

Fiscal Year

2017 – 2018

APPROVED BUDGET

INCLUDES SUMMARY
OF 5-YEAR CAPITAL
IMPROVEMENT
PROGRAM



HENRICO COUNTY • VIRGINIA



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Henrico County
Virginia**

For the Fiscal Year Beginning

July 1, 2016

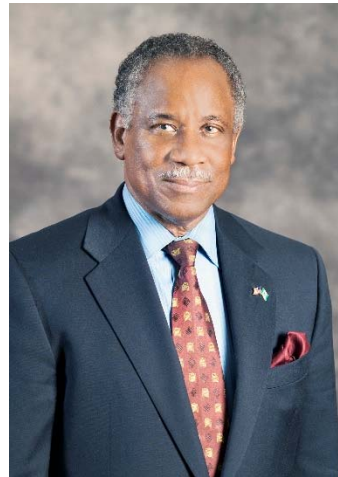
Executive Director

HENRICO COUNTY

Board of Supervisors



Patricia S. O'Bannon
Chairman
Tuckahoe District



Frank J. Thornton
Vice Chairman
Fairfield District



Thomas M. Branin
Three Chopt District



Tyrone E. Nelson
Varina District



Harvey H. Hinson
Brookland 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.



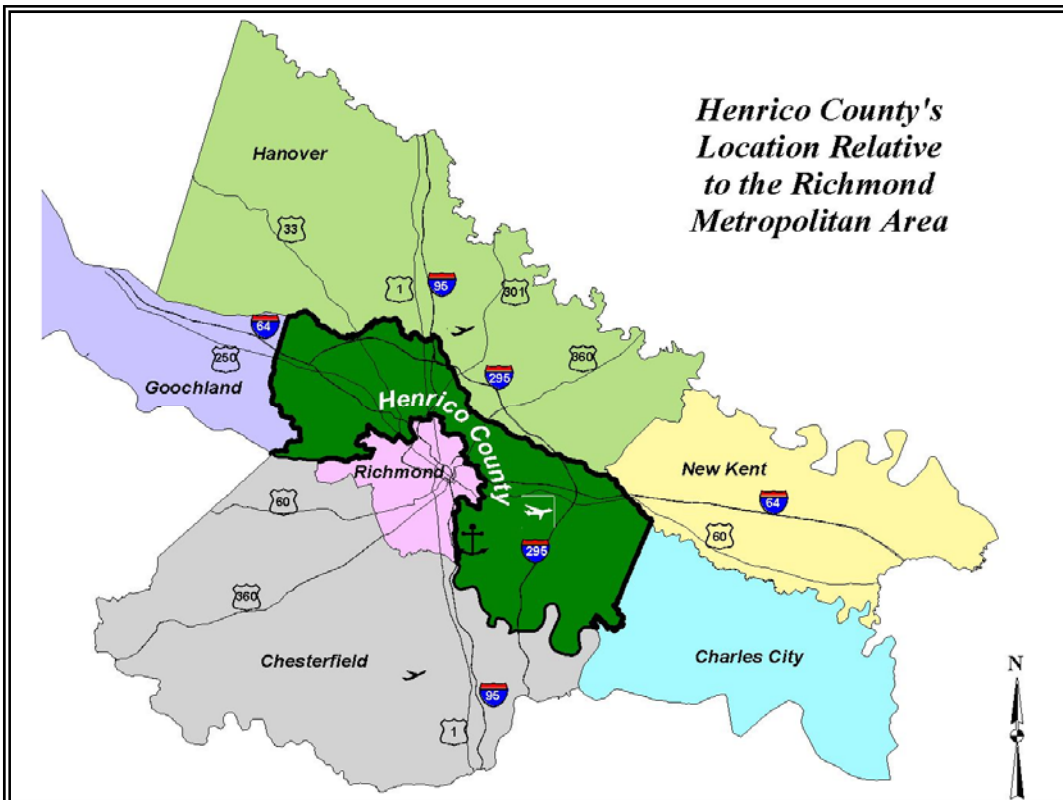
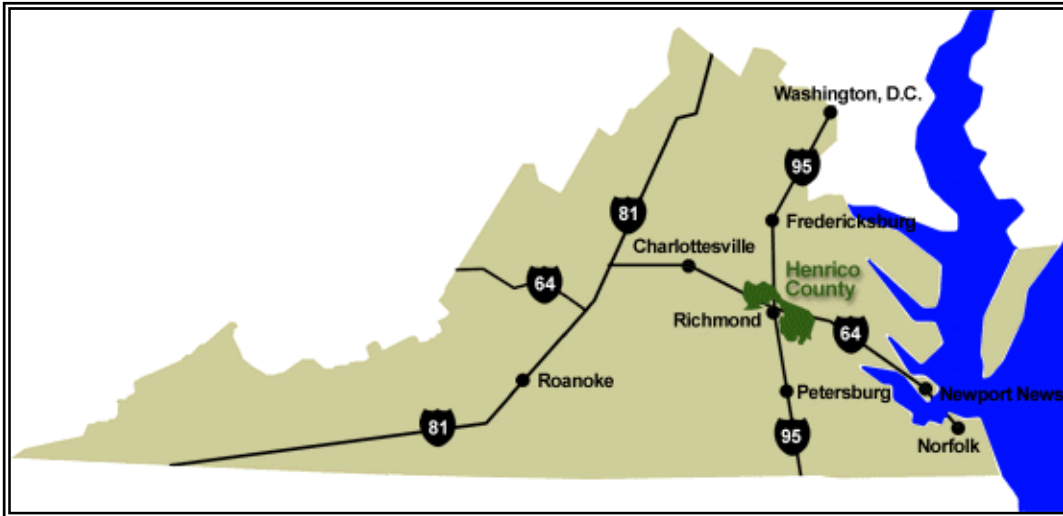
John A. Vithoukas
County Manager



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 329,000 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.

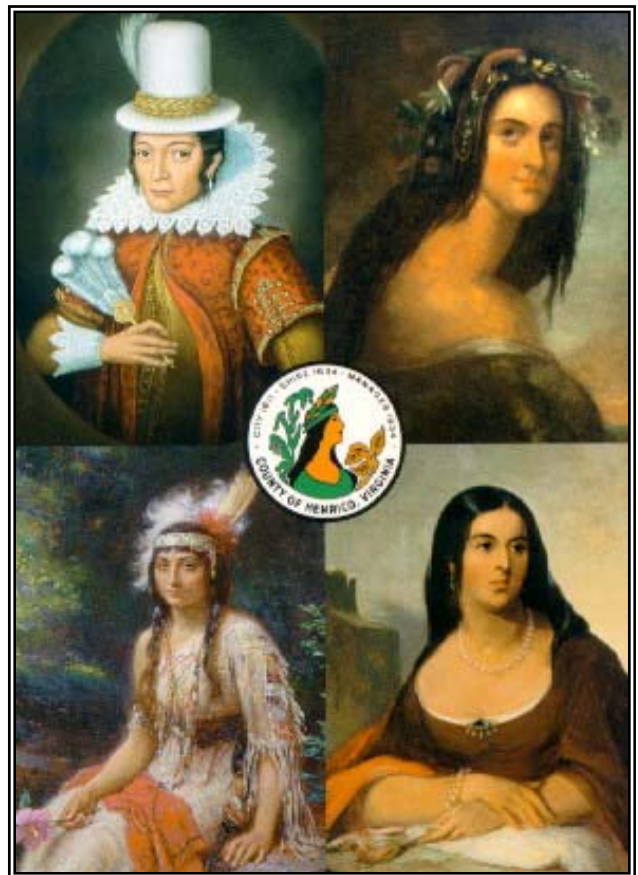
In 1634, Virginia was divided into eight shires, or counties, one being Henrico. The County was named for Henry, Prince of Wales, the eldest son of King James I of England.

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).

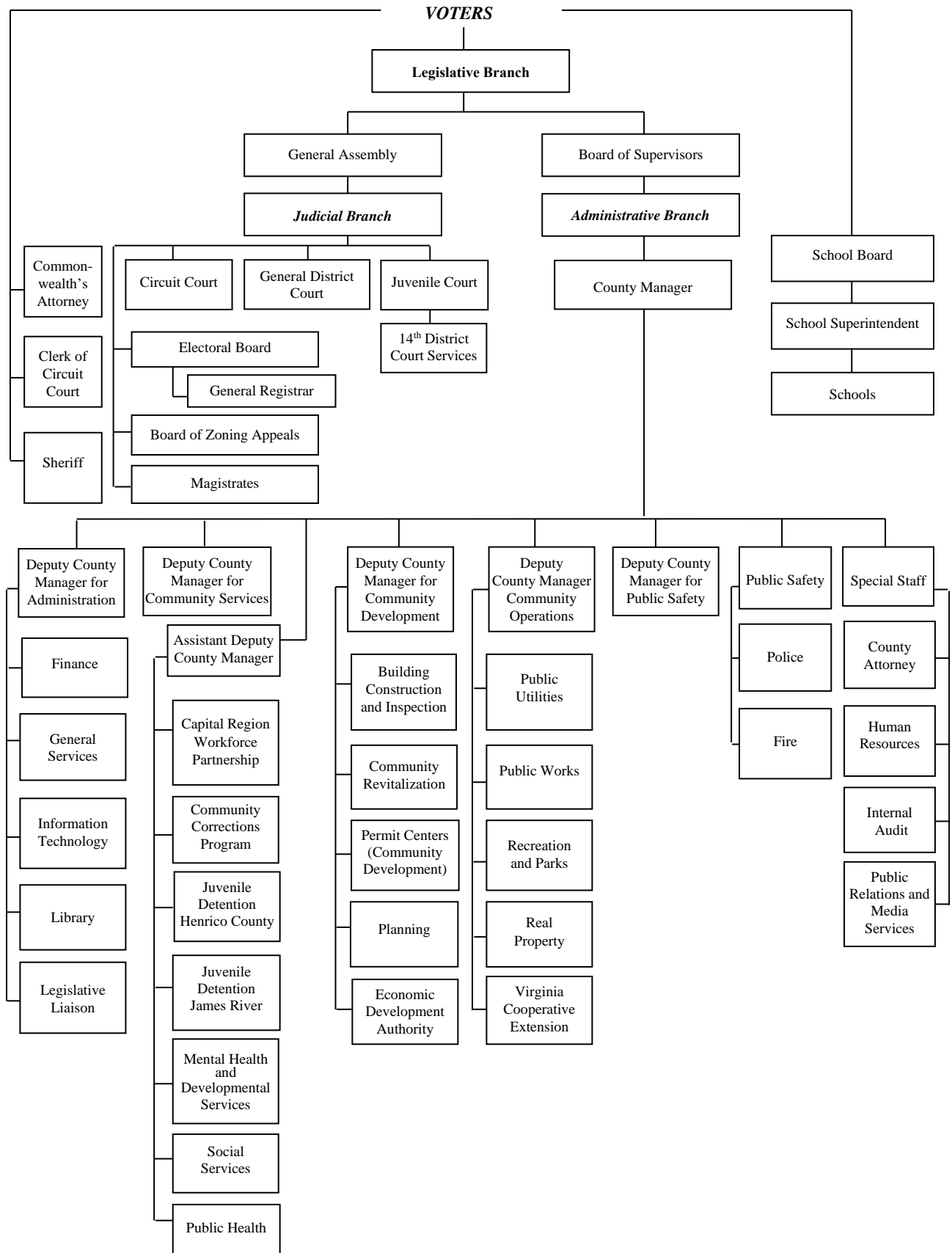
The School Board is elected by the voters to represent each of the five magisterial districts. They are elected for four-year in a sequence similar to that of the County Board Members and are responsible for the allocation and control of school finances, programs and personnel. The superintendent of 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 3rd Qtr. of 2016.

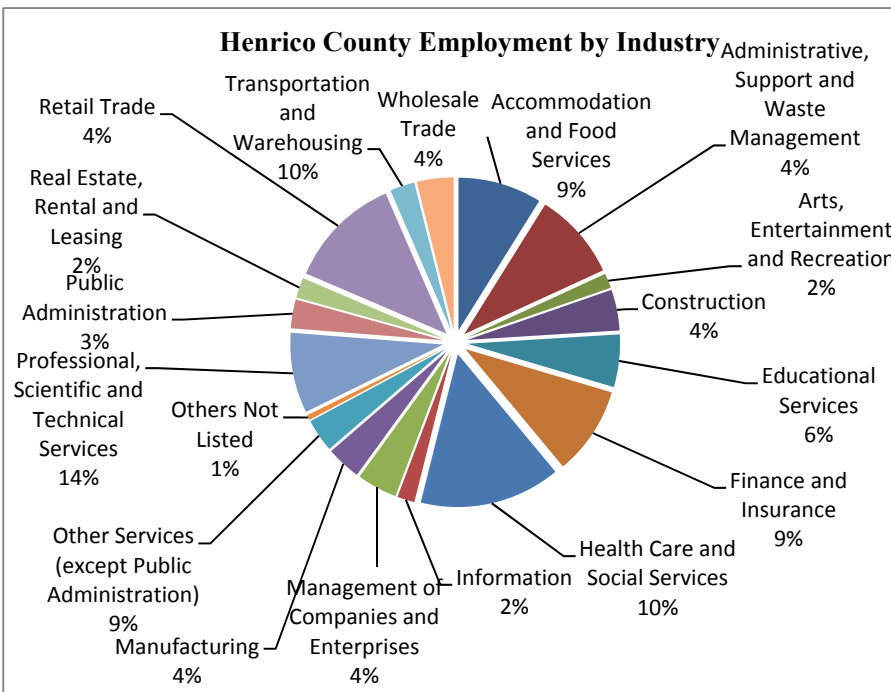
Top Ten Employers with ≥ 900 Employees

Rank	Employer
1	Henrico County School Board
2	County of Henrico, VA
3	Bon Secours Richmond Health System
4	Anthem
5	HCA Virginia Health System
6	Capital One Bank
7	Wells Fargo Bank NA
8	Walmart
9	U.S. Postal Service
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 2016, 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 remain low at 3.7 percent in December 2016, which is lower than the Richmond MSA average of 3.9 percent, the state average of 4.1 percent, and the national average of 4.7 percent. Henrico continues to experience healthy job growth with 1,375 new and saved jobs added in 2016 and since 2006 Henrico ranks second in the number of jobs added among all Virginia localities. In addition, sixteen local businesses in Henrico are among "America's Fastest Growing Companies" 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 2015, the County captured \$852.2 million in visitor spending, a 2.8 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.

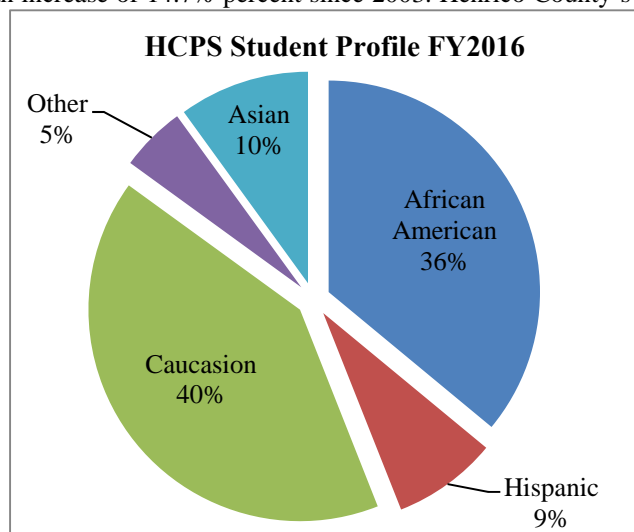
<i>Population by Race</i>	<i>2000</i>	<i>2010</i>	<i>% Change</i>
American Indian & Alaska native alone	920	1,012	10.0%
Asian /Pacific Islander	9,533	20,179	111.7%
Black or African American alone	64,820	90,669	39.9%
Other/Multiracial	6,284	13,356	112.5%
White alone	180,780	181,719	0.5%
Total	262,337	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 50,173 in 2016, 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 3,500 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 2017-18 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 FY2017-18 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 FY2017-18 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 2017-18
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INTRODUCTION





John A. Vithoukas
County Manager

COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

June 27, 2017

The Honorable Board of Supervisors
County of Henrico
Virginia

Honorable Members of the Board:

Enclosed is the Annual Fiscal Plan for FY2017-18, including both the operating and capital budgets, that was approved by the Board of Supervisors at the April 25, 2017 meeting. The Board of Supervisors made no changes to the FY2017-18 proposed budget that you received at your March 14, 2017 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 FY2017-18.

Respectfully submitted,

John A. Vithoukas
County Manager





John A. Vithoukas
County Manager

COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

March 14, 2017

The Honorable Board of Supervisors
County of Henrico, Virginia

Honorable Members of the Board:

I submit to you the FY2017-18 Proposed Budget for Henrico County. The approach taken in this budget is in keeping with the legacies established through the combined 65 years of service to this County by the two individuals we lost this past year. During their tenures, David A. Kaechele and Richard W. Glover oversaw vast changes not only in their respective magisterial districts but throughout the County. The consistency of their leadership in always making sure the interests of the County's citizens was put first is the reason we, as a local government, have the proven record of success we have. Put succinctly, we are better for them answering the call of service and both will be missed greatly.

The Proposed Budget positions Henrico County to further the legacy of these two great leaders by balancing the budget within available resources at **a real estate tax rate of 87 cents** – which remains the lowest of Virginia's large, urban localities - while enhancing the County's attractiveness to business prospects by **lowering the personal property tax burden for data centers by 89 percent and increasing the full exemption from BPOL taxation to \$200,000 in gross receipts.** What follows is a summary of the highlights of the FY2017-18 Proposed Budget:

- The budget rewards all General Government and Schools employees with a **2.5 percent salary increase**, effective July 1, 2017 for the County's hard working employees;
- The Proposed Budget **fully-funds the budget request of the School Board** and reflects **\$18.5 million in overall incremental new General Fund resources** provided to our school system, including nearly **\$1.3 million for the first year of the Achievable Dream Academy**;
- In the realm of Public Safety, this budget will mark the fifth and final year of our commitment to add **ten new police officer positions a year**, bringing the total to 50. In addition, **24 new firefighters** are recommended **for the opening of the new Short Pump Firehouse (Fire Station #19) – the last 2005 Bond Project.** This is in addition to the ten firefighters approved in the FY2016-17 budget that are now in service as a medic unit that will be placed at the Short Pump Firehouse once it opens. Other public safety initiatives include **three additional firefighter positions** – the second year of a **three-year commitment to add nine firefighter positions** to alleviate staffing pressures and reduce minimum staffing-related overtime costs within the Division; additional overtime funding is recommended to bring the Police, Fire, and Sheriff budgets into **greater structural balance**; and a **\$250,000 increase to the Division of Fire's Apparatus Replacement Program** to insure the County's ability to replace this valuable equipment;

- The Proposed Capital Budget will include the first of the 26 projects **overwhelmingly approved** by the voters in this County in the November, 2016 General Obligation Bond Referendum. These include the renovation of 6 schools, classroom additions to Glen Allen Elementary School, construction of an expanded training facility for the Division of Fire, and the renovation of all 9 high school football fields. There is also work being done on future projects such as identifying property for the new Brookland Magisterial District Elementary School and Staples Mill Fire Station along with planning and design work for the replacement of Fairfield Library.
- In an effort to counteract the growing heroin epidemic within our community, several initiatives are being undertaken in this budget. These include \$200,000 to Mental Health to support initiatives determined by the Heroin Task Force to be necessary to combat the local impacts of the heroin epidemic; four new deputies to operate the Jail's x-ray scanner acquired to prevent drugs and other illicit materials from coming into the secure facility; and an Assistant Commonwealth's Attorney position dedicated to prosecuting the increasing number and complexity of these cases;
- In the area of Public Works, the proposed budget reflects the diverse nature of this agency. From a road construction perspective, the budget before you includes two capital project managers to manage and coordinate an expanding list of projects, which includes projects to be supported by \$2.5 million in local funding for sidewalk and pedestrian improvements; in the environmental section, the budget not only continues the \$2.3 million for stormwater management projects but also includes a position to assist in the work of inspecting stormwater facilities to meet Virginia stormwater mandates; and in the area of mass transit, the budget includes \$628,000 to maintain the bus routes in the County. To maintain the routes, this budget adds \$397,000, which assumes a 3.0 percent increase on current year costs. To expand service, this budget includes \$186,000 for the County's portion of the Bus Rapid Transit (BRT) and \$45,000 to add 1.1 miles to the Azalea Connector bus route.
- In addition to the targeted tax reductions, additional economic development efforts include positions and operating dollars necessary for the opening of Phase I of Greenwood Park to expand sports tourism and three positions to enhance the County's community maintenance efforts to enhance our business corridors; and
- In addition to the approved General Obligation Bond Projects, the capital budget includes \$8.7 million to replace and expand the Mental Health East Center. The replacement of this facility, which is currently operating at its full capacity, will actually create a cost savings of over \$340,000 by replacing a leased facility with a County-owned facility. Additionally, the capital budget includes the maintenance efforts of our school division with the \$2.5 million in roof and mechanical funding combined with the \$9.0 million in meals tax projects, it expands on the \$2.5 million for facility maintenance for general government projects with additional resources, and identifies funding for three public safety projects.

General Fund Revenues Continue Modest Growth

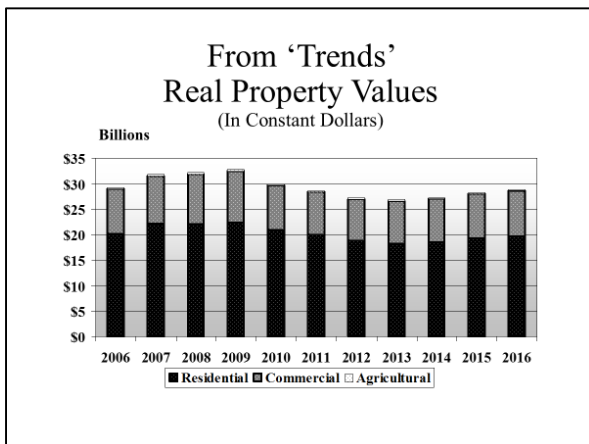
In looking at the budget before you, total estimated General Fund revenues for FY2017-18, prior to transfers to other funds are \$964.1 million, which represents an increase of \$30.0 million or 3.2 percent when compared to the current fiscal year. Net of transfers and

FY18 General Fund Revenues				
Category	FY17 Approved	FY18 Proposed	Difference	% Change
Real Estate Tax	\$292.0 million	\$305.5 million	\$13.5 million	4.6%
Personal Property Tax	\$115.9 million	\$120.0 million	\$4.1 million	3.6%
Local Sales Tax	\$61.0 million	\$64.3 million	\$3.3 million	5.3%
Business Licenses (BPOL)	\$32.0 million	\$32.5 million	\$0.5 million	1.6%
Hotel/Motel Tax*	\$11.2 million	\$12.0 million	\$0.8 million	7.1%
Meals Tax	\$20.0 million	\$23.0 million	\$3.0 million	14.9%
<u>All Other Local Revenues</u>	<u>\$60.2 million</u>	<u>\$60.1 million</u>	<u>(\$0.1 million)</u>	<u>(0.1%)</u>
Total Local Revenues	\$592.3 million	\$617.4 million	\$18.5 million	4.2%
<i>* Hotel/Motel Tax revenues are dedicated to the Greater Richmond Convention Center</i>				
State Aid for Schools	\$250.5 million	\$254.2 million	\$3.7 million	1.5%
State Gasoline Tax	\$44.1 million	\$45.2 million	\$1.1 million	2.6%
<u>All Other State & Federal</u>	<u>\$47.2 million</u>	<u>\$47.3 million</u>	<u>\$0.1 million</u>	<u>0.1%</u>
Total State and Federal Revs.	\$341.8 million	\$346.7 million	\$4.9 million	1.4%
Total General Fund Revs.	\$934.1 million	\$964.1 million	\$30.0 million	3.2%
Transfers/Cash Reserves	(\$123.2 million)	(\$124.5 million)	(\$1.3 million)	1.0%
TOTAL NET REVENUES	\$810.9 million	\$839.7 million	\$28.8 million	3.6%

uses of fund balance, the County's overall General Fund is growing by 3.6 percent. As can be seen in the chart above, the majority of the County's revenue growth can be attributed to a few sources: real estate tax, personal property tax, local sales tax, and State Aid for Schools. In looking at Hotel/Motel Tax receipts, Meals Tax, and State Gasoline Tax revenues, these resources are dedicated for specific purposes - the Greater Richmond Convention Center, Education, and road maintenance, respectively. Outside of these resources, minimal growth continues to be experienced, particularly in the area of State Aid for General Government. Lastly, Business, Professional, and Occupational License (BPOL) is referenced here as the threshold for businesses who pay this tax is proposed to be increased from \$100,000 in gross receipts to \$200,000.

Real Estate

Real estate tax revenues in the Proposed Budget reflect an overall increase of \$13.5 million from the current fiscal year estimate. After five years of declines in the County's real estate tax base, the January 2017 real estate reassessment reflected an increase for the fourth consecutive year. The total real estate tax base, inclusive of new construction and reassessment, increased by 4.6 percent. Residential and commercial reassessments increased 3.5 percent and 3.6 percent, respectively, with new construction for both residential and commercial properties accounted for an increase of 1.0% in the tax base.



With this year's increase, the real estate tax base has fully recovered the losses from 2009 to 2011, though there are a couple caveats that must be made to that statement. First, without the impact of new construction, which has totaled \$1.9 billion since 2012, neither base would be back to its previous peak. As such, the average residential real estate tax bill for a Henrico resident is still \$53 less than 2008. Second, if you consider the impact of inflation, as is done in the 'Financial Trends Monitoring System', the total tax base remains below the peak of 2009.

The Continuing 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 2.8 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. In fact, since 2011 tourism spending in Henrico County has increased 19.5 percent. Under the direction of the Board of Supervisors, Henrico has taken steps to highlight our County to the world. In March 2013 the *Visit Henrico* campaign was

launched to promote Henrico as a destination for tourists and youth and adult recreational sports tournaments. The results continue to impress. In the coming years as a result of prior investments for Greenwood Park and future investments approved by the voters in the 2016 General Obligation Bond Referendum, the impact of visitor spending should continue to grow.

State Funding

In looking at projected revenues from the State in the budget before you, a net increase of \$4.9 million is anticipated, with the majority of the increase in the area of State aid for K-12 Education. State aid for schools is increasing \$3.7 million, which is 75.3 percent of the total State aid increase, while all other sources from the State reflect a net increase of \$1.2 million. 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 moving forward on citizen approved referendum projects.

Focus on Core Services – Education and Public Safety

The budget before you continues to place an emphasis on making strategic investments in the County’s top priorities: Education and Public Safety. As a note, of the incremental revenues in the FY2017-18 budget recommendation, 85 percent of those resources are allocated to these top priorities.

FY2017-18 Proposed Schools Operating Budget

The overall General Fund budget for schools is increasing \$14.8 million or 3.3 percent to \$469.9 million, representing 56 percent of the entire General Fund budget. However, if you include the debt service for the 2016 Bond Projects, the increase for the School Bus Replacement Program, and the

FY2017-18 Proposed Additional Allocation to Schools and Public Safety	
HCPS General Fund Expenditure Increase	\$14.8 million
Meals Tax to Debt Service	\$3.0 million
Additional Funding for School Buses	\$0.5 million
Increase in Local Share for CSA Expenses	\$0.2 million
Total Allocation Increase to Schools	\$18.5 million
Public Safety General Fund Increase	\$6.7 million
Additional for Fire Apparatus	\$0.3 million
Total Allocation Increase to Public Safety	\$7.0 million
<u>Total Allocation Increase to Schools and Public Safety</u>	<u>\$25.5 million</u>

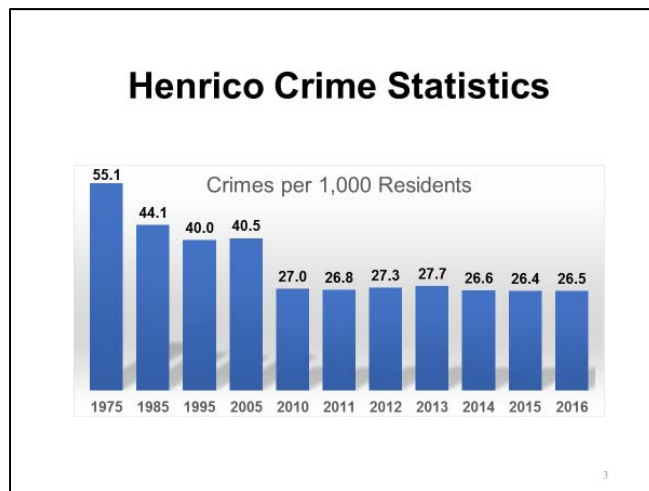
local resources being added to the Children's Services Act program, the incremental General Fund resources being provided to our school system is actually \$18.5 million. Of the \$18.5 million in additional resources provided to our school system, \$14.8 million or nearly 80 percent reflects local funds, while the remaining \$3.7 million reflects additional funding from State and Federal resources.

FY2017-18 will be the first academic year of the new Achievable Dream Academy. Slated to be located at Highland Springs Elementary School, the highly-acclaimed program encourages academic performance, positive behavior, and good citizenship for a targeted student population. The budget before you is only the start of this effort as the \$1.3 million will go towards grades kindergarten through second with an additional grade being added for the next three years.

In addition, the budget recommendation fully funds Schools' cost for a 2.5 percent salary increase for all schools employees, effective July 1, 2017. Further, an additional \$500,000 in current General Fund revenues has been included for the replacement of school buses, bringing the total of the school bus replacement fund to \$2.5 million to minimize the cost to repair the County's school bus fleet.

Public Safety – Fire, Police, and Sheriff

The budget before you includes 24 new firefighter positions for the opening of the new Short Pump Firehouse on the corner of North Gayton and Kain Roads (Fire Station #19). This will be in addition to the ten firefighter positions approved in the current budget that are currently in service as the County's sixteenth emergency medical services (EMS) unit. The additional 24 positions will complete the staffing of the new station, which is the last 2005 General Obligation Bond project. In addition to the positions associated with the Short Pump Firehouse, the Proposed Budget includes a recommendation to add three additional firefighters, the second year of a three-year commitment to add a total of nine firefighter positions to alleviate staffing pressures and reduce minimum staffing-related overtime costs in the Division. In the Vehicle Replacement Fund, \$250,000 is added for the replacement of Fire apparatus, such as ambulances and fire trucks, as a first step to provide adequate funding for this vital life-saving equipment.



For the Division of Police, the proposed budget before you includes ten new Police Officers in Patrol Operations to increase service coverage, the fifth and final year of a 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 left that in 2014, the first year of the five-year commitment to add ten Police Officers per year, crimes per 1,000 residents dropped to their lowest level recorded in the history of Henrico County at that time. This low level of crime has been maintained throughout this effort.

Within the budget for the Sheriff's Office, the recommendation before you includes four new Sheriff Deputy positions to allow for one additional deputy to be assigned to all four Jail West booking platoons. These additional positions would screen newly arrested persons and inmates entering the jail facility with the new X-ray scanner to eliminate contraband coming into the jail. In addition to the positions, additional funding for hourly staffing is recommended to supervise inmates on the various work details that provide significant savings to the County by minimizing the cost of landscaping, painting, and other projects that arise.

Finally, to bring the County’s budget into greater structural balance, \$1.0 million is recommended to address overtime costs within Fire, Police, and Sheriff. This funding, combined with managerial efforts to minimize additional costs, is critical to allowing these agencies to accomplish their respective missions of keeping the citizens of this County safe.

November, 2016 Bond Referendum

The FY2017-18 Proposed Budget will be the first to include capital and debt service costs related to the overwhelming approval of the \$419.8 million Bond Referendum. The projects in the first year are listed in the chart to the right. The bonds to support these projects will be issued this spring as interest rates for triple AAA rated localities such as Henrico remain historically low. The recommendation before you in the debt service fund supports the issuance of this debt.

Bond Projects in the FY2017-18 Capital Budget	
Tuckahoe Middle Renovation	\$28.2 million
Pemberton Elementary Renovation	\$14.1 million
Chamberlayne Elementary Renovation	\$14.0 million
Skipwith Elementary Renovation	\$13.0 million
Seven Pines Elementary Renovation	\$12.8 million
Crestview Elementary Renovation	\$12.0 million
Glen Allen Elementary Classroom Addition	\$5.5 million
High School Field Renovations	\$12.5 million
Fire Training Facility	\$2.5 million
Total, FY2017-18 G.O. Projects	\$114.6 million

In addition to the projects that are include in the FY2017-18 Capital Budget, there are efforts underway to make sure that construction can commence on projects once bond funding is made available. These include identifying land for projects such as the new elementary school in the Brookland district or the Staples Mill Fire Station. Another example is the planning and design of Fairfield Library, which is funded through savings from the Libbie Mill Library and Varina Library projects. Every effort to make sure projects are completed quickly will be made to not prolong the results of the approved bonds.

Heroin Task Force – Henrico’s Response to the Opioid Epidemic

Heroin and opiate-derived pain killers are taking a toll on communities across the country and, unfortunately, Henrico is no different. Over the past three years, there have been significant increases in the number of arrests for heroin possession, overdoses and deaths related to overdoses across all demographics. When a disease such as opiate addiction has such a profound effect on the community as a whole, it cannot be ignored.

While there are resources that must go to front-line efforts in this fight, such as utilizing Narcan – a drug that treats opiate overdoses – or detoxing an inmate addicted to heroin, more needs to be done in the prevention arena. To identify new options in expanding the County’s response to this epidemic, the Heroin Task Force was formed last May. Pulling people together from several County agencies such as Mental Health, Public Health, the Divisions of Fire and Police, the Sheriff’s Office, the Commonwealth’s Attorney’s Office and our courts to name a few, there have already been efforts undertaken – most notably the acceptance of the Vivitrol Pilot Grant for use within the Drug Court program and the *Community Summit on Heroin/Opioid Epidemic* held at Glen Allen High School on March 1. The *Community Summit*, which had the FBI Director James Comey and the Acting Administrator of the Drug Enforcement Administration Chuck Rosenberg as a keynote speakers, received such overwhelming interest that the event was streamed live through the Henrico County Public Schools website. The Heroin Task Force is just another example of how multiple agencies can come together as one county working toward the greater ‘Henrico Way’.

This budget expands the response in three ways. First, the FY2017-18 Proposed budget includes \$200,000 in the Mental Health budget to support any additional efforts that are identified by the Heroin Task Force. The second approach is the Sheriff deputy positions referenced earlier. Specific deputies responsible for monitoring the x-ray scanners will eliminate the influx of heroin, painkillers, and other illicit drugs that can come into the jail and circumvent recovery efforts offered within the County’s jails. The final proposal is an additional Assistant Commonwealth’s Attorney to focus on heroin cases and investigating them to reduce the amount of illegal opiates in the community.

Public Works

The proposed budget for Public Works reflects the diversity of activity this agency finds itself involved with. These areas involve maintaining and expanding the County's road system – the third largest in the State behind the Commonwealth of Virginia and the City of Virginia Beach, expanding alternatives to driving through sidewalks or mass transit, and insuring the environmental viability of Henrico's future.

In the area of road maintenance and construction, this budget recommends the addition of two capital project managers. These positions will assist the two managers currently on staff with the 37 local projects along with coordinating with the Virginia Department of Transportation on any projects they have in the County. Additionally, hourly staff has been added to this section in order to assist with data collection efforts for construction and maintenance.

To maintain and expand the alternatives to vehicular travel within the County, there are two items of note in the FY2017-18 budget. First is an increase in funding provided to the Greater Richmond Transit Company (GRTC). There are two facets to the increase: maintaining the routes already provided within the County by GRTC and expanding routes and services in the County. To maintain the routes, this budget adds \$397,000, which assumes a 3.0 percent increase on current year costs. To expand service, this budget includes \$186,000 for the County's portion of the Bus Rapid Transit (BRT) and \$45,000 to add 1.1 miles to the Azalea Connector bus route.

In the environmental area of Public works, the budget before you adds a position for the inspection of stormwater facilities throughout Henrico as required by the County's MS4 permit. Additionally, the budget maintains the \$2.3 million for Chesapeake Bay clean-up requirements, continuing to delay any need for a stormwater utility fee. With all efforts undertaken since FY2015-16, including the large vehicle wash facility and other planned projects, the County has achieved a reduction of at least 14 percent in each of the three pollutants identified in and required by the stormwater management permit. 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.

Targeted Economic Development Efforts

The Proposed Budget includes a number of recommendations with an eye towards improving our local economy. On the tax side, there are two recommendations. The first is to establish a new classification of personal property taxation for data centers and establish the rate of taxation at 40 cents per \$100 assessed value. Henrico is well positioned to attract additional data center companies due to the proximity of a new transatlantic fiber optic cable that will connect North America to Europe through Virginia. This new rate, which would be a reduction of 89 percent from the regular rate, will allow Henrico to attract businesses in this high growth sector that bring significant and ongoing capital investment along with high-paying jobs to the region.

The second recommendation is to increase BPOL tax exemption from \$100,000 to \$200,000. The \$100,000 exemption was set in 2000, which was at the end of a four-year phase-in. Increasing the exemption to \$200,000 would make Henrico more attractive when compared to other large localities in Virginia while exempting 1,400 more businesses from paying BPOL.

In the area of sports tourism, the budget before you includes positions and operating funds for the opening of Phase I of Greenwood Park. The first phase of this facility will add four multi-purpose synthetic athletic fields with organic infill to the County's complement of fields. The expansion of field capacity in Henrico is crucial to attracting new sports tournaments to the region. It should be mentioned that while this park will have an impact on attracting tournaments to Henrico, this great facility is designed with the use of all citizens in mind. To that, when fully developed Greenwood Park will

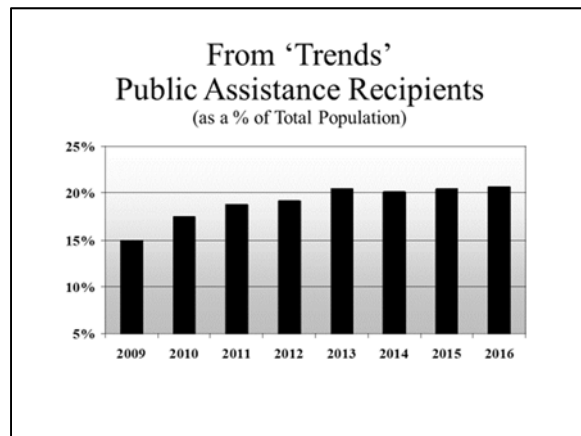
include hiking trails and playground equipment in addition to the fields being open to use by County residents.

Finally, in the area of redevelopment this budget proposes to add three positions to the County's community maintenance efforts. Two of the positions are community maintenance inspectors in Building Inspections and the third position will assist with coordinating volunteer efforts, community clean-ups, and other projects as it relates to Community Revitalization. The three positions before you are in addition to the two positions added for this effort in FY2015-16.

These initiatives will build on the successes of the prior efforts put forward in prior years, including reducing the airplane personal property tax rate, the machinery and tools tax, the undertaking of the Cobbs Creek Reservoir project, and the reduction of water and sewer connection fees. All of this is on top of maintaining the lowest real estate tax rate of any large, urban locality in Virginia, which is equally a big draw to business prospects.

Addressing Poverty Within Henrico

As Henrico's population has grown over the last several years, the number of people living in poverty has also increased. This unfortunate reality spans suburban America and is not unique to Henrico. The 'Trends' report has captured data that shows a rising number of public assistance recipients each year.



While poverty cannot be completely eradicated, we seek to proactively combat poverty in Henrico County by utilizing several strategies within the proposed budget. We have partnered with non-profit entities like Junior Achievement of Central Virginia in the creation of a Finance Park to educate students in the area of future financial decisions. To continue this educational strategy in eliminating poverty, the proposed budget includes funding for creation of the Achievable Dream Academy, which will target students from low-income families. This school will give students in our community the training and encouragement for success.

We also seek to improve the quality of life for our citizens. You will see the provision of additional funding for community maintenance efforts to combat sub-standard housing. Also, included in the proposed budget is \$50,000 for CrossOver Ministries, a non-profit entity that provides health care to the uninsured. Other funding for non-profits that assist residents who cannot afford traditional health insurance is also included in our proposal. We also seek to improve our citizens' access to facilities, including the workplace, by providing \$628,000 for mass transit efforts. These various strategies to combat poverty will remain in future budgets.

In addition to the above proposed strategies, we will continue exploring all viable economic opportunities in our community. We are also dedicated to equipping Henrico graduates with the skills required by the 21st century job market by utilizing the two new technical centers approved in the 2016 bond referendum. We will also continue seeking additional collaborative opportunities with both private and non-profit entities, who can provide ideas, resources, and funding to combat poverty.

Capital Budget

Outside of the 2016 General Obligation Referendum projects, the FY2017-18 Capital Budget brings forward a number of projects that focus on maintaining the County's infrastructure in a cost-effective manner. This includes the \$2.5 million for both General Government and Henrico County Public

Schools, the \$9.0 million of meals tax revenues for School maintenance projects, and an additional \$2.9 million for various maintenance projects throughout the County. Maintaining vital infrastructure is key to avoiding significant replacement costs in the future and this capital budget keeps focus on this.

The capital budget also recommends \$8.7 million for the replacement of the Mental Health East Center. This project will replace the current building that MH/DS has exhausted the capacity with a new facility in the eastern portion of Henrico that improves the quality of the facility while creating savings in the operating budget as the current East Center represents a lease of over \$340,000.

Finally, the capital budget identifies funds for three public safety projects. The first project is to study options with replacing the County's current evidence storage area to expand this needed space. The second project is a renovation of space to establish a dedicated place for communication officer training. The final project is the replacement of the County's Emergency Medical Dispatch (EMD) system with a modern system that will quickly and efficiently update the ability of the County's Communications Officers to accurately identify the needs of emergency callers.

Water & Sewer

The Proposed Budget for the Department of Public Utilities' Water & Sewer system includes the annual 5.0 percent increase in water and sewer rates necessary to provide water and sewer service to all residents and businesses while meeting infrastructure demands and meeting requirements to maintain the AAA bond rating for the Water & Sewer system. This increase will go towards supporting both the operating and capital project needs in this area. Within the operating budget, \$1.3 million will go towards maintenance needs of the Water Reclamation Facility. The capital budget includes numerous projects to maintain and rehabilitate the County's water and sewer system, including the first year of a multi-year process of replacing and enhancing the filtration system at the Water Reclamation Facility to meet regulatory requirements.

Summary

The FY2017-18 Manager's Proposed Budget builds on the successes of the past to chart Henrico's future path. It honors commitments made and makes new ones; it brings renewal while also bringing new services; and it rewards our employees for the job well done and the tasks that are ahead. All of this is done within the scope of limited 3.2 percent revenue growth.

The growth within our local economy is solid, but there are potential headwinds in our future. I noted last year that every economy is cyclical and that at some point in the near future we would be due for another downturn. Another year has passed and while we do not see signs of it coming, we are one year closer to it materializing. With the structure that has been added back to the budget and the continued augmentation of our cash reserve, our County will be able to weather the next economic storm.

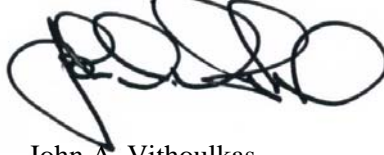
This budget puts the last touches on the 2005 Bond Referendum by funding the operating costs of Fire Station #19 while starting the process of funding the projects approved by the voters in the 2016 Bond Referendum. The new referendum is the solution to what was identified as the biggest fiscal challenge by our residents – large infrastructure projects for schools. It also positions the County to increase the number of fields available for citizens and tournaments. Put simply, the referendum is a game changer for our County moving forward.

I hope it is clear that this budget makes every effort to move Henrico forward in every way possible. It maintains and expands this community's top priorities in education and public safety; it enhances this County's economic development efforts with multiple enhancements; it meets this County's biggest challenges head-first, on multiple fronts; and it rewards the employees of this County for their outstanding dedication and commitment to service. It is that commitment to service that embodies the 'Henrico Way' – to provide our all for the benefit of every citizen in this community.

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". The signature is stylized with several loops and a long, sweeping underline.

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.

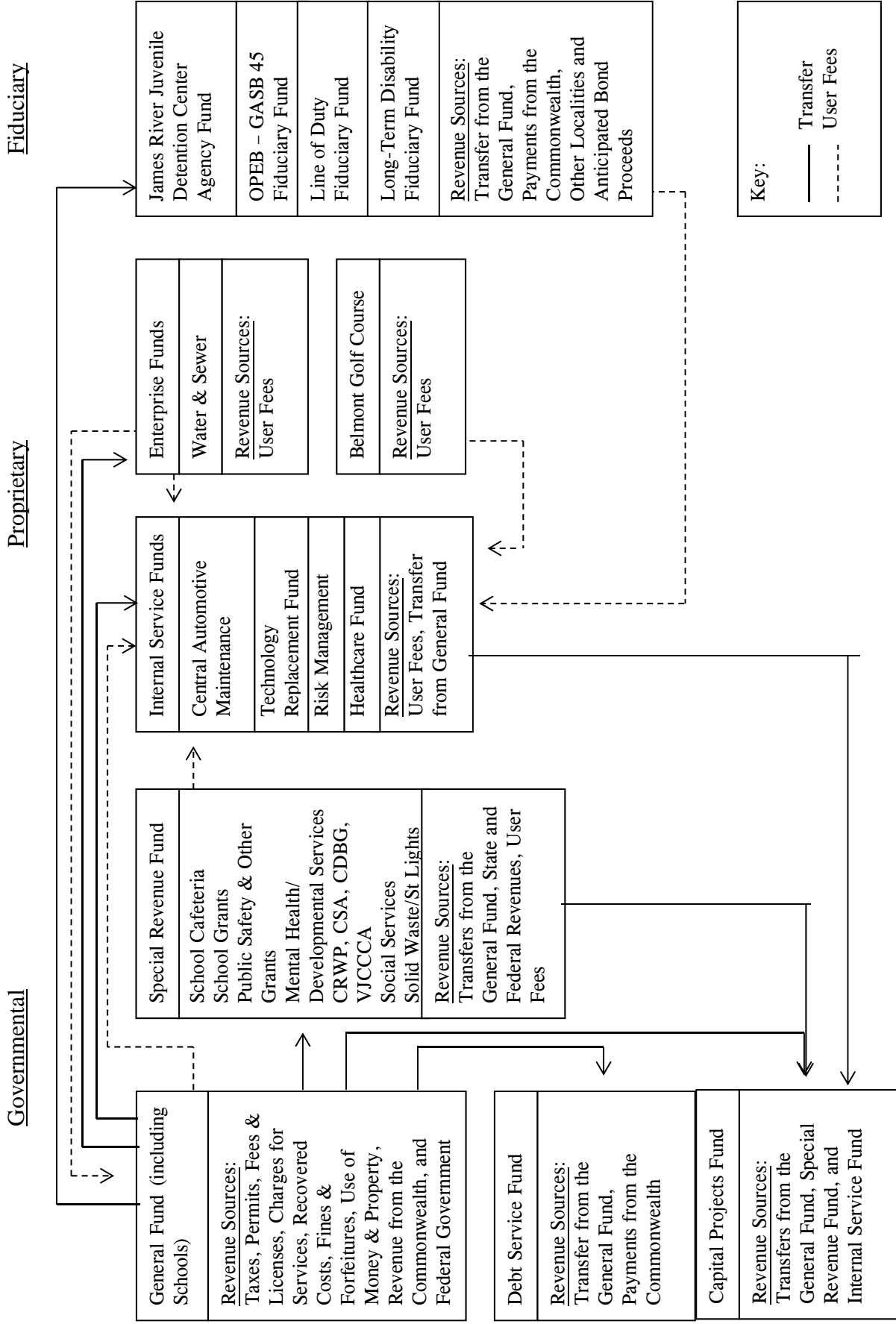
Line of Duty

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.

Long-Term Disability

The Long-Term Disability Fund includes funding for the fully-insured premiums to cover the basic, County-provided long-term disability benefit for eligible General Government and Schools employees. Resources for this cost requirement are derived from a transfer from the General Fund.

STRUCTURE OF COUNTY FUNDS



HENRICO COUNTY'S BUDGET PROCESS

THE BUDGET CYCLE

August 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			

September 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	

October 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					

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 FY2017-18 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 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			

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

November

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,

December 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

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://henrico.us/finance/divisions/office-of-management-and-budget/financial-trends/>

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-

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 2017

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 2017

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				

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 2017

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	

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 2017

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						

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

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

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 FY2017-18 Public Hearing was held on April 11, 2017. The public hearing that sets the tax levies was held on April 25, 2017. 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 2017

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 2017

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

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 44 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 FY2017-18 Annual Fiscal Plan is based on a Real Estate Tax rate of \$0.87/\$100 of assessed valuation for CY2017 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%
FY16:	15.00%

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

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

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

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

Inter-Fund Guidelines:

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

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

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

**REVENUE
AND
EXPENDITURE
SUMMARIES**



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

Revenues: Function/Program	FY 15-16 Actual	FY 16-17 Original	FY 17-18 Approved
Revenue from Local Sources:			
General Property Taxes	\$390,885,952	\$421,760,000	\$439,375,000
Other Local Taxes	165,195,197	143,485,000	151,248,000
Permits, Fees, and Licenses	6,431,475	5,717,472	5,757,472
Fines and Forfeitures	2,314,529	2,978,035	2,492,607
Use of Money and Property	4,395,674	8,520,130	8,577,100
Charges for Services	152,728,469	148,151,568	155,704,712
Recovered Costs	116,537,114	129,873,597	135,536,137
Miscellaneous	11,983,567	8,621,929	9,555,570
Shared Expenses	423,888	458,482	472,236
Total from Local Sources	<u>\$850,895,865</u>	<u>\$869,566,213</u>	<u>\$908,718,834</u>
Revenue from the Commonwealth:			
Non-categorical Aid	56,213,587	18,134,135	17,639,981
Shared Expenses	20,002,200	18,613,396	19,229,500
Categorical Aid	333,646,234	343,839,449	349,681,454
Total from the Commonwealth	<u>\$409,862,021</u>	<u>\$380,586,980</u>	<u>\$386,550,935</u>
Revenue from the Federal Government:			
Categorical Aid	64,495,414	61,416,449	63,075,044
Total from the Federal Government	<u>\$64,495,414</u>	<u>\$61,416,449</u>	<u>\$63,075,044</u>
Total Revenues	<u>\$1,325,253,301</u>	<u>\$1,311,569,642</u>	<u>\$1,358,344,813</u>
(To) From Fund Balance/Retained Earnings			
(To) From General Fund Balance	(36,260,365)	5,000,000	7,500,000
(To) From General Fund - Sinking Fund	2,074,331	1,864,067	2,853,640
(To) Revenue Stabilization Reserve	0	(1,000,000)	0
(To) From Fund Balance - Designated Capital Reserve	10,430,000	4,899,400	6,826,777
Use of Fund Balance- Designated Fund Balance	0	3,100,000	0
Use of Fund Balance Undesignated	0	350,000	0
Use of Fund Balance - des FY14 Permit Fee (to Capital)	500,000	1,000,000	0
Use of Special Revenue Fund	500,000	1,018,500	6,837,223
Use of Fund Balance - Capital Initiatives	1,000,000	0	0
Use of Fund Balance Designated FY13-Gas Tax	6,531,502	0	0
From Fund Balance - Voting Machine Reserve	1,000,000	0	0
(To) Fund Balance - Voting Machine Reserve	(1,000,000)	0	0
(To) From Fund Balance -State Rev Stabilization	1,000,000	0	0
(To) From Fund Balance - Meals Tax FY14 Collection	1,990,470	0	0
(To) From Fund Balance - Meals Tax FY15 Collection	0	8,783,247	0
(To) From Fund Balance - Meals Tax FY16 Collection	0	2,000,000	0
(To) From Fund Balance - Meals Tax Reserve	(2,000,000)	(2,000,000)	(2,000,000)
(To) From School Cafeterias	(318,164)	499,894	575,947
(To) From Solid Waste	(3,894,959)	622,797	859,145
(To) From Retained Earnings - Water & Sewer	(35,884,294)	(32,439,484)	(33,396,053)
(To) From Other Funds	11,617,239	6,036,222	4,090,743
Total Fund Balance	<u>(42,714,240)</u>	<u>(265,357)</u>	<u>(5,852,578)</u>
Total Revenues and Fund Balances	<u>\$1,282,539,061</u>	<u>\$1,311,304,285</u>	<u>\$1,352,492,235</u>
Operating Transfers to Capital Projects Fund	(56,967,362)	(44,323,947)	(40,536,800)
Interdepartmental Billings	(90,030,454)	(98,260,515)	(102,804,784)
Total Source of Funding	<u><u>\$1,135,541,245</u></u>	<u><u>\$1,168,719,823</u></u>	<u><u>\$1,209,150,651</u></u>

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

<u>Department</u>	<u>FY 15-16 Actual</u>	<u>FY 16-17 Original</u>	<u>FY 17-18 Approved</u>
01 Board of Supervisors	\$1,059,693	\$1,067,341	\$1,081,048
02 Library	15,189,454	18,291,338	18,821,527
03 Sheriff	38,647,603	37,491,437	38,336,592
04 Circuit Court	3,124,675	3,022,446	3,121,783
05 Commonwealth's Attorney	5,471,941	5,543,366	6,051,409
06 General District Court	239,318	252,362	311,599
07 Juvenile & Domestic Relations Court	3,300,925	3,412,783	3,460,321
08 Electoral Board	1,590,672	1,427,109	1,535,898
09 County Manager	2,024,148	1,802,580	1,802,834
09 Public Relations and Media Services	1,714,575	1,761,970	1,831,135
10 County Attorney	2,266,004	2,313,899	2,394,553
11 Human Resources	20,016,633	17,525,020	18,478,598
12 Police	73,164,822	72,757,930	75,054,847
13 Fire	55,068,921	55,331,119	58,667,363
14 Finance	13,200,324	13,798,699	13,647,914
16 General Services	32,736,404	35,136,086	35,675,693
17 Internal Audit	430,352	431,646	442,715
18 Debt Service	56,086,435	58,507,646	57,762,829
19 Information Technology	12,604,451	13,209,037	14,569,023
21 Agriculture and Home Extension	333,755	398,499	406,808
22 Social Services	30,501,894	30,982,518	32,855,479
23 Recreation & Parks	18,113,593	18,916,069	19,832,253
24 Public Health	1,950,496	1,950,729	2,219,895
26 Mental Health & Developmental Services	33,723,224	35,747,305	37,426,239
27 Capital Region Workforce Partnership	5,800,712	5,163,450	5,140,116
28 Public Works	47,623,583	49,862,254	51,452,927
29 Real Property	635,110	630,743	648,326
30 Economic Development	21,293,675	15,601,919	16,747,273
31 Public Utilities	94,947,224	98,378,259	103,484,602
32 Non-Departmental	10,639,558	11,639,899	11,758,555
33 Building Inspections	3,955,248	4,185,957	4,432,477
34 Planning	3,595,476	4,327,272	4,420,096
35 Permit Centers	844,807	869,636	908,766
36 Community Corrections Program	1,884,815	1,925,485	1,949,481
37 Technology Replacement	1,948,502	2,962,438	2,402,765
38 Community Revitalization	3,712,146	1,585,307	1,638,980
40 James River Juvenile Detention Center	5,575,012	5,046,224	5,161,281
42 Healthcare	102,775,145	108,303,548	113,525,148
50 Education	497,780,374	525,419,013	542,496,287
60 Interdepartmental Billings	(90,030,454)	(98,260,515)	(102,804,784)
Total Expenditures	<u>\$1,135,541,245</u>	<u>\$1,168,719,823</u>	<u>\$1,209,150,651</u>

COUNTY OF HENRICO, VIRGINIA
APPROVED GENERAL FUND REVENUES
FY 2017-18

Revenues:	FY 15-16	FY 16-17	FY 17-18
Function/Program	Actual	Original	Approved
Revenue from Local Sources:			
General Property Taxes	\$387,041,952	\$421,760,000	\$439,375,000
Other Local Taxes	165,195,197	143,485,000	151,248,000
Permits, Fees, & Licenses	5,170,949	4,701,100	4,741,100
Fines & Forfeitures	1,944,848	2,590,000	2,090,000
From Use of Money & Property	3,845,089	7,925,600	7,925,600
Charges for Services	4,299,755	3,700,450	3,832,850
Miscellaneous	7,948,727	4,132,500	4,132,500
Recovered Costs	3,963,424	4,037,870	4,090,470
Total from Local Sources	<u>579,409,941</u>	<u>592,332,520</u>	<u>617,435,520</u>
Revenue from the Commonwealth:			
Categorical Aid:			
Education	237,909,902	250,510,000	254,202,000
Public Works	46,536,817	44,050,000	45,197,567
Public Safety (HB #599)	8,526,916	8,700,000	8,700,000
Other	8,094,571	4,423,475	4,424,500
Total Categorical Aid	<u>301,068,206</u>	<u>307,683,475</u>	<u>312,524,067</u>
Non-Categorical Aid:			
General Government	54,251,752	16,718,500	16,118,500
Total Non-Categorical Aid	<u>54,251,752</u>	<u>16,718,500</u>	<u>16,118,500</u>
Shared Expenses:			
State Share of Salaries & Benefits	18,326,762	17,054,000	17,715,000
Total from the Commonwealth	<u>373,646,720</u>	<u>341,455,975</u>	<u>346,357,567</u>
Revenue from the Federal Government	<u>2,463,983</u>	<u>365,000</u>	<u>370,000</u>
Total Revenues	<u>955,520,645</u>	<u>934,153,495</u>	<u>964,163,087</u>
Interfund Transfers:			
To Debt Service Fund	(54,086,435)	(57,507,646)	(57,762,829)
To Capital Projects Fund	(56,467,362)	(43,155,447)	(35,067,380)
To Enterprise Fund	(1,930,308)	(1,928,621)	(1,930,021)
To Technology Replacement	(1,000,000)	(2,000,000)	(2,250,000)
To Risk Management	(10,396,549)	(8,393,421)	(8,392,479)
To Special Revenue Fund	(24,448,907)	(27,985,219)	(29,189,507)
To JRJDC Agency Fund	(3,426,586)	(2,979,622)	(3,069,011)
To Belmont Golf Course	(40,000)	0	0
To OPEB-GASB 45 Fiduciary Fund	(2,750,000)	(2,750,000)	(2,675,000)
To Line of Duty	(514,153)	(575,000)	(700,000)
To Long-Term Disability	(260,729)	0	(600,000)
Total Transfers	<u>(155,321,029)</u>	<u>(147,274,976)</u>	<u>(141,636,227)</u>

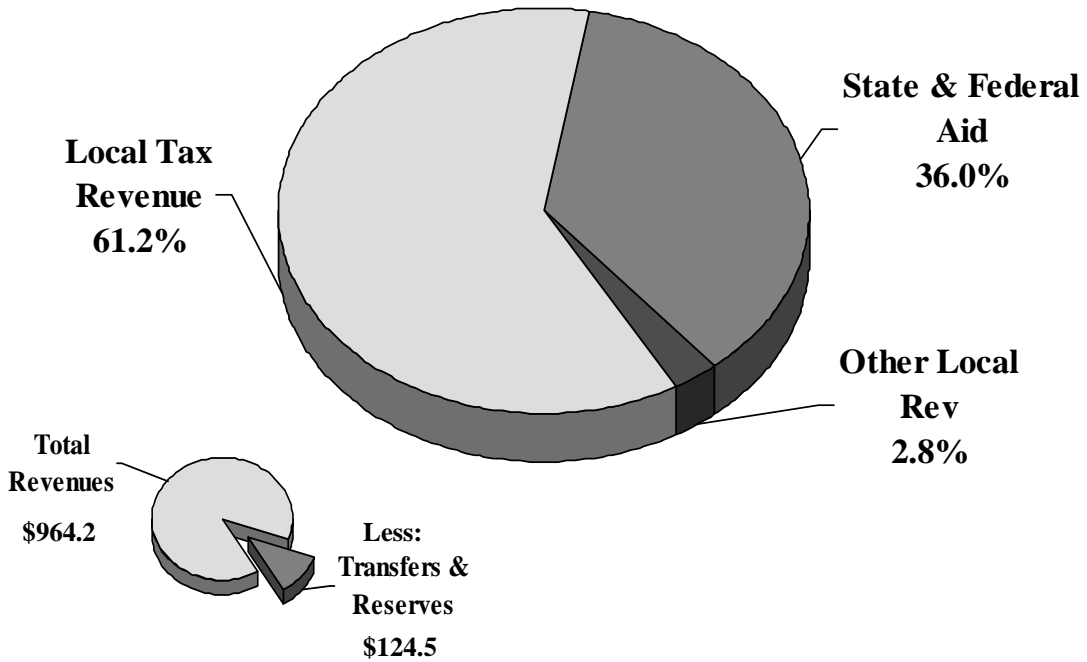
General Fund Revenues (cont'd)

Revenues:			
Function/Program	FY 15-16	FY 16-17	FY 17-18
	Actual	Original	Approved
Use of Fund Balance - Capital Projects	5,000,000	5,000,000	5,000,000
Use of Fund Balance - Sidewalks	0	0	2,500,000
Use of Fund Balance - Designated Capital Reserve	10,430,000	4,899,400	6,826,777
Use of Fund Balance - MH/DS East Center Reserve	0	0	1,967,803
Use of Fund Balance - Designated Fund Balance	0	3,100,000	0
Use of Fund Balance - Capital Initiatives	1,000,000	0	0
Use of Fund Balance - Undesignated	0	350,000	0
Use of Fund Balance - Public Works Reserve	6,531,502	0	0
From Fund Balance - Voting Machine Reserve	1,000,000	0	0
(To) Fund Balance - Voting Machine Reserve	(1,000,000)	0	0
Use of Fund Balance - Designated Permit Fee	500,000	1,000,000	0
From Fund Balance - Meals Tax FY14 Collection	1,990,470	0	0
From Fund Balance - Meals Tax FY15 Collection	0	8,783,247	0
From Fund Balance - Meals Tax FY16 Collection	0	2,000,000	0
(To) Fund Balance - Meals Tax Reserve	(2,000,000)	(2,000,000)	(2,000,000)
From Fund Balance - State Revenue Stabilization	1,000,000	0	0
(To) Revenue Stabilization Reserve	0	(1,000,000)	0
From Sinking Fund	2,074,331	1,864,067	2,853,640
(To) Fund Balance - General Fund	(41,260,365)	0	0
Total Resources Net of Transfers	<u>\$785,465,554</u>	<u>\$810,875,233</u>	<u>\$839,675,080</u>

COUNTY OF HENRICO, VIRGINIA
APPROVED GENERAL FUND EXPENDITURES
FY 2017-18

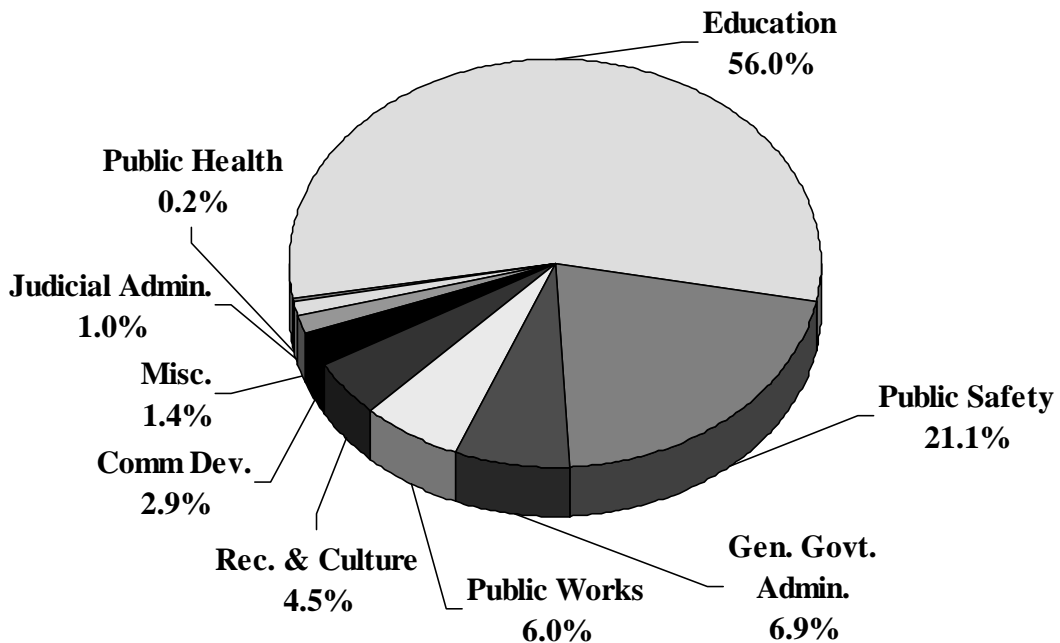
Expenditures: Function/Activity	FY 15-16 Actual	FY 16-17 Original	FY 17-18 Approved
General Government Administration	\$53,863,154	\$55,811,883	\$57,871,707
Judicial Administration	7,985,854	8,102,908	8,500,620
Public Safety:			
Police Operations	63,666,845	63,463,820	65,484,699
Animal Protection	1,427,016	1,475,308	1,526,240
Communications/Radio Shop	6,265,043	6,285,368	6,504,817
Total Police	<u>71,358,904</u>	<u>71,224,496</u>	<u>73,515,756</u>
Administration	2,667,191	2,856,686	3,064,237
Emergency Planning & Safety	164,707	177,558	179,194
Operations	51,832,483	52,078,250	55,205,307
Volunteer Rescue Squads	195,264	218,625	218,625
Total Fire	<u>54,859,645</u>	<u>55,331,119</u>	<u>58,667,363</u>
Sheriff	38,647,603	37,491,437	38,336,592
Juvenile Detention	2,199,650	2,250,476	2,287,094
Building Inspections	3,955,248	4,185,957	4,432,477
Total Public Safety	<u>171,021,050</u>	<u>170,483,485</u>	<u>177,239,282</u>
Public Works:	46,587,435	48,965,254	50,555,927
Public Health:	1,950,496	1,950,729	2,219,895
Education:			
Instruction	328,267,112	343,343,161	356,901,751
Administration/Attendance & Health	15,714,385	15,638,442	16,977,818
Pupil Transportation	25,155,009	25,281,927	26,127,641
Operations and Maintenance	43,866,957	45,079,736	45,447,793
Technology	24,318,540	25,728,362	24,452,242
Total Education	<u>437,322,003</u>	<u>455,071,628</u>	<u>469,907,245</u>
Recreation, Parks, & Culture:			
Recreation & Parks	17,162,970	17,825,476	18,728,399
Library	15,188,602	18,291,338	18,821,527
Total Recreation, Parks, & Culture	<u>32,351,572</u>	<u>36,116,814</u>	<u>37,549,926</u>
Community Development	23,744,432	22,782,633	24,121,923
Miscellaneous:			
Non-Departmental	10,639,558	11,589,899	11,708,555
Total Miscellaneous	<u>10,639,558</u>	<u>11,589,899</u>	<u>11,708,555</u>
Total General Fund Expenditures	<u><u>\$785,465,554</u></u>	<u><u>\$810,875,233</u></u>	<u><u>\$839,675,080</u></u>

FY2017-18 General Fund Revenues
\$964,163,087



Note: General Fund Revenues less Transfers & Reserves equals General Fund Expenditures of \$839,675,080.

FY2017-18 General Fund Expenditures
\$839,675,080



COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND REVENUES
FY 2017-18

Revenues:			
Subfund/Activity	FY 15-16	FY 16-17	FY 17-18
	Actual	Original	Approved
Capital Region Workforce Partnership (CRWP)			
CRWP	\$5,640,739	\$5,117,349	\$5,094,866
Transfer From the General Fund	<u>159,973</u>	<u>46,101</u>	<u>45,250</u>
Total Capital Region Workforce Partnership	5,800,712	5,163,450	5,140,116
Commonwealth's Attorney			
Commonwealth's Attorney	33,100	0	0
Special Drug Prosecutor	135,694	131,998	104,207
Victim/Witness Assistance Program	363,226	374,058	674,155
Asset Forfeitures	34,495	0	0
Transfer From the General Fund	<u>451,818</u>	<u>433,307</u>	<u>429,906</u>
Total Commonwealth's Attorney	1,018,333	939,363	1,208,268
Community Corrections Program			
CCP	1,336,992	1,366,423	1,376,968
CCP - Drug Court	273,404	271,600	272,410
Transfer From the General Fund	<u>274,419</u>	<u>287,462</u>	<u>300,103</u>
Total Community Corrections	1,884,815	1,925,485	1,949,481
Community Development Block Grant			
CDBG/HOME	2,007,092	0	0
ESG	130,682	0	0
Transfer From the General Fund - Local Business Assistance	<u>53,653</u>	<u>0</u>	<u>0</u>
Total Community Development Block Grant	2,191,427	0	0
Economic Development			
White Oak CDA	<u>3,844,000</u>	<u>0</u>	<u>0</u>
Total Economic Development	3,844,000	0	0
Education			
State, Federal & Other Grants	<u>40,026,737</u>	<u>46,705,017</u>	<u>46,829,020</u>
Total Schools Grants	40,026,737	46,705,017	46,829,020
Cafeteria Receipts	6,980,791	8,553,020	9,284,452
State Food Payments - Nat. Sch. Lunch Prog.	479,125	486,422	532,584
Federal School Lunch Program	9,812,884	13,854,398	14,937,455
Recoveries & Rebates	371,359	248,634	422,267
Sale of Equipment	7,960	0	7,317
(To) From Cafeteria Fund Balance	<u>(318,164)</u>	<u>499,894</u>	<u>575,947</u>
Total School Cafeteria	<u>20,431,634</u>	<u>23,642,368</u>	<u>25,760,022</u>
Total Education	60,458,371	70,347,385	72,589,042

Special Revenue Fund Revenues (cont'd)

Revenues:			
Subfund/Activity	FY 15-16 Actual	FY 16-17 Original	FY 17-18 Approved
Juvenile & Domestic Relations Court			
Virginia Juvenile Community Crime Act	390,110	390,108	390,108
USDA	37,845	22,536	23,207
Transfer From the General Fund	505,067	525,566	535,815
Total Juvenile & Domestic Relations Court	<u>933,022</u>	<u>938,210</u>	<u>949,130</u>
Mental Health & Developmental Services			
State and Federal Grants	10,452,932	9,974,713	10,146,859
Payments from Other Localities	214,554	218,845	243,844
Miscellaneous Revenues	11,317,607	11,489,238	12,368,200
Operating Transfer to Capital Projects	0	(1,018,500)	(4,869,420)
Special Revenue - MH Fund Balance	0	1,018,500	4,869,420
Transfer From General Fund	11,738,131	14,064,509	14,667,336
Total Mental Health	<u>33,723,224</u>	<u>35,747,305</u>	<u>37,426,239</u>
Non-Departmental			
Transfer From General Fund	0	50,000	50,000
Public Safety			
Police - State & Federal Grants	1,178,065	1,071,434	1,077,091
Police - Donations	2,958	0	0
Metro Aviation/Extradition Reimbursement	205,077	334,668	334,668
Fire - Donations	6,576	0	0
Fire - State & Federal	202,700	0	0
Asset Forfeitures	345,993	0	0
Transfer to Capital Projects	(500,000)	0	0
Special Revenue Fund - Fund Balance	500,000	0	0
Transfer From General Fund	73,825	127,332	127,332
Total Public Safety	<u>2,015,194</u>	<u>1,533,434</u>	<u>1,539,091</u>
Public Utilities			
Solid Waste:			
Refuse Collection Billing	8,175,884	8,100,000	8,100,000
Weighing Fees - Charged Sales	0	0	0
Public Use/Host/Recycle Fees	2,715,204	1,741,000	1,933,000
Miscellaneous Revenues	522,768	281,975	329,315
Transfer to Capital Projects Fund	0	(150,000)	(600,000)
Transfer From General Fund	3,018,511	3,018,511	3,018,511
(To) From Solid Waste Fund Balance	(3,829,890)	622,797	859,145
Total Solid Waste	<u>10,602,477</u>	<u>13,614,283</u>	<u>13,639,971</u>
Street Lighting:			
Charge for Street Lights	3,603	83,100	83,100
Total Street Lighting	<u>3,603</u>	<u>83,100</u>	<u>83,100</u>

Special Revenue Fund Revenues (cont'd)

Revenues:			
Subfund/Activity	FY 15-16	FY 16-17	FY 17-18
	Actual	Original	Approved
Public Works			
Best Management Practices	107,527	50,000	50,000
Watershed Management Program	928,621	847,000	847,000
Total Public Works	<u>1,036,148</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation	5,325	0	0
Public Library	852	0	0
Total Recreation	<u>6,177</u>	<u>0</u>	<u>0</u>
Social Services			
State and Federal Grants - Social Services	15,237,749	14,635,091	15,565,303
Transfer From the General Fund - Social Services	3,683,438	4,684,199	5,059,850
State and Federal Grants - CSA	166,189	109,849	109,849
Comprehensive Services Act (CSA)	6,924,446	6,805,147	7,165,073
Transfer From the General Fund - CSA Medicaid	876,075	485,000	485,000
Transfer From the General Fund - CSA	3,613,997	4,263,232	4,470,404
Total Social Services	<u>30,501,894</u>	<u>30,982,518</u>	<u>32,855,479</u>
Total Revenues	<u><u>\$154,019,397</u></u>	<u><u>\$162,221,533</u></u>	<u><u>\$168,326,917</u></u>

**COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND EXPENDITURES
FY 2017-18**

Expenditures: Subfund/Activity	FY 15-16 Actual	FY 16-17 Original	FY 17-18 Approved
Capital Region Workforce Partnership (CRWP)	\$5,800,712	\$5,163,450	\$5,140,116
Commonwealth's Attorney			
Commonwealth's Attorney	34,862	0	0
Victim/Witness Program	758,211	741,140	1,043,218
Special Drug Prosecutor	192,527	198,223	165,050
Asset Forfeitures - Commonwealth's Attorney	32,733	0	0
Total Commonwealth's Attorney	<u>1,018,333</u>	<u>939,363</u>	<u>1,208,268</u>
Community Corrections Program			
CCP	1,466,020	1,496,816	1,512,018
CCP - Drug Court	418,795	428,669	437,463
Total Community Corrections Program	<u>1,884,815</u>	<u>1,925,485</u>	<u>1,949,481</u>
Community Revitalization			
CDBG	1,521,495	0	0
Home	485,597	0	0
Local Business Assistance	53,653	0	0
ESG	130,682	0	0
Total Community Revitalization	<u>2,191,427</u>	<u>0</u>	<u>0</u>
Economic Development			
White Oak Village CDA	3,844,000	0	0
Total Economic Development	<u>3,844,000</u>	<u>0</u>	<u>0</u>
Education			
State, Federal & Other Grants	40,026,737	46,705,017	46,829,020
School Cafeterias	20,431,634	23,642,368	25,760,022
Total Education	<u>60,458,371</u>	<u>70,347,385</u>	<u>72,589,042</u>
Juvenile & Domestic Relations Court			
Probation - VJCCCA	584,646	602,259	606,883
Detention - VJCCCA	310,531	313,415	319,040
USDA	37,845	22,536	23,207
Total Juvenile & Domestic Relations Court	<u>933,022</u>	<u>938,210</u>	<u>949,130</u>
Mental Health & Developmental Services			
Clinical Services	16,006,092	17,223,908	17,846,519
Community Support Services	11,107,689	11,397,583	12,191,546
Administrative and Program Support	6,609,443	7,125,814	7,388,174
Total Mental Health	<u>33,723,224</u>	<u>35,747,305</u>	<u>37,426,239</u>

Special Revenue Fund Expenditures (cont'd)

Expenditures: Subfund/Activity	FY 15-16 Actual	FY 16-17 Original	FY 17-18 Approved
Non-Departmental	0	50,000	50,000
Public Safety			
State and Federal Grants - Police	385,048	0	0
Donations - Police	2,958	0	0
Communications	793,017	1,071,434	1,077,091
Metro Aviation	223,518	387,000	387,000
Henrico Extraditions	55,384	75,000	75,000
Asset Forfeitures - Police	345,993	0	0
State and Federal Grants - Fire	209,276	0	0
Total Public Safety	<u>2,015,194</u>	<u>1,533,434</u>	<u>1,539,091</u>
Public Utilities			
Solid Waste	10,537,408	13,614,283	13,639,971
Street Lighting	68,672	83,100	83,100
Total Public Utilities	<u>10,606,080</u>	<u>13,697,383</u>	<u>13,723,071</u>
Public Works			
Best Management Practices	50,000	50,000	50,000
Watershed Program	986,148	847,000	847,000
Total Public Works	<u>1,036,148</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation & Parks	5,325	0	0
Public Library	852	0	0
Total Recreation, Parks, & Culture	<u>6,177</u>	<u>0</u>	<u>0</u>
Social Services			
Administration	12,443,377	13,249,867	14,551,885
Public Welfare Board	40,443	290,489	290,489
Public Assistance	6,437,367	5,778,934	5,782,779
Comprehensive Services Act (CSA)	11,580,707	11,663,228	12,230,326
Total Social Services	<u>30,501,894</u>	<u>30,982,518</u>	<u>32,855,479</u>
Total Expenditures	<u>\$154,019,397</u>	<u>\$162,221,533</u>	<u>\$168,326,917</u>

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - WATER & SEWER ENTERPRISE FUND
FY 2017-18

Water and Sewer Enterprise Fund

Revenues/Resources	FY 15-16 Actual	FY 16-17 Original	FY 17-18 Approved
<u>Water and Sewer Operating Budget:</u>			
Sale of Water	\$50,971,745	\$51,550,971	\$53,973,909
Sale of Sewer	50,550,730	50,739,661	53,095,870
Water Charges	6,468,837	4,081,357	5,170,231
Sewer Charges	7,011,151	4,560,203	4,752,271
Strong Waste Surcharge	1,735,368	2,000,000	1,500,000
City of Richmond	1,149,254	820,000	820,000
Interest Earnings	1,019,734	799,459	1,204,593
Miscellaneous Revenues	(611,689)	640,088	785,689
Transfer from General Fund	1,930,308	1,928,621	1,855,021
Total Operating Revenues	120,225,438	117,120,360	123,157,584

Operating Expenditures

<u>Water and Sewer Operating Budget:</u>			
Personnel	19,961,637	20,817,368	21,262,571
Operating	43,659,324	40,797,511	42,075,332
Capital Outlay	743,939	785,527	785,527
Sub-Total Operating	64,364,900	62,400,406	64,123,430
Debt Service	19,976,244	22,280,470	25,638,101
Total Operating Expenditures	84,341,144	84,680,876	89,761,531
Results of Operations (Prior to Capital Expenses)	(35,884,294)	(32,439,484)	(33,396,053)
Budget For Capital Use (Below)		(200,050,000)	(77,550,000)

Capital Budget Expenditures	FY 15-16 Actual	FY 16-17 Original	FY 17-18 Approved
Approved Capital Projects (FY2016-17 Budget)		200,050,000	
Approved Capital Projects (New FY2017-18 Budget)			77,550,000
Continuing Capital Projects (Previously Approved) (1)	60,364,174		
Total Capital Budget Expenses:	60,364,174	200,050,000	77,550,000
Capital Budget Resources			
Water and Sewer Revenues	9,712,373	59,200,000	77,550,000
Revenue Bonds	50,651,801	140,850,000	0
Total Capital Budget Resources:	60,364,174	200,050,000	77,550,000

Notes:

(1) This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2015-16 represents actual spending, as per the 2016 audit.

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - BELMONT GOLF COURSE ENTERPRISE FUND
FY 2017-18

<u>Fund-Function/Activity</u>	<u>FY 15-16 Actual</u>	<u>FY 16-17 Original</u>	<u>FY 17-18 Approved</u>
Belmont Golf Course Fund			
Revenues:			
Operating	\$870,258	\$1,090,593	\$1,103,854
Gain/Loss on Sales of Property	(5,082)	0	0
Miscellaneous Revenue	1,960	0	0
Transfer from General Fund	40,000	0	0
Total Revenues	<u>907,136</u>	<u>1,090,593</u>	<u>1,103,854</u>
(To) From Retained Earnings	<u>38,162</u>	<u>0</u>	<u>0</u>
Total Resources	\$945,298	\$1,090,593	\$1,103,854
Expenses:			
Operating	<u>945,298</u>	<u>1,090,593</u>	<u>1,103,854</u>
Total Operating Expenses	\$945,298	\$1,090,593	\$1,103,854

**COUNTY OF HENRICO, VIRGINIA
ALL OTHER FUNDS
FY 2017-18**

<u>Fund-Function/Activity</u>	<u>FY 15-16 Actual</u>	<u>FY 16-17 Original</u>	<u>FY 17-18 Approved</u>
Central Automotive Maintenance			
Revenues:			
Charges for Automotive Maintenance - West	\$7,646,499	\$6,547,180	\$7,149,379
Charges for Automotive Maintenance - East	2,257,920	2,234,192	2,179,072
Charges for Use of Motor Pool	4,182,773	4,095,000	4,010,000
Charges for Gasoline	3,730,177	7,466,354	7,200,000
Charges for Vehicle Wash Facility	0	136,000	136,000
Miscellaneous	396,181	345,100	369,100
(Gain)/Loss on Sale of Property	(114,894)	0	0
Fund Balance-CAM	879,656	0	0
Total Revenues	<u>\$18,978,312</u>	<u>\$20,823,826</u>	<u>\$21,043,551</u>
Expenses:			
Central Automotive Maintenance	\$18,978,312	\$20,823,826	\$21,043,551
Total Expenses	<u>\$18,978,312</u>	<u>\$20,823,826</u>	<u>\$21,043,551</u>
Technology Replacement Fund			
Revenues:			
Transfer from General Fund	\$1,000,000	\$2,000,000	\$2,250,000
(To) From Retained Earnings - Technology	948,502	962,438	152,765
Total Revenues	<u>\$1,948,502</u>	<u>\$2,962,438</u>	<u>\$2,402,765</u>
Expenses:			
Technology Replacement	\$1,948,502	\$2,962,438	\$2,402,765
Total Expenses	<u>\$1,948,502</u>	<u>\$2,962,438</u>	<u>\$2,402,765</u>
Risk Management			
Revenues:			
Transfer from General Fund	\$10,396,549	\$8,393,421	\$8,392,479
Public Utilities Charges	959,355	750,000	750,000
Recon-Workers' Compensation	305,871	0	0
Prop/Liability Recovery	225,688	0	0
Interest Income	24,555	0	0
Total Revenues	<u>\$11,912,018</u>	<u>\$9,143,421</u>	<u>\$9,142,479</u>
Expenses:			
Risk Management	\$11,912,018	\$9,143,421	\$9,142,479
Total Expenses	<u>\$11,912,018</u>	<u>\$9,143,421</u>	<u>\$9,142,479</u>

All Other Funds (cont'd)

Fund-Function/Activity	FY 15-16 Actual	FY 16-17 Original	FY 17-18 Approved
Healthcare Fund			
Revenues:			
County Contribution	70,273,205	76,440,957	80,751,847
Employee Contribution	18,057,747	19,097,537	19,861,439
Retiree Contribution	5,436,225	7,169,315	7,456,088
Retiree Subsidy	722,092	879,440	893,094
Disabled Subsidy	56,845	116,292	116,292
COBRA	148,437	349,947	363,944
Interest Income	148,873	75,000	100,000
Recoveries and Rebates	94,649	0	0
Healthcare - Wellness Payment	111,310	150,000	150,000
Use of Fund Balance (Includes IBNR)	7,725,762	4,025,060	3,832,444
Total Revenues	\$102,775,145	\$108,303,548	\$113,525,148
Expenses:			
Healthcare	\$102,775,145	\$108,303,548	\$113,525,148
Total Expenses	\$102,775,145	\$108,303,548	\$113,525,148
Debt Service Fund			
Revenues:			
Transfer from General Fund	\$54,086,435	\$57,507,646	\$57,762,829
From Capital Projects Fund Balance	2,000,000	0	0
Fund Balance - Debt	0	1,000,000	0
Total Revenues	\$56,086,435	\$58,507,646	\$57,762,829
Expenditures:			
Debt Service - General Government	\$17,641,000	\$21,721,694	20,287,617
Debt Service - Public Works	3,495,948	3,493,179	3,729,843
Debt Service - Education	34,949,487	33,292,773	33,745,369
Total Expenditures	\$56,086,435	\$58,507,646	\$57,762,829
Adjustment for Interfund Transactions	(\$90,030,454)	(\$98,260,515)	(\$102,804,784)

**COUNTY OF HENRICO, VIRGINIA
REVENUES & EXPENDITURES - AGENCY FUNDS
FY 2017-18**

<u>Fund-Function/Activity</u>	<u>FY 15-16 Actual</u>	<u>FY 16-17 Original</u>	<u>FY 17-18 Approved</u>
JRJDC Agency Fund			
Revenues:			
Transfer from General Fund	\$2,765,760	\$2,979,622	\$3,069,011
Transfer from General Fund - Debt Service	660,826	0	0
Revenue from Federal Government	82,443	0	0
Revenue from the Commonwealth	1,675,438	1,559,396	1,514,500
Revenue from Goochland/Powhatan	423,888	458,482	472,236
Interest Income	6,569	0	0
(To) From Fund Balance-JRJDC	(39,912)	48,724	105,534
Total Revenues	<u>\$5,575,012</u>	<u>\$5,046,224</u>	<u>\$5,161,281</u>
Expenses:			
Operating	4,914,186	4,946,224	5,061,281
Debt Service	660,826	0	0
Capital Projects	0	100,000	100,000
Total Expenses	<u>\$5,575,012</u>	<u>\$5,046,224</u>	<u>\$5,161,281</u>
Other Post Employment Benefits - GASB 45			
Revenues:			
Transfer from General Fund	\$2,750,000	\$2,750,000	\$2,675,000
Transfer from Enterprise Fund	0	0	75,000
Total Revenues	<u>\$2,750,000</u>	<u>\$2,750,000</u>	<u>\$2,750,000</u>
Expenses:			
Operating	\$2,750,000	\$2,750,000	\$2,750,000
Total Expenses	<u>\$2,750,000</u>	<u>\$2,750,000</u>	<u>\$2,750,000</u>
Line of Duty Act (LODA)			
Revenues:			
Operating Transfer from General Fund	\$514,153	\$575,000	\$700,000
Total Revenues	<u>\$514,153</u>	<u>\$575,000</u>	<u>\$700,000</u>
Expenses:			
Operating	\$514,153	\$575,000	\$700,000
Total Expenses	<u>\$514,153</u>	<u>\$575,000</u>	<u>\$700,000</u>
Long-Term Disability			
Revenues:			
Operating Transfer from General Fund	\$260,729	\$0	\$600,000
Total Revenues	<u>\$260,729</u>	<u>\$0</u>	<u>\$600,000</u>
Expenses:			
Operating	\$260,729	\$0	\$600,000
Total Expenses	<u>\$260,729</u>	<u>\$0</u>	<u>\$600,000</u>

COUNTY OF HENRICO, VIRGINIA
TOTAL REVENUES (BY SOURCE) - ACROSS ALL FUNDS
FY 2017-18

	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	\$439,375,000	\$0	\$0	\$0	\$0	\$0	\$0	\$439,375,000
Other Local Taxes	151,248,000	0	0	0	0	0	0	151,248,000
Permits, Fees, and Licenses	4,741,100	1,016,372	0	0	0	0	0	5,757,472
Fines and Forfeitures	2,090,000	246,918	155,689	0	0	0	0	2,492,607
Use of Money and Property	7,925,600	183,500	0	0	0	468,000	0	8,577,100
Charges for Services	3,832,850	31,455,727	119,312,281	1,103,854	0	0	0	155,704,712
Recovered Costs	4,090,470	578,512	0	0	0	130,867,155	0	135,536,137
Shared Expenses	0	0	0	0	0	0	472,236	472,236
Miscellaneous	4,132,500	3,437,377	1,834,593	0	0	151,100	0	9,555,570
Total from Local Sources	617,435,520	36,918,406	121,302,563	1,103,854	0	131,486,255	472,236	908,718,834
Revenue from the Commonwealth:								
Non-categorical Aid	16,118,500	1,521,481	0	0	0	0	0	17,639,981
Shared Expenses	17,715,000	0	0	0	0	0	1,514,500	19,229,500
Categorical Aid	312,524,067	37,157,387	0	0	0	0	0	349,681,454
Total from the Commonwealth	346,357,567	38,678,868	0	0	0	0	1,514,500	386,550,935
Revenue from the Federal Government:								
Categorical Aid	370,000	62,705,044	0	0	0	0	0	63,075,044
Total from the Federal Government	370,000	62,705,044	0	0	0	0	0	63,075,044
Total Revenues	\$964,163,087	\$138,302,318	\$121,302,563	\$1,103,854	\$0	\$131,486,255	\$1,986,736	\$1,358,344,813
Operating Transfers	(106,568,847)	29,189,507	1,855,021	0	57,762,829	(92,162,305)	7,119,011	(102,804,784)
Transfers to Capital Projects	(35,067,380)	(5,469,420)	0	0	0	0	0	(40,536,800)
Total Resources	\$822,526,860	\$162,022,405	\$123,157,584	\$1,103,854	\$57,762,829	\$39,323,950	\$9,105,747	\$1,215,003,229
(To) From Fund Balance	5,000,000	6,304,512	(33,396,053)	0	0	3,985,209	105,534	(18,000,798)
Use of Fund Balance - Sidewalks	2,500,000	0	0	0	0	0	0	2,500,000
Use of Fund Balance - Designated Capital Reserve	6,826,777	0	0	0	0	0	0	6,826,777
Use of Fund Balance - MH/DS East Center Reserve	1,967,803	0	0	0	0	0	0	1,967,803
(To) Fund Balance - Meals Tax Reserve	(2,000,000)	0	0	0	0	0	0	(2,000,000)
From Sinking Fund - Bond Ops	2,853,640	0	0	0	0	0	0	2,853,640
Total All Funds	\$839,675,080	\$168,326,917	\$89,761,531	\$1,103,854	\$57,762,829	\$43,309,159	\$9,211,281	\$1,209,150,651

COUNTY OF HENRICO, VIRGINIA
TOTAL EXPENDITURES BY DEPARTMENT - ACROSS ALL FUNDS
FY 2017-18

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	\$1,081,048							\$1,081,048
02 Library	18,821,527							18,821,527
03 Sheriff	38,336,592							38,336,592
04 Circuit Court	3,121,783							3,121,783
05 Commonwealth's Attorney	4,843,141	1,208,268						6,051,409
06 General District Court	311,599							311,599
07 Juvenile & Domestic Relations Court	2,511,191	949,130						3,460,321
08 Electoral Board	1,535,898							1,535,898
09 County Manager	3,633,969							3,633,969
10 County Attorney	2,394,553							2,394,553
11 Human Resources	5,286,119					9,142,479	4,050,000	18,478,598
12 Public Safety - Police	73,515,756	1,539,091						75,054,847
13 Public Safety - Fire	58,667,363							58,667,363
14 Finance	13,647,914							13,647,914
16 General Services	14,632,142							14,632,142
17 Internal Audit	442,715							442,715
18 Debt Service					24,017,460			24,017,460
19 Information Technology	14,569,023							14,569,023
21 Agriculture and Home Extension	406,808							406,808
22 Social Services		32,855,479						32,855,479
23 Recreation & Parks	18,728,399							18,728,399
24 Public Health	2,219,895							2,219,895
26 Mental Health & Developmental Services								
27 Capital Region Workforce Partnership		37,426,239						37,426,239
28 Public Works	50,555,927	897,000						51,452,927
29 Real Property	648,326							648,326
30 Economic Development	16,747,273							16,747,273
31 Public Utilities			89,761,531					89,761,531
32 Non-Departmental	11,708,555	50,000						11,758,555
33 Building Inspections	4,432,477							4,432,477
34 Planning	4,420,096							4,420,096
35 Permit Center	908,766							908,766
36 Community Corrections Program		1,949,481						1,949,481
37 Technology Replacement						2,402,765		2,402,765
38 Community Revitalization	1,638,980							1,638,980
40 James River Juvenile Detention Ctr							5,161,281	5,161,281
42 Healthcare								
50 Education	469,907,245	72,589,042			33,745,369			576,241,656
60 Interdepartmental Billings						(102,804,784)		(102,804,784)
Total Expenditures	\$839,675,080	\$168,326,917	\$89,761,531	\$1,103,854	\$57,762,829	\$43,309,159	\$9,211,281	\$1,209,150,651

**Estimated Changes to Unassigned Fund Balances
FY2016 Actual through FY2018 Projected (By Fund)**

	Revenues	Expenditures/ Transfers	Fund Balance
GENERAL FUND			
Undesignated Fund Balance - FY2016 Actual			\$ 121,249,182 *
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		(5,000,000)	
FY2017 Anticipated Results of Operations			5,382,103
FY2017 Projected Use of Fund Balance - Capital Projects			(5,000,000)
Projected Ending Undesignated Fund Balance FY2017			121,631,285
FY2018 Budgeted Revenues	964,163,087		
FY2018 Budgeted Expenditures		(839,675,080)	
FY2018 Budgeted Transfers to Other Funds		(124,488,007)	
FY2018 Use of Fund Balance - Capital Projects		5,000,000	
FY2018 Anticipated Results of Operations			(680,023)
FY2018 Projected Use of Fund Balance - Capital Projects			5,000,000
Projected Ending Undesignated Fund Balance FY2018			\$ 125,951,262
*Reflects an undesignated fund balance of 15.0 percent of General Fund expenditures as of June 30, 2016. Prior to this adjustment Henrico policy for General Fund undesignated fund balance reflected 18.0 percent of expenditures.			
SPECIAL REVENUE FUND			
Undesignated Fund Balance - FY2016 Actual			\$ 0
FY2017 Budgeted Revenues	160,080,342		
FY2017 Budgeted Use of Reserves (net)	2,141,191		
FY2017 Budgeted Total Resources	162,221,533		
FY2017 Budgeted Expenditures		(162,221,533)	
FY2017 Projected Use of Undesignated Fund Balance			0
Projected Ending Undesignated Fund Balance FY2017			0
FY2018 Budgeted Revenues	162,022,405		
FY2018 Budgeted Use of Reserves (net)	6,304,512		
FY2018 Budgeted Total Resources	168,326,917		
FY2018 Budgeted Expenditures		(168,326,917)	
FY2018 Projected Use of Undesignated Fund Balance			0
Projected Ending Undesignated Fund Balance FY2018			\$ 0
INTERNAL SERVICE FUNDS			
Unreserved Retained Earnings - FY2016 Actual			\$ 31,697,871
FY2017 Budgeted Revenues	136,245,735		
FY2017 Budgeted Expenditures		(141,233,233)	
FY2017 Projected Use of Retained Earnings and Fund Balance			(4,987,498)
Projected Ending Unreserved Retained Earnings FY2017			26,710,373
FY2018 Budgeted Revenues	142,128,734		
FY2018 Budgeted Expenditures		(146,113,943)	
FY2018 Projected Use of Retained Earnings and Fund Balance			(3,985,209)
Projected Ending Unreserved Retained Earnings FY2018			\$ 22,725,164

**Estimated Changes to Unassigned Fund Balances
FY2016 Actual through FY2018 Projected (By Fund)**

	Revenues	Expenditures/ Transfers	Fund Balance
<i>WATER & SEWER ENTERPRISE FUND</i>			
Unreserved Fund Equity - FY2016 Actual			\$ 84,663,117
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		(200,050,000)	
FY2017 Budgeted Expenditures and Transfers		(284,730,876)	
FY2017 Projected Change to Unreserved Fund Equity			(26,760,516)
Projected Unreserved Fund Equity FY2017			57,902,601
FY2018 Budgeted Revenues	123,157,584		
FY2018 Budgeted Revenues - Revenue Bonds - Capital	0		
FY2018 Budgeted Expenditures		(89,761,531)	
FY2018 Budgeted for Capital Use		(77,550,000)	
FY2018 Budgeted Expenditures and Transfers		(167,311,531)	
FY2018 Projected Change to Unreserved Fund Equity			(44,153,947)
Projected Unreserved Fund Equity FY2018			\$ 13,748,654
 <i>JRJDC AGENCY FUND</i>			
Unreserved Retained Earnings - FY2016 Actual			\$ 3,456,889
FY2017 Budgeted Revenues	4,997,500		
FY2017 Budgeted Expenditures		(5,046,224)	
FY2017 Budgeted Use of Unreserved Retained Earnings			(48,724)
Projected Ending Unreserved Retained Earnings FY2017			3,408,165
FY2018 Budgeted Revenues	5,055,747		
FY2018 Budgeted Expenditures		(5,161,281)	
FY2018 Budgeted Use of Unreserved Retained Earnings			(105,534)
Projected Ending Unreserved Retained Earnings FY2018			\$ 3,302,631

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 four categories: Governmental Funds, Proprietary Funds, Internal 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 Enterprise Funds (Public Utilities and Belmont Golf Course). Internal Service Funds primarily provides either benefits or goods/services to other funds, departments on a cost-reimbursement basis with the goal to breakeven rather than make a profit. Internal Funds used by Henrico County includes Central Automotive Maintenance (CAM) which repairs and maintains all county vehicles on a cost-reimbursement basis. 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. Lastly, 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.

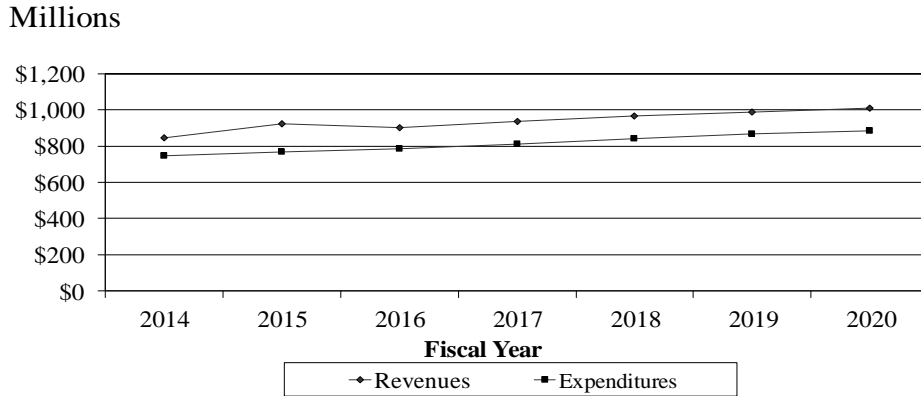
The information that follows constitutes the forecast of the County's cost of operations for FY2018 through FY2020. The FY2018 data represents the budget adopted by the Board of Supervisors, while FY2019 and FY2020 are included for projective purposes. This data is presented by fund and includes a description 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 2017 through 2020 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 FY2018, prior to transfers to other funds, is \$964,163,087. This, reflects an increase of \$30,009,592, or 3.2 percent above FY2017 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>FY2016</u> <u>Actual</u>	<u>FY2017</u> <u>Original</u>	<u>FY2018</u> <u>Approved</u>	<u>Increase</u> <u>(Decrease)</u>
Local Tax Revenue	\$ 552,237,148	\$ 565,245,000	\$ 590,623,000	\$ 25,378,000
Other Local Revenue	27,172,792	27,087,520	26,812,520	(275,000)
State and Federal Revenue	376,110,703	341,820,975	346,727,567	4,906,592
Total General Fund Revenue	<u>\$ 955,520,643</u>	<u>\$ 934,153,495</u>	<u>\$ 964,163,087</u>	<u>\$ 30,009,592</u>

Local Tax Revenue:

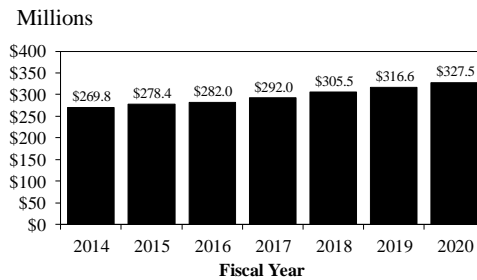
Local Tax Revenue represents Henrico County’s principal source of local revenue. County tax revenue is projected to total \$590.62 million or 61.25 percent of total General Fund revenue for FY2018. This represents an increase of 4.5% percent, or \$25.4 million above the current fiscal year. Local Tax Revenue includes:

Local Tax Revenue	FY2017 Original	FY2018 Approved	Increase (Decrease)	Percent Change	Pct. Of Revenue
Real Property Tax	\$ 300,285,000	\$ 313,785,000	\$ 13,500,000	4.5%	53.1%
Personal Property Tax	116,000,000	120,115,000	4,115,000	3.5%	20.3%
Other Property Taxes	5,475,000	5,475,000	0	0.0%	0.9%
Local Sales Tax	61,000,000	64,275,000	3,275,000	5.4%	10.9%
Business License Tax	32,000,000	32,500,000	500,000	1.6%	5.5%
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%	0.4%
Hotel/Motel Tax	11,200,000	12,000,000	800,000	7.1%	2.0%
Bank Franchise Tax	5,000,000	5,000,000	0	0.0%	0.8%
Food & Beverage (Meals) Tax	20,000,000	22,988,000	2,988,000	14.9%	3.9%
Other Local Taxes	5,360,000	5,560,000	200,000	3.7%	0.9%
Total Local Tax Revenue	\$ 565,245,000	\$ 590,623,000	\$ 25,378,000	4.5%	100.0%

The majority, 73.4 percent, of the \$590.62 million in Local Tax revenues is derived from Real and Personal Property Tax (including delinquent collections), which are estimated to generate approximately \$433.9 million or 45.0 percent of total General Fund revenue. Local Sales Tax revenue increased \$3,275,000 or 5.4 percent in FY2018 and makes up 10.9 percent of Local Tax revenue. Business & Professional License (BPOL) Tax revenue is projected to increase by \$500,000 in FY2018. This accounts for the increase in the exemption from \$100,000 of gross receipts to \$200,000 of gross receipts.

The Motor Vehicle License Tax revenue is projected to remain steady at \$6.3 million in FY2018. The Consumer Utility Tax revenue (electric only) estimate of \$2.6 million remained flat for FY2018. Revenue from the 8.0 percent Hotel/Motel Tax, estimated to total \$12.0 million, increased 7.1% in FY2018. These funds will be paid to the Richmond Convention Center during FY2018. The Convention Center will return \$3.0 million (a fourth of the 8.0 percent levy) to the County at the end of FY2018. The assumptions used when preparing the FY2019 – FY2020 revenue estimates for each of these taxes are described in greater detail in the following pages.

Real Property Tax Revenues



Fiscal Years 2017 through 2020 are estimated.

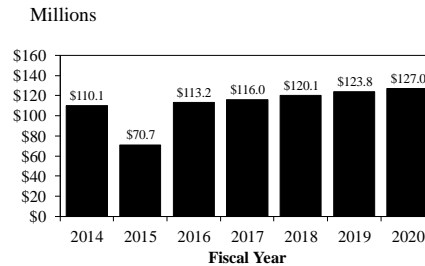
Real Property Taxes are estimated to generate \$313.8 million or 32.5 percent of the County’s total General Fund revenue in FY2018. This revenue estimate increased by \$13,500,000 in FY2018. Included within this total is revenue derived from current real estate taxes and real estate taxes paid by public service corporations. The FY2018 budget is balanced within the tax rate of \$0.87 per \$100 of assessed value for CY2017.

Assessment information for January 2017 indicates real estate assessments total \$35.7 billion, reflecting an increase of approximately \$1.5 billion, or 4.6 percent from the January 2016 assessed values. The increase was driven by increased residential reassessments of 3.5 percent – the third increase in seven years. The commercial percentage of the tax base equated to 31.1 percent in January 2017, equal to the ratio in January 2016, as commercial real estate reassessments increased 3.7 percent.

Year projections for countywide assessments are based on a forecast model factoring in changes in both residential and commercial values as well as the addition of new residential and commercial construction. The FY2019 and FY2020 projections assume increases to the County’s real property tax collections of 3.6 percent and 3.5 percent 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 FY2018 the tax rate for Data Centers was reduced to \$0.40 per \$100 assessed value. These tax reductions is reflective of an effort to enhance the County’s economic development efforts.

Personal Property Tax Revenues



Fiscal Years 2017 through 2020 are estimated. Actuals and projections include PPTRA.

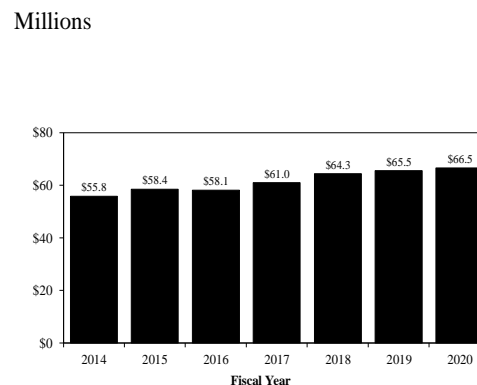
FY2018 marks the twentieth year of the Personal Property Tax Relief Act (PPTRA) enacted by the General Assembly in 1998, although actual reimbursements to localities were capped by the State in the 2004 legislative session. Due to the State payment cap the amount of tax relief will vary by year and locality. 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 \$120.1 million for FY2018. 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 3.2 percent in FY2019 and 2.6 percent in FY2020.

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 \$64.3 million in FY2018, an increase of \$3.3 million, or 5.4 percent from the current fiscal year budget. Local Sales Tax revenues are projected to increase by 1.9 percent in FY2019 and 1.5 percent FY2020. Henrico County’s retailers continue to lead the Richmond Metropolitan

Local Sales Tax

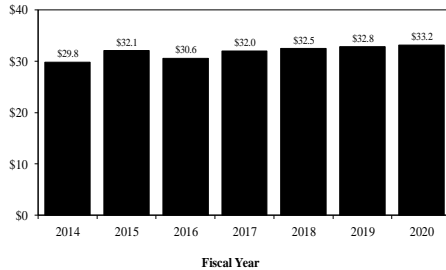


Fiscal Years 2017 through 2020 are estimated.

Area in the generation of Local Sales Tax revenue. As of May 2017, Henrico County is recording 38.7 percent of the Local Sales Tax dollars redistributed to localities in the Richmond Metropolitan Area by the State.

Business, Professional & Occupational License Tax (BPOL) Revenues

Millions



Fiscal Years 2017 through 2020 are estimated.

gross receipts are taxable as the tax reduction only applies to businesses with total gross receipts below the \$200,000 threshold. In addition, the FY2018 budget maintains a maximum uniform BPOL tax rate of \$0.20/\$100 of gross receipts for all business categories. The FY2019 forecast assumes BPOL tax receipts will increase to a level of \$32.8 million. It is projected that receipts will increase by 1.0 percent in both FY2019 and 1.4 percent in FY2020.

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. In FY 2018 the county increased their exemption to the first \$200,000 of gross receipts. This exemption is different from the “threshold” tax reduction in other Virginia localities. For Henrico County businesses, the first \$200,000 of gross receipts is exempt from the BPOL tax – regardless of total gross receipts. In a “threshold” locality, if a business exceeds \$200,000 in gross receipts, all

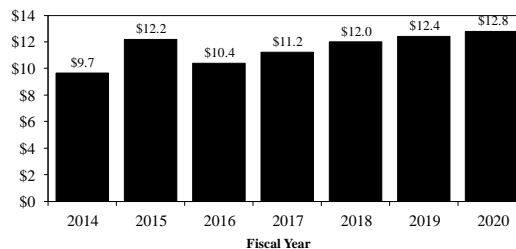
Motor Vehicle License Taxes are collected for every motor vehicle or trailer normally garaged, stored or parked in the County. The projection will increase to \$6.5 million during the forecast period.

Consumer Utility Taxes are estimated to be \$2.6 million for FY2018, and an increase to \$2.7 million in FY 2019 and FY 2020. 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 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. FY2018 revenue estimates for the Hotel/Motel Tax total \$12.0 million. It is anticipated that revenues will increase by 3.3 percent in FY2019 and an increase 3.2 percent in FY2020, respectively.

Hotel/Motel Tax Revenue

Millions



Fiscal Years 2017 through 2020 are estimated.

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 FY2018 forecast is \$23.0 million, and it is projected this revenue will increase to \$27.0 million in FY2019 and FY2020 as part of the financing plan of the approved referendum.

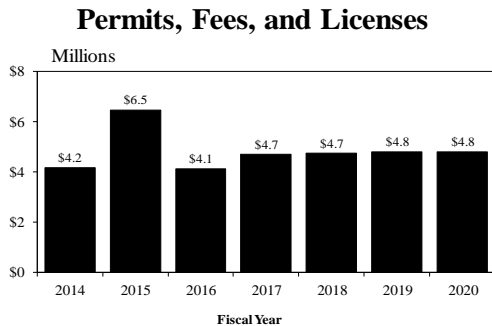
Bank Franchise Taxes are derived from the taxation of net capital on banks located in the County. In FY2018 Bank Franchise Taxes are estimated at \$5.0 million and will remain flat during the projection period.

Other Local Taxes includes funds received for grantor’s taxes, recordation taxes, daily rental tax, and the consumption tax. In total \$5.56 million is budgeted in FY2018, which is an increase from the current fiscal year by \$200,000 or 3.7 percent. It is projected that revenues will remain at the FY2018 level for FY2019 and with an increase of 0.5 million in FY2020.

Other Local Revenue:

Other Local Revenue is estimated to generate nearly \$26.8 million in FY2018. This represents a \$275,000, or a 1.0 percent decrease from FY2017. More detailed information on each of these categories of local revenue is included in the pages that follow.

Other Local Revenue	FY2017 Original	FY2018 Approved	Increase (Decrease)	Percent Change
Permits, Fees and Licenses	\$ 4,701,100	\$ 4,741,100	\$ 40,000	0.9%
Fines and Forfeitures	2,590,000	2,090,000	(500,000)	(19.3%)
Use of Money and Property	7,925,600	7,925,600	0	0.0%
Charges for Services	3,700,450	3,832,850	132,400	3.6%
Miscellaneous	8,170,370	8,222,970	52,600	0.6%
Total Other Local Revenue	\$ 27,087,520	\$ 26,812,520	\$ (275,000)	(1.0%)



Fiscal Years 2017 through 2020 are estimated.

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 FY2018, which represents a \$40,000, or 0.9 percent increase when compared to FY2017.

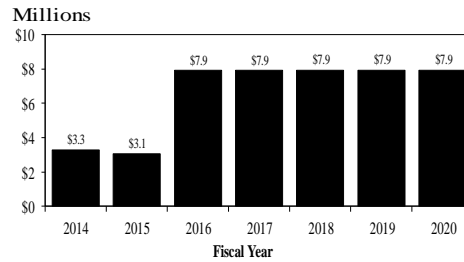
Building Permit Fees, which are an elastic revenue source, account for more than 71.7 percent of this revenue category in the current budget year. In FY2018 Building Permit Fees are estimated to increase by \$150,000 or 4.6%. The projection for this revenue is based on restructuring the fee structure.

Information through May 2017 indicates an increase of 4.8 percent in the number of permits issued and an increase in permit value of 4.2 percent or \$1,454,329 year-to-date in FY2017. The forecast for Permits, Fees and License revenues is projected to remain flat at \$4.7 million in FY2019 and FY2020.

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 \$2.0 million in FY2018 and is projected to remain flat at \$2.0 million for FY2019 and FY2020.

Use of Money and Property is estimated to generate \$7.9 million in FY2018. 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 in FY2019 and in FY2020.

Use of Money and Property



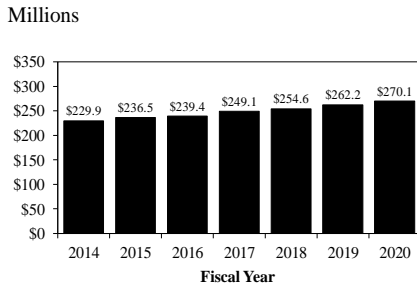
Fiscal Years 2017 through 2020 are estimated.

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 \$3.8 million in FY2018 and is projected to remain constant in FY2019 and FY2020.

State and Federal Revenue:

State and Federal revenue is estimated at \$346.7 million in FY2018, which represents 36.0 percent of total General Fund revenue. This is a projected increase of approximately 1.4 percent over the current fiscal year. This category is comprised of revenue for General Government programs totaling \$92.1 million and Education funding of \$254.6 million. The following is a look at the components.

State and Federal Aid to Education



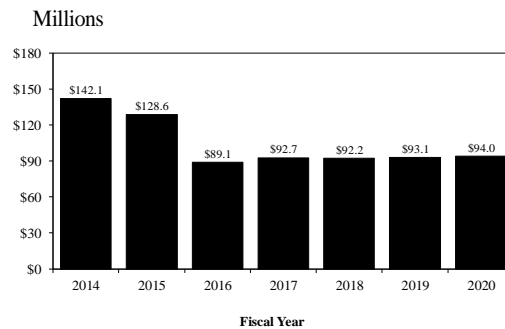
Fiscal Years 2017 through 2020 are estimated.

State and Federal Aid to Education is estimated to increase from \$250.1 million in FY2017 to \$254.5 million in FY2018. This represents an increase of \$3.7 million or 1.4 percent. The projection assumes an increase of 3.0 percent in FY2019 and FY2020.

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 FY2018, Federal funding in the General Fund for Education totals \$360,000 and is forecasted to remain constant in FY2019 and FY2020.

State and Federal Aid to General Government is estimated at \$92.1 million in FY2018. This represents an increase of \$1,204,592 or 1.3 percent when compared to the FY2017 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 FY2017 through FY2020, 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

State and Federal Aid to General Gov't.



Fiscal Years 2017 through 2020 are estimated. PPTRA payments are reflected in the FY2012-FY2014 totals. Current and future year projections include the estimate for personal property in one central location (local revenue).

adopted by the Virginia General Assembly in May 2004 froze the PPTRA reimbursement to localities. The payments to localities have equaled the 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 \$45.1 million for road maintenance in FY2018. 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 \$12.0 million in FY2018.

Federal Aid to General Government is estimated at \$10,000 in FY2018. The majority of federal revenues are designated for education.

Expenditures **Assumptions**

In the course of developing the FY2018 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 CY2017. These decisions were reached after careful review and planning by the Board of Supervisors. This planning reaches beyond FY2018 and is intended to establish a balance between the County's recurring revenues and expenditures in future years. The FY2018 General Fund Budget of \$839.7 million represents an increase of \$28.8 million or 3.6 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 FY2018, the Education budget represents 56.0 percent of General Fund expenditures. General Fund Education expenditures total \$469.9 million in the Annual Fiscal Plan, which represents an increase of \$14.8 million, or 3.3 percent. Of the total expenditures in Education, 45.8 percent are funded with locally generated revenues and 54.2 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 FY2018 Annual Fiscal Plan is \$369.7 million, which represents an increase of \$13.9 million, or 3.9 percent. The focus continues to remain on Public Safety as the budget includes the addition of ten new Police Officers as the final year of a five-year commitment to add a total of fifty Police Officers. In addition to the new Police Officers, twenty-four new Firefighters that will be assigned to the new Fire Station #19 and three new Firefighter positions for the second 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 are included in the FY 2018 budget.

General Fund expenditures are forecasted to grow by 2.8 percent in FY2019 and 2.7 percent in FY2020. 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 FY2018 Capital Budget totals \$232.7 million. The five-year Capital Improvement Program for FY2018 through FY2022 includes requests that exceed \$1.0 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 \$232.6 million FY2018 Capital Budget, \$77.6 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 \$155.1 million within the FY2018 Capital Budget has been approved for Education and County General Fund supported departments. Of this total, \$114.6 million is supported bonds overwhelmingly approved by the voters in November 2016. The total for the G.O. Referendum was \$419.6 million, which will be issued to support projects for Education, Recreation, Public Safety, Libraries, and Road projects, over a six-year period.

As a means of ensuring the County does not rely too heavily on debt financing for required infrastructure improvements, the FY2018 Annual Fiscal Plan includes \$30.0 million in pay-as-you-go funding from a variety of sources. The FY2018 transfer of \$30,067,380 includes an allocation of \$16,294,580 from General Fund balance. This allocation includes \$7.50 million for pay-as-you-go construction and technology projects, which is to be divided equally between General Government and Education to support various ongoing projects. The remaining \$4,964,000 associated with the General Fund balance transfer will support the Fire Emergency Medical Dispatch System. Along with several renovation projects: Human Resource Building, Recreation facility, Belmont Golf Course improvements, Police Communication Training Room and Evidence Storage Facility, Data Center Upgrade, Police Communication Training Room and Evidence Storage Facility. Also included is these allocations is \$3,830,580 for the new Mental Health Building.

The forecast also includes a \$4,869,420 allocation from the Mental Health Fund Balance, which will provide the funding for the Mental Health East Center Replacement. The FY2018 revenue transfer totals \$18.7 million, which includes; Motor Vehicle License Fee revenue of \$850,000, which supports various Public Works' ongoing projects; dedicated General Fund resources of \$2,348,000 are included for an ongoing stormwater project which has been submitted to meet the County's Chesapeake Bay Total Maximum Daily Load (TMDL) permit requirement. The General Fund revenues transfer for FY2018 also includes \$6,574,800 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, commonly referred to as the "Meals Tax", will once again be allocated to Schools as prescribed in the ordinance the Board of Supervisors passed. A total of \$9,000,000 is allocated to various Education capital projects. 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 FY2020 are calculated on new, existing and projected debt service requirements. The forecast period is based on projected debt service costs arising from all prior debt issues, including debt authorized in prior referenda in 2000 and 2005. This also includes the first issue of debt from the November 2016 G.O. Bond Referendum.

To (From) Capital Projects is projected at \$35.1 million in FY2018, of which, \$7.5 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, \$2.0 million of the revenue generated will be placed in an Education Meals Tax Project Reserve. In addition, \$6.6 million is allocated for a vehicle replacement, comprised of \$1.8 million for the fire apparatus replace program, \$2.3 million for police vehicles, and \$2.5 million for school bus replacement. Projections for FY2019 and FY2020 include transfers of \$31.8 million and \$32.3 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 FY2018 estimate of these costs is \$1.9 million and the estimated costs for FY2019 and FY2020 remain flat.

To (From) Risk Management Fund is the transfer of funds to support risk management operations. The fund was established in FY2005. The FY2018 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 FY2019 and FY2020 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 \$29.2 million in FY2018. The projections over the forecast period are \$29.4 million in FY2019 and \$29.7 million in FY2020, and were determined after analyzing all of the individual components of the Special Revenue Fund.

To (From) JRJDC Agency Fund represents the transfer to pay for Henrico County’s share of the operating costs and debt service requirements associated with the James River Juvenile Detention Center (JRJDC). The JRJDC Agency Fund accounts for the James River Juvenile Detention Center budget. Henrico County, as the majority partner serves as the fiscal agent for the James River Juvenile Detention Center Commission. The JRJDC Agency Fund accounts for the Commission’s revenues from participating localities, operating and debt service expenditures. As the forecast indicates, the transfer to the JRJDC Agency Fund is anticipated at \$3.1 million for FY2018, as the debt associated with the construction of the facility has been paid. The transfer for the JRJDC Agency fund is projected to increase to \$3.1 million in FY2019 and \$3.2 million in FY2020.

(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 FY2018, FY2019, and FY2020 total \$2.7 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 FY2018, FY2019, and FY2020 remain flat at \$700,000 each year, which will fund the County’s obligation in this area.

(To) From Long Term Disability represents the anticipated funding needed for expenses associated with the payments for County-provided long-term disability benefit for eligible General Government and Schools employees. In January 2017, the county contracted with Metropolitan Life Insurance Company to fully insure and administer a long-term disability program. Projections for FY2018, FY2019, and FY2020 remain flat at \$600,000 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 decreased from 43,155,447 in FY17 to 35,067,380 for FY18 or 18.7%. The 2018 figure incorporates 3 areas: Capital Projects, Capital Reserve, and Assigned. **Capital Projects** represents the allocation of funding for pay-as-you-go construction from General Fund revenues for Education and General Government to support various ongoing projects. In FY2018, \$18.7 million is being allocated for General Government and Education projects. The pay-as-you-go consists of projects for Schools that is designated from the meals tax revenue. Funding of \$6.5 million for vehicle replacements for Police, Fire and Educations. Lastly, there are two Public Works projects, for general road repair and stormwater. In FY2018 and FY2019 forecasts project the pay-as-you-go projects to remain constant as \$18.7 million. **Capital Reserve** represents the allocation of designated funding for specific projects. In FY2018, \$16.2 million is being allocated for multiple projects. One allocations of funding is \$7.5 million for annual construction projects for mechanical repairs, pedestrian improvements and roof repairs projects for General Government and Education. \$1,862,777 for the new Mental Health Building; along with various other projects: renovations projects for human services, recreation facility rehab, data center upgrades, several feasibility studies, golf course improvements just to name a few. The FY2019 and FY2020 forecasted expenditures are budgeted at \$10.0 million per year to cover future capital projects. **Assigned Fund Balance** totals \$2.0 million reserved for the new Mental Health building.

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 FY2018, a forecasted use of \$2.9 million is anticipated and \$1.0 million is anticipated for FY2019 and 3.3 million for FY2020.

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 FY2017, FY2018, FY2019, and FY2020.

General Fund Forecast

	FY15-16	FY16-17	FY17-18	FY18-19	FY 19-20
	Actual	Approved	Approved	Forecast	Forecast
Revenues:					
Current Real Estate Tax	\$ 289,115,966	292,000,000	\$ 305,500,000	\$ 316,565,990	327,483,865
P.S. Real Estate Tax	8,704,105	8,285,000	8,285,000	8,285,000	8,285,000
Current Personal Prop. Tax ⁽¹⁾	72,210,923	115,885,000	120,000,000	123,800,000	127,000,000
P.S. Personal Property Tax	88,530	115,000	115,000	85,000	85,000
Other General Property Tax	16,922,427	5,475,000	5,475,000	5,475,000	5,475,000
Local Sales Tax	62,285,964	61,000,000	64,275,000	65,500,000	66,500,000
Business License Tax	33,520,678	32,000,000	32,500,000	32,825,000	33,200,000
Motor Vehicle License Tax	6,916,081	6,325,000	6,325,000	6,450,000	6,500,000
Consumer Utility Tax	2,739,305	2,600,000	2,600,000	2,700,000	2,700,000
Bank Franchise Tax	12,132,673	5,000,000	5,000,000	5,000,000	5,000,000
Hotel/Motel Tax	13,169,349	11,200,000	12,000,000	12,400,000	12,800,000
Food & Beverage (Meals) Tax	28,073,420	20,000,000	22,988,000	27,000,000	27,000,000
Other Local Taxes	6,357,725	5,360,000	5,560,000	5,610,000	5,735,000
Local Taxes Sub-Total	552,237,146	565,245,000	590,623,000	611,695,990	627,763,865
Permits, Fees, & Licenses	5,170,949	4,701,100	4,741,100	4,800,000	4,800,000
Fines & Forfeitures	1,944,848	2,590,000	2,090,000	2,000,000	2,000,000
Use of Money & Property	3,845,089	7,925,600	7,925,600	7,925,600	7,925,600
Charges for Services	4,299,755	3,700,450	3,832,850	3,832,850	3,832,850
Miscellaneous Revenue	11,912,155	8,170,370	8,222,970	8,422,970	9,322,970
Total Local Revenue	579,409,942	592,332,520	617,435,520	638,677,410	655,645,285
State & Federal-Schools	241,137,228	250,860,000	254,562,000	262,198,860	270,064,826
State & Federal-General Government ⁽¹⁾	134,973,474	90,960,975	92,165,567	93,087,223	94,018,095
Total State & Fed. Revenue	376,110,702	341,820,975	346,727,567	355,286,083	364,082,921
Total Revenue	\$ 955,520,644	\$ 934,153,495	\$ 964,163,087	\$ 993,963,493	\$ 1,019,728,205

⁽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:

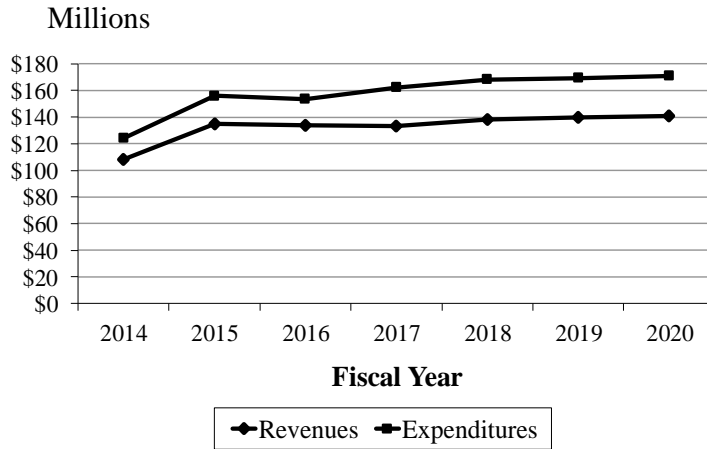
(To) From Debt Service Fund	\$ (54,086,435)	(57,507,646)	\$ (57,762,829)	\$ (63,171,352)	(66,913,860)
(To) From Capital Projects Fund	(56,467,362)	(43,155,447)	(35,067,380)	(31,772,800)	(32,272,800)
(To) From Enterprise Fund	(1,970,308)	(1,928,621)	(1,930,021)	(1,929,921)	(1,929,921)
(To) From Risk Management Fund	(10,396,549)	(8,393,421)	(8,392,479)	(8,560,329)	(8,731,535)
(To) From Technology Replacement	(1,000,000)	(2,000,000)	(2,250,000)	(2,500,000)	(2,500,000)
(To) From Special Revenue Fund	(24,448,907)	(27,985,219)	(29,189,507)	(29,449,944)	(29,712,985)
(To) From JRJDC Agency Fund	(3,426,586)	(2,979,622)	(3,069,011)	(3,130,391)	(3,192,999)
(To) From OPEB - GASB 45 Fiduciary Fund	(2,750,000)	(2,750,000)	(2,675,000)	(2,675,000)	(2,675,000)
(To) From Line of Duty	(514,153)	(575,000)	(700,000)	(700,000)	(700,000)
Oper. Transfer- LTD	(260,729)	-	(600,000)	(600,000)	(600,000)
Use of Fund Balance - Public Works Revenues	6,531,502	-	-	-	-
Use of Fund Balance - Designated Capital Reserve	10,430,000	4,899,400	6,826,777	5,000,000	5,000,000
Use of Fund Balance - Capital Projects	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Use of Fund Balance - designated FY16 - Sidewalks	-	-	2,500,000	2,500,000	2,500,000
Use of Fund Balance - MH/DS East Center Reserve	-	-	1,967,803	-	-
Use of Fund Balance - Capital Initiatives	1,000,000	-	-	-	-
Use of Fund Balance-Designated Permit Fee	500,000	1,000,000	-	-	-
Use of Fund Balance - Designated Fund Balance	-	3,100,000	-	-	-
Use of Fund Balance - Undesignated	-	350,000	-	-	-
(To) From Fund Balance - Meals Tax Reserve	(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	-	-	-
(Addition to) Use of Fund Balance General Fund	(41,260,365)	-	-	-	-
(To) From Revenue Stabilization Reserve	1,000,000	(1,000,000)	-	-	-
From Sinking Fund - Bond Ops	2,074,331	1,864,067	2,853,640	843,185	3,271,643
Total Transfers	\$ (170,055,091)	\$ (123,278,262)	\$ (124,488,007)	\$ (131,146,552)	\$ (133,457,457)
Total Resources	\$ 785,465,553	\$ 810,875,233	\$ 839,675,080	\$ 862,816,941	\$ 886,270,748

	FY15-16	FY16-17	FY17-18	FY18-19	FY 19-20
	Actual	Approved	Approved	Forecast	Forecast
Expenditures:					
General Government Administration	\$ 53,863,153	55,811,883	57,871,707	59,029,141	60,209,724
Judicial Administration	7,985,854	8,102,908	8,500,620	8,670,632	8,844,045
Public Safety	171,021,050	170,483,485	177,239,282	182,081,148	185,792,771
Public Works	46,587,435	48,965,254	50,555,927	51,567,046	52,598,386
Health & Social Services	1,950,496	1,950,729	2,219,895	2,264,293	2,309,579
Education	437,322,003	455,071,628	469,907,245	483,641,322	496,917,974
Recreation & Culture	32,351,572	36,116,814	37,549,926	38,856,272	42,005,040
Community Development	23,744,432	22,782,633	24,121,923	24,764,361	25,411,649
Miscellaneous	10,639,558	11,589,899	11,708,555	11,942,726	12,181,581
Total Expenditures	\$ 785,465,553	\$ 810,875,233	\$ 839,675,080	\$ 862,816,941	\$ 886,270,748
Fund Balance:					
Restricted (*)	\$ 5,276,628	10,000,000	\$ 10,000,000	\$ 10,000,000	10,000,000
Assigned (**)	95,738,982	71,742,268	54,594,048	41,250,863	25,479,220
Unassigned Fund Balance	119,346,150	121,631,285	125,951,262	129,422,541	132,940,612
Total Fund Balance	\$ 220,361,760	\$ 203,373,553	190,545,310	\$ 180,673,404	\$ 168,419,832

* 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 2017 through 2020 are estimated. Revenues exclude transfers from other funds.

SPECIAL REVENUE FUND

(Fund 11)

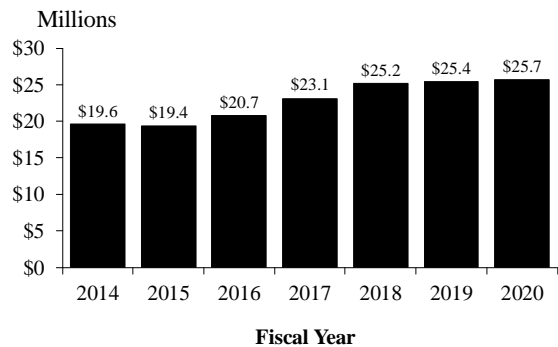
The Special Revenue Fund accounts for proceeds from revenue sources that legally restrict expenditures to specified purposes. Henrico County's Special Revenue Fund includes the Department of Public Utilities' Solid Waste and Street Lighting operations; Public Works' Watershed and Best Management Practices 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 FY2018 is \$168,326,917, which represents an increase of \$6,105,384, or 3.8 percent, from the current fiscal year. A portion of this increase was in the budget for the School Cafeteria, which grew by \$2.1 million, or 9.0 percent, based on anticipated expenditures in this area. Another area that experienced significant growth was in Social Services, which increased by \$1.9 million or 6.0 percent due to rising demand for services under the Children's Services Act. Projected resources and requirements for FY2019 and FY2020 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 FY2018 are estimated at \$25,184,075, compared to \$23,142,474 in FY2017. FY2019 and FY2020 revenue estimates of \$25,435,916 and \$25,690,275, respectively, reflect projected increases of 1.0 percent based on anticipated growth in cafeteria operations.

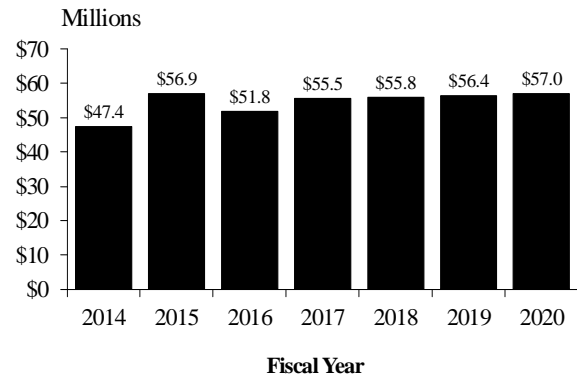
School Cafeteria Revenue



Fiscal Years 2017 through 2020 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 FY2018 totals \$55,842,032. 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. The forecasts for FY2019 and FY2020 each reflect annual increases in revenues of 1.0 percent.

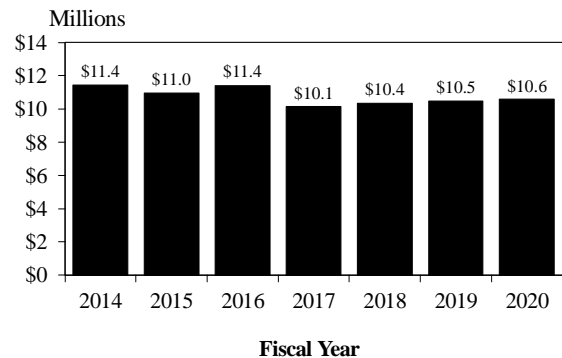
State, Federal, and Other Grant Revenue



Fiscal Years 2017 through 2020 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 2017 through 2020 are estimated. Revenues do not include transfers from other funds.

In FY2018, the revenue generated by fees related to the disposal of solid waste is forecasted to increase by \$239,340, or 2.4 percent. The forecasts for FY2019 and FY2020 each reflect annual increases in revenues of 1.0 percent.

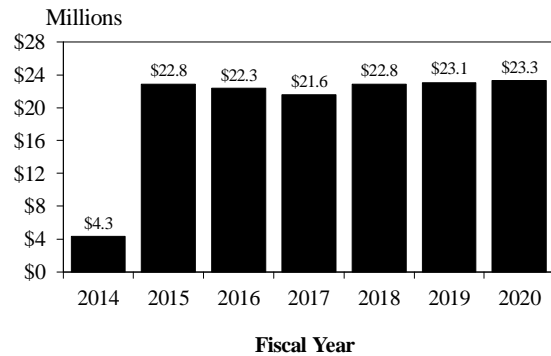
Street Lighting revenues fund the operation and maintenance of the street lighting districts throughout the County. Funding is provided by a specific annual surcharge levied on each property within a street light district. Street lighting revenue estimates throughout the forecast period support operating 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. Budgeted revenues for Mental Health total \$22,758,903 for FY2018. State revenues are projected to be \$8,425,695, while federal revenues of \$1,721,164, fee revenues of \$11,448,200, Mental Health grant reserve funding of \$600,000, and \$320,000 of contract revenues from Sheltered Employment are also anticipated. Additionally, Henrico is budgeted to receive a total of \$243,844 of fee revenues from Charles City and New Kent counties. A 1.0 percent increase in Mental Health revenues is projected for both FY2019 and FY2020. 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 FY2018, FY2019, and FY2020. 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 revenues for FY2018 total \$22,840,225, of which \$7,274,922 is directed toward CSA and the remaining \$15,565,303 support all other Social Services efforts. Of the total revenues forecasted for these programs, State revenues are projected to total \$11,949,090 while federal revenues of \$10,840,890 and other local revenues of \$50,245 are also anticipated. A 1.0 percent increase in revenues is projected for both FY2019 and FY2020, based on anticipated increases in State and Federal funding.

Social Services Revenue



Fiscal Years 2017 through 2020 are estimated. Revenues do not include transfers from other funds.

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 FY2018, the transfer of \$29,189,507 includes the County's contribution of \$1,361,074 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; \$10,015,254 in local support of Social Services, which includes funding for the CSA; and \$14,667,336 for Mental Health. The total transfer from the General Fund is projected to increase to \$29,449,944 in FY2019 and \$29,712,985 in FY2020.

(To) Capital Projects Fund for Solid Waste represents a transfer of funding from the Special Revenue Fund to the Capital Projects Fund. In FY2018, a transfer of \$600,000 is projected.

(To) Capital Projects Fund for Mental Health represents a transfer of funding from the Special Revenue Fund to the Capital Projects Fund. In FY2018, a transfer of \$4,869,420 is projected.

(To) From Mental Health Fund Balance is a reserve, accumulated from the operation of Mental Health services. A budgeted use of fund balance totaling \$4,869,420 is forecasted for FY2018.

(To) From School Cafeteria Fund Balance is a reserve, accumulated from the operation of the school cafeterias. The School Board's practice has been to charge enough for cafeteria meals to cover the cost of providing the service to County students. Expenditure projections are based on prior experience and student enrollment. The budgeted use of fund balance for FY2018 totals \$575,947.

(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. The budgeted use of fund balance for FY2018 totals \$859,145 however the forecast for FY2019 and FY2020 reflect a reduction in the use of Solid Waste Fund Balance as revenues have been forecasted to more accurately reflect future expenditures.

Expenditures

Assumptions

The development of the FY2018 Special Revenue Fund budget assumes recurring revenues will support recurring expenditures in future years. Special Revenue Fund resources and requirements for FY2019 and FY2020 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 FY2017 through FY2020 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.

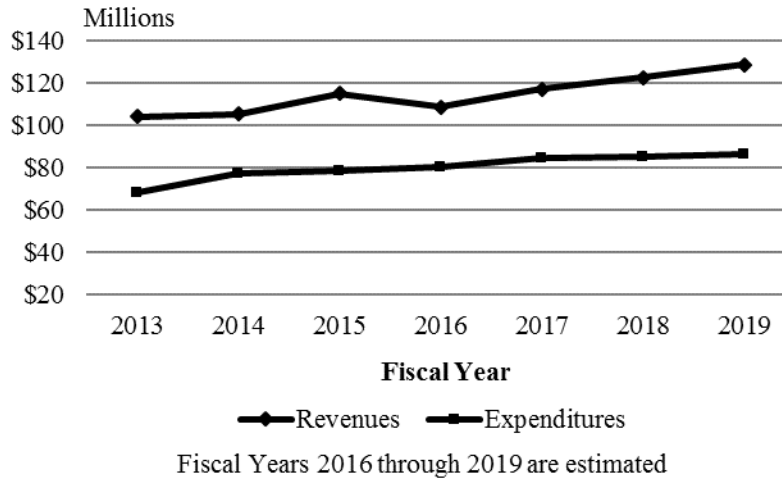
Special Revenue Fund Forecast

	FY 15-16 Actual	FY 16-17 Original	FY 17-18 Forecast	FY18-19 Forecast	FY19-20 Forecast
Revenues:					
School Cafeteria	\$ 20,749,798	\$ 23,142,474	\$ 25,184,075	\$ 25,435,916	\$ 25,690,275
State, Federal & Other Grants	51,756,386	55,450,523	55,842,032	56,400,452	56,964,457
Asset Forfeitures	380,488	0	0	0	0
Donations	15,711	0	0	0	0
Revenue from Local Sources - CDA	3,844,000	0	0	0	0
Solid Waste	11,413,856	10,122,975	10,362,315	10,465,938	10,570,598
Street Lighting	3,603	83,100	83,100	83,100	83,100
Mental Health	21,985,093	21,682,796	22,758,903	22,986,492	23,216,357
Metro Aviation/Extradition	205,077	334,668	334,668	334,668	334,668
Social Services	22,328,384	21,550,087	22,840,225	23,068,627	23,299,314
Watershed/Best Management Practices	1,036,148	897,000	897,000	897,000	897,000
Subtotal Revenues	\$133,718,544	\$133,263,623	\$138,302,318	\$139,672,194	\$141,055,768
From General Fund:					
State, Federal & Other Grants	\$ 1,444,930	\$ 1,342,436	\$ 1,361,074	\$ 1,374,685	\$ 1,388,432
Mental Health	11,317,607	14,064,509	14,667,336	14,814,009	14,962,149
Metro Aviation	73,825	127,332	127,332	127,332	127,332
Social Services	8,173,510	9,432,431	10,015,254	10,115,407	10,216,561
Solid Waste	3,018,511	3,018,511	3,018,511	3,018,511	3,018,511
Subtotal From General Fund	\$ 24,028,383	\$ 27,985,219	\$ 29,189,507	\$ 29,449,944	\$ 29,712,985
(To) Capital Projects Fund for Solid Waste	0	(150,000)	(600,000)	0	0
(To) Capital Projects Fund for Mental Health	0	(1,018,500)	(4,869,420)	0	0
(To) Capital Projects Fund for Public Safety	(500,000)	0	0	0	0
(To) Special Revenue Fund Balance	500,000	0	0	0	0
(To) From Mental Health Fund Balance	0	1,018,500	4,869,420	0	0
(To) From School Cafeteria Fund Balance	(318,164)	499,894	575,947	0	0
(To) From Solid Waste Fund Balance	(3,829,890)	622,797	859,145	291,922	325,026
Total Resources	\$153,598,873	\$162,221,533	\$168,326,917	\$169,414,059	\$171,093,778
Expenditures:					
School Cafeteria	\$ 20,431,634	\$ 23,642,368	\$ 25,760,022	\$ 25,435,916	\$ 25,690,275
State, Federal & Other Grants	53,597,515	56,792,959	57,203,106	57,775,137	58,352,888
Economic Development Authority	3,844,000	0	0	0	0
Solid Waste	10,602,477	13,614,283	13,639,971	13,776,371	13,914,134
Street Lighting	3,603	83,100	83,100	83,100	83,100
Mental Health	33,302,700	35,747,305	37,426,239	37,800,501	38,178,506
Metro Aviation/Extradition	278,902	462,000	462,000	462,000	462,000
Social Services	30,501,894	30,982,518	32,855,479	33,184,034	33,515,874
Watershed/Best Management Practices	1,036,148	897,000	897,000	897,000	897,000
Total Expenditures	\$153,598,873	\$162,221,533	\$168,326,917	\$169,414,059	\$171,093,778
Ending Special Revenue Fund Balance:					
Schools	\$ 10,305,967	\$ 9,806,073	\$ 9,230,126	\$ 9,230,126	\$ 9,230,126
State, Federal & Other Grants, Forfeitures *	23,922,607	0	0	0	0
Economic Development Authority **	5,049,067	0	0	0	0
Solid Waste	21,167,323	20,544,526	19,685,381	19,393,459	19,068,434
Street Lighting	868,685	868,685	868,685	868,685	868,685
Total Fund Balance	\$ 61,313,649	\$ 31,219,284	\$ 29,784,192	\$ 29,492,270	\$ 29,167,245

* Forecast assumes miscellaneous grant appropriations will be spent by 6/30/17. Any unspent appropriations will be carried forward into FY2017-18.

** 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.

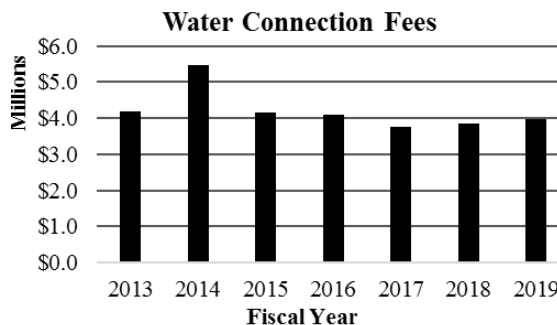
In addition to payment of the debt service, the General Fund is also responsible for the annual repayment of the \$9.6 million loan made in FY1996-97 to the Capital Projects Fund for additional infrastructure built at the Elko Tract site. The County's year-end financial statements disclose this loan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

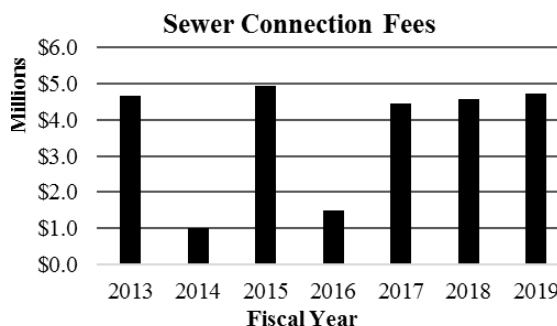
Expenditures

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)

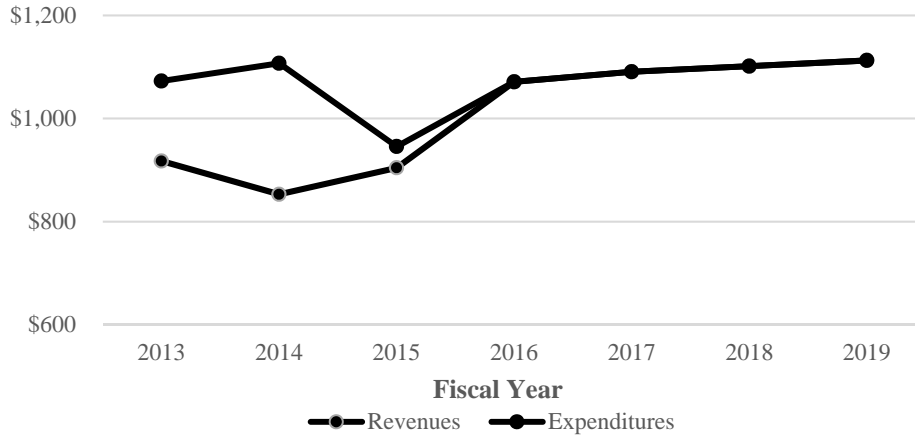
Capital Budget Expenditures	FY 14-15 Actual	FY 15-16 Original	FY 16-17 Forecast	FY 17-18 Forecast	FY 18-19 Forecast
Approved/Requested Capital Projects	-	65,500,000	200,050,000	90,625,000	38,775,000
Continuing Capital Projects (Previously Approved) ⁽¹⁾	51,814,281	-	-	-	-
Total Capital	51,814,281	65,500,000	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 2017 through 2020 are estimated.

Belmont Park Golf Course Operations (Fund 5201)

Revenues

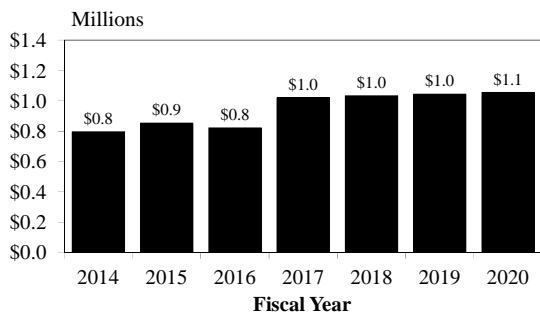
Assumptions

Golf Course Fees revenue for FY2017-18 is estimated to total \$1,033,854, which reflects an increase of \$13,261 or 1.30 percent. There are no scheduled changes in the golf course fees for FY2017-18. Revenue projections for FY2018-19 and FY2019-20 are based upon modest one percent growth.

Snack Bar Revenues prior to January 1, 2000, there revenues 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 FY2017-18, FY2018-19, and FY2019-20.

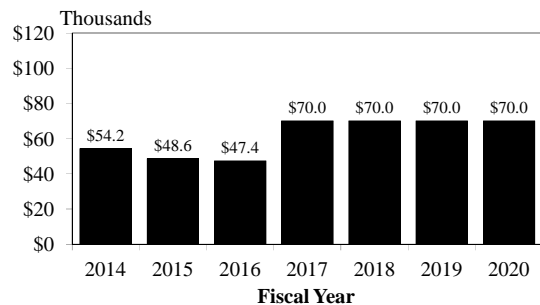
(To) From Golf Course Retained Earnings is Retained Earnings from golf course operations to be used for future golf course operations, maintenance or improvements. During the forecast period there is no scheduled use of Retained Earnings.

Golf Course Fees



Fiscal Years 2017 through 2020 are estimated.

Snack Bar Revenues



Fiscal Years 2017 through 2020 are estimated.

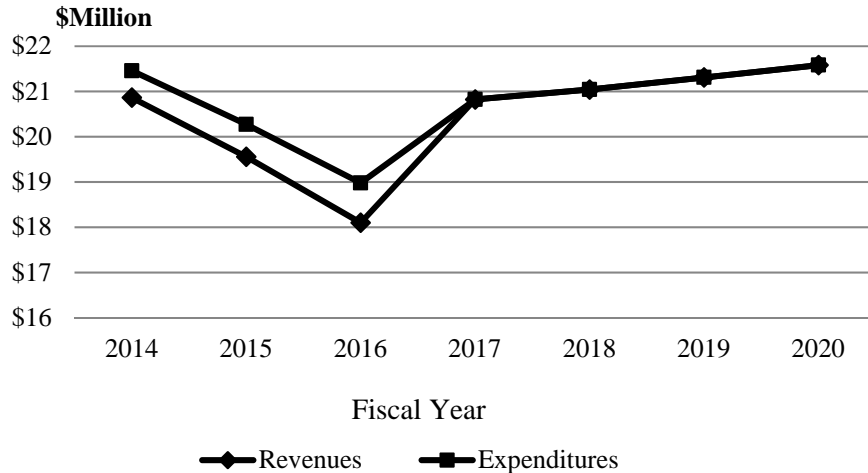
Expenditures

Assumptions

Operational Expenses in FY2017-18 are estimated to increase by \$13,261 or 1.30 percent. Expenditure reductions were made in FY2014-15 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. Expenditure estimates in FY2018-19 and FY2019-20 reflect modest 1.0 percent growth per year.

	Belmont Golf Course				
	Enterprise Fund Forecast				
	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
	Actual	Original	Forecast	Forecast	Forecast
Belmont Golf Course Operations					
Revenues:					
Golf Course Fees	\$ 822,874	\$ 1,020,593	\$ 1,033,854	\$ 1,044,893	\$ 1,056,041
Snack Bar Revenues	47,384	70,000	70,000	70,000	70,000
Gain/Loss on Sale of Property	(5,082)	-	-	-	-
Recoveries & Rebates	1,960	-	-	-	-
Transfer fom General Fund	40,000	0	0	0	
Total Revenues	<u>\$ 907,136</u>	<u>\$ 1,090,593</u>	<u>\$ 1,103,854</u>	<u>\$ 1,114,893</u>	<u>\$ 1,126,041</u>
Plus:					
(To)From Golf Course					
Retained Earnings	38,162	-	-	-	-
Total Resources	<u>\$ 945,298</u>	<u>\$ 1,090,593</u>	<u>\$ 1,103,854</u>	<u>\$ 1,114,893</u>	<u>\$ 1,126,041</u>
Expenditures:					
Operational Expenses	<u>\$ 945,298</u>	<u>\$ 1,090,593</u>	<u>\$ 1,103,854</u>	<u>\$ 1,114,893</u>	<u>\$ 1,126,041</u>
Total Net Assets	<u>\$ 23,858</u>	<u>\$ 23,858</u>	<u>\$ 23,858</u>	<u>\$ 23,858</u>	<u>\$ 23,858</u>

Three Year Forecast Revenues and Expenditures Central Automotive Maintenance



Fiscal Years 2017 through 2020 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 FY2017-18 is \$7,149,379. Projected billings for FY2018-19 and FY2019-20 are forecasted at \$7,292,367 and \$7,438,214, 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 FY2017-18 is \$2,179,072. Projected billings for FY2018-19 and FY2019-20 are \$2,222,653 and \$2,267,107, 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 FY2017-18 is \$4,010,000. Projected billings for FY2018-19 and FY2019-20 are \$4,090,200 and \$4,172,004, respectively, assuming an annual 2.0 percent increase due to projected vehicle replacements and the rising cost of repairs.

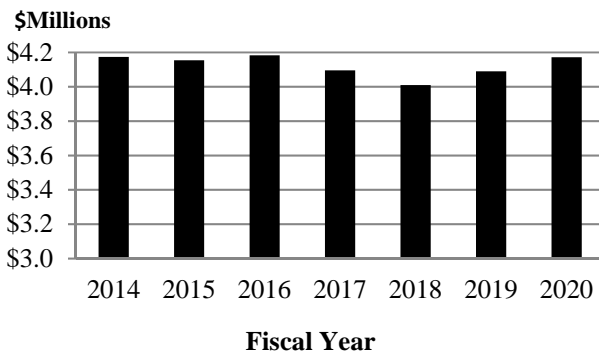
Charges for Gasoline represents the charge for gasoline and diesel fuel used by County departments. A nominal mark-up on top of the wholesale price is used to offset CAM's maintenance and operational expenses in this area. The recent decreases in the wholesale cost of gasoline reflect the volatility of this commodity, therefore the projections for gasoline at this moment remain flat at \$7,200,000.

Charges for Wash Facility represents charges for use of a large vehicle wash facility, which became operational in March 2017. It is estimated that use of this facility will generate \$136,000 of revenue each year, from FY2017-18 through FY2019-20.

(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.

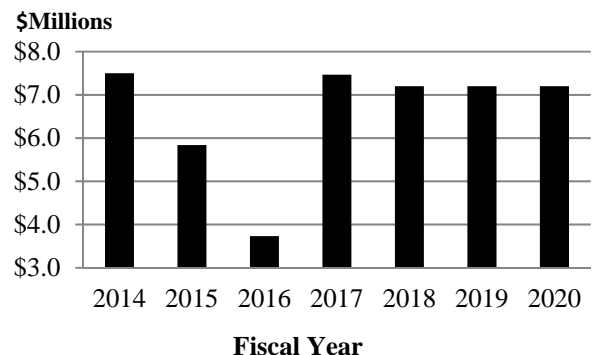
(To) From Internal Service Fund Retained Earnings is used to accumulate a reserve for replacement of motor pool vehicles when the vehicles reach the end of their useful life. Occasionally, increases in the cost of CAM operations, such as in gasoline and diesel fuel, requires Internal Service Fund Retained 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 2017 through 2020 are estimated.

Charges for Gasoline



Fiscal years 2017 through 2020 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 FY2018-19 and FY2019-20, Central Automotive Expenses expenses are projected to grow at 1.3 percent annually.

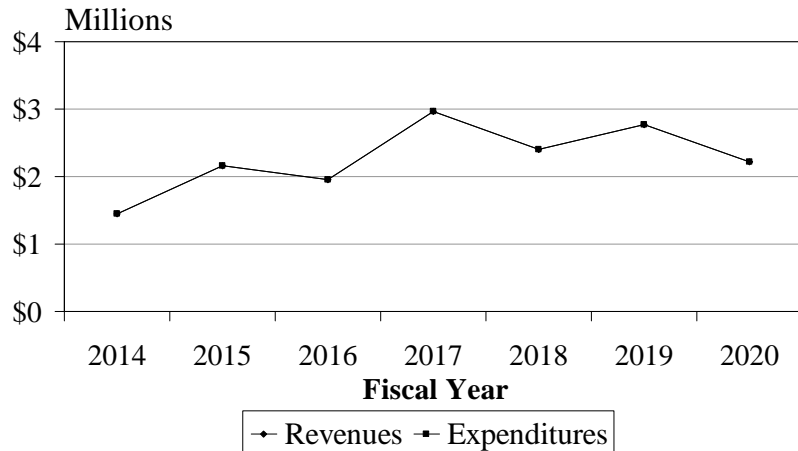
The proposed level of operational funding allows for increases in personnel costs such as changes in the cost of benefits and provides adequate operational adjustments necessary to overcome increases of vehicle repairs.

Retained Earnings, June 30, 2016, is \$4,071,361. 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

	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
	Actual	Original	Forecast	Forecast	Forecast
Revenues:					
Charges for Auto Maint West	\$ 7,646,499	\$ 6,547,180	\$ 7,149,379	\$ 7,292,367	\$ 7,438,214
Charges for Auto Maint East	2,257,920	2,234,192	2,179,072	2,222,653	2,267,107
Charges for Use of Motor Pool	4,182,773	4,095,000	4,010,000	4,090,200	4,172,004
Charges for Gasoline	3,730,177	7,466,354	7,200,000	7,200,000	7,200,000
Charges for Wash Facility	0	136,000	136,000	136,000	136,000
Miscellaneous Revenues	396,181	345,100	369,100	369,100	369,100
Gain/Loss on Sale of Property	(114,894)	0	0	0	0
Total Revenues	\$ 18,098,656	\$ 20,823,826	\$ 21,043,551	\$ 21,310,320	\$ 21,582,424
(To) From Capital Projects	0	0	0	0	0
(To) From Retained Earnings	879,656	0	0	0	0
Total Resources	\$ 18,978,312	\$ 20,823,826	\$ 21,043,551	\$ 21,310,320	\$ 21,582,424
Expenditures:					
Central Automotive Maintenance	\$ 18,978,312	\$ 20,823,826	\$ 21,043,551	\$ 21,310,320	\$ 21,582,424
Total Expenditures	\$ 18,978,312	\$ 20,823,826	\$ 21,043,551	\$ 21,310,320	\$ 21,582,424
Retained Earnings June 30	\$ 4,071,361	\$ 4,071,361	\$ 4,071,361	\$ 4,071,361	\$ 4,071,361

Three Year Forecast Revenues and Expenditures Technology Replacement



Fiscal Years 2017 through 2020 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 FY2018 forecasted budget reflects a transfer of \$2.25 million. The FY2019 and FY2020 forecasts reflect a transfer of \$2.5 million. These transfers are necessary in order to maintain the stability of the Technology Replacement Fund as its 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 FY2018, the Technology Replacement Fund expenses are projected to be \$2,402,765. For FY2019, forecasted expenses are projected to be \$2,767,411 and in FY2020, expenses are projected to be \$2,213,156. The FY2019 and FY2020 forecasts assume that all items in the Fund, which qualify for replacement, will be purchased on a pre-determined schedule.

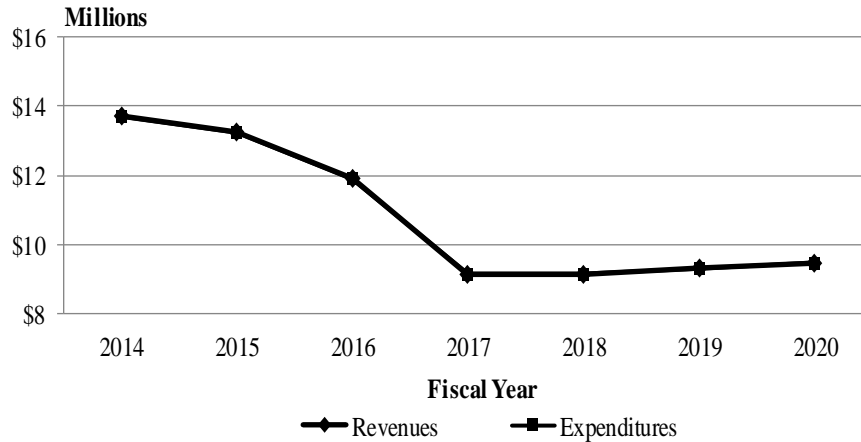
Retained Earnings, June 30, 2016, is \$2,958,622. The impact of anticipated resources, including operating transfers and expenditures on the ending balance, is projected for each fiscal year of the forecast period.

Technology Replacement Internal Service Fund Forecast

	FY 15-16 Actual	FY 16-17 Original	FY 17-18 Forecast	FY 18-19 Forecast	FY 19-20 Forecast
Revenues:					
Transfer from General Fund	\$ 1,000,000	\$ 2,000,000	\$ 2,250,000	\$ 2,500,000	\$ 2,500,000
(To) From Retained Earnings - Technology Replacement	948,502	962,438	152,765	267,411	(286,844)
Total Revenues	\$ 1,948,502	\$ 2,962,438	\$ 2,402,765	\$ 2,767,411	\$ 2,213,156
Expenditures:					
Technology Equipment	\$ 1,948,502	\$ 2,962,438	\$ 2,402,765	\$ 2,767,411	\$ 2,213,156
Total Expenditures	\$ 1,948,502	\$ 2,962,438	\$ 2,402,765	\$ 2,767,411	\$ 2,213,156
Retained Earnings June 30*	\$ 2,958,622	\$ 1,996,184	\$ 1,843,419	\$ 1,576,008	\$ 1,862,852

*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 2017 through 2020 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 FY2017-18 through FY2019-20 are \$750,000 per year, which is below the actual amount received during FY2015-16.

Recovered Costs - Miscellaneous includes recovered costs associated with property and liability as well as workers’ compensation. While revenues of \$531,559 were received during FY2015-16, 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 \$24,555 were received during FY2015-16, 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 \$8,392,479 is anticipated for FY2017-18, with a 2.0 percent increase projected for FY2018-19 and FY2019-20.

Expenditures
Assumptions

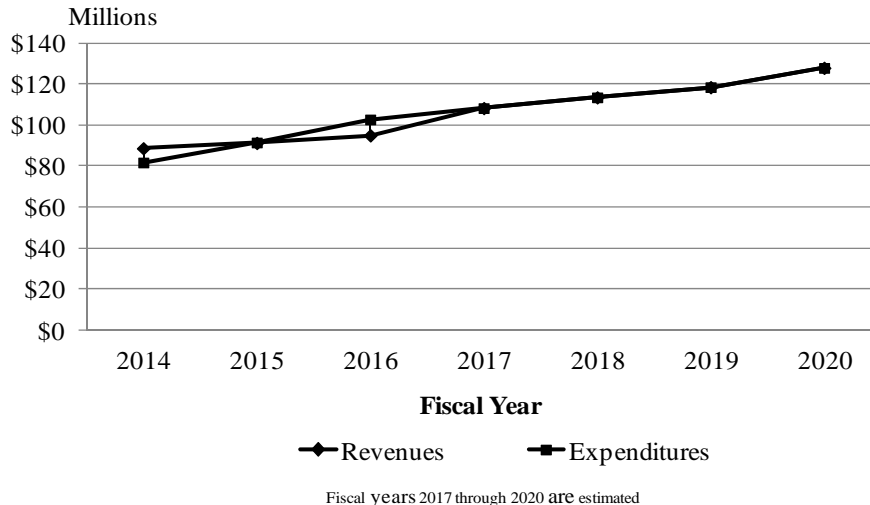
The development of the Risk Management Fund budget assumes revenues and transfers will support expenditures in future years. For FY2018-19 and FY2019-20, Internal Service Fund expenses are projected to grow at an annual rate of approximately 2.0 percent. Due to the unpredictable nature of expenditures, 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, 2016, totals \$9,500,000. The County has assigned this amount in the General Fund's fund balance specifically for self-insurance.

Risk Management Internal Service Fund Forecast

	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
	Actual	Original	Forecast	Forecast	Forecast
Revenues:					
Public Utilities Charges	\$ 959,355	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
Recovered Costs - Misc	531,559	-	-	-	-
Use of Money and Property	24,555	-	-	-	-
Total Revenues	\$ 1,515,469	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
(To) From General Fund	\$10,396,549	\$ 8,393,421	\$ 8,392,479	\$ 8,560,329	\$ 8,731,535
Total Resources	\$11,912,018	\$ 9,143,421	\$ 9,142,479	\$ 9,310,329	\$ 9,481,535
Expenditures:					
Risk Management	\$11,912,018	\$ 9,143,421	\$ 9,142,479	\$ 9,310,329	\$ 9,481,535
Total Expenditures	\$11,912,018	\$ 9,143,421	\$ 9,142,479	\$ 9,310,329	\$ 9,481,535
Self-Insurance Reserve	\$ 9,500,000	\$ 9,500,000	\$ 9,500,000	\$ 9,500,000	\$ 9,500,000

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 FY2017-18 reflects an increase in the County’s contribution for active employees of 5.6 percent. The forecasts for FY2018-19 and FY2019-20 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 FY2017-18 reflects an overall increase of 4.0 percent. The forecasts for FY2018-19 and FY2019-20 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 FY2017-18 reflects an increase of 4.0 percent. The forecasts for FY2018-19 and FY2019-20 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 FY2018-19 through FY2019-20 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 1.6 percent in FY2017-18. In addition, 5.0 percent annual increases are projected for FY2018-19 and FY2019-20 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 FY2017-18 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 \$100,000 in FY2017-18 and \$150,000 in FY2018-19 and FY2019-20.

(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 FY2017-18 Approved Budget assumes the use of \$3,832,444 from the Premium Stabilization Reserve to help offset the healthcare cost increase to the County. The FY2017-1 budgeted amount includes 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 FY2018-19 and FY2019-20 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 FY2017-18 assumes an increase in claims expenditures by 5.0 percent, and the forecasts for FY2018-19 and FY2019-20 assume increases of 4.6 percent and 8.4 percent, respectively.

Other Administrative Fees represent the cost of third party administrative fees, the costs of an annual actuarial study and claims audit, and the premium payment for excess risk insurance. The County's excess risk insurance protects the County from any individual claim greater than \$500,000 and total annual payments that exceed 125.0 percent of actuarially projected annual claims. The FY2017-18 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 includes \$39,060 for a Patient Centered Outcomes Research Institute (PCORI) fee.

The forecast for FY2017-18 projects an increase in other administrative fee costs of 1.8 percent. The increase is attributable to projected growth in the cost of excess risk insurance. The forecasts for FY2018-19 and FY2019-20 assume no change in other administrative fee costs. It is noted that 2016 was the last year of the ACA's Transitional Reinsurance Fee

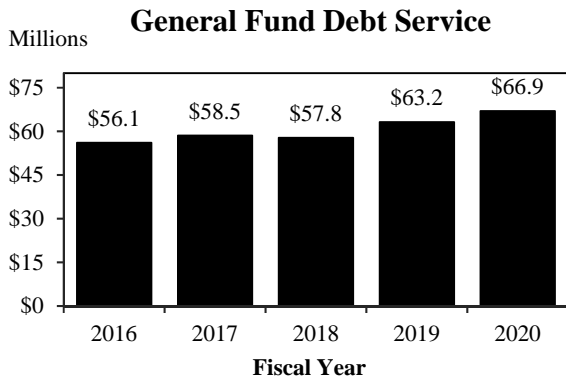
Premium Stabilization Reserve (PSR)

The Healthcare Fund's **Premium Stabilization Reserve (PSR)** reflects the accumulation of annual revenues collected in excess of expenditures. This reserve has allowed the County to maintain annual rate increases at manageable levels. For example, in FY2017-18, approximately \$3.8 million from the PSR is designated for use in the Annual Fiscal Plan to minimize rate increases to the County. As of June 30, 2016, the PSR has a balance of \$11,608,939.

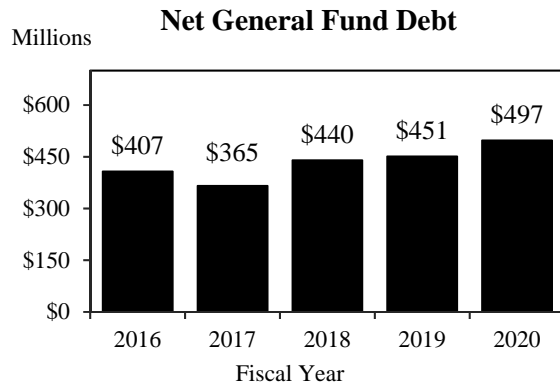
Healthcare Internal Service Fund Forecast

	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
	Actual	Original	Forecast	Forecast	Forecast
Revenues:					
County Contribution - Active	\$ 70,273,205	\$ 76,440,957	\$ 80,751,847	\$ 87,211,995	\$ 94,188,954
Employee Contribution	18,057,747	19,097,537	19,861,439	21,450,354	23,166,382
Retiree Contribution	5,436,225	7,169,315	7,456,088	8,052,575	8,696,781
Retiree Subsidy	722,092	879,440	893,094	937,749	984,636
Disabled Subsidy	56,845	116,292	116,292	116,292	116,292
COBRA	148,437	349,947	363,944	393,060	424,504
Healthcare - Wellness Payment	111,310	150,000	150,000	150,000	150,000
Interest Income	148,873	75,000	100,000	150,000	150,000
Total Revenues	<u>\$ 95,049,383</u>	<u>\$ 104,278,488</u>	<u>\$ 109,692,704</u>	<u>\$ 118,462,024</u>	<u>\$ 127,877,550</u>
(To) From Premium Stabilization Fund	\$ 7,725,762	\$ 4,025,060	\$ 3,832,444	\$ -	\$ -
Total Resources	<u>\$ 102,775,145</u>	<u>\$ 108,303,548</u>	<u>\$ 113,525,148</u>	<u>\$ 118,462,024</u>	<u>\$ 127,877,550</u>
Expenditures:					
Claims	96,521,216	102,231,988	107,343,588	112,280,464	121,695,990
Other Administrative Fees	\$ 6,253,929	\$ 6,071,560	\$ 6,181,560	\$ 6,181,560	\$ 6,181,560
Total Expenditures	<u>\$ 102,775,145</u>	<u>\$ 108,303,548</u>	<u>\$ 113,525,148</u>	<u>\$ 118,462,024</u>	<u>\$ 127,877,550</u>
Premium Stabilization Reserve (PSR):					
Premium Stabilization Reserve (PSR)	11,608,939	7,583,879	3,751,435	3,751,435	3,751,435

Three Year Forecast Revenues and Expenditures Debt Service Fund



Fiscal Years 2017 through 2020 are estimated.



Fiscal Years 2017 through 2020 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 2017 through 2020 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. In November 2016, the County citizens approved a General Obligation (G.O.) Bond referendum in the amount of \$419,800,000. This referendum included School construction projects totaling \$253.6 million; Recreation and Parks projects totaling \$106.1 million; Library project totaling \$24.0 million; Fire projects totaling \$22.1 million and Road projects totaling \$14.0 million.

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 ten-year 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.

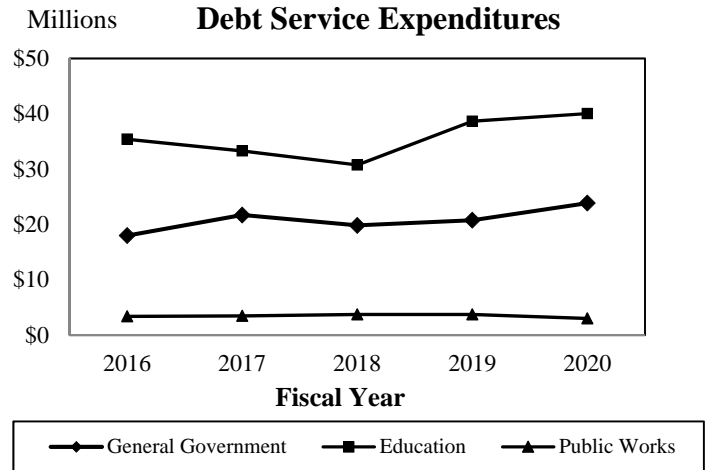
Expenditures

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.

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



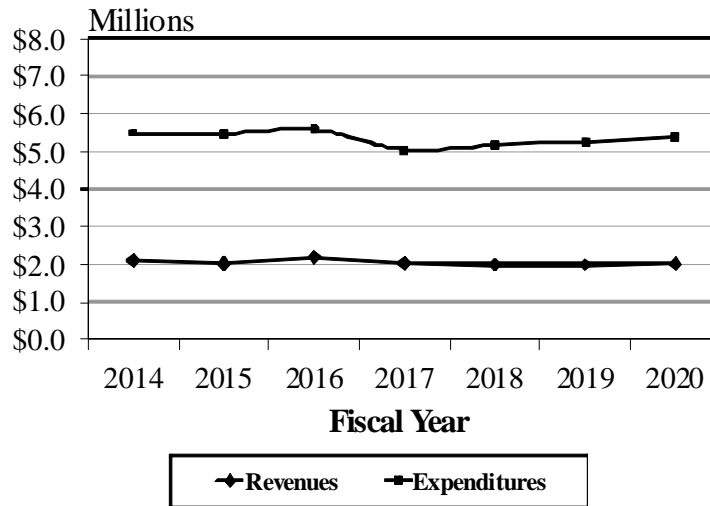
Fiscal Years 2017 through 2020 are estimated.

Debt Service Fund Forecast

	FY2016 Actual	FY2017 Approved	FY2018 Forecast	FY2019 Forecast	FY2020 Forecast
Revenues:					
(To) From General Fund	\$ 54,086,435	\$ 57,507,646	\$ 57,762,829	\$ 63,171,352	\$ 66,913,860
(To) From Fund Equity	0	1,000,000	0	0	0
(To) From Capital Projects	2,000,000	0	0	0	0
Miscellaneous Revenue	0	0	0	0	0
Total Revenues	\$ 56,086,435	\$ 58,507,646	\$ 57,762,829	\$ 63,171,352	\$ 66,913,860
Expenditures:					
Debt Service - General					
Government	\$ 17,641,000	\$ 21,721,694	\$ 20,287,617	\$ 20,776,730	\$ 23,865,635
Debt Service - Education					
	34,949,487	33,292,773	33,745,369	38,650,427	40,037,747
Debt Service - Public Works					
	3,495,948	3,493,179	3,729,843	3,744,195	3,010,478
Total Expenditures	\$ 56,086,435	\$ 58,507,646	\$ 57,762,829	\$ 63,171,352	\$ 66,913,860
Fund Equity*	\$ 1,129,065	\$ 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 2017 through 2020 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 \$1,514,500 is forecast for FY2018. This is a decrease of 2.9 percent from the projection of State revenues in FY2017. The lowering of this estimate is due to a diminishing 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 \$472,236 for FY2018, \$481,680 for FY2019, and \$491,314 for FY2020.

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 \$105,534 for FY2018, \$135,935 for FY2019, and \$166,943 for FY2020. 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

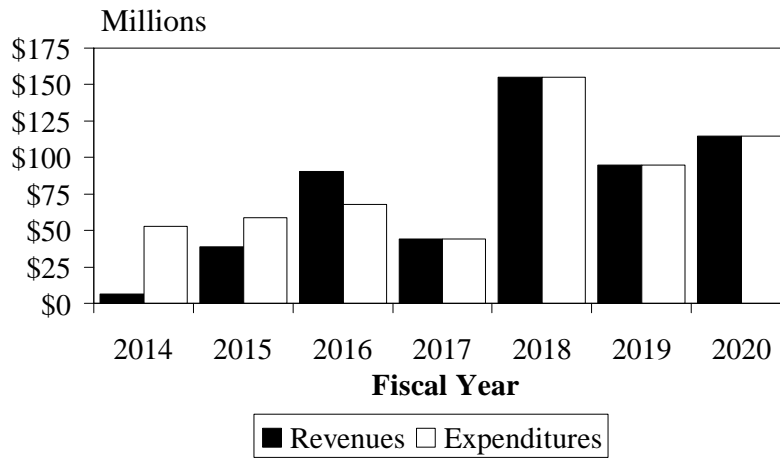
James River Juvenile Detention Center includes the personnel, operating, and capital expenditures required to operate the facility. The JRJDC Agency Fund requirements for the forecast period are expected to grow at an annual rate of 2.0 percent. This level of operational funding allows for operational 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 16, 2016 meeting, the Commission approved a continuation of its plan to appropriate \$100,000 of facility maintenance funding in 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

	FY15-16 Actual	FY16-17 Original	FY17-18 Forecast	FY18-19 Forecast	FY19-20 Forecast
JRJDC Operations and Debt Service Subfunds					
Revenues:					
Revenue from Commonwealth	\$ 1,675,438	\$ 1,559,396	\$ 1,514,500	\$ 1,514,500	\$ 1,514,500
Revenue from Federal Govt	78,729	0	0	0	0
Revenue from Goochland	211,944	229,241	236,118	240,840	245,657
Revenue from Powhatan	211,944	229,241	236,118	240,840	245,657
Other Localities	6,569	0	0	0	0
Recovered Costs	0	0	0	0	0
Interest Income	0	0	0	0	0
Total Revenues	2,184,624	2,017,878	1,986,736	1,996,181	2,005,814
Plus:					
(To) From Construction Subfund	0	0	0	0	0
(To) From General Fund	3,426,586	2,979,622	3,069,011	3,130,391	3,192,999
(To) From Retained Earnings	(36,668)	48,724	105,534	135,935	166,943
Total Resources	\$ 5,574,542	\$ 5,046,224	\$ 5,161,281	\$ 5,262,507	\$ 5,365,757
Expenditures:					
James River Juvenile Detention Center	\$ 4,913,716	\$ 4,946,224	\$ 5,061,281	\$ 5,162,507	\$ 5,265,757
Facility Maintenance Funding	0	100,000	100,000	100,000	100,000
Debt Service	660,826	0	0	0	0
Total Expenditures	\$ 5,574,542	\$ 5,046,224	\$ 5,161,281	\$ 5,262,507	\$ 5,365,757
Ending Retained Earnings	\$ 3,485,730	\$ 3,437,006	\$ 3,331,472	\$ 3,195,537	\$ 3,028,594

Three Year Forecast Revenues and Expenditures Capital Projects Fund



Fiscal Years 2017 through 2020 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 grants, VDOT Construction Aid Drawdown, and funds received from the Community Development Block Grant as reimbursement for project costs.

EDA Lease Revenue Bond Proceeds - 2016 represent the bonds that are partially funding the replacement of the County Radio Communications System.

General Obligation Bonds - 2016 of \$419.8 million were approved by the voters in the November 2016 Bond Referendum for school and general government capital projects over a six-year period ending in FY2022-23. The six projected bond issues for FY2018 through FY2023 by year and category are:

(In millions)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
Education	\$99.6	\$15.0	\$70.0	\$42.0	\$46.0	\$0.0	\$272.6
General Government	\$15.0	\$48.0	\$12.2	\$14.0	\$31.7	\$26.3	\$147.2
Total	\$114.6	\$63.0	\$82.2	\$56.0	\$77.7	\$26.3	\$419.8

Transfers:

(To) From General Fund is the transfer of non-bond resources from the General Fund. The FY2018 transfer of \$35,067,380 includes an allocation of \$7.5 million from the Designated 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 \$2.5 million associated with the General Fund balance transfer will support the Countywide pedestrian improvements project. The forecast also includes a \$6,826,777 allocation from the Designated Capital Reserve balance which will provide funding for the Emergency Medical Dispatch System, the Communications Training Room, the Juvenile Courts – secured parking, and the Belmont Golf Course bunker renovations project. In addition, this funding will support the on-going Pavement Rehabilitation project, the Facility Rehabilitation project, the Small Project improvements and renovation project, the Countywide Engineering feasibility studies, and provide partial funding for the Mental Health East Center replacement project, the Data Center upgrade project, the Evidence Storage Facility, and the Human Services building renovation project.

The FY2018 transfer also includes the Motor Vehicle License Fee revenue of \$850,000 which supports various Public Works’ ongoing projects. Education Meals Tax revenue of \$9.0 million will support various maintenance and rehabilitation projects identified by Schools. Dedicated Stormwater 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 totals \$6,574,800 and will fund the School Bus Replacement Program, the Fire Apparatus Replacement Program, and the Police Vehicle Replacement Program. In addition, funding of \$1,967,803 associated with the General Fund’s Mental Health Reserve will provide partial support for the Mental Health East Center replacement project.

The FY2019 forecasted transfer of \$31,772,800 includes a \$7.5 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 balance, \$9.0 million from Education Meals Tax revenue, \$2,348,000 of dedicated General Fund Stormwater revenues, \$850,000 from Motor Vehicle License Fee revenue, and \$7,074,800 in General Fund revenues. The FY2020 forecast of \$32,272,800 mirrors the FY2019 forecast with the exception of the General Fund revenues, which is projected at a cost of \$7,574,800 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 FY2018 forecast, Special Revenue Fund Mental Health fund balance of \$4,869,420 will provide partial support for the Mental Health East Center replacement project and Landfill revenue of \$600,000 will fund the Springfield Road Landfill Site Improvements project and the Woodman Road Site Master Plan project.

Below is a list of projects funded by the General Fund transfer in the Approved FY2016-17 and FY2017-18 Capital Budgets.

FY2017		FY2018	
From General Fund - \$43,155,447		From General Fund - \$35,067,380	
Project	Total	Project	Total
Recreation Facility Rehabilitation	\$ 500,000	Recreation Facility Rehabilitation	\$ 766,000
Geographic Information System	150,000	Geographic Information System	150,000
General Road Construction	850,000	General Road Construction	850,000
Information Technology Projects	400,000	Information Technology Projects	1,000,000
Education Meals Tax Project Reserve	19,783,247	Education Meals Tax Project Reserve	9,000,000
Schools - Mechanical Improvement	997,000	Schools - Mechanical Improvement	1,547,000
Schools - Roof Replacement	1,503,000	Schools - Roof Replacement	953,000
Mechanical Improvements	750,000	Mechanical Improvements	1,000,000
Roof Replacement and Rehabilitation	300,000	Roof Replacement and Rehabilitation	350,000
Pavement Rehabilitation	400,000	Pavement Rehabilitation	500,000
Chesapeake Bay TMDL Compliance	2,348,000	Chesapeake Bay TMDL Compliance	2,348,000
School Bus Replacement Plan	2,000,000	School Bus Replacement Plan	2,500,000
Fire Apparatus Replacement Program	1,500,000	Fire Apparatus Replacement Program	1,750,000
Police Vehicle Replacement Program	2,324,800	Police Vehicle Replacement Program	2,324,800
Greenwood Park	800,000	Countywide Pedestrian Improvements	2,500,000
Data Center Upgrade	1,200,000	Data Center Upgrade	697,000
Dumbarton Library Repurpose	2,000,000	East Center Replacement Construction	3,830,580
Fire SCBA Replacement	1,700,000	Emergency Medical Dispatch System	580,000
Fire Alerting System	1,008,000	Communications Training Room	258,000
Tidemark Replacement	1,000,000	Small Project Improvements/Renovations	400,000
Parham Road Complex Improvements	691,400	Human Services Building Renovation	435,000
Courts Building Refresh	600,000	Evidence Storage Facility	200,000
Energy Management	350,000	Juvenile Courts - Secured Parking	270,000
Total From General Fund	\$ 43,155,447	Countywide Engineering Feasibility Studies	500,000
		Belmont Golf Course Bunker Renovations	358,000
		Total From General Fund	\$ 35,067,380

Expenditures

Assumptions

Capital Project Expenditures over the three-year forecast period are requested at \$364,382,400. Expenditures for Education projects funded with General Obligation Bonds during the forecast period total \$184.6 million and include renovations for five elementary schools, one middle school, and one high school as well as an addition to one elementary school. Expenditures for General Government projects funded with General Obligation Bonds during the forecast period total \$75.2 million and include Fire, Public Library, and Recreation and Parks. Forecasted expenditures include the construction of a new fire training center, a new fire station, the replacement of an area library, nine high school field upgrades, new sports fields and improvements at Dorey Park, and the final phase of Greenwood Park.

Designated Fund balance expenditures for the three-year period total \$22.5 million of which \$7.5 million has been designated for Schools and the remaining \$15.0 million is designated for General Government. Forecasted FY2018 expenditures which have been designated for Schools totals \$2.5 million, which will cover mechanical improvements of \$1,547,000 and roof replacements of \$953,000. The remaining \$5.0 million for General Government includes \$2.5 million for Countywide pedestrian improvements, \$1.0 million for mechanical improvements, \$1.0 million for Information Technology projects, \$350,000 for roof replacement and rehabilitation projects, and \$150,000 for the Geographic Information System project. FY2019 and FY2020 expenditures are forecasted at \$7.5 million per year, with Education receiving \$2.5 million and General Government receiving \$5.0 million.

Designated Capital Reserve Fund balance expenditures for the three-year period total \$16,826,777. FY2018 expenditures of \$6,826,777 will provide funding towards a myriad of projects: Emergency Medical Dispatch System, Communications Training Room, Juvenile Courts – secured parking, Belmont Golf Course bunker renovations, Pavement Rehabilitation, Facility Rehabilitation, Small Project improvements and renovation, Countywide Engineering feasibility studies, Mental Health East Center replacement, Data Center upgrade, Evidence Storage Facility, and the Human Services building renovation. FY2019 and FY2020 forecasted expenditures are budgeted at \$5.0 million per year to fund future capital projects.

Education Meals Tax revenue are forecasted to generate \$27.0 million over the three-year period which would provide funding for various Schools infrastructure projects. General Fund dedicated stormwater revenue 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. In FY2018, General Fund – Mental Health Reserve funding of \$1,967,803 will partially support the Mental Health East Center replacement project.

Expenditures utilizing General Fund revenues for vehicle replacement over the three-year forecast period total \$21,224,400. Expenditures for General Government total \$12,224,400 and include Fire’s Apparatus Replacement Program - \$5,250,000 and Police’s Vehicle Replacement Program - \$6,974,400. Expenditures for Education’s School Bus Replacement Program total \$9.0 million over the forecast period.

In FY2018, the Special Revenue Fund Mental Health fund balance of \$4,869,420 will partially fund the Mental Health East Center replacement project and Landfill revenue of \$600,000 will fund a Springfield landfill project and a site master plan for Woodman Road.

(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.

Capital Projects Fund Forecast

	FY 15-16 Actual	FY 16-17 Original	FY 17-18 Forecast	FY 18-19 Forecast	FY 19-20 Forecast
Resources:					
Revenues:					
Use of Money and Property	\$ 266,016	-	-	-	-
Miscellaneous Revenues	320,636	-	-	-	-
Intergovernmental	908,215	-	-	-	-
Subtotal Revenues	<u>\$ 1,494,867</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Financing (Uses) Sources:					
Bonds:					
EDA Lease Rev Bond Proceeds - 2016	\$ 34,000,000	\$ -	\$ -	\$ -	\$ -
G. O. Bonds - Education - 2016	-	-	99,600,000	15,000,000	70,000,000
G. O. Bonds - General Gov't - 2016	-	-	15,000,000	48,000,000	12,200,000
Subtotal Bonds:	<u>\$ 34,000,000</u>	<u>\$ -</u>	<u>\$ 114,600,000</u>	<u>\$ 63,000,000</u>	<u>\$ 82,200,000</u>
Transfers:					
(To) From General Fund:					
Designated Fund Balance	\$ 17,992,590	\$ 8,450,000	\$ 7,500,000	\$ 7,500,000	\$ 7,500,000
Designated Capital Reserve	10,430,000	4,899,400	6,826,777	5,000,000	5,000,000
General Fund Revenue - License Fee	850,000	850,000	850,000	850,000	850,000
Public Works Reserve	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 Add'l Receipt:	1,990,470	10,783,247	-	-	-
Permit Fee Revenue	500,000	1,000,000	-	-	-
General Fund Revenues - Stormwater Dedication	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000
General Fund Revenues - Vehicle Replacement	4,824,800	5,824,800	6,574,800	7,074,800	7,574,800
General Fund Revenues - Recreation	1,000,000	-	-	-	-
Capital Initiatives	1,000,000	-	-	-	-
General Fund - Mental Health Reserve	-	-	1,967,803	-	-
Subtotal General Fund Transfers	<u>\$ 56,467,362</u>	<u>\$ 43,155,447</u>	<u>\$ 35,067,380</u>	<u>\$ 31,772,800</u>	<u>\$ 32,272,800</u>
Transfers:					
(To) From Special Revenue Fund:					
Mental Health - Fund Balance	\$ -	\$ 1,018,500	\$ 4,869,420	\$ -	\$ -
Landfill Fees	-	150,000	600,000	-	-
Fund Balance - State and Fed Grants - Fire	500,000	-	-	-	-
Subtotal Special Revenue Fund	<u>\$ 500,000</u>	<u>\$ 1,168,500</u>	<u>\$ 5,469,420</u>	<u>\$ -</u>	<u>\$ -</u>
(To) From Debt Service					
Capital Projects	\$ (2,000,000)	\$ -	\$ -	\$ -	\$ -
Total Resources and Transfers	<u>\$ 90,462,229</u>	<u>\$ 44,323,947</u>	<u>\$ 155,136,800</u>	<u>\$ 94,772,800</u>	<u>\$ 114,472,800</u>
Expenditures:					
General Government	\$ 43,687,087	\$ 16,692,700	\$ 37,380,800	\$ 62,074,800	\$ 26,274,800
Education	16,220,842	24,283,247	113,600,000	29,500,000	85,000,000
Public Works	4,994,450	3,198,000	3,198,000	3,198,000	3,198,000
Utilities - Landfill	3,211,278	150,000	600,000	-	-
Belmont Golf Course	-	-	358,000	-	-
Total Expenditures	<u>\$ 68,113,657</u>	<u>\$ 44,323,947</u>	<u>\$ 155,136,800</u>	<u>\$ 94,772,800</u>	<u>\$ 114,472,800</u>
(To) From Capital Projects	\$ (22,348,572)	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000
Fund Equity					
Capital Projects Fund Balance	<u>\$ 160,935,743</u>	<u>* \$ 140,935,743</u>	<u>\$ 120,935,743</u>	<u>\$ 100,935,743</u>	<u>\$ 80,935,743</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 6/30/16.



GENERAL FUND



**COUNTY OF HENRICO, VIRGINIA
APPROVED GENERAL FUND REVENUES
FY 2017-18**

Revenues:	FY 15-16	FY 16-17	FY 17-18
Function/Program	Actual	Original	Approved
Revenue from Local Sources:			
General Property Taxes	\$387,041,952	\$421,760,000	\$439,375,000
Other Local Taxes	165,195,197	143,485,000	151,248,000
Permits, Fees, & Licenses	5,170,949	4,701,100	4,741,100
Fines & Forfeitures	1,944,848	2,590,000	2,090,000
From Use of Money & Property	3,845,089	7,925,600	7,925,600
Charges for Services	4,299,755	3,700,450	3,832,850
Miscellaneous	7,948,727	4,132,500	4,132,500
Recovered Costs	3,963,424	4,037,870	4,090,470
Total from Local Sources	<u>579,409,941</u>	<u>592,332,520</u>	<u>617,435,520</u>
Revenue from the Commonwealth:			
Categorical Aid:			
Education	237,909,902	250,510,000	254,202,000
Public Works	46,536,817	44,050,000	45,197,567
Public Safety (HB #599)	8,526,916	8,700,000	8,700,000
Other	8,094,571	4,423,475	4,424,500
Total Categorical Aid	<u>301,068,206</u>	<u>307,683,475</u>	<u>312,524,067</u>
Non-Categorical Aid:			
General Government	54,251,752	16,718,500	16,118,500
Total Non-Categorical Aid	<u>54,251,752</u>	<u>16,718,500</u>	<u>16,118,500</u>
Shared Expenses:			
State Share of Salaries & Benefits	18,326,762	17,054,000	17,715,000
Total from the Commonwealth	<u>373,646,720</u>	<u>341,455,975</u>	<u>346,357,567</u>
Revenue from the Federal Government	2,463,983	365,000	370,000
Total Revenues	<u>955,520,645</u>	<u>934,153,495</u>	<u>964,163,087</u>
Interfund Transfers:			
To Debt Service Fund	(54,086,435)	(57,507,646)	(57,762,829)
To Capital Projects Fund	(56,467,362)	(43,155,447)	(35,067,380)
To Enterprise Fund	(1,930,308)	(1,928,621)	(1,930,021)
To Technology Replacement	(1,000,000)	(2,000,000)	(2,250,000)
To Risk Management	(10,396,549)	(8,393,421)	(8,392,479)
To Special Revenue Fund	(24,448,907)	(27,985,219)	(29,189,507)
To JRJDC Agency Fund	(3,426,586)	(2,979,622)	(3,069,011)
To Belmont Golf Course	(40,000)	0	0
To OPEB-GASB 45 Fiduciary Fund	(2,750,000)	(2,750,000)	(2,675,000)
To Line of Duty	(514,153)	(575,000)	(700,000)
To Long-Term Disability	(260,729)	0	(600,000)
Total Transfers	<u>(155,321,029)</u>	<u>(147,274,976)</u>	<u>(141,636,227)</u>

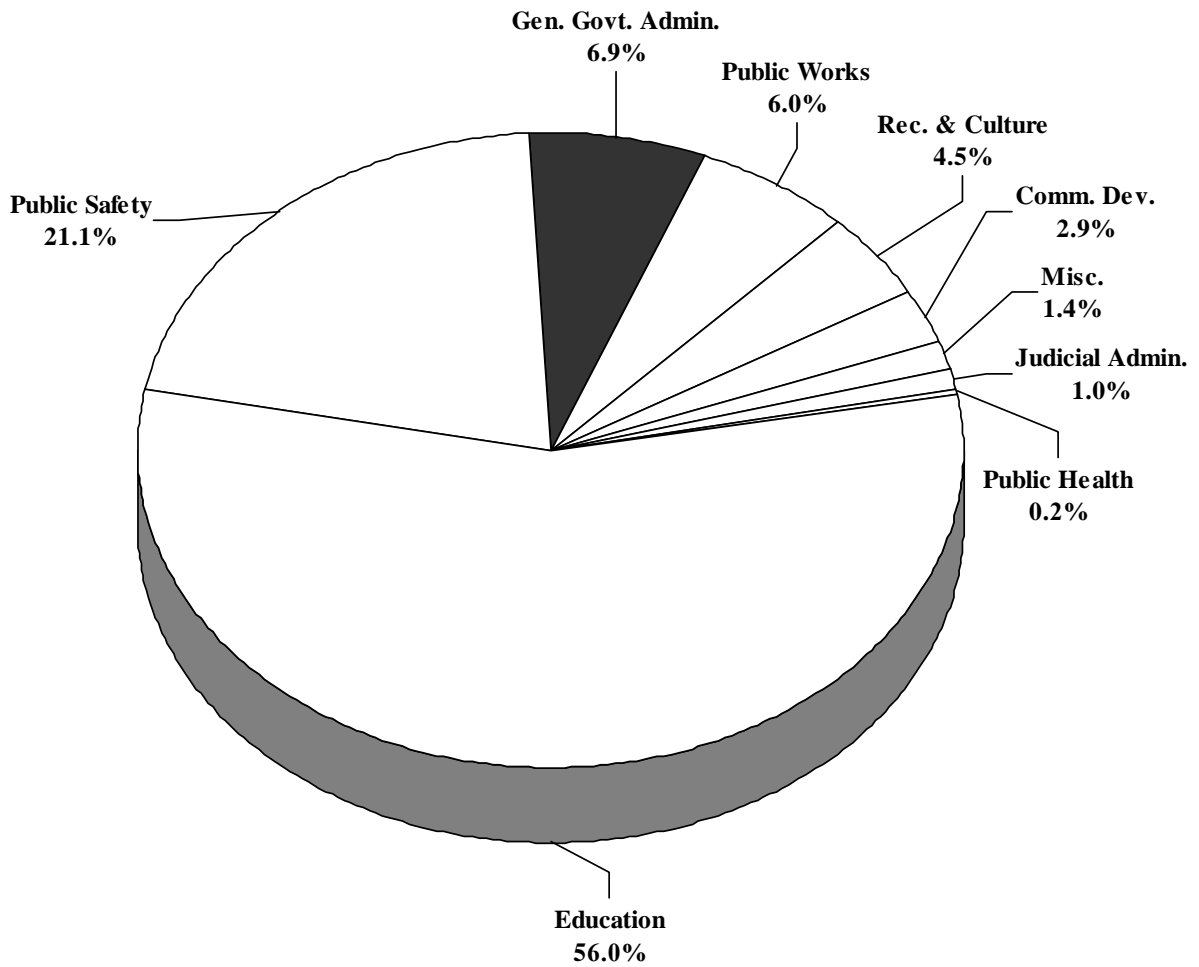
General Fund Revenues (cont'd)

Revenues:			
Function/Program	FY 15-16 Actual	FY 16-17 Original	FY 17-18 Approved
Use of Fund Balance - Capital Projects	5,000,000	5,000,000	5,000,000
Use of Fund Balance - Sidewalks	0	0	2,500,000
Use of Fund Balance - Designated Capital Reserve	10,430,000	4,899,400	6,826,777
Use of Fund Balance - MH/DS East Center Reserve	0	0	1,967,803
Use of Fund Balance - Designated Fund Balance	0	3,100,000	0
Use of Fund Balance - Capital Initiatives	1,000,000	0	0
Use of Fund Balance - Undesignated	0	350,000	0
Use of Fund Balance - Public Works Reserve	6,531,502	0	0
From Fund Balance - Voting Machine Reserve	1,000,000	0	0
(To) Fund Balance - Voting Machine Reserve	(1,000,000)	0	0
Use of Fund Balance - Designated Permit Fee	500,000	1,000,000	0
From Fund Balance - Meals Tax FY14 Collection	1,990,470	0	0
From Fund Balance - Meals Tax FY15 Collection	0	8,783,247	0
From Fund Balance - Meals Tax FY16 Collection	0	2,000,000	0
(To) Fund Balance - Meals Tax Reserve	(2,000,000)	(2,000,000)	(2,000,000)
From Fund Balance - State Revenue Stabilization	1,000,000	0	0
(To) Revenue Stabilization Reserve	0	(1,000,000)	0
From Sinking Fund	2,074,331	1,864,067	2,853,640
(To) Fund Balance - General Fund	(41,260,365)	0	0
Total Resources Net of Transfers	<u>\$785,465,554</u>	<u>\$810,875,233</u>	<u>\$839,675,080</u>

COUNTY OF HENRICO, VIRGINIA

General Government Administration

\$57,871,707



Total General Fund

\$839,675,080

**COUNTY OF HENRICO, VIRGINIA
GENERAL GOVERNMENT ADMINISTRATION - GENERAL FUND
FY 2017-18**

<u>Department</u>	<u>FY 15-16 Actual</u>	<u>FY 16-17 Original</u>	<u>FY 17-18 Approved</u>
Board of Supervisors	\$1,059,693	\$1,067,341	\$1,081,048
County Manager:			
Administration	2,024,148	1,802,580	1,802,834
Public Relations	764,022	818,638	843,056
Media Services	950,553	943,332	988,079
Total County Manager	<u>3,738,723</u>	<u>3,564,550</u>	<u>3,633,969</u>
County Attorney	2,266,004	2,313,899	2,394,553
Human Resources:			
Human Resources	3,774,516	4,160,867	4,376,733
Group Benefits	805,217	895,732	909,386
Total Human Resources	<u>4,579,733</u>	<u>5,056,599</u>	<u>5,286,119</u>
Finance:			
Administration	319,526	366,250	364,912
Technology	901,910	905,754	328,480
Accounting	1,575,638	1,611,123	1,786,598
Budget	762,285	775,382	784,019
Treasury	2,194,678	2,382,473	2,548,182
Purchasing	1,260,896	1,331,101	1,377,425
Real Estate Assessment	2,943,660	2,997,509	3,018,064
Board of Real Estate Review	15,650	18,721	18,721
Vehicle	1,474,106	1,511,489	1,544,146
Business	1,751,975	1,898,897	1,877,367
Total Finance	<u>13,200,324</u>	<u>13,798,699</u>	<u>13,647,914</u>
General Services:			
Records Management	509,053	472,897	486,788
Administration	1,638,243	1,672,747	1,697,843
Employee Cafeteria	370,056	440,174	442,088
Maintenance and Custodial	9,886,634	10,260,716	10,406,855
Security	1,354,106	1,465,726	1,598,568
Total General Services	<u>13,758,092</u>	<u>14,312,260</u>	<u>14,632,142</u>
Internal Audit	430,352	431,646	442,715
Information Technology	12,604,451	13,209,037	14,569,023
Real Property	635,110	630,743	648,326
Electoral Board	1,590,672	1,427,109	1,535,898
Total General Government Administration	<u><u>\$53,863,154</u></u>	<u><u>\$55,811,883</u></u>	<u><u>\$57,871,707</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 FY2017-18 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 FY2017-18 is \$1,081,048. This represents an overall increase of \$13,707 or 1.3 percent compared to FY2016-17. The increase is due entirely to personnel cost increases related to a 2.5 percent salary increase. Operating and capital budgets remained flat from the previous year

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 741,095	\$ 751,898	\$ 765,605	1.8%
Operation	313,845	315,443	315,443	0.0%
Capital	4,753	0	0	0.0%
Total	\$ 1,059,693	\$ 1,067,341	\$ 1,081,048	1.3%
 Personnel Complement	 4	 4	 4	 0

Board of Supervisors (cont'd)

	Performance Measures			Change
	FY16	FY17	FY18	17 to 18
Performance Measures				
Population of County Served*	329,277	332,570	335,895	3,326
Regular Board Meetings Held	22	22	22	0
Special Board Meetings Held	26	26	26	0
Town Meetings Hosted	18	26	20	(6)
Board Papers Considered	209	260	250	(10)
Provisional Use Permits/Zoning Cases Considered	38	60	55	(5)
Board and Commission Members Appointed	155	125	120	(5)

*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 FY2017-18 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 FY2017-18 is \$1,802,834. This represents an increase of \$254 when compared to FY2016-17. This increase was driven by updated estimates for personnel including a 2.5 percent salary increase and rising health care costs.

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 1,873,649	\$ 1,724,617	\$ 1,724,871	0.0%
Operation	122,379	77,963	77,963	0.0%
Capital	28,120	0	0	0.0%
Total	\$ 2,024,148	\$ 1,802,580	\$ 1,802,834	0.0%
	13	13	13	0

COUNTY MANAGER

Public Relations & Media Services

Description

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

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 FY2017-18 is \$1,831,135, which

Annual Fiscal Plan

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 1,538,834	\$ 1,532,519	\$ 1,601,684	4.5%
Operation	166,787	229,451	229,451	0.0%
Capital	8,954	0	0	0.0%
Total	\$ 1,714,575	\$ 1,761,970	\$ 1,831,135	3.9%
 Personnel Complement	 19	 19	 19	 0

Public Relations & Media Services (cont'd)

	Performance Measures			Change
	FY16	FY17	FY18	17 to 18
Workload Measures				
Video Shoots	694	500	500	0
Publications Distributed	263,900	606,523	300,000	(306,523)
Cable TV Messages	1,435	1,500	1,600	100
Information Packets Distributed	6,114	6,500	6,500	0
Media Contacts Made	6,700	7,000	7,000	0
DVD Duplication	1,344	1,300	1,300	0
Photos Taken/Distributed	1,354	1,600	1,600	0

is a \$69,165 or a 3.9 percent increase from the FY2016-17 approved budget. This increase was driven solely by the personnel component and reflects revised salary estimates, which includes a 2.5 percent salary increase as well as rising health care costs.

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

Public Relations

The Public Relations component of the approved budget for FY2017-18 is \$843,056. Compared to the approved FY2016-17 budget, this is an increase of \$24,418 or 3.0 percent. This increase is due entirely to personnel costs related to the 2.5 percent salary increase.

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 FY2017-18 is \$988,079, which is an increase of \$44,747 or 4.7 percent from FY2016-17. The increase is attributed entirely to personnel costs related to the 2.5 percent salary increase. 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 FY2017-18, 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.

contracts entered into by the County, the School Board, and the Economic Development Authority.

In 2015-16, the office provided legal services for several key transactions such as \$113 million police radio communication system contract for six jurisdictions; a manufacturing facility at White Oak Tech Park; and amendments to the County Code. The office played a key role in planning for and implementing the November 2016 Bond Referendum.

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. In addition to the above mentioned, The County Attorney handles a variety of other types of cases, such as bankruptcy, civil rights, construction, corrections, employment discrimination, land use, personal injury, procurement, professional responsibility, special education, taxation, and wrongful death. In FY2015-16, 23 new lawsuits were filed in courts of record that seek a minimum of \$25,000.

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

The County Attorney office also represents the County in state and federal courts of record, which includes the trial and appellate courts and currently have 31 state and federal cases pending. In FY2015-16, the office made 47 appearances in these courts and in 2015-16 the County Attorney Office handled 1,074 cases in courts not of record: 130 cases in the Henrico County General District Court and 944 cases in the Henrico County Juvenile and Domestic Relations District Court.

Annual Fiscal Plan

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 2,180,605	\$ 2,243,104	\$ 2,323,758	3.6%
Operation	85,299	70,795	70,795	0.0%
Capital	100	0	0	0.0%
Total	\$ 2,266,004	\$ 2,313,899	\$ 2,394,553	3.5%
 Personnel Complement	 19	 20	 20	 0

County Attorney (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
New Cases Filed	23	30	30	0
Cases Disposed of	32	20	25	5
Administrative Proceedings	10	25	30	5
Court Appearances	1,121	1,150	1,200	50

In addition to litigation matters, the office handles a huge volume of transactional work on behalf of County departments. This work includes 1,352 contracts drafted or reviewed, 282 deeds and leases drafted or reviewed, 286 board papers drafted or reviewed, 413 Freedom of Information Act requests handled, 180 Subpoenas Duces Tecum handled, 26 restrictive covenants reviewed, 9 festival permit applications reviewed, 93 sets of conditional zoning proffers reviewed, and eight official opinions.

The County Attorney Office reviews the proposed legislation from the General Assembly. In the first quarter of 2016, 547 articles of proposed legislation

were reviewed to determine the impact it would have on the County.

Finally, during FY2015-16, the County Attorney's office recovered \$181,124, owed to the County through bankruptcy proceedings and \$13,235 in revenue from delinquent tax sales. The department's budget for FY2017-18 is \$2,394,553, which reflects an increase of \$80,654 or 3.5 percent compared to FY2016-17. This increase was driven by updated estimates for personnel including a 2.5 percent salary increase for FY2017-18 as well as rising health care costs.

HUMAN RESOURCES

Description

The County of Henrico Department of Human Resources (HR) supports County departments in a myriad of ways from collaboration on award-winning initiatives to credible implementation of compliance-driven requirements. Continuing to actively practice our vision of “Communication, Collaboration and Credibility” to produce strong service outcomes for the overall organization remains the service philosophy as a fully-engaged strategic partner with the County’s operational departments 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>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 3,353,526	\$ 3,576,818	\$ 3,787,695	5.9%
Operation	420,940	583,699	588,688	0.9%
Capital	50	350	350	0.0%
Total	<u>\$ 3,774,516</u>	<u>\$ 4,160,867</u>	<u>\$ 4,376,733</u>	<u>5.2%</u>
Employee Services	\$ 805,217	\$ 895,732	\$ 909,386	1.5%
Total Budget	<u>\$ 4,579,733</u>	<u>\$ 5,056,599</u>	<u>\$ 5,286,119</u>	<u>4.5%</u>
Personnel Complement*	46	46	47	1

*One Management Specialist I position was added to HR's complement for FY2017-18.

Human Resources (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Applications Received	34,053	35,000	36,000	1,000
Retirements (FY)	129	120	120	0
Effectiveness Measure				
Turnover Rate	10.4%	10.0%	10.0%	0

- 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.

provides the opportunity for the nation's top MPA/MPP graduates to assume real responsibilities and gain practical experience in local government under the mentorship of local administrators. The County, in turn, will utilize the skills and expertise of the graduate to assist with high-level projects with the intent of grooming them for a potential leadership position within local government, similar to an apprentice.

The operating component totals \$588,688 and reflects an increase of \$4,989 or 0.9 percent from the previous fiscal year. This increase reflects costs associated with the new Management Specialist I position which includes education and training, association memberships, and telecommunications expenses. Although the remainder of the operating component remained relatively flat, adjustments were made to several accounts in order to more accurately reflect forecasted expenditures. The capital component of the budget remained flat from the previous fiscal year.

Budget Highlights

The Department of Human Resources budget for FY2017-18 totals \$5,286,119, representing a net increase of \$229,520 or 4.5 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 FY2017-18 budget is \$4,376,733, which represents a net increase of \$215,866 or 5.2 percent from the previous fiscal year. This increase is primarily driven by the personnel component, which reflects a 2.5 percent salary increase for FY2017-18 as well as rising health care costs. It is important to note that this component also includes the addition of a new Management Specialist I position, which is being created in order to host a fellow from ICMA's Local Government Management Fellowship. This full-year program

The FY2017-18 budget for the Group Benefits section of the Human Resources budget is \$909,386, which increased by a net difference of \$13,654 or 1.5 percent from the previous approved 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 \$868,559, increasing by \$39,119 from the previous fiscal year. It provides coverage for 542 retirees at an average monthly cost of \$110 per retiree and provides coverage for 79 Voluntary Retirement Incentive Program (VRIP) retirees at an average monthly cost of \$164.

The Group Benefits budget also includes health care premiums for disabled retirees which total \$40,827 for FY2017-18, decreasing by \$25,465 from the previous fiscal year. This amount will provide health care

Human Resources (cont'd)

premiums for six disabled retirees which represents a reduction of two disabled retirees 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 10.4 percent this past year. 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 accomplishes through competitive benefits and strategic initiatives to increase the overall well-being of County employees. And despite the hiring freeze, the County of Henrico remains a preferred employer, as evidenced by a high number of applications - 34,053 total.

A main initiative completed in 2015-16 was a comprehensive review and revision of Personnel Rules and Regulations. This massive collaborative effort that included contributions from every division in HR produced a new tool for County employees that reflects the culture of the organization and better defines the Department of Human Resources’ service philosophy. As a service agency, HR designed Personnel Policies and Procedures to be a resource to aid and support County employees and supervisors. It is a comprehensive compilation of uniform standards of human resources administration for the County and provides equitable, responsible guidance to employees while still encouraging collaboration and conversation.

Similarly, HR partnered with the Department of Information Technology’s Web Team to reorganize the on-line content by citizen and service area. The new Employee Portal is designed to better serve the agency’s customers – the employees of Henrico County. Every division of HR was impacted by this project and each division collaborated closely with the department’s Web and Marketing Specialist to produce an innovative, appealing and customer-focused tool that meshes well with the County’s overall philosophy of high performance, customer-driven solutions.

With support from the County Manager’s Office, the Department of Human Resources expanded its services in December 2015 by hiring an Advocate for the Aging – a position to proactively provide resources and information and ensure services are being marketed effectively to a growing Henrico County senior population and support the County’s vision of community engagement and outstanding customer service. The “EngAGE in Henrico” initiative produced many new programs in its first six months, including senior seminars, expos and programs and will continue to expand. The Advocate for the Aging formed a resource group in collaboration with other County departments to efficiently connect seniors and caregivers to readily available services and resources in Henrico County and to streamline the experience. The Advocate for the Aging takes a hands-on approach to assist Henrico’s aging population and its caregivers adapt, understand and live productively.

Another important focus for the County overall – employee development – was once again strongly supported by HR this fiscal year. The Department of Human Resources offered learning opportunities to employees at all levels emphasizing leadership, high performance, visioning, customer service and strategic thinking. As part of this collection of classes and cohort groups, including agency head meetings, middle manager cohorts and a first line supervisor “Focus on Leadership” series, HR won a National Association of Counties (NACo) award entitled Creating a Living Culture of High Performance. Seeing the value of these learning opportunities, HR developed a “vision to performance” half-day class for the Role of the Supervisor series, a collection of required classes for all newly promoted or hired supervisors in the County. The Feedback and Coaching class also became a required component of the Role of the Supervisor series and was expanded to include instruction by multiple divisions of HR. In addition, the Employee Academy was made available to all employees. In the Employee Academy, participants visit locations around the County, including a tour and presentation about the work function being visited. Tours are hosted by Leadership Development Program (LDP) emeritus volunteers and give participants a bigger picture understanding of the County as a whole, promote collaboration and understanding between departments and functions and help eliminate existing silos within the County.

This fiscal year saw a 6% increase in participants in instructor-led training from the previous fiscal year. Classes that had the highest registration numbers

Human Resources (cont'd)

include Effective Decision Making, Competing Demands/Time Management, Covey's Lessons on Leadership, Assertive Communication and Speaking and Influencing Up.

These classes as well as other learning opportunities were also used to offer two certification programs – the Leadership Development Program (LDP) and the Emerging Leaders Certification Program (ELCP) – both of which provide participants with learning goals that align with their job duties and career goals. These learning goals are met by completing program requirements that earn credit towards certification once met. In Fall 2015, LDP participants were surveyed and, as a result of the survey, 97.3% said “yes” when asked “As a result of your participation in LDP, do you believe you have improved in your leadership knowledge, skills, and abilities?”

Employee wellness is also another key component of employee development and success. Human Resources launched the HealthTrip brand for Henrico County's general government and schools employee wellness initiatives in September 2015. Because “wellness” is individual-driven, HealthTrip focuses on four general wellness emphases: physical health, nutritional health, personal health management and life balance. One of the most poignant offerings of HealthTrip this fiscal year was health risk assessments for employees. A total of 1,951 employees took the opportunity to know their numbers by participating in a biometric screening to understand where they are on their health journey. The biometric screening included body measurements and several health metrics – cholesterol, glucose/blood sugar, blood pressure, height, weight, body mass index – chosen because they are the leading indicators for several health challenges faced by many, including diabetes, heart disease and obesity.

HealthTrip also includes employee access to a weight room, group exercise classes, fitness training and use of an outdoor walking/running trail. Throughout the fiscal year, over 2,400 employees recorded being on a HealthTrip and employees recorded 16,989 visits to the exercise facility located at the Henrico County Training Center, representing 29 general government departments, HCPS and retirees.

HealthTrip also included special programming for the County's public safety agencies. HR, in collaboration with the Division of Fire, won a NACo Best in Category award for its submittal *Fire Fit: An Intensive Focus on Firefighter Wellness*. Together, the Division

of Fire and HR created and implemented an initiative to support and train sworn fire personnel who were unable to successfully pass the Work Performance Evaluation (WPE) – an assessment crucial to their ability to perform their jobs safely and effectively. After participating in the program, the 2015 WPE results showed a 15% increase in WPE completion. Henrico County Police and Fire (HCPF) CrossFit, a collaborative fitness effort between the Divisions of Police, Fire and HR continues to grow in participation with 900 more “Workouts of the Day” (WODs) completed during the same time period of the previous fiscal year. Each day a new WOD is posted to the HCPF CrossFit webpage. These workouts are part of a complete program designed to improve strength and conditioning of sworn personnel and are also used by other County employees to help shape their individual HealthTrip. Human Resources also sponsored the Public Safety Games in May 2016 – a fitness competition between teams from Police, Fire and Sheriff – to boost healthy cooperation and competition.

The Employee Health Services (EHS) Division of HR also continued and expanded its efforts to keep our employees well and safe. In the annual compliance testing of lung capacity (spirometry), there were many no-shows due to job demands so EHS Clinic staff took their “show on the road” and went to employees to do on-site testing, dramatically improving the completion rate. Nurse practitioners in the clinic also began to perform FBI regulated and required physicals for bomb squad personnel, saving the County \$308.50 per physical. The Clinic also saved money this fiscal year by signing up with a medical supply co-op – Minnesota Multi-State Contracting Alliance – to increase our purchasing power and get comparison pricing for medications and supplies. To better serve the County's public safety agencies, the clinic added pre-employment hearing and vision tests for Communications Officers and stress tests for new fire recruits. For overall employee wellness, EHS also made available this fiscal year rapid strep and rapid flu testing at the clinic and began hemoglobin A1C screening as a follow up service to anyone showing diabetic or pre-diabetic indicators.

To better serve our employees deployed on military service, the Department of Human Resources started a new Military Email Program to keep military personnel updated on happenings at the County, share holiday wishes, show gratitude for their service and keep apprised of any changes or needs with their military orders/status. This has resulted in at least one

Human Resources (cont'd)

deployed employee emailing back his gratitude for this program because it keeps him connected to his life at home.

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 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>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 11,810,613	\$ 12,264,989	\$ 12,114,204	(1.2%)
Operation	1,366,268	1,509,077	1,509,077	0.0%
Capital	23,443	24,633	24,633	0.0%
Total	<u>\$ 13,200,324</u>	<u>\$ 13,798,699</u>	<u>\$ 13,647,914</u>	<u>(1.1%)</u>
Personnel Complement*	168	168	163	(5)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Parcels of Land Reviewed	114,840	114,840	115,679	839
Vehicles Assessed	376,809	376,624	380,000	3,376
Business License Payments	7,263	7,269	7,300	31
Cashier Transactions Per Teller/Day	114	100	100	0
Budget Transfer Document Processed	1,509	1,400	1,400	0
Accounts Payable Transactions	202,939	204,000	205,000	1,000
Credit and Debit Card Transactions	201,361	209,000	225,000	16,000
REAP Applicants	6,379	6,500	6,500	0
Electronic Bill Payments	227,690	266,524	276,524	10,000
Tax Bills Generated	729,872	618,275	750,000	131,725
Effectiveness Measures				
G.O. Bond Ratings				
Standard & Poor's	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	26	27	28	1
Number of Years - GFOA Award for CAFR	33	34	35	1

Budget Highlights

The Department of Finance's budget for FY2017-18 totals \$13,647,914, representing an overall decrease of \$150,785 or 1.1 percent from the previous approved budget. The decrease is attributable to the transfer of personnel responsible for the Technology function for Finance to the Department of Information Technology during FY2016-17. Also impacting the personnel component of the budget are updated estimates for personnel including a 2.5 percent salary increase and rising health care costs. The operating component of the Finance budget totals \$1,509,077 and mirrors the FY2016-17 submission. The capital component remains flat.

During FY2016-17, 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-four consecutive years. The Office of Management and Budget received the Distinguished Budget Presentation Award from GFOA for the Annual Fiscal Plan for the twenty-seventh consecutive year.

In November 2016, citizens in the County approved a \$419.8 million General Obligation (GO) Bond

Referendum to pay for capital projects in the county, such as the construction and renovation of schools, parks, libraries, roads and fire stations. The County's bonds continue to be rated AAA by Standard & Poor's, Moody's, and Fitch. This triple AAA rating provides Henrico with the opportunity to achieve much needed infrastructure construction and infrastructure renovations at the lowest possible cost. An example being when the County issued \$34.0 million in Lease Revenue Bonds to fund the County's portion of the Regional Radio Communication System, the interest rate on the 10 year debt was 1.7 percent.

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 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. Even as local economic

Finance (cont'd)

conditions slowly improve, economic challenges continue in other areas especially with State funding, which means Henrico County must continue to examine the processes 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.

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. 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, 2017, the taxable assessed value of the County was approximately \$35.7 billion, an increase of 4.6 percent, or approximately \$1.6 billion, compared to January 1, 2016. Reassessments accounted for 3.5 percent, or \$1.2 billion of the change while new construction accounted for 1.0 percent or \$356 million of the change in the total land book from January 1, 2016 to January 1, 2017. The real estate market continues to have modest increases in both residential and commercial values and new construction also continues at a moderate pace.

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 2016 the Division processed 10,185 telephone inquiries and 978 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 qualify. For 2017, a total of 20 commercial property owners will receive \$98,574 in tax credits. The "Reinvest" residential rehabilitation program was initiated on January 1, 2010. A total of 112 properties have been completed with a total tax credit of \$60,881. In 2011, the Constitution of Virginia was modified to exempt the residence of permanently disabled veterans. As of January 1, 2017, 377 homes have been exempted for a total tax savings for the veterans of \$721,648. 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. Eligibility for forestry use includes a twenty acre minimum while other classifications require a five acre minimum. A total of 449 property owners are currently in the program totaling approximately

Finance (cont'd)

30,500 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 2016 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 2017, 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 the County's Comprehensive Annual Financial Report (CAFR), maintains inventory records of County property, maintains and supervises fixed assets, grants accounting, and complies with IRS arbitrage and rebate requirements. The Accounting division completes cash management reporting including bank reconciliations and the County's investment portfolio. 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 FY2015-16 was 202,939 and it is projected that 204,000 will be processed during FY2016-17 and 205,000 transactions are forecasted to be processed in FY2017-18. The Accounts Payable Section initiated an invoice imaging system during FY2010-11 that streamlines the data storage and retrieval process. In FY2015-16, 113,944 invoices were scanned into the imaging system.

The Division began making epayments in January 2015. In calendar year 2016, 30 percent of all payments made by the County were epayments and using the epayments program generated a rebate of \$248,081 for the County.

In addition, the Division processes approximately 22,700 payroll direct deposits/checks 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

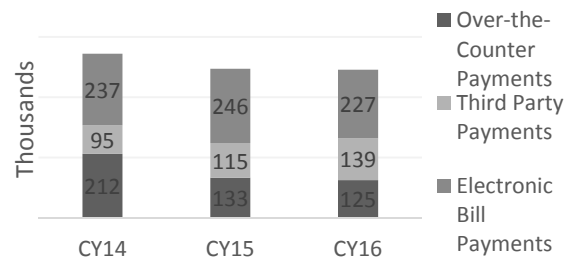
The Treasury Division serves as the County’s cashier and provides tellers, at both the Western Government Center (WGC) and the Eastern Government Center (EGC), to collect taxes and fees, as well as Department of Public Utilities (DPU), and parking ticket payments from citizens. Treasury is also responsible for the billing of real estate and personal property taxes as well as dog license fees. Additional functions include billing and collection of delinquent taxes and fees, taxpayer liaison, and account maintenance. The Treasury Department is divided into three distinct areas: Cash Operations, Receivables and Account Maintenance, and Delinquent Accounts Collections. Treasury implemented a career development plan for non-supervisory personnel to encourage retention and provide advancement opportunities. These efforts are one of the department’s goal of becoming a high performing organization.

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, monthly ACH withdrawals, 24/7 drop boxes located conveniently at each government center, and in-person payments at the Cashier windows at the government centers. Treasury received a NACO award for expanding the payment options to cash paying customers by allowing 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 125,274 checks in-person during FY2015-16, while the County Lockbox Operation Center processed 611,503 paper checks. The number of pin-based debit card transactions for FY2015-16 was 61,623 for all County agencies. Credit card and E-Check payments increased from 115,014 in FY2014-15 to 139,738 in FY2015-16,

which represents an increase of 24,724 or 21.5 percent. Electronic lockbox payments decreased 7.8 percent, from 246,996 in FY2014-15 to 227,690 in FY2015-16. Electronic payments are projected to increase in FY2017-18 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 729,872 bills during FY2015-16, an increase of 3.4 percent from the previous year. Of these bills, 100,000 were real estate bills and 629,872 were personal property bills. Four mortgage files were submitted electronically for both the June and December installments that paid on 121,032 accounts. An additional 1,744 real estate accounts were sent to mortgage holders. Mortgage company escrow accounts are 55.1 percent of the real estate bills. A total of 28,414 supplemental bills and 197,276 delinquent bills were mailed. Treasury provides electronic files to vehicle leasing companies. In FY2015-16, 29 leasing companies participated in the program, which utilized electronic files for leasing company billings. The program included 1,020 accounts for a total payment of \$6,958,525.

The Delinquent Accounts and Collections Section collected \$7.0 million of delinquent real estate taxes and \$3.8 million of delinquent business taxes during FY2015-16. In addition, the Delinquent Accounts and Collections Section was responsible for processing a total of 34,223 new Department of Motor Vehicle registration withholdings (VRW) resulting in collection of 34,205 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 \$1,565,218 in revenue from unpaid taxes, utility debts, and library and miscellaneous fees. The collection of 492 NSF (non-sufficient fund) checks for multiple Henrico Departments resulted in \$766,289 worth of additional revenue. This Section also handled 532 bankruptcy claims filed in FY2015-16, collecting \$266,466. In

Finance (cont'd)

FY 2015-16, 9 properties were sold in judicial and non-judicial tax sales, paying \$81,613 outstanding tax liens.

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 the 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. An example is the analysis of financial data to support the 2016 General Obligation Bond Referendum. The data identified a multi-year financing plan through the issuance of General Obligation Bonds. This analysis also crosswalked projected operating costs of the new and renovated facilities to insure the total affordability of the referendum projects.

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 FY2015-16, Purchasing processed a total of 9,047 purchase requisitions totaling \$250,646,251, and held 24 surplus sales, generating \$1,832,317 in revenue. In addition, 198 solicitations were issued and 210 contracts were awarded. Of these contracts, 59.5 percent were to Small, Women-Owned and Minority-Owned (SWAM) suppliers. County purchases from SWAM suppliers totaled \$159.2 million during FY2015-16.

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-six supplier outreach events in FY2015-16.

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. All activities are conducted in accordance with the Department’s four core values: safety in the work place; outstanding customer service; stewardship; and respecting and valuing others. General Services is a diversified operation that consists of six divisions: Administration, Building and Grounds, Café 1611, Security, Support Services and Central Automotive Maintenance.

the Western Government Complex and provides catering services for County functions. The Security Division safeguards County property and monitors the security of facilities through patrols and 24 hours per day security console operations. Support Services includes the copy center, print shop, mail delivery, clerical storeroom and record retention functions. Central Automotive Maintenance (CAM) provides fleet management, automotive maintenance and fueling operations for the County. Details of CAM’s budget can be found in the Internal Service Fund section of this book.

The Administration Division consists of four groups. The Director’s office handles the management and administrative functions for the Department. The Financial group handles financial transactions for the Department as well as taking the lead role in budget preparation. The Capital Projects group manages the CIP request process for all County Agencies (except DPU and DPW). They also manage the design and construction of all habitable buildings as well as refresh and repurpose projects for existing facilities. Energy Management is responsible for reducing the County’s energy consumption as well as promoting conservation in all County activities. The Building and Grounds Division provides a safe and clean environment for citizens and employees to conduct business by maintaining over 2,810,500 square feet of County buildings. Café 1611 operates the cafeteria at

Objectives

- To provide County departments and agencies with effective office support services so departments and agencies can effectively carry out their assigned functions.
- To provide facilities planning, design, construction, building and grounds maintenance, 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.

Annual Fiscal Plan

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 6,676,092	\$ 6,964,840	\$ 7,195,038	3.3%
Operation	6,739,986	6,994,360	7,068,944	1.1%
Capital	342,014	353,060	368,160	4.3%
Total	\$ 13,758,092	\$ 14,312,260	\$ 14,632,142	2.2%

Personnel Complement* 118 119 118 (1)

* One position was transferred to Information Technology in May 2016.

General Services (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Preventive Mechanical Maint. Work Orders	9,117	9,250	9,250	0
Corrective Maintenance Work Orders	11,559	12,500	12,500	0
Square Feet Maintained	2,810,706	2,810,706	2,821,706	11,000

Budget Highlights

The Department's budget for FY2017-18 is \$14,632,142. This represents an increase of \$319,882, or 2.2 percent when compared to the FY2016-17 approved budget. The personnel component net increase of \$230,198 or 3.3 percent is driven primarily by updated estimates including a 2.5 percent salary increase for FY2017-18 as well as rising health care costs. In addition, this component reflects salaries and associated FICA for three new temporary Security Officer positions totaling \$62,192. The personnel increase was partially offset by the transfer of one position to Information Technology in May 2016.

The operating component net increase of \$74,584 or 1.1 percent is due primarily to additional costs necessary to maintain the repurposed Dumbarton Library, Fire House #19, Junior Achievement, and the Varina Area Library. In addition, funding is included to provide uniforms and various security supplies for the three new temporary positions and to cover the costs associated with the upgrade of three compact sedans to small SUVs. It is important to note that the overall increase was offset by \$46,831, which was transferred to Police to support radio tower maintenance and Information Technology related to an organizational change. The capital component net increase of \$15,100 or 4.3 percent is driven primarily by the budget adjustment to cover the cost of three radios for the new Security Officers.

Administration

The General Services Administration budget totals \$1,697,843, representing an increase of \$25,096 or 1.5 percent from the prior fiscal year. This increase is primarily due to increases in personnel costs. General Services Administration includes the Department management; all business functions, budgetary oversight and fiscal management for the other divisions. During the past year, this area worked with Information Technology to gain efficiencies on accounting processes in Oracle for vendors paid by

contract and on implementation of a VoIP system which has reduced switchboard call volume. The Administration area also includes the Capital Projects group, which works with other departments to develop CIP requests, and manage the design and construction of all habitable buildings for the County. This area worked to enhance stakeholder communication by providing project updates to the end user agencies involved in the project. The Administration division is responsible for the County's energy management program and has been tasked with promoting an environment that generates conservation across all activities within the County. Energy management received first place in the local government Energy Leadership award from the Virginia Energy Efficiency Council. This award was an initiative of the Governor's Executive Committee on Energy Efficiency. This area continues to reach out to Schools and Public Utilities to assist them in energy conversation initiatives and is working with Libraries on a public presentation on Green Building as part of the Schools adult education program.

Building and Grounds

Building and Grounds budget for FY2017-18 is \$10,406,855, representing an increase of \$146,139, or 1.4 percent from the FY2016-17 approved budget, due primarily to personnel cost increases and the costs of new facilities including the repurposed Dumbarton Library, Fire House #19, Junior Achievement, and the Varina Area Library.

The Buildings and Grounds Division provides building, custodial, and grounds maintenance at numerous County facilities, and coordination of the Training Center and measures feedback from customers through the KACE work order system. The \$160,000 allocation remains dedicated for the Division's Building Maintenance Program, which supports painting, re-carpeting and fitness center equipment replacement. A continued partnership with

General Services (cont'd)

the Sheriff on utilizing inmate labor exists for landscaping and painting activities and aids to reduce outside contractual costs. Additionally, this area expanded the recycling program to Mental Health and Staples Mill Road Properties.

Café 1611

In FY2017-18, the budget for the Employee Cafeteria totals \$442,088, which reflects an increase of \$1,914, or 0.4 percent when compared to the FY2016-17 budget. The entirety of this increase is reflected in the personnel component of the budget. This area operates the cafeteria at the Western Government Complex and provides catering for County events with six full-time positions. In June 2016, received the NBC 12 Restaurant Report Hall of Fame Award for obtaining perfect scores on ten health inspections during the past three years.

Security

The budget for the Security Division totals \$1,598,568, representing an increase of \$132,842, or 9.1 percent from the prior year approved budget. This increase was driven primarily by a budget adjustment of \$82,232 which includes all personnel, operating, and capital costs associated with the three new temporary Security Officer positions. Outside of these adjustments, operating costs are increasing to support additional card access maintenance, lease vehicle rates and ability to do security reports remotely. This area partnered with Information Technology during the past year to develop an on-line process for security

card access authorizations. Security safeguards County property with a complement of twenty-eight employees by monitoring the security of facilities through patrols and a 24-hour per day security console operation.

Support Services

The FY2017-18 budget of \$486,788 for the Records Management division represents an increase of \$13,891, or 2.9 percent when compared to the FY2016-17 approved budget. The increase is attributable to cost increases within the personnel component of the budget. This area Records Management has eight employees that operate the County's internal mail system, copy center, print shop, clerical storeroom, and the County's offsite record storage. During the past year this area has experienced growth in the copy center and printing operation by producing W-2's, 1095's, and doing more to support Recreation and Parks and Schools.

Central Automotive Maintenance

The budget for this area is captured in the Internal Service Fund as opposed to the General Fund since funding for operations are provided primarily through inter-departmental billings. Central Automotive Maintenance (CAM) is the division 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.

- 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.

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.

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

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 418,920	\$ 417,067	\$ 428,136	2.7%
Operation	11,432	14,579	14,579	0.0%
Capital	0	0	0	0.0%
Total	<u>\$ 430,352</u>	<u>\$ 431,646</u>	<u>\$ 442,715</u>	<u>2.6%</u>
Personnel Complement	4	4	4	0

Internal Audit (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Audit Projects: Audits, Follow Ups, Consults	26	26	26	0
Efficiency Measures				
General Gov't budget/audit position (mil)	\$ 151	\$ 151	\$ 151	0
General Gov't employees/audit position	984	984	984	0

enhanced auditing software in all its audits to better examine activity in a cost-effective manner. The department pays annual software licensing costs to maintain current versions and support for these tools. In addition, the department requires all staff to maintain professional certifications and provides annual continuing education to stay current with requirements, business risks, and the latest audit techniques. The software licensing costs as well as the continuing education costs are the two largest components of the operating budget for Internal Audit.

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

The fraud reporting webpage may generate additional special projects. Technical assistance will be

provided to agencies as requested. The department also assists the County's external auditors with the required annual financial and compliance audits to help control those costs.

Some of the internal audits conducted by the department in FY2016-17 included expenditures in the Department of General Services and the Drug Court Program; Planning's management of developer bonds and lines of credit use to guarantee satisfactory completion of projects; and payroll processing.

Internal Audit's approved budget for FY2017-18 of \$442,715 represents an increase of \$11,068 or 2.6 percent over the FY2016-17 approved budget. This increase is driven solely by the personnel component and reflects revised estimates for salary and benefit costs including a 2.5 percent salary increase. The operating component remains flat from the previous fiscal year.

Although the operating component remains flat from the previous year, funding of \$230 was reallocated from office supplies and \$200 was reallocated from books and subscriptions to the computer software and dues and association memberships to cover increasing software licensing costs and rising professional association costs.

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's Help Desk provides assistance to agency personnel on any computer related problems.

The Department also administers and maintains the County's security cameras and audio-visual, and 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>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 8,251,566	\$ 9,091,227	\$ 9,994,002	9.9%
Operation	3,633,219	3,595,595	4,052,806	12.7%
Capital	719,666	522,215	522,215	0.0%
Total	<u>\$ 12,604,451</u>	<u>\$ 13,209,037</u>	<u>\$ 14,569,023</u>	<u>10.3%</u>
 Personnel Complement*	 91	 91	 97	 6

*One position was transferred from General Services in May 2016 and five employees transferred from Finance during FY2016-17.

Performance Measures

	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Website Visits	2,710,279	2,809,444	2,910,992	101,548
Website Unique Visitors	1,322,134	1,488,911	1,657,036	168,125
Website Page Views	7,182,959	7,447,196	7,726,672	279,476

- 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.
- To administer, maintain, and enhance the County's security camera and audio-visual systems.

During FY2017-18, the **IT System Admin Team** will continue to expand and upgrade its virtual server environment. Currently IT has approximately 375 virtual servers running on 19 physical servers. IT successfully migrated the majority of the virtual server workload to a new blade-based, converged infrastructure platform reducing both the number of servers needed as well as the associated power and cooling requirements. The County also has 85 physical servers but hopes to reduce that number further by moving additional workloads to virtual servers.

Budget Highlights

The Department of Information Technology's (IT) FY2017-18 budget totals \$14,569,023, which represents an overall increase of \$1,359,986 or 10.3 percent from the previous approved budget. This increase was driven by the personnel component, which increased by \$902,775 or 9.9 percent. This increase reflects the addition of five IT staff members that transferred from Finance during FY2016-17 and one IT staff member that transferred from General Services in May 2016. In addition, this component reflects a 2.5 percent salary increase for FY2017-18 and rising health care costs.

IT expanded operations to include a formal Disaster Recovery (DR) site using a 3rd party co-location company, located within Henrico County. This now allows IT to directly replicate County data offsite and have core resources to bring up critical Public Safety and County business applications and services at reduced capacity should there be an event impacting the main data facilities.

The operating component totals \$4,052,806 for the FY2017-18 budget and reflects an increase of \$457,211 or 12.7 percent from the previous fiscal year. This component includes several budget adjustments. The first increase of \$252,285 was made in order to accommodate planned increases in the annual maintenance contracts for several Enterprise software products. The second adjustment of \$200,000 was for the annual maintenance associated with the Enterprise Land Management software which will begin in FY2017-18. The last adjustment of \$4,926 was for expenses associated with the position that was transferred from General Services. 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.

In keeping with IT's movement toward the use of remote servers, the **IT Database Team** has moved 83.0 percent of over 294 databases to virtualized servers running Microsoft SQL Server 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 including the new DR site. This architecture allows one facility to suffer a catastrophic anomaly but permits the databases to continue to operate.

The **IT eBusiness Oracle Team** continues to improve the County's Oracle Infrastructure. The purchase and deployment of Oracle Database Appliance (ODA) is continuing to show significant return on investment for Oracle database and applications environments. IT is in the process of deploying several virtual machines on the ODA, which would eventually replace the

Information Technology (cont'd)

machines that currently serve Oracle applications. This year, IT started utilizing an F5 load balancer to efficiently route traffic to various applications. This technology has the ability to secure access and enhance the speed of the application for the user. The department has also upgraded the core Oracle database infrastructure to the latest 12c version. IT is now working on getting all of their databases upgraded to this version. During the next half of 2017 IT will work on upgrading the applications environment to future versions and migration into Oracle's mobile applications development framework.

The **IT Finance Support Team** collaborated with Finance and Public Utilities to successfully complete the outsourcing of printing tax bills, utility bills and real estate assessment notices to Wells Fargo. A request for proposal to replace the current cashier and delinquent tax collections applications was awarded this past year with a planned implementation for later in 2017. Other initiatives being worked on for 2017 include eBill Presentment for taxes and various development work to upgrade technology being utilized for various business processes within the Department of Finance.

In FY2015-16, the **IT Network/Telecom team** completed the migration of many remote locations' (WAN sites) data connections from legacy Verizon TLS to Comcast ENS, which resulted in reduced costs for like services. A new connection was added to the DR site and all necessary routing and switching was added to that facility. Information Technology also completed the process of moving all of the County's phones from the legacy analog PBX to a new Voice Over Internet Protocol (VoIP) platform, which included the addition of the CHPL and CRWP phone systems into the County's overall system. Voice circuits have been migrated from legacy copper-based circuits to new fiber-optic Session Initiation Protocol (SIP) trunks. Included in the VoIP project was the migration of all of the County's automated call distribution (ACD) queues, from the Legacy platform to the new VoIP platform, which included the addition of new queues and auto-attendants for many departments which did not previously have these systems. Reports from those agencies have shown an overall reduction in calls that agents are managing due in a large part to the new service oriented layouts and designs of these auto-attendants and call queues. Information Technology also implemented 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 will be working to complete this same "dual-home" project for the network closets at CTC/PSB in the upcoming fiscal year. Also, Information Technology is in the process of migrating the County's security camera systems from legacy analog systems to a new IP-based digital system.

The **IT Web Team** completed a major restructure and redesign of the County's website, replacing the previous design used for the last seven years. This new design fully realizes the 'service first' organizational structure started in 2015. The design presents a refreshed look for the County's web presence, as well as several new features. Some features include a fully responsive mobile experience, search improvements to help discovery both on and off the site through major search engines, and implementing various standards for website accessibility. Developers used modern web standards, tools, and practices to provide enhanced usability as well as providing a platform to support future revisions of the site.

Members of the web team have also joined with other staff to further the implementation of SharePoint and other Office 365 features throughout the County. A new intranet was built out for IT, as well as several departments have started the onboarding process of planning an information architecture as well as moving content to team sites in SharePoint. The team has been focusing on documentation, governance, and use cases for various agencies with general availability in the next year.

The **IT Help Desk** provides multiple tiers of technical support for County-owned hardware and software. The support is provided via telephone and deskside visits from technicians. During 2016, the Help Desk received 5,406 tickets via the Kace ticketing system. The average of 450.5 tickets per month does not include other departmental queues such as General Services or Recreation & Parks.

The **IT APEX Group** built four new in-house Oracle Application Express (APEX) systems for four different agencies. These include the Electronic Billing for Leasing Company System for Finance, Media Tracking System for Information Technology, Connection Fee Archive System for Public Utilities, and the Time Management System for the Commonwealth Attorney's Office. Four new APEX projects are in the works for three different agencies

Information Technology (cont'd)

including the Customer Tracking system for the Permit Center, Liquid Hauled Waste and Lien Tracking systems for Public Utilities, Card Access Request Tracking system for General Services. The APEX team also provided support for tracking Police costs during the 2016 Winter Storm Jonas. IT supports over forty APEX applications used by every agency in the County.

The IT Community Development & Services Team, in collaboration with Purchasing and the Tidemark Replacement Committee, issued a request for proposal to obtain an Enterprise Land Management Solution (ELMS), to include permitting, land management, code enforcement, and public maintenance management. Seven proposals were received and evaluated. Vendor selection is expected in early 2017. The team also worked with the Development Review Committee to enhance the Plan of Development and Subdivision review processes in Tidemark. Added functionality includes a new plat review process and a new reporting system, which gives County management the analytics necessary to effectively manage staff, track review timeliness, and enhance business processes.

The IT Public Sector Reporting Team enhanced collaboration with the City of Richmond and Chesterfield County by developing an Aviation application for the Police Division. The application allows the multi-jurisdiction staff to enter and track flight, maintenance, and expense data for aircraft. Henrico County's flight data is tied to the associated Call for Service system and available on the TEMPO Dashboard. Expanding the reporting applications used by the Public Safety agencies, the Commonwealth Attorney Tracking System (CATS) was added to the suite. CATS allows the staff to quickly create new cases by importing defendant information obtained during the booking process. Cases are tracked through the judiciary process and associated documents are created using templates. Based on data integration, the Henrico County Commonwealth's Attorney Office is the only jurisdiction in Virginia which chose to implement a custom application as the replacement for the unsupported state application.

The IT Computer Aided Dispatch Team made numerous enhancements to the Cad24x7 system during the past year. Highlights include the development of a Fire Dashboard webpage which is a customized mashup of fire call and unit status tabular data with a web map showing the same information.

The dashboard also features a resource board, weather information (including radar) and shows the current EOC and Fire operations level. A mutual aid recommendation capability was added to allow CAD to accurately recommend the best units to respond when providing mutual aide to a surrounding jurisdiction.

The **IT GIS Office** has had several major accomplishments during the past year. Highlights include the establishment of an open data portal, <http://geodata.henrico.us>, which provides the County's citizenry a self-service website for accessing and downloading GIS data in the public domain. This data is provided free of charge. This site also benefits the County by automating the dissemination of information that formerly took considerable staff time to prepare. In December, the GIS Office implemented a major improvement to its online routine capability by inclusion of access road information into its primary street network. This allows for more exact routing to almost every address in the County and will be greatly beneficial to the many applications which utilize routing including the 9-1-1 center and first responders. GIS also provided a separate routing network for interstate locations which is based upon the statewide Virginia Geographic Information Network (VGIN) network dataset. This enables County services to leverage the closest points of access to the interstate highways even when these entrances are outside of the County. A new online County GIS map viewer was developed in-house by the GIS Office and deployed on the County's website. This map viewer features, among other things, enhanced aerial photography including birds-eye-view (Pictometry) views as well as historical aerial photography since 1998.

IT also supports the E-9-1-1 telephone system and the voice recording system both of which are used in the 9-1-1 Emergency Communications center and both vendor-provided systems. Both also required technology upgrades during 2016. IT's role was in the project management aspects of the upgrades which involved planning, coordination and control. The project was successfully concluded earlier this year. The 9-1-1 telephone upgrade is almost concluded and will be followed on in 2017 with two exciting projects involving a multi-node implementation with the City of Richmond which will provide a very robust backup capability for both jurisdictions and with the County's portion of a regional text-to-911 project.

REAL PROPERTY

Description

The Real Property Department provides professional Real Estate Services for the County General Government, Economic Development Authority and Schools. The Department, a centralized real estate operation, manages property transactions of the County through deeds, leases, easements, vacations, abandonments, licenses, eminent domain, or otherwise. It also administers the sale of County surplus real estate and it negotiates leases and manages the County lease portfolio.

The real estate services it provides includes collaborating with the County Attorney's Office in advising and making recommendations to the County Manager's Office, the Board of Supervisors, the School Board, and Economic Development Office, regarding their property needs and performing the related work as directed. This includes representing the County in negotiations with its citizens & business development community and taking their respective property inquiries and appropriately distribute in the requests to County departments for their expertise & input to determine and obtain information so that a desired resolution can be achieved.

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, the County School Board and Economic Development Authority.

Budget Highlights

The Real Property budget of \$648,326 represents an increase of \$17,583 or 2.8 percent over the FY2016-17 approved budget. This increase was driven by updated estimates for personnel including a 2.5 percent salary increase for FY2017-18 as well as 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 FY2017-18. Currently, the department manages 103 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 former Henrico Federal Credit Union building east of Dixon Powers Drive acquired for future Government Center

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 612,247	\$ 610,730	\$ 628,313	2.9%
Operation	21,693	20,013	20,013	0.0%
Capital	1,170	0	0	0.0%
Total	<u>\$ 635,110</u>	<u>\$ 630,743</u>	<u>\$ 648,326</u>	<u>2.8%</u>
 Personnel Complement	 7	 7	 7	 0

Real Property (cont'd)

	Performance Measures			Change
	FY16	FY17	FY18	17 to 18
Workload Measures				
Property & Easements Purchased	\$7,293,000	\$800,000	\$1,000,000	200,000
Property Leased to Others	\$667,000	\$660,000	\$660,000	0
Property Leased from Others	\$1,080,000	\$900,000	\$900,000	0
Leased Managed	103	100	100	0

expansion. Real Property manages approximately 37 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 requests from the Department of Public Works for road, sidewalks 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 fire & police stations and parks as well as assist Schools in the acquisition of land and easements for new and existing schools. During FY 2017-18, the Department will continue County initiative to selectively cull surplus property inventory with the intention of returning it to the taxable land book by selling it for maximum value.

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.*

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.
- 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 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.

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 1,280,749	\$ 1,053,863	\$ 1,144,902	8.6%
Operation	309,293	373,046	390,796	4.8%
Capital	630	200	200	0.0%
Total	<u>\$ 1,590,672</u>	<u>\$ 1,427,109</u>	<u>\$ 1,535,898</u>	<u>7.6%</u>
Personnel Complement*	8	8	9 **	1

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

**An Assistant Registrar II position was added in FY2017-18 to address an increase in workload resulting from an increase in voter registration and absentee voting.

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Number of Registered Voters	208,366	223,205	224,098	893
Efficiency Measures				
% of Manuals Published before Training	100%	100%	100%	0
% of Attendance for All Chief and Assistants	100%	100%	100%	0
% Accuracy of Daily Registration Reports	100%	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.

workload resulting from a rise in voter registration and absentee voting.

The operating component of the budget increased by \$17,750 or 4.8 percent when compared to the prior fiscal year. This increase is due to the addition of funds for Easy Vote Solutions, a poll worker management software program. This software will assist with the processing of poll worker appointments, training and work duties. The capital component of the budget remains flat compared to the prior fiscal year. The Electoral Board's budget for FY2017-18 will cover the operating costs of the voter registration operation along with costs associated with elections held during the fiscal year.

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 the 2016 November Presidential Election, 152 student pages, representing all nine County High Schools, earned 1,778 hours of community service working at the polling places. These community service hours resulted in \$22,800 in cost savings.

Budget Highlights

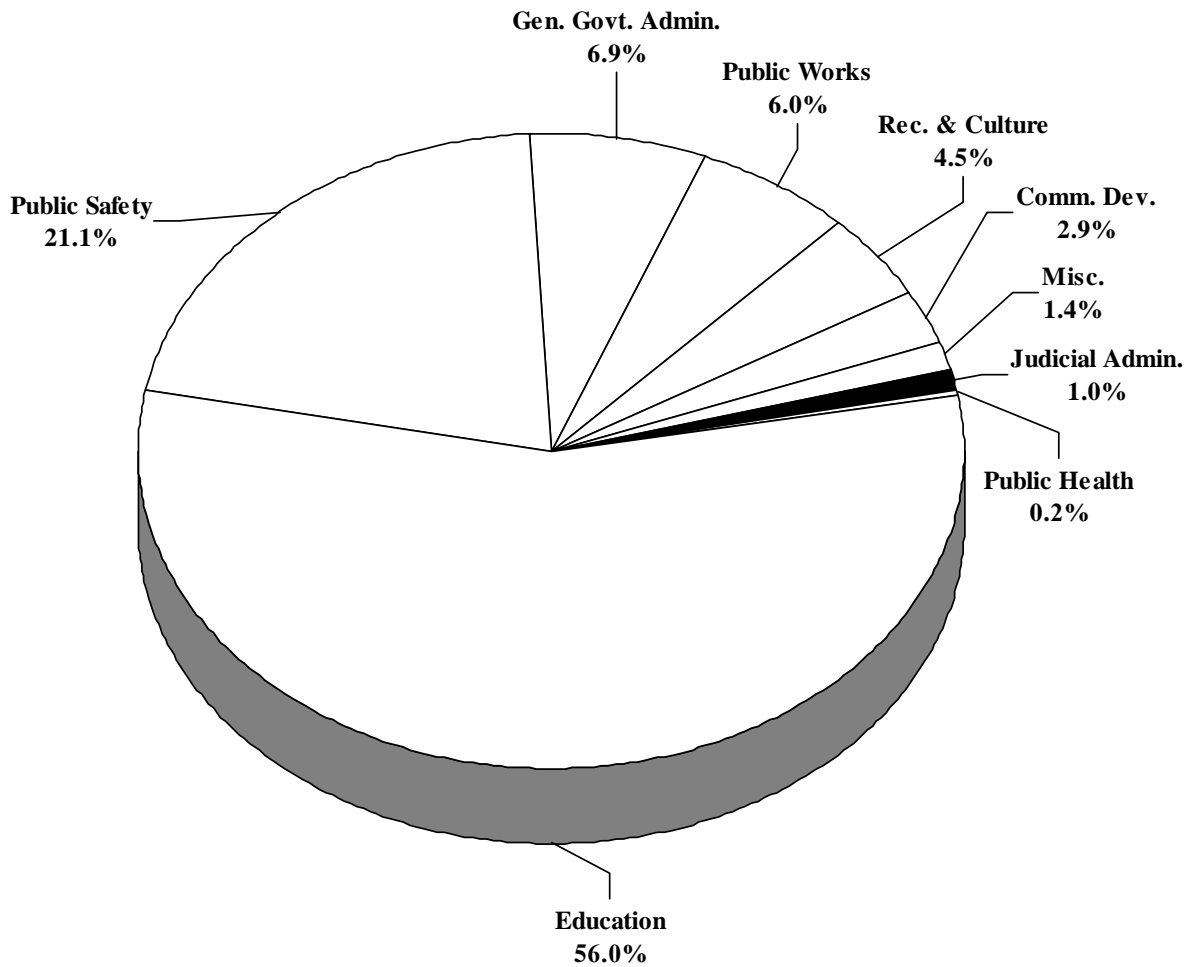
The Department's budget for FY2017-18 is \$1,535,898, which represents an increase of \$108,789 or 7.6 percent compared to the FY2016-17 budget. The \$91,039 or 8.6 percent increase in personnel is due to several changes, including the addition of an Assistant Registrar II position, an increase in temporary salaries, a 2.5 percent salary increase for FY2017-18 as well as an increase in healthcare costs. The approved budget includes an increase in temporary salaries as well as an additional Assistant Registrar II position to address an increase in



COUNTY OF HENRICO, VIRGINIA

Judicial Administration

\$8,500,620



Total General Fund

\$839,675,080

**COUNTY OF HENRICO, VIRGINIA
 JUDICIAL ADMINISTRATION - GENERAL FUND
 FY 2017-18**

<u>Department</u>	<u>FY 15-16 Actual</u>	<u>FY 16-17 Original</u>	<u>FY 17-18 Approved</u>
Circuit Court:			
Court Clerk	\$2,588,539	\$2,464,852	\$2,515,790
Court Services	536,136	557,594	605,993
Total Circuit Court	<u>3,124,675</u>	<u>3,022,446</u>	<u>3,121,783</u>
Court Services	233,433	246,076	305,313
Magistrates	5,885	6,286	6,286
Total General District Court	<u>239,318</u>	<u>252,362</u>	<u>311,599</u>
Court Services	147,639	201,025	201,025
Juvenile Probation	20,614	23,072	23,072
Total Juvenile District Court	<u>168,253</u>	<u>224,097</u>	<u>224,097</u>
Commonwealth's Attorney	4,453,608	4,604,003	4,843,141
Total Judicial Administration	<u><u>\$7,985,854</u></u>	<u><u>\$8,102,908</u></u>	<u><u>\$8,500,620</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 and Juvenile 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 issuing and maintaining marriage licenses entered by the office and issuing 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 it is important to preserve this history for future generations.

Objectives

- To provide access to all public records using modern 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 and professionally assist attorneys and the public in all areas of the Clerk's Office.

Budget Highlights

The Circuit Court Clerk's budget of \$2,515,790 represents a net increase of \$50,938 or 2.1 percent from the FY2016-17 approved budget. This increase was driven by updated estimates for personnel including a 2.5 percent salary increase for FY2017-18 as well as rising health care costs. The operating component remained flat from the previous fiscal year.

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

Annual Fiscal Plan

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 2,230,453	\$ 2,236,744	\$ 2,287,682	2.3%
Operation	358,086	228,108	228,108	0.0%
Capital	0	0	0	0.0%
Total	\$ 2,588,539	\$ 2,464,852	\$ 2,515,790	2.1%
Personnel Complement	N/A	N/A	N/A	N/A

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Civil Cases Commenced	4,000	4,000	4,100	100
Criminal Cases Commenced	5,650	5,700	5,600	(100)
Number of Wills and Administrations Recorded	1,000	1,100	1,150	50
Number of Instruments Recorded in Deed Books	43,000	45,000	43,000	(2,000)
Marriage Licenses Issued	2,225	2,300	2,225	(75)
Number of Judgments Docketed	17,200	17,000	17,100	100
Concealed Weapon Permits Issued	3,300	2,700	2,800	100

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 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 approximately 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.

In September 2016, funding of \$321,301, which was appropriated during the prior year from funding

received by the Virginia Compensation Board, was reappropriated to be spent during FY2016-17. In addition, new funding of \$144,288 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 the improvement of access to court records in order to provide better service to the public in the Record Room.

In 2016, The Clerk's Office expanded the use of credit card services to the Record Room, Civil Division, Probate Department, and Concealed Weapon Permits. Two different pamphlets were created with General Circuit Court information and Record Room information to help the general public with filing and procedural requirements. Instead of spending \$20,450 to have work done by an outside vendor, the staff spent hours scanning State Highway Plat Books from January 1977 through 2016, making these available on-line. Currently, the office is completing their review of grantor/grantee indexes from January 1973 through April 30, 1989, so that they can make forty-three years' worth of land records available on-line to the public in early 2017. To review older records on microfilm/microfiche, the office recently purchased a new machine which has reverse imaging capabilities and spot enhancement abilities, to enable users to obtain the best images possible.

This year, the Circuit Court Clerk's Office received a grant of \$3,688 from the Library of Virginia, which will enable the office to digitalize and repair two older books which are showing some deterioration. The department's goal in 2017 is to continue to increase the number of indexes, land records, wills and other historical records that are available on-line using in

Court Clerk (cont'd)

house staff and the Clerk's Technology Trust Fund money. The Clerk's Office will also try to increase their number of paid subscription agreement users.

The table below reflects actuals for FY2007-08 through FY2015-16 as well as the budget forecast for FY2016-17 and FY2017-18 for both State and County funding. In FY2007-08, the State was contributing \$1,318,388 or 53.2 percent. By comparison, in FY2015-16 the State contributed \$1,258,458 or 48.6 percent. This represents a 4.6 percent decrease over this time period. 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
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	1,258,458	1,330,081	51.4%
2016-17*	1,200,000	1,264,852	51.3%
2017-18*	1,200,000	1,315,790	52.3%

**FY17 and FY18 represent forecasted estimates.*

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 2016 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 FY2017-18 is \$605,993. This represents an increase of \$48,399 or 8.7 percent from the FY2016-17 budget. This increase was driven by updated estimates for personnel including a 2.5 percent salary increase and rising health care costs. The operating component remained flat from the previous fiscal year.

Annual Fiscal Plan

Description	FY16 Actual	FY17 Original	FY18 Approved	17 to 18
Personnel	\$ 489,947	\$ 501,850	\$ 550,249	9.6%
Operation	46,189	54,344	54,344	0.0%
Capital	0	1,400	1,400	0.0%
Total	\$ 536,136	\$ 557,594	\$ 605,993	8.7%
 Personnel Complement	 8	 8	 8	 0

Circuit Court Services (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Full Time Judges	5	5	5	0
Jury Commissioners	4	6	6	0
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 2015 Caseload Statistical Information, the most recent available, the caseload for the Fourteenth Circuit showed 12,125 cases (civil and criminal) commenced in 2015, with an average of 2,425 per judge. There were 5,253 total criminal cases commenced, with an average of 1,050 per judge. In 2015, there were a total of 6,872 civil cases commenced, with an average of 1,374 per judge. The total number of cases (civil and criminal) concluded was 11,446, with an average of 2,289 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, local high school students, and for police officer training.

GENERAL DISTRICT COURT

Court Services

Description

The General District Court exercises original jurisdiction over all misdemeanor cases and has jurisdiction over civil matters where less than twenty-five 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 monthly. The Clerk's Office also assists citizens with phone inquiries and in-person visits averaging 6,000 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 five 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 an accurate accounting of court funds.
- To provide adequate maintenance, storage, and retrieval of court records.

Budget Highlights

The General District Court's FY2017-18 approved budget of \$305,313 represents an increase of \$59,237 or 24.1 percent from the FY2016-17 approved budget. Most of the increase is attributed to the personnel costs for 3 hourly, part-time positions. These positions will assist with data entry, docket preparation, answering phones, and any other duties to help alleviate workload pressure.

The approved operational budget increased \$5,412 to accommodate the costs associated with new and updated phone lines added to the court rooms. The operational budget is utilized to support the daily activities of the General District Court, which consists of five courtrooms and administrative offices, occupied by five judges and 34 employees. The fifth judge was appointed by the General Assembly during the 2015 session and began November 1, 2015. The permanent staff of the General District Court is comprised entirely of state employees, so all permanent 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.
- To maintain accurate and timely court records.

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 0	\$ 0	\$ 53,825	0.0%
Operation	233,433	246,076	251,488	2.2%
Capital	0	0	0	0.0%
Total	\$ 233,433	\$ 246,076	\$ 305,313	24.1%
Personnel Complement	N/A	N/A	N/A	N/A

General District Court Services (cont'd)

	Performance Measures			Change
	FY16	FY17	FY18	17 to 18
Workload Measures				
Total New Cases Filed	103,310	126,822	126,822	0
Total New Criminal Cases Filed	14,574	13,967	13,967	0
Total New Civil Cases Filed	34,411	39,300	39,300	0
Total New Traffic Cases Filed	54,325	73,555	73,555	0
Number of Full-Time Judges	5	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.

- 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.

Budget Highlights

This is the nineteenth 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 FY2017-18 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 including the issuance of Emergency Protective and Custody Orders and Temporary Detention Orders.

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	5,885	6,286	6,286	0.0%
Capital	0	0	0	0.0%
Total	<u>\$ 5,885</u>	<u>\$ 6,286</u>	<u>\$ 6,286</u>	<u>0.0%</u>
Personnel Complement *	N/A	N/A	N/A	N/A

*Personnel Expenses are paid by the Commonwealth of Virginia.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

Court Services

Description

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

- 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.

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.

Budget Highlights

The FY2017-18 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. This submission reflects no change from FY2016-17.

Objectives

- To continue making enhancements to the customer service area of the Clerk's office to provide more efficient service delivery to the public.

Annual Fiscal Plan

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 18,078	\$ 0	\$ 0	0.0%
Operation	95,457	197,275	197,275	0.0%
Capital	34,104	3,750	3,750	0.0%
Total	<u>\$ 147,639</u>	<u>\$ 201,025</u>	<u>\$ 201,025</u>	<u>0.0%</u>
Personnel Complement*	0	0	0	0

*Full-time personnel expenses are paid by the Commonwealth of Virginia.

Juvenile & Domestic Relations District Court (cont'd)

	Performance Measures			Change
	FY16	FY17	FY18	17 to 18
Workload Measures				
Cases filed in Juvenile Court	18,562	18,442	18,105	(337)
Court Hearings	48,788	48,830	48,536	(294)
Efficiency Measures				
Caseload per Judge*	3,712	3,688	3,621	(67)

*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 FY2017-18 is \$23,072. This submission reflects no change from FY2016-17.

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 22, 2016 the Court Services Unit had 1001 open cases in various levels of supervision. 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	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	20,614	23,072	23,072	0.0%
Capital	0	0	0	0.0%
Total	\$ 20,614	\$ 23,072	\$ 23,072	0.0%
Personnel Complement *	N/A	N/A	N/A	N/A

Probation (cont'd)

	Performance Measures			Change
	FY16	FY17	FY18	17 to 18
Workload Measures				
Total Juvenile Complaints	2,762	2,300	2,700	400
Total Domestic Complaints	4,505	5,100	4,800	(300)

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 FY2017-18 totals \$4,843,141, representing an overall increase of \$239,138 or 5.2 percent when compared to the FY2016-17 approved budget. This increase is entirely driven by the personnel component and reflects a 2.5 percent salary increase for FY2017-18, the addition of an Assistant Commonwealth Attorney I position, and rising health care costs. The FY2017-18 approved budget includes an additional Assistant Commonwealth Attorney I position to address the increase in heroin related cases, both in number and complexity.

The operating and capital outlay components reflect the movement of \$15 from the operating budget into capital outlay. In addition, the operating component reflects the movement of \$3,260 from several line

Annual Fiscal Plan

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 4,324,573	\$ 4,474,738	\$ 4,713,876	5.3%
Operation	121,355	122,300	122,285	(0.0%)
Capital	7,680	6,965	6,980	0.2%
Total	\$ 4,453,608	\$ 4,604,003	\$ 4,843,141	5.2%

Personnel Complement	56	56	57 *	1
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*This personnel count includes 52 positions in Commonwealth's Attorney's Office and 13 in Victim Witness. (1 Comp I, 4 Comp II and 8 Comp III positions). An Assistant Commonwealth Attorney I position added in the FY2017-18 budget in response to the increase in heroin related cases prosecuted by the Commonwealth's Attorney's Office.

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Circuit Court Defendants	1,404	1,375	1,400	25
Show Cause Hearings	620	750	750	0
Misdemeanor Appeals	873	1,100	1,000	(100)
General District Court Criminal Cases	41,890	41,500	41,750	250
General District Court Traffic Cases	79,778	92,000	90,000	(2,000)
Juvenile Court Misdemeanors	1,786	1,900	1,850	(50)
Juvenile Court Felonies	661	700	700	0
Effectiveness Measure				
Circuit Court Indictments	2,328	2,400	2,400	0

items within the operating budget into Computer Software. This budget adjustment was made to more accurately reflect planned expenditures in FY2017-18.

In FY2017-18, the Commonwealth's Attorney's Office will continue to prosecute traffic and criminal cases in all 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.

Enforcement of Virginia's Exile laws will continue in FY2017-18 in an effort to reduce violent gun crimes. Two provisions, a specialized prosecutor and a secretary, were funded with a Virginia Exile grant from FY2002-03 to FY2005-06. However, as this grant was discontinued the County picked up the cost of these positions in the FY2006-07 budget due to the effectiveness of this program in reducing violent crimes.

As of February 2, 2016, the Commonwealth Attorney's personnel complement, including Special Drug and Victim Witness, consisted of 65 positions. This consists of 18 complement I positions; 37 complement II positions; 10 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.

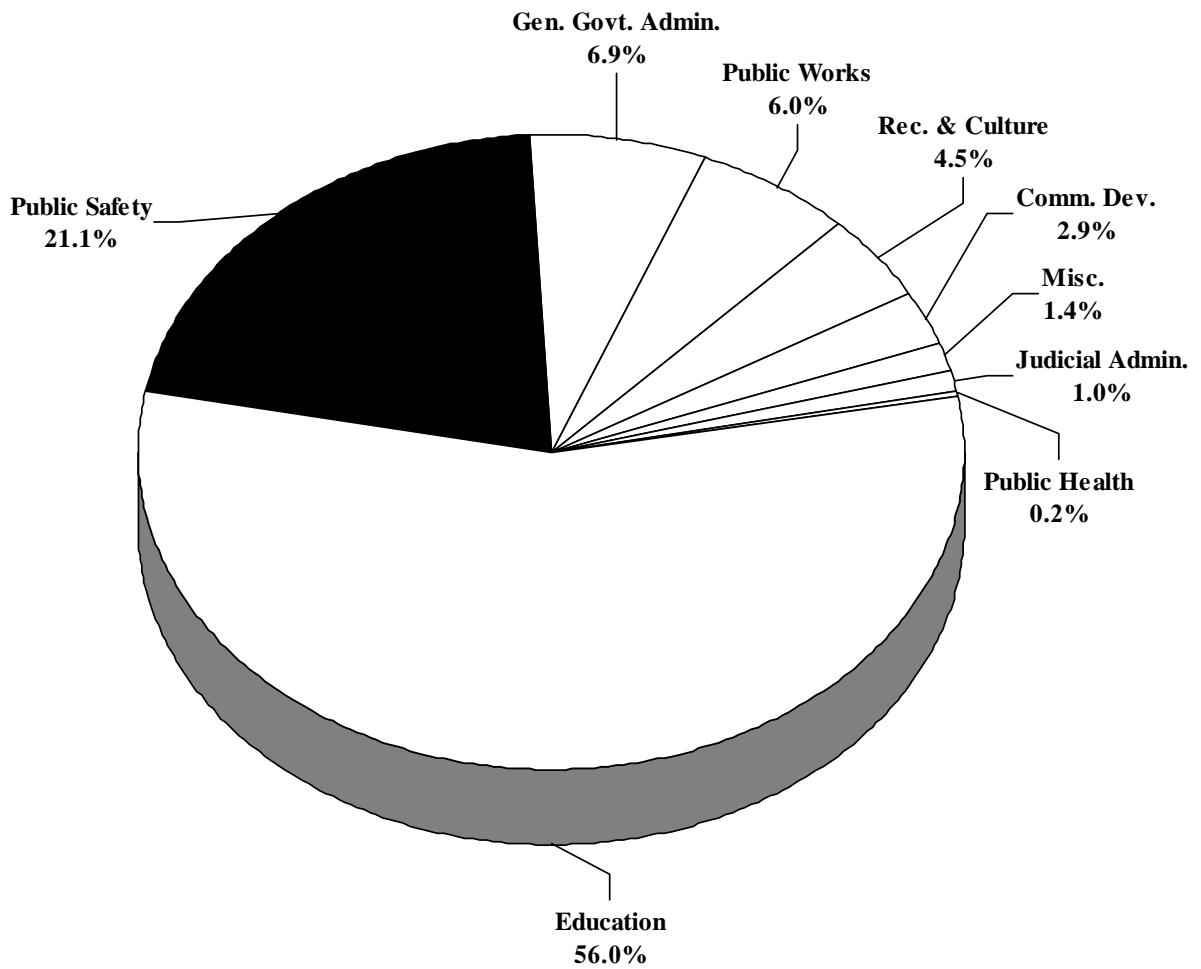
The following table presents a historical depiction of State funding for the Commonwealth's Attorney's Office:

Fiscal Year	State Funding	% State
FY2008-09	1,993,720	44%
FY2009-10	1,715,708	38%
FY2010-11	1,798,606	39%
FY2011-12	1,786,354	38%
FY2012-13	1,817,870	41%
FY2013-14	1,861,682	42%
FY2014-15	2,041,649	46%
FY2015-16	2,092,617	47%
FY2016-17	2,050,000	45%
FY2017-18	2,075,000	44%

Note: FY2016-17 and FY2017-18 reflect budgeted revenues whereas all prior years reflect actuals.

COUNTY OF HENRICO, VIRGINIA

Public Safety
\$177,239,282



Total General Fund
\$839,675,080

**COUNTY OF HENRICO, VIRGINIA
PUBLIC SAFETY - GENERAL FUND
FY 2017-18**

<u>Department</u>	<u>FY 15-16 Actual</u>	<u>FY 16-17 Original</u>	<u>FY 17-18 Approved</u>
Division of Police:			
Police Operations	\$63,666,845	\$63,463,820	\$65,484,699
Animal Protection	1,427,016	1,475,308	1,526,240
Communications/Radio Shop	6,265,043	6,285,368	6,504,817
Total Division of Police	<u>71,358,904</u>	<u>71,224,496</u>	<u>73,515,756</u>
Division of Fire:			
Administration	2,667,191	2,856,686	3,064,237
Emergency Planning & Safety	164,707	177,558	179,194
Operations	51,832,483	52,078,250	55,205,307
Volunteer Rescue Squads	195,264	218,625	218,625
Total Division of Fire	<u>54,859,645</u>	<u>55,331,119</u>	<u>58,667,363</u>
Sheriff:			
Administration	10,834,122	10,544,954	10,545,023
Jail West	18,452,745	17,490,475	18,173,012
Jail East	9,360,736	9,456,008	9,618,557
Total Sheriff	<u>38,647,603</u>	<u>37,491,437</u>	<u>38,336,592</u>
Juvenile Detention	2,199,650	2,250,476	2,287,094
Building Inspections:			
Building Inspections	3,744,725	3,859,209	3,960,311
Community Maintenance	210,523	326,748	472,166
Total Building Inspections	<u>3,955,248</u>	<u>4,185,957</u>	<u>4,432,477</u>
Total Public Safety	<u><u>\$171,021,050</u></u>	<u><u>\$170,483,485</u></u>	<u><u>\$177,239,282</u></u>

PUBLIC SAFETY

Police Division

Description

The Police 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, 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 formally establishes and categorizes components according to job function, and defines 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 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>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 65,838,510	\$ 64,197,703	\$ 66,198,482	3.1%
Operation	5,015,827	6,587,366	6,860,204	4.1%
Capital	504,567	439,427	457,070	4.0%
Total	<u>\$ 71,358,904</u>	<u>\$ 71,224,496</u>	<u>\$ 73,515,756</u>	<u>3.2%</u>
Personnel Complement*	828	842	852	10

*Complement includes sixteen complement II positions funded by State revenue (Wireless E-911 funds).
The complement also includes the addition of ten Police Officer positions for FY2017-18.

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Total Calls for Service	211,832	215,539	219,311	3,772
Number of Animal Calls	17,965	18,279	18,599	320
Number of Part I Crimes	8,901	9,057	9,215	158
Number of Criminal Arrests	20,111	20,463	20,821	358
Number of Traffic Arrests	43,149	43,904	44,672	768

- 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 FY2017-18 budget for the Police Division totals \$73,515,756, which represents an overall increase of \$2,291,260 or 3.2 percent from the previous approved budget. The personnel component increased by a net difference of \$2,000,779 or 3.1 percent from the previous approved fiscal year. The personnel component includes funding of \$611,830 associated with ten new Police Officer positions that will allow the Division to staff additional service areas. This budget reflects the final year of a five-year commitment. This component reflects updated estimates including a 2.5 percent salary increase for FY2017-18 and rising health care costs. Funding of \$225,000 is included for overtime and associated FICA to address increasing costs in this area. Ongoing funding of \$189,895 is included in order to cover the costs associated with the 147 positions authorized to receive the \$1,200 per year clothing allowance. It is important to note that these adjustments were offset by

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

The operating component is forecasted to increase by \$272,838 or 4.1 percent from the previous fiscal year. Funding of \$83,660 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 added in the previous fiscal year. The total operating amount budgeted for the new positions is \$156,490. In addition, the operating component includes budget adjustments of \$56,000 for education and training classes and \$34,040 for telecommunications. Funding of \$60,000 is included for the new tower site lease and \$1,346 was added to cover additional costs for an existing tower site lease. This component also includes funding of \$41,905 associated with four radio towers that was transferred to the Police Division from the Department of General Services.

The capital component totals \$457,070 and increased by \$17,643 or 4.0 percent from the previous approved budget. Funding of \$388,920 is included for one-time capital costs associated with the ten new Police Officer positions. The capital component also includes \$49,150 for replacement equipment associated with the Radio Shop, \$14,000 for the digital camera replacement program, and \$5,000 for printer replacements. 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 vehicles in FY2017-18.

The Police Division Patrol Operations continue to operate from three stations that make up our Patrol

Police (cont'd)

West, Central, and South Operations. The three station design allows station commanders to better deploy officers and address quality of life issues and engagement with their communities.

The Fair and Impartial Policing (FIP) training program applies the modern science of bias to policing; it trains officers on the effect of implicit bias and gives them the information and skills they need to reduce and manage their biases. The curricula address not just racial/ethnic bias, but biases based on other factors, such as gender, sexual orientation, religion, socio-economic status and others. This training is required prior to the issuance of body-worn cameras. In 2016, all sworn officers in the Police Division completed Fair and Impartial Policing training, regardless of the officer's assignment. The initial body-worn camera deployment plan is now complete with a total of 430 body-worn cameras issued to uniformed officers.

The Police Division continues to lead the County's efforts to replace the 800MHz radio system. Henrico and its regional partners awarded contracts with the successful vendor in 2016. Tower Site selection and system detailed design review is now underway.

In 2016 the Police Division placed first in the Virginia Association of Chiefs of Police Law Enforcement Challenge. This is the 11th consecutive year the Police Division earned the first place award at the state level. 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 first-place agencies at the state level then participate at the international level. Since 2004, the Police Division has placed first, second, or third for ten of those years.

The International Association of Chiefs of Police Highway Safety Committee awarded the Police Division its third first place National Law Enforcement Challenge Award. 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.

In 2016 the Criminal Justice Services Board of the Virginia Department of Criminal Justice Services

recertified the County of Henrico as a Certified Crime Prevention Community (CCPC). This is Henrico County's fourth 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 better assessing their needs and available services thus reducing the potential need for hospitalization or incarceration. Henrico's CIT team has trained over 1,559 first responders from 39 jurisdictions or agencies. One hundred 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.

The County's CIT Crisis Receiving Center (CRC) is located at Henrico Doctors' Hospital Parham and is staffed by CIT trained officers, Henrico Mental Health 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 30 percent diversion from involuntary hospitalization. More than 2,781 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 (cont'd)

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 ten visits per week and includes utilization of other county agencies such as the Henrico Department of Social Services and Community Maintenance.

The Police Division remains a recognized professional law enforcement agency through its efforts to maintain international accreditation. In 2017, the Division earned its ninth 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 established the goal of becoming a TRI-ARC accredited agency. TRI-ARC is achieved when the Training Unit and the Emergency Communications Section receive independent accredited status through CALEA. In pursuit of this goal, CALEA conducted simultaneous onsite assessments of all three TRI-ARC disciplines in 2016. The Commission awarded the TRI-ARC accreditation to the Division in March 2017.

Recruiting intelligent and effective police officers representative of the community served is a high priority for the Police Division. In 2016, Military Times magazine ranked the Henrico Police Division as one of the top six law enforcement employers of military veterans in the United States. 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. To improve upon this effort, the Police Division applied for and was awarded a Justice Assistance Grant specifically for minority recruiting efforts. These funds enhanced the frequency and geographic reach of focused recruiting efforts.

The Police Division complement totals 852 in FY2017-18. 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 911 Services 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. 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.

All School Resource Officers (SRO) and Supervisors receive forty hours of in-service training annually to certify or recertify as Juvenile Services Officers. 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 Police Division supports the Police Athletic League (PAL) by providing three Police Support Technicians to work with the program. Each is assigned to one of the three PAL after-school programs at Baker, Chamberlayne, and Harvie elementary schools. 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 FY2017-18 and reflects year five of a five-year plan to add ten new positions per year to the Police Division's complement. A total of 269 sworn positions are currently assigned to the Patrol Stations

Police (cont'd)

that cover 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.

PUBLIC SAFETY

Division of Fire

Description

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

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

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

Objectives

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

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 49,235,130	\$ 49,888,990	\$ 52,599,801	5.4%
Operation	5,201,441	5,053,180	5,595,142	10.7%
Capital	423,074	388,949	472,420	21.5%
Total	<u>\$ 54,859,645</u>	<u>\$ 55,331,119</u>	<u>\$ 58,667,363</u>	<u>6.0%</u>
Personnel Complement*	548	562	589	27

*The complement includes the addition of 21 Firefighters and 6 Lieutenants for FY2017-18.

Fire (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Total Calls for Service	47,948	48,986	50,024	1,038
Total EMS and Rescue Calls for Service	39,660	40,725	41,790	1,065
Fire Incidents	764	743	722	(21)
Fires per 1,000 Population	2	2	2	0

Budget Highlights

The Division of Fire's budget for FY2017-18 is \$58,667,363, representing a net increase of \$3,336,244 or 6.0 percent from the previous approved budget. This increase is primarily driven by the personnel component which reflects a 2.5 percent salary increase for FY2017-18 and rising health care costs. This component includes \$1,589,240 for eighteen new Firefighters and six new Lieutenants that will be assigned to the new Fire Station #19. The personnel component also includes funding of \$185,273 associated with three new Firefighter positions needed for the Division. This year represents year two 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. In addition, funding of \$685,475 is included for overtime and associated FICA to address increasing costs in this area. Although this component experienced an overall increase, it is important to note that there were several long-term positions which were vacated during the year, as a result of retirements, that reduced the personnel component.

The operating component is forecasted to increase by a net difference of \$541,962 or 10.7 percent from the previous approved budget. This component includes \$152,163 associated with the opening of Fire Station 19, for such expenditures as utilities, uniforms, internet services, gasoline for apparatus, air cards, cell phones and defibrillator equipment lease payments. In addition, funding of \$10,770 is included to provide uniforms for the three new Firefighters. Funding of \$100,000 is included for the annual maintenance and support fees associated with the new fire station alerting system. In order to address rising expenditures, \$282,500 is included for vehicle maintenance and repair and \$50,000 is included for logistics supply and maintenance. It is important to

note that funding of \$53,471 was reallocated to the capital component to cover additional forecasted expenses.

In FY2016-17, the Division initiated a new multi-year lease of monitor-defibrillators. This lease program provides for 65 monitor-defibrillators located on each front-line response unit and support vehicles. The annual cost of the lease program is expected to be approximately \$323,796, which reflects an anticipated lease cost increase of 16.0 percent. The FY2017-18 operating budget also includes \$353,176 for professional services for an Operational Medical Director and medical and laboratory supplies which includes 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 FY2017-18 totals \$472,420 and represents an increase of \$83,471 or 21.5 percent from the previous approved budget. Of this increase, funding of \$30,000 has been allocated for additional equipment associated with Fire Station 19, which includes portable radios and SCBA equipment and masks. Also included in capital is the funding for the Division of Fire's Equipment Replacement Plan, which currently totals \$138,211 for FY2017-18. This replacement plan includes equipment that generally has a useful life beyond one year and allows for a more consistent approach to acquiring and managing equipment that is critical for both service delivery and firefighter safety. Items covered under the Equipment Replacement Plan include power stretchers and stair chairs, continuous positive airway pressure devices (CPAP), thermal imaging cameras (TIC), ventilation saws, rescue harnesses, bikes, dive suits, and gas monitors. Funding of \$40,000 provides an ongoing source to

Fire (cont'd)

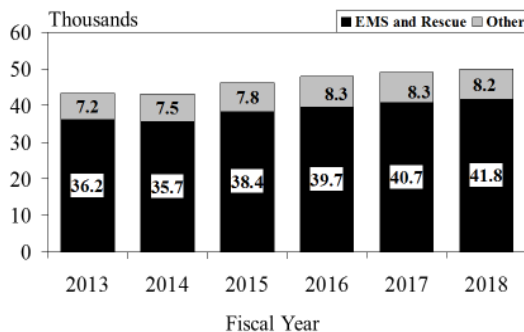
eventually replace all of the existing public access Automated External Defibrillators (AED) which are located in many County facilities.

Additional funding is provided for various other types of specialized firefighter equipment needed for the Division. Funding is also included as a part of the

ongoing plan to refurbish the fire stations, as well as for replacement telecommunications and computer equipment. It is important to note that in the Capital budget, found elsewhere in this document, the Division has funding totaling \$1,750,000 for the apparatus replacement program, which will allow for the acquisition of two ambulances and two engines.

In FY2017-18, 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. These will be accomplished in an environment of increasing call volumes, particularly with EMS and Rescue calls as the following chart shows.

Total Calls For Service



2017 and 2018 are estimated.

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 2016, the Division was the recipient of several awards. The Division of Fire was honored with the 2016 Mission Lifeline Gold Award from the American Heart Association for their system approach to Cardiac Care. Also in 2016 the Division was the recipient of the Special Achievement in GIS (SAG), which was based on technology utilized during special events and Incident Management Team Operations. In addition, the Division received two Achievement Awards from the National Association of Counties (NACo) for the following programs: Virtual Operations Support Team and Entry Level Firefighting Hiring Process.

In 2016 the Division of Fire was a participant in the regional Port of Virginia/Port of Richmond study with the Governor’s Office. The Division had a representative in the Federal Department of Transportation’s Executive Leadership Group for the International Association of Fire Chiefs.

In 2016 the Division continued in the established Command Officer Exchange Program with Fairfax County. The program has been very beneficial for each department in the observing and sharing of best practices.

The Division continues to be a leader in the provision of emergency medical services. In FY2017-18, \$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 \$518,202 is provided to the three volunteer rescue squads.

The Division continues to provide specialized response services to the citizens of Henrico. These services include, but are not limited to, the Hazardous Incident Team, Search and Rescue Team, and the Technical Rescue Team. In addition, the Division actively supports fire prevention efforts in the community through the Fire Prevention Associate Program, the 1st and 3rd Grade and the Fourth Grade Fire Education Programs. The Division also supports

Fire (cont'd)

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 FY2017-18 budget continues to allocate resources to ensure a systematic replacement approach. Funding of \$165,280 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 \$24,000 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 eighteen Recruit Academies, putting more than 264 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 which impacts 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 732 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. In FY2015-16, a total of forty-six County residents completed a comprehensive program that exposed each of them to all aspects of the 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 FY2017-18, the Division will continue its efforts to enhance marine firefighting and rescue capabilities. In FY2014-15 and FY2015-16 the County was awarded FEMA Port Security Grants that provided funding for training and to purchase swift water equipment to aid in rescue efforts along the James River.

The Division operates a specialty repair shop program by assigning firefighters to these shops in addition to their normal duties. These 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 four areas of responsibility: Jail East, Jail West, Administration, and Courts and Booking.

- 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 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.

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>FY16</u> <u>Actual</u>	<u>FY17</u> <u>Original</u>	<u>FY18</u> <u>Approved</u>	<u>Change</u> <u>17 to 18</u>
Personnel	\$ 26,720,576	\$ 25,735,514	\$ 26,580,669	3.3%
Operation	11,898,728	11,750,553	11,740,659	(0.1%)
Capital	28,299	5,370	15,264	184.2%
Total	<u>\$ 38,647,603</u>	<u>\$ 37,491,437</u>	<u>\$ 38,336,592</u>	<u>2.3%</u>
Personnel Complement*	390	390	394	4

*The complement includes the addition of four Sheriff Deputy positions for FY2017-18. Personnel totals above do not include one Complement IV position.

Performance Measures

	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Number of Civil Papers Served	117,462	112,200	118,000	5,800
Average Daily Inmate Population	1,177	1,250	1,200	(50)
Number of Commitals to Jail	15,613	16,200	15,800	(400)
Work Release Participants (Monthly Avg)	56	75	60	(15)
Home Incarceration (Monthly Avg)	25	25	25	0
Average Number of State Inmates	334	310	340	30

- To maintain current PREA certification which is achieved by meeting and/or exceeding the standards set forth by the Prison Rape Elimination Act 2003 (Public Law No. 108-79). The Henrico Sheriff's Office has a zero tolerance for offender-on-offender sexual assault or abuse, sexual misconduct or harassment towards offenders. This agency strives to provide a safe environment where offenders are free from such assaults and sexual misconduct, and makes every effort to detect, prevent, reduce and punish sexual abuse, assault, harassment and misconduct.
- 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 FY2017-18 totals \$38,336,592 which represents an overall net increase of \$845,155 or 2.3 percent when compared to the approved budget. Personnel expenditures, which comprise 69.3 percent of the total budget, are the driver of the overall increase. The personnel component reflects a 2.5 percent salary increase for FY2017-18 and rising health care costs. The personnel component includes funding of \$208,107 associated with four new Sheriff Deputy positions which would allow for one additional deputy to be assigned to all four Jail West booking platoons. These additional positions would screen newly arrested persons and inmates entering the jail facility with the new X-ray scanner to minimize the amount of contraband coming

into the jail. Funding of \$183,219 has been added for temporary salaries and associated FICA for Sheriff Deputy positions to supervise inmates participating in work detail provided by the Sheriff's Office. In addition, funding of \$125,000 is included for overtime and associated FICA to address increasing costs in this area. It is important to note that the personnel increase was offset by several positions which were vacated during the year as the department continues to experience high turnover.

The operating component is forecasted to decrease by a net difference of \$9,894 or 0.1 percent from the previous approved budget as a result of the reallocation of funding to the capital component. Adjustments were made to several accounts within the operating component in order to more accurately reflect forecasted expenditures. The capital component increased by a net difference of \$9,894 or 184.2 percent in order to provide additional equipment which includes four laundry scales, two shredders, two surveillance cameras, and a restraint chair.

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

Sheriff (cont'd)

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, 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 are offered to inmates with the assistance of Henrico County Public Schools to help their chances of gaining employment once they are released. Funding of \$782,382 is included in the budget for these courses.

The Sheriff's Office graduated the first student basic jailor academy in the summer of 2011. The academy trains students at Virginia Commonwealth University and Virginia Union 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 sixth student basic jailor academy, which had a total of 21 students enrolled, was completed in August 2016. 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.

Jail East and Jail West both passed the PREA (Prison Rape Elimination Act) audit in November 2016 and are both awaiting certification. This federal mandate needed to be implemented by August 2016 and the Sheriff's Office passed all applicable mandates to both jails.

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.

In January 2016, the canteen service offered 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 2016, a total of \$117,967 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.

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 FY2015-16, the overall percentage of jail operating costs paid by the State was 37.5 percent, 56.4 percent was paid by the County, and the remaining 6.1 percent was paid with various other departmental revenues. In the FY2017-18 budget, it is estimated that the Henrico County Sheriff's Office will receive 37.7 percent of funding from the State while the County will contribute 57.3 percent of funding (the remaining 5.0 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 \$15,068,558 in FY2007-08 to \$14,501,033 in FY2015-16. In FY2007-08, the average daily population totaled 1,190, with 1,121 local inmates and 69 State inmates. In FY2015-16, the average daily population totaled 1,177 with 843 local inmates and 334 State inmates. The number of State inmates

Sheriff (cont'd)

housed in the County's jail has increased by 265 or 384.1 percent since FY2007-08 while the percentage of State funding has decreased over the same period.

Fiscal Year	State Funding	% of State Funding	State Resp. Inmates	% of Total Inmates
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	14,501,033	37.5%	334	28%
FY17*	13,875,000	37.0%	310	25%
FY18*	14,450,000	37.7%	340	28%

**FY17 and FY18 represent forecasted estimates.*

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 FY2017-18 budget was prepared on the assumption of an average daily inmate population of 1,200. This estimate is based on 675 prisoners at Jail West and 525 housed at Jail East. Areas that are directly affected include medical services, food

services, mental health services, and other operational costs spread among different associated categories.

Fiscal Year	Cost Per Inmate - County Share	Cost Per Inmate - State Share	Cost Per Inmate - Total
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	20,515	12,320	32,835
FY17*	18,893	11,100	29,993
FY18*	19,905	12,042	31,947

**FY17 and FY18 represent forecasted estimates.*

The chart above depicts the total cost per inmate for the County and State as well as the overall cost per inmate over an eleven-year time period. The funding provided to the County from the State to cover the cost per inmate has decreased from \$12,663 in FY2007-08 to \$12,320 in FY2015-16 while the County's share has increased from \$14,811 in FY2007-08 to \$20,515 in FY2015-16.

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, five 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>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 2,061,858	\$ 2,106,829	\$ 2,143,447	1.7%
Operation	128,302	142,147	143,147	0.7%
Capital	9,490	1,500	500	(66.7%)
Total	2,199,650	2,250,476	2,287,094	1.6%
 Personnel Complement	 30	 30	 30	 0

Juvenile Detention (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Admissions	711	639	639	0
Secure Detention Days	4,833	4,638	4,638	0
Average Daily Population	13	13	13	0
Average Length of Stay, Days	7	7	7	0

The Juvenile Detention Home’s approved budget for FY2017-18 is \$2,287,094, which is an increase of \$36,618 or 1.6 percent from the FY2016-17 approved budget. This increase was driven by updated estimates for personnel including a 2.5 percent salary increase for FY2017-18 as well as rising health care costs.

State aid for the Juvenile Detention Home in the FY2017-18 budget is estimated to total \$550,500, which includes \$550,000 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

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 3,882,710	\$ 3,948,189	\$ 4,187,414	6.1%
Operation	218,481	399,077	410,314	2.8%
Capital	5,923	300	300	0.0%
Sub-Total	<u>\$ 4,107,114</u>	<u>\$ 4,347,566</u>	<u>\$ 4,598,028</u>	<u>5.8%</u>
Interdepartmental Billings	(151,866)	(161,609)	(165,551)	2.4%
Total Budget	<u><u>\$ 3,955,248</u></u>	<u><u>\$ 4,185,957</u></u>	<u><u>\$ 4,432,477</u></u>	<u><u>5.9%</u></u>
Personnel Complement*	53	53	55 *	2

*Reflects the addition of two inspector positions for the Community Maintenance Program

Building Inspections (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Total Permits Issued	13,700	14,000	14,000	0
Single Family Permits Issued	757	800	800	0
Building Inspections	23,914	24,000	24,000	0
Electrical Inspections	14,780	15,000	15,000	0
Mechanical Inspections	11,575	12,000	12,000	0
Plumbing Inspections	15,688	16,000	16,000	0
Fire Protection Inspections	2,966	3,000	3,000	0
Elevator Inspections	154	200	200	0
Sign Inspections	854	900	900	0
Total Inspections	69,931	71,100	71,100	0
Existing Structure Inspections	3,031	3,100	3,100	0
FOG Inspections	177	250	350	100
Efficiency Measures				
Residential Inspections/Inspector/Day	11	11	11	0
Mech./Plumbing Inspections/Inspector/Day	17	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	34	34	0

The total approved budget for FY2017-18 is \$4,432,477, an increase of \$246,520 or 5.9 percent when compared to the FY2016-17 approved budget. The majority of this increase is reflected in the personnel component, attributable to a 2.5 percent salary increase for FY2017-18 and the introduction of two new inspector positions. These two positions have been added due to workload pending from current complaints and to better support the operations of the Community Maintenance Program with assigned focus areas, requests to expand proactive enforcement and violation surveys of older neighborhoods. The operating component increased by \$11,237 or 2.8 percent from the previous fiscal year. This is a result of increased operating costs for the two new inspector positions in.

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 FY2016-17 and FY2017-18.

The Building Inspections section is responsible for assuring that structural stability, fire safety, and electrical safety is provided in newly constructed buildings throughout the County through compliance with nationally recognized building codes and standards. This section also inspects structures for compliance with accessibility, sanitation, light and ventilation, and energy and water conservation standards as referenced in the building code.

The Building Inspections section's approved budget for FY2017-18 totals \$3,960,311. This reflects an increase of \$101,102 in personnel expenses when compared to the FY2016-17 approved budget. Operations and capital outlay remains flat for FY2017-18.

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 approved budget totals \$472,166, which is an

Building Inspections (cont'd)

increase of \$145,418 when compared to the prior fiscal year. The personnel costs increased \$138,123 and the operating costs increased \$7,295 because of the two new inspector positions for the Community Maintenance Program.

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 \$165,551. The entirety of this cost will be reimbursed by the

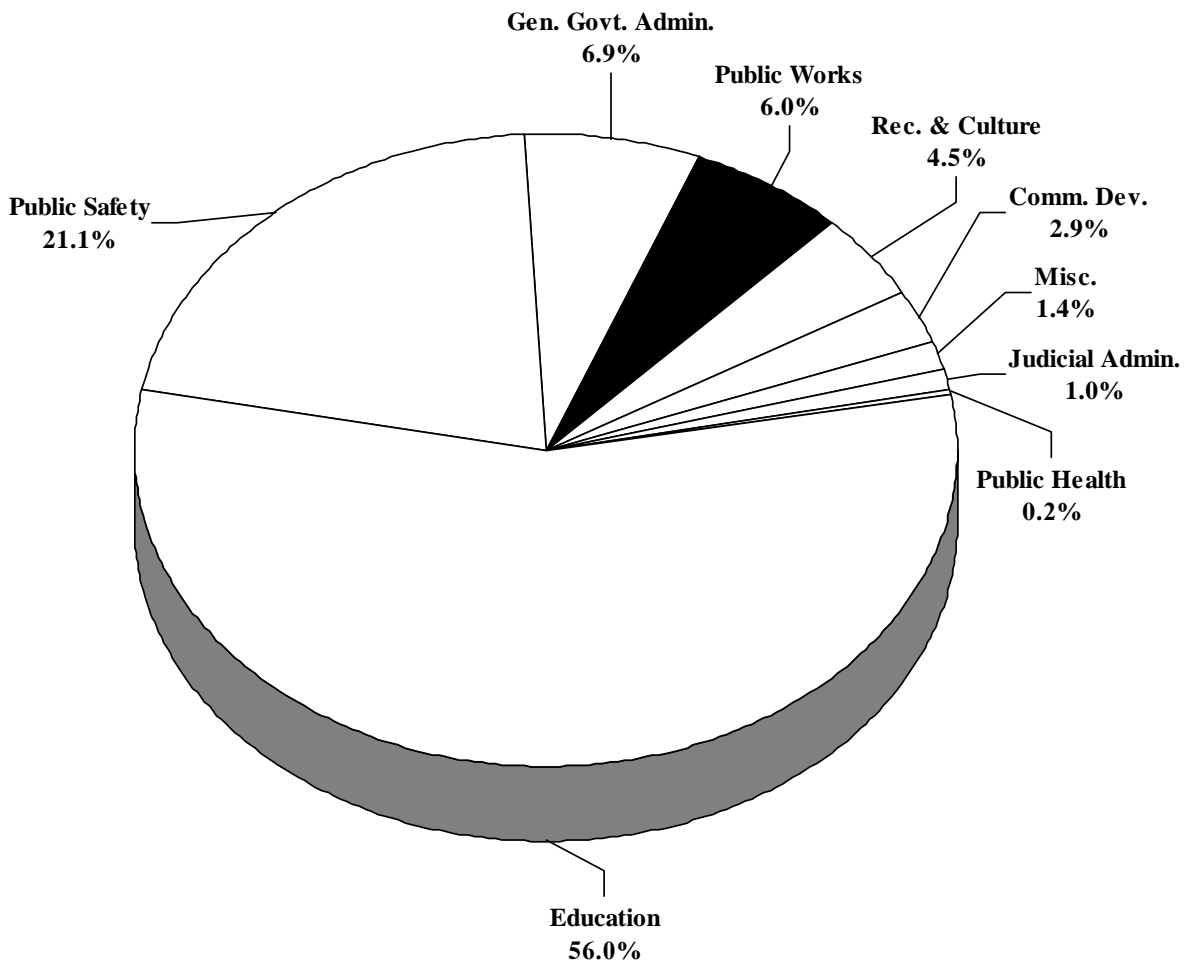
Department of Public Utilities. As such, an interdepartmental billing account has been budgeted to reflect the reimbursement of these ongoing costs.

The Community Maintenance Division will continue to work closely with the Department of Community Revitalization, as they also provide community maintenance services. Community Revitalization's services include those related to identifying the needs of established communities and providing assistance in improving the properties in these areas.



COUNTY OF HENRICO, VIRGINIA

Public Works
\$50,555,927



Total General Fund
\$839,675,080

**COUNTY OF HENRICO, VIRGINIA
PUBLIC WORKS - GENERAL FUND
FY 2017-18**

Division	FY 15-16 Actual	FY 16-17 Original	FY 17-18 Approved
Administration	\$1,669,329	\$1,244,364	\$1,303,804
Road Maintenance	28,488,980	30,541,337	30,917,172
Traffic Engineering	3,271,796	3,432,840	3,560,769
Construction	2,530,419	2,802,564	2,854,728
Design	1,686,950	1,964,091	2,033,333
Mass Transit	6,908,519	6,993,089	7,847,382
Environmental	1,639,900	1,568,632	1,612,536
Standing Water	391,542	418,337	426,203
Total Public Works	<u>\$46,587,435</u>	<u>\$48,965,254</u>	<u>\$50,555,927</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 FY2017-18 is \$50,555,927, representing an increase of \$1,590,673 or 3.2 percent from the FY2016-17 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 \$987,429 or 6.3 percent.

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 15,454,437	\$ 15,759,899	\$ 16,747,328	6.3%
Operation	29,296,821	31,608,805	32,128,489	1.6%
Capital	1,836,177	1,596,550	1,680,110	5.2%
Total	<u>\$ 46,587,435</u>	<u>\$ 48,965,254</u>	<u>\$ 50,555,927</u>	<u>3.2%</u>
Personnel Complement	257	259 *	262 **	3

*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.

** Two Capital Project Managers added to the Mass Transit & Transportation Division in FY2017-18 in order to assist with locally administered capital projects. A Management Specialist I added to the Environmental Division in FY2017-18 for the inspection of BMPs.

Performance Measures

	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Lane Miles of Road Maintained	3,498	3,505	3,515	10
Traffic Signals Maintained	150	153	153	0
Development Plans Reviewed	1,828	1,875	1,925	50

This increase in the personnel component is due to a 2.5 percent salary increase for FY2017-18, the addition of two Capital Project Managers to the Transportation Division, the addition of a Management Specialist I to the Environmental Division as well as rising health care costs.

The operating component is forecasted to increase by \$519,684 or 1.6 percent. This increase is primarily due to addition of funds to support the GRTC and JOBS service. Capital outlay expenditures are projected to increase by \$83,560 or 5.2 percent compared to the FY2016-17 approved budget.

The FY2017-18 approved budget is to be funded by \$41,467,724 from the State's Gas Tax maintenance allocation, \$8,518,039 from the County's General Fund subsidy, and \$570,164 from miscellaneous departmental revenue. The total projected Gas Tax for FY2017-18 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.

The State's Gas Tax maintenance allocation is utilized for approximately 82.0 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 \$8,518,039. The General Fund supports 100 percent of expenses related to the Standing Water Initiative and Environmental Inspection divisions which combined total \$2,038,739. The Standing Water Initiative is budgeted at \$426,203 and the Environmental Inspection Division is budgeted at \$1,612,536 for the approved FY2017-18 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 \$5,977,800 in FY2017-18 will subsidize the GRTC and JOBS services costs in the Mass Transit budget. The General Fund support for GRTC and JOBS services increased by \$628,000 compared to the FY2016-17 approved budget. This increase will provide \$397,000 to cover existing usage of this service, \$186,000 to cover the County's portion of the Bus Rapid Transit (BRT) service, and \$45,000 to support the expansion of an existing GRTC local route on Route 93, the Azalea Connector.

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 following table depicts the General Fund support for the Department of Public Works:

General Fund Support	FY2018
Environmental Inspection	\$1,612,536
Standing Water Initiative	\$426,203
Leaf Collection services	\$301,500
House Bill Two	\$200,000
GRTC and JOBS services	\$5,977,800
Total	\$8,518,039

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.

Public Works (cont'd)

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 \$48,517,188. Except for 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 \$41,467,724 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 \$5,977,800 subsidy to support Mass Transit Services. The personnel component is forecasted to increase by a net difference of \$979,536 or 7.0 percent which reflects a 2.5 percent salary increase in FY2017-18, the addition of two Capital Project Managers to the Transportation Division, the addition of \$27,333 to temporary salaries to help with field data collection as well as rising health care costs. The operating component reflects a net increase of \$514,79 or 1.7 percent compared to the prior fiscal year which is primarily due to the addition of funds to support GRTC and JOBS services.

The capital outlay component increased by \$82,000 compared to the prior fiscal year. There are several noteworthy capital purchases forecasted within the \$1,668,000 approved capital component. The Capital outlay items include the following: 2 Backhoes, a diesel chemical spreader, 2 pavers, 2 Leeboy pavers, pipe camera trailer, 2 rubber tire loader, track loader, tandem chemical spreaders, Single axle chemical spreaders, 20 new traffic counters, Cable Locator, batteries for the Uninterruptible Power Supplies for the traffic signals, and a new Chemical Pump Station.

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 \$426,203. The personnel component comprises 80.0 percent or \$340,503 of the total budget. The operating component remains flat compared to the prior fiscal year.

Environmental Inspection Division

The Environmental Inspection Division is funded solely through the General Fund at a total cost of \$1,612,536. Expenditures are forecasted to increase

by \$43,904 or 2.8 percent from the FY2016-17 approved budget. This budgetary increase is due to a 2.5 percent salary increase in FY2017-18, the addition of a Management Specialist I to assist with BMP inspection as well as rising health care costs. The operating component reflects an increase of \$4,905 compared to last fiscal year. This increase is due to the addition of \$3,465 for a vehicle for a Capital Projects Manager and the movement of \$1,440 from the capital outlay component into the operating budget. These budget adjustments were made to more accurately reflect planned expenditures in FY2017-18.

Departmental Highlights

In 2016, the Department of Public Works accepted over 28 miles of new roads into the county road network. In addition, the department completed over 10,000 inspections of active construction projects. Public Works has also secured approximately \$9.4 million in grant funding for roadway and pedestrian capital projects for FY2017-18.

Supporting Economic Development

Public Works plays an important role in facilitating economic development in the county by helping meet businesses' needs to access the road system. Recently, the department constructed an extension of Engineered Wood Way to accommodate a French company moving to the United States with their first US operation. Additionally, the department participated in the construction cost of the extension to Scott Road for the new Dominion Virginia Power Operations Center and thus helped to secure 100 new industry jobs for the county.

Community Outreach

The Department of Public Works has been numerous points of contact with the community through its various services. As such, it is important that the department keep the community informed about these services and respond to customer feedback and concerns. A few examples of the department's efforts in this area include the four county-wide training sessions which were provided on storm water pollution. Public Works also conducted four citizen information meetings and public hearings for new road construction projects. In addition, the department responded to over 2,250 environmental resident concerns through field inspections and follow up.

Public Works (cont'd)

Road Projects

Public Works has numerous road projects that are either planned or underway.

Richmond-Henrico Turnpike

The Richmond-Henrico Turnpike project of \$14 million was overwhelmingly approved in 2016 bond referendum to help fund this \$41 million project.

The cost estimate for the Northern Section of Richmond-Henrico Turnpike Improvement Project is \$11,425,000. The project is 0.8 mile in length between Hummingbird Rd and the Railroad Crossing 0.4 mile south of the Hanover County line and involves widening the road from two lanes to a four-lane divided roadway with a raised median. The roadway will have a sidewalk on the west side and a 10-foot shared use path on the east side.

The County leveraged bond funds to receive \$3,567,000 in Virginia Department of Transportation's State SMART SCALE. This is in addition to \$1,645,000 in Federal funds previously awarded by the Richmond Regional Transportation Planning Organization for intersection improvements at Richmond-Henrico Turnpike and Azalea Avenue.

North Gayton I-64 Interchange

To alleviate traffic and reducing safety concerns in the Short Pump area, the department is conducting an engineering study to request an interchange be added to I-64 at North Gayton Road. The engineering study is anticipated to be completed within the first quarter of 2017.

Woodman Road Extension

Design is underway for the Woodman Road Extension from Greenwood Road to Route 1. This project will provide a connection between Woodman Road north of Greenwood Road and Brook Road via an extension of Woodman Road/JEB Stuart Parkway. This will provide better access to the Virginia Center Commons area and Interstate 295.

Sidewalk Projects

The Department of Public Works is undergoing an effort to significantly improve the County's walkability. Henrico County has dedicated \$2.5 million annually in the Department of Public Works' Capital Budget for sidewalks. This annual funding source will provide local match funding for Virginia Department of Transportation Revenue Share Funds

and for other funding sources that require a match. The County currently has approximately 18 miles of sidewalk that are completed or in the works. The Department of Public Works has four and a half more miles of sidewalk planned throughout the county for the next four years. In addition, the Department has also completed a GIS-based county-wide sidewalk inventory.

Pedestrian and Commuter Improvements

The Department of Public Works completed \$3.3 million in projects to improve driver and pedestrian safety at six intersections in 2016. The work occurred at Parham's intersections with Shrader Road, Three Chopt Road, Villa Park Drive, Woodman Road and Ackley Avenue and at Darbytown Road and Laburnum Avenue.

Commuter users of the Glenside Park and Ride have noted significant improvements as the lighting was completely replaced with a new modern high efficiency LED system. Public Works also upgraded and improved disabled access at both the Glenside and the Gaskins Park and Rides and repaved much of the Glen Side facility.

Bridge Projects

The Department of Public Works is tasked with maintaining the aging bridges within the county's road system. The Upham Creek bridge on the 301 Access Road has been rehabilitated. In addition, the Creighton Road bridge replacement was opened to traffic on March 3, two months ahead of schedule and within project budget of \$3.5 million.

Storm Cleanup

Henrico crews worked around the clock to help residents clean up after a severe storm in late June toppled trees and snapped branches. Employees of the departments of Public Works and Public Utilities spent about four weeks clearing more than 200 downed trees from roads and removing debris from residential and other properties. Overall, the county collected debris from more than 10,000 homes at no charge to the residents. Henrico spent more than \$3 million on the effort.

Similarly, crews sprang into action to clear the county-maintained streets when a snowstorm barreled through the area in January 2017 bringing 8 inches of snow and extreme cold. The county devoted more than \$2.0 million to this snow event and used 10,000 tons of

Public Works (cont'd)

salt, almost half of the Department of Public Works' total salt inventory.

Municipal Separate Storm Sewer System Permit (MS4)

Work is ongoing to comply with the state permit which requires pollution reductions over a 15-year time horizon. The department has achieved 12 percent to date of the pollution reduction that is required by year 15. A 40 percent reduction is required in the first 10 years of the program.

Some examples of the work done to date include:

Level Spreader and Energy Dissipater

The Woodman Park Stream Energy Dissipater Project was completed which provides pollution reductions. This project was partially funded with a grant from the Virginia Department of Environmental Quality's Stormwater Local Assistance Fund (SLAF).

Stream Restoration

A stream restoration project improved a 1,750-foot section of Hungary Creek, near Lakefront Drive. Construction started in August 2015 and was completed in May 2016. The \$935,000 project,

partially funded by a SLAF grant, relocated and stabilized the stream. This stream had been eroding and allowing phosphorus, nitrogen and other pollutants to flow to the James River and ultimately the Chesapeake Bay.

Two other stream restoration projects are under construction at the Belmont Golf Course and at the Duncroft Castle Point Park.

Mosquito Control

The Environmental Division monitored for the presence of mosquito borne disease through 2,669 mosquito inspections and the collection of 42,000 mosquito samples from 97 different locations in the county. Out of the 42,000 mosquito samples, only 3 tested positive for West Nile Virus and none were positive for the Zika Virus. Additionally, the Division treated 87 acres for mosquitoes with benign mosquito larvicides.

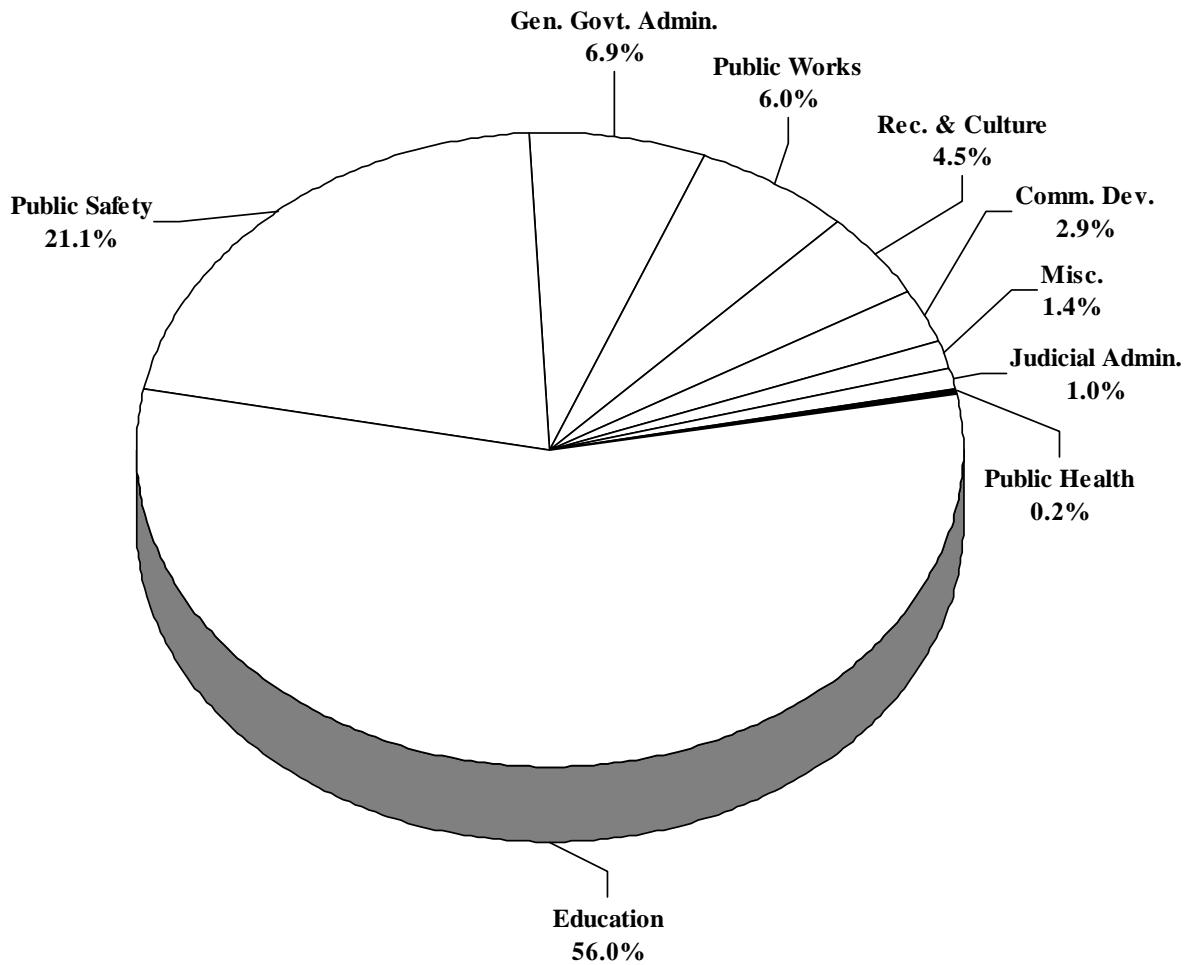
Together with the Virginia Department of Health, Public Safety and the State, the Environmental Division collaborated on a task force for the Henrico County Zika Preparedness & Response Plan.



COUNTY OF HENRICO, VIRGINIA

Public Health

\$2,219,895



Total General Fund

\$839,675,080

**COUNTY OF HENRICO, VIRGINIA
HEALTH - GENERAL FUND
FY2017-18**

<u>Department</u>	<u>FY 15-16 Actual</u>	<u>FY 16-17 Original</u>	<u>FY 17-18 Approved</u>
Public Health	\$1,950,496	\$1,950,729	\$2,219,895
Total Health	<u>\$1,950,496</u>	<u>\$1,950,729</u>	<u>\$2,219,895</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 FY2017-18 reflects the mandated 45.0 percent County share of the cooperative budget, which totals \$2,034,397. 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 \$2,219,895 which represents an increase of \$269,166, or 13.8 percent above the FY2016-17 approved budget, due to increased support allocated from the State. There are no County funded positions assigned to Public Health.

Annual Fiscal Plan

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	1,950,496	1,950,729	2,219,895	13.8%
Capital	0	0	0	0.0%
Total	\$ 1,950,496	\$ 1,950,729	\$ 2,219,895	13.8%
Personnel Complement*	N/A	N/A	N/A	N/A

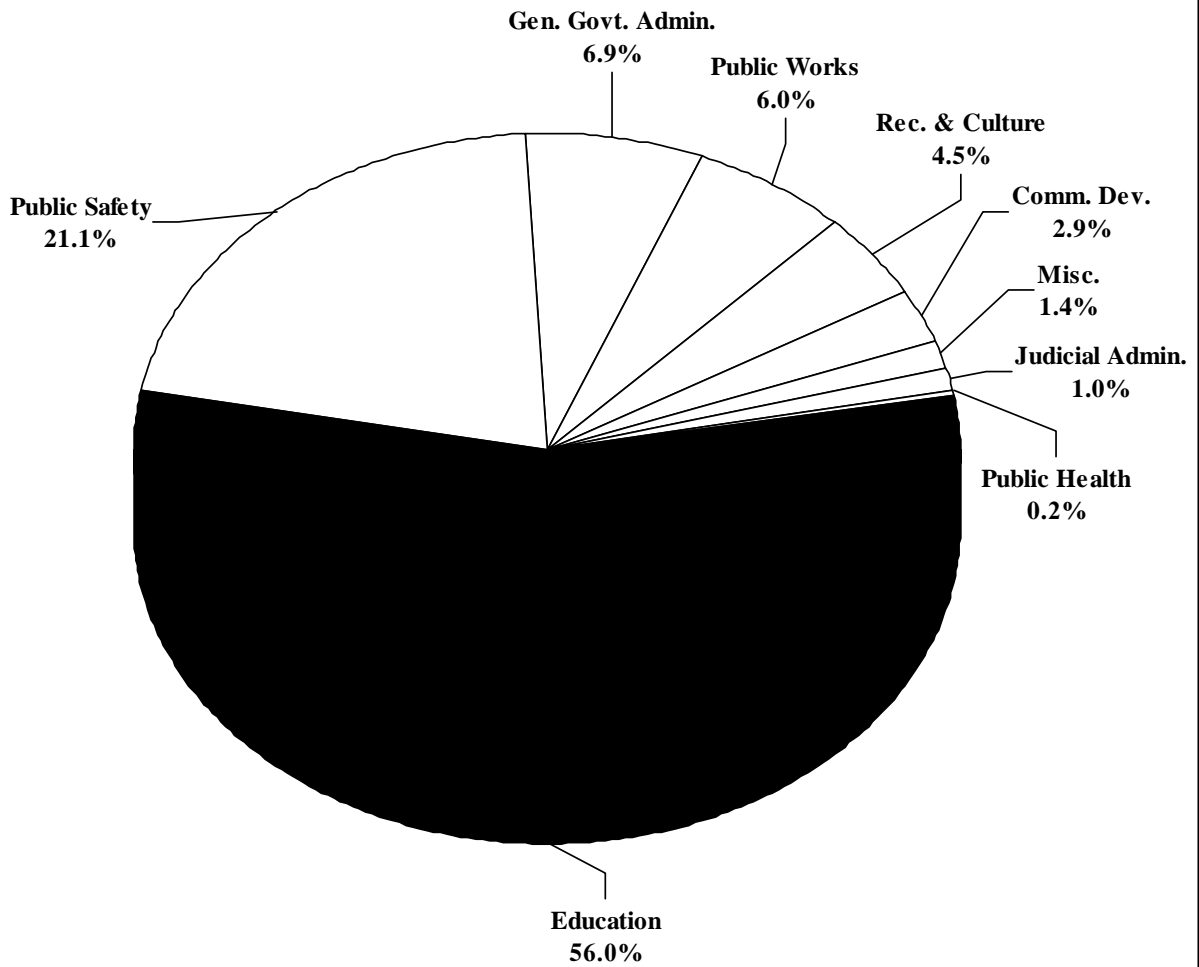
*Does not reflect classified and non-classified State positions. The County portion of funding for these positions resided in natural account 50440 (Payment to State/Local Health Dept.) within the operating component of the budget.

Public Health (cont'd)

	Performance Measures			Change
	FY16	FY17	FY18	17 to 18
Workload Measures				
Maternity Visits	2,376	2,750	2,300	(450)
Nursing Home Screening	707	700	715	15
Food Service Protection Visits	3,563	3,500	3,600	100
WIC Average Monthly Participation	5,099	5,100	5,200	100
Number of Clinic Patients	6,072	6,700	6,700	0
Number of Clinic Patient Visits	13,787	15,200	14,000	(1,200)

COUNTY OF HENRICO, VIRGINIA

Education
\$469,907,245



Total General Fund
\$839,675,080

**COUNTY OF HENRICO, VIRGINIA
EDUCATION - ALL FUNDS
FY 2017-18**

<u>Fund/Division</u>	<u>FY 15-16 Actual</u>	<u>FY 16-17 Original</u>	<u>FY 17-18 Approved</u>
General Fund:			
Instruction	\$328,267,112	\$343,343,161	\$356,901,751
Administration/Attendance & Health	15,714,385	15,638,442	16,977,818
Pupil Transportation	25,155,009	25,281,927	26,127,641
Operations and Maintenance	43,866,957	45,079,736	45,447,793
Technology	24,318,540	25,728,362	24,452,242
Total General Fund	<u>437,322,003</u>	<u>455,071,628</u>	<u>469,907,245</u>
Special Revenue Fund:			
School Food Service	\$20,431,634	\$23,642,368	\$25,760,022
State, Federal, and Other Grants:			
Adult Education Catalog Classes	77,174	89,188	100,988
Computer Insurance Coverage	124,522	1,500,000	1,500,000
CTE Resource Center	854,774	1,089,813	1,107,966
DMAS School Health	999,709	1,357,686	1,361,297
Driver Education Program	224,378	119,372	119,372
Federal Class Size/Title II	863,681	1,213,583	1,231,371
General Adult Education	307,429	285,926	285,926
Head Start	1,388,964	1,460,961	1,384,667
Homeless Assistance	72,145	91,171	92,462
Humanities Center Grants	7,875	8,000	8,000
Individual Student Alternative Ed Plan Grant	48,905	60,568	61,802
Juvenile Detention Home	1,378,680	1,478,478	1,478,825
Mentor Teacher Program	0	25,018	25,000
Miscellaneous School Grants - Federal	425,508	308,167	312,951
Miscellaneous School Grants - Local	1,097,586	1,157,529	1,363,877
Miscellaneous School Grants - State	1,912,930	1,557,851	1,459,679
Pell Grants	348,071	387,700	402,850
Perkins Act III	699,687	717,009	678,496
Pre-School	174,128	285,302	305,401
VPI+	2,078,756	2,258,347	2,525,987
Early Reading Intervention	740,103	776,365	776,365
Reserve for State and Federal Grants	0	3,184,718	3,191,730
SOL Algebra Readiness	729,962	479,297	498,390
Special Education Jail Program Grant	76,230	89,545	79,846
State Four Year Old Program	1,791,569	2,890,915	2,899,783
Summer School	1,442,829	1,751,475	1,709,475
TIF Grant-Teacher Leaders	3,010,423	0	0
Technology (State)	443,000	2,194,400	2,194,400
Title I-A	9,180,649	9,444,085	9,209,455
Title I-D	165,051	170,750	163,325

Education - All Funds (cont'd)

<u>Fund/Division</u>	<u>FY 15-16 Actual</u>	<u>FY 16-17 Original</u>	<u>FY 17-18 Approved</u>
State, Federal, and Other Grants: (cont'd)			
Title III ESL	356,677	316,212	370,623
Title VI - B Special Education	8,956,393	9,940,586	9,888,711
Other Special Revenue Grants	<u>48,949</u>	<u>15,000</u>	<u>40,000</u>
Subtotal Grants	40,026,737	46,705,017	46,829,020
Total Special Revenue Fund	\$60,458,371	\$70,347,385	\$72,589,042
Debt Service Fund:			
General Obligation	<u>34,949,487</u>	<u>33,292,773</u>	<u>33,745,369</u>
Total Debt Service Fund	34,949,487	33,292,773	33,745,369
Total Education - All Funds	<u><u>\$532,729,861</u></u>	<u><u>\$558,711,786</u></u>	<u><u>\$576,241,656</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 FY2017-18, the Division of Instruction will provide instructional programs to 22,613 elementary school students (grades K-5); 11,791 middle school students (grades 6-8) and 15,738 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, and pupil transportation. 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	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 425,158,259	\$ 442,376,784	\$ 455,283,976	2.9%
Operation	58,452,999	65,634,020	67,997,936	3.6%
Capital	14,169,116	17,408,209	19,214,375	10.4%
Debt Service	34,949,487	33,292,773	33,745,369	1.4%
Total	\$ 532,729,861	\$ 558,711,786	\$ 576,241,656	3.1%
Personnel Complement	6,760.75	6,825.75	6,844.45	18.70
Average Daily Membership	50,370	50,173	50,142	(31)

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 FY2017-18, which includes the General Fund budget, School Cafeteria Fund, State and Federal Grants Fund, and the education portion of the Debt Service Fund, is \$576,241,656. This reflects an increase of \$17,529,870 or 3.1 percent when compared to the FY2016-17 approved budget. Included in the increase is funding for a 2.5 percent salary increase.

Of the total \$576,241,656, \$469,907,245 of that amount is the General Fund budget for HCPS. The General Fund budget consists of 81.5 percent of the total HCPS budget. The General Fund reflects an overall increase of \$14,835,617 or 3.3 percent increase when compared to the FY2016-17 budget. The increase in funding is accounted for as follows: State revenues fund \$254,202,000, or 54.1 percent of the FY2017-18 budget, which reflects an increase of \$3,692,000 a 1.5% increase; Federal revenues accounts for \$360,000; and local resources funds 215,345,245. Local funding reflects an increase of \$11,133,117, or 5.4% when compared to FY2016-17. The personnel component increase includes a salary increase of 2.5%, an increase in the Teacher's VRS rate from 14.66% to 16.32%, increase for employee health insurance and twelve new positions for various initiatives.

One of the new initiatives in FY2017-18 is the startup of the Achievable Dream Academy. In FY2016-17, HCPS entered into an agreement to participate in the this program, which is designed to support children to improve their academic performance in school, encourage appropriate behavior and citizenship, and increase their school attendance. The budget for this program in FY2017-18 is \$1,343,617 and includes ten positions to support the beginning of this program to support grades kindergarten through 2nd. Over the next three school years, an additional grade will be added until the program covers grades kindergarten through 5th grade.

In addition to the Achievable Dream Academy, the FY2017-18 budget includes \$217,000 to enhance pay for substitutes in certain schools and \$75,000 for the expansion of the college readiness program to the sixth grade at Wilder Middle School. Also, \$300,000 is being funded for two new programs the first is the Young Scholar Gifted Academy at L. Douglas Wilder Middle Schools, which will focus on research, deeper learning, and field experiences in a rigorous academic environment. The second is funding for professional development and resources for a STEAM (Science, Technology, Engineering, Art, and Math) Program in all HCPS middle schools.

Found elsewhere in the FY2017-18 budget, \$642,327 in local resources is provided for two purposes. The first is the addition of \$500,000 for school bus replacements. This addition will bring the total funding for school bus replacement to \$2,500,000. This funding is included in the Vehicle Replacement Fund, which can be found in the Capital Budget narrative later in this document. The other \$142,327, not included in the HCPS 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 FY2017-18 will reflect an average class size of 20.4:1 for elementary schools, 22.2:1 for middle schools, and 22.2:1 for high schools. This remains unchanged when compared to FY2016-17, but is a decrease when compared to FY2014-15. This is due to the 50 teaching positions added to the FY2016-17 budget to maintain and reduce class sizes.

In order to provide a 21st century education to the students in Henrico County, Education's FY2017-18

Education (cont'd)

General Fund and Special Revenue Fund Budgets includes \$16,224,455 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 FY2017-18 is \$13,689,979, which reflects a reduction of \$193,00 for the elementary network.

There are two components of the HCPS budget that are included 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 FY2017-18 budget for the School Cafeteria Fund is \$25,760,022, which reflects an increase of \$2,117,654, or 9.0 percent when compared to the FY2016-17 budget. The increase in this area includes \$1,000,000 for food supplies and \$1,100,000 for replacement of equipment. No local tax dollars are allocated to this program.

The FY2017-18 budget for the State and Federal Grants Fund is \$46,829,020, which is an increase of \$124,003 or 0.3 percent when compared to the FY2016-17 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 FY2017-18 budget includes increased funding for the Virginia Preschool Initiative expansion grant, a decrease in the Title I-A grant, and an increase in the Henrico Education Foundation grant funds for Innovative grants that are awarded to various schools.

The amount budgeted for debt service related to education is \$33,745,369, which is an increase of \$452,596 or 1.4 percent which is a net amount of annual debt payments on existing debt plus services costs plus \$2,988,000 for the new bonds for school projects approved in November, 2016 General Obligation (G.O.) Referendum. The education debt service is for outstanding debt related to the issue of (G.O.) 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 FY2017-18 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 FY2017-18, \$22,988,000 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 project, \$2,988,000 to debt service related to the 2016 bond projects, and \$2,000,000 will be allocated to a reserve for capital needs to be identified in a future capital budget. The meals tax resources for maintenance projects 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 was combined with the print shop in the Department of General Services to reduce redundant operations. This collaboration will create savings of \$34,389. Also in FY2017-18 the technology section for HCPS will collaborate with the general government's Information Technology Department to reduce redundant operations in their data center. The combining of resources is the continued effort 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.

Education (cont'd)

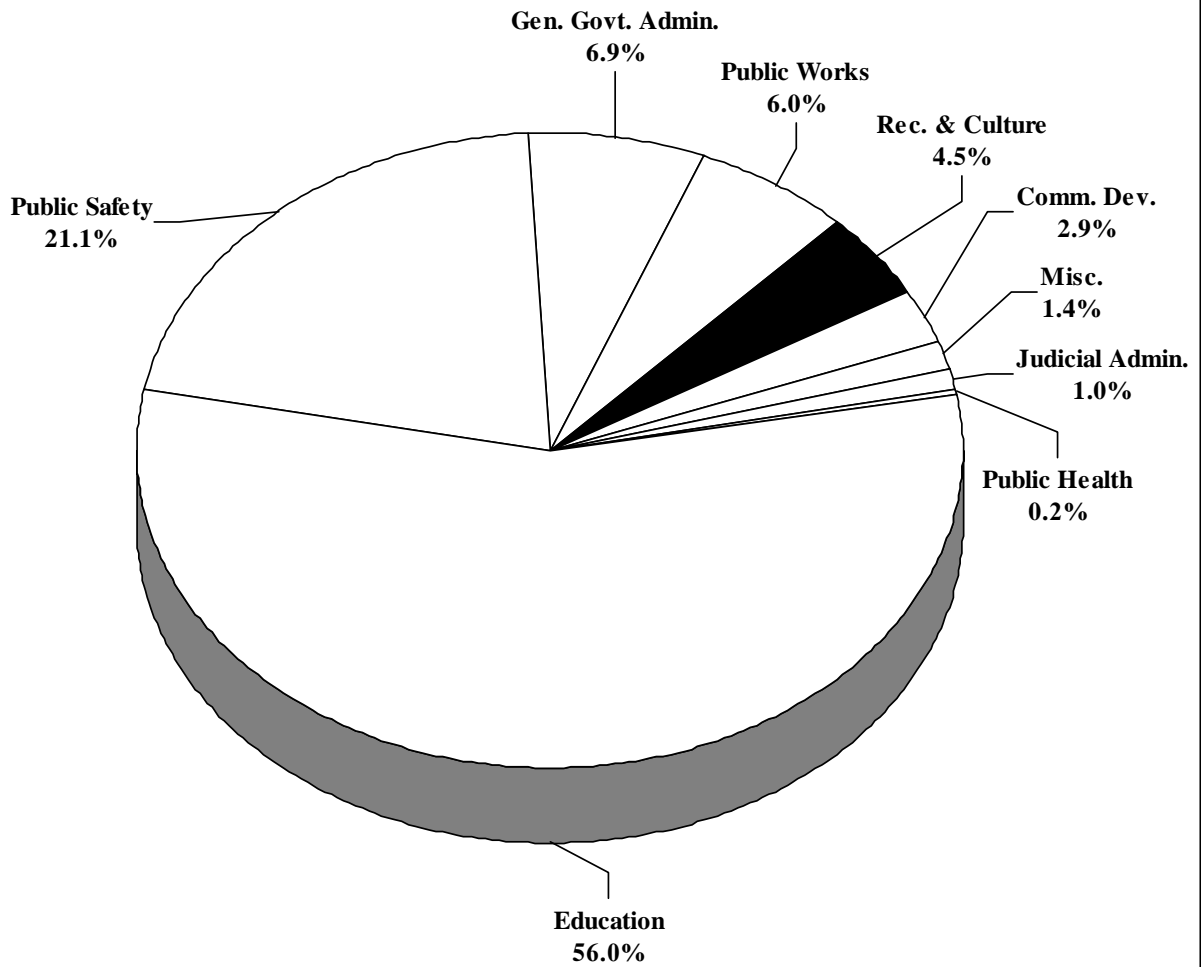
In order to continue to provide a premier education to the children who attend one of the 72 schools in Henrico County at the most efficient point possible, more collaborative efforts with General Government will be explored.



COUNTY OF HENRICO, VIRGINIA

Recreation, Parks, and Culture

\$37,549,926



Total General Fund

\$839,675,080

**COUNTY OF HENRICO, VIRGINIA
RECREATION, PARKS AND CULTURE - GENERAL FUND
FY 2017-18**

<u>Department</u>	<u>FY 15-16 Actual</u>	<u>FY 16-17 Original</u>	<u>FY 17-18 Approved</u>
Recreation & Parks:			
Administration	\$2,630,916	\$2,676,984	\$2,826,140
Recreation Services	5,862,064	6,316,712	6,363,454
Parks Services	8,669,990	8,831,780	9,538,805
Total Recreation & Parks	<u>17,162,970</u>	<u>17,825,476</u>	<u>18,728,399</u>
Public Library	15,188,602	18,291,338	18,821,527
Total Recreation, Parks and Culture	<u><u>\$32,351,572</u></u>	<u><u>\$36,116,814</u></u>	<u><u>\$37,549,926</u></u>

RECREATION AND PARKS

Description

The Division of Recreation and Parks offers a variety of programs, 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 Support Services section is responsible for the custodial operations at all recreation facilities as well as event preparation and clean up. This section 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 Grounds and Turf section is responsible for general lawn, grounds, and plant maintenance. This section also handles the care and preparation of all sports fields scheduled for use through the Division of Recreation and Parks, which includes Henrico County Public School fields. The Property Services section is responsible for the maintenance of recreation buildings and handles painting, carpentry, HVAC and plumbing repairs, and general construction projects. The Warehouse Services section is responsible for ordering, stocking, and safekeeping various parts, supplies and materials needed to maintain park properties. It also handles all office supplies for the department and uniforms for Park Services.

Recreation Services creates safe, fun, and affordable recreational, cultural, educational and leisure opportunities to improve the quality of life for all Henrico County citizens. This service area oversees the daily management and operation of all recreation facilities. Employees work in teams across a number of program focus areas to create offerings in the following areas: nature and outdoors, home and garden, history, visual arts, performing arts, and therapeutics. These teams implement programs that serve preschoolers, children, teens, adults and senior citizens. Highlights include summer camps, nature programs at Three Lakes Nature Center and Aquarium, performing arts programs at the Henrico Theatre, and living history programs at Meadow Farm.

The preservation and interpretation of the history of Henrico County is also provided by Recreation Services. Historic program and preservation focus groups develop and implement preservation and interpretive solutions at historic sites owned and operated by Henrico County. These include: Antioch School, Armour House and Gardens, Clarke Palmore Museum, Courtney Road Service Station, Dabbs House Museum, Deep Run Schoolhouse, Dorey Recreation Center, Elko Community Center, Meadow Farm Museum, Virginia Randolph Museum and Walkerton Tavern.

Recreation Services also offers a variety of large free public events in the parks for residents and visitors to enjoy. These include the Red, White, and Lights Fourth of July, Harvest Festival, and the Parade of

Annual Fiscal Plan

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 12,360,309	\$ 12,946,559	\$ 13,550,325	4.7%
Operation	4,203,822	4,274,612	4,376,974	2.4%
Capital	598,839	604,305	801,100	32.6%
Total	\$ 17,162,970	\$ 17,825,476	\$ 18,728,399	5.1%

Personnel Complement*	170	170	177	0
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The proposed complement includes the addition of seven new employees to support the maintenance and programming at Greenwood Park.

Recreation (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Park Visitation	3,334,908	3,500,000	3,500,000	0
Special Event Attendance	26,850	28,000	29,000	1,000
Reported Visitation ⁽¹⁾	470,085	475,000	475,000	0
Number of Youth Sports Participants	41,471	42,000	42,500	500
Turf Acres Mowed	5,844	5,500	5,500	0
Number of General Acres Mowed	12,498	13,500	14,000	500
Number of Work Orders Processed	4,862	4,900	5,000	100
Number of Irrigation Sites Maintained	133	133	134	1
Number of Special Event Set-Ups	396	400	400	0
Number of Habitable Structures	101	101	102	1
Number of Historic Sites	35	35	35	0
Number of Shelter Reservations	2,215	2,500	2,500	0
Effectiveness Measures				
% of Programs Offered vs. Held	86%	70%	70%	0%
% of Actual Enrollments vs. Capacity	66%	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).

Lights. Working in teams, staff members also provide a number of smaller neighborhood events throughout the year, including ice cream socials, outdoor movies, and community events.

Beginning in 2012, Recreation Services also assumed responsibility for promoting local tourism and attracting visitors to Henrico County. Since that time, the Tourism and Sports section of Recreation Services has effectively marketed Henrico County as a destination of choice for both amateur sports tournaments and cultural and family travel.

The Sports section schedules the use of all athletic fields and gymnasiums for local youth and adult athletic leagues and associations. As part of the larger tourism initiative, the section also supports all outside user groups traveling to Henrico for sports tournaments. The Sports section provides additional recreational sports opportunities, 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.

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 department'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 the capital planning and development work team, which provides professional expertise to lead the development and redevelopment of the Henrico County park system. This team is responsible for master planning, design development, construction documentation, and project bidding and construction administration as well as maintaining the department's annual five-year Capital Improvement Program.

Objectives

- To provide the citizens of Henrico County safe, clean, and well-maintained parks and facilities.

Recreation (cont'd)

- 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.
- 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 FY2017-18 budget is \$18,728,399, which represents a \$902,923, or 5.1 percent increase when compared to the FY2016-17 Approved Budget. The personnel component increased \$603,766 because of a 2.5 percent wage scale adjustment, increased salary costs related to seven positions for the opening of Greenwood Park, increases in the cost of overtime and the requirement for healthcare benefits to the Division's employees.

The operating component increased \$102,362, or 2.4 percent, while the capital outlay grew by \$196,795, or 32.6 percent. The increases in both of these areas are primarily related to the opening of Greenwood Park that was noted above.

Administrative Services

The FY2017-18 budget for Administration totals \$2,826,140 and includes the Director's office, the Business Office, Information Technology, Capital Planning and Development, and Marketing sections. The budget for FY2017-18 reflects an increase of 5.6 percent. The principle drivers of this cost growth were the wage scale adjustment, overtime costs and the increase in healthcare benefits.

Recreation Services

The FY2017-18 budget for Recreation Services totals \$6,363,454, which reflects an increase of 0.7 percent when compared to FY2016-17. The relatively small increase is the result of a 2.5 percent wage scale

adjustment and growth in County's cost of healthcare benefits being partially offset by lower salary requirements. There is a decrease of \$15,000 for the operating requirement in this division, due to lower Printing and Binding costs.

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.

In a similar fashion, the FY2017-18 budget initiates the inclusion of \$20,000 annually for replacement of equipment at the Eastern Henrico Recreation Center. This will be funded through revenues collected from members for use of the facility.

Park Services

In the area of Park Services, the budget for FY2017-18 is \$9,538,805, which represents an increase of \$707,025, or 8.0 percent, when compared to the FY2016-17 Approved Budget. Personnel for this section reflects an increase of 8.1 percent as a result of personnel additions for Phase I of Greenwood Park, a 2.5 percent wage scale adjustment and an increase in the requirement for healthcare benefits. The opening of Phase I of Greenwood Park has increased the operational budget by \$106,722 and the capital outlay component, by \$168,205.

The equipment replacement program was initiated in the FY2008-09 Approved Budget in order to provide a regular replacement schedule for equipment to be replaced when necessary. In FY2017-18, \$288,600 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 FY2017-18 budget. This plan was initiated in the FY2000-01 Approved Budget in order to maintain the Division's facilities on a yearly basis. Types of projects in the Facility Rehabilitation program include painting, electrical, playground, scoreboard, turf, roofing, fencing, and HVAC. This funding is in addition to the Facility

Recreation (cont'd)

Rehabilitation program included in Henrico's Capital Improvements Program.

Revenues

The Division anticipates collecting revenues totaling \$691,450 in FY2017-18, which reflects no overall change from projected levels for FY2016-17. Recreation generates revenues through program fees and facility rentals. No program or rental fees are to be increased in FY2017-18.

Division Highlights

Sports tourism is a large economic driver for Henrico County, and significant visitor spending revenue continues to be generated by overnight guests via the local hotel tax and the Henrico County meals tax. In 2016, Henrico County hosted 137 tournaments featuring 16 different sports. Some of the noteworthy tournaments included the 2016 Jefferson Cup, the Lakeside 12u State Little League Tournament, the Tuckahoe Little League Senior Baseball State Tournament, the Varina Softball State Tournament, the Varina Softball Southeast Regional Tournament, the Glen Allen 12u Southeast Regional Tournament, the Glen Allen 14u State Tournament, the Adidas Airo 7v7 Football Virginia State Championship, the All-Star Baseball Academy, the Triple Crown U.S. Baseball Championships, and the Softball Factory Under Armor Southeast Regional. Planned tournaments for 2017 include the 14u Babe Ruth World Series, the International Senior Softball Association World Series, and the ASA Softball State Championship. Henrico County continues to acquire new sports visitation while retaining proven events year after year.

During FY2015-16, several new successful recreation programs and events were offered. They include the following:

- Time to Play in the Garden;
- Senior Party in the Park;
- Picnic in the Parks;
- Therapeutic Holiday Hayride and Dance;
- December Day Camp;
- Art Splash;
- Scandinavian Solstice;
- Short Pump Sprayground and Dog Park opening;
- Summer Nature Series Camp;

- Meadow Farm's Saturday Live Series;
- Thomas the Train Day;
- Cool Fun and Flicks;
- Central Gardens Community Celebration

The Division of Recreation and Parks is in the final stages of consolidating, packing and moving its museum collections at Deep Rock Storage facility and the Human Services building to the Ranco Road building. Staff has placed numerous items on permanent exhibit at historic sites including Courtney Road Service Station, Meadow Farm Museum and Virginia Randolph Museum. A large exhibit of early 20th century agricultural equipment went on display at Dorey Recreation Center. The Henrico County Historical Society has moved its office to the Dabbs House Museum and Tourist Information Center Annex. The department's local historical research library will also move into the Dabbs House library.

During FY2015-16, the Division closed the last 2005 General Obligation Bond Referendum project with the completion and opening of Short Pump Park in June. Updates to the original park, opened in 1980, include a large restroom and shelter building, play equipment, a spray ground, an off-leash dog park, trails and additional parking. This new "urban" park is extremely popular and is accessible for pedestrian from all directions.

The Division also opened the first phase of Tuckahoe Creek Park, a neighborhood park located at the western edge of Ridgefield Parkway in the Tuckahoe Magisterial District. Funded by an 80/20 matching grant through the Virginia Department of Conservation and Recreation, Tuckahoe Creek Neighborhood Park consists of approximately 550 feet of boardwalk along Tuckahoe Creek.

In the final quarter of 2016, the Division began the first phase of construction for Greenwood Park in the Brookland Magisterial District. This unique multi-sport and multi-purpose athletic complex is located on 200-acres of undeveloped land along the Chickahominy River. It will greatly expand sports programming capacity through natural infill, synthetic turf fields

In late 2016, the Division also constructed a new spray ground at the Eastern Henrico Recreation Center that will open on Memorial Day 2017.

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 System 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 e-services.

To accommodate these changing needs, Henrico libraries are home to 702 public use devices including 543 public computer workstations, 42 public use laptops, 102 iPads and 15 Chromebooks. 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 FY2017-18 totals \$18,821,527, representing an increase of \$530,189 or 2.9 percent from the previous approved budget. The budgetary increase is solely driven by an increase in the personnel component of \$530,189 and reflects a 2.5 percent salary increase for FY2017-18 as well as rising health care expenditures. The operating and capital components of the budget comprise \$4,791,151 of the total budget, and reflect

Annual Fiscal Plan

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 11,400,042	\$ 13,500,187	\$ 14,030,376	3.9%
Operation	3,652,703	4,601,151	4,601,151	0.0%
Capital	135,857	190,000	190,000	0.0%
Total	\$ 15,188,602	\$ 18,291,338	\$ 18,821,527	2.9%
Personnel Complement	198 *	206 **	206	0

* 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 Libbie Mill and Varina Area Libraries. One position moved to Hold Complement in FY2015-16.

Library (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Annual Circulation of Materials	4,050,251	4,143,468	4,225,546	82,078
Physical Items	3,433,963	3,468,303	3,485,644	17,341
Digital Items (Electronic Materials)	585,712	644,283	708,711	64,428
Online Database Visits (Electronic Collections)	30,576	30,882	31,191	309
Customer Visits	1,958,700	1,978,287	1,998,070	19,783
Program Attendance - Children	54,121	56,827	59,668	2,841
Program Attendance - Teen/Young Adult	4,066	4,188	4,188	-
Program Attendance - Adult	5,324	5,484	5,648	164
Number of Programs	2,825	2,966	3,115	149
Number of Holds Requested by Customers	523,298	549,463	576,936	27,473
Number of Holds - Picked Up Inside Library	223,123	227,585	227,585	-
Number of Holds - Picked Up at Drive Up Window	53,287	54,886	55,434	548
Number of Library Cards Issued	23,821	24,297	24,540	243
Number of Classes Taught	259	272	280	8
Total Class Attendance	1,884	1,978	2,038	60
Digital Media Lab Bookings	238	476	714	238
Digital Media Lab Attendance	974	1,461	1,826	365
Number of Copies Added	149,577	127,140	139,854	12,714
Outside Use of Meeting Rooms	69,891	75,482	79,256	3,774
Outside Use of Study Rooms	45,786	50,365	52,883	2,518
Outreach Programming Attendance	45,712	46,169	46,631	462
Total Number of Library Members	275,091	277,842	280,620	2,778
Efficiency Measures				
Number of Self-Service Check-Out Transactions	1,436,595	1,450,961	1,479,980	29,019
Number of Self-Service Check-In Transactions	1,477,312	1,521,631	1,567,280	45,649
Number of Library Catalog Visits	896,366	896,366	896,366	-
Number of Library Web Site Visits	3,420,567	3,591,595	3,771,175	179,580
Effectiveness Measures				
Reference Questions Answered	716,839	724,007	724,007	-
Number of Customers Using Public Workstations	143,294	146,160	149,083	2,923
Number of Sessions by Customers Using Public Workstations	473,537	478,272	483,055	4,783
Number of Public WiFi Connections by Customers	1,842,122	1,952,649	2,069,808	117,159
Number of Titles in Collection	329,139	329,139	332,430	3,291
Number of Copies in Collection	833,141	833,141	841,472	8,331
Number of Electronic Databases Available*	31	31	31	-
Number of Volunteer Hours Used	6,122	6,183	6,245	62

* Includes 3 Find It VA databases from the State

no increase over the prior fiscal year budget. The capital component of HCPL's FY2017-18 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 traffic public areas throughout the Library system as needed.

DEPARTMENTAL HIGHLIGHTS

Varina Area Library Opened June 1

The Varina Area Library officially opened its doors for business on Thursday, June 2, 2016 at 9 am. The new Varina Area Library, located at 1875 New

Library (cont'd)

Market Road, features expanded hours; a digital media lab with 3-D printers; a drive-up service window and book return; a large, separate teen area; a dedicated children's area; group collaboration spaces; a meeting room with updated technology; a quiet reading room; study rooms; more public use computers and devices; an updated collection; and a demonstration kitchen. Varina Area Library replaced the Varina Branch Library, which permanently closed its doors on Saturday, May 14, 2016.

Varina Area Library was designed by BCWH Architects of Richmond and Tappé Architects of Boston. Construction began in 2014. The estimated total cost of the project is \$28.1 million, funded with the approval of Henrico voters by the County's 2005 bond referendum. Varina Area Library staff continue to give tours to awed patrons, even months after it opened.

All Henrico Reads

All Henrico Reads 2016 with Chitra Divakaruni, held on April 13, 2016 was an outstanding success. The morning session saw over 500 students participate on-site, with live streaming to all schools allowing many more to benefit from her visit. Dr. Divakaruni returned to Glen Allen High School that evening and made a visit at the Friends of the Henrico County Public Library's Annual Meeting in the school library. Well over 800 community members turned out for her evening performance. Dr. Divakaruni closed the evening out by signing books for a long line of fans. Survey responses from attendees were glowing.

Serving Seniors

Several libraries, including the Mobile Library, provided opportunities for seniors to learn tech skills in un intimidating environments. Library staff led eBook workshops at several senior centers to help residents access the Library eBooks which also allow the reader to make the text as large as necessary. The North Park Library has had great success with a recurring series of programs in which teen volunteers help seniors with any tech question they may have, from email to iPads. The program now has regulars who come to every session to build on their skills. Coaches receive a wide range of questions about technology such as iTunes, social media, texting, printing, scanning, and phone voicemail. The program has also given the coaches themselves an opportunity to develop from shy teens to poised and confident instructors.

Programs related to health and aging have also been very well attended this year. All libraries have provided programs on topics such as recognizing Alzheimer's, Medication Management, Heart Healthy Eating, Senior Fire and Fall Prevention as well as other topics. All programs were presented by experts in their fields.

STEAM Learning Opportunities

Henrico County Public Library continues to find ways to partner with and support Henrico County Public School curriculum, both through the Library collection and through programming. Tuckahoe and Twin Hickory Area Teen Librarians met with local middle school coding clubs to seek input about providing programs about coding at the library. As a result, two Learn to Code Workshops were held in Libbie Mill Library's Digital Media Lab in March. Library staff used Scratch, a visual coding language created by MIT, as the forum to teach basic logic skills. The first workshop was for grades 5-8 and the second workshop was developed for high school students

NATIONAL AND LOCAL AWARDS

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

3 Books 4 Me

Teen services librarians began providing form-based and online readers' advisory in February 2014. This service was so successful that in 2015 Henrico County Public Schools provided a link to the online form on their Summer Reading assignment sheets. Providing reading recommendations using this service allows library staff more time to provide thoughtful recommendations since there is not the immediacy of in-person interactions. Teens are provided at least three recommendations with links to the title in the HCPL online catalog.

Literacy and Math Nights at the Library

Since the spring of 2013, the children's department of the Tuckahoe Area Library partnered with a nearby Title I elementary school, Ridge Elementary, to host Literacy Nights and Math Nights each year for students and their parents. Since many of the families live within walking distance of the library, attendance at these events has consistently been high. On average, 150 students and family members have

Library (cont'd)

attended each program. The popularity of these programs has helped the school to meet its goal of getting more parent participation and the library to meet its goal of reaching out to members of its community.

SuperHero Science

During the summer of 2015, HCPL offered several interactive, Science, Technology, Engineering and Math (STEM)-based activities for children to explore while visiting the library. Superhero Science was created whereby each activity focused on a certain superhero trait, such as sight, speed, or balance, and incorporated scientific concepts, such as friction, measurement and magnetism. A small table near the children's desk was designated as the Superhero Science station where the eight activities were displayed on a rotating basis. The activity station was on display for a total of eleven weeks during the summer and quickly became a favorite spot in the children's section of the library. Each activity station included easy-to-follow directions and a scientific fact sheet. All activities encouraged children to use their scientific reasoning skills and promoted informal learning opportunities in the library.

In 2016 the Library also received Virginia Public Library Director's Association awards in two different categories:

2016 Outstanding Program for Adults - Appy Hour

The Appy Hour program at various libraries within the Henrico County Public Library (HCPL) invites members of the community to bring their smartphones and tablets to learn about helpful free mobile apps. Accessing the Library's eBooks and digital magazines using a tablet or mobile phone requires the use of mobile apps. While helping patrons with library-specific apps, library staff found that many patrons wanted to know more about apps and how they work in general. The program has now been adopted by other libraries in the system further helping citizens in the County with their digital needs.

2016 Outstanding Cooperative Program with other Libraries or Agencies - Repurposing Library Assets

When Henrico County replaced an old library with a new library, it was decided develop a way to repurpose the majority of the old collection and

furnishings instead of sending to the County surplus sale. By reaching out and inviting in other county departments to "shop" the leftovers, the Library was able to save the County money by responsibly repurposing most of the inventory to other departments, especially Henrico County Public School (HCPS) libraries, enhancing their collections and providing desired or needed furnishings and fixtures.

TECHNOLOGY

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

This year the new Varina Area Library opened with HCPL's third Digital Media Lab. DMLs at Varina and Libbie Mill Libraries are now open for reservable and open lab hours in addition to classes. All three labs now accept 3D print requests.

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 1,842,122 WiFi connections in 2016, a 17% 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 expand its use of online communication with the community. 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. Last fiscal year the Library's social sites saw 393,079 visits and continues to grow substantially each year.

eContent

HCPL launched a new service called hoopla this year that provides streaming movies, videos and music for the Library System's patrons. In four months, HCPL had over 1,200 patrons sign up to access materials provided this way, and have had positive feedback for the new service.

Library (cont'd)

Library members are also 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 FY16, HCPL patrons checked 573,604 eBooks, eAudiobooks, and eMagazines, a 12% 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 2016. His demonstrations included how to check out eBooks in both the Kindle and ePub formats and how to check out an audiobook. The participants were enthusiastic about learning how to use the library's collection.

MAINTENANCE PLAN

Several improvements have been completed and more are in process at the Tuckahoe Area Library. The renovation to the main floor men's room was completed spring of 2016. Much of the main floor re-carpeting has been completed, including to the meeting room, Storytime room and teen space.

Furniture reupholstering and refinishing continues in phases. Also, shelving in the adult area was removed to make room for seating and shelves in the children's area were replaced with more customer-friendly picture book display bins. In addition, the Twin Hickory lobby and the main first floor service area carpet has now been replaced.

FUTURE

Fairfield Area Library Replacement

Henrico County looks forward to opening a replacement for the Fairfield Area Library which was approved by voters in the 2016 Bond Referendum.

Looking to the Future

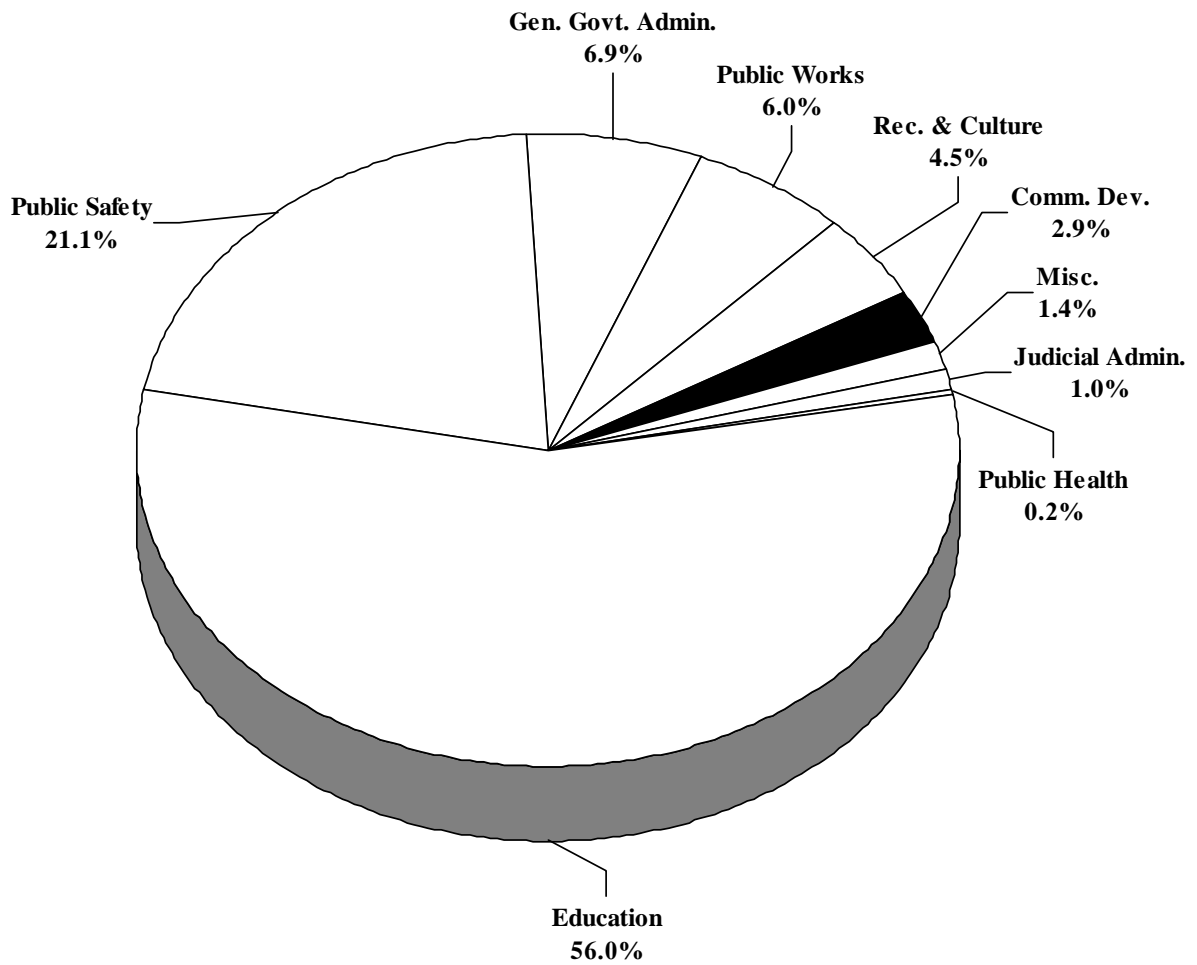
Henrico County Public Library sees exciting opportunities to meet the needs of the community in new ways, while continuing to provide its traditional services. The library's role is expanding to provide digital as well as print literacy while also providing community collaboration space. But, as always 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 Storytime, book a meeting room or simply find a quiet place to study.



COUNTY OF HENRICO, VIRGINIA

Community Development

\$24,121,923



Total General Fund

\$839,675,080

**COUNTY OF HENRICO, VIRGINIA
COMMUNITY DEVELOPMENT - GENERAL FUND
FY 2017-18**

<u>Department</u>	<u>FY 15-16 Actual</u>	<u>FY 16-17 Original</u>	<u>FY 17-18 Approved</u>
Economic Development	\$17,449,675	\$15,601,919	\$16,747,273
Planning:			
Administration	3,446,906	4,157,745	4,250,569
Board of Zoning Appeals	148,570	169,527	169,527
Total Planning	<u>3,595,476</u>	<u>4,327,272</u>	<u>4,420,096</u>
Community Revitalization	1,520,719	1,585,307	1,638,980
Agriculture and Home Extension	333,755	398,499	406,808
Permit Center	844,807	869,636	908,766
Total Community Development	<u><u>\$23,744,432</u></u>	<u><u>\$22,782,633</u></u>	<u><u>\$24,121,923</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 for FY2017-18 is \$16,747,273. This is an increase of \$1,145,354, or 7.3 percent, over the FY2016-17 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 the salary costs associated with the addition of a new Existing Business Representative position and a 2.5 percent wage scale adjustment. Additionally, the advertising account was increased by \$60,000 for sponsorship of the Dominion Charity Classic.

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	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	4,384,497	4,398,119	4,743,473	7.9%
Capital	3,136	3,800	3,800	0.0%
Sub-Total	\$ 4,387,633	\$ 4,401,919	\$ 4,747,273	7.8%
Other Payments	13,058,906	11,200,000	12,000,000	7.1%
Total Budget	<u>\$ 17,446,539</u>	<u>\$ 15,601,919</u>	<u>\$ 16,747,273</u>	<u>7.3%</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				
	FY16	FY17	FY18	Change 17 to 18
Effectiveness Measures				
Square Footage of New Businesses	208,544	500,000	500,000	0
Announced New Jobs Created	163	500	500	0
Payroll - New Businesses	7,255,670	\$ 22,000,000	\$ 22,000,000	0
Square Footage of Existing Businesses	787,968	250,000	250,000	0
Jobs Created - Expansions and Retentions	1,690	300	300	0
Payroll - Expansions and Retentions	\$ 84,716,740	\$ 13,500,000	\$ 13,500,000	0

component is returned from the Authority. In FY2017-18, \$12,000,000 is included for the Richmond Center Expansion Project. This increase of \$800,000, or 7.1 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 \$2,856,636 for FY2017-18. This is an increase of \$220,436, or 8.4 percent.

This budget for FY2017-18 also contains the County's \$385,000 contribution to the Greater Richmond Partnership. This figure is unchanged from the FY2016-17 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.

Other payments, which is comprised of the Richmond Center Expansion Project, increased from \$11,200,000 to \$12,000,000 in recognition of the rapid growth in Lodging Tax receipts and the expense obligation they create.

Since the debt on the EDA building will be paid off before the beginning of FY2018, the funds previously allocated for that purpose will be moved into the line item that supports the salary costs of the EDA staff.

Additional funds have been added to support the Existing Business Representative position that was added during FY2016-17.

The following historical information is noted:

What follows is a table of Richmond Region Tourism (formerly RMCVB) funding budgeted in the previous six fiscal years.

FY2016-17	\$2,636,200
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 six fiscal years.

FY2016-17	\$385,000
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

<u>Description</u>	<u>FY16</u> <u>Actual</u>	<u>FY17</u> <u>Original</u>	<u>FY18</u> <u>Approved</u>	<u>Change</u> <u>17 to 18</u>
Personnel	\$ 3,415,795	\$ 3,789,099	\$ 3,881,923	2.4%
Operation	175,057	530,173	530,173	0.0%
Capital	4,624	8,000	8,000	0.0%
Total	<u>3,595,476</u>	<u>4,327,272</u>	<u>4,420,096</u>	<u>2.1%</u>
Personnel Complement	44	45	45	0

Performance Measures

	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Reviews Completed by Dev. Review & Design	342	350	350	0
Zoning Petitions & Provisional Use Permits	45	55	55	0
Variance and Use Permits Processed	47	55	55	0
Maps Prepared	1,154	1,150	1,150	0

- To continue to maintain effective and efficient procedures for meeting legal requirements that set forth maximum time periods within which activities must be accomplished.
- To implement decisions of the Board of Supervisors and the policies of the County Manager related to Department of Planning responsibilities.

Budget Highlights

The Department of Planning’s approved budget for FY2017-18 is \$4,420,096, which represents an increase of \$92,824 or 2.1 percent from the FY2016-17 approved budget. The entirety of this increase is due to changes in personnel costs related to the 2.5 percent salary increase. The operating and capital outlay components reflect no overall change, though the operating component continues to include \$230,000 of funding for the update of the County’s zoning ordinance and subdivision ordinance. This is the second of a three-year funding plan to complete this initiative

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. The department has many continuous functions and responsibilities.

The department manages land use policy and planning to provide the framework for the physical, social, and economic growth of the county. The implementation and required updates to the county’s Comprehensive Plan are mandated by the Code of Virginia. These are necessary and on-going

responsibilities of the Planning department staff, which also provides a gamut of expertise in drafting white papers, monitoring state and federal land use legislation and policy, conducting small area studies, and site analysis. Planning is often called upon to review and assist in long range plans for the airport, Richmond International Raceway, and other major economic generators for the county.

County development standards and regulations, such as zoning ordinance revisions for statutory and land use policy changes at the federal, state, and local levels, are a department priority. This also includes an annual review of the General Assembly actions as well as revisions in response to the County’s changing growth patterns, and needs of the development community and residents.

Planning provides geographic and demographic management for certain GIS layers and statistical data used by most departments within the county. The County Attorney’s and County Manager’s offices, Community Revitalization, Permit Center, and Media Services often receive mapping support through Planning’s office.

The knowledge base of staff supports many regional and local groups including the Richmond Regional Planning District Commission (RRPDC), Metropolitan Planning Organization (MPO), Urban Land Institute (ULI), and special committees for the General Assembly and VCU. The department assists in reviewing impacts of adjacent development such as future renovations and expansions of the University of Richmond; examining best practices with nearby localities; and review of adjacent localities’ comprehensive plans to determine impact on county residents and businesses.

The department also organizes, as needed, and participates, as requested, in numerous community

Planning (cont'd)

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 five years, the department has implemented a number of cost cutting initiatives including decreases in paper consumption, the return of County vehicles and cell phones, revising legal advertising schedules, and discontinuing costly publications and equipment maintenance service contracts.

These changes have been accomplished with minimal impact on the department's productivity, which is demonstrated by the department's 20 NACO awards since 1998. Also, after an extensive review and research process, the department successfully revised the urban mixed use district ordinance. The revisions focused on giving developers greater flexibility to react to market changes while still ensuring a

development that makes efficient use of available land and county services.

The Department of Planning collects certain fees to help offset the expenses depicted in this budget. These include zoning application fees and fees paid for the sale of GIS maps. The total of these two revenues is budgeted to be \$150,000 in FY2017-18.

Personnel costs for the Department of Planning's 45 employees represent 87.8 percent of the Department's budget. The operating and capital outlay components of the budget will remain flat from the prior year approved budget, at \$530,173 and \$8,000, respectively.

There are two components to the budget: Administration, which includes five divisions, and Boards and Commissions, which includes the Planning Commission and the Board of Zoning Appeals. The Boards and Commissions portion of the budget totals \$169,527 for FY2017-18 and supports the Planning Commission. The Administration portion of the budget totals \$4,250,570, which represents an increase of \$92,825 or 2.2 percent from the previous fiscal year.

COMMUNITY REVITALIZATION

Description

The Department of Community Revitalization coordinates the County’s revitalization efforts and community development programs. The department plays an integral role in the enhancement of existing residential, commercial, and industrial areas in the County. The Department is divided into two major divisions (Community Development and Community Maintenance) and is responsible for administering the following programs: Community Maintenance program; CDBG, HOME and ESG programs; Virginia Enterprise Zone program; Commercial Revitalization Assistance; Neighborhood Revitalization Assistance; Volunteer Assistance Program; and property maintenance and zoning enforcement in developed communities.

- To identify needs within the County’s older communities and offer staff and volunteer services to improve properties and structures as a part of the Volunteer Assistance Program.
- To prepare commercial enhancement plans in older commercial corridors and districts in the County in order to identify barriers for new investment and to develop realistic plans of action for addressing concerns.
- To coordinate the review of tax credit applications and low-interest bond financing requests in order to encourage rehabilitation and new investment in the County’s older multifamily developments.
- To prepare neighborhood plans in older residential communities in the County in order to ensure that such areas remain attractive for existing and potential residents.
- To perform special projects requested by the Board of Supervisors, County Manager, or other departments.

Objectives

- To administer and aggressively market the County’s Enterprise Zone program to potential new and existing businesses and/or property owners.
- To administer the CDBG, HOME and ESG programs to assist in meeting the County’s community development objectives.
- To administer the Community Maintenance program of environmental and zoning enforcement.

Annual Fiscal Plan

<u>Description</u>	<u>FY16</u> <u>Actual</u>	<u>FY17</u> <u>Original</u>	<u>FY18</u> <u>Approved</u>	<u>Change</u> <u>17 to 18</u>
Personnel	\$ 1,266,519	\$ 1,283,927	\$ 1,337,600	4.2%
Operation	254,100	295,477	295,477	0.0%
Capital	100	5,903	5,903	0.0%
Total	\$ 1,520,719	\$ 1,585,307	\$ 1,638,980	3.4%

Personnel Complement ⁽¹⁾ 17 17 18 ⁽²⁾ 1

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

⁽²⁾ Reflects an added Planning Technician position added in FY2017-18.

Community Revitalization (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Community Maintenance Cases	12,496	12,000	13,000	1,000
Inspections Made	32,532	32,000	33,000	1,000
Technical Assistance to Business	1,045	900	900	0
Enterprise Zone Design Asst. Provided	6	6	10	4
Efficiency Measures				
Volunteers Participating	353	400	450	50
Volunteers Hours Worked	4,638	4,700	4,800	100
CCP Hours Worked	5,544	5,600	5,600	0
Effectiveness Measures				
Violations Issued	4,052	4,150	4,250	100
Enterprise Zone Grants Completed	16	17	19	2
Value of Enterprise Zone Grant Assisted Project	\$ 903,804	\$ 550,000	\$ 600,000	\$ 50,000
Value of All Enterprise Zone Projects	\$ 48,870,725	\$ 50,000,000	\$ 52,000,000	\$ 2,000,000
Value of Grants Awarded	\$ 98,653	\$ 115,000	\$ 120,000	\$ 5,000

Budget Highlights

The Community Revitalization Department's mission statement is as follows: *"To coordinate the County's revitalization programs and services intended to promote healthy, vibrant, and attractive residential, commercial, and industrial communities."*

The Department's approved budget for FY2017-18 is \$1,638,980. This represents a net increase of \$53,673 or 3.4 percent from the FY2016-17 approved budget. This increase is due entirely to personnel costs. Along with the usual annual benefit rate increases, a temporary position was converted to a new full-time Planning Technician position and has been added to Community Revitalization's complement to enhance the volunteer efforts, community cleanups, and special projects, particularly in the Highland Springs and Laburnum Gateway Revitalization Areas.

The operating portion of the budget remains the same as the prior year's approved budget. Adjustments have been made between line items to cover increases in costs associated with postal services, telecommunications, and maintenance service contracts for copier services. A line item was added for refuse service to permit automatic billing for bulky waste pickups associated with special projects for elderly and disabled citizens.

Community Revitalization also collaborates with the Department of Building Construction and 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 several neighborhood, business and community organizations to raise citizen awareness regarding community maintenance requirements, 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 HOME, and Emergency Solutions Grant (ESG) programs within Henrico County. 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

Community Revitalization (cont'd)

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 announced by HUD and the projects and programs to be supported by the award have been identified. The projects and programs begin after grant contracts are signed by HUD and the County. Grant funding that is not expended by the end of the County's fiscal year is re-appropriated in the following year to complete the use of this funding.

A few of the Community Development Division's major accomplishments within the CDBG, HOME, and ESG grant programs include the continuation of the Housing Rehabilitation and Emergency and Minor Repair Programs, the CONNECT Program for at-risk youth, the down payment assistance program providing homeownership opportunities to first-time homebuyers, and funding of the Commercial Assistance and Enterprise Zone Programs. Also, completed in 2015-16 with the assistance of CDBG funds was the ARC Park, an accessible playground for children and adults of all ages and abilities, and four Home Maintenance Workshops, a program that received an Award of Excellence from the National Association for County Community and Economic Development and a Best in Category award from the National Association of Counties. The ESG program provided homelessness prevention and assistance to homeless persons with shelter and case management, and rapid re-housing for homeless families. The Community Development Division also administers the Enterprise Zone Program and Commercial Assistance Program to facilitate improvements to commercial buildings and business corridors.

The Community Maintenance Division conducts field inspections, coordinates community clean-ups, and aids 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	<u>Building Inspections</u>	<u>Community Revitalization</u>	<u>Total</u>
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	326,748	1,585,307	1,912,055
2017-18 *	470,828	1,634,131	2,104,959

* Approved for FY2017-18

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 for FY2017-18 of \$406,808 increased by 2.1 percent from the FY2016-17 approved budget. There is a slight increase in personnel costs that reflects revised salary costs, which includes a 2.5 percent salary increase, as well as rising health care costs. The 2.0 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.

The Agriculture and Home Extension approved budget for FY2017-18 continues to reflect only

Annual Fiscal Plan

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 121,912	\$ 122,349	\$ 125,000	2.2%
Operation	211,843	276,150	281,808	2.0%
Capital	0	0	0	0.0%
Total	\$ 333,755	\$ 398,499	\$ 406,808	2.1%
 Personnel Complement*	 2	 2	 2	 0

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

Agriculture & Home Extension (cont'd)

	Performance Measures			Change
	FY16	FY17	FY18	17 to 18
Workload Measures				
Citizens Assisted	30,469	38,700	39,200	500
Programs Presented	412	518	495	(23)
4-H Youth Enrolled	2,000	2,000	2,250	250
Samples Analyzed and Identified	896	781	750	(31)
Efficiency Measures				
Volunteer Hours Supporting Programs	19,864	17,675	17,450	(225)

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.

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 more than 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.

PERMIT CENTERS

Description

The Department of Community Development, better known as the Permit Centers, is a convenient “one-stop shop” for residents seeking community development services including permits and applications. The Department has two locations referred to as the Permit Center-East and the Permit Center-West. The Permit Center-East has been in service since 1989. Due to the success of the eastern location, services were expanded to a western location that opened in April 2001. The Permit Centers are staffed by representatives from Building Inspections, Planning, Public Utilities, and Public Works.

- To assist the public with questions concerning the agendas and processes of the Planning Commission and Board of Zoning Appeals.
- To provide a streamlined development review process at a convenient location.
- To accurately track, monitor, and administer the costs of providing these services in order to provide them in a cost efficient manner.

Objectives

- To consistently provide quality services to all citizens and customers in a professional, accurate, and efficient manner.
- To assist the public, including private citizens, builders, developers, and engineers, with their permitting and licensing needs.
- To provide information to the public concerning the requirements and regulations related to zoning and subdivisions of property, building construction, and other aspects of the development process.

Budget Highlights

The one-stop convenience at both the East and West locations simplifies the process for obtaining permits for the customer and improves overall service levels. Services provided include the processing of building permits and answering inquiries regarding code regulations, zoning, water/sewer availability, as well as road and drainage issues.

Staff is utilized from Building Inspections, Public Works, Public Utilities, and Planning. Funds to pay for staff serving these functions are in the Permits Centers’ budget and complement. Four staff members included in the complement have their personnel expenditures reimbursed, via interdepartmental transfer, by the appropriate department related to the services furnished. Those reimbursements for

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 1,080,673	\$ 1,109,951	\$ 1,147,761	3.4%
Operation	18,014	25,353	25,353	0.0%
Capital	4,256	4,950	4,950	0.0%
Sub-Total	<u>\$ 1,102,943</u>	<u>\$ 1,140,254</u>	<u>\$ 1,178,064</u>	<u>3.3%</u>
Interdepartmental Billings	(258,136)	(270,618)	(269,298) *	(0.5%)
Total Budget	<u>\$ 844,807</u>	<u>\$ 869,636</u>	<u>\$ 908,766</u>	<u>4.5%</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 Center (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Total Number of Inquiries	16,345	16,448	16,776	328
Permit Applications Received	5,519	5,648	5,760	112
Reviews Performed	10,283	10,620	10,832	212
Business Licenses Reviewed	2,898	2,470	2,519	49

FY2017-18 will be from the Public Works and Public Utilities departments. The sum of these reimbursements, totaling \$269,298, is shown as a negative amount in the Permit Centers' budget.

The Permit Centers' budget for FY2017-18 is \$908,766. This represents an increase of \$39,130, or 4.5 percent from the prior year approved budget. The personnel portion of the budget is increasing \$37,810, or 3.4 percent. This increase was driven by updates estimates for personnel including a 2.5 percent salary increase and rising health care costs.

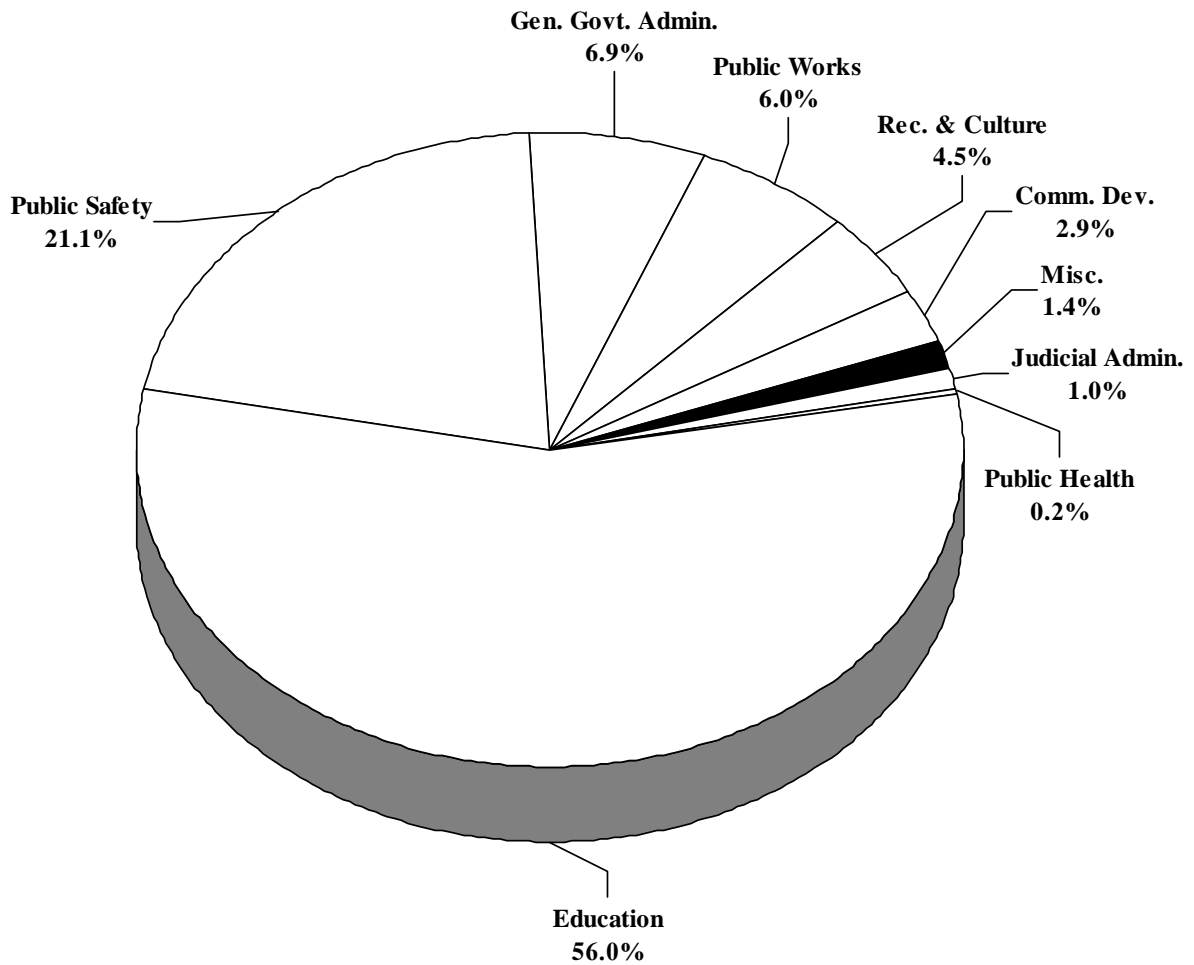
The Permit Centers were designed to make it more convenient to process and approve a permit at a central location. Technology was one of the driving forces to accomplish this process through the use of the Geographic Information System (GIS) and the Tidemark software system. Now, when a resident or builder 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
\$11,708,555



Total General Fund
\$839,675,080

**COUNTY OF HENRICO, VIRGINIA
 MISCELLANEOUS - GENERAL FUND
 FY 2017-18**

<u>Department</u>	<u>FY 15-16 Actual</u>	<u>FY 16-17 Original</u>	<u>FY 17-18 Approved</u>
Non-Departmental			
Tax Relief Program	\$8,150,472	\$8,197,550	\$8,197,550
Payments to Outside Agencies	2,441,892	2,287,038	2,394,677
Reserve - Miscellaneous	0	1,055,786	1,066,803
Other	33,990	35,525	35,525
Sandston Recreation Center	13,204	14,000	14,000
Total Miscellaneous	<u>\$10,639,558</u>	<u>\$11,589,899</u>	<u>\$11,708,555</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 FY2017-18 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 \$2,856,636, are budgeted in the County's Economic Development budget.

The cost of the County's Real Estate Tax Advantage Program (REAP) is also budgeted in the non-departmental area. As of January 1, 2017, the maximum benefit for the REAP program is \$3,000 per participating home and the eligibility parameters continue to be the most inclusive in the region.

Annual Fiscal Plan

<u>Description</u>	<u>FY16</u> <u>Actual</u>	<u>FY17</u> <u>Original</u>	<u>FY18</u> <u>Approved</u>	<u>Change</u> <u>17 to 18</u>
Tax Relief Programs	\$ 8,150,472	\$ 8,197,550	\$ 8,197,550	0.0%
Board Members ⁽¹⁾	33,990	35,525	35,525	0.0%
Donations to Agencies	1,599,991	1,500,618	1,589,618	5.9%
Share of Other Agencies	841,901	786,420	805,059	2.4%
Reserve for Contingences	\$ 0	\$ 1,055,786	\$ 1,066,803	1.0%
Total ⁽²⁾	<u>\$ 10,626,354</u>	<u>\$ 11,575,899</u>	<u>\$ 11,694,555</u>	<u>1.0%</u>

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

⁽¹⁾Capital Regional Airport commission and Richmond Regional Planning District Commission.

⁽²⁾Not including Sandston Community House.

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

Details of Activities

	<u>FY 15-16</u> <u>Actual</u>	<u>FY 16-17</u> <u>Original</u>	<u>FY 17-18</u> <u>Approved</u>
A. County Functions:			
1. Tax Relief Programs	\$ 8,150,472	\$ 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.	<u>21,072</u>	<u>22,607</u>	<u>22,607</u>
Sub-Total	33,990	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. ChildSavers	0	0	0
10. ChinaFest ⁽²⁾	10,000	0	0
11. Coal Pit Learning Center	0	0	0
12. Community Brain Injury Services (Mill House) ⁽³⁾	17,217	17,217	17,217
13. Crossover Ministries	0	0	50,000
14. Cultural Arts Center at Glen Allen	550,000	550,000	550,000
15. FeedMore (Meals on Wheels, Cent. Va. Foodbank)	18,954	18,954	18,954
16. Festival of India ⁽⁴⁾	5,000	5,000	5,000
17. FISH (Eastern Henrico County)	26,244	26,244	26,244
18. Friends of Henrico County Public Library (All Henrico Reads)	5,000	5,000	5,000
19. Ginter (Lewis) Botanical Garden	98,415	98,415	98,415
20. The Healing Place ⁽⁵⁾	10,000	10,000	10,000
21. Henrico Community Partners	2,300	2,300	2,300
22. Henrico Education Foundation ⁽⁶⁾	0	0	0
23. Henrico Police Athletic League	99,683	19,683	19,683
24. Henricus Foundation	271,935	275,000	314,000
25. Hilliard House	41,337	41,337	41,337
26. Homeward	10,269	10,269	10,269
27. James River Advisory Council	4,050	4,050	4,050
28. Leadership Metro Richmond	9,837	9,837	9,837
29. Maymont Foundation Nature Center	55,000	55,000	55,000
30. Sports Backers (Metropolitan Richmond)	20,655	20,655	20,655
31. Offender Aid and Restoration (OAR) Center ⁽⁷⁾	5,000	5,000	5,000
33. Read Center, The	16,407	16,407	16,407
33. Resources for Independent Living ⁽⁸⁾	36,162	36,162	36,162
34. Richard Bland College Foundation	0	0	0
35. Richmond Area ARC (Camp Baker)	6,561	6,561	6,561
36. Richmond Forum	3,276	3,276	3,276
37. Safe Harbor	17,091	17,091	17,091
38. Salvation Army	15,489	15,489	15,489
39. Greater Richmond SCAN (Stop Child Abuse Now) ⁽⁹⁾	3,438	0	0
40. Science Museum of Virginia	10,000	10,000	10,000
41. Science Museum of Virginia (Va. Aviation Museum)	9,000	0	0
42. Senior Connections (CAAA)	35,334	35,334	35,334
43. Southside Community Development and Housing	0	0	0
44. St. Joseph's Villa (Flagler Home)	34,174	34,174	34,174
45. Sudanese American Community School	0	0	0
46. Virginia Hispanic Chamber of Commerce ⁽¹⁰⁾	0	0	0
47. YMCA of Greater Richmond ⁽¹¹⁾	0	0	0
48. YWCA	<u>20,520</u>	<u>20,520</u>	<u>20,520</u>
Sub-Total	1,599,991	1,500,618	1,589,618

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

	FY 15-16 Actual	FY 16-17 Original	FY 17-18 Approved
D. Henrico's Share of Funding for:			
1. GRTC Taxicab Service Program	9,000	0	0
2. Henricopolis Soil/Water Conservation	87,550	91,927	96,891
3. Med-Flight Program	34,200	10,200	10,300
4. National Association of Counties	6,001	5,800	6,001
5. Reynolds Community College (Oper.) ⁽¹²⁾	94,889	97,359	99,892
6. Reynolds Community College (Capital)	294,611	302,281	310,144
7. Richmond Regional Plan. Dist. Comm.	206,016	195,733	198,133
8. RMA/Diamond Stadium ⁽¹³⁾	0	0	0
9. Virginia Association of Counties	66,784	68,120	68,698
10. Virginia Biotechnology Park Innovation Council ⁽¹⁴⁾	0	0	0
11. Virginia Institute of Government	15,000	15,000	15,000
12. Other Civic & Cultural Organizations ⁽¹⁵⁾	27,850	0	0
Sub-Total	841,901	786,420	805,059
E. Reserve for Contingencies:	0	1,055,786	1,066,803
Total	\$ 10,626,354	\$ 11,575,899	\$ 11,694,555

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. Richmond Ballet (Operating)
- g. Richmond Jazz Society
- h. Richmond Symphony (Operating)
- i. Valentine Museum (Richmond History Center)
- j. Virginia Historical Society
- k. Virginia Opera (Operating)
- l. Virginia Repertory Theatre
- m. 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 FY2016-17.

⁽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⁾ The Virginia Hispanic Chamber of Commerce received annual outside agency funding ranging from \$6,480 to \$9,900, in FY2008 through FY2013.

⁽¹¹⁾ \$50,000 was appropriated for the Chickahominy YMCA via budget amendment in September 2011.

⁽¹²⁾ Payments for Reynolds Community College are made through the Community College Workforce Alliance.

⁽¹³⁾ Funding of \$100,000 for Henrico's share of lighting improvement costs at the Diamond, in accordance with the agreement of the members of the Richmond Metropolitan Authority, was appropriated via budget amendment in June of 2013.

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

⁽¹⁴⁾ The Innovation Council of the Virginia Biotechnology Research Park has requested a three year commitment of \$30,000 per annum from each of, Chesterfield, Henrico and the City of Richmond, along with \$10,000 per annum from Hanover.

⁽¹⁵⁾ Other Civic & Cultural Organizations: *	<u>FY 2015-16</u>
a Vocational Education	450
b Richmond Symphony	25,000
c Henrico Ed. Foundation Scholarship	<u>2,400</u>
Total Other	\$ 27,850

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

Note: Budgeted in Economic Development:

	<u>FY 2017-18</u>
Greater Richmond Partnership	\$ 385,000
Richmond Region Tourism (Formerly RMCVB)	2,856,636

NON-DEPARTMENTAL

Sandston Recreation Center

Description

The Sandston Recreation Center provides a facility for indoor recreation for the Sandston community. 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

There are no changes in service levels for FY2017-18. 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. This operation will be supported by retained fund balance. As of June 30, 2016, the fund balance for the center was \$41,046.

Annual Fiscal Plan

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	13,204	14,000	14,000	0.0%
Capital	0	0	0	0.0%
Total	<u>\$ 13,204</u>	<u>\$ 14,000</u>	<u>\$ 14,000</u>	<u>0.0%</u>
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 FY2017-18 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 \$35,067,380.

Annual Fiscal Plan

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Transfer to Capital Projects	\$ 56,467,362	\$ 43,155,447	\$ 35,067,380	(18.7%)

Capital Improvement Transfers (cont'd)

GENERAL FUND TRANSFERS

	<u>FY2017-18</u>
General Fund - Designated Fund Balance:	
Mechanical Improvements - Education	\$1,547,000
Roof Replacements - Education	953,000
Mechanical Improvements	1,000,000
Roof Replacement and Rehabilitation	350,000
Countywide Pedestrian Improvements	2,500,000
Information Technology Projects	1,000,000
Geographic Information System	150,000
Subtotal General Fund - Designated Fund Balance:	<u>\$7,500,000</u>
General Fund - Designated Capital Reserve:	
East Center Replacement Construction	\$1,862,777
Emergency Medical Dispatch System	580,000
Pavement Rehabilitation	500,000
Small Project Improvements and Renovations	400,000
Human Services Building Renovation	435,000
Juvenile Courts - Secured Parking	270,000
Data Center Upgrade	697,000
Communications Training Room	258,000
Evidence Storage Facility	200,000
Countywide Engineering Feasibility Studies	500,000
Facility Rehabilitation	766,000
Belmont Golf Course Bunker Renovations	358,000
Subtotal General Fund - Designated Capital Reserve:	<u>\$6,826,777</u>
General Fund - Mental Health Reserve:	
East Center Replacement Construction	\$1,967,803
General Fund Revenue - Education Meals Tax:	
Education Meals Tax Project Reserve	\$9,000,000
General Fund Revenue - 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 Fund:	
School Bus Replacement Plan	\$2,500,000
Fire Apparatus Replacement Program	1,750,000
Police Vehicle Replacement Program	2,324,800
Subtotal General Fund Revenues - Vehicle Replacement Fund	<u>\$6,574,800</u>
Total General Fund Transfer	<u><u>\$35,067,380</u></u>



SPECIAL REVENUE FUND

COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND REVENUES
FY 2017-18

Revenues:			
Subfund/Activity	FY 15-16	FY 16-17	FY 17-18
	Actual	Original	Approved
Capital Region Workforce Partnership (CRWP)			
CRWP	\$5,640,739	\$5,117,349	\$5,094,866
Transfer From the General Fund	<u>159,973</u>	<u>46,101</u>	<u>45,250</u>
Total Capital Region Workforce Partnership	5,800,712	5,163,450	5,140,116
Commonwealth's Attorney			
Commonwealth's Attorney	33,100	0	0
Special Drug Prosecutor	135,694	131,998	104,207
Victim/Witness Assistance Program	363,226	374,058	674,155
Asset Forfeitures	34,495	0	0
Transfer From the General Fund	<u>451,818</u>	<u>433,307</u>	<u>429,906</u>
Total Commonwealth's Attorney	1,018,333	939,363	1,208,268
Community Corrections Program			
CCP	1,336,992	1,366,423	1,376,968
CCP - Drug Court	273,404	271,600	272,410
Transfer From the General Fund	<u>274,419</u>	<u>287,462</u>	<u>300,103</u>
Total Community Corrections	1,884,815	1,925,485	1,949,481
Community Development Block Grant			
CDBG/HOME	2,007,092	0	0
ESG	130,682	0	0
Transfer From the General Fund - Local Business Assistance	<u>53,653</u>	<u>0</u>	<u>0</u>
Total Community Development Block Grant	2,191,427	0	0
Economic Development			
White Oak CDA	<u>3,844,000</u>	<u>0</u>	<u>0</u>
Total Economic Development	3,844,000	0	0
Education			
State, Federal & Other Grants	<u>40,026,737</u>	<u>46,705,017</u>	<u>46,829,020</u>
Total Schools Grants	40,026,737	46,705,017	46,829,020
Cafeteria Receipts	6,980,791	8,553,020	9,284,452
State Food Payments - Nat. Sch. Lunch Prog.	479,125	486,422	532,584
Federal School Lunch Program	9,812,884	13,854,398	14,937,455
Recoveries & Rebates	371,359	248,634	422,267
Sale of Equipment	7,960	0	7,317
(To) From Cafeteria Fund Balance	<u>(318,164)</u>	<u>499,894</u>	<u>575,947</u>
Total School Cafeteria	<u>20,431,634</u>	<u>23,642,368</u>	<u>25,760,022</u>
Total Education	60,458,371	70,347,385	72,589,042

Special Revenue Fund Revenues (cont'd)

Revenues:			
Subfund/Activity	FY 15-16 Actual	FY 16-17 Original	FY 17-18 Approved
Juvenile & Domestic Relations Court			
Virginia Juvenile Community Crime Act	390,110	390,108	390,108
USDA	37,845	22,536	23,207
Transfer From the General Fund	505,067	525,566	535,815
Total Juvenile & Domestic Relations Court	933,022	938,210	949,130
Mental Health & Developmental Services			
State and Federal Grants	10,452,932	9,974,713	10,146,859
Payments from Other Localities	214,554	218,845	243,844
Miscellaneous Revenues	11,317,607	11,489,238	12,368,200
Operating Transfer to Capital Projects	0	(1,018,500)	(4,869,420)
Special Revenue - MH Fund Balance	0	1,018,500	4,869,420
Transfer From General Fund	11,738,131	14,064,509	14,667,336
Total Mental Health	33,723,224	35,747,305	37,426,239
Non-Departmental			
Transfer From General Fund	0	50,000	50,000
Public Safety			
Police - State & Federal Grants	1,178,065	1,071,434	1,077,091
Police - Donations	2,958	0	0
Metro Aviation/Extradition Reimbursement	205,077	334,668	334,668
Fire - Donations	6,576	0	0
Fire - State & Federal	202,700	0	0
Asset Forfeitures	345,993	0	0
Transfer to Capital Projects	(500,000)	0	0
Special Revenue Fund - Fund Balance	500,000	0	0
Transfer From General Fund	73,825	127,332	127,332
Total Public Safety	2,015,194	1,533,434	1,539,091
Public Utilities			
Solid Waste:			
Refuse Collection Billing	8,175,884	8,100,000	8,100,000
Weighing Fees - Charged Sales	0	0	0
Public Use/Host/Recycle Fees	2,715,204	1,741,000	1,933,000
Miscellaneous Revenues	522,768	281,975	329,315
Transfer to Capital Projects Fund	0	(150,000)	(600,000)
Transfer From General Fund	3,018,511	3,018,511	3,018,511
(To) From Solid Waste Fund Balance	(3,829,890)	622,797	859,145
Total Solid Waste	10,602,477	13,614,283	13,639,971
Street Lighting:			
Charge for Street Lights	3,603	83,100	83,100
Total Street Lighting	3,603	83,100	83,100

Special Revenue Fund Revenues (cont'd)

Revenues:			
Subfund/Activity	FY 15-16	FY 16-17	FY 17-18
	Actual	Original	Approved
Public Works			
Best Management Practices	107,527	50,000	50,000
Watershed Management Program	928,621	847,000	847,000
Total Public Works	<u>1,036,148</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation	5,325	0	0
Public Library	852	0	0
Total Recreation	<u>6,177</u>	<u>0</u>	<u>0</u>
Social Services			
State and Federal Grants - Social Services	15,237,749	14,635,091	15,565,303
Transfer From the General Fund - Social Services	3,683,438	4,684,199	5,059,850
State and Federal Grants - CSA	166,189	109,849	109,849
Comprehensive Services Act (CSA)	6,924,446	6,805,147	7,165,073
Transfer From the General Fund - CSA Medicaid	876,075	485,000	485,000
Transfer From the General Fund - CSA	3,613,997	4,263,232	4,470,404
Total Social Services	<u>30,501,894</u>	<u>30,982,518</u>	<u>32,855,479</u>
Total Revenues	<u><u>\$154,019,397</u></u>	<u><u>\$162,221,533</u></u>	<u><u>\$168,326,917</u></u>

COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND EXPENDITURES
FY 2017-18

Expenditures:			
Subfund/Activity	FY 15-16	FY 16-17	FY 17-18
	Actual	Original	Approved
Capital Region Workforce Partnership (CRWP)	\$5,800,712	\$5,163,450	\$5,140,116
Commonwealth's Attorney			
Commonwealth's Attorney	34,862	0	0
Victim/Witness Program	758,211	741,140	1,043,218
Special Drug Prosecutor	192,527	198,223	165,050
Asset Forfeitures - Commonwealth's Attorney	32,733	0	0
Total Commonwealth's Attorney	<u>1,018,333</u>	<u>939,363</u>	<u>1,208,268</u>
Community Corrections Program			
CCP	1,466,020	1,496,816	1,512,018
CCP - Drug Court	418,795	428,669	437,463
Total Community Corrections Program	<u>1,884,815</u>	<u>1,925,485</u>	<u>1,949,481</u>
Community Revitalization			
CDBG	1,521,495	0	0
Home	485,597	0	0
Local Business Assistance	53,653	0	0
ESG	130,682	0	0
Total Community Revitalization	<u>2,191,427</u>	<u>0</u>	<u>0</u>
Economic Development			
White Oak Village CDA	3,844,000	0	0
Total Economic Development	<u>3,844,000</u>	<u>0</u>	<u>0</u>
Education			
State, Federal & Other Grants	40,026,737	46,705,017	46,829,020
School Cafeterias	20,431,634	23,642,368	25,760,022
Total Education	<u>60,458,371</u>	<u>70,347,385</u>	<u>72,589,042</u>
Juvenile & Domestic Relations Court			
Probation - VJCCCA	584,646	602,259	606,883
Detention - VJCCCA	310,531	313,415	319,040
USDA	37,845	22,536	23,207
Total Juvenile & Domestic Relations Court	<u>933,022</u>	<u>938,210</u>	<u>949,130</u>
Mental Health & Developmental Services			
Clinical Services	16,006,092	17,223,908	17,846,519
Community Support Services	11,107,689	11,397,583	12,191,546
Administrative and Program Support	6,609,443	7,125,814	7,388,174
Total Mental Health	<u>33,723,224</u>	<u>35,747,305</u>	<u>37,426,239</u>

Special Revenue Fund Expenditures (cont'd)

Expenditures: Subfund/Activity	FY 15-16 Actual	FY 16-17 Original	FY 17-18 Approved
Non-Departmental	0	50,000	50,000
Public Safety			
State and Federal Grants - Police	385,048	0	0
Donations - Police	2,958	0	0
Communications	793,017	1,071,434	1,077,091
Metro Aviation	223,518	387,000	387,000
Henrico Extraditions	55,384	75,000	75,000
Asset Forfeitures - Police	345,993	0	0
State and Federal Grants - Fire	209,276	0	0
Total Public Safety	<u>2,015,194</u>	<u>1,533,434</u>	<u>1,539,091</u>
Public Utilities			
Solid Waste	10,537,408	13,614,283	13,639,971
Street Lighting	68,672	83,100	83,100
Total Public Utilities	<u>10,606,080</u>	<u>13,697,383</u>	<u>13,723,071</u>
Public Works			
Best Management Practices	50,000	50,000	50,000
Watershed Program	986,148	847,000	847,000
Total Public Works	<u>1,036,148</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation & Parks	5,325	0	0
Public Library	852	0	0
Total Recreation, Parks, & Culture	<u>6,177</u>	<u>0</u>	<u>0</u>
Social Services			
Administration	12,443,377	13,249,867	14,551,885
Public Welfare Board	40,443	290,489	290,489
Public Assistance	6,437,367	5,778,934	5,782,779
Comprehensive Services Act (CSA)	11,580,707	11,663,228	12,230,326
Total Social Services	<u>30,501,894</u>	<u>30,982,518</u>	<u>32,855,479</u>
Total Expenditures	<u>\$154,019,397</u>	<u>\$162,221,533</u>	<u>\$168,326,917</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 responsibility for providing administrative support to the Partnership Board, the WDB and its standing committees, and managing contracts 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, budget management and, achieving 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 is the firm that has been awarded the Title I WIOA contract to deliver Adult and Dislocated Worker Services to those who meet WIOA eligibility criteria under by WIOA regulations. These services include individualized career planning assistance, resume and interviewing workshops, counseling, basic work readiness such as computer skills, paid

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 1,021,671	\$ 987,190	\$ 777,854	(21.2%)
Operation	4,766,192	4,176,260	4,362,262	4.5%
Capital	12,849	0	0	0.0%
Total	\$ 5,800,712	\$ 5,163,450	\$ 5,140,116	(0.5%)
Personnel Complement	N/A	N/A	N/A	N/A

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
New WIOA Program Enrollments	960	1,000	1,050	50
Total Served by WIOA Funds	1,803	1,850	1,850	0
Individuals Receiving Training Services	316	437	450	13

work experiences and internships, and various forms of training assistance such as tuition vouchers and on-the-job training.

A partnership among two partner agencies and the fiscal agent (Henrico County), served as One-Stop Operator in the past year; however new federal requirements will dictate that this operation be put out for bid in the coming year. In providing such services, the One Stop Operator is responsible for working collaboratively with the other mandated and optional partner programs to ensure that services and access to services are clearly defined and easily accessible for businesses and job seekers.

The CRWP's out-of-school youth program, Success by 25, targeted disengaged young people ages 18-24 and those with certain barriers to success in employment or education. Born to be Great manages our smaller in-school youth contract.

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: 76 percent of the assisted Adults/Dislocated workers received a job and 90 percent of the individuals who received a job kept that job with an average annual wage of \$27,139. Regarding the Youth assisted by CRWP, 62 percent were placed in an education program or a job, 94 percent earned a Certificate or Credential and 29 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 FY2017-18 budget for CRWP, in the amount of \$5,140,116, remains relatively flat compared to the prior fiscal year and reflects an overall reduction of \$23,334, or 0.5 percent from the approved FY2016-17 budget. The personnel component reflects a net decrease of \$209,336 or 21.2 percent when compared

to the prior fiscal year. This decrease is attributable to a decrease in salaries which reflects the expiration of special grant funding. The decrease to the personnel component was partially mitigated by an increase in healthcare costs as well as a 2.5 percent salary increase for FY2017-18. Operating expenses increased by \$186,002, or 4.5 percent from the approved FY2016-17 budget due to an increase in the budgeted amount for contracts. No capital outlay funding has been requested for FY2017-18.

It is important to note, the exact amount of federal funding for FY2017-18 is currently unknown. First, federal funding is awarded on a Federal fiscal year basis. The federal fiscal year begins three months after the beginning of the County's fiscal year. Second, federal funding is distributed on a formulaic basis and the regional variables that impact this formula are subject to change. For instance, the Capital Region and the State of Virginia have seen slightly decreasing unemployment rates which may impact the level of funding the region is able to access through the formula. We have conservatively projected new federal funding.

The Capital Region Workforce Partnership is receiving additional funding in FY2017-18 through rent received from partners located in our workforce centers.

Henrico County and Local Funding

Revenue from local contributions including that of Henrico County is expected to total \$160,000 in FY2017-18. Henrico County's contribution to CRWP's administrative expenses is budgeted at \$45,250 for FY2017-18. This is a small 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 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. The percentage of

Capital Region Workforce Partnership (cont'd)

salary of the Director of the Capital Region Partnership charged to non-federal local funds from the eight jurisdictions that comprise the Capital Region is 25%, with the balance going to the federal grant.

The FY2017-18 budget includes a grant reserve account. Once into FY2017-18, 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
FY2009	208,665	75,180	74%
FY2010	210,648	71,580	75%
FY2011	210,648	127,280	62%
FY2012	217,695	127,280	63%
FY2013	206,810	127,280	62%
FY2014	200,606	62,280	76%
FY2015	170,028	62,080	73%
FY2016	64,380*	120,435	35%
FY2017	46,101	138,899	25%
FY2018	45,250	114,750	28%

*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 FY2017-18 is \$165,050, and reflects a \$33,173 or 16.7 percent decrease when compared to the prior fiscal year. The Program's budget includes General Fund support of \$60,843 which reflects a net decrease of \$5,382 compared to the approved FY2016-17 budget. The decrease to the program's budget is completely due to a decrease in the personnel component and reflects the exchange of two attorney positions between the Commonwealth's Attorney's Office and the Special Drug Prosecutor program. The position that was exchanged in the program is budgeted at a lower step than the prior attorney who occupied the position. It is important to note that the decrease in the personnel component has been slightly mitigated by a 2.5 percent salary increase for FY2017-18 as well as an increase in health care expenses. The operating component remains flat when compared to the prior fiscal year.

The State Compensation Board and the County both

Objectives

- Investigate and prosecute those involved in the illegal use or distribution of drugs, and drug paraphernalia.
- Provide assistance in any other provision of law when such condition is discovered in the course of an investigation, which a multi-jurisdiction drug prosecutor is otherwise authorized to undertake and to investigate any condition, which involves or tends to promote any attempt, solicitation or conspiracy to violate laws.

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 188,005	\$ 192,765	\$ 159,592	(17.2%)
Operation	4,522	5,458	5,458	0.0%
Capital	0	0	0	0.0%
Total	<u>\$ 192,527</u>	<u>\$ 198,223</u>	<u>\$ 165,050</u>	<u>(16.7%)</u>
Personnel Complement	N/A	N/A	N/A	N/A

Special Drug Prosecutor (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Total Subpoenaes	2,375	2,250	2,300	50
Total Indictments	925	1,000	1,000	0
Total Defendants	350	350	350	0

contribute to the salaries and associated personnel costs for the two positions funded through the program.

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 left presents a historical depiction of the State/County split for the program.

Fiscal Year	State Funding	Approved County Funding	% County
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%
2017-18	104,207	60,843	37%

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 FY2017-18 approved budget is \$1,043,218, which reflects an increase of \$302,078 or 40.8 percent when compared to the FY2016-17 approved budget. It is important to note that the majority of this budgetary increase reflects additional state funding received from the Department of Criminal Justice Services (DCJS) for the Victim Witness Program. The FY2017-18 budget includes \$300,097 in additional State funding, \$286,878 of which was added to Victim Witness' FY2016-17 budget in a September, 2016 budget amendment. The remaining increase of \$13,219 is due to a 2.0 percent

Annual Fiscal Plan

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 637,308	\$ 627,754	\$ 893,974	42.4%
Operation	108,387	111,980	130,447	16.5%
Capital	12,516	1,406	18,797	1236.9%
Total	<u>\$ 758,211</u>	<u>\$ 741,140</u>	<u>\$ 1,043,218</u>	<u>40.8%</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 thirteen total positions (8 comp III, 4 comp II, 1 comp I).

Performance Measures				
Workload Measures	FY16	FY17	FY18	Change 17 to 18
Victims Assisted	4,971	5,050	5,100	50

increase in State funding in FY2017-18. The additional revenue has provided funding for two new Complement III full-time Management Specialist I positions as well as furniture, software, office supplies, out-of-state training, transportation, and mental health evaluations for human trafficking victims.

The personnel component experienced a net increase of \$266,220 or 42.4 percent. This increase is primarily due to the addition of two new Complement III positions which were added during the FY2016-17 budget year. In addition to the new positions, the personnel component is also increasing as a result of a 2.5 percent salary increase for FY2017-18 and increases to health care costs.

The operating component reflects an increase of \$18,467 or 16.5 percent compared to last fiscal year. The majority of this increase is attributable to the appropriation of additional funding from DCJS during the FY2016-17 budget. A small portion of the operating component increase is due to the annual 2.0 percent increase in the lease agreement for the Victim/Witness and CASA building. The capital outlay component increased by \$17,391 when compared to the prior fiscal year. The increase to the capital outlay component is the result of additional State funding from DCJS.

The FY2017-18 approved budget includes a General Fund transfer of \$369,063, to provide funding for the

program costs. State/federal grant funding is anticipated to be \$674,155. This estimated grant funding is fully budgeted in the FY2017-18 approved budget. The budget includes funding for thirteen full-time positions, eight of which are complement III, four are complement II, and one complement I position, an Office Assistant IV.

The table on the following page 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
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%
2017-18	674,155	369,063	37%

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, 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

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 1,348,301	\$ 1,420,807	\$ 1,432,411	0.8%
Operation	98,356	68,530	68,530	0.0%
Capital	19,363	7,479	11,077	48.1%
Total	\$ 1,466,020	\$ 1,496,816	\$ 1,512,018	1.0%

Personnel Complement* 1 1 1 0

*Twenty-One Complement III positions are also funded in this budget for FY2017-18.

Community Corrections Program (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
New Pretrial Cases Supervised	2,056	2,300	2,550	250
New Probation Cases Supervised	1,663	1,750	1,750	0
Pretrial Investigations Conducted	1,655	2,000	2,100	100
Client Hours of Community Service Completed	11,068	11,100	11,100	0
New Restitution Cases Monitored	250	200	200	0
Effectiveness Measures				
Value of Restitution Collected	\$ 214,044	\$ 200,000	\$ 200,000	0

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

Budget Highlights

The Community Corrections budget includes four distinct programs for FY2017-18: (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 \$135,050, along with fee revenues of \$7,480.

The estimated value of community service hours to be completed by probationers in FY2017-18 is \$200,000. Of this value, it is estimated that close to half will go to County Departments. The Restitution Monitoring Program (a Community Criminal Justice

Board project) is designed to track payments made by offenders to victims and increase the payment amount collected.

The Community Corrections Program's budget for FY2017-18 is \$1,512,018, which is an increase of \$15,202, or 1.0 percent, from the FY2016-17 Approved Budget. Personnel costs increased by \$11,604, or 0.8 percent, as a 2.5 percent wage scale adjustment and growth in healthcare requirements were partially offset by savings related to staff turnover.

Operating costs remain unchanged at \$68,530, while funding for capital equipment grew by \$3,598 to allow for the accelerated purchase of computer replacements.

The allotment of General Fund support for FY2017-18 has been increased to \$135,050. This is budgetary growth of \$4,657, or 3.4 percent. The FY2017-18 projection for State funding is \$1,167,460, which is a 2.0 percent increase from the FY2016-17 Approved Budget. The Department also collects probation and restitution monitoring fees, which are also utilized to support program services.

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 FY2016-17. 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 FY2017-18. The requirement for General Fund support in FY2017-18 is budgeted to be \$165,053, which is an increase of \$7,984, or 5.1 percent, over the amount in the FY2016-17 Approved Budget. The Drug Court also collects probation fees to help defray the costs of the program. The program is expected to receive \$22,410 in fee revenues during FY2017-18.

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>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 333,546	\$ 356,705	\$ 365,499	2.5%
Operation	85,249	70,464	70,464	0.0%
Capital	0	1,500	1,500	0.0%
Total	\$ 418,795	\$ 428,669	\$ 437,463	2.1%
 Personnel Complement*	 1	 1	 1	 0

*Personnel Complement does not reflect 4 Complement III positions that are supported by this budget.

Drug Court (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Community Awareness Activities	42	35	35	0
Efficiency Measures				
% of Referrals Assessed on Time	100%	100%	100%	0%
Effectiveness Measures				
% of Participants Gainfully Employed/Schooled	85%	87%	87%	0%
% of Participants Staying Drug-Free	64%	64%	64%	0%
% of Participants Not Re-Arrested	95%	96%	96%	0%

The Drug Court’s budget for FY2017-18 is \$437,463, an increase of \$8,794 or 2.1 percent. The entire increase is due to growth of 2.5 percent in the personnel requirement, stemming from a 2.5 percent adjustment in the wage scale. 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 Health Brigade (formerly the Fan Free Clinic)

provides 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. Again this year, 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 a 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. Among these events was the fifth annual Turkey Tuesday, held in November, in which funds were raised to provide frozen turkeys to program participants and graduates, so they could share a holiday meal with their families.

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 Project Fresh Start, and Promoting Empowerment and Resiliency through Learning Strengths (PEARLS), a program that specifically addresses the needs of female youth. . In FY2017-18, revisions will be made to the parenting program that better meet the needs of parents of delinquent youth that includes input from the judiciary and court services unit.

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 FY2017-18 totals \$606,883, which includes County support of \$432,055. The Program’s budget reflects a \$4,624 increase or 0.8 percent when compared to FY2016-17. This increase was driven by updated estimates for personnel including a 2.5 percent salary increase for FY2017-18 as well as rising health care costs.

Probation will continue to use VJCCCA funding to provide a wide variety of services and programs to offenders and their families. These services and programs continue to be utilized as alternatives to secure detention.

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 192,573	\$ 214,936	\$ 220,943	2.8%
Operation	392,073	387,323	385,940	(0.4%)
Capital	0	0	0	0.0%
Total	\$ 584,646	\$ 602,259	\$ 606,883	0.8%
 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.

Juvenile & Domestic Relations District Court (cont'd)

	Performance Measures			Change
	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>17 to 18</u>
Workload Measures				
Number of Referrals from Probation/Court Order	838	747	797	50

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 \$319,040 including the County contribution of \$103,760. The total budget reflects an increase of \$5,625 or 1.8 percent when compared to the FY2016-17 budget. This increase was driven by updated estimates for personnel including a 2.5 percent salary increase for FY2017-18 as well as 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>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 15 to 16</u>
Personnel	\$ 271,957	\$ 270,050	\$ 275,675	2.1%
Operation	37,538	43,365	43,365	0.0%
Capital	1,036	0	0	0.0%
Total	\$ 310,531	\$ 313,415	\$ 319,040	1.8%

Personnel Complement	3	3	3	0
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VJCCCA-Detention (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Electronic Monitoring Days	6,631	5,224	5,742	518
Outreach Participants w/Electronic Monitoring	217	213	213	0
Outreach Participants w/o Electronic Monitoring	53	33	33	0
STOP Participants	47	36	36	0
STOP Program Days	206	153	153	0
Efficiency Measures				
Average Length of Stay w/Electronic Monitoring	31	27	27	0
Average Length of Stay w/o Electronic Monitoring	59	68	68	0

The Detention Outreach Program is supported by 3 Complement II positions (1 Outreach Coordinator, 2 Outreach Workers) and provides an alternative to secure detention by offering direct and indirect services to children requiring less restrictive supervision. For those youths who need more

restrictive supervision, the Electronic Monitoring component of Detention Outreach will be utilized. Juveniles that generally qualify for this program have reoccurring behavior issues such as curfew violations, running away from home and truancy.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

USDA Grant

Description

Each year the United States Department of Agriculture (USDA) awards a grant to the County to assist with caring for juveniles who are in some form of detention. Henrico County's Juvenile Detention Home qualifies for a portion of this grant. Funds can be used for food, supplies, kitchen equipment, and relief wages for cooks. Funds are awarded based upon the number of breakfast and lunch meals served and reported monthly. Unspent funds at the end of each year may be carried over to the next fiscal year and accumulated for qualifying large item purchases. The Virginia Department of Juvenile Justice and the Federal Government jointly monitor the program's guidelines and expenditures.

Budget Highlights

In FY2017-18, 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 \$23,207 in USDA grant funding for FY2017-18, which is a \$671 or 3.0 percent increase when compared to the approved budget for FY2016-17. These funds will continue to be used to purchase food, food service equipment, and maintain and repair kitchen equipment. The total food budget for FY2017-18, including amounts budgeted in the General Fund, will total \$75,206.

Objectives

- To file all reports promptly and accurately for reimbursement of funds.
- To disburse grant funds for eligible items for the benefit of detained youths.

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	26,172	22,536	23,207	3.0%
Capital	11,673	0	0	0.0%
Total	\$ 37,845	\$ 22,536	\$ 23,207	3.0%
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 early intervention for infants and toddlers experiencing significant developmental delay.
- 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 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 case management to individuals with developmental disabilities.
- 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

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 25,633,261	\$ 26,760,589	\$ 27,941,729	4.4%
Operation	7,800,767	8,986,716	9,484,510	5.5%
Capital	289,196	0	0	0.0%
Total	<u>\$ 33,723,224</u>	<u>\$ 35,747,305</u>	<u>\$ 37,426,239</u>	<u>4.7%</u>
Personnel Complement*	219	219	219	0

*Personnel Complement totals above do not include 150 Complement III positions in FY2017-18.

Mental Health & Development Services (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Persons Served by Emergency Services	2,349	2,300	2,300	0
Persons Served by Mental Health Services*	6,684	6,600	6,600	0
Persons Served by Developmental Services*	1,993	2,100	2,100	0
Persons Served by Substance Abuse Services*	1,642	1,700	1,700	0
*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:

- people with serious mental illness
- people with developmental disabilities
- people with substance use disorders
- 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 Police, Fire Sheriff, Juvenile Detention, and on-site services to the Juvenile Court. Emergency services are offered to all clients on a 7-day a week, 24-hour per day basis. The Emergency Services Program works closely with public safety personnel to address community safety issues. The Department continues to train first responders in the Crisis Intervention Team (CIT) model and the Crisis

Receiving Center at Parham Doctors Hospital operates 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 FY2017-18 budget, including the Sheltered Employment program, is \$37,426,239. Personnel expenditures are \$27,941,729 or 74.7 percent of the total FY2017-18 budget. Personnel increased \$1,181,140, or 4.4 percent, over the FY2016-17 budget. The agency began providing case management to persons with developmental disabilities in FY2016-17 by adding a Supervisor and Case Manager funded by Medicaid fees. Additionally, a Case Manager and a Training Assistant, also supported by Medicaid fees, were added in FY2016-17, to meet the requirements of the Department of Justice settlement agreement. Part-time salaries decreased \$37,344 or 7.9 percent. Temporary salaries increased \$137,002 or 14.9 percent due to adding temporary case managers serving individuals with intellectual disabilities, who are funded by Medicaid

Mental Health & Development Services (cont'd)

revenue. A temporary nurse practitioner was added and will be funded by restricted state performance contract revenue.

Operating expenses are \$9,484,510, or 25.4 percent of the total FY2017-18 budget. The proposal for Medical Services is \$1,535,934, an increase of \$41,451, or 2.8 percent. Of this growth, \$31,650 is due to a 3.0 percent increase in the contract for psychiatric services, and \$7,545 is for medical services through the Part C grant funded by state Part C funds. Rent of facilities is \$1,057,923. The largest facility lease is for the East Center, budgeted at \$340,649 in FY2017-18. Other Contractual Services increased \$395,916, or 23.8 percent, to \$2,057,275 for FY2017-18. The majority of the increase, \$200,000, is allocated for initiatives identified by the Heroin Task Force. An additional \$163,123 will cover payments to private providers of case management to persons with developmental disabilities. This service is funded by Medicaid fee revenue. Also, \$15,000 of the increase is for contracted telepsychiatry services, funded with restricted state performance contract revenue.

The Department estimates revenues at \$37,426,239 in FY2017-18, an increase of \$1,678,934, or 4.7 percent, over the FY2016-17 adopted budget. The County transfer of \$14,667,336 is \$602,827 or 4.3 percent higher than the FY2016-17 level. The County transfer will represent 39.2 percent of FY2017-18 revenues.

The balance of the MH/DS/SA revenues are comprised of 27.1 percent from federal and state sources, 28.0 percent from third party client fees, and 5.7 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 FY2017-18. 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 decrease by \$24,400 or 7.1 percent to \$320,000 for FY2017-18.

The Department's state performance contract revenue for FY2017-18 is projected to be \$6,413,890, a 3.4 percent increase over FY2016-17. The FY2017-18 revenue structure includes a \$200,000 in restricted funds for Assertive Community Treatment that replaces federal performance contract funds for this service. Other increases include \$15,000 of restricted funds for telepsychiatry and an additional \$4,087 for the state OBRA (Omnibus Budget Reconciliation Act) Nursing Home grant. Restricted state funds for Young Adult Services were reduced by \$5,542. The decrease was

offset by an increase in federal funds for Young Adult Services.

Fee revenue for FY2017-18 has been budgeted at \$10,474,645. This is a 10.2 percent increase. Medicaid revenue is projected to increase \$936,485 or 10.9 percent over FY2016-17 levels. Projected Medicaid waiver revenue for residential services to persons with intellectual disabilities grew by \$537,908 because of new rates. Medicaid revenue for case management to persons with developmental disabilities is projected to be \$241,760. Self-pay and insurance revenue is anticipated to increase \$35,300, or 3.8 percent, above the amount budgeted in FY2016-17.

What follows is a description of expenditure changes for the Department in the FY2017-18 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 FY2017-18 budget proposal for Mental Health Services increased \$338,644, to \$15,490,766, which is 2.2 percent higher than the FY2016-17 adopted budget. Personnel costs comprise 83.6 percent of the Mental Health Services budget in FY2017-18.

The **Substance Abuse Services** budget is \$2,355,753, an increase of \$283,967, or 13.7 percent, from the FY2016-17 Approved Budget. Nineteen full-time and four part-time employees provide these services. In May of 2016, The Henrico Heroin Task Force was established in order to combat the effects that the national opioid epidemic is having in Henrico. A total of \$200,000 has been added to this area of the budget to support the mission of this taskforce.

The FY2017-18 budget for **Developmental Services** reflects an increase of \$784,027, or 7.8 percent, to \$11,858,971. These services are provided by 121 full-time and 9 part-time employees. Personnel costs account for 73.9 percent of the budget for this division. Medicaid funding to provide case management services to persons with developmental disabilities grew by \$323,624 in FY2017-18.

The budget for **Administration** spending increased 3.6 percent, or \$272,296, to \$7,720,749 in FY2017-18. 51 full-time and 3 part-time employees comprise the administrative staff. Operational funding increased by \$97,320, or 2.9 percent, to \$3,501,211. This growth is

Mental Health & Development Services (cont'd)

due to increases in facility leases, as well as janitorial and telecommunication services.

Sheltered Employment funding in FY2017-18 decreases by \$24,400 or 7.1 percent from the adopted FY2016-17 level to \$320,000. One full-time and one part-time position support the Sheltered Employment operation.

Day Support Services

Over the past nineteen years the County of Henrico has provided additional funding to Mental Health and Developmental Services Day Support programs 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.

In FY2017-18 it is anticipated that approximately 14 individuals with intellectual disabilities graduating from high school will be in need of a day support program. Because of additional Medicaid waiver slots and family wishes, the Department expects to serve all graduates without increasing the funding for FY2017-18.

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

FY2016-17	\$34,000
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 FY2017-18 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 FY2017-18, 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 own three aircraft:

- 2006 Cessna 182
- 2000 Cessna 172
- 1979 Cessna 182RG (Transport Aircraft)

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	277,039	422,000	422,000	0.0%
Capital	1,863	40,000	40,000	0.0%
Total	<u>\$ 278,902</u>	<u>\$ 462,000</u>	<u>\$ 462,000</u>	<u>0.0%</u>
Personnel Complement	N/A	N/A	N/A	N/A

Metro Aviation (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Number of Aerial Transports	50	55	55	0
Flight Hours for Aerial Transports	205	220	220	0
Extraditions (commercial carriers)	22	24	24	0

The eleven-year-old Cessna 182 is equipped with an electronic instrument panel, an integrated spotlight, a forward looking infra-red (FLIR) system, and a video downlink that permits the aircraft to broadcast images while flying for viewing at varying locations within the three jurisdictions.

The Metro Aviation Unit 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 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.
- Provide emergency instruction by voice prior to the arrival of emergency medical services.
- 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 911 Services 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 911 Services 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 911 Services Board to each locality is based on the cost to operate the locality's emergency communications center as well as the call load of the center.

In 2016, the Police Division applied for and was awarded a 911 Services Board regional grant to implement Text-To-911 services in Henrico County, Chesterfield County, and the City of Richmond. The region is currently in the procurement phase and anticipate service to begin before the end of 2017.

Wireless phones provide a quick, easy, and efficient means of reporting traffic accidents and other emergencies, which do not always occur near a landline phone. As the performance measures indicate, the number of E-911 calls received from wireless phones are increasing at a faster rate than the number of wireline emergency calls received by the

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 781,751	\$ 981,125	\$ 983,322	0.2%
Operation	11,266	90,309	93,769	3.8%
Capital	0	0	0	0.0%
Total	\$ 793,017	\$ 1,071,434	\$ 1,077,091	0.5%
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				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Wireless 911 Calls Received	147,358	145,795	147,947	2,152
Percentage Wireless 911 Calls to Total 911 Calls Received	78.49%	79.20%	80.14%	0.94%
Percentage Wireless 911 Calls to Total Calls (Emergency & Non-emergency) Received	25.03%	24.81%	25.17%	0.36%

emergency communications center. Clearly wireless phones have become the public's primary communication device even in emergent situations.

The Wireless E-911 budget for FY2017-18 totals \$1,077,091, which increased by a net difference of \$5,657 or 0.5 percent from the previous approved budget. The personnel component increased by a net difference of \$2,197 or 0.2 percent. This increase was driven by updated estimates for personnel including a 2.5 percent salary increase for FY2017-18 and rising health care costs. It is important to note the overall increase was offset by turnover in this area.

The operating component increased by \$3,460 or 3.8 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 FY2017-18 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. The formula, established in the Code of Virginia, is set to be recalculated based on cost and call load data in 2017. However, legislation in the General Assembly, as of this writing, proposes to push this recalculation to 2018. Having said this, the County will continue to conservatively project the amount of Wireless E-911 revenues received from the State in FY2017-18.

SOCIAL SERVICES

Description

The Department of Social Services provides financial assistance and social services programs that assist children, 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.

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 11,269,673	\$ 12,208,887	\$ 13,514,750	10.7%
Operation	7,616,674	7,099,143	7,099,143	0.0%
Capital	34,840	11,260	11,260	0.0%
Total	<u>\$ 18,921,187</u>	<u>\$ 19,319,290</u>	<u>\$ 20,625,153</u>	<u>6.8%</u>
Personnel Complement*	185	189	198	9

* Four positions were added in a September 2016 amendment. The addition of five others is included in the FY2017-18 Budget.

Social Services (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Foster Child Initial Placement in Family Homes	70%	70%	70%	0%
Family Foster Home Recruitment	10	15	15	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 guarantee all foster parent applicants will receive orientation and training prior to the placement of a child.
- 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 provision of accepted services to assist the client with living in a safe situation.
- To provide job registrants with employment, education, or training that will lead 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 FY2017-18 is \$20,625,153, which represents an increase of \$1,305,863, or 6.8 percent, from the FY2016-17 Approved Budget. The Department anticipates collecting \$15,515,058 in revenue from state and federal governments, which is 75.2 percent of

funding. An additional \$5,059,850, representing 24.5 percent of all funding, will be provided through a transfer from the General Fund. The Department also anticipates receiving \$50,245 from other local sources, which is 0.2 percent of the total budget.

The entirety of the increase in expenditure requirements for FY2017-18 is in the personnel component of the budget, which is 10.7 percent higher than the FY2016-17 Approved Budget. This budgetary growth is due to: a 2.5 percent wage scale adjustment, an Overtime adjustment, adjustments to the Department's career development structure, increased costs of hospitalization benefits, and the addition of funding for the Family Access to Medical Insurance Security Plan (FAMIS). The FAMIS funding, of which 84.5 percent comes from State and federal sources, was approved by the Board of Supervisors in a September 2016 amendment. The program's purpose is to manage applications and provide ongoing case management for an estimated 2,755 cases. Four positions were added for this purpose in the September 2016 amendment and five additional positions are approved in this budget.

The operating component of the budget is \$7,099,143, which is equal to the FY2016-17 Approved Budget. A total of \$11,260 is budgeted for capital needs. This figure is also unchanged from FY2016-17.

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 (cont'd)

Social Services include: Adult/Child Protective Service, Adult Services, Foster Care, Adoptions, Child Day Care, Employment Services, Custody Investigations, Home Studies, and Housing Services. 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.

Foster Care caseload numbers increased by 11.3 percent during FY2015-16 and the continued need for residential placements is an ongoing concern. In many cases these youth come into foster care with significant emotional, behavioral, and mental health needs. Some of those needs are met through the

Children's Services Act, which is located in another section of this document.

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 increased by 24.6 percent from FY2014-15 to FY2015-16, and the number of investigations increased by 41.6 percent during that time period. Additionally, the number of requests for nursing home and personal care (home based) waivers increased by 20.0 percent during FY2015-16.

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 FY2017-18 is \$12,230,326. This represents an increase of \$567,098, or 4.9 percent, over the FY2016-17 Approved Budget. The increase is due to growth of \$556,932 in Purchase of Services and \$10,166 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 FY2017-18, CSA is estimated to fund services for 485 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

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 359,975	\$ 375,441	\$ 385,607	2.7%
Operation	11,220,579	11,287,237	11,844,169	4.9%
Capital	153	550	550	0.0%
Total	\$ 11,580,707	\$ 11,663,228	\$ 12,230,326	4.9%
Purchase of Services				
General Government Services	\$ 4,100,146	\$ 2,715,458	\$ 2,882,538	\$ 6.2%
Education Services	6,925,333	8,423,177	8,813,029	4.6%
Administration	555,228	524,593	534,759	1.9%
Total	\$ 11,580,707	\$ 11,663,228	\$ 12,230,326	\$ 4.9%
Personnel Complement*	N/A	N/A	N/A	N/A

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

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Children Served	467	475	485	10
Children Served in Residential Programs	69	80	85	5

home; 4) community based services for children and families such as home based counseling, intensive care coordination, parent coaching, and psychological or 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 \$11,695,567, or 95.6 percent of the total budget, yielding an administrative component of 4.4 percent. The FY2017-18 proposed 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 FY2017-18 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 FY2017-18 is \$485,000.

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

Fiscal Year	Expenses*	Change	Percent
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%
FY2015-16	\$11,580,707	\$1,813,508	18.6%

*An additional expense of \$300,000 for the purchase of CSA services in FY2015-16 can be found as a General Fund expenditure by Henrico County Public Schools.

In response to this pattern of sharply rising growth, funding for Treatment Services has been increased by \$556,932 in FY2017-18. 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 75.4 percent of funding and all other areas receiving 24.6 percent.

In FY2017-18, the County will provide a projected total of \$4,955,404 as a direct match for all CSA funding; that is purchased services, administration, and Medicaid. This amount represents an increase of \$207,172, or 4.4 percent, over the General Fund transfer amount from FY2016-17. This local share is derived from several different estimated percentages, based on the type of service being provided by CSA. Purchased services will receive local funding in the amount of \$4,202,375, CSA Administration will receive \$247,879 in local funding. In addition, the County will provide a forecasted local match of Medicaid services, totaling \$485,000, and a local match of \$20,150 for the Safe and Stable Families Program noted below, for the total local contribution

CSA (cont'd)

of \$4,955,404. The State will provide funding for the remainder of the CSA budget, totaling \$7,165,073.

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, along with the local match of \$20,150, for a total of \$129,999.

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 FY2017-18 are \$13,639,971, inclusive of a General Fund subsidy of \$3,018,511, which remains flat compared to 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 \$237,000 or 2.4 percent when compared to the prior fiscal year. Revenues are sufficient to cover all operating expenditures for Solid Waste in FY2017-18. The Division's total expenditures of \$13,639,971 remain relatively flat to the FY2016-17 approved budget with an increase of \$25,688 or 0.2 percent.

Annual Fiscal Plan

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 3,471,928	\$ 3,806,862	\$ 3,962,231	4.1%
Operation	6,232,371	7,952,054	7,667,195	(3.6%)
Capital	833,109	1,855,367	2,010,545	8.4%
Total Solid Waste	<u>\$ 10,537,408</u>	<u>\$ 13,614,283</u>	<u>\$ 13,639,971</u>	<u>0.2%</u>
Street Lights	68,672	83,100	83,100	0.0%
Total Solid Waste/Street Lights	<u><u>\$ 10,606,080</u></u>	<u><u>\$ 13,697,383</u></u>	<u><u>\$ 13,723,071</u></u>	<u><u>0.2%</u></u>

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

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Tons Collected by Refuse Collection	45,016	44,000	45,000	1,000
Tons Collected by Bulky Waste	518	500	500	0
Tons Collected by Neighborhood Cleanups	1,977	3,000	3,000	0
Tons Deposited in Public Use Areas	23,903	25,000	25,000	0
Number of Refuse Customers	46,586	47,000	48,000	1,000

The personnel component is budgeted at \$3,962,231 in FY2017-18, and reflects an increase of \$155,369 or 4.1 percent when compared to the FY2016-17 approved budget. The increase in the personnel component is due to a 2.5 percent salary increase for FY2017-18 as well as an increase in health care expenditures. The operating component of the budget reflects a decrease of \$284,859 or 3.6 percent which is in part due to the movement of \$155,178 into the capital outlay component to accurately reflect projected expenditures. The capital outlay component of the budget is increasing by \$155,178, or 8.4 percent. The increase to the capital component is due to the budgeting of funds for the replacement of two automated refuse collection trucks, three rear loader refuse packers, two backhoes, two refuse roll-off trucks, a 120-cubic yard refuse trailer, 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 a decrease of \$129,681, or 1.3 percent from the FY2016-17 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 \$2,693,295 and represents an increase of \$158,702, or 6.3 percent. The bulk of the increase is attributable to the replacement of two automated refuse collection trucks, and three rear loader refuse packers all of which are part of replacement plans and are past their useful lives. The increase is also due to funding included for the replacement of two refuse roll-off trucks that haul 30 and 40 cubic yard roll-off boxes from the Springfield

and Charles City Road Public Use areas to the transfer station/landfill. These items are reflected in the capital component of the budget for Administration.

Collection Operations:

The budget for Collection Operations totals \$4,818,577, and represents an increase of \$74,059 or 1.6 percent when compared to the prior fiscal year approved budget.

Refuse Collection

The budget for the Refuse Collection area is \$3,808,598, which represents an increase of \$81,197, or 2.2 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 \$201,128 from the General Fund. The FY2017-18 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 \$128,618, which decreased from the prior fiscal year approved budget by \$17,751 or 12.1 percent. Bagged Leaf Services provides two collections in each neighborhood from November through January per 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 \$558,099 in FY2017-18, which represents a \$27,054 or 5.1 percent increase from the prior year approved budget. There are no personnel costs budgeted for Cleanup activities, however \$296,745 is budgeted for employees from other areas of Solid Waste to perform this service. A General Fund subsidy fully supports cleanup costs.

Processing and Disposal:

The FY2017-18 budget of \$6,023,104 for Processing and Disposal represents a decrease of \$212,901 or 3.4 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 \$2,878,094 in FY2017-18, representing a decrease of \$188,655 or 6.2 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). A General Fund subsidy of \$2,130,666 supports recycling costs.

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 FY2017-18 budget for this operation totals \$1,131,273. 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 FY2017-18 budget for the Public Use Areas is \$1,550,995, a decrease of \$48,449, or 3.0 percent. Solid Waste operates two Public Use Areas in the County, on the western end at Ford's Country Lane, and on the eastern end at Charles City Road. The Public Use Areas are available to citizens to deposit refuse for a fee of \$3 per visit and deposit recyclables at no charge. Coupon books are available for ten visits at a cost of \$27 and for fifteen visits at a cost of \$40. The Public Use Areas are open three hundred and sixty-one days a year, closing on January 1st, July 4th, Thanksgiving Day and Christmas Day. The Public Use Areas receive approximately 25,000 tons of refuse annually.

Landfill Post Closure

Landfill Post Closure expenditures of \$457,750 in FY2017-18 represent a \$8,100 or 1.7 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 FY2017-18 budget for Litter Control is \$104,995, which is increasing by \$5,828, or 5.9 percent compared to the FY2016-17 approved budget. Solid Waste receives an annual grant from the State Litter Control Board for this program, which is budgeted at \$42,340 in FY2017-18.

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 FY2017-18 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.

	FY2016-17	FY2017-18	Percent Change
Recycling	2,130,666	2,130,666	0.0%
Bulky Waste	210,431	201,128	-4.4%
Cleanups	531,045	558,099	5.1%
Bagged Leaf	146,369	128,618	-12.1%
Total	3,018,511	3,018,511	0.0%

Street Lighting

The County provides street lighting in certain areas which are funded with supplemental tax levies to residents and businesses in those areas. The budget for FY2017-18 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. Projected street lighting revenues and expenditures in FY2017-18 total \$83,100, representing no change from the prior year approved budget.

Solid Waste (cont'd)

The street lighting personal property levy for each Sanitary District remains at \$0.001 for all districts and approved real property levies remain unchanged for FY2017-18 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.

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. Now, the

Annual Fiscal Plan

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	107,527	50,000	50,000	0.0%
Capital	0	0	0	0.0%
Total	\$ 107,527	\$ 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

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	928,621	847,000	847,000	0.0%
Capital	0	0	0	0.0%
Total	\$ 928,621	\$ 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 2017-18

Water and Sewer Enterprise Fund

Revenues/Resources	FY 15-16 Actual	FY 16-17 Original	FY 17-18 Approved
<u>Water and Sewer Operating Budget:</u>			
Sale of Water	\$50,971,745	\$51,550,971	\$53,973,909
Sale of Sewer	50,550,730	50,739,661	53,095,870
Water Charges	6,468,837	4,081,357	5,170,231
Sewer Charges	7,011,151	4,560,203	4,752,271
Strong Waste Surcharge	1,735,368	2,000,000	1,500,000
City of Richmond	1,149,254	820,000	820,000
Interest Earnings	1,019,734	799,459	1,204,593
Miscellaneous Revenues	(611,689)	640,088	785,689
Transfer from General Fund	1,930,308	1,928,621	1,855,021
Total Operating Revenues	120,225,438	117,120,360	123,157,584

Operating Expenditures

<u>Water and Sewer Operating Budget:</u>			
Personnel	19,961,637	20,817,368	21,262,571
Operating	43,659,324	40,797,511	42,075,332
Capital Outlay	743,939	785,527	785,527
Sub-Total Operating	64,364,900	62,400,406	64,123,430
Debt Service	19,976,244	22,280,470	25,638,101
Total Operating Expenditures	84,341,144	84,680,876	89,761,531
Results of Operations (Prior to Capital Expenses)	(35,884,294)	(32,439,484)	(33,396,053)
Budget For Capital Use (Below)		(200,050,000)	(77,550,000)

Capital Budget Expenditures	FY 15-16 Actual	FY 16-17 Original	FY 17-18 Approved
Approved Capital Projects (FY2016-17 Budget)		200,050,000	
Approved Capital Projects (New FY2017-18 Budget)			77,550,000
Continuing Capital Projects (Previously Approved) (1)	60,364,174		
Total Capital Budget Expenses:	60,364,174	200,050,000	77,550,000
Capital Budget Resources			
Water and Sewer Revenues	9,712,373	59,200,000	77,550,000
Revenue Bonds	50,651,801	140,850,000	0
Total Capital Budget Resources:	60,364,174	200,050,000	77,550,000

Notes:

(1) This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2015-16 represents actual spending, as per the 2016 audit.

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - BELMONT GOLF COURSE ENTERPRISE FUND
FY 2017-18

<u>Fund-Function/Activity</u>	<u>FY 15-16 Actual</u>	<u>FY 16-17 Original</u>	<u>FY 17-18 Approved</u>
Belmont Golf Course Fund			
Revenues:			
Operating	\$870,258	\$1,090,593	\$1,103,854
Gain/Loss on Sales of Property	(5,082)	0	0
Miscellaneous Revenue	1,960	0	0
Transfer from General Fund	40,000	0	0
Total Revenues	<u>907,136</u>	<u>1,090,593</u>	<u>1,103,854</u>
(To) From Retained Earnings	<u>38,162</u>	<u>0</u>	<u>0</u>
Total Resources	\$945,298	\$1,090,593	\$1,103,854
Expenses:			
Operating	<u>945,298</u>	<u>1,090,593</u>	<u>1,103,854</u>
Total Operating Expenses	\$945,298	\$1,090,593	\$1,103,854

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 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	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 19,961,637	\$ 20,817,368	\$ 21,262,571	2.1%
Operation	43,659,324	40,797,511	42,075,332	3.1%
Capital	743,939	785,527	785,527	0.0%
Debt Service	19,976,244	22,280,470	25,638,101	15.1%
Total	\$ 84,341,144	\$ 84,680,876	\$ 89,761,531	6.0%

Personnel Complement	306	307 *	307	0
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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				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Average No. of Fire Hydrants in Service	12,880	13,000	13,200	200
Miles of Water Mains	1,607	1,620	1,630	10
Miles of Sewer Mains	1,491	1,500	1,510	10
Number of Water Customers	96,811	97,800	98,800	1,000
Number of Sewer Customers	93,939	94,800	95,800	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, 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 FY2017-18, projected operating resources of \$123,157,584 will support water and wastewater operations, reflecting an increase of 5.2 percent from the FY2016-17 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 the obligations of the fund. The FY2017-18 budget adheres to that premise. Payments and transfers from the General Fund to Water and Sewer in FY2017-18 total \$1,928,621 for debt service costs related to the Elko Tract infrastructure improvements. The FY2017-18

budget also includes a payment of \$75,000 from Water and Sewer to OPEB.

Expenditures

The FY2017-18 budget of \$89,761,531 includes expenditures for personnel, operating, capital outlay, and debt service. Overall, the Water and Sewer operating budget is increasing by 6.0 percent, or \$5,080,655. This is primarily attributable to a \$3,357,631 increase to the debt service portion of the budget. A portion of the increase is driven by the personnel component, which totals \$21,262,571 and reflects an increase of \$445,203 or 2.1 percent. This increase is attributable to a 2.5 percent salary increase for FY2017-18 as well as rising health care costs.

The remainder of the budgetary increase is due to a \$1,277,821 increase in operating expenses. The additional Operations & Maintenance appropriations for FY2017-18 will be accommodated within the 5.0 percent requested rate increase, and is for ongoing maintenance work at the Water Reclamation Facility. 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 \$25,638,101 represents a net increase of \$3,357,631 or 15.1 percent when compared to the approved FY2016-17 budget. The debt service in the FY2017-18 budget is based on existing debt service plus the addition of an anticipated \$140.0 million debt issuance in January, 2018 at 5.0 percent interest rates for 30 years with a 1.5 percent issuance cost which is reflected in the rate model. Approximately \$96 million of the planned debt issuance is to provide funding for the Cobbs Creek Reservoir project, \$34 million will provide funding for the Water Reclamation Facility and 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.

Public Utilities (cont'd)

The debt service budget will fully fund requirements arising from the Water and Sewer Fund's outstanding debt, which on June 30, 2016 was \$285.5 million, as well as the FY2016-17 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, 2016, this coverage equaled 2.44 times the debt service requirements. (Source: FY2015-16 Henrico County Comprehensive Annual Financial Report)

Debt service expenditures, in total, represent 29.0 percent of FY2017-18 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 \$263,950,000. This amount represents 25.0 percent of the total County five-year Capital Improvement Program. However, when looking at the County's FY2016-17 operating budget, the Water and Sewer fund represents 8.4 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 FY2017-18 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:

FY12: \$ 51,395,132
FY13: \$ 48,899,271
FY14: \$ 24,886,066
FY15: \$ 55,689,150
FY16: \$ 84,663,117

(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.

Maintenance of the golf course and food and beverage operations are provided by the County.

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.
- 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.

Budget Highlights

The budget for the Belmont Golf Course in FY2017-18 is \$1,103,854, which represents an increase of \$13,261, or 1.2 percent, when compared to the FY2016-17 Approved Budget. The entire increase is attributable to personnel costs.

The personnel component of the Golf Course budget reflects a 2.5 percent increase when compared to the FY2016-17 Approved Budget. This is the result of a 2.5 percent wage scale adjustment and an increase in the County's cost of health care benefits.

The operating component reflects a 0.1 percent decrease, which is solely due to a \$596 decrease in the allocation for purchase of chemicals. This amount was shifted to capital outlay, which is budgeted to total \$54,260. The Division anticipates the replacement of mowing and aerating equipment, as well as the purchase of a turf sweeper.

This budget includes \$1,002,104 for operation and maintenance of the Golf Course and \$101,750 for the Snack Bar.

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. There are no fee adjustments in the FY2017-18 budget.

Annual Fiscal Plan

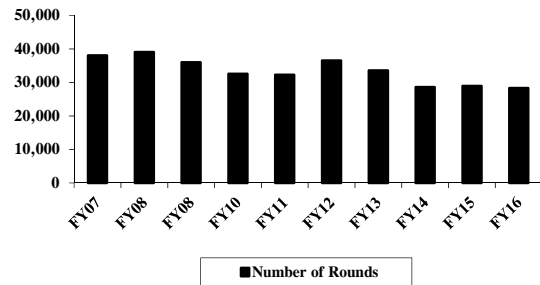
Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 445,636	\$ 533,111	\$ 546,372	2.5%
Operation	453,849	503,818	503,222	(0.1%)
Capital	45,813	53,664	54,260	1.1%
Total	\$ 945,298	\$ 1,090,593	\$ 1,103,854	1.2%
Personnel Complement	8	8	8	0

Belmont Golf (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Rounds of Golf Played	28,285	28,000	28,000	0
Efficiency Measures				
Golf Revenue per Round	\$32	\$32	\$32	\$0
Food/Beverage Revenue per Round	\$2	\$2	\$2	\$0

In reviewing the number of rounds played over the past ten fiscal years, the most recent year saw a small decline in rounds played after a year that had featured a small increase. The long term trend of rounds played has been downward, with annual rounds having decreased by 25.6 percent in the period between FY2006-07 and FY2015-16. Marketing efforts have been underway in recent years in an attempt to attract new golfers to Belmont Golf Course, and those efforts will continue.

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



OTHER FUNDS

**COUNTY OF HENRICO, VIRGINIA
ALL OTHER FUNDS
FY 2017-18**

<u>Fund-Function/Activity</u>	<u>FY 15-16 Actual</u>	<u>FY 16-17 Original</u>	<u>FY 17-18 Approved</u>
Central Automotive Maintenance			
Revenues:			
Charges for Automotive Maintenance - West	\$7,646,499	\$6,547,180	\$7,149,379
Charges for Automotive Maintenance - East	2,257,920	2,234,192	2,179,072
Charges for Use of Motor Pool	4,182,773	4,095,000	4,010,000
Charges for Gasoline	3,730,177	7,466,354	7,200,000
Charges for Vehicle Wash Facility	0	136,000	136,000
Miscellaneous	396,181	345,100	369,100
(Gain)/Loss on Sale of Property	(114,894)	0	0
Fund Balance-CAM	879,656	0	0
Total Revenues	<u>\$18,978,312</u>	<u>\$20,823,826</u>	<u>\$21,043,551</u>
Expenses:			
Central Automotive Maintenance	\$18,978,312	\$20,823,826	\$21,043,551
Total Expenses	<u>\$18,978,312</u>	<u>\$20,823,826</u>	<u>\$21,043,551</u>
Technology Replacement Fund			
Revenues:			
Transfer from General Fund	\$1,000,000	\$2,000,000	\$2,250,000
(To) From Retained Earnings - Technology	948,502	962,438	152,765
Total Revenues	<u>\$1,948,502</u>	<u>\$2,962,438</u>	<u>\$2,402,765</u>
Expenses:			
Technology Replacement	\$1,948,502	\$2,962,438	\$2,402,765
Total Expenses	<u>\$1,948,502</u>	<u>\$2,962,438</u>	<u>\$2,402,765</u>
Risk Management			
Revenues:			
Transfer from General Fund	\$10,396,549	\$8,393,421	\$8,392,479
Public Utilities Charges	959,355	750,000	750,000
Recon-Workers' Compensation	305,871	0	0
Prop/Liability Recovery	225,688	0	0
Interest Income	24,555	0	0
Total Revenues	<u>\$11,912,018</u>	<u>\$9,143,421</u>	<u>\$9,142,479</u>
Expenses:			
Risk Management	\$11,912,018	\$9,143,421	\$9,142,479
Total Expenses	<u>\$11,912,018</u>	<u>\$9,143,421</u>	<u>\$9,142,479</u>

All Other Funds (cont'd)

<u>Fund-Function/Activity</u>	<u>FY 15-16 Actual</u>	<u>FY 16-17 Original</u>	<u>FY 17-18 Approved</u>
Healthcare Fund			
Revenues:			
County Contribution	70,273,205	76,440,957	80,751,847
Employee Contribution	18,057,747	19,097,537	19,861,439
Retiree Contribution	5,436,225	7,169,315	7,456,088
Retiree Subsidy	722,092	879,440	893,094
Disabled Subsidy	56,845	116,292	116,292
COBRA	148,437	349,947	363,944
Interest Income	148,873	75,000	100,000
Recoveries and Rebates	94,649	0	0
Healthcare - Wellness Payment	111,310	150,000	150,000
Use of Fund Balance (Includes IBNR)	7,725,762	4,025,060	3,832,444
Total Revenues	<u>\$102,775,145</u>	<u>\$108,303,548</u>	<u>\$113,525,148</u>
Expenses:			
Healthcare	\$102,775,145	\$108,303,548	\$113,525,148
Total Expenses	<u>\$102,775,145</u>	<u>\$108,303,548</u>	<u>\$113,525,148</u>
Debt Service Fund			
Revenues:			
Transfer from General Fund	\$54,086,435	\$57,507,646	\$57,762,829
From Capital Projects Fund Balance	2,000,000	0	0
Fund Balance - Debt	0	1,000,000	0
Total Revenues	<u>\$56,086,435</u>	<u>\$58,507,646</u>	<u>\$57,762,829</u>
Expenditures:			
Debt Service - General Government	\$17,641,000	\$21,721,694	20,287,617
Debt Service - Public Works	3,495,948	3,493,179	3,729,843
Debt Service - Education	34,949,487	33,292,773	33,745,369
Total Expenditures	<u>\$56,086,435</u>	<u>\$58,507,646</u>	<u>\$57,762,829</u>
Adjustment for Interfund Transactions	<u>(\$90,030,454)</u>	<u>(\$98,260,515)</u>	<u>(\$102,804,784)</u>

CENTRAL AUTOMOTIVE MAINTENANCE

Description

Central Automotive Maintenance (CAM) is a division within the Department of General Services tasked with supporting the County's diverse fleet of over 3,500 units. CAM provides fleet management services, repair and preventive maintenance services, fleet refueling, motor pool lease vehicles, and starting in 2017, CAM will begin operation of the County's large vehicle wash facility located in the Woodman Road complex. Fleet repair and maintenance activities are performed at two locations. The main shop is located in the western portion of the County on Woodman Road, and a satellite shop is located in the eastern portion of the County on Dabbs House Road. CAM operates eight (8) self-service refueling facilities strategically located within the County that provide unleaded gasoline, diesel fuel, and propane. CAM owns and leases approximately 700 passenger sedans, pickup trucks, vans, and other miscellaneous vehicles to other County departments through its motor pool operation. CAM is an Internal Service Fund organization and as such funding for all aforementioned activities is provided through inter-departmental billings.

Objectives

- To provide high quality fleet and equipment management services.
- To maintain the County's automotive and equipment fleet as safely and efficiently as possible.
- To provide motor pool lease vehicles to other County agencies.
- To provide dependable fuel supplies for County-owned vehicles.

Budget Highlights

The Central Automotive Maintenance budget for FY2017-18 totals \$21,043,551, which represents a net increase of \$219,725 or 1.1 percent from the previous approved budget. The personnel component increased by \$278,760 or 6.7 percent compared to the FY2016-17 budget. This increase is primarily driven by the addition of three Automotive Equipment Mechanic positions,

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 3,961,432	\$ 4,145,004	\$ 4,423,764	6.7%
Operation	12,370,234	16,678,822	16,619,787	(0.4%)
Capital	2,646,646	2,411,565	2,641,300	9.5%
Sub-Total	<u>\$ 18,978,312</u>	<u>\$ 23,235,391</u>	<u>\$ 23,684,851</u>	<u>1.9%</u>
Recommended Adjustments	<u>0</u>	<u>(2,411,565)</u>	<u>(2,641,300)</u>	<u>9.5%</u>
Total Budget	<u><u>\$ 18,978,312</u></u>	<u><u>\$ 20,823,826</u></u>	<u><u>\$ 21,043,551</u></u>	<u><u>1.1%</u></u>
Personnel Complement*	67	67	70	3

*The complement includes the addition of three Automotive Equipment Mechanic positions for FY2017-18.

Central Automotive Maintenance (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Total Vehicles/Equip. Maintained by CAM	3,567	3,560	3,570	10
Gallons of Fuel Consumed	2,974,784	3,038,934	3,099,000	60,066
Annual Miles Driven	24,262,178	24,550,000	24,795,000	245,000
Equipment to Mechanic Ratio	79	79	79	0
Fleet Readiness (Countywide Goal of 95%)	N/A	N/A	95%	95%

who would be assigned to support Public Utilities – Solid Waste and Public Works – Road Maintenance. The salaries and associated benefits for these new positions total \$149,978 and are being added to the complement to offset a portion of the commercial cost for vehicle maintenance that is currently being handled by outside vendors. By “in-sourcing” approximately 50.0 percent of commercial labor hours attributed to DPU and DPW, the County is forecasted to save approximately \$225,000 per year.

The personnel component also reflects the addition of two temporary employees, a Senior Shop Clerk Dispatcher to support the CAM East shop location and an Automotive Service Worker II position to support the Large Vehicle Wash Facility, which impacted the budget by \$59,035. Funding was reallocated from the existing operating budget to cover the expenses associated with these new temporary positions. Additionally, the personnel budget also reflects updated estimates including a 2.5 percent salary increase for FY2017-18 as well as rising health care costs. These adjustments were slightly offset by the retirement of several senior employees during the prior fiscal year.

The overall operating component totals \$16,619,787, which reflects an overall decrease of \$59,035 or 0.4 percent from the previous approved budget. This decrease reflects the reallocation of funding to the personnel component to cover salaries and related FICA costs for the two new temporary positions within CAM. It is important to note that adjustments were made to several accounts within the operating component to more accurately reflect forecasted expenditures. Most notably, diesel fuel and gasoline were reduced which allowed additional funding to be allocated to parts inventory purchases and commercial vehicle repair.

The capital component totals \$2,641,000 and includes \$2,055,000 for the replacement of 84 motor pool

vehicles. Vehicles scheduled to be replaced next year include 30 compact sedans, 29 trucks, 11 vans, 7 sport utility vehicles, 4 mid-size wagons, 1 full-size Police sedan, 1 mid-size sedan, and 1 bus. The capital component also includes \$107,500 for the purchase of three new vehicles for General Services and two new vehicles for Public Works. The remaining \$478,800 budgeted in this component includes an addition to the CAM East stockroom, replacement of the CAM West oil distribution system, three floor lifts, two truck scanners, two charging stations, seven mechanic work station computers, and five back office computers

The Division of Central Automotive Maintenance is an Internal Service Fund program and as such CAM generates revenue through its rates and fees to recover expenditures. CAM’s revenues are generated from charges to user departments for three primary services: fleet repair and preventive maintenance, motor pool vehicle leasing, and fuel services.

Revenues from fleet repair and maintenance performed at both the West End and East End maintenance facilities are estimated at \$9,328,451 for FY2017-18. Motor pool vehicle lease revenues are projected at \$4,010,000 in FY2017-18. Vehicle rental rates are designed to recover maintenance and operational costs along with a vehicle replacement additive that accumulates in CAM’s fund balance. This additional revenue is then used for the purchase of replacement motor pool vehicles. In FY2016-17, CAM introduced a flat monthly or daily rental rate for motor pool vehicles in lieu of the former rate structure which charged a flat fee for the first 1,000 miles plus 20¢ for each additional mile. The new rate structure enables the users to more accurately forecast future motor pool costs.

The estimate for CAM’s fuel revenues totals \$7,200,000 for FY2017-18. Fuel consumed by a

Central Automotive Maintenance (cont'd)

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.

A total of \$136,000 in revenues has been budgeted for the Vehicle Wash Facility. Miscellaneous revenue for CAM is projected at \$369,100 for FY2017-18 and includes the sale of vehicles, employee use of County vehicles, recoveries and rebates, and revenues from the energy connect program.

Beginning in FY2017-18, an additional performance measure that tracks overall Fleet Readiness will be adopted for Central Automotive Maintenance. This measurement will compare the number of out-of-service units to the overall fleet count to determine the percentage of vehicles ready for service each day. An aggressive overall readiness rate of 95% has been adopted for the countywide fleet.

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 FY2017-18 budget for the Technology Replacement Fund totals \$2,402,765. It is important to note that funding of \$2,250,000 to support this budget request is to be provided by a transfer from the General Fund. The FY2017-18 budget will mark the eighteenth year of the program, and is the fifteenth year equipment in the fund can be replaced. It should be noted that in the current year, there are 2,879 computers and 1,027 other pieces of equipment in the program, which has an accumulated value of \$11,596,554. As of June 30, 2016, the Technology Replacement Fund had accumulated \$2,958,622 for future equipment replacement. The forecasted accumulated balance for the Fund as of June 30, 2018 is \$1,843,419.

The Technology Replacement Fund budget includes funding of \$44,786 for new computer equipment which will be utilized by ten new Police Officers and one new Management Specialist. In addition, this budget includes \$2,357,979 for the replacement of computer equipment. The departments that made formal requests for equipment replacement in FY2017-18 are Board of Supervisors, Building Inspections, Community Revitalization, County

Annual Fiscal Plan

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	400	0	0	0.0%
Capital	1,948,102	2,962,438	2,402,765	(18.9%)
Total	\$ 1,948,502	\$ 2,962,438	\$ 2,402,765	(18.9%)

Technology Replacement Fund (cont'd)

	Performance Measures			Change
	FY16	FY17	FY18	17 to 18
Workload Measures				
Accumulated Value of Equipment	11,523,484	11,596,554	11,641,340	44,786
Computers in Program	2,864	2,879	2,890	11
Other Equipment in Program	1,027	1,027	1,027	0

Manager, Finance, Division of Fire, Human Resources, Information Technology, Internal Audit, Permit Center, Planning, Police Division, Public Library, Public Relations and Media Services, Public Works, Recreation and Parks, and Registrar.

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.

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 FY2017-18 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 FY2017-18 totals \$9,142,479 and is funded with a transfer of \$8,392,479 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 \$942 from the previous approved budget. This reduction is driven solely by the personnel component, which reflects the impact of turnover. It is important to note that this decrease was partially offset by the 2.5 percent salary increase for FY2017-18 and rising health care costs. The operating and capital components of the budget remained flat from the previous fiscal year.

Objectives

- To protect the County against losses that could significantly impact its personnel, property, or financial stability in providing services to the general public.

Annual Fiscal Plan

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Personnel	\$ 830,345	\$ 924,275	\$ 923,333	(0.1%)
Operation ⁽¹⁾	11,066,663	8,213,546	8,213,546	0.0%
Capital	15,010	5,600	5,600	0.0%
Total	\$ 11,912,018	\$ 9,143,421	\$ 9,142,479	(0.0%)
 Personnel Complement	 11	 11	 11	 0

⁽¹⁾\$4,500,000 of FY2015-16 actual expenditures was funded through a routine budget amendment utilizing funding available in the Self-Insurance Reserve.

Risk Management (cont'd)

Performance Measures				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Workers' Compensation Claims Processed	1,229	950	1,100	150
Auto. Gen. Liability, Other Claims Processed	677	550	550	0
Property Damage and Loss Claims Processed	1,089	1,000	1,000	0

In FY2017-18, the budget for the Self-Insurance Administration function of Risk Management totals \$1,150,576. 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 FY2017-18, 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 FY2017-18, the budget for Claims totals \$6,935,156. 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. It is important to

note that the budget amendment in December 2016 totaled \$4,500,000, which was based on an average of actual expenditures for Risk Management over last three fiscal years.

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 FY2017-18 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, 2016 had a balance of \$9.5 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 FY2017-18 provides funding of \$113,525,148 for the Healthcare Fund. Included in this figure is \$80,751,847 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 \$32,773,301 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 FY2017-18, the Healthcare Fund budget also assumes the use of \$3,832,444 from the Premium Stabilization Reserve. This designation of fund balance allows the County to minimize the calendar year 2017 rate increase for employees attributable to overall healthcare cost increases, as well as fees mandated by the Affordable Care Act (ACA). The budget for FY2017-18 includes the fifth 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 \$113,525,148 budget for Healthcare, \$107,343,588, or 94.6 percent reflects estimated claims expenditures. The balance of \$5,656,500 (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 (\$1,750,000). 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

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Claims	\$ 96,521,216	\$ 102,231,988	\$ 107,343,588	5.0%
Other Administrative Fees	5,516,868	5,546,500	5,656,500	2.0%
Payments to Federal Government (ACA)	737,061	525,060	525,060	0.0%
Total Healthcare	<u>\$ 102,775,145</u>	<u>\$ 108,303,548</u>	<u>\$ 113,525,148</u>	<u>4.8%</u>

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 \$479,050,000 as of June 30, 2017. This reflects the projected issuance of \$114,600,000 of General Obligation (G.O.) Bonds; the first issuance of the November, 2016 Bond Referendum. The distribution of the debt is: \$425,230,000 of G.O. bonds (\$319,245,642 for Schools and \$105,984,358 for General Government), \$14,030,000 of Industrial Development Authority (IDA) bonds for the regional jail project, \$795,000 of IDA bonds for General Government projects, \$8,395,000 of Virginia Public School Authority (VPSA) bonds, and \$30,600,000 for Lease/Revenue bonds 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 was in FY2015-16. Another way to view the \$479,050,000 projected outstanding debt is \$327,640,642 or 68.4 percent is attributed to Education projects and \$151,409,358 or 31.6 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

Annual Fiscal Plan

Description	FY16 Actual	FY17 Original	FY18 Approved	Change 17 to 18
Principal Payments	\$ 38,605,000	\$ 41,350,000	\$ 39,365,000	(4.8%)
Interest Payments	17,459,548	17,107,646	18,347,829	7.2%
Other Debt Expenses	21,887	50,000	50,000	0.0%
Total	\$ 56,086,435	\$ 58,507,646	\$ 57,762,829	(1.3%)
General Government	\$ 21,136,948	\$ 25,214,873	\$ 24,017,460	(4.7%)
Education	34,949,487	33,292,773	33,745,369	1.4%
Total Budget	\$ 56,086,435	\$ 58,507,646	\$ 57,762,829	(1.3%)

Debt Service Fund (cont'd)

of General Fund Expenditures, 7.75%; debt service as a percentage of assessed value, 1.49%; and debt per capita, \$1,650.

The Board of Supervisors established the debt guidelines in the FY1998-99 Annual Fiscal Plan, which were reaffirmed during growth retreats held in 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 February 2017. 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 **1.22%** in FY2016-17. 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 **6.73%** in FY2016-17. **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 FY2016-17 is **\$1,444**.

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 44 localities 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 \$57,762,829 which reflects a 1.3 percent decrease when compared to the FY2016-17 Approved Budget. Of the total, \$39,365,000 is payment towards the principal amount owed, \$18,347,829 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 FY2017-18 is by service area, of which \$33,745,369 is payment on Education debt, \$20,287,617 is payment on debt related to

General Government functions, and \$3,729,843 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.

In November, 2016, the County had a General Obligation Bond Referendum that was overwhelmingly approved by the citizens of the County. The amount approved was \$419,800,000 for projects in Schools, Fire, Recreation and Parks, Libraries, and Public Works. The FY 2017-2018 Capital Budget includes \$114,600,000 in bond projects as a result of the November 2016 referendum.

There are three types of debt the County has issued over the past 18 years that the County will pay debt service on in FY2017-18: General Obligation (G.O.) Bonds, Virginia Public School Authority (VPSA) Bonds, and Lease/Revenue Bonds.

General Obligation (G.O.) Debt

Of the total debt service in FY2017-18, \$46,905,100 is related to General Obligation (G.O.) 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 the debt service related to G.O. 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 G.O. 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 G.O. Bond Referendum utilized \$12,600,000 in VPSA interest earnings and \$4,100,000 from the County's General Fund balance.

The G.O. Bond referendum approved in November 2000, anticipated the issuance of G.O. Bonds over a seven-year period from FY2000-01 to FY2006-07. G.O. Bonds were issued six times over a seven-year

Debt Service Fund (cont'd)

period with the final issue in November 2006. The following table provides a summary of each G.O. 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

On March 8, 2005, the County voters approved a \$349,300,000 General Obligation (G.O.) 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 G.O. 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 G.O. 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.

In November 2016, the County voters approved a \$419,800,000 General Obligation (G.O.) Bond Referendum for projects in Schools, Fire, Recreation and Parks, Libraries, and Public Works-road project. Of the total \$419,800,000 referendum approved by the

voters, Education projects totaled \$272,600,000 and General Government's total was 147,200,000.

In the FY2017-18 budget it will reflect the first appropriation, from this referendum, in the amount of \$114,600,000. This will be the first appropriation of six appropriations for the General Government and the first of 5 appropriations for Education. The payment reflected in FY2017-18 is nine (9) months of interest only and the FY2018-19 budget will pick up the total payment of principal and interest.

VPSA Bonds

The second debt instrument utilized that the County will pay debt service on in FY2017-18 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 two VPSA Bond issues for which debt service in the amount of \$2,926,010 will be paid in FY2017-18: one in 1999 for \$35,740,000 and one in 2000 for \$15,215,000. There was a third VPSA issue in 2008 for \$44,440,000 but that was included in the March, 2015 refunding and is now reflected as G.O. debt.

Lease/Revenue Bonds

The third debt instrument utilized that the County will pay debt service on in FY2017-18 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 \$24,765,000 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). However, in 2016 The County secured a direct bank 10-year lease revenue bond in the amount of \$34,000,00, which will partially fund the new 800 MHz communication system. The total project for the communication system is \$47,482,181.

Debt Service Fund (cont'd)

Bond Refunding's

During the economic downturn, the County reviewed each coupon of debt issued to try to find savings in debt service costs. Water and Sewer Enterprise Fund realized a savings of \$20,500,000 through targeted refunding efforts.

In the General Fund, since 2009, the County has saved \$17,740,000. The following table provides a summary of the General Fund savings.

Refunding Date	Bond Types	Amount	Savings
May, 2009	G.O. Bonds - 2001,2002	33,785,000	1,840,000
August, 2009	IDA Lease Revenue Bonds - 1996,1998,1999	36,425,000	5,150,000
May, 2010	G.O. Bonds - 2003,	119,735,000	5,100,000
September, 2012	G.O. Bonds - 2005,2006.2010A	37,500,000	2,360,000
March, 2015	G.O. Bond - 2008A and VPSA Bond-2008	50,485,000	3,290,000
Total - Refunding		277,930,000	17,740,000



FUDICIARY FUNDS

**COUNTY OF HENRICO, VIRGINIA
REVENUES & EXPENDITURES - AGENCY FUNDS
FY 2017-18**

<u>Fund-Function/Activity</u>	<u>FY 15-16 Actual</u>	<u>FY 16-17 Original</u>	<u>FY 17-18 Approved</u>
JRJDC Agency Fund			
Revenues:			
Transfer from General Fund	\$2,765,760	\$2,979,622	\$3,069,011
Transfer from General Fund - Debt Service	660,826	0	0
Revenue from Federal Government	82,443	0	0
Revenue from the Commonwealth	1,675,438	1,559,396	1,514,500
Revenue from Goochland/Powhatan	423,888	458,482	472,236
Interest Income	6,569	0	0
(To) From Fund Balance-JRJDC	(39,912)	48,724	105,534
Total Revenues	<u>\$5,575,012</u>	<u>\$5,046,224</u>	<u>\$5,161,281</u>
Expenses:			
Operating	4,914,186	4,946,224	5,061,281
Debt Service	660,826	0	0
Capital Projects	0	100,000	100,000
Total Expenses	<u>\$5,575,012</u>	<u>\$5,046,224</u>	<u>\$5,161,281</u>
Other Post Employment Benefits - GASB 45			
Revenues:			
Transfer from General Fund	\$2,750,000	\$2,750,000	\$2,675,000
Transfer from Enterprise Fund	0	0	75,000
Total Revenues	<u>\$2,750,000</u>	<u>\$2,750,000</u>	<u>\$2,750,000</u>
Expenses:			
Operating	\$2,750,000	\$2,750,000	\$2,750,000
Total Expenses	<u>\$2,750,000</u>	<u>\$2,750,000</u>	<u>\$2,750,000</u>
Line of Duty Act (LODA)			
Revenues:			
Operating Transfer from General Fund	\$514,153	\$575,000	\$700,000
Total Revenues	<u>\$514,153</u>	<u>\$575,000</u>	<u>\$700,000</u>
Expenses:			
Operating	\$514,153	\$575,000	\$700,000
Total Expenses	<u>\$514,153</u>	<u>\$575,000</u>	<u>\$700,000</u>
Long-Term Disability			
Revenues:			
Operating Transfer from General Fund	\$260,729	\$0	\$600,000
Total Revenues	<u>\$260,729</u>	<u>\$0</u>	<u>\$600,000</u>
Expenses:			
Operating	\$260,729	\$0	\$600,000
Total Expenses	<u>\$260,729</u>	<u>\$0</u>	<u>\$600,000</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 operation of the JRJDC. This arrangement eliminates the need for the Commission to duplicate various administrative functions related to personnel matters, procurement activities, and the management of accounting and budgeting efforts.

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 16, 2016, 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 \$5,061,281 for FY2017-18. This is an increase of \$115,057, or 2.3 percent compared to the FY2016-17 Approved Budget. The entire amount of this increase is in the personnel area and stems from growth in the cost of the employee health insurance benefit, along with revised estimates for salaries.

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Personnel	\$ 4,155,377	\$ 4,290,713	\$ 4,405,770	2.7%
Operation	739,029	646,381	646,381	0.0%
Capital	19,780	9,130	9,130	0.0%
Subtotal	<u>4,914,186</u>	<u>4,946,224</u>	<u>5,061,281</u>	<u>2.3%</u>
Facility Maintenance	0	100,000	100,000	0.0%
Debt	<u>\$ 660,826</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0.0%</u>
Total	<u>\$ 5,575,012</u>	<u>\$ 5,046,224</u>	<u>\$ 5,161,281</u>	<u>2.3%</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				
	FY16	FY17	FY18	Change 17 to 18
Workload Measures				
Admissions - Secure Detention	525	565	600	35
Average Daily Population	39	43	46	3
Admissions - Post Dispositional	41	41	43	2
Number of Female Groups Run by Clinicians	45	45	45	0
Number of Sub. Abuse Groups Run by Clinicians	45	45	45	0

Capital outlay totaling \$9,130 is also in this budget for replacement of furniture as well as medical and recreational equipment. Beginning in the FY2016-17 Approved Budget, \$100,000 of annual funding was included to address increased maintenance needs as the facility ages. 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.

In FY2017-18, 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. The FY2017-18 payment from Henrico will be \$3,069,011, while Goochland and Powhatan will each pay \$236,118.

State aid for the Commission is estimated at \$1,514,500 for FY2017-18. This figure is decreased by \$44,896, or 2.9 percent, from the FY2016-17 estimate for this revenue. The decrease is a result of the relatively low average daily population in FY2015-16. As the State's funding formula depends in part on ADP over a five year span, future reductions in state funding can be expected.

The Commission projects the use of \$105,534 of reserves as part of the budget for FY2017-18. While the Commission has often used this budgeting practice, actual use of reserves has been minimal. As of June 30, 2016, the Commission had a balance of cash and cash equivalents equaling \$3,485,730.

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 FY2017-18 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	\$1,675,438	39
2016-17	\$1,559,396*	43*
2017-18	\$1,514,500*	46*

* Figures for FY2016-17 and FY2017-18 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

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, dental insurance, life insurance, and term care coverage for retirees and their families. 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, 2015.

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 for FY2017-18 provides funding of \$2,750,000 for costs associated with this accounting standard. It should be noted in FY2017-18, \$2,675,000 will come from the General Fund and \$75,000 will cover the Water and Sewer portion of this requirement. 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>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
OPEB Contribution	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000	0.0%
Total OPEB	<u>\$ 2,750,000</u>	<u>\$ 2,750,000</u>	<u>\$ 2,750,000</u>	<u>0.0%</u>

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 FY2017-18 totals \$700,000 and reflects an increase of \$125,000 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 48 retirees at an average monthly cost of \$998 per retiree.

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Line of Duty contribution	\$ 514,153	\$ 575,000	\$ 700,000	21.7%
Total Line of Duty	<u>\$ 514,153</u>	<u>\$ 575,000</u>	<u>\$ 700,000</u>	<u>21.7%</u>

LONG-TERM DISABILITY – FIDUCIARY FUND

Long-Term Disability

Description

Since 1985, the County has provided a self-insured long-term disability program to employees after six months of full-time service. In prior years, this benefit was funded through the budget amendment process and the remaining budget was automatically carried forward into the next fiscal year.

Effective January 1, 2017, the County contracted with Metropolitan Life Insurance Company to fully insure and administer a similar long-term disability program. This budget includes funding for the fully-insured premiums to cover the basic, County-provided long-

term disability benefit for eligible General Government and Schools employees.

Budget Highlights

The Long-Term Disability Fiduciary Fund is being added to the budget beginning with the FY2017-18 Annual Fiscal Plan in order to capture the on-going expenses associated with this program. This program has a forecasted budget of \$600,000 based on contract estimates for the program.

Annual Fiscal Plan

<u>Description</u>	<u>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Long-Term Disability Contribution	\$ 260,729	\$ 0	\$ 600,000	100.0%
Total Long-Term Disability	<u>\$ 260,729</u>	<u>\$ 0</u>	<u>\$ 600,000</u>	<u>100.0%</u>

ADJUSTMENTS

Description

Resources to support the Central Automotive Maintenance operation 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. The Technology Replacement Fund was also funded by interdepartmental billings from FY2000-01 to FY2011-12. Since FY2012-13, funding has been provided by a transfer from the General Fund and retained earnings. 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>FY16 Actual</u>	<u>FY17 Original</u>	<u>FY18 Approved</u>	<u>Change 17 to 18</u>
Total	\$ (90,030,454)	\$ (98,260,515)	\$ (102,804,784)	4.6%

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 FY2017-18 through FY2021-22. 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. In an effort to ensure that the County's infrastructure is meeting the service delivery needs of our residents, the Board of Supervisors, in consultation with the Henrico County School Board, presented a plan to fund \$419.8 million of projects utilizing General Obligation (G.O.) Bonds. These projects were approved by County voters in the November 2016 election and are considered the highest priority projects. Funding for these projects will begin in FY2017-18 and will traverse a six-year period (through FY2022-23). With the approval of the bond referendum, County residents affirmed these projects are important to the quality of life in the County and are considered the highest priority projects.

Routine maintenance associated with both Education and General Government facilities is addressed as a means of ensuring our infrastructure does not deteriorate. Other projects given high priority are the ones vital to the economic growth of the County including infrastructure improvements associated with water and sewer transmission. With the approval of the Bond Referendum, many of the County's needs will be met. However, a significant number of projects submitted in the FY2017-18 through FY2021-22 CIP do not have an identified funding source at this time.

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 FY2017-18 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 two major sources: long-term borrowing and 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 FY2017-18 CIP includes the Education Meals Tax revenue which was approved by the voters in November 2013. A total of \$9.0 million associated with this revenue has been dedicated to various school maintenance and rehabilitation projects. Other sources of financing for the CIP can include State Construction grants, State

Capital Improvement Program (cont'd)

Lottery funds, State Transportation funds, and Enterprise Fund resources. 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 FY2017-18 through FY2021-22 CIP requests of \$1,059,297,114 represents a decrease of \$458,286,338 from the current FY2016-17 through FY2020-21 CIP of

\$1,517,583,452. These needs are put forward by Departments, and prioritized by the Departments over the five-year period. The approved Capital Budget for FY2017-18 funds \$232,686,800 in the first year of the CIP.

The revenue sources approved for the FY2017-18 Capital budget are as follows:

<u>Revenue Sources:</u>	<u>Approved FY2017-18</u>
Capital Projects Fund:	
General Fund Operating Budget Transfers:	
General Fund - Designated Fund Balance	\$ 7,500,000
General Fund - Designated Capital Reserve	6,468,777
General Fund - Mental Health Reserve	1,967,803
General Fund - Education Meals Tax Revenue	9,000,000
General Fund - Stormwater Dedication Revenue	2,348,000
Motor Vehicle License Fee Revenue - Public Works	850,000
Subtotal - General Fund Operating Budget Transfers:	<u>\$ 28,134,580</u>
General Obligation Bonds - Education - 2016	\$ 99,600,000
General Obligation Bonds - General Government - 2016	\$ 15,000,000
Other Revenue:	
Other Local Revenue - MH/DS Fund Balance	\$ 4,869,420
Landfill Revenue	600,000
Subtotal - Other Revenue	<u>\$ 5,469,420</u>
Subtotal - Capital Projects Fund	<u>\$ 148,204,000</u>
Vehicle Replacement Fund:	
General Fund Operating Budget Transfers:	
General Fund Revenues	\$ 6,574,800
Subtotal - Vehicle Replacement Fund	<u>\$ 6,574,800</u>
Enterprise Fund - Belmont Golf Course:	
General Fund Operating Budget Transfers:	
General Fund - Designated Capital Reserve	\$ 358,000
Subtotal - Enterprise Fund - Belmont Golf Course	<u>\$ 358,000</u>
Enterprise Fund - Public Utilities:	
Water and Sewer Revenues	\$ 77,550,000
Subtotal - Enterprise Fund - Public Utilities	<u>\$ 77,550,000</u>
Total Capital Budget Revenues	<u><u>\$ 232,686,800</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
FY2017-18

Project Number	Project Name	Approved FY2017-18
Capital Projects Fund		
<u>General Fund</u>		
00518	Roof Replacements - Education	\$ 953,000
00527	Mechanical Improvements - Education	1,547,000
	Subtotal - Education	<u>\$ 2,500,000</u>
08473	Emergency Medical Dispatch System	\$ 580,000
	Subtotal - Fire	<u>\$ 580,000</u>
00572	Mechanical Improvements	\$ 1,000,000
00425	Roof Replacement and Rehabilitation	350,000
00423	Pavement Rehabilitation	500,000
06477	Small Project Improvements and Renovations	400,000
06096	Human Services Building Renovation	435,000
08465	Juvenile Courts - Secured Parking	270,000
	Subtotal - General Services	<u>\$ 2,955,000</u>
06481	Information Technology Projects	\$ 1,000,000
07017	Data Center Upgrade	697,000
	Subtotal - Information Technology	<u>\$ 1,697,000</u>
00429	Geographic Information System	\$ 150,000
	Subtotal - Information Technology - GIS	<u>\$ 150,000</u>
06661	East Center Replacement Construction	\$ 3,830,580
	Subtotal - Mental Health	<u>\$ 3,830,580</u>
06610	Communications Training Room	\$ 258,000
08350	Evidence Storage Facility	200,000
	Subtotal - Police	<u>\$ 458,000</u>
06837	Countywide Pedestrian Improvements	\$ 2,500,000
08163	Countywide Engineering Feasibility Studies	500,000
	Subtotal - Public Works - Roadway	<u>\$ 3,000,000</u>
07046	Chesapeake Bay TMDL/MS4 Compliance	\$ 2,348,000
	Subtotal - Public Works - Stormwater	<u>\$ 2,348,000</u>
06194	Facility Rehabilitation	\$ 766,000
	Subtotal - Recreation and Parks	<u>\$ 766,000</u>
	Subtotal - General Fund	<u>\$ 18,284,580</u>

County of Henrico, Virginia
Approved Capital Budget
FY2017-18

Project Number	Project Name	Approved FY2017-18
Capital Projects Fund (Continued)		
<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 - Public Works (Motor Vehicle License Fee)</u>		
00499	General Road Construction	\$ 850,000
	Subtotal - General Fund Revenue - Public Works	<u>\$ 850,000</u>
<u>G.O. Bonds - Education - 2016</u>		
70001	Tuckahoe MS Renovation	\$ 28,200,000
70002	Glen Allen ES (8) Capacity Addition	5,500,000
70003	Pemberton ES Renovation	14,100,000
70004	Crestview ES Renovation	12,000,000
70005	Skipwith ES Renovation	13,000,000
70006	Seven Pines ES Renovation	12,800,000
70007	Chamberlayne ES Renovation	14,000,000
	Subtotal - G.O. Bonds - Education - 2016	<u>\$ 99,600,000</u>
<u>G.O. Bonds - General Government - 2016</u>		
13001	Fire Training Center	\$ 2,500,000
	Subtotal - Fire	<u>\$ 2,500,000</u>
23001	High School Field Upgrades	\$ 12,500,000
	Subtotal - Recreation and Parks	<u>\$ 12,500,000</u>
	Subtotal - G.O. Bonds - General Government - 2016	<u>\$ 15,000,000</u>
<u>Other Local Revenue - MH/DS Fund Balance</u>		
06661	East Center Replacement Construction	\$ 4,869,420
	Subtotal - Other Local Revenue - MH/DS Fund Balance	<u>\$ 4,869,420</u>
<u>Landfill Revenue</u>		
01150	Springfield Rd Landfill Site Improvements	\$ 200,000
08353	Woodman Rd Site Master Plan	400,000
	Subtotal - Landfill Revenue	<u>\$ 600,000</u>
	Total - Capital Projects Fund	<u><u>\$ 148,204,000</u></u>

County of Henrico, Virginia
Approved Capital Budget
FY2017-18

Project Number	Project Name	Approved FY2017-18
Vehicle Replacement Fund		
<u>General Fund</u>		
06690	School Bus Replacement Plan	\$ 2,500,000
	Subtotal - Education	<u>\$ 2,500,000</u>
06692	Fire Apparatus Replacement Program	\$ 1,750,000
	Subtotal - Fire	<u>\$ 1,750,000</u>
06691	Police Vehicle Replacement Program	\$ 2,324,800
	Subtotal - Police	<u>\$ 2,324,800</u>
	Total - Vehicle Replacement Fund	<u><u>\$ 6,574,800</u></u>
Enterprise Fund - Belmont Golf Course		
<u>General Fund</u>		
06250	Belmont Golf Course Bunker Renovations	\$ 358,000
	Subtotal - Recreation	<u>\$ 358,000</u>
	Total - Enterprise Fund - Belmont Golf Course	<u><u>\$ 358,000</u></u>

County of Henrico, Virginia
Approved Capital Budget
FY2017-18

Project Number	Project Name	Approved FY2017-18
Enterprise Fund - Public Utilities		
<u>Other Local Revenue</u>		
00782	New Sewer Connections	\$ 150,000
00772	Sewer Line Extensions	500,000
00732	Sewer Line Rehabilitation	3,000,000
00743	Sewer Pump Station Improvements	900,000
00737	Sewer Reloc., Adjustments & Crossings	200,000
00725	Plan Review and Inspection	1,700,000
06492	Roof Replacement	50,000
08172	Water Reclamation Facility Improvements	500,000
00735	Water Reclamation Facility Expansion	58,000,000
07024	Tuckahoe Creek 27" Sewer Replacement	1,500,000
06154	North Run Trunk Sewer	2,500,000
06723	Gambles Mill FM Improvements	2,100,000
	Subtotal - Sewer	<u>\$ 71,100,000</u>
<u>Other Local Revenue</u>		
00771	New Water Connections	\$ 100,000
00770	Water Line Extensions	300,000
00768	Water Line Rehabilitation	2,000,000
00769	Water Pumping Station Improvements	3,400,000
00780	Water Meters	350,000
00767	Water Reloc., Adjustments & Crossings	200,000
08171	Water Treatment Facility Improvements	100,000
	Subtotal - Water	<u>\$ 6,450,000</u>
	Total - Enterprise Fund - Public Utilities	<u><u>\$ 77,550,000</u></u>
	TOTAL APPROVED CAPITAL BUDGET FOR FY2017-18	<u><u>\$ 232,686,800</u></u>

Capital Improvement Program Summary

Fiscal Year 2017-18 through Fiscal Year 2021-22

By Department	Approved FY2017-18	Requested FY2017-18	Requested FY2018-19	Requested FY2019-20	Requested FY2020-21	Requested FY2021-22	Total Requested
Capital Projects Fund							
Education	111,100,000	111,100,000	26,500,000	81,500,000	53,500,000	57,500,000	330,100,000
Fire	3,080,000	2,500,000	3,903,109	17,323,266	2,456,711	9,252,796	35,435,882
General Services	2,955,000	11,914,921	7,236,481	18,783,697	26,725,327	22,444,429	87,104,855
Information Technology	1,697,000	2,196,855	1,000,000	1,000,000	1,000,000	1,000,000	6,196,855
Information Technology - GIS	150,000	150,000	150,000	150,000	150,000	150,000	750,000
Mental Health	8,700,000	700,000	8,000,000	9,831,820	0	0	18,531,820
Police	458,000	5,882,886	0	0	0	0	5,882,886
Public Library	0	0	24,000,000	0	22,068,483	0	46,068,483
Public Utilities - Landfill	600,000	600,000	0	0	0	0	600,000
Public Works - Drainage	0	0	2,928,197	8,550,777	14,376,488	13,200,609	39,056,071
Public Works - Roadway	3,850,000	9,350,000	28,524,000	16,850,000	8,850,000	12,850,000	76,424,000
Public Works - Stormwater	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	11,740,000
Recreation	13,266,000	13,266,094	24,453,535	10,367,980	15,335,123	23,386,333	86,809,065
Sheriff	0	438,648	3,243,827	26,780,647	4,670,670	12,773,693	47,907,485
Total	148,204,000	160,447,404	132,287,149	193,486,187	151,480,802	154,905,860	792,607,402
Vehicle Replacement Fund							
Education	2,500,000	0	0	0	0	0	0
Fire	1,750,000	0	0	0	0	0	0
Police	2,324,800	0	0	0	0	0	0
Total	6,574,800	0	0	0	0	0	0
Enterprise Fund - Utilities							
Public Utilities - Sewer	71,100,000	105,100,000	14,275,000	14,700,000	15,100,000	67,150,000	216,325,000
Public Utilities - Water	6,450,000	6,450,000	20,150,000	4,825,000	4,550,000	11,650,000	47,625,000
Total	77,550,000	111,550,000	34,425,000	19,525,000	19,650,000	78,800,000	263,950,000
Enterprise Fund							
Recreation	358,000	357,876	429,731	441,834	883,253	627,018	2,739,712
Total	358,000	357,876	429,731	441,834	883,253	627,018	2,739,712
Grand Total	232,686,800	272,355,280	167,141,880	213,453,021	172,014,055	234,332,878	1,059,297,114

By Revenue Source	Approved FY2017-18	Requested FY2017-18	Requested FY2018-19	Requested FY2019-20	Requested FY2020-21	Requested FY2021-22	Total Requested
Capital Projects Fund							
General Fund	18,284,580	15,631,913	12,930,225	15,902,850	15,393,666	11,288,305	71,146,959
General Fund - Education Meals Tax	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	45,000,000
General Fund - Public Works	850,000	850,000	850,000	850,000	850,000	850,000	4,250,000
G.O. Bonds - Education - 2016	99,600,000	99,600,000	15,000,000	70,000,000	42,000,000	46,000,000	272,600,000
G.O. Bonds - General Gov't - 2016	15,000,000	15,000,000	48,000,000	12,200,000	14,000,000	31,700,000	120,900,000
Landfill Revenue	600,000	600,000	0	0	0	0	600,000
Other Local Revenue	4,869,420	0	0	0	0	0	0
No Funding Source	0	19,765,491	46,506,924	85,533,337	70,237,136	56,067,555	278,110,443
Total	148,204,000	160,447,404	132,287,149	193,486,187	151,480,802	154,905,860	792,607,402
Vehicle Replacement Fund							
General Fund	6,574,800	0	0	0	0	0	0
Total	6,574,800	0	0	0	0	0	0
Enterprise Fund - Utilities							
Enterprise Fund	77,550,000	111,550,000	34,425,000	19,525,000	19,650,000	78,800,000	263,950,000
Total	77,550,000	111,550,000	34,425,000	19,525,000	19,650,000	78,800,000	263,950,000
Enterprise Fund							
Enterprise Fund	0	357,876	429,731	441,834	883,253	627,018	2,739,712
General Fund	358,000	0	0	0	0	0	0
Total	358,000	357,876	429,731	441,834	883,253	627,018	2,739,712
Grand Total	232,686,800	272,355,280	167,141,880	213,453,021	172,014,055	234,332,878	1,059,297,114

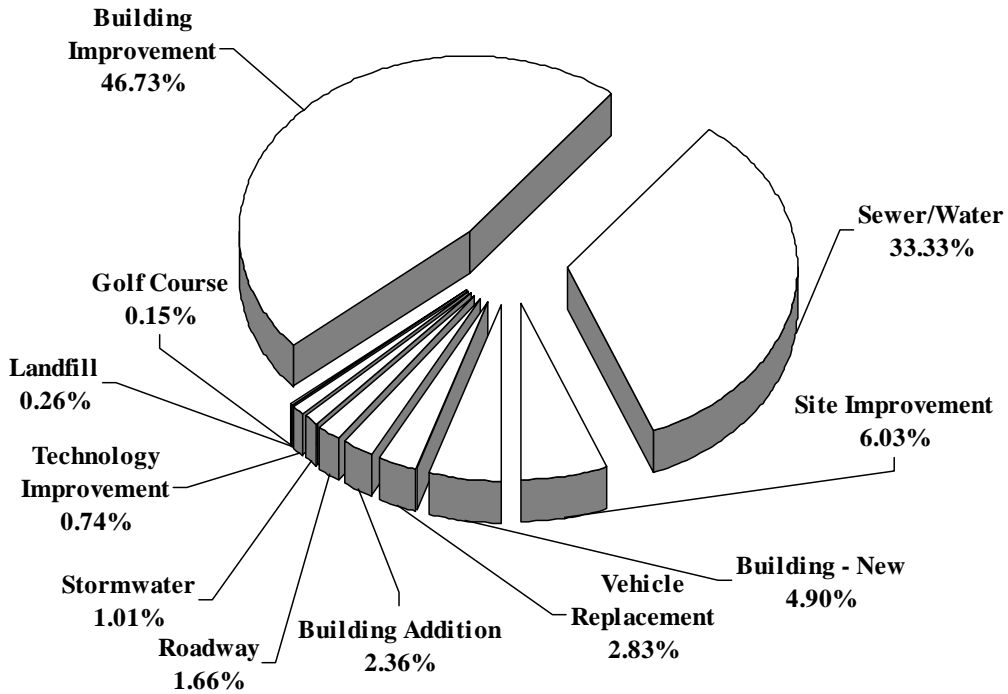
Capital Improvement Program Summary

Fiscal Year 2017-18 through Fiscal Year 2021-22

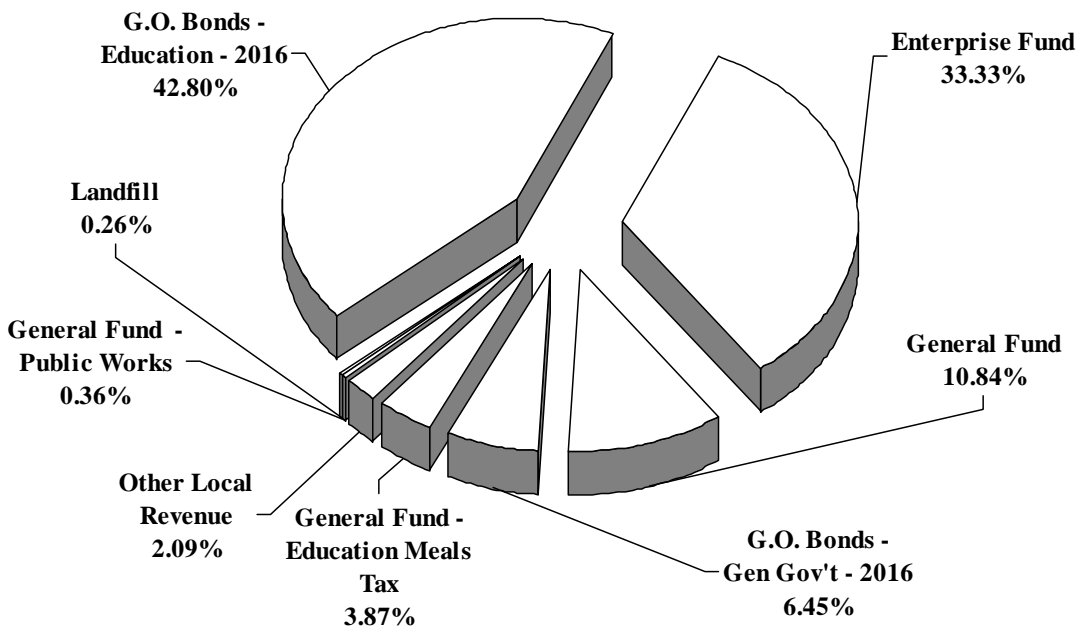
By Project Type	Approved FY2017-18	Requested FY2017-18	Requested FY2018-19	Requested FY2019-20	Requested FY2020-21	Requested FY2021-22	Total Requested
Capital Projects Fund							
Building (New)	11,400,000	8,825,306	46,162,188	79,824,804	68,307,630	49,340,618	252,460,546
Building Addition	5,500,000	5,500,000	0	12,489,301	911,326	0	18,900,627
Building Improvement	108,740,000	118,062,518	25,878,172	61,090,927	39,368,924	52,783,045	297,183,586
Drainage	0	0	2,928,197	8,550,777	14,376,488	13,200,609	39,056,071
Landfill	600,000	600,000	0	0	0	0	600,000
Park	0	0	20,000,000	0	5,000,000	19,000,000	44,000,000
Roadway	3,850,000	9,350,000	28,524,000	16,850,000	8,850,000	12,850,000	76,424,000
Site Improvement	14,036,000	14,111,580	5,296,592	11,182,378	11,168,434	4,233,588	45,992,572
Stormwater	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	11,740,000
Technology Improvement	1,730,000	1,650,000	1,150,000	1,150,000	1,150,000	1,150,000	6,250,000
Total	148,204,000	160,447,404	132,287,149	193,486,187	151,480,802	154,905,860	792,607,402
Vehicle Replacement Fund							
Vehicle Replacement	6,574,800	0	0	0	0	0	0
Total	6,574,800	0	0	0	0	0	0
Enterprise Fund - Utilities							
Sewer	71,100,000	105,100,000	14,275,000	14,700,000	15,100,000	67,150,000	216,325,000
Water	6,450,000	6,450,000	20,150,000	4,825,000	4,550,000	11,650,000	47,625,000
Total	77,550,000	111,550,000	34,425,000	19,525,000	19,650,000	78,800,000	263,950,000
Enterprise Fund							
Golf Course	358,000	357,876	429,731	441,834	883,253	627,018	2,739,712
Total	358,000	357,876	429,731	441,834	883,253	627,018	2,739,712
Grand Total	232,686,800	272,355,280	167,141,880	213,453,021	172,014,055	234,332,878	1,059,297,114

Approved FY2017-18 Capital Budget \$232,686,800

By Project Type



By Funding Source



**CAPITAL PROJECTS BY DEPARTMENT
FY2017-18**

EDUCATION **\$ 113,600,000**

Projects that will be funded through the issuance of 2016 General Obligation (G.O.) Bonds, which County voters approved in November 2016, totals \$99,600,000 for Education and include renovations for the following schools: Tuckahoe Middle School - \$28,200,000, Pemberton Elementary School - \$14,100,000, Crestview Elementary School - \$12,000,000, Skipwith Elementary School - \$13,000,000, Seven Pines Elementary School - \$12,800,000, and Chamberlayne Elementary School - \$14,000,000. Additionally, the 2016 G.O. Bond funding total for Education also includes \$5,500,000 to support the eight classroom addition to Glen Allen Elementary School. Education Meals Tax revenue of \$9.0 million 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 resources will support ongoing projects related to school roof replacements and mechanical systems improvements. In addition, General Fund revenue of \$2.5 million is forecasted within the Vehicle Replacement Fund for the School Bus Replacement Plan.

FIRE **\$ 4,830,000**

The 2016 General Obligation (G.O.) Bonds will fund \$2.5 million for the new Fire Training Center. General Fund resources of \$580,000 have been designated for the new Emergency Communications Center Emergency Medical Dispatch System. General Fund revenue totaling \$1,750,000 is forecasted within the Vehicle Replacement Fund for the Fire Apparatus Replacement Program.

GENERAL SERVICES **\$ 2,955,000**

General Fund resources of \$1,850,000 are forecasted to fund ongoing roof, mechanical, and pavement rehabilitation projects. In addition, a total of \$1,105,000 in General Fund resources will provide funding for the Juvenile Courts – Secured Parking project, the Small Project Improvements and Renovations project, and the planning and design costs associated with the Human Services Building Renovation project.

INFORMATION TECHNOLOGY **\$ 1,697,000**

General Fund resources of \$1,697,000 will support various information technology hardware and software upgrades as well as the remaining construction costs associated with the Data Center Upgrade project. The Data Center Upgrade 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 **\$ 8,700,000**

Funding of \$8,700,000 is forecasted for the East Center Replacement Construction project which includes Mental Health's fund balance of \$4,869,420, Mental Health's General Fund reserve funding of \$1,967,803, and General Fund resources of \$1,862,777.

POLICE **\$ 2,782,800**

A total of \$458,000 in General Fund resources will provide funding for the Communications Training Room and planning and design costs associated with the Evidence Storage Facility. General Fund revenues of \$2,324,800 are forecasted within the Vehicle Replacement Fund for the Police Vehicle Replacement Program.

PUBLIC UTILITIES - LANDFILL **\$ 600,000**

Public Utilities landfill revenue of \$600,000 is forecasted for the Springfield Road Landfill Site Improvements project and the Woodman Road Site Master Plan project.

PUBLIC WORKS - ROADWAY **\$ 3,850,000**

General Fund resources of \$3,000,000 are forecasted to fund ongoing Countywide Pedestrian Improvement projects totaling \$2.5 million and a Countywide Engineering Feasibility Studies project totaling \$500,000. 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 **\$ 13,624,000**

The 2016 General Obligation (G.O.) Bonds will fund \$12.5 million for the High School Field Upgrades project which includes field upgrades for all nine high schools. In addition, General Fund resources of \$766,000 will provide for facility rehabilitation projects at various County parks and a total of \$358,000 has been allocated for the Belmont Golf Course bunker renovation.

PUBLIC UTILITIES - SEWER **\$ 71,100,000**

Projects that will be funded by revenues from the use of sewer services include \$58.0 million for the Water Reclamation Facility expansion, \$2.5 million for the North Run Trunk Sewer, \$2.1 million for the Gambles Mill FM Improvements, \$1.5 million for the Tuckahoe Creek 27" Sewer Replacement, and \$500,000 for the Water Reclamation Facility improvements. Funding of \$6.5 million 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.

PUBLIC UTILITIES - WATER **\$ 6,450,000**

Funding of \$6,450,000 is included for the Water Treatment Facility improvements, new water connections, water line extensions, water line rehabilitation, water pumping station improvements, water meters, and various water relocations, adjustments, and crossings projects.

**Capital Improvement Program FY2017-18 through FY2020-21
Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY17-18	Request FY17-18	Request FY18-19	Request FY19-20	Request FY20-21	Request FY21-22	Total Five Year	
Education												
00518		Roof Replacements	General Fund	Countywide	953,000	953,000	1,000,000	1,000,000	1,000,000	1,000,000	4,953,000	
00527		Mechanical Improvements	General Fund	Countywide	1,547,000	1,547,000	1,500,000	1,500,000	1,500,000	1,500,000	7,547,000	
06899		Education Meals Tax Project Reserve	General Fund - Education Meals Tax	Countywide	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	45,000,000	
70001	1	Tuckahoe MS Renovation	G.O. Bonds - Education - 2016	Three Chopt	28,200,000	28,200,000	0	0	0	0	28,200,000	
70002	2	Glen Allen ES (8) Capacity Addition	G.O. Bonds - Education - 2016	Tuckahoe	5,500,000	5,500,000	0	0	0	0	5,500,000	
70003	3	Pemberton ES Renovation	G.O. Bonds - Education - 2016	Tuckahoe	14,100,000	14,100,000	0	0	0	0	14,100,000	
70004	4	Crestview ES Renovation	G.O. Bonds - Education - 2016	Tuckahoe	12,000,000	12,000,000	0	0	0	0	12,000,000	
70005	5	Skipwith ES Renovation	G.O. Bonds - Education - 2016	Tuckahoe	13,000,000	13,000,000	0	0	0	0	13,000,000	
70006	6	Seven Pines ES Renovation	G.O. Bonds - Education - 2016	Varina	12,800,000	12,800,000	0	0	0	0	12,800,000	
70007	7	Chamberlayne ES Renovation	G.O. Bonds - Education - 2016	Fairfield	14,000,000	14,000,000	0	0	0	0	14,000,000	
70008	1	Tucker HS Renovation	G.O. Bonds - Education - 2016	Three Chopt	0	0	10,000,000	45,000,000	0	0	55,000,000	
70009	2	Brookland Area ES Planning & Constructic	G.O. Bonds - Education - 2016	Brookland	0	0	5,000,000	15,000,000	0	0	20,000,000	
70010	1	Glen Allen HS ACE Center	G.O. Bonds - Education - 2016	Brookland	0	0	0	10,000,000	27,000,000	0	37,000,000	
70011	1	Eastern Area ACE Center	G.O. Bonds - Education - 2016	Varina	0	0	0	0	15,000,000	27,000,000	42,000,000	
70012	1	Adams Elementary School Renovation	G.O. Bonds - Education - 2016	Fairfield	0	0	0	0	0	19,000,000	19,000,000	
Department Subtotal					111,100,000	111,100,000	26,500,000	81,500,000	53,500,000	57,500,000	330,100,000	
Fire												
08473		Emergency Medical Dispatch System	General Fund	General Government	580,000	0	0	0	0	0	0	
13001	1	Fire Training Center	G.O. Bonds - General Gov't - 2016	General Government	2,500,000	2,500,000	0	0	0	0	2,500,000	
13002	1	Staples Mill Fire Station	G.O. Bonds - General Gov't - 2016	Brookland	0	0	2,000,000	8,000,000	0	0	10,000,000	
06366	2	Fire Station #1 Replacement	No Funding Source	Fairfield	0	0	1,903,109	6,665,785	0	0	8,568,894	
08175	1	FS #14,15,16,17 Bathroom/Bunk Room	No Funding Source	Countywide	0	0	0	2,657,481	0	0	2,657,481	
06177	1	Fire Station #6 Replacement	No Funding Source	Varina	0	0	0	0	1,545,385	6,991,683	8,537,068	
08174	2	FS #11 and FS#4 - Bathroom/Bunk Room	No Funding Source	Countywide	0	0	0	0	911,326	0	911,326	
13003	1	Eastgate/Newbridge Fire Station	G.O. Bonds - General Gov't - 2016	Fairfield	0	0	0	0	0	1,600,000	1,600,000	
06623	2	Fire Boat House	No Funding Source	Varina	0	0	0	0	0	661,113	661,113	
Department Subtotal					3,080,000	2,500,000	3,903,109	17,323,266	2,456,711	9,252,796	35,435,882	
General Services												
08465		Juvenile Courts - Secured Parking	General Fund	General Government	270,000	0	0	0	0	0	0	
00572	1	Mechanical Improvements	General Fund	General Government	1,000,000	3,300,164	1,477,862	2,204,955	1,277,530	860,902	9,121,413	
00425	2	Roof Replacement and Rehabilitation	General Fund	General Government	350,000	675,314	835,300	796,023	830,931	725,286	3,862,854	
00423	3	Pavement Rehabilitation	General Fund	General Government	500,000	845,486	843,057	814,398	833,311	854,117	4,190,369	
06477	4	Small Project Improvements and Renovatic	General Fund	General Government	400,000	400,000	400,000	400,000	400,000	400,000	2,000,000	
08288	5	Courts Building Refresh	No Funding Source	General Government	0	464,384	0	0	0	0	464,384	
01198	6	Energy Management	No Funding Source	General Government	0	350,000	350,000	350,000	350,000	350,000	1,750,000	
06096	7	Human Services Building Renovation	General Fund	General Government	435,000	4,230,621	0	0	0	0	4,230,621	
01199	8	County Generator Program	No Funding Source	General Government	0	806,826	1,315,010	839,949	1,160,031	535,224	4,657,040	
00001	9	Library HQ ADA Ramp & Parking	No Funding Source	General Government	0	348,775	0	0	0	0	348,775	
00011	10	Library HQ Streambank Restoration	No Funding Source	General Government	0	393,832	0	0	0	0	393,832	
00003	11	FS 12&13 Floor Drain Sewer Connections	No Funding Source	Brookland, Tuckahoe	0	99,519	0	0	0	0	99,519	
00612	1	Administration Infill Building	No Funding Source	General Government	0	0	2,015,252	13,378,372	0	0	15,393,624	
06103	1	CAM East & Road Crew Building	No Funding Source	General Government	0	0	0	0	21,873,524	0	21,873,524	
07036	1	East Govt. Center Swing Building	No Funding Source	General Government	0	0	0	0	0	10,801,489	10,801,489	
00002	2	Circuit Courts Secure Inmate Corridor	No Funding Source	General Government	0	0	0	0	0	6,637,940	6,637,940	
06728	3	CAM Woodman Parking Expansion	No Funding Source	General Government	0	0	0	0	0	1,279,471	1,279,471	
Department Subtotal					2,955,000	11,914,921	7,236,481	18,783,697	26,725,327	22,444,429	87,104,855	

**Capital Improvement Program FY2017-18 through FY2020-21
Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY17-18	Request FY17-18	Request FY18-19	Request FY19-20	Request FY20-21	Request FY21-22	Total Five Year	
Information Technology												
06481	1	Technology Improvement	General Fund	General Government	1,000,000	1,500,000	1,000,000	1,000,000	1,000,000	1,000,000	5,500,000	
07017	2	Building Improvement	General Fund	General Government	697,000	696,855	0	0	0	0	696,855	
Department Subtotal					1,697,000	2,196,855	1,000,000	1,000,000	1,000,000	1,000,000	6,196,855	
Information Technology - GIS												
00429	1	Technology Improvement	General Fund	General Government	150,000	150,000	150,000	150,000	150,000	150,000	750,000	
Department Subtotal					150,000	150,000	150,000	150,000	150,000	150,000	750,000	
Mental Health												
06661	1	Building (New)	Other Local Revenue	General Government	4,869,420	700,000	8,000,000	0	0	0	8,700,000	
06661	1	Building (New)	General Fund	General Government	3,830,580	0	0	0	0	0	0	
06662	1	Building Addition	No Funding Source	General Government	0	0	0	9,831,820	0	0	9,831,820	
Department Subtotal					8,700,000	700,000	8,000,000	9,831,820	0	0	18,531,820	
Police												
06610	1	Building Improvement	General Fund	General Government	258,000	257,580	0	0	0	0	257,580	
08350	2	Building (New)	General Fund	General Government	200,000	4,153,938	0	0	0	0	4,153,938	
06730	3	Building (New)	No Funding Source	General Government	0	1,471,368	0	0	0	0	1,471,368	
Department Subtotal					458,000	5,882,886	0	0	0	0	5,882,886	
Public Library												
02100	1	Building (New)	G.O. Bonds - General Gov't - 2016	Fairfield	0	0	24,000,000	0	0	0	24,000,000	
07034	1	Building Improvement	No Funding Source	Tuckahoe	0	0	0	12,068,976	0	0	12,068,976	
07033	2	Building Improvement	No Funding Source	Three Chopt	0	0	0	0	9,999,507	0	9,999,507	
Department Subtotal					0	0	24,000,000	0	22,068,483	0	46,068,483	
Public Utilities - Landfill												
01150	1	Landfill	Landfill Revenue	Three Chopt	200,000	200,000	0	0	0	0	200,000	
08353	2	Landfill	Landfill Revenue	Fairfield	400,000	400,000	0	0	0	0	400,000	
Department Subtotal					600,000	600,000	0	0	0	0	600,000	
Public Works - Drainage												
00678	1	Drainage	No Funding Source	Three Chopt	0	0	467,325	4,205,926	0	0	4,673,251	
06051	2	Drainage	No Funding Source	Fairfield	0	0	436,324	0	0	0	436,324	
05013	3	Drainage	No Funding Source	Varina	0	0	1,047,180	0	0	0	1,047,180	
06037	4	Drainage	No Funding Source	Tuckahoe	0	0	872,649	0	0	0	872,649	
06846	5	Drainage	No Funding Source	Brookland	0	0	104,719	0	0	0	104,719	
06589	1	Drainage	No Funding Source	Fairfield	0	0	0	1,554,793	0	0	1,554,793	
06476	2	Drainage	No Funding Source	Three Chopt	0	0	0	932,874	0	0	932,874	
06020	3	Drainage	No Funding Source	Brookland	0	0	0	111,944	0	0	111,944	
06004	4	Drainage	No Funding Source	Tuckahoe	0	0	0	1,745,240	0	0	1,745,240	
06006	1	Drainage	No Funding Source	Varina	0	0	0	0	3,948,189	0	3,948,189	
06013	2	Drainage	No Funding Source	Three Chopt	0	0	0	0	512,785	0	512,785	
06000	3	Drainage	No Funding Source	Tuckahoe	0	0	0	0	1,667,341	0	1,667,341	
06053	4	Drainage	No Funding Source	Brookland	0	0	0	0	8,248,173	0	8,248,173	
06010	1	Drainage	No Funding Source	Brookland	0	0	0	0	0	549,421	549,421	
06076	2	Drainage	No Funding Source	Varina	0	0	0	0	0	746,574	746,574	

**Capital Improvement Program FY2017-18 through FY2020-21
Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY17-18	Request FY17-18	Request FY18-19	Request FY19-20	Request FY20-21	Request FY21-22	Total Five Year
06057	3	Drainage	No Funding Source	Fairfield	0	0	0	0	0	2,632,661	2,632,661
06073	4	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	7,701,569	7,701,569
06002	5	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	1,570,384	1,570,384
Department Subtotal					0	0	2,928,197	8,550,777	14,376,488	13,200,609	39,056,071
Public Works - Roadway											
28001	1	Roadway	No Funding Source	Fairfield	0	4,000,000	10,000,000	13,000,000	0	0	27,000,000
28001	1	Roadway	G.O. Bonds - General Gov't - 2016	Fairfield	0	0	0	5,000,000	9,000,000	0	14,000,000
07043	2	Roadway	No Funding Source	Brookland, Fairfield	0	1,500,000	14,674,000	0	0	0	16,174,000
00499	3	Roadway	General Fund - Public Works	Countywide	850,000	850,000	850,000	850,000	850,000	850,000	4,250,000
06837	4	Roadway	General Fund	Countywide	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	12,500,000
08163	5	Roadway	General Fund	Countywide	500,000	500,000	500,000	500,000	500,000	500,000	2,500,000
Department Subtotal					3,850,000	9,350,000	28,524,000	16,850,000	8,850,000	12,850,000	76,424,000
Public Works - Stormwater											
07046	1	Stormwater	General Fund	Countywide	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	11,740,000
Department Subtotal					2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	11,740,000
Recreation											
23001	1	Site Improvement	G.O. Bonds - General Gov't - 2016	Countywide	12,500,000	12,500,000	0	0	0	0	12,500,000
06194	2	Site Improvement	General Fund	Countywide	766,000	766,094	926,006	3,239,474	3,603,894	0	8,535,468
23002	1	Park	G.O. Bonds - General Gov't - 2016	Brookland	0	0	20,000,000	0	0	0	20,000,000
23003	2	Site Improvement	G.O. Bonds - General Gov't - 2016	Varina	0	0	2,000,000	4,200,000	0	0	6,200,000
08355	3	Site Improvement	No Funding Source	Varina	0	0	1,527,529	0	0	0	1,527,529
06253	1	Site Improvement	No Funding Source	Brookland	0	0	0	2,928,506	0	0	2,928,506
23004	1	Site Improvement	G.O. Bonds - General Gov't - 2016	Three Chopt	0	0	0	0	4,000,000	0	4,000,000
23005	2	Park	G.O. Bonds - General Gov't - 2016	Varina	0	0	0	0	5,000,000	14,000,000	19,000,000
00509	3	Site Improvement	No Funding Source	Three Chopt	0	0	0	0	2,731,229	0	2,731,229
23006	1	Site Improvement	G.O. Bonds - General Gov't - 2016	Three Chopt	0	0	0	0	0	2,100,000	2,100,000
23007	2	Park	G.O. Bonds - General Gov't - 2016	Tuckahoe	0	0	0	0	0	5,000,000	5,000,000
06213	3	Building (New)	No Funding Source	General Government	0	0	0	0	0	2,286,333	2,286,333
23008	1	Site Improvement	G.O. Bonds - General Gov't - 2016	Fairfield	0	0	0	0	0	0	0
23009	1	Site Improvement	G.O. Bonds - General Gov't - 2016	Tuckahoe	0	0	0	0	0	0	0
Department Subtotal					13,266,000	13,266,094	24,453,535	10,367,980	15,335,123	23,386,333	86,809,065
Sheriff											
06854	1	Building Improvement	No Funding Source	General Government	0	137,000	0	0	0	0	137,000
08373	2	Building Improvement	No Funding Source	General Government	0	100,000	0	0	0	0	100,000
08166	3	Building Improvement	No Funding Source	General Government	0	201,648	0	0	0	0	201,648
01112	1	Building (New)	No Funding Source	General Government	0	0	3,243,827	26,355,019	0	0	29,598,846
01111	1	Building (New)	No Funding Source	General Government	0	0	0	425,628	2,888,721	0	3,314,349
06386	1	Building Improvement	No Funding Source	General Government	0	0	0	0	1,781,949	12,773,693	14,555,642
Department Subtotal					0	438,648	3,243,827	26,780,647	4,670,670	12,773,693	47,907,485
Grand Total - Capital Projects Fund					148,204,000	160,447,404	132,287,149	193,486,187	151,480,802	154,905,860	792,607,402

**Capital Improvement Program FY2017-18 through FY2021-22
Enterprise Fund - Public Utility Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY17-18	Request FY17-18	Request FY18-19	Request FY19-20	Request FY20-21	Request FY21-22	Total Five Year
Public Utilities - Sewer											
00782	1	Sewer	Enterprise Fund	Countywide	150,000	150,000	150,000	150,000	150,000	150,000	750,000
00772	2	Sewer	Enterprise Fund	Countywide	500,000	500,000	500,000	500,000	500,000	500,000	2,500,000
00732	3	Sewer	Enterprise Fund	Countywide	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	15,000,000
00743	4	Sewer	Enterprise Fund	Countywide	900,000	900,000	1,400,000	100,000	250,000	250,000	2,900,000
00737	5	Sewer	Enterprise Fund	Countywide	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000
00725	6	Sewer	Enterprise Fund	Countywide	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	8,500,000
06492	7	Sewer	Enterprise Fund	Countywide	50,000	50,000	50,000	50,000	50,000	50,000	250,000
08172	8	Sewer	Enterprise Fund	Varina	500,000	500,000	500,000	500,000	500,000	500,000	2,500,000
00735	9	Sewer	Enterprise Fund	Varina	58,000,000	92,000,000	1,275,000	0	0	0	93,275,000
07024	10	Sewer	Enterprise Fund	Tuckahoe	1,500,000	1,500,000	0	0	0	0	1,500,000
06154	11	Sewer	Enterprise Fund	B, F	2,500,000	2,500,000	0	0	0	0	2,500,000
06723	12	Sewer	Enterprise Fund	Tuckahoe	2,100,000	2,100,000	0	0	0	0	2,100,000
06152	1	Sewer	Enterprise Fund	Tuckahoe	0	0	5,500,000	0	0	0	15,500,000
06569	1	Sewer	Enterprise Fund	Fairfield	0	0	0	7,000,000	0	0	27,000,000
06838	2	Sewer	Enterprise Fund	B, TC	0	0	0	1,500,000	0	0	8,650,000
01076	1	Sewer	Enterprise Fund	B, F, T, TC	0	0	0	0	0	0	14,000,000
06666	2	Sewer	Enterprise Fund	Brookland	0	0	0	0	0	0	5,750,000
06131	1	Sewer	Enterprise Fund	Tuckahoe	0	0	0	0	0	0	1,150,000
06667	3	Sewer	Enterprise Fund	Varina	0	0	0	0	0	0	800,000
07026	4	Sewer	Enterprise Fund	TC, T	0	0	0	0	0	0	5,000,000
07027	5	Sewer	Enterprise Fund	Three Chopt	0	0	0	0	0	0	3,000,000
07029	6	Sewer	Enterprise Fund	Three Chopt	0	0	0	0	0	0	1,500,000
			Enterprise Fund	Varina	0	0	0	0	0	0	1,200,000
			Sewer Subtotal		71,100,000	105,100,000	14,275,000	14,700,000	15,100,000	67,150,000	216,325,000
Public Utilities - Water											
00771	1	Water	Enterprise Fund	Countywide	100,000	100,000	100,000	100,000	100,000	100,000	500,000
00770	2	Water	Enterprise Fund	Countywide	300,000	300,000	300,000	300,000	300,000	300,000	1,500,000
00768	3	Water	Enterprise Fund	Countywide	2,000,000	2,000,000	3,000,000	3,000,000	3,000,000	6,000,000	17,000,000
00769	4	Water	Enterprise Fund	Countywide	3,400,000	3,400,000	1,100,000	775,000	500,000	500,000	6,275,000
00780	5	Water	Enterprise Fund	Countywide	350,000	350,000	350,000	350,000	350,000	350,000	1,750,000
00767	6	Water	Enterprise Fund	Countywide	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000
08171	7	Water	Enterprise Fund	Three Chopt	100,000	100,000	100,000	100,000	100,000	100,000	500,000
00811	1	Water	Enterprise Fund	Countywide	0	0	15,000,000	0	0	0	15,000,000
06118	1	Water	Enterprise Fund	Three Chopt	0	0	0	0	0	0	1,800,000
08162	2	Water	Enterprise Fund	B, F	0	0	0	0	0	0	1,500,000
06119	3	Water	Enterprise Fund	Fairfield	0	0	0	0	0	0	800,000
			Water Subtotal		6,450,000	6,450,000	20,150,000	4,825,000	4,550,000	11,650,000	47,625,000
Grand Total - Enterprise Fund					77,550,000	111,550,000	34,425,000	19,525,000	19,650,000	78,800,000	263,950,000

**Capital Improvement Program FY2017-18 through FY2021-22
Enterprise Fund - Belmont Golf Course Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY17-18	Request FY17-18	Request FY18-19	Request FY19-20	Request FY20-21	Request FY21-22	Total Five Year
Recreation											
06250	1	Golf Course	General Fund	Fairfield	358,000	357,876	0	0	0	0	357,876
06251	1	Golf Course	Enterprise Fund	Fairfield	0	0	429,731	0	0	0	429,731
06249	1	Golf Course	Enterprise Fund	Fairfield	0	0	0	441,834	0	0	441,834
06357	1	Golf Course	Enterprise Fund	Fairfield	0	0	0	0	883,253	0	883,253
08352	1	Golf Course	Enterprise Fund	Fairfield	0	0	0	0	0	627,018	627,018
Golf Course Subtotal					358,000	357,876	429,731	441,834	883,253	627,018	2,739,712
Grand Total - Enterprise Fund					358,000	357,876	429,731	441,834	883,253	627,018	2,739,712

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 FY2017-18 through FY2021-22.

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 FY2017-18 is \$232,686,800, which funds a portion of the project requests in the first year of the CIP. The projects in

the FY2017-18 Capital Budget do not have an operating impact on the FY2017-18 operating budget as the operating costs have implications on operating budgets beyond FY2017-18. Those costs have been factored into the County's multi-year expenditure forecasts. The FY2017-18 budget reflects new operating costs of \$2,853,640. These operational costs are in support of the following projects: Libbie Mill Area Library, Varina Area Library, Greenwood Park, Dumbarton Repurpose, Fire Station #19, fire station alerting system, land management software system, courtroom renovations, and communications system. 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 2017-18 through FY2021-22
Fund 21 - Capital Projects Fund
 Associated Operating Cost

Project	Priority	Project Type	Source	District	Request FY17-18	Request FY18-19	Request FY19-20	Request FY20-21	Request FY21-22	Total Five Year
Education										
00518		Roof Replacements	General Fund	Countywide	0	0	0	0	0	0
00527		Mechanical Improvements	General Fund	Countywide	0	0	0	0	0	0
06899		Education Meals Tax Project Reserve	General Fund - Education Meals Tax	Countywide	0	0	0	0	0	0
70001		Tuckahoe MS Renovation	G.O. Bonds - Education - 2016	Three Chopt	0	0	0	0	0	0
70002	1	Glen Allen ES (8) Capacity Addition	G.O. Bonds - Education - 2016	Brookland	0	900,000	927,000	954,810	983,454	3,765,264
70003	2	Pemberton ES Renovation	G.O. Bonds - Education - 2016	Tuckahoe	0	0	0	0	0	0
70004	3	Cresview ES Renovation	G.O. Bonds - Education - 2016	Tuckahoe	0	0	0	0	0	0
70005	4	Skipwith ES Renovation	G.O. Bonds - Education - 2016	Tuckahoe	0	0	0	0	0	0
70006	5	Seven Pines ES Renovation	G.O. Bonds - Education - 2016	Varina	0	0	0	0	0	0
70007	6	Chamberlayne ES Renovation	G.O. Bonds - Education - 2016	Varina	0	0	0	0	0	0
70008	7	Tucker HS Renovation	G.O. Bonds - Education - 2016	Fairfield	0	0	0	0	0	0
70009	1	Brookland Area ES Planning & Construction	G.O. Bonds - Education - 2016	Three Chopt	0	0	0	0	0	0
70010	2	Glen Allen HS ACE Center	G.O. Bonds - Education - 2016	Brookland	0	0	0	4,799,012	4,942,982	9,741,994
70011	1	Eastern Area ACE Center	G.O. Bonds - Education - 2016	Brookland	0	0	0	0	4,369,218	4,369,218
70012	1	Adams Elementary School Renovation	G.O. Bonds - Education - 2016	Varina	0	0	0	0	0	0
				Fairfield	0	0	0	0	0	0
Department Subtotal					0	900,000	927,000	5,753,822	10,295,654	17,876,476
Fire										
13001		Fire Training Center	G.O. Bonds - General Gov't - 2016	General Government	0	116,643	116,643	116,643	116,643	466,572
13002	1	Staples Mill Fire Station	G.O. Bonds - General Gov't - 2016	Brookland	0	0	0	1,780,584	1,780,584	3,561,168
06366	1	Fire Station #1 Replacement	No Funding Source	Fairfield	0	0	0	108,874	108,874	217,748
08175	2	FS #14,15,16,17 Bathroom/Bunk Room	No Funding Source	Countywide	0	0	0	23,724	23,724	47,448
06177	1	Fire Station #6 Replacement	No Funding Source	Varina	0	0	0	0	0	0
08174	1	FS #11 and FS#4 - Bathroom/Bunk Room	No Funding Source	Countywide	0	0	0	0	0	0
13003	2	Eastgate/Newbridge Fire Station	G.O. Bonds - General Gov't - 2016	Countywide	0	0	0	6,790	6,790	6,790
06623	1	Fire Boat House	No Funding Source	Fairfield	0	0	0	0	0	0
				Varina	0	0	0	0	0	0
Department Subtotal					0	116,643	116,643	2,029,825	2,036,615	4,299,726
General Services										
00572		Mechanical Improvements	General Fund	General Government	0	0	0	0	0	0
00425		Roof Replacement and Rehabilitation	General Fund	General Government	0	0	0	0	0	0
00423		Pavement Rehabilitation	General Fund	General Government	0	0	0	0	0	0
06477	3	Small Project Improvements and Renovations	General Fund	General Government	0	0	0	0	0	0
08288	4	Courts Building Refresh	No Funding Source	General Government	0	0	0	0	0	0
01198	5	Energy Management	No Funding Source	General Government	0	0	0	0	0	0
06096	6	Human Services Building Renovation	General Fund	General Government	0	0	0	0	0	0
01199	7	County Generator Program	No Funding Source	General Government	0	0	0	0	0	0
00001	8	Library HQ ADA Ramp & Parking	No Funding Source	General Government	0	0	0	0	0	0
00011	9	Library HQ Streambank Restoration	No Funding Source	General Government	0	0	0	0	0	0
00003	10	FS 12&13 Floor Drain Sewer Connections	No Funding Source	General Government	0	0	0	0	0	0
00612	11	Administration Infill Building	No Funding Source	Brookland, Tuckahoe	0	0	0	217,470	217,470	434,940
06103	1	CAM East & Road Crew Building	No Funding Source	General Government	0	0	0	0	433,622	433,622
07036	1	East Govt. Center Swing Building	No Funding Source	General Government	0	0	0	0	0	0
00002	2	Circuit Courts Secure Inmate Corridor	No Funding Source	General Government	0	0	0	0	0	0
06728	3	CAM Woodman Parking Expansion	No Funding Source	General Government	0	0	0	0	0	0
Department Subtotal					0	0	0	217,470	651,092	868,562
Information Technology										
06481	1	Information Technology Projects	General Fund	General Government	0	0	0	0	0	0
07017	2	Data Center Upgrade	General Fund	General Government	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0

Capital Improvement Program
Fiscal Year 2017-18 through FY2021-22
Fund 21 - Capital Projects Fund
Associated Operating Cost

Project	Priority	Project Type	Source	District	Request FY17-18	Request FY18-19	Request FY19-20	Request FY20-21	Request FY21-22	Total Five Year
Information Technology - GIS										
00429	1	Technology Improvement	General Fund	General Government	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Mental Health										
06661	1	Building (New)	Other Local Revenue/General Fund	General Government	0	148,482	148,482	148,482	148,482	593,928
06662	1	Building Addition	No Funding Source	General Government	0	0	0	114,740	114,750	229,490
Department Subtotal					0	148,482	148,482	263,222	263,232	823,418
Police										
06610	1	Building Improvement	General Fund	General Government	0	0	0	0	0	0
08350	2	Building (New)	General Fund	General Government	0	50,348	50,348	50,348	50,348	201,392
06730	3	Building (New)	No Funding Source	General Government	0	5,200	5,200	5,200	5,200	20,800
Department Subtotal					0	55,548	55,548	55,548	55,548	222,192
Public Library										
02100	1	Building (New)	G.O. Bonds - General Gov't - 2016	Fairfield	0	0	2,119,322	2,119,322	2,119,322	6,357,966
07034	1	Building Improvement	No Funding Source	Tuckahoe	0	0	0	0	75,000	75,000
07033	2	Building Improvement	No Funding Source	Three Chopt	0	0	0	0	30,000	30,000
Department Subtotal					0	0	2,119,322	2,119,322	2,224,322	6,462,966
Public Utilities - Landfill										
01150	1	Landfill	Landfill Revenue	Three Chopt	0	0	0	0	0	0
08353	2	Landfill	Landfill Revenue	Fairfield	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Public Works - Drainage										
06678	1	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06501	2	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
05013	3	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06037	4	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06846	5	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06589	1	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06476	2	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06020	3	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06004	4	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06006	1	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06013	2	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06000	3	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06053	4	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06076	1	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06057	2	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06073	3	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06002	4	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06002	5	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Public Works - Roadway										
28001	1	Roadway	G.O. Bonds - General Gov't - 2016/No Funding	Fairfield	0	0	0	0	0	0
07043	2	Roadway	No Funding Source	Brookland, Fairfield	0	0	0	0	0	0
04099	3	Roadway	General Fund - Public Works	Countywide	0	0	0	0	0	0
06837	4	Roadway	General Fund	Countywide	0	0	0	0	0	0
08163	5	Roadway	General Fund	Countywide	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0

Capital Improvement Program
Fiscal Year 2017-18 through FY2021-22
Fund 21 - Capital Projects Fund
Associated Operating Cost

Project	Priority	Project Type	Source	District	Request FY17-18	Request FY18-19	Request FY19-20	Request FY20-21	Request FY21-22	Total Five Year
Public Works - Stormwater										
07046 Chesapeake Bay TMDL/MS4 Compliance	1	Stormwater	General Fund	Countywide	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Recreation										
23001 High School Field Upgrades	1	Site Improvement	G.O. Bonds - General Gov't - 2016	Countywide	0	514,929	514,929	514,929	514,929	2,059,716
06194 Facility Rehabilitation	2	Site Improvement	General Fund	Countywide	0	0	0	0	0	0
23002 Greenwood Park	1	Park	G.O. Bonds - General Gov't - 2016	Brookland	0	0	334,475	334,475	334,475	1,003,425
23003 Dorey Park	2	Site Improvement	G.O. Bonds - General Gov't - 2016	Varina	0	0	0	435,384	435,384	870,768
08355 Route 5 Capital Trail Improvement	3	Site Improvement	No Funding Source	Varina	0	0	19,500	19,500	19,500	58,500
06253 Laurel Recreation Area	1	Site Improvement	No Funding Source	Brookland	0	0	0	0	0	0
23004 Deep Run Park	1	Site Improvement	G.O. Bonds - General Gov't - 2016	Three Chopt	0	0	0	0	50,000	50,000
23005 Taylor Park	2	Park	G.O. Bonds - General Gov't - 2016	Varina	0	0	0	0	0	0
00509 Pouncey Tract Park	3	Site Improvement	No Funding Source	Three Chopt	0	0	0	0	0	0
23006 Cheswick Park	1	Site Improvement	G.O. Bonds - General Gov't - 2016	Three Chopt	0	0	0	0	0	0
23007 Tuckahoe Creek Park	2	Park	G.O. Bonds - General Gov't - 2016	Tuckahoe	0	0	0	0	0	0
06213 Western Maintenance Building	3	Building (New)	No Funding Source	General Government	0	0	0	0	0	0
23008 Three Lakes Nature Center Park	1	Site Improvement	G.O. Bonds - General Gov't - 2016	Fairfield	0	0	0	0	0	0
23009 Tuckahoe Park	1	Site Improvement	G.O. Bonds - General Gov't - 2016	Tuckahoe	0	514,929	868,904	1,304,288	1,354,288	4,042,409
Department Subtotal					0	514,929	868,904	1,304,288	1,354,288	4,042,409
Sheriff										
06854 Jail East and West Kitchen Improvements	1	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
08373 Jail Security Upgrades	2	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
08166 Jail East Sallyport Gates and Hardware	3	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
01112 Jail East Special Housing Unit	1	Building (New)	No Funding Source	General Government	0	0	0	2,296,452	2,296,452	4,592,904
01111 Sheriff's Office Relocation	1	Building (New)	No Funding Source	General Government	0	0	0	0	0	0
06386 Female Housing and Alternate Sentencing Rmx	1	Building Improvement	No Funding Source	General Government	0	0	0	2,296,452	2,296,452	4,592,904
Department Subtotal					0	0	0	2,296,452	2,296,452	4,592,904
Grand Total - Capital Projects Fund					0	1,735,602	4,235,899	14,039,949	19,177,203	39,188,653

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.

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.

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.

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>FY16</u> <u>Revised</u>	<u>FY17</u> <u>Original</u>	<u>FY17</u> <u>Changes</u> ³	<u>FY17</u> <u>Revised</u> ³	<u>FY18</u> <u>Changes</u>	<u>FY18</u> <u>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	53	53	2	55		55
Central Auto. Maintenance	67	67		67	3	70
Circuit Court Services	8	8		8		8
Commonwealth's Attorney	56	56		56	1	57
Community Corrections	2	2		2		2
Community Revitalization	17	17	1	18		18
County Attorney	20	20		20		20
County Manager	13	13		13		13
Electoral Board	8	8		8	1	9
Finance	168	168	(5)	163		163
Fire	548	562		562	27	589
General Services	118	119	(1)	118		118
Human Resources	57	57		57	1	58
Hold Complement ²	6	6	(3)	3	2	5
Information Technology	91	91	6	97		97
Internal Audit	4	4		4		4
Juvenile Detention	30	30		30		30
Juvenile Detention/VJCCCA	3	3		3		3
Library	197	206		206		206
Mental Health	219	219		219		219
Permit Centers	16	16		16		16
Planning	45	45		45		45
Police	828	842		842	10	852
Public Relations & Media Services	19	19		19		19
Public Utilities	307	307		307		307
Public Works	259	259		259	3	262
Real Property	7	7		7		7
Recreation	170	170		170	7	177
Sheriff	390	390		390	4	394
Social Services	177	181	4	185	5	190
Solid Waste	69	69		69		69
Sub-Total	<u>3,986</u>	<u>4,028</u>	<u>4</u>	<u>4,032</u>	<u>64</u>	<u>4,096</u>
Education:	<u>6,760.75</u>	<u>6,825.75</u>	<u>6.70</u>	<u>6,832.45</u>	<u>12.00</u>	<u>6,844.45</u>
TOTAL	<u><u>10,746.75</u></u>	<u><u>10,853.75</u></u>	<u><u>10.70</u></u>	<u><u>10,864.45</u></u>	<u><u>76.00</u></u>	<u><u>10,940.45</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 (315 as of 2/20/2017) 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 2/22/2017

**Personnel Complement
By Fund**

Fund	FY16 Revised	FY17 Original	FY17⁽¹⁾ Changes	FY17 Revised	FY18 Changes	FY18 Approved
General Fund						
General Government	3,086.00	3,120.00	3.00	3,123.00	54.00	3,177.00
Education	5,939.65	5,998.65	2.00	6,000.65	12.00	6,012.65
Total	9,025.65	9,118.65	5.00	9,123.65	66.00	9,189.65
Special Revenue Fund						
General Government	501.00	509.00	4.00	513.00	5.00	518.00
Education	821.10	827.10	4.70	831.80	0.00	831.80
Total	1,322.10	1,336.10	8.70	1,344.80	5.00	1,349.80
Enterprise Funds						
Public Utilities	307.00	307.00	0.00	307.00	0.00	307.00
Golf Course	8.00	8.00	0.00	8.00	0.00	8.00
Total	315.00	315.00	0.00	315.00	0.00	315.00
Internal Service Fund						
Cent. Auto. Maint.	67.00	67.00	0.00	67.00	3.00	70.00
Risk Management	11.00	11.00	0.00	11.00	0.00	11.00
	78.00	78.00	0.00	78.00	3.00	81.00
Hold Complement	6.00	6.00	(3.00)	3.00	2.00	5.00
Grand Total	10,746.75	10,853.75	10.70	10,864.45	76.00	10,940.45

⁽¹⁾ As of 2/22/2017

**County of Henrico
Personnel Complement Changes
FY 2017-18**

<u>Fund/Department</u>	<u>Position</u>	<u>F/PT</u>	<u>Number</u>	<u>Justification</u>
<u>GENERAL GOVERNMENT</u>				
General Fund:				
Building Inspections	Inspector I	FT	2.00	To relieve workload pressures and support the Community Maintenance Program
Commonwealth's Attorney	Assistant Commonwelath Attorney I	FT	1.00	Added to help with increased heroin cases
Community Revitalization	Planning Technician	FT	1.00	To enhance the volunteer efforts, community cleanups, and special projects
Electoral Board	Assistant Registrar II	FT	1.00	Relieve workload pressures from increased voter registration and absentee voting
Fire	Firefighters	FT	3.00	Relieve Staffing Pressures
Fire	Firefighters	FT	18.00	Staffing for Fire Station #19
Fire	Fire Lieutenant	FT	6.00	Staffing for Fire Station #19
			Total, Fire	27.00
Human Resources	Management Assistant I	FT	1.00	ICMA Fellow
Police	Police Officers	FT	10.00	Positions added for Patrol
Public Works	Capital Project Manager	FT	2.00	To Assist with the 37 Administered Capital Projects
Public Works	Management Specialist I	FT	1.00	To Inspect BMPs Countywide
			Total, Public Works	3.00
Recreation and Parks	Groundskeeper I	FT	3.00	Added for Greenwood Park Phase I
Recreation and Parks	Park Services Specialist I	FT	1.00	Added for Greenwood Park Phase I
Recreation and Parks	Tradesman I	FT	1.00	Added for Greenwood Park Phase I
Recreation and Parks	Recreation Maintenance Worker I	FT	1.00	Added for Greenwood Park Phase I
Recreation and Parks	Recreation Sports League Coordinator	FT	1.00	Added for Greenwood Park Phase I
			Total, Recreation and Parks	7.00
Sheriff	Sheriff Deputy	FT	4.00	Staffing for Jail West Booking Platoons
			General Fund Total	57.00
Special Revenue Fund:				
Social Services	Human Services Specialist I	FT	2.00	State Allocated more Money for Workload Relief
Social Services	Office Assitant III	FT	1.00	State Allocated more Money for Workload Relief
Social Services	Senior Family Services Specialist	FT	1.00	State Allocated more Money for Workload Relief
Social Services	Family Service Specialist II	FT	1.00	State Allocated more Money for Workload Relief
			Total, Social Services	5.00
			Special Revenue Fund Total	5.00
Internal Service Fund:				
Central Automotive Maintenance	Automotive Equipment Mechanic	FT	3.00	Positions added to support DPU and DPW maintenance
			Internal Service Fund Total	3.00
			General Government Total	65.00

**County of Henrico
Personnel Complement Changes
FY 2017-18**

Fund/Department	Position	F/PT	Number	Justification
EDUCATION				
General Fund:				
Revisions During FY2016-17				
Instructional	Elementary Education	FT	24.00	Maintain Class Size
Instructional	Elementary Education	FT	1.00	Achievable Dream
Instructional	Secondary Education	FT	2.60	Maintain Class Size
Instructional	Instructional Reserve	FT	(29.90)	Reclassification
Instructional	Gifted Education	FT	1.00	Maintain Class Size
Instructional	Career & Technical Education	FT	1.80	Reclassification
Instructional	Instructional Support	FT	1.00	Realignment
Instructional	Exceptional Education	FT	(1.50)	Realignment/Reclassification
Instructional	Guidance & Counseling	FT	1.00	Reclassification
Instructional	Staff Development	FT	(1.00)	Reclassification
Instructional	School Improvement	FT	1.00	Reclassification
Assistant Principals	Elementary Education	FT	1.00	Achievable Dream
Assistant Principals	Elementary Education	FT	0.50	Realignment
Other Professional	Social Work Services	FT	1.00	Reclassification
Other Professional	Construction and Maintenance	FT	2.00	Reclassification
Psychologists	Psychological Services	FT	0.50	Reclassification
Technology Tech Development	Technology	FT	(2.00)	Reclassification
Technical	School Counseling Services	FT	(1.00)	Reclassification
Technical	Operations	FT	(1.00)	Reclassification
Technical	Construction and Maintenance	FT	(3.00)	Reclassification
Technology Tech Support	Technology	FT	2.00	Reclassification
Technology Tech Support	Instructional Technology	FT	(1.00)	Reclassification
Technology Tech Support	Records Management	FT	1.00	Reclassification
Technology Tech Support	Operations	FT	1.00	Reclassification
Clerical	Instructional Technology	FT	1.00	Reclassification
Clerical	Records Management	FT	(1.00)	Reclassification
Clerical	Human Resources	FT	1.00	Reclassification
Clerical	School Board	FT	1.00	Realignment
Clerical	Superintendent of Schools	FT	(1.00)	Realignment
Instructional Assistants	Exceptional Education	FT	1.00	Reclassification
Trades	Construction & Maintenance	FT	1.00	Reclassification
Laborers	Construction & Maintenance	FT	1.00	Realignment
Operative	Pupil Transportation	FT	(1.00)	Realignment
Clerical	Human Resources	PT	(0.50)	Reclassification
Clerical	General Services	PT	(0.50)	Reclassification
Operative	Pupil Transportation	PT	(1.00)	Realignment
Service	Construction and Maintenance	PT	(1.00)	Reclassification
Total Education - General Fund FY2016-17			2.00	
Requested Changes for FY2017-18:				
Instructional	Elementary Education	FT	1.50	Realignment/Achievable Dream
Instructional	Secondary Education	FT	(0.20)	Realignment
Instructional	Career and Technical Education	FT	0.20	Realignment
Assitant Principals	Elementary Education	FT	(0.50)	Reorganization
Technical	Pupil Transportation	FT	1.00	Achievable Dream
Instructional Assistants	Elementary Education	FT	5.00	Achievable Dream
Operative	Pupil Transportation	FT	3.00	Realignment/Achievable Dream
Instructional	Secondary Education	FT	1.00	Middle School Initiative
Instructional	Secondary Education	FT	1.00	HEF Coordinator
Total Education - General Fund FY2017-18			<u>12.00</u>	
Total Education - General Fund since 7/1/2016			<u>14.00</u>	

**County of Henrico
Personnel Complement Changes
FY 2017-18**

Fund/Department	Position	F/PT	Number	Justification
Special Revenue Fund:				
Revisions During FY2016-17:				
Instructional	Algebra Readiness	FT	1.00	Grant Supported Position
Instructional	Title I-A	FT	5.50	Grant Supported Position/Reclassification
Instructional	Title VI-B	FT	1.00	Reclassification
Instructional	DMAS Health Services Program	FT	(1.00)	Reclassification
Instructional	Math/Reading Incentive	FT	(1.00)	Grant Supported Position
Instructional	Extended School Year Grant	FT	0.20	Grant Supported Position
Other Professional	DMAS Health Services Program	FT	1.00	Reclassification
Nurses	Head Start	FT	1.00	Reclassification
Technical	VPI+	FT	1.00	Reclassification
Technical	Title I-A	FT	1.00	Reclassification
Technology Tech Support	School Nutrition Services	FT	1.00	Reclassification
Clerical	School Nutrition Services	FT	(1.00)	Reclassification
Instructional Assistants	State Four Year Old Program	FT	(1.00)	Funding Shift
Instructional Assistants	Head Start	FT	1.00	Funding Shift
Instructional Assistants	Title I-A	FT	(4.00)	Reclassification
Instructional Assistants	Title VI-B	FT	(1.00)	Reclassification
Total Education - Special Revenue Fund (FY2016-17):			4.70	
Total Education - Special Revenue Fund (since 7/1/2016):			4.70	
Total Education - All Funds (FY2016-17):			<u>6.70</u>	
Total Education - All Funds (FY2017-18):			<u>12.00</u>	
Total Education - All Funds (since 7/1/2016):			<u>18.70</u>	

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2015-16</u>	<u>Approved FY2016-17</u>	<u>Revised FY2016-17</u>	<u>Approved FY2017-18</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	1	1	0	0
Food Service Supervisor	1	1	0	0
Groundskeeper I	3	3	4	4
Groundskeeper IV	1	1	1	1
Park Services Division Supervisor	1	1	1	1
Preventative Maintenance Technician	1	1	1	1
Senior Business Supervisor	0	0	1	1
	<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	14	14	16	16
Building Inspector II	12	12	12	12
Building Inspector III	1	1	1	1
Building Official	1	1	1	1
Business Supervisor	1	1	1	1
Department Technology Specialist III	0	0	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
Existing Structures Inspection Supervisor	0	0	1	1
Inspections Plans Reviewer	1	1	1	1
Inspections Supervisor	1	1	0	0
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	0	0
	<u>53</u>	<u>53</u>	<u>55</u>	<u>55</u>
Central Automotive Maintenance				
Accountant III	1	1	1	1
Accounting and Fiscal Technician	1	1	1	1
Automotive Equipment Mechanic	34	34	35	38
Automotive Equipment Supervisor	1	1	1	1

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2015-16</u>	<u>Approved FY2016-17</u>	<u>Revised FY2016-17</u>	<u>Approved FY2017-18</u>
<i>Central Automotive Maintenance (cont'd)</i>				
Automotive Equipment Technician	3	3	2	2
Automotive Fleet Manager	1	1	1	1
Automotive Mechanic Foreman	3	3	3	3
Automotive Mechanic Foreman, Senior	1	1	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>70</u>
Circuit Court Services				
Administrative Assistant	3	3	3	3
Court Administrator	1	1	1	1
Law Clerk	3	3	3	3
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	11	11	12	13
Assistant Attorney II/Commonwealth	6	6	7	7
Assistant Attorney III/Commonwealth	5	5	4	4
Attorney for the Commonwealth	1	1	1	1
Business Supervisor	1	1	1	1
Chief Deputy Attorney/Commonwealth	1	1	1	1
Management Assistant	2	2	2	2
Management Specialist I	1	1	1	1
Management Specialist II	1	1	1	1
Office Assistant IV	3	3	3	3
Paralegal	4	4	4	4
Secretary	13	13	13	13
Senior Asst. Attorney/Commonwealth	5	5	4	4
Senior Management Specialist	1	1	1	1
	<u>56</u>	<u>56</u>	<u>56</u>	<u>57</u>
Community Corrections				
Community Corrections Unit Supervisor	1	1	1	1
Senior Management Specialist	1	1	1	1
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Community Revitalization				
Administrative Assistant	1	1	1	1

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2015-16</u>	<u>Approved FY2016-17</u>	<u>Revised FY2016-17</u>	<u>Approved FY2017-18</u>
<i>Community Revitalization (cont'd)</i>				
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
Planning Technician	0	0	1	1
Zoning Enforcement Officer	9	9	9	9
Zoning Enforcement Supervisor	2	2	2	2
	<u>17</u>	<u>17</u>	<u>18</u>	<u>18</u>
County Attorney				
Assistant County Attorney I	2	2	3	3
Assistant County Attorney II	4	4	3	3
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>20</u>	<u>20</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
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>13</u>	<u>13</u>
Electoral Board				
Administrative Assistant	1	1	1	1
Assistant Registrar II	4	4	4	5
Department Technology Specialist II	0	0	1	1
Deputy General Registrar	1	1	1	1
Management Specialist I	1	1	1	1
Technology Support Specialist I	1	1	0	0
	<u>8</u>	<u>8</u>	<u>8</u>	<u>9</u>
Finance				
Account Clerk II	21	21	6	6
Account Clerk III	6	6	1	1
Account Clerk Senior	0	0	1	1
Accountant I	2	2	1	1
Accountant II	0	0	1	1
Accountant III	4	4	4	4
Accountant IV	2	2	0	0

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2015-16</u>	<u>Approved FY2016-17</u>	<u>Revised FY2016-17</u>	<u>Approved FY2017-18</u>
<i>Finance (cont'd)</i>				
Accounting and Fiscal Technician	2	2	0	0
Administrative Assistant	1	1	1	1
Assistant Division Director	3	3	3	3
Assistant Treasury Supervisor	2	2	0	0
Budget Analyst I	3	3	2	2
Budget Analyst II	0	0	1	1
Budget Analyst III	1	1	1	1
Budget Director	1	1	1	1
Budget Supervisor	1	1	1	1
Business Audit Supervisor	1	1	1	1
Business Auditor I	4	4	4	4
Business Auditor II	2	2	2	2
Business Auditor III	0	0	2	2
Business Inspection Supervisor	1	1	1	1
Business Inspector I	3	3	1	1
Business Inspector II	2	2	4	4
Business Section Manager	1	1	1	1
Business Supervisor	1	1	1	1
Director Of Finance	1	1	1	1
Division Director	3	3	3	3
Information Technology Project Manager	1	1	0	0
Management Assistant	5	5	6	6
Management Specialist I	1	1	1	1
Management Specialist II	1	1	3	3
Management Technician	15	15	15	15
Office Supervisor	1	1	0	0
Payroll Specialist	0	0	2	2
Payroll System Administrator	0	0	1	1
Personal Property Tax Auditor I	5	5	0	0
Personal Property Tax Auditor II	4	4	0	0
Personal Property Tax Supervisor	1	1	0	0
Procurement Analyst I	3	3	3	3
Procurement Analyst II	3	3	1	1
Procurement Analyst III	1	1	0	0
Procurement Analyst IV	1	1	4	4
Purchasing Director	1	1	1	1
Purchasing Support Specialist	3	3	3	3
Real Estate Appraiser I	0	0	2	2
Real Estate Appraiser Supervisor	3	3	3	3
Real Estate Assessment Director	1	1	1	1
Real Estate Section Manager	1	1	1	1
Revenue Collection Officer I	3	3	5	5
Revenue Collection Officer II	5	5	3	3
Secretary	3	3	1	1
Senior Accountant	2	2	3	3
Senior Budget and Management Analyst	2	2	2	2

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2015-16</u>	<u>Approved FY2016-17</u>	<u>Revised FY2016-17</u>	<u>Approved FY2017-18</u>
<i>Finance (cont'd)</i>				
Senior Business Auditor	4	4	1	1
Senior Management Specialist	3	3	3	3
Senior Real Estate Appraiser	21	21	19	19
Tax Auditor I	0	0	5	5
Tax Auditor II	0	0	4	4
Tax Auditor Supervisor	0	0	1	1
Technology Support Specialist III	4	4	0	0
Technology Support Specialist IV	1	1	0	0
Treasury Services Officer I	0	0	6	6
Treasury Services Officer II	0	0	10	10
Treasury Manager	0	0	3	3
Treasury Supervisor	0	0	4	4
Vehicle Section Manager	1	1	1	1
	<u>168</u>	<u>168</u>	<u>163</u>	<u>163</u>
Fire				
Account Clerk III	3	3	2	2
Accountant I	0	0	1	1
Administrative Assistant	1	1	1	1
Assistant Fire Chief	3	3	0	0
Controller	1	1	1	1
Department IT Manager	1	1	1	1
Department Technology Specialist II	0	0	2	2
Department Technology Specialist IV	0	0	2	2
Deputy Fire Chief	0	0	2	2
Division Director	0	0	1	1
Emergency Manager	1	1	1	1
Engineer II	1	1	1	1
Fire Battalion Chief	12	12	13	13
Fire Captain	32	33	33	33
Fire Chief	1	1	1	1
Fire District Chief	4	4	3	3
Fire Lieutenant	92	92	91	97
Firefighter	382	394	395	416
Management Specialist I	2	2	1	1
Management Specialist II	2	3	3	3
Office Assistant III	1	1	0	0
Office Supervisor	1	1	1	1
Registered Nurse	1	1	1	1
Secretary	1	1	1	1
Senior Management Specialist	1	1	2	2
Store Keeper II	0	0	1	1
Technology Support Specialist II	2	2	0	0
Technology Support Specialist IV	2	2	0	0
Warehouse/Parts Supervisor	1	1	1	1
	<u>548</u>	<u>562</u>	<u>562</u>	<u>589</u>

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General Services				
Account Clerk III	2	2	2	2
Assistant Director of General Services	1	1	1	1
Assistant Division Manager	0	0	1	1
Business Supervisor	1	1	1	1
Capital Projects Manager	4	4	4	4
Chief of Security Services	1	1	1	1
Construction Coordinator	3	3	3	3
Courier	3	3	3	3
Custodial Worker	18	18	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	3	3	3	3
Food Service Manager	1	1	1	1
Maintenance Superintendant	3	3	3	3
Management Specialist II	1	1	1	1
Office Assistant II	2	2	2	2
Office Assistant III	1	1	1	1
Office Assistant IV	2	2	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 Controller	1	1	1	1
Senior Cook	2	2	2	2
Senior Engineer	1	1	1	1
Senior Plant Maintenance Mechanic	5	5	4	4
Support Services Supervisor	1	1	1	1
Technology Support Specialist II	0	1	0	0
	<u>118</u>	<u>119</u>	<u>118</u>	<u>118</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	2	2	2	2
Department Technology Specialist	0	0	1	1
Director of Human Resources	1	1	1	1
Division Manager	7	7	7	7
Environmental Management Coordinator	1	1	1	1
Human Resource Analyst I	3	3	4	4
Human Resource Analyst II	3	3	2	2

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<i>Human Resources (cont'd)</i>				
Human Resource Analyst III	5	5	5	5
Human Resources Assistant I	6	6	4	4
Human Resources Assistant II	6	6	7	7
Human Resources Manager	2	2	2	2
Management Specialist	1	1	0	1
Management Specialist II	0	0	1	1
Medical Assistant Specialist	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	3	3	3
Senior Fitness Trainer	2	2	2	2
Senior Human Resources Analyst	4	4	6	6
Technology Support Specialist III	1	1	0	0
Technology Support Specialist IV	1	1	0	0
	<u>57</u>	<u>57</u>	<u>57</u>	<u>58</u>
Hold Complement²	6	6	3	5
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	2	2
Computer Operator III	1	1	1	1
Director of Information Technology	1	1	1	1
GIS Analyst II	0	0	1	1
GIS Analyst III	0	0	2	2
GIS Analyst Senior	0	0	1	1
GIS Manager	0	0	1	1
GIS Coordinator	1	1	0	0
Information Technology Control Technician	1	1	1	1
Information Technology Project Leader	11	11	0	0
Information Technology Project Manager	7	7	0	0
Information Technology Senior Specialist	1	1	0	0
Information Technology Systems Engineer	2	2	2	2
IT Application Developer I	0	0	1	1
IT Application Developer II	0	0	4	4
IT Application Developer III	0	0	10	10
IT Application Developer Senior	0	0	2	2
IT Database Administrator I	0	0	1	1
IT Database Administrator III	0	0	3	3
IT Desk Support Specialist I	0	0	2	2
IT Desk Support Specialist II	0	0	6	6

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<i>Information Technology (cont'd)</i>				
IT Desk Support Specialist III	0	0	1	1
IT Desk Support Specialist Senior	0	0	2	2
IT Manager I	0	0	11	11
IT Manager II	0	0	11	11
IT Network/Telecomm Admin I	0	0	3	3
IT Network/Telecomm Admin II	0	0	2	2
IT Network/Telecomm Admin III	0	0	1	1
IT Systems Admin I	0	0	1	1
IT Systems Admin II	0	0	2	2
IT Systems Admin III	0	0	1	1
IT Systems Developer I	0	0	5	5
IT Systems Developer II	0	0	3	3
IT Systems Developer III	0	0	6	6
IT Systems Developer Senior	0	0	1	1
Manager of Production Services	1	1	1	1
Technology Support Specialist I	3	3	0	0
Technology Support Specialist II	8	8	0	0
Technology Support Specialist III	20	20	0	0
Technology Support Specialist IV	25	25	0	0
Technology Support Technician II	2	2	1	1
	<u>91</u>	<u>91</u>	<u>97</u>	<u>97</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>
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	1	1	1	1
Registered Nurse	2	2	2	2
Secretary	1	1	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	0	0
Account Clerk Senior	0	0	2	2
Accountant II	0	0	1	1

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<i>Library (cont'd)</i>				
Administrative Assistant	1	1	1	1
Assistant Library Director	1	1	1	1
Controller	1	1	1	1
Courier	2	2	2	2
Department IT Manager	0	0	1	1
Department Technology Specialist II	0	0	5	5
Department Technology Specialist III	0	0	5	5
Department Technology Specialist IV	0	0	1	1
Director of Library	1	1	1	1
Librarian I	30	31	31	31
Librarian II	17	19	5	5
Librarian III	14	14	0	0
Librarian IV	0	0	1	1
Library Circulation Asst. Supervisor	0	0	6	6
Library Circulation Supervisor	0	0	11	11
Library Collection Management Specialist I	0	0	7	7
Library Collection Management Specialist II	0	0	1	1
Library Assistant I	55	58	0	0
Library Assistant II	41	44	0	0
Library Assistant III	7	7	0	0
Library Assistant IV	7	7	0	0
Library Manager I	5	5	13	13
Library Manager II	0	0	5	5
Library Public Services Coordinator	1	1	2	2
Library Public Services Specialist I	0	0	88	88
Library Public Services Specialist II	0	0	1	1
Library Public Services Supervisor	0	0	12	12
Management Specialist I	0	0	1	1
Management Technician	1	1	0	0
Senior Management Specialist	0	0	1	1
Technology Support Specialist II	8	8	0	0
Technology Support Specialist III	2	2	0	0
Technology Support Specialist IV	1	1	0	0
	<u>197</u>	<u>206</u>	<u>206</u>	<u>206</u>
Mental Health				
Account Clerk III	8	8	8	8
Accountant I	1	1	1	1
Accountant III	1	1	2	2
Administrative Assistant	1	1	1	1
Business Manager	1	1	1	1
Business Supervisor	3	3	3	3
Department IT Manager	0	0	1	1
Department Technology Specialist II	0	0	1	1
Department Technology Specialist III	0	0	1	1
Department Technology Specialist IV	0	0	3	3
Director of MH/DS	1	1	1	1

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<i>Mental Health (cont'd)</i>				
Infant Development Specialist	1	1	1	1
Management Specialist II	0	0	1	1
Medical Assistant	1	1	1	1
MH/DS Case Manager	37	37	37	37
MH/DS Clinical Supervisor	16	16	16	16
MH/DS Clinician	50.5	50.5	47.5	47.5
MH/DS Community Support Supervisor	6	6	6	6
MH/DS Division Director	2	2	3	3
MH/DS Group Home Supervisor	3	3	3	3
MH/DS Marketing Specialist	1	1	1	1
MH/DS Program Coordinator	7	7	6	6
MH/DS Program Manager	8	8	9	9
MH/DS Residential Counselor	1	1	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	12.5	12.5	11.5	11.5
MH/DS Training Specialist	26	26	26	26
Nurse Practitioner	1	1	1	1
Occupational Therapist	1	1	1	1
Office Assistant IV	17	17	17	17
Secretary	2	2	2	2
Senior Controller	1	1	1	1
Senior Management Specialist	3	3	1	1
Speech Pathologist	1	1	1	1
Technology Support Specialist II	2	2	0	0
Technology Support Specialist IV	1	1	0	0
	<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 Deleveopment Supervisor	0	0	2	2
Community Development Technician I	2	2	1	1
Community Development Technician II	0	0	1	1
Community Development Technician III	3	3	3	3
Director of Community Development	1	1	1	1
Office Assistant IV	1	1	1	1
Senior Community Development Technician	7	7	5	5
	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>
Planning				
Account Clerk III	1	1	1	1
Accounting & Fiscal Technician	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Director of Planning	1	1	1	1
County Planner I	5	5	3	3
County Planner II	4	4	6	6
County Planner III	3	3	3	3

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<i>Planning (cont'd)</i>				
County Planner IV	8	8	8	8
Department IT Manager	0	0	1	1
Department Technology Specialist II	0	0	1	1
Department Technology Specialist III	0	0	1	1
Deputy Zoning Conformance Officer	1	1	1	1
Director of Planning	1	1	1	1
GIS Analyst III	0	0	1	1
Office Assistant III	0	0	1	1
Office Assistant IV	4	4	3	3
Planning Technician	1	1	1	1
Principal Planner	0	0	0	0
Senior Business Supervisor	1	1	1	1
Senior Planning Technician	1	1	1	1
Senior Principal Planner	3	3	3	3
Technology Support Specialist I	3	3	3	3
Technology Support Specialist II	3	3	0	0
Technology Support Specialist IV	1	1	0	0
Zoning Enforcement Officer	2	2	2	2
	<u>45</u>	<u>45</u>	<u>45</u>	<u>45</u>
Police				
Account Clerk III	2	2	2	2
Administrative Assistant	1	1	1	1
Animal Protection Lieutenant	1	1	1	1
Animal Protection Officer	9	9	9	9
Animal Protection Sergeant	2	2	2	2
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	0	0
County Planner III	1	1	1	1
Crime Analyst	0	0	3	3
Criminal Records Manager	1	1	1	1
Crossing Guard	8	8	8	8
Department IT Manager	0	0	1	1
Department Technology Specialist I	0	0	2	2
Department Technology Specialist III	0	0	4	4
Department Technology Specialist IV	0	0	1	1
Deputy County Manager, Public Safety	0	0	1	1
Emergency Communications Manager	1	1	1	1
Latent Print Examiner	1	1	1	1
Management Technician	2	2	2	2
Management Specialist I	0	0	1	1

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<i>Police (cont'd)</i>				
Management Specialist II	2	2	1	1
Office Assistant III	3	3	3	3
Office Assistant IV	2	2	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	496	506	504	514
Police Sergeant	70	70	70	70
Police Support Technician I	14	15	14	14
Police Support Technician II	28	28	28	28
Police Support Technician III	4	4	5	5
Radio Repair Technician I	1	2	2	2
Radio Repair Technician II	2	2	2	2
Radio Repair Technician III	2	3	3	3
Secretary	9	9	9	9
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	0	0
Technology Support Specialist II	5	5	0	0
Technology Support Specialist III	1	2	0	0
Technology Support Specialist IV	1	1	0	0
	<u>828</u>	<u>842</u>	<u>842</u>	<u>852</u>
Public Relations and Media Services				
Asst. Dir. of Public Relations and Media Svcs.	1	1	2	2
Business Supervisor	1	1	1	1
Department Technology Specialist III	0	0	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	2	2	2	2
Public Relations Specialist	2	2	2	2
Senior Public Relations Specialist	1	1	1	1
Senior Television Producer/Director	1	1	1	1
Technology Support Specialist II	1	1	0	0
Television & Media Services Manager	1	1	0	0
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

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<i>Public Utilities (cont'd)</i>				
Accountant IV	1	1	0	0
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
Department IT Manager	0	0	1	1
Department Technology Specialist II	0	0	2	2
Department Technology Specialist IV	0	0	3	3
Director of Public Utilities	1	1	1	1
Division Director	5	5	5	5
Electrician	2	2	2	2
Engineer I	7	7	8	8
Engineer II	15	15	14	14
Engineering Aide II	8	8	8	8
Engineering Aide III	1	1	1	1
Engineering Technician	8	8	7	7
Equipment Operator I	1	1	6	6
Equipment Operator II	35	35	30	30
Equipment Operator III	6	6	6	6
GIS Analyst II	0	0	1	1
GIS Analyst III	0	0	1	1
GIS Technician	4	4	4	4
Instrumentation Specialist	3	3	1	1
Instrumentation Specialist I	0	0	1	1
Instrumentation Specialist II	0	0	4	4
Instrumentation Specialist III	0	0	3	3
Instrumentation Specialist Supervisor	2	2	2	2
Labor Foreman II	12	12	12	12
Laboratory Aide	1	1	2	2
Laboratory Analyst	6	6	6	6
Maintenance Assistant I	10	10	10	10
Maintenance Assistant II	6	6	2	2
Management Specialist I	1	1	1	1
Management Specialist II	1	1	1	1
Meter Reader Foreman	1	1	0	0
Meter Repair Specialist	2	2	2	2
Meter Service Foreman	1	1	0	0
Meter Service Worker	11	11	7	7
Meter Service Worker Senior	0	0	2	2
Monitoring Technician I	4	4	3	3

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<i>Public Utilities (cont'd)</i>				
Monitoring Technician II	1	1	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 Accountant	0	0	1	1
Senior Construction Coordinator	1	1	1	1
Senior Construction Inspector	3	3	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	0	0
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	1	1
Senior Water/Wastewater Plant Operator	12	12	13	13
Shop Clerk-Dispatcher	2	2	2	2
Storekeeper I	2	2	2	2
Storekeeper II	1	1	1	1
Technology Support Specialist I	1	1	0	0
Technology Support Specialist II	1	1	0	0
Technology Support Specialist III	3	3	0	0
Technology Support Specialist IV	2	2	0	0
Utilities Cashier	1	1	1	1
Utility Pipe Locator	2	2	2	2
Utility Plant Mechanic	12	12	5	5
Utility Plant Operator I	3	3	0	0
Utility Plant Operator II	5	5	0	0
Utility Superintendent I	5	5	5	5
Utility Superintendent II	4	4	4	4
Utility Technician	0	0	12	12
Warehouse/Parts Supervisor	2	2	2	2
Water/Wastewater Facility Maint. Supt.	1	1	1	1
Water/Wastewater Plant Mechanic I	0	0	1	1
Water/Wastewater Plant Mechanic II	0	0	6	6
Water/Wastewater Plant Mechanic III	0	0	3	3
Water/Wastewater Plant Mechanic Supervisor	0	0	2	2
Water Facility/Reclamation Facility Oper Supt.	1	1	1	1
Water/Wastewater Plant Operator I	0	0	1	1
Water/Wastewater Plant Operator II	7	7	5	5
Water/Wastewater Plant Operator Trainee	2	2	2	2
	<u>307</u>	<u>307</u>	<u>307</u>	<u>307</u>

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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	1	1	3	3
Assistant Traffic Engineer	2	2	2	2
Assistant Traffic Operations Supervisor	2	2	2	2
Bridge Inspector	1	1	1	1
Business Supervisor	1	1	1	1
Capital Projects Manager	3	3	3	5
Constructability Specialist II	2	2	2	2
Construction Division Director	1	1	1	1
Construction Inspector	13	13	15	15
County Surveyor	1	1	1	1
Department IT Manager	0	0	1	1
Department Technology Specialist I	0	0	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	2	2	2	2
Engineer II	7	7	7	7
Engineering Aide II	3	3	4	4
Engineering Aide III	6	6	5	5
Engineering/Environmental Services Div. Manager	1	1	1	1
Engineering Technician	1	1	1	1
Environmental Inspector	10	10	10	10
Environmental Program Specialist I	3	3	3	3
Environmental Program Specialist II	1	1	1	1
Equipment Operator I	35	35	0	0
Equipment Operator II	35	35	0	0
Equipment Operator III	28	28	1	1
GIS Analyst III	0	0	1	1
Labor Foreman II	12	12	0	0
Labor Foreman III	2	2	0	0
Laborer	15	15	7	7
Maintenance Superintendent	0	0	1	1
Management Specialist I	0	0	0	1
Management Specialist II	2	2	2	2
Management Technician	0	0	2	2
Materials Technician I	1	1	0	0
Materials Technician II	1	1	0	0

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<i>Public Works (cont'd)</i>				
Office Assistant III	4	4	4	4
Office Assistant IV	5	5	5	5
Preventive Maintenance Supervisor	1	1	0	0
Preventive Maintenance Technician	1	1	0	0
Road Constr. & Maint. Asst. Supt.	2	2	0	0
Road Constr. & Maintenance Supt.	1	1	1	1
Road Maintenance Heavy Equipment Specialist	0	0	1	1
Road Maintenance Heavy Equipment Specialist I	0	0	59	59
Road Maintenance Heavy Equipment Specialist II	0	0	27	27
Road Maintenance Heavy Equipment Specialist III	0	0	3	3
Road Maintenance Shop Supervisor	0	0	2	2
Road Maintenance Specialist	0	0	9	9
Road Maintenance Supervisor I	0	0	12	12
Road Maintenance Supervisor II	0	0	2	2
Road Maintenance Technician I	0	0	5	5
Road Maintenance Technician II	0	0	1	1
Secretary	3	3	3	3
Senior Construction Coordinator	2	2	2	2
Senior Controller	1	1	1	1
Senior Engineer	4	4	4	4
Senior Environmental Inspector	3	3	3	3
Storekeeper II	2	2	0	0
Survey Party Chief	2	2	2	2
Technology Support Specialist III	2	2	0	0
Technology Support Technician II	3	3	2	2
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	1	1
Traffic Service Worker II	0	0	7	7
Traffic Signal Service Worker	1	1	1	1
Traffic Signal Technician I	3	3	3	3
Traffic Signal Technician II	2	2	2	2
Traffic Signal Technician Supervisor	1	1	1	1
Welder	1	1	0	0
	<u>259</u>	<u>259</u>	<u>259</u>	<u>262</u>
Real Property				
Administrative Assistant	1	1	1	1
Assistant Director of Real Property	1	1	1	1
Director of Real Property	1	1	1	1
Office Assistant III	1	1	1	1
Real Property Agent II	2	2	2	2
Senior Real Property Agent	1	1	1	1
	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2015-16</u>	<u>Approved FY2016-17</u>	<u>Revised FY2016-17</u>	<u>Approved FY2017-18</u>
Recreation				
Account Clerk II	0	0	1	1
Account Clerk III	4	4	2	2
Account Clerk Senior	0	0	1	1
Accounting and Fiscal Technician	1	1	0	0
Administrative Assistant	1	1	1	1
Animal Care Specialist	0	0	2	2
Assistant Director of Recreation	1	1	1	1
Assistant Division Manager	1	1	1	1
Assistant Park Services Supervisor	6	6	6	6
Capital Projects Manager	2	2	2	2
Controller	1	1	1	1
Department IT Manager	0	0	1	1
Department Technology Specialist II	0	0	2	2
Director of Recreation And Parks	1	1	1	1
Division Manager	1	1	1	1
Groundskeeper I	26	26	23	26
Groundskeeper II	5	5	6	6
Groundskeeper IV	7	7	9	9
Laborer	4	4	3	3
Maintenance Assistant I	1	1	1	1
Management Assistant	0	0	1	1
Management Specialist I	3	3	3	3
Management Specialist II	2	2	3	3
Office Assistant III	6	6	4	4
Office Assistant IV	2	2	2	2
Park Services Division Supervisor	3	3	3	3
Park Services Specialist I	5	5	5	6
Park Services Specialist II	2	2	1	1
Park Services Specialist III	0	0	1	1
Preventative Maintenance Technician	1	1	2	2
Recreation Coordinator I	27	27	24	24
Recreation Coordinator II	3	3	2	2
Recreation Coordinator III	0	0	1	1
Recreation Division Manager	1	1	1	1
Recreation Maintenance Worker I	14	14	9	10
Recreation Maintenance Worker II	1	1	6	6
Recreation Maintenance Worker IV	3	3	3	3
Recreation Manager	4	4	8	8
Recreation Marketing Coordinator	1	1	2	2
Recreation Marketing Specialist	1	1	1	1
Recreation Sports Leagues Coordinator I	2	2	2	3
Recreation Supervisor	4	4	0	0
Recreation Tourism Coordinator	1	1	1	1
Recreation Tourism Specialist	1	1	1	1
Senior Account Clerk	0	0	1	1
Senior Construction Coordinator	2	2	2	2

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2015-16</u>	<u>Approved FY2016-17</u>	<u>Revised FY2016-17</u>	<u>Approved FY2017-18</u>
<i>Recreation (cont'd)</i>				
Senior Historic Preservation Conservator	1	1	1	1
Senior Recreation Fitness Coordinator	1	1	1	1
Storekeeper II	1	1	1	1
Technology Support Specialist I	1	1	1	1
Technology Support Specialist II	3	3	1	1
Technology Support Specialist III	1	1	0	0
Theater Technical Coordinator	1	1	1	1
Tradesman I	6	6	4	5
Tradesman II	1	1	3	3
Tradesman IV	2	2	2	2
Warehouse Supervisor	1	1	1	1
	<u>170</u>	<u>170</u>	<u>170</u>	<u>177</u>
Sheriff				
Account Clerk III	0	0	3	3
Administrative Assistant	1	1	1	1
Chief Deputy Sheriff	1	1	0	0
Controller	1	1	1	1
Correctional Lieutenant/Shift	0	0	1	1
Department Technology Specialist II	0	0	1	1
Division Director	1	1	1	1
Inmate Classification Officer	13	13	13	13
Inmate Classification Supervisor	2	2	2	2
Librarian I	2	2	2	2
Management Specialist I	1	1	1	1
Nurse Practitioner	2	2	2	2
Office Assistant III	17	17	14	14
Office Assistant IV	3	3	2	2
Office Supervisor	0	0	1	1
Sheriff Captain	8	8	8	8
Sheriff Deputy	269	269	269	273
Sheriff Lieutenant	17	17	16	16
Sheriff Major	4	4	4	4
Sheriff Sergeant	46	46	46	46
Technology Support Specialist I	1	1	0	0
Undersheriff	1	1	2	2
	<u>390</u>	<u>390</u>	<u>390</u>	<u>394</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
CSA Coordinator	1	1	1	1
Department IT Manager	0	0	1	1

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2015-16</u>	<u>Approved FY2016-17</u>	<u>Revised FY2016-17</u>	<u>Approved FY2017-18</u>
<i>Social Services (cont'd)</i>				
Department Technology Specialist II	0	0	2	2
Director of Social Services	1	1	1	1
Employment Services Supervisor	1	1	1	1
Family Services Specialist I	6	6	6	6
Family Services Specialist II	10	10	13	14
Human Services Assistant	11	11	3	3
Human Services Specialist	47	50	0	0
Human Services Specialist I	0	0	10	12
Human Services Specialist II	0	0	11	11
Human Services Specialist III	0	0	44	44
Human Services Specialist IV	0	0	11	11
Human Services Specialist Senior	0	0	1	1
Human Services Supervisor	10	10	10	10
Job Developer	6	6	6	6
Management Specialist I	1	1	0	0
Management Specialist II	0	0	1	1
Office Assistant III	21	22	12	13
Office Assistant IV	3	3	3	3
Senior Controller	1	1	1	1
Senior Family Services Specialist	30	30	31	32
Senior Human Services Specialist	9	9	0	0
Technology Support Specialist I	1	1	0	0
Technology Support Specialist III	1	1	0	0
Technology Support Technician II	1	1	0	0
	<u>177</u>	<u>181</u>	<u>185</u>	<u>190</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	18	18
Equipment Operator III	8	8	15	15
Labor Foreman II	3	3	4	4
Laborer	15	15	13	13
Landfill Attendant	4	4	4	4
Management Specialist II	1	1	1	1
Office Assistant III	1	1	1	1
Preventive Maintenance Technician	1	1	1	1
Senior Engineer	1	1	1	1
Utilities Cashier	5	5	5	5
Utility Superintendent I	1	1	1	1
Utility Superintendent II	1	1	1	1
	<u>69</u>	<u>69</u>	<u>69</u>	<u>69</u>
Total Complement:	<u><u>3,986</u></u>	<u><u>4,028</u></u>	<u><u>4,032</u></u>	<u><u>4,096</u></u>

¹ As of 2/22/2017

² Reserved Positions, Hold Complement, Unfunded for FY2017-18 Budget.

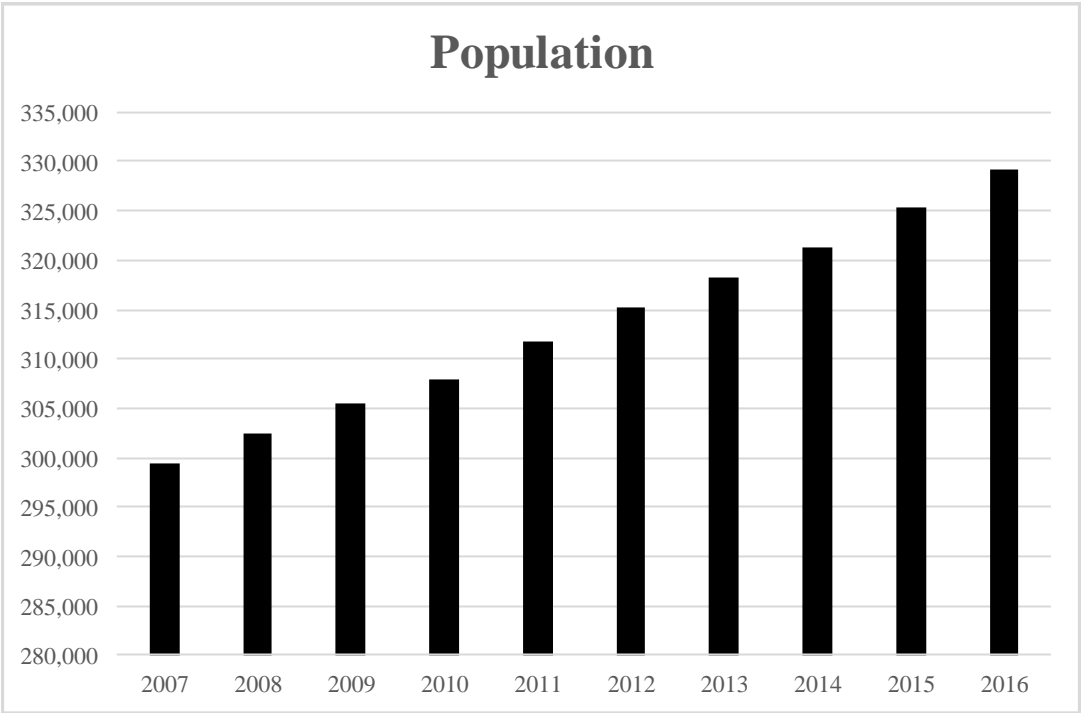
APPENDIX "C"
STATISTICAL SECTION

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 1.2 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 2016 Financial Trends Monitoring System (FY2005 – FY2016)

Fiscal Year	Population
2016	329,227
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



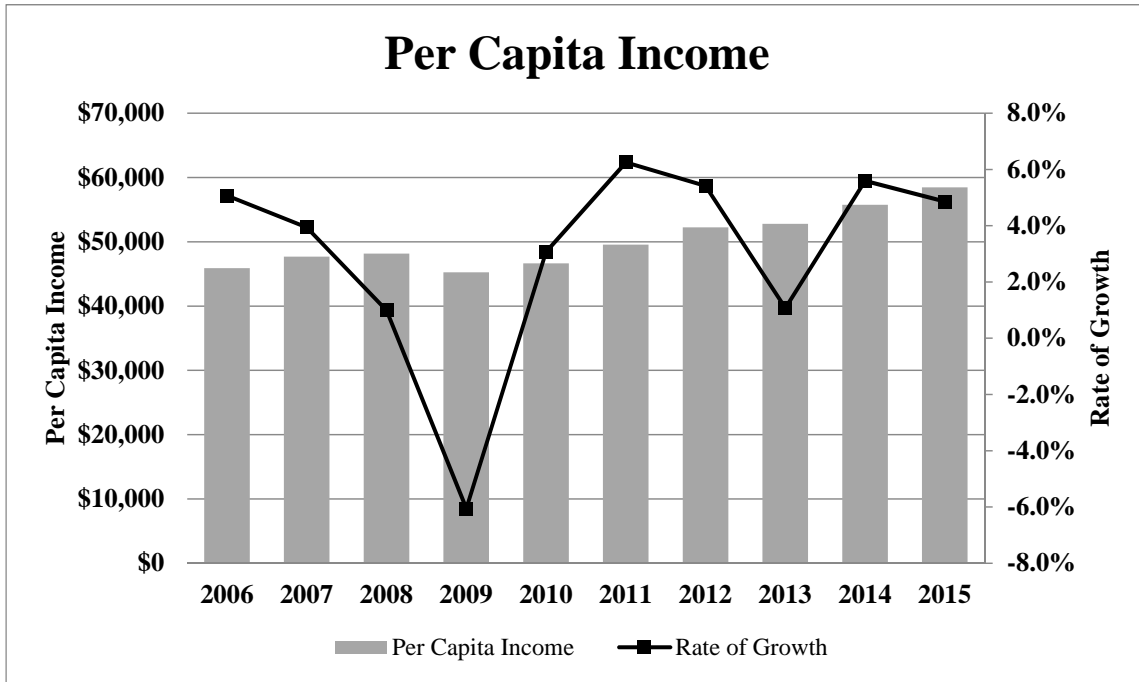
STATISTICAL SECTION

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 4.6 percent growth per annum, with only a nominal decrease in 2002. However, the economic impact of the recession resulted in a reduction in per capita income of 6.1 percent in 2009. Since then, PCI has experienced continued improvement with an average PCI growth of 3.4 percent each year since 2010. It should be noted that while the County’s population increased by an annual average rate 1.2 percent the last 10 years, the average rate of per capita income growth in the County grew by 3.4 percent each year. 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 2016 Financial Trends Monitoring System

Year	Per Capita Income	Rate of Growth
2015	\$ 58,452	4.86%
2014	\$ 55,743	5.60%
2013	\$ 52,789	1.07%
2012	\$ 52,229	5.41%
2011	\$ 49,548	6.25%
2010	\$ 46,634	3.07%
2009	\$ 45,246	-6.05%
2008	\$ 48,161	0.99%
2007	\$ 47,688	3.94%
2006	\$ 45,880	5.07%



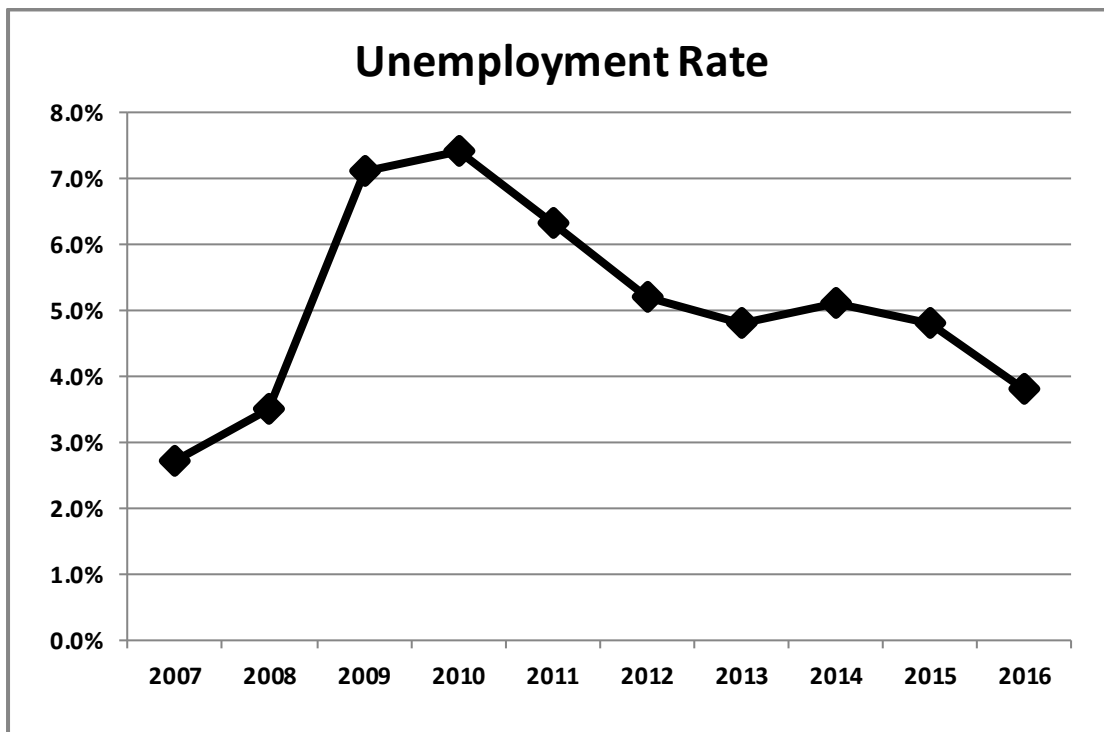
STATISTICAL SECTION

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 was uncharacteristically in the period from 2009 to 2014 as a result of the recession, the rate of 3.8 percent in 2016 is the lowest unemployment rate since 2008 and indicates a continued strengthening of Henrico's labor market.

Source: County of Henrico 2016 Financial Trends Monitoring System

Year	Change
2016	3.8%
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%



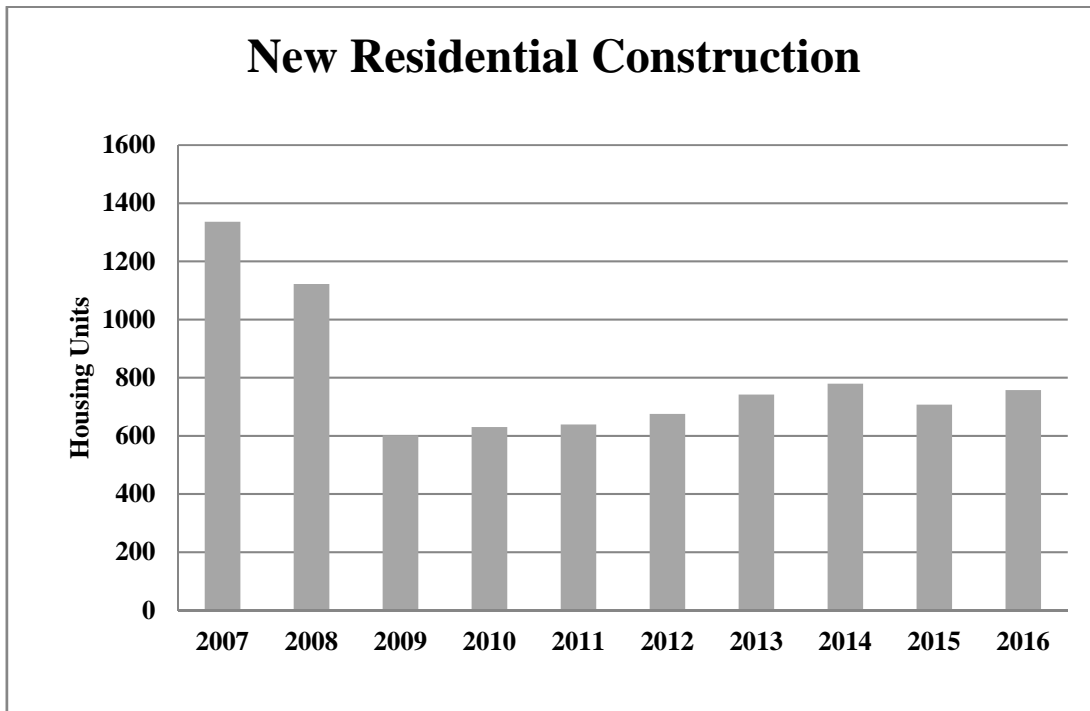
STATISTICAL SECTION

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 2016, residential construction averaged 691 permits, 57.2 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
2016	757
2015	707
2014	779
2013	742
2012	675
2011	639
2010	630
2009	602
2008	1,122
2007	1,336



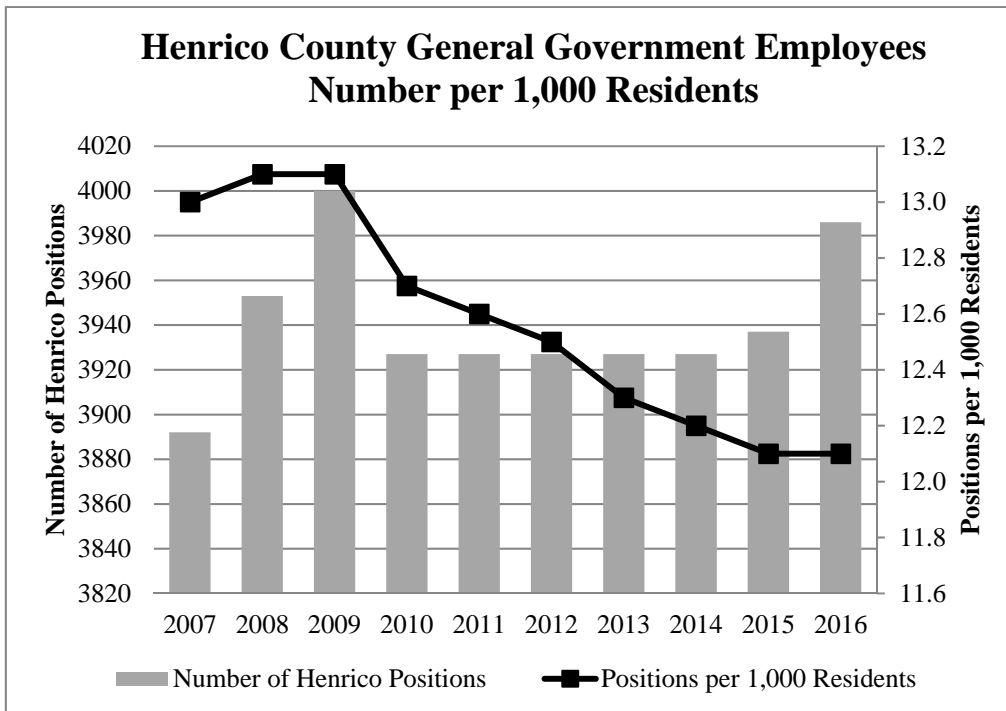
STATISTICAL SECTION

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 2016 Financial Trends Monitoring System

		Positions per 1,000 Residents
Fiscal Year	Positions	Residents
2016	3,986	12.1
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



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	\$ 566,897,490	1.45%
Forest City (Short Pump TC, White Oak)	Retail and Offices	329,240,600	0.84%
General Services Corporation	Apartments	242,778,800	0.62%
The Wilton Companies	Offices, Retails & Warehouses	234,398,900	0.60%
Highwoods Properties	Office and Warehouses	231,574,600	0.59%
Verizon	Utility	211,796,458	0.54%
Weinstein Family	Apartments	200,172,600	0.51%
HCA Health Services of VA	Hospital	176,879,724	0.45%
Gumenick	Apartments & Retail	150,721,600	0.38%
United Dominion Realty Trust	Apartments	141,402,800	0.36%
Excel Realty Holdings (West Broad Village)	Offices	-	-
Liberty Property, LP	Warehouses and Offices	-	-
Qimonda AG (Infineon Technologies)	Industrial	-	-
VAC Limited	Apartments	-	-
Totals		\$ 2,485,863,572	6.34%
Total Assessed Values		\$ 39,194,949,557	

Source: Comprehensive Annual Financial Annual Report FY2015-2016

STATISTICAL SECTION

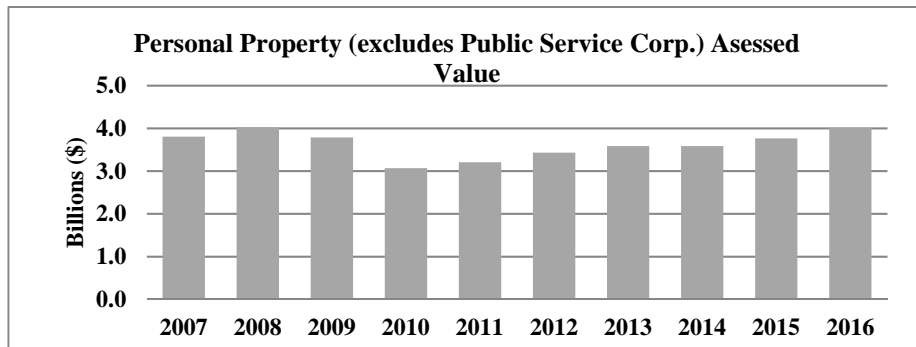
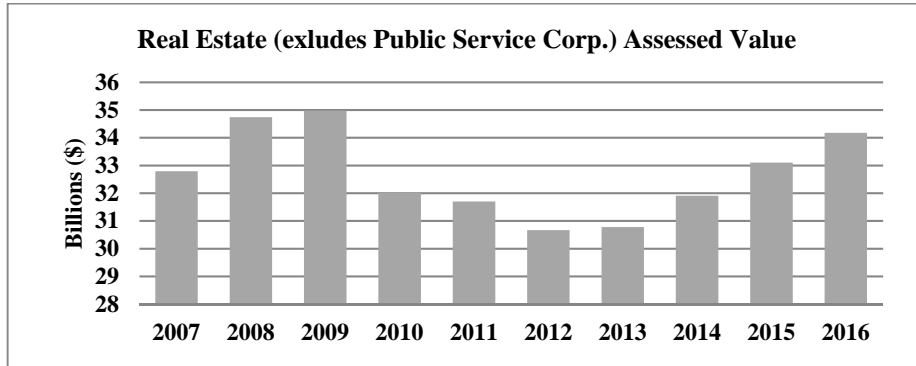
ASSESSED VALUE OF TAXABLE PROPERTY

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 2.7 percent per annum since 2005, despite the recessionary impediments to growth in recent years.

Source: Comprehensive Annual Financial Report, FY2015-16

Year	Real Estate	Personal Property	Public Service	Total
2016	\$ 34,175,523	\$ 4,013,147	\$ 1,006,276	\$ 39,194,946
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

(\$ in Thousands)



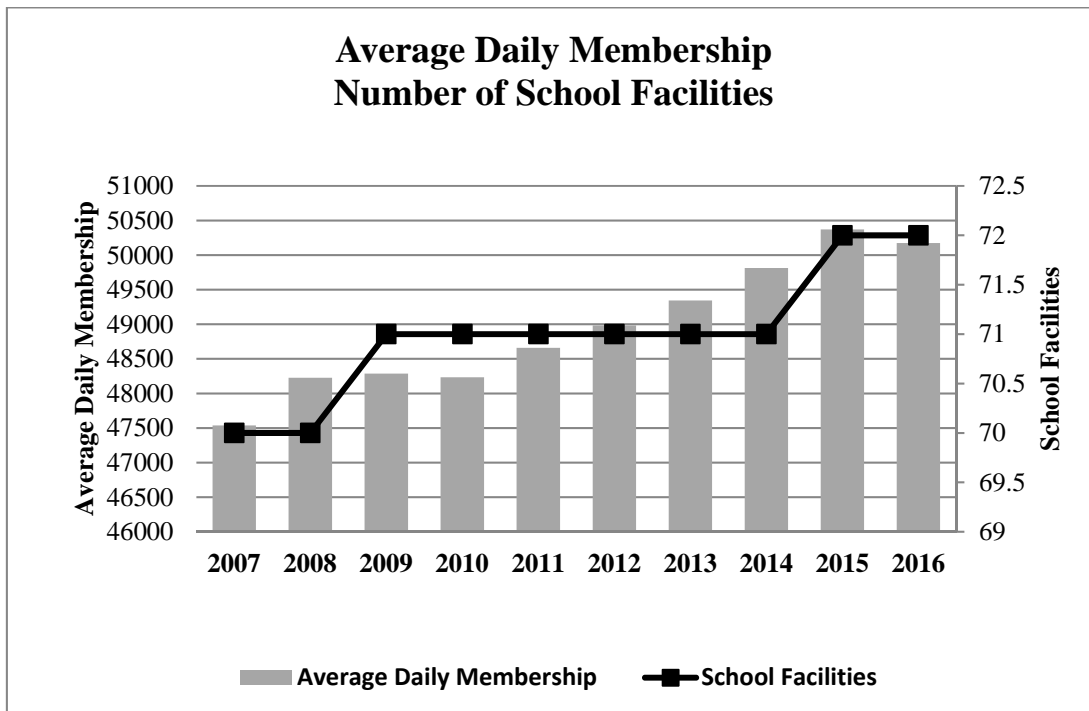
STATISTICAL SECTION

HENRICO COUNTY SCHOOLS

Since 2007, the average daily membership in Henrico County Public Schools has increased by a total of 5.5 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

Year	Average Daily Membership
2016	50,173
2015	50,370
2014	49,812
2013	49,343
2012	48,981
2011	48,659
2010	48,232
2009	48,822
2008	48,226
2007	47,537



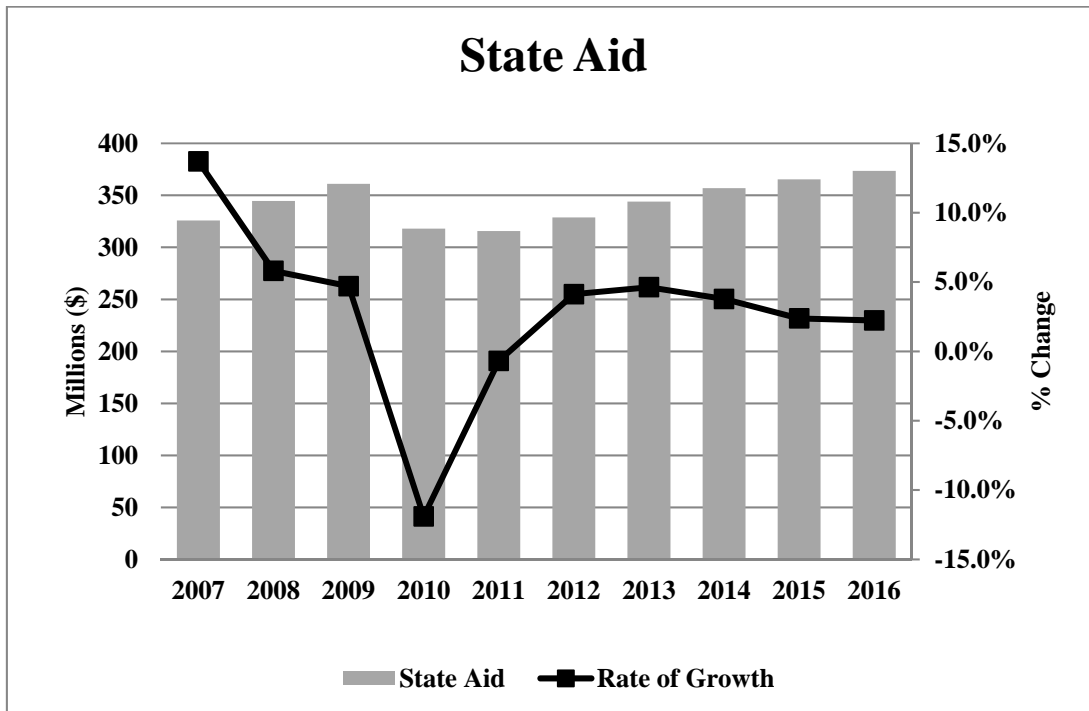
STATISTICAL SECTION

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 \$8.1 million more in General Fund support from the State in FY2015-16 compared to the previous year.

Source: Comprehensive Annual Financial Report, FY2015-16

Year	State Aid	Change
2016	373,498,993	2.23%
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%



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 budget included a reduction in the Aircraft Tax Rate to \$0.50 per \$100 assessed value and the FY2017-18 budget includes a reduction in the tax rate applied to Data Centers to \$0.40 per \$100 of assessed value.

Source: Comprehensive Annual Financial Report, FY2015-16; Approved Annual Fiscal Plan, FY2017-18

Year	Recreation/Community Centers	Library Facilities	Registered Voters	Fire Stations
2016	20	11	208,366	20
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

PROPERTY TAX RATE (PER \$100 OF ASSESSED VALUE)

Personal Property

Year	Real Estate	Aircraft	Computer Equip. and Peripherals used in a Data Center	Veh. of Volunteer Rescue Squad Members	Equipped Veh. for the Physically Handicapped/ Disabled Veterans'	All Other Personal Property	Machinery & Tools	Machinery & Tools Semi- Conductor
2017	0.87	0.50	0.40	1.00	0.01	3.50	0.30	0.30
2016	0.87	0.50	3.50	1.00	0.01	3.50	0.30	0.30
2015	0.87	1.60	3.50	1.00	0.01	3.50	0.30	0.30
2014	0.87	1.60	3.50	1.00	0.01	3.50	1.00	0.40
2013	0.87	1.60	3.50	1.00	0.01	3.50	1.00	0.40
2012	0.87	1.60	3.50	1.00	0.01	3.50	1.00	0.40
2011	0.87	1.60	3.50	1.00	0.01	3.50	1.00	0.40
2010	0.87	1.60	3.50	1.00	0.01	3.50	1.00	0.40
2009	0.87	1.60	3.50	1.00	0.01	3.50	1.00	0.40
2008	0.87	1.60	3.50	1.00	0.01	3.50	1.00	0.40
2007	0.87	1.60	3.50	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.

Computer Equipment and Peripherals used in a Data Center*

Tax Rate: \$0.40 per \$100 of assessed valuation.

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.

Natural Gas

There is no tax on the use of gas in either Residential or Commercial areas.

*For CY2017

Appendix "D" (cont'd)

Business and Professional Licenses

Tax Rates:

The first \$200,000 of gross purchases is excluded from the tax for item (1):

- (1) \$200,001 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 \$200,000 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 \$200,000.
- (3) Professional Service: \$0.20 per \$100.00, or \$30.00 minimum, of gross receipts exceeding \$200,000.

(4) (a) Contractor (Fee Basis): \$1.50 per \$100.00, or \$30.00 minimum, of gross fees exceeding \$200,000.

(b) Contractor (Contract Basis): \$0.15 per \$100.00, or \$30.00 minimum, of gross receipts exceeding \$200,000.

(5) Utility Companies (includes Cellular Telephone): One-half of 1.0% of the gross receipts, or \$30.00 minimum of gross receipts exceeding \$200,000.

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 16 Actual</u>	<u>FY 17 Original</u>	<u>FY 18 Approved</u>
Revenue from Local Sources:			
General Property Taxes:			
Current Real Property Taxes	\$ 289,115,967	\$ 292,000,000	\$ 305,500,000
Delinquent Real Prop Taxes	5,204,343	4,000,000	4,000,000
Current Real Property Taxes - PSC	8,704,105	8,285,000	8,285,000
Current Personal Property Taxes - PSC	88,530	115,000	115,000
Current Personal Property Taxes	72,210,923	115,885,000	120,000,000
Delinquent Personal Property Taxes	11,218,256	1,200,000	1,200,000
Interest and Add-on - All Taxes	499,828	275,000	275,000
Total General Property Taxes	<u>387,041,951</u>	<u>421,760,000</u>	<u>439,375,000</u>
Other Local Taxes:			
County Recordation Tax	\$ 4,063,125	\$ 3,300,000	\$ 3,500,000
Local Sales and Use Taxes	62,285,964	61,000,000	64,275,000
Consumer Utility Taxes	2,739,305	2,600,000	2,600,000
Business & Professional License Taxes	33,520,678	32,000,000	32,500,000
Motor Vehicle License Taxes	6,916,081	6,325,000	6,325,000
Bank Franchise Taxes	12,132,673	5,000,000	5,000,000
Grantor's Tax	1,127,214	900,000	900,000
Hotel and Motel Tax	3,292,337	2,800,000	3,000,000
Hotel and Motel Tax – Optional 4%	6,584,675	5,600,000	6,000,000
Hotel and Motel Tax - Dedicated 2%(special)	3,292,337	2,800,000	3,000,000
Daily Rental Tax	77,969	60,000	60,000
Consumption Tax	1,089,417	1,100,000	1,100,000
Food & Beverage (Meals) Tax	28,073,420	20,000,000	22,988,000
Total Other Local Taxes	<u>165,195,197</u>	<u>143,485,000</u>	<u>151,248,000</u>
Permits, Privilege Fees, & Regulatory Licenses:			
Elevator Fees	\$ 47,458	\$ 40,000	\$ 40,000
Dog Licenses	121,358	120,000	120,000
Transfer Fees	8,212	7,000	7,000
Structure & Equip Permits	3,752,787	3,250,000	3,400,000
Septic Tank Permit	300	5,000	5,000
Going Out Of Business Permit	150	0	0
Public Utility Permit	1,465	1,000	1,000
Hauling & Moving Permit	780	300	300
Vacation Of Roads	1,500	500	500
High School Parking Fees	112,012	100,000	100,000
Taxi-Cab Certificates	12,795	15,000	15,000
Permit To Purchase Precious Metals	8,800	5,000	5,000
Municipal Library Court Fees	124,190	130,000	120,000
Adult Video/Bookstore Permit	500	0	0
Adult Tournaments	11,984	7,300	7,300
Jury Fees	65,552	45,000	45,000
Zoning Application Fees-Plan	155,642	150,000	150,000
Concealed Weapon Permit	102,838	55,000	55,000
School-Facilities Rental	315,400	300,000	300,000
Criminal Justice Training Academy	235,717	300,000	200,000

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 16 Actual</u>	<u>FY 17 Original</u>	<u>FY 18 Approved</u>
<i>Permits, Fees, and Licenses (cont'd)</i>			
Dance Hall Permit Application Fee	1,400	0	0
VSMP - Permit	89,449	170,000	170,000
Dangerous or Vicious Dog Registration	660	0	0
Total Permits, Fees, and Licenses	5,170,949	4,701,100	4,741,100
Fines and Forfeitures:			
Traffic Violation	\$ 1,851,465	\$ 2,500,000	\$ 2,000,000
Parking Violation	21,088	25,000	25,000
False Alarm Penalty	72,295	65,000	65,000
Total Fines and Forfeitures	1,944,848	2,590,000	2,090,000
Revenue from Use of Money and Property:			
Interest on Criminal Judgments	\$ 96,028	\$ 80,000	\$ 80,000
Rental On County Property	609,807	545,000	545,000
Sale Of Publications	(61)	100	100
Records and Services Fees	93,053	74,000	74,000
Interest on Investment - Repos	2,282,613	7,000,000	7,000,000
Interest Refund - P.P. Tax	680	0	0
Rental of County Property	68,124	68,000	68,000
Vending Machine Commission	77,562	10,000	10,000
Sale of Public Documents - Real Estate	93	200	200
Sale of Publications- Real Estate	563	700	700
Land Use Revenue	1,306	1,000	1,000
Recreation - Sale of Books	566	200	200
Sale of Publications - DPW	0	200	200
Sale of Surplus and Salvage - DPW	172,015	90,700	90,700
Sale of Signs - DPW	1,241	3,000	3,000
Sale of Equipment - Schools	143,858	50,000	50,000
Sale of Unclaimed Property	9,780	2,000	2,000
Sale of Maps & Plans - DPW	0	500	500
Sale of Vehicles	3,080	0	0
Sale of Vehicles - Schools	4,393	0	0
EDA leasing former library	120,364	0	0
Gov Deal Rebates	16,604	0	0
Gain/Loss On Sale of Property	0	0	0
E-Payables Credit Card Rebates	143,419	0	0
Total from Use of Money and Property	3,845,089	7,925,600	7,925,600
Charges for Services:			
RE Tax Cr-Rehab Fees	\$ 350	\$ 0	\$ 0
Residential Rehab Fees	1,400	0	0
Background Investigation Fee	600	0	0
Jail Booking Fees	55,963	60,000	60,000
Court Conviction Fees	419,653	560,000	560,000
Weekender Fee	53,371	50,000	50,000
Deep Run -Rentals	0	150	150
Sale of Textbooks	276	0	0
Overdue Books	314,196	325,000	300,000
Photocopying Fees	12,730	10,000	10,000
Charges for Lost Books	134,166	115,000	115,000

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 16 Actual</u>	<u>FY 17 Original</u>	<u>FY 18 Approved</u>
<i>Charges for Services (cont'd)</i>			
Miscellaneous Library Income	(10,215)	0	0
Non-Resident Fees - Library	10,736	8,000	8,000
Sheriff Fees	35,067	36,000	36,000
Room & Board - Work Release Program	146,300	125,000	125,000
Home Incarceration Program - Sheriff	197,087	70,000	70,000
Inmate Medical Fees	72,366	75,000	75,000
Inmate Phone Charges	597,724	225,000	225,000
North Run Park Concessions	6,329	0	0
Cultural Arts Program	1,590	0	0
Special Interest Programs	10	0	0
Belmont Park Room Rentals	9,778	0	0
Picnic Kit Rental - Recreation	88	500	500
Shelter Reservations - Recreation	63,729	60,000	60,000
Non-Resident Fees - Softball	0	15,000	15,000
User Fees - Softball	27,334	40,000	40,000
Admissions for Meadow Farm Museum	7,432	10,000	10,000
Miscellaneous Revenue - Recreation	17,626	2,100	2,100
User Fees - Football	962	2,150	2,150
Dorey Park Concessions	1,611	0	0
Non-Resident Fees - Basketball	3,129	3,000	3,000
User Fees - Basketball	3,461	17,500	17,500
Facility Rentals - Miscellaneous	345	0	0
Dorey Park Room Rental	5,807	0	0
User Fees - Rugby	2,199	1,000	1,000
User Fees - Soccer	6,468	7,000	7,000
Users Fees - Disc Golf	2,142	0	0
Confederate Hills - Room Rentals	4,321	0	0
Set Up Fees - Belmont	1,126	0	0
Set Up Fees - Confederate Hills	488	0	0
Set Up Fees - Dorey	697	0	0
Set Up Fees - Hidden Creek	244	0	0
Set Up Fees - Facilities	29,221	25,350	25,350
Gazebo Rentals	3,956	600	600
Hidden Creek Room Rental	600	0	0
User Fees - Adult Baseball	1,196	1,000	1,000
Henrico Field of Honor	359	0	0
Deep Run Room Rental	6,345	0	0
Set Up Fees - Deep Run	629	0	0
Twin Hickory Room Rental	321	0	0
Set Up Fees - Twin Hickory	103	0	0
Walkerton Room Rental	1,346	0	0
Set Up Fees - Walkerton	35	0	0
Room Rental	203,121	196,000	196,000
Memberships	56,640	30,000	50,000
Program Revenue	235,343	270,600	270,600
Theater Concession Revenue	2,959	0	0
School Tuition - Winter	45,977	2,000	2,000
Practical Nursing - Adult Tuition	39,394	16,000	16,000
Math - Science Center	113,988	110,000	110,000
Vacuum Leaf Collection	202,887	170,000	170,000

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 16 Actual</u>	<u>FY 17 Original</u>	<u>FY 18 Approved</u>
<i>Charges for Services (cont'd)</i>			
Commonwealth's Attorney Fees	27,258	25,000	25,000
Charge for Board of Animals	29,192	15,000	15,000
Cafeteria Receipts - County	162,658	150,000	150,000
Grass Cutting/Demolition	58,129	65,000	65,000
Cafeteria Catering Receipts	32,851	30,000	30,000
Charges for Data Processing	756,500	756,500	893,900
Community House SD#2 Collections	15,451	0	0
Withholding Fee Processing Charges	64,615	20,000	20,000
Total Charges for Services	4,299,755	3,700,450	3,832,850
 Miscellaneous Revenue:			
Blood Test/DNA Fees	\$ 4,447	\$ 4,500	\$ 4,500
CHMF-Courthouse Maintenance Facility	146,835	150,000	150,000
Miscellaneous General	301	0	0
Circuit Court-Copy fees	62,122	10,000	10,000
Fire - Miscellaneous Revenue	1,112	1,000	1,000
Pay-In-Lieu of Tax Other	8,443	0	0
Meadow Farm Gift Shop	654	2,000	2,000
Geographic Information System Program	5,404	5,000	5,000
Court Orders Restitution (Fire)	8,550	10,000	10,000
Misc. Revenue Schools	6,259	0	0
Recoveries/Rebates- Police	68,860	0	0
Recoveries and Rebates - General	220,395	325,000	325,000
NSF Check Fees	(376)	10,000	10,000
Richmond Center Reimbursement	7,250,840	3,600,000	3,600,000
Recoveries and Rebates - DPW	0	5,000	5,000
Recoveries and Rebates - Schools	8,326	10,000	10,000
Energy Connect	117,895	0	0
Credit Card Rebates	13,783	0	0
Sheriff's Suspense Account	2,200	0	0
Student Basic Jailor Academy	22,548	0	0
Misc Revenue- Sheriff	132	0	0
Total Miscellaneous Revenue	7,948,727	4,132,500	4,132,500
 Recovered Costs:			
Reimbursement of Prisoner Cost - New Kent County	\$ 694,155	\$ 700,000	\$ 700,000
Recovery of Legal Fees - Cty Atty	21		
Recoveries - Hazardous Incidence Team	0	5,000	0
Proceeds From Sale of Land	316,295	0	0
Charge for Office Space	111,337	111,000	111,000
Custodial Service	14,152	12,000	12,000
Bounty Fees - Sheriff	7,600	15,000	10,000
Payment for Fiscal Services	2,149,870	2,149,870	2,212,470
Sale of Vehicles - County	210,245	205,000	205,000
Payment for 100% Projects	60,583	55,000	55,000
Road Opening Damages	8,663	325,000	325,000
Interdepartmental Billing - DPW	26,105	35,000	35,000
Recreation and Parks - Payment for Services	76,375	150,000	150,000
Recovered Costs - Student Activity	131,220	160,000	160,000
Festival Permits	4,200	5,000	5,000

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 16 Actual</u>	<u>FY 17 Original</u>	<u>FY 18 Approved</u>
<i>Recovered Costs (cont'd)</i>			
Recovery of Wages - School Facility	149,020	100,000	100,000
Lost/Damaged Textbook Payments	3,582	10,000	10,000
Total Recovered Costs	3,963,424	4,037,870	4,090,470
Total from Local Sources	579,409,940	592,332,520	617,435,520
Non-Categorical Aid:			
Rolling Stock	\$ 175,409	\$ 138,500	\$ 138,500
Mobile Home Sales and Use Tax	8,520	5,000	5,000
Recovery of Central Cost Allocations	637,467	475,000	475,000
Motor Vehicle Rental Tax	3,705,598	3,000,000	3,000,000
Car Tax Revenue - State	37,001,783	0	0
Comm Sales Tax - HB#568	12,722,974	13,100,000	12,500,000
Total Non-Categorical Aid	54,251,751	16,718,500	16,118,500
Shared Expenses:			
Salaries - Sheriff	\$ 11,207,322	\$ 10,625,000	\$ 11,150,000
Fringe Benefits - Sheriff	903,669	800,000	850,000
Salaries - Clerk of Circuit Court	1,258,458	1,200,000	1,200,000
Circuit Court Clerk Excess Fees - State	340,351	300,000	300,000
State Recordation Tax	1,478,022	1,350,000	1,350,000
Salaries - Commonwealth's Attorney	1,926,599	1,875,000	1,925,000
Fringe Benefits - Commonwealth's Attorney	162,350	150,000	150,000
Office Expenses - Commonwealth's Attorney	3,668	0	0
Registrar Expenses	265,780	70,000	70,000
Salaries - Department of Finance	720,387	684,000	720,000
Fringe Benefits - Department of Finance	60,157	0	0
Total Shared Expenses	18,326,762	17,054,000	17,715,000
Categorical Aid:			
State Library Grant	\$ 192,915	\$ 183,000	\$ 183,000
Jail Cost Reimbursement	2,390,042	2,450,000	2,450,000
Share of Probation Expenses	4,112	6,000	6,000
Juvenile Detention - Per Diem from State	0	500	500
Block Grant - Detention Home	575,015	548,975	550,000
Law Enforcement - Police	8,526,916	8,700,000	8,700,000
Emergency Medical Services - Two for Life	261,907	205,000	205,000
State Fire Programs Fund	955,246	1,000,000	1,000,000
Hazardous Incidence Team Allotment	30,000	30,000	30,000
Street and Highway Maintenance - Gas Tax	46,536,817	44,050,000	45,197,567
English as a Second Language	1,834,217	1,950,000	2,000,000
Talented and Gifted Program	1,404,754	1,400,000	1,400,000
General Appropriation - Basic Aid	125,587,556	130,950,000	126,500,000
Foster Child Reimbursement - Schools	158,350	152,000	152,000
Textbooks	2,875,861	3,250,000	3,200,000
Social Security Reimbursement - Schools	7,800,871	8,013,000	7,900,000
Retirement Reimbursement - Schools	15,422,411	16,500,000	18,000,000
Group Life Reimbursement - Schools	478,214	535,000	500,000
Remedial Education	3,795,826	4,400,000	4,300,000
Lottery Funds - Education	0	0	6,500,000
Share of State Sales Tax - Schools	53,470,181	55,600,000	55,000,000

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 16 Actual</u>	<u>FY 17 Original</u>	<u>FY 18 Approved</u>
<i>Categorical Aid (cont'd)</i>			
SOQ - Basic Special Education	15,581,537	15,950,000	15,500,000
Special Education - Homebound	232,928	230,000	200,000
Vocational Education - Adm. & Supv.	0	750,000	750,000
Vocational Education - Equipment	677,749	0	0
Vocational Education - SOQ Occupational	1,494,420	2,000,000	2,000,000
Handicapped Foster Home - Schools	211,495	330,000	300,000
Other Categorical- State	44,013	0	0
Adult Basic Education	727,917	0	0
At Risk - State	2,740,726	3,200,000	3,000,000
Salary Incentive K-3	4,048,625	5,300,000	5,000,000
ALS Training Fund Reimbursement	24,350	0	0
Clerk's Technology Fund	136,911	0	0
FEMA-State-Irene	687,450	0	0
Compensation Supplement	2,158,874	0	2,000,000
 Total Categorical Aid	 301,068,206	 307,683,475	 312,524,067
 Total from the Commonwealth	 373,646,720	 341,455,975	 346,357,567
 Revenue from the Federal Government:			
ROTC	\$ 390,704	\$ 350,000	\$ 360,000
SCAPP Program-Sheriff	10,928	15,000	10,000
FEMA-FED-Irene	2,062,351	0	0
Total from Federal Government	2,463,983	365,000	370,000
 Total General Fund Revenue	 955,520,644	 934,153,495	 964,163,087
 Transfers:			
To Debt Service - From Operating	\$ (54,086,435)	\$ (57,507,646)	\$ (57,762,829)
Total To Debt Service:	(54,086,435)	(57,507,646)	(57,762,829)
 To Capital Projects	 (12,992,590)	 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 - Sidewalks	0	0	(2,500,000)
To Capital Projects Fund - Capital Reserve	(10,430,000)	(4,899,400)	(6,826,777)
To Capital - General Fund Revenues	(1,000,000)	0	0
To Capital - Capital Initiatives	(1,000,000)	0	0
To Capital - Desig. FB - Permits	(500,000)	(1,000,000)	0
To Capital - MH/DS East Center Reserve	0	0	(1,967,803)
To Capital - Public Works Vehicle License Fee	(850,000)	(850,000)	(850,000)
To Capital Projects Fund - Public Works Gas Tax	(6,531,502)	0	0
To Capital - Schools Meals Tax	(9,000,000)	(9,000,000)	(9,000,000)
To Capital - Meals Tax Fund Balance	(1,990,470)	(10,783,247)	0
To Capital - Stormwater	(2,348,000)	(2,348,000)	(2,348,000)
To Capital Projects Fund - Vehicle Replacement	(3,824,800)	(3,824,800)	(4,074,800)
To Capital Projects - Designated FB Hotel/Motel	0	(800,000)	0
To Capital Projects - Undesignated	0	(350,000)	0
To Capital Projects - SCBA	0	(1,700,000)	0

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 16 Actual</u>	<u>FY 17 Original</u>	<u>FY 18 Approved</u>
To Capital Projects - Designated FB Schools	0	(600,000)	0
To Vehicle Replacement - Schools	(1,000,000)	(2,000,000)	(2,500,000)
Total To Capital Projects Fund:	(56,467,362)	(43,155,447)	(35,067,380)
To Enterprise Fund - Belmont Golf Course	(40,000)	0	0
To Enterprise Fund - White Oak	(1,930,308)	(1,928,621)	(1,930,021)
Total To Enterprise Fund:	(1,970,308)	(1,928,621)	(1,930,021)
To Technology Replacement Fund	(1,000,000)	(2,000,000)	(2,250,000)
To Risk Management	(10,396,549)	(8,393,421)	(8,392,479)
Total To Internal Service Funds:	(11,396,549)	(10,393,421)	(10,642,479)
To Special Revenue Fund - CRWP	(159,973)	(46,101)	(45,250)
To Special Revenue Fund - CCP	(129,028)	(130,393)	(135,050)
To Special Revenue Fund - CSA	(3,613,997)	(4,263,232)	(4,470,404)
To Special Revenue Fund - CSA Medicaid Match	(876,075)	(485,000)	(485,000)
To Special Revenue Fund - Victim Witness	(394,985)	(367,082)	(369,063)
To Special Revenue Fund - Drug Prosecutor	(56,833)	(66,225)	(60,843)
To Special Revenue Fund - VJCCA	(505,067)	(525,566)	(535,815)
To Special Revenue Fund - MH/DS/SA	(11,738,131)	(14,064,509)	(14,467,336)
To Special Revenue Fund - Community Revitalization	(53,653)	0	0
To Special Revenue Fund - Metro Aviation	(73,825)	(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)	(210,431)	(201,128)
To Special Revenue Fund - Neighborhood Cleanups	(504,647)	(531,045)	(558,099)
To Special Revenue Fund - Bagged Leaf Collection	(155,202)	(146,369)	(128,618)
To Special Revenue Fund - Contingency Account	0	(50,000)	(50,000)
To Special Revenue Fund - Drug Court	(145,391)	(157,069)	(165,053)
To Special Revenue - Social Services	(3,683,438)	(4,684,199)	(5,059,850)
To Special Revenue - Heroin Task Force	0	0	(200,000)
Oper. Transfer to Special Revenue Fund	0	0	0
Total To Special Revenue Fund:	(24,448,907)	(27,985,219)	(29,189,507)
To JRJDC Agency Fund - Operating	(2,765,760)	(2,979,622)	(3,069,011)
To JRJDC Agency Fund - Debt	(660,826)	0	0
Total To JRJDC Agency Fund:	(3,426,586)	(2,979,622)	(3,069,011)
To OPEB - GASB 45	(2,750,000)	(2,750,000)	(2,675,000)
Oper. Transfer- Long-term Disability	(260,729)	0	(600,000)
Oper. Transfer to Line of Duty	(514,153)	(575,000)	(700,000)
Total	(3,524,882)	(3,325,000)	(3,975,000)
Total Transfers	(155,321,029)	(147,274,976)	(141,636,227)
Total Resources Prior to Use of Fund Balance/ Sinking Fund	800,199,615	786,878,519	822,526,860
Use of Fund Balance - Capital Projects	5,000,000	5,000,000	5,000,000
Use of Fund Balance - Sidewalks	0	0	2,500,000
Use of Fund Balance - Designated Capital Reserve	10,430,000	4,899,400	6,826,777
Use of Fund Balance - MH/DS East Center Reserve	0	0	1,967,803
Use of Fund Balance - Designated Fund Balance	0	3,100,000	0
Use of Fund Balance - Cap Initiatives	1,000,000	0	0
Use of Fund Balance - Undesignated	0	350,000	0
Use of Fund Balance - Designated FY13 Gas Tax	6,531,502		
Use of Fund Balance - Public Works Reserve	0	0	0
(To) From Fund Balance- VRS Reserve	0	0	0

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 16 Actual</u>	<u>FY 17 Original</u>	<u>FY 18 Approved</u>
<i>Transfers: (cont'd)</i>			
Use of FB (RE) - Chesapeake Bay TMDL	0	0	0
(To) From Fund Balance - Chesapeake Bay - TMDL	0	0	0
Use of Fund Balance - Designated Permit Fee	500,000	1,000,000	0
From Fund Balance - Meals Tax June 2014	1,990,470	0	0
From Fund Balance - Meals Tax June 2015	0	8,783,247	0
From Fund Balance - Meals Tax June 2016	0	2,000,000	0
(To) Fund Balance - Meals Tax Reserve	(2,000,000)	(2,000,000)	(2,000,000)
From Fund Balance - State Revenue Stabilization	1,000,000	0	0
(To) Revenue Stabilization Reserve	0	(1,000,000)	0
(To) Fund Balance General Fund	(41,260,365)	0	0
From Sinking Fund	2,074,331	1,864,067	2,853,640
Net Fund Balance/Sinking Fund	(14,734,062)	23,996,714	17,148,220
Total General Fund Resources	<u>\$ 785,465,553</u>	<u>810,875,233</u>	<u>839,675,080</u>

APPENDIX “F”
FINANCIAL TRENDS MONITORING SYSTEM
FY 2006 - 2016

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 for the period of FY 2006 – 2016 that was presented by the County Manager to the Board of Supervisors on February 28, 2017.

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

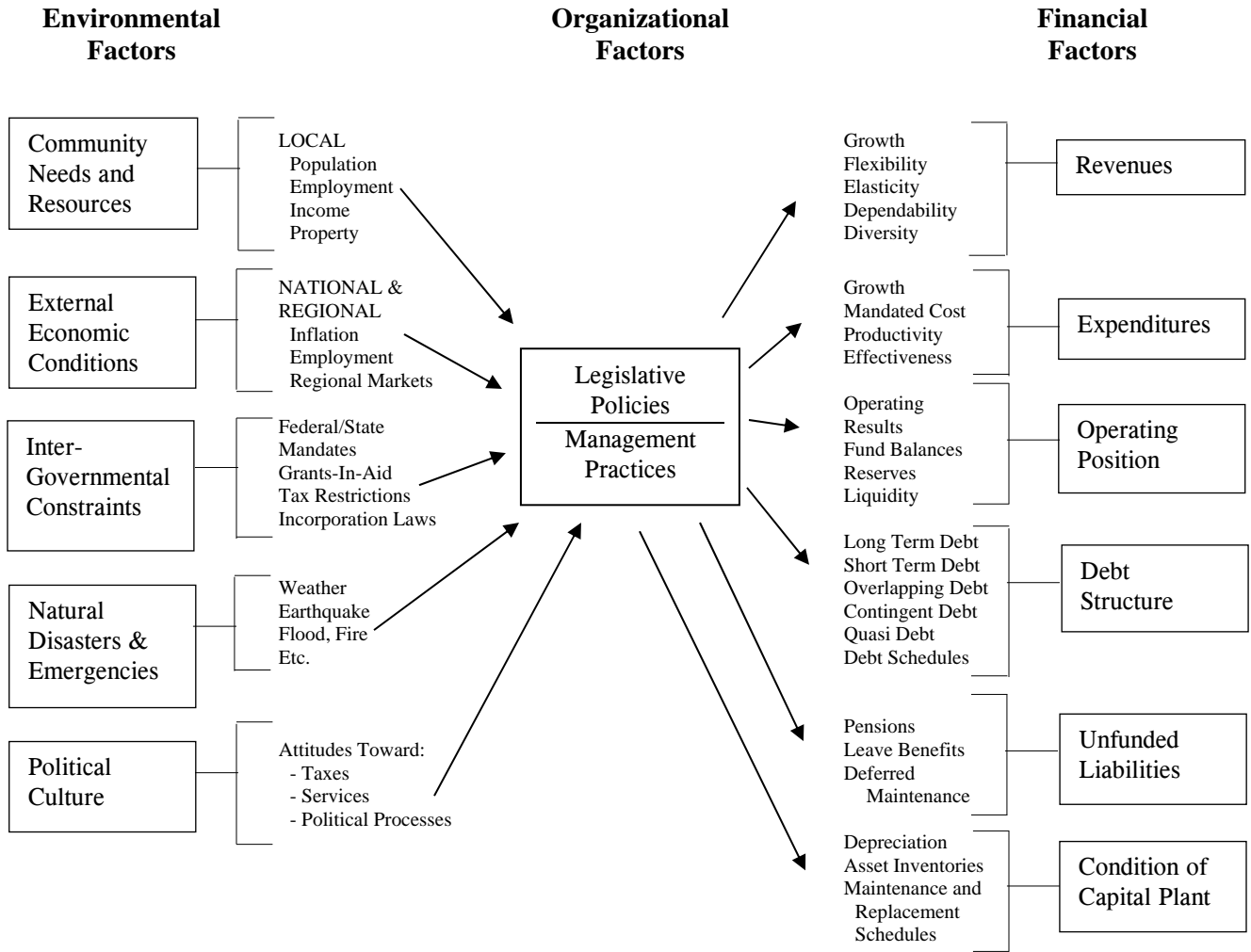
The financial indicators are the primary tools of the Financial Trend Monitoring System. They represent a way to quantify changes in the twelve factors. The chart on page 4 shows the twenty-eight indicators along with the factors with which they are associated. Many aspects of financial condition cannot 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

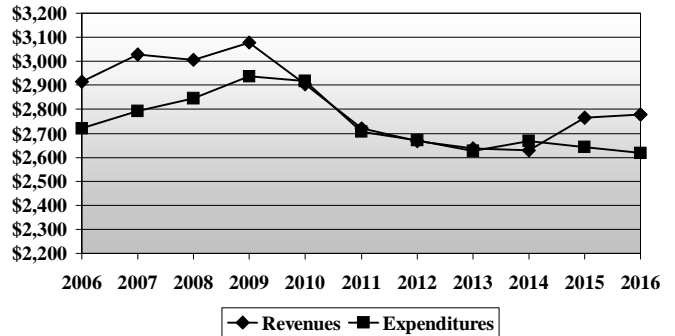
Population
Per Capita Income
Public Assistance Recipients
Real Property Values
Residential Development
Employment Base
Business Activity - Local Retail Sales Tax
Receipts and Business License Tax Receipts
Business Activity - Commercial Acres and
Market Value of Business Property

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, FY16, marked the second straight year of constant dollar increase in this indicator since FY09. With 0.5 percent growth in this indicator (gross revenue growth of 2.8 percent), FY16 growth in per capita revenue was significantly slower than the 5.1 percent growth experienced in FY15. 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 FY16 is indicative of continued improvement in the County's existing revenue streams, it also reflects the second full fiscal year recognition of the County's 4.0 percent meals tax, which generated just under \$28.1 million in FY16, all of which was dedicated to the County's school system. Of the \$28.1 million in meals tax receipts collected in FY16, \$9.0 million was allocated to the operating budget of the County's school system, while the balance of \$19.1 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 \$18.4 million in FY16 (current dollars) and Special Revenue Fund revenues, which mostly reflect State and Federal grant funding, increased by \$10.9 million (current dollars), yielding total revenue growth of \$29.3 million in current dollars for FY16 as compared to FY15.

In looking at expenditures per capita (constant dollar), the County experienced a year-over-year decline of 0.9 percent in FY16, the sixth such decline in the past seven fiscal years. While expenditure growth continues to be controlled due to slow economic growth, a note of caution is warranted when acknowledging the decline in FY15. 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 was 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 few distinct trends are evident. First, from FY06 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 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 FY06 to FY16, the County's population grew by 12.2 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 assessment growth will not return to that seen from 2003 to 2009 and State revenues 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.

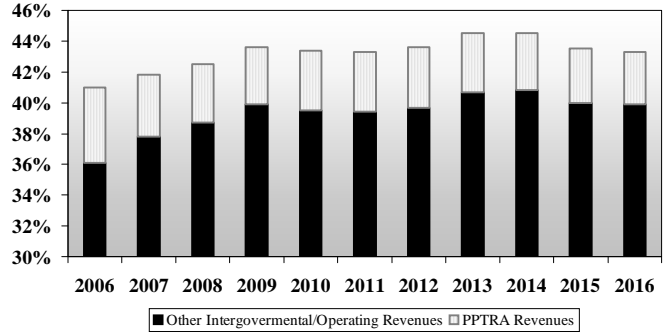
Formula:

$$\frac{\text{Intergovernmental Operating Revenues}}{\text{Gross Operating Revenues}}$$

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 41.0 percent in FY06 to 44.5 percent in FY14, and dropped to 43.3 percent in the most recent fiscal year, FY16. 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. FY16 was also the second full-year that recognized the County’s 4.0 percent meals tax, all local revenue, which generated \$26.8 million for the county’s school system in FY15 and \$28.1 million in FY16. 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. In the 2016 Legislative Session, the General Assembly’s Adopted Biennial Budget included the return of discretionary lottery funding with at least half of a locality’s allocation needing to be utilized for nonrecurring expenses. However, as of this writing, there are competing proposals for the use of these funds. One proposal would add to the discretionary lottery funding and remove the restriction on nonrecurring expenses; another proposal would take a portion of the discretionary funding to fund a salary increase for Standards of Quality supported positions.

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, as is demonstrated in the table below. 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.

Fiscal Year	Local Revenue Collection	Communications Sales & Use Tax Collection
FY06	\$14,260,480	\$0
FY07	\$9,662,975	\$5,792,982
FY08	\$0	\$15,088,668
FY09	\$0	\$13,709,408
FY10	\$0	\$13,766,559
FY11	\$0	\$13,698,421
FY12	\$0	\$13,243,471
FY13	\$0	\$12,359,303
FY14	\$0	\$13,226,685
FY15	\$0	\$13,111,116
FY16	\$0	\$12,722,974

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 every Trends document since then has included a warning for this indicator.

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 53.0 percent in 2016. 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 remained alarmingly healthy. This alarm came to fruition as at the end of FY16, the State announced it that while its revenues grew, they would again fall short of revenue projections. This has created a \$1.5 billion "shortfall" for the Commonwealth, as they continue to struggle with accurately projecting their revenues. As such, Henrico County continues to be exceptionally cautious when it comes to estimating revenues from the Commonwealth.

With the implementation of the County's meals tax along with slightly moderate growth in other local revenues, some of the County's reliance on State aid has been alleviated. However, the fact remains that State revenues represent a large portion of the County's operating revenues and as long as the Commonwealth continues to struggle with their fiscal picture, a warning trend must continue 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:

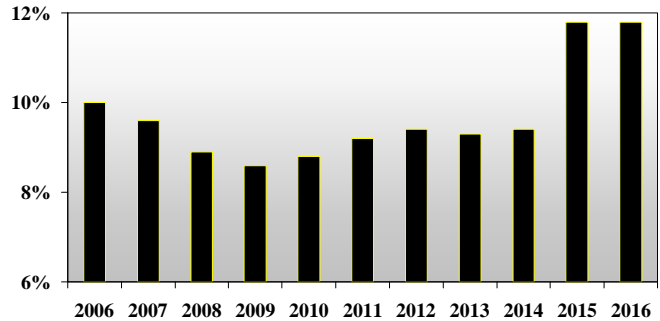
The graph shown above indicates that the percentage of elastic tax revenues for Henrico County have increased from a low of 8.6 percent in FY09 to a high of 11.8 percent in the most recent fiscal year, FY16. The sharp increase from FY14 to FY15 was primarily the result of the first full-year implementation of the County’s 4.0 percent meals tax, which generated \$26.8 million in FY15. Similar results have been recognized in FY16 with meals tax revenue of \$28.1 million. This is why elastic operating revenues as a percent of net operating revenues have remained stable from FY15 to FY16. In addition to meals tax receipts, sales tax receipts grew 6.6 percent in FY16 and BPOL receipts increased 4.5 percent. In looking at all elastic tax revenues, the County experienced an increase of \$4.1 million or 3.3 percent.

In looking from FY06 to FY15, 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

Elastic Operating Revenues

(as a % of Net Operating Revenues)



achieved by attracting more businesses to Henrico.

Another positive note, Henrico County again ranked second among all localities in Virginia for total taxable sales in 2015, only behind the much larger Fairfax County. Further, when looking at the ten largest generators of taxable sales, **Henrico ranks first for taxable sales per capita**. Refer to the chart below for comparisons to other localities.

Rank	Locality	2015 Taxable Sales	Population	Sales per Capita
1	Fairfax County	15,019,492,203	1,129,330	\$13,299.47
2	Henrico County	5,430,593,997	320,717	\$16,932.67
3	Virginia Beach City	5,374,616,764	453,500	\$11,851.42
4	Loudoun County	5,335,423,939	374,451	\$14,248.66
5	Prince William County	5,265,015,360	443,463	\$11,872.50
6	Chesterfield County	4,073,926,474	333,450	\$12,217.50
7	Chesapeake City	3,343,105,780	238,283	\$14,029.98
8	Arlington County	3,179,231,835	234,678	\$13,547.21
9	Richmond City	2,672,449,739	217,938	\$12,262.43
10	Norfolk City	2,671,631,730	247,189	\$10,808.05

Encouraging local economic information and continued elastic revenue growth indicate a 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 nine-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 the elastic indicators as of this writing in FY17 no warning trend is warranted for the indicator.

WARNING TREND: Decreasing or negative growth in general property tax revenues (constant dollars).

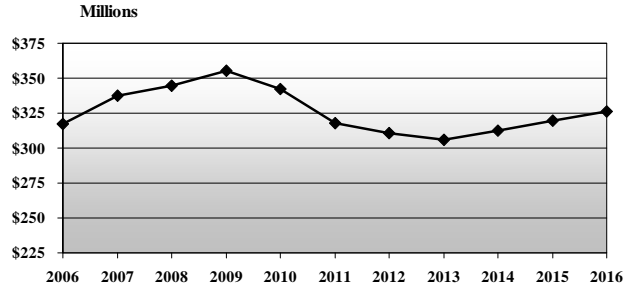
Formula:

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 FY16. 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 \$317.0 million in FY06 to \$387.0 million in FY16, representing an average annual increase of 2.9 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 between CY06 and CY16, the County's unadjusted real estate tax base has increased by \$5.1 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 37.1 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, FY15 and FY16 is attributed to increases of 3.7 percent, 3.7 percent, and 3.2 percent in the overall real estate tax base for the past three 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, 2017 reflects a reassessment increase of 3.5 percent, with new construction increasing 1.0 percent. Going forward, the County anticipates continued growth in real estate values, though nothing compared to the growth experienced in the mid-2000's, when property values increased by 76.6 percent from 2003 to 2009. With a fourth consecutive year of overall real estate valuation growth 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.

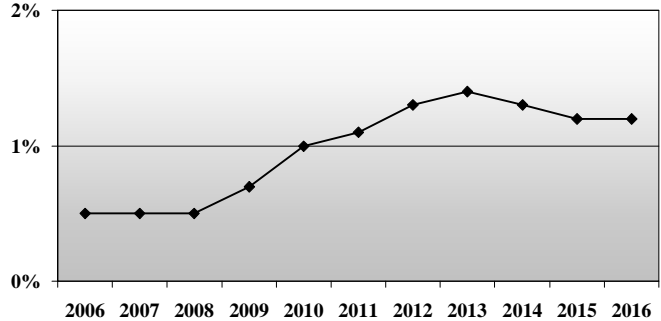
Formula:

$$\frac{\text{Uncollected Current Property Taxes}}{\text{Current Property Tax Levy}}$$

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 or choose not 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 three years to 1.2 percent in FY16.

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 FY16, 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.

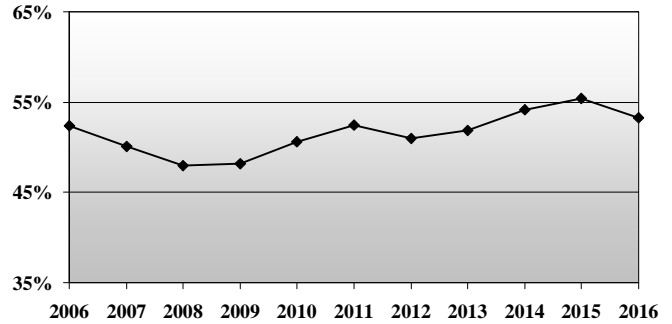
Formula:

$$\frac{\text{Revenues from User Charges}}{\text{Expenditures for Related Services}}$$

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 FY15, in which user charge coverage increased to 55.4 percent. For FY16 this decreased to 53.3% which is below the FY14 level. 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 decrease in this indicator in FY16 is attributed to 4.9 percent growth in expenditures in these areas as compared to the previous fiscal year only slightly offset by the 0.9 percent growth in revenues generated through these fees.

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. In FY15, for the first time since FY05, permit fees sufficiently covered all costs of Building Inspections. Structure and Equipment Permit Fees were once again sufficient to cover expenses in FY16, though by less of a margin than in FY15.

Mental Health’s user charge coverage has increased over the eleven-year period from 40.9 percent to 47.0 percent due to third party fee payments made to that entity. The user charge coverage for Solid Waste has fluctuated but because reserves built up over time the operation has not been impacted in a negative manner. In looking at Recreation, the user charge coverage in this area has averaged 4.8 percent throughout this time period. Also in this eleven-year time period, the School Cafeteria has typically generated sufficient revenues to cover operational requirements, though the past two fiscal years has seen this indicator dip to 91.8 percent of coverage after five years of exceeding 100.0 percent.

This indicator in the eleven-year period has averaged 51.6 percent. Excluding Recreation, the indicator has averaged 68.4 percent in the eleven-year period. As the local economy continues to slowly improve these user fees should continue to improve. As such, no warning trend is noted for this indicator and 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.

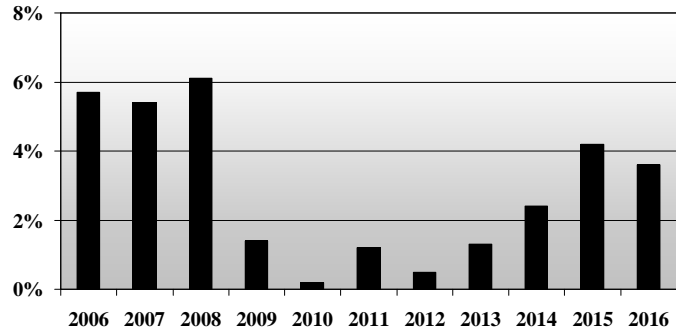
Formula:

$$\frac{\text{Revenue Variance}}{\text{Net Operating Revenues}}$$

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.

Revenue Variance
(as a % of Net Operating Revenues)



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 eight fiscal years. For FY16 the revenue variance was 3.6%, but this is still the second highest in eight years with the next highest being FY15. **In this eleven-year period, the County’s actual revenues exceeded budgeted estimates in every fiscal year.**

Looking at the trend since FY06, 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 FY13, 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. A revenue variance of 3.6 percent was achieved in FY16 due to conservative revenue estimates, the continuing performance of meals tax, and the continued focus on minimizing expense growth. Continued conservative revenue estimates in the FY17 budget will again yield a positive revenue variance into the foreseeable future. As such, no warning trend is warranted for this indicator.

WARNING TREND: Increasing number of employees per capita.

Formula:

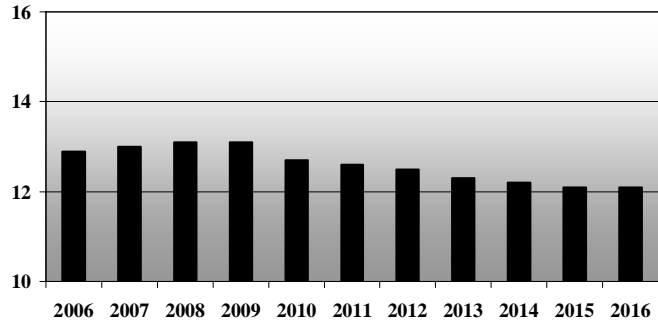
$$\frac{\text{Number of General Government Employees}}{\text{Population}}$$

Employees per Capita

(Employees per 1,000 Population)

Employees Per Capita:

Personnel costs reflect the major portion of a locality's operating budget, and plotting changes in the number of employees per capita is another way to measure changes in expenditures. An increase in employees per capita might indicate that expenditures are rising faster than revenues, or that the locality is becoming more labor intensive, or that personnel productivity is declining.



Trends:

The County's General Government personnel complement (which does not include the personnel complement of the Henrico County Public Schools) increased by 226 employees from FY06 to FY09, then was reduced by 73 positions from FY10 to FY14. The graph above illustrates that the employees per 1,000 population generally measured around 13.0 employees per 1,000 population during the first four years of the time examined, with the peak at 13.1 in FY08 and FY09. Since FY09, this indicator has steadily dropped to the FY15 and FY16 level of 12.1 despite an increase of 59 positions in the personnel complement over these two fiscal years.

Three 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 its own roads, and the information above includes 259 employees in the Public Works department. Second, the personnel complement does not include positions that are completely tied to non-County funding sources and do not have local revenue sources supporting them. As of this writing, the County has 319 of these positions throughout the County. Finally, 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 255 vacant positions that are in the personnel complement.

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 two General Obligation Bond Referenda held in November, 2000 and March, 2005. 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, there were 42 vacant positions, 21 of those vacant positions were eliminated to assist in balancing the budget. The remaining 21 positions were placed into a hold complement, dropping the indicator to 12.5 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 and in FY16, the number of positions increased by a net total of 49 to 3,986. The indicator dropped to 12.5 in FY12, 12.3 in FY13, 12.2 in FY14, and 12.1 in FY15 and FY16. In fact, the ratio of employees per 1,000 population is at its lowest level since FY1988.

It is important to note that FY15 marked 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. In FY16, the complement increased by a net total of 49 and reflected additional positions for eleven

departments - Public Library, the Sheriff's Office, Social Services, Police, Building Inspections, Community Revitalization, Planning, and Human Resources, Public Utilities, Public Works, and the County Attorney. The increase in FY16 was primarily driven by the addition of 26 positions associated with the new Libbie Mill and Varina libraries and 17 additional employees added to the Sheriff's Office complement as a result of a jail closure. It is important to note that a total of 16 positions were eliminated from the complement in order to offset the impact of these new positions. 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.

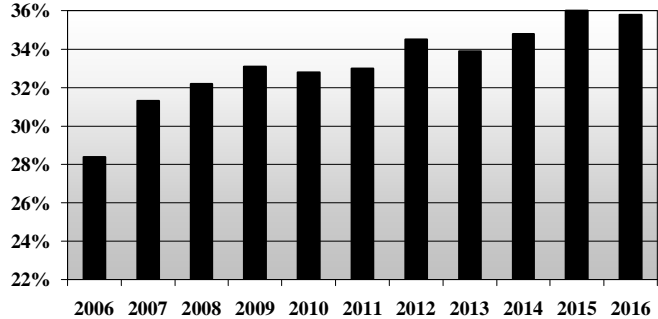
Formula:

$$\frac{\text{Fringe Benefit Expenditures}}{\text{Salaries and Wages}}$$

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 33.3 percent between FY06 and FY16. 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.

Three years in the eleven years examined reflect net declines in this indicator – FY10, FY13, and FY16. 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 sharply increased to 34.5 percent. In FY16 this indicator declined slightly from an eleven-year high of 36.0 percent to 35.8 as a result of salaries increasing at a higher pace than fringe benefits as the rates for VRS remained constant.

The reduction in this indicator in FY13 is also misleading as the General Assembly, as part of a series of reforms to increase the funding status of VRS and mitigate future cost increases, forced localities to provide a 5.0 percent salary increase to its employees in exchange for the employees paying 5.0 percent of their respective salary into VRS – a portion that localities, including Henrico, had provided as a benefit to employees. While this action helped to reduce this indicator, it did so at a net cost increase of just under \$6.0 million to the County’s taxpayers while resulting in a net pay reduction to employees as they had to pay additional FICA taxes on the higher salary.

In looking at health care costs, the County’s cost for providing health care *per employee* in FY06 was \$4,498. By FY16, this cost had increased to \$6,974 *per employee*, or a change of 55.0 percent. While the County cannot influence national trends regarding the cost of health care insurance, Henrico has taken a very aggressive approach in cost-containment by transitioning health care to a self-insurance program, which went into effect January 1, 2008. Prior to this transition, the County’s health care program operated as a fully insured program, which, in exchange for the payment of a premium, an insurance company assumed the risk, administered the program, and paid all claims. With the transition to a self-insured program, the County pays claims and third party administrative fees. Self-insurance allows the County to more fully control all aspects of

the plan, including setting rates to smooth out the impact of increases on employees and the County, while maintaining adequate funding to cover claims, expenses, and services.

The Patient Protection and Affordable Care Act (PPACA) was signed into law by President Obama on March 23, 2010. As part of this law, employers across the country are faced with a number of new regulations and taxes that will have a significant cost to most employers, including Henrico County. In fact, in April 2012, the County was notified that beginning on January 1, 2014, it must begin paying a “transitional reinsurance fee” that costs the County \$1.1 million in the current fiscal year. Further, Henrico County will have to reexamine the healthcare benefits it offers its employees to ensure that they aren’t too “rich” and subject to additional tax penalties. The County will continue to monitor any Presidential or Congressional actions that impact the health care industry as it will certainly affect this benefit provided to the County’s employees.

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 thirteen 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.” An 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 FY18, when the VRS Board Certified Rate is fully funded. The projected impact of the VRS increase for FY18 for Schools \$4.1 million, or 10.5 percent.

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. In FY15 VRS life was again increased to 1.33 percent of salaries, which a 11.76% increase.

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.

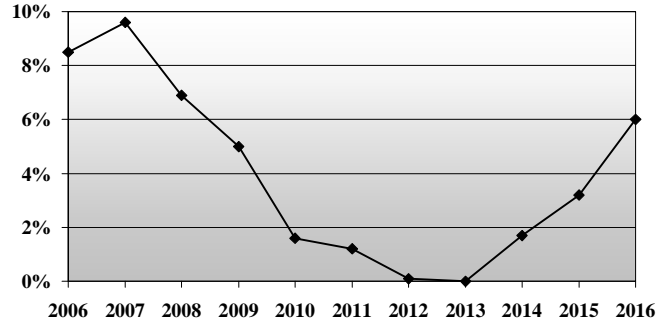
Formula:

$$\frac{\text{General Fund Operating Surpluses}}{\text{Net Operating Revenues}}$$

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 FY06 to FY07, the operating surplus improved from a level of 8.5 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 4.0 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 and the first increase in operating surplus as a percentage of net operating revenues since FY07. 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. In FY16, as previously stated, the trend continues upward and the operating surplus was \$64.7 million. With conservative revenue estimates for both the FY17 and FY18 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:

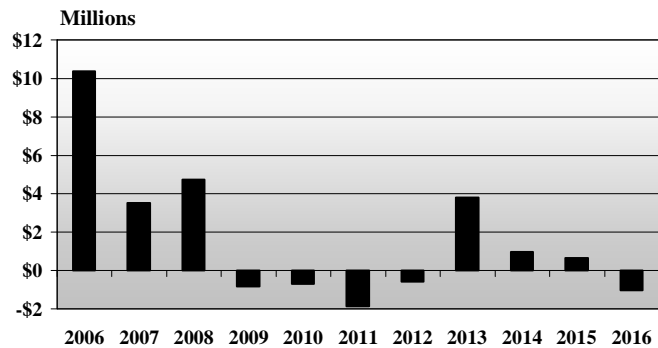
Enterprise Profits or Losses in Constant Dollars

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 for FY13-FY15 shown above reflected positive results. FY16 reversed trend with the first Enterprise loss in four years. 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. In FY 16, Fitch changed Henrico County's rating from "AAA Negative Outlook" to "AAA with a Stable Outlook". This change was mainly due to the strong financial health of the system and the increases in the financial metrics. As such, no warning trend is warranted for the Water and Sewer Fund.

The Enterprise Funds' operating results displayed above also reflects 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. Belmont experienced a 2.2 percent decrease in the number of rounds in FY16 to 28,285, a new historical low for the Golf Course's history with the County. Currently the Belmont Golf Course is undergoing stream restoration repairs through the assistance of State grants. These improvements, however, impact the playability of the course as half of it is closed for these repairs. This will impact the number of rounds that can be played and, as such, a warning trend for the Golf Course continues.

WARNING TREND: Declining unassigned General Fund Balance as a percentage of net operating revenues.

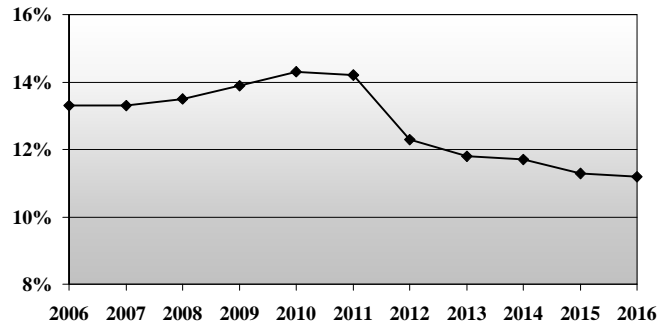
Formula:

$$\frac{\text{Unassigned General Fund Balance}}{\text{Net Operating Revenues}}$$

General Fund Unassigned Balance
(as a % of Net Operating Revenues)

General Fund Unassigned Balance:

The level of a locality's unassigned fund balance may determine its ability to withstand unexpected financial emergencies, which may result from natural disasters, revenue shortfalls, or steep rises in inflation. It also may determine a locality's ability to accumulate funds for large-scale one-time purchases without having to incur debt. *Note: This historical depiction is reflected differently than the percentages typically referred to in the Annual Fiscal Plan as "net operating revenues."* **In the Trends document, this includes the General, Special Revenue and Debt Service Funds.**



As such, the percentage reflected on this page is lower than what is reflected in the Annual Fiscal Plan, which reflects the General Fund Unassigned balance as a percentage of General Fund expenditures.

Trends:

Henrico County's unassigned General Fund balance as a percentage of net operating revenues remained relatively static from FY06, where it was 13.3 percent, to FY11, where it was 14.2 percent before dropping each year since, to 11.2 percent in FY16. It should be noted that overall General Fund balance increased \$8.2 million in FY16.

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, FY15, and FY16 reflect unassigned fund balance of 2.1 percent, 2.9 percent and 1.1 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 bond rating by all three bond rating agencies making it one of only 39 triple AAA rated counties in the country. 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 was 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 over the past three fiscal years, unassigned and overall fund balance levels have improved. However, net operating revenues has had greater growth in comparison to the unassigned fund balance. With this growth in the net operating revenues the County decided to utilize it to strengthen their Risk Management fund by adding 4.0 million to its operating budget, fund the vehicle replacement funds for Police, Fire, and Schools with current revenues, and fund the technology replacement fund again with current revenues after years of utilizing only reserves. These decisions justify the slight decrease in this indicator for FY15 and FY16. In review of the current fiscal year there is a great indication that the operating revenue will continue to grow, which verifies that these funding decisions are sustainable and will place the County in an improved fiscal position moving forward. 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:

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:

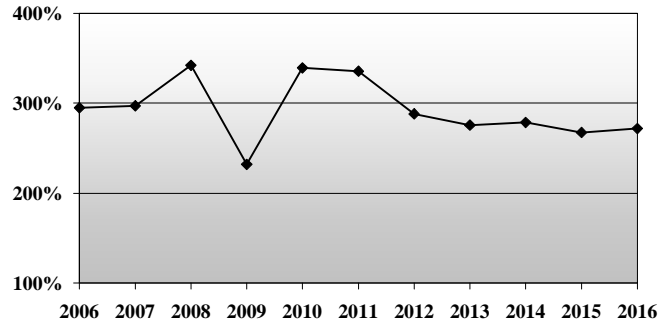
A liquidity ratio of greater than 1:1 (more than 100 percent) is referred to as a "current account surplus." Henrico County has been successful in achieving a current account surplus for the eleven-year period shown.

From the chart above, this indicator reflects a large "dip" downward in FY09 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 refunding's in CY09. It is important to note that the County's bond refunding's 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 refunding's 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 which was an overall decline in current liabilities. 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. Over the past four years, this indicator has leveled off, averaging 273.6 percent from FY13 to FY16.

Over the past eleven years, the County has maintained an average liquidity ratio of 2.93:1, which is more than *twice* the defined "current account surplus" above. The low point in this indicator of 2.32:1 was experienced in FY09. By performing annual debt capacity reviews and by compiling a five-year Capital Improvement Program that encompasses all funds, and by ensuring that those capital projects which obtain funding are appropriately cross-walked to the annual operating budget, the County of Henrico will not incur liabilities at a rate that cannot be supported within established resources. Based on the overall stable trend of this indicator, no warning is warranted for this indicator.

Liquidity

(Cash & Investments as a % of Current Liabilities)



WARNING TREND: Increasing current liabilities at end of year as a percentage of net operating revenues.

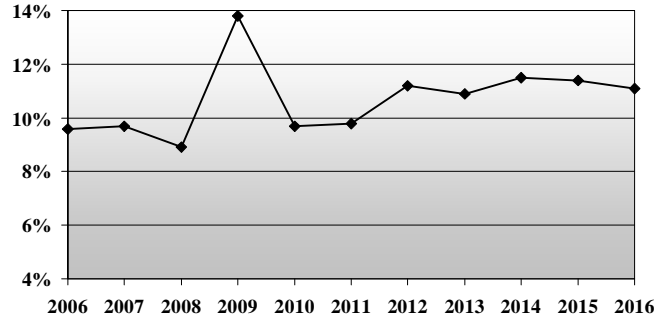
Formula:

$$\frac{\text{Current Liabilities}}{\text{Net Operating Revenues}}$$

Current Liabilities:

Current liabilities include short-term debt, the current principal portion of long-term debt, accounts payable and other current liabilities due within one year of the balance sheet date. A major component of current liabilities may be short-term debt in the form of tax or bond anticipation notes. Although the use of short-term borrowing is an accepted way to handle erratic flows of revenues, an increasing amount of short-term debt outstanding at the end of successive years can indicate liquidity problems, deficit spending, or both.

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. 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 refunding’s 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. Over the past eleven years the indicator has been an average of 10.7%. However, over the past five years the indicator, on average, has increased to 11.2%. This slight fluctuation from FY14 to FY16 has been the result of year-end balances of account payable and other current liabilities.

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.

In November 2016, the voters approved another \$419.8 million G.O. Bond Referendum. This referendum also included projects for Schools, Fire, Roadway, Public Library and Recreation and Parks. The plan developed will issue this debt over a six-year time period and the debt service is projected to be covered with current revenues – those that are freed up due to paying off debt obligations or revenues not currently appropriated.

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, there is a downward trend for the past three fiscal years. 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 continues to have a 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.

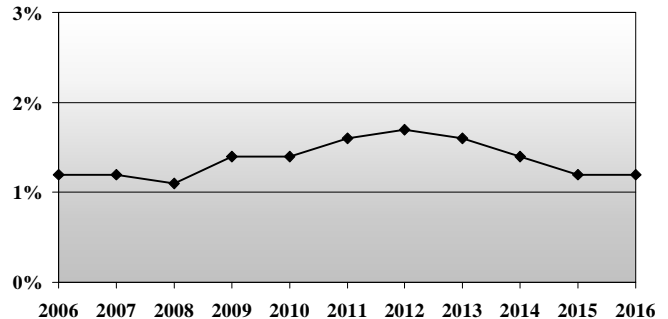
Formula:

$$\frac{\text{Net Direct Bonded Long-term Debt}}{\text{Assessed Valuation of Real Property}}$$

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.

Long-Term Debt
(as a % of Assessed Valuation of Real Property)



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 for both FY15 and FY16. For FY16, it is important to note that outstanding debt reflected a net decrease of \$5.3 million as a result of the County issuing \$34.0 million in Lease/Revenue Bonds to fund the County's share of the regional 800 MHz Public Safety Communication System.

As state in the section for "Current Liabilities" In November 2016 the voters overwhelmingly approved a \$419.8 million G.O. Bond Referendum to fund significant capital infrastructure projects for Schools, Fire, Roadway, Public Library and Recreation and Parks. Before the County put forward this plan, a debt affordability analysis similar to the methodology employed above was conducted to insure the County's ability to repay the proposed debt that will be issued over a six year period. It should be noted the debt affordability analysis for the referendum (and for any new debt issue the County undertakes) 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 includes calculations for debt per capita and debt as a percentage of General Fund expenditures, which are two additional indicators used by the Bond Rating Agencies to determine a locality's ability to issue debt. The analysis verified the affordability of the debt issuance plan put forward to the voters. No long-term warning trend is noted at this time, though this trend will be closely watched to assure the continued affordability of the 2016 G.O. Bond Referendum.

WARNING TREND: Increasing amount of net direct debt service as a percentage of net operating revenues.

Formula:

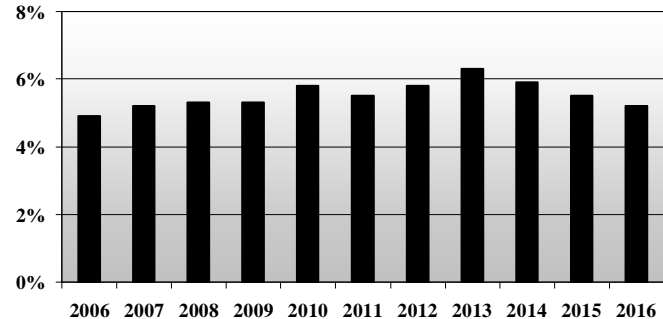
$$\frac{\text{Debt Service}}{\text{Net Operating Revenues}}$$

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 and the Public Safety Communication System. 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 4.9 percent may be found in the FY06 total. It is important to note that in this eleven-year time period, this indicator has fluctuated within a range of 1.4 percent. The indicator average over the 11 year period is 5.5%.

This indicator will trigger a warning if the increase in debt service consistently exceeds 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 multi-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. bonds, the first of six issues in support of the 2000 G.O. Bond Referendum. In FY06, the County issued \$77.8 million in support of both the 2000 G.O. Bond Referendum and the first of seven planned issues for the 2005 G.O. Bond Referendum. 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.

In November 2016 the voters overwhelmingly approved a \$419.8 million G.O. Bond Referendum. This referendum included projects for Schools, Fire, Roadway, Public Library and Recreation and Parks. In FY17 there will be the first debt issuance totaling \$114.6 million as a result of the approved Bond Referendum along with a refunding of bonds that were originally issued in 2010 and 2011. The impact of the issuance of this new debt will occur with the FY18 and FY19 budgets. Over the next six years, the County plans to issue the remaining \$305.2 million in G.O. Bonds as they are needed for the projects to be undertaken.

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 refunding’s 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 several additional bond refunding’s since 2009 that have generated permanent significant savings.

In FY10, the “Debt Service” indicator increased to 5.8 percent despite debt service savings attributed to the bond refunding’s 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 its 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 with the “Long-Term Debt” indicator, no long-term warning trend is noted at this time. But as debt is scheduled to be issued over the next six years, this indicator will be important along with the debt affordability analysis conducted outside of the Trends document to assure the County’s ability to afford new debt.

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.

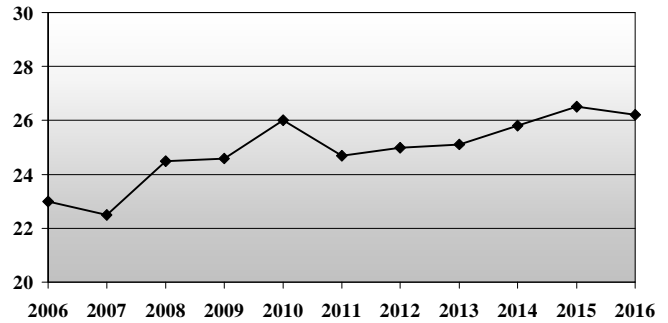
Formula:

$$\frac{\text{Total Days of Unused Vacation Leave}}{\text{Number of General Government Employees}}$$

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 24.9 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 taking a historical look, the indicator remained 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. For the most recent fiscal year, FY16, the number decreased to 26.2, the first decrease since 2011. In the entire eleven-year period, this indicator has fluctuated within a range of 3.3 days, though if you look at the period from FY08 (when annual leave accrual rates and “carry-over” hours were increased) to FY16 the fluctuation in this indicator is within 2.0 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 44.6. The average County employee has been with the County for twelve years (Source: Human Resources Department). 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.

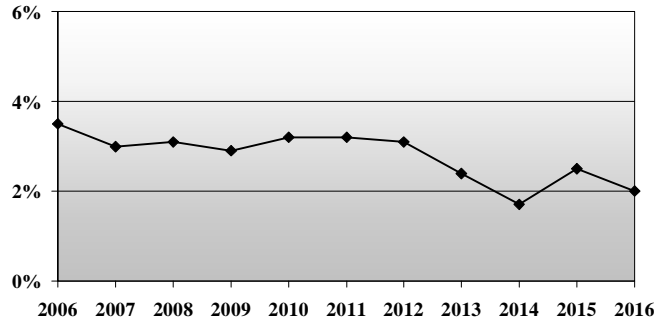
Formula:

$$\frac{\text{Capital Outlay from Operating Funds}}{\text{Net Operating Expenditures}}$$

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 FY06 through FY12, a relatively 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 and reconciliation of the bills so they would all be on the same billing cycle. In, FY16, the capital outlay went back down to 2.0 percent.

At this time, it is important to note that while only 2.0 percent of operating expenses are capital outlay, there are several other areas in the County's budget where capital outlay purchases are made in support of General Fund operations. These include the Vehicle Replacement Fund, the Central Automotive Maintenance internal service fund, and the Technology Replacement Fund.

The Vehicle Replacement Fund, as noted earlier, was created in the FY13 budget as a budget reduction measure by reducing the unassigned fund balance level from 18 percent of General Fund expenditures to 15 percent of General Fund expenditures and assigning that difference to purchase Police vehicles, Fire apparatus, and school buses. Beginning in FY15, Police vehicles and Fire apparatus purchases remained in the Vehicle Replacement Fund but were funded with current General Fund revenues. The decision was made to keep these expenses in a separate fund within the Capital Project series of funds to allow for the carry-forward of unspent

appropriations from one year to the next. This is particularly helpful with the acquisition of Fire apparatus as there are significant fluctuations based on what types of equipment are scheduled to be replaced. In FY16, \$1.0 million was added to the Vehicle Replacement Fund as the start of a multi-year effort to fund, with current revenues, school bus replacements. This funding was increased to \$2.0 million in the FY17 budget, and will continue over a number of years until a total of \$4.0 million a year is achieved.

The Central Automotive Maintenance (CAM) fund, which is a division within the Department of General Services, purchases and maintains vehicles for many of the County's agencies. CAM budgets for the replacement of vehicles for all other departments on an annual basis. In FY16, CAM spent \$2.5 million on the replacement of vehicles.

The Technology Replacement Fund is an internal service fund for the purchase of computers, laptops, and other pieces of technology necessary for County employees to efficiently and effectively do their jobs while avoiding the budget swings created by one-time purchases. This fund was created in FY01 and was funded by eligible departments adding 1/3 of the costs of their equipment to a 'Technology Replacement' line item within the department's budget. These line items would be utilized as revenues to support the purchases from the Technology Replacement Fund. Over time as computer equipment became cheaper and started lasting longer a fund balance was developed for the Technology Replacement Fund. During the economic downturn, this fund balance was utilized as a budget balancing tool to offset the loss of revenues in the General Fund. In FY13, department contributions were eliminated and all expenses in the Technology Replacement Fund were supported by the balance of the fund. The FY15 budget included a transfer of \$1.0 million of ongoing revenues to minimize the use of the Technology Replacement Fund balance, which was continued in FY16 to support the \$1.9 million in computer replacements. The FY17 budget included \$2.0 million of ongoing revenues to support a budget of nearly \$3.0 million for the Technology Replacement Fund.

When compared to the historical depiction shown for this indicator, the 'Level of Capital Outlay' is significantly lower than it has been. However, capital outlay expenses exist in other areas so as to minimize downtime from equipment and vehicles not being replaced in a timely manner. A warning trend will continue for this indicator, but a review of how what is included based on the other areas that include capital outlay for General Fund agencies is warranted.

WARNING TREND: Decreasing amount of depreciation expense as a percentage of total depreciable fixed assets for Enterprise Funds and Internal Service Funds.

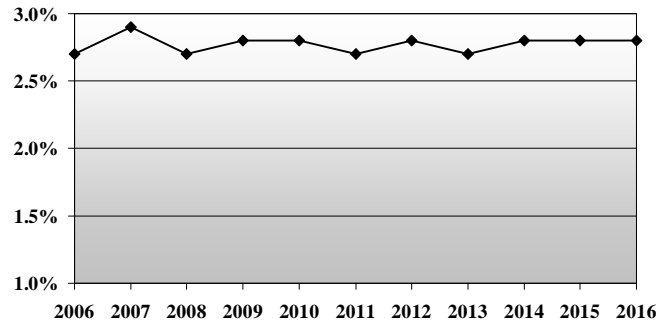
Formula:

$$\frac{\text{Depreciation Expense}}{\text{Cost of Depreciable Fixed Assets}}$$

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, FY16, 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:

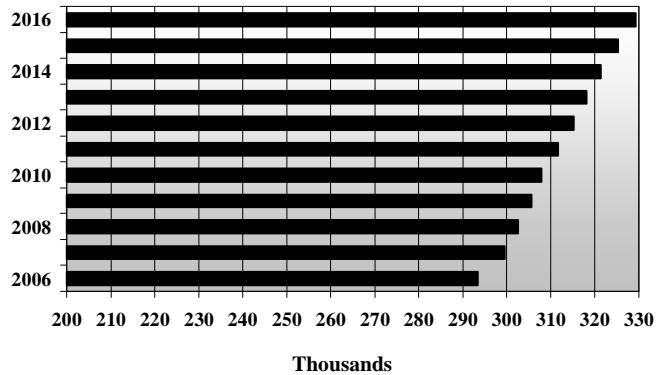
The County of Henrico has experienced a steady growth in population from 293,382 in FY06 to 329,227 in FY16, which represents an increase of 12.2 percent in this eleven-year time span, or an annual average increase of 1.1 percent per year. According to the 2000 United States Census, Henrico and Chesterfield 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 steady and producing modest incremental revenue growth for the County. However, 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

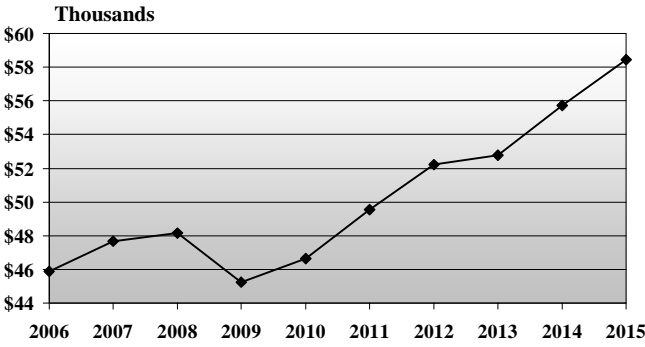
Source: Bureau of Economic Analysis

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 ten years depicted above, per capita income has increased by 27.4 percent from \$45,880 in 2006 to the \$58,452 reported for 2015. It should be noted that this indicator factors in increases to the County's population, which increased 10.9 percent between 2006 and 2015.

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 2015 tax year.

From the recessionary period of the early 1990's through 2005, this indicator consistently increased. In looking at the ten-year period examined, 2006 through 2008 reflected increases of 14.6 percent, 3.9 percent, and 1.0 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 to 6.1 percent. Despite economic volatility, 2009 was the only year Henrico experienced a decline in per capita income. Per capita income grew each year from 2010 through 2015, and experienced a total increase of 29.2 percent.

As jobs have continued to matriculate back into the County, it is anticipated that this indicator will continue the 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.

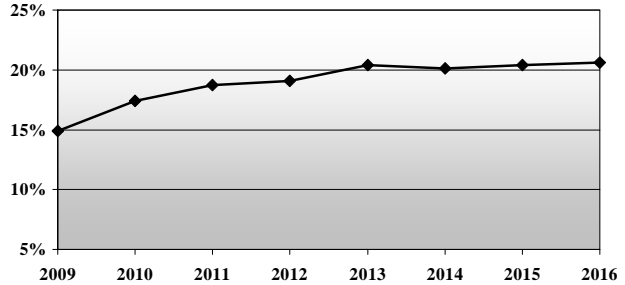
Formula:

$$\frac{\text{Public Assistance Recipients}}{\text{Total Population}}$$

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:

As a note for the 2016 Trends document, this trend has been restated with a new report from the Virginia Department of Social Services. However, the data for this trend from this resource only goes back to 2009. Therefore, this document will only show an eight-year trend this year and will add data points in subsequent years.

The eight-year trend for this indicator has increased dramatically in this time period, from a low of 14.9 percent in FY09 to 20.4 percent in FY13. Since FY13, the indicator has leveled off but experienced a high of 20.6 percent in FY16. The number of public assistance recipients has been determined by obtaining the unduplicated number of people per year in the County receiving at least one of the following three types of benefits: Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance to Needy Families (TANF), 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 (SNAP) (also recognized as the food stamp program) caseload has increased by 122.0 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%.

It should be noted that prior editions of Trends had shown this data point increasing significantly in recent years. The revised data only differs in that the number of unduplicated has increased at the rate of population growth, remaining over 20.0 percent for the past four years. The restatement of this indicator, while showing that the County is actually experiencing a level of consistency, the high level of public assistance recipients that is not going down shows that a warning trend should continue for this indicator.

WARNING TREND: Declining or negative growth in market value of residential, commercial or agricultural property (constant dollars).

Formula:

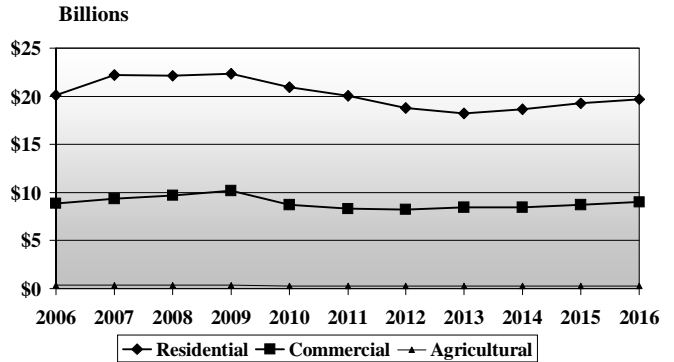
Real Property Values (Constant Dollars)

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, 3.5 percent and 2.1 percent in FY14, FY15 and FY16 respectively. Constant dollar commercial property values have experienced an increase over the past two years with increases of 3.6 percent and 2.5 percent in FY15 and FY16. 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, remain below FY06 levels. As the County continues its economic

development efforts and residential foreclosures decrease, the County is recognizing modest 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 third consecutive year of 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:

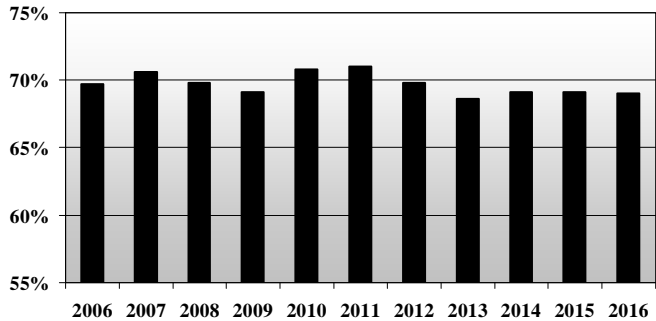
$$\frac{\text{Market Value of Residential Development}}{\text{Market Value of Total Development}}$$

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 68.6 percent in 2013, to a high of 71.0 percent in 2011. This indicator increased each year from 2002 to 2007, from 66.3 percent in 2002 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 has remained at this level through 2015. In 2016, this indicator fell to 69.0 percent.

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 relatively flat for FY15 and FY16, it is important to note that both residential and commercial values experienced an increase as discussed in the previous trend.

As the overall real estate market improves and stabilization becomes more and more evident, there is growing confidence that growth 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.

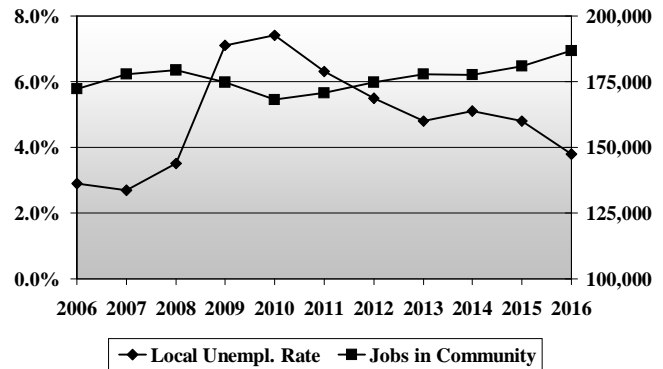
Indicators:

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 low of 2.7 percent for 2007 and a high of 7.4 percent in 2010. From 2003 to 2007, there was a distinct downward trend as the unemployment rate fell from 3.5 percent to the eleven year low of 2.7 percent shown in the chart above. 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 consistently 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. In FY16, the unemployment rate fell to 3.8 percent, the lowest point since before the recession. While this rate is still slightly above Henrico's historical average of 3.7 percent dating back to 1988, the drop still represents a great improvement compared to where the County was just a short time ago. With the overall downward trend since 2010, 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 18,586 jobs and now totals 186,728 for 2016. 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. With the County surpassing the 2008 indicator for number of jobs and always continuing to look for more employment opportunities through economic development, there is no warning trend for this indicator.

WARNING TREND: Decline in business activity as measured by retail sales and gross business receipts.

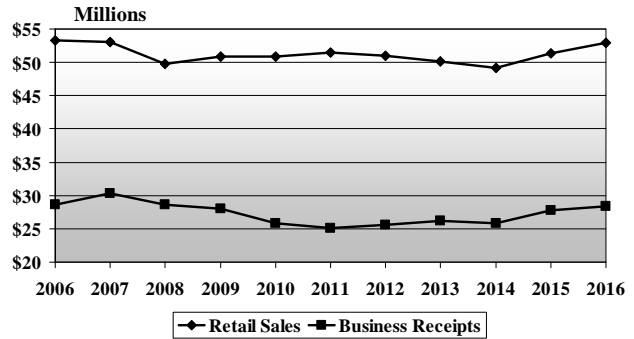
Indicators:

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, have almost reached the 11-year high of \$53.2 million in FY06 with \$52.9 million recorded in FY16. 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 \$53.0 million to \$49.8 million, a decrease of 6.0 percent from the prior fiscal year, and was due to the largest consumer price index measurement since 1989, in addition to declining sales tax collections.

With a rare deflationary environment, coupled with slight growth in local sales tax collections, inflation-adjusted sales tax collections posted a 2.1 percent growth in spite of the economic downturn 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. A similar trend has been recorded for FY16 where retail sales grew 3.0 percent. The County still maintains the lion’s share of regional taxable sales and will continue to strengthen its retail market. Current year sales and use collections as of this writing have increased 8.6 percent when compared to the same time last fiscal year due in part to the defeasance of debt related to the Shoppes at White Oak Village CDA. 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:

From FY06 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.

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. While not nearly as substantial as FY15, business receipts grew 2.1% in FY16. 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. 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.

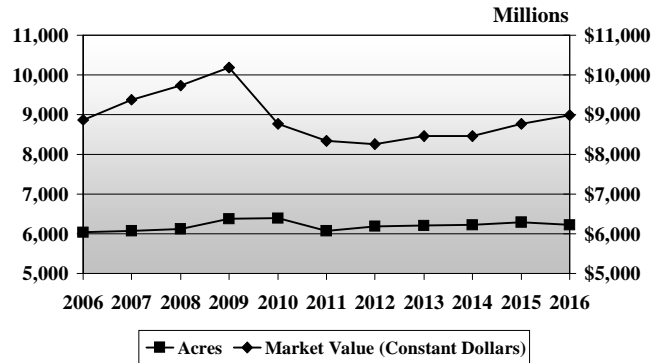
Indicators:

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 2006 to 2010, with 6,032 acres in 2006 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 2006 to 2010 and from 2011 through 2015, the average annual increase in the number of business acres developed was nearly 58.8. 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. The reduction in 2016 to 6,217 is misleading as there was an adjustment to the Existing Land Use GIS layer that refined what was considered developed commercial property.

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 \$8.9 billion in CY06 to \$10.2 billion in CY09, before falling in each of the next three years, to \$8.3 billion in CY12 before climbing the next four years to \$9.0 billion in CY16. The value of commercial properties is prone to devaluation when the supply of those properties is greater than the demand. This was evident in 2010 as when 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 in CY15 as commercial values increased 3.8 percent. CY16 marks the fifth consecutive year of growth with commercial values increasing 2.5 percent on a constant dollar basis. While these gains show continued improvement in the County's business property market values, it must be noted that this indicator has not fully rebounded to the 2009 level.

Looking into the future, commercial real estate will continue to rebound as jobs continue to gradually matriculate back into the County after the substantial losses during the economic downturn. Due to continued growth rates, no warning trend is noted but a cautious outlook remains.

FINANCIAL INDICATORS DISPLAYED GRAPHICALLY

Description	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues Per Capita	2,913.5	3,028.6	3,004.9	3,079.4	2,902.3	2,721.3	2,667.4	2,636.7	2,630.5	2,764.2	2,779.4
Expenditures Per Capita (In Constant Dollars)	2,720.5	2,793.4	2,844.4	2,936.7	2,918.3	2,707.2	2,669.9	2,627.6	2,667.8	2,643.1	2,619.1
Intergovernmental Revenues (without PPTRA)	36.1%	37.8%	38.7%	39.9%	39.5%	39.4%	39.7%	40.7%	40.8%	40.0%	39.9%
Intergovernmental Revenues (PPTRA only)	4.9%	4.0%	3.8%	3.7%	3.9%	3.9%	3.9%	3.8%	3.7%	3.5%	3.4%
Elastic Tax Revenues (as a % of Net Operating Revenue)	10.0%	9.6%	8.9%	8.6%	8.8%	9.2%	9.4%	9.3%	9.4%	11.8%	11.8%
Property Tax Revenues (In Constant Dollars)	316,998	337,338	344,532	355,140	342,047	317,808	310,473	306,105	312,527	319,423	326,145
Uncollected Property Tax Revenues (as a % of Total Levy)	0.5%	0.5%	0.5%	0.7%	1.0%	1.1%	1.3%	1.4%	1.3%	1.2%	1.2%
User Charge Coverage (Revenues/Expenditures)	52.4%	50.1%	48.0%	48.2%	50.6%	52.5%	51.0%	51.9%	54.2%	55.4%	53.3%
Revenue Variance (as a % of Net Operating Revenue)	5.7%	5.4%	6.1%	1.4%	0.2%	1.2%	0.5%	1.3%	2.4%	4.2%	3.6%
Employees Per Capita (Employees per thousand population)	12.9	13.0	13.1	13.1	12.7	12.6	12.5	12.3	12.2	12.1	12.1
Fringe Benefits (as a % of Salaries)	28.4%	31.3%	32.2%	33.1%	32.8%	33.0%	34.5%	33.9%	34.8%	36.0%	35.8%
Operating Surpluses (as a % of Net Operating Revenue)	8.5%	9.6%	6.9%	5.0%	1.6%	1.2%	0.1%	0.0%	1.7%	3.2%	6.0%
Enterprise Losses (In Constant Dollars)	10,386	3,527	4,747	(0.812)	(0.671)	(1,868)	(0,585)	3,823	0,978	0,665	(1,048)
General Fund Balances (as a % of Net Operating Revenue)	13.3%	13.3%	13.5%	13.9%	14.3%	14.2%	12.3%	11.8%	11.7%	11.3%	11.2%
Liquidity (Cash & Investments as a % of Current Liabilities)	294.9%	297.1%	342.2%	232.2%	339.4%	335.4%	288.2%	275.5%	279,0%	267.8%	272.1%
Current Liabilities (as a % of Net Operating Revenue)	9.6%	9.7%	8.9%	13.8%	9.7%	9.8%	11.2%	10.9%	11.5%	11.4%	11.1%
Long Term Debt (as a % of Assessed Valuation)	1.2%	1.2%	1.1%	1.4%	1.4%	1.6%	1.7%	1.6%	1.4%	1.2%	1.2%
Debt Service (as a % of Net Operating Revenue)	4.9%	5.2%	5.3%	5.3%	5.8%	5.5%	5.8%	6.3%	5.9%	5.5%	5.2%
Accumulated Employee Leave Liability (in Days)	23.0	22.5	24.5	24.6	26.0	24.7	25.0	25.1	25.8	26.5	26.2
Level of Capital Outlay (as a % of Net Operating Expenditures)	3.5%	3.0%	3.1%	2.9%	3.2%	3.2%	3.1%	2.4%	1.7%	2.5%	2.0%

FINANCIAL INDICATORS DISPLAYED GRAPHICALLY

Description	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Depreciation (Depreciation Expense as a % of Assets)	2.7%	2.9%	2.7%	2.8%	2.8%	2.7%	2.8%	2.7%	2.8%	2.8%	2.8%
Population	293,382	299,443	302,518	305,580	307,832	311,726	315,157	318,158	321,374	325,283	329,227
Per Capita Income (restated)	45,880	47,688	48,161	45,246	46,634	49,548	52,229	52,789	55,743	58,452	N/A
Public Assistance Recipients (restated for 2016 Trends) (as a % of Total Population)				14.9%	17.4%	18.7%	19.1%	20.4%	20.1%	20.4%	20.6%
Property Values (In Constant Dollars)	29,2815	31,9297	32,2133	32,9014	30,0110	28,6934	27,2903	26,9135	27,3389	28,3085	28,9317
Residential	15,5784	9,0440	0,8883	2,1360	-8,7852	-4,3903	-4,8901	-1,3806	1,5805	3,5468	2,2015
Commercial	20,093	22,174	22,113	22,362	20,942	20,069	18,761	18,200	18,618	19,275	19,688
Agricultural	8,863	9,375	9,730	10,179	8,762	8,334	8,254	8,451	8,453	8,759	8,980
Residential Development (includes agric) (as a % of Total Property)	0.325	0.381	0.371	0.360	0.307	0.290	0.275	0.262	0.268	0.274	0.263
Employment Base	69.7%	70.6%	69.8%	69.1%	70.8%	71.0%	69.8%	68.6%	69.1%	69.1%	69.0%
Local Unemployment Rate	0.0290	0.0270	0.0350	0.0710	0.0740	0.0630	0.0550	0.0480	0.0510	0.0480	0.0380
Jobs in Community	172,216	177,744	179,426	174,758	168,142	170,581	174,628	177,810	177,647	180,877	186,728
Business Activity - #1 (In Constant Dollars)	53,253.97	53,047.42	49,833.40	50,899.45	50,898.07	51,436.15	51,011.94	50,168.81	49,152.01	51,366.26	52,923.61
Annual Business Receipts	28,628.02	30,357.78	28,604.13	28,078.22	25,789.07	25,069.34	25,613.77	26,189.14	25,846.31	27,752.93	28,347.43
Business Activity - #2	12.2%	6.0%	-5.8%	-1.8%	-8.2%	-2.8%	2.2%	2.2%	-1.3%	7.4%	2.1%
Market Value of Business Property	8,863.00	9,375.27	9,729.78	10,179.18	8,762.14	8,334.46	8,254.48	8,451.03	8,452.50	8,758.89	8,980.48
Acres Devoted to Business	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	6,217.00

GENERAL FINANCIAL AND ECONOMIC DATA

Item	Description	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1.3	Cash & Short Term Investments	242,879	268,646	298,304	320,117	314,414	309,643	308,287	289,131	318,999	323,342	326,848
1.4	Accounts Payable	46,617	51,420	49,407	53,262	48,284	48,717	53,348	52,155	61,604	58,946	55,431
1.7	Principle due in 12 months	29,870	33,224	30,749	74,560	32,810	38,825	38,725	38,510	38,890	39,255	41,700
1.8	Other Current Liabilities	5,875	5,771	7,021	10,025	11,557	10,769	14,881	14,284	13,853	22,553	22,969
1.9	Total Current Liabilities	82,362	90,414	87,177	137,847	92,651	92,311	106,954	104,950	114,346	120,754	120,100
1.10	Net Direct Long Term Debt	357,638	399,683	396,269	503,505	460,535	499,930	533,180	492,025	454,095	411,405	406,150
1.12	Cost Depreciable Fixed Assets	957,377	982,096	1,015,665	1,051,575	1,080,905	1,109,368	1,124,786	1,143,806	1,176,897	1,205,603	1,249,751
1.13	Depreciation Expense	25,879	28,010	27,596	28,928	30,566	30,439	31,308	30,993	32,433	34,326	35,573
1.14	General Fund Operating Surplus	72,364	88,984	67,853	49,565	15,123	11,751	533	336	17,000	34,246	64,678
1.15	Enterprise Operating Results	10,386	3,622	5,120	10,386	(721)	(2,078)	(661)	4,400	1,148	782	(1,244)
1.16	General Fund Balances	199,079	207,453	239,708	252,549	246,603	230,524	221,639	197,540	210,567	224,205	232,416
1.17	General Fund Restricted Balances	85,442	84,029	107,615	113,094	109,831	96,798	104,751	83,364	93,945	104,259	111,167
1.18	General Fund Unrestricted Balances	113,637	123,424	132,093	139,455	136,771	133,727	116,888	114,175	116,622	119,946	121,429
1.19	Uncollected Property Taxes	1,638	1,901	2,035	2,700	3,604	3,737	4,604	5,025	4,815	4,645	4,506
1.20	Full Property Tax Levy	339,091	352,305	369,930	380,661	365,522	349,269	347,803	357,613	361,689	373,457	374,674
2.1	Property Tax Revenues	316,998	346,403	371,556	377,532	367,444	353,555	351,142	352,275	367,120	375,685	387,388
2.2	Committed User Charges	28,316	29,127	28,850	29,884	30,409	30,207	31,424	31,336	33,266	33,372	33,680
2.3	Uncommitted User Charges	9,988	6,745	2,845	2,846	3,261	3,321	3,152	3,323	3,379	3,378	3,552
2.4	Other Revenue greater than 5%	125,617	125,927	122,796	125,309	119,791	127,013	129,354	125,872	125,113	158,824	165,920
2.5	Other Revenue less than 5%	23,470	33,800	37,612	28,837	22,822	21,028	21,220	22,343	21,664	25,951	25,143
2.6	Total Local Operating Revenue	504,389	542,002	563,659	564,409	543,727	535,125	536,292	535,125	550,542	597,210	615,683
2.7	Intergovernmental Operating Revenue	350,394	389,249	416,686	435,925	416,038	408,589	414,459	430,280	442,504	460,328	471,181
2.7	Intergovernmental Operating Revenue (without PPTRA reimbursements)	308,263	352,028	379,686	398,923	379,036	371,587	377,457	393,278	405,502	423,327	434,180
2.10	Gross Operating Revenues	854,783	931,251	980,345	1,000,334	959,765	943,714	950,751	965,430	993,046	1,057,538	1,086,864
2.13	Net Operating Revenues	854,783	931,251	980,345	1,000,334	959,765	943,714	950,751	965,430	993,046	1,057,538	1,086,864
2.14	Restricted Operating Revenues	280,166	317,374	328,363	354,864	342,353	334,149	337,442	353,421	354,991	374,039	375,575
2.15	Elastic Operating Revenue	85,208	89,286	87,579	86,099	84,217	87,182	89,098	90,097	92,893	124,352	128,416
2.17	Net Operating Revenue Budgeted	806,056	880,557	920,221	986,094	957,860	932,150	946,188	953,214	969,062	1,013,213	1,047,214
3.1	Salaries and Wages	413,031	440,213	464,016	487,694	480,659	472,724	480,853	495,822	496,472	508,111	526,875
3.2	Fringe Benefits	117,379	137,938	149,220	161,362	157,582	156,088	165,696	167,899	172,540	183,080	188,878
3.3	Supplies	34,433	36,858	40,764	43,737	41,682	46,168	43,383	42,775	48,999	49,833	42,677
3.4	Services	88,068	109,413	117,670	107,968	120,657	113,118	109,529	105,315	144,336	111,340	109,868
3.5	Capital Outlay	28,075	25,447	28,322	27,403	31,049	29,983	29,924	23,210	17,210	25,270	20,338
3.6	Principal-Long term Debt	26,633	29,450	32,779	30,284	34,880	32,300	32,290	38,510	37,615	38,285	38,605
3.7	Interest-Long term Debt	15,598	18,588	18,900	22,339	21,191	19,722	23,035	22,393	21,132	19,392	17,481
3.8	Total Direct Debt	42,230	48,038	51,679	52,623	56,071	52,022	55,325	60,903	58,747	57,677	56,086
3.9	Other Expenditures	54,842	36,926	52,400	50,416	52,285	45,527	43,982	41,361	44,052	49,701	53,866
3.10	Internal Service Fund Transfers	20,083	24,113	23,917	22,764	25,058	23,195	22,949	24,815	24,779	26,177	25,609
3.11	Total Net Operating Expenditures	798,141	858,946	927,990	953,967	965,044	938,824	951,640	962,100	1,007,136	1,011,188	1,024,197
3.12	Number of General Government Employees	3,774	3,895	3,953	4,000	3,915	3,927	3,927	3,927	3,927	3,927	3,986
3.13	Unused Annual Leave (in days)	86,980	87,502	96,971	98,411	101,636	96,974	98,048	98,496	101,198	104,232	104,592
3.14	Unused Sick Leave (in days)	267,779	272,360	270,336	280,842	284,267	288,847	292,650	286,114	290,157	286,638	280,967
3.15	Expenditures Covered by Charges	54,040	58,176	60,157	61,944	60,144	57,538	61,630	60,360	61,408	60,245	63,189
7.1	Population (Calendar Year)	293,382	299,443	302,518	305,580	307,832	311,726	315,157	318,158	321,374	325,283	329,227
7.3	Total Personal Income (Thous. of \$) - restated	13,372,269	14,135,116	14,457,715	13,789,201	14,346,335	15,402,475	16,499,257	16,870,717	17,994,707	19,005,848	N/A
	Per Capita Income - restated	45,880	47,688	48,161	45,246	46,634	49,548	52,229	52,789	55,743	58,452	N/A
7.4	Public Assistance Recipients (restated for 2016 Trends)				45,673	53,566	58,387	60,188	64,927	64,583	66,505	67,849
7.6	Market Value of Property (Mil. of \$)	29,282	32,788	34,740	34,976	32,239	31,921	30,865	30,973	32,114	33,295	34,364
7.8	Market Value-Residential (Mil. of \$)	20,093	22,770	23,847	23,772	22,497	22,327	21,218	20,945	21,871	22,670	23,386
7.9	Market Value-Commercial (Mil. of \$)	8,863	9,627	10,493	10,821	9,413	9,272	9,336	9,726	9,929	10,302	10,667
7.10	Market Value-Agricultural (Mil. of \$)	325	391	400	382	329	322	311	302	315	323	312
7.11	Residential Households (Calendar Year)	123,457	125,972	127,046	128,529	129,781	130,482	131,044	131,652	132,363	133,020	134,153

GENERAL FINANCIAL AND ECONOMIC DATA

Item	Description	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
7.12	Vacancy Rates-Residential (Calendar Year)	1.5%	1.6%	1.6%	1.6%	1.6%	2.5%	2.4%	2.0%	1.6%	1.4%	1.4%
7.15	Local Unemployment Rate	2.9%	2.7%	3.5%	7.1%	7.4%	6.3%	5.5%	4.8%	5.1%	4.8%	3.8%
7.16	Jobs Within Community	172,216	177,744	179,426	174,758	168,142	170,581	174,628	177,810	177,647	180,877	186,728
7.17	Retail Sales (Thous. of \$)	53,254	54,473	53,742	54,109	54,677	57,222	57,694	57,736	57,738	60,414	62,861
7.19	Annual Business Receipts (Thous. of \$)	28,628	31,174	30,848	29,849	27,704	27,889	28,969	30,139	30,361	32,641	33,670
7.20	Business Acres (Calendar Year)	6,032	6,062	6,118	6,371	6,393	6,064	6,189	6,211	6,214	6,291	6,217
7.21	CPI	202.9	208.4	218.8	215.7	218.0	225.7	229.5	233.5	238.3	238.6	241.0
7.22	CPI-Index	1.0000	1.0269	1.0784	1.0631	1.0742	1.1125	1.1310	1.1508	1.1747	1.1761	1.1878

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