



HENRICO ♦ COUNTY, ♦ VIRGINIA

**Approved Annual Fiscal Plan
& Capital Budget
Includes Summary of 5-Year
Capital Improvement Program
Fiscal Year 2010—11**





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Henrico County
Virginia**

For the Fiscal Year Beginning

July 1, 2009

President

Executive Director

COUNTY OF HENRICO

Board of Supervisors



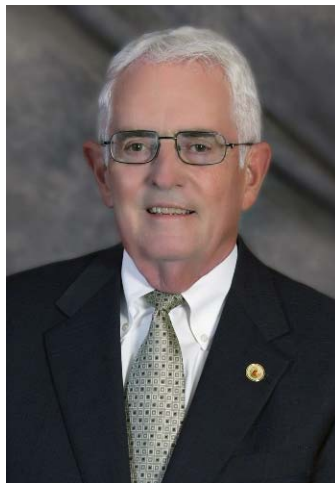
Patricia S. O'Bannon
Chairman
Tuckahoe District



Frank J. Thornton
Vice-Chairman
Fairfield District



Richard W. Glover
Brookland District



David A. Kaechele
Three Chopt District



James B. Donati
Varina District



COUNTY OF HENRICO

OUR MISSION

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

OUR VALUES

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

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

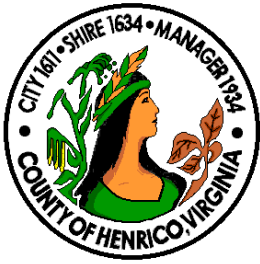
We believe that our reputation for integrity, credibility and sensitivity to employee and citizen needs is a key asset.

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

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



Virgil R. Hazelett, P. E.
County Manager



History of Henrico County, Virginia

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.

In 1634, Virginia was divided into eight shires, or counties, one being Henrico. Our first boundaries incorporated an area from which ten Virginia counties were later formed in whole or in part, as well as the cities of Richmond, Charlottesville, and Colonial Heights. The County was named for Henry, Prince of Wales, the eldest son of King James I of England.

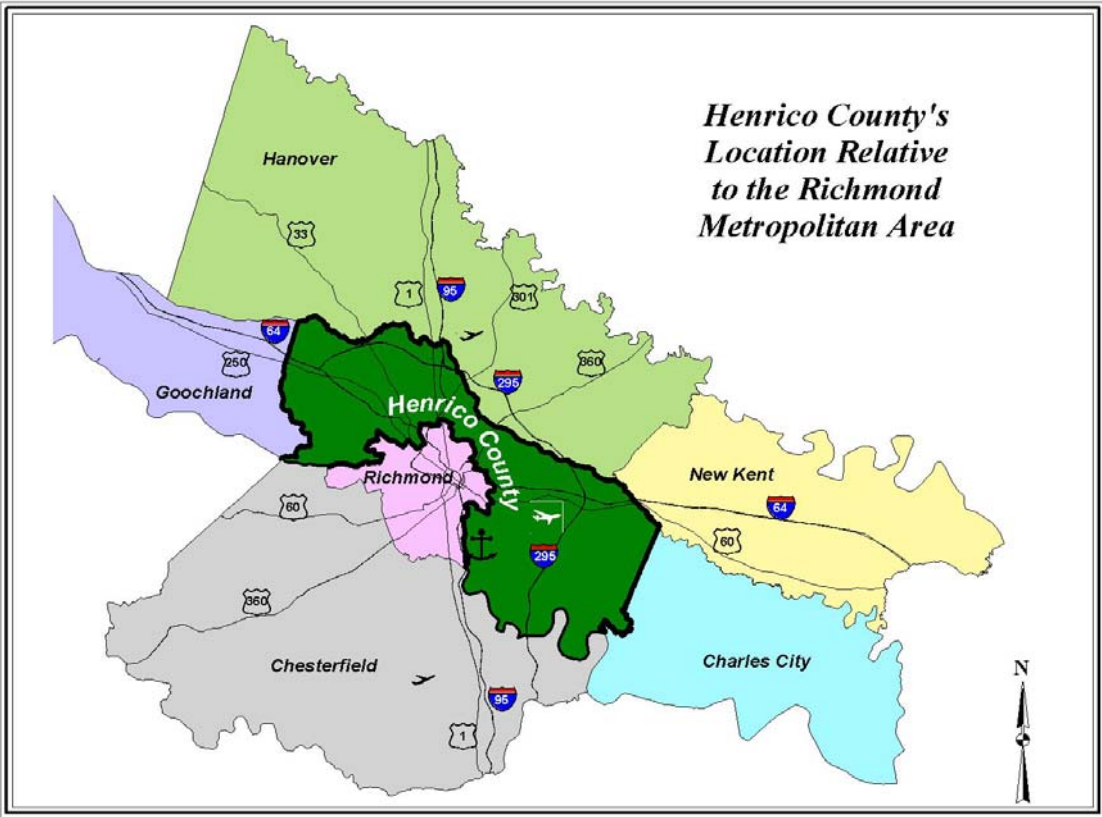
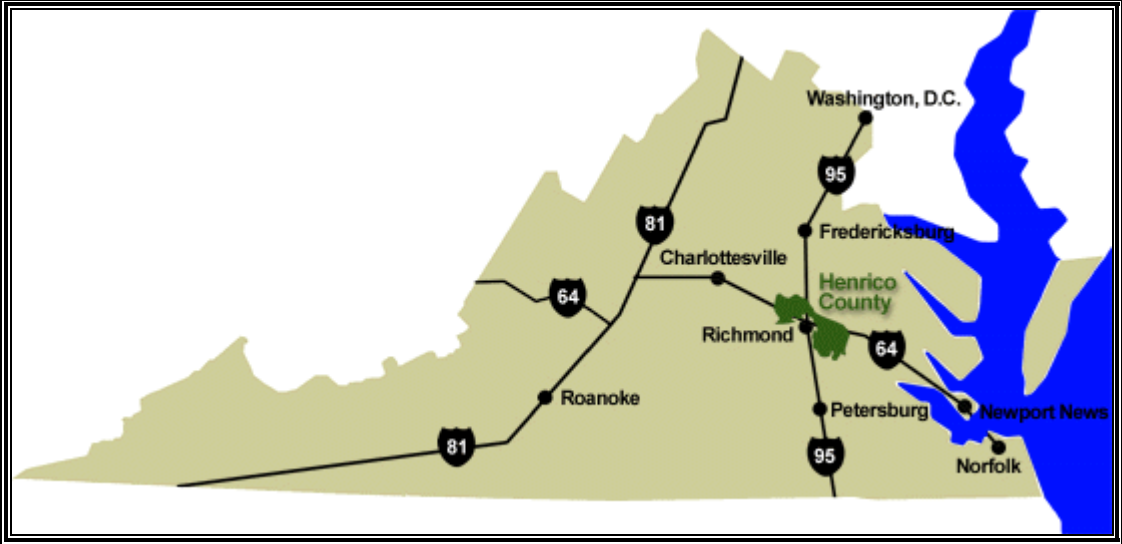
In 1776, Henrico representatives Richard Adams and Nathaniel Wilkerson participated in the Fifth Virginia Convention, which voted to send delegates to the Continental Congress to propose separation from the British. That proposal led to the Declaration of Independence. In 1788, seven years after the 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.

Today, bordering the City of Richmond on the west, north and east, the County of Henrico lies between the James and Chickahominy rivers, and constitutes approximately a third of the Richmond Metropolitan area. Based on the 2000 Census, 262,300 Henrico County residents live in a well-planned community of 244.06 square miles.

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. Henrico offers a professionally managed government responsive to the needs of its residents, an educational system among the best in the nation, and an economy of unusual strength and diversity. With our triple, triple-A bond rating and favorable tax rates, Henrico provides an ideal environment for commercial and residential development.

Source: Henrico County Public Relations and Media Services

HENRICO COUNTY, VIRGINIA



Henrico County is contiguous to the City of Richmond, the Capital of Virginia.



GUIDE TO USING THIS DOCUMENT

This document represents the Approved 2010-11 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 FY2010-11 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.

Guide (continued)

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 and the OPEB-GASB 45 requirement.

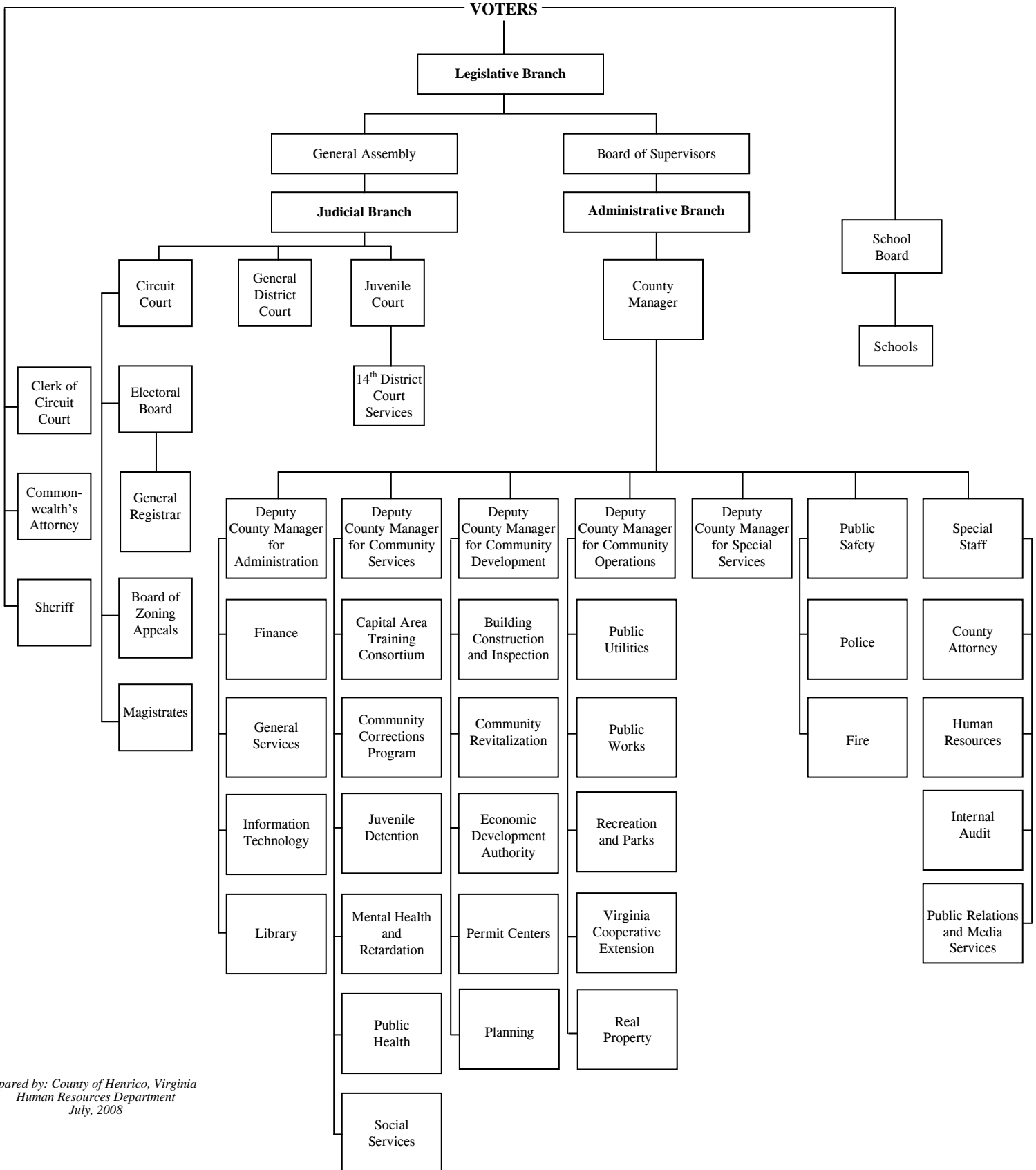
The Capital Improvement Program:

The FY2010-11 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.co.henrico.va.us/departments/finance/divisions/office-of-management-and-budget/>.



County of Henrico, Virginia Organization Chart





**COUNTY OF HENRICO, VIRGINIA
APPROVED ANNUAL FISCAL PLAN 2010-11
TABLE OF CONTENTS**

INTRODUCTION

Manager's Message	1
Basis of Budgeting and Fund Structure	27
Henrico County's Budget Process	30
Financial Guidelines.....	34

REVENUE AND EXPENDITURE SUMMARIES BY FUND 40

Undesignated Fund Balance Projections	57
---	----

THREE-YEAR FORECAST OF REVENUES AND EXPENDITURES

General Fund	59
Special Revenue Fund.....	72
Enterprise Funds	76
Internal Service Funds	82
Debt Service Fund	92
JRJDC Agency Fund.....	97
Capital Projects Fund	99

EXPENDITURE DETAIL BY FUNCTION-DEPARTMENT

GENERAL FUND:

GENERAL GOVERNMENT ADMINISTRATION:

Board of Supervisors	107
County Manager	109
Public Relations and Media Services.....	110
County Attorney	112
Human Resources.....	114
Finance	118
General Services	125
Internal Audit.....	128
Information Technology	130
Real Property	133
Electoral Board.....	135

JUDICIAL ADMINISTRATION:

Circuit Court Clerk.....	139
Circuit Court Services	141
General District Court Services	143
Magistrate	145
Juvenile and Domestic Relations Court Services.....	146
Juvenile and Domestic Relations Court – Probation.....	148
Commonwealth's Attorney.....	150

PUBLIC SAFETY:

Division of Police (Police and Animal Control).....	155
Division of Fire (Fire, Emergency Medical Services and Emergency Services)	160
Sheriff.....	164
Juvenile Detention	167
Building Inspections	169

PUBLIC WORKS..... 175

**COUNTY OF HENRICO, VIRGINIA
APPROVED ANNUAL FISCAL PLAN 2010-11
TABLE OF CONTENTS**

HEALTH AND SOCIAL SERVICES:	
Public Health	181
Social Services	183
EDUCATION	190
RECREATION, PARKS AND CULTURE:	
Recreation and Parks	197
Library	202
COMMUNITY DEVELOPMENT:	
Economic Development	213
Planning	215
Community Revitalization	218
Agriculture and Home Extension	221
Permit Centers	223
MISCELLANEOUS:	
Non-Departmental	227
Sandston Recreation Center	232
Capital Improvement Transfers	233
SPECIAL REVENUE FUND:	
Capital Area Training Consortium	241
Special Drug Prosecutor	245
Victim/Witness	247
Community Corrections Program	249
Drug Court	251
Probation – VJCCCA	253
Juvenile Detention – VJCCCA	255
Juvenile Detention – USDA Grant	257
Mental Health/Developmental Services	258
Metro Aviation Unit	262
Wireless E-911	264
Comprehensive Services Act	266
Solid Waste and Street Lights	269
Best Management Practices	273
Watershed Management Program	274
ENTERPRISE FUNDS:	
Water and Sewer Revenue Fund	278
Belmont Park Golf Course Fund	282
INTERNAL SERVICE FUNDS:	
Central Automotive Maintenance	288
Technology Replacement Fund	290
Risk Management	292
Healthcare Fund	294
DEBT SERVICE FUND	295

**COUNTY OF HENRICO, VIRGINIA
APPROVED ANNUAL FISCAL PLAN 2010-11
TABLE OF CONTENTS**

FUDICIARY FUNDS:

JRJDC Agency Fund	303
Other Post Employment Benefits (OPED) – GASB 45	305

CAPITAL BUDGET	308
-----------------------------	------------

APPENDICES:

Appendix "A" Glossary	338
Appendix "B" Personnel Complement	342
Appendix "C" Statistical Section	370
Appendix "D" Tax Rate and Fee Schedule	380
Appendix "E" General Fund Revenues	382
Appendix "F" Economic Outlook	391
Appendix "G" Financial Trends Monitoring System	405

<u>INDEX</u>	459
---------------------------	------------



INTRODUCTION





COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

Virgil R. Hazelett, P.E.
County Manager

July 1, 2010

The Honorable Board of Supervisors
County of Henrico
Virginia

Honorable Members of the Board:

Enclosed is the Approved Annual Fiscal Plan for FY2010-11, including both the operating and capital budgets that you approved at your April 27, 2010 meeting. The Board of Supervisors made no changes to the FY2010-11 proposed budget that that you received at your March 23, 2010 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 Annual Fiscal Plan for FY2010-11.

Respectfully submitted,

Virgil R. Hazelett, P.E.
County Manager





COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

Virgil R. Hazelett, P.E.
County Manager

March 23, 2010

The Honorable Board of Supervisors
County of Henrico
Virginia

Honorable Members of the Board:

I am pleased to submit to you the Proposed FY2010-11 Annual Fiscal Plan for the County of Henrico. Without question, this budget process has been the most difficult in my eighteen years as County Manager. The budget before you is balanced within existing tax rates, preserves the quality services the County's citizens expect, and continues the County's long history of avoiding staff layoffs.

We have been able to accomplish this in the midst of a "perfect storm" within our revenue streams. Our revenue projections for FY2010-11 reflect unprecedented declines in the area of real estate and State Aid. The future outlook for the health of State finances and the local economy causes great concern. While the national economy may be recovering from the recessionary environment of the past two plus years, the unfortunate truth is that the economic indicators that impact state and local government revenues are all lagging. In other words, while the economy may grow at the national level, it will take a number of months, possibly even years, before this translates into revenue growth locally. With these things in mind, I asked staff to look beyond the immediate year in order to ensure that the efforts the County has made to reduce expenditures in the coming fiscal year can be sustained in the years ahead. Within that context – while the FY2010-11 budget has presented a significant challenge in resource allocation – it is my belief that next year's FY2011-12 budget may prove to be equally, if not more demanding.

In developing the Proposed Budget, all County departmental operations and services have been meticulously reviewed and analyzed to identify additional efficiencies. With these increased efficiencies, and associated cost savings, this budget maintains all services. That being said, I must caution you that if local revenues sag further than anticipated or if the General Assembly reduces State Aid to localities further than this budget projects, service delivery in the future may be impacted.

Because of realized efficiencies, Henrico County is one of very few local governments in Virginia that has not proposed raising its tax rate, staff layoffs, or require furloughs in an effort to maintain a balanced budget in this very trying year. However, we have implemented a number of actions that are entirely unique for the County of Henrico. Specifically:

- Within the General Government budget, 101 vacant positions have been eliminated.
- The Proposed Budget for General Government is built on a turnover rate of 2.5 percent. This is the first time the County has "budgeted" anticipated turnover.

- Operating reductions have been made across all General Government areas. This is the second consecutive year that across the board reductions have been made.
- Within the Education budget submitted by the Superintendent and approved by the School Board:
 - 123 positions will be eliminated through attrition.
 - The pupil-teacher ratio (PTR) for schools has been increased by 0.75.
 - Replacement of 16 buses is deferred for one year.
 - Operating costs within all Education cost centers have been reduced by 20.0 percent, across the board.

The Proposed Budget before you has utilized the most recent information we have in regards to both local and State revenues. In fact, the introduction of this budget was delayed to ensure that you were presented a budget built and balanced with the most recent revenue assumptions. It is my firm belief that presenting to you a budget balanced on unsupported assumptions and making difficult decisions based on those assumptions, would damage the credibility this County has worked so hard to achieve.

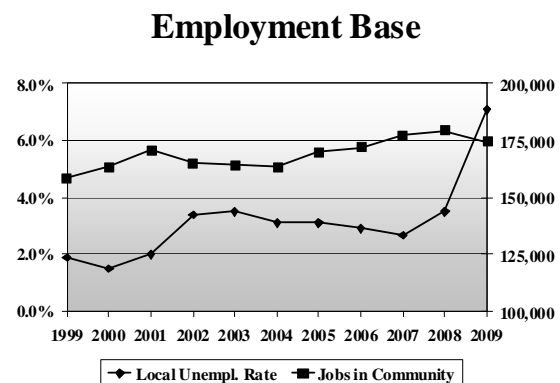
What follows is a discussion of the economic climate that we have weathered during the development of this budget, and the ensuing impact to revenue collections.

Lingering Effects of a Troubled Economy

The United States officially entered into a recession in December 2007. At this writing, it appears as if the nation has emerged from the recession, although the lagging indicators – unemployment, real estate, consumer spending, etc. – continue to show signs of economic distress. Unfortunately for the State and its localities, these lagging indicators are the primary drivers of revenue growth.

The most important economic indicator – the area that impacts virtually every facet of State and local revenues – is jobs. With the substantial loss of jobs on the State and local levels throughout this economic downturn, a number of revenues have been significantly impacted. The struggling residential and commercial real estate markets have impacted

real estate tax revenues for localities and recordation tax revenues to the State. Local sales tax receipts have declined and the number of new vehicle purchases has fallen as consumers spent less on discretionary items. The State’s largest revenue source is income tax receipts - corporate and individual – which are clearly impacted by job loss. While there are many macroeconomic factors influencing these economic indicators, the loss of jobs remains the central issue.



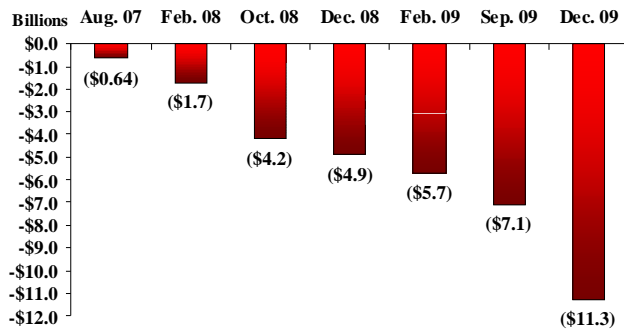
As of this writing, in the Metropolitan Richmond Area, over 14,100 jobs have been lost since January 2008, of which nearly two-thirds were in Henrico County. Included in that figure is the closing of Qimonda and the bankruptcies of LandAmerica and Circuit City. While the County’s unemployment

rate has improved somewhat since its high of 7.6 percent in June 2009, it remains higher than the State's unemployment rate and more than twice levels seen just two years ago. Aggressive economic development efforts to attract new corporations into the County continue and are yielding results. These efforts are underway, with recent expansion announcements by Bank of America, the decision by Admiral Group Inc. to base its U.S. automobile insurance market efforts in Henrico, expansion of T-Mobile efforts in the County, as well as the Smurfit expansion in eastern Henrico County. While these are all positive signs for the County, it will likely take a number of years to achieve unemployment rates and job growth levels seen just two years ago. The County's ability to continue providing high quality services with a consistently low tax burden will continue to play a large role in the County's future economic development efforts.

State Revenues

The State of Virginia's budgetary deficits have created a significant strain on local resources and they will continue to do so into the foreseeable future. While the headlines are new, the trend of downward revenue corrections and ensuing budget reductions has been a recurring theme throughout this economic downturn, as evidenced in the graph to the right. As of this writing, through FY2009-10, the General Assembly has made over \$7.0 billion in expenditure cuts since FY2007-08 to offset budget shortfalls – much of which have been made on the backs of

State Budget Shortfall – A Timeline



localities. These reductions have resulted in significant cost shifts from the State to localities. In fact, in the three-year period between FY2007-08 and FY2009-10, the State has reduced State Aid to Henrico County by more than \$39.0 million. Of this \$39.0 million reduction, over \$30.0 million is attributed to State Aid for Education. General Government has been cut by approximately \$9.1 million in the past three fiscal years.

In the coming 2010-2012 Biennial Budget, the State estimates an additional \$4.2 billion budget shortfall, which will result in even greater cuts in State Aid to localities. In fact, overall State revenues in the General Fund alone are estimated to fall by \$31.0 million or 10.1 percent in the FY2010-11 Proposed Budget as compared to the FY2009-10 Adopted Budget. As noted earlier, the majority of this reduction takes place in the area of Education. In the FY2010-11 Proposed Budget, State Aid for Education is projected to decline by \$27.3 million or 12.1 percent from the FY2009-10 Adopted Budget. This is in spite of Education projecting the addition of 115 students in FY2010-11, and the opening of two new schools – Glen Allen High School and Holman Middle School – in September 2010. While State aid for Education has been reduced by \$27.3 million, Education's budget is being reduced by only \$21.8 million, as County aid for Education is proposed to increase by \$5.5 million – in spite of a large reduction in overall local revenues.

In comparing FY2008-09 actual expenditures and revenues to the FY2010-11 Proposed Budget, in the area of Education, General Fund expenditures have declined by \$13.8 million overall. In that time frame, State Aid for Education has been reduced by \$35.5 million, while County funding for Education has increased \$21.7 million. Put another way, Education's reduced expenditures of \$13.8 million since FY2008-09 is entirely a result of reductions in State aid. The fact that the past two budgets have made that commitment to the County's Education system in this economic environment demonstrates the

steadfast commitment of the Board of Supervisors to ensuring that our quality Education programming is in fact – second to none.

In the FY2010-11 Proposed Budget, State Aid for General Government areas was reduced further by another 4.6 percent. In comparison to FY2008-09 actual revenues, FY2010-11 estimates reflect a reduction of \$16.5 million in the two-year time frame, or an overall 17.8 percent reduction. Including aid for Education, overall State Aid has declined \$51.9 million since FY2008-09, a reduction of 15.9 percent in just two years.

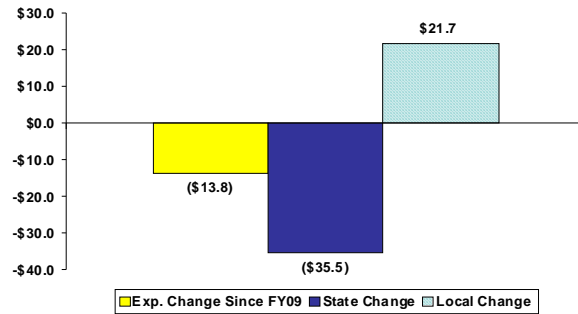
In the FY2009-10 Adopted Budget and FY2010-11 Proposed Budget, the following areas reflect reduced State Aid:

- Funding for Education
- Funding for Education infrastructure (elimination of Lottery funds for Capital Projects in FY2009-10)
- Constitutional Officers (All)
- Electoral Board
- House Bill #599 funds for Public Safety
- Mental Health
- Social Services
- Virginia Juvenile Community Crime Control Act (VJCCCA) Funds
- Funding for Roads Infrastructure (elimination of Gas Tax allocation for road construction from budget in FY2009-10 and in FY2010-11 – if construction funding is awarded, these funds will be appropriated via budget amendment)
- Victim/Witness
- Funding for Libraries
- Juvenile Detention including the James River Juvenile Detention Center
- Fire Program Funds

In fact, in looking at revenues from the State, there is no single area that has not been impacted. The State funding reductions will impact how Henrico County and other localities in Virginia operate for a number of years. However, the difference between Henrico’s approach and that of other Virginia localities is reflective of Henrico’s success in a multi-year budgeting approach which ensures actions taken in one budget do not prove detrimental to future budgets.

In programs where State funding has been reduced, the County has made a case by case examination before increasing local aid contributions. In many cases, local aid has increased. While I was extremely reluctant in increasing local support, many of the State’s reductions leave us no choice on the local level. If the County were to pass on reductions in State Aid to the Sheriff’s Office or to Police due to cuts in House Bill #599 funding, then significant public safety issues arise. In the area of Education, dollar-for-dollar reductions would have resulted in layoffs and devastation to the County’s Education system, which is largely driven by personnel costs. Overall, I firmly believe that when the State chose to impose across the board reductions in areas such as our Constitutional Officers and House Bill #599 funding, it was done with the understanding that most localities would have to fund cost differentials.

Henrico County Schools
FY2010-11 GF Budget vs. FY2008-09 GF Actuals



While we have been successful in managing our resources with reduced State resources in the current year and in the Proposed Budget, the simple fact is that State Aid must increase in future budgets if service delivery is to remain at quality levels. The State provides over one-third of our General Fund resources, and reductions or even lack of growth to one-third of General Fund revenues cannot be sustained for an extended period of time – by any local government.

With the continued uncertainty in the economy and State funding, balancing this budget required us to make a number of revenue assumptions in this Proposed Budget. **This budget was prepared prior to the final budget estimates adopted by the General Assembly.** The following is an overview of fundamental decisions and assumptions made in this budget.

Revenue Assumptions

- The County continues to utilize the most up-to-date sales information in determining the assessed values of real estate and this continues to be the case as assessed values are based on sales information as of the end of calendar year 2009. Using the most recent sales data has resulted in an unprecedented **overall decrease in real estate market value of \$2.7 billion, or 7.8 percent.** This marks the first time since 1942 - when the City annexed 47 percent of the County's tax base - that Henrico County's real estate valuation actually declined. While the residential real estate market continued to struggle, losing 5.5 percent in valuation, commercial real estate posted a decline in valuation of over 13.0 percent.
- As in the past, the revenue estimates in the Proposed Budget have been prepared with extreme caution. This is particularly the case for estimates of our elastic revenue sources such as Local Sales Tax, Business and Professional License Tax, Business Personal Property Tax, as well as fees received from new building permits. Currently, Local Sales Tax receipts are lagging those of last year by 4.8 percent, the smallest year-over-year decline in the Richmond region through seven months of collections. Individual personal property valuations and BPOL receipts are expected to remain flat, at best. Considering the magnitude of job loss in the County over the last two years, and the reduction in the commercial tax base, one would expect these elastic revenues to suffer much more than projected. However, the "Henrico, VA" initiative has, without a doubt, played a significant role in the County retaining much of these revenues, as the County's tax base becomes more defined. Projections indicate that the "Henrico, VA" initiative has benefited the County by as much as \$8.0 million per annum. As always, these elastic revenues will continue to be monitored closely and adjustments will be made, if necessary.
- The ever-growing State budget shortfall and the inability of the State to meet its financial obligation to localities continue to be a serious concern. State aid estimates included in the Proposed Budget are based on the respective House of Delegates' and Senate's approved budgets. That being said, the County has taken a very cautious approach in estimating these revenues. If in fact projected State revenues do not materialize, a budget adjustment may be necessary. It is also important to note that the State anticipates the supplanting of millions of General Fund dollars in FY2010-11 with federal funding of varying sorts, an option that is suspect, at best. As noted earlier, it is imperative that the County take a multi-year approach to this budget, and there must be consideration that State revenues will be reduced further in FY2011-12 to make up for the loss of federal stimulus funds.

Finding Efficiencies in Expenditures: Doing More With Less

- Since October 2008, the County has been under a more restrictive "hiring freeze" in which only those positions deemed critical to the provision of existing service levels were approved for recruitment. This decision has proven critical in the current fiscal year in balancing expenditures

to mid-year reductions in State Aid to Henrico County, as well as significant reductions in local revenues. At this writing, the hiring freeze has generated in excess of 220 vacant positions across all General Government departments. To address the sharp declines in State and local revenues in this Proposed Budget, as well as prepare for possible further revenue reductions in the future, it is imperative that we recognize these personnel savings not just for this proposed budget, but also in FY2011-12 and beyond, if necessary. As such, I recommend that the County eliminate 101 of the County's vacant positions, across all funds. This decision has been a very difficult one to make, as every addition to the County's complement requires an exhaustive evaluation of the need for that position; therefore every position.

- All known fixed operational costs will be funded with current revenues and service delivery efforts will continue at high quality levels for all operational areas. To achieve this, all General Government departments were allocated a number of expenditure reductions in their respective operations. This required across-the-board reductions as well as department specific reductions to targeted line items. Due to concerted efforts by Information Technology staff, continued efficiencies in telecommunications costs have been realized. In fact, these efforts will save the County approximately \$1.0 million annually. Also, the allocation for future replacement of equipment in the technology replacement fund is being reduced by 20.0 percent. This is based on the assumption that the majority of computer equipment can be replaced on a four- or five-year cycle as opposed to the previous three-year cycle standard. Travel and tuition costs have been withdrawn from all departmental budgets, with the exception of the budget for Countywide training programs allocated in Human Resources. Also, funding to outside agencies has been reduced by ten percent across the board.
- Gasoline and diesel costs have been reduced in this budget to bring cost estimates more in line with actual costs. The County continues its efforts to downsize the cylinder size for vehicles in the fleet. When a vehicle is scheduled for replacement, the use of the vehicle will be reviewed to determine if a smaller sized vehicle will meet the user's needs. As such, an eight-cylinder vehicle will be replaced with a six-cylinder vehicle and a six-cylinder vehicle will be replaced with a four-cylinder vehicle. Since FY2008-09, 54 vehicles that were ½ ton and below in size and scheduled for replacement were downsized. This trend will continue into FY2010-11 and beyond.
- Utility costs, such as electricity and natural gas costs, have also been reduced to more accurately reflect prior year expenditures. The County's Energy Reduction and Environmental Sustainability Program has yielded permanent cost savings in the County's utility costs. Both Schools and General Government have adopted a Leadership in Energy and Environmental Design (LEED) initiative for new facilities, which will conserve energy use in these buildings. Individual initiatives, such as the installation of LED traffic lights, the landfill gas-to-energy project, and Central Automotive Maintenance's efforts to utilize waste oil for heat, have all contributed to the overall success of Henrico's sustainability efforts. In fact, estimates indicate that these efforts have saved the County approximately 580 trillion British Thermal Units (BTU's) in energy consumption since the program began in FY2003-04. To continue our energy conservation efforts, a \$2.8 million federal stimulus grant was awarded to the County in the current fiscal year and will be utilized with permanent cost savings as the basic premise.
- In February of this year, I established a committee - inclusive of all department heads and key officials - tasked with garnering ideas as to how the County can, as a whole, permanently operate more cost effectively. It is imperative that the County implement sustainable cost savings measures, as there is concern that revenues may not fully recover for a number of years. Sustainable cost savings ideas have been brought forth, and departments have begun to implement their own efforts to conserve costs. This effort will be ongoing throughout FY2010-11.

THE FY2010-11 PROPOSED ANNUAL FISCAL PLAN:

The total recommended Operating Budget for the General Fund is declining \$31.1 million or 4.0 percent from the FY2009-10 adopted budget. Including all funds, the Operating Budget totals \$1,023,173,782, which reflects a decrease of \$35,440,919, or 3.3 percent. The total Proposed Budget is illustrated in the table that follows.

**FY2010-11 Proposed Budget (Expenditures)
All Funds**

	FY2009-10 Approved	FY2010-11 Proposed	Dollar Change	Percent Change
General Fund:				
General Government Admin.	\$ 59,366,920	\$ 55,916,358	\$ (3,450,562)	(5.8)%
Judicial Administration	8,311,621	7,975,999	(335,622)	(4.0)%
Public Safety	157,800,222	154,575,794	(3,224,428)	(2.0)%
Public Works	35,935,899	35,855,526	(80,373)	(0.2)%
Health & Social Services	20,439,876	20,109,792	(330,084)	(1.6)%
Education	424,250,000	402,409,019	(21,840,981)	(5.1)%
Recreation, Parks & Culture	33,169,410	32,334,940	(834,470)	(2.5)%
Community Development	20,668,681	19,352,132	(1,316,549)	(6.4)%
Miscellaneous	<u>12,256,941</u>	<u>12,528,007</u>	<u>271,066</u>	<u>2.2%</u>
Total General Fund	772,199,570	741,057,567	(31,142,003)	(4.0)%
Special Revenue Fund	116,690,603	119,333,547	2,642,944	2.3%
Enterprise Funds	74,738,455	72,996,031	(1,742,424)	(2.3)%
Internal Service Funds	25,610,472	29,427,625	3,817,153	14.9%
Debt Service Fund	57,782,472	51,832,472	(5,950,000)	(10.3)%
Agency Fund	<u>11,593,129</u>	<u>8,526,540</u>	<u>(3,066,589)</u>	<u>(26.5)%</u>
Total Proposed Budget	<u>\$1,058,614,701</u>	<u>\$1,023,173,782</u>	<u>\$ (35,440,919)</u>	<u>(3.3)%</u>

As you delve into each area in this budget, you will see that most departments, and most funds, reflect a reduction in overall expenditures. A number of reductions are solely a result of State funding reductions. Others, including most General Fund departments, are reflective of the overall revenue declines, inclusive of local and State revenue reductions. Other specific highlights of the FY2010-11 Proposed Budget include:

- The FY2010-11 Proposed Budget includes \$11.5 million in funding associated with the opening of new facilities funded through the 2005 G.O. Bond Referendum, utilizing funding from the Revenue Stabilization Fund. The new facilities opening in FY2010-11 include Glen Allen High School (9th and 10th grades), Holman Middle School, an addition to Glen Allen Library, the rebuilding of Fire Station #8, the renovation and addition at Fire Station #12, and the Eastern Area Recreation Center.
- As per the 2005 G.O. Bond Referendum Funding Plan, twelve positions have been added to the General Government complement in FY2010-11, all of which are attributed to the opening of new facilities. Ten positions have been added to Recreation and Parks' complement associated with the new Eastern Area Recreation Center and two positions have been added to Police's complement reflecting two School Resource Officers for the two new schools opening in FY2010-11.
- The Proposed Budget before you does not include a merit or cost of living increase for General Government and Education employees. This was a very difficult decision as our employees

provide the highest level of services for our residents each and every day. However, this Proposed Budget will continue to fully fund the 5.0 percent employee share of Virginia Retirement System (VRS) contributions for new employees hired in FY2010-11, in spite of the adoption of legislation passed by the General Assembly (House Bill #1189) that allows localities the ability to pass up to 5.0 percent of the employee share to new employees hired after July 1, 2010. By continuing to fund this benefit for new hires in FY2010-11, the County will continue its competitiveness in hiring quality employees. Frankly, I don't know how the County can delineate and treat differently a firefighter, police officer, or teacher hired after July 1, 2010 from existing employees performing the same job. The County has funded the 5.0 percent employee share since FY1977-78, which was provided as a benefit to employees in lieu of a salary increase.

- The FY2010-11 Proposed Budget assumes the issuance of \$77.5 million in General Obligation Bonds that were originally scheduled for FY2009-10. Incremental debt service costs associated with the issue of these bonds will impact the FY2011-12 budget. By delaying the issuance of these bonds in FY2009-10, the County avoided an estimated \$8.5 million in new debt service costs in FY2010-11, a cost that would have placed additional strain on this Proposed Budget. In fact, debt service costs have been reduced by nearly \$6.0 million in FY2010-11 due to two bond refundings in calendar year 2009 that generated significant savings.
- The Proposed Budget for Education includes a total General Fund appropriation of \$402,409,019, 54.3 percent of the Proposed General Fund Budget. This amount represents an overall decrease of \$21.8 million or 5.1 percent when compared to the FY2009-10 Approved Annual Fiscal Plan. However, it should be noted that Education will receive significant savings in their VRS costs due to reduced rates the General Assembly has adopted in FY2010-11. Excluding the impact of the VRS reduction, the budget for Education would decline by \$8.5 million or 2.0 percent from FY2009-10 adopted budget levels. The Proposed Budget for Education includes \$10.7 million in funding from the Revenue Stabilization Fund associated with the opening of two new schools in FY2010-11, Glen Allen High School and Holman Middle School. While the State is reducing revenues to Education by over \$27.3 million in the Proposed Budget, the County is increasing the allocation to Schools by \$5.5 million. The additional local funding being allocated for Education demonstrates the Board of Supervisors continued emphasis on ensuring that Education is a top funding priority on an annual basis.
- A recommended increase of 5.0 percent in our water and sewer rates is suggested for the maintenance of our long-term water and sewer infrastructure and the continued funding requirements arising from the Water and Sewer Enterprise Fund. Rates in this area must be sufficient to provide for annual operating, debt service and capital budget requirements, but they also must ensure that funding for longer-term infrastructure requirements are met as well. By continuing to adjust rates incrementally on an annual basis, it is hoped that significant one-time increases may be avoided in future years and that our infrastructure is well maintained. A number of significant rate spikes are occurring nationally in this area and it is hoped that by incrementally adjusting rates, this will be avoided in Henrico County.

GENERAL FUND

Revenues

The plan before you maintains our *conservative* approach in projecting available resources. While many entities take a year-by-year approach in budgeting, Henrico has and will continue to take a multi-year approach to allocating public resources, even as the majority of revenues have deteriorated in the past several years. That approach is a basic premise of our financial management. Total

estimated General Fund revenue for FY2010-11, prior to transfers to other funds, is \$814,971,500, which represents a decrease of \$51,677,000 or 6.0 percent when compared to the current fiscal year.

General Fund Revenues

	FY2009-10 Original	FY2010-11 Estimated	Dollar Change	Percent Change
Local Revenues				
General Property Taxes	\$ 409,500,000	\$ 389,000,000	\$ (20,500,000)	(5.0%)
Other Local Taxes	114,615,000	114,015,000	(600,000)	(0.5%)
Total Taxes	<u>524,115,000</u>	<u>503,015,000</u>	<u>(21,100,000)</u>	<u>(4.0%)</u>
Permits/Fees/Licenses	3,859,200	3,239,200	(620,000)	(16.1%)
Fines and Forfeitures	2,727,900	2,315,000	(412,900)	(15.1%)
Use of Money and Property	8,533,200	9,734,400	1,201,200	14.1%
Charges for Services	3,176,800	3,554,200	377,400	11.9%
Miscellaneous Revenues	45,000	45,000	-	0.0%
Recovered Costs	4,130,700	4,226,500	95,800	2.3%
Non-Revenue Receipts	2,765,000	2,645,000	(120,000)	(4.3%)
Total Other Local Revenue	<u>25,237,800</u>	<u>25,759,300</u>	<u>521,500</u>	<u>2.1%</u>
Total Local Revenues	<u>\$ 549,352,800</u>	<u>\$ 528,774,300</u>	<u>\$ (20,578,500)</u>	<u>(3.7%)</u>
State/Federal Revenues				
State-Education	\$ 226,476,000	\$ 199,131,000	\$ (27,345,000)	(12.1%)
State-Public Works	28,745,000	28,745,000	-	0.0%
State-General Government	51,139,500	47,461,000	(3,678,500)	(7.2%)
Total State Revenues	<u>\$ 306,360,500</u>	<u>\$ 275,337,000</u>	<u>\$ (31,023,500)</u>	<u>(10.1%)</u>
Total Federal Revenues	<u>\$ 10,935,200</u>	<u>\$ 10,860,200</u>	<u>\$ (75,000)</u>	<u>(0.7%)</u>
Total General Fund Revenues Prior to Transfer	<u>\$ 866,648,500</u>	<u>\$ 814,971,500</u>	<u>\$ (51,677,000)</u>	<u>(6.0%)</u>
Transfers to Other Funds	(109,348,930)	(94,027,520)	15,321,410	(14.0%)
(To)/From Fund Balance (Cap.)	5,000,000	5,000,000	-	0.0%
From Fund Balance (Cap. Reserve)	9,150,000	3,565,242	(5,584,758)	(61.0%)
To Fund Balance (State Revenues)	-	-	-	0.0%
(To) Revenue Stabilization Fund	-	-	-	0.0%
From Revenue Stabilization Fund	750,000	11,548,345	10,798,345	1,439.8%
Total General Fund Revenues	<u>\$ 772,199,570</u>	<u>\$ 741,057,567</u>	<u>\$ (31,142,003)</u>	<u>(4.0%)</u>

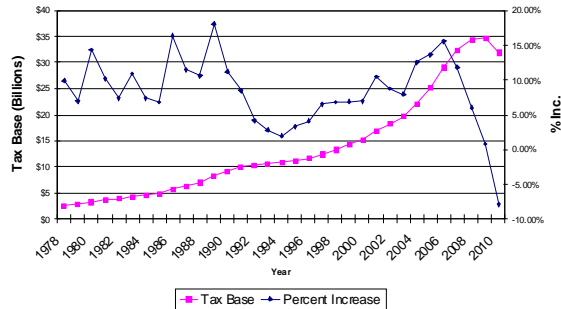
What follows is a detailed discussion of the components of the broader revenue categories.

The General Property Tax category is anticipated to decrease by \$20,500,000 or 5.0 percent when compared to the FY2009-10 Annual Fiscal Plan. In looking at the larger components, Current Real Estate Taxes are projected to decrease by \$22,000,000 or 7.4 percent. This revenue projection assumes a continuation of the current Real Estate Tax Rate, \$0.87/\$100 of assessed valuation.

In CY2009, the assessed valuation of real property in the County will total \$32.0 billion, which is an overall decline of \$2.7 billion or 7.8 percent, and reflects the first year-over-year decline in real estate valuation since 1942.

The graph to the right reflects just how far real estate valuation has been impacted by this economic downturn. Residential real estate valuation declined by \$1.3 billion or 5.5 percent. Commercial real estate valuation declined by \$1.4 billion or 13.0 percent, mostly due to the increasing number of vacant office space in the County. Finally, the significant reduction in commercial valuation resulted in a decrease in its percentage of the overall tax base from 31.1 percent in the prior year to 29.4 percent.

Tax Base Increase: 30 Year History



The annual assessment of real estate in the County reflects the most recent 2009 sales data of comparable properties. By using the most recent sales data in determining the assessed value of property, Henrico County has been able to capture the most current values for the real estate market. We pride ourselves on using the most recent sales data so our assessments are as accurate as possible and the decline in real estate values is indicative of the current market. The projection for real property tax revenue for FY2010-11 is \$275.9 million.

Personal Property Tax revenues, which include PPTRA reimbursements from the State, are projected to remain at FY2009-10 adopted budget levels at \$102,600,000. If the estimate is compared to actual FY2008-09 collections, the FY2010-11 estimate for Personal Property Tax revenues reflects a decrease of slightly over \$300,000. As a result of the “Henrico, VA” initiative, business personal property tax collections are anticipated to remain steady. Also, it is unlikely that vehicle valuations will fall significantly, if at all, in calendar year 2010, after two years of declines. Again, this estimate is due to the uncertainty in the economy and the effect this may have on this revenue, which includes business as well as individual personal property. Total Personal Property estimates continue to be impacted by the reality that disbursements by the State to localities under the Personal Property Tax Relief Act (PPTRA) remain capped at \$950.0 million.

The forecasts for our Other Local Tax Revenues for FY2010-11 reflects a slight net decrease of \$600,000 or 0.5 percent, though the size of the decline might be misleading. The projection for Local Sales Tax receipts of \$54,500,000 reflects a budgeted decrease of \$2.6 million or 4.6 percent. This estimate nearly mirrors the 4.8 percent decline Henrico County has experienced through eight months of local sales tax collections in the current fiscal year as compared to the previous fiscal year. Business and Professional License Taxes (BPOL) collections are anticipated to remain constant with FY2009-10 adopted budget levels at \$30,600,000.

The projection for all other locally generated revenues such as permits and fees, fines and forfeitures, interest earnings, charges for services, miscellaneous revenues and recovered costs totals \$25,759,300. This total represents an increase of \$521,500 when compared to the FY2009-10 Annual Fiscal Plan.

In the Proposed Budget, overall State revenues are estimated to fall by \$31.0 million or 10.1 percent as compared to the FY2009-10 Adopted Budget. The majority of these reductions are reflected in projected State aid to Education, which is estimated to be reduced by \$27.3 million in FY2010-11. The reductions in State revenue to localities include the supplanting of millions of dollars in General Fund

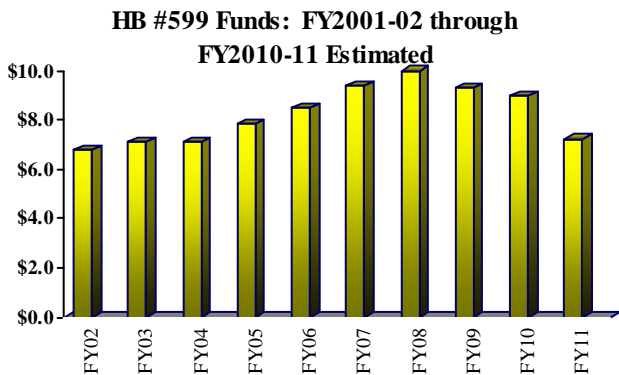
dollars with federal stimulus funding and cost shifts to localities, including funding for Education and Public Safety. With FY2010-11 being the last fiscal year the State has authorization to utilize federal stimulus funds, there is great concern with funding levels to localities in FY2011-12.

What follows is a discussion of the three broad components of State aid.

The first overall category, State revenues for Education is projected at \$199,131,000 and reflects a decrease of \$27.3 million or 12.1 percent when compared to the current fiscal year. It should be noted that at \$199.1 million, the level of State aid for Education has reverted back to less than 2006-07 levels. Since FY2006-07, Education has added nearly 1,100 students, opened five new schools, and has increased General Fund and Debt Service expenditures for Education by \$48.4 million (as compared to the FY2010-11 Proposed Budget). Clearly, it has required a demonstrable effort by the Board of Supervisors to provide Education with adequate local resources to continue the quality Education system County citizens expect. The concern going forward is that because the State has chosen to underfund its VRS obligations, the current budget allocation by the State may not be sustainable into future years.

The second component is State Gasoline Tax revenues for Public Works, which is projected to remain flat with FY2009-10 estimates with a total allocation of \$28,745,000. Since the current distribution structure began in 1986, the Gasoline Tax allocation to Henrico has been distributed between maintenance of current roads and construction costs in the Capital Budget. However, the amount of revenue collected from gasoline taxes statewide declined due to the conservation that began when the price of gas exceeded \$3.75 per gallon. It remains uncertain if the Gasoline Tax allocation to Henrico will include funding for construction. If additional State Gasoline Taxes are allocated from the State above our projections, an amendment will be brought to you to add that revenue to the budget. This is the course of action that must be taken due to the unknowns that exists within the area of transportation in the State Budget.

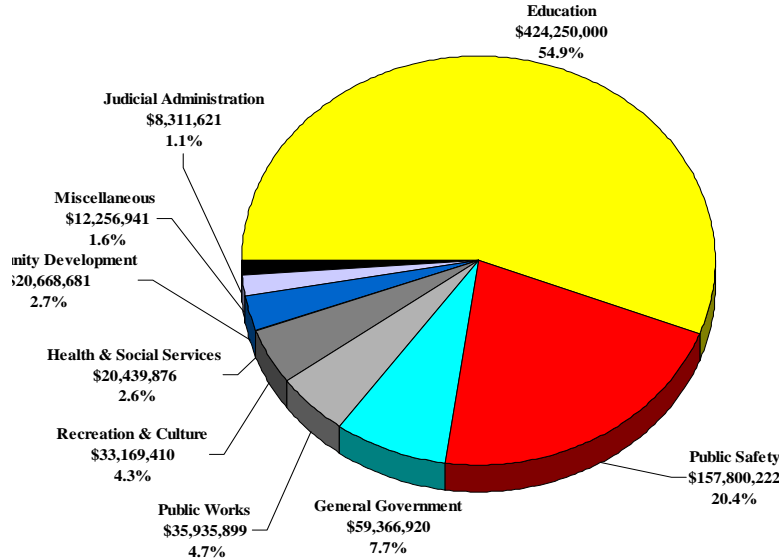
State revenues for all other General Government totals \$47,461,000, which is a projected decrease of \$3.7 million. This estimate includes all anticipated reductions in allocations for Constitutional Officers, State Law Enforcement (House Bill #599), Social Services, and other areas that receive State funding allocations. More specifically, House Bill #599 funds are estimated at \$7,250,000 in FY2010-11, a reduction of \$1,750,000 or 19.4 percent from the current fiscal year budget. This marks the third consecutive year of reductions to this revenue source, as can be seen in the graph to the right. In FY2007-08, the County collected \$10.1 million in House Bill #599 funding, and has since dropped 28.5 percent. The State's share of constitutional officers has declined \$2.1 million or 13.4 percent in FY2010-11.



Projections for Federal Aid total \$10,860,200 and reflect a slight reduction of \$75,000 in FY2010-11. The majority of Federal Aid is allocated for Social Services programs and the projections were developed based on current information.

General Fund Expenditures

**FY2010-11 Proposed
General Fund Expenditures
\$741,057,567**



The total Proposed General Fund Budget for FY2010-11 is \$741,057,567. General Government departmental highlights of the Proposed General Fund Budget are provided below. Specific details regarding each departmental budget may be found in the narratives included within this Proposed Budget document.

- The FY2010-11 Proposed Budget includes funding for two School Resource Officer positions (SRO's) in the Division of Police to support the new Glen Allen High School and Holman Middle School.
- The FY2010-11 Proposed Budget continues the Division of Police's assigned and take-home vehicle programs for sworn officers. The take-home vehicle program continues to include \$2,574,800 for the replacement of 108 vehicles annually.
- The Division of Fire will continue its apparatus replacement plan at a cost of \$1,500,000 in FY2010-11, and includes the acquisition of two engines and the re-chassis of two ambulances. The apparatus replacement program was initiated in FY1997-98 at a cost of \$1,275,000 as a means of ensuring the Division maintains a planned and consistent replacement schedule for costly fire apparatus.
- Also included in the Division of Fire's FY2010-11 budget is operating costs associated with the rebuild of Fire Station #8 and the renovation and expansion of Fire Station #12.
- The budget for Libraries includes \$327,120 in new operating costs associated with the renovation and addition at Glen Allen Library.

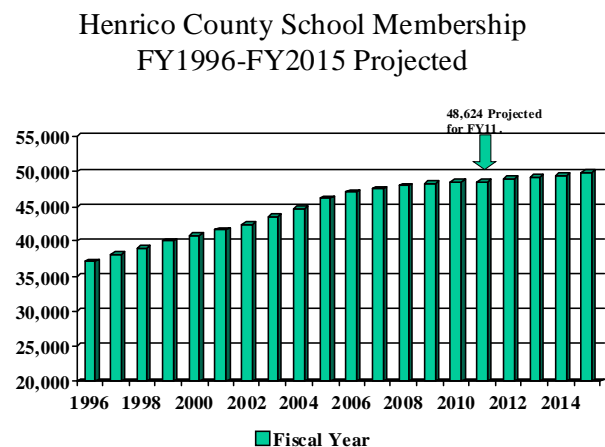
- In the area of Recreation and Parks, ten bond project positions have been added to the complement associated with the opening of the new Eastern Area Recreation Center.
- The General Services' and Recreation and Parks' budgets continue their respective maintenance programs. For General Services, the Building Maintenance Program continues their efforts in replacing worn carpet and painting General Government facilities. The Facility Rehabilitation and Equipment Replacement programs for Recreation and Parks remain fully funded.
- The FY2010-11 Proposed Budget continues the County's Real Estate Advantage Program to our senior citizens at its current levels.

Education

The Proposed Budget includes a total General Fund appropriation of \$402,409,019 for Education in FY2010-11. This amount represents a decrease of \$21,840,981 or 5.1 percent as compared to the FY2009-10 Approved Annual Fiscal Plan. Of the \$402,409,019, \$202,803,019 (50.4 percent) will be provided from General Fund revenues and \$199,606,000 (49.6 percent) comes directly from the State and Federal Governments to support Education. It must be noted that State Aid for Education is decreasing by \$27.3 million and the additional local allocation for Henrico Public Schools is \$5.5 million. Due to two bond refundings in calendar year 2009 and the delay in the issue of \$77.5 million in G.O. Bonds in FY2009-10, local Education debt service expenditures will decline in FY2010-11 by \$3.5 million to \$36,522,774. In total, local support for the Education operating and debt service budgets is proposed at \$239,325,793 for FY2010-11.

Education's FY2010-11 Budget for the Special Revenue Fund totals \$55,648,334, which is a 2.8 percent increase over the FY2009-10 Approved Annual Fiscal Plan. This increase is due to the receipt of additional federal revenues in the area of Title I-A funding. In total, with all funds (General Fund, Special Revenue Fund and Debt Service Fund) included, the FY2010-11 Budget for Education totals \$494,580,127, which is a decrease of \$23,854,703 or 4.6 percent as compared to the FY2009-10 Approved Annual Fiscal Plan.

In the FY2010-11 budget, Education is increasing the average pupil-teacher-ratio (PTR) by 0.75. To achieve this PTR level, Education will eliminate approximately 98 teachers through attrition and leave three instructional positions vacant. Also included in the FY2010-11 budget is the elimination of approximately 22 Central Office positions, which will be reduced through attrition. Offsetting these position reductions are 60 new positions associated with the opening of Glen Allen High School and Holman Middle School. This proposed staffing level will change average class size in our elementary schools to 20.5:1, middle schools to 21.7:1, and high schools to 22.0:1. The graph on the previous page reflects a fifteen year history of actual student enrollment at the Henrico County Public Schools with the current projected enrollment for FY2010-11 as well as Education's projections for enrollment through FY2014-15.



FY11 reflects projected 9/30/10 ADM.

A total of \$10,659,019 is recommended to fund operating costs associated with the two new schools, Glen Allen High School and Holman Middle School, that are scheduled to open in the Fall of 2010 (FY2010-11).

The School Resource Officer (SRO) Program, which is a joint effort with the Division of Police, assigns a Uniformed Police Officer to each middle and high school in the County. A total of 27 Police Officers participate in the program, including requests for two new SRO's associated with the opening of Glen Allen High School and Holman Middle School. The School Resource Officer provides a safer environment to the students and staff of the schools while also providing a positive role model and adviser to the students.

The FY2010-11 Proposed Capital Budget for Education is \$68,156,903, which includes \$65,656,903 in G.O. Bond projects, including the final funding phase for Glen Allen High School, construction funding for the renovations of Varina High School, Brookland Middle School, and Johnson Elementary School, construction funding for a new West Area Elementary School, and planning funding for the renovation of Pinchbeck Elementary School. These funds also include \$6,218,366 to establish an Education Bond Project Reserve to continue previously funded G.O. Bond projects that may be underfunded. The Proposed Capital Budget also includes the annual \$2,500,000 General Fund allocation for roof replacements and mechanical improvements projects that continues the initiative that began in FY1998-99. This will be the thirteenth year of this initiative that has provided a total of \$32.5 million for these critical maintenance needs.

The Board of Supervisors has consistently allocated the majority of the General Fund Budget to Education and provided the necessary funding for capital projects. Through the leadership of the Henrico County School Board, this funding has enabled the Henrico County Public Schools to develop a nationwide reputation for producing graduates who excel in their future endeavors. The funding provided to the Henrico County Public Schools is a key component of our quality of life, our efforts to foster a quality local workforce, and to the successes in the County's economic development efforts. Education remains a top funding priority of the Board of Supervisors.

SPECIAL REVENUE FUND

The Special Revenue Fund includes the Department of Public Utilities' Solid Waste and Street Light operations, the Henrico County Public Schools' Cafeteria Programs, and State and Federal grants for various educational and General Government programs including the Capital Area Training Consortium (CATC), the Community Corrections Services Program, Wireless E-911 communications, Virginia Juvenile Community Crime Control Act (VJCCCA), the Comprehensive Services Act (CSA), and Mental Health/Developmental Services/Substance Abuse. The Proposed Special Revenue Fund Budget for FY2010-11 totals \$119,333,547, which represents an increase of \$2,642,944 or 2.3 percent over the current fiscal year.

Of this increase, \$126,466 reflects an increase in local resources. It should be noted that many of these grant funded programs rely on State Aid. As of this writing, the estimates provided are the best that can be developed in comparing the House and Senate versions of the State budget. It is possible that some

of these areas will require further downward adjustments once the State budget is settled. The components of the Special Revenue Fund are seen in the following chart:

FY2010-11 Proposed Special Revenue Fund Expenditures				
<u>Department</u>	<u>FY2009-10 Approved</u>	<u>FY2010-11 Proposed</u>	<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
CATC	3,666,521	4,471,854	805,333	22.0%
Commonwealth Attorney	835,304	854,593	19,289	2.3%
Community Corrections	1,741,679	1,732,867	(8,812)	(0.5%)
Comprehensive Services Act	8,564,611	8,969,465	404,854	4.7%
Education	54,130,040	55,648,334	1,518,294	2.8%
Mental Health	32,111,037	32,014,819	(96,218)	(0.3%)
Other	111,895	100,201	(11,694)	(10.5%)
Public Safety	1,410,225	1,422,483	12,258	0.9%
Public Works	897,000	897,000	0	0.0%
Solid Waste	12,064,068	12,166,612	102,544	0.8%
Street Lights	70,200	72,500	2,300	3.3%
USDA (Juv. Detention)	35,000	30,429	(4,571)	(13.1%)
VJCCCA	1,053,023	952,390	-100,633	(9.6%)
Total Special Revenue:	116,690,603	119,333,547	2,642,944	2.3%

Specific highlights of the Proposed Budget for the Special Revenue Fund are as follows:

- In the Capital Area Training Consortium (CATC) area, expenditures are increasing in FY2010-11 as it marks the first full-year of expenditures with the City of Richmond as a Consortium member, whereas the FY2009-10 budget reflected a partial year.
- In the area of Mental Health, allocations for operating expenditures are increasing by \$587,045, more than offset by a reduction in personnel costs of \$672,263. The increase in operating expenditures is driven by two factors. First, restricted state funding of \$482,735 has been added to the budget to purchase medications for eligible consumers with mental illness due to the closing of the state community resource pharmacy as part of state budget reductions. Secondly, an increase of \$226,376 in funding is included to serve the individuals with intellectual disabilities who are anticipated to graduate from high school and be in need of a day support program. Without the impact of the restricted pharmacy funds and day support services, operating expenditures decline \$122,066, and overall expenditures decline by \$805,329.

- In the area of State and federal Education grants, funding is increasing \$1.5 million as a result of increased federal Title I-A funding. Continued, sustainable funding in this area remains a concern.
- Funding for the County's Virginia Juvenile Community Crime Control Act (VJCCCA) area has been reduced by \$100,633 solely as a result of State funding reductions. The County's contribution for VJCCCA remains constant with current fiscal year funding.

ENTERPRISE FUNDS

Water and Sewer

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 operations, construction, and related debt service. The total cost of water and sewer services is funded by user fee revenue. No County taxes are used to support these services.

The Proposed Budget includes revenue estimates based on a 5.0 percent increase for water and sewer rates. Also continuing in the Proposed Budget are water and sewer connection fee increases that were implemented on January 1, 2010.

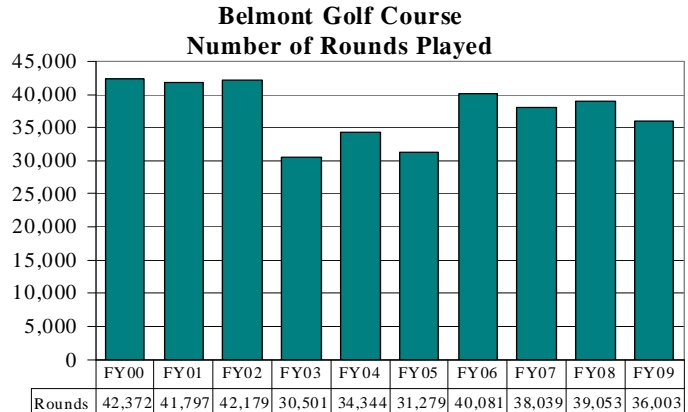
The FY2010-11 Proposed Budget of \$71,769,446 includes expenditures for personnel, operating, capital outlay and debt service. Overall, the Water and Sewer Proposed Operating Budget including debt service costs is projected to decrease by 2.4 percent, or \$1,776,530. Nearly half of this decrease is the result of reductions in the personnel component, which includes the elimination of 13 vacant positions, as well as a reduction of \$418,673 recognizing vacancy savings for all remaining positions. The operating component reflects an increase of \$109,324, in spite of a \$1.0 million increase for the purchase of water from the City of Richmond, an expense that now totals over \$9.5 million.

Debt service expenditures of \$14,783,503 represent a net decrease of \$629,510 when compared to the current fiscal year. This decrease is the result of the refunding of \$93.3 million in Water and Sewer revenue bonds - \$70.4 million in January 2009 and \$22.9 million in December 2009. Partially offsetting the savings realized from the bond refundings is new debt service costs associated with the issuance of \$9.8 million in Recovery Zone Economic Development Bonds (RZEDBs) in December 2009. The debt service budget will fully fund requirements arising from the Water and Sewer Fund's outstanding debt, which on June 30, 2009 was \$181.4 million.

In addition to the Proposed Operating Budget, the Water and Sewer Proposed Capital Budget (found within the Capital Budget component of this document) totals \$36,629,912 for FY2010-11, all of which is funded with Water and Sewer revenues. In the Proposed Five Year Capital Improvement Program, requested capital infrastructure for the Water and Sewer Enterprise Fund totals \$502,207,542 over five years. As an Enterprise Fund, revenues generated by this operation must support both the proposed operating expenditures as well as ensuring that Proposed Capital Budget expenditures over a multi-year period may be funded. It should be noted that the five-year Capital Improvement Program for the Water and Sewer fund represents 23.7 percent of the total County Five-Year Capital Improvement Program. However, when looking at the County's current FY2009-10 Operating Budget, the Water and Sewer fund represents 6.9 percent of recommended 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.

Belmont Golf Course

The Belmont Park Golf Course is operated and maintained by the Department of Recreation and Parks. The Golf Course has a PGA golf professional under contract. In addition to golf services, the professional operates the Pro Shop at the Golf Course. The snack bar is staffed and operated by the County. 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.



The Proposed Budget for the Belmont Golf Course in FY2010-11 is \$1,226,585, which represents an increase of 2.9 percent from the FY2009-10 Approved Budget. This budget includes \$1,053,404 for the Golf Course operations, \$150,681 for the Snack Bar, and \$22,500 for payment on a loan from the General Fund.

The personnel component for the Golf Course operations and the Snack Bar increased by \$4,631 or 0.8 percent due to rate adjustments for VRS. Operating expenditures are forecasted to increase by \$34,271 or 6.3 percent while the capital outlay budget is expected to decrease by \$4,796. The rehabilitation projects planned for FY2010-11 include drainage at the maintenance facility, replacing retaining walls, replacing decking, and the painting of railings. The snack bar plans to replace a microwave, two arm chairs, and a sandwich prep table.

The FY2010-11 Proposed Budget includes an increase of \$1 for the Belmont Golf Course greens fees. While there was not an increase in FY2009-10, that was the first year without a fee increase since FY2004-05. The increase will assist with the increasing costs of managing and maintaining the Golf Course.

HEALTHCARE FUND

Effective January 1, 2008, Henrico County’s health care program transitioned to a self-insurance program in an effort to save administrative expenses. 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.

The Proposed FY2010-11 Budget for the Healthcare fund totals \$85,155,906, which is an increase of \$4,312,545 or 5.3 percent. Included in this figure is \$60,712,884 in funding that is budgeted within individual County and Schools departments as the County’s contributions for Healthcare for employees. The balance of funding, \$24,443,022, is the employee and retiree payments for their portion of healthcare, as well as the use of \$3.0 million from the Premium Stabilization Reserve, which was necessary to avoid a rate increase in calendar year 2010. The majority of the budget, \$80,055,906 or 94.0 percent of the total Healthcare budget is allocated for payment of claims. The

remaining \$5,100,000 or 6.0 percent is allocated for the payment of third party administrative fees, premium payments for excess risk insurance, and an actuarial study.

AGENCY FUND

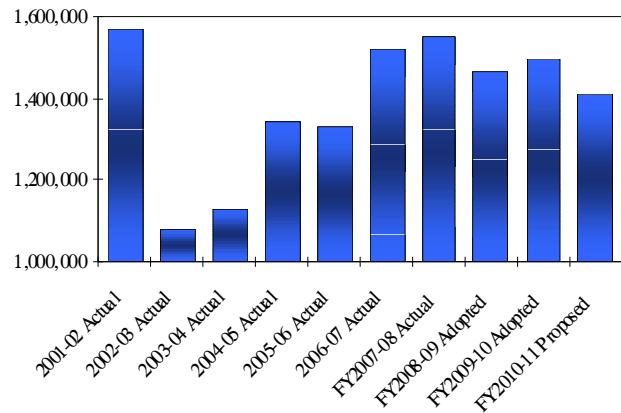
The James River Juvenile Detention Commission (JRJDC) Agency Fund was created to account for expenditures of the James River Juvenile Detention Center. Henrico County, as the majority partner, serves as the fiscal agent for the James River Juvenile Detention Center Commission. Henrico’s role as fiscal agent eliminates the need for the Commission to duplicate various administrative functions related to personnel matters, procurement and accounting activities, and budget responsibilities. The JRJDC Agency Fund accounts for the Commission’s revenues from participating localities, and the operating and debt service expenditures.

The JRJDC Proposed Operating Budget (excluding debt service) totals \$4,851,230 for FY2010-11. This is a decrease of \$61,678 or 1.3 percent when compared to FY2009-10 Approved Budget. Debt service costs, paid entirely by Henrico County, are budgeted at \$675,310.

The Commission bills 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. The Commission will bill the participating localities their share of the operating costs at the following percentages: Henrico - 86.6 percent, Powhatan - 6.7 percent, and Goochland - 6.7 percent. Additionally, some localities in Virginia are operating above capacity in their detention homes, and the JRJDC will lease bed space to them, as space is available.

State Aid for the Commission is estimated at \$1,412,270 in the Proposed Budget. This figure represents a 7.3 percent decrease compared to the actual State funding received in FY2009-10 and is indicative of the State funding reductions that are seen in all areas of the County Budget that receive Aid from the Commonwealth. As can be seen on the accompanying graph, the level of State funding remains below what it was in FY2001-02 when the average daily population of the facility was 34, as compared to the average daily population of 57 in FY2008-09.

JRJDC State Funding



Total Henrico County funds for the Commission are budgeted at \$3,281,789 in FY2010-11 and represents a decrease of \$4,911.

DEBT SERVICE FUND

The County is projected to have total outstanding general debt of \$465,370,000 as of June 30, 2010. The distribution of the debt is: \$346,425,000 of General Obligation (GO) bonds (\$239,541,815 for Schools and \$106,883,185 for General Government), \$26,215,000 of Industrial Development Authority (IDA) bonds for the regional jail project, \$10,130,000 of IDA bonds for General Government projects, \$79,130,000 of Virginia Public School Authority (VPSA) bonds, and \$3,470,000 for the JRJDC, which is included in the total outstanding debt figure above as it is included in the bond rating agencies’ calculations. It must be noted that of the \$465,370,000 projected

June 30, 2010 outstanding debt, \$318,671,815 or 68.5 percent is attributed to Education projects and \$146,698,185 or 31.5 percent is attributed to General Government projects.

In order to ensure that the County does not exceed its ability to service current and future debt requirements, an annual long-term **debt affordability analysis** is performed and utilized as a forecasting tool when confronted with the question of potential debt issues. The County has established the following debt affordability guidelines – debt service as a percentage of assessed value, 1.49 percent; debt service as a percentage of General Fund expenditures, 7.75 percent; and net bonded debt per capita, \$1,650. Following are three of the ratios that are calculated in the debt capacity analysis, which was most recently completed in February 2009:

- 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 1.27% in FY2009-10.
- 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 6.96% in FY2009-10.
- Net bonded debt per capita is the amount of debt outstanding divided by the number of County resident. The amount of debt per capita in FY2009-10 is \$1,508.

On March 8, 2005, the County voters approved a \$349,300,000 General Obligation (GO) Bond Referendum. The referendum included projects for Schools, Fire, Public Library, Roads, 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 funding for these projects is being phased in over a seven-year period with one G.O. Bond issue per year. With \$77.5 million to be issued in FY2010-11, it should be noted that the County will have \$69.0 million in remaining GO Bond authorization from the \$349.3 million GO Bond Referendum approved in March 2005 for projects that include new School facilities as well as renovations and addition to existing School facilities, Fire Stations, Recreation facilities, and Libraries.

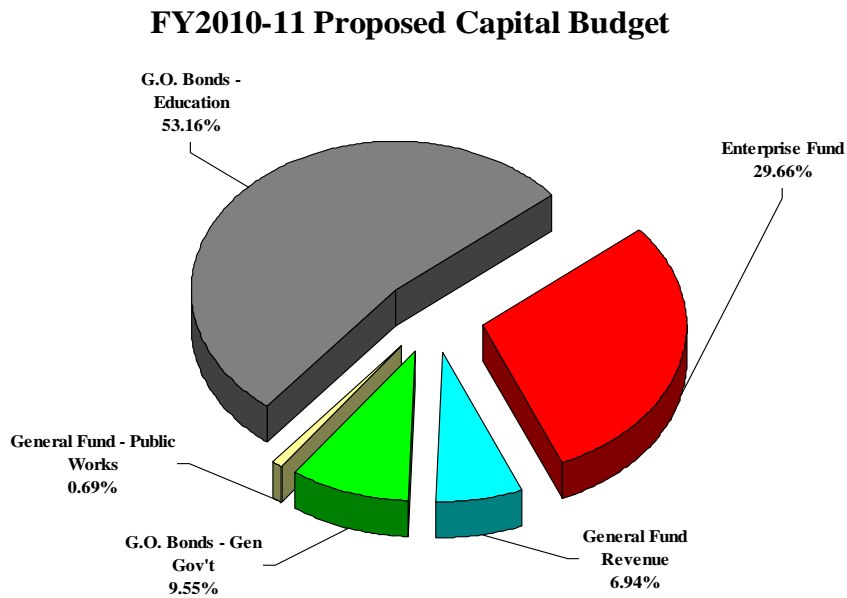
CAPITAL IMPROVEMENT PROGRAM

One of the County's financial priorities is met through the five-year Capital Improvement Program (CIP), which ensures that infrastructure improvements are planned thoroughly and that financing those improvements is done prudently. The CIP is a very valuable document because we must achieve a balance between available resources and competing priorities. The five-year CIP for FY2010-11 through FY2014-15 totals \$2,122,093,322. This amount is indicative of the County's increasing infrastructure requirements and the demand that the Capital Budget will continue to place on resource allocation in the future. In order to provide a more accurate picture in this year's CIP, projects that do not have an identified and verified source of funding have been labeled "No Funding Source". Of the \$2.1 billion projected over the next five years, \$1.4 billion is identified as "No Funding Source". Projects recommended for funding in the first year of the CIP are included in the Proposed Capital Budget that follows.

Proposed FY2010-11 Capital Budget:

The Proposed Capital Budget for FY2010-11 totals \$123,502,057 and is funded through a variety of revenue sources. Of this amount, \$77.5 million represents General Obligation Bonds approved by the voters in March, 2005 that were originally slated for funding but delayed in FY2009-10. Not included in the FY2010-11 Proposed Capital Budget is State Transportation Funding (Gas Tax) for Public Works projects due to continued issues with State budget shortfalls and the uncertainty associated with that funding source. Since the amount of the County’s Gas Tax allocation is unknown at this time, the prudent decision is to not propose any funding for Road projects that would utilize Gas Tax as a funding source. If the General Assembly approves a budget that includes funding for road projects, these projects will be appropriated via an amendment to the budget in FY2010-11.

The funding percentages included in the Proposed Capital Budget may be seen on the graph below:



Total Recommended Resources: \$123,502,057 100.0%

Highlights of the FY2010-11 Proposed Capital Budget are as follows:

The issuance of General Obligation (G.O.) Bonds - March 2005 will fund \$11.8 million for General Government and \$65.7 million for Education projects as authorized by the voters. The General Government 2005 G.O. Bond projects in the Capital Budget include the North Gayton Road Extension project, the construction of Fire Station #19, and planning and design costs associated with the new Varina Area Library. The Education 2005 G.O. Bond projects include funding for the construction of the new West Area Elementary School #9; the remaining allocation for the Central/West Area High School; planning and design costs for the renovation of Pinchbeck Elementary School, and renovations to Johnson Elementary School, Brookland Middle School, and Varina High School. In addition, \$6,218,366 is being proposed within an Education Bond Project Reserve. The funding being allocated to the reserve was originally requested for projects that included only land, planning, and/or partial renovation costs within the \$220,000,000 approved by the citizens on the March 2005 Referendum for Education projects. With identified funding

shortfalls in higher priority projects, the prudent decision is to propose putting these funds into a reserve for future allocation.

The Proposed FY2010-11 Capital Budget includes the use of \$8,565,242 of General Fund revenues for various capital projects. These projects consist of \$2,500,000 for roof replacements and mechanical improvements at Education facilities and \$6,065,242 for General Government projects. The General Government projects include funding for the Human Services building HVAC replacement, renovation to the Magistrate's Office, replacement of various County generators, building maintenance area safety improvements, pavement rehabilitation projects, environmental fund projects, Recreation and Parks facility rehabilitation projects, historic facility rehabilitation projects, a master plan for land acquired adjacent to Belmont Golf Course, HVAC improvements to Cedar Hill House, technology upgrades, and continued improvements for the County's Geographical Information System. General Fund - Public Works revenue of \$850,000 has been designated for various road improvement projects.

The remaining \$36,629,912 of the FY2010-11 Proposed Capital Budget is designated for water and sewer projects, which are supported by forecasted revenues generated by the Water and Sewer Enterprise fund. Public Utilities has requested \$10,125,000 for recurring water and sewer projects such as water and sewer line rehabilitation, capital project plan review, connections, extensions, preventive maintenance of various water and sewer pump stations, and various relocations, adjustments, and crossings projects. The remaining projects in this program area planned in FY2010-11 include the following: \$9,170,100 for the Broadwater Area BWII Sewer Rehabilitation, \$2,070,000 for the Route 33 to Lakeside Sewer Main, \$4,200,000 for the Strawberry Hill Basin Sewer Rehabilitation, \$879,750 for River Road Sewer Pump Station improvements, \$203,172 for the River Road Basin Sewer Rehabilitation, \$262,890 for the New Market Water Pressure Zone, and \$1,200,000 for the Water Treatment Plant expansion. Additionally, the proposed budget includes \$50,000 for roof replacements, \$7,169,000 to provide emergency power at sewer pump stations, \$300,000 for water meters, and \$1,000,000 for various information technology projects.

G.F.O.A. DISTINGUISHED BUDGET AWARD

The Government Finance Officers Association (GFOA) of the United States and Canada, each year nationally recognizes budgets that meet certain rigorous standards. GFOA presented an Award for Distinguished Budget Presentation to the County of Henrico for its Annual Fiscal Plan for FY2009-10. In order to receive this award, a governmental unit must publish a budget document that meets stringent program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. The award is valid for a period of one year only. After receiving the award for twenty consecutive years, we believe our current budget continues to conform to the program requirements, and we will be submitting it to GFOA to determine its eligibility for a twenty-first year.

SUMMARY

As stated in the introductory section of this letter, in spite of the significant reductions in Aid from the State, this plan balances the need for services, particularly in the areas of Education and Public Safety, within projected resources. These State funding reductions will impact how Henrico County and other localities in Virginia will operate for a number of years. However, due to the expenditure controls the Board has implemented since FY2001-02, Henrico County, unlike most Virginia localities, is not proposing balancing this budget with layoffs or furloughs of County

employees, reducing the services that they provide, or through tax increases on the property of County residents.

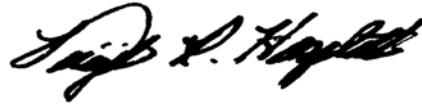
The County has been able to accomplish this because of multi-year budget planning and by consistently acting in a fiscally prudent manner. More specifically, there have been a number of efforts undertaken over the past 18 to 24 months that have provided the necessary efficiencies to balance this budget in these trying times, including the following:

- The County's restrictive hiring freeze, which has been in effect for nearly 18 months, has resulted in over 220 position vacancies on the General Government side. Of these more than 220 vacancies, this budget eliminates 101 of them, allowing the County permanent savings in the salaries and benefits that were previously budgeted. For the remaining vacant positions, as well as the recognition of future attrition, this budget assumes a 2.5 percent vacancy savings factor applied to remaining salary budgets.
- In calendar year 2009, the County took part in four individual bond refundings, including two that benefited the Water and Sewer Fund. These refundings have realized significant savings to the County's annual debt service payments throughout this difficult economic environment, including this Proposed Budget.
- Funding to outside agencies has generally been reduced by ten percent.
- In the past 18 months, the meticulous efforts of the County's Department of Information Technology in finding efficiencies in the County's telecommunications costs have yielded permanent savings approaching \$1.0 million annually.
- The Proposed Budget identifies additional savings in the area of technology replacement, as the previous three-year replacement cycle standard has transitioned to at least a four- or five-year replacement cycle.
- Travel and tuition expenditures have been withdrawn from all departmental budgets, with the exception of Countywide training programs that are budgeted in Human Resources. Half of these funds remain in a central reserve for mandatory travel and training in FY2010-11.
- Gas and diesel costs, as well as utility costs (electricity, heating oil, etc.) have been reduced in the budget to more accurately reflect prior-year actual expenditures.
- A number of department specific reductions have been realized as well.

The expenditure efficiencies noted above have afforded the County the opportunity to maintain our conservative approach in projecting available resources in spite of the "perfect storm" we are experiencing in our revenue streams. While many entities and the Commonwealth of Virginia take a year-by-year approach in budgeting, Henrico has and will continue to take a multi-year approach to allocating public resources. While we have been successful in managing with reduced State resources in the current year and in the Proposed Budget, the simple fact is that State Aid must increase in future budgets if service delivery is to remain unaffected. The State provides over one-third of our General Fund resources and reductions or even lack of growth to one-third of General Fund revenues cannot be sustained for an extended period of time – by any local government without reductions in services.

I would like to thank the County staff for the many hours of hard work that went into the development of this budget. 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 "Virgil R. Hazelett". The signature is written in a cursive style with a large initial 'V'.

Virgil R. Hazelett, P.E.
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 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, welfare, culture, and recreation.

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, 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 and Special Revenue Funds.

Basis of Budgeting and Fund Structure (continued)

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.

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's 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.

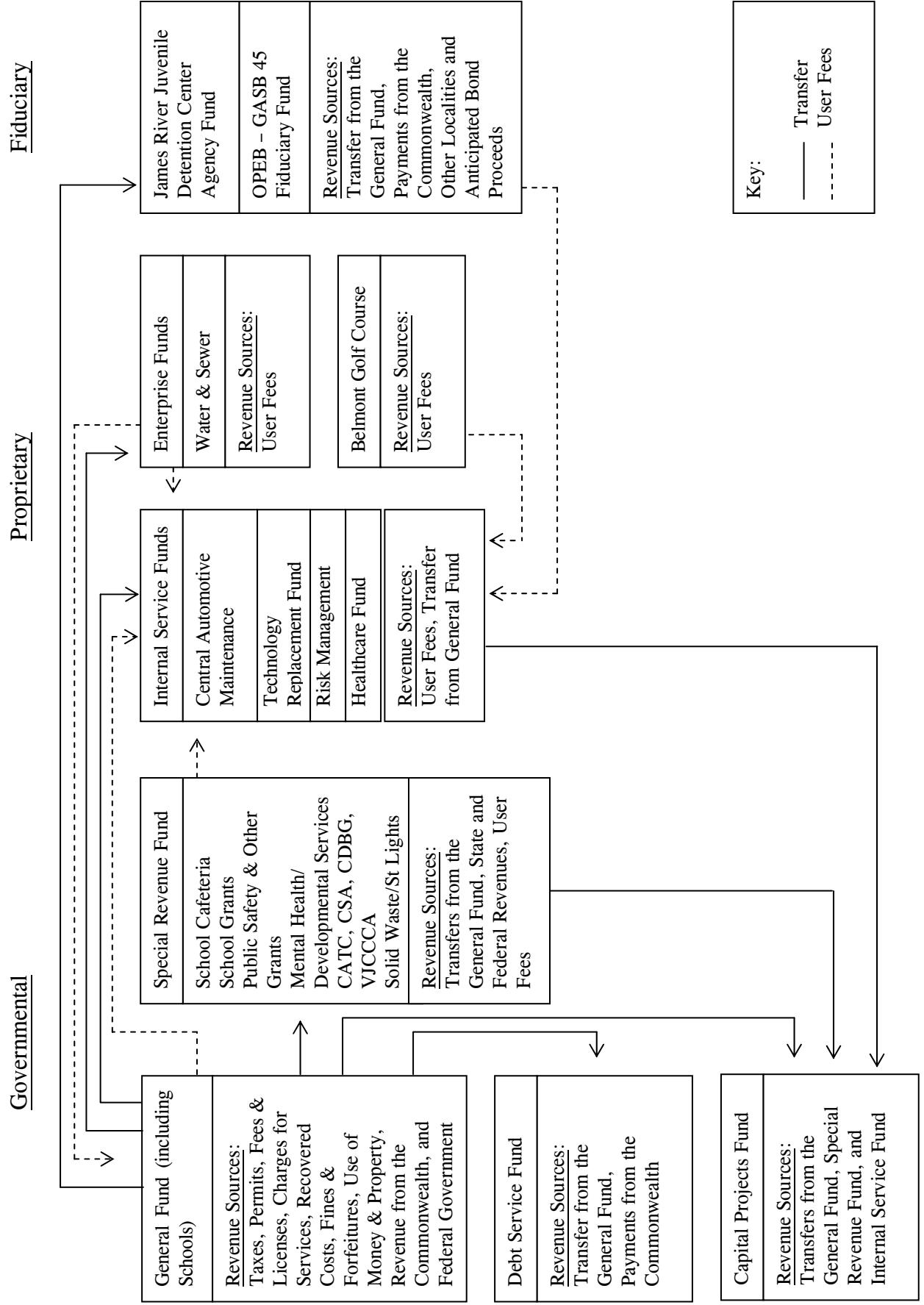
James River Juvenile Detention Agency Fund

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-GASB45 costs). Resources for these cost requirements are derived from a transfer from the General Fund.

STRUCTURE OF COUNTY FUNDS



Key:
 — Transfer
 - - - User Fees

HENRICO COUNTY'S BUDGET PROCESS

THE BUDGET CYCLE

Aug 2009

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

Sep 2009

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

Oct 2009

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

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 FY2010-11 Operating budget includes all operating costs arising from new facilities that are anticipated to become operational during the fiscal year. For additional information, please see "Capital Improvement Program – Implications on Operating Budget", found elsewhere in this document.

THE BUDGET CYCLE

Nov 2009

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

November

Budget Call for Estimates

Each year all County departments receive the County Manager's "Call for Estimates" (i.e., budget call) in November, which contains the budget policy, special budget instructions, various revisions to the budget manual, a budget calendar, and the target allocation. The Call for Estimates is accompanied by information on using the County's Automated Budget System, which enables the departments to prepare their budget requests on their departmental personal computers and

submit them to the Office of Management and Budget (OMB) electronically. The budget request consists of expenditure estimates in detail by line item, and in summary, together with supporting narrative information. When expenditure needs exceed the target allocation, departments must submit a request for additional funding. Certain County departments such as Education, Police, and Fire are considered priorities when allocating new funds among departments. Each request must be prioritized and prepared with detailed justification to support the need for additional funding.

November through December

Financial Trend Monitoring System

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

Dec 2009

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

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.

THE BUDGET CYCLE

Jan 2010

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

Feb 2010

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

from the departments are present at the time of these reviews and have the opportunity to make presentations and answer questions relative to their budget requests. The Budget Office finalizes recommendations based on the Executive Review Committee results.

Mar 2010

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

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

**December through January
Review of Budget Submissions**

The Department 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.

**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, (five) Deputy County Managers, the Director of Finance, the Director of Human Resources, the Director of the Office of Management and Budget (OMB), and the supporting (six) budget analysts. The representatives

**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

THE BUDGET CYCLE

Apr 2010

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

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.

**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 FY2010-11 Public Hearing was held on April 13, 2010. The public hearing that sets the tax levies was held on April 27, 2010. The Code of Virginia requires that the County advertise a synopsis of the budget in the newspaper and that one or more public

May 2010

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

**May
Publish and Distribute Budget**

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

Jun 2010

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

**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 21 Counties in the nation that maintains a AAA/AAA/Aaa General Obligation Bond rating.

The County of Henrico will continue its efforts of right-sizing, 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 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 our residents currently enjoy. In addition, the County will maintain a balance between the need for real estate tax relief for our residents with the long-term operational needs of the County. In that regard, **the FY2010-11 Annual Fiscal Plan is based on a Real Estate Tax rate of \$0.87/\$100 of assessed valuation for CY2010 real estate tax levies.**

The County of Henrico has reduced Business and Professional License (BPOL) Taxes levied on County businesses as a means of encouraging area businesses to locate within Henrico County. The FY2010-11 Annual Fiscal Plan maintains the BPOL Tax Reduction initiated by the Board of Supervisors in 1996. The first \$100,000 in gross receipts is exempt from BPOL taxes and a uniform maximum BPOL tax rate of \$0.20/\$100 for all categories has been maintained.

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.

Financial Guidelines (continued)

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 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.

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.

Financial Guidelines (continued)

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.

Fund Balance Guidelines:

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

FY98:	8.95%
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%

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. In FY2008-09, a residual amount of \$3.6 million was placed into a Capital Reserve Fund and has been recommended as a pay-as-you-go funding source in the FY2010-11 Capital budget. The policy of maintaining this reserve will be examined on an annual basis, during the annual budget process.

The County will not use its undesignated 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 Undesignated 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 Undesignated Fund Balance as a percentage of General Fund Expenditures.

Financial Guidelines (continued)

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 08-09 Actual	FY 09-10 Original	FY 10-11 Approved
Revenue from Local Sources:			
General Property Taxes	\$376,060,715	\$409,500,000	\$389,000,000
Other Local Taxes	127,741,524	114,615,000	114,015,000
Permits, Fees, and Licenses	4,023,783	4,863,070	4,241,777
Fines and Forfeitures	2,666,103	2,680,575	2,631,017
Use of Money and Property	9,842,335	9,384,474	10,259,974
Charges for Services	127,616,988	120,889,831	123,430,056
Recovered Costs	93,709,003	107,145,970	107,438,555
Miscellaneous	15,093,862	10,662,772	10,375,688
Shared Expenses	433,854	403,312	403,312
Total from Local Sources	<u>\$757,188,167</u>	<u>\$780,145,004</u>	<u>\$761,795,379</u>
Revenue from the Commonwealth:			
Non-categorical Aid	55,071,445	17,473,350	17,653,473
Shared Expenses	19,189,732	17,401,239	15,181,070
Categorical Aid	<u>314,928,903</u>	<u>298,168,849</u>	<u>266,010,504</u>
Total from the Commonwealth	\$389,190,080	\$333,043,438	\$298,845,047
Revenue from the Federal Government:			
Categorical Aid	<u>48,355,860</u>	<u>47,548,117</u>	<u>54,051,178</u>
Total from the Federal Government	\$48,355,860	\$47,548,117	\$54,051,178
Total Revenues	<u>\$1,194,734,107</u>	<u>\$1,160,736,559</u>	<u>\$1,114,691,604</u>
(To) From Fund Balance/Retained Earnings			
(To) From General Fund Balance	(31,162,302)	5,000,000	5,000,000
(To) From General Fund - Revenue Stabilization	3,381,962	750,000	11,548,345
(To) From General Fund - Designated Fund Balance - State Rev	(5,000,000)	0	0
(To) From Fund Balance - Designated Capital Reserve	15,000,000	9,150,000	3,565,242
(To) From Debt Service	0	2,000,000	2,000,000
(To) From School Cafeterias	371,717	88,823	(431,459)
(To) From Special Revenue Fund - Economic Development	2,424,307	0	0
(To) From Special Revenue Fund	1,266,400	0	0
(To) From Solid Waste	(816,083)	2,744,366	(753,090)
(To) From Street Lights	(11,223)	0	0
(To) From Retained Earnings - Water & Sewer	(28,998,385)	(18,989,523)	(23,149,939)
(To) From Retained Earnings - Golf Course	55,420	0	0
(To) From Self-Insurance Reserve	0	0	0
(To) From Other Funds	<u>(7,647,962)</u>	<u>1,077,453</u>	<u>4,368,485</u>
Total Fund Balance	(\$51,136,149)	\$1,821,119	\$2,147,584
Total Revenues and Fund Balances	<u>\$1,143,597,958</u>	<u>\$1,162,557,678</u>	<u>\$1,116,839,188</u>
Operating Transfers to Capital Projects Fund	(38,264,821)	(19,190,600)	(9,415,242)
Interdepartmental Billings	(72,245,763)	(84,752,377)	(84,250,164)
Total Source of Funding	<u><u>\$1,033,087,374</u></u>	<u><u>\$1,058,614,701</u></u>	<u><u>\$1,023,173,782</u></u>

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

<u>Department</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Original</u>	<u>FY 10-11 Approved</u>
01 Board of Supervisors	\$1,162,393	\$1,164,196	\$1,096,518
02 Library	15,617,194	16,399,039	15,634,256
03 Sheriff	35,457,704	34,233,243	33,515,801
04 Circuit Court	2,954,636	3,099,930	2,920,449
05 Commonwealth's Attorney	5,370,775	5,535,082	5,409,763
06 General District Court	224,306	200,491	218,202
07 Juvenile & Domestic Relations Court	3,498,484	3,522,421	3,374,873
08 Electoral Board	1,560,375	1,457,761	1,396,097
09 County Manager	2,036,190	1,965,145	1,915,000
09 Public Relations and Media Services	2,054,319	2,060,435	1,863,174
10 County Attorney	2,004,339	2,049,269	2,006,181
11 Human Resources	12,515,067	12,281,177	8,852,921
12 Police	69,144,399	67,989,748	66,726,144
13 Fire	49,034,092	50,195,913	49,316,053
14 Finance	12,075,172	12,806,463	12,280,200
16 General Services	43,286,041	43,984,409	41,965,021
17 Internal Audit	367,386	361,168	376,385
18 Debt Service	52,623,443	57,782,472	51,832,472
19 Information Technology	11,873,881	13,340,288	12,079,730
21 Agriculture and Home Extension	315,975	376,772	350,106
22 Social Services	31,114,497	27,358,757	27,433,527
23 Recreation & Parks	17,148,758	17,962,850	17,927,269
24 Public Health	1,655,066	1,645,730	1,645,730
26 Mental Health & Developmental Services	29,885,315	32,111,037	32,014,819
27 Capital Area Training Consortium	2,010,355	3,666,521	4,471,854
28 Public Works	36,932,658	36,832,899	36,752,526
29 Real Property	528,484	605,673	572,006
30 Economic Development	16,885,784	13,256,265	12,472,202
31 Public Utilities	81,006,900	85,680,244	84,008,558
32 Non-Departmental	13,042,900	12,368,836	12,628,208
33 Building Inspections	4,225,167	4,668,567	4,330,403
34 Planning	4,171,538	4,326,456	4,072,703
35 Permit Centers	905,069	945,672	880,910
36 Community Corrections Program	1,687,752	1,741,679	1,732,867
37 Technology Replacement	2,239,542	2,810,424	3,035,008
38 Community Revitalization	3,855,770	1,763,516	1,576,211
40 James River Juvenile Detention Center	5,485,883	5,593,129	5,526,540
42 Healthcare	64,478,697	80,843,361	85,155,906
50 Education	464,896,831	478,380,040	458,057,353
60 Interdepartmental Billings	(72,245,763)	(84,752,377)	(84,250,164)
Total Expenditures	<u>\$1,033,087,374</u>	<u>\$1,058,614,701</u>	<u>\$1,023,173,782</u>

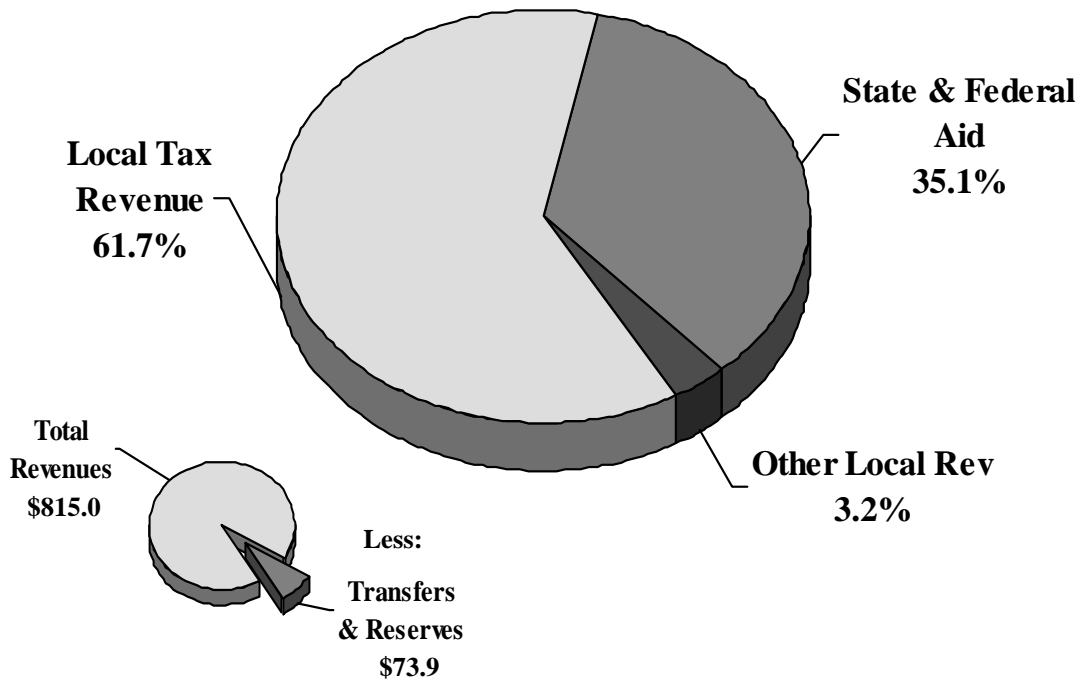
**COUNTY OF HENRICO, VIRGINIA
APPROVED GENERAL FUND REVENUES
FY 2010-11**

Revenues: Function/Program	FY 08-09 Actual	FY 09-10 Original	FY 10-11 Approved
Revenue from Local Sources:			
General Property Taxes	\$374,883,498	\$409,500,000	\$389,000,000
Other Local Taxes	125,309,276	114,615,000	114,015,000
Permits, Fees, & Licenses	3,431,169	3,859,200	3,239,200
Fines & Forfeitures	2,332,651	2,315,000	2,315,000
From Use of Money & Property	9,506,309	8,703,900	9,734,400
Charges for Services	3,608,083	3,393,200	3,554,200
Miscellaneous	7,462,258	2,992,800	2,872,800
Recovered Costs	<u>3,689,862</u>	<u>3,973,700</u>	<u>4,043,700</u>
Total from Local Sources	530,223,106	549,352,800	528,774,300
Revenue from the Commonwealth:			
Categorical Aid:			
Education	240,034,246	226,476,000	199,131,000
Public Works	31,491,168	28,745,000	28,745,000
Public Safety (HB #599)	9,333,764	9,000,000	7,250,000
Social Services	6,622,429	3,990,400	3,990,400
Other	<u>4,844,648</u>	<u>4,870,500</u>	<u>4,843,300</u>
Total Categorical Aid	292,326,255	273,081,900	243,959,700
Non-Categorical Aid:			
General Government	<u>54,167,975</u>	<u>17,376,300</u>	<u>17,608,500</u>
Total Non-Categorical Aid	54,167,975	17,376,300	17,608,500
Shared Expenses:			
State Share of Salaries & Benefits	<u>17,667,053</u>	<u>15,902,300</u>	<u>13,768,800</u>
Total from the Commonwealth	364,161,283	306,360,500	275,337,000
Revenue from the Federal Government			
Total Revenues	<u>11,922,329</u>	<u>10,935,200</u>	<u>10,860,200</u>
Total Revenues	906,306,718	866,648,500	814,971,500
Interfund Transfers:			
From Short Pump CDA	2,980,869	0	0
To Debt Service Fund	(52,623,443)	(55,782,472)	(49,832,472)
To Capital Projects Fund	(36,848,421)	(15,000,000)	(9,415,242)
To Enterprise Fund	(982,601)	(1,609,569)	(772,219)
To Risk Management	(6,409,405)	(4,361,686)	(4,364,026)
To Special Revenue Fund	(19,860,893)	(23,235,305)	(23,361,772)
To JRJDC Agency Fund	(3,285,493)	(3,359,898)	(3,281,789)
To OPEB-GASB 45 Fiduciary Fund	<u>(6,725,000)</u>	<u>(6,000,000)</u>	<u>(3,000,000)</u>
Total Transfers	(123,754,387)	(109,348,930)	(94,027,520)
(To) From Fund Balance	(36,162,302)	0	0
(To) From Fund Balance - Capital Projects	5,000,000	5,000,000	5,000,000
(To) From Fund Balance - Designated Capital Reserve	15,000,000	9,150,000	3,565,242
(To) Revenue Stabilization	(2,345,451)	0	0
From Revenue Stabilization	5,727,413	750,000	11,548,345
(To) Designated Fund Balance - State Revenues	<u>(5,000,000)</u>	<u>0</u>	<u>0</u>
Total Resources Net of Transfers	<u>\$764,771,991</u>	<u>\$772,199,570</u>	<u>\$741,057,567</u>

**COUNTY OF HENRICO, VIRGINIA
APPROVED GENERAL FUND EXPENDITURES
FY 2010-11**

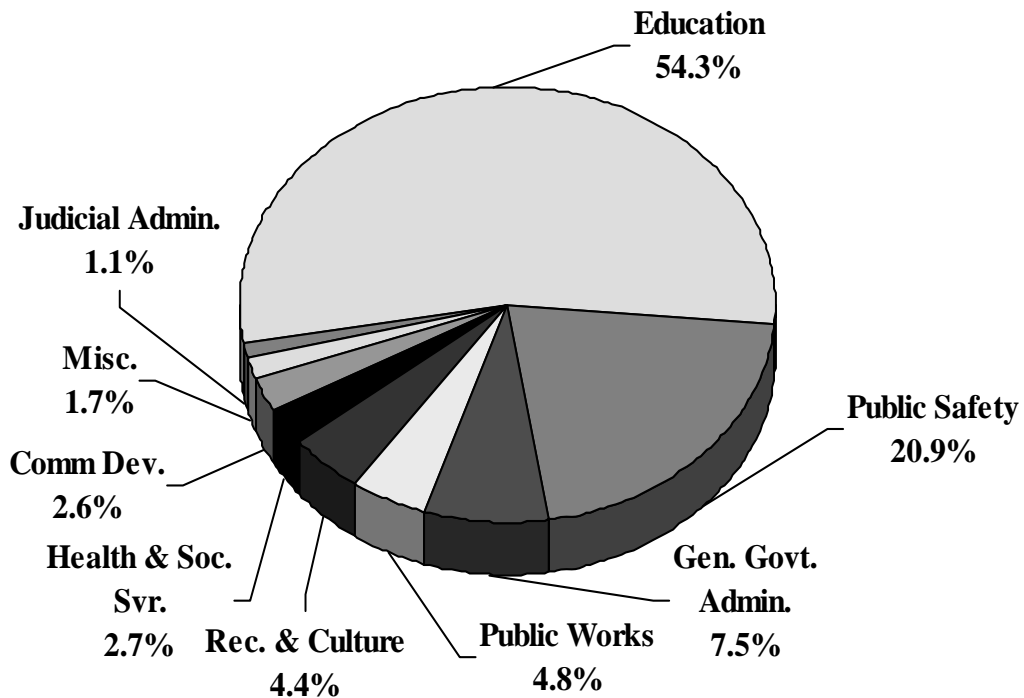
Expenditures: Function/Activity	FY 08-09 Actual	FY 09-10 Original	FY 10-11 Approved
General Government Administration	\$56,056,483	\$59,366,920	\$55,916,358
Judicial Administration	8,001,591	8,311,621	7,975,999
Public Safety:			
Police Operations	61,236,071	60,320,971	59,048,533
Animal Protection	1,336,894	1,462,659	1,453,410
Communications	4,953,866	4,795,893	4,801,718
Total Police	<u>67,526,831</u>	<u>66,579,523</u>	<u>65,303,661</u>
Administration	7,605,588	7,865,862	7,612,700
Emergency Planning & Safety	338,574	287,309	288,227
Operations	40,867,630	41,824,117	41,196,501
Volunteer Rescue Squads	194,248	218,625	218,625
Total Fire	<u>49,006,040</u>	<u>50,195,913</u>	<u>49,316,053</u>
Sheriff	35,456,668	34,233,243	33,515,801
Juvenile Detention	2,141,032	2,122,976	2,109,876
Building Inspections	4,225,167	4,668,567	4,330,403
Total Public Safety	<u>158,355,738</u>	<u>157,800,222</u>	<u>154,575,794</u>
Public Works	36,470,015	35,935,899	35,855,526
Health & Social Services:			
Public Health	1,655,066	1,645,730	1,645,730
Social Services	22,506,662	18,794,146	18,464,062
Total Health & Social Services	<u>24,161,728</u>	<u>20,439,876</u>	<u>20,109,792</u>
Education:			
Instruction	330,822,872	339,671,902	317,511,525
Administrative Services	11,469,354	10,981,002	10,626,793
Operations	69,164,784	70,910,929	69,674,766
Finance	3,014,259	3,207,612	2,977,203
School Board & Superintendent	1,773,653	1,849,572	1,618,732
Recommended Adjustments	0	(2,371,017)	0
Total Education	<u>416,244,922</u>	<u>424,250,000</u>	<u>402,409,019</u>
Recreation, Parks, & Culture:			
Recreation & Parks	16,062,988	16,770,371	16,700,684
Library	15,606,420	16,399,039	15,634,256
Total Recreation, Parks, & Culture	<u>31,669,408</u>	<u>33,169,410</u>	<u>32,334,940</u>
Community Development	20,769,206	20,668,681	19,352,132
Miscellaneous:			
Non-Departmental	13,042,900	12,256,941	12,528,007
Reduction in State Aid to Localities	0	0	0
Total Miscellaneous	<u>13,042,900</u>	<u>12,256,941</u>	<u>12,528,007</u>
Total General Fund Expenditures	<u><u>\$764,771,991</u></u>	<u><u>\$772,199,570</u></u>	<u><u>\$741,057,567</u></u>

FY2010-11 General Fund Revenues
\$814,971,500



Note: General Fund Revenues less Transfers & Reserves equals General Fund Expenditures of \$741,057,567.

FY2010-11 General Fund Expenditures
\$741,057,567



COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND REVENUES
FY 2010-11

Revenues:			
Subfund/Activity	FY 08-09	FY 09-10	FY 10-11
	Actual	Original	Approved
Capital Area Training Consortium (CATC)	\$1,801,690	\$3,455,873	\$4,261,206
Transfer From the General Fund	<u>208,665</u>	<u>210,648</u>	<u>210,648</u>
Total Capital Area Training Consortium	2,010,355	3,666,521	4,471,854
Commonwealth's Attorney			
Special Drug Prosecutor	134,525	124,305	124,305
Victim/Witness Assistance Program	325,034	327,509	342,625
Asset Forfeitures	0	0	0
Transfer From the General Fund	<u>360,999</u>	<u>383,490</u>	<u>387,663</u>
Total Commonwealth's Attorney	820,558	835,304	854,593
Community Corrections Program	1,392,731	1,440,843	1,434,323
Transfer From the General Fund	<u>295,021</u>	<u>300,836</u>	<u>298,544</u>
Total Community Corrections	1,687,752	1,741,679	1,732,867
Community Development Block Grant (CDBG)	2,312,027	0	0
Economic Development			
Sales Tax - EDA	1,992,719	0	0
Real Estate Tax - CDA	2,063,306	0	0
Special Assessment - CDA	(1,471,157)	0	0
Personal Property Tax - EDA	585,068	0	0
Business License Tax - EDA	439,529	0	0
Transfer to - Short Pump CDA	(2,980,869)	0	0
(To) From Economic Development Fund Balance	<u>2,424,307</u>	<u>0</u>	<u>0</u>
Total Economic Development	3,052,903	0	0
Education			
State, Federal & Other Grants	31,314,119	36,717,959	37,394,518
Cafeteria Receipts	9,557,467	10,983,770	9,732,983
State Food Payments - Nat. Sch. Lunch Prog.	300,617	315,949	366,410
Federal School Lunch Program	5,538,415	5,813,539	8,538,892
Federal School Breakfast Program	1,463,660	0	0
Recoveries & Rebates	105,914	210,000	46,990
(To) From Cafeteria Fund Balance	<u>371,717</u>	<u>88,823</u>	<u>(431,459)</u>
Total School Cafeteria	17,337,790	17,412,081	18,253,816
Total Education	48,651,909	54,130,040	55,648,334
General Services	198,530	0	0

Special Revenue Fund Revenues (cont'd)

Revenues:			
Subfund/Activity	FY 08-09	FY 09-10	FY 10-11
	Actual	Original	Approved
Juvenile & Domestic Relations Court			
Virginia Juvenile Community Crime Act	509,370	509,660	409,027
USDA	42,098	35,000	30,429
Juvenile Accountability Grant	0	0	0
Transfer From the General Fund	<u>533,552</u>	<u>543,363</u>	<u>543,363</u>
Total Juvenile & Domestic Relations Court	1,085,020	1,088,023	982,819
Mental Health & Developmental Services			
State and Federal Grants	9,110,906	8,248,181	7,924,548
Payments from Other Localities	218,654	218,654	187,474
Miscellaneous Revenues	8,684,582	9,015,331	9,330,127
Transfer From General Fund	11,871,173	14,628,871	14,572,670
Transfer to Capital Projects Fund	(868,000)	0	0
(To) From Fund Balance	<u>868,000</u>	<u>0</u>	<u>0</u>
Total Mental Health	29,885,315	32,111,037	32,014,819
Non-Departmental			
Transfer From General Fund	0	111,895	100,201
Public Safety			
Police - State & Federal Grants	1,095,047	947,538	960,796
Police - Donations	750	0	0
Metro Aviation/Extradition Reimbursement	251,614	326,792	326,126
Fire - Miscellaneous	10,586	0	0
Fire - Homeland Security	17,466	0	0
Asset Forfeitures	171,125	0	0
Transfer to Capital Projects	(398,400)	0	0
Transfer from Special Revenue Fund - Wireless Fund Balance	398,400	0	0
Transfer From General Fund	<u>100,068</u>	<u>135,895</u>	<u>135,561</u>
Total Public Safety	1,646,656	1,410,225	1,422,483
Public Utilities			
Solid Waste:			
Refuse Collection Billing	6,476,337	6,660,000	6,660,000
Weighing Fees - Charged Sales	1,298,749	1,371,845	1,371,845
Public Use/Host/Recycle Fees	952,462	1,670,840	1,670,840
Miscellaneous Revenues	156,166	153,016	153,016
Transfer to Capital Projects Fund	(150,000)	(3,600,000)	0
Transfer From General Fund	2,801,995	3,064,001	3,064,001
(To) From Solid Waste Fund Balance - Capital	150,000	3,600,000	0
(To) From Solid Waste Fund Balance - Operations	<u>(966,083)</u>	<u>(855,634)</u>	<u>(753,090)</u>
Total Solid Waste	10,719,626	12,064,068	12,166,612
Street Lighting:			
Charge for Street Lights	88,465	70,200	72,500
(To) From Reserve for Street Lights	<u>(11,223)</u>	<u>0</u>	<u>0</u>
Total Street Lighting	77,242	70,200	72,500

Special Revenue Fund Revenues (cont'd)

Revenues:			
Subfund/Activity	FY 08-09	FY 09-10	FY 10-11
	Actual	Original	Approved
Public Works			
Best Management Practices	0	50,000	50,000
Watershed Management Program	462,643	847,000	847,000
Miscellaneous Grants	0	0	0
Total Public Works	<u>462,643</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation	6,527	0	0
Public Library	10,774	0	0
Total Recreation	<u>17,301</u>	<u>0</u>	<u>0</u>
Social Services			
Comprehensive Services Act (CSA)	4,899,757	4,666,129	4,875,532
Title IV-E	35,406	42,176	44,812
Transfer From the General Fund	3,672,672	3,856,306	4,049,121
Total Social Services	<u>8,607,835</u>	<u>8,564,611</u>	<u>8,969,465</u>
Total Revenues	<u><u>\$111,235,672</u></u>	<u><u>\$116,690,603</u></u>	<u><u>\$119,333,547</u></u>

COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND EXPENDITURES
FY 2010-11

Expenditures:	FY 08-09	FY 09-10	FY 10-11
Subfund/Activity	Actual	Original	Approved
Capital Area Training Consortium (CATC)	\$2,010,355	\$3,666,521	\$4,471,854
Commonwealth's Attorney			
Victim/Witness Program	654,598	666,269	677,433
Special Drug Prosecutor	165,960	169,035	177,160
Total Commonwealth's Attorney	820,558	835,304	854,593
Community Corrections Program	1,687,752	1,741,679	1,732,867
Community Revitalization - CDBG/HOME	2,312,027	0	0
Economic Development	3,052,903	0	0
Education			
State, Federal & Other Grants	31,314,119	36,717,959	37,394,518
School Cafeterias	17,337,790	17,412,081	18,253,816
Total Education	48,651,909	54,130,040	55,648,334
General Services	198,530	0	0
Juvenile & Domestic Relations Court			
Probation - VJCCCA	696,743	706,109	617,331
Detention - VJCCCA	346,179	346,914	335,059
USDA	42,098	35,000	30,429
Total Juvenile & Domestic Relations Court	1,085,020	1,088,023	982,819
Mental Health & Developmental Services			
Clinical Services	14,446,639	15,741,269	15,806,273
Community Support Services	9,589,540	9,678,077	9,709,926
Administrative and Program Support	5,849,136	6,691,691	6,498,620
Total Mental Health	29,885,315	32,111,037	32,014,819
Non-Departmental	0	111,895	100,201
Public Safety			
Fiscal Records - State and Federal Grants	418,818	0	0
Communications	676,979	947,538	960,796
Metro Aviation	300,882	412,687	411,687
Henrico Extraditions	50,800	50,000	50,000
Asset Forfeitures - Police	170,089	0	0
Asset Forfeitures - Sheriff	1,036	0	0
Emergency Planning and Safety	28,052	0	0
Total Public Safety	1,646,656	1,410,225	1,422,483

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - WATER & SEWER ENTERPRISE FUND
FY 2010-11

Water and Sewer Enterprise Fund

Revenues/Resources	FY08-09 <u>Actual</u>	FY09-10 <u>Original</u>	FY10-11 <u>Approved</u>
<u>Water and Sewer Operating Budget:</u>			
Sale of Water	41,250,443	41,660,433	41,852,811
Sale of Sewer	41,919,957	41,711,421	42,453,050
Water Connection Fees	3,971,369	1,120,000	1,706,880
Sewer Connection Fees	8,228,782	2,180,000	3,941,635
Interest Earnings	1,010,888	1,166,264	1,164,090
Strong Waste Surcharge	1,388,703	1,553,000	1,485,000
Other Water/Sewer revenues	455,674	1,534,812	1,543,700
Transfer from General Fund	<u>982,601</u>	<u>1,609,569</u>	<u>772,219</u>
Total Operating Revenues	<u>99,208,417</u>	<u>92,535,499</u>	<u>94,919,385</u>

Operating Expenditures

<u>Water and Sewer Operating Budget:</u>			
Personnel	19,685,513	20,352,116	19,516,872
Operating	32,527,344	36,554,073	36,663,397
Capital Outlay	<u>467,033</u>	<u>1,226,774</u>	<u>805,674</u>
Sub-Total Operating	<u>52,679,890</u>	<u>58,132,963</u>	<u>56,985,943</u>
Debt Service	<u>17,530,142</u>	<u>15,413,013</u>	<u>14,783,503</u>
Total Operating Expenditures	<u>70,210,032</u>	<u>73,545,976</u>	<u>71,769,446</u>
Results of Operations (Prior to Capital Expenses)	28,998,385	18,989,523	23,149,939
Budget For Capital Use (Below)	n/a	(33,802,600)	(36,629,912)

Capital Budget Expenditures	FY08-09 <u>Actual</u>	FY09-10 <u>Original</u>	FY10-11 <u>Approved</u>
Approved Capital Projects (FY2009-10 Budget)		33,802,600	
Proposed Capital Projects (New FY2010-11 Budget)			36,629,912
Continuing Capital Projects (Previously Approved) (1)	49,259,944	126,469,075	
Total Capital Budget Expenses:	49,259,944	160,271,675	36,629,912
Capital Budget Resources			
Water and Sewer Revenues	23,111,858	133,957,343	36,629,912
Revenue Bonds (2006 Series)	26,148,086	26,314,332	0
Total Capital Budget Resources:	49,259,944	160,271,675	36,629,912

Notes:

(1) This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2008-09 represents actual capital project expenditures.

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - BELMONT GOLF COURSE ENTERPRISE FUND
FY 2010-11

<u>Fund-Function/Activity</u>	<u>FY 08-09</u> <u>Actual</u>	<u>FY 09-10</u> <u>Original</u>	<u>FY 10-11</u> <u>Approved</u>
Belmont Golf Course Fund			
Revenues:			
Operating	1,023,823	1,192,479	1,226,585
Transfer from General Fund	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	1,023,823	1,192,479	1,226,585
 (To) From Retained Earnings	 <u>55,420</u>	 <u>0</u>	 <u>0</u>
Total Resources	<u>1,079,243</u>	<u>1,192,479</u>	<u>1,226,585</u>
 Expenses:			
Loan Repayment to County	0	22,500	22,500
Operating	<u>1,079,243</u>	<u>1,169,979</u>	<u>1,204,085</u>
Total Operating Expenses	<u>\$1,079,243</u>	<u>\$1,192,479</u>	<u>\$1,226,585</u>

**COUNTY OF HENRICO, VIRGINIA
ALL OTHER FUNDS
FY 2010-11**

<u>Fund-Function/Activity</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Original</u>	<u>FY 10-11 Approved</u>
Internal Service Funds			
Central Automotive Maintenance			
Revenues:			
Charges for Automotive Maintenance - West	\$6,165,403	\$5,700,000	\$5,600,000
Charges for Automotive Maintenance - East	1,430,329	1,500,000	1,420,000
Charges for Use of Motor Pool	4,242,808	4,523,736	4,300,000
Charges for Gasoline	5,592,256	9,585,000	8,934,772
Miscellaneous	475,096	413,915	247,500
(Gain)/Loss on Sale of Property	(131,534)	0	0
(To) From Retained Earnings - CAM	(311,090)	590,600	0
Transfer to Capital Projects	0	(590,600)	0
Transfer from General Fund	0	0	0
Total Revenues	<u>\$17,463,268</u>	<u>\$21,722,651</u>	<u>\$20,502,272</u>
Expenses:			
Central Automotive Maintenance	<u>\$17,463,268</u>	<u>\$21,722,651</u>	<u>\$20,502,272</u>
Total Expenses	<u>\$17,463,268</u>	<u>\$21,722,651</u>	<u>\$20,502,272</u>
Technology Replacement Fund			
Revenues:			
Technology Replacement Charges	\$3,191,697	\$2,570,170	\$2,026,475
Technology Replacement Charges-Special Revenue	72,037	74,487	59,590
Technology Replacement Charges-Belmont	4,612	2,730	3,896
Technology Replacement Charges-JRJDC	4,287	3,430	2,744
Technology Replacement Charges-Risk	4,667	3,734	2,987
(To) From Retained Earnings - Technology	(1,037,758)	155,873	939,316
Total Revenues	<u>\$2,239,542</u>	<u>\$2,810,424</u>	<u>\$3,035,008</u>
Expenses:			
Data Processing Equipment	<u>\$2,239,542</u>	<u>\$2,810,424</u>	<u>\$3,035,008</u>
Total Expenses	<u>\$2,239,542</u>	<u>\$2,810,424</u>	<u>\$3,035,008</u>

All Other Funds (cont'd)

<u>Fund-Function/Activity</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Original</u>	<u>FY 10-11 Approved</u>
Risk Management			
Revenues:			
Transfer from General Fund	\$6,409,405	\$4,361,686	\$4,364,026
Public Utilities Charges	1,195,818	624,727	620,577
Recon-Workers' Compensation	722,512	0	0
Prop/Liability Recovery	562,123	0	0
A/R-S1 P/L Subrogation	124,961	0	0
Interest Income	5,547	0	0
Total Revenues	<u>\$9,020,366</u>	<u>\$4,986,413</u>	<u>\$4,984,603</u>
Expenses:			
Risk Management	\$9,020,366	\$4,986,413	\$4,984,603
Total Expenses	<u>\$9,020,366</u>	<u>\$4,986,413</u>	<u>\$4,984,603</u>
Healthcare Fund			
Revenues:			
County Contribution	\$51,825,474	\$59,407,483	\$59,870,318
Employee Contribution	13,133,098	14,690,125	15,277,730
Retiree Contribution	4,917,972	5,514,750	5,735,340
Retiree Subsidy	559,956	532,850	562,134
Disabled Subsidy	157,523	278,969	280,432
COBRA	185,364	269,184	279,952
Other Revenues	101,771	150,000	150,000
Fund Balance (Includes IBNR)	(6,402,461)	0	3,000,000
Total Revenues	<u>\$64,478,697</u>	<u>\$80,843,361</u>	<u>\$85,155,906</u>
Expenses:			
Healthcare	\$64,478,697	\$80,843,361	\$85,155,906
Total Expenses	<u>\$64,478,697</u>	<u>\$80,843,361</u>	<u>\$85,155,906</u>
Debt Service Fund			
Revenues:			
Transfer from General Fund	\$52,623,443	\$55,782,472	\$49,832,472
(To) From Fund Balance	0	2,000,000	2,000,000
Transfer to Capital Projects Fund	0	0	0
Accrued Interest-Bonds	0	0	0
New Kent-Jail Principal & Interest	0	0	0
Total Revenues	<u>\$52,623,443</u>	<u>\$57,782,472</u>	<u>\$51,832,472</u>
Expenditures:			
Debt Service - General Government	\$15,380,142	\$14,004,948	\$11,719,316
Debt Service - Public Works	2,510,494	3,722,735	3,590,382
Debt Service - Education	34,732,807	40,054,789	36,522,774
Total Expenditures	<u>\$52,623,443</u>	<u>\$57,782,472</u>	<u>\$51,832,472</u>
Adjustment for Interfund Transactions	(\$72,245,763)	(\$84,752,377)	(\$84,250,164)

**COUNTY OF HENRICO, VIRGINIA
REVENUES & EXPENDITURES - AGENCY FUNDS
FY 2010-11**

<u>Fund-Function/Activity</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Original</u>	<u>FY 10-11 Approved</u>
JRJDC Agency Fund			
Revenues:			
Transfer from General Fund	\$3,285,493	\$3,359,898	\$3,281,789
Revenue from Federal Government	101,549	0	0
Revenue from the Commonwealth	1,522,679	1,498,939	1,412,270
Revenue from Goochland/Powhatan	433,854	403,312	403,312
Gain/Loss Sale of Assets	0	0	0
Revenue from Other Localities	0	0	0
Interest Income	38,961	0	0
(To) From Fund Balance-JRJDC	103,347	330,980	429,169
Total Revenues	<u><u>\$5,485,883</u></u>	<u><u>\$5,593,129</u></u>	<u><u>\$5,526,540</u></u>
Expenses:			
Operating	\$4,813,165	\$4,912,908	\$4,851,230
Debt Service	672,718	680,221	675,310
Total Expenses	<u><u>\$5,485,883</u></u>	<u><u>\$5,593,129</u></u>	<u><u>\$5,526,540</u></u>
 Other Post Employment Benefits - GASB 45			
Revenues:			
Transfer from General Fund	\$6,725,000	\$6,000,000	\$3,000,000
Total Revenues	<u><u>\$6,725,000</u></u>	<u><u>\$6,000,000</u></u>	<u><u>\$3,000,000</u></u>
Expenses:			
Operating	\$6,725,000	\$6,000,000	\$3,000,000
Total Expenses	<u><u>\$6,725,000</u></u>	<u><u>\$6,000,000</u></u>	<u><u>\$3,000,000</u></u>

COUNTY OF HENRICO, VIRGINIA
TOTAL REVENUES (BY SOURCE) - ACROSS ALL FUNDS
FY 2010-11

	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	\$389,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$389,000,000
Other Local Taxes	\$114,015,000	0	0	0	0	0	0	114,015,000
Permits, Fees, and Licenses	\$3,239,200	1,002,577	0	0	0	0	0	4,241,777
Fines and Forfeitures	\$2,315,000	184,717	131,300	0	0	0	0	2,631,017
Use of Money and Property	\$9,734,400	165,574	0	0	0	360,000	0	10,259,974
Charges for Services	\$3,554,200	28,280,795	90,368,476	1,226,585	0	0	0	123,430,056
Recovered Costs	\$4,043,700	513,600	0	0	0	102,881,255	0	107,438,555
Shared Expenses	\$0	0	0	0	0	0	403,312	403,312
Miscellaneous	\$2,872,800	1,722,306	3,647,390	0	0	2,133,192	0	10,375,688
Total from Local Sources	528,774,300	31,869,569	94,147,166	1,226,585	0	105,374,447	403,312	761,795,379
Revenue from the Commonwealth:								
Non-categorical Aid	17,608,500	44,973	0	0	0	0	0	17,653,473
Shared Expenses	13,768,800	0	0	0	0	0	1,412,270	15,181,070
Categorical Aid	243,959,700	22,050,804	0	0	0	0	0	266,010,504
Total from the Commonwealth	275,337,000	22,095,777	0	0	0	0	1,412,270	298,845,047
Revenue from the Federal Government:								
Categorical Aid	10,860,200	43,190,978	0	0	0	0	0	54,051,178
Total from the Federal Government	10,860,200	43,190,978	0	0	0	0	0	54,051,178
Total Revenues	\$814,971,500	\$97,156,324	\$94,147,166	\$1,226,585	\$0	\$105,374,447	\$1,815,582	\$1,114,691,604
Operating Transfers	(84,612,278)	23,361,772	772,219	0	49,832,472	(79,886,138)	6,281,789	(84,250,164)
Transfers to Capital Projects	(9,415,242)	0	0	0	0	0	0	(9,415,242)
Total Resources	\$720,943,980	\$120,518,096	\$94,919,385	\$1,226,585	\$49,832,472	\$25,488,309	\$8,097,371	\$1,021,026,198
(To) From Fund Balance	5,000,000	(1,184,549)	(23,149,939)	0	2,000,000	3,939,316	429,169	(12,966,003)
(To) From Fund Balance - Designated Cap	3,565,242	0	0	0	0	0	0	3,565,242
(To) From Revenue Stabilization	11,548,345	0	0	0	0	0	0	11,548,345
(To) Designated Fund Balance - State Rev	0	0	0	0	0	0	0	0
Total All Funds	\$741,057,567	\$119,333,547	\$71,769,446	\$1,226,585	\$51,832,472	\$29,427,625	\$8,526,540	\$1,023,173,782

COUNTY OF HENRICO, VIRGINIA
TOTAL EXPENDITURES BY DEPARTMENT - ACROSS ALL FUNDS
FY 2010-11

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	\$1,096,518							\$1,096,518
02 Library	15,634,256							15,634,256
03 Sheriff	33,515,801							33,515,801
04 Circuit Court	2,920,449							2,920,449
05 Commonwealth's Attorney	4,555,170	\$854,593						5,409,763
06 General District Court	218,202							218,202
07 Juvenile & Domestic Relations Court	2,392,054	982,819						3,374,873
08 Electoral Board	1,396,097							1,396,097
09 County Manager	3,778,174							3,778,174
10 County Attorney	2,006,181						\$3,000,000	2,006,181
11 Human Resources	5,852,921							8,852,921
12 Public Safety - Police	65,303,661	1,422,483						66,726,144
13 Public Safety - Fire	49,316,053							49,316,053
14 Finance	12,280,200							12,280,200
16 General Services	16,478,146					\$25,486,875		41,965,021
17 Internal Audit	376,385							376,385
18 Debt Service					\$15,309,698			15,309,698
19 Information Technology	12,079,730							12,079,730
21 Agriculture and Home Extension	350,106							350,106
22 Social Services	18,464,062	8,969,465						27,433,527
23 Recreation & Parks	16,700,684			\$1,226,585				17,927,269
24 Public Health	1,645,730							1,645,730
26 Mental Health & Developmental Services		32,014,819						32,014,819
27 Capital Area Training Consortium		4,471,854						4,471,854
28 Public Works	35,855,526	897,000						36,752,526
29 Real Property	572,006							572,006
30 Economic Development	12,472,202							12,472,202
31 Public Utilities		12,239,112	\$71,769,446					84,008,558
32 Non-Departmental	12,528,007	100,201						12,628,208
33 Building Inspections	4,330,403							4,330,403
34 Planning	4,072,703							4,072,703
35 Permit Centers	880,910							880,910
36 Community Corrections Program		1,732,867						1,732,867
37 Technology Replacement						3,035,008		3,035,008
38 Community Revitalization	1,576,211							1,576,211
40 James River Juvenile Detention Ctr							5,526,540	5,526,540
42 Healthcare						85,155,906		85,155,906
50 Education	402,409,019	55,648,334			36,522,774			494,580,127
60 Interdepartmental Billings						(84,250,164)		(84,250,164)
Total Expenditures	\$741,057,567	\$119,333,547	\$71,769,446	\$1,226,585	\$51,832,472	\$29,427,625	\$8,526,540	\$1,023,173,782

**Estimated Changes to Undesignated Fund Balances
FY2009 Actual through FY2011 Projected (By Fund)**

	Revenues	Expenditures/ Transfers	Fund Balance
GENERAL FUND			
Undesignated Fund Balance - FY2009 Actual			\$ 139,454,528
FY2010 Budgeted Revenues	\$ 866,648,500		
FY2010 Budgeted Expenditures		(772,199,570)	
FY2010 Budgeted Transfers to Other Funds		(94,448,930)	
FY2010 Use of Undesignated Fund Balance-PAYG Capital Projects		(5,000,000)	
FY2010 Anticipated Results of Operations			4,541,395
FY2010 Projected Use of Fund Balance-PAYG Capital Projects			(5,000,000)
Projected Ending Undesignated Fund Balance FY2010			138,995,923
FY2011 Budgeted Revenues	814,971,500		
FY2011 Budgeted Expenditures		(741,057,567)	
FY2011 Budgeted Transfers to Other Funds		(73,913,933)	
FY2011 Use of Undesignated Fund Balance-PAYG Capital Projects		(5,000,000)	
FY2011 Anticipated Results of Operations			(605,561)
FY2011 Projected Use of Fund Balance-PAYG Capital Projects			(5,000,000)
Projected Ending Undesignated Fund Balance FY2011			133,390,362
SPECIAL REVENUE FUND			
Undesignated Fund Balance - FY2009 Actual			0
FY2010 Budgeted Revenues	113,857,414		
FY2010 Budgeted Use of Reserves	2,833,189		
FY2010 Budgeted Total Resources	116,690,603		
FY2010 Budgeted Expenditures		(116,690,603)	
FY2010 Projected Use of Undesignated Fund Balance			0
Projected Ending Undesignated Fund Balance FY2010			0
FY2011 Budgeted Revenues	120,518,096		
FY2011 Budgeted Use of Reserves (net)	(1,184,549)		
FY2011 Budgeted Total Resources	119,333,547		
FY2011 Budgeted Expenditures		(119,333,547)	
FY2011 Projected Use of Undesignated Fund Balance			0
Projected Ending Undesignated Fund Balance FY2011			0
INTERNAL SERVICE FUNDS			
Unreserved Retained Earnings - FY2009 Actual			\$ 29,828,775
FY2010 Budgeted Revenues	\$ 109,616,376		
FY2010 Budgeted Expenditures		(110,362,849)	
FY2010 Projected Addition to Retained Earnings			(746,473)
Projected Ending Unreserved Retained Earnings FY2010			29,082,302
FY2011 Budgeted Revenues	112,738,473		
FY2011 Budgeted Expenditures		(113,677,789)	
FY2011 Projected Use of Retained Earnings			(939,316)
Projected Ending Unreserved Retained Earnings FY2011			28,142,986

**Estimated Changes to Undesignated Fund Balances
FY2009 Actual through FY2011 Projected (By Fund)**

	Revenues	Expenditures/ Transfers	Fund Balance
<i>WATER & SEWER ENTERPRISE FUND</i>			
Unreserved Fund Equity - FY2009 Actual			86,679,593
FY2010 Budgeted Revenues	92,535,499		
FY2010 Budgeted Expenditures		(73,545,976)	
FY2010 Budgeted for Capital Use		(33,802,600)	
FY2010 Budgeted Expenditures and Transfers		(107,348,576)	
FY2010 Projected Change to Unreserved Fund Equity			(14,813,077)
Projected Unreserved Fund Equity FY2010			71,866,516
FY2011 Budgeted Revenues	94,919,385		
FY2011 Budgeted Expenditures		(71,769,446)	
FY2011 Budgeted for Capital Use		(36,629,912)	
FY2011 Budgeted Expenditures and Transfers		(108,399,358)	
FY2011 Projected Change to Unreserved Fund Equity			(13,479,973)
Projected Unreserved Fund Equity FY2011			58,386,543
<i>JR/JDC AGENCY FUND</i>			
Unreserved Retained Earnings - FY2009 Actual			\$ 2,947,201
FY2010 Budgeted Revenues	\$ 5,262,149		
FY2010 Budgeted Expenditures		(5,593,129)	
FY2010 Budgeted Use of Unreserved Retained Earnings			(330,980)
Projected Ending Unreserved Retained Earnings FY2010			2,616,221
FY2011 Budgeted Revenues	5,097,371		
FY2011 Budgeted Expenditures		(5,526,540)	
FY2011 Budgeted Use of Unreserved Retained Earnings			(429,169)
Projected Ending Unreserved Retained Earnings FY2011			2,187,052

THREE YEAR FORECAST OF REVENUES AND EXPENDITURES

Background

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

Funds are grouped into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds. Governmental Funds include most governmental functions of the County and include the General, Special Revenue, Debt Service and Capital Projects Funds. Proprietary Funds, on the other hand, account for functions financed and operated in a manner similar to a private business enterprise. The intent of Proprietary Funds is to finance or recover, through charges to users, the cost of providing these services. Proprietary Funds used by Henrico County include both the Enterprise (Public Utilities and Belmont Golf Course) and Internal Service Funds such as Central Automotive Maintenance (CAM). Other Internal Service funds are the Technology Replacement Fund established in 2001 for the purpose of funding a computer replacement program. In FY2005, the Risk Management function was moved to the Internal Service Fund series for more appropriate classification. In FY2007-08, the County's health care program transitioned to a self-insurance program and the Healthcare Internal Service Fund was created to account for these costs. Fiduciary Funds budgeted by Henrico County are for the James River Juvenile Detention Center (JRJDC) Agency Fund. As the fiscal agent for JRJDC, Henrico eliminates the need for the Commission to duplicate various administrative functions related to personnel, procurement, accounting, and budget responsibilities.

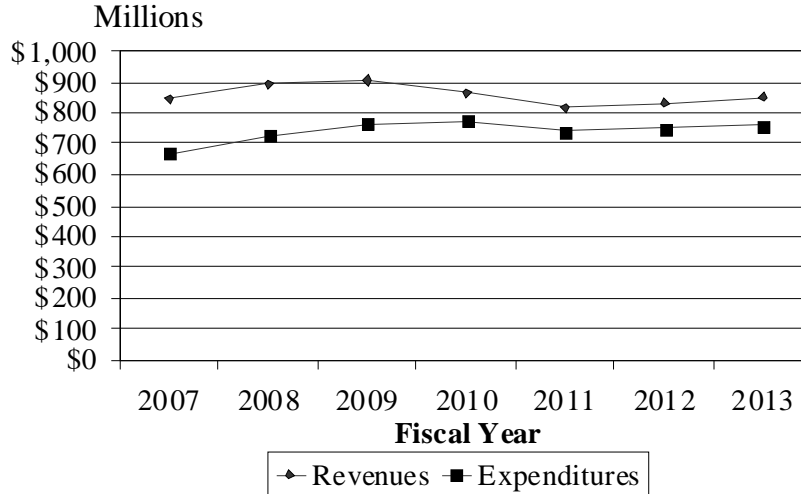
The information that follows constitutes the forecast of the County's cost of operations for FY2011 through FY2013. The FY2011 data represents the budget adopted by the Board of Supervisors, while FY2012 and FY2013 are included for projective purposes. This data is presented by fund and includes a description 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 2010 through 2013 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 FY2011, prior to transfers to other funds, is \$814,971,500. This is a decrease of \$51,677,000, or 6.0 less than FY2010 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.

Local Tax Revenue:

<u>Description</u>	<u>FY 2009</u> <u>Actual</u>	<u>FY 2010</u> <u>Original</u>	<u>FY 2011</u> <u>Approved</u>	<u>Increase</u> <u>(Decrease)</u>
Local Tax Revenue	\$ 500,192,774	\$ 524,115,000	\$ 503,015,000	\$ (21,100,000)
Other Local Revenue	30,030,332	25,237,800	25,759,300	521,500
State and Federal Revenue	376,083,612	317,295,700	286,197,200	(31,098,500)
Total General Fund Revenue	<u>\$ 906,306,718</u>	<u>\$ 866,648,500</u>	<u>\$ 814,971,500</u>	<u>\$ (51,677,000)</u>

Local Tax Revenue represents Henrico County’s principal source of revenue. County tax revenue is projected to total \$503.0 million or 61.7 percent of total General Fund revenue for FY2011. This is a decrease of 4.0 percent, or \$21.1 million over the current fiscal year. Local Tax Revenue includes:

Local Tax Revenue	FY 2010 Original	FY 2011 Approved	Increase (Decrease)	Percent Change	Pct. Of Revenue
Real Property Tax	\$ 305,190,000	\$ 283,190,000	\$ (22,000,000)	(7.2%)	56.3%
Personal Property Tax	102,730,000	102,730,000	0	0.0%	20.4%
Other Property Taxes	1,580,000	3,080,000	1,500,000	94.9%	0.6%
Local Sales Tax	57,100,000	54,500,000	(2,600,000)	(4.6%)	10.8%
Business License Tax	30,600,000	30,600,000	0	0.0%	6.1%
Motor Vehicle License Tax	6,325,000	6,325,000	0	0.0%	1.3%
Consumer Utility Tax (*)	2,600,000	2,600,000	0	0.0%	0.5%
Hotel/Motel Tax	9,200,000	9,200,000	0	0.0%	1.8%
Bank Franchise Tax	3,000,000	5,000,000	2,000,000	66.7%	1.0%
Other Local Taxes	5,790,000	5,790,000	0	0.0%	1.2%
Total Local Tax Revenue	\$ 524,115,000	\$ 503,015,000	\$ (21,100,000)	(4.0%)	100.0%

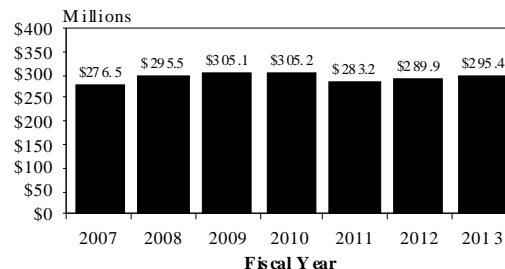
*Electric Only

The majority, 76.7 percent, of the \$503.0 million in Local Tax revenues is derived from Real and Personal Property Tax revenues (including delinquent collections), which are estimated to generate approximately \$389.0 million or 47.7 percent of total General Fund revenue. Local Sales Tax revenue decreased \$2,600,000, or 4.6 percent in FY2011 and makes up 10.8 percent of Local Tax revenue. Business & Professional License (BPOL) Tax revenue is projected to remain level at \$30.6 million in FY2011. The County’s BPOL taxpayers are exempt from paying taxes on the first \$100,000 in gross receipts and all payers pay BPOL taxes at the maximum tax rate of \$0.20/\$100 after the first \$100,000 of gross receipts.

The Motor Vehicle License Tax revenue is projected to remain steady at \$6.3 million in FY2011. The Consumer Utility Tax revenue (electric only) estimate of \$2.6 remained flat for FY2011. Revenue from the 8.0 percent Hotel/Motel Tax is anticipated to remain level at \$9.2 million in FY2011. These funds will be paid to the Richmond Convention Center during FY2011. The Convention Center will return \$2.3 million (a fourth of the 8.0 percent levy) to the County at the end of FY2011. The assumptions used when preparing the FY2011 – FY2013 revenue estimates for each of these taxes are described in greater detail in the following pages.

Real Property Taxes are estimated to generate almost \$283.2 million or 34.7 percent of the County’s total General Fund revenue in FY2011. This is a decrease of \$22.0 million or 7.2 percent over the current fiscal year. Included within this total is revenue derived from current real estate taxes and real estate taxes paid by public service corporations. The FY2011 budget is balanced within the tax rate of \$0.87 per \$100 of assessed value for CY2010.

Real Property Tax Revenues



Fiscal Years 2010 through 2013 are estimated.

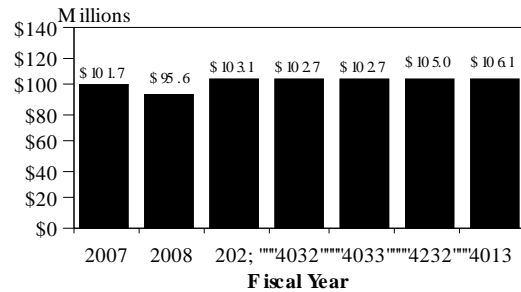
Assessment information for January 2010 indicates real estate assessments total \$32.0 billion, reflecting a decline of \$2.7 billion or 7.8 percent from the January 2009 assessed values, and reflects the first year-over-year decline in real estate valuation since 1942. The commercial percentage of the tax base equated to 29.4 percent in January 2010. The commercial ratio decreased from January 2009, mostly due to declines in commercial real estate values because of the increasing amount of

vacant office space in the County. Residential real estate valuation declined by \$1.3 million or 5.5 percent. Real estate valuations have been impacted by the economic downturn and are indicative of current market conditions.

Out year projections on movements in countywide assessments are based on a forecast model factoring in changes in both residential and commercial values as well as the addition of new residential and commercial construction. The FY2012 and FY2013, projections assume increases to the County's real property tax collections of 2.4 and 1.9 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. Businesses 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; \$1.00 per \$100 of assessed value for machinery and tools; \$1.60 per \$100 of assessed value on airplanes; and \$1.00 per \$100 of assessed value for one vehicle for rescue squad volunteers. Also included are Personal Property Tax rates of \$0.40 per \$100 of assessed value for machinery and tools used in Semiconductor Manufacturing; and \$0.01 per \$100 of assessed value for tangible personal property owned by disabled veterans and vehicles equipped for the physically handicapped.

Personal Property Tax



Fiscal Years 2010 through 2013 are estimated.
 FY2007 Personal Property Tax revenue was \$101.7 million.
 FY2008 Personal Property Tax revenue was \$95.6 million.
 FY2009 Personal Property Tax revenue was \$103.1 million.
 FY2010 Personal Property Tax revenue was \$102.7 million.
 FY2011 Personal Property Tax revenue was \$102.7 million.
 FY2012 Personal Property Tax revenue was \$105.0 million.
 FY2013 Personal Property Tax revenue was \$106.1 million.

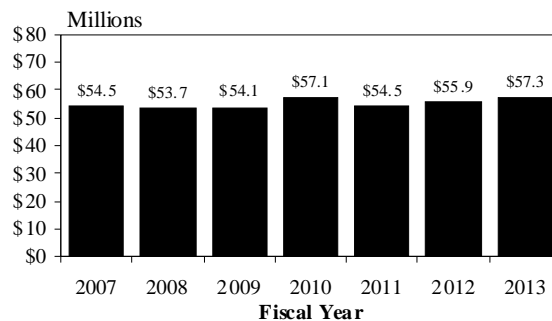
FY2010 marks the twelfth year of the Personal Property Tax Relief Act (PPTRA) enacted by the General Assembly in 1998, although actual reimbursements to localities were capped by the State in the 2004 legislative session. Due to the State payment cap the amount of tax relief will vary by year and locality. 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 CY2010 tax levy. For qualifying individual vehicles assessed between \$1,001 and \$20,000, the State will pay Henrico County 65.0 percent of the CY2010 tax levy. With qualifying individual vehicles valued at \$20,001 or more, the State will pay Henrico County 65.0 percent of the CY2010 tax levy for the first \$20,000 of value only. The PPTRA payments from the State are included in the projections for FY2011 through FY2013. 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 \$102.7 million for FY2011. This represents 12.6 percent of total General Fund revenue. This revenue includes taxes from current personal property and taxes on personal property owned by public service corporations. Projections for Personal Property Tax receipts anticipate a 2.2 percent increase for FY2012 and a 1.0 percent increase in FY2013.

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. Virginia's Sales Tax rate was increased to 5.0 percent during FY2005. The Virginia General Assembly approved the increase in May 2004 and dedicated the proceeds to local education. With the increase the State will retain 4.0 percent and return

Local Sales Tax



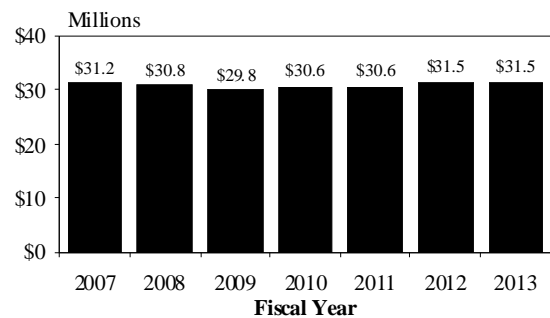
Fiscal Years 2010 through 2013 are estimated.

1.0 percent as unrestricted revenue to the locality where the funds were collected (localities also receive a blended 1.25 percent back from the State for local education – see the discussion on State Revenues). Local Sales Tax revenue is projected to generate \$54.5 million in FY2011, a decrease of \$2,600,000, or 4.6 percent from the current fiscal year budget. Projections for FY2012 and FY2013 are increasing by 2.5 percent.

Henrico County’s retailers continue to lead the Richmond Metropolitan Area in the generation of Local Sales Tax revenue. As of April 2010, Henrico County is recording 40.4 percent of the Local Sales Tax dollars redistributed to localities in the Richmond Metropolitan Area by the State.

Business & Professional License (BPOL) Taxes are levied on businesses operating in the County. In January 1996, Henrico County embarked on the most ambitious BPOL tax reduction strategy in Virginia in an effort to continue to attract economic development to the County. This strategy, completed with the FY2000 Annual Fiscal Plan, resulted in the exemption of the first \$100,000 of gross receipts for County businesses. This exemption is different from the “threshold” tax reduction in other Virginia localities. For Henrico County businesses, the first \$100,000 of gross receipts is exempt from the BPOL tax – regardless of total gross receipts. In a “threshold” locality, if a business exceeds \$100,000 in gross receipts, all gross receipts are taxable as the tax reduction only applies to businesses with total gross receipts below the \$100,000 threshold. In addition, the FY2011 budget maintains a maximum uniform BPOL tax rate of \$0.20/\$100 of gross receipts for all business categories.

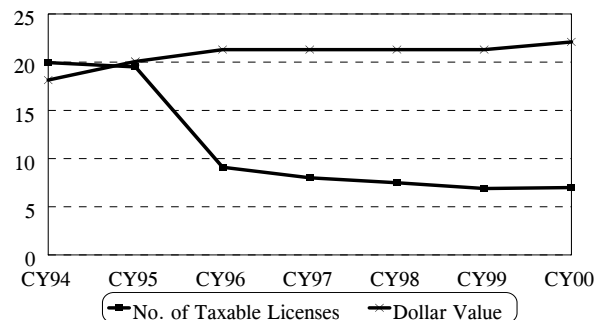
Business and Professional License Tax



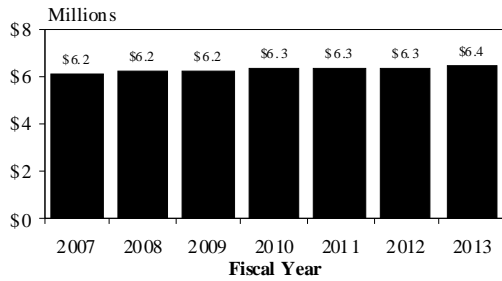
Fiscal Years 2010 through 2013 are estimated.

The graph to the right depicts the success of Henrico’s BPOL tax reduction program. The success is apparent by comparing the change in the number of *taxable* business licenses issued in calendar year 2000 and those issued in calendar year 1995 (the year before the tax reduction was implemented). All County businesses must hold a valid business license, but that license may or may not be taxable. The BPOL tax reduction was implemented in phases and was initiated in January 1996, when the Board of Supervisors implemented a standard exemption for the first \$25,000 of gross receipts earned by County businesses. In January 1997, the earnings exemption was increased to the first \$50,000 of gross receipts. The FY1998 budget continued the rate rollback and the gross receipts exemption was increased to the first \$75,000 earned by County businesses. The FY1999 budget raised the gross receipts exemption amount to \$100,000 and continued the rate rollback. The FY2000 budget completed the rate rollback at the maximum uniform rate of \$.20/\$100 of gross receipts for all business categories. A category change was implemented in FY2002, when utility companies discontinued paying BPOL taxes, and began paying a Local Consumption Tax, which is based on actual usage of electricity. This change was initiated by the State due to the forthcoming deregulation of the utility industry in Virginia. The FY2011 forecast assumes BPOL tax receipts will remain level at \$30.6 million. The FY2012 prediction assumes an increase of 2.9 percent.

BPOL Tax No. of Taxable Licenses v. Dollar Value



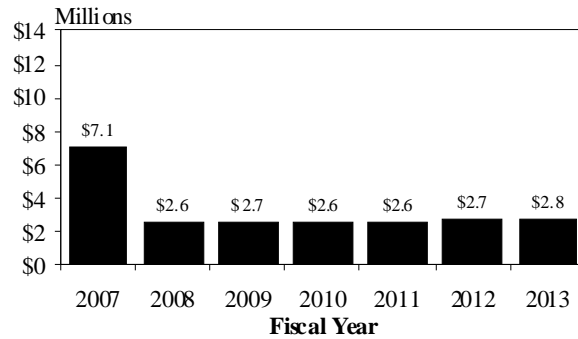
Motor Vehicle License Tax



Fiscal Years 2010 through 2013 are estimated.

Motor Vehicle License Taxes are collected for every motor vehicle or trailer normally garaged, stored or parked in the County. The FY2011 revenue estimate remained the same as the FY2010 estimate at \$6.3 million. The projection for FY2012 remains constant at \$6.3 million, while, the projection for FY2013 increases to \$6.4 million.

Consumer Utility Tax

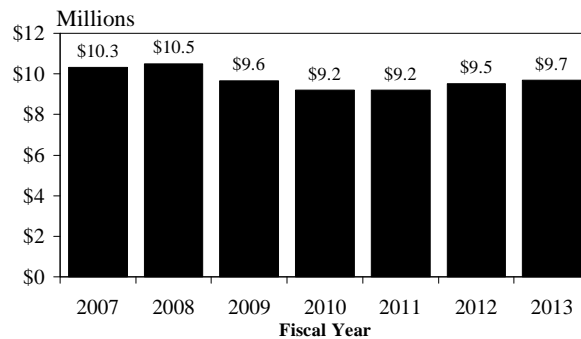


Fiscal Years 2010 through 2013 are estimated.

Consumer Utility Taxes are estimated at \$2.6 million in FY2011. 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 affect January 1, 2007, is projected to total \$14.5 million in FY2011.

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. Historically, Henrico County levied a 2.0 percent Hotel/Motel Tax, with proceeds utilized to offset local tourism expenditures. However, in FY1997, the Virginia General Assembly authorized an additional 4.0 percent levy of the Hotel/Motel Tax. The additional 4.0 percent levy represents a regional effort by the Counties of Chesterfield, Hanover, Henrico and the City of Richmond to finance the expansion of the Richmond Convention Center.

Hotel/Motel Tax



Fiscal Years 2010 through 2013 are estimated.

In the 1998 Legislative Session, the Virginia General Assembly authorized an additional 2.0 percent levy in the Hotel/Motel Tax (bringing the entire levy to 8.0 percent) and earmarked the additional 2.0 percent levy for the

Richmond Convention Center. FY2011 revenue estimates for the Hotel/Motel Tax total \$9.2 million. In FY2011, the entire 8.0 percent levy will be transferred to the Richmond Convention Center Authority. At the end of the fiscal year, Henrico County's local 2.0 percent component for tourism expenses will be returned from the Authority. FY2012 and FY2013 projections assume annual increases of 3.3 and 2.1 percent, respectively.

Bank Franchise Taxes are derived from the taxation of net capital on banks located in the County. In FY2011, Bank Franchise Taxes are estimated at \$5.0 million. Bank Franchise tax revenue is projected to remain constant in FY2012 and FY2013 at \$5,000,000.

Other Local Taxes includes funds received for grantor's taxes, recordation taxes, daily rental tax, and the consumption tax. In total \$5.8 million is budgeted in FY2011, while the projections for FY2012 and FY2013 are anticipated to be \$5.9 million.

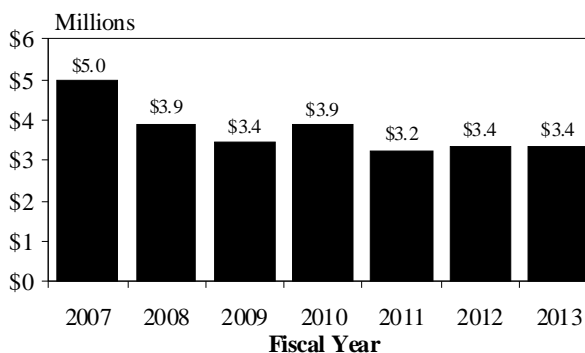
Other Local Revenue:

Other Local Revenue is estimated to generate \$25.7 million in FY2011. This is a \$21,500 or 2.1 percent increase from FY2010. More detailed information on each of these categories of local revenue is included in the pages that follow.

Other Local Revenue	FY 2010 Approved	FY 2011 Approved	Increase (Decrease)	Percent Change
Permits, Fees and Licenses	\$ 3,859,200	\$ 3,239,200	\$ (620,000)	(16.1%)
Fines and Forfeitures	2,315,000	2,315,000	0	0.0%
Use of Money and Property	8,703,900	9,734,400	1,030,500	11.8%
Charges for Services	3,393,200	3,554,200	161,000	4.7%
Miscellaneous	6,966,500	6,916,500	(50,000)	(0.7%)
Total Other Local Revenue	\$ 25,237,800	\$ 25,759,300	\$ 521,500	2.1%

Permits, Fees, and Licenses

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 \$3.2 million in FY2011, which is a \$620,000 decrease when compared to the current fiscal year.



Fiscal Years 2010 through 2013 are estimated.

Building Permit Fees, which is an elastic revenue, accounts for more than 61.7 percent of this revenue category. In FY2011, Building Permit Fees are anticipated to decrease \$650,000. The projection for this revenue continues the assumption that this revenue source will be below the historical highs that were seen in FY2005, FY2006, and FY2007 due to the continuing lack of new construction because of economic conditions.

Information through the second quarter of FY2010 indicates a decrease in the total value of permits issued as compared to the first two quarters of FY2009. Residential permit values decreased \$26.3 million, non-residential permit values decreased \$21.5 million, and additions/alterations decreased \$39.2 million.

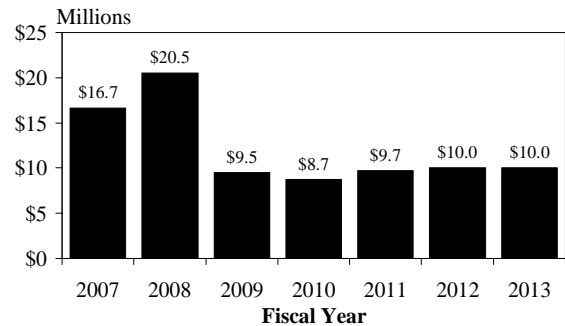
Looking back, residential building permit values in FY2009 totaled \$116.6 million, \$271.0 in FY2008 and \$294.1 in FY2007. The number of new single-family building permits issued in FY2009 was 622, 1,140 in FY2008 and

1,357 in FY2007. In FY2009, the total value of these permits decreased \$154.4 million or 57.0 percent compared to FY2008. The number of building permits and the total value of these permits have decreased significantly over the past two years due to the slow down in the construction industry. The forecasts for Permits, Fees and License revenues is \$3.4 million in FY2012 and FY2013.

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 \$2.3 million in FY2011. Total projections in Fines and Forfeitures revenue category is \$2.4 million for FY2012 and FY2013.

Use of Money and Property is estimated to generate \$9.7 million in FY2011. 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 increase to \$10.0 million in FY2012 and remain at that level in FY2013.

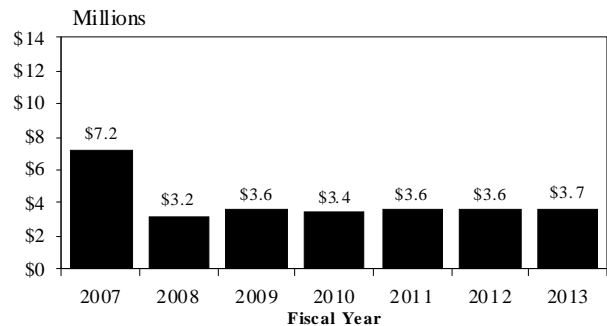
Use of Money and Property



Fiscal Years 2010 through 2013 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 \$3.55 million in FY2011. Prior to FY2008 this revenue category also included the E-911 Service Charge which was replaced by the State Communication Sales and Use Tax (HB#568), and the payment-in-lieu of taxes from the Water and Sewer Enterprise Fund, which was eliminated in an effort to limit the increase of water and sewer rates. This revenue category is projected to increase to \$3.60 million in FY2012 and to \$3.65 million in FY2013.

Charges for Services

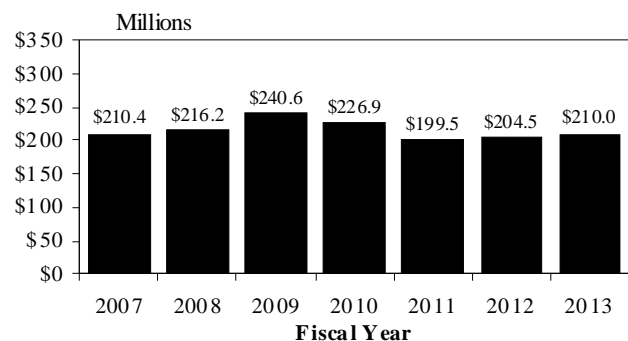


Fiscal Years 2010 through 2013 are estimated.

State and Federal Revenue:

State and Federal revenue is estimated at \$286.2 million in FY2011, which represents 35.1 percent of total General Fund revenue. This is a projected decrease of approximately 9.8 percent over the current fiscal year. This category is comprised of revenue for General Government programs totaling \$86.7 million and Education funding in the amount of almost \$199.5 million. Following is a look at the components.

State and Federal Aid to Education



Fiscal Years 2010 through 2013 are estimated.

State and Federal Aid to Education is estimated to decrease from \$226.9 million in FY2010 to 199.5 million in FY2011. This is a decrease of \$27.4 million or 12.1 percent. Due to continued economic uncertainty,

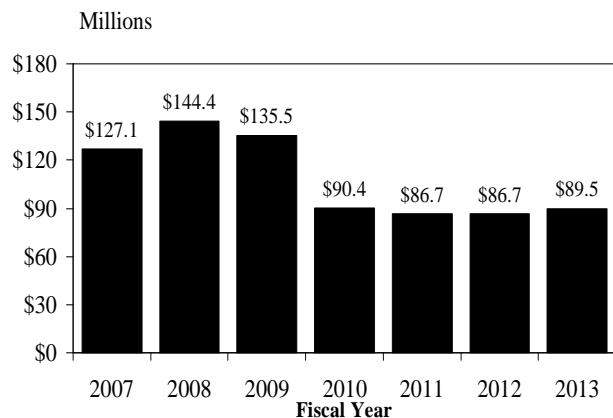
this projection assumes a small increase in FY2012 of 2.5 percent, and a slightly larger increase of 2.7 percent in FY2013.

Beginning in FY1999, The State began allocating the State Lottery proceeds for local Education as a source of revenue for Education Capital Projects or for the payment of debt service. Henrico chose to allocate the State Lottery funds for pay-as-you-go capital projects. Due to the significant shortfalls in State revenue collections, beginning with FY2010, the allocation of State Lottery proceeds for capital was eliminated as these lottery proceeds have been reallocated by the State to the operating portion of the budget.

Federal reimbursements for Education comprise 4.4 percent of this revenue category. As such, they have a minimal impact on the level of total appropriations. In FY2011, Federal funding for Education totals \$475,000. The FY2012 and FY2013 projections are based on Federal revenue remaining at \$475,000.

State and Federal Aid to General Government is estimated at \$86.7 million in FY2011. This represents a decrease of approximately \$3.7 million or 4.1 percent when compared to the FY2010 budget. General Government programs for which Henrico County receives State and Federal funding include police, street and highway maintenance, social services, 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 FY2010 through FY2013, due to the State not fully implementing the PPTRA (see Personal Property Taxes section). As such the budget for personal property tax is in one central location. It must be noted that the budget adopted by the Virginia General Assembly in May 2004 froze the PPTRA reimbursement to localities. The future payment to localities will equal the actual FY2005 payment.

State and Federal Aid to General Gov't.



Fiscal Years 2010 through 2013 are estimated. PPTRA payments are reflected in the FY2006-FY2008 totals. Current and future year projections include the estimate for personal property in one central location (local revenue).

Henrico's payment under the State cap is \$37.0 million. As such, over time, the reimbursement from the State will remain flat, while the local component (paid by the County taxpayers) will increase. The projected decrease in State Aid to General Government programs is based on state revenue shortfalls and assumes the elimination of the construction component of the State Gas Tax allocation that Henrico receives for street and highway construction. Henrico is projected to receive of \$28.7 million for road maintenance in FY2011. State and Federal Aid to General Government is estimated to remain level at \$86.7 million in FY2012 and increase slightly to \$89.5 million in FY2013.

Expenditures

Assumptions

In the course of developing the FY2011 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 CY2010. These decisions were reached after careful review and planning by the Board of Supervisors. This planning reaches beyond FY2011 and is intended to establish a balance between the County's recurring revenues and expenditures in future years. The FY2011 General Fund Budget of \$741.1 million represents a decrease of \$31.1 million or 4.0 percent, which is discussed below and in greater detail in the County Manager's Budget Message and respective department narratives.

Despite the budget reduction, this budget meets all fixed costs and maintains all current service levels. Additionally, \$10.7 million is provided in the Education budget for the opening of the Holman Middle School and for the 9th and 10th grades at Glen Allen High School. It also continues to provide Real Estate Tax Relief for

qualifying senior and permanently disabled citizens, meets the accounting requirements for post-employment benefits besides pensions required by GASB-45, and meets all of the County's debt service obligations.

Education is the top priority of the Board of Supervisors. In FY2011, the Education budget represents 54.3 percent of General Fund expenditures. General Fund Education expenditures total \$402.4 million in the Annual Fiscal Plan, which represents a decrease of \$21.8 million, or 5.1 percent. Of the total expenditures in Education, 50.4 percent are funded with locally generated revenues and 49.6 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).

A portion of the decrease in General Fund Education expenditures can be attributed to increasing the average pupil-teacher-ratio (PTR) by 0.75. To achieve this PTR level, Education is eliminating approximately 123 positions that are either vacant or will become vacant through attrition. Education will also receive significant savings in their Virginia Retirement Costs (VRS) in FY2011 due to the reduced retirement rates the General Assembly adopted.

For General Government, the total for the FY2011 Annual Fiscal Plan is \$338.7 million, a decrease of \$9.3 million, or 2.7 percent. The decrease in the budget was achieved through the elimination of 67 vacant positions (including all funds a total of 101 vacant General Government positions were eliminated), budgeting for anticipated turnover and reductions in operating and capital expenditures for all General Government departments. However, the FY2011 budget for General Government has twelve new positions in the General Fund, which are associated with new facilities. Ten of these positions are for the opening of the new Eastern Area Recreation Center and two School Resource Officers positions (SRO's) have been added for the opening of Holman Middle School and Glen Allen High School.

General Fund expenditures, *prior to transfers*, are forecasted to grow by 1.4 percent in FY2012 and 1.2 percent in FY2013. The proposed levels of operational funding allows for the continuation of existing service levels as well as new operating costs associated with projects approved in the March 2005 Bond Referendum. Due to current economic conditions, the growth in expenditures is not anticipated to achieve the five percent maximum during the projection period. As previously mentioned, the projected decrease of 4.0 percent in FY2011 includes \$10.7 million for estimated operating expenditures associated with new facilities for Education and \$900,000 for General Government approved on the March 2005 Bond Referendum. The total anticipated increase of 1.4 percent in FY2012 includes \$8.8 million for estimated operating expenditures associated with projects approved in the March 2005 Bond Referendum for Education and \$1.8 million for General Government projects.

The FY2011 Capital Budget totals \$123.5 million. The five-year Capital Improvement Program for FY2011 through FY2015 includes requests that are almost \$2.1 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 \$123.5 million FY2011 Capital Budget, \$36.6 million is for Water and Sewer projects. Water and Sewer projects are funded by revenues from water and sewer user and connection fees. The remaining balance of \$86.9 million within the FY2011 Capital Budget has been approved for Education and County General Fund supported departments. General Obligation Bonds will fund \$77.4 million in projects with \$65.6 million designated for projects approved on the March 2005 Bond Referendum for Education and \$11.8 million designated for the following General Government department projects: Fire Station #19, Varina Area Library and the North Gayton Road Extension.

As a means of ensuring the County does not rely too heavily on debt financing for required infrastructure improvements, the FY2011 Annual Fiscal Plan includes \$8.6 million in pay-as-you-go funding. In the area of Education, \$2.5 million is included for roof replacements and mechanical improvements. The remaining \$6.1 million has been allocated for General Government projects in a variety of ways: \$650,000 for technology upgrade projects; \$3,002,509 for the replacement of the Human Services Building HVAC system; \$300,000 to continue implementing and updating the Geographic Information System; and \$2.2 million will go towards a variety of other projects, such as improvements and rehabilitations of park facilities, mechanical improvements, roof replacement, pavement rehabilitation and building maintenance area safety improvements. Also General

Fund revenue from a portion of the Motor Vehicle License Fees totaling \$850,000 is designated for various road improvement projects.

(To) From General Fund Balance is the amount added to or taken from the General Fund Balance based on budgetary needs. This forecast assumes expenditures for FY2011 will use \$5.0 million from ending FY2010 undesignated fund balance. The use of undesignated fund balance is for capital projects including \$2.5 million for Education capital improvements including roof replacements and HVAC improvements as well as various General Government capital improvements totaling \$2.5 million. The General Government projects include roof replacements, mechanical improvements, pavement rehabilitation, recreation facility rehabilitation, and continued funding for the Geographic Information System, as well as other projects.

To (From) Debt Service Fund represents the forecast of General Fund support to the Debt Service Fund. The debt service levels through FY2011 are calculated on existing and projected debt service requirements. The forecast period is based on projected debt service costs arising from the \$237.0 million General Obligation (GO) Bond Referendum approved by the voters in November 2000 and projected debt service on the \$349.3 million General Obligation (GO) Bond Referendum approved by the voters in March 2005. The debt from the November 2000 Referendum was issued over a seven-year period from FY2001 to FY2007. The debt from the March 2005 Referendum was also planned to be issued over a seven-year period from FY2006 to FY2012. However due to the recession the planned GO Bond issue for FY2010 was delayed one year to FY2011. Thus the projected GO Bond issues for the next three years are \$77.4 million in FY2011, \$33.3 million in FY2012, and \$35.7 million in FY2013.

To (From) Capital Projects is projected at \$9.4 million in FY2011, of which, \$8.6 million is targeted for General Fund (pay-as-you-go) support for capital improvement projects – as mentioned above. Projections for FY2012 and FY2013 are for transfers of \$5.8 million each year. In each of these years, the County anticipates allocating \$5.0 million for funding of routine capital projects such as roof repairs, pavement rehabilitation and mechanical improvements. The FY2006 Approved Budget established a ceiling for the County's undesignated fund balance of 18.0 percent and once this balance is reached additional reserves will be allocated to a Capital Reserve and used for pay-as-you-go capital projects. In FY2011, this amount equals \$3.6 million. However FY2012 and FY2013 do not project an allocation from the Capital Reserve as this is based on actual results of operations. Also included for road projects is \$850,000 of Motor Vehicle License Fees in each fiscal year of the projection period.

To (From) Internal Services Fund is a transfer to purchase new vehicles. There is no transfer recommended for FY2011. Also the forecast for FY2012 and FY2013 do not anticipate transfers to Central Automotive Maintenance (CAM) to purchase new vehicles for the County's fleet.

To (From) Technology Replacement Fund is a transfer to purchase new equipment that will be added to the Technology Replacement Fund. There is no transfer recommended for FY2011 and none anticipated for FY2012 and FY2013. Once new equipment is added to the technology replacement program, the cost to replace the equipment in the future comes from Technology Replacement Fund reserves.

To (From) Risk Management Fund is the transfer of funds to support risk management operations. The fund was established in FY2005. The FY2011 transfer is for \$4.4 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 FY2012 and FY2013 is estimated at \$4.5 million per year.

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 Area Training Consortium (CATC), the Community Corrections Services Program, the Comprehensive Services Act (CSA), 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 \$23.4 million in FY2011. The

projections over the forecast period are \$23.8 million in FY2012 and \$24.3 million in FY2013, and were determined after analyzing all of the individual components of the Special Revenue Fund.

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 FY2011 estimate of these costs is \$800,000 in FY2012 and FY2013.

To (From) 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. Henrico's role as fiscal agent eliminates the need for the Commission to duplicate various administrative functions related to personnel matters, procurement and accounting activities and budget responsibilities. 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 \$3.2 million for FY2011; \$3.3 million in FY2012 and \$3.4 million in FY2013.

(To) Designated Fund Balance – State Revenues represents the allocation of State revenues designated to cover cost increases in voter approved Education projects. \$5.0 million was budgeted in FY2009, which was a one time allocation.

(To) From OPEB - GASB 45 represents the anticipated funding for the significant cost that arose from a new 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 FY2011, FY2012, and FY2013 are \$3.0 million each year, which is anticipated to fully fund Henrico's obligation in this area.

(To) From Revenue Stabilization 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 Revenue Stabilization 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 FY2011, a forecasted uses of \$11.5 million is anticipated, \$10.6 million is anticipated to be allocated from this reserve in FY2012, and \$9.0 million is anticipated for FY2013.

Ending General Fund Balance represents reserves not appropriated for expenditure, including the designated and undesignated balances.

General Fund Forecast

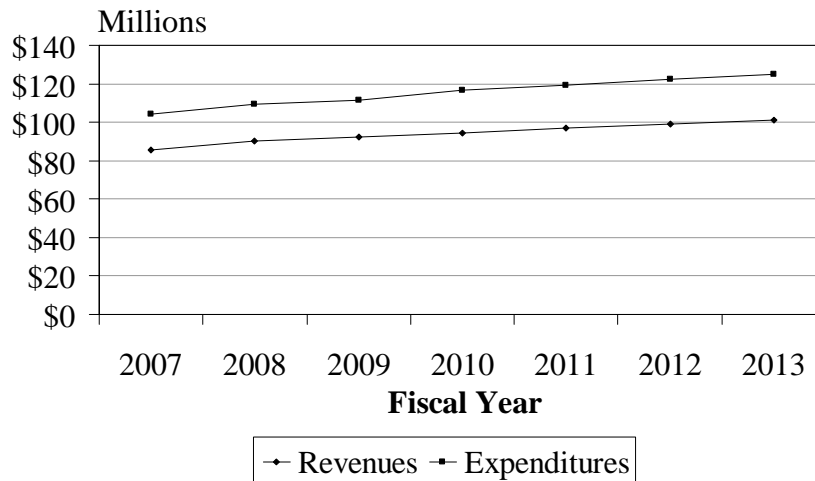
	FY07-08 Actual	FY08-09 Original	FY09-10 Forecast	FY10-11 Forecast	FY11-12 Forecast
Revenues:					
Current Real Estate Tax	\$ 288,052,710	\$ 290,945,000	\$ 297,890,000	\$ 299,379,450	\$ 313,644,449
P.S. Real Estate Tax	7,405,714	7,000,000	7,300,000	7,300,000	7,519,000
Current Personal Prop. Tax (1)	68,668,976	100,981,400	102,600,000	104,652,000	109,361,340
P.S. Personal Property Tax	119,665	165,000	130,000	130,000	130,000
Other General Property Tax	4,124,284	1,280,000	1,580,000	1,817,000	1,907,850
Local Sales Tax	53,742,210	56,000,000	57,100,000	58,055,068	60,667,546
Business License Tax	30,847,775	29,000,000	30,600,000	31,212,000	32,304,420
Motor Vehicle License Tax	6,234,901	6,325,000	6,325,000	6,325,000	6,546,375
Consumer Utility Tax	2,590,251	2,450,000	2,600,000	2,600,000	2,691,000
Bank Franchise Tax	11,113,801	2,000,000	3,000,000	3,000,000	3,120,000
Hotel/Motel Tax	10,489,235	8,365,600	9,200,000	9,660,000	10,143,000
Other Local Taxes	7,777,728	5,790,000	5,790,000	5,905,800	6,201,090
Local Taxes Sub-Total	491,167,250	510,302,000	524,115,000	530,036,318	554,236,070
Permits, Fees, & Licenses	4,325,128	3,905,600	3,859,200	3,936,384	4,172,567
Fines & Forfeitures	3,004,587	2,622,900	2,727,900	2,782,458	2,921,581
Use of Money & Property	20,539,577	8,533,200	8,533,200	8,874,528	9,207,323
Charges for Services	3,230,229	3,171,300	3,176,800	3,176,800	3,272,104
Miscellaneous Revenue	9,767,174	6,681,900	6,940,700	7,079,514	7,433,490
Total Local Revenue	532,033,945	535,216,900	549,352,800	555,886,002	581,243,135
State & Federal-Schools	216,196,407	239,569,000	226,901,000	233,708,030	247,730,512
State & Federal-General Government (1)	144,404,683	95,217,873	90,394,700	91,298,647	95,817,930
Total State & Fed. Revenue	360,601,090	334,786,873	317,295,700	325,006,677	343,548,442
Total Revenue	892,635,035	870,003,773	866,648,500	880,892,679	924,791,577
 (1) PPTRA Car Tax Reimbursements are reflected as State Aid, although budget estimates do not break out PPTRA Reimbursements from Current Personal Property Tax estimates. FY08 actual = \$37,001,783. Forecast period FY10 thru FY12 equal \$37,000,000.					
Transfers:					
(To) From Fund Balance	(45,374,187)	5,000,000	5,000,000	5,000,000	5,000,000
(To) From Debt Service Fund	(51,678,821)	(53,773,253)	(55,782,472)	(56,286,287)	(59,374,564)
(To) From Capital Projects Fund	(35,598,369)	(30,140,180)	(15,000,000)	(5,850,000)	(5,850,000)
(To) From Internal Services Fund	(135,500)	-	-	-	-
(To) From Health Care Fund	(1,149,644)	-	-	-	-
(To) From Risk Management Fund	(9,215,632)	(4,099,771)	(4,361,686)	(4,448,920)	(4,537,898)
(To) From Special Revenue Fund	(20,429,055)	(22,863,994)	(23,235,305)	(23,700,011)	(24,648,012)
(To) From Enterprise Fund	(2,836,762)	(1,852,587)	(1,609,569)	(1,869,108)	(1,876,026)
(To) From JRJDC Agency Fund	(3,164,700)	(3,285,493)	(3,359,898)	(3,359,983)	(3,439,823)
(To) From Capital Reserve	8,888,700	15,000,000	9,150,000	-	-
(To) Designated Fund Balance - State Revenues	-	(5,000,000)	-	-	-
(To) From OPEB - GASB 45	(6,400,000)	(6,725,000)	(6,000,000)	(6,000,000)	(6,000,000)
(To) From Revenue Stabilization	2,722,657	3,381,962	750,000	4,029,174	-
Total Transfers	(164,371,313)	(104,358,316)	(94,448,930)	(92,485,135)	(100,726,323)
Total Resources	\$ 728,263,722	\$ 765,645,457	\$ 772,199,570	\$ 788,407,544	\$ 824,065,254
Expenditures:					
General Government Administration	\$ 54,809,182	\$ 60,945,160	\$ 59,366,920	\$ 59,366,920	\$ 61,147,928
Judicial Administration	7,619,824	8,206,133	8,311,621	8,311,621	8,560,970
Public Safety	150,601,905	155,057,267	157,800,222	158,397,923	165,699,715
Public Works	34,121,936	35,919,540	35,935,899	35,935,899	37,013,976
Health & Social Services	23,392,327	20,365,471	20,439,876	20,439,876	21,053,072
Education	394,607,776	421,296,863	424,250,000	438,713,383	460,720,991
Recreation & Culture	30,340,025	32,871,941	33,169,410	34,316,300	35,955,212
Community Development	21,636,073	19,767,580	20,668,681	20,668,681	21,288,741
Miscellaneous	11,134,674	11,215,502	12,256,941	12,256,941	12,624,649
Total Expenditures	\$ 728,263,722	\$ 765,645,457	\$ 772,199,570	\$ 788,407,544	\$ 824,065,254
Fund Balance:					
Reserved (*)	8,264,511	10,112,500	9,200,000	9,400,000	9,600,000
Designated (**)	98,598,757	83,198,076	73,298,076	74,268,902	79,268,902
Undesignated Fund Balance	132,844,459	138,536,301	138,995,923	141,913,358	148,331,746
Total Fund Balance	239,707,727	231,846,877	221,493,999	225,582,260	237,200,648

* 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

*** With the establishment in the FY2006 approved Annual Fiscal Plan of an undesignated fund balance ceiling at 18%, the changes to undesignated fund balance in the projections reflect necessary addition to maintain the 18% ceiling.

Three Year Forecast Revenues and Expenditures Special Revenue Fund



Fiscal Years 2010 through 2013 are estimated. Revenues exclude transfers from other funds.

SPECIAL REVENUE FUND

(Fund 11)

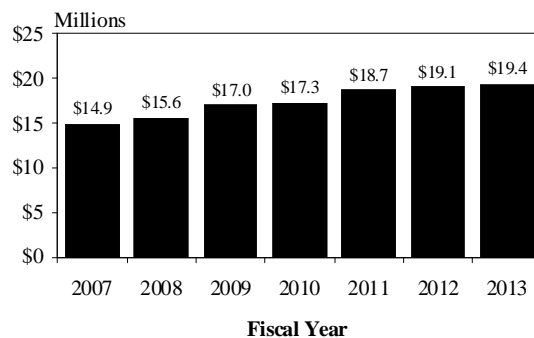
The Special Revenue Fund accounts for proceeds from revenue sources that legally restrict expenditures to specified purposes. Henrico County's Special Revenue Fund includes the Department of Public Utilities' Solid Waste and Street Lighting operations; Public Works' Watershed and Best Management Practices programs; Schools' Cafeteria Programs; Mental Health; 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 FY2011 is \$119,333,547, an increase of \$2,642,944 or 2.3 percent, over the current fiscal year. Projected resources and requirement for FY2012 and FY2013 are included in the pages that follow.

Revenues

Assumptions

School Cafeteria revenues support the operations of all County public school cafeterias. Funding is received from specific State and Federal governments grant programs as well as revenues generated by the school lunch program. Receipts for FY2011 are estimated at \$18,685,275 compared to \$17,323,258 in FY2010. The increase is based on an increase in anticipated revenues from the federal government and an expected enrollment increase of 115 students in the Henrico school system next fiscal year. FY2012 and FY2013 revenue estimates of \$19,058,981 and \$19,440,160 respectively reflect projected increases of 2.0 percent, which are based on anticipated growth in pupil enrollment and cafeteria operations.

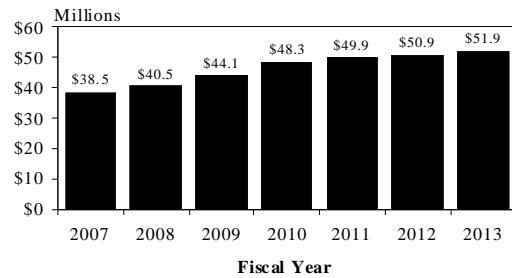
School Cafeteria Revenue



Fiscal Years 2010 through 2013 are estimated.

State, Federal and Other Grants revenue funds various programs, principally those related to Education, the Capital Area Training Consortium (CATC), the Community Corrections Services Program, the Community Development Block Grant (CDBG), the Comprehensive Services Act (CSA), and the Virginia Juvenile Community Crime Control Act (VJCCCA). Grant funding, for FY2011, totals \$49,877,573. In the event additional grant funding is received during the fiscal year, the County will recognize the revenue only after official notification has been received from the State or Federal government, and approval has been obtained in the form of a budget amendment from the Board of Supervisors.

State, Federal, and Other Grant Revenue

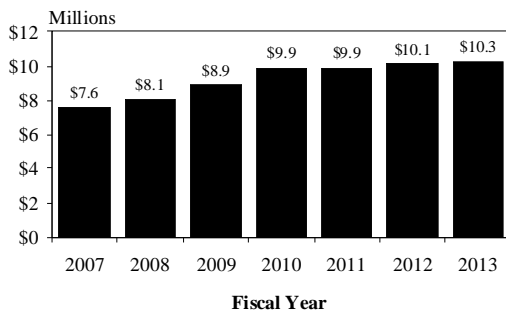


Fiscal Years 2010 through 2013 are estimated. Revenues do not include transfers from other funds.

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

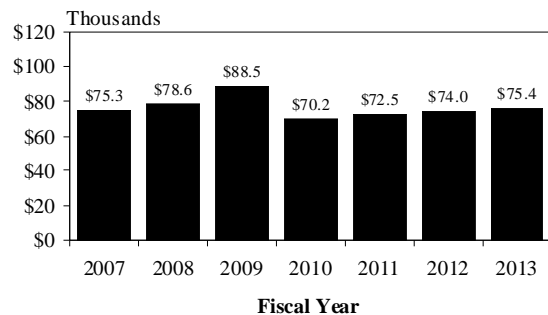
In FY2011, the \$30 bi-monthly refuse collection fee and the bulky waste collection fee of \$43 per trip are forecasted to remain unchanged. The forecasts for FY2012 and FY2013 reflect annual increases in revenues of 2.0 percent.

Solid Waste Revenue



Fiscal Years 2010 through 2013 are estimated. Revenues do not include transfers from other funds.

Street Lighting Revenue



Fiscal Years 2010 through 2013 are estimated.

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 County, Charles City County, and New Kent County. The Mental Health budget for FY2011 is \$32,014,819 including the General Fund contribution of \$14,572,670, State revenues of \$6,196,508, federal revenues of \$1,904,184, fee revenues of \$9,001,057, and \$340,400 of contract revenues from Sheltered Employment. A 2.0 percent increase in Mental Health revenues is projected for both FY2012 and FY2013. The forecast is based on anticipated increases in State and Federal grant funding. Additionally, in FY2005 MH/DS/SA began receiving additional funding through State and Federal Aid programs including the Reinvestment Program, an increase in community care funds from the State, and growth in the level of funding received through the Part C Grant program. It is expected that these funding sources should continue in the future.

The Police Metro Aviation Unit is a regional multi-jurisdictional effort that includes the City of Richmond, Chesterfield and Henrico counties. Each locality will contribute \$135,561 in FY2011, \$138,272 in FY2012, and \$141,038 in FY2013 based upon 2.0 percent increases in FY2012 and FY2013. It is anticipated that The State Supreme Court will reimburse the Metro Aviation Unit \$55,000 for costs incurred to extradite prisoners in each year of the forecast period.

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 FY2011, the transfer of \$23,361,772 includes the County's contribution of \$1,540,419 to fund the State Community Corrections Programs, the Capital Area Training Consortium (CATC), the Special Drug Prosecutor, the Virginia Juvenile Community Crime Control Act (VJCCCA) and the State Victim/Witness Program; \$135,561 for Henrico County's portion of the regional Police Metro Aviation Unit; \$3,064,001 in support of Solid Waste programs; \$4,049,121 in local support of the Comprehensive Services Act (CSA); and \$14,572,670 for Mental Health. The total transfer from the General Fund is projected to increase to \$23,829,007 in FY2012 and \$24,305,588 in FY2013.

(To) From School Cafeteria Fund Balance is a reserve, which has accumulated over time from the operation of the school cafeterias. The School Board's practice in the past 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. Occasionally, operational costs exceed revenues and a use of reserves is required.

(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. The forecast for FY2012 and FY2013 reflects an increase in the Solid Waste Fund Balance as a result of revenues exceeding expenditures.

(To) From Street Light Fund Balance represents an accumulation of funds from street light related services. It is the County's practice to ensure street light charges are sufficient to cover operating expenditures, and subsequently limit the use of the Street Light Fund Balance to fund capital expenditures related to installing new lights.

Expenditures

Assumptions

The development of the FY2011 Special Revenue Fund budget assumes recurring revenues will support recurring expenditures in future years. Special Revenue Fund resources and requirements for FY2012 and FY2013 are expected to grow at an average rate of 2.3 percent and 2.2 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 in FY2012, and FY2013.

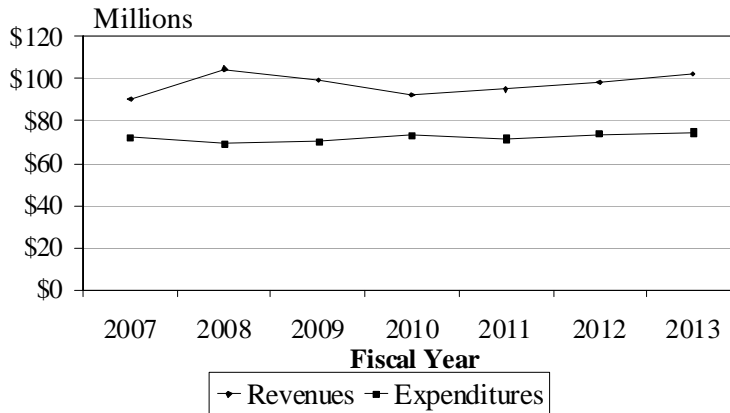
Ending Special Revenue Fund Balance is the sum of all sub-fund fund balances, which are expected to remain on June 30th of each of the forecasted fiscal years, within the School Cafeteria Fund, Solid Waste Fund, and Street Light Fund. The State and Federal Grants fund balance and the Economic Development Authority fund balance are forecasted to be zero in FY2010 through FY2013 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 08-09	FY 09-10	FY 10-11	FY 11-12	FY12-13
	Actual	Original	Forecast	Forecast	Forecast
Revenues:					
School Cafeteria	\$ 16,966,073	\$ 17,323,258	\$ 18,685,275	\$ 19,058,981	\$ 19,440,160
State, Federal & Other Grants	44,095,101	48,266,992	49,877,573	50,875,124	51,892,627
Asset Forfeitures	171,125	0	0	0	0
Donations	11,336	0	0	0	0
Revenue from Local Sources - EDA	592,149	0	0	0	0
Other Local Taxes - EDA	3,017,316	0	0	0	0
Solid Waste	8,883,714	9,855,701	9,855,701	10,052,815	10,253,871
Street Lighting	88,465	70,200	72,500	73,950	75,429
Mental Health	18,014,142	17,482,166	17,442,149	17,790,992	18,146,812
Metro Aviation/Extradition	251,614	326,792	326,126	326,126	326,126
Watershed/Best Management Practices	462,643	897,000	897,000	897,000	897,000
Subtotal Revenues	\$ 92,553,678	\$ 94,222,109	\$ 97,156,324	\$ 99,074,988	\$ 101,032,025
From General Fund:					
State, Federal & Other Grants	\$ 5,070,909	\$ 5,406,538	\$ 5,589,540	\$ 5,701,331	\$ 5,815,357
Mental Health	11,871,173	14,628,871	14,572,670	14,864,123	15,161,406
Metro Aviation	100,068	135,895	135,561	138,272	141,038
Solid Waste	2,801,995	3,064,001	3,064,001	3,125,281	3,187,787
Subtotal From General Fund	\$ 19,844,145	\$ 23,235,305	\$ 23,361,772	\$ 23,829,007	\$ 24,305,588
(To) Capital Projects Fund for Solid Waste	(150,000)	(3,600,000)	0	0	0
(To) Capital Projects Fund for Mental Health	(868,000)	0	0	0	0
(To) Capital Projects Fund for Wireless	(398,400)	0	0	0	0
(To) From Wireless Fund Balance	398,400	0	0	0	0
(To) From Economic Development Fund Balance	2,424,307	0	0	0	0
(To) Short Pump CDA	(2,980,869)	0	0	0	0
(To) From Mental Health Fund Balance	868,000	0	0	0	0
(To) From School Cafeteria Fund Balance	371,717	88,823	(431,459)	0	0
(To) From Solid Waste Fund Balance	(816,083)	2,744,366	(753,090)	(768,152)	(535,316)
(To) From Street Light Fund Balance	(11,223)	0	0	0	0
Total Resources	\$ 111,235,672	\$ 116,690,603	\$ 119,333,547	\$ 122,135,844	\$ 124,802,297
Expenditures:					
School Cafeteria	\$ 17,737,790	\$ 17,412,081	\$ 18,253,816	\$ 19,058,981	\$ 19,440,160
State, Federal & Other Grants	48,948,471	53,673,530	55,467,113	56,576,455	57,707,984
Economic Development Authority	3,052,903	0	0	0	0
Solid Waste	10,719,626	12,064,068	12,166,612	12,409,944	12,906,342
Street Lighting	77,242	70,200	72,500	73,950	75,429
Mental Health	29,885,315	32,111,037	32,014,819	32,655,115	33,308,218
Metro Aviation/Extradition	351,682	462,687	461,687	464,398	467,164
Watershed/Best Management Practices	462,643	897,000	897,000	897,000	897,000
Total Expenditures	\$ 111,235,672	\$ 116,690,603	\$ 119,333,547	\$ 122,135,844	\$ 124,802,297
Ending Special Revenue Fund Balance:					
Schools	\$ 1,202,672	\$ 1,113,849	\$ 1,545,308	\$ 1,545,308	\$ 1,545,308
State, Federal & Other Grants, Forfeitures (*)	12,962,101	0	0	0	0
Economic Development Authority	3,798,471	0	0	0	0
Solid Waste	8,122,808	5,378,442	6,131,532	6,899,684	7,435,000
Street Lighting	755,501	755,501	755,501	755,501	755,501
Total Fund Balance	\$ 26,841,553	\$ 7,247,792	\$ 8,432,341	\$ 9,200,493	\$ 9,735,809

* Forecast assumes miscellaneous grant appropriations will be spent by 6/30/09. EDA balances will be appropriated annually, through a budget amendment, based on actual receipts. Any unspent appropriations will be carried forward into FY2009-10.

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



Fiscal Years 2010 through 2013 are estimated.

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 (Fund 5101)

Revenues

Assumptions

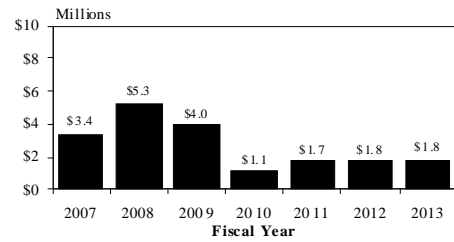
Water and Sewer Enterprise Fund revenues are forecasted with increases in customer growth necessary to keep pace with routine operating costs, expansion and rehabilitation of infrastructure and the debt service payments on outstanding debt. Forecasted revenues also satisfy the requirements of the County’s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

Sale of Water for FY2010-11 is based on a 5.0 percent increase in water rates. However, revenue collections are projected to remain relatively flat with FY2009-10 revenue estimates. This is due to a decline in volume over the past few fiscal years due to the struggles in the commercial and residential real estate markets. Forecasts for FY2011-12 and FY2012-13 were prepared using 1.0 percent volume increases and a 3.0 percent rate increase in each year. These increases will support inflationary growth in expenditures and planned rehabilitation projects.

Water Basic Fees are those fees collected for initial connection to the County's water distribution system. This revenue category mirrors economic development activity and all collections are used to fund the cost of expanding

the County's water system. Forecasted revenue collections in FY2010-11 reflect substantial connection fee increases implemented on January 1, 2010, in which increases for water and sewer connection fees increased by approximately 64.0 percent, combined. The forecast for Water Basic Fees, however, also takes into consideration the commercial and residential real estate market struggles, as very little new construction is planned in the immediate future.

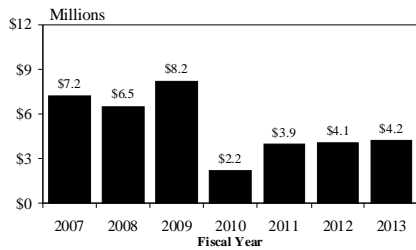
Water Basic Fees



Fiscal Years 2010 through 2013 are estimated.

Sale of Sewer Services for FY2010-11 is based on a 5.0 percent increase in sewer rates. Like Sale of Water Service revenues, noted above, forecasts for FY2011-12 and FY2012-13 were prepared using 1.0 percent volume increases and a 3.0 percent rate increase in each year. The majority of these increases will be used to support growth in expenditures and planned rehabilitation projects.

Sewer Basic Fees



Fiscal Years 2010 through 2013 are estimated.

Sewer Basic Fees are those fees collected for initial connection to the County's sewage system. This revenue category mirrors economic development activity and all collections are used to fund the cost of expanding the County's sewer system. Like Water Basic Fees, as noted above, forecasted revenue collections in FY2010-11 reflect substantial connection fee increases implemented on January 1, 2010, in which increases for water and sewer connection fees increased by approximately 64.0 percent, combined.

(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). 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 will again be solely reflected in the General Fund transfer amount.

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

Expenditures

Assumptions

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

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

Water and Sewer Construction Fund (Fund 5102)

Capital Budget Expenditures

Assumptions

Approved/Proposed Capital Projects are expected to total \$36.6 million in FY2010-11, \$51.6 million in FY2011-12, and \$79.7 million in FY2012-13. 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 subfund to the Construction subfund to support costs related to system rehabilitation, expansion and improvements. This transfer includes the connection fees paid by real-estate developers and new customers for initial connection to the County's water and sewer systems.

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

Water & Sewer Enterprise Fund Forecast

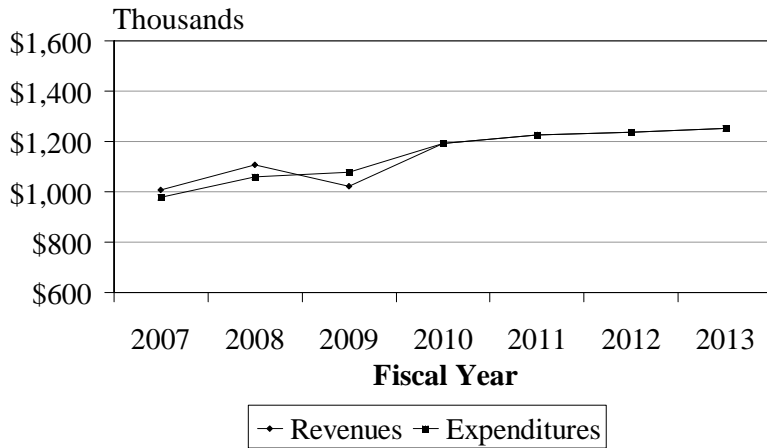
	<u>FY 08-09 Actual</u>	<u>FY 09-10 Original</u>	<u>FY 10-11 Forecast</u>	<u>FY 11-12 Forecast</u>	<u>FY 12-13 Forecast</u>
Water & Sewer Operations Subfund					
Revenues:					
Sale of Water	\$ 41,250,443	\$ 41,660,433	\$ 41,852,811	\$ 43,526,923	\$ 45,268,000
Water Connection Fees	3,971,369	1,120,000	1,706,880	1,758,086	1,810,829
Sale of Sewer Services	41,919,957	41,711,421	42,453,050	44,151,172	45,917,219
Sewer Connection Fees	8,228,782	2,180,000	3,941,635	4,059,884	4,181,681
Miscellaneous Revenue	2,855,265	4,254,076	4,192,790	4,318,574	4,448,131
Transfer from General Fund	982,601	1,609,569	772,219	772,219	772,219
Total Revenue	\$ 99,208,417	\$ 92,535,499	\$ 94,919,385	\$ 98,586,859	\$ 102,398,079
Expenditures:					
Personnel	\$ 19,685,513	\$ 20,352,116	\$ 19,516,872	\$ 19,516,872	\$ 19,907,209
Operating	32,527,344	36,554,073	36,663,397	36,663,397	37,396,665
Capital Outlay	467,033	1,226,774	805,674	805,674	821,787
Sub-Total	52,679,890	58,132,963	56,985,943	56,985,943	58,125,662
Debt Service	17,530,142	15,413,013	14,783,503	16,703,903	16,515,628
Total Expenditures	\$ 70,210,032	\$ 73,545,976	\$ 71,769,446	\$ 73,689,846	\$ 74,641,290
Results of Operations (Prior to Capital Expenses)	28,998,385	18,989,523	23,149,939	24,897,013	27,756,789
Budget For Capital Use (Below)	n/a	(133,957,343)	(36,629,912)	(51,648,965)	(79,695,909)

Capital Budget Expenditures	<u>FY 08-09 Actual</u>	<u>FY 09-10 Forecast</u>	<u>FY 10-11 Forecast</u>	<u>FY 11-12 Forecast</u>	<u>FY 12-13 Forecast</u>
Approved/Requested Capital Projects		33,802,600	36,629,912	51,648,965	79,695,909
Continuing Capital Projects (Previously Approved) (1)	49,259,944	126,469,075			
Total Capital	49,259,944	160,271,675	36,629,912	51,648,965	79,695,909
Capital Budget Resources					
Water and Sewer Revenues	23,111,858	133,957,343	36,629,912	51,648,965	79,695,909
Revenue Bonds (2006 Series)	26,148,086	26,314,332	0	0	0
Total Capital Budget Resources	49,259,944	160,271,675	36,629,912	51,648,965	79,695,909

Notes:

(1) This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2008-09 represents actual spending, as per the 2009 audit.

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



Fiscal Years 2010 through 2013 are estimated.

Belmont Park Golf Course Operations (Fund 5201)

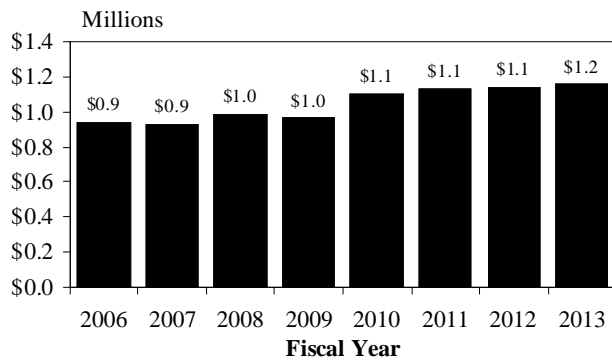
Revenues

Assumptions

Golf Course Fees revenue for FY2011 is estimated to increase from the FY2010 projection to \$1,133,269, as there is an increase of \$1 per round for greens fees in FY2011 to maintain the golf course, including the golf professional services contract. The revenue assumptions in this forecast are based on the current rate structure, which was restructured in FY2009 to help attract golfers during times that are historically not busy. Revenue projections for FY2012 and FY2013 are based upon modest one percent growth.

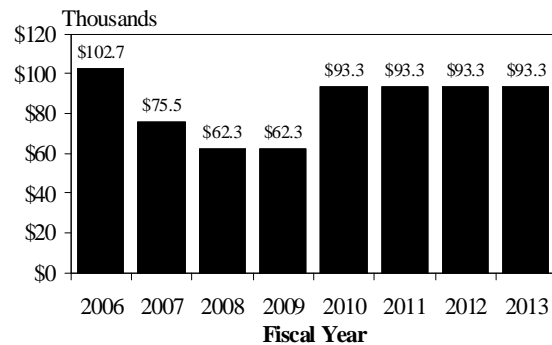
Snack Bar Revenues prior to January 1, 2000 were a percentage of gross receipts from the vendor operating the snack bar. Since January 1, 2000, the County operates the Snack Bar with departmental employees and collects all revenues from snack bar sales. Revenues are projected at \$93,316 for FY2011, FY2012, and FY2013.

Golf Course Fees



Fiscal Years 2010 through 2013 are estimated.

Snack Bar Revenues



Fiscal Years 2010 through 2013 are estimated.

(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.

Expenditures

Assumptions

Loan Repayment is the repayment of a loan from the General Fund for physical improvements to Belmont Golf Course. Currently the golf course has an outstanding loan with the General Fund for a total of \$135,000 for physical improvements to the golf course. The loan is to be repaid in annual installments of \$22,500.

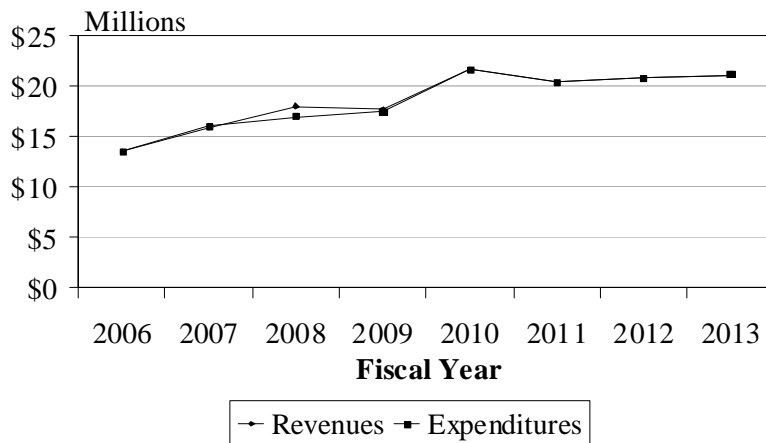
Operational Expenses include modest increases for course maintenance and enhancements. The forecast period establishes a balance between golf course recurring revenues and expenses in future years.

**Belmont Golf Course
Enterprise Fund Forecast**

	<u>FY 08-09</u> Actual	<u>FY 09-10</u> Original	<u>FY 10-11</u> Forecast	<u>FY 11-12</u> Forecast	<u>FY 12-13</u> Forecast
Belmont Golf Course Operations					
Revenues:					
Golf Course Fees*	\$ 963,785	\$ 1,099,163	\$ 1,133,269	\$ 1,145,310	\$ 1,157,471
Snack Bar Revenues	62,329	93,316	93,316	93,316	93,316
Gain/Loss on Sale of Property	(4,481)	0	0	0	0
Recoveries & Rebates	2,190	0	0	0	0
Total Revenues	<u>\$ 1,023,823</u>	<u>\$ 1,192,479</u>	<u>\$ 1,226,585</u>	<u>\$ 1,238,626</u>	<u>\$ 1,250,787</u>
Plus:					
(To)From Golf Course Retained Earnings	55,420	0	0	0	0
Total Resources	<u>\$ 1,079,243</u>	<u>\$ 1,192,479</u>	<u>\$ 1,226,585</u>	<u>\$ 1,238,626</u>	<u>\$ 1,250,787</u>
Expenditures:					
Loan Repayment*	\$ 0	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500
Operational Expenses	1,079,243	1,169,979	1,204,085	1,216,126	1,228,287
Total Expenditures	<u>\$ 1,079,243</u>	<u>\$ 1,192,479</u>	<u>\$ 1,226,585</u>	<u>\$ 1,238,626</u>	<u>\$ 1,250,787</u>
Total Net Assets	<u>\$ 1,746,081</u>	<u>\$ 1,746,081</u>	<u>\$ 1,746,081</u>	<u>\$ 1,746,081</u>	<u>\$ 1,746,081</u>

**Loan repayment is to pay back a loan of \$135,000 borrowed from the General Fund for greens restoration in FY2002-03.*

**Three Year Forecast
Revenues and Expenditures
Central Automotive Maintenance**



Fiscal Years 2010 through 2013 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 billings for FY2010-11 are \$5,600,000 and billings for FY2011-12 are forecasted at \$5,768,000, assuming an annual 3.0 percent increase due to the cost of parts and repairs.

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 billings for FY2010-11 and FY2011-12 are \$1,420,000 and \$1,462,600 respectively, representing a 3.0 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 billings for the use of vehicles in FY2010-11 is \$4,300,000. FY2011-12 and FY2012-13 are \$4,472,000 and \$4,650,880 respectively, assuming an annual 4.0 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. Recent decreases in the wholesale cost of gasoline have been factored into these projections. Projected costs for FY2010-11 and FY2011-12 are \$8,934,772 and \$8,950,000 respectively. It should be noted that while gasoline

prices have declined substantially from prior year highs, there remains uncertainty in fuel markets. Upon the recovery of the economy, it is likely fuel prices will rebound as well.

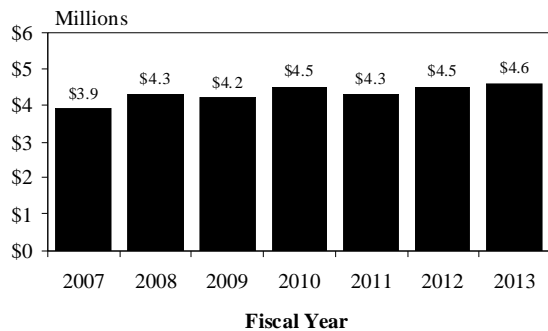
(To) From General Fund is the transfer from the General Fund for the initial purchase of new motor pool vehicles. No transfers are anticipated during the forecasted period as the purchase of new motor pool vehicles will be funded with generated revenues and retained earnings.

(To) From Contributions in Aid is a transfer to CAM of a vehicle purchased by a department. No transfers are anticipated during the forecast period.

(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. In FY2009-10, CAM replaced its fuel management system to be funded with accumulated retained earnings. In FY2010-11, there is no planned use of retained earnings.

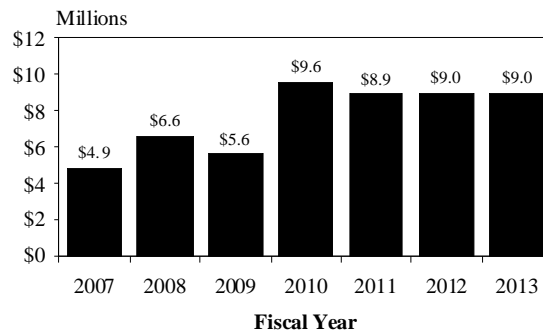
(To) From Internal Service Fund Retained Earnings is used to accumulate a reserve for replacement of motor pool vehicles when the vehicles reach the end of their useful life. Due to recent exceptional increases in the cost of gasoline and diesel, Internal Service Fund Retained Earnings have also been 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 2010 through 2013 are estimated.

Charges for Gasoline



Fiscal Years 2010 through 2013 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 FY2011-12 and FY2012-13, Internal Service Fund expenses are projected to grow at an annual rate of 1.9 percent.

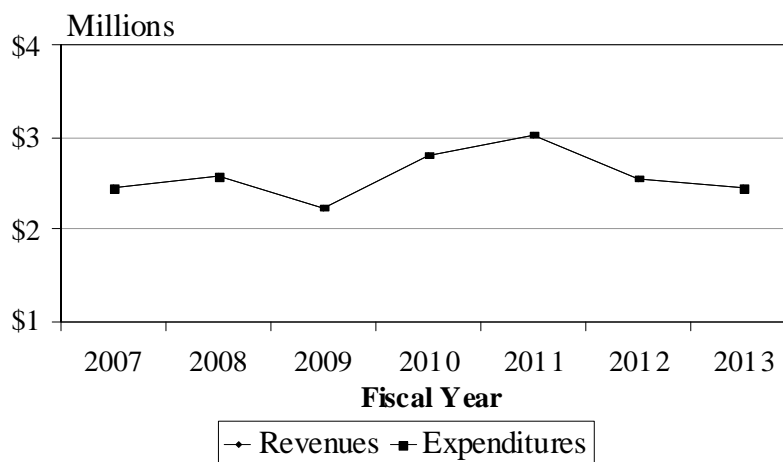
The proposed level of operational funding allows for increases in personnel costs such as changes in the cost of benefits and provides adequate operational adjustments necessary to overcome increases of vehicle repairs.

Retained Earnings, June 30, 2009, is \$7,947,873. The impact of anticipated resources and expenditures on the ending balance is projected for each fiscal year of the forecast period.

Central Automotive Maintenance Internal Service Fund Forecast

	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13
	Actual	Forecast	Forecast	Forecast	Forecast
Revenues:					
Charges for Auto Maint West	\$ 6,165,403	\$ 5,700,000	\$ 5,600,000	\$ 5,768,000	\$ 5,941,040
Charges for Auto Maint East	1,430,329	1,500,000	1,420,000	1,462,600	1,506,478
Charges for Use of Motor Pool	4,242,808	4,523,736	4,300,000	4,472,000	4,650,880
Charges for Gasoline	5,592,256	9,585,000	8,934,772	8,950,000	8,950,000
Miscellaneous Revenues	475,096	413,915	247,500	247,500	247,500
Gain/Loss on Sale of Property	(131,534)	0	0	0	0
Total Revenues	\$17,774,358	\$21,722,651	\$20,502,272	\$20,900,100	\$21,295,898
(To) From General Fund	0	0	0	0	0
(To) From Contributions in Aid	0	0	0	0	0
(To) From Capital Projects	0	(590,600)	0	0	0
(To) From Retained Earnings	(311,090)	590,600	0	0	0
Total Resources	\$17,463,268	\$21,722,651	\$20,502,272	\$20,900,100	\$21,295,898
Expenditures:					
Central Automotive Maintenance	\$17,463,268	\$21,722,651	\$20,502,272	\$20,900,100	\$21,295,898
Total Expenditures	\$17,463,268	\$21,722,651	\$20,502,272	\$20,900,100	\$21,295,898
Retained Earnings June 30	\$ 7,947,873	\$ 7,404,892	\$ 7,404,892	\$ 7,404,892	\$ 7,404,892

Three Year Forecast Revenues and Expenditures Technology Replacement



Fiscal Years 2010 through 2013 are estimated.

TECHNOLOGY REPLACEMENT FUND

(Fund 6101)

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

Revenues

Assumptions

Accumulated Technology Replacement represents the funds collected from the departments participating in the technology replacement program. Charges are collected to pay for replacement of computer equipment in the future.

(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 FY2011, the Technology Replacement Fund expenses are projected to be \$3,035,008.

For FY2012, forecasted expenses are projected to be \$2,555,716. In FY2013, expenses are projected to be \$2,444,442. The FY2012 and FY2013 forecasts assume that all items in the Fund, which qualify for replacement, will be purchased on a pre-determined schedule.

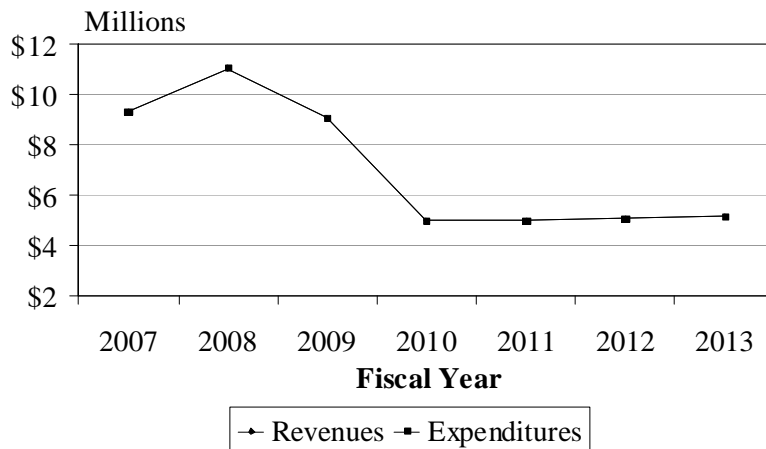
Retained Earnings, June 30, 2009, is \$9,691,684. The impact of anticipated resources, including operating transfers and expenditures on the ending balance, is projected for each fiscal year of the forecast period.

Technology Replacement Internal Service Fund Forecast

	<u>FY 08-09</u> <u>Actuals</u>	<u>FY 09-10</u> <u>Original</u>	<u>FY 10-11</u> <u>Forecast</u>	<u>FY 11-12</u> <u>Forecast</u>	<u>FY 12-13</u> <u>Forecast</u>
Revenues:					
Accumulated Technology Replacement - General Fund	\$ 3,191,697	\$ 2,570,170	\$ 2,026,475	\$ 2,026,475	\$ 2,026,475
Accumulated Technology Replacement - Special Revenue	72,037	74,487	59,590	59,590	59,590
Accumulated Technology Replacement - Belmont	4,612	2,730	3,896	3,896	3,896
Accumulated Technology Replacement - JRJDC	4,287	3,430	2,744	2,744	2,744
Accumulated Technology Replacement - Risk Mgmt	4,667	3,734	2,987	2,987	2,987
(To) From Retained Earnings - Technology Replacement	(1,037,758)	155,873	939,316	460,024	348,750
Total Revenues	<u>\$ 2,239,542</u>	<u>\$ 2,810,424</u>	<u>\$ 3,035,008</u>	<u>\$ 2,555,716</u>	<u>\$ 2,444,442</u>
Expenditures:					
Technology Equipment	<u>\$ 2,239,542</u>	<u>\$ 2,810,424</u>	<u>\$ 3,035,008</u>	<u>\$ 2,555,716</u>	<u>\$ 2,444,442</u>
Total Expenditures	<u>\$ 2,239,542</u>	<u>\$ 2,810,424</u>	<u>\$ 3,035,008</u>	<u>\$ 2,555,716</u>	<u>\$ 2,444,442</u>
Retained Earnings June 30*	<u>\$ 9,691,684</u>	<u>\$ 9,535,811</u>	<u>\$ 8,596,495</u>	<u>\$ 8,136,471</u>	<u>\$ 7,787,721</u>

*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 2010 through 2013 are estimated. Revenues exclude transfers from other funds.

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 provided by a transfer from the General Fund and 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 forecast is 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 FY2011-12 and FY2012-13 remain level with the FY2010-11 projection at \$620,577 due to the uncertainty of the number of claims annually.

(To) From General Fund represents the transfer from the General Fund for approximately 87.6 percent of the forecasted revenues associated with this fund. A transfer from the General Fund totaling \$4,364,026 is anticipated for FY2010-11, with a 2.0 percent increase projected for FY2011-12 and FY2012-13.

Expenditures

Assumptions

The development of the Risk Management Fund budget assumes revenues and transfers will support expenditures in future years. For FY2011-12 and FY2012-13, Internal Service Fund expenses are projected to grow at an annual rate of approximately 1.8 percent. Due to the unpredictable nature of expenditures, the budget is kept relatively flat

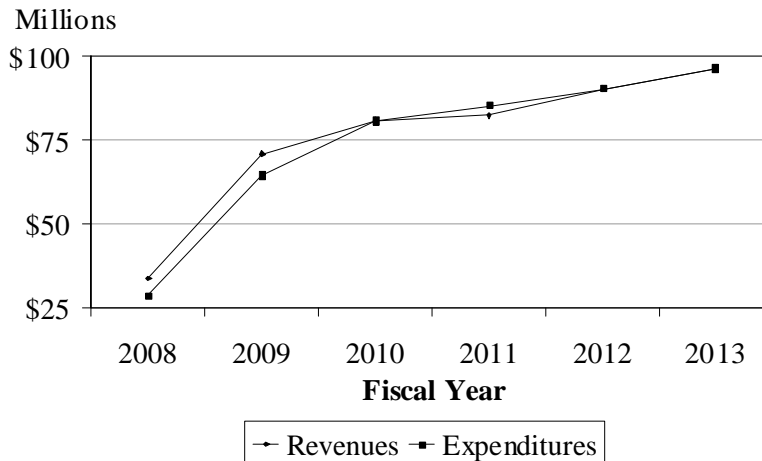
with only a small incremental increase built into the forecast. The budget is amended annually on a case-by-case basis with funding provided by the Self-Insurance Reserve, which is a designated reserve within the County's General Fund Balance.

Self-Insurance Reserve, June 30, 2009, totals \$9,500,000. The County has designated this amount in the General Fund's fund balance specifically for self-insurance.

Risk Management Internal Service Fund Forecast

	FY08-09 Actual	FY09-10 Original	FY10-11 Forecast	FY11-12 Forecast	FY12-13 Forecast
Revenues:					
Public Utilities Charges	\$ 1,195,818	\$ 624,727	\$ 620,577	\$ 620,577	\$ 620,577
Other Revenues	\$ 1,415,143	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 2,610,961	\$ 624,727	\$ 620,577	\$ 620,577	\$ 620,577
(To) From General Fund	\$ 6,409,405	\$ 4,361,686	\$ 4,364,026	\$ 4,451,307	\$ 4,540,333
Total Resources	\$ 9,020,366	\$ 4,986,413	\$ 4,984,603	\$ 5,071,884	\$ 5,160,910
Expenditures:					
Risk Management	\$ 9,020,366	\$ 4,986,413	\$ 4,984,603	\$ 5,071,884	\$ 5,160,910
Total Expenditures	\$ 9,020,366	\$ 4,986,413	\$ 4,984,603	\$ 5,071,884	\$ 5,160,910

Three Year Forecast Revenues and Expenditures Healthcare Fund



This program was established in January 2008 and revenues and expenditures for FY2008 reflect a half year. Fiscal Years 2010 through 2013 are estimated.

HEALTHCARE FUND

(Fund 6401)

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

Revenues

Assumptions

County Contribution – Active reflects the County’s contributions for active General Government and Schools employees budgeted within each respective department. For General Government employees, the County calculates a blended rate for each County employee for healthcare calculation purposes. Schools, on the other hand, estimates healthcare costs for each individual eligible employee based on the plan in which they participate. The forecast for FY2010-11 reflects an overall increase of 0.8 percent, in spite of no rate increase to the County in calendar year 2010. This is due to a trend of enrollment migration to plans with dependents, likely due to job loss or reduced benefit plans of employees’ spouses as a result of the difficult economic environment. The forecasts for FY2011-12 and FY2012-13 assume rate increases of 8.0 percent and 5.0 percent, respectively, as well as 2.0 percent annual enrollment growth.

Employee Contribution represents contributions from active General Government and Schools employees toward their respective individual healthcare plans. The forecast for FY2010-11 reflects an overall increase of 4.0 percent, which assumes a rate increase in calendar year 2011 of 8.0 percent (which would impact half of FY2010-11). As noted above, the County did not increase healthcare rates in calendar year 2010. The forecasts for FY2011-12 and

FY2012-13 assume rate increases of 8.0 percent and 5.0 percent, respectively, as well as 2.0 percent annual enrollment growth.

Retiree Contribution reflects rate payments by County retirees under 65 years of age that continue to participate in the County's healthcare program. The forecast for FY2010-11 reflects an increase of 4.0 percent, assuming a rate increase in calendar year 2011 of 8.0 percent (which would impact half of FY2010-11). The forecasts for FY2011-12 and FY2012-13 assume rate increases of 8.0 percent and 5.0 percent, respectively.

Retiree Subsidy and **Disabled Subsidy** represent County contributions to retiree healthcare plans. The Disabled Subsidy reflects the healthcare subsidy provided to retirees prior to January 1, 2003. The forecast for the Disabled Subsidy for each fiscal year from FY2010-11 through FY2012-13 is relatively flat with the estimate for FY2009-10. For retirees after January 1, 2003, the healthcare supplement is referred to as a Retiree Subsidy, and is provided to County retirees with at least ten years in the Virginia Retirement System (VRS) with Henrico County, and is calculated based on each full year of VRS service. The forecast for the Retiree Subsidy reflects a 5.5 percent increase in FY2010-11, and 5.0 percent annual increases in FY2011-12 and FY2012-13.

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

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

Interest Income reflects interest earned throughout the fiscal year on bank balances relating to the Healthcare Fund. The annual forecast for this revenue remains flat at \$150,000.

(To) From Premium Stabilization Reserve reflects the amount of funding either added to or utilized from the Premium Stabilization Reserve in each respective fiscal year. The Premium Stabilization Reserve is defined in greater detail below. In FY2008-09, the Healthcare Fund generated a \$6.2 million positive variance in revenues collected versus expenditures, all of which goes to the Premium Stabilization Reserve. In FY2010-11, the Adopted Budget assumes the utilization of \$3.0 million from the Premium Stabilization Reserve in lieu of a rate increase for the County and its employees. 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. As such, for FY2011-12 and FY2012-13, a forecast is not provided in this area. It must be noted, however, 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's 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 FY2010-11 and FY2011-12 assumes an increase in claims expenditures by approximately 6.1 percent, and the forecast for FY2012-13 assumes an increase of just over 7.0 percent.

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 forecast for these expenditures are declining in FY2010-11 due to the

County's excess risk insurance threshold change for single large claim protection from greater than \$300,000 to greater than \$500,000 in calendar year 2010. The forecast for FY2011-12 and FY2012-13 assume an annual 3.0 percent increase in other administrative fee costs.

Premium Stabilization Reserve (PSR)

The Healthcare Fund's **Premium Stabilization Reserve (PSR)** reflects the accumulation of annual revenues collected in excess of expenditures. This reserve allows the County to maintain annual rate increases at manageable levels. For example, as noted above, in FY2010-11, \$3.0 million from the PSR is being utilized in the Annual Fiscal Plan in lieu of a rate increase for the County and its employees. This utilization of the reserve was necessary to prevent additional costs to the County in this difficult economic environment, and to provide necessary relief to the County's employees, as the FY2010-11 Annual Fiscal Plan does not include funding for a pay increase. As of June 30, 2009, the PSR has a balance of \$12,564,045, prior to consideration of the County's "Incurred But Not Reported" liability referenced below.

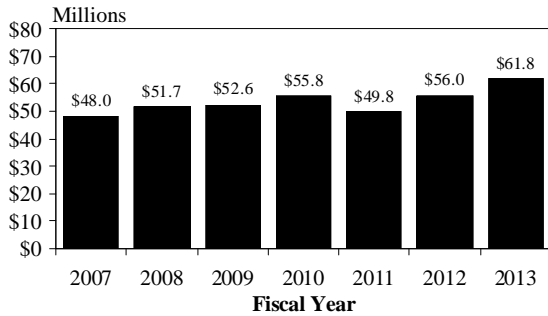
Incurred But Not Reported (IBNR) represents an actuarially estimated dollar amount of claims that have been incurred by program participant but have not yet been reported by the healthcare provider as of June 30, 2009. Because these claims have not yet been reported, IBNR must be included as an offset to the Premium Stabilization Reserve to accurately calculate the "**Uncommitted PSR,**" which reflects the true available balance that can be utilized. IBNR also reflects the total cost to the County if the decision were made to revert back to a fully insured healthcare program. Because IBNR will fluctuate annually, and is difficult to predict, this forecast reflects no change from the IBNR estimate as of June 30, 2009 in future years.

Healthcare Internal Service Fund Forecast

	FY08-09 Actual	FY09-10 Original	FY10-11 Forecast	FY11-12 Forecast	FY12-13 Forecast
Revenues:					
County Contribution - Active	\$ 51,825,474	\$59,407,483	\$ 59,870,318	\$ 65,857,350	\$ 70,467,364
Employee Contribution	\$ 13,133,098	\$14,690,125	\$ 15,277,730	\$ 16,805,503	\$ 17,981,888
Retiree Contribution	\$ 4,917,972	\$ 5,514,750	\$ 5,735,340	\$ 6,194,167	\$ 6,503,876
Retiree Subsidy	\$ 559,956	\$ 532,850	\$ 562,134	\$ 590,241	\$ 619,753
Disabled Subsidy	\$ 157,523	\$ 278,969	\$ 280,432	\$ 280,000	\$ 280,000
COBRA	\$ 185,364	\$ 269,184	\$ 279,952	\$ 302,348	\$ 317,466
Recoveries and Rebates	\$ 8,000	\$ -	\$ -	\$ -	\$ -
Interest Income	\$ 93,771	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Total Revenues	\$ 70,881,158	\$80,843,361	\$ 82,155,906	\$ 90,179,609	\$ 96,320,347
(To) From Premium Stabilization Fund	\$ (6,402,461)	\$ -	\$ 3,000,000	\$ -	\$ -
Total Resources	\$ 64,478,697	\$80,843,361	\$ 85,155,906	\$ 90,179,609	\$ 96,320,347
Expenditures:					
Claims	\$ 59,827,723	\$75,443,361	\$ 80,055,906	\$ 84,926,609	\$ 90,909,757
Other Administrative Fees	\$ 4,650,974	\$ 5,400,000	\$ 5,100,000	\$ 5,253,000	\$ 5,410,590
Total Expenditures	\$ 64,478,697	\$80,843,361	\$ 85,155,906	\$ 90,179,609	\$ 96,320,347
Premium Stabilization Reserve (PSR):					
Premium Stabilization Reserve (PSR)	\$ 12,564,045	\$12,564,045	\$ 9,564,045	\$ 9,564,045	\$ 9,564,045
Incurred But Not Reported (IBNR)	\$ (5,731,000)	\$ (5,731,000)	\$ (5,731,000)	\$ (5,731,000)	\$ (5,731,000)
Uncommitted PSR	\$ 6,833,045	\$ 6,833,045	\$ 3,833,045	\$ 3,833,045	\$ 3,833,045

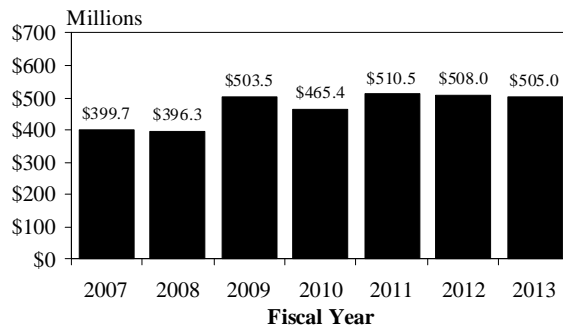
Three Year Forecast Revenues and Expenditures Debt Service Fund

General Fund Debt Service



Fiscal Years 2010 through 2013 are estimated. Reflects transfer from the County's General Fund.

Net General Fund Debt



Fiscal Years 2010 through 2013 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 2010 through 2013 are calculated on existing debt service and anticipated debt service. The County citizens approved a 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 is anticipated from seven G.O. Bond issues between FY2006 and FY2013.

The first G.O. Bond issue, which occurred in the spring of 2001, provided \$37,110,000 of funding for School projects. The funds were appropriated to continue construction of a new high school, purchase land for a new middle school, construction of a new elementary school, and fund additions and renovations to three school facilities.

The FY2002 G.O. Bond issue totaled \$27,035,000. The funding was appropriated for School and General Government projects. The School projects included completion of the new high school and an elementary school, begin the design for a new middle school, purchase land for an elementary school, as well as begin renovations and additions to two elementary schools. The General Government projects included construction of a new fire station and library, continue construction of John Rolfe Parkway, purchase land for a new park, begin design work for the development of three park facilities, and begin the design of a new recreation center.

In FY2003, the County refinanced the 1993 Public Improvement Refunding Bonds and the 1993 Virginia Public School Authority (VPSA) Bonds and issued \$50,230,000 of new G.O. Bonds for a total debt issue of \$107,545,000. Due to favorable interest rates on AAA bond issues, refunding the two debt issues reduced the County's interest cost over the balance of the debt payments. The majority of the funding associated with the new G.O. Bonds - \$41,597,975 - funded Schools projects including the construction of a new middle school and elementary school as well as additions to two elementary schools. The remainder of the funding - \$8,632,025 - funded General Government projects which included construction of a new fire station, a recreation center, the Mayland Drive extension, and the continued construction of John Rolfe Parkway.

Due to the low interest rates available and the cost advantages of a large bond issue, the projected G.O. Bond issues for FY2004 and FY2005 were combined into one large issue in FY2004. The total issue was \$38,920,000 with School projects totaling \$12,549,826 and General Government projects totaling \$26,370,174. The Schools funding of \$12,549,826 funded the renovation of two elementary schools and an addition at one elementary school as well as the planning and design of a new elementary school and additions at two elementary schools. The Schools funding was also used for Americans with Disabilities Act (ADA) compliance, asbestos abatement, and tennis court replacement. The General Government funding of \$26,370,174 provided funding for the renovation of Fire Station #5, construction of Fire Station #21, construction of the Twin Hickory Area Library, continuing construction of John Rolfe Parkway, improvements to Creighton Road, complete construction of Deep Run Park Recreation Center, improvements to Walkerton Tavern and Osborne Park as well as funding for the Meadowview Park Phase I planning.

In FY2006, the County issued \$77,815,000 of G.O. Bonds. The funding was for both General Government and School projects approved in the November 2000 and March 2005 Referendums. The School portion of the issue was \$62,762,000. The funding is for the construction of two new schools - one middle school and one elementary school, the renovation of a high school, a classroom addition and cafeteria renovation at another high school, additions at two elementary schools, and funding to begin planning for a second new middle school. The General Government funding totaled \$15,053,000, and is being used for the rebuilding of Fire Station #8, planning and design for an addition at Glen Allen Library, expansion and improvements to RF&P Park, and Phase I of Meadowview Park. Also, three road projects are being funded including improvements to Charles City Road, construction of John Rolfe Parkway, and funding to begin planning for the Gayton Road Extension.

In FY2007, the County issued \$71,915,000 of G.O. Bonds, which included projects from the November 2000 and March 2005 Referendums. This issue completes the debt issuance approved on the November 2000 Referendum. The School projects, which totaled \$47,011,180, included funding for the construction of a new West Area Middle School, a cafeteria renovation and classroom addition at Varina High School, and the renovation of Freeman High School. The General Government projects, which totaled \$24,903,821, included the relocation of Fire Station #3, an addition at Glen Allen Library, funding to complete the renovation of Henrico Theatre, and land for an Eastern Area Recreation Center as well as funding for parkland in Western Henrico.

The County issued \$29,810,000 of G.O. Bonds in FY2007-08 for projects from the March 2005 referendum. The General Government projects, which totaled \$4,694,107, included the renovation and expansion of Fire Station #10 and the on-site replacement of Fire Station #7. The School projects, which totaled \$25,115,893, included funding for the construction of a new East Area Elementary School, the renovation of Fairfield Middle School, the planning and design of a Central/West Area High School, and an allocation of \$3,350,000 for a reserve to assist in the funding of construction cost overruns, due to the increase in construction costs that occurred after the March 2005 referendum.

In FY2008-09, the County issued \$93,090,000 of GO Bonds for projects from the March 2005 Referendum. The General Government projects, which totaled \$33,700,814, includes the replacement of Fire Station #9, funding for planning and design of a new northwest area fire station (Fire Station #19), construction funding for an Eastern Area Recreation Center, and funding to continue the construction of the Gayton Road Extension. The School projects, which totaled \$59,389,186, included funding for the construction of a Central/West Area High School, the addition of twelve classrooms each at Mehfoad Elementary School and Varina Elementary School, and planning and design funding for a new West Area Elementary School and the renovations of Varina High School, Johnson Elementary School, and Brookland Middle School.

Also in FY2008-09, the County's Schools participated in a VPSA Bond issue that totaled \$44,440,000. The proceeds will be utilized as needed to cover anticipated cost increases in the following March 2005 GO Bond Referendum projects: Central/West Area High School #1, inclusive of Leadership in Energy and Environmental Design (LEED) certification and design of a Technical Center, the West Area Middle School, inclusive of LEED certification, Mehfoad and Varina Elementary School classroom additions, and construction of a new West Area Elementary School.

In May 2009, the County refunded two prior debt issues, the 2001 and 2002 GO Bonds, totaling \$33,785,000 in all. Due to favorable interest rates on AAA bond issues, refunding these two debt issues reduced the County's interest cost by \$1.84 million over the balance of the debt payments. In August 2009, the County refunded two more prior debt issues, the 1996 Industrial Development Authority (IDA) Lease Revenue Bonds and the 1998 IDA Lease Revenue Bonds, totaling \$36,425,000 in all. These bond refundings generated a gross savings of \$7.6 million over the balance of the debt payments.

Because of the difficult economic environment, the County chose to take the prudent approach and delay the planned FY2009-10 issuance of GO Bonds one year, to FY2010-11. This decision also pushed back the originally planned bond issues for FY2010-11 and FY2011-12 one year as well, as noted in the revised schedule below. It should be noted that the County has \$146.4 million in outstanding GO Bond authorization from the \$349.3 million GO Bond Referendum approved in March 2005. The original plan was to issue GO Bonds over a seven-year period, from FY2005-06 to FY2011-12.

The table below shows the anticipated amounts for future GO Bonds issues.

	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>
March 2005 Referendum			
Education	\$65.7	\$22.9	\$0.0
General Government	\$5.8	\$10.4	\$35.7
Public Works	<u>\$6.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
Total G.O. Bond Issues	\$77.5	\$33.3	\$35.7

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

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

Expenditures

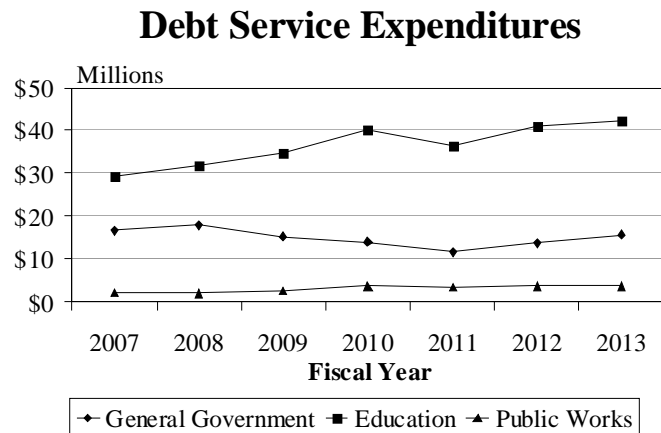
On the next page is a forecast of debt service expenditures for FY2011, FY2012, and FY2013. This debt will not exceed the County's self-imposed debt limits mentioned within the Financial Guidelines section of this document.

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. Future debt service fund expenditures include the debt service associated with issuance of General Government GO Bonds in FY2010-11 for \$5,800,000 and FY2011-12 for \$10,350,000. The forecasted debt service expenditures assume a spring issuance for the \$35.7 million in bonds in FY2012-13, which would defer debt service payments to FY2013-14. The bond proceeds for FY2010-11 and FY2011-12 will be used for the renovation and expansion of one fire station, construction of one new fire station, planning for one new library, planning and land for one replacement library, and funding for a new park.

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. The projected amount of Education GO Bond issues in FY2010-11 and FY2011-12 are \$65,656,903 and \$22,931,208 respectively. This funding will allow for the construction of one new elementary school, the renovations of two elementary schools, one middle school, and one high school, and the creation of a \$6.2 million Bond Project Reserve to allow for the completion of citizen-approved bond projects that may require additional funding.

Debt Service - Public Works includes principal and interest payments on General Obligation (G.O.) Bonds issued to support road improvements throughout the County. It is estimated that \$6,000,000 of Public Works G.O. Bonds will be issued in FY2010-11 for partial funding associated with the extension of North Gayton Road.



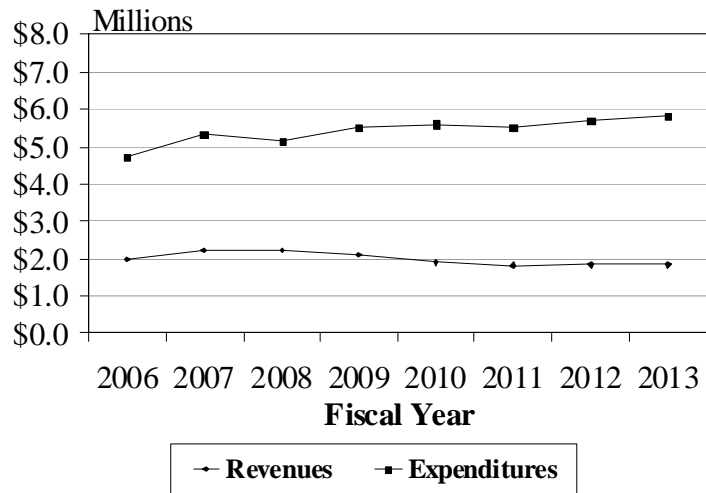
Fiscal Years 2010 through 2013 are estimated.

Debt Service Fund Forecast

	FY 2009 Actual	FY 2010 Original	FY 2011 Forecast	FY 2012 Forecast	FY 2013 Forecast
Revenues:					
(To) From General Fund	\$ 52,623,443	\$ 55,782,472	\$ 49,832,472	\$ 55,974,479	\$ 61,755,582
(To) From Fund Equity	0	2,000,000	2,000,000	2,500,000	0
(To) Capital Projects Fund	0	0	0	0	0
Miscellaneous Revenue	0	0	0	0	0
Total Revenues	<u>\$ 52,623,443</u>	<u>\$ 57,782,472</u>	<u>\$ 51,832,472</u>	<u>\$ 58,474,479</u>	<u>\$ 61,755,582</u>
Expenditures:					
Debt Service - General					
Government	\$ 15,380,142	\$ 14,004,949	\$ 11,719,316	\$ 13,766,206	\$ 15,801,718
Debt Service - Education	34,732,807	40,054,789	36,522,774	40,964,528	42,300,291
Debt Service - Public Works	2,510,494	3,722,734	3,590,382	3,743,745	3,653,573
Total Expenditures	<u>\$ 52,623,443</u>	<u>\$ 57,782,472</u>	<u>\$ 51,832,472</u>	<u>\$ 58,474,479</u>	<u>\$ 61,755,582</u>
Fund Equity*	\$ 7,421,544	\$ 5,421,544	\$ 3,421,544	\$ 921,544	\$ 921,544

**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 2010 through 2013 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. FY2002 marked the first year of full operation.

JRJDC Operations and Debt Subfunds (Fund 8201 & 8202)

Revenues

Assumptions

Revenue from the Commonwealth represents funding from the State for day-to-day operational costs of the facility. There continues to be reductions and uncertainty in the level of funding from the State. In April of 2010, the last quarterly payment of FY2009-10 was reduced by \$64,288. This was the second lowering of the State's contribution during the fiscal year in response to its budget shortfalls, and lowered the annual total to \$1,422,312. This forecast projects that the JRJDC will continue to receive funding at just above that lowered level in FY2011, FY2012, and FY2013. However, due to continued uncertainty about the magnitude and duration of the State's budget shortfall, further cuts in funding are possible. It should be noted that under these projections, State funding in FY2013 (\$1,412,270) would be 10.1 percent below the figure of \$1,570,378 that was granted in FY2002.

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 \$403,312 for FY2011, \$415,412 for FY2012 and \$427,874 for FY2013.

To (From) General Fund represents Henrico County's share of operation and debt costs. Per the JRJDC agreement, Henrico has fifty-two beds. The Commission will bill Henrico 86.6 percent of operational costs. This transfer also includes funds for principle and interest payments on the \$7.125 million of bonds issued in November

2000 for facility construction. The projected outstanding balance as of June 30, 2010 is \$3,470,000. As majority partner, Henrico is responsible for debt service payments projected at \$675,310 in 2011, \$674,610 in FY2012, and \$676,878 in FY2013. The final bond payment is scheduled to occur in FY2016. Goochland made a one-time payment of \$511,646 in FY2001. Powhatan was relinquished of debt responsibility, since the facility is located in that county.

To (From) Retained Earnings is the anticipated difference between revenues and expenditures. The use of Fund Equity is projected at \$429,169 for FY2011, \$484,412 for FY2012, and \$541,313 for FY2013. 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

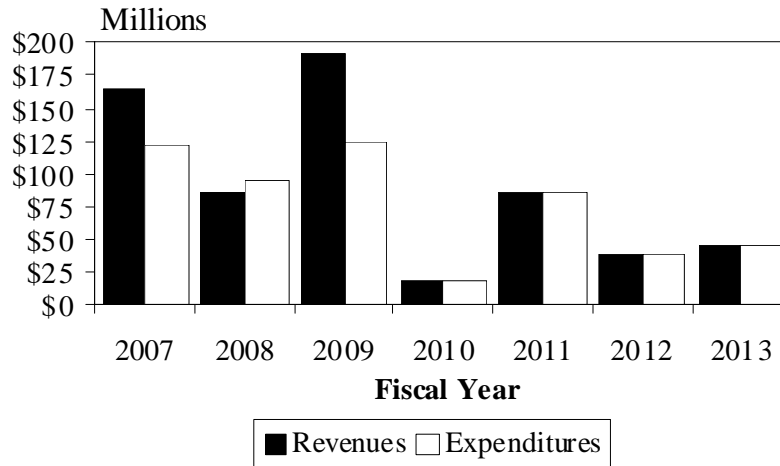
Assumptions

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 3.0 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.

JRJDC Agency Fund Forecast

	<u>FY08-09</u> <u>Actual</u>	<u>FY09-10</u> <u>Original</u>	<u>FY10-11</u> <u>Forecast</u>	<u>FY11-12</u> <u>Forecast</u>	<u>FY12-13</u> <u>Forecast</u>
JRJDC Operations and Debt Service Subfunds					
Revenues:					
Revenue from Commonwealth	\$ 1,522,679	\$ 1,498,939	\$ 1,412,270	\$ 1,412,270	\$ 1,412,270
Revenue from Federal Govt	101,549	0	0	0	0
Revenue from Goochland	216,927	201,656	201,656	205,689	209,803
Revenue from Powhatan	216,927	201,656	201,656	205,689	209,803
Recovered Costs	0	0	0	0	0
Interest Income	38,961	0	0	0	0
Total Revenues	<u>2,097,043</u>	<u>1,902,251</u>	<u>1,815,582</u>	<u>1,823,648</u>	<u>1,831,876</u>
Plus:					
(To) From Construction Subfund	0	0	0	0	0
(To) From General Fund	3,285,493	3,286,700	3,281,789	3,333,219	3,388,659
(To) From Retained Earnings	103,347	404,178	429,169	514,510	603,013
Total Resources	<u>\$ 5,485,883</u>	<u>\$ 5,593,129</u>	<u>\$ 5,526,540</u>	<u>\$ 5,671,377</u>	<u>\$ 5,823,548</u>
Expenditures:					
James River Juvenile Detention Center	\$ 4,813,165	\$ 4,912,908	\$ 4,851,230	\$ 4,996,767	\$ 5,146,670
Debt Service	<u>672,718</u>	<u>680,221</u>	<u>675,310</u>	<u>674,610</u>	<u>676,878</u>
Total Expenditures	<u>\$ 5,485,883</u>	<u>\$ 5,593,129</u>	<u>\$ 5,526,540</u>	<u>\$ 5,671,377</u>	<u>\$ 5,823,548</u>
Ending Retained Earnings	<u>\$ 2,947,201</u>	<u>\$ 2,543,023</u>	<u>\$ 2,113,854</u>	<u>\$ 1,599,344</u>	<u>\$ 996,331</u>

Three Year Forecast Revenues and Expenditures Capital Projects Fund



Fiscal Years 2010 through 2013 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

State School Construction Fund represents the use of a State grant for the construction of school projects.

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 for shared capital project costs.

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

General Obligation Bonds - 2005 represents the \$349.3 million approved by the voters in the March 2005 Bond Referendum for Education and General Government capital projects. Due to economic conditions, the issue originally

planned for FY2010 was delayed until FY2011. The revised schedule for the two remaining bond issues planned for FY2012 through FY2013 by year and category are:

	<u>FY 2012</u>	<u>FY 2013</u>
Education	\$22.9	\$0.0
General Government	<u>\$10.4</u>	<u>\$35.7</u>
Total	\$33.3	\$35.7

Transfers:

(To) From General Fund is the transfer of non-bond resources from the General Fund. The FY2011 transfer of \$9,415,242 includes a \$5,000,000 allocation for pay-as-you-go construction from General Fund balance, which is divided equally between General Government and Education to support various ongoing projects. The revenue forecast for FY2011 includes the Capital Reserve Fund, which is budgeted at \$3,565,242. The majority of this funding, \$3,002,509 will support the Human Services Building HVAC replacement. The remainder of this funding will cover \$228,844 for the renovation to the Magistrate’s Office; \$248,889 for the replacement of various County generators; \$75,000 for HVAC improvements to Cedar Hill house; and \$10,000 of partial funding to support a master plan for land acquired adjacent to Belmont Golf Course. The County’s Financial Guidelines (found elsewhere in this document) include the fund balance guidelines, which is to maintain a level of undesignated fund balance at 18.0 percent of the General Fund expenditures. Amounts over the 18.0 percent threshold would be utilized as a funding source in future capital budgets.

The FY2011 transfer includes revenue collected in the General Fund designated for capital improvements, such as Motor Vehicle License Fee revenue of \$850,000, which supports various Public Works’ ongoing projects.

The FY2012 forecasted transfer of \$5,850,000 includes \$5,000,000 of General Fund balance and \$850,000 from Motor Vehicle License Fee revenue.

The FY2013 forecasted transfer of \$5,850,000 includes \$5,000,000 of General Fund balance and \$850,000 from Motor Vehicle License Fee revenue.

(To) From Special Revenue Fund is the transfer of non-bond resources from the Special Revenue Fund.

(To) From CAM (Central Automotive Maintenance) Fund Balance represents the use of CAM fund balance resources. The FY2013 forecasted transfer of \$3,175,639 would support a CAM fuel site for the northwest area of the County.

Expenditures

Assumptions

Capital Project Expenditures over the three-year forecast period are requested at \$171.6 million. Over 55.0 percent of this amount is in the area of Education and reflects the expending of General Obligation Bond proceeds for construction of one new elementary school; remaining funding associated with one new high school; and the renovation of one high school, one middle school, and two elementary schools. Also, since there are higher priority bond projects with identified funding shortfalls, the funding is being allocated into an Education Bond Project Reserve for future allocation. These funds are associated with bond projects that only include funding for land, planning, or partial renovation costs.

Expenditures for General Government projects funded with General Obligation Bonds during the forecast period include Fire, Public Library, Public Works, and Recreation and Parks. Forecasted expenditures include the construction of a road extension, a new library, a replacement library, a new fire station, renovation and expansion of one fire station, development of one new park, and expansion of an existing park.

General Government and Education expenditures will fluctuate during the forecast period based on the dollar amount of General Obligation Bond projects funded each year.

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

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

Below is a list of projects funded by the General Fund transfer in the Approved FY2009-10 and FY2010-11 Capital Budgets.

FY2010		FY2011	
From General Fund - \$15,000,000		From General Fund - \$9,415,242	
Project	Total	Project	Total
Schools - Mechanical Improvements	\$ 1,790,000	Schools - Mechanical Improvements	\$ 1,800,000
Schools - Roof Replacement	710,000	Schools - Roof Replacement	700,000
Human Services HVAC Replacement	462,300	Human Services HVAC Replacement	3,002,509
Information Technology Projects	617,700	Information Technology Projects	650,000
Recreation Facility Rehabilitation	300,000	Recreation Facility Rehabilitation	600,000
Building Maint Area Safety Improvements	200,000	Building Maint Area Safety Improvements	500,000
Geographic Information System	175,000	Geographic Information System	300,000
Pavement Rehabilitation	170,000	Pavement Rehabilitation	150,000
New Guardrails	25,000	New Guardrails	50,000
Bridge Rehabilitation	475,000	County Generators	248,889
Traffic Signals	200,000	Magistrate's Office Renovation	228,844
East End Operations Center	100,000	DGS Environmental Fund	50,000
Mechanical Improvements	325,000	Historic Facility Rehabilitation	200,000
Right-Left Turn Lanes	50,000	Cedar Hill House	75,000
Roof Replacement/Rehabilitation	250,000	Belmont Master Plan	60,000
E-911 Equipment Replacement	2,000,000	General Road Construction	800,000
Jail Expansion Study	150,000	Total From General Fund	\$ 9,415,242
Land Purchase Reserve	7,000,000		
Total From General Fund	\$ 15,000,000		

Capital Projects Fund Forecast

	FY 08-09 Actual	FY 09-10 Original	FY 10-11 Forecast	FY 11-12 Forecast	FY 12-13 Forecast
Resources:					
Revenues:					
State School Construction Fund	\$ 659,482	\$ -	\$ -	\$ -	\$ -
Use of Money and Property	3,599,273	-	-	-	-
Miscellaneous Revenues	1,001,029	-	-	-	-
Intergovernmental	6,733,015	-	-	-	-
Subtotal Revenues	<u>\$ 11,992,799</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Financing (Uses) Sources:					
Bonds:					
G. O. Bonds - Education - 2005	61,150,000	-	65,656,903	22,931,208	-
G. O. Bonds - General Govt - 2005	9,940,000	-	5,800,000	10,350,000	35,700,000
G. O. Bonds - Public Works - 2005	22,000,000	-	6,000,000	-	-
VPSA Bonds - Education	45,734,741	-	-	-	-
Bond Premiums	2,760,000	-	-	-	-
Subtotal Bonds:	<u>\$141,584,741</u>	<u>\$ -</u>	<u>\$ 77,456,903</u>	<u>\$ 33,281,208</u>	<u>\$ 35,700,000</u>
Transfers:					
(To) From General Fund:					
General Fund Balance	\$ 10,234,841	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Capital Reserve Fund - General Gov't	15,000,000	9,150,000	3,565,242	-	-
General Fund Revenue - License Fee	850,000	850,000	850,000	850,000	850,000
State Lottery Fund	5,885,400	-	-	-	-
State Gasoline Tax	4,878,180	-	-	-	-
Subtotal General Fund Transfers	<u>\$ 36,848,421</u>	<u>\$ 15,000,000</u>	<u>\$ 9,415,242</u>	<u>\$ 5,850,000</u>	<u>\$ 5,850,000</u>
Transfers:					
(To) From Special Revenue Fund:					
MH/MR	\$ 868,000	\$ -	\$ -	\$ -	\$ -
Landfill Fees	150,000	3,600,000	-	-	-
E-911 Wireless Funds	398,400	-	-	-	-
Subtotal Special Revenue Fund	<u>\$ 1,416,400</u>	<u>\$ 3,600,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
(To) From CAM Fund Balance					
Capital Projects	\$ -	\$ 590,600	\$ -	\$ -	\$ 3,175,639
Total Resources and Transfers	<u>\$191,842,361</u>	<u>\$ 19,190,600</u>	<u>\$ 86,872,145</u>	<u>\$ 39,131,208</u>	<u>\$ 44,725,639</u>
Expenditures:					
General Government	\$ 39,962,587	\$ 12,240,600	\$ 11,865,242	\$ 12,850,000	\$ 41,375,639
Education	67,826,574	2,500,000	68,156,903	25,431,208	2,500,000
Public Works Roads	14,310,439	850,000	6,850,000	850,000	850,000
Utilities - Landfill	1,762,663	3,600,000	-	-	-
Total Expenditures	<u>\$123,862,263</u>	<u>\$ 19,190,600</u>	<u>\$ 86,872,145</u>	<u>\$ 39,131,208</u>	<u>\$ 44,725,639</u>
(To) From Capital Projects Fund Equity	\$ (67,980,098)	\$ 20,000,000	\$ 30,000,000	\$ 35,000,000	\$ 25,000,000
Capital Projects Fund Balance	<u>\$283,784,208</u> *	<u>\$263,784,208</u>	<u>\$233,784,208</u>	<u>\$198,784,208</u>	<u>\$173,784,208</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 Capital Projects Fund Balance of unspent current year appropriations.

(*) Source - Trial Balance. Represents unspent balance as of 6/30/09.

GENERAL FUND

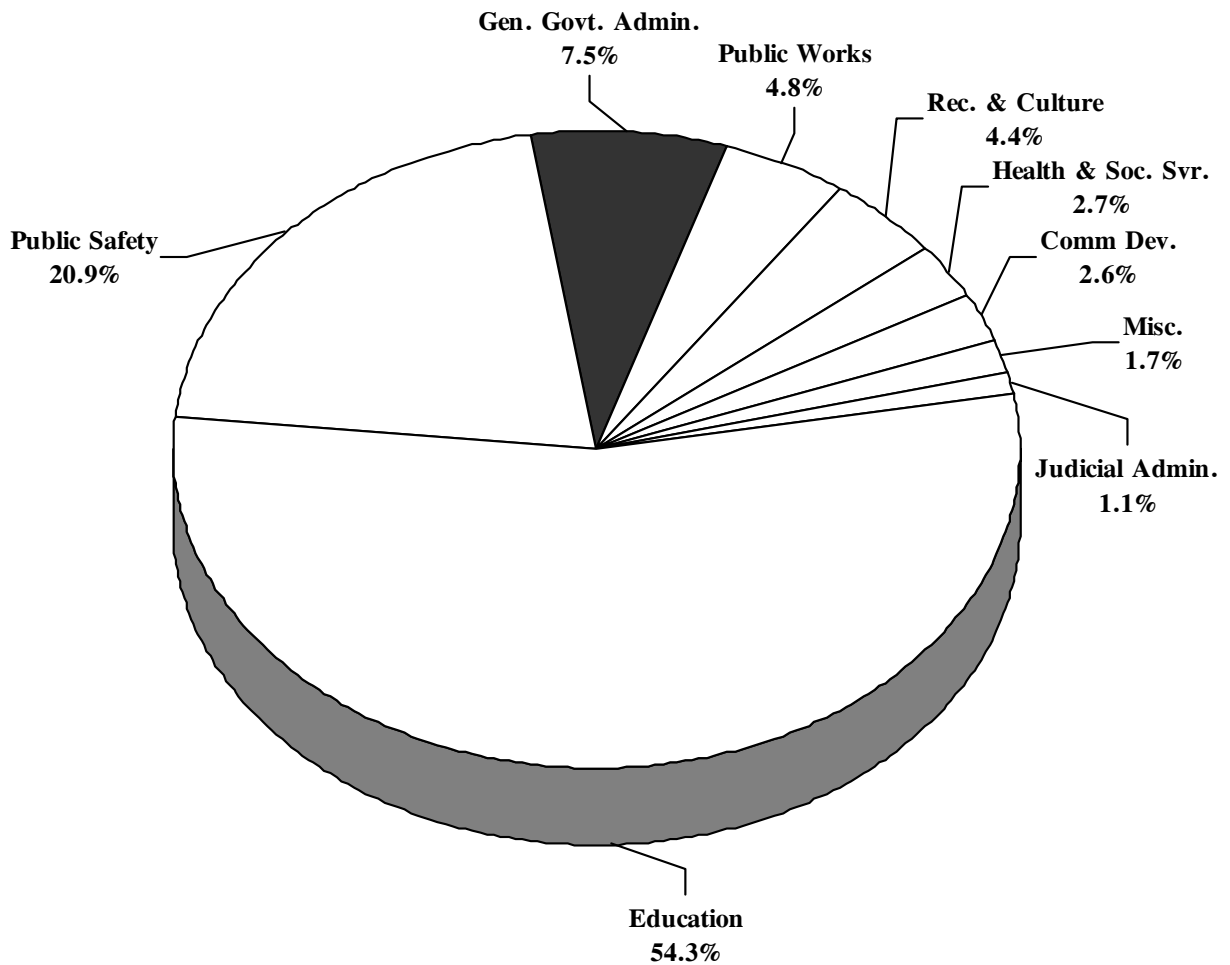
COUNTY OF HENRICO, VIRGINIA
APPROVED GENERAL FUND REVENUES
FY 2010-11

Revenues:			
Function/Program	FY 08-09	FY 09-10	FY 10-11
	Actual	Original	Approved
Revenue from Local Sources:			
General Property Taxes	\$374,883,498	\$409,500,000	\$389,000,000
Other Local Taxes	125,309,276	114,615,000	114,015,000
Permits, Fees, & Licenses	3,431,169	3,859,200	3,239,200
Fines & Forfeitures	2,332,651	2,315,000	2,315,000
From Use of Money & Property	9,506,309	8,703,900	9,734,400
Charges for Services	3,608,083	3,393,200	3,554,200
Miscellaneous	7,462,258	2,992,800	2,872,800
Recovered Costs	3,689,862	3,973,700	4,043,700
Total from Local Sources	<u>530,223,106</u>	<u>549,352,800</u>	<u>528,774,300</u>
Revenue from the Commonwealth:			
Categorical Aid:			
Education	240,034,246	226,476,000	199,131,000
Public Works	31,491,168	28,745,000	28,745,000
Public Safety (HB #599)	9,333,764	9,000,000	7,250,000
Social Services	6,622,429	3,990,400	3,990,400
Other	4,844,648	4,870,500	4,843,300
Total Categorical Aid	<u>292,326,255</u>	<u>273,081,900</u>	<u>243,959,700</u>
Non-Categorical Aid:			
General Government	54,167,975	17,376,300	17,608,500
Total Non-Categorical Aid	<u>54,167,975</u>	<u>17,376,300</u>	<u>17,608,500</u>
Shared Expenses:			
State Share of Salaries & Benefits	17,667,053	15,902,300	13,768,800
Total from the Commonwealth	<u>364,161,283</u>	<u>306,360,500</u>	<u>275,337,000</u>
Revenue from the Federal Government			
Total Revenues	<u>11,922,329</u>	<u>10,935,200</u>	<u>10,860,200</u>
Total Revenues	<u>906,306,718</u>	<u>866,648,500</u>	<u>814,971,500</u>
Interfund Transfers:			
From Short Pump CDA	2,980,869	0	0
To Debt Service Fund	(52,623,443)	(55,782,472)	(49,832,472)
To Capital Projects Fund	(36,848,421)	(15,000,000)	(9,415,242)
To Enterprise Fund	(982,601)	(1,609,569)	(772,219)
To Risk Management	(6,409,405)	(4,361,686)	(4,364,026)
To Special Revenue Fund	(19,860,893)	(23,235,305)	(23,361,772)
To JRJDC Agency Fund	(3,285,493)	(3,359,898)	(3,281,789)
To OPEB-GASB 45 Fiduciary Fund	(6,725,000)	(6,000,000)	(3,000,000)
Total Transfers	<u>(123,754,387)</u>	<u>(109,348,930)</u>	<u>(94,027,520)</u>
(To) From Fund Balance	(36,162,302)	0	0
(To) From Fund Balance - Capital Projects	5,000,000	5,000,000	5,000,000
(To) From Fund Balance - Designated Capital Reserve	15,000,000	9,150,000	3,565,242
(To) Revenue Stabilization	(2,345,451)	0	0
From Revenue Stabilization	5,727,413	750,000	11,548,345
(To) Designated Fund Balance - State Revenues	(5,000,000)	0	0
Total Resources Net of Transfers	<u>\$764,771,991</u>	<u>\$772,199,570</u>	<u>\$741,057,567</u>

COUNTY OF HENRICO, VIRGINIA

General Government Administration

\$55,916,358



Total General Fund

\$741,057,567

**COUNTY OF HENRICO, VIRGINIA
GENERAL GOVERNMENT ADMINISTRATION - GENERAL FUND
FY 2010-11**

<u>Department</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Original</u>	<u>FY 10-11 Approved</u>
Board of Supervisors	\$1,162,393	\$1,164,196	\$1,096,518
County Manager:			
Administration	2,036,190	1,965,145	1,915,000
Public Relations	819,237	866,361	779,769
Media Services	<u>1,235,082</u>	<u>1,194,074</u>	<u>1,083,405</u>
Total County Manager	4,090,509	4,025,580	3,778,174
County Attorney	2,004,339	2,049,269	2,006,181
Human Resources:			
Human Resources	5,236,028	5,329,730	5,193,745
Group Benefits	<u>554,039</u>	<u>951,447</u>	<u>659,176</u>
Total Human Resources	5,790,067	6,281,177	5,852,921
Finance:			
Administration	444,957	536,162	554,939
Technology	808,318	867,824	889,662
Accounting	1,861,484	1,887,581	1,818,927
Budget	625,897	633,347	668,552
Treasury	2,246,200	2,452,076	2,321,437
Real Estate Assessment	3,079,062	3,207,848	3,041,491
Board of Real Estate Review	17,805	18,933	18,828
Vehicle	1,650,011	1,686,795	1,522,430
Business	<u>1,341,438</u>	<u>1,515,897</u>	<u>1,443,934</u>
Total Finance	12,075,172	12,806,463	12,280,200
General Services:			
Communications	1,291,639	1,270,737	1,236,378
Purchasing	1,665,340	1,756,622	1,669,243
Records Management	547,063	531,396	511,327
Administration	1,857,064	1,992,127	1,938,359
Employee Cafeteria	484,182	591,943	552,019
Maintenance and Custodial	9,435,637	9,718,933	9,184,863
Security	<u>1,322,952</u>	<u>1,413,587</u>	<u>1,385,957</u>
Total General Services	16,603,877	17,275,345	16,478,146
Internal Audit	367,386	361,168	376,385
Information Technology	11,873,881	13,340,288	12,079,730
Real Property	528,484	605,673	572,006
Electoral Board	1,560,375	1,457,761	1,396,097
Total General Government Administration	<u>\$56,056,483</u>	<u>\$59,366,920</u>	<u>\$55,916,358</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 FY2010-11 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 budget for the Board of Supervisor's Office is \$1,096,518 for FY2010-11 and represents a decrease of 5.8 percent from the prior fiscal year. Increases in benefit costs were more than offset by the budgeting of vacancy savings, causing a 1.6 percent decrease in personnel costs. The operating budget reduction of \$55,610, or 13.1 percent, consists of the elimination of funding requests for travel, as well as improved efficiencies in telecommunications, technology replacement, the external auditing contract, and other reductions in discretionary accounts.

Annual Fiscal Plan

Description	FY09 Actual	FY10 Original	FY11 Approved	Change 10 to 11
Personnel	\$ 746,822	\$ 740,357	\$ 728,289	(1.6)%
Operation	415,491	423,839	368,229	(13.1)%
Capital	80	0	0	0.0%
Total	\$ 1,162,393	\$ 1,164,196	\$ 1,096,518	(5.8)%
 Personnel Complement	 5	 5	 5	 0

Board of Supervisors (cont'd)

	Performance Measures			
	FY09	FY10	FY11	Change 10 to 11
Performance Measures				
Population of County Served (*)	305,580	308,636	311,722	3,086
Regular Board Meetings Held	22	22	22	0
Special Board Meetings Held	25	23	25	2
Board Resolutions/Ordinances Considered	324	235	255	20
Provisional Use Permits/Zoning Cases Considered	44	52	60	8
Presentations Made at Board Hearings	35	44	45	1
Board and Commission Members Appointed	158	130	140	10
Agend-O-Grams Published	22	22	22	0

(*) - 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.

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.

Objectives

- To monitor and advise County officials on all pertinent legislation before the Virginia General Assembly, and prepare the annual legislative program and summary.
- 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.

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

Budget Highlights

The FY2010-11 County Manager's office budget includes funding to cover the costs of personnel,

The approved budget from the County Manager's Office for FY2010-11 totals \$1,915,000. This represents a decrease of 2.6 percent from the approved budget in FY2009-10. The personnel component of the budget decreased by 0.8 percent as increases in benefit costs were more than offset by the budgeting of vacancy savings. The reduction of \$36,462, or 21.2 percent, in the operating budget is caused by the elimination of funding for travel, along with reductions in the areas of technology replacement and telecommunications due to improved efficiencies. Additionally, the budget reflects decreases in discretionary operational spending.

Annual Fiscal Plan

Description	FY09 Actual	FY10 Original	FY11 Approved	Change 10 to 11
Personnel	\$ 1,817,878	\$ 1,793,467	\$ 1,779,784	(0.8%)
Operation	218,252	171,678	135,216	(21.2%)
Capital	60	0	0	0.0%
Total	\$ 2,036,190	\$ 1,965,145	\$ 1,915,000	(2.6%)
 Personnel Complement	 13	 13	 13	 0

COUNTY MANAGER

Public Relations & Media Services

Description

The Public Relations & Media Services Department directs the County’s public communications efforts and increases awareness and understanding of Henrico County Government activities for the County’s corporate and private residents, employees, students, civic organizations, the media, and other jurisdictions throughout the Commonwealth and the nation. The Department creates and implements communications and public awareness campaigns targeted to a variety of audiences. Activities include news releases, media advisories, news conferences, photography, HCTV-Henrico County Television, 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 Henrico County Television - HCTV. Along with producing full-length, feature programming to broadcast on HCTV, the Department assists internal clients with video production and 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 budget for FY2010-11 totals \$1,863,174, a 9.6 percent decrease from the FY2009-10 approved budget. This amount includes funding for operating

Annual Fiscal Plan

Description	FY09 Actual	FY10 Original	FY11 Approved	Change 10 to 11
Personnel	\$ 1,425,783	\$ 1,564,012	\$ 1,417,612	(9.4%)
Operation	510,552	496,423	445,562	(10.2%)
Capital	117,984	0	0	0.0%
Total	\$ 2,054,319	\$ 2,060,435	\$ 1,863,174	(9.6%)

Personnel Complement 20 20 19 (1)
 One vacant Public Relations Specialist position is being removed from the complement.

Public Relations & Media Services (cont'd)

Performance Measures				
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Video Shoots	558	600	600	0
Publications Distributed	390,000	390,000	390,000	0
Cable TV Messages	1,326	1,500	1,500	0
Information Packets Distributed	19,373	15,000	15,000	0
Media Contacts Made	9,056	9,000	9,000	0
DVD/VHS Duplication	2,842	3,000	3,000	0
Print Articles Generated	470	450	450	0
Photos Taken/Distributed	1,907	1,700	1,700	0

costs and numerous programs sponsored by the department. For FY2010-11, personnel costs decreased by \$146,400, or 9.4 percent, due to the removal of a vacant Public Relations Specialist position from the department's complement, along with the budgeting of vacancy savings. The operating costs total \$445,562, a decrease of 10.2 percent from FY2009-10. This decrease is attributable to improved efficiencies in Technology Replacement and Telecommunications, the elimination of Travel, and other operating efficiencies.

Public Relations

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. The office handles media contacts for County agencies on public awareness campaigns, crises, and other media-related issues. 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.

The approved budget for the Public Relations office is \$779,769, a decline of 86,592, or 10.0 percent, from the FY2009-10 approved budget.

The Board of Supervisors' Newsletter continues to be funded within the Public Relations & Media Services budget at an annual cost of \$63,131.

Media Services

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 audio-visual coverage of Board of Supervisors meetings and is also responsible for producing programs and operating HCTV.

The budget for the Media Services division totals \$1,083,405 in FY2010-11, a decline of \$110,669, or 9.3 percent, from the FY2009-10 approved budget.

The Public Relations & Media Services budget for FY2010-11 represents the second consecutive year of decreased budget requirement as the department continues to improve efficiencies.

COUNTY ATTORNEY

Description

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

County ordinances and resolutions for presentation to the Board of Supervisors, drafts resolutions for presentation to the Economic Development Authority, and reviews and approves contracts entered into by the County, the School Board, and the Economic Development Authority.

Objectives

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

The Office also represents the County and its officials and employees in civil litigation and in criminal prosecutions of violations of certain County ordinances. The Office handles a great variety of cases, such as bankruptcy, civil rights, construction, corrections, employment discrimination, land use, personal injury, procurement, professional responsibility, special education, taxation, and wrongful death. During FY2008-09, 38 new lawsuits were filed in courts of record.

Budget Highlights

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

At present, 37 cases are pending in state and federal courts of record, which include trial and appellate courts and the State Corporation Commission. The Office made 52 appearances in these courts during FY2008-09. During that same period, the Office handled 212 cases in the Henrico County General District Court and 550 cases in the Henrico County Juvenile and Domestic Relations District Court. Moreover, the Office handled 19 administrative proceedings over the same period. In addition to litigation matters, the Office handles a huge volume of transactional work on behalf of the many County departments. This work includes; 1,020 contracts

Annual Fiscal Plan

Description	FY09 Actual	FY10 Original	FY11 Approved	Change 10 to 11
Personnel	\$ 1,888,604	\$ 1,946,739	\$ 1,921,994	(1.3%)
Operation	114,432	102,530	84,187	(17.9%)
Capital	1,303	0	0	0.0%
Total	<u>\$ 2,004,339</u>	<u>\$ 2,049,269</u>	<u>\$ 2,006,181</u>	<u>(2.1%)</u>
Personnel Complement	18	18	18	0

County Attorney (cont'd)

Performance Measures				
	FY09	FY10	FY11	Change 10 to11
Workload Measures				
Cases Filed	38	15	30	15
Cases Disposed of	29	18	30	12
Administrative Proceedings	19	15	20	5
Court Appearances	814	750	875	125

drafted or reviewed, 421 deeds and leases drafted or reviewed, 420 board papers drafted or reviewed, 327 Freedom of Information Act requests handled, 197 Subpoenas Duces Tecum handled, 13 restrictive covenants reviewed, 7 festival permit applications reviewed, 124 sets of conditional zoning proffers reviewed and 4 official opinions rendered. In addition, during the months of January through March 2009, while the General Assembly was in session, 87 articles of proposed legislation were reviewed.

A large addition to the department's workload has been in enhanced efforts to recover funds owed to the County by businesses in bankruptcy. In the period

from July 1, 2009 to November 30, 2009, the County Attorney's Office recovered \$3,620,772.

The Department's approved budget for FY 2010-11 is \$2,006,181. This represents a decrease of \$43,088 or 2.1 percent from the FY2009-10 approved budget. Personnel costs for FY2010-11 were reduced by 1.3 percent due to the budgeting of vacancy savings. Operating costs decreased by 17.9 percent due to improved efficiencies in Technology Replacement and Telecommunications along with the elimination of requested funds for Travel and reductions in discretionary operational spending.

HUMAN RESOURCES

Description

The Department of Human Resources (HR) consists of nine divisions: Classification and Compensation; Employee Benefits; Employee Health Services; Employee Relations; Financial and Administrative Services; Fitness and Wellness; Employment and Staffing; Employee Development and Training; and the Human Resources Management System – HRMS STEP Team.

The Human Resources Department is responsible for managing a centralized, full-service human resources function including such areas as: employment and staffing, classification and compensation management, benefits administration, employee development and training, volunteer services, employee health, fitness and wellness, employee relations, employee and applicant records, and information systems including personnel and payroll transactions. Federal and State legislation is monitored to ensure that all departments and agencies conform to a myriad of personnel laws and regulations. The employee grievance procedure, equal employment opportunity complaint procedure, health and dental coverage, income protection plans, employee assistance program, leadership development program, Family Medical Leave Act (FMLA), Fair

Labor Standards Act (FLSA), employee service awards program, excellence in public service awards program, and unemployment compensation are also administered by the Department of Human Resources.

Objectives

- To remain an employer-of-choice.
- To maintain the Oracle Human Resources Management System.
- To continue our efforts to attract and retain employees at all job levels.
- To endeavor to maintain high employment and low turnover.
- To strive to enhance employee health, fitness, and wellness efforts in an attempt to manage rising health care costs.
- To continue to place employee development and training as a high priority.

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 3,973,484	\$ 4,011,923	\$ 4,028,561	0.4%
Operation	1,239,549	1,317,807	1,165,184	(11.6%)
Capital	22,995	0	0	0.0%
Total	<u>\$ 5,236,028</u>	<u>\$ 5,329,730</u>	<u>\$ 5,193,745</u>	<u>(2.6%)</u>
Employee Services (1)	<u>\$ 554,039</u>	<u>\$ 951,447</u>	<u>\$ 659,176</u>	<u>(30.7%)</u>
Total Budget	<u>\$ 5,790,067</u>	<u>\$ 6,281,177</u>	<u>\$ 5,852,921</u>	<u>(6.8%)</u>
Personnel Complement (2)	53	53	53	0

(1) Includes funding for the employee wage adjustment, retiree hospitalization, and unemployment insurance.

(2) One position was transferred to HR's complement from Information Technology during FY2009-10 and one vacant position was eliminated from the complement. Also, three positions from the hold complement, which are excluded from the number above, were eliminated.

Human Resources (cont'd)

Performance Measures				
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Applications Received	27,191	28,551	29,265	714
Retirements (FY)	60	60	70	10
Efficiency Measures				
% of Applicants who learned of job via Internet	73%	86%	86%	0%
Effectiveness Measures				
Turnover Rate	5.4%	6.0%	7.0%	1.0%

- To ensure leadership readiness through our award-winning career enrichment, succession management, and leadership development programs.
- To continue to offer technology training to County employees.
- To continue Henrico's tradition of sound management and excellent service to our customers.
- To promote EEO awareness among County employees and supervisors by promoting EEO/diversity initiatives.
- To continue our efforts to keep the County's compensation and benefits at a competitive level including pay, health, fitness and wellness, and financial awareness.
- To maintain all records in an orderly and efficient fashion.
- To ensure that all federal and state laws and regulations are adhered to.
- To continue to recognize volunteers for their contributions.
- To maintain the job description/job classification system in an efficient and effective manner including the unified pay plan with Henrico County Public Schools.

- To expand the use of web-based survey tools to obtain, compile, analyze, and interpret data in a more efficient, effective, and timely manner.
- To continue to serve as an internal consultant to the County Manager's Office and to operating departments with regard to human resources.
- To continue to provide assistance to employees and supervisors in areas impacting employee relations.
- To continue to be organizationally astute to the needs of the County of Henrico.

Budget Highlights

The Department of Human Resources budget for FY2010-11 totals \$5,852,921, representing a decrease of \$428,256 or 6.8 percent from the previous approved budget. The Human Resources budget includes both the departmental budget and the group benefits budget. Each of these components is noted in the following narrative.

The Human Resources section of the FY2010-11 budget is \$5,193,745, which represents a net decrease of \$135,985 or 2.6 percent from the previous fiscal year. The personnel component increased by a net difference of \$16,638 or 0.4 percent from the FY2009-10 approved budget. This increase in personnel is due primarily to the salaries and benefits associated with staff changes, including the transfer of

Human Resources (cont'd)

one position from Information Technology, for the HRMS Step Program. Rising VRS, VRS life insurance, and health care expenditures associated with existing staff accounted for the remaining personnel component increase. These increases were offset by the elimination of one vacant position from the complement as well as budgeted vacancy savings. As a note, three positions from the hold complement were eliminated.

The operating component decreased by \$152,623 or 11.6 percent from the previous fiscal year. This portion of the budget reflects the County-wide adjustment in travel, tuition, technology replacement, and telecommunications. The combined impact of these adjustments reduced the operating component by \$43,151. In addition, funding of \$38,430 was removed from various accounts in order to meet the operating budget adjustment. It is important to note that an additional \$75,000 in funding was eliminated from tuition which covers technology training classes, including GIS, for all General Government employees.

The FY2010-11 budget for the Group Benefits section of the Human Resources budget is \$659,176, representing a decrease of \$292,271 or 30.7 percent from the previous approved fiscal year budget. This decrease was driven by the elimination of the County-wide funding for the wage adjustment of \$250,000 and unemployment insurance of \$70,000.

Health care premiums for disabled retirees total \$160,432, increasing by \$1,463 from the previous fiscal year. In FY2010-11, this amount will provide health care premiums for twenty-five disabled retirees which represent a reduction of two disabled retirees from the previous fiscal year. The Group Benefits budget also 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 \$498,744 and currently covers 391 retirees at an average monthly cost of \$106 per retiree.

The Human Resources Department continues to offer a wide variety of training opportunities to supervisory and non-supervisory employees. Over 3,400 employees/participants took advantage of these

excellent training offerings in FY2008-09, which were attractively marketed through the comprehensive training catalogs as well as published on-line. The electronic newsletter for supervisors, the "Leadership Link", a communication tool covering timely topics of interest, continues to be published on a quarterly basis exclusively for the County's 800 plus supervisors, providing them with pertinent and timely information to assist them in their leadership roles. Providing training and consultation to employees and supervisors is an important service offered by Human Resources and one that adds value to the entire role of government. The Department takes a lead role in this regard and will continue this effort in FY2010-11.

The Human Resources Department's Employee Health Services Clinic together with the Benefits Division and the Fitness/Wellness Division will continue its fitness and wellness efforts in FY2010-11. Providing classes and personal training sessions for employees in the area of fitness and wellness continues to be well received. The Department of Human Resources' fitness initiatives have enjoyed great success in their rather short tenure – having trained over 22,000 participants (total participants for all classes and training sessions) since Fall 2006. The Department is expanding its fitness and wellness effort, focusing more on weight management, nutrition, walking/running clubs, fitness assessments, strength and conditioning, and an even wider array of classes requested by County employees. These offerings are intended to encourage employees' efforts to improve their overall health.

One of the many responsibilities of the Human Resources Department is to develop, implement, and maintain a competitive compensation program for the County's workforce. FY2010-11 will continue to present the Human Resources Department with unique challenges as it strives to effectively address compensation issues within a restricted fiscal environment. Federal and State compensation regulations, attraction and retention strategies, increased demand for services, and the economic outlook, all impact efforts in this regard. Henrico County continues to be extremely competitive in this area and is considered to be an employer-of-choice.

The Department places a high priority on maintaining timely and accurate information and relies on the

Human Resources (cont'd)

Internet/Intranet as a means for communicating information. The HR Department will continue to focus on this tool for all areas of human resources management as it looks for ways to improve communication to all customers through recruitment, training, employee health, wellness and fitness, employee relations, technology, records, compensation, benefits, and administration.

The Human Resources Department will continue to promote efforts to attract the best applicants to fill County vacancies through the on-line applicant system. In FY2008-09, the Department received over 27,000 applications through its automated system.

Despite the County's hiring freeze, the number of applicants in FY2009-10 is expected to remain relatively stable. Even greater interest in employment from applicants is expected in FY2010-11 due to the economy.

Funding was approved by the Board of Supervisors for the new Human Resources Management System in FY2005-06. A cross functional team including Schools was assembled to implement the new system. During FY2008-09, the team completed the development and implementation of this system including an enhanced payroll system using Oracle software.

FINANCE

Description

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

- To administer all licensing activities in the County.
- To maintain complete and accurate accounting records for the County.
- To maintain the County's triple AAA bond ratings through sound financial management, the accurate recording of financial activity, and the timely preparation of the Comprehensive Annual Financial Report.
- To prepare, administer, and monitor the Capital and Operating Annual Fiscal Plans of the County.
- To 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 our 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>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 10,556,616	\$ 11,073,908	\$ 10,707,612	(3.3%)
Operation	1,464,851	1,687,055	1,547,671	(8.3%)
Capital	53,705	45,500	24,917	(45.2%)
Total	<u>12,075,172</u>	<u>12,806,463</u>	<u>12,280,200</u>	<u>(4.1%)</u>
Personnel Complement	167	167	159 *	(8)

*Eight vacant positions are being eliminated.

Finance (cont'd)

Performance Measures				
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Parcels of Land Reviewed	109,970	111,070	112,170	1,100
Vehicles Assessed	328,204	338,554	350,000	11,446
Business License Payments	8,533	8,245	8,750	505
Cashier Transactions Per Teller/Day	94	96	98	2
Budget Transfer Documents Processed	1,365	1,360	1,410	50
Checks Written	189,934	185,000	190,000	5,000
Debit Card Transactions	18,054	18,415	18,783	368
Tax Advantage Applicants	5,731	6,193	6,500	307
Electronic Bill Payments	145,116	148,018	150,978	2,960
Effectiveness Measures				
G.O. Bond Ratings:				
Standard & Poor	AAA	AAA	AAA	n/a
Moody's	Aaa	Aaa	Aaa	n/a
Fitch	AAA	AAA	AAA	n/a
Number of Years - GFOA Award for CAFR	26	27	28	1
Number of Years - GFOA Award for Budget	19	20	21	1

Budget Highlights

During FY2009-10, 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 twenty seven consecutive years. The Office of Management and Budget received the Distinguished Budget Presentation Award from GFOA for the Annual Fiscal Plan for the twentieth consecutive year.

In addition to sound fiscal planning, Henrico County also makes every effort to operate in a conservative fashion by maximizing efficiencies, prudently managing resources and engaging in special initiatives to ensure the appropriate level of tax collection. While conservatively estimating revenues and cutting expenditures without compromising service delivery, the County has also been proactive in managing its debt, taking advantage of favorable interest rates to minimize costs. In these difficult economic times, fiscal prudence, combined with proactive, and pragmatic fiscal management is of absolute necessity.

In addition to these achievements, there were several other significant accomplishments that occurred during the 2009-10 fiscal year, which include:

- 1) Expanded acceptance of pin-based debit cards to the County's libraries as an additional convenience to residents.
- 2) Initiated the acceptance of credit-cards at cashiers' stations for the payment of bills, providing convenience for taxpayers, as well as an alternative option for payment.
- 3) Four highly successful refundings for general obligation bonds, lease revenue bonds, and water and sewer enterprise fund revenue bonds.
- 4) Initiated conversion of the County's tax billing and CAMA legacy systems to newer software platforms.

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

Finance (cont'd)

administrative staff is responsible for the issuance of all County debt and maintains all of the debt issuance records as well as handling all subsequent reviews or filings related to that debt. The Administration staff also monitors the County's investments and administers the County's Investment and Cash Management Guidelines. Within Administration lies the Technology function, which maintains the Finance Department's computers, printers, servers, and other related equipment. This section also handles personal computer software installations and upgrades along with assisting in the implementation of new systems or upgrades of existing systems in the Department. In addition, due to the current economic difficulties experienced this year, the Department of Finance has also assisted in the presentation of economic updates at a number of community forums and gatherings.

Henrico County engaged in four successful bond sales in calendar year 2009. In February 2009, Water and Sewer revenue bonds were refunded at the favorable True Interest Cost (TIC) of 3.671 percent, resulting in a savings of over \$5.65 million. Also, in May 2009 General Obligation bonds were refunded at a TIC of 2.68 percent, with a savings of \$1.84 million, and in August 2009, Lease Revenue Bonds were refunded at a TIC of 2.93 percent, with a NPV savings of \$5.15 million. In addition, in December 2009, variable rate Water and Sewer revenue bonds were refunded at a favorable fixed rate, resulting in a TIC of 3.49 percent. In total, debt service refunding activities in 2009 generated a cumulative \$12.64 million in savings.

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 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 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 County 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. Accounts for individuals and properties eligible for assessment adjustments or exemption are catalogued.

As of January 1, 2010, the taxable assessed value of the County was approximately \$32.0 billion, representing a decrease of 7.8 percent from January 1, 2009. The real estate market continues to experience the effects of a significant downturn affecting both residential and commercial property values. Annual reassessment resulted in a \$2.8 billion reduction in total assessed value.

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.

Through calendar year 2009, the Real Estate Assessment Division processed approximately 29,525 telephone inquiries and 4,044 walk-in requests for property information. An Interactive Voice Response (IVR) system provides residents and real estate professionals access to property data via touch-tone telephone 7 days a week, 24 hours a day. IVR received 113,433 requests for data in CY2008, and in CY2009, there were 113,057 inquiries.

The Real Estate Assessment Division administers a countywide Partial Real Estate Tax Credit Program for qualifying rehabilitated or renovated multi-family, commercial/industrial, and hotel/motel properties. The structure (building) for multi-family and commercial/industrial properties must be at least

Finance (cont'd)

26 years old and a minimum of 35 years old for hotel/motel properties. In 2009, 20 property owners received \$464,500 in tax credits, a 44.3 percent increase over 2008. The Board of Supervisors approved a Partial Real Estate Tax Credit Program for rehabilitated, renovated or replacement residential structures on November 24, 2009. The effective date of this new exemption program is January 1, 2010. To qualify for the exemption, the total assessed value of the residential property must not exceed \$200,000, and the structure must be at least 40 years old.

The Real Estate Assessment Division also administers 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. Forest land eligibility includes a 20-acre minimum and the other classifications require a 5-acre minimum. In 2009, 437 property owners participated in the program totaling 30,283 acres.

Revenue

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

The total number of business licenses issued in calendar year 2007 totaled 22,238, with 21,691 and 22,618 issued in 2008 and 2009 respectively. Given the state of the economy, it was predicted that there would be a contraction in the number of new business licenses received between 2007 and 2008. However, licenses issued in 2009 increased by 927, or 4.3 percent. This may be an indication that the region is beginning to rebound from the recession, and showing positive signs of economic growth.

This section also offers assistance to citizens through the Real Estate Tax Advantage Program (REAP), which provides real estate tax relief for

persons 65 years of age and older, or permanently and totally disabled persons so long as they own and occupy their home. For FY2010-11, the maximum net worth and income thresholds are \$350,000 and \$67,000, respectively. The County continues to award a maximum tax relief amount of \$3,000 per household. In addition, certain administrative changes to the program were initiated by the Board of Supervisors, which liberalized application deadline requirements in order to meet the tax relief needs of those seniors who fail to apply on time. Also, with the elimination of the matrix that previously determined the level of tax relief that could be awarded, all qualifying participants receive the maximum level of tax relief.

REAP will continue to provide immediate tax relief to a large percentage of our seniors, with the underlying goal of eliminating the Real Estate Tax for a majority of our senior households. The graph below depicts the number of REAP applicants per year since calendar year 2006.



In addition to assessing businesses for license and/or personal property taxes, the division continually seeks to improve administrative requirements to streamline processes. One example is the Division's continued design work on developing a combined business license/personal property system to improve efficiency in the entry and storage of sensitive taxpayer information, as well as enhance customer service performance by limiting wait time for taxpayers seeking to obtain a business license.

Finance (cont'd)

The Revenue Division also played a significant role in the "Henrico, VA" initiative, prompting the change in order to reduce the miscoding of local tax revenues. Additional duties performed by the Division include the administration and collection of the Daily Rental Tax, Bank Franchise Fees, as well as auditing and collecting the Hotel/Motel Transient Occupancy Tax, Consumer Utility Tax and all applicable personal property taxes. The Division also monitors the County's portion of both the Virginia Communication Sales Tax, and the Sales and Use Tax.

Accounting

The Accounting Division has three operating sections: General Accounting, Payroll, and Accounts Payable. The General Accounting Section assigns and establishes all account coding, exercises pre-audit control over receipts and disbursements, accumulates information to meet budget requirements, prepares financial statements, maintains inventory records of County property, maintains and supervises fixed assets, grants accounting, and complies with IRS arbitrage/rebates requirements. The Payroll Section audits and approves payrolls, issues checks, records all payroll deductions, deposits taxes withheld, and completes required reporting of such activity. The Accounts Payable Section verifies that expenditures are within the approved limits and exercises pre-audit control over expenditures and disbursement of funds.

The number of accounts payable transactions processed in Fiscal Years 2008 and 2009 were 178,653 and 197,707 respectively. It is projected that 208,000 accounts payable transactions will be processed during FY2010. In addition, the Division processes approximately 633 payroll checks and 12,925 payroll direct deposits per month. The Accounting Division, in cooperation with other areas of Administration, also facilitates information and provides as-needed assistance in the County's annual external audit.

Treasury

The Treasury Division serves as the County's cashier function and provides tellers to collect taxes

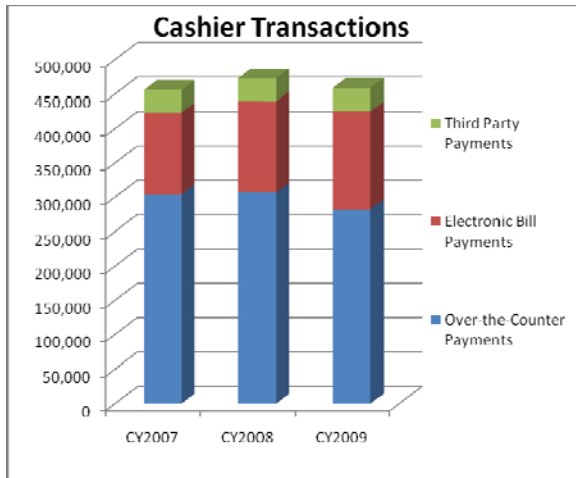
and utility payments. Treasury is also responsible for the billing of real estate and personal property taxes, along with the collection of delinquent taxes using the various tools provided by the Code of Virginia.

In July, 2008, the Division implemented the use of pin-based debit cards as an acceptable form of payment in the cashier offices at the Western and Eastern Government Centers and the Utility Cash Office. Between the months of July and December, 2008, there were a total of 4,030 pin-based debit card transactions. The number of transactions increased fourfold in 2009 to 16,057. The introduction of this form of payment has been well received by the citizens of Henrico County and its availability was expanded to Recreation & Parks, Libraries and the Cafeteria at the Western Government Center in FY2009-10. Also, credit cards were recently introduced as an acceptable form of payment at cashiers' stations for the payment of bills, providing convenience to taxpayers, and also providing an alternative form of payment.

The Eastern and Western Government Center's cashier offices, in calendar year 2009, processed 281,414 transactions, while Electronic Bill Payments increased from 133,189 in CY2008, to 145,116 in CY2009, and third-party credit card payments increased from 33,063 in CY2008, to 39,572 in CY2009. As a result of these alternative forms of payment, the Division is beginning to experience a reduction in the number of in-person payments.

The Lockbox Operation processed 593,375 transactions in CY2008 and 557,912 transactions in CY2009. It is anticipated that the number of in-person payments to the cashier, which reflect payments collected through the Lockbox, will gradually decline as a result of the increased use of alternative bill payment options. The Customer Service-Account Maintenance function within Treasury also answered a total of 66,825 incoming telephone inquiries from citizens and handled 101,729 pieces of mail in CY2009, and also performed 62,970 personal property and real estate customer account adjustments.

Finance (cont'd)



The Treasury Division also includes the compliance/enforcement team responsible for the collection of delinquent taxes using various tools facilitated by provisions in the Code of Virginia. To promote and enforce payment of delinquent personal property taxes the Vehicle Registration Withholding process is used in collaboration with the Department of Motor Vehicles.

The Treasury Division – Delinquent Team also enforces payment of taxes via the Commonwealth of Virginia’s Debt Set-Off Program (funds withheld from individual state income tax returns). Over the past four years this program has produced \$2,661,833 in revenue from unpaid taxes, utility debts, library fees and miscellaneous items. Total collections for CY2009 were \$768,420, having decreased from \$909,297 in CY2008, emphasizing the success of the Division’s goal toward promoting voluntary compliance. In addition, in 2009, the Division’s Customer Service Team sent 22,650 applications for renewal of dog licenses.

Office of Management and Budget

The Office of Management and Budget (OMB) prepares and monitors the operating and capital budgets. This Division works closely with the County Manager’s Office in monitoring current revenue collections and projecting future resources as a means of preparing a realistic budget for future fiscal years. Throughout the year, OMB maintains close contact with all operating departments to avoid deficit spending and to ensure the prudent use of

County funds. In addition to preparing the budget, OMB conducts a comprehensive analysis of historic and current economic conditions in Henrico County, culminating in the creation of the Financial Trends Monitoring System. This document, which is completed every fiscal year, takes into account multiple economic factors and financial information to identify past trends that aid in the derivation of statistical models to accurately forecast the future economic health of the County.

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

Another of these measures has been to keep incremental expenditure growth capped at an amount not to exceed 5 percent in any given fiscal year. This five percent figure is based on yearly Consumer Price Index statistics and a constant two percent population growth factor. 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. The importance of the County’s conservative fiscal philosophy has become more apparent as a result of the recession. The recession, which began in December 2007, has severely impacted growth in the County’s sources of revenue, particularly in local real estate and state revenues, which has compelled the County to adapt and adjust, in order to find greater efficiencies in the way it operates and to make the best use of the scarce resources available.

As part of this continued conservative methodology, 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

Finance (cont'd)

revenues, as well as interest on investments, 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.

GENERAL SERVICES

Description

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

Communications provides the County with an efficient and dependable communications infrastructure. It is responsible for the management, purchase, installation, and maintenance of all radios and the entire radio infrastructure for the County's 800 MHz trunked radio system. This infrastructure includes the Emergency E-911 system for Public Safety, Fire and Rescue Station alerting system, digital microwave network, six radio towers, and the regional prime site. The Henrico County radio infrastructure serves as the hub for the regional Smartzone radio system.

The Facilities Management Division is responsible for capital improvement projects, energy management, maintenance of the buildings and grounds, custodial services, food services, and security. Building and Grounds Maintenance provides a safe and clean environment for citizens and employees to conduct business by maintaining over 2,200,000 square feet of County buildings. Building Security safeguards County property and monitors the security of facilities through patrols and 24 hour per day security console operations. Capital

Construction Administration is responsible for administering capital projects in various stages of design and construction. Employee Food Services operates the cafeteria at the Western Government Complex and provides catering services to functions within the County complex and the Training Center.

Support Services is comprised of Purchasing, Records Management, and Central Automotive Maintenance. Purchasing is responsible for procuring goods and services required by County departments and Schools at the lowest price in a legally responsible manner. Purchasing also administers the surplus auctions and sales and is responsible for the information systems for the department by maintaining all personal computers, servers, and peripheral equipment. Records Management includes the Copy Center, mail delivery, and record retention functions. Central Automotive Maintenance (CAM) provides fleet management and automotive maintenance for the County. Details of CAM's budget can be found in the Internal Service Fund section of this book.

Risk Management manages the County and Schools' self-insurance funds and pays all workers' compensation, debt collection, liability, and property damage claims. This division also conducts defensive driving courses and responds to safety training requests from other agencies in addition to performing safety inspections. Details of Risk Management's budget can be found in the Internal Service Fund section of this book.

Annual Fiscal Plan

<u>Description</u>	FY09 Actual	FY10 Original	FY11 Approved	Change 10 to 11
Personnel	\$ 8,404,103	\$ 8,794,947	\$ 8,553,648	(2.7%)
Operation	7,737,752	8,100,688	7,558,732	(6.7%)
Capital	462,022	379,710	365,766	(3.7%)
Total	\$ 16,603,877	\$ 17,275,345	\$ 16,478,146	(4.6%)

Personnel Complement 151 151 146 (5)

*Five vacant positions are being eliminated.

General Services (cont'd)

Performance Measures

	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>Change 10 to 11</u>
Workload Measures				
Preventive Mechanical Maintenance Work Orders	5,196	6,000	6,300	300
Corrective Maintenance Work Orders	15,905	16,000	16,300	300
Square Feet Maintained	2,194,808	2,221,193	2,251,325	30,132
Radio System Work Orders	3,488	3,488	3,500	12

Objectives

- To provide County departments and agencies with effective support in the areas of centralized purchasing, food service, automotive maintenance and office support services so departments and agencies can effectively carry out their assigned functions.
- To provide professional leadership to County agencies for planning and construction of appropriate facilities, and to maintain them properly to provide a pleasant, comfortable, and aesthetically pleasing environment to work and conduct business.
- To provide the County with an efficient and dependable radio system infrastructure.

Budget Highlights

The Department's budget for FY2010-11 is \$16,478,146. This represents a decrease of 4.6 percent when compared to the FY2009-10 approved budget. Personnel decreased by 2.7 percent over the FY2009-10 approved budget. This decrease is mostly due to the elimination of five vacant positions and the budgeting of vacancy savings. The overall operating component decreased \$541,956, or 6.7 percent when compared to the FY2009-10 approved budget. This is the result of a number of targeted reductions in a number of areas, including utilities. All fixed costs are fully funded in the FY2010-11 budget, including electricity and heating services along with additional funding provided for new or expanded facilities in FY2010-11. Capital outlay expenditures in FY2010-11 will decrease 3.7 percent.

What follows is a more detailed synopsis of the Department's divisions.

Division of Communications

In FY2010-11, the Division of Communications' budget totals \$1,236,378. Personnel expenditures are decreasing \$2,296 largely due to budgeted vacancy savings. Operating expenditures are decreasing \$24,457 as a result of reductions to telecommunications, travel, tuition, contracted maintenance and repair costs, and supplies for maintenance and repairs. There is also a reduction in capital outlay expenditures of \$7,606.

Division of Facilities Management

Maintenance & Custodial

In the Maintenance and Custodial section of Facilities Management, the budget for FY2010-11 is \$9,184,863, a decrease of 5.5 percent over the FY2009-10 approved budget.

The personnel component is decreasing by \$124,689 mostly due to budgeting of vacancy savings in FY2010-11 along with the elimination of two vacant positions. Operating expenditures are decreasing \$410,568, which is mostly due to reductions in utilities cost. There are increases for new facilities totaling \$117,207 that somewhat offset the reductions in this area. The facilities that this funding will go towards are Fire Station #8, Fire Station #12, an expansion of the Juvenile Courts Building, and the renovation and expansion of the Glen Allen Library. This function of General Services provides building, custodial, and grounds maintenance at numerous County facilities, and coordination of the Training Center. \$160,000 remains for the Division's Building Maintenance Program, which provides for the replacement of carpet and tile at County facilities on a regular schedule.

General Services (cont'd)

Security

The budget for the Security section of Facilities Management totals \$1,390,757, representing a decrease of \$27,630, or 2.0 percent over the previous approved fiscal year. The decreases made to the operating component total \$21,087. Included in this amount are reductions for travel, tuition, telecommunications, motor pool, and supplies. Security safeguards County property with a complement of 28 employees by monitoring the security of facilities through patrols and a 24-hour per day security console operation.

Administration

The General Services Administration budget totals \$1,938,359, representing a decrease of \$53,768 or 2.7 percent over the previous fiscal year. This decrease is the result of budgeted vacancy savings and reductions in the operating component. No capital outlay expenditures are budgeted in Administration for FY2010-11. General Services Administration provides budgetary oversight and fiscal management to the four divisions.

Employee Cafeteria

In FY2010-11, the budget for Employee Cafeteria totals \$552,019, which reflects a decrease of \$39,924 over the FY2009-10 budget. Personnel expenditures are decreasing \$38,546 due to the elimination of two vacant part-time positions. Operating costs have been reduced \$1,378 due to reductions in outside temporary help services, telecommunications, and travel. Capital outlay expenditures remain the same as in FY2009-10 at \$2,000. The Food Services area operates the cafeteria at the Western Government Complex with eight full-time positions.

Division of Support Services

Purchasing

In FY2010-11, the budget for the Purchasing office is \$1,669,243, a decrease of \$87,379 or 5.0 percent from FY2009-10. The personnel component is

decreasing \$48,125 or 4.1 percent due to the budgeting of vacancy savings and the elimination of one vacant position. Overall, operating expenditures are decreasing \$34,479 or 6.0 percent and capital outlay expenditures have been reduced \$4,775. The Purchasing, Records Management, Communications, and Risk Management sections of General Services currently reside in the North Run offices.

Records Management

The FY2010-11 budget of \$511,327 for the Records Management office is a decrease of \$20,069 or 3.8 percent over the FY2009-10 approved budget. This decrease is mostly attributed to reductions to operating expenditures as it reflects a decrease of \$14,099 due to reductions in telecommunications, travel, and supplies. Records Management has nine employees to operate the County's internal mail system, copy center, print shop, and the County's offsite record storage.

Central Automotive Maintenance

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

Division of Risk Management

The budget for this area is reflected within the Internal Service Fund Series. Because Risk Management provides services to General Government (including the Department of Public Utilities) and Schools, the budget is included within the Internal Service Fund Series. The Division is responsible for the management of the self-insurance fund, administration of workers' compensation, auto, property and liability claims, loss prevention, and safety training.

INTERNAL AUDIT

Description

Internal Audit assists the County Manager and the Board of Supervisors by providing objective analyses, recommendations, advice and comments concerning those cases 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 Audit Committee of the Board of Supervisors. The focus of Internal Audit is on General Government, as Education has a separate internal audit function.

The auditing environment has become increasingly complex and challenging as the County and its agencies implement additional technology. To meet this challenge, Internal Audit uses enhanced software for both auditing processes and testing data. The Office employs these enhanced auditing technologies in all of its audits to better examine activity in a cost effective manner.

Objectives

- Perform an annual risk assessment, identify areas of risk for audit, and conduct internal audits to evaluate controls, note commendable practices, and recommend workable improvements.
- 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 external audit.
- Advise County management and the County’s Audit Committee on potential improvements in operations and results through technical assistance.
- Audit special projects 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.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 351,435	\$ 341,808	\$ 363,431	6.3%
Operation	15,211	19,360	12,954	(33.1%)
Capital	740	0	0	0.0%
Total	<u>\$ 367,386</u>	<u>\$ 361,168</u>	<u>\$ 376,385</u>	<u>4.2%</u>
 Personnel Complement	 4	 4	 4	 0

Internal Audit (cont'd)

	Performance Measures			
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Audit Projects: Audits, Follow Ups, Consults	26	26	26	0
Efficiency Measure				
General Gov't budget/audit position (mil)	\$141	\$145	\$141	(\$4)
General Gov't employees/audit position	1,000	1,000	978	(22)

Budget Highlights

Internal Audit examines and evaluates the adequacy and effectiveness of internal controls plus the quality of performance for improvement of accountability within General Government. Assessing quality of performance includes appraising the reliability and integrity of financial and operating information plus 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; examining efficient use of General Government resources and program accomplishments.

The Internal Audit FY2010-11 approved budget totals \$376,385 and represents a 4.2 percent increase over the FY2009-10 budget. This is due to an increase in the personnel component of the budget, which increased 6.3 percent due to salary and benefits adjustments.

The increase was partially offset by a 33.1 percent reduction to the operating component of the budget, which included the elimination of travel, as well as reductions to technology replacement, office supplies, books and subscriptions and office software.

Service levels will continue at current levels on audits, special projects and follow-ups. The fraud reporting website may generate additional special projects. Technical assistance will be provided to agencies as requested and to the external auditors as contracted.

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 operates 24 hours a day, 7 days a week. Major areas of service include Finance, Public Utilities, General Services, Human Resources, and all Public Safety agencies. A Customer Service Center, with help desk and work station support services, is available to provide assistance to agency personnel on computer related problems.

The Department also administers and maintains the County's telecommunications infrastructure including telephone systems, cell phones, pagers, and the voice and data plant. In addition, the Department is responsible for the maintenance of the Emergency E-911 system for Public Safety.

Objectives

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

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 8,080,248	\$ 8,477,200	\$ 7,979,753	(5.9%)
Operation	3,437,710	4,310,173	3,636,297	(15.6%)
Capital	355,923	552,915	463,680	(16.1%)
Total	\$ 11,873,881	\$ 13,340,288	\$ 12,079,730	(9.4%)

Personnel Complement* 89 89 83 (6)

*One existing IT position was transferred to Human Resources during FY2009-10 and five vacant positions were eliminated from the complement.

Information Technology (cont'd)

Performance Measures

	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Henrico Internet Pages Accessed	16,629,902	17,523,600	19,590,025	2,066,425
Henrico Internet Number of Visits	2,280,415	2,362,270	2,387,300	25,030
Efficiency Measures				
Central Computer Average Uptime	99.80 %	99.80 %	99.80%	0.00 %

- To provide the County with an efficient and dependable communications network.

Budget Highlights

The Department of Information Technology’s (IT) FY2010-11 budget is \$12,079,730, which represents a decrease of \$1,260,558 or 9.4 percent from the previous approved budget. The personnel component decreased by a net difference of \$497,447 or 5.9 percent from the previous approved fiscal year as a result of the elimination of five vacant positions from the complement as well as budgeted vacancy savings. The decrease was also impacted by the transfer of an Office Assistant III position to Human Resources during FY2009-10. These reductions were offset by the rising VRS, VRS life insurance, and health care expenditures for remaining personnel.

Although the personnel component is a driver of the decrease, operating expenditures played an important role as well. The operating component is forecasted to decrease by a net difference of \$673,876 or 15.6 percent from the previous approved budget. This portion of the budget reflects the County-wide adjustment in travel, tuition, technology replacement, and telecommunications. The combined impact of these adjustments reduced the operating component by \$51,835. It is important to note that funding of \$346,191 was removed from lease/rent of equipment and funding of \$295,000 was eliminated from computer maintenance service contracts as these accounts have been trending downwards in recent years as a result of operational efficiencies implemented by the department. These reductions are offset by an increase in computer software of \$20,000, which was transferred from the Planning department in order to centralize the cost associated with the Geographic Information System software.

The capital component allows for the purchase of new and replacement computer equipment as well as replacement telecommunications equipment and is forecasted at a total cost of \$463,680. This total represents a decrease of \$89,235 or 16.1 percent from the previous approved budget. The adjustment was required to meet expenditure reductions and will not impact service delivery due to increased efficiencies implemented by the department.

During FY2010-11, the Department of Information Technology will focus on its central data center network architecture to enable a more robust hardware platform for a virtual server environment.

During the past year Information Technology began researching this new network architecture. To operate efficiently, the fundamental Henrico network requires changes to meet modern standards. This involved changing the network settings for over 3,000 personal computers, 4,000 users and 240 servers. At the same time all users were migrated to a newer, more functionally rich email platform. This process has taken over a year to plan and put into production.

The data center revitalization project continues and the County’s central network switches will be replaced, which will significantly increase the overall speed and health of Henrico’s infrastructure.

As a central part of this improvement is the move to a virtualized server environment. A large percentage of the 240 plus servers currently supported by IT use little processing power – 1.0 percent to 5.0 percent of the total available “horsepower” on each box – to run their respective applications. Multiple virtualized servers can run on each server in this new environment. Currently IT has approximately 45 virtual servers running on four

Information Technology (cont'd)

physical servers. The goal of Information Technology is to virtualize the entire data center to be running in fewer than 15 physical servers.

This consolidation will greatly reduce the overall administrative overhead and backup/restoration time for IT's operations. Additionally, it is a move toward a "green" computer room and will reduce the total energy requirements for day to day operations and cooling.

During the past year, substantial annual savings have been realized through reduction of telecommunication costs. Information Technology supports over 6,000 telephone ports throughout the County. During an average month, the County's telephone systems handle over 400,000 calls excluding intra-building calls.

While large savings have already been achieved, IT will continue monitoring telecommunication costs to determine additional means of reducing monthly and annual surcharges to the County. The bankruptcy of Nortel, the primary telecommunications provider, is being watched carefully to provide insight to the County's future telecommunication strategy.

The protection of the County's data assets is one of the prime concerns of Information Technology. In furtherance of this objective, IT has begun a feasibility study for developing an off-site backup and recovery site and a remote operations center in the event of a disaster or catastrophic failure in the main computer center.

One of the strong features of the VMWare virtual technology is the ability to easily replicate data at an off-site location and quickly restore data to an operational center once the damaged or destroyed hardware has been replaced.

Also in the coming year the Department will continue to review new technology. Some of these new technologies are LTE (faster mobile wireless), VOIP (phones using the data network), desktop PC virtualization, Windows7 desktop operating system, and Open Office software, which may eliminate the need to purchase individual software packages.

The County has been replacing mainframe legacy applications with more robust commercial solutions over the past several years. These new applications include solutions for:

- General Ledger and Purchasing,
- Cashiering,
- Human Resources,
- Document Management,
- GIS, and
- Utility Billing

This effort will continue in the upcoming fiscal year. The Department of Finance is scheduled to replace their legacy billing systems with a single third-party product. Additionally, the County anticipates the implementation of a new 911 emergency response system by the end of 2010.

REAL PROPERTY

Description

The Real Property Department plans and supervises the administration of the acquisition, leasing and disposal of real property (real estate) for the County of Henrico, including General Government and Schools. The Department advises and makes recommendations to the County Manager, Deputy County Managers, the Board of Supervisors and the School Board regarding these properties and performs related work as directed. The Department's experienced and professional staff work daily in cooperation with departments including, but not limited to, Public Utilities, Public Works, Recreation and Parks, Planning, Schools and the County Attorney's Office. The department also prepares presentations for public forums such as Board of Supervisors' Meetings, Magisterial District Meetings, and in court, when necessary. Furthermore, the Department, as directed, represents the County in negotiations with its citizens for the acquisition and/or disposal of real estate. The Department offers and provides its services and assistance on real estate related matters to citizens having real property matters with the County and/or its various departments.

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

Budget Highlights

The Real Property Department will continue to maintain the existing level of services to the County and the public in FY2010-11. In addition to providing assistance to the public, the Real Property Department processes the vacation and/or abandonment of roads, alleys, and easements. Real Property will continue to manage approximately 99 County-leased properties. Currently, this includes 10 leases for the Department of Mental Health/Developmental Services, many of which are properties for supervised Independent Living Programs for the intellectually disabled, as well as office spaces and storage facilities for other departments such as Public Libraries, Recreation, Public Utilities, and Police. Also leased is a house and the former Henrico Federal Credit Union property east of Dixon Powers Drive, which were acquired for future Government Center expansion. Real Property also manages approximately 42 cell tower leases and receives weekly requests to review new sites or additional facilities at existing sites.

Although regular easement requests are still being processed, the slow-down in real estate activity has reduced the number of easement requests received.

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.

Annual Fiscal Plan

Description	FY09 Actual	FY10 Original	FY11 Approved	Change 10 to 11
Personnel	\$ 506,087	\$ 575,368	\$ 548,433	(4.7%)
Operation	22,367	30,305	23,573	(22.2%)
Capital	30	0	0	0.0%
Total	\$ 528,484	\$ 605,673	\$ 572,006	(5.6%)
 Personnel Complement	 7.5	 7.5	 7 *	 (0.5)

*Includes the elimination of one vacant half-time position.

Real Property (cont'd)

	Performance Measures			Changes
	FY09	FY10	FY11	10 to 11
Workload Measures				
Leases Managed	99	99	100	1
Parcels & Easements Acquired	134	80	80	0
Vacations, Quitclaims & Surplus Parcels	14	16	15	(1)
Utility Easements to Others	7	6	6	0
Easements for Developers	83	65	60	(5)

The Department anticipates steady requests from the Department of Public Works and the Department of Public Utilities for road, drainage and utility projects. The Department will continue to assist Schools in the acquisition of land and easements for new and existing schools, as well as assist in leasing and easements for development.

ELECTORAL BOARD

Description

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

- To educate staff and poll workers on registration and election laws and voting procedures.
- To ensure every precinct conducts fair and impartial elections.
- To provide information to the public regarding the administration of elections in the County and Commonwealth.
- To attend educational seminars relevant to changes in election laws and policy procedures.
- To provide training to all chiefs and assistant chiefs before each election is conducted.
- To ensure the programming of ballots is designed in a timely manner to permit voters to cast and mail ballots to the Registrar's office before the voting deadline for each election.
- To ensure all required media advertisement from Virginia General Code is published.
- To ensure a safe and secure voting environment is provided to each voter.
- To ensure precinct manuals on Election Day procedures and actions are supplied to all precinct workers.

Objectives

- To provide fair and honest Federal, Commonwealth and County elections to qualified registered voters of the County of Henrico.
- To offer absentee voting to all qualified voters of the County of Henrico who request this service.
- To ensure the number of absentee voters is correctly projected, all absentee requests are reported, and issue correct ballots to each voter.
- To provide information about the requirements, procedures, and codes governing campaign reporting.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 1,205,240	\$ 1,093,534	\$ 1,085,538	(0.7%)
Operation	352,337	364,227	310,559	(14.7%)
Capital	2,798	0	0	0.0%
Total	\$ 1,560,375	\$ 1,457,761	\$ 1,396,097	(4.2%)
 Personnel Complement*	 9	 9	 9	 0

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

Performance Measures

	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Number of Registered Voters	195,683	195,110	197,149	2,039
Efficiency Measures				
% of Manuals Published before Training	100%	100%	100%	0
% of Attendance for All Chief and Assistants	90%	100%	100%	0
% Accuracy of Daily Registration Reports	90%	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 poll workers are notified of training dates before each election.
- To collect information on candidate contributions, committees, and treasurers.
- To record all candidate filings for upcoming elections.
- To provide regulation advice for political advertising.
- To attend workshops related to campaign reporting relevant to changes in Election code or policy procedures.
- To provide required forms and supplies to candidates, treasurers, and committees.

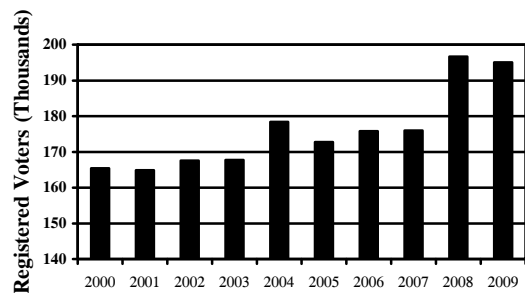
percent over the FY2009-10 budget due to \$13,481 budgeted for vacancy savings. The operating component is \$310,559, which is a decrease of \$53,668, or 14.7 percent over the FY2009-10 budget. This is due to the elimination of travel expenses and reduction in telecommunication costs in FY2010-11. Other budget reductions include rent for voting machine storage and office supplies. There is no capital outlay in the Electoral Board's budget.

The Registrar and Electoral Board's budget for FY2009-10 is forecasted to cover costs associated with the General Election on November 2, 2010 and potential Primary Elections in the spring of 2011.

Budget Highlights

The Department's budget for FY2010-11 is \$1,396,097, which represents a decrease of 4.2 percent over the FY2009-10 approved budget. This decrease is the result of reductions in both the personnel and operating components. Personnel costs are budgeted to decrease \$7,996, or 0.7

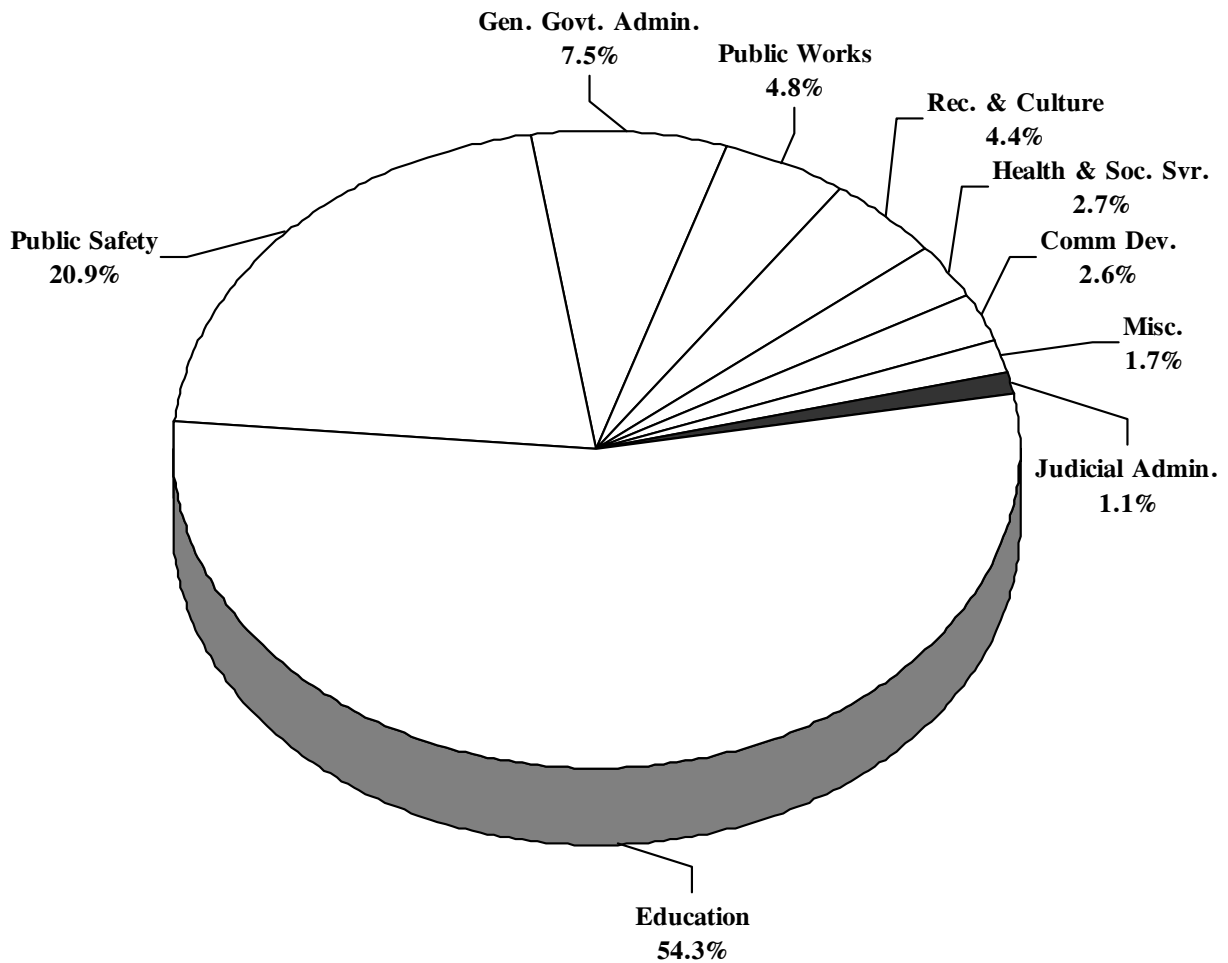
Number of Registered Voters



COUNTY OF HENRICO, VIRGINIA

Judicial Administration

\$7,975,999



Total General Fund

\$741,057,567

**COUNTY OF HENRICO, VIRGINIA
 JUDICIAL ADMINISTRATION - GENERAL FUND
 FY 2010-11**

<u>Department</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Original</u>	<u>FY 10-11 Approved</u>
Circuit Court:			
Court Clerk	\$2,431,400	\$2,547,244	\$2,396,278
Court Services	<u>523,236</u>	<u>552,686</u>	<u>524,171</u>
Total Circuit Court	2,954,636	3,099,930	2,920,449
General District Court:			
Court Services	217,083	192,607	211,206
Magistrates	<u>7,223</u>	<u>7,884</u>	<u>6,996</u>
Total General District Court	224,306	200,491	218,202
Juvenile and Domestic Relations District Court:			
Court Services	56,199	84,975	60,080
Juvenile Probation	<u>216,233</u>	<u>226,447</u>	<u>222,098</u>
Total Juvenile District Court	272,432	311,422	282,178
Commonwealth's Attorney	4,550,217	4,699,778	4,555,170
Total Judicial Administration	<u><u>\$8,001,591</u></u>	<u><u>\$8,311,621</u></u>	<u><u>\$7,975,999</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 serves in other states. The Circuit Court Clerk is responsible for maintaining and administering the files in felony cases, claims over \$15,000, matters including adoptions, divorces, disputes concerning wills and estates, controversies involving property as well as maintaining and administering the files for misdemeanor appeals and civil appeals from District Court. The Clerk is also responsible for the collection of fines and costs in criminal cases; the collection of recordation fees and taxes; and maintains a financial system to track the collections and remittance of these sums to the State and local governments.

The land records, which need to be retained permanently by the Clerk, include deeds, surveys, wills, the indices for judgments, financing statements, and assumed names (or partnership names). The land records section of the Clerk's office contains a portion of the history of the County of Henrico and the importance of preserving these records is imperative.

Objectives

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

Budget Highlights

The Circuit Court Clerk's budget of \$2,396,278 represents an overall decrease of \$150,966 or 5.9 percent from the FY2009-10 approved budget. The personnel component is forecasted to decrease by a net difference of \$141,824 or 6.3 percent from the previous approved fiscal year as a result of the elimination of three vacant positions from the complement as well as budgeted vacancy savings. This reduction was offset by the rising VRS, VRS life

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 2,060,303	\$ 2,252,658	\$ 2,110,834	(6.3%)
Operation	356,225	289,944	283,868	(2.1%)
Capital	14,872	4,642	1,576	(66.0%)
Total	<u>\$ 2,431,400</u>	<u>\$ 2,547,244</u>	<u>\$ 2,396,278</u>	<u>(5.9%)</u>
Personnel Complement	N/A	N/A	N/A	N/A

Note: The Circuit Court Clerk positions are all Complement III positions (funded by the State). The total number of Complement III positions after the elimination of three vacant positions is 38.

Performance Measures				
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Civil Cases Commenced	2,852	3,104	3,200	96
Criminal Cases Commenced	6,971	7,133	8,000	867
Number of Wills and Administrations Recorded	1,047	1,018	1,500	482
Number of Instruments Recorded in Deed Books	50,160	50,440	50,000	(440)
Marriage Licenses Issued	1,903	1,018	2,000	982
Number of Judgments Docketed	19,018	18,340	20,000	1,660
Concealed Weapon Permits Issued	1,817	1,940	1,700	(240)

insurance, and health care expenditures for remaining personnel. The operating component is forecasted to decrease by \$6,076 or 2.1 percent from the previous approved budget due to the County-wide adjustment in travel and telecommunications. The capital component decreased by \$3,066 or 66.0 percent from the previous fiscal year due to the reductions that were necessary in order to meet the operating adjustment.

Pursuant to Virginia Code Section 17.1-279, the Clerk collects a \$5.00 technology fee on all instruments recorded in the land books, judgments docketed, and all civil suits commenced. Of this total, \$4.00 is to be reimbursed to the locality by the Compensation Board to support technology efforts within the Clerk's office. The funding is distributed to the Clerk by the Compensation Board. The Clerk implemented an electronic recording system in the Clerk's office and currently maintains deeds, plats, judgments, wills and fiduciaries, criminal orders, and civil orders.

Pursuant to the Code of Virginia, "Every circuit court clerk shall provide secure remote access to land records...on or before July 1, 2008." The Clerk made

available via a secure remote paid site deeds, judgments, and financing statements effective July 1, 2008. All users are required to enter into a subscription agreement and payment is made before access is granted. Currently, approximately 95 users have subscribed to the service through the Clerk's service provider.

It should be noted that the technology trust fund revenue source is not included in the proposed budget, but is appropriated during the fiscal year as the Compensation Board makes funds available. Upon the implementation of the secure remote site to land records, the Code of Virginia provides that the Clerk can apply to the Compensation Board to implement other technology projects within the office. In September 2009, funding of \$534,655, which was appropriated during the prior year from funding received by the Virginia Compensation Board, was reappropriated to be spent during FY2009-10. These funds will be used to comply with the Code of Virginia to remove social security numbers from the secure remote access site by 2011; implement a file tracking system for court records; improve the Clerk's ability to track files within the office; and software upgrades.

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 fifteen thousand dollars, and original jurisdiction for claims over fifteen 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 and/or other correctional institutions. Court costs and fines are assessed in court against those charged, and are reflected in the Circuit Court Clerk’s revenue estimates.

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, usually on a rotating basis. 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, 2008 and 2009, the Judicial Council approved a sixth judge for the Circuit Court, but as of yet, the sixth judge has not been approved by the General Assembly.

The Department's approved budget of \$524,171 reflects a decrease of 5.2 percent from the prior year budget. This decrease is due to budgeting a 2.5 percent vacancy savings, which is partially offset by salary adjustments and an increase in benefits costs. The operating decrease is due to the elimination of travel, as well as reductions to telecommunications, and other operating expenses.

Service levels of this Court are governed by the

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 465,142	\$ 475,191	\$ 471,818	(0.7%)
Operation	54,754	71,895	46,753	(35.0%)
Capital	3,340	5,600	5,600	0.0%
Total	<u>\$ 523,236</u>	<u>\$ 552,686</u>	<u>\$ 524,171</u>	<u>(5.2%)</u>
Personnel Complement	8	8	8	0

Circuit Court Services (cont'd)

	Performance Measures			Change
	FY09	FY10	FY11	10 to 11
Workload Measures				
Full Time Judges	5	5	6	1
Jury Commissioners	6	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

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 the 2008 State of the Judiciary Report, caseload for the Fourteenth Circuit showed that 9,823 cases (civil and criminal) commenced in 2008. Of these, 6,971 were criminal cases, while 2,852 were civil cases, with an average total caseload of 1,965 per judge, ranking 10th among the 31 circuit courts. There were 7,257 total criminal cases and 2,767 civil cases concluded in 2008, with an average of 2,005 per judge, ranking 9th in the state, while the civil commenced caseload per judge average of 570 ranked 19th among the 31 circuit courts.

Individual judges also actively participate in

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

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

GENERAL DISTRICT COURT

Court Services

Description

The General District Court exercises original jurisdiction over all misdemeanor cases and also has jurisdiction over civil matters where less than fifteen thousand dollars is involved. Preliminary hearings in felony cases are also conducted in this court. In addition, General District Court judges preside over traffic cases and certain violations of the County Code. There are four judges serving in this court, having been appointed by the General Assembly for a term of six years. The judges, clerk, and deputy clerks are all paid directly by the Commonwealth. The County provides space, furniture, and support for the General District Court.

- To maintain an accurate accounting of court funds.
- To provide adequate maintenance, storage and retrieval of court records.

Budget Highlights

The General District Court's FY2010-11 approved budget of \$211,206 represents an \$18,599 or 9.7 percent increase over the FY2009-10 budget. The increase in the operating component of the budget reflects the increase in legal services fees for court appointed attorneys for DUIs and other traffic related incidents charged under Henrico County warrants, as opposed to State warrants. The departmental increase was partially offset by the countywide elimination of travel, as well as a decrease in phone costs due to increased efficiency in the County's phone network.

The budget is to support the daily operation of the General District Court, which consists of four

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

Description	FY09 Actual	FY10 Original	FY11 Approved	Change 10 to 11
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	216,261	192,607	211,206	9.7%
Capital	822	0	0	0.0%
Total	<u>\$ 217,083</u>	<u>\$ 192,607</u>	<u>\$ 211,206</u>	<u>9.7%</u>
Personnel Complement	N/A	N/A	N/A	N/A

*Personnel expenses are paid by the Commonwealth of Virginia

General District Court Services (cont'd)

	Performance Measures			Change
	FY09	FY10	FY11	10 to 11
Workload Measures				
Total New Cases Filed	120,594	123,652	123,652	0
Total New Criminal Cases Filed	10,386	10,653	10,653	0
Total New Civil Cases Filed	43,284	42,805	42,805	0
Total New Traffic Cases Filed	66,924	70,194	70,194	0
Number of Full-Time Judges	4	4	4	0

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

courtrooms and administrative offices, occupied by four judges and 30 employees. The staff of the General District Court is comprised entirely of state employees, so all personnel costs are paid by the Commonwealth of Virginia and are not reflected in this proposed budget.

GENERAL DISTRICT COURT

Magistrate

Description

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

Budget Highlights

This is the twelfth 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. The FY2010-11 approved budget equals \$6,996, a reduction of 11.3 percent from the prior year budget. Funding in FY2010-11 will continue to support the daily operation for nine Magistrates. There are no County paid positions assigned to this office, as the nine magistrates are State employees. The County provides office space, furnishings, and operating expenses for the Magistrate's office.

Objectives

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

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	7,223	7,884	6,996	(11.3%)
Capital	0	0	0	0.0%
Total	<u>\$ 7,223</u>	<u>\$ 7,884</u>	<u>\$ 6,996</u>	<u>(11.3%)</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 Service

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.

Juvenile court differs from other courts in their commitment to rehabilitate those who come before the court, in addition to protecting the public and holding juvenile offenders accountable for their behavior.

The five 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.

Objectives

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

- To evaluate and implement innovative technology available for the Juvenile and Domestic Relations District Court.
- To continue to provide training opportunities to staff in providing services to the public.
- To ensure the efficient and effective operation of the Juvenile and Domestic Relations District Court for the citizens of Henrico County.

Budget Highlights

The Juvenile Court's FY2010-11 approved budget of \$60,080 is \$24,895, or 29.3 percent less than the prior year budget. This is due to the elimination of travel, as well as reductions to telecommunications, and other operating expenses. There are no personnel expenditures in this budget since personnel expenses are paid directly by the State. Currently, five full-time judges preside over the Henrico County Juvenile and Domestic Relations District Court. The fifth judge was added by the General Assembly during the 2006 Legislative Session to help address rising Juvenile Court caseloads.

Annual Fiscal Plan

Description	FY09 Actual	FY10 Original	FY11 Approved	Change 10 to 11
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	55,960	77,244	53,579	(30.6%)
Capital	239	7,731	6,501	(15.9%)
Total	\$ 56,199	\$ 84,975	\$ 60,080	(29.3%)
Personnel Complement*	N/A	N/A	N/A	N/A

*Personnel expenses are paid by the Commonwealth of Virginia

Juvenile & Domestic Relations District Court (cont'd)

	Performance Measures			
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Cases filed in Juvenile Court	22,714	23,849	25,041	1,192
Court Hearings	56,539	59,366	62,334	2,968
Efficiency Measures				
Caseload per Judge	4,542	4,769	5,008	239

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

Probation

Description

The 14th District Court Service Unit (Henrico Juvenile Probation) provides an array of educational and casework services to the County of Henrico Juvenile and Domestic Relations District Court. This Court Service Unit also refers young people to a variety of specialized programs funded by the County and State. Families involved in custody and visitation matters can receive mediation and parent education services that are contracted through a private vendor.

Objectives

- To provide necessary intake, investigative and probation/parole services as required by the Court and the Code of Virginia.
- To refer youth and parents to community based services under the Virginia Juvenile Community Crime Control Act, or under State supported programs.
- To offer the domestic relations services of intake, parenting education, mediation and home studies to adults who qualify according to the Code of Virginia.

Budget Highlights

The Department's approved budget for FY2010-11 is \$222,098. This decrease of 1.9 percent from the budgeted amount in FY2009-10 is due to efficiencies in telecommunications and use of motor pool. The majority of funding is used to provide mediation and parenting education group services through a contract with a private service provider.

For the past twelve years, the Federal Juvenile Accountability Block Grant (JABG) has been awarded to the County to provide Multisystemic Therapy (MST) to chronic and/or serious offenders living with their families in the community. MST is provided by the staff at Henrico Area Mental Health.

After five consecutive years of increases, the Department experienced decreases in both juvenile intake complaints and domestic complaints during FY2008-09. Juvenile intake complaints, which are defined as the number of relevant police reports as well as private citizens' complaints, declined by 2.9 percent in FY2008-09. The Court Services Unit expects the number of juvenile intake complaints to remain stable in FY2009-10 and FY2010-11.

Annual Fiscal Plan

Description	FY09 Actual	FY10 Original	FY11 Approved	Change 10 to 11
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	216,233	226,447	222,098	(1.9)%
Capital	0	0	0	0.0%
Total	<u>\$ 216,233</u>	<u>\$ 226,447</u>	<u>\$ 222,098</u>	<u>(1.9)%</u>
Personnel Complement	0	0	0	0

Probation (cont'd)

Performance Measures				
	FY09	FY10	FY11	Change 10 to 11
Performance Measures				
Total Juvenile Complaints	4,457	4,400	4,400	0
Total Domestic Complaints	5,336	5,400	5,500	100
Offenders Provided Probation	1,081	1,000	900	(100)
Offenders Provided Parole	147	150	150	0
Referral to Mediation Services	1,973	2,000	2,200	200
Parents Provided Parent Education	3,341	3,500	3,750	250

While the total number of domestic complaints dropped by 6.6 percent during FY2008-09, the department expects it to increase slightly in both FY2009-10 and FY2010-11.

Also during FY2008-09, referrals to mediation services decreased by 9.7 percent and the number of citizens who were provided with parent education classes declined by 11.6 percent. Upward trends are anticipated in each of those areas in both FY2009-10 and FY2010-11

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 prosecute criminal cases.
- 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.

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.

Budget Highlights

In FY2010-11, the Commonwealth's Attorney's Office will continue to prosecute traffic and criminal cases in all of the Henrico County Courts. Aggressive prosecution of those who commit violent crimes will remain the number one priority. The Office will continue to work closely with the Division of Police to reduce crime, proactively as well as reactively, by ensuring that those who commit crimes are held accountable. The Commonwealth's Attorney's Office will continue to pursue narcotics traffickers through the utilization of two multi-jurisdictional grand juries. In addition, the Commonwealth's Attorney's Office will continue to provide legal training to the Division of Police in its basic academies as well as in continuing service training. Special efforts will also continue to be made to reduce domestic violence.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 4,391,745	\$ 4,534,841	\$ 4,445,820	(2.0%)
Operation	152,429	158,355	103,052	(34.9%)
Capital	6,043	6,582	6,298	(4.3%)
Total	<u>\$ 4,550,217</u>	<u>\$ 4,699,778</u>	<u>\$ 4,555,170</u>	<u>(3.1%)</u>
 Personnel Complement	 56	 56	 54 *	 (2)

*This count includes 51 positions for the Commonwealth's Attorney, 2 positions in Special Drug Prosecutor, and 1 position in the Victim/Witness Assistance Program. Two vacant positions have been eliminated.

Performance Measures				
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Circuit Court Defendants	1,433	1,500	1,550	50
Show Cause Hearings	1,032	1,040	1,060	20
Misdemeanor Appeals	1,995	2,010	2,015	5
General District Court Criminal Cases	25,084	26,050	27,000	950
General District Court Traffic Cases	94,356	95,000	97,500	2,500
Juvenile Court Misdemeanors	2,254	2,260	2,275	15
Juvenile Court Felonies	710	725	740	15
Efficiency Measure				
General District Court Traffic Cases per Attorney	23,589	19,000	19,500	500
Effectiveness Measure				
Circuit Court Indictments	2,625	2,700	2,750	50

Also, Enforcement of Virginia Exile laws will continue as a method of reducing violent crime.

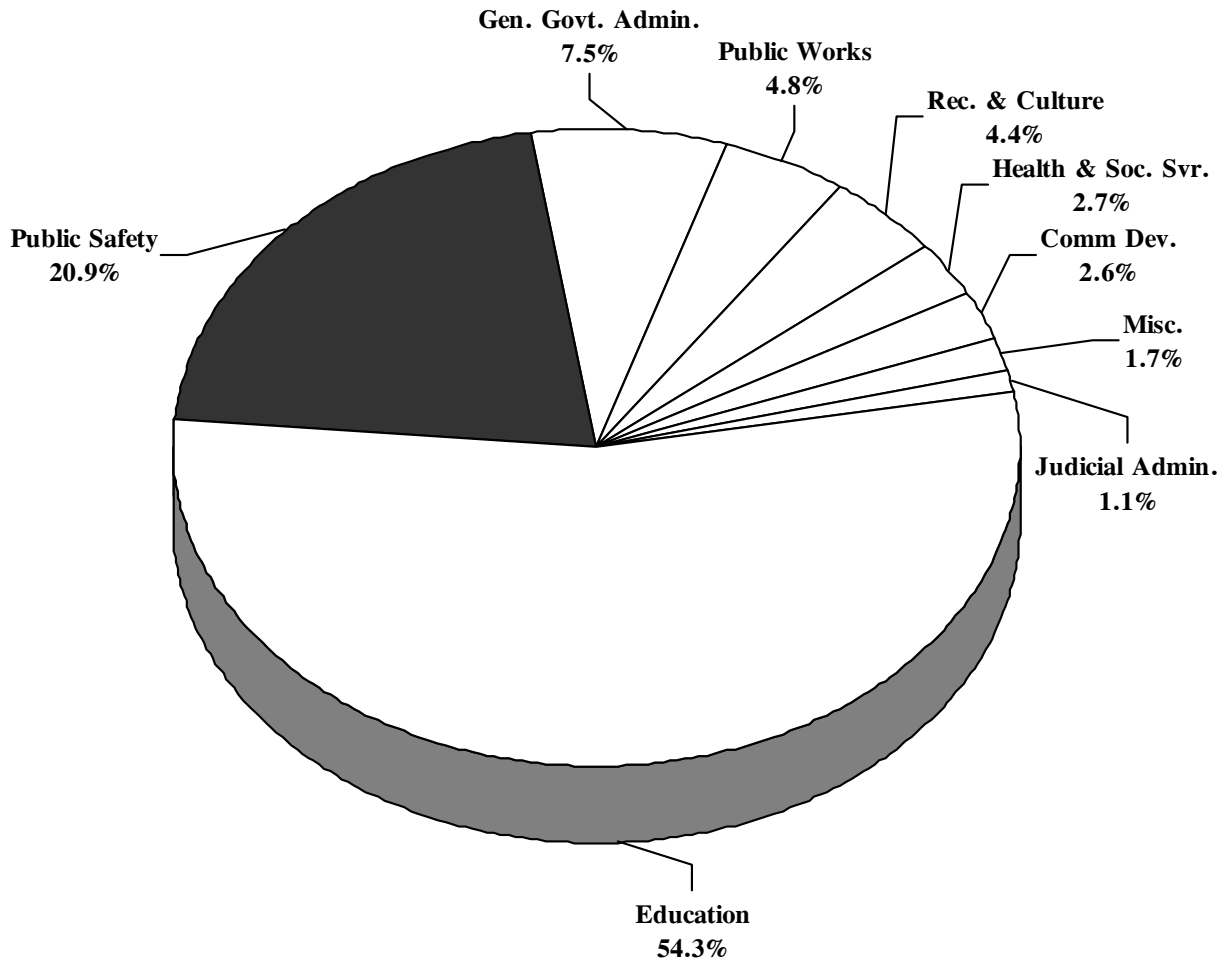
The Commonwealth's Attorney approved budget totals \$4,555,170. This reflects a decrease of 3.1 percent when compared to the FY2009-10 budget. Specifically, personnel expenses reflect a net decrease of 2.0 percent due to salary and complement adjustments, increased benefit costs, as well as the budgeting of vacancy savings. The operating component reflects a decrease of 34.9 percent, largely from the elimination of travel and savings in telecommunication costs, while capital outlay was reduced by 4.3 percent.

In FY2006-07, the Exile Grant, a grant from the State that began in FY2002-03 and provided for a specialized prosecutor and a secretary to enforce violations of Virginia Exile laws, was discontinued. In the FY2006-07 approved budget, anticipating that the grant would be discontinued, the funding for these two positions was included in the General Fund component of the Commonwealth's Attorney's budget. Funding for these positions remains in the General Fund component in the FY2010-11 budget.



COUNTY OF HENRICO, VIRGINIA

Public Safety
\$154,575,794



Total General Fund
\$741,057,567

**COUNTY OF HENRICO, VIRGINIA
PUBLIC SAFETY - GENERAL FUND
FY 2010-11**

<u>Department</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Original</u>	<u>FY 10-11 Approved</u>
Division of Police:			
Police Operations	\$61,236,071	\$60,320,971	\$59,048,533
Animal Protection	1,336,894	1,462,659	1,453,410
Communications	<u>4,953,866</u>	<u>4,795,893</u>	<u>4,801,718</u>
Total Division of Police	67,526,831	66,579,523	65,303,661
Division of Fire:			
Administration	7,605,588	7,865,862	7,612,700
Emergency Planning & Safety	338,574	287,309	288,227
Operations	40,867,630	41,824,117	41,196,501
Volunteer Rescue Squads	<u>194,248</u>	<u>218,625</u>	<u>218,625</u>
Total Division of Fire	49,006,040	50,195,913	49,316,053
Sheriff:			
Administration	9,890,127	9,926,496	9,979,780
Jail West	15,682,929	15,103,432	14,472,783
Jail East	<u>9,883,612</u>	<u>9,203,315</u>	<u>9,063,238</u>
Total Sheriff	35,456,668	34,233,243	33,515,801
Juvenile Detention	2,141,032	2,122,976	2,109,876
Building Inspections:			
Building Inspections	3,912,726	4,256,022	3,969,874
Community Maintenance	<u>312,441</u>	<u>412,545</u>	<u>360,529</u>
Total Building Inspections	\$4,225,167	\$4,668,567	\$4,330,403
 Total Public Safety	 <u>\$158,355,738</u>	 <u>\$157,800,222</u>	 <u>\$154,575,794</u>

PUBLIC SAFETY

Division of Police

Description

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

With the exception of several specialized components of the organization that report to the Chief of Police or the Deputy Chief of Police, the Division of Police consists of four primary commands. These include Administrative Operations, Special Operations, Patrol Operations, and Investigative Operations. By dividing the agency into functions associated with various organizational entities, the Division is able to formally establish and categorize components according to job function, and to define organizational philosophies.

Objectives

- To achieve total professionalism, through training, commitment and action within the rule of law, in response to the needs of the community.

- To establish as a cornerstone of all Division endeavors, a partnership with the community that is based upon mutual trust and integrity.
- To eliminate the opportunities for crime and to reduce the fear of crime through a close working association with all citizens, businesses, and governmental agencies.
- To achieve the highest level of safety possible on our streets through education, enforcement, and high visibility.
- 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.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 58,050,213	\$ 56,442,543	\$ 56,522,136	0.1%
Operation	6,087,185	6,999,865	5,886,184	(15.9%)
Capital	3,389,433	3,137,115	2,895,341	(7.7%)
Total	<u>\$ 67,526,831</u>	<u>\$ 66,579,523</u>	<u>\$ 65,303,661</u>	<u>(1.9%)</u>
Personnel Complement*	799	799	799	0

*Complement includes fourteen complement II positions funded by State revenue (Wireless E-911 funds); the addition of two School Resource Officers; and the elimination of two vacant non-sworn administrative positions from the complement.

Performance Measures				
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Total Calls for Service	197,808	200,972	204,189	3,217
Number of Animal Calls	19,749	20,242	20,748	506
Number of Part I Crimes	10,031	10,181	10,334	153
Number of Criminal Arrests	21,399	21,720	22,046	326
Number of Traffic Arrests	53,051	53,847	54,655	808

- 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 FY2010-11 budget for the Division of Police is \$65,303,661, which represents an overall net decrease of \$1,275,862 or 1.9 percent from the FY2009-10 approved budget. The personnel component increased by a net difference of \$79,593 or 0.1 percent from the previous approved fiscal year. This increase was primarily driven by rising VRS, VRS life insurance, and health care expenditures. Overtime and associated FICA expenses were adjusted by a total of \$200,000 to reflect anticipated requirements in this area. These adjustments were offset by the elimination of two vacant non-sworn administrative positions from the complement as well as budgeted vacancy savings. In total, the personnel component of the budget represents 86.5 percent of the total Police budget for FY2010-11.

The Division’s operating budget totals \$5,886,184 and represents 9.0 percent of the Division’s total budget. This component decreased by \$1,113,681 or 15.9 percent from the previous approved budget and is the driver of the overall decrease. This portion of the budget reflects the County-wide adjustment in travel, tuition, technology replacement, and telecommunications. The combined impact of these adjustments reduced the operating component by \$473,257. In addition, funding of \$91,273 was removed from various accounts in order to meet the operating budget adjustment. It is important to note that funding of \$595,000 was eliminated from the budget to reflect current gasoline expenditures for the Division. Although this component experienced an overall

decrease, it is important to note that a rental increase of \$10,421 is included as well as funding of \$35,428 for costs associated with two new School Resource Officers (SRO) for the Glen Allen High School and the Holman Middle School, which are scheduled to open in the Fall of 2010.

While the operating component was a driver of the decrease, capital outlay experienced a reduction as well. The capital component is forecasted at a total cost of \$2,895,341 and reflects an overall decrease of \$241,774 or 7.7 percent from the previous year. This decrease was driven by the reduction of \$200,000 from the mobile radio initiative since fewer purchases will be necessary in FY2010-11 as a result of this program being phased into the budget over multiple years. This funding was reallocated to the personnel component to cover rising overtime and associated FICA expenditures. It is important to note that funding of \$70,300 previously allocated for the digital camera program but no longer required was reallocated within the capital component to cover one-time capital purchases for the two new School Resource Officers. Also, \$35,428 of funding previously used for the digital camera program was reallocated to the operating component to cover expenditures associated with the two new SRO positions.

During 2006, the Division converted to a new patrol operations organizational structure. The new structure incorporated the utilization of stations within specific geographical areas of the County. Under the new structure, the Command Staff Officer responsible for each station has direct responsibility for addressing crime prevention and crime reduction strategies within the communities served by the station. Currently, the Division has three stations. The Fair Oaks Station serves the southern area of the County. The Central and West Stations operate out of the Public Safety Building, and it is possible that

Police (cont'd)

the Central Station eventually will be relocated to one of the primary corridors served by the station. The Division's long range plan anticipates the addition of a fourth and fifth station as the southern area of the County becomes more populated. The application of the station philosophy to police operations augmented the Division's ability to address crime responsibly and quickly. This method of operation also improved communications with staff to ensure the Division is tackling criminal activity occurring throughout the County.

An important priority of the Division of Police is to ensure the training of law enforcement officers, sworn Animal Protection Officers, part-time School Crossing Guards, and civilian support personnel. Ethics, Bias-Based Policing, Firearms, Defensive Tactics, Legal, CPR, Victim Witness responsibilities, Bloodborne Pathogens, Cultural Diversity, and Mental Health concerns are examples of the vast array of training requirements that the Division of Police is mandated to provide under the requirements of the Virginia Department of Criminal Justice Services (DCJS) and the Commission for Accreditation of Law Enforcement Agencies (CALEA). Training seminars are held to enhance officers' developmental knowledge in areas such as: Advanced Accident Investigation, Domestic Violence, Narcotics Identification, and Speed Measurement Enforcement.

In FY2008-09, the Division implemented the Active Shooter Training for all sworn Division personnel. This training consists of classroom lectures and performance based scenario training. Officers become more confident in their abilities to handle incidents that occur in the County's schools or businesses as a result of exposure to near realistic conditions, scenarios and circumstances relative to engaging a potential threat with deadly force. This training will continue to be a part of the Division's on-going training requirements each year, to improve officers' muscle memory and techniques for incidents that could occur in the County. Further, the Division constantly reviews firearms techniques and weaponry to ensure that it is prepared for any potential threat which may require its officers to engage with various levels of force. Less-lethal forms of equipment require additional training and practice. These include electronic control measures, utilization of

various forms of chemical control techniques, expandable batons, and control techniques utilizing the application of physical strength measures.

Training Academy changes have been made to place emphasis on more intense and stressful training concepts, which allow the recruits to know how their body will react under certain forms of stress; whether it's shooting, making an arrest or pursuit driving. The concept of more performance based practical training, along with Force-on-Force training, is intended to allow recruits to condition themselves to react to situations with confidence and composure; resulting in a quick and precise action to very stressful situations.

In 2010, the Division of Police will coordinate the County's efforts to become re-accredited as a Crime Prevention Community. The County has met the necessary criteria to become certified, having received its initial certification in October 2003. A team of individuals from the Division of Police and six other County agencies - the Henrico County Public Schools, Victim/Witness Services, Mental Health/Developmental Services, Social Services, Juvenile Probation, and Community Maintenance - will work together in the next several months to obtain this recertification.

The Division placed first in the state and second in the nation in 2009 for the traffic safety initiative, the National Law Enforcement Challenge, sponsored by the International Association of Chiefs of Police. Each year, the Division competes with agencies of similar size from across the country to determine which police departments have done the best job of not only conducting enforcement activities, but also activities related to policy and procedures, prevention and education, and training. The program also looks at the Division's efforts and the results of those efforts on fatality and injury crashes within the county.

The Division of Police has remained a recognized professional law enforcement agency through its efforts to remain internationally accredited. During fiscal year 2011, the Division will be reassessed by the Commission for Accreditation of Law Enforcement Agencies (CALEA). This comprehensive review of policy, practices, training,

Police (cont'd)

and community engagement provides the Division with a means of measuring its professionalism against a set of standards that are applied to other agencies throughout the United States and other countries. The Division's success is demonstrated by the fact that it has been an internationally accredited law enforcement agency since 1987. In addition, the Division has three Command Staff Officers who also serve as assessors for agencies seeking accreditation. The selection of individuals to serve as assessors is the result of the reputation of the organization and completion of a rigorous training course for the assessors. Each assessor is selected by the accrediting authority and each must be re-certified every three years through attendance at a re-training seminar.

In FY2007-08, the Division initiated a program to provide mobile radios in all police vehicles. These mobile radios enhance officer safety and allow greater interoperability with Hanover County's new emergency communications network. The mobile radios are the latest technology and most recent generation of radios for use in a digital trunked 800 Mhz radio system. In addition, the installation of the mobile radios will provide emergency communications abilities in the event the officer's portable radio is disabled or inoperable. This program has been phased in over multiple fiscal years and funding is included in the existing budget to continue this important program.

The take-home and assigned car program for police officers has been a significant success. Examples of the value of this program have been demonstrated throughout the years it has been in place. In addition to the fact that more police cars are in communities and an increased level of visibility exists, response to significant incidents and critical police calls for service is accelerated. An example occurred in 2009 when there was an active shooter incident at one of the County's high schools. Within a matter of minutes, a significant police presence was in place and the area was secured. Many of the individuals who responded were off-duty, heard the call for service on their police radio, and immediately proceeded to the scene. The quick response and significant police presence provided the ability to secure the scene, conduct appropriate safety searches, identify the suspect, and ultimately resulted in an arrest without any shots fired by law enforcement. In

FY2008-09, the take-home car and assigned vehicle program was expanded to include the replacement of approximately 108 vehicles annually due to another enhancement in the program. The total cost of the program in the FY2010-11 budget remains constant at \$2,574,800.

In FY2007-08, the Division began converting to digital cameras to collect and store photography evidence. Digital photography is acceptable as evidence in criminal cases as long as chain of custody and documentation showing the images have not been altered can be provided to the courts. Using digital cameras enhance the quality of images and allows instant viewing and verification of images. The conversion to digital cameras began with the purchase of digital cameras for the forensic unit as well as computer hardware to store the digital photographs and software that is used to provide the necessary chain of custody documentation. As of today, all sworn officers within the Division of Police are now equipped with a digital camera.

The Division of Police complement totals 799 in FY2010-11, which includes the addition of two new School Resource Officer positions and the removal of two vacant non-sworn administrative positions from the existing complement. One of the Division's top priorities is maintaining the appropriate level of patrol officers, investigators, and command staff. Included in the FY2010-11 Police Complement are fourteen communication officer positions, whose salary and benefits are funded in the Special Revenue Fund. The County receives funding to support these positions from the State Wireless Board, which distributes to localities a portion of the E-911 service fee collected by the State. The State service fee is \$0.75 per month charged to each cellular phone.

The Police complement includes a total of twenty-seven School Resource Officers, which represents an increase of two positions over FY2009-10. Each officer is assigned to a specific County middle or high school. The School Resource Officer Program is a joint effort between the Division of Police and the Henrico County Public Schools. The Henrico County Public Schools provides funding for twenty-one of these Officers while the Division of Police funds the remaining six positions.

Police (cont'd)

Police Staffing

The Office of Management and Budget has prepared a historical depiction of new positions included within the Division of Police budget over the past seventeen years, FY1994-95 through FY2010-11. This is included as a historical reference.

The tables in the column below show personnel additions and subtractions by position type and funding source during the period FY1994-95 to FY2010-11 (a seventeen year period).

Position Type	No.
Police Officer	151
Animal Control Officer	2
Communications Officer	19
Police Support Technician	12
Police Support Tech (trans to Sheriff)	(14)
Technical Support	5
Radio Repair Shop (transfer to GS)	(5)
Other	9
Other - eliminated	(2)
Total	177

Funding Source	No.
Grants (*)	90
State Wireless E-911	14
General Fund	73
Total:	177

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

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

PUBLIC SAFETY

Division of Fire

Description

The Division of Fire exists to promote and sustain a superior quality of life in Henrico County through the provision of emergency-related services. The Division pledges to deliver professional, cost-effective services in a personal, responsive, and innovative manner that will always serve the public's interest. The Division further pledges to develop and maintain a highly effective and competent workforce through education, mentorship, and leadership.

The Division continues to operate in two major sections, Administration and Operations. The Administration section is comprised of the Executive Staff, Accreditation, Business Management, Technology Support, Personnel and Recruitment, Resource Management, the Fire Marshal's Office, and the Office of Emergency Management. The Operations section comprises all fire, rescue, and emergency medical services personnel in the County's twenty fire stations. Additionally, the Division's Training section falls under the Operations section.

The mission of the Division of Fire has evolved to include an all hazards department with a focus on the protection of life, property, and with a proactive approach to community preparedness. In addition to being the providers of fire protection in the County,

the Division has become the primary provider of Emergency Medical Services. Additionally, the Division of Fire has the regional hazardous materials team and the Division provides technical rescue, ground search, and water rescue.

Objectives

- To minimize the occurrence of fires and other hazards through a strong fire prevention program, through the encouragement of smoke detectors in all occupancies and continued support of the use of fire sprinkler systems.
- To minimize all forms of loss due to fire caused by natural and/or man-made disasters by aggressive property conservation measures and practices.
- To ensure strong, effective, and insightful leadership through all areas of the organization. Strong command leadership shall be demonstrated during all emergencies to ensure effective operations and the best possible outcome for citizens.

Annual Fiscal Plan

Description	FY09 Actual	FY10 Original	FY11 Approved	Change 10 to 11
Personnel	\$ 42,202,139	\$ 43,026,798	\$ 42,623,184	(0.9%)
Operation	4,725,491	5,051,165	4,576,569	(9.4%)
Capital	2,078,410	2,117,950	2,116,300	(0.1%)
Total	<u>\$ 49,006,040</u>	<u>\$ 50,195,913</u>	<u>\$ 49,316,053</u>	<u>(1.8%)</u>
Personnel Complement*	540	540	539	(1)

*One vacant non-sworn administrative position was eliminated from the complement.

Performance Measures				
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Total Calls for Service	36,931	37,453	37,975	522
Total EMS and Rescue Calls for Service	27,293	28,314	29,336	1,022
Fire Incidents	1,025	959	893	(66)
Fires per 1,000 Population	3	3	3	0

- To ensure customers receive the highest level of service and protection by supplying the Division's employees with quality training, equipment, and educational opportunities.
- To work cooperatively with other agencies and organizations (public/private) to ensure the effective operation of the Division of Fire.
- To continually enhance the level of emergency medical service delivery by maintaining a constant awareness of changes in the field and through the utilization of a strong quality improvement process.
- To support the Division's partners in the Volunteer Rescue Squads in recruitment as well as training.
- To implement technology in all aspects of the operation in an effort to aid in administrative decision making, emergency resource deployment, and training.

or 9.4 percent from the previous approved budget. This portion of the budget reflects the County-wide adjustment in travel, tuition, technology replacement, automotive/motor pool, and telecommunications. The combined impact of these adjustments reduced the operating component by \$261,334. In addition, funding of \$99,779 was removed from various accounts in order to meet the operating budget adjustment. It is important to note that funding of \$171,000 was eliminated from the budget to reflect current gasoline expenditures for the Division. Although this component experienced an overall decrease, funding of \$57,517 is included for additional operating costs associated with the rebuild of Fire Station #8 and the renovation and expansion of Fire Station #12.

The capital component is forecasted to decrease by \$1,650 or 0.1 percent from the previous approved budget. It is important to note that there are several significant items that are currently forecasted within the existing capital budget of \$2,116,300. The apparatus replacement plan is currently forecasted at a cost of \$1,500,000 and includes the acquisition of two engines and the rechassis of two ambulances. The apparatus replacement program was initiated in FY1997-98 at a cost of \$1,275,000 as a means of ensuring the Division maintains a planned and consistent replacement schedule for costly fire apparatus.

Budget Highlights

The Division of Fire's budget for FY2010-11 is \$49,316,053, representing a net decrease of \$879,860 or 1.8 percent from the previous approved budget. The personnel component decreased by a net difference of \$403,614 or 0.9 percent from the previous approved fiscal year as a result of the elimination of one vacant non-sworn administrative position from the complement as well as budgeted vacancy savings. These adjustments were offset by the rising costs associated with VRS, VRS life insurance, and health care expenditures.

Operating expenditures also played a role as well in the overall decrease. The operating component is forecasted to decrease by a net difference of \$474,596

In an effort to enhance the delivery of EMS services within the County, the Division of Fire contracted with a vendor to rechassis two of the older fire medic ambulances. The process involves removing the patient compartment from the existing chassis, renovating and upgrading as needed, and reinstalling it on a new truck chassis. The cost to rechassis and upgrade a single fire medic unit is nearly half the cost of purchasing a new fire medic unit, allowing for two units to be renovated for the cost of one new unit. Life expectancy for a rechassis of a fire medic unit is about five to seven years, the same as a new unit.

Fire (cont'd)

The Division of Fire is in the final year of an upgrade to the Self-Contained Breathing Apparatus (SCBA). The three-year implementation process has given the Division of Fire state of the art and national standard compliant air-packs that will provide the highest level of protection for firefighters, which translates to improved service delivery for the County's citizens. Funding of \$330,000 is included in the capital component to purchase the remaining 84 air packs. In total, this program will upgrade a total of 237 SCBA units.

The capital component also includes the Emergency Medical Services (EMS) Equipment Enhancement Program that was created in FY2004-05 at an annual cost of \$96,000, which will allow for the annual replacement of EMS equipment to maintain Division and OSHA minimum equipment standards. Currently, the Division has a total of 67 defibrillators.

Outside of these replacement plans, funding of \$115,500 is provided for various types of firefighter equipment. Also, funding of \$74,800 is included as a part of the ongoing plan to refurbish the fire stations as well as the maintenance and refurbishment of the Division's Administrative offices.

In FY2010-11, 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, streamlining training delivery, and a continued priority towards community services.

The Division of Fire recently implemented a Planning Section within its Administrative Branch. The mission and direction of the Planning Section is two-fold with the first being the assessment of short-term and long-term organizational efficiency and the recommendation of measures for improved effectiveness. The second focus of the Planning Section is the forecast, assessment, and implementation of technological innovations to further improve organizational efficiency and enhance service delivery to the citizens of Henrico County.

The Office of Emergency Management (OEM) has been involved in many activities throughout calendar year 2009. This included six EOC (Emergency Operations Center) activations for planned (NASCAR and the 2009 Presidential Inauguration) and unplanned

(brush fires, snow, and other weather-related incidents) events, coordination and oversight of ten Homeland Security mandated Incident Command System courses, revisions of the County Emergency Operations Plan, participation in and providing support to several County Emergency Support Function planning groups, and active participation in the Central Virginia Urban Area Security Initiative which includes filling leadership roles for the region's Evacuation & Sheltering subcommittee and coordinating courses to meet the goals and objectives of the subcommittee. Henrico OEM also participated in several regional and state tabletop exercises and training events to strengthen communications and cooperation between local and state partners.

Enhancing community preparedness continues to be a priority for the Office of Emergency Management. This includes development of emergency action plan templates for businesses and licensed care facilities in the County and the development of "shopping lists" to help citizens assemble their own disaster preparedness kits at home and at work. OEM continually shares information with public partners through numerous outreach campaigns such as "Be Ready Henrico!", hurricane preparedness week, winter preparedness month, and "Resolve to be Prepared in 2010".

Adding to the more than 450 citizens and business members who have completed Community Emergency Response Team (CERT) training since 2002 are twenty County employees who completed one of the four CERT classes that were offered in 2009. OEM continues to enhance the Citizen Corps Program efforts by expanding the existing Fire Corps program to include the Fire Explorer post and the establishment of an amateur radio cadre, providing ongoing training to Citizen Corps volunteers across the County to augment shelter staff during disasters, and actively participating with the Central Virginia Volunteer Organizations Active in Disaster Agency.

The Division will continue the commitment to maintain its national accreditation status, first received in FY1998-99, reaccredited in FY2002-03, and reaccredited for the second time in FY2007-08. The Division of Fire was the first internationally accredited fire service organization in the State of Virginia and the ninth in the world. It is important to note that as of 2009, there are only 133 fire service organizations in North America that are currently accredited.

Fire (cont'd)

Firefighter safety and health continues to be a top priority of the Division. Proper equipment and apparatus is vital to the safety of the firefighter and the FY2010-11 budget continues to allocate resources to ensure a systematic replacement approach. Funding of \$225,000 is included within the existing budget for replacement turnout gear for firefighters as part of the on-going replacement plan as well as additional equipment (i.e. SCBA cylinders, air pack replacement, personal masks, etc.) to provide the Division's personnel with the best available personal protective equipment.

Streamlining and enhancing training has been a continued goal of the Division. In FY1999-00, the Division was able to accomplish Self Certification in cooperation with the Commonwealth of Virginia Department of Fire Programs. The Division recertified in the fall of 2007 under that agreement and with pro-board certification. The ability to plan, develop, and deliver training programs under the guidance of self certification gives the Division greater flexibility and creativity in the training section. Since FY2004-05, the Division of Fire's Training section has conducted over ten Recruit Academies, putting over 160 new employees through an eighteen to twenty week Basic Firefighter Recruit Academy.

The Division continues to provide specialized services to the citizens of Henrico. These services include, but are not limited to the following: the Hazardous Incident Team; Search and Rescue Team; Technical Rescue Team; the Emergency Medical Services Program; Emergency Preparedness Enhancement Program; the Fire Recovery Program; Fire Corps; Citizen's Fire Academy; CERT (Community Emergency Response Team); Fire Prevention Associate Program; and the Fourth Grade Fire Education Program. All of these programs allow the Division to meet its mission, goals, and objectives.

The Division is also continuing the allocation of \$200 for each fire station to provide innovative community outreach programs through its Building Bridges with the Community Program. Examples of the program include open houses, community and public education programs, school picnics, and

safety demonstrations. The firefighters assist in the visible house numbering system and are actively involved in community fairs.

The Division continues the joint Emergency Medical Services (EMS) response effort with the volunteer rescue squads. In FY2010-11, \$218,625 of General Fund support will provide medical supplies, gasoline, and insurance premium payments for the three volunteer rescue squads located in the County.

The Division continues the specialty repair shops by assigning firefighters to these shops in addition to their normal duties. The shops repair and maintain equipment at a lower cost and with less down time than if the County had to purchase these services from an outside vendor. There are twenty-eight of these specialty shops and examples include the Hose and Nozzle shop, Ladder shop, SCBA shop, Oxygen shop, Hurst Tool shop, and Small Engine shop. In FY2009-10, the CPAP (Constant Positive Airway Pressure) shop was established to maintain the Division's CPAP devices.

In FY2010-11, the Division will continue its efforts with the Henrico Marine Patrol, which is a joint effort between the Divisions of Police and Fire. The primary goal is to provide emergency services and law enforcement to the marine community, which falls within the jurisdiction of the County. The Marine Patrol utilizes a C-Hawk vessel for year round response and several inflatable boats for shallow and white water response. There are no full time dedicated Marine Patrol personnel and response is accomplished by utilizing on-duty fire and police personnel or by implementing a call back of the Search/Rescue Dive team.

The Division expects to continue to face a number of challenges over the coming years. Some of these challenges include a growing population; additional EMS calls for service as the population continues to age; turnover of personnel due to many reaching retirement age; and the building of Urban Mixed Use developments. 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 responsible for the custody, care, transport, and security of prisoners housed in two geographically separate facilities; security of the Courtrooms and the Judges; and service of civil papers. To accomplish these duties and to maximize the use of personnel and financial resources, the Sheriff's Office is organized into three separate areas of responsibility: Jail West, Jail East, and Administrative Services.

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

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 23,812,828	\$ 22,479,005	\$ 21,916,571	(2.5%)
Operation	11,581,872	11,711,088	11,584,625	(1.1%)
Capital	61,968	43,150	14,605	(66.2%)
Total	<u>\$ 35,456,668 *</u>	<u>\$ 34,233,243</u>	<u>\$ 33,515,801</u>	<u>(2.1%)</u>
Personnel Complement**	377	377	371	(6)

*FY2008-09 actuals include American Recovery and Reinvestment Act (ARRA) funding of \$3,710,914.

**Personnel Complement totals above do not include one Complement IV position and reflects the elimination of six vacant positions from the complement.

Performance Measures

	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Number of Civil Papers Served	115,186	120,000	126,500	6,500
Average Daily Inmate Population	1,164	1,175	1,225	50
Number of Commitals to Jail	13,605	13,877	13,900	23
Work Release Participants (Monthly Avg)	51	65	100	35
Home Incarceration (Monthly Avg)	9	12	15	3
Average Number of State Inmates	103	105	110	5

- 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 FY2010-11 totals \$33,515,801, which represents an overall decrease of \$717,772 or 2.1 percent when compared to the FY2009-10 approved budget. Personnel expenditures, which make up 65.4 percent of the total budget, are forecasted to decrease by 2.5 percent, which is driven by the elimination of six vacant positions from the complement as well as budgeted vacancy savings. This reduction was offset by the rising VRS, VRS life insurance, and health care expenditures for remaining personnel.

Although the personnel component is the major driver of the decrease, operating expenditures also played an important role in the overall decrease. The operating component is forecasted to decrease by a net difference of \$126,463 or 1.1 percent from the previous approved budget. This portion of the budget reflects the County-wide adjustment in travel, tuition, automotive/motor pool, and telecommunications as well as reductions in several other accounts. These reductions are offset by a 6.0 percent increase in medical services to match rising expenditures in this area.

The capital component is forecasted at a total cost of \$14,605 and reflects an overall decrease of \$28,545 or 66.2 percent from the previous year. This funding was reallocated to the operating component in order

to offset the reductions necessary to meet the operating adjustment.

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

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

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

Jail Security staff maintain the safety and order in

Sheriff (cont'd)

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.

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

The Average Daily Inmate Population has increased by 363 or 42.1 percent since FY1999-00. The FY2010-11 budget was prepared on the assumption of an average daily inmate population of 1,225. This estimate is based on 700 prisoners at Jail West and 525 housed at Jail East.

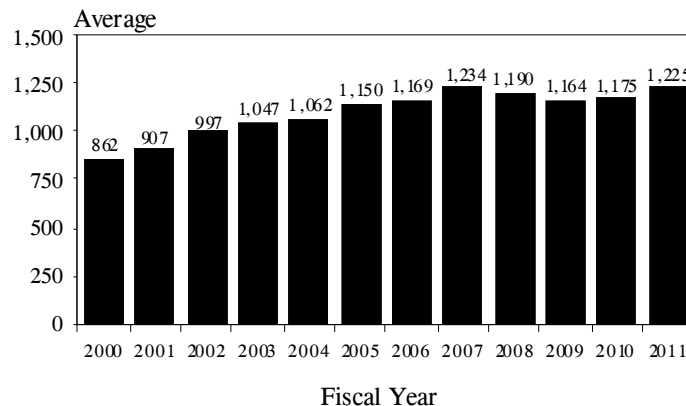
The Sheriff's FY2010-11 budget will be offset by an estimated \$13,194,400 or 39.4 percent of expenditures, with State revenues. The State Compensation Board reimbursement for salaries, benefits, office supplies, and jail cost reimbursement is as follows:

FY2008-09 Actual	FY2009-10 Approved	FY2010-11 Approved
\$14,967,520*	\$13,889,400	\$13,194,400
Incr/(Decr)	(\$1,078,120)	(\$695,000)

It is important to note that the FY2008-09 actuals totaling \$14,967,520 includes \$11,256,606 in State revenue and \$3,710,914 in ARRA Federal stimulus funding, which was allocated to the State.

It should also be noted that the overall percentage of jail operating costs paid by the State was 31.7 percent in FY2008-09, with 10.5 percent paid by ARRA stimulus funding, and 53.6 percent paid by the localities (the balance is paid with other departmental revenues). In the FY2010-11 budget, it is estimated that the Henrico County Sheriff's Office will receive 39.4 percent of funding from the State while the County will contribute 54.9 percent of funding (the remaining 5.7 percent will be funded with departmental revenues).

Daily Inmate Population



2010 and 2011 are estimated.

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 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.
- To work within interagency agreements and contracts with Henrico County Police, Fire, Sheriff, MH/DS/SA, and the Henrico County Court System.

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.

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 one part-time psychologist from Henrico's Department of Mental

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 1,982,444	\$ 1,964,045	\$ 1,957,178	(0.3%)
Operation	152,037	153,101	152,698	(0.3%)
Capital	6,551	5,830	0	(100.0%)
Total	\$ 2,141,032	\$ 2,122,976	\$ 2,109,876	(0.6%)
 Personnel Complement	 30	 30	 30	 0

Juvenile Detention (cont'd)

Performance Measures				
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Admissions	1,365	1,497	1,497	0
Secure Detention Days	11,296	11,952	11,952	0
Average Daily Population	30	30	30	0
Average Length of Stay, Days	8	7	7	0

Health who provides mental health assessments and court ordered evaluations for the Detention Home. In addition to the 30 positions in the agency's personnel complement, three teachers from Henrico County Schools are currently assigned to the agency for an eleven-month educational program, which is funded by the Virginia Department of Education. Those positions and their associated costs are included in the Education budget.

The Juvenile Detention Home's budget for FY2010-11 is \$2,109,876, which reflects a decrease of 0.6 percent when compared to the FY2009-10. Personnel costs reflect a decrease of 0.3 percent while operating and capital combined reflect a decrease of \$6,233, or 3.9 percent. Included in this

is the complete reduction of capital outlay and travel along with other reductions in telecommunication and technology replacement costs. The Juvenile Detention Home will use the USDA grant to purchase capital items needed for the kitchen area. This will be discussed in greater detail in the Special Revenue Fund portion of the budget.

State aid for the Juvenile Detention Home in the FY2010-11 budget is estimated to total \$480,500, which includes \$475,000 for the Juvenile Detention Home's block grant and \$5,500 in estimated per diem payments for State-responsible juveniles. While this reflects no change from the FY2009-10 budget, the block grant still reflects the reduction taken in FY2009-10 due to budget cuts by the State.

BUILDING INSPECTIONS

Description

The Code of Virginia requires all local governments to enforce the Virginia Uniform Statewide Building Code (USBC). The Department of Building Construction and Inspections fulfills this role for Henrico County by reviewing and inspecting the structural, mechanical, electrical, and plumbing systems of buildings and structures in Henrico County to ensure the safety, health, and welfare of the County's citizens. The reviews and inspections are based on criteria that are consistent with nationally recognized codes and standards at reasonable cost levels.

The Department also enforces the maintenance and unsafe provisions of the USBC and the Drug Blight and Bawdy Places ordinances to further the objectives of the County's Community Maintenance Program. In addition, the Department administers the graffiti ordinance to remove graffiti in the County.

These traditional code enforcement activities are supplemented with public awareness programs that include a quarterly newsletter to educate residents, contractors, architects, and engineers about specific code and enforcement issues. Educational programs are produced in cooperation with Chesterfield and Hanover Counties to educate the public and the construction community about various construction issues.

Objectives

- To ensure the public health, safety, and welfare affected by the design and construction of buildings and structures in Henrico County.
- To ensure the quality of inspections by field staff through education and certification to State standards.
- To provide services that equal our customers' 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. The total FY2010-11 budget for the Department is \$4,330,403, a decrease of 7.2 percent when compared to the FY2009-10 approved budget. There is a 4.5 percent decrease reflected in the personnel component, while the operating component decreased 21.5 percent. Capital outlay remains the same in FY2010-11 and will go towards replacing equipment as needed.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 3,804,338	\$ 4,090,750	\$ 3,908,262	(4.5%)
Operation	497,104	731,870	574,465	(21.5%)
Capital	3,741	1,690	1,690	0.0%
Sub-Total	<u>\$ 4,305,183</u>	<u>\$ 4,824,310</u>	<u>\$ 4,484,417</u>	<u>(7.0%)</u>
Interdepartmental Billings	<u>\$ (80,016)</u>	<u>\$ (155,743)</u>	<u>\$ (154,014)</u>	<u>(1.1%)</u>
Total for Department	<u><u>\$ 4,225,167</u></u>	<u><u>\$ 4,668,567</u></u>	<u><u>\$ 4,330,403</u></u>	<u><u>(7.2%)</u></u>

Personnel Complement 61 61 58 * (3)

*3 vacant positions are being eliminated.

Building Inspections (cont'd)

	Performance Measures			Change
	FY09	FY10	FY11	10 to 11
Workload Measures				
Total Permits Issued	12,819	12,000	12,000	0
Single Family Permits Issued	602	600	600	0
Building Inspections	22,342	22,022	22,022	0
Electrical Inspections	9,674	10,480	10,480	0
Mechanical Inspections	8,510	7,854	7,854	0
Plumbing Inspections	14,070	11,858	11,858	0
Fire Protection Inspections	2,395	1,907	1,907	0
Elevator Inspections	226	200	200	0
Sign Inspections	224	200	200	0
Existing Structure Inspections	2,248	2,500	2,500	0
FOG Inspections	106	275	275	0
Total Inspections	59,795	57,296	57,296	0
Efficiency Measures				
Residential Inspections/Inspector/Day	8	8	8	0
Mechanical /Plumbing Inspections/Inspector/Day	14	13	13	0
Electrical Inspections/Inspector/Day	10	12	12	0
Fire Protection Inspections/Inspector/Day	4	3	3	0
Commercial Inspections/Inspector/Day	6	7	7	0
Average # of Inspections/Single Family Dwelling	36	36	36	0

Workload projections are based on current conditions and future developments that have already been announced for Henrico County. The Department projects a decrease in the total number of permits issued for FY2009-10, which are anticipated to remain at the reduced levels during FY2010-11.

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

The Building Inspections section's budget for FY2010-11 totals \$3,969,874. This reflects a decrease of \$286,148 when compared to the FY2009-10 approved budget. The personnel component reflects a decrease of \$177,343, or 4.7 percent due to the elimination of three positions and the budgeting of vacancy savings. The operating component reflects a 22.5 percent decrease. Significant areas that saw a

reduction include the removal of travel, reduced automotive/motor pool rates, and reductions for technology replacement costs. Further reductions in the operating component were possible due to realizing and anticipating greater efficiencies. Capital outlay will remain \$300 in FY2010-11.

The Community Maintenance Division within the Building Inspections Department is responsible for resolving violations of the building code and graffiti ordinance for existing structures. This Division's budget totals \$360,529, which is a decrease of 12.6 percent compared to the prior fiscal year. 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 total ongoing cost for these two positions equals \$154,014. 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

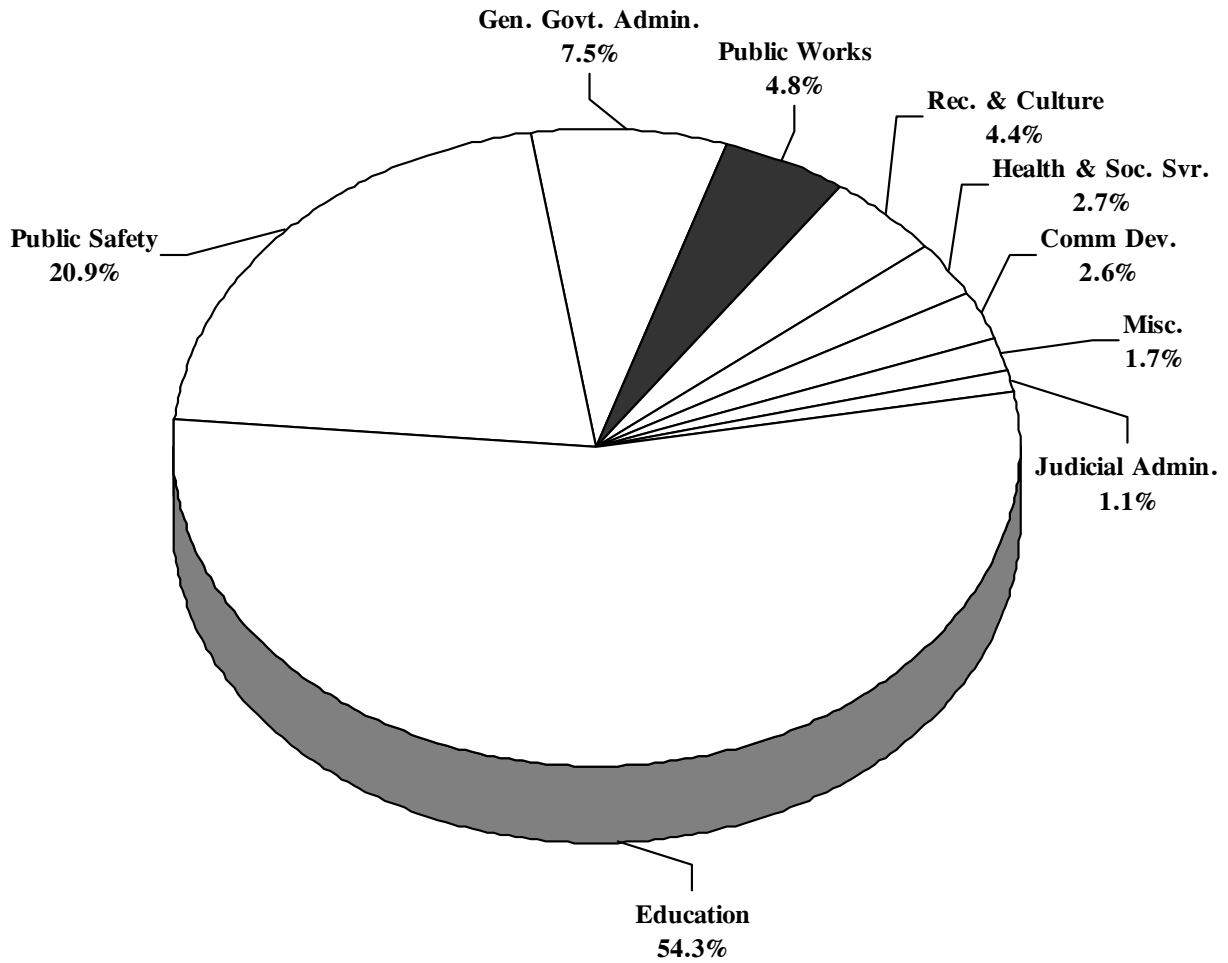
Building Inspections (cont'd)

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
\$35,855,526



Total General Fund
\$741,057,567

**COUNTY OF HENRICO, VIRGINIA
PUBLIC WORKS - GENERAL FUND
FY 2010-11**

<u>Division</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Original</u>	<u>FY 10-11 Approved</u>
Administration	\$1,315,469	\$1,343,918	\$1,276,328
Road Maintenance	19,725,875	18,789,953	19,186,681
Traffic Engineering	2,791,614	3,324,754	3,188,959
Construction	3,076,108	3,248,378	3,145,152
Design	1,842,306	1,990,029	1,901,278
Mass Transit	5,783,683	5,165,932	5,164,566
Environmental	1,266,342	1,266,515	1,229,937
Geographic Information System	293,045	347,030	311,894
Standing Water Initiative	<u>375,573</u>	<u>459,390</u>	<u>450,731</u>
Total Public Works	<u><u>\$36,470,015</u></u>	<u><u>\$35,935,899</u></u>	<u><u>\$35,855,526</u></u>

PUBLIC WORKS

Description

The Henrico County Department of Public Works maintains the third largest road network in the State of Virginia after the State of Virginia and the City of Virginia Beach. The Department is responsible for the construction and maintenance of all secondary roads in the County, storm water drainage, administration of Public Transit services, and enforcement of erosion and sedimentation laws and ordinances. The Department is organized into the following divisions: Administration; Design; Maintenance; Construction; Transportation Development; Traffic Engineering; Environmental Control; and Geographic Information System (GIS) Management.

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, as well as, supplemental funding for both the Mass Transit and GIS Divisions.

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 provide 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.
- To manage GIS technology to provide the Community and County agencies with enhanced services and geographical information.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 14,365,052	\$ 15,004,322	\$ 14,485,565	(3.5%)
Operation	21,068,686	19,454,377	19,894,461	2.3%
Capital	1,036,277	1,477,200	1,475,500	(0.1%)
Total	<u>\$ 36,470,015</u>	<u>\$ 35,935,899</u>	<u>\$ 35,855,526</u>	<u>(0.2%)</u>
Personnel Complement*	266	266	258	(8)

*The personnel complement reflects the elimination of eight vacant positions from the complement.

Public Works (cont'd)

Performance Measures

	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>Change 10 to 11</u>
Workload Measures				
Lane Miles of Road Maintained	3,348	3,378	3,398	20
Traffic Signals Maintained	138	141	143	2
Development Plans Reviewed	1,026	800	800	0

Budget Highlights

The Department's approved budget for FY2010-11 is \$35,855,526, representing a decrease of \$80,373 or 0.2 percent below the previous approved budget. Within this overall approved budget, which combines both Gas Tax and General Fund supported programs; the personnel component is budgeted to decrease by \$518,757 or 3.5 percent and reflects the elimination of eight vacant positions. The operating component is forecasted to increase by \$440,084 or 2.3 percent while capital outlay expenditures are expected to decrease by \$1,700 or 0.1 percent.

Funding to support the approved budget is to be provided by the State's Gas Tax maintenance allocation of \$28,745,000, the County's General Fund subsidy of \$6,610,426, and miscellaneous departmental revenue totaling \$550,164. The gas tax allocation for maintenance remains constant from the previous approved budget. This forecast reflects the payment rate per lane mile of \$8,459.39 and County lane miles of 3,398. It should be noted that the total projected Gas Tax for FY2010-11 is based on an allocation for operations and does not include a construction allocation. However, if a construction allocation was funded for the Public Works capital budget that would be found in the Capital Budget Section of this document.

Gas tax funding is utilized for approximately 80.0 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, Environmental Inspection, and Geographic Information Systems (GIS). This revenue source is restricted to roadway maintenance activities.

The functions supported by the General Fund subsidy total \$6,610,426 and include required adjustments for the rising costs associated with medical benefits as well as VRS life insurance. Budget adjustments were

made within the operating component as well. The General Fund supports 100 percent of expenses related to the Standing Water initiative, Environmental Inspection, and GIS divisions and these programs combined total \$1,992,562. The Standing Water Initiative is budgeted at \$450,731, the Environmental Inspection Division is budgeted at \$1,229,937, and Geographic Information Systems costs are estimated at \$311,894 in the approved budget.

General Fund support is also provided for Mass Transit and Leaf Collection services. Specifically, General Fund support of \$4,186,300 in FY2010-11 will subsidize the GRTC and JOBS services costs in the Mass Transit budget. In FY2010-11, the Leaf Collection services budget totals \$533,700. Within this total budget, the General Fund will support \$381,500, Leaf Collection Fees will total \$143,000, and the remaining \$9,200 will be provided by miscellaneous revenues. It is important to note that this budget includes free leaf vacuum service for all County residents that currently participate in the Real Estate Tax Advantage Program (REAP).

The third and final source of funding is generated from miscellaneous fees, which total \$407,164 in the approved budget. These charges/fees are used as enhancements to the Gas Tax revenue for all divisions with the exception of the Standing Water Initiative and Environmental Inspection divisions.

What follows is a discussion of each of the divisions within the approved budget for Public Works.

Roadway Maintenance and Administration

The total approved budget for the divisions that fall within this group is \$33,862,964, which remained constant from the previous fiscal year. With the exception of Mass Transit, these divisions represent

Public Works (cont'd)

the core services provided by Public Works to maintain the existing roadway system and therefore utilize the entire \$28,745,000 State Gas Tax maintenance allocation. The remainder of funding is provided by other revenue in the General Fund, including a \$4,186,300 subsidy to support Mass Transit Services.

The personnel component is forecasted to decrease by \$506,844 or 3.8 percent, as a result of budgeted vacancy savings and the elimination of eight vacant positions. This reduction was partially offset by rising benefit costs, such as VRS, VRS life insurance and health care costs. The operating component increased by a net difference of \$508,545 or 2.7 percent from the previous approved budget. Adjustments made to the operating component include decreases in Technology Replacement in the amount of \$11,985, Telecommunications in the amount of \$18,868, Travel in the amount of \$23,550, Tuition in the amount of \$1,900 and Automotive/Motor Pool in the amount of \$32,624. Outside of these budget adjustments, road materials increased by \$318,724 as a result of anticipated higher costs. Other contractual services increased by \$287,565 to more accurately reflect prior year actuals. Various different accounts were also reduced to reflect anticipated expenditures.

While the operating component experienced an increase, the capital outlay component decreased by \$1,700 or 0.1 percent over the previous approved budget. Although this category was reduced, there are several noteworthy capital purchases forecasted within the \$1,475,000 approved capital component. Capital outlay items budgeted include the following: a bucket

truck, four chemical spreaders, a tractor mower, a chip spreader, two broom conveyors, a vactor jet truck, two single axle dump trucks, and two tandem dump trucks.

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 \$450,731. The personnel component comprises 79.9 percent or \$360,109 of the total budget.

Environmental Inspection Division

The Environmental Inspection Division is funded solely through the General Fund at a total cost of \$1,229,937. Expenditures are forecasted to decrease by a net difference of \$36,578 or 2.9 percent from the FY2009-10 approved budget. The personnel component decreased by \$8,525 or 0.8 percent from the previous approved fiscal year. The operating component decreased by \$28,053 or 14.6 percent from the previous fiscal year. The capital component remained constant at \$500.

Geographic Information Systems Division (GIS)

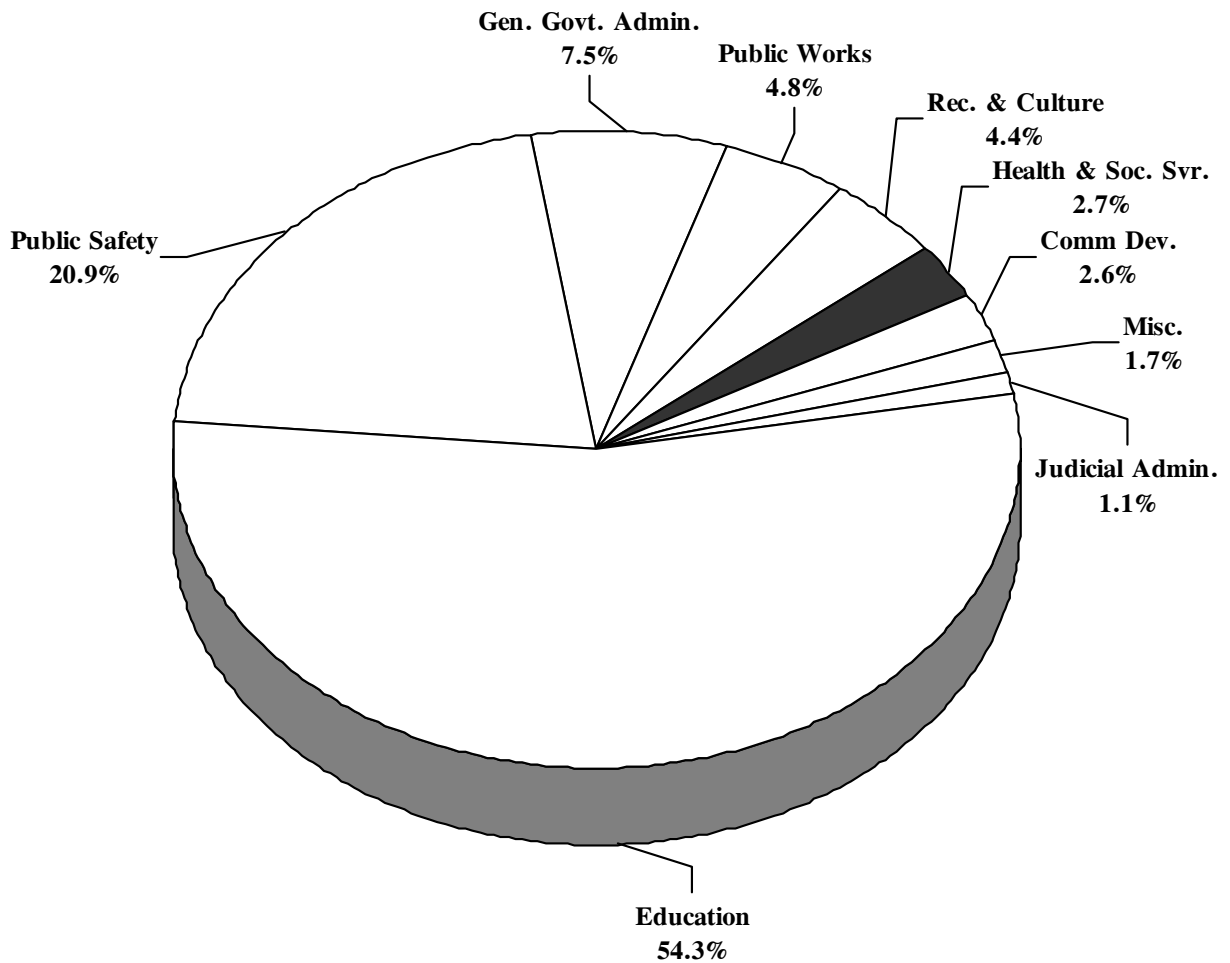
The GIS Division is fully funded by the General Fund. The approved budget for FY2010-11 is \$311,894, representing a net decrease of \$35,136 or 10.1 percent from the previous approved budget. The personnel component comprises 88.8 percent or \$276,827 of the total budget.



COUNTY OF HENRICO, VIRGINIA

Health and Social Services

\$20,109,792



Total General Fund

\$741,057,567

**COUNTY OF HENRICO, VIRGINIA
HEALTH AND SOCIAL SERVICES - GENERAL FUND
FY 2010-11**

<u>Department</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Original</u>	<u>FY 10-11 Approved</u>
Public Health	\$1,655,066	\$1,645,730	\$1,645,730
Social Services:			
Administration	6,142,642	6,471,102	6,242,734
Public Welfare Board	43,700	45,909	40,489
Public Assistance	11,188,535	8,117,635	8,021,339
Employment Services Program	<u>5,131,785</u>	<u>4,159,500</u>	<u>4,159,500</u>
Total Social Services	<u>22,506,662</u>	<u>18,794,146</u>	<u>18,464,062</u>
Total Health and Social Services	<u>\$24,161,728</u>	<u>\$20,439,876</u>	<u>\$20,109,792</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 percent in State funds and 45 percent in County funds. The County also funds 100 percent of the maternity program. The budget herein reflects the County's 45 percent funding level for the cooperative budget and 100 percent of 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 provide special services including 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 prevent dental problems through the preventive sealant program.
- To minimize the spread of communicable disease through epidemiological monitoring of infectious diseases, the administering of childhood immunizations and the inspection of food establishments, licensed child-care centers, motels and hotels.
- To provide clinical service for prenatal care, well-child care, family planning, general medical and WIC nutritional supplements.

Budget Highlights

The Department's approved budget for FY2010-11 reflects both the 45 percent County share of the cooperative budget, which amounts to \$1,460,232, and 100 percent County funding of the cost for the local maternity program, \$183,698 and telecommunications costs, \$1,800. The sum of these figures leads to a total request for County funding of \$1,645,730. The approved budget for FY2010-11 remains the same as the approved budget for FY2009-10. There are no positions assigned to this department that are funded by the County.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	1,655,066	1,645,730	1,645,730	0.0%
Capital	0	0	0	0.0%
Total	\$ 1,655,066	\$ 1,645,730	\$ 1,645,730	0.0%
Personnel Complement *	N/A	N/A	N/A	N/A

* Personnel Complement totals above are not applicable because the County's portion of salaries is paid to the State. The State pays the Health Department's 63 employees.

Public Health (cont'd)

	Performance Measures			
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Number of Patient Visits	20,261	21,096	22,226	1,130
Maternity Visits	1,981	2,074	2,273	199
Nursing Home Screening	321	421	425	4
Food Service Protection Visits	4,066	3,972	4,200	228
Water/Sewer Inspection Applications	195	204	250	46

SOCIAL SERVICES

Description

The Department of Social Services focuses on providing an array of services to children, families, and individuals who are in need of human-based services including financial assistance. The financial assistance and social services programs provided by the Department assists individuals and families in meeting their basic human needs; increases their capacity to function independently; and provides protection for the elderly, disabled, and abused or neglected children. Funding that support these efforts is provided by 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 in order 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. Social work staff engages in various local, state, and/or 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, adoption services are provided.

The Department of Social Services works towards the prevention and reduction of inappropriate institutional care of foster care children; the disabled and elderly by making home and community-based services available. Through the use of varied program funds and community resources, the Department also works with clients to become or to remain economically self-supporting. These efforts are supported via job training and other employment related activities.

Objectives

- To process applications and reviews for benefit programs within State/Federal standards of promptness.
- To offer and/or provide social work services and interventions as prescribed by State/Federal standards.
- To guarantee all foster parent applicants will receive orientation and training prior to the placement of a child.

Annual Fiscal Plan

<u>Description</u>	<u>FY09**</u> <u>Actual</u>	<u>FY10</u> <u>Original</u>	<u>FY11</u> <u>Approved</u>	<u>Change</u> <u>10 to 11</u>
Personnel	\$ 10,820,642	11,174,751	\$ 10,944,361	(2.1%)
Operation	11,614,771	7,607,595	7,511,401	(1.3%)
Capital	71,249	11,800	8,300	(29.7%)
Total	\$ 22,506,662	\$ 18,794,146	\$ 18,464,062	(1.8%)
 Personnel Complement	 168	 168	 168 *	 0

* This count does not include complement III positions that total 8 after the elimination of one vacant complement III position.

**FY2008-09 actuals include American Recovery and Reinvestment Act (ARRA) funding of \$108,473.

Social Services (cont'd)

Performance Measures

	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Clients Entering Employment	545	575	600	25
Efficiency Measure				
Food Stamp Application Timely Processing	97%	97%	97%	0%
Abuse Investigations Initiated within 72 hours	92%	92%	92%	0%
Effectiveness Measure				
Fraud Prosecution Rate	100%	100%	100%	0%
Customer Appeals Sustained	99%	99%	99%	0%
Clients Maintaining Employment after 90 days	436	460	480	20

- To make certain required foster care administrative responsibilities and judicial hearings will be held in compliance with State/Federal rules.
- To initiate investigations on all valid adult and child abuse complaints within seventy-two hours.
- To ensure all cases closed in the Adult Protective Services program will result in the client living in a safe situation.
- To provide job registrants with employment or education/training leading to employment.
- To ensure employed clients will maintain employment for 90 days.
- To successfully prosecute all cases where payment fraud is evident.

The operating component had a net decrease of \$96,194 from the FY2009-10 approved budget. The decrease is due to the County-wide adjustments for travel, tuition, telecommunications, a 20 percent reduction in technology replacement, reductions in motor pool and various targeted reductions. Specifically travel decreased by \$38,865; telecommunications decreased by \$22,032; tuition decreased by \$13,500; technology replacement decreased by \$1,566; automotive/motor pool decreased by \$6,180 and various accounts were reduced by \$14,051 in order to meet the department's targeted expenditure reductions.

It is important to note that the FY2008-09 actuals totaling \$22,506,662 includes \$108,473 in ARRA federal stimulus funding.

The Department of Social Services provides critical services to County residents within legally binding timeframes. The Department operates in three governmental environments - federal, state, and local.

The Department provides services to all socio-economic groups and is usually the last resort for people. Service programs provided by Social Services include the following: Adult/Child Protective Service, Foster Care, Adoptions, Child Day Care, Adult Services, Custody Investigations, Home Studies, and Intake/Emergency Needs. 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, and Long-Term Care.

Budget Highlights

The Department's approved budget for FY2010-11 is \$18,464,062, which represents a decrease of \$330,084 or 1.8 percent over the previous approved budget. The Department anticipates collecting \$14,348,600 in revenue from State and Federal governments, which represents 77.7 percent of the total funding amount.

The personnel component decreased by \$230,390 or 2.1 percent from the FY2009-10 approved budget. The decrease is due to the elimination of one vacant position and budgeting \$251,181 for vacancy savings, which is partially offset by increased VRS costs and hospitalization.

Social Services cont'd

The Department has experienced significant increases in the number of cases for their primary benefit programs, which are Medicaid, TANF and SNAP. A comparison of May 2008 versus May 2009 reveals that the combined caseloads increased by 10 percent. In FY2009, a review of individual programs reflects a ten percent increase in TANF caseloads; an 18 percent increase in SNAP caseloads; and, a 10 percent increase in Medicaid caseloads. Total caseloads for these three programs have increased by 109 percent when comparing May 2000 to May 2009. The Department anticipates these caseloads will increase another 5 percent by May 2010 if economic conditions do not improve.

Welfare reform has been successful in the past in moving people from public assistance to work. In FY2008-09, 545 clients became gainfully employed with 80 percent of them maintaining those jobs for 90 days or longer. Based on the increase of TANF caseloads, the forecast for FY2010-11 suggest that there will be significantly more clients the department needs to assist with entering employment. The increasing unemployment rate will make the process of finding employment for

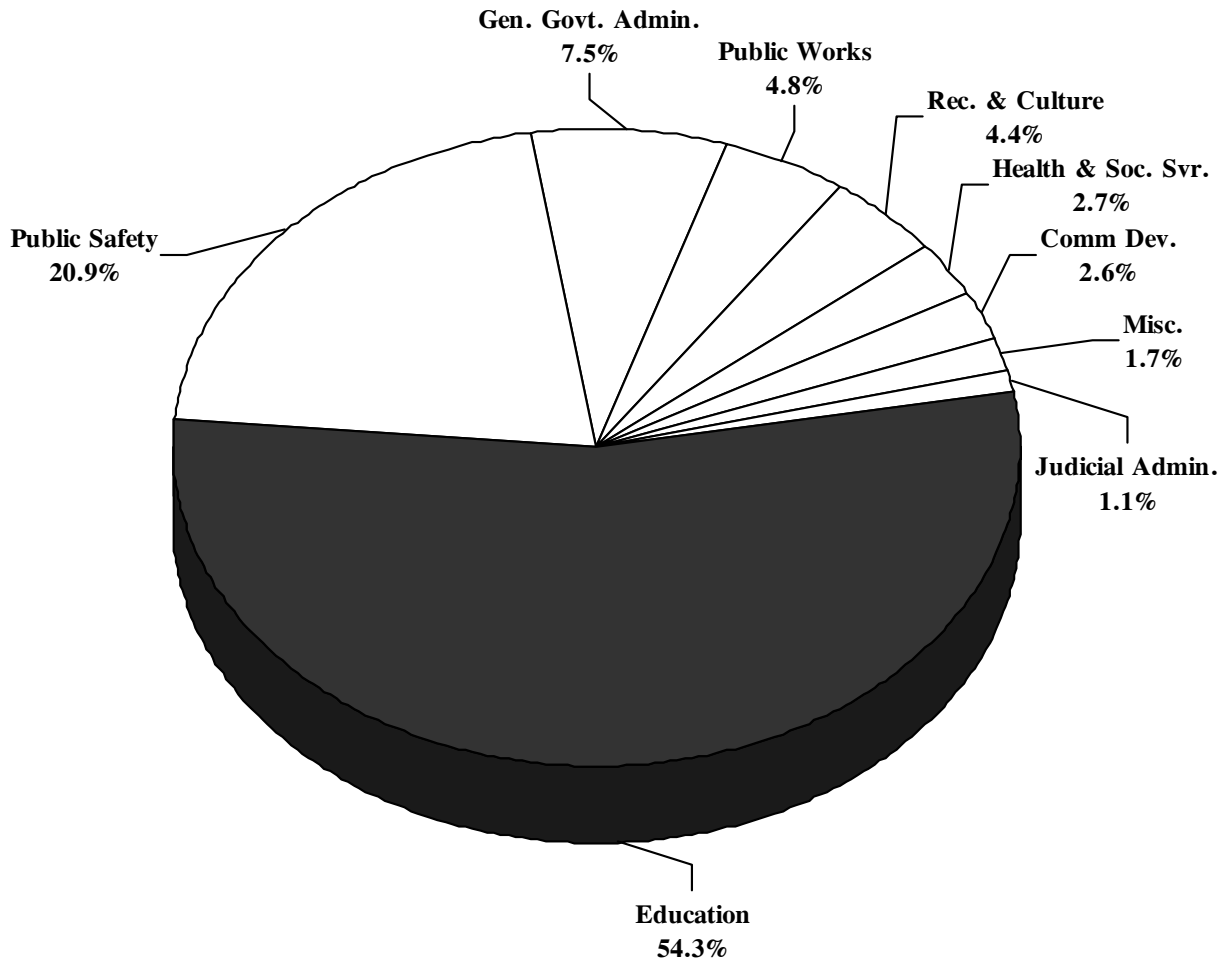
these individuals much more difficult.

Also impacting the Department's anticipated workload in FY2010-11 are state mandated child welfare initiatives that will require more intensive services to address issues that place children at risk of entering the foster care system or reduce the likelihood of the child returning to his or her family once placed in foster care. Issues involving substance abuse, mental illness, family violence, criminal behavior, and/or economic challenges will also require the strengthening of inter-agency coordination, and an array of services both within the Department and within the community. In FY2009, a 20 percent reduction in the number of children entering the foster care system was accomplished. There was also a 52 percent decrease in the number of children living in an institutional setting. In FY2007, six foster care youth were permanently placed in an adoptive home, compared to FY2009 when ten foster care youths were permanently placed in an adoptive home that represents a 66 percent increase. These types of intensive service accomplishments must be maintained as many are directly linked to the reimbursement rates established by the State.



COUNTY OF HENRICO, VIRGINIA

Education
\$402,409,019



Total General Fund
\$741,057,567

**COUNTY OF HENRICO, VIRGINIA
EDUCATION - ALL FUNDS
FY 2010-11**

<u>Fund/Division</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Original</u>	<u>FY 10-11 Approved</u>
General Fund:			
Instruction	\$330,822,872	\$339,671,902	\$317,511,525
Administrative Services	11,469,354	10,981,002	10,626,793
Operations	69,164,784	70,910,929	69,674,766
Finance	3,014,259	3,207,612	2,977,203
School Board and Superintendent	1,773,653	1,849,572	1,618,732
Recommended Adjustments	<u>0</u>	<u>(2,371,017)</u>	<u>0</u>
Total General Fund	\$416,244,922	\$424,250,000	\$402,409,019
Special Revenue Fund:			
School Food Service	\$17,337,790	\$17,412,081	\$18,253,816
State, Federal, and Other Grants:			
Capital Construction Management	0	407,257	398,066
Computer Insurance Coverage	61,077	0	0
CTE Resource Center	1,012,716	1,321,035	1,281,280
Distance Learning	38,374	265,516	132,540
Driver Education	129,971	106,870	105,577
Drug Free S/C Act	128,746	154,402	154,691
Educational Interpreters Grant	37,577	49,600	40,400
Federal Class Size	1,508,001	1,303,714	1,499,951
Gen. Adult Education	427,545	1,166,466	465,943
Grant Administration	(44,963)	399,189	142,903
Head Start	1,228,285	1,541,373	1,354,139
High Schools That Work	13,065	10,000	10,000
Homeless Assistance	0	60,000	60,000
Humanities Center Grants	(2,489)	25,000	25,000
Individual Student Alternative Ed Plan Grant	23,517	47,151	44,973
JSR Dual Credit Program	392,790	500,000	500,000
Juvenile Detention Home	1,052,681	1,114,978	1,130,486
Mentor Teacher Program	159,235	56,322	55,211
Miscellaneous School Grants - Federal	629,129	172,782	674,866
Miscellaneous School Grants - Local	20,177	0	648,670
Miscellaneous School Grants - State	818,876	49,899	0
Pell Grants	56,828	120,000	120,000
Perkins Act III	565,145	671,665	664,595
Pre-School	195,052	266,299	257,741
Reading First	315,602	343,055	0
Reading Intervention	465,664	522,896	522,896
Refugee School Impact Grant (ESL)	4,053	0	9,771
Reserve for State and Federal Grants	0	4,613,367	4,523,445
SOL Algebra Readiness	161,999	318,788	299,015
Special Education Jail Program Grant	111,531	115,198	101,003

Education - All Funds (cont'd)

<u>Fund/Division</u>	<u>FY 08-09</u> <u>Actual</u>	<u>FY 09-10</u> <u>Original</u>	<u>FY 10-11</u> <u>Actual</u>
State, Federal, and Other Grants: (cont'd)			
Virginia Preschool Initiative	775,869	1,730,679	1,722,956
Summer School	1,587,400	1,607,789	1,607,789
Technology (State)	2,079,419	1,922,000	0
Title I	5,425,757	4,893,788	9,083,280
Title II D - Technology	56,800	57,515	57,357
Title III - ESL	374,019	451,053	463,890
Title V	5,938	0	0
Title VI - B Special Education	11,272,918	10,029,448	9,195,084
VCU Teacher Development Grant	127,129	197,957	0
Other Special Revenue Grants	98,686	104,908	41,000
Total Grants	<u>\$31,314,119</u>	<u>\$36,717,959</u>	<u>\$37,394,518</u>
Total Special Revenue Fund	\$48,651,909	\$54,130,040	\$55,648,334
Debt Service Fund:			
General Obligation	\$34,639,716	\$40,054,789	\$36,522,774
Literary Fund Loans	93,091	0	0
Total Debt Service Fund	<u>\$34,732,807</u>	<u>\$40,054,789</u>	<u>\$36,522,774</u>
Total Education - All Funds	<u><u>\$499,629,638</u></u>	<u><u>\$518,434,829</u></u>	<u><u>\$494,580,127</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. In November, 1995, voters in Henrico County for the first time elected School Board members to four-year terms. Previously, the School Board had been appointed by the County Board of Supervisors. The School Board is charged with providing a total educational environment to prepare the students of today for the world of tomorrow.

The Divisions of Instruction, Administrative Services, Operations, Finance, and School Board and Superintendent have been established to accomplish the educational objectives of the County. A description of each follows:

In FY2010-11, the Division of Instruction will provide instructional programs to 22,360 elementary school students (grades K-5); 10,934 middle school students (grades 6-8) and 15,330 high school students (grades 9-12). This Division includes the departments of Elementary Education, Middle School Education, High School Education, Career and Technical Education, Nontraditional Programs, Exceptional Education, Technology and Information Services, and Staff Development.

The Division of Administrative Services provides support to instructional and non-instructional programs through recruitment, selection, assignment, and

evaluation of personnel. Additionally, this Division provides support to the other Divisions in the School system. This includes educational research, evaluation, student testing and assessment, program audit services, curriculum development, records management, facility monitoring, system-wide planning services, and coordination of programs promoting International Education. Finally, the Division provides support systems for employees in Human Resources and Student Health Services; and analyzes current regulatory/legal and economic development for their affect on schools.

The Division of Operations provides support for building construction and maintenance, warehousing, and pupil transportation.

The Division of Finance includes the areas of School Finance, Budget, Payroll, General Services, and the student breakfast and lunch programs for all schools.

The Division of the School Board and the Superintendent is responsible for compliance requirements of Federal and State laws, regulations, and standards. 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.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 386,839,659	\$ 397,845,696	\$ 378,255,002	(4.9%)
Operation	61,180,868	66,574,113	66,196,525	(0.6%)
Capital	16,876,304	13,960,231	13,605,826	(2.5%)
Debt Service	34,732,807	40,054,789	36,522,774	(8.8%)
Total	<u>\$ 499,629,638</u>	<u>\$ 518,434,829</u>	<u>\$ 494,580,127</u>	<u>(4.6%)</u>

Personnel Complement	6,587.80	6,629.80	6,584.80 *	(45.00)
Average Daily Membership	48,285	48,509	48,624	115

* The personnel complement in FY2009-10 reflects the Superintendent's Proposed Budget. Schools' Approved Budget includes 60 new positions for Glen Allen High School and Holman Middle School.

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 expand opportunities for adults.
- To ensure a level of staffing consistent with programmatic and support service needs.
- 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 Approved Budget includes a total General Fund appropriation of \$402,409,019 for Education in FY2010-11. This amount represents a decrease of \$21,840,981, or 5.1 percent over the FY2009-10 Approved Annual Fiscal Plan. Of the \$402,409,019, \$202,803,019 (50.4 percent) will be provided from General Fund revenues, which reflects an increase of \$5.5 million from the FY2009-10 adopted budget. The Approved Budget estimates \$199,606,000 (49.6 percent) in revenues from the State and Federal Governments to support Education. Projected State revenues of \$199,131,000 reflect a reduction of \$27.3 million from the FY2009-10 budget, a 12.1 percent reduction.

It should be noted that Education will receive significant savings in their Virginia Retirement System (VRS) costs in FY2010-11 due to reduced rates the General Assembly has adopted. Excluding the impact of the VRS reduction, the budget for Education would decline by \$8.5 million or 2.0 percent from FY2009-10 adopted budget levels.

The local amount above does not include expenditures for Education debt service, which is funded entirely with local dollars. In the FY2010-11 budget, local Education debt service expenditures will total \$36,522,774, which is a decrease of \$3,532,015 as compared to the FY2009-10 Approved Annual Fiscal Plan.

Education's FY2010-11 budget for the Special Revenue Fund totals \$55,648,334, which is a 2.8 percent increase over the FY2009-10 Approved Annual Fiscal Plan, mostly due to increased federal Title-IA funding. In total, with all funds (General Fund, Special Revenue Fund, and Debt Service Fund) included, the FY2010-11 budget for Education totals \$494,580,127, which is a decrease of \$23,854,702 or 4.6 percent as compared to the FY2009-10 Approved Annual Fiscal Plan.

A total of \$10,659,019 will fund operating costs for the new Glen Allen High School and Holman Middle School, projects funded through the March 2005 General Obligation Bond referendum.

In the FY2010-11 budget, Education is increasing the average pupil-teacher-ratio (PTR) by 0.75. To achieve this PTR level, Education will eliminate approximately 98 teachers through attrition and leave three instructional positions vacant. Also included in the FY2010-11 budget is the elimination of approximately 22 Central Office positions, which will also be reduced through attrition. Offsetting these position reductions are 60 new positions associated with the opening of Glen Allen High School and Holman Middle School. This proposed staffing level will change the average class size in County elementary schools to 20.5:1, middle schools to 21.7:1, and high schools to 22.0:1.

In addition to increasing the average PTR, Education has also conserved funding in FY2010-11 through the following actions:

- Replacement of 16 buses deferred for one year.
- Replacement textbooks and textbooks for growth will be purchased as needed.
- Reduced operating costs for each cost center by 20.0 percent.
- Utilized cost efficiencies in the areas of utilities and middle school laptops, and lowered fuel costs to better reflect actual expenditures.
- Reduced funding for the MathScience Innovation Center and Maggie L. Walker Governor's School by 6.0 percent.
- Reduced Central Office take-home vehicles.

Education (cont'd)

In the technology area, Education's FY2010-11 General Fund Budget includes \$11.5 million of funding for technology equipment, which includes funding for the Dell and Apple laptop leases. The laptop initiative began in FY2001-02 when the School system entered into an agreement with Apple Corporation to provide iBook laptop computers to all high school students and 7th and 8th graders. In FY2002-03, the agreement was amended to include 6th grade students. In FY2005-06, Dell began providing laptops to the high school students while Apple continues to provide laptops to the middle school students. The projected cost for the laptop initiative in FY2010-11 is \$7.0 million. An additional \$4.5 million is allocated for computer and printer replacement at elementary schools. The FY2010-11 budget also includes \$1.7 million for the cost of high speed internet access as well as operating and maintenance costs associated with the local and wide area networks.

The School Resource Officer (SRO) Program, which is a joint effort with the Division of Police, assigns a Uniformed Police Officer to each middle and high school in the County. A total of 27 Police Officers participate in the program, including requests for two new SRO's associated with the opening of Glen Allen High School and Holman Middle School. The School Resource Officer provides a safer environment to the students and staff of the schools while also providing a positive role model and adviser to the students.

The passage of the General Obligation (GO) Bond Referendum in November 2000 by County voters resulted in the authorization of \$170.5 million of GO Bond funding for school capital projects in fiscal years 2000-01 through 2006-07. The original proposal included the use of \$9.0 million of interest earnings from prior school Virginia Public School Authority (VPSA) bonds to fund project costs. A revised financing plan included in the FY2001-02 Approved Annual Fiscal Plan, utilized \$12.6 million of VPSA interest earnings.

Approved in the referendum was funding to complete the construction of a new high school, build three new elementary schools, a new middle school, and an alternative middle school. Also funded were renovations at seven elementary schools, one middle

school, and two high schools. Five of the elementary school renovations included additions. The referendum projects also included funding for asbestos abatement, tennis court replacements, and ADA enhancements.

GO Bonds were issued six times since November 2000 associated with this Referendum. The following table provides a summary of each GO Bond issue and the total debt issued for Education projects. The November 2006, FY2006-07, debt issue was the final issue associated with the November 2000 Referendum.

Fiscal Year	Amount	Issue Date
FY2000-01	\$37,110,000	May 2001
FY2001-02	\$8,674,055	February 2002
FY2002-03	\$41,597,975	January 2003
FY2003-04	\$12,549,826	May 2004
FY2005-06	\$39,883,931	August 2005
FY2006-07	\$26,691,167	November 2006
Total	\$166,506,954	

In March 2005, County voters approved a GO Bond Referendum, which resulted in the authorization of \$220.0 million of GO Bond funding for school capital projects in fiscal years 2005-06 through 2011-12. The approved funding in the March 2005 referendum will build a new high school, two new middle schools, and two new elementary schools, as well as provide funding for planning and design of a third new middle school and second new high school. Also funded are additions and renovations at two high schools, the renovation of two middle schools, and the renovation of five elementary schools, two of which will include additions.

Because of the difficult economic environment, the County chose to take the prudent approach and delay the planned FY2009-10 issuance of GO Bonds. The FY2010-11 Approved Budget assumes the issuance of these bonds. By delaying the issuance of these G.O. Bonds in FY2009-10, the County avoided incremental debt service costs that would have placed additional strain on the budget. It should be noted that the County has \$88.6 million in outstanding GO Bond authorization for Education projects from the GO Bond Referendum approved in March 2005.

Education (cont'd)

The table below depicts the amount of Education funding in the GO Bond issues to date as well as the new schedule for the remaining GO Bond issues approved on the March 2005 referendum.

Fiscal Year	Amount	Issue Date
FY2005-06	\$22,878,432	August 2005
FY2006-07	\$20,320,013	November 2006
FY2007-08	\$25,115,892	January 2008
FY2008-09	\$59,386,186	November 2008
FY2009-10	\$0	Delayed to FY11.
FY2010-11	\$65,656,903	Projected Spring '11
FY2011-12	\$22,931,208	Projected Spring '12

The FY2010-11 capital budget for Education is \$68,156,903, which includes \$65,656,903 in G.O. Bond projects including the final funding phase for Glen Allen High School, construction funding for the renovations of Varina High School, Brookland Middle School, and Johnson Elementary School, construction funding for a new West Area Elementary

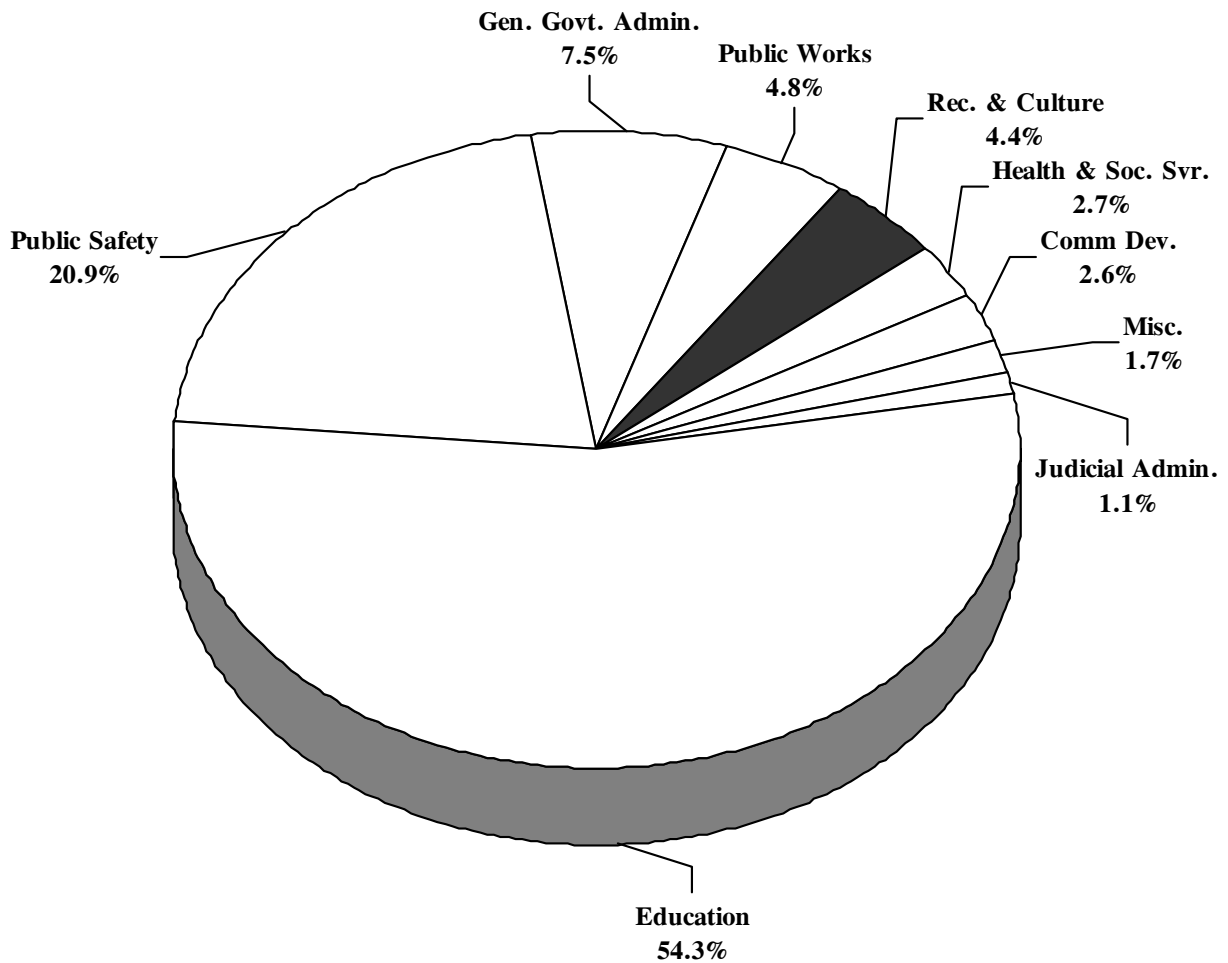
School, and planning funding for the renovation of Pinchbeck Elementary School. Also included is \$6,218,366 to establish an Education Bond Project Reserve to continue previously funded G.O. Bond projects that may be underfunded. The funding being allocated to the reserve was originally requested for projects that included only land, planning, and/or partial renovation costs within the \$220,000,000 approved by the citizens in the March 2005 G.O. Bond Referendum for Education projects. Since there are higher priority projects with identified funding shortfalls, these funds are being placed into a reserve for future allocation. The Proposed Capital Budget also includes the annual \$2,500,000 General Fund allocation for roof replacements and mechanical improvement projects. The initiative to provide local funds for these maintenance needs began in FY1998-99. These County cash allocations for infrastructure repairs - specifically roof replacements and HVAC improvements - ensure that School facilities are maintained at the level expected by the citizens.



COUNTY OF HENRICO, VIRGINIA

Recreation, Parks, and Culture

\$32,334,940



Total General Fund

\$741,057,567

**COUNTY OF HENRICO, VIRGINIA
RECREATION, PARKS AND CULTURE - GENERAL FUND
FY 2010-11**

<u>Department</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Original</u>	<u>FY 10-11 Approved</u>
Recreation & Parks:			
Administration	\$2,284,550	\$2,289,720	\$2,245,594
Recreation Services	6,099,958	6,313,050	6,426,760
Parks Services	<u>7,678,480</u>	<u>8,167,601</u>	<u>8,028,330</u>
Total Recreation & Parks	16,062,988	16,770,371	16,700,684
Public Library	15,606,420	16,399,039	15,634,256
Total Recreation, Parks and Culture	<u>\$31,669,408</u>	<u>\$33,169,410</u>	<u>\$32,334,940</u>

RECREATION AND PARKS

Description

The Division of Recreation and Parks offers a variety of quality programs and facilities to meet the leisure needs of the residents of Henrico County. To accomplish these objectives, the Division is composed of the following three sections: Recreation Services, Park Services, and Administration.

The Recreation Services section manages programs for the residents of Henrico County in the areas of general community, preschool, youth, senior adults, outdoors, special events, sports, therapeutics, nature, history and historic preservation, and cultural arts. This section also provides training and expertise to youth and adult sport associations in the County. Recreation Services manages the County's recreational facilities including Confederate Hills, Dorey, Deep Run, Twin Hickory and Belmont Recreation Centers, Three Lakes Nature Center and Aquarium, the museums at Meadow Farm/Crump Park and the Dabbs House, the Armour House at Meadowview Park, Walkerton Tavern, Henrico Theatre, the Clarke-Palmore House, Dabbs House, Osborne and Deep Bottom boat ramps, the Antioch, Highland Springs, and Hunton Community Centers, and the Belmont Golf Course.

The Park Services section oversees the County's park system of over 3,600 acres and also maintains the Division's athletic and recreation facilities. The Turf Management section combines the science of growing grass with the art of producing aesthetically

pleasing playing surfaces. This section currently maintains 110 irrigation systems at forty-three locations throughout the County. The Landscaping section has a certified playground technician on staff and is responsible for the management of the Division's ponds, which includes erosion control and water quality monitoring. Furthermore, the Division is responsible for the maintenance of historic houses and facilities, which include the Meadow Farm farmhouse, the Clarke-Palmore House, Dabbs House, Cedar Hill, the Armour House, Nuckols Farm, Deep Run Schoolhouse, Henrico Theatre, and the caretaker houses at Dorey, Deep Bottom, and New Market Park properties in addition to the house on the Kain Road property.

The Administration section oversees all personnel, fiscal, and technology management issues. They also provide planning, research, and project management related to the development of new facilities and programs, community relations, and marketing for the Division.

Objectives

- To ensure the citizens of Henrico County are provided well-balanced leisure activities.
- To provide the citizens of Henrico County a safe and clean environment in all parks and athletic facilities.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 11,507,666	\$ 11,906,821	\$ 12,039,284	1.1%
Operation	3,802,216	4,168,766	4,004,708	(3.9%)
Capital	753,106	694,784	656,692	(5.5%)
Total	<u>\$ 16,062,988</u>	<u>\$ 16,770,371</u>	<u>\$ 16,700,684</u>	<u>(0.4%)</u>
Personnel Complement	172	172	178 *	6

*Ten positions are added to the complement for the opening of the Eastern Henrico Recreation Center and four vacant positions are being eliminated.

Recreation (cont'd)

Performance Measures				
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Park Visitation	3,537,272	3,550,000	3,550,000	0
Number of Participants in Programs	306,498	320,000	320,000	0
Number of Recreation Programs	3,433	3,600	3,600	0
Number of Shelter Reservations	2,717	3,200	3,200	0
Number of Sports League Games/Tournaments	11,084	11,500	11,500	0
Number of Acres Mowed	22,100	24,000	24,000	0
Number of Athletic Sites Prepared	11,614	13,000	13,000	0
Number of Recreation Structures	172	173	175	2
Number of Trash Receptacles Maintained	1,466	1,500	1,500	0
Number of Work Orders Processed	4,920	5,200	5,200	0
Number of Special Events Set-ups	368	370	370	0
Number of Irrigation Systems Maintained	115	118	120	2
Number of Recreation Sites Maintained	125	127	127	0
Effectiveness Measures				
Percentage of Satisfied Customers (Fee-Based Programs)	100%	100%	100%	0
Percentage of Athletic Fields Irrigated	43%	54%	54%	0

- 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.

Budget Highlights

The Division's FY2010-11 budget is \$16,700,684, which represents a 0.4 percent decrease over the FY2009-10 approved budget. The personnel component reflects an increase of \$132,463, or 1.1 percent due to new positions for the Eastern Henrico Recreation Center as well as increases in the VRS rates for retirement and life insurance. The increase in personnel is somewhat offset by the elimination of four vacant positions along with \$216,911 budgeted for vacancy savings. The overall operating component decreased by \$164,058, or 3.9 percent over the previous approved budget. Many of the reductions reflect actual expenditures in FY2008-09, though some specific items include reductions in telecommunications, technology replacement, automotive/motor pool rates, and the removal of

travel expenses from the department budget. The capital outlay component of the Recreation budget totals \$656,692. This total includes fully funding the continuation of the equipment replacement and the facility rehabilitation programs.

Administration

The FY2010-11 budget for the Administration section equals \$2,245,594. This reflects a decrease of \$44,126 or 1.9 percent from the approved budget. The personnel component increased \$1,962 as a result of increases to VRS rates for retirement and life insurance. There is also a new Account Clerk II to assist the business function with the additional workload created by the new programs at the Eastern Henrico Recreation Center. This position was offset by the elimination of a vacant position. The operating component decreased by \$43,088 or 9.5 percent over the previous fiscal year driven mostly by decreases in travel, telecommunications, and technology replacement costs for the Division. The capital outlay component of the section's budget totals \$12,000 and provides for the replacement of Recreation and Park's various computer and telecommunications equipment throughout the fiscal year.

Recreation (cont'd)

Recreation Services

The FY2010-11 budget for Recreation Services totals \$6,426,760, which reflects an increase of 1.8 percent when compared to FY2009-10. The personnel component increased by 3.1 percent due to the addition of five new positions funded for the opening of the Eastern Henrico Recreation Center. The new positions are a Senior Recreation Coordinator, two Recreation Coordinator I, and two Recreation Coordinator II positions.

In addition to the new positions, operating costs of \$18,948 were added to Recreation Services for three months of operating costs for this new facility. This somewhat offsets decreases in operating costs, as the total operating component for this section reflects a 5.2 percent reduction. This includes the removal of travel expenses, reduction in telecommunication costs, and additional reductions that were allocated across most accounts to meet the total operating budget adjustment.

The capital component totals \$22,300 and includes \$10,000 to preserve historic artifacts and \$12,300 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 offset a majority of 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. The \$10,000 to preserve historic artifacts is in addition to the \$200,000 approved in the FY2010-11 Capital Budget for the rehabilitation of the County's historic properties.

The fifty-nine permanent and over three hundred temporary positions in the Recreation Services section organize and supervise a variety of activities for Henrico County residents. Specifically:

- The Recreation Programs section plans and provides a variety of programs, classes, workshops, events, activities, and programs for preschoolers, youth, teens, adults, and senior adults. These include programming in the areas of cultural arts, outdoor recreation, therapeutic recreation, and nature including the programs offered at

Three Lakes Nature Center and Henrico Theatre.

- The Recreation Facilities section operates the County's twelve recreation centers, including the Eastern Henrico Recreation Center planned to open in the Spring of 2011. The Recreation Centers are available to be rented by the public for meetings and social events as well as the location of many recreation programs and activities.
- Historic Preservation and Museum Services provides tours, programs, classes and activities at the various historic sites managed by the County, including Meadow Farm, Deep Run Schoolhouse, Courtney Road Service Station, and the Dabbs House. They also inventory, preserve, and maintain all of the historic preservation collection for the County as well as the historic integrity of the Division's historic facilities.
- The Sports and Special Events section operates Laurel Skate Park and youth sports camps plus organizes adult and youth leagues and tournaments including managing the athletic field scheduling. The Henrico County park facilities played host to 14 tournaments, many with teams traveling from outside the Richmond Metropolitan Area and having an estimated economic impact of \$33,387,744 in FY2008-09. This section also plans, organizes, and staffs the Division's special events, which include the Old Fashioned Fourth of July, Harvest Festival, Ice Cream Socials, community events, park and facility dedications, and the Parade of Lights and tree lighting ceremony. Finally, the Sports and Events section reserves the rented park areas and rented equipment, manages the school use permits, schedules off duty police assignments, plus supervises caretakers at Dorey Park, New Market Park, and Deep Bottom Boat Landings.

Recreation (cont'd)

Park Services

In the area of Park Services, the budget for FY2010-11 is \$8,028,330, which represents a decrease of \$139,271, or 1.7 percent when compared to the FY2009-10 approved budget. Of this decrease, \$36,163 is in the personnel component. This is due to the elimination of three vacant positions and the budgeting of vacancy savings. The decrease in this component is offset by half-year funding for four new full time positions and three months funding for temporary staff for the Eastern Henrico Recreation Center. Two of the new full time positions are classified as Custodian I and two of the new full time positions are classified as Equipment Operator I.

The operating component of the Park Services budget decreased \$69,736, or 2.6 percent as a result of reductions to meet the operational budget adjustment. This is offset by additional funding for maintenance costs of the Eastern Henrico Recreation Center for three months in the amount of \$46,568. Significant reductions of note include the reduction of automotive/motor pool rates, the removal of travel, reductions in telecommunications, and utility costs.

The capital outlay component of the Park Services budget totals \$622,392, which reflects a decrease of \$33,342, or 5.1 percent. This decrease is somewhat offset by \$14,158 being added for new equipment to assist in the maintenance of the Eastern Henrico Recreation Center.

The total amount for capital outlay includes fully funding the equipment replacement program, which was initiated in the FY2008-09 approved budget in order for necessary equipment to be replaced on a regular replacement schedule. In FY2010-11, a mobile generator, a sign machine, a turbine blower, a twenty-foot trailer, an athletic vehicle with a grooming attachment, a tractor, a 4' x 8' stage, a 60' x 60' tent, two sixteen-foot trailers, and eight athletic paint sprayers will be replaced for a total of \$177,900. Other items that are scheduled to be replaced during FY2010-11 include 40 picnic tables, two portable 10' x 10' tents, fifteen 30" x 72" folding tables, eight weed eaters, four athletic field dry markers, and six athletic field drags for \$37,058. An additional \$30,000 is allocated for the

unplanned replacement of appliances, maintenance equipment, and playground equipment that may need replacement during the fiscal year.

The Facility Rehabilitation portion of the budget remains \$377,434 in the FY2010-11 budget. This plan was initiated in the FY2000-01 approved budget in order to maintain the Division's facilities on a yearly basis. Projects in this year's Facility Rehabilitation program include the resurfacing of two tennis courts and fence replacement at Virginia Randolph Athletic Facility; resurfacing of the parking lots at Short Pump and Cheswick parks; resurfacing of the basketball courts at Hunton Recreation Facility; sod installation at Dorey Park's rugby field; maintenance of the half-pipe and deck at Laurel Skate Park; HVAC repairs at Confederate Hills Recreation Center; and various other electrical, roofing, and painting projects. This is in addition to the Division's Facility Rehabilitation program that is included in the County's Capital Improvements Program.

The Districts' crews operate in both the East and West sections of the County, providing mowing operations and athletic field management for the Division. The Resource Services section provides support to the Division and County sponsored special events and assists with community events. The Turf Management crew monitors and maintains the Division's 110 irrigation systems installed at 43 locations throughout the County and provides special mowing operations for irrigated athletic fields and common areas. The Trades crew maintains the Division's multiple facilities and equipment. The Landscape Management section provides the detailed landscaping of parks, inspects and repairs playground equipment, and maintains numerous ponds and trails in the County's parks, maintains the stockroom for Park Services and manages the custodial operations.

Division Revenues

Anticipated departmental revenue equals \$628,000 for FY2010-11, which reflects no change from the projections for FY2009-10.

Recreation (cont'd)

Highlights of Activities and Accomplishments

Leisure and recreation opportunities available in Henrico County continue to expand in spite of the current economic condition. In late spring of 2009, the Division opened the renovated Hunton Community Center, which was purchased in the fall of 2008. Lighting and athletic field renovations were completed at Klehr Field Recreation Area and the rugby field at Dorey Park. A concession building was constructed for the Western Wildcats at Byrd Middle School and a walking trail was completed at Montrose Elementary Schools, adding to the recreational amenities located at the County's public schools.

Several projects are currently underway. The Eastern Henrico Recreation Center, a 2005 G.O. Bond Project, is scheduled to open in the spring of 2011. Additionally, the Challenger Field at

Tuckahoe Park is currently under construction and is scheduled to be completed in spring of 2010. Other projects currently underway include the replacement of the walking trail at Virginia Randolph Recreation Area, grading and sod replacement of two fields at the soccer complex adjacent to Wilder Middle School, the upgrade of the mail car at RF&P Park to improve the use of the rail car for storage, and the replacement of playground equipment at several sites. The Division just recently received approval for Community Development Block Grant (CDBG) funding for two projects. The first project will make improvements to the patio at Belmont Recreation Center to make it compliant with the Americans with Disabilities Act (ADA). The second CDBG project is to replace the playground equipment at Sandston Recreation Center, which will also make the playground ADA compliant.

LIBRARY

Description

The mission of the Henrico County Public Library (HCPL) is to deliver excellent customer service through access to a variety of materials, innovative technologies, programs, and attractive facilities. The Libraries serve the county's diverse community by assisting customers in finding information that they want or need, often using a variety of formats that are available to customers in any of the 11 facilities. The public's desire for remote information services through the website, which is available 24 hours-a-day, continues to grow.

To accommodate these changing needs, Henrico libraries are equipped with over 376 public computer workstations, and 14 public laptops are also available for loan, in addition to printers, scanners and WiFi access that is available to users.

- To provide materials and services for self-directed personal growth and development opportunities.
- To maintain a strong web-based information presence to serve residents more effectively and efficiently.
- To supply citizens with information related to services provided by community agencies and organizations.
- To provide a place for people to meet and interact with others in their community and to discuss community issues.
- To maintain excellent materials collections in both traditional and electronic/online formats.

Objectives

- To assist citizens of all ages with information and answers to questions on a broad array of topics related to work, school, and personal life.
- To meet children's, young adults', and adults' needs for recreational reading and associated services.

Budget Highlights

Citizens expect high standards of public service, and it is this high standard of quality that the HCPL system continues to strive for. Free and easily accessible information is a vital component of the continued personal growth of the individuals, families, and businesses in the community.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 10,651,530	\$ 11,185,523	\$ 10,670,460	(4.6%)
Operation	4,875,991	5,203,516	4,938,796	(5.1%)
Capital	78,899	10,000	25,000	150.0%
Total	<u>\$ 15,606,420</u>	<u>\$ 16,399,039</u>	<u>\$ 15,634,256</u>	<u>(4.7%)</u>
Personnel Complement	183	183	173 *	(10)

*10 vacant positions have been eliminated.

Library (cont'd)

	Performance Measures			
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Annual Circulation of Materials	3,584,375	3,673,984	3,857,864	183,880
Customer Visits	1,865,118	1,911,746	2,007,333	95,587
Program Attendance - Children	52,152	52,674	53,200	526
Program Attendance - Teen/Young Adult	4,879	4,928	4,977	49
Program Attendance - Adult	9,537	9,632	9,729	97
Number of Holds Requested by Customers	265,458	305,277	351,068	45,791
Number of Holds Filled - Inside Library	226,932	230,336	264,866	34,530
Number of Holds Filled - Drive Up Window	38,526	44,305	50,951	6,646
Number of Library Cards Issued	23,246	23,478	23,713	235
Number of Classes Taught	360	364	367	3
Total Class Attendance	2,832	2,860	2,889	29
Number of Volumes Added	92,008	92,008	92,928	920
Outside Use of Meeting Rooms	83,540	85,629	87,769	2,140
Outside Use of Study Rooms	25,447	27,992	30,791	2,799
Materials Provided to Other Library Systems	2,760	2,760	2,788	28
Materials Provided by Other Library Systems	2,924	2,924	2,953	29
Efficiency Measures				
Number of Self-Service Check-Out Transactions	1,340,638	1,474,702	1,622,172	147,470
Number of eBook Transactions	15,697	16,482	17,306	824
Number of Library Catalog Visits	491,445	540,590	594,648	54,058
Number of Library Web Site Visits	547,950	657,540	789,048	131,508
Number of Database Document Retrievals	350,731	438,414	548,017	109,603
Effectiveness Measures				
Reference Questions Answered	665,594	732,153	805,369	73,216
Number of Customers Using Public Workstations	189,788	189,788	199,277	9,489
Number of Sessions Using Public Workstations	588,210	588,210	599,974	11,764
Number of Public WiFi Connections by Customers	26,333	31,600	37,920	6,320
Number of Titles in Collection	330,712	326,186	332,710	6,524
Number of Volumes in Collection	803,477	811,512	827,742	16,230
Number of Electronic Databases Available*	55	55	55	0

*Includes Find It VA databases from the State

Library use is up across the nation, including the HCPL. Throughout the day, every public computer workstation is often occupied with customers filling out job applications, looking for jobs, developing resumes and taking advantage of the unique educational and entertainment opportunities offered by HCPL. The HCPL has teamed with the Capital Area Training Consortium (CATC), as well as Goodwill Industries to connect job seekers with training and employment opportunities, as well as provide assistance as necessary for those individuals seeking additional help during their jobs search. The libraries also serve as community gathering

places. Some customers come seeking a quiet haven to read a book, newspaper or magazine, while others are interested in using the newest online technologies to find out about a job, research a topic, or reserve a meeting room for their group's program. Nearly 109,000 individuals used the conference, meeting and/or study rooms last year. All of these services are available to anyone who has an HCPL library card.

The expansion/renovation project for the Glen Allen Branch Library, approved in the 2005 G.O. Bond Referendum, is underway. After the library's

Library (cont'd)

closing in June 2009, library services for users of the Glen Allen Library community have continued to be provided by all other Henrico libraries. The closest full-service locations are the Twin Hickory, Tuckahoe, and Dumbarton Area Libraries. Also, the Bookmobile has operated from the Glen Allen Library's parking lot on alternate Fridays for three hours, and will continue to do so until construction is complete. Library materials can be returned to the Bookmobile on these days, or can be returned to any other Henrico library. The renovations to Gayton Branch Library, another 2005 G.O. Bond Referendum project, are currently in the design phase.

The Department's approved budget for FY2010-11 totals \$15,634,256. This represents a decrease of 4.7 percent, or \$764,783 from the FY2009-10 budget. Personnel costs reflect a decrease of 4.6 percent, or \$515,063, due to the elimination of ten vacant positions, and budgeting of a vacancy savings. The operating component reflects a decrease of \$264,720, or 5.1 percent, and \$25,000 has been budgeted for capital outlay. It must be noted that the reductions would have been greater if \$327,120 in additional funding had not been allocated for operating costs related to the Glen Allen Library Renovation and Addition, general obligation bond project. The Glen Allen Library is anticipated to reopen in FY2010-11. Without the additional funding for the expanded facility, the budget would have decreased by \$1,092,103, or 6.6 percent.

The majority of the decreases were due to the elimination of ten positions, budgeting vacancy savings, as well as reductions in technology replacement and other areas such as printing and binding, lease of vehicles, and materials, which can be made without impacting the quality of the services provided by HCPL.

Public Service Achievements

Building on the success of the laptop checkout program at Fairfield Area Library, Dumbarton Area Library is now offering this service to provide users with additional computer workstations.

Wireless Internet access has been a very popular feature in all libraries. This service continues to

provide HCPL patrons with easy email and internet access. With the increased numbers of citizens cutting back on their personal expenses at home, this free internet connection at the public library has truly become a value added service. Patrons may come in with their laptops and use the library network to access email and the internet, and many are using this service to look for and apply for jobs. This filtered access is exactly the same as children's, young adult, and computer lab areas of the public library. There were 26,333 WiFi connections in 2009, an increase of nearly 100 percent.

The online summer reading program provided the opportunity for all age levels to keep track of their reading and print out a list of the books that they read. Teens and adults also had the option of writing reviews to share with other participants. Of special note is the participation by childcare centers during the summer. Teachers at childcare facilities were able to register their classes as a group and read aloud to them. Each child is eligible for receiving the incentives, just as they would if they were doing the program individually at home. This provides a great service for children who are in a childcare program during the summer.

The children's summer program kickoff was provided by well-known Virginia musical duo, Kim and Jimbo Cary. This family program was well received, with 350 citizens attending throughout the system. Also, noted children's book illustrator Michael P. White gave a series of drawing programs to children at each library, that were also well-attended, with over 350 children attending 10 programs, including one at a Connect site that is funded for at-risk children through Mental Health/Developmental Services. Teens were treated to Manga drawing programs by local cartoonist and art teacher, Kirk O'Brien, which were attended by over 100 teens.

Summer Reading activities concluded with the final Family and Friends Photo Night sessions held at all libraries. Families who participated received a free 5" x 7" photograph. Over 100 families participated, and those who signed release forms now have their photos featured on the homepage of the library's website.

Library (cont'd)

Enhanced Website

HCPL website was completely re-designed to improve the content and organization for ease of use by online customers. In particular, both the teen and children's web presence was made more appealing and more user friendly for young patrons. Both sites have new and improved homework help pages, and there is a teacher request feature where educators can let us know about homework assignments, or request a library visit.

On the children's site, an online book club, fun pages, and information for parents were added. Several interactive features were also added, such as the "Ask a Teen Librarian" button which appears on every page, a weekly poll, and a suggestion box. New and improved booklists were also added, as well as author spotlight to feature popular teen authors. A Teen Creations page has been added where teens can post their writing and artwork. The new teen site is heavily promoted at the County's middle and high schools.

Henrico County Public Library was extremely fortunate to have been recognized with national and state awards in 2009.

National Association of Counties Achievement Award - Books on Wheels Program

Henrico County Public Library established a partnership effort with a local literacy and transportation non-profit organization called *Books on Wheels*, which distributes books, bikes, and bike repair services to needy areas in Virginia and all along the East Coast. The Twin Hickory Area Library and the Bookmobile wanted to support this effort by hosting the organization for a day in the library's parking lot and over 1,700 books, 31 bikes, and 12 helmets were donated to the organization.

National Association of Counties Achievement Award - Linking Libraries, Communities, and Cultures Program

The American Library Association's theme of "Linking Libraries, Communities, and Cultures" became Henrico's theme for last year's *All Henrico Reads* event featuring the Latina author, Julia Alvarez. In partnership with the public schools and the Friends of the Library, this initiative not only

focused on the books that the author had written for all ages, but also provided a forum for discussion about the immigrant experience in the United States.

Many of our libraries offered follow-up activities to help communities understand their Hispanic neighbors better, and the Bookmobile continues to make visits to two apartment complexes whose populations are predominantly immigrants.

Virginia Library Association's George Mason Award

Henrico County Public Library also received the highly coveted George Mason Award from the Virginia Library Association for the 2008 *All Henrico Reads* Julia Alvarez event, "Linking Libraries, Communities, and Cultures." The award is made to a public library that has made significant contributions in the promotion and development of improved public understanding of library and information services.

Henrico County was recognized for its continuing efforts to support the Hispanic and Latino communities through various outreach efforts of the public library, and was commended for achieving its goal of educating the community about the immigration experiences of their local Hispanic families.

Virginia Public Library Director's Association Outstanding Service Innovation Award

Henrico's public libraries were recognized for the laptop initiative that began at Fairfield Area Library to provide enhanced public access to email and the Internet. The program has now expanded to Dumbarton Area Library as well.

Virginia Public Library Director's Association Outstanding Library Friend Award

A former president of the Friends of Henrico County Public Library was recognized for her role as a major catalyst for the rebirth of this organization. Her energy, relentless spirit, and a totally focused commitment helped build a strong group that is now a major sponsor and underwriter of the public library's *All Henrico Reads* events.

All Henrico Reads

Once again, the Henrico County Public Library partnered with Henrico County Public Schools,

Library (cont'd)

University of Richmond, and the Friends of Henrico County Public Library to present the 2009 *All Henrico Reads* event and hosted the nationally acclaimed author, M. T. Anderson, for the event. His award-winning young adult book, *FEED*, was the highlighted title for more than 350 members of the community who attended. A local bookstore sold nearly 100 titles to all ages who were intrigued by his contemporary topics and his literary discussion. In addition to the evening event, Mr. Anderson discussed his writings with two middle school groups of more than 250 students. The next *All Henrico Reads* will feature author, David Baldacci in 2011.

Kids Who Read Succeed

The HCPL joined with the Henrico County Council of PTAs to present a Spring Break reading program entitled "Kids Who Read Succeed." Families were encouraged to read together for one hour, or about 10 minutes a day, during the break. Once they had logged their time online, each child received a coupon from Chick-fil-A. In addition to the reading program, the HCPL also provided information to the PTA council and School's PTA presidents about library services. In addition, HCPL presented information about the library system at local school PTA meetings as requested.

Summer Blast

HCPL created a notebook of book related activities to support the Recreation and Parks Summer Blast program, and presented an in-house training session at the orientation for all summer recreation leaders. The notebooks were focused on the four themes that the recreation department chose for the summer camps. Each of the 27 elementary summer camp locations received a notebook.

Offsite Computer Classes

Librarians from Dumbarton Area Library visited Westminster Canterbury, a local retirement community, to promote their library's outreach program. The program offered an opportunity to provide off-site computer classes to those who cannot easily visit the library. One of the librarians taught an introductory Microsoft Word class for an hour, once a week, in Westminster Canterbury's

computer lab over a period of six weeks. The initial project was presented on a trial basis with plans to continue the program as staffing permits.

Child Care Providers

Childcare providers continue to appreciate and attend the monthly programs that emphasize pre-school literacy and school readiness. These programs meet state requirements for continuing education credits, and are awarded in cooperation with the Virginia Department of Child Care and Development. Since September 2008, HCPL has presented 15 programs, through which participants could earn 20 hours of continuing education credits. In addition, hundreds of early literacy brochures and Mother Goose posters and booklets were distributed to educate and inform both providers and parents about early literacy development. Also, in the past year, HCPL has partnered with the county's office for foster care and adoption to assist with a holiday party for families and to provide information about the library.

Visiting Authors

In addition to the 2009 *All Henrico Reads* selected author, M.T. Anderson, HCPL hosted a number of other talented authors. The Library hosted a book discussion featuring author Jacquelin Thomas. Ms. Thomas is the author of over 29 books, including the hugely popular *Divine* young adult series. Ms. Thomas shared her newest title, *The Ideal Wife*, with an enthusiastic audience of 27 library patrons, and then opened the floor to questions about her life and work in general. Afterwards, she signed copies of her books for the audience.

Over 100 Friends of the Henrico County Public Library members heard local author, Dr. Christopher Brooks, talk about his book, *Follow Your Heart: Moving with the Giants of Jazz, Swing, and Rhythm and Blues*, at their annual author event held at the Tuckahoe Area Library. Jazz musician, Joe Evans, who is featured in the book, attended as an honored guest and thrilled his audience with a few of his stories about playing with jazz greats such as Billie Holiday, Cab Calloway, Charlie Parker, and Duke Ellington. Members of the Henrico High School Jazz Band also performed for the attendees.

Library (cont'd)

Programs and Activities

The final series of teen Manga cartooning workshops, presented by local cartoonist, Kirk O'Brien, were held in August at the Fairfield, Dumbarton, and Twin Hickory Area Libraries. The workshops were well-attended by teens, who gave good evaluations about the presenter.

The Library teamed with the Henrico County Public School's Department of Transportation to present four school bus safety programs in August. Children who were entering kindergarten had the opportunity to climb aboard a school bus and listen to a safety presentation. They were then invited to the library for a story or activity, and were given a bus safety coloring sheet to take home. Information was also provided for parents. Attendance for the four programs was 216 (parents, kindergartners, and siblings). In addition, four active teen groups, which serve as Teen Advisory Boards, continue to provide unique and innovative services to the library and to the community. Some of their activities during the past year included assisting with Halloween and other holiday parties for children, collecting and sorting books for the Henrico Christmas Mother program, and volunteering as aides in the children's department to help with summer programs.

The library also offered two special *Story Times for Mothers* in the Henrico Healthy Families home visitation program. This program identifies and serves women and children in high-risk categories, prenatally through age five. The mothers were treated to a story time and a library tour, and also had the chance to get a library card.

HCPL continues to explore its role in helping to support families whose native language is not English. This year's focused efforts to reach out to the Latino and Hispanic communities were highlighted with two signature community events.

A multicultural survey was conducted in the fall 2008, which targeted the multicultural community. The objective was to solicit input on the types of library programs and services the community would like to see offered. HCPL's Multicultural Committee received 270 completed surveys, including several in Spanish. The results were

entered into Survey Monkey that enabled the data to be compiled and analyzed by the committee. While reviewing the data, the committee members noted that many respondents were interested in learning or improving their English language skills. The committee developed a list of *English as a Second Language* (ESL) classes offered in the area, and plans are underway for a series of ESL conversation cafés at Dumbarton and Tuckahoe Area Libraries.

Members of HCPL's Multicultural Committee participated in *Feria de la Oportunidad*, the job fair presented by the Virginia Hispanic Chamber of Commerce. The job fair held at the Arthur Ashe Center in July 2009, was attended by more than four thousand people. The event brought together more than fifty partners, employers, sponsors, service providers, and educational resources supporting the Hispanic community. HCPL staff promoted library services and shared information about how the library can help job seekers.

In September 2009, staff from HCPL's Multicultural Committee, Bookmobile, Tuckahoe Area Library, and Library Headquarters participated in the Virginia Hispanic Chamber of Commerce's eighth annual ¿Qué Pasa? Festival at the Science Museum of Virginia in celebration of National Hispanic Heritage Month. HCPL's exhibit featured games, prizes, program handouts, and information about becoming a library member. The Bookmobile offered stories and children's activities throughout the day. The Chamber estimates that 9,000 people attended the festival.

Web 2.0

As a result of the HCPL staff training for Web 2.0, a special Web 2.0 team met with the County Manager to propose the launch of some of these new technologies in Henrico's public libraries. As a result of this meeting, the County Manager requested that presentations be made to all deputy county managers and department heads. HCPL then offered to provide the educational support for any departments interested in learning more about the Web 2.0 applications.

Job Search Workshops for HCPL Staff

In April 2009, a series of "refresher" workshops were designed to ensure that reference staff was

Library (cont'd)

prepared to meet the increasing demand for job seeking services. In response to citizen demand, and given the increasingly online driven environment, a webpage dedicated to this topic was revamped and renamed "Job Hunting @ the Library." Participating staff was provided with the latest handouts, advice, tips, and job search suggestions in order to better assist citizens in their employment seeking efforts. As part of this comprehensive refresher training, the workshops included exploration of the Virginia Employment Commission portal so that staff could help the unemployed apply for benefits online.

Training for Circulation Staff

To meet the ongoing needs of the circulation staff members who deal with customers on a continuous basis, a new training method was introduced and titled "Circ Chat." Circ Chats are informal yet practical discussions on the latest circulation hot topics in a brown bag format. Depending on the topic, sessions may be conducted at a library site or through GoTo Meeting. Online evaluations indicated that these training sessions have been an effective way to provide circulation staff with the opportunity to become better informed about the organization as well as specific policies and procedures.

New Employee Orientation

Using a series of *Camtasia* presentations, new staff members continue to be introduced to all aspects of working in library services. All HCPL staff members are required to complete the unique, self-paced online training, which focuses on the organizational structure. Special support services from the library's administrative team and specific skills involved in customer service for patrons are highlighted. The online orientation method has been well received by staff. Using this technology, travel time, and expense have been greatly reduced.

Playaways

Playaways are self-contained audio books no larger than a deck of cards needing only headphones and batteries to operate. Using only a few buttons, a listener can easily navigate back and forth through a chapter, adjust volume up and down, and even alter the speed of a narrator's voice. It has an automatic bookmark feature that remembers where you

stopped listening and resumes at that point when turned on again. With 73 titles and over 300 copies, these new items have proven to be exceedingly popular.

OneSearch

In an effort to provide a more efficient method of searching the electronic databases, the HCPL has purchased new software called One Search. This software will now allow library users to search for subject information from multiple electronic sources at the same time, including the library catalog, databases of articles and news, and premium content unavailable using a standard search engine on the Web. One Search offers one-stop searching and saves the patron time and effort.

Technology

Responding to many requests from library users interested in using a debit or credit card for payment of fines, public service staff worked closely with the Library's business office and the Department of Finance to implement debit card operations. This new feature has proven extremely successful and now provides another payment option for library patrons. Since its inception in September 2009, payments for library fines have increased 20 percent.

In an effort to conserve resources and reduce costs, online meeting software called Go To Meeting (GTM) was implemented to deliver staff training and conduct meetings. GTM provides simultaneous audio conferencing, using Voice over Internet Protocol (VOIP), desktop sharing, and online chat functionality. The software is also used for other conferencing needs and by the Library's IT Help Desk to resolve minor computer issues using the online screen sharing function. Demonstrations of the online meeting software, including Web 2.0 tools such as blogs and wikis for staff training, as well as the online New Employee Orientation, were presented to County HR Staff by the HCPL Staff Training Coordinator.

Upgrades to the HCPL servers have made the network faster and more efficient. SIRSI upgrades have allowed for better integration with the RFID software which has streamlined employee workflow and communication and improved functionality for

Library (cont'd)

catalogers. Newly installed self-check machine software has given the screen design a new, more user-friendly design, and library patrons can see the status of their account before they check out their items. The installation of new diagnostic software has provided a method of tracking technical problems and identifying performance issues with the network.

Henrico County Public Library continues its efforts to provide excellent public service not only to its

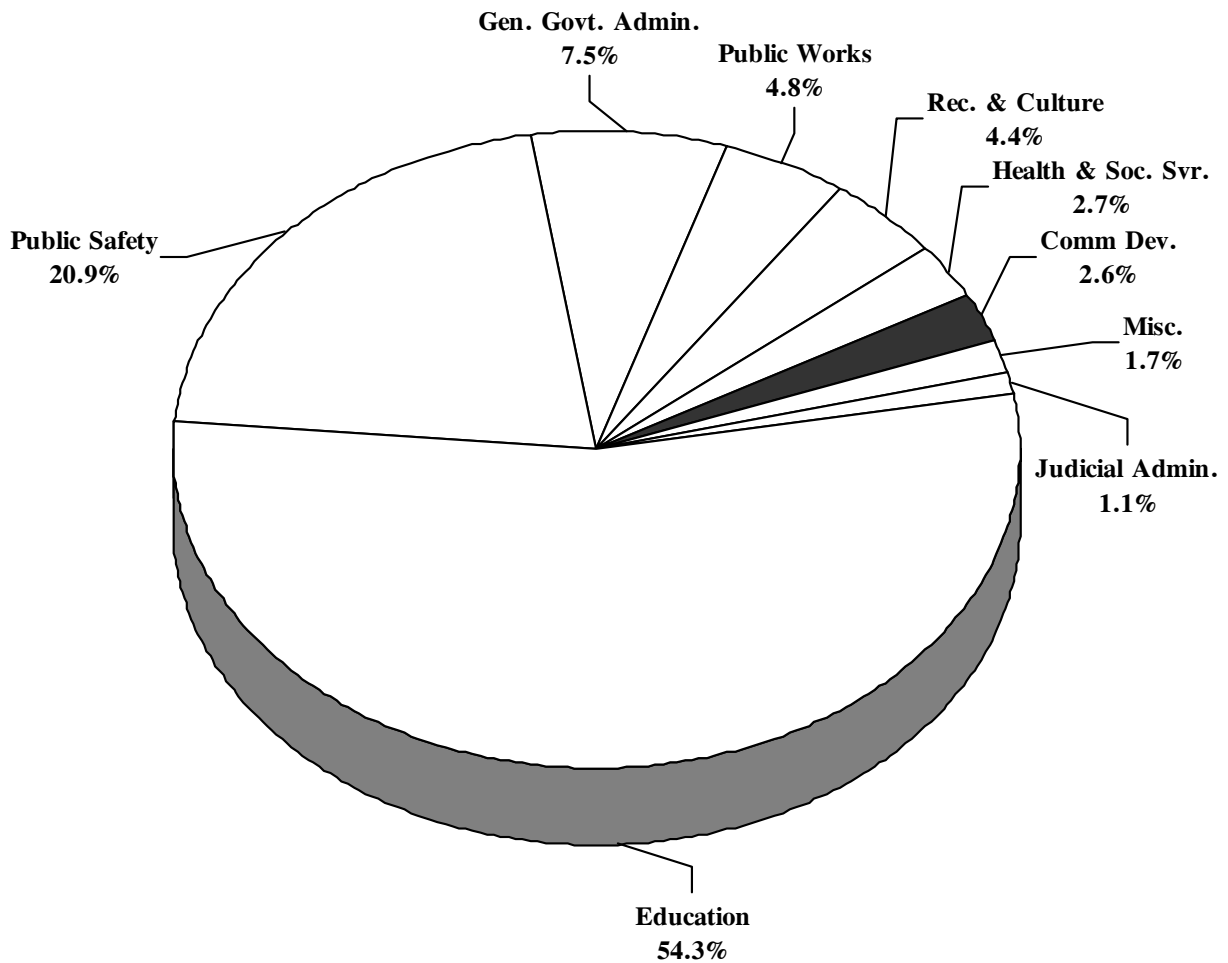
patrons but also to the community. The staff encourages their community members to take advantage of the services their library provides, particularly those services that may help citizens in these financially difficult times. As many customers come to the library to retool, look for a new job, or find a book that helps them to escape, library staff are ready to serve their needs and to identify sources and programs that will inform, entertain, or inspire them.



COUNTY OF HENRICO, VIRGINIA

Community Development

\$19,352,132



Total General Fund

\$741,057,567

**COUNTY OF HENRICO, VIRGINIA
COMMUNITY DEVELOPMENT - GENERAL FUND
FY 2010-11**

<u>Department</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Original</u>	<u>FY 10-11 Approved</u>
Economic Development	\$13,832,881	\$13,256,265	\$12,472,202
Planning:			
Administration	4,023,704	4,167,041	3,924,053
Board of Zoning Appeals	147,834	159,415	148,650
Total Planning	<u>4,171,538</u>	<u>4,326,456</u>	<u>4,072,703</u>
Community Revitalization	1,543,743	1,763,516	1,576,211
Agriculture and Home Extension	315,975	376,772	350,106
Permit Center	905,069	945,672	880,910
Total Community Development	<u><u>\$20,769,206</u></u>	<u><u>\$20,668,681</u></u>	<u><u>\$19,352,132</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.

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.

Objectives

- To increase the number of successful locations of new businesses in Henrico County.

- To conduct a successful business retention program.
- 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.

Budget Highlights

In addition to supporting the daily operations of Henrico's economic development activities, this budget for FY2010-11, contains the County's \$370,000 share of contributions to the Greater Richmond Partnership and \$1,750,847 for the Richmond Metropolitan Convention and Visitor's Bureau (RMCVB). Funding of \$10,000 for the Virginia High Speed Rail Development Committee is also included in the budget for FY2010-11. The six staff members are not included in the County's complement since they are paid by the Economic Development Authority with funds provided by the County. Since FY1997-98 the County's share of the

Annual Fiscal Plan

Description	FY09 Actual	FY10 Original	FY11 Approved	Change 10 to 11
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	3,368,513	3,509,035	3,271,402	(6.8%)
Capital	7,500	7,739	800	(89.7%)
Sub-Total	\$ 3,376,013	\$ 3,516,774	\$ 3,272,202	(7.0%)
Other Payments	10,456,868	9,739,491	9,200,000	(5.5%)
Total	<u>\$ 13,832,881</u>	<u>\$ 13,256,265</u>	<u>\$ 12,472,202</u>	<u>(5.9%)</u>
Personnel Complement*	N/A	N/A	N/A	N/A

* Six employees are supported by the County in this budget, but are not in the County's Complement.

Economic Development (cont'd)

Performance Measures				
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Prospects Available	95	95	95	0
Retention Calls Made	690	650	690	40
Effectiveness Measures				
Successful Prospects	30	38	35	(3)

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 is transferred to the Richmond Convention Center Authority. At the end of the fiscal year, Henrico's local 2.0 percent component is returned from the Richmond Convention Center Authority. In FY2010-11, \$9,200,000 is included for the Richmond Center Expansion Project.

A debt payment from the EDA to the Department of Public Utilities, which had previously been allocated in the Authority's budget, has been eliminated due to the refunding of this debt, which resulted in a

budgetary savings. This savings is reflected in a 5.5 percent decrease in the authority's "Other Payments" category.

When combined, operating and capital expenses decreased by \$237,633, or 7.0 percent. This decrease was driven by a decline of \$194,254 in the payment to the RMCVB, as well as the elimination of the budget for travel, improved efficiency in telecommunications and a decrease in discretionary operational spending.

Capital outlay totaling \$800 is budgeted to replace antiquated telecommunications equipment.

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 of 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.

Annual Fiscal Plan

Description	FY09 Actual	FY10 Original	FY11 Approved	Change 10 to 11
Personnel	\$ 3,710,404	\$ 3,789,147	\$ 3,671,267	(3.1%)
Operation	407,334	496,809	395,436	(20.4%)
Capital	53,800	40,500	6,000	(85.2%)
Total	\$ 4,171,538	\$ 4,326,456	\$ 4,072,703	(5.9%)
Personnel Complement*	50	50	49	(1)

*One vacant position was eliminated from the complement.

Performance Measures

	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Reviews Completed by Dev. Review & Design	326	270	270	0
Zoning Petitions & Provisional Use Permits	69	64	64	0
Variance and Use Permits Processed	41	36	36	0
Maps Prepared	848	894	894	0

- 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.
- To continue to maintain effective and efficient procedures for meeting legal requirements that set forth maximum time periods within which activities must be accomplished.

offset by the increase in other contractual services totaling \$26,465 in order to cover post 2026 Comprehensive Plan adoption activities.

The capital component is forecasted at a total cost of \$6,000 and reflects an overall decrease of \$34,500 or 85.2 percent from the previous year. This funding was reallocated to the operating component in order to cover the forecasted increase in other contractual services and offset the additional reductions that were necessary in order to meet the operating adjustment.

Budget Highlights

The Department of Planning’s budget for FY2010-11 is \$4,072,703, which represents an overall decrease of \$253,753 or 5.9 percent from the previous approved budget. The personnel component decreased by a net difference of \$117,880 or 3.1 percent from the previous approved fiscal year as a result of the elimination of one vacant position from the complement as well as budgeted vacancy savings. This reduction was offset by the rising VRS, VRS life insurance, and health care expenditures for remaining personnel.

The Department of Planning mission statement is as follows: “To provide the professional planning leadership to accomplish excellent management of the valued resources which create our coveted quality of life”. This budget supports this mission as well as the costs of the Planning Commission and the Board of Zoning Appeals.

The operating component is forecasted to decrease by a net difference of \$101,373 or 20.4 percent from the previous approved budget. This portion of the budget reflects the county-wide adjustment in travel, tuition, automotive/motor pool, technology replacement, and telecommunications. The impact of these adjustments reduced the operating component by \$69,918. In addition, funding of \$37,920 was removed from various accounts in order to meet the operating budget adjustment. It is important to note that funding of \$20,000 previously budgeted within computer software was transferred to the Department of Information Technology’s budget in order to centralize the cost associated with the Geographic Information System software. These reductions were

The department’s Comprehensive Planning Division continues to gather, update, and maintain the County’s demographic profile. The division continues to maintain the database and improve upon the methodology to ensure accurate data is delivered to local, regional, and federal customers on demand. The division completed the County of Henrico, 2026 Comprehensive Plan, which was adopted by the Board of Supervisors on August 11, 2009. The adopted plan is the County’s tool in guiding development through the year 2026. This major work item included a complete update of the 2010 Land Use Plan, 2010 Major Thoroughfare Plan, and the 2015 Parks, Recreation, and Open Space Plan and introduced new tools and methods of analyses to project trends in land use, population, and needs for supporting infrastructure and county services.

The Development Review and Design Division’s work indicators have shown a reduction generally in most categories from last year’s levels, with the

Planning (cont'd)

exception of office space, which increased slightly. Residential development for single-family approvals continues to show a substantial decrease in final approvals of new lots and recordation of lots compared to the record high levels of recent years, although the number of lots receiving conditional approval this year was at a higher level than the previous year. Multifamily development, including townhouses, condominiums and apartments, has also decreased significantly. Retail development saw a significant decrease compared to the very high levels of the previous three years which saw the approvals of West Broad Village, White Oak Village Shopping Center, The Corner at Short Pump, and Staples Mill Centre. Hotel development again saw a decrease this year, however record high levels were approved in 2006 and 2007, and several of these projects are still under development. Industrial/warehouse development saw a significant decrease from last year and is at its lowest level in the past ten years.

The Zoning Administration Division handles the caseload of the Board of Zoning Appeals (BZA). The staff of this division devotes an increasing amount of time in preparing reports and presentation materials for each case. The Tidemark Accela tracking system and FileNet electronic system, combined with the automated database system and the Geographic Information System have enabled staff to provide more detailed information to the BZA, empowering the board to make better decisions. The Zoning Enforcement section is focused on review of new development to ensure conformance with approved

plans as well as inspecting transferred plans of development. The BZA's caseload includes cases involving use permits, variances, and appeals of decisions made by the Director of Planning. Variances accounted for almost half of the BZA's cases in FY2008-09.

The Planning Systems Division provides support for the department's desktop computers, systems and applications, web page, electronic document management, and GIS. In addition, this division produces all of the maps and many of the graphics for each planning case presented before the Board of Supervisors, Planning Commission, and Board of Zoning Appeals.

The Administrative Division provides office management services to the department including budget and finance oversight, personnel administration, procurement services, records management, legislative tracking, and general clerical support. Administrative staff works closely with other county agencies on behalf of the department and ensures compliance with County policies and procedures.

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. These two revenue sources are budgeted for \$150,000 in FY2010-11. This accounts for 3.7 percent of the department's total budget.

COMMUNITY REVITALIZATION

Description

The Department of Community Revitalization coordinates the County's growing 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 programs; Virginia Enterprise Zone program; Commercial Revitalization Assistance; Neighborhood Revitalization Assistance; 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 coordinate the activities of the County's Commercial Assistance Team to encourage new investment in the County's older commercial corridors and districts.
- 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 programs to assist in meeting the County's community development objectives.
- To administer the Community Maintenance program of environmental and zoning enforcement.

Annual Fiscal Plan

Description	FY09 Actual	FY10 Original	FY11 Approved	Change 10 to 11
Personnel	\$ 1,233,695	\$ 1,312,279	\$ 1,215,998	(7.3%)
Operation	308,977	441,623	350,599	(20.6%)
Capital	1,071	9,614	9,614	0.0%
Total	\$ 1,543,743	\$ 1,763,516	\$ 1,576,211	(10.6%)

Personnel Complement 19 19 18 (1)

*The personnel complement does not reflect 6 complement III positions that are supported by this budget.

Community Revitalization (cont'd)

Performance Measures				
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Community Maintenance Cases	10,985	11,000	11,100	100
Inspections Made	27,513	27,000	27,500	500
Technical Assistance to Business	415	420	425	5
Enterprise Zone Design Assistance Provided	17	15	18	3
Enterprise Zone Façade Grants Awarded	1	2	4	2
Efficiency Measures				
Volunteers Participating	1,291	575	625	50
Volunteer Hours Worked	5,024	5,100	5,200	100
CCP Hours Worked	5,293	5,500	6,000	500
Effectiveness Measures				
Violations Issued	4,066	4,106	4,150	44
Enterprise Zone Façade Grants Completed	1	2	3	1
Value of Enterprise Zone Grant Assisted Projects	\$90,595	\$100,000	\$125,000	\$25,000
Value of All Enterprise Zone Projects	\$24,248,781	\$30,000,000	\$35,000,000	\$5,000,000
Value of Grants Awarded	\$59,225	\$100,000	\$140,000	\$40,000

Budget Highlights

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

The Department’s budget for FY2010-11 is \$1,576,211. This represents a decrease of \$187,305 compared to the FY2009-10 approved budget. Personnel costs reflect a total decrease of \$96,281 or 7.3 percent and reflect the elimination of one vacant position and vacancy savings of \$27,218 which is offset by increases in VRS, Hospitalization, and Group Life Insurance. The operating component reflects a total decrease of \$91,024, or 20.6 percent. Capital outlay reflects no change and is budgeted to provide for replacement furniture and office equipment as needed during the fiscal year.

In the FY2010-11 budget, \$15,000 will again be budgeted for Interdepartmental Billing. These funds will be used to repay other County departments, such as Public Utilities, that incur expenses in their routine work, that properly relate to community maintenance activity and responsibility. Those expenses incurred by other departments are charged to the Department during the year.

The Community Development Division administers the Housing and Urban Development CDBG and HOME grant programs within Henrico County. These grants, which are awarded by the Federal government each year, are based on the Federal fiscal year. There are six positions within the Department that are fully grant-funded and are not included in the personnel complement. This funding is appropriated each September once the grant award is made and the projects and programs to be supported by the award have been identified. Grant funding not expended by the end of the County’s fiscal year is reappropriated in the following year in order to complete the use of this funding. A few of the Community Development Division’s accomplishments within the CDBG and HOME grant programs include the continuation of the ElderHomes Housing Rehabilitation Program, the CONNECT Program for at-risk youth, and down payment assistance to first-time homebuyers. The Community Development Division also administers the Enterprise Zone Program, including the Commercial Assistance Program and the Commercial/Industrial Grants Program.

The Community Maintenance Division conducts field inspections, performs community clean-ups, and provides assistance activities for neighborhoods

Community Revitalization (cont'd)

throughout the County. The Division is involved in Operation Paintbrush, which matches civic, church, and neighborhood groups with indigent senior citizens whose houses need minor repairs and painting. This Division also gives community presentations for a number of organizations to raise citizen awareness regarding typical zoning violations. The meetings also allow for the collection of valuable feedback on the programs and solicit volunteers for assistance projects. Volunteers continue to contribute many hours to neighborhood clean-up activities as well as assistance projects ranging from yard maintenance and clean-up to building wheelchair ramps and house painting for low income and senior citizens.

Supervision of volunteers on weekends requires a substantial number of staff work hours outside the normal five-day schedule. The courts' assignment of some Community Corrections Program participants to perform community service also contributes additional hours to the community maintenance programs.

The Community Maintenance Division of the Department of Community Revitalization will continue to work closely with Building Inspections' Community Maintenance Division as they provide certain community maintenance services related to violations to the building codes in existing structures and ordinances on graffiti. Historical expenses in both areas are depicted below:

FY	Building Inspections	Planning/ Community Revitalization ⁽¹⁾	Total
1996-97	\$ 557,933	\$ -	\$ 557,933
1997-98	240,125	688,013	928,138
1998-99	329,013	647,890	976,903
1999-00	287,491	882,939	1,170,430
2000-01	258,960	887,237	1,146,197
2001-02	241,558	796,459	1,038,017
2002-03	355,305	1,138,251	1,493,556
2003-04	259,883	905,153	1,165,036
2004-05	330,181	1,355,979 ⁽¹⁾	1,686,160
2005-06	327,738	1,302,406	1,630,144
2006-07	329,687	1,408,457	1,738,144
2007-08	280,159	1,487,106	1,767,265
2008-09	399,340	1,773,295	2,172,635
2009-10 ⁽²⁾	412,545	1,763,516	2,176,061
2010-11 ⁽³⁾	362,114	1,576,211	1,938,325

⁽¹⁾ Planning's Community Maintenance budget became Community Revitalization beginning with FY2004-05.

⁽²⁾ Approved for FY2009-10.

⁽³⁾ Approved for FY2010-11.

AGRICULTURE AND HOME EXTENSION

Description

Through a cooperative agreement between Henrico County, Virginia Cooperative Extension, and the United States Department of Agriculture, the Extension Office provides County residents with educational programs pertaining to Agriculture and Natural Resources, Family and Consumer Services, and 4-H Youth Development. These services are provided through many diverse methods, including special interest programs, newsletters, workshops, clinics, individual contacts, mass media, organized clubs, and a diverse volunteer network.

Objectives

- To provide the citizens of Henrico County with informal educational programs in Agriculture and Natural Resources, Family and Consumer Services, and 4-H Youth Development.
- To provide research-based counsel to citizens in response to inquiries.
- To proactively offer programs, seminars, and workshops to provide Henrico citizens with needed information.
- To expand services to clientele through the extensive use of trained volunteers.

Budget Highlights

The Agriculture and Home Extension approved budget for FY2010-11 continues to reflect only Henrico County's contribution to the Department's annual expenses. The personnel complement includes three positions: two support staff positions and one Extension Agent. The other four Extension Agent positions are paid directly by Virginia Tech. The State currently funds one-half of the salary and benefits of the Extension Agent position that remains in the County's personnel complement; these funds are not included in this budget. The budget includes County funding for the other half of this position, as well as funding for the two support staff positions. Within the operating portion of the Extension Office budget, there is funding for four Extension Agents who are paid directly by Virginia Tech. Henrico County reimburses Virginia Tech for 100 percent of the salary and benefits costs of two positions, and 50 percent of the salary and benefits costs of the other two positions.

This Department collects donations and program fees primarily for use in the Master Gardner, 4-H, and Family and Consumer Sciences Programs. These funds are not reflected in this budget, although they are appropriated through the budget amendment process during the fiscal year. Current service levels on some activities are being reached with the use of dedicated volunteers. These volunteers allow the office to provide services to citizens that would otherwise not be available.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 134,204	\$ 166,814	\$ 145,960	(12.5%)
Operation	181,771	209,958	204,146	(2.8%)
Capital	0	0	0	0.0%
Total	315,975	376,772	350,106	(7.1%)

Personnel Complement	3	3	3	0
----------------------	---	---	---	---

Agriculture & Home Extension (cont'd)

Performance Measures				
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Citizens Assisted	29,733	32,098	32,630	532
Programs Presented	286	278	322	44
4-H Youth Enrolled	1,098	1,315	1,700	385
Samples Analysed and Identified	1,217	1,060	1,300	240
Efficiency Measures				
Volunteer Hours Supporting Programs	17,535	18,597	19,140	543

While all program areas benefit from volunteer involvement, it is the 4-H and Master Gardener programs that benefit the most. Whether it is the planning, implementation, evaluation, or resource development phase, volunteers are involved at all levels of the educational programming process. Some volunteers also serve as recruiters and trainers of new volunteers.

With leadership being provided by the 4-H Leaders' Association, there are a wide variety of volunteer opportunities within the 4-H program. Some volunteers serve as judges and coordinators for various contests held throughout the year at the County, District, and State levels, while others choose to serve as counselors for camps and conferences held at either the Jamestown 4-H Center or on the campus of Virginia Tech. Still, some choose to serve as club leaders working throughout the year with youth groups that range in size from six to over thirty members. Many of the 4-H program offerings would not be possible without the assistance provided by the volunteers working with local programs. As a group, they have won numerous awards recognizing them for their accomplishments and service to their community. For example, volunteers have won district and state championships in Shooting Education, Horse Shows, Public Speaking, and "Share the Fun" Talent Shows. In addition, the members participate in LifeSmarts, a program that teaches practical information to prepare youth for today's society and the future.

For fourteen consecutive years Henrico's volunteers have competed in the state competition, winning 1st and 2nd place three times each, and once taking 5th place in the national competition.

In 2009, Henrico Master Gardeners contributed a total of 9,610 hours to the Environmental Horticulture program and made 15,932 citizen contacts. They assisted residents who called the Horticulture Helpline or visited one of the Extension Office's Plant Clinics or Gardening Answers booths. They presented valuable information to community groups via the Master Gardener Speakers' Bureau and taught weekly lessons to elementary school-aged children enrolled in the Junior Master Gardener program. Their many and varied activities are coordinated through the Henrico Master Gardener's Association.

The Department's FY2010-11 approved budget totals \$350,106 and represents a decrease of 7.1 percent from the FY2009-10 budget. The personnel component of the budget decreased by 12.5 percent due to budgeting a 2.5 percent vacancy savings as well as the elimination of a 6.0 percent wage adjustment that is typically budgeted for reimbursement to the state for Virginia Tech employed extension agents. The operating component of the budget was reduced by 2.8 percent due to the elimination of travel and tuition, as well as reductions to technology replacement, telecommunications and other professional services.

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. The volume of customers the Permit Center-East serves has grown as awareness of the Center has increased. Due to the success of the eastern location, services were expanded to a western location, which began operations in April 2001. The Permit Centers are staffed by representatives from Building Inspections, Planning, Public Utilities, and Public Works.

- 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.
- 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, one-stop 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.

Budget Highlights

The Permit Centers’ budget for FY2010-11 is \$880,910, which reflects a decrease of \$64,762 or 6.8 percent when compared to the FY2009-10 budget. The personnel component reflects a decrease of \$74,271, or 6.5 percent due to the

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 1,071,400	\$ 1,140,896	\$ 1,066,625	(6.5%)
Operation	72,936	81,196	61,362	(24.4%)
Capital	294	0	2,500	0.0%
Sub-Total	<u>\$ 1,144,630</u>	<u>\$ 1,222,092</u>	<u>\$ 1,130,487</u>	<u>(7.5%)</u>
Interdepartmental Billings	\$ (239,561)	\$ (276,420)	\$ (249,577)	(9.7%)
Total Budget	<u>\$ 905,069</u>	<u>\$ 945,672</u>	<u>\$ 880,910</u>	<u>(6.8%)</u>

Personnel Complement 19 19 18 * (1)

*One vacant position is being eliminated.

Permit Centers (cont'd)

Performance Measures				
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Total Number of Inquiries	15,248	13,787	14,602	815
Permit Applications Reviewed	4,253	4,288	4,374	86
Reviews Performed	6,954	7,355	7,502	147
Permits Issued	4,168	4,219	4,303	84
Business Licenses Reviewed	3,255	3,149	3,212	63

elimination of one vacant position and the budgeting of vacancy savings. Operating costs for both Centers will decrease \$19,834 in FY2010-11. There is \$2,500 for capital outlay for the purchase of printers for plan review staff.

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. Five staff members have their personnel expenditures reimbursed, via interdepartmental transfer, by the appropriate department related to the services furnished. Those reimbursements for FY2010-11 are from Public Works for one Engineering Aide III and one Engineering Technician and Public Utilities for two

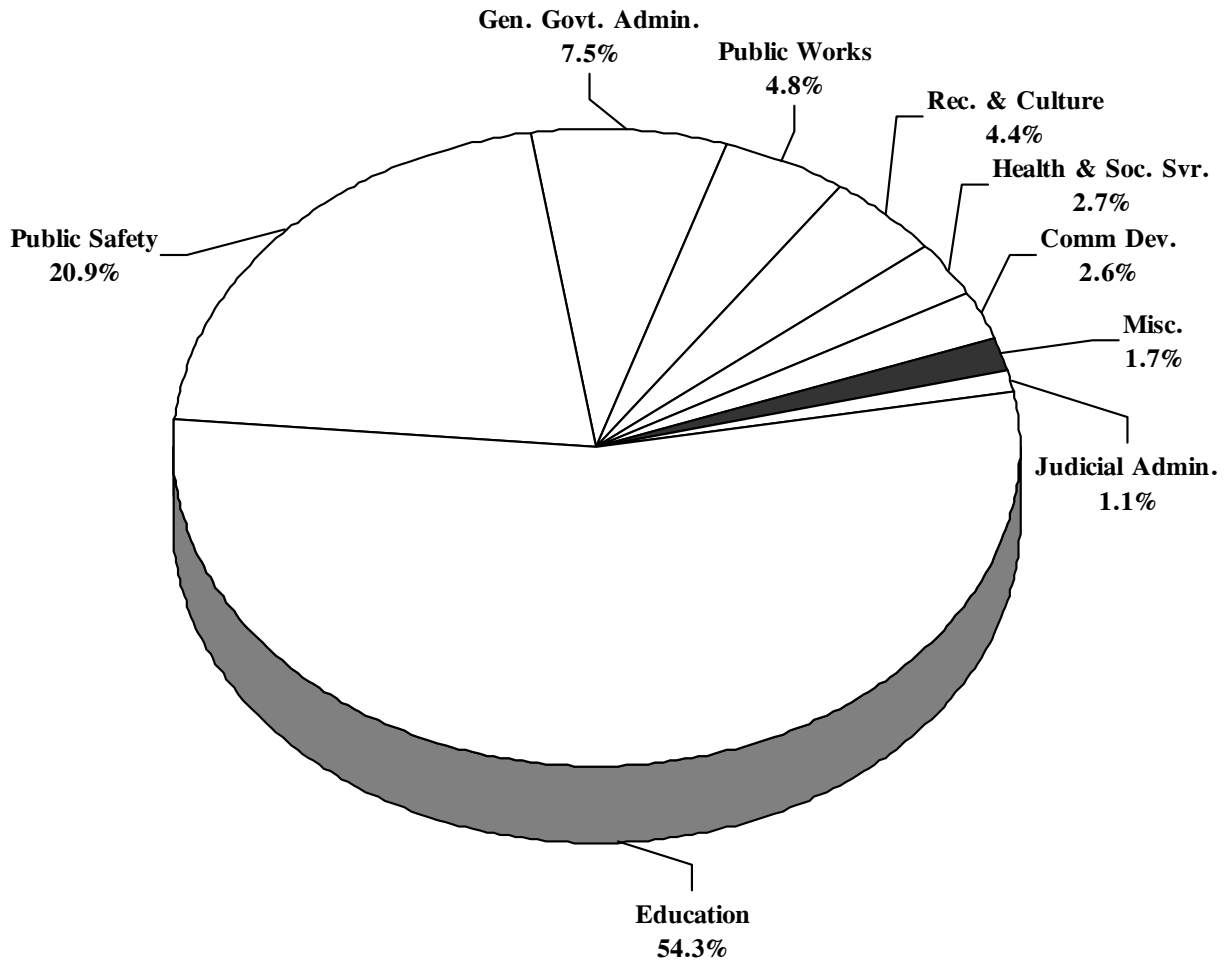
Engineering Technicians at the West Center and one Engineering Technician at the East Center. The sum of these reimbursements, totaling \$249,577, is shown as a negative amount in the Permits Centers' budget.

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.

The Permit Centers were also designed to make it more convenient for customers to view and purchase copies of County maps at the public map section. There continues to be positive feedback from customers who can now be in and out of the center within fifteen minutes with copies of maps in their possession.

COUNTY OF HENRICO, VIRGINIA

Miscellaneous
\$12,528,007



Total General Fund
\$741,057,567

**COUNTY OF HENRICO, VIRGINIA
 MISCELLANEOUS - GENERAL FUND
 FY 2010-11**

<u>Department</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Original</u>	<u>FY 10-11 Approved</u>
Non-Departmental			
Tax Relief Program	\$8,910,310	\$7,647,550	\$7,647,550
Payments to Outside Agencies	4,088,539	3,339,853	3,140,075
Reserve - Miscellaneous	0	1,220,013	1,690,857
Other	32,295	35,525	35,525
Sandston Recreation Center	11,756	14,000	14,000
Total Miscellaneous	<u>\$13,042,900</u>	<u>\$12,256,941</u>	<u>\$12,528,007</u>

NON-DEPARTMENTAL

County Supported Activities

Description

Certain General Fund functions which cannot logically be categorized with any of the established departments are included within this Non-Departmental category. These functions are largely comprised of funding for community organizations and the County's Real Estate Advantage (Tax Relief) Program.

Objectives

- To cover the funding requirements of a number of approved regionally or jointly supported outside agencies.
- To provide funding for the County's Real Estate Advantage Program (REAP), which provides tax relief for elderly and handicapped citizens.
- To provide funding to a number of approved not-for-profit agencies that provide needed and useful services to residents of Henrico County.
- To provide funding for payments to County Board members who serve on certain Boards and Commissions.

Budget Highlights

The number of requests from organizations in the private sector for contributions from the County continues to increase, as does the amounts requested. The FY2010-11 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.

The County's contribution to the Greater Richmond Partnerships, Inc., for \$370,000; the Richmond Metropolitan Convention and Visitor's Bureau for \$1,750,847; and the Virginia High Speed Rail Development Committee, for \$10,000, is budgeted in the County's Economic Development budget.

It should be noted that Henrico's support for the renovation of Maggie Walker High School (regional Governor's School) is included in this area as a cost of \$173,310. FY 2010-11 represents the final year of a 10 year commitment of support for the school.

<u>Description</u>	Annual Fiscal Plan			
	FY09 Actual	FY10 Original	FY11 Approved	Change 10 to 11
Tax Relief Programs	\$ 8,910,310	\$ 7,647,550	\$ 7,647,550	0.0%
Board Members (1)	32,295	35,525	35,525	0.0%
Donations to Agencies	3,096,147	2,303,195	2,118,430	(8.0%)
Share of Other Agencies	992,392	1,036,658	1,021,645	(1.4%)
Reserve for Contingences	0	1,220,013	1,690,857	38.6%
Total (2)	\$ 13,031,144	\$ 12,242,941	\$ 12,514,007	2.2%

Personnel Complement N/A N/A N/A

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

(2) Not including Sandston Community House.

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

The cost of the County's Real Estate Tax Advantage Program (REAP) is also budgeted in the non-departmental area. The program has been tremendously successful in providing real estate tax relief to the County's elderly and disabled citizens.

Details of Activities

	FY 08-09	FY 09-10	FY 10-11
	Actual	Original	Approved
A. County Functions:			
1. Tax Relief Programs	\$ 8,910,310	\$ 7,647,550	\$ 7,647,550
B. Board Members for:			
1. Capital Region Airport Commission	12,918	12,918	12,918
2. Richmond Regional Plan. Dist. Comm.	19,377	22,607	22,607
Sub-Total	<u>32,295</u>	<u>35,525</u>	<u>35,525</u>
C. Donations to:			
1. 2011 Commemoration Commission	0	0	0
2. American Red Cross - Greater Richmond	0	0	0
3. Arts and Cultural Funding Consortium ⁽¹⁾	62,475	56,230	50,600
4. Asian American Society of Virginia	10,400	9,360	8,425
5. Assisting Families of Inmates	0	0	0
6. Assoc. for the Preservation of Henrico Antiquities	20,000	18,000	16,200
7. Better Housing Coalition	50,000	45,000	40,500
8. CARITAS (operating)	50,000	45,000	40,500
9. CASA (Court Appointed Special Advocates)	5,500	5,200	4,680
10. Central Virginia Foodbank (FeedMore) ⁽²⁾	0	0	0
11. Children's Hospital	2,000	1,800	1,620
12. Chinese-American Festival ⁽³⁾	10,000	0	0
13. Craig Health Center	21,735	0	0
14. Cultural Arts Center at Glen Allen	761,250	685,125	616,600
15. Daily Planet	0	0	0
16. Deon Intervention	0	0	0
17. FISH (Eastern Henrico County)	40,000	36,000	32,400
18. Ginter (Lewis) Botanical Garden	150,000	135,000	121,500
19. The Healing Place	0	0	0
20. Henrico Community Partners	8,000	5,000	3,000
21. Henrico Police Athletic League	30,000	27,000	24,300
22. Henricus Foundation (Capital)	300,000	240,000	228,000
23. Henricus Foundation (Operating)	202,450	202,450	192,350
24. Hilliard House	63,000	56,700	51,030
25. Homeward	15,645	14,080	12,675
26. Horses in Service Riding Center	10,000	9,000	8,100
27. Housing Opportunities Made Equal (H.O.M.E.)	0	0	0
28. James River Advisory Council ⁽⁴⁾	0	10,000	9,000
29. Jamestown 4H	0	0	0
30. Lakeside Memorial Day Parade ⁽⁵⁾	0	0	0
31. Lamb's Basket	0	0	0
32. Leadership Metro Richmond	15,000	13,500	12,150
33. Maymont Foundation Nature Center	102,650	93,750	84,375
34. Meals on Wheels (FeedMore) ⁽²⁾	28,875	26,000	23,400
35. Med-Flight Program	49,600	49,600	49,600

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

	FY 08-09	FY 09-10	FY 10-11
	Actual	Original	Approved
36. Mill House, The (Community Futures Foundation)	26,250	23,625	21,260
37. Read Center, The	25,000	22,500	20,250
38. Resources for Independent Living ⁽⁶⁾	52,000	49,600	44,640
39. Richmond Area ARC (Camp Baker)	10,000	9,000	8,100
40. Richmond Forum	5,000	4,500	4,050
41. Richmond Peace Education Center	0	0	0
42. ROSMY	0	0	0
43. Safe Harbor	26,040	23,450	21,100
44. Salvation Army	22,500	21,250	19,125
45. Greater Richmond SCAN (Stop Child Abuse Now)	5,250	4,725	4,250
46. Senior Connections (CAAA)	53,865	48,475	43,625
47. SPARC (School for the Performing Arts)	0	0	0
48. Sports Backers (Metropolitan Richmond)	31,500	28,350	25,500
49. St. Joseph's Villa (Flagler Home)	52,080	46,875	42,190
50. VCU - Monroe Campus ⁽⁷⁾	200,000	200,000	200,000
51. Virginia Hispanic Chamber of Commerce	9,900	8,900	8,000
52. Virginia Performing Arts Foundation (Center Stage) ⁽⁸⁾	0	0	0
53. Virginia State University	0	0	0
54. Virginia Supportive Housing	0	0	0
55. YWCA	31,290	28,150	25,335
Sub-Total	<u>2,559,255</u>	<u>2,303,195</u>	<u>2,118,430</u>
 D. Henrico's Share of Funding for:			
1. GRTC Taxicab Service Program	9,000	9,000	9,000
2. Henricopolis Soil/Water Conservation	82,800	85,284	85,284
3. James River Development Corporation ⁽⁹⁾	14,586	0	0
4. Maggie Walker H.S. Renovation Foundation ⁽¹⁰⁾	687,853	173,310	173,310
5. National Association of Counties	5,218	5,800	5,800
6. Reynolds Community College (Oper.)	84,748	87,309	87,438
7. Reynolds Community College (Capital)	221,390	271,056	262,713
8. Richmond Regional Plan. Dist. Comm.	173,872	176,100	168,488
9. RMA/Diamond Stadium ⁽¹¹⁾	0	0	0
10. Science Museum of Virginia	70,000	70,000	70,000
11. Science Museum of Virginia (Va. Aviation Museum)	10,000	10,000	10,000
12. Virginia Association of Counties	63,753	65,026	65,026
13. Alliance for Innovation (Virginia Innovation Group)	7,500	7,500	7,500
14. Virginia Institute of Government	15,000	15,000	15,000
15. Virginia Municipal League	60,933	61,273	62,086
16. Other Civic & Cultural Organizations ⁽¹²⁾	22,631	0	0
Sub-Total	<u>1,529,284</u>	<u>1,036,658</u>	<u>1,021,645</u>
 E. Reserve for Travel:			
	0	0	425,211
Reserve for Tuition:	0	0	143,473
Reserve for Contingencies:	0	1,220,013	1,122,173
Sub-Total	<u>0</u>	<u>1,220,013</u>	<u>1,690,857</u>
Total	<u>\$ 13,031,144</u>	<u>\$ 12,242,941</u>	<u>\$ 12,514,007</u>

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

Notes:

- ⁽¹⁾ The Arts & Cultural Funding Consortium includes:
- a. The Arts Council of Richmond (CultureWorks)
 - b. Barksdale Theater
 - c. Black History Museum and Cultural Center
 - d. Children's Museum of Richmond (Operating)
 - e. Edgar Allen Poe Museum
 - f. Elegba Folklore Society
 - g. New Virginia Review
 - h. Richmond Ballet (Operating)
 - i. Richmond Jazz Society
 - j. Richmond Symphony (Operating)
 - k. Theatre IV
 - l. Valentine Museum (Richmond History Center)
 - m. Virginia Historical Society
 - n. Virginia Opera (Operating)
 - o. Visual Arts Center of Richmond

The Arts & Cultural Funding Consortium did not budget contributions to Annual Members for FY2009-10 due to funding constraints for the full members listed above.

- ⁽²⁾ The Central Virginia Foodbank and Meals on Wheels of Greater Richmond, along with the Community Kitchen, have merged as separate divisions of FeedMore Inc. As the divisions have distinct operating functions, Meals on Wheels and the Central Virginia Foodbank have submitted separate funding applications for FY2010-11.
- ⁽³⁾ Funding of \$10,000 was provided for the Chinese-American Festival through a budget transfer in FY2008-09
- ⁽⁴⁾ The James River Advisory Council received \$10,000 from Henrico in FY1999-00, FY2002-03 and FY2003-04.
- ⁽⁵⁾ Funding of \$17,000 was provided for the Lakeside Memorial Day Parade through a February 2009 budget amendment
- ⁽⁶⁾ Resources for Independent Living was previously named Central Virginia Independent Living Inc.
- ⁽⁷⁾ FY2010-11 will be the final year of a five year \$1,000,000 request to Henrico County for the VCU - Monroe Park Campus. Funds are to be split evenly between the School of Engineering and the School of Business.
- ⁽⁸⁾ Center Stage Foundation, formerly known as the Virginia Performing Arts Foundation, received \$100,000 per year from Henrico in FY2002-03, FY2003-04 and FY2004-05.
- ⁽⁹⁾ James River Development Corporation was acquired by Business Finance Group (effective January 1, 2009). No request for funding in FY2010-11 has been made.
- ⁽¹⁰⁾ FY10-11 will be the final year of a ten year commitment to the Maggie Walker H.S. Renovation Foundation.
- ⁽¹¹⁾ Funding of \$170,000 for the County's share of maintenance and repair costs at the Diamond, in accordance with the agreement of the members of the Richmond Metropolitan Authority, was appropriated via budget amendment in September of 2009.

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

⁽¹²⁾ Other Civic & Cultural Organizations:

	<u>FY 08-09</u>
a. Colonial Athletic Association	\$ 7,500
b. Henrico Education Foundation Golf Tournament	2,000
c. Virginia Home for Boys & Girls	7,131
d. Hope in the Cities	1,000
e. Hosting of State High School Basketball Champion.	<u>5,000</u>
Total Other	\$ 22,631

Note: Budgeted in Economic Development:

	<u>FY 10-11</u>
Greater Richmond Partnership	\$ 370,000
Richmond Metropolitan Convention & Visitors Bureau (RMCVB)	1,750,847
Virginia High Speed Rail Development Committee	10,000

NON-DEPARTMENTAL

Sandston Recreation Center

Description

The Sandston Recreation Center provides indoor recreation within the Sandston community. Funding is provided through a charge of \$.50 each month on all water bills within Sanitary District Two. The center also receives funds in addition to those included in the County budget from rental fees and donations from users and community organizations.

Budget Highlights

There are no changes in service levels for FY2010-11. Funds are used for utilities, maintenance, and repairs of the facility. It should be noted that a total of \$400,000 of Community Development Block Grant (CDBG) funding was reallocated in March, 2010 for the purposes of paving the parking lot and replacing the playground equipment at the site of the Sandston Recreation Center.

Objectives

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

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	11,756	14,000	14,000	0.0%
Capital	0	0	0	0.0%
Total	\$ 11,756	\$ 14,000	\$ 14,000	0.0%
 Personnel Complement	 N/A	 N/A	 N/A	 N/A

CAPITAL IMPROVEMENT TRANSFERS

Description

A capital improvement is an item for which the purchase, construction, or other acquisition, such as land and/or equipment, will represent a public betterment to the community and add to the total physical worth of the County.

Budget Highlights

Within the Approved Capital Budget for FY2010-11 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 \$9,415,242.

Annual Fiscal Plan

Description	FY09 Actual	FY10 Original	FY11 Approved	Change 10 to 11
Transfer to Capital Projects	\$ 36,848,421	\$ 15,000,000	\$ 9,415,242	(37.2%)

Capital Improvement Transfers (cont'd)

GENERAL FUND TRANSFERS

	<u>FY2010-11</u>
General Fund - Fund Balance:	
Schools Mechanical Improvements	\$1,800,000
Schools Roof Replacement	700,000
Belmont Master Plan	50,000
Building Maintenance Area Safety Improvements	500,000
DGS Environmental Fund	50,000
Facility Rehabilitation	600,000
Geographic Information System	300,000
Historic Facility Rehabilitation	200,000
Information Technology Projects	650,000
Pavement Rehabilitation	150,000
Subtotal General Fund - Fund Balance:	<u>\$5,000,000</u>
General Fund - Capital Reserve:	
Belmont Master Plan	\$10,000
Cedar Hill House	75,000
County Generators	248,889
Human Services HVAC Replacement	3,002,509
Magistrate's Office Renovation	228,844
Subtotal General Fund - Capital Reserve:	<u>\$3,565,242</u>
General Fund Revenue (Motor Vehicle License Fee) - Public Works:	
General Road Construction	\$800,000
New Guardrails	50,000
Subtotal General Fund Revenue - Public Works:	<u>\$850,000</u>
 Total General Fund Transfer	 <u><u>\$9,415,242</u></u>

SPECIAL REVENUE FUND

COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND REVENUES
FY 2010-11

Revenues:			
Subfund/Activity	FY 08-09	FY 09-10	FY 10-11
	Actual	Original	Approved
Capital Area Training Consortium (CATC)	\$1,801,690	\$3,455,873	\$4,261,206
Transfer From the General Fund	<u>208,665</u>	<u>210,648</u>	<u>210,648</u>
Total Capital Area Training Consortium	2,010,355	3,666,521	4,471,854
Commonwealth's Attorney			
Special Drug Prosecutor	134,525	124,305	124,305
Victim/Witness Assistance Program	325,034	327,509	342,625
Asset Forfeitures	0	0	0
Transfer From the General Fund	<u>360,999</u>	<u>383,490</u>	<u>387,663</u>
Total Commonwealth's Attorney	820,558	835,304	854,593
Community Corrections Program	1,392,731	1,440,843	1,434,323
Transfer From the General Fund	<u>295,021</u>	<u>300,836</u>	<u>298,544</u>
Total Community Corrections	1,687,752	1,741,679	1,732,867
Community Development Block Grant (CDBG)	2,312,027	0	0
Economic Development			
Sales Tax - EDA	1,992,719	0	0
Real Estate Tax - CDA	2,063,306	0	0
Special Assessment - CDA	(1,471,157)	0	0
Personal Property Tax - EDA	585,068	0	0
Business License Tax - EDA	439,529	0	0
Transfer to - Short Pump CDA	(2,980,869)	0	0
(To) From Economic Development Fund Balance	<u>2,424,307</u>	<u>0</u>	<u>0</u>
Total Economic Development	3,052,903	0	0
Education			
State, Federal & Other Grants	31,314,119	36,717,959	37,394,518
Cafeteria Receipts	9,557,467	10,983,770	9,732,983
State Food Payments - Nat. Sch. Lunch Prog.	300,617	315,949	366,410
Federal School Lunch Program	5,538,415	5,813,539	8,538,892
Federal School Breakfast Program	1,463,660	0	0
Recoveries & Rebates	105,914	210,000	46,990
(To) From Cafeteria Fund Balance	<u>371,717</u>	<u>88,823</u>	<u>(431,459)</u>
Total School Cafeteria	17,337,790	17,412,081	18,253,816
Total Education	48,651,909	54,130,040	55,648,334
General Services	198,530	0	0

Special Revenue Fund Revenues (cont'd)

Revenues:			
Subfund/Activity	FY 08-09	FY 09-10	FY 10-11
	Actual	Original	Approved
Juvenile & Domestic Relations Court			
Virginia Juvenile Community Crime Act	509,370	509,660	409,027
USDA	42,098	35,000	30,429
Juvenile Accountability Grant	0	0	0
Transfer From the General Fund	<u>533,552</u>	<u>543,363</u>	<u>543,363</u>
Total Juvenile & Domestic Relations Court	1,085,020	1,088,023	982,819
Mental Health & Developmental Services			
State and Federal Grants	9,110,906	8,248,181	7,924,548
Payments from Other Localities	218,654	218,654	187,474
Miscellaneous Revenues	8,684,582	9,015,331	9,330,127
Transfer From General Fund	11,871,173	14,628,871	14,572,670
Transfer to Capital Projects Fund	(868,000)	0	0
(To) From Fund Balance	<u>868,000</u>	<u>0</u>	<u>0</u>
Total Mental Health	29,885,315	32,111,037	32,014,819
Non-Departmental			
Transfer From General Fund	0	111,895	100,201
Public Safety			
Police - State & Federal Grants	1,095,047	947,538	960,796
Police - Donations	750	0	0
Metro Aviation/Extradition Reimbursement	251,614	326,792	326,126
Fire - Miscellaneous	10,586	0	0
Fire - Homeland Security	17,466	0	0
Asset Forfeitures	171,125	0	0
Transfer to Capital Projects	(398,400)	0	0
Transfer from Special Revenue Fund - Wireless Fund Balance	398,400	0	0
Transfer From General Fund	<u>100,068</u>	<u>135,895</u>	<u>135,561</u>
Total Public Safety	1,646,656	1,410,225	1,422,483
Public Utilities			
Solid Waste:			
Refuse Collection Billing	6,476,337	6,660,000	6,660,000
Weighing Fees - Charged Sales	1,298,749	1,371,845	1,371,845
Public Use/Host/Recycle Fees	952,462	1,670,840	1,670,840
Miscellaneous Revenues	156,166	153,016	153,016
Transfer to Capital Projects Fund	(150,000)	(3,600,000)	0
Transfer From General Fund	2,801,995	3,064,001	3,064,001
(To) From Solid Waste Fund Balance - Capital	150,000	3,600,000	0
(To) From Solid Waste Fund Balance - Operations	<u>(966,083)</u>	<u>(855,634)</u>	<u>(753,090)</u>
Total Solid Waste	10,719,626	12,064,068	12,166,612
Street Lighting:			
Charge for Street Lights	88,465	70,200	72,500
(To) From Reserve for Street Lights	<u>(11,223)</u>	<u>0</u>	<u>0</u>
Total Street Lighting	77,242	70,200	72,500

COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND EXPENDITURES
FY 2010-11

Expenditures:	FY 08-09	FY 09-10	FY 10-11
Subfund/Activity	Actual	Original	Approved
Capital Area Training Consortium (CATC)	\$2,010,355	\$3,666,521	\$4,471,854
Commonwealth's Attorney			
Victim/Witness Program	654,598	666,269	677,433
Special Drug Prosecutor	165,960	169,035	177,160
Total Commonwealth's Attorney	<u>820,558</u>	<u>835,304</u>	<u>854,593</u>
Community Corrections Program	1,687,752	1,741,679	1,732,867
Community Revitalization - CDBG/HOME	2,312,027	0	0
Economic Development	3,052,903	0	0
Education			
State, Federal & Other Grants	31,314,119	36,717,959	37,394,518
School Cafeterias	17,337,790	17,412,081	18,253,816
Total Education	<u>48,651,909</u>	<u>54,130,040</u>	<u>55,648,334</u>
General Services	198,530	0	0
Juvenile & Domestic Relations Court			
Probation - VJCCCA	696,743	706,109	617,331
Detention - VJCCCA	346,179	346,914	335,059
USDA	42,098	35,000	30,429
Total Juvenile & Domestic Relations Court	<u>1,085,020</u>	<u>1,088,023</u>	<u>982,819</u>
Mental Health & Developmental Services			
Clinical Services	14,446,639	15,741,269	15,806,273
Community Support Services	9,589,540	9,678,077	9,709,926
Administrative and Program Support	5,849,136	6,691,691	6,498,620
Total Mental Health	<u>29,885,315</u>	<u>32,111,037</u>	<u>32,014,819</u>
Non-Departmental	0	111,895	100,201
Public Safety			
Fiscal Records - State and Federal Grants	418,818	0	0
Communications	676,979	947,538	960,796
Metro Aviation	300,882	412,687	411,687
Henrico Extraditions	50,800	50,000	50,000
Asset Forfeitures - Police	170,089	0	0
Asset Forfeitures - Sheriff	1,036	0	0
Emergency Planning and Safety	28,052	0	0
Total Public Safety	<u>1,646,656</u>	<u>1,410,225</u>	<u>1,422,483</u>

CAPITAL AREA TRAINING CONSORTIUM

Description

The Capital Area Training Consortium (CATC) is an eight locality entity comprised of the chief elected official from Henrico, Chesterfield, Goochland, Hanover, Charles City, New Kent and Powhatan Counties and the City of Richmond or their designee. The County of Henrico serves as the fiscal agent and grant recipient for the Consortium. The Consortium, in partnership with the Capital Region Workforce Investment Board it appoints, exists to ensure the full development and operation of the region's workforce development system as envisioned by the Capital Region Workforce Investment Board and the Consortium. As part of its responsibilities it receives, manages, and disburses funds allocated to the region from the Workforce Investment Act of 1998, and other federal, state, and local grants and resources that become available to support the Capital Region's Strategic Plan as developed and approved by the Workforce Investment Board and Consortium.

The Capital Area Training Consortium is the Henrico County Agency that is currently involved in providing administrative support to the Workforce Investment Board and the Consortium, and it also has a division that is directly responsible for delivering Workforce Investment Act (WIA) services through two Workforce Centers in the region.

- Address the primary obstacles to employment through the workforce system.
- Align workforce development sectors and resources to reduce redundancies, leverage resources, and increase efficiency and effectiveness in service delivery.
- Create awareness of the workforce development system as the "go to place" for workforce solutions for both industry and jobseekers.
- Increase accountability in assuring that all education and workforce development activities and initiatives are effective, efficient, and relevant to current and future employer needs.
- To enhance the use of technology and applications developed for tracking and monitoring the activities and requests of customer's involvement with the agency.
- To provide opportunity for cross training of staff within the agency and with one-stop partners.

Objectives

- Provide Regional leadership to develop innovative strategies and partnerships to sustain workforce solutions.

Budget Highlights

The Workforce Investment Act (WIA) of 1998 became the principal funding source for the Capital Area Training Consortium (CATC), and the

Annual Fiscal Plan

<u>Description</u>	<u>FY09 *</u> <u>Actual</u>	<u>FY10</u> <u>Original</u>	<u>FY11</u> <u>Approved</u>	<u>Change</u> <u>10 to 11</u>
Personnel	\$ 951,477	\$ 1,051,342	\$ 491,638	(53.2%)
Operation	954,764	2,615,179	3,980,216	52.2%
Capital	104,114	0	0	0.0%
Total	<u>\$ 2,010,355</u>	<u>\$ 3,666,521</u>	<u>\$ 4,471,854</u>	<u>22.0%</u>
Personnel Complement	N/A	N/A	N/A	N/A

*FY2008-09 actuals include American Recovery and Reinvestment Act (ARRA) funding of \$111,797.

Note: All positions are complement III positions of which three were eliminated during FY2009-10.

Performance Measures

	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Universal Core Services	45,932	25,000	25,000	0
Applicants for WIA Services	1,549	2,500	1,500	(1,000)
Enrolled in WIA	348	2,500	1,000	(1,500)
Enrolled in Training	85	400	200	(200)
Enrolled in Job Search/Counseling	253	1,800	1,000	(800)
Entered Employment from WIA	100	500	400	(100)

FY2002-03 budget reflected the first full year of operation after this basic change was made. The Workforce Investment Act remains the primary funding source for the Capital Region Workforce Investment Board and Consortium (the Partnership) as well as the Capital Area Training Consortium's Service Delivery. These funds are supplemented by various grants secured during the year that provide additional capability to the Partnership and provide additional funds to support the efforts of the one-stop (workforce center) system.

The Workforce Investment Board (WIB) is responsible for the administrative requirements imposed by various funding sources and implementation of policies, budgets, performance requirements, and other requirements imposed on the workforce development system by the Consortium, as well as the State of Virginia through the Virginia Community College System (VCCS), and the U. S. Department of Labor. The staff assigned to supporting the WIB and Consortium, is also responsible for supporting the work of the Capital Region Youth Council, mandated under the Workforce Investment Act.

The CATC One-Stop Services division has been responsible for delivery of Title I services of the WIA for Adults and Dislocated Workers who meet the eligibility criteria to be supported by WIA funds and for providing access to information to individuals not eligible for WIA and those not interested in being considered for WIA paid services. WIA services include case management, employment assistance, responding to the needs of businesses for workers, publicizing the availability of skilled job seekers to potential employers, provide access to training, paying training costs as appropriate, and developing opportunities for better earnings for the underemployed and economically disadvantaged. The Service Delivery division of CATC is also

responsible for meeting the performance requirements imposed by the WIA and the WIB.

The CATC Service Division serves as the partner agency responsible for coordinating the work of all partner agencies in the delivery of services through the designated one-stop centers under the WIA, and other grants. In providing such services, this division has been responsible for working collaboratively with the other sixteen mandated partner programs. This division is also responsible for meeting the performance standards set by the Board and the State of Virginia for Title I.

The approved FY2010-11 budget in the amount of \$4,471,854 reflects an overall increase of \$805,333 or 22.0 percent increase from the approved FY2009-10 budget. Personnel costs decreased \$559,704 or 53.2 percent. This decrease is due to reallocating salaries related to program positions into the operating portion of the budget, CATC contracts. Decisions made by the WIB and Consortium Board on the one-stop operators will determine the allocation of costs between personnel services and CATC contracts and the budget will be adjusted accordingly.

Operating expenses increased by \$1,365,037 or 52.2 percent from the approved FY2009-10 budget and no capital outlay funding is requested. The increase in operating expenses is due to the reallocation of program salaries into the operating portion of the budget and the merger of the City of Richmond into the Consortium. The FY2010-11 budget reflects a full year of expenditures with the City of Richmond as a Consortium member, whereas the FY2009-10 budget reflected a partial year.

The revenue projection includes an increase in the formula based Adult, Dislocated Worker and Youth funds for the region, and includes anticipated local

Capital Area Training Consortium (cont'd)

government contributions from Richmond City and Goochland County, that have not been included in previous years.

WIA funding for the FY2010-11 budget year are unknown at this time and current Congressional activity make it especially difficult to assess budgetary increases or decreases. However, a ten percent increase in the Capital Region's share of the formula of the WIA funds was projected based on the sharp increase in the region's unemployment rate. The WIA funding formula remains the same. The State of Virginia is experiencing increasing unemployment rates that may impact the level of funding Virginia is able to access through the WIA formula. The Capital Region's unemployment rate which is normally at or below 4.1 percent has exceeded 6.5 percent during the current recession. The higher unemployment rates coupled with the increasing poverty rates in the State and in the Capital Region create the potential for funding increases when the formula is applied to fewer national and state resources. Virginia has sustained drastic increases in unemployment and poverty which is not true for many states, resulting in the potential for more funding. WIA funding projected for FY2010-11 is approximately \$3.8 million.

Decisions about the personnel costs to be supported from the funds awarded to the Capital Region are still undefined. The decisions to be made include: how the WIB and Consortium Board will be staffed, what organization(s) will operate workforce centers, what organizations will be responsible for delivering youth services and what if any costs will be incurred by the fiscal agent, currently Henrico County. These decisions will affect the expenditure projections included in the budget.

The budget does not reflect a continuation of the existing one stop operators, Capital Area Training Consortium and Goodwill. The final decisions will be made by the WIB and Consortium on the final staffing and structure of the Capital Region's Workforce Development System. The WIB and Consortium must designate one stop operators in accordance with WIA regulations prior to July 1, 2010 in order to ensure continuity of services to eligible customers and these decisions will determine the staffing and structure that will support the WIB and the Consortium.

The budget does not specifically anticipate continuation of the Chesterfield or Sandston CATC one-stop locations as one-stop locations in FY2010-11. Should one or both be designated as a one stop location, the funds to support the operation would come from the contractual services category of the approved budget. Nor does the budget anticipate that the Goodwill Midlothian site will continue as a one stop location.

Revenue from local contributions outside of Henrico County is expected to total \$127,280 in FY2010-11. Henrico County's contribution to CATC's administrative expenses is budgeted at \$210,648 for FY2010-11, constant with the contribution in FY2009-10.

The following table shows historical contributions from Henrico County to CATC's administrative expenses:

Fiscal Year	Contribution	% Increase
FY2005-06	187,700	3.2%
FY2006-07	195,860	4.3%
FY2007-08	201,447	2.9%
FY2008-09	208,665	3.6%
FY2009-10	210,648	1.0%
FY2010-11	210,648	0.0%

The Chesterfield one-stop center continues to receive rent from partners located in the facility, and the motel next to the Henrico Workforce Center is paying rent for parking spaces at the rear of the facility. The revenue generated from these sources provides support, but not enough to make up for any further reduction of the Workforce Investment Act funds. Revenue from rent is budgeted at \$81,358 in FY2010-11.

The WIA remains the primary funding source for the Capital Region Workforce Partnership's personnel costs. There are currently six funded positions in this approved budget including three existing staff positions and three positions that support the operation if the WIB, the Consortium Board and the fiscal agent remains intact, if not, the funds included in this approved budget may be used to support other staff and to appropriately support any costs associated with staffing the structure established.

Capital Area Training Consortium (cont'd)

The Capital Area Training Consortium's One-Stop Operation Division is not funded in the approved budget. The costs associated with continuing its operations is included in the Contractual Services category of the budget supported by the three WIA funding streams as costs would be reflected for any other contractor selected by the WIB and Consortium Board. This division has thirteen positions that will continue if the final decision made by the WIB and Consortium Board identify CATC as one of the Title I Service Providers and as a one-stop operator. When the final organizational structure and required personnel costs are established, the budget will be adjusted accordingly.

The FY2010-11 budget includes a grant reserve. Once into FY2010-11, funds in the reserve will be transferred between programs as more specific and detailed information becomes available on specific

grant awards.

As a note, the Consortium has received additional federal funding including Federal Stimulus funding (American Recovery and Reinvestment Act - ARRA) outside of the original budget. The uses included increased services including the establishment of the Employment Transition Center at the former Innsbrook Library which will close by June 30, 2010. This funding was added through the amendment process and ARRA funding is not included in the approved FY2010-11 budget. If the Consortium receives additional federal funding, these funds will be added to the budget through the amendment process.

It is important to note that the FY2008-09 actuals totaling \$2,010,355 includes \$111,797 in ARRA federal stimulus funding.

COMMONWEALTH'S ATTORNEY

Special Drug Prosecutor

Description

The Special Drug Prosecutor Program was established in Virginia in 1983 under Section 19.2-215.3 of the Code of Virginia. 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, and computer crimes.

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.
- 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 approved budget for FY2010-11 is \$177,160, which includes General Fund support of \$52,855.

The Program's approved budget reflects an increase of 4.8 percent when compared to the FY2009-10 budget. The drivers behind this increase are salary adjustments related to career development and higher costs for benefits. Personnel costs are increasing \$9,675 or 6.0 percent. The State and the County both contribute to the salaries and associated personnel costs for the two complement II 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.

Annual Fiscal Plan

Description	FY09 Actual	FY10 Original	FY11 Approved	Change 10 to 11
Personnel	\$ 158,794	\$ 161,588	\$ 171,263	6.0%
Operation	7,166	7,447	5,897	(20.8%)
Capital	0	0	0	0.0%
Total	\$ 165,960	\$ 169,035	\$ 177,160	4.8%
Personnel Complement*	N/A	N/A	N/A	N/A

* Two complement II positions funded through this program are included in the Commonwealth's Attorney's General Fund complement.

Special Drug Prosecutor (cont'd)

	Performance Measures			
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Total Subpoenaes	2,267	2,276	2,290	14
Total Indictments	694	725	750	25
Total Defendants	300	350	375	25

The table below shows a historical depiction of the State/County split for the program.

Fiscal Year	State Funding	County Funding	% County
2003-04	107,487	32,321	23%
2004-05	107,487	38,308	26%
2005-06	101,383	36,947	27%
2006-07	105,767	38,545	27%
2007-08	121,594	32,539	21%
2008-09	130,357	34,166	21%
2009-10	124,305	44,730	26%
2010-11	124,305	52,855	30%

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 about 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 approved budget of \$677,433 includes a General Fund transfer of \$334,808 to provide the estimated County contribution for the program cost. In FY2006-07, the State required a new 10.0 percent match from localities receiving the Victim/Witness Grant. This shift in cost is reflected in the FY2010-11 budget, in the amount of \$34,262. The budget includes funding for nine full time positions, which are all complement III positions with the exception of one Office Assistant IV that is fully funded by the County. The complement also includes one complement III part-time Management Specialist I position, which was

Annual Fiscal Plan

Description	FY09 Actual	FY10 Original	FY11 Approved	Changes 10 to 11
Personnel	\$ 546,669	\$ 555,965	\$ 567,581	2.1%
Operating	107,929	109,994	109,852	(0.1%)
Capital	0	310	0	(100.0%)
Total	\$ 654,598	\$ 666,269	\$ 677,433	1.7%
Personnel Complement	N/A	N/A	N/A	N/A

*The Department has 9 Complement III positions (100% State funded) and 1 Complement I position. The Complement I position is reflected in the Commonwealth's Attorney complement in the General Fund.

Victim/Witness Assistance Program (cont'd)

Performance Measures

	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Victims Assisted	4,034	4,000	4,100	100

added to the Victim/Witness Assistance Program during FY2003-04.

The FY2010-11 approved budget reflects an increase of \$11,164 or 1.7 percent from the FY2009-10 budget. Personnel costs are increasing \$11,616 due to increasing costs of benefits. Operating costs decreased \$452, due to the elimination of travel and tuition, as well as reductions in technology replacement and capital outlay requests.

The FY2010-11 budget includes funding of \$92,853 for rent, which represents a 3.0 percent increase over the FY2009-10 approved budget. Included in the rent cost is an allocation for office space for the Court Appointed Special Advocates (CASA).

The FY2010-11 budget continues the 10.0 percent local match implemented by the Department of Criminal Justice Services in FY2006-07. This requires that localities contribute a 10.0 percent local match based on the total anticipated grant amount, and in effect is a cost shift to the locality. This local match totals \$34,262 in FY2010-11. The County's total contribution is being reduced by 1.2 percent in FY2010-11 due to budgeting a higher percentage of the state and federal funding allocations.

The Department anticipates receiving \$342,625 in State and Federal funding in FY2010-11, representing a 4.6% increase from the prior year budgeted amount. If the actual grant award is different from the proposed request, any necessary adjustments will be made via the amendment process. The table below shows the funding splits in the budget over the past seven years.

Fiscal Year	State Funding	County Funding	% County
2003-04	318,628	103,662	25%
2004-05	339,662	124,287	27%
2005-06	341,757	135,218	28%
2006-07*	330,275	281,146	46%
2007-08*	355,151	263,483	43%
2008-09*	327,496	325,160	50%
2009-10*	327,509	338,760	51%
2010-11*	342,625	334,808	49%**
* County Funding includes 10% match/cost shift. The FY11 amount is \$34,262.			
**1.2% reduction in County contribution due to budgeting higher percentage of State and Federal allocations.			

COMMUNITY CORRECTIONS PROGRAM

Pre-Trial and Post-Trial Program

Description

The purpose of the Henrico Community Corrections Program (CCP) is to provide the Henrico County Court System with alternatives to incarceration through pre-trial and post-trial services for certain nonviolent adult offenders who may require less than institutional custody. The program also reduces the commitment of nonviolent offenders to local facilities. Offenders participate in treatment services, receive intensive supervision, make restitution to their victims, and pay the County through performing a certain number of community service hours. Henrico's Community Corrections Program has provided intermediate punishment options for use by County courts since 1983.

This office is also responsible for the administration of the Drug Court Program, which is presented in this document as a separate budget for clarity in understanding its functions as well as its separate funding source.

Objectives

- To provide casework services and supervision to all clients throughout their court ordered participation.
- To provide a means of pre-trial release to bail, between unsecured release on recognizance and secure bond.

- To coordinate the CCP Program with the Police and Courts, and to conduct planning research and fund raising in developing partnerships for the Community Criminal Justice Board.
- To assign all clients, who are so directed, to perform community service in public or private non-profit community agencies, which is to be verified by program staff.
- To monitor all clients for payment of court ordered costs and restitution to the courts and victims.
- To evaluate and assess all appropriate clients for possible assignment to substance abuse treatment, mental health counseling, transitional housing, financial management, education, training, and other services.
- To provide supervision, substance testing and other services to defendants released from jail while awaiting trial.
- To recruit and recognize community service agencies, public and private, who serve as sites for clients.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 1,183,374	\$ 1,229,332	\$ 1,248,229	1.5%
Operation	85,515	90,178	64,761	(28.2%)
Capital	11,414	12,174	12,174	0.0%
Total	<u>\$ 1,280,303</u>	<u>\$ 1,331,684</u>	<u>\$ 1,325,164</u>	<u>(0.5%)</u>
Personnel Complement	1	1	1	0

*Nineteen Complement III positions (100% non-County funded) are also funded in this budget for FY2010-11. This reflects the elimination of one vacant complement III position.

Community Corrections Program (cont'd)

Performance Measures				
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
New Pretrial Cases Supervised	1,369	1,450	1,450	0
New Probation Cases Supervised	1,855	2,050	2,050	0
Pretrial Investigations Conducted	2,206	2,300	2,300	0
Client Hours of Community Service Completed	39,594	31,000	31,000	0
New Restitution Cases Monitored	582	530	500	(30)
Effectiveness Measures				
Value of Restitution Collected	\$456,202	\$400,000	\$400,000	\$0

Budget Highlights

Community Corrections Program's budget includes four distinct programs for FY2010-11: (a) Pre-Trial Services; (b) Post-Trial Services; (c) Community Service Coordination; and (d) the Drug Court Program (The Drug Court Program is presented as a separate budget narrative). Pre-Trial and Post-Trial Services are principally funded by the State, with probation fees that are collected by the Agency also contributing to the funding of these services. The Community Services Coordination Program is locally funded through the County's General Fund contribution of \$136,024.

The community service hours completed by program clients in FY2008-09 is estimated to be valued at a minimum of \$790,000. Of this value, it is estimated that close to half goes towards County agencies. The Restitution Monitoring Program (a Community Criminal Justice Board project) is designed to track payments made by offenders to victims. The part-time temporary clerical position hired to monitor

this program is partially funded by fees collected from offenders in the program.

The Community Corrections Program approved budget for FY2010-11 reflects a 0.5 percent decrease over the FY2009-10 approved budget

Personnel expenditures increased 1.5 percent. This is due to a new pretrial officer position approved and funded during the 2009 General Assembly Session. This additional complement III position was added to the FY2009-10 budget via the September 2009 budget amendment. The operating component decreased \$25,417, while the capital outlay component of the Department's budget remained constant at \$12,174. The majority of the operating component's decrease is due to the county-wide adjustments for travel and telecommunications. Travel decreased by \$17,700 and Telecommunications decreased by \$2,916.

COMMUNITY CORRECTIONS PROGRAM

Drug Court Program

Description

The Drug Court Program, initiated in January of 2003, continues operations in FY2010-11. The Drug Court provides intensive 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.

Working with other organizations and agencies is key to the success of the Drug Court. The program coordinates its efforts with Henrico County Social Services, Capital Area Training Consortium (CATC), the Henrico Area Community Services Board for Mental Health/Developmental Services/Substance Abuse (MH/DS/SA) Services, as well as a variety of nonprofit agencies in the region to help deliver the program's services. In addition, the Sheriff provides a Deputy to work with this program as a local in-kind County contribution. The Division of Police, the Commonwealth's Attorney's Office, MH/DS/SA, the Circuit Court, and the Community Corrections Program also provide local in-kind contributions to the program.

Objectives

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

Budget Highlights

The Drug Court Program will complete its seventh full year of operations in FY2009-10. Caseloads continue to increase as new cases are constantly added. The program was started with the use of Federal funding. However, Federal funding was discontinued as a funding source in FY2005-06. The Drug Court program for Henrico County received

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 308,572	\$ 315,943	\$ 319,273	1.1%
Operation	96,077	94,052	88,430	(6.0%)
Capital	2,800	0	0	0.0%
Total	<u>\$ 407,449</u>	<u>\$ 409,995</u>	<u>\$ 407,703</u>	<u>(0.6%)</u>
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				
	FY09	FY10	FY11	Changes 10 to 11
Workload Measures				
Community Awareness Activities Conducted	19	18	18	0
Efficiency Measures				
% of Referrals Assessed on Time	100.0%	95.0%	95.0%	0.0%
Effectiveness Measures				
% of Participants Gainfully Employed/Schooled	92.0%	85.0%	85.0%	0.0%
% of Participants Staying Drug-Free	84.0%	75.0%	75.0%	0.0%
% of Participants Not Re-Arrested	95.0%	92.0%	92.0%	0.0%

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 State Supreme Court, who took over the administration of these grants from the Department of Criminal Justice Services, will provide funding of \$232,000 in FY2010-11. The Drug Court also collects probation fees to help defray the costs of the program and these fees are projected to total \$13,183 in FY2010-11. General Fund support will total \$162,520.

Currently, one Complement I position is funded for the Drug Court, a Senior Management Specialist. Four positions are Complement III (100 percent non-

County funded), including one County Probation Officer, one Office Assistant III, and two MH/DS Clinicians.

The Henrico Drug Court NACo Award winning “Healthy Lifestyles Initiative” provided assistance for participants to gain access to primary health and dental care as well as other positive lifestyle changes. Speakers addressed “Effects of Abuse on Children”, “Healthy Relationships”, “Importance of Hydration and Exercise” and many other topics. Team members and participants trained and completed the Monument Avenue 10K. In addition to the 10K, they participated in the Mothers Against Drunk Driving (MADD) 5K at the University of Richmond.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

Probation-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 except secure detention. Juvenile and Domestic Relations District Court Judges and Court Service Unit staff continue to 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, through memoranda of agreement and VJCCCA staff. The programs/services provided include intensive home based services, GPS electronic monitoring, a two-level larceny reduction program, anger management and parenting groups, psychological and substance abuse assessments, drug screens, day treatment and Project Fresh Start. VJCCCA funds continue to offer services that are accessible in a timely manner and provide much needed resources to the youth and their families before the Court. A major advantage of this funding continues to be the ability to develop programs and services that specifically address the juvenile justice needs of Henrico County.

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 totals \$617,331, which includes County support of \$433,533 for FY2009-10. The Program's budget reflects a 12.6 percent decrease in FY2010-11. The personnel decreases are due to salary adjustments, which are slightly offset by rising increases in VRS

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 153,797	\$ 153,598	\$ 149,500	(2.7%)
Operation	542,946	552,511	467,831	(15.3%)
Capital	0	0	0	0.0%
Total	\$ 696,743	\$ 706,109	\$ 617,331	(12.6%)

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

*Personnel Complement does not reflect 3 Complement III positions that are supported in this budget.

Probation - VJCCCA (cont'd)

Performance Measures				
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Number of Referrals from Probation/Court Order	3,018	2,800	2,900	100

rates for retirement and life insurance. All three positions in this budget are supported by State funding. The operating component reflects a decrease of \$84,680 due to reduced funding by the State. To accommodate this reduction, the day treatment alternative school has been eliminated, while almost every other program received significant reductions.

This latest reduction is only the latest in a line of reductions. The first significant revenue reduction occurred in FY2002-03 when the General Assembly reduced VJCCCA funding received by the County by 51.2 percent. This revenue decrease resulted in the termination of programs and reductions in service levels. State funding remained close to this level until FY2008-09, when the General Assembly adopted the 2008-2010 Biennial Budget, which included reductions to localities across a variety of service areas including VJCCCA. Since FY2008-09, the General Assembly has reduced VJCCCA funding two more times, with the projected revenue for all

VJCCCA programs totaling \$409,027 in FY2010-11. This amount is only 14.3 percent more than when the program was initiated in FY1995-96 and only 36.3 percent of the amount received in FY2001-02.

In response to a continued state funding freeze (at FY2002-03 levels) that was significantly impacting service levels, the County General Fund transfer was increased to \$480,882 in the FY2006-07 budget. The FY2010-11 approved budget for VJCCCA programs, Probation and Detention, reflect the same General Fund share as FY2009-10, which now totals \$543,363. Probation will continue to use VJCCCA funding to provide a wide variety of services and programs to offenders and their families, including psychological and substance abuse assessments, anger management, parenting groups, drug screens, intensive home based services, and residential services. Despite the reduction in State funding, these services and programs continue to be highly utilized as alternatives to secure detention.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

Detention Home - VJCCCA

Description

In 1996, funding through the Virginia Juvenile Community Crime Control Act (VJCCCA) replaced the State Block Grant system for all community based programs and services in the juvenile justice system except secure detention. A major advantage of this funding includes the locality's ability to develop programs and services that specifically address the juvenile justice needs of Henrico County.

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 \$335,059, including the County contribution of \$109,810. The total budget reflects a decrease of \$11,855, or 3.4 percent over the FY2009-10 budget due to reductions by the State in the amount allocated to Henrico for this grant program.

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 secured 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. The Department anticipates serving 148 participants in FY2010-11. 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>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 279,323	\$ 292,815	\$ 281,003	(4.0%)
Operation	66,856	54,099	54,056	(0.1%)
Capital	0	0	0	0.0%
Total	\$ 346,179	\$ 346,914	\$ 335,059	(3.4%)
 Personnel Complement	 3	 3	 3	 0

Detention - VJCCCA (cont'd)

Performance Measures				
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Electronic Monitoring Days	4,009	3,492	3,492	0
Outreach Participants w/Electronic Monitoring	106	196	196	0
Outreach Participants w/o Electronic Monitoring	205	140	140	0
S.T.O.P. Participants	83	148	148	0
S.T.O.P. Program Days	391	680	680	0
Effectiveness Measures				
Average Length of Stay w/Electronic Monitoring	38	37	37	0
Average Length of Stay w/o Electronic Monitoring	35	51	51	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 curfews, running away from home and truancy.

It should be noted that in FY2002-03, the General Assembly reduced VJCCCA funding received by the County by 51.2 percent. In the FY2006-07 budget, due to a continued state funding freeze (at FY2002-03 levels) that was significantly impacting service delivery, the County General Fund transfer was increased to \$480,882. The FY2010-11 budget assumes a decrease in VJCCCA funding from the State. The County's contribution to these programs, Probation and Detention, now totals \$543,363, which is the same as FY2009-10.

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 FY2010-11, 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 \$30,429 in USDA grant funding for FY2010-11, which is a \$4,571 decrease over the approved budget for FY2009-10. These funds will continue to go towards covering the cost of food and food service supplies utilized by the Juvenile Detention Home. Grant funds received by this program can be used to purchase food, food service equipment, maintenance and repairs on the equipment, and training of kitchen staff.

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>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	40,623	35,000	26,460	(24.4%)
Capital	1,475	0	3,969	0.0%
Total	\$ 42,098	\$ 35,000	\$ 30,429	(13.1%)
 Personnel Complement	 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 at risk for mental illness, intellectual disabilities, substance abuse, and children with developmental delay. The vision of the Department is:

Promote dignity, recovery and self-sufficiency in the lives of the people we serve, help our community embrace people with mental disabilities, and lead in providing innovative and responsive services that exceed our community's expectations.

The vision is carried out through a wide range of emergency, inpatient, outpatient, case management, day support, in home support, residential, prevention, jail, and early intervention services.

Objectives

- To provide emergency services 24 hours per day, seven days a week.
- 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 ongoing supportive services to individuals with intellectual disabilities, including residential, day support, and case management services.
- To provide protective inpatient services or other crisis stabilization services to individuals who are dangerous to themselves or to others or unable to care for themselves.
- To conduct prescreening evaluations, attend involuntary commitment hearings and supervise mandatory outpatient treatment as required by the Code of Virginia.
- To provide detoxification services to persons who are chemically dependent.
- To provide outpatient psychotherapy and related services to children, adults, the elderly, and their families.

Annual Fiscal Plan

Description	FY09 Actual	FY10 Original	FY11 Approved	Change 10 to 11
Personnel	\$ 22,194,417	\$ 23,899,757	\$ 23,227,494	(2.8%)
Operation	7,515,514	8,200,280	8,787,325	7.2%
Capital	175,384	11,000	0	(100.0%)
Total	\$ 29,885,315	\$ 32,111,037	\$ 32,014,819	(0.3%)
 Personnel Complement*	 225	 225	 220	 (5)

**Personnel Complement totals above do not include 113 Complement III positions in FY2010-11. Five vacant Complement II and eight vacant Complement III positions have been eliminated.*

Performance Measures

	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Persons Served by Emergency Services	1,709	1,700	1,700	0
Persons Served by Mental Health Services	4,666	4,700	4,700	0
Persons Served by Developmental Services	1,573	1,600	1,600	0
Persons Served by Substance Abuse Services	1,706	1,750	1,750	0

- To provide court ordered evaluation and treatment services.
- To provide outpatient treatment for adults and adolescents abusing alcohol and drugs.
- To provide early intervention and prevention services to children at risk of developing mental health issues, intellectual disabilities, and substance abuse problems and their families.

Services in support of other County agencies are among the important contributions of this Department. Mental Health Services include services to Public Safety (Police and Fire), Juvenile Detention, and on-site services to the Juvenile Court. Emergency services are offered to all citizens 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 and meet requirements of the Code of Virginia related to involuntary detention and commitment. Mental Health Services and Substance Abuse Services are also provided at both jail facilities and at both juvenile detention sites. Services are also provided on site at the state Parole and Probation office in Henrico County.

Budget Highlights

The State Department of Behavioral Health and Developmental Services (DBHDS) has identified four priority population groups for the Community Services Board system. MH/DS/SA spends the majority of its funding serving these groups, which are: those with serious mental illness, those with intellectual disabilities, those with substance use disorders, and children. Priority is also given to those experiencing a psychiatric crisis while in the service area. Services to these priority populations are delivered directly by MH/DS/SA and/or contracted through private vendors.

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 include office support staff at various locations, facilities management for 19 facilities, records management, human resources and financial management.

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.

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 budget is divided into areas that generally mirror these priority groups. In Mental Health Services, persons with general significant mental health problems and those ordered by the courts and other correctional agencies for evaluation/treatment are served in addition to those with serious mental illness.

The Department’s FY2010-11 budget, including the Sheltered Employment program, is \$32,014,819. Overall, personnel costs are decreasing \$672,263 or 2.8 percent. An adjustment of \$503,018 for vacancy savings has been included in the FY2010-11 budget at 2.5 percent of salaries, related FICA, retirement and group life. Employee benefit costs are projected to increase 1.5 percent. One complement III position

Mental Health & Developmental Services (cont'd)

was added in FY2009-10, funded with third party fees, to meet the new requirement to obtain pre-authorizations of some Medicaid reimbursable services. Five vacant complement II and eight vacant complement III positions have been eliminated to accommodate reductions in state and Medicaid fee revenue. The department will restructure some services to minimize the service impact of eliminating these positions.

Allocations for operating expenditures increased \$587,045 or 7.2 percent. The FY2010-11 budget includes restricted state funding of \$482,735 to purchase medications for eligible consumers with mental illness due to the closing of the state community resource pharmacy as part of state budget reductions. Funds that had been disbursed on the Department's behalf by the community resource pharmacy will now be allocated directly to the Department for the purchase of medications. Operating expenditures decreased \$122,066 (1.5 percent) without the affect of the restricted pharmacy funds and day support services for anticipated graduates. Increases within the operating budget include medical services, leases of buildings, landscaping services, and electric and heating services. These increases are necessary to align the budget with expenditure projections. There are no capital expenditures anticipated in FY2010-11.

The Department estimates revenues at \$32,014,819 in FY2010-11, a decrease of \$96,218 (0.3 percent) from the FY2009-10 adopted budget. The County transfer of \$14,572,670 reflects a decrease of \$56,201, or 0.4 percent. As such, the County transfer will represent 45.5 percent of FY2010-11 expenditures.

The balance of the MH/DS revenues are comprised of 24.8 percent Federal and State, 22.6 percent third party client fees, and the remaining 7.1 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 FY2010-11. 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 be stable at \$340,400 for FY2010-11.

The Department's State performance contract revenue for FY2010-11 is projected to be \$4,572,340, a 3.2 percent decrease from the FY2009-10 adopted budget. The FY2010-11 amount

includes restricted state funds of \$482,735 to purchase medications. The State OBRA (Omnibus Budget Reconciliation Act) Nursing Home grant decreased by \$7,328 for FY2010-11. The FY2010-11 budget reflects the 5.0 percent state funding reduction implemented in early FY2009-10 and represents a conservative revenue estimate from this source.

Third Party Client Fees are anticipated to increase by \$486,544, which is a 3.9 percent increase over the FY2009-10 adopted budget. An anticipated 5.0 percent reduction in Medicaid waiver reimbursement rates was offset by increases in services to consumers, increasing Medicaid revenue by 3.0 percent and self-pay and insurance revenue by 12.0 percent.

What follows is a description of expenditure changes for the Department in the FY2010-11 budget.

The FY2010-11 budget for **Mental Health Services** increased \$83,199, to \$13,781,842, which is a 0.6 percent increase over the FY2009-10 adopted budget. This section's mission is to provide mental health services to the residents of Henrico, New Kent, and Charles City counties with 143 full-time and 6 part-time employees. Personnel costs decreased \$439,480, or 3.9 percent. Operating expenditures are budgeted to increase by \$525,179, or 22.8 percent, primarily due to restricted state funds of \$482,735 to purchase medications. The cost of contractual medical services increased by \$88,603; other operating expenses were reduced to partially offset this cost.

The **Substance Abuse Section** budget is \$2,024,432, a decrease of \$18,194 (0.9 percent) from the adopted budget for FY2009-10. Personnel costs for the 17 full-time and 4 part-time employees decreased by \$40,838, or 2.3 percent. Operating costs increased by \$22,644 or 9.6 percent. Increases include residential substance abuse treatment and methadone treatment services to meet increasing demand for these services.

The budget for **Developmental Services** reflects an expenditure decrease of \$194,529 (2.1 percent) to \$9,143,148 in FY2010-11. Personnel costs decreased \$116,402, or 1.6 percent, for the 104 full-time and 11 part-time employees. Three vacant complement II positions were eliminated in FY2010-11. Operating funding decreased by \$71,127, or 3.1 percent in FY2010-11.

Mental Health & Developmental Services (cont'd)

Administration spending decreased 2.9 percent, or \$193,069, to \$6,498,622. Personnel costs decreased \$75,393 (2.3 percent) for 47 full-time and 2 part-time employees. One complement III position was added in FY 2009-10 funded with third party fees, to meet the new requirement to obtain pre-authorizations of some Medicaid reimbursable services. Operational funding decreased \$117,676 (3.5 percent) to \$3,265,571. Inflationary increases in real property leases and utilities were offset by savings in telecommunications and contractual transportation services for consumers.

Over the past twelve years the County of Henrico has provided additional funding to the department's day support services to ensure that individuals who graduate from Special Education programs and other adults living in the community who need day support services will be served immediately.

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

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

An increase of \$226,376 in funding is included to serve the approximately 24 individuals with intellectual disabilities who are anticipated to graduate from high school and be in need of a day support program. Some of the day support needs of these individuals will be accommodated within current resources.

Sheltered Employment funding in FY2010-11 will remain stable at \$340,400. Personnel costs remain flat for one full-time and one part-time position. Operating costs increased 20.2 percent for supplies for Sheltered Employment contracts. There are no anticipated capital outlay needs in FY2010-11 for the Sheltered Workshop.

DIVISION OF POLICE

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 Division of Police 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 FY2010-11 budget includes \$55,000 for the extradition of prisoners, which is fully reimbursable. The remaining balance of the budget, \$406,687, is divided equally between Chesterfield County, the City of Richmond, and Henrico County and reflects a net decrease of \$1,000 or 0.2 percent from the previous approved budget. In FY2010-11, Henrico's share of the budget is \$135,561, decreasing by \$334 from the FY2009-10 approved budget.

Henrico's Division of Police manages the Metro Aviation Unit. This section of the Division of Police also handles extradition of prisoners, which is entirely reimbursable from the State of Virginia. The combined budget for Metro Aviation and Extradition is \$461,687.

The Metro Aviation Unit continues to be a valuable and effective crime fighting tool to the participating localities and the region. The localities continue to increase their usage of the unit and each locality now assigns three pilots to the unit.

The three participating jurisdictions approved the purchase of an additional patrol plane, a Cessna 182, and in July 2006, the Board of Supervisors approved a budget amendment to increase the Metro

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	351,682	432,687	431,687	(0.2%)
Capital	0	30,000	30,000	0.0%
Total	<u>\$ 351,682</u>	<u>\$ 462,687</u>	<u>\$ 461,687</u>	<u>(0.2%)</u>
Personnel Complement	N/A	N/A	N/A	N/A

Metro Aviation (cont'd)

	Performance Measures			
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Number of Aerial Transports	41	40	44	4
Flight Hours for Aerial Tranports	159	165	165	0
Extraditions (commercial carriers)	38	36	39	3

Aviation Unit's budget for the purchase of the new aircraft. The aircraft is equipped with the latest technology including an electronic instrument panel, an integrated spotlight, a forward looking infra-red (FLIR) system, and a video downlink that permits the aircraft to broadcast images while flying for viewing at varying locations within the three jurisdictions. The unit's three other aircrafts are of varying ages

including a patrol plane and a transport plane, which are each over twenty-five years old. The third aircraft is a patrol plane that is nine years old. With the purchase of the fourth plane, the unit uses the older patrol plane for training and as a reserve patrol plane that is used during maintenance and repairs to the other two patrol planes.

DIVISION OF POLICE

Wireless E-911

Description

The Henrico County Emergency Communications Center began answering wireless E-911 calls in June 2000. The State Police had previously answered these calls, however State legislation was enacted, which mandated localities to begin answering the wireless E-911 calls. The Emergency Communications Center answers all emergency and non-emergency calls for service and dispatches the appropriate unit; police, fire, or emergency medical service, to the location of the call. The emergency communications operators spend more time processing a wireless call than they spend processing a wireline E-911 call. Some of the unique problems of a wireless call are a limited ability to determine the exact caller location and the uncertainty of being able to reconnect with the caller if they are disconnected.

Objectives

- To answer the wireless call and collect information from the wireless caller to allow for location identification.
- To dispatch appropriate emergency or non-emergency unit to the location of the call for service.

Budget Highlights

Henrico began receiving funding from the State Wireless Board to pay for the cost of receiving wireless E-911 calls in FY1999-00. The funding is provided from the State E-911 Cellular Tax, \$0.75 per month charged to each cellular phone, and distributed to localities through the State Wireless Board. In 2006, the General Assembly approved a change in the method of distributing the revenue collected. In the approved legislation, 60% of the revenue collected from the \$0.75 monthly fee is distributed to the localities. The distribution from the State Wireless Board to each locality is based on the cost to operate the localities emergency communications center as well as the call load of the center.

As the number of cell phones continues to increase the number of emergency calls being made from cell phones is increasing. Cell phones provide a quick, easy, and efficient means of reporting traffic accidents and other emergencies, which do not always occur near a landline phone. As the performance measures indicate, the number of E-911 calls received from cell phones is increasing at a faster rate than the number of wireline emergency and non-emergency calls received by the emergency communications center.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 580,069	\$ 798,284	\$ 824,855	3.3%
Operation	96,910	149,254	135,941	(8.9%)
Capital	0	0	0	0.0%
Total	<u>\$ 676,979</u>	<u>\$ 947,538</u>	<u>\$ 960,796</u>	<u>1.4%</u>
Personnel Complement*	N/A	N/A	N/A	N/A

*Fourteen Communications Officers are included in the Police General Fund Complement.

Wireless E-911 (cont'd)

Performance Measures				
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Wireless 911 Calls Received	113,279	118,943	124,890	5,947
Percentage Wireless 911 Calls to Total 911 Calls Received	66.15%	69.46%	72.93%	3.47%
Percentage Wireless 911 Calls to Total Calls (Emergency & Non-emergency) Received	22.58%	23.59%	24.65%	1.06%

The Wireless E-911 budget for FY2010-11 totals \$960,796, representing a net increase of \$13,258 or 1.4 percent from the previous approved budget. This increase is driven by the personnel component, which increased by \$26,571 or 3.3 percent from the previous approved fiscal year. Rising VRS, VRS life insurance, and health care expenditures accounted for the majority of the increase. The operating component decreased by a total of \$13,313 or 8.9 percent from the FY2009-10 approved budget as a result of the County-wide adjustment in technology replacement.

The budget for FY2010-11 includes funding for fourteen 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. In the FY2009-10 approved budget,

the number of communications officers funded using Wireless E-911 revenues was increased from eleven to fourteen.

As previously stated a new distribution formula was approved in the 2006 General Assembly session. Under this formula, localities receive sixty percent of the revenue after allocations to two State agencies, the Division of Public Safety Communications (DPSC) and Virginia Geographical Information Network (VGIN). These two State agencies directly support Wireless E-911. Based on information provided by the Wireless Board, historically the localities were receiving forty-eight percent of the revenue collected, so the change has been beneficial to localities. Having said this, the County will continue to conservatively project the amount of Wireless E-911 revenues received from the State in FY2010-11.

COMPREHENSIVE SERVICES ACT

Description

The Comprehensive Services Act (CSA) is a State mandated program that insures services to at-risk youth and families. CSA provides a collaborative system of services and funding that is child-centered, family-focused, and community-based. The Comprehensive Services Act is implemented by law at a local level under the direction of a Community Policy and Management Team (CPMT). The Henrico Policy and Management Team, which is a multi-agency team within the County, must plan all services to children and funding for these services must be approved by the CPMT. The Henrico Department of Social Services serves as the fiscal agent for CSA.

Objectives

- Provide services that are responsive to diverse strengths and needs of youth and family.
- Increase interagency collaboration and family involvement in the provision of services to children.
- Encourage public and private partnerships.
- Identify and intervene early with young children and their families.

Budget Highlights

The Comprehensive Services Act approved budget for FY2010-11 is \$8,969,465. This represents an increase of \$404,854 or 4.7 percent over the previous approved budget. The personnel component increased by \$3,953 due to rising costs associated with VRS, Hospitalization, and Group Life Insurance benefits. Forecasted operating expenditures experienced an increase of \$400,301 or 4.9 percent from the previous fiscal year and is for additional counseling and treatment services. The capital component of the budget was increased by \$600 for provisional funding for repair or replacement of machinery and equipment.

The Henrico Policy and Management Team (HPMT) administer 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/Developmental Services, Juvenile Court Services, Public Health, Education and Social Services; a local government administrator; a private provider representative; and a parent representative.

Annual Fiscal Plan

Description	FY09 Actual	FY10 Original	FY11 Approved	Change 10 to 11
Personnel	\$ 385,293	\$ 373,409	\$ 377,362	1.1%
Operation	8,221,587	8,191,202	8,591,503	4.9%
Capital	955	0	600	0.0%
Total	\$ 8,607,835	\$ 8,564,611	\$ 8,969,465	4.7%
Personnel Complement*	N/A	N/A	N/A	N/A

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

	Performance Measures			
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Children Served	375	426	450	24
Children Served in Residential Programs	86	60	60	0
Efficiency Measure				
Average Cost Per Child	\$28,062	\$30,868	\$33,954	\$3,086

In FY2010-11, CSA will fund services for an estimated 426 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 home; 4) community based services for children and families such as in home counseling and emergency shelter placements and behavioral support services in the public school setting.

Funding to purchase services for children and families account for \$8,571,298 or 95 percent of the total budget, yielding an administrative component of five percent. The FY2010-11 budget includes continued provision of staff to provide 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.

CSA staff has provided consistent utilization review of children placed in congregate care dramatically reducing the number of residential placements from 86 in FY2008-09 down to 22 currently. The number of children in residential placements for FY2010-11 is projected to be less than the numbers reported in FY2008-09. The decrease in residential placements is due to the fewer number of children in foster care and fewer requests from parents requesting these types of placements. However, the total number of children served in community based services is projected to increase in FY2010-11.

The FY2010-11 budget submission 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 FY2010-11 is \$457,841. This forecasted amount is based on an estimated total Medicaid billing of \$2,438,567 at the State level. Of this amount, the Federal match is 50.0 percent or \$1,219,283. Of the remaining \$1,219,283, the State provides funding of \$761,443 or 62.45 percent and the County provides the remaining funding of \$457,841 or 37.55 percent. In order for the State to be reimbursed by this amount, the State reduces monthly CSA reimbursements by the local share of the Medicaid expenditures.

CSA expenditures for special education services continued to increase during FY2008-09 due primarily to growth in the number of children whose needs could not be met within the public schools. Additionally, an increased number of children were provided with supportive services within the public school setting in order to provide education in the least restrictive environment and to maintain cost containment. The increases in educational funding are projected to continue into the FY2010-11 budget as educational services for all children placed in a residential setting are now charged for services in this category. The growing numbers of children requiring high cost placement as well as annual increases in provider rates made a significant impact on the costs for both the special day education and educational residential placements. This issue seems to be statewide as similar trends have been seen in other localities.

The average cost of services per child has historically risen significantly. In FY2003-04 these

CSA (cont'd)

cost increased by 26.4 percent. In FY2004-05, FY2005-06, FY2006-07 and FY2007-08 these costs increased by 13.0 percent, 9.0 percent, 18.0 percent, and 22.0 percent respectively. There are a number of factors contributing to these increases such as higher provider rates and more children requiring high cost structured residential placements. However it must be noted that in FY2008-09 the cost for services decreased by 9.0 percent. Some of the reasons for the reduced cost in FY2008-09 are the efforts made by The Department of Social Services and CSA to reduce the numbers of children in congregate care (residential placement) and to place these children in foster homes within the local community. Additionally, through the provision of community based prevention services there has been a significant decrease in the number of children needing to be placed in foster care. The Medicaid Reduction Act was implemented on March 1, 2007 and has had a significant impact on costs related to therapeutic foster care placements of children. The placement of children in local agency foster homes has eliminated much of these high cost services no longer funded by Medicaid.

Alternative funding sources such as the Mental Health Non-mandated Initiative and Virginia Juvenile Crime Control Act which had previously been utilized to fund low-end services have experienced State funding cuts to services. In order to support these children in the community, there have been increased requests for prevention services to be funded by the Comprehensive Services Act. There are other funding streams that continue to be reduced significantly at the State level. Other funding sources previously utilized by children for non-mandated services such as Revenue Maximization are no longer available.

Both state and local governments provide funding for the Comprehensive Services Act. Beginning July 1, 2008 match rates for services for children were changed as an incentive to reduce the numbers of children placed in congregate care. Prior to July 1, 2008 the established match rate was 37.55 percent. Effective January 1, 2009, the local match rate for residential (congregate care) placements increased to 43.18 percent. On July 1, 2009, this rate increased to 46.94 percent. It is projected that for all CSA services combined, the State will be responsible for 61.89 percent and local funding will be responsible for 38.11 percent of the FY2010-11 budget.

In FY2010-11, the County will provide funding totaling \$3,266,396 or 38.11 percent for all purchased services. This local rate for FY2010-11 is based on an average of the numbers of current services being provided at different levels of service. The State will be providing the remaining \$5,304,902 or 61.89 percent less the Medicaid local match amount of \$457,841.

In FY2010-11, the County will provide a projected total of \$4,049,121 as a direct match for CSA funding; that is purchased services, administration and Medicaid. This local share is derived from several different estimated percentages, based on the type of service being provided by CSA. Services mandated and non-mandated by the State will receive local funding in the amount of \$3,266,396. CSA administration will receive \$324,884 in local funding. In addition, the County will provide a forecasted local match of Medicaid services totaling \$457,841. The State will provide funding for the remainder of the CSA budget, totaling \$5,304,902 less the Medicaid local match of \$457,841.

PUBLIC UTILITIES

Solid Waste and Street Lighting

Description

In addition to the water and sewer services reflected in the Enterprise Fund, the Department of Public Utilities provides solid waste disposal, limited refuse collection, and street lighting services to residents of Henrico County.

Revenue from user charges supports the activities necessary to provide all Solid Waste services except curbside recycling, bulky waste services, bagged leaf collection and neighborhood cleanup activities. These programs are supported by General Fund revenue. Street Lighting services are supported by a Sanitary District tax levy on real and personal property in those Sanitary Districts where street lights are installed.

The solid waste services provided consist of operating and maintaining a sanitary landfill with 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. 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

Solid Waste

Projected revenues in FY2010-11 are \$12,166,612, inclusive of a General Fund subsidy of \$3,064,001. Locally generated revenues are projected to remain flat with the prior fiscal year. The General Fund subsidy for FY2010-11 will also remain at the same level as in FY2009-10. Revenues are sufficient to cover all operating expenditures for Solid Waste in FY2010-11.

Total expenditures of \$12,166,612 reflect an increase of \$102,544 or 0.8 percent compared to the FY2009-10 adopted budget.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 3,516,859	\$ 3,868,079	\$ 3,641,033	(5.9%)
Operation	5,932,044	6,657,989	7,162,779	7.6%
Capital	1,270,723	1,538,000	1,362,800	(11.4%)
Total Solid Waste	<u>\$ 10,719,626</u>	<u>\$ 12,064,068</u>	<u>\$ 12,166,612</u>	<u>0.8%</u>
Street Lights	77,242	70,200	72,500	3.3%
Total Solid Waste/Street Lights	<u>\$ 10,796,868</u>	<u>\$ 12,134,268</u>	<u>\$ 12,239,112</u>	<u>0.9%</u>
 Personnel Complement	 75	 75	 70 *	 (5)

* Reflects the elimination of four vacant positions and the shift of one position to the Water and Sewer Fund in FY2009-10.

Solid Waste (cont'd)

	Performance Measures			Change 10 to 11
	FY09	FY10	FY11	
Workload Measures				
Tons Collected by Refuse	37,647	39,000	39,000	0
Tons Collected by Bulky Waste Service	486	700	700	0
Tons Collected by Outside Sources	50,351	55,000	55,000	0
Tons Collected by Neighborhood Cleanups	3,371	3,500	3,500	0
Tons Deposited in Public Use Areas	40,272	36,000	36,000	0
Number of Refuse Customers	37,647	38,000	39,000	1,000

In looking at the components of the Solid Waste budget, personnel costs reflect a \$227,046 or 5.9 percent decrease due to the elimination of four vacant positions and the shifting of one position to the Water and Sewer Fund.

The operating component of the budget reflects an increase of \$504,790 or 7.6 percent. This increase arises from a number of fixed cost increases present in the FY2010-11 budget. Recycling costs have increased 16.3 percent or \$390,868 as a result of increased costs associated with the recycling contract with the Central Virginia Waste Management Authority (CVWMA). This increase arises from external mulch grinding service, which is now provided under the CVWMA contract. This service was contracted out in FY2009-10 at a cost of \$260,000, and these funds will be used to partially offset the \$390,868 increase in the CVWMA contract. Vehicle repair costs have increased \$309,602 due to costs associated with aging heavy equipment and the increasing complexity of trucks requiring increasing external service repairs. Partially offsetting these operating increases is a targeted 2.5 percent reduction in non-fixed costs, the elimination of travel and tuition funding, and the shift of \$175,200 in capital outlay costs to the operating budget.

Capital Outlay expenditures total \$1,362,800 for FY2010-11, a decrease of \$175,200 or 11.4 percent from the prior year budget. Highlights from this component of the budget includes funding for the purchase of 6,000 (96 gallon) refuse collection carts for automated collection trucks, two 110 cubic yard walking floor trailers at \$80,000 each, two replacement automated refuse collection trucks at a cost of \$290,000 each, and one used landfill compactor at a cost of \$250,000.

The Solid Waste budget is captured in four distinct areas – Administration, Collections Operations, Processing 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 \$2,038,685 and represents a net reduction of \$262,413 or 11.4 percent as compared to the prior fiscal year. This decrease is due to the elimination of one vacant position in FY2010-11, targeted reductions in operating line items, including the elimination of travel and tuition expenditures, and the reduction in capital outlay funding of \$175,200 that was shifted elsewhere in the operating budget to cover a number of fixed cost increases.

Collections Operations:

The budget for Collection Operations totals \$3,906,105, and represents an increase of 2.2 percent when compared to the prior fiscal year.

Refuse Collection

The budget for the Refuse Collection area is \$2,762,810, a net decrease of \$26,120. This reduction is due to the elimination of three vacant positions in FY2010-11 and the shift of one position to the Water and Sewer Fund in FY2009-10. Partially offsetting the declines in personnel costs, a number of operating fixed cost increases are included in FY2010-11. The cost of vehicle repair is increasing \$127,500 due to the increasing complexity of refuse trucks and associated external service repairs. The budget for bad debt expense is increasing \$35,000 to reflect historical expenditures. Weekly refuse collection services are provided to over 38,000 households in the County by eleven refuse collection crews, operating County owned equipment.

Solid Waste (cont'd)

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 the landfill. The cost for this service is a \$43 per trip fee. The program also receives a subsidy of \$239,002 from the General Fund. The FY2010-11 budget continues to include the estimated cost to provide free bulky waste pick up for all County residents that currently participate in the Real Estate Tax Advantage Program (REAP).

Bagged Leaf Services

The budget for Bagged Leaf Services is \$155,127, which remains flat with the prior fiscal year budget. Bagged Leaf Services provides three collections in each neighborhood from October to February according to a published Leaf Collection Schedule. Open burning is banned in the majority of the County. A transfer from the General Fund fully supports the costs associated with Bagged Leaf Services.

Community and Neighborhood Cleanup

Cleanup expenditures total \$532,072 in FY2010-11, which remains flat with the prior fiscal year budget. There are no personnel costs budgeted for Cleanup activities, however, \$319,636 is budgeted for employees from other areas of Solid Waste to perform this service. Cleanup costs are fully supported by General Fund subsidy.

Processing and Disposal:

The budget of \$6,255,114 in FY2010-11 for Processing and Disposal represents an increase of 6.9 percent, or \$405,917. The Processing and Disposal budget components covers recycling, landfill and the public use areas.

Recycling

Recycling expenditures total \$3,056,684 in FY2010-11, an increase of \$96,865. Recycling costs have increased 16.3 percent or \$390,868 as a result of increased costs associated with the recycling contract with the Central Virginia Waste Management Authority (CVWMA). This increase arises from external mulch grinding service, which is now provided under the CVWMA contract. This service was contracted out in FY2009-10 at a cost of \$260,000, and these funds will be used to partially offset the \$390,868 increase in the CVWMA contract. The curbside recycling program serves approximately 86,000 homes in the County at \$1.88 per home per month. Recycling costs are also

supported by a \$2,137,800 subsidy from the General Fund.

Landfill

The county operates a Landfill at Ford's Country Lane and the budget is \$2,132,582. The landfill accepts refuse from the County's Refuse Collection Service, Public Use Areas, Bulky Waste Collection, Neighborhood Cleanups, as well as from private haulers. The budgeted increase in this area is mainly due to increasing vehicle repair costs, which are increasing \$180,000 in FY2010-11 due to aging vehicles and the increasing costs of vehicle repair. Also included in the Landfill budget for FY2010-11 is an additional \$24,800 to repair the Landfill access road, which is in poor condition.

Public Use Areas

The FY2010-11 budget for the Public Use Areas is \$987,993, an increase of \$22,987. 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 will receive approximately 36,000 tons of refuse annually.

Landfill Post Closure

Landfill Post Closure expenditures in FY2010-11 are to remain the same as the current fiscal year at \$77,855 for closed landfills at Nine Mile Road and Charles City Road.

Litter Control (Keep Henrico Beautiful):

The budget for Litter Control remains largely status quo at a level of \$94,884. Solid Waste receives an annual grant from the State Litter Control Board, budgeted at \$25,000, for this program.

General Fund Subsidies:

The General Fund subsidy of \$3,064,001 remains flat with the prior fiscal year budget, and includes \$2,137,800 for the curbside recycling program and \$926,201 for the cost of Community and Neighborhood Cleanup activities, Bagged Leaf Collection and Bulky Waste Collection. The subsidy

Solid Waste (cont'd)

for Bulky Waste Collection is net of the revenue from the \$43 per trip fee.

The FY2010-11 subsidy for bulky waste factors in the cost of REAP participants receiving free bulky waste pick up service. The components for the General Fund subsidies for Recycling, Community and Neighborhood Cleanups, Bagged Leaf Collections, and Bulky Waste Collection are as follows:

	<u>FY09-10</u>	<u>FY10-11</u>	<u>% Change</u>
Recycling	2,137,800	2,137,800	0.0%
Bulky Waste	239,002	239,002	0.0%
Cleanups	532,072	532,072	0.0%
Bagged Leaf	155,127	155,127	0.0%
Total	\$3,064,001	\$3,064,001	0.0%

The history of Community Maintenance Cleanup projects are:

<u>Community Maintenance</u>	<u>No.</u>	<u>Total Cost</u>
FY1999-00	15	\$300,400
FY2000-01	18	\$355,923
FY2001-02	27	\$329,083
FY2002-03	26	\$333,890
FY2003-04	25	\$433,267
FY2004-05	25	\$423,600
FY2005-06	27	\$448,040
FY2006-07	30	\$464,990
FY2007-08	31	\$419,814
FY2008-09	31	\$416,086

This compares to the summary of Neighborhood Cleanup projects below:

<u>Neighborhood Cleanups</u>	<u>No.</u>	<u>Total Cost</u>
FY1999-00	27	\$6,705
FY2000-01	22	\$7,125
FY2001-02	26	\$7,830
FY2002-03	23	\$9,268
FY2003-04	18	\$6,904
FY2004-05	22	\$9,077
FY2005-06	26	\$11,645
FY2006-07	29	\$11,038
FY2007-08	44	\$16,539
FY2008-09	41	\$14,560

Street Lighting

The County provides street lighting in certain areas of the County. Costs for street lighting are supported by supplemental tax levies to residents and businesses in those areas. The budget for FY2010-11 will maintain services levels for the current 156 street lights in District #2, 163 street lights in District #3, the 27 street lights in District #3.1, the 27 street lights in District #23, and the 87 street lights in District #12.

Projected street lighting revenues and expenditures in FY2010-11 equal \$72,500. This reflects an increase of \$2,300 or 3.3 percent as compared to the FY2009-10 adopted budget.

The street lighting personal property levy for each District remains at \$0.001 for all districts below and proposed real property levies remain unchanged for FY2010-11 at the following rates:

<u>Sanitary District</u>	<u>Approved Rate</u>
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.

developers when subdivisions are recorded. At this time, the Department plans to use an annual contractor to perform BMP maintenance.

An alternative storm water management program has been developed, which 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

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	0	50,000	50,000	0.0%
Capital	0	0	0	0.0%
Total	\$ 0	\$ 50,000	\$ 50,000	0.0%
Personnel Complement	N/A	N/A	N/A	N/A

PUBLIC WORKS

Watershed Program

Description

The Department of Public Works has developed and implemented an innovative program that addresses stormwater 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.

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. 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 fund revenue to be generated from this program, which began in FY2002-03.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	462,643	847,000	847,000	0.0%
Capital	0	0	0	0.0%
Total	<u>\$ 462,643</u>	<u>\$ 847,000</u>	<u>\$ 847,000</u>	<u>0.0%</u>
Personnel Complement	N/A	N/A	N/A	N/A

ENTERPRISE FUNDS

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - WATER & SEWER ENTERPRISE FUND
FY 2010-11

Water and Sewer Enterprise Fund

Revenues/Resources	FY08-09 <u>Actual</u>	FY09-10 <u>Original</u>	FY10-11 <u>Approved</u>
<u>Water and Sewer Operating Budget:</u>			
Sale of Water	41,250,443	41,660,433	41,852,811
Sale of Sewer	41,919,957	41,711,421	42,453,050
Water Connection Fees	3,971,369	1,120,000	1,706,880
Sewer Connection Fees	8,228,782	2,180,000	3,941,635
Interest Earnings	1,010,888	1,166,264	1,164,090
Strong Waste Surcharge	1,388,703	1,553,000	1,485,000
Other Water/Sewer revenues	455,674	1,534,812	1,543,700
Transfer from General Fund	<u>982,601</u>	<u>1,609,569</u>	<u>772,219</u>
Total Operating Revenues	<u>99,208,417</u>	<u>92,535,499</u>	<u>94,919,385</u>

Operating Expenditures

<u>Water and Sewer Operating Budget:</u>			
Personnel	19,685,513	20,352,116	19,516,872
Operating	32,527,344	36,554,073	36,663,397
Capital Outlay	<u>467,033</u>	<u>1,226,774</u>	<u>805,674</u>
Sub-Total Operating	<u>52,679,890</u>	<u>58,132,963</u>	<u>56,985,943</u>
Debt Service	<u>17,530,142</u>	<u>15,413,013</u>	<u>14,783,503</u>
Total Operating Expenditures	<u>70,210,032</u>	<u>73,545,976</u>	<u>71,769,446</u>
Results of Operations (Prior to Capital Expenses)	28,998,385	18,989,523	23,149,939
Budget For Capital Use (Below)	n/a	(33,802,600)	(36,629,912)

Capital Budget Expenditures	FY08-09 <u>Actual</u>	FY09-10 <u>Original</u>	FY10-11 <u>Approved</u>
Approved Capital Projects (FY2009-10 Budget)		33,802,600	
Proposed Capital Projects (New FY2010-11 Budget)			36,629,912
Continuing Capital Projects (Previously Approved) (1)	49,259,944	126,469,075	
Total Capital Budget Expenses:	49,259,944	160,271,675	36,629,912
Capital Budget Resources			
Water and Sewer Revenues	23,111,858	133,957,343	36,629,912
Revenue Bonds (2006 Series)	26,148,086	26,314,332	0
Total Capital Budget Resources:	49,259,944	160,271,675	36,629,912

Notes:

(1) This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2008-09 represents actual capital project expenditures.

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - BELMONT GOLF COURSE ENTERPRISE FUND
FY 2010-11

<u>Fund-Function/Activity</u>	<u>FY 08-09</u> <u>Actual</u>	<u>FY 09-10</u> <u>Original</u>	<u>FY 10-11</u> <u>Approved</u>
Belmont Golf Course Fund			
Revenues:			
Operating	1,023,823	1,192,479	1,226,585
Transfer from General Fund	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	1,023,823	1,192,479	1,226,585
 (To) From Retained Earnings	 <u>55,420</u>	 <u>0</u>	 <u>0</u>
Total Resources	1,079,243	1,192,479	1,226,585
 Expenses:			
Loan Repayment to County	0	22,500	22,500
Operating	<u>1,079,243</u>	<u>1,169,979</u>	<u>1,204,085</u>
Total Operating Expenses	\$1,079,243	\$1,192,479	\$1,226,585

PUBLIC UTILITIES

Water and Sewer

Description

The Water and Sewer Enterprise Fund accounts for the provision of water and sewer services to residents of Henrico County. All activities necessary to provide such services are accounted for in this fund, including construction, financing, and related debt service. The total cost of water and sewer services is funded by user charge revenue. No County taxes are used to support these services.

Henrico purchased all of its water requirements from the City of Richmond prior to April, 2004. At that time, the Water Treatment Facility (WTF) opened and began providing water to customers, thereby, reducing the quantity of water the County purchases from the City. In addition to water services, the Department is responsible for the installation and maintenance of fire hydrants throughout the County.

Sanitary sewers are separate from storm water collection facilities in the County, and the Department of Public Utilities is responsible for all sanitary sewer

services. The Henrico County Water Reclamation Facility (WRF) treats most of the County's wastewater, with a small amount treated by the City of Richmond. Portions of Goochland County, Hanover County and the City of Richmond are also served by the WRF.

Objectives

- To provide adequate quantities of safe drinking water in compliance with State and Federal regulations and County standards, at equitable rates, and to others with whom the County has contracted to provide service.
- To provide wastewater disposal in a manner consistent with State and Federal laws and regulations, V.P.D.E.S. permits and County standards, at equitable rates, and to others with whom the County has contracted to provide service.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 19,685,513	\$ 20,352,116	\$ 19,516,872	(4.1%)
Operation Expenses	32,527,344	36,554,073	36,663,397	0.3%
Capital	467,033	1,226,774	805,674	(34.3%)
Debt Service	17,530,142	15,413,013	14,783,503	(4.1%)
Total	<u>\$ 70,210,032</u>	<u>\$ 73,545,976</u>	<u>\$ 71,769,446</u>	<u>(2.4%)</u>
Personnel Complement	320	320	308 *	(12)

* Reflects the elimination of thirteen vacant positions within the Water and Sewer Fund, partially offset by the shift of one position from Solid Waste to Water and Sewer in FY2009-10.

Public Utilities (cont'd)

Performance Measures

	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Average No. of Fire Hydrants in Service	11,597	11,800	11,900	100
Miles of Water Mains	1,515	1,535	1,555	20
Miles of Sewer Mains	1,432	1,465	1,475	10
Number of Water Customers	94,886	92,800 *	93,600	800
Number of Sewer Customers	91,631	90,000 *	90,800	800

* Revisions downward in FY10 from FY09 do not reflect loss of customers, but reflect a system error from FY09 that was realized with the transition to a new cashier system.

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.

Resources

In FY2010-11, projected operating resources of \$94,919,385 will support water and wastewater operations and reflects an increase of 2.3 percent from the FY2009-10 adopted budget. This increase is mostly attributed to two factors. First, revenue estimates reflect a 5.0 percent increase in water and sewer rates. Second, on January 1, 2010, water and sewer connection fees were increased by approximately 64.0 percent combined. These connection fee increases were approved in the FY2008-09 approved budget, and were originally scheduled to be implemented on October 1, 2008; however, as a means to stimulate economic development, these fee increases were deferred until January 1, 2010.

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 required current and future operating costs, capital infrastructure improvements, debt service, and bond coverage requirements are sufficient to cover a multi-year

period. These projections are critical in ensuring that rate changes are sufficient in meeting all of the obligations of the fund.

The FY2010-11 budget adheres to that premise.

Payments and transfers from the General Fund in FY2010-11 total \$772,219 for debt service, all of which will support the debt service costs related to the Elko Tract infrastructure improvements.

Expenditures

The FY2010-11 budget of \$71,769,446 includes expenditures for personnel, operating, capital outlay, and debt service. Overall, the Water and Sewer operating budget is decreasing by 2.4 percent, or \$1,776,530. Excluding debt service costs, the FY2010-11 Water and Sewer operating budget is decreasing \$1,147,020 or 2.0 percent from the FY2009-10 approved budget. This decrease is the result of a number of targeted operating budget reductions in FY2010-11.

In addition to the operating budget, the Water and Sewer capital budget (found within the Capital budget component of this budget document) totals \$36,629,912 for FY2010-11. This is noted because, as an Enterprise Fund, revenues generated by this operation must support both the operating expenditures in the current year as well as ensuring that capital budget expenditures over a multi-year period may be funded. Highlights of changes in the FY2010-11 operating budget are as follows.

Personnel Expenses:

Personnel expenditures of \$19,516,872 represent a decrease of \$835,244, or 4.1 percent, as compared to the approved budget for FY2009-10. This decrease is

Public Utilities (cont'd)

attributable to the elimination of 13 vacant positions, as well as a 2.5 percent vacant position savings adjustment of \$418,673. Partially offsetting these reductions is a new position that was shifted to Water and Sewer from Solid Waste in FY2009-10.

Operating Expenses:

Operating expenses of \$36,663,397 reflect a \$109,324 or 0.3 percent increase when compared to prior year budgeted totals. This increase is somewhat misleading, as it results from an anticipated \$1.0 million increase to the City of Richmond for the purchase of water, a cost that exceeds \$9.5 million in the FY2010-11 budget. Mostly offsetting this large increase is a shift of over \$420,000 in capital outlay expenditures and a number of targeted operating budget reductions, including reductions in non-fixed costs, the elimination of travel and tuition expenditures, realized efficiencies in automotive/motor pool costs, and the elimination of a previously budgeted \$598,000 payment to Cumberland County associated with a reservoir project that has since been cancelled.

Capital Outlay Expenses:

Capital outlay expenditures in FY2010-11 total \$805,674, which represents a \$421,100, or 34.3 percent, reduction when compared to the current fiscal year. As noted above, this reduction in capital outlay expenditures partially offsets a \$1.0 million anticipated increase to the City of Richmond for the purchase of water in FY2010-11.

Debt Service Requirements:

Debt service expenditures of \$14,783,503 represent a net decrease of \$629,510 when compared to the current fiscal year. This decrease is the result of the refunding of \$93.3 million in Water and Sewer revenue bonds, \$70.4 million in January 2009 and \$22.9 million in December 2009. Partially offsetting the savings realized from the bond refundings is new debt service costs associated with the issuance of \$9.8 million in Recovery Zone Economic Development Bonds (RZEDBs) in December 2009. The debt service budget will fully fund requirements arising from the Water and Sewer Fund's outstanding debt, which on June 30, 2009 was \$181.4 million. 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 debt service requirements.

As noted above, the Water and Sewer Fund issued \$9.8 million in RZEDBs in December 2009. RZEDBs are taxable bonds that were created by the American Reinvestment and Recovery Act (ARRA) in February 2009 to assist local and state governments in their economic development initiatives in distressed areas. These bonds offer a 45.0 percent interest rate subsidy on the issued bonds, which will result in a true interest cost of 3.39 percent. The RZEDB proceeds will be applied to the acquisition, construction, and reconstruction of sewer rehabilitation projects within three recovery zones. As designated by the Board of Supervisors, the County's three recovery zones are the Broadwater Area Recovery Zone (Highland Springs), the Strawberry Hill Recovery Zone 1 (Monument Avenue Area), and the Strawberry Hill Recovery Zone 2 (Lakeside).

As mentioned earlier, in addition to the issuance of new debt in December 2009, the Water and Sewer Fund also refunded \$22.9 million in variable rate bonds with fixed interest rate bonds that achieved a true interest cost of 3.57 percent. It should also be noted that in February 2009, \$70.4 million in Water & Sewer revenue bonds were refunded, generating a savings of \$5.7 million in debt service costs over 20 years.

Debt service expenditures, in total, represent 25.9 percent of the FY2010-11 operating expenditures. 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 Fund.

FY2010-11 Capital Budget:

Specific details regarding the Water and Sewer Fund capital budget for FY2010-11 may be found within the capital budget component of this document.

The capital budget for the Water and Sewer Fund totals \$36,629,912, all of which is to be funded with Water and Sewer revenues in FY2010-11. It should be noted that the five-year Capital Improvement Program for the Water and Sewer fund totals \$502,207,542. This amount represents 23.7 percent of the total County five-year Capital Improvement Program. However, when looking at the County's FY2009-10 operating budget, the Water and Sewer

Public Utilities (cont'd)

fund represents 6.9 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 FY2010-11 budget for the Department of Public Utilities continues to plan for infrastructure improvement and replacement, it meets all debt service coverage requirements, and covers all known fixed cost increases in operational costs. Because of the continued emphasis on multi-year planning and strong financial policies, in December 2008, the County of Henrico Department of Public Utilities earned its second AAA bond rating by a top three rating agency, one of a few public utilities in the United States to possess two AAA bond ratings. These strong ratings have twice been re-validated, once in February 2009 with the refunding of \$70.4

million in bonds, and again in December 2009 with the refunding of \$22.9 million in bonds and the issuance of \$9.8 million in RZEDBs.

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 in 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:

FY05: \$ 42,639,411

FY06: \$ 34,249,640

FY07: \$109,362,917

FY08: \$107,686,434

FY09: \$ 86,679,593

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. The Golf Course has a PGA golf professional on contract. In addition to golf services, the professional operates the Pro Shop at the Golf Course. 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.

Objectives

- To provide a top quality, well-conditioned 18-hole championship golf course to the residents 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 FY2010-11 is \$1,226,585, which represents an overall increase of 2.9 percent when compared to the FY2009-10 approved budget. This budget includes \$1,053,404 for the Golf Course operations, \$150,681 for the Snack Bar, and \$22,500 for payment on a loan from the General Fund for the restoration of the greens received in FY2002-03. The personnel component for the Golf Course operations and the Snack Bar increased by 0.8 percent due to increases in VRS rates for retirement and life insurance. Operating expenditures are forecasted to increase by a \$34,271 or 6.3 percent while the capital component is expected to decrease by \$4,796.

The Golf Course Operations section of the budget reflects an increase of 3.8 percent from the previous fiscal year. Operating expenditures are forecasted to increase 7.8 percent due to additional funds allocated for an increase in the professional services contract for the PGA golf professional. Snack Bar expenses are projected to decrease 3.1 percent.

Capital expenditures for the operation of the Belmont Golf Course total \$37,132 while capital expenditures for the Snack Bar total \$2,575. The Division anticipates the purchase of a security camera system, a pocket PC for the starter to utilize for managing tee times, and the replacement of a pressure washer. The rehabilitation projects planned for FY2010-11 include drainage at the maintenance facility, replacing retaining walls, replacing decking, and the painting of railings. The snack bar plans to replace a microwave, two arm chairs, and a sandwich prep table.

Annual Fiscal Plan

Description	FY09 Actual	FY10 Original	FY11 Approved	Change 10 to 11
Personnel	\$ 557,122	\$ 585,674	\$ 590,305	0.8%
Operation	491,035	539,802	574,073	6.3%
Capital	100,594	44,503	39,707	(10.8%)
Debt Service	0	22,500	22,500	0.0%
Total	\$ 1,148,751	\$ 1,192,479	\$ 1,226,585	2.9%
 Personnel Complement	 9	 9	 9	 0

Belmont Golf Course (cont'd)

Performance Measures

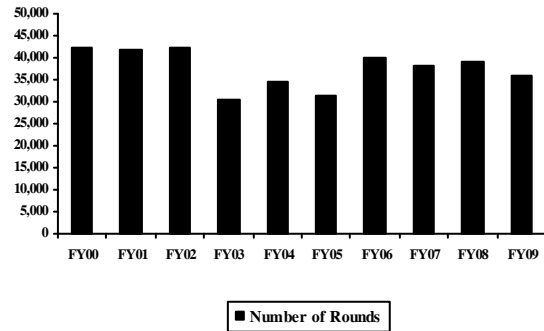
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Rounds of Golf Played	36,003	40,000	40,000	0
Equipment Man Hours	22,750	22,750	22,750	0

The revenues for Belmont Golf Course consist of greens fees, cart rentals, and the sale of items at the Snack Bar. Prices are set to provide a quality yet affordable golfing experience for the County's citizens. Green fees will increase \$1 across all rates beginning July 1, 2010 to assist with the increasing costs of maintaining the golf course including the increase in the golf professional services contract. Rates were not increased in FY2009-10, the first year without an increase since FY2004-05.

In looking at historical information regarding the number of rounds played, the totals have somewhat rebounded from a low of 30,501 in FY2002-03. The number of rounds remained relatively constant in FY1999-00, FY2000-01, and FY2001-02, averaging 42,116 over the three year period. In FY2002-03, the number of rounds decreased by 11,678 or 27.7 percent due to the course renovations of two greens as a result of damage from Hurricane Isabel. While there was a small increase in FY2003-04, rounds played again decreased in FY2004-05 as there were more renovations required as a result of Tropical Storm Gaston. Despite the decrease in rounds for FY2008-09, the number of rounds remains higher

than the three year period from FY2002-03 to FY2004-05. Marketing efforts have been undertaken in recent years in order to attract new customers and increase the rounds of golf played. These efforts will continue throughout the next fiscal year.

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



In FY2002-03, the General Fund loaned the Belmont Golf Course \$135,000 in order to restore several of the greens. These renovations were completed in FY2003-04. Belmont Golf Course will repay this loan over six payments of \$22,500.



OTHER FUNDS

**COUNTY OF HENRICO, VIRGINIA
ALL OTHER FUNDS
FY 2010-11**

<u>Fund-Function/Activity</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Original</u>	<u>FY 10-11 Approved</u>
Internal Service Funds			
Central Automotive Maintenance			
Revenues:			
Charges for Automotive Maintenance - West	\$6,165,403	\$5,700,000	\$5,600,000
Charges for Automotive Maintenance - East	1,430,329	1,500,000	1,420,000
Charges for Use of Motor Pool	4,242,808	4,523,736	4,300,000
Charges for Gasoline	5,592,256	9,585,000	8,934,772
Miscellaneous	475,096	413,915	247,500
(Gain)/Loss on Sale of Property	(131,534)	0	0
(To) From Retained Earnings - CAM	(311,090)	590,600	0
Transfer to Capital Projects	0	(590,600)	0
Transfer from General Fund	0	0	0
Total Revenues	<u>\$17,463,268</u>	<u>\$21,722,651</u>	<u>\$20,502,272</u>
Expenses:			
Central Automotive Maintenance	<u>\$17,463,268</u>	<u>\$21,722,651</u>	<u>\$20,502,272</u>
Total Expenses	<u>\$17,463,268</u>	<u>\$21,722,651</u>	<u>\$20,502,272</u>
Technology Replacement Fund			
Revenues:			
Technology Replacement Charges	\$3,191,697	\$2,570,170	\$2,026,475
Technology Replacement Charges-Special Revenue	72,037	74,487	59,590
Technology Replacement Charges-Belmont	4,612	2,730	3,896
Technology Replacement Charges-JRJDC	4,287	3,430	2,744
Technology Replacement Charges-Risk	4,667	3,734	2,987
(To) From Retained Earnings - Technology	(1,037,758)	155,873	939,316
Total Revenues	<u>\$2,239,542</u>	<u>\$2,810,424</u>	<u>\$3,035,008</u>
Expenses:			
Data Processing Equipment	<u>\$2,239,542</u>	<u>\$2,810,424</u>	<u>\$3,035,008</u>
Total Expenses	<u>\$2,239,542</u>	<u>\$2,810,424</u>	<u>\$3,035,008</u>

All Other Funds (cont'd)

<u>Fund-Function/Activity</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Original</u>	<u>FY 10-11 Approved</u>
Risk Management			
Revenues:			
Transfer from General Fund	\$6,409,405	\$4,361,686	\$4,364,026
Public Utilities Charges	1,195,818	624,727	620,577
Recon-Workers' Compensation	722,512	0	0
Prop/Liability Recovery	562,123	0	0
A/R-S1 P/L Subrogation	124,961	0	0
Interest Income	5,547	0	0
Total Revenues	<u>\$9,020,366</u>	<u>\$4,986,413</u>	<u>\$4,984,603</u>
Expenses:			
Risk Management	\$9,020,366	\$4,986,413	\$4,984,603
Total Expenses	<u>\$9,020,366</u>	<u>\$4,986,413</u>	<u>\$4,984,603</u>
Healthcare Fund			
Revenues:			
County Contribution	\$51,825,474	\$59,407,483	\$59,870,318
Employee Contribution	13,133,098	14,690,125	15,277,730
Retiree Contribution	4,917,972	5,514,750	5,735,340
Retiree Subsidy	559,956	532,850	562,134
Disabled Subsidy	157,523	278,969	280,432
COBRA	185,364	269,184	279,952
Other Revenues	101,771	150,000	150,000
Fund Balance (Includes IBNR)	(6,402,461)	0	3,000,000
Total Revenues	<u>\$64,478,697</u>	<u>\$80,843,361</u>	<u>\$85,155,906</u>
Expenses:			
Healthcare	\$64,478,697	\$80,843,361	\$85,155,906
Total Expenses	<u>\$64,478,697</u>	<u>\$80,843,361</u>	<u>\$85,155,906</u>
Debt Service Fund			
Revenues:			
Transfer from General Fund	\$52,623,443	\$55,782,472	\$49,832,472
(To) From Fund Balance	0	2,000,000	2,000,000
Transfer to Capital Projects Fund	0	0	0
Accrued Interest-Bonds	0	0	0
New Kent-Jail Principal & Interest	0	0	0
Total Revenues	<u>\$52,623,443</u>	<u>\$57,782,472</u>	<u>\$51,832,472</u>
Expenditures:			
Debt Service - General Government	\$15,380,142	\$14,004,948	\$11,719,316
Debt Service - Public Works	2,510,494	3,722,735	3,590,382
Debt Service - Education	34,732,807	40,054,789	36,522,774
Total Expenditures	<u>\$52,623,443</u>	<u>\$57,782,472</u>	<u>\$51,832,472</u>
Adjustment for Interfund Transactions	(\$72,245,763)	(\$84,752,377)	(\$84,250,164)

CENTRAL AUTOMOTIVE MAINTENANCE

Description

Central Automotive Maintenance (CAM) is a division of the Department of General Services that maintains all automotive equipment, automotive refueling facilities, and leased vehicles used by various County agencies. Maintenance activities are performed at two locations, one in the western portion of the County on Woodman Road, and the other in the eastern portion of the County on Dabbs House Road. There are eight self-service automotive refueling facilities throughout the County that provide gasoline, diesel, and propane fuels. CAM owns and leases passenger sedans, pickup trucks, vans, and several buses to other County departments on a monthly basis. Funding for all of these activities is primarily provided through inter-department billings.

Objectives

- To maintain County automotive equipment as effectively and efficiently as possible.
- To provide leased vehicles to conduct County business.
- To provide fuel for County vehicles.

Budget Highlights

The Department's budget for FY2010-11 is \$20,502,272. This represents a decrease of \$1,220,379 or 5.6 percent over the FY2009-10 approved budget. Personnel costs are decreasing by 1.4 percent which is primarily due to readjusting salaries to current year levels and not budgeting a wage adjustment for FY2010-11.

The overall operating component totals \$16,716,620, which is a decrease of \$1,167,340, or 6.5 percent over the previous approved budget. This decrease is the result of capturing savings in the amounts budgeted for gasoline and diesel. CAM will also capture savings in the operating component due to energy efficient initiatives implemented at the Western Maintenance Facility during FY2009-10. The first initiative was to install more efficient lighting structures. The second initiative installed a 'clean-burn' system, which utilizes used motor oil as a source for heating the Western Maintenance Facility.

The capital component, excluding vehicles, totals \$248,360 for FY2010-11. New capital expenditures include a 64,000 lb. mobile lifts and four air conditioner charging stations. The FY2010-11 budget also includes \$2,617,600 for the

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 3,595,249	\$ 3,838,691	\$ 3,785,652	(1.4%)
Operation	11,952,115	17,883,960	16,716,620	(6.5%)
Capital	1,915,904	3,038,343	2,884,960	(5.0%)
Sub-Total	<u>\$ 17,463,268</u>	<u>\$ 24,760,994</u>	<u>\$ 23,387,232</u>	<u>(5.5%)</u>
Recommended Adjustments	<u>0</u>	<u>(3,038,343)</u>	<u>(2,884,960)</u>	<u>(5.0%)</u>
Total Budget	<u><u>17,463,268</u></u>	<u><u>21,722,651</u></u>	<u><u>20,502,272</u></u>	<u><u>(5.6%)</u></u>
Personnel Complement	65	65	65	0

Central Automotive Maintenance (cont'd)

Performance Measures

	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Number of County Vehicles	3,173	3,181	3,194	13
Gallons of Fuel Consumed	2,963,209	3,070,755	3,077,009	6,254
Annual Miles Driven	24,594,634	25,487,266	25,539,175	51,909
Equipment to Mechanic Ratio	72	73	74	1

replacement of 106 motor pool vehicles, as compared to \$2,816,700 for the replacement of 112 motor pool vehicles in the FY2009-10 approved budget. Motor pool vehicles scheduled for replacement in FY2010-11 include 16 compact sedans, 13 full-size sedans, 3 mid-size sedans, 13 vans, 8 sport utility vehicles, and 53 trucks. Finally, one new pick-up truck is budgeted for \$19,000 to be purchased in FY2010-11 to assist in the maintenance of the Eastern Henrico Recreation Center.

The Division of Central Automotive Maintenance is an internal service fund due to its ability to generate revenues that offset its expenditures. The majority of CAM's revenues are generated from charges to user departments for three primary services: automotive maintenance, motor pool, and fuel. Revenues from automotive maintenance performed at both the West End and East End maintenance facilities are estimated at \$7,020,000 for FY2010-11.

Motor pool revenues are projected to decrease by \$223,736, or 5.2 percent. Vehicle rental charges cover maintenance and operation costs plus a charge for vehicle replacement that accumulates in CAM's fund balance, which is then used for the purchase of replacement vehicles (106 will be replaced in the FY2010-11 budget). It should be noted that vehicle rental charges were decreased in FY2010-11.

The estimate for CAM's fuel revenues totals \$8,934,772 for FY2010-11. Fuel consumed by a

department owned vehicle is charged to departments at actual cost plus a mark up per gallon which covers the cost of providing the fuel service. In FY2010-11, the charge per gallon of diesel fuel is estimated at \$3.52 and the charge per gallon of gasoline is \$3.13. While gasoline and diesel fuel prices have fallen significantly more than FY2010-11 estimates would indicate, this estimate is necessary due to the uncertainty of the fuel market. It should be noted that the budgeted cost per gallon and fleet miles to be driven are estimates.

Historical (budget assumption) information is as follows:

Gasoline (per gallon)	Dept Cost	CAM Cost
FY2006-07	\$2.61	\$2.50
FY2007-08	\$2.61	\$2.50
FY2008-09	\$2.61	\$2.52
FY2009-10	\$3.59	\$3.50
FY2010-11	\$3.13	\$3.04

Diesel (per gallon)	Dept Cost	CAM Cost
FY2006-07	\$2.61	\$2.50
FY2007-08	\$2.61	\$2.50
FY2008-09	\$2.61	\$2.52
FY2009-10	\$3.84	\$3.75
FY2010-11	\$3.52	\$3.43

Miscellaneous revenue for CAM is projected at \$247,500 for FY2010-11 and includes the sale of vehicles, employee use of County vehicles, and recoveries and rebates.

TECHNOLOGY REPLACEMENT FUND

Description

The Technology Replacement Fund was created in FY2000-01 to serve as an internal service function for general government technology replacement costs. This fund provides for the replacement of general government computers and related technology equipment. Individual departments will, on an annual basis, transfer funds from their operating budgets to the Technology Replacement Fund for future replacement of computer and related technology equipment included in the program.

Objectives

- To allow Henrico County to utilize technological advancements as they occur.
- To spread the cost of replacing technology equipment over a period of years to reduce the impact of large one-time funding requirements 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 FY2010-11 budget for the Technology Replacement Fund totals \$3,035,008 and includes \$13,190 for the purchase of new computer equipment and software, which will be added to the program, and \$3,021,818 for the replacement of computer equipment and software, which has been in the Technology Replacement Fund and is eligible for replacement. In an effort to reduce expenses, departments have been requested to review computer replacement requirements to determine if an extended replacement cycle is practical based on the use of the computer.

In FY2010-11, funding of \$13,190 is included for the purchase of ruggedized laptops and required accessories to be utilized by two new School Resource Officers. Funding for the future replacement costs have been added to the Division's budget within existing resources.

The FY2010-11 request for replacement computer equipment totals \$3,021,818, which includes funding for software. The departments that made formal requests for equipment replacement in FY2010-11 are Building Inspections, County Manager's Office, Division of Fire, Division of Police, Finance, Human Resources, Information Technology, Planning, Public Library, Public

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	52,919	61,298	349,444	470.1%
Capital	2,186,623	2,749,126	2,685,564	(2.3%)
Total	\$ 2,239,542	\$ 2,810,424	\$ 3,035,008	8.0%

Technology Replacement Fund (cont'd)

Performance Measures				
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Funds Transferred from Departments	3,277,300	2,676,246	2,095,692	(580,554)
Accumulated Value of Equipment	9,976,905	10,085,196	10,098,387	13,191
Computers in Program	2,774	2,802	2,804	2
Other Equipment in Program	863	872	872	0
Effectiveness Measures				
Percent of Eligible Departments in Program	100 %	100%	100%	0%

Relations and Media Services, Public Works, Recreation and Parks, and Registrar. The Department of Information Technology approves the replacement request based on the computer's use as well as the user's anticipated needs.

Currently, a total of twenty-five departments participate in the program. In each subsequent year, departments currently in the program will budget funds in their operating budgets for the purpose of future technology equipment replacement.

FY2010-11 will mark the eleventh year of the program, and is the eighth year equipment in the fund can be replaced. It should be noted that in the current year, there are 2,802 computers and 872 other pieces of equipment in the program, which has an accumulated value of \$10,085,196. As of June 30, 2009, the Technology Replacement Fund had accumulated \$9,691,684 for future equipment replacement.

RISK MANAGEMENT

Description

Risk Management is a division within the Department of General Services 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 fund, 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 to include communication of policy, program implementation, and employee awareness training.

Objectives

- To protect the County against losses which could significantly impact its personnel, property, or financial stability in providing services to the general public.
- 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 FY2010-11 budget reflected within the Internal Service Fund series as Risk Management provides services to all General Government and Education, across all funds. In FY2010-11, the budget for Risk Management is funded with a transfer of \$4,364,026 from the County's General Fund and a projected transfer of \$620,577 from the County's Water & Sewer Enterprise Fund. The personnel component represents 14.9 percent of the budget while the operating component represents 85.1 percent of the total. A more detailed synopsis of these components will be explained in the individual areas within Risk Management listed below.

In FY2010-11, the budget for the Self-Insurance Administration function of Risk Management totals \$985,606. Within the Self-Insurance Administration area, ten employees provide risk management services including claims administration, loss prevention, loss control, safety training, administration of the Self-Insurance Fund for both General Government and Schools, and coordination of the Environmental Management Program. During FY2010-11, special emphasis will continue in the area of risk assessment of programs and activities in an effort to recognize, reduce, and control risk exposures. 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, and establishing objectives through the Environmental Management

Annual Fiscal Plan

Description	FY09 Actual	FY10 Original	FY11 Approved	Change 10 to 11
Personnel	\$ 718,825	\$ 735,881	\$ 743,013	1.0%
Operation*	8,292,190	4,250,532	4,238,090	(0.3%)
Capital	9,351	0	3,500	0.0%
Total	\$ 9,020,366	\$ 4,986,413	\$ 4,984,603	(0.0%)
 Personnel Complement	 10	 10	 10	 0

*\$5,507,380 of FY2008-09 actual expenditure was funded through a routine budget amendment that utilized funding available in the Self-Insurance Reserve.

Risk Management (cont'd)

Performance Measures				
	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Workers' Compensation Claims Processed	691	700	700	0
Auto, General Liability, Other Claims Processed	538	530	535	5
Property Damage & Loss Claims Processed	1,064	1,100	1,050	(50)

System (EMS) process. The Environmental Coordinator will participate with and provide support to the EMS teams from selected operations.

In FY2010-11, the budget for Claims is \$2,942,250, which includes \$1,685,961 for workers' compensation claim costs, \$1,241,289 for property/liability claims costs, and \$15,000 for long-term disability. As the number and cost of claims continues to increase due to additional County employees, facilities, and vehicles, emphasis is placed on loss prevention and loss control.

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 FY2010-11 budget is \$1,056,747 for insurance policies/premiums. These funds are for expenditures associated with purchased commercial insurance for both property liability and workers' compensation.

It should be noted that the County's costs in this area are also augmented by the Self-Insurance Reserve, which on 6/30/09 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, which allows the County to maintain rate increases at manageable levels.

The budget for FY2010-11 provides funding of \$85,155,906 for the Healthcare Fund. Included in this

figure is \$60,712,884 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 \$24,443,022 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. The Healthcare Fund budget assumes the use of \$3,000,000 from the Premium Stabilization Reserve, which was necessary to avoid a rate increase for both the County and its employees in calendar year 2010.

Of the \$85,155,906 budget for Healthcare, \$80,055,906 or 94.0 percent reflects claims expenditures. The balance of \$5,100,000 reflects anticipated third party administrative fees (\$3,600,000), the costs of an actuarial study and claims audit (\$100,000), and the premium payment for excess risk insurance (\$1,400,000). 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.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Claims	\$ 59,827,723	\$ 75,443,361	\$ 80,055,906	6.1 %
Other Administrative Fees	4,650,974	5,400,000	5,100,000	-5.6 %
Total Healthcare	<u>\$ 64,478,697</u>	<u>\$ 80,843,361</u>	<u>\$ 85,155,906</u>	<u>5.3 %</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 \$465,370,000 as of June 30, 2010. The distribution of the debt is: \$346,425,000 of General Obligation (GO) bonds (\$239,541,815 for Schools and \$106,883,185 for General Government), \$26,215,000 of Industrial Development Authority (IDA) bonds for the regional jail project, \$10,130,000 of IDA bonds for General Government projects, \$79,130,000 of Virginia Public School Authority (VPSA) bonds, and \$3,470,000 for the JRJDC, which is included in the total outstanding debt figure above as it is included in the bond rating agencies' calculations. It must be noted that of the \$465,370,000 projected June 30, 2010 outstanding debt, \$318,671,815 or 68.5% is attributed to Education projects and \$146,698,185 or 31.5% is attributed to General Government projects.

In order to ensure that the County does not exceed its ability to service current and future debt requirements, an annual long-term debt affordability analysis is performed and utilized as a forecasting tool when confronted with the question of potential debt issues. The County has established the following debt affordability guidelines – debt service as a percentage of General Fund Expenditures, 7.75%; debt as a percentage of assessed value, 1.49%; and debt per capita, \$1,650.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Principal Payments	\$ 30,284,427	\$ 35,290,000	\$ 31,863,983	(9.7%)
Interest Payments	20,886,320	22,442,472	19,918,489	(11.2%)
Other Debt Expenses	1,452,696	50,000	50,000	0.0%
Total	\$ 52,623,443	\$ 57,782,472	\$ 51,832,472	(10.3%)
General Government	\$ 17,890,636	\$ 17,727,683	\$ 15,309,698	(13.6%)
Education	34,732,807	40,054,789	36,522,774	(8.8%)
Total	\$ 52,623,443	\$ 57,782,472	\$ 51,832,472	(10.3%)

Debt Service Fund (cont'd)

The Board of Supervisors established the debt guidelines in the FY1998-99 Annual Fiscal Plan. The Board of Supervisors revalidated the guidelines during growth retreats held during the summer of 2004. Following these guidelines has allowed the County to meet its infrastructure needs without sacrificing other operational requirements.

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 21 counties in the United States to hold the highest rating from each of the three bond rating agencies, which is referred to as a triple AAA bond rating (Aaa, AAA, and AAA).

Following are three of the ratios that are calculated in the debt capacity analysis, which was most recently completed in February 2010. 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 1.27% in FY2009-10. 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 6.96% in FY2009-10. **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 FY2009-10 is \$1,508.

Budget Highlights

Following is a historical overview of recent bond issues for which the County incurred debt obligations. By offering this historical perspective, the current year debt service requirements may be put into the context of the true multi-year planning that is required when managing the County's debt.

In FY1996-97, the County participated in a Virginia Public School Authority (VPSA) bond issue. The VPSA issue totaled \$30,595,000. The proceeds were used for technology initiatives, roof replacements, mechanical improvements, land acquisition, and planning and construction of new schools.

In the fall of 1996, the County issued IDA Lease Revenue Bonds in the amount of \$28,765,000. The proceeds were for construction of the Emergency Communication and Training Facility, renovation of the Hartford Building (now the Public Safety Building), and the Lease/Purchase of a new 800 MHz Communication System.

In FY1997-98, the County issued IDA Lease Revenue Bonds for \$24,765,000. The proceeds from the bond issue were used for renovations to the Administration Annex (Old Public Safety Building), construction of the parking deck, and the County's technology initiative, which included technology enhancements for the Department of Finance, Community Development Agencies, and County Libraries. In addition, funding was provided for the County's LAN/WAN (local and wide area networks) backbone.

In the spring of 1999, the County participated in a VPSA Bond issue. The issue totaled \$35,740,000. The proceeds were used for various school additions and renovation projects as well as the construction of Pocahontas Middle School and Twin Hickory Elementary School.

In the fall of 1999, the County refinanced bonds that were originally issued in FY1994-95 to build the regional jail facility. The regional jail is located in New Kent County and shared by the Counties of New Kent, Goochland, and Henrico. The refinancing was advantageous due to the prevailing interest rates that reduced the debt service payments throughout the life of the issue. The State of Virginia, which committed to reimbursing the County for a portion of the debt service on the original issue, paid-off the balance of their commitment during the refinancing process.

Also in FY1999-00, the County's Schools participated in a VPSA Bond issue. The issue totaled \$15,215,000. The proceeds were used to add a multi-purpose room to Crestview Elementary School and to begin construction of Deep Run High School.

In November 2000, the County's voters approved a \$237,000,000 General Obligation (GO) Bond Referendum. The referendum included projects for Schools, Fire, Public Library, Public Works – road projects, and Recreation and Parks. Of the total \$237,000,000 referendum approved by the voters,

Debt Service Fund (cont'd)

Education projects totaled \$170,500,000 and General Government projects totaled \$66,500,000. The financing plan that supported the 2000 GO Bond Referendum utilized \$12,600,000 in VPSA interest earnings and \$4,100,000 from the County's General Fund balance.

In the spring 2001, the County issued \$37,110,000 in GO Bonds for School projects, which included the continued construction of Deep Run High School; planning and design costs for Rivers Edge Elementary School; the purchase of land for Hungary Creek Middle School; renovations to Fair Oaks Elementary School and Moody Middle School, as well as construction of New Bridge Alternative Middle School.

The County issued GO Bonds totaling \$27,035,000 in February 2002. The issue was for School projects totaling \$8,674,055 and General Government projects totaling \$18,360,945. It should be noted that the GO Bond funding when combined with \$12,600,000 of VPSA interest earnings for Education and \$4,100,000 of the County's General Fund balance provided a total of \$43,735,000 for projects approved in the FY2001-02 Capital Budget. School projects being funded include the completion of Deep Run High School and Rivers Edge Elementary School, the purchase of land for Colonial Trail Elementary School, planning and design funding for Hungary Creek Middle School and Greenwood Elementary School, and additions at Baker and Ratcliffe Elementary Schools. General Government projects being funded include construction of Fire Station #18, a replacement Tuckahoe Library, a portion of John Rolfe Parkway, and design funding for Meadowview Park, Walkerton Tavern, Osborne Park, and the Deep Run Park Recreation Center.

In January 2003, the County refinanced two prior debt issues – the 1993 Public Improvement Refunding Bonds and the VPSA 1993 Bonds – and issued \$50,230,000 of new GO Bonds, which were approved on the November 2000 referendum, for a total debt issue of \$107,545,000. Due to favorable interest rates on AAA bond issues, refunding the two debt issues will reduce the County's interest cost over the balance of the debt payments.

The \$50,230,000 issued for projects approved in the

FY2002-03 Annual Fiscal Plan was allocated for School and General Government capital projects. The majority of the funding, \$41,597,975 funded School projects including the construction of Hungary Creek Middle School and Greenwood Elementary School, as well as additions at Baker and Ratcliffe Elementary Schools. The General Government projects, which totaled \$8,632,026, included funding for the construction of Fire Station #22, John Rolfe Parkway, and Mayland Drive, as well as to begin construction of the recreation center at Deep Run Park.

In May 2004, the County issued GO Bonds totaling \$38,920,000 for School and General Government projects. Due to the low interest rates available and the cost advantages of a larger bond issue, the issues that were planned for FY2003-04 and FY2004-05 were combined into one issue. The school projects, which totaled \$12,549,826, included the renovation of Tuckahoe and Ridge Elementary Schools, an addition at Ratcliffe Elementary School, planning funds for Colonial Trail Elementary School and additions at Maybeury and Donahoe Elementary Schools, as well as funding for ADA compliance, Asbestos Abatement, and Tennis Court Replacements. The General Government projects, which totaled \$26,370,174, include the renovation of Fire Station #5, construction of Fire Station #21, construction of the Twin Hickory Area Library, continued funding for John Rolfe Parkway and improvements to Creighton and Charles City Roads, funding to complete the construction of Deep Run Recreation Center, funding for improvements at Walkerton Tavern and Osborne Park, and planning funds for Meadowview Park Phase I.

On March 8, 2005, the County voters approved a \$349,300,000 General Obligation (GO) Bond Referendum. The referendum included projects for Schools, Fire, Public Library, Public Works – one road project, and Recreation and Parks. Of the total \$349,300,000 referendum approved by the voters, Education projects totaled \$220,000,000 and General Government projects totaled \$129,300,000. The revised financing plan funds 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 comes on line more slowly and allows the maximum use of incremental County resources.

Debt Service Fund (cont'd)

The County issued \$77,815,000 of GO Bonds in August 2005, which included projects from the November 2000 and March 2005 Referendums. The General Government projects, which totaled \$15,052,637, included Rebuilding Fire Station #8, continued funding for the John Rolfe Parkway and Charles City Road projects, as well as funding for Meadowview Park Phase I, which were all included in the November 2000 Referendum. Projects from the March 2005 Referendum included funding to begin the planning and design for an addition at Glen Allen Library, the extension of Gayton Road, and improvements at RF&P Park. The School projects, which totaled \$62,762,363, included funding for the construction of Colonial Trail Elementary School, construction funding for additions at Maybeury and Donahoe Elementary Schools and the renovation of Highland Springs High School that were projects approved in the November 2000 Referendum. The projects funded that were approved in the March 2005 Referendum include Elko Middle School, planning funding for a new West Area Middle School, and a cafeteria renovation and classroom addition at Henrico High School.

In November 2006, the County issued \$71,915,000 of GO Bonds, which included projects from the November 2000 and March 2005 Referendums. This issue completes the debt issuance approved on the November 2000 Referendum. The General Government projects, which totaled \$24,903,821, included the Relocation of Fire Station #3, an addition at Glen Allen Library, the renovation of Gayton Road, land for a new Varina Area Library, funding to complete the renovation of Henrico Theatre, and land for an Eastern Area Recreation Center as well as funding for parkland in Western Henrico. The School projects, which totaled \$47,011,180, included funding for the construction of a new West Area Middle School, a cafeteria renovation and classroom addition at Varina High School, and the renovation of Freeman High School.

The County issued \$29,810,000 of GO Bonds in January 2008 for projects from the March 2005 Referendum. The General Government projects, which totaled \$4,694,107, included the renovation and expansion of Fire Station #10 and the on-site replacement of Fire Station #7. The School projects, which totaled \$25,115,893, included funding for the

construction of Harvie Elementary School, the renovation of Fairfield Middle School, the planning and design of Glen Allen High School, and an allocation of \$3,350,000 for a reserve to assist in the funding of construction cost overruns, due to the increase in construction costs that occurred after the March 2005 Referendum.

In November 2008, the County issued \$93,090,000 of GO Bonds for projects from the March 2005 Referendum. The General Government projects, which totaled \$33,700,814, includes the replacement of Fire Station #9, funding for planning and design of a new northwest area fire station (Fire Station #19), construction funding for an Eastern Area Recreation Center, and funding to continue the construction of the Gayton Road Extension. The School projects, which totaled \$59,389,186, included funding for the construction of Glen Allen High School, the addition of twelve classrooms each at Mehfoud Elementary School and Varina Elementary School, and planning and design funding for a new West Area Elementary School and the renovations of Varina High School, Johnson Elementary School, and Brookland Middle School.

Also in FY2008-09, the County's Schools participated in a VPSA Bond issue that totaled \$44,440,000. The proceeds will be utilized as needed to cover anticipated cost increases in the following March 2005 GO Bond Referendum projects: Glen Allen High School, inclusive of Leadership in Energy and Environmental Design (LEED) certification and design of a Technical Center, Holman Middle School, inclusive of LEED certification, Mehfoud and Varina Elementary School classroom additions, and construction of a new West Area Elementary School.

In May 2009, the County refunded two prior debt issues, the 2001 and 2002 GO Bonds, totaling \$33,785,000 in all. Due to favorable interest rates on AAA bond issues, refunding these two debt issues reduced the County's interest cost by \$1.84 million over the balance of the debt payments.

In August 2009, the County refunded two more prior debt issues, the 1996 Industrial Development Authority (IDA) Lease Revenue Bonds and the 1998 IDA Lease Revenue Bonds, totaling \$36,425,000 in all. These bond refundings generated a gross savings

Debt Service Fund (cont'd)

of \$7.6 million over the balance of the debt payments.

The GO Bond referendum approved in November 2000, anticipated the issuance of GO Bonds over a seven year period from FY2000-01 to FY2006-07. In actuality GO Bonds were issued six times over a seven year period with the final issue in November 2006. The following table provides a summary of each GO Bond issue and the total debt issued.

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
Total	\$233,193,607	

Because of the current difficult economic environment, the County chose to take the prudent approach and delay the planned FY2009-10 issuance of GO Bonds one year, to FY2010-11. This decision also pushed back the originally planned bond issues for FY2010-11 and FY2011-12 one year as well, as noted in the revised schedule. It should be noted that the County has \$146.4 million in outstanding GO Bond authorization from the \$349.3 million GO Bond Referendum approved in March 2005. The original plan was to issue GO Bonds over a seven-year period, from FY2005-06 to FY2011-12.

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	Issue delayed to FY11.
FY2010-11	\$77,457,000	Projected Spring '11
FY2011-12	\$33,281,000	Projected Spring '12
FY2012-13	\$35,700,000	Projected Spring '13

As shown on the table above, the anticipated GO Bond funding to be issued in FY2010-11, is \$77,457,000. Of the total GO Bond issue, \$65,657,000 will be allocated for School projects. The School's allocation will provide the final funding phase for the construction of the new Glen Allen High School, construction funding for the new West Area Elementary School #9, construction funding for renovations at Varina High School, Brookland Middle School, and Johnson Elementary School, and planning and design funding for the renovation of Pinchbeck Elementary School. In addition, the Schools allocation of GO Bond funding will create a \$6.2 million Bond Project Reserve to allow for the completion of citizen-approved bond projects that may require additional funding. General Government projects total \$11,800,000, which will provide funding for the construction of a new Northwest Area Fire Station, planning and design funding for the new Varina Area Library, and funding to continue the construction of the North Gayton Road extension.



FUDICIARY FUNDS

**COUNTY OF HENRICO, VIRGINIA
REVENUES & EXPENDITURES - AGENCY FUNDS
FY 2010-11**

<u>Fund-Function/Activity</u>	<u>FY 08-09 Actual</u>	<u>FY 09-10 Original</u>	<u>FY 10-11 Approved</u>
JRJDC Agency Fund			
Revenues:			
Transfer from General Fund	\$3,285,493	\$3,359,898	\$3,281,789
Revenue from Federal Government	101,549	0	0
Revenue from the Commonwealth	1,522,679	1,498,939	1,412,270
Revenue from Goochland/Powhatan	433,854	403,312	403,312
Gain/Loss Sale of Assets	0	0	0
Revenue from Other Localities	0	0	0
Interest Income	38,961	0	0
(To) From Fund Balance-JRJDC	103,347	330,980	429,169
Total Revenues	<u>\$5,485,883</u>	<u>\$5,593,129</u>	<u>\$5,526,540</u>
Expenses:			
Operating	\$4,813,165	\$4,912,908	\$4,851,230
Debt Service	672,718	680,221	675,310
Total Expenses	<u>\$5,485,883</u>	<u>\$5,593,129</u>	<u>\$5,526,540</u>
 Other Post Employment Benefits - GASB 45			
Revenues:			
Transfer from General Fund	\$6,725,000	\$6,000,000	\$3,000,000
Total Revenues	<u>\$6,725,000</u>	<u>\$6,000,000</u>	<u>\$3,000,000</u>
Expenses:			
Operating	\$6,725,000	\$6,000,000	\$3,000,000
Total Expenses	<u>\$6,725,000</u>	<u>\$6,000,000</u>	<u>\$3,000,000</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, and Powhatan Counties for committing criminal offenses. Additionally, some youths 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 will be offered programs in education, recreation, psychological screening including follow-ups as needed, 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 Center 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 has eliminated the need for the Commission to duplicate various administrative functions related to personnel matters and procurement activities as well as accounting and budget activities.

The operating budget for the JRJDC (excluding debt service) totals \$4,851,230 for FY2010-11. This is a decrease of \$61,678, or 1.2 percent when compared to the FY2009-10 approved budget. Personnel requirements declined by 1.2 percent due to the budgeting of vacancy savings. Costs of operations decreased by 1.2 percent due to improved efficiencies in Technology Replacement, and a 2.5 percent reduction in discretionary items.

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.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Personnel	\$ 4,062,519	\$ 4,177,344	\$ 4,126,898	(1.2%)
Operation	740,899	726,735	717,677	(1.2%)
Capital	9,747	8,829	6,655	(24.6%)
Debt	672,718	680,221	675,310	(0.7%)
Total	<u>\$ 5,485,883</u>	<u>\$ 5,593,129</u>	<u>\$ 5,526,540</u>	<u>(1.2%)</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

	FY09	FY10	FY11	Change 10 to 11
Workload Measures				
Admissions - Secure Detention	833	950	950	0
Average Daily Population	57	60	60	0
Admissions - Post Dispositional	51	50	50	0
Number of Female Groups Run by Clinicians	48	50	50	0
Number of Sub. Abuse Groups Run by Clinicians	48	50	50	0

Capital outlay totaling \$6,655 is also included in the approved budget for replacement items such as a laptop computer and medical and recreational equipment.

It should be noted that the average daily population of the facility has grown from 34 in FY2003-04 to 57 in FY 2008-09, and the total number of admissions to the facility (Secure Detention and Post Dispositional) has grown from 527 to 833 during the same period of time.

The FY2010-11 budget reflects funding needed to operate the facility on a day-to-day basis. The submission includes sufficient funding for food, clothing, linens, toiletries, medical services, utilities, and maintenance of the facility.

In FY2010-11, the Commission will bill each participating locality their operating share based on the number of beds assigned in the 60-bed facility. Per the JRJDC agreement, Henrico has 52 beds and Powhatan and Goochland have 4 beds each. This allocation results in the Commission billing the participating localities for the operating costs at the following percentages: Henrico - 86.6 percent, Powhatan - 6.7 percent and Goochland - 6.7 percent.

State aid for the Commission is estimated at \$1,412,270, representing a 5.8 percent decrease compared to the projected State grant in FY2009-10. These projections represent an assumed reduction of 7.3 percent in State aid when compared to FY2008-09 actual State revenues. The Commission does not anticipate funding from other localities in FY2010-11.

The Commission projects the use of \$429,169 of fund balance as part of the budget for FY2010-11. While the commission has used this practice for many years, due to expenditure savings from

efficiencies and unbudgeted revenues, actual use of fund balance has been rare and minimal. As of June 30, 2009 the Commission had a fund balance of \$2,947,201, which is slightly below the June 30, 2008 figure of \$2,965,267.

The Commission has budgeted debt payments totaling \$675,310 in the JRJDC Debt Service Fund for FY2010-11. These payments are paid entirely with local funds.

The following is a schedule of State aid to the Commission for the fiscal years JRJDC has been in full operation. The level of State funding remains below what it was in FY2001-02 when the average daily population of the facility was 34, far below the average daily population of 57 in FY2008-09 that was noted earlier.

Fiscal Year	State Aid
2001-02	\$1,570,378
2002-03	\$1,077,234
2003-04	\$1,130,195
2004-05	\$1,346,574
2005-06	\$1,328,775
2006-07	\$1,519,703
2007-08	\$1,554,710
2008-09	\$1,522,679
2009-10	\$1,498,939*
2010-11	\$1,412,270*

* Figures for FY2009-10 and FY2010-11 are projections

It should also be noted that while estimates of revenues coming to the JRJDC from the State are based on the most recent information received, uncertainties about the full amount of State budget cuts, and thus the final total of this revenue, persist.

OTHER POST EMPLOYMENT BENEFITS AGENCY FUND

Other Post Employment Benefits (OPEB)

Budget Highlights

The budget for FY2010-11 provides funding of \$3,000,000 for costs associated with the accounting requirement from the Governmental Accounting Standards Board (GASB) known as GASB 45, which went into effect in FY2007-08. The budget represents a decrease of \$3,000,000 or 50.0 percent and reflects a reduction of forecasted requirements for GASB 45. The GASB 45 pronouncement (*Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*) presented funding issues for many local governments throughout the United States.

Non-pension benefits provided to employees after employment ends are referred to as Other Post Employment Benefits or OPEB. The definition of OPEB, according to the Governmental Accounting Standards Board (GASB), includes health insurance coverage for retirees and their families, dental insurance, life insurance, and term care coverage. Other post employment benefits are a part of the compensation package employees earn each year, even though the benefits are not received until employment has ended. For Henrico County, these benefits are confined to retiree health insurance and specifically, for those retirees that opt to remain with the County's health care provider.

The rating agencies now consider OPEB funding status in their evaluations of government financial condition. It is possible that bond ratings may suffer

for those governments with large and/or mounting liabilities and no defined way to pay for these future costs. Under the guidelines, OPEB financial information will be produced using actuarial valuations performed in accordance with GASB standards. The actuarial valuations should be performed at least every two years for plans that administer OPEB for 200 or more plan members (active and retired) or every three years for plans with fewer than 200 members. Henrico County's next update will be completed prior to June 30, 2010.

As a result of the financial reporting requirements of the Governmental Accounting Standards Board (GASB), this fiduciary fund was created in FY2007-08. This fund allows the County to budget for the annual cost of public employee non-pension benefits and all outstanding obligations and commitments related to OPEB in the same manner as reporting financial information for pensions. It is the intent of the County of Henrico to fully meet the GASB 45 funding requirement that began in FY2007-08. Due to Henrico's aggressive funding of GASB 45 requirements in FY2007-08, FY2008-09, and FY2009-10, Henrico has the ability to reduce funding in FY2010-11 and continue to fully meet the anticipated funding requirements. Future contributions will continue to be based on completed independent actuarial analysis.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
OPEB contribution	\$ 6,725,000	\$ 6,000,000	\$ 3,000,000	(50.0%)
Total OPEB	<u>\$ 6,725,000</u>	<u>\$ 6,000,000</u>	<u>\$ 3,000,000</u>	<u>(50.0%)</u>

ADJUSTMENTS

Description

Resources to support the Central Automotive Maintenance operation, the Technology Replacement functions, and the Healthcare Fund in the Internal Service Funds, come via transfers from other operating departments in the form of interdepartmental billings and transfers from the operating Funds, as required. To avoid a duplication of those anticipated expenditures, the amount of funds budgeted for Internal Service Fund activities are deducted from total budget requests.

Objectives

- To be sure that any anticipated expenditure in the Internal Service Fund is recognized and offset by a negative entry of like amount to avoid duplication of anticipated expenditures to be billed to other departments.

Budget Highlights

The amount to be funded through interdepartmental billings is determined by the level of service required by the user departments. Service levels for those

departments can be found within their individual operating budgets.

Beginning in FY1996-97, only the Central Automotive Maintenance operation was accounted for in the Internal Service Fund. Prior to FY1996-97, all County Information Technology operations were also in the Internal Service Fund. The Department of Information Technology was moved and is accounted for in the General Fund where its activities can more properly be reported at year-end. Beginning in FY2000-01, the Technology Replacement Fund has been accounted for as an Internal Service Fund. This Fund will, over time, allow the County to replace all computers on a scheduled basis, thereby avoiding large, one-time increases in this area. Effective January 1, 2008, the County's health care program transitioned to a self-insurance program. The Healthcare Fund has been designated as an Internal Service Fund as the majority of its funding is budgeted in departmental budgets. The health care costs that are budgeted within departmental budgets are included in the adjustment, while revenues from outside sources are not included in the adjustment.

Annual Fiscal Plan

<u>Description</u>	<u>FY09 Actual</u>	<u>FY10 Original</u>	<u>FY11 Approved</u>	<u>Change 10 to 11</u>
Total	\$ (72,245,763)	\$ (84,752,377)	\$ (84,250,164)	(0.6%)

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 FY2010-11 through FY2014-15. 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, which in the current economic climate is extremely difficult. The demands for government services do not decrease during a recession so the understanding of service demand requirements is vital to the preparation of the CIP and complicates the allocation of limited resources. Projects approved by the citizens on the March 2005 General Obligation (G.O.) Bond Referendum continue to be the highest priority projects. The G.O. Bond projects that were originally slated for funding but delayed in FY2009-10, including Education, Fire, Public Library, and Road projects, are included in the approved CIP for FY2010-11. Public Works projects that receive funding from State Transportation (Gas Tax) funds are not included in the approved Capital Improvement Program for FY2010-11 due to continuing State budget shortfalls.

Those projects associated with the maintenance of existing infrastructure that have an identifiable funding source have been approved for funding in FY2010-11. These projects include infrastructure improvements associated with water and sewer transmission and routine maintenance associated with both Education and General Government facilities to ensure the County's existing

infrastructure remains sound. The maintenance of existing infrastructure must be funded even in these difficult economic times. Although many other projects are also needed, funding constraints necessitate only the highest priority projects be recommended for funding in FY2010-11.

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 FY2010-11 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.

Capital Improvement Program (cont'd)

The majority of funding for CIP projects typically comes from two major sources: long-term borrowing (General Obligation bonds) and current revenues (pay-as-you-go financing). The operating budget is the primary mechanism through which current revenues are appropriated to capital projects.

Other sources of financing can include State Construction grants, State Lottery funds, State Transportation funds, State Wireless E-911 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 FY2010-11 through FY2014-15 CIP requests of \$2,122,093,322 represents an increase of \$249,585,947 over the current FY2009-10 through FY2013-14 CIP of \$1,872,507,375. These needs are put forward by Departments, and prioritized by the Departments over the five-year period. The approved Capital Budget for FY2010-11 funds \$123,502,057 in the first year of the CIP.

The revenue sources approved for the FY2010-11 Capital budget are as follows:

<u>Revenue Sources:</u>	<u>Approved FY2010-11</u>
Capital Projects Fund:	
General Fund Operating Budget Transfers:	
General Fund Revenue	\$ 5,000,000
Designated Capital Reserve	3,565,242
Motor Vehicle License Fee Revenue - Public Works	850,000
General Obligation Bonds - Education - 2005	65,656,903
General Obligation Bonds - General Government - 2005	11,800,000
Subtotal - Capital Projects Fund	<u>86,872,145</u>
Enterprise Fund:	
Water and Sewer Revenues	<u>36,629,912</u>
Subtotal - Enterprise Fund	36,629,912
 Total Capital Budget Revenues	 <u><u>\$ 123,502,057</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
FY2010-11

Project Number	Project Name	Approved FY2010-11
Fund 21 Capital Projects Fund		
<u>General Fund Revenue</u>		
00518	Roof Replacements - Education	\$ 700,000
00527	Mechanical Improvements - Education	1,800,000
	Subtotal - Education	<u>\$ 2,500,000</u>
06463	Building Maintenance Area Safety Improvements	\$ 500,000
00423	Pavement Rehabilitation - General Government	150,000
06471	Human Services HVAC Replacement	3,002,509
01199	County Generators	248,889
06517	Magistrate's Office Renovation	228,844
00377	DGS Environmental Fund	50,000
	Subtotal - General Services	<u>\$ 4,180,242</u>
06481	Information Technology Projects	\$ 650,000
	Subtotal - Information Technology	<u>\$ 650,000</u>
00429	Geographic Information System	\$ 300,000
	Subtotal - Public Works - GIS	<u>\$ 300,000</u>
06195	Facility Rehabilitation	\$ 600,000
06356	Historic Facility Rehabilitation	200,000
06203	Cedar Hill House	75,000
06358	Belmont Master Plan	60,000
	Subtotal - Recreation and Parks	<u>\$ 935,000</u>
	Subtotal - General Fund Revenue	<u>\$ 8,565,242</u>
<u>General Fund Revenue - Public Works (Motor Vehicle License Fee)</u>		
00499	General Road Construction	\$ 800,000
00486	New Guardrails	50,000
	Subtotal - General Fund Revenue - Public Works	<u>\$ 850,000</u>

County of Henrico, Virginia
Approved Capital Budget
FY2010-11

Project Number	Project Name	Approved FY2010-11
Fund 21 Capital Projects Fund		
(Continued)		
<u>G.O. Bonds - Education - 2005</u>		
06288	Central/West Area HS #1	\$ 7,000,000
06291	Varina HS Renovation	20,025,548
06293	Brookland MS Renovation	11,814,941
06292	Johnson ES Renovation	4,916,945
06297	W Area ES #9	14,981,103
06301	Pinchbeck ES Renovation	700,000
06397	Education Bond Project Reserve	6,218,366
	Subtotal - Education - G.O. Bonds - 2005	<u>\$ 65,656,903</u>
<u>G.O. Bonds - General - 2005</u>		
06186	NW Fire Station #19 - Construction	<u>\$ 4,100,000</u>
	Subtotal - Fire	\$ 4,100,000
06272	Varina Area Library	<u>\$ 1,700,000</u>
	Subtotal - Public Library	\$ 1,700,000
01152	North Gayton Road Extension	<u>6,000,000</u>
	Subtotal - Public Works	\$ 6,000,000
	Subtotal - G.O. Bonds - General - 2005	<u>\$ 11,800,000</u>
	Total - Fund 21 Capital Projects Fund	<u><u>\$ 86,872,145</u></u>

County of Henrico, Virginia
Approved Capital Budget
FY2010-11

Project Number	Project Name	Approved FY2010-11
Fund 51 Enterprise Fund - Public Utilities		
<u>Other Local Revenue</u>		
00782	New Sewer Connections	\$ 400,000
00772	Sewer Line Extensions	750,000
00732	Sewer Line Rehabilitation	2,000,000
00743	Sewer Pump Station Improvements	1,700,000
00737	Sewer Relocations, Adjustments & Crossings	200,000
00725	Plan Review and Inspection	2,100,000
06492	Roof Replacement	50,000
00813	Emergency Power Project - Sewer	7,169,000
00749	Broadwater Area BWII Sewer Rehab	9,170,100
06447	Route 33 To Lakeside Sewer Main	2,070,000
01076	Strawberry Hill Basin Sewer Rehab	4,200,000
06162	River Road SPS Improvements	879,750
06135	River Road Basin Sewer Rehabilitation	203,172
	Subtotal - Sewer	<u>\$ 30,892,022</u>
<u>Other Local Revenue</u>		
00771	New Water Connections	\$ 200,000
00770	Water Line Extensions	500,000
00768	Water Line Rehabilitation	2,000,000
00769	Water Pumping Station Improvements	75,000
00780	Water Meters	300,000
00767	Water Relocations, Adjustments & Crossings	200,000
00811	Information Technology Projects	1,000,000
00776	Water Treatment Plant Expansion	1,200,000
06456	New Market Water Pressure Zone	262,890
	Subtotal - Water	<u>\$ 5,737,890</u>
Total - Fund 51 Enterprise Fund - Public Utilities		<u><u>\$ 36,629,912</u></u>
Total Approved Capital Budget for FY2010-11		<u><u>\$ 123,502,057</u></u>

Capital Improvement Program Summary
Fiscal Year 2010-11 through Fiscal Year 2014-15

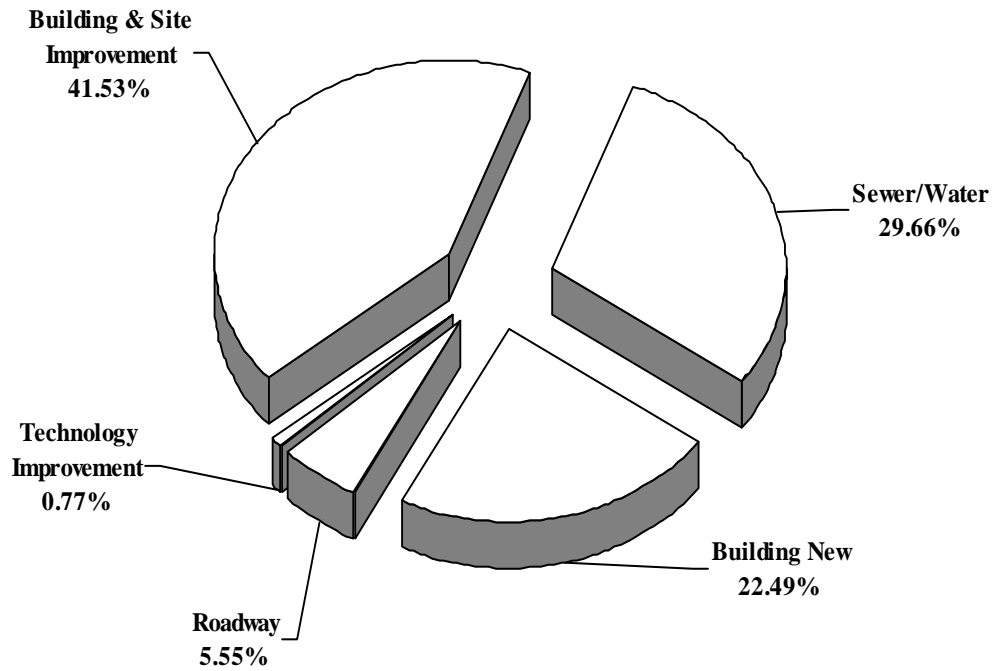
By Department	Approved FY2010-11	Requested FY2010-11	Requested FY2011-12	Requested FY2012-13	Requested FY2013-14	Requested FY2014-15	Total Requested
Fund 21 Capital Projects Fund							
Customer Relationship Mgmt	0	750,000	900,000	4,576,150	0	0	6,226,150
Education	68,156,903	93,796,375	137,551,282	124,103,850	124,145,604	147,853,648	627,450,759
Fire	4,100,000	19,102,265	25,043,630	21,345,061	9,253,012	12,179,996	86,923,964
General Services	4,180,242	13,492,382	68,363,011	64,328,800	58,856,193	181,933,532	386,973,918
Human Resources	0	123,688	0	0	0	0	123,688
Information Technology	650,000	650,000	650,000	650,000	0	0	1,950,000
Mental Health	0	80,177	825,150	0	0	0	905,327
Public Library	1,700,000	2,871,990	6,000,000	34,184,756	31,229,665	16,868,922	91,155,333
Public Works - Drainage	0	0	14,895,176	12,850,910	19,314,671	17,179,577	64,240,334
Public Works - GIS	300,000	300,000	300,000	300,000	300,000	300,000	1,500,000
Public Works - Roadway	6,850,000	14,044,807	3,719,808	5,800,000	5,800,000	5,800,000	35,164,615
Recreation	935,000	16,844,570	90,102,344	57,527,925	35,844,127	61,735,915	262,054,881
Registrar	0	687,950	165,500	165,500	0	0	1,018,950
Sheriff	0	2,899,236	4,093,700	40,050,426	0	0	47,043,362
Total	86,872,145	165,643,440	352,609,601	365,883,378	284,743,272	443,851,590	1,612,731,281
Fund 51 Enterprise Fund							
Public Utilities - Sewer	30,892,022	30,892,022	41,292,965	22,653,669	23,989,541	69,429,025	188,257,222
Public Utilities - Water	5,737,890	5,737,890	10,356,000	57,042,240	7,510,000	233,304,190	313,950,320
Total	36,629,912	36,629,912	51,648,965	79,695,909	31,499,541	302,733,215	502,207,542
Fund 52 Enterprise Fund							
Recreation	0	0	649,702	4,697,515	1,331,064	476,218	7,154,499
Total	0	0	649,702	4,697,515	1,331,064	476,218	7,154,499
Grand Total	123,502,057	202,273,352	404,908,268	450,276,802	317,573,877	747,061,023	2,122,093,322

By Revenue Source	Approved FY2010-11	Requested FY2010-11	Requested FY2011-12	Requested FY2012-13	Requested FY2013-14	Requested FY2014-15	Total Requested
Fund 21 Capital Projects Fund							
Gas Tax	0	2,869,807	2,869,808	4,950,000	4,950,000	4,950,000	20,589,615
General Fund	8,565,242	10,348,356	8,169,084	10,435,981	5,509,954	4,882,494	39,345,869
General Fund - Public Works	850,000	850,000	850,000	850,000	850,000	850,000	4,250,000
GO Bonds - Education - 2005	65,656,903	65,656,903	22,931,208	0	0	0	88,588,111
GO Bonds - Gen Gov't - 2005	11,800,000	11,800,000	10,350,000	35,700,000	0	0	57,850,000
Lottery/State Construction	0	0	521,218	6,474,789	3,820,630	0	10,816,637
No Funding Source	0	74,118,374	306,918,283	307,472,608	269,612,688	433,169,096	1,391,291,049
Total	86,872,145	165,643,440	352,609,601	365,883,378	284,743,272	443,851,590	1,612,731,281
Fund 51 Enterprise Fund							
Enterprise Funds	36,629,912	36,629,912	51,648,965	79,695,909	31,499,541	302,733,215	502,207,542
Total	36,629,912	36,629,912	51,648,965	79,695,909	31,499,541	302,733,215	502,207,542
Fund 52 Enterprise Fund							
Enterprise Funds	0	0	649,702	4,697,515	1,331,064	476,218	7,154,499
Total	0	0	649,702	4,697,515	1,331,064	476,218	7,154,499
Grand Total	123,502,057	202,273,352	404,908,268	450,276,802	317,573,877	747,061,023	2,122,093,322

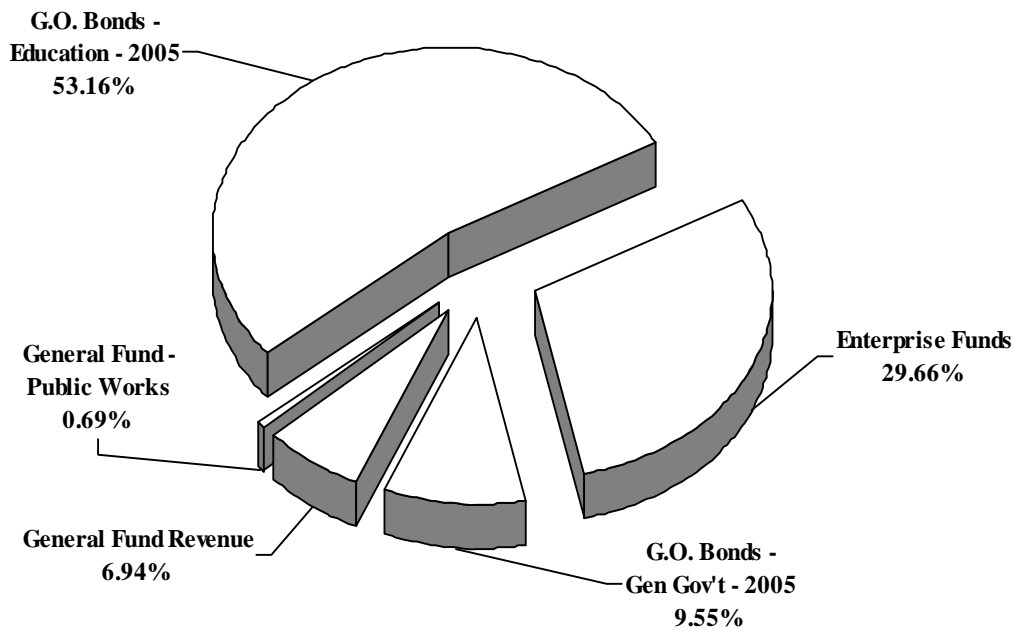
Capital Improvement Program Summary
Fiscal Year 2010-11 through Fiscal Year 2014-15

By Project Type	Approved FY2010-11	Requested FY2010-11	Requested FY2011-12	Requested FY2012-13	Requested FY2013-14	Requested FY2014-15	Total Requested
Fund 21 Capital Projects Fund							
Building (New)	27,781,103	49,063,709	167,830,136	169,409,968	164,219,215	208,738,681	759,261,709
Building Addition	0	0	11,984,212	11,463,096	3,820,630	16,868,922	44,136,860
Building Improvement	50,481,042	81,427,445	73,723,392	95,303,172	55,622,819	91,195,412	397,272,240
Drainage	0	0	14,895,176	12,850,910	19,314,671	17,179,577	64,240,334
Feasibility/Programming Study	0	477,834	14,551,162	7,103,062	0	50,625,726	72,757,784
Land	0	6,582,972	33,446,463	2,162,482	5,633,377	17,155,876	64,981,170
Park	0	0	15,110,635	38,960,973	16,156,614	24,389,849	94,618,071
Roadway	6,850,000	14,044,807	3,719,808	5,800,000	5,800,000	5,800,000	35,164,615
Site Improvement	810,000	11,658,723	13,833,117	17,138,065	13,875,946	11,597,547	68,103,398
Technology Improvement	950,000	2,387,950	3,515,500	5,691,650	300,000	300,000	12,195,100
Total	86,872,145	165,643,440	352,609,601	365,883,378	284,743,272	443,851,590	1,612,731,281
Fund 51 Enterprise Fund							
Sewer	30,892,022	30,892,022	41,292,965	22,653,669	23,989,541	69,429,025	188,257,222
Water	5,737,890	5,737,890	10,356,000	57,042,240	7,510,000	233,304,190	313,950,320
Total	36,629,912	36,629,912	51,648,965	79,695,909	31,499,541	302,733,215	502,207,542
Fund 52 Enterprise Fund							
Golf Course	0	0	0	4,697,515	1,331,064	476,218	6,504,797
Site Improvement	0	0	649,702	0	0	0	649,702
Total	0	0	649,702	4,697,515	1,331,064	476,218	7,154,499
Grand Total	123,502,057	202,273,352	404,908,268	450,276,802	317,573,877	747,061,023	2,122,093,322

Approved FY2010-11 Capital Budget \$123,502,057



By Project Type



By Funding Source

**CAPITAL PROJECTS BY DEPARTMENT
FY2010-11**

EDUCATION **\$ 68,156,903**

Projects that will be funded through the issuance of 2005 General Obligation (G.O.) Bonds, which County voters approved in March 2005, include \$14,981,103 for the construction of the new West Area Elementary School #9; \$7,000,000 for the remaining allocation for the Central/West Area High School; \$700,000 for the planning and design costs for the renovation of Pinchbeck Elementary School, \$4,916,945 for the renovation to Johnson Elementary School, \$11,814,941 for the renovation of Brookland Middle School, and \$20,025,548 for the renovation of Varina High School. In addition, \$6,218,366 is included in the approved budget for an Education Bond Project Reserve. The funding being allocated to the reserve was originally requested for projects that included only land, planning, and/or partial renovation costs within the \$220,000,000 approved by the citizens in the March 2005 Referendum for Education projects. Since there are higher priority projects with identified funding shortfalls these funds are being placed into a reserve for future allocation. General Fund revenue of \$2,500,000 will support ongoing projects related to school roof replacements and mechanical systems improvements.

FIRE **\$ 4,100,000**

Funding of \$4,100,000 provided through the issuance of 2005 General Obligation (G.O.) Bonds will allow for the construction of the new NW Fire Station #19.

GENERAL SERVICES **\$ 4,180,242**

General Fund revenue will support the Human Services Building HVAC replacement - \$3,002,509; renovation to the Magistrate's Office - \$228,844, replacement of various County generators - \$248,889, building maintenance area safety improvements - \$500,000, and various environmental fund projects - \$50,000. General Fund revenue of \$150,000 will also fund various ongoing projects related to pavement rehabilitation.

INFORMATION TECHNOLOGY **\$ 650,000**

Funding of \$650,000 will support an on-going Information Technology project which addresses the replacement of County-wide computer hardware and software systems.

PUBLIC LIBRARY **\$ 1,700,000**

Funding of \$1,700,000 provided through the issuance of 2005 General Obligation (G.O.) Bonds will allow for the planning and design costs associated with the new Varina Area Library.

PUBLIC WORKS - GIS **\$ 300,000**

General Fund revenue of \$300,000 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.

PUBLIC WORKS - ROADWAY **\$ 6,850,000**

Funding of \$6,000,000 provided through the issuance of 2005 General Obligation (G.O.) Bonds will support the construction of the North Gayton Road extension. Funding of \$850,000 in General Fund revenue generated by the Motor Vehicle License Tax will provide \$800,000 for general road construction and \$50,000 for new guardrails.

RECREATION AND PARKS **\$ 935,000**

General Fund revenue will provide for a master plan for land acquired adjacent to Belmont Golf Course - \$60,000, HVAC improvements to Cedar Hill House - \$75,000, \$200,000 for historic facility rehabilitation projects, and \$600,000 for facility rehabilitation projects at various County parks.

SEWER**\$ 30,892,022**

Projects that will be funded by revenues from the use of sewer services include \$9,170,100 for the Broadwater Area BWII Sewer Rehabilitation, \$2,070,000 for the Route 33 to Lakeside Sewer Main, \$4,200,000 for the Strawberry Hill Basin Sewer Rehabilitation, \$879,750 for River Road Sewer Pump Station improvements, \$203,172 for the River Road Basin Sewer Rehabilitation, \$7,169,000 for an emergency power project, and \$50,000 for a roof replacement project. In addition, funding of \$7,150,000 is also included for sewer line rehabilitation, new sewer connections, extension of the existing sewer system, preventive maintenance of various sewer pump stations, capital project plan review and inspection activities, and various sewer relocations, adjustments, and crossings projects.

WATER**\$ 5,737,890**

Projects that will be funded by revenues from the use of water services include \$1,200,000 for the Water Treatment Plant expansion, \$262,890 for the New Market Water Pressure Zone, and \$1,000,000 for various information technology projects. Additionally, funding of \$3,275,000 is also included for miscellaneous water extensions, new water connections, new water meters, water line rehabilitation, water pumping station improvements, and various water relocations, adjustments, and crossings projects.

**Capital Improvement Program FY2010-11 through FY2014-15
Fund 21 Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY10-11	Request FY10-11	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Total Five Year
Customer Relationship Management											
06506	Customer Relationship Management	1. Technology Improvement	No Funding Source	General Government	0	750,000	900,000	4,576,150	0	0	6,226,150
					Department Subtotal						
					0	750,000	900,000	4,576,150	0	0	6,226,150
Education											
00518	Roof Replacements	Building Improvement	General Fund	Countywide	700,000	700,000	1,000,000	1,000,000	1,000,000	1,000,000	4,700,000
00527	Mechanical Improvements	Building Improvement	General Fund	Countywide	1,800,000	1,800,000	1,500,000	1,500,000	1,500,000	1,500,000	7,800,000
06397	Education Bond Project Reserve	Building Improvement	G.O. Bonds - Education - 2005	Countywide	6,218,366	0	0	0	0	0	0
06288	Central/West Area HS #1	Building (New)	G.O. Bonds - Education - 2005	Brookland	7,000,000	7,000,000	0	0	0	0	7,000,000
06291	Varina HS Renovation	Building Improvement	G.O. Bonds - Education - 2005	Varina	20,025,548	20,025,548	0	0	0	0	20,025,548
16291	Varina HS Renovation - Shortfall	3 Building Improvement	No Funding Source	Varina	11,479,395	11,479,395	0	0	0	0	11,479,395
06293	Brookland MS Renovation	4 Building Improvement	G.O. Bonds - Education - 2005	Fairfield	11,814,941	11,814,941	0	0	0	0	11,814,941
16293	Brookland MS Renovation - Shortfall	5 Building Improvement	No Funding Source	Fairfield	14,160,077	14,160,077	0	0	0	0	14,160,077
06292	Johnson ES Renovation	6 Building Improvement	G.O. Bonds - Education - 2005	Brookland	4,916,945	4,916,945	0	0	0	0	4,916,945
06297	W Area ES #9	7 Building (New)	G.O. Bonds - Education - 2005	Three Chopt	14,981,103	14,981,103	0	0	0	0	14,981,103
06301	Pinchbeck ES Renovation	8 Building Improvement	G.O. Bonds - Education - 2005	Tuckahoe	700,000	700,000	5,128,787	0	0	0	5,828,787
06302	A. Henrico HS Renovation	9 Building Improvement	G.O. Bonds - Education - 2005	Fairfield	0	1,244,028	16,402,421	0	0	0	17,646,449
06303	B. East Area HS #2	10 Building (New)	G.O. Bonds - Education - 2005	Varina	0	2,474,338	0	0	0	0	2,474,338
06296	C. East Area Middle #2	Building (New)	G.O. Bonds - Education - 2005	Varina	0	2,500,000	700,000	0	0	0	3,200,000
06300	Johnson ES (10) Classroom Addition	Building Addition	Lottery/State Construction	Brookland	0	0	521,218	6,121,744	0	0	6,642,962
06304	Crestview ES Renovation	Building Improvement	No Funding Source	Three Chopt	0	0	1,059,052	10,801,110	0	0	11,860,162
06305	d. Pemberton ES Renovation	Building Improvement	G.O. Bonds - Education - 2005	Tuckahoe	0	0	700,000	0	0	0	700,000
06542	Highland Springs HS Renovation	Building Improvement	No Funding Source	Varina	0	11,871,936	0	0	0	0	11,871,936
06543	Freeman HS Renovation	Building Improvement	No Funding Source	Tuckahoe	0	4,057,301	0	0	0	0	4,057,301
06544	Freeman HS - Site Improvements	Site Improvement	No Funding Source	Tuckahoe	0	2,870,911	0	0	0	0	2,870,911
06545	Tuckahoe ES - 5th Grade Area & Auditorium Renov.	Building Improvement	No Funding Source	Tuckahoe	0	2,967,478	0	0	0	0	2,967,478
16303	B. East Area HS #2	Building (New)	No Funding Source	Varina	0	88,772,178	0	0	0	0	88,772,178
06299	Fair Oaks ES (6) Classroom Addition	Building Addition	Lottery/State Construction	Varina	0	0	353,045	3,820,630	0	0	4,173,675
06388	Tucker HS Renovation	Building Improvement	No Funding Source	Three Chopt	0	0	7,662,732	46,232,053	0	0	53,894,785
06389	East Area Elem. #2	Building (New)	No Funding Source	F, V	0	0	2,553,072	34,461,772	0	0	37,014,844
06390	East Area Elem. #3	Building (New)	No Funding Source	F, V	0	0	2,042,526	2,712,686	36,184,456	0	40,939,668
16296	C. East Area Middle #2	Building (New)	No Funding Source	Varina	0	0	47,905,656	0	0	0	47,905,656
16302	A. Henrico HS Renovation	Building Improvement	No Funding Source	Fairfield	0	0	33,601,449	0	0	0	33,601,449
16305	d. Pemberton ES Renovation	Building Improvement	No Funding Source	Tuckahoe	0	0	10,562,516	0	5,063,987	0	15,626,503
06479	Tuckahoe MS Renovation	Building Improvement	No Funding Source	Three Chopt	0	0	0	0	27,618,769	0	27,618,769
06484	Central/West Area HS #1 Tech. Center	Building (New)	No Funding Source	Brookland	0	0	0	29,354,476	0	0	29,354,476
06478	School Board Administration Bldg.	Building (New)	No Funding Source	Countywide	0	0	0	0	12,456,819	0	12,456,819
06480	HS #3	Building (New)	No Funding Source	Three Chopt	0	0	0	0	7,393,879	0	7,393,879
06536	West Area ES #10	Building (New)	No Funding Source	B, TC	0	0	0	0	2,761,182	0	2,761,182
06537	West Area MS #2	Building (New)	No Funding Source	B, TC	0	0	0	0	8,341,787	0	8,341,787
06538	Skipwith ES Renovation	Building Improvement	No Funding Source	Three Chopt	0	0	0	0	15,703,103	0	15,703,103
06539	Seven Pines ES Renovation	Building Improvement	No Funding Source	Varina	0	0	0	0	15,609,350	0	15,609,350
06540	Central Area ES	Building (New)	No Funding Source	B, F	0	0	0	0	4,147,542	0	4,147,542
06541	Chamberlayne ES Renovation	Building Improvement	No Funding Source	Fairfield	0	0	0	0	15,136,761	0	15,136,761
					Department Subtotal						
					68,156,903	93,796,375	137,551,282	124,103,880	124,145,604	147,853,648	627,450,759

A. Henrico HS Renovation has a funded and an unfunded component. The funded portion, \$17,646,449, is for the planning and design as well as partial construction and the unfunded portion, \$33,601,449, is for the remaining construction and furnishings.
 B. East Area HS #2 has a funded and an unfunded component. The funded portion, \$2,474,338, is for the planning and design and the unfunded portion, \$88,772,178, is for the site improvements, construction, and furnishings.
 C. East Area MS #2 has a funded and an unfunded component. The funded portion, \$3,200,000, is for land purchase and planning and design and the unfunded portion, \$47,905,656, is for the site improvements, construction, and furnishings.
 D. Pemberton ES Renovation has a funded and an unfunded component. The funded portion, \$700,000, for the planning and design and the unfunded portion, \$10,562,516, is for the site improvements, construction, and furnishings.

**Capital Improvement Program FY2010-11 through FY2014-15
Fund 21 Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY10-11	Request FY10-11	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Total Five Year
Fire											
06186	1	Building (New)	GO Bonds - Gen Gov't - 2005	Three Chopt	4,100,000	4,100,000	0	0	0	0	4,100,000
06168	2	Land	No Funding Source	Three Chopt	0	703,545	0	0	0	0	703,545
06531	3	Building (New)	No Funding Source	General Government	0	12,934,638	0	0	0	0	12,934,638
06468	4	Land	No Funding Source	Fairfield	0	587,576	0	0	0	0	587,576
06170	5	Land	No Funding Source	Varina	0	312,148	0	0	0	0	312,148
06171	6	Land	No Funding Source	Varina	0	464,358	0	0	0	0	464,358
06189	1	Building Improvement	GO Bonds - Gen Gov't - 2005	Tuckahoe	0	1,350,000	0	0	0	0	1,350,000
06366	2	Building (New)	No Funding Source	Fairfield	0	7,819,889	0	0	0	0	7,819,889
06177	3	Building (New)	No Funding Source	Varina	0	7,913,519	0	0	0	0	7,913,519
06532	4	Building (New)	No Funding Source	General Government	0	7,646,714	0	0	0	0	7,646,714
06528	5	Land	No Funding Source	Fairfield	0	313,508	0	0	0	0	313,508
06518	1	Land	No Funding Source	Varina	0	203,678	0	0	0	0	203,678
06529	2	Building (New)	No Funding Source	Fairfield	0	8,287,237	0	0	0	0	8,287,237
06178	3	Building (New)	No Funding Source	Varina	0	10,895,342	0	0	0	0	10,895,342
06529	4	Land	No Funding Source	Brookland	0	1,958,804	0	0	0	0	1,958,804
06185	1	Building (New)	No Funding Source	Varina	0	8,741,443	0	0	0	0	8,741,443
06520	2	Building (New)	No Funding Source	Varina	0	296,893	0	0	0	0	296,893
06522	3	Land	No Funding Source	Varina	0	214,676	0	0	0	0	214,676
06190	1	Building (New)	No Funding Source	Brookland	0	0	0	0	0	10,370,643	10,370,643
06363	2	Land	No Funding Source	Three Chopt	0	0	0	0	0	1,584,819	1,584,819
06524	3	Land	No Funding Source	Varina	0	0	0	0	0	224,534	224,534
Department Subtotal					4,100,000	19,102,265	25,043,630	21,345,061	9,253,012	12,179,996	86,923,964
General Services											
06463	1	Building Improvement	General Fund	General Government	500,000	680,376	376,593	0	0	0	1,056,969
06423	2	Site Improvement	General Fund	General Government	150,000	321,664	380,337	227,073	193,450	217,220	1,339,744
06471	3	Building Improvement	General Fund	General Government	3,002,509	3,002,509	0	0	0	0	3,002,509
06368	4	Building Improvement	No Funding Source	General Government	0	1,219,607	9,499,998	0	0	0	10,719,605
06102	5	Building (New)	No Funding Source	General Government	0	3,047,811	24,206,057	0	791,829	0	28,045,697
01199	6	Building Improvement	General Fund	General Government	248,889	248,889	0	0	0	0	248,889
06517	7	Building Improvement	General Fund	General Government	228,844	228,844	0	0	0	0	228,844
06089	8	Building Improvement	No Funding Source	General Government	0	414,300	0	0	0	0	414,300
06088	9	Building Improvement	No Funding Source	General Government	0	549,413	1,239,570	170,721	0	0	1,959,704
06576	10	Feasibility/Programming Study	No Funding Source	General Government	0	273,969	14,489,431	7,103,062	0	50,625,726	72,492,188
06094	11	Land	No Funding Source	General Government	0	3,343,355	0	0	0	0	3,343,355
0377	12	Building Improvement	General Fund	General Government	50,000	55,304	0	0	0	0	55,304
06573	13	Site Improvement	No Funding Source	General Government	0	106,341	107,569	0	0	0	213,910
00572	1	Building Improvement	General Fund	General Government	0	1,663,239	1,692,713	1,692,713	610,000	637,501	4,603,453
00425	2	Building Improvement	General Fund	General Government	0	0	583,801	621,380	654,932	684,456	2,544,569
06460	3	Technology Improvement	No Funding Source	General Government	0	1,500,000	0	0	0	0	1,500,000
01198	4	Building Improvement	No Funding Source	General Government	0	301,962	322,481	322,481	339,894	355,218	1,319,555
06096	5	Building Improvement	No Funding Source	General Government	0	3,367,193	25,416,521	0	0	0	28,783,714
06486	6	Building Improvement	No Funding Source	General Government	0	1,910,274	0	0	0	0	1,910,274
06512	7	Building Improvement	No Funding Source	General Government	0	603,323	0	0	0	0	603,323
06103	8	Building (New)	No Funding Source	General Government	0	5,668,068	5,843,120	51,617,451	0	0	63,128,639
06101	9	Building Improvement	No Funding Source	General Government	0	276,300	0	0	0	0	276,300
06091	10	Site Improvement	No Funding Source	General Government	0	608,474	623,501	0	0	0	1,231,975
06104	11	Building Improvement	No Funding Source	General Government	0	1,580,822	0	0	0	0	1,580,822

**Capital Improvement Program FY2010-11 through FY2014-15
Fund 21 Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY10-11	Request FY10-11	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Total Five Year
06105	1	Building (New)	No Funding Source	General Government	0	0	0	19,132,589	4,648,637	124,607,760	148,388,986
06370	2	Building Addition	No Funding Source	General Government	0	0	0	3,175,639	0	0	3,175,639
06533	1	Building Improvement	No Funding Source	General Government	0	0	0	0	0	4,805,651	4,805,651
				Department Subtotal	4,180,242	13,492,382	68,363,011	64,328,800	58,856,193	181,933,532	386,973,918
Human Resources											
06511	1	Feasibility/Programming Study	No Funding Source	General Government	0	123,688	0	0	0	0	123,688
				Department Subtotal	0	123,688	0	0	0	0	123,688
Information Technology											
06481	1	Technology Improvement	General Fund	General Government	650,000	650,000	650,000	650,000	0	0	1,950,000
				Department Subtotal	650,000	650,000	650,000	650,000	0	0	1,950,000
Mental Health											
06568	1	Feasibility/Programming Study	No Funding Source	General Government	0	80,177	0	0	0	0	80,177
06577	1	Land	No Funding Source	General Government	0	0	763,419	0	0	0	763,419
06571	2	Feasibility/Programming Study	No Funding Source	General Government	0	0	61,731	0	0	0	61,731
				Department Subtotal	0	80,177	825,150	0	0	0	905,327
Public Library											
06272	1	Building (New)	GO Bonds - Gen Gov't - 2005	Varina	1,700,000	1,700,000	0	16,700,000	0	0	18,400,000
06258	2	Land	No Funding Source	Fairfield	0	1,171,990	0	0	0	0	1,171,990
06271	1	Building (New)	GO Bonds - Gen Gov't - 2005	Brookland	0	0	6,000,000	16,000,000	0	0	22,000,000
06259	1	Building Improvement	No Funding Source	General Government	0	0	0	1,484,756	0	0	1,484,756
06274	1	Building (New)	No Funding Source	Fairfield	0	0	0	0	31,229,665	0	31,229,665
06261	1	Building Addition	No Funding Source	Three Chopt	0	0	0	0	0	16,868,922	16,868,922
				Department Subtotal	1,700,000	2,871,990	6,000,000	34,184,756	31,229,665	16,868,922	91,155,333
Public Works - Drainage											
06000	1	Drainage	No Funding Source	Tuckahoe	0	0	939,532	0	0	0	939,532
06001	2	Drainage	No Funding Source	Tuckahoe	0	0	170,879	0	0	0	170,879
06002	3	Drainage	No Funding Source	Three Chopt	0	0	766,359	0	0	0	766,359
06003	4	Drainage	No Funding Source	Tuckahoe	0	0	329,644	0	0	0	329,644
06004	5	Drainage	No Funding Source	Tuckahoe	0	0	1,027,289	0	0	0	1,027,289
06005	6	Drainage	No Funding Source	Brookland	0	0	2,595,116	0	0	0	2,595,116
06006	7	Drainage	No Funding Source	Varina	0	0	2,111,562	0	0	0	2,111,562
06007	8	Drainage	No Funding Source	Tuckahoe	0	0	600,038	0	0	0	600,038
06008	9	Drainage	No Funding Source	Fairfield	0	0	721,919	0	0	0	721,919
06009	10	Drainage	No Funding Source	Varina	0	0	249,404	0	0	0	249,404
06010	11	Drainage	No Funding Source	Brookland	0	0	268,123	0	0	0	268,123
06011	12	Drainage	No Funding Source	Fairfield	0	0	496,908	0	0	0	496,908
06012	13	Drainage	No Funding Source	Tuckahoe	0	0	1,783,157	0	0	0	1,783,157
06013	14	Drainage	No Funding Source	Three Chopt	0	0	870,108	0	0	0	870,108
06014	15	Drainage	No Funding Source	Fairfield	0	0	963,812	0	0	0	963,812
06015	16	Drainage	No Funding Source	Three Chopt	0	0	362,726	0	0	0	362,726
06017	17	Drainage	No Funding Source	Varina	0	0	187,767	0	0	0	187,767
06018	18	Drainage	No Funding Source	Tuckahoe	0	0	222,572	0	0	0	222,572
06019	19	Drainage	No Funding Source	Fairfield	0	0	228,261	0	0	0	228,261
06020	1	Drainage	No Funding Source	Brookland	0	0	0	504,865	0	0	504,865
06021	2	Drainage	No Funding Source	Brookland	0	0	0	961,706	0	0	961,706

**Capital Improvement Program FY2010-11 through FY2014-15
Fund 21 Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved					Request					Total		
					FY10-11	FY10-11	FY10-11	FY10-11	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY14-15			
06022	3	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0	0	0	0	0	676,096	0	676,096
06023	4	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	0	0	1,718,092	0	1,718,092
06024	5	Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	0	0	1,236,793	0	1,236,793
06025	6	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0	0	0	0	0	501,875	0	501,875
06026	7	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0	0	0	0	0	1,318,291	0	1,318,291
06027	8	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0	0	0	0	0	129,679	0	129,679
06028	9	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0	0	0	0	0	658,848	0	658,848
06029	10	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0	0	0	0	0	1,221,659	0	1,221,659
06030	11	Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	0	0	450,257	0	450,257
06031	12	Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	0	0	704,251	0	704,251
06032	13	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	0	0	550,240	0	550,240
06034	14	Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	0	0	223,150	0	223,150
06035	15	Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	0	0	210,714	0	210,714
06036	16	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0	0	0	0	0	220,111	0	220,111
06037	17	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	0	0	376,453	0	376,453
06038	18	Drainage	No Funding Source	B, F	0	0	0	0	0	0	0	0	0	0	434,258	0	434,258
06039	19	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0	0	0	0	0	753,572	0	753,572
06040	1	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0	0	0	0	0	294,844	0	294,844
06041	2	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	0	0	477,707	0	477,707
06042	3	Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	0	0	3,305,542	0	3,305,542
06043	4	Drainage	No Funding Source	Brookland	0	0	0	0	0	0	0	0	0	0	960,210	0	960,210
06044	5	Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	0	0	1,345,005	0	1,345,005
06045	6	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0	0	0	0	0	504,571	0	504,571
06046	7	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	0	0	1,061,735	0	1,061,735
06047	8	Drainage	No Funding Source	Brookland	0	0	0	0	0	0	0	0	0	0	774,748	0	774,748
06048	9	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	0	0	1,156,549	0	1,156,549
06049	10	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0	0	0	0	0	1,092,313	0	1,092,313
06050	11	Drainage	No Funding Source	B, F	0	0	0	0	0	0	0	0	0	0	636,979	0	636,979
06052	12	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	0	0	401,122	0	401,122
06053	13	Drainage	No Funding Source	Brookland	0	0	0	0	0	0	0	0	0	0	3,700,825	0	3,700,825
06054	14	Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	0	0	879,240	0	879,240
06055	15	Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	0	0	487,445	0	487,445
06056	16	Drainage	No Funding Source	Brookland	0	0	0	0	0	0	0	0	0	0	487,978	0	487,978
06057	17	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0	0	0	0	0	1,077,845	0	1,077,845
06058	18	Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	0	0	459,121	0	459,121
06059	19	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0	0	0	0	0	210,892	0	210,892
06060	1	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	0	0	903,400	0	903,400
06061	2	Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	0	0	1,301,507	0	1,301,507
06062	3	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0	0	0	0	0	823,177	0	823,177
06063	4	Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	0	0	624,863	0	624,863
06064	5	Drainage	No Funding Source	Brookland	0	0	0	0	0	0	0	0	0	0	595,473	0	595,473
06065	6	Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	0	0	805,503	0	805,503
06067	7	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0	0	0	0	0	678,782	0	678,782
06068	8	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	0	0	1,015,547	0	1,015,547
06069	9	Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	0	0	541,281	0	541,281
06070	10	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0	0	0	0	0	215,923	0	215,923
06071	11	Drainage	No Funding Source	Brookland	0	0	0	0	0	0	0	0	0	0	1,442,322	0	1,442,322
06072	12	Drainage	No Funding Source	Brookland	0	0	0	0	0	0	0	0	0	0	1,984,834	0	1,984,834
06073	13	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	0	0	2,941,898	0	2,941,898
06074	14	Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	0	0	537,030	0	537,030

**Capital Improvement Program FY2010-11 through FY2014-15
Fund 21 Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY10-11	Request FY10-11	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Total Five Year
06075	15	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	143,490	143,490
06076	16	Drainage	No Funding Source	Varna	0	0	0	0	0	285,182	285,182
06077	17	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	245,262	245,262
06078	18	Drainage	No Funding Source	Fairfield	0	0	0	0	0	243,386	243,386
06079	19	Drainage	No Funding Source	Varna	0	0	0	0	0	199,940	199,940
06080	20	Drainage	No Funding Source	Varna	0	0	0	0	0	467,708	467,708
06151	21	Drainage	No Funding Source	Brookland	0	0	0	0	0	888,117	888,117
06082	22	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	187,719	187,719
06083	23	Drainage	No Funding Source	Varna	0	0	0	0	0	107,233	107,233
Department Subtotal					0	0	14,895,176	12,850,910	19,314,671	17,179,577	64,240,334
Public Works - GIS											
00429	1	Technology Improvement	General Fund	General Government	300,000	300,000	300,000	300,000	300,000	300,000	1,500,000
Department Subtotal					300,000	300,000	300,000	300,000	300,000	300,000	1,500,000
Public Works - Roadway											
01152	1	Roadway	GO Bonds - Gen Gov't - 2005	Three Chopt	6,000,000	6,000,000	0	0	0	0	6,000,000
00984	2	Roadway	Gas Tax	Varna	0	2,869,807	2,869,808	0	0	0	5,739,615
06582	3	Roadway	No Funding Source	Varna	0	4,325,000	0	0	0	0	4,325,000
00499	4	Roadway	General Fund - Public Works	Countywide	800,000	800,000	800,000	800,000	800,000	800,000	4,000,000
00486	5	Roadway	General Fund - Public Works	Countywide	50,000	50,000	50,000	50,000	50,000	50,000	250,000
00985	1	Roadway	Gas Tax	F, V	0	0	0	4,950,000	4,950,000	4,950,000	14,850,000
Department Subtotal					6,850,000	14,044,807	3,719,808	5,800,000	5,800,000	5,800,000	35,164,615
Recreation											
06195	1	Site Improvement	General Fund	Countywide	600,000	757,471	1,319,162	3,978,022	1,029,619	543,317	7,627,591
06356	2	Building Improvement	General Fund	Countywide	200,000	280,546	395,952	466,793	221,953	0	1,365,244
06212	3	Building (New)	No Funding Source	Varna	0	2,144,005	15,710,011	0	0	0	17,854,016
06203	4	Building Improvement	General Fund	Fairfield	75,000	1,262,753	0	0	0	0	1,262,753
06358	5	Site Improvement	General Fund	Fairfield	60,000	60,000	0	0	0	0	60,000
06199	6	Building Improvement	No Funding Source	Three Chopt	0	1,669,632	0	0	0	0	1,669,632
06215	7	Building (New)	No Funding Source	Brookland	0	256,916	0	0	0	0	256,916
06395	8	Site Improvement	No Funding Source	Fairfield	0	349,642	0	0	0	0	349,642
06435	9	Site Improvement	No Funding Source	Tuckahoe	0	7,272,663	3,445,758	6,796,334	6,279,937	0	23,794,692
06436	10	Site Improvement	No Funding Source	F, T, V	0	2,790,942	0	0	0	0	2,790,942
06239	1	Park	GO Bonds - Gen Gov't - 2005	Three Chopt	0	0	3,000,000	0	0	0	3,000,000
06208	2	Building Improvement	No Funding Source	Fairfield	0	0	5,187,390	0	0	0	5,187,390
06200	3	Site Improvement	No Funding Source	Varna	0	0	2,045,536	0	0	0	2,045,536
06205	4	Site Improvement	No Funding Source	Fairfield	0	0	1,404,673	0	0	0	1,404,673
06214	5	Building Addition	No Funding Source	Varna	0	0	9,430,534	0	0	0	9,430,534
06216	6	Building Addition	No Funding Source	Varna	0	0	2,032,460	0	0	0	2,032,460
06217	7	Site Improvement	No Funding Source	Brookland	0	0	1,650,697	0	0	0	1,650,697
06219	8	Park	No Funding Source	Brookland	0	0	369,340	0	0	0	369,340
06221	9	Land	No Funding Source	Brookland	0	0	9,227,486	0	0	0	9,227,486
06223	10	Land	No Funding Source	Tuckahoe	0	0	6,152,842	0	0	0	6,152,842
06225	11	Land	No Funding Source	TC, T	0	0	15,376,775	0	0	0	15,376,775
06226	12	Land	No Funding Source	B, TC, T	0	0	1,612,433	0	0	0	1,612,433
06210	13	Park	No Funding Source	B, F	0	0	11,741,295	0	0	0	11,741,295
06352	1	Site Improvement	GO Bonds - Gen Gov't - 2005	Three Chopt	0	0	3,000,000	0	0	0	3,000,000
06227	2	Park	No Funding Source	Fairfield	0	0	3,395,128	0	0	0	3,395,128

**Capital Improvement Program FY2010-11 through FY2014-15
Fund 21 Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY10-11	Request FY10-11	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Total Five Year
06197	3	Site Improvement	No Funding Source	Brookland	0	0	0	1,174,788	0	0	1,174,788
06253	4	Site Improvement	No Funding Source	Brookland	0	0	0	1,338,347	0	0	1,338,347
06255	5	Park	No Funding Source	Fairfield	0	0	0	5,085,704	0	0	5,085,704
06228	6	Park	No Funding Source	Brookland	0	0	0	1,730,573	0	0	1,730,573
06229	7	Park	No Funding Source	Three Chopt	0	0	0	13,046,182	0	0	13,046,182
06230	8	Park	No Funding Source	Varina	0	0	0	4,199,004	0	0	4,199,004
06354	9	Building Addition	No Funding Source	Fairfield	0	0	0	1,812,668	0	0	1,812,668
06218	10	Park	No Funding Source	Varina	0	0	0	3,049,922	0	0	3,049,922
06201	11	Park	No Funding Source	Varina	0	0	0	8,454,460	0	0	8,454,460
06231	1	Park	No Funding Source	Fairfield	0	0	0	3,214,604	0	0	3,214,604
06232	2	Building (New)	No Funding Source	Varina	0	0	0	364,363	2,474,613	0	2,838,976
06202	3	Park	No Funding Source	Varina	0	0	0	11,529,650	0	0	11,529,650
06234	4	Land	No Funding Source	Varina	0	0	0	5,418,701	0	0	5,418,701
06235	5	Park	No Funding Source	Varina	0	0	0	1,412,360	0	0	1,412,360
06236	6	Site Improvement	No Funding Source	Countywide	0	0	0	2,680,522	0	0	2,680,522
06437	7	Site Improvement	No Funding Source	Three Chopt	0	0	0	3,692,418	0	0	3,692,418
06240	1	Park	No Funding Source	Brookland	0	0	0	0	0	3,025,017	3,025,017
06241	2	Site Improvement	No Funding Source	Fairfield	0	0	0	0	0	1,729,966	1,729,966
06238	3	Building Improvement	No Funding Source	Fairfield	0	0	0	0	0	6,664,595	6,664,595
06242	4	Land	No Funding Source	Fairfield	0	0	0	0	0	3,752,128	3,752,128
06243	5	Land	No Funding Source	Brookland	0	0	0	0	0	3,608,921	3,608,921
06244	6	Park	No Funding Source	T, TC	0	0	0	0	0	5,543,429	5,543,429
06245	7	Park	No Funding Source	Tuckahoe	0	0	0	0	0	4,993,191	4,993,191
06336	8	Site Improvement	No Funding Source	Fairfield	0	0	0	0	0	6,048,184	6,048,184
06440	9	Site Improvement	No Funding Source	Varina	0	0	0	0	0	3,058,860	3,058,860
06441	10	Building Improvement	No Funding Source	Fairfield	0	0	0	0	0	1,480,008	1,480,008
Department Subtotal					935,000	16,844,570	90,102,344	57,527,925	35,844,127	61,735,915	262,054,881
Registrar											
06516	1	Technology Improvement	No Funding Source	General Government	0	687,950	165,500	165,500	0	0	1,018,950
Department Subtotal					0	687,950	165,500	165,500	0	0	1,018,950
Sheriff											
06386	1	Building (New)	No Funding Source	General Government	0	2,899,236	4,093,700	40,050,426	0	0	47,043,362
Department Subtotal					0	2,899,236	4,093,700	40,050,426	0	0	47,043,362
Grand Total - Fund 21					86,872,145	165,643,440	352,609,601	365,883,378	284,743,272	443,851,590	1,612,731,281

*Items in red do not have a funding source identified.

**Capital Improvement Program FY2010-11 through FY2014-15
Fund 51 Enterprise Fund - Public Utility Requests by Fiscal Year and Priority Number**

Project	Project		District	Approved					Request	Request	Request	Request	Total
	Priority	Type		FY10-11	FY11-12	FY12-13	FY13-14	FY14-15					
Public Utilities - Sewer													
00782	1	Sewer	Countywide	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	2,000,000	
00772	2	Sewer	Countywide	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	3,750,000	
00732	3	Sewer	Countywide	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	12,000,000	
00743	4	Sewer	Countywide	1,700,000	1,700,000	100,000	100,000	100,000	100,000	100,000	100,000	2,100,000	
00737	5	Sewer	Countywide	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000	
00725	6	Sewer	Countywide	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	10,500,000	
06492	7	Sewer	Countywide	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	250,000	
00813	8	Sewer	F, V	7,169,000	7,169,000	0	0	0	0	0	0	7,169,000	
00749	9	Sewer	Varina	9,170,100	9,170,100	0	0	459,326	600,000	600,000	600,000	10,229,426	
06447	10	Sewer	B, F	2,070,000	2,070,000	0	0	8,155,800	0	0	0	10,225,800	
01076	11	Sewer	B, F, TC	4,200,000	4,200,000	4,200,000	3,700,000	3,700,000	3,700,000	4,900,000	4,900,000	20,700,000	
06162	12	Sewer	Tuckahoe	879,750	879,750	0	0	0	0	0	0	879,750	
06135	13	Sewer	Tuckahoe	203,172	203,172	253,965	1,950,450	0	0	700,000	700,000	3,107,587	
06443	1	Sewer	Three Chopt	0	0	5,500,000	0	0	0	0	0	5,500,000	
00747	2	Sewer	Fairfield	0	0	25,739,000	0	0	0	0	0	25,739,000	
06152	1	Sewer	Tuckahoe	0	0	0	4,140,000	0	0	15,525,000	15,525,000	19,665,000	
00735	2	Sewer	Varina	0	0	0	3,105,000	0	0	10,401,750	10,401,750	13,506,750	
06445	3	Sewer	Fairfield	0	0	0	1,552,500	0	0	5,458,590	5,458,590	7,011,090	
06459	4	Sewer	Varina	0	0	0	1,035,000	0	0	0	0	1,035,000	
06446	5	Sewer	Fairfield	0	0	0	698,625	0	0	0	0	698,625	
06448	6	Sewer	Varina	0	0	0	465,750	1,788,480	0	0	0	2,254,230	
06139	7	Sewer	F, V	0	0	0	406,344	507,930	4,300,000	4,300,000	5,214,274		
06444	1	Sewer	Brookland	0	0	0	0	0	1,000,000	3,000,000	4,000,000		
06450	2	Sewer	Varina	0	0	0	0	0	1,345,500	4,171,050	5,516,550		
06449	3	Sewer	Varina	0	0	0	0	362,250	1,408,635	1,408,635	1,770,885		
06514	4	Sewer	Varina	0	0	0	0	621,000	1,449,000	1,449,000	2,070,000		
06131	5	Sewer	TC, T	0	0	0	0	0	449,255	600,000	600,000	1,049,255	
06569	1	Sewer	Fairfield	0	0	0	0	0	0	9,315,000	9,315,000	188,257,222	
Sewer Subtotal				30,892,022	30,892,022	41,292,965	22,653,669	23,989,541	69,429,025	188,257,222			
Public Utilities - Water													
00771	1	Water	Countywide	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000	
00770	2	Water	Countywide	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	2,500,000	
00768	3	Water	Countywide	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	14,000,000	
00769	4	Water	Countywide	75,000	75,000	75,000	75,000	75,000	75,000	1,200,000	1,500,000		
00780	5	Water	Countywide	300,000	300,000	325,000	325,000	350,000	350,000	350,000	1,650,000		
00767	6	Water	Countywide	200,000	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000		
00811	7	Water	Countywide	1,000,000	1,000,000	500,000	500,000	500,000	500,000	0	2,500,000		
00776	8	Water	Countywide	1,200,000	1,200,000	800,000	800,000	0	0	0	0	2,000,000	
06456	9	Water	Varina	262,890	262,890	0	0	0	0	0	0	262,890	
06125	1	Water	Countywide	0	0	2,650,000	26,320,000	2,650,000	136,386,000	168,006,000	168,006,000		
00774	2	Water	Tuckahoe	0	0	1,035,000	5,796,000	0	0	0	0	6,831,000	
06119	3	Water	Fairfield	0	0	621,000	2,136,240	0	0	0	0	2,757,240	
06382	4	Water	Fairfield	0	0	950,000	0	0	0	0	0	950,000	

**Capital Improvement Program FY2010-11 through FY2014-15
Fund 52 Enterprise Fund - Belmont Golf Course Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved		Request					Total Five Year
					FY10-11	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15		
Recreation												
06357	1	Site Improvement	Enterprise Funds	Fairfield	0	0	649,702	0	0	0	0	649,702
06248	1	Golf Course	Enterprise Funds	Fairfield	0	0	0	4,624,915	0	0	0	4,624,915
06249	2	Golf Course	Enterprise Funds	Fairfield	0	0	0	72,600	0	0	0	72,600
06250	1	Golf Course	Enterprise Funds	Fairfield	0	0	0	0	1,331,064	0	0	1,331,064
06251	1	Golf Course	Enterprise Funds	Fairfield	0	0	0	0	0	0	476,218	476,218
Golf Course Subtotal					0	0	649,702	4,697,515	1,331,064	476,218	7,154,499	
Grand Total - Fund 52					0	0	649,702	4,697,515	1,331,064	476,218	7,154,499	

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 FY2010-11 through FY2014-15.

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.

In November 2000, County voters approved a \$237.0 million General Obligation Bond referendum and in March 2005, County voters approved another referendum totaling \$349.3 million. Capital projects on the referenda included parks, fire stations, libraries, schools, and roads.

The approved Capital Budget for FY2010-11 is \$123,502,057, which funds a portion of the project requests in the first year of the CIP. The projects in the FY2010-11 approved Capital Budget do not have an operating impact on the FY2010-11 operating budget as the operating costs have implications on operating budgets beyond FY2010-11. Those costs have been factored into the County's multi-year expenditure forecasts. However, it should be noted the FY2010-11 operating budget includes \$11,548,345 in new operating costs arising from projects funded in prior Capital Budgets.

As mentioned, the FY2010-11 operating budget includes funding for operating costs associated with new facilities as well as renovations and additions to existing facilities. These facilities include operating costs, including personnel if required, for the following: Glen Allen High School, 9th and 10th grades, Holman Middle School, Glen Allen Library

addition, Fire Station #8 rebuild, Fire Station #12 renovation and addition, Juvenile Courts expansion, and the Eastern Area Recreation Center. These projects were funded in prior years' capital budgets.

In FY2000-01, a Revenue Stabilization reserve was established to offset the increase in operating costs associated with the bond funded projects. In FY2000-01 and FY2001-02, \$2.6 million and \$5.2 million, respectively, was deposited into the reserve to build a balance to offset future operating costs.

In FY2002-03, \$2.5 million was added to the reserve and \$4.7 million of the reserve balance was used. These funds were allocated from the reserve to reduce the impact of the increase in operating costs associated with the opening of Fire Station #18 and Deep Run High School, 9th and 10th grades.

In FY2003-04, \$1.6 million was added to the reserve and \$4.0 million of the reserve balance was used. These funds reduced the impact of the operating costs associated with opening Rivers Edge Elementary School and Fire Station #22 as well as adding the 11th grade to Deep Run High School.

In FY2004-05, the Revenue Stabilization Reserve budget included a \$4.5 million addition to the reserve and a \$3.2 million use of the reserve balance. The use of the reserve reduced the impact of the increased costs associated with openings of the Hungary Creek Middle School and the Greenwood Elementary School, the addition of the 12th grade at Deep Run High School, additions for the Baker and Ratcliffe Elementary Schools, full-year operations for Fire Station #22, and partial year funding for the Tuckahoe and Twin Hickory Libraries.

In FY2005-06, the Revenue Stabilization Reserve budget included a \$6.4 million addition to the reserve and a \$2.5 million use of the reserve balance. Planned uses of the fund include costs associated with the renovations for the Ridge and Tuckahoe Elementary Schools, Deep Run Recreation Center, Walkerton Tavern, Osborne Park/Meade property, and partial year funding for

Implications on Operating Budget (cont'd)

Tuckahoe Library, Twin Hickory Library, and Fire Station #21.

In FY2006-07, the Revenue Stabilization Reserve budget included a \$2.4 million addition to the reserve. Because of significant operating increases projected in FY2007-08 and FY2008-09, there was no use of the Revenue Stabilization Fund.

In FY2007-08, the Revenue Stabilization Reserve budget included a \$1.4 million addition and a \$4.1 million use. Planned uses of the fund include costs associated with Elko Middle School, Colonial Trail Elementary School, Varina High School addition/renovation, Henrico Theatre, Tuckahoe Little League, and the Twin Hickory Library. In addition, the residual funding difference for the Fire Station #5 renovation, Fire Station #21, RF&P Park, Deep Run Recreation Center, Walkerton Tavern, and the Tuckahoe Library were included in the operating budget.

In FY2008-09, the Revenue Stabilization Reserve budget included a \$2.3 million addition to the reserve and a \$5.7 million use of the reserve. Planned uses of the fund include costs associated with Harvie Elementary School, Henrico High School classroom addition, Highland Springs High

School classroom addition, Dabbs House, Clark-Palmore, Glen Allen Library addition, and the Gayton Library renovation. Additionally, the residual funding difference for the Fire Station #5 renovation, Fire Station #21, Tuckahoe Library, and the Twin Hickory Library were included in the operating budget.

In FY2009-10, the Revenue Stabilization Reserve budget includes a \$750,000 use of the reserve. Planned uses included costs associated with Glen Allen High School and Holman Middle School.

In FY2010-11, the Revenue Stabilization Reserve budget includes an \$18.1 million addition to the reserve and an \$11.5 million use of the reserve. Planned uses of the fund include costs associated with the new Glen Allen High School, 9th and 10th grades, the new Holman Middle School, Glen Allen Library addition, Fire Station #8 rebuild, Fire Station #12 renovation and addition, Juvenile Courts expansion, and the Eastern Area Recreation Center.

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.

Revenue Stabilization Fund

	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	(1)
Addition	\$ 2.6	\$ 5.2	\$ 2.5	\$ 1.6	\$ 4.5	\$ 6.4	\$ 2.4	\$ 1.4	\$ 2.3	\$ 0.0	\$ 18.1	
Use	0.0	0.0	(4.7)	(4.0)	(3.2)	(2.5)	0.0	(4.1)	(5.7)	(0.8)	(11.5)	
Reserve Balance	\$ 2.6	\$ 7.8	\$ 5.6	\$ 3.2	\$ 4.5	\$ 8.4	\$ 10.8	\$ 8.1	\$ 4.7	\$ 4.0	\$ 10.6	

Note: Amounts shown are in millions.

(1) Funding for the FY2010-11 Revenue Stabilization Fund budget has been identified through the FY2008-09 year-end closing.

**Capital Improvement Program
Fiscal Year 2010-11 through FY2014-15
Department and Priority Order
Associated Operating Cost**

Fund 21 - Capital Projects Fund

Project	Priority	Project Type	Source	District	Request FY10-11	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Total Five Year
Customer Relationship Management										
06506	1	Technology Improvement	No Funding Source	General Government	0	0	0	3,690,984	3,690,984	7,381,968
				Department Subtotal	0	0	0	3,690,984	3,690,984	7,381,968
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
06397		Education Bond Project Reserve	G.O. Bonds - Education - 2005	Countywide	0	0	0	0	0	0
06288	1	Central/West Area HS #1	G.O. Bonds - Education - 2005	Brookland	4,483,493	6,975,239	9,466,985	9,466,985	9,466,985	39,859,687
06291	2	Varina HS Renovation	G.O. Bonds - Education - 2005	Varina	0	0	0	0	0	0
16291	3	Varina HS Renovation - Shortfall	No Funding Source	Varina	0	0	0	0	0	0
06293	4	Brookland MS Renovation	G.O. Bonds - Education - 2005	Fairfield	0	0	0	0	0	0
16293	5	Brookland MS Renovation - Shortfall	No Funding Source	Fairfield	0	0	0	0	0	0
06292	6	Johnson ES Renovation	G.O. Bonds - Education - 2005	Brookland	0	0	0	0	0	0
06297	7	W Area ES #9	G.O. Bonds - Education - 2005	Three Chopt	0	0	3,643,208	3,643,208	3,643,208	10,929,624
06301	8	Pinchbeck ES Renovation	G.O. Bonds - Education - 2005	Tuckahoe	0	0	0	0	0	0
06302	9	Henrico HS Renovation	G.O. Bonds - Education - 2005	Fairfield	0	0	0	0	0	0
06303	10	East Area HS #2	G.O. Bonds - Education - 2005	Varina	0	0	0	0	0	0
06296	11	East Area Middle #2	G.O. Bonds - Education - 2005	Varina	0	0	0	0	0	0
06300		Johnson ES (10) Classroom Addition	Lottery/State Construction	Brookland	0	0	0	1,500,000	1,500,000	3,000,000
06304		Crestview ES Renovation	No Funding Source	Three Chopt	0	0	0	0	0	0
06305		Pemberton ES Renovation	G.O. Bonds - Education - 2005	Tuckahoe	0	0	0	0	0	0
06542		Highland Springs HS Renovation	No Funding Source	Varina	0	0	0	0	0	0
06543		Freeman HS Renovation	No Funding Source	Tuckahoe	0	0	0	0	0	0
06544		Freeman HS - Site Improvements	No Funding Source	Tuckahoe	0	0	0	0	0	0
06545		Tuckahoe ES - 5th Grade Area & Auditorium Renov.	No Funding Source	Tuckahoe	0	0	0	0	0	0
16303		East Area HS #2	No Funding Source	Varina	0	5,761,134	8,641,701	8,641,701	11,522,268	25,925,103
06299		Fair Oaks ES (6) Classroom Addition	Lottery/State Construction	Varina	0	0	0	0	900,000	900,000
06388		Tucker HS Renovation	No Funding Source	Three Chopt	0	0	0	0	0	0
06389		East Area Elem. #2	No Funding Source	F, V	0	0	0	0	4,217,468	4,217,468
06390		East Area Elem. #3	No Funding Source	F, V	0	0	0	0	0	0
16296		East Area Middle #2	No Funding Source	Varina	0	0	0	7,438,348	7,438,348	14,876,696
16302		Henrico HS Renovation	No Funding Source	Fairfield	0	0	0	0	0	0
16305		Pemberton ES Renovation	No Funding Source	Tuckahoe	0	0	0	0	0	0
06479		Tuckahoe MS Renovation	No Funding Source	Three Chopt	0	0	0	0	0	0
06484		Central/West Area HS #1 Tech. Center	No Funding Source	Brookland	0	0	0	0	0	0
06478		School Board Administration Bldg.	No Funding Source	Countywide	0	0	0	0	2,000,000	2,000,000
06480		HS #3	No Funding Source	Three Chopt	0	0	0	0	0	0
06536		West Area ES #10	No Funding Source	B, TC	0	0	0	0	0	0
06537		West Area MS #2	No Funding Source	B, TC	0	0	0	0	0	0
06538		Skipwith ES Renovation	No Funding Source	B, TC	0	0	0	0	0	0
06539		Seven Pines ES Renovation	No Funding Source	Three Chopt	0	0	0	0	0	0
			No Funding Source	Varina	0	0	0	0	0	0

**Capital Improvement Program
Fiscal Year 2010-11 through FY2014-15
Department and Priority Order
Associated Operating Cost**

Fund 21 - Capital Projects Fund

Project	Source	District	Request FY10-11	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Total Five Year
06540 Central Area ES	No Funding Source	B, F	0	0	0	0	0	0
06541 Chamberlayne ES Renovation	No Funding Source	Fairfield	0	0	0	0	0	0
		Department Subtotal	4,483,493	6,975,239	18,871,327	30,690,242	40,688,277	101,708,578
Fire								
06186 NW Fire Station #19 - Construction	GO Bonds - Gen Gov't - 2005	Three Chopt	0	2,710,266	2,574,266	2,574,266	2,574,266	10,433,064
06168 NW Fire Station #19 - Land Purchase	No Funding Source	Three Chopt	0	0	0	0	0	0
06531 Fire Headquarters Building	No Funding Source	General Government	0	50,000	50,000	50,000	50,000	200,000
06468 Fire Station #1 - Land Purchase	No Funding Source	Fairfield	0	0	0	0	0	0
06170 Fire Station #6 - Land Purchase	No Funding Source	Varina	0	0	0	0	0	0
06171 Osborne Turnpike FS - Land Purchase	No Funding Source	Varina	0	0	0	0	0	0
06189 Renovate and Expand F/S #13	GO Bonds - Gen Gov't - 2005	Tuckahoe	0	0	10,000	10,000	10,000	30,000
06366 Fire Station #1 - Construction	No Funding Source	Fairfield	0	0	10,000	10,000	10,000	30,000
06177 Fire Station #6 - Construction	No Funding Source	Varina	0	0	10,000	10,000	10,000	30,000
06532 Fire Training Facility - Construction	No Funding Source	General Government	0	0	25,000	25,000	25,000	75,000
06528 Fire Station #11 - Land Purchase	No Funding Source	Fairfield	0	0	0	0	0	0
06518 Fire Station #4 - Land Purchase	No Funding Source	Varina	0	0	0	0	0	0
06529 Fire Station #11 - Construction	No Funding Source	Fairfield	0	0	0	10,000	10,000	20,000
06178 Osborne Turnpike FS - Construction	No Funding Source	Varina	0	0	0	1,415,984	1,415,984	2,831,968
06185 Staples Mill Fire Station - Land Purchase	No Funding Source	Brookland	0	0	0	0	0	0
06519 Fire Station #4 - Construction	No Funding Source	Varina	0	0	0	0	0	0
06520 Wilton Farms FS - Land Purchase	No Funding Source	Varina	0	0	0	0	0	0
06522 Portugee Road FS - Land Purchase	No Funding Source	Varina	0	0	0	0	0	0
06190 Staples Mill Fire Station - Construction	No Funding Source	Brookland	0	0	0	0	0	0
06363 NW Fire Station #24 - Land Purchase	No Funding Source	Three Chopt	0	0	0	0	0	0
06524 Elko Road Fire Station - Land Purchase	No Funding Source	Varina	0	0	0	0	0	0
		Department Subtotal	0	2,760,266	2,679,266	4,105,250	4,115,250	13,660,032
General Services								
06463 Building Maint. Area Safety Improvements	General Fund	General Government	0	0	0	0	0	0
06423 Pavement Rehabilitation	General Fund	General Government	0	0	0	0	0	0
06471 Human Services Bldg HVAC Replacement	General Fund	General Government	0	0	0	0	0	0
06368 Administration Building HVAC Upgrade	No Funding Source	General Government	0	0	0	0	0	0
06102 Government Center Expansion - Admin. & Warehouse	No Funding Source	General Government	0	0	0	652,961	652,961	1,305,922
01199 County Generators	General Fund	General Government	0	0	0	0	0	0
06517 Magistrate's Office Renovation	General Fund	General Government	0	0	0	0	0	0
06089 Backup EOC	No Funding Source	General Government	0	0	0	0	0	0
06088 Vulnerability Implementation	No Funding Source	General Government	0	0	0	0	0	0
06376 Gen. Government Svcs, East End Study	No Funding Source	General Government	0	0	0	0	0	0
06094 Government Center Land Utilization Plan	No Funding Source	General Government	0	0	0	0	0	0
00377 DGS Environmental Fund	General Fund	General Government	0	0	0	0	0	0
06573 Admin Entry Walk Improvements	No Funding Source	General Government	0	0	0	0	0	0

**Capital Improvement Program
Fiscal Year 2010-11 through FY2014-15
Department and Priority Order
Associated Operating Cost**

Fund 21 - Capital Projects Fund

Project	Priority	Project Type	Source	District	Request FY10-11	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Total Five Year
00572	1	Mechanical Improvements	General Fund	General Government	0	0	0	0	0	0
00425	2	Roof Replacement and Rehabilitation	General Fund	General Government	0	0	0	0	0	0
00460	3	Communications System Replacement	No Funding Source	General Government	0	0	0	0	0	0
01198	4	Energy Management	No Funding Source	General Government	0	0	0	0	0	0
06096	5	Human Services Building Renovation	No Funding Source	General Government	0	0	0	0	0	0
06486	6	Circuit Courtroom #6	No Funding Source	General Government	0	0	0	0	0	0
06512	7	Juvenile Courts 6th Courtroom Build-out	No Funding Source	General Government	0	0	0	0	0	0
06103	8	East End Depot	No Funding Source	General Government	0	0	0	0	0	0
06101	9	Locking Systems	No Funding Source	General Government	0	0	0	0	0	0
06091	10	Gov't Cntr Exterior Lights, Phase III, IV	No Funding Source	General Government	0	0	0	0	0	0
06104	11	Admin Bldg/Remaining Renovation	No Funding Source	General Government	0	0	0	0	0	0
06105	1	New Courts Complex Facility	No Funding Source	General Government	0	0	0	0	0	0
06370	2	CAM Fuel Site - North West	No Funding Source	General Government	12,000	12,000	12,000	12,000	12,000	48,000
06533	1	Courthouse Renovations	No Funding Source	General Government	0	0	0	0	0	0
Department Subtotal					0	12,000	12,000	664,961	664,961	1,353,922
Human Resources										
06511	1	Fitness and Wellness Center Study	No Funding Source	General Government	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Information Technology										
06481	2	Information Technology Projects	General Fund	General Government	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Mental Health										
06568	1	Feasibility Study to Expand/Replace East Center	No Funding Source	General Government	0	0	0	0	0	0
06577	1	East Center Expansion Land Purchase	No Funding Source	General Government	0	0	0	0	0	0
06571	2	Feasibility Study to Expand Woodman Rd	No Funding Source	General Government	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Public Library										
06272	1	Varina Area Library	GO Bonds - Gen Gov't - 2005	Varina	0	0	0	5,032,302	5,032,302	10,064,604
06258	2	Fairfield Area Library - Land Purchase	No Funding Source	Fairfield	0	0	0	0	0	0
06271	1	Dumbarton Area Library Replacement	GO Bonds - Gen Gov't - 2005	Brookland	0	0	0	4,236,120	4,236,120	8,472,240
06259	1	Library Headquarters Alteration	No Funding Source	General Government	0	0	0	45,730	45,730	91,460
06274	1	Fairfield Area Library Replacement	No Funding Source	Fairfield	0	0	0	4,236,120	4,236,120	4,236,120
06261	1	Twin Hickory Library Expansion	No Funding Source	Three Chopt	0	0	0	0	0	0
Department Subtotal					0	0	0	9,314,152	13,550,272	22,864,424

**Capital Improvement Program
Fiscal Year 2010-11 through FY2014-15
Department and Priority Order
Associated Operating Cost**

Fund 21 - Capital Projects Fund

Project	Priority	Project Type	Source	District	Request FY10-11	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Total Five Year
Public Works - Drainage										
06000	1	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06001	2	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06002	3	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06003	4	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06004	5	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06005	6	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06006	7	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06007	8	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06008	9	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06009	10	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06010	11	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06011	12	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06012	13	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06013	14	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06014	15	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06015	16	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06017	17	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06018	18	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06019	19	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06020	1	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06021	2	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06022	3	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06023	4	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06024	5	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06025	6	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06026	7	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06027	8	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06028	9	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06029	10	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06030	11	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06031	12	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06032	13	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06034	14	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06035	15	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06036	16	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06037	17	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06038	18	Drainage	No Funding Source	B, F	0	0	0	0	0	0
06039	19	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06040	1	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06041	2	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06042	3	Drainage	No Funding Source	Varina	0	0	0	0	0	0

**Capital Improvement Program
Fiscal Year 2010-11 through FY2014-15
Department and Priority Order
Associated Operating Cost**

Fund 21 - Capital Projects Fund

Project	Priority	Project Type	Source	District	Request FY10-11	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Total Five Year
06043	4	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06044	5	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06045	6	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06046	7	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06047	8	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06048	9	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06049	10	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06050	11	Drainage	No Funding Source	B, F	0	0	0	0	0	0
06052	12	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06053	13	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06054	14	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06055	15	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06056	16	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06057	17	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06058	18	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06059	19	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06060	1	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06061	2	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06062	3	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06063	4	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06064	5	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06065	6	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06067	7	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06068	8	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06069	9	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06070	10	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06071	11	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06072	12	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06073	13	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06074	14	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06075	15	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06076	16	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06077	17	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06078	18	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06079	19	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06080	20	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06151	21	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06082	22	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06083	23	Drainage	No Funding Source	Varina	0	0	0	0	0	0
Department Subtotal										0

**Capital Improvement Program
Fiscal Year 2010-11 through FY2014-15
Department and Priority Order
Associated Operating Cost**

Fund 21 - Capital Projects Fund

Project	Priority	Project Type	Source	District	Request FY10-11	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Total Five Year
Public Works - GIS										
00429	1	Technology Improvement	General Fund	General Government	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Public Works - Roadway										
01152	1	Roadway	GO Bonds - Gen Gov't - 2005	Three Chopt	0	0	0	0	0	0
00984	2	Roadway	Gas Tax	Varina	0	0	0	0	0	0
06582	3	Roadway	No Funding Source	Varina	0	0	0	0	0	0
00499	4	Roadway	General Fund - Public Works	Countywide	0	0	0	0	0	0
00486	5	Roadway	General Fund - Public Works	Countywide	0	0	0	0	0	0
00985	1	Roadway	Gas Tax	F, V	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Recreation										
06195	1	Site Improvement	General Fund	Countywide	0	18,638	264,425	510,212	510,212	1,303,487
06356	2	Building Improvement	General Fund	Countywide	0	0	0	5,250	18,630	23,880
06212	3	Building (New)	No Funding Source	Varina	0	0	504,305	504,305	504,305	1,512,915
06203	4	Building Improvement	General Fund	Fairfield	0	121,306	121,306	121,306	121,306	485,224
06358	5	Site Improvement	General Fund	Fairfield	0	0	0	0	0	0
06199	6	Building Improvement	No Funding Source	Three Chopt	0	249,493	249,493	249,493	249,493	997,972
06215	7	Building (New)	No Funding Source	Brookland	0	59,838	59,838	59,838	59,105	238,619
06395	8	Site Improvement	No Funding Source	Fairfield	0	0	0	0	0	0
06435	9	Site Improvement	No Funding Source	Tuckahoe	0	167,109	334,218	501,337	668,436	1,671,100
06436	10	Site Improvement	No Funding Source	F, T, V	0	128,970	128,970	128,970	128,970	515,880
06239	1	Park	GO Bonds - Gen Gov't - 2005	Three Chopt	0	0	245,787	245,787	245,787	737,361
06208	2	Building Improvement	No Funding Source	Fairfield	0	0	180,583	180,583	180,583	541,749
06200	3	Site Improvement	No Funding Source	Varina	0	0	167,109	167,109	167,109	501,327
06205	4	Site Improvement	No Funding Source	Fairfield	0	0	85,980	85,980	85,980	257,940
06214	5	Building Addition	No Funding Source	Varina	0	0	180,583	180,583	180,583	541,749
06216	6	Building Addition	No Funding Source	Varina	0	0	0	0	0	0
06217	7	Site Improvement	No Funding Source	Brookland	0	0	128,970	128,970	128,970	386,910
06219	8	Park	No Funding Source	Brookland	0	0	0	0	0	0
06221	9	Land	No Funding Source	Tuckahoe	0	0	0	0	0	0
06223	10	Land	No Funding Source	TC, T	0	0	0	0	0	0
06225	11	Land	No Funding Source	B, TC, T	0	0	0	0	0	0
06226	12	Land	No Funding Source	B, F	0	0	0	0	0	0
06210	13	Park	No Funding Source	Varina	0	0	688,128	688,128	688,128	2,064,384
06352	1	Site Improvement	GO Bonds - Gen Gov't - 2005	Three Chopt	0	0	0	245,787	245,787	491,574
06227	2	Park	No Funding Source	Fairfield	0	0	0	417,367	417,367	834,734
06197	3	Site Improvement	No Funding Source	Brookland	0	0	0	128,970	128,970	257,940
06253	4	Site Improvement	No Funding Source	Brookland	0	0	0	128,970	128,970	257,940
06255	5	Park	No Funding Source	Fairfield	0	0	0	128,970	128,970	257,940

**Capital Improvement Program
Fiscal Year 2010-11 through FY2014-15
Department and Priority Order
Associated Operating Cost**

Fund 21 - Capital Projects Fund

Project	Priority	Project Type	Source	District	Request FY10-11	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Total Five Year
06228	6	Park	No Funding Source	Brookland	0	0	0	128,970	128,970	257,940
06229	7	Park	No Funding Source	Three Chopt	0	0	0	0	0	0
06230	8	Park	No Funding Source	Varina	0	0	0	245,787	245,787	491,574
06354	9	Building Addition	No Funding Source	Fairfield	0	0	0	180,583	180,583	361,166
06218	10	Park	No Funding Source	Varina	0	0	0	128,970	128,970	257,940
06201	11	Park	No Funding Source	Varina	0	0	0	417,367	417,367	834,734
06231	1	Park	No Funding Source	Fairfield	0	0	0	128,970	128,970	128,970
06232	2	Building (New)	No Funding Source	Varina	0	0	0	0	0	0
06202	3	Park	No Funding Source	Varina	0	0	0	0	245,787	245,787
06234	4	Land	No Funding Source	Varina	0	0	0	0	0	0
06235	5	Park	No Funding Source	Varina	0	0	0	0	128,970	128,970
06236	6	Site Improvement	No Funding Source	Countywide	0	0	0	0	50,240	50,240
06437	7	Site Improvement	No Funding Source	Three Chopt	0	0	0	0	10,500	10,500
06240	1	Park	No Funding Source	Brookland	0	0	0	0	0	0
06241	2	Site Improvement	No Funding Source	Fairfield	0	0	0	0	0	0
06238	3	Building Improvement	No Funding Source	Fairfield	0	0	0	0	0	0
06242	4	Land	No Funding Source	Fairfield	0	0	0	0	0	0
06243	5	Land	No Funding Source	Brookland	0	0	0	0	0	0
06244	6	Park	No Funding Source	T, TC	0	0	0	0	0	0
06245	7	Park	No Funding Source	Tuckahoe	0	0	0	0	0	0
06336	8	Site Improvement	No Funding Source	Fairfield	0	0	0	0	0	0
06440	9	Site Improvement	No Funding Source	Varina	0	0	0	0	0	0
06441	10	Building Improvement	No Funding Source	Fairfield	0	0	0	0	0	0
Department Subtotal					0	745,354	3,339,695	5,909,592	6,653,805	16,648,446
Registrar										
06516	1	Technology Improvement	No Funding Source	General Government	0	25,128	31,410	37,492	37,492	131,522
Department Subtotal					0	25,128	31,410	37,492	37,492	131,522
Sheriff										
06386	1	Building (New)	No Funding Source	General Government	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Grand Total - Fund 21					4,483,493	10,517,987	24,933,698	54,412,673	69,401,041	163,748,892

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.

Adjustment - Operating departments budget payments to support the Internal Service Fund operations. Therefore, the total budget is adjusted to remove the Internal Service Fund so the funds are not budgeted twice.

Advanced Live 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 becomes the capital budget for that fiscal year.

Capital Outlay - Outlays which result in the acquisition (either new or replacement) or additions to fixed assets except outlays for major capital facilities which are constructed or acquired (e.g., land and buildings). Expenditures for these major capital facilities are reflected within the capital budget. Examples of capital outlays are furniture, fixtures, machinery, and equipment.

CDBG - A federal grant entitled the Community Development Block Grant. Funds are used to support housing, economic development, health and human services, and planning and administration.

Complement - A listing of authorized positions by department as approved by the Board of Supervisors and maintained by the Human Resources Department. Complement I - 100% County funded position. Complement II - Position partially County funded. Complement III - 100% Non-County funded position. Complement IV - Positions that, regardless of funding source and classified status, are exempt from use of the County's grievance procedure as determined by the County Manager.

Contingency - Funds set aside in a special account in the Annual Fiscal Plan, but not always appropriated for expenditure. These funds are for emergency and unforeseen needs or for previously identified items that may have funding held for further actions or approvals before being appropriated for expenditure.

Debt Service Fund - This fund is used to finance and account for the principal and interest payments on long-term debt incurred by the County.

Department - An entity within the County organization setup, either by State code or identified need, for the administration of specifically related duties or responsibilities.

Designated Fund Balance - That portion of resources, which at year's end, exceeded requirements and has been designated for use at some future time for a specific project or use. Money in a designated fund balance is not in the Annual Fiscal Plan and therefore has not been appropriated for expenditure.

Division - For manageability and accounting purposes, some departments are further divided into smaller units of control, called divisions. Example: Treasury and Accounting Divisions are both part of the Department of Finance.

EDA Revenue Bonds - The type of bonds issued by Henrico County through the Economic Development Authority for the construction of public facilities.

Enterprise Fund - These types of funds account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the County is that the cost of providing services to the general public be financed or recovered through charges to users of such services. Two examples are: the Water and Sewer Revenue 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 over time. 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 two subcategories: reserved and unreserved. The unreserved fund balance can be subdivided further into designated and undesignated. The Enterprise Funds refer to these funds as retained earnings.

GAAP - Generally Accepted Accounting Principals 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 purposes. Some revenue collected in the General Fund is transferred to support requirements of other funds such as the Debt Service Fund.

General Obligation Bonds - The type of bonds issued when repayment is backed by the full faith and credit of the County and which have been approved by the voters of the County through a bond referendum.

Goal - A broad statement of departmental purpose. Within this document, the departmental goal is generally included within the "description" component of individual departmental narratives.

Grant - A contribution by one governmental unit or organization to another. Typically, these contributions are made to local governments from the Federal and State governments for specified purposes.

Interdepartmental Billings (IDT) - Expenditures and credits to expenditures between departments. No net change in Countywide expenditures results. One primary use of IDT's is the payment by operating departments for services rendered by departments in the Internal Service Fund.

Internal Service Funds - These account for the County's Central Automotive Maintenance, Technology Replacement operations, Risk Management, and Health Care Fund. Resources for these funds come from IDT's and transfers from the General Fund.

Development Services (DS) Day Support - A program offered by the Mental Health Department. The program provides supported employment, vocational services and life enrichment services to graduates of Henrico County's special education program.

Natural Account - A more detailed and specific listing of expenditures in the County's Oracle Financial Management System. Examples of 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 2010 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.

Undesignated Fund Balance - The portion of unreserved fund balance representing financial resources available to finance expenditures other than those tentatively planned (designated).

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 COMPLEMENT ¹

<u>Department</u>	<u>FY 09 Revised</u>	<u>FY 10 Original</u>	<u>FY 10 Changes³</u>	<u>FY 10 Revised³</u>	<u>FY 11 Changes</u>	<u>FY 11 Approved</u>
General Government:						
Agriculture & Home Extension	3	3		3		3
Belmont Golf Course	9	9		9		9
Board of Supervisors	5	5		5		5
Building Inspections	61	61	(3)	58		58
Central Auto. Maintenance	65	65		65		65
Circuit Court Services	8	8		8		8
Commonwealth's Attorney	56	56	(2)	54		54
Community Corrections	2	2		2		2
Community Revitalization	19	19	(1)	18		18
County Attorney	18	18		18		18
County Manager	13	13		13		13
Electoral Board	9	9		9		9
Finance	167	167	(8)	159		159
Fire	540	540	(1)	539		539
General Services	161	161	(5)	156		156
Human Resources ²	56	56	(3)	53		53
Information Technology	89	89	(6)	83		83
Internal Audit	4	4		4		4
Juvenile Detention	30	30		30		30
Juvenile Detention/VJCCCA	3	3		3		3
Library	183	183	(10)	173		173
Mental Health	225	225	(5)	220		220
Permit Centers	19	19	(1)	18		18
Planning	50	50	(1)	49		49
Police	799	799	(2)	797	2	799
Public Relations & Media Services	20	20	(1)	19		19
Public Utilities	320	320	(12)	308		308
Public Works	266	266	(8)	258		258
Real Property	7.5	7.5	(0.5)	7		7
Recreation	172	172	(4)	168	10	178
Sheriff	377	377	(6)	371		371
Social Services	168	168		168		168
Solid Waste	75	75	(5)	70		70
Sub-Total	<u>3,999.5</u>	<u>3,999.5</u>	<u>(84.5)</u>	<u>3,915</u>	<u>12</u>	<u>3,927</u>
Education:	<u>6,587.80</u>	<u>6,629.80</u>	<u>4.00</u>	<u>6,633.80</u>	<u>(49.00)</u>	<u>6,584.80</u>
TOTAL	<u><u>10,587.30</u></u>	<u><u>10,629.30</u></u>	<u><u>(80.50)</u></u>	<u><u>10,548.80</u></u>	<u><u>(37.00)</u></u>	<u><u>10,511.80</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 (294 as of 3/22/2010) 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 were being held in the Human Resources Department's complement until reassignment is made. For the FY2010-11 Budget, all such positions have been eliminated.

³ As of 3/22/2010

**Personnel Complement
By Fund**

Fund	FY 09 Revised	FY 10 Original	FY 10 Changes	FY 10 Revised⁽¹⁾	FY 11 Changes	FY 11 Approved
General Fund						
General Government	3,270.50	3,270.50	(62.50)	3,208.00	12.00	3,220.00
Education	5,873.05	5,904.05	1.00	5,905.05	(58.00)	5,847.05
Total	9,143.55	9,174.55	(61.50)	9,113.05	(46.00)	9,067.05
Special Revenue Fund						
General Government	325.00	325.00	(9.00)	316.00	0.00	316.00
Education	714.75	725.75	3.00	728.75	9.00	737.75
Total	1,039.75	1,050.75	(6.00)	1,044.75	9.00	1,053.75
Enterprise Funds						
Public Utilities	320.00	320.00	(13.00)	307.00	0.00	307.00
Golf Course	9.00	9.00	0.00	9.00	0.00	9.00
Total	329.00	329.00	(13.00)	316.00	0.00	316.00
Internal Service Fund						
Cent. Auto. Maint.	65.00	65.00	0.00	65.00	0.00	65.00
Risk Management	10.00	10.00	0.00	10.00	0.00	10.00
Grand Total	10,587.30	10,629.30	(80.50)	10,548.80	(37.00)	10,511.80

⁽¹⁾ As of 3/22/2010

**County of Henrico
Personnel Complement Changes
FY 2010-11**

Fund/Department	Position	F/PT	Number	Justification
<u>GENERAL GOVERNMENT</u>				
General Fund:				
Vacant Positions Eliminated During FY2009-10:				
Building Inspections	Building Inspector II	FT	(2.00)	Elimination of Certain Vacant Positions.
Building Inspections	Permit Clerk	FT	(1.00)	Elimination of Certain Vacant Positions.
	Building Inspections Total		(3.00)	
Commonwealth's Attorney	Secretary	FT	(1.00)	Elimination of Certain Vacant Positions.
Commonwealth's Attorney	Paralegal	FT	(1.00)	Elimination of Certain Vacant Positions.
	Commonwealth's Attorney Total		(2.00)	
Community Revitalization	Deputy Zoning Conformance Officer	FT	(1.00)	Elimination of Certain Vacant Positions.
Finance	Account Clerk II	FT	(4.00)	Elimination of Certain Vacant Positions.
Finance	Account Clerk III	FT	(1.00)	Elimination of Certain Vacant Positions.
Finance	Office Assistant III	FT	(2.00)	Elimination of Certain Vacant Positions.
Finance	Technology Support Specialist III	FT	(1.00)	Elimination of Certain Vacant Positions.
	Finance Total		(8.00)	
Fire	Secretary	FT	(1.00)	Elimination of Certain Vacant Positions.
General Services	Custodial Worker	FT	(1.00)	Elimination of Certain Vacant Positions.
General Services	Electronic Controls Technician	FT	(1.00)	Elimination of Certain Vacant Positions.
General Services	Technology Support Specialist III	FT	(1.00)	Elimination of Certain Vacant Positions.
General Services	Food Service Assistant	PT	(2.00)	Elimination of Certain Vacant Positions.
	General Services Total		(5.00)	
Human Resources	Senior Human Resources Analyst	FT	(1.00)	Elimination of Certain Vacant Positions.
Human Resources	Hold Complement	n/a	(3.00)	Elimination of Certain Vacant Positions.
Information Technology	Information Technology Project Leader	FT	(1.00)	Elimination of Certain Vacant Positions.
Information Technology	Information Technology Project Manager	FT	(1.00)	Elimination of Certain Vacant Positions.
Information Technology	Technology Support Specialist II	FT	(2.00)	Elimination of Certain Vacant Positions.
Information Technology	Technology Support Specialist III	FT	(1.00)	Elimination of Certain Vacant Positions.
	Information Technology Total		(5.00)	
Library	Library Assistant I	FT	(2.00)	Elimination of Certain Vacant Positions.
Library	Library Assistant II	FT	(7.00)	Elimination of Certain Vacant Positions.
Library	Library Assistant III	FT	(1.00)	Elimination of Certain Vacant Positions.
	Library Total		(10.00)	
Permit Centers	Community Development Technician II	FT	(1.00)	Elimination of Certain Vacant Positions.
Planning	County Planner I	FT	(1.00)	Elimination of Certain Vacant Positions.
Police	County Planner I	FT	(1.00)	Elimination of Certain Vacant Positions.
Police	Secretary	FT	(1.00)	Elimination of Certain Vacant Positions.
	Police Total		(2.00)	
Public Relations & Media Services	Public Relations Specialist	FT	(1.00)	Elimination of Certain Vacant Positions.

**County of Henrico
Personnel Complement Changes
FY 2010-11**

Fund/Department	Position	F/PT	Number	Justification
<i>General Government (cont'd)</i>				
Public Works	Equipment Operator I	FT	(1.00)	Elimination of Certain Vacant Positions.
Public Works	Laborer	FT	(4.00)	Elimination of Certain Vacant Positions.
Public Works	Labor Foreman II	FT	(1.00)	Elimination of Certain Vacant Positions.
Public Works	Traffic Service Worker I	FT	(1.00)	Elimination of Certain Vacant Positions.
Public Works	Traffic Service Worker II	FT	(1.00)	Elimination of Certain Vacant Positions.
	Public Works Total		(8.00)	
Real Property	Office Assistant III	PT	(0.50)	Elimination of Certain Vacant Positions.
Recreation	Custodian I	FT	(1.00)	Elimination of Certain Vacant Positions.
Recreation	Equipment Operator I	FT	(1.00)	Elimination of Certain Vacant Positions.
Recreation	Maintenance Superintendent	FT	(1.00)	Elimination of Certain Vacant Positions.
Recreation	Office Assistant IV	FT	(1.00)	Elimination of Certain Vacant Positions.
	Recreation Total		(4.00)	
Sheriff	Correctional Deputy	FT	(5.00)	Elimination of Certain Vacant Positions.
Sheriff	Office Assistant III	FT	(1.00)	Elimination of Certain Vacant Positions.
	Sheriff Total		(6.00)	
	General Fund Total		(62.50)	
Special Revenue Fund:				
MH/DS/SA	MH/DS Case Manager	FT	(1.00)	Elimination of Certain Vacant Positions.
MH/DS/SA	MH/DS Clinician	FT	(1.00)	Elimination of Certain Vacant Positions.
MH/DS/SA	MH/DS Group Home Worker	FT	(1.00)	Elimination of Certain Vacant Positions.
MH/DS/SA	MH/DS Training Specialist	FT	(1.00)	Elimination of Certain Vacant Positions.
MH/DS/SA	MH/DS Records Coordinator	FT	(1.00)	Elimination of Certain Vacant Positions.
	MH/DS/SA Total		(5.00)	
Solid Waste	Assistant Division Director	FT	(1.00)	Elimination of Certain Vacant Positions.
Solid Waste	Customer Service Representative	FT	(1.00)	Elimination of Certain Vacant Positions.
Solid Waste	Equipment Operator II	FT	(2.00)	Elimination of Certain Vacant Positions.
	Solid Waste Total		(4.00)	
	Special Revenue Fund Total		(9.00)	
Enterprise Fund:				
Public Utilities	Account Clerk III	FT	(1.00)	Elimination of Certain Vacant Positions.
Public Utilities	Accountant II	FT	(1.00)	Elimination of Certain Vacant Positions.
Public Utilities	Construction Inspector	FT	(2.00)	Elimination of Certain Vacant Positions.
Public Utilities	Customer Service Representative	FT	(1.00)	Elimination of Certain Vacant Positions.
Public Utilities	Equipment Operator I	FT	(1.00)	Elimination of Certain Vacant Positions.
Public Utilities	Equipment Operator II	FT	(1.00)	Elimination of Certain Vacant Positions.
Public Utilities	GIS Technician	FT	(1.00)	Elimination of Certain Vacant Positions.
Public Utilities	Maintenance Assistant I	FT	(1.00)	Elimination of Certain Vacant Positions.
Public Utilities	Maintenance Assistant II	FT	(1.00)	Elimination of Certain Vacant Positions.
Public Utilities	Meter Reader	FT	(1.00)	Elimination of Certain Vacant Positions.
Public Utilities	Office Supervisor	FT	(1.00)	Elimination of Certain Vacant Positions.
Public Utilities	Utility Plant Operator II	FT	(1.00)	Elimination of Certain Vacant Positions.
	Public Utilities Total		(13.00)	
	Enterprise Fund Total		(13.00)	
	General Government Total		(84.50)	

**County of Henrico
Personnel Complement Changes
FY 2010-11**

Fund/Department	Position	F/PT	Number	Justification
-----------------	----------	------	--------	---------------

General Government (cont'd)

FOR INFORMATIONAL PURPOSES ONLY:

Vacant Complement III Positions Eliminated During FY2009-10:

Capital Area Training Consortium	CATC Employment/Training Technicians	FT	(2.00)	Elimination of Certain Vacant Positions.
Capital Area Training Consortium	CATC Job Developer	FT	(1.00)	Elimination of Certain Vacant Positions.
Circuit Court Clerk	Deputy Clerk II	FT	(1.00)	Elimination of Certain Vacant Positions.
Circuit Court Clerk	Deputy Clerk IV	FT	(2.00)	Elimination of Certain Vacant Positions.
Community Corrections	County Probation Officer	FT	(1.00)	Elimination of Certain Vacant Positions.
MH/DS/SA	MH/DS Case Manager	FT	(3.00)	Elimination of Certain Vacant Positions.
MH/DS/SA	MH/DS Clinician	FT	(5.00)	Elimination of Certain Vacant Positions.
Social Services	Social Worker I	FT	(1.00)	Elimination of Certain Vacant Positions.
	Total Vacant Complement III Positions Eliminated		(16.00)	

Total Vacant Positions Eliminated, General Government (100.50)

NEW POSITIONS (all for new facilities)

General Government

General Fund:

Police	Police Officer	FT	2.00	School Resource Officers for new schools.
Recreation	Account Clerk II	FT	1.00	Eastern Henrico Recreation Center.
Recreation	Custodian	FT	2.00	Eastern Henrico Recreation Center.
Recreation	Equipment Operator I	FT	2.00	Eastern Henrico Recreation Center.
Recreation	Recreation Coordinator I	FT	2.00	Eastern Henrico Recreation Center.
Recreation	Recreation Coordinator II	FT	2.00	Eastern Henrico Recreation Center.
Recreation	Senior Recreation Coordinator	FT	1.00	Eastern Henrico Recreation Center.
	Recreation Total		10.00	

Total New Positions 12.00

Net Complement Change (Excluding Complement III Positions): (72.50)

**County of Henrico
Personnel Complement Changes
FY 2010-11**

Fund/Department	Position	F/PT	Number	Justification
EDUCATION				
General Fund:				
Revisions During FY2009-10:				
Administrative	Elementary School Education	FT	1.00	Reclassification
Administrative	Gifted	FT	(1.00)	Realignment
Administrative	General Adult Education	FT	(1.00)	Realignment
Administrative	Psychological Services	FT	(1.00)	Realignment
Administrative	Social Work Services	FT	(1.00)	Realignment
Administrative	School Counseling	FT	(1.00)	Realignment
Administrative	Information Services	FT	(1.00)	Realignment
Administrative	Student Health Services	FT	(1.00)	Realignment
Administrative	Television Services	FT	(2.00)	Realignment
Administrative	General Services	FT	(1.00)	Realignment
Administrative	Superintendent	FT	(1.00)	Reclassification
Instructional	Reserve for New Teachers	FT	(14.80)	Realignment
Instructional	Elementary School Education	FT	6.40	Realignment
Instructional	Middle School Education	FT	(0.40)	Realignment
Instructional	High School Education	FT	3.00	Realignment
Instructional	High School Education	FT	3.00	Shifted from Special Revenue
Instructional	High School Education	FT	(9.00)	Realignment
Instructional	Gifted	FT	1.00	Realignment
Instructional	Gifted	FT	1.00	Realignment
Instructional	Career & Technical Education	FT	1.00	Realignment
Instructional	General Adult Education	FT	1.00	Realignment
Instructional	Nontraditional Programs	FT	(0.20)	Realignment
Instructional	Exceptional Education	FT	3.00	Realignment
Instructional	School Counseling	FT	1.00	Realignment
Instructional	Information Services	FT	1.00	Realignment
Instructional	Research and Planning	FT	1.00	Realignment
Librarians	Information Services	FT	(1.00)	Realignment
Assistant Principals	Middle School Education	FT	2.00	Realignment
Assistant Principals	Nontraditional Programs	FT	(1.00)	Realignment
Assistant Principals	Staff Development	FT	(1.00)	Realignment
Other Professional	High School Education	FT	9.00	Realignment
Other Professional	Psychological Services	FT	1.00	Realignment
Other Professional	Social Work Services	FT	1.00	Realignment
Other Professional	Human Resources	FT	(1.00)	Realignment
Other Professional	Student Health Services	FT	1.00	Realignment
Other Professional	Public Relations	FT	(1.00)	Realignment
Other Professional	Television Services	FT	2.00	Realignment
Other Professional	Construction & Maintenance	FT	(3.00)	Realignment
Other Professional	Payroll	FT	1.00	Realignment
Other Professional	General Services	FT	1.00	Realignment
Technology Tech Department	Technology	FT	(1.00)	Realignment
Technology Tech Department	Information Services	FT	(1.00)	Realignment
Technical	Adult Basic Education	FT	(1.00)	Realignment
Technical	Information Services	FT	1.00	Realignment
Technical	Assistant Superintendent for Admin. Svcs.	FT	1.00	Realignment
Technical	Human Resources	FT	(1.00)	Realignment
Technical	Pupil Transportation	FT	1.00	Reclassification
Technical	Construction & Maintenance	FT	7.00	Realignment
Technical	Budget	FT	(1.00)	Realignment
Technology Tech Support	Technology	FT	1.00	Realignment
Technology Tech Support	Information Services	FT	1.00	Realignment
Technology Tech Support	Assistant Superintendent for Admin. Svcs.	FT	(1.00)	Realignment
Technology Tech Support	Human Resources	FT	4.00	Realignment
Technology Tech Support	Public Relations	FT	1.00	Reclassification

**County of Henrico
Personnel Complement Changes
FY 2010-11**

Fund/Department	Position	F/PT	Number	Justification
<i>Education (cont'd)</i>				
Technology Tech Support	Public Relations	FT	1.00	Realignment
Technology Tech Support	Assistant Superintendent for Finance	FT	1.00	Reclassification
Technology Tech Support	Payroll	FT	1.00	Reclassification
Clerical	Middle School Education	FT	1.00	Realignment
Clerical	High School Education	FT	1.00	Realignment
Clerical	Gifted	FT	(2.00)	Realignment
Clerical	Adult Basic Education	FT	1.00	Realignment
Clerical	Human Resources	FT	(2.00)	Realignment
Clerical	Public Relations	FT	1.00	Reclassification
Clerical	Public Relations	FT	(1.00)	Reclassification
Clerical	Construction & Maintenance	FT	(1.00)	Realignment
Clerical	Payroll	FT	(1.00)	Reclassification
Clerical	General Services	FT	(1.00)	Reclassification
Instructional Assistants	High School Education	FT	(3.00)	Shift to Special Revenue
Instructional Assistants	Exceptional Education	FT	1.00	Board Approved System Growth
Trades Personnel	Construction & Maintenance	FT	(2.00)	Realignment
Operative Personnel	Pupil Transportation	FT	4.00	Reclassification
Service	Construction & Maintenance	FT	(1.00)	Realignment
Technical	Pupil Transportation	PT	(1.00)	Reclassification
Clerical	General Services	PT	0.50	Realignment
Operative Personnel	Pupil Transportation	PT	(5.00)	Reclassification
Service	General Services	PT	(0.50)	Realignment
	Total Education - General Fund (FY2009-10):		1.00	

Changes for FY2010-11:

Assistant Superintendents	Instruction	FT	(1.00)	Reduce Complement
Instructional	Reserve for New Teachers	FT	(0.20)	Increase PTR/Average Class Size
Instructional	Elementary School Education	FT	(28.40)	Reduce Complement
Instructional	Middle School Education	FT	1.00	New Facilities
Instructional	Middle School Education	FT	(1.00)	Reduce Complement
Instructional	Middle School Education	FT	(27.80)	Increase PTR/Average Class Size
Instructional	High School Education	FT	1.00	New Facilities
Instructional	High School Education	FT	(38.05)	Increase PTR/Average Class Size
Instructional	Career & Technical Education	FT	(3.80)	Increase PTR/Average Class Size
Instructional	Nontraditional Programs	FT	(1.00)	Reduce Complement
Instructional	School Counseling	FT	4.00	New Facilities
Assistant Principals	Middle School Education	FT	2.00	New Facilities
Assistant Principals	High School Education	FT	2.00	New Facilities
Assistant Principals	Nontraditional Programs	FT	(1.00)	Reduce Complement
Assistant Principals	Staff Development	FT	(2.00)	Reduce Complement
Nurses	Nurses	FT	2.00	New Facilities
Technical	High School Education	FT	1.00	New Facilities
Technology Tech Support	Technology	FT	(2.00)	Reduce Complement
Technology Tech Support	Assistant Superintendent for Finance	FT	(1.00)	Reduce Complement
Clerical	Elementary School Education	FT	(1.00)	Reduce Complement
Clerical	Middle School Education	FT	2.00	New Facilities
Clerical	High School Education	FT	3.00	New Facilities
Clerical	High School Education	FT	(1.00)	Reduce Complement
Clerical	Nontraditional Programs	FT	(1.00)	Reduce Complement
Clerical	Exceptional Education	FT	(1.00)	Reduce Complement
Clerical	Guidance & Counseling	FT	3.00	New Facilities
Clerical	Information Services	FT	2.00	New Facilities
Clerical	Information Services	FT	(1.00)	Reduce Complement
Clerical	Payroll	FT	(1.00)	Reduce Complement
Instructional Assistants	Career & Technical Education	FT	2.00	New Facilities
Instructional Assistants	Exceptional Education	FT	6.00	New Facilities

**County of Henrico
Personnel Complement Changes
FY 2010-11**

Fund/Department	Position	F/PT	Number	Justification
<i>Education (cont'd)</i>				
Trades Personnel	Construction & Maintenance	FT	2.00	New Facilities
Trades Personnel	Construction & Maintenance	FT	(1.00)	Reduce Complement
Operative Personnel	Pupil Transportations	FT	8.00	New Facilities
Laborers	Construction & Maintenance	FT	3.00	New Facilities
Service	Construction & Maintenance	FT	14.00	New Facilities
Service	Construction & Maintenance	FT	(1.00)	Reduce Complement
Technical	Elementary School Education	PT	(0.75)	Reduce Complement
	Total Education - General Fund FY2010-11:		(58.00)	
	Total Education - General Fund (since 7/1/2009):		(57.00)	
Special Revenue Fund:				
Revisions During FY2009-10:				
Administrative	CTE Resource Center	FT	(1.00)	Realignment
Instructional	General Adult Education	FT	(8.00)	Realignment
Instructional	Jail East & West Education Program	FT	8.00	Realignment
Instructional	Grant Administration	FT	(1.00)	Realignment
Instructional	Reading First Grant	FT	(1.00)	Realignment
Instructional	Reserve for Grant Programs	FT	(1.00)	Reclassification
Instructional	State Four Year Old Program	FT	1.00	Reclassification
Instructional	Head Start	FT	(1.00)	Realignment
Instructional	Juvenile Detention Home	FT	1.00	Board Approved System Growth
Instructional	Title I	FT	6.00	Realignment
Instructional	Title I	FT	1.00	Board Approved System Growth
Instructional	Title I - School Improvement 1003A	FT	(1.00)	Realignment
Instructional	Title I - School Improvement 1003G	FT	2.00	Board Approved System Growth
Instructional	Title III - ESL	FT	(2.00)	Shifted to General Fund
Instructional	VCU Teacher Development	FT	(3.00)	Reduce Complement
Librarians	Grant Administration	FT	1.00	Realignment
Other Professional	School Nutrition Service	FT	(2.00)	Realignment
Other Professional	Grant Administration	FT	1.00	Reclassification
Other Professional	Capital Construction Management	FT	(3.00)	Realignment
Other Professional	Research & Planning	FT	(1.00)	Reclassification
Technical	Capital Construction Management	FT	3.00	Realignment
Technical	Head Start	FT	(1.00)	Reclassification
Technical	Perkins Act III	FT	1.00	Realignment
Technology Tech Support	CTE Resource Center	FT	1.00	Realignment
Clerical	Grant Administration	FT	1.00	Reclassification
Clerical	General Adult Education	FT	(1.00)	Realignment
Clerical	Jail East & West Education Program	FT	1.00	Realignment
Clerical	Perkins Act III	FT	(1.00)	Realignment
Clerical	Title I	FT	1.00	Reclassification
Instructional Assistants	Head Start	FT	(1.00)	Reclassification
Instructional Assistants	Title I	FT	(1.00)	Reclassification
Instructional Assistants	Title I	FT	1.00	Reclassification
Instructional Assistants	Title III - ESL	FT	3.00	Shifted from General Fund
Operative	Head Start	FT	(3.00)	Reclassification
Services	School Nutrition Service	FT	2.00	Realignment
Instructional Assistants	Title III	PT	0.50	System Growth
Instructional Assistants	Refugee School Impact	PT	0.50	System Growth
	Total Education - Special Revenue Fund (FY2009-10):		3.00	

**County of Henrico
Personnel Complement Changes
FY 2010-11**

Fund/Department	Position	F/PT	Number	Justification
Changes for FY2010-11:				
Instructional	Reading First Grant	FT	(1.00)	Reduce Complement
Instructional	Reserve for Grant Programs	FT	1.00	System Growth
Librarians	Grant Administration	FT	(1.00)	Reduce Complement
Clerical	Grant Administration	FT	(1.00)	Reduce Complement
Instructional Assistants	Distance Learning/Japanese TV	FT	(2.00)	Reduce Complement
Services	School Food Services - NSLP	FT	4.00	New Facilities
Food Service Personnel	School Food Services - NSLP	PT	9.00	New Facilities
	Total Education - Special Revenue Fund (FY2010-11):		9.00	
	Total Education - Special Revenue Fund (since 7/1/2009):		12.00	
	Total Education - All Funds (FY2009-10):		4.00	
	Total Education - All Funds (FY2010-11):		(49.00)	
	Total Education - All Funds (since 7/1/2009):		<u>(45.00)</u>	

**Summary of Authorized Positions
and
Expenditures By Agency
(All Operating Funds)**

Agency	Authorized Positions ¹			Actual FY 09	Expenditures		Approved FY 11
	FY 09	FY 10	FY 11		FY 10	FY 11	
Board of Supervisors	5	5	5	\$ 1,162,393	\$ 1,164,196	\$ 1,096,518	
County Manager	13	13	13	2,036,190	1,965,145	1,915,000	
Public Relations & Media Services	20	19	19	2,054,319	2,060,435	1,863,174	
County Attorney	18	18	18	2,004,339	2,049,269	2,006,181	
Human Resources ²	56	53	53	12,515,067	12,281,177	8,852,921	
Finance	167	159	159	12,075,172	12,806,463	12,280,200	
General Services	161	156	156	25,822,773	22,261,758	21,462,749	
Internal Audit	4	4	4	367,386	361,168	376,385	
Information Technology	89	83	83	11,873,881	13,340,288	12,079,730	
Real Property	7.5	7	7	528,484	605,673	572,006	
Electoral Board	9	9	9	1,560,375	1,457,761	1,396,097	
Circuit Court Clerk	0	0	0	2,431,400	2,547,244	2,396,278	
Circuit Court Services	8	8	8	523,236	552,686	524,171	
General District Court	0	0	0	217,083	192,607	211,206	
Magistrates	0	0	0	7,223	7,884	6,996	
Juvenile & Domestic Relations - Court Services	0	0	0	56,199	84,975	60,080	
Juvenile & Domestic Relations - Probation	0	0	0	216,233	226,447	222,098	
Juvenile & Domestic Relations - Detention Home	30	30	30	2,141,032	2,122,976	2,109,876	
Juvenile & Domestic Relations - USDA Grant	0	0	0	42,098	35,000	30,429	
Juvenile & Domestic Relations - VJCCCA	3	3	3	1,042,922	1,053,023	952,390	
Commonwealth's Attorney	56	54	54	5,370,775	5,535,082	5,409,763	
Police	799	797	799	68,792,717	67,527,061	66,264,457	
Fire	540	539	539	49,034,092	50,195,913	49,316,053	
Sheriff	377	371	371	35,457,704	34,233,243	33,515,801	
Building Inspections	61	58	58	4,225,167	4,668,567	4,330,403	
Public Works	266	258	258	36,932,658	36,832,899	36,752,526	
Public Health	0	0	0	1,655,066	1,645,730	1,645,730	
Mental Health & Developmental Services	225	220	220	29,885,315	32,111,037	32,014,819	
Social Services	168	168	168	22,506,662	18,794,146	18,464,062	
Recreation and Parks	172	168	178	16,069,515	16,770,371	16,700,684	
Library	183	173	173	15,617,194	16,399,039	15,634,256	

**Summary of Authorized Positions
and**

**Expenditures By Agency
(All Operating Funds)**

Agency	Authorized Positions ¹			Expenditures		
	FY 09	FY 10	FY 11	Actual FY 09	Original FY 10	Approved FY 11
Economic Development	0	0	0	16,885,784	13,256,265	12,472,202
Planning	50	49	49	4,171,538	4,326,456	4,072,703
Community Revitalization	19	18	18	3,855,770	1,763,516	1,576,211
Agriculture and Home Extension	3	3	3	315,975	376,772	350,106
Non-Departmental	0	0	0	13,031,144	12,354,836	12,614,208
Sandston Recreation Center	0	0	0	11,756	14,000	14,000
Permit Centers	19	18	18	905,069	945,672	880,910
Community Corrections Program	2	2	2	1,687,752	1,741,679	1,732,867
Comprehensive Services Act	0	0	0	8,607,835	8,564,611	8,969,465
Capital Area Training Consortium	0	0	0	2,010,355	3,666,521	4,471,854
Metro Aviation Unit/Extradition	0	0	0	351,682	462,687	461,687
Solid Waste	75	70	70	10,719,626	12,064,068	12,166,612
Street Lights	0	0	0	77,242	70,200	72,500
Public Utilities	320	308	308	70,210,032	73,545,976	71,769,446
Belmont Park Golf Course	9	9	9	1,079,243	1,192,479	1,226,585
Central Automotive Maintenance	65	65	65	17,463,268	21,722,651	20,502,272
Technology Replacement	0	0	0	2,239,542	2,810,424	3,035,008
Healthcare	0	0	0	64,478,697	80,843,361	85,155,906
James River Juvenile Detention Center	0	0	0	5,485,883	5,593,129	5,526,540
Debt Service (General Government only)	0	0	0	17,890,636	17,727,683	15,309,698
Interdepartmental Billings	0	0	0	(72,245,763)	(84,752,377)	(84,250,164)
Sub-Total	3,999.5	3,915.0	3,927.0	\$ 533,457,736	\$ 540,179,872	\$ 528,593,655
Education (includes Debt Service)	6,587.80	6,633.80	6,584.80	499,629,638	518,434,829	494,580,127
Total	10,587.30	10,548.80	10,511.80	\$ 1,033,087,374	\$ 1,058,614,701	\$ 1,023,173,782

¹ This reflects Complement I and II positions only. These positions are funded either wholly or in part with County funds. FY09 and FY10 Authorized Positions reflect "revised" totals as of March 22, 2010.

² Certain approved, vacant, and frozen positions have been removed from the department where previously assigned and were being held in the Human Resources Department's complement until reassignment is made. For the FY2010-11 budget, all such positions have been eliminated.

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2008-09</u>	<u>Approved FY2009-10</u>	<u>Revised FY2009-10¹</u>	<u>Approved FY2010-11</u>
Agriculture & Home Extension				
Administrative Assistant	1	1	1	1
Extension Agent	1	1	1	1
Office Assistant III	1	1	1	1
	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Belmont Golf Course				
Equipment Operator I	4	4	4	4
Equipment Operator III	1	1	1	1
Food Service Supervisor	1	1	1	1
Labor Foreman III	1	1	1	1
Maintenance Superintendent	1	1	1	1
Utility Mechanic	1	1	1	1
	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>
Board of Supervisors				
Administrative Assistant	1	1	1	1
Administrative Secretary	1	1	1	1
Assistant to the County Manager	1	1	1	1
Executive Assistant	2	2	2	2
	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Building Inspections				
Administrative Assistant	1	1	1	1
Building Inspector I	3	3	19	19
Building Inspector II	29	29	11	11
Building Official	1	1	1	1
Business Supervisor	1	1	1	1
Deputy Building Official	1	1	1	1
Electrical Engineer	1	1	1	1
Electrical/Elevator Inspector Supervisor	1	1	1	1
Engineer II	6	6	6	6
Inspections Plans Reviewer	1	1	1	1
Mechanical Engineer	2	2	2	2
Mechanical/Plumbing Inspector Supervisor	1	1	1	1
Office Assistant II	1	1	1	1
Office Assistant III	1	1	1	1
Permit Clerk	4	4	3	3
Residential Building Inspector Supervisor	1	1	1	1
Senior Permit Clerk	3	3	3	3
Senior Plans Review Engineer	2	2	2	2
Technology Support Specialist III	1	1	1	1
	<u>61</u>	<u>61</u>	<u>58</u>	<u>58</u>
Central Automotive Maintenance				
Accountant III	1	1	1	1
Automotive Equipment Mechanic	33	33	32	32
Automotive Equipment Supervisor	1	1	1	1
Automotive Equipment Technician	2	2	3	3
Automotive Fleet Manager	1	1	1	1

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2008-09</u>	<u>Approved FY2009-10</u>	<u>Revised FY2009-10¹</u>	<u>Approved FY2010-11</u>
<i>Central Automotive Maintenance (cont'd)</i>				
Automotive Mechanic Foreman	4	4	4	4
Automotive Parts Supervisor	1	1	0	0
Automotive Service Worker I	0	0	1	1
Automotive Service Worker II	3	3	2	2
Custodial Worker	2	2	2	2
Fire Equipment Mechanic	5	5	5	5
Fire Equipment Mechanic Foreman	1	1	1	1
Office Assistant II	1	1	1	1
Office Assistant III	1	1	1	1
Secretary	1	1	1	1
Senior Shop Clerk Dispatcher	1	1	1	1
Storekeeper I	3	3	3	3
Storekeeper II	2	2	2	2
Superintendent/Central Maintenance Facility	1	1	1	1
Warehouse/Parts Supervisor	0	0	1	1
Welder	1	1	1	1
	<u>65</u>	<u>65</u>	<u>65</u>	<u>65</u>
Circuit Court Services				
Administrative Assistant	2	2	2	2
Executive Assistant	1	1	1	1
Law Clerk	3	3	3	3
Office Assistant III	0	0	1	1
Office Assistant IV	2	2	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	0	0	12	12
Assistant Attorney II/Commonwealth	20	20	6	6
Assistant Attorney III/Commonwealth	1	1	3	3
Attorney for the Commonwealth	1	1	1	1
Business Supervisor	1	1	1	1
Chief Deputy Attorney/Commonwealth	1	1	1	1
Management Specialist I	1	1	1	1
Management Specialist II	1	1	1	1
Office Assistant III	2	2	2	2
Office Assistant IV	1	1	1	1
Office Supervisor	1	1	1	1
Paralegal	4	4	3	3
Secretary	14	14	13	13
Senior Asst. Attorney/Commonwealth	6	6	6	6
Technical Support Specialist I	1	1	1	1
	<u>56</u>	<u>56</u>	<u>54</u>	<u>54</u>

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2008-09</u>	<u>Approved FY2009-10</u>	<u>Revised FY2009-10¹</u>	<u>Approved FY2010-11</u>
Community Corrections				
Senior County Probation Officer	1	0	0	0
Senior Management Specialist	1	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Community Revitalization				
Administrative Assistant	1	1	1	1
County Planner II	2	2	1	1
Deputy Zoning Conformance Officer	1	1	1	1
Director of Community Revitalization	1	1	1	1
Office Assistant III	1	1	1	1
Office Assistant IV	1	1	1	1
Principal Planner	1	1	1	1
Technology Support Specialist II	1	1	1	1
Zoning Enforcement Officer	10	10	10	10
	<u>19</u>	<u>19</u>	<u>18</u>	<u>18</u>
County Attorney				
Assistant County Attorney I	0	0	2	2
Assistant County Attorney II	0	0	3	3
Assistant County Attorney III	0	0	2	2
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	9	9	2	2
	<u>18</u>	<u>18</u>	<u>18</u>	<u>18</u>
County Manager				
Administrative Assistant	3	3	3	3
Associate County Manager	1	1	0	0
County Manager	1	1	1	1
Deputy County Manager	4	4	5	5
Executive Assistant	1	1	1	1
Legislative Liaison	1	1	1	1
Office Assistant IV	1	1	1	1
Technology Support Specialist III	1	1	1	1
	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>
Electoral Board - Registrar				
Administrative Assistant	1	1	1	1
Assistant Registrar II	5	5	5	5
Deputy General Registrar	1	1	1	1
Office Supervisor	1	1	1	1
Technology Support Specialist I	1	1	1	1
	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>
Finance				
Account Clerk II	30	30	26	26
Account Clerk III	7	7	6	6

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2008-09</u>	<u>Approved FY2009-10</u>	<u>Revised FY2009-10¹</u>	<u>Approved FY2010-11</u>
<i>Finance (cont'd)</i>				
Accountant I	1	1	2	2
Accountant III	6	6	5	5
Accountant IV	2	2	2	2
Accounting and Fiscal Technician	1	1	1	1
Accounting Section Manager	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Treasury Supervisor	2	2	2	2
Budget Analyst I	0	0	1	1
Budget Analyst II	2	2	1	1
Budget Analyst III	2	2	2	2
Budget Director	1	1	1	1
Budget Supervisor	1	1	1	1
Business Audit Supervisor	1	1	1	1
Business Auditor I	2	2	3	3
Business Auditor II	4	4	5	5
Business Inspection Supervisor	1	1	1	1
Business Inspector	4	4	4	4
Business Section Manager	1	1	1	1
Business Supervisor	1	1	1	1
Deputy Director Of Finance	1	1	1	1
Director Of Finance	1	1	1	1
Division Director	3	3	3	3
Information Technology Project Manager	1	1	1	1
Management Specialist II	0	0	0	0
Office Assistant III	12	12	10	10
Office Assistant IV	6	6	5	5
Office Supervisor	1	1	1	1
Personal Property Tax Auditor I	9	9	9	9
Personal Property Tax Auditor II	1	1	1	1
Real Estate Appraiser I	1	1	0	0
Real Estate Appraiser II	1	1	2	2
Real Estate Appraiser Supervisor	3	3	3	3
Real Estate Assessment Director	1	1	1	1
Real Estate Section Manager	1	1	1	1
Revenue Collection Officer I	3	3	3	3
Revenue Collection Officer II	4	4	5	5
Secretary	4	4	4	4
Senior Accountant	3	3	3	3
Senior Budget and Management Analyst	1	1	1	1
Senior Business Auditor	4	4	2	2
Senior Management Specialist	3	3	2	2
Senior Real Estate Appraiser	21	21	21	21
Senior Revenue Collection Officer	1	1	1	1
Technology Support Specialist III	4	4	4	4
Technology Support Specialist IV	1	1	1	1

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2008-09</u>	<u>Approved FY2009-10</u>	<u>Revised FY2009-10¹</u>	<u>Approved FY2010-11</u>
<i>Finance (cont'd)</i>				
Technology Support Technician II	2	2	2	2
Treasury Supervisor	2	2	2	2
Vehicle Section Manager	1	1	1	1
	<u>167</u>	<u>167</u>	<u>159</u>	<u>159</u>
Fire				
Account Clerk III	2	2	2	2
Administrative Assistant	1	1	1	1
Assistant Fire Chief	2	2	2	2
Controller	1	1	1	1
Deputy Fire Chief	1	1	1	1
Emergency Manager	1	1	1	1
Engineer II	1	1	1	1
Fire Battalion Chief	9	9	10	10
Fire Captain	31	31	31	31
Fire Chief	1	1	1	1
Fire Division Chief	4	4	3	3
Fire Lieutenant	88	88	88	88
Firefighter	381	381	382	382
Management Specialist I	4	4	4	4
Management Specialist II	1	1	1	1
Office Assistant III	2	2	2	2
Office Assistant IV	1	1	1	1
Office Supervisor	1	1	1	1
Registered Nurse	1	1	1	1
Secretary	2	2	1	1
Senior Management Specialist	1	1	1	1
Technology Support Specialist I	1	1	0	0
Technology Support Specialist II	1	1	2	2
Technology Support Specialist IV	2	2	1	1
	<u>540</u>	<u>540</u>	<u>539</u>	<u>539</u>
General Services				
Account Clerk III	3	3	3	3
Administrative Assistant	1	1	1	1
Buildings and Grounds Manager	1	1	1	1
Business Supervisor	1	1	1	1
Buyer	4	4	4	4
Capital Projects Manager	4	4	4	4
Chief of Security Services	1	1	1	1
Claims Adjuster	2	2	2	2
Claims Technician	2	2	2	2
Communications Maintenance Supervisor	1	1	1	1
Communications Systems Manager	1	1	1	1
Construction Coordinator	0	0	2	2
Controller	1	1	1	1
Courier	3	3	3	3

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2008-09</u>	<u>Approved FY2009-10</u>	<u>Revised FY2009-10¹</u>	<u>Approved FY2010-11</u>
<i>General Services (cont'd)</i>				
Custodial Worker	19	19	18	18
Custodian I	2	2	2	2
Custodian II	2	2	2	2
Deputy Director of General Services	1	1	1	1
Director Of General Services	1	1	1	1
Division Manager	2	2	2	2
Electronic Controls Technician	3	3	2	2
Facilities Coordinator	1	1	1	1
Food Service Assistant	5	5	3	3
Food Service Manager	1	1	1	1
Food Service Supervisor	1	1	1	1
Maintenance Superintendent	3	3	3	3
Maintenance Supervisor	1	1	1	1
Management Specialist II	1	1	1	1
Office Assistant II	3	3	3	3
Office Assistant III	2	2	2	2
Office Assistant IV	3	3	3	3
Plant Maintenance Mechanic	22	22	22	22
Procurement Supervisor	3	3	3	3
Purchasing Support Specialist	2	2	2	2
Radio Repair Technician I	1	1	2	2
Radio Repair Technician III	2	2	1	1
Safety Officer	1	1	1	1
Safety Specialist	1	1	1	1
Secretary	2	2	2	2
Security Officer	24	24	24	24
Security Officer Supervisor	3	3	3	3
Senior Buyer	2	2	2	2
Senior Capital Projects Manager	2	2	2	2
Senior Claims Adjuster	1	1	1	1
Senior Construction Coordinator	3	3	1	1
Senior Cook	3	3	3	3
Senior Engineer	1	1	1	1
Senior Management Specialist	2	2	2	2
Senior Plant Maintenance Mechanic	5	5	5	5
Support Services Supervisor	1	1	1	1
Technology Support Specialist II	2	2	2	2
Technology Support Specialist III	1	1	1	1
Technology Support Specialist IV	1	1	0	0
	<u>161</u>	<u>161</u>	<u>156</u>	<u>156</u>
Human Resources				
Account Clerk III	1	1	2	2
Accounting and Fiscal Technician	4	4	0	0
Administrative Assistant	1	1	1	1
Assistant Director of Human Resources	2	2	2	2

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2008-09</u>	<u>Approved FY2009-10</u>	<u>Revised FY2009-10¹</u>	<u>Approved FY2010-11</u>
<i>Human Resources (cont'd)</i>				
Director of Human Resources	1	1	1	1
Division Manager	6	6	7	7
Fitness Trainer	0	0	2	2
Human Resource Analyst I	0	0	1	1
Human Resource Analyst II	2	2	7	7
Human Resource Analyst III	2	2	2	2
Human Resources Manager	0	0	1	1
Information Technology Project Manager	1	1	1	1
Medical Assistant	0	0	1	1
Nurse Practitioner	2	2	2	2
Office Assistant IV	7	7	7	7
Senior Human Resources Analyst	17	17	6	6
Senior Human Resources Manager	1	1	0	0
Technology Support Specialist II	1	1	2	2
Technology Support Specialist III	1	1	2	2
Technology Support Specialist IV	2	2	3	3
Technology Support Technician II	2	2	3	3
Untitled ²	3	3	0	0
	<u>56</u>	<u>56</u>	<u>53</u>	<u>53</u>
Information Technology				
Account Clerk III	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Director of Information Technology	1	1	1	1
Computer Operations Supervisor	1	1	1	1
Computer Operator II	3	3	3	3
Computer Operator III	3	3	3	3
Director of Information Technology	1	1	1	1
Information Technology Control Technician	4	4	4	4
Information Technology Hardware Specialist	1	1	1	1
Information Technology Project Leader	9	9	8	8
Information Technology Project Manager	7	7	6	6
Information Technology Senior Specialist	44	44	5	5
Information Technology Systems Engineer	4	4	4	4
Manager of Production Services	1	1	1	1
Office Assistant III	1	1	0	0
Senior Management Specialist	1	1	1	1
Technology Support Specialist II	0	0	8	8
Technology Support Specialist III	0	0	14	14
Technology Support Specialist IV	6	6	20	20
	<u>89</u>	<u>89</u>	<u>83</u>	<u>83</u>
Internal Audit				
Auditor III	2	2	3	3
Director Of Internal Audit	1	1	1	1
Senior Auditor	1	1	0	0
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2008-09</u>	<u>Approved FY2009-10</u>	<u>Revised FY2009-10¹</u>	<u>Approved FY2010-11</u>
Juvenile Detention				
Administrative Assistant	1	1	1	1
Custodian I	1	1	1	1
Detention Counselor	14	14	14	14
Detention Home Assistant Superintendent	2	2	2	2
Detention Home Superintendent	1	1	1	1
Detention Supervisor	3	3	3	3
Food Service Supervisor	1	1	1	1
Office Assistant III	2	2	2	2
Registered Nurse	2	2	2	2
Senior Cook	3	3	3	3
	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>
Juvenile Detention/VJCCCA				
Detention Outreach Coordinator	1	1	1	1
Detention Outreach Worker	2	2	2	2
	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Library				
Account Clerk II	2	2	2	2
Account Clerk III	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Library Director	1	1	1	1
Business Manager	1	1	1	1
Courier	3	3	3	3
Director of Library	1	1	1	1
Librarian I	30	30	30	30
Librarian II	8	8	10	10
Librarian III	14	14	11	11
Library Assistant I	56	56	58	58
Library Assistant II	37	37	27	27
Library Assistant III	8	8	7	7
Library Assistant IV	5	5	5	5
Library Manager	4	4	4	4
Library Public Services Coordinator	1	1	1	1
Office Assistant IV	1	1	0	0
Technology Support Specialist I	4	4	4	4
Technology Support Specialist II	3	3	3	3
Technology Support Specialist III	1	1	2	2
Technology Support Specialist IV	1	1	1	1
	<u>183</u>	<u>183</u>	<u>173</u>	<u>173</u>
Mental Health				
Account Clerk III	6	6	6	6
Accountant I	1	1	1	1
Accountant III	1	1	1	1
Administrative Assistant	1	1	1	1
Business Manager	1	1	1	1
Business Supervisor	3	3	3	3

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2008-09</u>	<u>Approved FY2009-10</u>	<u>Revised FY2009-10¹</u>	<u>Approved FY2010-11</u>
<i>Mental Health (cont'd)</i>				
Controller	1	1	1	1
Director of MH/DS	1	1	1	1
Infant Development Specialist	1	1	1	1
Institutional Physician	1	1	0	0
MH/DS Case Manager	33	33	35	35
MH/DS Clinical Supervisor	14	14	16	16
MH/DS Clinician	58	58	52.5	52.5
MH/DS Community Support Supervisor	8	8	8	8
MH/DS Division Director	2	2	3	3
MH/DS Group Home Supervisor	3	3	2	2
MH/DS Group Home Worker	3	3	2	2
MH/DS Marketing Specialist	1	1	1	1
MH/DS Program Coordinator	6	6	4	4
MH/DS Program Manager	10	10	10	10
MH/DS Records Coordinator	1	1	0	0
MH/DS Residential Counselor	0	0	1.5	1.5
MH/DS Senior Community Support Supv.	1	1	2	2
MH/DS Senior Division Director	1	1	0	0
MH/DS Training Assistant	10	10	11	11
MH/DS Training Specialist	27	27	26	26
Occupational Therapist	1	1	1	1
Office Assistant III	1	1	1	1
Office Assistant IV	19	19	19	19
Secretary	2	2	2	2
Senior Management Specialist	3	3	3	3
Speech Pathologist	1	1	1	1
Technology Support Specialist II	2	2	2	2
Technology Support Specialist IV	1	1	1	1
	<u>225</u>	<u>225</u>	<u>220</u>	<u>220</u>
Permit Centers				
Administrative Assistant	1	1	1	1
Assistant Director of Community Development	1	1	1	1
Community Development Supervisor	1	1	1	1
Community Development Technician I	1	1	3	3
Community Development Technician II	10	10	4	4
Community Development Technician III	1	1	4	4
Director of Community Development	1	1	1	1
Office Assistant IV	2	2	2	2
Senior Community Development Technician	1	1	1	1
	<u>19</u>	<u>19</u>	<u>18</u>	<u>18</u>

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2008-09</u>	<u>Approved FY2009-10</u>	<u>Revised FY2009-10¹</u>	<u>Approved FY2010-11</u>
Planning				
Account Clerk III	0	0	1	1
Accounting & Fiscal Technician	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Director of Planning	2	2	2	2
County Planner I	0	0	6	6
County Planner II	0	0	3	3
County Planner III	14	14	4	4
County Planner IV	6	6	6	6
Deputy Zoning Conformance Officer	1	1	1	1
Director of Planning	1	1	1	1
Office Assistant III	1	1	1	1
Office Assistant IV	6	6	5	5
Planning Technician	0	0	2	2
Principal Planner	3	3	3	3
Senior Business Supervisor	1	1	1	1
Senior Planning Technician	3	3	1	1
Technology Support Specialist I	3	3	3	3
Technology Support Specialist II	3	3	3	3
Technology Support Specialist IV	1	1	1	1
Zoning Enforcement Officer	3	3	3	3
	<u>50</u>	<u>50</u>	<u>49</u>	<u>49</u>
Police				
Account Clerk III	2	2	2	2
Administrative Assistant	1	1	1	1
Animal Protection Officer	9	9	9	9
Animal Protection Supervisor	1	1	1	1
Auditor II	1	1	1	1
Chief of Police	1	1	1	1
Communications Officer	76	76	76	76
Communications Supervisor	12	12	12	12
Controller	1	1	1	1
County Planner I	1	1	0	0
County Planner II	1	1	1	1
County Planner III	1	1	1	1
Criminal Records Manager	1	1	1	1
Crossing Guard	11	11	11	11
Deputy Chief of Police	1	1	1	1
Emergency Communications Manager	1	1	1	1
Latent Print Examiner	1	1	1	1
Management Specialist II	2	2	2	2
Office Assistant III	4	4	4	4
Office Assistant IV	4	4	4	4
Office Supervisor	3	3	3	3
Police Captain	9	9	9	9
Police Command Sergeant	2	2	2	2

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2008-09</u>	<u>Approved FY2009-10</u>	<u>Revised FY2009-10¹</u>	<u>Approved FY2010-11</u>
<i>Police (cont'd)</i>				
Police Lieutenant	36	36	36	36
Police Major	4	4	4	4
Police Officer	480	480	478	480
Police Sergeant	58	58	60	60
Police Support Technician I	14	14	15	15
Police Support Technician II	34	34	33	33
Police Support Technician III	3	3	3	3
Secretary	12	12	11	11
Senior Animal Protection Officer	2	2	2	2
Senior Emergency Communications Manager	1	1	1	1
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	2	2	1	1
Technology Support Specialist II	2	2	3	3
Technology Support Specialist III	1	1	1	1
Technology Support Specialist IV	1	1	1	1
	<u>799</u>	<u>799</u>	<u>797</u>	<u>799</u>
Public Relations and Media Services				
Asst. Dir. of Public Relations and Media Svcs.	1	1	1	1
Business Supervisor	1	1	1	1
Director of Public Relations and Media Services	1	1	1	1
Media Specialist	1	1	1	1
Office Assistant III	1	1	1	1
Office Assistant IV	1	1	1	1
Public Relations Specialist	3	3	2	2
Secretary	1	1	1	1
Senior Public Relations Specialist	1	1	1	1
Senior Television Producer/Director	1	1	1	1
Technology Support Specialist I	1	1	1	1
Television & Media Services Manager	1	1	1	1
Television Operations Technician	1	1	1	1
Television Producer/Director	5	5	5	5
	<u>20</u>	<u>20</u>	<u>19</u>	<u>19</u>
Public Utilities				
Account Clerk III	7	7	6	6
Accountant II	2	2	1	1
Accountant III	1	1	1	1
Accountant IV	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Director/Public Utilities	1	1	1	1
Assistant Division Director	3	3	3	3
Chemist	2	2	2	2
Chief of Laboratory Operations	1	1	1	1
Chief Water/Wastewater Plant Operator	10	10	8	8
Construction Engineer	1	1	1	1

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2008-09</u>	<u>Approved FY2009-10</u>	<u>Revised FY2009-10¹</u>	<u>Approved FY2010-11</u>
<i>Public Utilities (cont'd)</i>				
Construction Inspector	13	13	13	13
Customer Service Representative	11	11	10	10
Customer Service Supervisor	1	1	1	1
Director of Public Utilities	1	1	1	1
Division Director	5	5	5	5
Electrician	4	4	4	4
Electronic Controls Technician	1	1	1	1
Engineer I	7	7	7	7
Engineer II	14	14	14	14
Engineering Aide II	7	7	8	8
Engineering Aide III	2	2	1	1
Engineering Technician	9	9	9	9
Equipment Operator I	0	0	5	5
Equipment Operator II	38	38	33	33
Equipment Operator III	7	7	6	6
GIS Technician	5	5	4	4
Instrumentation Specialist	4	4	5	5
Labor Foreman II	12	12	12	12
Laboratory Aide	2	2	2	2
Laboratory Analyst	6	6	6	6
Maintenance Assistant I	11	11	10	10
Maintenance Assistant II	7	7	6	6
Management Specialist I	1	1	1	1
Meter Reader	6	6	5	5
Meter Reader Foreman	1	1	1	1
Meter Repair Specialist	2	2	2	2
Meter Service Foreman	1	1	1	1
Meter Service Worker	11	11	11	11
Monitoring Technician I	5	5	5	5
Monitoring Technician II	1	1	1	1
Office Assistant II	1	1	1	1
Office Assistant IV	6	6	5	5
Office Supervisor	4	4	3	3
Preventive Maintenance Technician	1	1	1	1
Secretary	1	1	1	1
Senior Construction Inspector	5	5	3	3
Senior Controller	1	1	1	1
Senior Electrician	2	2	1	1
Senior Engineer	2	2	2	2
Senior Instrumentation Specialist	1	1	1	1
Senior Laboratory Analyst	1	1	1	1
Senior Utility Pipe Locator	1	1	1	1
Senior Utility Plant Mechanic	3	3	3	3
Senior Water/Wastewater Plant Operator	10	10	10	10
Shop Clerk-Dispatcher	2	2	2	2
Storekeeper I	2	2	2	2
Storekeeper II	1	1	1	1

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2008-09</u>	<u>Approved FY2009-10</u>	<u>Revised FY2009-10¹</u>	<u>Approved FY2010-11</u>
<i>Public Utilities (cont'd)</i>				
Technology Support Specialist I	1	1	1	1
Technology Support Specialist II	0	0	1	1
Technology Support Specialist III	4	4	3	3
Technology Support Specialist IV	2	2	2	2
Utilities Cashier	1	1	1	1
Utility Inventory Technician	1	1	0	0
Utility Pipe Locator	3	3	3	3
Utility Plant Mechanic	12	12	12	12
Utility Plant Operator I	0	0	3	3
Utility Plant Operator II	8	8	4	4
Utility Superintendent I	5	5	5	5
Utility Superintendent II	4	4	4	4
Warehouse/Parts Supervisor	0	0	2	2
Water/Wastewater Facility Maint. Supt.	1	1	1	1
Water Facility/Reclamation Facility Oper Supt.	1	1	1	1
Water/Wastewater Plant Operator II	8	8	7	7
Water/Wastewater Plant Operator Trainee	0	0	3	3
	<u>320</u>	<u>320</u>	<u>308</u>	<u>308</u>
Public Works				
Accountant III	1	1	1	1
Administrative Assistant	1	1	1	1
Administrative Secretary	1	1	1	1
Assistant Director/Public Works	1	1	1	1
Assistant Traffic Engineer	2	2	2	2
Bridge Inspector	1	1	1	1
Business Supervisor	1	1	1	1
Capital Projects Coordinator	2	2	2	2
Construction Coordinator	1	1	1	1
Construction Engineer	1	1	1	1
Construction Inspector	13	13	13	13
County Surveyor	1	1	1	1
Design Engineer	1	1	1	1
Director of Public Works/County Engineer	1	1	1	1
Drafting Technician II	2	2	1	1
Engineer I	4	4	4	4
Engineer II	14	14	13	13
Engineering Aide II	4	4	4	4
Engineering Aide III	6	6	6	6
Engineering Technician	2	2	2	2
Environmental Inspector	9	9	9	9
Environmental Management Engineer	1	1	1	1
Equipment Operator I	39	39	36	36
Equipment Operator II	37	37	36	36
Equipment Operator III	27	27	28	28
GIS Coordinator	1	1	1	1
Labor Foreman II	13	13	13	13
Labor Foreman III	3	3	2	2

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2008-09</u>	<u>Approved FY2009-10</u>	<u>Revised FY2009-10¹</u>	<u>Approved FY2010-11</u>
<i>Public Works (cont'd)</i>				
Laborer	19	19	17	17
Management Specialist II	1	1	2	2
Materials Technician I	1	1	1	1
Materials Technician II	1	1	1	1
Office Assistant III	4	4	5	5
Office Assistant IV	5	5	4	4
Preventive Maintenance Supervisor	1	1	1	1
Preventive Maintenance Technician	1	1	1	1
Road Constr. & Maint. Asst. Supt.	2	2	2	2
Road Constr. & Maintenance Supt.	1	1	1	1
Secretary	3	3	3	3
Senior Construction Coordinator	2	2	2	2
Senior Controller	1	1	1	1
Senior Engineer	1	1	1	1
Senior Environmental Inspector	2	2	2	2
Storekeeper II	2	2	2	2
Survey Party Chief	2	2	2	2
Technology Support Specialist III	1	1	2	2
Technology Support Specialist IV	2	2	1	1
Technology Support Technician II	2	2	3	3
Traffic Engineer	1	1	1	1
Traffic Engineering Technician	1	1	1	1
Traffic Operations Supervisor	1	1	1	1
Traffic Service Worker I	8	8	8	8
Traffic Service Worker II	3	3	0	0
Traffic Signal Service Worker	2	2	3	3
Traffic Signal Technician I	2	2	2	2
Traffic Signal Technician II	1	1	1	1
Traffic Signal Technician Supervisor	1	1	1	1
Transportation Development Engineer	1	1	1	1
Welder	1	1	1	1
	<u>266</u>	<u>266</u>	<u>258</u>	<u>258</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	1.5	1.5	1	1
Real Property Agent II	3	3	1	1
Senior Real Property Agent	0	0	2	2
	<u>7.5</u>	<u>7.5</u>	<u>7</u>	<u>7</u>
Recreation				
Account Clerk II	1	1	1	2
Account Clerk III	3	3	3	3
Administrative Assistant	1	1	1	1
Assistant Director of Recreation	1	1	1	1
Capital Projects Manager	2	2	2	2
Carpenter	2	2	2	2

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2008-09</u>	<u>Approved FY2009-10</u>	<u>Revised FY2009-10¹</u>	<u>Approved FY2010-11</u>
<i>Recreation (con'td)</i>				
Controller	1	1	1	1
Custodian I	16	16	15	17
Custodian II	2	2	2	2
Director of Recreation And Parks	1	1	1	1
Equipment Operator I	25	25	24	26
Equipment Operator III	2	2	2	2
Labor Foreman I	4	4	4	4
Labor Foreman II	5	5	5	5
Laborer	13	13	13	13
Maintenance Assistant I	3	3	3	3
Maintenance Superintendent	5	5	4	4
Management Specialist II	1	1	1	1
Museum Technician	4	4	4	4
Office Assistant III	3	3	3	3
Office Assistant IV	2	2	2	2
Painter	1	1	1	1
Parks Services Manager	1	1	1	1
Plant Maintenance Mechanic	1	1	1	1
Plumber	1	1	1	1
Recreation Coordinator I	16	16	17	19
Recreation Coordinator II	21	21	20	22
Recreation District Foreman	6	6	6	6
Recreation Programs Manager	2	2	2	2
Recreation Programs Supervisor	5	5	5	5
Secretary	3	3	2	2
Senior Construction Coordinator	2	2	2	2
Senior Recreation Coordinator	6	6	6	7
Shop Clerk-Dispatcher	1	1	1	1
Storekeeper II	1	1	1	1
Technology Support Specialist II	3	3	3	3
Technology Support Specialist III	1	1	1	1
Technology Support Technician II	1	1	1	1
Utility Mechanic	3	3	3	3
	<u>172</u>	<u>172</u>	<u>168</u>	<u>178</u>
Sheriff				
Account Clerk II	4	4	4	4
Administrative Assistant	1	1	1	1
Chief Deputy Sheriff	1	1	1	1
Controller	1	1	1	1
Correctional Captain	8	8	7	7
Correctional Deputy	267	267	263	263
Correctional Lieutenant	17	17	17	17
Correctional Major	2	2	2	2
Correctional Sergeant	37	37	37	37
Inmate Classification Officer	12	12	12	12
Inmate Classification Supervisor	1	1	1	1
Institutional Physician	1	1	1	1

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2008-09</u>	<u>Approved FY2009-10</u>	<u>Revised FY2009-10¹</u>	<u>Approved FY2010-11</u>
<i>Sheriff (cont'd)</i>				
Librarian I	2	2	2	2
Library Assistant II	1	1	1	1
Management Specialist I	1	1	1	1
Office Assistant II	0	0	0	0
Office Assistant III	14	14	14	14
Office Assistant IV	3	3	3	3
Senior Management Specialist	1	1	0	0
Storekeeper II	1	1	1	1
Technology Support Specialist I	1	1	1	1
Undersheriff	1	1	1	1
	<u>377</u>	<u>377</u>	<u>371</u>	<u>371</u>
Social Services				
Account Clerk III	4	4	4	4
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	6	6	6	6
Controller	1	1	1	1
Director of Social Services	1	1	1	1
Employment Services Supervisor	1	1	1	1
Human Services Assistant	11	11	11	11
Human Services Specialist	37	37	40	40
Human Services Supervisor	9	9	9	9
Job Developer	8	8	8	8
Office Assistant III	15	15	15	15
Office Assistant IV	2	2	2	2
Office Supervisor	1	1	1	1
Senior Human Services Specialist	15	15	13	13
Senior Management Specialist	1	1	1	1
Senior Social Services Aide	2	2	2	2
Senior Social Worker	31	31	30	30
Social Worker I	8	8	8	8
Social Worker II	6	6	6	6
Technology Support Specialist I	1	1	1	1
Technology Support Specialist III	1	1	1	1
Technology Support Technician II	1	1	1	1
	<u>168</u>	<u>168</u>	<u>168</u>	<u>168</u>
Solid Waste				
Assistant Division Director	1	1	0	0
Automotive Service Worker II	1	1	1	1
Customer Service Representative	1	1	0	0
Division Director	1	1	1	1
Engineer II	1	1	1	1
Equipment Operator I	1	1	0	0
Equipment Operator II	34	34	19	19
Equipment Operator III	11	11	8	8

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2008-09</u>	<u>Approved FY2009-10</u>	<u>Revised FY2009-10¹</u>	<u>Approved FY2010-11</u>
<i>Solid Waste (cont'd)</i>				
Instrumentation Specialist	0	0	1	1
Labor Foreman II	3	3	3	3
Laborer	7	7	21	21
Landfill Attendant	4	4	4	4
Management Specialist I	1	1	1	1
Office Assistant III	1	1	1	1
Preventive Maintenance Technician	1	1	1	1
Utilities Cashier	5	5	5	5
Utility Plant Operator II	0	0	1	1
Utility Superintendent I	1	1	1	1
Utility Superintendent II	1	1	1	1
	<u>75</u>	<u>75</u>	<u>70</u>	<u>70</u>
Total Complement:	<u><u>3,999.5</u></u>	<u><u>3,999.5</u></u>	<u><u>3,915</u></u>	<u><u>3,927</u></u>

1 - as of 3/22/2010

2 - Reserved Positions, Hold Complement, Unfunded for FY2009-10 Budget. Eliminated during FY2009-10.

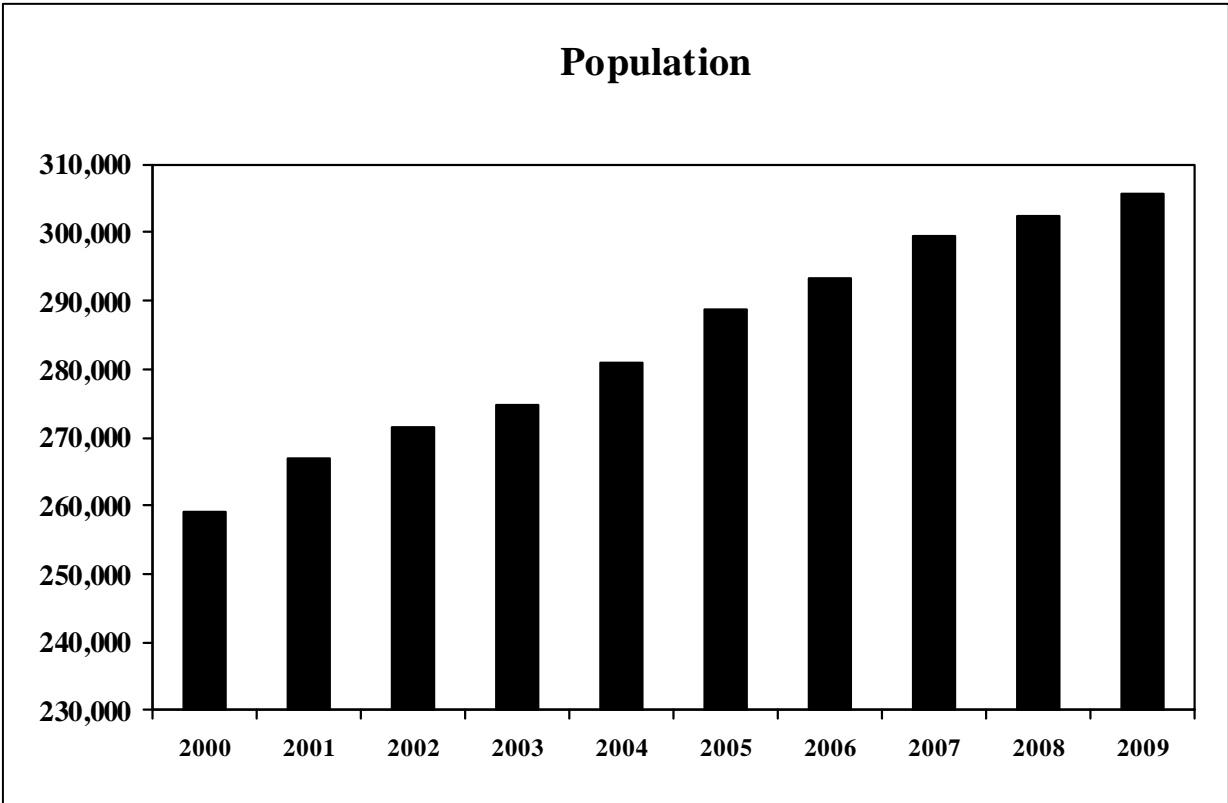
APPENDIX "C"
STATISTICAL SECTION

POPULATION

According to 2000 Census data, the County of Henrico is the fourth largest locality in the Commonwealth of Virginia and the largest in the Richmond-Petersburg Metropolitan Region. Henrico has experienced a steady growth in population throughout the past ten years, averaging just under 2.0 percent growth per annum. Population estimates after the 2000 Census continue to show Henrico County maintaining its consistent growth pattern.

Source: County of Henrico 2009 Financial Trends Monitoring System

Fiscal Year	Population
2009	305,580
2008	302,518
2007	299,443
2006	293,382
2005	288,735
2004	281,069
2003	274,847
2002	271,440
2001	267,024
2000	259,179



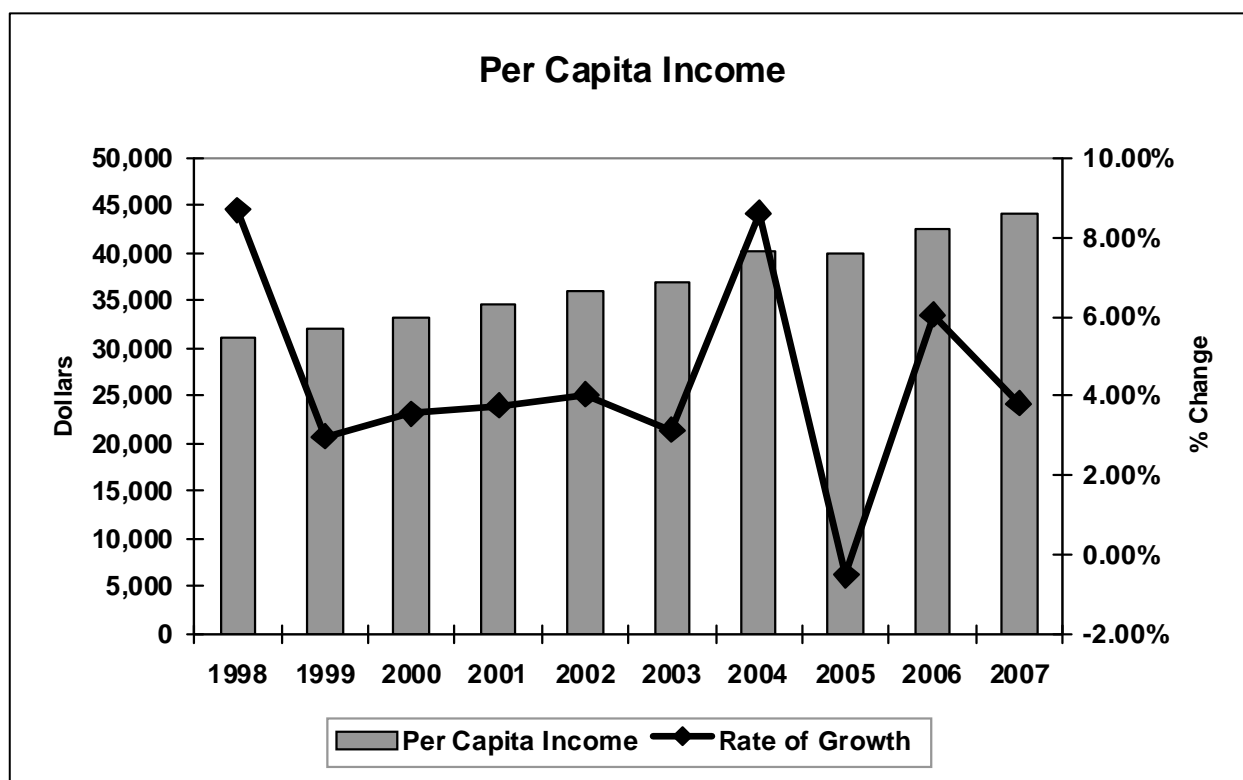
STATISTICAL SECTION

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 has experienced consistent growth in per capita income from the period of 1998 to 2007, averaging 4.1 percent growth per annum, with only a nominal decrease in 2005. The 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 2009 Financial Trends Monitoring System

Year	Per Capita Income	Rate of Growth
2007	\$ 44,079	3.82%
2006	\$ 42,459	6.05%
2005	\$ 40,036	-0.52%
2004	\$ 40,246	8.60%
2003	\$ 37,059	3.15%
2002	\$ 35,928	4.04%
2001	\$ 34,534	3.75%
2000	\$ 33,286	3.56%
1999	\$ 32,141	2.96%
1998	\$ 31,217	8.69%



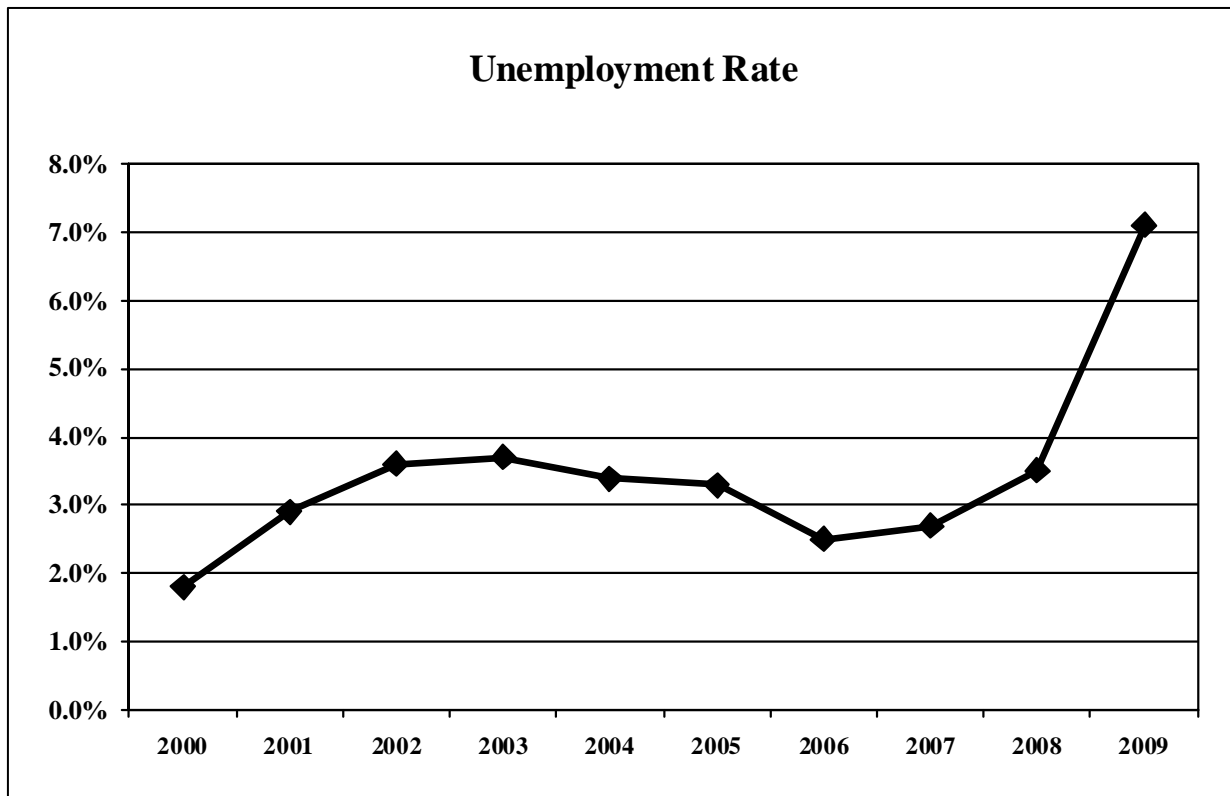
STATISTICAL SECTION

UNEMPLOYMENT RATE

The unemployment rate is highly indicative of changes in the economy and offers an accurate representation of the local economy. The County of Henrico has had an unemployment rate ranging from a high of 7.1% in 2009, to a low of 1.5% in 2000.

Source: County of Henrico 2009 Financial Trends Monitoring System

<u>Year</u>	<u>Change</u>
2009	7.1%
2008	3.5%
2007	2.7%
2006	2.9%
2005	3.1%
2004	3.1%
2003	3.5%
2002	3.4%
2001	2.0%
2000	1.5%



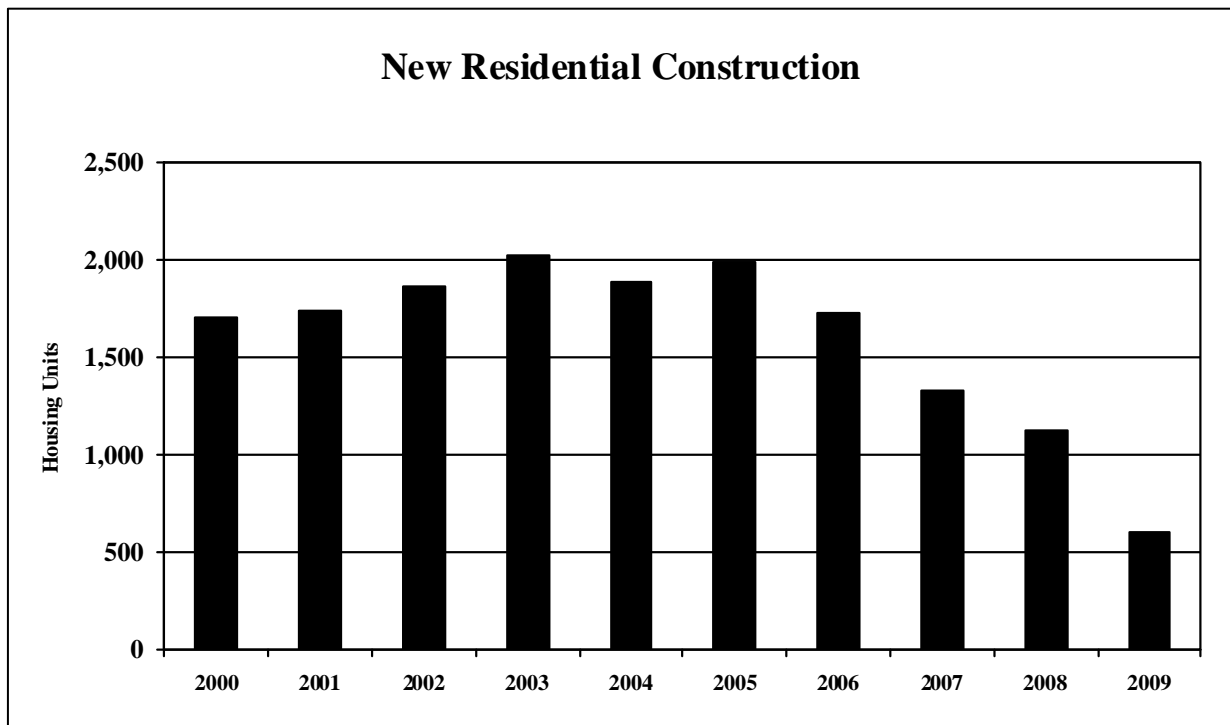
STATISTICAL SECTION

NEW RESIDENTIAL CONSTRUCTION

New residential construction is an important indicator in that steady building levels are indicative of a strong and stable economy. Between 2000 and 2006, residential construction averaged a total of 1,850 new single family permits issued per year. However, due to the economic downturn, in 2007 construction volume began to decline, with 2009 dropping to a new, ten-year low of 602, representing a 46% decline from the year prior.

Source: County of Henrico Department of Building Inspections

<u>Year</u>	<u>New Residential Construction</u>
2009	602
2008	1,122
2007	1,336
2006	1,733
2005	1,987
2004	1,889
2003	2,024
2002	1,871
2001	1,735
2000	1,710



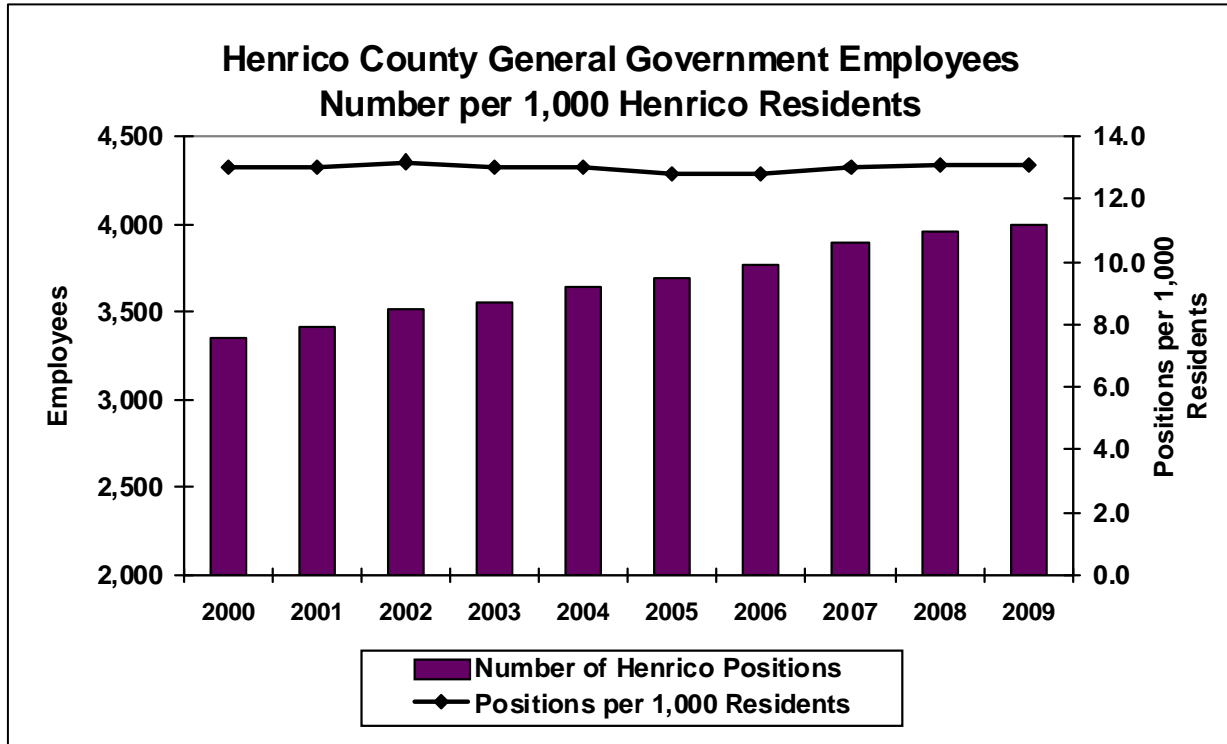
STATISTICAL SECTION

HENRICO COUNTY GOVERNMENT EMPLOYEES

The County of Henrico has averaged a 13.0 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.

Source: County of Henrico 2009 Financial Trends Monitoring System

Year	Positions	Positions per 1,000 Residents
2009	4,000	13.1
2008	3,953	13.1
2007	3,895	13.0
2006	3,774	12.8
2005	3,694	12.8
2004	3,640	13.0
2003	3,561	13.0
2002	3,517	13.2
2001	3,416	13.0
2000	3,358	13.0



STATISTICAL SECTION

HENRICO BUSINESS STATISTICS

HENRICO COUNTY'S PRINCIPLE TAXPAYERS

Taxpayer	Type of Property	2009 Assessed Value	Percent of Total Assessed Valuation
Qimonda AG (Infineon Technologies)	Industrial	\$ 839,253,471	2.1%
Virginia Power Company	Utility	430,387,857	1.1%
Forest City (Short Pump TC, White Oak)	Retail and Offices	428,025,200	1.1%
Highwoods Properties	Offices and Warehouses	310,557,600	0.8%
Liberty Property, LP	Offices and Warehouses	266,853,400	0.7%
The Wilton Companies etal.	Office, Retail & Warehouse	253,981,100	0.6%
Verizon	Utility	247,528,949	0.6%
General Services Corp.	Apartments	235,519,900	0.6%
United Dominion Realty Trust	Apartments	199,589,300	0.5%
Weinstein Family	Apartments	183,006,800	0.5%
		<u>3,394,703,577</u>	<u>8.8%</u>

Total Real Estate and Personal Property Assessed Valuation for Calendar Year 2009 was \$39,681,360,000

Source: *Comprehensive Annual Financial Report, FY2008-09*

Note: Qimonda filed for bankruptcy in February 2009 and ceased operations in April 2009.

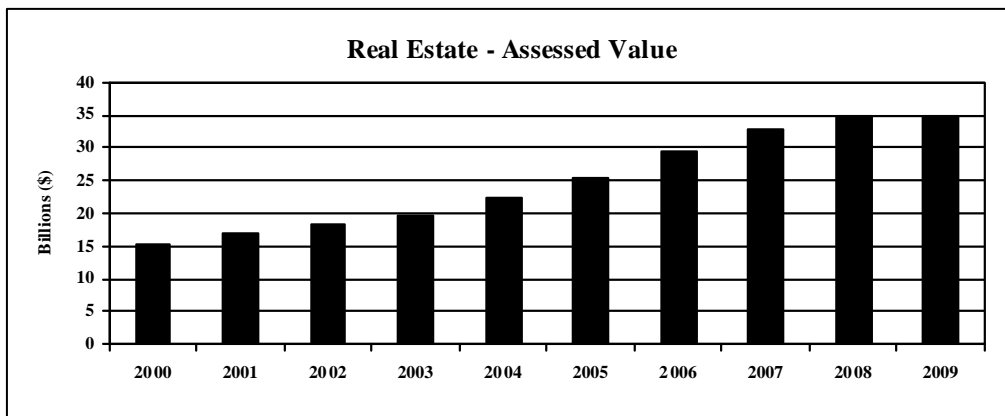
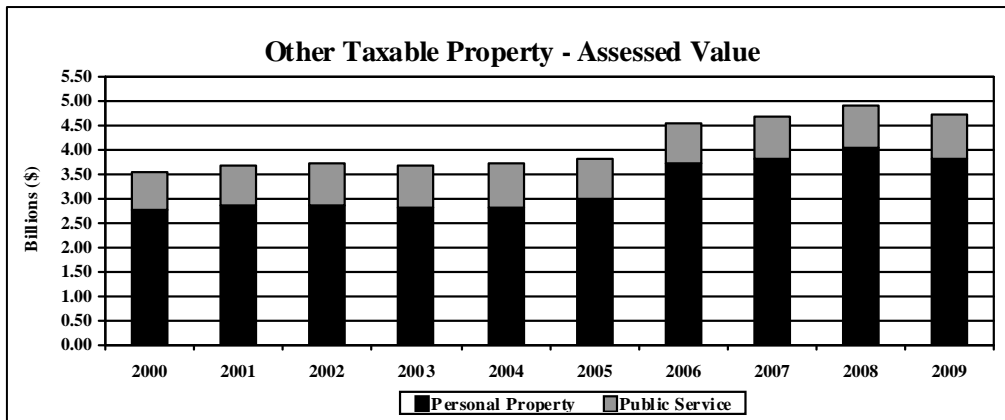
STATISTICAL SECTION

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, averaging a growth rate of 8.5 percent per annum since 2000. The assessed value of personal property is net of the Personal Property Tax Reimbursement Act (PPTRA).

Source: Comprehensive Annual Financial Report, FY2008-09

Year	Real Estate	Personal Property	Public Service	Total
2009	\$ 34,975,868	\$ 3,789,013	\$ 916,479	\$ 39,681,360
2008	34,740,075	4,022,204	854,945	39,617,224
2007	32,787,682	3,807,727	854,321	37,449,731
2006	29,281,500	3,721,480	805,532	33,808,512
2005	25,334,756	3,030,117	803,377	29,168,250
2004	22,303,455	2,792,062	897,081	25,992,598
2003	19,501,486	2,790,989	876,697	23,169,172
2002	18,339,625	2,859,762	856,370	22,055,757
2001	16,857,472	2,853,452	833,107	20,544,031
2000	15,276,401	2,749,571	788,077	18,814,049



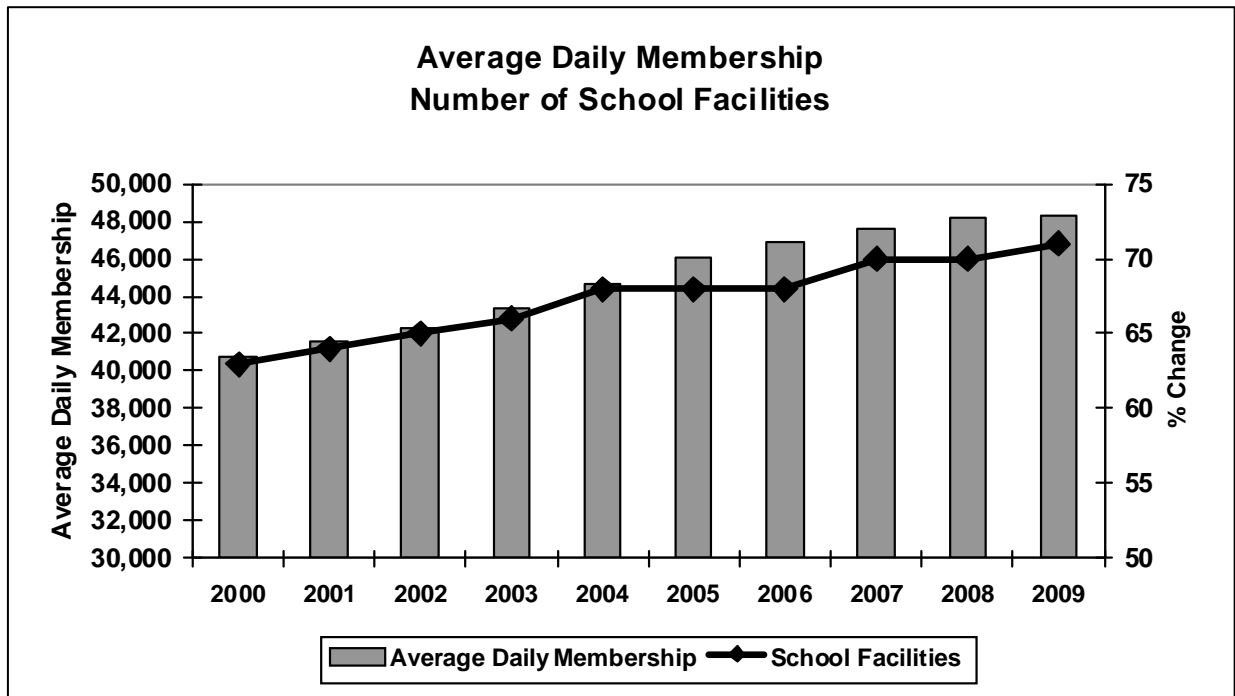
STATISTICAL SECTION

HENRICO COUNTY SCHOOLS

Since 2000, the average daily membership in Henrico County Public Schools has increased by a total of 18.5 percent. During the same time period, the County of Henrico built ten new schools, and have several more planned to open in upcoming years. 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: Comprehensive Annual Financial Report, FY2008-09

Year	Average Daily Membership
2009	48,822
2008	48,226
2007	47,537
2006	46,910
2005	46,030
2004	44,637
2003	43,366
2002	42,333
2001	41,571
2000	40,736



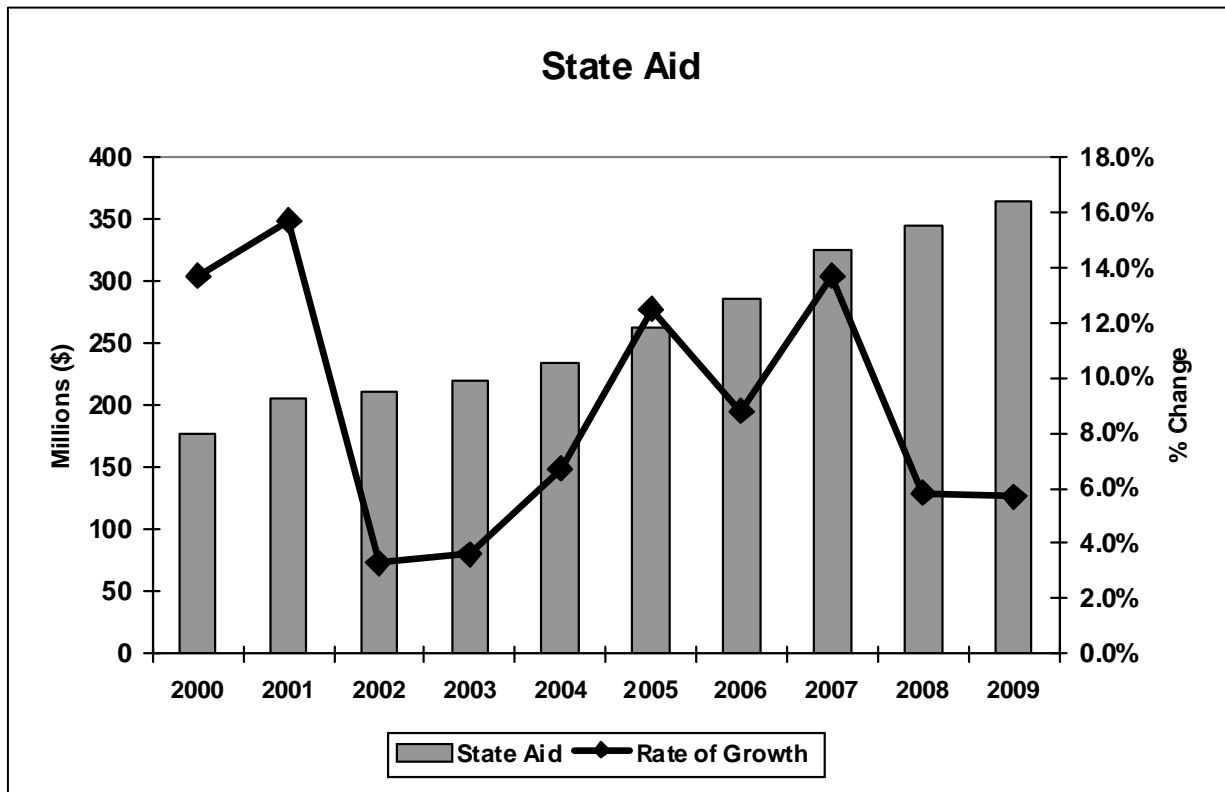
STATISTICAL SECTION

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 2000. 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.

Source: Comprehensive Annual Financial Report, FY2008-09

Year	State Aid	Change
2009	361,001,730	4.7%
2008	344,569,613	5.8%
2007	325,745,512	13.7%
2006	286,448,006	8.8%
2005	263,338,403	12.5%
2004	234,079,657	6.7%
2003	219,388,084	3.6%
2002	211,727,327	3.4%
2001	204,726,861	15.6%
2000	177,030,324	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 decreases.

Source: Comprehensive Annual Financial Report FY2008-09.

Year	Recreation Facilities	Library Facilities	Registered Voters	Fire Stations
2009	20	11	195,683	20
2008	17	10	196,670	20
2007	17	10	175,943	20
2006	17	10	175,774	19
2005	15	10	172,764	19
2004	15	10	178,347	18
2003	14	10	167,706	18
2002	14	10	167,564	18
2001	10	10	164,840	17
2000	10	10	165,350	17

PROPERTY TAX RATE (PER \$100 OF ASSESSED VALUE)

Personal Property

Year	Real Estate	Aircraft	Veh. of Volunteer Rescue Squad Members	Specially Equipped Veh. for the Physically Handicapped/Disabled Veterans' Vehicles	All Other Personal Property	Machinery & Tools	Machinery & Tools Semi-Conductor
2010	0.87	1.60	1.00	0.01	3.50	1.00	0.40
2009	0.87	1.60	1.00	0.01	3.50	1.00	0.40
2008	0.87	1.60	1.00	0.01	3.50	1.00	0.40
2007	0.87	1.60	1.00	0.01	3.50	1.00	0.55
2006	0.90	1.60	1.00	0.01	3.50	1.00	0.55
2005	0.92	1.60	1.00	0.01	3.50	1.00	0.55
2004	0.94	1.60	1.00	n/a	3.50	1.00	n/a
2003	0.94	1.60	1.00	n/a	3.50	1.00	n/a
2002	0.94	1.60	1.00	n/a	3.50	1.00	n/a
2001	0.94	1.60	1.00	n/a	3.50	1.00	n/a
2000	0.94	1.60	1.00	n/a	3.50	1.00	n/a

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: \$1.00 per \$100 of the assessed value of the machinery and tools. \$0.40 per \$100 of the assessed value for machinery and tools used in semiconductor manufacturing.

Aircraft*

Tax Rate: \$1.60 per \$100.00 of the assessed value of the aircraft.

Sanitary District Tax*

In Sanitary Districts 2, 3, 3.1, 12 and 23 an additional tax is levied on real estate and personal property for the provision of street lights. The real estate rates are \$0.003, \$0.010, \$0.031, \$0.010 and \$0.010 per \$100 of the assessed value, respectively. The personal property rates are \$0.001 per \$100 of the assessed value for all sanitary districts.

Motor Vehicle License

License Fee: \$20.00 for a vehicle under 4,000 pounds and \$25.00 for a vehicle over 4,000 pounds. The license fee is \$15.00 for motorcycles.

Local Sales Tax

Tax Rate: The County receives 1.0% of the 5.0% collected on each purchase. The State of Virginia disburses these receipts.

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 CY2010

Appendix "D" (cont'd)

Business and Professional Licenses

Tax Rates:

The first \$100,000 of gross purchases is excluded from the tax for item

- (1): \$100,001 to \$5,000,000 (\$.20 per \$100, \$25 min. tax)
- \$5,000,001 to \$15,000,000 (\$.15 per \$100)
- \$15,000,001 to \$25,000,000 (\$.10 per \$100)
- \$25,000,001 to \$50,000,000 (\$.05 per \$100)
- \$50,000,001 to \$100,000,000 (\$.025 per \$100)
- \$100,000,001 and over (\$.0125 per \$100)

Items (2), (3), (4) and (5) assess taxes on gross receipts. When gross receipts are \$100,000 or less, an application is required, but no tax is due.

- (2) Retail Merchant: \$0.20 per \$100.00, or \$30.00 minimum, of gross receipts exceeding \$100,000.
- (3) Professional Service: \$0.20 per \$100.00, or \$30.00 minimum, of gross receipts exceeding \$100,000.

(4) (a) Contractor (Fee Basis): \$1.50 per \$100.00, or \$30.00 minimum, of gross fees exceeding \$100,000.

(b) Contractor (Contract Basis): \$0.15 per \$100.00, or \$30.00 minimum, of gross receipts exceeding \$100,000.

(5) Utility Companies (includes Cellular Telephone): One-half of 1.0% of the gross receipts, or \$30.00 minimum of gross receipts exceeding \$100,000.

Landfill Fees

Landfill: \$50.00 per ton for commercial refuse collected in Henrico; \$65.00 per ton for commercial refuse collected outside of Henrico; \$3.00 per visit effective April 1, 1998 to public use area by private citizens. Coupon books are available for purchase as follows: 15 coupons for \$40.00; 10 coupons for \$27.00.

Refuse Collection Charges

Frequency of Collection: Weekly
Collection Fee: \$15.00 per month

APPENDIX "E"
GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 09 Actual</u>	<u>FY 10 Original</u>	<u>FY 11 Approved</u>
Revenue from Local Sources:			
General Property Taxes:			
Current Real Property Taxes	\$ 297,549,756	\$ 297,890,000	\$ 275,890,000
Delinquent Real Prop Taxes	2,286,605	500,000	2,000,000
Land Redemption	7,311	55,000	55,000
Current Real Property Taxes - PSC	7,544,644	7,300,000	7,300,000
Current Personal Property Taxes - PSC	138,506	130,000	130,000
Current Personal Property Taxes	65,934,533	102,600,000	102,600,000
Delinquent Personal Property Taxes	1,129,164	750,000	750,000
Interest and Add-on - All Taxes	292,979	275,000	275,000
Total General Property Taxes	<u>374,883,498</u>	<u>409,500,000</u>	<u>389,000,000</u>
Other Local Taxes:			
Local Sales and Use Taxes	\$ 54,108,699	\$ 57,100,000	\$ 54,500,000
Consumer Utility Taxes	2,645,847	2,600,000	2,600,000
Business & Professional License Taxes	29,848,568	30,600,000	30,600,000
Motor Vehicle License Taxes	6,171,378	6,325,000	6,325,000
Bank Franchise Taxes	17,219,783	3,000,000	5,000,000
Grantor's Tax	726,485	900,000	900,000
County Recordation Tax	3,314,577	3,400,000	3,400,000
Hotel and Motel Tax	2,409,984	2,300,000	2,300,000
Hotel and Motel Tax - Optional 4%	4,819,967	4,600,000	4,600,000
Hotel and Motel Tax - Dedicated 2%	2,409,984	2,300,000	2,300,000
Daily Rental Tax	159,702	210,000	210,000
Mobile Phone Consumer Utility	137,881	0	0
Pare-Mutual Wagering	61,822	80,000	80,000
Consumption Tax	1,274,599	1,200,000	1,200,000
Total Other Local Taxes	<u>125,309,276</u>	<u>114,615,000</u>	<u>114,015,000</u>
Permits, Privilege Fees, & Regulatory Licenses:			
Elevator Fees	\$ 38,152	\$ 34,000	\$ 34,000
Dog Licenses	219,131	110,000	160,000
Transfer Fees	6,708	10,800	10,800
Structure & Equip Permits	2,011,369	2,650,000	2,000,000
Septic Tank Permit	6,893	14,000	14,000
Going Out Of Business Permit	75	0	0
Public Utility Permit	1,736	5,500	5,500
Hauling & Moving Permit	945	300	300
Vacation Of Roads	750	2,500	2,500
High School Parking Fees	23,423	25,000	25,000
Taxi-Cab Certificates	8,860	6,300	6,300
Permit To Purchase Precious Metals	5,400	2,000	2,000
Municipal Library Court Fees	168,329	155,000	155,000
Adult Video/Bookstore Permit	400	0	0
Weekend Tournaments-Softball	44,940	7,300	7,300
Jury Fees	67,206	51,000	51,000
Administrative Fees-Delin. Tax	20	500	500

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 09 Actual</u>	<u>FY 10 Original</u>	<u>FY 11 Approved</u>
<i>(Permits, Privileges Fees, & Regulatory Licenses con't)</i>			
Zoning Application Fees-Plan	137,134	250,000	150,000
Concealed Weapon Permit	66,615	25,000	25,000
School-Facilities Rental	375,556	310,000	350,000
Criminal Justice Training Academy	244,727	200,000	240,000
Dance Hall Permit Application Fee	2,800	0	0
Total Permits, Fees, and Licenses	3,431,169	3,859,200	3,239,200
Fines and Forfeitures:			
Traffic Violation	\$ 2,216,815	\$ 2,200,000	\$ 2,200,000
Parking Violation	42,664	50,000	50,000
False Alarm Penalty	73,172	65,000	65,000
Total Fines and Forfeitures	2,332,651	2,315,000	2,315,000
Revenue from Use of Money and Property:			
Interest on Criminal Judgments	\$ 73,981	\$ 65,000	\$ 65,000
Rental On County Property	434,447	250,000	300,000
Sale Of Publications	332	500	500
Records and Services Fees	137,711	74,000	74,000
Interest on Investment - Repos	8,286,830	8,000,000	9,000,000
Interest Refund - Real Estate Tax	(5,628)	0	0
Interest Refund - Personal Property Tax	(17,083)	0	0
Rental of County Property	68,136	68,000	68,000
Vending Machine Commission	48,708	65,000	50,000
Sale of Public Documents - Real Estate	1,172	1,400	1,400
Sale of Public Documents	9,163	2,500	2,500
Land Use Revenue	594	1,000	1,000
Recreation - Sale of Books	585	200	200
Sale of Vehicles - DPW	38,000	40,000	40,000
Sale of Publications - DPW	2,927	900	900
Sale of Surplus and Salvage - DPW	150,044	4,900	4,900
Sale of Signs - DPW	1,546	3,000	3,000
Sale of Vehicles	3,000	0	0
Sale of Equipment	84,753	50,000	50,000
Sale of Plats - DPW	0	1,000	1,000
Sale of Maps and Plans	228	2,000	0
Sale of Unclaimed Property	957	2,000	2,000
Sale of Maps & Plans - DPW	1,975	7,500	5,000
Sale of Vehicles - Schools	174,686	65,000	65,000
Sale of Property	9,245	0	0
Total from Use of Money and Property	9,506,309	8,703,900	9,734,400
Charges for Services:			
RE Tax Cr-Rehab Fees	\$ 300	\$ 0	\$ 0
Jail Booking Fees	57,131	40,000	40,000
Court Conviction Fees	467,693	260,000	400,000
Weekender Fee	55,846	19,000	40,000
Deep Run -Rentals	1,200	1,300	1,300
Sale of Text Books	814	5,000	5,000
Overdue Books	358,959	260,000	300,000

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 09 Actual</u>	<u>FY 10 Original</u>	<u>FY 11 Approved</u>
<i>(Charges for Services cont'd)</i>			
Photocopying Fees	1,915	2,000	2,000
Charges for Lost Books	41,681	30,000	30,000
Miscellaneous Library Income	6,512	45,000	5,000
Non-Resident Fees - Library	8,642	7,200	7,200
Over/Under-Library	19	0	0
Sheriff Fees	35,884	36,000	36,000
Room & Board - Work Release Program	126,299	150,000	150,000
Home Incarceration Program - Sheriff	26,680	15,500	15,500
Inmate Medical Fees	25,771	35,000	35,000
Inmate Phone Charges	208,105	275,000	275,000
North Run Park Concessions	15,101	7,700	7,700
Pre-School Program	46,328	40,000	40,000
Cultural Arts Program	70,715	55,000	55,000
Senior Programs	32,715	31,600	31,600
Outdoor Programs	9,075	3,500	3,500
Therapeutic Programs	6,549	8,000	8,000
Special Interest Programs	59,211	70,000	70,000
Belmont Park Room Rentals	28,700	27,000	27,000
Picnic Kit Rental - Recreation	865	1,200	1,200
Shelter Reservations - Recreation	55,451	44,000	44,000
Non-Resident Fees - Softball	23,340	21,500	21,500
User Fees - Softball	9,082	50,000	50,000
Admissions for Meadow Farm Museum	4,315	4,800	4,800
Miscellaneous Revenue - Recreation	8,040	2,100	2,100
Day Camp Fees - Recreation	44,290	30,000	30,000
Basic Basketball Camp Fees	10,669	9,000	9,000
Three Lakes Park Nature Center	1,944	3,000	3,000
Non-Residential Fees - Football	0	300	300
User Fees - Football	348	800	800
Youth Basketball Registration	27,558	30,000	30,000
Dorey Park Concessions	11,145	3,300	3,300
Non-Resident Fees - Basketball	4,695	3,200	3,200
Non-Resident Fees - Volleyball	1,590	1,600	1,600
User Fees - Basketball	9,814	25,000	25,000
User Fees - Volleyball	3,412	4,000	4,000
Program Fees - Sports	11,969	10,000	10,000
Facility Rentals - Miscellaneous	785	2,200	2,200
Dorey Park Room Rental	32,489	24,000	24,000
Non-Resident Fees - Baseball	105	1,100	1,100
Tennis League	0	500	500
User Fees - Soccer	6,150	2,600	2,600
Non-Resident Fees - Soccer	45	0	0
User Fees - Lacrosse	855	400	400
Non-Resident Fees - Lacrosse	3,087	600	600
Confederate Hills - Room Rentals	24,123	28,000	28,000
Set Up Fees - Belmont	3,025	3,300	3,300
Set Up Fees - Confederate Hills	2,275	2,100	2,100
Set Up Fees - Dorey	3,920	2,800	2,800
Set Up Fees - Hidden Creek	3,535	2,400	2,400

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 09 Actual</u>	<u>FY 10 Original</u>	<u>FY 11 Approved</u>
<i>(Charges for Services cont'd)</i>			
Set Up Fees - Facilities	3,020	1,100	1,100
Gazebo Rentals	410	600	600
Hidden Creek Room Rental	11,800	8,500	8,500
Non-Resident Fees - Kickball	3,585	500	500
Henrico Field of Honor	1,843	0	0
Deep Run Room Rental	35,531	25,000	25,000
Set Up Fees - Deep Run	3,745	1,600	1,600
Twin Hickory Room Rental	2,340	7,300	7,300
Set Up Fees - Twin Hickory	700	1,800	1,800
Walkerton Room Rental	9,900	10,100	10,100
Set Up Fees - Walkerton	385	1,600	1,600
Non-Resident Fees - Golf	2,085	0	0
User Fees Disc Golf	825	0	0
Hidden Creek Programs	280	0	0
Walkerton Programs	2,075	0	0
Twin Hickory Programs	896	0	0
Room Rental	39,915	0	0
School Tuition - Winter	8,900	15,000	15,000
Practical Nursing - Adult Tuition	18,182	35,000	35,000
Math - Science Center	112,185	95,000	95,000
Vacuum Leaf Collection	159,630	150,000	150,000
Commonwealth's Attorney Fees	13,253	12,000	12,000
Charge for Board of Animals	20,390	15,000	15,000
Cafeteria Receipts - County	170,878	295,000	295,000
Grass Cutting/Demolition	130,130	125,000	125,000
Cafeteria Catering Receipts	76,702	90,000	90,000
Charges for Data Processing	750,000	750,000	750,000
Community House SD#2 Collections	15,122	15,500	15,500
Withholding Fee Processing Charges	12,605	0	0
Non-consecutive Jail Time	5	0	0
Total Charges for Services	<u>3,608,083</u>	<u>3,393,200</u>	<u>3,554,200</u>
Miscellaneous Revenue:			
Blood Test/DNA Fees	5,310	3,900	3,900
Courthouse Maintenance Facility	89,534	90,000	90,000
Miscellaneous General	6,620	0	0
Circuit Court-Copy fees	17,374	0	0
HCA Patient Account	78,302	88,900	88,900
Fire - Miscellaneous Revenue	7,139	1,000	1,000
Police - School Guard Reimbursement	11,546	9,500	9,500
Primary Filing Fees	353	0	0
Pay-In-Lieu of Tax Other	7,068	0	0
Meadow Farm Gift Shop	2,946	4,500	4,500
Geographic Information System Program	6,769	20,000	20,000
Miscellaneous Revenue - Schools	64,269	0	0
Court Orders Restitution (Fire)	16,600	10,000	10,000
Recoveries and Rebates - Police	2,695	3,000	3,000
Recoveries and Rebates - General	263,086	370,000	250,000
NSF Check Fees	10,645	10,000	10,000

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 09 Actual</u>	<u>FY 10 Original</u>	<u>FY 11 Approved</u>
<i>(Miscellaneous Revenue cont'd)</i>			
Richmond Center Reimbursement	5,339,976	2,300,000	2,300,000
Recoveries and Rebates - DPW	300	32,000	32,000
Recoveries and Rebates - Schools	31,726	50,000	50,000
Short Pump Escrow Forfeitures	1,500,000	0	0
Total Miscellaneous Revenue	<u>7,462,258</u>	<u>2,992,800</u>	<u>2,872,800</u>
Recovered Costs:			
Sale of Equipment - County	201	0	0
Reimbursement of Prisoner Cost - New Kent County	449,960	900,000	900,000
Juvenile Detention - Per Diem from Other Counties	273	0	0
Recoveries - Hazardous Incidence Team	1,173	25,000	5,000
Charge for Office Space	108,337	111,000	111,000
Custodial Service	10,636	11,000	11,000
Bounty Fees - Sheriff	23,256	7,500	7,500
Payment for Fiscal Services	2,057,292	1,968,700	1,968,700
Sale of Vehicles - County	74,650	170,000	170,000
Recoveries and Rebates - Health	0	55,000	55,000
Payment for 100% Projects	53,516	95,000	95,000
Road Opening Damages	370,748	210,000	210,000
Interdepartmental Billing - DPW	83,387	73,000	73,000
Recreation and Parks - Payment for Services	177,310	165,000	175,000
Recovered Costs - Student Activity	140,245	110,000	140,000
Festival Permits	5,000	500	500
Recovery of Wages - School Facility	116,980	50,000	100,000
Lost/Damaged Textbook Payments	16,898	22,000	22,000
Total Recovered Costs	<u>3,689,862</u>	<u>3,973,700</u>	<u>4,043,700</u>
Total from Local Sources	<u>530,223,106</u>	<u>549,352,800</u>	<u>528,774,300</u>
Non-Categorical Aid:			
Rolling Stock	149,972	105,000	105,000
Mobile Home Sales and Use Tax	15,582	12,500	12,500
Recovery of Central Cost Allocations	490,188	475,000	475,000
Motor Vehicle Rental Tax	2,801,042	2,267,800	2,500,000
Car Tax Revenue - State	37,001,783	0	0
Overweight Truck Citations	0	16,000	16,000
Comm Sales Tax - HB#568	13,709,408	14,500,000	14,500,000
Total Non-Categorical Aid	<u>54,167,975</u>	<u>17,376,300</u>	<u>17,608,500</u>
Shared Expenses:			
Office Expenses - Sheriff	25,771	200,000	0
Salaries - Sheriff	10,084,794	9,044,400	9,044,400
Fringe Benefits - Sheriff	1,378,994	1,145,000	650,000
Salaries - Clerk of Circuit Court	1,149,644	1,000,000	730,000
Office Expenses - Clerk of Circuit Court	7,165	30,000	0
Circuit Court Excess Fees - State	834,738	500,000	500,000
State Recordation Tax	1,173,998	1,200,000	1,200,000
Salaries - Commonwealth's Attorney	1,738,359	1,600,000	1,450,000
Fringe Benefits - Commonwealth's Attorney	223,791	225,000	110,000

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 09 Actual</u>	<u>FY 10 Original</u>	<u>FY 11 Approved</u>
<i>(Shared Expenses cont'd)</i>			
Office Expenses - Commonwealth's Attorney	31,570	11,000	0
Registrar Expenses	125,187	84,400	84,400
Salaries - Department of Finance	796,772	775,000	0
Fringe Benefits - Department of Finance	91,270	85,000	0
Office Expenses - Department of Finance	5,000	0	0
Medical Examiner Fees	0	2,500	0
Total Shared Expenses	<u>17,667,053</u>	<u>15,902,300</u>	<u>13,768,800</u>
Categorical Aid:			
State Library Grant	220,023	215,000	190,000
Jail Cost Reimbursement	3,477,961	3,500,000	3,500,000
Share of Probation Expenses	6,803	12,000	12,000
Juvenile Detention - Per Diem from State	2,250	5,500	5,500
Block Grant - Detention Home	498,301	475,000	475,000
State Mediation Service Reimbursement	66,400	38,000	38,000
Law Enforcement - Police	9,333,764	9,000,000	7,250,000
Emergency Medical Services - Two for Life	272,138	205,000	205,000
State Fire Programs Fund	713,802	390,000	390,000
Hazardous Incidence Team Allotment	30,000	30,000	30,000
Auxiliary Grant for the Aged	542,431	160,000	160,000
Aid to Dependent Children	590,556	425,000	425,000
Auxiliary Grant for the Blind	0	800	0
General Relief	83,301	59,000	59,000
Regular Foster Care	1,087,655	250,000	250,000
Administration - VPA	2,729,934	1,344,300	1,344,300
Auxiliary Grant for the Disabled	0	225,000	225,000
Food Stamp Issuance	70,839	10,000	10,000
Purchased Services	40,440	264,400	264,400
Child Day Care Program	1,473,529	1,250,000	1,250,000
Family Preservation Grant	3,743	500	500
Respite Care - Foster Care	0	1,400	0
Street and Highway Maintenance - Gas Tax	31,491,168	28,745,000	28,745,000
English as a Second Language	1,516,789	1,707,000	1,231,000
Talented and Gifted Program	1,229,075	1,248,000	1,232,000
General Appropriation - Basic Aid	141,280,646	128,998,000	118,848,000
Foster Child Reimbursement - Schools	352,993	152,000	152,000
Textbooks	3,237,110	3,287,000	2,069,000
Social Security Reimbursement - Schools	7,101,320	7,211,000	6,515,000
Retirement Reimbursement - Schools	9,177,091	9,291,000	5,191,000
Group Life Reimbursement - Schools	300,440	249,000	273,000
Remedial Education	2,294,273	2,323,000	2,190,000
Lottery Funds - Education	5,425,136	0	0
Share of State Sales Tax - Schools	42,970,009	46,381,000	42,677,000
SOQ - Basic Special Education	16,578,852	16,835,000	11,279,000
Special Education - Homebound	106,894	114,000	119,000
Virginia Commission - Visually Handicapped	9,247	10,000	10,000
Vocational Education - Equipment	59,881	0	0
Vocational Education - Adm. & Supv.	381,476	497,000	505,000
Vocational Education - SOQ Occupational	2,676,652	2,718,000	1,670,000

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 09 Actual</u>	<u>FY 10 Original</u>	<u>FY 11 Approved</u>
<i>(Categorical Aid cont'd)</i>			
Handicapped Foster Home - Schools	779,446	1,028,000	937,000
Other Categorical State	18,898	0	0
Adult Basic Education-State	64,357	0	0
At Risk - State	1,666,403	1,558,000	1,455,000
Adult Education - State Funds	0	0	40,000
Salary Incentive K-3	2,807,258	2,829,000	2,738,000
Adult Education - SOQ	0	40,000	0
FEMA- State Isabel	(842,861)	0	0
ALS Training Fund Reimbursement	10,800	0	0
Clerk's Technology Fund	371,655	0	0
Library of VA-Record Pres.	17,377	0	0
Total Categorical Aid	<u>292,326,255</u>	<u>273,081,900</u>	<u>243,959,700</u>
 Total from the Commonwealth	 <u>364,161,283</u>	 <u>306,360,500</u>	 <u>275,337,000</u>
 Revenue from the Federal Government:			
Adult Education - Federal	0	75,000	0
ROTC	437,382	350,000	350,000
Emergency Management Assistance - Fire	17,504	27,000	27,000
Food Stamp Program	1,631,952	1,329,000	1,329,000
Family Support Payment	2,639,285	1,413,000	1,413,000
Low Income Home Energy	77,353	22,000	22,000
Foster Care	1,229,047	1,217,000	1,217,000
SCAPP Program-Sheriff	77,693	0	0
Allocated Eligibility Program	105,338	0	0
Allocated Eligibility IV-B Program	5,300	0	0
Adoption Assistance	213,000	174,800	174,800
Social Services Block Grant	520,004	1,096,000	1,096,000
Independent Living	59,541	90,000	90,000
Medical Assistance	1,171,466	1,161,000	1,161,000
Child Care and Development	1,688,128	1,716,000	1,716,000
Refugees	13,679	11,900	11,900
Child Care and Development - Match	1,994,608	1,979,500	1,979,500
Emergency Impact Aid Funding	0	125,000	125,000
Katrina EMAC Reimbursement	10,460	0	0
Safe & Stable Family - State	30,589	148,000	148,000
Total from Federal Government	<u>11,922,329</u>	<u>10,935,200</u>	<u>10,860,200</u>
 Total General Fund Revenue	 <u>906,306,718</u>	 <u>866,648,500</u>	 <u>814,971,500</u>
 Transfers:			
To Debt Service - From Operating	\$ <u>(52,623,443)</u>	\$ <u>(55,782,472)</u>	\$ <u>(49,832,472)</u>
Total To Debt Service:	(52,623,443)	(55,782,472)	(49,832,472)
 To Capital Projects Fund - State Rev.	 0	 0	 0
To Capital Projects Fund - Schools - Roof/Mech	(2,500,000)	(2,500,000)	(2,500,000)
To Capital Projects Fund - Schools - Lottery	(5,885,400)	0	0
To Capital Projects Fund - Schools - Land	0	0	0
To Capital Projects Fund - General Government	(2,500,000)	(2,500,000)	(2,500,000)

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 09 Actual</u>	<u>FY 10 Original</u>	<u>FY 11 Approved</u>
<i>(Transfers cont'd)</i>			
To Capital Projects (From Capital Reserve)	(15,000,000)	(9,150,000)	(3,565,242)
To Cap Projects - CIPS - 21-011	(4,743,595)	0	0
To Cap Projects - Gen. Govt. - from Current Revenue	0	0	0
To Capital - Public Works Vehicle License Fee	(850,000)	(850,000)	(850,000)
To Capital Projects Fund - Public Works Gas Tax	(3,404,780)	0	0
Oper. Transfer to Capital Projects	(1,729,519)	0	0
Total To Capital Projects Fund:	<u>(36,613,294)</u>	<u>(15,000,000)</u>	<u>(9,415,242)</u>
To Enterprise Fund - White Oak	(982,601)	(1,609,569)	(772,219)
To Enterprise Fund - To Water/ Sewer Capital	(235,127)	0	0
To Enterprise Fund - Belmont (Gaston)	0	0	0
Total To Enterprise Fund:	<u>(1,217,728)</u>	<u>(1,609,569)</u>	<u>(772,219)</u>
To Internal Service Fund (CAM)	0	0	0
To Technology Replacement Fund	0	0	0
To Health Care	0	0	0
To Risk Management	(6,409,405)	(4,361,686)	(4,364,026)
Total To Internal Service Funds:	<u>(6,409,405)</u>	<u>(4,361,686)</u>	<u>(4,364,026)</u>
To Special Revenue Fund - CATC	(208,665)	(210,648)	(210,648)
To Special Revenue Fund - CCP	(132,062)	(136,024)	(136,024)
To Special Revenue Fund - COLA Reserve	0	(25,000)	(25,000)
To Special Revenue Fund - CSA	(3,257,397)	(3,420,267)	(3,591,280)
To Special Revenue Fund - CSA Medicaid Match	(415,275)	(436,039)	(457,841)
To Special Revenue Fund - Police Grants	0	0	0
To Special Revenue Fund - Victim Witness	(329,564)	(338,760)	(334,808)
To Special Revenue Fund - Drug Prosecutor	(31,435)	(44,730)	(52,855)
To Special Revenue Fund - VJCCCA	(533,552)	(543,363)	(543,363)
To Special Revenue Fund - MH/DS/SA	(11,871,173)	(14,628,871)	(14,572,670)
To Special Revenue Fund - Metro Aviation	(100,068)	(135,895)	(135,561)
To Special Revenue Fund - Curbside Recycling	(1,905,449)	(2,137,800)	(2,137,800)
To Special Revenue Fund - Bulky Waste	(215,317)	(239,002)	(239,002)
To Special Revenue Fund - Neighborhood Cleanups	(530,661)	(532,072)	(532,072)
To Special Revenue Fund - Bagged Leaf Collection	(150,568)	(155,127)	(155,127)
To Special Revenue Fund - Contingency Account	0	(86,895)	(75,201)
To Special Revenue Fund - Drug Court	(162,959)	(164,812)	(162,520)
From Short Pump CDA	2,980,869		
Oper. Transfer to Special Revenue Fund	(16,748)	0	0
Total To Special Revenue Fund:	<u>(16,880,024)</u>	<u>(23,235,305)</u>	<u>(23,361,772)</u>
To JRJDC Agency Fund - Operating	(2,606,483)	(2,684,677)	(2,606,479)
To JRJDC Agency Fund - Debt	(679,010)	(675,221)	(675,310)
Total To JRJDC Agency Fund:	<u>(3,285,493)</u>	<u>(3,359,898)</u>	<u>(3,281,789)</u>
To OPEB - GASB 45	<u>(6,725,000)</u>	<u>(6,000,000)</u>	<u>(3,000,000)</u>
Total Transfers	(123,754,387)	(109,348,930)	(94,027,520)

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 09 Actual</u>	<u>FY 10 Original</u>	<u>FY 11 Approved</u>
<i>(Transfers cont'd)</i>			
Total Resources Prior to Use of Fund Balance/ Sinking Fund	<u>782,552,331</u>	<u>757,299,570</u>	<u>720,943,980</u>
(To) Desig Fund Balance-State Revs	(5,000,000)	0	0
Use of Fund Balance - designated FY05	5,000,000	5,000,000	5,000,000
Use of Fund Balance - designated FY05 - Cap Res	15,000,000	9,150,000	3,565,242
Use of Fund Balance - Gen Fund	(36,162,302)	0	0
From Revenue Stabilization	5,727,413	750,000	11,548,345
(To) Revenue Stabilization	<u>(2,345,451)</u>	<u>0</u>	<u>0</u>
Net Fund Balance/Sinking Fund	(17,780,340)	14,900,000	20,113,587
Total Resources After Use of Fund Balance/Sinking Fund	764,771,991	772,199,570	741,057,567
Total General Fund Resources	<u><u>\$ 764,771,991</u></u>	<u><u>772,199,570</u></u>	<u><u>741,057,567</u></u>

APPENDIX "F"

ECONOMIC OUTLOOK

National Economy

“After declining for a year and a half, economic activity in the United States turned up in the second half of 2009, supported by an improvement in financial conditions, stimulus from monetary and fiscal policies, and a recovery in foreign economies. These factors, along with increased business and household confidence, appear likely to boost spending and sustain the economic expansion. However, the pace of the recovery probably will be tempered by households’ desire to rebuild wealth, still-tight credit conditions facing some borrowers, and, despite some tentative signs of stabilization, continued weakness in the labor markets.” This was the introductory statement made by Ben Bernanke during testimony to Congress on February 24, 2010 as part of the Federal Reserve’s Semiannual Monetary Policy Report to Congress. As Mr. Bernanke’s statement implies, the U.S. economy did recognize some improvement in 2009, largely the result of stimulus funding and other programs, such as the Car Allowance Rebate System (CARS), colloquially known as “cash for clunkers”, and the new and existing home-buyer tax credits that were introduced the prior year. The effects of these and other efforts continue to be realized into the first quarter of 2010. The Troubled Asset Relief Program (TARP), which was a component of the Emergency Economic Stabilization Act introduced in October 2008, consisted of \$787 billion of taxpayer funded liquidity infused directly into the nation’s largest financial institutions, while another economic stimulus measure, known as the American Recovery and Reinvestment Act of 2009, consisted of \$825 billion in government spending, comprised of \$550 billion intended to assist in job creation and economic growth, and \$275 billion in tax relief to individuals and businesses. While some economic progress has been made since these measures were introduced, the economy is still very much in the process of recovering, and by most economists’ estimates, will slowly recover for some time to come.

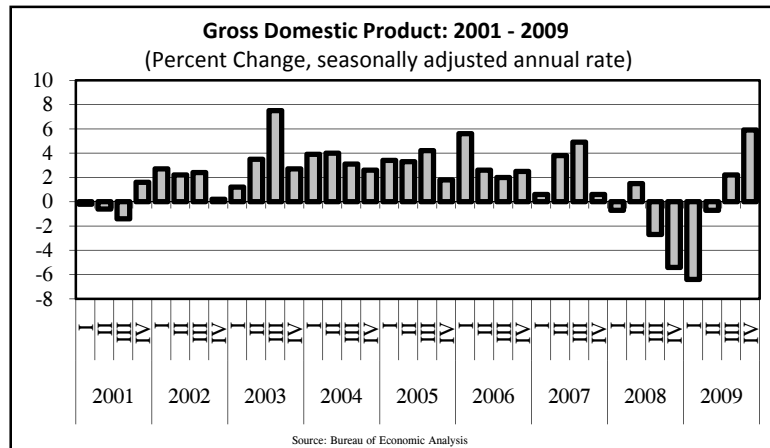
The United States technically entered a recession in December 2007, as defined by the National Bureau of Economic Research (NBER). Throughout 2008 and much of 2009, a number of efforts were made on the part of both the Federal Reserve and the Treasury Department to correct and/or mitigate any further deterioration in the financial markets and in the economy as a whole. While the recession has not officially been declared over by the NBER, some signs of improvement indicate that the recovery process has begun, and will slowly but surely gain momentum. National home sales also improved, mostly the result of an \$8,000 first time homebuyer tax credit and \$6,500 credit for existing homeowners. The U.S. also recognized a slight improvement in exports that was somewhat improved by the temporarily weakened dollar and a slight resurgence in domestic auto exports, while GDP grew at a 4.0 percent average in the third and fourth quarters of 2009. However, the sustainability of these fiscal remedies is still uncertain. While many of the financially assisted banks have recognized dramatic recoveries, smaller companies that rely on large banks to meet their short-term borrowing needs have found that their access to credit remains restricted. Similarly, access to credit for households has been constrained, despite lower mortgage rates. These newly established restrictive lending policies, stemming from increased market risk through high unemployment, poor housing statistics and general economic uncertainty have contributed to weakened loan demand throughout 2009 and into 2010. However, the Treasury Department has attempted to address this problem with its Term Asset-Backed Securities (ABS) Loan Facility (TALF), which was created to support the asset-backed securities market with \$1 trillion in non-recourse loans for collateralized debt. Because the ABS market heavily influences consumer credit and Small Business Administration (SBA) guaranteed loans, continued disruption of the market can further obstruct the availability of credit to households and small businesses, which may perpetuate the weakening of the U.S. economy and slow the recovery effort. In recognition of the continuation of these extraordinary economic times, the Federal Open Market Committee (FOMC) has continued to maintain a federal funds rate in the target range of 0.0 to 0.25 percent, and has indicated that conditions may warrant these low rate levels for some time.

While the “Great Recession” has been the longest on record since the Great Depression of the 1930s, the unemployment rate, while high, has not achieved levels seen during more recent periods of significant economic hardship, such as those recognized during the 1981 – 1982 recession. During this period, unemployment peaked at 10.8 percent in the months of November and December 1982. However, it is widely believed that the current economic environment has impacted more jobs than in the recession of the early 1980’s, if the number of discouraged workers and employees that have been forced to work in a part-time capacity were included in the calculation. As of February 2010, the unemployment rate stood at 10.0 percent. According to most academics and industry professionals alike, this recession has been particularly damaging because of its concentration in certain sectors of the economy, such as real estate, which has had corresponding, systemic implications throughout all interrelated sectors, including manufacturing, construction, and the financial institutions used to support consumption and investment. While the recession was largely caused by over-speculation in the real estate market, which subsequently influenced the financial sector, the effects of the recession have impacted the labor market, restricted credit, destroyed consumer confidence and severely limited household spending. These effects culminated in the economic devastation that has permeated nearly every facet of the U.S. and global economy.

While these are difficult times, and while the duration of our economic recovery remains uncertain, the same unifying idea that was expressed a year ago still holds true today. That is, that the economy *will* recover and that the strength of America's economic system, and the proactive measures it takes to ensure its global standing and continued leadership among the world's economic powers *is* certain. While these measures to stabilize, and perhaps, save our economy, have justifiably been met with some criticism, it is widely believed that some degree of government intervention was needed to avert the worst financial crisis in 80 years.

Economic Indicators

Most economists consider gross domestic product (GDP) as the best way to view the current condition of the national economy. It is important because GDP is considered as the broadest measure of economic performance as it monitors the final value of all goods and services produced within the United States. As seen in the graph to the right, the economy fell into a period of recession in 2001, as negative GDP growth occurred over the first three quarters of the year. From Q3 2001 through Q4 2007 the economy had seen positive growth in every quarter. Beginning in the second quarter of 2006, mostly due to weaknesses in the housing market, the economy began to transition from the rapid expansion experienced in the previous several



years. This moderate growth trend continued into the first quarter of 2008, before posting its first negative showing since 2001, and falling sharply in the third and fourth quarters of 2008 and through the second quarter of 2009. GDP then experienced a rebound in the third and fourth quarters of 2009, with growth of 2.2 percent and 5.9 percent, respectively.

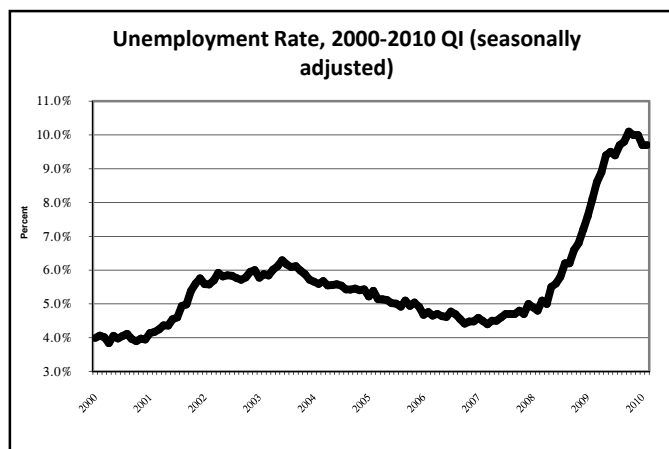
It is anticipated that gross domestic product will continue to slowly rebound in 2010 for several reasons, including stagnant unemployment figures and low capital investment by businesses; the still volatile residential and commercial real estate and manufacturing sectors; low consumer confidence; the inaccessibility of credit to consumers and small businesses; and the general timidity of investors and financial institutions.

Equity Market Growth:	DJIA	NASDAQ	S&P 500
Jan-Dec 2009	15.4%	39.0%	19.6%
Jan 2000 - Dec 2009	(8.18)%	(45.0)%	(23.3)%

Recent financial market statistics reflect an improving economy, though the indices are still far from January 2000 levels, and even further from levels seen during the peak of 2007. The year did see significant improvements as the Dow, NASDAQ and S&P 500 all registered positive yearly growth in 2009.

However, while investors are far from breaking even, the growth experienced during the year could be described as nothing less than bullish, and while some remain skeptical, many predict an extended rally that could potentially continue to regain some of the \$11 trillion in stock market value lost since the recession began. After catastrophic losses caused by subprime mortgages precipitated into the global financial crisis, the market rebounded strongly in 2009, as indicated by the table above. Overall economic conditions, while slowly improving, were outpaced by resurgence in financial sector profitability, much of which was attributable to large scale government intervention.

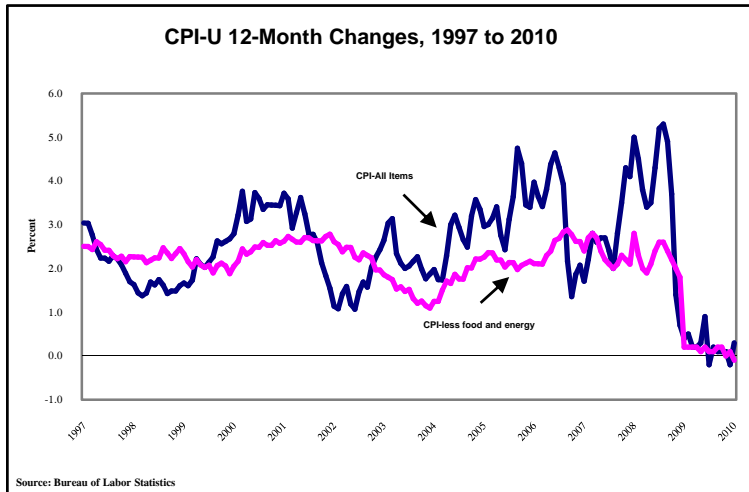
The labor market has suffered dramatically as a result of the current recession, with employers slashing payrolls throughout 2008 and 2009, and into the first quarter of 2010. From 2004 through the first quarter of 2007, the national unemployment rate had experienced a steady decline, reaching a low of 4.4 percent during this period. Unemployment rose to 5.0 percent by December 2007, beginning an upward trend as a result of job losses in manufacturing, construction, and retail, though these losses were partially offset by marginal job growth in the health care and food service industries.



Throughout 2009 and into the first quarter of 2010, employers continued to slash jobs as a result of overall conditions in the economy, though job cuts have been waning relative to the volume of labor force shrinkage experienced in the several months prior. The unemployment rate currently stands at 10.0 percent and has hovered around this level for several months, partially due to the fact that the market is not only losing jobs, but the labor force is actually shrinking. Since the recession officially began in December 2007, an estimated 8.1 million jobs have been lost. While this number is shockingly high, the actual impact is understated when population growth is taken into consideration. The labor market should have naturally added some jobs relative to this growth from December 2007 to the present, even while jobs were being shed at the rate observed over this period, merely to keep up with the natural growth in population. However, this was not the case. Taking growth into consideration, the market would need to add approximately 10.5 million jobs to equal the pre-recession level of unemployment.

The Consumer Price Index (CPI-U) is an economic indicator most commonly referred to when measuring inflation in the United States. In the twelve months between January 2009 and January 2010, the percentage change in the CPI-U (not seasonally adjusted) declined from 0.4 percent to 0.3 percent, after dropping to -0.2 percent in the months of July and December 2009. Over the last 12 months (January - December) the index increased 2.6 percent. This increase is due primarily to a steady rise in the energy index, including gasoline, fuel oil and natural gas.

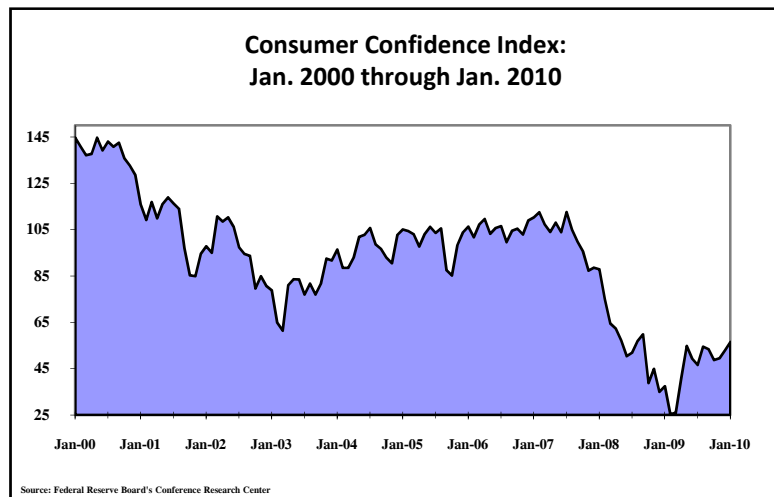
Core consumer price inflation, measured as CPI-U less food and energy, experienced similar, yet less dramatic volatility, rising 1.6 percent in January 2010. The deceleration experienced in the fourth quarter of



2008 and first quarter of 2009 was attributed somewhat to the drop in energy prices, which reduced costs of production, and, therefore, lessened one source of pressure on the prices of final goods and services. Energy prices, though, remained volatile, reflecting the continued political uncertainties in the Middle East, the fluctuating value of the dollar, as well as industry analysts' and investors' opinion on the economy and its impact on domestic fuel consumption. From April through

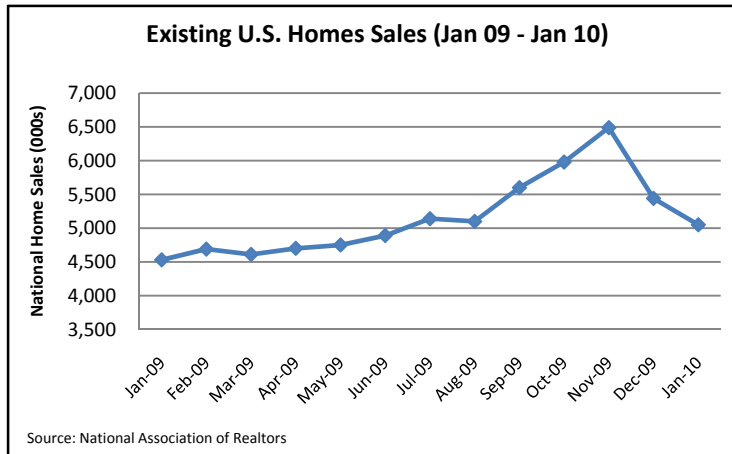
September 2008, a surge in energy prices, particularly that of gasoline and diesel fuel, was experienced, with the per barrel price of oil reaching an all time high of \$127. As a result, fuel prices began to rise, with the national per gallon pump price of gasoline averaging \$4.05 by July 2008. However, as fuel prices began to moderate from late 2008 through the second quarter of 2009, the consumer price index recognized several consecutive months of declining growth, entering a deflationary period from a consumer goods cost perspective, relative to lowering crude oil prices. As the price per barrel of oil increased in the fourth quarter of 2009, and into the first quarter of 2010, the CPI-U began to increase relative to energy prices, with the CPI-U registering 1.8, 2.7 and 2.6 percentage point increases in November and December 2009, and January 2010, respectively. Correspondingly, gasoline prices have steadily increased throughout 2009 and into 2010, with the average national per gallon pump price in March 2010 registering at \$2.72.

One of the most important economic indicators is the Consumer Confidence Index, as it measures the level of faith that consumers have in the current economy. The consumer market is especially important as it comprises more than two-thirds of the nation's economy. During times of economic downturn, Americans typically become less confident in the economy. As economic downturns become longer and consumers hear continued negative economic reports, the level of consumer confidence tends to decline. Conversely, confidence



tends to increase with positive economic and political news, especially increases in employment levels. Beginning in late 2007 and lasting throughout the first quarter of 2010, consumer confidence has remained low. Even though the economic environment has improved modestly, individuals are still less likely to spend, and those who would like to spend have found their ability to do so hampered as a result of restricted access to credit. In February 2009, consumer confidence hit a historic low of 25.3, down from 37.4 the month prior, reflecting the increasingly pessimistic attitude toward the state of the economy that is widely shared among Americans.

New and existing home sales, one of the principal drivers of consumer spending over the past several years, fell dramatically through 2008, and made some incremental improvement in 2009. Home sales activity temporarily increased month to month in the third and fourth quarters of 2009 as the homebuyer tax credits of



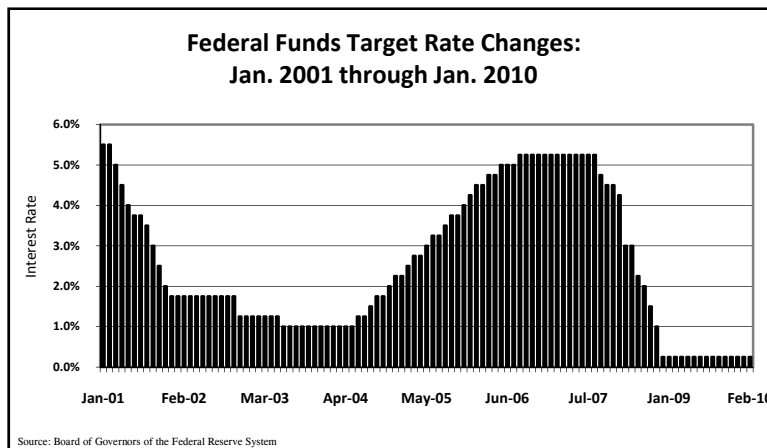
\$8,000 for new homebuyers, and \$6,500 for existing homebuyers went into effect. Overall home sales increased by 11.5 percent from January 2009 to January 2010. As of this writing, the surplus of unsold homes on the national market represents a 7.8 month supply based on the current pace of sales. This is an 18.8 percent reduction in the national monthly supply from January 2009. Building permits and new residential construction, while falling dramatically throughout 2008, increased in 2009. Building permits issued in February

2010 totaled 612,000 nationally, 11.3 percent higher than the February 2009 figure of 550,000. New residential housing starts numbered 575,000 in February 2010, a slight increase over the February 2009 rate of 574,000.

In response to the current economic crisis, and in addressing the pivotal role the performance of the real estate market will play in the recovery effort, several initiatives were introduced by the federal government early in 2009 to assist existing and first time homebuyers. For example, the "American Recovery and Reinvestment Act of 2009" which was signed by the President on February 17, 2009, included refundable tax credits of up to \$8,000, and reinstated the 2008 FHA, Fannie Mae and Freddie Mac loan limits for first time homebuyers. The tax credit, which was set to expire in December 2009, was extended through congressional approval in November 2009, to last through April 2010. While the homebuyer credits have been successful in spurring demand, it appears as though this has somewhat waned, as first quarter 2010 home sales recognized a setback from previous home sale estimates. For example, Fannie Mae cut its home sales forecast for 2010 after lower than expected sales volume in the first months of the year. The weakened demand resulted in a downward revised projection of 9 percent sales growth, down from the 12 percent previously forecasted. Sales activity, however, is expected to increase temporarily as a result of the scheduled April 2010 tax credit expiration. Any sustained real estate market recovery continues to depend mostly on national job creation.

The national median existing home price in January 2010 was \$164,700, which equals the national median home price registered in January 2009, representing no year-over-year change. This is actually a dramatic improvement from last year's year-over-year assessment, which reflected a 15.5 percent reduction from February 2008. In addition to other factors, the previous adjustment in median sales price was partly attributable to the purchasing characteristics of first time homebuyers. Distressed sales, which typically sell for 20 percent below market price, have been sought after by first time buyers and represented approximately 45 percent of transactions in February 2009.

Beginning in September 2007, the Fed initiated the first of a number of rate cuts that have taken place since this economic downturn began. In March 2008, an unexpectedly favorable assessment of the CPI prompted a 75 basis point rate cut, bringing the rate to 2 ¼ percent, the lowest since 2004. While inflation has been an ongoing and key issue monitored by the Fed, it can be inferred through their actions over the past two calendar years that combating the credit crisis and addressing the lack of liquidity in the financial markets has been a more pressing issue. It is, however, important to note that rate cuts typically are necessary to facilitate growth through capital investment, by encouraging financial institutions to lend money, and to increase the value of the equity market. It is the job of the Federal Reserve to find the appropriate rate at which growth is stimulated, while not unreasonably contributing to inflationary pressures.



Despite its efforts to provide a balance between loosening a tight credit market, while also addressing the issue of inflation, the Fed had little choice but to continue to cut the Federal funds rate. By December 2008, the Fed had lowered the rate eight times, for a total of 325 basis points for the year, ending at a level of 0.00 – 0.25 percent, with the Fed at this time indicating that "economic conditions are likely to warrant exceptionally low levels of the federal funds rate for some time."

The Fed funds rate has remained at this level since December 2008, and as of February 2010, represented over 13 months unchanged at effectively a 0.00 percent rate of interest. However, as previously mentioned, the access to credit for both businesses and individuals has remained restricted, despite the continuation of historically low interest rates.

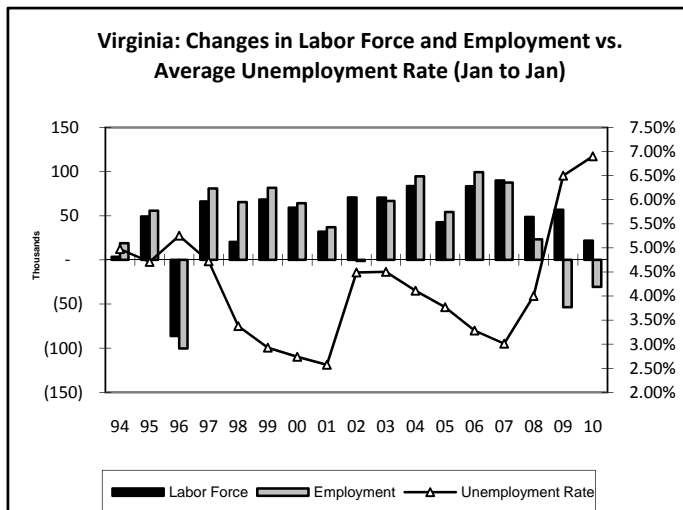
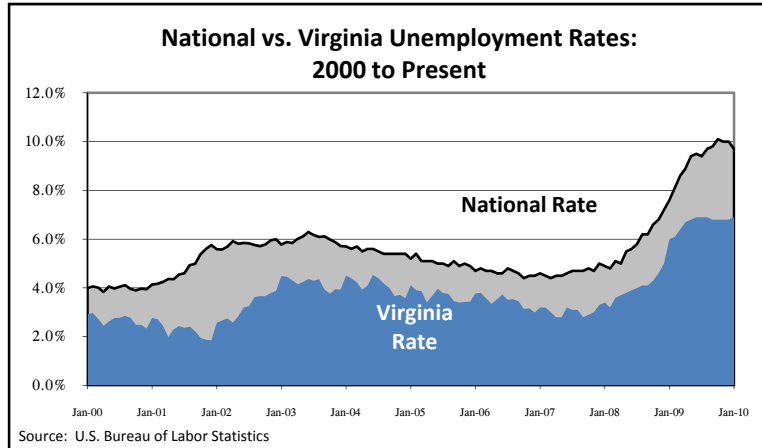
Virginia Economy

As the national economy has experienced booms and contractions over the years, the Virginia economy has largely followed the economic trends experienced by the United States. While the state economy generally tends to follow the lead of the nation, the Commonwealth does outperform the national economy in several economic indicators. Population growth and per capita income have both outpaced national levels. In addition, the Commonwealth of Virginia has experienced a lower unemployment rate than the majority of the country for many years. Other indicators, such as new business incorporations, new vehicle registrations, and manufacturing employment seem to mimic national trends.

According to the U.S. Census Bureau 2009 estimate, the population in the State of Virginia has grown by over 803,500 people since 2000, an increase of 11.4 percent, as it remains the twelfth most populous state in the country. During the same time period the national population increased by 8.8 percent. In addition, Virginia is also one of the most educated states in the U.S., with 33.6 percent of persons 25 years of age or older having a bachelor's degree or higher, ranking sixth among the states. Correspondingly, with a 2009 per capita personal income of \$43,874 and an average annual salary of \$45,531, Virginia ranks seventh and eleventh among the states, respectively in these categories. While the average salary in the U.S. fell by 2.6 percent from 2008 to 2009, the Virginia state average declined by only 0.5 percent, a comparison that reinforces Virginia's strong economic position in the U.S.

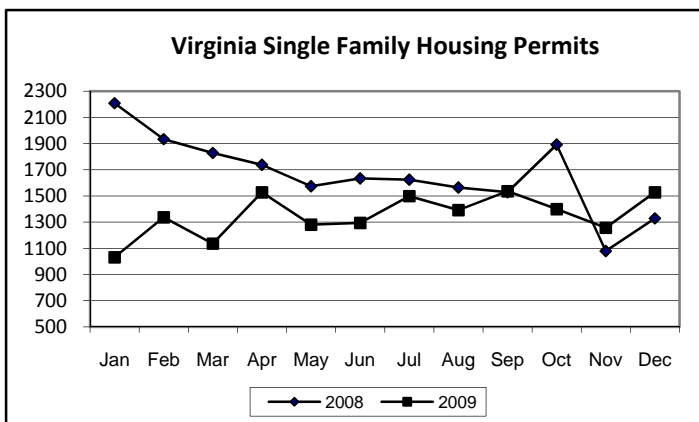
While the population of the Commonwealth was estimated at nearly 7.9 million as of July 1, 2009, the level of growth has recently been slower than that experienced in the first half of the decade. However, according to the Weldon Cooper Center at the University of Virginia, the rate of population growth is increasing in Virginia for the first time since the recession began in 2007, after having remained stagnant at less than one percent from 2007 through 2008, and rising to 1.1 percent in 2009. While the growth rate has yet to return to levels observed prior to the recession, higher future growth rates are anticipated. Virginia's population growth equation is comprised of two elements; natural increases, resulting from more births than deaths, and net in-migration, the net difference between individuals moving in and leaving the state. In recent years, these two figures as a percentage of the total population growth statistic have been relatively even. However, in the second half of the decade, the balance between these two contributing factors has grown less even, with natural increases exceeding migration into the state. According to demographer Mike Spar, "It is likely that economic conditions led to a reduction in migration to Virginia. Mobility is affected by a stagnant housing market and limited job prospects, conditions characterizing most of the nation the past several years."

From 2003 to 2007, national and state unemployment rates steadily decreased as the nation enjoyed a period of economic expansion. In 2007, when the economy began its downhill slide, unemployment rates began to rise, with the national rate spiking at 10.1 percent in October 2009, before moderating to 9.7 percent by January 2010. Despite exposure to the same economic obstacles experienced throughout the country, according to the U.S. Bureau of Labor Statistics, at 6.7 percent, Virginia had the 10th lowest unemployment rate average in the nation in 2009. The unemployment rate for the nation averaged 9.3 percent in 2009, indicating that even during times of economic difficulty, Virginia continues to fare better than most states in the U.S, as indicated in the above graph.



Typically, during periods of normal growth, the level of job growth throughout the state varies significantly by geographic area. The northern portion of the state, which offers the highest concentration of professional and business services, as well as technology and federal contracting jobs, accounts for more than one-half of the state's job growth. Industrial and manufacturing labor, which is concentrated in the southern portion of the state, accounts for the remainder of the state's job growth. In the national unemployment rankings, Northern Virginia is not treated as a separate area, but as part of the Washington, D.C./Virginia/Maryland/West Virginia metropolitan area. Employment

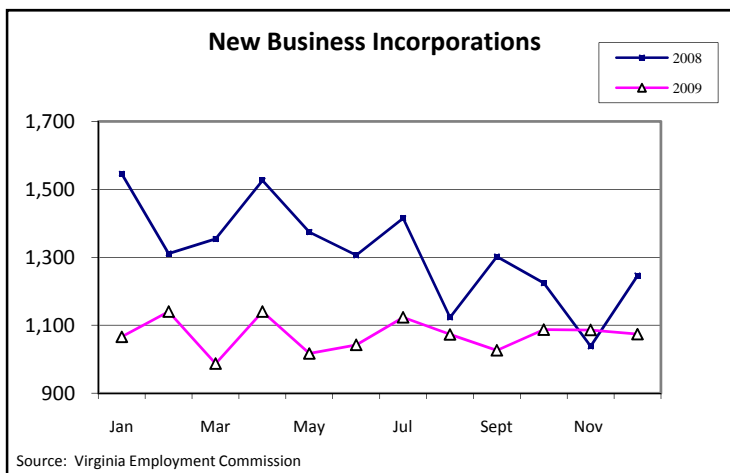
in the Richmond Metropolitan Area, one of nine publishable metropolitan statistical areas in Virginia, was 594,933 in January 2010, which is down 1.2 percent or 7,200 jobs from January 2009. However, looking back over a two year period, regional employment is down 30,745 since January 2008, representing a 4.9 percent decline. Since the recession began, the area has experienced significant job loss due to business closings, particularly in the trade/transportation, manufacturing, and finance industries.



While population and unemployment are important indicators, other business economic indicators are vital in analyzing the performance of the Virginia economy. Since many other sectors of the economy feed off of new home construction, one significant indicator is the number of single family building permits issued. Following the national housing market trend, the number of single family building permits issued in Virginia in 2009 was well below levels seen in 2008. In 2009 there were 16,219 building permits issued, which

represents a decrease of 3,716, or 18.6 percent, from the 19,935 permits issued in 2008, despite the housing recovery efforts related to the Homebuyer Tax Credit, which was extended through April 2010. While there was a modest increase in home sales during 2009 attributable to the credit, it has been the observation of real estate agents and industry analysts that the credit is doing little to sustain upward sales momentum. Home prices have recently stabilized, but are still below their 2006 peak, and many existing homeowners currently owe more on their homes than what they're worth. In addition, since the efforts to modify loans that were facing foreclosure have been ineffective, there exists the potential for many new homes to be added to the already over-saturated inventory, which should act to depress prices, and further dissuade builders from obtaining permits given the supply and demand imbalance that will likely exist.

Virginia is a very attractive location for businesses as it features a low tax burden, business-friendly laws, and an aggressive economic development program. New business incorporations are one way in which the soundness of the state economy is measured. Due to the fact that the incorporation of a new business requires a large investment, this indicator is tied heavily to perceptions of the state of the economy. In 2008, 15,765 new businesses were incorporated, a 10.9 percent decrease from 2007. In 2009, 12,861 new businesses were incorporated, an 18.4 percent decrease from 2008 and 26.4 percent reduction from 2007. This continues a downward trend that began in late 2005 and has accelerated since the recession began in 2007. General economic uncertainty, compounded by historically low consumer confidence has strongly affected business growth, and correspondingly, the number of new business incorporations in the state.



For the third straight year, automobile sales in Virginia decreased from the prior year's measures. According to the Virginia Employment Commissions' *Virginia Economic Indicators* publication for the fourth quarter of 2009, 328,467 vehicles were registered in the state during 2009, compared to 406,401 registered in 2008, a decrease of 77,934, or 19.2 percent. It is important to note that, prior to the recession, even during the periods in which auto registrations decreased in Virginia, the market had historically remained one of the strongest components of the economy. Low interest rates and other financing incentives supported strong sales in the years leading up to the nation's economic decline. However, the economic climate, fuel price volatility, and drastic changes in consumer behavior contributed to a precipitous decline in automobile sales throughout 2009, particularly of the larger vehicles manufactured by U.S. domestic auto makers. The domestic auto companies, many of whom have been significant beneficiaries of government funding, received approximately \$85 billion in taxpayer supported loans which were deemed necessary for survival, and to avoid the potential loss of an estimated three million jobs. In addition, by many industry analyst estimates, 2009 was one of the worst years experienced in decades, with sales dropping among nearly all manufacturers, particularly the Big Three (Ford, General Motors and Chrysler) with annual sales falling 15 percent, 30 percent and 36 percent, respectively among the group.

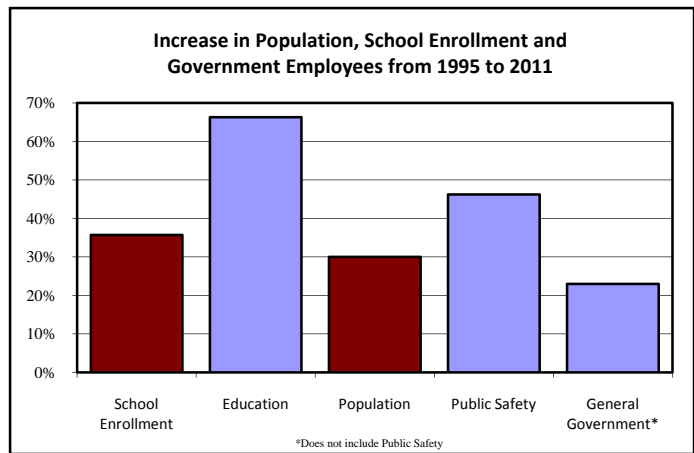
Although some of the previously mentioned statistics show decline in selected areas, it is important to note that over the past several years, Virginia has continually maintained one of the strongest state economies in the country. Despite performing well relative to most of the states, Virginia was by no means immune to the economic difficulties experienced by the rest of the nation. Through 2009, there were approximately 126,000 jobs lost statewide, which represented 3.4 percent of non-farm employment. In fact, all employment sectors lost jobs, with the exception of private education and health services, which each recognized marginal gains of 2.1 and 4.2 percent respectively. The hardest hit areas included construction, which fell by 12.9 percent, retail trade, which fell by 4.9 percent and professional and business services, which fell by 2.9 percent. Again, while these losses are significant, they are lower than the U.S. average job loss of 4.3 percent over

the same period. In relation to reduced consumer confidence, consumer spending decreased in Virginia in 2009 in much the same way it did throughout the nation. Virginia taxable sales fell from approximately \$90.1 billion in 2008, to \$85.9 billion in 2009, a 4.7 percent decline. While estimated to have ended in July 2009 following a 3.5 percent 3rd Quarter rise in GDP, the recession that began in 2007 hasn't officially been declared over by the NBER, making it one of the longest recessions on record.

The depth and duration of our economic situation has adversely impacted Virginia's financial position. Governor McDonnell and legislators have struggled with declining revenues and reduced expenditures in order to close an \$11.3 billion budget gap since this recession began. In fact, the 2010-2012 Biennial Budget returned state spending to 2006 levels. While the economy is recovering, nationally and in the Commonwealth of Virginia, it will be a long recovery consisting of sluggish output growth, further job loss and sustained unemployment. Analysts suggest that the Virginia economy may lose another 80,000 or more jobs in 2010, before stabilizing sometime in 2011. Personal income is expected to grow slowly, while wages and salaries will increase slightly by an estimated 0.4 percent in 2010, and 3.0 percent in 2011. Again, while Virginia's economic situation is dire, it is significantly better than in most areas of the country.

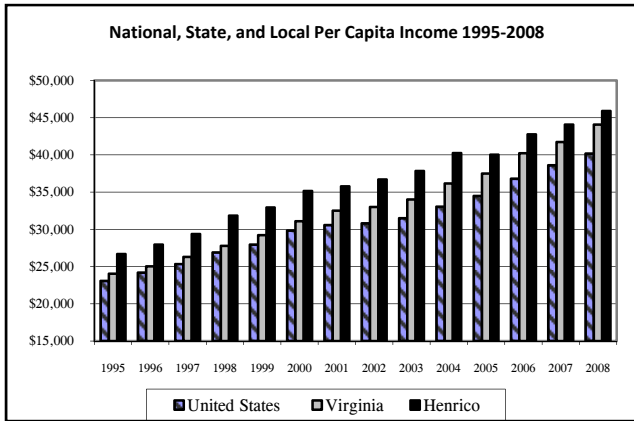
Local Economy

Over the past fifteen years, the Henrico County economy has become more diverse as the County has grown. Since 1995, the County's population has increased 30.0 percent. Rising from 239,683 to 311,692, Henrico is now the fourth most populous County in the Commonwealth. At the same time, the average daily student population attending Henrico County Public Schools has increased by 35.7 percent. In reaction to such growth trends, the County of Henrico has responded to the needs of the community by offering more services. As education and public safety are both high priorities for the County, these two areas have experienced the most employment growth.



The education personnel complement increased by 64.4 percent since 1995 as the number of education facilities grew 27 percent over the same time period. This figure does not include additions or renovations to existing structures. Public Safety increased its personnel complement by 46.2 percent over the same period. A large portion of this increase is due to the additional personnel in the Sheriff's Office needed to staff the regional jail, which opened in 1996, as well as additional positions within the Division of Fire. It also should be noted that 177 positions have been added in the Division of Police over the same sixteen years. Since 1995, General Government (excluding Public Safety) experienced an increase in personnel of 22.9 percent. All increases in personnel and service levels were accomplished while real estate tax rates in Henrico decreased from \$0.98 per \$100 of assessed value to \$0.87 per \$100 of assessed value during this time period. In addition, Henrico citizens experienced increases in income larger than national and State averages. From 1995 to 2008, per capita income in Henrico has increased by \$19,216, or 71.9 percent, to an average of \$45,911. It should be noted that as of this writing, the 2008 County data is the most recent information released by the Bureau of Economic Analysis.

Recent conditions in the national and state economies have disrupted the County's economy, particularly with respect to business failures and employment. While typically the county's unemployment average falls well below that of state and federal figures, in March 2009, Henrico County registered a 7.1 percent unemployment rate, which slightly exceeded the state unemployment rate of 7.0 percent, the worst in 17 years. The County's unemployment rate remained higher than that of the state through January 2010, when the unemployment rate of 7.4 percent fell below that of the state's 7.6 percent. As of March 2010, the County's unemployment rate is 7.4 percent, while Virginia's remains at 7.6 percent. The national unemployment rate as of March 2010 was 9.7 percent.

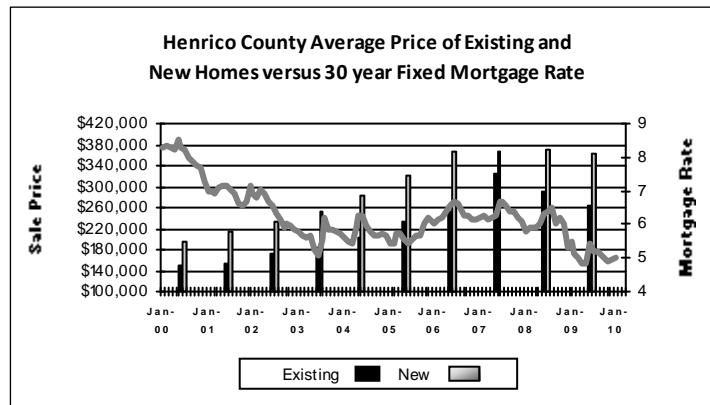


Between January 1, 2008 and January 2010, the County had lost over 8,500 jobs, some of which were the result of business closures and/or failures. Qimonda, the semi-conductor manufacturer that was once the County’s top real estate and personal property tax payer, as well as its top consumer of water and sewer services, ceased operations in April 2009. During this two year period, the County also experienced the bankruptcies and closures of both Circuit City and Land America, resulting in a cumulative 4,500 jobs lost. While it will take many years to make up for the number of jobs lost over the last two years, there are several positive economic

developments taking place in Henrico County, including recent expansions of Bank of America, T-Mobile and Smurfit Stone, as well as the decision by Admiral Group, Inc. to base its Elephant Auto Insurance business in Henrico County.

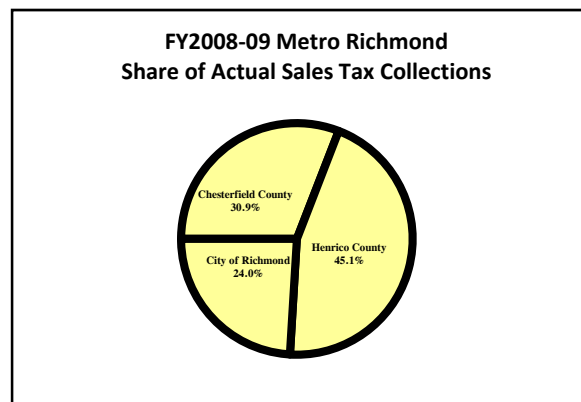
One of the most important economic indicators the County monitors is general property tax revenue. This revenue includes both current and delinquent real and personal property tax revenue. Property taxes generate

the largest percentage of revenue for Henrico County, representing 47.7 percent of total General Fund operating revenue in the FY2010-11 budget. A large driver behind the growth in this revenue, historically, has been the strength seen in the County’s real estate market, relative to the national market. The chart to the right illustrates the overall upward trend in the average sales price of new and existing homes in comparison to the decrease in fixed mortgage rates.



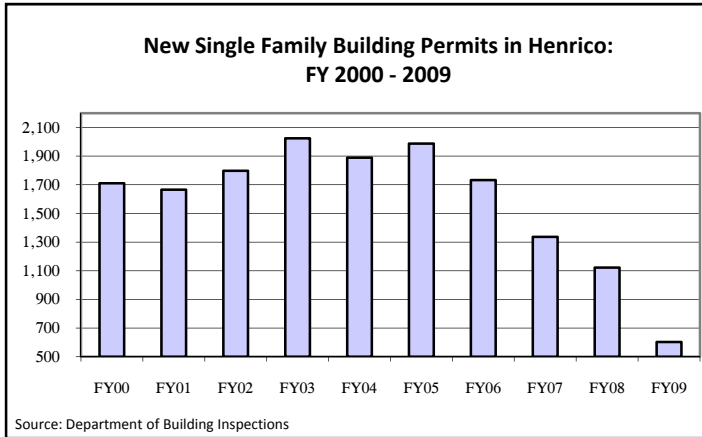
However, in 2008, a result of the housing market crisis that was experienced nationwide was a corresponding drop in demand for housing in Henrico County, resulting in a higher monthly inventory, and stagnation in sales prices. Interest rates on 30 year fixed rate mortgages also fell significantly over this period, which facilitated some home buying and somewhat alleviated downward pressure on sales prices. The average 30 year fixed mortgage rate for 2009 was 5.04 percent, and was 5.03 percent in January 2010.

Another indicator the County monitors is local sales tax receipts compared to those collected in the Richmond Metropolitan Area. In actual dollars, Henrico’s local sales tax receipts totaled \$56.1 million in FY2008-09, representing a 2.2 percent drop from the prior fiscal year. Over the past fiscal year, Henrico County recorded a 45.1 percent share of the total local sales taxes collected in the Richmond area, compared to 30.9 in Chesterfield County, and 24.0 percent in Richmond City. While Henrico’s sales tax collections decreased by 2.2 percent, its percentage share of regional sales *increased* by 0.8 percent, which is an indication of the strength of Henrico’s local retail base.



Overall, the Richmond Metropolitan Area experienced a decrease of 3.8 percent, down from the previous year- over-year increase of approximately 1.0 percent. While there was a reduction in consumption related to the reduced level of sales revenue generated in the region, Henrico County’s sales figures continued to out-perform other localities in the region. These statistics are a reflection of the quality and variety of Henrico County’s local retail base, which is both an attractive option for local residents, as well as a shopping destination for consumers of neighboring localities and other non-residents.

Building permit fees are another important economic indicator that is carefully monitored by Henrico County. This revenue is considered to be elastic, meaning it will vary from year to year based on current economic conditions. A change in the number of building permits issued can be used as a source of information to



predict the shape the economy will take in the future. Since FY2004-05, single family building permits in Henrico County have declined by 70.1 percent, through FY2008-09. Prior to the market cool down, Henrico County, like the rest of the U.S., experienced a boom in new home construction, due primarily to historically low interest rates. While Henrico County experienced significant growth in the number of single-family permits being issued over the five-year boom period between 2001 and 2005, the national growth pace was greater during this time

period. Over this period, the national average annual increase for single-family permits issued was 6.9 percent, with an overall 31.7 percent growth comparing 2005 to 2001 levels. Henrico County, on the other hand, averaged an annual 5.2 percent increase for single-family permits issued during this time period, with an overall 21.1 percent increase between 2005 and 2001 levels. The number of single family building permits fell 25.5 percent in 2006-07, and 16.0 percent in FY2007-08. In FY2008-09, single family building permits fell 45.4 percent to only 622 permits for the fiscal year. The housing and credit crises have resulted in fewer home buyers, coupled with rising defaults, resulting in more properties continuing to be added to an already saturated housing market. While the federal government has made efforts to bolster the housing industry through its Homebuyer Tax Credit Program, many of the positive effects on housing demand, with respect to home building permits and new construction, have been eroded by increased foreclosures and an overabundance of existing inventory.

The County also monitors changes in the number of new and used automobile registrations. These registrations gauge the community’s confidence in the local economy and determine the amount of its citizens’ disposable income. In 2009, the County of Henrico reported 9,047 new and 43,631 used automobile registrations. These overall numbers mark a 9.3 percent decrease from those recorded in the previous year. For 2009, 34.8 percent of all car sales occurring in the Richmond Metropolitan Area occurred in Henrico County.

Conclusion

The downturn in the economy that began in late 2007 has continued throughout the first quarter of 2010. While some improvement has occurred in most sectors of the economy, the pace of recovery will be slow, and will continue to be hampered by a still weakened housing market, restrictive credit conditions, low consumer confidence and lagging employment growth. The measures recently implemented by the federal government to stimulate the economy have done some good, but the effects of these efforts may be temporary and prove to be inadequate to produce sustainable economic growth. The duration and full economic impact of the “Great Recession” continues to be unknown at this time. While the Federal funds rate has continued at a level between 0.00 - 0.25 percent, it was believed that these low rates would loosen the credit market, slowly alleviate consumer worry, increase borrowing and promote improved economic activity. While this

has not yet fully occurred, the continued low rates are one of the few measures that the Federal Reserve has to directly impact lending.

Consumer spending should continue to slowly improve throughout 2010, particularly purchases of consumer durables. However, sustained unemployment, increased personal savings rates, low consumer confidence, and declining net worth resulting from losses in the equity and housing markets will clearly have an impact on household spending decisions. In fact, a recent study conducted by the Associated Press asked economists whether this recession has created a “new frugality” among consumers, and two-thirds of respondents agreed that it had. During 2009, at the height of consumer worry, the savings rate hit 6.4 percent, remarkably higher than the sub-one percent savings level that existed prior to the recession. Into the first quarter of 2010, the savings rate had dropped to 3.1 percent, though clearly far from the near zero percent savings rate that would support a fast economic recovery, indicating that the pace of the economic rebound may prove to be even more sluggish than had previously been predicted.

While the national economy continues to move forward through a period of uncertainty, the County of Henrico has been affected by the economic troubles experienced throughout the nation. However, the County continues to respond better than national averages. While sales tax collections are slowing, registering 2.2 percent lower in 2009 than the year prior, they remain the strongest in the Metropolitan Richmond area. As the County of Henrico continues to operate within sound and conservative parameters, it is prepared to handle periodic fluctuations and uncertainties in the national, state and local economies, as well as the more severe economic conditions that we are faced with today.

Sources/Bibliography:

Bernanke, Ben. "Federal Reserve Board's Semiannual Monetary Report to the Congress." Monetary Policy Report submitted to the Congress pursuant to section 2B of the Federal Reserve Act. Washington D.C. February 24, 2010.

Conference Board. Consumer Confidence Index Tables. March 2010.

County of Henrico. Approved Annual Fiscal Plan 1996-97. July 1996.

County of Henrico. Approved Annual Fiscal Plan 2009-10. July 2009.

County of Henrico Proposed Annual Fiscal Plan 2010-11. April 2010.

County of Henrico. Revenue Briefing: Fiscal Year 2010-11. April 2010.

Federal Reserve Bank of New York. Historical Changes of the Target Federal Funds and Discount Rates: 1971 to Present. <<http://www.newyorkfed.org/markets/statistics/dlyrates/fedrate/html>.> Retrieved 3/3/2010.

Freelunch.com. National Light Vehicle Sales Data, Gasoline Prices, Housing Sales, Housing Sales Prices, Housing Starts, Mortgage Rates. April 2008.

Mezger, William F. Economic Assumptions- For the United States and Virginia: Calendar Years 2010, 2011, & 2012; program years 2010 & 2011. Virginia Employment Commission. December 2009.

Mezger, William F. Virginia Economic Indicators & U.S. Economic Outlook, – Fourth Quarter 2007 Data. Virginia Employment Commission. 2007.

Mezger, William F. Virginia Economic Indicators & U.S. Economic Outlook, – Third Quarter 2008 Data. Virginia Employment Commission. 2008.

Mezger, William F. Virginia Economic Indicators & U.S. Economic Outlook, – Fourth Quarter 2008 Data. Virginia Employment Commission. 2008.

Mezger, William F. Virginia Economic Indicators & U.S. Economic Outlook, – Fourth Quarter 2009 Data. Virginia Employment Commission. 2009.

U.S. Bureau of Economic Analysis. Gross Domestic Product First Quarter 2009 Release (Advance). April 29, 2009.

U.S. Bureau of Economic Analysis. Regional Economic Accounts: Richmond Metropolitan Statistical Area. Per Capita Personal Income, 2007 and 2008. <<http://www.bea.gov/regional/bearfacts/action.cfm>.> Retrieved 4/28/2010.

U.S. Bureau of Labor Statistics. Consumer Price Index Tables, National Unemployment Rate, Current Population Survey. 2010.

U.S. Census Bureau. Monthly Retail Sales-Excluding Food Service, Population. March 2009.

U.S. Department of Commerce. Bureau of Economic Analysis. Gross Domestic Product, Per Capita Income, MSA Population. 1994 - 2009.

U.S. Department of Housing and Urban Development, U.S. Department of Commerce. News Release. New Residential Construction in January 2010. February 17, 2010.

Virginia Department of Taxation. Metro Richmond Local Sales Tax Revenue. April 2009.

Virginia Department of Motor Vehicles. Automobile Registrations. April 2009.

Virginia Employment Commission. Henrico Local Unemployment Employment Rates, Virginia Unemployment Rates, U.S. Unemployment Rates. 2007 - 2010.

Weldon Cooper Center. Population Estimates for Virginia Cities & Counties, 2000-2010.

Yahoo! Finance. Historical Stock Quotes. March 2010.

Puzzanghera, Jim; Simon, Richard; Lazo, Alejandro. Los Angeles Times. 11/05/2009. "Senate OKs extension of home-buyer tax credit and jobless aid". <<http://articles.latimes.com/2009/nov/05/business/05-business-fi-tax-credit5>> Retrieved 3/22/2010.

Shierholz, Heidi, Edwards, Kathryn, Green, Andrew. Economic Policy Institute. 1/8/2010. "Labor Market closes 2009 with no sign of robust jobs recovery". <http://www.epi.org/publications/entry/jobs_jobs_picture20100108/> Retrieved 3/11/2010.

Associated Press. March 1, 2010 "Homebuyer credit not jolting housing market.". <<http://www.msnbc.msn.com/id/356348825/>> Retrieved 4/2/2010.

U.S. News and World Report. 1/6/2010. "Auto Sales Hit Historic Low". <<http://usnews.rankingsandreviews.com/cars-trucks/daily-news/100106-Auto-Sales-Hit-History>> Retrieved 4/10/2010.

Associated Press. 5/3/2010. "Frugality among consumers is outliving recession". <<http://finance.yahoo.com/news/Frugality-among-consumers-is-apf-3355135283.html>> Retrieved 4/20/2010.

Freddie Mac. Primary Mortgage Market Survey Archives: 30-Year Fixed Mortgage Rates Since 1971. <<http://www.freddiemac.com/pmms/pmms30/htm>> Retrieved 4/28/2010.

Rooney, Ben. CNNMoney.com. 2/24/2009. "Consumer confidence plummets". <<http://cnmoneyp.inthis.clickability.com/pt/cpt?action=cpt&title=Consumer+confidence.>> Retrieved 3/22/2010.

Farzad, Roben and Kalwarski, Tara. Business Week. 2/24/2009. "Behind the Great Stock Rally of 2009". <http://www.businessweek.com/magazine/content/09_49/b4158024378700.htm> Retrieved 3/11/2010.

Realtor.org. 2/26/2010. "Existing-Home Sales Down in January but Higher than a Year Ago; Prices Steady". <http://www.realtor.org/press_room/news_releases/2010/02/ehs_january2010.> Retrieved 3/26/2010.

The Wall Street Journal. WSJ.com. 3/18/2010. "Has the Home Buyer Tax Credit Extension Flopped?". <<http://blogs.wsj.com/developments/2010/03.18/has-the-home-buyer-tax-credit-extension-flopped.>> Retrieved 3/22/2010.

APPENDIX “G”
FINANCIAL TRENDS MONITORING SYSTEM

Note to the reader:

The County of Henrico compiles the Financial Trend Monitoring System (Trends) annually as a means of reviewing historical financial and demographic data prior to composing the annual budget. In completing the Trends document, an extensive review of the County’s financial history over the preceding eleven fiscal years is performed using a series of twenty-eight key economic, demographic, and budgetary factors. By reviewing historical actuals over an extensive period of time, long ago forgotten financial impacts may be reviewed for validity to current economic conditions and variables. This marks the twentieth year of this financial trend analysis.

Completing the Trends document is one of the first steps in Henrico County’s annual budgetary process. The findings that emerge from this review form the foundation on which budget recommendations are planned and created. The County Manager presents the final Trends Document to the Board of Supervisors prior to the recommended operating and capital budgets. This provides the Board the opportunity to undertake an extensive review of the data, allowing them to make the sort of informed and proactive decisions that have led to Henrico’s premier reputation for planning and financial management.

The Trends document is included in the County’s Approved Annual Fiscal Plan to provide the reader with a historical perspective, and thus a more full understanding of the economic, demographic and financial factors that have been accounted for in the process of approving this document.

What follows is a reproduction of the original Trends document that was presented by the County Manager to the Board of Supervisors on February 23, 2010.

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

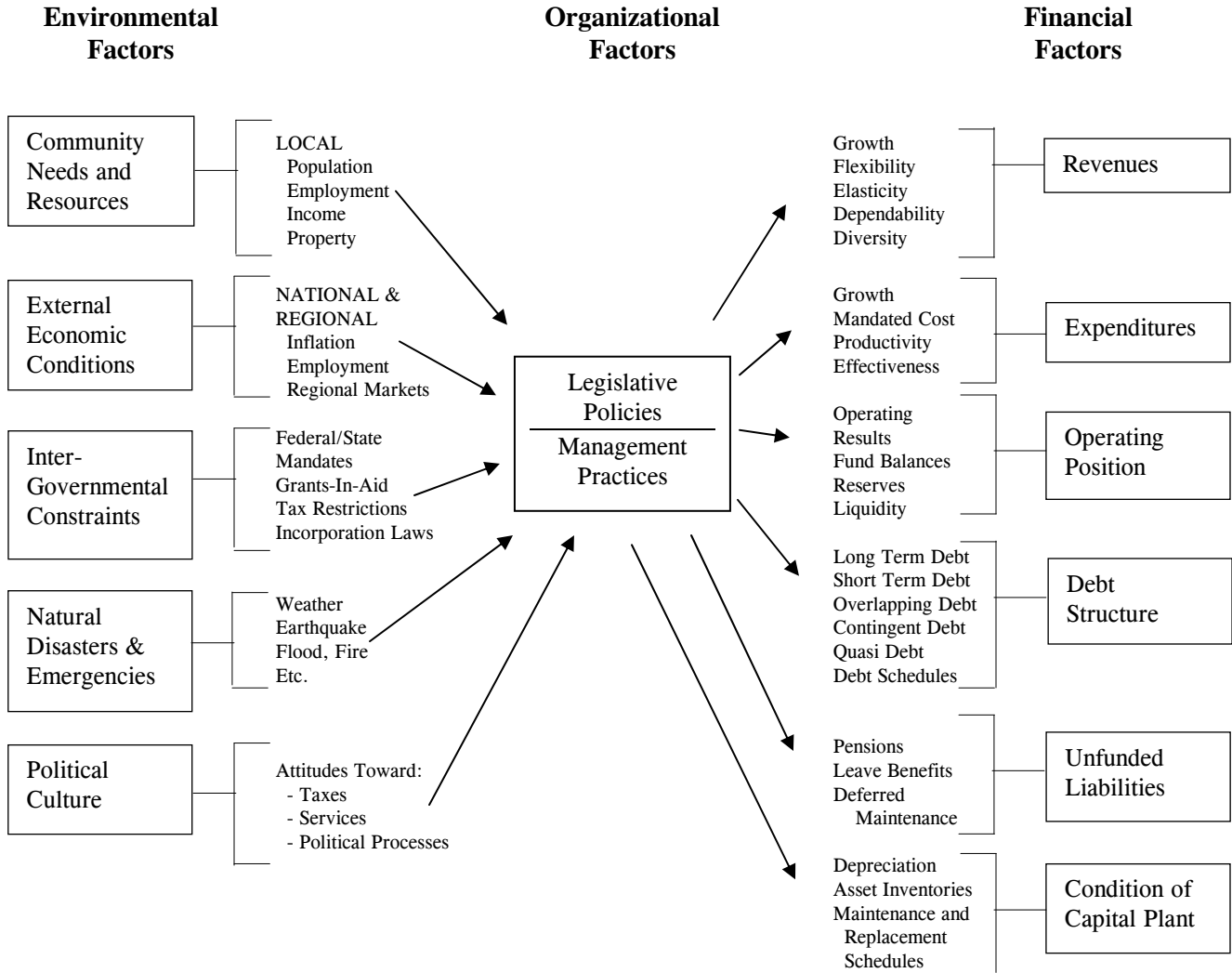
The financial indicators are the primary tools of the Financial Trend Monitoring System. They represent a way to quantify changes in the twelve factors. The chart on page 4 shows the twenty-eight indicators along with the factors with which they are associated. Many aspects of financial condition cannot 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

REVENUES

- Revenues Per Capita
- Intergovernmental Revenues
- Elastic Operating Revenues
- General Property Tax Revenues
- Uncollected Current Property Taxes
- User Charge Coverage
- Revenue Shortfalls

EXPENDITURES

- Expenditures Per Capita
- Employees Per Capita
- Fringe Benefits

OPERATING POSITION

- Operating Surpluses
- Enterprise Losses
- General Fund Unrestricted 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

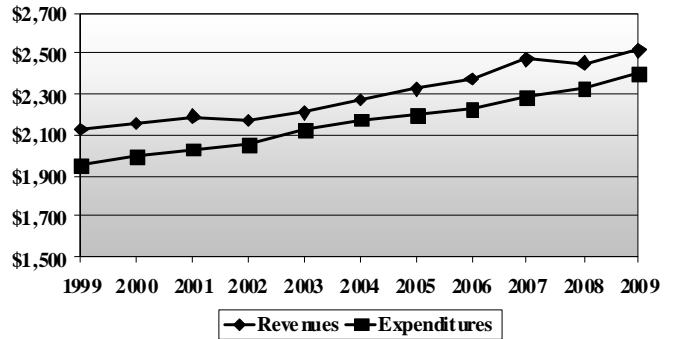
WARNING TREND: Decreasing net operating revenues per capita (constant dollars). Increasing net operating expenditures per capita (constant dollars).

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.

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 the eleven-year period between FY99 and FY09, the County's per capita revenues (in constant dollars) have increased from \$2,125 to \$2,516, or 18.4 percent. Per capita expenditures (in constant dollars) increased from \$1,956 to \$2,405, or 23.0 percent during this eleven-year period. During this eleven-year period, the County's population increased by 20.2 percent.

In examining the data, a number of distinct trends are evident. First, after steady increases from FY99 to FY01, FY02 and FY03 per capita revenue growth (in constant dollars) lagged behind fixed expenditure requirements. During this time period, the County's intergovernmental revenues from the State were reduced as a result of fiscal problems encountered by the State during those years. The State's income tax receipts declined due to the economy in 2002. Additionally, the State budget had anticipated some additional revenues that did not materialize. Actions taken by the Virginia General Assembly in 2002 and 2003 reduced revenues from the State to all Virginia localities. Henrico County's funding reduction from the State in these two years exceeded \$25.0 million.

From FY04 to FY07, the County's per capita revenues outpaced per capita expenditures. In looking back over this time period, economic prosperity resulted in healthy revenue growth, while the County's financial plans intentionally minimized incremental expenditure growth. This is important in that expenditure controls have ensured the County's operating budgets did not outpace available resources. By minimizing incremental expenditures, the County has been allowed to forecast revenues conservatively. The benefits of this practice were realized in FY08, as County resources were able to keep pace with a number of significant fixed cost increases despite a slowing economy and accompanying slowing revenue growth. Per capita revenues (in constant dollars) in FY08 declined for the first time since the last economic recession in FY02. 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). With per capita revenues declining and per capita expenditures rising, FY08 experienced the largest percentage margin of per capita expenditure growth to per capita revenue growth since FY91.

In FY09, per capita expenditures continued to outpace per capita revenues, but by a far less margin as in FY08. Overall revenue growth in FY09 reflected the lowest year-over-year growth since the last recessionary economic environment in FY02. In light of this, and in anticipation of an extended economic downturn, a number of expenditure savings initiatives were implemented in FY09, including a General Government hiring freeze and a Countywide energy savings initiative, including the targeted downsizing of the County's vehicle fleet to save on fuel costs and a new focus on designing and building Leadership in Energy and Environmental Design (LEED) certified buildings which will result in long term energy cost savings for the County. Also in FY09, the County's "Henrico, VA" initiative was implemented, in which the majority of "Richmond, VA" addresses were changed to "Henrico, VA". This initiative was pursued because of revenue miscoding that misdirected millions of dollars in annual County revenue to the City of Richmond. Estimates indicate that this address change may have redirected as much as \$8.0 million to the County. It is because of these revenue and cost savings initiatives that per capita expenditure growth didn't overwhelmingly surpass per capita revenue growth in FY09.

The County of Henrico continues to prepare multi-year financial plans that factor in infrastructure and operating requirements for an increasing population. Both the capital and operating budgets are cross-walked annually to ensure that all known costs of operations are recognized. Before the County issues any debt, a full debt affordability analysis is undertaken. Finally, both the Henrico County School Board and the Henrico County Board of Supervisors agreed to a long-term financing plan that phased in \$586.3 million in debt (\$237.0 million authorized in the November, 2000 General Obligation Bond Referendum and \$349.3 million in debt authorized in the March, 2005 General Obligation Bond Referendum) by controlling incremental expenditure growth for continuing operations at a maximum of 5.0 percent per year.

In examining this indicator over this eleven-year period, in spite of fluctuations in the economy and State aid, the overall trend for this indicator shows that Henrico County has a consistent history of meeting current expenditure requirements with current revenues and has avoided the use of one-time revenues in meeting fixed operating expenditures.

At this writing, the State has cut \$7.1 billion from its \$77 billion biennial budget for 2008-2010. Including cuts recommended in the Governor's amendments to the FY2009-10 budget, which are currently being deliberated by the General Assembly, the State budget shortfall has yielded an overall reduction in State aid to the County exceeding \$39.0 million as of December 2009. In addition to the budget cuts already implemented, the proposed 2010-2012 biennial budget anticipates an additional \$4.2 billion shortfall, which will result in even greater funding reductions in State aid to the County. In addition to State budget issues, real estate valuations have declined significantly as well. It should be noted that in the FY10 approved budget, real estate and State aid represent nearly 70.0 percent of General Fund revenues. To address these funding reductions, the County has made a number of expenditure reductions in FY10 and will make a number of adjustments to the budget in FY11.

Due to continued concern regarding the State budget shortfall, as well as continued declines in real estate valuations, a warning trend is noted for this indicator.

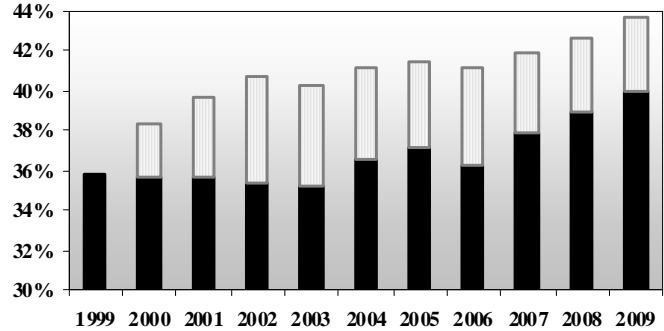
WARNING TREND: Increasing amount of intergovernmental operating revenues as a percentage of gross operating revenues.

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. On the graph above, these PPTRA revenues appear as the top stacked bar, which was first received from the State in FY00.

An over dependence 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 35.8 percent in FY98 to 43.7 percent in FY09. The peak in this indicator is FY09 and largely arises from additional State Aid for local education. 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 (FY00-FY09) reflect all intergovernmental revenues, while the lower stacked bars (FY00-FY09) exclude the effects of PPTRA payments.

While intergovernmental revenue has increased from 35.8 percent of gross operating revenues recorded in FY99 to the FY09 level of 43.7 percent, there are three distinct patterns that need to be noted, as the increase is largely misleading. The chart depicts an overall upward trend beginning in the time period examined. In FY99, State lottery funds were made available for Education and totaled \$5.0 million. Through FY09, Henrico used these funds exclusively for Education construction projects. 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 had not been created for this revenue source. It should also be noted that in FY00, House Bill (HB) #599 funds for police were “unfrozen” from levels that had

remained constant since FY92. In the eight years between FY92 and FY99, this revenue remained at a “frozen” level of \$2.3 million per annum. The HB #599 payments were increased to \$6.3 million in FY00 (based on the original HB #599 funding formula), thereby impacting this indicator. Henrico utilizes the HB #599 funds for operational enhancements and capital projects for police. Since FY08, when HB #599 funding to the County reached its peak of \$10.1 million, the State has cut this funding source by over 15.0 percent, creating additional pressure on local revenues.

The second trend which is evident is that State Aid for all other program areas (Education, Public Safety, Jails, Constitutional Officers, Mental Health, etc), as a percentage of gross operating revenues, was actually *reduced* between FY00 and FY03 as a result of budget shortfalls at the State level during that time. That is, while total intergovernmental aid reflects an increase during that period, **the increase is largely due to PPTRA payments**. In all other areas, the County actually experienced a net decrease in State aid.

The third trend reflects the reclassification of prior local revenues as “state” revenues, and while overall State aid looks like it is increasing since FY06, 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 HB #568 Communication Sales & Use Tax, which became effective January 1, 2007 and was supposed to be “revenue neutral.” The following local revenue sources were replaced: Consumer Utility Tax, Cable TV Franchise Fee, Cellular Telephone Tax, and E-911 Tax. This legislation distributes funding using a formula that has impacted Henrico’s receipts, and has not proved to be revenue neutral as assumed in the legislation. The State deducts an administrative fee from the revenue collections and redistributes the funding monthly to localities as a fixed percentage of State-wide collections, which was established by FY06 local collection levels. This is noted because it represents an example of the State’s continued forays into issues of local taxing authority. This concern of State involvement in local revenues continues to be noted as a concern, as it is a significant wildcard in the County’s multi-year financial planning efforts.

As mentioned, creating a dependency on a revenue source not controlled locally may create fiscal difficulties if that revenue source is altered. This is exactly what has occurred with the PPTRA revenue paid by the State. In FY00, the Virginia General Assembly made a commitment to reimburse localities for a State tax reduction of a local revenue source (individual personal property). Since FY00, the County of Henrico has built a dependency on this revenue source and the prior seven Trends documents have included a warning for this indicator. PPTRA payments since FY00 reflect the following:

Fiscal Year	PPTRA Payment
FY00	\$4.3 million
FY01	\$25.1 million
FY02	\$33.9 million
FY03	\$33.6 million
FY04	\$34.1 million
FY05	\$33.3 million
FY06	\$42.1 million
FY07	\$37.2 million
FY08	\$37.0 million
FY09	\$37.0 million

From FY01 through FY07, PPTRA payments constituted between 4.0 and 5.0 percent of all intergovernmental aid received by the County. In FY08 and FY09, PPTRA payments made up less than 4.0 percent of all intergovernmental revenues to the County, at 3.8 percent and 3.7 percent, respectively.

The FY03 Trends document included the following warning regarding PPTRA payments from the State:

*“While the [budget] reductions above suggest a warning trend, Henrico’s largest exposure **remains** with Personal Property Tax reimbursements from the State, as opposed to incremental programmatic reductions in aid. That warning trend was first noted in last year’s Trends document. The PPTRA reimbursement being made to the localities represents a significant outlay of funds for the State and is now depicted as “Aid to Localities” by the State. The warning concerns possible legislation or a wish to index future PPTRA payments in some manner so that the State may be able to control the growth of these expenditures in the future. In times of budgetary unease, that may offer a simple solution for decision makers at the State level. Locally, the results of such a change would have a materially adverse affect on the County’s revenues.”*

In the 2004 session of the Virginia General Assembly, the legislature did in fact make such a change to these 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. Long term, if the State does not re-adjust these payments to localities, residents of each locality will pay more each year in Personal Property taxes and at this current writing, the State’s promise of maintaining reimbursement levels at 70.0 percent for the County’s taxpayers slipped to 61.0 percent in 2008. In 2009, the payments increased to 65.0 percent due to declining vehicle valuations that were a result of the economic environment. The differential is paid by the County’s taxpayers.

The Governor’s 2010-2012 Proposed Budget recommends the elimination of the vehicle personal property tax altogether, including the State’s PPTRA payments to localities as a means to offset the State’s budget shortfall. Outgoing Governor Kaine recommended a 1.0 percent income tax surcharge to be dedicated to localities to make up for the loss of revenue to localities from the elimination of vehicle personal property tax revenue. The House of Delegates has rejected this bill and made it very clear that tax increases were not to be considered.

At this writing, the State has cut \$7.1 billion from its \$77 billion biennial budget for 2008-2010. Including cuts recommended in the Governor’s FY10 Caboose Budget currently being deliberated by the General Assembly, the State budget shortfall has yielded an overall reduction in State aid to the County exceeding \$39.0 million from FY08 to FY10, which has ultimately resulted in a cost shifting of constitutionally mandated programs from the State to Henrico County. The biggest impact by far has been in the area of Education, which has received over \$30.0 million of the total \$39.0 million in funding cuts from the State. Because of the increasing dependence on State revenues (State revenues represent over 35.0 percent of County General Fund revenues in the FY10 budget), the County has been forced to make a number of difficult budgetary decisions to offset these significant cuts. In addition, the newly introduced 2010-2012 biennial budget anticipates an additional \$4.2 billion shortfall, which will result in even greater funding reductions in State aid to the County, as the newly elected Governor McDonnell has sharply opposed any tax increases. With a shortfall of this magnitude, there is the continued possibility that the State could initiate further legislation capping, reducing, or even eliminating specific payments to localities.

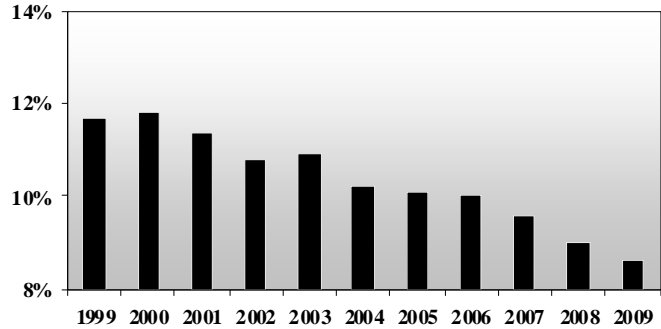
A warning trend continues for this indicator.

WARNING TREND: Decreasing (or unplanned) amount of elastic operating revenues as a percentage of net operating revenues.

Formula:

$$\frac{\text{Elastic Operating Revenues}}{\text{Net Operating Revenues}}$$

Elastic Operating Revenues (as a % of 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; and structure and equipment permit fees.

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 should decrease as a percentage of net operating revenues.

Trends:

The graph shown above indicates that the percentage of elastic tax revenues for Henrico County have decreased from a high of 11.8 percent of operating revenues in FY00 to a low of 8.6 percent in FY09. In this time period, there have only been three actual decreases in the amount of elastic tax revenues collected, in FY02, FY08, and FY09, all during periods of economic recession.

The first three years reflected above, FY99 through FY01, reflected a period of economic expansion. As a result of the expansion during those years, the Board of Supervisors implemented a Business and Professional License Tax (BPOL) reduction strategy as a means of encouraging more businesses to locate in Henrico County. That strategy was first implemented by the Board of Supervisors in January 1996 and was phased in over a period of years. By January 2000, this tax reduction strategy fully exempted the first \$100,000 in gross receipts from taxation for County businesses and established a uniform maximum tax rate of \$.20/\$100 for County businesses. While the tax reduction did impact this indicator, it has had two beneficial impacts. First, due to the phase-in of the Board's BPOL tax reduction strategy, Henrico reduced its operating reliance on these elastic revenues prior to the actual recession of FY02. Second, commercial taxpayers do not require the same service levels as residential taxpayers, so a net benefit to the County's revenues has been achieved by attracting more businesses to Henrico.

A recent synopsis of these receipts is warranted. In FY02, due to the effects of the recession, elastic revenues actually declined from the \$71.4 million recorded the prior fiscal year to \$69.0 million. In FY03, the County's elastic revenues increased by 6.3 percent. In FY04, these revenues increased by another 1.6 percent and FY05 actual receipts increased by 6.3 percent. FY06 data reflects receipts of \$85.2 million, which is a 7.6 percent increase over FY05. FY07 data reflects receipts of \$89.3 million which is a 4.8 percent increase over the prior fiscal year.

In correlation with the beginning of the most recent recessionary economic environment, FY08 data reflects only the second year-over-year decline in receipts in this time period, with collections of \$87.6 million, which is a 1.9 percent decrease from the prior fiscal year. This trend has continued into FY09 with collections of \$86.1

million, a 1.7 percent decrease from FY08. The reduction in gross elastic revenues the last two fiscal years reflects the downturn in the economy and the struggling housing market, as local sales & use tax receipts and BPOL collections declined 2.0 percent since FY07, and structure and equipment permit revenues declined 42.6 percent over the last two fiscal years. Despite the recent declines, over this eleven-year period, **while the County has reduced its operational reliance from these elastic revenue sources, the actual revenue derived from them has increased by 36.8 percent.**

On a positive note, Henrico County ranked second among all localities in Virginia for total taxable sales in 2008. Refer to the chart below for comparisons to other localities.

2008 Virginia Taxable Sales

Total Taxable Sales are from February 1, 2008 to January 31, 2009

Rank	Locality	Total Taxable Sales	Population	Per Capital Taxable Sales
1	Fairfax County	13,545,372,435.15	1,009,428	13,418.86
2	Henrico County	4,928,864,038.85	289,847	17,005.07
3	Virginia Beach City	4,841,022,728.60	430,349	11,249.07
4	Prince William County	4,151,724,427.55	373,427	11,117.90
5	Loudoun County	4,114,591,915.65	278,909	14,752.45
6	Chesterfield County	3,563,713,062.05	298,850	11,924.76
7	Chesapeake City	3,048,122,834.95	215,906	14,117.79
8	Arlington County	2,991,260,620.80	203,126	14,726.17
9	Norfolk City	2,808,257,214.45	235,915	11,903.68
10	Richmond City	2,445,806,257.65	194,974	12,544.27
11	Alexandria City	2,059,502,024.98	136,601	15,076.82
12	Newport News City	2,021,413,334.35	181,220	11,154.45
13	Roanoke City	1,925,487,308.70	92,024	20,923.84
14	Hanover County	1,605,943,654.00	96,992	16,557.47
15	Spotsylvania County	1,392,356,309.90	119,559	11,645.75

As of this writing, the economic environment has seemingly begun to stabilize, although monthly job figures are still reflecting net losses. However, the economic factors driving most of the County’s revenue sources are lagging indicators, and the effects of the economy are still weighing heavily on County revenue collections. At this writing, local sales tax collections reflect a 5.1 percent decline in FY10, and declines are anticipated in BPOL receipts and structure and equipment permits as well. The real estate market continues to struggle, as January 1, 2010 reassessments reflect an overall 8.0 percent drop in real estate valuation. While FY11 local revenue collections will reflect continued declines, with the economy stabilizing, it is likely that local revenues will begin to stabilize or reflect a slight increase in the near future. However, it is anticipated that economic recovery will be very slow, as it will likely take years to get back to levels seen just two years ago.

With the continued decline in real estate valuations, combined with significant cuts already allocated by the State and an ever-worsening State budget shortfall that will likely result in continued funding reductions, the reliance on elastic revenue receipts will continue to increase. Therefore, a warning trend is warranted for this indicator.

WARNING TREND: Decreasing or negative growth in general property tax revenues (constant dollars).

Formula:

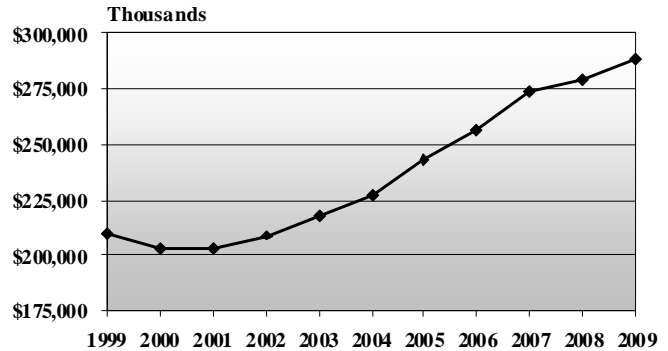
Property Tax Revenues (Constant Dollars)

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 66.7 percent of total **local** operating revenue in Henrico County in FY09. 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 a healthy increase in general property tax revenues over the last eleven years. In unadjusted dollars, general property tax revenue has increased from \$209.6 million in FY99 to \$374.9 million in FY09. This represents an average annual increase of 6.0 percent in this eleven-year period.

Henrico’s strong local economy and community of choice designation for new area residents and businesses have had a positive impact on the County’s real property assessed valuations over the past eleven years. During this time period between CY99 and CY09, the County’s unadjusted real estate tax base has increased by \$20.7 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. In FY99, property tax revenues constituted 38.8 percent of net operating revenues, which includes intergovernmental revenues. By FY05, this percentage had dropped to 36.1 percent. The FY05 Trends document included the following observation:

“The reduction arises as a result of other revenue sources, specifically, intergovernmental aid that has increased in this time period. As noted earlier on the “Intergovernmental Revenues” indicator, there was a notable increase in intergovernmental aid beginning in FY99. However, with the capping of the PPTRA payments from the State beginning in FY06, it is likely that property tax revenues as a percent of total operating revenues will increase in the future again”.

In FY06, property tax revenues actually represented 36.9 percent of net revenues, reflecting an **increase** over the prior fiscal year. In FY07 property tax revenue stayed constant with the prior year, representing 37.0 percent of net operating revenues. In FY08, property tax revenues **increased**, to 37.7 percent of net revenues.

In FY09, the most recent fiscal year, property tax revenues stayed relatively constant at 37.6 percent. However, with the “Great Recession” significantly impacting virtually every County revenue source in FY09 and, to a

much greater extent in FY10, a dependence on each and every revenue source has been realized. The State began reducing payments to localities in FY09 to offset its budget shortfall, and elastic revenues were beginning to decline as well. In spite of a net increase in FY09, the economy's impact on property tax revenues was significant, as real estate valuation reflected, at the time, the lowest year-over-year increase on record, automobiles experienced valuation declines, and the largest property tax payer in the County, Qimonda AG, closed its doors.

Another observation from the graph on the prior page is the "leveling off" of general property tax revenue (in constant dollars) in FY08 and the subsequent sharp uptick in FY09, in spite of the before-mentioned struggles in property tax valuations. The reason for this increase is twofold. First, tax increment financing associated with Short Pump Town Center, the most successful shopping center in the Metropolitan Richmond Area since it opened its doors in 2003, was completed with the final debt payment from the County during that year. As such, all County revenues associated with this development, including real estate tax and personal property tax revenues that previously were used to pay debt service, began depositing into County coffers in FY09. The second reason for the upswing in property tax collections in FY09 is the implementation of the "Henrico, VA" initiative, in which the majority of "Richmond, VA" addresses were changed to "Henrico, VA." This initiative was pursued because of revenue miscoding that misdirected millions of dollars in annual County revenue, including business personal property tax revenues, to the City of Richmond. Without the significant impact of Short Pump Town Center and the "Henrico, VA" initiative, the graph on the prior page would have shown a continued leveling off of general property tax revenue (in constant dollars) in FY09.

In FY10, the State cut aid to localities by a much greater extent than in FY09, increasing the reliance on property tax revenues. However, at this writing, it is anticipated that real estate valuations will decline 8.0 percent in the County, due to continued declines in residential real estate valuations and unprecedented declines in commercial real estate valuations. The economic environment surrounding FY10 indicates a "perfect storm," one that will at least continue into FY11 as well.

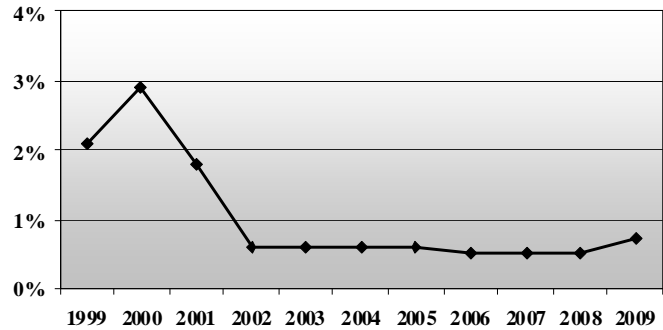
Overall, the continued growth of the County's total tax base over this time period is a very positive trend, however there is no doubt that the recent nationwide concerns regarding the solvency of residential and commercial mortgages has impacted the real estate market. Because of the large number of businesses and jobs lost in the County over the last two years, it will likely take a number of years to reach levels seen just two years ago. Once the economy recovers and the County experiences the creation of new jobs and the migration of new businesses into the County, property tax values will rebound and will show positive gains. However, all signs point to a very slow local economic recovery. As such, a warning trend is noted for the foreseeable future.

WARNING TREND: Increasing amount of current uncollected property taxes as a percentage of the current total property tax levy.

Formula:

$$\frac{\text{Uncollected Current Property Taxes}}{\text{Current Property Tax Levy}}$$

Uncollected Current Property Taxes (as a % of Total Levy)



Uncollected Current Property Taxes:

Every year a certain percentage of current real and personal property taxes go uncollected because property owners are unable to pay them. As this percentage increases over time, it may be an indication of an overall decline in a locality's economic health. Bond rating agencies consider that a locality will normally be unable to collect between 2.0 to 3.0 percent of its property tax levy each year. If uncollected property taxes rise to more than 5.0 percent, rating agencies consider this to be a negative indicator that signals potential problems in the stability of the property tax base or is indicative of systemic problems with local tax collection efforts.

Trends:

As the graph above indicates, for this eleven-year period, Henrico County's percentage of current **uncollected** real and personal property taxes has ranged from 2.1 percent in FY99 to the most recent level of 0.7 percent recorded in FY09. The high point in this time period was in FY00, when uncollected real and personal property taxes totaled 2.9 percent of the property taxes levied.

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 were 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/or credit card 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. Between FY02 and FY05, this indicator measured at 0.6 percent before bottoming at 0.5 percent between FY06 and FY08. The most recent fiscal year, FY09, reflect the impacts of the recessionary economic environment and the toll it has had on the local real estate market, as the percentage of current uncollected real and personal property taxes increased to 0.7 percent. In 2008, the number of residential foreclosures increased 93.0 percent from 2007, and in 2009, foreclosures increased another 36.6 percent. With a growing number of homeowners in the County having trouble making their mortgage payments, an increase in uncollected tax payments is expected.

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 FY09, at 8.6 percent of the overall tax base. However, when this list is analyzed at the end of FY10, it will likely look much different and reflect a much smaller percentage of the overall tax base. In FY09, the ten "Principal Taxpayers" consisted of Qimonda AG (by far the largest taxpayer in FY09), which closed its doors in January 2009, and seven of the remaining nine businesses reflect some of the hardest impacted sectors of the economy over the last two years, including retail establishments, warehouses, office space, and apartment property management companies. The remaining two businesses among the top ten

“Principal Taxpayers” are both utility companies. 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. While this premise likely will remain true in the future, the companies on this list may likely be different and may make up a much smaller percentage of the tax base.

In looking at this indicator over the eleven-year time period, a peak is depicted in FY00. However, even at its peak, uncollected current property taxes as a percent of the total levy measured 2.9 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, it is not anticipated that this indicator will reach the 5.0 percent threshold, though it could increase from current levels. No long term warning trend is noted for this indicator, though the lasting effects of the recessionary economic environment may be a factor in the number of uncollected taxes in the immediate future.

WARNING TREND: Decreasing revenues from user charges as a percentage of total expenditures for providing related service.

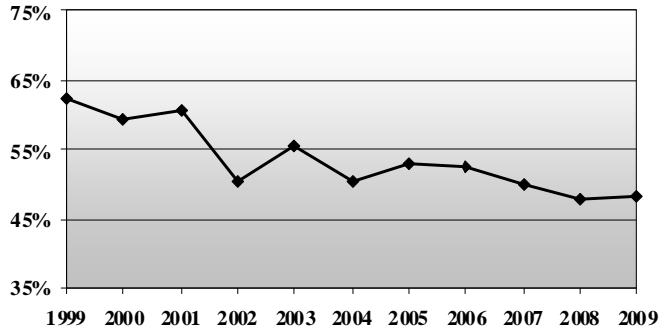
Formula:

$$\frac{\text{Revenues from User Charges}}{\text{Expenditures for Related Services}}$$

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 63.0 percent for this eleven-year period, with a low of 48.0 percent occurring in FY08, and a high of 62.3 percent occurring in FY99. The indicator measures user coverage of seven specific expenditure areas. These are: Building Inspections, Employee Cafeteria, Mental Health, Recreation, Street Lighting, School Cafeteria and Solid Waste.

In looking at the larger operational components, the user charge coverage percentages for Building Inspections has typically been sufficient to cover the activities of that department. However, user charges as a percent of expenditures have fallen in both FY08 and FY09, to 77.5 percent and 54.7 percent, respectively. This is due to significant declines in the number of permits issued in these fiscal years. As a result of the real estate market struggles, structure and equipment permit revenues dropped nearly 17.0 percent in FY08, followed by a decline of 31.2 percent in FY09. Mental Health’s user charge coverage has actually increased over the eleven-year period from 32.5 percent to 40.5 percent due to third party fee payments made to that entity. The user charge coverage for Solid Waste has fluctuated, as in years where large capital expenditures are required for the landfill, operational revenues will not meet operational requirements. However, because Solid Waste has built up reserves for these occurrences, this has not impacted this operation in a negative manner. In looking at Recreation, the user charge coverage in this area has remained at approximately 5.0 percent throughout this time period. Also in this eleven-year time period, the School Cafeteria has typically generated sufficient revenues to cover operational requirements. In FY08, however, this was not the case, as the School Cafeteria generated just under 85.0 percent of operational requirements, mostly due to significant increases in the cost of food. However, the School Cafeteria increased charges for school lunches in the most recent fiscal year, FY09, to help offset these rising operating costs and generated just over 95.0 percent of operational requirements. (The difference in the past two years has come from School Cafeteria reserves). As such, no warning trend is noted in this area.

This indicator in the eleven-year period has averaged 53.7 percent. Excluding Recreation, the indicator has averaged 69.8 percent in the eleven-year period. Overall, no warning trend is noted for this indicator, although there is continued concern regarding structure and equipment permit revenues due to the continued struggles in the real estate market. The County will continue to maximize efforts to ensure coverage rates are appropriate to reduce reliance on other County revenues.

WARNING TREND: Increase in revenue shortfalls as a percentage of net operating revenues.

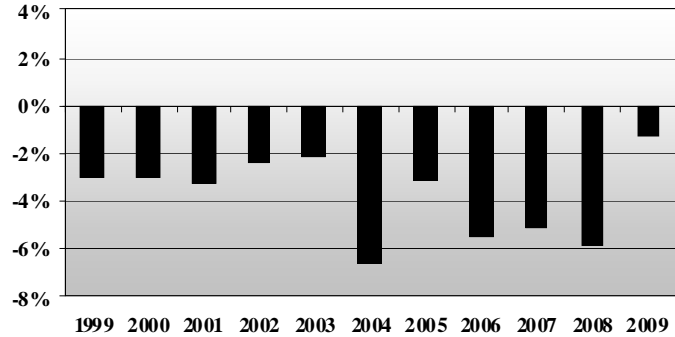
Formula:

$$\frac{\text{Revenue Shortfalls}}{\text{Net Operating Revenues}}$$

Revenue Shortfalls:

This financial indicator examines the differences between revenue estimates and revenues actually received. It includes revenues in the General, Special Revenue, and Debt Service funds. Major discrepancies in revenue estimates can be an indication of a declining economy, inefficient collection procedures, or inaccurate estimating techniques. On the graph above, the “0” represents the fiscal year budgeted estimates. A positive number reflects a revenue shortfall, while a negative number reflects a revenue surplus.

Revenue Shortfalls
(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 FY04, when the budget to actual revenue variance reached 6.6 percent. The low points may be found in FY03 and the most recent fiscal year, FY09, when the variances reflected were 2.1 percent and 1.2 percent respectively. **In no case in this eleven-year time period did the County’s actual revenues not meet budgeted estimates.**

Looking at the trend since FY99, the County’s annual revenue variance has averaged 3.7 percent. The County of Henrico maintains a conservative posture when projecting revenues on an annual basis. In FY02 and FY03, the County experienced significant reductions in aid from the State of Virginia in a myriad of areas – the largest being Education. These reductions were the result of State budget shortfalls that came about due to the recession in 2001. By maintaining a conservative posture in the projection of revenues, the County was able to weather both the recession and maintain service levels in key areas, such as Education and Public Safety while continuing to expand needed infrastructure.

As noted earlier, the County’s reliance on elastic revenues has decreased over the past eleven years and in the pages that follow, a depiction of the County’s fund balance is positive. 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 the ability to continue to maintain a conservative revenue posture in the future as a means of ensuring operational and financial stability. In fact, in spite of the recessionary economic environment in FY08, the budget to actual revenue variance of 5.8 percent reflected the second highest level in this eleven-year period, only behind FY04, the first fiscal year after the last economic recession. In FY09, with virtually every revenue source impacted by the recession, the variance between actual revenue collections and budget estimates narrowed, as the revenue surplus of 1.2 percent reflects the lowest surplus in the eleven-year period examined. More specifically, the State began making significant reductions in aid to localities to offset budget shortfalls, elastic revenues (local sales tax receipts, business and professional license tax receipts, etc.) showed significant declines, and real estate valuations reflected the lowest year-over-year increase in at least thirty years. In spite of these revenue concerns, the County still managed to achieve a revenue surplus.

All of the concerns noted above will continue into FY10, only to a much greater extent. From FY08 to FY10, the State has reduced aid to Henrico County by over \$39.0 million, the majority of which has been realized in FY10. In addition to State budget concerns, real estate valuations as of January 1, 2010 reflect an overall reduction in the real estate tax base of 8.0 percent, the first overall real estate valuation reduction on record. Virtually every County revenue source is expected to decline in FY10. To offset these revenue reductions, the County has made a number of expenditure reductions, which has allowed the County to reduce revenue budget estimates as well. In February 2010, an amendment to reduce the FY10 budget was introduced to the Board of Supervisors. The amendment reflects revised revenue estimates and offsetting expenditure reductions.

At this writing, the State is estimating another budget shortfall in their 2010-2012 Biennial Budget, in the amount of \$4.2 billion. Additional reductions in State aid to localities are inevitable in FY11. County revenue estimates for most individual revenue sources will further decline in FY11, and a number of expenditure reductions will be made to offset these reductions. Because of significant expenditure reductions made in FY10 and FY11, few discretionary expenditures will remain in the FY11 budget. For this reason, a warning trend is noted for this indicator.

WARNING TREND: Increasing number of employees per capita.

Formula:

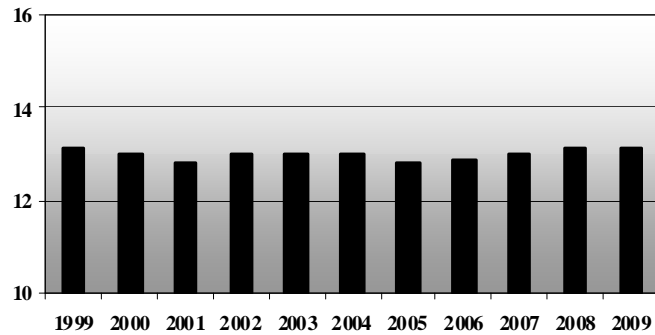
$$\frac{\text{Number of General Government Employees}}{\text{Population}}$$

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) has increased by 682 employees since FY99. The graph above illustrates that the employees per 1,000 population measured in FY99 is the same as the indicator in FY08 and FY09 at 13.1, which reflects the peak for this indicator. The County's personnel complement total was 4,000 in FY09.

The high point of this trend in FY99 is misleading, as it is mostly due to new positions hired in the prior fiscal year, FY98. In FY98, a total of 73 positions were added to the complement, of which, 49 were associated with Public Safety initiatives. Only twelve new positions were hired in FY99, offset by a higher population increase than in FY98. A trend that is evident is that since FY00, the employees per capita indicator has leveled off at approximately 13.0 per 1,000 population. The exceptions were in FY01 and FY05 when the employees per capita indicator slightly decreased to 12.8 per 1,000 population. For three fiscal years, FY02 through FY04, this indicator measured at a stable level of 13.0 employees per 1,000 population.

The fiscal years FY06 through FY08 show slight annual increases in this indicator. In FY06, employees per 1,000 population increased to 12.9, in FY07 this indicator represented the average 13.0 employees, and FY08 reflected an increase to the highest point since FY99 at 13.1, which remained consistent in FY09. In this time period, a number of new facilities approved in the March 2005 General Obligation Bond Referendum were fully staffed. These personnel costs, however, have been planned since the approval of the referendum and this increasing trend is not expected to be of a long-term nature.

It should also be noted that between FY99 and FY09, a total of 118 positions have been added to the Division of Police's complement. This expansion has largely been aided by obtaining Federal Community Oriented Policing Services (COPS) Grants. During this same time period, 198 additional positions have been added to the Division of Fire's complement as a means of ensuring an increasing population continues to receive these critical services in a timely manner. The continued expansion of the County's EMS efforts is perhaps the largest reason for the increase in Division of Fire personnel although Homeland Security requirements have also impacted personnel numbers.

The graph above does not exclude departments that offer specialized services not offered by most localities in the State. Henrico County is one of two Counties in the State that maintain their own roads, and the information

above includes 266 employees in the Public Works department. This is because this trend analysis is not intended to be a comparable benchmark against other localities.

WARNING TREND: Increasing fringe benefit expenditures as a percentage of salaries and wages.

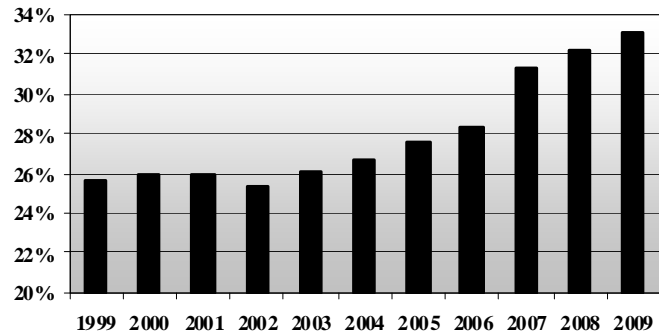
Formula:

$$\frac{\text{Fringe Benefit Expenditures}}{\text{Salaries and Wages}}$$

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 28.0 percent between FY99 and FY09. The high points reflected in this time frame are the most current fiscal years, FY07 through FY09, which measure 31.3 percent in FY07, 32.2 percent in FY08, and 33.1 percent in FY09. 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 these costs fall largely outside of the direct control of the County, as free market forces, or the Virginia General Assembly dictate costs in both of these areas.

First, in looking at health care costs, the County's cost for providing health care *per employee* in FY99 was \$1,887. By FY09, this cost had nearly tripled to \$5,651 *per employee*, or a change of 199.5 percent. In the FY10 budget, the cost of health care has increased to \$6,081 *per employee*. 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 recently transitioning health care 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 services.

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 six Trends documents have noted concern regarding these rising costs. The concern is principally focused on one-time budget balancing actions of the Virginia General Assembly that reduce a State contribution rate for a finite period of time (to reduce immediate costs) and in later years, increase contribution rates as a result of segments of the system that are "under-funded." A recent example of the impact of these past actions occurred in the FY05 budget, where the VRS rate for General Government employees increased by 42.5% in *one year*. The FY09 budget reflected a cost requirement of 16.01 percent of salaries for General Government – excluding teachers. Including teachers, the total budgeted cost for FY09 amounted to \$75.3 million for Henrico County.

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 FY09, the County’s cost in this area required 1.0 percent of all salaries to be budgeted for this benefit, which equated to approximately \$4.6 million.

With the transition to a self-insured health care program, the County is no longer completely at the mercy of health care market trends, as the self-insurance fund includes a rate stabilization fund that is intended to “flatten out” future health care cost increases. However, VRS and life insurance benefits continue to remain completely outside of the County’s control. FY08’s Trends document noted the following observation:

“With the recent declines in the stock market, the VRS pension fund has experienced its share of losses as well. With significant gains in the stock market unlikely in the near future, these losses will likely be shouldered by localities in the next biennial budget, 2010-12, through significant rate increases.”

Though the State’s 2010-2012 Biennial Budget is still being crafted at this writing, the County has received notification from the State that the County’s General Government VRS contribution rate will increase 7.8 percent in FY11 from the budgeted FY10 rate. While, generally speaking, a 7.8 percent increase is nowhere near the increase of 42.5 percent experienced in FY05, it will prove to be much harder for the County to absorb this increase given the fact that the overall County budget will reflect a *net decrease* in FY11 to offset an anticipated 8.0 percent reduction in the real estate tax base, greater than \$39.0 million in reduced funding from the State, as well as declines in nearly every other revenue source.

Because of 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.

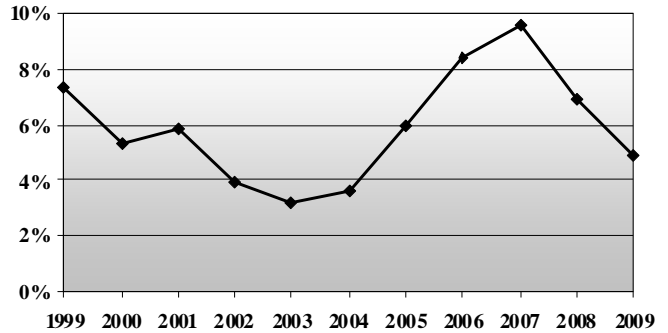
Formula:

$$\frac{\text{General Fund Operating Surpluses}}{\text{Net Operating Revenues}}$$

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. Between FY99 and FY01, the local economy rebounded from the recession of the early 1990's with solid growth in the revenue categories of general property tax, sales tax, and business and professional license tax, producing annual operating surpluses that averaged 6.2 percent over those three years. In FY02, as a result of the recessionary period and the decline in the County's elastic revenue sources and State budget reductions, the operating surplus dropped to 3.9 percent. State budget reductions also impacted the County's revenue streams in FY03 as evidenced by a drop in the operating surplus from 3.9 percent in FY02 to the FY03 level of 3.2 percent, the lowest level in the eleven years examined. In FY04, the operating surplus improved to a level of 3.6 percent, although the effects of the State's recent budget reductions continued to be reflected in this lower than average operating surplus. In FY05, the operating surplus returned to historic post-recession averages and measured 6.0 percent, followed by a healthy 8.4 percent in FY06.

In FY07, with continued increases in the County's elastic tax revenues, the operating surplus reflected a variance of 9.6 percent, the highest surplus in this eleven-year period. In FY08, despite net operating revenue collection growth at its lowest level since the last recessionary period of FY02 and FY03, the operating surplus reflected a variance of 6.9 percent, well above the eleven-year average of 5.9 percent.

In FY09, eighteen months into the worst recessionary economic environment since the Great Depression, the County achieved an operating surplus of 4.9 percent. This statement is a testament to the County's conservative financial policies of capping incremental expenditure growth annually and, as a result, estimating revenues extremely conservatively. In fact, the eleven-year trend of annual operating surpluses is an indication of Henrico County's sound financial condition and reflects Henrico's conservative budgetary policies. In addition, this trend reflects growth in recurring revenues that consistently exceed the growth in recurring expenditures and therefore minimize the use of one-time funding sources, such as fund balance.

WARNING TREND: Consistent enterprise losses.

Formula:

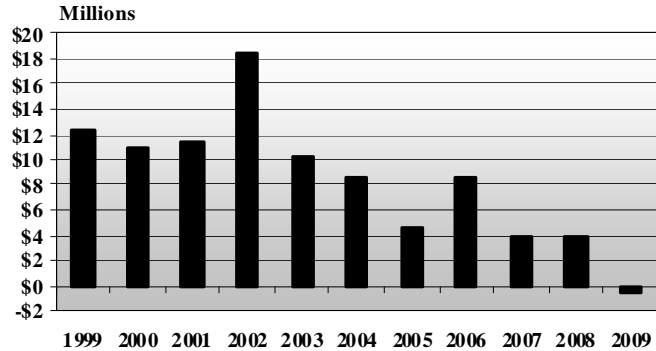
Enterprise Profits or Losses in Constant Dollars

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 above, the **negative numbers on the scale represent operating losses.**

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 most recent fiscal year, FY09, the overall trend shown above has consistently reflected positive results. The Water and Sewer Fund consistently makes up more than 90.0 percent of the total net income or loss reported in the Enterprise Funds.

The upward trend between FY99 and FY02 reflected a combination of steady customer growth and moderate annual rate increases between FY95 and FY00 that were able to provide revenues sufficient to cover all current operating costs, including depreciation expenses. Water and Sewer rates were not raised in FY01, FY02, or FY03 due to sufficient bond coverage ratios and resources to fund long-term infrastructure repairs. Water and Sewer rates were increased slightly each year from FY04 through FY09 in order to ensure that long-term infrastructure continues to be maintained.

From FY03 through FY09, a downward trend is evident in the chart above. There are a number of factors impacting this indicator during this time frame. First, it should be noted that, after increases in expenditures of 1.5 percent and 1.3 percent in FY01 and FY02, respectively, expenditures grew at increasing rates each year from FY03 (5.5 percent increase) through FY06 (9.1 percent increase). Also, from FY03 through FY05, each of these fiscal years had twice the rate of operating expenditure increases as compared to operating revenue growth.

The rate of operating expenditure growth also outpaced operating revenue growth from FY07 to FY09, with FY07 operating expenditure growth (3.4 percent increase) over four times operating revenue growth (0.8 percent increase) and FY09 operating expenditure growth (5.1 percent increase) over seven times operating revenue growth (0.7 percent increase). Also impacting this indicator are significant interest earnings expenses from FY07 through FY09 related to an \$80 million bond sale in 2006. As can be seen in the chart above, FY09 reflects the only time in this eleven-year time frame that operating revenues were insufficient to cover operating expenditures. This is not indicating that the Water and Sewer Fund did not make an overall "profit" in FY09. However, it does indicate that operating requirements in FY09 required the use of revenue sources that are generally associated with infrastructure, not operations, such as water and sewer connection fees.

Even with its operating “loss” posted in FY09, 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” is very rare for bonds issued by local Utility departments, and Henrico County’s Water & Sewer Fund has two of them.

The Enterprise Funds’ operating results displayed above also reflect the financial performance of the Belmont Golf Course. In FY99, the Belmont Golf Course reported positive operating results. From FY00 to FY07, the Belmont Golf Course reported net operating losses of varying amounts. These losses were due to several factors. Rounds of play for each of these fiscal years were less than FY99 due to an increase in the number of golf courses in the area. Additionally, expenditures to correct turf damage and capital improvements were incurred in each of these years. In FY04, the Belmont Golf Course suffered significant damage as a result of *Hurricane Isabel*.

In FY08, the Belmont Golf Course posted its first positive operating result since FY99. In FY08, 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 FY08, revenue collections increased nearly 11.0 percent from the prior fiscal year, while expenditures were actually reduced by 1.4 percent. Rounds of play in the fiscal year were up 3.3 percent from the prior fiscal year.

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. As such, the Golf Course once again posted a net operating loss. Substantial improvement is not anticipated in FY10, as residents’ discretionary spending continues to be impacted due to a number of citizens that remain unemployed in the County. This trend of reduced discretionary spending is being reflected in a number of indicators, including local sales tax receipts, which at this writing are down 5.1 percent for the fiscal year, as well as continued declines in the number of new vehicle sales. To help return the Golf Course to profitability, an increase in green fees is being proposed to the Board of Supervisors for consideration in FY11. However, until consistent and sustainable increases in the number of rounds played are realized, a warning trend for the Golf Course *continues*.

WARNING TREND: Declining unrestricted General Fund Balance as a percentage of net operating revenues.

Formula:

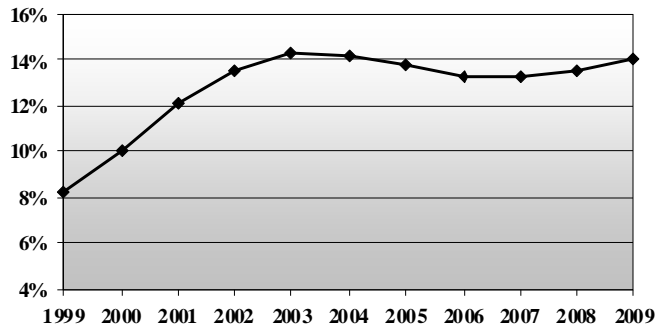
$$\frac{\text{Unrestricted General Fund Balance}}{\text{Net Operating Revenues}}$$

General Fund Unrestricted Balance

(as a % of Net Operating Revenues)

General Fund Unrestricted Balance:

The level of a locality's unrestricted 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 Unrestricted balance as a percentage of General Fund expenditures.

Trends:

Henrico County's unrestricted General Fund balance as a percentage of net operating revenues has grown from 8.2 percent in FY99 to 14.0 percent in FY09. As noted above, the depiction of this indicator in the Trends document is different than the indicator reflected in the Annual Fiscal Plan.

Looking at the trend, between FY99 and FY03, the County's percentage of unrestricted fund balance reflected an upward trend before leveling off in FY04 and remaining constant at 13.3 percent for FY06 and FY07. In FY08, the County's percentage of unrestricted fund balance had a slight uptick to 13.5 percent, and then increased again in FY09 to 14.0 percent. This is particularly positive considering that during FY02, FY03, and FY04, the County's revenues were impacted by State funding reductions, and the effects and after-effects of a national recession. Of even greater significance, the County's overall unrestricted fund balance grew by 13.0 percent from FY07 to FY09, during the worst recession since the Great Depression. The increase in this indicator has been influenced by the County's conservative posture when estimating available revenues and expenditure controls imposed on both General Government and Education.

In FY04, the County of Henrico faced a significant natural disaster, *Hurricane Isabel*. In the aftermath of the storm, the County's Board of Supervisors was able to appropriate over \$20.0 million for the massive cleanup that was required. In FY05, the County of Henrico was deluged with *Tropical Storm Gaston* and the Board again was able to quickly react to the damage to public facilities by appropriating \$8.0 million. The fact that the County has a strong unrestricted fund balance ensures that in times of emergency, the County has the resources to react quickly and effectively to ensure that the service delivery our residents expect continues in the manner expected.

In spite of the continuing economic troubles and subsequent revenue declines, particularly in the areas of State aid and real estate, as noted on numerous occasions throughout this document, the County's unrestricted General Fund balance as a percentage of net operating revenues will likely increase once again in FY10. Because of adjustments made to expenditures in FY10 to offset anticipated declines in revenues, the County may add to fund balance on June 30, 2010, while not nearly at levels in the recent past. Also, because of an anticipated net

decline in operating revenues in FY10, if unrestricted General Fund balance remains relatively flat, an increase will be reflected in this indicator for FY10.

Overall, the County's Unrestricted General Fund Balance reflects a positive trend since FY99 that places Henrico in a desirable position for a local government. Henrico County has been assigned an AAA/AAA/Aaa bond rating, making it one of twenty-one counties in the nation to hold such a rating. The maintenance of a healthy fund balance is a critical component examined by rating agencies when assigning bond ratings. Henrico has a long history of maintaining a healthy unrestricted General Fund balance and will continue to use prudence in safeguarding this resource.

WARNING TREND: Decreasing amount of cash and short-term investments as a percentage of current liabilities.

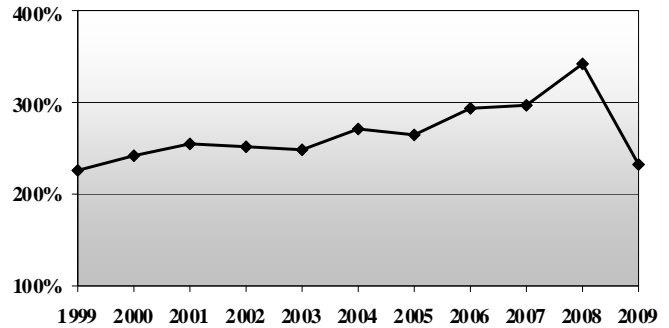
Formula:

$$\frac{\text{Cash and Short-term Investments}}{\text{Current Liabilities}}$$

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.

Liquidity
(Cash & Investments as a % of Current Liabilities)



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. In the ten year period from FY99 through FY08, cash and short-term investments grew at an average annual rate of 11.3 percent, outpacing the average annual growth in current liabilities in that ten year period of 6.7 percent. However, in FY09, total current liabilities increased by 58.1 percent, mostly in the area of "principle due in 12 months." It should be noted, however, that the spike in "principle due in 12 months" is misleading, as it mostly reflects two bond refundings in CY09. It is important to note that the County's bond refundings does not increase the County's outstanding long-term debt or the length of time to pay off the debt. "Principal due in 12 months" related to newly issued debt is minimal by comparison. In fact, ignoring the impact of the bond refundings 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. With the County continuously pursuing bond refundings as a means to generate substantial debt service savings, current liabilities will likely remain inflated for the near term, and the liquidity indicator, as charted above, will likely remain at its current level in the immediate future.

Over the past eleven years, the County has maintained an average liquidity ratio of 2.66:1, which is more than *twice* the defined "current account surplus" above. The low point in this indicator of 2.25:1 was experienced in FY99. 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.

No warning is warranted for this indicator.

WARNING TREND: Increasing current liabilities at end of year as a percentage of net operating revenues.

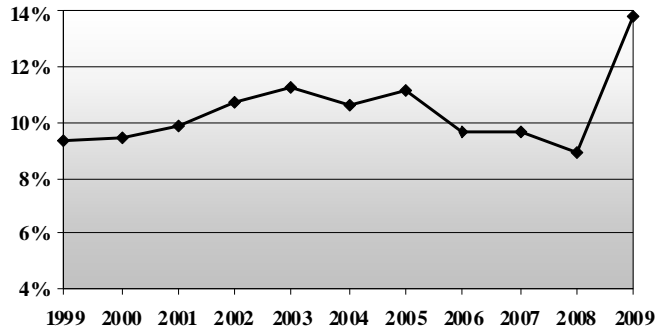
Formula:

$$\frac{\text{Current Liabilities}}{\text{Net Operating Revenues}}$$

Current Liabilities:

Current liabilities include short-term debt, the current principal portion of long-term debt, accounts payable and other current liabilities due within one year of the balance sheet date. A major component of current liabilities may be short-term debt in the form of tax or bond anticipation notes. Although the use of short-term borrowing is an accepted way to handle erratic flows of revenues, an increasing amount of short-term debt outstanding at the end of successive years can indicate liquidity problems, deficit spending, or both.

Current Liabilities
(as a % of Net Operating Revenues)



Trends:

In the eleven-year trend depicted above the indicator has gone from a low of 8.9 percent in FY08, to a high of 13.8 percent in FY09, the most recent fiscal year. The level for FY09 is the highest in this eleven-year period for two overriding reasons. First, 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 bond refundings in CY09, with only minimal impact, by comparison, due to newly issued debt. Also impacting this indicator in FY09 is the historically low growth in net operating revenues, which grew at 2.1 percent in FY09, the lowest increase since the last recessionary economic environment in FY02.

There are two large components that make up this indicator, the first of which is recorded “accounts payable.” The FY09 total for this liability measured \$53.3 million, which reflects an increase of \$3.9 million when compared to the FY08 totals. It is important to note that the accounts payable does fluctuate based on purchasing activity within the governmental unit.

The second large component, “principal due in 12 months,” reflected an increase of \$43.8 million in FY09. As already noted, this large increase is misleading, as \$38.8 million reflects two bond refundings. Excluding the bond refundings, current liabilities as a percentage of net operating revenues would have registered at 9.9 percent in FY09, much less than the 13.8 percent noted above. In November 2000 the voters approved a \$237.0 million General Obligation Bond Referendum. In March of 2005, the voters approved a \$349.3 million General Obligation Bond Referendum. Both referenda included School, Fire, Roadway, Public Library, and Recreation and Parks projects. The County of Henrico chose to phase in this debt over a multi-year time period (both referenda assume the debt would be phased in over a seven-year time frame). By taking this approach, the County has been able to pay required debt service costs and ancillary operating expenses without negatively impacting its operating budget and this indicator is reflective of that planning.

For this eleven-year period, this ratio has been between 8.9 percent and 13.8 percent of net operating revenues. Although the general trend over this time period is upward, the fact that the County has not experienced significant annual changes in this indicator, excluding the misleading increase in FY09, is reflective of the

County's conservative financial management approach. Also, this consistency is reflective of the County's conservative debt management practices and successful long-term planning for infrastructure improvements. This indicator is very much aligned with the next two indicators: 1) long-term debt as a percentage of assessed valuation and 2) debt service as a percentage of net operating revenues.

With the continued revenue concerns noted throughout this document, notably significant reductions in State funding and the valuation declines experienced in real estate, it is likely that this indicator will remain high for several fiscal years into the future. In addition to these revenue concerns, at this writing, the County still has \$146.4 million in GO bonds scheduled to be sold in the next three fiscal years, FY11 through FY13, as was approved in the March 2005 GO Bond Referendum. Because of the combination of declining revenues and increasing debt service obligations, a warning trend is noted for this indicator in the immediate future.

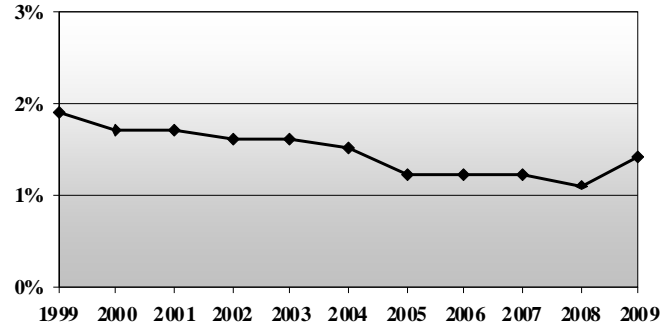
WARNING TREND: Increasing amount of net direct long-term debt as a percentage of assessed valuation of real property.

Formula:

$$\frac{\text{Net Direct Bonded Long-term Debt}}{\text{Assessed Valuation of Real Property}}$$

Long-Term Debt

(as a % of Assessed Valuation of Real Property)



Long-Term Debt:

A locality's ability to repay its debt is determined by comparing net direct long-term debt to assessed valuations. Net direct long-term debt is direct debt minus self-supporting debt such as revenue bonds or special assessment bonds, which have a repayment source separate from general tax revenues. An increase in net direct long-term debt as a percentage of real property valuation can indicate that a locality's ability to repay its obligations is diminishing.

Another way to monitor the growth in debt is to measure it on a per capita basis. As population increases, it would be expected that capital needs, and hence, long-term debt needs may increase. The underlying assumption is that a locality's revenue generating ability, and ability to repay debt, is directly related to its population level. The concern is that long-term debt should not exceed the locality's resources for paying the debt. If this occurs, the locality may have difficulty obtaining additional capital funds, may pay a higher rate of interest for them, and therefore may have difficulty in repaying existing debt.

Trends:

During the eleven-year period shown above, the long-term debt indicator reached a high point of 1.9 percent in FY99. 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 the most recent fiscal year, FY09, the indicator increased 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 addition, the County experienced the lowest year-over-year growth in real estate valuation in FY09. This combination caused a one-year spike in this indicator in FY09.

As seen above, Henrico County's percentage of net long-term debt to real property valuations has remained relatively stable. In FY01 and FY02, the County began phasing in debt associated with the General Obligation Bond Referendum approved by the voters in November 2000. As of the end of FY09, the County's net direct long-term debt was \$503.5 million, which reflects a net increase of \$107.2 million when compared to FY08. In FY09, the County issued \$137.5 million in long-term debt for Education and General Government projects, refunded \$33.8 million in long-term debt, and retired \$30.3 million of long-term debt obligations.

The County performs a debt affordability analysis (outside of the depiction in the Trends document) that calculates an indicator similar to the methodology employed above. In the debt affordability analysis, personal property is added to real property when determining "long-term debt as a percent of total assessed value." Adding the assessed value of personal property to real property lowers the percentage slightly, but this is the current methodology utilized by the Bond Rating Agencies for Virginia localities. The debt affordability analysis also calculates debt per capita and debt as a percentage of General Fund expenditures, which are two indicators used by the Bond Rating Agencies to determine a locality's ability to issue debt.

Going forward, a warning trend is noted for this indicator for the near-term. While the County has taken a one-year break from issuing any new debt in FY10, from FY11 through FY13 the County is scheduled to issue \$146.4 million in new long-term debt, as approved by the citizens in the County's March 2005 General Obligation Bond Referendum. Real estate valuations as of January 1, 2010 are anticipated to decline by approximately 8.0 percent from the prior fiscal year, with little to no growth expected in the next several fiscal years. With long-term debt increasing in the near term and with anticipated declines in real estate valuations, this indicator will likely remain historically high.

WARNING TREND: Increasing amount of net direct debt service as a percentage of net operating revenues.

Formula:

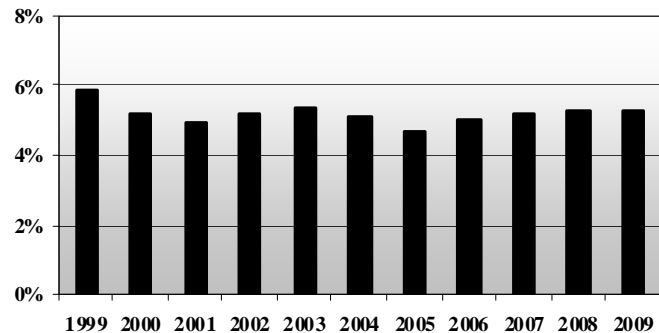
$$\frac{\text{Debt Service}}{\text{Net Operating Revenues}}$$

Debt Service

(as a % of Net Operating Revenues)

Debt Service:

Debt service is the amount of principal and interest that a locality must pay each year on net direct long-term debt, plus the interest it must pay on direct short-term debt. As debt service increases, it adds to a locality's obligations and reduces the locality's expenditure flexibility.



Debt service can be a major part of a locality's fixed costs, and its increase can indicate excessive debt and fiscal strain. If

debt service on net direct debt exceeds 20.0 percent of operating revenues, it is considered a potential problem. Below 10.0 percent is the rate preferred by bond rating agencies. **It should be noted that “net operating revenues” used in this indicator include the General, Special Revenue and Debt Service Funds.** Debt service for this indicator includes principal and interest payments for General Obligation bonds, Virginia Public School Authority (VPSA) debt, Literary Loan debt, and Lease Revenue bonds including the Regional Jail. The indicator does not include Enterprise Fund debt.

Trends:

As shown in the graph above, the debt service percentage reached the high point of 5.9 percent in FY99 and the low point of 4.7 percent may be found in the FY05 total. It is important to note that in this eleven-year time period, this percentage has fluctuated within a range of 1.2 percent.

This indicator will trigger a warning if the increase in debt service consistently exceeded the increase in net operating revenues. The issuance of debt normally results in a slight increase in this indicator, because in the year following the issuance of debt, the amount of debt service generally grows at a faster rate than operating revenues, however the consistency reflected above is indicative of the meticulous analysis that is performed before any debt issue is undertaken.

In November of 2000, the County's voters approved a \$237.0 million General Obligation (G.O.) Bond Referendum and in the Spring of 2005, the County's voters approved a \$349.3 million G.O. Bond Referendum. These referenda included School, Fire, Roadway, Public Library, and Recreation and Parks projects. The financial plan that coincided with the approval of these projects assumed that the County would issue this debt over a seven-year period for each of the approved referenda. In FY01, the County issued the first of these planned issues and that totaled \$37.1 million. In FY02, the County issued \$27.0 million in G.O. notes. In FY03, the County issued \$51.8 million and in FY04, the County issued \$38.9 million of G.O. bonds. In FY06, the County issued \$77.8 million and in FY07, the County issued \$71.9 million of G.O. notes. In FY08, the County issued \$29.8 million in G.O. bonds and in FY09, the County issued \$93.1 million in G.O. Bonds. Also in FY09, the County issued \$44.4 million in VPSA Bonds for a number of Schools projects.

There are important differences in this indicator and the “Long-Term Debt” indicator. The “Debt Service” indicator reflects the amount of principal and interest the County pays annually on its long-term debt as a

percentage of operating revenues. The “Long-Term Debt” indicator reflects the County’s total outstanding debt as a percentage of assessed real estate valuation. The “Long-Term Debt” indicator graph reflects a sharp uptick in FY09 due to the large amount of debt issued in that fiscal year. However, that spike is not evident in the “Debt Service” indicator chart. This is due to the County’s two bond refundings in CY09 that achieved substantial debt service savings. The realized savings were mostly allocated in FY09 through FY11 to help the County offset anticipated revenue reductions as a result of the difficult economic environment. While these refundings will keep the “Debt Service” indicator from substantially rising in FY10, the debt service savings realized in FY11, due to the refundings and the decision to not issue any new long-term debt in FY10, will likely not keep pace with the anticipated declines in State aid and real estate tax revenue, which will likely be reflected as an increase in this indicator in the near term. Because of revenue concerns in the immediate future, a warning trend is noted for this indicator.

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.

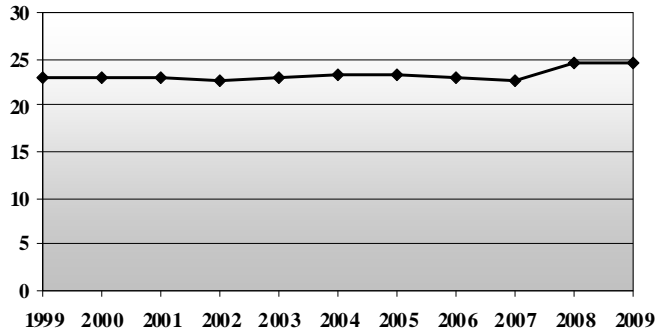
Formula:

$$\frac{\text{Total Days of Unused Vacation Leave}}{\text{Number of General Government Employees}}$$

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 23.3 days during the eleven-year period. What can be seen throughout this time period is stability in this indicator as it has ranged from a low of 22.5 days in FY07 to the high point of 24.6 days in FY09.

In looking at the graph above, the indicator remains relatively flat until FY08. This is due to an adjustment of annual leave accrual rates and increased “carry-over” hours (less time “lost”) for employees with fifteen or more years of service. The FY09 accumulated vacation leave indicator remained relatively constant with FY08. In the entire eleven-year period, this indicator has fluctuated within a range of 2.1 days.

The overall slight upward movement since FY99 is 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 46. The average County employee has been with the County for more than 10 years (Source: Human Resources Department Annual Report, FY2008-09).

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.

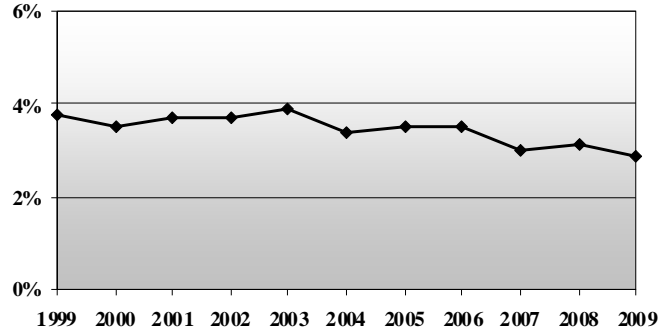
Formula:

$$\frac{\text{Capital Outlay from Operating Funds}}{\text{Net Operating Expenditures}}$$

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 2.9 percent and 3.9 percent, which is indicative of the consistency of meeting capital outlay requirements within the operating budget. In FY99, this indicator reflected a total of 3.8 percent, while the FY09 total measures 2.9 percent, the lowest level in the eleven years examined. In fiscal years FY05 and FY06, the indicator remained constant at 3.5 percent and decreased by 0.5 percent to 3.0 in FY07. Although this percentage dropped in FY07, it is important to note that the indicator rebounded in FY08, showing a positive increase over the prior fiscal year. The County's level of capital outlay has averaged 3.4 percent of net operating expenditures throughout this eleven-year period.

In the recessionary economic environment of FY02 through FY04, in spite of a number of revenue challenges, particularly reductions in State aid, the County was able to maintain a stable level of capital outlay expenditures. This may be considered positive as the County was not forced to defer capital outlay expenditures in order to maintain a balanced budget. However, the current economic difficulties have presented much deeper revenue challenges than experienced in FY02 through FY04.

In FY09, the indicator fell to the lowest level in the eleven-year time frame at 2.9 percent. Unlike the rebound in FY08, it is not expected that the indicator will show substantial improvement in the coming fiscal years. In fact, it is very likely that this indicator will fall further. With the revenue reductions anticipated in FY10 and FY11, departments have been charged with finding expenditure savings throughout their individual budgets. A likely target for departmental cuts will be in the area of capital outlay expenditures, which could result in obsolete or inefficient equipment in the near future. As such, a warning trend is noted for this indicator.

The overall consistency in capital outlay expenditures in the eleven years examined may be viewed as a positive trend as current capital outlay needs are being met within existing resources. These capital outlay expenditures are largely concentrated in the areas of new computer equipment, replacement computers, and replacement vehicles, particularly in the area of public safety.

WARNING TREND: Decreasing amount of depreciation expense as a percentage of total depreciable fixed assets for Enterprise Funds and Internal Service Funds.

Formula:

$$\frac{\text{Depreciation Expense}}{\text{Cost of Depreciable Fixed Assets}}$$

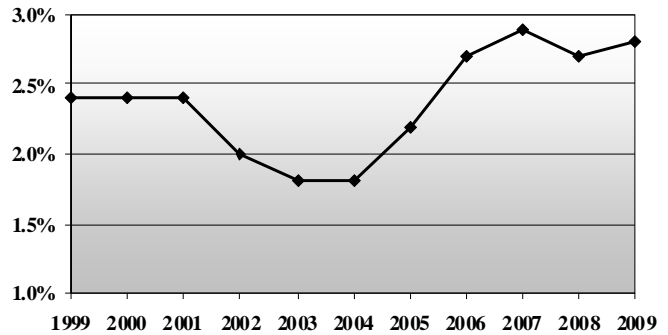
Depreciation:

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, between FY99 and FY01, depreciation expense for the County of Henrico remained consistent at 2.4 percent. However, in FY02, with the implementation of GASB 34, 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 new 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. In FY09, depreciation expenditures as a percentage of depreciable fixed assets yielded 2.8 percent, a slight increase from the prior fiscal year indicator of 2.7 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.

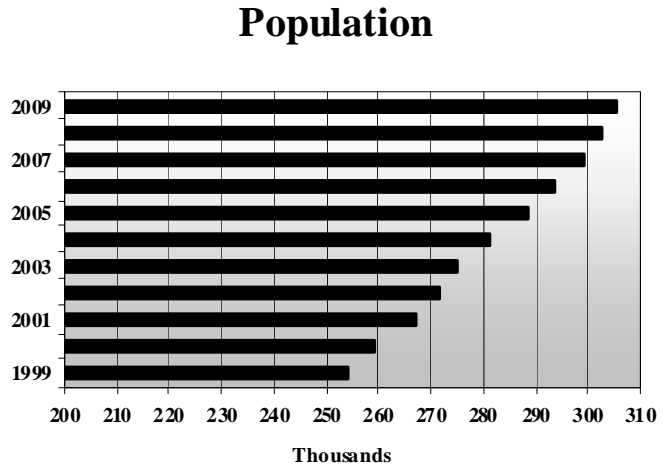
WARNING TREND: A decreasing growth rate or a sudden increase in population.

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 254,194 in FY99 to 305,580 in FY09, an increase of 20.2 percent in this eleven-year time span, or an annual average of 1.8 percent per year. In the eleven-year period, the County's resources have kept pace with the increased demand for services from a rising population.

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.

The population number for FY01 represents actual Census Data. All other years have been obtained from the Henrico County Department of Planning (see website: www.co.henrico.va.us).

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.

WARNING TREND: Decline in the level, or growth rate, of personal income per capita.

Indicator:

Per Capita Income

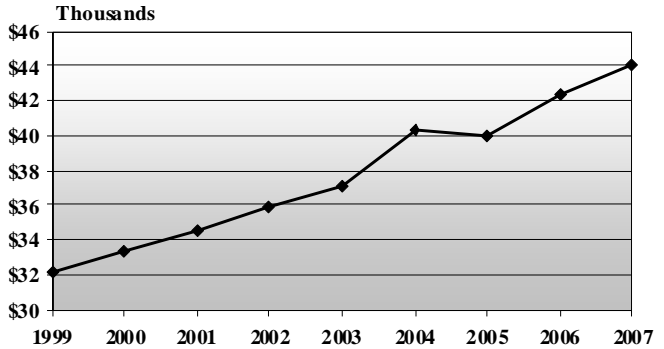
Source: Bureau of Economic Analysis

Per Capita Income:

Per capita income is one measure of a community's wealth. Credit rating agencies use per capita income as an important measure of a local government's ability to repay debt.

A decline in per capita income causes a drop in consumer purchasing power and can provide advance notice that businesses, especially in the retail sector, will suffer a decline that can ripple through the rest of the local economy. Changes in per capita income are especially important for communities that have little commercial or industrial tax base, because personal income is the primary source from which taxes can be paid.

Per Capita Income



Trends:

In the nine years depicted above, per capita income has increased by 31.1 percent from \$32,141 in 1999 to the \$44,079 reported for 2007. It should be noted that this indicator factors in increases to the County's population, which increased 17.8 percent between 1999 and 2007.

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 2007 tax year.

Since the recessionary period of the early 1990's, this indicator has consistently increased with the exception of 2005, where this indicator remained somewhat constant from 2004. In 1999, this indicator reflected an increase of 2.9 percent from the prior year. In calendar years 2000 through 2002, there was a steady increase in the per capita income average growth rate, ranging from a low of 3.6 percent in 2000 to a high of 4.0 percent increase in 2002. In calendar year 2003, the growth rate decreased slightly to 3.1 percent. The 2004 data reveals that per capita income in Henrico County reached its highest growth rate in the nine-year period at 8.6 percent, which represents a dramatic increase from the previous calendar year. In 2005, however, this indicator leveled off and actually decreased by 0.5 percent from the previous year. In calendar year 2006, the increase was a healthy 6.0 percent, followed by an increase of 3.8 percent in 2007.

It should be noted that while the County's population has increased by an annual average of 1.8 percent in the past eleven years, taxpayer returns from County residents reflect an average annual increase of 3.9 percent in the *nine* years reflected on the graph above.

WARNING TREND: Increasing number of public assistance recipients.

Formula:

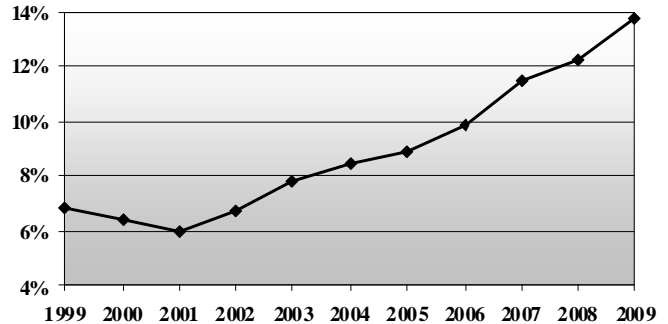
$$\frac{\text{Public Assistance Recipients}}{\text{Total Population}}$$

Public Assistance Recipients

(as a % of Total Population)

Public Assistance Recipients:

This trend is closely associated with a decline in personal income. The indicator measures the number of public assistance recipients against the number of residential households in the County. An increase in the number of public assistance recipients can signal a future increase in the level and unit cost of services because of the relatively higher needs of low-income residents combined with their relative lack of personal wealth.



Trends:

The eleven-year trend for this indicator has experienced a low of 6.0 percent in FY01 and a high of 13.7 percent in FY09, the most recent fiscal year. In looking at the past nine years in particular, this indicator has increased dramatically from 6.0 percent in FY01 to 13.7 percent in FY09.

The number of public assistance recipients has been determined by obtaining the number of people per year in the County receiving at least one of the following three types of benefits: Aid to Families of Dependent Children (AFDC), Food Stamps, or Medicaid. On a national level, some of the corollary factors that could impact this ratio are limited availability of affordable housing and health care coverage, as well as, limited funds for public transportation.

Between FY99 and FY01, this indicator reflected a downward trend before rising again in FY02. The reasons for the decline during this time period reflect both State policy changes and outside economic conditions. First, policy changes were found in Virginia’s welfare reform program. The welfare reform program, Virginia Initiative for Employment not Welfare (VIEW), was designed to help recipients become self-sufficient and independent of public assistance by capping the length of time an individual may remain on public assistance. Augmented by other services, such as the Child Day Care Program, it has allowed more residents to enter the workforce. Second, the overall conditions of the economy during this time period coupled with low unemployment levels propelled many residents off of public assistance.

The Medicaid population has increased dramatically over the past nine years, which has driven the increase in the number of public assistance recipients. There are currently more than fifty different categories that qualify for Medicaid coverage. Henrico has an aging population that requires long-term nursing home care, which is very expensive for each recipient. The number of mental health patients has increased as well as the number of foster care children, which have also added to the Medicaid population. In addition, policy changes related to income increase every year, which impacts this indicator as well. Also, the recessionary economic environment, and the subsequent loss of jobs and personal income, has created more demand for public assistance.

A warning trend continues for this indicator.

WARNING TREND: Declining or negative growth in market value of residential, commercial or agricultural property (constant dollars).

Formula:

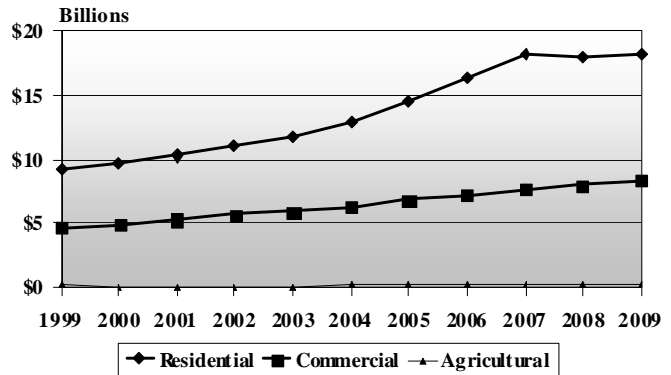
Real Property Values (Constant Dollars)

Real Property Values:

Changes in real property values are important because most local governments depend on property taxes for a substantial portion of their revenues, and Henrico County is no exception. If a locality has a stable tax rate, the higher the aggregate property value, the higher the revenues generated. Localities experiencing rapid population and economic growth are also likely to experience growth in property values in the short-run. This is because in the short-run, the supply of housing is fixed and the increase in demand due to growth will force prices up.

Real Property Values

(In Constant Dollars)



The extent to which declining real property values affect a locality's revenues will depend on the locality's reliance on property tax revenue. The extent to which the decline will ripple through the local economy and affect other revenues is difficult to determine. However, all of the economic and demographic factors are closely related. Most probably, a decline in property values will not be a cause, but rather a symptom of other underlying problems.

Trends:

The above graph illustrates real property values in constant dollars for residential, commercial, and agricultural properties. As such, any increases in this indicator are reported after negating the “effect” of inflation. The increases in valuation reflected above have been mitigated by a reduction in the Real Estate Tax Rate in this period of time. Specifically, since CY98, 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 FY08, residential property values (in constant dollars) showed a slight decrease from the prior fiscal year, the first such decrease in this indicator since data collection began for the Trends document in 1981. The reasons for this decrease are twofold. First, the struggle in the residential real estate market hindered property value increases, as evidenced by residential reassessment values only increasing 2.6 percent in January 2008, the lowest year-over-year increase since 1995. Second, the property values noted in the graph are inflation adjusted (constant dollars), and in FY08 the consumer price index (CPI), commonly referred to when measuring inflation, yielded a 5.0 percent increase over the prior year, the largest such increase since 1989. It is important to note that unadjusted real property values actually increased nearly \$1.1 billion or 4.7 percent in FY08 from the prior fiscal year.

In FY09, residential property values (in constant dollars) reflect a slight increase after the decline in FY08. The

reasons for this increase are solely attributed to the deflationary environment in FY09, as the CPI posted a 1.4 percent decline from the inflated levels experienced in FY08. The market value of residential real estate actually slightly declined in FY09 by 0.3 percent. However, because of the decline in the CPI, the indicator reflects positive growth in real property values (in constant dollars).

Problems continue in the local real estate market, as real estate valuations have declined nearly 8.0 percent in total from January 2009 to January 2010. A year-over-year decline in total real estate valuation is unprecedented in Henrico County, but residential foreclosures and increasing office space vacancies have significantly impacted the local real estate market. Inclusive of new construction, residential real estate valuations have declined nearly 5.6 percent and commercial real estate valuations have declined over 13.2 percent. Beyond FY10 and FY11, the best case scenario for at least the immediate future assumes that local real estate valuations have “bottomed” and that very minimal growth in valuations follow. However, until the County can bring back a substantial portion of the numerous jobs that have been lost over the last two years, residential foreclosures will likely remain at high levels and commercial real estate, notably office space, will remain vacant. As such, a warning trend is noted for the immediate future.

WARNING TREND: Increasing market value of residential development as a percentage of market value of total development.

Formula:

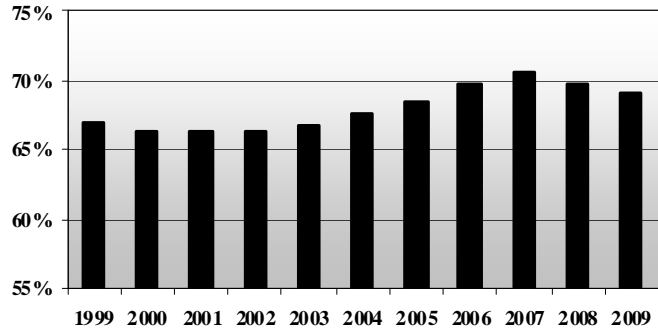
$$\frac{\text{Market Value of Residential Development}}{\text{Market Value of Total Development}}$$

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.

Trends:

Residential development as a percentage of total property market value in Henrico County has ranged from a low of 66.3 percent in 2002, to a high of 70.6 percent in 2007. The indicator shown above for 2000 and 2001 was 66.4 percent. In 2003 and 2004, this indicator increased slightly to a level of 66.7 percent and 67.5 percent, respectively. This indicator continued to rise in 2005 with 68.4 percent, 2006 with 69.7 percent, and in 2007 with a high of 70.6 percent. In 2008, the indicator again fell below the benchmark of 70.0 percent to 69.8 percent and in 2009 dropped again to 69.1 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.

Between 1999 and 2001, commercial property market values (including multi-family) outpaced the growth of residential property values. In those three years, commercial value increases of 9.0, 8.4, and 10.6 percent outpaced the growth of residential values, which depicted increases of 5.5, 7.1, and 10.4 percent. From 2003 to 2007, increases in residential market values outpaced increases in the commercial segment of the market. As noted within the “Real Property Value” indicator, both the residential and commercial components of the Real Estate Tax base increased at rates that exceeded the rate of inflation. In this time period, the low interest rate environment spurred significant growth in residential real estate. Also, banks were lending funds to nearly any inquiring consumer, without regard to the borrower’s ability to repay the loan. However, the factors that allowed the residential real estate market to thrive in this time span has been the driving factor behind the current struggles of the real estate market and the near collapse of the entire national financial sector. In 2008, increases in commercial values remained relatively strong but residential values began to show signs of slowing down, as reassessments increased only 2.6 percent in 2008. In total, residential market value increased 4.7 percent due to new construction, while total commercial market value increased 9.0 percent. 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 noted in the Real Property Value indicator narrative, residential real estate valuation actually declined by 0.3 percent in 2009, while commercial valuation increased over 3.1 percent. Commercial and real estate markets continue to struggle in 2010, as residential real estate valuations have declined nearly 5.6 percent, driven by increasing levels of residential foreclosures, and commercial real estate valuations have declined by 13.2 percent, mostly a result of increasing vacancies in office space. Because of the steep drop in commercial real estate valuation, the Residential Development indicator will increase in 2010. In fact, it is anticipated that the percentage of residential valuation will increase over 71.0 percent in 2010. While the continued declines in both commercial and residential real estate markets can be attributed to a number of factors, the one factor that would improve the outlook of the County's overall real estate market is jobs. Newly created jobs in the County would fill vacant office space, and would provide families with the household income needed to make timely mortgage payments. Until the County replenishes the numerous jobs lost over the last two years, a warning trend must be noted.

WARNING TREND: Increasing rate of local unemployment or a decline in number of jobs provided within the community.

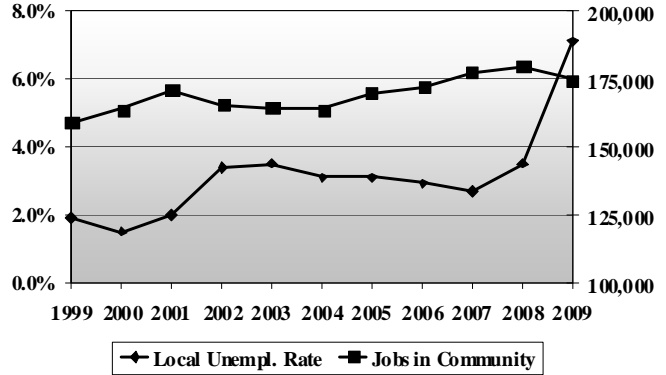
Indicators:

Local Unemployment Rate and Number of Jobs within the Community

Employment Base:

Employment base considers both the unemployment rate and the number of jobs because they are closely related. This indicator is significant because it is directly related to the levels of business activity and personal income. Changes in the number of jobs provided by the community are a measure of and an influence on business activity. Changes in the rate of employment of the community's residents is related to fluctuations in personal income and, thus, is a measure of and an influence on the community's ability to support its local business sector.

Employment Base



If the employment base is growing, if its diversity provides a cushion against short-run economic fluctuations or a downturn in one sector, and if the employment base provides sufficient income to support the local business community, then it will have a positive influence on the locality's financial condition. A decline in employment base as measured by jobs or lack of employment can be an early warning sign of declining economic activity and thus, governmental revenues. The data source for this information is the Virginia Employment Commission.

Trends:

I. Unemployment:

Henrico County's unemployment rate, in the eleven-year period above, reflects a high of 7.1 percent in 2009, and lows at or below the 2.0 percent level for 1999, 2000, and 2001. Between 1999 and 2001, local economic conditions continued to improve, which resulted in lower unemployment rates. The 2002 unemployment rate depicts an increase to 3.4 percent and 2003 showed a leveling off of the local unemployment rate at 3.5 percent. The 2002 and 2003 increases were indicative of the recessionary period at the time. In 2004 and 2005, the unemployment rate remained constant at 3.1 percent. The 2006 unemployment rate of 2.9 percent as well as the 2007 unemployment rate of 2.7 percent illustrates the improvement in economic conditions at the time from the prior recessionary period. With the recently ended recessionary period that began in December 2007, unemployment climbed sharply to 3.5 percent in 2008. As evidenced in the graph above, the difficult economic environment forced a number of businesses to close its doors or re-evaluate their staffing needs in 2009, as the unemployment rate more than doubled from 2008 to 7.1 percent. This indicator is highly indicative of changes in the economy and thus, is a solid representation of the condition of the local economy. A warning trend is noted for this indicator, as job losses in the area will likely continue until the economy shows substantial and sustainable signs of recovery.

II. Number of Jobs:

From 1999 through 2009, the number of jobs in Henrico increased from 158,760 to 174,758, an increase of 10.1 percent. In 2002, 2003, and 2004, the number of jobs reflected a decrease from the 170,793 level reported for 2001. The decrease can be attributed to the recession that encompassed 2002 and 2003. This recession led to a number of corporate layoffs in the Richmond Metropolitan Area. The recession also impacted the State of Virginia's budget and there were a number of State governmental jobs in this time period that were eliminated,

downsized or privatized. In 2007, this indicator was impacted in a positive manner due to several large corporate entries into the Richmond Metropolitan Area as well as a number of new businesses that opened in Henrico. In 2008, the number of jobs again increased.

As was the case in the last recessionary economic environment, 2009 reflects a net decrease in the number of jobs in Henrico County. However, in the recession of 2002 and 2003, most of the jobs lost were due to corporate layoffs as a means to improve the company's bottom line. As the economy improved in the years that followed, these corporations began to hire once again, as evidenced by the annual job increases and declining unemployment rate from 2004 through 2008. Much different than the prior recession, in the current economic environment, the Metropolitan Richmond Area, notably Henrico County, lost a number of large, high-profile companies altogether, including two Fortune 1000 companies, Circuit City Stores and LandAmerica Financial, as well as the largest individual taxpayer in the County, Qimonda North America. In 2008, Circuit City Stores and Qimonda were the sixth and seventh largest employers in the County, respectively. With these companies no longer in existence, recovery will be much more difficult than after the recession of 2002 and 2003, as Circuit City, Qimonda, and LandAmerica Financial, as well as a number of other local businesses that have been forced to close their doors, cannot simply increase hiring when the economy shows signs of recovery. Because of the workforce size of the companies that the County has lost, to achieve substantial job growth in the County going forward will require the attraction of other large corporate entities. From January 1, 2008 through January 20, 2010, the Metropolitan Richmond Area has lost over 14,000 jobs, more than half of which were in Henrico County.

With the economic environment showing little signs of improvement locally, a warning trend is noted for the near term, as area employers will likely be forced to continue shedding jobs to cut costs until the economy shows sustainable signs of recovery.

WARNING TREND: Decline in business activity as measured by retail sales and gross business receipts.

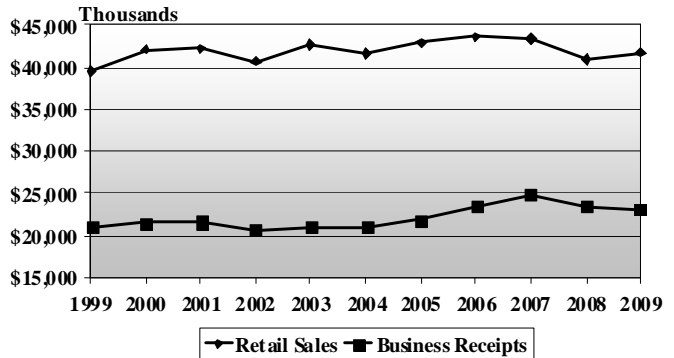
Indicators:

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 increased from \$39.5 million in FY99 to \$41.7 million in FY09, representing an average annual increase (after the effect of inflation is removed) of 1.1 percent. The elasticity of this revenue stream is evidenced by the declines in FY02 and FY08, both of which represent the beginning of a recessionary economic environment. Prior to that, the more recent upward trends were marked by a healthy local and national economy as seen during much of the 1990's and economic recovery period between 2004 and 2007.

With the retraction in FY02, sales tax receipts decreased. However, a surprising thing occurred in FY02. In spite of the decline in total sales tax receipts, Henrico County's retail sales as a percentage of total sales in the Richmond Metropolitan Area (including the City of Richmond and Chesterfield County) actually *increased* from the FY01 level of 45.98 percent to 48.91 percent. This occurred because Henrico's diversified retailers offered more of a choice to the region's shoppers during this recession. In FY03, local sales tax receipts rebounded from the previous year, increasing by 4.8 percent representing the largest constant dollar increase since FY00. In FY04, inflation adjusted sales declined from \$41.8 million to \$40.8 million, decreasing by 2.4 percent from the previous fiscal year. This decline was driven by an increase in the inflation factor, which overshadowed the increase in local sales tax receipts. FY05 inflation adjusted sales of \$42.1 million and the FY06 inflation adjusted sales of \$42.8 million reflects increases of 3.2 percent and 1.7 percent, respectively. In FY07, inflation adjusted sales declined slightly from \$42.8 to \$42.6 million.

In FY08, inflation adjusted sales declined from \$42.6 million to \$40.0 million, a decrease of 6.0 percent from the prior fiscal year. This year-over-year decrease is by far the highest recorded in this eleven-year time period. The reasons for this decrease are twofold. First, as mentioned above, local sales tax collections are highly elastic and the recessionary economic environment present through much of FY08 hindered growth in this revenue source. It should be noted that real unadjusted local sales tax revenue declined 1.3 percent in FY08 from prior fiscal year collections. Second, like the Real Property Value indicator, the values noted in the graph are inflation adjusted (constant dollars), and in FY08 the consumer price index was measured at 5.0 percent, the largest such increase since 1989.

While the inflation factor negatively impacted inflation adjusted local sales tax collections in FY08, the reverse

happened in FY09. With the CPI actually *declining* in FY09, reflecting a period of deflation, inflation-adjusted sales tax collections posted an above-average 2.1 percent growth. However, actual sales tax collections only increased by 0.7 percent in FY09. That being said, the fact that actual local sales tax collections grew in FY09, when all other elastic revenues were negatively impacted, should be considered a positive. The reason for this increase in FY09 is twofold. First, tax increment financing associated with Short Pump Town Center, the most successful shopping center in the Metropolitan Richmond Area since it opened its doors in 2003 and located in Henrico County, received its final debt payment from the County. As such, all County revenues associated with this development, including local sales tax collections and BPOL receipts that previously were used to pay off debt, began depositing into County coffers in FY09. The second reason for the sharp upswing in local sales tax collections in FY09 is the implementation of the “Henrico, VA” initiative, in which the majority of “Richmond, VA” addresses were changed to “Henrico, VA.” This initiative was pursued because of revenue miscoding that misdirected millions of dollars in annual County revenue, including local sales tax collections and BPOL receipts, to the City of Richmond. Without the significant impact of Short Pump Town Center and the “Henrico, VA” initiative, the graph on the prior page would have shown a much less drastic increase, or perhaps even a decrease, in inflation adjusted retail sales in FY09.

With the continuing economic struggles, a warning trend is noted for this indicator in the near term, as it is likely that sales tax revenue collections will decline or remain stagnant throughout this difficult economic environment. However, because of the diversity of retailers that Henrico County offers, when the economy begins its recovery, it is anticipated that local sales tax revenues will again show signs of healthy growth.

II. Local Business and Professional License (BPOL) Tax Receipts:

The graph for the eleven-year period shown above indicates that local business license tax receipts, in constant dollars, have been maintained at a level that kept up with 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 paid off. The FY02, FY03, and FY04 totals reflect a decrease when compared to the FY01 totals, however a decrease was anticipated as the local economy was in recession. FY05, FY06, and FY07 totals rebounded strongly from the recessionary period, with constant dollar gains of 3.5 percent, 7.3 percent, and 6.3 percent, respectively.

Like local sales tax revenues, FY08 BPOL tax receipts (constant dollars) reflect the sharpest year-over-year decrease in this eleven-year time period due to the struggling economy and unusually high inflation. While this indicator reflects a significant decrease, real unadjusted BPOL tax revenue only reflects a slight decrease of 1.0 percent. It should be noted that in FY02, the beginning of the last economic recession, BPOL tax receipts declined 2.4 percent from the prior fiscal year, more than twice as high as in FY08. In FY09, inflation adjusted BPOL tax receipts declined by 1.9 percent and real unadjusted BPOL tax revenue declined by 3.2 percent. Considering the state of the local economy in FY09, including the closing of a number of County businesses, one would expect the year-over-year impact to be much greater. As with local sales tax collections, the impact of Short Pump Town Center and the “Henrico, VA” initiative had a positive impact in FY09.

As with local sales tax collections, a warning trend is noted for the immediate future, as the current economic downturn is impacting every facet of the business community, which will have a direct impact on BPOL tax receipts. Because of the diversified nature of the County’s business community, when the current economic recession is over and the economy begins to rebound, BPOL tax receipts will again show strong growth.

FINANCIAL INDICATORS DISPLAYED GRAPHICALLY

Description	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues Per Capita	2,125.0	2,155.3	2,192.3	2,172.9	2,209.0	2,274.5	2,328.6	2,377.7	2,471.0	2,452.7	2,515.6
Expenditures Per Capita (In Constant Dollars)	1,955.5	1,993.8	2,033.0	2,052.8	2,129.3	2,176.2	2,197.8	2,228.4	2,287.6	2,330.1	2,405.4
Intergovernmental Revenues (without PPTRA)	35.8%	35.6%	35.6%	35.4%	35.2%	36.5%	37.2%	36.2%	37.9%	38.9%	40.0%
Intergovernmental Revenues (PPTRA only)		2.7%	4.0%	5.3%	5.0%	4.7%	4.2%	4.9%	4.0%	3.8%	3.7%
Elastic Tax Revenues (as a % of Net Operating Revenue)	11.7%	11.8%	11.4%	10.8%	10.9%	10.2%	10.1%	10.0%	9.6%	9.0%	8.6%
Property Tax Revenues (In Constant Dollars)	209,583	203,664	202,750	209,028	217,738	226,968	242,864	257,077	273,494	279,565	288,853
Uncollected Property Tax Revenues (as a % of Total Levy)	2.1%	2.9%	1.8%	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.7%
User Charge Coverage (Revenues/Expenditures)	62.3%	59.2%	60.7%	50.6%	55.3%	50.6%	53.0%	52.4%	50.1%	48.0%	48.2%
Revenue Shortfalls (as a % of Net Operating Revenue)	-3.0%	-3.0%	-3.2%	-2.4%	-2.1%	-6.6%	-3.1%	-5.4%	-5.1%	-5.8%	-1.2%
Employees Per Capita (Employees per thousand population)	13.1	13.0	12.8	13.0	13.0	13.0	12.8	12.9	13.0	13.1	13.1
Fringe Benefits (as a % of Salaries)	25.6%	25.9%	26.0%	25.3%	26.1%	26.7%	27.6%	28.4%	31.3%	32.2%	33.1%
Operating Surpluses (as a % of Net Operating Revenue)	7.4%	5.3%	5.9%	3.9%	3.2%	3.6%	6.0%	8.4%	9.6%	6.9%	4.9%
Enterprise Losses (In Constant Dollars)	12,468	11,000	11,386	18,299	10,314	8,708	4,676	8,507	3,951	3,889	(0,665)
General Fund Balances (as a % of Net Operating Revenue)	8.2%	10.0%	12.1%	13.6%	14.3%	14.2%	13.8%	13.3%	13.3%	13.5%	14.0%
Liquidity (Cash & Investments as a % of Current Liabilities)	225.0%	240.9%	255.2%	251.4%	248.5%	271.1%	266.0%	294.9%	297.1%	342.2%	232.2%
Current Liabilities (as a % of Net Operating Revenue)	9.3%	9.4%	9.9%	10.7%	11.3%	10.6%	11.2%	9.7%	9.7%	8.9%	13.8%
Long Term Debt (as a % of Assessed Valuation)	1.9%	1.7%	1.7%	1.6%	1.6%	1.5%	1.2%	1.2%	1.2%	1.1%	1.4%
Debt Service (as a % of Net Operating Revenue)	5.9%	5.2%	4.9%	5.2%	5.4%	5.1%	4.7%	5.0%	5.2%	5.3%	5.3%
Accumulated Employee Leave Liability (in Days)	23.0	23.0	23.0	22.8	23.1	23.3	23.2	23.0	22.5	24.5	24.6
Level of Capital Outlay (as a % of Net Operating Expenditures)	3.8%	3.5%	3.7%	3.7%	3.9%	3.4%	3.5%	3.5%	3.0%	3.1%	2.9%

FINANCIAL INDICATORS DISPLAYED GRAPHICALLY

Description	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Depreciation (Depreciation Expense as a % of Assets)	2.4%	2.4%	2.4%	2.0%	1.8%	1.8%	2.2%	2.7%	2.9%	2.7%	2.8%
Population	254,194	259,179	267,024	271,440	274,847	281,069	288,735	293,382	299,443	302,518	305,580
Per Capita Income (restated)	32,141	33,286	34,534	35,928	37,059	40,246	40,036	42,459	44,079	N/A	N/A
Public Assistance Recipients (as a % of Total Population)	6.8%	6.4%	6.0%	6.7%	7.8%	8.4%	8.9%	9.8%	11.5%	12.2%	13.7%
Property Values (In Constant Dollars)	14,2714	14,7270	15,7400	16,9430	17,9151	19,5405	21,6485	23,9851	26,1483	26,3885	26,9494
Residential	9,323	9,627	10,298	11,074	11,793	12,985	14,566	16,459	18,159	18,114	18,317
Commercial	4,730	4,942	5,295	5,703	5,962	6,355	6,846	7,260	7,678	7,970	8,338
Agricultural	0,218	0,158	0,146	0,166	0,160	0,201	0,236	0,266	0,312	0,304	0,295
Residential Development (includes agric) (as a % of Total Property)	66.9%	66.4%	66.4%	66.3%	66.7%	67.5%	68.4%	69.7%	70.6%	69.8%	69.1%
Employment Base											
Local Unemployment Rate	0.0190	0.0150	0.0200	0.0340	0.0350	0.0310	0.0310	0.0290	0.0270	0.0350	0.0710
Jobs in Community	158,760	163,704	170,793	165,203	164,398	163,525	170,183	172,216	177,744	179,426	174,758
Business Activity - #1 (In Constant Dollars)											
Retail Sales	39,519	42,034	42,104	40,642	42,609	41,568	42,906	43,622	43,442	40,822	41,692
Annual Business Receipts	21,054	21,453	21,562	20,616	20,821	21,064	21,799	23,386	24,861	23,432	22,999
Business Activity - #2											
Market Value of Business Property	4,730	4,942	5,295	5,703	5,962	6,355	6,846	7,260	7,678	7,970	8,338
Acres Devoted to Business	5,017	5,175	5,479	5,684	5,800	5,897	5,954	6,032	6,062	6,118	6,371

GENERAL FINANCIAL AND ECONOMIC DATA

Item	Description	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1.3	Cash & Short Term Investments	112,855	131,589	158,160	171,895	187,865	209,971	234,085	242,879	268,646	298,304	320,117
1.4	Accounts Payable	27,416	32,165	37,329	41,502	47,298	49,607	54,607	46,617	51,420	49,407	53,262
1.7	Principle due in 12 months	18,927	18,382	20,317	22,142	23,351	23,132	27,038	29,870	33,224	30,749	74,560
1.8	Other Current Liabilities	3,823	4,078	4,334	4,730	4,939	4,700	6,354	5,875	5,771	7,021	10,025
1.9	Total Current Liabilities	50,166	54,625	61,980	68,733	75,587	77,439	87,999	82,362	90,414	87,177	137,847
		2,25	2,41	2,53	2,51	2,71	2,71	2,66	2,97	2,97	3,42	2,32
1.10	Net Direct Long Term Debt	268,245	264,534	283,262	287,105	314,423	329,992	306,861	357,638	399,683	396,269	503,505
1.12	Cost Depreciable Fixed Assets	667,164	714,837	739,416	774,354	831,112	880,456	922,326	957,377	982,096	1,015,665	1,051,575
1.13	Depreciation Expense	15,942	17,041	17,587	15,744	15,186	16,028	19,995	25,879	28,010	27,596	28,928
1.14	General Fund Operating Surplus	40,122	30,572	37,266	24,733	21,720	25,957	47,396	71,814	88,709	67,853	48,547
1.15	Enterprise Operating Results	12,468	11,410	12,195	19,808	11,400	9,939	5,472	10,386	4,954	5,120	(863)
1.16	General Fund Balances	75,705	89,739	112,553	118,781	126,950	140,670	161,517	199,079	207,453	239,708	252,549
1.17	General Fund Restricted Balances	31,557	31,928	36,860	31,691	31,298	36,718	53,132	85,442	84,029	107,615	113,094
1.18	General Fund Unrestricted Balances	44,147	57,951	75,693	87,090	95,652	103,952	108,385	113,637	123,424	132,093	139,455
1.19	Uncollected Property Taxes	4,479	6,670	4,417	1,539	1,553	1,678	2,037	1,638	1,901	2,035	2,700
1.20	Full Property Tax Levy	213,104	230,461	244,518	256,109	265,314	287,938	324,712	339,091	352,305	369,930	380,661
2.1	Property Tax Revenues	209,583	211,261	217,145	226,258	240,665	259,061	284,218	313,845	342,937	368,044	374,884
2.2	Committed User Charges	20,887	22,025	24,104	23,179	24,135	23,907	26,143	28,316	29,127	28,850	29,884
2.3	Uncommitted User Charges	7,080	7,345	7,890	8,457	8,961	9,646	9,744	9,988	6,745	6,745	2,846
2.4	Other Revenue greater than 5%	90,183	95,457	102,029	101,468	109,465	116,443	118,320	125,617	125,927	122,796	125,309
2.5	Other Revenue less than 5%	18,891	21,402	27,749	19,064	17,806	20,081	22,479	23,470	33,800	37,612	28,837
2.6	Total Local Operating Revenue	346,623	357,491	378,916	378,427	401,031	429,137	460,904	501,236	538,535	560,147	561,760
2.7	Intergovernmental Operating Revenue	193,535	221,949	248,047	259,993	270,034	300,535	325,935	350,394	389,249	416,686	435,925
2.7	Intergovernmental Operating Revenue (without PPTRA reimbursements)	540,159	579,440	626,964	638,420	671,066	729,672	786,839	851,629	927,785	976,833	997,685
2.10	Gross Operating Revenues	540,159	579,440	626,964	638,420	671,066	729,672	786,839	851,629	927,785	976,833	997,685
2.13	Net Operating Revenues	161,581	176,207	186,473	191,910	204,837	231,539	262,136	280,148	317,359	328,348	354,849
2.14	Restricted Operating Revenues	624,956	685,870	71,451	69,017	73,331	74,509	79,200	85,208	89,286	87,579	86,099
2.17	Net Operating Revenue Budgeted	524,057	562,084	607,124	623,409	657,000	681,735	762,685	806,056	880,557	920,221	986,094
3.1	Salaries and Wages	276,056	302,193	316,750	332,167	346,539	363,879	393,160	413,031	440,213	464,016	487,694
3.2	Fringe Benefits	70,614	78,228	82,348	83,945	90,538	97,282	108,505	117,379	137,938	149,220	161,362
3.3	Supplies	23,196	25,016	32,612	27,282	27,386	28,252	31,976	34,433	36,858	40,764	43,737
3.4	Services	52,493	58,188	64,681	88,036	78,659	94,074	93,720	88,068	109,413	117,670	107,968
3.5	Capital Outlay	18,697	18,828	21,553	22,031	25,398	23,678	25,788	28,075	25,447	28,322	27,403
3.6	Principal-Long term Debt	17,267	17,397	18,382	19,987	21,792	22,986	22,747	26,633	29,450	32,779	30,284
3.7	Interest-Long term Debt	14,369	12,732	12,487	13,047	14,439	13,961	14,466	15,598	18,588	18,900	22,339
3.8	Total Direct Debt	31,636	30,128	30,869	33,034	36,231	36,947	37,213	42,230	48,038	51,679	52,623
3.9	Other Expenditures	18,448	17,465	26,268	29,369	34,656	46,093	44,101	54,842	36,926	52,400	50,416
3.10	Internal Service Fund Transfers	5,946	5,990	6,316	6,852	7,441	7,930	8,173	20,083	24,113	23,917	22,764
3.11	Total Net Operating Expenditures	497,086	536,036	581,398	603,150	646,848	698,136	742,636	798,141	858,946	927,990	953,967
3.12	Number of General Government Employees	3,318	3,358	3,416	3,517	3,561	3,640	3,694	3,774	3,895	3,953	4,000
3.13	Unused Annual Leave (in days)	76,339	77,361	78,519	80,217	82,182	84,862	85,661	86,980	87,502	96,971	98,411
3.14	Unused Sick Leave (in days)	244,968	247,074	248,178	251,411	255,593	257,590	261,646	267,779	272,360	270,336	280,842
3.15	Expenditures Covered by Charges	33,525	37,233	39,728	45,846	43,674	47,267	49,296	54,040	58,176	60,157	61,944
7.1	Population (Calendar Year)	254,194	259,179	267,024	271,440	274,847	281,069	288,735	293,382	299,443	302,518	305,580
7.3	Total Personal Income (Thous. of \$)	8,288,655	8,761,633	9,184,465	9,622,920	10,065,647	11,106,399	11,234,015	12,125,029	12,578,972	N/A	N/A
	Per Capita Income	32,141	33,286	34,534	35,928	37,059	40,246	40,036	42,459	44,079	N/A	N/A
7.4	Public Assistance Recipients	17,285	16,645	16,028	18,182	21,369	23,626	25,591	28,656	34,469	36,799	41,809
7.6	Market Value of Property (Mil. of \$)	14,271	15,276	16,857	18,340	19,801	22,303	25,335	29,282	32,788	34,740	34,976
7.8	Market Value-Residential (Mil. of \$)	9,323	9,987	11,030	11,986	13,035	14,821	17,047	20,093	22,770	23,847	23,772
7.9	Market Value-Commercial (Mil. of \$)	4,730	5,126	5,671	6,173	6,590	7,254	8,012	8,863	9,627	10,493	10,821
7.10	Market Value-Agricultural (Mil. of \$)	218	164	157	180	177	229	277	325	391	400	382
7.11	Residential Households (Calendar Year)	110,083	111,982	113,041	114,884	116,345	119,107	121,505	123,972	125,972	127,046	128,529
7.12	Vacancy Rates-Residential (Calendar Year)	1.7%	1.8%	1.4%	1.4%	1.4%	1.4%	1.5%	1.8%	1.6%	1.6%	1.6%
7.15	Local Unemployment Rate	1.9%	1.5%	2.0%	3.4%	3.5%	3.1%	3.1%	2.9%	2.7%	3.5%	7.1%
7.16	Jobs Within Community	158,760	163,704	170,793	165,203	164,398	163,525	170,183	172,216	177,744	179,426	174,758
7.17	Retail Sales (Thous. of \$)	39,519	43,602	45,093	43,992	47,096	47,446	50,212	53,254	54,473	53,742	54,109
7.19	Annual Business Receipts (Thous. of \$)	21,054	22,515	23,093	22,315	23,013	24,042	25,510	28,551	31,174	30,848	29,849
7.20	Business Acres (Calendar Year)	5,017	5,175	5,479	5,684	5,800	5,897	5,954	6,032	6,062	6,118	6,371
7.21	CPI	433	158	304	205	116	97	78	78	30	56	253
7.22	CPI-Index	1,000.00	1,037.3	1,077.0	1,082.4	1,103.5	1,141.4	1,170.3	1,220.8	1,253.9	1,316.5	1,297.8

ECONOMIC DATA SOURCES

External Sources:

Bureau of Economic Analysis

Bureau of Labor Statistics

Economic Assumptions for the United States and Virginia
Virginia Employment Commission

Evaluating Financial Condition,
A Handbook for Local Government
International City/County Management Association

Federal Reserve Bulletins

Periodicals:

Richmond Times-Dispatch
Wall Street Journal

The Commercial Real Estate Report (published annually)
A Review of Richmond and Global Trends in Commercial Real Estate
Published by Morton G. Thalhimer, Inc.

A Sampler of Economic and Demographic Characteristics for the Richmond-Petersburg Metropolitan
Statistical Area
Published by the Richmond Regional Planning District Commission

U.S. Census Bureau

Virginia Economic Indicators
Virginia Employment Commission

Weldon Cooper Center for Public Service

Internal Sources:

Department of Human Resources, Annual Reports

Departments of Finance, Human Resources, Planning, and Social Services

Henrico County Approved Annual Fiscal Plans, FY99 – FY09

Henrico County Comprehensive Annual Financial Reports, June 30, 1999 - 2009

Manager's Monthly Reports

INDEX

Agriculture and Home Extension.....	221
Basis of Budgeting and Fund Structure.....	27
Belmont Park Golf Course Fund.....	282
Best Management Practices.....	273
Board of Supervisors.....	107
Building Inspections.....	169
Capital Area Training Consortium.....	241
Capital Budget.....	308
Capital Improvement Transfers.....	233
Capital Projects Fund Forecast.....	99
Central Automotive Maintenance.....	288
Circuit Court Clerk.....	139
Circuit Court Services.....	141
Commonwealth's Attorney.....	150
Community Corrections Program.....	249
Community Revitalization.....	218
Comprehensive Services Act.....	266
County Attorney.....	112
County Manager.....	109
Debt Service Fund Forecast.....	92
Debt Service Fund.....	295
Division of Fire (Fire, Emergency Medical Services and Emergency Services).....	160
Division of Police (Police, Animal Protection and E-911 Communications).....	155
Drug Court.....	251
Economic Development.....	213
Education.....	190
Electoral Board.....	135
Enterprise Funds Forecast.....	76
Finance.....	118
Financial Guidelines.....	34
General District Court Services.....	143
General Fund Forecast.....	59
General Services.....	125
Healthcare Fund.....	294
Henrico County's Budget Process.....	30
Human Resources.....	114
Information Technology.....	130
Internal Audit.....	128
Internal Service Funds Forecast.....	82
JRJDC Agency Fund Forecast.....	97
JRJDC Agency Fund.....	303
Juvenile and Domestic Relations Court – Probation.....	148
Juvenile and Domestic Relations Court Services.....	146
Juvenile Detention – USDA Grant.....	257
Juvenile Detention – VJCCCA.....	255
Juvenile Detention.....	167
Library.....	202
Magistrate.....	145
Manager's Message.....	1
Mental Health/Developmental Services.....	258

INDEX

Metro Aviation Unit.....	262
Non-Departmental	227
Other Post Employment Benefits (OPEB) Agency Fund	305
Permit Centers.....	223
Planning.....	215
Probation – VJCCCA.....	253
Public Health.....	181
Public Relations and Media Services.....	110
Public Works.....	175
Real Property.....	133
Recreation and Parks.....	197
Revenue and Expenditure Summaries By Fund.....	40
Risk Management.....	292
Sandston Recreation Center.....	232
Sheriff.....	164
Social Services.....	183
Solid Waste and Street Lights.....	269
Special Drug Prosecutor.....	245
Special Revenue Fund Forecast.....	72
Technology Replacement Fund.....	290
Undesignated Fund Balance Projections.....	57
Victim/Witness.....	247
Water and Sewer Revenue Fund.....	278
Watershed Management Program.....	274
Wireless E-911.....	264