP can include State Construction grants, State Lottery funds, State Transportation funds, State Wireless E-911 funds, and Enterprise Fund resources.

Capital Improvement Program (cont'd)

The amount appropriated for capital projects each year is based on the Capital Improvement Program in effect at the time of the development of the capital budget. The FY2015-16 through FY2019-20 CIP requests of \$1,533,818,059 represents a decrease of \$286,719,058 from the current FY2014-15 through FY2018-19 CIP of \$1,820,537,117. These needs are put forward

by departments, and prioritized by the departments over the five-year period. The Capital Budget for FY2015-16 funds \$109,634,772 in the first year of the CIP.

The revenue sources approved for the FY2015-16 Capital budget are as follows:

<u>Revenue Sources:</u>	<u>Approved FY2015-16</u>
Capital Projects Fund:	
General Fund Operating Budget Transfers:	
General Fund Balance	\$ 5,000,000
General Fund - Designated Capital Reserve	10,430,000
General Fund - Education Meals Tax Revenue	9,000,000
General Fund - FY14 Meals Tax	1,990,470
General Fund - Capital Initiatives	1,000,000
General Fund - Public Works Reserve	6,531,502
General Fund - Permit Fees Revenue	500,000
General Fund - Stormwater Dedication	2,348,000
General Fund Revenues	1,000,000
Motor Vehicle License Fee Revenue - Public Works	850,000
Subtotal - General Fund Operating Budget Transfers:	<u>\$ 38,649,972</u>
Other Revenue:	
Donation	\$ 160,000
Special Revenue Fund Balance	500,000
Subtotal - Other Revenue	<u>\$ 660,000</u>
Subtotal - Capital Projects Fund	<u>\$ 39,309,972</u>
Vehicle Replacement Reserve:	
General Fund Operating Budget Transfers:	
General Fund Revenues	\$ 4,824,800
Subtotal - Vehicle Replacement Reserve	<u>\$ 4,824,800</u>
Enterprise Fund:	
Revenue Bonds	\$ 29,300,000
Water and Sewer Revenues	36,200,000
Subtotal - Enterprise Fund	<u>\$ 65,500,000</u>
Total Capital Budget Revenues	<u><u>\$ 109,634,772</u></u>

Capital Improvement Program Calendar

Capital Improvement Program (CIP) preparation requires careful scheduling so the responsible officials are given adequate time and complete information to make sound program decisions. The large volume of data to be compiled into a clear, concise project request, requires the steps in the budget-making process be taken in scheduled and logical sequence. The Capital Improvement Program calendar provides, in chronological order, the key dates set each year to ensure prompt and efficient preparation and adoption of the Capital Budget:

MIDDLE OF JULY - Call for CIP estimates, calendar of dates, and other related information sent to departments.

FIRST WEEK OF SEPTEMBER - Deadline for submission of CIP requests to the Office of Management and Budget.

FIRST WEEK OF OCTOBER - Office of Management and Budget briefs CIP Review Committee and County Manager on status of CIP requests.

FOURTH WEEK OF NOVEMBER - Office of Management and Budget furnishes CIP Review Committee with details and summaries of departmental CIP requests.

SECOND WEEK OF DECEMBER – The County Manager and the CIP Review Committee conducts executive reviews with departments.

MIDDLE OF JANUARY – The County Manager and the CIP Review Committee submits the CIP and recommended Capital Budget to the Planning Commission.

MIDDLE OF JANUARY – Planning Commission announces a public hearing on the CIP for middle of February.

MIDDLE OF FEBRUARY – Planning Commission conducts public hearing and submits comments on CIP to the County Manager.

SECOND WEEK OF APRIL – Board of Supervisors conducts public hearing on the proposed Capital Budget.

LAST WEEK OF APRIL - Board of Supervisors adopts Capital Budget.

County of Henrico, Virginia
Approved Capital Budget
FY2015-16

Project Number	Project Name	Approved FY2015-16
Capital Projects Fund		
<u>General Fund</u>		
00518	Roof Replacements - Education	\$ 892,500
00527	Mechanical Improvements - Education	1,607,500
	Subtotal - Education	<u>\$ 2,500,000</u>
06186	NW Fire Station #19	\$ 6,240,000
	Subtotal - Fire	<u>\$ 6,240,000</u>
00572	Mechanical Improvements	\$ 550,000
00425	Roof Replacement and Rehabilitation	300,000
00423	Pavement Rehabilitation	400,000
07038	Dumbarton Library Repurpose	190,000
	Subtotal - General Services	<u>\$ 1,440,000</u>
06481	Information Technology Projects	\$ 600,000
	Subtotal - Information Technology	<u>\$ 600,000</u>
00429	Geographic Information System	\$ 150,000
	Subtotal - Information Technology - GIS	<u>\$ 150,000</u>
00845	Bridge Rehabilitation	\$ 6,531,502
	Subtotal - Public Works - Roadway	<u>\$ 6,531,502</u>
07046	Chesapeake Bay TMDL/MS4 Compliance	\$ 2,348,000
	Subtotal - Public Works - Stormwater	<u>\$ 2,348,000</u>
06194	Facility Rehabilitation	\$ 500,000
06219	Greenwood Park	6,000,000
	Subtotal - Recreation and Parks	<u>\$ 6,500,000</u>
	Subtotal - General Fund	<u>\$ 26,309,502</u>
<u>General Fund Revenue - Education Meals Tax</u>		
06899	Education Meals Tax Project Reserve	\$ 9,000,000
	Subtotal - General Fund Revenue - Education Meals Tax	<u>\$ 9,000,000</u>
<u>General Fund Revenue - FY14 Meals Tax</u>		
06899	Education Meals Tax Project Reserve	\$ 1,990,470
	Subtotal - General Fund Revenue - FY14 Meals Tax	<u>\$ 1,990,470</u>

County of Henrico, Virginia
Approved Capital Budget
FY2015-16

Project Number	Project Name	Approved FY2015-16
Capital Projects Fund		
(Continued)		
<u>General Fund Revenue - Permit Fees</u>		
01033	Tidemark Replacement	\$ 500,000
	Subtotal - General Fund Revenue - Permit Fees	\$ 500,000
<u>General Fund Revenue - Public Works (Motor Vehicle License Fee)</u>		
00499	General Road Construction	\$ 850,000
	Subtotal - General Fund Revenue - Public Works	\$ 850,000
<u>Special Revenue Fund Balance</u>		
06841	Fire Station Alerting System	\$ 500,000
	Subtotal - Special Revenue Fund Balance	\$ 500,000
<u>Donation</u>		
06186	NW Fire Station #19	\$ 160,000
	Subtotal - Fire	\$ 160,000
	Total - Capital Projects Fund	\$ 39,309,972
Vehicle Replacement Reserve		
<u>General Fund</u>		
06690	School Bus Replacement Program	\$ 1,000,000
	Subtotal - Education	\$ 1,000,000
06692	Fire Apparatus Replacement Program	\$ 1,500,000
	Subtotal - Fire	\$ 1,500,000
06691	Police Vehicle Replacement Program	\$ 2,324,800
	Subtotal - Police	\$ 2,324,800
	Total - Vehicle Replacement Reserve	\$ 4,824,800

County of Henrico, Virginia
Approved Capital Budget
FY2015-16

Project Number	Project Name	Approved FY2015-16
Enterprise Fund - Public Utilities		
<u>Other Local Revenue</u>		
00782	New Sewer Connections	\$ 100,000
00772	Sewer Line Extensions	400,000
00743	Sewer Pump Station Improvements	2,700,000
00737	Sewer Reloc., Adjustments & Crossings	200,000
00725	Plan Review and Inspection	1,600,000
06492	Roof Replacement	50,000
01076	Strawberry Hill Basin Sewer Rehab	9,000,000
06139	Gillies Creek Basin Sewer Rehabilitation	4,900,000
00735	Water Reclamation Facility Improvements	1,900,000
06445	Strawberry Hill SPS Capacity Improv.	6,000,000
07024	Tuckahoe Creek 27" Sewer Replacement	300,000
	Subtotal - Other Local Revenue	<u>\$ 27,150,000</u>
<u>Revenue Bonds</u>		
00732	Sewer Line Rehabilitation	\$ 4,000,000
06459	Broadwater Creek I SPS & FEB	5,300,000
	Subtotal - Revenue Bonds	<u>\$ 9,300,000</u>
	Subtotal - Sewer	<u>\$ 36,450,000</u>
<u>Other Local Revenue</u>		
00771	New Water Connections	\$ 100,000
00770	Water Line Extensions	300,000
00768	Water Line Rehabilitation	3,000,000
00769	Water Pumping Station Improvements	100,000
00780	Water Meters	350,000
00767	Water Relocations, Adjustments & Crossings	200,000
00811	Information Technology Projects	5,000,000
	Subtotal - Other Local Revenue	<u>\$ 9,050,000</u>
<u>Revenue Bonds</u>		
06125	Cobbs Creek (Cumberland) Reservoir	\$ 20,000,000
	Subtotal - Revenue Bonds	<u>\$ 20,000,000</u>
	Subtotal - Water	<u>\$ 29,050,000</u>
	Total - Enterprise Fund - Public Utilities	<u><u>\$ 65,500,000</u></u>
TOTAL APPROVED CAPITAL BUDGET FOR FY2015-16		<u><u>\$ 109,634,772</u></u>

Capital Improvement Program Summary

Fiscal Year 2015-16 through Fiscal Year 2019-20

By Department	Approved FY2015-16	Requested FY2015-16	Requested FY2016-17	Requested FY2017-18	Requested FY2018-19	Requested FY2019-20	Total Requested
Capital Projects Fund							
Education	13,490,470	11,500,000	157,336,348	94,105,997	58,367,364	202,114,035	523,423,744
Finance	0	440,726	0	0	0	0	440,726
Fire	6,900,000	9,341,600	3,979,553	9,040,933	9,041,795	13,147,545	44,551,426
General Services	1,440,000	6,959,753	24,074,408	3,707,442	29,702,192	44,889,903	109,333,698
Information Technology	1,100,000	4,100,000	1,400,000	1,400,000	900,000	900,000	8,700,000
Information Technology - GIS	150,000	450,000	450,000	450,000	150,000	150,000	1,650,000
Mental Health	0	749,625	2,431,838	16,832,621	2,153,365	14,419,994	36,587,443
Police	0	2,080,516	28,113,569	0	0	0	30,194,085
Public Library	0	0	32,521,219	0	0	0	32,521,219
Public Works - Drainage	0	0	6,749,306	4,163,781	14,266,297	10,495,786	35,675,170
Public Works - Roadway	7,381,502	3,386,000	2,850,000	16,024,000	1,350,000	1,350,000	24,960,000
Public Works - Stormwater	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	11,740,000
Recreation	6,500,000	29,702,720	20,203,564	43,751,390	8,572,159	21,870,102	124,099,935
Registrar	0	1,361,975	0	0	0	0	1,361,975
Sheriff	0	298,207	2,927,294	24,531,843	8,829,399	12,824,507	49,411,250
Total	39,309,972	72,719,122	285,385,099	216,356,007	135,680,571	324,509,872	1,034,650,671
Vehicle Replacement Reserve							
Education	1,000,000	0	0	0	0	0	0
Fire	1,500,000	0	0	0	0	0	0
Police	2,324,800	0	0	0	0	0	0
Total	4,824,800	0	0	0	0	0	0
Enterprise Fund - Utilities							
Public Utilities - Sewer	36,450,000	72,450,000	83,900,000	52,375,000	35,825,000	50,500,000	295,050,000
Public Utilities - Water	29,050,000	31,050,000	126,150,000	13,150,000	5,050,000	26,725,000	202,125,000
Total	65,500,000	103,500,000	210,050,000	65,525,000	40,875,000	77,225,000	497,175,000
Enterprise Fund							
Recreation	0	0	520,127	313,846	340,689	817,726	1,992,388
Total	0	0	520,127	313,846	340,689	817,726	1,992,388
Grand Total	109,634,772	176,219,122	495,955,226	282,194,853	176,896,260	402,552,598	1,533,818,059
By Revenue Source	Approved FY2015-16	Requested FY2015-16	Requested FY2016-17	Requested FY2017-18	Requested FY2018-19	Requested FY2019-20	Total Requested
Capital Projects Fund							
Donation	160,000	160,000	0	0	0	0	160,000
General Fund	26,309,502	45,945,426	40,231,505	6,434,141	6,925,845	8,626,867	108,163,784
General Fund - Education Meals Tax	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	45,000,000
General Fund - FY14 Meals Tax	1,990,470	0	0	0	0	0	0
General Fund - Permit Fees	500,000	500,000	500,000	500,000	0	0	1,500,000
General Fund - Public Works	850,000	850,000	850,000	850,000	850,000	850,000	4,250,000
No Funding Source	0	15,522,096	234,075,544	199,571,866	118,904,726	306,033,005	874,107,237
Special Revenue Fund Balance	500,000	741,600	728,050	0	0	0	1,469,650
Total	39,309,972	72,719,122	285,385,099	216,356,007	135,680,571	324,509,872	1,034,650,671
Vehicle Replacement Reserve							
General Fund	4,824,800	0	0	0	0	0	0
Total	4,824,800	0	0	0	0	0	0
Enterprise Fund - Utilities							
Enterprise Fund	36,200,000	72,450,000	27,900,000	49,775,000	22,625,000	30,725,000	203,475,000
Revenue Bonds	29,300,000	31,050,000	182,150,000	15,750,000	18,250,000	46,500,000	293,700,000
Total	65,500,000	103,500,000	210,050,000	65,525,000	40,875,000	77,225,000	497,175,000
Enterprise Fund							
Enterprise Fund	0	0	520,127	313,846	340,689	817,726	1,992,388
Total	0	0	520,127	313,846	340,689	817,726	1,992,388
Grand Total	109,634,772	176,219,122	495,955,226	282,194,853	176,896,260	402,552,598	1,533,818,059

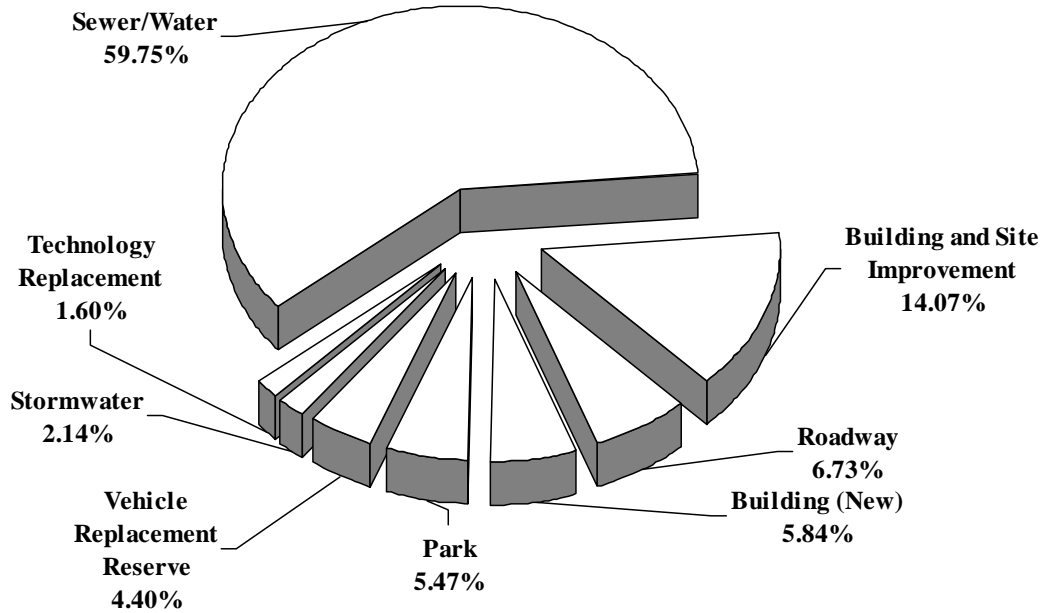
Capital Improvement Program Summary

Fiscal Year 2015-16 through Fiscal Year 2019-20

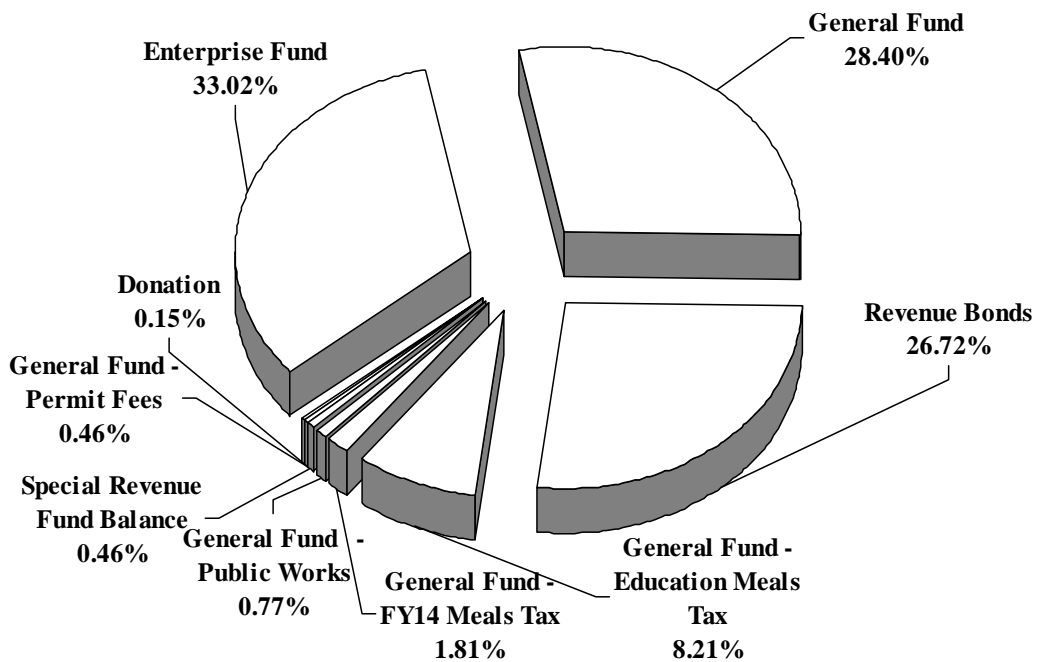
By Project Type	Approved FY2015-16	Requested FY2015-16	Requested FY2016-17	Requested FY2017-18	Requested FY2018-19	Requested FY2019-20	Total Requested
Capital Projects Fund							
Building (New)	6,400,000	11,530,888	54,285,471	50,405,397	15,883,249	193,095,859	325,200,864
Building Addition	0	0	0	7,132,884	2,153,365	27,145,801	36,432,050
Building Improvement	14,530,470	18,676,067	166,854,027	86,681,268	84,667,745	62,770,401	419,649,508
Drainage	0	0	6,749,306	4,163,781	14,266,297	10,495,786	35,675,170
Land	0	749,625	0	0	0	0	749,625
Park	6,000,000	25,641,386	0	23,948,616	0	15,696,630	65,286,632
Roadway	7,381,502	3,386,000	2,850,000	16,024,000	1,350,000	1,350,000	24,960,000
Site Improvement	900,000	4,693,581	21,606,676	23,802,061	13,961,915	10,557,395	74,621,628
Stormwater	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	11,740,000
Technology Improvement	1,750,000	5,693,575	30,691,619	1,850,000	1,050,000	1,050,000	40,335,194
Total	39,309,972	72,719,122	285,385,099	216,356,007	135,680,571	324,509,872	1,034,650,671
Vehicle Replacement Reserve							
Vehicle Replacement Reserve	4,824,800	0	0	0	0	0	0
Total	4,824,800	0	0	0	0	0	0
Enterprise Fund - Utilities							
Sewer	36,450,000	72,450,000	83,900,000	52,375,000	35,825,000	50,500,000	295,050,000
Water	29,050,000	31,050,000	126,150,000	13,150,000	5,050,000	26,725,000	202,125,000
Total	65,500,000	103,500,000	210,050,000	65,525,000	40,875,000	77,225,000	497,175,000
Enterprise Fund							
Golf Course	0	0	520,127	313,846	340,689	817,726	1,992,388
Total	0	0	520,127	313,846	340,689	817,726	1,992,388
Grand Total	109,634,772	176,219,122	495,955,226	282,194,853	176,896,260	402,552,598	1,533,818,059

Approved FY2015-16 Capital Budget \$109,634,772

By Project Type



By Funding Source



**CAPITAL PROJECTS BY DEPARTMENT
FY2015-16**

EDUCATION **\$ 14,490,470**

Education Meals Tax revenue of \$9.0 million and nearly \$2.0 million in FY2013-14 Meals Tax receipts is forecasted for various maintenance and rehabilitation projects for Schools' facilities in FY2015-16. These projects include improvements to school facilities such as bathroom, kitchen, lighting, mechanical, roof, and site improvements. A total of \$2.5 million of General Fund revenue will support ongoing projects related to school roof replacements and mechanical systems improvements. In addition, General Fund resources of \$1.0 million are forecasted within the Vehicle Replacement Reserve for the School Bus Replacement Program.

FIRE **\$ 8,400,000**

A total of \$6.4 million will provide funding towards the construction of the new Fire Station #19, which includes General Fund resources of \$6,240,000 as well as a donation totaling \$160,000. These are in addition to funds already appropriated for this purpose. Special Revenue Fund balance of \$500,000 has been designated for the second phase of an alerting system that will replace the current obsolete system in all of the fire stations. In addition, General Fund resources of \$1.5 million are forecasted within the Vehicle Replacement Reserve for the Fire Apparatus Replacement Program.

GENERAL SERVICES **\$ 1,440,000**

General Fund resources of \$1,440,000 are forecasted to fund ongoing roof, mechanical, pavement rehabilitation projects as well as the Dumbarton Library repurpose project. The library project will allow the County to use this facility as necessary office space after the opening of the Libbie Mill Library.

INFORMATION TECHNOLOGY **\$ 1,100,000**

General Fund revenue of \$600,000 will support various information technology hardware and software upgrades. In addition, funding of \$500,000 associated with Building Inspection's Permit Fee revenue is forecasted for the Tidemark replacement project. This is a multi-year project that would replace the County's Community Development/Operations functions currently maintained in the Tidemark system as the software and database can no longer be upgraded.

INFORMATION TECHNOLOGY - GIS **\$ 150,000**

General Fund revenue of \$150,000 is included for the Geographical Information System (GIS) to continue the accumulation of funds in order to fly over the County on a routine basis.

POLICE **\$ 2,324,800**

General Fund resources of \$2,324,800 are forecasted within the Vehicle Replacement Reserve for the Police Vehicle Replacement Program.

PUBLIC WORKS - ROADWAY **\$ 7,381,502**

General Fund resources of \$6,531,502 are to be utilized for various bridge rehabilitation projects. In addition, Public Works' Motor Vehicle License Fee revenue of \$850,000 has been designated for ongoing general road construction projects.

PUBLIC WORKS - STORMWATER **\$ 2,348,000**

Dedicated General Fund resources of \$2,348,000 are included for an ongoing stormwater project which has been submitted in order to meet the County's Chesapeake Bay Total Maximum Daily Load (TMDL) permit requirement. This project involves the construction of stream restoration, level spreaders, and bio-retention facilities.

RECREATION AND PARKS**\$ 6,500,000**

General Fund revenue of \$500,000 will provide for facility rehabilitation projects at various County parks. In addition, General Fund resources totaling \$6.0 million have been allocated to the Greenwood Park project. This is a multi-year project that will continue the County's sports tourism efforts. A total of \$25.6 million has been budgeted for this project over a five-year period.

SEWER**\$ 36,450,000**

Projects that will be funded by revenues from the use of sewer services include \$9.0 million for the Strawberry Hill basin sewer rehabilitation, \$6.0 million for the Strawberry Hill SPS capacity improvements, \$4.9 million for the Gillies Creek basin sewer rehabilitation, \$1.9 million for the Water Reclamation Facility improvements, and \$300,000 for the Tuckahoe Creek sewer replacement. Funding of \$5,050,000 is also included for new sewer connections, extensions of the existing sewer system, preventive maintenance of various sewer pump stations, plan review and inspection activities, a roof replacement project, and various sewer relocations, adjustments, and crossings projects. Revenue bond financing will be utilized for the sewer line rehabilitation project - \$4.0 million and the Broadwater Creek I SPS & FEB project - \$5.3 million.

WATER**\$ 29,050,000**

Revenue from the use of water services totaling \$9,050,000 will provide funding for information technology projects, new water connections, water line extensions, water line rehabilitation, water pumping station improvements, water meters, and various water relocations, adjustments, and crossings projects. Revenue bond financing of \$20.0 million will be utilized for the Cobbs Creek Reservoir project.

**Capital Improvement Program FY2015-16 through FY2019-20
Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY15-16	Request FY15-16	Request FY16-17	Request FY17-18	Request FY18-19	Request FY19-20	Total Five Year
Education											
00518		Roof Replacements	General Fund	Countywide	892,500	892,500	0	0	0	0	892,500
00527		Mechanical Improvements	General Fund	Countywide	1,607,500	1,607,500	0	0	0	0	1,607,500
06899	1	Education Meals Tax Project Reserve	General Fund - Education Meals Tax	Countywide	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	45,000,000
06899	1	Education Meals Tax Project Reserve	General Fund - FY14 Meals Tax	Countywide	1,990,470	0	0	0	0	0	0
08056	1	Holladay ES (9) Capacity Addition-Renovation	No Funding Source	Brookland	0	11,902,266	0	0	0	0	11,902,266
06305	2	Pemberton ES Renovation	No Funding Source	Tuckahoe	0	14,593,567	0	0	0	0	14,593,567
06304	3	Crestview ES Renovation	No Funding Source	Tuckahoe	0	12,545,741	0	0	0	0	12,545,741
06538	4	Skipwith ES Renovation	No Funding Source	Tuckahoe	0	13,522,464	0	0	0	0	13,522,464
06479	5	Tuckahoe MS Renovation	No Funding Source	Three Chopt	0	29,408,879	0	0	0	0	29,408,879
06388	6	Tucker HS Renovation	No Funding Source	Three Chopt	0	52,114,397	0	0	0	0	52,114,397
06539	7	Seven Pines ES Renovation	No Funding Source	Varina	0	13,257,649	0	0	0	0	13,257,649
06669	8	Tuckahoe District Land Improvements	No Funding Source	Tuckahoe	0	991,385	0	0	0	0	991,385
08057	1	Glen Allen ES (8) Capacity Addition-Renovation	No Funding Source	Brookland	0	0	7,132,884	0	0	0	7,132,884
06741	2	Virginia Randolph Complex Renovation	No Funding Source	Fairfield	0	0	21,884,694	0	0	0	21,884,694
06541	3	Chamberlayne ES Renovation	No Funding Source	Fairfield	0	0	13,458,349	0	0	0	13,458,349
06672	4	Jackson Davis ES Renovation	No Funding Source	Three Chopt	0	0	13,389,560	0	0	0	13,389,560
06673	5	Longan ES Renovation	No Funding Source	Brookland	0	0	13,833,225	0	0	0	13,833,225
06670	6	Multi-Sport Athletic Fields - phase 1	No Funding Source	Countywide	0	0	3,534,288	0	0	0	3,534,288
06742	7	Central Gardens Renovation	No Funding Source	Countywide	0	0	11,872,997	0	0	0	11,872,997
08058	1	Logan ES (8) Capacity Addition-Renovation	No Funding Source	Brookland	0	0	9,888,126	0	0	0	9,888,126
06743	2	Highland Springs Elementary Renovation	No Funding Source	Varina	0	0	18,205,357	0	0	0	18,205,357
06744	3	Holladay Elementary School Renovation	No Funding Source	Brookland	0	0	17,562,920	0	0	0	17,562,920
06671	4	Multi-Sport Athletic Fields - phase 2	No Funding Source	Countywide	0	0	3,710,961	0	0	0	3,710,961
06300	1	Johnson ES (8) Capacity Addition-Renovation	No Funding Source	Brookland	0	0	0	12,725,807	0	0	12,725,807
06303	2	East Area HS #2	No Funding Source	Varina	0	0	0	104,018,802	0	0	104,018,802
06484	3	Glen Allen HS Technical Center	No Funding Source	Brookland	0	0	0	36,687,218	0	0	36,687,218
06745	4	Adams Elementary School Renovation	No Funding Source	Fairfield	0	0	0	17,890,182	0	0	17,890,182
06746	5	Carver Elementary School Renovation	No Funding Source	Tuckahoe	0	0	0	17,895,531	0	0	17,895,531
06674	6	Multi-Sport Athletic Fields - phase 3	No Funding Source	Countywide	0	0	0	3,896,495	0	0	3,896,495
Department Subtotal					13,490,470	11,500,000	157,336,348	94,105,997	58,367,364	202,114,035	523,423,744
Finance											
07011	1	Cashier System Replacement	No Funding Source	General Government	0	240,000	0	0	0	0	240,000
00006	2	Finance Office Improvements EGC	No Funding Source	General Government	0	200,726	0	0	0	0	200,726
Department Subtotal					0	440,726	0	0	0	0	440,726
Fire											
06841	1	Fire Station Alerting System	Special Revenue Fund	Countywide	500,000	741,600	728,050	0	0	0	1,469,650
06186	2	NW Fire Station #19	General Fund	Three Chopt	6,240,000	8,440,000	0	0	0	0	8,440,000
06186	2	NW Fire Station #19	Donation	Three Chopt	160,000	160,000	0	0	0	0	160,000
06532	1	Training Center - Woodman Road	No Funding Source	General Government	0	2,000,000	0	0	0	0	2,000,000
06190	2	Staples Mill Fire Station	No Funding Source	Brookland	0	0	7,808,740	0	0	0	7,808,740
06366	1	Fire Station #1	No Funding Source	Fairfield	0	1,251,503	0	1,232,193	7,409,960	0	8,642,153
06843	1	Eastgate/Newbridge Fire Station	No Funding Source	Fairfield	0	0	0	1,631,835	8,424,035	0	10,055,870
06844	1	Innsbrook Area Fire Station	No Funding Source	Three Chopt	0	0	0	2,993,556	0	0	2,993,556
06177	2	Fire Station #6	No Funding Source	Varina	0	0	0	1,729,954	0	0	1,729,954
Department Subtotal					6,900,000	9,341,600	3,979,553	9,040,933	9,041,795	13,147,545	44,551,426

**Capital Improvement Program FY2015-16 through FY2019-20
Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY15-16	Request FY15-16	Request FY16-17	Request FY17-18	Request FY18-19	Request FY19-20	Total Five Year	
General Services												
00572	1	Mechanical Improvements	General Fund	General Government	550,000	2,244,309	1,684,976	672,296	1,024,130	903,882	6,529,593	
00425	2	Roof Replacement and Rehabilitation	General Fund	General Government	300,000	519,577	738,344	710,277	726,589	744,533	3,439,320	
00423	3	Pavement Rehabilitation	General Fund	General Government	400,000	632,247	411,727	464,999	475,680	487,428	2,472,081	
00001	4	Camera Systems	No Funding Source	General Government	0	240,357	0	0	0	0	240,357	
07038	5	Dumbarton Library Repurpose	General Fund	General Government	190,000	617,643	4,554,921	0	0	0	5,172,564	
00003	6	General District Courtroom No. 5	No Funding Source	General Government	0	330,650	2,393,117	0	0	0	2,723,767	
00612	7	Administration Infill Building	No Funding Source	General Government	0	1,471,218	13,153,617	0	0	0	14,624,835	
01199	8	County Generator Program	No Funding Source	General Government	0	903,752	431,673	1,288,154	807,571	1,132,464	4,563,614	
06625	1	Building Automation Systems Upgrade	No Funding Source	General Government	0	0	706,033	571,716	0	0	1,277,749	
06096	1	Human Services Building Renovation	No Funding Source	General Government	0	0	0	25,465,107	0	0	25,465,107	
06728	2	CAM Woodman Parking Expansion	No Funding Source	General Government	0	0	0	1,203,115	0	0	1,203,115	
00005	1	East Govt. Center Swing Building	No Funding Source	General Government	0	0	0	0	10,958,303	0	10,958,303	
06370	2	CAM Fuel Site - North West	No Funding Source	General Government	0	0	0	0	2,593,974	0	2,593,974	
06103	3	CAM East & Road Crew Building	No Funding Source	General Government	0	0	0	0	25,690,017	0	25,690,017	
06486	4	Circuit Courtroom No. 6	No Funding Source	General Government	0	0	0	0	2,379,302	0	2,379,302	
Department Subtotal					1,440,000	6,959,753	24,074,408	3,707,442	29,702,192	44,889,903	109,333,698	
Information Technology												
06481	1	Information Technology Projects	General Fund	General Government	600,000	900,000	900,000	900,000	900,000	900,000	4,500,000	
01033	2	Tidemark Replacement	General Fund - Permit Fees	General Government	500,000	500,000	500,000	500,000	0	0	1,500,000	
07017	3	Data Center Upgrade	No Funding Source	General Government	0	1,200,000	0	0	0	0	1,200,000	
00146	4	Disaster Recovery	No Funding Source	General Government	0	1,500,000	0	0	0	0	1,500,000	
Department Subtotal					1,100,000	4,100,000	1,400,000	1,400,000	900,000	900,000	8,700,000	
Information Technology - GIS												
00429	1	Geographic Information System	General Fund	General Government	150,000	150,000	150,000	150,000	150,000	150,000	750,000	
06506	2	Work Order Management/CRM	No Funding Source	General Government	0	300,000	300,000	300,000	0	0	900,000	
Department Subtotal					150,000	450,000	450,000	450,000	150,000	150,000	1,650,000	
Mental Health												
06577	1	East Center Replacement Land Purchase	No Funding Source	General Government	0	749,625	0	0	0	0	749,625	
06661	1	East Center Replacement Construction	No Funding Source	General Government	0	0	2,431,838	16,832,621	0	0	19,264,459	
06662	2	Woodman Road Expansion Construction	No Funding Source	General Government	0	0	0	2,153,365	14,419,994	0	16,573,359	
Department Subtotal					0	749,625	2,431,838	16,832,621	2,153,365	14,419,994	36,587,443	
Police												
06730	1	Tactical Training Facility	No Funding Source	General Government	0	1,459,670	0	0	0	0	1,459,670	
06610	2	Communications Training Room	No Funding Source	General Government	0	620,846	0	0	0	0	620,846	
06460	1	County Radio Comm. System Replacement	General Fund	General Government	0	0	28,113,569	0	0	0	28,113,569	
Department Subtotal					0	2,080,516	28,113,569	0	0	0	30,194,085	
Public Library												
06274	1	Fairfield Area Library Replacement	No Funding Source	Fairfield	0	0	32,521,219	0	0	0	32,521,219	
Department Subtotal					0	0	32,521,219	0	0	0	32,521,219	

**Capital Improvement Program FY2015-16 through FY2019-20
Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY15-16	Request FY15-16	Request FY16-17	Request FY17-18	Request FY18-19	Request FY19-20	Total Five Year
Public Works - Drainage											
00678	1	Drainage	No Funding Source	Three Chopt	0	0	4,500,000	0	0	0	4,500,000
06051	2	Drainage	No Funding Source	Fairfield	0	0	398,813	0	0	0	398,813
05013	3	Drainage	No Funding Source	Varina	0	0	957,151	0	0	0	957,151
06037	4	Drainage	No Funding Source	Tuckahoe	0	0	797,626	0	0	0	797,626
06846	5	Drainage	No Funding Source	Brookland	0	0	95,716	0	0	0	95,716
06009	1	Drainage	No Funding Source	Varina	0	0	0	361,526	0	0	361,526
06589	2	Drainage	No Funding Source	Fairfield	0	0	0	1,360,626	0	0	1,360,626
06476	3	Drainage	No Funding Source	Three Chopt	0	0	0	816,376	0	0	816,376
06020	4	Drainage	No Funding Source	Brookland	0	0	0	97,966	0	0	97,966
06004	5	Drainage	No Funding Source	Tuckahoe	0	0	0	1,527,287	0	0	1,527,287
06006	1	Drainage	No Funding Source	Varina	0	0	0	0	3,299,011	0	3,299,011
06013	2	Drainage	No Funding Source	Three Chopt	0	0	0	1,290,246	0	0	1,290,246
06588	3	Drainage	No Funding Source	Fairfield	0	0	0	1,391,876	0	0	1,391,876
06000	4	Drainage	No Funding Source	Tuckahoe	0	0	0	0	1,393,191	0	1,393,191
06053	5	Drainage	No Funding Source	Brookland	0	0	0	0	6,891,973	0	6,891,973
06010	1	Drainage	No Funding Source	Brookland	0	0	0	0	0	436,844	436,844
06076	2	Drainage	No Funding Source	Varina	0	0	0	0	0	593,600	593,600
06057	3	Drainage	No Funding Source	Fairfield	0	0	0	0	0	2,093,227	2,093,227
06073	4	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	6,123,504	6,123,504
06002	5	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	1,248,611	1,248,611
Department Subtotal					0	0	6,749,306	4,163,781	14,266,297	10,495,786	35,675,170
Public Works - Roadway											
00845		Roadway	General Fund	Countywide	6,531,502	0	0	0	0	0	0
00499	1	Roadway	General Fund - Public Works	Countywide	850,000	850,000	850,000	850,000	850,000	850,000	4,250,000
06837	2	Roadway	No Funding Source	Countywide	0	500,000	500,000	500,000	500,000	500,000	2,500,000
07043	3	Roadway	No Funding Source	Brookland, Fairfield	0	2,036,000	1,500,000	14,674,000	0	0	18,210,000
Department Subtotal					7,381,502	3,386,000	2,850,000	16,024,000	1,350,000	1,350,000	24,960,000
Public Works - Stormwater											
07046	1	Stormwater	General Fund	Countywide	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	11,740,000
Department Subtotal					2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	11,740,000
Recreation											
06194	1	Facility Rehabilitation	General Fund	Countywide	500,000	1,952,264	1,329,968	1,188,569	1,301,446	3,093,024	8,865,271
06726	2	Site Improvement	No Funding Source	Three Chopt	0	2,109,070	0	0	0	0	2,109,070
06219	3	Park	General Fund	Brookland	6,000,000	25,641,386	0	0	0	0	25,641,386
06436	1	Site Improvement	No Funding Source	Countywide	0	0	11,224,126	0	0	0	11,224,126
06235	2	Site Improvement	No Funding Source	Varina	0	0	1,639,859	0	0	0	1,639,859
06200	3	Site Improvement	No Funding Source	Varina	0	0	6,009,611	0	0	0	6,009,611
06735	1	Park	No Funding Source	Varina	0	0	0	23,948,616	0	0	23,948,616
06435	2	Site Improvement	No Funding Source	Tuckahoe	0	0	0	16,168,980	0	0	16,168,980
06238	3	Site Improvement	No Funding Source	Fairfield	0	0	0	2,445,225	0	0	2,445,225
06253	1	Site Improvement	No Funding Source	Brookland	0	0	0	0	3,566,157	0	3,566,157
06336	2	Site Improvement	No Funding Source	Fairfield	0	0	0	0	3,704,556	0	3,704,556
00509	1	Site Improvement	No Funding Source	Three Chopt	0	0	0	0	0	3,080,448	3,080,448
06229	2	Park	No Funding Source	Three Chopt	0	0	0	0	0	15,696,630	15,696,630
Department Subtotal					6,500,000	29,702,720	20,203,564	43,751,390	8,572,159	21,870,102	124,099,935

**Capital Improvement Program FY2015-16 through FY2019-20
Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY15-16	Request FY15-16	Request FY16-17	Request FY17-18	Request FY18-19	Request FY19-20	Total Five Year
Registrar											
01136	1	Technology Improvement	No Funding Source	Countywide	0	1,361,975	0	0	0	0	1,361,975
Department Subtotal					0	1,361,975	0	0	0	0	1,361,975
Sheriff											
07016	1	Building Improvement	No Funding Source	General Government	0	189,000	0	0	0	0	189,000
06854	2	Building Improvement	No Funding Source	General Government	0	109,207	0	0	0	0	109,207
01112	1	Building (New)	No Funding Source	General Government	0	0	2,927,294	23,492,620	0	0	26,419,914
01111	1	Building (New)	No Funding Source	General Government	0	0	0	1,039,223	6,841,454	0	7,880,677
06386	1	Building Improvement	No Funding Source	General Government	0	0	0	0	1,987,945	12,824,507	14,812,452
Department Subtotal					0	298,207	2,927,294	24,531,843	8,829,399	12,824,507	49,411,250
Grand Total - Capital Projects Fund					39,309,972	72,719,122	285,385,099	216,356,007	135,680,571	324,509,872	1,034,650,671

**Items in red do not have a funding source identified.*

**Capital Improvement Program FY2015-16 through FY2019-20
Enterprise Fund - Public Utility Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY15-16	Request FY15-16	Request FY16-17	Request FY17-18	Request FY18-19	Request FY19-20	Total Five Year	
Public Utilities - Sewer												
00782	1	Sewer	Enterprise Fund	Countywide	100,000	100,000	100,000	100,000	100,000	100,000	500,000	
00772	2	Sewer	Enterprise Fund	Countywide	400,000	500,000	500,000	500,000	500,000	500,000	2,500,000	
00732	3	Sewer	Revenue Bonds	Countywide	4,000,000	5,000,000	4,500,000	3,000,000	3,000,000	3,000,000	18,500,000	
00743	4	Sewer	Enterprise Fund	Countywide	2,700,000	2,700,000	1,600,000	100,000	1,400,000	100,000	5,900,000	
00737	5	Sewer	Enterprise Fund	Countywide	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000	
00725	6	Sewer	Enterprise Fund	Countywide	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	8,000,000	
06492	7	Sewer	Enterprise Fund	Countywide	50,000	50,000	50,000	50,000	50,000	50,000	250,000	
01076	8	Sewer	Enterprise Fund	B, F, T, TC	9,000,000	14,350,000	17,700,000	5,250,000	9,000,000	9,000,000	55,300,000	
06139	9	Sewer	Enterprise Fund	V, F	4,900,000	4,900,000	0	0	450,000	750,000	6,100,000	
06447	10	Sewer	Enterprise Fund	B, F	0	18,000,000	0	0	0	0	18,000,000	
00735	11	Sewer	Enterprise Fund	Varina	1,900,000	1,900,000	0	25,525,000	1,275,000	0	28,700,000	
06445	12	Sewer	Enterprise Fund	Fairfield	6,000,000	6,000,000	0	0	0	0	6,000,000	
06446	13	Sewer	Enterprise Fund	Fairfield	0	2,800,000	0	0	0	0	2,800,000	
07025	14	Sewer	Enterprise Fund	Brookland	0	8,000,000	0	0	0	0	8,000,000	
06459	15	Sewer	Revenue Bonds	Varina	5,300,000	5,300,000	0	0	0	0	5,300,000	
06131	16	Sewer	Revenue Bonds	Tuckahoe	0	750,000	1,150,000	7,750,000	3,500,000	4,500,000	17,650,000	
07024	17	Sewer	Enterprise Fund	Tuckahoe	300,000	300,000	0	1,200,000	0	0	1,500,000	
06152	1	Sewer	Revenue Bonds	Tuckahoe	0	0	15,500,000	0	0	0	15,500,000	
06569	2	Sewer	Revenue Bonds	Fairfield	0	0	38,000,000	0	0	0	38,000,000	
06153	3	Sewer	Revenue Bonds	Fairfield	0	0	1,000,000	0	6,000,000	0	7,000,000	
06666	4	Sewer	Revenue Bonds	Brookland	0	0	2,000,000	0	5,750,000	0	7,750,000	
06667	1	Sewer	Revenue Bonds	TC, T	0	0	0	5,000,000	0	19,000,000	24,000,000	
06723	2	Sewer	Enterprise Fund	Tuckahoe	0	0	0	2,100,000	0	0	2,100,000	
06838	1	Sewer	Enterprise Fund	B, TC	0	0	0	0	1,500,000	0	1,500,000	
06444	2	Sewer	Enterprise Fund	Brookland	0	0	0	0	1,500,000	5,600,000	7,100,000	
07027	1	Sewer	Enterprise Fund	Three Chopt	0	0	0	0	0	1,500,000	1,500,000	
07026	2	Sewer	Enterprise Fund	Three Chopt	0	0	0	0	0	3,000,000	3,000,000	
07028	3	Sewer	Enterprise Fund	TC, B	0	0	0	0	0	400,000	400,000	
07029	4	Sewer	Enterprise Fund	Varina	0	0	0	0	0	1,200,000	1,200,000	
Sewer Subtotal					36,450,000	72,450,000	83,900,000	52,375,000	35,825,000	50,500,000	295,050,000	
Public Utilities - Water												
00771	1	Water	Enterprise Fund	Countywide	100,000	100,000	100,000	100,000	100,000	100,000	500,000	
00770	2	Water	Enterprise Fund	Countywide	300,000	300,000	300,000	300,000	300,000	300,000	1,500,000	
00768	3	Water	Enterprise Fund	Countywide	3,000,000	5,000,000	3,000,000	2,000,000	3,000,000	5,000,000	18,000,000	
00769	4	Water	Enterprise Fund	Countywide	100,000	100,000	600,000	3,400,000	1,100,000	775,000	5,975,000	
00780	5	Water	Enterprise Fund	Countywide	350,000	350,000	350,000	350,000	350,000	350,000	1,750,000	
00767	6	Water	Enterprise Fund	Countywide	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000	
00811	7	Water	Enterprise Fund	Countywide	5,000,000	5,000,000	0	5,000,000	0	0	10,000,000	
06125	8	Water	Revenue Bonds	Countywide	20,000,000	20,000,000	120,000,000	0	0	0	140,000,000	
06382	1	Water	Enterprise Fund	F, V	0	0	1,000,000	0	0	0	1,000,000	
06383	2	Water	Enterprise Fund	Varina	0	0	600,000	0	0	0	600,000	
06118	1	Water	Enterprise Fund	Three Chopt	0	0	0	1,800,000	0	0	1,800,000	
06515	1	Water	Revenue Bonds	B, V, F	0	0	0	0	0	20,000,000	20,000,000	
Water Subtotal					29,050,000	31,050,000	126,150,000	13,150,000	5,050,000	26,725,000	202,125,000	
Grand Total - Enterprise Fund					65,500,000	103,500,000	210,050,000	65,525,000	40,875,000	77,225,000	497,175,000	

**Capital Improvement Program FY2015-16 through FY2019-20
Enterprise Fund - Belmont Golf Course Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY15-16	Request FY15-16	Request FY16-17	Request FY17-18	Request FY18-19	Request FY19-20	Total Five Year
Recreation											
06249	1	Golf Course	Enterprise Fund	Fairfield	0	0	520,127	0	0	0	520,127
06250	1	Golf Course	Enterprise Fund	Fairfield	0	0	0	313,846	0	0	313,846
06251	1	Golf Course	Enterprise Fund	Fairfield	0	0	0	0	340,689	0	340,689
06357	1	Golf Course	Enterprise Fund	Fairfield	0	0	0	0	0	817,726	817,726
Golf Course Subtotal					0	0	520,127	313,846	340,689	817,726	1,992,388
Grand Total - Enterprise Fund					0	0	520,127	313,846	340,689	817,726	1,992,388

CAPITAL IMPROVEMENT PROGRAM IMPLICATIONS ON OPERATING BUDGET

The Capital Improvement Program (CIP) accounts for capital improvement projects that generally require a significant outlay of funds and have a project life of longer than one year. Henrico County's capital improvement needs and funding requirements are outlined in the Capital Improvement Program FY2015-16 through FY2019-20.

Bringing a new facility on-line requires additional costs such as maintenance, utilities, and personnel to operate the new facility. This impact to future operating budgets is considered before funding for a capital project is recommended. Operating costs associated with a new facility are added to departments' budgets in the year of the facility's projected opening date through a complete "crosswalk" between the capital and operating budgets.

The approved Capital Budget for FY2015-16 is \$109,634,772, which funds a portion of the project

requests in the first year of the CIP. The projects in the FY2015-16 Capital Budget do not have an operating impact on the FY2015-16 operating budget as the operating costs have implications on operating budgets beyond FY2015-16. Those costs have been factored into the County's multi-year expenditure forecasts. The FY2015-16 operating budget includes \$2,074,331 in operating costs arising from the Libbie Mill Area Library, the Varina Area Library, the Central Station facility, Fire Station #10 renovation, three building acquisitions, and partial year costs associated with Short Pump Park. These operating costs are being funded utilizing the Revenue Stabilization Reserve, which was established in FY2000-01 to offset the increase in operating costs associated with bond funded projects.

What appears in the following pages is the estimated incremental impact of operating costs that would arise from all the current capital projects requested within the five-year Capital Improvement Program.

**Capital Improvement Program
Fiscal Year 2015-16 through FY2019-20
Department and Priority Order
Associated Operating Cost**

Fund 21 - Capital Projects Fund

Project	Priority	Project Type	Source	District	Request FY15-16	Request FY16-17	Request FY17-18	Request FY18-19	Request FY19-20	Total Five Year
Education										
00518		Roof Replacements	General Fund	Countywide	0	0	0	0	0	0
00527		Mechanical Improvements	General Fund	Countywide	0	0	0	0	0	0
06899		Education Meals Tax Project Reserve	General Fund - Education Meals Tax	Countywide	0	0	0	0	0	0
08056	1	Holladay ES (9) Capacity Addition-Renovation	No Funding Source	Brookland	0	898,843	898,843	998,843	898,843	3,695,372
06305	2	Pemberton ES Renovation	No Funding Source	Tuckahoe	0	0	0	0	0	0
06304	3	Crestview ES Renovation	No Funding Source	Tuckahoe	0	0	0	0	0	0
06538	4	Skipwith ES Renovation	No Funding Source	Tuckahoe	0	0	0	0	0	0
06479	5	Tuckahoe MS Renovation	No Funding Source	Three Chopt	0	0	0	0	0	0
06388	6	Tucker HS Renovation	No Funding Source	Three Chopt	0	0	0	0	0	0
06539	7	Seven Pines ES Renovation	No Funding Source	Varina	0	0	0	0	0	0
06669	8	Tuckahoe District Land Improvements	No Funding Source	Tuckahoe	0	0	0	0	0	0
08057	1	Glen Allen ES (8) Capacity Addition-Renovation	No Funding Source	Brookland	0	0	880,866	880,866	880,866	2,642,598
06741	2	Virginia Randolph Complex Renovation	No Funding Source	Fairfield	0	0	0	0	0	0
06541	3	Chamberlayne ES Renovation	No Funding Source	Fairfield	0	0	0	0	0	0
06672	4	Jackson Davis ES Renovation	No Funding Source	Three Chopt	0	0	0	0	0	0
06673	5	Longan ES Renovation	No Funding Source	Brookland	0	0	0	0	0	0
06670	6	Multi-Sport Athletic Fields - phase 1	No Funding Source	Countywide	0	0	0	0	0	0
06742	7	Central Gardens Renovation	No Funding Source	Countywide	0	0	0	0	0	0
08058	1	Longan ES (8) Capacity Addition-Renovation	No Funding Source	Brookland	0	0	0	924,909	924,909	1,849,818
06744	2	Highland Springs Elementary Renovation	No Funding Source	Varina	0	0	0	0	0	0
06744	3	Holladay Elementary School Renovation	No Funding Source	Brookland	0	0	0	0	0	0
06671	4	Multi-Sport Athletic Fields - phase 2	No Funding Source	Countywide	0	0	0	0	0	0
06300	1	Johnson ES (8) Capacity Addition-Renovation	No Funding Source	Brookland	0	0	0	0	0	0
06303	2	East Area HS #2	No Funding Source	Varina	0	0	0	0	0	0
06484	3	Glen Allen HS Technical Center	No Funding Source	Brookland	0	0	0	0	0	0
06745	4	Adams Elementary School Renovation	No Funding Source	Countywide	0	0	0	0	0	0
06746	5	Carver Elementary School Renovation	No Funding Source	Brookland	0	0	0	0	971,155	971,155
06674	6	Multi-Sport Athletic Fields - phase 3	No Funding Source	Fairfield	0	0	0	0	18,898,217	18,898,217
			No Funding Source	Tuckahoe	0	0	0	0	6,425,393	6,425,393
			No Funding Source	Countywide	0	0	0	0	0	0
			No Funding Source	Countywide	0	0	0	0	0	0
				Department Subtotal	0	898,843	1,779,709	2,804,618	28,999,383	34,482,553
Finance										
07011	1	Cashier System Replacement	No Funding Source	General Government	0	35,000	35,000	35,000	35,000	140,000
00006	2	Finance Office Improvements EGC	No Funding Source	General Government	0	0	0	0	0	0
				Department Subtotal	0	35,000	35,000	35,000	35,000	140,000

**Capital Improvement Program
Fiscal Year 2015-16 through FY2019-20
Department and Priority Order
Associated Operating Cost**

Fund 21 - Capital Projects Fund

Project	Priority	Project Type	Source	District	Request FY15-16	Request FY16-17	Request FY17-18	Request FY18-19	Request FY19-20	Total Five Year
Fire										
06841	1	Technology Improvement	Special Revenue Fund Balance	Countywide	26,017	26,017	62,770	87,804	108,665	311,273
06186	2	Building (New)	General Fund, Cash Profiter	Three Chopt	0	1,918,403	1,918,403	1,918,403	1,918,403	7,673,612
06532	1	Building (New)	No Funding Source	General Government	0	0	67,507	67,507	67,507	202,521
06190	2	Building (New)	No Funding Source	Brookland	0	0	0	1,058,770	1,058,770	2,117,540
06366	1	Building (New)	No Funding Source	Fairfield	0	0	0	0	90,113	90,113
06843	1	Building (New)	No Funding Source	Fairfield	0	0	0	0	0	0
06844	1	Building (New)	No Funding Source	Three Chopt	0	0	0	0	0	0
06177	2	Building (New)	No Funding Source	Varina	0	0	0	0	0	0
Department Subtotal					26,017	1,944,420	2,048,680	3,132,484	3,243,458	10,395,059
General Services										
00572	1	Building Improvement	General Fund	General Government	0	0	0	0	0	0
00425	2	Building Improvement	General Fund	General Government	0	0	0	0	0	0
00423	3	Site Improvement	General Fund	General Government	0	0	0	0	0	0
00001	4	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
07038	5	Building Improvement	General Fund	General Government	0	0	0	0	0	0
00003	6	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
00612	7	Building (New)	No Funding Source	General Government	0	0	249,300	249,300	249,300	747,900
01199	8	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06625	1	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06096	1	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06728	2	Site Improvement	No Funding Source	General Government	0	0	0	0	25,536	25,536
00005	1	Building (New)	No Funding Source	General Government	0	0	0	0	0	0
06370	2	Building (New)	No Funding Source	General Government	0	0	0	0	0	0
06103	3	Building (New)	No Funding Source	General Government	0	0	0	0	0	0
06486	4	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
Department Subtotal					0	0	249,300	249,300	274,836	773,436
Information Technology										
06481	1	Technology Improvement	General Fund	General Government	0	0	0	0	0	0
01033	2	Technology Improvement	General Fund - Permit Fees	General Government	0	0	100,000	100,000	100,000	300,000
07017	3	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
00146	4	Technology Improvement	No Funding Source	General Government	0	0	0	0	0	0
Department Subtotal					0	0	100,000	100,000	100,000	300,000
Information Technology - GIS										
00429	1	Technology Improvement	General Fund	General Government	0	0	0	0	0	0
06506	2	Technology Improvement	No Funding Source	General Government	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0

**Capital Improvement Program
Fiscal Year 2015-16 through FY2019-20
Department and Priority Order
Associated Operating Cost**

Fund 21 - Capital Projects Fund

Project	Priority	Project Type	Source	District	Request FY15-16	Request FY16-17	Request FY17-18	Request FY18-19	Request FY19-20	Total Five Year
Mental Health										
06577	1	Land	No Funding Source	General Government	0	0	0	0	0	0
06661	1	Building (New)	No Funding Source	General Government	0	0	0	0	0	0
06662	2	Building Addition	No Funding Source	General Government	0	0	0	0	0	0
				Department Subtotal	0	0	0	0	0	0
Police										
06730	1	Building (New)	No Funding Source	General Government	0	300	300	300	300	1,200
06610	2	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06460	1	Technology Improvement	General Fund	General Government	0	0	0	1,936,333	1,973,088	3,909,421
				Department Subtotal	0	300	300	1,936,633	1,973,388	3,910,621
Public Library										
06274	1	Building (New)	No Funding Source	Fairfield	0	3,926,935	3,926,935	3,926,935	3,926,935	15,707,740
				Department Subtotal	0	3,926,935	3,926,935	3,926,935	3,926,935	15,707,740
Public Works - Drainage										
06778	1	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06051	2	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
05013	3	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06037	4	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06846	5	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06009	1	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06589	2	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06476	3	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06020	4	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06004	5	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06006	1	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06013	2	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06588	3	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06000	4	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06053	5	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06010	1	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06076	2	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06057	3	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06073	4	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06002	5	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
				Department Subtotal	0	0	0	0	0	0

**Capital Improvement Program
Fiscal Year 2015-16 through FY2019-20
Department and Priority Order
Associated Operating Cost**

Fund 21 - Capital Projects Fund

Project	Priority	Project Type	Source	District	Request FY15-16	Request FY16-17	Request FY17-18	Request FY18-19	Request FY19-20	Total Five Year
Public Works - Roadway										
00845		Roadway	General Fund	Countywide	0	0	0	0	0	0
00499	1	Roadway	General Fund - Public Works	Countywide	0	0	0	0	0	0
06837	2	Roadway	No Funding Source	Countywide	0	0	0	0	0	0
07043	3	Roadway	No Funding Source	Brookland, Fairfield	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Public Works - Stormwater										
07046	1	Stormwater	General Fund	Countywide	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Recreation										
06194	1	Site Improvement	General Fund	Countywide	0	0	0	0	0	0
06726	2	Site Improvement	No Funding Source	Three Chopt	0	0	0	0	0	0
06219	3	Park	General Fund	Brookland	0	627,709	627,709	627,709	627,709	2,510,836
06436	1	Site Improvement	No Funding Source	Countywide	0	87,750	87,750	87,750	87,750	351,000
06200	2	Site Improvement	No Funding Source	Varina	0	0	0	0	0	0
06735	3	Site Improvement	No Funding Source	Varina	0	181,633	181,633	181,633	181,633	544,899
06435	1	Park	No Funding Source	Varina	0	0	0	577,709	577,709	1,155,418
06238	2	Site Improvement	No Funding Source	Tuckahoe	0	0	0	182,133	182,133	364,266
06253	3	Site Improvement	No Funding Source	Fairfield	0	0	0	0	0	0
06336	1	Site Improvement	No Funding Source	Brookland	0	0	0	0	224,500	224,500
06336	2	Site Improvement	No Funding Source	Fairfield	0	0	0	0	0	0
00509	1	Site Improvement	No Funding Source	Three Chopt	0	0	0	0	0	0
06229	2	Park	No Funding Source	Three Chopt	0	0	0	0	0	0
Department Subtotal					0	715,459	897,092	1,656,934	1,881,434	5,150,919
Registrar										
01136	1	Technology Improvement	General Fund	Countywide	0	273,000	273,000	273,000	273,000	1,092,000
Department Subtotal					0	273,000	273,000	273,000	273,000	1,092,000
Sheriff										
07016	1	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06854	2	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
01112	1	Building (New)	No Funding Source	General Government	0	0	0	2,220,418	2,220,418	4,440,836
01111	1	Building (New)	No Funding Source	General Government	0	0	0	0	131,360	131,360
06386	1	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
Department Subtotal					0	0	0	2,220,418	2,351,778	4,572,196
Grand Total - Capital Projects Fund					26,017	7,793,957	9,310,016	16,335,322	43,059,212	76,524,524



APPENDICES

APPENDIX "A" GLOSSARY

ADA - The Americans with Disabilities Act (ADA) provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services and programs, and telecommunications.

Adjustments – Resources to support the Internal Service Fund operations come from operating department budgeted payments. To avoid duplication of these payments, the amount of funds budgeted for these activities are reduced so the funds are not budgeted twice.

Advanced Life Support (ALS) - The rapid intervention of advanced emergency medical services such as cardiac monitoring, starting IV fluids, giving medication, manual defibrillation, and the process of using advance airway adjuncts.

Agency Fund - This fund accounts for assets held by the County for outside organizations. This is done to eliminate the duplication of administrative functions related to personal matters, procurement activities and accounting and budget responsibilities.

Annual Fiscal Plan - The formal title of the County's budget. See *Operating Budget*.

Appropriation - This is the legal authorization granted by the Board of Supervisors to expend or obligate funds for specific purposes. An appropriation usually is limited in the amount and time that it may be expended. The Board appropriates annually, at the beginning of each fiscal year, by department, agency, or project, based upon the adopted Annual Fiscal Plan. Additional appropriations may be approved by the Board during the fiscal year by amending the Annual Fiscal Plan and appropriating the funds for expenditure.

Assessed Value - A value set on real and other property as a basis for levying taxes. See *Tax Rate*.

Bond - A promissory note to pay a specified sum of money (called the principal) at a specified date in the future, together with periodic interest at a specified interest rate. These payments are identified in the budget documents as debt service.

Budget - The County's Annual Fiscal Plan showing estimated expenditures and revenues as well as other related data for a specific fiscal year. The Board of Supervisors adopts the Annual Fiscal Plan by resolution.

Budgetary Basis - Is the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash or modified accrual. See *"Basis of Budgeting"* in the front section of this document.

CAM - Central Automotive Maintenance is a division within the Department of General Services and is accounted for in the Internal Service Fund.

Capital Budget - A plan of proposed capital projects and means of financing them. Capital projects are approved and funds are appropriated for expenditure by the Board of Supervisors for the duration of the project. The capital budget contains the funds available for expenditure in a specific fiscal year.

Capital Improvement Program (CIP) - A plan for capital expenditures to be incurred each year over a five-year period to meet capital requests by the departments and agencies of the County. It sets forth each project, by department, in which the County is to have a part and it specifies the full resources estimated to be available to finance the projected expenditures. The first year of the CIP or a portion thereof becomes the capital budget for that fiscal year.

Capital Outlay - Outlays which result in the acquisition (either new or replacement) or additions to fixed assets except outlays for major capital facilities which are constructed or acquired (e.g., land and buildings). Expenditures for these major capital facilities are reflected within the capital budget. Examples of capital outlays are furniture, fixtures, machinery, and equipment.

CDBG - A federal grant entitled the Community Development Block Grant. Funds are used to support housing, economic development, health and human services, and planning and administration.

Complement - A listing of authorized positions by department as approved by the Board of Supervisors and maintained by the Human Resources Department. Complement I - 100% County funded position. Complement II - Position partially County funded. Complement III - 100% Non-County funded position. Complement IV – Positions that, regardless of funding source and classified status, are exempt from use of the County's grievance procedure as determined by the County Manager.

Contingency - Funds set aside in a special account in the Annual Fiscal Plan, but not always appropriated for expenditure. These funds are for emergency and unforeseen needs or for previously identified items that may have funding held for further actions or approvals before being appropriated for expenditure.

Debt Service Fund - This fund is used to finance and account for the principal and interest payments on long-term debt incurred by the County.

Department - An entity within the County organization setup, either by State code or identified need, for the administration of specifically related duties or responsibilities.

Designated Fund Balance - That portion of resources, which at year's end, exceeded requirements and has been designated for use at some future time for a specific project or use. Money in a designated fund balance is not in the Annual Fiscal Plan and therefore has not been appropriated for expenditure.

Division - For manageability and accounting purposes, some departments are further divided into smaller units of control, called divisions. Example: Treasury and Accounting Divisions are both part of the Department of Finance.

EDA Revenue Bonds - The type of bonds issued by Henrico County through the Economic Development Authority for the construction of public facilities.

Enterprise Fund - These types of funds account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the County is that the cost of providing services to the general public be financed or recovered through charges to users of such services. Two examples are: the Water and Sewer operations and the Belmont Park Golf Course.

Expenditure - The authorized paying out of County funds to defray the County charges and expenses and all necessary obligations relating to, or arising from, the execution of the lawful authority of the Board of Supervisors.

Fiduciary Fund - These funds are used if the government has a fiduciary or custodial responsibility for assets.

Financial Guidelines - The principles utilized by the Henrico County Board of Supervisors. The Henrico County Board of Supervisors has chosen to adhere to the use of broad financial guidelines as a means of maintaining their flexibility in decision making.

Financial Trend Monitoring System - The process in which a locality reviews the economic trends that are predictive of its financial outlook for the purpose of assessing its ability to maintain existing service levels, withstand local and regional economic disruptions, and meet the demands of natural growth, decline and change.

Fiscal Year (FY) - The County of Henrico operates with a fiscal year from July 1 to June 30.

Fringe Benefits - Employer contributions to pension and fringe benefit systems for County employees. Examples of such benefits include health care, unemployment compensation, the Virginia Retirement System, and life insurance.

Fund - Each fund is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds can be further divided into subfunds.

Fund Balance - The difference between fund assets and fund liabilities for governmental and trust funds. This balance is classified into subcategories: restricted, committed, assigned and unassigned. The Enterprise Funds refer to these funds as retained earnings.

GAAP - Generally Accepted Accounting Principles are uniform standards and guidelines for financial accounting and reporting.

General Fund - This fund accounts for all revenues and expenditures of the County which are not accounted for in the other funds. Revenues are primarily derived from general property taxes, local sales taxes, license and permit fees, and revenues received from the State for educational and other purposes. Some revenue collected in the General Fund is transferred to support requirements of other funds such as the Debt Service Fund.

General Obligation Bonds - The type of bonds issued when repayment is backed by the full faith and credit of the County and which have been approved by the voters of the County through a bond referendum.

Goal - A broad statement of departmental purpose. Within this document, the departmental goal is generally included within the "description" component of individual departmental narratives.

Grant - A contribution by one governmental unit or organization to another. Typically, these contributions are made to local governments from the Federal and State governments for specified purposes.

Interdepartmental Billings (IDT) - Expenditures and credits to expenditures between departments. No net change in Countywide expenditures results. One primary use of IDT's is the payment by operating departments for services rendered by departments in the Internal Service Fund.

Internal Service Funds - These account for the County's Central Automotive Maintenance, Technology Replacement operations, Risk Management, and Health Care Fund. Resources for these funds come from IDT's and transfers from the General Fund.

Development Services (DS) Day Support - A program offered by the Mental Health Department. The program provides supported employment, vocational services and life enrichment services to graduates of Henrico County's special education program.

Natural Account - A more detailed and specific listing of expenditures in the County's Oracle Financial Management System. Examples of natural accounts are: 50100 - Salaries and Wages, Regular; and 50101 - Salaries and Wages, Overtime.

Objective - A statement of purpose for a program or service describing anticipated outputs or outcomes.

Operating Budget - Includes all funds except those accounted for in the capital budget. The Operating Budget or Annual Fiscal Plan is adopted by the Board of Supervisors by resolution on a fiscal year basis, and an annual appropriation is made, also by resolution, based upon this Plan. The Plan may be amended during the fiscal year pursuant to the Virginia State Code.

Operating Expenses - The cost of contractual services, materials, supplies and other expenses not related to personnel and capital outlay expenses or capital projects.

Other Post Employment Benefits (OPEB) - Non-pension benefits provided to employees after employment ends. The Governmental Accounting Standards Board (GASB) has required a financial reporting of this expenditure which is captured in a fiduciary fund. This fund will allow the County to budget for the annual cost of public employee non-pension benefits and all outstanding obligations and commitments related to OPEB.

Pay-As-You-Go - A method of financing capital projects. Funding is 100% from local revenue. No borrowing or issuing of bonds is undertaken. This method may be used, as warranted, to reduce long term debt requirements.

Performance Measure - Specific quantitative or qualitative indicators used to measure an organization's progress. Henrico County utilizes mostly quantitative performance measures, the majority of which have been tracked for over a decade.

Personnel Expenses - Cost of salaries, wages, and fringe benefits such as the employer's share of social security contributions, retirement expenses, and health and life insurance payments.

Project (Capital) - An item for which the purchase, construction, or other acquisition will represent a public betterment to the community and add to the total physical worth of the County provided that the project considered meets the criteria for total cost and life expectancy. Examples of capital projects are land, buildings and certain major pieces of equipment of a fixed nature.

Requirement - The use of resources to meet expenditures, to transfer to other County operations, or to set up a reserve. Resources for a given fiscal year must at least equal the requirements for the same fiscal year.

Reserve - Each fund may have one or more reserve accounts. These accounts contain funds which have been set aside for a specific purpose or use, but not included in the Annual Fiscal Plan and not appropriated for expenditure. A reserve may be adjusted year-to-year as the needs are adjusted. An example is the Reserve For Self-Insurance in the General Fund.

Resource - The income which supports the operation of the County. Sufficient resources each fiscal year must be received to meet the total requirements of the County for that fiscal year. Examples of a resource are: revenue (from taxes, fees, etc.), sale of bonds (or other borrowings), certain recoveries and rebates, contributions-in-aid, and prior year fund balance.

Revenue - The Government's income from taxes, permits, fees, licenses, etc., including funds received from other governmental entities. Excludes borrowings and funds from sources such as use of prior years fund balances, contributions-in-aid, and certain recoveries and rebates.

Service Level - The supporting information pertinent to departmental approved expenditures that describes the impact on efficiency and/or effectiveness of departmental functions.

Special Revenue Fund - This fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. This includes resources obtained and used relating to State and Federal grants, the Utility Department's Solid Waste operation, School Cafeterias, Mental Health/Developmental Services, and Street Lighting. There are times when revenue collected in one of the other funds may be transferred into this fund to support those operations such as the County's share of a grant program.

Subfund - Within each fund there are often operations, which by their unique characteristics, are best accounted for separately. These related subfunds are combined into one of the major funds. These subfunds are reported separately in revenue and expenditure reports.

Tax Levy - Charges imposed by a government to finance activities for the common benefit. Henrico County's tax levies are based on an approved tax rate per one hundred dollars of assessed value.

Tax Rate - The level of taxation levied by the County on specifically identified classifications of property. For example, the real estate tax rate for calendar year 2013 is \$0.87 per \$100 of assessed value.

Transfer - A resource recorded in one fund may be moved to another fund with the approval of the Board of Supervisors. An example of this interfund transfer would be revenues recorded in the General Fund and then transferred to the Debt Service Fund for payments on principal and interest on bonds.

Unassigned Fund Balance - The portion of fund balance representing financial resources available to finance expenditures other than those tentatively planned (assigned).

VPSA Bonds - The type of bonds issued by Henrico County through the Virginia Public School Authority to finance capital projects for educational purposes.

APPENDIX "B"
PERSONNEL COMPLEMENT¹

<u>Department</u>	<u>FY14 Revised</u>	<u>FY15 Original</u>	<u>FY15 Changes³</u>	<u>FY15 Revised³</u>	<u>FY16 Changes</u>	<u>FY16 Approved</u>
General Government:						
Agriculture & Home Extension	2	2		2		2
Belmont Golf Course	9	8		8		8
Board of Supervisors	4	4		4		4
Building Inspections	53	52		52	1	53
Central Auto. Maintenance	67	67		67		67
Circuit Court Services	8	8		8		8
Commonwealth's Attorney	56	56		56		56
Community Corrections	2	2		2		2
Community Revitalization	16	16		16	1	17
County Attorney	19	19		19		19
County Manager	13	13		13		13
Electoral Board	8	8		8		8
Finance	169	168		168		168
Fire	548	548		548		548
General Services	120	120	(1)	119		119
Human Resources	58	57	(1)	56	1	57
Hold Complement ²	36	30	(8)	22	(13)	9
Information Technology	88	88	2	90		90
Internal Audit	4	4		4		4
Juvenile Detention	30	30		30		30
Juvenile Detention/VJCCCA	3	3		3		3
Library	161	171		171	27	198
Mental Health	219	219		219		219
Permit Centers	16	16		16		16
Planning	44	44		44		44
Police	807	815	2	817	10	827
Public Relations & Media Services	19	19		19		19
Public Utilities	306	306		306		306
Public Works	254	257		257		257
Real Property	7	7		7		7
Recreation	173	172		172		172
Sheriff	371	371	2	373		373
Social Services	168	168	4	172		172
Solid Waste	69	69		69		69
Sub-Total	<u>3,927</u>	<u>3,937</u>	<u>0</u>	<u>3,937</u>	<u>27</u>	<u>3,964</u>
Education:	<u>6,642.25</u>	<u>6,677.05</u>	<u>8.50</u>	<u>6,685.55</u>	<u>51.00</u>	<u>6,736.55</u>
TOTAL	<u><u>10,569.25</u></u>	<u><u>10,614.05</u></u>	<u><u>8.50</u></u>	<u><u>10,622.55</u></u>	<u><u>78.00</u></u>	<u><u>10,700.55</u></u>

¹ The County's personnel complement reflected here includes only those positions funded either wholly or in part with County funds. Positions funded 100% by other agencies (318 as of 2/3/2015) are not included. General Government positions are based on headcount while Education positions are measured using FTE.

² Certain approved, vacant, and frozen positions have been removed from the department where previously assigned and are being held in the Hold Complement until reassignment is made.

³ As of 2/03/2015

**Personnel Complement
By Fund**

Fund	FY14 Revised	FY15 Original	FY15 Changes	FY15 Revised⁽¹⁾	FY16 Changes	FY16 Approved
General Fund						
General Government	3,184.00	3,201.00	3.00	3,204.00	40.00	3,244.00
Education	5,853.35	5,892.15	5.50	5,897.65	46.00	5,943.65
Total	<u>9,037.35</u>	<u>9,093.15</u>	<u>8.50</u>	<u>9,101.65</u>	<u>86.00</u>	<u>9,187.65</u>
Special Revenue Fund						
General Government	315.00	315.00	4.00	319.00	0.00	319.00
Education	788.90	784.90	3.00	787.90	5.00	792.90
Total	<u>1,103.90</u>	<u>1,099.90</u>	<u>7.00</u>	<u>1,106.90</u>	<u>5.00</u>	<u>1,111.90</u>
Enterprise Funds						
Public Utilities	306.00	306.00	0.00	306.00	0.00	306.00
Golf Course	9.00	8.00	0.00	8.00	0.00	8.00
Total	<u>315.00</u>	<u>314.00</u>	<u>0.00</u>	<u>314.00</u>	<u>0.00</u>	<u>314.00</u>
Internal Service Fund						
Cent. Auto. Maint.	67.00	67.00	0.00	67.00	0.00	67.00
Risk Management	10.00	10.00	1.00	11.00	0.00	11.00
	<u>77.00</u>	<u>77.00</u>	<u>1.00</u>	<u>78.00</u>	<u>0.00</u>	<u>78.00</u>
Hold Complement	36.00	30.00	(8.00)	22.00	(13.00)	9.00
Grand Total	<u><u>10,569.25</u></u>	<u><u>10,614.05</u></u>	<u><u>8.50</u></u>	<u><u>10,622.55</u></u>	<u><u>78.00</u></u>	<u><u>10,700.55</u></u>

⁽¹⁾ As of 2/3/2015

**County of Henrico
Personnel Complement Changes
FY 2015-16**

Fund/Department	Position	F/PT	Number	Justification
<u>GENERAL GOVERNMENT</u>				
General Fund:				
Building Inspections	Inspections Supervisor	FT	1.00	Position for County-wide revitalization initiative
Community Revitalization	Code Enforcement Inspector	FT	1.00	Position for County-wide revitalization initiative
Human Resources	Senior Management Specialist	FT	1.00	Position added for Senior services
Police	Police Officers	FT	10.00	Positions added for patrol
Public Library	Library Assistant I	FT	10.00	New positions for Libbie Mill Library and Varina Library
Public Library	Library Assistant II	FT	12.00	New positions for Libbie Mill Library and Varina Library
Public Library	Technology Support Specialist III	FT	1.00	New positions for Libbie Mill Library and Varina Library
Public Library	Librarian I	FT	3.00	New positions for Libbie Mill Library and Varina Library
Public Library	Technology Support Specialist II	FT	1.00	New positions for Libbie Mill Library and Varina Library
	Public Library Total		<u>27.00</u>	
	General Fund Total		40.00	
	Hold Complement		(13.00)	
	General Government Total		<u>27.00</u>	

**County of Henrico
Personnel Complement Changes
FY 2015-16**

Fund/Department	Position	F/PT	Number	Justification
EDUCATION				
General Fund:				
Revisions During FY2014-15				
Assistant Superintendents	Deputy Superintendent for Instruction	FT	1.00	Reorganization
Assistant Superintendents	Secondary Education	FT	(1.00)	Reorganization
Assistant Superintendents	Leadership Development & Special Projects	FT	(1.00)	Reorganization
Administrative	Secondary Education	FT	1.00	Reorganization
Administrative	School Counseling	FT	1.00	Reclassification
Instructional	Instructional Reserve	FT	(10.00)	Board Approved Complement
Instructional	Elementary Education	FT	2.00	Board Approved Complement
Instructional	Elementary Education	FT	(1.00)	Reclassification
Instructional	Secondary Education	FT	1.00	Board Approved Complement
Instructional	Secondary Education	FT	1.00	Realignment
Instructional	Secondary Education	FT	0.50	Reclassification
Instructional	Secondary Education	FT	(2.00)	Realignment
Instructional	Gifted	FT	1.00	Reclassification
Instructional	Career and Technical Education	FT	2.50	Realignment
Instructional	Exceptional Education	FT	(1.00)	Realignment
Instructional	Exceptional Education	FT	(0.50)	Realignment
Instructional	Exceptional Education	FT	(1.50)	Reclassification
Instructional	School Counseling	FT	(1.00)	Reclassification
Instructional	School Improvement	FT	12.50	Board Approved Complement
Instructional Assistant	Exceptional Education	FT	(2.00)	Reclassification
Principals	Exceptional Education	FT	(1.00)	Reclassification
Assistant Principals	Secondary Education	FT	1.00	Reclassification
Assistant Principals	Secondary Education	FT	1.00	Reclassification
Assistant Principals	Exceptional Education	FT	1.00	Reclassification
Other Professional	Social Work Services	FT	1.00	Reclassification
Other Professional	Communications & Public Relations	FT	1.00	Reclassification
Nurses	Student Health Services	FT	4.00	Reclassification
Psychologist	Psychological Services	FT	1.00	Reclassification
Technical	Leadership Development & Special Projects	FT	(1.00)	Realignment
Technical	Operations	FT	1.00	Realignment
Technical	Student Health Services	FT	(4.00)	Reclassification
Technology Tech Support	Communications & Public Relations	FT	(1.00)	Reclassification
Clerical	Deputy Superintendent for Instruction	FT	1.00	Realignment
Clerical	Elementary Education	FT	(1.00)	Realignment
Clerical	Secondary Education	FT	(1.00)	Realignment
Clerical	Gifted	FT	1.00	Realignment
Clerical	Staff Development	FT	(1.00)	Reclassification
Clerical	Staff Development	FT	(1.00)	Realignment
Clerical	Staff Development	FT	1.00	Realignment
Clerical	Leadership Development & Special Projects	FT	(1.00)	Realignment
Clerical	School Improvement	FT	1.00	Reclassification
Operative	Pupil Transportation	FT	1.00	Reclassification
Operative	Pupil Transportation	PT	(1.00)	Reclassification
	Total Education - General Fund FY2014-15		5.50	

Requested Changes for FY2015-16:

Administrative	Exceptional Education	FT	1.00	Realignment
Administrative	Leadership Development & Special Projects	FT	(1.00)	Realignment
Administrative	Staff Development	FT	1.00	Funding Shift
Instructional	Instructional Reserve	FT	16.00	Reinstate Reserve
Instructional	Secondary Education	FT	17.00	System Growth
Instructional	Career and Technical Education	FT	4.00	System Growth
Instructional	Exceptional Education	FT	1.00	System Growth
Other Professional	Social Work Services	FT	1.00	System Growth
Other Professional	Exceptional Education	FT	1.00	Realignment
Other Professional	Leadership Development & Special Projects	FT	(1.00)	Realignment

**County of Henrico
Personnel Complement Changes
FY 2015-16**

Fund/Department	Position	F/PT	Number	Justification
Technical	Pupil Transportation	FT	2.00	System Growth
Clerical	Exceptional Education	FT	2.00	Realignment
Clerical	Leadership Development & Special Projects	FT	(2.00)	Realignment
Trades	Construction and Maintenance	FT	2.00	Funding Shift
Operative	Pupil Transportation	FT	2.00	System Growth
	Total Education - General Fund FY2015-16		<u>46.00</u>	
	Total Education - General Fund since 7/1/2014		<u>51.50</u>	

Special Revenue Fund:

Revisions During FY2014-15:

Instructional	Algebra Readiness	FT	1.00	Board Approved Complement
Instructional	Title I, part A	FT	3.00	Reclassification
Instructional	College Readiness Center	FT	2.00	Board Approved Complement
Assistant Principals	Title I, part A	FT	(1.00)	Reclassification
Other Professional	Title I, part A	FT	1.00	Reclassification
Technical	Head Start	FT	(5.00)	Reclassification
Technical	Title I, part A	FT	1.00	Reclassification
Clerical	School Nutrition Services	FT	1.00	Reclassification
Instructional Assistants	Title I, part A	FT	1.00	Reclassification
Trades	School Nutrition Services	FT	(1.00)	Reclassification
	Total Education - Special Revenue Fund (FY2014-15):		3.00	

Requested Additions for FY2015-16:

Administrative	Teacher Incentive Fund Grant	FT	(1.00)	Funding Shift
Other Professional	DMAS	FT	6.00	Positive Behavior Intervention Services
	Total Education - Special Revenue Fund (FY2015-16):		<u>5.00</u>	
	Total Education - Special Revenue Fund (since 7/1/2014):		<u>8.00</u>	
	Total Education - All Funds (FY2014-15):		<u>8.50</u>	
	Total Education - All Funds (FY2015-16):		<u>51.00</u>	
	Total Education - All Funds (since 7/1/2014):		<u>59.50</u>	

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2013-14</u>	<u>Approved FY2014-15</u>	<u>Revised FY2014-15¹</u>	<u>Approved FY2015-16</u>
Agriculture & Home Extension				
Administrative Assistant	1	1	1	1
Office Assistant III	1	1	1	1
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Belmont Golf Course				
Equipment Operator I	4	3	3	3
Equipment Operator III	1	1	1	1
Food Service Supervisor	1	1	1	1
Labor Foreman III	1	1	1	1
Maintenance Superintendent	1	1	1	1
Utility Mechanic	1	1	1	1
	<u>9</u>	<u>8</u>	<u>8</u>	<u>8</u>
Board of Supervisors				
Administrative Assistant	1	1	1	1
Assistant to the County Manager	1	1	1	1
Executive Assistant	2	2	2	2
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Building Inspections				
Administrative Assistant	1	1	1	1
Building Inspector I	16	16	16	16
Building Inspector II	10	10	10	10
Building Inspector III	1	1	1	1
Building Official	1	1	1	1
Business Supervisor	1	1	1	1
Deputy Building Official	1	1	1	1
Electrical Engineer	1	1	1	1
Electrical/Elevator Inspector Supervisor	1	1	1	1
Engineer II	5	5	5	5
Inspections Plans Reviewer	1	1	1	1
Inspections Supervisor	0	0	0	1
Mechanical Engineer	2	2	2	2
Mechanical/Plumbing Inspector Supervisor	1	1	1	1
Office Assistant II	1	1	1	1
Office Assistant III	1	0	0	0
Permit Clerk	2	2	2	2
Residential Building Inspector Supervisor	1	1	1	1
Senior Permit Clerk	3	3	3	3
Senior Plans Review Engineer	2	2	2	2
Technology Support Specialist III	1	1	1	1
	<u>53</u>	<u>52</u>	<u>52</u>	<u>53</u>
Central Automotive Maintenance				
Accountant III	1	1	1	1
Accounting and Fiscal Technician	1	1	1	1
Automotive Equipment Mechanic	34	35	34	34
Automotive Equipment Supervisor	1	1	1	1
Automotive Equipment Technician	3	2	3	3
Automotive Fleet Manager	1	1	1	1

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<i>Central Automotive Maintenance (cont'd)</i>				
Automotive Mechanic Foreman	4	4	4	4
Automotive Service Worker I	1	1	1	1
Automotive Service Worker II	2	2	2	2
Custodial Worker	2	2	2	2
Fire Equipment Mechanic	5	5	5	5
Fire Equipment Mechanic Foreman	1	1	1	1
Secretary	1	1	1	1
Senior Shop Clerk Dispatcher	2	2	2	2
Storekeeper I	3	3	3	3
Storekeeper II	2	2	2	2
Superintendent/Central Maintenance Facility	1	1	1	1
Warehouse/Parts Supervisor	1	1	1	1
Welder	1	1	1	1
	<u>67</u>	<u>67</u>	<u>67</u>	<u>67</u>
Circuit Court Services				
Administrative Assistant	2	2	2	2
Executive Assistant	1	1	1	1
Law Clerk	3	3	3	3
Office Assistant III	1	1	1	1
Office Assistant IV	1	1	1	1
	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
Commonwealth's Attorney				
Administrative Assistant	1	1	1	1
Assistant Attorney I/Commonwealth	12	12	13	13
Assistant Attorney II/Commonwealth	6	5	5	5
Assistant Attorney III/Commonwealth	4	4	4	4
Attorney for the Commonwealth	1	1	1	1
Business Supervisor	1	1	1	1
Management Specialist I	1	1	1	1
Management Specialist II	1	1	1	1
Office Assistant IV	4	4	4	4
Office Supervisor	1	1	1	1
Paralegal	3	3	3	3
Secretary	13	13	13	13
Senior Asst. Attorney/Commonwealth	6	7	6	6
Senior Management Specialist	1	1	1	1
Technical Support Specialist I	1	1	1	1
	<u>56</u>	<u>56</u>	<u>56</u>	<u>56</u>
Community Corrections				
Senior Management Specialist	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Community Revitalization				
Administrative Assistant	1	1	1	1
Code Enforcement Inspector	0	0	0	1
County Planner II	1	1	1	1
Deputy Zoning Conformance Officer	1	1	1	1

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<i>Community Revitalization (cont'd)</i>				
Director of Community Revitalization	1	1	1	1
Office Assistant IV	1	1	1	1
Principal Planner	1	1	1	1
Zoning Enforcement Officer	8	8	8	8
Zoning Enforcement Supervisor	2	2	2	2
	<u>16</u>	<u>16</u>	<u>16</u>	<u>17</u>
County Attorney				
Assistant County Attorney I	2	1	3	3
Assistant County Attorney II	3	4	2	2
Assistant County Attorney III	3	3	3	3
Business Supervisor	1	1	1	1
County Attorney	1	1	1	1
Deputy County Attorney	1	1	1	1
Paralegal	3	3	3	3
Secretary	3	3	3	3
Senior Assistant County Attorney	2	2	2	2
	<u>19</u>	<u>19</u>	<u>19</u>	<u>19</u>
County Manager				
Administrative Assistant	3	3	3	3
County Manager	1	1	1	1
Deputy County Manager	4	4	4	4
Executive Assistant	1	1	1	1
Legislative Liaison	1	1	1	1
Management Specialist I	0	0	1	1
Management Specialist II	1	1	1	1
Office Assistant IV	1	1	1	1
Technology Support Specialist III	1	1	0	0
	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>
Electoral Board				
Administrative Assistant	1	1	1	1
Assistant Registrar II	4	4	4	4
Deputy General Registrar	1	1	1	1
Management Specialist I	1	1	1	1
Technology Support Specialist I	1	1	1	1
	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
Finance				
Account Clerk II	26	26	20	20
Account Clerk III	6	7	6	6
Accountant I	1	1	2	2
Accountant III	5	5	4	4
Accountant IV	2	2	2	2
Accounting and Fiscal Technician	1	1	2	2
Accounting Section Manager	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Treasury Supervisor	2	2	2	2
Budget Analyst I	2	2	1	1

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<i>Finance (cont'd)</i>				
Budget Analyst II	1	1	2	2
Budget Analyst III	2	1	0	0
Budget Director	1	1	1	1
Budget Supervisor	1	1	1	1
Business Audit Supervisor	1	1	1	1
Business Auditor I	2	2	2	2
Business Auditor II	3	3	3	3
Business Inspection Supervisor	1	1	1	1
Business Inspector I	3	3	5	5
Business Inspector II	2	2	0	0
Business Section Manager	1	1	1	1
Business Supervisor	1	1	1	1
Buyer	4	4	4	4
Director Of Finance	1	1	1	1
Division Director	3	3	3	3
Information Technology Project Manager	1	1	1	1
Management Assistant	0	0	2	2
Management Specialist I	0	1	1	1
Management Specialist II	1	1	1	1
Management Technician	0	0	11	11
Office Assistant III	8	8	4	4
Office Assistant IV	5	5	4	4
Office Supervisor	1	1	1	1
Personal Property Tax Auditor I	9	7	5	5
Personal Property Tax Auditor II	0	2	4	4
Personal Property Tax Supervisor	1	1	1	1
Procurement Supervisor	3	3	3	3
Purchasing Manager	1	1	1	1
Purchasing Support Specialist	2	2	2	2
Real Estate Appraiser Supervisor	3	3	3	3
Real Estate Assessment Director	1	1	1	1
Real Estate Section Manager	1	1	1	1
Revenue Collection Officer I	3	3	3	3
Revenue Collection Officer II	5	5	5	5
Secretary	4	4	3	3
Senior Accountant	2	2	2	2
Senior Budget and Management Analyst	2	2	3	3
Senior Business Auditor	5	5	5	5
Senior Buyer	2	2	3	3
Senior Management Specialist	4	4	3	3
Senior Real Estate Appraiser	21	21	21	21
Technology Support Specialist II	1	1	0	0
Technology Support Specialist III	4	4	4	4
Technology Support Specialist IV	1	1	1	1
Treasury Supervisor	2	1	1	1

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<i>Finance (cont'd)</i>				
Vehicle Section Manager	1	1	1	1
	168	168	168	168
Fire				
Account Clerk III	3	2	3	3
Administrative Assistant	1	1	1	1
Assistant Fire Chief	3	3	3	3
Controller	1	1	1	1
Emergency Manager	1	1	1	1
Engineer II	1	1	1	1
Fire Battalion Chief	12	12	12	12
Fire Captain	32	32	32	32
Fire Chief	1	1	1	1
Fire District Chief	4	4	4	4
Fire Lieutenant	91	91	91	91
Firefighter	383	383	383	383
Management Specialist I	2	2	2	2
Management Specialist II	2	2	2	2
Office Assistant III	1	2	1	1
Office Supervisor	1	1	1	1
Registered Nurse	1	1	1	1
Secretary	1	1	1	1
Senior Management Specialist	1	1	1	1
Technology Support Specialist II	2	2	2	2
Technology Support Specialist III	1	1	1	1
Technology Support Specialist IV	2	2	2	2
Warehouse/Parts Supervisor	1	1	1	1
	548	548	548	548
General Services				
Account Clerk II	0	1	1	1
Account Clerk III	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Director of General Services	1	1	1	1
Business Supervisor	1	1	1	1
Capital Projects Manager	4	4	4	4
Chief of Security Services	1	1	1	1
Construction Coordinator	2	2	2	2
Courier	3	3	3	3
Custodial Worker	17	17	17	17
Custodian I	2	2	2	2
Custodian II	2	1	1	1
Custodian III	1	1	1	1
Director Of General Services	1	1	1	1
Electronic Controls Technician	3	3	3	3
Facilities Coordinator	1	1	1	1
Facilities Manager	1	1	1	1
Food Service Assistant	2	2	2	2

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<i>General Services (cont'd)</i>				
Food Service Manager	1	1	1	1
Maintenance Superintendent	3	3	3	3
Management Specialist II	1	1	1	1
Office Assistant II	2	2	2	2
Office Assistant III	2	2	2	2
Office Assistant IV	1	1	1	1
Plant Maintenance Mechanic	23	23	23	23
Secretary	1	1	1	1
Security Officer	24	24	24	24
Security Officer Supervisor	3	3	3	3
Senior Capital Projects Manager	2	2	1	1
Senior Construction Coordinator	1	1	1	1
Senior Controller	1	1	1	1
Senior Cook	3	3	3	3
Senior Engineer	1	1	1	1
Senior Plant Maintenance Mechanic	5	5	5	5
Support Services Supervisor	1	1	1	1
Technology Support Specialist II	1	1	1	1
	<u>120</u>	<u>120</u>	<u>119</u>	<u>119</u>
Human Resources				
Administrative Assistant	1	1	1	1
Assistant Director of Human Resources	1	1	1	1
Business Supervisor	1	1	1	1
Claims Technician	1	1	1	1
Director of Human Resources	1	1	1	1
Division Manager	7	7	7	7
Environmental Management Coordinator	1	1	1	1
Fitness Trainer	0	1	1	1
Human Resource Analyst I	2	2	3	2
Human Resource Analyst II	3	3	1	2
Human Resource Analyst III	6	6	6	6
Human Resources Assistant I	11	11	10	11
Human Resources Assistant II	2	0	2	2
Human Resources Manager	1	1	1	1
Medical Assistant	1	1	1	1
Nurse Practitioner	1	1	1	1
Risk Management Claims Supervisor	1	1	1	1
Risk Manager	1	1	1	1
Safety Officer	2	2	2	2
Secretary	0	1	0	0
Senior Claims Adjuster	2	2	3	2
Senior Claims Technician	1	1	1	1
Senior Fitness Trainer	2	1	1	1
Senior Human Resources Analyst	6	6	6	6
Senior Management Specialist	0	0	0	1
Technology Support Specialist III	1	1	1	1

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<i>Human Resources (cont'd)</i>				
Technology Support Specialist IV	2	2	1	1
	58	57	56	57
Hold Complement²	36	30	22	9
Information Technology				
Accounting and Fiscal Technician	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Director of Information Technology	1	1	1	1
Computer Operations Supervisor	1	1	1	1
Computer Operator II	3	3	3	3
Computer Operator III	2	2	2	2
Director of Information Technology	1	1	1	1
GIS Coordinator	1	1	1	1
Information Technology Control Technician	2	3	2	2
Information Technology Project Leader	11	11	12	12
Information Technology Project Manager	6	6	6	6
Information Technology Senior Specialist	3	2	3	3
Information Technology Systems Engineer	3	3	2	2
Manager of Production Services	1	1	1	1
Technology Support Specialist I	1	1	1	1
Technology Support Specialist II	4	4	4	4
Technology Support Specialist III	20	20	22	22
Technology Support Specialist IV	25	25	25	25
Technology Support Technician II	1	1	1	1
	88	88	90	90
Internal Audit				
Auditor III	3	3	3	3
Director Of Internal Audit	1	1	1	1
	4	4	4	4
Juvenile Detention				
Administrative Assistant	1	0	0	0
Business Supervisor	0	1	1	1
Custodian I	1	1	1	1
Detention Counselor	13	13	13	13
Detention Home Assistant Superintendent	2	2	2	2
Detention Home Superintendent	1	1	1	1
Detention Supervisor	4	4	4	4
Food Service Supervisor	1	1	1	1
Office Assistant III	2	2	2	2
Registered Nurse	2	2	2	2
Senior Cook	3	3	3	3
	30	30	30	30
Juvenile Detention/VJCCCA				
Detention Outreach Coordinator	1	1	1	1

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<i>Juvenile Detention/VJCCCA (cont'd)</i>				
Detention Outreach Worker	2	2	2	2
	3	3	3	3
Library				
Account Clerk II	2	2	2	2
Administrative Assistant	1	1	1	1
Assistant Library Director	1	1	1	1
Controller	1	1	1	1
Courier	2	2	2	2
Director of Library	1	1	1	1
Librarian I	27	27	27	30
Librarian II	13	17	17	17
Librarian III	12	13	13	13
Library Assistant I	44	44	44	55
Library Assistant II	30	32	32	44
Library Assistant III	6	7	7	7
Library Assistant IV	6	7	7	7
Library Manager	4	5	5	5
Library Public Services Coordinator	1	1	1	1
Management Technician	1	1	1	1
Technology Support Specialist II	7	7	7	7
Technology Support Specialist III	1	1	1	2
Technology Support Specialist IV	1	1	1	1
	161	171	171	198
Mental Health				
Account Clerk III	6	6	6	6
Accountant I	1	1	1	1
Accountant III	1	1	1	1
Administrative Assistant	1	1	1	1
Business Manager	1	1	1	1
Business Supervisor	3	3	3	3
Director of MH/DS	1	1	1	1
Infant Development Specialist	1	1	1	1
Medical Assistant	1	1	1	1
MH/DS Case Manager	37	36	36	36
MH/DS Clinical Supervisor	17	18	18	18
MH/DS Clinician	51	51	51	51
MH/DS Community Support Supervisor	7	7	7	7
MH/DS Division Director	3	3	3	3
MH/DS Group Home Supervisor	2	2	2	2
MH/DS Group Home Worker	1	0	0	0
MH/DS Marketing Specialist	1	1	1	1
MH/DS Program Coordinator	5	5	5	5
MH/DS Program Manager	9	9	9	9
MH/DS Residential Counselor	2	2	2	2
MH/DS Senior Community Support Supervisor	1	1	1	1
MH/DS Support Services Specialist	1	1	1	1

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<i>Mental Health (cont'd)</i>				
MH/DS Training Assistant	10	11	11	11
MH/DS Training Specialist	25	26	26	26
Nurse Practitioner	1	0	0	0
Occupational Therapist	1	1	1	1
Office Assistant IV	19	19	19	19
Secretary	2	2	2	2
Senior Controller	1	1	1	1
Senior Management Specialist	3	3	3	3
Speech Pathologist	1	1	1	1
Technology Support Specialist II	2	2	2	2
Technology Support Specialist IV	1	1	1	1
	<u>219</u>	<u>219</u>	<u>219</u>	<u>219</u>
Permit Centers				
Administrative Assistant	1	1	1	1
Assistant Director of Community Development	1	1	1	1
Community Development Technician I	1	1	1	1
Community Development Technician II	1	1	1	1
Community Development Technician III	5	5	5	5
Director of Community Development	1	1	1	1
Office Assistant IV	1	1	1	1
Senior Community Development Technician	5	5	5	5
	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>
Planning				
Account Clerk III	1	1	1	1
Accounting & Fiscal Technician	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Director of Planning	2	2	2	2
County Planner I	4	4	4	4
County Planner II	5	5	5	5
County Planner III	4	4	4	4
County Planner IV	5	5	5	5
Deputy Zoning Conformance Officer	1	1	1	1
Director of Planning	1	1	1	1
Office Assistant III	1	1	1	1
Office Assistant IV	3	3	3	3
Planning Technician	1	1	1	1
Principal Planner	3	3	3	3
Senior Business Supervisor	1	1	1	1
Senior Planning Technician	1	1	1	1
Technology Support Specialist I	3	3	3	3
Technology Support Specialist II	3	3	3	3
Technology Support Specialist IV	1	1	1	1
Zoning Enforcement Officer	2	2	2	2
	<u>44</u>	<u>44</u>	<u>44</u>	<u>44</u>
Police				
Account Clerk III	2	2	2	2

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<i>Police (cont'd)</i>				
Administrative Assistant	1	1	1	1
Animal Protection Officer	9	9	9	9
Animal Protection Supervisor	1	1	1	1
Auditor II	1	1	1	1
Chief of Police	1	1	1	1
Communications Maintenance Supervisor	1	1	1	1
Communications Officer	76	76	76	76
Communications Supervisor	12	12	12	12
Communications Systems Manager	1	1	1	1
Controller	1	1	1	1
County Planner II	1	1	1	1
County Planner III	1	1	1	1
Criminal Records Manager	1	1	1	1
Crossing Guard	9	9	9	9
Emergency Communications Manager	1	1	1	1
Latent Print Examiner	1	1	1	1
Management Specialist II	2	2	2	2
Office Assistant III	3	3	3	3
Office Assistant IV	3	3	3	3
Office Supervisor	3	3	3	3
Police Captain	10	10	10	10
Police Command Sergeant	1	1	1	1
Police Lieutenant	41	41	41	41
Police Lieutenant Colonel	2	2	2	2
Police Major	4	4	4	4
Police Officer	482	490	490	500
Police Sergeant	64	64	65	65
Police Support Technician I	13	13	13	13
Police Support Technician II	29	29	29	29
Police Support Technician III	3	3	4	4
Radio Repair Technician I	1	1	1	1
Radio Repair Technician II	2	2	2	2
Radio Repair Technician III	2	2	2	2
Secretary	10	10	10	10
Senior Animal Protection Officer	2	2	2	2
Senior Latent Print Examiner	1	1	1	1
Senior Management Specialist	1	1	1	1
Senior Police Support Technician	1	1	1	1
Technology Support Specialist I	1	1	1	1
Technology Support Specialist II	4	4	4	4
Technology Support Specialist III	1	1	1	1
Technology Support Specialist IV	1	1	1	1
	<u>807</u>	<u>815</u>	<u>817</u>	<u>827</u>
Public Relations and Media Services				
Asst. Dir. of Public Relations and Media Svcs.	1	1	1	1
Business Supervisor	1	1	1	1

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<i>Public Relations and Media Services (cont'd)</i>				
Director of Public Relations and Media Services	1	1	1	1
Media Specialist	1	1	1	1
Office Assistant III	1	1	1	1
Office Assistant IV	1	1	1	1
Public Relations Specialist	2	2	2	2
Secretary	1	1	1	1
Senior Public Relations Specialist	1	1	1	1
Senior Television Producer/Director	1	1	1	1
Technology Support Specialist I	1	1	1	1
Television & Media Services Manager	1	1	1	1
Television Operations Technician	1	1	1	1
Television Producer/Director	5	5	5	5
	<u>19</u>	<u>19</u>	<u>19</u>	<u>19</u>
Public Utilities				
Account Clerk III	6	6	6	6
Accountant II	1	1	1	1
Accountant III	1	1	1	1
Accountant IV	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Director/Public Utilities	1	1	1	1
Assistant Division Director	3	3	3	3
Capital Projects Manager	1	1	1	1
Chemist	2	2	2	2
Chief of Laboratory Operations	1	1	1	1
Chief Water/Wastewater Plant Operator	8	8	8	8
Construction Inspector	13	13	13	13
Customer Service Representative	11	11	11	11
Customer Service Supervisor	1	1	1	1
Director of Public Utilities	1	1	1	1
Division Director	5	5	5	5
Electrician	3	3	3	3
Engineer I	6	6	6	6
Engineer II	14	14	14	14
Engineering Aide II	8	8	8	8
Engineering Aide III	1	1	1	1
Engineering Technician	8	8	8	8
Equipment Operator I	1	3	1	1
Equipment Operator II	34	33	35	35
Equipment Operator III	6	6	6	6
GIS Technician	4	4	4	4
Instrumentation Specialist	4	4	2	2
Instrumentation Specialist Supervisor	2	2	2	2
Labor Foreman II	12	12	12	12
Laboratory Aide	1	1	1	1
Laboratory Analyst	6	6	6	6
Laborer	2	0	0	0

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2013-14</u>	<u>Approved FY2014-15</u>	<u>Revised FY2014-15¹</u>	<u>Approved FY2015-16</u>
<i>Public Utilities (cont'd)</i>				
Maintenance Assistant I	10	10	10	10
Maintenance Assistant II	6	6	6	6
Management Specialist I	1	1	1	1
Management Specialist II	1	1	1	1
Meter Reader	3	3	2	2
Meter Reader Foreman	1	1	1	1
Meter Repair Specialist	2	2	2	2
Meter Service Foreman	1	1	1	1
Meter Service Worker	11	11	11	11
Monitoring Technician I	3	3	3	3
Monitoring Technician II	2	2	2	2
Monitoring Technician Supervisor	1	1	1	1
Office Assistant II	1	1	1	1
Office Assistant IV	4	4	4	4
Office Supervisor	4	4	4	4
Preventive Maintenance Technician	1	1	1	1
Secretary	1	1	1	1
Senior Construction Inspector	3	3	4	4
Senior Controller	1	1	1	1
Senior Electrician	1	1	1	1
Senior Engineer	3	3	3	3
Senior Instrumentation Specialist	3	3	5	5
Senior Laboratory Analyst	1	1	1	1
Senior Management Specialist	1	1	1	1
Senior Utility Pipe Locator	1	1	1	1
Senior Utility Plant Mechanic	3	3	3	3
Senior Water/Wastewater Plant Operator	10	10	10	10
Shop Clerk-Dispatcher	2	2	2	2
Storekeeper I	2	2	2	2
Storekeeper II	1	1	1	1
Technology Support Specialist I	1	1	1	1
Technology Support Specialist II	1	1	1	1
Technology Support Specialist III	3	3	3	3
Technology Support Specialist IV	2	2	2	2
Utilities Cashier	1	1	1	1
Utility Pipe Locator	2	2	2	2
Utility Plant Mechanic	12	12	12	12
Utility Plant Operator I	3	3	3	3
Utility Plant Operator II	5	5	5	5
Utility Superintendent I	5	5	5	5
Utility Superintendent II	4	4	4	4
Warehouse/Parts Supervisor	2	2	2	2
Water/Wastewater Facility Maint. Supt.	1	1	1	1
Water Facility/Reclamation Facility Oper Supt.	1	1	1	1
Water/Wastewater Plant Operator II	7	7	9	9

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2013-14</u>	<u>Approved FY2014-15</u>	<u>Revised FY2014-15¹</u>	<u>Approved FY2015-16</u>
<i>Public Utilities (cont'd)</i>				
Water/Wastewater Plant Operator Trainee	2	3	1	1
	306	306	306	306
Public Works				
Accountant III	1	1	1	1
Administrative Assistant	1	1	1	1
Administrative Secretary	1	0	0	0
Assistant Construction Division Director	0	0	1	1
Assistant Director/Public Works	1	1	1	1
Assistant Traffic Engineer	2	2	2	2
Bridge Inspector	1	1	1	1
Business Supervisor	1	1	1	1
Capital Projects Manager	2	2	2	2
Construction Engineer	1	1	0	0
Constructability Specialist II	0	0	1	1
Construction Division Director	0	0	1	1
Construction Inspector	13	13	13	13
County Surveyor	1	1	1	1
Design Engineer	1	1	1	1
Design Program Specialist I	0	0	1	1
Design Program Specialist II	0	0	1	1
Director of Public Works/County Engineer	1	1	1	1
Division Director	1	1	1	1
Drafting Technician II	1	1	1	1
Drainage Construction and Maintenance Specialist	0	0	1	1
Drainage Construction and Maintenance Manager	0	0	1	1
Engineer I	6	7	3	3
Engineer II	11	12	8	8
Engineering Aide II	4	4	3	3
Engineering Aide III	6	6	6	6
Engineering/Environmental Services Div. Manager	0	0	1	1
Engineering Technician	1	1	1	1
Environmental Inspector	8	10	9	9
Environmental Management Engineer	1	1	0	0
Environmental Program Specialist I	0	0	2	2
Environmental Program Specialist II	0	0	1	1
Equipment Operator I	38	38	35	35
Equipment Operator II	35	36	36	36
Equipment Operator III	28	28	28	28
Labor Foreman II	13	13	13	13
Labor Foreman III	2	2	2	2
Laborer	15	15	18	18
Management Specialist II	1	1	2	2
Materials Technician I	1	1	1	1
Materials Technician II	1	1	1	1
Office Assistant III	4	4	4	4
Office Assistant IV	5	5	5	5

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2013-14</u>	<u>Approved FY2014-15</u>	<u>Revised FY2014-15¹</u>	<u>Approved FY2015-16</u>
<i>Public Works (cont'd)</i>				
Preventive Maintenance Supervisor	1	1	1	1
Preventive Maintenance Technician	1	1	1	1
Road Constr. & Maint. Asst. Supt.	2	2	2	2
Road Constr. & Maintenance Supt.	1	1	1	1
Secretary	3	3	3	3
Senior Construction Coordinator	2	2	2	2
Senior Controller	1	1	1	1
Senior Engineer	3	2	2	2
Senior Environmental Inspector	2	2	2	2
Storekeeper II	2	2	2	2
Survey Party Chief	2	2	2	2
Technology Support Specialist III	2	2	2	2
Technology Support Technician II	3	3	3	3
Traffic Engineer	1	1	1	1
Traffic Engineering Technician	1	1	1	1
Traffic Operations Supervisor	1	1	1	1
Traffic Service Worker I	8	8	8	8
Traffic Service Worker II	1	1	1	1
Traffic Signal Service Worker	3	3	3	3
Traffic Signal Technician I	2	2	2	2
Traffic Signal Technician II	1	1	1	1
Traffic Signal Technician Supervisor	1	1	1	1
Welder	1	1	1	1
	<u>254</u>	<u>257</u>	<u>257</u>	<u>257</u>
Real Property				
Administrative Assistant	1	1	1	1
Assistant Director of Real Property	1	1	1	1
Director of Real Property	1	1	1	1
Office Assistant III	1	1	1	1
Real Property Agent II	2	2	2	2
Senior Real Property Agent	1	1	1	1
	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
Recreation				
Account Clerk III	4	5	4	4
Accounting and Fiscal Technician	1	0	1	1
Administrative Assistant	1	1	1	1
Assistant Director of Recreation	1	1	1	1
Capital Projects Manager	2	2	2	2
Carpenter	2	2	2	2
Controller	1	1	1	1
Custodian I	17	17	17	17
Custodian II	2	2	2	2
Director of Recreation And Parks	1	1	1	1
Division Manager	1	1	1	1
Equipment Operator I	29	29	29	29
Equipment Operator III	1	1	2	2

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2013-14</u>	<u>Approved FY2014-15</u>	<u>Revised FY2014-15¹</u>	<u>Approved FY2015-16</u>
<i>Recreation (cont'd)</i>				
Historic Preservation Conservator	1	1	1	1
Labor Foreman I	4	4	4	4
Labor Foreman II	7	7	7	7
Laborer	10	10	9	9
Maintenance Assistant I	2	2	2	2
Maintenance Superintendent	4	4	4	4
Management Specialist I	3	2	3	3
Management Specialist II	1	1	1	1
Office Assistant III	7	6	6	6
Office Assistant IV	2	2	2	2
Painter	1	1	1	1
Plant Maintenance Mechanic	1	1	1	1
Plumber	1	1	1	1
Recreation Coordinator I	31	30	29	29
Recreation District Foreman	5	5	5	5
Recreation Division Manager	1	1	1	1
Recreation Manager	5	5	5	5
Recreation Marketing Coordinator	1	1	1	1
Recreation Marketing Specialist	1	1	1	1
Recreation Sports Leagues Coordinator I	1	0	1	1
Recreation Sports Leagues Coordinator II	0	0	1	1
Recreation Supervisor	5	5	5	5
Recreation Tourism Coordinator	1	1	1	1
Recreation Tourism Specialist	1	1	1	1
Senior Construction Coordinator	2	2	2	2
Senior Historic Preservation Conservator	1	1	1	1
Senior Recreation Fitness Coordinator	1	1	1	1
Storekeeper II	2	2	2	2
Technology Support Specialist I	2	2	2	2
Technology Support Specialist II	2	3	2	2
Technology Support Technician II	1	0	1	1
Theater Coordinator	0	2	0	0
Theater Technical Coordinator	1	1	1	1
Utility Mechanic	2	3	3	3
	<u>173</u>	<u>172</u>	<u>172</u>	<u>172</u>
Sheriff				
Administrative Assistant	1	1	0	0
Chief Deputy Sheriff	1	1	1	1
Controller	1	1	1	1
Correctional Captain	8	8	8	8
Correctional Deputy	257	258	257	257
Correctional Lieutenant	17	17	17	17
Correctional Major	4	4	4	4
Correctional Sergeant	41	40	42	42
Division Director	0	0	1	1
Inmate Classification Officer	12	12	12	12

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2013-14</u>	<u>Approved FY2014-15</u>	<u>Revised FY2014-15¹</u>	<u>Approved FY2015-16</u>
<i>Sheriff (cont'd)</i>				
Inmate Classification Supervisor	1	1	1	1
Institutional Physician	1	1	1	1
Librarian I	2	2	2	2
Library Assistant II	1	1	1	1
Management Specialist I	1	1	1	1
Nurse Practitioner	0	0	1	1
Office Assistant III	17	16	17	17
Office Assistant IV	3	3	3	3
Storekeeper II	0	1	0	0
Technology Support Specialist I	2	2	2	2
Undersheriff	1	1	1	1
	<u>371</u>	<u>371</u>	<u>373</u>	<u>373</u>
Social Services				
Account Clerk III	3	3	3	3
Accountant I	1	1	1	1
Accountant III	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Director/Social Services	2	2	2	2
Business Manager	1	1	1	1
Casework Supervisor	8	8	7	7
Controller	1	1	1	1
CSA Coordinator	0	0	1	1
Director of Social Services	1	1	1	1
Employment Services Supervisor	1	1	1	1
Family Services Specialist I	6	6	6	6
Family Services Specialist II	10	10	11	11
Human Services Assistant	11	11	11	11
Human Services Specialist	43	43	45	45
Human Services Supervisor	9	9	10	10
Job Developer	6	6	6	6
Management Specialist I	1	1	1	1
Office Assistant III	17	17	18	18
Office Assistant IV	3	3	3	3
Senior Family Services Specialist	30	30	29	29
Senior Human Services Specialist	9	9	9	9
Technology Support Specialist I	1	1	1	1
Technology Support Specialist III	1	1	1	1
Technology Support Technician II	1	1	1	1
	<u>168</u>	<u>168</u>	<u>172</u>	<u>172</u>
Solid Waste				
Automotive Service Worker II	1	1	1	1
Division Director	1	1	1	1
Equipment Operator I	2	2	2	2
Equipment Operator II	24	24	24	24
Equipment Operator III	8	8	8	8
Labor Foreman II	3	3	3	3

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2013-14</u>	<u>Approved FY2014-15</u>	<u>Revised FY2014-15¹</u>	<u>Approved FY2015-16</u>
<i>Solid Waste (cont'd)</i>				
Laborer	15	15	15	15
Landfill Attendant	4	4	4	4
Management Specialist I	1	1	1	1
Office Assistant III	1	1	1	1
Preventive Maintenance Technician	1	1	1	1
Senior Engineer	1	1	1	1
Utilities Cashier	5	5	5	5
Utility Superintendent I	1	1	1	1
Utility Superintendent II	1	1	1	1
	<u>69</u>	<u>69</u>	<u>69</u>	<u>69</u>
Total Complement:	<u><u>3,926</u></u>	<u><u>3,937</u></u>	<u><u>3,937</u></u>	<u><u>3,964</u></u>

¹ As of 2/3/2015

² Reserved Positions, Hold Complement, Unfunded for FY2015-16 Budget.

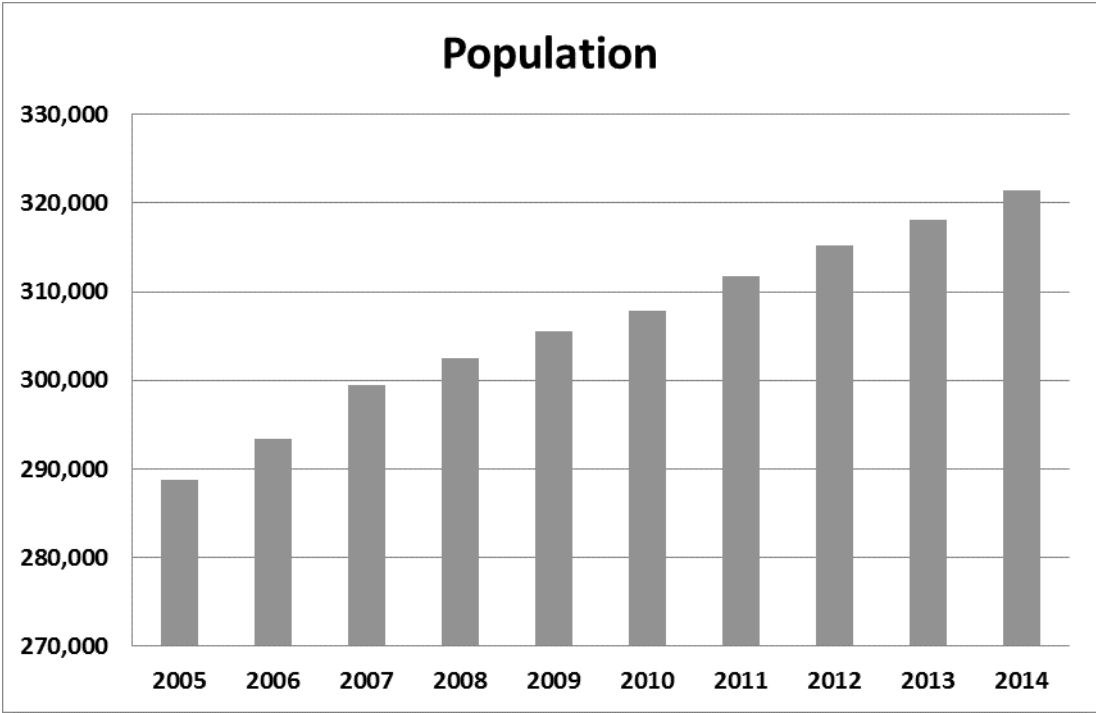
APPENDIX "C"
STATISTICAL SECTION

POPULATION

According to 2010 Census data, the County of Henrico is the sixth largest locality in the Commonwealth. Henrico has experienced a steady growth in population throughout the past ten years, averaging over 1.0 percent growth per annum. Population estimates after the 2010 Census continue to show Henrico County maintaining its consistent growth pattern.

Source: U.S. Census Bureau, 2010 Census Data (FY2010); County of Henrico 2014 Financial Trends Monitoring System (FY2004 – FY2014)

<u>Fiscal Year</u>	<u>Population</u>
2014	321,374
2013	318,158
2012	315,157
2011	311,726
2010	307,832
2009	305,580
2008	302,518
2007	299,443
2006	293,382
2005	288,735



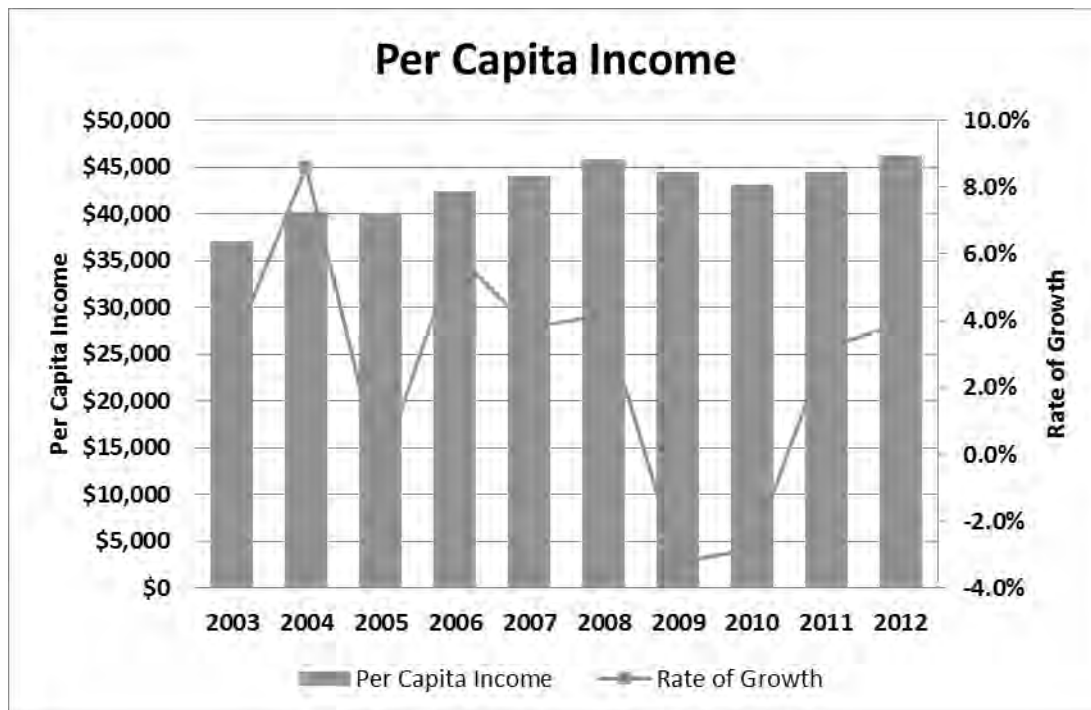
STATISTICAL SECTION

PER CAPITA INCOME

Per capita income is an important statistic in that County revenues tend to have a direct relationship with changes in this value. Furthermore, it is an accurate indicator of the County’s growing wealth. Henrico County had experienced consistent growth in per capita income from the period of 1998 to 2008, averaging 4.1 percent growth per annum, with only a nominal decrease in 2005. However, the economic impact of the recession resulted in a reduction in per capita income of 3.24 percent in 2009 and 2.86 percent in 2010. The has since experienced continued improvement with a 3.19 percent increase in per capita income in 2011, followed by a 3.95 percent increase in 2012. It should be noted that while the County’s population increased by an annual average rate 1.4 percent the last 10 years, the average rate of income growth in the County grew by 2.6 percent. The historical average growth and stability in per capita income over this period is indicative of both a diverse economy and a dedicated local workforce.

Source: County of Henrico 2014 Financial Trends Monitoring System

Year	Per Capita Income	Rate of Growth
2012	\$ 46,292	3.95%
2011	\$ 44,529	3.19%
2010	\$ 43,151	-2.86%
2009	\$ 44,423	-3.24%
2008	\$ 45,911	4.16%
2007	\$ 44,079	3.82%
2006	\$ 42,459	6.05%
2005	\$ 40,036	-0.52%
2004	\$ 40,246	8.60%
2003	\$ 37,059	3.15%



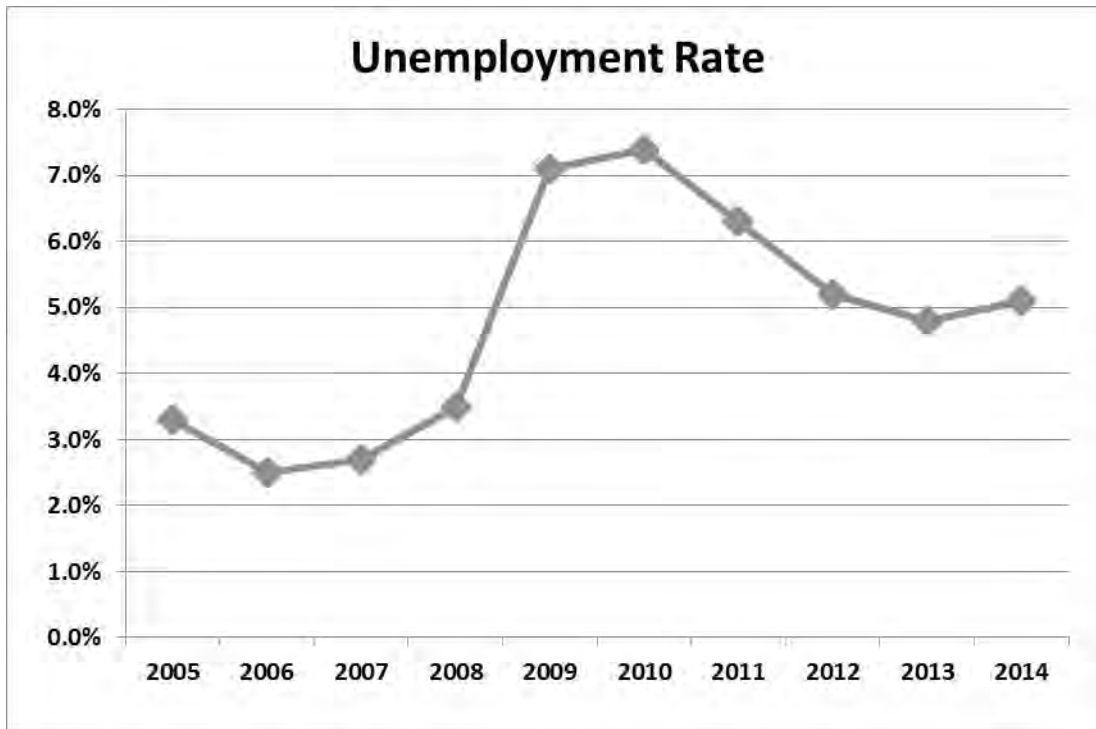
STATISTICAL SECTION

UNEMPLOYMENT RATE

The unemployment rate is highly indicative of changes in the economy and offers an accurate representation of the local economy. In the past ten years, Henrico County has had an unemployment rate ranging from a high of 7.4% in 2010, to a low of 2.7% in 2007. While the unemployment rate has been uncharacteristically high since 2009 as a result of the recession, the rate of 4.8 percent in 2013 was the lowest unemployment rate since 2008. In 2014, the rate crept up slightly from 4.8 percent to 5.1 percent.

Source: County of Henrico 2014 Financial Trends Monitoring System

<u>Year</u>	<u>Change</u>
2014	5.1%
2013	4.8%
2012	5.2%
2011	6.3%
2010	7.4%
2009	7.1%
2008	3.5%
2007	2.7%
2006	2.9%
2005	3.1%



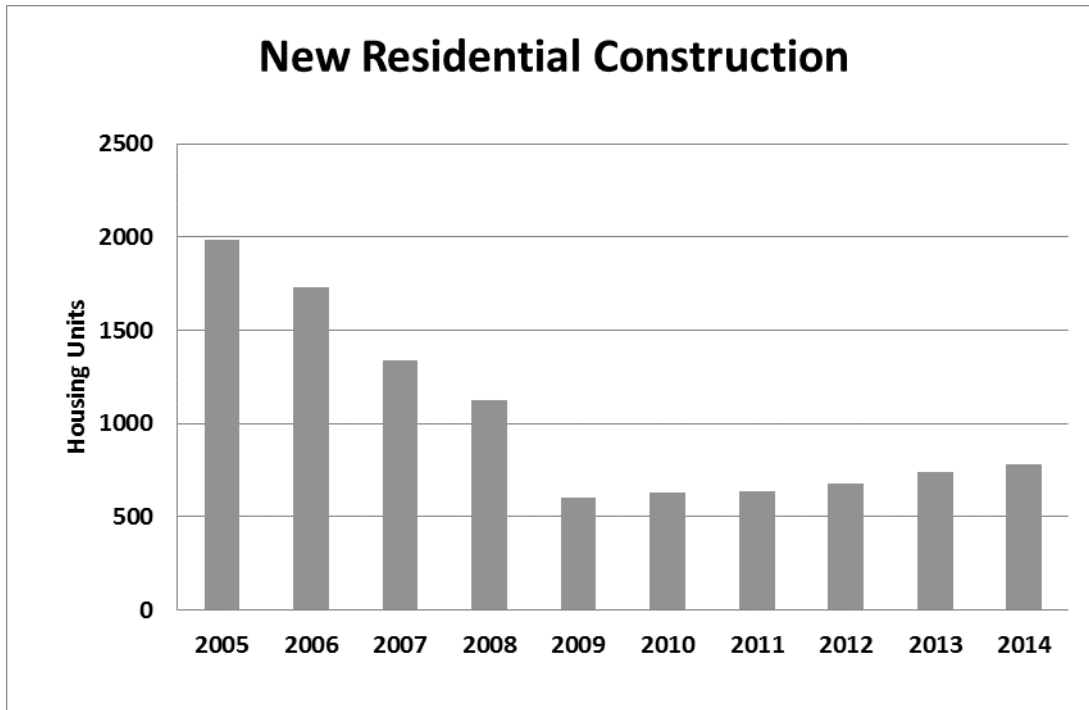
STATISTICAL SECTION

NEW RESIDENTIAL CONSTRUCTION

New residential construction is an important indicator in that steady building levels are indicative of a strong and stable economy. Between 2004 and 2008, residential construction averaged a total of 1,613 new single family permits issued per year. However, due to the economic downturn, in 2007 construction volume began to decline. Between 2009 and 2014, residential construction averaged 718 permits, 55.5 percent less than the 2004 to 2008 average. The County continues to rebound from the significant reduction in new residential construction as a result of the recession, but will likely take years before pre-recession levels are again achieved.

Source: County of Henrico Department of Building Inspections

<u>Year</u>	<u>New Residential Construction</u>
2014	779
2013	742
2012	675
2011	639
2010	630
2009	602
2008	1,122
2007	1,336
2006	1,733
2005	1,987



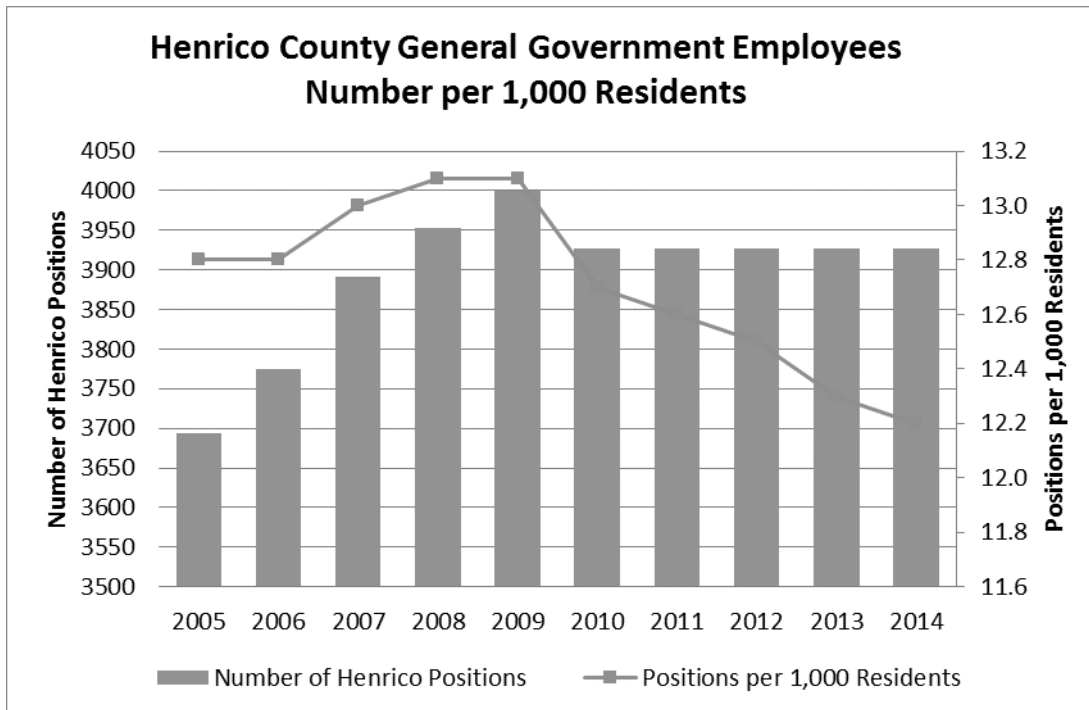
STATISTICAL SECTION

HENRICO COUNTY GOVERNMENT EMPLOYEES

The County of Henrico has averaged a 12.7 General Government Employee to County population ratio over the past ten years. This statistic includes all permanent employees of Henrico County, excluding employees of the School Board. The consistent drop in this indicator since 2009 is indicative of the hundreds of vacant positions eliminated due to budget constraints.

Source: County of Henrico 2014 Financial Trends Monitoring System

Fiscal Year	Positions	Positions per 1,000 Residents
2014	3,927	12.2
2013	3,927	12.3
2012	3,927	12.5
2011	3,927	12.6
2010	3,927	12.7
2009	4,000	13.1
2008	3,953	13.1
2007	3,895	13.0
2006	3,774	12.8
2005	3,694	12.8



STATISTICAL SECTION

HENRICO BUSINESS STATISTICS

Henrico County Principal Tax Payers

Taxpayer	Type of Business	2014 Assessed Value	Percent of Total Valuation
Virginia Power Company	Utility	\$ 492,287,626	1.35%
Forest City (Short Pump TC, White Oak)	Retail and Offices	270,597,900	0.74%
Highwoods Properties	Offices and Warehouses	252,115,000	0.69%
General Services Corporation	Apartments	230,479,500	0.63%
Verizon	Utility	224,264,870	0.62%
The Wilton Companies	Office, Retail & Warehouse	220,243,100	0.61%
Weinstein Family	Apartments	181,384,200	0.50%
HCA Health Services of VA	Hospital	176,107,056	0.48%
United Dominion Realty Trust	Apartments	132,713,200	0.37%
Excel Realty Holdings (West Broad Village)	Offices	128,490,700	0.35%
Liberty Property, LP	Warehouses and Offices	-	-
Qimonda AG (Infineon Technologies)	Industrial	-	-
VAC Limited	Apartments	-	-
Totals		\$ 2,308,683,152	6.34%
Total Assessed Values		\$ 36,405,832,733	

Source: Comprehensive Annual Financial Annual Report FY2013-2014

STATISTICAL SECTION

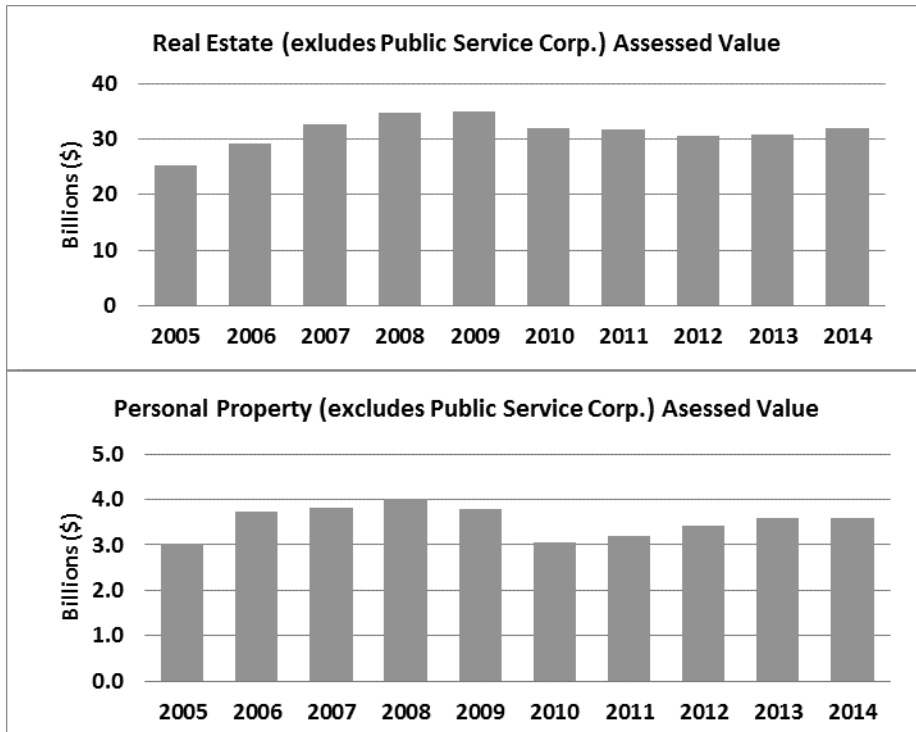
ASSESSED VALUE OF TAXABLE PROPERTY

The assessed value of taxable property is a major indicator of the stability of a local economy. The assessed valuation of taxable property in the County of Henrico has experienced steady increases in most years. However, the economic downturn caused both slower growth and a reduction in value during this time, with the first significant drop in total real estate valuation occurring in 2010. The County, however, has averaged a growth rate of 2.5 percent per annum since 2005, despite the recessionary impediments to growth in recent years.

Source: Comprehensive Annual Financial Report, FY2013-14

Year	Real Estate	Personal Property	Public Service	Total
2014	\$ 31,908,424	\$ 3,585,703	\$ 911,706	\$ 36,405,833
2013	30,776,112	3,586,164	942,100	35,304,376
2012	30,666,925	3,432,535	983,772	35,083,232
2011	31,702,148	3,208,453	991,470	35,902,071
2010	32,016,975	3,068,020	980,016	36,065,011
2009	34,975,868	3,789,013	916,479	39,681,360
2008	34,740,075	4,022,204	854,945	39,617,224
2007	32,787,682	3,807,727	854,321	37,449,731
2006	29,281,500	3,721,480	805,532	33,808,512
2005	25,334,756	3,030,117	803,377	29,168,250

(\$ in Thousands)



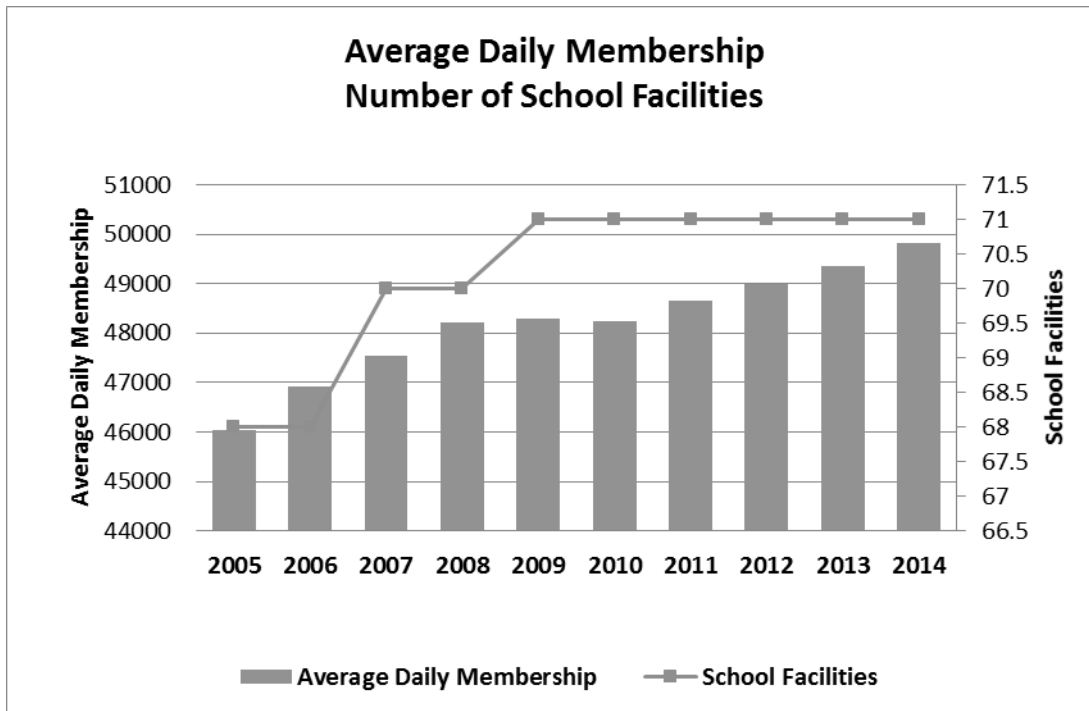
STATISTICAL SECTION

HENRICO COUNTY SCHOOLS

Since 2005, the average daily membership in Henrico County Public Schools has increased by a total of 8.2 percent. During the same time period, the County of Henrico built seven new schools. As the chart illustrates, the County of Henrico has been able to effectively keep the number of facilities in a similar growth pattern with the increasing number of students.

Source: Henrico County Public Schools Annual Financial Plan, FY2014-15

Year	Average Daily Membership
2014	49,812
2013	49,343
2012	48,981
2011	48,659
2010	48,232
2009	48,822
2008	48,226
2007	47,537
2006	46,910
2005	46,030



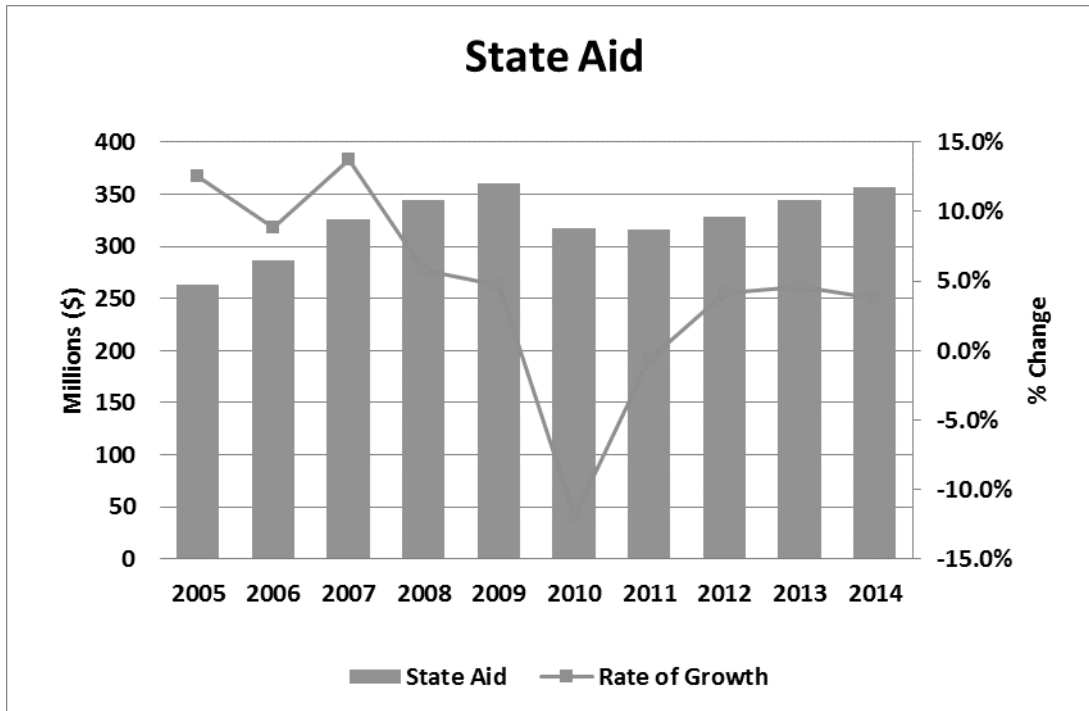
STATISTICAL SECTION

STATE AID-GENERAL FUND

This chart tracks the amount of General Fund aid received by the County of Henrico from the Commonwealth of Virginia since 2005. It should be noted that since FY1998-99, these figures include payments made by the State to Henrico for the Personal Property Tax Relief Act. The County received approximately \$13 million more in General Fund support from the State in FY2013-14 compared to the previous year as a result of adjusting the gasoline tax funding formula for Henrico County.

Source: Comprehensive Annual Financial Report, FY2013-14

Year	State Aid	Change
2014	356,883,659	3.78%
2013	343,886,690	4.62%
2012	328,690,912	4.12%
2011	315,681,610	-0.69%
2010	317,886,195	-11.9%
2009	361,001,730	4.7%
2008	344,569,613	5.8%
2007	325,745,512	13.7%
2006	286,448,006	8.8%
2005	263,338,403	12.5%



STATISTICAL SECTION

OTHER DATA

Over the past ten years, the County of Henrico has been able to increase services for County residents. During the same time period, Henrico County has maintained consistent tax rates and, in some cases, offered significant tax rate decreases. In line with this history, the FY2015-16 Approved Annual Fiscal Plan includes a substantial reduction in the Machinery and Tools Tax Rate to \$0.30 per \$100 assessed value.

Source: Comprehensive Annual Financial Report, FY2013-14; Approved Annual Fiscal Plan, FY2015-16

Year	Recreation/Community Centers	Library Facilities	Registered Voters	Fire Stations
2014	20	11	207,793	20
2013	20	11	205,890	20
2012	20	11	199,718	20
2011	20	11	197,091	20
2010	20	10	195,108	20
2009	20	11	195,683	20
2008	17	10	196,670	20
2007	17	10	175,943	20
2006	17	10	175,774	19
2005	15	10	172,764	19

PROPERTY TAX RATE (PER \$100 OF ASSESSED VALUE)

<i>Personal Property</i>								
Year	Real Estate	Aircraft	Veh. of Volunteer Rescue Squad Members	Specially Equipped Veh. for the Physically Handicapped/Disabled Veterans' Vehicles	All Other Personal Property	Machinery & Tools	Machinery & Tools Semi- Conductor	
2014	0.87	1.60	1.00	0.01	3.50	1.00	0.40	
2013	0.87	1.60	1.00	0.01	3.50	1.00	0.40	
2012	0.87	1.60	1.00	0.01	3.50	1.00	0.40	
2011	0.87	1.60	1.00	0.01	3.50	1.00	0.40	
2010	0.87	1.60	1.00	0.01	3.50	1.00	0.40	
2009	0.87	1.60	1.00	0.01	3.50	1.00	0.40	
2008	0.87	1.60	1.00	0.01	3.50	1.00	0.40	
2007	0.87	1.60	1.00	0.01	3.50	1.00	0.55	
2006	0.90	1.60	1.00	0.01	3.50	1.00	0.55	
2005	0.92	1.60	1.00	0.01	3.50	1.00	0.55	

BOND RATINGS

Year	Moody's	Fitch	Standard & Poor's
General Obligation	Aaa	AAA	AAA
Utilities Revenue	Aaa	AAA	AA+

Source: Department of Finance, County of Henrico

APPENDIX "D"

APPROVED TAX AND FEE SCHEDULE

Real Estate*

Tax Rate: \$0.87 per \$100.00 of the assessed value, including manufactured homes.

Tangible Personal Property*

Tax Rate: \$3.50 per \$100.00 of the assessed value. \$1.00 per \$100.00 of the assessed value for qualifying vehicles used by volunteer firefighters and volunteer members of rescue squads. \$0.01 per \$100 of the assessed value for disabled veterans' vehicles, and motor vehicles specially equipped to provide transportation for physically handicapped individuals.

Machinery Used for Manufacturing/Mining*

Tax Rate: \$0.30 per \$100 of the assessed value of the machinery and tools

Aircraft*

Tax Rate: \$1.60 per \$100.00 of the assessed value of the aircraft.

Sanitary District Tax*

In Sanitary Districts 2, 3, 3.1, 12 and 23 an additional tax is levied on real estate and personal property for the provision of street lights. The real estate rates are \$0.003, \$0.010, \$0.031, \$0.010 and \$0.010 per \$100 of the assessed value, respectively. The personal property rates are \$0.001 per \$100 of the assessed value for all sanitary districts.

Motor Vehicle License

License Fee: \$20.00 for a vehicle under 4,000 pounds and \$25.00 for a vehicle over 4,000 pounds. The license fee is \$15.00 for motorcycles.

Local Sales Tax

Tax Rate: The County receives 1.0% of the 5.3% collected on each purchase. The State of Virginia disburses these receipts.

Food and Beverage (Meals) Tax

Tax Rate: 4.0% of a taxable meal.

Lodging Tax

Tax Rate: 8.0% of the total amount paid for room rental.

Utility Consumers' Tax

Monthly Commercial and Industrial Utility Tax Rates

Electric

Residential - \$0.70 plus the rate of \$0.007537 per kilowatt hour delivered not to exceed a maximum monthly tax of \$1.00.

Master Metered Units w/Residential Use - \$0.70 plus the rate of \$0.007537 per kilowatt hour delivered not to exceed a maximum monthly tax of \$1.00 per dwelling unit.

Commercial - \$1.15 plus the rate of \$0.00713 per kilowatt hour delivered not to exceed a maximum monthly tax of \$10.00.

Industrial - \$1.15 plus the rate of \$0.007603 per kilowatt hour delivered not to exceed a maximum monthly tax of \$10.00.

*For CY2015

Appendix "D" (cont'd)

Natural Gas

There is no tax on the use of gas in either Residential or Commercial areas.

Business and Professional Licenses

Tax Rates:

The first \$100,000 of gross purchases is excluded from the tax for item (1):

- (1) \$100,001 to \$5,000,000 (\$.20 per \$100, \$25 min. tax)
- \$5,000,001 to \$15,000,000 (\$.15 per \$100)
- \$15,000,001 to \$25,000,000 (\$.10 per \$100)
- \$25,000,001 to \$50,000,000 (\$.05 per \$100)
- \$50,000,001 to \$100,000,000 (\$.025 per \$100)
- \$100,000,001 and over (\$.0125 per \$100)

Items (2), (3), (4) and (5) assess taxes on gross receipts. When gross receipts are \$100,000 or less, an application is required, but no tax is due.

- (2) Retail Merchant: \$0.20 per \$100.00, or \$30.00 minimum, of gross receipts exceeding \$100,000.
- (3) Professional Service: \$0.20 per \$100.00, or \$30.00 minimum, of gross receipts exceeding \$100,000.

- (4) (a) Contractor (Fee Basis): \$1.50 per \$100.00, or \$30.00 minimum, of gross fees exceeding \$100,000.

- (b) Contractor (Contract Basis): \$0.15 per \$100.00, or \$30.00 minimum, of gross receipts exceeding \$100,000.

- (5) Utility Companies (includes Cellular Telephone): One-half of 1.0% of the gross receipts, or \$30.00 minimum of gross receipts exceeding \$100,000.

Landfill Fees

Landfill: \$50.00 per ton for commercial refuse collected in Henrico; \$65.00 per ton for commercial refuse collected outside of Henrico; \$3.00 per visit effective April 1, 1998 to public use area by private citizens. Coupon books are available for purchase as follows: 15 coupons for \$40.00; 10 coupons for \$27.00.

Refuse Collection Charges

Frequency of Collection: Weekly
Collection Fee: \$15.00 per month

APPENDIX "E"
GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 14 Actual</u>	<u>FY 15 Original</u>	<u>FY 16 Approved</u>
Revenue from Local Sources:			
General Property Taxes:			
Current Real Property Taxes	\$ 269,856,365	\$ 270,100,000	\$ 279,652,000
New Construction 2014/2015 (Stormwater)			2,348,000
Delinquent Real Prop Taxes	5,619,398	4,000,000	4,000,000
Land Redemption	16,404	0	0
Current Real Property Taxes - PSC	7,988,783	8,285,000	8,285,000
Current Personal Property Taxes - PSC	110,089	115,000	115,000
Current Personal Property Taxes	73,022,744	110,700,000	113,075,000
Delinquent Personal Property Taxes	7,589,540	1,200,000	1,200,000
Interest and Add-on - All Taxes	516,220	275,000	275,000
Total General Property Taxes	364,719,543	394,675,000	408,950,000
Other Local Taxes:			
County Recordation Tax	\$ 3,326,012	\$ 3,400,000	\$ 3,300,000
Local Sales and Use Taxes	55,824,515	57,000,000	58,120,000
Consumer Utility Taxes	2,725,264	2,600,000	2,600,000
Business & Professional License Taxes	29,827,991	30,000,000	30,600,000
Motor Vehicle License Taxes	6,714,426	6,325,000	6,325,000
Bank Franchise Taxes	9,138,480	5,000,000	5,000,000
Grantor's Tax	865,568	900,000	900,000
Hotel and Motel Tax	2,751,912	2,600,000	2,600,000
Hotel and Motel Tax – Optional 4%	5,503,824	5,200,000	5,200,000
Hotel and Motel Tax - Dedicated 2%(special)	2,751,912	2,600,000	2,600,000
Daily Rental Tax	62,102	60,000	60,000
Pare-Mutual Wagering	52,139	50,000	50,000
Consumption Tax	1,132,160	1,100,000	1,100,000
Food & Beverage (Meals) Tax	1,990,470	18,000,000	20,000,000
Total Other Local Taxes	122,666,775	134,835,000	138,455,000
Permits, Privilege Fees, & Regulatory Licenses:			
Elevator Fees	\$ 44,022	\$ 40,000	\$ 40,000
Dog Licenses	126,834	200,000	120,000
Transfer Fees	7,717	7,000	7,000
Structure & Equip Permits	2,720,076	2,650,000	2,650,000
Septic Tank Permit	43,160	5,000	5,000
Going Out Of Business Permit	75	0	0
Public Utility Permit	1,245	1,000	1,000
Hauling & Moving Permit	465	300	300
Vacation Of Roads	450	500	500
High School Parking Fees	115,627	100,000	100,000
Taxi-Cab Certificates	19,825	12,000	15,000
Permit To Purchase Precious Metals	11,200	5,000	5,000
Municipal Library Court Fees	132,908	145,000	130,000
Adult Video/Bookstore Permit	400	0	0
Adult Tournaments	9,815	7,300	7,300
Jury Fees	49,117	45,000	45,000
Administrative Fees-Delin. Tax	100	0	0
Zoning Application Fees-Plan	173,152	150,000	150,000

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 14 Actual</u>	<u>FY 15 Original</u>	<u>FY 16 Approved</u>
<i>Permits, Fees, and Licenses (cont'd)</i>			
Concealed Weapon Permit	86,587	50,000	55,000
School-Facilities Rental	315,235	350,000	300,000
Criminal Justice Training Academy	302,942	325,000	325,000
Dance Hall Permit Application Fee	1,600	0	0
Bingo Application Fee	2,263	0	0
General Construction Permit Fee	0	170,000	170,000
Total Permits, Fees, and Licenses	4,164,815	4,263,100	4,126,100
Fines and Forfeitures:			
Traffic Violation	\$ 2,546,183	\$ 2,500,000	\$ 2,500,000
Parking Violation	30,269	25,000	25,000
False Alarm Penalty	72,750	65,000	65,000
Total Fines and Forfeitures	2,649,202	2,590,000	2,590,000
Revenue from Use of Money and Property:			
Interest on Criminal Judgments	\$ 98,360	\$ 70,000	\$ 70,000
Rental On County Property	600,699	545,000	545,000
Sale Of Publications	24	100	100
Records and Services Fees	84,278	74,000	74,000
Interest on Investment - Repos	1,732,885	7,000,000	7,000,000
Rental of County Property	68,136	68,000	68,000
Vending Machine Commission	71,615	10,000	10,000
Sale of Public Documents - Real Estate	654	200	200
Sale of Publications- Real Estate	144	700	700
Land Use Revenue	947	1,000	1,000
Recreation - Sale of Books	1,500	200	200
Sale of Publications - DPW	65	200	200
Sale of Surplus and Salvage - DPW	283,362	90,700	90,700
Sale of Signs - DPW	1,073	3,000	3,000
Sale of Equipment - Schools	123,280	50,000	50,000
Sale of Maps and Plans- Planning	95	0	0
Sale of Unclaimed Property	13,378	2,000	2,000
Sale of Maps & Plans - DPW	588	500	500
Sale of Vehicles	49,322	0	0
Sale of Vehicles - Schools	28,124	0	0
Interest 1997 Bonds	212	0	0
EDA leasing former library	46,264	0	0
Sale of Land and Property	80,000	0	0
Homeowner's Enhancement Guide	10	0	0
Total from Use of Money and Property	3,285,015	7,915,600	7,915,600
Charges for Services:			
RE Tax Cr-Rehab Fees	\$ 550	\$ 0	\$ 0
Residential Rehab Fees	1,250	0	0
Jail Booking Fees	57,978	50,000	50,000
Court Conviction Fees	594,333	625,000	625,000
Weekender Fee	59,103	50,000	50,000
Deep Run -Rentals	418	150	150
Overdue Books	342,551	325,000	325,000

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 14 Actual</u>	<u>FY 15 Original</u>	<u>FY 16 Approved</u>
<i>Charges for Services (cont'd)</i>			
Photocopying Fees	13,172	2,000	2,000
Charges for Lost Books	127,166	30,000	30,000
Miscellaneous Library Income	(9,824)	0	0
Non-Resident Fees - Library	10,470	8,000	8,000
Sheriff Fees	35,884	36,000	36,000
Room & Board - Work Release Program	125,433	125,000	125,000
Home Incarceration Program - Sheriff	89,972	40,000	40,000
Inmate Medical Fees	76,849	50,000	50,000
Inmate Phone Charges	436,707	200,000	200,000
North Run Park Concessions	9,453	7,700	7,700
Pre-School Program	39,164	40,000	40,000
Cultural Arts Program	53,664	55,000	55,000
Senior Programs	11,674	31,600	31,600
Outdoor Programs	4,623	3,500	3,500
Therapeutic Programs	4,215	8,000	8,000
Special Interest Programs	93,370	70,000	70,000
Belmont Park Room Rentals	50,486	35,000	35,000
Picnic Kit Rental - Recreation	441	500	500
Shelter Reservations - Recreation	60,692	50,000	50,000
Non-Resident Fees - Softball	14,182	15,000	15,000
User Fees - Softball	37,722	40,000	40,000
Admissions for Meadow Farm Museum	14,155	10,000	10,000
Miscellaneous Revenue - Recreation	(1,708)	2,100	2,100
Day Camp Fees - Recreation	36,810	30,000	30,000
Basic Basketball Camp Fees	6,192	6,000	6,000
Three Lakes Park Nature Center	1,113	1,500	1,500
User Fees - Football	3,579	1,100	1,100
Youth Basketball Registration	13,004	20,000	20,000
Dorey Park Concessions	4,420	3,300	3,300
Non-Resident Fees - Basketball	3,090	3,200	3,200
Non-Resident Fees - Volleyball	0	1,000	1,000
User Fees - Basketball	22,433	10,000	10,000
User Fees - Volleyball	(7)	2,000	2,000
Program Fees - Sports	85	2,500	2,500
Facility Rentals - Miscellaneous	832	1,000	1,000
Dorey Park Room Rental	38,403	24,000	24,000
Non-Resident Fees - Baseball	0	1,100	0
User Fees - Rugby	912	1,000	1,000
User Fees - Soccer	13,618	5,000	5,000
User Fees - Lacrosse	0	400	0
Confederate Hills - Room Rentals	30,159	28,000	28,000
Set Up Fees - Belmont	3,961	4,000	4,000
Set Up Fees - Confederate Hills	3,403	2,500	2,500
Set Up Fees - Dorey	3,719	2,800	3,000
Set Up Fees - Hidden Creek	3,294	2,400	2,800
Set Up Fees - Facilities	12,136	4,000	8,000
Gazebo Rentals	1,830	600	600
Hidden Creek Room Rental	9,800	8,500	9,000
User Fees - Adult Baseball	1,064	500	500
Non-Resident Fees - Kickball	0	500	0

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 14 Actual</u>	<u>FY 15 Original</u>	<u>FY 16 Approved</u>
<i>Charges for Services (cont'd)</i>			
Henrico Field of Honor	966	0	0
Deep Run Room Rental	34,655	25,000	30,000
Set Up Fees - Deep Run	3,466	2,500	3,000
Twin Hickory Room Rental	7,337	6,000	6,000
Set Up Fees - Twin Hickory	2,570	1,800	1,800
Walkerton Room Rental	4,095	8,500	4,000
Set Up Fees - Walkerton	108	500	250
Walkerton Programs	2,989	2,500	2,500
Room Rental	89,156	50,000	60,000
Recreation User Fees	140	0	0
Memberships	58,359	0	30,000
School Tuition - Winter	8,940	2,000	2,000
Practical Nursing - Adult Tuition	28,915	16,000	16,000
Math - Science Center	108,742	110,000	110,000
Vacuum Leaf Collection	173,400	170,000	170,000
Commonwealth's Attorney Fees	27,336	25,000	25,000
Charge for Board of Animals	27,831	15,000	15,000
Cafeteria Receipts - County	156,476	150,000	150,000
Grass Cutting/Demolition	83,088	65,000	65,000
Cafeteria Catering Receipts	50,536	75,000	50,000
Charges for Data Processing	756,500	750,000	750,000
Community House SD#2 Collections	15,102	15,000	15,000
Withholding Fee Processing Charges	26,367	0	0
Total Charges for Services	4,235,068	3,566,250	3,585,100
 Miscellaneous Revenue:			
Blood Test/DNA Fees	\$ 5,225	\$ 4,500	\$ 4,500
CHMF-Courthouse Maintenance Facility	172,022	150,000	150,000
Miscellaneous General	(764)	0	0
Circuit Court-Copy fees	15,243	10,000	10,000
HCA Patient Account	45,436	65,000	
Fire - Miscellaneous Revenue	15,969	1,000	1,000
Police - School Guard Reimbursement	9,500	0	0
Pay-In-Lieu of Tax Other	6,745	0	0
Meadow Farm Gift Shop	2,417	2,000	2,000
Geographic Information System Program	4,309	5,000	5,000
Court Orders Restitution (Fire)	9,824	10,000	10,000
Recoveries/Rebates- Police	64,957	0	0
Recoveries and Rebates - General	490,936	325,000	325,000
NSF Check Fees	3,981	10,000	10,000
Richmond Center Reimbursement	5,784,815	3,600,000	3,600,000
Recoveries and Rebates - DPW	0	5,000	5,000
Recoveries and Rebates - Schools	16,952	30,000	10,000
Energy Connect	78,419	0	0
Credit Card Rebates	14,365	0	0
Student Basic Jailor Academy	17	0	0
Misc Revenue- Sheriff	1,589	0	0
Total Miscellaneous Revenue	6,741,957	4,217,500	4,132,500

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 14 Actual</u>	<u>FY 15 Original</u>	<u>FY 16 Approved</u>
Recovered Costs:			
Reimbursement of Prisoner Cost - New Kent County	\$ 750,715	\$ 1,100,000	\$ 700,000
Recoveries - Hazardous Incidence Team	0	5,000	5,000
Proceeds From Sale of Land	3,800	0	0
Metro Aviation REIM-Richmond	18	0	0
Charge for Office Space	111,337	111,000	111,000
Custodial Service	14,269	12,000	12,000
Bounty Fees - Sheriff	2,800	15,000	15,000
Payment for Fiscal Services	2,149,870	2,149,870	2,149,870
Sale of Vehicles - County	305,076	170,000	170,000
Recoveries and Rebates - Health	0	35,000	35,000
Payment for 100% Projects	52,387	55,000	55,000
Road Opening Damages	269,402	325,000	325,000
Interdepartmental Billing - DPW	119,881	35,000	35,000
Shared Expenses- Capital Proj.	0	0	0
Recreation and Parks - Payment for Services	136,201	150,000	150,000
Recovered Costs - Student Activity	168,952	160,000	160,000
A/R-SI P/L Subrogation	1,872		
Festival Permits	4,600	5,000	5,000
Recovery of Wages - School Facility	115,531	100,000	100,000
Lost/Damaged Textbook Payments	5,384	10,000	10,000
Total Recovered Costs	4,212,095	4,437,870	4,037,870
Total from Local Sources	512,674,470	556,500,320	573,792,170
Non-Categorical Aid:			
Rolling Stock	\$ 226,773	\$ 131,000	\$ 131,000
Mobile Home Sales and Use Tax	9,711	12,500	12,500
Recovery of Central Cost Allocations	461,196	475,000	475,000
Motor Vehicle Rental Tax	3,526,538	2,600,000	2,600,000
Car Tax Revenue - State	37,001,783	0	0
Overweight Truck Citations	157,880	0	0
Comm Sales Tax - HB#568	13,226,685	14,000,000	13,500,000
Total Non-Categorical Aid	54,610,566	17,218,500	16,718,500
Shared Expenses:			
Salaries - Sheriff	\$ 10,356,971	\$ 10,041,000	\$ 10,041,000
Fringe Benefits - Sheriff	833,582	750,000	750,000
ST Share of Office Expenses	5,515	0	0
Salaries - Clerk of Circuit Court	1,226,908	1,150,000	1,150,000
Circuit Court Clerk Excess Fees - State	266,244	350,000	350,000
State Recordation Tax	1,348,077	1,300,000	1,300,000
Salaries - Commonwealth's Attorney	1,545,197	1,727,000	1,727,000
Fringe Benefits - Commonwealth's Attorney	302,817	150,000	150,000
Office Expenses - Commonwealth's Attorney	13,668	0	0
Registrar Expenses	75,002	84,400	70,000
Salaries - Department of Finance	706,097	684,000	684,000
Fringe Benefits - Department of Finance	58,753	0	0
Total Shared Expenses	16,738,831	16,236,400	16,222,000

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 14 Actual</u>	<u>FY 15 Original</u>	<u>FY 16 Approved</u>
Categorical Aid:			
State Library Grant	\$ 193,684	\$ 183,000	\$ 183,000
Jail Cost Reimbursement	2,609,462	2,398,000	2,398,000
Share of Probation Expenses	7,786	6,000	6,000
Juvenile Detention - Per Diem from State	450	500	500
Block Grant - Detention Home	530,440	548,975	548,975
Law Enforcement - Police	8,526,916	8,875,000	8,500,000
Emergency Medical Services - Two for Life	340,174	205,000	205,000
State Fire Programs Fund	920,431	750,000	925,000
Hazardous Incidence Team Allotment	31,477	30,000	30,000
Auxiliary Grant for the Aged*	231,018	0	0
Aid to Dependent Children*	660,766	0	0
Auxiliary Grant for the Blind*	10,923	0	0
General Relief*	74,920	0	0
Regular Foster Care*	635,085	0	0
Administration - VPA*	1,527	0	0
Auxiliary Grant for the Disabled*	379,079	0	0
Food Stamp Issuance*	695,055	0	0
Purchased Services*	873,695	0	0
Child Day Care Program*	134,251	0	0
Street and Highway Maintenance - Gas Tax	43,142,087	43,100,000	43,317,000
English as a Second Language	1,554,933	1,728,000	1,767,800
Talented and Gifted Program	1,298,541	1,300,000	1,400,000
General Appropriation - Basic Aid	123,137,632	124,000,000	127,500,000
Foster Child Reimbursement - Schools	236,094	0	152,000
Textbooks	2,533,001	2,846,000	2,870,000
Social Security Reimbursement - Schools	7,226,662	7,700,000	7,785,000
Retirement Reimbursement - Schools	12,082,075	15,800,000	15,485,000
Group Life Reimbursement - Schools	451,666	532,000	478,000
Remedial Education	2,822,915	3,757,000	3,790,000
Share of State Sales Tax - Schools	48,642,987	48,707,000	51,432,000
SOQ - Basic Special Education	14,876,761	16,000,000	16,200,000
Special Education - Homebound	134,348	144,000	250,000
Vocational Education - Adm. & Supv.	543,137	719,000	680,000
Vocational Education - SOQ Occupational	1,609,061	1,479,000	1,492,000
Handicapped Foster Home - Schools	397,253	636,000	543,000
Other Categorical- State	40,672	0	0
Adult Basic Education	79,038	0	0
At Risk - State	2,409,804	2,715,000	2,735,000
Salary Incentive K-3	3,218,332	4,775,000	4,450,000
Adult Education - SOQ	0	40,000	0
ALS Training Fund Reimbursement	26,794	0	0
Clerk's Technology Fund	89,615	0	0
State Medical Plans*	10,279	0	0
Independent Living Grant*	6,588	0	0
Medicaid*	263,991	0	0
Adoption Programs*	799,737	0	0
Inflation Preschool Costs	2,252,588	0	0
FEMA-State-Irene	49,307	0	0
Total Categorical Aid	286,793,037	288,974,475	295,123,275
Total from the Commonwealth	358,142,434	322,429,375	328,063,775

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 14 Actual</u>	<u>FY 15 Original</u>	<u>FY 16 Approved</u>
Revenue from the Federal Government:			
ROTC	\$ 366,872	\$ 350,000	\$ 350,000
Food Stamp Program*	1,782,521	0	0
Family Support Payment*	2,764,539	0	0
Low Income Home Energy*	121,499	0	0
Foster Care*	975,319	0	0
SCAPP Program-Sheriff	19,587	30,000	30,000
Allocated Eligibility Program*	60,758	0	0
Adoption Assistance*	534,743	0	0
Social Services Block Grant*	1,079,210	0	0
Independent Living*	33,866	0	0
Medical Assistance*	1,655,004	0	0
Fed - Family Pres. Grant	11,443	0	0
Child Care and Development*	(1,612)	0	0
Refugees*	81,030	0	0
Child Care and Development - Match*	194,718	0	0
Project "YES"	(4,370)	0	0
2013 Emergency Management Performance Grant	67,407	0	0
FEMA-Fed-Irene	169,547	0	0
Total from Federal Government	<u>9,912,081</u>	<u>380,000</u>	<u>380,000</u>
 Total General Fund Revenue	 <u>880,728,985</u>	 <u>879,309,695</u>	 <u>902,235,945</u>
* Moved to Special Revenue Fund			
Transfers:			
To Debt Service - From Operating	\$ (58,744,833)	\$ (58,694,837)	\$ (54,805,548)
Total To Debt Service:	(58,744,833)	(58,694,837)	(54,805,548)
 To Capital Projects	(75,000)	0	0
To Capital Projects Fund - CIP21 011	(127,690)	0	0
To Capital Projects Fund- Schools - Roof	0	(2,500,000)	(2,500,000)
To Capital Projects Fund - To Gen Govt	(1,500,000)	(2,500,000)	(2,500,000)
To Capital Projects Fund - Capital Reserve	(1,420,000)	(2,600,000)	(10,430,000)
To Capital - General Fund Revenues	0	0	(1,000,000)
To Capital - Capital Initiatives	0	0	(1,000,000)
To Capital - Desig. FB - Permits	0	(500,000)	(500,000)
To Capital - Public Works Vehicle License Fee	(850,000)	(850,000)	(850,000)
To Capital Projects Fund - Public Works Gas Tax	0	(8,751,467)	(6,531,502)
To Capital - Schools Meals Tax	0	(9,000,000)	(9,000,000)
To Capital - Meals Tax - June 2014	0	0	(1,990,470)
To Capital - HB #599	0	(375,000)	0
To Capital - Stormwater	0	0	(2,348,000)
To Capital Projects Fund - Vehicle Replacement	(6,574,800)	(3,824,800)	(3,824,800)
To Vehicle Replacement - Schools	0	0	(1,000,000)
To Vehicle Capital Replacement Program	6,574,800	0	0
Total To Capital Projects Fund:	<u>(10,547,490)</u>	<u>(30,901,267)</u>	<u>(43,474,772)</u>
 To Enterprise Fund - White Oak	(1,931,608)	(1,928,108)	(1,930,308)
Total To Enterprise Fund:	<u>(1,931,608)</u>	<u>(1,928,108)</u>	<u>(1,930,308)</u>
 To Technology Replacement Fund	0	(1,000,000)	(1,000,000)
To Risk Management	(12,156,577)	(8,411,454)	(8,397,952)
Total To Internal Service Funds:	<u>(12,156,577)</u>	<u>(9,411,454)</u>	<u>(9,397,952)</u>

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 14 Actual</u>	<u>FY 15 Original</u>	<u>FY 16 Approved</u>
To Special Revenue Fund - CRWP	(200,606)	(170,028)	(64,380)
To Special Revenue Fund - CCP	(89,896)	(128,043)	(129,028)
To Special Revenue Fund - CSA	(2,948,344)	(3,172,681)	(3,176,065)
To Special Revenue Fund - CSA Medicaid Match	(337,950)	(450,000)	(485,000)
To Special Revenue Fund - Victim Witness	(331,814)	(343,711)	(354,480)
To Special Revenue Fund - Drug Prosecutor	(66,715)	(61,185)	(61,862)
To Special Revenue Fund - VJCCCA	(506,465)	(525,284)	(534,326)
To Special Revenue Fund - MH/DS/SA	(11,613,381)	(13,770,507)	(14,030,509)
To Special Revenue Fund - Metro Aviation	(94,902)	(127,332)	(127,332)
To Special Revenue Fund - Curbside Recycling	(1,798,006)	(2,130,666)	(2,130,666)
To Special Revenue Fund - Bulky Waste	(239,002)	(227,996)	(227,996)
To Special Revenue Fund - Neighborhood Cleanups	(532,072)	(504,647)	(504,647)
To Special Revenue Fund - Bagged Leaf Collection	(140,127)	(155,202)	(155,202)
To Special Revenue Fund - Contingency Account	0	(50,000)	(50,000)
To Special Revenue Fund - Drug Court	(48,798)	(172,139)	(149,363)
To Special Revenue - Social Services	0	(4,356,311)	(4,430,135)
Oper. Transfer to Special Revenue Fund	(10,974)	0	0
Total To Special Revenue Fund:	<u>(18,959,052)</u>	<u>(26,345,732)</u>	<u>(26,610,991)</u>
To JRJDC Agency Fund - Operating	(2,599,287)	(2,624,056)	(2,755,259)
To JRJDC Agency Fund - Debt	(673,106)	(672,964)	(671,327)
Total To JRJDC Agency Fund:	<u>(3,272,393)</u>	<u>(3,297,020)</u>	<u>(3,426,586)</u>
To OPEB - GASB 45	(2,500,000)	(2,500,000)	(2,750,000)
Oper. Transfer- Long-term Disability	(468,000)	0	0
Oper. Transfer to Line of Duty	(481,636)	(500,000)	(550,000)
Total	<u>(3,449,636)</u>	<u>(3,000,000)</u>	<u>(3,300,000)</u>
Total Transfers	(109,061,589)	(133,578,418)	(142,946,157)
Total Resources Prior to Use of Fund Balance/ Sinking Fund	<u>771,667,396</u>	<u>745,731,277</u>	<u>759,289,788</u>
Use of Fund Balance - des FY14 - Cap Res	1,500,000	5,000,000	5,000,000
Use of Fund Balance - designated - Capital Reserve	1,420,000	2,600,000	10,430,000
Use of Fund Balance - Cap Initiatives	0	0	1,000,000
Use of Fund Balance - Public Works	208,500	8,751,467	6,531,502
From Fund Balance - Voting Machine Reserve	0	0	1,000,000
(To) Fund Balance - Voting Machine Reserve	0	0	(1,000,000)
(To) From Fund Balance- VRS Reserve	(1,000,000)	4,497,376	0
Use of FB (RE) - Chesapeake Bay TMDL	0	2,348,000	0
(To) From Fund Balance - Chesapeake Bay - TMDL	0	(2,348,000)	0
Use of Fund Balance - des FY14 - Permits	0	500,000	500,000
From Fund Balance - Meals Tax June 2014	0	0	1,990,470
(To) Fund Balance - Meals Tax FY16 - FY17 Capital	0	0	(2,000,000)
(To) From Fund Balance - State Revenue Stabilization	0	0	1,000,000
Use of Fund Balance General Fund	(29,457,395)	0	0
From Sinking Fund - Bond Ops	4,097,452	339,124	2,074,331
Operating Transfers from Vehicle Replacement Reserve	6,574,800	0	0
Net Fund Balance/Sinking Fund	<u>(16,656,643)</u>	<u>21,687,967</u>	<u>26,526,303</u>
Total General Fund Resources	<u>\$ 755,010,753</u>	<u>\$ 767,419,244</u>	<u>\$ 785,816,091</u>

APPENDIX “F” FINANCIAL TRENDS MONITORING SYSTEM

Note to the reader:

The County of Henrico compiles the Financial Trend Monitoring System (Trends) annually as a means of reviewing historical financial and demographic data prior to composing the annual budget. In completing the Trends document, an extensive review of the County’s financial history over the preceding eleven fiscal years is performed using a series of twenty-eight key economic, demographic, and budgetary factors. By reviewing historical actuals over an extensive period of time, long ago forgotten financial impacts may be reviewed for validity to current economic conditions and variables. This marks the twenty-fifth year of this financial trend analysis.

Completing the Trends document is one of the first steps in Henrico County’s annual budgetary process. The findings that emerge from this review form the foundation on which budget recommendations are planned and created. The County Manager presents the final Trends Document to the Board of Supervisors prior to the recommended operating and capital budgets. This provides the Board the opportunity to undertake an extensive review of the data, allowing them to make the sort of informed and proactive decisions that have led to Henrico’s premier reputation for planning and financial management.

The Trends document is included in the County’s Approved Annual Fiscal Plan to provide the reader with a historical perspective, and thus a more full understanding of the economic, demographic and financial factors that have been accounted for in the process of approving this document.

What follows is a reproduction of the original Trends document that was presented by the County Manager to the Board of Supervisors on February 24, 2015.

THE FINANCIAL TREND MONITORING SYSTEM

Financial Condition

Financial condition is broadly defined as the ability of a locality to maintain existing service levels, withstand local and regional economic disruptions, and meet the demands of natural growth, decline, and change.

The ability to maintain existing service levels means more than the ability to pay for services currently being provided. It also means the ability to maintain programs in the future that are currently funded from external sources such as state or federal grants where the support is likely to diminish, and where the service cannot practically be eliminated when the funds do disappear. It also includes the ability to maintain capital facilities, such as roads and buildings, in a manner that would protect the initial investment in them and keep them in usable condition. Finally, it includes the ability to provide funds for future liabilities that may currently be unfunded, such as pension, employee leave, and debt commitments.

The ability to withstand local, regional, and national economic disruptions is also important because these disruptions may have a major impact on the businesses and individuals who live and work in the locality, and therefore impact the locality's ability to generate new local tax dollars.

This leads to the third component of the definition of financial condition, which is **the ability to meet the future demands of change**. As time passes, localities grow, shrink or stay the same size. Each condition has its own set of financial pressures. Growth, for example, can force a locality to rapidly assume new debt to finance roads and public facilities, or it can cause a sudden increase in the operating budget to provide necessary services. Shrinkage, on the other hand, leaves a locality with the same number of roads and public facilities to maintain but with fewer people to pay for them.

The Financial Trend Monitoring System

The Financial Trend Monitoring System (FTMS), adapted from the system developed by the International City/County Management Association (ICMA), "identifies the factors that affect financial condition and arranges them in a rational order so that they can be more easily analyzed and measured." It is a management tool that pulls together the pertinent information from the County's budgetary and financial reports, mixes it with the appropriate economic and demographic data, and creates a series of local government financial indicators that, when plotted over a period of time, can be used to monitor changes in financial condition. The financial indicators include such things as cash liquidity, level of business activities, changes in fund balance, and external revenue dependencies. This system can also assist the Board of Supervisors in setting long-range policy priorities and can provide a logical way of introducing long-range considerations into the annual budget process. The following discussion has been developed using the ICMA manual entitled Evaluating Financial Condition, A Handbook for Local Government.

The FTMS is built on twelve overall "factors" that represent the primary forces that influence financial condition (see Chart 1). These financial condition factors are then associated with twenty-eight "indicators" that measure different aspects of these factors. Once developed, these can be used to monitor changes in the factors, or more importantly, to monitor changes in financial condition. Each factor is classified as an environmental factor, an organizational factor or a financial factor.

The **environmental factors** affect a locality in two ways. First, they create demands. Second, they provide resources. Underlying an analysis of the effect the environmental factors have on financial condition is the question: "Do they provide enough resources to pay for the demands they make?"

The **organizational factors** are the responses the government makes to changes in the environmental factors. It may be assumed in theory that any government can remain in good financial condition if it makes the proper organizational response to adverse conditions by reducing services, increasing efficiency, raising taxes, or taking some other appropriate action. This assumes that public officials have enough notice of the problem, understand its nature and magnitude, know what to do and are willing to do it. Underlying an analysis of the effects the organizational factors have on financial condition is the question: "Do legislative policies and management practices provide the opportunity to make the appropriate response to changes in the environment?"

The **financial factors** reflect the condition of the government's internal finances. In some respects they are a result of the influence of the environmental and organizational factors. If the environment makes greater demands than resources provided and if the County is not effective in making a balanced response, the financial factors would eventually show signs of cash or budgetary problems. In analyzing the effect financial factors have on financial condition, the underlying question is: "Is government paying the full cost of operating without postponing costs to a future period when revenues may not be available to pay these costs?"

Financial Indicators

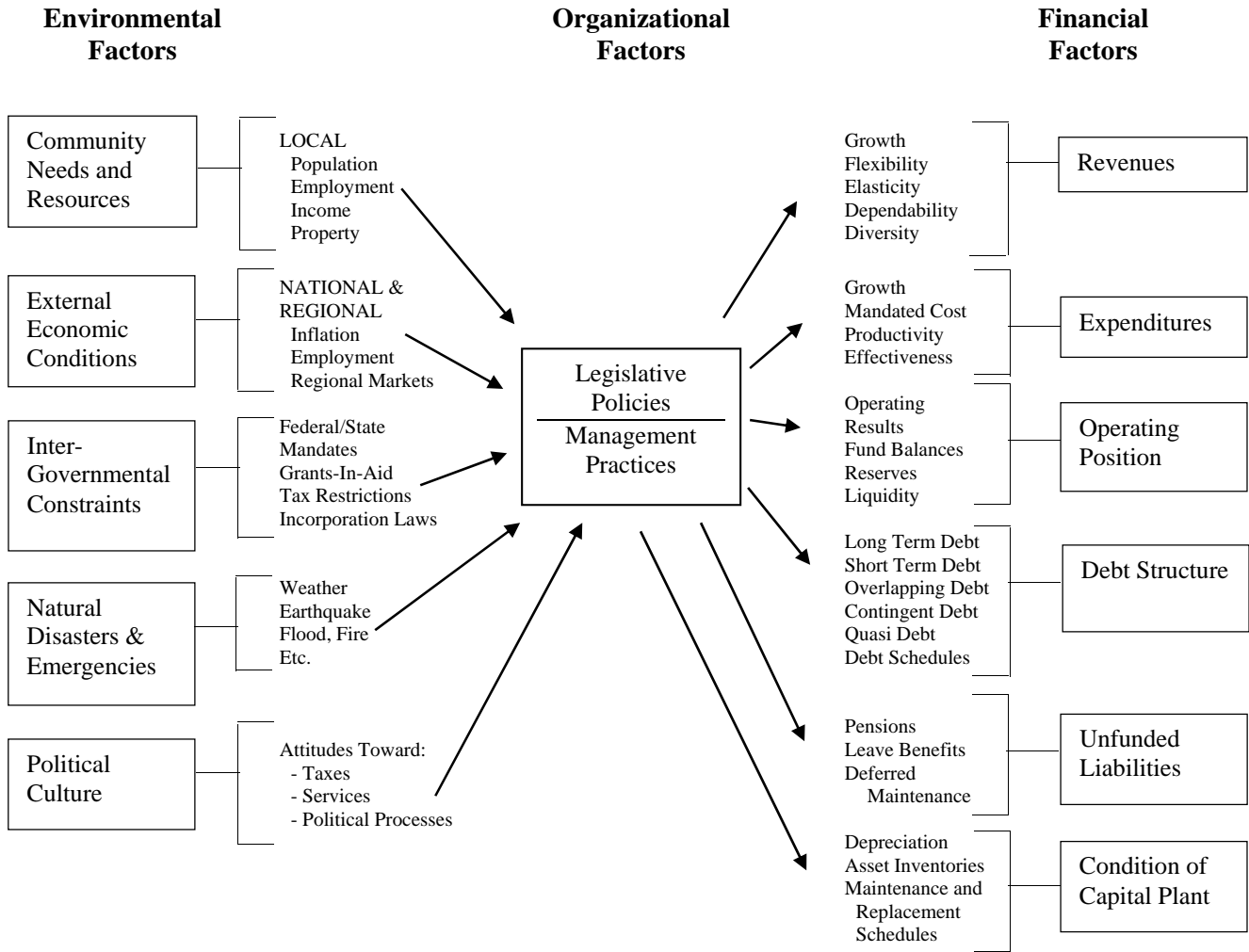
The financial indicators are the primary tools of the Financial Trend Monitoring System. They represent a way to quantify changes in the twelve factors. The chart on page 4 shows the twenty-eight indicators along with the factors with which they are associated. Many aspects of financial condition cannot be measured explicitly; however, by quantifying twenty-eight indicators and plotting them over a period of eleven years, decision makers can begin to monitor and evaluate the County's financial performance. The use of these indicators will not provide answers to why a problem is occurring or what the appropriate solution is, but it may provide the opportunity to make an informed management response.

How to Use This Document

Twenty-eight indicators have been selected for use in monitoring Henrico County's financial condition. They are displayed graphically on the following pages. These indicators were chosen based upon the availability of data and their appropriateness for Henrico County. The indicators selected are grouped by the seven financial factors as illustrated on page 4. The remainder of this document, in fact, is structured into seven sections, one for each of the seven factors. Appendix A provides the raw data used to develop the graphs. Appendix B provides a list of the Economic Data Sources used in the analysis.

Chart 1

Financial Condition Factors



Source: Evaluating Financial Condition, A Handbook for Local Government International City/County Management Association

FINANCIAL INDICATORS

(Those underlined denote warning trends)

REVENUES

Revenues Per Capita
Intergovernmental Revenues
Elastic Operating Revenues
General Property Tax Revenues
Uncollected Current Property Taxes
User Charge Coverage
Revenue Variance

EXPENDITURES

Expenditures Per Capita
Employees Per Capita
Fringe Benefits

OPERATING POSITION

Operating Surpluses
Enterprise Losses
General Fund Unassigned Balances
Liquidity

DEBT STRUCTURE

Current Liabilities
Long-Term Debt
Debt Service

EMPLOYEE LEAVE

Accumulated Vacation Leave

CONDITION OF CAPITAL PLANT

Level of Capital Outlay
Depreciation

COMMUNITY NEEDS & RESOURCES

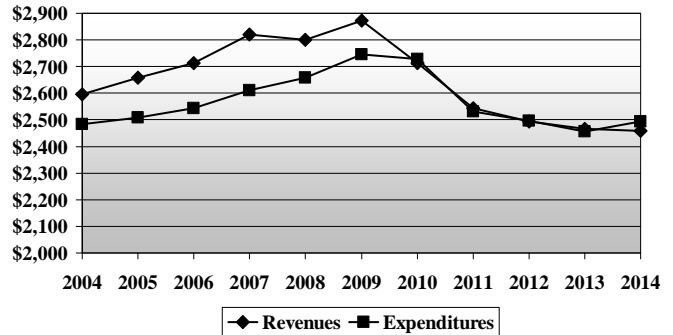
Population
Per Capita Income
Public Assistance Recipients
Real Property Values
Residential Development
Employment Base
Business Activity - Local Retail Sales Tax
Receipts and Business License Tax Receipts
Business Activity - Commercial Acres and
Market Value of Business Property

WARNING TREND: Decreasing net operating revenues per capita (constant dollars). Increasing net operating expenditures per capita (constant dollars).

Formula:

$$\frac{\text{Net Operating Revenues/Expenditures}}{\text{Population}}$$

Revenues/Expenditures per Capita (In Constant Dollars)



Revenues and Expenditures Per Capita:

These indicators depict how revenues and expenditures are changing relative to changes in the level of population and inflation. As the population increases, it might be expected that the need for services would increase proportionately; therefore, the level of per capita revenues should remain at least constant in real terms. If per capita revenues are decreasing, it could be expected that the locality would be unable to maintain existing service levels unless it were to find new revenue sources or ways to save money. Increasing per capita expenditures can indicate that the cost of providing services is greater than the community's ability to pay, especially if spending is increasing faster than the community's personal income or other relevant tax base.

Trends:

This indicator considers “Net Operating Revenues/Expenditures” to be revenues and expenditures (on a constant dollar basis) from the General, Special Revenue, and Debt Service funds. Because this indicator combines these operating funds, the representation is somewhat different than those made in the Annual Fiscal Plan, which is fund specific when examining revenue and expenditure growth. The decrease in per capita revenues in FY08 marked the first such year of decline since this indicator began being tracked in 1982. That being said, since FY10 the County has experienced five consecutive years of declines, though the rate of decline has slowed in the past three years. In FY10, per capita revenues (in constant dollars) declined 5.5 percent from the previous fiscal year to \$2,713 and in FY11 they dropped again to \$2,544, a decline of 6.2 percent. Declines of 2.0 percent, 1.1 percent, and 0.2 percent were experienced in FY12, FY13, and FY14, respectively. From FY09 (the indicator’s peak) to FY14, per capita revenues (in constant dollars) have declined 14.3 percent. Viewed another way, FY14 per capita revenues (constant dollars) of \$2,459 are less than those collected in FY04 – ten fiscal years prior.

Per capita expenditures (in constant dollars) increased from \$2,484 to \$2,746, or 10.5 percent from FY04 to FY09, before falling four consecutive fiscal years from FY10 to FY13 as a result of targeted expenditure reductions, described in greater detail below. In FY10, per capita expenditures (constant dollars) dropped 0.6 percent to \$2,642, dropped another 7.2 percent in FY11, declined 1.4 percent in FY12, and declined 1.6 percent in FY13. From FY09 to FY13, per capita expenditures (constant dollars) declined 10.5 percent before experiencing an increase of 1.5 percent in FY14. Similar to per capita revenues (constant dollars) as noted above, FY14 per capita expenditures (constant dollars) of \$2,494 are also nearly equivalent to the same figure achieved in FY04. It should be noted that this decline in expenditures does not capture expenditures that have been “absorbed” during this most recent economic downturn through numerous recognized operating efficiencies. During this eleven-year period, the County’s population increased by 14.3 percent.

In examining the data, a number of distinct trends are evident. First, from FY04 to FY07, the County’s per capita revenues outpaced per capita expenditures. In looking back over this time period, economic prosperity resulted in healthy revenue growth, while the County’s financial plans intentionally minimized incremental expenditure growth. This is important in that expenditure controls have ensured the County’s operating budgets did not outpace available resources. By minimizing incremental expenditures, the County was afforded the ability to

forecast revenues conservatively. The benefits of this practice were realized in FY08, as County resources were able to keep pace with a number of significant fixed cost increases despite a slowing economy and accompanying slowing revenue growth. Per capita revenues (in constant dollars) in FY08 declined and on the expense side, fixed costs increased significantly, mostly due to soaring energy prices - notably the costs of gasoline, diesel fuel, electricity, and heating costs (natural gas).

From FY09 to FY11, revenues per capita dropped significantly due to the economic downturn, and expenditures per capita were reduced to accommodate the loss in revenue. In anticipation of a slow economic recovery, or economic “new normal,” a number of sustainable expense reduction initiatives were implemented that have allowed the County to reduce overall expenses by more than \$125 million over the past five years, including the elimination, freezing, or unfunding of more than 650 positions Countywide.

In the most recent fiscal year, FY14, expenditures on a per capita basis increased by 1.5 percent while revenues on a per capita basis on a per capita basis experienced a minimal decrease of 0.2 percent. However, the expense increase is a bit misleading as Schools, in compliance with General Accounting Standards Board (GASB) regulations, had to recognize the full life of new “capital lease” agreements for elementary laptops, middle school laptops, and network equipment. GASB requires the County to disclose as an expenditure the full amount of nearly \$43.0 million (\$10.7 million over four years) for these transactions in FY14, a figure that will not appear in the financial statements until the lease is renewed. Without this accounting requirement, expenditures per capita would be at their lowest point since FY03 and would be well below revenues per capita.

As the County slowly emerges from the depths of this past recessionary economic environment, pockets of positive local economic data provide a cautiously optimistic outlook in regards to the County’s local revenue streams. While these “positives” are encouraging, there is continued concern regarding real estate tax revenue and aid from the Commonwealth of Virginia, which combined represent two thirds of the County’s General Fund revenues. While both have experienced recent growth, the level of growth has not kept up with inflation and population growth. These concerns are coupled with a number of additional fixed cost increases the County has absorbed over the past four fiscal years. Fixed cost increases coupled with little revenue growth require further expenditure reductions. In response, a number of vacant positions have been unfunded or eliminated, across-the-board operating reductions were applied to all County agencies, and a number of other targeted expenditure reductions were implemented.

While, as previously mentioned, there are some positive signs within local revenues, real estate assessments are not expected to grow much past 2.0 percent for the foreseeable future and State revenues, outside of Education, will remain stagnant in the short term due to other funding priorities of the General Assembly. As such, it is not expected that the overall County revenue picture will grow at the same level as population and inflation growth, meaning expenditures will also continue with minimal growth. With this economic “new normal” in mind, the County has been adding fiscal structure within the budget process, minimizing one-time resources and investing in core services – particularly Education and Public Safety. The past few Trends documents have denoted warning trends for this indicator due to minimal revenue growth anticipated. Though revenue growth is expected to be minimal for the foreseeable future, Henrico County will continue investing in core services and exploring innovative ways to provide the highest level of service at the lowest possible cost. In spite of the challenges noted herein, the structural additions and strategic expenditure reductions have placed the County in an overall positive fiscal environment. Therefore, the warning trend noted last year has been lifted.

WARNING TREND: Increasing amount of intergovernmental operating revenues as a percentage of gross operating revenues.

Formula:

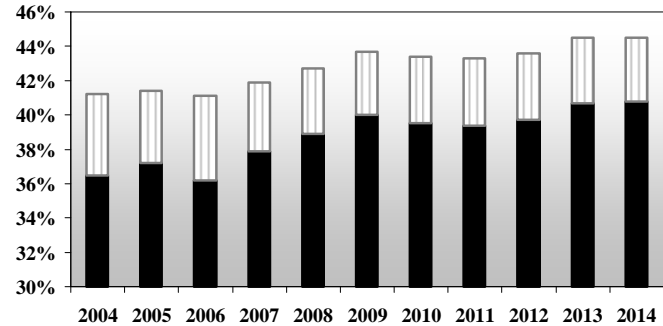
$$\frac{\text{Intergovernmental Operating Revenues}}{\text{Gross Operating Revenues}}$$

Intergovernmental Revenues

(as a % of Gross Operating Revenues)

Intergovernmental Revenues:

Intergovernmental revenues are those revenues received from other governmental entities. The sources of intergovernmental revenue in Henrico County include revenue from the Commonwealth of Virginia and the Federal Government. For example, in the General Fund the County receives a portion of the State Gasoline Tax revenue it generates for street maintenance and construction, as well as State and Federal revenue for schools, social services and a partial reimbursement from the State Compensation Board for salaries and office expenses for Constitutional Officers. In the Special Revenue Fund, the County receives State and Federal revenue for various grant programs for schools, mental health and public safety. Much of this intergovernmental revenue is restricted revenue, and therefore legally earmarked for a specific use as required by State and Federal law or grant requirements. Beginning in 1999, personal property tax payments paid by the State under the Personal Property Tax Relief Act (PPTRA) have been classified as intergovernmental revenues even though the assessment function is performed at the local level. In the graph above, PPTRA revenues appear as the top stacked bar.



In the Special Revenue Fund, the County receives State and Federal revenue for various grant programs for schools, mental health and public safety. Much of this intergovernmental revenue is restricted revenue, and therefore legally earmarked for a specific use as required by State and Federal law or grant requirements. Beginning in 1999, personal property tax payments paid by the State under the Personal Property Tax Relief Act (PPTRA) have been classified as intergovernmental revenues even though the assessment function is performed at the local level. In the graph above, PPTRA revenues appear as the top stacked bar.

An overdependence on intergovernmental revenues can have an adverse impact on financial condition. The "strings" that the external source attaches to these revenues may prove too costly, especially if these conditions are changed in the future after the locality has developed a dependence on the program. In addition, the external source may withdraw the funds and leave the locality with the dilemma of cutting programs or paying for them with General Fund resources.

Trends:

As the graph above indicates, Henrico County's intergovernmental revenues as a percentage of operating revenues have increased from 41.2 percent in FY04 to 44.6 percent in FY14, although as is described below, this increase is somewhat misleading. The peak in this indicator is FY14 and largely arises from additional State Aid for education, outpacing growth in local revenues, primarily real estate. As mentioned above, the State began reimbursing localities under the PPTRA in FY00. The graph above delineates between PPTRA reimbursements and all other intergovernmental revenues. The total bars reflect all intergovernmental revenues, while the lower stacked bars exclude the effects of PPTRA payments.

While intergovernmental revenue has increased substantially over the eleven year period examined, there are two distinct patterns that need to be noted, as the increase is largely misleading. From FY04 through FY09, Henrico County was awarded annual discretionary State Lottery funds of more than \$5.0 million for Education, funds in which Henrico used solely for Education construction projects and not factored into this indicator. This decision was based on the premise that, if in the future, the State reduced lottery funds for Education - the County's operating budget would not be impacted in a negative manner. As such, an operational dependence was not created for this revenue source. The significance of this decision was realized in FY10, as lottery funds were significantly reduced to \$3.2 million from \$5.7 million received the previous fiscal year. In FY11, the entire discretionary allocation of lottery funds was eliminated, as the State began utilizing lottery proceeds to supplant reductions to specific Education programs formerly funded with General Fund dollars.

The second trend reflects the reclassification of prior local revenues as “state” revenues, and while overall State aid looks like it increased from FY06 through FY09, the increase is somewhat misleading. One example that depicts why these increases are misleading is **legislation that replaced four local revenue sources** with a monthly payment from the State Department of Taxation, known as the Communication Sales & Use Tax, which became effective January 1, 2007 and was supposed to be “revenue neutral.” The following local revenue sources were replaced: Consumer Utility Tax, Cable TV Franchise Fee, Cellular Telephone Tax, and E-911 Tax. This legislation distributes funding using a formula that has impacted Henrico’s receipts, and has not proved to be revenue neutral as assumed in the legislation. The State deducts an administrative fee from the revenue collections and redistributes the funding monthly to localities as a fixed percentage of State-wide collections, which was established by FY06 local collection levels. This is noted because it represents an example of the State’s continued forays into issues of local taxing authority. This concern of State involvement in local revenues continues to be noted as a concern, as it is a significant wildcard in the County’s multi-year financial planning efforts.

As mentioned, creating a dependency on a revenue source not controlled locally may create fiscal difficulties if that revenue source is altered. This is exactly what has occurred with the PPTRA revenue paid by the State. In FY00, the Virginia General Assembly made a commitment to reimburse localities for a State tax reduction of a local revenue source (individual personal property). Since FY00, the County of Henrico has built a dependency on this revenue source and the prior ten Trends documents have included a warning for this indicator. PPTRA payments since FY00 reflect the following:

Fiscal Year	PPTRA Payment
FY00	\$4.3 million
FY01	\$25.1 million
FY02	\$33.9 million
FY03	\$33.6 million
FY04	\$34.1 million
FY05	\$33.3 million
FY06	\$42.1 million
FY07	\$37.2 million
FY08 – FY14	\$37.0 million

From FY01 through FY07, PPTRA payments constituted between 4.0 and 5.0 percent of all operating revenues received by the County. In each fiscal year from FY08 through FY13, PPTRA payments made up less than 4.0 percent of all operating revenues to the County.

In the 2004 session of the Virginia General Assembly, the legislature made a materially adverse change to PPTRA payments – effective for FY06. The legislature capped the State’s PPTRA payments to localities at approximately \$950.0 million and uses a pro-rata distribution mechanism for making these payments in the future. In essence, what that means is that Henrico’s PPTRA reimbursements from the State will remain at a level amount in the future, while the taxpayer portion will once again increase and the taxpayer will be required to pay more to the County. The State’s promise of maintaining reimbursement levels at 70.0 percent for the County’s taxpayers slipped to 58.0 percent in 2013 and to 55.0 percent in 2014. As noted earlier, the differential is paid by the County’s taxpayers.

From FY08 through FY11, the State cut billions of dollars from its budgets, most of which resulted in reductions in State aid to localities. In fact, from FY08 through FY11, the State reduced aid to Henrico County by more than \$46.0 million in the General Fund alone, most of which was targeted at State aid for Education. In addition, the County received more than \$28 million in one-time ARRA – Federal Stimulus funds from the State from FY09 through FY11, used by the State to supplant payments to localities for Education, the Sheriff’s Office, and Social Services to offset State General Fund reductions. FY11 was the last year that ARRA – Federal Stimulus

funds could be utilized by the State, and in FY12, the State was forced to identify revenue increment to cover the loss of one-time funds.

The State found those funds in FY12 and Aid from the Commonwealth has grown to exceed the peak of FY09 in FY14. However, in the spring of 2014, the State identified a “shortfall” of revenues as a result of the impact of Federal sequestration. While State revenues are still growing, the rate of growth is not able to keep up with projected expenditure increases, many of which result from mandates placed on the County by the State, such as teacher retirement cost increases. In November, 2014 the General Assembly adopted a number of changes to reduce the State budget, among them being the reinstatement of the “Aid to the Commonwealth” line in which the Virginia Department of Planning and Budget (DPB) outlines a number of areas where localities can take reductions and recommends amounts. As part of this State initiative, localities are required to either choose where and how much to reduce from the identified areas or, if a locality chooses, pay the Commonwealth an amount up to the identified total. For Henrico, the FY15 amount for reduction was \$1,079,511 that the County adopted in each area specified by DPB. As of this writing, the statewide total of nearly \$30 million is still included in the FY16 State Budget.

Local revenues are beginning to recover, but with the continued fiscal struggles at the State level, which impact approximately one-third of the County’s General Fund revenues, net revenue growth remains concerning. Minimal local revenue growth creates an enhanced reliance on State aid, and with this in mind, a warning trend continues for this indicator.

WARNING TREND: Decreasing (or unplanned) amount of elastic operating revenues as a percentage of net operating revenues.

Formula:

$$\frac{\text{Elastic Operating Revenues}}{\text{Net Operating Revenues}}$$

Elastic Operating Revenues:

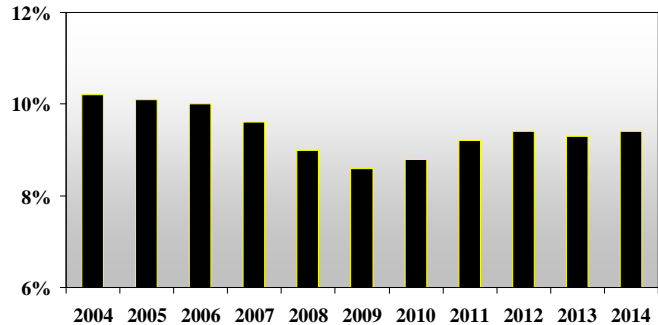
Elastic operating revenues are those that are highly responsive to changes in the economic base and inflation. The highly elastic revenue categories used for this indicator are: local sales and use taxes; business and professional license taxes; structure and equipment permit fees; and the food and beverage tax, more commonly known as a “meals tax”.

It is to a locality's advantage to have a balance between elastic and inelastic revenues to mitigate the effects of economic growth or decline. The relationship between elastic revenues and total receipts is largely driven by consumer consumption. During an economic downturn, elastic revenues are expected to decrease as a percentage of net operating revenues.

Trends:

The graph shown above indicates that the percentage of elastic tax revenues for Henrico County have decreased from a high of 10.2 percent of operating revenues in FY04 to a low of 8.6 percent in FY09. In looking at the time period examined, the overall trend reflects a reduction in operational reliance from these elastic revenue sources, despite overall growth in these revenues of 22.0 percent during the period. From FY10 to FY12, in spite of net declines in overall elastic revenues, the reliance on elastic revenues increased due to significant declines in real estate values and State aid, which combined account for approximately two-thirds of the County’s General Fund revenues. The indicator dropped slightly in FY13 in spite of year-over-year growth due to increased State aid. In looking at the most recent fiscal year, FY14, elastic revenue growth of 3.1 percent can be partly attributed to two factors. First, the FY14 Approved Budget included an increase in Structure and Equipment Permit fees that restructured how the fees were charged. Second, the voters approved a referendum to impose a Food and Beverage Tax, more commonly referred to as the Meals Tax, in November, 2013. This tax was implemented on June 1, 2014 and generated nearly \$2.0 million in that first month, which was reflected in FY14 totals depicted in this indicator.

Elastic Operating Revenues
(as a % of Net Operating Revenues)



As a result of economic expansion from FY93 through FY01, the Board of Supervisors implemented a Business and Professional License Tax (BPOL) reduction strategy as a means of encouraging more businesses to locate in Henrico County. That strategy was first implemented by the Board of Supervisors in January 1996 and was phased in over a period of years. By January 2000, this tax reduction strategy fully exempted the first \$100,000 in gross receipts from taxation for County businesses and established a uniform maximum tax rate of \$.20/\$100 for County businesses. While the tax reduction did impact this indicator, it has had two beneficial impacts. First, due to the phase-in of the Board’s BPOL tax reduction strategy, Henrico reduced its operating reliance on these elastic revenues prior to the actual recession of FY02. Second, commercial taxpayers do not require the same service levels as residential taxpayers, so a net benefit to the County’s revenues has been achieved by attracting more businesses to Henrico.

Another positive note, Henrico County ranked second among all localities in Virginia for total taxable sales in 2013, only behind the much larger Fairfax County. Refer to the chart below for comparisons to other localities.

2013 Virginia Taxable Sales

Total Taxable Sales are from February 1, 2013 to January 31, 2014

<u>Rank</u>	<u>Locality</u>	<u>Total Taxable Sales</u>	<u>Population</u>	<u>Per Capita Sales</u>
1	Fairfax County	\$ 14,418,135,608	1,130,924	\$ 12,749
2	Henrico County	5,117,597,702	318,611	16,062
3	Virginia Beach City	5,064,938,738	448,479	11,294
4	Prince William County	5,015,240,516	438,580	11,435
5	Loudoun County	4,858,737,333	349,679	13,895
6	Chesterfield County	3,750,483,911	327,745	11,443
7	Arlington County	3,232,890,487	224,906	14,374
8	Chesapeake City	3,156,162,495	228,417	13,818
9	Norfolk City	2,635,223,970	245,782	10,722
10	Richmond City	2,357,213,207	210,309	11,208

Pockets of positive local economic information indicate a “bottom” has been achieved, though a slow recovery is expected. Sales tax receipts stagnated in both FY13 and FY14, but early returns for FY15 are promising since, as of this writing, sales tax receipts are up 3.6 percent. However, as noted last year the General Assembly continues to look for ways to reform the BPOL tax in an attempt to reduce business taxes, which would be to the detriment to localities. Finally, as mentioned earlier the meals tax was implemented on June 1, 2014 and promptly provided nearly \$2.0 million in its first month. Since that time, as of the Quarterly Financial Report through December, 2014, the County has collected \$10.7 million and is currently collecting approximately \$2.0 million every month. Due to slow growth in real estate and continued fiscal distress at the State level, combined with the implementation of the meals tax, an increase in this indicator is expected into the near future. That being said, any growth in meals tax collections will be dedicated to one-time capital project expenditures, decreasing the reliance on these resources for operational purposes. As such, no warning trend is warranted for the indicator.

WARNING TREND: Decreasing or negative growth in general property tax revenues (constant dollars).

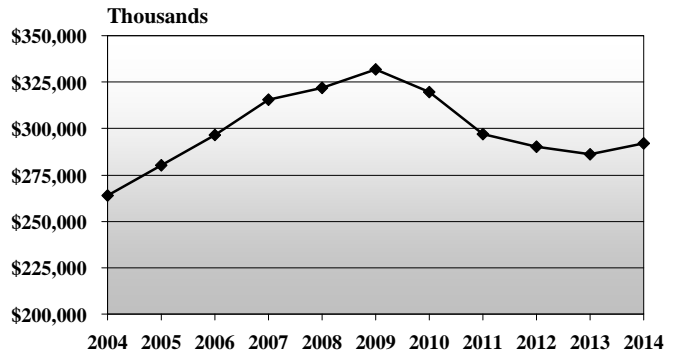
Formula:

Property Tax Revenues (Constant Dollars)

General Property Tax Revenues:

General property tax revenues in Henrico County include both current and delinquent real and personal property tax revenue levied and collected by the County. These revenues constitute Henrico County's largest local revenue category, representing 71.0 percent of total **local** operating revenue in Henrico County in FY14. It should be noted that beginning with FY99, the State's reimbursements of personal property tax revenues have been recorded as "intergovernmental" revenue. That is to say, the PPTRA revenue is not reflected on this indicator. This indicator does capture the "local" component of personal property – including the machinery and tools tax.

General Property Tax Revenue
(In Constant Dollars)



Trends:

Henrico County has experienced an overall healthy increase in general property tax revenues over the last eleven years. In unadjusted dollars, general property tax revenue has increased from \$264.1 million in FY04 to \$367.1 million in FY14, representing an average annual increase of 4.0 percent in this eleven-year period.

Henrico's strong local economy and community of choice designation for new area residents and businesses have had a positive impact on the County's real property assessed valuations over the past eleven years. During this time period between CY04 and CY14, the County's unadjusted real estate tax base has increased by \$11.2 billion. In this eleven year time period, it should also be noted that when looking at these property tax revenues and comparing them to total net revenues, a revealing pattern emerges. Beginning in 1999, personal property tax payments paid by the State under the Personal Property Tax Relief Act (PPTRA) have been classified as intergovernmental revenues even though the assessment function is performed at the local level. After capping PPTRA payments at \$37.0 million annually for Henrico County, property tax revenues as a percentage of net operating revenues increased from 36.9 percent in FY06 to 38.3 percent in FY10. Due to the economic downturn, particularly the impact on real estate values, this indicator dropped four consecutive years, to 36.5 percent in FY13. The increase in constant dollar property tax revenue in FY14 is attributed to a 2.8 percent increase in the real estate tax base January 1, 2014, as well as a healthy increase in personal property tax receipts.

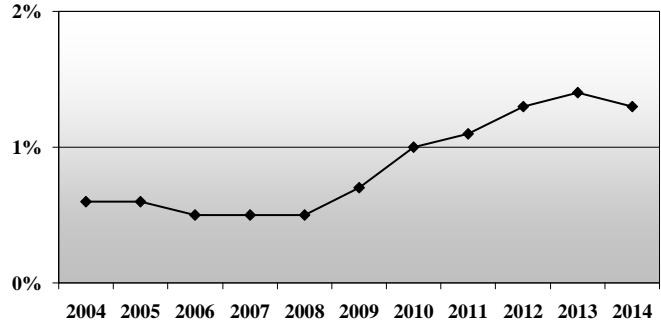
Overall, the upward trend of the County's total tax base over this time period is a very positive trend. To further influence this trend, the County's overall tax base for January, 2015 reflects a 3.7 percent increase, with reassessments increasing 2.5 percent. Further, while the number of properties that were foreclosed remains historically high and continues to be a drag on the real estate tax base, the number of foreclosures in 2014 decreased 20.5 percent to 587 – the lowest number of foreclosures since 2008. Going forward, the County anticipates continued growth in real estate values, albeit in the range of between 2.0 percent and 3.0 percent – levels equivalent to inflation growth. With a second consecutive year of overall real estate valuation growth, albeit minimal, and with personal property tax receipt expected to continue to grow at levels close to inflation, the warning trend noted last year has been lifted.

WARNING TREND: Increasing amount of current uncollected property taxes as a percentage of the current total property tax levy.

Formula:

$$\frac{\text{Uncollected Current Property Taxes}}{\text{Current Property Tax Levy}}$$

Uncollected Current Property Taxes (as a % of Total Levy)



Uncollected Current Property Taxes:

Every year a certain percentage of current real and personal property taxes go uncollected because property owners are unable to pay them. As this percentage increases over time, it may be an indication of an overall decline in a locality's economic health. Bond rating agencies consider that a locality will normally be unable to collect between 2.0 to 3.0 percent of its property tax levy each year. If uncollected property taxes rise to more than 5.0 percent, rating agencies consider this to be a negative indicator that signals potential problems in the stability of the property tax base or is indicative of systemic problems with local tax collection efforts.

Trends:

As the graph above indicates, for this eleven-year period, Henrico County's percentage of current **uncollected** real and personal property taxes has ranged from 0.5 percent from FY06 through FY08, to 1.4 percent in FY13, the high point in the eleven years examined, before falling to 1.3 percent in the most recent fiscal year, FY14.

In looking at this indicator, a consistency in collections on the part of the County is depicted, as the range on the graph is within expected parameters. In the past several years, significant enhancements have been made in the collection of delinquent real estate taxes. This, in part, can be attributed to Henrico's commitment to improving customer service by streamlining collection procedures and increasing payment options for County residents. In this time period, Henrico has implemented acceptance of payments by credit card over the telephone and via the internet, implemented acceptance of payments by debit and credit cards in person, instituted a monthly debit program for personal and real property tax payments, continued to be more timely in collecting delinquent taxes and enhanced its collection processes. The results of these efforts can clearly be seen above. From FY09 to FY13, uncollected real and personal property taxes reflect the impacts of the recessionary economic environment and the toll it has had on the citizens of Henrico County and the local real estate market, as the percentage of current uncollected real and personal property taxes increased from 0.5 percent in FY08 to 1.4 percent by FY13.

One ancillary fact that needs to be mentioned is that the County's top ten "Principal Taxpayers" continued to constitute a large percentage of the tax base in FY14, at 6.3 percent. This is an important note for this indicator due to the fact that collections of current taxes from the "Principle Taxpayers" of a locality are generally made in the year they are due.

In looking at this indicator over the eleven-year time period, a peak is depicted in FY13. However, even at its peak, uncollected current property taxes as a percent of the total levy measured 1.4 percent, well below the 5.0 percent level that Bond Rating agencies consider negative.

Due to enhancements made in the collections area in the past several years, levels are anticipated to remain well below 2.0 percent. As such, no long term warning trend is noted for this indicator.

WARNING TREND: Decreasing revenues from user charges as a percentage of total expenditures for providing related service.

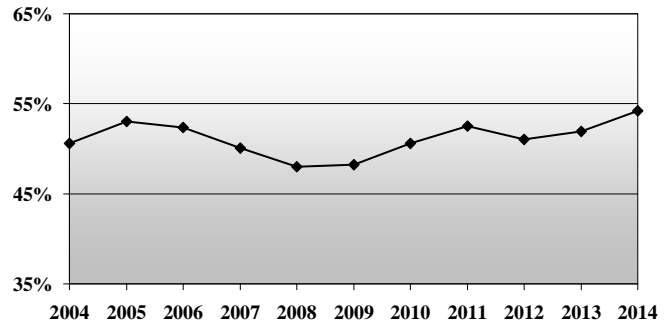
Formula:

$$\frac{\text{Revenues from User Charges}}{\text{Expenditures for Related Services}}$$

User Charge Coverage (Revenues/Expenditures)

User Charge Coverage:

User charge coverage refers to whether or not fees and charges cover the full cost of providing a service. Henrico County charges fees for the employee cafeteria, recreation activities, and building permits in the General Fund. In the Special Revenue Fund there are fees for the school cafeteria, mental health services, street lighting, and solid waste services. As coverage declines, the burden on other revenues to support these services increases. Inflation will erode the user charge coverage if not reviewed and amended periodically. Therefore, costs and fees should be reviewed frequently to ensure that the desired level of coverage is maintained.



Trends:

As shown in the graph, the user charge coverage for the County has measured less than 55.0 percent for this eleven-year period, with a low of 48.0 percent occurring in FY08, and a high of 54.2 percent occurring in FY14 – the most recent year examined. The indicator measures user coverage of seven specific expenditure areas. These are: Building Inspections, Employee Cafeteria, Mental Health, Recreation, Street Lighting, School Cafeteria and Solid Waste.

In looking at the larger operational components, the user charge coverage percentages for Building Inspections has typically been sufficient to cover the activities of that department, peaking in FY05. However, user charges as a percent of expenditures fell significantly in the economic downturn due to the significant drop in the number of permits issued during the downturn. To put this in perspective, in FY07, the user charge coverage percentage for Building Inspections was 99.9 percent, falling to 48.5 percent by FY10. User charge coverage for Building Inspections increased to 54.1 percent in FY11, and again in FY12 to 65.1 percent, due to expenditure reductions made by the department and an increase in structure and equipment permit revenue collections in FY12. However, the user charge coverage for FY13 dropped to 61.2 percent because of a drop in permit fee collections. In FY14, structure and equipment permit fees were increased in an effort to close the coverage gap, and as a result, the coverage was 76.9 percent, and the primary reason for the increase in the indicator that fiscal year.

Mental Health’s user charge coverage has actually increased over the eleven-year period from 35.3 percent to 47.9 percent due to third party fee payments made to that entity. The user charge coverage for Solid Waste has fluctuated, as in years where large capital expenditures are required for the landfill, operational revenues will not meet operational requirements. However, because Solid Waste has built up reserves for these occurrences, the operation has not been impacted in a negative manner. In looking at Recreation, the user charge coverage in this area has remained at approximately 5.0 percent throughout this time period. Also in this eleven-year time period, the School Cafeteria has typically generated sufficient revenues to cover operational requirements.

This indicator in the eleven-year period has averaged 51.1 percent. Excluding Recreation, the indicator has averaged 67.5 percent in the eleven-year period. As the local economy continues to slowly improve, associated revenues, particularly structure and equipment permit revenues, should improve as well. As such, no warning trend is noted for this indicator. The County will continue to maximize efforts to ensure coverage rates are appropriate to reduce reliance on other County revenues.

WARNING TREND: Declining revenue variance as a percentage of net operating revenues.

Formula:

$$\frac{\text{Revenue Variance}}{\text{Net Operating Revenues}}$$

Revenue Shortfalls:

This financial indicator examines the differences between revenue estimates and revenues actually received. It includes revenues in the General, Special Revenue, and Debt Service funds. Major discrepancies in revenue estimates can be an indication of a declining economy, inefficient collection procedures, or inaccurate estimating techniques. On the graph above, the “0” represents the fiscal year budgeted estimates. A positive number reflects a positive revenue variance, indicating budget estimates were met, while a negative number reflects missed revenue projections.

Trends:

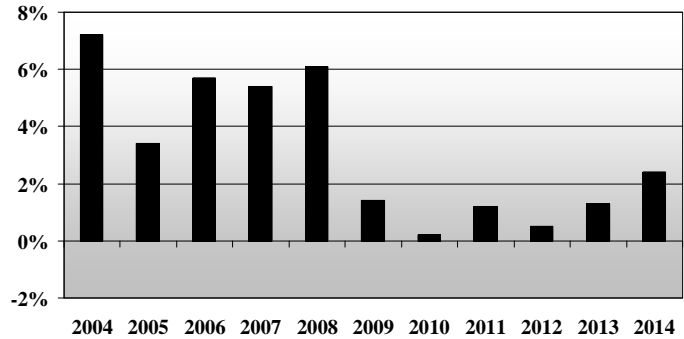
The overall trend depicted above reveals that the County’s revenues exceeded budget estimates for each of the eleven years analyzed.

In looking at this eleven-year period, this indicator peaked in FY04, when the budget to actual revenue variance reached 7.2 percent. The low points may be found from FY09 through FY13, when the variances ranged from 0.2 percent in FY10 to 1.3 percent in FY13. The variance for FY14 increased to 2.4 percent, which reflects the largest revenue variance in the past six fiscal years. **In no case in this eleven-year time period did the County’s actual revenues not meet budgeted estimates.**

Looking at the trend since FY04, the County’s annual revenue variance has averaged 3.2 percent. The County of Henrico maintains a conservative posture when projecting revenues on an annual basis. Because of the initiatives established by the Board of Supervisors over this time span - notably the capping of annual incremental expenditure growth and the decreasing reliance on elastic revenues - despite a struggling economy, the County has had the ability to continue to maintain a conservative revenue posture. In spite of the recessionary economic environment in FY08, the budget to actual revenue variance of 5.8 percent reflected the second highest level in this eleven-year period. The impact of the economic downturn is evident from FY09 through FY12, as the gap between estimated and actual revenue collections narrowed due to virtually all revenue sources declining. In fact, in FY10, actual revenues (across the General Fund, Special Revenue Fund, and Debt Service Fund) declined \$37.9 million from the previous fiscal year and declined another \$16.1 million in FY11. During this period, and in anticipation of a slow economic recovery, or economic “new normal,” a number of sustainable expense reduction initiatives were implemented that have allowed the County to reduce overall expenses by more than \$125 million over the past five years, including the elimination, freezing, or unfunding of more than 650 positions Countywide.

Slightly improving revenue collections, combined with the continued effort of departments finding efficiencies allowed the County to post an improved 2.4 percent revenue variance in FY14, contributing to growth in overall General Fund fund balance as well – the first such increase in fund balance in five years. Conservative revenue estimates in the FY15 budget, notably in real estate tax collections and State aid, in addition to the County’s newly implemented meals tax which will likely exceed the estimated \$18 million for FY15, will likely grow this

Revenue Variance
(as a % of Net Operating Revenues)



indicator again in the current fiscal year, in spite of the State's fiscal difficulties. With strategic fiscal structure also added in the FY15 budget, and with continued fiscal concerns at the State level requiring highly conservative estimates, this indicator will likely reflect positive results into the foreseeable future. As such, the warning trend noted in last year's document has been lifted for this indicator.

WARNING TREND: Increasing number of employees per capita.

Formula:

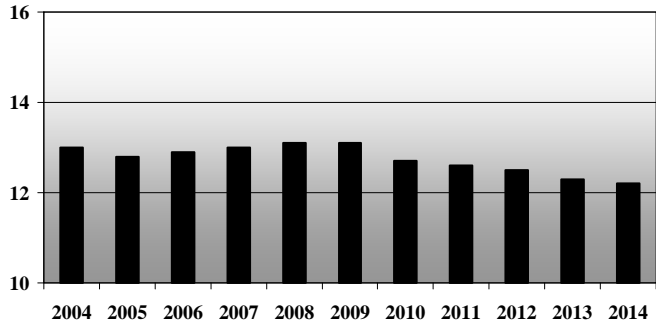
$$\frac{\text{Number of General Government Employees}}{\text{Population}}$$

Employees per Capita

(Employees per 1,000 Population)

Employees Per Capita:

Personnel costs reflect the major portion of a locality's operating budget, and plotting changes in the number of employees per capita is another way to measure changes in expenditures. An increase in employees per capita might indicate that expenditures are rising faster than revenues, or that the locality is becoming more labor intensive, or that personnel productivity is declining.



Trends:

The County's General Government personnel complement (which does not include the personnel complement of the Henrico County Public Schools) increased by 360 employees from FY04 to FY09, then were reduced by 73 positions from FY10 to FY14. The graph above illustrates that the employees per 1,000 population generally measured around 13.0 employees per 1,000 population during the first six years of the time period examined, with the peak at 13.1 in FY08 and FY09. Since FY09, this indicator has steadily dropped to the FY14 level of 12.2.

Two notes are warranted for this indicator. First, the graph above does not exclude departments that offer specialized services not offered by most localities in the State. Henrico County is one of two counties in the State that maintain their own roads, and the information above includes 254 employees in the Public Works department. Second, this indicator includes positions that are currently being held vacant as a result of the County's hiring freeze. As of this writing, the County is holding nearly 300 vacant positions.

Growth in this indicator from FY06 through FY08 are a direct reflection of a number of new facilities that were built as a result of the March 2005 General Obligation Bond Referendum. In October 2008, in response to a number of troubling economic indicators at that time, the County implemented a hiring freeze that impacted nearly all departments across the County. To assist in balancing the FY11 budget against significant revenue reductions, the County eliminated 101 of these vacant positions in FY10. The result of this action is that the number of General Government employees per 1,000 population was reduced from 13.1 in FY09 to 12.7 in FY10, easily the largest year-over-year fluctuation in the time period examined. In the FY12 budget, 21 vacant positions were eliminated to assist in balancing the budget. Of these 42 vacant positions, 21 were eliminated altogether, and the other 21 were placed into a hold complement, dropping the indicator to 12.6 employees per 1,000 population. In FY12 through FY14, the number of positions remained constant to the number in FY11 at 3,927 positions, in spite of the increase in population. As such, this indicator dropped again to 12.5 in FY12, 12.3 in FY13, and 12.2 in FY14. In fact, the ratio of employees per 1,000 population is at its lowest level since FY1988.

It is important to note that FY15 marks the first year since FY09 that employees have been added to the complement. This budget reflects a net increase of 10 positions as a result of eliminating vacant positions from a myriad of departments to provide additional positions needed for Police, Public Works, and the Public Library. Every position eliminated from the complement has been strategic and is sustainable. In fact, as the County continues to find additional ways to become even more efficient, it is very likely that the practice of reducing employees in specific areas, generally administrative areas, will continue and those resources will be reinvested in core services. As such, in spite of continued annual population growth going forward, no warning trend is noted for this indicator.

WARNING TREND: Increasing fringe benefit expenditures as a percentage of salaries and wages.

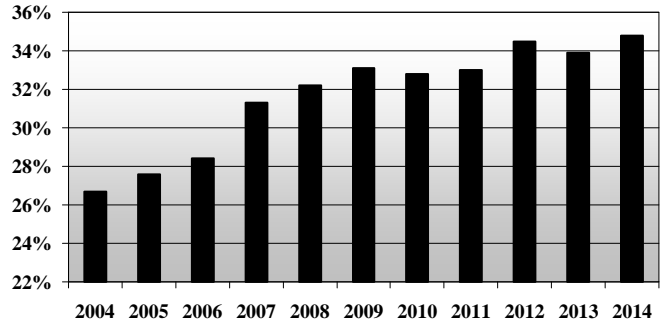
Formula:

$$\frac{\text{Fringe Benefit Expenditures}}{\text{Salaries and Wages}}$$

Fringe Benefits
(as a % of Salaries)

Fringe Benefits:

The fringe benefits measured on this indicator are: FICA Taxes, Payments to the Virginia Retirement System (VRS), Health Insurance, VRS Group Life Insurance, Unemployment costs and Worker’s Compensation. The cost of these benefits is divided by the cost of salaries and wages paid in these years to obtain the percentages depicted on this chart. Charting these costs is valuable as they can inadvertently escalate and place a financial strain on a locality.



Trends:

The fringe benefits ratio has averaged 31.7 percent between FY04 and FY14. The high point reflected in this time frame is FY14, which measured 34.8 percent. Clearly, the trend for this indicator reflects significant annual increases in the prior eleven fiscal years, and this trend is anticipated to continue into the future.

Two years in the eleven years examined reflect net declines in this indicator – FY10 and FY13. In FY10, fringe benefits as a percent of salaries fell to 32.8 percent; however, this statistic is extremely misleading as healthcare costs increased, and all other fringe benefit rates remained consistent with FY09. The reason for this reduction is the result of a budget savings measure at the State level by the General Assembly in which the State deferred its fourth quarter VRS payment to the following fiscal year, which eliminated the fourth quarter employer share of the VRS payment for teachers across all localities. Further, in FY11, the General Assembly lowered the VRS teacher employer rate from 9.85 percent to 3.93 percent as a budget balancing decision. However, the General Government VRS rate increased, in addition to all other fringe benefit rates, and the fringe benefits ratio increased to 33.0 percent. The full-year impact of the VRS rate increase from FY11 can be seen in FY12, as the indicator posted the second highest level in the eleven years examined, at 34.5 percent.

The reduction in this indicator in FY13 is also misleading as the General Assembly, as part of a series of reforms to increase the funding status of VRS and mitigate future cost increases, forced localities to provide a 5.0 percent salary increase to its employees in exchange for the employees paying 5.0 percent of their respective salary into VRS – a portion that localities, including Henrico, had provided as a benefit to employees. While this action helped to reduce this indicator, it did so at a net cost increase of just under \$6.0 million to the County’s taxpayers while resulting in a net pay reduction to employees as they had to pay additional FICA taxes on the higher salary.

In looking at health care costs, the County’s cost for providing health care *per employee* in FY04 was \$3,800. By FY14, this cost had nearly doubled to \$6,849 *per employee*, or a change of 103.0 percent. While the County cannot influence national trends regarding the cost of health care insurance, Henrico has taken a very aggressive approach in cost-containment by transitioning health care to a self-insurance program, which went into effect January 1, 2008. Prior to this transition, the County’s health care program operated as a fully insured program, which, in exchange for the payment of a premium, an insurance company assumed the risk, administered the program, and paid all claims. With the transition to a self-insured program, the County pays claims and third party administrative fees. Self-insurance allows the County to more fully control all aspects of the plan, including setting rates to smooth out the impact of increases on employees and the County, while maintaining adequate funding to cover claims, expenses, and services.

The Patient Protection and Affordable Care Act (PPACA) was signed into law by President Obama on March

23, 2010. As part of this law, employers across the country are faced with a number of new regulations and taxes that will have a significant cost to most employers, including Henrico County. In fact, in April 2012, the County was notified that beginning on January 1, 2014, it must begin paying a “transitional reinsurance fee” that costs the County \$1.1 million in the current fiscal year. Further, Henrico County will have to reexamine the healthcare benefits it offers its employees to ensure that they aren’t too “rich” and subject to additional tax penalties. Specific new regulations associated with the PPACA are communicated every week, and therefore, it is difficult to know the full impact of the PPACA on the County’s healthcare costs.

The second cost that is outside of the County’s control is the cost of Virginia Retirement System (VRS) and life insurance benefits. The past eleven Trends documents have noted a concern regarding the rising costs related to VRS benefits. The concern is principally focused on one-time budget balancing actions of the Virginia General Assembly that reduce a State contribution rate for a finite period of time (to reduce immediate costs) and in later years, increase contribution rates as a result of segments of the system that are “under-funded.” A recent example of the impact of these past actions occurred in the FY13 budget, where the VRS employer rate for teachers increased by 84.2% in *one year*.

In addition to the ones previously noted, a number of other recent decisions and considerations by the General Assembly in regards to VRS are particularly troublesome. More specifically:

- ✓ In its 2010-2012 Biennial Budget, the General Assembly withheld \$620 million in VRS payments in an effort to balance its budget, an action that will result in higher VRS rate increases in future budgets due to the need to repay these funds. In fact, the VRS teacher rates for FY13 reflect an increase of 1.43 percent of salaries (a cost of \$4.1 million in and of itself) specifically tied to the repayment of this deferred payment, which will be applied to local VRS rates for the next ten years. This decision, coupled with an estimated unfunded liability approaching \$20 billion, sparked increased interest from the General Assembly and the Governor in regards to long-term “fixes” to VRS. For example, in FY12, the General Assembly approved a mandated 5.0 percent employee contribution for all State employees and encouraged localities to follow suit.
- ✓ Senate Bill 498, as approved by the 2012 General Assembly, mandates that all non-Public Safety employees that are not vested (those with less than five years) in VRS as of January 1, 2013, and all new employees hired after January 1, 2014, be placed into a “hybrid” retirement plan, consisting of both a defined benefit and defined contribution plan. The defined contribution component will require an employer match. Implementation of the hybrid retirement plan should mitigate cost increases slightly a number of years out. The impact will take years as 43.3 percent of the County’s General Government complement consists of Public Safety employees immune from the hybrid plan. Senate Bill 498 also requires the State to phase-in a full funding approach to the VRS Board Certified Rate, which is rarely funded by the General Assembly. As a note, the State adopts the VRS rate for teachers each year, directly impacting every locality in the Commonwealth. Every two years, the required percentage funding of the VRS Board Certified Rate increases, and will ultimately require 100 percent funding. Senate Bill 498, while attempting to “right” years of underfunding of VRS by the Commonwealth, has guaranteed this indicator will increase substantially every year through FY19, when the VRS Board Certified Rate is fully funded. The impact of the VRS increase for FY15 for Schools is \$6.5 million.

An additional cost that impacted this indicator is the VRS Life Insurance benefit for employees. This benefit was not funded by the State between FY02 and FY06 (and therefore – the County could not fund the local required amount). In FY07, the State re-instituted payment requirements, and in FY11 reduced the rate from 0.79 percent to 0.28 percent to reduce expenditures. As a result of this significant reduction, the 2012 General Assembly increased the VRS Life rate from 0.28 percent to 1.19 percent of salaries, a one year increase of 425.0 percent.

The long-term trend in this indicator is clearly upward and prospects for the future continue to remain negative. The two principal reasons for the increase are health care and Virginia Retirement System costs, both of which fall largely outside of the direct control of the County. Due to continued concern over cost increases for retirement benefits, a warning trend for this indicator continues.

WARNING TREND: Decreasing amount of General Fund operating surpluses as a percentage of net operating revenues.

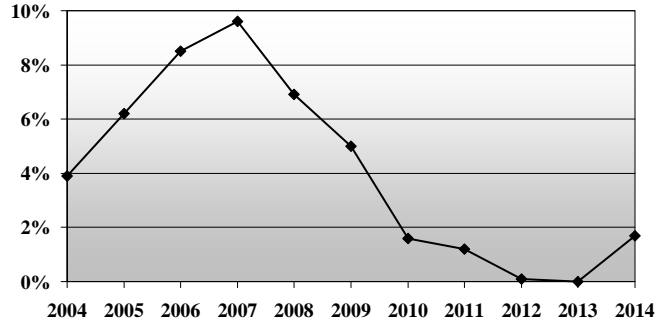
Formula:

$$\frac{\text{General Fund Operating Surpluses}}{\text{Net Operating Revenues}}$$

Operating Surpluses:

An operating surplus occurs when current revenues exceed current expenditures. If the reverse is true, it means that at least during the current year, the locality is spending more than it receives. This can occur because of an emergency such as a natural catastrophe that requires a large immediate outlay. It can also occur as a result of a conscious policy to use surplus fund balances that have accumulated over the years. The existence of an operating deficit in any one-year may not be cause for concern, but frequent occurrences may indicate that current revenues are not supporting current expenditures and serious problems may lie ahead.

Operating Surpluses
(as a % of Net Operating Revenues)



Trends:

The County of Henrico has produced an operating surplus for each of the eleven years presented. From FY04 to FY07, the operating surplus improved from a level of 3.9 percent to the indicator’s peak of 9.6 percent in FY07.

As clearly seen on the chart above, throughout the economic downturn, beginning in FY08 and continuing through FY13, the County’s annual operating surplus consistently declined each year. In FY08, in spite of net operating revenue collection growth at its lowest level since the previous recessionary period of FY02 and FY03, the operating surplus reflected a variance of 6.9 percent, well above the eleven-year average of 4.6 percent. In FY09, eighteen months into the worst recessionary economic environment since the Great Depression, the County achieved an operating surplus of 5.0 percent. In FY10 and FY11, the County achieved operating surpluses of 1.6 percent and 1.2 percent, respectively. Considering the environment in which these surpluses were achieved, and the fact that it was accomplished without raising taxes, laying off employees, or cutting service levels, the operating surpluses in these two fiscal years is considered in a very positive light. However, as the economy continued to struggle the County continued to face fixed cost increases making the ability to close budget gaps more and more challenging. This is reflected in the FY12 operating surplus of only \$535,000, or 0.1 percent of net operating revenues as well as the FY13 operating surplus of \$336,000.

However, with the first moderate signs of recovery in the local economy, particularly real estate, and increases in State Aid, the \$17.0 million operating surplus realized in FY14 was the largest since FY09. Additionally, the budget for FY15 added some fiscal structure back to the budget baseline. With these structural additions, as well as conservative revenue estimates in both the FY15 and FY16 budgets, these two fiscal years should yield positive operating surpluses as well. This, in combination with continued economic recovery, should yield positive operating surpluses in future fiscal years as well. As such, the warning trend noted last year has been lifted.

WARNING TREND: Consistent enterprise losses.

Formula:

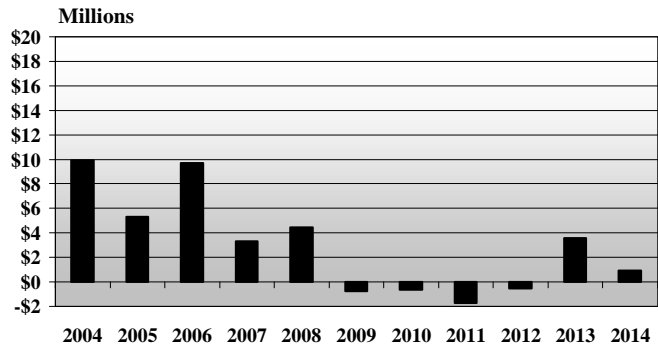
Enterprise Profits or Losses in Constant Dollars

Enterprise Losses:

Enterprise losses are a highly visible type of operating deficit. They show potential problems because enterprise operations are expected to function as a "for profit" entity as opposed to a governmental "not for profit" entity. Managers of an enterprise program may raise rates and find that revenues actually decrease because users reduce their use of the service. Enterprises are typically subject to the laws of supply and demand; therefore, operating deficits are distinct indicators of emerging problems. On the graph to the right, the **negative numbers on the scale represent operating losses**.

It should be noted that depreciation expenses are included in this analysis.

Enterprise Profits or Losses
(In Constant Dollars)



During the eleven-year period shown, Henrico County's enterprise operations have included Water and Sewer services, and the Belmont Golf Course.

Trends:

With the exception of the four-year trend of negative results from FY09 to FY12, the overall trend shown above has reflected positive results. The Water and Sewer Fund consistently makes up more than 90.0 percent of the total net income or loss reported in the Enterprise Funds. However, clearly the indicator reflects a downward trend throughout the entire eleven-year period examined.

There are a number of factors impacting this indicator during this time frame. From FY07 through FY10, operating expenditure growth outpaced revenue growth in each fiscal year, mostly a result of the downturn in the economy which impacted revenue growth. As can be seen in the chart above, FY09 through FY12 all reflect operating revenues that were insufficient to cover operating expenditures. This is not indicating that the Water and Sewer Fund did not make an overall "profit" in these fiscal years. However, it does indicate that operating requirements from FY09 through FY12 required the use of revenue sources that are generally associated with infrastructure, not operations, such as water and sewer connection fees. FY13 saw a return to "profitability." This was the result of a 2.0 percent increase in revenues collected as well as a 0.7 percent decrease in expenditures. The Enterprise funds maintained "profitability" in FY14, though it should be noted it was the lowest "profit" recorded in the history of the tracking of this indicator, excluding years where a loss is noted. It should be noted that depreciation expenditures are included in this analysis, which are simply an accounting entry and do not impact cash flow. To give insight into impact of depreciation expenses on this indicator, the depreciation expense (unadjusted) for the Water and Sewer Fund in FY11, the lowest level of this indicator in the eleven years examined, totaled \$28.4 million. **Excluding depreciation expenditures, this indicator would reflect operating profits for all fiscal years examined in this analysis.**

Even with its operating "losses" posted in the four fiscal years of this analysis, during this entire eleven-year period, the Water and Sewer Fund generated sufficient net revenues each year to exceed the coverage requirements under its Revenue Bond covenants. As a result of the consistent financial results experienced by the Water and Sewer Fund, Fitch IBCA awarded Henrico County an "AAA" rating in 2001. In 2008, Standard & Poor's upgraded its rating to an "AAA" as well. To achieve one "AAA" bond rating is very rare for bonds issued by local Utility departments, and Henrico County's Water & Sewer Fund has two of them. As such, no warning

trend is warranted for the Water and Sewer Fund.

The Enterprise Funds' operating results displayed above also reflect the financial performance of the Belmont Golf Course. From FY02 to FY07, the Belmont Golf Course reported net operating losses of varying amounts. These losses were due to several factors. Rounds of play for each of these fiscal years were less than FY99 due to an increase in the number of golf courses in the area. Additionally, expenditures to correct turf damage and capital improvements were incurred in each of these years. In FY04, the Belmont Golf Course suffered significant damage as a result of *Hurricane Isabel*.

In FY08, the Belmont Golf Course posted its first positive operating result since FY99. In that fiscal year, the Belmont Golf Course implemented a number of business model changes that promoted finding efficiencies in its operations to allow for reduced expenditures and the ability to maximize revenues from every source. In spite of the operating "profit" in FY08, the FY08 Trends document noted the following observation:

"The current economic environment will likely take its toll on Belmont Golf Course and hinder revenue growth in the near future."

In FY09, the Belmont Golf Course experienced an 8.0 percent decline in the number of rounds of play as compared to FY08. The number of rounds played fell another 6.8 percent in FY10 and 0.9 percent in FY11. As such, the Golf Course posted net operating losses in these three fiscal years. Improvement in the economy in FY12 resulted in a 13.2 percent increase in the number of rounds of play, though a net operating loss was again reported. In FY13, rounds dropped 8.0 percent and, in what could be seen as the bottom, the number of rounds in FY14 decreased 13.7 percent and were the lowest recorded since 1978 when the County first acquired the golf course.

To address this situation, a number of reforms to reduce costs at the golf course were made in the FY15 budget in an effort to boost profitability. In addition to a \$2 increase in greens fees and \$1 increase in cart fees, a number of reductions were made to the expenditure budget for the Belmont Golf Course fund. Through December, in spite of fewer rounds year-to-date the golf course has increased revenues through the fee increase and expenses are down. While this is not a full year, the impact of the changes made in FY15 appear to be felt immediately. However, more data is required and, as such, a warning trend for the Golf Course continues.

WARNING TREND: Declining unassigned General Fund Balance as a percentage of net operating revenues.

Formula:

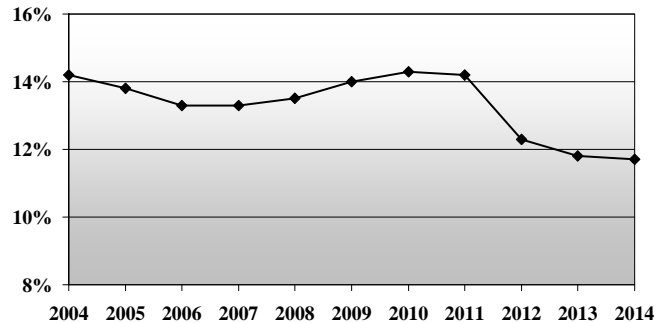
$$\frac{\text{Unassigned General Fund Balance}}{\text{Net Operating Revenues}}$$

General Fund Unassigned Balance
(as a % of Net Operating Revenues)

General Fund Unassigned Balance:

The level of a locality's unassigned fund balance may determine its ability to withstand unexpected financial emergencies, which may result from natural disasters, revenue shortfalls, or steep rises in inflation. It also may determine a locality's ability to accumulate funds for large-scale one-time purchases without having to incur debt. *Note: This historical depiction is reflected differently than the percentages typically referred to in the Annual Fiscal Plan as "net operating revenues."* **In the Trends document, this includes the General, Special Revenue and**

Debt Service Funds. As such, the percentage reflected on this page is lower than what is reflected in the Annual Fiscal Plan, which reflects the General Fund Unassigned balance as a percentage of General Fund expenditures.



Trends:

Henrico County's unassigned General Fund balance as a percentage of net operating revenues remained relatively static from FY04, where it was 14.1 percent, to FY11, where it was 14.2 percent before dropping each year since, to 11.7 percent in FY14. It should be noted that overall General Fund balance increased \$13 million in FY14 and unassigned fund balance increased \$2.4 million, the first such overall fund balance increase in five years.

As noted above, the depiction of this indicator in the Trends document is different than the indicator reflected in the Annual Fiscal Plan. In FY06, the Board of Supervisors agreed with a policy recommendation to maintain the County's unassigned fund balance at a level of 18.0 percent of General Fund expenditures (again, different than the indicator reflected in this document). Effective June 30, 2012 (FY12), as part of the County's FY13 budget balancing efforts, a policy change was recommended to the Board to reduce the amount of unassigned fund balance maintained from 18.0 percent to 15.0 percent of General Fund expenditures in an effort to "free up" cash reserves to fund vehicle replacement in the capital budget for a maximum three-year period.

The overall trend is positive, especially considering that during FY03 and FY04, the County's revenues were impacted by State funding reductions, and the effects and after-effects of a national recession. Of even greater significance, the County's overall unassigned fund balance grew by 8.3 percent from FY07 to FY11, amidst the worst economic environment since the Great Depression. Again, the decline in FY12 is associated with the County's policy change regarding unassigned fund balance while the decline in FY13 is the result of a drop in unassigned fund balance. In FY14, unassigned fund balance increased 2.1 percent as the County experienced a positive result of operations.

In FY04, the County of Henrico faced a significant natural disaster, *Hurricane Isabel*. In the aftermath of the storm, the County's Board of Supervisors was able to appropriate over \$20.0 million for the massive cleanup that was required. In FY05, the County of Henrico was deluged with *Tropical Storm Gaston* and the Board again was able to quickly react to the damage to public facilities by appropriating \$8.0 million. The fact that the County has a strong unassigned fund balance ensures that in times of emergency, the County has the resources to react quickly and effectively to ensure that the service delivery our residents expect continues in the manner expected.

Overall, the County's Unassigned General Fund Balance reflects a positive trend since FY04 that places Henrico

in a desirable position for a local government. Henrico County has been assigned an AAA/AAA/Aaa bond rating, making it one of 36 counties in the nation to hold such a rating. The maintenance of a healthy fund balance is a critical component examined by rating agencies when assigning bond ratings. Henrico has a long history of maintaining a healthy unassigned General Fund balance and will continue to use prudence in safeguarding this resource.

As a result of the continued economic difficulties and correlated struggling revenue growth, in combination with consistent fixed cost increases, the County has been forced to cut expenditures – over \$125 million in five fiscal years – and become more aggressive in its revenue estimates. This effort was necessary to avoid tax rate increases, service delivery reductions, and layoffs. However, overall fund balance – both assigned and unassigned – declined four consecutive fiscal years by a total of 21.8 percent from FY10 to FY13. This is not necessarily reflected in this indicator, as assigned fund balance levels are not considered in this analysis. Assigned fund balance is of significant importance as there are a number of critical annual appropriations that are made from these balances, including appropriations from the Risk Management Self-Insurance Reserve, funding for specific pay-as-you-go capital projects such as annual appropriations of building maintenance funding for both General Government and Education facilities, as well as the County’s Revenue Stabilization Fund, which funds the first-year operating costs associated with new facilities. Though the intent of a number of these balances are for one-time purposes, annual appropriations of reserves from some of these “buckets” require additional funds to build the reserves back up for the following fiscal year. With unassigned fund balance levels currently calculated as a percentage of General Fund expenditures, when overall fund balance declines, the assigned fund balance levels are impacted on a greater scale.

However, FY14 saw revenues rebound thanks to improvements in the property tax base. Combined with a continued effort to keep expenses low, unassigned fund balance increased by \$2.4 million or 2.1 percent and total fund balance (including assignments) by \$13.0 million or 6.6 percent. In addition to this positive result in FY14, the budget in FY15 utilized ongoing resources to fund many of the items previously funded with one-time resources. This included adding \$4.0 million to the Risk Management fund, funding police vehicles and fire apparatus replacement with current revenues, and adding \$1.0 million in current revenues for computer replacement out of the Technology Replacement Fund. These strategic additions of fiscal structure will positively impact fund balance levels for the foreseeable future. As such, the warning trend noted the past few years in this document has been lifted.

WARNING TREND: Decreasing amount of cash and short-term investments as a percentage of current liabilities.

Formula:

$$\frac{\text{Cash and Short-term Investments}}{\text{Current Liabilities}}$$

Liquidity:

A good measure of a locality's short-run financial condition is its cash position. "Cash position" includes cash on hand and in the bank, as well as other assets that can be easily converted to cash, such as short-term investments. The level of this type of cash is referred to as liquidity. It measures a locality's ability to pay its short-term obligations.

Short-term obligations include accounts payable, the principal portion of long-term debt and other liabilities due within one year of the balance sheet date. The effect of insufficient liquidity is the inability to pay bills or insolvency. Declining liquidity may indicate that a locality has overextended itself.

Trends:

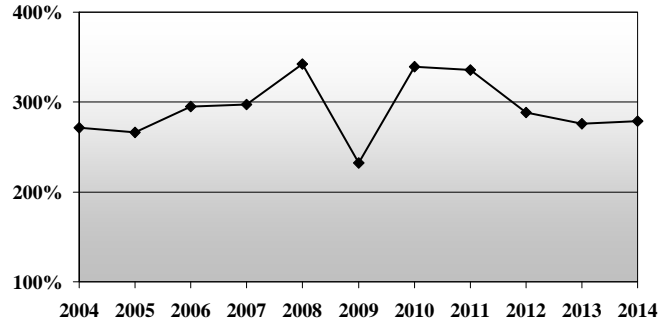
A liquidity ratio of greater than 1:1 (more than 100 percent) is referred to as a "current account surplus." Henrico County has been successful in achieving a current account surplus for the eleven-year period shown.

From the chart above, this indicator reflects a large "dip" downward in FY09. In that fiscal year total current liabilities increased by 58.1 percent, mostly in the area of "principle due in 12 months." It should be noted, however, that the spike in "principle due in 12 months" is misleading, as it mostly reflects two bond refundings in CY09. It is important to note that the County's bond refundings do not increase the County's outstanding long-term debt or the length of time to pay off the debt. "Principal due in 12 months" related to newly issued debt is minimal by comparison. In fact, ignoring the impact of the bond refundings in CY09 altogether, current liabilities only increase 13.6 percent instead of 58.1 percent, and the Liquidity indicator would reflect 323.2 percent in FY09, much higher than the recorded 232.2 percent. In FY10, this indicator increased to 339.4 percent and in FY11, the indicator dropped slightly to 335.4 percent. In FY12, the indicator dropped significantly to 288.2 percent, mostly due to the large debt issuance in that fiscal year, as the County combined two planned General Obligation debt issues into one as a result of the attractive interest rates at the time. This debt issuance finalized the County's March 2005 General Obligation Bond Referendum. FY13 saw this indicator drop to 275.5 percent and in the most recent fiscal year, FY14, this indicator increased to 279.0 percent.

Over the past eleven years, the County has maintained an average liquidity ratio of 2.92:1, which is more than *twice* the defined "current account surplus" above. The low point in this indicator of 2.32:1 was experienced in FY09. By performing annual debt capacity reviews and by compiling a five-year Capital Improvement Program that encompasses all funds, and by ensuring that those capital projects which obtain funding are appropriately cross-walked to the annual operating budget, the County of Henrico will not incur liabilities at a rate that cannot be supported within established resources. Based on the overall stable trend of this indicator, no warning is warranted for this indicator.

Liquidity

(Cash & Investments as a % of Current Liabilities)



WARNING TREND: Increasing current liabilities at end of year as a percentage of net operating revenues.

Formula:

$$\frac{\text{Current Liabilities}}{\text{Net Operating Revenues}}$$

Current Liabilities:

Current liabilities include short-term debt, the current principal portion of long-term debt, accounts payable and other current liabilities due within one year of the balance sheet date. A major component of current liabilities may be short-term debt in the form of tax or bond anticipation notes. Although the use of short-term borrowing is an accepted way to handle erratic flows of revenues, an increasing amount of short-term debt outstanding at the end of successive years can indicate liquidity problems, deficit spending, or both.

Trends:

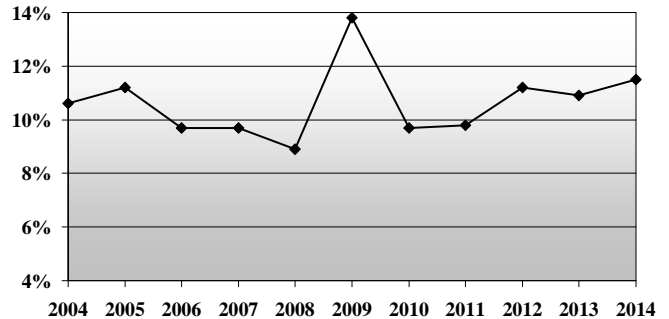
In the eleven-year trend depicted above the indicator has ranged from a low of 8.9 percent in FY08 to a high of 13.8 percent in FY09. The level for FY09 is the highest in this eleven-year period. As noted in the “Liquidity” indicator narrative, total current liabilities increased 58.1 percent in FY09 as compared to the previous fiscal year. However, this increase is misleading, as it is mostly attributed to an increase in “principal due in 12 months” as a result of two significant bond refundings in CY09, with only minimal impact, by comparison, due to newly issued debt. This indicator fell back to more “normal” levels at 9.7 percent in FY10. The indicator increased to 11.2 percent in FY12 as a result of the County combining two years of planned General Obligation (G.O.) debt issues into one as a result of the attractive interest rates at the time. For FY13, this indicator fell to 10.9 percent but increased to 11.5 percent in FY14.

There are two large components that make up this indicator, the first of which is recorded “accounts payable.” The FY14 total for this liability measured \$61.6 million, which reflects an increase of 18.1 percent when compared to the FY13 totals. It is important to note that the accounts payable does fluctuate based on purchasing activity within the governmental unit. The second large component, “principal due in 12 months,” reflected an increase of just under 1.0 percent in FY14.

In November 2000 the voters approved a \$237.0 million G.O. Bond Referendum. In March of 2005, the voters approved a \$349.3 million G.O. Bond Referendum. Both referenda included School, Fire, Roadway, Public Library, and Recreation and Parks projects. The County of Henrico chose to phase in this debt over a multi-year time period (both referenda assume the debt would be phased in over a seven-year time frame). By taking this approach, the County has been able to pay required debt service costs and ancillary operating expenses without negatively impacting its operating budget and this indicator is reflective of that planning.

For this eleven-year period, this ratio has been between 8.9 percent and 13.8 percent of net operating revenues. Although the general trend over this time period is upward, the fact that the County has not experienced significant annual changes in this indicator, excluding the misleading increase in FY09, is reflective of the County’s conservative financial management approach. Also, this consistency is reflective of the County’s conservative debt management practices and successful long-term planning for infrastructure improvements. This indicator is very much aligned with the next two indicators: 1) long-term debt as a percentage of assessed valuation and 2) debt service as a percentage of net operating revenues. For these reasons, no long term warning trend is noted.

Current Liabilities
(as a % of Net Operating Revenues)



WARNING TREND: Increasing amount of net direct long-term debt as a percentage of assessed valuation of real property.

Formula:

$$\frac{\text{Net Direct Bonded Long-term Debt}}{\text{Assessed Valuation of Real Property}}$$

Long-Term Debt:

A locality's ability to repay its debt is determined by comparing net direct long-term debt to assessed valuations. Net direct long-term debt is direct debt minus self-supporting debt such as revenue bonds or special assessment bonds, which have a repayment source separate from general tax revenues. An increase in net direct long-term debt as a percentage of real property valuation can indicate that a locality's ability to repay its obligations is diminishing.

Another way to monitor the growth in debt is to measure it on a per capita basis. As population increases, it would be expected that capital needs, and hence, long-term debt needs may increase. The underlying assumption is that a locality's revenue generating ability, and ability to repay debt, is directly related to its population level. The concern is that long-term debt should not exceed the locality's resources for paying the debt. If this occurs, the locality may have difficulty obtaining additional capital funds, may pay a higher rate of interest for them, and therefore may have difficulty in repaying existing debt.

Trends:

As seen above, Henrico County's percentage of net long-term debt to real property valuations has remained relatively stable. During the eleven-year period shown above, the long-term debt indicator reached a high point of 1.7 percent in FY12 due to the County combining two years of planned debt issuances into one, and declining real property valuations. The combined issuance in FY12 completed the County's March 2005 General Obligation Bond Referendum. Despite a slowdown in real property assessed valuation, the FY08 indicator of 1.1 percent reflected the low point in this eleven-year period.

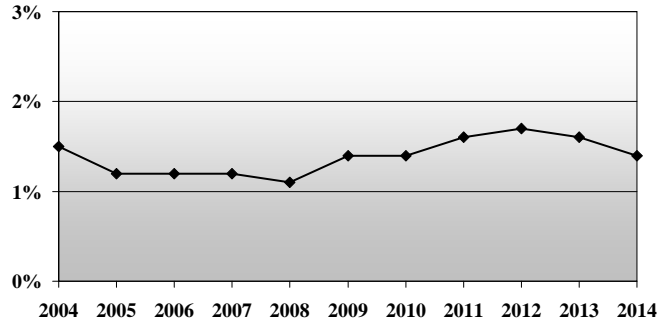
In FY09, the indicator reflects a sharp increase to 1.4 percent, due to a 27.1 percent increase in long-term debt, as the County issued \$137.5 million in General Obligation and VPSA Bonds. In FY10, this indicator remained constant at 1.4 percent; however this statistic is slightly misleading as the County deferred its schedule bond issuance that year – and is solely due to an unprecedented drop in the County's real estate tax base. In fact, net long-term debt dropped 8.5 percent that fiscal year. In FY11, the indicator grew to 1.6 percent as the debt that was deferred in FY10 was issued, in the amount of \$72.2 million, and real estate values declined yet again on January 1, 2011. For FY13 and FY14, no new debt was issued as the County's March 2005 Referendum was completed in FY12, as noted above. Therefore, this indicator fell to 1.6 percent and 1.4 percent, respectively, as net long-term debt dropped \$41.2 million in FY13 and fell another \$37.9 million in FY14, to a level of \$454.1 million.

The County performs a debt affordability analysis (outside of the depiction in the Trends document) that calculates an indicator similar to the methodology employed above. In the debt affordability analysis, personal property is added to real property when determining "long-term debt as a percent of total assessed value." Adding the assessed value of personal property to real property lowers the percentage slightly, but this is the current methodology utilized by the Bond Rating Agencies for Virginia localities. The debt affordability analysis also calculates debt per capita and debt as a percentage of General Fund expenditures, which are two indicators used by the Bond Rating Agencies to determine a locality's ability to issue debt.

No long term warning trend is noted.

Long-Term Debt

(as a % of Assessed Valuation of Real Property)



WARNING TREND: Increasing amount of net direct debt service as a percentage of net operating revenues.

Formula:

$$\frac{\text{Debt Service}}{\text{Net Operating Revenues}}$$

Debt Service

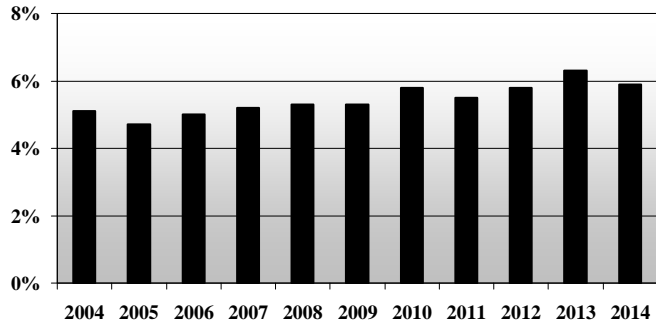
(as a % of Net Operating Revenues)

Debt Service:

Debt service is the amount of principal and interest that a locality must pay each year on net direct long-term debt, plus the interest it must pay on direct short-term debt. As debt service increases, it adds to a locality's obligations and reduces the locality's expenditure flexibility.

Debt service can be a major part of a locality's fixed costs, and its increase can indicate excessive debt and fiscal strain. If debt service on net direct debt exceeds 20.0 percent of operating revenues, it is considered a potential problem. Below 10.0 percent is the rate preferred by bond rating agencies.

It should be noted that “net operating revenues” used in this indicator include the General, Special Revenue and Debt Service Funds. Debt service for this indicator includes principal and interest payments for General Obligation bonds, Virginia Public School Authority (VPSA) debt, Literary Loan debt, and Lease Revenue bonds including the Regional Jail. The indicator does not include Enterprise Fund debt.



Trends:

As shown in the graph above, the debt service percentage reached the high point of 6.3 percent in FY13 and the low point of 4.7 percent may be found in the FY05 total. It is important to note that in this eleven-year time period, this indicator has fluctuated within a range of 1.6 percent.

This indicator will trigger a warning if the increase in debt service consistently exceeded the increase in net operating revenues. The issuance of debt normally results in a slight increase in this indicator, because in the year following the issuance of debt, the amount of debt service generally grows at a faster rate than operating revenues, however the consistency reflected above is indicative of the meticulous analysis that is performed before any debt issue is undertaken.

In November of 2000, the County's voters approved a \$237.0 million General Obligation (G.O.) Bond Referendum and in the Spring of 2005, the County's voters approved a \$349.3 million G.O. Bond Referendum. These referenda included School, Fire, Roadway, Public Library, and Recreation and Parks projects. The financial plan that coincided with the approval of these projects assumed that the County would issue this debt over a seven-year period for each of the approved referenda. In FY01, the County issued the first of these planned issues and that totaled \$37.1 million. In FY02, the County issued \$27.0 million in G.O. notes. In FY03, the County issued \$51.8 million and in FY04, the County issued \$38.9 million of G.O. bonds. In FY06, the County issued \$77.8 million and in FY07, the County issued \$71.9 million of G.O. notes. In FY08, the County issued \$29.8 million in G.O. bonds and in FY09, the County issued \$93.1 million in G.O. Bonds. Also in FY09, the County issued \$44.4 million in VPSA Bonds for a number of Schools projects approved on the March 2005 referendum that required additional funding due to unanticipated increases in construction costs. The County delayed by one year the sale of \$77.5 million in new debt originally scheduled for FY10 as a result of the economic downturn and its impact on revenue streams. In FY11 this G.O. debt was issued, in the amount of \$72.2 million. In FY12, the final \$66.1 million in new debt associated with the March 2005 G.O. Bond Referendum was issued.

There are important differences in this indicator and the "Long-Term Debt" indicator. The "Debt Service" indicator reflects the amount of principal and interest the County pays annually on its long-term debt as a percentage of operating revenues. The "Long-Term Debt" indicator reflects the County's total outstanding debt

as a percentage of assessed real estate valuation. The “Long-Term Debt” indicator graph reflects a sharp uptick in FY09 due to the large amount of debt issued in that fiscal year. However, that spike is not evident in the “Debt Service” indicator chart. This is due to the County’s two bond refundings in CY09 that achieved substantial debt service savings. The realized savings were mostly allocated in FY09 through FY11 to help the County offset anticipated revenue reductions as a result of the difficult economic environment. It should be noted that the County has taken part in a number of additional bond refundings since 2009 that have generated permanent significant savings.

In FY10, the “Debt Service” indicator increased to 5.8 percent in spite of debt service savings attributed to the bond refundings and not issuing any new long-term debt in this fiscal year. The reason for this increase is twofold. First, debt service costs increased from the previous year due to the first full-year payment of the 2008 VPSA issue. The FY09 debt service payment associated with this issue was only for six months of interest. Second, significant declines in State aid and real estate tax revenue in FY10 yielded a significant reduction in net operating revenues.

In FY11, the County issued \$72.2 million in new debt, but the first principal payment wasn’t due until FY12, and only six months of interest was due in FY11, which resulted in a reduction in debt service payments in FY11 of \$4.0 million as compared to FY10. In FY12, \$66.1 million in new debt was issued. Although operating revenues experienced a slight increase, the Debt Service indicator increased to 5.8 percent, the highest point in the eleven year period examined, as noted above. As operating revenues continue to gradually trend upwards again, and no new debt is planned until at least FY16 (associated with a new radio communications system), this indicator should drop for at least the next two fiscal years. A new bond referendum isn’t likely until substantial recovery is evident in the economy. Therefore, no long term warning trend is noted.

One last note needs to be mentioned. This indicator is different than a similar indicator included in the annual debt affordability analysis – which is “debt service as a percentage of General Fund Expenditures.” However, this examination in the Trends document does cross-verify the results of the debt affordability analysis.

WARNING TREND: Increasing days of unused vacation leave per municipal employee.

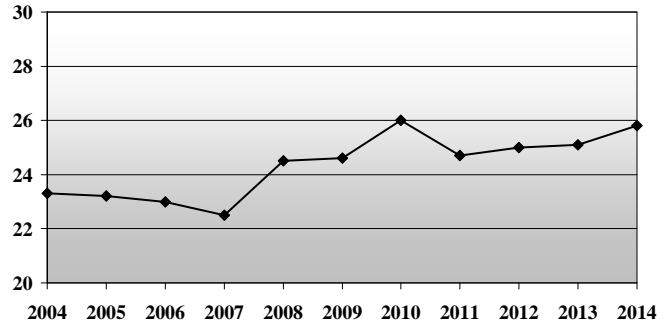
Formula:

$$\frac{\text{Total Days of Unused Vacation Leave}}{\text{Number of General Government Employees}}$$

Accumulated Vacation Leave
(Days per Employee)

Accumulated Vacation Leave:

Localities usually allow their employees to accumulate some portion of unused vacation, which may be paid at termination or retirement. This expenditure is rarely funded while it is being accumulated although the costs of the benefit are covered through normal attrition. This is because of the fact that when an employee with many years of service is replaced, that employee is typically replaced with an employee with fewer or no years of service. The salary differential on a global basis is sufficient to pay for this benefit in any given fiscal year. While there is no fiscal impact that arises from this indicator, its inclusion is useful in depicting the overall vacation leave balances of the General Government workforce. Finally, it needs to be noted that vacation leave balances not utilized by the beginning of the new calendar year, are readjusted downward (that is, time is “lost”), so the number included within this indicator is simply a reflection of June 30 balances. Because this number is not on a calendar year basis, the indicator may slightly overstate the actual vacation leave balances (as it does not account for actual vacation leave not utilized).



Trends:

In terms of the overall trend, the accumulated vacation leave indicator has averaged 24.3 days during the eleven-year period. What can be seen throughout this time period is stability in this indicator as it has ranged from a low of 22.5 days in FY07 to the high point of 26.0 days in FY10.

In looking at the graph above, the indicator remains relatively flat until FY08. This is due to an adjustment of annual leave accrual rates and increased “carry-over” hours (less time “lost”) for employees with fifteen or more years of service. FY10 experienced an unusual increase to 26.0 days of accumulated vacation leave per employee, mostly a result of the reduction in the number of General Government employees in that fiscal year. To assist in balancing the FY11 budget to significantly reduced revenues, the County eliminated 101 vacant General Government positions. In FY11, the indicator dropped to 24.7, mostly due to the County’s hiring freeze yielding well over 200 positions throughout much of the fiscal year. In other words, while the positions were being counted in the General Government complement, there were no vacation days associated with them as they were unfilled. The indicator rose slightly in FY12 to 25.0 and remained relatively flat at 25.1 in FY13. In FY14, this indicator increased slightly to 25.8. In the entire eleven-year period, this indicator has fluctuated within a range of 3.5 days.

The overall slight upward movement since FY04 is also reflective of the County’s workforce, which is aging to a certain extent and employees with more seniority earn more hours of vacation leave than less senior employees. Henrico County’s vacation leave indicator will generally increase as the average length of employment of County employees’ increases. The most recent information suggests the County has a workforce whose average age is 45. The average County employee has been with the County for nearly twelve years, which are both the same as last year (Source: Human Resources Department). It should be noted the average age could go down again when this indicator is presented next year due to the County’s Voluntary Retirement Incentive Program (VRIP). Due to the FY13 VRIP initiative, the average employee age dropped four years as 98 employees accepted the incentive and retired. In the FY15 budget, the County offered the VRIP incentive again, with 53 employees accepting.

No warning trend is noted for this indicator.

WARNING TREND: A decline in capital outlay in operating funds as a percentage of net operating expenditures.

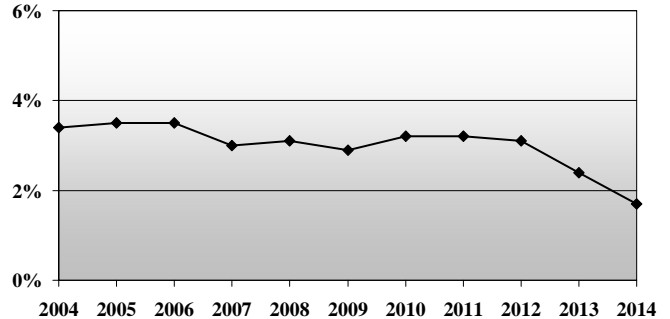
Formula:

$$\frac{\text{Capital Outlay from Operating Funds}}{\text{Net Operating Expenditures}}$$

Level of Capital Outlay
(as a % of Net Operating Expenditures)

Level of Capital Outlay:

Capital outlay includes expenditures for equipment in the operating budget, such as vehicles or computers. It normally includes equipment that will last longer than one year. Capital outlay does not include capital improvement expenditures for construction of capital facilities such as streets, buildings, fire stations, or schools.



The purpose of capital outlay in the operating budget is to replace worn equipment or add new equipment. The level of capital outlay is a rough indicator of whether or not the stock of equipment is being maintained in good condition. However, this indicator does not reflect the cost of routine maintenance and repair. If this indicator is declining in the short run of one to three years, it could mean that a locality's needs have temporarily been satisfied, because most equipment lasts more than one year. If the decline persists over three or more years, it can be an indication that capital outlay needs are being deferred, resulting in the use of obsolete and inefficient equipment and the creation of a future unfunded liability.

Trends:

The eleven-year trend for this indicator depicts a range between 1.7 percent and 3.5 percent. From FY04 through FY12, a fairly consistent level of capital outlay expenditures occurred, ranging from 2.9 percent to 3.5 percent. While the first nine years reviewed is indicative of the consistency of meeting capital outlay requirements within the operating budget, the drops in FY13 and FY14 are the result of departmental budget balancing maneuvers.

After three consecutive years of across-the-board budget reductions, the FY13 budget included yet another round of reductions to all departments. One significant budgetary decision was to remove \$6.6 million in capital outlay – for the purchase of replacement Police vehicles, replacement Fire apparatus, and replacement School buses – from the operating budget and fund with General Fund balance via the Capital Projects Fund, a practice that continues into the current fiscal year. In fact, with a fifth consecutive year of across-the-board reductions in FY14, capital outlay spending was reduced to its lowest level since 1994 at 1.7 percent of net operating expenditures. Further departmental budget reductions in FY15, combined with relatively flat overall departmental budgetary growth anticipated in FY16, indicates that capital outlay spending will likely remain at lower than average levels. Lower capital outlay spending could result in obsolete or inefficient equipment in the near future. As such, a warning trend is noted for this indicator.

WARNING TREND: Decreasing amount of depreciation expense as a percentage of total depreciable fixed assets for Enterprise Funds and Internal Service Funds.

Formula:

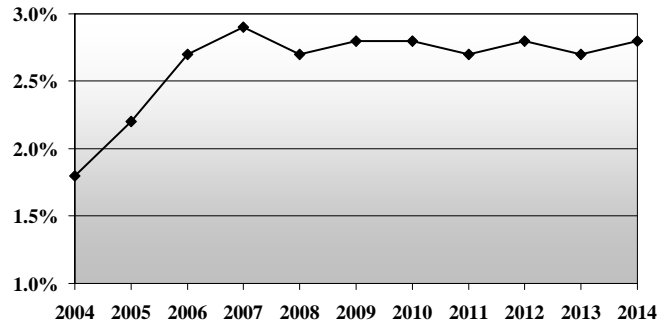
$$\frac{\text{Depreciation Expense}}{\text{Cost of Depreciable Fixed Assets}}$$

Depreciation:

Depreciation is the mechanism by which a cost is associated with the use of a fixed asset over its estimated useful life. Depreciation is recorded only in the Enterprise and Internal Service Funds.

Total depreciation expense typically remains a relatively stable proportion of the cost of the entity's fixed assets. The reason is that older assets, which are fully depreciated, are usually removed from service and newer assets take their place. If depreciation expenses start to decline as a proportion of the fixed asset cost, the assets on hand are probably being used beyond their estimated useful life.

Depreciation
(Depreciation Expense as a % of Assets)



Trends:

The chart above reflects two overall trends. First, with the implementation of GASB 34 in FY02, a change was required in the length of depreciation for Utilities infrastructure. The change increased the time for depreciating many of these assets and is based on an industry standard. (GASB 34 required standardization in many areas that encompass fixed assets of localities and one of the changes actually increased the term of depreciation for certain assets). Concurrent with this, the value of fixed assets arising from the County's Water Treatment Plant resulted in an increase in County "assets" of nearly \$92.0 million over a two-year period, although that increase is really of a one-time nature. The drop in FY08 is a result of a change in the capitalization threshold for personal property (furniture, vehicles, and equipment/software) from \$2,500 to \$5,000. From FY08 to the most recent fiscal year, FY14, depreciation expenditures as a percentage of depreciable fixed assets have been consistent at either 2.7 percent or 2.8 percent.

What this graph shows clearly, is that with the standardization in the recordation of fixed assets that is the result of GASB 34, this indicator now reflects a level that is slightly higher than that noted in the 1990's. This result was anticipated as assets of the Enterprise Fund continue to increase in value as the number of customers and the assets of the system continue to increase.

The absence of a truly downward trend suggests that the County's depreciable assets are not currently being used past their depreciable useful life.

No warning trend is noted for this indicator.

WARNING TREND: A decreasing growth rate or a sudden increase in population.

Indicator:

Population of County Residents

Population:

Empirical evidence indicates that changes in population can have a direct effect on a locality's revenue because of the impact upon related issues, such as employment, income, and property value. A sudden increase in population can create immediate pressures for new capital outlays for infrastructure and for higher levels of service, particularly in the areas of Education, Public Safety and Recreation.

A locality faced with a declining population is rarely able to reduce expenditures in the same proportion as it is losing population. Many expenditures such as debt service, government mandates, and salaries are fixed and cannot effectively be reduced in the short run. In addition, because of the interrelationship between population levels and other economic and demographic factors, a decline in population tends to have a cumulative negative effect on revenues - the further the decline, the more adverse the effect on employment, income, housing and business activity.

Trends:

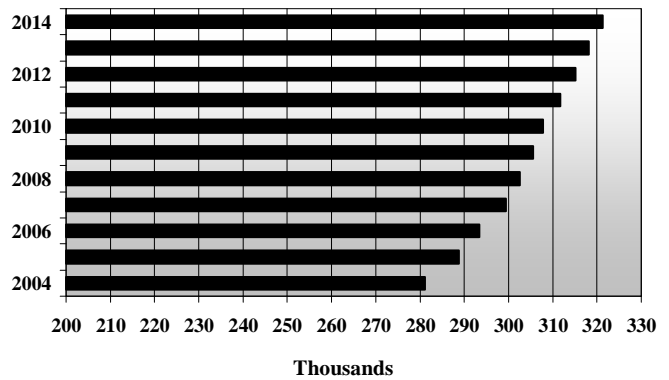
The County of Henrico has experienced a steady growth in population from 281,069 in FY04 to 321,374 in FY14, an increase of 14.3 percent in this eleven-year time span, or an annual average increase of 1.43 percent per year. According to the 2000 United States Census, Henrico and Chesterfield were in competition for the largest population within the Central Virginia region with Henrico having a slightly higher total. According to the most recent 2010 United States Census, Chesterfield County grew at a faster pace over the past decade, as they now have a higher population than Henrico.

Henrico continues to prepare for expanded and enhanced services to serve an increasing population as evidenced by construction of new facilities for education and recreation, as well as additional roads, fire stations and libraries, and by continuing to maximize the use of technology to enhance productivity and thereby minimize requirements for additional personnel.

As noted throughout this document, local economic growth is materializing and producing slight incremental revenue growth for the County. While even slight revenue growth is positive after significant revenue losses during the peak of the most recent recession, current overall revenue growth lags inflation plus population growth. This trend is anticipated to continue into the immediate future. As such, Henrico County must continue to focus on finding ways to provide efficient services at the lowest possible cost to its growing population, cutting costs where possible and continuing to make wise investments in its core services.

Due to consistent population growth, no warning trend is noted for this indicator. However, providing necessary services to this growing population remains and will remain a challenge as County revenues slowly recover.

Population



WARNING TREND: Decline in the level, or growth rate, of personal income per capita.

Indicator:

Per Capita Income

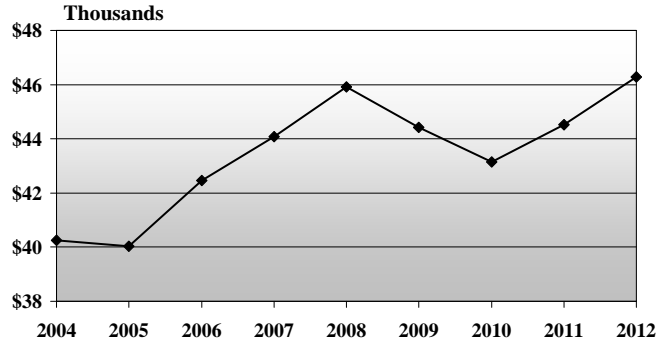
Source: Bureau of Economic Analysis

Per Capita Income:

Per capita income is one measure of a community's wealth. Credit rating agencies use per capita income as an important measure of a local government's ability to repay debt.

A decline in per capita income causes a drop in consumer purchasing power and can provide advance notice that businesses, especially in the retail sector, will suffer a decline that can ripple through the rest of the local economy. Changes in per capita income are especially important for communities that have little commercial or industrial tax base, because personal income is the primary source from which taxes can be paid.

Per Capita Income



Trends:

In the nine years depicted above, per capita income has increased by 15.0 percent from \$40,246 in 2004 to the \$46,292 reported for 2012. It should be noted that this indicator factors in increases to the County's population, which increased 12.1 percent between 2004 and 2012.

The per capita income statistics depicted above come from the United States Bureau of Economic Analysis. That source is based on income tax returns and therefore data is only available through the 2012 tax year.

From the recessionary period of the early 1990's through 2005, this indicator consistently increased. In looking at the eleven-year period examined, after a slight drop of 0.5 percent in 2005, 2006 through 2008 reflected healthy increases of 6.1 percent, 3.8 percent, and 4.2 percent, respectively. With the bankruptcy of two Fortune 1000 companies in this economic downturn headquartered in Henrico County, LandAmerica Financial and Circuit City, as well as the insolvency of one of the largest employers in the County, Qimonda AG, a number of high paying jobs were lost in Henrico during the economic downturn. The results can be seen in this indicator in 2009, as per capita income dropped 3.2 percent, and again in 2010 as per capita income fell another 2.9 percent. As the economy started slowly turning around, 2011 saw an increase of 3.2 percent and 2012 increased by 4.0 percent.

As jobs have started to matriculate back into the County, it is anticipated that this indicator will continue the recent trend of consistent gains into the immediate future. As such, no warning trend is noted for this indicator at this time.

WARNING TREND: Increasing number of public assistance recipients.

Formula:

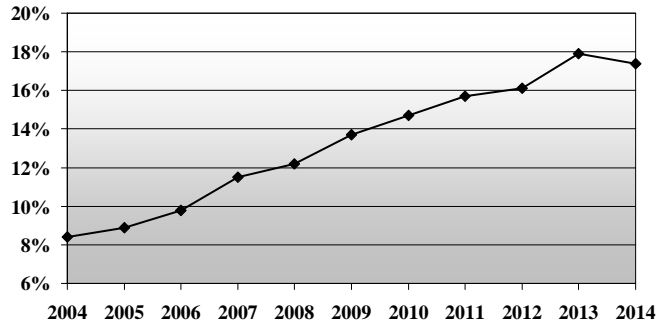
$$\frac{\text{Public Assistance Recipients}}{\text{Total Population}}$$

Public Assistance Recipients

(as a % of Total Population)

Public Assistance Recipients:

This trend is closely associated with a decline in personal income. The indicator measures the number of public assistance recipients against the number of residential households in the County. An increase in the number of public assistance recipients can signal a future increase in the level and unit cost of services because of the relatively higher needs of low-income residents combined with their relative lack of personal wealth.



Trends:

The eleven-year trend for this indicator has increased dramatically in this time period, experiencing a low of 8.4 percent in FY04 and a high of 17.9 percent in FY13. In the most recent fiscal year, FY14, the percentage of the County’s public assistance recipients dipped slightly to 17.4 percent.

The number of public assistance recipients has been determined by obtaining the number of people per year in the County receiving at least one of the following three types of benefits: Aid to Families of Dependent Children (AFDC), Food Stamps, or Medicaid. On a national level, some of the corollary factors that could impact this ratio are limited availability of affordable housing and health care coverage, as well as, limited funds for public transportation.

The Medicaid population has increased dramatically over the past eleven years, which has driven the increase in the number of public assistance recipients. There are currently more than fifty different categories that qualify for Medicaid coverage. Henrico has an aging population that requires long-term nursing home care, which is very expensive for each recipient. The number of mental health patients has increased as well as the number of foster care children, which have also added to the Medicaid population. In addition, policy changes related to income increase every year, which impacts this indicator as well.

The recessionary economic environment, and the subsequent loss of jobs and personal income, has created more demand for public assistance. In fact, in Henrico County, since July 2007 the Supplemental Nutrition Assistance Program (also recognized as the food stamp program) caseload has increased nearly 150.0 percent, the Temporary Assistance for Needy Families (TANF) caseload has increased by nearly 4.0 percent, and the number of individuals receiving Medicaid increased by 65.5 percent (Source: Henrico County Department of Social Services).

In addition, the Patient Protection and Affordable Care Act was signed into law by President Obama on March 23, 2010. In June 2012, the U.S. Supreme Court ruled that the federal government could not force states to expand their Medicaid programs by withholding federal funds to the existing Medicaid programs. Each state must now decide to either opt in or out of the federal expansion. Should the Commonwealth of Virginia decide to opt in to Medicaid expansion, it is estimated that as many as 425,000 additional people Statewide would be eligible for Medicaid benefits. In Henrico County, it is estimated that nearly 15,000 additional residents would qualify, which would more than double the existing population receiving Medicaid benefits in Henrico County. Clearly, this will have a significant impact on this trend. These are alarming trends for Henrico County, and clearly a warning trend continues for this indicator.

WARNING TREND: Declining or negative growth in market value of residential, commercial or agricultural property (constant dollars).

Formula:

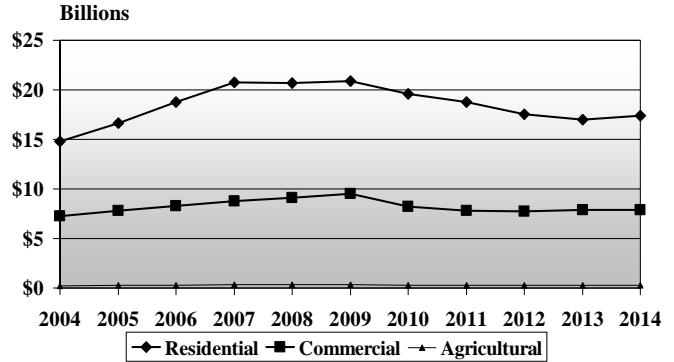
Real Property Values (Constant Dollars)

Real Property Values:

Changes in real property values are important because most local governments depend on property taxes for a substantial portion of their revenues, and Henrico County is no exception. If a locality has a stable tax rate, the higher the aggregate property value, the higher the revenues generated. Localities experiencing rapid population and economic growth are also likely to experience growth in property values in the short-run. This is because in the short-run, the supply of housing is fixed and the increase in demand due to growth will force prices up.

Real Property Values

(In Constant Dollars)



The extent to which declining real property values affect a locality's revenues will depend on the locality's reliance on property tax revenue. The extent to which the decline will ripple through the local economy and affect other revenues is difficult to determine. However, all of the economic and demographic factors are closely related. Most probably, a decline in property values will not be a cause, but rather a symptom of other underlying problems.

Trends:

The above graph illustrates real property values in constant dollars for residential, commercial, and agricultural properties. As such, any increases in this indicator are reported after negating the “effect” of inflation. The increases in valuation reflected above have been mitigated by a reduction in the Real Estate Tax Rate in this period of time. Specifically, since CY05, the Real Estate Tax Rate has been reduced from \$0.94/\$100 to the current level of \$0.87/\$100 of assessed valuation. In looking at the historical Real Estate Tax rates for the County of Henrico, two facts are clearly evident. First, *stability* is clearly evident as the Real Estate Tax Rate was maintained at \$0.98/\$100 of assessed valuation for a period of *sixteen* consecutive years (CY80-CY95). The second trend that is evident is that since CY98, as property valuations have increased, the Board of Supervisors has mitigated these increases with prudent Real Estate Tax rate reductions that have been made without impacting the County’s ability to meet debt obligations, capital infrastructure needs, and County operations, while also offering tax relief to County residents. This is a very difficult balancing act, but one that has been achieved because of the consistency of Board actions in establishing the Real Estate Tax rate on an annual basis.

In looking at the more recent trends, from FY10 through FY13, constant dollar residential property values declined 18.6 percent and constant dollar commercial property values declined 16.7 percent. Residential foreclosures and increasing office space vacancies significantly impacted the local real estate market in this time period. In that same time period, the County lost \$36.9 million in annual revenue from Real Estate Tax collections, particularly painful as this funding source represents one-third of the County’s overall General Fund revenues. While slight increases in this indicator are reflected in both residential (2.3 percent) and commercial (less than 0.1 percent) for FY14, both residential and commercial property values, on a constant dollar basis, remain below FY06 levels. As the County continues its economic development efforts and residential foreclosures improve, the County is again recognizing slight growth in its real estate values.

In looking back at historical residential real estate price appreciation since the late 1800’s, the average annual growth nearly always mirrors the annual inflation rate, as determined by the CPI. In fact, when adjusting real

estate price appreciation by removing the inflation rate, and plotting these revised rates of appreciation on a line graph, the result is very close to a straight line with the exception of the “bubble” of the mid 2000’s. As the real estate market continues to stabilize, it is anticipated that real estate price appreciation will increase at a comparable rate to inflation levels – historically between 2.0 and 3.0 percent. In fact, in unadjusted January 1, 2014 real estate values, both commercial and residential, increased 2.8 percent and January 1, 2015 real estate values reflect growth of 2.5 percent. As such, this indicator should reflect a “flattening out” effect long-term. As the County recently experienced its second consecutive year of modest growth, at levels that are expected for the foreseeable future, a positive trend is becoming evident. As such, the warning trend noted for the past few years has been lifted.

WARNING TREND: Increasing market value of residential development as a percentage of market value of total development.

Formula:

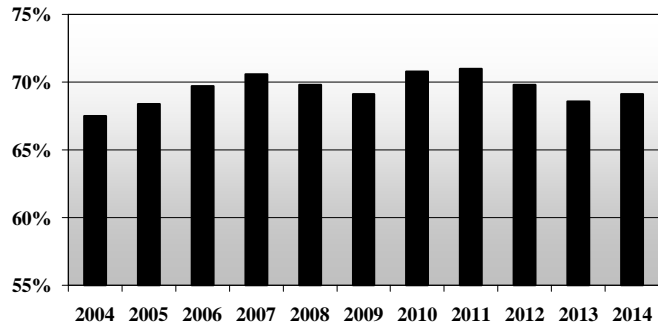
$$\frac{\text{Market Value of Residential Development}}{\text{Market Value of Total Development}}$$

Residential Development:

The net cost of servicing residential development is generally higher than the net cost of servicing commercial or industrial development. This is because residential development usually creates more expenditure demands (generally in the area of Education) than revenue receipts. The ideal condition would be to have sufficient commercial or industrial development to offset the costs of the residential development.

Residential Development

(as a % of Total Property)



The location of new residential development is also important. Houses built on the outer fringe of a community can impose a far greater initial cost to local government than houses built within developed areas. This is because the locality must provide capital items such as streets, sewer lines, water mains, education facilities, and fire stations to service the new development. The extent to which new residential development affects the financial condition of a particular community will depend on the community's economy, tax structure, and expenditure profile. The County has determined that a 70.0 percent level of residential valuation is optimal.

Trends:

Residential development as a percentage of total property market value in Henrico County has ranged from a low of 67.5 percent in 2004, to a high of 71.0 percent in 2011. As reflected in the chart above, the indicator increased each year from 2004 to 2007, from 67.5 percent in 2004 to 70.6 percent in 2007. In 2008, the indicator fell below the benchmark of 70.0 percent to 69.8 percent and in 2009 dropped again to 69.1 percent. In 2010, the indicator rose to 70.8 percent, increased again in 2011 to 71.0 percent, before again falling below the 70.0 percent threshold, to 69.8 percent in 2012, 68.6 in 2013, and 69.1 percent in the most recent year, 2014.

Market value is slightly different from assessed value in that market value includes the value of land use properties that would be deducted when assessing the property for tax purposes. The County is required to report market value to the State. The indicator above does not reflect inflation-adjusted values.

After the residential real estate boom from 2004 to 2007, in which increases in residential market values outpaced increases in the commercial segment of the market, in 2008, increases in commercial values remained strong, but residential values began to show signs of slowing down. As a result, the Residential Development indicator fell to 69.8 percent in 2008. In 2009, the Residential Development indicator fell again, to 69.1 percent, as residential real estate valuation declined by 0.3 percent and commercial values increased 3.1 percent. In 2010, because of sharp increases in vacant commercial real estate across the County, commercial valuations declined 13.0 percent as compared to a decline of 5.0 percent in residential real estate valuations. This large differential carried the Residential Development indicator to nearly 70.8 percent. Commercial valuations declined 1.5 percent in 2011, twice the decline of residential valuations that dropped 0.7 percent, increasing the indicator to 71.0 percent, the highest level in the eleven years examined. Slight improvement in the commercial real estate market in 2012 resulted in an overall increase of 0.7 percent in values, while residential real estate values dropped just under 5.0 percent. As such, the indicator fell back below the 70.0 percent threshold, to 69.8 percent. In 2013, residential values declined 1.3 percent and commercial values grew more than 4.0 percent. For the first time since 2008, 2014 residential reassessments reflected growth, at 3.2 percent, and commercial values grew just under 2.0 percent, causing the indicator to increase to 69.1 percent.

Continued improvement in the residential real estate market in 2014 reflected a 2.6 percent increase in January 1, 2015 reassessment, as compared to 2.4 percent growth in commercial values. As such, the Residential Development indicator will slightly improve again in 2015. As the overall real estate market improves and stabilization becomes more and more evident, there is growing confidence that slight growth of between 2.0 percent and 3.0 percent will continue in both residential and commercial valuations going forward. As such, the warning trend noted in the past few years has been lifted.

WARNING TREND: Increasing rate of local unemployment or a decline in number of jobs provided within the community.

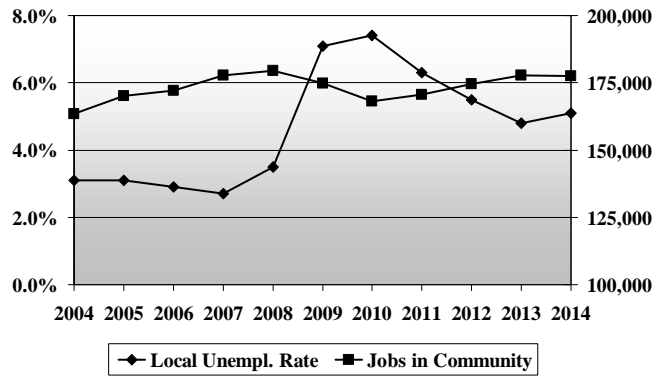
Indicators:

Local Unemployment Rate and Number of Jobs within the Community

Employment Base:

Employment base considers both the unemployment rate and the number of jobs because they are closely related. This indicator is significant because it is directly related to the levels of business activity and personal income. Changes in the number of jobs provided by the community are a measure of and an influence on business activity. Changes in the rate of employment of the community's residents is related to fluctuations in personal income and, thus, is a measure of and an influence on the community's ability to support its local business sector.

Employment Base



If the employment base is growing, if its diversity provides a cushion against short-run economic fluctuations or a downturn in one sector, and if the employment base provides sufficient income to support the local business community, then it will have a positive influence on the locality's financial condition. A decline in employment base as measured by jobs or lack of employment can be an early warning sign of declining economic activity and thus, governmental revenues. The data source for this information is the Virginia Employment Commission.

Trends:

I. Unemployment:

Henrico County's unemployment rate, in the eleven-year period above, reflects a high of 7.4 percent in 2010, and a low of 2.7 percent for 2007. From 2004 to 2007, there is a distinct downward trend as the unemployment rate fell from 3.1 percent to the eleven year low of 2.7 percent. The second distinct trend began in 2008 as the unemployment rate shot up to 7.4 percent as a result of several businesses closing – most notably LandAmerica Financial, Circuit City, and Qimonda AG. Since 2010, the rate has steadily dropped as new jobs have steadily matriculated into Henrico County. In 2014, the rate crept up slightly from 4.8 percent to 5.1 percent. While this rate is still high compared to Henrico's historical average of 3.5 percent dating back to 1988, the drop still represents great improvement compared to where the County was just a short time ago. With the overall downward trend since 2010, in addition to recent economic development announcements which should further improve the unemployment rate, the warning trend noted the past few years in this document has been lifted.

II. Number of Jobs:

From 2004 through 2008, the number of jobs in Henrico increased from 163,525 to a peak of 179,426. As a result of the economic downturn, by 2010, the number of jobs in Henrico declined to 168,142. Since 2010, the County has added back 9,505 jobs, and now totals 177,647, which is approaching the same number of jobs in 2007.

Due to the severe recessionary economic environment, 2009 and 2010 both reflected net declines in the number of jobs in Henrico County. In 2011, Henrico gained 2,439 jobs, reflecting growth of 1.5 percent from the previous year, and in 2012, Henrico added 4,047 jobs, growth of 2.3 percent. That positive momentum continued into 2013 with the addition of 3,182 jobs, reflecting growth of 1.8 percent. The number of jobs remained relatively flat in 2014, decreasing by 163 net jobs. With the County now nearly making up for all jobs lost during the economic downturn, and due to a number of recent economic development announcements, the warning trend noted the past few years has been lifted.

WARNING TREND: Decline in business activity as measured by retail sales and gross business receipts.

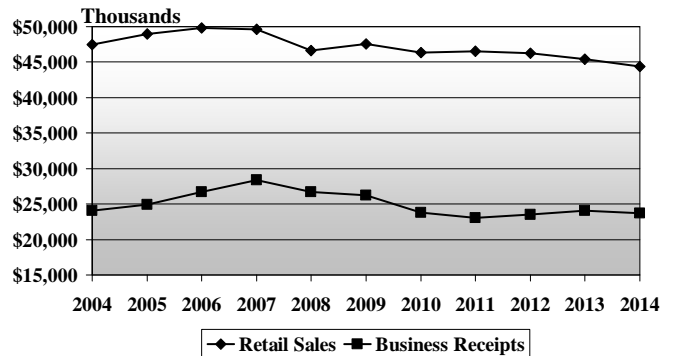
Indicators:

Local Retail Sales Tax and Business and Professional License (BPOL) Tax Receipts

Local Sales Tax and Business and Professional License Tax (BPOL) Receipts:

The level of business activity affects a locality's financial condition in two ways. First, it directly affects revenue yields as sales taxes and gross receipts taxes are products of business activity. Second, the effect of these indicators may be indirect to the extent that a change in business activity affects other demographic and economic areas such as employment base, personal income or property values. Changes in business activity also tend to be cumulative. A decline in business activity will tend to have a negative impact on employment base, personal income and/or commercial property values. This in turn can cause a decline in local revenues generated by businesses.

Local Retail Sales and Business Receipts
(In Constant Dollars)



Trends:

I. Local Retail Sales Tax Receipts:

The above graph indicates that local sales tax receipts, in constant dollars, reflect a reduction from \$47.4 million in FY04 to \$44.4 million in FY14. The elasticity of this revenue stream is evidenced by the decline in FY08, which represents the beginning of the most recent recession. Prior to that, the more recent upward trends were marked by a healthy local and national economy as seen between 2004 and 2007. In FY08, inflation adjusted sales declined from \$48.0 million to \$45.1 million, a decrease of 6.0 percent from the prior fiscal year, and was due to the largest consumer price index measurement since 1989, in addition to declining sales tax collections.

With a rare deflationary environment, coupled with slight growth in local sales tax collections, inflation-adjusted sales tax collections posted a 2.1 percent growth in spite of the economic downturn. This occurred due to the defeasance of the Short Pump Town Center CDA that fiscal year, as well as the successful implementation of the “Henrico, VA” initiative, in which the majority of “Richmond, VA” addresses were changed to “Henrico, VA” to correct revenue miscoding that misdirected local tax revenue to neighboring jurisdictions.

From FY10 through FY14, only FY11 reflected growth in inflation-adjusted sales tax collections. During this period, sales tax receipts have been relatively constant, but clearly not growing at the level of inflation. In the most recent fiscal year, FY14, sales tax receipts adjusted for inflation decreased to its lowest point in the examination period at \$44.4 million. That being said, as of this writing, sales and use tax collections are currently up 3.6 percent compared to where they were this time last year, and are projected to end the fiscal year at similar growth levels. As such, it is anticipated that this indicator will reflect upward movement again in FY15. In spite of recent weakness as compared to inflation, the County still maintains the lion’s share of regional taxable sales and has continued strength in its retail market. While sales and use tax receipts will be monitored closely, no long-term warning trend is noted for this indicator.

II. Local Business and Professional License (BPOL) Tax Receipts:

The graph for the eleven-year period shown on the preceding page indicates that from FY04 to FY07, local business license tax receipts, in constant dollars, were maintained at a level that exceeded inflationary changes. This is important because of the fact that between FY99 and FY00, the Henrico County Board of Supervisors phased in a tax reduction strategy (implemented in 1996), which reduced BPOL tax rates as a means of encouraging more businesses to locate in the County. The mostly positive trend in business and professional

license tax receipts since this strategy was implemented strongly suggests that the tax reduction strategy was successful. FY05, FY06, and FY07 totals rebounded strongly from the recessionary period in 2002 and 2003, with constant dollar gains of 3.5 percent, 7.3 percent, and 6.3 percent, respectively.

Like local sales tax revenues, FY08 BPOL tax receipts (constant dollars) fell sharply due to the struggling economy and unusually high inflation. While this indicator reflects a significant decrease, real unadjusted BPOL tax revenue only reflected a slight decrease of 1.0 percent. In FY09, inflation adjusted BPOL tax receipts declined by 1.8 percent and real unadjusted BPOL tax revenue declined by 3.2 percent. In FY10 inflation adjusted BPOL tax receipts declined by 9.4 percent, easily the largest decline in the eleven-year period examined, and real unadjusted BPOL tax revenue declined by 8.5 percent. In FY11 inflation adjusted BPOL tax receipts declined by 2.9 percent, but real unadjusted BPOL tax revenue increased slightly, by 0.8 percent. From FY09 to FY11, a number of businesses in the County were forced to close their doors. As new businesses have entered the County and join the existing diversified business community, BPOL tax receipts are again reflecting growth after three years of declines. In fact, in FY12 and FY13, inflation-adjusted BPOL tax revenue grew 2.0 percent and 2.3 percent, respectively. In the most recent fiscal year, FY14, inflation-adjusted BPOL tax receipts declined 1.4 percent, though experienced overall growth of 0.6 percent. Due to the County's continued economic development efforts and low business tax environment, it is expected that BPOL tax receipts will continue growing into the immediate future at a rate similar to inflation, or approximately 2.0 to 3.0 percent. Unlike sales tax collections, no long-term warning trend is noted.

WARNING TREND: Decline in business activity as measured by commercial acres developed and market valuation of business property.

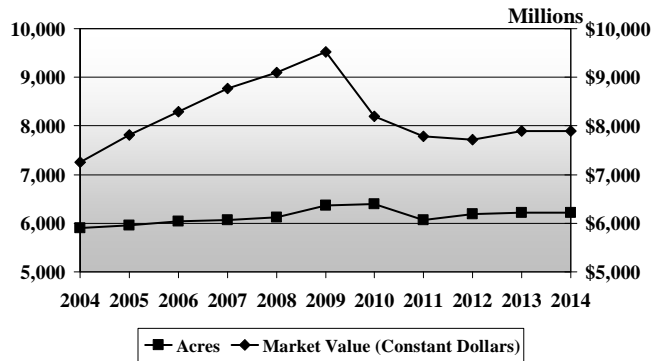
Indicators:

*Number of Commercial Property Acres and
Market Value of Business Property*

Business Activity – Commercial Acres and Market Value of Business Property:

The level of business activity affects a locality's financial condition in two ways. First, it directly affects revenue yields to the extent that the number of business acres and value of business property may be considered products of business activity. Second, the effect of these indicators may be indirect to the extent that a change in business activity affects other demographic and economic areas such as employment base, personal income or property values. Changes in business activity also tend to be cumulative. A decline in business activity will tend to have a negative impact on employment base, personal income or property value. This in turn, can cause a decline in local revenues generated by businesses.

Commercial Acres and Market Value of Business Property



Trends:

I. Business Acres:

As shown in the graph above, business acreage steadily increased from 2004 to 2010, with 5,897 acres in 2004 to 6,393 in 2010. In 2011, business acreage dropped substantially to 6,064, but this is entirely due to a change in the calculation methodology for land use acreage by the Department of Planning, to be more compatible and consistent with the County’s technological systems. The County, in fact, added 33 acres in 2011. Business acreage is defined as “developed commercial property for office and retail use.” The data reveals that in the eight years from 2004 to 2010 and in 2012 through 2014, the average annual increase in the number of business acres developed was nearly 72.0. That being said, in the most recent fiscal year, FY14, the total acreage developed was only 3 acres, the lowest annual total in Henrico County since 1993. This is due to two factors: 1) several commercial structures were demolished in FY14 and reclassified from business acreage to vacant acreage and 2) several parcels were previously incorrectly identified as business acreage and corrected.

Commercial development and concentration is a key component to maintaining a low Real Estate Tax rate and ensuring that Henrico continues to increase the number of jobs in the community. The commercial component of the Real Estate Tax base is able to subsidize the costs incurred by residential development – particularly in the area of Education.

II. Market Value of Business Property:

The eleven-year trend for this indicator, *in constant dollars*, has ranged from \$7.3 billion in CY04 to \$9.5 billion in CY09, before falling in each of the next three years, to \$7.7 billion in CY12 before climbing the next two years to \$7.9 billion in CY14. The value of commercial properties is prone to devaluation when the supply of those properties is greater than the demand. Commercial valuations increased every year from FY04 to FY09. In 2010, entering the third year of the most recent recessionary economic environment, the supply of vacant office and retail space increased significantly due to a number of businesses closing their doors. The result was an overall reduction in the commercial tax base of more than 13.0 percent in FY10. Another decrease in the commercial tax base of 1.5 percent occurred in CY11 due to the continued elevated supply of vacant office space. In CY12, the commercial market improved slightly, and values increased 0.7 percent, though not enough to keep up with inflation, as reflected in the indicator above. Commercial values increased greater than inflation in CY13 at 4.2 percent, and slightly increased more than inflation in CY14 with growth of 2.1 percent. From CY10 to CY12,

constant dollar commercial market values declined 18.9 percent.

Improvement in the commercial real estate market continued from January 2014 to January 2015, as commercial reassessments reflect an increase of \$241.7 million or 2.4 percent from the prior year. Including new commercial growth of \$130.9 million, the total commercial base grew \$372.7 million. Looking into the future, commercial real estate will continue to rebound slowly as jobs continue to gradually matriculate back into the County after the substantial losses during the economic downturn. Due to recent growth, no warning trend is noted; however, the County remains cautious in the near term due to the likelihood that it will take a number of years to fully recover the losses during the recent economic downturn, which may impact this indicator negatively as values may struggle to keep up with inflation levels.

FINANCIAL INDICATORS DISPLAYED GRAPHICALLY

Description	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues Per Capita	2,614.1	2,667.8	2,724.0	2,831.5	2,809.4	2,879.1	2,713.5	2,544.3	2,493.8	2,465.2	2,459.4
Expenditures Per Capita (In Constant Dollars)	2,483.9	2,508.6	2,543.5	2,611.7	2,659.4	2,745.6	2,728.4	2,531.1	2,496.2	2,456.7	2,494.3
Intergovernmental Revenues (without PPTRA)	36.3%	37.0%	36.1%	37.8%	38.7%	39.9%	39.5%	39.4%	39.7%	40.7%	40.8%
Intergovernmental Revenues (PPTRA only)	4.6%	4.2%	4.9%	4.0%	3.8%	3.7%	3.9%	3.9%	3.9%	3.8%	3.7%
Elastic Tax Revenues (as a % of Net Operating Revenue)	10.1%	10.0%	10.0%	9.6%	8.9%	8.6%	8.8%	9.2%	9.4%	9.3%	9.4%
Property Tax Revenues (In Constant Dollars)	264,120	280,079	296,375	315,392	322,117	332,036	319,795	297,133	290,275	286,190	292,195
Uncollected Property Tax Revenues (as a % of Total Levy)	0.6%	0.6%	0.5%	0.5%	0.5%	0.7%	1.0%	1.1%	1.3%	1.4%	1.3%
User Charge Coverage (Revenues/Expenditures)	50.6%	53.0%	52.4%	50.1%	48.0%	48.2%	50.6%	52.5%	51.0%	51.9%	54.2%
Revenue Variance (as a % of Net Operating Revenue)	7.2%	3.4%	5.7%	5.4%	6.1%	1.4%	0.2%	1.2%	0.5%	1.3%	2.4%
Employees Per Capita (Employees per thousand population)	13.0	12.8	12.9	13.0	13.1	13.1	12.7	12.6	12.5	12.3	12.2
Fringe Benefits (as a % of Salaries)	26.7%	27.6%	28.4%	31.3%	32.2%	33.1%	32.8%	33.0%	34.5%	33.9%	34.8%
Operating Surpluses (as a % of Net Operating Revenue)	3.9%	6.2%	8.5%	9.6%	6.9%	5.0%	1.6%	1.2%	0.1%	0.0%	1.7%
Enterprise Losses (In Constant Dollars)	9,939	5,337	9,710	3,298	4,439	(0,759)	(0,628)	(1,746)	(0,547)	3,575	0,914
General Fund Balances (as a % of Net Operating Revenue)	14.1%	13.7%	13.3%	13.3%	13.5%	13.9%	14.3%	14.2%	12.3%	11.8%	11.7%
Liquidity (Cash & Investments as a % of Current Liabilities)	271.1%	266.0%	294.9%	297.1%	342.2%	232.2%	339.4%	335.4%	288.2%	275.5%	279.0%
Current Liabilities (as a % of Net Operating Revenue)	10.5%	11.1%	9.6%	9.7%	8.9%	13.8%	9.7%	9.8%	11.2%	10.9%	11.5%
Long Term Debt (as a % of Assessed Valuation)	1.5%	1.2%	1.2%	1.2%	1.1%	1.4%	1.4%	1.6%	1.7%	1.6%	1.4%
Debt Service (as a % of Net Operating Revenue)	5.0%	4.7%	4.9%	5.2%	5.3%	5.3%	5.8%	5.5%	5.8%	6.3%	5.9%
Accumulated Employee Leave Liability (in Days)	23.3	23.2	23.0	22.5	24.5	24.6	26.0	24.7	25.0	25.1	25.8
Level of Capital Outlay (as a % of Net Operating Expenditures)	3.4%	3.5%	3.5%	3.0%	3.1%	2.9%	3.2%	3.2%	3.1%	2.4%	1.7%

FINANCIAL INDICATORS DISPLAYED GRAPHICALLY

Description	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Depreciation (Depreciation Expense as a % of Assets)	1.8%	2.2%	2.7%	2.9%	2.7%	2.8%	2.8%	2.7%	2.8%	2.7%	2.8%
Population	281,069	288,735	293,382	299,443	302,518	305,580	307,832	311,726	315,157	318,158	321,374
Per Capita Income (restated)	40,246	40,036	42,459	44,079	45,911	44,423	43,151	44,529	46,292	N/A	N/A
Public Assistance Recipients (as a % of Total Population)	8.4%	8.9%	9.8%	11.5%	12.2%	13.7%	14.7%	15.7%	16.1%	17.9%	17.4%
Property Values (In Constant Dollars)	22,3035	24,7095	27,3765	29,8525	30,1176	30,7610	28,0585	26,8267	25,5148	25,1626	25,5603
Residential	14,821	16,626	18,786	20,731	20,674	20,908	19,580	18,764	17,540	17,016	17,407
Commercial	7,254	7,814	8,286	8,765	9,097	9,517	8,192	7,792	7,717	7,901	7,903
Agricultural	0,229	0,270	0,304	0,356	0,347	0,336	0,287	0,271	0,257	0,245	0,250
Residential Development (includes agric) (as a % of Total Property)	67.5%	68.4%	69.7%	70.6%	69.8%	69.1%	70.8%	71.0%	69.8%	68.6%	69.1%
Employment Base											
Local Unemployment Rate	0.0310	0.0310	0.0290	0.0270	0.0350	0.0710	0.0740	0.0630	0.0550	0.0480	0.0510
Jobs in Community	163,525	170,183	172,216	177,744	179,426	174,758	168,142	170,581	174,628	177,810	177,647
Business Activity - #1 (In Constant Dollars)											
Retail Sales	47,445.94	48,973.05	49,789.44	49,596.33	46,591.40	47,588.10	46,350.28	46,510.42	46,221.22	45,374.49	44,431.39
Annual Business Receipts	24,042.47	24,880.78	26,693.21	28,382.80	26,743.24	26,251.54	23,771.18	23,082.60	23,548.78	24,080.66	23,740.45
Business Activity - #2	4.5%	3.5%	7.3%	6.3%	-5.8%	-1.8%	-9.4%	-2.9%	2.0%	2.3%	-1.4%
Market Value of Business Property	7,253.52	7,813.85	8,286.40	8,765.34	9,096.80	9,516.95	8,192.10	7,792.24	7,717.47	7,901.23	7,902.61
Acres Devoted to Business	5,897.00	5,954.00	6,032.00	6,062.00	6,118.00	6,371.00	6,393.00	6,064.00	6,189.00	6,211.00	6,214.00

GENERAL FINANCIAL AND ECONOMIC DATA

Item	Description	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1.3	Cash & Short Term Investments	209,971	234,085	242,879	268,646	298,304	320,117	314,414	309,643	308,287	289,131	318,999
1.4	Accounts Payable	49,607	54,607	46,617	51,420	49,407	53,262	48,284	48,717	53,348	52,155	61,604
1.7	Principle due in 12 months	23,132	27,038	29,870	33,224	30,749	74,560	32,810	32,825	38,725	38,510	38,890
1.8	Other Current Liabilities	4,700	6,354	5,875	5,771	7,021	10,025	11,557	10,769	14,881	14,284	13,853
1.9	Total Current Liabilities	77,439	87,999	82,362	90,414	87,177	137,847	92,651	92,311	106,954	104,950	114,346
1.10	Net Direct Long Term Debt	329,992	306,861	357,638	399,683	396,269	503,505	460,535	499,930	533,180	492,025	454,095
1.12	Cost Depreciable Fixed Assets	880,456	922,326	957,377	982,096	1,015,665	1,051,575	1,080,905	1,109,368	1,124,786	1,143,806	1,176,897
1.13	Depreciation Expense	16,028	19,995	25,879	28,010	27,596	28,928	30,566	30,439	31,308	30,993	32,433
1.14	General Fund Operating Surplus	28,457	48,896	72,364	88,984	67,853	49,565	15,123	11,751	553	336	17,000
1.15	Enterprise Operating Results	9,939	10,386	3,622	5,120	(863)	(721)	(721)	(2,078)	(661)	4,400	1,148
1.16	General Fund Balances	140,670	161,517	199,079	207,453	239,708	252,549	246,603	230,524	221,639	197,540	210,567
1.17	General Fund Restricted Balances	36,718	53,132	85,442	84,029	107,615	113,094	109,831	96,798	104,751	83,364	93,945
1.18	General Fund Unrestricted Balances	103,952	108,385	113,637	123,424	132,093	139,455	136,771	133,727	116,888	114,175	116,622
1.19	Uncollected Property Taxes	1,678	2,037	1,638	1,901	2,035	2,700	3,604	3,737	4,604	5,025	4,815
1.20	Full Property Tax Levy	287,938	324,712	339,091	352,305	369,930	380,661	365,522	349,269	347,803	357,613	361,689
2.1	Property Tax Revenues	264,120	287,165	316,998	346,403	371,556	377,532	367,444	353,555	351,142	352,275	367,120
2.2	Committed User Charges	23,907	26,143	28,316	29,127	28,850	29,884	30,409	30,207	31,424	31,336	33,266
2.3	Uncommitted User Charges	9,646	9,744	9,988	6,745	2,845	2,846	3,261	3,321	3,152	3,323	3,379
2.4	Other Revenue greater than 5%	116,443	118,320	125,617	125,927	122,796	125,309	119,791	127,013	129,354	125,872	125,113
2.5	Other Revenue less than 5%	20,081	22,479	23,470	33,800	37,612	28,837	22,822	21,028	21,220	22,342	21,664
2.6	Total Local Operating Revenue	434,197	463,852	504,389	542,002	563,659	564,409	543,727	535,125	536,292	535,150	550,542
2.7	Intergovernmental Operating Revenue	300,535	325,935	350,394	389,249	416,686	435,925	416,038	408,589	414,459	430,280	442,504
2.7	Intergovernmental Operating Revenue (without PPTRA reimbursements)	266,444	292,612	308,263	352,028	379,686	398,923	379,036	371,587	377,457	393,278	405,502
2.10	Gross Operating Revenues	734,732	789,787	854,783	931,251	980,345	1,000,334	959,765	943,714	950,751	965,430	993,046
2.13	Net Operating Revenues	734,732	789,787	854,783	931,251	980,345	1,000,334	959,765	943,714	950,751	965,430	993,046
2.14	Restricted Operating Revenues	231,539	262,136	280,148	317,359	328,348	354,849	342,338	334,134	337,427	353,406	354,976
2.15	Elastic Operating Revenue	74,509	79,200	85,208	89,286	87,579	86,099	84,217	87,182	89,098	90,097	92,893
2.17	Net Operating Revenue Budgeted	681,735	762,685	806,056	880,557	920,221	986,094	957,860	932,150	946,188	953,214	969,062
3.1	Salaries and Wages	363,879	393,160	413,031	440,213	464,016	487,694	480,659	472,724	480,853	495,822	496,472
3.2	Fringe Benefits	97,282	108,505	117,379	137,938	149,220	161,362	157,582	156,088	165,696	167,899	172,540
3.3	Supplies	28,252	31,976	34,433	36,858	40,764	43,737	41,682	46,168	43,383	42,775	48,999
3.4	Services	94,074	93,720	88,068	109,413	117,670	107,968	120,657	113,118	109,529	105,315	144,336
3.5	Capital Outlay	23,678	25,788	28,075	25,447	28,322	27,403	31,049	29,983	29,924	23,210	17,210
3.6	Principal-Long term Debt	22,986	22,747	26,633	29,450	32,779	30,284	34,880	32,300	32,290	38,510	37,615
3.7	Interest-Long term Debt	13,961	14,466	15,598	18,588	18,900	22,339	21,191	19,722	23,035	22,393	21,132
3.8	Total Direct Debt	36,947	37,213	42,230	48,038	51,679	52,623	56,071	52,022	55,325	60,903	58,747
3.9	Other Expenditures	46,093	44,101	54,842	36,926	52,400	50,416	52,285	45,527	43,982	41,361	44,052
3.10	Internal Service Fund Transfers	7,930	8,173	20,083	24,113	23,917	22,764	25,058	23,195	22,949	24,815	24,779
3.11	Total Net Operating Expenditures	698,136	742,636	798,141	858,946	927,990	953,967	965,044	938,824	951,640	962,100	1,007,136
3.12	Number of General Government Employees	3,640	3,694	3,774	3,895	3,953	4,000	3,915	3,974	3,927	3,927	3,927
3.13	Unused Annual Leave (in days)	84,862	85,661	86,980	87,502	96,971	98,411	101,636	96,974	98,048	98,496	101,198
3.14	Unused Sick Leave (in days)	257,590	261,646	267,779	272,360	270,336	280,842	284,267	288,847	292,650	286,114	290,157
3.15	Expenditures Covered by Charges	47,267	49,296	54,040	58,176	60,157	61,944	60,144	57,538	61,630	60,360	61,408
7.1	Population (Calendar Year)	281,069	288,735	293,382	299,443	302,518	305,580	307,832	311,726	315,157	318,158	321,374
7.3	Total Personal Income (Thous. of \$)	11,106,399	11,234,015	12,125,029	12,758,972	13,437,921	13,167,734	13,265,139	13,823,694	14,578,842	N/A	N/A
	Per Capita Income	40,246	40,036	42,459	44,079	45,911	44,423	43,151	44,529	46,292	N/A	N/A

GENERAL FINANCIAL AND ECONOMIC DATA

Item	Description	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
7.4	Public Assistance Recipients	23,628	25,591	28,656	34,469	36,799	41,809	45,255	49,093	50,801	56,898	55,924
7.6	Market Value of Property (Mil. of \$)	22,303	25,335	29,282	32,788	34,740	34,976	32,239	31,921	30,865	30,973	32,114
7.8	Market Value-Residential (Mil. of \$)	14,821	17,047	20,093	22,770	23,847	23,772	22,497	22,327	21,218	20,945	21,871
7.9	Market Value-Commercial (Mil. of \$)	7,254	8,012	8,863	9,627	10,493	10,821	9,413	9,272	9,356	9,726	9,929
7.10	Market Value-Agricultural (Mil. of \$)	229	277	325	391	400	382	329	322	311	302	315
7.11	Residential Households (Calendar Year)	119,107	121,505	123,457	125,972	127,046	128,529	129,781	130,482	131,044	131,652	132,363
7.12	Vacancy Rates-Residential (Calendar Year)	1.4%	1.5%	1.5%	1.6%	1.6%	1.6%	1.6%	2.5%	2.4%	2.0%	1.6%
7.15	Local Unemployment Rate	3.1%	3.1%	2.9%	2.7%	3.5%	7.1%	7.4%	6.3%	5.5%	4.8%	5.1%
7.16	Jobs Within Community	163,525	170,183	172,216	177,744	179,426	174,758	168,142	170,581	174,628	177,810	177,647
7.17	Retail Sales (Thous. of \$)	47,446	50,212	53,254	54,473	53,742	54,109	53,256	55,342	55,913	55,852	55,825
7.19	Annual Business Receipts (Thous. of \$)	24,042	25,510	28,551	31,174	30,848	29,849	27,313	27,466	28,487	29,641	29,828
7.20	Business Acres (Calendar Year)	5,897	5,954	6,032	6,062	6,118	6,371	6,393	6,064	6,189	6,211	6,214
7.21	CPI	189.7	194.5	202.9	208.4	218.8	215.7	218.0	225.7	229.5	233.5	238.3
7.22	CPI-Index	1,000.0	1,025.3	1,069.6	1,098.3	1,153.5	1,137.0	1,149.0	1,189.9	1,209.7	1,230.9	1,256.4

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