

HENRICO COUNTY • VIRGINIA

APPROVED BUDGET



Fiscal Year 2016 – 2017

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, 2015

Executive Director

HENRICO COUNTY

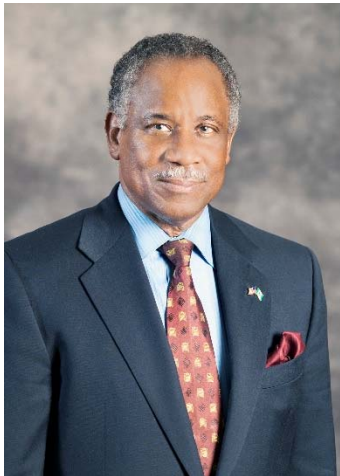
Board of Supervisors



Tyrone E. Nelson
Chairman
Varina District



Richard W. Glover
Vice Chairman
Brookland District



Frank J. Thornton
Fairfield District



Thomas M. Branin
Three Chopt District



Patricia S. O'Bannon
Tuckahoe District



HENRICO COUNTY

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.



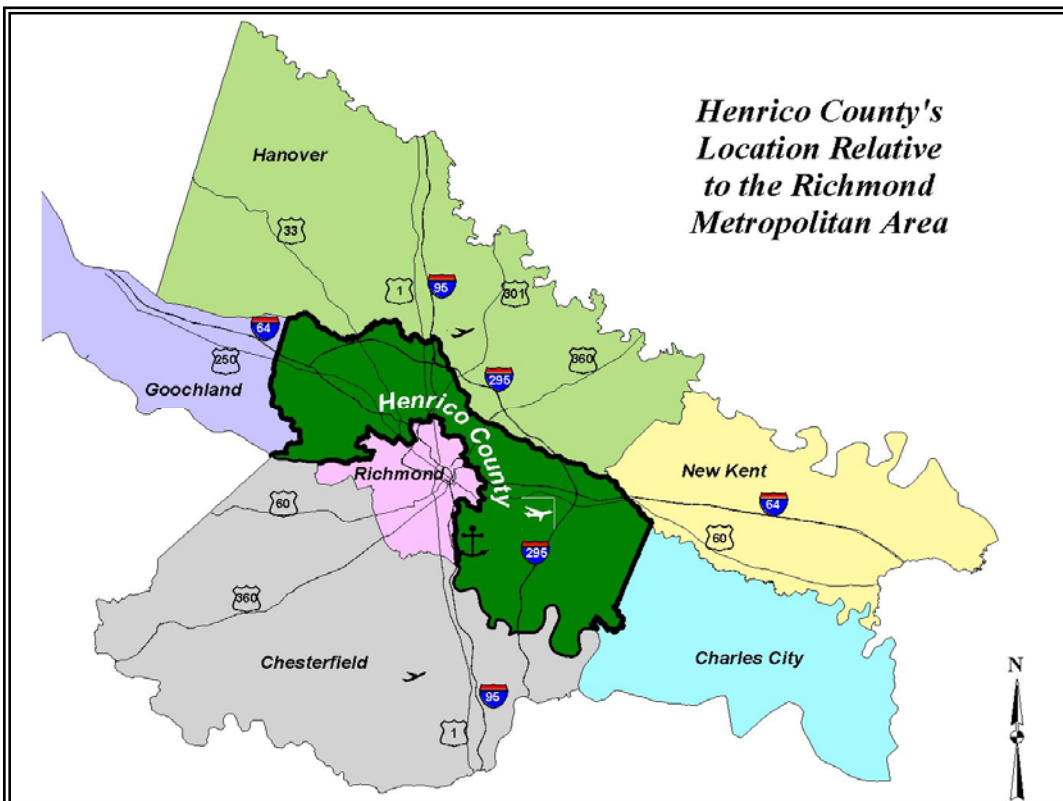
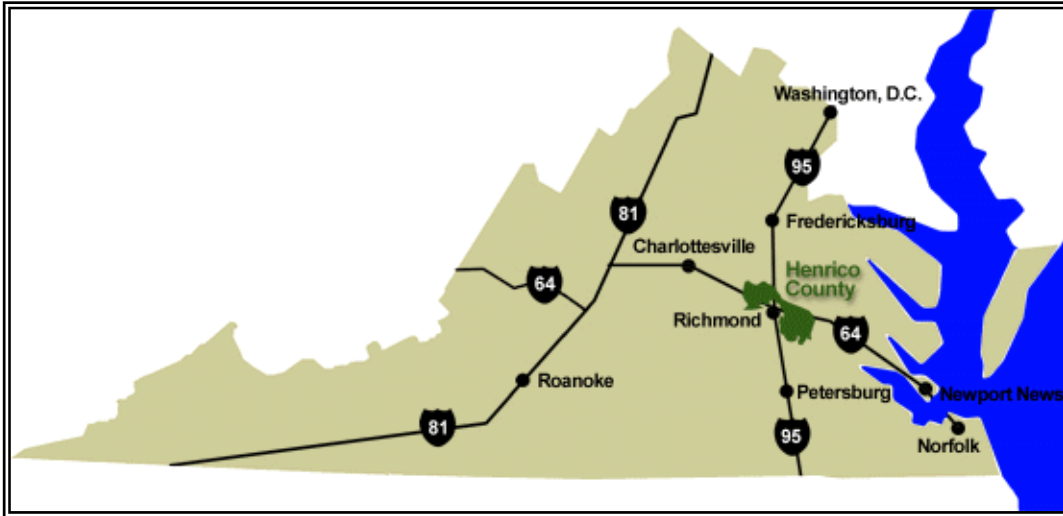
John A. Vithoukas
County Manager



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, around 325,000 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).

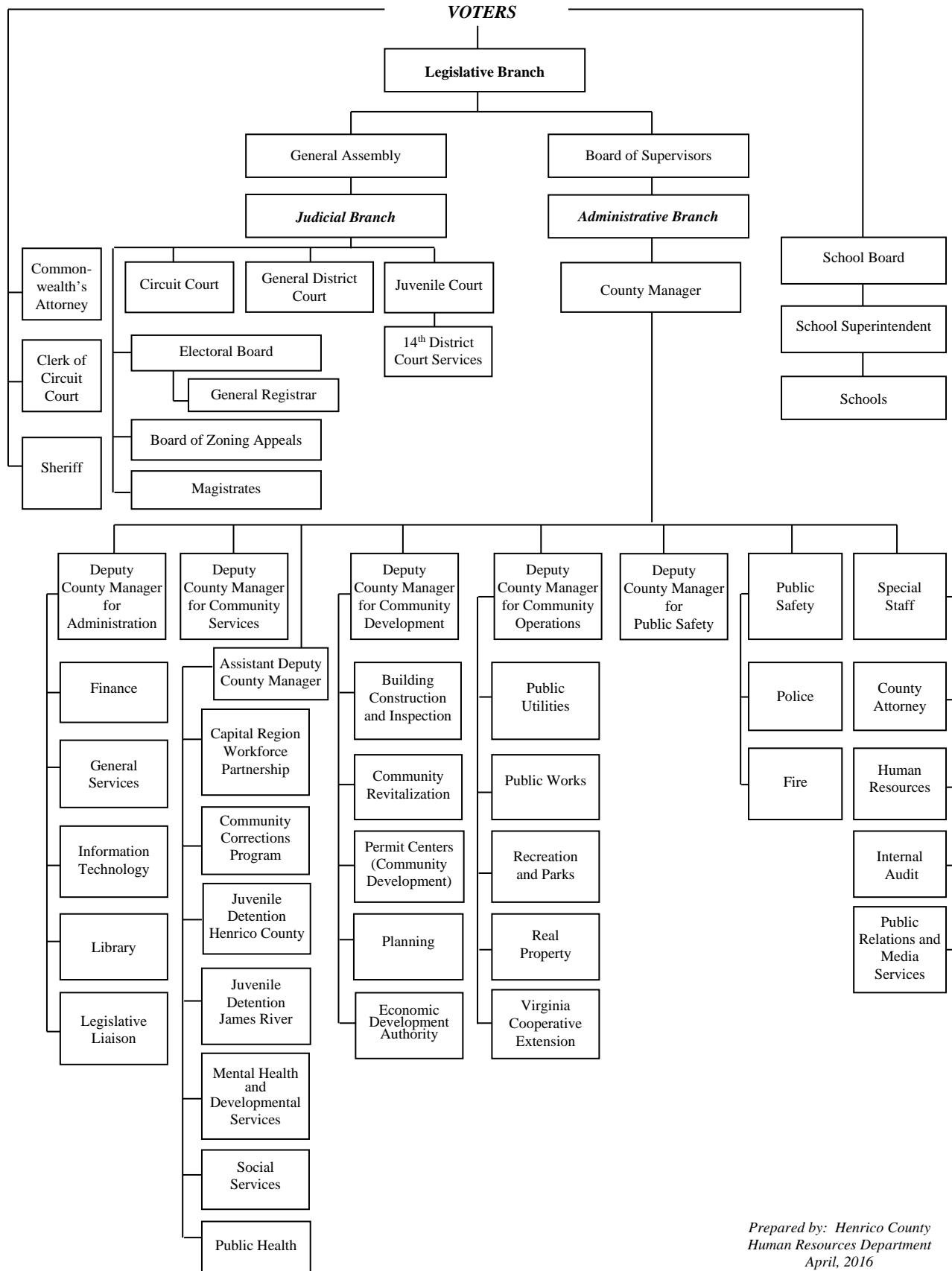
The School Board is elected by the voters to represent each of the five magisterial districts. They are elected for four-year in a sequence similar to that of the County Board Members and are responsible for the allocation and control of school finances, programs and personnel. The superintendent of 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



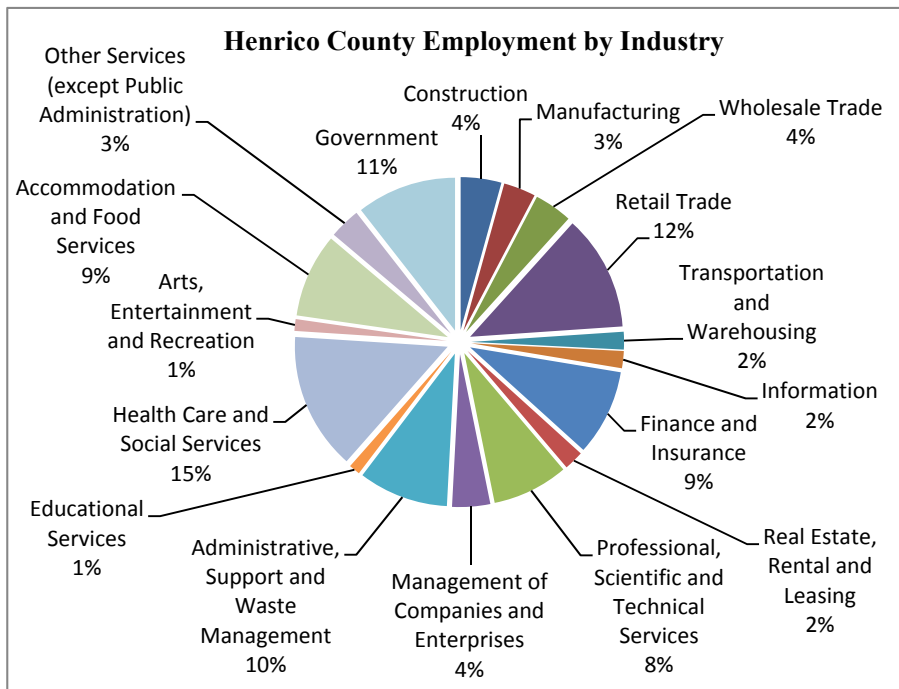
Henrico County Profile

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 2015.

Top Ten Employers with ≥ 900 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	U.S. Postal Service
9	Wells Fargo Bank NA
10	Bank of America

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 89.5 percent of the population 18 years and older holding high school degrees or higher and 37.0 percent holding bachelor's degrees or higher.

Henrico's unemployment rate continues to improve and decreased to 3.8 percent in December 2015 compared to 4.4 percent in December 2014. The County's unemployment rate remains lower than the Richmond MSA average of 4.6 percent and the national average of 4.8 percent as well as the state

average of 3.9 percent. Henrico continues to experience healthy job growth with 1,419 new and saved jobs added in 2015 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 local economy continues to get a significant boost from visitor spending in the County. In fact, during 2014, the County captured \$828.6 million in visitor spending, a 5.7 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.

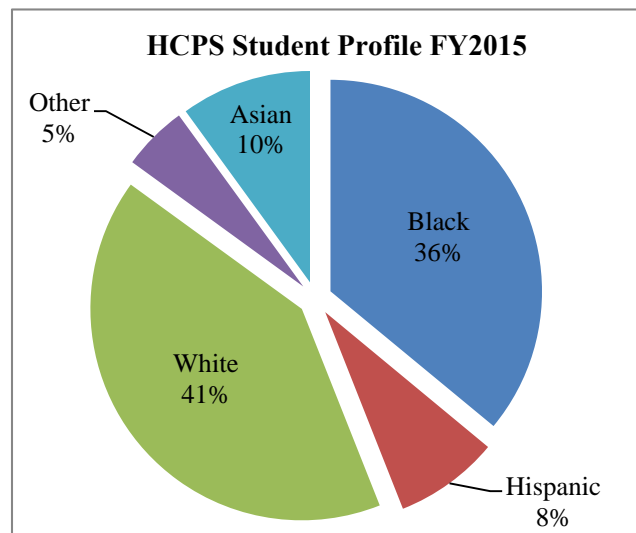
<i>Population by Race</i>	<i>2000</i>	<i>2010</i>	<i>% Change</i>
American Indian & Alaska native alone	920	1,012	10.0%
Asian /Pacific Islander	9,533	20,179	111.7%
Black or African American alone	64,820	90,669	39.9%
Other/Multiracial	6,284	13,356	112.5%
White alone	180,780	181,719	0.5%
Total	262,337	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 50370 in 2015, which represents an increase of 14.7% 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 620 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 2016-17 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 FY2016-17 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 FY2016-17 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>.

**HENRICO COUNTY, VIRGINIA
APPROVED BUDGET
FISCAL YEAR 2016-17
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INTRODUCTION





COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

John A. Vithoukas
County Manager

June 28, 2016

The Honorable Board of Supervisors
County of Henrico
Virginia

Honorable Members of the Board:

Enclosed is the Approved Budget for FY2016-17, including both the operating and capital budgets, that was approved by the Board of Supervisors at the April 26, 2016 meeting. The Board of Supervisors made no changes to the FY2016-17 proposed budget that you received at your March 8, 2016 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 FY2016-17.

Respectfully submitted,

John A. Vithoukas
County Manager





John A. Vithoukas
County Manager

COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

March 8, 2016

The Honorable Board of Supervisors
County of Henrico, Virginia

Honorable Members of the Board:

I am pleased and proud to submit to you the FY2016-17 Proposed Budget for Henrico County. The budget before you recommends additional resources that meet the needs of this County's citizens and businesses for not just the immediate future – but for the foreseeable future - while also providing additional funding for the County's core services and addressing its most pressing needs. Within an economic environment yielding growth in the County's resources, the budget before you further strengthens the County's economic development efforts by making the cost of business recruitment and expansion more affordable, as well as cutting aircraft taxes, all while maintaining the real estate tax rate of 87 cents, the lowest by far of any large, urban locality in Virginia. It also strategically places resources into a reserve to protect the County from future economic contraction, as mixed signals continue in the national and global economies. Funding has been allocated to the County's public safety efforts, providing for additional police officers and firefighters, as well as funding for critical infrastructure and equipment necessary to keep the County's public safety employees safe. Further, the budget before you lowers classroom sizes in our schools and provides funding to address critical renovations at a number of aging schools.

The Proposed Budget will further strengthen the County's economic development efforts by lowering the cost of infrastructure for both commercial and residential development with across-the-board reductions in water and sewer connection fees. Further, the final allocation of funds for the Cobbs Creek Reservoir can be found within the proposed budget. This project will ensure the County's businesses and citizens' demand for water are met for at least the next 50 years – a rarity for localities not only in Virginia, but in the entire nation. By maintaining the lowest real estate tax rate of any urban jurisdiction in Virginia – one that has not increased in 38 years – combined with this Board's decision to cut the County's machinery and tools tax rate by 70 percent in calendar year 2015 and the County's already business-friendly full BPOL tax exemption of the first \$100,000 of receipts and 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 3.5 percent required strategic focus on the County's most critical needs. In fact, **nearly 80.0 percent of all incremental General Fund revenue growth 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 prioritizes funding for specific initiatives, with specific highlights as follows:

1. The budget rewards all General Government and Schools employees with a 2.4 percent salary increase, to be made effective July 1, 2016 for the County's hard working employees;

2. The Proposed Budget reflects \$26.7 million in overall incremental new General Fund resources provided to our school system, including \$10.8 million in funds to address the planning phase of the renovation of a number of aging facilities, and recommends funds to reduce class sizes;
3. It directs substantial funding to a number of public safety efforts, including full-year debt service funding and three additional positions associated with the replacement communication system project. Within the area of Police, ten new police officer positions are recommended – the fourth year of a five-year commitment – as well as one position and sufficient resources to add a new Police Athletic League (PAL) program at Baker Elementary School. Within the Division of Fire, ten new positions – nine firefighters and one captain – are recommended for the opening of the new Short Pump Firehouse (Fire Station #19), as well as three additional firefighter positions – the first year of a proposed three-year commitment to add nine firefighter positions – necessary to alleviate staffing pressures and reduce minimum staffing-related overtime costs within the Division. Further, sufficient funding is recommended to replace all self-contained breathing apparatus (SCBA) equipment necessary to bring this critical life safety equipment up to industry standards;
4. It funds the County’s federally mandated Chesapeake Bay TMDL requirements with identified current, ongoing revenues of just over \$2.3 million, the second year of this annual commitment without the imposition of a stormwater tax. With projects and initiatives already completed, Henrico County has already exceeded the 5.0 percent minimum reduction requirement for the first five years, three years ahead of schedule;
5. It provides positions and operating dollars necessary for the opening of the new Varina Area Library, and annualizes costs associated with the recently opened Libbie Mill Area Library and new Short Pump Park, all of which were approved by the citizens in the March 2005 GO Bond Referendum;
6. It creates a Revenue Stabilization Reserve in the County’s General Fund Balance to mitigate the impact of future economic contraction and potential subsequent local and State revenue declines;
7. It recognizes \$3.5 million in General Fund revenue associated with the Shops at White Oak Village as a result of meeting the obligations necessary to complete the ten-year Community Development Authority (CDA) debt requirement one year earlier than planned. This is the third of three CDA’s that the County has been involved in wherein debt obligations have been met ahead of the pledged schedule. The other two were Short Pump Town Center and Reynolds Crossing.

Total cost increases in the FY2016-17 Proposed Budget funded with current revenue streams total \$43.3 million, which can be seen in the chart to the right. That being said, total incremental revenue growth estimates in the Proposed Budget only totals \$31.9 million. Within an environment of limited revenue growth and in an effort to fund all necessary service requirements, this budget identifies \$11.4 million in expenditure cuts necessary to provide the Board with a balanced budget that accomplishes 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, 11 vacant positions are being reclassified and moved to areas of critical need, including six within our school system.

FY17 Cost Increases Funded with Current Revenues*	
Expense	FY17 Increase
Cost of 2.4 percent Raise	\$12.9 million
Annualize Partial-Year Raise from FY16	\$4.0 million
Communication System - Debt Service & 3 Positions	\$3.5 million
50 New Teaching Positions – Lower Class Size	\$3.3 million
Healthcare Increase	\$3.0 million
VRS Increase – Teachers	\$2.5 million
Fund One-Time Costs from FY16 – New Facilities	\$2.1 million
Elementary School Infrastructure Refresh	\$1.1 million
Increase School Bus Replacement Funds	\$1.0 million
Additional Local Funds to Children’s Services Act	\$1.1 million
Additional Funds to Technology Replacement Fund	\$1.0 million
Addition to Revenue Stabilization Reserve	\$1.0 million
Positions in Sheriff’s Office Previously Approved by Board	\$0.9 million
10 Additional Police Officers (Year 4 of 5)	\$0.7 million
Hotel/Motel Tax Estimate to Convention Center	\$0.8 million
Other Cost Increases – Schools and General Government	\$4.4 million
Total Cost Increases – FY17 Proposed Budget	\$43.3 million
<i>*Does not include cost increases funded with planned one-time resources, such as the first-year costs of the new bond projects, which were funded through the Bond Project Reserve.</i>	

As we continue to find ourselves in an economic environment that continues to produce moderate revenue growth for the County – 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 continues to reinforce 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.

Addressing Aging School Facilities

The budget before you begins the process of addressing a significant concern within our schools system – aging facilities. More than half of Henrico County’s 72 schools are 50 years or older, and while a number have experienced substantial renovations over the past 15 years, many more remain. In fact, in looking at the FY2016-17 through FY2020-21 five-year Capital Improvement Program requests from the School Board, 15 of the 29 specific project requests were for substantial renovations to aging schools, totaling \$257.9 million over the five-year period. The average age of the 15 schools to be renovated is 57 years.

Within the Proposed Budget, \$10.8 million in meals tax receipts, collected in excess of budget estimates, are recommended to be placed in a separate Education Meals Tax Project Reserve in an effort to begin planning efforts for the renovation of a number of aging facilities, which can be seen in the chart to the right. To be crystal clear, these funds are in addition to the \$9.0 million in current

Projects Being Addressed in FY17 Proposed Budget		
Project	Total Expected Cost	FY17 Proposed Budget
Pemberton ES Renovation	\$15.3 million	\$1.2 million
Crestview ES Renovation	\$13.2 million	\$1.2 million
Skipwith ES Renovation	\$14.2 million	\$1.2 million
Tuckahoe MS Renovation	\$30.9 million	\$2.8 million
Seven Pines ES Renovation	\$13.9 million	\$1.2 million
Chamberlayne ES Renovation	\$14.1 million	\$1.2 million
Glen Allen ES (8) Classroom Addition/Renovation	\$7.5 million	\$2.0 million
Totals	\$109.1 million	\$10.8 million

meals tax receipts in the capital budget before you that are recommended for deferred maintenance projects in school facilities, as well as the \$9.0 million included in the FY2016-17 operating budget for schools. From the information above, the total anticipated cost to complete these seven projects alone exceeds \$109 million. It goes without saying that a long-term plan to fund the construction of these projects, in addition to a number of other school renovation projects, is absolutely necessary. Every dollar of meals tax receipts has been and will be dedicated to our school system. The formulation of that long-term plan will be a major discussion item as this budget is reviewed.

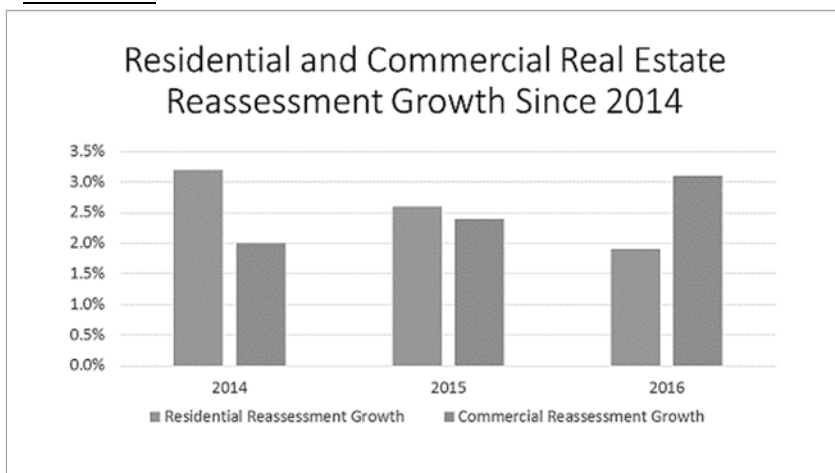
General Fund Revenues Continue Modest Growth

In looking at the budget before you, total estimated General Fund revenues for FY2016-17, prior to transfers to other funds are \$934.1 million, which represents an increase of \$31.9 million or 3.5 percent when compared to the current fiscal year. Net of transfers and uses of fund balance, the County's overall General Fund is growing by 3.2 percent. As can be seen in the chart to the right, the majority of the County's revenue growth can be attributed to a few sources:

FY17 General Fund Revenues				
Category	FY16 Approved	FY17 Proposed	Difference	% Change
Real Estate Tax	\$282.0 million	\$292.0 million	\$10.0 million	3.5%
Personal Property Tax	\$113.1 million	\$115.9 million	\$2.8 million	2.5%
Local Sales Tax	\$58.1 million	\$61.0 million	\$2.9 million	5.0%
Business Licenses (BPOL)	\$30.6 million	\$32.0 million	\$1.4 million	4.6%
Hotel/Motel Tax*	\$10.4 million	\$11.2 million	\$0.8 million	7.7%
<u>All Other Local Revenues</u>	<u>\$79.6 million</u>	<u>\$80.2 million</u>	<u>\$0.6 million</u>	<u>0.8%</u>
Total Local Revenues	\$573.8 million	\$592.3 million	\$18.5 million	3.2%
<i>* Hotel/Motel Tax revenues are dedicated to the Greater Richmond Convention Center</i>				
State Aid for Schools	\$239.0 million	\$250.5 million	\$11.5 million	4.8%
State Gasoline Tax	\$43.3 million	\$44.0 million	\$0.7 million	1.7%
<u>All Other State & Federal</u>	<u>\$46.1 million</u>	<u>\$47.3 million</u>	<u>\$1.2 million</u>	<u>2.6%</u>
Total State and Federal Revs.	\$328.4 million	\$341.8 million	\$13.4 million	4.1%
Total General Fund Revs.	\$902.2 million	\$934.1 million	\$31.9 million	3.5%
Transfers/Cash Reserves	(<u>\$116.4 million</u>)	(<u>\$123.2 million</u>)	(<u>\$6.8 million</u>)	<u>5.8%</u>
TOTAL NET REVENUES	\$785.8 million	\$810.9 million	\$25.1 million	3.2%

real estate tax, personal property tax, local sales tax, business license tax receipts, and State Aid for Schools. In looking at Hotel/Motel Tax receipts and State Gasoline Tax revenues, these two resources are dedicated to the Greater Richmond Convention Center and road maintenance, respectively. Outside of these resources, minimal growth continues to be experienced, particularly in the area of State Aid for General Government initiatives.

Real Estate



Real estate tax revenues in the Proposed Budget reflect an overall increase of \$10.0 million from the current fiscal year estimate. For the third consecutive year, after five previous years of declines, the reassessment of real estate in Henrico increased in January 2016. That being said, the rate of increase in residential reassessment has declined in each of the past two years, as can be seen in the graph to the left, in blue, as residential

reassessment grew by 1.9 percent in January 2016. This is in keeping with projections that came about

in 2012 that suggested the residential real estate market would not see increases that were seen in the mid-2000's. However, in looking at commercial, the inverse can be seen, as the rate of increase of commercial reassessment has grown the past two years, to 3.1 percent in January 2016. Both the residential and commercial rates of reassessment increase is exactly what this County expected to achieve after the real estate "bottom" was met, and reflects a level anticipated each year for the foreseeable future. The County's efforts aimed at improving the commercial segment of our tax base are key and these changes are an early indicator as to what is possible within this segment of the tax base. With overall increase in the tax base of \$1.1 billion, including new construction, the total tax base is growing by 3.2 percent in January 2016, yet still remains below that of January 2009.

Impact of Visitors



Growth in sales tax and hotel/motel tax receipts continue to be driven by the County's tourism efforts. In fact, during 2015, the County recorded a 5.7 percent increase from tourism spending, and again 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. The budget before you allocates additional funding towards the completion of the first phase of Greenwood Park, which will only add to the many successes achieved in this area.

State Funding

In looking at projected revenues from the State in the budget before you, a net increase of \$13.4 million is anticipated, the vast majority of which is in the area of State aid for K-12 Education. State aid for schools is increasing \$11.5 million, while all other sources from the State reflect a net increase of \$1.9 million. Of the overall increase in State funding, nearly 86.0 percent of the increase is within the area of Education and with the topsy-turvy history of state aid, we must be extremely careful when budgeting resources for our highest priority area and relying on revenues which may be altered at any time. 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. The budget before you continues this premise.

Again, within a limited revenue growth environment, one that is anticipated to continue for the foreseeable future, 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 opening completed citizen approved referendum projects.

Focus on Core Services – Nearly 80% of All Incremental Revenues to Schools and Public Safety

As mentioned, nearly 80 percent of all incremental General Fund revenues have been allocated to a number of schools and public safety initiatives, this Board’s highest priorities. What follows is further breakdown of some of the individual initiatives present within the budget before you:

FY2016-17 Proposed Schools Operating Budget

The overall General Fund budget for schools is increasing \$13.9 million or 3.2 percent to \$455.1 million, representing more than 56 percent of the entire General Fund budget. However, the \$13.9 million increase is misleading for a number of reasons. As can be seen in the table to the right, including the funding for renovations and General Fund expenditure increase, the incremental General Fund resources being provided to our school system is actually \$26.7 million. Of the \$26.7 million in additional resources provided to our school system, \$15.2 million or nearly 57 percent reflects local funds, while the remaining \$11.5 million reflects additional funding from the State. Further, expenditure growth within the schools budget, including all funds noted above including operating and capital funding, is actually \$30.0 million, offset by \$3.0 million in attrition savings and an identified \$330,000 in other expense savings.

FY2016-17 Proposed Additional Allocation to Schools	
General Fund Expenditure Increase	\$13.9 million
Prior-Year Meals Tax Receipts to Capital	\$10.8 million
Local Funding for School Buses	\$1.0 million
Increase in Local Share for CSA Expenses	\$1.0 million
Total Allocation Increase to Schools	\$26.7 million

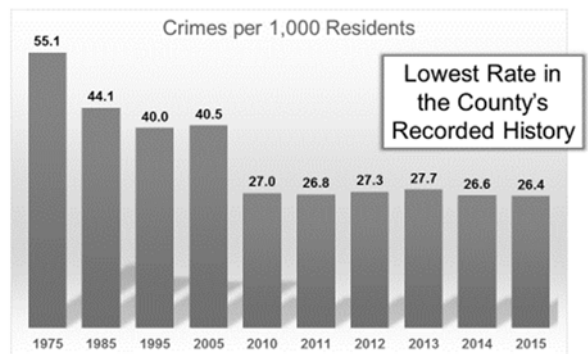
Several items within the allocation for schools are necessary of note, including a total of \$7.8 million that has been included in Schools’ allocation for a 2.4 percent salary increase for all schools employees, effective July 1, 2016. Further, an additional \$1.0 million in current General Fund revenues has been included for the replacement of school buses, creating a school bus replacement fund that now totals \$2.0 million in the budget before you. With a fleet approaching 700 buses, it is paramount that a systematic replacement cycle be created. These funds are intended as a permanent allocation, with additional funding necessary in future years.

The Proposed Budget also includes \$3.3 million for an additional 50 teaching positions, 27 to accommodate anticipated student enrollment growth and an additional 23 teaching positions intended as the first year of a multi-year effort to reduce class sizes. Further, the school system has identified funding for an additional eight positions to remain vacant in a “reserve” capacity to maintain flexibility in addressing specific classroom size issues throughout the fiscal year.

Public Safety - Police

The proposed budget before you includes ten new Police Officers in Patrol Operations to increase service coverage, the fourth 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 at that time. In 2015, the second year of the five-year commitment, crimes per 1,000 residents dropped yet again, and the County achieved a new record low.

Henrico Crime Statistics



The budget before you also includes full-year 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. This project is anticipated to cost in excess of \$55 million, and will be funded with a combination of debt financing and pay as you go funding. The cash component of this system comes from a designation within the County's General Fund Balance which has been planned and accumulated over the past four years. This pay as you go funding will come before the Board of Supervisors via the budget amendment process this summer, as the cost of the system is refined. In addition to the debt service funding, the budget before you also includes three positions, two of which are partial-year funded in FY2016-17, necessary to support the additional infrastructure required as part of the communication system replacement.

In FY2014-15, two Police Support Technician positions were hired to support the Police Athletic League (PAL) program. In FY2016-17, one additional Police Support Technician will be added to support the expansion of the program to the Varina district, at Baker Elementary School. These Police Support Technicians safety lessons/programs and assist students with homework during the afterschool program, as well as mentoring and supporting PAL summer camp. The PAL Police Support Technicians assist with a variety of other programs including open basketball gym events and chess club, which are open to all Henrico County youth.

Public Safety - Fire

The budget before you includes ten new positions – nine firefighters and one captain – attributed to the opening of the new Short Pump Firehouse on the corner of North Gayton and Kain Roads (Fire Station #19). The nine firefighter positions are sufficient to begin operating the County's sixteenth emergency medical services (EMS) unit. An additional 24 positions will be necessary as part of the FY2017-18 Proposed Budget to complete staffing of the new station. This budget plans for the accommodation of those positions.

In addition to the positions associated with the Short Pump Firehouse, the Proposed Budget includes a recommendation to add three additional firefighters, the first year of a three-year commitment to add nine firefighter positions to alleviate staffing pressures and reduce minimum staffing-related overtime costs in the Division. Further, one position is being added to the Division of Fire to assist the district chiefs in maintaining minimum staffing. This position will also handle special event requests from the public for EMTs, will manage the ride-along program, and complete background checks on observers.

Finally, within the capital budget before you, \$1.7 million has been identified to replace the current inventory of self-contained breathing apparatus (SCBA) equipment, many of which are ten years old or older and are at the end of their useful life. The replacement of this equipment will improve firefighter safety and will allow the Division of Fire to meet current industry standards.

Chesapeake Bay TMDL Permit Requirements

Beginning in FY2015-16, \$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. The budget before you continues this initiative for the second year. That being said, with all efforts underway, including the large vehicle wash facility that will open this summer and other planned projects, the County has already exceeded its five-year goal of five percent minimum reduction in pollutants. The future stability of the \$2.3 million annual funding source offers another economic development advantage for our county. The Proposed Budget continues to separate this County from others that have not looked for alternate solutions and possibilities and therefore have imposed this tax on residents and businesses. At this writing, I believe Henrico may be the only locality in the State that continues to look for solutions that meet our TMDL requirements outside of a stormwater tax and we may be the first that has reached our five-year milestone, three years ahead of schedule.

Revenue Stabilization Reserve

The budget before you includes a recommendation to create a Revenue Stabilization Reserve in the County's General Fund Balance, beginning with \$1.0 million in FY2016-17. The intent of this Reserve is to set aside funding on an annual basis to appropriate at a later date should the County encounter future economic contraction, which could impact both state and local resources. In addition, because of our strong history of exceeding revenue estimates annually, I do expect additional funds to be placed into this reserve as we conclude this budget.

Reduction in Aircraft Personal Property Tax

The Proposed Budget includes a recommendation to reduce the personal property tax rate on aircraft in the County, from \$1.60 per \$100 assessed valuation to \$0.50 per \$100 assessed valuation. This reduction makes Henrico more competitive in the Commonwealth of Virginia, as well as the lowest effective aircraft tax rate in Central Virginia. With Richmond International Airport, the major airport in Central Virginia, located within Henrico County borders, lowering and maintaining a competitive aircraft tax alleviates pressures on large corporations headquartered in Henrico County, and also boosts the attractiveness of Richmond International Airport as an economic development hub for future relocation of businesses to Henrico.

Varina and Libbie Mill Area Libraries

The budget before you includes funding for nine new positions and sufficient annual operating funding attributed to both the Libbie Mill and Varina Area Libraries. These positions are in addition to the 37 positions that were added in the previous two fiscal years for these two facilities. The operating costs associated with these two new facilities will be completely funded in the Proposed Budget.

Connection Fee Reductions

The budget before you recommends an across-the-board reduction in all water and sewer connection fees effective July 1, 2016, the result of a recently completed rate study. These reduced connection fees will lower the cost of new construction on both residential and commercial properties. Connection fee reductions for specific categories range from 9.5 percent for a single-family dwelling to 71.2 percent for a dormitory, with reductions of various sizes for all categories, and will make developing residential and commercial properties less expensive in Henrico County. This is a critical component of our economic development strategy and one that is entirely intentional. Without continued economic development, our formula for success will falter and these reductions were validated by a study undertaken this year by what may be the nation's premier rate consultant, who was hired to ensure our connection fees were warranted and in line with our anticipated development in the future.

Also within the Water and Sewer Fund, the FY2016-17 Proposed Capital Budget includes the final appropriation for construction of the Cobbs Creek Reservoir. The Proposed Budget also includes the annual 5.0 percent increase in water and sewer rates necessary to provide water and sewer service to all residents and businesses. 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.

Permit Review Enhancement

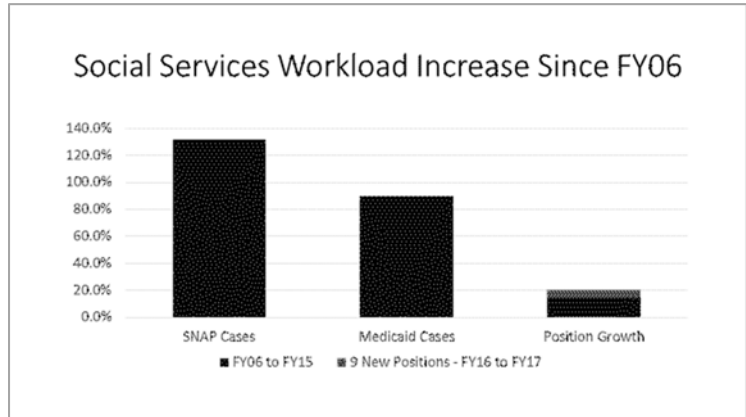
The budget before you builds upon the effort that began in the current fiscal year to expedite the building permit process. In the current fiscal year, four vacant positions were reallocated from other departments to Public Works (2), Public Utilities (1), and Planning (1) to enhance the permit review process. The Proposed Budget fully funds these positions within these specific areas. The adjustments made here have resulted in expedited plan review procedures that allow for more timely execution of building permits.

Modernizing Planning Ordinances

The Proposed Budget includes sufficient funding to begin the process of modernizing the County's 55-year old zoning ordinance and 60-year old subdivision ordinance. Within the budget, \$230,000 has been included for the first year of this three-year effort. The project was recommended by the Board's adopted 2026 Comprehensive Plan, and would provide flexibility for economic development, make regulations easier to read and understand, simplify the development processes, update the districts and uses, update and clarify development standards, and promote environmentally friendly development.

Social Services Workload

The Proposed Budget recommends four additional positions within the Department of Social Services, utilizing additional State funding awarded to the County tied to significant workload increases. These positions are in addition to the five positions approved by the Board of Supervisors via amendment in the current fiscal year. The workload in Social Services has risen dramatically in the past ten years, as indicated in the chart to the right.



The Department has absorbed much of this additional workload, as the complement has only grown by 20.0 percent during this time, including the four positions in the budget before you. This continues to be an area of concern and one that is meticulously monitored.

Cost Savings in the FY2016-17 Proposed Budget

To accomplish the task of balancing each of these necessary cost increases with limited revenue growth, a number of expense reductions 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. As previously mentioned, \$11.4 million in cost savings are present in the FY2016-17 Proposed Budget. Examples of these balancing strategies are as follows:

Reclassifying Vacant Positions and Recognition of Vacancy Savings

Due to recognized efficiencies, a total of 11 vacant positions have been reclassified to areas of critical need, and therefore are not net additions to the overall County complement. Of these 11 vacant positions, six were recognized by schools within their administrative functions, positions that have been reclassified to teaching positions; and five vacant positions within General Government areas have been reclassified in the current fiscal year for other necessary functions.

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 \$3.4 million in vacancy savings within the General Fund in an effort to cut costs. Schools has also assumed a vacancy savings of \$3.0 million, capturing anticipated retirements of higher salaried personnel. As this practice continues and as Henrico continues to perform as 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 significant cost savings are present within the County's debt service requirements in FY2016-17, which have mitigated the impact of the overall increase in

this area associated with the replacement communications system. First, with the final payment made on the James River Juvenile Detention Center in the current fiscal year, the proposed budget recognizes nearly \$700,000 in savings. The budget also includes a substantial drop in annual debt service payments of nearly \$1.9 million associated with the current fiscal year refunding of a number of outstanding bonds as well as typical drop off in overall debt service costs as the County continues to pay down its debts.

Other Savings Recognized

An additional \$3.4 million in savings were needed to balance the FY2016-17 Proposed Budget within limited available resources, with some examples as follows:

- ✓ Approximately \$4.0 million was saved when the County's Virginia Retirement System (VRS) rate was reduced from 15.16 percent to 13.01 percent;
- ✓ 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 \$100,000 in lease savings due to the elimination of the North Run lease;

Summary

Henrico County's local economy is on solid ground, as indicated by a number of economic statistics and moderate revenue growth within a number of areas. While economic growth is clearly positive, this is not the time to assume that this growth will continue. Every economy is cyclical, and we have experienced a recent period of economic growth, albeit slow. On average, since the Great Depression, this nation has experienced a recessionary economic environment every five and a half years. We are now in our eighth year since the end of the last recession, the Great Recession. This is the time to plan for the inevitable downward business cycle, but also to continue to solidify this County's foundation as part of that preparation process.

I opened this Budget Message with a statement about how this budget addresses the County's future needs. This County's single biggest fiscal challenge is large school infrastructure projects. The budget before you begins to address this issue by allocating planning funds for seven major school renovations. These planning funds are the beginning of a coordinated effort to complete major school renovations such as those necessary at Tuckahoe Middle School and J.R. Tucker High School, though a long-term plan is necessary to achieve the many infrastructure needs of our schools. That plan will be put forward for your consideration in the weeks and months ahead.

Other areas in which this budget continues to solidify this County's foundation both now and into the future include the final appropriation of the Cobbs Creek Reservoir, providing this County with water for the foreseeable future. It recommends cutting the aircraft tax and makes recommendations to cut water and sewer connection fees to further improve the County's already welcoming business climate going forward. The Proposed Budget makes substantial investments in our public safety efforts, all of which will benefit this County for years to come. The budget before you continues to allocate resources to its stormwater efforts and addresses its future zoning ordinances. Again, this budget – unlike any budget in recent memory – makes substantial investments in this County's future.

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 resources for 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 footing for the County's finances - one that is sustainable going forward.

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.

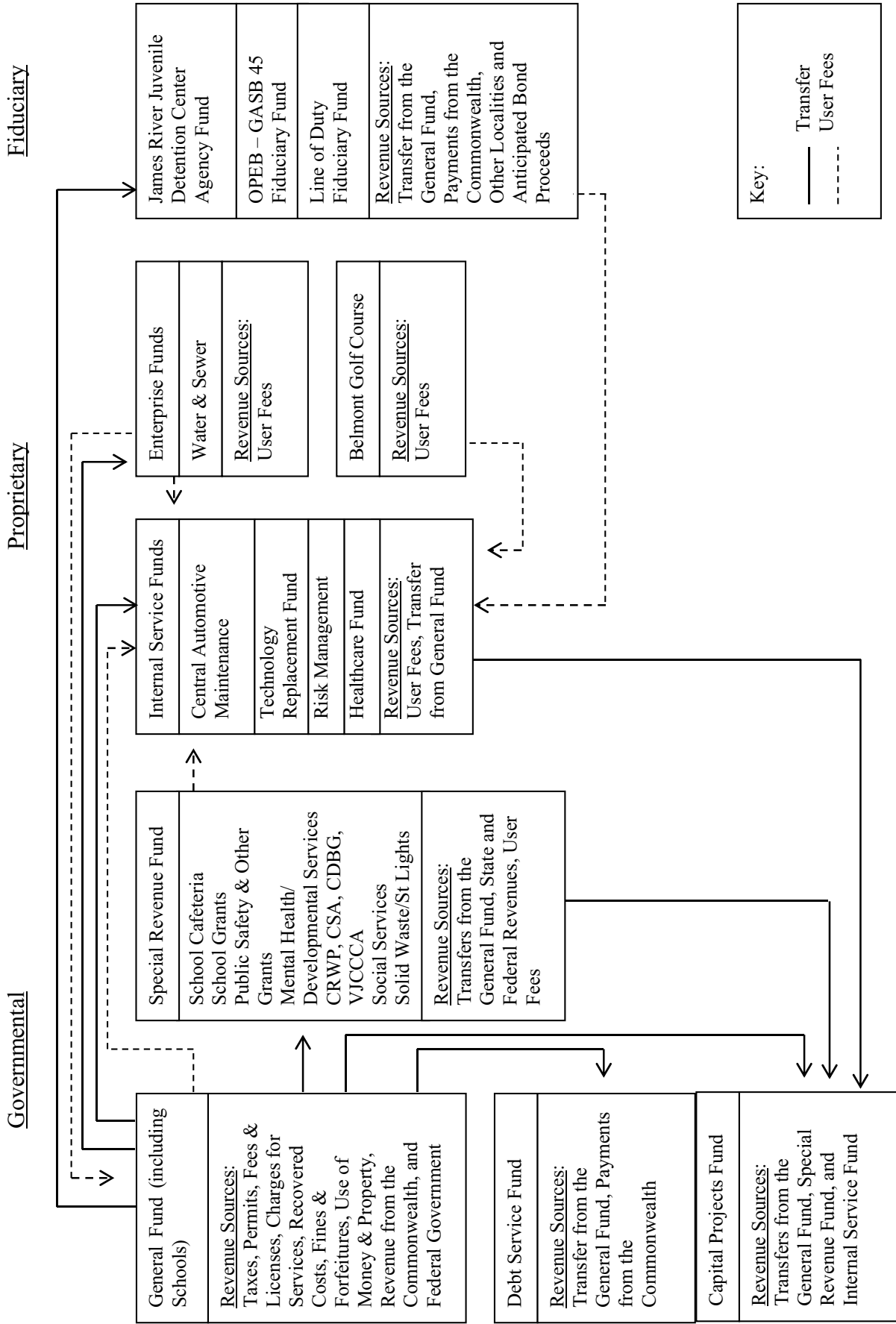
Other Post Employee Benefits Fiduciary Fund (GASB 45)

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

August 2015

S	M	T	W	T	F	S
						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					

September 2015

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27	28	29	30			

October 2015

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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

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 FY2015-16 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

November 2015

S	M	T	W	T	F	S
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					

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.

December 2015

S	M	T	W	T	F	S
		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		

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/>

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.

January 2016

S	M	T	W	T	F	S
					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						

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

February 2016

S	M	T	W	T	F	S
	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					

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 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.

March 2016

S	M	T	W	T	F	S
		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		

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 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.

April 2016

S	M	T	W	T	F	S
					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

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 FY2016-17 Public Hearing was held on April 12, 2016. The public hearing that sets the tax levies was held on April 26, 2016. 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 2016

S	M	T	W	T	F	S
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				

May

Publish and Distribute Budget

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

June 2016

S	M	T	W	T	F	S
			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		

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

Budget 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 39 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 FY2016-17 Annual Fiscal Plan is based on a Real Estate Tax rate of \$0.87/\$100 of assessed valuation for CY2016 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%
FY15:	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**

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

Revenues: Function/Program	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Approved
Revenue from Local Sources:			
General Property Taxes	\$374,944,029	\$408,950,000	\$421,760,000
Other Local Taxes	158,607,160	138,455,000	143,485,000
Permits, Fees, and Licenses	6,800,517	5,142,472	5,717,472
Fines and Forfeitures	2,881,991	2,894,566	2,978,035
Use of Money and Property	3,687,069	8,532,756	8,520,130
Charges for Services	142,072,187	136,816,904	145,331,568
Recovered Costs	116,313,250	125,110,320	129,873,597
Miscellaneous	19,520,171	9,223,380	11,441,929
Shared Expenses	407,754	423,888	458,482
Total from Local Sources	<u>\$825,234,128</u>	<u>\$835,549,286</u>	<u>\$869,566,213</u>
Revenue from the Commonwealth:			
Non-categorical Aid	55,788,108	17,970,335	18,134,135
Shared Expenses	18,326,203	17,853,369	18,613,396
Categorical Aid	327,768,598	328,368,396	343,839,449
Total from the Commonwealth	<u>\$401,882,909</u>	<u>\$364,192,100</u>	<u>\$380,586,980</u>
Revenue from the Federal Government:			
Categorical Aid	57,369,559	57,165,205	61,416,449
Total from the Federal Government	<u>\$57,369,559</u>	<u>\$57,165,205</u>	<u>\$61,416,449</u>
Total Revenues	<u>\$1,284,486,596</u>	<u>\$1,256,906,591</u>	<u>\$1,311,569,642</u>
(To) From Fund Balance/Retained Earnings			
(To) From General Fund Balance	(31,920,829)	5,000,000	5,000,000
(To) From General Fund - Sinking Fund	339,124	2,074,331	1,864,067
(To) Revenue Stabilization Reserve	0	0	(1,000,000)
(To) From Fund Balance - Designated Capital Reserve	2,600,000	10,430,000	4,899,400
Use of Fund Balance- Designated Fund Balance	0	0	3,100,000
Use of Fund Balance Undesignated	0	0	350,000
Use of Fund Balance - des FY13 Public Works	8,751,467	6,531,502	0
Use of Fund Balance - des RE Tax (Ches. Bay TMDL)	2,348,000	0	0
Use of Fund Balance - des FY14 Permit Fee (to Capital)	500,000	500,000	1,000,000
Use of Special Revenue Fund	500,000	500,000	1,018,500
Use of Fund Balance - Capital Initiatives	0	1,000,000	0
From Fund Balance - Voting Machine Reserve	0	1,000,000	0
(To) Fund Balance - Voting Machine Reserve	0	(1,000,000)	0
(To) From Fund Balance - Chesapeake Bay TMDL	(2,348,000)	0	0
(To) From Fund Balance -State Rev Stabilization	0	1,000,000	0
(To) From Fund Balance - Meals Tax FY14 Collection	0	1,990,470	0
(To) From Fund Balance - Meals Tax FY15 Collection	0	0	8,783,247
(To) From Fund Balance - Meals Tax FY16 Collection	0	0	2,000,000
(To) From Fund Balance - Meals Tax Reserve	0	(2,000,000)	(2,000,000)
(To) From School Cafeterias	77,592	511,734	499,894
(To) From Solid Waste	(1,104,800)	(112,170)	622,797
(To) From Retained Earnings - Water & Sewer	(36,654,992)	(28,198,438)	(32,439,484)
(To) From Balance VRS Reserve	4,497,376	0	0
(To) From Other Funds	1,724,786	5,302,884	6,036,222
Total Fund Balance	<u>(\$50,690,276)</u>	<u>\$4,530,313</u>	<u>(\$265,357)</u>
Total Revenues and Fund Balances	<u>\$1,233,796,320</u>	<u>\$ 1,261,436,904</u>	<u>\$1,311,304,285</u>
Operating Transfers to Capital Projects Fund	(35,685,101)	(43,974,772)	(44,323,947)
Interdepartmental Billings	(87,965,392)	(94,525,252)	(98,260,515)
Total Source of Funding	<u><u>\$1,110,145,827</u></u>	<u><u>\$1,122,936,880</u></u>	<u><u>\$1,168,719,823</u></u>

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

<u>Department</u>	<u>FY 14-15 Actual</u>	<u>FY 15-16 Original</u>	<u>FY 16-17 Approved</u>
01 Board of Supervisors	\$1,007,251	\$1,027,440	\$1,067,341
02 Library	14,213,619	17,067,727	18,291,338
03 Sheriff	39,082,879	36,315,266	37,491,437
04 Circuit Court	3,098,061	2,979,107	3,022,446
05 Commonwealth's Attorney	5,385,605	5,426,444	5,543,366
06 General District Court	252,177	214,362	252,362
07 Juvenile & Domestic Relations Court	3,252,682	3,348,370	3,412,783
08 Electoral Board	1,441,628	1,332,123	1,427,109
09 County Manager	1,803,345	1,702,927	1,802,580
09 Public Relations and Media Services	1,728,950	1,749,523	1,761,970
10 County Attorney	2,141,614	2,185,408	2,313,899
11 Human Resources	20,588,609	17,418,667	17,525,020
12 Police	72,530,666	70,746,490	72,757,930
13 Fire	52,863,493	52,722,701	55,331,119
14 Finance	12,462,125	13,423,106	13,798,699
16 General Services	34,338,542	34,618,179	35,136,086
17 Internal Audit	439,766	420,580	431,646
18 Debt Service	57,350,014	56,805,548	58,507,646
19 Information Technology	11,955,775	12,873,705	13,209,037
21 Agriculture and Home Extension	369,697	383,031	398,499
22 Social Services	27,728,996	27,477,333	30,982,518
23 Recreation & Parks	17,254,785	18,599,680	18,916,069
24 Public Health	1,902,174	1,779,094	1,950,729
26 Mental Health & Developmental Services	31,771,914	34,953,960	35,747,305
27 Capital Region Workforce Partnership	5,702,359	5,828,028	5,163,450
28 Public Works	49,571,703	48,942,077	49,862,254
29 Real Property	615,726	619,207	630,743
30 Economic Development	23,046,313	14,422,484	15,601,919
31 Public Utilities	89,491,799	93,271,054	98,378,259
32 Non-Departmental	10,456,187	12,201,263	11,639,899
33 Building Inspections	3,760,980	4,141,366	4,185,957
34 Planning	3,479,617	3,891,345	4,327,272
35 Permit Centers	846,494	873,598	869,636
36 Community Corrections Program	1,783,089	1,834,445	1,925,485
37 Technology Replacement	2,164,388	2,317,152	2,962,438
38 Community Revitalization	3,846,762	1,549,846	1,585,307
40 James River Juvenile Detention Center	5,476,882	5,651,605	5,046,224
42 Healthcare	91,513,508	101,652,506	108,303,548
50 Education	491,391,045	504,695,385	525,419,013
60 Interdepartmental Billings	(87,965,392)	(94,525,252)	(98,260,515)
Total Expenditures	<u>\$1,110,145,827</u>	<u>\$1,122,936,880</u>	<u>\$1,168,719,823</u>

**COUNTY OF HENRICO, VIRGINIA
APPROVED GENERAL FUND REVENUES
FY 2016-17**

Revenues: Function/Program	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Approved
Revenue from Local Sources:			
General Property Taxes	\$372,446,815	\$408,950,000	\$421,760,000
Other Local Taxes	156,283,959	138,455,000	143,485,000
Permits, Fees, & Licenses	6,465,649	4,126,100	4,701,100
Fines & Forfeitures	2,596,069	2,590,000	2,590,000
From Use of Money & Property	3,062,693	7,915,600	7,925,600
Charges for Services	4,095,705	3,585,100	3,700,450
Miscellaneous	6,906,003	4,132,500	4,132,500
Recovered Costs	4,187,385	4,037,870	4,037,870
Total from Local Sources	<u>556,044,278</u>	<u>573,792,170</u>	<u>592,332,520</u>
Revenue from the Commonwealth:			
Categorical Aid:			
Education	236,077,975	239,009,800	250,510,000
Public Works	44,667,326	43,317,000	44,050,000
Public Safety (HB #599)	8,267,452	8,500,000	8,700,000
Other	4,521,446	4,296,475	4,423,475
Total Categorical Aid	<u>293,534,199</u>	<u>295,123,275</u>	<u>307,683,475</u>
Non-Categorical Aid:			
General Government	<u>54,362,977</u>	<u>16,718,500</u>	<u>16,718,500</u>
Total Non-Categorical Aid	<u>54,362,977</u>	<u>16,718,500</u>	<u>16,718,500</u>
Shared Expenses:			
State Share of Salaries & Benefits	<u>16,723,227</u>	<u>16,222,000</u>	<u>17,054,000</u>
Total from the Commonwealth	<u>364,620,403</u>	<u>328,063,775</u>	<u>341,455,975</u>
Revenue from the Federal Government			
Total Revenues	<u>393,110</u>	<u>380,000</u>	<u>365,000</u>
Total Revenues	<u>921,057,791</u>	<u>902,235,945</u>	<u>934,153,495</u>
Interfund Transfers:			
To Debt Service Fund	(57,350,014)	(54,805,548)	(57,507,646)
To Capital Projects Fund	(33,185,101)	(43,474,772)	(43,155,447)
To Enterprise Fund	(1,928,108)	(1,930,308)	(1,928,621)
To Technology Replacement	(1,000,000)	(1,000,000)	(2,000,000)
To Risk Management	(11,778,543)	(8,397,952)	(8,393,421)
To Special Revenue Fund	(24,326,570)	(26,610,991)	(27,985,219)
To JRJDC Agency Fund	(3,314,227)	(3,426,586)	(2,979,622)
To OPEB-GASB 45 Fiduciary Fund	(2,500,000)	(2,750,000)	(2,750,000)
To Line of Duty	(497,352)	(550,000)	(575,000)
Operating Transfer LTD	<u>(486,000)</u>	<u>0</u>	<u>0</u>
Total Transfers	<u>(136,365,915)</u>	<u>(142,946,157)</u>	<u>(147,274,976)</u>

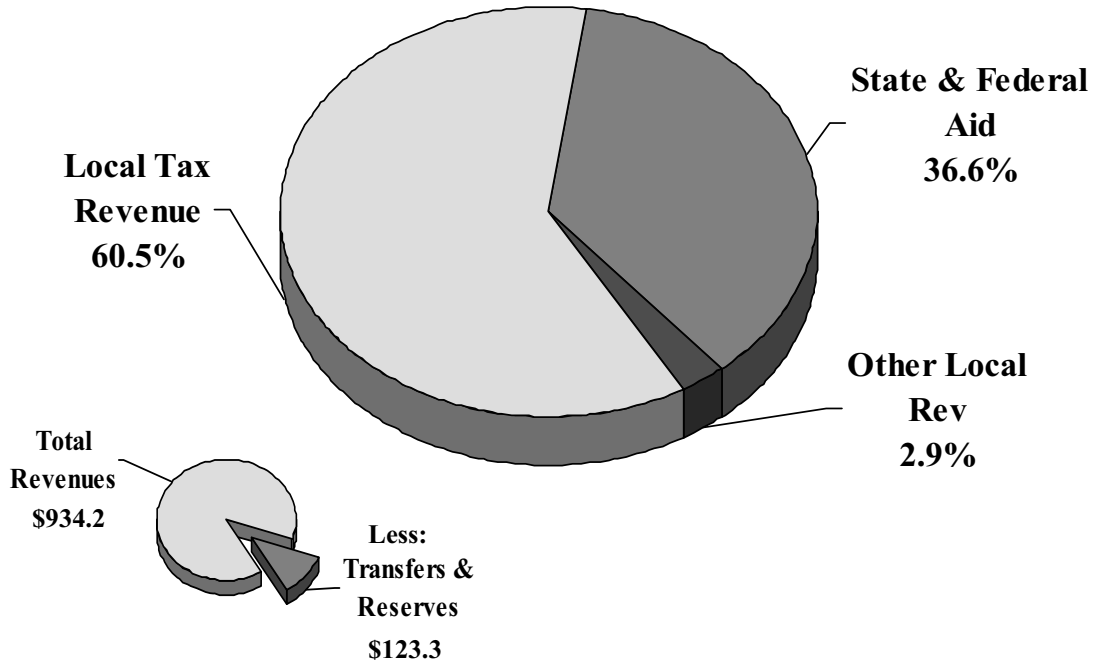
General Fund Revenues (cont'd)

Revenues:	FY 14-15	FY 15-16	FY 16-17
Function/Program	Actual	Original	Approved
Use of Fund Balance - Capital Projects	5,000,000	5,000,000	5,000,000
Use of Fund Balance - Designated Capital Reserve	2,600,000	10,430,000	4,899,400
Use of Fund Balance - Designated Fund Balance	0	0	3,100,000
Use of Fund Balance - Capital Initiatives	0	1,000,000	0
Use of Fund Balance - Undesignated	0	0	350,000
Use of Fund Balance - Public Works Reserve	8,751,467	6,531,502	0
From Fund Balance - Voting Machine Reserve	0	1,000,000	0
(To) Fund Balance - Voting Machine Reserve	0	(1,000,000)	0
Use of Fund Balance - Designated Permit Fee	500,000	500,000	1,000,000
From Fund Balance - Meals Tax FY14 Collection	0	1,990,470	0
From Fund Balance - Meals Tax FY15 Collection	0	0	8,783,247
From Fund Balance - Meals Tax FY16 Collection	0	0	2,000,000
(To) Fund Balance - Meals Tax Reserve	0	(2,000,000)	(2,000,000)
Use of Fund Balance - VRS Reserve	4,497,376	0	0
From Fund Balance - State Revenue Stabilization	0	1,000,000	0
(To) Revenue Stabilization Reserve	0	0	(1,000,000)
Use of Fund Balance - Des RE Tax (Ches. Bay TMDL)	2,348,000	0	0
(To) Fund Balance - Chesapeake Bay TMDL	(2,348,000)	0	0
From Sinking Fund	339,124	2,074,331	1,864,067
(To) Fund Balance - General Fund	(36,920,829)	0	0
Total Resources Net of Transfers	<u>\$769,459,014</u>	<u>\$785,816,091</u>	<u>\$810,875,233</u>

**COUNTY OF HENRICO, VIRGINIA
APPROVED GENERAL FUND EXPENDITURES
FY 2016-17**

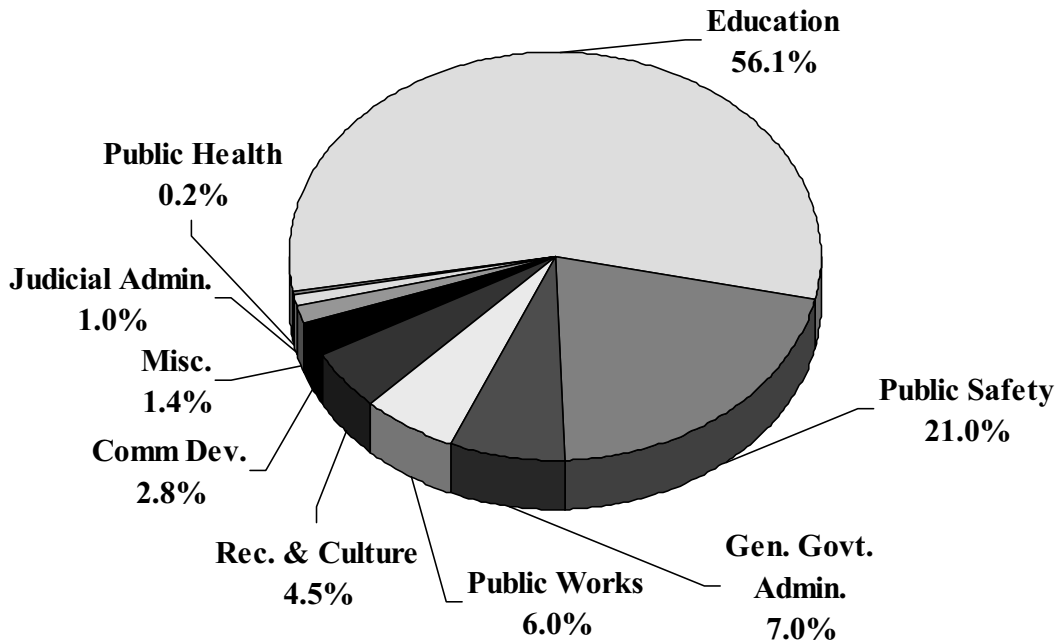
Expenditures: Function/Activity	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Approved
General Government Administration	\$52,006,454	\$54,416,121	\$55,811,883
Judicial Administration	8,001,807	7,913,112	8,102,908
Public Safety:			
Police Operations	61,782,503	61,825,476	63,463,820
Animal Protection	1,318,888	1,444,180	1,475,308
Communications/Radio Shop	6,135,347	5,975,117	6,285,368
Total Police	<u>69,236,738</u>	<u>69,244,773</u>	<u>71,224,496</u>
Administration	2,570,043	2,625,027	2,856,686
Emergency Planning & Safety	123,226	177,395	177,558
Operations	49,348,959	49,701,654	52,078,250
Volunteer Rescue Squads	182,220	218,625	218,625
Total Fire	<u>52,224,448</u>	<u>52,722,701</u>	<u>55,331,119</u>
Sheriff	39,082,879	36,315,266	37,491,437
Juvenile Detention	2,155,627	2,198,978	2,250,476
Building Inspections	3,760,980	4,141,366	4,185,957
Total Public Safety	<u>166,460,672</u>	<u>164,623,084</u>	<u>170,483,485</u>
Public Works:	49,462,235	48,045,077	48,965,254
Public Health:	1,902,174	1,779,094	1,950,729
Education:			
Instruction	324,047,827	332,171,520	343,343,161
Administration/Attendance & Health	15,571,909	14,679,076	15,638,442
Pupil Transportation	28,300,691	25,000,071	25,281,927
Operations and Maintenance	42,833,835	44,997,147	45,079,736
Technology	17,877,186	24,323,814	25,728,362
Total Education	<u>428,631,448</u>	<u>441,171,628</u>	<u>455,071,628</u>
Recreation, Parks, & Culture:			
Recreation & Parks	16,299,221	17,528,681	17,825,476
Library	14,213,619	17,067,727	18,291,338
Total Recreation, Parks, & Culture	<u>30,512,840</u>	<u>34,596,408</u>	<u>36,116,814</u>
Community Development	22,025,197	21,120,304	22,782,633
Miscellaneous:			
Non-Departmental	10,456,187	12,151,263	11,589,899
Total Miscellaneous	<u>10,456,187</u>	<u>12,151,263</u>	<u>11,589,899</u>
Total General Fund Expenditures	<u>\$769,459,014</u>	<u>\$785,816,091</u>	<u>\$810,875,233</u>

FY2016-17 General Fund Revenues
\$934,153,495



Note: General Fund Revenues less Transfers & Reserves equals General Fund Expenditures of \$810,875,233.

FY2016-17 General Fund Expenditures
\$810,875,233



**COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND REVENUES
FY 2016-17**

Revenues: Subfund/Activity	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Approved
Capital Region Workforce Partnership (CRWP)			
CRWP	\$5,532,331	\$5,763,648	\$5,117,349
Transfer From the General Fund	170,028	64,380	46,101
Total Capital Region Workforce Partnership	<u>5,702,359</u>	<u>5,828,028</u>	<u>5,163,450</u>
Commonwealth's Attorney			
Commonwealth's Attorney	14,350	0	0
Special Drug Prosecutor	135,259	131,998	131,998
Victim/Witness Assistance Program	370,297	374,058	374,058
Asset Forfeitures	30,706	0	0
Transfer From the General Fund	<u>389,228</u>	<u>416,342</u>	<u>433,307</u>
Total Commonwealth's Attorney	939,840	922,398	939,363
Community Corrections Program			
CCP	1,208,914	1,288,247	1,366,423
CCP - Drug Court	268,758	267,807	271,600
Transfer From the General Fund	<u>305,417</u>	<u>278,391</u>	<u>287,462</u>
Total Community Corrections	1,783,089	1,834,445	1,925,485
Community Development Block Grant			
CDBG/HOME	2,361,860	0	0
ESG	66,942	0	0
Transfer From the General Fund - Local Business Assistance	<u>14,469</u>	<u>0</u>	<u>0</u>
Total Community Development Block Grant	2,443,271	0	0
Economic Development			
Governors Opportunity Award	1,150,000	0	0
White Oak CDA	3,819,000	0	0
Reynolds Crossing CDA	1,001,415	0	0
Transfer From the General Fund - GOA	<u>1,150,000</u>	<u>0</u>	<u>0</u>
Total Economic Development	7,120,415	0	0
Education			
State, Federal & Other Grants	43,287,728	39,751,525	46,705,017
Total Schools Grants	<u>43,287,728</u>	<u>39,751,525</u>	<u>46,705,017</u>
Cafeteria Receipts	6,728,162	8,600,000	8,553,020
State Food Payments - Nat. Sch. Lunch Prog.	458,620	480,000	486,422
Federal School Lunch Program	11,910,739	13,930,498	13,854,398
Recoveries & Rebates	289,513	250,000	248,634
Sale of Equipment	7,243	0	0
(To) From Cafeteria Fund Balance	<u>77,592</u>	<u>511,734</u>	<u>499,894</u>
Total School Cafeteria	19,471,869	23,772,232	23,642,368
Total Education	<u>62,759,597</u>	<u>63,523,757</u>	<u>70,347,385</u>

Special Revenue Fund Revenues (cont'd)

Revenues:			
Subfund/Activity	FY 14-15	FY 15-16	FY 16-17
	Actual	Original	Approved
Juvenile & Domestic Relations Court			
Virginia Juvenile Community Crime Act	378,239	372,605	390,108
USDA	26,300	26,864	22,536
Transfer From the General Fund	486,712	534,326	525,566
Total Juvenile & Domestic Relations Court	<u>891,251</u>	<u>933,795</u>	<u>938,210</u>
Mental Health & Developmental Services			
State and Federal Grants	9,798,370	9,529,675	9,974,713
Payments from Other Localities	214,554	214,554	218,845
Miscellaneous Revenues	11,473,410	11,179,222	11,489,238
Operating Transfer to Capital Projects	0	0	(1,018,500)
Special Revenue - MH Fund Balance	0	0	1,018,500
Transfer From General Fund	10,285,580	14,030,509	14,064,509
Total Mental Health	<u>31,771,914</u>	<u>34,953,960</u>	<u>35,747,305</u>
Non-Departmental			
Transfer From General Fund	0	50,000	50,000
Public Safety			
Police - State & Federal Grants	1,435,823	1,039,717	1,071,434
Police - Donations	11,500	0	0
Metro Aviation/Extradition Reimbursement	308,927	334,668	334,668
Fire - Donations	4,031	0	0
Fire - State & Federal	635,014	0	0
Asset Forfeitures	1,411,216	0	0
Transfer to Capital Projects	(500,000)	(500,000)	0
Special Revenue Fund - Fund Balance	500,000	500,000	0
Transfer From General Fund	126,462	127,332	127,332
Total Public Safety	<u>3,932,973</u>	<u>1,501,717</u>	<u>1,533,434</u>
Public Utilities			
Solid Waste:			
Refuse Collection Billing	7,934,511	7,750,000	8,100,000
Weighing Fees - Charged Sales	29,246	0	0
Public Use/Host/Recycle Fees	2,621,539	1,766,000	1,741,000
Miscellaneous Revenues	385,662	341,975	281,975
Transfer to Capital Projects Fund	(2,000,000)	0	(150,000)
Transfer From General Fund	3,018,511	3,018,511	3,018,511
(To) From Solid Waste Fund Balance	(1,104,800)	(112,170)	622,797
Total Solid Waste	<u>10,884,669</u>	<u>12,764,316</u>	<u>13,614,283</u>
Street Lighting:			
Charge for Street Lights	72,247	83,100	83,100
Total Street Lighting	<u>72,247</u>	<u>83,100</u>	<u>83,100</u>

Special Revenue Fund Revenues (cont'd)

Revenues:			
Subfund/Activity	FY 14-15	FY 15-16	FY 16-17
	Actual	Original	Approved
Public Works			
Best Management Practices	0	50,000	50,000
Watershed Management Program	109,468	847,000	847,000
Total Public Works	<u>109,468</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation	10,000	0	0
Total Recreation	<u>10,000</u>	<u>0</u>	<u>0</u>
Social Services			
State and Federal Grants - Social Services	14,467,700	14,292,756	14,635,091
Transfer From the General Fund - Social Services	3,494,097	4,430,135	4,684,199
State and Federal Grants - CSA	141,078	109,849	109,849
Comprehensive Services Act (CSA)	4,740,055	4,983,528	6,805,147
Transfer From the General Fund - CSA Medicaid	450,000	485,000	485,000
Transfer From the General Fund - CSA	4,436,066	3,176,065	4,263,232
Total Social Services	<u>27,728,996</u>	<u>27,477,333</u>	<u>30,982,518</u>
Total Revenues	<u><u>\$156,150,089</u></u>	<u><u>\$150,769,849</u></u>	<u><u>\$162,221,533</u></u>

COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND EXPENDITURES
FY 2016-17

Expenditures: Subfund/Activity	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Approved
Capital Region Workforce Partnership (CRWP)	\$5,702,359	\$5,828,028	\$5,163,450
Commonwealth's Attorney			
Commonwealth's Attorney	14,350	0	0
Victim/Witness Program	706,956	728,538	741,140
Special Drug Prosecutor	187,828	193,860	198,223
Asset Forfeitures - Commonwealth's Attorney	30,706	0	0
Total Commonwealth's Attorney	<u>939,840</u>	<u>922,398</u>	<u>939,363</u>
Community Corrections Program			
CCP	1,323,205	1,417,275	1,496,816
CCP - Drug Court	459,884	417,170	428,669
Total Community Corrections Program	<u>1,783,089</u>	<u>1,834,445</u>	<u>1,925,485</u>
Community Revitalization			
CDBG	1,634,789	0	0
Home	727,071	0	0
Local Business Assistance	14,469	0	0
ESG	66,942	0	0
Total Community Revitalization	<u>2,443,271</u>	<u>0</u>	<u>0</u>
Economic Development			
Governor's Opportunity Fund	2,300,000	0	0
White Oak Village CDA	3,819,000	0	0
Reynolds Crossing CDA	1,001,415	0	0
Total Economic Development	<u>7,120,415</u>	<u>0</u>	<u>0</u>
Education			
State, Federal & Other Grants	43,287,728	39,751,525	46,705,017
School Cafeterias	19,471,869	23,772,232	23,642,368
Total Education	<u>62,759,597</u>	<u>63,523,757</u>	<u>70,347,385</u>
Juvenile & Domestic Relations Court			
Probation - VJCCCA	553,241	597,917	602,259
Detention - VJCCCA	311,710	309,014	313,415
USDA	26,300	26,864	22,536
Total Juvenile & Domestic Relations Court	<u>891,251</u>	<u>933,795</u>	<u>938,210</u>
Mental Health & Developmental Services			
Clinical Services	14,840,163	16,760,373	17,223,908
Community Support Services	10,447,289	11,209,844	11,397,583
Administrative and Program Support	6,484,462	6,983,743	7,125,814
Total Mental Health	<u>31,771,914</u>	<u>34,953,960</u>	<u>35,747,305</u>

Special Revenue Fund Expenditures (cont'd)

Expenditures: Subfund/Activity	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Approved
Non-Departmental	0	50,000	50,000
Public Safety			
State and Federal Grants - Police	432,709	0	0
Communications	1,014,614	1,039,717	1,071,434
Metro Aviation	380,429	387,000	387,000
Henrico Extraditions	54,960	75,000	75,000
Asset Forfeitures - Police	1,411,216	0	0
State and Federal Grants - Fire	639,045	0	0
Total Public Safety	<u>3,932,973</u>	<u>1,501,717</u>	<u>1,533,434</u>
Public Utilities			
Solid Waste	10,884,669	12,764,316	13,614,283
Street Lighting	72,247	83,100	83,100
Total Public Utilities	<u>10,956,916</u>	<u>12,847,416</u>	<u>13,697,383</u>
Public Works			
Best Management Practices	0	50,000	50,000
Watershed Program	109,468	847,000	847,000
Total Public Works	<u>109,468</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation & Parks	10,000	0	0
Total Recreation, Parks, & Culture	<u>10,000</u>	<u>0</u>	<u>0</u>
Social Services			
Administration	11,719,800	12,653,662	13,249,867
Public Welfare Board	40,220	290,489	290,489
Public Assistance	6,201,777	5,778,740	5,778,934
Comprehensive Services Act (CSA)	9,767,199	8,754,442	11,663,228
Total Social Services	<u>27,728,996</u>	<u>27,477,333</u>	<u>30,982,518</u>
Total Expenditures	<u>\$156,150,089</u>	<u>\$150,769,849</u>	<u>\$162,221,533</u>

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - WATER & SEWER ENTERPRISE FUND
FY 2016-17

Water and Sewer Enterprise Fund

Revenues/Resources	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Approved
<u>Water and Sewer Operating Budget:</u>			
Sale of Water	\$50,523,832	\$48,000,000	\$51,550,971
Sale of Sewer	47,558,353	48,740,000	50,739,661
Water Connection Fees	4,156,712	4,079,695	3,745,544
Sewer Connection Fees	4,939,381	1,500,000	4,455,203
Strong Waste Surcharge	2,459,586	2,000,000	2,000,000
City of Richmond	1,119,530	820,000	820,000
Interest Earnings	724,382	451,260	799,459
Other Water/Sewer revenues	1,779,991	1,100,813	1,080,901
Transfer from General Fund	1,928,108	1,930,308	1,928,621
Total Operating Revenues	115,189,875	108,622,076	117,120,360
Operating Expenditures			
<u>Water and Sewer Operating Budget:</u>			
Personnel	19,424,041	20,508,294	20,817,368
Operating	41,314,229	40,422,511	40,797,511
Capital Outlay	1,150,951	785,527	785,527
Sub-Total Operating	61,889,221	61,716,332	62,400,406
Debt Service	16,645,662	18,707,306	22,280,470
Total Operating Expenditures	78,534,883	80,423,638	84,680,876
Results of Operations (Prior to Capital Expenses)	(36,654,992)	(28,198,438)	(32,439,484)
Budget For Capital Use (Below)		(65,500,000)	(200,050,000)
Capital Budget Expenditures			
	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Approved
Approved Capital Projects (FY2015-16 Budget)		65,500,000	
Proposed Capital Projects (New FY2016-17 Budget)			200,050,000
Continuing Capital Projects (Previously Approved) (1)	51,814,281		
Total Capital Budget Expenses:	51,814,281	65,500,000	200,050,000
Capital Budget Resources			
Water and Sewer Revenues	7,895,045	36,200,000	59,200,000
Revenue Bonds	43,919,236	29,300,000	140,850,000
Total Capital Budget Resources:	51,814,281	65,500,000	200,050,000

Notes:

(1) This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2014-15 represents actual spending, as per the 2015 audit.

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - BELMONT GOLF COURSE ENTERPRISE FUND
FY 2016-17

<u>Fund-Function/Activity</u>	<u>FY 14-15</u> <u>Actual</u>	<u>FY 15-16</u> <u>Original</u>	<u>FY 16-17</u> <u>Approved</u>
Belmont Golf Course Fund			
Revenues:			
Operating	\$901,749	\$1,070,999	\$1,090,593
Miscellaneous Revenue	<u>2,455</u>	<u>0</u>	<u>0</u>
Total Revenues	904,204	1,070,999	1,090,593
(To) From Retained Earnings	<u>41,360</u>	<u>0</u>	<u>0</u>
Total Resources	\$945,564	\$1,070,999	\$1,090,593
Expenses:			
Operating	<u>945,564</u>	<u>1,070,999</u>	<u>1,090,593</u>
Total Operating Expenses	\$945,564	\$1,070,999	\$1,090,593

**COUNTY OF HENRICO, VIRGINIA
ALL OTHER FUNDS
FY 2016-17**

<u>Fund-Function/Activity</u>	<u>FY 14-15 Actual</u>	<u>FY 15-16 Original</u>	<u>FY 16-17 Approved</u>
Internal Service Funds			
Central Automotive Maintenance			
Revenues:			
Charges for Automotive Maintenance - West	\$7,044,396	\$6,440,002	\$6,547,180
Charges for Automotive Maintenance - East	2,243,111	2,009,750	2,234,192
Charges for Use of Motor Pool	4,154,339	4,134,000	4,095,000
Charges for Gasoline	5,835,069	7,577,940	7,466,354
Charges for Vehicle Wash Facility	0	0	136,000
Miscellaneous	338,161	345,100	345,100
(Gain)/Loss on Sale of Property	(57,838)	0	0
Transfer to Capital Projects	(1,545,139)	0	0
Fund Balance-CAM	2,260,379	0	0
Total Revenues	<u>\$20,272,478</u>	<u>\$20,506,792</u>	<u>\$20,823,826</u>
Expenses:			
Central Automotive Maintenance	<u>\$20,272,478</u>	<u>\$20,506,792</u>	<u>\$20,823,826</u>
Total Expenses	<u>\$20,272,478</u>	<u>\$20,506,792</u>	<u>\$20,823,826</u>
Technology Replacement Fund			
Revenues:			
Transfer from General Fund	\$1,000,000	\$1,000,000	\$2,000,000
(To) From Retained Earnings - Technology	1,164,388	1,317,152	962,438
Total Revenues	<u>\$2,164,388</u>	<u>\$2,317,152</u>	<u>\$2,962,438</u>
Expenses:			
Technology Replacement	<u>\$2,164,388</u>	<u>\$2,317,152</u>	<u>\$2,962,438</u>
Total Expenses	<u>\$2,164,388</u>	<u>\$2,317,152</u>	<u>\$2,962,438</u>

All Other Funds (cont'd)

Fund-Function/Activity	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Approved
Risk Management			
Revenues:			
Transfer from General Fund	\$11,778,543	\$8,397,952	\$8,393,421
Public Utilities Charges	841,442	750,000	750,000
Recon-Workers' Compensation	90,919	0	0
Prop/Liability Recovery	519,625	0	0
Interest Income	16,518	0	0
Total Revenues	\$13,247,047	\$9,147,952	\$9,143,421
Expenses:			
Risk Management	\$13,247,047	\$9,147,952	\$9,143,421
Total Expenses	\$13,247,047	\$9,147,952	\$9,143,421
Healthcare Fund			
Revenues:			
County Contribution	\$66,941,366	\$73,041,136	\$76,440,957
Employee Contribution	17,398,025	18,363,016	19,097,537
Retiree Contribution	5,523,396	6,893,573	7,169,315
Retiree Subsidy	674,557	859,701	879,440
Disabled Subsidy	76,991	117,623	116,292
COBRA	257,348	336,487	349,947
Interest Income	125,157	75,000	75,000
Healthcare - Wellness Payment	304,820	150,000	150,000
Use of Fund Balance (Includes IBNR)	211,848	1,815,970	4,025,060
Total Revenues	\$91,513,508	\$101,652,506	\$108,303,548
Expenses:			
Healthcare	\$91,513,508	\$101,652,506	\$108,303,548
Total Expenses	\$91,513,508	\$101,652,506	\$108,303,548
Debt Service Fund			
Revenues:			
Transfer from General Fund	\$57,350,014	\$54,805,548	\$57,507,646
From Capital Projects Fund Balance	0	2,000,000	0
Fund Balance - Debt	0	0	1,000,000
Total Revenues	\$57,350,014	\$56,805,548	\$58,507,646
Expenditures:			
Debt Service - General Government	\$18,528,387	\$17,999,230	\$21,721,694
Debt Service - Public Works	3,387,804	3,394,738	3,493,179
Debt Service - Education	35,433,823	35,411,580	33,292,773
Total Expenditures	\$57,350,014	\$56,805,548	\$58,507,646
Adjustment for Interfund Transactions	(\$87,965,392)	(\$94,525,252)	(\$98,260,515)

**COUNTY OF HENRICO, VIRGINIA
REVENUES & EXPENDITURES - AGENCY FUNDS
FY 2016-17**

<u>Fund-Function/Activity</u>	<u>FY 14-15 Actual</u>	<u>FY 15-16 Original</u>	<u>FY 16-17 Approved</u>
JRJDC Agency Fund			
Revenues:			
Transfer from General Fund	\$2,650,241	\$2,755,259	\$2,979,622
Transfer from General Fund - Debt Service	663,986	671,327	0
Revenue from Federal Government	68,063	0	0
Revenue from the Commonwealth	1,602,976	1,631,369	1,559,396
Revenue from Goochland/Powhatan	407,754	423,888	458,482
Interest Income	5,910	0	0
(To) From Fund Balance-JRJDC	77,952	169,762	48,724
Total Revenues	<u>\$5,476,882</u>	<u>\$5,651,605</u>	<u>\$5,046,224</u>
Expenses:			
Operating	\$4,812,896	\$4,980,278	\$4,946,224
Debt Service	663,986	671,327	0
Capital Projects	0	0	100,000
Total Expenses	<u>\$5,476,882</u>	<u>\$5,651,605</u>	<u>\$5,046,224</u>
Other Post Employment Benefits - GASB 45			
Revenues:			
Transfer from General Fund	\$2,500,000	\$2,750,000	\$2,750,000
Total Revenues	<u>\$2,500,000</u>	<u>\$2,750,000</u>	<u>\$2,750,000</u>
Expenses:			
Operating	\$2,500,000	\$2,750,000	\$2,750,000
Total Expenses	<u>\$2,500,000</u>	<u>\$2,750,000</u>	<u>\$2,750,000</u>
Line of Duty Act (LODA)			
Revenues:			
Operating Transfer from General Fund	\$497,352	\$550,000	\$575,000
Total Revenues	<u>\$497,352</u>	<u>\$550,000</u>	<u>\$575,000</u>
Expenses:			
Operating	\$497,352	\$550,000	\$575,000
Total Expenses	<u>\$497,352</u>	<u>\$550,000</u>	<u>\$575,000</u>

COUNTY OF HENRICO, VIRGINIA
TOTAL REVENUES (BY SOURCE) - ACROSS ALL FUNDS
FY 2016-17

	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	\$421,760,000	\$0	\$0	\$0	\$0	\$0	\$0	\$421,760,000
Other Local Taxes	143,485,000	0	0	0	0	0	0	143,485,000
Permits, Fees, and Licenses	4,701,100	1,016,372	0	0	0	0	0	5,717,472
Fines and Forfeitures	2,590,000	258,035	130,000	0	0	0	0	2,978,035
Use of Money and Property	7,925,600	175,530	0	0	0	419,000	0	8,520,130
Charges for Services	3,700,450	29,608,333	110,932,192	1,090,593	0	0	0	145,331,568
Recovered Costs	4,037,870	553,513	0	0	0	125,282,214	0	129,873,597
Shared Expenses	0	0	0	0	0	0	458,482	458,482
Miscellaneous	4,132,500	3,028,782	4,129,547	0	0	151,100	0	11,441,929
Total from Local Sources	592,332,520	34,640,565	115,191,739	1,090,593	0	125,852,314	458,482	869,566,213
Revenue from the Commonwealth:								
Non-categorical Aid	16,718,500	1,415,635	0	0	0	0	0	18,134,135
Shared Expenses	17,054,000	0	0	0	0	0	1,559,396	18,613,396
Categorical Aid	307,683,475	36,155,974	0	0	0	0	0	343,839,449
Total from the Commonwealth	341,455,975	37,571,609	0	0	0	0	1,559,396	380,586,980
Revenue from the Federal Government:								
Categorical Aid	365,000	61,051,449	0	0	0	0	0	61,416,449
Total from the Federal Government	365,000	61,051,449	0	0	0	0	0	61,416,449
Total Revenues	\$934,153,495	\$133,263,623	\$115,191,739	\$1,090,593	\$0	\$125,852,314	\$2,017,878	\$1,311,569,642
Operating Transfers	(104,119,529)	27,985,219	1,928,621	0	57,507,646	(87,867,094)	6,304,622	(98,260,515)
Transfers to Capital Projects	(43,155,447)	(1,168,500)	0	0	0	0	0	(44,323,947)
Total Resources	\$786,878,519	\$160,080,342	\$117,120,360	\$1,090,593	\$57,507,646	\$37,985,220	\$8,322,500	\$1,168,985,180
(To) From Fund Balance	5,000,000	2,141,191	(32,439,484)	0	1,000,000	4,987,498	48,724	(19,262,071)
Use of Fund Balance - Designated Capital Reserve	4,899,400	0	0	0	0	0	0	4,899,400
Use of Fund Balance - Designated Fund Balance	3,100,000	0	0	0	0	0	0	3,100,000
Use of Fund Balance - Undesignated	350,000	0	0	0	0	0	0	350,000
Use of Fund Balance - Designated Permit Fee	1,000,000	0	0	0	0	0	0	1,000,000
From Fund Balance - Meals Tax FY15 Collection	8,783,247	0	0	0	0	0	0	8,783,247
From Fund Balance - Meals Tax FY16 Collection	2,000,000	0	0	0	0	0	0	2,000,000
(To) Fund Balance - Meals Tax Reserve	(2,000,000)	0	0	0	0	0	0	(2,000,000)
(To) Revenue Stabilization Reserve	(1,000,000)	0	0	0	0	0	0	(1,000,000)
From Sinking Fund - Bond Ops	1,864,067	0	0	0	0	0	0	1,864,067
Total All Funds	\$810,875,233	\$162,221,533	\$84,680,876	\$1,090,593	\$58,507,646	\$42,972,718	\$8,371,224	\$1,168,719,823

**COUNTY OF HENRICO, VIRGINIA
TOTAL EXPENDITURES BY DEPARTMENT - ACROSS ALL FUNDS
FY 2016-17**

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	\$1,067,341							\$1,067,341
02 Library	18,291,338							18,291,338
03 Sheriff	37,491,437							37,491,437
04 Circuit Court	3,022,446							3,022,446
05 Commonwealth's Attorney	4,604,003	939,363						5,543,366
06 General District Court	252,362							252,362
07 Juvenile & Domestic Relations Court	2,474,573	938,210						3,412,783
08 Electoral Board	1,427,109							1,427,109
09 County Manager	3,564,550							3,564,550
10 County Attorney	2,313,899							2,313,899
11 Human Resources	5,056,599							5,056,599
12 Public Safety - Police	71,224,496	1,533,434				9,143,421	3,325,000	72,757,930
13 Public Safety - Fire	55,331,119							55,331,119
14 Finance	13,798,699							13,798,699
16 General Services	14,312,260							14,312,260
17 Internal Audit	431,646							431,646
18 Debt Service					25,214,873			25,214,873
19 Information Technology	13,209,037							13,209,037
21 Agriculture and Home Extension	398,499							398,499
22 Social Services		30,982,518						30,982,518
23 Recreation & Parks	17,825,476							17,825,476
24 Public Health	1,950,729							1,950,729
26 Mental Health & Developmental Services		35,747,305						35,747,305
27 Capital Region Workforce Partnership		5,163,450						5,163,450
28 Public Works	48,965,254	897,000						49,862,254
29 Real Property	630,743							630,743
30 Economic Development	15,601,919							15,601,919
31 Public Utilities		13,697,383	84,680,876					98,378,259
32 Non-Departmental	11,589,899	50,000						11,639,899
33 Building Inspections	4,185,957							4,185,957
34 Planning	4,327,272							4,327,272
35 Permit Center	869,636							869,636
36 Community Corrections Program		1,925,485						1,925,485
37 Technology Replacement	1,585,307					2,962,438		2,962,438
38 Community Revitalization								
40 James River Juvenile Detention Ctr							5,046,224	5,046,224
42 Healthcare								
50 Education	455,071,628	70,347,385			33,292,773	108,303,548		558,711,786
60 Interdepartmental Billings								
Total Expenditures	\$810,875,233	\$162,221,533	\$84,680,876	\$1,090,593	\$58,507,646	\$42,972,718	\$8,371,224	\$1,168,719,823

**Estimated Changes to Undesignated Fund Balances
FY2015 Actual through FY2017 Projected (By Fund)**

	<u>Revenues</u>	<u>Expenditures/ Transfers</u>	<u>Fund Balance</u>
GENERAL FUND			
Undesignated Fund Balance - FY2015 Actual			\$ 119,945,764 *
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		(5,000,000)	
FY2016 Anticipated Results of Operations			2,926,650
FY2016 Projected Use of Fund Balance - Capital Projects			<u>(5,000,000)</u>
Projected Ending Undesignated Fund Balance FY2016			117,872,414
FY2017 Budgeted Revenues	934,153,495		
FY2017 Budgeted Expenditures		(810,875,233)	
FY2017 Budgeted Transfers to Other Funds		(123,278,262)	
FY2017 Use of Fund Balance - Capital Projects		(5,350,000)	
FY2017 Anticipated Results of Operations			9,108,871
FY2017 Projected Use of Fund Balance - Capital Projects			<u>(5,350,000)</u>
Projected Ending Undesignated Fund Balance FY2017			\$ 121,631,285
*Reflects an undesignated fund balance of 15.0 percent of General Fund expenditures as of June 30, 2015. Prior to this adjustment Henrico policy for General Fund undesignated fund balance reflected 18.0 percent of expenditures.			
SPECIAL REVENUE FUND			
Undesignated Fund Balance - FY2015 Actual			\$ 0
FY2016 Budgeted Revenues	149,870,285		
FY2016 Budgeted Use of Reserves (net)	<u>899,564</u>		
FY2016 Budgeted Total Resources	150,769,849		
FY2016 Budgeted Expenditures		<u>(150,769,849)</u>	
FY2016 Projected Use of Undesignated Fund Balance			<u>0</u>
Projected Ending Undesignated Fund Balance FY2016			0
FY2017 Budgeted Revenues	160,080,342		
FY2017 Budgeted Use of Reserves (net)	<u>2,141,191</u>		
FY2017 Budgeted Total Resources	162,221,533		
FY2017 Budgeted Expenditures		<u>(162,221,533)</u>	
FY2017 Projected Use of Undesignated Fund Balance			<u>0</u>
Projected Ending Undesignated Fund Balance FY2017			\$ 0
INTERNAL SERVICE FUNDS			
Unreserved Retained Earnings - FY2015 Actual			\$ 41,386,806
FY2016 Budgeted Revenues	130,491,280		
FY2016 Budgeted Expenditures		<u>(133,624,402)</u>	
FY2016 Projected Use of Retained Earnings and Fund Balance			<u>(3,133,122)</u>
Projected Ending Unreserved Retained Earnings FY2016			38,253,684
FY2017 Budgeted Revenues	136,245,735		
FY2017 Budgeted Expenditures		<u>(141,233,233)</u>	
FY2017 Projected Use of Retained Earnings and Fund Balance			<u>(4,987,498)</u>
Projected Ending Unreserved Retained Earnings FY2017			\$ 33,266,186

**Estimated Changes to Undesignated Fund Balances
FY2015 Actual through FY2017 Projected (By Fund)**

	<u>Revenues</u>	<u>Expenditures/ Transfers</u>	<u>Fund Balance</u>
<i>WATER & SEWER ENTERPRISE FUND</i>			
Unreserved Fund Equity - FY2015 Actual			\$ 55,689,150
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		<u>(65,500,000)</u>	
FY2016 Budgeted Expenditures and Transfers		<u>(145,923,638)</u>	
FY2016 Projected Change to Unreserved Fund Equity			<u>(8,001,562)</u>
Projected Unreserved Fund Equity FY2016			47,687,588
FY2017 Budgeted Revenues	117,120,360		
FY2017 Budgeted Revenues - Revenue Bonds - Capital	140,850,000		
FY2017 Budgeted Expenditures		(84,680,876)	
FY2017 Budgeted for Capital Use		<u>(200,050,000)</u>	
FY2017 Budgeted Expenditures and Transfers		<u>(284,730,876)</u>	
FY2017 Projected Change to Unreserved Fund Equity			<u>(26,760,516)</u>
Projected Unreserved Fund Equity FY2017			\$ 20,927,072
<i>JRJDC AGENCY FUND</i>			
Unreserved Retained Earnings - FY2015 Actual			\$ 3,439,699
FY2016 Budgeted Revenues	5,481,843		
FY2016 Budgeted Expenditures		<u>(5,651,605)</u>	
FY2016 Budgeted Use of Unreserved Retained Earnings			<u>(169,762)</u>
Projected Ending Unreserved Retained Earnings FY2016			3,269,937
FY2017 Budgeted Revenues	4,997,500		
FY2017 Budgeted Expenditures		<u>(5,046,224)</u>	
FY2017 Budgeted Use of Unreserved Retained Earnings			<u>(48,724)</u>
Projected Ending Unreserved Retained Earnings FY2017			\$ 3,221,213



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.

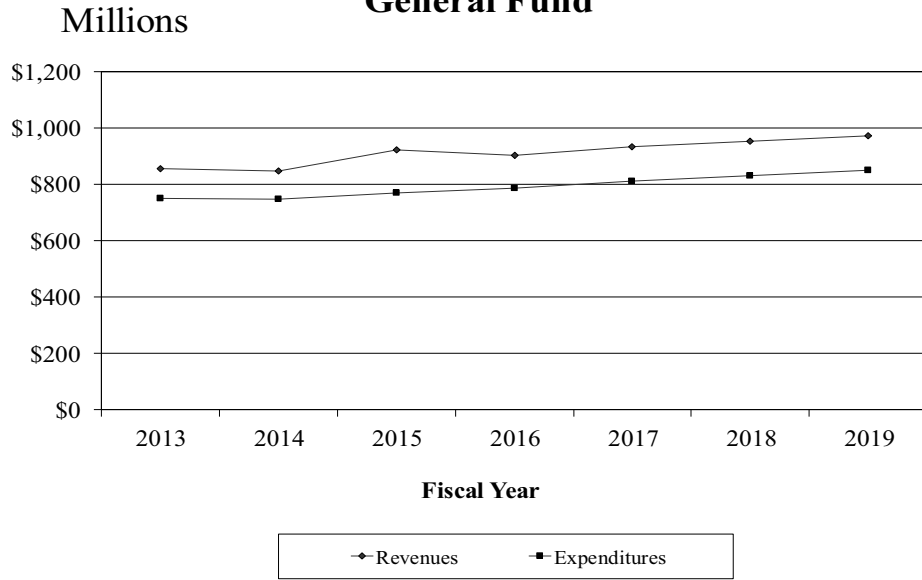
The information that follows constitutes the forecast of the County's cost of operations for FY2017 through FY2019. The FY2017 data represents the budget adopted by the Board of Supervisors, while FY2018 and FY2019 are included for projective purposes. This data is presented by fund and includes a description 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 2016 through 2019 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 FY2017, prior to transfers to other funds, is \$934,153,495. This, reflects an increase of \$31,917,550, or 3.5 percent above FY2016 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.

<u>Description</u>	<u>FY2015</u> <u>Actual</u>	<u>FY2016</u> <u>Original</u>	<u>FY2017</u> <u>Approved</u>	<u>Increase</u> <u>(Decrease)</u>
Local Tax Revenue	\$ 528,730,774	\$ 547,405,000	\$ 565,245,000	\$ 17,840,000
Other Local Revenue	27,313,504	26,387,170	27,087,520	700,350
State and Federal Revenue	365,013,513	328,443,775	341,820,975	13,377,200
Total General Fund Revenue	<u>\$ 921,057,791</u>	<u>\$ 902,235,945</u>	<u>\$ 934,153,495</u>	<u>\$ 31,917,550</u>

Local Tax Revenue:

Local Tax Revenue represents Henrico County’s principal source of local revenue. County tax revenue is projected to total \$565.25 million or 60.5 percent of total General Fund revenue for FY2017. This represents an increase of 3.3% percent, or \$17.9 million above the current fiscal year. Local Tax Revenue includes:

Local Tax Revenue	FY2016 Original	FY2017 Approved	Increase (Decrease)	Percent Change	Pct. Of Revenue
Real Property Tax	\$ 290,285,000	\$ 300,285,000	\$ 10,000,000	3.4%	53.1%
Personal Property Tax	113,190,000	116,000,000	2,810,000	2.5%	20.5%
Other Property Taxes	5,475,000	5,475,000	0	0.0%	1.0%
Local Sales Tax	58,120,000	61,000,000	2,880,000	5.0%	10.8%
Business License Tax	30,600,000	32,000,000	1,400,000	4.6%	5.7%
Motor Vehicle License Tax	6,325,000	6,325,000	0	0.0%	1.1%
Consumer Utility Tax	2,600,000	2,600,000	0	0.0%	0.5%
Hotel/Motel Tax	10,400,000	11,200,000	800,000	7.7%	2.0%
Bank Franchise Tax	5,000,000	5,000,000	0	0.0%	0.9%
Food & Beverage (Meals) Tax	20,000,000	20,000,000	0	0.0%	3.5%
Other Local Taxes	5,410,000	5,360,000	(50,000)	(0.9%)	0.9%
Total Local Tax Revenue	\$ 547,405,000	\$ 565,245,000	\$ 17,840,000	3.3%	100.0%

The majority, 73.6 percent, of the \$565.25 million in Local Tax revenues is derived from Real and Personal Property Tax (including delinquent collections), which are estimated to generate approximately \$416.29 million or 44.6 percent of total General Fund revenue. Local Sales Tax revenue increased \$2,880,000, or 5.0 percent in FY2017 and makes up 10.8 percent of Local Tax revenue. Business & Professional License (BPOL) Tax revenue is projected to increase by \$1,400,000 in FY2017.

The Motor Vehicle License Tax revenue is projected to remain steady at \$6.3 million in FY2017. The Consumer Utility Tax revenue (electric only) estimate of \$2.6 million remained flat for FY2017. Revenue from the 8.0 percent Hotel/Motel Tax, estimated to total \$11.2 million, increased 7.7% in FY2017. These funds will be paid to the Richmond Convention Center during FY2017. The Convention Center will return \$2.8 million (a fourth of the 8.0 percent levy) to the County at the end of FY2017. The assumptions used when preparing the FY2017 – FY2019 revenue estimates for each of these taxes are described in greater detail in the following pages.

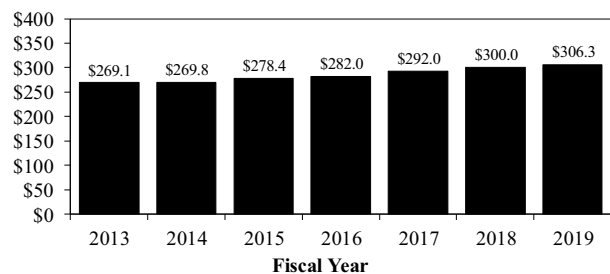
Real Property Taxes are estimated to generate \$300.3 million or 33.3 percent of the County’s total General Fund revenue in FY2017. This revenue estimate increased by \$10,000,000 in FY2017. Included within this total is revenue derived from current real estate taxes and real estate taxes paid by public service corporations. The FY2017 budget is balanced within the tax rate of \$0.87 per \$100 of assessed value for CY2016.

Assessment information for January 2016 indicates real estate assessments total \$34.2 billion, reflecting an increase of approximately \$1.1 billion, or 3.2 percent from the January 2014 assessed values. The increase was driven by increased residential reassessments of 1.9 percent – the third increase in seven years. The commercial percentage of the tax base equated to 31.2 percent in January 2016, equal to the ratio in January 2015, as commercial real estate reassessments increased 3.1 percent.

Year projections for countywide assessments are based on a forecast model factoring in changes in

Real Property Tax Revenues

Millions

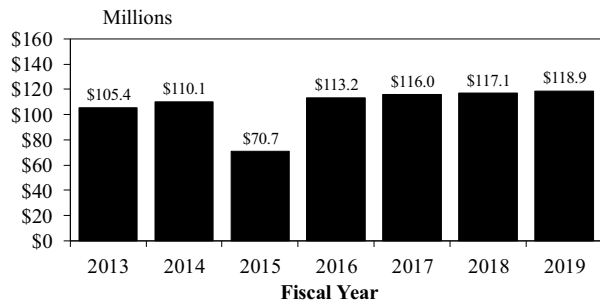


Fiscal Years 2016 through 2019 are estimated.

both residential and commercial values as well as the addition of new residential and commercial construction. The FY2018 and FY2019 projections assume increases to the County’s real property tax collections of 2.7 percent and 2.1 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; \$0.50 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 FY2017 Approved Budget reduced the tax rate aircraft from \$1.60 per \$100 assessed value to \$0.50 per \$100 in an effort to enhance the County’s economic development efforts.

Personal Property Tax Revenues



Fiscal Years 2016 through 2019 are estimated.
Actuals and projections include PPTRA.

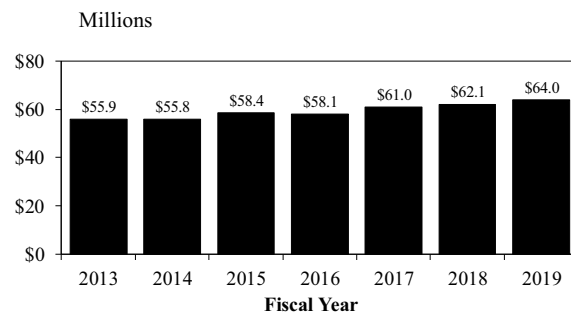
FY2017 marks the nineteenth year of the Personal Property Tax Relief Act (PPTRA) enacted by the General Assembly in 1998, although actual reimbursements to localities were capped by the State in the 2004 legislative session. Due to the State payment cap the amount of tax relief will vary by year and 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 CY2016 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 CY2016 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 \$116.0 million for FY2017. This represents 12.4 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 0.9 percent in FY2018 and 1.4 percent in FY2019.

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 \$61.0 million in FY2017, an increase of \$2.9 million, or 5.0 percent from the current fiscal year budget. Local Sales Tax revenues are projected to increase by 1.8 percent in FY2018 and 3.1 percent FY2019. Henrico County’s retailers continue to lead the Richmond Metropolitan Area in the generation of Local Sales Tax revenue. As of April 2016, Henrico County is recording 38.4 percent of the Local Sales Tax dollars redistributed to localities in the Richmond Metropolitan Area by the State.

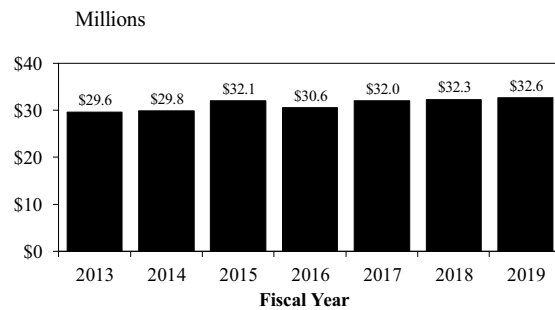
Local Sales Tax



Fiscal Years 2016 through 2019 are estimated.

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 FY2017 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 FY2017 forecast assumes BPOL tax receipts will increase to a level of \$32.0 million. It is projected that receipts will increase by 1.0 percent in both FY2018 and FY2019, respectively.

Business, Professional & Occupational License Tax (BPOL) Revenues

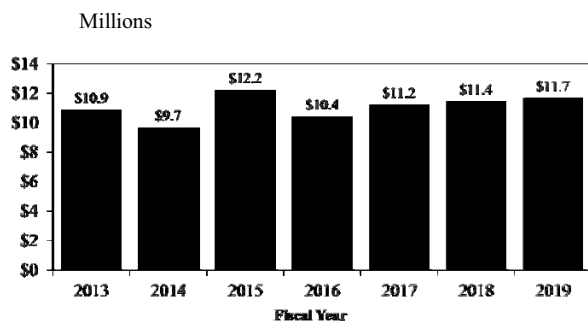


Fiscal Years 2016 through 2019 are estimated.

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 Taxes are estimated to remain flat at \$2.6 million for FY2017, FY2018, and FY2019. The Code of Virginia authorizes localities to impose a tax on the consumers of public utilities (not the same as a tax on utility providers). Residential consumers of public utilities are taxed \$0.70 plus the rate of \$0.007537 per kilowatt hour not to exceed \$1.00 per month. Commercial consumers of public utilities are taxed \$1.15 plus the rate of \$0.00713 per kilowatt hour not to exceed \$10.00 per month.

Hotel/Motel Tax Revenue



Fiscal Years 2016 through 2019 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. FY2017 revenue estimates for the Hotel/Motel Tax total \$11.2 million. It is anticipated that revenues will increase by 2.0 percent in FY2018 and FY2019, respectively.

Food & Beverage (Meals) Tax represents revenue forecasted to be generated by the passage of the 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 FY2017 forecast is \$20.0 million, and it is projected this revenue will remain flat in the projected years of FY2018 and FY2019.

Bank Franchise Taxes are derived from the taxation of net capital on banks located in the County. In FY2017, Bank Franchise Taxes are estimated at \$5.0 million and is projected to remain constant in FY2018 and FY2019.

Other Local Taxes includes funds received for grantor’s taxes, recordation taxes, daily rental tax, and the consumption tax. In total \$5.36 million is budgeted in FY2017, which is a decrease from the current fiscal year by \$50,000 or 0.92 percent. It is projected that revenues will remain at the FY2017 level for FY2018 and FY2019.

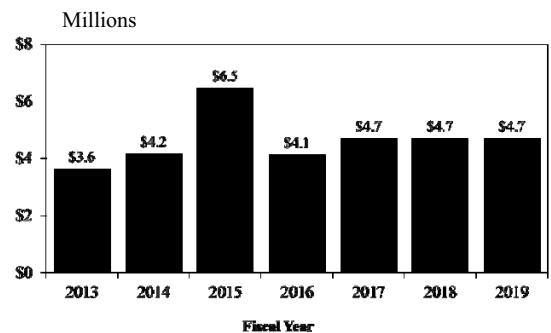
Other Local Revenue:

Other Local Revenue is estimated to generate nearly \$27.1 million in FY2017. This represents a \$713,000, or a 2.7 percent increase from FY2016. More detailed information on each of these categories of local revenue is included in the pages that follow.

Other Local Revenue	FY2016	FY2017	Increase	Percent
	Original	Approved	(Decrease)	Change
Permits, Fees and Licenses	\$ 4,126,100	\$ 4,701,100	\$ 575,000	13.9%
Fines and Forfeitures	2,590,000	2,590,000	0	0.0%
Use of Money and Property	7,915,600	7,925,600	10,000	0.1%
Charges for Services	3,585,100	3,700,450	115,350	3.2%
Miscellaneous	8,170,370	8,170,370	0	0.0%
Total Other Local Revenue	\$ 26,387,170	\$ 27,087,520	\$ 700,350	2.7%

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 \$4.7 million in FY2017, which represents a \$574,900, or 13.9 percent increase when compared to FY2016.

Permits, Fees, and Licenses

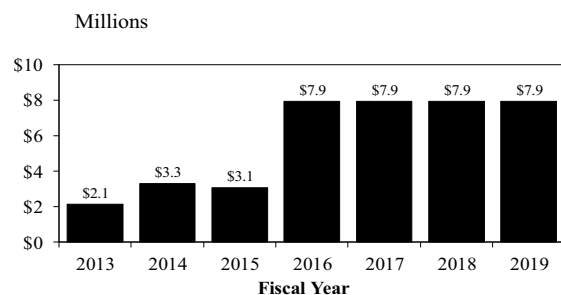


Fiscal Years 2016 through 2019 are estimated.

Building Permit Fees, which are an elastic revenue source, account for more than 69.1 percent of this revenue category in the current budget year. In FY2017, Building Permit Fees are estimated to increase by 600,000 or 22.6%. The projection for this revenue is based on restructuring the fee structure.

Information through April 2016 indicates an increase of 6.8 percent in the number of permits issued but a decrease in permit value of 6.2 percent or \$20,133,454 year-to-date in FY2016. The forecast for Permits, Fees and License revenues is projected to remain flat at \$4.7 million in FY2018 and FY2019.

Use of Money and Property



Fiscal Years 2016 through 2019 are estimated.

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 FY2017 and is projected to remain constant for FY2018 and FY2019.

Use of Money and Property is estimated to generate \$7.9 million in FY2017. 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 FY2018 and FY2019.

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 \$3.7 million in FY2017 and is projected to remain constant in FY2018 and FY2019.

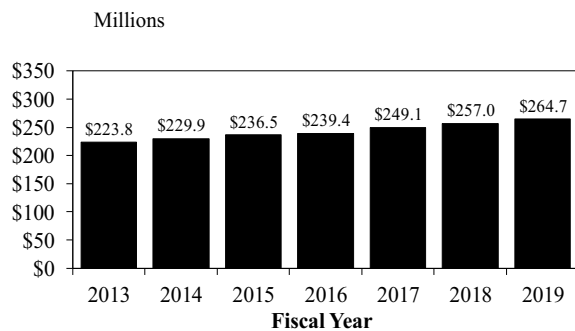
State and Federal Revenue:

State and Federal revenue is estimated at \$341.8 million in FY2017, which represents 36.6 percent of total General Fund revenue. This is a projected increase of approximately 4.1 percent over the current fiscal year. This category is comprised of revenue for General Government programs totaling \$92.7 million and Education funding of \$249.1 million. The following is a look at the components.

State and Federal Aid to Education is estimated to increase from \$239.4 million in FY2016 to \$249.1 million in FY2017. This represents an increase of \$9.7 million or 4 percent. The projection assumes an increase of 3.15 percent in FY2018 and 3.0 percent in FY2019.

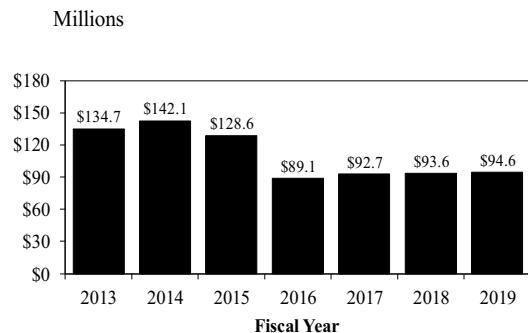
Federal reimbursements for Education have a minimal impact on the level of total appropriations in the General Fund as all of the Federal grants awarded to HCPS is recognized in the County’s Special Revenue Fund. In FY2017, Federal funding in the General Fund for Education totals \$350,000 and is forecasted to remain constant in FY2018 and FY2019.

State and Federal Aid to Education



Fiscal Years 2016 through 2019 are estimated.

State and Federal Aid to General Gov’t.



Fiscal Years 2016 through 2019 are estimated. PPTRA payments are reflected in the FY2013-FY2015 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 \$92.7 million in FY2017. This represents an increase of \$3,628,128 or 4.1 percent when compared to the FY2016 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 FY2016 through FY2019, 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 has and continues to remain flat, while the local component (paid by the County taxpayers) has and will continue to increase.

Henrico is projected to receive \$44.0 million for road maintenance in FY2017. 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.

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 \$13.1 million in FY2017.

Federal Aid to General Government is estimated at \$15,000 in FY2017. The majority of federal revenues are designated for education.

Expenditures

Assumptions

In the course of developing the FY2017 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 CY2016. These decisions were reached after careful review and planning by the Board of Supervisors. This planning reaches beyond FY2017 and is intended to establish a balance between the County's recurring revenues and expenditures in future years. The FY2017 General Fund Budget of \$810.9 million represents an increase of \$25.1 million or 3.2 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 FY2017, the Education budget represents 56.1 percent of General Fund expenditures. General Fund Education expenditures total \$455.1 million in the Annual Fiscal Plan, which represents an increase of \$13.9 million, or 3.2 percent. Of the total expenditures in Education, 45.3 percent are funded with locally generated revenues and 54.7 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 FY2017 Annual Fiscal Plan is \$355.8 million, which represents an increase of \$11.2 million, or 3.3 percent. The focus continues to remain on Public Safety as the budget includes the addition of ten new Police Officers as the fourth year of a five-year commitment, three new positions associated with the radio communication system, and one for the PALs program. In addition to the new Police Officers, nine new Firefighters and one new Captain will be assigned to the new Fire Station #19, one new Management Support Specialist II position for administrative support, and three new Firefighter positions needed for the Division, which is the start of a three-year plan to add a total of nine new Firefighters to help alleviate some of the staffing pressures within the Division. The FY2017 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), as well as 9 positions needed to support Varina Library. One more IT position will be added to the Courts for support services.

General Fund expenditures are forecasted to grow by 2.6 percent in FY2018 and 2.3 percent in FY2019. The proposed levels of operational funding allow for the continuation of existing service levels as well as new operating costs associated with capital projects approved by the Board of Supervisors. In addition, funding has been dedicated for much need operating and capital projects for Schools, various road maintenance and construction projects.

The FY2017 Capital Budget totals \$244.4 million. The five-year Capital Improvement Program for FY2017 through FY2021 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 \$244.4 million FY2017 Capital Budget, \$200.1 million is for Water and Sewer projects. Water and Sewer projects are funded by revenues from water and sewer user and connection fees and

revenue bonds. The remaining balance of \$44.3 million within the FY2017 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 FY2017 Annual Fiscal Plan includes \$43.2 million in pay-as-you-go funding from a variety of sources. The FY2017 transfer of \$43,155,447 includes an allocation of \$8,450,000 from General Fund balance. This allocation includes \$5.0 million for pay-as-you-go construction, which is to be divided equally between General Government and Education to support various ongoing projects. The remaining \$3,450,000 associated with the General Fund balance transfer will support the Fire SCBA replacement and an Energy Management project and provide partial funding for the Greenwood Park project and the Data Center upgrade project.

The forecast also includes a \$4,899,400 allocation from the Designated Capital Reserve Fund balance, which will provide the remaining funding for the Fire Alerting System and the Dumbarton Library Repurpose project as well as partial funding for the Parham Road Complex Improvements, the Courts Building Refresh, and the Data Center upgrade project. Building Inspections' Permit Fee revenue of \$1.0 million is forecasted for the remaining allocation needed for the Information Technology's Tidemark replacement project. The FY2017 transfer 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 storm water project which has been submitted to meet the County's Chesapeake Bay Total Maximum Daily Load (TMDL) permit requirement. The General Fund revenues transfer for FY2017 totals \$5,824,800 and will fund the School Bus Replacement Program, the Fire Apparatus Replacement Program, and the Police Vehicle Replacement Program.

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 \$19,783,247 is allocated to various Education capital projects. Of the \$19.8 million, \$9.0 million represents ongoing revenues and \$10.8 million represents fund balance associated with prior year additional Meals Tax receipts which will provide funding for the planning phase of the renovation of six elementary schools and one middle school. This revenue source was approved by the voters in November, 2013 to fund 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 FY2019 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 \$43.2 million in FY2017, of which, \$8.5 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, \$19.8 million of the revenue generated will be placed in an Education Meals Tax Project Reserve. In addition, \$5.8 million is allocated for a vehicle replacement, comprised of \$1.5 million for the fire apparatus replace program, \$2.3 million for police vehicles, and \$2.0 million for school bus replacement. Projections for FY2018 and FY2019 include transfers of \$30.5 million and \$31.0 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 FY2017 estimate of these costs is \$1.9 million and the estimated costs for FY2018 and FY2019 remain flat.

To (From) Risk Management Fund is the transfer of funds to support risk management operations. The fund was established in FY2005. The FY2017 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 FY2018 and FY2019 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 (CCP), 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 \$28.0 million in FY2017. The projections over the forecast period are \$28.3 million in FY2018 and \$28.5 million in FY2019, 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 \$2.98 million for FY2017, as the debt associated with the construction of the facility has been paid. The transfer for the JRJDC Agency fund is projected to increase in FY2018 to \$3.04 million and in FY2019 is projected to total \$3.1 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 FY2017, FY2018, and FY2019 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 FY2017, FY2018, and FY2019 remain flat at \$575,000 each year, which will fund the County's obligation in this area.

(To) From Fund Balance – General encompasses any money used to fund specific capital projects and decreased from 15,930,000 in FY16 to 14,349,400 for FY17 or 9.9%. The 2017 figure incorporates 5 areas: Capital Projects, Capital Reserve, Assigned, Unassigned, and Building Permit Fees. **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 FY2017, \$5.0 million is being allocated for General Government and Education projects. FY2018 and FY2019 forecasts project the use of \$5.0 million each year, respectively, for Education and General Government projects. **Capital Reserve** represents the allocation of designated funding for specific projects. In FY2017, \$4.9 million is being allocated for three projects: \$1,008,000 for the fire alerting system, \$691,400 for Parham Road Complex Improvements, 600,000 for Courts Building Refresh, 600,000 for Data Center Upgrade, and \$2,000,000 for the repurposing of Dumbarton Library. The FY2018 and FY2019 forecasted expenditures are budgeted at \$5.0 million per year to cover future capital projects. **Assigned Fund Balance** totals \$3.1 million and includes three separate projects: \$1.7 million for Fire SCBA Replacement, \$0.6 million for School's data center upgrade, and \$0.8 million for Greenwood park turn light. **Unassigned** totals \$350,000 and is reflective of energy savings from prior energy efficiency initiatives such as installing more energy efficient lighting. **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.

(To) From Revenue Stabilization Reserve represents the start of a reserve used for the anticipation of an economic downturn and totals \$1.0 million

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 FY2017, a forecasted use of \$1.8 million is anticipated and \$1.3 million is anticipated for FY2018.

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 FY2016, FY2017, FY2018, and FY2019.

General Fund Forecast

	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
	Actual	Original	Approved	Forecast	Forecast
Revenues:					
Current Real Estate Tax	\$ 278,427,802	\$ 282,000,000	292,000,000	\$ 300,000,000	\$ 306,300,000
P.S. Real Estate Tax	7,726,555	8,285,000	8,285,000	8,285,000	8,285,000
Current Personal Prop. Tax ⁽¹⁾	70,621,408	113,075,000	115,885,000	117,000,000	118,750,000
P.S. Personal Property Tax	115,511	115,000	115,000	115,000	115,000
Other General Property Tax	15,555,539	5,475,000	5,475,000	5,475,000	5,475,000
Local Sales Tax	58,428,037	58,120,000	61,000,000	62,102,849	64,000,000
Business License Tax	32,086,401	30,600,000	32,000,000	32,320,000	32,635,706
Motor Vehicle License Tax	6,573,762	6,325,000	6,325,000	6,325,000	6,325,000
Consumer Utility Tax	2,700,716	2,600,000	2,600,000	2,600,000	2,600,000
Bank Franchise Tax	11,481,542	5,000,000	5,000,000	5,000,000	5,000,000
Hotel/Motel Tax	12,193,553	10,400,000	11,200,000	11,424,000	11,652,480
Food & Beverage (Meals) Tax	26,783,430	20,000,000	20,000,000	20,000,000	20,000,000
Other Local Taxes	6,036,518	5,410,000	5,360,000	5,360,000	5,360,000
Local Taxes Sub-Total	528,730,774	547,405,000	565,245,000	576,006,849	586,498,186
Permits, Fees, & Licenses	6,465,649	4,126,100	4,701,100	4,701,100	4,701,100
Fines & Forfeitures	2,596,069	2,590,000	2,590,000	2,590,000	2,590,000
Use of Money & Property	3,062,693	7,915,600	7,925,600	7,925,600	7,925,600
Charges for Services	4,095,705	3,585,100	3,700,450	3,700,450	3,700,450
Miscellaneous Revenue	11,093,388	8,170,370	8,170,370	8,170,370	8,170,370
Total Local Revenue	556,044,278	573,792,170	592,332,520	603,094,369	613,585,706
State & Federal-Schools	236,454,076	239,359,800	249,108,872	256,955,801	264,664,475
State & Federal-General Government ⁽¹⁾	128,559,437	89,083,975	92,712,103	93,639,224	94,575,616
Total State & Fed. Revenue	365,013,513	328,443,775	341,820,975	350,595,025	359,240,092
Total Revenue	\$ 921,057,791	\$ 902,235,945	\$ 934,153,495	\$ 953,689,394	\$ 972,825,798

⁽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. FY15 actual = \$37,001,783. Forecast period FY16 thru FY19 equal \$37,000,000.

Transfers:

(To) From Debt Service Fund	\$ (57,350,014)	\$ (54,805,548)	(57,507,646)	\$ (54,324,935)	\$ (51,912,224)
(To) From Capital Projects Fund	(33,185,101)	(43,474,772)	(43,155,447)	(30,522,800)	(31,022,800)
(To) From Enterprise Fund	(1,928,108)	(1,930,308)	(1,928,621)	(1,928,621)	(1,929,921)
(To) From Risk Management Fund	(11,778,543)	(8,397,952)	(8,393,421)	(8,565,289)	(8,732,515)
(To) From Technology Replacement	(1,000,000)	(1,000,000)	(2,000,000)	(2,250,000)	(2,500,000)
(To) From Special Revenue Fund	(24,326,570)	(26,610,991)	(27,985,219)	(28,265,071)	(28,547,722)
(To) From JRJDC Agency Fund	(3,314,227)	(3,426,586)	(2,979,622)	(3,039,214)	(3,099,999)
(To) From OPEB - GASB 45 Fiduciary Fund	(2,500,000)	(2,750,000)	(2,750,000)	(2,750,000)	(2,750,000)
(To) From Line of Duty	(497,352)	(550,000)	(575,000)	(575,000)	(575,000)
Oper. Transfer- LTD	(486,000)	-	-	-	-
(To) From Fund Balance - General	8,100,000	15,930,000	14,349,400	10,000,000	10,000,000
Use of Fund Balance - Public Works Revenues	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 - 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	4,497,376	-	-	-	-
Use of Fund Balance General Fund	(36,920,829)	-	-	-	-
(To) From Fund Balance - Meals Tax Reserve	-	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
(To) From Fund Balance - Meals Tax FY14	-	1,990,470	-	-	-
(To) From Fund Balance - Meals Tax FY15	-	-	8,783,247	-	-
(To) From Fund Balance - Meals Tax FY16, FY17, & FY18	-	-	2,000,000	2,000,000	2,000,000
From Fund Balance - State Revenue Stabilization	-	1,000,000	-	-	-
(To) From Revenue Stabilization Reserve	-	-	(1,000,000)	(1,000,000)	(1,000,000)
From Sinking Fund - Bond Ops	339,124	2,074,331	1,864,067	1,245,694	-
Total Transfers	\$ (151,598,777)	\$ (116,419,854)	\$ (123,278,262)	\$ (121,975,236)	\$ (122,070,181)
Total Resources	\$ 769,459,014	\$ 785,816,091	\$ 810,875,233	\$ 831,714,158	\$ 850,755,617

Expenditures:

General Government Administration	\$ 52,006,454	\$ 54,416,121	55,811,883	56,928,121	58,066,683
Judicial Administration	8,001,807	7,913,112	8,102,908	8,264,966	8,430,265
Public Safety	166,460,672	164,623,084	170,483,485	175,829,824	179,596,420
Public Works	49,462,235	48,045,077	48,965,254	49,944,559	50,943,450
Health & Social Services	1,902,174	1,779,094	1,950,729	1,989,744	2,029,538
Education	428,631,448	441,171,628	455,071,628	466,857,812.59	478,584,527
Recreation & Culture	30,512,840	34,596,408	36,116,814	36,839,150	37,575,933
Community Development	22,025,197	21,120,304	22,782,633	23,238,286	23,470,669
Miscellaneous	10,456,187	12,151,263	11,589,899	11,821,697	12,058,131
Total Expenditures	\$ 769,459,014	\$ 785,816,091	\$ 810,875,233	\$ 831,714,159	\$ 850,755,617

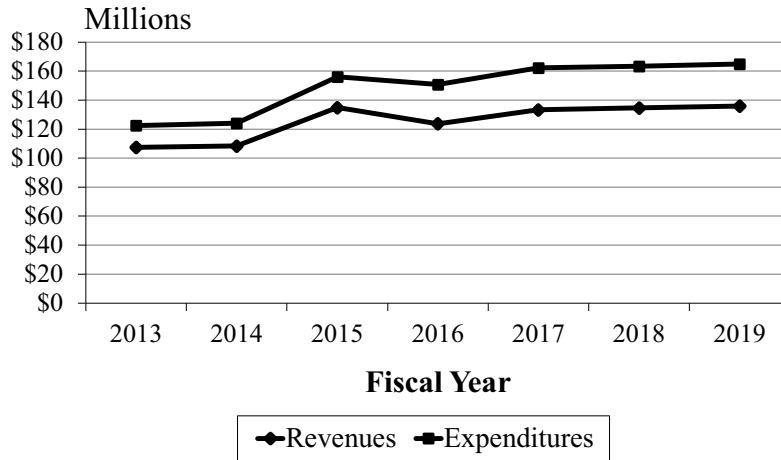
Fund Balance:

Restricted (*)	\$ 7,321,539	\$ 10,000,000	10,000,000	\$ 10,000,000	\$ 10,000,000
Assigned (**)	96,937,522	70,411,219	46,414,505	36,168,811	27,168,811
Unassigned Fund Balance	119,945,764	117,872,414	121,631,285	124,757,124	127,613,343
Total Fund Balance	\$ 224,204,825	\$ 198,283,633	\$ 178,045,790	170,925,935	\$ 164,782,154

* 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 2016 through 2019 are estimated. Revenues exclude transfers from other funds.

SPECIAL REVENUE FUND

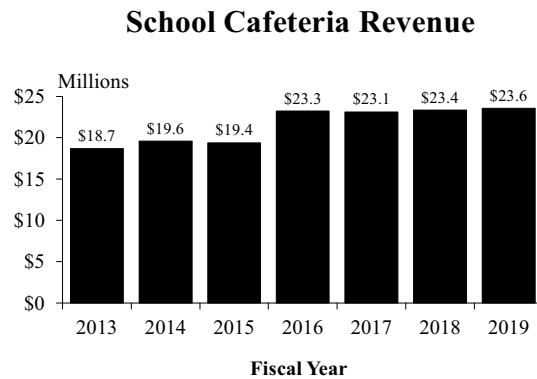
(Fund 11)

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 FY2017 is \$162,221,533, which represents an increase of \$11,451,684, or 7.6 percent, from the current fiscal year. The largest portion of this increase was in the budget for Social Services, which grew by \$3.5 million, or 12.8 percent, primarily due to sharp increases in the demand for services under the Children's Services Act. Projected resources and requirements for FY2018 and FY2019 are included in the pages that follow.

Revenues

Assumptions

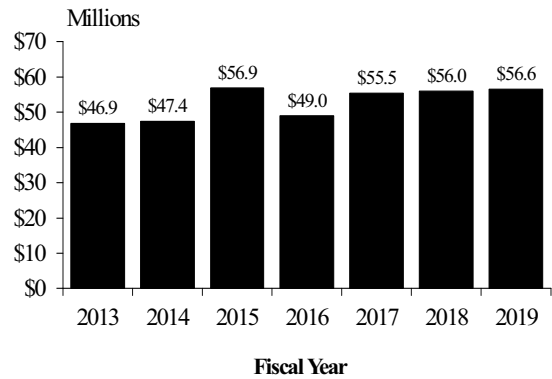
School Cafeteria revenues support the operations of all County public school cafeterias. Funding is received from specific State and Federal government grant programs as well as revenues generated by the school lunch program. Receipts for FY2017 are estimated at \$23,142,474, compared to \$23,260,498 in FY2016. FY2018 and FY2019 revenue estimates of \$23,373,899 and \$23,607,638, respectively, reflect projected increases of 1.0 percent based on anticipated growth in pupil enrollment and cafeteria operations.



Fiscal Years 2016 through 2019 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 (CCP), the Community Development Block Grant (CDBG), and the Virginia Juvenile Community Crime Control Act (VJCCCA). Grant funding, for FY2017, totals \$55,450,523. 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.

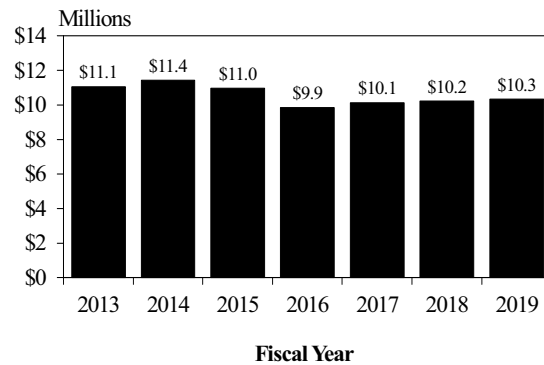
State, Federal, and Other Grant Revenue



Fiscal Years 2016 through 2019 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 services. 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 2016 through 2019 are estimated. Revenues do not include transfers from other funds.

In FY2017, the revenue generated by fees related to the disposal of solid waste is forecasted to increase by \$265,000, or 2.7 percent. The forecasts for FY2018 and FY2019 each 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 FY2017 is \$35,747,305 including the General Fund contribution of \$14,064,509, State revenues is projected to be \$8,128,607, while federal revenues of \$1,846,106, fee revenues of \$10,544,838 and \$344,400 of contract revenues from Sheltered Employment are also anticipated. Additionally, Henrico is budgeted to receive a total of \$218,845 of fee revenues from Charles City and New Kent counties. A 1.0 percent increase in Mental Health revenues is projected for both FY2018 and FY2019. The forecast is based on modest 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 \$127,334 in FY2017, FY2018, and FY2019. 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 FY2017 is \$30,982,518, of which, \$11,663,228 is directed toward the (CSA), and \$19,319,290 support all other Social Services efforts. The General Fund contribution is \$9,432,431, State revenues are \$11,544,391, Federal revenues total \$9,954,489, and other local revenues amount to \$51,207. A 1.0 percent increase in revenues is projected for both FY2018 and FY2019, 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 FY2017, the transfer of \$27,985,219 includes the County's contribution of \$1,342,436 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; \$9,432,431 in local support of Social Services, which includes funding for the CSA; and \$14,064,509 for Mental Health. The total transfer from the General Fund is projected to increase to \$28,265,071 in FY2018 and \$28,547,722 in FY2019.

(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 \$17.3 million at the close of FY2015. The forecasts for FY2018 and FY2019 reflect decreases in the Solid Waste Fund Balance as a result of expenditures exceeding revenues.

Expenditures

Assumptions

The development of the FY2017 Special Revenue Fund budget assumes recurring revenues will support recurring expenditures in future years. Special Revenue Fund resources and requirements for FY2018 and FY2019 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 FY2016 through FY2019 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.

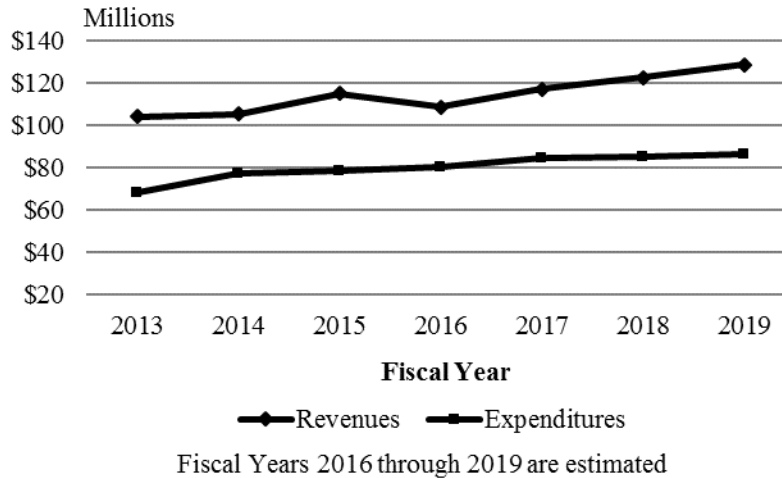
Special Revenue Fund Forecast

	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Forecast	FY17-18 Forecast	FY18-19 Forecast
Revenues:					
School Cafeteria	\$ 19,394,277	\$ 23,260,498	\$ 23,142,474	\$ 23,373,899	\$ 23,607,638
State, Federal & Other Grants	56,871,815	49,016,469	55,450,523	56,005,028	56,565,079
Asset Forfeitures	1,441,922	0	0	0	0
Donations	25,531	0	0	0	0
Revenue from Local Sources - CDA	4,820,415	0	0	0	0
Other Local Taxes - EDA	0	0	0	0	0
Solid Waste	10,970,958	9,857,975	10,122,975	10,224,205	10,326,447
Street Lighting	72,247	83,100	83,100	83,100	83,100
Mental Health	21,486,334	20,923,451	21,682,796	21,899,624	22,118,620
Metro Aviation/Extradition	308,927	334,668	334,668	334,668	334,668
Social Services	19,348,833	19,386,133	21,550,087	21,765,588	21,983,244
Watershed/Best Management Practices	109,468	897,000	897,000	897,000	897,000
Subtotal Revenues	\$ 134,850,727	\$ 123,759,294	\$ 133,263,623	\$ 134,583,112	\$ 135,915,795
From General Fund:					
State, Federal & Other Grants	\$ 2,515,854	\$ 1,343,439	\$ 1,342,436	\$ 1,355,860	\$ 1,369,419
Mental Health	10,285,580	14,030,509	14,064,509	14,205,154	14,347,206
Metro Aviation	126,462	127,332	127,332	128,605	129,891
Social Services	8,380,163	8,091,200	9,432,431	9,526,755	9,622,023
Solid Waste	3,018,511	3,018,511	3,018,511	3,048,696	3,079,183
Subtotal From General Fund	\$ 24,326,570	\$ 26,610,991	\$ 27,985,219	\$ 28,265,071	\$ 28,547,722
(To) Capital Projects Fund for Solid Waste	(2,000,000)	0	(150,000)	0	0
(To) Capital Projects Fund for Mental Health	0	0	(1,018,500)	0	0
(To) Capital Projects Fund for Public Safety	(500,000)	(500,000)	0	0	0
(To) Special Revenue Fund Balance	500,000	500,000	0	0	0
(To) From Economic Development Fund Balanc	0	0	0	0	0
(To) From Mental Health Fund Balance	0	0	1,018,500	0	0
(To) From School Cafeteria Fund Balance	77,592	511,734	499,894	0	0
(To) From Solid Waste Fund Balance	(1,104,800)	(112,170)	622,797	477,525	482,300
(To) From Street Light Fund Balance	0	0	0	0	0
Total Resources	\$ 156,150,089	\$ 150,769,849	\$ 162,221,533	\$ 163,325,708	\$ 164,945,817
Expenditures:					
School Cafeteria	\$ 19,471,869	\$ 23,772,232	\$ 23,642,368	\$ 23,373,899	\$ 23,607,638
State, Federal & Other Grants	81,491,465	50,795,895	56,792,959	57,360,889	57,934,497
Economic Development Authority	4,820,415	0	0	0	0
Solid Waste	10,884,669	12,764,316	13,614,283	13,750,426	13,887,930
Street Lighting	72,247	83,100	83,100	83,100	83,100
Mental Health	31,771,914	34,953,960	35,747,305	36,104,778	36,465,826
Metro Aviation/Extradition	435,389	462,000	462,000	463,273	464,559
Social Services	7,092,653	27,041,346	30,982,518	31,292,343	31,605,267
Watershed/Best Management Practices	109,468	897,000	897,000	897,000	897,000
Total Expenditures	\$ 156,150,089	\$ 150,769,849	\$ 162,221,533	\$ 163,325,708	\$ 164,945,817
Ending Special Revenue Fund Balance:					
Schools	\$ 10,070,462	\$ 9,558,728	\$ 9,058,834	\$ 9,058,834	\$ 9,058,834
State, Federal & Other Grants, Forfeitures *	23,922,608	0	0	0	0
Economic Development Authority **	5,049,067	0	0	0	0
Solid Waste	17,300,254	17,412,424	16,789,627	16,312,102	15,829,802
Street Lighting	868,685	868,685	868,685	868,685	868,685
Total Fund Balance	\$ 57,211,076	\$ 27,839,837	\$ 26,717,146	\$ 26,239,621	\$ 25,757,321

* Forecast assumes miscellaneous grant appropriations will be spent by 6/30/16. Any unspent appropriations will be carried forward into FY2016-17.

** EDA balances will be appropriated annually, through a budget amendment, based on actual receipts.

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 FY2016-17 is based on a 5.0 percent increase in water rates. Forecasts for FY2017-18 and FY2018-19 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 Connection 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 FY2016-17 reflect a decrease of 8.2 percent in water connection fees. This decrease is due to an adjustment in several water connection fees based on a rate study. The forecast for Water Basic Fees reflects 3.0 percent growth in FY2017-18 and FY2018-19, which reflects a conservative estimate of growth in the commercial and residential real estate.

Sale of Sewer Services for FY2016-17 is based on a 5.0 percent increase in sewer rates. Like Sale of Water Service revenues, noted above, forecasts for FY2017-18 and FY2018-19 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 Connection 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. The forecasted revenue collections in FY2016-17 reflect an increase of \$3.0 million in connection fees compared to the budgeted amount last fiscal year. The forecasted amount in FY2016-17 was increased to more accurately reflect actual collections. A 3.0 percent increase in fees has been projected for both FY2017-18 and FY2018-19.

(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 FY2016-17 totals \$1,928,621.

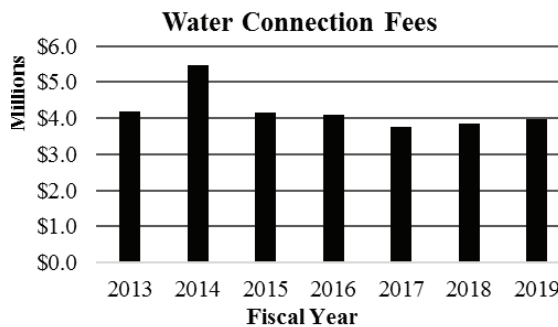
In addition to payment of the debt service, the General Fund is also responsible for the annual repayment of the \$9.6 million loan made in FY1996-97 to the Capital Projects Fund for additional infrastructure built at the Elko Tract site. The County's year-end financial statements disclose this loan 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.

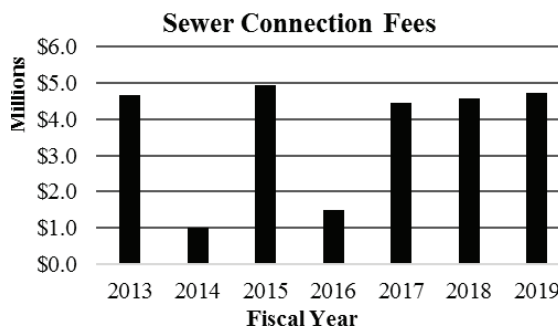
Expenditures

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.



Note: Fiscal Years 2016 through 2019 are estimated



Note: Fiscal Years 2016 through 2019 are estimated

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 \$200.1 million in FY2016-17, \$90.6 million in FY2017-18, and \$38.8 million in FY2018-19. 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 represents the proceeds from the sale of revenue bonds for new and rehabilitation capital projects.

Water & Sewer Enterprise Fund Forecast

	FY14-15 Actual	FY 15-16 Original	FY 16-17 Forecast	FY 17-18 Forecast	FY 18-19 Forecast
Water & Sewer Operations Subfund					
Revenues:					
Sale of Water	\$ 50,523,832	\$ 48,000,000	\$ 51,550,971	\$ 54,128,520	\$ 56,834,946
Water Connection Fees	4,156,712	4,079,695	3,745,544	3,857,910	3,973,648
Sale of Sewer Services	47,558,353	48,740,000	50,739,661	53,276,644	55,940,476
Sewer Connection Fees	4,939,381	1,500,000	4,455,203	4,588,859	4,726,525
Miscellaneous Revenue	6,083,489	4,372,073	4,700,360	4,935,378	5,182,147
Transfer from General Fund	1,928,108	1,930,308	1,928,621	1,928,621	1,928,621
Total Revenue	\$ 115,189,875	\$ 108,622,076	\$ 117,120,360	\$ 122,715,932	\$ 128,586,362
Expenditures:					
Personnel	\$ 19,424,041	\$ 20,508,294	\$ 20,817,368	\$ 21,233,715	\$ 21,658,390
Operating	41,314,229	40,422,511	40,797,511	41,613,461	42,445,730
Capital Outlay	1,150,951	785,527	785,527	801,238	817,262
Sub-Total	61,889,221	61,716,332	62,400,406	63,648,414	64,921,382
Debt Service	16,645,662	18,707,306	22,280,470	21,283,583	21,286,583
Total Expenditures	\$ 78,534,883	\$ 80,423,638	\$ 84,680,876	\$ 84,931,997	\$ 86,207,965
Results of Operations (Prior to Capital Expenses)	36,654,992	28,198,438	32,439,484	37,783,935	42,378,397
Budget For Capital Use (Below)	n/a	(65,500,000)	(200,050,000)	(90,625,000)	(38,775,000)

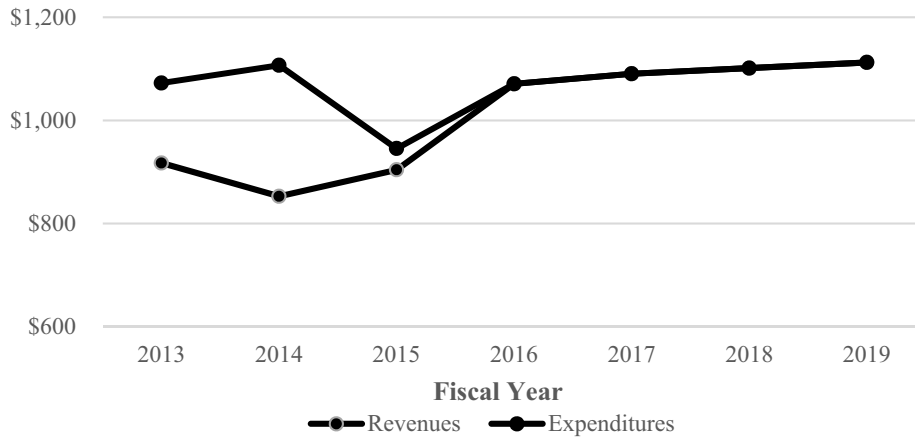
Capital Budget Expenditures	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Forecast	FY 17-18 Forecast	FY 18-19 Forecast
Approved/Requested Capital Projects	-	65,500,000	200,050,000	90,625,000	38,775,000
Continuing Capital Projects (Previously Approved) ⁽¹⁾	51,814,281	-	-	-	-
Total Capital	51,814,281	65,500,000	200,050,000	90,625,000	38,775,000
Capital Budget Resources					
Water and Sewer Revenues	7,895,045	36,200,000	59,200,000	77,625,000	20,525,000
Revenue Bonds	43,919,236	29,300,000	140,850,000	13,000,000	18,250,000
Total Capital Budget Resources	51,814,281	65,500,000	200,050,000	90,625,000	38,775,000

Notes:

⁽¹⁾ This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2014-15 represents actual spending, as per the 2015 audit.

Note: Fund Equity as of June 30, 2015 was \$55,689,150.

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



Fiscal Years 2016 through 2019 are estimated.

Belmont Park Golf Course Operations (Fund 5201)

Revenues

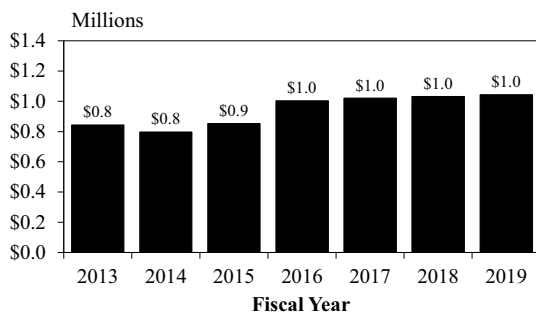
Assumptions

Golf Course Fees revenue for FY2017 is estimated to total \$1,020,593 which reflects an increase of \$19,594 or 1.96 percent. In FY2015 there was an increase in greens fees of \$2 and an increase of \$1 for golf cart fees as part of an effort to restore fiscal stability to the golf course and closer reflect the golf course's revenue generating capability. The increases in fees along with reductions in expenditures should bring fiscal stability back to the golf course. Some rate changes for FY16-17 are included in the budget: a decrease in cart fees for Seniors by \$4 during peak season and \$3 on off season to attract more Senior customers and an increase in the weekend and holiday rates by \$1 before 1 PM and \$2 after 1 PM. Revenue projections for FY2018 and FY2019 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 FY2017, FY2018, and FY2019.

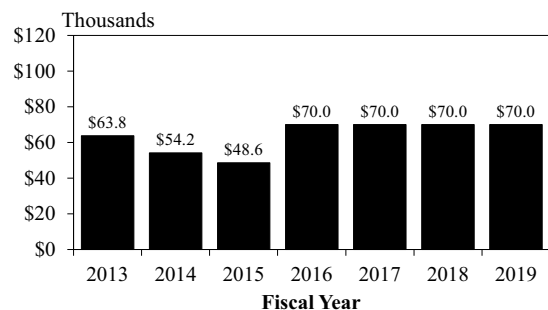
(To) From Golf Course Retained Earnings is Retained Earnings from golf course operations to be used for future golf course operations, maintenance or improvements. During the forecast period there is no scheduled use of Retained Earnings.

Golf Course Fees



Fiscal Years 2016 through 2019 are estimated.

Snack Bar Revenues



Fiscal Years 2016 through 2019 are estimated.

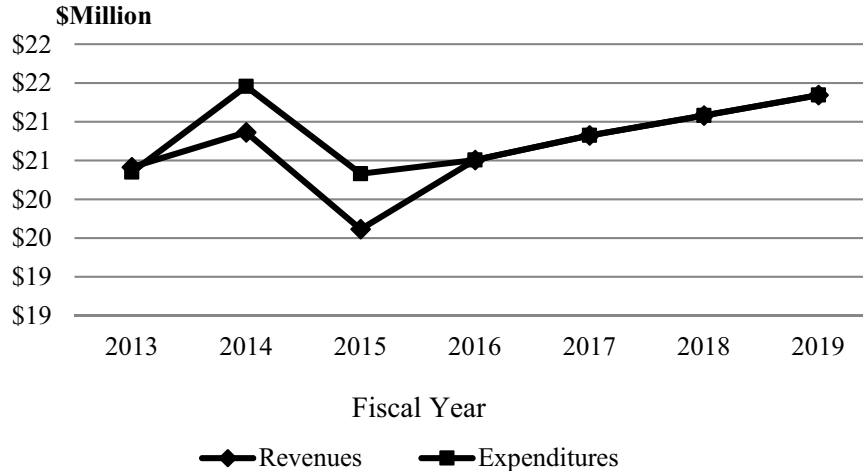
Expenditures

Assumptions

Operational Expenses in FY2017 are estimated to increase by \$19,594 or 1.83 percent. In 2015 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 FY2018 and FY2019 reflect modest 1.0 percent growth per year.

	Belmont Golf Course				
	Enterprise Fund Forecast				
	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
	Actual	Original	Forecast	Forecast	Forecast
Belmont Golf Course Operations					
Revenues:					
Golf Course Fees	\$ 853,127	\$ 1,000,999	\$ 1,020,593	\$ 1,031,499	\$ 1,042,514
Snack Bar Revenues	48,622	70,000	70,000	70,000	70,000
Gain/Loss on Sale of Property	-	-	-	-	-
Recoveries & Rebates	2,455	-	-	-	-
Total Revenues	<u>\$ 904,204</u>	<u>\$ 1,070,999</u>	<u>\$ 1,090,593</u>	<u>\$ 1,101,499</u>	<u>\$ 1,112,514</u>
Plus:					
(To)From Golf Course					
Retained Earnings	41,360	-	-	-	-
Total Resources	<u>\$ 945,564</u>	<u>\$ 1,070,999</u>	<u>\$ 1,090,593</u>	<u>\$ 1,101,499</u>	<u>\$ 1,112,514</u>
Expenditures:					
Operational Expenses	<u>\$ 945,564</u>	<u>\$ 1,070,999</u>	<u>\$ 1,090,593</u>	<u>\$ 1,101,499</u>	<u>\$ 1,112,514</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 2016 through 2019 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 FY2016-17 is \$6,547,180. Projected billings for FY2017-18 and FY2018-19 are forecasted at \$6,678,124 and \$6,811,686, respectively. Projected increases of 2.0 percent 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 FY2016-17 is \$2,234,192. Projected billings for FY2017-18 and FY2018-19 are \$2,278,876 and \$2,324,453, 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 FY2016-17 is \$4,095,000. Projected billings for FY2017-18 and FY2018-19 are \$4,176,900 and \$4,260,438, respectively, assuming an annual 2.0 percent increase due to projected vehicle replacements and the rising cost of repairs.

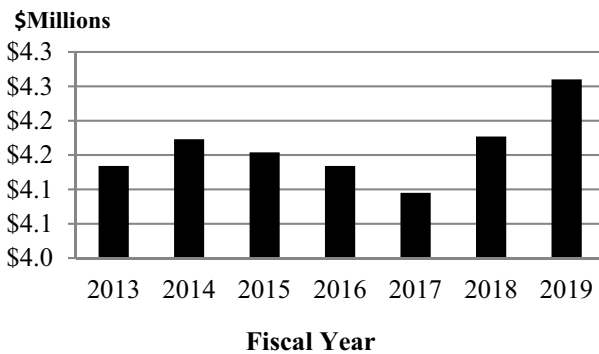
Charges for Gasoline represents the charge for gasoline and diesel fuel used by County departments. A nominal mark-up on top of the wholesale price is used to offset CAM's maintenance and operational expenses in this area. The recent decreases in the wholesale cost of gasoline reflect the volatility of this commodity, therefore the projections for gasoline at this moment remain flat.

Charges for Wash Facility represents charges for use of a large vehicle wash facility, which is scheduled to open during the summer of 2016. It is estimated that use of this facility will generate \$136,000 of revenue each year, from FY2016-17 through FY2018-19.

(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.

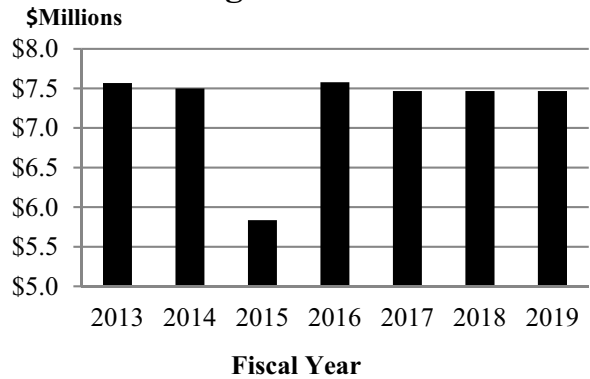
(To) From Internal Service Fund Retained Earnings is used to accumulate a reserve for replacement of motor pool vehicles when the vehicles reach the end of their useful life. Occasionally, increases in the cost of CAM operations, such as in gasoline and diesel fuel, requires Internal Service Fund Retained 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.

Charges for Use of Motor Pool



Fiscal years 2016 through 2019 are estimated.

Charges for Gasoline



Fiscal years 2016 through 2019 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 FY2017-18 and FY2018-19, Central Automotive Expenses expenses are projected to grow at 1.2 percent annually.

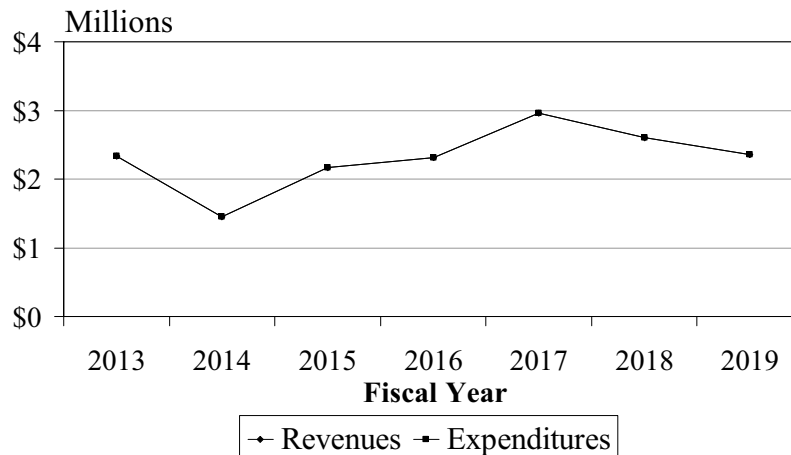
The proposed level of operational funding allows for increases in personnel costs such as changes in the cost of benefits and provides adequate operational adjustments necessary to overcome increases of vehicle repairs.

Retained Earnings, June 30, 2015, is \$4,930,188. The impact of anticipated resources and expenditures on the ending balance is projected for each fiscal year of the forecast period, and anticipates no change.

Central Automotive Maintenance Internal Service Fund Forecast

	FY14-15 Actual	FY15-16 Original	FY16-17 Forecast	FY17-18 Forecast	FY18-19 Forecast
Revenues:					
Charges for Auto Maint West	\$ 7,044,396	\$ 6,440,002	\$ 6,547,180	\$ 6,678,124	\$ 6,811,686
Charges for Auto Maint East	2,243,111	2,009,750	2,234,192	2,278,876	2,324,453
Charges for Use of Motor Pool	4,154,339	4,134,000	4,095,000	4,176,900	4,260,438
Charges for Gasoline	5,835,069	7,577,940	7,466,354	7,466,354	7,466,354
Charges for Wash Facility	0	0	136,000	136,000	136,000
Miscellaneous Revenues	338,161	345,100	345,100	345,100	345,100
Gain/Loss on Sale of Property	(57,838)	0	0	0	0
Total Revenues	\$ 19,557,238	\$ 20,506,792	\$ 20,823,826	\$ 21,081,353	\$ 21,344,031
(To) From General Fund	0	0	0	0	0
(To) From Contributions in Aid	0	0	0	0	0
(To) From Capital Projects	(1,545,139)	0	0	0	0
(To) From Retained Earnings	2,260,379	0	0	0	0
Total Resources	\$ 20,272,478	\$ 20,506,792	\$ 20,823,826	\$ 21,081,353	\$ 21,344,031
Expenditures:					
Central Automotive Maintenance	\$ 20,272,478	\$ 20,506,792	\$ 20,823,826	\$ 21,081,353	\$ 21,344,031
Total Expenditures	\$ 20,272,478	\$ 20,506,792	\$ 20,823,826	\$ 21,081,353	\$ 21,344,031
Retained Earnings June 30	\$ 4,930,188	\$ 4,930,188	\$ 4,930,188	\$ 4,930,188	\$ 4,930,188

Three Year Forecast Revenues and Expenditures Technology Replacement



Fiscal Years 2016 through 2019 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 originated from interdepartmental charges and continue with funding from 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

(To) From General Fund is the transfer from the General Fund for the initial purchase of computer equipment. The FY2017 forecasted budget reflects a transfer of \$2.0 million. The FY2018 and FY2019 forecasts reflect a transfer of \$2.25 million and \$2.5 million, respectively. These transfers are 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 FY2017, the Technology Replacement Fund expenses are projected to be \$2,962,438. For FY2018, forecasted expenses are projected to be \$2,607,171 and in FY2019, expenses are projected to be \$2,355,911. The FY2018 and FY2019 forecasts assume that all items in the Fund, which qualify for replacement, will be purchased on a pre-determined schedule.

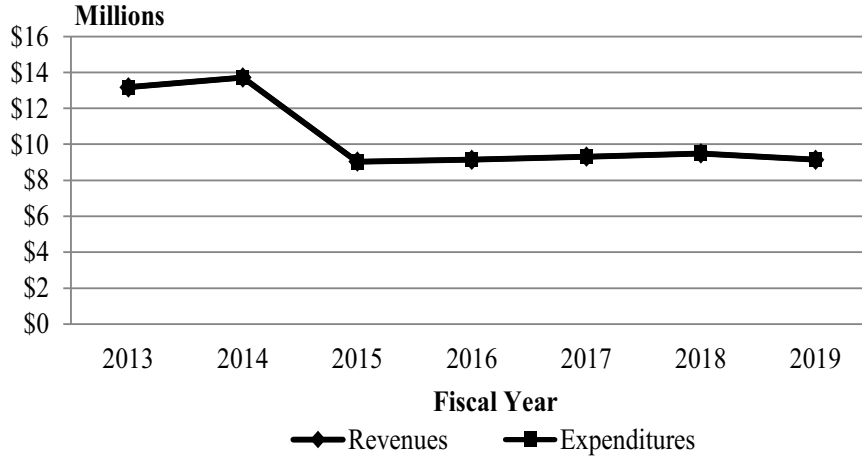
Retained Earnings, June 30, 2015, is \$3,907,124. The impact of anticipated resources, including operating transfers and expenditures on the ending balance, is projected for each fiscal year of the forecast period.

Technology Replacement Internal Service Fund Forecast

	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Forecast	FY 17-18 Forecast	FY 18-19 Forecast
Revenues:					
Transfer from General Fund	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000	\$ 2,250,000	\$ 2,500,000
(To) From Retained Earnings - Technology Replacement	1,164,388	1,317,152	962,438	357,171	(144,089)
Total Revenues	\$ 2,164,388	\$ 2,317,152	\$ 2,962,438	\$ 2,607,171	\$ 2,355,911
Expenditures:					
Technology Equipment	\$ 2,164,388	\$ 2,317,152	\$ 2,962,438	\$ 2,607,171	\$ 2,355,911
Total Expenditures	\$ 2,164,388	\$ 2,317,152	\$ 2,962,438	\$ 2,607,171	\$ 2,355,911
Retained Earnings June 30*	\$ 3,907,124	\$ 2,589,972	\$ 1,627,534	\$ 1,270,363	\$ 1,414,452

*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 2016 through 2019 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 through FY2018-19 are \$750,000 per year, which is slightly below the actual amount received during FY2014-15.

Recovered Costs - Miscellaneous includes recovered costs associated with property and liability as well as workers’ compensation. While revenues of \$610,544 were received during FY2014-15, there are no revenues anticipated in this area throughout the forecast period.

Use of Money and Property represents interest on the certificate of deposit for self-insurance. While revenues of \$16,518 were received during FY2014-15, there are no revenues anticipated in this area throughout the forecast period.

(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 \$8,393,421 is anticipated for FY2016-17, with a 2.0 percent increase projected for FY2017-18 and FY2018-19.

Expenditures
Assumptions

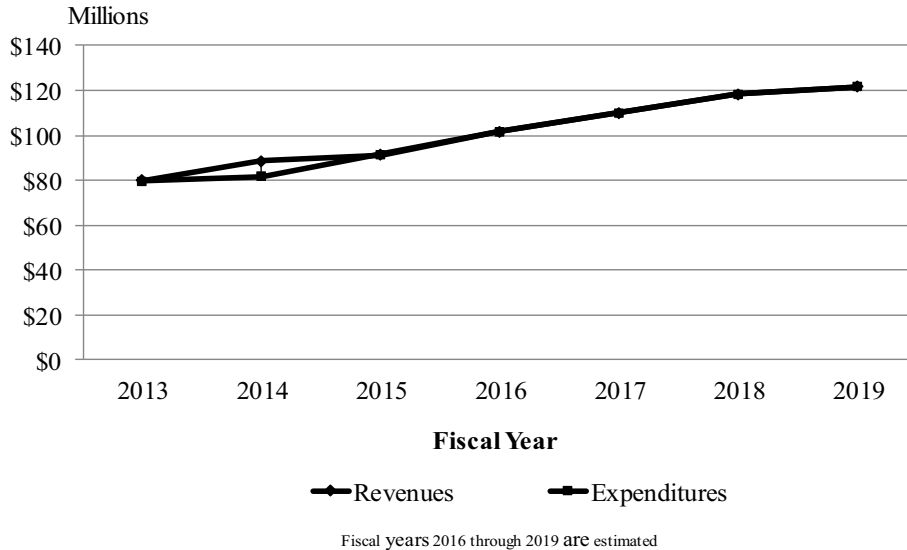
The development of the Risk Management Fund budget assumes revenues and transfers will support expenditures in future years. For FY2017-18 and FY2018-19, Internal Service Fund expenses are projected to grow at an annual rate of approximately 2.0 percent. Due to the unpredictable nature of expenditures, 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, 2015, totals \$7,500,000. The County has assigned this amount in the General Fund's fund balance specifically for self-insurance.

Risk Management Internal Service Fund Forecast

	FY14-15 Actual	FY15-16 Original	FY16-17 Forecast	FY17-18 Forecast	FY18-19 Forecast
Revenues:					
Public Utilities Charges	\$ 841,442	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
Recovered Costs - Misc	610,544	-	-	-	-
Use of Money and Property	16,518	-	-	-	-
Total Revenues	<u>\$ 1,468,504</u>	<u>\$ 750,000</u>	<u>\$ 750,000</u>	<u>\$ 750,000</u>	<u>\$ 750,000</u>
(To) From General Fund	<u>\$ 11,778,543</u>	<u>\$ 8,397,952</u>	<u>\$ 8,393,421</u>	<u>\$ 8,561,289</u>	<u>\$ 8,732,515</u>
Total Resources	<u><u>\$ 13,247,047</u></u>	<u><u>\$ 9,147,952</u></u>	<u><u>\$ 9,143,421</u></u>	<u><u>\$ 9,311,289</u></u>	<u><u>\$ 9,482,515</u></u>
Expenditures:					
Risk Management	<u>\$ 13,247,047</u>	<u>\$ 9,147,952</u>	<u>\$ 9,143,421</u>	<u>\$ 9,311,289</u>	<u>\$ 9,482,515</u>
Total Expenditures	<u><u>\$ 13,247,047</u></u>	<u><u>\$ 9,147,952</u></u>	<u><u>\$ 9,143,421</u></u>	<u><u>\$ 9,311,289</u></u>	<u><u>\$ 9,482,515</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



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 FY2016-17 reflects an increase in the County’s contribution for active employees of 4.7 percent. The forecasts for FY2017-18 and FY2018-19 assume 8.0 percent increases when combining rate increases and annual enrollment growth.

Employee Contribution represents contributions from active General Government and Schools employees toward their respective individual healthcare plans. The forecast for FY2016-17 reflects an overall increase of 4.0 percent, which assumes a rate increase of 2.9 percent in calendar year 2016 (which will impact the first half of FY2016-17).

The forecasts for FY2017-18 and FY2018-19 assume 8.0 percent increases when combining rate increases and 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 FY2016-17 reflects an increase of 4.0 percent, assuming a rate increase of 2.9 percent in calendar year 2016 (which will impact the first half of FY2016-17). The forecasts for FY2017-18 and FY2018-19 assume 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 FY2017-18 through FY2018-19 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 2.3 percent in FY2016-17. In addition, 5.0 percent annual increases are projected for FY2017-18 and FY2018-19 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.

Healthcare Wellness Payments in the FY2016-17 budget reflects the payment from the County's healthcare administrator in the amount of \$150,000 to support the Wellness Program initiative.

Interest Income reflects interest earned throughout the fiscal year on bank balances relating to the Healthcare Fund. The annual forecast for this revenue is projected to be \$150,000 for FY2016-17 through FY2018-19.

(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 FY2016-17 Approved Budget assumes the use of \$4,025,060 from the Premium Stabilization Reserve to help offset the healthcare cost increase to the County. The FY2016-17 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 FY2016-17 assumes an increase in claims expenditures by 7.3 percent, and the forecasts for FY2017-18 and FY2018-19 assume increases of 4.2 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 FY2016-17 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 \$486,000 for a Transitional Reinsurance Fee and \$39,060 for a Patient Centered Outcomes Research Institute (PCORI) fee.

The forecast for FY2016-17 projects a decrease in other administrative fee costs of 4.4 percent. The decrease is attributable to a reduction in the ACA's Transitional Reinsurance Fee annual per capita contribution rate for 2016 being reduced to \$27 per covered life, from \$44 per covered life in 2015. The forecasts for FY2017-18 and FY2018-19 assume no change in other administrative fee costs.

Premium Stabilization Reserve (PSR)

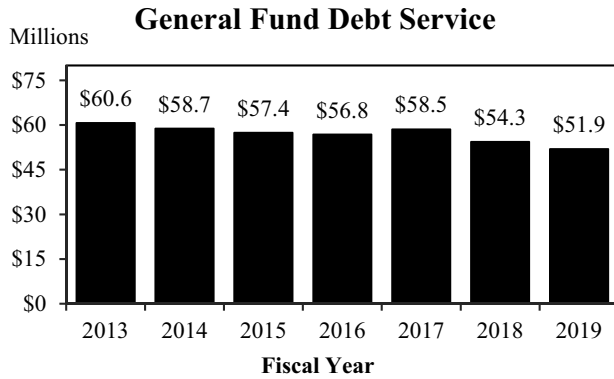
The Healthcare Fund's **Premium Stabilization Reserve (PSR)** reflects the accumulation of annual revenues collected in excess of expenditures. This reserve allows the County to maintain annual rate increases at manageable levels. For example, in FY2016-17, approximately \$4.0 million from the PSR is designated for use in the Annual Fiscal Plan to minimize rate increases to the County. As of June 30, 2015, the PSR has a balance of \$19,334,701, 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, 2015. 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, 2015 in future years.

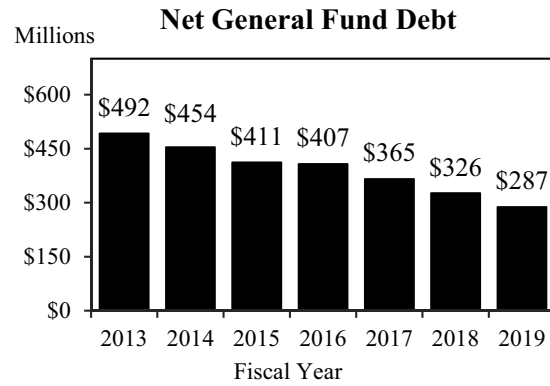
Healthcare Internal Service Fund Forecast

	<u>FY14-15</u> Actual	<u>FY15-16</u> Original	<u>FY16-17</u> Forecast	<u>FY17-18</u> Forecast	<u>FY18-19</u> Forecast
Revenues:					
County Contribution - Active	\$ 66,941,366	\$ 73,041,136	\$ 76,440,957	\$ 82,556,234	\$ 89,160,732
Employee Contribution	17,398,025	18,363,017	19,097,537	20,625,340	22,275,367
Retiree Contribution	5,523,396	6,893,572	7,169,315	7,742,860	8,362,289
Retiree Subsidy	674,557	859,701	879,440	923,412	969,583
Disabled Subsidy	76,991	117,623	116,292	116,292	116,292
COBRA	257,348	336,487	349,947	377,943	408,178
Healthcare - Wellness Payment	304,820	150,000	75,000	150,000	150,000
Interest Income	125,157	75,000	150,000	150,000	150,000
Total Revenues	<u>\$ 91,301,660</u>	<u>\$ 99,836,536</u>	<u>\$ 104,278,488</u>	<u>\$ 112,642,080</u>	<u>\$ 121,592,441</u>
(To) From Premium Stabilization Fund	\$ 211,848	\$ 1,815,970	\$ 4,025,060	\$ -	\$ -
Total Resources	<u>\$ 91,513,508</u>	<u>\$ 101,652,506</u>	<u>\$ 108,303,548</u>	<u>\$ 112,642,080</u>	<u>\$ 121,592,441</u>
Expenditures:					
Claims	85,412,530	95,299,536	102,231,988	106,570,520	115,520,881
Other Administrative Fees	<u>\$ 6,100,978</u>	<u>\$ 6,352,970</u>	<u>\$ 6,071,560</u>	<u>\$ 6,071,560</u>	<u>\$ 6,071,560</u>
Total Expenditures	<u>\$ 91,513,508</u>	<u>\$ 101,652,506</u>	<u>\$ 108,303,548</u>	<u>\$ 112,642,080</u>	<u>\$ 121,592,441</u>
Premium Stabilization Reserve (PSR):					
Premium Stabilization Reserve (PSR)	19,334,701	17,518,731	13,493,671	13,493,671	13,493,671
Incurred But Not Reported (IBNR)	<u>\$ (7,494,000)</u>	<u>\$ (7,494,000)</u>	<u>\$ (7,494,000)</u>	<u>\$ (7,494,000)</u>	<u>\$ (7,494,000)</u>
Uncommitted PSR	<u>\$ 11,840,701</u>	<u>\$ 10,024,731</u>	<u>\$ 5,999,671</u>	<u>\$ 5,999,671</u>	<u>\$ 5,999,671</u>

Three Year Forecast Revenues and Expenditures Debt Service Fund



Fiscal Years 2016 through 2019 are estimated.



Fiscal Years 2016 through 2019 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 2016 through 2019 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 \$34,000,000 of debt for the replacement of the 800 MHz Communication System used by Henrico's public safety agencies. This debt was issued in February of 2016.

(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.

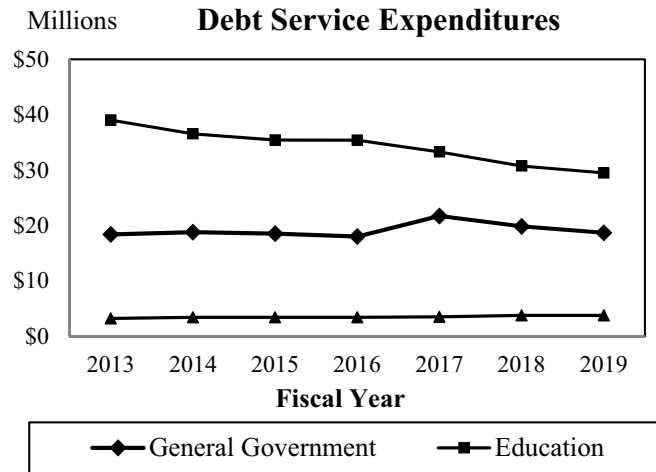
(To) Capital Projects Fund represents the transfer of excess accumulated debt service fund equity for funding pay-as-you-go capital projects. It could also represent the utilization of interest earnings from bond proceeds to help offset debt service payments.

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.

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.



Fiscal Years 2016 through 2019 are estimated.

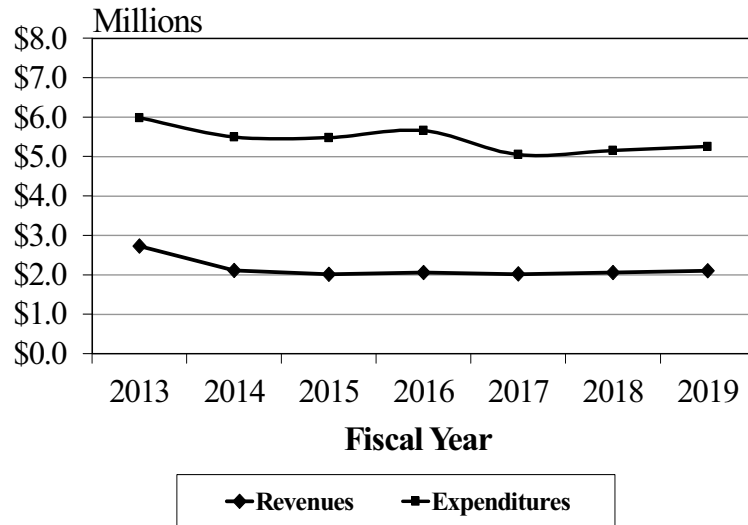
Debt Service - Public Works includes principal and interest payments on General Obligation (G.O.) Bonds issued to support road improvements throughout the County.

Debt Service Fund Forecast

	FY2015 Actual	FY2016 Approved	FY2017 Forecast	FY2018 Forecast	FY2019 Forecast
Revenues:					
(To) From General Fund	\$ 57,350,014	\$ 54,805,548	\$ 57,507,646	\$ 54,324,935	\$ 51,912,224
(To) From Fund Equity	0	0	1,000,000	0	0
(To) From Capital Projects Fund	0	2,000,000	0	0	0
Miscellaneous Revenue	0	0	0	0	0
Total Revenues	\$ 57,350,014	\$ 56,805,548	\$ 58,507,646	\$ 54,324,935	\$ 51,912,224
Expenditures:					
Debt Service - General Government	\$ 18,528,387	\$ 17,999,230	\$ 21,721,694	\$ 19,837,723	\$ 18,680,860
Debt Service - Education	35,433,823	35,411,580	33,292,773	30,757,369	29,487,169
Debt Service - Public Works	3,387,804	3,394,738	3,493,179	3,729,843	3,744,195
Total Expenditures	\$ 57,350,014	\$ 56,805,548	\$ 58,507,646	\$ 54,324,935	\$ 51,912,224
Fund Equity*	\$ 1,129,065	\$ 1,129,065	\$ 129,065	\$ 129,065	\$ 129,065

*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 2016 through 2019 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 \$1,559,396 is forecast for FY2017. This is a decrease of 4.4 percent from the projection of State revenues in FY2016. The lowering of this estimate is due to a decrease in the average daily population at the facility, which is part of the State’s funding formula.

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 \$458,482 for FY2017, \$467,652 for FY2018, and \$477,004 for FY2019.

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 of the facility. The debt service payment that Henrico made in FY2016 completed the payments on the \$7.125 million of bonds issued in November, 2000 for facility construction.

To (From) Retained Earnings is the anticipated difference between revenues and expenditures. The use of Fund Equity is projected at \$48,724 for FY2017, \$78,886 for FY2018, and \$109,652 for FY2019. 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

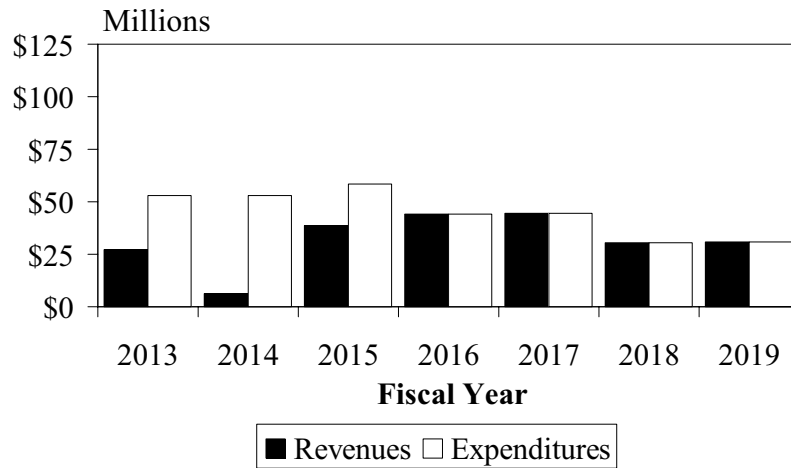
James River Juvenile Detention Center includes the personnel, operating, and capital expenditures required to operate the facility. The JRJDC Agency Fund requirements for the forecast period are expected to grow at an annual rate of 2.0 percent. This level of operational funding allows for operational adjustments for actual costs incurred in the day-to-day operations of the James River Juvenile Detention Center. As noted above, Henrico has now completed paying the debt for construction of the facility, lowering future annual expenditure obligations.

At the December 11, 2015 meeting, the Commission approved a plan to add \$100,000 of facility maintenance funding to the annual budget, in an effort to provide funding for capital projects that will be needed to maintain the facility as it ages.

JRJDC Agency Fund Forecast

	<u>FY14-15 Actual</u>	<u>FY15-16 Original</u>	<u>FY16-17 Forecast</u>	<u>FY17-18 Forecast</u>	<u>FY18-19 Forecast</u>
JRJDC Operations and Debt Service Subfunds					
Revenues:					
Revenue from Commonwealth	\$ 1,602,976	\$ 1,631,369	\$ 1,559,396	\$ 1,559,396	\$ 1,559,396
Revenue from Federal Govt	68,063	0	0	0	0
Revenue from Goochland	203,877	211,944	229,241	233,826	238,502
Revenue from Powhatan	203,877	211,944	229,241	233,826	238,502
Other Localities	0	0	0	0	0
Recovered Costs	0	0	0	0	0
Interest Income	5,910	0	0	0	0
Total Revenues	<u>2,084,703</u>	<u>2,055,257</u>	<u>2,017,878</u>	<u>2,027,048</u>	<u>2,036,401</u>
Plus:					
(To) From Construction Subfund	0	0	0	0	0
(To) From General Fund	3,314,227	3,426,586	2,979,622	3,039,214	3,099,999
(To) From Retained Earnings	77,252	169,762	48,724	78,886	109,652
Total Resources	<u>\$ 5,476,182</u>	<u>\$ 5,651,605</u>	<u>\$ 5,046,224</u>	<u>\$ 5,145,148</u>	<u>\$ 5,246,051</u>
Expenditures:					
James River Juvenile Detention Center	\$ 4,812,196	\$ 4,980,278	\$ 4,946,224	\$ 5,045,148	\$ 5,146,051
JRJDC Maintenance Capital Funds	0	0	100,000	100,000	100,000
Debt Service	663,986	671,327	0	0	0
Total Expenditures	<u>\$ 5,476,182</u>	<u>\$ 5,651,605</u>	<u>\$ 5,046,224</u>	<u>\$ 5,145,148</u>	<u>\$ 5,246,051</u>

Three Year Forecast Revenues and Expenditures Capital Projects Fund



Fiscal Years 2016 through 2019 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.

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.

Transfers:

(To) From General Fund is the transfer of non-bond resources from the General Fund. The FY2017 transfer of \$43,155,447 includes an allocation of \$8,450,000 from General Fund balance. This allocation includes \$5.0 million for pay-as-you-go construction which is to be divided equally between General Government and Education to support various ongoing projects. The remaining \$3,450,000 associated with the General Fund balance transfer will support the Fire SCBA replacement and an Energy Management project and provide partial funding for the Greenwood Park project and the Data Center upgrade project. The forecast also includes a \$4,899,400 allocation from the Designated Capital Reserve Fund balance which will provide the remaining funding for the Fire Alerting System and the Dumbarton Library Repurpose project as well as partial funding for the Parham Road Complex Improvements, the Courts Building Refresh, and the

Data Center upgrade project. Building Inspections' Permit Fee revenue of \$1.0 million is forecasted for the remaining allocation needed for the Information Technology's Tidemark replacement project.

The FY2017 transfer includes the use of Education Meals Tax revenue of \$9.0 million for various maintenance and rehabilitation projects identified by Schools. In addition, \$10,783,247 in fund balance associated with prior year additional Meals Tax receipts will provide funding for the planning phase of the renovation of six elementary schools and one middle school. The reserve that is tied to the Meals Tax 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 FY2017 transfer 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 to meet the County's Chesapeake Bay Total Maximum Daily Load (TMDL) permit requirement. The General Fund revenues transfer for FY2017 totals \$5,824,800 and will fund the School Bus Replacement Program, the Fire Apparatus Replacement Program, and the Police Vehicle Replacement Program.

The FY2018 forecasted transfer of \$30,522,800 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, a 5.0 million allocation from the Designated Capital Reserve Fund balance, \$9.0 million from Education Meals Tax revenue, \$2.0 million in fund balance associated with prior year additional Meals Tax receipts, \$2,348,000 of dedicated stormwater funding, \$850,000 from Motor Vehicle License Fee revenue, and \$6,324,800 in General Fund revenues. The FY2019 forecast of \$31,022,800 mirrors the FY2018 forecast with the exception of the General Fund revenues, which is projected at a cost of \$6,824,800 to cover the additional forecasted allocation of \$500,000 for the School Bus Replacement Program.

(To) From Special Revenue Fund is the transfer of non-bond resources from the Special Revenue Fund. In the FY2017 forecast, Special Revenue Fund Mental Health fund balance of \$1,018,500 has been dedicated for the replacement of the MH/DS Cerner/Anasazi System and Landfill revenue of \$150,000 will fund the Springfield Public Use Area shed replacement.

Expenditures

Assumptions

Capital Project Expenditures over the three-year forecast period are requested at \$105,869,547. General Fund balance expenditures for the three-year period total \$18,450,000 of which \$7.5 million has been designated for Schools and the remaining \$10,950,000 is designated for General Government. Forecasted FY2017 expenditures which have been designated for Schools will cover mechanical improvements of \$997,000 and roof replacements of \$1,503,000. The remaining \$5,950,000 for General Government includes \$400,000 for Information Technology projects, \$750,000 for mechanical improvements, \$500,000 for Recreation facility rehabilitation projects, \$400,000 for pavement rehabilitation projects, \$300,000 for roof replacement and rehabilitation projects, \$150,000 for the Geographic Information System project, \$1.7 million for Fire SCBA replacement, \$600,000 for the Data Center upgrade, \$350,000 for Energy Management, and \$800,000 for the Greenwood Park project. FY2018 and FY2019 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 \$14,899,400. FY2017 expenditures of \$4,899,400 which will provide the remaining funding for the Fire Alerting System and the Dumbarton Library Repurpose project as well as partial funding for the Parham Road Complex Improvements, the Courts Building Refresh, and the Data Center upgrade project. FY2018 and FY2019 forecasted expenditures are budgeted at \$5.0 million per year to fund future capital projects.

Education Meals Tax revenue and prior year additional Meals Tax receipts combined are forecasted to generate \$41,783,247 over the three-year period which would provide funding for various Schools infrastructure 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. Permit Fee revenue for the three-year period totals \$1.0 million for Information Technology's Tidemark replacement project. FY2017 marks the final year of funding for this project.

Expenditures utilizing General Fund revenues for the three year forecast period total \$18,974,400. 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 \$7.5 million over the forecast period.

In FY2017, the Special Revenue Fund Mental Health fund balance of \$1,018,500 will replace the MH/DS Cerner/Anasazi System and Landfill revenue of \$150,000 will fund the Springfield Public Use Area shed replacement.

(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 FY2015-16 and FY2016-17 Capital Budgets.

FY2016		FY2017	
From General Fund - \$43,474,772		From General Fund - \$43,155,447	
Project	Total	Project	Total
Recreation Facility Rehabilitation	\$ 500,000	Recreation Facility Rehabilitation	\$ 500,000
Geographic Information System	150,000	Geographic Information System	150,000
General Road Construction	850,000	General Road Construction	850,000
Information Technology Projects	600,000	Information Technology Projects	400,000
Education Meals Tax Project Reserve	10,990,470	Education Meals Tax Project Reserve	19,783,247
Schools - Mechanical Improvement	1,607,500	Schools - Mechanical Improvement	997,000
Schools - Roof Replacement	892,500	Schools - Roof Replacement	1,503,000
Mechanical Improvements	550,000	Mechanical Improvements	750,000
Roof Replacement and Rehabilitation	300,000	Roof Replacement and Rehabilitation	300,000
Pavement Rehabilitation	400,000	Pavement Rehabilitation	400,000
Chesapeake Bay TMDL Compliance	2,348,000	Chesapeake Bay TMDL Compliance	2,348,000
School Bus Replacement Plan	1,000,000	School Bus Replacement Plan	2,000,000
Fire Apparatus Replacement Program	1,500,000	Fire Apparatus Replacement Program	1,500,000
Police Vehicle Replacement Program	2,324,800	Police Vehicle Replacement Program	2,324,800
Greenwood Park	6,000,000	Greenwood Park	800,000
Tidemark Replacement	500,000	Tidemark Replacement	1,000,000
Dumbarton Library Repurpose	190,000	Dumbarton Library Repurpose	2,000,000
Bridge Rehabilitation	6,531,502	Fire SCBA Replacement	1,700,000
Fire Station #19	6,240,000	Fire Alerting System	1,008,000
Total From General Fund	\$ 43,474,772	Data Center Upgrade	1,200,000
		Parham Road Complex Improvements	691,400
		Courts Building Refresh	600,000
		Energy Management	350,000
		Total From General Fund	\$ 43,155,447

Capital Projects Fund Forecast

	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Forecast	FY 17-18 Forecast	FY 18-19 Forecast
Resources:					
Revenues:					
Use of Money and Property	\$ 369,449	-	-	-	-
Miscellaneous Revenues	1,896,358	160,000	-	-	-
Intergovernmental	613,765	-	-	-	-
Subtotal Revenues	<u>\$ 2,879,572</u>	<u>\$ 160,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transfers:					
(To) From General Fund:					
General Fund Balance	\$ 7,283,834	\$ 5,000,000	\$ 8,450,000	\$ 5,000,000	\$ 5,000,000
Designated Capital Reserve	2,600,000	10,430,000	4,899,400	5,000,000	5,000,000
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	9,000,000
Fund Balance (Meals Tax Prior Yr Addtl Receipts)	-	1,990,470	10,783,247	2,000,000	2,000,000
Permit Fee Revenue	500,000	500,000	1,000,000	-	-
HB#599 Revenue	375,000	-	-	-	-
Stormwater Dedication	-	2,348,000	2,348,000	2,348,000	2,348,000
General Fund Revenues	3,824,800	5,824,800	5,824,800	6,324,800	6,824,800
Capital Initiatives	-	1,000,000	-	-	-
Subtotal General Fund Transfers	<u>\$ 33,185,101</u>	<u>\$ 43,474,772</u>	<u>\$ 43,155,447</u>	<u>\$ 30,522,800</u>	<u>\$ 31,022,800</u>
Transfers:					
(To) From Special Revenue Fund:					
Landfill Fees	\$ 2,000,000	\$ -	\$ 150,000	\$ -	\$ -
Fund Balance - State and Fed Grants	500,000	500,000	1,018,500	-	-
Subtotal Special Revenue Fund	<u>\$ 2,500,000</u>	<u>\$ 500,000</u>	<u>\$ 1,168,500</u>	<u>\$ -</u>	<u>\$ -</u>
Total Resources and Transfers	<u><u>\$ 38,564,673</u></u>	<u><u>\$ 44,134,772</u></u>	<u><u>\$ 44,323,947</u></u>	<u><u>\$ 30,522,800</u></u>	<u><u>\$ 31,022,800</u></u>
Expenditures:					
General Government	\$ 34,877,121	\$ 19,914,800	\$ 16,692,700	\$ 11,324,800	\$ 11,324,800
Education	19,463,892	14,490,470	24,283,247	16,000,000	16,500,000
Public Works	3,278,904	9,729,502	3,198,000	3,198,000	3,198,000
Utilities - Landfill	995,850	-	150,000	-	-
Total Expenditures	<u>\$ 58,615,767</u>	<u>\$ 44,134,772</u>	<u>\$ 44,323,947</u>	<u>\$ 30,522,800</u>	<u>\$ 31,022,800</u>
(To) From Capital Projects	\$ 20,051,094	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000
Fund Equity					
Capital Projects Fund Balance	<u><u>\$ 138,587,171</u></u>	<u><u>\$ 118,587,171</u></u>	<u><u>\$ 98,587,171</u></u>	<u><u>\$ 78,587,171</u></u>	<u><u>\$ 58,587,171</u></u>

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 6/30/15.

GENERAL FUND



COUNTY OF HENRICO, VIRGINIA
APPROVED GENERAL FUND REVENUES
FY 2016-17

Revenues:			
Function/Program	FY 14-15	FY 15-16	FY 16-17
	Actual	Original	Approved
Revenue from Local Sources:			
General Property Taxes	\$372,446,815	\$408,950,000	\$421,760,000
Other Local Taxes	156,283,959	138,455,000	143,485,000
Permits, Fees, & Licenses	6,465,649	4,126,100	4,701,100
Fines & Forfeitures	2,596,069	2,590,000	2,590,000
From Use of Money & Property	3,062,693	7,915,600	7,925,600
Charges for Services	4,095,705	3,585,100	3,700,450
Miscellaneous	6,906,003	4,132,500	4,132,500
Recovered Costs	4,187,385	4,037,870	4,037,870
Total from Local Sources	<u>556,044,278</u>	<u>573,792,170</u>	<u>592,332,520</u>
Revenue from the Commonwealth:			
Categorical Aid:			
Education	236,077,975	239,009,800	250,510,000
Public Works	44,667,326	43,317,000	44,050,000
Public Safety (HB #599)	8,267,452	8,500,000	8,700,000
Other	4,521,446	4,296,475	4,423,475
Total Categorical Aid	<u>293,534,199</u>	<u>295,123,275</u>	<u>307,683,475</u>
Non-Categorical Aid:			
General Government	<u>54,362,977</u>	<u>16,718,500</u>	<u>16,718,500</u>
Total Non-Categorical Aid	<u>54,362,977</u>	<u>16,718,500</u>	<u>16,718,500</u>
Shared Expenses:			
State Share of Salaries & Benefits	<u>16,723,227</u>	<u>16,222,000</u>	<u>17,054,000</u>
Total from the Commonwealth	<u>364,620,403</u>	<u>328,063,775</u>	<u>341,455,975</u>
Revenue from the Federal Government			
Total Revenues	<u>393,110</u>	<u>380,000</u>	<u>365,000</u>
	<u>921,057,791</u>	<u>902,235,945</u>	<u>934,153,495</u>
Interfund Transfers:			
To Debt Service Fund	(57,350,014)	(54,805,548)	(57,507,646)
To Capital Projects Fund	(33,185,101)	(43,474,772)	(43,155,447)
To Enterprise Fund	(1,928,108)	(1,930,308)	(1,928,621)
To Technology Replacement	(1,000,000)	(1,000,000)	(2,000,000)
To Risk Management	(11,778,543)	(8,397,952)	(8,393,421)
To Special Revenue Fund	(24,326,570)	(26,610,991)	(27,985,219)
To JRJDC Agency Fund	(3,314,227)	(3,426,586)	(2,979,622)
To OPEB-GASB 45 Fiduciary Fund	(2,500,000)	(2,750,000)	(2,750,000)
To Line of Duty	(497,352)	(550,000)	(575,000)
Operating Transfer LTD	<u>(486,000)</u>	<u>0</u>	<u>0</u>
Total Transfers	<u>(136,365,915)</u>	<u>(142,946,157)</u>	<u>(147,274,976)</u>

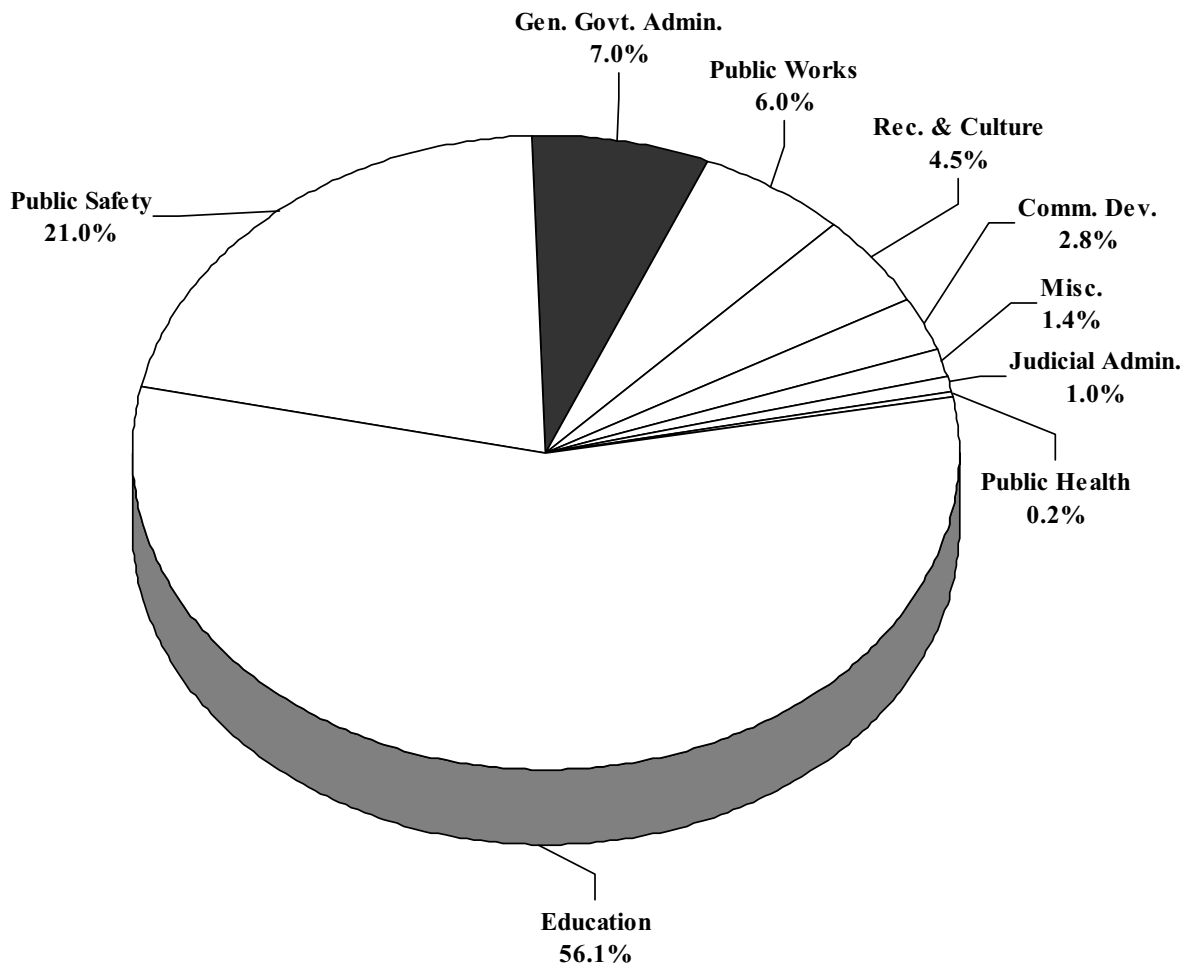
General Fund Revenues (cont'd)

Revenues:			
Function/Program	FY 14-15	FY 15-16	FY 16-17
	Actual	Original	Approved
Use of Fund Balance - Capital Projects	5,000,000	5,000,000	5,000,000
Use of Fund Balance - Designated Capital Reserve	2,600,000	10,430,000	4,899,400
Use of Fund Balance - Designated Fund Balance	0	0	3,100,000
Use of Fund Balance - Capital Initiatives	0	1,000,000	0
Use of Fund Balance - Undesignated	0	0	350,000
Use of Fund Balance - Public Works Reserve	8,751,467	6,531,502	0
From Fund Balance - Voting Machine Reserve	0	1,000,000	0
(To) Fund Balance - Voting Machine Reserve	0	(1,000,000)	0
Use of Fund Balance - Designated Permit Fee	500,000	500,000	1,000,000
From Fund Balance - Meals Tax FY14 Collection	0	1,990,470	0
From Fund Balance - Meals Tax FY15 Collection	0	0	8,783,247
From Fund Balance - Meals Tax FY16 Collection	0	0	2,000,000
(To) Fund Balance - Meals Tax Reserve	0	(2,000,000)	(2,000,000)
Use of Fund Balance - VRS Reserve	4,497,376	0	0
From Fund Balance - State Revenue Stabilization	0	1,000,000	0
(To) Revenue Stabilization Reserve	0	0	(1,000,000)
Use of Fund Balance - Des RE Tax (Ches. Bay TMDL)	2,348,000	0	0
(To) Fund Balance - Chesapeake Bay TMDL	(2,348,000)	0	0
From Sinking Fund	339,124	2,074,331	1,864,067
(To) Fund Balance - General Fund	(36,920,829)	0	0
Total Resources Net of Transfers	<u>\$769,459,014</u>	<u>\$785,816,091</u>	<u>\$810,875,233</u>

COUNTY OF HENRICO, VIRGINIA

General Government Administration

\$55,811,883



Total General Fund

\$810,875,233

**COUNTY OF HENRICO, VIRGINIA
GENERAL GOVERNMENT ADMINISTRATION - GENERAL FUND
FY 2016-17**

<u>Department</u>	<u>FY 14-15 Actual</u>	<u>FY 15-16 Original</u>	<u>FY 16-17 Approved</u>
Board of Supervisors	\$1,007,251	\$1,027,440	\$1,067,341
County Manager:			
Administration	1,803,345	1,702,927	1,802,580
Public Relations	786,775	825,928	818,638
Media Services	942,175	923,595	943,332
Total County Manager	<u>3,532,295</u>	<u>3,452,450</u>	<u>3,564,550</u>
County Attorney	2,141,614	2,185,408	2,313,899
Human Resources:			
Human Resources	3,561,639	4,093,391	4,160,867
Group Benefits	782,571	877,324	895,732
Total Human Resources	<u>4,344,210</u>	<u>4,970,715</u>	<u>5,056,599</u>
Finance:			
Administration	312,827	335,270	366,250
Technology	868,380	881,159	905,754
Accounting	1,522,064	1,604,143	1,611,123
Budget	754,416	779,504	775,382
Treasury	2,207,050	2,244,493	2,382,473
Purchasing	1,067,867	1,274,577	1,331,101
Real Estate Assessment	2,838,443	2,906,146	2,997,509
Board of Real Estate Review	15,834	18,721	18,721
Vehicle	1,351,021	1,514,461	1,511,489
Business	1,524,223	1,864,632	1,898,897
Total Finance	<u>12,462,125</u>	<u>13,423,106</u>	<u>13,798,699</u>
General Services:			
Records Management	473,362	463,420	472,897
Administration	2,021,703	1,825,206	1,672,747
Employee Cafeteria	396,706	444,140	440,174
Maintenance and Custodial	9,875,363	9,929,033	10,260,716
Security	1,298,930	1,449,588	1,465,726
Total General Services	<u>14,066,064</u>	<u>14,111,387</u>	<u>14,312,260</u>
Internal Audit	439,766	420,580	431,646
Information Technology	11,955,775	12,873,705	13,209,037
Real Property	615,726	619,207	630,743
Electoral Board	1,441,628	1,332,123	1,427,109
Total General Government Administration	<u><u>\$52,006,454</u></u>	<u><u>\$54,416,121</u></u>	<u><u>\$55,811,883</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 FY2016-17 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 FY2016-17 is \$1,067,341. This represents an overall increase of \$39,901 or 3.9 percent compared to FY2015-16. The increase is due to personnel cost increases as well as the addition of education and training funds, which were previously budgeted in a central reserve.

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 713,488	\$ 722,997	\$ 751,898	4.0%
Operation	293,173	304,443	315,443	3.6%
Capital	590	0	0	0.0%
Total	<u>\$ 1,007,251</u>	<u>\$ 1,027,440</u>	<u>\$ 1,067,341</u>	<u>3.9%</u>
Personnel Complement	4	4	4	0

Board of Supervisors (cont'd)

	Performance Measures			Change
	FY15	FY16	FY17	16 to 17
Performance Measures				
Population of County Served*	325,283	330,975	336,767	5,792
Regular Board Meetings Held	22	22	22	0
Special Board Meetings Held	24	26	26	0
Town Meetings Hosted	19	26	26	0
Board Papers Considered	256	240	260	20
Provisional Use Permits/Zoning Cases Considered	48	40	50	10
Board and Commission Members Appointed	109	113	115	2

*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.

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.

Budget Highlights

The FY2016-17 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 Board of Supervisors advised on County business and finances. Also, funds are included that allow the County Manager and his five 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.

Additionally, the County Manager and his deputies actively engage in promoting County interests by maintaining close communication with various important sectors of the community. These include County residents, civic groups, other governments, the local business community, the legislative delegation for the region, and increased use in social media. It also includes the Henrico Citizens Academy, a six week program to inform citizens of County services.

The County Manager’s budget for FY2016-17 is \$1,802,580. This represents an increase of \$99,653 or 5.9 percent compared to FY2015-16. This increase was driven by updated estimates for personnel including a 2.372 percent salary increase for FY2016-17 and rising health care costs, as well as the addition of a new Deputy County Manager for Public Safety position.

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 1,698,866	\$ 1,641,734	\$ 1,724,617	5.0%
Operation	99,073	61,193	77,963	27.4%
Capital	5,406	0	0	0.0%
Total	<u>\$ 1,803,345</u>	<u>\$ 1,702,927</u>	<u>\$ 1,802,580</u>	<u>5.9%</u>
Personnel Complement	13	13	14	1

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.

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.

Objectives

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

Budget Highlights

The Public Relations & Media Services department’s approved budget for FY2016-17 is \$1,761,970, which

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 1,522,604	\$ 1,524,046	\$ 1,532,519	0.6%
Operation	183,117	225,477	229,451	1.8%
Capital	23,229	0	0	0.0%
Total	\$ 1,728,950	\$ 1,749,523	\$ 1,761,970	0.7%
 Personnel Complement	 19	 19	 19	 0

Public Relations & Media Services (cont'd)

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Video Shoots	649	500	500	0
Publications Distributed	259,750	300,000	300,000	0
Cable TV Messages	1,428	1,600	1,600	0
Information Packets Distributed	12,399	15,500	15,500	0
Media Contacts Made	7,160	8,000	8,000	0
DVD Duplication	1,627	2,500	2,000	(500)
Photos Taken/Distributed	1,165	1,500	1,500	0

is a \$12,447 or a 0.7 percent increase from the FY2015-16 approved budget. The increase is attributable to personnel cost increases as well as the addition of training and tuition funds that were previously budgeted in a central reserve.

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

Public Relations

The Public Relations component of the approved budget for FY2016-17 is \$818,638. Compared to the approved FY2015-16 budget, this is a decrease of \$7,290 or 0.9 percent. The decrease 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 FY2016-17 is \$943,332, which is an increase of \$19,737 or 2.1 percent from FY2015-16. 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.

For FY2016-17, 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.

During FY2014-15, the office handled a large volume of transactions including the following examples: the procurement of new voting machines; the construction of a new police precinct in central Henrico; the completion of land acquisitions for the Cobbs Creek reservoir project in Cumberland County; refunding bond issues for the County and the Economic Development Authority; and an update of the County Code to conform to state law related to zoning and finance matters.

Objectives

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

The Office also 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 FY2014-15, 35 new lawsuits were filed in courts of record.

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

At present, 23 cases are pending in state and federal courts of record, which include trial and appellate courts. In FY2014-15, the office made 52 appearances in these courts. During that same period, the office handled 1,114 cases in courts not of record: 204 cases in the Henrico County General District Court and 910 cases in the Henrico County Juvenile and Domestic Relations District Court. Moreover, the office handled 48 administrative proceedings over the same period.

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 2,074,500	\$ 2,120,876	\$ 2,243,104	5.8%
Operation	67,114	64,532	70,795	9.7%
Capital	0	0	0	0.0%
Total	\$ 2,141,614	\$ 2,185,408	\$ 2,313,899	5.9%

Personnel Complement *	19	19	20	1
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*Complement includes one new Assistant County Attorney position

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
New Cases Filed	35	25	30	5
Cases Disposed of	35	30	30	0
Administrative Proceedings	48	25	40	15
Court Appearances	1,166	1,200	1,300	100
Contracts Drafted or Reviewed	1,508	1,200	1,200	0
Deeds and Leases Drafted or Reviewed	333	330	330	0
Board Papers Drafted or Reviewed	339	240	260	20
Freedom of Information Act Request Handled	317	300	300	0
Subpoenas Duces Tecum Handled	223	220	220	0
Restrictive Covenants Reviewed	29	25	25	0
Proposed Legislation Reviewed	136	110	110	0
Festival Permit Applications Reviewed	16	12	12	0
Sets of Conditional Zoning Proffers Reviewed	149	110	110	0
Official Opinions Rendered	3	3	3	0

In addition to litigation matters, the office handles a huge volume of transactional work on behalf of County departments. This work includes 1,508 contracts drafted or reviewed, 333 deeds and leases drafted or reviewed, 339 board papers drafted or reviewed, 317 Freedom of Information Act requests handled, 223 Subpoenas Duces Tecum handled, 29 restrictive covenants reviewed, 16 festival permit applications reviewed, 149 sets of conditional zoning proffers reviewed, and three official opinions.

During the months of January, February, and March 2014, while the General Assembly was in session, 136 articles of proposed legislation were reviewed.

Finally, during FY2014-15, the County Attorney's office recovered \$168,470, owed to the County through bankruptcy proceedings, \$18,831 in overweight vehicle revenue from citations, and \$26,153 in revenue from delinquent tax sales.

The department's budget for FY2016-17 is \$2,313,899, which reflects an increase of \$128,491 or 5.9 percent compared to FY2015-16. The increase is primarily attributable to personnel cost increases including adding a new Assistant County Attorney position. The operating component also increased due to the addition of training and travel funds, which were previously budgeted in a central reserve.

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 citizens, the County has risen to the challenge. 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 and talent development and organizational learning, 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 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>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 3,147,099	\$ 3,519,828	\$ 3,576,818	1.6%
Operation	414,340	573,213	583,699	1.8%
Capital	200	350	350	0.0%
Total	<u>\$ 3,561,639</u>	<u>\$ 4,093,391</u>	<u>\$ 4,160,867</u>	<u>1.6%</u>
Employee Services	<u>\$ 782,571</u>	<u>\$ 877,324</u>	<u>\$ 895,732</u>	<u>2.1%</u>
Total Budget	<u>\$ 4,344,210</u>	<u>\$ 4,970,715</u>	<u>\$ 5,056,599</u>	<u>1.7%</u>

Personnel Complement	45	46	46	0
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Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Applications Received	34,496	35,500	36,000	500
Retirements (FY)	121	115	100	(15)
Effectiveness Measures				
Turnover Rate	9.8%	9.2%	9.0%	(0.2%)

- 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.

Budget Highlights

The Department of Human Resources budget for FY2016-17 totals \$5,056,599, representing a net increase of \$85,884 or 1.7 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 Human Resources section of the FY2016-17 budget is \$4,160,867, which represents a net increase of \$67,476 or 1.6 percent from the previous fiscal year. This increase is driven by the personnel component, which includes the 2.372 percent salary increase. Although this component experienced an overall increase, it is important to note that a reduction in the contributions to the VRS system is also reflected. The operating component totals \$583,699, increasing by \$10,486 when compared to the previous fiscal year. This component includes budget adjustments of \$8,908 for education and training and \$1,578 for tuition. Funding associated with these adjustments was

previously captured in a central reserve and have been reallocated to the Department's budget.

The FY2016-17 budget for the Group Benefits section of the Human Resources budget is \$895,732, increasing by a net difference of \$18,408 or 2.1 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 \$829,440, increasing by \$19,739 from the previous fiscal year. It provides coverage for 491 retirees at an average monthly cost of \$108 per retiree and provides coverage for 80 Voluntary Retirement Incentive Program (VRIP) retirees at an average monthly cost of \$198.

The Group Benefits budget also includes health care premiums for disabled retirees which total \$66,292 for FY2016-17, decreasing by \$1,331 from the previous fiscal year. This amount will provide health care premiums for eight disabled retirees which represents a reduction of one disabled retiree from the previous fiscal year.

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 9.8 percent this past year. This marked the twenty-eighth 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 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

Human Resources (cont'd)

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 - 34,496 total.

The County Manager's message and vision for the County and workplace culture are certainly taking root among the organization's supervisors, as can be observed in an increase in executive coaching sessions and increased participation in the Leadership Development Program (LDP). With this in mind, HR increased its efforts to foster leadership at all levels and a deeper understanding of the Henrico Way with its non-supervisory employees by launching the new Emerging Leaders Certification Program (ELCP). Within the same year as its launch, ELCP has already been expanded to two enrollment periods per year due to demand. The program facilitates not only leadership growth for employees County-wide, but also an increased knowledge of various County work functions.

Programs like LDP and ELCP are wonderful opportunities for professional development, but maintaining that growth even after an employee has completed the program is important. For the first time, HR encouraged LDP emeritus to stay involved, inviting them to serve as presenters for the Employee Academy (part of ELCP), to serve as LDP Level IV review panel members, to write articles for The County Connection surrounding themes of leadership at all levels and the Henrico Way, to be interviewed by ELCP participants regarding their LDP experiences, and to participate in ELCP discussion groups.

The County's Internship Program also saw tremendous growth in both its scope and participation this past fiscal year. 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, seventeen 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 played a significant role in the implementation of the County's second Voluntary Retirement Incentive Program (VRIP), resulting in 53 participants choosing

to retire between July and September 2014. Not only did this create vacancies, providing advancement opportunities within the organization, but it also generated a savings of \$1.34 million.

Inevitably, when there are advancements within the organization, the result is entry level vacancies. New employees bring new ideas and a wealth of possibility. In its desire to ensure fair and measured review of all applicants and better ensure the goal of getting the right people into the right roles, HR created a standard application matrix, creating consistency between applicant rankings.

Having received a joint NACo award with the Police Division for the *Police Fitness & Wellness Initiative*, which included the launch of a special Crossfit training program for Police personnel, HR undertook the expansion of the Crossfit training program to include personnel in the Division of Fire. A Crossfit blog was also launched as a tool to communicate daily workouts and other information to program participants.

HR staff also collaborated with the Division of Fire on the creation of the *Fire Fit Program* in response to the Fire Chief's vision for improved fitness and desire for a protocol that supported personnel's preparation for the annual Work Performance Evaluation (WPE). HR partnered with Fire to develop a manual which outlines the 12-week training program, designed to be completed prior to the WPE, with a tiered approach for all fitness levels and exercises which can be done anywhere, anytime. HR staff delivered a two-day training for peer fitness trainers in the Division of Fire, as well as creating a *Fire Fit* class for those who did not pass their last WPE, consisting of 24 hour of training on fitness, nutrition, and how to increase one's energy level.

Also in service to new hires, HR launched a completely redesigned New Employee Orientation (NEO) to better relay to new employees the County Manager's vision and discussing the Henrico Way through a more storytelling, less directive style. HR also streamlined the new employee work eligibility verification process by removing the federal I-9 paper forms in favor of electronic verification through a federally-hosted Web site, which immediately proves work eligibility.

Over the past several years, HR staff observed that retiree healthcare rates continued to rise. In consideration of this and the fact that most retirees are living on a fixed income, HR opted to transition those

Human Resources (cont'd)

retirees over 65 years of age from the previous Medicare Advantage group plan to enrollment in individual plans with OneExchange. Knowing that the move from UnitedHealthcare to OneExchange was a big change for our customers, information sessions were held for retirees regarding the transition and their new health reimbursement accounts (HRAs). This change lowers costs for retirees through the use of a health exchange and allows for plans tailored to the individual's needs.

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 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 operating and capital budgets 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>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 11,085,719	\$ 12,016,270	\$ 12,264,989	2.1%
Operation	1,322,434	1,394,203	1,509,077	8.2%
Capital	53,972	12,633	24,633	95.0%
Total	<u>\$ 12,462,125</u>	<u>\$ 13,423,106</u>	<u>\$ 13,798,699</u>	<u>2.8%</u>
Personnel Complement	168	168	168	0

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Parcels of Land Reviewed	114,370	114,840	115,540	700
Vehicles Assessed	363,776	364,000	370,000	6,000
Business License Payments	7,201	7,250	7,250	0
Cashier Transactions Per Teller/Day	64	100	100	0
Budget Transfer Document Processed	1,364	1,400	1,400	0
Accounts Payable Transactions	216,615	217,500	218,500	1,000
Debit Card Transactions	72,604	75,000	75,000	0
Credit Card Transactions	115,014	117,000	117,000	0
Tax Advantage Applicants	6,455	6,500	6,500	0
Electronic Bill Payments	246,996	266,524	266,524	0
Tax Bills Generated	705,614	733,800	763,200	29,400
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	25	26	27	1
Number of Years - GFOA Award for CAFR	32	33	34	1

Budget Highlights

The Department of Finance's budget for FY2016-17 totals \$13,798,699, representing an overall increase of \$375,593 or 2.8 percent from the previous approved budget. This increase in personnel is due to the annualization of a partial year salary increase, which became effective October 2015, as well as a 2.372 percent salary increase in FY2016-17. 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.

The operating component of the Finance budget includes the addition of training and tuition funds that were previously budgeted in a central reserve as well as additional funding for postage. The capital component includes an additional \$12,000 for replacement furniture and fixtures. The Finance operating budget decreased 17.4 percent between FY2009-10 and FY2015-16, including the addition of Purchasing. The capital portion of the Finance budget decreased 72.2 percent over the same time period.

During FY2015-16, 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-three consecutive years. The Office of Management and Budget received the Distinguished Budget Presentation Award from GFOA for the Annual Fiscal Plan for the twenty-sixth 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 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

Finance (cont'd)

revenues and minimizing expenditures without compromising service delivery. In the current economic environment, fiscal prudence, combined with proactive and pragmatic fiscal management, is of absolute necessity. The challenging economic conditions that have existed the past few years have 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 2015-16 fiscal year, which include:

- Filling only critically needed vacant positions.
- Continuing to seek ways to provide more efficient services to citizens through the use of technology such as making a receiving online payments.

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 and maintenance of new systems or upgrades of existing systems in the Department. 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 Section 15.2 of the County Manager Act. 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, 2016, the taxable assessed value of the County was approximately \$34.2 billion, an increase of 3.2 percent, or approximately \$1.1 billion, compared to January 1, 2015. The real estate market continues to recover 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 calendar year 2015 the Division processed 12,944 telephone inquiries and 1,297 walk-in requests for property information.

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) must be at least 26 years old to

Finance (cont'd)

qualify. For 2016, a total of 16 commercial property owners will receive \$140,799 in tax credits. The “Reinvest” residential rehabilitation program was initiated on January 1, 2010. A total of 92 properties have been completed with a total tax credit of \$49,215. In 2011 the Commonwealth of Virginia modified the Constitution to exempt the residence of permanently disabled veterans. As of January 1, 2016, 320 homes have been exempted for a total tax savings for the veterans of \$589,165 based on the current tax rate. Also, beginning in 2016 an additional constitutional amendment exempted residences of spouses of members of the armed forces killed in action.

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 452 property owners are currently in the program totaling approximately 30,000 acres.

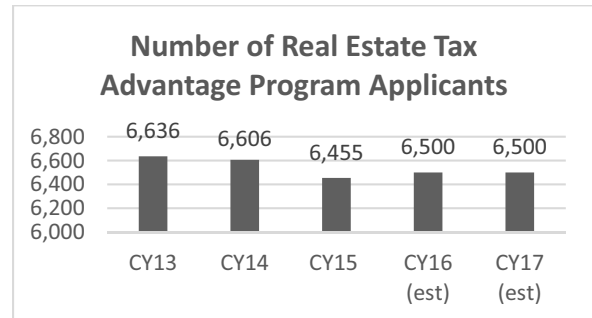
Revenue

The Revenue Division consists of two sections: Business and Vehicle. The Business section administers business license and 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 and personal property taxes within the County, as well as a variety of other taxes.

The total number of business licenses issued in calendar year 2015 remained reasonably constant when compared to the previous fiscal year. The Division continued imaging over 100,000 documents within the office and outsourced printing and mailing of business license and personal property renewal forms. The Division updates depreciation schedules for computer, furniture and fixtures, and machinery and tools as well as 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. The maximum net worth and income thresholds are \$350,000 and \$67,000,

respectively. During calendar year 2016, all qualifying participants will receive tax relief for 100 percent of their taxes up to a maximum of \$3,000. REAP continues to provide immediate tax relief to a large percentage of seniors.



In addition to assessing these businesses or vehicles for license and 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, 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 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 and 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 FY2014-15 was 216,615 and it is projected that 217,500 will be processed during FY2015-16 and 218,500 transactions

Finance (cont'd)

are forecasted to be processed in FY2016-17. The Accounts Payable Section initiated an invoice imaging system during FY2010-11 that streamlines the data storage and retrieval process. In FY2014-15, 105,382 invoices were scanned into the imaging system.

The Division began making epayments in January 2015. In the calendar year 2015, 21.9 percent of all payments made by the County were epayments. In the second half of FY2015-16 the Division will begin to process employee expense direct deposits as epayments, which should increase the percentage by an additional 5.0 percent. In the calendar year 2015, using the epayments program generated a rebate of \$146,143 for the County.

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. The County audit assessment continues to be favorable, further illustrating the soundness and conservative nature of Henrico County's fiscal management.

Treasury

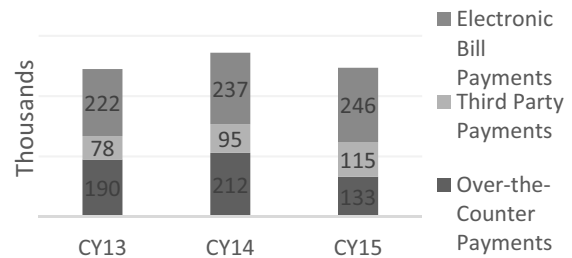
The Treasury Division serves as the County's cashier and provides tellers, at both the Western Government Center (WGC) and the Eastern Government Center (EGC), to collect taxes, fees, Department of Public Utilities (DPU), and parking ticket payments from citizens. Treasury is also responsible for the 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.

Treasury continues to expand the payment options for taxpayers and County customers by providing different methods to pay: cash, check, pin-based debit cards, credit and pin-less debit cards, electronic checks and bill paying services. Treasury offers several payment methods to customers paying for County services, fees and taxes by offering lockbox services, e-box services that take ACH payments, credit/debit cards in person, by phone or the internet, electronic checks by phone or over the internet, 24/7 drop boxes located conveniently at each government center, and in-person payments at the Cashier windows at the government centers. A new cash payment option was implemented to allow taxpayers and utilities customers the convenience of making cash payments at any 7-Eleven nationwide, called "Pay-Near-Me." Treasury uses remote deposit scanners in the Cashier's

offices and Public Utilities to electronically deposit checks. Remote lockbox scanners were upgraded to process tax bills through a virtual lockbox. The scanners decreased the time it takes for checks to process through the bank and increased the efficiency of applying tax payments to customer's accounts.

The cashiers processed 133,140 checks in-person during FY2014-15, while the County Lockbox Operation Center processed 440,487 paper checks. The number of pin-based debit card transactions for FY2014-15 was 72,604 for all County agencies. Credit card and E-Check payments increased from 95,355 in FY2013-14 to 115,014 in FY2014-15, which represents an increase of 19,659 or 20.6 percent. Electronic lockbox payments increased 4.2 percent, from 237,015 in FY2013-14 to 246,996 in FY2014-15. Electronic payments are projected to increase by another 20 percent in FY2015-16 as taxpayers continue to bank more electronically.

Cashier Transactions



Real estate and personal property tax bills are mailed in two installments, with due dates of June 5th and December 5th. Treasury mailed 705,614 bills during FY2014-15, an increase of 17.0 percent from the previous year. Of these bills, 104,915 were real estate bills and 600,699 were personal property bills. Six mortgage files were submitted electronically for 119,359 accounts. An additional 1,824 real estate accounts were sent to mortgage holders. Escrow accounts are 57.4 percent of the real estate bills. 12,110 supplemental bills were mailed and 204,615 delinquent bills were mailed. Treasury provides electronic files to leasing companies. In FY2014-15, 23 leasing companies participated in the pilot program utilizing electronic files for leasing company billings.

The Delinquent Accounts and Collections Section collected \$6.25 million of delinquent real estate taxes and \$2.3 million of delinquent business taxes during FY2014-15. In addition, the Delinquent Accounts and Collections Section was responsible for processing a total of 34,627 new Department of Motor Vehicle registration withholdings (VRW) resulting in

Finance (cont'd)

collection of 33,309 vehicle personal property accounts. Collections utilizing the Commonwealth of Virginia's Debt-Set-Off Program, in which funds withheld from individual state income tax returns, produced \$1,422,919 in revenue from unpaid taxes, utility debts, and library and miscellaneous fees. The collection of 501 NSF (non-sufficient fund) checks for multiple Henrico Departments resulted in \$690,227 worth of additional revenue. This Section also handled 637 bankruptcy claims filed in FY2014-15, collecting \$367,189. In April 2015, Treasury initiated the use of a collection agency to collect delinquent taxes from taxpayers no longer located in Henrico County, resulting in \$19,413 of additional delinquent collections.

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

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 FY2014-15, Purchasing processed a total of 8,422 purchase requisitions totaling \$283,997,475, and held 24 surplus sales, generating \$1,803,159 in revenue. In addition, 172 solicitations were issued and 167 contracts were awarded. Of these contracts, 58 percent were to Small, Women- and Minority-Owned (SWAM) suppliers. County purchases from SWAM suppliers totaled \$157.5 million during FY2014-15.

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 and to strengthen the economies of all our customer service areas. The Division's staff participated in twenty-one supplier outreach events in FY2014-15.

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

Finance (cont'd)

procurement field and supplier diversity. Being “Customer Focused, Performance Driven,” the Division continues to focus on education and outreach for both the staff and the suppliers.

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 2,810,500 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 FY2016-17 is \$14,312,260. This represents an increase of \$200,873, or 1.4 percent when compared to the FY2015-16 approved budget. The personnel component increase of \$57,477 or 0.8 percent is due to the full-year recognition of the raise that became effective in October 2015 as well as a 2.372 percent salary increase in FY2016-17. The operating component increase of \$135,302 or 2.0 percent is mostly due to additional costs necessary to maintain the new Libbie Mill and Varina Area libraries as well as the new Police Central Station and Purchasing and Risk Management

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 6,612,229	\$ 6,907,363	\$ 6,964,840	0.8%
Operation	6,778,824	6,859,058	6,994,360	2.0%
Capital	675,011	344,966	353,060	2.3%
Total	\$ 14,066,064	\$ 14,111,387	\$ 14,312,260	1.4%

Personnel Complement	120	119 ⁽¹⁾	119	0
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⁽¹⁾One position was transferred to Information Technology.

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Preventive Mechanical Maint. Work Orders	9,117	9,200	9,250	50
Corrective Maintenance Work Orders	12,136	1,200	12,500	11,300
Square Feet Maintained	2,672,477	2,810,706	2,810,639	(67)

facilities. The operating component also includes training and tuition funds, which were previously budgeted in a central reserve. The capital component increase of \$8,094 or 2.3 percent is due to increased costs of machinery and equipment rehabilitation.

Division of Facilities Management

Maintenance & Custodial

In the Maintenance and Custodial section of Facilities Management, the budget for FY2016-17 is \$10,260,716, representing an increase of \$331,683, or 3.3 percent from the FY2015-16 approved budget, due primarily to the costs of new facilities including the new Libbie Mill and Varina Area libraries as well as the new Police Central Station and Purchasing and Risk Management facilities.

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 \$1,465,726, representing an increase of \$16,138, or 1.1 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 \$1,672,747, representing a decrease of \$152,459, or 8.4 percent from the prior fiscal year. This decrease is primarily due to the elimination of the North Run

office complex lease as well as related janitorial, electric, and heating services. 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 FY2016-17, the budget for the Employee Cafeteria totals \$440,174, which reflects a decrease of \$3,966, or 0.9 percent when compared to the FY2015-16 budget. The entirety of this decrease 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 FY2016-17 budget of \$472,897 for the Records Management division represents an increase of \$9,477, or 2.0 percent when compared to the FY2015-16 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

General Services (cont'd)

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>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 411,544	\$ 408,001	\$ 417,067	2.2%
Operation	28,222	12,579	14,579	15.9%
Capital	0	0	0	0.0%
Total	<u>\$ 439,766</u>	<u>\$ 420,580</u>	<u>\$ 431,646</u>	<u>2.6%</u>
Personnel Complement	4	4	4	0

Internal Audit (cont'd)

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Audit Projects: Audits, Follow Ups, Consults	26	26	26	0
Efficiency Measures				
General Gov't budget/audit position (mil)	\$ 151	\$ 155	\$ 161	6
General Gov't employees/audit position	984	991	1,007	16

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 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 FY2015-16 included expenditures in the Department of Public Utilities and Public Relations and Media Services; Database Administration for Oracle Enterprise; the County's system access controls managed by the enterprise-wide User ID System; and Planning's management of developer bonds and lines of credit.

Internal Audit's approved budget of \$431,646 represents an increase of \$11,066 or 2.6 percent over the FY2015-16 approved budget. This increase is driven by the personnel component and reflects the full-year impact of the raise that became effective in October of 2015 as well as a 2.372 percent salary increase in FY2016-17. The operating component includes the addition of \$2,000 for Education and Training.

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>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 8,144,222	\$ 8,890,041	\$ 9,091,227	2.3%
Operation	3,242,301	3,461,449	3,595,595	3.9%
Capital	569,252	522,215	522,215	0.0%
Total	<u>\$ 11,955,775</u>	<u>\$ 12,873,705</u>	<u>\$ 13,209,037</u>	<u>2.6%</u>
Personnel Complement*	90	90	91	1

*One Technology Support Specialist IV position was added to IT's complement in FY2016-17.

Performance Measures

				Change
	FY15	FY16	FY17	16 to 17
Workload Measures				
Website Visits	2,311,049	2,618,308	2,809,444	191,136
Website Unique Visitors	1,250,498	1,373,534	1,488,911	115,377
Website Page Views	7,263,391	7,230,287	7,447,196	216,909

- 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) FY2016-17 budget totals \$13,209,037, which represents an increase of \$335,332 or 2.6 percent from the previous approved budget. The personnel component increased by \$201,186 or 2.3 percent and reflects updated estimates for personnel including a 2.372 percent salary increase for FY2016-17 and rising health care costs. This increase also reflects the addition of a Technology Support Specialist IV position that would be assigned to the Courts building to assist in converting multi-media received from various sources including footage from Police body cameras to a format that can be used on standard computers or display/audio devices.

The operating component totals \$3,595,595 for the FY2016-17 budget and reflects an increase of \$134,146. Funding of \$120,946 has been provided for forecasted contractual increases associated with several vendors and additional costs associated with audit requirements. Adjustments of \$9,700 for education and training classes and \$3,500 for tuition reimbursements are also included in the operating component. Funding associated with these adjustments was previously captured in a central reserve and have been reallocated to the department's budget. The capital component remains constant, totaling \$522,215, which will allow for the purchase of new and replacement computer equipment as well as furniture replacement needed for the department.

During FY2016-17, the Department of Information Technology will continue to expand its virtual server environment. Currently IT has approximately 350

virtual servers running on 21 physical servers. The County has 136 physical servers. In keeping with IT's movement toward the use of VMware, the Database Team has moved 83 percent of over 294 databases to Microsoft SqlServer 2014. This version will be supported by Microsoft for at least the next five years. All Police reporting systems, Computer Aided Dispatch, the Sheriff's Office Medical Service, Libraries, and Circuit Court Land Record 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.

Disaster recovery databases have been created on the standby Oracle Database Appliance running off of County Training Center (CTC). IT will be able to recover their production databases on the new site in case of disaster on their primary site. Servers serving the Oracle Applications frontend were migrated to the virtualized VMware environment. During the next year the focus would be on development and migration of custom financial applications using newer supported Oracle technology. Work will be performed on the Oracle Application's Internet security replacing an older environment with a newer technology and migrate from myhenrico.org to employees.henrico.us. During the next half of 2016 the department will be working on the implementation of newly acquired Oracle Internet Expenses module for online employee expense reporting.

In FY2015-16, Information Technology is in the process completing the upgrades of the County's data network infrastructure in the primary data centers, located in both the Information Technology Department offices and the E911 Center, which includes new routing and switching gear for both the main distribution networks and the server networks. Information Technology is also in the process of moving all of the County's phones from the legacy NorTel PBX to a new Cisco Voice Over Internet Protocol (VoIP) platform. At this point, the rollout is

Information Technology (cont'd)

roughly 75% complete, with an anticipated completion in the Spring of 2016. Included with the VoIP rollout is a conversion of the voice circuits from legacy copper-based PRI circuits to new fiber-optic SIP trunks. In addition, Information Technology is implementing physical redundancy to each of the network closets in the Western Government Center (WGC), by utilizing the new fiber-optic cable between WGC and County Training Center to “dual-home” the network closets between buildings. Information Technology also added buried fiber-optic cabling on the WGC campus to add the 8600, 8602, 8604 Staples Mill Road buildings to the overall campus network. Currently, this provides these buildings 10Gbps of throughput to the County’s backbone network with \$0 in monthly recurring costs.

In collaboration with Police, IT enhanced the TEMPO dashboard to include individual officer statistics based on the number of reports generated by report type. This allows an officer to verify the submitted reports are correctly categorized and complete. A new application was written to maintain a database of individuals banned from properties throughout the county and ensure Letters of Authority are readily available. Previously the lists of individuals were maintained in numerous spreadsheets and not available for integrated real-time querying. Currently over 2,000 individuals are banned from 40 apartment communities and 15 businesses throughout Henrico county.

The Web Team continues to restructure and redesign the website to make it easier to use for our end users. Several projects were launched to better organize content such as Services and Capital Projects. Department pages were reviewed and reorganized to remove content from silos and to better present content in functional areas. These update pages automatically pull in structured data (projects, events, services) to provide visual consistency through the site. The reorganization project is nearly complete, and the redesign of the website is currently in the works. An employee portal (employees.henrico.us) was developed in conjunction with HR to better organize HR content. The Web team has been working heavily to implement SharePoint in the County, working with several departments and internally to train users and gather feedback.

IT built five new in-house Oracle Application Express (APEX) systems for four different agencies. These include the Facilities Inspections and Drill System for Mental Health & Developmental Services, Septic

Pump-out/Inspection Program system for Public Works, Budget Development system for Finance, MS4 Municipal Management Area Tracking system for Public Works and a Time Tracking system for Circuit Court. New APEX projects are in the works for four different agencies including the Training and Compliance system for Public Utilities, Media Tracking system for Information Technology, Card Access Request Tracking system for General Services and a Time Tracking system for the Commonwealth Attorney’s Office. The APEX team also provided support for tracking Police costs during the 2015 UCI World Championships. IT supports over forty APEX applications used by every agency in the County.

The IT Community Development & Services team upgraded Accela Tidemark Advantage to the latest version, ensuring the stability of this enterprise system. The upgrade included installation of the Tidemark client software on more than 300 computers, migration to a new Oracle database, new virtual servers, development of a new Paymentus IVR application, and upgrade of the Selectron InspecTrack system.

The Cad24x7 system received numerous enhancements during the past year. Specific customizations were made to the system to accommodate processes related to the UCI bike races. These included the implementation of a dynamic roadway barrier system which allowed for street blockages to be managed via a web map. This enabled the system to more easily take roadway closures into account in determining the closest units to a call for service. During the UCI races the County roadway network had upwards of 180 active roadway barriers at various points in time. These would activate/deactivate according to date time criteria allowing for a very dynamic expression within the system. Also, a new duplicate call check feature was implemented to assist dispatchers to more easily identify duplicate calls for a single incident. Also the new ASAP alarm interface expanded during the past year to include alarms from EDT, Inc. which basically doubled the number of alarm calls the system accepts electronically.

A new Fire alerting system is expected to be implemented during the year. The new system will include a digital voice feature which announced the call for service both over the radio and locally in the fire station. The new Fire alerting system is intended to roll out over three to four years. During this time the Cad24x7 system will need to be able to interface

Information Technology (cont'd)

to both the new and old Fire alerting systems. IT will spend considerable time and effort 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. The new fire alerting system has already been implemented on Fire Station #10.

The GIS Office has upgraded the County's ArcGIS platform to version 10.3, 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. The GIS

office has worked hand in hand with the web team to enable a web map in support of a new capital projects web page. It is hoped that this will serve as a template for future projects. The GIS Office worked hand in hand with Fire and others from IT to assist running the command center at the UCI races. An ArcGIS Online site was central to the management of the Public Safety presence at both the UCI races and the NASCAR races.

Support for the Division of Fire included significant IT presence for both the UCI and NASCAR races. Also, IT is participating in two RFP development projects with DOF. The first is for a replacement records management solution for both NIFRS and PPCR reporting; the second is for another Fire Alerting system.

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 and/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 budget of \$630,743 represents an increase of \$11,536 or 1.9 percent over the FY2015-16 approved budget. This increase was driven by updated estimates for personnel including a 2.372 percent salary increase for FY2016-17 and rising health care costs.

The Real Property Department will continue to strive to maintain the existing level of service to the County and the public in FY2016-17. 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.

Also leased is the Henrico Federal Credit Union building east of Dixon Powers Drive acquired for future Government Center expansion. Real Property manages approximately 45 cell tower leases and continues to receive requests to review new sites or add new cellular technologies like "nodes" at existing County and School sites. The Department anticipates increased

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 590,148	\$ 601,356	\$ 610,730	1.6%
Operation	25,578	17,851	20,013	12.1%
Capital	0	0	0	0.0%
Total	\$ 615,726	\$ 619,207	\$ 630,743	1.9%
 Personnel Complement	 7	 7	 7	 0

Real Property (cont'd)

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Property & Easements Purchased	\$8,762,000	\$6,000,000	\$2,000,000	(4,000,000)
Property Leased to Others	\$636,600	\$650,000	\$650,000	0
Property Leased from Others	\$1,142,500	\$1,000,000	\$1,500,000	500,000
Leased Managed	108	106	108	2

requests from the Department of Public Works for road and drainage projects and water and sewer projects for Public Utilities.

Finally, Real Property will continue to assist the County in acquiring properties for future County facilities such as fire and police stations, parks and roads as well as

assist Schools in the acquisition of land and easements for new and existing schools. During FY2016-17, the Department will continue to selectively dispose of surplus property inventory with the intention of returning it to the taxable land book by selling it for maximum value.

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 all 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 voters.

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 1,075,753	\$ 1,029,422	\$ 1,053,863	2.4%
Operation	365,676	302,701	373,046	23.2%
Capital	200	0	200	0.0%
Total	<u>\$ 1,441,629</u>	<u>\$ 1,332,123</u>	<u>\$ 1,427,109</u>	<u>7.1%</u>
Personnel Complement*	8	8	8	0

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

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Number of Registered Voters	207,029	208,366	212,054	3,688
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.

2015 combined with a 2.372 percent pay increase. The increase in operating is due to the addition of education and training funding, which was previously budgeted in a central reserve, and an additional \$60,000 for ballots attributed to the County's new optical scan voting machines.

The Electoral Board's budget for FY2016-17 will cover the operating costs of the voter registration operation along with costs associated with elections held during the fiscal year, which includes the November 2016 Presidential Election.

An election resource not included in the budget 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. Their 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 2015, 252 students, representing all nine of the County's high schools, earned 2,660 hours of community service.

Budget Highlights

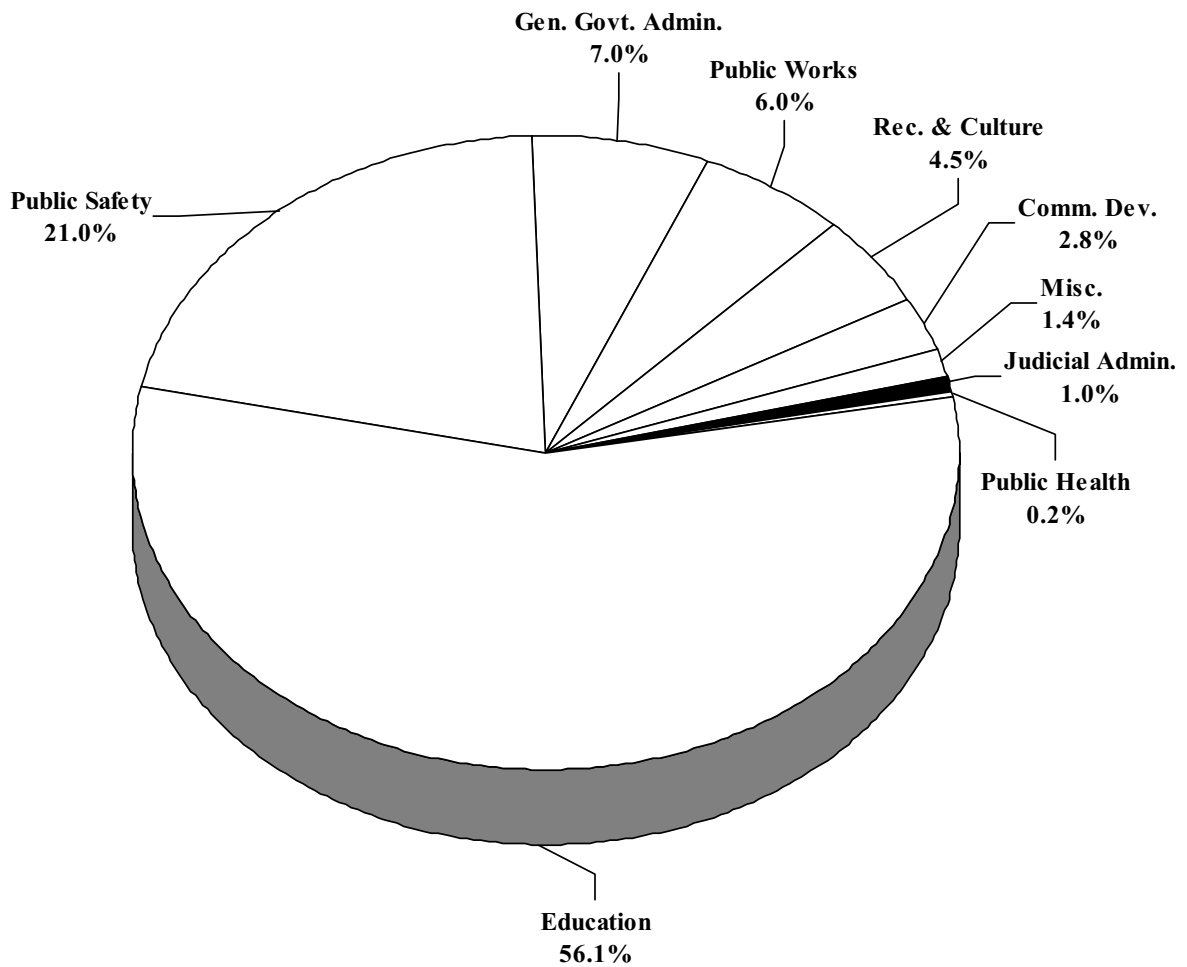
The Department's budget for FY2016-17 is \$1,427,109. This represents an increase of \$94,986 or 7.1 percent compared to the FY2015-16 budget. The \$24,441 or 2.4 percent increase in personnel is due the annualization of the wage increase that became effective in October of



COUNTY OF HENRICO, VIRGINIA

Judicial Administration

\$8,102,908



Total General Fund

\$810,875,233

**COUNTY OF HENRICO, VIRGINIA
 JUDICIAL ADMINISTRATION - GENERAL FUND
 FY 2016-17**

<u>Department</u>	<u>FY 14-15 Actual</u>	<u>FY 15-16 Original</u>	<u>FY 16-17 Approved</u>
Circuit Court:			
Court Clerk	\$2,579,466	\$2,443,708	\$2,464,852
Court Services	518,595	535,399	557,594
Total Circuit Court	<u>3,098,061</u>	<u>2,979,107</u>	<u>3,022,446</u>
General District Court:			
Court Services	244,454	208,076	246,076
Magistrates	7,723	6,286	6,286
Total General District Court	<u>252,177</u>	<u>214,362</u>	<u>252,362</u>
Juvenile and Domestic Relations District Court:			
Court Services	182,188	192,525	201,025
Juvenile Probation	23,616	23,072	23,072
Total Juvenile District Court	<u>205,804</u>	<u>215,597</u>	<u>224,097</u>
Commonwealth's Attorney	4,445,765	4,504,046	4,604,003
Total Judicial Administration	<u><u>\$8,001,807</u></u>	<u><u>\$7,913,112</u></u>	<u><u>\$8,102,908</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 \$2,464,852 represents a net increase of \$21,144 or 0.9 percent from the FY2015-16 approved budget. This increase was driven by updated estimates for personnel including a 2.372 percent salary increase for FY2016-17 and rising health care costs. The operating component totals \$228,108 and reflects a budget adjustment of \$500 for education and training classes. Funding associated with this adjustment was previously captured in a central reserve and has been reallocated to the department's budget.

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 2,172,946	\$ 2,216,100	\$ 2,236,744	0.9%
Operation	395,409	227,608	228,108	0.2%
Capital	11,111	0	0	0.0%
Total	<u>\$ 2,579,466</u>	<u>\$ 2,443,708</u>	<u>\$ 2,464,852</u>	<u>0.9%</u>

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

	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Civil Cases Commenced	3,475	3,965	4,000	35
Criminal Cases Commenced	5,073	5,620	5,700	80
Number of Wills and Administrations Recorded	1,093	981	1,100	119
Number of Instruments Recorded in Deed Books	36,443	42,216	45,000	2,784
Marriage Licenses Issued	2,172	2,223	2,300	77
Number of Judgments Docketed	17,607	16,916	17,000	84
Concealed Weapon Permits Issued	2,570	2,620	2,700	80

Pursuant to Virginia Code Section 17.1-279, the Clerk 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 2015, funding of \$177,919, which was appropriated during the prior year from funding received by the Virginia Compensation Board, was reappropriated to be spent during FY2015-16. In addition, new funding of \$151,597 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 FY2006-07 through FY2014-15 as well as the budget forecast for FY2015-16 and FY2016-17 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
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	1,185,219	1,394,247	54.1%
2015-16	1,150,000	1,293,708	52.9%
2016-17	1,200,000	1,264,852	51.3%

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 FY2016-17 is \$557,594. This represents an increase of \$22,195 or 4.1 percent from the FY2015-16 approved budget. This increase was driven by updated estimates for personnel including a 2.372 percent salary increase for FY2016-17 and rising health care costs.

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 472,503	\$ 489,655	\$ 501,850	2.5%
Operation	46,092	44,344	54,344	22.6%
Capital	0	1,400	1,400	0.0%
Total	\$ 518,595	\$ 535,399	\$ 557,594	4.1%
 Personnel Complement	 8	 8	 8	 0

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
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	108	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 most recent available, 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.

- 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 FY2016-17 budget of \$246,076 represents an increase of \$38,000 or 18.3 percent from the FY2015-16 approved budget. The increase is primarily attributable to the cost of legal services although it also includes the addition of training funds, which were previously budgeted in a central reserve.

The budget is to support the daily operation of the General District Court, which consists of five courtrooms and administrative offices, occupied by five 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.

Objectives

- To ensure the efficient operation of the General District Court through support of the activities of the Clerk's office.

Annual Fiscal Plan

Description	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	244,384	208,076	246,076	18.3%
Capital	70	0	0	0.0%
Total	<u>\$ 244,454</u>	<u>\$ 208,076</u>	<u>\$ 246,076</u>	<u>18.3%</u>
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
	FY15	FY16	FY17	16 to 17
Workload Measures				
Total New Criminal Cases Filed	14,289	13,967	13,967	0
Total New Civil Cases Filed	34,114	39,300	39,300	0
Total New Traffic Cases Filed	62,844	73,555	73,555	0
Total New Cases Filed	111,247	126,822	126,822	0
Number of Full-Time Judges	4	5	5	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 eighteenth 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 FY2016-17 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

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	6,713	6,286	6,286	0.0%
Capital	1,010	0	0	0.0%
Total	\$ 7,723	\$ 6,286	\$ 6,286	0.0%
 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 FY2016-17 budget for the Juvenile and Domestic Relations District Court is \$201,025. These funds support the operational needs of the five judges and their staff, whose salaries are funded by the State. The increase in FY2016-17 is reflective of education, training, and tuition costs being reallocated to department budgets. These costs were previously reflected in a central reserve.

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 22,396	\$ 0	\$ 0	0.0%
Operation	151,443	188,775	197,275	4.5%
Capital	8,349	3,750	3,750	0.0%
Total	<u>\$ 182,188</u>	<u>\$ 192,525</u>	<u>\$ 201,025</u>	<u>4.4%</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 (cont'd)

	Performance Measures			Change
	FY15	FY16	FY17	16 to 17
Workload Measures				
Cases filed in Juvenile Court	19,043	18,944	18,599	(345)
Court Hearings	49,475	49,446	49,214	(232)
Efficiency Measures				
Caseload per Judge*	3,808	3,788	3,719	(69)

*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.

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

Budget Highlights

The Department's budget for FY2016-17 is \$23,072. This submission reflects no change from FY2015-16.

Multi-Systemic Treatment (MST), for chronic and/or serious offenders living with their families in the community is provided by the Department of Juvenile Justice through Henrico Mental Health. There are also cooperative agreements with Henrico Mental Health and Henrico's Children's Services Act Officer for substance abuse education. The Virginia Center for Restorative Justice provides restorative justice services for youth at diversion.

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.

As of December 4, 2015 the Court Services Unit had 909 open cases in various levels of supervision. The number of juvenile and domestic complaints decreased in FY2015-16 when compared to the number of complaints during FY2014-15. 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	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	21,219	23,072	23,072	0.0%
Capital	2,397	0	0	0.0%
Total	\$ 23,616	\$ 23,072	\$ 23,072	0.0%
Personnel Complement *	N/A	N/A	N/A	N/A

Probation (cont'd)

	Performance Measures			Change
	FY15	FY16	FY17	16 to 17
Workload Measures				
Total Juvenile Complaints	2,129	2,616	2,300	(316)
Total Domestic Complaints	5,508	5,016	5,100	84

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 FY2016-17 totals \$4,604,003, representing an overall increase of \$99,957 or 2.2 percent when compared to the FY2015-16 approved budget. This increase is partly driven by the personnel component and reflects the 2.372 percent salary increase, the full-year impact of the 2.0 percent raise from FY2015-16, as well as rising health care costs. It is important to note that while total personnel costs are increasing, the budgeted amount for VRS experienced a decrease due to a reduction in the contribution rate.

The operating and capital outlay components reflect the movement of \$991 from capital outlay into the operating budget. This budget adjustment was made in order to more accurately reflect planned

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 4,319,030	\$ 4,397,429	\$ 4,474,738	1.8%
Operation	121,232	98,661	122,300	24.0%
Capital	5,503	7,956	6,965	(12.5%)
Total	\$ 4,445,765	\$ 4,504,046	\$ 4,604,003	2.2%

Personnel Complement	56	56	56 *	0
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*This personnel count includes 51 positions in Commonwealth's Attorney's Office, and 5 in Victim Witness (1 comp I and 4 comp II).

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Circuit Court Defendants	1,314	1,300	1,350	50
Show Cause Hearings	682	1,000	800	(200)
Misdemeanor Appeals	1,218	1,200	1,250	50
General District Court Criminal Cases	40,597	35,500	41,000	5,500
General District Court Traffic Cases	88,907	100,000	95,000	(5,000)
Juvenile Court Misdemeanors	1,848	2,000	1,900	(100)
Juvenile Court Felonies	630	700	750	50
Effectiveness Measure				
Circuit Court Indictments	2,224	2,300	2,400	100

expenditures in FY2016-17. In addition, the operating component reflects the budget adjustment of \$22,648 for education and training. Funding for this adjustments was previously captured in a reserve and has been reallocated to the department's budget.

In FY2016-17, the Commonwealth's Attorney's Office will continue to prosecute traffic and criminal cases in all of the Henrico County Courts. Aggressive 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 several years with 550 case alerts from child protective services in calendar year 2015 compared to 449 case alerts in 2014 and 185 case alerts in the first ten months of 2013. This trend is being monitored closely.

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 FY2016-17 budget.

As of January 5, 2016, 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.

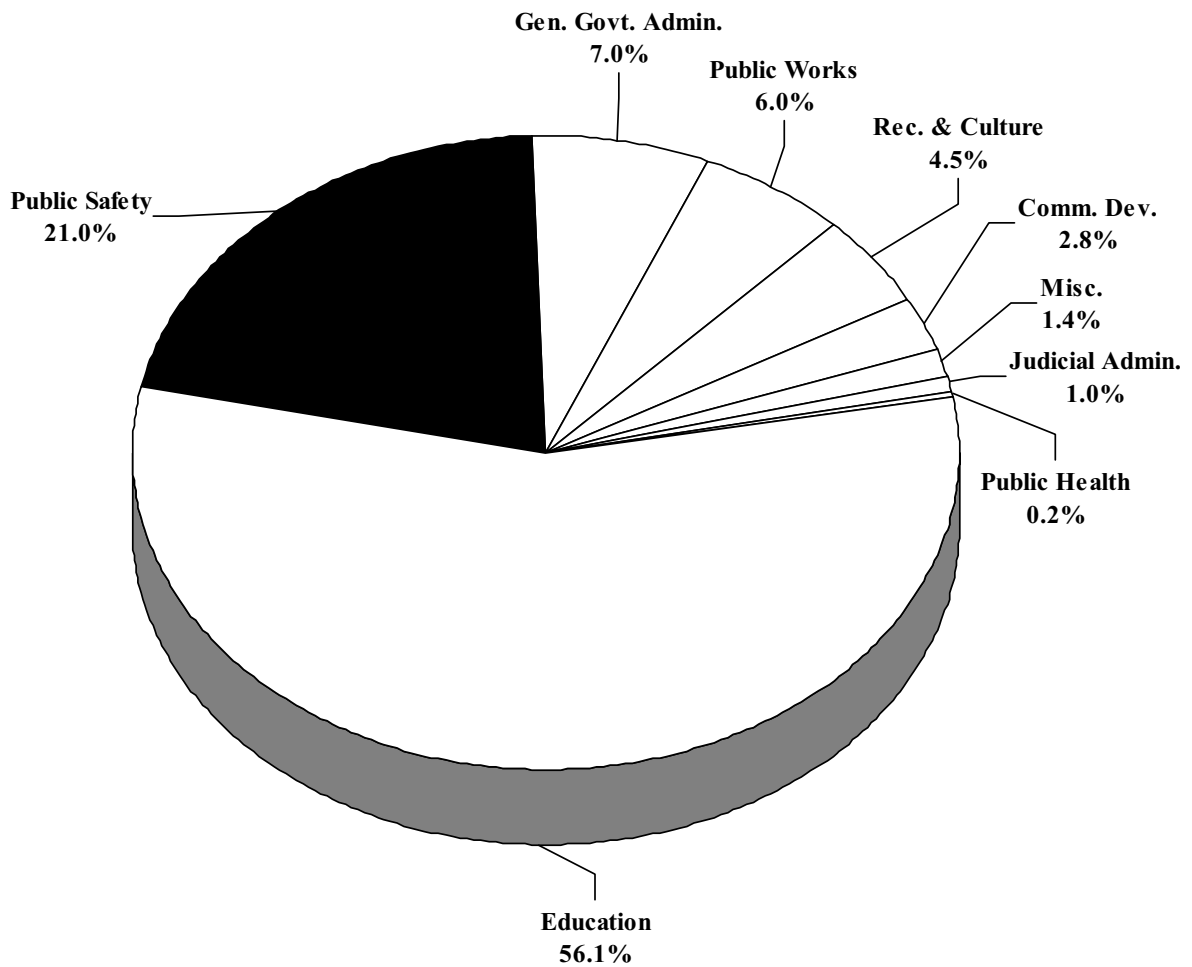
The following table presents a historical depiction of State funding for the Commonwealth's Attorney's Office:

Fiscal Year	State Funding	% State
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%
2016-17	2,000,000	44%



COUNTY OF HENRICO, VIRGINIA

Public Safety
\$170,483,485



Total General Fund
\$810,875,233

**COUNTY OF HENRICO, VIRGINIA
PUBLIC SAFETY - GENERAL FUND
FY 2016-17**

<u>Department</u>	<u>FY 14-15 Actual</u>	<u>FY 15-16 Original</u>	<u>FY 16-17 Approved</u>
Division of Police:			
Police Operations	\$61,782,503	\$61,825,476	\$63,463,820
Animal Protection	1,318,888	1,444,180	1,475,308
Communications/Radio Shop	6,135,347	5,975,117	6,285,368
Total Division of Police	<u>69,236,738</u>	<u>69,244,773</u>	<u>71,224,496</u>
Division of Fire:			
Administration	2,570,043	2,625,027	2,856,686
Emergency Planning & Safety	123,226	177,395	177,558
Operations	49,348,959	49,701,654	52,078,250
Volunteer Rescue Squads	<u>182,220</u>	<u>218,625</u>	<u>218,625</u>
Total Division of Fire	<u>52,224,448</u>	<u>52,722,701</u>	<u>55,331,119</u>
Sheriff:			
Administration	11,972,237	10,450,189	10,544,954
Jail West	17,546,026	16,543,282	17,490,475
Jail East	<u>9,564,616</u>	<u>9,321,795</u>	<u>9,456,008</u>
Total Sheriff	<u>39,082,879</u>	<u>36,315,266</u>	<u>37,491,437</u>
Juvenile Detention	2,155,627	2,198,978	2,250,476
Building Inspections:			
Building Inspections	3,612,916	3,805,529	3,859,209
Community Maintenance	<u>148,064</u>	<u>335,837</u>	<u>326,748</u>
Total Building Inspections	<u>3,760,980</u>	<u>4,141,366</u>	<u>4,185,957</u>
 Total Public Safety	 <u><u>\$166,460,672</u></u>	 <u><u>\$164,623,084</u></u>	 <u><u>\$170,483,485</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>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 63,324,300	\$ 62,692,494	\$ 64,197,703	2.4%
Operation	5,394,726	6,126,889	6,587,366	7.5%
Capital	517,712	425,390	439,427	3.3%
Total	<u>\$ 69,236,738</u>	<u>\$ 69,244,773</u>	<u>\$ 71,224,496</u>	<u>2.9%</u>
Personnel Complement*	817	827	841	14

*Complement includes sixteen complement II positions funded by State revenue (Wireless E-911 funds). The complement includes the addition of ten Police Officer positions, one Police Support Technician I, one Technology Support Specialist III, one Radio Repair Technician III, and one Radio Repair Technician I position for FY2016-17.

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Total Calls for Service	203,330	207,397	211,545	4,148
Number of Animal Calls	17,376	17,724	18,078	354
Number of Part I Crimes	8,596	8,768	8,943	175
Number of Criminal Arrests	20,059	20,460	20,869	409
Number of Traffic Arrests	49,195	50,179	51,183	1,004

- 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 FY2016-17 budget for the Police Division totals \$71,224,496, which represents an overall increase of \$1,979,723 or 2.9 percent from the previous approved budget. The personnel component increased by a net difference of \$1,505,209 or 2.4 percent from the previous approved fiscal year. The personnel component includes funding of \$620,537 associated with ten new Police Officer positions which will allow the Division to staff additional service areas. This is the fourth year of a five-year commitment. A total of \$122,491 has been allotted for additional staffing for the Radio Shop in order to support the replacement of the radio communications system. This funding reflects a full-year impact for a new Technology Support Specialist III, and a partial-year impact for a Radio Repair Technician III and a Radio Repair Technician I position. In addition, funding of \$42,352 is included for a new Police Support Technician I position in order to establish the Henrico Police Athletic

League (HPAL) program at Baker Elementary School in the Varina District.

This component also includes updated estimates for personnel including a 2.372 percent salary increase for FY2016-17 and 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 \$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 \$460,477 or 7.5 percent from the previous approved budget. Funding of \$76,920 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 \$72,830 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 \$149,750. The operating budget also includes an adjustment of \$50,000 to cover the Division's contribution to Stop Child Abuse Now (SCAN). These funds will help maintain the agency's new child advocacy center in Henrico County.

This component also includes budget adjustments of \$93,375 for various operating costs including software maintenance for additional investigative purchases; TRIARC accreditation fees; calibration of additional LIDAR units; Taser camera repairs; EVOT training site rental; Personnel Unit applicant test scoring; Radio Shop annual contractual cost increases; and two additional Police canines. Funding of \$12,257 is included for costs associated with the three new positions for the Radio Shop and \$1,415 is included

Police (cont'd)

for operating costs for the new Police Support Technician I position. In addition, this component includes budget adjustments of \$186,474 for education and training classes and \$40,036 for tuition reimbursements, funding previously captured in a central reserve and reallocated to the department's budget in FY2016-17.

The capital component totals \$439,427 and increased by \$14,037 or 3.3 percent from the previous approved budget. This increase was driven solely by the budget adjustment for capital costs associated with the three new positions for the Radio Shop. Funding of \$375,390 is included for one-time capital costs associated with the ten new Police Officer positions. The capital component also includes \$31,000 for replacement equipment associated with the Radio Shop, \$14,000 for the digital camera replacement program, and \$5,000 for miscellaneous computer equipment. 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 FY2016-17.

The Division's third police station, open since Fall 2013, operated from a leased facility in the Virginia Center Commons Mall. The permanent facility on Villa Park Drive opened in July 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.

Fair and Impartial Policing training remained a high priority during 2015. 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 addresses, not just racial/ethnic bias, but biases based on other factors, such as gender, sexual orientation, religion, socio-economic status and others. This training is required prior to the issuance of body-worn cameras. To date, 489 sworn officers and 98 civilian employees have received the training. Deployment of body-worn cameras has now reached 385 uniformed officers.

The Police Division continues to lead the County's efforts to replace the 800MHz radio system. Henrico and its regional partners continue to make excellent progress in their cooperative process to replace the

region's public safety radio systems. Vendor procurement is proceeding on schedule with negotiations beginning in early 2016. It is anticipated the County and its regional partners will finalize contracts during this time period as well.

In 2015 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 is the eleventh first place award received by the Police Division.

The International Association of Chiefs of Police also conducts a law enforcement challenge similar to Virginia. At this national level, the Police Division was awarded the Commercial Motor Vehicle Special Award for municipalities.

The Criminal Justice Services Board of the Virginia Department of Criminal Justice Services 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 CCPC program is to publicly recognize and certify localities that 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. Henrico's CIT team has trained over 1,444 first responders from 30 jurisdictions or

Police (cont'd)

agencies. Ninety-five percent of Henrico police officers have completed CIT training. 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 training before they are issued a Taser. In 2015 members of the Henrico CIT team received the Central Virginia National Alliance on Mental Illness Outstanding Contributions Award and the Virginia CIT Peer of the Year award.

The County's CIT Crisis Receiving Center (CRC) is located at Parham Doctors' Hospital and is staffed by CIT trained officers, Henrico MH Emergency Services clinicians and a peer specialist. The CRC expedites the transfer of custody for an individual in a psychiatric crisis and provides centralized services for people in crisis and their families during the Emergency Custody Order/Temporary Detaining Order process. The CRC is open seven days a week from 8:00 a.m. to 2:00 a.m. The CRC has seen a 14.0 percent reduction in involuntary hospitalizations and a 24.0 percent diversion from hospitalization. More than 2,000 citizens have been assisted at our CRC since its inception in December 2012.

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 citizens in the community with a mental health related issue, who frequently access 911 services, have a degree of lethality, and are not accessing therapeutic services through traditional means. The STAR team averages 10 visits per week and includes utilization of other county agencies such as the Henrico Department of Social Services and Community Maintenance.

The first phase of establishing a full-time Emergency Response Team (ERT) was implemented in October 2015. The five team members assisted with various Patrol Operations, Organized Crime, and Criminal Investigation initiatives. The Division plans to add five Officers and a second Sergeant to the team to provide quicker response times to high risk situations.

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. During 2015 the Chief of Police received the prestigious appointment to serve as a commissioner for CALEA. Also, the Police Division has two Executive Staff Officers serving as lead assessors for CALEA; their role is to evaluate other agencies who are seeking to become internationally accredited. 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 and 2015, Military Times magazine ranked the Henrico Police Division as one of the best employers of military veterans in the United States. In our most recent police academy, seven of the thirty police recruits are veterans with recent active duty military. The Police Personnel Unit continues to focus on diverse recruiting by increasing visits to historically black colleges and attending additional job fairs and visiting more educational institutions in diverse communities.

The Police Division complement totals 841 in FY2016-17. One of the Division's top priorities is maintaining the appropriate level of patrol officers, detectives, and command staff. Included in the 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

Police (cont'd)

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 August 2015, all School Resource Officers (SRO) and Supervisors received Juvenile Services Officer Certification. This specific regimen of training was established by the Police Division to set a new precedent regarding how School Resource Officers engage both students and parents in a school environment. Some examples of this forty hour block of instruction consisted of Fair and Impartial Policing, Youth Mental Health and Emotional Issues, Interacting with Students with Disabilities and Special Needs, and Conflict De-Escalation. The SROs will annually receive forty hours of training on current topics related to youth.

In FY2014-15, two Police Support Technician positions were hired to support the Police Athletic League (PAL) program. In FY2016-17, one additional Police Support Technician will be added to support the expansion of the program to the Varina district. These Police Support Technicians perform administrative tasks while School Resource officers present safety lessons/programs and assist students with homework during the afterschool program, as well as mentoring and supporting PAL summer camp. The PAL Police Support Technicians assist with a variety of other programs including open basketball gym events and chess club, which are open to all Henrico County youth.

The budget includes ten new Police Officer positions for FY2016-17 and reflects year four 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.

The Traffic Enforcement Unit worked in conjunction with the Department of Information Technology to develop and test an E-Summons program to provide more clear and legible traffic summonses to citizens and the judicial system. System testing has been highly successful to date and it is anticipated the system will become available to all Patrol Officers. The system also collects summons data electronically for analytical purposes.

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-three 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 FY2016-17.

Position Type	No.
Police Officer	188
Animal Control Officer	2
Communications Officer	19
Police Support Technician	12
Police Support Tech (trans to Sheriff)	(14)
Technical Support	8
Radio Repair Shop (trans to GS)	(5)
Radio Repair Shop (trans from GS)	7
Other	2
Total	219

Funding Source	No.
Grants (*)	90
State Wireless E-911	16
General Fund	113
Total:	219

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

Description	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 47,208,688	\$ 47,654,121	\$ 49,888,990	4.7%
Operation	4,693,829	4,732,905	5,053,180	6.8%
Capital	321,931	335,675	388,949	15.9%
Total	<u>\$ 52,224,448</u>	<u>\$ 52,722,701</u>	<u>\$ 55,331,119</u>	<u>4.9%</u>
Personnel Complement*	548	548	562	14

*The complement includes the addition of twelve Firefighters, one Captain, and one Management Support Specialist II position.

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Total Calls for Service	46,233	47,398	48,563	1,165
Total EMS and Rescue Calls for Service	38,408	39,524	40,640	1,116
Fire Incidents	809	824	839	15
Fires per 1,000 Population	2	2	2	0

Budget Highlights

The Division of Fire’s budget for FY2016-17 is \$55,331,119, representing a net increase of \$2,608,418 or 4.9 percent from the previous approved budget. This increase is mostly driven by the personnel component, which reflects updated estimates including a 2.372 salary increase for FY2016-17 and rising health care costs. This component includes \$641,400 for nine new Firefighters and one new Captain that will be assigned to the new Fire Station #19. In addition, one new Management Support Specialist II position is included at a cost of \$66,493 for administrative support. This position would handle special event requests from the public and schedule firefighters for mass gatherings including NASCAR events, Innsbrook After Hours, and incident management team assignments.

The personnel component also includes funding of \$183,974 associated with three new Firefighter positions needed for the Division. This marks the first year of a three year plan to add a total of nine new Firefighters to help alleviate some of the staffing pressures within the Division. These additional positions would allow suppression personnel more opportunity to utilize their leave and would reduce minimum staffing overtime costs. Since 2009, the Division has transferred five firefighter positions from the field to the headquarters to staff the planning and information technology office, provide EMS instruction, and provide for a public information officer position. These functions have been critical to meeting the Division’s goals, but the loss of these positions from the field has placed strain on the Division’s minimum staffing. In addition, at any given point the Division has at least ten to fifteen personnel unavailable for field work due to long term injury or illness, which creates further strain on staffing.

The operating component is forecasted to increase by \$320,275 or 6.8 percent from the previous approved

budget. The FY2016-17 operating budget includes additional funding of \$51,325 for occupational safety program enhancements; \$45,954 to provide uniforms for the twelve new Firefighters and one Captain position; \$35,000 to support a fire station repair and improvement fund; \$32,565 for rental of an indoor training space for the Candidate Physical Ability Test (CPAT) and Work Performance Evaluation (WPE); and \$27,500 to re-institute annual fitness tests for all firefighters. This component also includes budget adjustments of \$76,838 for education and training classes and \$38,667 for tuition reimbursements, funding previously captured in a central reserve and reallocated to the department’s budget in FY2016-17. In addition, funding of \$12,426 was reallocated from the capital component.

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 FY2016-17 operating budget also includes \$362,114 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 FY2016-17 totals \$388,949 and represents a net increase of \$53,274 or 15.9 percent from the previous approved budget. Included in capital is the funding for the Division of Fire’s Equipment Replacement Plan, which currently totals \$138,211 for FY2016-17. 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.

Fire (cont'd)

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, dive suits, and gas monitors. Funding of \$40,000 provides an ongoing source to eventually replace all of the existing public access Automated External Defibrillators (AED) which are located in many County facilities. Additional funding is provided for various other types of specialized firefighter equipment needed for the Division. Funding of \$65,700 is included in this component for one-time capital outlay costs associated with the twelve new Firefighters and one Captain.

It is important to note that the Division has funding totaling \$3,200,000 in the capital budget, found elsewhere in this document. Of this total, \$1,500,000 is included for the apparatus replacement program, which will allow for the acquisition of two ambulances and one squad and \$1,700,000 has been allotted for the replacement of Self-Contained Breathing Apparatus (SCBA) system, which is nearing the end of its useful life. This replacement will significantly improve firefighter safety and will allow the Division to meet current industry standards. This year's funding will cover the purchase of 259 air packs, 500 air bottles, and 391 face pieces for the Division.

In FY2016-17, 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 2015, Henrico County received an Insurance Service Office (ISO) rating of Class 1. Henrico is one of four localities in Virginia to receive this ISO rating. Henrico is also the only county in the United States to have both an ISO Class 1 rating and to have an internationally accredited fire department. This continues a trend toward excellence; in fact, the Division of Fire was the first accredited in 1997 - making it the first fire service organization in the Commonwealth of Virginia and the ninth in the nation to receive this distinction. There are currently only 217 CFAI accredited fire service organizations in the world.

In 2015, the Division was the recipient of several awards. The Division of Fire was honored with the 2015 Congressional Fire Services Institute (CFSI) Excellence in Fire Service-Based EMS award. This highly prestigious national award recognizes best-practices in emergency medical services (EMS). Also in 2015 the American Heart Association's Mission Lifeline EMS Silver Recognition Award was awarded to the Division. This award recognizes effective quality improvement measures for the treatment of heart attacks. In addition, the Division also received five Achievement Awards from the National Association of Counties (NACo) for the following programs: Teen Summer Fire Academy, Hermitage Career and Technical Emergency Medical Technician Course, Amateur Radio Emergency Services Program, Field Training Medic Program, and the Teen Community Emergency Response Team.

In 2015, the Division was accredited by the Virginia Office of Emergency Medical Services as a training site for EMT-Intermediate advanced life support training. In the past the Division had to rely upon outside institutions to provide this training at a substantial cost to the Division.

In 2015, the Division also launched a Command Officer Exchange Program with Fairfax County. The program was designed to allow each fire department to exchange command officers for a week at a time to observe and share best practices.

The Division continues to be a leader in the provision of emergency medical services. In FY2016-17, \$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

Fire (cont'd)

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 FY2016-17 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 sixteen Recruit Academies, putting more than 232 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 improved 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 680 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 forty-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 669 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.

In FY2016-17, 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. This fire boat provides 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

Fire (cont'd)

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, five 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 separate facilities and 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>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 25,589,175	\$ 24,626,073	\$ 25,735,514	4.5%
Operation	13,396,991	11,679,012	11,750,553	0.6%
Capital	96,713	10,181	5,370	(47.3%)
Total	<u>\$ 39,082,879</u>	<u>\$ 36,315,266</u>	<u>\$ 37,491,437</u>	<u>3.2%</u>
Personnel Complement*	388	373	390	17

*Includes fifteen Deputy positions added in May 2015 for jail security and two Deputy positions added in July 2015 for the new General District Courtroom. Personnel totals above do not include one Complement IV position.

Performance Measures

	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Number of Civil Papers Served	112,078	112,200	112,200	0
Average Daily Inmate Population	1,221	1,225	1,250	25
Number of Commitals to Jail	16,143	16,200	16,200	0
Work Release Participants (Monthly Avg)	75	75	75	0
Home Incarceration (Monthly Avg)	23	25	25	0
Average Number of State Inmates	307	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 FY2016-17 totals \$37,491,437 which represents an overall net increase of \$1,176,171 or 3.2 percent when compared to the approved budget. Personnel expenditures, which comprise 68.6 percent of the total budget, are the driver of the overall increase. This increase is due primarily to the addition of seventeen Deputy positions to the complement, which were approved by the Virginia Compensation Board and the Henrico Board of Supervisors. Of this total, fifteen Deputy positions were added to the complement in May, 2015 to help with jail security and the remaining two Deputy positions were added at the beginning of FY2015-16 to accommodate the new General District Courtroom. Outside of these additions to the complement, the component also reflects updated estimates for personnel including a 2.372 percent salary increase for FY2016-17 and rising health care costs.

The operating component is forecasted to increase by \$71,541 or 0.6 percent from the previous approved budget. The FY2016-17 operating budget includes additional funding of \$50,000 to support a drug treatment program. In addition, this component

includes budget adjustments of \$4,230 for education and training classes and \$12,500 for tuition reimbursements, funding previously captured in a central reserve and reallocated to the department's budget in FY2016-17. Adjustments were made to several accounts within the operating component in order to more accurately reflect forecasted expenditures. The capital budget remained relatively flat from the previous fiscal year, with the exception of the reallocation of funding of \$4,811 to the operating component.

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 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.

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,

Sheriff (cont'd)

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 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 fifth student basic jailor academy, which had a total of 32 students enrolled, was completed in August 2015. 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. 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.

Beginning in January 2016, the canteen service will offer inmates and their families an opportunity to

purchase packs containing a variety of items on a year-round basis instead of only being available to purchase four times a year. In FY2014-15, a total of \$51,508 in revenue was generated from the sales of the holiday packs. It is anticipated that offering these packs throughout the year will generate additional 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 State Compensation Board reimbursement is for salaries and benefits as well as a per diem rate for State responsible inmates only. In FY2014-15, the overall percentage of jail operating costs paid by the State was 35.1 percent, 58.7 percent was paid by the County, and the remaining 6.2 percent was paid with various other departmental revenues. In the FY2016-17 budget, it is estimated that the Henrico County Sheriff's Office will receive 37.1 percent of funding from the State while the County will contribute 57.8 percent of funding (the remaining 5.1 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 \$15,124,854 in FY2006-07 to \$13,712,024 in FY2014-15. In FY2006-07, the average daily population totaled 1,234, with 1,040 local inmates and 194 State inmates. However, in FY2014-15, the average daily population totaled 1,221 with 914 local inmates and 307 State inmates. The number of State inmates housed in the County's jail has increased by 113 or 58.2 percent since FY2006-07 while the percentage of State funding has decreased over the same time period.

Sheriff (cont'd)

Fiscal Year	State Funding	% of State Funding	State Resp. Inmates	% of Total Inmates
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	13,712,024	35.1%	307	25%
FY16	13,189,000	36.3%	310	25%
FY17	13,900,000	37.1%	310	25%

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 FY2016-17 budget was prepared on the assumption of an average daily inmate population of 1,250. This estimate is based on 700 prisoners at Jail West and 550 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
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	20,779	11,230	32,009
FY16	18,879	10,767	29,646
FY17	18,873	11,120	29,993

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 its peak of \$12,859 in FY2008-09 to \$11,230 in FY2014-15 while the County's share has increased from \$12,898 in FY2006-07 to \$20,779 in FY2014-15.

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>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 2,027,761	\$ 2,066,131	\$ 2,106,829	2.0%
Operation	125,012	129,203	142,147	10.0%
Capital	2,854	3,644	1,500	(58.8%)
Total	2,155,627	2,198,978	2,250,476	2.3%
 Personnel Complement	 30	 30	 30	 0

Juvenile Detention (cont'd)

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Admissions	748	606	606	0
Secure Detention Days	4,924	4,764	4,764	0
Average Daily Population	13	13	13	0
Average Length of Stay, Days	7	8	8	0

The Juvenile Detention Home's budget for FY2016-17 is \$2,250,476, which is an increase of \$51,498, or 2.3 percent from the FY2015-16 approved budget. The personnel component is increasing \$40,698, or 2.0 percent, due to the annualization of the salary increase provided in FY2015-16, as well as a 2.372 salary increase for FY2016-17. The operating component is increasing \$12,944, or 10.0 percent, due to the transportation services contract for transporting juveniles and the

increased cost of food supplies under USDA guidelines. This increase also reflects a budget adjustment of \$2,000 for education and training classes.

State aid for the Juvenile Detention Home in the FY2016-17 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.

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.

Budget Highlights

The Department of Building Construction and Inspections budget is divided into two sections: Building Inspections and Community Maintenance.

Annual Fiscal Plan

Description	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 3,681,688	\$ 3,917,327	\$ 3,948,189	0.8%
Operation	228,837	381,813	399,077	4.5%
Capital	7,566	300	300	0.0%
Sub-Total	<u>\$ 3,918,091</u>	<u>\$ 4,299,440</u>	<u>\$ 4,347,566</u>	<u>1.1%</u>
Interdepartmental Billings	(157,111)	(158,074)	(161,609)	2.2%
Total Budget	<u><u>\$ 3,760,980</u></u>	<u><u>\$ 4,141,366</u></u>	<u><u>\$ 4,185,957</u></u>	<u><u>1.1%</u></u>
Personnel Complement*	52	53	53	0

*Reflects the addition of one Inspections Supervisor position in FY2015-16 for Countywide improvement.

Building Inspections (cont'd)

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Total Permits Issued	13,577	14,000	14,000	0
Single Family Permits Issued	707	750	750	0
Building Inspections	23,801	25,000	25,000	0
Electrical Inspections	14,478	13,000	13,000	0
Mechanical Inspections	10,456	11,000	11,000	0
Plumbing Inspections	16,349	17,000	17,000	0
Fire Protection Inspections	2,724	3,000	3,000	0
Elevator Inspections	224	250	250	0
Sign Inspections	829	600	600	0
Existing Structure Inspections	2,199	2,300	2,300	0
FOG Inspections	270	300	300	0
Total Inspections	68,861	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	5	5	5	0
Commercial Inspections/Inspector/Day	7	7	7	0
Avg. # of Inspections/Single Family Dwelling	36	38	38	0

The total FY2016-17 budget for the Department is \$4,185,957, an increase of 44,591 when compared to the FY2015-16 approved budget. This increase was driven by updated estimates for personnel including a 2.372 percent salary increase for FY2016-17 and rising health care costs.

The operating component of the budget increased by \$17,264 or 4.5 percent from the previous fiscal year. This component includes budget adjustments of \$13,184 for education and training classes and \$4,080 for tuition reimbursements, funding previously captured in a central reserve and reallocated to the department's budget in FY2016-17. The capital outlay component remained constant from the previous fiscal year.

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 FY2015-16 and FY2016-17.

The Building Inspections section's budget totals \$3,859,209, which reflects an increase of \$53,680 or 1.4 percent when compared to the FY2015-16 budget.

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 Community Maintenance Division within the Building Inspections Department is responsible for resolving violations of the building code and graffiti ordinance for existing structures. This Division's budget totals \$326,748, which reflects a decrease of \$9,089 when compared to the prior fiscal year. 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 \$161,609. 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.

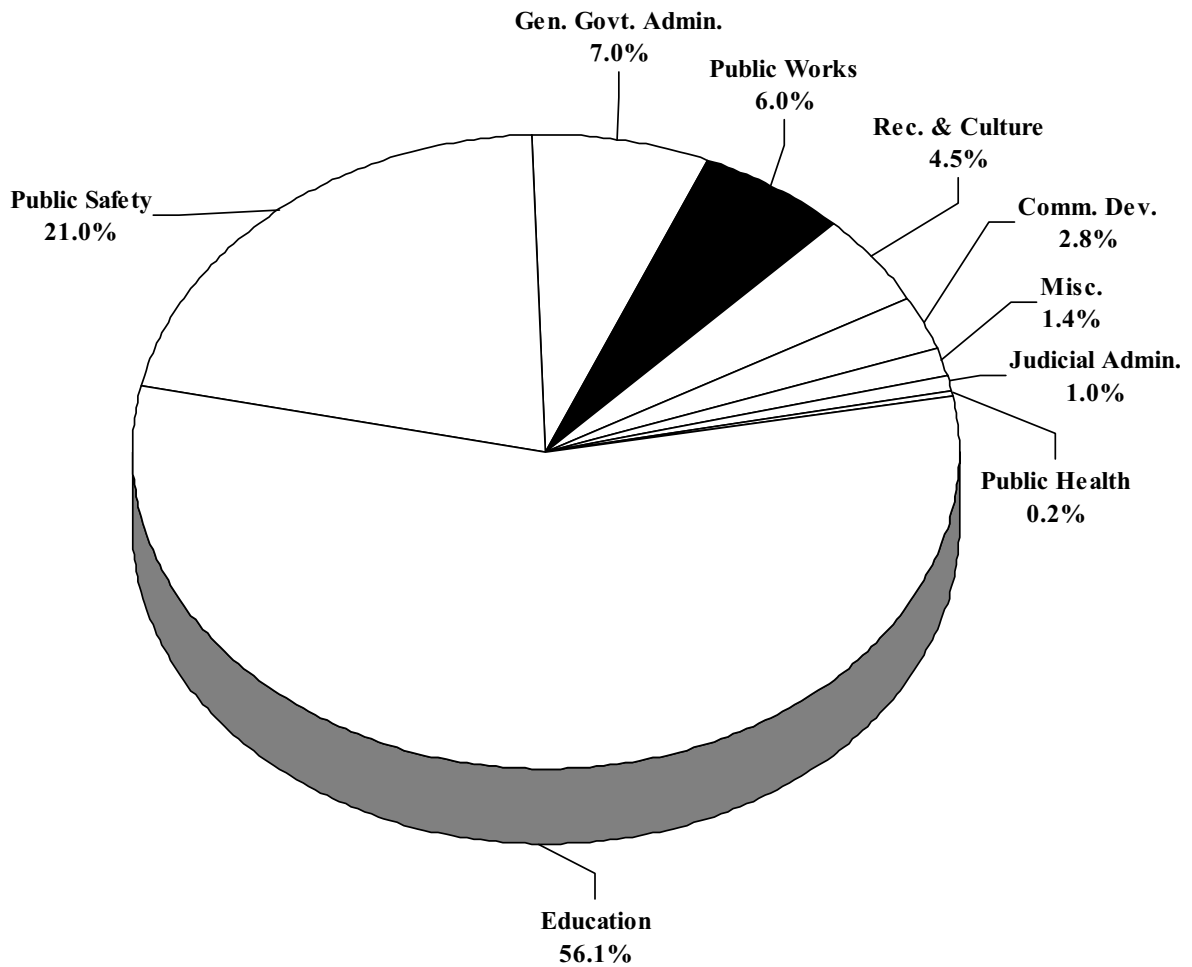
Building Inspections (cont'd)

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
\$48,965,254



Total General Fund
\$810,875,233

**COUNTY OF HENRICO, VIRGINIA
PUBLIC WORKS - GENERAL FUND
FY 2016-17**

<u>Division</u>	<u>FY 14-15 Actual</u>	<u>FY 15-16 Original</u>	<u>FY 16-17 Approved</u>
Administration	\$1,493,241	\$1,220,325	\$1,244,364
Road Maintenance	30,298,722	30,322,256	30,541,337
Traffic Engineering	3,734,459	3,309,133	3,432,840
Construction	2,590,068	2,687,977	2,802,564
Design	1,818,706	1,917,472	1,964,091
Mass Transit	7,625,007	6,686,563	6,993,089
Environmental	1,542,879	1,492,663	1,568,632
Standing Water Initiative	359,153	408,688	418,337
Total Public Works	<u>\$49,462,235</u>	<u>\$48,045,077</u>	<u>\$48,965,254</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 FY2016-17 is \$48,965,254, representing an increase of \$920,177 or 1.9 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 \$510,760 or 3.3 percent. The operating component is forecasted to increase by \$413,217 or 1.3 percent and capital outlay expenditures are expected to decrease by \$3,800.

The FY2016-17 approved budget is to be funded by \$40,556,821 from the State's Gas Tax maintenance

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 14,758,540	\$ 15,249,139	\$ 15,759,899	3.3%
Operation	33,113,142	31,195,588	31,608,805	1.3%
Capital	1,590,553	1,600,350	1,596,550	(0.2%)
Total	\$ 49,462,235	\$ 48,045,077	\$ 48,965,254	1.9%
 Personnel Complement	 257	 257	 259 *	 2

* The personnel complement includes an Engineer II position and Construction Specialist II position which were added in FY2015-16 to enhance the permit review process.

Performance Measures				
	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	Change 16 to 17
Workload Measures				
Lane Miles of Road Maintained	3,468	3,479	3,489	10
Traffic Signals Maintained	150	150	153	3
Development Plans Reviewed	1,568	1,600	1,650	50

allocation, \$7,838,269 from the County's General Fund subsidy, and \$570,164 from miscellaneous departmental revenue. The total projected Gas Tax for FY2016-17 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 82.8 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 \$7,838,269. The General Fund supports 100 percent of expenses related to the Standing Water Initiative and Environmental Inspection divisions which combined total \$1,986,969. The Standing Water Initiative is budgeted at \$418,337 and the Environmental Inspection Division is budgeted at \$1,568,632 for the approved FY2016-17 budget.

General Fund support is also provided for Mass Transit services, feasibility studies for the new road construction funding application process tied to House Bill Two (HB2), and Leaf Collection services. Specifically, General Fund support of \$5,349,800 in FY2016-17 will subsidize the GRTC and JOBS services costs in the Mass Transit budget. General fund support will also be provided for feasibility studies in the amount of \$200,000. This funding will assist with the HB2 application process which determines eligibility for additional funding for transportation projects. 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 \$46,978,285. 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 \$40,556,821 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 \$429,092 or 3.2 percent which reflects the 2.372 percent salary increase, the full-year impact of the 2.0 percent raise provided in the prior fiscal year as well as an increase in the cost of health care. It is important to note that the increase to the personnel component was lessened due to a decrease in the cost of VRS resulting from a reduction in the contribution rate. The operating component increased by \$209,267 compared to the prior fiscal year.

The capital outlay component remained relatively flat with a decrease of \$3,800 compared to the prior fiscal year. There are several noteworthy capital purchases forecasted within the \$1,586,000 approved capital

Public Works (cont'd)

component. The Capital outlay items include the following: five grass tractors, two mowtrims, one 4 cubic yard dump truck, one tractor, five 10 cubic yard dump trucks, one trailer mounted traffic counting camera, one pole trailer, 30 traffic counters, 100 LED luminaries, and one power washer.

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 \$418,337. The personnel component comprises 79.5 percent or \$332,637 of the total budget. The operating component is increasing by \$3,450 due to the reallocation of funding for education and training into departmental budgets.

Environmental Inspection Division

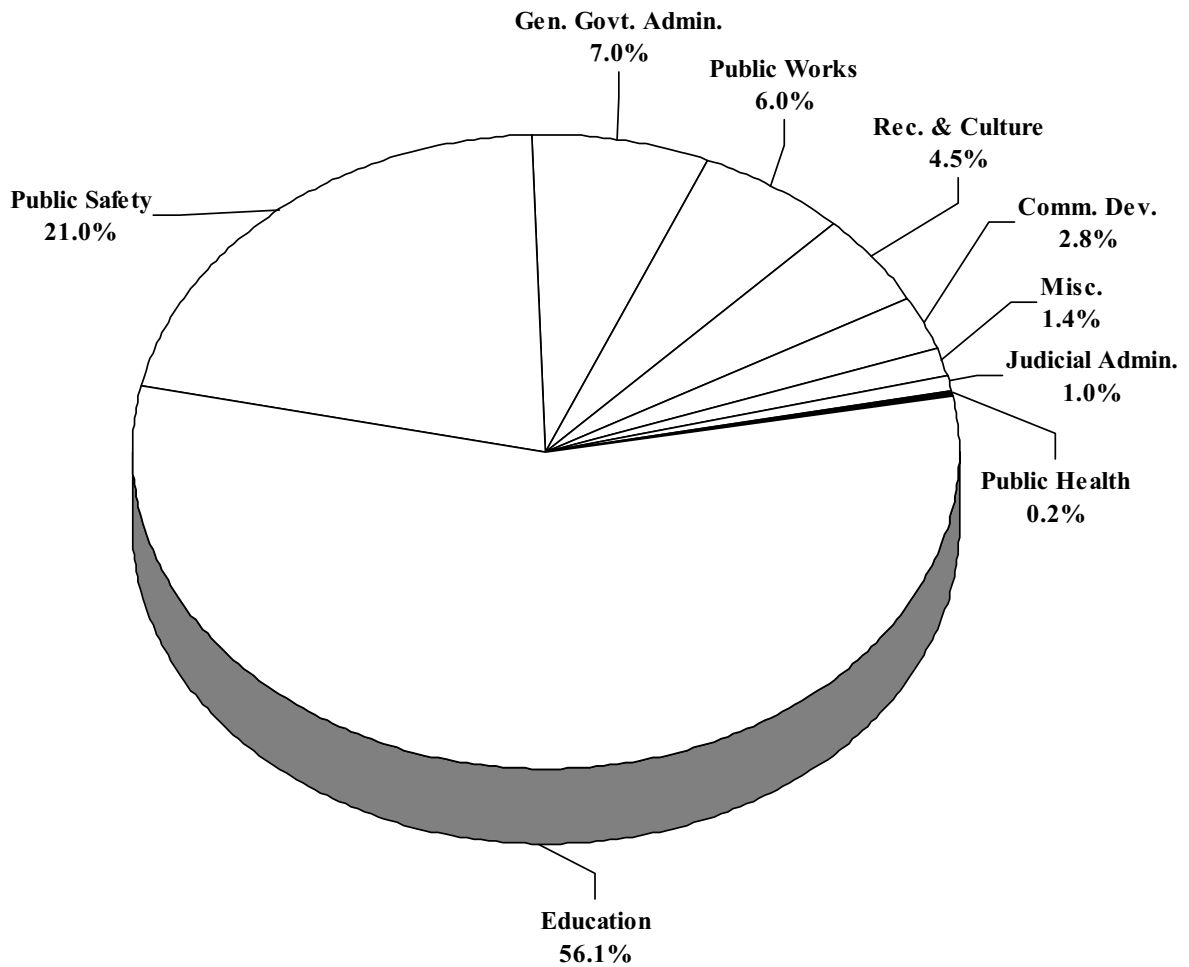
The Environmental Inspection Division is funded solely through the General Fund at a total cost of \$1,568,632. Expenditures are forecasted to increase by \$75,969 or 5.1 percent from the FY2015-16 approved budget. This budgetary increase is due to the 2.372 percent salary increase in FY2016-17 as well as the addition of an Engineer I position to the Environmental Inspection Division's personnel complement during the FY2015-16 fiscal year. The operating component of the budget reflects an increase of \$500 due to the reallocation of education and training funding in departmental budgets. The capital outlay component remained flat compared to the previous fiscal year.



COUNTY OF HENRICO, VIRGINIA

Public Health

\$1,950,729



Total General Fund

\$810,875,233

**COUNTY OF HENRICO, VIRGINIA
HEALTH - GENERAL FUND
FY2016-17**

<u>Department</u>	<u>FY 14-15 Actual</u>	<u>FY 15-16 Original</u>	<u>FY 16-17 Approved</u>
Public Health	\$1,902,174	\$1,779,094	\$1,950,729
Total Health	<u>\$1,902,174</u>	<u>\$1,779,094</u>	<u>\$1,950,729</u>

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 approved budget for FY2016-17 reflects the mandated 45.0 percent County share of the cooperative budget, which totals \$1,765,231. 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 \$1,950,729, which represents an increase of \$171,635, or 9.6 percent above the FY2015-16 approved budget, due to increased support allocated from the State. There are no County funded positions assigned to Public Health.

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	1,902,174	1,779,094	1,950,729	9.6%
Capital	0	0	0	0.0%
Total	<u>\$ 1,902,174</u>	<u>\$ 1,779,094</u>	<u>\$ 1,950,729</u>	<u>9.6%</u>
Personnel Complement*	N/A	N/A	N/A	N/A

*Does not reflect 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)

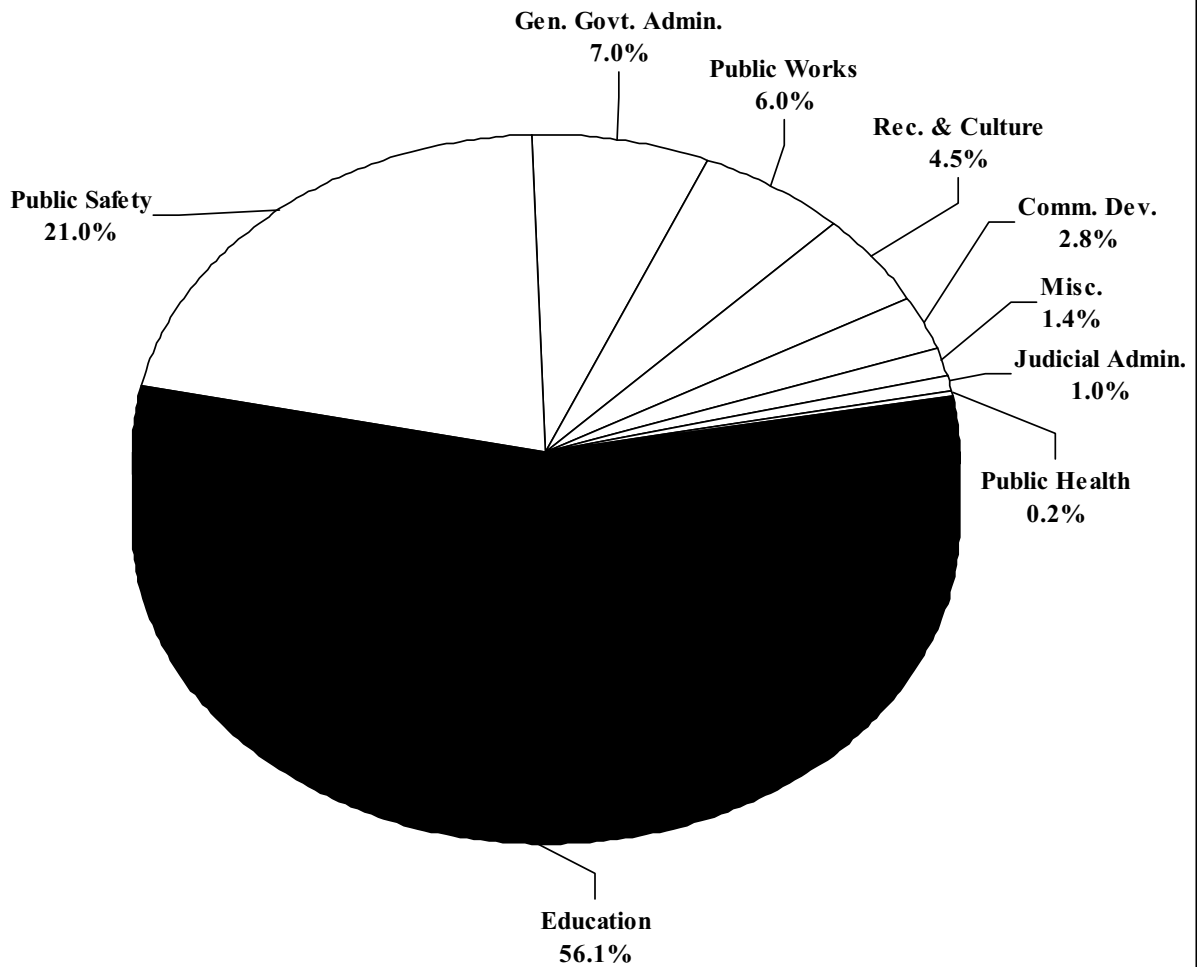
	Performance Measures			Change
	FY15	FY16	FY17	16 to 17
Workload Measures				
Maternity Visits	2,371	2,400	2,450	50
Nursing Home Screening	666	715	750	35
Food Service Protection Visits	3,575	3,600	3,700	100
WIC Average Monthly Participation *	N/A	5,100	5,100	0
Number of Clinic Patients *	6,764	6,700	6,700	0
Number of Clinic Patient Visits *	15,258	15,200	15,200	0

* New performance measures

COUNTY OF HENRICO, VIRGINIA

Education

\$455,071,628



Total General Fund

\$810,875,233

**COUNTY OF HENRICO, VIRGINIA
EDUCATION - ALL FUNDS
FY 2016-17**

<u>Fund/Division</u>	<u>FY 14-15 Actual</u>	<u>FY 15-16 Original</u>	<u>FY 16-17 Approved</u>
General Fund:			
Instruction	\$324,047,827	\$332,171,520	\$343,343,161
Administration/Attendance & Health	15,571,909	14,679,076	15,638,442
Pupil Transportation	28,300,691	25,000,071	25,281,927
Operations and Maintenance	42,833,835	44,997,147	45,079,736
Technology	17,877,186	24,323,814	25,728,362
Total General Fund	428,631,448	441,171,628	455,071,628
Special Revenue Fund:			
School Food Service	\$19,471,869	\$23,772,232	\$23,642,368
State, Federal, and Other Grants:			
Adult Education Catalog Classes	69,189	98,550	89,188
Computer Insurance Coverage	4,114,706	0	1,500,000
CTE Resource Center	800,935	1,004,918	1,064,813
DMAS School Health	356,475	1,011,898	1,357,686
Driver Education Program	225,400	119,372	119,372
Federal Class Size/Title II	1,388,742	1,396,572	1,213,583
General Adult Education	138,599	301,108	285,926
Head Start	1,181,694	1,252,896	1,460,961
Homeless Assistance	77,676	105,508	91,171
Humanities Center Grants	7,475	8,000	8,000
Individual Student Alternative Ed Plan Grant	45,399	58,956	60,568
Juvenile Detention Home	1,315,444	1,441,258	1,478,478
Mentor Teacher Program	20,354	25,018	25,018
Miscellaneous School Grants - Federal	(155,866)	283,629	308,167
Miscellaneous School Grants - Local	2,504,222	1,138,628	1,157,529
Miscellaneous School Grants - State	1,379,691	1,197,386	1,557,851
Pell Grants	323,938	250,000	387,700
Perkins Act III	607,468	669,220	717,009
Pre-School	228,951	279,588	285,302
VPI+	0	0	2,258,347
Early Reading Intervention	672,508	786,778	776,365
Reserve for State and Federal Grants	0	2,660,494	3,184,718
SOL Algebra Readiness	540,948	471,831	479,297
Special Education Jail Program Grant	96,465	121,381	89,545
State Four Year Old Program	1,814,380	2,912,903	2,890,915
Summer School	1,447,627	1,607,789	1,751,475
TIF Grant-Teacher Leaders	1,565,817	0	0
Technology (State)	4,280,364	2,194,400	2,194,400
Title I-A	9,286,962	8,033,721	9,444,085
Title I-D	167,121	177,610	170,750

Education - All Funds (cont'd)

<u>Fund/Division</u>	<u>FY 14-15 Actual</u>	<u>FY 15-16 Original</u>	<u>FY 16-17 Approved</u>
State, Federal, and Other Grants: (cont'd)			
Title III ESL	340,462	322,636	316,212
Title VI - B Special Education	8,247,912	9,805,977	9,940,586
Other Special Revenue Grants	196,670	13,500	40,000
Subtotal Grants	<u>43,287,728</u>	<u>39,751,525</u>	<u>46,705,017</u>
Total Special Revenue Fund	\$62,759,597	\$63,523,757	\$70,347,385
Debt Service Fund:			
General Obligation	<u>35,433,823</u>	<u>35,411,580</u>	<u>33,292,773</u>
Total Debt Service Fund	<u>35,433,823</u>	<u>35,411,580</u>	<u>33,292,773</u>
Total Education - All Funds	<u><u>\$526,824,868</u></u>	<u><u>\$540,106,965</u></u>	<u><u>\$558,711,786</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, Instructional Support, Operations, Finance & Administration, Human Resources, Communications & Public Relations, and School Board and Superintendent have been established to accomplish the educational objectives of the County. A description of each follows.

In FY2016-17, the Division of Instruction will provide instructional programs to 23,379 elementary school students (grades K-5); 11,603 middle school students (grades 6-8) and 15,780 high school students (grades 9-12). This Division includes the departments of

Elementary Education, Secondary Education, Career and Technical Education, and Research and Planning. This includes educational research, evaluation, student testing and assessment, program audit services, facility monitoring, system-wide planning services.

The Division of Instructional Support provides support to exceptional education, foundational learning and family engagement, school counseling, school improvement & professional development, student support and disciplinary review, psychology, social work and extended learning.

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 and Administration includes the areas of school finance, budget, payroll, general services, school nutrition services, oracle HRMS and policy and records management. The Division of Human Resources provides support to instructional and non-instructional programs through recruitment, selection, assignment, and evaluation of personnel. The Division also provides support systems for employees in Human Resources and Student Health Services. The Division of Communications & Public Relations provides support for communications, media services, television services and legislative services. Finally, 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	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 414,392,665	\$ 427,910,662	\$ 441,828,000	3.3%
Operation	58,655,832	61,239,693	65,068,804	6.3%
Capital	18,342,548	15,545,030	18,522,209	19.2%
Debt Service	35,433,823	35,411,580	33,292,773	(6.0%)
Total	\$ 526,824,868	\$ 540,106,965	\$ 558,711,786	3.4%
Personnel Complement	6,686.55	6,735.55	6,826.75	91.20
Average Daily Membership	49,812	50,370	50,762	392

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 FY2016-17, which includes the General Fund budget, School Cafeteria Fund, State and Federal Grants Fund, and the education portion of the Debt Service Fund, is \$558,711,786. This reflects an increase of \$18,604,821 or 3.4 percent when compared to the FY2015-16 approved budget. Included in the increase is funding for a 2.372 percent salary increase.

Of the total \$558,711,786, \$455,071,628 of that amount is the General Fund budget for HCPS. Put another way, the General Fund budget consists of 84.3 percent of the total HCPS budget. The General Fund reflects a \$13,900,000, or 3.2 percent increase when compared to the FY2015-16 budget. Of the General Fund total, State revenues fund \$250,509,800, or 55.1 percent of the FY2016-17 budget. Federal revenues account for \$350,000, while the remaining \$204,211,828 comes from local resources.

Found elsewhere in the FY2016-17 budget, \$2,000,000 in local resources is provided for two purposes. The first is the addition of \$1,000,000 of local resources for school bus replacements. This addition will bring the total funding for school bus replacement to \$2,000,000. This funding is included in the Vehicle Replacement Fund, which can be found

in the Capital Budget narrative later in this document. The other \$1,000,000 not included in the HCPS FY2016-17 budget is incorporated in the Children's Services Act (CSA) budget to cover expenses for children referred for CSA services by HCPS. More detail can be found in the CSA narrative also located later in this document.

The staffing level for FY2015-16 reflects an average class size of 21.2:1 for elementary schools, 22.3:1 for middle schools, and 22.1:1 for high schools. This reflected a decrease when compared to FY2014-15 largely due to a change in methodology for calculating class size. To maintain these staffing levels, a total of 35.0 FTE positions are being added for teacher positions at a cost of \$2,275,000. Of the 35.0 positions, 27.0 FTE positions will be allocated to 8.0 of those will go towards a teacher reserve and allocated to schools when needed. In addition to maintaining the current class size, an additional 23.0 FTE positions, at an estimated cost of \$1,500,000, are being added to help reduce class sizes as part of a multi-year effort.

In order to provide a 21st century education to the students in Henrico County, Education's FY2016-17 General Fund and Special Revenue Fund Budgets includes \$16,094,644 for technology. Included in this amount is funding for the laptop leases. The laptop initiative began in FY2001-02 when the School system 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 FY2016-17 is \$13,882,979 with an additional \$1.1 million allocated for lease payments associated with elementary school laptop computers.

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 FY2016-17 budget for the School Cafeteria Fund is \$23,642,368, which reflects a decrease of \$129,864, or 0.5 percent when compared to the FY2015-16 budget. The decrease in this area is reflective of declining estimates for Federal payments for the

Education (cont'd)

school lunch program and cafeteria receipts. No local tax dollars are allocated to this program.

The FY2016-17 budget for the State and Federal Grants Fund is \$46,705,015, which is an increase of \$6,953,492 or 17.5 percent when compared to the FY2015-16 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 FY2016-17 budget includes the Virginia Preschool Initiative expansion grant that will provide 10 additional preschool classrooms, an increase in the Title I-A grant, and an increase in the estimate for Medicaid reimbursements for educational assistance services provided to students, which will be utilized for additional service providing positions.

The amount budgeted for debt service related to education is \$33,292,773, which is a decrease of \$2,118,807, or 6.0 percent that was largely the result of a bond refunding in March, 2015. 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 FY2016-17 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 FY2016-17, \$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 in a future capital budget. In addition to the \$20,000,000 projected to be collected in FY2016-17, the FY2016-17 capital budget includes \$10,783,247 of

prior collected meals tax resources for planning and design for several renovation projects. The combined 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.

In FY2016-17, the print shop function of HCPS will combine with the print shop in the Department of General Services in order to reduce redundant operations. This collaboration will create savings of \$34,389 and is the latest in a number of efforts where, in order to provide more resources to student instruction, the County's General Government provides services to HCPS. Included in these are:

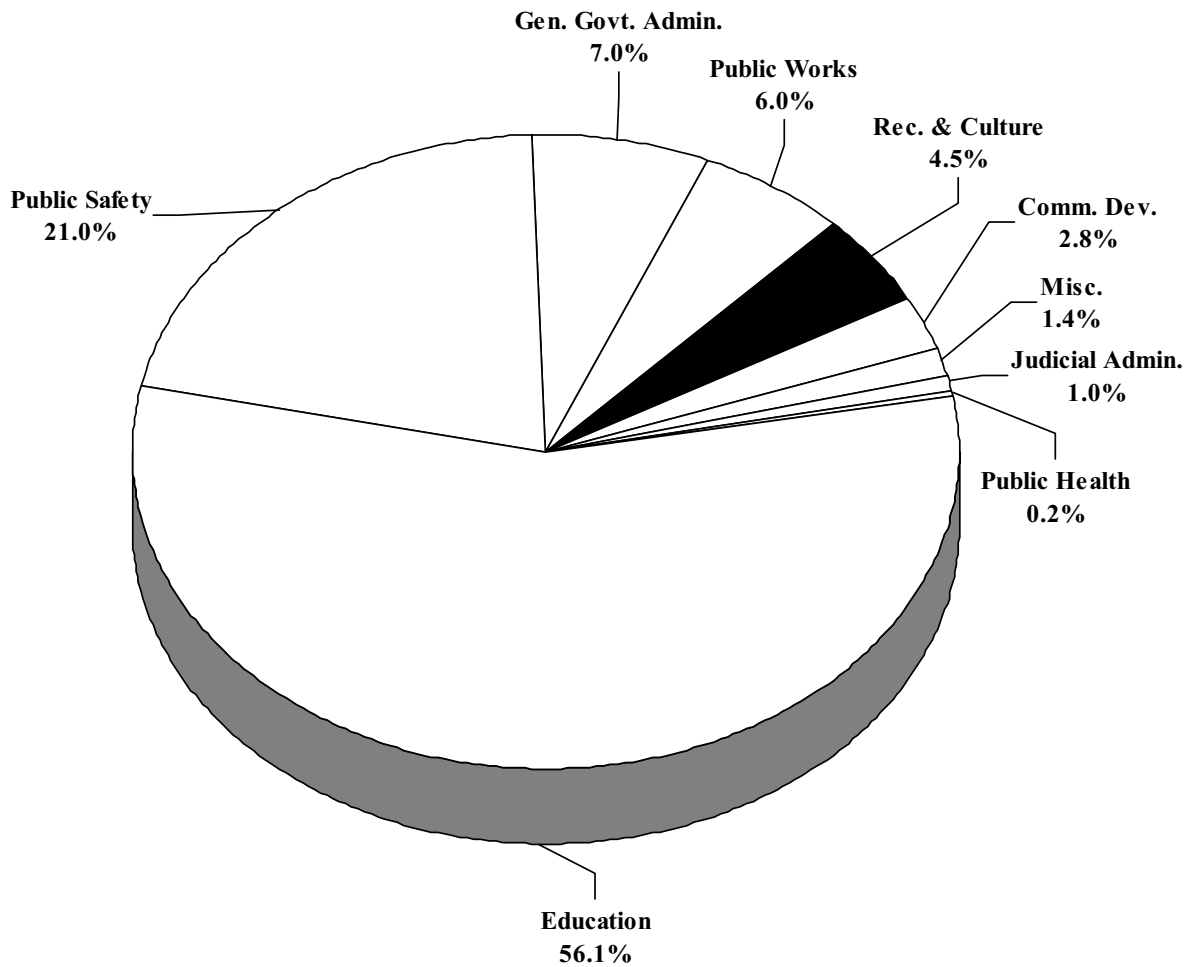
- Consolidated financial operations;
- Consolidated human resources management systems;
- The provision of the County Attorney's staff;
- A consolidated self-insurance health care system;
- The provision of School Resource Officers (SRO), including SROs at all elementary schools funded by the Division 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

\$36,116,814



Total General Fund

\$810,875,233

**COUNTY OF HENRICO, VIRGINIA
RECREATION, PARKS AND CULTURE - GENERAL FUND
FY 2016-17**

<u>Department</u>	<u>FY 14-15 Actual</u>	<u>FY 15-16 Original</u>	<u>FY 16-17 Approved</u>
Recreation & Parks:			
Administration	\$2,884,271	\$2,657,158	\$2,676,984
Recreation Services	5,265,541	6,366,200	6,316,712
Parks Services	<u>8,149,409</u>	<u>8,505,323</u>	<u>8,831,780</u>
Total Recreation & Parks	16,299,221	17,528,681	17,825,476
Public Library	14,213,619	17,067,727	18,291,338
Total Recreation, Parks and Culture	<u><u>\$30,512,840</u></u>	<u><u>\$34,596,408</u></u>	<u><u>\$36,116,814</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 Grounds and Turf 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

Description	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 11,782,258	\$ 12,910,783	\$ 12,946,559	0.3%
Operation	3,921,900	4,020,593	4,274,612	6.3%
Capital	595,063	597,305	604,305	1.2%
Total	\$ 16,299,221	\$ 17,528,681	\$ 17,825,476	1.7%
 Personnel Complement	 170	 170	 170	 0

*Two positions were sent to the County's Hold Complement after the approval of the FY16 Budget.

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Park Visitation	3,295,348	3,500,000	3,500,000	0
Special Event Attendance	44,155	46,000	48,000	2,000
Reported Visitation ⁽¹⁾	316,385	317,000	317,000	0
Number of Youth Sports Participants	40,038	41,000	42,000	1,000
Turf Acres Mowed	5,484	5,500	5,500	0
Number of General Acres Mowed	17,194	17,500	17,500	0
Number of Work Orders Processed	4,579	4,800	4,800	0
Number of Irrigation Sites Maintained	131	127	132	5
Number of Special Event Set-Ups	334	360	350	(10)
Number of Habitable Structures	98	98	100	2
Number of Historic Sites	35	35	35	0
Number of Shelter Reservations	2,340	2,430	2,500	70
Effectiveness Measures				
% of Programs Offered vs. Held	66%	70%	70%	0%
% of Actual Enrollments vs. Capacity	43%	50%	50%	0%

⁽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.
- 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.

Recreation (cont'd)

- 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 FY2016-17 budget is \$17,825,476, which represents a \$296,795, or 1.7 percent increase when compared to the FY2015-16 approved budget. The personnel component increased \$35,556 as a result of revised estimates in salaries and benefit costs, including a 2.372 percent salary increase in FY2016-17 and annualizing the cost of part-time salaries for Short Pump Park. This increase is offset by a decrease in the rate for contributions to the Virginia Retirement System, and a shift in accounting for certain program providers from part-time employees to contracted services. As such, the operating component increased \$254,019. The capital outlay component increased \$7,000.

Administrative Services

The FY2016-17 budget for Administration totals \$2,676,984 and includes the Director's office, the Business Office, Information Technology, Capital Planning and Development, and Marketing sections. The budget for FY2016-17 reflects an increase of 0.7 percent as a result of education and training funding being reallocated to the department after being budgeted in a central reserve in prior years.

Recreation Services

The FY2016-17 budget for Recreation Services totals \$6,316,712, which reflects a decrease of 0.8 percent when compared to FY2015-16. The decrease is the result of revised estimates for salaries and benefits, particularly the decrease in the contribution rate to VRS. In addition to the decrease in salaries and benefits, there is cost shift between personnel and operating to recognize certain program providers as contract service providers instead of temporary, part-time employees.

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 FY2016-17 is \$8,831,780, which represents a 3.8 percent increase when compared to the FY2015-16 approved budget. Personnel for this section of Recreation reflects an increase of 5.6 percent as a result of positions being shifted from Administration and Recreation Services. The operating component of the Park Services budget is projected to increase \$41,466 as a result of operating costs for Short Pump Park. The capital outlay component, which totals \$572,112, will remain flat in FY2016-17.

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 FY2016-17, \$139,100 will go towards the replacement of mowers, trailers, landscaping equipment, utility vehicles, and other specialized equipment necessary for the maintenance of playing fields and park areas.

The Facility Rehabilitation portion of the budget totals \$353,782 in the FY2016-17 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 \$691,450 for FY2016-17, which reflects a 2.5 percent increase compared to FY2015-16. Recreation generates revenues through program fees and facility rentals. No program or rental fees are proposed to be increased in FY2016-17.

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. This effort brought forth a busy summer for the Division of Recreation and Parks as during just one two-week period in July it hosted three major baseball tournaments – the Triple Crown U.S. Baseball Championships, the Babe Ruth Southeast Regional Tournament, and the Little League State Tournament. Additionally, throughout the summer months many regional, statewide, and national tournaments were hosted in Henrico County parks. Overall, Henrico maintained its position of fifth highest visitor spending in the Commonwealth as a result of these tournaments and many other events in Henrico’s park system. The sports tournament effort will continue with tournaments booked with Airo Football and Softball Factory for the coming year.

During FY2014-15, several new successful programs and events were offered. The new programs are:

- In collaboration with the Richmond Region Antique Automobile Club of America (AACA), six “Sunday Afternoon with the Classics” car programs and the “Bugstock: A 60’s VW Happening” special event;
- History of American Fashion Show;
- Therapeutic Show Choir –A Salute to Motown;
- What’s Cooking in the Kitchen;
- Teens Helping Hands Program;
- Super Hero Camp;
- In collaboration with Senior Connections, the new Deep Run Friendship Café; and
- Just Do It Yourself-Home Improvement Series

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. Over the past year, 704 items were inventoried and either utilized in programs or sent to surplus. This process is ongoing, with a review whether an item is necessary to keep in the Division’s inventory being part of the process.

Several notable projects saw progress on them over the past year. 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. In 2015 Twin Hickory Park received the “Best New Facility” award from the Virginia Recreation and Park Society. The last project from the 2005 Referendum, the improvements at Short Pump Park, is currently scheduled to open in the summer of 2016.

In addition to the bond projects, work commenced on several large scale projects in the past year. A master plan for a large scale athletic facility at Greenwood Park was adopted in November, 2015. For Tuckahoe Creek Park, construction commenced on a boardwalk trail system, which was partially funded through a grant received from the Virginia Department of Conservation and Recreation. Another grant funded project is the trail connecting Dorey Park to the Virginia Capital Trail, which is funded through the Transportation Alternatives Program administered by the Virginia Department of Transportation. Finally, a full renovation of the Dorey Park Softball Complex was completed, which included the installation of a new irrigation system, rehabilitation of all four fields, adding of concrete floors and fiberglass roofs to all the dugouts, installing new player benches and replacing worn fencing.

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 by providing access to not only print materials, but to technology as well. HCPL is responsive to the needs of a community that is focused on literacy and education.

The library serves the County’s diverse community by assisting customers in finding the information that they want or need, often using a variety of formats. This service is available not only through in-person visits to HCPL’s 11 library facilities, but also through the Library’s “virtual branch” available online 24/7 that provides the community with expanding e-services.

To accommodate these changing needs, Henrico libraries are home to 533 public computer workstations, including 28 public laptops 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 FY2016-17 totals \$18,291,338, representing an increase of \$1,223,611 or 7.2 percent from the previous approved budget. The overall increase in the FY2016-17 approved budget is primarily due to the addition of \$972,682 for ongoing costs of Libbie 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

Annual Fiscal Plan

Description	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 10,491,454	\$ 12,799,757	\$ 13,500,187	5.5%
Operation	3,518,517	4,082,970	4,601,151	12.7%
Capital	203,648	185,000	190,000	2.7%
Total	\$ 14,213,619	\$ 17,067,727	\$ 18,291,338	7.2%
 Personnel Complement	 171	 198 *	 206 **	 8

* 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.

** Six full-time positions and six part-time positions added in FY2016-17 budget to staff the new Varina Area Library. One position moved to Hold Complement in FY2015-16.

Library (cont'd)

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Annual Circulation of Materials	3,936,061	3,938,153	3,994,454	56,301
Physical Items	3,391,494	3,289,749	3,191,057	(98,692)
Digital Items (Electronic Materials)	510,723	612,868	766,085	153,217
Online Database Visits (Electronic Collections)	33,844	35,536	37,313	1,777
Customer Visits	1,986,263	2,006,126	2,046,248	19,863
Program Attendance - Children	48,517	50,943	54,509	2,426
Program Attendance - Teen/Young Adult	4,085	4,085	4,208	-
Program Attendance - Adult	4,205	4,205	4,331	-
Number of Programs	2,386	2,505	2,681	119
Number of Holds Requested by Customers	481,984	515,723	562,138	33,739
Number of Holds - Picked Up Inside Library	213,335	213,335	217,602	-
Number of Holds - Picked Up at Drive Up Window	48,069	48,550	50,006	481
Number of Library Cards Issued	18,199	18,381	18,749	182
Number of Classes Taught	208	210	214	2
Total Class Attendance	1,272	1,285	1,310	13
Digital Media Lab Bookings	81	122	243	41
Digital Media Lab Attendance	578	723	1,084	145
Number of Copies Added	111,993	114,233	114,233	2,240
Outside Use of Meeting Rooms	67,891	71,286	76,988	3,395
Outside Use of Study Rooms	38,542	40,469	44,516	1,927
Outreach Programming Attendance	45,659	46,116	47,499	457
Total Number of Library Members	247,637	250,113	255,116	2,476
Efficiency Measures				
Number of Self-Service Check-Out Transactions	1,436,050	1,450,411	1,479,419	14,361
Number of Self-Service Check-In Transactions	1,366,036	1,407,017	1,449,228	40,981
Number of Library Catalog Visits	825,766	825,766	825,766	-
Number of Library Web Site Visits	2,975,771	3,035,286	3,095,992	59,515
Web Site Visits - Dashboard	2,781,076	2,836,698	2,893,431	55,622
Social Sites Visits - Dashboard	194,695	204,430	214,651	9,735
Effectiveness Measures				
Reference Questions Answered	840,031	856,832	882,537	16,801
Number of Customers Using Public Workstations	178,287	181,853	187,308	3,566
Number of Sessions by Customers Using Public Workstations	446,869	451,338	460,364	4,469
Number of Public WiFi Connections by Customers	1,535,457	1,627,584	1,725,239	92,127
Number of Titles in Collection	328,918	328,918	328,918	-
Number of Copies in Collection	839,037	839,037	839,037	-
Number of Electronic Databases Available*	66	66	66	-
Number of Volunteer Hours Used	8,969	9,059	9,149	90

* includes 35 databases provided by the Library of Virginia

total amount added for Libbie Mill and Varina Area Library includes \$449,501 for the personnel costs associated with 6 new full-time positions and 6 new part-time positions (9 full-time equivalents), as well as \$523,181 for ongoing operating and capital

expenses. The capital component of HCPL's FY2016-17 budget includes \$135,000 for a Library Maintenance Plan which was added in the FY2015-16 budget. Funding for the Library Maintenance Plan provides HCPL with the ability to refurbish high

Library (cont'd)

traffic public areas throughout the Library system as needed.

The remainder of the budgetary increase in FY2016-17, equal to \$250,929, is entirely due to increases in the personnel complement which is primarily driven by the 2.372 percent salary increase, the full-year impact of the 2.0 raise in FY2015-16 as well as rising health care costs. It is important to note that the budgeted amount for VRS is decreasing due to a change in the contribution rate.

Departmental Highlights

Libbie Mill Library Opened in October

Libbie Mill Library's outdoor grand opening ceremony occurred on October 29th at 6:00 p.m. Following the ribbon cutting over 2,000 guests came into the library. The event was a great success and members of the community were very complimentary of the new library. Libbie Mill Library officially opened its doors for business on Friday, October 30th at 9:00 a.m.

The building features 39,915 square feet of library space over two floors. The estimated total cost of the project is \$30.6 million, funded with the approval of Henrico voters by the County's 2005 bond referendum.

Fairfield Area Library and Sandston Branch Library Refresh

In January 2015, Fairfield Area Library was updated with new paint, carpet, lighting, ceiling tiles, furniture and sliding doors. Shelves were reconfigured to make the space more open and giving more floor space for seating and study tables. Sandston was also refreshed with new paint, carpeting and lighting to brighten up the interior which was completed in April.

National and Local Awards

The Library was awarded five National Association of Counties (NACo) Achievement Awards. HCPL was awarded for the following programs:

Jumpstart Your Summer Teen Volunteer Fair: Beginning in the spring of 2013, Mandy Arnold (Tuckahoe Area Library's Teen Librarian I), invited and hosted representatives from non-profit organizations for a Jumpstart Your Summer Teen Volunteer Fair to meet with teens to discuss

opportunities for volunteering. The Jumpstart Your Summer Teen Volunteer Fair was also awarded a Virginia Association of Counties (VACo) Achievement award and an Award for Outstanding Young Adult Program from the Virginia Public Library Directors Association (VPLDA).

Summer Reading Club Trophy Challenge: The Summer Reading Club Trophy Challenge is a contest between all of Henrico County's elementary schools hosted by HCPL since 2012.

Study Abroad: Beginning in August 2011, HCPL began a staff study abroad program which required all public service staff to work at another library within the system for a total of at least 24 hours or three days each year.

Teen Community Emergency Response Teams: HCPL, in partnership with the County of Henrico Division of Fire and Office of Emergency Management, offered teens a chance to become members of the Teen Community Emergency Response Team (Teen CERT).

Promoting Online Homework Help to Teens: In October 2012, HCPL launched two online services for library customers — Credo Homework Help and Literati. Both are products of the company, Credo Reference. Credo Homework Help includes help from a "live" teacher with math, reading, or writing for students in grades 3 through 12. Literati Public allows library customers to search the full-text of online versions of hundreds of reference books in all major subjects.

Digital Media Lab (DML) at the Twin Hickory and Libbie Mill Libraries

The Digital Media Lab at the Twin Hickory Library was open to the public for the first full year in 2015. Patrons have been booking a two-hour reservation to use the podcasting, scanning and/or video station and equipment, as well as submitting items to be printed on the 3D printer.

The Twin Hickory DML has been a successful pilot project and was helpful in planning the Libbie Mill Library's Digital Media Lab. These labs offer resources to help the community create and learn while experimenting with technology that they may not have had access to otherwise. Libraries have always promoted print literacy and as technology becomes more and more a part of everyday life, libraries are adding promotion of digital literacy to its

Library (cont'd)

mission. The DML and the access to the advanced technologies is another way HCPL can help bridge the digital divide.

All Henrico Reads

Held on April 1, All Henrico Reads 2015 with Tayari Jones was an outstanding success. The morning session saw about 200 students participate. Ms. Jones shared with students that if they work hard that they will be ready for opportunities as they arise. Ms. Jones returned to Glen Allen High School that evening and made a visit at the Friends of Henrico County Public Library's Annual Meeting in the school library. About 800 community members turned out for her evening performance that kept the audience laughing and thinking. Ms. Jones closed the evening out by signing books for a long line of fans.

Summer Reading Club

HCPL's Summer Reading Club theme for all ages this year was "Every Hero Has a Story." The Summer Reading Club officially ended on August 31st and prizes were drawn on September 1st. There were lots of diverse programs, from musical children's performer Bill Wellington to Local Heroes programs at all libraries with Henrico Police Officers and Firefighters to Summer Reading Finale parties at each library that were well attended this summer. By the last day of Summer Reading Club (August 31st), 9,994 people had signed up and of those 5,419 had reached their reading goal: 3,343 children, 946 teens, and 1,130 adults.

Digital Literacy for All Ages at the Library

HCPL provides access to new technology while also giving members of the community opportunities to learn how to use these technologies. In addition to the over 200 computer classes offered this year teaching Microsoft Word and other computer basics, Library staff has begun adding more advanced classes. This year HCPL continued to offer eBook workshops, digital photography workshops and social media classes to help people connect with family, friends and more using Twitter, Facebook, and Pinterest. New programs were added this year and were well attended such as programs like Minecraft Clubs for teens and tweens, 3D Printing Workshops, Introduction to Coding for teens and tweens, and ongoing Appy Hours for adults to share apps that they use on their phones and tablets.

WiFi Continues to be Popular

The Library's WiFi continues to be an extremely valuable and popular service for the community. 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 1,626,701 WiFi connections in 2015, a 70% increase since last year, 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 HCPL website, the Library 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 over 2,000 Facebook followers and 1,187 followers on Twitter with more and more subscribing each week. Flickr photos featured on each of the library's branch pages continue to attract a large number of visitors with 114,447 visitors in FY2014-15. Our online newsletter currently has nearly 3,000 subscribers.

eContent

Library members are able to check out books, audio books and magazines online and download them to their personal computers or other digital devices 24/7 from wherever they are. In FY2014-15, HCPL patrons checked 510,723 eBooks, eAudiobooks, and eMagazines, a 71% increase from the year before. HCPL monitors publishing trends and circulation/use data to purchase the most stable formats and popular titles.

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 10 eBooks workshops and several one-on-one consultations at libraries in January and February 2015. His demonstrations included how to check out eBooks in both the Kindle

Library (cont'd)

and ePub formats and how to check out an audiobook. The participants were enthusiastic about learning how to use the library's collection.

Looking to the Future

Henrico County Public Library sees exciting opportunities to meet the needs of the community in new ways, while continuing to provide its traditional services. HCPL's role is expanding to provide digital

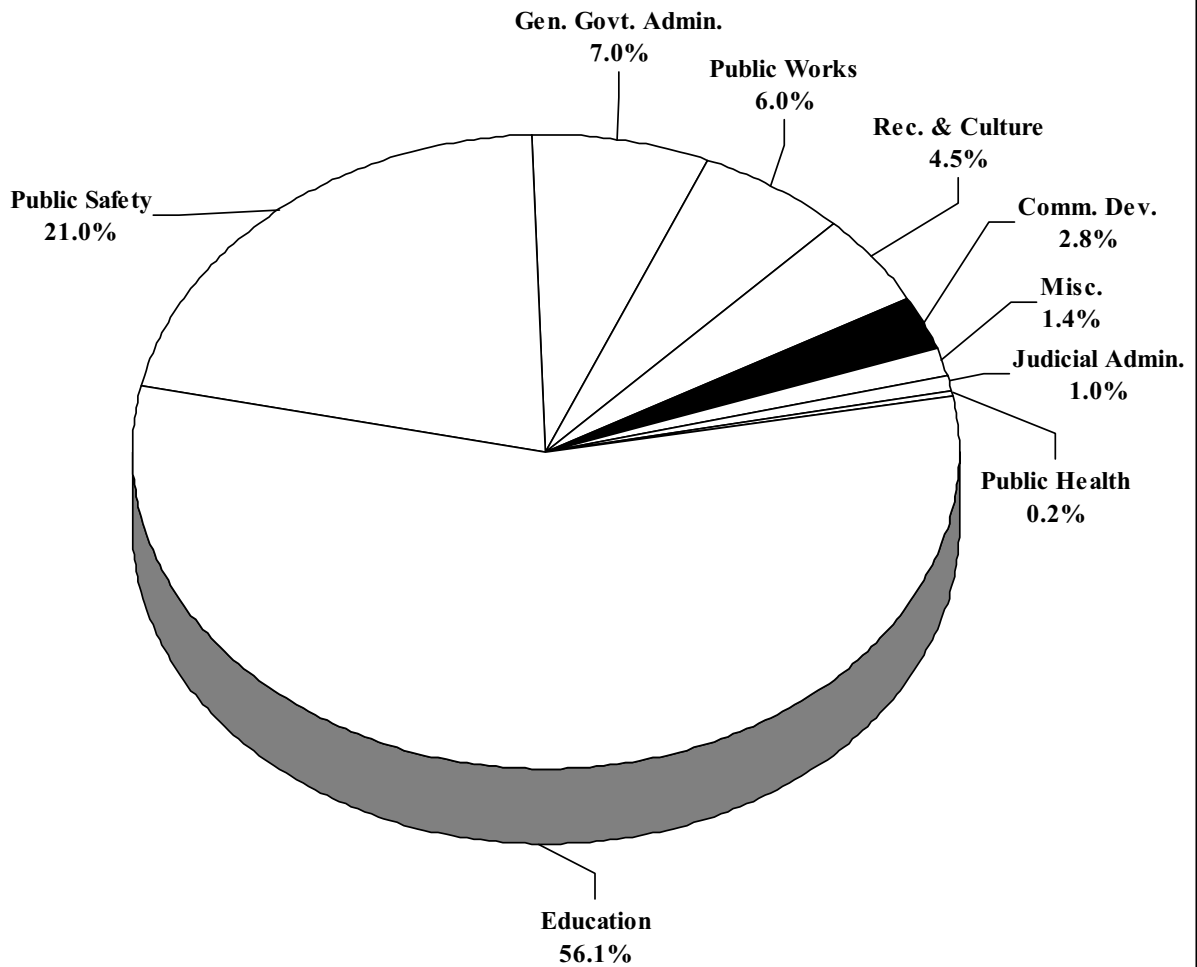
as well as print literacy while also providing community collaboration space. But, as always the Library's top priority and strength continues to be the "personal touch" that library staff provides through exceptional customer service. Library staff are trained and ready to help members of the community whether they come to the library to check out a book, download a digital magazine, access WiFi, attend a story time, book a meeting room or simply find a quiet place to study.



COUNTY OF HENRICO, VIRGINIA

Community Development

\$22,782,633



Total General Fund

\$810,875,233

**COUNTY OF HENRICO, VIRGINIA
COMMUNITY DEVELOPMENT - GENERAL FUND
FY 2016-17**

<u>Department</u>	<u>FY 14-15 Actual</u>	<u>FY 15-16 Original</u>	<u>FY 16-17 Approved</u>
Economic Development	\$15,925,898	\$14,422,484	\$15,601,919
Planning:			
Administration	3,330,516	3,741,195	4,157,745
Board of Zoning Appeals	149,101	150,150	169,527
Total Planning	<u>3,479,617</u>	<u>3,891,345</u>	<u>4,327,272</u>
Community Revitalization	1,403,491	1,549,846	1,585,307
Agriculture and Home Extension	369,697	383,031	398,499
Permit Center	846,494	873,598	869,636
Total Community Development	<u><u>\$22,025,197</u></u>	<u><u>\$21,120,304</u></u>	<u><u>\$22,782,633</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 \$15,601,919. This is an increase of \$1,179,435, or 8.2 percent, over the FY2015-16 Approved Budget. This budgetary growth is due to increases in the funding requirements for the Richmond Center Expansion Project and Richmond Region Tourism, as well as increased salary dollars in recognition of the full year effect of the wage adjustment that occurred in October of 2015, and a 2.372 percent merit increase effective July 1, 2016. Also, travel funds returned to this budget, at an annual cost of \$30,000, are allocated for advertising needs.

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

Annual Fiscal Plan

Description	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	3,804,470	4,018,684	4,398,119	9.4%
Capital	70,230	3,800	3,800	0.0%
Sub-Total	\$ 3,874,700	\$ 4,022,484	\$ 4,401,919	9.4%
Other Payments	12,051,198	10,400,000	11,200,000	7.7%
Total Budget	<u>\$ 15,925,898</u>	<u>\$ 14,422,484</u>	<u>\$ 15,601,919</u>	<u>8.2%</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.

Economic Development (cont'd)

	Performance Measures			Change 16 to 17
	FY15	FY16	FY17	
Effectiveness Measures				
Square Footage of New Businesses*	89,409	500,000	500,000	0
Announced New Business Establishments	3	14	14	0
Announced New Jobs Created	36	500	500	0
Payroll - New Businesses*	N/A	\$ 22,000,000	\$ 22,000,000	0
Square Footage of Existing Businesses*	398,865	250,000	250,000	0
Business Expansions and Retentions	5	10	10	0
Jobs Created - Expansions and Retentions	1,416	300	300	0
Payroll - Expansions and Retentions*	\$ 62,556,924	\$ 13,500,000	\$ 13,500,000	0

* New performance measure - data not previously available.

component is returned from the Authority. In FY2016-17, \$11,200,000 is included for the Richmond Center Expansion Project. This increase of \$800,000, or 7.7 percent, is in recognition of robust growth in the Hotel/Motel tax revenues that drive this expense. Henrico's annual contribution to Richmond Region Tourism, which is also tied to lodging tax receipts, is \$2,636,200 for FY2016-17. This is an increase of \$243,110, or 10.1 percent.

This budget for FY2016-17 also contains the County's \$385,000 contributions to the Greater Richmond Partnership. This figure is unchanged from the FY2015-16 Approved Budget.

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. Funds have also been added to support full recognition of a 2.0 percent salary increase that became effective in October of 2015.

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.

FY2015-16	\$2,393,090
FY2014-15	\$2,378,050
FY2013-14	\$2,053,870
FY2012-13	\$2,053,870
FY2011-12	\$1,750,847

What follows is a table of funding budgeted for the Greater Richmond Partnership in the previous five fiscal years.

FY2015-16	\$385,000
FY2014-15	\$370,000
FY2013-14	\$320,000
FY2012-13	\$370,000
FY2011-12	\$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

Description	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 3,325,592	\$ 3,608,054	\$ 3,789,099	5.0%
Operation	142,508	275,291	530,173	92.6%
Capital	11,517	8,000	8,000	0.0%
Total	3,479,617	3,891,345	4,327,272	11.2%

Personnel Complement* 44 44 45 0

*Complement includes one new Planner II position as a result of the findings of the Development Review Committee

Performance Measures

	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Reviews Completed by Dev. Review & Design	322	300	300	0
Zoning Petitions & Provisional Use Permits	69	60	60	0
Variance and Use Permits Processed	49	60	60	0
Maps Prepared	1,364	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.

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 Richmond International Airport, Richmond International Raceway, and other major economic generators for the county.

Budget Highlights

The Department of Planning's budget for FY2016-17 is \$4,327,272, which represents an increase of \$435,927 or 11.2 percent from the FY2015-16 approved budget. The increase in personnel costs is due to the addition of a County Planner II position as well as a 2.372 percent salary increase. The increase in the operating budget mostly reflects funding for a consultant to assist in drafting new ordinance recommendations to update the County's 55-year-old zoning ordinance and 60-year-old subdivision ordinance. This is the first year of a three year funding plan to complete this initiative. The operating budget also includes the addition of training and tuition, which was previously budgeted in a central reserve.

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.

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.

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 department manages land use policy and planning to provide the framework for the physical, social, and economic growth of the county. The implementation

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.

Planning (cont'd)

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.

Over the past four 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 estimated at \$150,000 in FY2016-17.

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	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 1,160,646	\$ 1,257,791	\$ 1,283,927	2.1%
Operation	240,489	286,152	295,477	3.3%
Capital	2,356	5,903	5,903	0.0%
Total	\$ 1,403,491	\$ 1,549,846	\$ 1,585,307	2.3%

Personnel Complement ⁽¹⁾ 16 17 ⁽²⁾ 17 0

⁽¹⁾ Personnel Complement does not include 6 Complement III positions that are funded through grant programs

⁽²⁾ Reflects additional Zoning Enforcement Inspector position added in FY2015-16.

Community Revitalization (cont'd)

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Community Maintenance Cases	11,170	11,800	12,000	200
Inspections Made	30,451	32,000	32,500	500
Technical Assistance to Business	788	780	780	0
Enterprise Zone Design Asst. Provided	9	9	10	1
Efficiency Measures				
Volunteers Participating	455	460	480	20
Volunteers Hours Worked	2,256	3,900	4,000	100
CCP Hours Worked	5,985	6,000	6,000	0
Effectiveness Measures				
Violations Issued	3,714	3,800	3,900	100
Enterprise Zone Grants Completed	14	17	20	3
Value of Enterprise Zone Grant Assisted Project	\$ 240,108	\$ 7,200,000	\$ 9,200,000	\$ 2,000,000
Value of All Enterprise Zone Projects	\$ 66,294,472	\$ 40,000,000	\$ 42,000,000	\$ 2,000,000
Value of Grants Awarded	\$ 96,969	\$ 100,000	\$ 110,000	\$ 10,000

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 approved budget for FY2016-17 is \$1,585,307. This represents a net increase of \$35,461 or 2.3 percent from the FY2015-16 approved budget. The personnel portion of the budget is increasing \$26,136, or 2.1 percent from the FY2015-16 approved budget. This increase is attributable to updated estimates for personnel including a 2.372 percent salary increase for FY2016-17 and rising health care costs.

The operating portion of the budget is increasing by a net difference of \$9,325 or 3.3 percent from the prior year approved budget. This component includes budget adjustments of \$6,225 for education and training classes and \$5,100 for tuition reimbursements, funding previously captured in a central reserve and reallocated to the department’s budget in FY2016-17. Although this component experienced an overall increase, it is important to note that funding of \$2,000 was moved from other professional services to overtime due to staff attending more neighborhood meetings in the evenings, providing more assistance in community clean-up

projects occurring on Saturdays, and performing more inspections on nights and weekends.

Community Revitalization also collaborates with the Department of Building Inspections 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 an opportunity to solicit volunteers for assistance projects.

The Community Development Division administers the Housing and Urban Development (HUD), CDBG and HOME grant programs within Henrico County. Beginning in FY2014-15, Henrico became a HUD entitlement community for Emergency Solutions Grant

Community Revitalization (cont'd)

(ESG) funds. These funds are used for homeless prevention and rapid rehousing programs. All three of these grant programs, 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 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 Housing Rehabilitation and Emergency and Minor Repair Programs (HOMES), 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 FY2015-16 were also used to assist with facilities serving low income persons and communities including completion of sidewalk and drainage improvements on Laburnum Avenue, improvements to the Brook Road Neighborhood Park, and a new HVAC system for an alternative school for troubled youth.

The Community Development Division also administers the Enterprise Zone Program, including the Commercial Assistance Program and the Façade Grants Program. In 2014, the Virginia Department of Housing and Community Development (VHCD) approved a re-designation, extending the duration of the Henrico County Enterprise Zone for an additional eight years, through 2022. In 2015, VHCD approved the County's request to amend the Enterprise Zone to add a number of properties, including 140 acres of prime industrial land.

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 low income 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 on weekends 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 budget expenses in both areas are depicted below:

Total Community Maintenance Costs:
A Historical Overview

FY	Building Inspections	Community Revitalization	Total
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	335,837	1,549,846	1,885,683
2016-17	* 325,975	1,585,307	1,911,282

*Approved for FY2016-17

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 \$398,499 for FY2016-17 increased by 4.0 percent from the FY2015-16 approved budget. There is a slight increase in personnel costs is attributable to revised estimates for salaries and benefits of two support positions, which includes a 2.372 percent salary increase. The 5.1 percent increase in the operating component of the budget is driven primarily by a State mandated 4.0 percent merit raise to the five Extension Agents and an increased percentage of benefits required by the County; these positions are funded by Virginia Tech and reimbursed by the County. Also included in the operating component is education and training costs previously budgeted in a central reserve.

Annual Fiscal Plan

Description	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 118,038	\$ 120,317	\$ 122,349	1.7%
Operation	251,659	262,714	276,150	5.1%
Capital	0	0	0	0.0%
Total	\$ 369,697	\$ 383,031	\$ 398,499	4.0%
 Personnel Complement*	 2	 2	 2	 0

*Does not include Extension Agents who are paid directly by Virginia Tech.

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Citizens Assisted	26,585	30,469	27,200	(3,269)
Programs Presented	469	412	465	53
4-H Youth Enrolled	2,140	2,000	2,200	200
Samples Analyzed and Identified	800	896	850	(46)
Efficiency Measures				
Volunteer Hours Supporting Programs	16,140	19,864	19,925	61

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 FY2016-17 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

Annual Fiscal Plan

Description	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 1,075,089	\$ 1,092,530	\$ 1,109,951	1.6%
Operation	13,208	18,815	25,353	34.7%
Capital	7,009	7,500	4,950	(34.0%)
Sub-Total	<u>\$ 1,095,306</u>	<u>\$ 1,118,845</u>	<u>\$ 1,140,254</u>	<u>1.9%</u>
Interdepartmental Billings	(248,812)	(245,247)	(270,618) *	10.3%
Total Budget	<u>\$ 846,494</u>	<u>\$ 873,598</u>	<u>\$ 869,636</u>	<u>(0.5%)</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				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Total Number of Inquiries	17,917	16,803	16,404	(399)
Permit Applications Received	4,437	5,600	5,712	112
Reviews Performed	9,136	10,528	10,738	210
Business Licenses Reviewed	2,214	4,325	4,412	87

transfer, by the appropriate department related to the services furnished. Those reimbursements for FY2016-17 will be from the Public Works and Public Utilities departments. The sum of these reimbursements, totaling \$270,618, is shown as a negative amount in the Permit Centers' budget.

The Permit Centers' budget for FY2016-17 is decreasing \$3,962, or 0.5 percent from the prior year approved budget as a result of department turnover. It should be noted that personnel costs include a 2.372 percent salary increase in FY2016-17. Within operating costs, an adjustment of \$6,538 has been made due to the addition of training and tuition funds, which were previously budgeted in a central reserve.

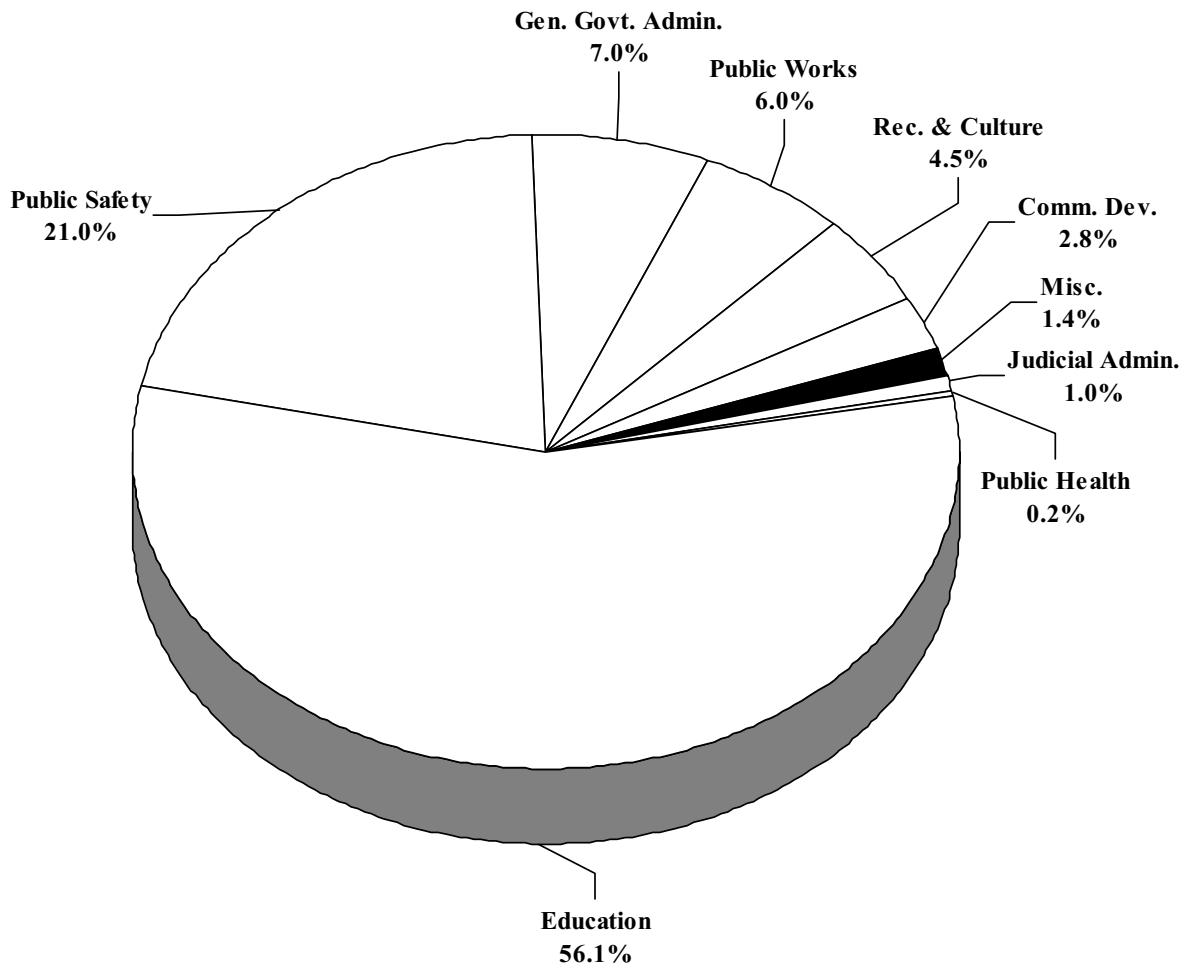
The Permit Centers were designed to make it more convenient to process and approve a permit at a central location. Technology was one of the driving forces to accomplish this process through the use of the Geographic Information System (GIS) and the Tidemark software system. Now, when a resident or builder 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
\$11,589,899



Total General Fund
\$810,875,233

**COUNTY OF HENRICO, VIRGINIA
 MISCELLANEOUS - GENERAL FUND
 FY 2016-17**

<u>Department</u>	<u>FY 14-15 Actual</u>	<u>FY 15-16 Original</u>	<u>FY 16-17 Approved</u>
Non-Departmental			
Tax Relief Program	\$7,703,449	\$8,197,550	\$8,197,550
Payments to Outside Agencies	2,710,590	2,306,261	2,287,038
Reserve - Miscellaneous	0	1,597,927	1,055,786
Other	32,295	35,525	35,525
Sandston Recreation Center	9,853	14,000	14,000
Total Miscellaneous	<u>\$10,456,187</u>	<u>\$12,151,263</u>	<u>\$11,589,899</u>

NON-DEPARTMENTAL

County Supported Activities

Description

Certain General Fund functions that 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 FY2016-17 Approved 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 (formerly Richmond Metropolitan Convention and Visitor's Bureau), for \$2,636,200, are shown 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, 2016, the maximum benefit for the REAP program was increased from \$2,500 to \$3,000 per participating home. The eligibility parameters are unchanged and continue to be the most inclusive in the region.

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Tax Relief Programs	\$ 7,699,765	\$ 8,197,550	\$ 8,197,550	0.0%
Board Members ⁽¹⁾	32,026	35,525	35,525	0.0%
Donations to Agencies	1,408,056	1,562,356	1,500,618	(4.0%)
Share of Other Agencies	785,248	793,319	786,420	(0.9%)
Reserve for Contingences	\$ 0	\$ 1,548,513	\$ 1,055,786	(31.8%)
Total ⁽²⁾	<u>\$ 9,925,095</u>	<u>\$ 12,137,263</u>	<u>\$ 11,575,899</u>	<u>(4.6%)</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.

Details of Activities

	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Approved
A. County Functions:			
1. Tax Relief Programs	\$ 7,703,449	\$ 8,197,550	\$ 8,197,550
B. Board Members for:			
1. Capital Region Airport Commission	12,918	12,918	12,918
2. Richmond Regional Plan. Dist. Comm.	19,377	22,607	22,607
Sub-Total	32,295	35,525	35,525
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⁾	10,000	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⁾	5,000	5,000	5,000
14. FISH (Eastern Henrico County)	26,244	26,244	26,244
15. Friends of Henrico County Public Library (All Henrico Reads)	5,000	0	5,000
16. Ginter (Lewis) Botanical Garden	98,415	98,415	98,415
17. The Healing Place ⁽⁵⁾	10,000	10,000	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	344,300	271,935	275,000
22. Hilliard House	41,337	41,337	41,337
23. Homeward	10,269	10,269	10,269
24. James River Advisory Council	0	4,050	4,050
25. Leadership Metro Richmond	9,837	9,837	9,837
26. Maymont Foundation Nature Center	55,000	55,000	55,000
27. McShin Foundation	0	0	0
28. Sports Backers (Metropolitan Richmond)	20,655	20,655	20,655
29. Northstar Academy	0	0	0
30. Offender Aid and Restoration (OAR) Center ⁽⁷⁾	5,000	5,000	5,000
31. Read Center, The	16,407	16,407	16,407
32. Resources for Independent Living ⁽⁸⁾	36,162	36,162	36,162
33. Richmond Area ARC (Camp Baker)	6,561	6,561	6,561
34. Richmond Forum	3,276	3,276	3,276
35. Safe Harbor	17,091	17,091	17,091
36. Salvation Army	15,489	15,489	15,489
37. Greater Richmond SCAN (Stop Child Abuse Now) ⁽⁹⁾	3,438	3,438	0
38. Science Museum of Virginia	10,000	10,000	10,000
39. Science Museum of Virginia (Va. Aviation Museum)	9,000	9,000	0
40. Senior Connections (CAAA)	35,334	35,334	35,334
41. St. Joseph's Villa (Flagler Home)	34,174	34,174	34,174
42. Virginia Holocaust Museum	0	0	0
43. Virginia Supportive Housing	0	0	0
44. YWCA	20,520	20,520	20,520
45. You Life Foundation	0	0	0
Sub-Total	1,588,306	1,504,991	1,500,618

Non-Departmental - County Supported Activities (cont'd)

	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Approved
D. Henrico's Share of Funding for:			
1. GRTC Taxicab Service Program	9,000	9,000	0
2. Henricopolis Soil/Water Conservation	85,000	87,550	91,927
3. Med-Flight Program	34,200	34,200	10,200
4. National Association of Counties	6,001	5,800	5,800
5. Reynolds Community College (Oper.) ⁽¹⁰⁾	93,136	94,889	97,359
6. Reynolds Community College (Capital)	289,147	294,611	302,281
7. Richmond Regional Plan, Dist. Comm.	205,444	192,324	195,733
8. RMA/Diamond Stadium ⁽¹¹⁾	0	0	0
9. Virginia Association of Counties	66,564	67,896	68,120
10. Virginia Institute of Government	15,000	15,000	15,000
11. Other Civic & Cultural Organizations ⁽¹²⁾	318,792	0	0
Sub-Total	1,122,284	801,270	786,420
E. Reserve for Educational Training:	0	422,671	0
Reserve for Tuition:	0	143,473	0
Reserve for Contingencies:	0	1,031,783	1,055,786
Sub-Total	0	1,597,927	1,055,786
Total	\$ 10,446,334	\$ 12,137,263	\$ 11,575,899

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

⁽²⁾ Funding of \$10,000 was provided to ChinaFest through budget transfers in FY2007, FY2008, FY2009, FY2015, and FY2016

⁽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 FY2016.

⁽⁷⁾ Funding of \$5,000 was provided to Offender Aid and Restoration through a budget transfer in FY2015.

⁽⁸⁾ Resources for Independent Living was previously named Central Virginia Independent Living Inc.

⁽⁹⁾ Funding in support of Greater Richmond SCAN has been moved to the budget of the Division of Police.

⁽¹⁰⁾ Payments for Reynolds Community College are made through the Community College Workforce Alliance.

Non-Departmental - County Supported Activities (cont'd)

⁽¹¹⁾ 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.

⁽¹²⁾ Other Civic & Cultural Organizations: *	<u>FY 2014-15</u>
a Vocational Education	400
b Virginia Union University - Scholarships	10,000
c Henrico Ed. Foundation Scholarship	2,400
d Richmond 2015	300,000
e Eastern Henrico Business Association	<u>5,992</u>
Total Other	318,792

* Scholarships for VCU School of Engineering funded through Henrico Economic Development Authority

Note: Budgeted in Economic Development:

	<u>FY 2016-17</u>
Greater Richmond Partnership	\$ 385,000
Richmond Region Tourism (Formerly RMCVB)	2,636,200

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 \$0.50 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.

Objectives

- To provide meeting and recreational opportunities for the Sandston community.
- To provide space to community organizations for meetings and public activities.

Budget Highlights

The budget for the Sandston Recreation Center, reflects no changes when compared to the FY2015-16 budget. There are no changes in service levels for FY2016-17. Funds are used for utilities, maintenance, and repairs of the facility. In FY2016-17, the Board of Supervisors approved, as part of the adoption of the Water & Sewer rates, the elimination of the \$0.50 per month fee charged on water bills within Sanitary District Two to support this operation. This operation will be supported by the fund balance retained for this operation.

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	9,853	14,000	14,000	0.0%
Capital	0	0	0	0.0%
Total	\$ 9,853	\$ 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 FY2016-17 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 \$43,155,447.

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Transfer to Capital Projects	\$ 33,185,101	\$ 43,474,772	\$ 43,155,447	(0.7%)

Capital Improvement Transfers (cont'd)

GENERAL FUND TRANSFERS

	<u>FY2016-17</u>
General Fund - Designated Fund Balance:	
Roof Replacements - Education	\$1,503,000
Mechanical Improvements - Education	997,000
Mechanical Improvements	750,000
Roof Replacement and Rehabilitation	300,000
Pavement Rehabilitation	400,000
Information Technology Projects	400,000
Geographic Information System	150,000
Facility Rehabilitation	500,000
Fire SCBA Replacement	1,700,000
Data Center Upgrade	600,000
Greenwood Park	800,000
Subtotal General Fund - Designated Fund Balance:	<u>\$8,100,000</u>
General Fund - Undesignated Fund Balance:	
Energy Management	350,000
General Fund - Designated Capital Reserve:	
Fire Alerting System	\$1,008,000
Dumbarton Library Repurpose	2,000,000
Parham Road Complex Improvements	691,400
Courts Building Refresh	600,000
Data Center Upgrade	600,000
Subtotal General Fund - Designated Capital Reserve:	<u>\$4,899,400</u>
General Fund Revenue - Education Meals Tax:	
Education Meals Tax Project Reserve	\$9,000,000
General Fund Revenue - FY15 Meals Tax:	
Education Meals Tax Project Reserve	\$8,783,247
General Fund Revenue - FY16 Meals Tax:	
Education Meals Tax Project Reserve	\$2,000,000
General Fund Designated Fund Balance - Permit Fee Revenue	
Tidemark Replacement	\$1,000,000
General Fund Designated Fund Balance - Stormwater Dedication	
Chesapeake Bay TMDL/MS4 Compliance	\$2,348,000
General Fund Revenue (Motor Vehicle License Fee) - Public Works:	
General Road Construction	\$850,000
General Fund Revenues - Vehicle Replacement Reserve:	
School Bus Replacement Plan	\$2,000,000
Fire Apparatus Replacement Program	1,500,000
Police Vehicle Replacement Program	2,324,800
Subtotal General Fund Revenues - Vehicle Replacement Reserve	<u>\$5,824,800</u>
Total General Fund Transfer	<u><u>\$43,155,447</u></u>



SPECIAL REVENUE FUND

**COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND REVENUES
FY 2016-17**

Revenues: Subfund/Activity	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Approved
Capital Region Workforce Partnership (CRWP)			
CRWP	\$5,532,331	\$5,763,648	\$5,117,349
Transfer From the General Fund	170,028	64,380	46,101
Total Capital Region Workforce Partnership	<u>5,702,359</u>	<u>5,828,028</u>	<u>5,163,450</u>
Commonwealth's Attorney			
Commonwealth's Attorney	14,350	0	0
Special Drug Prosecutor	135,259	131,998	131,998
Victim/Witness Assistance Program	370,297	374,058	374,058
Asset Forfeitures	30,706	0	0
Transfer From the General Fund	<u>389,228</u>	<u>416,342</u>	<u>433,307</u>
Total Commonwealth's Attorney	939,840	922,398	939,363
Community Corrections Program			
CCP	1,208,914	1,288,247	1,366,423
CCP - Drug Court	268,758	267,807	271,600
Transfer From the General Fund	<u>305,417</u>	<u>278,391</u>	<u>287,462</u>
Total Community Corrections	1,783,089	1,834,445	1,925,485
Community Development Block Grant			
CDBG/HOME	2,361,860	0	0
ESG	66,942	0	0
Transfer From the General Fund - Local Business Assistance	<u>14,469</u>	<u>0</u>	<u>0</u>
Total Community Development Block Grant	2,443,271	0	0
Economic Development			
Governors Opportunity Award	1,150,000	0	0
White Oak CDA	3,819,000	0	0
Reynolds Crossing CDA	1,001,415	0	0
Transfer From the General Fund - GOA	<u>1,150,000</u>	<u>0</u>	<u>0</u>
Total Economic Development	7,120,415	0	0
Education			
State, Federal & Other Grants	43,287,728	39,751,525	46,705,017
Total Schools Grants	<u>43,287,728</u>	<u>39,751,525</u>	<u>46,705,017</u>
Cafeteria Receipts	6,728,162	8,600,000	8,553,020
State Food Payments - Nat. Sch. Lunch Prog.	458,620	480,000	486,422
Federal School Lunch Program	11,910,739	13,930,498	13,854,398
Recoveries & Rebates	289,513	250,000	248,634
Sale of Equipment	7,243	0	0
(To) From Cafeteria Fund Balance	<u>77,592</u>	<u>511,734</u>	<u>499,894</u>
Total School Cafeteria	19,471,869	23,772,232	23,642,368
Total Education	<u>62,759,597</u>	<u>63,523,757</u>	<u>70,347,385</u>

Special Revenue Fund Revenues (cont'd)

Revenues:			
Subfund/Activity	FY 14-15	FY 15-16	FY 16-17
	Actual	Original	Approved
Juvenile & Domestic Relations Court			
Virginia Juvenile Community Crime Act	378,239	372,605	390,108
USDA	26,300	26,864	22,536
Transfer From the General Fund	486,712	534,326	525,566
Total Juvenile & Domestic Relations Court	<u>891,251</u>	<u>933,795</u>	<u>938,210</u>
Mental Health & Developmental Services			
State and Federal Grants	9,798,370	9,529,675	9,974,713
Payments from Other Localities	214,554	214,554	218,845
Miscellaneous Revenues	11,473,410	11,179,222	11,489,238
Operating Transfer to Capital Projects	0	0	(1,018,500)
Special Revenue - MH Fund Balance	0	0	1,018,500
Transfer From General Fund	10,285,580	14,030,509	14,064,509
Total Mental Health	<u>31,771,914</u>	<u>34,953,960</u>	<u>35,747,305</u>
Non-Departmental			
Transfer From General Fund	0	50,000	50,000
Public Safety			
Police - State & Federal Grants	1,435,823	1,039,717	1,071,434
Police - Donations	11,500	0	0
Metro Aviation/Extradition Reimbursement	308,927	334,668	334,668
Fire - Donations	4,031	0	0
Fire - State & Federal	635,014	0	0
Asset Forfeitures	1,411,216	0	0
Transfer to Capital Projects	(500,000)	(500,000)	0
Special Revenue Fund - Fund Balance	500,000	500,000	0
Transfer From General Fund	126,462	127,332	127,332
Total Public Safety	<u>3,932,973</u>	<u>1,501,717</u>	<u>1,533,434</u>
Public Utilities			
Solid Waste:			
Refuse Collection Billing	7,934,511	7,750,000	8,100,000
Weighing Fees - Charged Sales	29,246	0	0
Public Use/Host/Recycle Fees	2,621,539	1,766,000	1,741,000
Miscellaneous Revenues	385,662	341,975	281,975
Transfer to Capital Projects Fund	(2,000,000)	0	(150,000)
Transfer From General Fund	3,018,511	3,018,511	3,018,511
(To) From Solid Waste Fund Balance	(1,104,800)	(112,170)	622,797
Total Solid Waste	<u>10,884,669</u>	<u>12,764,316</u>	<u>13,614,283</u>
Street Lighting:			
Charge for Street Lights	72,247	83,100	83,100
Total Street Lighting	<u>72,247</u>	<u>83,100</u>	<u>83,100</u>

Special Revenue Fund Revenues (cont'd)

Revenues:			
Subfund/Activity	FY 14-15	FY 15-16	FY 16-17
	Actual	Original	Approved
Public Works			
Best Management Practices	0	50,000	50,000
Watershed Management Program	109,468	847,000	847,000
Total Public Works	<u>109,468</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation	10,000	0	0
Total Recreation	<u>10,000</u>	<u>0</u>	<u>0</u>
Social Services			
State and Federal Grants - Social Services	14,467,700	14,292,756	14,635,091
Transfer From the General Fund - Social Services	3,494,097	4,430,135	4,684,199
State and Federal Grants - CSA	141,078	109,849	109,849
Comprehensive Services Act (CSA)	4,740,055	4,983,528	6,805,147
Transfer From the General Fund - CSA Medicaid	450,000	485,000	485,000
Transfer From the General Fund - CSA	4,436,066	3,176,065	4,263,232
Total Social Services	<u>27,728,996</u>	<u>27,477,333</u>	<u>30,982,518</u>
Total Revenues	<u><u>\$156,150,089</u></u>	<u><u>\$150,769,849</u></u>	<u><u>\$162,221,533</u></u>

COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND EXPENDITURES
FY 2016-17

Expenditures: Subfund/Activity	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Approved
Capital Region Workforce Partnership (CRWP)	\$5,702,359	\$5,828,028	\$5,163,450
Commonwealth's Attorney			
Commonwealth's Attorney	14,350	0	0
Victim/Witness Program	706,956	728,538	741,140
Special Drug Prosecutor	187,828	193,860	198,223
Asset Forfeitures - Commonwealth's Attorney	30,706	0	0
Total Commonwealth's Attorney	<u>939,840</u>	<u>922,398</u>	<u>939,363</u>
Community Corrections Program			
CCP	1,323,205	1,417,275	1,496,816
CCP - Drug Court	459,884	417,170	428,669
Total Community Corrections Program	<u>1,783,089</u>	<u>1,834,445</u>	<u>1,925,485</u>
Community Revitalization			
CDBG	1,634,789	0	0
Home	727,071	0	0
Local Business Assistance	14,469	0	0
ESG	66,942	0	0
Total Community Revitalization	<u>2,443,271</u>	<u>0</u>	<u>0</u>
Economic Development			
Governor's Opportunity Fund	2,300,000	0	0
White Oak Village CDA	3,819,000	0	0
Reynolds Crossing CDA	1,001,415	0	0
Total Economic Development	<u>7,120,415</u>	<u>0</u>	<u>0</u>
Education			
State, Federal & Other Grants	43,287,728	39,751,525	46,705,017
School Cafeterias	19,471,869	23,772,232	23,642,368
Total Education	<u>62,759,597</u>	<u>63,523,757</u>	<u>70,347,385</u>
Juvenile & Domestic Relations Court			
Probation - VJCCCA	553,241	597,917	602,259
Detention - VJCCCA	311,710	309,014	313,415
USDA	26,300	26,864	22,536
Total Juvenile & Domestic Relations Court	<u>891,251</u>	<u>933,795</u>	<u>938,210</u>
Mental Health & Developmental Services			
Clinical Services	14,840,163	16,760,373	17,223,908
Community Support Services	10,447,289	11,209,844	11,397,583
Administrative and Program Support	6,484,462	6,983,743	7,125,814
Total Mental Health	<u>31,771,914</u>	<u>34,953,960</u>	<u>35,747,305</u>

Special Revenue Fund Expenditures (cont'd)

Expenditures: Subfund/Activity	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Approved
Non-Departmental	0	50,000	50,000
Public Safety			
State and Federal Grants - Police	432,709	0	0
Communications	1,014,614	1,039,717	1,071,434
Metro Aviation	380,429	387,000	387,000
Henrico Extraditions	54,960	75,000	75,000
Asset Forfeitures - Police	1,411,216	0	0
State and Federal Grants - Fire	639,045	0	0
Total Public Safety	<u>3,932,973</u>	<u>1,501,717</u>	<u>1,533,434</u>
Public Utilities			
Solid Waste	10,884,669	12,764,316	13,614,283
Street Lighting	72,247	83,100	83,100
Total Public Utilities	<u>10,956,916</u>	<u>12,847,416</u>	<u>13,697,383</u>
Public Works			
Best Management Practices	0	50,000	50,000
Watershed Program	109,468	847,000	847,000
Total Public Works	<u>109,468</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation & Parks	10,000	0	0
Total Recreation, Parks, & Culture	<u>10,000</u>	<u>0</u>	<u>0</u>
Social Services			
Administration	11,719,800	12,653,662	13,249,867
Public Welfare Board	40,220	290,489	290,489
Public Assistance	6,201,777	5,778,740	5,778,934
Comprehensive Services Act (CSA)	9,767,199	8,754,442	11,663,228
Total Social Services	<u>27,728,996</u>	<u>27,477,333</u>	<u>30,982,518</u>
Total Expenditures	<u>\$156,150,089</u>	<u>\$150,769,849</u>	<u>\$162,221,533</u>

CAPITAL REGION WORKFORCE PARTNERSHIP

Description

The Capital Region Workforce Partnership (CRWP) is an eight jurisdiction consortium with elected representation from Henrico, as well as Charles City, Chesterfield, Goochland, Hanover, New Kent and Powhatan Counties and the City of Richmond. The Partnership, in cooperation with the Capital Region Workforce Development Board (WDB) it appoints, has responsibility for disbursing and conducting oversight of federal funds allocated to the region from the Workforce Innovation and Opportunity Act of 2014 (WIOA), 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 organized as a Henrico County department with the responsibility for providing administrative support to the Partnership Board, the WDB and its standing committees, and managing contracts awarded by for delivery of WIOA 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 meeting the administrative requirements of its various funding sources and implementation of policies, budgets, performance requirements, as may be set 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 WIOA contract to deliver Adult and Dislocated Worker Services to those who meet WIOA eligibility criteria under by WIOA regulations. WIOA 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, underemployed, 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 WDB and Partnership.

A partnership among two partner agencies and the fiscal agent (Henrico County), continues to serve as One-Stop Operator, coordinating the work of all partner agencies in the delivery of services through the designated one-stop centers under WIOA, and other grants. In providing such services, the One Stop

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 1,192,999	\$ 1,160,035	\$ 987,190	(14.9%)
Operation	4,509,360	4,667,993	4,176,260	(10.5%)
Capital	0	0	0	0.0%
Total	\$ 5,702,359	\$ 5,828,028	\$ 5,163,450	(11.4%)
Personnel Complement	N/A	N/A	N/A	N/A

Performance Measures				
	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	Change 16 to 17
Workload Measures				
Universal Core Services	25,447	19,142	20,000	858
New WIOA Program Enrollments	975	960	900	(60)
Total Served by WIOA Funds	2,500	1,803	1,900	97
Individuals Receiving Training Services	172	316	350	34

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.

Success by 25 is the contracted service provider for out-of-school youth aged 18-24, while Born to be Great is managing the smaller in-school youth contract. All youth are low-income with at least one identified barrier to success in education or employment.

Outcomes

The performance outcomes of CRWP’s services are an important indicator of the program’s success. The following results were achieved in FY2015-16: 73 percent of the assisted Adults/Dislocated workers received a job and 88 percent of the individuals who received a job kept that job with an average annual wage of \$24,976. Regarding the Youth assisted by CRWP, 58 percent were placed in an education program or a job, 84 percent earned a Certificate or Credential and 58 percent gained literacy and/or numeracy. All of these performance outcomes have either met or exceeded the rates negotiated with the State prior to the start of the program year.

Budget Details

The FY2016-17 approved budget for CRWP, in the amount of \$5,163,450, reflects an overall reduction of \$664,578, or 11.4 percent from the approved FY2015-16 budget. The personnel component reflects a decrease of \$172,845 or 14.9 percent when compared to the prior fiscal year. Operating expenses decreased by \$491,733, or 10.5 percent from the approved FY2015-16 budget. The budgeted amount for contracts and salaries has been reduced in FY2016-17 in order to reflect the expiration of special grant funding. No capital outlay funding has been requested for FY2016-17.

It is important to note, the exact amount of federal funding for FY2016-17 is currently unknown. First, federal funding is awarded on a Federal fiscal year basis, which begins October 1st – 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 have seen slightly decreasing unemployment rates which may impact the level of funding the region is able to access through the formula. Therefore, the FY2016-17 projection for federal funding is purposely conservative.

The Capital Region Workforce Partnership is receiving additional funding in FY2016-17 through rent received from partners located in our workforce centers.

Henrico County and Local Funding

Revenue from local contributions outside of Henrico County is expected to total \$138,899 in FY2016-17. Henrico County’s contribution to CRWP’s administrative expenses is budgeted at \$46,101 for FY2016-17. This is a 28 percent percent reduction from the prior fiscal year approved budget. This reduction is the result of the new contribution request formula unanimously adopted by the eight jurisdictions last year that bases the amount on the proportional share of workforce services received by each jurisdiction.

The WIOA remains the primary funding source for the Capital Region Workforce Partnership’s personnel costs. There are currently 14 positions funded in the approved budget. There is no expectation for additional staff to be requested.

The percentage of salary of the Director of the Capital Region Partnership charged to non-federal local funds from the eight jurisdictions that comprise

Capital Region Workforce Partnership (cont'd)

the Capital Region is 25 percent, with the balance going to the federal grant. The FY2016-17 budget includes a grant reserve account. Once into FY2016-17, funds in the reserve account will be transferred into programs/accounts based on need.

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.

Fiscal Year	Henrico Contribution	All Other Local Contributions	Henrico as a % of Local Contributions
FY2008	\$ 201,447	\$ 75,180	72.8 %
FY2009	208,665	75,180	73.5 %
FY2010	210,648	71,580	74.6 %
FY2011	210,648	127,280	62.3 %
FY2012	217,695	127,280	63.1 %
FY2013	206,810	127,280	61.9 %
FY2014	200,606	62,280	76.3 %
FY2015	170,028	62,080	73.3 %
FY2016	64,380*	120,435	34.8 %
FY2017	46,101	138,899	24.9 %

*Local contributions determined from 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 FY2016-17 is \$198,223, which includes General Fund support of \$66,225. The General Fund support reflects an increase of \$4,363 compared to the approved FY2015-16 budget, which represents the entirety of the program's budgetary increase.

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.

The increase to the program's budget is completely due to an increase in personnel costs to reflect the 2.372 percent salary increase, the full-year cost of the 2.0 percent raise from FY2015-16 as well as rising health care costs. The increase in the personnel component was mitigated by a decrease in the budgeted amount for VRS due to a reduction in the contribution rate.

The State Compensation Board and the County both contribute to the salaries and associated personnel costs for the two positions funded through the

Annual Fiscal Plan

Description	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 182,148	\$ 188,402	\$ 192,765	2.3%
Operation	5,680	5,458	5,458	0.0%
Capital	0	0	0	0.0%
Total	\$ 187,828	\$ 193,860	\$ 198,223	2.3%
Personnel Complement	N/A	N/A	N/A	N/A

Special Drug Prosecutor (cont'd)

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Total Subpoenaes	1,829	2,375	1,900	(475)
Total Indictments	1,102	925	1,150	225
Total Defendants	349	350	400	50

program. The operating component remained flat compared to the FY2015-16 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 table to the right presents a historical depiction of the State and County funding split for the Special Drug Prosecutor program.

Fiscal Year	State Funding	Approved County Funding	% County
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%
2016-17	131,998	66,225	33%

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 FY2016-17 approved budget is \$741,140, which reflects an increase of \$12,602 when compared to the FY2015-16 approved budget. The personnel component experienced a net increase of 1.7 percent which is primarily a result of the 2.372 percent salary increase, the full-year impact of the 2.0 percent raise provided in FY2015-16 as well as increased health care costs. The increase in the personnel component was partially mitigated by a reduction in the budgeted amount for VRS as a result of a change in the contribution rate. The operating component reflects an increase of \$1,918 or 1.7

Annual Fiscal Plan

<u>Description</u>	<u>FY15</u> <u>Actual</u>	<u>FY16</u> <u>Original</u>	<u>FY17</u> <u>Approved</u>	<u>Change</u> <u>16 to 17</u>
Personnel	\$ 601,228	\$ 617,070	\$ 627,754	1.7%
Operation	104,382	110,062	111,980	1.7%
Capital	1,346	1,406	1,406	0.0%
Total	<u>\$ 706,956</u>	<u>\$ 728,538</u>	<u>\$ 741,140</u>	<u>1.7%</u>
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).

Victim/Witness Assistance Program (cont'd)

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Victims Assisted	4,579	4,700	4,800	100

percent which is entirely due to the annual 2.0 percent increase in the lease agreement for the Victim/Witness and CASA building. The capital outlay component remained flat compared to the prior fiscal year.

The FY2016-17 approved budget includes a General Fund transfer of \$367,082, to provide funding for the program costs. State/federal grant funding is anticipated to be \$374,058. This estimated grant funding is fully budgeted in the FY2016-17 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 table on the right provides 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
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%
2016-17	374,058	367,082	50%

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 court-ordered probationers, 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>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 1,209,520	\$ 1,356,340	\$ 1,420,807	4.8%
Operation	96,010	49,106	68,530	39.6%
Capital	17,675	11,829	7,479	(36.8%)
Total	<u>\$ 1,323,205</u>	<u>\$ 1,417,275</u>	<u>\$ 1,496,816</u>	<u>5.6%</u>
Personnel Complement*	1	1	1	0

*Twenty-One Complement III positions are also funded in this budget for FY2016-17.

Community Corrections Program (cont'd)

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
New Pretrial Cases Supervised	1,626	1,732	1,800	68
New Probation Cases Supervised	1,731	1,736	1,750	14
Pretrial Investigations Conducted	1,523	1,652	1,750	98
Client Hours of Community Service Completed	8,491	9,032	10,000	968
New Restitution Cases Monitored	330	250	250	0
Effectiveness Measures				
Value of Restitution Collected	\$ 289,107	\$ 236,572	\$ 220,000	\$ (16,572)

- To provide case management services and supervision, substance testing, and other services to defendants released from jail while awaiting trial.

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: (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 \$130,393, along with fee revenues of \$7,480.

The estimated value of community service hours to be completed by probationers in FY2016-17 is \$220,000. Of this value, it is estimated that close to half will go to County Departments. The Restitution

The Community Corrections Program's budget for FY2016-17 is \$1,496,816, which is an increase of \$79,541, or 5.6 percent, from the FY2015-16 Approved Budget. Personnel requirements grew by \$64,467, or 4.8 percent, due to full recognition of the wage adjustment that became effective in October, 2015, and a 2.372 percent merit increase for FY2016-17. Additionally, the Department anticipates higher use of a part-time State-funded Technology Support Specialist position.

Operating costs increased by \$19,424, or 39.6 percent, due to lease requirements for space used at the Capital Region Workforce Center at an annual cost of \$10,260, and the reallocation of State technology funds from capital items to software purchases, which are operating expenses. Commensurately, funding for capital equipment decreased by \$4,350, or 36.8 percent, to \$7,479.

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 thirteenth year of operations in FY2015-16. 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 administers these grants will be \$250,000 in FY2016-17. The requirement for General Fund support in FY2016-17 is budgeted to be \$157,069, an increase of \$7,706, or 5.2 percent, above the amount in the 2015-16 Approved Budget. The Drug Court also collects probation fees to help defray the costs of the program. The program is expected to receive \$21,600 in fee revenues during FY2016-17.

Objectives

- To reduce crime resulting from substance abusing offenders.
- To assist participants with finding gainful employment or increasing their educational achievements.

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 340,133	\$ 353,027	\$ 356,705	1.0%
Operation	119,751	62,643	70,464	12.5%
Capital	0	1,500	1,500	0.0%
Total	<u>\$ 459,884</u>	<u>\$ 417,170</u>	<u>\$ 428,669</u>	<u>2.8%</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				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Community Awareness Activities	22	32	27	(5)
Efficiency Measures				
% of Referrals Assessed on Time	100%	100%	100%	0%
Effectiveness Measures				
% of Participants Gainfully Employed/Schooled	84%	85%	85%	0%
% of Participants Staying Drug-Free	68%	68%	63%	(5%)
% of Participants Not Re-Arrested	95%	95%	95%	0%

The Drug Court's budget for FY2016-17 is \$428,669, an increase of \$11,499, or 2.8 percent. The personnel budget increased by \$3,678, or 1.0 percent. Higher salary costs stemming from full recognition of the wage adjustment that became effective in October, 2015, and a 2.372 percent merit increase, effective July 1, 2016, were partially offset by a decrease in the Virginia Retirement System contribution rate. The operations area increased by \$7,821, or 12.5 percent. This cost growth is due to continuing inflation in drug testing prices. The budget for capital equipment remains at \$1,500. Those funds are allocated 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 information and assistance for participants to gain access to primary health and wellness programming. The Fan Free Clinic provided quarterly HIV testing at the Drug Court Office. Staff from the Henrico Extension Office presented a six session health and nutrition class to the program's phase I participants. Additionally, for the second year in a row an insurance broker provided a seminar to the participants regarding affordable health insurance and how to understand the insurance market, after which many participants then went on to sign up for health insurance. Employees from the Henrico Commonwealth Attorney have encouraged friendly competition by taking on the participants in our March Madness basketball game as well as the annual Drug Court Month softball game. 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 and 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, Project Fresh Start, and Promoting Empowerment and Resiliency through Learning Strengths (PEARLS), a new program that addresses the needs of female youth specifically.

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 FY2016-17 totals \$602,259, which includes County support of \$427,431. The total budget reflects an increase of \$4,342, or 0.7 percent when compared to the FY2015-16 budget. This increase was driven by updated estimates for personnel including a 2.372 percent salary increase for FY2016-17 and rising health care costs.

Probation will continue to use VJCCCA funding to provide a wide variety of services and programs to

Annual Fiscal Plan

Description	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 214,542	\$ 210,594	\$ 214,936	2.1%
Operation	338,699	387,323	387,323	0.0%
Capital	0	0	0	0.0%
Total	\$ 553,241	\$ 597,917	\$ 602,259	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.

VJCCA Probation (cont'd)

	Performance Measures			Change
	FY15	FY16	FY17	16 to 17
Workload Measures				
Number of Referrals from Probation/Court Order	959	959	959	0

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 \$313,415 including the County contribution of \$98,135. The total budget reflects an increase of \$4,401, or 1.4 percent when compared to the FY2015-16 budget. This increase was driven by updated estimates for personnel including a 2.372 percent salary increase for FY2016-17 and rising health care costs.

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>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 261,814	\$ 265,649	\$ 270,050	1.7%
Operation	49,896	43,365	43,365	0.0%
Capital	0	0	0	0.0%
Total	\$ 311,710	\$ 309,014	\$ 313,415	1.4%
 Personnel Complement*	 3	 3	 3	 0

VJCCA - Detention (cont'd)

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Electronic Monitoring Days	6,992	5,224	5,224	0
Outreach Participants w/Electronic Monitoring	204	204	204	0
Outreach Participants w/o Electronic Monitoring	47	36	36	0
STOP Participants	70	69	69	0
STOP Program Days	290	324	324	0
Efficiency Measures				
Average Length of Stay w/Electronic Monitoring	34	26	26	0
Average Length of Stay w/o Electronic Monitoring	56	76	76	0

The Detention Outreach Program is supported by three Complement II positions (one Outreach Coordinator, two 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.

- To disburse grant funds for eligible items for the benefit of detained youths.

Budget Highlights

In FY2016-17, 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 \$22,536 in USDA grant funding for FY2016-17, which is a \$4,328 or 16.1 percent decrease when compared to the approved budget for FY2015-16. These funds will continue to be used to purchase food, food service equipment, and maintain and repair kitchen equipment. The total food budget for FY2016-17, including amounts budgeted in the General Fund, will total \$74,538.

Objectives

- To file all reports promptly and accurately for reimbursement of funds.

Annual Fiscal Plan

Description	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	20,181	21,918	22,536	2.8%
Capital	6,119	4,946	0	(100.0%)
Total	\$ 26,300	\$ 26,864	\$ 22,536	(16.1%)
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:

We envision an inclusive, healthy, safe community where individuals lead full and productive lives.

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 outpatient psychotherapy and related services to adults, the elderly and their families.
- 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 case management, outpatient psychotherapy, in-home intervention and related services to children and their families.
- To provide early intervention for infants and toddlers experiencing significant developmental delay.
- To provide medical and social detoxification services to the chemically dependent.
- To provide outpatient treatment to adults and adolescents abusing alcohol and drugs.
- 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 meet all code requirements relating to emergency custody, temporary detention, involuntary commitment and mandatory outpatient treatment.

Annual Fiscal Plan

Description	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 24,249,115	\$ 26,146,330	\$ 26,760,589	2.3%
Operation	7,246,496	8,807,630	8,986,716	2.0%
Capital	276,303	0	0	0.0%
Total	\$ 31,771,914	\$ 34,953,960	\$ 35,747,305	2.3%

Personnel Complement*	220	219	219	0
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*Personnel Complement totals above do not include 146 Complement III positions in FY2016-17.

Mental Health & Developmental Services (cont'd)

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Persons Served by Emergency Services	2,165	2,100	2,150	50
Persons Served by Mental Health Services*	6,608	6,600	6,600	0
Persons Served by Developmental Services*	1,849	1,700	1,800	100
Persons Served by Substance Abuse Services*	1,703	1,600	1,700	100

*Unduplicated

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. We continue to train first responders in the Crisis Intervention Team (CIT) model and expanded the Crisis Receiving Center at Parham Doctors Hospital operations to 18 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 Department's information systems, and the general business functions of the Department. 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 FY2016-17 budget, including the Sheltered Employment program, is \$35,747,305. Personnel expenditures are \$26,760,589 or 74.9 percent of the total FY2016-17 budget, an increase of \$614,259, or 2.3 percent, over the FY2015-16 budget. The agency was awarded restricted State funding during FY2015-16 to expand services at the Crisis Receiving Center at Parham Doctors Hospital, adding two Clinician positions. The department was also awarded restricted state funding to expand Jail Diversion services, adding one Case Manager and one Clinician. Each of these positions is fully State-supported. The full-year cost of a wage adjustment for employees, awarded during October of 2015, and a 2.372 percent merit increase, effective July 1, 2016, have been included in the FY2016-17 Approved Budget.

Operating expenses are \$8,986,716 or 25.1 percent of the total FY2016-17 budget. Seventy percent of expenses are directly for consumer services. Medical Services are \$1,494,483, an increase of \$37,847 or 2.6 percent. Of this increase, \$31,500 is for 3.0 percent cost growth for contracted psychiatrists. Also, \$4,897 of the increase is for medical services through State

Mental Health & Developmental Services (cont'd)

Part C grant funds. Rent of facilities is \$1,000,945. The largest facility lease is the East Center at \$332,413 in FY2016-17. Other contractual services increased \$75,590 or 4.8 percent to \$1,661,359 for FY2016-17. The majority of this increase, \$65,000, covers additional operating hours in the contract with Parham Doctors Hospital for the Crisis Receiving Center, which is supported by restricted state funds. There is an \$18,500 increase for a contracted bed at the Daily Planet funded with restricted state funds for jail diversion. Substance abuse residential stays increased \$13,052 or 22.9 percent to \$70,000 and detoxification services increased \$9,000, or 34.6 percent, to \$35,000 because of an increase in clients needing these services.

Revenue estimates for FY2016-17 total \$35,747,305, an increase of \$793,345, or 2.3 percent, over the FY2015-16 Approved Budget. This includes a transfer from the General Fund totaling \$14,064,509. This reflects an increase of \$34,000, or 0.2 percent, when compared to FY2015-16. The General Fund transfer will represent 39.3 percent of projected revenues for FY2016-17.

The balance of the MH/DS/SA revenues are comprised of 27.9 percent Federal and State, 26.6 percent third party client fees, with the remaining 6.2 percent coming from other local governments, the Grant Reserve, and from sheltered employment contracts. A reserve fund of \$600,000 will cover grant opportunities in FY2016-17. Funds from this reserve will only be available for expenditure once they are received and approved by the County. Sheltered Employment revenue is expected to remain flat at \$344,400 for FY2016-17.

The Department's state performance contract revenue for FY2016-17 is projected to be \$6,204,845, an 8.0 percent increase over FY2015-16. The FY2016-17 Approved Budget includes a \$172,675 of restricted State funds for the Intercept 2 Jail Diversion Program implemented during FY2015-16. Other increases include growth of \$245,814 in restricted State funds for the Crisis Receiving Center at Parham Doctors Hospital, \$11,452 of restricted State funds for telepsychiatry, and \$43,167 in State general funds awarded during FY2016-17. Also, the state OBRA (Omnibus Budget Reconciliation Act) Nursing Home grant increased by \$218. Restricted state funds for Young Adult Services were reduced by \$12,291. The decrease was offset by an increase in Federal funds for Young Adult Services.

Fee revenue has been budgeted at \$9,502,860 for FY2016-17, a 3.4 percent increase. Medicaid revenue is projected to increase \$378,833 or 4.4 percent over FY2015-16. The increase is primarily for Medicaid SPO (State Plan Option) for mental health services. Self-pay and insurance revenue is anticipated to decrease \$66,174 or 7.0 percent compared to FY2015-16 levels.

What follows is a description of expenditure changes for the Department in the FY2016-17 budget.

The mission of the **Mental Health Services** section is to provide mental health services to the residents of Henrico, New Kent, and Charles City counties with 162 full-time and 3 part-time employees. The FY2016-17 budget for Mental Health Services increased \$247,111, to \$15,152,124, which is 1.7 percent higher than the FY2015-16 Approved Budget. The additional funding to expand the hours at the Crisis Receiving Center at Parham Doctors Hospital implemented during FY2015-16 added \$245,814 in FY2016-17. Personnel costs comprise 83.2 percent of the Mental Health Services budget in FY2016-17.

The **Substance Abuse Services** budget is \$2,071,786, an increase of \$216,427 (11.7 percent) from the FY2015-16 Approved Budget. Nineteen full-time and four part-time employees provide these services. Personnel expenses make up 88.1 percent of the substance abuse budget. The additional funding for the Intercept 2 Jail Diversion Program implemented during FY2015-16 added \$172,675 in FY2016-17. Operating costs increased by \$60,034, or 32.2 percent, in FY2016-17 because of the increase in residential stays and detoxification services described above.

The budget for **Developmental Services** reflects an expenditure increase of \$183,071, or 1.4 percent, to \$10,730,543 in FY2016-17. These services are provided by 116 full-time and 10 part-time employees. Personnel costs account for 74.3 percent of the Developmental Services budget in FY2016-17.

Administration spending is budgeted to increase 2.0 percent, or \$146,736, to \$7,448,452 in FY2016-17. Fifty-one full-time and three part-time employees comprise the administrative staff. Operational funding increased \$53,776 (1.6 percent) to \$3,403,981 due to increases in facility leases, janitorial services, and contractual services to provide specialized transportation for consumers.

Mental Health & Developmental Services (cont'd)

Sheltered Employment funding in FY2016-17 remains at the adopted FY2015-16 level of \$344,400. One full-time and one part-time position support the Sheltered Employment operation.

Day Support Services

Over the past eighteen years the County of Henrico has provided additional funding to Mental Health/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 FY2016-17 budget is \$1,872,893. This is an increase of \$34,000 above the FY2015-16 adopted budget.

In FY2016-17 it is anticipated that approximately 14 individuals with intellectual disabilities graduating from high school will be in need of a day support program. The cost of twelve of these graduates can be absorbed with the previous level of resources. The additional funding of \$34,000 noted above will be enough to serve the remaining two individuals.

What follows is a list of additional funding received in prior years.

FY2015-16	Fully Funded
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 FY2016-17 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 FY2016-17, 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 an electronic instrument

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	302,860	422,000	422,000	0.0%
Capital	132,529	40,000	40,000	0.0%
Total	<u>\$ 435,389</u>	<u>\$ 462,000</u>	<u>\$ 462,000</u>	<u>0.0%</u>
Personnel Complement	N/A	N/A	N/A	N/A

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Number of Aerial Transports	69	50	55	5
Flight Hours for Aerial Transports	306	200	220	20
Extraditions (commercial carriers)	24	26	26	0

panel, an integrated spotlight, a forward looking infrared (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 thirty-five 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 Police, Fire, or Emergency Medical Service unit, 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.

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

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 931,184	\$ 952,468	\$ 981,125	3.0%
Operation	41,755	87,249	90,309	3.5%
Capital	41,675	0	0	0.0%
Total	<u>\$ 1,014,614</u>	<u>\$ 1,039,717</u>	<u>\$ 1,071,434</u>	<u>3.1%</u>
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				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Wireless 911 Calls Received	145,704	146,119	145,476	(643)
Percentage Wireless 911 Calls to Total 911 Calls Received	77.19%	78.23%	79.13%	0.90%
Percentage Wireless 911 Calls to Total Calls (Emergency & Non-emergency) Received	24.69%	24.44%	24.66%	0.22%

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 2016-17 totals \$1,071,434, increasing by \$31,717 or 3.1 percent from the previous approved budget. The personnel component increased by a net difference of \$28,657 or 3.0 percent. This increase was driven by updated estimates for personnel including a 2.372 percent salary increase for FY2016-17 and rising health care costs.

The operating component increased by \$3,060 or 3.5 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 FY2016-17 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 FY2016-17.

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

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 10,725,410	\$ 11,662,751	\$ 12,208,887	4.7%
Operation	7,168,295	7,048,880	7,099,143	0.7%
Capital	68,092	11,260	11,260	0.0%
Total	<u>\$ 17,961,797</u>	<u>\$ 18,722,891</u>	<u>\$ 19,319,290</u>	<u>3.2%</u>
Personnel Complement*	180	180	189	9

* Five positions were added in a September 2015 amendment. The addition of four others is proposed for FY2016-17.

Social Services (cont'd)

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Foster Child Initial Placement in Family Homes	73%	70%	70%	0%
Family Foster Home Recruitment	13	18	18	0
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.

Budget Highlights

The Department's budget for FY2016-17 is \$19,319,290, which represents an increase of \$596,399, or 3.2 percent, from the FY2015-16 Approved Budget. The Department anticipates collecting \$14,583,884 in revenue from State and Federal governments, which is 75.5 percent of funding. An additional \$4,684,199, representing 24.2 percent of all funding, will be provided through a transfer from the General Fund. The Department also

anticipates receiving \$51,207 from other local sources, which is 0.3 percent of the total budget.

The personnel component increased by \$546,136, or 4.7 percent, from the FY2015-16 Approved Budget. This budgetary growth is partially due to full recognition of the wage adjustment that became effective in October of 2015 and a 2.372 percent merit increase effective July 1, 2016. Additionally, nine positions, predominantly funded with State and federal dollars, have been added in order to serve citizens in need of eligibility related programs. This budgetary growth was partially offset by a reduction in the VRS retirement contribution rate.

The operating component of the budget, \$7,099,143, experienced a 0.7 percent increase from the FY2015-16 Approved Budget. This increase is due to the restoration of funding for education and tuition in the department's budget, and a provision of operating funds to support the eligibility positions added in FY2015-16. A total of \$11,260 is budgeted for capital needs. This figure is unchanged from FY2015-16.

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: Adult/Child Protective Service, Adult Services, Foster Care, Adoptions, Child Day Care, Employment Services, Custody Investigations, Home Studies, and housing services.

Social Services (cont'd)

Benefits administered 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 3.3 percent increase in the number of cases for the Medicaid Program, and a 9.5 percent decrease in the SNAP Program. The Department anticipates the TANF and SNAP caseloads to remain fairly constant.

Foster Care caseload numbers increased by 18.3 percent during FY2014-15, and the continued need for residential placements is an ongoing concern. In

many cases these youth came into foster care with 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 significant increases in service needs in this program area. Adult Protective Services referrals have increased by roughly 60 percent from FY2010-11 to FY2014-15 and the number of requests for nursing home and personal care (home based) waivers has increased by approximately 58 percent during that same time period.

CHILDREN’S SERVICES ACT

Description

The Children’s 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 Children’s 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 budget for the Children’s Services Act for FY2016-17 is \$11,663,228. This represents an increase of \$2,908,786, or 33.2 percent, over the FY2015-16 Approved Budget. The increase is due to growth in Purchase of Services offset slightly by a decrease of \$1,189 in 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 FY2016-17, CSA is estimated to fund services for 435 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 safety of the child and/or community precludes services in the

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 386,023	\$ 376,630	\$ 375,441	(0.3%)
Operation	9,381,087	8,377,262	11,287,237	34.7%
Capital	98	550	550	0.0%
Total	\$ 9,767,208	\$ 8,754,442	\$ 11,663,228	33.2%
Personnel Complement*	N/A	N/A	N/A	N/A

*Total personnel complement of positions is reflected within Social Services budget.

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Children Served	416	425	435	10
Children Served in Residential Programs	57	65	70	5

home; 4) community based services for children and families such as home based counseling, intensive care coordination, parent coaching, 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 \$11,138,635, or 95.5 percent of the total budget, yielding an administrative component of 4.5 percent. The FY2016-17 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 Coordinator has worked closely with HPMT and HCPS to review expenditures for students in private school placements. New policies are in place to ensure timely completion of paperwork and funding authorizations that will allow for better budget forecasting.

CSA services are critical for discharge planning and maintaining the goal of returning home. Members of the CSA staff have provided consistent utilization review of children placed in congregate care. Staff also participate in treatment meetings for residential and private agency foster homes, and facilitate Family Assessment and Planning Team reviews three times a week. The frequency and detailed level of reviews are key to reducing the length of time for all services, and the overall expenditures.

The FY2016-17 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 FY2016-17 is \$485,000.

The following four year history shows dramatic growth, in the actual cost of the CSA program in recent fiscal years.

Fiscal Year	Expenses	Change	Percent Change
FY2011-12	\$6,470,581	\$543,439	9.2%
FY2012-13	\$7,092,653	\$622,072	9.6%
FY2013-14	\$7,568,812	\$476,159	6.7%
FY2014-15	\$9,767,199	\$2,198,387	29.0%

It has been observed that the pattern of sharply rising expenditures is continuing in FY2015-16 as well. In response, funding for Treatment Services has been increased by \$2,909,975 in FY2016-17. In an effort to assess the cause of this trend, the funding for these services has been split, with the cost center for educational services receiving 75.6 percent of funding and all other areas receiving 24.4 percent.

In FY2016-17, the County will provide a projected total of \$4,728,082 as a direct match for all CSA funding; that is purchased services, administration, and Medicaid. This amount represents an increase of \$1,087,167 over the General Fund transfer amount from FY2015-16. 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 \$3,993,084.

CSA Administration will receive \$249,998 in local funding. In addition, the County will provide a forecasted local match of Medicaid services totaling \$485,000 for a total contribution of \$5,157,905. The State will provide funding for the remainder of the CSA budget, totaling \$7,290,147, less the Medicaid local match of \$485,000, for a net contribution of \$6,805,147.

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 a transfer from the General Fund. 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 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 two closed landfills. 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 FY2016-17 are \$13,614,283, 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 \$254,998 or 2.6 percent as compared to the prior fiscal year. Revenues are sufficient to cover all operating expenditures for Solid Waste in FY2016-17. Total expenditures of \$13,614,283 increased by \$849,967 or 6.7 percent when compared to the FY2015-16 approved budget. The personnel component of the

Annual Fiscal Plan

Description	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 3,329,823	\$ 3,805,538	\$ 3,806,862	0.0%
Operation	6,946,266	7,980,242	7,952,054	(0.4%)
Capital	608,580	978,536	1,855,367	89.6%
Total Solid Waste	\$ 10,884,669	\$ 12,764,316	\$ 13,614,283	6.7%
Street Lights	72,247	83,100	83,100	0.0%
Total Solid Waste/Street Lights	\$ 10,956,916	\$ 12,847,416	\$ 13,697,383	6.6%

Personnel Complement	69	69	69	0
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Solid Waste (cont'd)

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Tons Collected by Refuse Collection	41,647	42,500	43,500	1,000
Tons Collected by Bulky Waste	323	500	500	-
Tons Collected by Neighborhood Cleanups	2,654	3,000	3,000	-
Tons Deposited in Public Use Areas	23,946	25,000	25,000	-
Number of Refuse Customers	45,167	45,000	46,000	1,000

Division of Solid Waste’s FY2016-17 budget remains relatively flat and reflects an increase of \$1,324. The operating component of the budget has decreased by 0.4 percent and reflects the movement of \$28,188 into the capital outlay component in order to more accurately reflect projected expenditures. The capital outlay component of the budget is increasing by \$876,831, or 89.6 percent. The increase to the capital component is due to the budgeting of funds for the replacement of two rear loader refuse packers, one automated refuse truck, one new knuckle boom truck as well as 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 \$848,643, or 9.5 percent from the FY2015-16 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 \$2,534,593 and represents an increase of \$888,664, or 54.0 percent. The bulk of the increase is attributable to the replacement of two rear loader refuse packers and one automated refuse truck all of which are part of replacement plans and are past their useful lives. The increase is also due to funding included for a new knuckle boom to help complete bulky waste orders as well as the replacement of refuse and PUA equipment, all of which is reflected in the capital component of the budget for Administration.

Collection Operations:

The budget for Collection Operations totals \$4,744,518, and represents an increase of 7.1 percent when compared to the prior fiscal year approved budget.

Refuse Collection

The budget for the Refuse Collection area is \$3,727,401, which represents an increase of \$323,957, or 9.5 percent. Weekly refuse collection services are provided to over 46,000 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 \$210,431 from the General Fund. The FY2016-17 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 \$146,369, which decreased from the prior fiscal year approved budget by \$9,053 or 5.8 percent. 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.

Solid Waste (cont'd)

Community and Neighborhood Cleanup

Cleanup expenditures total \$531,045 in FY2016-17, which represents a \$26,398 or 5.2 percent increase from the prior year approved budget. There are no personnel costs budgeted for Cleanup activities, however \$304,989 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 approved FY2016-17 budget of \$6,236,005 for Processing and Disposal represents a decrease of \$354,834, or 5.4 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 \$3,066,749 in FY2016-17, representing a decrease of \$75,937 or 2.4 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 \$1.96 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 FY2016-17 budget for this operation totals \$1,098,970. 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 FY2016-17 budget for the Public Use Areas is \$1,599,444, an increase of \$113,576, or 7.6 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 25,000 tons of refuse annually.

Landfill Post Closure

Landfill Post Closure expenditures of \$465,850 in FY2016-17 represent a \$374,500 or 44.6 percent decrease from the prior year budget. Funding in this area exists for post closure care of both closed landfills located at Nine Mile Road and Springfield Rd.

Litter Control (Keep Henrico Beautiful):

The budget for Litter Control is increasing by \$1,479, or 1.5 percent. Solid Waste receives an annual grant from the State Litter Control Board for this program, which is budgeted at \$40,000 in FY2016-17.

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 FY2016-17 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.

	FY2015-16	FY2016-17	Percent Change
Recycling	2,130,666	2,130,666	0.0%
Bulky Waste	227,776	210,431	-7.6%
Cleanups	504,647	531,045	5.2%
Bagged Leaf	155,422	146,369	-5.8%
Total	3,018,511	3,018,511	0.0%

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 FY2016-17 will maintain services levels for the current 156 street lights in District #2, 163 street lights in District #3, the 27 streetlights in District #3.1, the 27 street lights in District #23, and the 87 street lights in District #12.

Solid Waste (cont'd)

Projected street lighting revenues and expenditures in FY2016-17 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 FY2016-17 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>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	0	50,000	50,000	0.0%
Capital	0	0	0	0.0%
Total	\$ 0	\$ 50,000	\$ 50,000	0.0%
 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>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	109,468	847,000	847,000	0.0%
Capital	0	0	0	0.0%
Total	\$ 109,468	\$ 847,000	\$ 847,000	0.0%
 Personnel Complement	 N/A	 N/A	 N/A	 N/A



ENTERPRISE FUNDS

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - WATER & SEWER ENTERPRISE FUND
FY 2016-17

Water and Sewer Enterprise Fund

Revenues/Resources	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Approved
<u>Water and Sewer Operating Budget:</u>			
Sale of Water	\$50,523,832	\$48,000,000	\$51,550,971
Sale of Sewer	47,558,353	48,740,000	50,739,661
Water Connection Fees	4,156,712	4,079,695	3,745,544
Sewer Connection Fees	4,939,381	1,500,000	4,455,203
Strong Waste Surcharge	2,459,586	2,000,000	2,000,000
City of Richmond	1,119,530	820,000	820,000
Interest Earnings	724,382	451,260	799,459
Other Water/Sewer revenues	1,779,991	1,100,813	1,080,901
Transfer from General Fund	1,928,108	1,930,308	1,928,621
Total Operating Revenues	115,189,875	108,622,076	117,120,360
Operating Expenditures			
<u>Water and Sewer Operating Budget:</u>			
Personnel	19,424,041	20,508,294	20,817,368
Operating	41,314,229	40,422,511	40,797,511
Capital Outlay	1,150,951	785,527	785,527
Sub-Total Operating	61,889,221	61,716,332	62,400,406
Debt Service	16,645,662	18,707,306	22,280,470
Total Operating Expenditures	78,534,883	80,423,638	84,680,876
Results of Operations (Prior to Capital Expenses)	(36,654,992)	(28,198,438)	(32,439,484)
Budget For Capital Use (Below)		(65,500,000)	(200,050,000)
Capital Budget Expenditures			
	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Approved
Approved Capital Projects (FY2015-16 Budget)		65,500,000	
Proposed Capital Projects (New FY2016-17 Budget)			200,050,000
Continuing Capital Projects (Previously Approved) (1)	51,814,281		
Total Capital Budget Expenses:	51,814,281	65,500,000	200,050,000
Capital Budget Resources			
Water and Sewer Revenues	7,895,045	36,200,000	59,200,000
Revenue Bonds	43,919,236	29,300,000	140,850,000
Total Capital Budget Resources:	51,814,281	65,500,000	200,050,000

Notes:

(1) This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2014-15 represents actual spending, as per the 2015 audit.

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - BELMONT GOLF COURSE ENTERPRISE FUND
FY 2016-17

Fund-Function/Activity	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Approved
Belmont Golf Course Fund			
Revenues:			
Operating	\$901,749	\$1,070,999	\$1,090,593
Miscellaneous Revenue	2,455	0	0
Total Revenues	904,204	1,070,999	1,090,593
(To) From Retained Earnings	41,360	0	0
Total Resources	\$945,564	\$1,070,999	\$1,090,593
Expenses:			
Operating	945,564	1,070,999	1,090,593
Total Operating Expenses	\$945,564	\$1,070,999	\$1,090,593

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	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 19,424,041	\$ 20,508,294	\$ 20,817,368	1.5%
Operation	41,314,229	40,422,511	40,797,511	0.9%
Capital	1,150,951	785,527	785,527	0.0%
Debt Service	16,645,662	18,707,306	22,280,470	19.1%
Total	\$ 78,534,883	\$ 80,423,638	\$ 84,680,876	5.3%

Personnel Complement	306	306	307	1
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* An Engineer II position was added to the personnel complement during FY2015-16 as part of the enhancement of the Development Review Process.

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Average No. of Fire Hydrants in Service	12,611	12,800	13,000	200
Miles of Water Mains	1,595	1,610	1,620	10
Miles of Sewer Mains	1,481	1,490	1,500	10
Number of Water Customers	95,994	97,000	98,000	1,000
Number of Sewer Customers	93,087	94,100	95,100	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 FY2016-17, projected operating resources of \$117,120,360 will support water and wastewater operations, reflecting an increase of 7.8 percent from the FY2015-16 adopted budget, and includes a 5.0 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 FY2016-17 budget adheres to that premise. Payments and transfers from the General

Fund in FY2016-17 total \$1,928,621 for debt service, all of which will support the debt service costs related to the Elko Tract infrastructure improvements.

Expenditures

The FY2016-17 budget of \$84,680,876 includes expenditures for personnel, operating, capital outlay, and debt service. Overall, the Water and Sewer operating budget is increasing by 6.7 percent, or \$3,948,164. This is primarily attributable to a \$3,573,164 increase to the debt service portion of the budget. The remainder of the increase in the operating component is due to the budgeting of additional funds for several identified operational needs. These needs include funding for tonnage fees on disposing of excavated material from water and sanitary sewer repair excavations. Funding for scheduled repairs and maintenance projects at the water reclamation facility, as well as additional funding to clean and televise the County's sanitary sewer mains through an annual contract to meet the new MS4 regulations and funding for safety programs.

The personnel component totals \$20,817,368 and reflects an increase of \$309,074, or 1.5 percent. The increase in personnel component is attributable to the 2.372 percent salary increase, the full-year impact of the raise provided in FY2015-16 as well as rising health care costs. It is important to note that the budgeted amount for VRS decreased due to a reduction in the contribution rate. There has been no change to the capital outlay portion of the budget from the prior fiscal year.

Debt Service Requirements:

Projected debt service expenditures of \$22,280,470 represents a net increase of \$3,573,164 or 19.1 percent when compared to the current fiscal year. The FY2016-17 budget includes a prorated debt service payment for a new, 30 year debt issuance of

Public Utilities (cont'd)

\$90,000,000 million at a 4.0 rate of interest and 1.5 percent issuance cost. Approximately \$62 million of the planned debt issuance is to provide funding for the Cobbs Creek Reservoir project, while the remainder will provide funding for a variety of Water and Sewer rehabilitation projects 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, 2015 was \$220.9 million, as well as the 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, 2015, this coverage equaled 2.62 times the debt service requirements. (Source: FY2014-15 Henrico County Comprehensive Annual Financial Report)

Debt service expenditures, in total, represent 26.3 percent of FY2016-17 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.

It should be noted that the five-year Capital Improvement Program for the Water and Sewer fund totals \$467,475,000. This amount represents 30.8 percent of the total County five-year Capital Improvement Program. However, when looking at the County's FY2015-16 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 FY2016-17 approved 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:

FY11: \$ 60,371,868
FY12: \$ 51,395,132
FY13: \$ 48,899,271
FY14: \$ 24,886,066
FY15: \$ 55,689,150

(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 provided by the County.

Budget Highlights

The budget for the Belmont Golf Course in FY2016-17 is \$1,090,593, which represents an overall increase of 1.8 percent when compared to the FY2015-16 approved budget. This budget includes \$990,917 for operation and maintenance of the Golf Course and \$99,676 for the Snack Bar.

The personnel component of the Golf Course budget reflects a 3.8 percent increase when compared to the FY2015-16 approved budget. This is the result of revised estimates for salaries and benefits, including a 2.372 percent salary increase effective July 1, 2016. This increase was partially offset by a decrease in the VRS contribution rate. The operating component reflects a 0.4 percent decrease when compared to the FY2015-16 approved budget. This is the result of shifting \$2,095 to capital outlay. Capital outlay expenditures for the Belmont Golf Course total \$53,664 in FY2016-17 as the Division anticipates the replacement of a greens roller and landscaping equipment.

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.

Annual Fiscal Plan

Description	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 451,208	\$ 513,517	\$ 533,111	3.8%
Operation	439,116	505,913	503,818	(0.4%)
Capital	55,240	51,569	53,664	4.1%
Total	<u>\$ 945,564</u>	<u>\$ 1,070,999</u>	<u>\$ 1,090,593</u>	<u>1.8%</u>
Personnel Complement	8	8	8	0

Belmont Golf (cont'd)

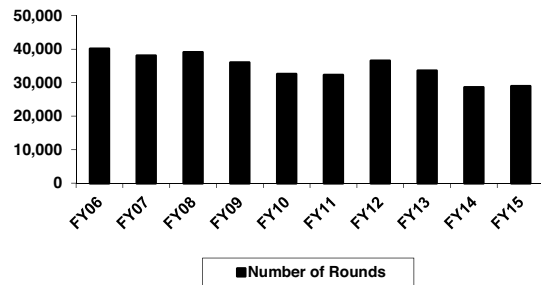
Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Rounds of Golf Played	28,916	29,500	29,500	0
Efficiency Measures				
Golf Revenue per Round	\$31	\$32	\$32	\$0
Food/Beverage Revenue per Round	\$2	\$2	\$2	\$0

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. The FY2016-17 budget includes adjustments to certain fees. The first adjustment is to reduce the amount paid by seniors for cart fees by \$4 in peak season and \$3 in the off-season. This is done to attract more senior customers to the golf course. The second adjustment is to increase weekend and holiday rates before 1:00 pm by \$2 and the rate after 1:00 pm by \$1. It should be noted that these increases will have no impact on senior rates.

In reviewing the number of rounds played over the past ten fiscal years, the most recent year saw a small increase in rounds played after two consecutive years of declines. Marketing efforts have been underway in recent years in an attempt to attract new golfers to

Belmont Golf Course, and those efforts will continue. Additionally, the reduction in cart fees for seniors is targeted to increase rounds with this specific group, as the recent reduction in rounds is closely tied to seniors.

**Belmont Golf Course:
Number of Rounds Played**



OTHER FUNDS

**COUNTY OF HENRICO, VIRGINIA
ALL OTHER FUNDS
FY 2016-17**

<u>Fund-Function/Activity</u>	<u>FY 14-15 Actual</u>	<u>FY 15-16 Original</u>	<u>FY 16-17 Approved</u>
Internal Service Funds			
Central Automotive Maintenance			
Revenues:			
Charges for Automotive Maintenance - West	\$7,044,396	\$6,440,002	\$6,547,180
Charges for Automotive Maintenance - East	2,243,111	2,009,750	2,234,192
Charges for Use of Motor Pool	4,154,339	4,134,000	4,095,000
Charges for Gasoline	5,835,069	7,577,940	7,466,354
Charges for Vehicle Wash Facility	0	0	136,000
Miscellaneous	338,161	345,100	345,100
(Gain)/Loss on Sale of Property	(57,838)	0	0
Transfer to Capital Projects	(1,545,139)	0	0
Fund Balance-CAM	2,260,379	0	0
Total Revenues	<u>\$20,272,478</u>	<u>\$20,506,792</u>	<u>\$20,823,826</u>
Expenses:			
Central Automotive Maintenance	<u>\$20,272,478</u>	<u>\$20,506,792</u>	<u>\$20,823,826</u>
Total Expenses	<u>\$20,272,478</u>	<u>\$20,506,792</u>	<u>\$20,823,826</u>
Technology Replacement Fund			
Revenues:			
Transfer from General Fund	\$1,000,000	\$1,000,000	\$2,000,000
(To) From Retained Earnings - Technology	1,164,388	1,317,152	962,438
Total Revenues	<u>\$2,164,388</u>	<u>\$2,317,152</u>	<u>\$2,962,438</u>
Expenses:			
Technology Replacement	<u>\$2,164,388</u>	<u>\$2,317,152</u>	<u>\$2,962,438</u>
Total Expenses	<u>\$2,164,388</u>	<u>\$2,317,152</u>	<u>\$2,962,438</u>

All Other Funds (cont'd)

Fund-Function/Activity	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Approved
Risk Management			
Revenues:			
Transfer from General Fund	\$11,778,543	\$8,397,952	\$8,393,421
Public Utilities Charges	841,442	750,000	750,000
Recon-Workers' Compensation	90,919	0	0
Prop/Liability Recovery	519,625	0	0
Interest Income	16,518	0	0
Total Revenues	\$13,247,047	\$9,147,952	\$9,143,421
Expenses:			
Risk Management	\$13,247,047	\$9,147,952	\$9,143,421
Total Expenses	\$13,247,047	\$9,147,952	\$9,143,421
Healthcare Fund			
Revenues:			
County Contribution	\$66,941,366	\$73,041,136	\$76,440,957
Employee Contribution	17,398,025	18,363,016	19,097,537
Retiree Contribution	5,523,396	6,893,573	7,169,315
Retiree Subsidy	674,557	859,701	879,440
Disabled Subsidy	76,991	117,623	116,292
COBRA	257,348	336,487	349,947
Interest Income	125,157	75,000	75,000
Healthcare - Wellness Payment	304,820	150,000	150,000
Use of Fund Balance (Includes IBNR)	211,848	1,815,970	4,025,060
Total Revenues	\$91,513,508	\$101,652,506	\$108,303,548
Expenses:			
Healthcare	\$91,513,508	\$101,652,506	\$108,303,548
Total Expenses	\$91,513,508	\$101,652,506	\$108,303,548
Debt Service Fund			
Revenues:			
Transfer from General Fund	\$57,350,014	\$54,805,548	\$57,507,646
From Capital Projects Fund Balance	0	2,000,000	0
Fund Balance - Debt	0	0	1,000,000
Total Revenues	\$57,350,014	\$56,805,548	\$58,507,646
Expenditures:			
Debt Service - General Government	\$18,528,387	\$17,999,230	\$21,721,694
Debt Service - Public Works	3,387,804	3,394,738	3,493,179
Debt Service - Education	35,433,823	35,411,580	33,292,773
Total Expenditures	\$57,350,014	\$56,805,548	\$58,507,646
Adjustment for Interfund Transactions	(\$87,965,392)	(\$94,525,252)	(\$98,260,515)

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 FY2016-17 is \$20,823,826. This represents an increase of \$317,034, or 1.5 percent when compared to the FY2015-16 approved budget. The personnel component totals \$4,145,004, which is a \$61,294 or 1.5 percent increase compared to FY2015-16. This increase reflects annualization of the October 2015 raise as well as a 2.372 percent salary increase for FY2016-17. The overall operating component totals \$16,678,822, which reflects an increase of \$255,740 or 1.6 percent from the FY2015-16 approved budget. This increase is attributable to the upgrade of the Fleet Focus software and operating funding for the Large Vehicle Wash Facility, which is scheduled to open in summer 2016.

The FY2016-17 budget also includes \$2,232,500 for the replacement of 95 motor pool vehicles. Vehicles scheduled to be replaced next year include 27 compact sedans, 5 full-size Police sedans, 2 mid-size sedans, 13 vans, 9 sport utility vehicles, and 39 trucks.

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

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 3,995,636	\$ 4,083,710	\$ 4,145,004	1.5%
Operation	13,676,592	16,423,082	16,678,822	1.6%
Capital	2,600,250	3,283,865	2,411,565	(26.6%)
Sub-Total	<u>\$ 20,272,478</u>	<u>\$ 23,790,657</u>	<u>\$ 23,235,391</u>	<u>(2.3%)</u>
Recommended Adjustments	0	(3,283,865)	(2,411,565)	(26.6%)
Total Budget	<u>\$ 20,272,478</u>	<u>\$ 20,506,792</u>	<u>\$ 20,823,826</u>	<u>1.5%</u>
Personnel Complement	67	67	67	0

Central Automotive Maintenance (cont'd)

Performance Measures				
	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>Change 16 to 17</u>
Workload Measures				
Total Vehicles/Equip. Maintained by CAM	3,555	3,542	3,540	(2)
Gallons of Fuel Consumed	2,901,549	2,933,949	2,975,500	41,551
Annual Miles Driven	25,119,814	25,200,000	25,225,000	25,000
Equipment to Mechanic Ratio	79	79	79	0

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 \$8,781,372 for FY2016-17.

Motor pool revenues are projected at \$4,095,000 in FY2016-17. 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. There will be a change in motor pool charges in FY2016-17 to replace a system of a flat rate charge for the first 1,000 miles plus 20¢ for each additional mile with a simpler, flat rate only system. This system

will make it easier for departments to budget for motor pool expenses and for CAM to budget for motor pool revenues.

The estimate for CAM's fuel revenues totals \$7,466,354 for FY2016-17. 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.

Miscellaneous revenue for CAM is projected at \$345,100 for FY2016-17 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.

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 FY2016-17 budget for the Technology Replacement Fund totals \$2,962,438. It is important to note that funding of \$2,000,000 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 \$73,070 for new computer equipment. This total includes \$71,375 for thirteen industrial laptops and one laptop which will be utilized by the fourteen new positions for Police as well as \$1,695 for one laptop associated with a new position in Information Technology. In addition, this budget includes \$2,889,368 for the replacement of computer equipment. The departments that made formal requests for equipment replacement in FY2016-17 are Agriculture and Home Extension, Board of Supervisors, Building Inspections, Commonwealth's Attorney - Victim Witness, County Manager, Finance, Division of Fire, General Services, Human Resources,

Annual Fiscal Plan

Description	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	32,375	0	0	0.0%
Capital	2,132,013	2,317,152	2,962,438	27.8%
Total	\$ 2,164,388	\$ 2,317,152	\$ 2,962,438	27.8%

Technology Replacement Fund (cont'd)

Performance Measures				
	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Accumulated Value of Equipment	11,471,754	11,523,484	11,596,554	73,070
Computers in Program	2,853	2,864	2,879	15
Other Equipment in Program	1,027	1,027	1,027	0
Effectiveness Measures				
Percent of Eligible Departments in Program	100%	100%	100%	0%

Information Technology, JRJDC, Juvenile Detention, Planning, Police Division, Public Library, Public Relations and Media Services, Public Works, Recreation and Parks, Registrar, and VJCCCA - Probation.

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.

FY2016-17 will mark the seventeenth year of the program, and is the fourteenth year equipment in the fund can be replaced. It should be noted that in the current year, there are 2,864 computers and 1,027 other pieces of equipment in the program, which has an accumulated value of \$11,523,484. As of June 30, 2015, the Technology Replacement Fund had accumulated \$3,907,124 for future equipment replacement. The forecasted accumulated balance for the Fund as of June 30, 2017 is \$1,627,534.

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 FY2016-17 budget is reflected within the Internal Service Fund series as Risk Management 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 FY2016-17 totals \$9,143,421 and is funded with a transfer of \$8,393,421 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 a net decrease of \$4,531 from the FY2015-16 approved budget. This reduction is driven solely by the personnel component, which reflects the impact of turnover as well as a reduction in the contributions to the VRS system. Partially offsetting these reductions, this budget reflects a 2.372 percent salary increase for employees as well as increased healthcare costs.

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	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Personnel	\$ 902,281	\$ 928,806	\$ 924,275	(0.5%)
Operation ⁽¹⁾	12,343,908	8,213,546	8,213,546	0.0%
Capital	858	5,600	5,600	0.0%
Total	\$ 13,247,047	\$ 9,147,952	\$ 9,143,421	(0.0%)
 Personnel Complement	 11	 11	 11	 0

⁽¹⁾\$4,000,000 of FY2014-15 actual expenditures was funded through a routine budget amendment utilizing funding available in the Self-Insurance Reserve.

Risk Management (cont'd)

Performance Measures				
	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>Change 16 to 17</u>
Workload Measures				
Workers' Compensation Claims Processed	1,120	950	950	0
Auto. Gen. Liability, Other Claims Processed	719	550	550	0
Property Damage and Loss Claims Processed	959	1,000	1,000	0

The operating and capital components remained constant from the previous fiscal year.

In FY2016-17, the budget for the Self-Insurance Administration function of Risk Management totals \$1,131,227. 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 FY2016-17, 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.

In FY2016-17, the budget for Claims totals \$6,935,156, which remained constant from the

previous fiscal year. 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 FY2016-17 budget is \$1,056,747 for insurance policies/premiums. These funds are for costs 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 supplemented by the Self-Insurance Reserve, which on June 30, 2015 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 FY2016-17 provides funding of \$108,303,548 for the Healthcare Fund. Included in this figure is \$76,440,957 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 \$30,866,859 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 FY2016-17, the Healthcare Fund budget also assumes the use of \$4,025,060 from the Premium Stabilization Reserve. This designation of fund balance allows the County to minimize the calendar year 2016 rate increase for employees attributable to overall healthcare cost increases, as well as fees mandated by the Affordable Care Act (ACA). The budget for FY2016-17 includes the fourth year of funding for mandatory costs related to provisions of the ACA, including \$486,000 to support a Transitional Reinsurance Fee, and \$39,060 for a Patient Centered Outcomes Research Institute (PCORI) fee.

Of the \$108,303,548 budget for Healthcare, \$102,231,988, or 94.1 percent reflects claims expenditures. The balance of \$5,546,500 (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 (\$1,640,000). 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 \$56,500 in funding for the retainer agreement for the County’s healthcare consultant.

Annual Fiscal Plan

Description	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Claims	\$ 85,412,530	\$ 95,299,536	\$ 102,231,988	7.3%
Other Administrative Fees	5,138,527	5,502,000	5,546,500	0.8%
Payments to Federal Government (ACA)	962,451	850,970	525,060	(38.3%)
Total Healthcare	\$ 91,513,508	\$ 101,652,506	\$ 108,303,548	6.5%

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 \$407,150,000 as of June 30, 2016. The distribution of the debt is: \$340,695,000 of General Obligation (GO) bonds (\$238,534,613 for Schools and \$102,160,387 for General Government), \$16,455,000 of Industrial Development Authority (IDA) bonds for the regional jail project, \$2,535,000 of IDA bonds for General Government projects, \$12,465,000 of Virginia Public School Authority (VPSA) bonds, and a projected \$35,000,000 of Lease/Revenue bonds to be issued for the replacement of the County's 800mhz Public Safety Communications System. In previous years, the debt from the construction of the James River Juvenile Detention Center (JRJDC) was included in the projected outstanding debt total. However, the last payment on those bonds will occur in FY2015-16. In addition, of the \$407,150,000 projected outstanding debt, \$250,999,613 or 61.6 percent is attributed to Education projects and \$156,150,387 or 38.4 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.

Annual Fiscal Plan

Description	FY15 Actual	FY16 Original	FY17 Approved	Change 16 to 17
Principal Payments	\$ 38,285,000	\$ 38,174,821	\$ 41,350,000	8.3%
Interest Payments	19,043,587	18,580,727	17,107,646	(7.9%)
Other Debt Expenses	21,427	50,000	50,000	0.0%
Total	\$ 57,350,014	\$ 56,805,548	\$ 58,507,646	3.0%
General Government	\$ 21,916,191	\$ 21,393,968	\$ 25,214,873	17.9%
Education	35,433,823	35,411,580	33,292,773	(6.0%)
Total Budget	\$ 57,350,014	\$ 56,805,548	\$ 58,507,646	3.0%

Debt Service Fund (cont'd)

The Board of Supervisors established the debt guidelines in the FY1998-99 Annual Fiscal Plan, which were reaffirmed during growth retreats held in 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 **1.06%** in FY2015-16. 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 **6.74%** in FY2015-16. **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 FY2015-16 is **\$1,251**.

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 39 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 \$58,507,646, which reflects a 3.0 percent increase when compared to the FY2015-16 Approved Budget. Of the total, \$41,350,000 is payment towards the principal amount owed, \$17,107,646 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 FY2016-17 is by service area, of which \$33,292,773 is payment on Education debt, \$21,721,694 is payment on debt related to General Government functions, and \$3,493,179 is debt related to Public Works projects.

As noted earlier, this budget does not include debt related to the Water and Sewer Enterprise Fund. The debt service payments for those functions are included in their respective budgets.

Included in the FY2016-17 budget for debt service is \$4,000,000 for the planned issue of \$35,000,000 for the replacement of the County's 800 MHz communication system. This reflects the total principal and interest payments for issuing debt in the spring of 2016 and assumes a ten-year payback. The estimated cost of this project is around \$55,000,000, with the remaining balance to 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 FY2016-17, \$44,867,950 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 FY2016-17 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 \$4,624,446 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 FY2016-17 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 \$1.8 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. In March 2015, the County refunded \$50,485,000 of General Obligation and VPSA bonds originally issued in 2008. The refunding was able to generate \$3.3 million over the balance of the debt payments.



FUDICIARY FUNDS

**COUNTY OF HENRICO, VIRGINIA
REVENUES & EXPENDITURES - AGENCY FUNDS
FY 2016-17**

<u>Fund-Function/Activity</u>	<u>FY 14-15 Actual</u>	<u>FY 15-16 Original</u>	<u>FY 16-17 Approved</u>
JRJDC Agency Fund			
Revenues:			
Transfer from General Fund	\$2,650,241	\$2,755,259	\$2,979,622
Transfer from General Fund - Debt Service	663,986	671,327	0
Revenue from Federal Government	68,063	0	0
Revenue from the Commonwealth	1,602,976	1,631,369	1,559,396
Revenue from Goochland/Powhatan	407,754	423,888	458,482
Interest Income	5,910	0	0
(To) From Fund Balance-JRJDC	77,952	169,762	48,724
Total Revenues	<u>\$5,476,882</u>	<u>\$5,651,605</u>	<u>\$5,046,224</u>
Expenses:			
Operating	\$4,812,896	\$4,980,278	\$4,946,224
Debt Service	663,986	671,327	0
Capital Projects	0	0	100,000
Total Expenses	<u>\$5,476,882</u>	<u>\$5,651,605</u>	<u>\$5,046,224</u>
Other Post Employment Benefits - GASB 45			
Revenues:			
Transfer from General Fund	\$2,500,000	\$2,750,000	\$2,750,000
Total Revenues	<u>\$2,500,000</u>	<u>\$2,750,000</u>	<u>\$2,750,000</u>
Expenses:			
Operating	\$2,500,000	\$2,750,000	\$2,750,000
Total Expenses	<u>\$2,500,000</u>	<u>\$2,750,000</u>	<u>\$2,750,000</u>
Line of Duty Act (LODA)			
Revenues:			
Operating Transfer from General Fund	\$497,352	\$550,000	\$575,000
Total Revenues	<u>\$497,352</u>	<u>\$550,000</u>	<u>\$575,000</u>
Expenses:			
Operating	\$497,352	\$550,000	\$575,000
Total Expenses	<u>\$497,352</u>	<u>\$550,000</u>	<u>\$575,000</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.

- 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 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.

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.

On December 11, 2015, the Commission met and approved a budget submission, which reflects funding needed to operate the facility on a day-to-day basis. The operating budget for the JRJDC (excluding facility maintenance funding) totals \$4,946,224 for FY2016-17. This is a decrease of \$34,054, or 0.7 percent compared to the FY2015-16 Approved Budget. Personnel costs are budgeted to decrease by \$45,054, or 1.0 percent, as full-year recognition of the 2.0 percent wage adjustment that became effective in October of 2015, and a 2.372 percent

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Personnel	\$ 4,099,136	\$ 4,335,767	\$ 4,290,713	(1.0%)
Operation	694,450	635,381	646,381	1.7%
Capital	19,310	9,130	9,130	0.0%
Subtotal	<u>4,812,896</u>	<u>4,980,278</u>	<u>4,946,224</u>	<u>(0.7%)</u>
Facility Maintenance	0	0	100,000	0.0%
Debt	663,986	671,327	0	(100.0%)
Total	<u>\$ 5,476,882</u>	<u>\$ 5,651,605</u>	<u>\$ 5,046,224</u>	<u>(10.7%)</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

	FY15	FY16	FY17	Change 16 to 17
Workload Measures				
Admissions - Secure Detention	563	563	563	0
Average Daily Population	35	35	35	0
Admissions - Post Dispositional	42	40	41	1
Number of Female Groups Run by Clinicians	45	45	45	0
Number of Sub. Abuse Groups Run by Clinicians	46	45	45	0

merit increase, effective July 1, 2016, were more than offset by a VRS rate decrease and vacant positions being filled at lower salaries. The budget for operating funds reflects growth of \$11,000, or 1.7 percent, which stems from increased requirements for detainee transportation.

Capital outlay totaling \$9,130 is also included in this budget for replacement of furniture as well as medical and recreational equipment. An additional \$100,000 of annual funding for was added by the Commission to address increased maintenance needs as the facility ages.

In FY2016-17, 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 \$1,559,396 for FY2016-17. This figure is decreased by \$71,973, or 4.4 percent, from the FY2015-16 estimate for this revenue. The decrease is a result of the reduction in average daily population in FY2014-15. It should be noted that From FY2008-09 to FY2014-15, annual admissions decreased by 32.4 percent and average daily population (ADP) dropped by 38.6 percent. As the State's funding formula depends in part on ADP over a five year span, future reductions in state funding are likely.

The Commission projects the use of \$48,724 of reserves as part of the budget for FY2016-17. While the Commission has often used this budgeting practice, actual use of reserves has been minimal.

As of June 30, 2015, the Commission had a balance of cash and cash equivalents equaling \$3,475,403.

During FY2015-16, the Commission completed the process of paying the debt for construction of the facility, so no debt service payments are included in this budget request.

The following is a list of State aid to the Commission for the fiscal years that the JRJDC has been in full operation. The projected FY2016-17 level of funding is slightly below levels in FY2001-02, the first full year of operations for the facility.

Fiscal Year	State Aid	ADP
2001-02	\$1,570,378	34
2002-03	\$1,077,234	34
2003-04	\$1,130,195	34
2004-05	\$1,346,574	46
2005-06	\$1,328,775	54
2006-07	\$1,519,703	59
2007-08	\$1,554,710	59
2008-09	\$1,522,679	57
2009-10	\$1,432,612	58
2010-11	\$1,412,270	43
2011-12	\$1,417,499	47
2012-13 (1)	\$1,571,668	56
2013-14	\$1,596,771	41
2014-15	\$1,602,976	35
2015-16	\$1,631,369*	45*
2016-17	\$1,559,396*	46*

* Figures for FY2015-16 and FY2016-17 are projections.

(1) – Average Daily Population was inflated in FY2012-13 due to serving Richmond City juveniles.

OTHER POST EMPLOYMENT BENEFITS AGENCY FUND

Other Post Employment Benefits (OPEB)

Budget Highlights

The budget for FY2016-17 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. The budget continues 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>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
OPEB Contribution	\$ 2,500,000	\$ 2,750,000	\$ 2,750,000	0.0%
Total OPEB	\$ 2,500,000	\$ 2,750,000	\$ 2,750,000	0.0%

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 FY2016-17 totals \$575,000 and reflects an increase of \$25,000 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 43 retirees at an average monthly cost of \$964 per retiree.

Annual Fiscal Plan

<u>Description</u>	<u>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Line of Duty contribution	\$ 497,352	\$ 550,000	\$ 575,000	4.5%
Total Line of Duty	<u>\$ 497,352</u>	<u>\$ 550,000</u>	<u>\$ 575,000</u>	<u>4.5%</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>FY15 Actual</u>	<u>FY16 Original</u>	<u>FY17 Approved</u>	<u>Change 16 to 17</u>
Total	\$ (87,965,392)	\$ (94,525,252)	\$ (98,260,515)	4.0%



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 FY2016-17 through FY2020-21. 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 FY2016-17. 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 FY2016-17.

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 FY2016-17 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 FY2016-17 CIP includes the Education Meals Tax revenue which was approved by the voters in November 2013. A total of \$19.8 million associated with this revenue has been dedicated to various school maintenance and rehabilitation projects, which includes both current estimated collections as well as prior year funds collected over budget. In addition, funding of \$140.8 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 FY2016-17 through FY2020-21 CIP requests of \$1,517,583,452 represents a decrease of \$16,234,607 from the current FY2015-16 through FY2019-20 CIP of \$1,533,818,059. These needs are

put forward by Departments, and prioritized by the Departments over the five-year period. The Capital Budget for FY2016-17 funds \$244,373,947 in the first year of the CIP.

The revenue sources for the FY2016-17 Capital budget are as follows:

<u>Revenue Sources:</u>	<u>Approved FY2016-17</u>
Capital Projects Fund:	
General Fund Operating Budget Transfers:	
General Fund - Designated Fund Balance	\$ 8,100,000
General Fund - Undesignated Fund Balance	350,000
General Fund - Designated Capital Reserve	4,899,400
General Fund - Education Meals Tax Revenue	9,000,000
General Fund - FY15 Meals Tax	8,783,247
General Fund - FY16 Meals Tax	2,000,000
General Fund - Designated Fund Balance - Permit Fees Revenue	1,000,000
General Fund Balance - Stormwater Dedication	2,348,000
Motor Vehicle License Fee Revenue - Public Works	850,000
Subtotal - General Fund Operating Budget Transfers:	<u>\$ 37,330,647</u>
Other Revenue:	
Other Local Revenue - MHDS Fund Balance	\$ 1,018,500
Landfill Revenue	150,000
Subtotal - Other Revenue	<u>\$ 1,168,500</u>
Subtotal - Capital Projects Fund	<u>\$ 38,499,147</u>
Vehicle Replacement Reserve:	
General Fund Operating Budget Transfers:	
General Fund Revenues	\$ 5,824,800
Subtotal - Vehicle Replacement Reserve	<u>\$ 5,824,800</u>
Enterprise Fund:	
Revenue Bonds	\$ 20,850,000
Water and Sewer Revenues	59,200,000
Subtotal - Enterprise Fund	<u>\$ 80,050,000</u>
Enterprise Fund:	
Revenue Bonds - Cobbs Creek	\$ 120,000,000
Total Capital Budget Revenues	<u><u>\$ 244,373,947</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
FY2016-17

Project Number	Project Name	Approved FY2016-17
Capital Projects Fund		
<u>General Fund</u>		
00518	Roof Replacements - Education	\$ 1,503,000
00527	Mechanical Improvements - Education	997,000
	Subtotal - Education	<u>\$ 2,500,000</u>
08289	Fire SCBA Replacement	\$ 1,700,000
06841	Fire Station Alerting System	1,008,000
	Subtotal - Fire	<u>\$ 2,708,000</u>
00572	Mechanical Improvements	\$ 750,000
00425	Roof Replacement and Rehabilitation	300,000
00423	Pavement Rehabilitation	400,000
01198	Energy Management	350,000
07038	Dumbarton Library Repurpose	2,000,000
08287	Parham Road Complex Improvements	691,400
08288	Courts Building Refresh	600,000
	Subtotal - General Services	<u>\$ 5,091,400</u>
06481	Information Technology Projects	\$ 400,000
07017	Data Center Upgrade	1,200,000
	Subtotal - Information Technology	<u>\$ 1,600,000</u>
00429	Geographic Information System	\$ 150,000
	Subtotal - Information Technology - GIS	<u>\$ 150,000</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	800,000
	Subtotal - Recreation and Parks	<u>\$ 1,300,000</u>
	Subtotal - General Fund	<u>\$ 15,697,400</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 - FY15 Meals Tax</u>		
06899	Education Meals Tax Project Reserve	\$ 8,783,247
	Subtotal - General Fund Revenue - FY15 Meals Tax	<u>\$ 8,783,247</u>

County of Henrico, Virginia
Approved Capital Budget
FY2016-17

Project Number	Project Name	Approved FY2016-17
Capital Projects Fund		
(Continued)		
<u>General Fund Revenue - FY16 Meals Tax</u>		
06899	Education Meals Tax Project Reserve	\$ 2,000,000
	Subtotal - General Fund Revenue - FY16 Meals Tax	<u>\$ 2,000,000</u>
<u>General Fund Revenue - Permit Fees</u>		
01033	Tidemark Replacement	\$ 1,000,000
	Subtotal - General Fund Revenue - Permit Fees	<u>\$ 1,000,000</u>
<u>General Fund Revenue - Public Works (Motor Vehicle License Fee)</u>		
00499	General Road Construction	\$ 850,000
	Subtotal - General Fund Revenue - Public Works	<u>\$ 850,000</u>
<u>Other Local Revenue - MHDS Fund Balance</u>		
08156	MH/DS Cerner/Anasazi System Replacement	\$ 1,018,500
	Subtotal - Other Local Revenue - MHDS Fund Balance	<u>\$ 1,018,500</u>
<u>Landfill Revenue</u>		
08173	Springfield Public Use Area Shed Replacement	\$ 150,000
	Subtotal - Landfill Revenue	<u>\$ 150,000</u>
	Total - Capital Projects Fund	<u><u>\$ 38,499,147</u></u>
Vehicle Replacement Reserve		
<u>General Fund</u>		
06690	School Bus Replacement Plan	\$ 2,000,000
	Subtotal - Education	<u>\$ 2,000,000</u>
06692	Fire Apparatus Replacement Program	\$ 1,500,000
	Subtotal - Fire	<u>\$ 1,500,000</u>
06691	Police Vehicle Replacement Program	\$ 2,324,800
	Subtotal - Police	<u>\$ 2,324,800</u>
	Total - Vehicle Replacement Reserve	<u><u>\$ 5,824,800</u></u>

County of Henrico, Virginia
Approved Capital Budget
FY2016-17

Project Number	Project Name	Approved FY2016-17
Enterprise Fund - Public Utilities - Water and Sewer		
<u>Other Local Revenue</u>		
00782	New Sewer Connections	\$ 100,000
00772	Sewer Line Extensions	500,000
00732	Sewer Line Rehabilitation	4,500,000
00743	Sewer Pump Station Improvements	1,600,000
00737	Sewer Relocations, Adjustments & Crossings	200,000
00725	Plan Review and Inspection	1,600,000
06492	Roof Replacement	50,000
00735	Water Reclamation Facility Expansion	8,500,000
06139	Gillies Creek Basin Sewer Rehabilitation	4,000,000
06446	Strawberry Hill FM Creighton Road	2,800,000
06447	Route 33 to Lakeside Sewer Main	18,000,000
07025	Meredith Branch FM Upgrade	8,000,000
08172	Water Reclamation Facility Improvements	500,000
	Subtotal - Other Local Revenue	<u>\$ 50,350,000</u>
<u>Revenue Bonds</u>		
01076	Strawberry Hill Basin Sewer Rehabilitation	\$ 17,700,000
06131	Gambles Mill Basin Sewer Rehabilitation	1,150,000
06666	Horsepen Br Sewer - Broad Street to Route 33	2,000,000
	Subtotal - Revenue Bonds	<u>\$ 20,850,000</u>
	Subtotal - Sewer	<u>\$ 71,200,000</u>
<u>Other Local Revenue</u>		
00771	New Water Connections	\$ 100,000
00770	Water Line Extensions	300,000
00768	Water Line Rehabilitation	5,000,000
00769	Water Pumping Station Improvements	600,000
00780	Water Meters	350,000
00767	Water Relocations, Adjustments & Crossings	200,000
00811	Information Technology Projects	600,000
06382	Creighton Road Water Line	1,000,000
06383	Dabbs House Road Water Line	600,000
08171	Water Treatment Facility Improvements	100,000
	Subtotal - Water	<u>\$ 8,850,000</u>
	Total - Enterprise Fund - Public Utilities - Water and Sewer	<u><u>\$ 80,050,000</u></u>

County of Henrico, Virginia
Approved Capital Budget
FY2016-17

Project Number	Project Name	Approved FY2016-17
Enterprise Fund - Public Utilities - Cobbs Creek		
<u>Revenue Bonds</u>		
06125	Cobbs Creek (Cumberland) Reservoir	\$ 120,000,000
	Subtotal - Revenue Bonds	\$ 120,000,000
TOTAL APPROVED CAPITAL BUDGET FOR FY2016-17		\$ 244,373,947

Capital Improvement Program Summary

Fiscal Year 2016-17 through Fiscal Year 2020-21

By Department	Approved FY2016-17	Requested FY2016-17	Requested FY2017-18	Requested FY2018-19	Requested FY2019-20	Requested FY2020-21	Total Requested
Capital Projects Fund							
Education	22,283,247	12,306,470	167,255,656	100,860,516	63,335,789	214,274,739	558,033,170
Fire	2,708,000	3,465,525	4,326,053	10,064,298	9,393,039	9,600,903	36,849,818
General Services	5,091,400	13,750,143	24,706,032	5,660,175	26,408,455	23,249,191	93,773,996
Information Technology	2,600,000	3,600,000	900,000	900,000	900,000	900,000	7,200,000
Information Technology - GIS	150,000	450,000	150,000	150,000	150,000	150,000	1,050,000
Mental Health	1,018,500	1,752,583	1,852,021	12,089,022	1,694,489	11,366,972	28,755,087
Police	0	20,000,000	1,490,358	0	0	0	21,490,358
Public Library	0	0	29,509,555	0	22,251,762	0	51,761,317
Public Utilities - Landfill	150,000	150,000	0	0	0	0	150,000
Public Works - Drainage	0	0	2,755,900	8,199,849	14,608,477	11,692,303	37,256,529
Public Works - Roadway	850,000	8,340,000	16,624,000	11,414,966	1,950,000	1,950,000	40,278,966
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	1,300,000	18,579,514	9,143,360	38,080,600	8,803,807	22,053,955	96,661,236
Sheriff	0	480,148	2,742,583	24,017,532	8,507,948	12,470,387	48,218,598
Total	38,499,147	85,222,383	263,803,518	213,784,958	160,351,766	310,056,450	1,033,219,075
Vehicle Replacement Reserve							
Education	2,000,000	2,000,000	2,500,000	3,000,000	3,500,000	4,000,000	15,000,000
Fire	1,500,000	0	0	0	0	0	0
Police	2,324,800	0	0	0	0	0	0
Total	5,824,800	2,000,000	2,500,000	3,000,000	3,500,000	4,000,000	15,000,000
Enterprise Fund - Water and Sewer							
Public Utilities - Sewer	71,200,000	71,200,000	69,175,000	30,325,000	46,100,000	57,350,000	274,150,000
Public Utilities - Water	8,850,000	8,850,000	21,450,000	8,450,000	6,825,000	27,750,000	73,325,000
Total	80,050,000	80,050,000	90,625,000	38,775,000	52,925,000	85,100,000	347,475,000
Enterprise Fund - Cobbs Creek							
Public Utilities - Cobbs Creek	120,000,000	120,000,000	0	0	0	0	120,000,000
Total	120,000,000	120,000,000	0	0	0	0	120,000,000
Enterprise Fund							
Recreation	0	0	400,996	390,236	311,975	786,170	1,889,377
Total	0	0	400,996	390,236	311,975	786,170	1,889,377
Grand Total	244,373,947	287,272,383	357,329,514	255,950,194	217,088,741	399,942,620	1,517,583,452

Capital Improvement Program Summary

Fiscal Year 2016-17 through Fiscal Year 2020-21

By Revenue Source	Approved FY2016-17	Requested FY2016-17	Requested FY2017-18	Requested FY2018-19	Requested FY2019-20	Requested FY2020-21	Total Requested
Capital Projects Fund							
Federal Grant	0	4,600,000	0	9,464,966	0	0	14,064,966
General Fund	15,697,400	53,982,754	10,116,534	10,069,945	9,940,601	11,828,800	95,938,634
General Fund - Education Meals Tax	9,000,000	9,806,470	9,000,000	9,000,000	9,000,000	9,000,000	45,806,470
General Fund - FY15 Meals Tax	8,783,247	0	0	0	0	0	0
General Fund - FY16 Meals Tax	2,000,000	0	0	0	0	0	0
General Fund - Permit Fees	1,000,000	1,000,000	0	0	0	0	1,000,000
General Fund - Public Works	850,000	850,000	850,000	850,000	850,000	850,000	4,250,000
Landfill Revenue	150,000	150,000	0	0	0	0	150,000
No Funding Source	0	13,814,659	243,836,984	184,400,047	140,561,165	288,377,650	870,990,505
Other Local Revenue	1,018,500	1,018,500	0	0	0	0	1,018,500
Total	38,499,147	85,222,383	263,803,518	213,784,958	160,351,766	310,056,450	1,033,219,075
Vehicle Replacement Reserve							
General Fund	5,824,800	2,000,000	2,500,000	3,000,000	3,500,000	4,000,000	15,000,000
Total	5,824,800	2,000,000	2,500,000	3,000,000	3,500,000	4,000,000	15,000,000
Enterprise Fund - Water and Sewer							
Enterprise Fund	59,200,000	59,200,000	77,625,000	20,525,000	39,425,000	79,625,000	276,400,000
Revenue Bonds	20,850,000	20,850,000	13,000,000	18,250,000	13,500,000	5,475,000	71,075,000
Total	80,050,000	80,050,000	90,625,000	38,775,000	52,925,000	85,100,000	347,475,000
Enterprise Fund - Cobbs Creek							
Revenue Bonds	120,000,000	120,000,000	0	0	0	0	120,000,000
Total	120,000,000	120,000,000	0	0	0	0	120,000,000
Enterprise Fund							
Enterprise Fund	0	0	400,996	390,236	311,975	786,170	1,889,377
Total	0	0	400,996	390,236	311,975	786,170	1,889,377
Grand Total	244,373,947	287,272,383	357,329,514	255,950,194	217,088,741	399,942,620	1,517,583,452

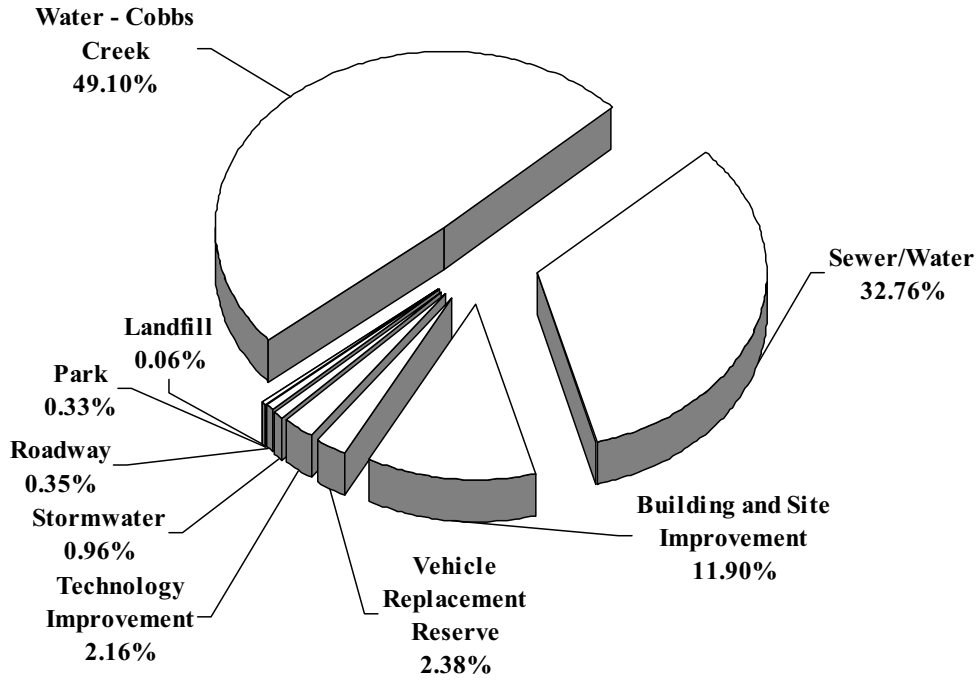
Capital Improvement Program Summary

Fiscal Year 2016-17 through Fiscal Year 2020-21

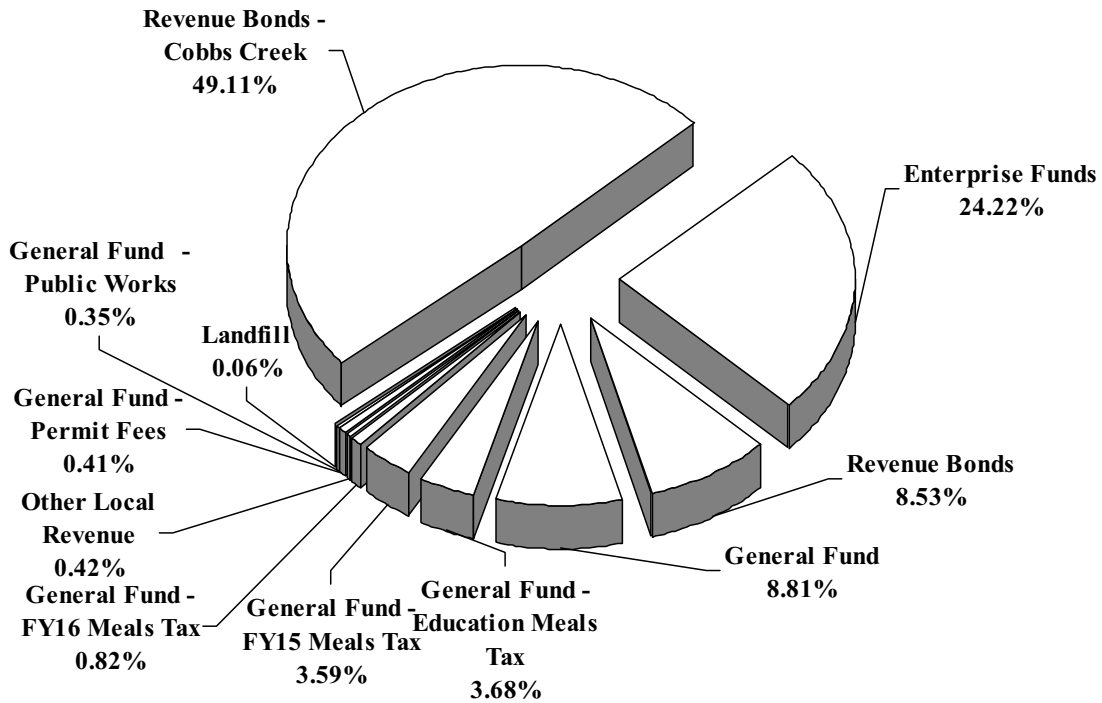
By Project Type	Approved FY2016-17	Requested FY2016-17	Requested FY2017-18	Requested FY2018-19	Requested FY2019-20	Requested FY2020-21	Total Requested
Capital Projects Fund							
Building (New)	0	3,754,798	51,000,801	45,295,061	37,762,545	168,046,449	305,859,654
Building Addition	0	0	2,431,178	8,365,442	1,694,489	24,729,477	37,220,586
Building Improvement	28,174,647	25,738,396	176,932,226	94,807,372	87,713,470	72,322,383	457,513,847
Drainage	0	0	2,755,900	8,199,849	14,608,477	11,692,303	37,256,529
Land	0	734,083	0	0	0	0	734,083
Landfill	150,000	150,000	0	0	0	0	150,000
Park	800,000	14,884,219	0	18,960,246	0	16,459,915	50,304,380
Roadway	850,000	8,340,000	16,624,000	11,414,966	1,950,000	1,950,000	40,278,966
Site Improvement	900,000	4,396,072	10,661,413	23,344,022	13,224,785	11,457,923	63,084,215
Stormwater	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	11,740,000
Technology Improvement	5,276,500	24,876,815	1,050,000	1,050,000	1,050,000	1,050,000	29,076,815
Total	38,499,147	85,222,383	263,803,518	213,784,958	160,351,766	310,056,450	1,033,219,075
Vehicle Replacement Reserve							
Vehicle Replacement Reserve	5,824,800	2,000,000	2,500,000	3,000,000	3,500,000	4,000,000	15,000,000
Total	5,824,800	2,000,000	2,500,000	3,000,000	3,500,000	4,000,000	15,000,000
Enterprise Fund - Water and Sewer							
Sewer	71,200,000	71,200,000	69,175,000	30,325,000	46,100,000	57,350,000	274,150,000
Water	8,850,000	8,850,000	21,450,000	8,450,000	6,825,000	27,750,000	73,325,000
Total	80,050,000	80,050,000	90,625,000	38,775,000	52,925,000	85,100,000	347,475,000
Enterprise Fund - Cobbs Creek							
Water	120,000,000	120,000,000	0	0	0	0	120,000,000
Total	120,000,000	120,000,000	0	0	0	0	120,000,000
Enterprise Fund							
Golf Course	0	0	400,996	390,236	311,975	786,170	1,889,377
Total	0	0	400,996	390,236	311,975	786,170	1,889,377
Grand Total	244,373,947	287,272,383	357,329,514	255,950,194	217,088,741	399,942,620	1,517,583,452

Approved FY2016-17 Capital Budget \$244,373,947

By Project Type



By Funding Source



**CAPITAL PROJECTS BY DEPARTMENT
FY2016-17**

EDUCATION **\$ 24,283,247**

Education Meals Tax revenue of \$9.0 million, \$8,783,247 in FY2014-15 Meals Tax, and \$2.0 million in FY2015-16 Meals Tax receipts is forecasted for various maintenance and rehabilitation projects for Schools' facilities. 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 \$2.0 million are forecasted within the Vehicle Replacement Reserve for the School Bus Replacement Plan.

FIRE **\$ 4,208,000**

General Fund resources of \$1.7 million will provide funding for the replacement of the Division's Self-Contained Breathing Apparatus (SCBA) system. In addition, General Fund resources totaling \$1,008,000 has been allotted for final phase of a fire alerting system that will replace the current obsolete system in all of the fire stations. Outside of these two projects, General Fund resources totaling \$1.5 million are forecasted within the Vehicle Replacement Reserve for the Fire Apparatus Replacement Program.

GENERAL SERVICES **\$ 5,091,400**

General Fund resources of \$1.8 million are forecasted to fund ongoing roof, mechanical, pavement rehabilitation, and energy management projects. In addition, a total of \$3,291,400 in General Fund revenue will provide funding for the Parham Road Complex Improvements project, the Courts Building Refresh project, and the Dumbarton Library Repurpose project.

INFORMATION TECHNOLOGY **\$ 2,600,000**

Funding of \$1.0 million associated with Building Inspection's Permit Fee revenue is forecasted for the Tidemark replacement project as the software and database can no longer be upgraded. General Fund revenue of \$400,000 will support various information technology hardware and software upgrades. In addition, General Fund resources of \$1.2 million has been designated for the Data Center Upgrade project. This project will provide a better overall environmental infrastructure and create additional office space that would be shared by General Government and Schools' Information Technology staff.

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.

MENTAL HEALTH **\$ 1,018,500**

Other local revenue of \$1,018,500 associated with Mental Health's fund balance has been forecasted for the replacement of the electronic health record system, which will improve service delivery, documentation, productivity, reporting, and collections.

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 UTILITIES - LANDFILL **\$ 150,000**

Public Utilities landfill revenue of \$150,000 is forecasted for the replacement of the Springfield Public Use Area Shed Replacement project.

PUBLIC WORKS - ROADWAY **\$ 850,000**

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 **\$ 1,300,000**

General Fund revenue of \$500,000 will provide for facility rehabilitation projects at various County parks. In addition, General Fund resources totaling \$800,000 have been allocated to the Greenwood Park project for road construction. This is a multi-year project that will continue the County's sports tourism efforts.

PUBLIC UTILITIES - SEWER **\$ 71,200,000**

Projects that will be funded by revenues from the use of sewer services include \$18.0 million for the Route 33 to Lakeside Sewer Main, \$8.5 million for the Water Reclamation Facility expansion, \$8.0 million for the Meredith Branch FM Upgrade, \$4.0 million for the Gillies Creek basin sewer rehabilitation, \$2.8 million for the Strawberry Hill FM Creighton Road, and \$500,000 for the Water Reclamation Facility improvements. Funding of \$8,550,000 is also included for new sewer connections, extensions of the existing sewer system, sewer line rehabilitation, 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 Strawberry Hill Basin Sewer Rehabilitation - \$17.7 million, the Gambles Mill Basin Sewer Rehabilitation - \$1,150,000, and the Horsepen Branch Sewer – Broad Street to Route 33 - \$2.0 million.

PUBLIC UTILITIES - WATER **\$ 8,850,000**

Projects that will be funded by revenues from the use of water services include \$1.0 million for the Creighton Road water line, \$600,000 for the Dabbs House Road water line, and \$100,000 for the Water Treatment Facility improvements. Funding of \$7,150,000 is also included 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.

PUBLIC UTILITIES – COBBS CREEK **\$ 120,000,000**

Revenue bond financing of \$120.0 million will be utilized for the Cobbs Creek Reservoir project.

Capital Improvement Program FY2016-17 through FY2020-21
Enterprise Fund - Belmont Golf Course Requests by Fiscal Year and Priority Number

Project	Priority	Project Type	Source	District	Approved FY16-17	Request FY16-17	Request FY17-18	Request FY18-19	Request FY19-20	Request FY20-21	Total Five Year	
Recreation												
06251	1	Golf Course	Enterprise Fund	Fairfield	0	0	400,996	0	0	0	400,996	
06249	1	Golf Course	Enterprise Fund	Fairfield	0	0	0	390,236	0	0	390,236	
06250	1	Golf Course	Enterprise Fund	Fairfield	0	0	0	0	311,975	0	311,975	
06357	1	Golf Course	Enterprise Fund	Fairfield	0	0	0	0	0	786,170	786,170	
Golf Course Subtotal					0	0	400,996	390,236	311,975	786,170	1,889,377	
Grand Total - Enterprise Fund					0	0	400,996	390,236	311,975	786,170	1,889,377	

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 FY2016-17 through FY2020-21.

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 FY2016-17 is

\$244,373,947, which funds a portion of the project requests in the first year of the CIP. Operating costs associated with capital projects have implications on operating budgets beyond FY2016-17. Those costs have been factored into the County's multi-year expenditure forecasts. The FY2016-17 operating budget includes \$1,864,067 in operating costs arising from the Libbie Mill Area Library, the Varina Area Library, the Central Station facility, Short Pump Park, and partial year costs associated with Fire Station #19. 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 2016-17 through FY2020-21
Fund 21 - Capital Projects Fund
Associated Operating Cost**

Project	Priority	Project Type	Source	District	Request FY16-17	Request FY17-18	Request FY18-19	Request FY19-20	Request FY20-21	Total Five Year		
Recreation												
06194		Facility Rehabilitation	1	Site Impr	General Fund	Countywide	0	0	0	0	0	
06726		Cheswick Park	2	Site Impr	No Funding Source	Three Chopt	0	0	0	0	0	
06219		Greenwood Park	3	Park	General Fund	Brookland	0	667,953	667,953	667,953	2,671,812	
06235		Highland Springs Recreation Area	1	Site Impr	No Funding Source	Varina	0	0	0	0	0	
06200		Dorey Park	2	Site Impr	No Funding Source	Varina	0	0	187,132	187,132	561,396	
06735		Taylor Park	1	Park	No Funding Source	Varina	0	0	616,955	616,955	1,233,910	
06435		Tuckahoe Park	2	Site Impr	No Funding Source	Tuckahoe	0	0	188,226	188,226	376,452	
06238		Three Lakes Nature Center Park	3	Site Impr	No Funding Source	Fairfield	0	0	0	0	0	
06253		Laurel Recreation Area	1	Site Impr	No Funding Source	Brookland	0	0	0	228,990	228,990	
06336		Glen Lea Recreation/Vawter Street Park	2	Site Impr	No Funding Source	Fairfield	0	0	0	0	0	
00509		Pouncey Tract Park	1	Site Impr	No Funding Source	Three Chopt	0	0	0	0	0	
06229		Allen's Branch	2	Park	No Funding Source	Three Chopt	0	0	0	0	0	
Department Subtotal							0	667,953	855,085	1,660,266	1,889,256	5,072,560
Sheriff												
07016		Body Scanner	1	Bldg Impr	No Funding Source	General Gov't	0	0	0	0	0	
06854		Jail East and West Kitchen Improvements	2	Bldg Impr	No Funding Source	General Gov't	0	0	0	0	0	
08166		Jail East Sallyport Gates and Hardware	3	Bldg Impr	No Funding Source	General Gov't	0	0	0	0	0	
01112		Jail East Special Housing Unit	1	Bldg (New)	No Funding Source	General Gov't	0	0	2,249,639	2,249,639	4,499,278	
01111		Sheriff's Office Relocation	1	Bldg (New)	No Funding Source	General Gov't	0	0	0	0	0	
06386		Female Housing and Alternate Sentencing Renc	1	Bldg Impr	No Funding Source	General Gov't	0	0	0	0	0	
Department Subtotal							0	0	0	2,249,639	2,249,639	4,499,278
Grand Total - Capital Projects Fund						159,737	1,778,469	6,526,150	10,574,535	13,755,025	32,793,916	

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>FY15 Revised</u>	<u>FY16 Original</u>	<u>FY16 Changes³</u>	<u>FY16 Revised³</u>	<u>FY17 Changes</u>	<u>FY17 Approved</u>
General Government:						
Agriculture & Home Extension	2	2		2		2
Belmont Golf Course	8	8		8		8
Board of Supervisors	4	4		4		4
Building Inspections	52	53		53		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	17		17		17
County Attorney	19	19	1	20		20
County Manager	13	13	1	14		14
Electoral Board	8	8		8		8
Finance	168	168		168		168
Fire	548	548		548	14	562
General Services	119	119		119		119
Human Resources	56	57		57		57
Hold Complement ²	24	9	(3)	6		6
Information Technology	90	90		90	1	91
Internal Audit	4	4		4		4
Juvenile Detention	30	30		30		30
Juvenile Detention/VJCCCA	3	3		3		3
Library	171	198	(1)	197	9	206
Mental Health	219	219		219		219
Permit Centers	16	16		16		16
Planning	44	44	1	45		45
Police	817	827		827	14	841
Public Relations & Media Services	19	19		19		19
Public Utilities	306	306	1	307		307
Public Works	257	257	2	259		259
Real Property	7	7		7		7
Recreation ⁴	170	172	(2)	170		170
Sheriff ⁴	388	373	17	390		390
Social Services	172	172	5	177	4	181
Solid Waste	69	69		69		69
Sub-Total	<u>3,952</u>	<u>3,964</u>	<u>22</u>	<u>3,986</u>	<u>42</u>	<u>4,028</u>
Education:	<u>6,686.55</u>	<u>6,735.55</u>	<u>26.20</u>	<u>6,761.75</u>	<u>65.00</u>	<u>6,826.75</u>
TOTAL	<u><u>10,638.55</u></u>	<u><u>10,699.55</u></u>	<u><u>48.20</u></u>	<u><u>10,747.75</u></u>	<u><u>107.00</u></u>	<u><u>10,854.75</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 (319 as of 2/15/2016) 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 2/26/2016

⁴ The FY2014-15 Actual Complement for Recreation and Sheriff reflect changes made after the FY2015-16 Budget was approved by the Board of Supervisors.

**Personnel Complement
By Fund**

Fund	FY15 Revised	FY16 Original	FY16⁽¹⁾ Changes	FY16 Revised	FY17 Changes	FY17 Approved
General Fund						
General Government	3,219.00	3,244.00	20.00	3,264.00	38.00	3,302.00
Education	5,898.65	5,939.65	0.00	5,939.65	59.00	5,998.65
Total	9,117.65	9,183.65	20.00	9,203.65	97.00	9,300.65
Special Revenue Fund						
General Government	319.00	319.00	5.00	324.00	4.00	328.00
Education	787.90	795.90	26.20	822.10	6.00	828.10
Total	1,106.90	1,114.90	31.20	1,146.10	10.00	1,156.10
Enterprise Funds						
Public Utilities	306.00	306.00	0.00	306.00	0.00	306.00
Golf Course	8.00	8.00	0.00	8.00	0.00	8.00
Total	314.00	314.00	0.00	314.00	0.00	314.00
Internal Service Fund						
Cent. Auto. Maint.	67.00	67.00	0.00	67.00	0.00	67.00
Risk Management	11.00	11.00	0.00	11.00	0.00	11.00
	78.00	78.00	0.00	78.00	0.00	78.00
Hold Complement	22.00	9.00	(3.00)	6.00	0.00	6.00
Grand Total	10,638.55	10,699.55	48.20	10,747.75	107.00	10,854.75

⁽¹⁾ As of 2/26/2016

**County of Henrico
Personnel Complement Changes
FY 2016-17**

Fund/Department	Position	F/PT	Number	Justification
<u>GENERAL GOVERNMENT</u>				
General Fund:				
Fire	Management Support Specialist II	FT	1.00	Staffing logistics support
Fire	Firefighters	FT	3.00	Relieve Staffing Pressures
Fire	Fire Captain	FT	1.00	Staffing for Fire Station #19
Fire	Firefighters	FT	9.00	Staffing for Fire Station #19
			Total, Fire	14.00
Information Technology	Technology Support Specialist IV	FT	1.00	IT Support Services for Courts
Police	Police Officers	FT	10.00	Positions added for patrol
Police	Radio Repair Technician III	FT	1.00	Positions added to Support New Radio System
Police	Radio Repair Technician I	FT	1.00	Positions added to Support New Radio System
Police	Technology Support Specialist III	FT	1.00	Positions added to Support New Radio System
Police	Police Support Technician I	FT	1.00	Support for PALS Program
			Total, Police	14.00
Public Library	Library Assistant I	FT	1.00	New positions for Varina Library
Public Library	Library Assistant II	FT	2.00	New positions for Varina Library
Public Library	Librarian I	FT	1.00	New positions for Varina Library
Public Library	Librarian II	FT	2.00	New positions for Varina Library
Public Library	Library Assistant I	PT	2.00	New positions for Varina Library
Public Library	Library Assistant II	PT	1.00	New positions for Varina Library
			Public Library Total	9.00
			General Fund Total	38.00
Special Revenue Fund:				
Social Services	Human Services Specialist	FT	3.00	To support the Benefits Eligibility Area
Social Services	Office Assitant III	FT	1.00	To support the Benefits Eligibility Area
			Total, Social Services	4.00
			Special Revenue Fund Total	4.00
			General Government Total	42.00

**County of Henrico
Personnel Complement Changes
FY 2016-17**

Fund/Department	Position	F/PT	Number	Justification
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EDUCATION

General Fund:

Revisions During FY2015-16

Assistant Superintendents	Elementary Education	FT	(1.00)	Reorganization
Administrative	Finance	FT	1.00	Reclassification
Administrative	Elementary Education	FT	1.00	Reorganization
Instructional	Elementary Education	FT	13.00	Maintain Class Size
Instructional	Secondary Education	FT	13.50	Maintain Class Size
Instructional	Instructional Reserve	FT	(16.00)	Realignment
Instructional	Career & Technical Education	FT	(4.00)	Realignment
Instructional	Exceptional Education	FT	6.00	Realignment/Reclassification
Instructional	Guidance & Counseling	FT	1.00	Board Approved Complement/Realignment
Instructional	School Improvement	FT	(12.50)	Reclassification
Assistant Principals	Secondary Education	FT	(1.00)	Realignment
Assistant Principals	Career & Technical Education	FT	1.00	Realignment
Other Professional	Construction & Maintenance	FT	2.00	Reclassification
Other Professional	Finance	FT	(1.00)	Reclassification
Nurses	Nurses	FT	14.00	Reclassification
Technical	Student Health Services	FT	(14.00)	Reclassification
Clerical	Finance	FT	1.00	Reclassification
Clerical	General Services	FT	(1.00)	Reclassification
Instructional Assistants	Exceptional Education	FT	(1.00)	Reclassification
Trades	Construction & Maintenance	FT	(2.00)	Reclassification
Laborers	Construction & Maintenance	FT	1.00	Reclassification
Service	Construction & Maintenance	FT	(1.00)	Reclassification

Total Education - General Fund FY2015-16 0.00

Requested Changes for FY2016-17:

Assistant Superintendents	Instructional Support	FT	1.00	Reorganization
Assistant Superintendents	Secondary Education	FT	(1.00)	Reorganization
Administrative	Instructional Support	FT	2.00	Reorganization
Administrative	Exceptional Education	FT	(1.00)	Reorganization
Instructional	Elementary Education	FT	7.00	Maintain Class Size
Instructional	Secondary Education	FT	19.00	Maintain Class Size
Instructional	Instructional Reserve	FT	8.00	Reinstate Reserve for Unanticipated Growth
Instructional	New Teacher Pool	FT	23.00	Reduce Class Sizes
Instructional	Instructional Support	FT	1.00	Reorganization
Instructional	Exceptional Education	FT	6.00	Funding Shift
Other Professional	Instructional Support	FT	1.00	Reorganization
Other Professional	Exceptional Education	FT	(1.00)	Reorganization
Nurses	Nurses	FT	14.00	Reorganization
Technical	Student Health Services	FT	(15.00)	Reorganization
Clerical	Instructional Support	FT	3.00	Reorganization
Clerical	Exceptional Education	FT	(3.00)	Reorganization
Clerical	General Services	FT	(1.00)	Reorganization
Service	Construction & Maintenance	FT	(4.00)	Reorganization

Total Education - General Fund FY2016-17 59.00

Total Education - General Fund since 7/1/2015 59.00

Special Revenue Fund:

Revisions During FY2015-16:

Instructional	Reserve for Grant Programs	FT	(1.00)	Reclassification
Instructional	Federal Class Size/Title II	FT	(2.00)	Reclassification
Instructional	Title I-A	FT	3.00	Alternate Funding Source/Reclassification
Instructional	Title VI-B Special Education	FT	1.00	Reclassification
Instructional	VPI+	FT	15.00	New/Expanded Program

**County of Henrico
Personnel Complement Changes
FY 2016-17**

Fund/Department	Position	F/PT	Number	Justification
Instructional	College Readiness Center	FT	(2.00)	Board Approved Complement
Instructional	Math/Reading Initiative	FT	1.00	Reclassification
Instructional	Extended School Year	FT	0.20	Grant Supported Position
Other Professional	DMAS Health Services Program	FT	(3.00)	Reclassification
Psychologists	DMAS Health Services Program	FT	3.00	New Positions
Technical	Head Start	FT	(5.00)	Reclassification
Technical	VPI+	FT	3.00	New/Expanded Program
Technical	Title I-A	FT	4.00	Reclassification
Clerical	School Nutrition Services	FT	1.00	Reclassification
Clerical	VPI+	FT	2.00	New/Expanded Program
Instructional Assistants	Title I-A	FT	(3.00)	Reclassification
Instructional Assistants	VPI+	FT	10.00	New/Expanded Program
Trades	School Nutrition Services	FT	(1.00)	Reclassification
Total Education - Special Revenue Fund (FY2014-15):			26.20	

Requested Additions for FY2016-17:

Instructional	Reserve for Grant Programs	FT	1.00	Reinstate Reserve
Instructional	DMAS Health Services Program	FT	2.00	New Position
Other Professional	CTE Resource Center	FT	1.00	Reclassification
Other Professional	DMAS Health Services Program	FT	1.00	New Position
Psychologists	DMAS Health Services Program	FT	1.00	New Position
Technology Tech Support	School Nutrition Services	FT	1.00	Reclassification
Clerical	CTE Resource Center	FT	(1.00)	Reclassification
Instructional Assistants	Title I-A	FT	1.00	New Position
Services	School Nutrition Services	FT	(1.00)	Reclassification
Total Education - Special Revenue Fund (FY2015-16):			<u>6.00</u>	
Total Education - Special Revenue Fund (since 7/1/2015):			32.20	
Total Education - All Funds (FY2015-16):			<u>26.20</u>	
Total Education - All Funds (FY2016-17):			<u>65.00</u>	

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2014-15</u>	<u>Approved FY2015-16</u>	<u>Revised FY2015-16</u>	<u>Approved FY2016-17</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	3	3	1	1
Equipment Operator III	1	1	0	0
Food Service Supervisor	1	1	1	1
Groundskeeper I	0	0	3	3
Groundskeeper IV	0	0	1	1
Labor Foreman III	1	1	0	0
Maintenance Superintendent	1	1	0	0
Park Services Division Supervisor	0	0	1	1
Preventative Maintenance Technician	0	0	1	1
Utility Mechanic	1	1	0	0
	<u>8</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	14	14
Building Inspector II	10	10	12	12
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	1	1	1
Mechanical Engineer	2	2	2	2
Mechanical/Plumbing Inspector Supervisor	1	1	1	1
Office Assistant II	1	1	1	1
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>52</u>	<u>53</u>	<u>53</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	34	34	34

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2014-15</u>	<u>Approved FY2015-16</u>	<u>Revised FY2015-16</u>	<u>Approved FY2016-17</u>
<i>Central Automotive Maintenance (cont'd)</i>				
Automotive Equipment Supervisor	1	1	1	1
Automotive Equipment Technician	3	3	3	3
Automotive Fleet Manager	1	1	1	1
Automotive Mechanic Foreman	4	4	3	3
Automotive Mechanic Foreman, Senior	0	0	1	1
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	3	3
Court Administrator	0	0	1	1
Executive Assistant	1	1	0	0
Law Clerk	3	3	3	3
Office Assistant III	1	1	0	0
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	13	13	11	11
Assistant Attorney II/Commonwealth	5	5	6	6
Assistant Attorney III/Commonwealth	4	4	5	5
Attorney for the Commonwealth	1	1	1	1
Business Supervisor	1	1	1	1
Chief Deputy Attorney/Commonwealth	0	0	1	1
Management Assistant	0	0	2	2
Management Specialist I	1	1	1	1
Management Specialist II	1	1	1	1
Office Assistant IV	4	4	3	3
Office Supervisor	1	1	0	0
Paralegal	3	3	4	4
Secretary	13	13	13	13
Senior Asst. Attorney/Commonwealth	6	6	5	5
Senior Management Specialist	1	1	1	1
Technical Support Specialist I	1	1	0	0
	<u>56</u>	<u>56</u>	<u>56</u>	<u>56</u>

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2014-15</u>	<u>Approved FY2015-16</u>	<u>Revised FY2015-16</u>	<u>Approved FY2016-17</u>
Community Corrections				
Community Corrections Unit Supervisor	0	0	1	1
Senior Management Specialist	2	2	1	1
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Community Revitalization				
Administrative Assistant	1	1	1	1
Code Enforcement Inspector	0	1	0	0
County Planner II	1	1	1	1
Deputy Zoning Conformance Officer	1	1	1	1
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	9	9
Zoning Enforcement Supervisor	2	2	2	2
	<u>16</u>	<u>17</u>	<u>17</u>	<u>17</u>
County Attorney				
Assistant County Attorney I	3	3	2	2
Assistant County Attorney II	2	2	4	4
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>20</u>	<u>20</u>
County Manager				
Administrative Assistant	3	3	3	3
County Manager	1	1	1	1
Deputy County Manager	4	4	4	4
Deputy County Manager, Public Safety	0	0	1	1
Executive Assistant	1	1	1	1
Legislative Liaison	1	1	1	1
Management Specialist I	1	1	1	1
Management Specialist II	1	1	1	1
Office Assistant IV	1	1	1	1
	<u>13</u>	<u>13</u>	<u>14</u>	<u>14</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	20	20	21	21
Account Clerk III	6	6	6	6

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2014-15</u>	<u>Approved FY2015-16</u>	<u>Revised FY2015-16</u>	<u>Approved FY2016-17</u>
<i>Finance (cont'd)</i>				
Accountant I	2	2	2	2
Accountant III	4	4	4	4
Accountant IV	2	2	2	2
Accounting and Fiscal Technician	2	2	2	2
Accounting Section Manager	1	1	0	0
Administrative Assistant	1	1	1	1
Assistant Division Director	0	0	3	3
Assistant Treasury Supervisor	2	2	2	2
Budget Analyst I	1	1	3	3
Budget Analyst II	2	2	0	0
Budget Analyst III	0	0	1	1
Budget Director	1	1	1	1
Budget Supervisor	1	1	1	1
Business Audit Supervisor	1	1	1	1
Business Auditor I	2	2	4	4
Business Auditor II	3	3	2	2
Business Inspection Supervisor	1	1	1	1
Business Inspector I	5	5	3	3
Business Inspector II	0	0	2	2
Business Section Manager	1	1	1	1
Business Supervisor	1	1	1	1
Buyer	4	4	0	0
Director Of Finance	1	1	1	1
Division Director	3	3	3	3
Information Technology Project Manager	1	1	1	1
Management Assistant	2	2	5	5
Management Specialist I	1	1	1	1
Management Specialist II	1	1	1	1
Management Technician	11	11	15	15
Office Assistant III	4	4	0	0
Office Assistant IV	4	4	0	0
Office Supervisor	1	1	1	1
Personal Property Tax Auditor I	5	5	5	5
Personal Property Tax Auditor II	4	4	4	4
Personal Property Tax Supervisor	1	1	1	1
Procurement Analyst I	0	0	3	3
Procurement Analyst II	0	0	3	3
Procurement Analyst III	0	0	1	1
Procurement Analyst IV	0	0	1	1
Procurement Supervisor	3	3	0	0
Purchasing Director	0	0	1	1
Purchasing Manager	1	1	0	0
Purchasing Support Specialist	2	2	3	3
Real Estate Appraiser Supervisor	3	3	3	3
Real Estate Assessment Director	1	1	1	1
Real Estate Section Manager	1	1	1	1

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<i>Finance (cont'd)</i>				
Revenue Collection Officer I	3	3	3	3
Revenue Collection Officer II	5	5	5	5
Secretary	3	3	3	3
Senior Accountant	2	2	2	2
Senior Budget and Management Analyst	3	3	2	2
Senior Business Auditor	5	5	4	4
Senior Buyer	3	3	0	0
Senior Management Specialist	3	3	3	3
Senior Real Estate Appraiser	21	21	21	21
Technology Support Specialist III	4	4	4	4
Technology Support Specialist IV	1	1	1	1
Treasury Supervisor	1	1	0	0
Vehicle Section Manager	1	1	1	1
	<u>168</u>	<u>168</u>	<u>168</u>	<u>168</u>
Fire				
Account Clerk III	3	3	3	3
Administrative Assistant	1	1	1	1
Assistant Fire Chief	3	3	3	3
Controller	1	1	1	1
Department IT Manager	0	0	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	33
Fire Chief	1	1	1	1
Fire District Chief	4	4	4	4
Fire Lieutenant	91	91	92	92
Firefighter	383	383	382	394
Management Specialist I	2	2	2	2
Management Specialist II	2	2	2	3
Office Assistant III	1	1	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	0	0
Technology Support Specialist IV	2	2	2	2
Warehouse/Parts Supervisor	1	1	1	1
	<u>548</u>	<u>548</u>	<u>548</u>	<u>562</u>
General Services				
Account Clerk II	1	1	0	0
Account Clerk III	1	1	2	2
Administrative Assistant	1	1	0	0
Assistant Director of General Services	1	1	1	1
Business Supervisor	1	1	1	1

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<i>General Services (cont'd)</i>				
Capital Projects Manager	4	4	4	4
Chief of Security Services	1	1	1	1
Construction Coordinator	2	2	3	3
Courier	3	3	3	3
Custodial Worker	17	17	18	18
Custodian I	2	2	2	2
Custodian II	1	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	3	3
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	1	1
Office Assistant IV	1	1	2	2
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	1	1	1	1
Senior Construction Coordinator	1	1	0	0
Senior Controller	1	1	1	1
Senior Cook	3	3	2	2
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>119</u>	<u>119</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	2	2
Director of Human Resources	1	1	1	1
Division Manager	7	7	7	7
Environmental Management Coordinator	1	1	1	1
Fitness Trainer	1	1	0	0
Human Resource Analyst I	3	2	3	3
Human Resource Analyst II	1	2	3	3
Human Resource Analyst III	6	6	5	5
Human Resources Assistant I	10	11	6	6
Human Resources Assistant II	2	2	6	6

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<i>Human Resources (cont'd)</i>				
Human Resources Manager	1	1	2	2
Management Specialist	0	0	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
Senior Claims Adjuster	3	2	3	3
Senior Claims Technician	1	1	0	0
Senior Fitness Trainer	1	1	2	2
Senior Human Resources Analyst	6	6	4	4
Senior Management Specialist	0	1	0	0
Technology Support Specialist III	1	1	1	1
Technology Support Specialist IV	1	1	1	1
	<u>56</u>	<u>57</u>	<u>57</u>	<u>57</u>
Hold Complement²	24	9	6	6
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	1	1
Director of Information Technology	1	1	1	1
GIS Coordinator	1	1	1	1
Information Technology Control Technician	2	2	1	1
Information Technology Project Leader	12	12	11	11
Information Technology Project Manager	6	6	7	7
Information Technology Senior Specialist	3	3	1	1
Information Technology Systems Engineer	2	2	2	2
Manager of Production Services	1	1	1	1
Technology Support Specialist I	1	1	3	3
Technology Support Specialist II	4	4	8	8
Technology Support Specialist III	22	22	20	20
Technology Support Specialist IV	25	25	25	25
Technology Support Technician II	1	1	2	2
	<u>90</u>	<u>90</u>	<u>90</u>	<u>91</u>
Internal Audit				
Auditor III	3	3	3	3
Director Of Internal Audit	1	1	1	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

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Juvenile Detention				
Business Supervisor	1	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	1	1
Registered Nurse	2	2	2	2
Secretary	0	0	1	1
Senior Cook	3	3	3	3
	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>
Juvenile Detention/VJCCCA				
Detention Outreach Coordinator	1	1	1	1
Detention Outreach Worker	2	2	2	2
	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
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	30	30	31
Librarian II	17	17	17	19
Librarian III	13	13	14	14
Library Assistant I	44	55	55	58
Library Assistant II	32	44	41	44
Library Assistant III	7	7	7	7
Library Assistant IV	7	7	7	7
Library Manager	5	5	5	5
Library Public Services Coordinator	1	1	1	1
Management Technician	1	1	1	1
Technology Support Specialist II	7	7	8	8
Technology Support Specialist III	1	2	2	2
Technology Support Specialist IV	1	1	1	1
	<u>171</u>	<u>198</u>	<u>197</u>	<u>206</u>
Mental Health				
Account Clerk III	6	6	8	8
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

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<i>Mental Health (cont'd)</i>				
Medical Assistant	1	1	1	1
MH/DS Case Manager	36	36	37	37
MH/DS Clinical Supervisor	18	18	16	16
MH/DS Clinician	51	51	50.5	50.5
MH/DS Community Support Supervisor	7	7	6	6
MH/DS Division Director	3	3	2	2
MH/DS Group Home Supervisor	2	2	3	3
MH/DS Marketing Specialist	1	1	1	1
MH/DS Program Coordinator	5	5	7	7
MH/DS Program Manager	9	9	8	8
MH/DS Residential Counselor	2	2	1	1
MH/DS Senior Community Support Supervisor	1	1	1	1
MH/DS Support Services Specialist	1	1	1	1
MH/DS Training Assistant	11	11	12.5	12.5
MH/DS Training Specialist	26	26	26	26
Nurse Practitioner	0	0	1	1
Occupational Therapist	1	1	1	1
Office Assistant IV	19	19	17	17
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	2	2
Community Development Technician II	1	1	0	0
Community Development Technician III	5	5	3	3
Director of Community Development	1	1	1	1
Office Assistant IV	1	1	1	1
Senior Community Development Technician	5	5	7	7
	<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	1	1
County Planner I	4	4	5	5
County Planner II	5	5	4	4
County Planner III	4	4	3	3
County Planner IV	5	5	8	8
Deputy Zoning Conformance Officer	1	1	1	1
Director of Planning	1	1	1	1

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<i>Planning (cont'd)</i>				
Office Assistant III	1	1	0	0
Office Assistant IV	3	3	4	4
Planning Technician	1	1	1	1
Principal Planner	3	3	0	0
Senior Business Supervisor	1	1	1	1
Senior Planning Technician	1	1	1	1
Senior Principal Planner	0	0	3	3
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>45</u>	<u>45</u>
Police				
Account Clerk III	2	2	2	2
Administrative Assistant	1	1	1	1
Animal Protection Lieutenant	0	0	1	1
Animal Protection Officer	9	9	9	9
Animal Protection Sergeant	0	0	2	2
Animal Protection Supervisor	1	1	0	0
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	8	8
Emergency Communications Manager	1	1	1	1
Latent Print Examiner	1	1	1	1
Management Technician	0	0	2	2
Management Specialist II	2	2	2	2
Office Assistant III	3	3	3	3
Office Assistant IV	3	3	2	2
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	490	500	496	506
Police Sergeant	65	65	69	69
Police Support Technician I	13	13	14	15
Police Support Technician II	29	29	28	28

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<i>Police (cont'd)</i>				
Police Support Technician III	4	4	4	4
Radio Repair Technician I	1	1	1	2
Radio Repair Technician II	2	2	2	2
Radio Repair Technician III	2	2	2	3
Secretary	10	10	9	9
Senior Animal Protection Officer	2	2	0	0
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	5	5
Technology Support Specialist III	1	1	1	2
Technology Support Specialist IV	1	1	1	1
	<u>817</u>	<u>827</u>	<u>827</u>	<u>841</u>
Public Relations and Media Services				
Asst. Dir. of Public Relations and Media Svcs.	1	1	1	1
Business Supervisor	1	1	1	1
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	2	2
Public Relations Specialist	2	2	2	2
Secretary	1	1	0	0
Senior Public Relations Specialist	1	1	1	1
Senior Television Producer/Director	1	1	1	1
Technology Support Specialist I	1	1	0	0
Technology Support Specialist II	0	0	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

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<i>Public Utilities (cont'd)</i>				
Director of Public Utilities	1	1	1	1
Division Director	5	5	5	5
Electrician	3	3	2	2
Engineer I	6	6	7	7
Engineer II	14	14	15	15
Engineering Aide II	8	8	8	8
Engineering Aide III	1	1	1	1
Engineering Technician	8	8	8	8
Equipment Operator I	1	1	1	1
Equipment Operator II	35	35	35	35
Equipment Operator III	6	6	6	6
GIS Technician	4	4	4	4
Instrumentation Specialist	2	2	3	3
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
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	2	2	0	0
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	4	4
Monitoring Technician II	2	2	1	1
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 Coordinator	0	0	1	1
Senior Construction Inspector	4	4	3	3
Senior Controller	1	1	1	1
Senior Electrician	1	1	1	1
Senior Engineer	3	3	3	3
Senior Instrumentation Specialist	5	5	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	12	12
Shop Clerk-Dispatcher	2	2	2	2

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<i>Public Utilities (cont'd)</i>				
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	9	9	7	7
Water/Wastewater Plant Operator Trainee	0	0	2	2
Water/Wastewater Plant Operator Trainee	1	1	0	0
	<u>306</u>	<u>306</u>	<u>307</u>	<u>307</u>
Public Works				
Accountant III	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Construction Division Director	1	1	1	1
Assistant Director/Public Works	1	1	1	1
Assistant Division Director	0	0	1	1
Assistant Traffic Engineer	2	2	2	2
Assistant Traffic Operations Supervisor	0	0	2	2
Bridge Inspector	1	1	1	1
Business Supervisor	1	1	1	1
Capital Projects Manager	2	2	3	3
Constructability Specialist II	1	1	2	2
Construction Division Director	1	1	1	1
Construction Inspector	13	13	13	13
County Surveyor	1	1	1	1
Design Engineer	1	1	1	1
Design Program Specialist I	1	1	1	1
Design Program Specialist II	1	1	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	1	1	1	1
Drainage Construction and Maintenance Manager	1	1	1	1
Engineer I	3	3	2	2
Engineer II	8	8	7	7
Engineering Aide II	3	3	3	3

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<i>Public Works (cont'd)</i>				
Engineering Aide III	6	6	6	6
Engineering/Environmental Services Div. Manager	1	1	1	1
Engineering Technician	1	1	1	1
Environmental Inspector	9	9	10	10
Environmental Program Specialist I	2	2	3	3
Environmental Program Specialist II	1	1	1	1
Equipment Operator I	35	35	35	35
Equipment Operator II	36	36	35	35
Equipment Operator III	28	28	28	28
Labor Foreman II	13	13	12	12
Labor Foreman III	2	2	2	2
Laborer	18	18	15	15
Management Specialist II	2	2	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
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	2	2	4	4
Senior Environmental Inspector	2	2	3	3
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	0	0
Traffic Signal Service Worker	3	3	1	1
Traffic Signal Technician I	2	2	3	3
Traffic Signal Technician II	1	1	2	2
Traffic Signal Technician Supervisor	1	1	1	1
Welder	1	1	1	1
	<u>257</u>	<u>257</u>	<u>259</u>	<u>259</u>

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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>
Recreation³				
Account Clerk III	4	4	4	4
Accounting and Fiscal Technician	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Director of Recreation	1	1	1	1
Assistant Division Manager	0	0	1	1
Assistant Park Services Supervisor	0	0	6	6
Capital Projects Manager	2	2	2	2
Carpenter	2	2	0	0
Controller	1	1	1	1
Custodian I	16	17	0	0
Custodian II	2	2	0	0
Director of Recreation And Parks	1	1	1	1
Division Manager	1	1	1	1
Equipment Operator I	29	29	0	0
Equipment Operator III	2	2	0	0
Groundskeeper I	0	0	26	26
Groundskeeper II	0	0	5	5
Groundskeeper IV	0	0	7	7
Historic Preservation Conservator	0	1	0	0
Labor Foreman I	4	4	0	0
Labor Foreman II	7	7	0	0
Laborer	9	9	4	4
Maintenance Assistant I	2	2	1	1
Maintenance Superintendent	4	4	0	0
Management Specialist I	3	3	3	3
Management Specialist II	1	1	2	2
Office Assistant III	6	6	6	6
Office Assistant IV	2	2	2	2
Painter	1	1	0	0
Park Services Division Supervisor	0	0	3	3
Park Services Specialist I	0	0	5	5
Park Services Specialist II	0	0	2	2
Plant Maintenance Mechanic	1	1	0	0
Plumber	1	1	0	0
Preventative Maintenance Technician	0	0	1	1
Recreation Coordinator I	29	29	27	27
Recreation Coordinator II	0	0	3	3
Recreation District Foreman	5	5	0	0

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2014-15</u>	<u>Approved FY2015-16</u>	<u>Revised FY2015-16</u>	<u>Approved FY2016-17</u>
<i>Recreation (cont'd)</i>				
Recreation Division Manager	1	1	1	1
Recreation Maintenance Worker I	0	0	14	14
Recreation Maintenance Worker II	0	0	1	1
Recreation Maintenance Worker IV	0	0	3	3
Recreation Manager	5	5	4	4
Recreation Marketing Coordinator	1	1	1	1
Recreation Marketing Specialist	1	1	1	1
Recreation Sports Leagues Coordinator I	1	1	2	2
Recreation Sports Leagues Coordinator II	1	1	0	0
Recreation Supervisor	5	5	4	4
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	1	1
Technology Support Specialist I	2	2	1	1
Technology Support Specialist II	2	2	3	3
Technology Support Specialist III	0	0	1	1
Technology Support Technician II	1	1	0	0
Theater Technical Coordinator	1	1	1	1
Tradesman I	0	0	6	6
Tradesman II	0	0	1	1
Tradesman IV	0	0	2	2
Utility Mechanic	3	3	0	0
Warehouse Supervisor	0	0	1	1
	<u>170</u>	<u>172</u>	<u>170</u>	<u>170</u>
Sheriff³				
Administrative Assistant	0	0	1	1
Chief Deputy Sheriff	1	1	1	1
Controller	1	1	1	1
Correctional Captain	8	8	0	0
Correctional Deputy	272	257	0	0
Correctional Lieutenant	17	17	0	0
Correctional Major	4	4	0	0
Correctional Sergeant	42	42	0	0
Division Director	1	1	1	1
Inmate Classification Officer	12	12	13	13
Inmate Classification Supervisor	1	1	2	2
Institutional Physician	1	1	0	0
Librarian I	2	2	2	2
Library Assistant II	1	1	0	0
Management Specialist I	1	1	1	1
Nurse Practitioner	1	1	2	2
Office Assistant III	17	17	17	17
Office Assistant IV	3	3	3	3

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2014-15</u>	<u>Approved FY2015-16</u>	<u>Revised FY2015-16</u>	<u>Approved FY2016-17</u>
<i>Sheriff (cont'd)</i>				
Sheriff Captain	0	0	8	8
Sheriff Deputy	0	0	269	269
Sheriff Lieutenant	0	0	17	17
Sheriff Major	0	0	4	4
Sheriff Sergeant	0	0	46	46
Technology Support Specialist I	2	2	1	1
Undersheriff	1	1	1	1
	<u>388</u>	<u>373</u>	<u>390</u>	<u>390</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	7	7	7	7
Controller	1	1	0	0
CSA Coordinator	1	1	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	11	11	10	10
Human Services Assistant	11	11	11	11
Human Services Specialist	45	45	47	50
Human Services Supervisor	10	10	10	10
Job Developer	6	6	6	6
Management Specialist I	1	1	1	1
Office Assistant III	18	18	21	22
Office Assistant IV	3	3	3	3
Senior Controller	0	0	1	1
Senior Family Services Specialist	29	29	30	30
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>172</u>	<u>172</u>	<u>177</u>	<u>181</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
Laborer	15	15	15	15
Landfill Attendant	4	4	4	4
Management Specialist I	1	1	0	0

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2014-15</u>	<u>Approved FY2015-16</u>	<u>Revised FY2015-16</u>	<u>Approved FY2016-17</u>
<i>Solid Waste (cont'd)</i>				
Management Specialist II	0	0	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>3,952</u></u>	<u><u>3,964</u></u>	<u><u>3,986</u></u>	<u><u>4,028</u></u>

¹ As of 2/26/2016

² Reserved Positions, Hold Complement, Unfunded for FY2015-16 Budget.

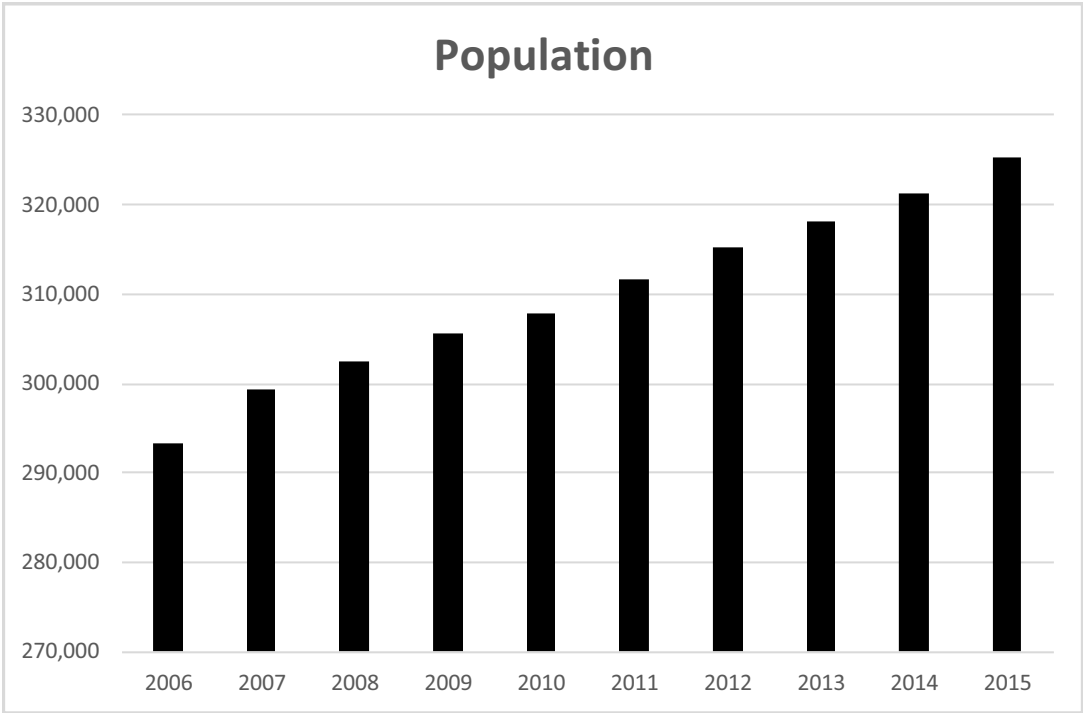
APPENDIX "C"
STATISTICAL SECTION

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 2015 Financial Trends Monitoring System (FY2005 – FY2015)

Fiscal Year	Population
2015	325,283
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



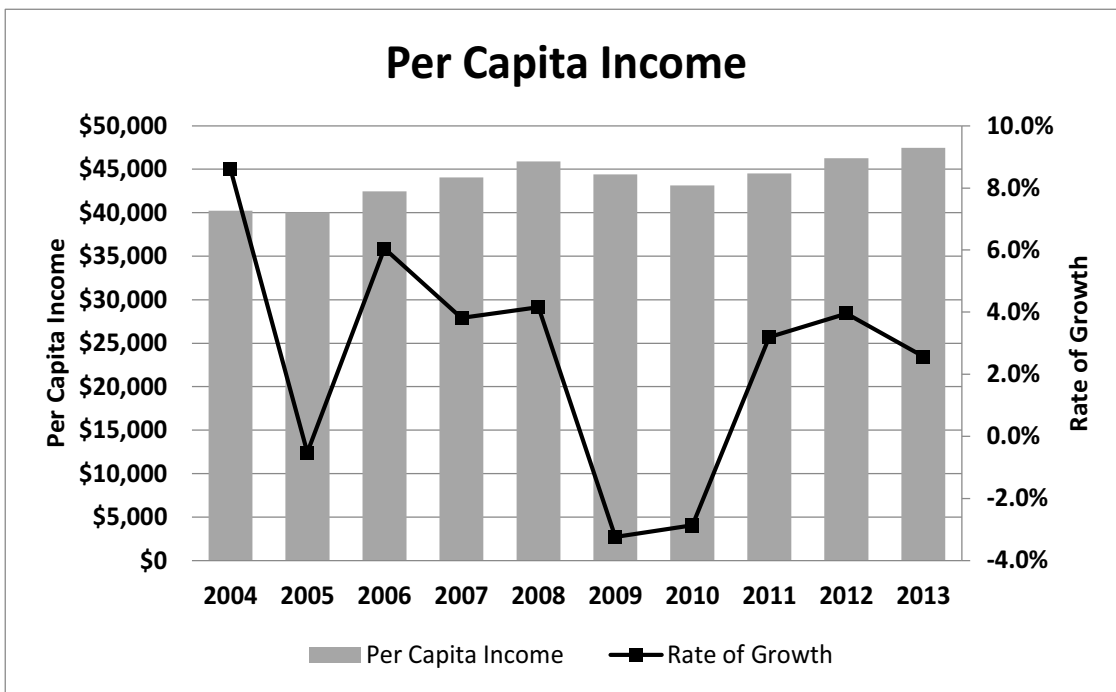
STATISTICAL SECTION

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, a 3.96 percent increase in 2012, and a 2.57 percent increase in 2013. It should be noted that while the County’s population increased by an annual average rate 1.1 percent the last 10 years, the average rate of income growth in the County grew by 1.8 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 2015 Financial Trends Monitoring System

Year	Per Capita Income	Rate of Growth
2013	\$ 47,482	2.57%
2012	\$ 46,292	3.96%
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%



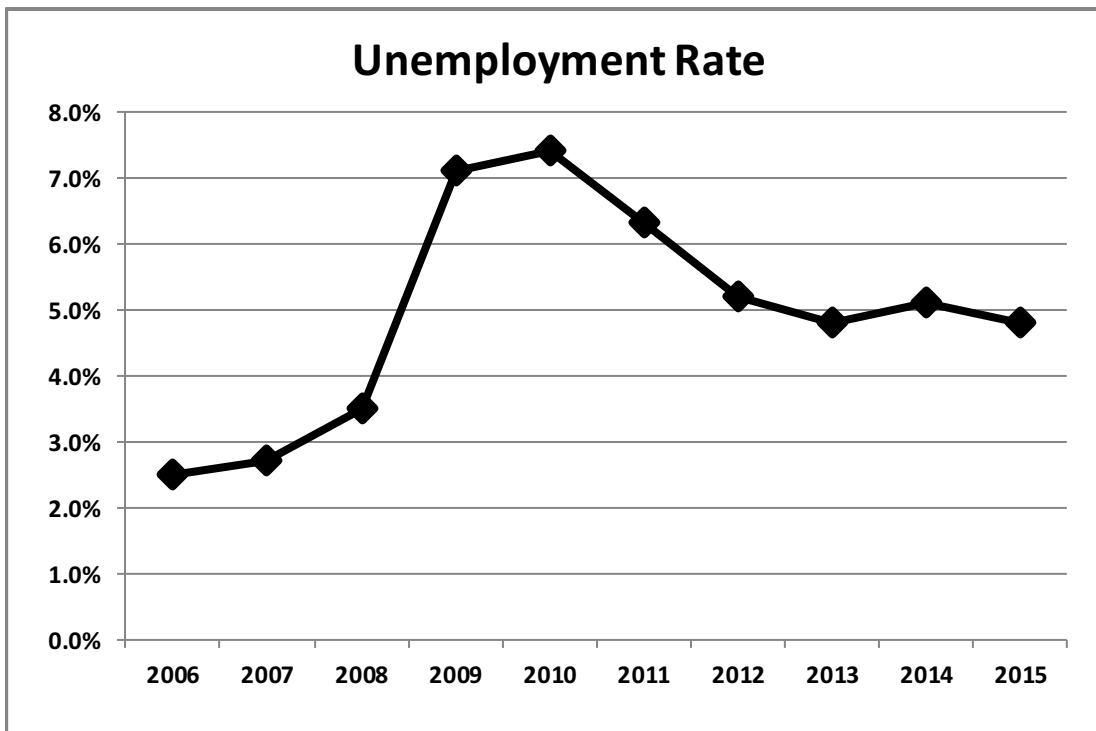
STATISTICAL SECTION

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 2015, the rate lowered slightly from 5.1 percent to 4.8 percent.

Source: County of Henrico 2015 Financial Trends Monitoring System

Year	Change
2015	4.8%
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%



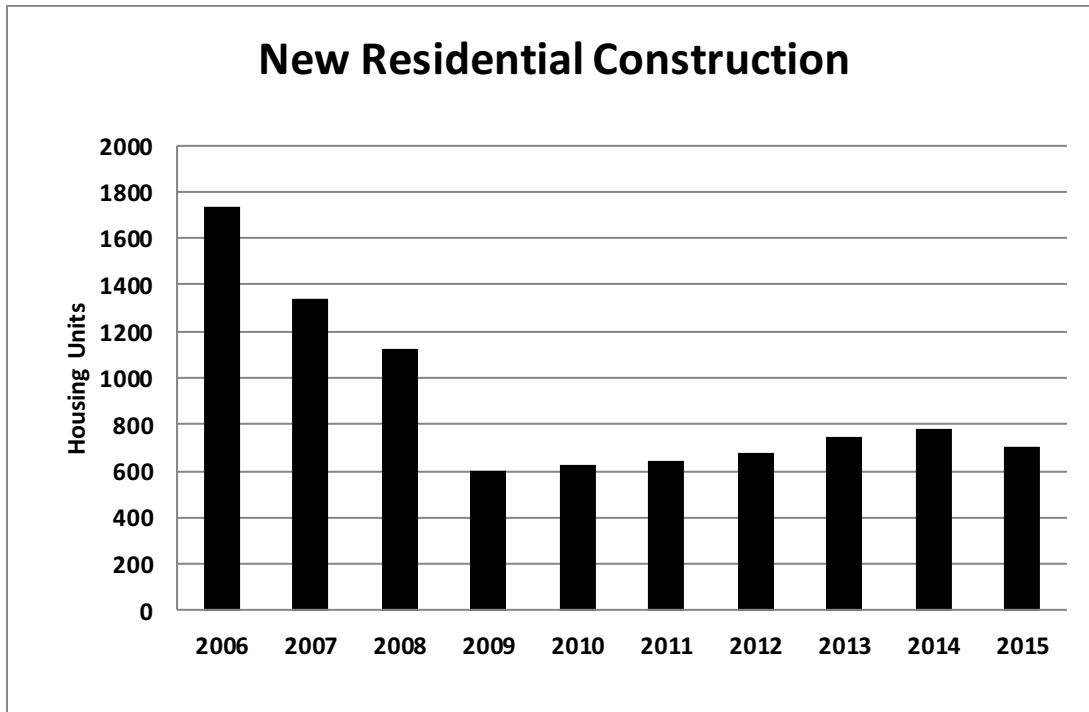
STATISTICAL SECTION

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 2015, residential construction averaged 682 permits, 57.7 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

Year	New Residential Construction
2015	707
2014	779
2013	742
2012	675
2011	639
2010	630
2009	602
2008	1,122
2007	1,336
2006	1,733



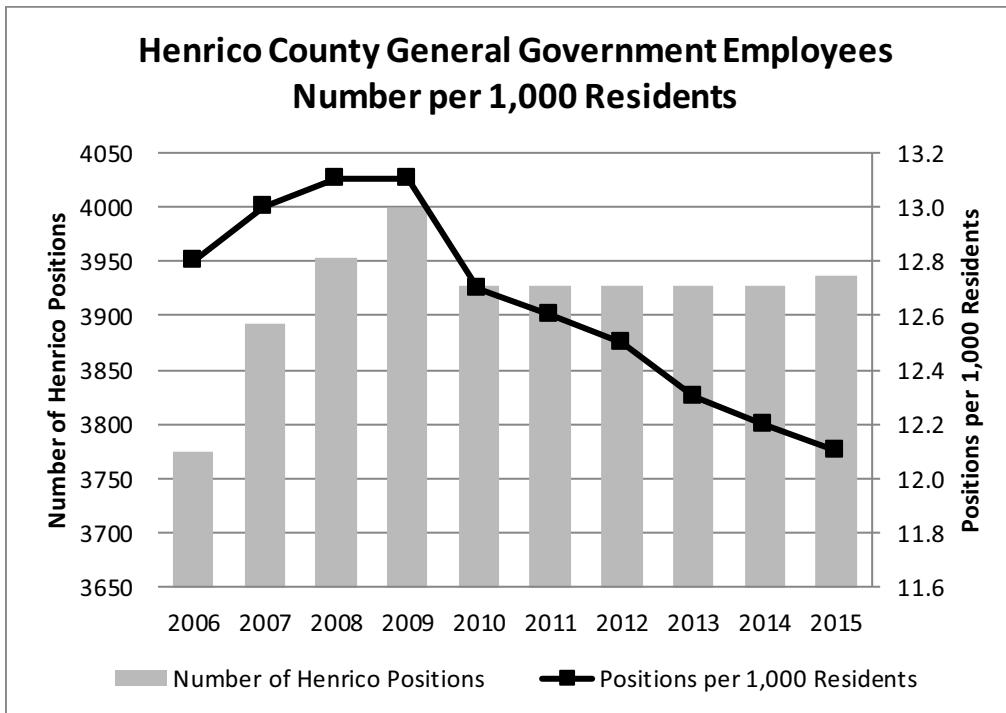
STATISTICAL SECTION

HENRICO COUNTY GOVERNMENT EMPLOYEES

The County of Henrico has averaged a 12.6 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 2015 Financial Trends Monitoring System

Fiscal Year	Positions	Positions per 1,000 Residents
2015	3,937	12.1
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



STATISTICAL SECTION
HENRICO BUSINESS STATISTICS

Henrico County Principal Tax Payers

Taxpayer	Type of Business	2015 Assessed Value	Percent of Total Valuation
Virginia Power Company	Utility	\$ 525,513,203	1.39%
Forest City (Short Pump TC, White Oak)	Retail and Offices	294,292,900	0.78%
General Services Corporation	Apartments	234,071,500	0.62%
Highwoods Properties	Offices and Warehouses	232,434,600	0.61%
The Wilton Companies	Office, Retail & Warehouse	224,576,100	0.59%
Verizon	Utility	222,685,067	0.59%
Weinstein Family	Apartments	184,265,700	0.49%
HCA Health Services of VA	Hospital	172,426,474	0.46%
Gumenick	Apartments & Retail	143,760,200	0.38%
United Dominion Realty Trust	Apartments	137,650,600	0.36%
Excel Realty Holdings (West Broad Village)	Offices	-	-
Liberty Property, LP	Warehouses and Offices	-	-
Qimonda AG (Infineon Technologies)	Industrial	-	-
VAC Limited	Apartments	-	-
Totals		\$ 2,371,676,344	6.27%
Total Assessed Values		\$ 37,834,785,481	

Source: Comprehensive Annual Financial Annual Report FY2014-2015

STATISTICAL SECTION

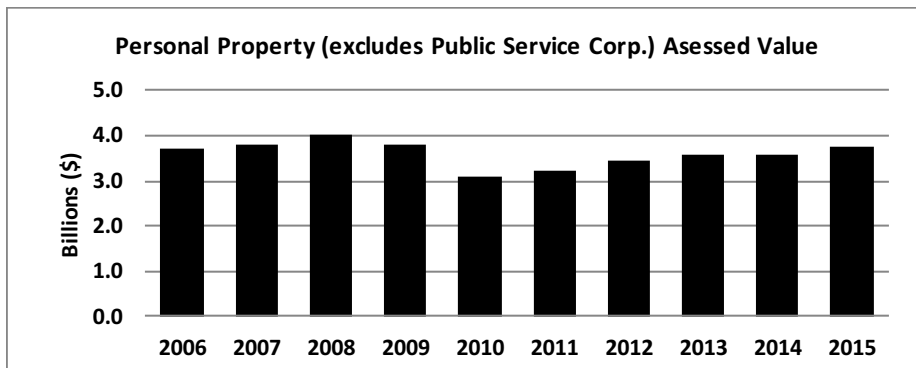
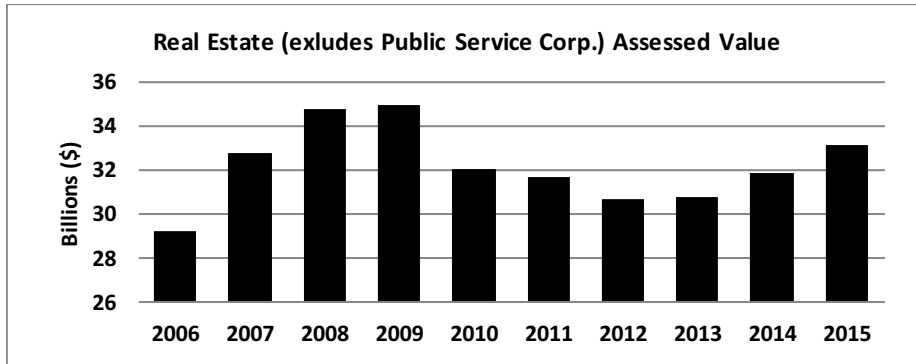
ASSESSED VALUE OF TAXABLE PROPERTY

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 2.6 percent per annum since 2005, despite the recessionary impediments to growth in recent years.

Source: Comprehensive Annual Financial Report, FY2014-15

Year	Real Estate	Personal Property	Public Service	Total
2015	\$ 33,103,077	\$ 3,766,963	\$ 964,746	\$ 37,834,786
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	37,449,730

(\$ in Thousands)



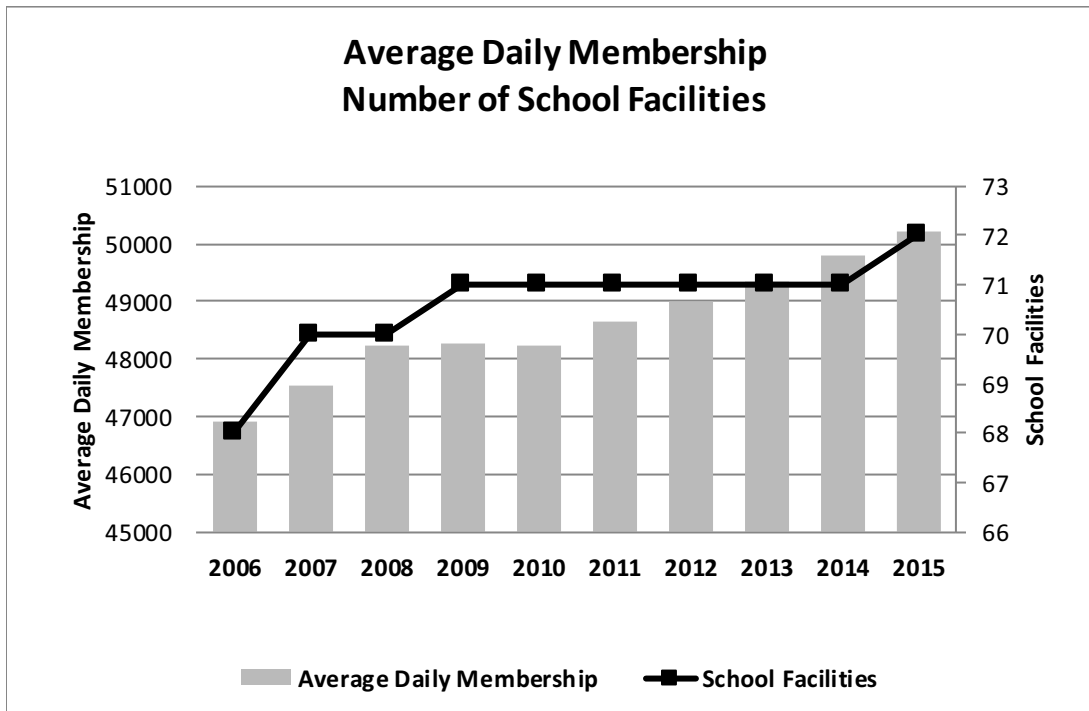
STATISTICAL SECTION

HENRICO COUNTY SCHOOLS

Since 2006, the average daily membership in Henrico County Public Schools has increased by a total of 7.1 percent. During the same time period, the County of Henrico built eight 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, FY2015-16

Year	Average Daily Membership
2015	50,226
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



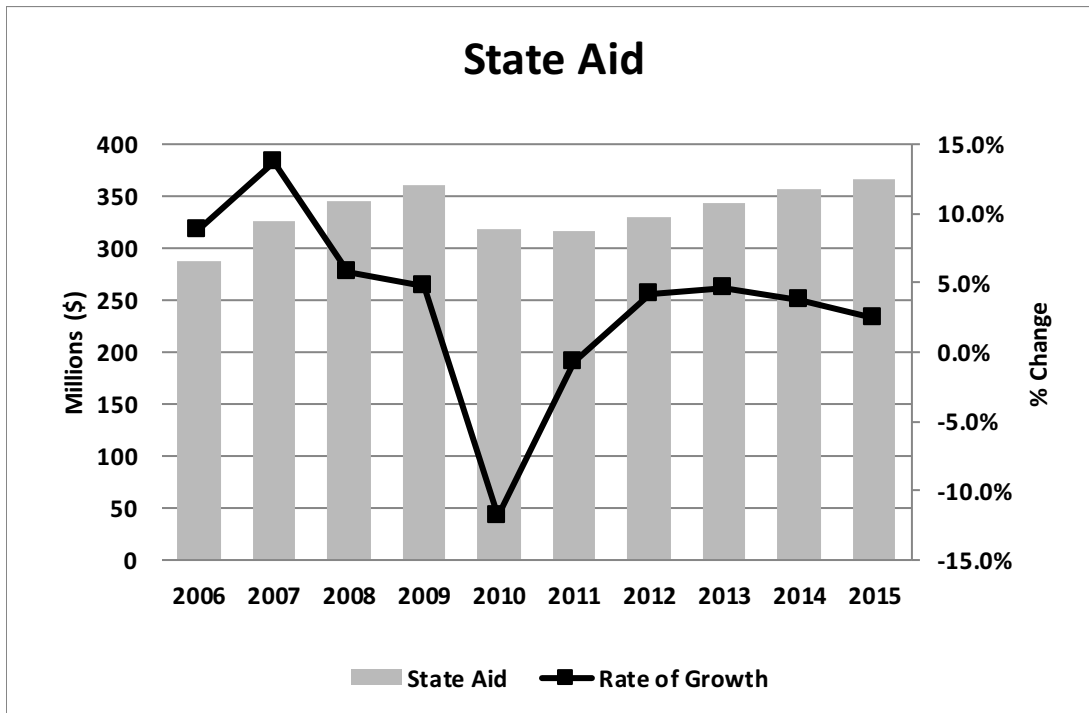
STATISTICAL SECTION

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 2006. 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 \$29 million less in General Fund support from the State in FY2014-15 compared to the previous year as a result of adjusting the gasoline tax funding formula for Henrico County.

Source: Comprehensive Annual Financial Report, FY2014-15

Year	State Aid	Change
2015	365,353,974	2.37%
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%



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 FY2016-17 Approved Annual Fiscal Plan includes a substantial reduction in Aircraft Tax Rate to \$0.50 per \$100 assessed value.

Source: Comprehensive Annual Financial Report, FY2014-15; Approved Annual Fiscal Plan, FY2016-17

Year	Recreation/Community Centers	Library Facilities	Registered Voters	Fire Stations
2015	20	11	207,029	20
2014	20	11	206,176	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

PROPERTY TAX RATE (PER \$100 OF ASSESSED VALUE)

Year	Real Estate	<i>Personal Property</i>				Machinery & Tools	Machinery & Tools Semi- Conductor
		Aircraft	Veh. of Volunteer Rescue Squad Members	Specially Equipped Veh. for the Physically Handicapped/Disabled Veterans' Vehicles	All Other Personal Property		
2015	0.87	1.60	1.00	0.01	3.50	0.30	0.30
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

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: \$0.50 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 CY2016

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 15 Actual</u>	<u>FY 16 Original</u>	<u>FY 17 Approved</u>
Revenue from Local Sources:			
General Property Taxes:			
Current Real Property Taxes	\$ 278,427,802	\$ 282,000,000	\$ 292,000,000
Delinquent Real Prop Taxes	5,220,627	4,000,000	4,000,000
Land Redemption	12,272	0	0
Current Real Property Taxes - PSC	7,726,555	8,285,000	8,285,000
Current Personal Property Taxes - PSC	115,511	115,000	115,000
Current Personal Property Taxes	70,621,408	113,075,000	115,885,000
Delinquent Personal Property Taxes	9,756,187	1,200,000	1,200,000
Interest and Add-on - All Taxes	566,453	275,000	275,000
Total General Property Taxes	<u>372,446,815</u>	<u>408,950,000</u>	<u>421,760,000</u>
Other Local Taxes:			
County Recordation Tax	\$ 3,820,057	\$ 3,300,000	\$ 3,300,000
Local Sales and Use Taxes	58,428,037	58,120,000	61,000,000
Consumer Utility Taxes	2,700,716	2,600,000	2,600,000
Business & Professional License Taxes	32,086,401	30,600,000	32,000,000
Motor Vehicle License Taxes	6,573,762	6,325,000	6,325,000
Bank Franchise Taxes	11,481,542	5,000,000	5,000,000
Grantor's Tax	1,019,169	900,000	900,000
Hotel and Motel Tax	2,978,496	2,600,000	2,800,000
Hotel and Motel Tax – Optional 4%	6,166,669	5,200,000	5,600,000
Hotel and Motel Tax - Dedicated 2%(special)	3,048,388	2,600,000	2,800,000
Daily Rental Tax	66,094	60,000	60,000
Pare-Mutual Wagering	5,540	50,000	0
Consumption Tax	1,125,658	1,100,000	1,100,000
Food & Beverage (Meals) Tax	26,783,430	20,000,000	20,000,000
Total Other Local Taxes	<u>156,283,959</u>	<u>138,455,000</u>	<u>143,485,000</u>
Permits, Privilege Fees, & Regulatory Licenses:			
Elevator Fees	\$ 43,657	\$ 40,000	\$ 40,000
Dog Licenses	143,405	120,000	120,000
Transfer Fees	7,144	7,000	7,000
Structure & Equip Permits	4,459,982	2,650,000	3,250,000
Septic Tank Permit	1,530	5,000	5,000
Going Out Of Business Permit	75	0	0
Public Utility Permit	1,345	1,000	1,000
Hauling & Moving Permit	805	300	300
Vacation Of Roads	1,200	500	500
High School Parking Fees	115,911	100,000	100,000
Taxi-Cab Certificates	18,490	15,000	15,000
Permit To Purchase Precious Metals	9,200	5,000	5,000
Municipal Library Court Fees	125,261	130,000	130,000
Adult Video/Bookstore Permit	500	0	0
Adult Tournaments	9,241	7,300	7,300
Jury Fees	87,409	45,000	45,000
Zoning Application Fees-Plan	185,732	150,000	150,000
Concealed Weapon Permit	80,459	55,000	55,000
School-Facilities Rental	328,276	300,000	300,000
Criminal Justice Training Academy	288,511	325,000	300,000

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 15 Actual</u>	<u>FY 16 Original</u>	<u>FY 17 Approved</u>
<i>Permits, Fees, and Licenses (cont'd)</i>			
Dance Hall Permit Application Fee	400	0	0
VSMP - Permit	556,136	170,000	170,000
Dangerous or Vicious Dog Registration	980	0	0
Total Permits, Fees, and Licenses	6,465,649	4,126,100	4,701,100
<i>Fines and Forfeitures:</i>			
Traffic Violation	\$ 2,499,744	\$ 2,500,000	\$ 2,500,000
Parking Violation	24,580	25,000	25,000
False Alarm Penalty	71,745	65,000	65,000
Total Fines and Forfeitures	2,596,069	2,590,000	2,590,000
<i>Revenue from Use of Money and Property:</i>			
Interest on Criminal Judgments	\$ 101,988	\$ 70,000	\$ 80,000
Rental On County Property	594,328	545,000	545,000
Sale Of Publications	158	100	100
Records and Services Fees	89,938	74,000	74,000
Interest on Investment - Repos	1,552,476	7,000,000	7,000,000
Interest Refund - P.P. Tax	(2,986)	0	0
Rental of County Property	68,124	68,000	68,000
Vending Machine Commission	76,316	10,000	10,000
Sale of Public Documents - Real Estate	118	200	200
Sale of Publications- Real Estate	712	700	700
Land Use Revenue	550	1,000	1,000
Recreation - Sale of Books	1,339	200	200
Sale of Publications - DPW	66	200	200
Sale of Surplus and Salvage - DPW	84,946	90,700	90,700
Sale of Vehicles - DPW	30,391	0	0
Sale of Signs - DPW	1,395	3,000	3,000
Sale of Equipment - Schools	131,684	50,000	50,000
Sale of Maps and Plans- Planning	97	0	0
Sale of Unclaimed Property	8,183	2,000	2,000
Sale of Maps & Plans - DPW	85	500	500
Sale of Vehicles	15,566	0	0
Sale of Vehicles - Schools	5,705	0	0
EDA leasing former library	94,985	0	0
Gov Deal Rebates	5,407	0	0
Gain/Loss On Sale of Property	201,122	0	0
Total from Use of Money and Property	3,062,693	7,915,600	7,925,600
<i>Charges for Services:</i>			
RE Tax Cr-Rehab Fees	\$ 650	\$ 0	\$ 0
Residential Rehab Fees	1,150	0	0
Jail Booking Fees	60,404	50,000	60,000
Court Conviction Fees	564,970	625,000	560,000
Weekender Fee	57,678	50,000	50,000
Deep Run -Rentals	(75)	150	150
Overdue Books	330,263	325,000	325,000
Photocopying Fees	13,168	2,000	10,000
Charges for Lost Books	129,326	30,000	115,000
Miscellaneous Library Income	(9,954)	0	0
Non-Resident Fees - Library	10,126	8,000	8,000

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 15 Actual</u>	<u>FY 16 Original</u>	<u>FY 17 Approved</u>
<i>Charges for Services (cont'd)</i>			
Sheriff Fees	35,389	36,000	36,000
Room & Board - Work Release Program	201,457	125,000	125,000
Home Incarceration Program - Sheriff	176,023	40,000	70,000
Inmate Medical Fees	81,744	50,000	75,000
Inmate Phone Charges	263,764	200,000	225,000
North Run Park Concessions	6,397	0	0
Pre-School Program	0	0	0
Cultural Arts Program	25,892	0	0
Senior Programs	0	0	0
Outdoor Programs	0	0	0
Therapeutic Programs	0	0	0
Special Interest Programs	15,561	0	0
Belmont Park Room Rentals	35,070	0	0
Picnic Kit Rental - Recreation	340	500	500
Shelter Reservations - Recreation	61,941	50,000	60,000
Non-Resident Fees - Softball	313	15,000	15,000
User Fees - Softball	39,898	40,000	40,000
Admissions for Meadow Farm Museum	9,534	10,000	10,000
Miscellaneous Revenue - Recreation	20,276	2,100	2,100
Day Camp Fees - Recreation	0	0	0
Basic Basketball Camp Fees	0	0	0
Three Lakes Park Nature Center	0	0	0
User Fees - Football	2,780	1,100	2,150
Youth Basketball Registration	0	0	0
Dorey Park Concessions	3,698	0	0
Non-Resident Fees - Basketball	3,093	3,200	3,000
Non-Resident Fees - Volleyball	0	1,000	0
User Fees - Basketball	20,868	10,000	17,500
User Fees - Volleyball	0	2,000	0
Program Fees - Sports	0	0	0
Facility Rentals - Miscellaneous	(9)	1,000	0
Dorey Park Room Rental	25,355	0	0
User Fees - Rugby	1,764	1,000	1,000
User Fees - Soccer	8,971	5,000	7,000
Users Fees - Disc Golf	1,640	0	0
Confederate Hills - Room Rentals	23,821	0	0
Set Up Fees - Belmont	3,893	0	0
Set Up Fees - Confederate Hills	2,639	0	0
Set Up Fees - Dorey	3,460	0	0
Set Up Fees - Hidden Creek	2,739	0	0
Set Up Fees - Facilities	10,425	25,350	25,350
Gazebo Rentals	1,664	600	600
Hidden Creek Room Rental	8,808	0	0
User Fees - Adult Baseball	1,190	500	1,000
Henrico Field of Honor	1,409	0	0
Deep Run Room Rental	27,495	0	0
Set Up Fees - Deep Run	3,450	0	0
Twin Hickory Room Rental	4,684	0	0
Set Up Fees - Twin Hickory	1,654	0	0
Walkerton Room Rental	4,469	0	0
Set Up Fees - Walkerton	138	0	0

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 15 Actual</u>	<u>FY 16 Original</u>	<u>FY 17 Approved</u>
<i>Charges for Services (cont'd)</i>			
Room Rental	77,684	196,000	196,000
Recreation User Fees	103	0	0
Memberships	57,775	30,000	30,000
Program Revenue	228,825	270,600	270,600
School Tuition - Winter	31,433	2,000	2,000
Practical Nursing - Adult Tuition	0	16,000	16,000
Math - Science Center	111,838	110,000	110,000
Vacuum Leaf Collection	188,395	170,000	170,000
Commonwealth's Attorney Fees	27,990	25,000	25,000
Charge for Board of Animals	24,928	15,000	15,000
Cafeteria Receipts - County	162,464	150,000	150,000
Grass Cutting/Demolition	53,350	65,000	65,000
Cafeteria Catering Receipts	31,361	50,000	30,000
Charges for Data Processing	756,500	750,000	756,500
Community House SD#2 Collections	15,258	15,000	0
Sports Facility Concessions	0	11,000	0
Withholding Fee Processing Charges	26,398	0	20,000
Total Charges for Services	4,095,705	3,585,100	3,700,450
 Miscellaneous Revenue:			
Blood Test/DNA Fees	\$ 7,379	\$ 4,500	\$ 4,500
CHMF-Courthouse Maintenance Facility	163,714	150,000	150,000
Miscellaneous General	5,992	0	0
Circuit Court-Copy fees	22,134	10,000	10,000
Fire - Miscellaneous Revenue	10,065	1,000	1,000
Primary Filing Fees	16,152	0	0
Pay-In-Lieu of Tax Other	7,120	0	0
Meadow Farm Gift Shop	825	2,000	2,000
Geographic Information System Program	4,554	5,000	5,000
Court Orders Restitution (Fire)	11,522	10,000	10,000
Recoveries/Rebates- Police	72,285	0	0
Recoveries and Rebates - General	218,600	325,000	325,000
NSF Check Fees	5,373	10,000	10,000
Richmond Center Reimbursement	6,256,222	3,600,000	3,600,000
Recoveries and Rebates - DPW	4,420	5,000	5,000
Recoveries and Rebates - Schools	18,097	10,000	10,000
Energy Connect	49,433	0	0
Credit Card Rebates	13,466	0	0
Sheriff's Suspense Account	1,780	0	0
Student Basic Jailor Academy	16,460	0	0
Misc Revenue- Sheriff	410	0	0
Total Miscellaneous Revenue	6,906,003	4,132,500	4,132,500
 Recovered Costs:			
Reimbursement of Prisoner Cost - New Kent County	\$ 937,440	\$ 700,000	\$ 700,000
Recoveries - Hazardous Incidence Team	0	5,000	5,000
Proceeds From Sale of Land	1,000	0	0
Charge for Office Space	111,337	111,000	111,000
Custodial Service	14,075	12,000	12,000
Bounty Fees - Sheriff	0	15,000	15,000
Payment for Fiscal Services	2,149,870	2,149,870	2,149,870

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 15 Actual</u>	<u>FY 16 Original</u>	<u>FY 17 Approved</u>
<i>Recovered Costs (cont'd)</i>			
Sale of Vehicles - County	282,926	170,000	205,000
Recoveries and Rebates - Health	0	35,000	0
Payment for 100% Projects	55,977	55,000	55,000
Road Opening Damages	151,907	325,000	325,000
Interdepartmental Billing - DPW	89,407	35,000	35,000
Recreation and Parks - Payment for Services	102,815	150,000	150,000
Recovered Costs - Student Activity	140,400	160,000	160,000
Festival Permits	4,600	5,000	5,000
Recovery of Wages - School Facility	137,798	100,000	100,000
Lost/Damaged Textbook Payments	7,833	10,000	10,000
Total Recovered Costs	4,187,385	4,037,870	4,037,870
Total from Local Sources	556,044,278	573,792,170	592,332,520
Non-Categorical Aid:			
Rolling Stock	\$ 159,668	\$ 131,000	\$ 138,500
Mobile Home Sales and Use Tax	4,560	12,500	5,000
Recovery of Central Cost Allocations	588,171	475,000	475,000
Motor Vehicle Rental Tax	3,478,848	2,600,000	3,000,000
Car Tax Revenue - State	37,001,783	0	0
Overweight Truck Citations	18,831	0	0
Comm Sales Tax - HB#568	13,111,116	13,500,000	13,100,000
Total Non-Categorical Aid	54,362,977	16,718,500	16,718,500
Shared Expenses:			
Salaries - Sheriff	\$ 10,203,125	\$ 10,041,000	\$ 10,625,000
Fringe Benefits - Sheriff	823,437	750,000	800,000
Salaries - Clerk of Circuit Court	1,185,219	1,150,000	1,200,000
Circuit Court Clerk Excess Fees - State	284,846	350,000	300,000
State Recordation Tax	1,367,757	1,300,000	1,350,000
Salaries - Commonwealth's Attorney	1,887,319	1,727,000	1,875,000
Fringe Benefits - Commonwealth's Attorney	150,662	150,000	150,000
Office Expenses - Commonwealth's Attorney	3,668	0	0
Registrar Expenses	71,993	70,000	70,000
Salaries - Department of Finance	688,245	684,000	684,000
Fringe Benefits - Department of Finance	56,956	0	0
Total Shared Expenses	16,723,227	16,222,000	17,054,000
Categorical Aid:			
State Library Grant	\$ 188,197	\$ 183,000	\$ 183,000
Jail Cost Reimbursement	2,465,790	2,398,000	2,450,000
Share of Probation Expenses	5,184	6,000	6,000
Juvenile Detention - Per Diem from State	0	500	500
Block Grant - Detention Home	535,174	548,975	548,975
Law Enforcement - Police	8,267,452	8,500,000	8,700,000
Emergency Medical Services - Two for Life	40,026	205,000	205,000
State Fire Programs Fund	1,051,382	925,000	1,000,000
Hazardous Incidence Team Allotment	30,610	30,000	30,000
Auxiliary Grant for the Aged*	Moved to SRF	0	0
Aid to Dependent Children*	Moved to SRF	0	0
Auxiliary Grant for the Blind*	Moved to SRF	0	0

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 15 Actual</u>	<u>FY 16 Original</u>	<u>FY 17 Approved</u>
<i>Categorical Aid (cont'd)</i>			
General Relief*	Moved to SRF	0	0
Regular Foster Care*	Moved to SRF	0	0
Administration - VPA*	Moved to SRF	0	0
Auxiliary Grant for the Disabled*	Moved to SRF	0	0
Food Stamp Issuance*	Moved to SRF	0	0
Purchased Services*	Moved to SRF	0	0
Child Day Care Program*	Moved to SRF	0	0
Street and Highway Maintenance - Gas Tax	44,667,326	43,317,000	44,050,000
English as a Second Language	1,767,800	1,767,800	1,800,000
Talented and Gifted Program	1,387,771	1,400,000	1,400,000
General Appropriation - Basic Aid	124,941,832	127,500,000	137,151,000
Foster Child Reimbursement - Schools	262,933	152,000	152,000
Textbooks	2,841,092	2,870,000	3,000,000
Social Security Reimbursement - Schools	7,706,557	7,785,000	8,000,000
Retirement Reimbursement - Schools	15,678,857	15,485,000	15,700,000
Group Life Reimbursement - Schools	472,433	478,000	485,000
Remedial Education	3,749,934	3,790,000	3,825,000
Share of State Sales Tax - Schools	51,333,477	51,432,000	52,500,000
SOQ - Basic Special Education	16,062,708	16,200,000	16,300,000
Special Education - Homebound	268,769	250,000	275,000
Vocational Education - Adm. & Supv.	0	680,000	719,000
Vocational Education - SOQ Occupational	1,476,352	1,492,000	1,400,000
Handicapped Foster Home - Schools	404,506	543,000	563,000
Other Categorical- State	42,200	0	0
Adult Basic Education	701,733	0	0
At Risk - State	2,709,696	2,735,000	2,740,000
Salary Incentive K-3	4,269,325	4,450,000	4,500,000
ALS Training Fund Reimbursement	14,618	0	0
Clerk's Technology Fund	190,465	0	0
State Medical Plans*	Moved to SRF	0	0
Independent Living Grant*	Moved to SRF	0	0
Medicaid*	Moved to SRF	0	0
Adoption Programs*	Moved to SRF	0	0
Total Categorical Aid	293,534,199	295,123,275	307,683,475
Total from the Commonwealth	364,620,403	328,063,775	341,455,975
Revenue from the Federal Government:			
ROTC	\$ 376,101	\$ 350,000	\$ 350,000
Food Stamp Program*	Moved to SRF	0	0
Family Support Payment*	Moved to SRF	0	0
Low Income Home Energy*	Moved to SRF	0	0
Foster Care*	Moved to SRF	0	0
SCAPP Program-Sheriff	17,009	30,000	15,000
Allocated Eligibility Program*	Moved to SRF	0	0
Adoption Assistance*	Moved to SRF	0	0
Social Services Block Grant*	Moved to SRF	0	0
Independent Living*	Moved to SRF	0	0
Medical Assistance*	Moved to SRF	0	0
Fed - Family Pres. Grant	Moved to SRF	0	0
Child Care and Development*	Moved to SRF	0	0

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 15 Actual</u>	<u>FY 16 Original</u>	<u>FY 17 Approved</u>
<i>Revenue from the Federal Government: (cont'd)</i>			
Refugees*	Moved to SRF	0	0
Child Care and Development - Match*	Moved to SRF	0	0
Total from Federal Government	393,110	380,000	365,000
Total General Fund Revenue	921,057,791	902,235,945	934,153,495
* Moved to Special Revenue Fund			
 Transfers:			
To Debt Service - From Operating	\$ (57,350,014)	\$ (54,805,548)	\$ (57,507,646)
Total To Debt Service:	(57,350,014)	(54,805,548)	(57,507,646)
To Capital Projects	(3,276,638)	0	0
To Capital Projects Fund- Schools - Roof	(2,500,000)	(2,500,000)	(2,500,000)
To Capital Projects Fund - To Gen Govt	(2,500,000)	(2,500,000)	(2,500,000)
To Capital Projects Fund - Capital Reserve	(2,600,000)	(10,430,000)	(4,899,400)
To Capital - General Fund Revenues	0	(1,000,000)	0
To Capital - Capital Initiatives	0	(1,000,000)	0
To Capital - Desig. FB - Permits	(500,000)	(500,000)	(1,000,000)
To Capital - Public Works Vehicle License Fee	(850,000)	(850,000)	(850,000)
To Capital Projects Fund - Public Works Gas Tax	(8,751,467)	(6,531,502)	0
To Capital - Schools Meals Tax	(9,000,000)	(9,000,000)	(9,000,000)
To Capital - Meals Tax - June 2014	0	(1,990,470)	(10,783,247)
To Capital - HB #599	(375,000)	0	0
To Capital - Stormwater	0	(2,348,000)	(2,348,000)
To Capital Projects Fund - Vehicle Replacement	(3,824,800)	(3,824,800)	(3,824,800)
To Capital Projects - Designated FB Hotel/Motel	0	0	(800,000)
To Capital Projects - Undesignated	0	0	(350,000)
To Capital Projects - SCBA	0	0	(1,700,000)
To Capital Projects - Designated FB Schools	0	0	(600,000)
To Vehicle Replacement - Schools	0	(1,000,000)	(2,000,000)
Open Transfer to Capital Project-21-011	992,804	0	0
Total To Capital Projects Fund:	(33,185,101)	(43,474,772)	(43,155,447)
To Enterprise Fund - White Oak	(1,928,108)	(1,930,308)	(1,928,621)
Total To Enterprise Fund:	(1,928,108)	(1,930,308)	(1,928,621)
To Technology Replacement Fund	(1,000,000)	(1,000,000)	(2,000,000)
To Risk Management	(11,778,543)	(8,397,952)	(8,393,421)
Total To Internal Service Funds:	(12,778,543)	(9,397,952)	(10,393,421)
To Special Revenue Fund - CRWP	(170,028)	(64,380)	(46,101)
To Special Revenue Fund - CCP	(114,291)	(129,028)	(130,393)
To Special Revenue Fund - CSA	(4,436,066)	(3,176,065)	(4,263,232)
To Special Revenue Fund - CSA Medicaid Match	(450,000)	(485,000)	(485,000)
To Special Revenue Fund - Victim Witness	(336,658)	(354,480)	(367,082)
To Special Revenue Fund - Drug Prosecutor	(52,570)	(61,862)	(66,225)
To Special Revenue Fund - VJCCCA	(486,712)	(534,326)	(525,566)
To Special Revenue Fund - MH/DS/SA	(10,285,580)	(14,030,509)	(14,064,509)
To Special Revenue Fund - Metro Aviation	(126,462)	(127,332)	(127,332)
To Special Revenue Fund - Curbside Recycling	(2,130,666)	(2,130,666)	(2,130,666)
To Special Revenue Fund - Bulky Waste	(227,996)	(227,996)	(210,431)
To Special Revenue Fund - Neighborhood Cleanups	(504,647)	(504,647)	(531,045)
To Special Revenue Fund - Bagged Leaf Collection	(155,202)	(155,202)	(146,369)
To Special Revenue Fund - Contingency Account	0	(50,000)	(50,000)

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 15 Actual</u>	<u>FY 16 Original</u>	<u>FY 17 Approved</u>
<i>Transfers: (cont'd)</i>			
To Special Revenue Fund - Drug Court	(191,126)	(149,363)	(157,069)
To Special Revenue - Social Services	(3,494,097)	(4,430,135)	(4,684,199)
Oper. Transfer to Special Revenue Fund	(1,164,469)	0	0
Total To Special Revenue Fund:	<u>(24,326,570)</u>	<u>(26,610,991)</u>	<u>(27,985,219)</u>
To JRJDC Agency Fund - Operating	(2,650,241)	(2,755,259)	(2,979,622)
To JRJDC Agency Fund - Debt	(663,986)	(671,327)	0
Total To JRJDC Agency Fund:	<u>(3,314,227)</u>	<u>(3,426,586)</u>	<u>(2,979,622)</u>
To OPEB - GASB 45	(2,500,000)	(2,750,000)	(2,750,000)
Oper. Transfer- Long-term Disability	(486,000)	0	0
Oper. Transfer to Line of Duty	(497,352)	(550,000)	(575,000)
Total	<u>(3,483,352)</u>	<u>(3,300,000)</u>	<u>(3,325,000)</u>
Total Transfers	(136,365,915)	(142,946,157)	(147,274,976)
Total Resources Prior to Use of Fund Balance/ Sinking Fund	<u>784,691,876</u>	<u>759,289,788</u>	<u>786,878,519</u>
Use of Fund Balance - Capital Projects	5,000,000	5,000,000	5,000,000
Use of Fund Balance - Designated Capital Reserve	2,600,000	10,430,000	4,899,400
Use of Fund Balance - Designated Fund Balance	0	0	3,100,000
Use of Fund Balance - Cap Initiatives	0	1,000,000	0
Use of Fund Balance - Undesignated	0	0	350,000
Use of Fund Balance - Public Works Reserve	8,751,467	6,531,502	0
From Fund Balance - Voting Machine Reserve	0	1,000,000	0
(To) Fund Balance - Voting Machine Reserve	0	(1,000,000)	0
(To) From Fund Balance- VRS Reserve	4,497,376	0	0
Use of FB (RE) - Chesapeake Bay TMDL	2,348,000	0	0
(To) From Fund Balance - Chesapeake Bay - TMDL	(2,348,000)	0	0
Use of Fund Balance - Designated Permit Fee	500,000	500,000	1,000,000
From Fund Balance - Meals Tax June 2014	0	1,990,470	0
From Fund Balance - Meals Tax June 2015	0	0	8,783,247
From Fund Balance - Meals Tax June 2016	0	0	2,000,000
(To) Fund Balance - Meals Tax Reserve	0	(2,000,000)	(2,000,000)
From Fund Balance - State Revenue Stabilization	0	1,000,000	0
(To) Revenue Stabilization Reserve	0	0	(1,000,000)
(To) Fund Balance General Fund	(36,920,829)	0	0
From Sinking Fund	339,124	2,074,331	1,864,067
Net Fund Balance/Sinking Fund	<u>(15,232,862)</u>	<u>26,526,303</u>	<u>23,996,714</u>
 Total General Fund Resources	<u>\$ 769,459,014</u>	<u>\$ 785,816,091</u>	<u>\$ 810,875,233</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 23, 2016.

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

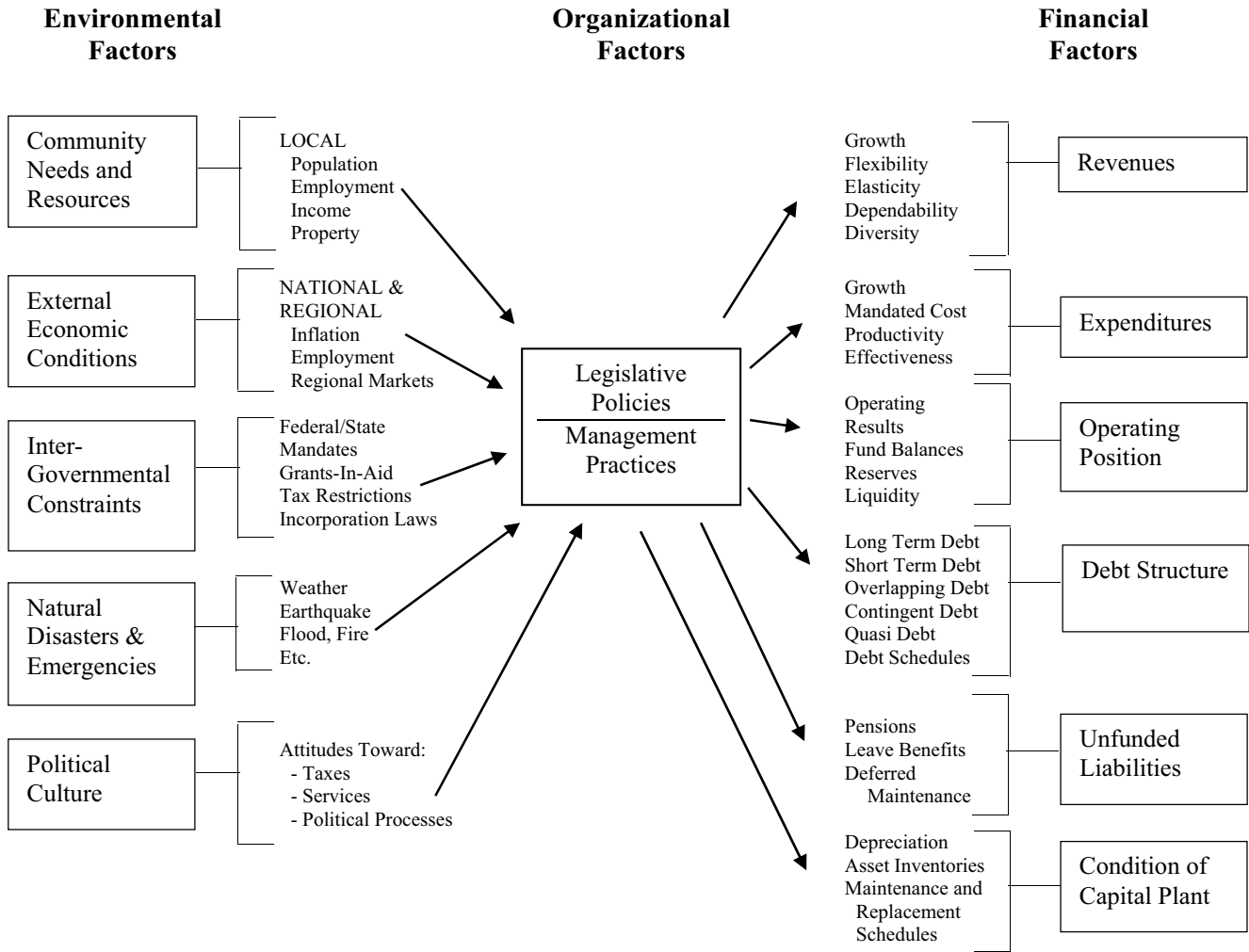
The financial indicators are the primary tools of the Financial Trend Monitoring System. They represent a way to quantify changes in the twelve factors. The chart on page 4 shows the twenty-eight indicators along with the factors with which they are associated. Many aspects of financial condition cannot 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

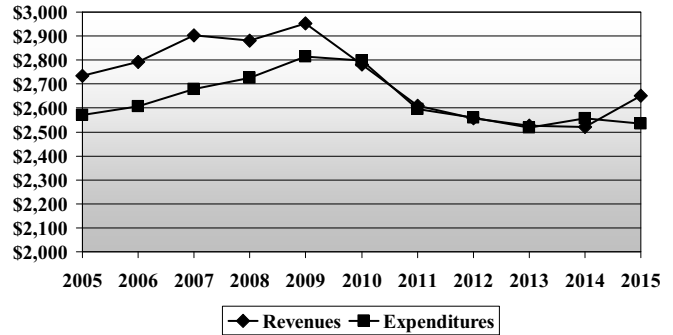
Population
Per Capita Income
Public Assistance Recipients
Real Property Values
Residential Development
Employment Base
Business Activity - Local Retail Sales Tax
Receipts and Business License Tax Receipts
Business Activity - Commercial Acres and
Market Value of Business Property

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. In looking at per capita revenues, the most recent fiscal year, FY15, marked the first year of constant dollar increase in this indicator since FY09. In fact, with 5.1 percent growth in this indicator (gross revenue growth of 6.5 percent), FY15 marked the largest year-over-year increase in constant dollar revenue per capita in the time period examined. As a note, the decreases in per capita revenues (constant dollar) noted in FY08 and from FY10 through FY14 are the only such year-over-year declines in this indicator since it began being tracked in 1982.

While the per capita revenue growth in FY15 is indicative of continued improvement in the County’s existing revenue streams, it also reflects the first full fiscal year recognition of the County’s 4.0 percent meals tax, which generated just under \$26.8 million in FY15, all of which was dedicated to the County’s school system. Of the \$26.8 million in meals tax receipts collected in FY15, \$9.0 million was allocated to the operating budget of the County’s school system, while the balance of \$17.8 million was dedicated to pay-as-you-go capital budget needs for County schools, expenditures that are not captured in this indicator. Including meals tax receipts, total General Fund revenues grew by \$43.2 million in FY15 (current dollars) and Special Revenue Fund revenues, which mostly reflect State and Federal grant funding, increased by \$21.6 million (current dollars), yielding total revenue growth of \$64.8 million in current dollars for FY15 as compared to FY14.

In looking at expenditures per capita (constant dollar), the County experienced a year-over-year decline of 0.9 percent in FY15, the fifth such decline in the past six fiscal years. While expenditure growth continues to be controlled due to slow economic growth, the decline in FY15 is slightly misleading. In FY14, a significant GASB required one-time accounting entry inflated actual expenditures in this indicator for the fiscal year by \$43 million, an expenditure that is not present in FY15. In fact, without this entry recorded in FY14, expenditures per capita (constant dollar) would have grown by 3.5 percent. The focus of the FY15 budget was adding structure back to the County’s finances after several years of strategic budgetary reductions necessary in the difficult economic environment. This structure is evident in a number of indicators portrayed throughout this document.

In examining the data, a number of distinct trends are evident. First, from FY05 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 FY14, 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 or absorb more than \$125 million in expenses, including the elimination, freezing, or unfunding of more than 650 positions Countywide during this time. It should be noted that from FY05 to FY15, the County's population grew by 12.7 percent.

As the County's economy and revenue streams continue to slowly improve, pockets of positive local economic data provide a cautiously optimistic outlook in regards to the County's local revenue streams. While there are 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. Real estate tax revenues and State Aid, combined, account for approximately two-thirds of all County General Fund revenues. As such, it is expected that overall County revenue growth will continue to remain at a level similar to recent population and inflation growth – around 3.0 percent in total. With this economic "new normal" in mind, the County will continue to add fiscal structure within the budget process, minimizing one-time resources and investing in core services – particularly Education and Public Safety. The County must also continue to explore 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, no warning trend is noted for this indicator.

WARNING TREND: Increasing amount of intergovernmental operating revenues as a percentage of gross operating revenues.

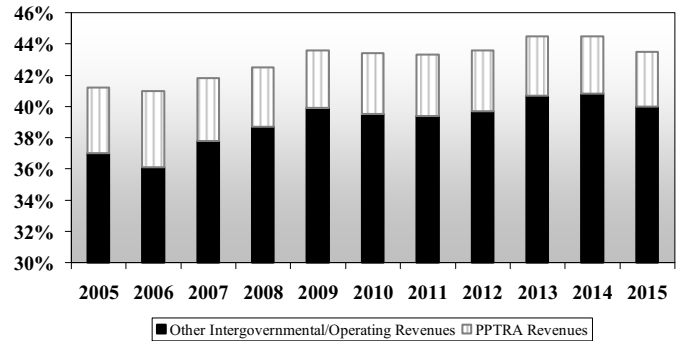
Formula:

$$\frac{\text{Intergovernmental Operating Revenues}}{\text{Gross Operating Revenues}}$$

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 FY05 to 44.5 percent in FY14, and dropped to 43.5 percent in the most recent fiscal year, FY15. The peak in this indicator is FY14 and largely arises from additional State Aid for education, which outpaced growth in local revenues, primarily real estate. While State aid for education again outpaced growth in real estate tax revenues in FY15, that fiscal year also reflects the first full-year recognition of the County’s 4.0 percent meals tax, all local revenue, which generated \$26.8 million for the County’s school system in FY15. 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 FY05 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 – FY15	\$37.0 million

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 55.0 percent in 2015. 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.

In the spring of 2014, the State identified a “shortfall” of revenues as a result of the impact of Federal sequestration, resulting in reductions in funding to localities across the State. While the State missed its revenue projections for FY14 and substantially adjusted revenue expectations for FY15 mid-year, revenue projections from the Commonwealth remain alarmingly healthy. As such, funding for K-12 Education from the State continues to increase at levels that exceed local revenue growth. Henrico County continues to be exceptionally cautious when it comes to estimating revenues from the Commonwealth for the many reasons noted herein. Implementation of the County’s meals tax alleviates some of the County’s reliance on State aid; however, with the level of State aid expected to outpace local revenue growth once again in FY16, an increasing reliance on these funds continues. 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.

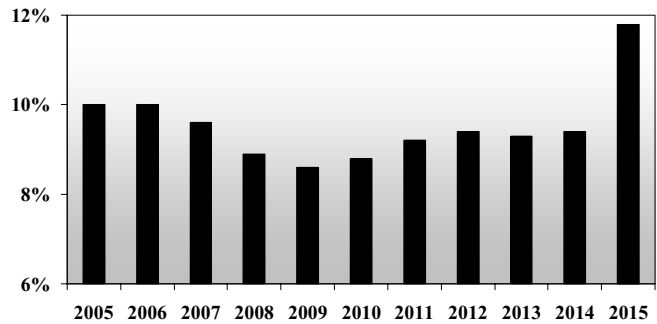
Trends:

The graph shown above indicates that the percentage of elastic tax revenues for Henrico County have increased from a low of 8.6 percent in FY09 to a high of 11.8 percent in the most recent fiscal year, FY15. The sharp increase from FY14 to FY15 is primarily the result of the first full-year implementation of the County’s 4.0 percent meals tax, which generated \$26.8 million in FY15. In addition to meals tax receipts, sales tax receipts grew 4.1 percent in FY15 and BPOL receipts increased 7.6 percent. In looking at all elastic tax revenues, the County experienced an increase of \$31.5 million or 33.9 percent.

In looking from FY05 to FY14, the overall trend reflects a reduction in operational reliance from these elastic revenue sources, despite overall growth in these revenues of 17.3 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 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 meals 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.

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.

Elastic Operating Revenues
(as a % of Net Operating Revenues)



Another positive note, Henrico County ranked second among all localities in Virginia for total taxable sales in 2014, only behind the much larger Fairfax County. Refer to the chart below for comparisons to other localities.

Rank	Locality	Taxable Sales	Population	Sales Per Capita
1	Fairfax County	\$ 14,444,298,758	1,130,924	\$ 12,772
2	Henrico County	\$ 5,214,319,693	318,611	\$ 16,366
3	Virginia Beach City	\$ 5,159,858,692	448,479	\$ 11,505
4	Prince William County	\$ 5,108,149,658	438,580	\$ 11,647
5	Loudoun County	\$ 4,986,977,605	349,679	\$ 14,262
6	Chesterfield County	\$ 3,943,518,518	327,745	\$ 12,032
7	Chesapeake City	\$ 3,239,193,243	228,417	\$ 14,181
8	Arlington County	\$ 3,175,868,367	224,906	\$ 14,121
9	Norfolk City	\$ 2,621,266,232	245,782	\$ 10,665
10	Richmond City	\$ 2,465,691,544	210,309	\$ 11,724

Encouraging local economic information and continued elastic revenue growth indicate a slight turnaround in the local economy. That being said, there are a number of troubling national and international economic indicators that could present challenges in the near future. Further, on average the United States economy has experienced a recession every five to six years, and is now at the eight-year mark since the beginning of the last recession, which was the worst since the Great Depression. Further, 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. While the County’s local economic growth has been encouraging, it must remain cautious when estimating elastic resources to mitigate reliance on these resources. With growth continuing in all of the elastic indicators as of this writing in FY16, growth that continues to surpass the County’s largest local revenue source, real estate taxes, an increase in this indicator is expected into the near future. As such, no warning trend is warranted for the indicator.

WARNING TREND: Decreasing or negative growth in general property tax revenues (constant dollars).

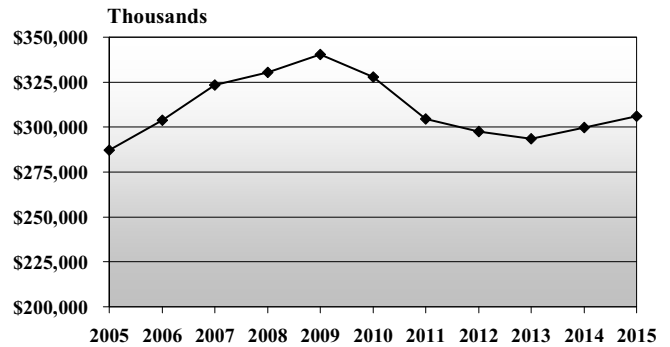
Formula:

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 62.9 percent of total **local** operating revenue in Henrico County in FY15. 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 \$287.2 million in FY05 to \$375.7 million in FY15, representing an average annual increase of 3.4 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 CY05 and CY15, the County's unadjusted real estate tax base has increased by \$7.9 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 and FY15 is attributed to increases of 3.7 percent in the overall real estate tax base for each of the past two years.

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, 2016 reflects an overall increase of approximately 3.0 percent including new construction. 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 third 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, no warning trend is noted for this indicator.

WARNING TREND: Increasing amount of current uncollected property taxes as a percentage of the current total property tax levy.

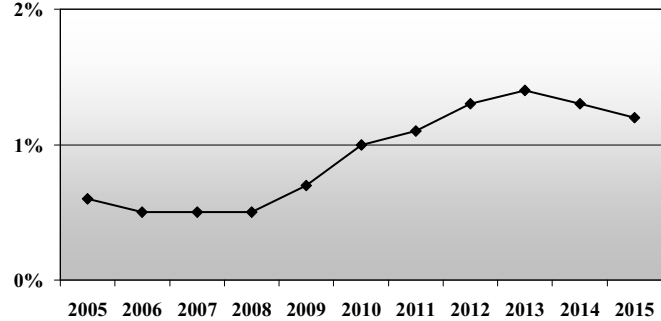
Formula:

$$\frac{\text{Uncollected Current Property Taxes}}{\text{Current Property Tax Levy}}$$

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 the past two years to 1.2 percent in FY15.

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 FY15, 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.

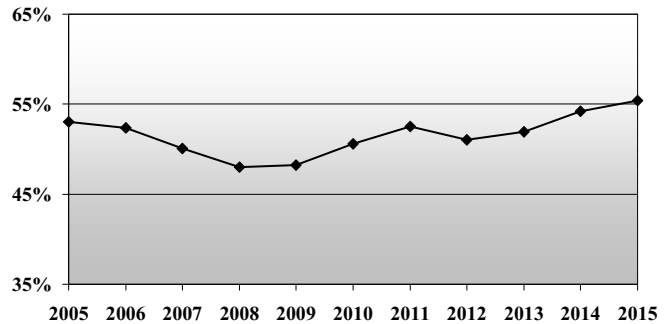
Formula:

$$\frac{\text{Revenues from User Charges}}{\text{Expenditures for Related Services}}$$

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 much of this eleven-year period, with the exception being in the most recent fiscal year, FY15, in which user charge coverage increased to 55.4 percent. 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. The increase in this indicator in FY15 is attributed to \$1.2 million in fewer expenditures in these areas as compared to the previous fiscal year, as well as \$1.1 million in additional resources collected, solely the result of structure and equipment permit fees growing by \$1.7 million in FY15.

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. 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. In FY14, structure and equipment permit fees were increased in an effort to close the coverage gap, and as a result, the coverage grew to 76.9 percent, and in FY15, for the second time in the time period examined (other being FY05), permit fees sufficiently covered all costs of Building Inspections.

Mental Health’s user charge coverage has increased over the eleven-year period from 35.3 percent to 47.4 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 51.6 percent. Excluding Recreation, the indicator has averaged 73.6 percent in the eleven-year period. As the local economy continues to slowly improve, associated revenues, particularly structure and equipment permit revenues, should continue to 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 Variance:

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:

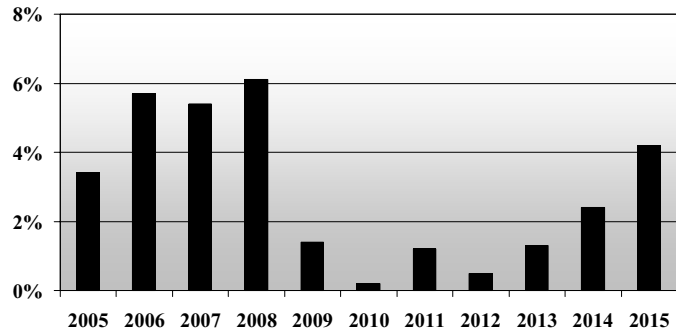
The overall trend depicted above reveals that the County’s revenues exceeded budget estimates for each of the eleven years analyzed.

In looking at this eleven-year period, this indicator peaked in FY08, when the budget to actual revenue variance reached 6.1 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, while the variance for FY15, at 4.2 percent, reflects the largest revenue variance in the past seven 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 FY05, the County’s annual revenue variance has averaged 2.9 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 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. 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, 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 and a focus of adding structure in the FY15 budget, in addition to the County’s newly implemented meals tax which exceeded estimates, allowed for a revenue variance of 4.2 percent. Continued conservative revenue estimates in the FY16 budget, particularly in the area of State aid, will again yield a positive revenue variance into the foreseeable future. As such, no warning trend is warranted for this indicator.

Revenue Variance
(as a % of Net Operating Revenues)



WARNING TREND: Increasing number of employees per capita.

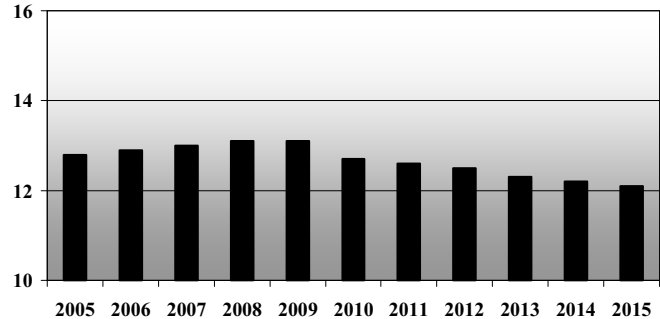
Formula:

$$\frac{\text{Number of General Government Employees}}{\text{Population}}$$

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 306 employees from FY05 to FY09, then were reduced by a net 63 positions from FY10 to FY15. The graph above illustrates that the employees per 1,000 population generally measured around 13.0 employees per 1,000 population during the first five 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 FY15 level of 12.1.

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 257 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 344 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. In FY15, the number of positions increased by a net total of 10 to 3,937. The indicator dropped to 12.5 in FY12, 12.3 in FY13, 12.2 in FY14, and 12.1 in FY15. 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 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.

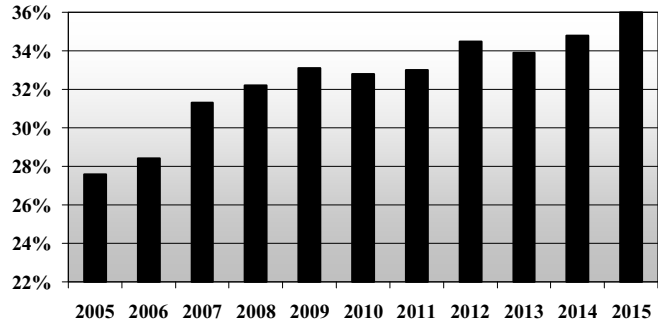
Formula:

$$\frac{\text{Fringe Benefit Expenditures}}{\text{Salaries and Wages}}$$

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 32.5 percent between FY05 and FY15. The high point reflected in this time frame is FY15, which measured 36.0 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 pf 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 FY05 was \$4,202. By FY15, this cost had nearly doubled to \$7,239 *per employee*, or a change of 72.3 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 a large portion 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. 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 was \$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.

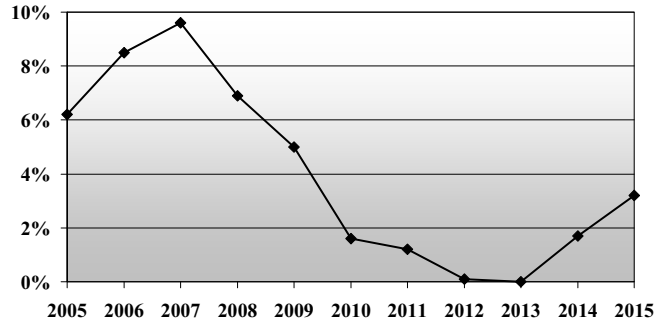
Formula:

$$\frac{\text{General Fund Operating Surpluses}}{\text{Net Operating Revenues}}$$

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 FY05 to FY07, the operating surplus improved from a level of 6.2 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. In FY15, the operating surplus doubled to \$34.2 million as a result of fiscal structure added back to the budget baseline that fiscal year. With these structural additions, as well as conservative revenue estimates in both the FY16 and FY17 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 such, no warning trend is warranted for this indicator.

WARNING TREND: Consistent enterprise losses.

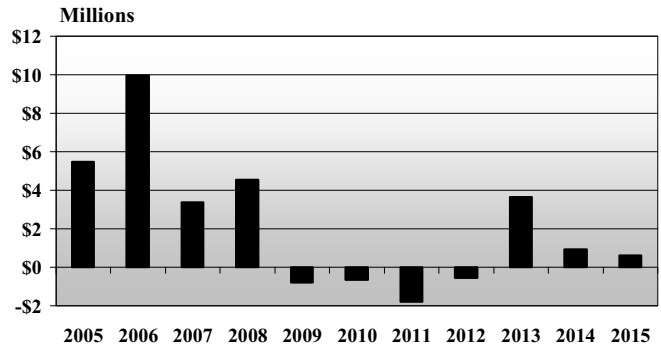
Formula:

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 and FY15, though it should be noted these two fiscal years were 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 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. In FY15, as a result of targeted cost reductions at the golf course and slight green fee and cart increases, as well as 1.3 percent increase in rounds played, the Belmont Golf Course nearly achieved profitability in FY15. Should Belmont experience a steady increase in rounds played, there is a possibility that a slight profit is achieved. However, until those results are achieved, a warning trend for the Golf Course continues.

WARNING TREND: Declining unassigned General Fund Balance as a percentage of net operating revenues.

Formula:

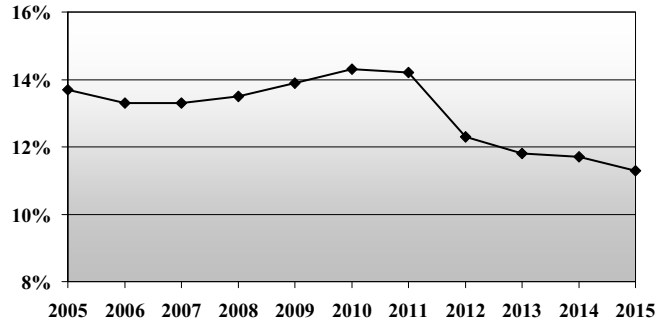
$$\frac{\text{Unassigned General Fund Balance}}{\text{Net Operating Revenues}}$$

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 FY05, where it was 13.7 percent, to FY11, where it was 14.2 percent before dropping each year since, to 11.3 percent in FY15. It should be noted that overall General Fund balance increased \$13.6 million in FY15 and unassigned fund balance increased \$3.3 million.

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 the effects and after-effects of two recessions during this eleven year period. 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. FY14 and FY15 reflects unassigned fund balance increases of 2.1 percent and 2.9 percent, respectively, as the County experienced a positive result of operations. It is important to again note that this depiction of General Fund balance is completely different from those referred to in the Annual Fiscal Plan, as "net operating revenues" in this indicator includes the General, Special Revenue, and Debt Service Funds. In the Annual Fiscal Plan, net operating revenues typically refer to just General Fund revenues.

Overall, the County's Unassigned General Fund Balance reflects a positive trend since FY05 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 37 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.

With the County’s revenue picture becoming more positive in FY14 and FY15, unassigned and overall fund balance levels have improved. Combined with a continued effort to keep expenses low, unassigned fund balance increased by \$3.3 million or 2.9 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, no warning trend is warranted for this indicator.

WARNING TREND: Decreasing amount of cash and short-term investments as a percentage of current liabilities.

Formula:

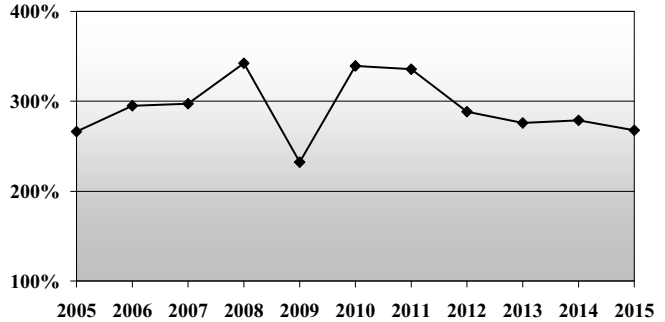
$$\frac{\text{Cash and Short-term Investments}}{\text{Current Liabilities}}$$

Liquidity

(Cash & Investments as a % of 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 FY14 this indicator increased to 279.0 percent. In FY15, this indicator dropped to 267.8 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.

WARNING TREND: Increasing current liabilities at end of year as a percentage of net operating revenues.

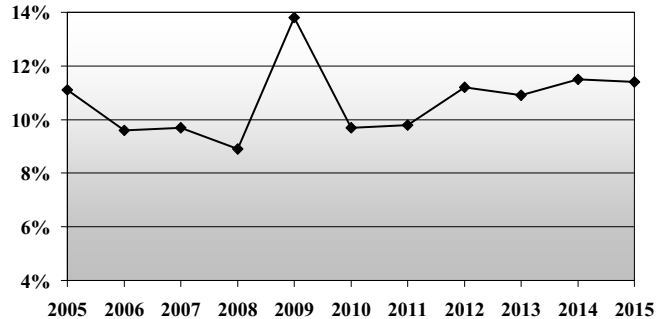
Formula:

$$\frac{\text{Current Liabilities}}{\text{Net Operating Revenues}}$$

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.

Current Liabilities
(as a % of Net Operating Revenues)



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 and remained relatively flat at 11.4 percent in FY15.

There are two large components that make up this indicator, the first of which is recorded “accounts payable.” The FY15 total for this liability measured \$58.9 million, which reflects a decrease of 4.3 percent when compared to the FY14 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 FY15.

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.

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:

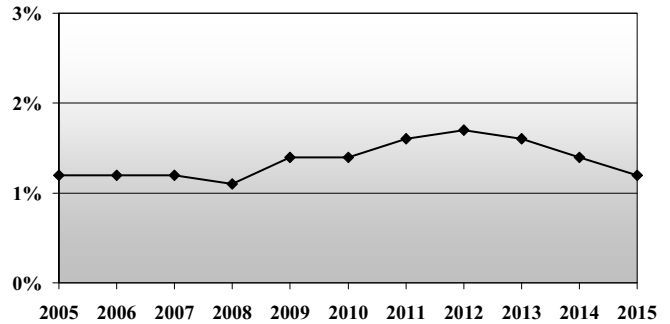
As seen above, Henrico County's percentage of net long-term debt to real property valuations has remained relatively stable. During the eleven-year period shown above, the long-term debt indicator reached a high point of 1.7 percent in FY12 due to the County combining two years of planned debt issuances 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. Since its peak, this indicator has fallen to 1.2 percent in FY15 as the only new debt planned to be issued as of this writing is for the replacement of the public safety communications system in FY16.

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:

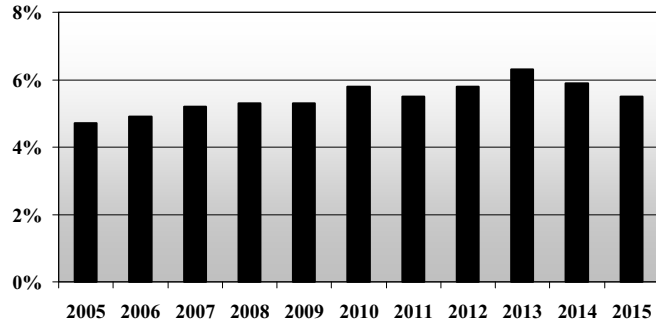
$$\frac{\text{Debt Service}}{\text{Net Operating Revenues}}$$

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. In FY13, this indicator reached it’s peak at 6.0 percent as debt service expenses increased at a faster rate (10.1 percent) than net operating revenues (1.5 percent). 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 had dropped the past two fiscal years. 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.

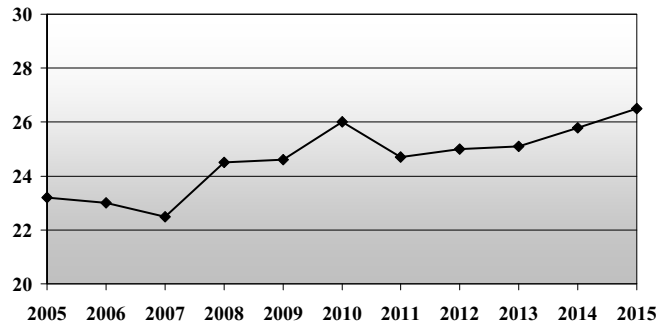
Formula:

$$\frac{\text{Total Days of Unused Vacation Leave}}{\text{Number of General Government Employees}}$$

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 24.6 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 26.5 days in FY15.

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 FY15, this indicator reached the highest point in the time period represented, increasing to 26.5. In the entire eleven-year period, this indicator has fluctuated within a range of 3.3 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 twelve years (Source: Human Resources Department). Due to the FY13 VRIP initiative, the average employee age dropped four years as 98 employees accepted the incentive and retired. In FY15, 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.

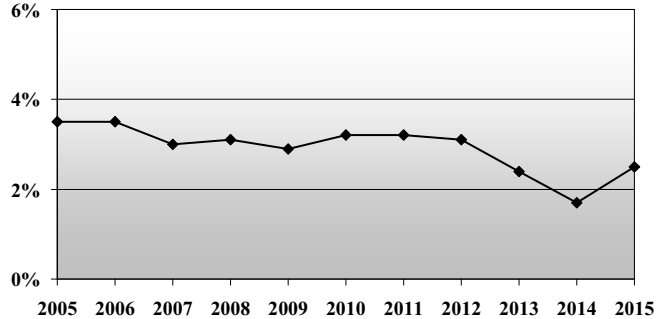
Formula:

$$\frac{\text{Capital Outlay from Operating Funds}}{\text{Net Operating Expenditures}}$$

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 FY05 through FY12, a fairly consistent level of capital outlay expenditures occurred, ranging from 2.9 percent to 3.5 percent. While the first eight 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. 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. The level of capital outlay expenditures increased in FY15 to 2.5 percent of net operating expenditures, however this was the result of increased capital lease costs related to a new contract for HCPS student laptops. This capital lease amount should reduce over the coming years. Lower capital outlay spending could result in obsolete or inefficient equipment in the near future. As such, a warning trend continues 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.

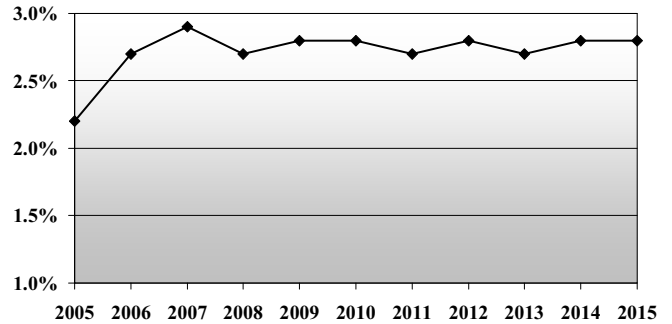
Formula:

$$\frac{\text{Depreciation Expense}}{\text{Cost of Depreciable Fixed Assets}}$$

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, FY15, 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:

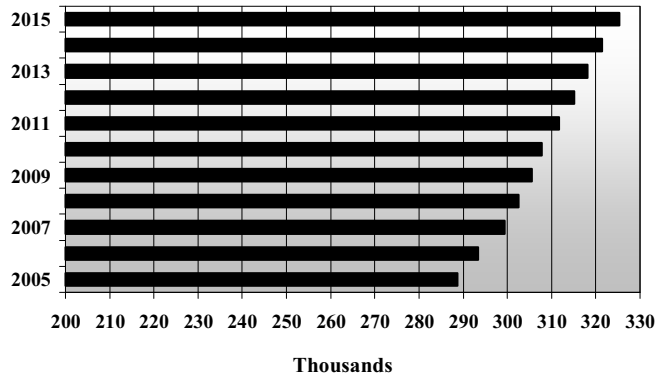
The County of Henrico has experienced a steady growth in population from 288,735 in FY05 to 325,283 in FY15, which represents an increase of 12.7 percent in this eleven-year time span, or an annual average increase of 1.3 percent per year. According to the 2000 United States Census, Henrico and Chesterfield 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 will remain a challenge.

Population



WARNING TREND: Decline in the level, or growth rate, of personal income per capita.

Indicator:

Per Capita Income

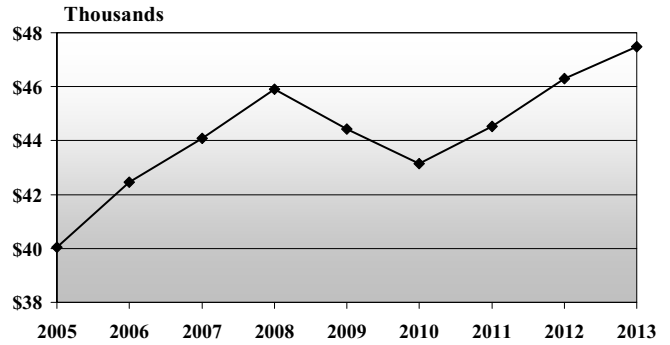
Source: Bureau of Economic Analysis

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 18.6 percent from \$40,036 in 2005 to the \$47,482 reported for 2013. It should be noted that this indicator factors in increases to the County's population, which increased 10.2 percent between 2005 and 2013.

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 2013 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, 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 to turn around, 2011 saw an increase of 3.2 percent, 2012 increased by 4.0 percent, and 2013 increased by 2.6.

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.

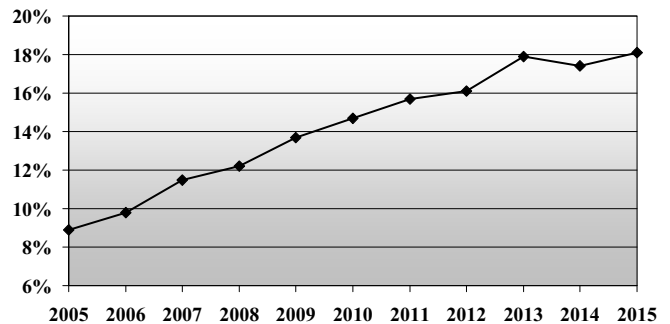
Formula:

$$\frac{\text{Public Assistance Recipients}}{\text{Total Population}}$$

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 8.9 percent in FY05 and a high of 18.1 percent in FY15. 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. Recently, the State Medicaid unit was dissolved and all cases statewide were sent back to their local jurisdictions. In addition, the state deployed CoverVirginia, which is a processing unit for the State. Citizens now have the ability to file on-line as well as telephonic. This has allowed for ease in applying for benefits. There has also been a simplification of verifications needed to process cases utilizing federal data matches and self-declaration.

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.

In Henrico County, since July 2007 the Supplemental Nutrition Assistance Program (also recognized as the food stamp program) caseload has increased by 129.0 percent and the number of individuals receiving Medicaid increased by 83.6 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. In FY15, Virginia did not expand Medicaid for individuals with less than 138% of the federal poverty level. 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, adding to the 38,003 recipients currently eligible, increasing the citizens in Henrico receiving Medicaid benefits by nearly 40%. 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:

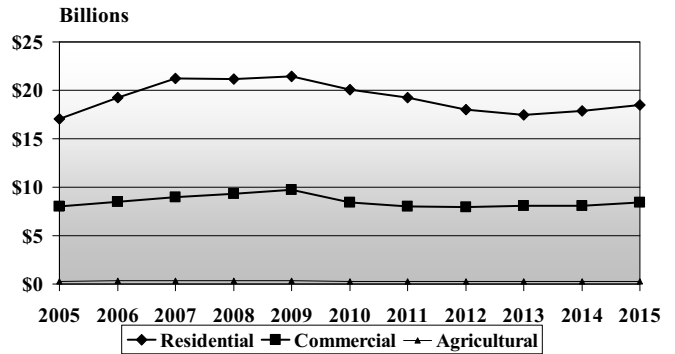
Real Property Values (Constant Dollars)

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 20.0 percent and constant dollar commercial property values declined 17.4 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. Since FY13 the trend has been reversed with constant dollar residential property values increasing by 2.3 percent and 3.5 percent, in FY14 and FY15 respectively. Constant dollar commercial property values have also experienced an increase over the same two year period, with a 0.1 percent increase in FY14 and a notable 3.6 percent increase in FY15. While increases in this indicator are reflected in both residential and commercial over the past two fiscal years, it is important to note that both residential and commercial property values, on a constant dollar basis, still 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. 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, no warning trend is noted for this indicator at this time.

WARNING TREND: Increasing market value of residential development as a percentage of market value of total development.

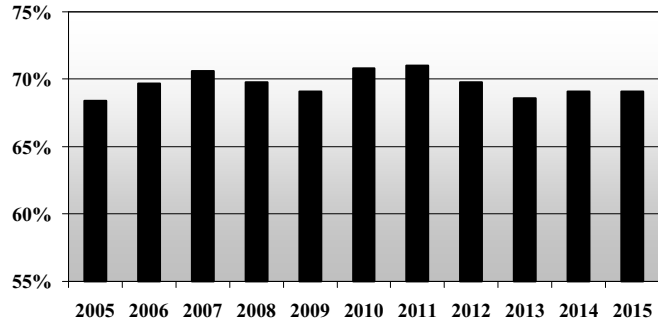
Formula:

$$\frac{\text{Market Value of Residential Development}}{\text{Market Value of Total Development}}$$

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 68.4 percent in 2005, to a high of 71.0 percent in 2011. As reflected in the chart above, the indicator increased each year from 2005 to 2007, from 68.4 percent in 2005 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 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 and 68.6 in 2013. In 2014, the indicator increased slightly to 69.1 percent and remained constant in 2015.

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 5.4 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 0.8 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 4.1 percent. For the first time since 2008, 2014 residential reassessments reflected growth at 4.4 percent, and commercial values grew by 2.1 percent, causing the indicator to increase to 69.1 percent. Although the indicator remained flat for FY15, it is important

to note that both residential and commercial values experienced an increase, 3.6 percent and 3.8 percent, respectively.

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, no warning trend is noted for this indicator at this time.

WARNING TREND: Increasing rate of local unemployment or a decline in number of jobs provided within the community.

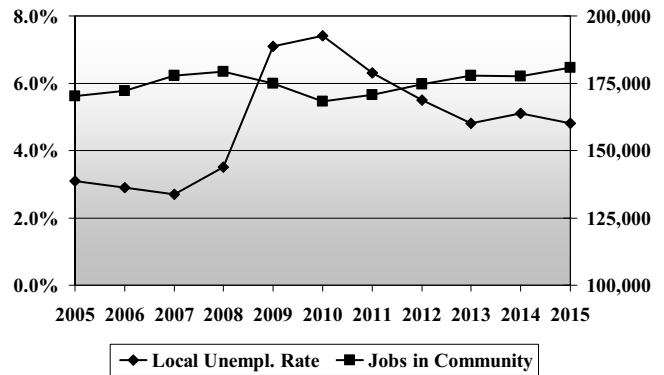
Indicators:

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 2005 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 and in 2015 the rate went back down again to 4.8 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, there is no warning trend for this indicator.

II. Number of Jobs:

From 2005 through 2008, the number of jobs in Henrico increased from 170,183 to a peak of 179,426. As a result of the economic downturn, by 2010, the number of jobs in Henrico had declined to 168,142. Since 2010, the County has added back 12,735 jobs, and now totals 180,877 in 2015. This year marks the highest number of jobs in the eleven-year period and represents the most jobs within the community that has been recorded to date.

Due to the severe recessionary economic environment, 2009 and 2010 both reflected net declines in the number of jobs in Henrico County. Between 2010 and 2013, a total of 9,668 jobs were added. The number of jobs remained relatively flat in 2014, decreasing by 163 net jobs. However, in 2015, a total of 3,230 jobs were added, reflecting growth of 1.8 percent. With the County making up for all jobs lost during the economic downturn and due to a number of recent economic development announcements, there is no warning trend for this indicator.

WARNING TREND: Decline in business activity as measured by retail sales and gross business receipts.

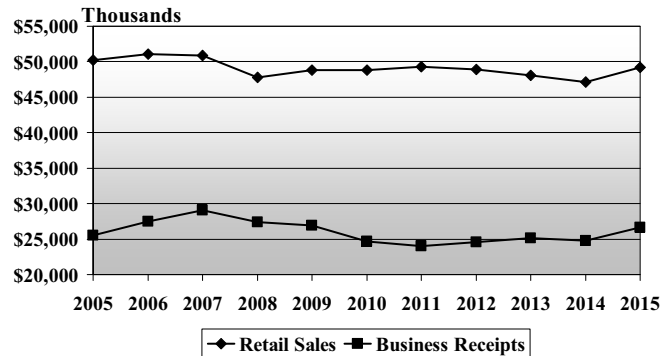
Indicators:

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 \$50.2 million in FY05 to \$49.2 million in FY15. 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 2005 and 2007. In FY08, inflation adjusted sales declined from \$50.9 million to \$47.8 million, a decrease of 6.1 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 in FY09. 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 FY14, sales tax receipts adjusted for inflation decreased to its lowest point in the examination period at \$47.1 million. Retail sales in FY15 experienced a rebound as, on a constant dollar basis, grew 4.5 percent. The County still maintains the lion’s share of regional taxable sales and will continue to strengthen its retail market with several new retail developments to be completed within the next calendar year. Current year sales and use collections as of this writing have increased 5.9 percent when compared to the same time last fiscal year. Sales and use tax receipts will continue to be monitored closely but 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 above indicates that from FY05 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 6.1 percent, 7.6 percent, and 6.0 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 8.2 percent, easily the largest decline in the eleven-year period examined, and real unadjusted BPOL tax revenue declined by 7.2 percent. In FY11 inflation adjusted BPOL tax receipts declined by 2.8 percent, but real unadjusted BPOL tax revenue increased slightly, by 0.7 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 2.2 percent and 2.3 percent, respectively. BPOL tax receipts in FY14 experienced an inflation-adjusted decline of 1.3 percent, though experienced overall growth of 0.7 percent. Business receipts in FY15 grew at the highest rate since before the economic recession as, in constant dollars, they grew 7.4 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. Just as with 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.

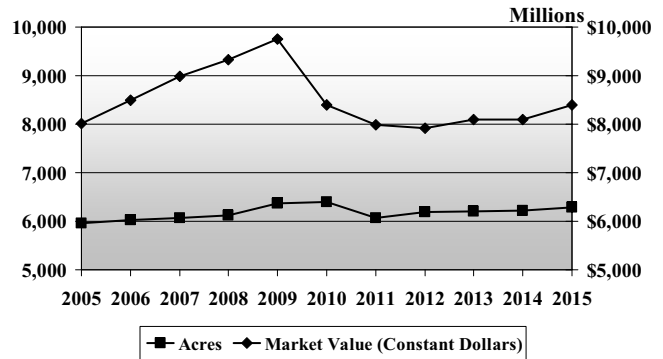
Indicators:

*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 2005 to 2010, with 5,954 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 2005 to 2010 and from 2011 through 2015, the average annual increase in the number of business acres developed was nearly 60.5. That being said, in 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. This growth rebounded in FY15 to 77 newly developed business acres for a total of 6,291.

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 \$8.0 billion in CY05 to \$9.8 billion in CY09, before falling in each of the next three years, to \$7.9 billion in CY12 before climbing the next two years to \$8.4 billion in CY15. 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 FY05 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. Growth continued for the fourth consecutive year in CY15 as commercial values increased 3.8 percent.

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 but a cautious outlook remains.

FINANCIAL INDICATORS DISPLAYED GRAPHICALLY

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues Per Capita	2,735.3	2,792.9	2,903.2	2,880.5	2,951.9	2,782.2	2,608.6	2,556.9	2,527.6	2,521.6	2,649.8
Expenditures Per Capita (In Constant Dollars)	2,572.0	2,607.9	2,677.8	2,726.7	2,815.1	2,797.5	2,595.1	2,559.3	2,518.9	2,557.4	2,533.7
Intergovernmental Revenues (without PPTRA)	37.0%	36.1%	37.8%	38.7%	39.9%	39.5%	39.4%	39.7%	40.7%	40.8%	40.0%
Intergovernmental Revenues (PPTRA only)	4.2%	4.9%	4.0%	3.8%	3.7%	3.9%	3.9%	3.9%	3.8%	3.7%	3.5%
Elastic Tax Revenues (as a % of Net Operating Revenue)	10.0%	10.0%	9.6%	8.9%	8.6%	8.8%	9.2%	9.4%	9.3%	9.4%	11.8%
Property Tax Revenues (In Constant Dollars)	287,165	303,874	323,373	330,268	340,438	327,887	304,651	297,620	293,432	299,589	306,199
Uncollected Property Tax Revenues (as a % of Total Levy)	0.6%	0.5%	0.5%	0.5%	0.7%	1.0%	1.1%	1.3%	1.4%	1.3%	1.2%
User Charge Coverage (Revenues/Expenditures)	53.0%	52.4%	50.1%	48.0%	48.2%	50.6%	52.5%	51.0%	51.9%	54.2%	55.4%
Revenue Variance (as a % of Net Operating Revenue)	3.4%	5.7%	5.4%	6.1%	1.4%	0.2%	1.2%	0.5%	1.3%	2.4%	4.2%
Employees Per Capita (Employees per thousand population)	12.8	12.9	13.0	13.1	13.1	12.7	12.6	12.5	12.3	12.2	12.1
Fringe Benefits (as a % of Salaries)	27.6%	28.4%	31.3%	32.2%	33.1%	32.8%	33.0%	34.5%	33.9%	34.8%	36.0%
Operating Surpluses (as a % of Net Operating Revenue)	6.2%	8.5%	9.6%	6.9%	5.0%	1.6%	1.2%	0.1%	0.0%	1.7%	3.2%
Enterprise Losses (In Constant Dollars)	5.472	9.956	3.381	4.551	(0.778)	(0.643)	(1.790)	(0.560)	3.665	0.937	0.637
General Fund Balances (as a % of Net Operating Revenue)	13.7%	13.3%	13.3%	13.5%	13.9%	14.3%	14.2%	12.3%	11.8%	11.7%	11.3%
Liquidity (Cash & Investments as a % of Current Liabilities)	266.0%	294.9%	297.1%	342.2%	232.2%	339.4%	335.4%	288.2%	275.5%	279.0%	267.8%
Current Liabilities (as a % of Net Operating Revenue)	11.1%	9.6%	9.7%	8.9%	13.8%	9.7%	9.8%	11.2%	10.9%	11.5%	11.4%
Long Term Debt (as a % of Assessed Valuation)	1.2%	1.2%	1.2%	1.1%	1.4%	1.4%	1.6%	1.7%	1.6%	1.4%	1.2%
Debt Service (as a % of Net Operating Revenue)	4.7%	4.9%	5.2%	5.3%	5.3%	5.8%	5.5%	5.8%	6.3%	5.9%	5.5%
Accumulated Employee Leave Liability (in Days)	23.2	23.0	22.5	24.5	24.6	26.0	24.7	25.0	25.1	25.8	26.5
Level of Capital Outlay (as a % of Net Operating Expenditures)	3.5%	3.5%	3.0%	3.1%	2.9%	3.2%	3.2%	3.1%	2.4%	1.7%	2.5%

FINANCIAL INDICATORS DISPLAYED GRAPHICALLY

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Depreciation (Depreciation Expense as a % of Assets)	2.2%	2.7%	2.9%	2.7%	2.8%	2.8%	2.7%	2.8%	2.7%	2.8%	2.8%
Population	288,735	293,382	299,443	302,518	305,580	307,832	311,726	315,157	318,158	321,374	325,283
Per Capita Income (restated)	40,036	42,459	44,079	45,911	44,423	43,151	44,529	46,292	47,482	N/A	N/A
Public Assistance Recipients (as a % of Total Population)	8.9%	9.8%	11.5%	12.2%	13.7%	14.7%	15.7%	16.1%	17.9%	17.4%	18.1%
Property Values (In Constant Dollars)	25,3348	28,0693	30,6078	30,8797	31,5393	28,7685	27,5055	26,1604	25,7993	26,2070	27,1365
Residential	17,047	19,262	21,256	21,197	21,437	20,075	19,238	17,984	17,447	17,848	18,477
Commercial	8,012	8,496	8,987	9,327	9,758	8,399	7,989	7,913	8,101	8,103	8,396
Agricultural	0,277	0,312	0,365	0,356	0,345	0,294	0,278	0,264	0,252	0,257	0,263
Residential Development (includes agric) (as a % of Total Property)	68.4%	69.7%	70.6%	69.8%	69.1%	70.8%	71.0%	69.8%	68.6%	69.1%	69.1%
Employment Base											
Local Unemployment Rate	0.0310	0.0290	0.0270	0.0350	0.0710	0.0740	0.0630	0.0550	0.0480	0.0510	0.0480
Jobs in Community	170,183	172,216	177,744	179,426	174,758	168,142	170,581	174,628	177,810	177,647	180,877
Business Activity - #1 (In Constant Dollars)											
Retail Sales	50,212.22	51,049.27	50,851.27	47,770.31	48,792.23	48,790.91	49,306.71	48,900.06	48,091.83	47,117.14	49,239.71
Annual Business Receipts	25,510.35	27,442.82	29,100.97	27,419.93	26,915.79	24,721.41	24,031.47	24,553.37	25,104.91	24,776.28	26,603.96
Business Activity - #2	6.1%	7.6%	6.0%	-5.8%	-1.8%	-8.2%	-2.8%	2.2%	2.2%	-1.3%	7.4%
Market Value of Business Property	8,011.57	8,496.07	8,987.13	9,326.97	9,757.76	8,399.39	7,989.41	7,912.75	8,101.16	8,102.57	8,396.27
Acres Devoted to Business	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	6,291.00

GENERAL FINANCIAL AND ECONOMIC DATA

Item	Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
7.4	Public Assistance Recipients	25,591	28,656	34,469	36,799	41,809	45,255	49,093	50,801	56,898	55,924	58,720
7.6	Market Value of Property (Mil. of \$)	25,335	29,282	32,788	34,740	34,976	32,239	31,921	30,865	30,973	32,114	33,295
7.8	Market Value-Residential (Mil. of \$)	17,047	20,093	22,770	23,847	23,772	22,497	22,327	21,218	20,945	21,871	22,670
7.9	Market Value-Commercial (Mil. of \$)	8,012	8,863	9,627	10,493	10,821	9,413	9,272	9,336	9,726	9,929	10,302
7.10	Market Value-Agricultural (Mil. of \$)	277	325	391	400	382	329	322	311	302	315	323
7.11	Residential Households (Calendar Year)	121,505	123,457	125,972	127,046	128,529	129,781	130,482	131,044	131,652	132,363	133,020
7.12	Vacancy Rates-Residential (Calendar Year)	1.5%	1.5%	1.6%	1.6%	1.6%	1.6%	2.5%	2.4%	2.0%	1.6%	1.4%
7.15	Local Unemployment Rate	3.1%	2.9%	2.7%	3.5%	7.1%	7.4%	6.3%	5.5%	4.8%	5.1%	4.8%
7.16	Jobs Within Community	170,183	172,216	177,744	179,426	174,758	168,142	170,581	174,628	177,810	177,647	180,877
7.17	Retail Sales (Thous. of \$)	50,212	53,254	54,473	53,742	54,109	54,677	57,222	57,694	57,736	57,738	60,414
7.19	Annual Business Receipts (Thous. of \$)	25,510	28,628	31,174	30,848	29,849	27,704	27,889	28,969	30,139	30,361	32,641
7.20	Business Acres (Calendar Year)	5,954	6,032	6,062	6,118	6,371	6,393	6,064	6,189	6,211	6,214	6,291
7.21	CPI	194.5	202.9	208.4	218.8	215.7	218.0	225.7	229.5	233.5	238.3	238.6
7.22	CPI-Index	1,0000	1,0432	1,0712	1,1250	1,1090	1,1206	1,1605	1,1798	1,2005	1,2254	1,2269

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