

# County of Henrico Virginia

Approved Annual Fiscal Plan  
& Capital Budget  
Includes Summary of  
5-Year Capital  
Improvement Program  
Fiscal Year 2013 — 14





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

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**Henrico County  
Virginia**

For the Fiscal Year Beginning

**July 1, 2012**

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President

*Jeffrey R. Egan*

Executive Director



# COUNTY OF HENRICO

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# COUNTY OF HENRICO

## *OUR MISSION*

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

## *OUR VALUES*

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

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

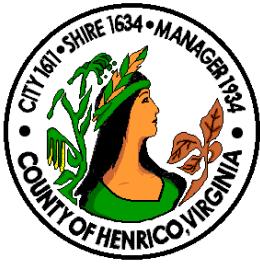
We believe that our reputation for integrity, credibility and sensitivity to employee and citizen needs is a key asset.

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

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



John A. Vithoukas  
County Manager



## *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.

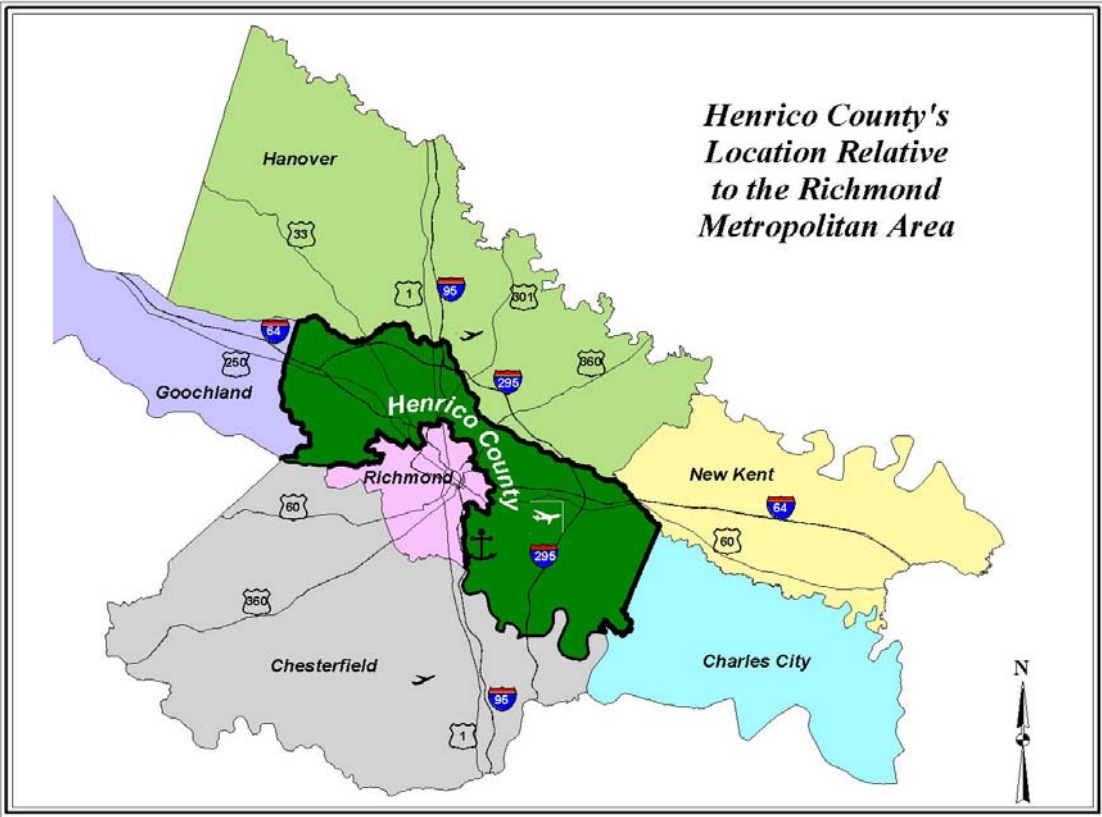
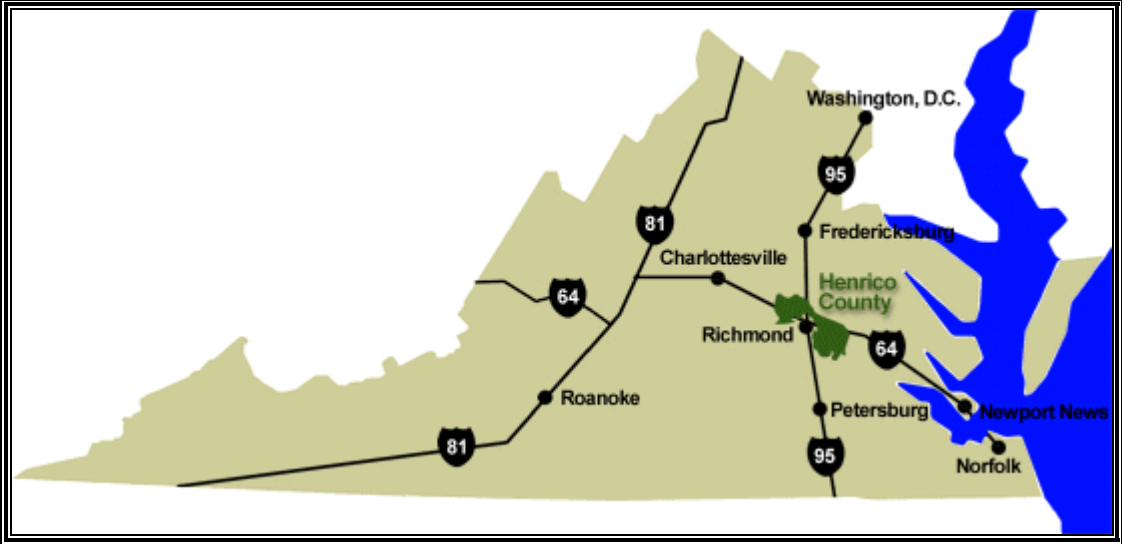
In 1776, Henrico representatives Richard Adams and Nathaniel Wilkerson participated in the Fifth Virginia Convention, which voted to send delegates to the Continental Congress to propose separation from the British. That proposal led to the Declaration of Independence. In 1788, seven years after the 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. More than 300,000 Henrico County residents live in a well-planned community of 244.12 square miles.

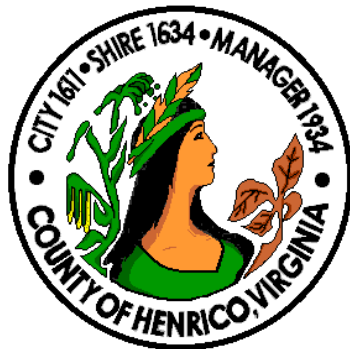
In 1934, exactly 300 years after becoming one of the original shires, Henrico became the only county in Virginia to adopt the county manager form of government. Henrico offers a professionally managed government responsive to the needs of its residents, an educational system among the best in the nation, 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 2013-14 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 FY2013-14 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, the OPEB-GASB 45 requirement, and the Line of Duty Fiduciary Fund.

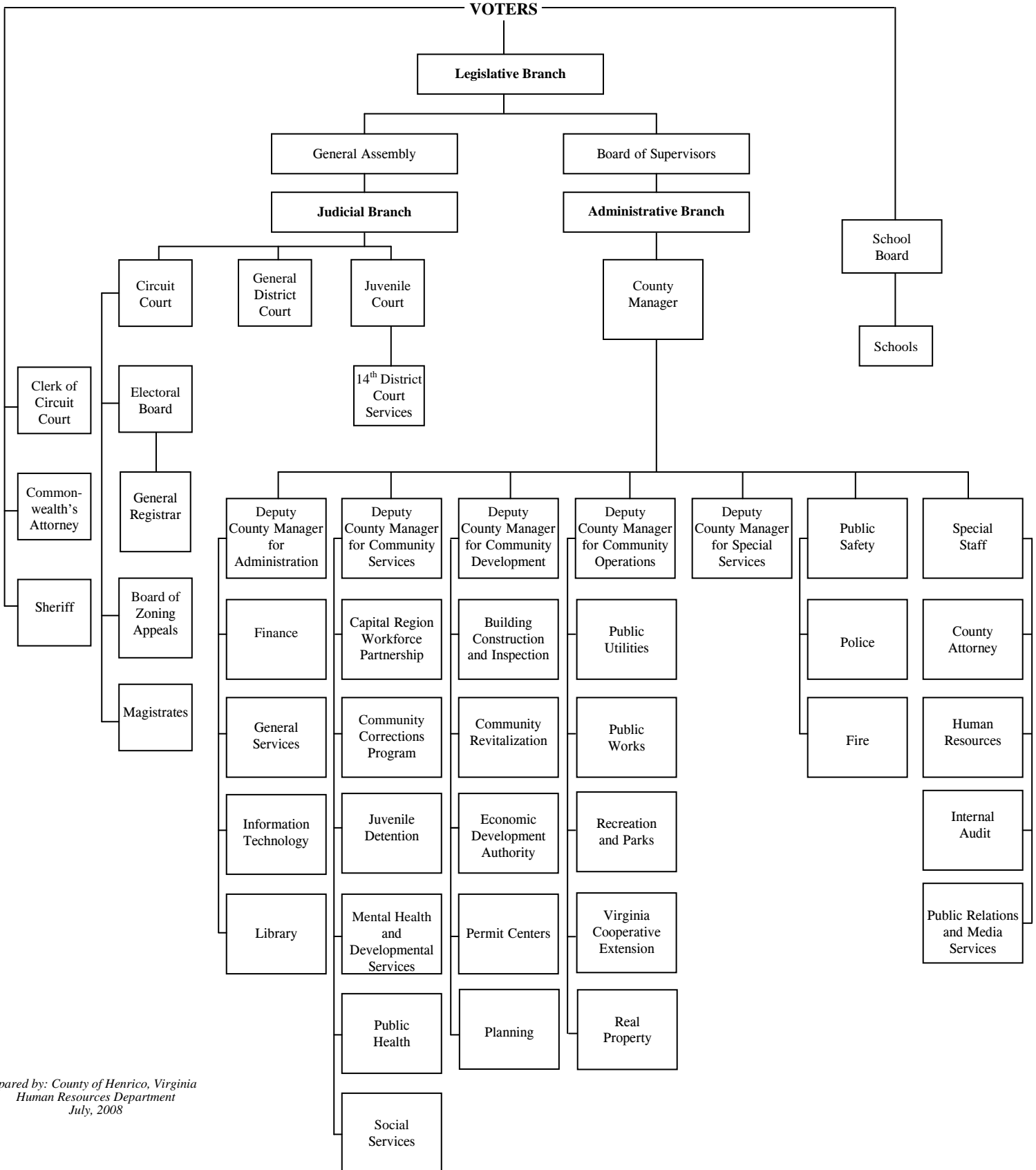
**The Capital Improvement Program:**

The FY2013-14 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 2013-14  
TABLE OF CONTENTS**

**INTRODUCTION**

Manager's Message .....	1
Basis of Budgeting and Fund Structure .....	13
Henrico County's Budget Process .....	17
Financial Guidelines.....	21

**REVENUE AND EXPENDITURE SUMMARIES BY FUND** ..... 26

Undesignated Fund Balance Projections .....	43
---	----

**THREE-YEAR FORECAST OF REVENUES AND EXPENDITURES** ..... 45

General Fund .....	46
Special Revenue Fund.....	58
Enterprise Funds .....	62
Internal Service Funds .....	66
Debt Service Fund .....	79
JRJDC Agency Fund.....	83
Capital Projects Fund .....	85

**EXPENDITURE DETAIL BY FUNCTION-DEPARTMENT**

**GENERAL FUND:**

**GENERAL GOVERNMENT ADMINISTRATION:**

Board of Supervisors .....	95
County Manager .....	97
Public Relations and Media Services .....	98
County Attorney .....	100
Human Resources.....	102
Finance .....	105
General Services .....	112
Internal Audit.....	115
Information Technology .....	117
Real Property .....	120
Electoral Board.....	122

**JUDICIAL ADMINISTRATION:**

Circuit Court Clerk.....	127
Circuit Court Services .....	129
General District Court Services .....	131
Magistrate .....	133
Juvenile and Domestic Relations Court Services.....	134
Juvenile and Domestic Relations Court – Probation.....	136
Commonwealth's Attorney.....	138

**PUBLIC SAFETY:**

Division of Police (Police and Animal Control).....	143
Division of Fire (Fire, Emergency Medical Services and Emergency Services) .....	147
Sheriff.....	151
Juvenile Detention .....	155
Building Inspections .....	157

**PUBLIC WORKS.....** 163



**COUNTY OF HENRICO, VIRGINIA  
APPROVED ANNUAL FISCAL PLAN 2013-14  
TABLE OF CONTENTS**

<b>HEALTH AND SOCIAL SERVICES:</b>	
Public Health .....	169
Social Services .....	171
<b>EDUCATION .....</b>	<b>178</b>
<b>RECREATION, PARKS AND CULTURE:</b>	
Recreation and Parks .....	183
Library .....	188
<b>COMMUNITY DEVELOPMENT:</b>	
Economic Development .....	195
Planning .....	197
Community Revitalization .....	200
Agriculture and Home Extension .....	203
Permit Centers .....	205
<b>MISCELLANEOUS:</b>	
Non-Departmental .....	209
Sandston Recreation Center .....	213
Capital Improvement Transfers .....	214
<b>SPECIAL REVENUE FUND:</b>	
Capital Region Workforce Partnership .....	223
Special Drug Prosecutor .....	227
Victim/Witness .....	229
Community Corrections Program .....	231
Drug Court .....	233
Probation – VJCCCA .....	235
Juvenile Detention – VJCCCA .....	237
Juvenile Detention – USDA Grant .....	239
Mental Health/Developmental Services .....	240
Metro Aviation Unit .....	244
Wireless E-911 .....	246
Comprehensive Services Act .....	248
Solid Waste and Street Lights .....	251
Best Management Practices .....	255
Watershed Management Program .....	256
<b>ENTERPRISE FUNDS:</b>	
Water and Sewer Revenue Fund .....	259
Belmont Park Golf Course Fund .....	262
<b>INTERNAL SERVICE FUNDS:</b>	
Central Automotive Maintenance .....	268
Technology Replacement Fund .....	270
Risk Management .....	272
Healthcare Fund .....	274
<b>DEBT SERVICE FUND .....</b>	<b>275</b>

**COUNTY OF HENRICO, VIRGINIA  
APPROVED ANNUAL FISCAL PLAN 2013-14  
TABLE OF CONTENTS**

**FUDICIARY FUNDS:**

JRJDC Agency Fund .....	283
Other Post Employment Benefits (OPED) – GASB 45 .....	285
Line of Duty .....	286

<b>CAPITAL BUDGET .....</b>	<b>290</b>
-----------------------------	------------

**APPENDICES:**

Appendix "A" Glossary .....	316
Appendix "B" Personnel Complement .....	320
Appendix "C" Statistical Section .....	342
Appendix "D" Tax Rate and Fee Schedule .....	352
Appendix "E" General Fund Revenues .....	354
Appendix "F" Economic Outlook .....	362
Appendix "G" Financial Trends Monitoring System .....	374

<b><u>INDEX .....</u></b>	<b>435</b>
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# **INTRODUCTION**







John A. Vithoukas  
County Manager

COMMONWEALTH OF VIRGINIA  
COUNTY OF HENRICO

July 1, 2013

The Honorable Board of Supervisors  
County of Henrico  
Virginia

Honorable Members of the Board:

Enclosed is the Approved Budget for FY14, including both the operating and capital budgets that you approved at your April 23, 2013 meeting. This document reflects the one change made to the Manager's Proposed Budget by the Board of Supervisors during its budget deliberations, which was to add \$330,000 for the Summer Blast/Teen Scene program to the Division of Recreation's budget. This amount was removed from numerous areas including the budgets for the County Manager's Office, the Department of Building Inspections, Henrico County Public Library, and from other areas of the Division of Recreation. These changes were made without increasing the overall budget. Further, no changes were made to the proposed capital budget.

Again, I would like to thank the County staff for their efforts in developing this budget. And, as always, the staff and I stand ready to assist you in answering any questions you may have regarding the Approved Budget for FY14.

Respectfully submitted,

John A. Vithoukas  
County Manager





COMMONWEALTH OF VIRGINIA  
COUNTY OF HENRICO

John A. Vithoukas  
County Manager

March 12, 2013

The Honorable Board of Supervisors  
County of Henrico, Virginia

Honorable Members of the Board:

I submit to you the FY14 Proposed Budget for Henrico County. The numbers don't lie. In the next two years, Henrico County will face unprecedented financial challenges – especially in the area of Schools. Working with our citizens and businesses, we will define what the future of Henrico will look like. This budget takes a step in that direction.

After closing an \$18.5 million budget gap in the FY14 budget, within the existing real estate tax rate of 87 cents, the County has now cut more than \$115 million in four years. Both Schools and Government will require further cuts in FY15 without additional revenue sources as increased liabilities, service delivery challenges and diminishing cash reserves need to be addressed. As we will continue to look for every opportunity for cost reductions, we also must be realistic in the preservation of services, especially Schools and Public Safety.

The most apparent cost reduction in FY14 will be fewer employees via vacant positions eliminated. Also, with our lowest capital budget in more than 50 years, we are no longer relying upon cash reserves as the capital budget is funded with ongoing revenues. The prolonged use of cash reserves, which has been lowered by more than \$100 million in six years, needs to be stabilized and this budget plan will accomplish this goal. Reduced cash reserves is only one of a number of financial trend warnings included as part of Financial Trend Monitoring System; a document posted on the Finance Department's website.

As County Manager, my responsibility to this Board is to sound the alarm in times of great difficulty before smoke becomes fire. Honorable Members of the Board, with what we are faced with in the FY14 Proposed Budget, coupled with the considerably greater FY15 challenges, now is that time. Henrico County is at a crossroads – extremely difficult decisions will soon have to be made in an effort to balance the budget within available resources. Therefore, for prudent financial planning purposes, additional revenue sources have been identified as a meals tax via 2013 referendum or in absence of a meals tax, the consideration of an equivalent \$18 million revenue source from a real estate tax increase in 2014. Such revenues are needed to avert layoffs and considerable service cuts in FY15. **The County's total FY14 Proposed Budget, including the Proposed Capital Budget and the other operational funds, is \$1.1 billion – a 9.0% reduction from the FY13 budget.**

**Continued Challenge – Balancing Available Resources to Increasing Service Costs**

Available resources in the FY14 Proposed General Fund Budget of \$11.9 million are less than cost increases. The Virginia Retirement System (VRS) costs of \$5.7 million recognize the increased rates set by the State. In addition, the County will soon be required to record more than \$500 million in liabilities from the State's systemic underfunding of VRS obligations and the State's new practice to pass such liability to the localities. This would eliminate all of Schools' net assets and 40% of the County's overall net assets; assets that took decades to accumulate.

Balancing required many other cost reductions in virtually every department, targeted fee increases and strategic utilization of diminishing cash reserves. In balancing, the top funding priorities for new costs of Schools and Public Safety were met. As a result, all \$11.9 million in available resources has been allocated to Schools and Public Safety. As such, Schools and Public Safety funding is increasing from 75.7% to 76.1% of total General Fund expenditures.

The Proposed Budget fully funds the budget request submitted by **Schools**. The last \$5.5 million of the Schools’ cash reserves is being utilized to balance Schools’ budget in an effort to minimize classroom disruption and avoid layoffs of existing staff. The County’s new on-going revenue alternatives will stabilize this budget in FY15. Cost saving FY14 strategies include eliminating many vacant positions, utility cost reductions, alternative non-local funding sources and fewer employees receiving early retirement benefits. The Proposed Budget includes \$4.0 million in funding for the opening of the new Kaechele Elementary School, the last new school facility from the 2005 Bond Referendum. However, the Proposed Budget does not consider the acceptance of funding from the State to provide employees with a 2.0% salary increase, as the County simply cannot afford the local match commitment required and the related restrictions and qualifiers that is mandated with such State dollars.

**Police** is adding ten new Police Officers to Patrol Operations in increasing service coverage; the first addition since 2007, despite a 6.5% increase in population. It is hoped that this is the first year of adding ten new Police Officers per year over the next five years to attain a goal of 90% service area coverage. **Fire** is adding nine new positions associated with the addition of Fire Medic 2 to improve response times as the population increases; the County’s 15<sup>th</sup> Fire Medic Unit. The ambulance funding had previously been approved in the capital budget. All new Police and Fire positions were offset from vacant positions eliminated in other County departments.

Each of these staffing initiatives was accomplished due to difficult cost reductions elsewhere in the budget. Further cost reductions are no longer possible without service delivery and associated staffing reductions; both of which will be required in FY15 without additional revenue sources.

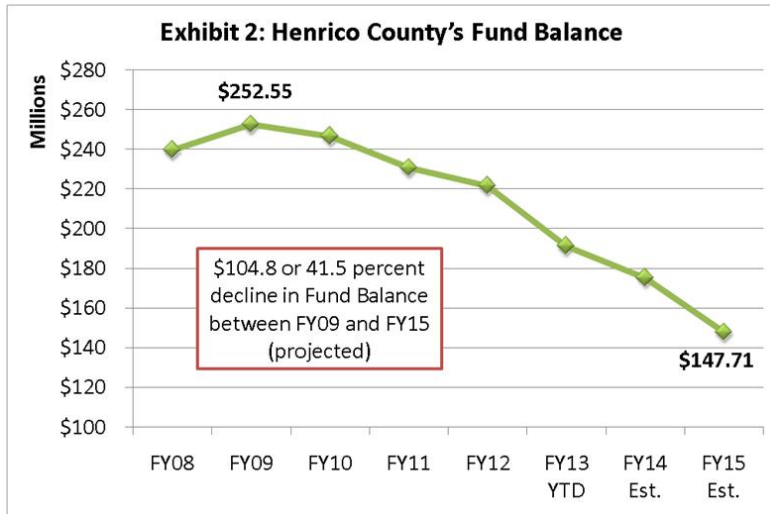
**Structural Issues in the County’s Financial Position**

Unlike the Federal government, local governments must balance expenditures with anticipated revenues. Prior to the FY14 Proposed Budget, the County’s budget balancing efforts in this economic downturn have focused on improved efficiencies in changing the way we do business, cost reductions with minor service impacts, no tax rate increases, no layoffs and targeted cash reserve use. However, by cutting more than \$115 million in four years while maintaining an array of services that citizens expect, the County’s reserves have been directly impacted. These reserves are critical to the County’s efforts to maintain infrastructure, emergency preparedness and maintain the coveted triple-AAA bond rating.

General Fund Balance Levels and Impact on FY14 Proposed Capital Budget

Exhibit 1 provides a comparison of the FY14 Proposed Capital Budget to FY13 Capital Budget. In preserving County reserves, the utilization of existing capital project balances and appropriation of other one-time funds are required to fund necessary maintenance of existing infrastructure, which for the previous sixteen years had been funded from County reserves.

<b>Exhibit 1: FY14 Proposed Capital Budget</b>		
<b><u>Funding Source</u></b>	<b><u>FY13</u></b>	<b><u>FY14</u></b>
General Fund	\$10,000,000	\$2,920,000
Vehicle License Fee	\$850,000	\$850,000
G.O. Bonds	\$40,218,792	-
One-Time Funds	-	\$2,500,000
Other Local Revenues	-	\$580,000
<b>Total</b>	<b>\$51,068,792</b>	<b>\$6,850,000</b>
Savings from Completed Projects*	-	\$2,500,000
*Transfer of current appropriations to fund building maintenance requirements.		



As you can see from Exhibit 2, cash reserves are dwindling due reduced additions from year-end surpluses and increased reductions. In FY15, an overall decline in the County's reserves is projected to exceed \$100 million. This practice is unsustainable as these cash reserves are one-time resources – resources that took decades to accumulate. Having appropriate and sustainable cash reserves is critical to the County's triple-AAA bond rating; which is of the upmost importance for economic development.

**Structural Rebalancing While Maintaining Real Estate Tax Rate**

From FY02 to FY09, the County was the only locality in the State to cap expenditure growth at a rate that did not exceed population growth and inflation (5.0%) annually when revenues were growing at a healthier rate. This enabled the County to reduce its real estate tax rate from 94 to 87 cents. Prior to the economic downturn, the County's budget was already lean and had not expanded into non-essential government services. As part of cutting more than \$115 million in four years, closing the \$18.5 million budget gap in FY14 required difficult decisions.

As Exhibit 3 notes, outside of Schools and Public Safety, General Fund expenditures in the FY13 budget total \$178.6 million and include many required and support department costs. The remaining \$6.0 million includes \$1.7 million in new and replacement library books and \$800,000 for janitorial costs for the County's facilities. The point in showing this exhibit is that with a deficit of \$18.5 million in the FY14 Proposed Budget, balances of this magnitude were unavailable. The budget before you continues to maximize every resource available to the County while continuing to absorb fixed cost increases that are present. This is a premise that we have used for a number of years.

<b>Exhibit 3: FY13 Budget (outside of Public Safety &amp; Schools)</b>	<b>\$178,599,302</b>
Personnel Costs	(92,514,717)
Utilities (Electricity, Heat, Water/Sewer, etc.)	(5,551,814)
Gas Tax Funded Expenditures	(28,745,000)
Lodging Tax Pledge to Convention Center	(9,660,000)
Mass Transit (GRTC)	(5,036,300)
Tax Relief (Real Estate Advantage Program)	(7,647,550)
Social Services Requirements	(10,117,710)
Payments to Public Health/Others	(4,028,612)
Maintenance & Repairs of HVAC/Other Equipment	(4,849,329)
Telecommunications	(1,679,441)
Postage	(1,277,455)
Lease/Rent of Buildings	(928,433)
<u>Gas/Diesel Expenditures</u>	<u>(583,834)</u>
<b>Everything Else (library books, janitorial costs, etc)</b>	<b>\$5,979,107</b>

As an example of support department operating adjustments, the Department of Finance is operating at FY98 levels – the same as sixteen years ago; yet all employees have been tasked with providing a level of service that has increased due to increased support services to Schools and Public Safety, and additional federal and state accounting requirements. In addition, the County's demand statistics upon Finance have also grown in the past sixteen years: 26.7% population increase, 20.4% land parcels increase and 39.7% vehicles increase. Another example is the Department of Building Inspections, operating at FY97 levels, when building complexity and state and federal building regulations were lower. Henrico County does not have a spending problem like the Federal government – only a revenue problem and a desire to maintain services.



To accomplish the task of balancing to declining revenues for the fifth consecutive year, eliminating vacant positions, across-the-board reductions, targeted cuts and structural fee increases were all needed. Each balancing action was taken with the increasing challenge of FY15 in mind. Examples of these FY14 balancing strategies are as follows:

Eliminating Vacant Positions

A total of 19 vacant positions have been eliminated from a number of Government departments. In total, 182 Government positions have been either unfunded or eliminated and 189 positions have been eliminated in Schools since FY10. Further, more than 275 vacant positions remain “frozen” as these positions represent services that are needed and strained without such positions, but need to remain “frozen” until funding resources are sustainable. In total, the County is currently operating with 646 positions less than it did in FY10. Each Government department has also been allocated an assumed vacancy savings rate, totaling \$4.1 million. Vacancy savings is not a sustainable budgeting strategy and is dependent upon vacancies arising to have costs below budget, and this is added to the issues that will need to be addressed in FY15.

Eliminating the Summer Blast Program

In the area of Recreation and Parks, the annual Summer Blast program is proposed to be eliminated, saving \$330,000. Eliminating a program is difficult; however, when compared to the County’s other essential service requirements in the area of Schools and Public Safety, this decision was necessary in balancing this budget.

Real Estate Advantage Program (REAP)

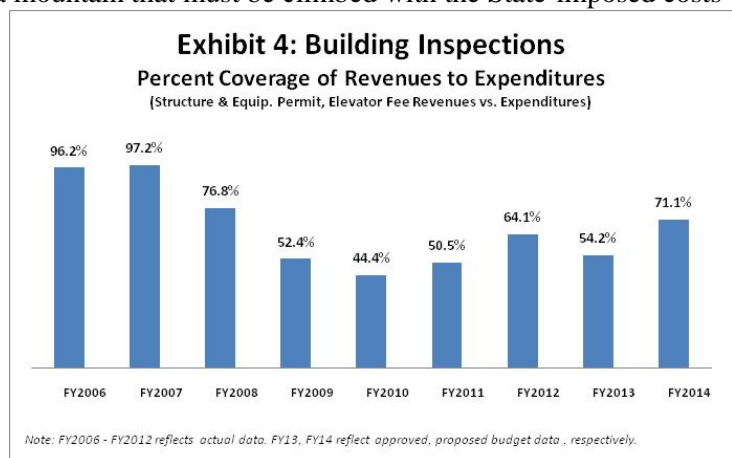
The cost for REAP has grown more than 140% since FY07 - the highest increase in any area of the County’s budget - from \$3.6 million in FY07 to \$8.7 million in FY12. Costs higher than budget in recent years required the use of cash reserves; a source that isn’t available in FY14. The maximum award for REAP is proposed to be reduced from \$3,000 to \$1,500 effective January 1, 2014 to better reflect the average \$1,300 award amongst all REAP participants. The program will still provide 100% relief to 75% of all REAP existing participants which include those with up to \$172,000 in assessed homes. In addition, the \$1,500 maximum tax relief provides more than 81% tax relief for the County’s average \$212,000 home; resulting in a tax rate of only 16 cents. Henrico’s income and net worth qualifiers – the most generous in the Richmond region – are not being impacted; therefore the number of participants in this program will continue to grow as the County’s population ages. With \$630,000 in cost savings, the cash reserves should hopefully not be needed again to sustain this program.

VRS Reserve

In an effort to prudently address the \$14.1 million increase in VRS costs anticipated in FY15, the FY14 Proposed Budget establishes a VRS Reserve in an effort to save funds for appropriation in FY15. Every dollar of State Aid for Education in FY13 and FY14, in excess of budget, will be committed to this VRS Reserve. This is a mountain that must be climbed with the State-imposed costs and this budget sets aside funds for that known cost. It is hoped that the State will abide by its commitment to partially funding these VRS costs in the future.

Building Inspection Permit Fees

Structure and equipment permit fees are proposed to increase to address the cost coverage issues in this area and will generate an additional \$500,000 for FY14. Currently, fee charges make up only 54% of costs and are intended



to fully fund costs. As noted in Exhibit 4, the anticipated revenues generated in FY14 after the fee increase would only fund 71% of costs. The County's goal in establishing new permit fees were to remain the lowest cost in the region and position cost recoveries back to over 90%; which previously existed in FY07.

#### Additional Reductions

An additional \$1.8 million in targeted reductions were needed to avert service delivery reductions; with some examples as follows:

- ✓ Greater utilization of non-violent inmate labor for County facility landscaping needs will save \$50,000.
- ✓ Savings of \$362,000 in reducing 22 position classifications amongst many departments in hiring lower scope position at a lower cost; primarily level III positions to level I (e.g., Accountant III to Accountant I).
- ✓ Through greater utilization of electronic records, Recreation and Parks can save \$30,000.
- ✓ Reducing Police's digital camera replacement program by 50% can save \$14,000.
- ✓ Library operating cost reductions of \$200,000.
- ✓ Eliminating \$90,000 in leased facility costs on Schrader Road.
- ✓ Eliminating technology and telecommunication circuit costs of \$78,000 in Information Technology that can be served by remaining circuits.

#### Funding for Outside Agencies

In applying cost reductions to our own departments, outside agencies that also receive County funding were subject to the same scrutiny. For FY14, focus was placed on matching regional commitments while maintaining existing levels of funding for those agencies providing human services and other essential services. We are also going to rely less upon membership organizations that have assisted the County greatly over the years and concentrate our efforts and relationships with certain organizations. As an example, the County is a member in both Virginia Association of Counties (VACO) and Virginia Municipal League (VML). In FY14 we will continue with just VACO saving \$62,000 in VML dues.

#### No Employee Raises

For the fourth time in the past five years, no salary increases are being proposed. It is clear that there are no resources for this financial commitment to our dedicated employees. To illustrate employee raise impacts, each 1% salary increase would cost the County \$5.0 million for both Schools and Government – a recurring cost each and every year. The County is mindful of our local businesses and how they have had to operate with less staffing (2.7% less jobs than FY08) and wage rates that have slightly increased (4.8% increase since 2009); but we also need to be mindful that when such private sector compensation markets improve that the County will also need to stay competitive.

#### Water and Sewer Enterprise Fund

Our self-sustaining Water and Sewer Fund is proposed to be \$81.2 million; a 0.3% increase from FY13 and also includes a 5% user fee increase – 3% for the Cobbs Creek Reservoir and 2% to comply with mandatory consent order projects from the Commonwealth of Virginia. This is per the funding plan which will allow the Cobbs Creek Reservoir to become a reality, a project which will meet our water needs for the next 50 years.

**FY15 Outlook – Henrico County is at a Crossroads**

A list of the FY15 cost increases of \$32.9 million is noted in Exhibit 5; with nearly 67% attributable to Schools. There are other concerns not being fully addressed due to lack of funding; including the budget shortfalls to Public Safety overtime requirements due to a State law change, and the Technology Replacement Fund that will no longer exist in two years. Technology replacement funds have not been addressed as part of the \$32.9 million noted above.

<b>Exhibit 5: FY15 Fixed Cost Inc.</b>	<b>Schools</b>	<b>Government</b>	<b>Total</b>
Healthcare (Est.)	\$1,900,000	\$1,100,000	\$3,000,000
VRS Increase	9,900,000	4,200,000	14,100,000
Kaechele ES (2 <sup>nd</sup> Year)	4,016,637		4,016,637
Vehicle Replacement		2,000,000	2,000,000
Police Positions		647,480	647,480
Elim. One-Time Funds	5,500,000		5,500,000
Debt Svc (Radio System)		3,500,000	3,500,000
Other Costs		90,000	90,000
<b>TOTALS</b>	<b>\$21,316,637</b>	<b>\$11,537,480</b>	<b>\$32,854,117</b>

**VRS Impact**

The anticipated VRS cost increase totals \$14.1 million for FY15 – driven mostly by a \$9.9 million cost increase for Schools. To address the State’s systemic underfunding of teacher VRS obligations, the 2012 General Assembly passed legislation that now requires the State to fund a fixed percentage of the VRS actuarial rate for teachers. **Over the past fifteen years, the State has fully funded the actuarial rate only three times, with the last being ten years ago.** The County estimates the VRS rate for teachers will total 15.5% in FY15, an increase of 32.5% over the FY13 VRS rate for teachers of 11.7%.

**800MHz Radio System**

The County must move forward with the replacement of its 800MHz radio system, an expenditure that is now estimated to cost more than \$50/\$60 million. The current plan is to fund this project with cash and debt financing, with the first year of debt service costs projected in FY15. System planning costs of \$2.0 million is proposed to be funded in FY14. This system is the backbone of the County’s communications network, notably in the area of Public Safety. The current system is now nearly 14 years old, and because of its age, system maintenance support and replacement components will soon no longer exist. The current goal is to have a fully functional replacement system by late 2016. More detail will be provided to the Board of Supervisors when the assessment is completed, and this topic will be discussed during the Legislative Budget Reviews.

Regional Public Safety communications systems are the lifeline for Public Safety in their emergency response and that lifeline needs to be maintained and take advantage of current technologies in order to best respond to citizens’ calls for service. These systems are not inexpensive, but it is a cost that the County needs to plan for every 15 years as long as Public Safety remains a priority.

**Stormwater Utility Fee Requirements from the Federal Government**

The County will need to implement a Stormwater Utility Fee as a result of Federal Clean Water Act guidelines. The Chesapeake Bay and most of its tidal waters have been identified by the Environmental Protection Agency as “impaired” due to excess nitrogen, phosphorous and sediment. Compliance with these reductions will be accomplished over three permit cycles with 60% removal by 2025. To accomplish this task will require costly stormwater retrofit projects in areas of existing development, costing the County millions of dollars. This federal mandate will require significant resources in FY15 and beyond and we are working on a plan that will minimize costs to our citizens.

**Difficult Decisions Lie Ahead**

While we have a good idea of increased costs in FY15, we are uncertain about on-going revenues. Without new revenues, we must consider the impact of other cost reductions and related services. With more than 76% of total General Fund costs meeting Schools and Public Safety requirements, the bulk of all other expenditures are in maintenance, utilities and other costs that have very little

flexibility. After \$115 million in cost reductions already made, the County has few options outside of service reductions and staff layoffs. On the Government side, Public Safety would be impacted to cover \$12 million in expenditure reductions. For Schools to cover a \$21 million expenditure gap requires much more extensive cuts. As a guideline for service delivery, each increase of 1.0 in the pupil-teacher-ratio (PTR) equates to 125 employees and \$6.0 million in “savings.”

### **Local Government Service Profile – Drug Court**

As we discuss services, sometimes it’s hard for our citizens to understand the many ways in which we provide services to fellow citizens with the goal of making our overall community and the quality of life of individuals better. While I could illustrate many stories of services and their impact to the community, I thought one could be representative. The story represents why local government is different. We are their safety net. Local government must take care of those in need – this is a basic function of what we do and there is no choice in this regard.

Drug Court’s goal is to reduce crime and recidivism through timely intervention and comprehensive treatment of substance abusing offenders, who are held accountable through coordinated efforts of the criminal justice system, treatment providers and community partners. Currently, there are 58 citizens in our Drug Court program and just recently four citizens graduated the program. Through monthly updates to the Drug Court, these citizens report to the judges how they are progressing; whether it’s getting a job, repairing the relationships with family or relaying the challenges ahead of them and the importance of mentors to keep them focused. Those that have graduated from the program are contributing members of the community and also serve as mentors to others still in the program. With a local cost of \$180,000, this is a County service that not only helps individuals, but also the community around them. To simply call these optional programs that didn’t exist twenty years ago and may not be needed today is not recognizing who we are as a County and what local government’s role is in working for all of our citizens. This is a program advocated by our human service agencies, Sheriff Wade and the judges; the alternative is not just a more expensive and crowded jail for Sheriff Wade, but a less functioning community and inability to enable citizens to achieve their potential with a little bit of our help.

### **Preference of Meals Tax Over Real Estate Tax Rate or Service Level Reductions**

Hopefully, it has been clear over this prolonged recession we have been fiscally prudent as your government in every departmental area. We want to thank the many citizens over the years that have provided us with ideas and support as we have changed the way we do business. Collaboratively with Schools, we have focused on sharing resources and combining processes, yielding cost reductions and efficiencies in all areas; a process that will continue into the future through the Resource Conservation Initiative Program (RCIP).

RCIP is a committee of both Government and Schools employees working together, as one entity, to identify collaborative savings through consolidation of many services that other municipalities have not. This unique working relationship has saved Henrico taxpayers more than \$33 million in costs to date – equivalent to 11 cents on the County’s real estate tax rate – most of which are annual savings. An example is the consolidation of many of our financial operations and employee benefits management, rare for most localities in the State of Virginia. We have developed a new and engaged culture that will continue to look for efficiencies, question costs and compare against our peers to ensure we provide quality services at a low cost. However, additional cost reductions begin to affect services.

**Balancing our needs with a real estate tax increase is an easier path compared to a meals tax referendum. Henrico County has not increased its real estate tax rate in 35 years, but has lowered it six times in this period.** With our already low real estate tax rate and reduced assessed values, the average homeowner has received a \$316 tax cut over the past five years. I realize that can be confusing to some when the tax rate hasn’t changed as many citizens may think that the County is

still collecting the same, if not more, from them. We will do our best to better illustrate how their tax bills have decreased; especially during inflationary increases experienced for many other goods and services. Because of the heightened and continued attention from citizens and businesses on the local government's real estate tax rate, any strategies to lower the tax burden are welcomed strategies from my perspective.

These simple desires to preserve services and lower the real estate tax burden were the foundations in deciding that the time is right for a meals tax referendum. While the prior 2005 meals tax referendum was within 76 people voting yes instead of no, that referendum's focus was on funding capital items we didn't have yet. Even with its no vote, the County honored the yes votes on all the bond referendum projects and strategically positioned increasing revenues and cash reserves during the pre-recession years. Now the question is not about building projects we don't have, it's about whether the citizens want to maintain their level of service or pay higher real estate taxes to maintain that service. Because the Schools' budget is the most strained in FY15 and beyond under our current revenues and to help bring focus to the referendum question, the question's focus will be on dedicating the meals tax revenue to Schools. This will also protect that revenue source for Schools as greater use of the real estate tax rate may be needed to meet essential Public Safety needs; such as the upgraded communications system and the continuing environment of state and federal unfunded mandates passed down to local government.

Many of our parents told us when we were young – “Don't put all your eggs in one basket” – for local government our budget basket is filled with too many real estate tax eggs. To diversify our basket of revenues is a good business strategy and it also enables the real estate tax rate to stay the same. If 204 other local Virginia governments that have a meals tax have heeded their parents advice in not having all their eggs in one basket, then now is the time for Henrico to also heed such advice.

Henrico County with a meals tax will not look any different or cause people to drive further in search of a non-meals tax restaurant based upon our analysis of other places with a meals tax. When business prospects inquire about expanding or relocating to Henrico, their focus is on the real estate tax rate and I have never heard of a business inquire about a meals tax. With more than 40% of the meals tax revenues to be paid by visitors and business travelers to Henrico, that is, dollar for dollar, a tax savings off the real estate tax burden that otherwise would have to be collected. Stated simply, if \$7.2 million of the meals tax is paid from outsiders, then that is \$7.2 million less needed amongst our households and businesses meet School service needs. While we tried with the State to position the meals tax rate as a local decision on par with the real estate tax rate, and similar to what virtually all of our peer localities have the permission to enact, we respect the State's decision to require a meals tax via referendum.

However, I would be remiss if I didn't note the inequity of county government rights with the State's position of a referendum process for only counties in Virginia over our preference of a locally debated and public hearing process that cities, towns and certain counties are entitled to do under the same Code of Virginia. I also would be remiss if I didn't note the irony as the State changed the gas tax, sales tax and created another new tax all without a referendum or even one citizen public hearing on their proposed rates in the waning days of this year's General Assembly session.

I realize that many statements in opposition of a meals tax will be made and I respect advocacy groups and their opinions; but I hope that this debate will be one of facts and one for the preservation of services; especially our priorities of Schools and Public Safety. This is a topic that has been addressed in virtually all developed or developing local governments across the United States and if all of these places have such a tax and a lower real estate tax burden offset, then Henrico County needs to also diversify its revenue base in order to meet the services that we currently provide into the future.

### Summary

While the FY14 Proposed Budget has positioned us to succeed once more, Henrico County is at a crossroads. Without adequate revenue, the FY15 budget will have fundamental changes in how we serve our citizens. We can no longer cut costs without layoffs and service cuts. As County Manager, it is my primary responsibility to alert this Board of Supervisors in times of concern. Considering the current state of the County's fiscal structure, with little funding for infrastructure due to diminishing cash reserves combined with the considerable liabilities in FY15 and beyond, now is that time.

I cannot state with enough emphasis that we've done everything we can possibly do to achieve these goals. Remarkably, this County has absorbed more than \$115 million in cost savings over the past four years. We have literally looked at and considered everything. As many local governments of our size and scope across the country have raised their real estate tax rate to meet service needs, we were able to keep this rate the same and plan to do so for 2014 with the successful outcome of a meals tax referendum. Our economic development successes over the past 35 years are a testament to the importance of maintaining a low real estate tax rate. The FY14 Proposed Budget maintains real estate tax rates, but without identified new revenue from other sources, this may be the last year that is possible.

I would like to thank the County staff for the many hours of hard work that went into the development of this budget. I would also like to thank the Superintendent and the School Board for their efforts and continued cooperation that will result in the continued success of our County. As always, the staff and I stand ready to assist you in making the best possible choices for the future of our community.

Respectfully submitted,

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

John A. Vithoukas  
County Manager



## **BASIS OF BUDGETING AND FUND STRUCTURE**

### **BASIS OF BUDGETING**

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

### **FUND STRUCTURE**

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

#### **GOVERNMENTAL FUNDS**

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

##### **General Fund**

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



*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 are: the Central Automotive Maintenance operations, the Technology Replacement Fund, the Risk Management Fund, and the Healthcare Fund.

**FIDUCIARY FUND**

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

**James River Juvenile Detention Center Agency Fund**

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

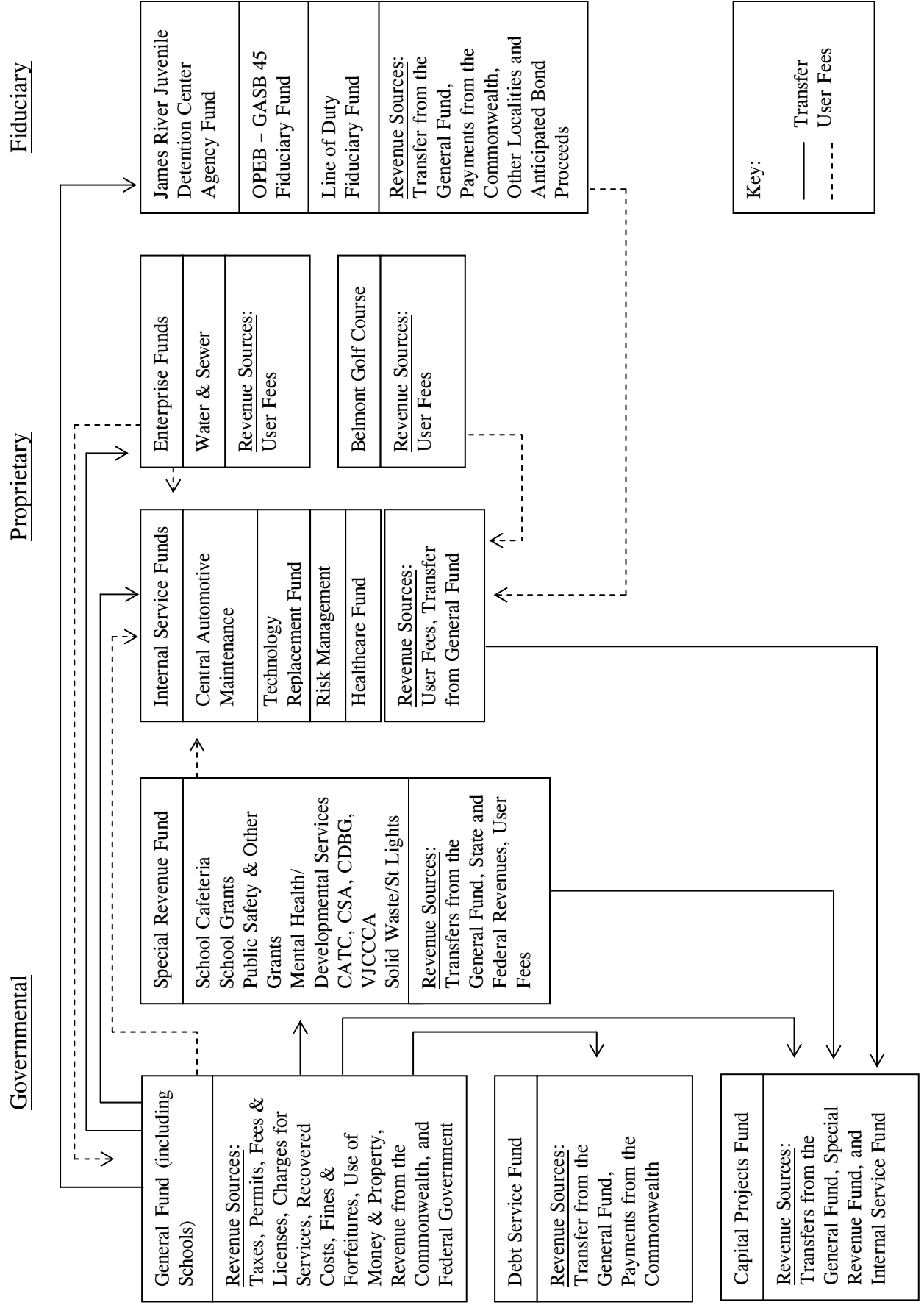
**Other Post Employee Benefits Fiduciary Fund (GASB 45)**

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

**Line of Duty**

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

# STRUCTURE OF COUNTY FUNDS





## HENRICO COUNTY'S BUDGET PROCESS

### THE BUDGET CYCLE

#### Aug 2011

Mon	Tue	Wed	Thu	Fri	Sat	Sun
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	31	1	2	3	4

#### Sep 2011

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

#### Oct 2011

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

#### **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 FY2013-14 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 2011**

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

**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 2011**

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

**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 2012**

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	31	1	2	3	4

**Feb 2012**

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

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 2012**

Sun	Mon	Tue	Wed	Thu	Fri	Sat
26	27	28	29	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

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 2012**

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

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 FY2013-14 Public Hearing was held on April 9, 2013. The public hearing that sets the tax levies was held on April 23, 2013. The Code of Virginia requires that the County advertise a synopsis of the budget in the newspaper and that one or more public

**May 2012**

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

**May  
Publish and Distribute Budget**

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

**Jun 2012**

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
1	2	3	4	5	6	7

**June  
Appropriation of Budget**

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

**During the Fiscal Year  
Transfers**

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

## FINANCIAL GUIDELINES

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

### **General Guidelines:**

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

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

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

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

The County of Henrico will attempt to utilize benefits of new economic development successes as a means of maintaining the low tax rate environment the residents currently enjoy. In addition, the County will maintain a balance between the need for real estate tax relief for residents with the long-term operational needs of the County. In that regard, **the FY2013-14 Annual Fiscal Plan is based on a Real Estate Tax rate of \$0.87/\$100 of assessed valuation for CY2013 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 FY2013-14 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 or a portion thereof will be approved by the Board of Supervisors after legal advertising and public hearing requirements have been met.

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

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

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

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

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

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

*Financial Guidelines (continued)*

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

**Inter-Fund Guidelines:**

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

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

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

**REVENUE  
AND  
EXPENDITURE  
SUMMARIES**

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

Revenues: Function/Program	<b>FY 11-12 Actual</b>	<b>FY 12-13 Original</b>	<b>FY 13-14 Approved</b>
<b>Revenue from Local Sources:</b>			
General Property Taxes	\$354,008,013	\$379,975,000	\$391,560,000
Other Local Taxes	127,091,069	116,235,000	116,749,000
Permits, Fees, and Licenses	4,517,775	4,554,698	5,216,004
Fines and Forfeitures	3,273,437	2,747,067	2,689,117
Use of Money and Property	3,030,421	8,330,312	8,585,204
Charges for Services	128,334,998	129,436,249	129,647,933
Recovered Costs	109,293,446	115,643,526	120,200,401
Miscellaneous	13,738,264	8,369,779	9,653,376
Shared Expenses	403,306	401,438	401,438
Total from Local Sources	<u>\$743,690,729</u>	<u>\$765,693,069</u>	<u>\$784,702,473</u>
<b>Revenue from the Commonwealth:</b>			
Non-categorical Aid	54,362,795	18,267,134	17,773,898
Shared Expenses	17,452,650	16,341,670	17,684,371
Categorical Aid	279,919,650	283,312,756	297,233,488
Total from the Commonwealth	<u>\$351,735,095</u>	<u>\$317,921,560</u>	<u>\$332,691,757</u>
<b>Revenue from the Federal Government:</b>			
Categorical Aid	62,998,661	60,157,822	55,963,738
Total from the Federal Government	<u>\$62,998,661</u>	<u>\$60,157,822</u>	<u>\$55,963,738</u>
Total Revenues	<u>\$1,158,424,485</u>	<u>\$1,143,772,451</u>	<u>\$1,173,357,968</u>
<b>(To) From Fund Balance/Retained Earnings</b>			
(To) From General Fund Balance	(2,379,543)	5,000,000	1,500,000
(To) From Vehicle Replacement Reserve	0	6,574,800	6,574,800
(To) From General Fund - Revenue Stabilization	10,248,671	3,869,432	4,097,452
(To) From Fund Balance - Designated Capital Reserve	0	5,000,000	1,420,000
(To) From Debt Service	2,471,243	2,000,000	0
(To) From School Cafeterias	(570,892)	0	12,886
(To) From Solid Waste	273,700	(978,023)	(1,050,991)
(To) From Street Lights	(2,036)	0	0
(To) From Retained Earnings - Water & Sewer	(28,335,905)	(18,931,782)	(21,081,938)
(To) From Retained Earnings - Golf Course	38,032	0	0
(To) From Other Funds - CAM	204,860	0	0
(To) From Education Reserve	0	0	(9,000,000)
(To) From Balance VRS Reserve	0	0	(1,000,000)
(To) From Other Funds	994,058	5,810,011	2,869,711
Total Fund Balance	<u>(\$17,057,812)</u>	<u>\$8,344,438</u>	<u>(15,658,080)</u>
Total Revenues and Fund Balances	<u>\$1,141,366,673</u>	<u>\$1,152,116,889</u>	<u>\$1,157,699,888</u>
Operating Transfers to Capital Projects Fund	(16,134,216)	(17,424,800)	(10,136,300)
Interdepartmental Billings	(84,445,934)	(87,469,152)	(90,793,826)
Total Source of Funding	<u>\$1,040,786,523</u>	<u>\$1,047,222,937</u>	<u>\$1,056,769,762</u>

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

<u>Department</u>	<u>FY 11-12 Actual</u>	<u>FY 12-13 Original</u>	<u>FY 13-14 Approved</u>
01 Board of Supervisors	\$1,019,938	\$1,097,781	\$1,032,301
02 Library	14,419,006	15,059,497	14,741,030
03 Sheriff	35,624,265	33,960,713	35,233,406
04 Circuit Court	2,985,910	2,960,352	2,989,135
05 Commonwealth's Attorney	5,578,929	5,236,327	5,393,502
06 General District Court	270,899	214,556	214,362
07 Juvenile & Domestic Relations Court	3,164,551	3,231,383	3,245,603
08 Electoral Board	1,523,751	1,292,871	1,473,793
09 County Manager	2,099,495	1,956,459	1,687,154
09 Public Relations and Media Services	1,873,790	1,724,868	1,714,128
10 County Attorney	1,988,249	2,002,158	2,154,270
11 Human Resources	7,849,792	8,503,086	8,020,357
12 Police	68,429,822	64,323,440	67,615,479
13 Fire	51,163,543	49,647,146	50,788,184
14 Finance	11,600,620	11,754,015	11,752,305
16 General Services	47,979,529	42,741,690	41,149,353
17 Internal Audit	401,267	395,367	403,223
18 Debt Service	55,325,286	60,982,785	58,988,994
19 Information Technology	11,656,865	12,458,607	12,737,053
21 Agriculture and Home Extension	315,534	354,492	353,581
22 Social Services	27,195,355	22,340,545	22,826,870
23 Recreation & Parks	17,483,009	18,601,605	18,505,848
24 Public Health	1,653,542	1,653,542	1,734,819
26 Mental Health & Developmental Services	31,296,950	32,825,896	33,177,570
27 Capital Region Workforce Partnership	4,308,882	5,485,944	5,957,328
28 Public Works	40,557,928	36,401,297	37,569,020
29 Real Property	603,855	587,745	596,134
30 Economic Development	19,337,434	13,234,709	13,168,391
31 Public Utilities	82,935,082	93,430,058	93,561,936
32 Non-Departmental	11,434,642	11,607,511	11,646,880
33 Building Inspections	3,916,756	4,091,527	4,031,114
34 Planning	3,579,758	3,772,313	3,820,389
35 Permit Centers	880,615	884,218	861,711
36 Community Corrections Program	1,718,877	1,758,065	1,764,972
37 Technology Replacement	2,278,699	2,864,873	1,514,113
38 Community Revitalization	3,599,930	1,516,392	1,473,675
40 James River Juvenile Detention Center	5,731,742	5,530,020	5,537,711
42 Healthcare	82,887,540	92,946,501	96,550,600
50 Education	458,560,820	465,261,735	471,577,294
60 Interdepartmental Billings	(84,445,934)	(87,469,152)	(90,793,826)
Total Expenditures	<u>\$1,040,786,523</u>	<u>\$1,047,222,937</u>	<u>\$1,056,769,762</u>

**COUNTY OF HENRICO, VIRGINIA  
APPROVED GENERAL FUND REVENUES  
FY 2013-14**

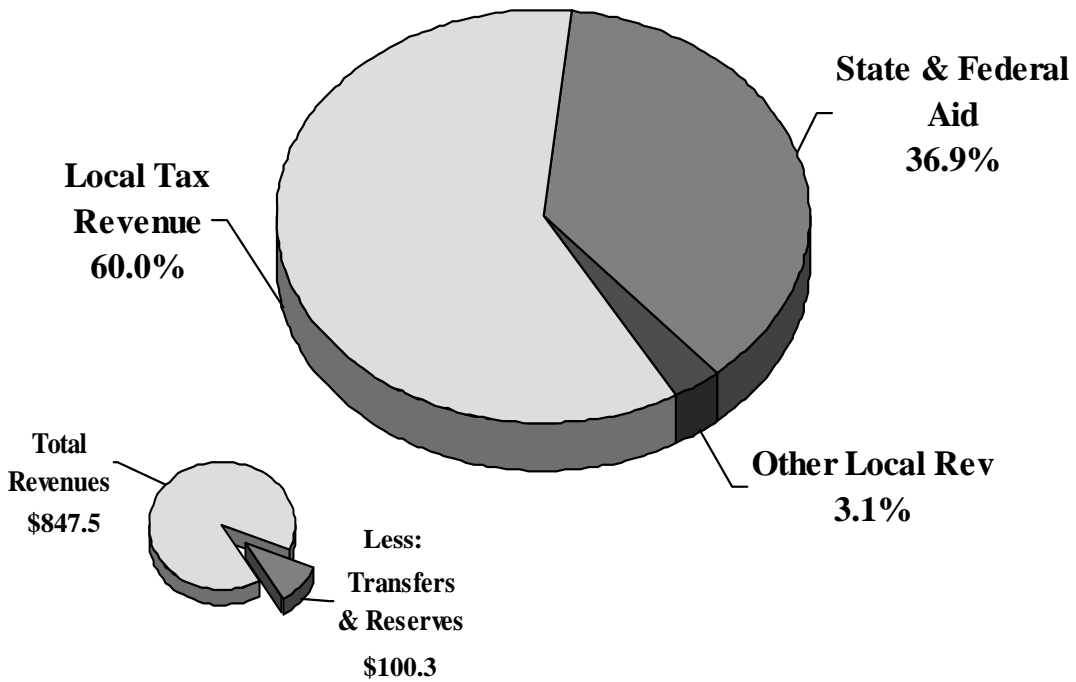
<b>Revenues:</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>
<b>Function/Program</b>	<b>Actual</b>	<b>Original</b>	<b>Approved</b>
<b>Revenue from Local Sources:</b>			
General Property Taxes	\$348,584,013	\$379,975,000	\$391,560,000
Other Local Taxes	127,091,069	116,235,000	116,749,000
Permits, Fees, & Licenses	3,915,755	3,443,900	4,104,900
Fines & Forfeitures	2,957,594	2,390,000	2,390,000
From Use of Money & Property	2,555,989	7,872,500	7,951,400
Charges for Services	3,982,810	3,725,700	3,580,700
Miscellaneous	6,006,895	3,028,400	3,910,300
Recovered Costs	4,573,133	4,286,370	4,382,370
Total from Local Sources	<u>499,667,258</u>	<u>520,956,870</u>	<u>534,628,670</u>
<b>Revenue from the Commonwealth:</b>			
<b>Categorical Aid:</b>			
Education	208,117,382	214,883,000	227,540,000
Public Works	31,912,822	28,745,000	28,745,000
Public Safety (HB #599)	8,052,237	7,650,000	8,500,000
Social Services	5,625,859	2,613,955	3,252,655
Other	4,549,450	4,644,700	4,072,500
Total Categorical Aid	<u>258,257,750</u>	<u>258,536,655</u>	<u>272,110,155</u>
<b>Non-Categorical Aid:</b>			
General Government	53,873,065	17,713,500	17,219,500
Total Non-Categorical Aid	<u>53,873,065</u>	<u>17,713,500</u>	<u>17,219,500</u>
<b>Shared Expenses:</b>			
State Share of Salaries & Benefits	16,035,151	14,929,400	16,171,098
Total from the Commonwealth	<u>328,165,966</u>	<u>291,179,555</u>	<u>305,500,753</u>
<b>Revenue from the Federal Government</b>			
Total Revenues	<u>17,101,047</u>	<u>12,830,280</u>	<u>7,380,280</u>
Total Revenues	<u>844,934,271</u>	<u>824,966,705</u>	<u>847,509,703</u>
<b>Interfund Transfers:</b>			
To Debt Service Fund	(52,854,043)	(58,982,785)	(58,988,994)
To Capital Projects Fund	(14,420,480)	(17,424,800)	(10,136,300)
To Enterprise Fund	(812,252)	(756,608)	(1,931,608)
To Risk Management	(7,268,197)	(4,543,437)	(4,407,836)
To Special Revenue Fund	(20,174,182)	(22,140,214)	(22,176,460)
To JRJDC Agency Fund	(3,274,421)	(3,271,174)	(3,267,402)
To OPEB-GASB 45 Fiduciary Fund	(3,000,000)	(3,000,000)	(2,500,000)
To Line of Duty	0	0	(500,000)
Total Transfers	<u>(101,803,575)</u>	<u>(110,119,018)</u>	<u>(103,908,600)</u>
(To) From Fund Balance	0	0	0
(To) From Fund Balance - Capital Projects	5,000,000	5,000,000	1,500,000
(To) From Fund Balance - Designated Capital Reserve	0	5,000,000	1,420,000
(To) From Vehicle Replacement Reserve	0	6,574,800	6,574,800
Use of Fund Balance General Fund	(7,319,534)	0	0
(To) From Fund Balance Education Reserve	0	0	(9,000,000)
(To) From Fund Balance - VRS Reserve	0	0	(1,000,000)
From Revenue Stabilization	10,248,671	3,869,432	4,097,452
Total Resources Net of Transfers	<u>\$751,059,833</u>	<u>\$735,291,919</u>	<u>\$747,193,355</u>

**COUNTY OF HENRICO, VIRGINIA  
APPROVED GENERAL FUND EXPENDITURES  
FY 2013-14**

<b>Expenditures: Function/Activity</b>	<b>FY 11-12 Actual</b>	<b>FY 12-13 Original</b>	<b>FY 13-14 Approved</b>
General Government Administration	\$53,055,981	\$55,380,634	\$54,267,190
Judicial Administration	8,104,355	7,761,951	7,931,484
Public Safety:			
Police Operations	60,703,697	56,583,418	58,786,923
Animal Protection	1,294,098	1,468,562	1,453,654
Communications/Radio Shop	4,520,996	4,784,536	5,870,403
Total Police	<u>66,518,791</u>	<u>62,836,516</u>	<u>66,110,980</u>
Administration	3,529,324	2,245,678	2,210,556
Emergency Planning & Safety	342,164	392,676	381,502
Operations	46,831,731	46,790,167	47,977,501
Volunteer Rescue Squads	211,459	218,625	218,625
Total Fire	<u>50,914,678</u>	<u>49,647,146</u>	<u>50,788,184</u>
Sheriff	35,624,265	33,960,713	35,233,406
Juvenile Detention	2,080,552	2,106,715	2,143,735
Building Inspections	3,916,756	4,091,527	4,031,114
Total Public Safety	<u>159,055,042</u>	<u>152,642,617</u>	<u>158,307,419</u>
Public Works	40,069,831	35,504,297	36,672,020
Health & Social Services:			
Public Health	1,653,542	1,653,542	1,734,819
Social Services	20,721,757	14,597,149	14,720,594
Total Health & Social Services	<u>22,375,299</u>	<u>16,250,691</u>	<u>16,455,413</u>
Education:			
Instruction	322,235,350	328,535,427	331,757,869
Administrative Services	9,095,736	8,920,669	10,631,650
Operations	70,206,056	67,533,377	68,659,846
Finance	3,128,939	3,256,315	3,282,084
School Board & Superintendent	1,446,339	1,374,236	1,440,608
Adjustments	0	(5,570,024)	(5,500,000)
Total Education	<u>406,112,420</u>	<u>404,050,000</u>	<u>410,272,057</u>
Recreation, Parks, & Culture:			
Recreation & Parks	16,322,553	17,372,798	17,272,115
Library	14,415,384	15,059,497	14,741,030
Total Recreation, Parks, & Culture	<u>30,737,937</u>	<u>32,432,295</u>	<u>32,013,145</u>
Community Development	20,114,326	19,762,124	19,677,747
Miscellaneous:			
Non-Departmental	11,434,642	11,507,310	11,596,880
Total Miscellaneous	<u>11,434,642</u>	<u>11,507,310</u>	<u>11,596,880</u>
Total General Fund Expenditures	<u><u>\$751,059,833</u></u>	<u><u>\$735,291,919</u></u>	<u><u>\$747,193,355</u></u>

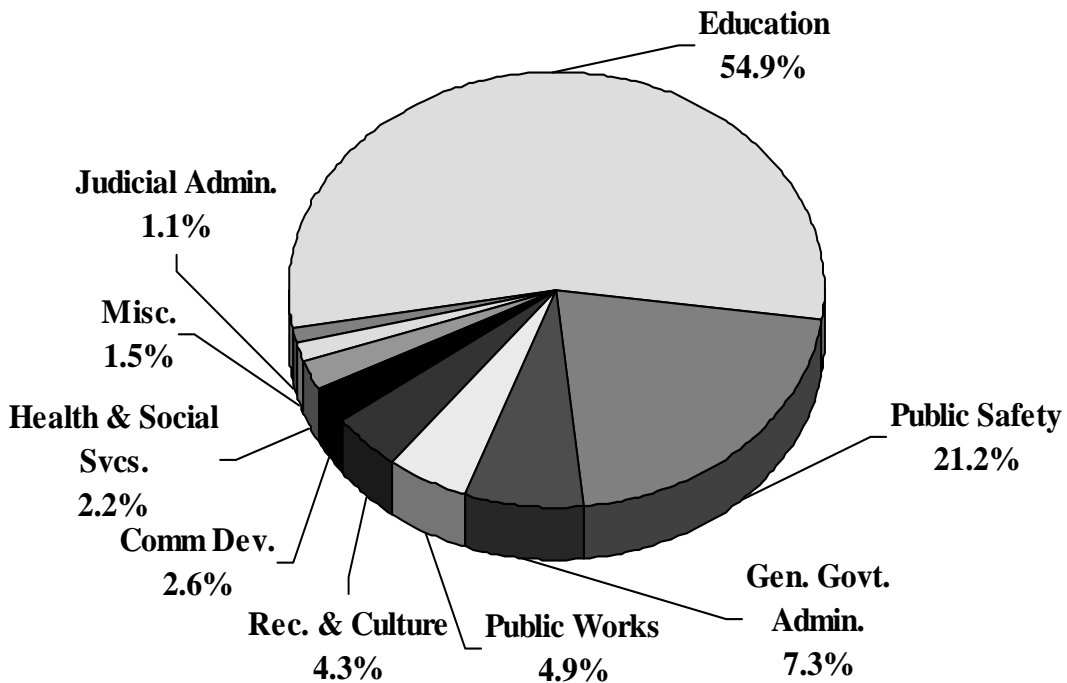


**FY2013-14 General Fund Revenues**  
**\$847,509,703**



Note: General Fund Revenues less Transfers & Reserves equals General Fund Expenditures of \$747,193,355.

**FY2013-14 General Fund Expenditures**  
**\$747,193,355**



**COUNTY OF HENRICO, VIRGINIA**  
**APPROVED SPECIAL REVENUE FUND REVENUES**  
**FY 2013-14**

<b>Revenues:</b>			
<b>Subfund/Activity</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>
	<b>Actual</b>	<b>Original</b>	<b>Approved</b>
Capital Region Workforce Partnership (CRWP)			
CRWP	\$4,091,187	\$5,279,134	\$5,756,722
Transfer From the General Fund	217,695	206,810	200,606
Total Capital Region Workforce Partnership	<u>4,308,882</u>	<u>5,485,944</u>	<u>5,957,328</u>
Commonwealth's Attorney			
Commonwealth's Attorney	8,969	0	0
Special Drug Prosecutor	125,299	119,400	121,533
Victim/Witness Assistance Program	362,565	363,093	363,226
Asset Forfeitures	9,714	0	0
Transfer From the General Fund	363,625	391,344	398,529
Total Commonwealth's Attorney	<u>870,172</u>	<u>873,837</u>	<u>883,288</u>
Community Corrections Program			
CCP	1,412,234	1,449,011	1,456,262
Transfer From the General Fund	306,643	309,054	308,710
Total Community Corrections	<u>1,718,877</u>	<u>1,758,065</u>	<u>1,764,972</u>
Community Development Block Grant			
CDBG/HOME	2,110,799	0	0
ARRA - CDBG and Community Revitalization	19,183	0	0
Transfer From the General Fund	44,963	0	0
Total Community Development Block Grant	<u>2,174,945</u>	<u>0</u>	<u>0</u>
Economic Development			
Special Assessment - CDA	5,424,000	0	0
Total Economic Development	<u>5,424,000</u>	<u>0</u>	<u>0</u>
Education			
State, Federal & Other Grants	29,221,586	42,573,506	41,533,051
ARRA - Schools	5,067,944	0	0
Total Schools Grants	<u>34,289,530</u>	<u>42,573,506</u>	<u>41,533,051</u>
Cafeteria Receipts	8,382,199	9,208,473	8,562,385
State Food Payments - Nat. Sch. Lunch Prog.	379,867	468,137	380,000
Federal School Lunch Program	9,809,231	8,834,326	10,666,915
Recoveries & Rebates	154,955	127,293	150,000
Miscellaneous Revenue	3,510	0	0
(To) From Cafeteria Fund Balance	(570,892)	0	12,886
Total School Cafeteria	<u>18,158,870</u>	<u>18,638,229</u>	<u>19,772,186</u>
Total Education	<u>52,448,400</u>	<u>61,211,735</u>	<u>61,305,237</u>

*Special Revenue Fund Revenues (cont'd)*

<b>Revenues:</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>
<b>Subfund/Activity</b>	<b>Actual</b>	<b>Original</b>	<b>Approved</b>
General Services	1,976,901	0	0
Juvenile & Domestic Relations Court			
Virginia Juvenile Community Crime Act	368,393	329,571	329,571
USDA	20,013	24,000	24,376
Juvenile Accountability Grant	37,622	0	0
Transfer From the General Fund	<u>519,182</u>	<u>546,544</u>	<u>530,148</u>
Total Juvenile & Domestic Relations Court	945,210	900,115	884,095
Mental Health & Developmental Services			
State and Federal Grants	8,753,034	8,565,616	8,750,119
Payments from Other Localities	208,305	208,305	208,305
Miscellaneous Revenues	9,874,808	10,267,807	10,309,543
Transfer From General Fund	12,368,435	13,784,168	13,909,603
ARRA - MH & DS	<u>92,368</u>	<u>0</u>	<u>0</u>
Total Mental Health	31,296,950	32,825,896	33,177,570
Non-Departmental			
Transfer From General Fund	0	100,201	50,000
Public Safety			
Police - State & Federal Grants	1,347,486	1,025,237	1,042,499
Police - ARRA	8,633	0	0
Police - Donations	7,390	0	0
Metro Aviation/Extradition Reimbursement	273,217	326,126	334,668
Fire - Local Miscellaneous	10,880	0	0
Fire - State & Federal	133,649	0	0
Fire - Homeland Security	104,336	0	0
Asset Forfeitures	173,480	0	0
Transfer to Capital Projects	0	0	0
Transfer From General Fund	<u>100,825</u>	<u>135,561</u>	<u>127,332</u>
Total Public Safety	2,159,896	1,486,924	1,504,499
Public Utilities			
Solid Waste:			
Refuse Collection Billing	7,099,887	7,000,000	7,000,000
Weighing Fees - Charged Sales	1,225,604	1,141,354	1,225,604
Public Use/Host/Recycle Fees	1,719,836	1,782,498	1,719,836
Miscellaneous Revenues	279,102	322,134	319,149
Transfer to Capital Projects Fund	(2,300,000)	0	0
Transfer From General Fund	2,569,358	3,064,001	3,049,001
(To) From Solid Waste Fund Balance	<u>273,700</u>	<u>(978,023)</u>	<u>(1,050,991)</u>
Total Solid Waste	10,867,487	12,331,964	12,262,599
Street Lighting:			
Charge for Street Lights	78,465	83,100	83,100
(To) From Reserve for Street Lights	<u>(2,036)</u>	<u>0</u>	<u>0</u>
Total Street Lighting	76,429	83,100	83,100

*Special Revenue Fund Revenues (cont'd)*

<b>Revenues:</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>
<b>Subfund/Activity</b>	<b>Actual</b>	<b>Original</b>	<b>Approved</b>
Public Works			
Best Management Practices	50,000	50,000	50,000
Watershed Management Program	426,157	847,000	847,000
Miscellaneous Grants	11,940	0	0
Total Public Works	<u>488,097</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation	18,749	0	0
Public Library	3,622	0	0
Total Recreation	<u>22,371</u>	<u>0</u>	<u>0</u>
Social Services			
Comprehensive Services Act (CSA)	2,790,142	4,140,865	4,503,745
Transfer From the General Fund	3,683,456	3,602,531	3,602,531
Total Social Services	<u>6,473,598</u>	<u>7,743,396</u>	<u>8,106,276</u>
Total Revenues	<u><u>\$121,252,215</u></u>	<u><u>\$125,698,177</u></u>	<u><u>\$126,875,964</u></u>

**COUNTY OF HENRICO, VIRGINIA  
APPROVED SPECIAL REVENUE FUND EXPENDITURES  
FY 2013-14**

<b>Expenditures: Subfund/Activity</b>	<b>FY 11-12 Actual</b>	<b>FY 12-13 Original</b>	<b>FY 13-14 Approved</b>
Capital Region Workforce Partnership (CRWP)	\$4,308,882	\$5,485,944	\$5,957,328
Commonwealth's Attorney			
Commonwealth's Attorney	8,969	0	0
Victim/Witness Program	673,489	687,722	695,040
Special Drug Prosecutor	178,000	186,115	188,248
Asset Forfeitures - Commonwealth's Attorney	<u>9,714</u>	<u>0</u>	<u>0</u>
Total Commonwealth's Attorney	870,172	873,837	883,288
Community Corrections Program	1,718,877	1,758,065	1,764,972
Community Revitalization - CDBG/HOME	2,155,762	0	0
ARRA - CDBG and Community Revitalization	<u>19,183</u>	<u>0</u>	<u>0</u>
Total CDBG/HOME	2,174,945	0	0
Economic Development			
White Oak Village CDA	3,834,000	0	0
Reynolds Crossing CDA	<u>1,590,000</u>	<u>0</u>	<u>0</u>
Total Economic Development	5,424,000	0	0
Education			
State, Federal & Other Grants	29,221,586	42,573,506	41,533,051
ARRA - Education	5,067,944	0	0
School Cafeterias	<u>18,158,870</u>	<u>18,638,229</u>	<u>19,772,186</u>
Total Education	52,448,400	61,211,735	61,305,237
General Services	1,976,901	0	0
Juvenile & Domestic Relations Court			
Probation - VJCCCA	548,498	550,284	549,717
Detention - VJCCCA	339,077	325,831	310,002
Juvenile Probation	37,622	0	0
USDA	<u>20,013</u>	<u>24,000</u>	<u>24,376</u>
Total Juvenile & Domestic Relations Court	945,210	900,115	884,095
Mental Health & Developmental Services			
Clinical Services	15,159,238	16,115,807	16,263,110
Community Support Services	9,667,321	10,000,376	10,230,036
Administrative and Program Support	6,378,023	6,709,713	6,684,424
ARRA - Mental Health	<u>92,368</u>	<u>0</u>	<u>0</u>
Total Mental Health	31,296,950	32,825,896	33,177,570

*Special Revenue Fund Expenditures (cont'd)*

<b>Expenditures: Subfund/Activity</b>	<b>FY 11-12 Actual</b>	<b>FY 12-13 Original</b>	<b>FY 13-14 Approved</b>
Non-Departmental	0	100,201	50,000
Public Safety			
State and Federal Grants - Police	435,102	0	0
ARRA - Police	8,633	0	0
Donations - Police	7,390	0	0
Communications	912,384	1,025,237	1,042,499
Metro Aviation	304,223	411,687	387,000
Henrico Extraditions	69,819	50,000	75,000
Asset Forfeitures - Police	173,480	0	0
State and Federal Grants - Fire	133,649	0	0
Donations - Fire	10,880	0	0
Homeland Security - Fire	104,336	0	0
Total Public Safety	<u>2,159,896</u>	<u>1,486,924</u>	<u>1,504,499</u>
Public Utilities			
Solid Waste	10,867,487	12,331,964	12,262,599
Street Lighting	76,429	83,100	83,100
Total Public Utilities	<u>10,943,916</u>	<u>12,415,064</u>	<u>12,345,699</u>
Public Works			
Best Management Practices	50,000	50,000	50,000
Construction	11,940	0	0
Watershed Program	426,157	847,000	847,000
Total Public Works	<u>488,097</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation & Parks	18,749	0	0
Public Library	3,622	0	0
Total Recreation, Parks, & Culture	<u>22,371</u>	<u>0</u>	<u>0</u>
Social Services			
Comprehensive Services Act (CSA)	6,473,598	7,743,396	8,106,276
Total Expenditures	<u><u>\$121,252,215</u></u>	<u><u>\$125,698,177</u></u>	<u><u>\$126,875,964</u></u>

**COUNTY OF HENRICO, VIRGINIA**  
**APPROVED REVENUES & EXPENDITURES - WATER & SEWER ENTERPRISE FUND**  
**FY 2013-14**

**Water and Sewer Enterprise Fund**

Revenues/Resources	FY 11-12 Actual	FY 12-13 Original	FY 13-14 Approved
<u>Water and Sewer Operating Budget:</u>			
Sale of Water	\$45,148,494	\$45,887,535	\$47,352,774
Sale of Sewer	42,060,417	44,497,991	44,936,300
Water Connection Fees	3,291,922	3,239,278	1,873,630
Sewer Connection Fees	3,620,525	1,377,088	1,736,483
Interest Earnings	1,026,710	848,276	862,168
Strong Waste Surcharge	2,173,366	1,485,000	1,700,000
VA DEQ Grant	479,752	0	0
Other Water/Sewer revenues	1,769,277	1,855,000	1,905,212
Transfer from General Fund	756,608	756,608	1,931,608
<b>Total Operating Revenues</b>	<b>100,327,071</b>	<b>99,946,776</b>	<b>102,298,175</b>
<b>Operating Expenditures</b>			
<u>Water and Sewer Operating Budget:</u>			
Personnel	18,819,650	19,993,542	20,234,453
Operating	36,058,744	37,452,511	38,922,511
Capital Outlay	691,906	785,527	785,527
<b>Sub-Total Operating</b>	<b>55,570,300</b>	<b>58,231,580</b>	<b>59,942,491</b>
Debt Service	16,420,866	22,783,414	21,273,746
<b>Total Operating Expenditures</b>	<b>71,991,166</b>	<b>81,014,994</b>	<b>81,216,237</b>
<b>Results of Operations (Prior to Capital Expenses)</b>	<b>28,335,905</b>	<b>18,931,782</b>	<b>21,081,938</b>
<b>Budget For Capital Use (Below)</b>	<b>n/a</b>	<b>(89,764,219)</b>	<b>(16,733,480)</b>
<b>Capital Budget Expenditures</b>			
	FY11-12 Actual	FY12-13 Original	FY13-14 Approved
Approved Capital Projects (FY2012-13 Budget)		89,764,219	
Proposed Capital Projects (New FY2013-14 Budget)			16,733,480
Continuing Capital Projects (Previously Approved) (1)	37,896,778	0	
Total Capital Budget Expenses:	37,896,778	89,764,219	16,733,480
<b>Capital Budget Resources</b>			
Water and Sewer Revenues	34,485,296	89,764,219	16,733,480
Revenue Bonds (2006 Series)	662,364	0	0
AARA- Federal Stimulus Funds	23,253	0	0
RZEDB - Recovery Zone Economic	2,725,865	0	0
Total Capital Budget Resources:	37,896,778	89,764,219	16,733,480
Fund Equity (Unreserved) (2)	60,371,868	101,789,995	26,648,366

Notes:

- (1) This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2011-12 represents actual spending, as per the 2012 audit.
- (2) FY12 Fund Equity represents actual unreserved equity, as per 2012 audit. FY2012-13 and FY2013-14 unreserved fund equity is based on current cash flow model prepared by the Department. Totals from above do not equal fund equity, as there is also a reserved component that cannot be calculated annually.

**COUNTY OF HENRICO, VIRGINIA**  
**APPROVED REVENUES & EXPENDITURES - BELMONT GOLF COURSE ENTERPRISE FUND**  
**FY 2013-14**

<u>Fund-Function/Activity</u>	<u>FY 11-12 Actual</u>	<u>FY 12-13 Original</u>	<u>FY 13-14 Approved</u>
<b>Belmont Golf Course Fund</b>			
<b>Revenues:</b>			
Operating	\$1,058,297	\$1,228,807	\$1,233,733
Gain/Loss on Sales of Property	(10,266)	0	0
Transfer from General Fund	55,644	0	0
Total Revenues	<u>1,103,675</u>	<u>1,228,807</u>	<u>1,233,733</u>
(To) From Retained Earnings	<u>38,032</u>	<u>0</u>	<u>0</u>
<b>Total Resources</b>	<b><u>\$1,141,707</u></b>	<b><u>\$1,228,807</u></b>	<b><u>\$1,233,733</u></b>
<b>Expenses:</b>			
Loan Repayment to County	0	22,500	22,500
Operating	<u>1,141,707</u>	<u>1,206,307</u>	<u>1,211,233</u>
<b>Total Operating Expenses</b>	<b><u>\$1,141,707</u></b>	<b><u>\$1,228,807</u></b>	<b><u>\$1,233,733</u></b>



**COUNTY OF HENRICO, VIRGINIA  
ALL OTHER FUNDS  
FY 2013-14**

<u>Fund-Function/Activity</u>	<u>FY 11-12 Actual</u>	<u>FY 12-13 Original</u>	<u>FY 13-14 Approved</u>
<b>Internal Service Funds</b>			
<b>Central Automotive Maintenance</b>			
Revenues:			
Charges for Automotive Maintenance - West	\$6,433,373	\$6,040,842	\$6,370,000
Charges for Automotive Maintenance - East	1,886,220	1,460,000	1,890,000
Charges for Use of Motor Pool	4,210,174	4,123,235	4,225,000
Charges for Gasoline	7,693,602	8,586,096	7,658,542
Miscellaneous	451,930	251,000	272,100
(Gain)/Loss on Sale of Property	(246,198)	0	0
Transfer to Capital Projects	526,255	0	0
Fund Balance-CAM	204,860	0	0
<b>Total Revenues</b>	<b><u><u>\$21,160,216</u></u></b>	<b><u><u>\$20,461,173</u></u></b>	<b><u><u>\$20,415,642</u></u></b>
Expenses:			
Central Automotive Maintenance	<u>\$21,160,216</u>	<u>\$20,461,173</u>	<u>\$20,415,642</u>
<b>Total Expenses</b>	<b><u><u>\$21,160,216</u></u></b>	<b><u><u>\$20,461,173</u></u></b>	<b><u><u>\$20,415,642</u></u></b>
<b>Technology Replacement Fund</b>			
Revenues:			
Technology Replacement Charges	\$1,760,980	\$0	\$0
Technology Replacement Charges-Special Revenue	44,692	0	0
Technology Replacement Charges-Belmont	2,922	0	0
Technology Replacement Charges-JRJDC	2,058	0	0
Technology Replacement Charges-Risk	2,240	0	0
(To) From Retained Earnings - Technology	465,807	2,864,873	1,514,113
<b>Total Revenues</b>	<b><u><u>\$2,278,699</u></u></b>	<b><u><u>\$2,864,873</u></u></b>	<b><u><u>\$1,514,113</u></u></b>
Expenses:			
Data Processing Equipment	<u>\$2,278,699</u>	<u>\$2,864,873</u>	<u>\$1,514,113</u>
<b>Total Expenses</b>	<b><u><u>\$2,278,699</u></u></b>	<b><u><u>\$2,864,873</u></u></b>	<b><u><u>\$1,514,113</u></u></b>

*All Other Funds (cont'd)*

<u>Fund-Function/Activity</u>	<u>FY 11-12 Actual</u>	<u>FY 12-13 Original</u>	<u>FY 13-14 Approved</u>
<b>Risk Management</b>			
Revenues:			
Transfer from General Fund	\$7,268,197	\$4,543,437	\$4,407,836
Public Utilities Charges	554,546	629,403	629,403
Recon-Workers' Compensation	697,493	0	0
Prop/Liability Recovery	839,034	0	0
A/R-S1 P/L Subrogation	40,428	0	0
Interest Income	4,355	0	0
<b>Total Revenues</b>	<b><u>\$9,404,053</u></b>	<b><u>\$5,172,840</u></b>	<b><u>\$5,037,239</u></b>
Expenses:			
Risk Management	\$9,404,053	\$5,172,840	\$5,037,239
<b>Total Expenses</b>	<b><u>\$9,404,053</u></b>	<b><u>\$5,172,840</u></b>	<b><u>\$5,037,239</u></b>
<b>Healthcare Fund</b>			
Revenues:			
County Contribution	\$60,295,433	\$66,216,272	\$69,460,436
Employee Contribution	15,335,139	16,484,670	17,308,904
Retiree Contribution	5,343,300	6,188,432	6,497,853
Retiree Subsidy	583,506	621,320	767,506
Disabled Subsidy	128,080	170,387	150,242
COBRA	173,463	302,068	317,172
Other Revenues	68,425	75,000	75,000
Early Retirement Reimbursement Program	823,487	888,352	823,487
Healthcare - Wellness Payment	0	0	150,000
Fund Balance (Includes IBNR)	136,707	2,000,000	1,000,000
<b>Total Revenues</b>	<b><u>\$82,887,540</u></b>	<b><u>\$92,946,501</u></b>	<b><u>\$96,550,600</u></b>
Expenses:			
Healthcare	\$82,887,540	\$92,946,501	\$96,550,600
<b>Total Expenses</b>	<b><u>\$82,887,540</u></b>	<b><u>\$92,946,501</u></b>	<b><u>\$96,550,600</u></b>
<b>Debt Service Fund</b>			
Revenues:			
Transfer from General Fund	\$52,854,043	\$58,982,785	\$58,988,994
(To) From Fund Balance	2,471,243	2,000,000	0
<b>Total Revenues</b>	<b><u>\$55,325,286</u></b>	<b><u>\$60,982,785</u></b>	<b><u>\$58,988,994</u></b>
Expenditures:			
Accounting	\$462,481	\$0	\$0
Debt Service - General Government	14,024,595	18,525,219	19,031,464
Debt Service - Public Works	2,954,631	3,200,263	3,392,363
Debt Service - Education	37,883,579	39,257,303	36,565,167
<b>Total Expenditures</b>	<b><u>\$55,325,286</u></b>	<b><u>\$60,982,785</u></b>	<b><u>\$58,988,994</u></b>
<b>Adjustment for Interfund Transactions</b>	<b><u>(\$84,445,934)</u></b>	<b><u>(\$87,469,152)</u></b>	<b><u>(\$90,793,826)</u></b>

**COUNTY OF HENRICO, VIRGINIA  
REVENUES & EXPENDITURES - AGENCY FUNDS  
FY 2013-14**

<u>Fund-Function/Activity</u>	<u>FY 11-12 Actual</u>	<u>FY 12-13 Original</u>	<u>FY 13-14 Approved</u>
<b>JRJDC Agency Fund</b>			
Revenues:			
Transfer from General Fund	\$3,274,421	\$3,271,174	\$3,267,402
Revenue from Federal Government	114,020	0	0
Revenue from the Commonwealth	1,417,499	1,412,270	1,513,273
Revenue from Goochland/Powhatan	403,306	401,438	401,438
Revenue from Other Localities	116,098	0	0
Interest Income	14,854	0	0
(To) From Fund Balance-JRJDC	391,544	445,138	355,598
<b>Total Revenues</b>	<b><u><u>\$5,731,742</u></u></b>	<b><u><u>\$5,530,020</u></u></b>	<b><u><u>\$5,537,711</u></u></b>
Expenses:			
Operating	\$5,063,800	\$4,853,142	\$4,864,605
Debt Service	667,942	676,878	673,106
<b>Total Expenses</b>	<b><u><u>\$5,731,742</u></u></b>	<b><u><u>\$5,530,020</u></u></b>	<b><u><u>\$5,537,711</u></u></b>
<b>Other Post Employment Benefits - GASB 45</b>			
Revenues:			
Transfer from General Fund	\$2,686,237	\$3,000,000	\$2,500,000
<b>Total Revenues</b>	<b><u><u>\$2,686,237</u></u></b>	<b><u><u>\$3,000,000</u></u></b>	<b><u><u>\$2,500,000</u></u></b>
Expenses:			
Operating	\$2,686,237	\$3,000,000	\$2,500,000
<b>Total Expenses</b>	<b><u><u>\$2,686,237</u></u></b>	<b><u><u>\$3,000,000</u></u></b>	<b><u><u>\$2,500,000</u></u></b>
<b>Line of Duty Act (LODA)</b>			
Revenues:			
Fiduciary Fund Balance	\$313,763	\$500,000	\$0
Operating Transfer from General Fund	\$0	\$0	\$500,000
<b>Total Revenues</b>	<b><u><u>\$313,763</u></u></b>	<b><u><u>\$500,000</u></u></b>	<b><u><u>\$500,000</u></u></b>
Expenses:			
Operating	\$313,763	\$500,000	\$500,000
<b>Total Expenses</b>	<b><u><u>\$313,763</u></u></b>	<b><u><u>\$500,000</u></u></b>	<b><u><u>\$500,000</u></u></b>

**COUNTY OF HENRICO, VIRGINIA**  
**TOTAL REVENUES (BY SOURCE) - ACROSS ALL FUNDS**  
**FY 2013-14**

	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	\$391,560,000	\$0	\$0	\$0	\$0	\$0	\$0	\$391,560,000
Other Local Taxes	\$116,749,000	0	0	0	0	0	0	116,749,000
Permits, Fees, and Licenses	\$4,104,900	1,111,104	0	0	0	0	0	5,216,004
Fines and Forfeitures	\$2,390,000	169,117	130,000	0	0	0	0	2,689,117
Use of Money and Property	\$7,951,400	318,804	0	0	0	315,000	0	8,585,204
Charges for Services	\$3,580,700	28,509,101	96,324,399	1,233,733	0	0	0	129,647,933
Recovered Costs	\$3,910,300	542,973	0	0	0	115,275,058	0	119,728,331
Shared Expenses	\$0	0	0	0	0	0	401,438	401,438
Miscellaneous	\$4,382,370	1,648,808	3,912,168	0	0	182,100	0	10,125,446
Total from Local Sources	534,628,670	32,299,907	100,366,567	1,233,733	0	115,772,158	401,438	784,702,473
Revenue from the Commonwealth:								
Non-categorical Aid	17,219,500	554,398	0	0	0	0	0	17,773,898
Shared Expenses	16,171,098	0	0	0	0	0	1,513,273	17,684,371
Categorical Aid	272,110,155	25,123,333	0	0	0	0	0	297,233,488
Total from the Commonwealth	305,500,753	25,677,731	0	0	0	0	1,513,273	332,691,757
Revenue from the Federal Government:								
Categorical Aid	7,380,280	47,759,971	0	0	0	823,487	0	55,963,738
Total from the Federal Government	7,380,280	47,759,971	0	0	0	823,487	0	55,963,738
Total Revenues	\$847,509,703	\$105,737,609	\$100,366,567	\$1,233,733	\$0	\$116,595,645	\$1,914,711	\$1,173,357,968
Operating Transfers	(93,772,300)	22,176,460	1,931,608	0	58,988,994	(86,385,990)	6,267,402	(90,793,826)
Transfers to Capital Projects	(10,136,300)	0	0	0	0	0	0	(10,136,300)
Total Resources	\$743,601,103	\$127,914,069	\$102,298,175	\$1,233,733	\$58,988,994	\$30,209,655	\$8,182,113	\$1,072,427,842
(To) From Fund Balance	1,500,000	(1,038,105)	(21,081,938)	0	0	2,514,113	355,598	(17,750,332)
(To) From Fund Balance - Designated Cap	1,420,000	0	0	0	0	0	0	1,420,000
(To) From Revenue Stabilization	4,097,452	0	0	0	0	0	0	4,097,452
(To) From Vehicle Replacement Reserve	6,574,800	0	0	0	0	0	0	6,574,800
(To) From Fund Balance Education Reserve	(9,000,000)	0	0	0	0	0	0	(9,000,000)
(To) From Fund Balance - VRS	(1,000,000)	0	0	0	0	0	0	(1,000,000)
Total All Funds	\$747,193,355	\$126,875,964	\$81,216,237	\$1,233,733	\$58,988,994	\$32,723,768	\$8,537,711	\$1,056,769,762

**COUNTY OF HENRICO, VIRGINIA**  
**TOTAL EXPENDITURES BY DEPARTMENT - ACROSS ALL FUNDS**  
**FY 2013-14**

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	\$1,032,301							\$1,032,301
02 Library	14,741,030							14,741,030
03 Sheriff	35,233,406							35,233,406
04 Circuit Court	2,989,135							2,989,135
05 Commonwealth's Attorney	4,510,214	\$883,288						5,393,502
06 General District Court	214,362							214,362
07 Juvenile & Domestic Relations Court	2,361,508	884,095						3,245,603
08 Electoral Board	1,473,793							1,473,793
09 County Manager	3,401,282							3,401,282
10 County Attorney	2,154,270							2,154,270
11 Human Resources	5,020,357						\$3,000,000	8,020,357
12 Public Safety - Police	66,110,980	1,504,499						67,615,479
13 Public Safety - Fire	50,788,184							50,788,184
14 Finance	11,752,305							11,752,305
16 General Services	15,696,472					\$25,452,881		41,149,353
17 Internal Audit	403,223							403,223
18 Debt Service					\$22,423,827			22,423,827
19 Information Technology	12,737,053							12,737,053
21 Agriculture and Home Extension	353,581							353,581
22 Social Services	14,720,594	8,106,276						22,826,870
23 Recreation & Parks	17,272,115			\$1,233,733				18,505,848
24 Public Health	1,734,819							1,734,819
26 Mental Health & Developmental Services		33,177,570						33,177,570
27 Capital Region Workforce Partnership		5,957,328						5,957,328
28 Public Works	36,672,020	897,000						37,569,020
29 Real Property	596,134							596,134
30 Economic Development	13,168,391							13,168,391
31 Public Utilities		12,345,699	\$81,216,237					93,561,936
32 Non-Departmental	11,596,880	50,000						11,646,880
33 Building Inspections	4,031,114							4,031,114
34 Planning	3,820,389							3,820,389
35 Permit Centers	861,711							861,711
36 Community Corrections Program		1,764,972						1,764,972
37 Technology Replacement						1,514,113		1,514,113
38 Community Revitalization	1,473,675							1,473,675
40 James River Juvenile Detention Ctr							5,537,711	5,537,711
42 Healthcare								96,550,600
50 Education	410,272,057	61,305,237			36,565,167			508,142,461
60 Interdepartmental Billings						(90,793,826)		(90,793,826)
Total Expenditures	\$747,193,355	\$126,875,964	\$81,216,237	\$1,233,733	\$58,988,994	\$32,723,768	\$8,537,711	\$1,056,769,762

**Estimated Changes to Undesignated Fund Balances  
FY2012 Actual through FY2014 Projected (By Fund)**

	<b>Revenues</b>	<b>Expenditures/ Transfers</b>	<b>Fund Balance</b>
<b>GENERAL FUND</b>			
Undesignated Fund Balance - FY2012 Actual			\$ 110,293,788 *
FY2013 Budgeted Revenues	824,966,705		
FY2013 Budgeted Expenditures		(735,291,919)	
FY2013 Budgeted Transfers to Other Funds		(89,674,786)	
FY2013 Use of Undesignated Fund Balance-PAYG Capital Projects		(5,000,000)	
FY2013 Anticipated Results of Operations			5,000,000
FY2013 Projected Use of Fund Balance-PAYG Capital Projects			(5,000,000)
Projected Ending Undesignated Fund Balance FY2013			110,293,788
FY2014 Budgeted Revenues	847,509,703		
FY2014 Budgeted Expenditures		(747,193,355)	
FY2014 Budgeted Transfers to Other Funds		(100,316,348)	
FY2014 Use of Undesignated Fund Balance-PAYG Capital Projects		(1,500,000)	
FY2014 Anticipated Results of Operations			3,285,215
FY2014 Projected Use of Fund Balance-PAYG Capital Projects			(1,500,000)
Projected Ending Undesignated Fund Balance FY2014			112,079,003
*Reflects an undesignated fund balance of 15.0 percent of General Fund expenditures as of June 30, 2012. Prior to this adjustment, Henrico policy for General Fund undesignated fund balance reflected 18.0 percent of expenditures. The 3.0 percent one-time savings generated will be applied to a Vehicle Replacement Reserve within the Capital Budget for the next three fiscal years.			
<b>SPECIAL REVENUE FUND</b>			
Undesignated Fund Balance - FY2012 Actual			0
FY2013 Budgeted Revenues	126,676,200		
FY2013 Budgeted Use of Reserves (net)	(978,023)		
FY2013 Budgeted Total Resources	125,698,177		
FY2013 Budgeted Expenditures		(125,698,177)	
FY2013 Projected Use of Undesignated Fund Balance			0
Projected Ending Undesignated Fund Balance FY2013			0
FY2014 Budgeted Revenues	127,613,069		
FY2014 Budgeted Use of Reserves (net)	(1,038,105)		
FY2014 Budgeted Total Resources	126,574,964		
FY2014 Budgeted Expenditures		(126,574,964)	
FY2014 Projected Use of Undesignated Fund Balance			0
Projected Ending Undesignated Fund Balance FY2014			0

**Estimated Changes to Undesignated Fund Balances  
FY2012 Actual through FY2014 Projected (By Fund)**

	<b>Revenues</b>	<b>Expenditures/ Transfers</b>	<b>Fund Balance</b>
<b>INTERNAL SERVICE FUNDS</b>			
Unreserved Retained Earnings - FY2012 Actual			\$ 28,413,100
FY2013 Budgeted Revenues	118,580,514		
FY2013 Budgeted Expenditures		(121,445,387)	
FY2013 Projected Use of Retained Earnings			(2,864,873)
Projected Ending Unreserved Retained Earnings FY2013			25,548,227
FY2014 Budgeted Revenues	122,003,481		
FY2014 Budgeted Expenditures		(123,517,594)	
FY2014 Projected Use of Retained Earnings			(1,514,113)
Projected Ending Unreserved Retained Earnings FY2014			24,034,114
<b>WATER &amp; SEWER ENTERPRISE FUND</b>			
Unreserved Fund Equity - FY2012 Actual			51,395,132
FY2013 Budgeted Revenues	99,946,776		
FY2013 Budgeted Expenditures		(81,014,994)	
FY2013 Budgeted for Capital Use		(89,764,219)	
FY2013 Budgeted Expenditures and Transfers		(170,779,213)	
FY2013 Projected Change to Unreserved Fund Equity			50,394,863
Projected Unreserved Fund Equity FY2013			101,789,995
FY2014 Budgeted Revenues	102,298,175		
FY2014 Budgeted Expenditures		(81,216,237)	
FY2014 Budgeted for Capital Use		(16,733,480)	
FY2014 Budgeted Expenditures and Transfers		(97,949,717)	
FY2014 Projected Change to Unreserved Fund Equity			(75,141,629)
Projected Unreserved Fund Equity FY2014			26,648,366
<b>JR/JDC AGENCY FUND</b>			
Unreserved Retained Earnings - FY2012 Actual			\$ 2,421,697
FY2013 Budgeted Revenues	5,084,882		
FY2013 Budgeted Expenditures		(5,530,020)	
FY2013 Budgeted Use of Unreserved Retained Earnings			(445,138)
Projected Ending Unreserved Retained Earnings FY2013			1,976,559
FY2014 Budgeted Revenues	5,182,113		
FY2014 Budgeted Expenditures		(5,537,711)	
FY2014 Budgeted Use of Unreserved Retained Earnings			(355,598)
Projected Ending Unreserved Retained Earnings FY2014			1,620,961

# **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 FY2014 through FY2016.** The FY2014 data represents the budget adopted by the Board of Supervisors, while FY2015 and FY2016 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.

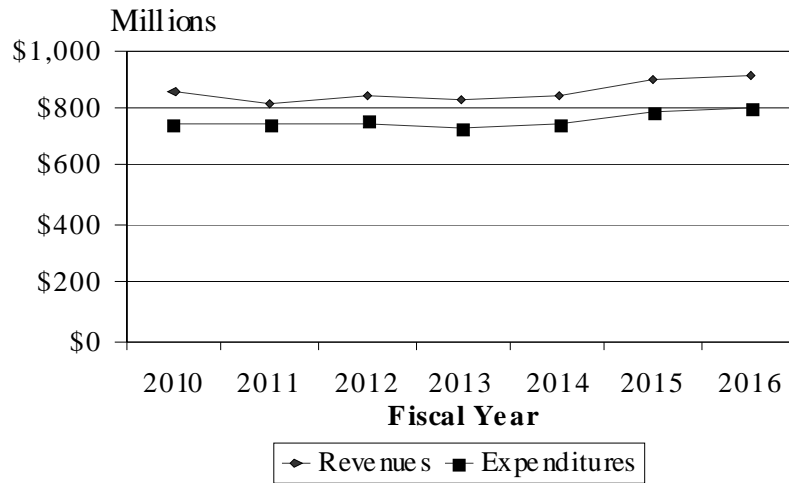
The revenue and expenditure forecasts for each fund are formulated using a combination of statistical forecasting techniques, regional economic data, and local government operating experience. Preliminary estimates for the subsequent fiscal year are initiated in August of each year, using a variety of 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 2013 through 2016 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 FY2014, prior to transfers to other funds, is \$847,509,703. This is an increase of \$22,542,998, or 2.73 percent above FY2013 estimates. General Fund revenues for the County of Henrico are categorized into three broad categories: Local Tax Revenue, Other Local Revenue, and State and Federal Revenue. The table below summarizes General Fund revenue by category. Following is a brief discussion of the revenue components in each of these categories, including graphs depicting the historical trends of these revenue sources as compared with future projections.

<u>Description</u>	<u>FY 2012</u> Actual	<u>FY 2013</u> Original	<u>FY 2014</u> Approved	<u>Increase</u> (Decrease)
Local Tax Revenue	\$ 475,675,082	\$ 496,210,000	\$ 508,309,000	\$ 12,099,000
Other Local Revenue	23,992,176	24,746,870	26,319,670	1,572,800
State and Federal Revenue	345,267,013	304,009,835	312,881,033	8,871,198
Total General Fund Revenue	<u>\$ 844,934,271</u>	<u>\$ 824,966,705</u>	<u>\$ 847,509,703</u>	<u>\$ 22,542,998</u>

**Local Tax Revenue:**

Local Tax Revenue represents Henrico County’s principal source of revenue. County tax revenue is projected to total \$508.3 million or 60.0 percent of total General Fund revenue for FY2014. This represents an increase of 2.4 percent, or \$12.1 million above the current fiscal year. Local Tax Revenue includes:

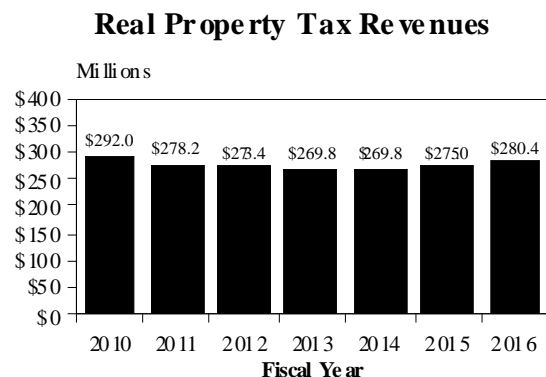
<b>Local Tax Revenue</b>	<b>FY 2013 Original</b>	<b>FY 2014 Approved</b>	<b>Increase (Decrease)</b>	<b>Percent Change</b>	<b>Pct. Of Revenue</b>
Real Property Tax	\$ 269,800,000	\$ 269,800,000	\$ 0	0.0%	53.1%
2014 Real Estate Revenue	0	9,000,000	9,000,000	100.0%	1.8%
Personal Property Tax	105,145,000	107,230,000	2,085,000	2.0%	21.1%
Other Property Taxes	5,030,000	5,530,000	500,000	9.9%	1.1%
Local Sales Tax	58,400,000	58,056,000	(344,000)	(0.6%)	11.4%
Business License Tax	28,600,000	29,458,000	858,000	3.0%	5.8%
Motor Vehicle License Tax	6,325,000	6,325,000	0	0.0%	1.2%
Consumer Utility Tax	2,600,000	2,600,000	0	0.0%	0.5%
Hotel/Motel Tax	9,660,000	9,660,000	0	0.0%	1.9%
Bank Franchise Tax	5,000,000	5,000,000	0	0.0%	1.0%
Other Local Taxes	5,650,000	5,650,000	0	0.0%	1.1%
<b>Total Local Tax Revenue</b>	<b>\$ 496,210,000</b>	<b>\$ 508,309,000</b>	<b>\$ 12,099,000</b>	<b>2.4%</b>	<b>100.0%</b>

The majority, 74.2 percent, of the \$508.3 million in Local Tax revenues is derived from Real and Personal Property Tax (including delinquent collections) which are estimated to generate approximately \$377.0 million or 44.5 percent of total General Fund revenue. The forecasted 2014 Real Estate revenue is estimated to generate \$9.0 million and makes up 1.8 percent of Local Tax revenue. Local Sales Tax revenue decreased \$344,000, or 0.6 percent in FY2014 and makes up 11.4 percent of Local Tax revenue. Business & Professional License (BPOL) Tax revenue is projected to increase by \$858,000 in FY2014. 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 FY2014. The Consumer Utility Tax revenue (electric only) estimate of \$2.6 remained flat for FY2014. Revenue from the 8.0 percent Hotel/Motel Tax estimate of \$9.6 million also remained flat in FY2014. These funds will be paid to the Richmond Convention Center during FY2014. The Convention Center will return \$2.4 million (a fourth of the 8.0 percent levy) to the County at the end of FY2014. The assumptions used when preparing the FY2014 – FY2016 revenue estimates for each of these taxes are described in greater detail in the following pages.

**Real Property Taxes** are estimated to generate \$269.8 million or 31.8 percent of the County’s total General Fund revenue in FY2014. This revenue remained flat in FY2014. Included within this total is revenue derived from current real estate taxes and real estate taxes paid by public service corporations. The FY2014 budget is balanced within the tax rate of \$0.87 per \$100 of assessed value for CY2013.

Assessment information for January 2013 indicates real estate assessments total \$30.8 billion, reflecting an increase of approximately \$109 million, or 0.36 percent from the January 2012 assessed values. The real estate



Fiscal Years 2013 through 2016 are estimated.

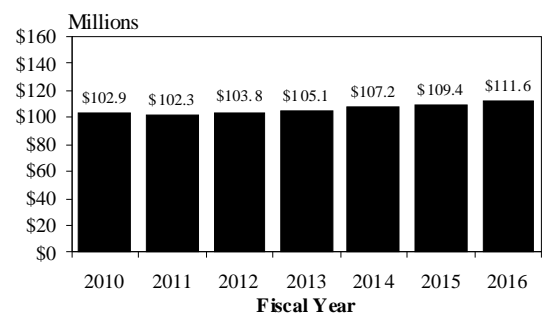
market appears to have become relatively stable with a slight decrease in residential values offset by an increase in commercial values. The commercial percentage of the tax base equated to 31.6 percent in January 2013. The commercial ratio increased from January 2012, as commercial real estate values increased due to the absorption of previously vacant office space in the County, increasing assessments in the apartment submarket, and some new commercial development.

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 FY2015 and FY2016 projections assume increases to the County’s real property tax collections of 2.0 percent in each year, respectively.

**2014 Real Estate Revenue** represents revenue forecasted to be generated by the passage of the Meals Tax in November, 2013 or an equivalent increase in the real estate tax rate. Revenues generated from either a meals tax or the equivalent increase in the real estate tax rate will be earmarked for School’s operating and capital budget needs. The FY2014 forecast of \$9.0 million represents a partial year impact and it is projected that this revenue will generate at least \$18.0 million in FY2015 and FY2016, respectively. Without this revenue, the County will be in a position to significantly reduce service levels to the County’s citizens.

**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.

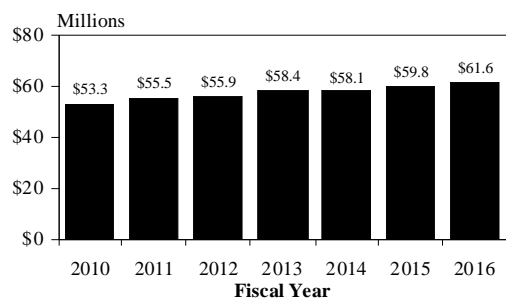
### Personal Property Tax Revenues



Fiscal Years 2013 through 2016 are estimated.

FY2013 marks the fifteenth 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 CY2013 tax levy. For qualifying individual vehicles assessed between \$1,001 and \$20,000, the State will pay Henrico County 58.0 percent of the CY2013 tax levy. With qualifying individual vehicles valued at \$20,001 or more, the State will pay Henrico County 58.0 percent of the CY2013 tax levy for the first \$20,000 of value only. The PPTRA payments from the State are included in the projections for FY2014 through FY2016. 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.

### Local Sales Tax



Fiscal Years 2013 through 2016 are estimated.

Personal Property Tax revenue is estimated at \$107.2 million for FY2014. This represents 12.7 percent of total General Fund revenue. This revenue includes taxes from current personal property and taxes on personal property owned by public service corporations. It is projected that

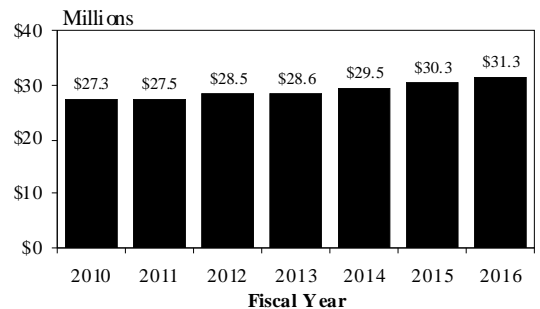
Personal Property Tax receipts will increase by 2.0 percent in both FY2015 and FY2016, respectively.

**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 retains 4.0 percent and returns 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). Effective July 1, 2013, Virginia’s Sales Tax rate will be increased to 5.3 percent with the State retaining 4.3 percent and the return to the locality will remain flat at 1.0 percent. Local Sales Tax revenue is projected to generate \$58.1 million in FY2014, a decrease of \$344,000, or 0.6 percent from the current fiscal year budget. Local Sales Tax revenues are projected to increase by 3.0 percent in both FY2015 and FY2016, respectively. Henrico County’s retailers continue to lead the Richmond Metropolitan Area in the generation of Local Sales Tax revenue. As of May 2013, Henrico County is recording 39.0 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 FY2014 budget maintains a maximum uniform BPOL tax rate of \$0.20/\$100 of gross receipts for all business categories.

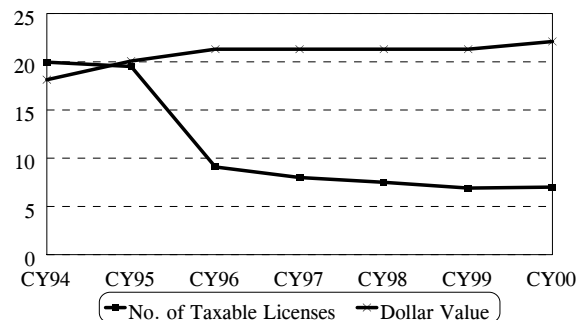
### Business, Professional & Occupational License Tax (BPOL) Revenues



Fiscal Years 2013 through 2016 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

### BPOL Tax No. of Taxable Licenses v. Dollar Value



on actual usage of electricity. This change was initiated by the State due to the forthcoming deregulation of the utility industry in Virginia. The FY2014 forecast assumes BPOL tax receipts will increase to a level of \$29.5 million. It is projected that receipts will increase by 3.0 percent in both FY2015 and FY2016, respectively.

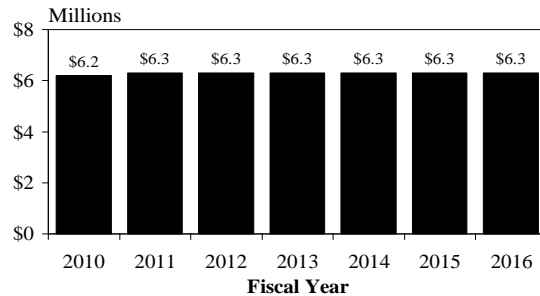
**Motor Vehicle License Taxes** are collected for every motor vehicle or trailer normally garaged, stored or parked in the County. The projection remains constant at \$6.3 million during the forecast period.

**Consumer Utility Taxes** are estimated to remain flat at \$2.6 million for FY2014, FY2015, and FY2016. This is a result of legislation approved by the General Assembly in the 2006 Legislative Session, which was the passage of the Virginia Communications Sales & Use Tax (HB568). This bill changed the way certain communication mediums are taxed in Virginia by removing the taxing authority from localities and placing a statewide tax on certain services. Included in the statewide 5.0 percent sales and use tax are landline telephones, cellular telephones, Voice Over Internet Protocol (VOIP), paging services, cable television services, satellite television services, and satellite radio. With the passage of HB568, localities no longer administer several local taxes and fees such as the Consumer Utility taxes on landline telephones, the mobile phone utility tax, local E-911, and cable franchise fees. This does not affect the Consumer Utility Tax as it applies to electric and gas companies, as well as Wireless E-911 fees received by the County from the State. The State distributes the revenues from the Virginia Communications Sales and Use Tax to localities based upon FY2006 actual receipts for the taxes and fees that were eliminated, after administrative costs for the tax are covered along with funding for the telephone relay service center for the deaf and payment of any local cable franchise fees that will now be collected by the State Department of Taxation. In total, the Communications Sales & Use Tax, which went into effect January 1, 2007, is projected to total \$14.0 million in FY2014.

**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.

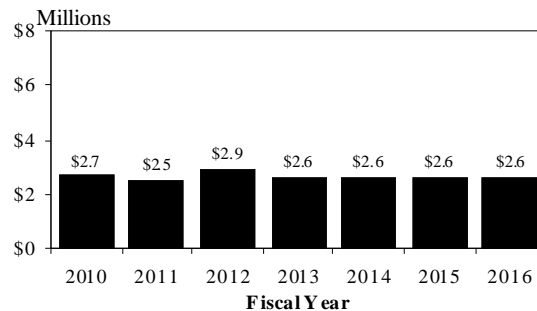
In the 1998 Legislative Session, the Virginia General Assembly authorized an additional 2.0 percent levy in the Hotel/Motel Tax (bringing the entire levy to 8.0 percent) and earmarked the additional 2.0 percent levy for the

### Motor Vehicle License Tax



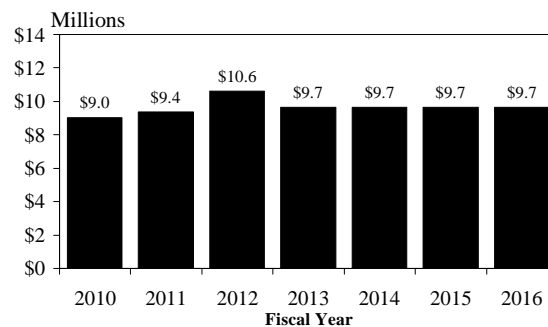
Fiscal Years 2013 through 2016 are estimated.

### Consumer Utility Tax



Fiscal Years 2013 through 2016 are estimated.

### Hotel/Motel Tax Revenue



Fiscal Years 2013 through 2016 are estimated.

Richmond Convention Center. In FY2013, the entire 8.0 percent levy was 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. FY2014 revenue estimates for the Hotel/Motel Tax total \$9.7 million. It is anticipated that revenues of 9.7 million will remain flat for FY2015 and FY2016.

**Bank Franchise Taxes** are derived from the taxation of net capital on banks located in the County. In FY2014, Bank Franchise Taxes are estimated at \$5.0 million and is projected to remain constant in FY2015 and FY2016.

**Other Local Taxes** includes funds received for grantor's taxes, recordation taxes, daily rental tax, and the consumption tax. In total \$5.7 million is budgeted in FY2014, and it is projected that revenues will remain level for FY2015 and FY2016.

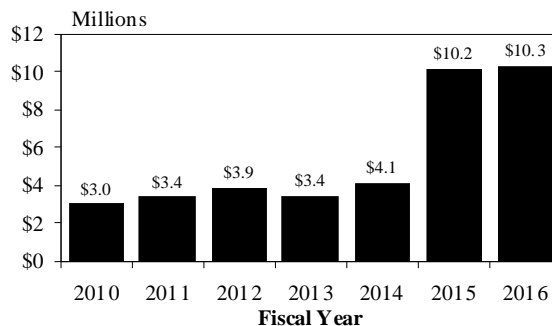
**Other Local Revenue:**

Other Local Revenue is estimated to generate \$26.3 million in FY2014. This represents a \$1.6 million, or a 6.4 percent increase from FY2013. More detailed information on each of these categories of local revenue is included in the pages that follow.

<u>Other Local Revenue</u>	<u>FY 2013 Original</u>	<u>FY 2014 Approved</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Permits, Fees and Licenses	\$ 3,443,900	\$ 4,104,900	\$ 661,000	19.2%
Fines and Forfeitures	2,390,000	2,390,000	0	0.0%
Use of Money and Property	7,872,500	7,951,400	78,900	1.0%
Charges for Services	3,725,700	3,580,700	(145,000)	(3.9%)
Miscellaneous	7,314,770	8,292,670	977,900	13.4%
<b>Total Other Local Revenue</b>	<b>\$ 24,746,870</b>	<b>\$ 26,319,670</b>	<b>\$ 1,572,800</b>	<b>6.4%</b>

**Permits, Fees and Licenses** include such items as structure and equipment permits, municipal library fees, zoning application fees, fees for the rental of school facilities and dog licenses. This revenue category is estimated to generate \$4.1 million in FY2014, which represents a \$661,000, or 19.2 percent increase when compared to FY2013. Beginning in FY2015, \$6.0 million in revenue is forecasted for the new Stormwater Utility Fee, which will be transferred to the Capital Projects Fund to provide a source for stormwater infrastructure projects required by the EPA as part of the Chesapeake Bay TMDL. It is important to note that this funding source is currently not available to the County and these figures reflect estimates only. Additional analysis and discussion with the Board and public will be required prior to this resource being available.

**Permits, Fees, and Licenses**



Fiscal Years 2013 through 2016 are estimated.

Building Permit Fees, which are an elastic revenue source, account for more than 64.6 percent of this revenue category in the current budget year. In FY2014, Building Permit Fees are estimated to increase by \$650,000 or 32.5 percent. The projection for this revenue is based on restructuring the fee structure, which resulted in an increase in Building Inspection permits.

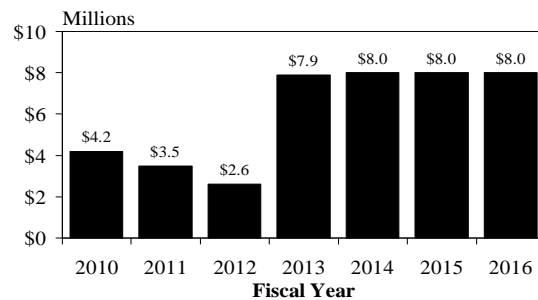
Information through the third quarter of FY2013 indicates an increase in the total value of permits issued as compared to the first three quarters of FY2012. Residential permit values increased \$10.9 million and non-residential permit values decreased \$102.6 million, while additions/alterations, both residential and non-residential decreased by \$9.2 million.

Looking back, residential building permit values in FY2012 totaled \$118.3 million, while FY2011 and FY2010 totaled \$115.6 million, and \$96.3, respectively. The number of new single-family residential building permits issued in FY2012 was 675, while in FY2011 and FY2010, there were 639 and 641 issued, respectively. In FY2012, the total value of these permits increased \$68.1 million. The increase in FY2011 to FY2012 YTD permit volume and values indicates an improving local economy, housing market, and construction sector. The forecast for Permits, Fees and License revenues is \$10.2 million in FY2015 and \$10.3 million in FY2016, each of which represents a 2.0 percent increase per year in other permits, fees, and licenses outside of the \$6.0 million forecast for the new Stormwater Utility Fee.

**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 \$2.4 million in FY2014 and is projected to remain constant for FY2015 and FY2016.

**Use of Money and Property** is estimated to generate \$8.0 million in FY2014. This category of revenue includes receipts from the sale of County property and interest on County investments. The County generates revenue from the prudent and timely investment of cash reserves. The County invests cash reserves in Banker’s Acceptances, Certificates of Deposit, Commercial Paper and Treasury Notes. Adherence to stringent cash management principles requires investing public funds in instruments that are safe, liquid, and generate adequate yields (See “Financial Guidelines”). Revenue from use of money and property is projected to remain constant at \$8 million in FY2015 and FY2016.

**Use of Money and Property**



Fiscal Years 2013 through 2016 are estimated.

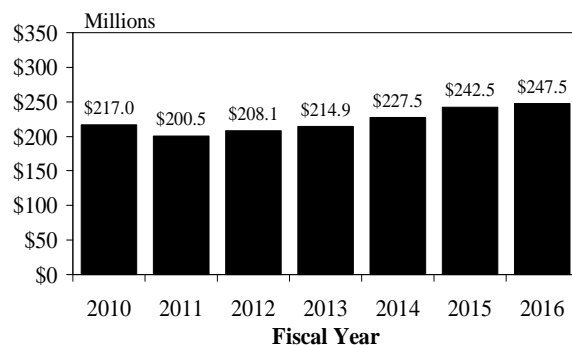
**Charges for Services** are revenues paid by users of various County services including participation fees for Recreation and Parks special interest classes and sports leagues; charges for overdue and lost books; cafeteria receipts; and charges for data processing services. Revenue from Charges for Services is estimated at \$3.6 million in FY2014 and is projected to remain constant in FY2015 and FY2016.

**State and Federal Revenue:**

State and Federal revenue is estimated at \$312.9 million in FY2014, which represents 36.9 percent of total General Fund revenue. This is a projected increase of approximately 2.9 percent over the current fiscal year. This category is comprised of revenue for General Government programs totaling \$85.3 million and Education funding of \$227.5 million. The following is a look at the components.

**State and Federal Aid to Education** is estimated to increase from \$214.9 million in FY2013 to \$227.5 million in FY2014. This represents an increase of \$12.7 million or 5.9 percent. The projection assumes an increase of 6.6 percent in FY2015 and an increase of 2.1 percent in FY2016.

**State and Federal Aid to Education**



Fiscal Years 2013 through 2016 are estimated.

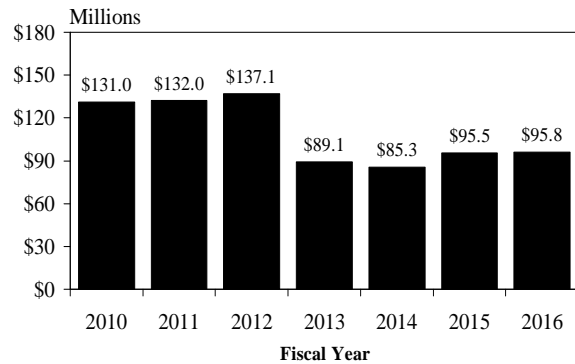
Beginning in FY1999, The State began allocating the State Lottery proceeds for local Education as a source of revenue for Education Capital Projects or for the payment of debt service. Henrico chose to allocate the State Lottery funds for pay-as-you-go capital projects. Due to the significant shortfalls 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 have a minimal impact on the level of total appropriations. In FY2014, Federal funding for Education totals \$300,000 and is forecasted to remain constant in FY2015 and FY2016.

**State and Federal Aid to General Government** is estimated at \$85.3 million in FY2014. This represents a decrease of approximately \$3.8 million or 4.3 percent when compared to the FY2013 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 FY2013 through FY2016, due to the State not fully implementing the PPTRA (see Personal Property Taxes section). As such the budget for personal property tax is in one central location. It must be noted that the budget adopted by the Virginia General Assembly in May 2004 froze the PPTRA reimbursement to localities. The future payment to localities will equal the actual FY2005 payment. Henrico’s payment under the State cap is \$37.0 million. As such, over time, the reimbursement from the State will remain flat, while the local component (paid by the County taxpayers) will increase. Henrico is projected to receive \$28.7 million for road maintenance in FY2014. However, an additional \$10.0 million is projected for FY2015 and FY2016 for newly allocated Gas Tax revenue. This additional funding was provided by the 2013 General Assembly. The final allocation of resources will be discussed with the Board and public prior to appropriation. State and Federal Aid to General Government is estimated at \$95.5 million in FY2015 and \$95.8 million in FY2016.

**State and Federal Aid to General Gov’t.**



Fiscal Years 2013 through 2016 are estimated. PPTRA payments are reflected in the FY2010-FY2012 totals. Current and future year projections include the estimate for personal property in one central location (local revenue).

**Expenditures**

**Assumptions**

In the course of developing the FY2014 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 CY2013. These decisions were reached after careful review and planning by the Board of Supervisors. This planning reaches beyond FY2014 and is intended to establish a balance between the County’s recurring revenues and expenditures in future years. The FY2014 General Fund Budget of \$747.2 million represents an increase of \$11.9 million or 1.6 percent, which is discussed below and in greater detail in the County Manager’s Budget Message and respective department narratives.

Education is the top priority of the Board of Supervisors. In FY2014, the Education budget represents 55.0 percent of General Fund expenditures. General Fund Education expenditures total \$410.3 million in the Annual Fiscal Plan, which represents an increase of \$6.2 million, or 1.5 percent. Of the total expenditures in Education, 44.5 percent are funded with locally generated revenues and 55.5 percent are funded with State and Federal funding. It must be noted that the totals above do not include Debt Service costs for Education, which are entirely a local responsibility (see the Debt Service Fund forecast).

For General Government, the total for the FY2014 Annual Fiscal Plan is \$336.9 million, which represents a net increase of \$5.7 million, or 1.7 percent. The focus continues to remain on Public Safety as the budget includes the addition of ten new Police Officers, nine new positions associated with Fire’s 15<sup>th</sup> Fire Medic Unit, and an adjustment to overtime for Public Safety personnel.



General Fund expenditures, *prior to transfers*, are forecasted to grow by 5.9 percent in FY2015 and 1.8 percent in FY2016. The proposed levels of operational funding allows for the continuation of existing service levels as well as new operating costs associated with projects approved in the March 2005 Bond Referendum. In addition, funding has been dedicated for much need operating and capital projects for Schools, various road maintenance and construction projects, as well as funding required for stormwater infrastructure projects. The total anticipated increase in FY2015 also includes \$14.0 million to cover the expected VRS adjustment and the forecasted increase in FY2016 includes an additional \$4.9 million for estimated operating expenditures associated with two Library projects approved in the March 2005 Bond Referendum.

The FY2014 Capital Budget totals \$30.1 million. The five-year Capital Improvement Program for FY2014 through FY2018 includes requests that exceed \$1.6 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 \$30.1 million FY2014 Capital Budget, \$16.7 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 \$13.4 million within the FY2014 Capital Budget has been approved for Education and County General Fund supported departments.

As a means of ensuring the County does not rely too heavily on debt financing for required infrastructure improvements, the FY2014 Annual Fiscal Plan includes \$1.5 million in pay-as-you-go funding. This funding has been allocated for the following General Government projects: \$550,000 for technology upgrade projects, including network VOIP; \$300,000 to continue implementing and updating the Geographic Information System; and \$650,000 will go towards various facility rehabilitation projects for Recreation and Parks. In addition, funding of \$1,420,000 has been allocated from the capital reserve for the initial phase of the County Radio Communications System replacement project. 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) Debt Service Fund** represents the forecast of General Fund support to the Debt Service Fund. The debt service levels through FY2016 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. In FY2012, there was a \$69.0 million GO Bond issue (\$73.5 million, net of premiums), of which, \$33.3 million was appropriated in FY2012. The remaining \$35.7 million balance was appropriated in FY2013.

**To (From) Capital Projects** is projected at \$10.1 million in FY2014, of which, \$1.5 million is targeted for General Fund (pay-as-you-go) support for capital improvement projects – as mentioned above. Also included is \$1.4 million in capital reserve funding to support the initial phase of the County Radio Communications System replacement project. Motor Vehicle License revenue totaling \$850,000 is designated for various road improvement projects. In addition, \$6.6 million is allocated for a Vehicle Replacement Reserve, comprised of \$2.5 million for Education vehicle replacement, and approximately \$4.1 million for General Government (Public Safety) vehicle replacement. Projections for FY2015 and FY2016 include transfers of \$51.0 million and \$38.4 million in each year, respectively. The FY2015 forecasted transfer of \$51.0 million includes \$5.0 million of General Fund balance for various Education and General Government projects, \$15.6 of Designated Capital Reserve Fund balance for the County radio communications system replacement project and Best Plaza, \$9.0 million in tax revenue for Schools infrastructure projects, \$6.0 million in Stormwater Utility fee revenue for infrastructure projects, \$10.0 million in Gas Tax for various road maintenance and construction projects, \$4.6 million for the Vehicle Replacement Program, and \$850,000 in Motor Vehicle License revenue for on-going general construction and new guardrails. The FY2016 forecasted transfer of \$38.4 million mirrors the FY2015 forecast with the exception of \$5.0 million of Designated Capital Reserve Fund balance for the Best Plaza project and \$2.6 million for the Vehicle Replacement Program.

**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 FY2014 estimate of these costs is \$1.9 million and the estimated costs for FY2015 and FY2016 remain flat.

**To (From) Risk Management Fund** is the transfer of funds to support risk management operations. The fund was established in FY2005. The FY2014 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 FY2015 and FY2016 is estimated at \$4.5 million and \$4.6 million in each year, respectively.

**To (From) Special Revenue Fund** is the anticipated local requirement from the General Fund to support a variety of State and Federal grant programs including the Capital Region Workforce Partnership (CRWP – formerly CATC), the Community Corrections Services Program, the 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 \$22.2 million in FY2014. The projections over the forecast period are \$22.4 million in FY2015 and \$22.6 million in FY2016, and were determined after analyzing all of the individual components of the Special Revenue Fund.

**To (From) JRJDC Agency Fund** represents the transfer to pay for Henrico County's share of the operating costs and debt service requirements associated with the James River Juvenile Detention Center (JRJDC). The JRJDC Agency Fund accounts for the James River Juvenile Detention Center budget. Henrico County, as the majority partner serves as the fiscal agent for the James River Juvenile Detention Center Commission. 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 \$3.3 million for FY2014; \$3.3 million in FY2015 and \$3.4 million in FY2016.

**(To) From OPEB - GASB 45** represents the anticipated funding for the costs associated with the accounting requirement issued by the Government Accounting Standards Board (GASB) known as GASB 45. A new fiduciary fund was created in FY2006 with an allocation of \$6.7 million. The transfer will allow the County to budget for the annual cost of public employee non-pension benefits, all outstanding obligations and commitments related to Other Post Employment Benefits (OPEB) in the same manner as reporting financial information for pensions. Projections for FY2014, FY2015, and FY2016 total \$2.5 million each year, which is anticipated to fully fund the County's obligation in this area.

**(To) From Line of Duty** represents the anticipated funding needed for expenses associated with the Line of Duty payments. The Line of Duty Fiduciary Fund was created in the FY2012-13 Annual Fiscal Plan due to a mandate from the Commonwealth of Virginia that requires localities to pay the cost of this State approved benefit. Projections for FY2014, FY2015, and FY2016 remain flat at \$500,000 each year, which will fund the County's obligation in this area.

**(To) From Fund Balance – Capital Projects** represents the allocation of funding for pay-as-you-go construction from General Fund balance for Education and General Government to support various ongoing projects. In FY2014, \$1.5 million is being allocated for General Government projects. FY2014 and FY2015 forecasts project the use of \$5.0 million each year, respectively, for Education and General Government projects.

**(To) From Fund Balance – Capital Reserve** represents the allocation of designated funding for specific projects. In FY2014, \$1,420,000 is being allocated for the initial funding associated with the County radio communications system replacement project. The FY2015 forecast of \$15,580,000 has been dedicated to the County radio communications system replacement project totaling \$10,580,000 as well as partial renovation of the Best Plaza facility totaling \$5,000,000. FY2016 expenditures of \$5.0 million have been dedicated for the purpose of the multi-year renovation of the Best Plaza facility.

**(To) From Vehicle Replacement Reserve** represents the transfer of resources from the Designated Vehicle Replacement Reserve within the Designated General Fund balance. In FY2014, \$6.6 million is being allocated to the General Fund for the replacement of Education and General Government vehicles - \$2.5 million for Education vehicle replacement, and approximately \$4.1 million for General Government (Public Safety) vehicle replacement. FY2015 and FY2016 forecasts project the use of \$4.6 and \$2.6 million in each year, respectively, for Education and General Government vehicle replacement.

**(To) From Fund Balance – Education Reserve** was created in the FY2013-14 Annual Fiscal Plan in an effort to save funds for future appropriation. This reserve represents additional tax revenue totaling \$9.0 million that is forecasted to be collected in FY2013-14 which would be utilized for future costs anticipated in Education.

**(To) From Fund Balance – VRS Reserve** was created in the FY2013-14 Annual Fiscal Plan in an effort to save funds for appropriation in FY2014-15. This reserve represents State Aid funding for Education that has been forecasted to be received in excess of budget for FY2012-13 and FY2013-14 to address future State-imposed costs for VRS. The FY2014 forecast of \$1.0 million represents an addition to the reserve and the FY2015 forecast represents an anticipated use of \$7.3 million.

**(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 FY2014, a forecasted use of \$4.1 million is anticipated and \$4.9 million is anticipated for FY2016.

**Ending General Fund Balance** represents reserves not appropriated for expenditure, including the designated and undesignated balances. The undesignated portion of fund balance in FY2013 was reduced to 15.0 percent, from 18.0 percent of general fund expenditures in order to accommodate the funding of replacement Education and General Government vehicles. Undesignated fund balance is projected at 15.0 percent of general fund expenditures in FY2014, FY2015, and FY2016.

**General Fund Forecast**

	<b>FY11-12 Actual</b>	<b>FY12-13 Original</b>	<b>FY13-14 Approved</b>	<b>FY14-15 Forecast</b>	<b>FY15-16 Forecast</b>
<b>Revenues:</b>					
Current Real Estate Tax	\$ 264,797,978	\$ 261,800,000	\$ 261,800,000	\$ 267,036,000	\$ 272,376,720
P.S. Real Estate Tax	8,617,899	8,000,000	8,000,000	8,000,000	8,000,000
2014 Real Estate Revenue	-	-	-	18,000,000	18,360,000
Current Personal Prop. Tax <sup>(1)</sup>	66,716,851	105,015,000	107,100,000	109,242,000	111,426,840
P.S. Personal Property Tax	116,338	130,000	130,000	130,000	130,000
Other General Property Tax	8,334,947	5,030,000	5,530,000	5,530,000	5,530,000
Local Sales Tax	55,913,302	58,400,000	58,056,000	59,797,680	61,591,610
Business License Tax	28,486,699	28,600,000	29,458,000	30,341,740	31,251,992
Motor Vehicle License Tax	6,275,819	6,325,000	6,325,000	6,325,000	6,325,000
Consumer Utility Tax	2,923,405	2,600,000	2,600,000	2,600,000	2,600,000
Bank Franchise Tax	17,439,674	5,000,000	5,000,000	5,000,000	5,000,000
Hotel/Motel Tax	10,627,232	9,660,000	9,660,000	9,660,000	9,660,000
Other Local Taxes	5,424,938	5,650,000	5,650,000	5,650,000	5,650,000
<b>Local Taxes Sub-Total</b>	<b>475,675,082</b>	<b>496,210,000</b>	<b>508,309,000</b>	<b>527,312,420</b>	<b>537,902,163</b>
Permits, Fees, & Licenses	3,915,755	3,443,900	4,104,900	10,186,998	10,270,738
Fines & Forfeitures	2,957,594	2,390,000	2,390,000	2,390,000	2,390,000
Use of Money & Property	2,555,989	7,872,500	7,951,400	7,951,400	7,951,400
Charges for Services	3,982,810	3,725,700	3,580,700	3,580,700	3,580,700
Miscellaneous Revenue	10,580,028	7,314,770	8,292,670	8,409,979	8,530,807
<b>Total Local Revenue</b>	<b>499,667,258</b>	<b>520,956,870</b>	<b>534,628,670</b>	<b>559,831,497</b>	<b>570,625,808</b>
State & Federal-Schools	208,117,382	214,883,000	227,540,000	242,540,000	247,540,000
State & Federal-General Government <sup>(1)</sup>	137,149,631	89,126,835	85,341,033	95,511,033	95,824,433
<b>Total State &amp; Fed. Revenue</b>	<b>345,267,013</b>	<b>304,009,835</b>	<b>312,881,033</b>	<b>338,051,033</b>	<b>343,364,433</b>
<b>Total Revenue</b>	<b>\$ 844,934,271</b>	<b>\$ 824,966,705</b>	<b>\$ 847,509,703</b>	<b>\$ 897,882,530</b>	<b>\$ 913,990,241</b>

<sup>(1)</sup> Actual PPTRA Car Tax Reimbursements are reflected as State Aid, although budget estimates do not break out PPTRA Reimbursements from Current Personal Property Tax estimates. FY12 actual = \$37,001,783. Forecast period FY14 thru FY16 equal \$37,000,000.

<b>Transfers:</b>					
(To) From Debt Service Fund	\$ (52,854,043)	\$ (58,982,785)	\$ (58,988,994)	\$ (58,854,838)	\$ (62,984,728)
(To) From Capital Projects Fund	(14,420,480)	(17,424,800)	(10,136,300)	(51,004,800)	(38,424,800)
(To) From Enterprise Fund	(756,608)	(756,608)	(1,931,608)	(1,928,108)	(1,930,308)
(To) From Enterprise Fund - Belmont	(55,644)	-	-	-	-
(To) From Risk Management Fund	(7,268,197)	(4,543,437)	(4,407,836)	(4,495,993)	(4,585,913)
(To) From Special Revenue Fund	(20,174,182)	(22,140,214)	(22,176,460)	(22,398,225)	(22,622,207)
(To) From JRJDC Agency Fund	(3,274,421)	(3,271,174)	(3,267,402)	(3,319,146)	(3,372,070)
(To) From OPEB - GASB 45 Fiduciary Fund	(3,000,000)	(3,000,000)	(2,500,000)	(2,500,000)	(2,500,000)
(To) From Line of Duty	-	-	(500,000)	(500,000)	(500,000)
(To) From Fund Balance - Capital Projects	5,000,000	5,000,000	1,500,000	5,000,000	5,000,000
(To) From Fund Balance - Capital Reserve	-	5,000,000	1,420,000	15,580,000	5,000,000
(To) From Vehicle Replacement Reserve	-	6,574,800	6,574,800	4,574,800	2,574,800
Use of Fund Balance - General Fund	(7,319,534)	-	-	-	-
(To) From Fund Balance Education Reserve	-	-	(9,000,000)	-	-
(To) From Fund Balance-VRS Reserve	-	-	(1,000,000)	7,300,000	-
(To) From Revenue Stabilization	10,248,671	3,869,432	4,097,452	-	4,900,000
<b>Total Transfers</b>	<b>\$ (93,874,438)</b>	<b>\$ (89,674,786)</b>	<b>\$ (100,316,348)</b>	<b>\$ (112,546,310)</b>	<b>\$ (119,445,226)</b>
<b>Total Resources</b>	<b>\$ 751,059,833</b>	<b>\$ 735,291,919</b>	<b>\$ 747,193,355</b>	<b>\$ 785,336,220</b>	<b>\$ 794,545,015</b>

<b>Expenditures:</b>					
General Government Administration	\$ 53,055,981	\$ 55,380,634	\$ 54,267,190	55,949,473	55,949,473
Judicial Administration	8,104,355	7,761,951	7,931,484	8,177,360	8,177,360
Public Safety	159,055,042	152,642,617	158,307,419	165,314,949	166,464,949
Public Works	40,069,831	35,504,297	36,672,020	37,808,853	37,808,853
Health & Social Services	22,375,299	16,250,691	16,455,413	16,965,531	16,965,531
Education	406,112,420	404,050,000	410,272,057	435,605,916	438,737,257
Recreation & Culture	30,737,937	32,432,295	32,013,145	33,269,998	38,197,452
Community Development	20,114,326	19,762,124	19,677,747	20,287,757	20,287,757
Miscellaneous	11,434,642	11,507,310	11,596,880	11,956,383	11,956,383
<b>Total Expenditures</b>	<b>\$ 751,059,833</b>	<b>\$ 735,291,919</b>	<b>\$ 747,193,355</b>	<b>\$ 785,336,220</b>	<b>\$ 794,545,015</b>

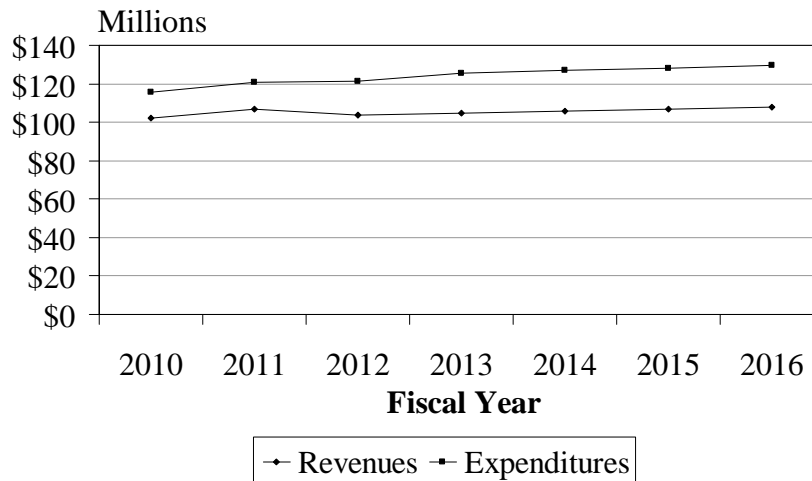
<b>Fund Balance:</b>					
Reserved (*)	\$ 14,644,544	\$ 12,500,000	\$ 12,500,000	\$ 12,500,000	\$ 12,500,000
Assigned (**)	89,409,554	85,540,122	81,442,670	81,442,670	76,542,670
Unassigned Fund Balance	109,597,163	110,293,788 <sup>(2)</sup>	112,079,003	117,800,433	119,181,752
<b>Total Fund Balance</b>	<b>\$ 213,651,261</b>	<b>\$ 208,333,910</b>	<b>\$ 206,021,673</b>	<b>211,743,103</b>	<b>\$ 208,224,422</b>

\* 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 Revenue

<sup>(2)</sup> Undesignated fund balance reduced from 18% to 15% of General Fund expenditures in FY2013.

## Three Year Forecast Revenues and Expenditures Special Revenue Fund



Fiscal Years 2013 through 2016 are estimated. Revenues exclude transfers from other funds.

### SPECIAL REVENUE FUND

#### (Fund 11)

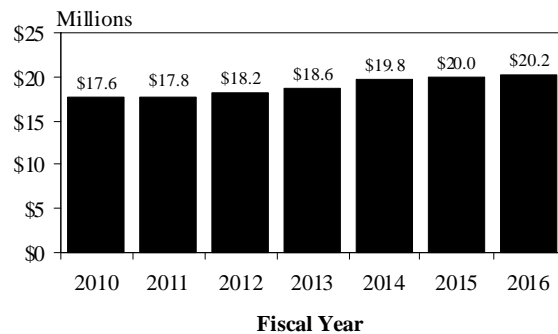
The Special Revenue Fund accounts for proceeds from revenue sources that legally restrict expenditures to specified purposes. Henrico County's Special Revenue Fund includes the Department of Public Utilities' Solid Waste and Street Lighting operations; Public Works' Watershed and Best Management Practices 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 FY2014 is \$126,875,964, which represents an increase of \$1,177,787 or 1.0 percent, from the current fiscal year. Projected resources and requirement for FY2015 and FY2016 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 FY2014 are estimated at \$19,772,186, compared to \$18,638,229 in FY2013. FY2015 and FY2016 revenue estimates of \$19,956,893 and \$20,156,462 respectively reflect projected increases of 1.0 percent based on anticipated growth in pupil enrollment and cafeteria operations.

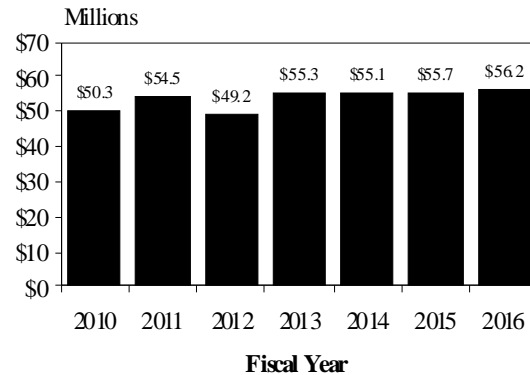
### School Cafeteria Revenue



Fiscal Years 2013 through 2016 are estimated.

**State, Federal and Other Grants** revenue funds various programs, principally those related to Education, the Capital Region Workforce Partnership (CRWP), the Community Corrections Services Program, the Community Development Block Grant (CDBG), the Comprehensive Services Act (CSA), and the Virginia Juvenile Community Crime Control Act (VJCCCA). Grant funding, for FY2014, totals \$55,130,985. 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.

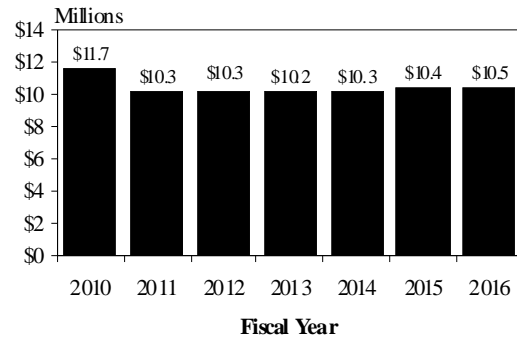
## State, Federal, and Other Grant Revenue



Fiscal Years 2013 through 2016 are estimated. Revenues do not include transfers from other funds.

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

## Solid Waste Revenue



Fiscal Years 2013 through 2016 are estimated. Revenues do not include transfers from other funds.

In FY2014, the revenue generated by the \$30 bi-monthly refuse collection fee and the bulky waste collection fee of \$43 per trip are forecasted to increase 0.2 percent. The forecasts for FY2015 and FY2016 reflect annual increases in revenues of 1.0 percent. The increased revenue is the result of system growth and not increased fees.

**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 FY2014 is \$33,177,570 including the General Fund contribution of \$13,909,603, State revenues of \$7,461,012, federal revenues of \$1,889,107, fee revenues of \$9,573,448, and \$344,400 of contract revenues from Sheltered Employment. A 1.0 percent increase in Mental Health revenues is projected for both FY2015 and FY2016. The forecast is based on anticipated increases in State and Federal grant funding. MH/DS/SA receives funding through State and Federal Aid programs including the Reinvestment Program, community care funds from the State, and the Part C Grant program. It is expected that these funding sources 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. It is projected that each locality will contribute \$127,332 in FY2014, \$128,605 in FY2015, and \$129,891 in FY2016 based upon 1.0 percent increases in FY2015 and FY2016. It is anticipated that the State Supreme Court will reimburse the Metro Aviation Unit \$80,000 for costs incurred to extradite prisoners in each year of the forecast period.

**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 FY2014, the transfer of \$22,176,460 includes the County's contribution of \$1,487,993 to fund the State Community Corrections Programs, the Capital Region Workforce Partnership (CRWP), the Special Drug Prosecutor, the Virginia Juvenile Community Crime Control Act (VJCCCA), and the State Victim/Witness Program; \$127,332 for Henrico County's portion of the regional Police Metro Aviation Unit; \$3,049,001 in support of Solid Waste programs; \$3,602,531 in local support of the Comprehensive Services Act (CSA); and \$13,909,603 for Mental Health. The total transfer from the General Fund is projected to increase to \$22,398,225 in FY2015 and \$22,622,207 in FY2016.

**(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 as is the case for FY2014.

**(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 FY2015 and FY2016 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 FY2014 Special Revenue Fund budget assumes recurring revenues will support recurring expenditures in future years. Special Revenue Fund resources and requirements for FY2015 and FY2016 are expected to grow at an average rate of 1.0 percent respectively. The modest growth rate in grant related revenue is predicated on the basis that ongoing Federal and State budgetary constraints will limit substantial increases in grant funding in FY2015 and FY2016.

**Ending Special Revenue Fund Balance** is the sum of fund balances in all sub-funds, which are expected to remain on June 30th of each of the forecasted fiscal years, within the School Cafeteria Fund, Solid Waste Fund, and Street Light Fund. The State and Federal Grants fund balance and the Economic Development Authority fund balance are forecasted to be zero in FY2013 through FY2016 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.

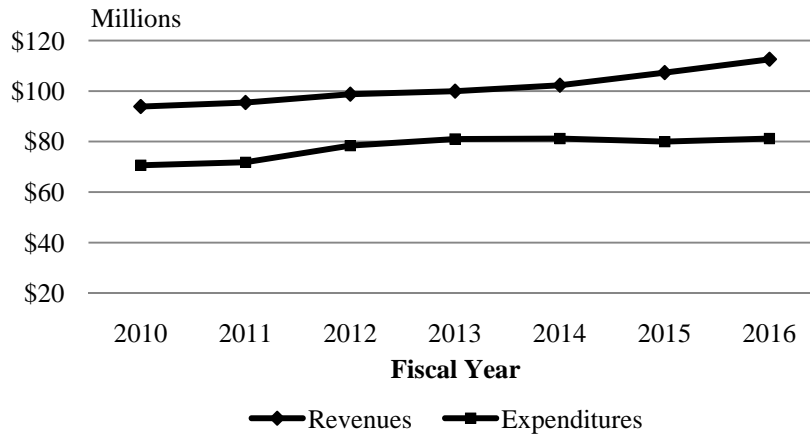
**Special Revenue Fund Forecast**

	<b>FY 11-12 Actual</b>	<b>FY 12-13 Original</b>	<b>FY 13-14 Forecast</b>	<b>FY14-15 Forecast</b>	<b>FY15-16 Forecast</b>
<b>Revenues:</b>					
School Cafeteria	\$ 18,729,762	\$ 18,638,229	\$ 19,759,300	\$ 19,956,893	\$ 20,156,462
State, Federal & Other Grants	49,223,881	55,303,817	55,130,985	55,682,295	56,239,118
Asset Forfeitures	183,194	0	0	0	0
Donations	35,641	0	0	0	0
Revenue from Local Sources - CDA	5,424,000	0	0	0	0
Solid Waste	10,324,429	10,245,986	10,264,589	10,367,235	10,470,907
Street Lighting	78,465	83,100	83,100	83,931	84,770
Mental Health	18,928,515	19,041,728	19,267,967	19,460,647	19,655,253
Metro Aviation/Extradition	273,217	326,126	334,668	334,668	334,668
Watershed/Best Management Practices	476,157	897,000	897,000	897,000	897,000
<b>Subtotal Revenues</b>	<b>\$103,677,261</b>	<b>\$104,535,986</b>	<b>\$105,737,609</b>	<b>\$106,782,668</b>	<b>\$107,838,178</b>
<b>From General Fund:</b>					
State, Federal & Other Grants	\$ 5,135,564	\$ 5,156,484	\$ 5,090,524	\$ 5,141,429	\$ 5,192,844
Mental Health	12,368,435	13,784,168	13,909,603	14,048,699	14,189,186
Metro Aviation	100,825	135,561	127,332	128,605	129,891
Solid Waste	2,569,358	3,064,001	3,049,001	3,079,491	3,110,286
<b>Subtotal From General Fund</b>	<b>\$ 20,174,182</b>	<b>\$ 22,140,214</b>	<b>\$ 22,176,460</b>	<b>\$ 22,398,225</b>	<b>\$ 22,622,207</b>
(To) Capital Projects Fund for Solid Waste	(2,300,000)	0	0	0	0
(To) Capital Projects Fund for Mental Health	0	0	0	0	0
(To) Capital Projects Fund for Wireless	0	0	0	0	0
(To) From Wireless Fund Balance	0	0	0	0	0
(To) From Economic Development Fund Balance	0	0	0	0	0
(To) From Mental Health Fund Balance	0	0	0	0	0
(To) From School Cafeteria Fund Balance	(570,892)	0	12,886	0	0
(To) From Solid Waste Fund Balance	273,700	(978,023)	(1,050,991)	(1,061,501)	(1,072,116)
(To) From Street Light Fund Balance	(2,036)	0	0	0	0
<b>Total Resources</b>	<b>\$121,252,215</b>	<b>\$125,698,177</b>	<b>\$126,875,964</b>	<b>\$128,119,392</b>	<b>\$129,388,269</b>
<b>Expenditures:</b>					
School Cafeteria	\$ 18,158,870	\$ 18,638,229	\$ 19,772,186	\$ 19,956,893	\$ 20,156,462
State, Federal & Other Grants	54,578,280	60,460,301	60,221,509	60,823,724	61,431,961
Economic Development Authority	5,424,000	0	0	0	0
Solid Waste	10,867,487	12,331,964	12,262,599	12,385,225	12,509,077
Street Lighting	76,429	83,100	83,100	83,931	84,770
Mental Health	31,296,950	32,825,896	33,177,570	33,509,346	33,844,439
Metro Aviation/Extradition	374,042	461,687	462,000	463,273	464,559
Watershed/Best Management Practices	476,157	897,000	897,000	897,000	897,000
<b>Total Expenditures</b>	<b>\$121,252,215</b>	<b>\$125,698,177</b>	<b>\$126,875,964</b>	<b>\$128,119,392</b>	<b>\$129,388,269</b>
<b>Ending Special Revenue Fund Balance:</b>					
Schools	\$ 5,276,149	\$ 5,276,149	\$ 5,263,263	\$ 5,263,263	\$ 5,263,263
State, Federal & Other Grants, Forfeitures (*)	23,100,795	0	0	0	0
Economic Development Authority	5,431,236	0	0	0	0
Solid Waste	11,415,273	12,393,296	13,444,287	14,505,788	15,577,904
Street Lighting	790,469	790,469	790,469	790,469	790,469
<b>Total Fund Balance</b>	<b>\$ 46,013,923</b>	<b>\$ 18,459,914</b>	<b>\$ 19,498,019</b>	<b>\$ 20,559,520</b>	<b>\$ 21,631,636</b>

\* Forecast assumes miscellaneous grant appropriations will be spent by 6/30/13. EDA balances will be appropriated annually, through a budget amendment, based on actual receipts. Any unspent appropriations will be carried forward into FY2013-14.



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



**Fiscal Years 2013 through 2016 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 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 FY2013-14 is based on a 5.0 percent increase in water rates. Forecasts for FY2014-15 and FY2015-16 were also prepared using 5.0 percent rate increases in each year. These increases will support mandated rehabilitation projects as a result of consent orders issued by the Virginia Department of Environmental Quality, as well as future new capital infrastructure needs, including the Cobbs Creek Reservoir, which began in FY2011-12 and is estimated to cost approximately \$296 million.

**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 FY2013-14 reflect an increase of 5.0 percent in water connection fees. The forecast for Water Basic Fees also reflects 5.0 percent rate increases in each year, with little consideration given to the performance of the commercial and residential real estate markets due to the uncertainty in this area.

**Sale of Sewer Services** for FY2013-14 is based on a 5.0 percent increase in sewer rates. Like Sale of Water Service revenues, noted above, forecasts for FY2014-15 and FY2015-16 were prepared using 5.0 percent rate increases in each year. The majority of these increases will be used to support growth in expenditures and capital infrastructure projects and rehabilitation.

**Sewer Basic Fees** are those fees collected for initial connection to the County's sewage system. This revenue category mirrors economic development activity and all collections are used to fund the cost of expanding the County's sewer system. Like Water Basic Fees, as noted above, forecasted revenue collections in FY2013-14 reflect an increase of 5.0 percent in connection fees. A 5.0 percent increase has been forecasted in FY2014-15 and FY2015-16.

**(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 is solely reflected in the General Fund transfer amount.

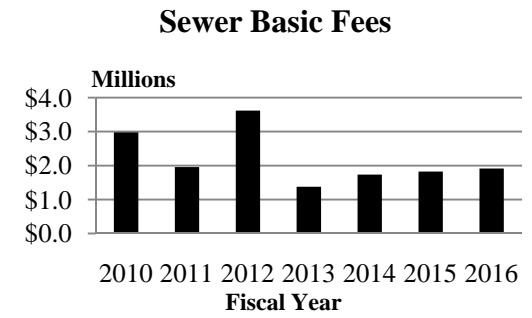
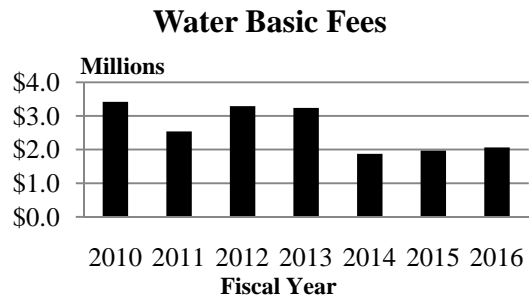
**Budget for Capital Use** projections represent non-bond resources, available from Water and Sewer Operations to supplement utility infrastructure rehabilitation, expansion and other capital improvement activities. The transfer amounts for the forecast period reflect the planned appropriations for capital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

**Expenditures**

**Assumptions**

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

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



## **Water and Sewer Construction Fund (Fund 5102)**

### **Capital Budget Expenditures**

#### **Assumptions**

**Approved/Proposed Capital Projects** are expected to total \$16.7 million in FY2013-14, \$217.3 million in FY2014-15, and \$55.3 million in FY2015-16. 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 sub-fund to support costs related to system rehabilitation, expansion and improvements. This transfer includes the connection fees paid by real-estate developers and new customers for initial connection to the County's water and sewer systems.

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

**ARRA – Federal Stimulus Funds** reflect the utilization of proceeds from the issuance of \$9.8 million in Recovery Zone Economic Development Bonds (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. In addition to the RZEDBs, Water and Sewer has also appropriated \$300,000 in ARRA funding through the Virginia Department of Environmental Quality for extension of water to homes with petroleum contaminated wells.

**Water & Sewer Enterprise Fund Forecast**

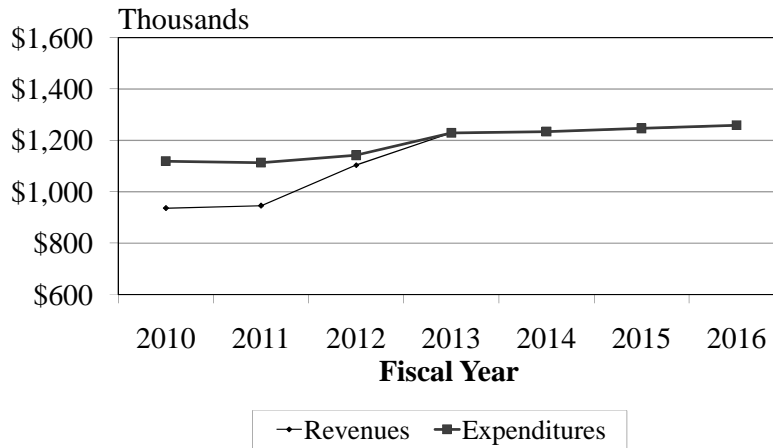
	<b>FY 11-12 Actual</b>	<b>FY 12-13 Original</b>	<b>FY 13-14 Forecast</b>	<b>FY 14-15 Forecast</b>	<b>FY 15-16 Forecast</b>
<b>Water &amp; Sewer Operations Subfund</b>					
<b>Revenues:</b>					
Sale of Water	\$ 45,148,194	\$ 45,887,535	\$ 47,352,774	\$ 49,720,413	\$ 52,206,433
Water Connection Fees	3,291,922	3,239,278	1,873,630	1,967,312	2,065,677
Sale of Sewer Services	42,060,417	44,497,991	44,936,300	47,183,115	49,542,271
Sewer Connection Fees	3,620,525	1,377,088	1,736,483	1,823,307	1,914,473
Miscellaneous Revenue	5,449,405	4,188,276	4,467,380	4,690,749	4,925,286
Transfer from General Fund	756,608	756,608	1,931,608	1,928,108	1,930,308
<b>Total Revenue</b>	<b>\$ 100,327,071</b>	<b>\$ 99,946,776</b>	<b>\$ 102,298,175</b>	<b>\$ 107,313,003</b>	<b>\$ 112,584,448</b>
<b>Expenditures:</b>					
Personnel	\$ 18,819,650	\$ 19,993,542	\$ 20,234,453	\$ 20,639,142	\$ 21,051,925
Operating	36,058,744	37,452,511	38,922,511	39,700,961	40,494,980
Capital Outlay	691,906	785,527	785,527	801,238	817,262
<b>Sub-Total</b>	<b>55,570,300</b>	<b>58,231,580</b>	<b>59,942,491</b>	<b>61,141,341</b>	<b>62,364,168</b>
Debt Service	16,420,866	22,783,414	21,273,746	18,834,063	18,841,012
<b>Total Expenditures</b>	<b>\$ 71,991,166</b>	<b>\$ 81,014,994</b>	<b>\$ 81,216,237</b>	<b>\$ 79,975,404</b>	<b>\$ 81,205,180</b>
<b>Results of Operations (Prior to Capital Expenses)</b>	<b>28,335,905</b>	<b>18,931,782</b>	<b>21,081,938</b>	<b>27,337,600</b>	<b>31,379,268</b>
<b>Budget For Capital Use (Below)</b>	n/a	(89,764,219)	(16,733,480)	(217,333,590)	(55,275,140)

<b>Capital Budget Expenditures</b>	<b>FY 11-12 Actual</b>	<b>FY 12-13 Forecast</b>	<b>FY 13-14 Forecast</b>	<b>FY 14-15 Forecast</b>	<b>FY 15-16 Forecast</b>
Approved/Requested Capital Projects	-	89,764,219	16,733,480	217,333,590	55,275,140
Continuing Capital Projects (Previously Approved) <sup>(1)</sup>	-	-	-	-	-
<b>Total Capital</b>	-	89,764,219	16,733,480	217,333,590	55,275,140
<b>Capital Budget Resources</b>					
Water and Sewer Revenues	34,485,296	89,764,219	16,733,480	117,333,590	55,275,140
Revenue Bonds (2013 Series)	-	-	-	100,000,000	-
Revenue Bonds (2006 Series)	662,364	-	-	-	-
ARRA - Federal Stimulus Funds	23,253	-	-	-	-
W&S Recovery Zone Econ Develop. Bonds (RZEDB)	2,725,865	-	-	-	-
<b>Total Capital Budget Resources</b>	<b>37,896,778</b>	<b>89,764,219</b>	<b>16,733,480</b>	<b>217,333,590</b>	<b>55,275,140</b>

Notes:

<sup>(1)</sup> This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2011-12 represents actual spending, as per the 2012 audit.

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



Fiscal Years 2013 through 2016 are estimated.

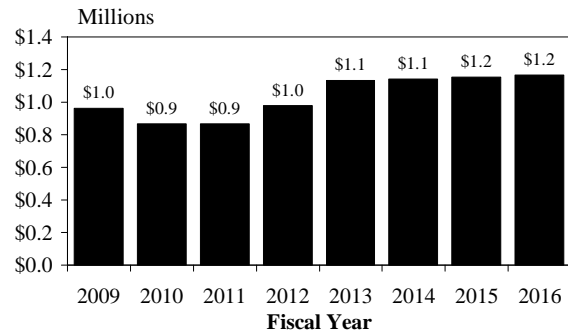
#### Belmont Park Golf Course Operations (Fund 5201)

##### Revenues

##### Assumptions

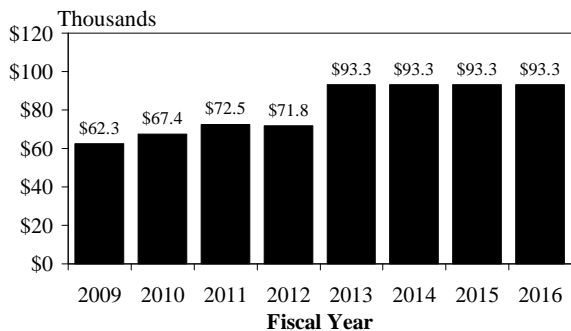
**Golf Course Fees** revenue for FY2014 is estimated to increase from the FY2013 projection to \$1,140,417. The revenue assumptions in this forecast are based on the current rate structure, which was restructured in FY2009 to help attract golfers during times that are historically not busy. Revenue projections for FY2015 and FY2016 are based upon modest one percent growth.

##### Golf Course Fees



Fiscal Years 2013 through 2016 are estimated.

##### Snack Bar Revenues



Fiscal Years 2013 through 2016 are estimated.

**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 FY2014, FY2015, and FY2016.

**(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

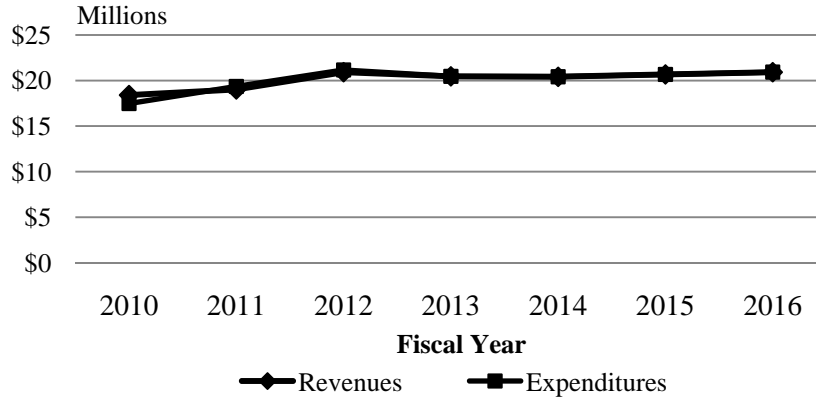
**Loan Repayment** is the repayment of a loan from the General Fund for physical improvements to Belmont Golf Course. Currently the golf course has an outstanding loan with the General Fund for a total of \$135,000 for physical improvements to the golf course. The loan is to be repaid in annual installments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

	<b>Belmont Golf Course Enterprise Fund Forecast</b>				
	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>
	<b>Actual</b>	<b>Original</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Belmont Golf Course Operations</b>					
<b>Revenues:</b>					
Golf Course Fees*	\$ 979,449	\$ 1,135,491	\$ 1,140,417	\$ 1,152,529	\$ 1,164,763
Snack Bar Revenues	71,772	93,316	93,316	93,316	93,316
Gain/Loss on Sale of Property	(10,266)	0	0	0	0
Recoveries & Rebates	7,076	0	0	0	0
Transfer fom General Fund	55,644	0	0	0	0
Total Revenues	<u>\$ 1,103,675</u>	<u>\$ 1,228,807</u>	<u>\$ 1,233,733</u>	<u>\$ 1,245,845</u>	<u>\$ 1,258,079</u>
Plus:					
(To)From Golf Course Retained Earnings	38,032	0	0	0	0
Total Resources	<u>\$ 1,141,707</u>	<u>\$ 1,228,807</u>	<u>\$ 1,233,733</u>	<u>\$ 1,245,845</u>	<u>\$ 1,258,079</u>
<b>Expenditures:</b>					
Loan Repayment*	\$ 0	\$ 22,500	\$ 22,500	\$ 22,500	22,500
Operational Expenses	<u>1,141,707</u>	<u>1,206,307</u>	<u>1,211,233</u>	<u>1,223,345</u>	<u>1,235,579</u>
Total Expenditures	<u>\$ 1,141,707</u>	<u>\$ 1,228,807</u>	<u>\$ 1,233,733</u>	<u>\$ 1,245,845</u>	<u>\$ 1,258,079</u>
Total Net Assets	<u>\$ 861,664</u>	<u>\$ 861,664</u>	<u>\$ 861,664</u>	<u>\$ 861,664</u>	<u>\$ 861,664</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 2013 through 2016 are estimated. Revenues exclude transfers from other funds.

### CENTRAL AUTOMOTIVE MAINTENANCE

#### (Fund 61)

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

#### Revenues

##### Assumptions

**Charges for Automotive Maintenance - West** are billings by Central Automotive Maintenance (CAM) for work performed at the maintenance facility on Woodman Road, in the western part of the County. Projected billing for FY2013-14 is \$6,370,000. Projected billings for FY2014-15 and FY2015-16 are forecasted at \$6,497,400 and \$6,627,348, respectively. Increases are based on the anticipated actual billings for the maintenance facility during this period.

**Charges for Automotive Maintenance - East** are billings by CAM for work performed at the maintenance facility on Dabbs House Road, in the eastern portion of the County. Projected billing for FY2013-14 is \$1,890,000. Projected billings for FY2014-15 and FY2015-16 are \$1,927,800 and \$1,966,356, respectively, representing a 2.0 percent annual increase.

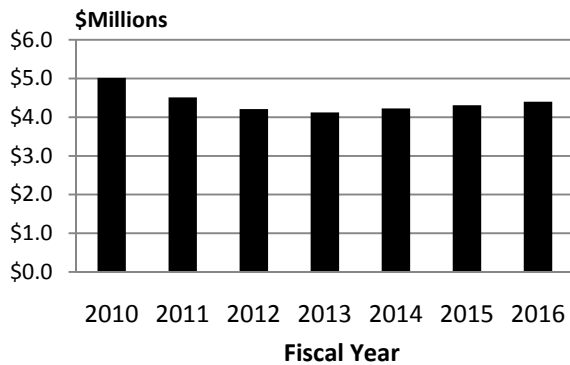
**Charges for Use of Motor Pool** are collected from departments using County motor pool vehicles. These charges offset maintenance and operational expenses as well as accumulating a reserve for replacement of motor pool vehicles. The vehicle replacement reserve is based on replacing the vehicles after 80,000 miles. Projected billing for the use of vehicles in FY2013-14 is \$4,225,000. Projected billings for FY2014-15 and FY2015-16 are \$4,309,500 and \$4,395,690, respectively, assuming an annual 2.0 percent increase due to projected vehicle replacements and the rising cost of repairs.

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

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

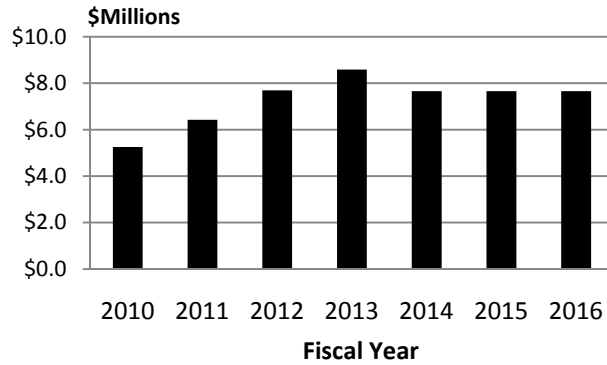
**(To) From Internal Service Fund Retained Earnings** is used to accumulate a reserve for replacement of motor pool vehicles when the vehicles reach the end of their useful life. Occasionally, increases in the cost of CAM operations, such as in gasoline and diesel fuel, requires Internal Service Fund Retained Earnings to be utilized to offset a portion of the additional expenses. In FY2011-12, \$287,536 was added to Retained Earnings, reflecting positive revenues net of total expenditures. 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 2013 through 2016 are estimated.

**Charges for Gasoline**



Fiscal years 2013 through 2016 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 FY2014-15 and FY2015-16, Internal Service Fund expenses are projected to grow at an annual rate of 1.2 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.

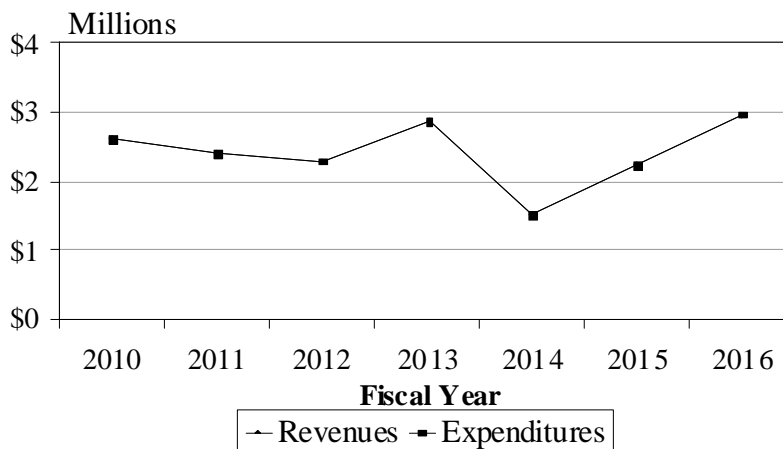
**Retained Earnings, June 30, 2012**, is \$7,373,797. The impact of anticipated resources and expenditures on the ending balance is projected for each fiscal year of the forecast period.



**Central Automotive Maintenance Internal Service Fund Forecast**

	<b>FY11-12</b>	<b>FY12-13</b>	<b>FY13-14</b>	<b>FY14-15</b>	<b>FY15-16</b>
	<u>Actual</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
<b>Revenues:</b>					
Charges for Auto Maint West	\$ 6,433,373	\$ 6,040,842	\$ 6,370,000	\$ 6,497,400	\$ 6,627,348
Charges for Auto Maint East	1,886,220	1,460,000	1,890,000	1,927,800	1,966,356
Charges for Use of Motor Pool	4,210,174	4,123,235	4,225,000	4,309,500	4,395,690
Charges for Gasoline	7,693,602	8,586,096	7,658,542	7,658,542	7,658,542
Miscellaneous Revenues	451,930	251,000	272,100	272,100	272,100
Gain/Loss on Sale of Property	246,198	0	0	0	0
<b>Total Revenues</b>	<u>\$ 20,921,497</u>	<u>\$ 20,461,173</u>	<u>\$ 20,415,642</u>	<u>\$ 20,665,342</u>	<u>\$ 20,920,036</u>
(To) From General Fund	0	0	0	0	0
(To) From Contributions in Aid	0	0	0	0	0
(To) From Capital Projects	526,255	0	0	0	0
(To) From Retained Earnings	(287,536)	0	0	0	0
<b>Total Resources</b>	<u>\$ 21,160,216</u>	<u>\$ 20,461,173</u>	<u>\$ 20,415,642</u>	<u>\$ 20,665,342</u>	<u>\$ 20,920,036</u>
<b>Expenditures:</b>					
Central Automotive Maintenance	<u>\$ 21,160,216</u>	<u>\$ 20,461,173</u>	<u>\$ 20,415,642</u>	<u>\$ 20,665,342</u>	<u>\$ 20,920,036</u>
<b>Total Expenditures</b>	<u><u>\$ 21,160,216</u></u>	<u><u>\$ 20,461,173</u></u>	<u><u>\$ 20,415,642</u></u>	<u><u>\$ 20,665,342</u></u>	<u><u>\$ 20,920,036</u></u>
<b>Retained Earnings June 30</b>	<u>\$ 7,373,797</u>	<u>\$ 7,373,797</u>	<u>\$ 7,373,797</u>	<u>\$ 7,373,797</u>	<u>\$ 7,373,797</u>

### Three Year Forecast Revenues and Expenditures Technology Replacement



Fiscal Years 2013 through 2016 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 FY2014, the Technology Replacement Fund expenses are projected to be \$1,514,113.

For FY2015, forecasted expenses are projected to be \$2,229,765. In FY2016, expenses are projected to be \$2,967,437. The FY2014 and FY2015 forecasts assume that all items in the Fund, which qualify for replacement, will be purchased on a pre-determined schedule.

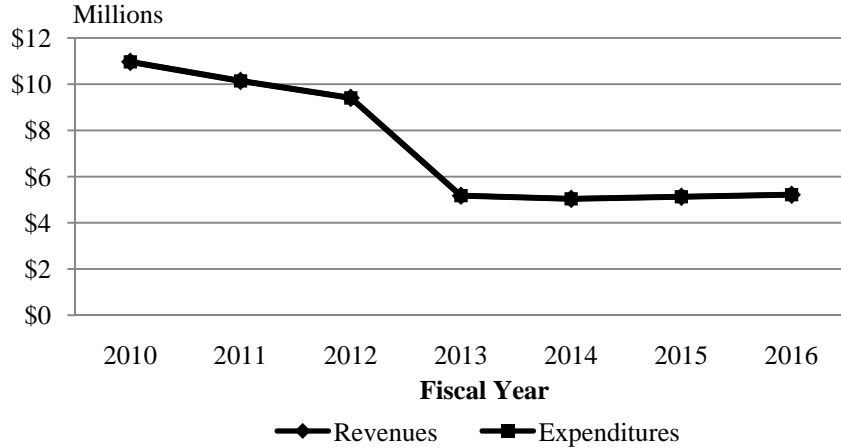
**Retained Earnings, June 30, 2012**, is \$8,853,039. The impact of anticipated resources, including operating transfers and expenditures on the ending balance, is projected for each fiscal year of the forecast period.

**Technology Replacement Internal Service Fund Forecast**

	<u>FY 11-12 Actual</u>	<u>FY 12-13 Original</u>	<u>FY 13-14 Forecast</u>	<u>FY 14-15 Forecast</u>	<u>FY 15-16 Forecast</u>
<b>Revenues:</b>					
Accumulated Technology Replacement - General Fund	\$ 1,760,980	\$ 0	\$ 0	\$ 0	\$ 1,000,000
Accumulated Technology Replacement - Special Revenue	44,692	0	0	0	0
Accumulated Technology Replacement - Belmont	2,922	0	0	0	0
Accumulated Technology Replacement - JRJDC	2,058	0	0	0	0
Accumulated Technology Replacement - Risk Mgmt	2,240	0	0	0	0
(To) From Retained Earnings - Technology Replacement	465,808	2,864,873	1,514,113	2,229,765	1,967,437
<b>Total Revenues</b>	<u>\$ 2,278,700</u>	<u>\$ 2,864,873</u>	<u>\$ 1,514,113</u>	<u>\$ 2,229,765</u>	<u>\$ 2,967,437</u>
<b>Expenditures:</b>					
Technology Equipment	<u>\$ 2,278,700</u>	<u>\$ 2,864,873</u>	<u>\$ 1,514,113</u>	<u>\$ 2,229,765</u>	<u>\$ 2,967,437</u>
<b>Total Expenditures</b>	<u>\$ 2,278,700</u>	<u>\$ 2,864,873</u>	<u>\$ 1,514,113</u>	<u>\$ 2,229,765</u>	<u>\$ 2,967,437</u>
Retained Earnings June 30*	<u>\$ 8,853,039</u>	<u>\$ 5,988,166</u>	<u>\$ 4,474,053</u>	<u>\$ 2,244,288</u>	<u>\$ 276,851</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 2013 through 2016 are estimated.

### RISK MANAGEMENT

#### (Fund 6301)

The Risk Management Fund was established in FY2004-05 as an Internal Service Fund. Prior to this date, costs associated with this function were expended in the General Fund. Because Risk Management provides services to all agencies, including education, across all funds, the budget is more properly captured within the Internal Service Fund Series. Resources for this fund are 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 FY2014-15 and FY2015-16 remain level with the FY2013-14 projection at \$629,403 due to the uncertainty of the number of claims annually.

**(To) From General Fund** represents the transfer from the General Fund for approximately 87.5 percent of the forecasted revenues associated with this fund. A transfer from the General Fund totaling \$4,407,836 is anticipated for FY2013-14, with a 2.0 percent increase projected for FY2014-15 and FY2015-16.

#### Expenditures

##### Assumptions

The development of the Risk Management Fund budget assumes revenues and transfers will support expenditures in future years. For FY2014-15 and FY2015-16, Internal Service Fund expenses are projected to grow at an annual

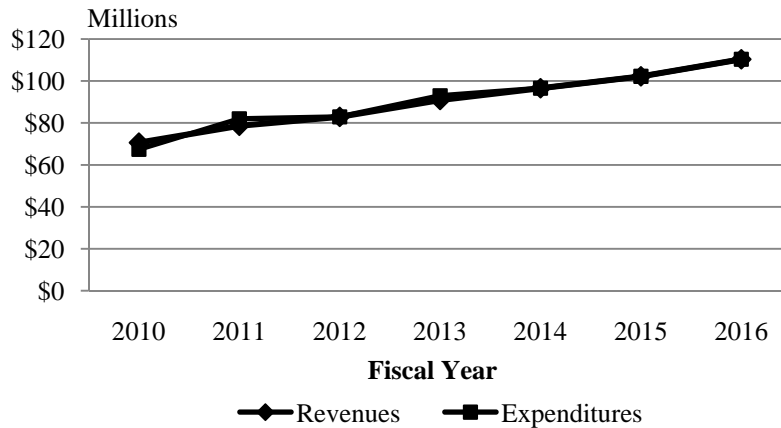
rate of approximately 1.8 percent. Due to the unpredictable nature of expenditures, the budget is kept relatively flat with only a small incremental increase built into the forecast. The budget is amended annually on a case-by-case basis with funding provided by the Self-Insurance Reserve, which is a designated reserve within the County's General Fund Balance.

**Self-Insurance Reserve, June 30, 2012**, totals \$10,000,000. The County has designated this amount in the General Fund's fund balance specifically for self-insurance.

**Risk Management Internal Service Fund Forecast**

	<u>FY11-12 Actual</u>	<u>FY12-13 Original</u>	<u>FY13-14 Forecast</u>	<u>FY14-15 Forecast</u>	<u>FY15-16 Forecast</u>
<b>Revenues:</b>					
Public Utilities Charges	\$ 554,546	\$ 629,403	\$ 629,403	\$ 629,403	\$ 629,403
Total Revenues	<u>\$ 554,546</u>	<u>\$ 629,403</u>	<u>\$ 629,403</u>	<u>\$ 629,403</u>	<u>\$ 629,403</u>
(To) From General Fund	<u>\$ 8,849,507</u>	<u>\$ 4,543,437</u>	<u>\$ 4,407,836</u>	<u>\$ 4,495,993</u>	<u>\$ 4,585,913</u>
Total Resources	<u><u>\$ 9,404,053</u></u>	<u><u>\$ 5,172,840</u></u>	<u><u>\$ 5,037,239</u></u>	<u><u>\$ 5,125,396</u></u>	<u><u>\$ 5,215,316</u></u>
<b>Expenditures:</b>					
Risk Management	\$ 9,404,053	\$ 5,172,840	\$ 5,037,239	\$ 5,125,396	\$ 5,215,316
Total Expenditures	<u>\$ 9,404,053</u>	<u>\$ 5,172,840</u>	<u>\$ 5,037,239</u>	<u>\$ 5,125,396</u>	<u>\$ 5,215,316</u>
<b>Self-Insurance Reserve</b>	<u><u>\$ 10,000,000</u></u>	<u><u>\$ 10,000,000</u></u>	<u><u>\$ 10,000,000</u></u>	<u><u>\$ 10,000,000</u></u>	<u><u>\$ 10,000,000</u></u>

## Three Year Forecast Revenues and Expenditures Healthcare Fund



Fiscal years 2013 through 2016 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 FY2013-14 reflects an increase in the County’s contribution for active employees of 4.9 percent. The forecasts for FY2014-15 and FY2015-16 assume rate increases of 6.0 percent annually, as well as 2.0 percent annual enrollment growth.

**Employee Contribution** represents contributions from active General Government and Schools employees toward their respective individual healthcare plans. The forecast for FY2013-14 reflects an overall increase of 5.0 percent. The forecasts for FY2014-15 and FY2015-16 assume rate increases of 6.0 percent annually, as well as 2.0 percent annual enrollment growth.

**Retiree Contribution** reflects rate payments by County retirees under 65 years of age that continue to participate in the County's healthcare program. The forecast for FY2013-14 reflects an increase of 5.0 percent. The forecasts for FY2014-15 and FY2015-16 assume rate increases of 8.0 percent, respectively.

**Retiree Subsidy** and **Disabled Subsidy** represent County contributions to retiree healthcare plans. The Disabled Subsidy reflects the healthcare subsidy provided to disabled retirees prior to January 1, 2003. The Disabled Subsidy forecast for FY2014-15 through FY2015-16 remains flat. For retirees after January 1, 2003, the healthcare supplement is referred to as a Retiree Subsidy, and is provided to County retirees with a minimum of 20 years in the Virginia Retirement System (VRS) of which 10 years must be with Henrico County. The total subsidy is calculated based on each full year of VRS service. The forecast for the Retiree Subsidy reflects a 23.5 percent increase in FY2013-14, representing the estimated cost impact of the Voluntary Retirement Incentive Program (VRIP). Currently, the Retiree Subsidy provides coverage for 476 retirees at an average monthly cost of \$103 per retiree and provides coverage for 55 VRIP retirees at an average monthly cost of \$197. In addition, 5.0 percent annual increases are projected for FY2014-15 and FY2015-16 based upon the anticipated rate of employee retirement for which the Retiree Subsidy is applicable.

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

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

**Federal Reimbursements (ERRP)** reflects the anticipated utilization of reimbursements from the federal government through the Early Retiree Reinsurance Program, authorized in the Affordable Care Act. ERRP provides reimbursements to participating employment-based plans for a portion of the costs of health benefits for pre-65 retirees and their spouses, surviving spouses, and dependents. The County utilized these funds to lower healthcare rate increases in calendar years 2012 and 2013.

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

**(To) From Premium Stabilization Reserve** reflects the amount of funding either added to or utilized from the Premium Stabilization Reserve in each respective fiscal year. The FY2013-14 Approved Budget assumes the use of \$1.0 million from the Premium Stabilization Reserve to help offset the healthcare cost increase to the County. The forecast for FY2014-15 and FY2015-16 assumes that no funds from the Premium Stabilization Reserve will be utilized. To forecast the amount of funding to be added to or utilized from the Premium Stabilization Reserve is a difficult task, as the amount of claims paid by the Healthcare Fund fluctuates each fiscal year. It must be noted that consideration of funding additions to or subtractions from the Premium Stabilization Reserve must be recognized when calendar year plan rates are established. As such, unless there is a planned utilization of funds from the reserve any given year, the intent of the Healthcare Fund is to generate a positive revenue variance as compared to expenditures, yielding an addition to the Premium Stabilization Reserve.

## **Expenditures**

### **Assumptions**

**Claims** expenditures reflect the County's cost of service for each participant in the program. In other words, these expenditures reflect the cost of healthcare services and pharmaceutical requirements for enrolled participants outside of any co-pay the program participant is responsible for per the defined benefit structure. The forecast for FY2013-14 assumes an increase in claims expenditures by approximately 2.5 percent, and the forecasts for FY2014-15 and FY2015-16 assume increases of 6.1 percent and 8.3 percent, respectively.

**Other Administrative Fees** represent the cost of third party administrative fees, the costs of an annual actuarial study and claims audit, and the premium payment for excess risk insurance. The County's excess risk insurance protects the County from any individual claim greater than \$500,000 and total annual payments that exceed 125.0 percent of actuarially projected annual claims. The FY2013-14 budget also includes funding for costs related to the County's healthcare consultant, as well as a Senior Management Specialist position that is funded through the Healthcare Fund. In addition, the FY2013-14 budget also reflects costs associated with the Affordable Care Act (ACA), which include \$1,100,000 for a Transitional Reinsurance Fee and \$35,000 for a Patient Centered Outcomes Research Institute (PCORI) fee. The FY2013-14 budget also reflects a one-time payment from the County's healthcare administrator in the amount of \$150,000 to support the Wellness Program initiative.

The forecast for FY2013-14 projects an increase in other administrative fee costs of 27.2 percent, attributable entirely to the additional Other Administrative Fee expenditures introduced in the FY2013-14 budget. The forecasts for FY2014-15 and FY2015-16 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, in FY2013-14, \$1.0 million from the PSR is being utilized in the Annual Fiscal Plan to prevent additional costs to the County in this difficult economic environment. As of June 30, 2012, the PSR has a balance of \$19,218,001, prior to consideration of the County's "Incurred But Not Reported" liability referenced below.

**Incurred But Not Reported (IBNR)** represents an actuarially estimated dollar amount of claims that have been incurred by program participants but have not yet been reported by the healthcare provider as of June 30, 2012. 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, 2012 in future years.

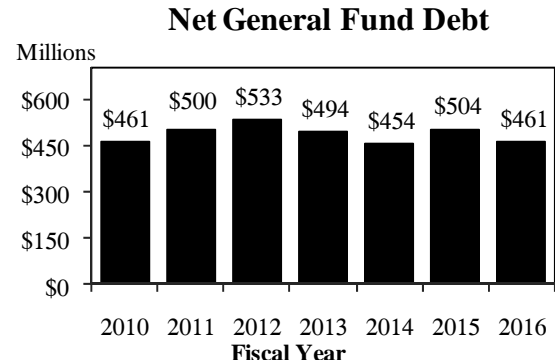
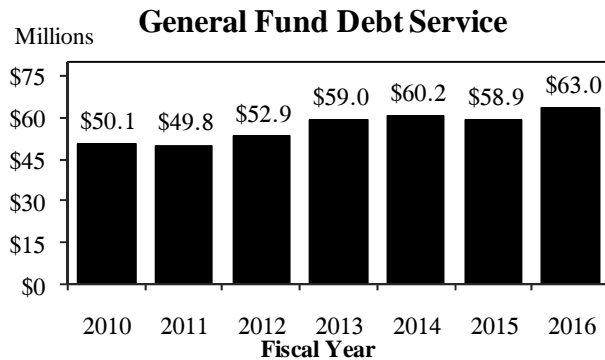


**Healthcare Internal Service Fund Forecast**

	<b>FY11-12</b>	<b>FY12-13</b>	<b>FY13-14</b>	<b>FY14-15</b>	<b>FY15-16</b>
	<b>Actual</b>	<b>Original</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Revenues:</b>					
County Contribution - Active	\$ 60,295,433	\$ 66,216,272	\$ 69,460,436	\$ 75,017,271	\$ 81,018,653
Employee Contribution	\$ 15,335,139	\$ 16,484,671	\$ 17,308,904	\$ 18,693,616	\$ 20,189,106
Retiree Contribution	\$ 5,343,300	\$ 6,188,431	\$ 6,497,853	\$ 7,017,681	\$ 7,579,096
Retiree Subsidy	\$ 583,506	\$ 621,320	\$ 767,506	\$ 805,881	\$ 846,175
Disabled Subsidy	\$ 128,080	\$ 170,387	\$ 150,242	\$ 270,000	\$ 270,000
COBRA	\$ 173,463	\$ 302,068	\$ 317,171	\$ 342,545	\$ 369,948
Recoveries and Rebates	\$ 25,600	\$ -	\$ -	\$ -	\$ -
Federal Reimbursements (ERRP)	\$ 823,487	\$ 888,352	\$ 823,487	\$ -	\$ -
Wellness Payment	\$ -	\$ -	\$ 150,000	\$ -	\$ -
Interest Income	\$ 42,825	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
<b>Total Revenues</b>	<b>\$ 82,750,833</b>	<b>\$ 90,946,501</b>	<b>\$ 95,550,599</b>	<b>\$ 102,221,994</b>	<b>\$ 110,347,978</b>
(To) From Premium Stabilization Fund <sup>(1)</sup>	\$ 136,707	\$ 2,000,000	\$ 1,000,000	\$ -	\$ -
<b>Total Resources</b>	<b>\$ 82,887,540</b>	<b>\$ 92,946,501</b>	<b>\$ 96,550,599</b>	<b>\$ 102,221,994</b>	<b>\$ 110,347,978</b>
<b>Expenditures:</b>					
Claims	\$ 78,279,693	\$ 87,646,501	\$ 89,808,376	\$ 95,277,504	\$ 103,195,152
Other Administrative Fees	\$ 4,607,847	\$ 5,300,000	\$ 6,742,224	\$ 6,944,491	\$ 7,152,825
<b>Total Expenditures</b>	<b>\$ 82,887,540</b>	<b>\$ 92,946,501</b>	<b>\$ 96,550,600</b>	<b>\$ 102,221,994</b>	<b>\$ 110,347,978</b>
<b>Premium Stabilization Reserve (PSR):</b>					
Premium Stabilization Reserve (PSR)	\$ 19,218,001	\$ 17,218,001	\$ 16,218,001	\$ 16,218,001	\$ 16,218,001
Incurred But Not Reported (IBNR)	\$ (8,071,001)	\$ (8,071,001)	\$ (8,071,001)	\$ (8,071,001)	\$ (8,071,001)
Uncommitted PSR	\$ 11,147,000	\$ 9,147,000	\$ 8,147,000	\$ 8,147,000	\$ 8,147,000

<sup>(1)</sup> Actuals reflect IBNR of \$8,071,001, recorded as an expense. Excluding IBNR, there was an addition to Reserves as of June 30, 2012 in the amount of \$7,934,293.

## Three Year Forecast Revenues and Expenditures Debt Service Fund



Fiscal Years 2013 through 2016 are estimated.  
Reflects transfer from the County's General Fund.

Fiscal Years 2013 through 2016 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 2013 through 2016 are calculated on existing debt service and anticipated debt service. The County citizens approved a General Obligation (G.O.) Bond referendum that was included on the November 2000 ballot. The referendum included School construction projects totaling \$170,500,000, and General Government projects totaling \$66,500,000. The G.O. Bond funding for these projects was issued between FY2001 and FY2007. The County citizens again approved a G.O. Bond referendum that was included on the March 2005 ballot. The referendum included School construction projects totaling \$220,000,000, and General Government projects totaling \$129,300,000. The funding for these projects was anticipated from seven G.O. Bond issues between FY2006 and FY2013.

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 Holman 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 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 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 Glen Allen High School, the addition of twelve classrooms each at Mehfoud Elementary School and Varina Elementary School, 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 of \$7.6 million over the balance of the debt payments. In May 2010, the County achieved \$5.1 million in debt service savings with the refunding of \$119,735,000 in G.O. Bonds.

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 \$73.5 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 County is scheduled to issue \$33.3 million and \$35.7 million in GO bonds in FY2011-12 and FY2012-13.

In August 2011, the County issued \$66,075,000 of GO Bonds for projects from the March 2005 Referendum. The General Government projects, which totaled \$45,443,418, included planning and construction funding of the Dumbarton Area Library Replacement; construction funding for the Varina Area Library, Short Pump Park, Twin Hickory Park, and the renovation and expansion of Fire Station #13; and funding of \$4.5 million to cover potential future project funding shortfalls in fire and Library projects. Education projects, which totaled \$20,631,582, included construction funding for the renovations of Pinchbeck Elementary School, and funding to be placed in a reserve account to cover future funding shortfalls in bond projects. This issue reflected the last of the authorization for the March 2005 Bond Referendum.

**(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.

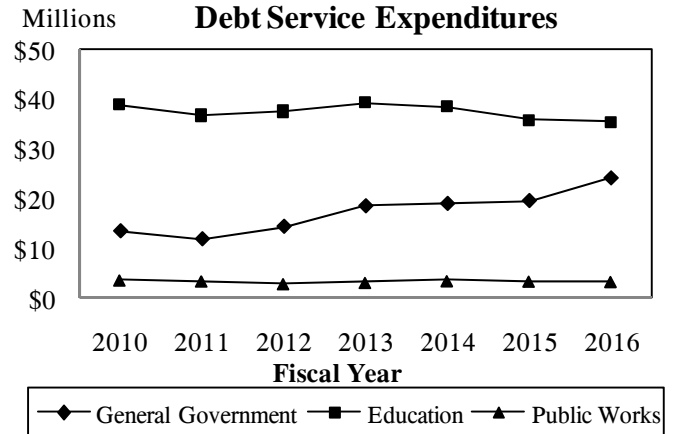
**(To) Capital Projects Fund** represents the transfer of excess accumulated debt service fund equity for funding pay-as-you-go capital projects. It could also represent the utilization of interest earnings from bond proceeds to help offset debt service payments. The use of debt service fund equity is 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 FY2012-13 through FY2015-16. 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. The only debt projected to be issued during the forecast period is associated with the replacement of the public safety communications system, a cost estimated at \$60.0 million of which \$48.0 million is anticipated to be financed. The full impact of this potential debt issue is forecasted in FY2015-16 for an estimated \$6.6 million debt service obligation.



Fiscal Years 2013 through 2016 are estimated.

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

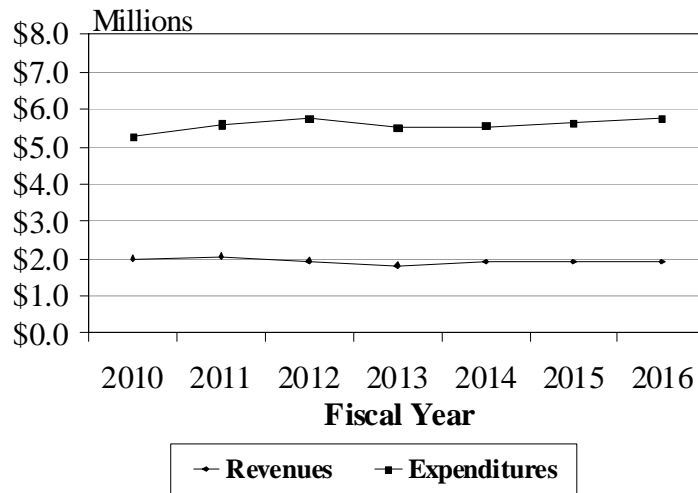
**Debt Service - Public Works** includes principal and interest payments on General Obligation (G.O.) Bonds issued to support road improvements throughout the County.

### Debt Service Fund Forecast

	FY 2012 Actual	FY 2013 Original	FY 2014 Forecast	FY2015 Forecast	FY2016 Forecast
<b>Revenues:</b>					
(To) From General Fund	\$ 52,854,043	\$ 58,982,785	\$ 58,988,994	\$ 58,854,838	\$ 62,984,728
(To) From Fund Equity	2,471,243	2,000,000	0	0	0
(To) Capital Projects Fund	0	0	0	0	0
Miscellaneous Revenue	0	0	0	0	0
Total Revenues	<u>\$ 55,325,286</u>	<u>\$ 60,982,785</u>	<u>\$ 58,988,994</u>	<u>\$ 58,854,838</u>	<u>\$ 62,984,728</u>
<b>Expenditures:</b>					
Debt Service - General					
Government	\$ 14,487,076	\$ 18,525,220	\$ 19,031,464	\$ 19,589,832	\$ 24,178,409
Debt Service - Education	37,883,579	39,257,302	36,565,167	35,799,794	35,411,581
Debt Service - Public Works	2,954,631	3,200,263	3,392,363	3,465,212	3,394,738
Total Expenditures	<u>\$ 55,325,286</u>	<u>\$ 60,982,785</u>	<u>\$ 58,988,994</u>	<u>\$ 58,854,838</u>	<u>\$ 62,984,728</u>
Fund Equity*	\$ 2,757,410	\$ 757,410	\$ 757,410	\$ 757,410	\$ 757,410

\*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 2013 through 2016 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, received quarterly, for day-to-day operational costs of the facility. As there is uncertainty in the level of future funding from the State, conservative revenue estimates will continue to be utilized. It should be noted that the estimated level of State funding in FY2014 remains slightly below the actual amount received in FY2002, which totaled \$1,570,378.

**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 \$401,438 for FY2014, \$409,466 for FY2015, and \$417,656 for FY2016.

**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, 2013 is \$1,860,000. As majority partner, Henrico is responsible for debt service payments projected at \$673,106 in FY2014, \$672,964 in FY2015, and \$671,327 in FY2016, which will complete the bond payments. Goochland made a one-time payment of \$511,646 in FY2001. Powhatan was relinquished of debt responsibility, since the facility is located in that county.

**To (From) Retained Earnings** is the anticipated difference between revenues and expenditures. The use of Fund Equity is projected at \$355,598 for FY2014, \$392,975 for FY2015, and \$429,463 for FY2016. Although use of fund equity is projected throughout the forecast period, it should be noted that historically, use of fund equity has been markedly less than projections, due to expenditure savings as well as the realization of miscellaneous revenues that are not reliable enough to fall within the budget structure of the JRJDC.

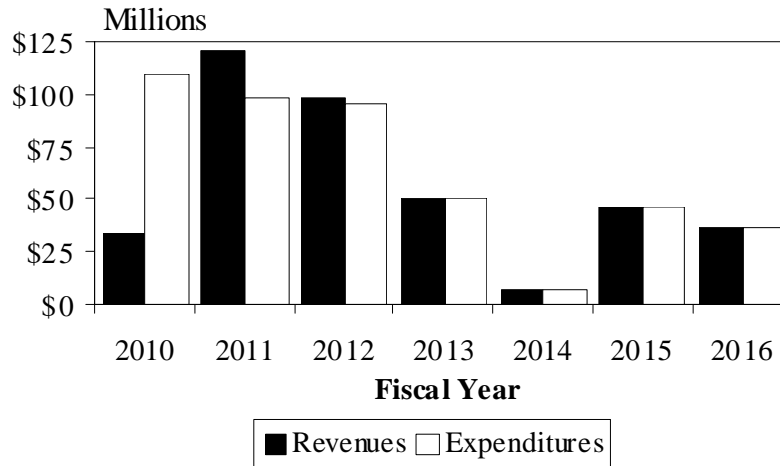
**Expenditures**  
**Assumptions**

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

**JRJDC Agency Fund Forecast**

	<u>FY11-12</u> <u>Actual</u>	<u>FY12-13</u> <u>Original</u>	<u>FY13-14</u> <u>Forecast</u>	<u>FY14-15</u> <u>Forecast</u>	<u>FY15-16</u> <u>Forecast</u>
<b>JRJDC Operations and Debt Service Subfunds</b>					
<b>Revenues:</b>					
Revenue from Commonwealth	\$ 1,417,499	\$ 1,412,270	\$ 1,513,273	\$ 1,513,273	\$ 1,513,273
Revenue from Federal Govt	114,020	0	0	0	0
Revenue from Goochland	201,653	200,719	200,719	204,733	208,828
Revenue from Powhatan	201,653	200,719	200,719	204,733	208,828
Recovered Costs	0	0	0	0	0
Interest Income	14,854	0	0	0	0
Total Revenues	<u>1,949,679</u>	<u>1,813,708</u>	<u>1,914,711</u>	<u>1,922,740</u>	<u>1,930,929</u>
<b>Plus:</b>					
(To) From Construction Subfund	0	0	0	0	0
(To) From General Fund	3,274,421	3,271,174	3,267,402	3,319,146	3,372,070
(To) From Retained Earnings	507,642	445,138	355,598	392,975	429,463
Total Resources	<u>\$ 5,731,742</u>	<u>\$ 5,530,020</u>	<u>\$ 5,537,711</u>	<u>\$ 5,634,861</u>	<u>\$ 5,732,462</u>
<b>Expenditures:</b>					
James River Juvenile Detention Center	\$ 5,063,800	\$ 4,853,142	\$ 4,864,605	\$ 4,961,897	\$ 5,061,135
Debt Service	667,942	676,878	673,106	672,964	671,327
Total Expenditures	<u>\$ 5,731,742</u>	<u>\$ 5,530,020</u>	<u>\$ 5,537,711</u>	<u>\$ 5,634,861</u>	<u>\$ 5,732,462</u>
Ending Retained Earnings	<u>\$ 2,421,697</u>	<u>\$ 1,976,559</u>	<u>\$ 1,620,961</u>	<u>\$ 1,227,986</u>	<u>\$ 798,523</u>

## Three Year Forecast Revenues and Expenditures Capital Projects Fund



Fiscal Years 2013 through 2016 are estimated.

### CAPITAL PROJECTS FUND

#### (Fund 21)

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

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

#### Revenues

##### Assumptions

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

**Miscellaneous Revenues** includes payments received from other localities for shared capital project costs. The FY2014 forecast includes \$580,000 in other local revenue which was generated by Sprint/Nextel. This funding will partially fund a portion of the first phase of the County radio communications system replacement project.

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

**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.

**Interest Earnings** represent earnings generated from General Obligation Bonds which were appropriated in prior fiscal years. The FY2014 forecast of \$2,500,000 will support ongoing projects related to school roof replacements and mechanical systems improvements.



**Transfers:**

**(To) From General Fund** is the transfer of non-bond resources from the General Fund. The FY2014 transfer of \$3,770,000 includes a \$1,500,000 allocation for pay-as-you-go construction from General Fund balance for General Government to support various ongoing projects and includes a \$1,420,000 allocation from the Designated Capital Reserve Fund balance, which will provide partial funding for the first phase of the County radio communications system replacement project. In addition, the FY2014 transfer includes revenue collected in the General Fund designated for capital improvements, such as the Motor Vehicle License Fee revenue of \$850,000, which supports various Public Works' ongoing projects.

Henrico's internal policy of maintaining an undesignated fund balance equivalent to 18.0 percent of General Fund expenditures was lowered to 15.0 percent of General Fund expenditures at fiscal year-end June 30, 2012. Expected one-time savings were applied to a Vehicle Replacement Reserve within the Capital Budget (found elsewhere in this document), which is forecasted to fund replacement police vehicles, fire apparatus, and school buses through FY2016.

The FY2015 forecasted transfer of \$46,430,000 includes \$5.0 million of General Fund balance, \$15,580,000 of Designated Capital Reserve Fund balance, \$9.0 million from tax revenue for Schools, \$6.0 million from the Stormwater Utility Fee, \$10.0 million from newly allocated Gas Tax revenues, and \$850,000 from Motor Vehicle License Fee revenue. The FY2016 forecasted transfer of \$35,850,000 includes \$5.0 million of General Fund balance, \$5.0 million of Designated Capital Reserve Fund balance, \$9.0 million from tax revenue for Schools, \$6.0 million from the Stormwater Utility Fee, \$10.0 million from newly allocated Gas Tax revenues, 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.

**Expenditures**

**Assumptions**

**Capital Project Expenditures** over the three-year forecast period are requested at \$89,130,000. General Fund balance expenditures for the three-year period total \$11.5 million. Forecasted FY2014 expenditures, which have been designated for General Government includes \$350,000 for Information Technology projects, \$200,000 for the Network/VOIP project, \$650,000 for recreation facility rehabilitation projects, and \$300,000 for the Geographic Information System project. FY2015 and FY2016 expenditures are forecasted at \$5.0 million per year, with Education and General Government each receiving \$2.5 million, respectively.

Designated Capital Reserve Fund balance expenditures for the three-year period total \$22.0 million. Forecasted FY2014 expenditures of \$1,420,000 have been allocated for partial funding for the first phase of the County radio communications system replacement project. FY2015 expenditures totaling \$15,580,000 have been dedicated to the County radio communications system replacement project totaling \$10,580,000 as well as partial renovation of the Best Plaza facility totaling \$5,000,000. FY2016 expenditures of \$5.0 million have been dedicated for the purpose of the multi-year renovation of the Best Plaza facility.

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

Tax revenue – Schools Capital reflects an additional revenue source that would generate \$18.0 million over a two year period – FY2015 and FY2016, which would allow for Schools infrastructure projects.

Stormwater Utility fee revenue is forecasted to generate \$12.0 million over a two year period – FY2015 and FY2016, which would allow for stormwater infrastructure projects required by the EPA as part of the Chesapeake Bay TMDL. It is important to note that this funding source is currently not available to the County and these figures reflect estimates only. Additional analysis and discussion will be required with the Board and public prior to this resource being available.

Gas Tax revenue is forecasted to generate \$20.0 million in additional resources over a two year period – FY2015 and FY2016, which would allow for various road maintenance and construction projects. This additional funding was provided by the 2013 General Assembly. Final allocation of resources will be discussed with the Board and public prior to appropriation.

**(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 FY2012-13 and FY2013-14 Capital Budgets.

<b>FY2013</b>		<b>FY2014</b>	
<b>From General Fund - \$10,850,000</b>		<b>From General Fund - \$3,770,000</b>	
<b>Project</b>	<b>Total</b>	<b>Project</b>	<b>Total</b>
Schools - Mechanical Improvements	\$ 2,400,000	Recreation Facility Rehabilitation	\$ 650,000
Schools - Roof Replacement	100,000	Geographic Information System	300,000
Recreation Facility Rehabilitation	200,000	General Road Construction	800,000
Geographic Information System	150,000	New Guardrails	50,000
Pavement Rehabilitation	150,000	Information Technology Projects	350,000
UPS Replacement	440,000	Network/VOIP	200,000
Mechanical Improvements	560,000	County Radio Comm. System Replacement	1,420,000
Roof Replacement and Rehabilitation	250,000	<b>Total From General Fund</b>	<b>\$ 3,770,000</b>
Best Plaza	5,000,000		
General Road Construction	800,000		
New Guardrails	50,000		
Information Technology Projects	250,000		
Network/VOIP	500,000		
<b>Total From General Fund</b>	<b>\$ 10,850,000</b>		

**Capital Projects Fund Forecast**

	<b>FY 11-12 Actual</b>	<b>FY 12-13 Original</b>	<b>FY 13-14 Forecast</b>	<b>FY 14-15 Forecast</b>	<b>FY 15-16 Forecast</b>
<b>Resources:</b>					
Revenues:					
Use of Money and Property	\$ 452,908	-	-	-	-
Miscellaneous Revenues	320,634	-	580,000	-	-
Intergovernmental	8,357,289	-	-	-	-
Subtotal Revenues	<u>\$ 9,130,831</u>	<u>\$ -</u>	<u>\$ 580,000</u>	<u>\$ -</u>	<u>\$ -</u>
Other Financing (Uses) Sources:					
Bonds:					
G. O. Bonds - Education - 2005	15,065,341	18,792	-	-	-
G. O. Bonds - General Govt - 2005	50,550,000	40,200,000	-	-	-
Interest Earnings	-	-	2,500,000	-	-
Bond Premiums	7,884,659	-	-	-	-
Subtotal Bonds:	<u>\$ 73,500,000</u>	<u>\$ 40,218,792</u>	<u>\$ 2,500,000</u>	<u>\$ -</u>	<u>\$ -</u>
Transfers:					
(To) From General Fund:					
General Fund Balance	\$ 11,280,988	\$ 5,000,000	\$ 1,500,000	\$ 5,000,000	\$ 5,000,000
Designated Capital Reserve	-	5,000,000	1,420,000	15,580,000	5,000,000
General Fund Revenue - License Fee	850,000	850,000	850,000	850,000	850,000
Tax Revenue - Schools Capital	-	-	-	9,000,000	9,000,000
Stormwater Utility Fee	-	-	-	6,000,000	6,000,000
State Gasoline Tax	2,289,492	-	-	10,000,000	10,000,000
Subtotal General Fund Transfers	<u>\$ 14,420,480</u>	<u>\$ 10,850,000</u>	<u>\$ 3,770,000</u>	<u>\$ 46,430,000</u>	<u>\$ 35,850,000</u>
Transfers:					
(To) From Special Revenue Fund:					
Landfill Fees	<u>\$ 2,300,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Subtotal Special Revenue Fund	<u>\$ 2,300,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Resources and Transfers	<u><u>\$ 99,351,311</u></u>	<u><u>\$ 51,068,792</u></u>	<u><u>\$ 6,850,000</u></u>	<u><u>\$ 46,430,000</u></u>	<u><u>\$ 35,850,000</u></u>
<b>Expenditures:</b>					
General Government	\$ 32,500,555	\$ 47,700,000	\$ 3,500,000	\$ 18,080,000	\$ 7,500,000
Education	46,988,591	2,518,792	2,500,000	11,500,000	11,500,000
Public Works	15,319,657	850,000	850,000	16,850,000	16,850,000
Utilities - Landfill	429,714	-	-	-	-
Total Expenditures	<u>\$ 95,238,517</u>	<u>\$ 51,068,792</u>	<u>\$ 6,850,000</u>	<u>\$ 46,430,000</u>	<u>\$ 35,850,000</u>
(To) From Capital Projects Fund Equity	\$ (4,112,794)	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Capital Projects Fund Balance	<u><u>\$229,071,170</u></u>	<u><u>\$228,071,170</u></u>	<u><u>\$227,071,170</u></u>	<u><u>\$226,071,170</u></u>	<u><u>\$225,071,170</u></u>

**Notes:**

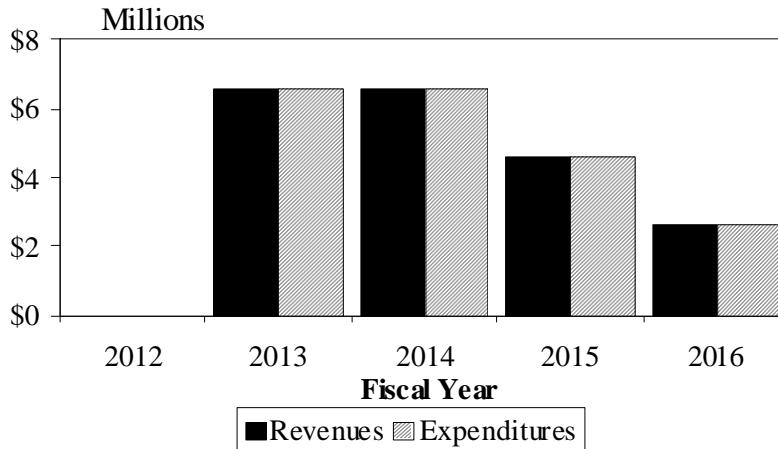
Revenues and Expenditures in forecast years are based on anticipated appropriations.

From Capital Projects Fund Balance is the use of cash to complete projects where funds were appropriated in prior years.

To Capital Projects Fund Balance is the anticipated addition to Capital Projects Fund Balance of unspent current year appropriations.

(\*) Source - Trial Balance. Represents unspent balance as of 6/30/12.

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



Fiscal Years 2013 through 2016 are estimated.

**VEHICLE REPLACEMENT RESERVE FUND**

**(Fund 22)**

The Vehicle Replacement Reserve was created in the FY2012-13 Capital Budget as a result of a revision to the County’s Fund Balance guidelines that generated one-time savings. Henrico’s internal policy of maintaining an undesignated fund balance equivalent to 18.0 percent of General Fund expenditures was lowered to 15.0 percent of General Fund expenditures at fiscal year-end June 30, 2012.

The Vehicle Replacement Reserve will temporarily fund the vehicle replacement programs for Education, Fire, and Police that were previously funded in the individual departmental operating budgets. This Reserve falls under the Capital Projects Fund but has been assigned a new fund in order to isolate expenditures for this specific purpose. As resources become available, funding for these important vehicle replacements will transition back into the operating budget.

**Revenues**

**Transfers:**

**(To) From General Fund** is the transfer of resources from the Designated Vehicle Replacement Reserve within the Designated General Fund balance. The FY2014 transfer of \$6,574,800 will fund the School Bus Replacement Program - \$2,500,000, the Fire Apparatus Replacement Program - \$1,500,000, and the Police Vehicle Replacement Program - \$2,574,800. The FY2015 transfer of \$4,574,800 will fund the School Bus Replacement Program - \$1,500,000, the Fire Apparatus Replacement Program - \$1,000,000, and the Police Vehicle Replacement Program - \$2,074,800. The FY2016 transfer of \$2,574,800 will fund the School Bus Replacement Program - \$500,000, the Fire Apparatus Replacement Program - \$500,000, and the Police Vehicle Replacement Program - \$1,574,800.

**Expenditures**

**Assumptions**

**Vehicle Replacement Reserve Expenditures** over the forecast period are requested at \$13,724,400. Expenditures for General Government total \$9,224,400 and include Fire’s Apparatus Replacement Program - \$3.0 million and Police’s Vehicle Replacement Program - \$6,224,400. Expenditures for Education’s School Bus Replacement Program total \$4.5 million over the forecast period.

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

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

**Vehicle Replacement Reserve Fund Forecast**

	<u>FY 11-12</u> <u>Actual</u>	<u>FY 12-13</u> <u>Original</u>	<u>FY 13-14</u> <u>Forecast</u>	<u>FY 14-15</u> <u>Forecast</u>	<u>FY 15-16</u> <u>Forecast</u>
<b>Resources:</b>					
Transfers:					
(To) From General Fund:					
Designated Vehicle Replacement Reserve	\$ -	\$ 6,574,800	\$6,574,800	\$4,574,800	\$2,574,800
Subtotal General Fund Transfers	\$ -	\$ 6,574,800	\$6,574,800	\$4,574,800	\$2,574,800
Total Resources and Transfers	<u>\$ -</u>	<u>\$ 6,574,800</u>	<u>\$6,574,800</u>	<u>\$4,574,800</u>	<u>\$2,574,800</u>
<b>Expenditures:</b>					
General Government	\$ -	\$ 4,074,800	\$4,074,800	\$3,074,800	\$2,074,800
Education	-	2,500,000	2,500,000	1,500,000	500,000
Total Expenditures	<u>\$ -</u>	<u>\$ 6,574,800</u>	<u>\$6,574,800</u>	<u>\$4,574,800</u>	<u>\$2,574,800</u>
(To) From Vehicle Replacement Reserve Fund Equity	\$ -	\$ 6,574,800	\$6,574,800	\$4,574,800	\$2,574,800
Vehicle Replacement Reserve Fund Balance*	<u>\$ -</u>	<u>\$13,724,400</u>	<u>\$7,149,600</u>	<u>\$2,574,800</u>	<u>\$ -</u>

**Notes:**

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

(\*). Source - Trial Balance. Represents unspent balance as of 6/30/12.

**GENERAL FUND**

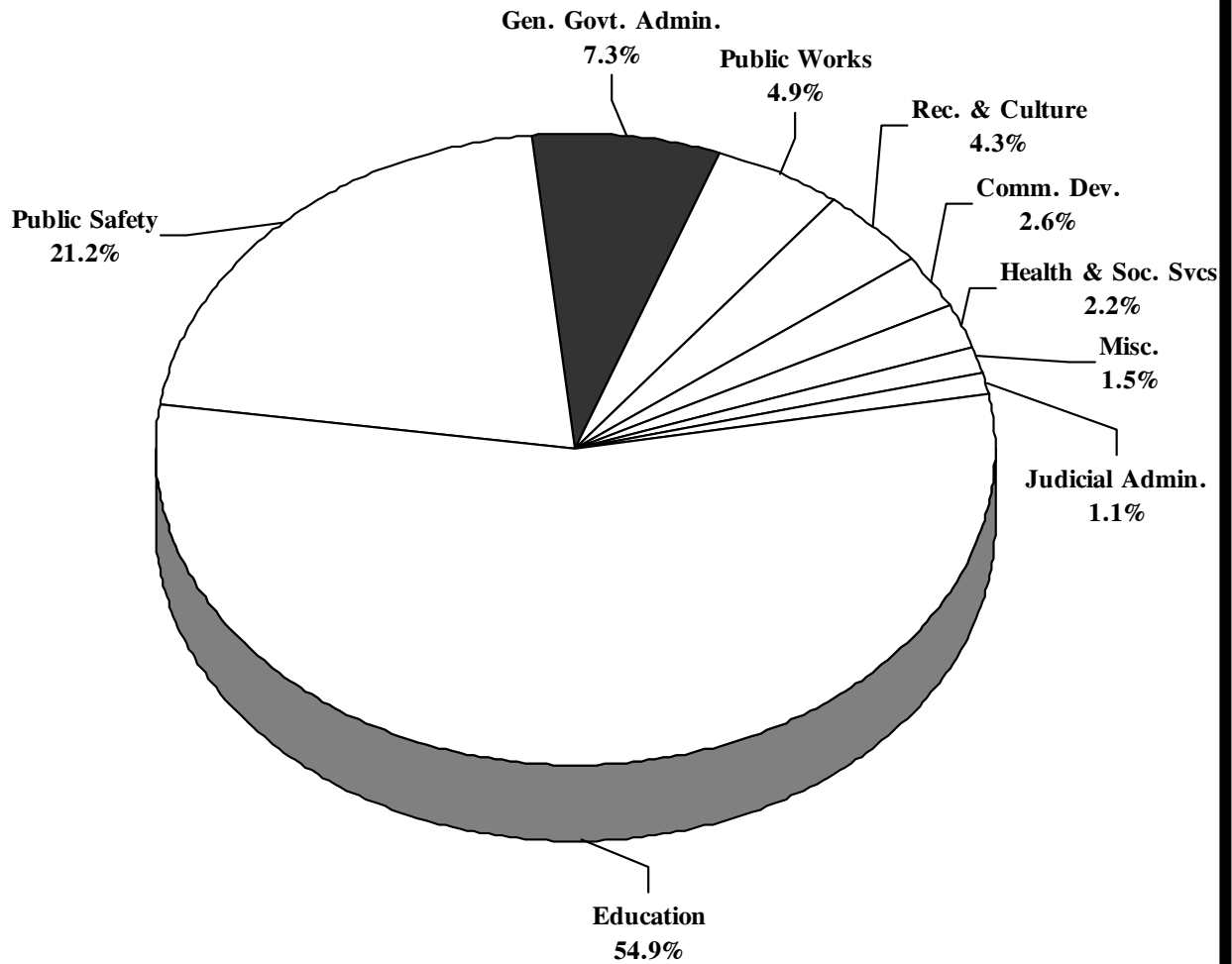
**COUNTY OF HENRICO, VIRGINIA  
APPROVED GENERAL FUND REVENUES  
FY 2013-14**

<b>Revenues:</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>
<b>Function/Program</b>	<b>Actual</b>	<b>Original</b>	<b>Approved</b>
<b>Revenue from Local Sources:</b>			
General Property Taxes	\$348,584,013	\$379,975,000	\$391,560,000
Other Local Taxes	127,091,069	116,235,000	116,749,000
Permits, Fees, & Licenses	3,915,755	3,443,900	4,104,900
Fines & Forfeitures	2,957,594	2,390,000	2,390,000
From Use of Money & Property	2,555,989	7,872,500	7,951,400
Charges for Services	3,982,810	3,725,700	3,580,700
Miscellaneous	6,006,895	3,028,400	3,910,300
Recovered Costs	4,573,133	4,286,370	4,382,370
Total from Local Sources	<u>499,667,258</u>	<u>520,956,870</u>	<u>534,628,670</u>
<b>Revenue from the Commonwealth:</b>			
<b>Categorical Aid:</b>			
Education	208,117,382	214,883,000	227,540,000
Public Works	31,912,822	28,745,000	28,745,000
Public Safety (HB #599)	8,052,237	7,650,000	8,500,000
Social Services	5,625,859	2,613,955	3,252,655
Other	4,549,450	4,644,700	4,072,500
Total Categorical Aid	<u>258,257,750</u>	<u>258,536,655</u>	<u>272,110,155</u>
<b>Non-Categorical Aid:</b>			
General Government	53,873,065	17,713,500	17,219,500
Total Non-Categorical Aid	<u>53,873,065</u>	<u>17,713,500</u>	<u>17,219,500</u>
<b>Shared Expenses:</b>			
State Share of Salaries & Benefits	16,035,151	14,929,400	16,171,098
Total from the Commonwealth	<u>328,165,966</u>	<u>291,179,555</u>	<u>305,500,753</u>
<b>Revenue from the Federal Government</b>	<u>17,101,047</u>	<u>12,830,280</u>	<u>7,380,280</u>
<b>Total Revenues</b>	<u>844,934,271</u>	<u>824,966,705</u>	<u>847,509,703</u>
<b>Interfund Transfers:</b>			
To Debt Service Fund	(52,854,043)	(58,982,785)	(58,988,994)
To Capital Projects Fund	(14,420,480)	(17,424,800)	(10,136,300)
To Enterprise Fund	(812,252)	(756,608)	(1,931,608)
To Risk Management	(7,268,197)	(4,543,437)	(4,407,836)
To Special Revenue Fund	(20,174,182)	(22,140,214)	(22,176,460)
To JRJDC Agency Fund	(3,274,421)	(3,271,174)	(3,267,402)
To OPEB-GASB 45 Fiduciary Fund	(3,000,000)	(3,000,000)	(2,500,000)
To Line of Duty	0	0	(500,000)
Total Transfers	<u>(101,803,575)</u>	<u>(110,119,018)</u>	<u>(103,908,600)</u>
(To) From Fund Balance	0	0	0
(To) From Fund Balance - Capital Projects	5,000,000	5,000,000	1,500,000
(To) From Fund Balance - Designated Capital Reserve	0	5,000,000	1,420,000
(To) From Vehicle Replacement Reserve	0	6,574,800	6,574,800
Use of Fund Balance General Fund	(7,319,534)	0	0
(To) From Fund Balance Education Reserve	0	0	(9,000,000)
(To) From Fund Balance - VRS Reserve	0	0	(1,000,000)
From Revenue Stabilization	10,248,671	3,869,432	4,097,452
<b>Total Resources Net of Transfers</b>	<u>\$751,059,833</u>	<u>\$735,291,919</u>	<u>\$747,193,355</u>

# COUNTY OF HENRICO, VIRGINIA

## General Government Administration

\$54,267,190



Total General Fund

\$747,193,355



**COUNTY OF HENRICO, VIRGINIA  
GENERAL GOVERNMENT ADMINISTRATION - GENERAL FUND  
FY 2013-14**

<u>Department</u>	<u>FY 11-12 Actual</u>	<u>FY 12-13 Original</u>	<u>FY 13-14 Approved</u>
Board of Supervisors	\$1,019,938	\$1,097,781	\$1,032,301
County Manager:			
Administration	2,099,495	1,956,459	1,687,154
Public Relations	734,297	818,282	809,400
Media Services	<u>1,139,493</u>	<u>906,586</u>	<u>904,728</u>
Total County Manager	3,973,285	3,681,327	3,401,282
County Attorney	1,988,249	2,002,158	2,154,270
Human Resources:			
Human Resources	4,227,253	4,311,379	4,202,609
Group Benefits	<u>622,539</u>	<u>691,707</u>	<u>817,748</u>
Total Human Resources	4,849,792	5,003,086	5,020,357
Finance:			
Administration	560,446	431,124	485,386
Technology	898,708	798,307	809,852
Accounting	1,563,920	1,694,707	1,594,230
Budget	638,102	683,047	789,471
Treasury	2,152,069	2,213,773	2,223,053
Real Estate Assessment	2,899,494	2,944,851	2,842,149
Board of Real Estate Review	15,965	18,721	18,721
Vehicle	1,499,543	1,492,225	1,502,394
Business	<u>1,372,373</u>	<u>1,477,260</u>	<u>1,487,049</u>
Total Finance	11,600,620	11,754,015	11,752,305
General Services:			
Communications	1,120,281	1,164,189	0
Purchasing	1,600,733	1,660,044	1,667,762
Records Management	493,197	441,415	449,947
Administration	1,726,890	1,743,218	1,677,406
Employee Cafeteria	370,599	433,418	439,685
Maintenance and Custodial	8,807,334	10,226,100	10,038,464
Security	<u>1,319,325</u>	<u>1,439,293</u>	<u>1,423,208</u>
Total General Services	15,438,359	17,107,677	15,696,472
Internal Audit	401,267	395,367	403,223
Information Technology	11,656,865	12,458,607	12,737,053
Real Property	603,855	587,745	596,134
Electoral Board	1,523,751	1,292,871	1,473,793
Total General Government Administration	<u>\$53,055,981</u>	<u>\$55,380,634</u>	<u>\$54,267,190</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' budget for FY2013-14 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 Board of Supervisor's budget for FY2013-14 is \$1,032,301 and represents a decrease of 6.0 percent from the previous approved budget. Personnel costs decreased by 8.6 percent, mostly the result of an Administrative Assistant position being eliminated in FY2013-14 due to efficiencies achieved within the department.

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 674,780	\$ 761,046	\$ 695,566	(8.6%)
Operation	344,863	336,735	336,735	0.0%
Capital	295	0	0	0.0%
<b>Total</b>	<b>\$ 1,019,938</b>	<b>\$ 1,097,781</b>	<b>\$ 1,032,301</b>	<b>(6.0%)</b>

Personnel Complement*	5	5	4	(1)
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\*An Administrative Assistant position was eliminated in the FY2013-14 complement.

*Board of Supervisors (cont'd)*

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	<b>Performance Measures</b>			
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Performance Measures</b>				
Population of County Served(*)	315,157	318,397	321,670	3,273
Regular Board Meetings Held	22	22	22	0
Special Board Meetings Held	30	26	26	0
Town Meetings Hosted	9	6	7	1
Board Papers Considered	263	275	275	0
Provisional Use Permits/Zoning Cases Considered	24	35	35	0
Board and Commission Members Appointed	146	125	135	10

(\*) - Population data provided by the Department of Planning

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# COUNTY MANAGER

## Description

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

## Objectives

- To 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.

## Budget Highlights

The FY2013-14 County Manager’s Office budget includes funding to cover the costs of personnel, routine office expenses, and other expenditures needed to keep the members of the Board of Supervisors advised on County business and finances. Also, funds are included that allow the County Manager and his four deputies to maintain memberships and participation in organizations and meetings necessary to keep abreast of current trends and developments beneficial to the County and its citizens.

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.

The County Manager’s budget for FY2013-14 is \$1,687,154, and represents a decrease of \$269,305 or 13.8 percent from the previous approved budget. This decrease is primarily due to personnel savings in FY2012-13, due to position retirements and reclassifications. These cost savings were partially offset by cost increases associated with Senate Bill 497, which required a mandatory 5.0 percent salary increase, partially offset by a reduction in the VRS requirement. The operating budget remains the same as the FY2012-13 operating budget.

## Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 1,951,558	\$ 1,850,217	\$ 1,590,912	(14.0%)
Operation	147,607	106,242	96,242	(9.4%)
Capital	330	0	0	0.0%
<b>Total</b>	<b>\$ 2,099,495</b>	<b>\$ 1,956,459</b>	<b>\$ 1,687,154</b>	<b>(13.8%)</b>
 Personnel Complement	 13	 13	 13	 0

# COUNTY MANAGER

## Public Relations & Media Services

### Description

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

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’ budget for FY2013-14 totals \$1,714,128, and represents a decrease of \$10,740 or 0.6 percent from the previous approved budget. This amount

### Annual Fiscal Plan

Description	FY12 Actual	FY13 Original	FY14 Approved	Change 13 to 14
Personnel	\$ 1,510,712	\$ 1,457,620	\$ 1,477,880	1.4%
Operation	344,852	267,248	236,248	(11.6%)
Capital	18,226	0	0	0.0%
<b>Total</b>	<b>\$ 1,873,790</b>	<b>\$ 1,724,868</b>	<b>\$ 1,714,128</b>	<b>(0.6%)</b>
 Personnel Complement	 19	 19	 19	 0

*Public Relations & Media Services (cont'd)*

	Performance Measures			Change 13 to 14
	FY12	FY13	FY14	
<b>Workload Measures</b>				
Video Shoots	667	500	500	0
Publications Distributed	306,400	300,000	300,000	0
Cable TV Messages	1,600	1,600	1,600	0
Information Packets Distributed	55,843	15,500	15,500	0
Media Contacts Made	8,132	8,000	8,000	0
DVD Duplication	2,128	2,500	2,500	0
Print Articles Generated	317	300	300	0
Photos Taken/Distributed	2,392	2,000	2,000	0

includes funding for operating costs and numerous programs sponsored by the department. For FY2013-14, personnel costs increased by \$20,260 or 1.4 percent. The increase in personnel is attributed to cost increases associated with Senate Bill 497, which required a mandatory 5.0 percent salary increase partially offset by a decrease in the VRS requirement. The operating costs decreased by \$31,000 are attributed to efficiencies achieved within the department.

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 budget for the Public Relations office is \$809,400. It should be noted, the Board of Supervisors' Newsletter continues to be funded within the Public Relations' 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 is \$904,728.

## 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.

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 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 FY2011-12, 23 new lawsuits were filed in courts of record.

### Budget Highlights

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

At present, 31 cases are pending in state and federal courts of record, which include trial and appellate courts. The office made 52 appearances in these courts during FY2011-12. In addition, during that same period, the office handled 885 cases in courts not of record; 279 cases in the Henrico County General District Court and 606 cases in the Henrico County Juvenile and Domestic Relations District Court. Moreover, the office handled 34 administrative proceedings over the same period.

In addition to litigation matters, the office handles a huge volume of transactional work on behalf of County departments. This work includes; 1,333 contracts drafted or reviewed, 249 deeds and leases

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 1,913,987	\$ 1,932,779	\$ 2,084,891	7.9%
Operation	74,142	69,379	69,379	0.0%
Capital	120	0	0	0.0%
Total	<u>\$ 1,988,249</u>	<u>\$ 2,002,158</u>	<u>\$ 2,154,270</u>	<u>7.6%</u>

Personnel Complement	18	18	19*	1
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\* In FY2012-13, one Assistant County Attorney was added to the County Attorney's complement to assist the Henrico County Public Schools.

**Performance Measures**

	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Change 13 to 14</u>
<b>Workload Measures</b>				
New Cases Filed	23	25	24	(1)
Cases Disposed of	22	21	22	1
Administrative Proceedings	34	18	30	12
Court Appearances	937	1,000	950	(50)

drafted or reviewed, 438 board papers drafted or reviewed, 385 Freedom of Information Act requests handled, 217 Subpoenas Duces Tecum handled, 16 restrictive covenants reviewed, 13 festival permit applications reviewed, 75 sets of conditional zoning proffers reviewed and 5 official opinions rendered. In addition, during the months of January, February, and March 2012, while the General Assembly was in session, 93 articles of proposed legislation were reviewed. Also, during FY2011-12, the County Attorney's office recovered \$346,713, owed to the County through bankruptcy proceedings.

The County Attorney's budget for FY2013-14 is \$2,154,270, and represents an increase of \$152,112 or 7.6 percent from the previous approved budget. The increase in personnel costs is due to the impact of Senate Bill 497, as well as the addition of one Assistant County Attorney position in FY2012-13. The operating budget remains constant with the FY2012-13 budgeted operating costs.



# HUMAN RESOURCES

## Description

Remaining an “employer of choice” during such uncertain economic times can be difficult. Despite the current economy, Henrico County continues to embody the characteristics of a preferred employer - ease in attracting talent, excellent retention rates, well-qualified applicant pools, clear and fair employee policies, competitive salaries and benefits packages, awards and accolades - while maintaining a good balance between providing excellent service to its citizens and customers and caring about its employees.

The Department of Human Resources is responsible for managing a centralized, full-service human resources function including employment 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.

The Department of Human Resources administers the following: employee grievance procedure, equal employment opportunity complaint procedure, health care and dental coverage, income protection plans,

the employee assistance program, the leadership development and succession management programs, employee service awards program, drug testing, employment physicals, and unemployment compensation. The department is also responsible for administering and interpreting a myriad of federal and state laws and regulations including the Family Medical Leave Act (FMLA), the Fair Labor Standards Act (FLSA), the Americans with Disabilities Act (ADA) as well as Henrico County Personnel Rules and Regulations.

## Objectives

- To continue our focus on Communication, Collaboration, and Credibility as we serve our customers.
- To remain an employer-of-choice.
- To continue our efforts to attract and retain the “right” employees in the “right” seats at all job levels.
- To endeavor to maintain high employment and low turnover.

## Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 3,584,652	\$ 3,643,642	\$ 3,629,046	(0.4%)
Operation	642,403	667,737	573,563	(14.1%)
Capital	198	0	0	0.0%
Total	<u>\$ 4,227,253</u>	<u>\$ 4,311,379</u>	<u>\$ 4,202,609</u>	<u>(2.5%)</u>
Employee Services	<u>\$ 622,539</u>	<u>\$ 691,707</u>	<u>\$ 817,748</u>	<u>18.2%</u>
Total Budget	<u>\$ 4,849,792</u>	<u>\$ 5,003,086</u>	<u>\$ 5,020,357</u>	<u>0.3%</u>
Personnel Complement*	52	49	48	(1)

\*In FY2012-13, one position was transferred to Information Technology.

*Human Resources (cont'd)*

<b>Performance Measures</b>				
	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Change 13 to 14</u>
<b>Workload Measures</b>				
Applications Received	25,715	26,744	27,279	535
Retirements (FY)	79	130	115	(15)
<b>Effectiveness Measures</b>				
Turnover Rate	7.4%	8.0%	8.3%	0.3%

- To strive to enhance employee health, fitness, and wellness efforts in an attempt to manage rising health care costs.
- To continue to provide innovative training programs for County employees in customer service and technology as well as training to promote continued employee development.
- To ensure leadership readiness through the award-winning career enrichment, succession management, and leadership development programs.
- To continue Henrico’s tradition of sound management and excellent service to our customers.
- To continue our efforts to keep the County’s compensation and benefits at a competitive level, and to partner with Henrico County Public Schools to maintain our unified pay plan.
- To continue to provide assistance to employees and supervisors in areas impacting employee relations and promote EEO and diversity awareness.
- To maintain all personnel records in an effective and efficient manner.
- To ensure that all laws, regulations and policies are followed.
- To continue to attract and utilize volunteers in all departments.

- To continue to be organizationally astute to the needs of the County of Henrico and serve as an internal consultant to the County Manager’s Office and to operating departments regarding human resource management.

**Budget Highlights**

The Department of Human Resources budget for FY2013-14 totals \$5,020,357, representing an overall increase of \$17,271 or 0.3 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 FY2013-14 budget is \$4,202,609, which represents an overall decrease of \$108,770 or 2.5 percent from the previous fiscal year. Personnel expenditures decreased by a net difference of \$14,596 or 0.4 percent. It is important to note that one Technology Support Specialist IV position was transferred to Information Technology during FY2012-13, which offset the personnel budget by \$82,585 for FY2013-14. This year’s budget reflects the 5.0 percent raise to employees that was imposed by the General Assembly, partially offset by a reduction in the VRS requirement. The personnel component also reflects a reduction in budgeted vacancy savings as well as rising VRS life insurance and health care expenditures.

The operating component decreased by \$94,174 or 14.1 percent from the previous approved budget. This decrease reflects the elimination of the

### *Human Resources (cont'd)*

Oracle HRMS lease at Shrader Road totaling \$90,550 and the reduction of \$3,624 in rental equipment due to negotiations with a new vendor. These adjustments reflect the department's initiative to reduce expenditures by streamlining services and increase efficiencies.

The FY2013-14 budget for the Group Benefits section of the Human Resources budget is \$817,748, increasing by \$126,041 or 18.2 percent from the previous approved fiscal year budget. Health care premiums for disabled retirees total \$100,242, decreasing by \$20,145 from the previous fiscal year. In FY2013-14, this amount will provide health care premiums for fourteen disabled retirees which represent a reduction of four 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 \$717,506, increasing by \$146,186 from the previous fiscal year. It provides coverage for 476 retirees at an average monthly cost of \$103 per retiree and provides coverage for 55 VRIP retirees at an average monthly cost of \$197.

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

The employee turnover rate was reported at 7.4% this past year. This marked the twenty-fifth consecutive year Henrico has maintained a single-digit turnover rate. These efforts and more have further validated Henrico County as one of the "leanest" local governments in the Commonwealth, with one of the lowest employee-to-citizen ratios.

The Human Resources Department continues to offer a wide variety of training opportunities to supervisory and non-supervisory employees who take advantage of these excellent training offerings. Employee

training catalogs are now published on-line saving considerable printing costs. The electronic newsletter for supervisors, the "Leadership Link", a communication tool covering timely topics of interest, has been combined with the "Personnel Update" which is now known as the "County Connection" and is published on a monthly basis providing employees pertinent and timely information. 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 FY2013-14.

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, fitness assessments, strength and conditioning, and even a wide array of classes requested by County employees. These offerings are intended to encourage employees' efforts to improve their overall health and in the long run reduce healthcare costs.

The HR Department will continue to focus on improving communication to all of its 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. Due to the economy and the County's hiring freeze, the number of applicants has increased from past years. Assuming an upswing in the economy, it is anticipated an increase in recruitment activities for FY2013-14.

# 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.

## Objectives

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

- 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.

## Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 10,236,827	\$ 10,474,683	\$ 10,472,973	(0.0%)
Operation	1,352,669	1,254,415	1,255,340	0.1%
Capital	11,124	24,917	23,992	(3.7%)
Total	<u>\$ 11,600,620</u>	<u>\$ 11,754,015</u>	<u>\$ 11,752,305</u>	<u>(0.0%)</u>
Personnel Complement	157	153	153 *	0

\*In FY2012-13, two positions in the Real Estate Division were transferred to Information Technology, one position was transferred from Risk Management, and one position was transferred from the HR hold complement.

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Parcels of Land Reviewed	112,490	113,085	113,585	500
Vehicles Assessed	354,721	350,000	360,000	10,000
Business License Payments	7,810	8,500	8,500	0
Cashier Transactions Per Teller/Day	83	90	85	(5)
Budget Transfer Documents Processed	1,783	1,600	1,650	50
Checks Written	109,989	103,000	103,000	0
Accounts Payable Transactions	210,939	211,000	215,000	4,000
Debit Card Transactions	27,350	29,219	30,000	781
Credit Card Transactions	67,256	75,275	70,000	(5,275)
Tax Advantage Applicants	6,561	6,572	6,700	128
Electronic Bill Payments	188,334	203,926	195,000	(8,926)
Tax Bills Generated	716,350	696,024	706,000	9,976
<b>Effectiveness Measures</b>				
G.O. Bond Ratings:				
Standard & Poor	AAA	AAA	AAA	n/a
Moody's	Aaa	Aaa	Aaa	n/a
Fitch	AAA	AAA	AAA	n/a
Number of Years - GFOA Award for Budget	22	23	24	1
Number of Years - GFOA Award for CAFR	29	30	31	1

**Budget Highlights**

The Department of Finance's budget for FY2013-14 totals \$11,752,305, representing an overall decrease of \$1,710 from the previous approved budget. It is important to note that two positions from the Real Estate Assessment Division were transferred to Information Technology and one position was transferred from the HR hold complement during FY2012-13, which offset the personnel budget by a net difference of \$47,937 for FY2013-14. Additionally, one position was transferred from Risk Management during FY2012-13, however funding for this position will be captured in the Healthcare Fund. As a budget reduction strategy, the department has committed to under-fill a total of seven positions throughout the various divisions, impacting the personnel budget by \$126,782.

This year's budget reflects the 5.0 percent raise to employees that was imposed by state government, partially offset by a reduction in the VRS requirement. The personnel component also reflects a reduction in budgeted vacancy savings as well as rising VRS life insurance and health care

expenditures. The operating and capital components remain relatively flat with the exception of the movement of \$925 from capital to operating, to more accurately reflect actual expenditures.

During FY2012-13, the Department of Finance again received recognition from the Government Finance Officer's Association (GFOA) for the Annual Fiscal Plan and the Comprehensive Annual Financial Report (CAFR). The County has been awarded the Certificate of Achievement for Excellence in Financial Reporting from GFOA for the CAFR for thirty consecutive years. The Office of Management and Budget received the Distinguished Budget Presentation Award from GFOA for the Annual Fiscal Plan for the twenty-third 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

## *Finance (cont'd)*

collection. One example is the County's proactive debt management, taking advantage of favorable interest rates to minimize costs through new debt issuances and debt refundings. Also, the County continues the practice of conservatively estimating revenues and minimizing expenditures without compromising service delivery. In these difficult economic times, fiscal prudence, combined with proactive, and pragmatic fiscal management is of absolute necessity.

The adverse economic conditions that have existed the past few years has compelled Henrico County to examine the entire process by which it conducts business in order to more cost effectively provide valuable services to citizens. This examination has led to the County's departments and agencies, including Finance, to streamline operations, identify cost savings and implement efficiency measures to maximize the value of taxpayer's dollars. The Department has adopted many cost cutting and efficiency maximizing strategies that are consistent with the County's overall goal of continuing to provide exceptional services to citizens.

Among these efforts, there were several notable accomplishments that occurred during the 2012-13 fiscal year, which include:

- 1) Issued \$37.5 million in General Obligation Refunding Bonds at a True Interest Cost of 2.2 percent. The refunding resulted in debt service savings of \$2.5 million over the life of the bonds.
- 2) Implemented a new assessment and billing system to replace two legacy systems that were over twenty years old. The new assessment and billing system allows the County the technology to offer new methods of billing and collecting payments from residents and businesses.
- 3) Continue filling only critically needed vacant positions.
- 4) Continue to expand the use of volunteers and interns to assist the department in providing services. Continue to seek ways to provide more efficient services to citizens through the use of technology.

## Administration

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

During 2012, Henrico County issued \$37.5 million in refunding bonds as a means to reduce the cost of debt service and save valuable resources. The bond refunding, which took place in September 2012 achieved a True Interest Cost (TIC) of 2.2 percent and generated over \$2.5 million in debt service savings over the life of the bonds. As a note, the life of the bonds was not extended and there were debt service savings in each year. The refunding bonds received a AAA rating from the three primary bond rating agencies, Moody's, Standard & Poor's, and Fitch, and confirmed that Henrico County bonds continue to achieve the highest rating possible. The triple AAA bond rating received in September confirmed that Henrico County continues to lead the way for local government finances, which is noteworthy considering the continued economic uncertainty.

## Real Estate Assessment

The Real Estate Assessment Division is responsible for the review/reassessment of all real property in

## *Finance (cont'd)*

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

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

As of January 1, 2013, the taxable assessed value of the County was approximately \$30.8 billion, an increase of 0.36 percent, or approximately \$109 million compared to January 1, 2012. The real estate market appears to have become relatively stable with a slight decrease in residential values offset by an increase in commercial values.

The Real Estate Assessment Division is committed to providing the public and citizenry with accurate and up to date information for all real property with the highest level of customer service. For the calendar year 2012, the division processed 13,463 telephone inquiries and 1,381 walk-in requests for property information. By releasing real estate information to the public via the Internet, telephone and walk-in inquiries continue to decrease.

The Real Estate Assessment Division administers a countywide Partial Real Estate Tax Credit program

for qualifying rehabilitated or renovated multi-family, commercial/industrial, and hotel/motel properties. The structure (building) for multi-family and commercial/industrial properties must be at least 26 years old and a minimum of 35 years for hotel/motel properties. For 2013, a total of 22 commercial property owners will receive \$408,000 in tax credits. The "Reinvest" residential rehabilitation program was initiated on January 1, 2010. A total of 24 properties have been completed with a total tax credit of \$12,600. Additionally, in 2011, the Commonwealth of Virginia modified the Constitution to exempt the residence of permanently disabled veterans. As of January 1, 2013, 182 homes have been exempted for a total tax savings for the veterans of \$306,153 based on the current tax rate.

The Real Estate Assessment Division manages a countywide Land Use program for the assessment of qualifying land based on agricultural, horticultural, forestry, or open-space use value rather than market value. Forestland eligibility includes a twenty acre minimum and other classifications require a five acre minimum. A total of 454 property owners are currently in the program totaling approximately 30,000 acres.

## Revenue

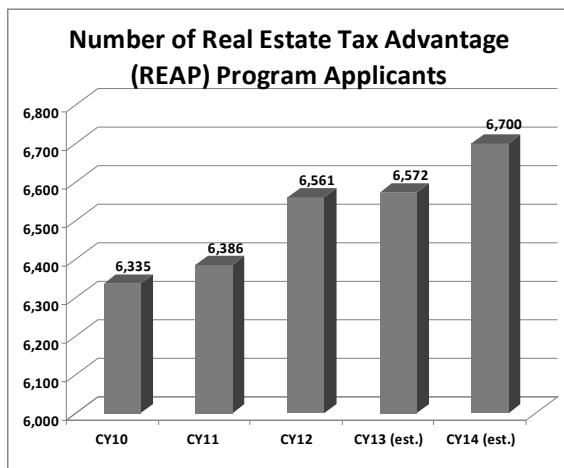
The Revenue Division consists of two sections: Business and Vehicle. The Business section administers business license/personal property taxes within the County along with a variety of other taxes, including the monitoring of the relevant portion of the Virginia Sales and Use Tax attributable to Henrico 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 2012 was up slightly compared to the previous fiscal year. The upward trend in business licenses issued over this period is an indication of a slight change in local labor market demographics, where more citizens are pursuing individually or cooperatively owned local enterprises. In addition, this growth may be an indication of an improving economy.

*Finance (cont'd)*

In FY2012-13, the Business section continues design work on developing a combined business license/personal property computer system. The Division continued imaging over 200,000 documents within the office and outsourced printing and mailing of business license/personal property renewal forms. The Division received an award from the National Association of Counties (NACo) in 2012 for the iBusiness System. The Division also updated depreciation schedules for computer, furniture and fixtures, and machinery and tools as well as updated tax code and forms on the Internet.

The Revenue Division continues to verify vehicles are in compliance with the Personal Property Tax Relief Act. The Division offers State Income Tax assistance to citizens. This Division also offers assistance to citizens through the Real Estate Tax Advantage Program (REAP), which provides real estate tax relief for persons 65 years of age and older, or permanently and totally disabled persons, so long as they own and occupy their home. For calendar year 2013, the maximum net worth and income thresholds are \$350,000 and \$67,000, respectively. Currently, all qualifying participants will receive tax relief for 100 percent of their taxes, up to a maximum of \$3,000. Effective January 1, 2014, this amount will be reduced to \$1,500 to better reflect the average \$1,300 award amongst all REAP participants. REAP continues to provide immediate tax relief to a large percentage of seniors.



In addition to assessing these businesses or vehicles for license and/or personal property taxes, the division continually seeks to improve the administrative duties to streamline processes. It also

continues its effort from the "Henrico, VA" initiative, which was implemented to reduce the miscoding of local tax revenues to area localities. Additional duties performed by the Division include the administration, collection, and auditing (where authorized under the State Code) of the following taxes: Bank Franchise, Communications' Sales, Consumer Utility, Daily Rental, Hotel/Motel Transient Occupancy, Off-Track Betting, Public Service Corporation, and the local portion of the Virginia Sales and Use.

Accounting

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

The Accounts Payable Section verifies that expenditures are within the approved limits and exercises pre-audit control over expenditures and disbursement of funds. The number of accounts payable transactions processed in FY2012 was 210,939 and it is projected that 211,000 will be processed during FY2013 and 215,000 transactions are forecasted to be processed in FY2014. This section initiated an invoice imaging system during FY2011 that streamlines the data storage and retrieval process. In FY2012, 121,450 invoices were scanned into the imaging system.

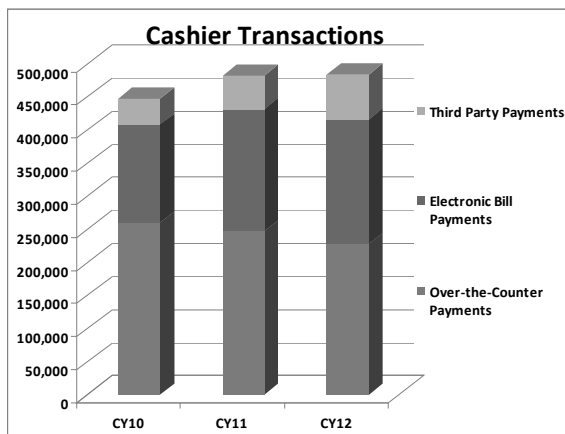
In addition, the Division processes approximately 19,000 payroll direct deposits per month. The Accounting Division, in cooperation with other areas of Administration, also facilitates information and provides as-needed assistance in the County's annual external audit. Despite the economic climate, the County audit assessment was distinctly favorable, further illustrating the soundness and conservative nature of Henrico County's fiscal management.



Finance (cont'd)

Treasury

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



The number of pin-based debit card transactions for the most recent fiscal year was 27,350 and is projected to increase to 30,000 in FY2013-14 representing an increase of 2,650 or 9.7 percent. Third party credit card payments (67,256 during FY2011-12) are projected to increase to 70,000 in FY2013-14, which represents an increase of 2,744 or 4.1 percent. In addition, Treasury recently enhanced the on-line remittance process by offering electronic checks (eChecks) as an additional lower cost payment alternative for citizens.

The Division experienced a reduction of 18,568 or 7.5 percent of checks processed in-person as well as a reduction of 11,900 or 2.3 percent of transactions processed by the County's Lockbox Operation Center. Electronic Bill Payments, during the same period, increased 1.6 percent from 185,387 to 188,334. This trend, in conjunction with re-engineering several work processes, is responsible for the Division's ability to maintain the same high level of customer service while reducing the number of staff within the Treasury Division.

One notable process improvement resulted in Treasury processing 13,376 applications for renewal of dog licenses during 2012, roughly half of the 2011 total of 25,562. This decrease is due to the change from yearly tags to multi-year dog tags, a cost savings in paper, mailing fees, cost of tags, and employee processing as well as an improvement in customer satisfaction as the license period was adjusted to coincide with the dog's rabies vaccination effective period.

The recently implemented tax billing system generated 716,350 bills during FY2011-12. The forecast for FY2013-14 represents a 1.4 percent decrease to 706,000 bills as accounts were consolidated during phase two of the project and the division fully expects to begin electronic billing for large business and leasing companies during the upcoming fiscal year. The Customer Service and Account Maintenance teams within Treasury answered 68,379 incoming telephone inquiries from citizens, handled 20,700 pieces of mail and processed 47,720 personal property and real estate customer account adjustments during FY2011-12.

The Revenue Collection Officer (RCO) team collected \$16.92 million of delinquent real estate taxes and \$330,000 of business taxes during FY2011-12. In addition, RCO's were responsible for processing a total of 13,726 new Department of Motor Vehicle registration withholdings (VRW) resulting in collection of 24,703 vehicle personal property accounts. Collections utilizing the Commonwealth of Virginia's Debt-Set-Off Program (funds withheld from individual state income tax returns) produced \$707,000 in revenue from unpaid taxes, utility debts and library and miscellaneous fees. The collection of 439 NSF (non-sufficient fund) checks for multiple Henrico Departments resulted in \$298,546 worth of additional revenue.

Office of Management and Budget

The Office of Management and Budget (OMB) prepares and monitors the operating and capital budgets. This Division works closely with the County Manager's Office in monitoring current revenue collections and projecting future resources as a means of preparing a realistic budget for future fiscal years. Throughout the year, OMB maintains

*Finance (cont'd)*

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

It is also the responsibility of OMB to engage in special studies as they are deemed necessary, as well as conduct a thorough fiscal impact analysis of legislation proposed by the General Assembly. While Henrico County is clearly not immune to changes in the economy, it can mitigate the effects of adverse economic conditions through prudent and conservative fiscal policies. One of the many such proactive measures that the Board of Supervisors

has implemented is to plan on a multi-year basis. This allows budgetary and fiscal planning to be conducted more accurately, based on exhaustive analyses of current and anticipated revenues and expenditures, in a thoroughly preparative fashion.

Limiting spending during strong economic times not only allows for prudent fiscal management in the short term, but also helps to prepare for more trying economic times in the long term. In addition, revenue projections are done on an extremely conservative basis, in accordance with the multi-year planning approach that the County has adopted. Factors such as state aid, personal property tax and sales tax revenues, are some of the revenue sources that are estimated conservatively.

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

# GENERAL SERVICES

## Description

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

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 2,550,000 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.

## 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.

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 8,344,031	\$ 8,620,112	\$ 7,999,740	(7.2%)
Operation	6,651,475	8,024,599	7,313,266	(8.9%)
Capital	442,853	462,966	383,466	(17.2%)
Total	<u>\$ 15,438,359</u>	<u>\$ 17,107,677</u>	<u>\$ 15,696,472</u>	<u>(8.2%)</u>
Personnel Complement*	145	144	135	(9)

\*Reflects elimination of 9 positions from complement, 7 of which are attributable to the transfer of Communications to the Division of Police in FY2012-13. Two positions are being eliminated in FY2013-14 in recognition of operational efficiencies.

General Services (cont'd)

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b> <sup>(1)</sup>				
Preventive Mechanical Maintenance Work Orders	n/a	7,000	8,000	1,000
Corrective Maintenance Work Orders	n/a	16,000	17,500	1,500
Square Feet Maintained	2,669,214	2,691,018	2,691,018	0

<sup>(1)</sup> Software system used to track Preventative and Corrective Maintenance work orders became inoperable during FY2011-12, yielding inaccurate data. Therefore, no reliable FY2011-12 actual work order data is available.

**Objectives (cont'd)**

- 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.

mandate also resulted in a corresponding increase in FICA costs. The personnel increases resulting from the legislation were offset by targeted reductions recognized in the personnel component of the Department's budget, which in total is decreasing \$620,372, or 7.2 percent from the prior year approved budget.

**Budget Highlights**

The Department's budget for FY2013-14 totals \$15,696,472, representing a decrease of \$1,411,205, or 8.2 percent when compared to the FY2012-13 approved budget. Of this decrease, \$1,164,189 is attributable to the removal of the Division of Communications from the Department of General Services, which was transferred to the Division of Police during FY2012-13. The Division of Communication's budget of \$1,176,293 for FY2013-14 is reflected within the Division of Police's proposed budget. Communications will continue to provide the County with an efficient and dependable communications infrastructure.

The overall operating component decreased by \$711,333, or 8.9 percent, partially attributable to the removal of Communications from the Department, as well as targeted reductions identified by the Department. Capital outlay expenditures decreased by \$79,500, or 17.2 percent, also partially attributable to the removal of Communications from the Department, as well as targeted reductions identified by the Department. Expenditures outside of personnel are decreasing 9.3 percent from the prior year approved budget.

The remainder of the total departmental decrease is attributable to targeted reductions in the personnel, operating and capital components of the budget. Among the targeted reductions is the elimination of two vacant positions - an Office Assistant IV and an Account Clerk III - from the Department's complement, the removal of which was accommodated through greater operational efficiencies.

**Division of Facilities Management**

Maintenance & Custodial

In the Maintenance and Custodial section of Facilities Management, the budget for FY2013-14 is \$10,038,464, representing a decrease of \$187,636, or 1.8 percent from the FY2012-13 approved budget. The decrease is attributable to targeted reductions in the personnel, operating and capital components of the budget. The overall decrease was partially offset by increases in healthcare, as well as salaries and corresponding benefits costs.

The personnel portion of the budget also reflects the changes to VRS Retirement costs and salaries related to State legislation requiring a 5.0 percent employee contribution to employee pensions (Senate Bill 497), which resulted in a decrease in the budgeted cost of VRS Retirement and a commensurate increase to salaries. The increase to salaries resulting from this

The Maintenance and Custodial division of General Services provides building, custodial, and grounds maintenance at numerous County facilities, and coordination of the Training Center. The allocation for the Division's Building Maintenance Program, which provides for the replacement of carpet and tile at County facilities on a regularly scheduled basis, remains at \$160,000 in FY2013-14, representing no

### *General Services (cont'd)*

change from the prior year approved budget. The Division will continue to provide facilities maintenance as scheduled.

#### Security

The budget for the Security section of Facilities Management totals \$1,423,208, representing a decrease of \$16,085, or 1.1 percent over the previous approved fiscal year budget. The decrease is attributable to targeted reductions in the personnel and operating components of the budget. The total decrease was partially offset by increases to salaries and some corresponding benefits costs related to Senate Bill 497. 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 \$1,677,406, representing a decrease of \$65,812, or 3.8 percent from the prior fiscal year approved budget. The decrease is attributable to targeted reductions in the personnel component of the budget. The operating and capital budget totals remain unchanged from the prior fiscal year. General Services Administration provides budgetary oversight and fiscal management to the three divisions.

#### Employee Cafeteria

In FY2013-14, the budget for Employee Cafeteria totals \$439,685, which reflects an increase of \$6,267, or 1.4 percent when compared to the FY2012-13 budget. The entirety of this increase is reflected in the personnel component of the budget. There is no change to either the operating or capital components of the budget relative to the prior year approved budget.

The Food Services area operates the cafeteria at the Western Government Complex with six full-time positions.

#### **Division of Support Services**

##### Purchasing

In FY2013-14, the budget for the Purchasing office is \$1,667,762, an increase of \$7,718, or 0.5 percent from the FY2012-13 approved budget. The increase is due exclusively to an increase in the personnel component

of the budget. The operating component of the budget decreased \$8,000, or 1.7 percent due to a targeted reduction identified by the Division. There are no changes to the capital component of the budget, relative to the prior year approved budget.

#### Records Management

The FY2013-14 budget of \$449,947 for the Records Management division represents an increase of \$8,532, or 1.9 percent when compared to the FY2012-13 approved budget, attributable exclusively to the personnel component of the budget. The increase was partially offset by targeted reductions in the personnel component of the budget. Records Management has eight employees to operate the County's internal mail system, copy center, print shop, and the County's offsite record storage.

#### **Central Automotive Maintenance**

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

#### **Division of Risk Management**

The budget for this area is reflected within the Internal Service Fund. The Risk Management budget is included within the Internal Service Fund because the division provides services to General Government agencies (including the Department of Public Utilities) and Schools. 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.

## 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 the following: 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.

Service levels will continue at current levels on audits, special projects and follow-ups. The fraud reporting website may generate additional special

## Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 389,830	\$ 385,328	\$ 393,184	2.0%
Operation	11,437	10,039	10,039	0.0%
Capital	0	0	0	0.0%
Total	<u>\$ 401,267</u>	<u>\$ 395,367</u>	<u>\$ 403,223</u>	<u>2.0%</u>
 Personnel Complement	 4	 4	 4	 0

*Internal Audit (cont'd)*

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	<b>Performance Measures</b>			<b>Change</b>
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>13 to 14</b>
<b>Workload Measures</b>				
Audit Projects: Audits, Follow Ups, Consults	26	26	26	0
<b>Efficiency Measures</b>				
General Gov't budget/audit positions (mil)	144.7	145.5	145.5	0
General Gov't employees/audit position	981	981	981	0

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projects. Technical assistance will be provided to agencies as requested and to the external auditors as contracted.

Internal Audit's FY2013-14 budget is \$403,223, and represents an increase of \$7,856 or 2.0 percent from the previous approved budget. The increase is

attributed to cost increases associated with Senate Bill 497, which required a mandatory 5.0 percent salary increase, partially offset by a decrease in the VRS requirement. The operating budget remains constant with the FY2012-13 budgeted operating costs.

# INFORMATION TECHNOLOGY

## Description

The Department of Information Technology is responsible for serving all computer-oriented information processing needs of County agencies. This includes information and office automation equipment selection, application development and/or software selection assistance, ongoing hardware and software maintenance, and data and telecommunications network development and support. The data center is now staffed 12 hours a day, 5 days a week. Major areas of service include Finance, Community Development / Operations Agencies, Human Resources, and all Public Safety agencies. IT provides a help desk to provide assistance to agency personnel on any computer related problems.

The Department also administers and maintains the County's telecommunications infrastructure including telephone systems, mobile devices, and the voice and data plant. In addition, the Department is responsible for the maintenance and support of the Emergency E-911 system for Public Safety and beginning in December 2011 the management of the County's Geographic Information System (GIS).

## Objectives

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

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

## Annual Fiscal Plan

<b>Description</b>	<b>FY12 Actual</b>	<b>FY13 Original</b>	<b>FY14 Approved</b>	<b>Change 13 to 14</b>
Personnel	\$ 7,971,025	\$ 8,396,543	\$ 8,753,389	4.2%
Operation	3,273,474	3,598,384	3,519,984	(2.2%)
Capital	412,366	463,680	463,680	0.0%
<b>Total</b>	<b>\$ 11,656,865</b>	<b>\$ 12,458,607</b>	<b>\$ 12,737,053</b>	<b>2.2%</b>

Personnel Complement*	85	84	88	4
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\*Two positions were transferred from Finance, two positions were transferred from Public Library, one position was transferred from Human Resources to Information Technology, and one position was eliminated



**Performance Measures**

	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Website Visits	1,857,899	2,125,382	2,292,961	167,579
Website Unique Visitors	906,802	951,905	972,008	20,103
Website Page Views	6,365,812	6,944,024	7,255,569	311,545

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

purchase of new and replacement computer equipment as well as replacement telecommunications equipment.

During FY2013-14, the Department of Information Technology will continue to expand its virtual server environment. Currently IT has approximately 178 virtual servers running on 17 physical servers. The County has 150 physical servers. The DBA Team has made significant progress in moving the County's SQLServer databases to IT's virtual server environment allowing increased performance at a lower hardware cost. The goal of Information Technology is to continue to virtualize servers where practical.

**Budget Highlights**

The Department of Information Technology's (IT) FY2013-14 budget is \$12,737,053, which represents an increase of \$278,446 or 2.2 percent from the previous approved budget. The personnel component increased by a net difference of \$356,846 or 4.2 percent from the previous approved fiscal year. This increase was driven by the transfer of two positions from Finance, two positions from Public Library, and one position from Human Resources. The impact of these five transferred positions total \$359,915 for FY2013-14. It is important to note that one Information Technology Hardware Specialist position was eliminated from the complement due to efficiencies achieved within the department. The impact of this elimination offset the personnel component by \$140,147 for FY2013-14. This year's budget reflects the 5.0 percent raise to employees that was imposed by state government, partially offset by a reduction in the VRS requirement. The personnel component also reflects a reduction in budgeted vacancy savings as well as rising VRS life insurance and health care expenditures.

Also during the past fiscal year, Information Technology finished upgrading the County's main campuses data infrastructure from the main data center to the communication closets. This upgrade included new single mode fiber where needed and a complete refresh of data switch hardware. The new data speeds LAN-wide have increased from 1gb to 10gb to the data closet and from 100mb to 1gb to the desktop. This refresh positions the County to take advantage of new technologies and allow transmission of voice, data, and video over the same infrastructure.

Also during the next year, Information Technology will be looking at replacement of the current tape backup system. The goal is to have a new system in place during FY2013-14.

The operating component decreased by \$78,400 or 2.2 percent from the previous approved budget. These reductions were made as a result of the department's budget reduction strategy to reduce expenditures by streamlining services and increasing efficiencies.

The team working on Police systems finished coding and implementing three new systems. This included an incident and crime reporting system, arrest/booking system, and evidence tracking system. All of these systems are integrated with Police Officers' mobile computers and have significantly improved data accuracy and timely entry.

The capital component is forecasted to remain flat at \$463,680. This portion of the budget allows for the

### *Information Technology (cont'd)*

During the first quarter of 2013 the Web Team will move the County's web site to a new and more flexible content management system. Plans are currently being outlined that will dramatically improve citizens' usability and beneficial content of the County's web site.

Three smaller systems developed and implemented this year are a customized Case Tracking System for the County Attorney's office, an expense tracking system (FEDS) to be used county-wide for FEMA events as well as for when the County or individual departments want to track expenses for major non-FEMA events such as storms or snow removal, and a new inmate medical delivery system for the Sheriff's Office.

The County upgraded the enterprise Oracle e-Business Suite to release 12 in November of 2012. This project occurred on-time with minimal consultant assistance.

Computer Aided Dispatch modifications were made to accommodate Fire hazard classifications so that the units recommended for a Fire call will automatically be right-sized depending upon the hazard classification assigned to the address by the Geographic Information System.

During FY2012-13, Henrico IT has consolidated the Public Library's Data Centers into the main IT Data Center. This process should result in infrastructure cost savings as well as unified staffing. Public Library transferred two positions to Information Technology to assist in the overall County support of the Data Center and the County's network.

Two positions, formerly in Real Estate Assessment,

were moved to Information Technology's GIS Office expanding the capacity of the GIS Office to handle GIS needs for real estate and Finance as well as increase the resource capacity of the GIS Office to respond to the varying County GIS needs. In addition, one position from Human Resources was moved to Information Technology in order to assist in the Oracle E-Business area. One vacant position within IT was eliminated as a result of redistributing responsibilities of the position to the remaining staff in order to create better efficiencies.

In response to the DPU Work Order Management System Project, the GIS Office has spent substantial time restructuring the GIS server infrastructure and GIS databases to best meet the needs of the WMS project while still supporting an optimal environment for the County-wide enterprise GIS.

The few remaining "legacy mainframe" systems were replaced in FY2012-13. This includes the Department of Finance Billing Systems and the Police Incident and Crime Reporting System.

IT continues to review various disaster recovery scenarios and associated technologies. These include on-site, off-site and cloud related scenarios.

In 2012, the County completed a migration to new software used to track and analyze website performance measures. With this change, the performance measure names have changed to reflect the new types of statistics the department is now tracking. This new software not only provides on-demand access to analytics, but also provides a wealth of knowledge of the County's site, including the content most accessed, devices most used, incoming traffic sources, and more.

## 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 strive to maintain the existing level of service to the County and the public in FY2013-14. Currently, the department manages 108 County-leased properties. Included are eight leases for the Department of Mental Health & Developmental Services, which includes properties for supervised Independent Living programs. In addition, the department manages office space and storage facilities for various departments such as General Registrar, Police, Public Utilities, Recreation & Parks, and Public Libraries. Also leased are the former Henrico Federal Credit Union property and three office buildings east of Dixon Powers Drive acquired for future Government Center expansion. Real Property manages approximately 44 cell tower leases and continues to receive requests to review new sites or additional facilities at existing sites. The department anticipates steady requests from the Department of Public Works and Public Utilities for road, drainage, and utility projects. Finally, Real Property will continue to assist the County in acquiring properties for future fire stations and libraries, as well as, assist Schools in the acquisition of land and easements for new and existing schools.

### 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	FY12 Actual	FY13 Original	FY14 Approved	Change 13 to 14
Personnel	\$ 588,342	\$ 569,894	\$ 578,283	1.5%
Operation	15,513	17,851	17,851	0.0%
Capital	0	0	0	0.0%
<b>Total</b>	<b>\$ 603,855</b>	<b>\$ 587,745</b>	<b>\$ 596,134</b>	<b>1.4%</b>
 Personnel Complement	 7	 7	 7	 0

*Real Property (cont'd)*

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	<b>Performance Measures</b>			<b>Changes</b>
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>13 to 14</b>
<b>Workload Measures</b>				
Property & Easements Purchased	8,872,700	5,585,000	5,600,000	15,000
Property Leased to Others	445,766	450,000	450,000	0
Property Leased from Others	1,875,000	1,810,000	1,800,000	-10,000
Leases Managed	108	108	108	0

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

The FY2013-14 budget for Real Property is \$596,134, and represents an increase of \$8,389 or 1.4 percent compared to the previous approved

budget. The increase in personnel is attributed to cost increases associated with Senate Bill 497, which required a mandatory 5.0 percent salary increase, partially offset by a decrease in the VRS requirement. The operating budget remains constant with the FY2012-13 approved operating budget.

# ELECTORAL BOARD

## Description

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

- To provide information about the requirements, procedures, and codes governing campaign reporting.
- To educate staff and poll workers on registration and election laws as well as voting procedures.
- 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.

## 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.

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 1,210,185	\$ 1,009,565	\$ 1,021,819	1.2%
Operation	313,566	283,306	451,974	59.5%
Capital	0	0	0	0.0%
Total	<u>\$ 1,523,751</u>	<u>\$ 1,292,871</u>	<u>\$ 1,473,793</u>	<u>14.0%</u>
Personnel Complement*	8	8	8	0

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

*Electoral Board (cont'd)*

<b>Performance Measures</b>				
	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Change 13 to 14</u>
<b>Workload Measures</b>				
Number of Registered Voters	199,718	211,828	213,125	1,297
<b>Efficiency Measures</b>				
% 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 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.
- To ensure all poll workers are notified of training dates before each election.
- To collect information on candidates' 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.

**Budget Highlights**

The Department's budget for FY2013-14 is \$1,473,793, which represents an increase of 14.0 percent when compared to the FY2012-13 approved

budget. Personnel costs are budgeted to increase \$12,254 or 1.2 percent when compared to FY2012-13. Salaries and associated FICA increased as a result of the mandated 5.0 percent raise by the state government. This increase was partially offset by the 5.0 percent reduction to VRS. The increase in the personnel component is also in part due to a reduction in the vacancy savings rate as well as increases in the cost of VRS life insurance and health care expenses.

The operating component is \$451,974 and has increased by \$168,668 compared to FY2012-13. This increase is primarily due to a \$149,273 increase in Election Expenses. Currently, the Electoral Board's budget is funded for two elections during the fiscal year; funding has been added to cover a potential third election in FY2013-14. The increase in the operating component is also due to an increase of \$19,395 for software and maintenance fees which have been added as a result of two contracts for the electronic pollbooks and optical voting machine scanners. There is no capital outlay in the Electoral Board's budget in FY2013-14.

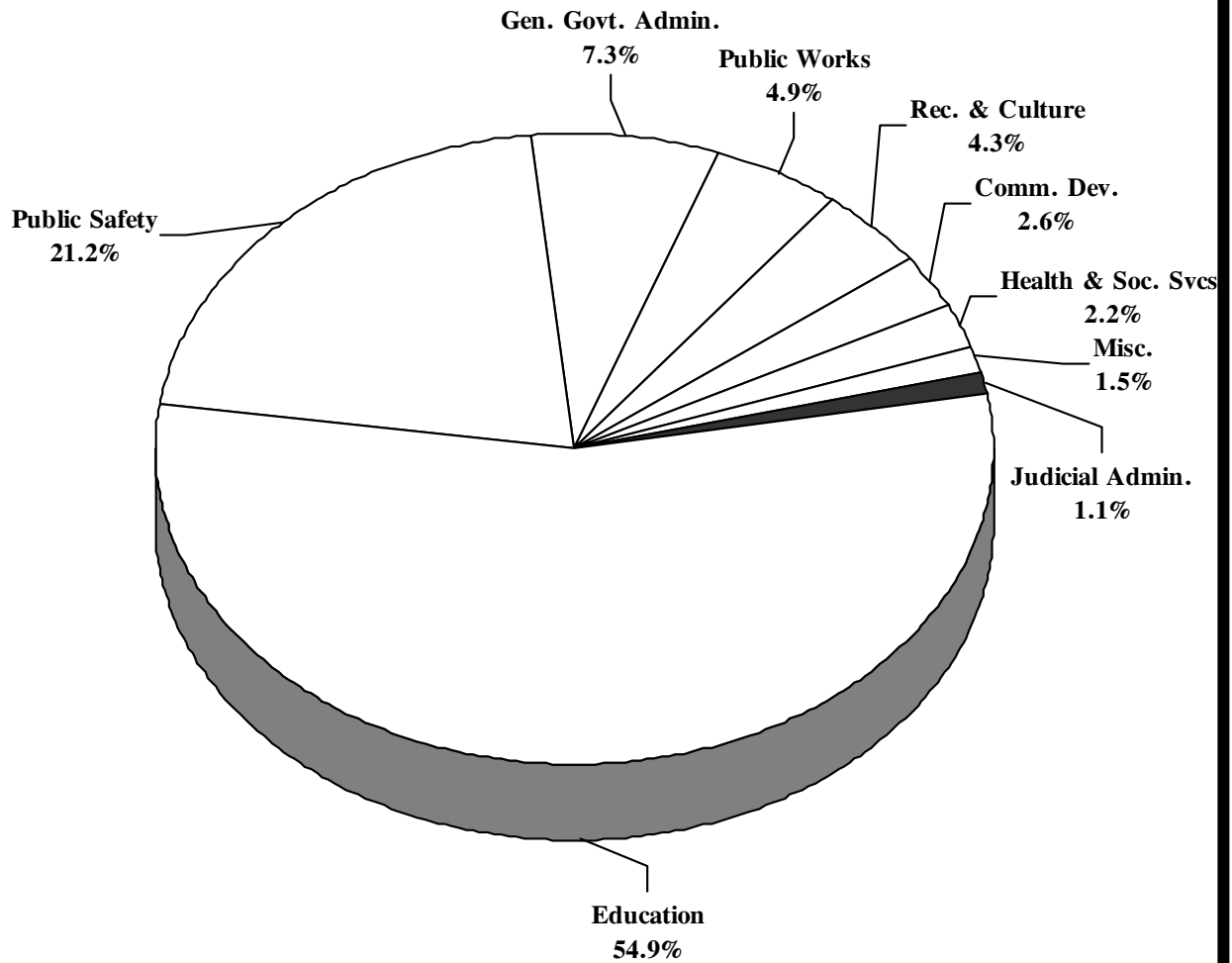
The Registrar and Electoral Board's budget for FY2013-14 will cover the operating costs of the voter registration operation along with costs associated with elections held during the fiscal year. In FY2013-14, the Governor General Election will be held in November 2013 and the State/Congressional Primary will be held in June 2014.



# COUNTY OF HENRICO, VIRGINIA

## Judicial Administration

\$7,931,484



Total General Fund

\$747,193,355



**COUNTY OF HENRICO, VIRGINIA  
 JUDICIAL ADMINISTRATION - GENERAL FUND  
 FY 2013-14**

<u>Department</u>	<u>FY 11-12 Actual</u>	<u>FY 12-13 Original</u>	<u>FY 13-14 Approved</u>
Circuit Court:			
Court Clerk	\$2,460,938	\$2,428,490	\$2,455,976
Court Services	524,972	531,862	533,159
Total Circuit Court	<u>2,985,910</u>	<u>2,960,352</u>	<u>2,989,135</u>
General District Court:			
Court Services	263,939	208,076	208,076
Magistrates	6,960	6,480	6,286
Total General District Court	<u>270,899</u>	<u>214,556</u>	<u>214,362</u>
Juvenile and Domestic Relations District Court:			
Court Services	115,191	202,201	194,701
Juvenile Probation	23,598	22,352	23,072
Total Juvenile District Court	<u>138,789</u>	<u>224,553</u>	<u>217,773</u>
Commonwealth's Attorney	4,708,757	4,362,490	4,510,214
Total Judicial Administration	<u><u>\$8,104,355</u></u>	<u><u>\$7,761,951</u></u>	<u><u>\$7,931,484</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 \$25,000, matters including adoptions, divorces, disputes concerning wills and estates, controversies involving property as well as maintaining and administering the files for misdemeanor appeals and civil appeals from District Court. The Clerk is also responsible for the collection of fines and costs in criminal cases; the collection of recordation fees and taxes; and maintains a financial system to track the collections and remittance of these sums to the State and local governments.

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

### Objectives

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

### Budget Highlights

The Circuit Court Clerk's budget of \$2,455,976 represents an increase of \$27,486 or 1.1 percent over the FY2012-13 approved budget. This increase is driven solely by the personnel component and reflects a reduction in budgeted vacancy savings as well as rising VRS life insurance and health care expenditures. It is important to note that this year's budget reflects the 5.0 percent raise to employees that was imposed by state government, partially offset by a reduction in the VRS requirement. The operating and capital components remained flat from the previous fiscal year.

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 2,116,863	\$ 2,175,882	\$ 2,203,368	1.3%
Operation	343,863	252,608	252,608	0.0%
Capital	212	0	0	0.0%
Total	<u>\$ 2,460,938</u>	<u>\$ 2,428,490</u>	<u>\$ 2,455,976</u>	<u>1.1%</u>
Personnel Complement	N/A	N/A	N/A	N/A

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

*Court Clerk (cont'd)*

	Performance Measures			Change
	FY12	FY13	FY14	13 to 14
<b>Workload Measures</b>				
Civil Cases Commenced	3,113	3,135	3,200	65
Criminal Cases Commenced	5,616	5,833	6,000	167
Number of Wills and Administrations Recorded	1,011	1,064	1,100	36
Number of Instruments Recorded in Deed Books	48,972	48,926	49,000	74
Marriage Licenses Issued	2,036	2,094	2,000	(94)
Number of Judgments Docketed	19,546	19,900	21,000	1,100
Concealed Weapon Permits Issued	2,564	2,049	1,600	(449)

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

other technology projects within the office. In September 2012, funding of \$265,025, which was appropriated during the prior year from funding received by the Virginia Compensation Board, was reappropriated to be spent during FY2012-13. The appropriation of funds have been used to continue making enhancements and improvements to the current imaging system for indexes and land records and improving access to court records in order to provide better service to the public in the records room.

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

With the assistance of the County’s Information Technology Office, the Circuit Court Clerk implemented several new programs for tracking pertinent information stored in and administered by the Circuit Court Clerk. The Code of Virginia was amended requiring Affidavits for Search Warrants filed in the office of the Clerk to be sealed until such time as the Search Warrant was filed with the Clerk. The software program allows for the Affidavit and Search Warrant to be tracked electronically by staff. Because storage space is limited in the courthouse, a program was written by IT to track the files stored off-site which generated savings for the office.

# 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.

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, the Judicial Council approved a sixth judge for the Circuit Court, but as of 2012 the sixth judge has not been approved by the General Assembly. Fines and costs against those found guilty in certain felony and misdemeanor cases from Henrico charges are assessed by the judges. These fines and costs are collected by the Circuit Court Clerk's Office.

The Circuit Court's budget of \$533,159 represents an increase of \$1,297 or 0.2 percent from the previous approved budget. The increase is attributed to cost increases associated with Senate Bill 497,

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 477,977	\$ 484,218	\$ 486,915	0.6%
Operation	43,802	44,844	43,444	(3.1%)
Capital	3,193	2,800	2,800	0.0%
<b>Total</b>	<b>\$ 524,972</b>	<b>\$ 531,862</b>	<b>\$ 533,159</b>	<b>0.2%</b>
 Personnel Complement	 8	 8	 8	 0

*Circuit Court Services (cont'd)*

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
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

which required a mandatory 5.0 percent salary increase, partially offset by a reduction in the VRS requirement. Operating costs decreased by \$1,400 or 3.1 percent due to efficiencies created within the department.

Service levels of this court are governed by the number of cases filed each year – criminal, civil law, and chancery law (including divorces) along with those carried over from the past year, and request for juries.

According to the 2011 Caseload Statistical Information, the case load for the Fourteenth Circuit showed 9,602 cases (civil and criminal) commenced in 2011, with an average of 1,920 per judge, ranking 13<sup>th</sup> in the state. There were 6,501 total criminal cases commenced, with an average of 1,300 per judge, ranking 14<sup>th</sup> among the 31 circuits.

There were 3,101 civil cases commenced, with an average of 620 per judge, ranking 15<sup>th</sup> among the 31

circuits. The total number of cases (civil and criminal) concluded was 9,691 in 2011, with an average of 1,938 per judge. There were 3,087 civil cases concluded, averaging 617 per judge and 6,604 criminal cases concluded, averaging 1,320 per judge.

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 FY2013-14 budget of \$208,076 represents no change from the FY2012-13 approved budget. The budget is to support the daily operation of the General District Court, which consists of four courtrooms and administrative offices, occupied by four judges and 34 employees. The staff of the General District Court is comprised entirely of state employees, so all personnel costs are paid by the Commonwealth of Virginia and are not reflected in this budget.

### Objectives

- To ensure the efficient operation of the General District Court through support of the activities of the Clerk's office.
- To maintain accurate and timely court records.

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	262,093	208,076	208,076	0.0%
Capital	0	0	0	0.0%
<b>Total</b>	<b>\$ 262,093</b>	<b>\$ 208,076</b>	<b>\$ 208,076</b>	<b>0.0%</b>

Personnel Complement	N/A	N/A	N/A	N/A
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\*Personnel expenses are paid by the Commonwealth of Virginia

*General District Court Services (cont'd)*

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	<b>Performance Measures</b>			<b>Change</b>
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>13 to 14</b>
<b>Workload Measures</b>				
Total New Cases Filed	124,397	129,548	129,548	0
Total New Criminal Cases Filed	13,057	13,312	13,312	0
Total New Civil Cases Filed	40,011	42,508	42,508	0
Total New Traffic Cases Filed	71,329	73,728	73,728	0
Number of Full-Time Judges	4	4	4	0

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

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## 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

The Magistrate's office budget for FY2013-14 is \$6,286, and represents a decrease of \$194 or 3.0 percent from the previous approved budget. The decrease is due to efficiencies achieved within the operating budget. Funding in FY2013-14 will continue to support the daily operation for eleven Magistrates. There are no County paid positions assigned to this office, as the eleven magistrates are State employees. The County does provide space, furnishings, and operating expenses for the Magistrate's office.

#### Objectives

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

#### Annual Fiscal Plan

Description	FY12 Actual	FY13 Original	FY14 Approved	Change 13 to 14
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	6,960	6,480	6,286	(3.0%)
Capital	0	0	0	0.0%
Total	<u>\$ 6,960</u>	<u>\$ 6,480</u>	<u>\$ 6,286</u>	<u>(3.0%)</u>
Personnel Complement*	N/A	N/A	N/A	N/A

\*Personnel Expenses are paid by the Commonwealth of Virginia



# JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

## Detention Home

### Description

The Detention Home incarcerates juveniles who are awaiting court action for committing criminal offenses. Some juveniles may also be sentenced for up to thirty days after having been found guilty of an offense. This group includes criminal offenders, children in need of supervision, and certain traffic offenders. While housed at the Detention Home, juveniles are offered programs in education, recreation, and optional religious services as well as receive mental health screenings, evaluations, medical services, and follow-up evaluations as necessary.

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

### Budget Highlights

The Juvenile Detention Home provides protection, safe care, and basic needs and services to juveniles placed in the home by the courts through statutory regulation. All aspects of service levels in the Detention Home are mandated by the State and will remain unchanged in the upcoming fiscal year. Operational procedures, programs, professional services, and support services are all to stay in compliance with State mandated regulations for licensure. In addition, staff will be provided with ongoing training and development.

The personnel complement includes two full-time Mental Health Clinicians who provide mental health assessments and court ordered evaluations for the Detention Home. In addition to the 30 positions in the agency's personnel complement, three full-time teachers and one full-time reading specialist from Henrico County Schools are currently assigned to the agency for an eleven-month educational program along with two teachers that are shared with James River Juvenile Detention Center. These positions are funded by the Virginia Department of Education and their associated costs are included in the Education budget.

### Objectives

- To provide safe care for the juveniles placed under the supervision of the home.
- To retain certification from Virginia's Interdepartmental Licensing and Regulation Unit for Children.
- To administer an identifiable and assessable program of detention.
- To provide ongoing staff training and organizational development programs.
- To provide, in conjunction with the Henrico County School System, an education program that conforms to the Educational Standards for Residential Care Facilities of the Virginia Department of Education.

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 1,942,321	\$ 1,973,868	\$ 2,010,888	1.9%
Operation	137,311	132,847	132,847	0.0%
Capital	920	0	0	0.0%
Total	<u>\$ 2,080,552</u>	<u>\$ 2,106,715</u>	<u>\$ 2,143,735</u>	<u>1.8%</u>
 Personnel Complement	 30	 30	 30	 0

*Juvenile Detention (cont'd)*

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	<b>Performance Measures</b>			
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Admissions	1,033	1,136	1,136	0
Secure Detention Days	5,304	6,212	6,212	0
Average Daily Population	15	17	17	0
Average Length of Stay, Days	5	5	5	0

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The Juvenile Detention Home's budget for FY2013-14 is \$2,143,735, and represents an increase of \$37,020 or 1.8 percent when compared to the prior year approved budget. Personnel costs reflect an increase of 1.9 percent due to cost increases associated with Senate Bill 497, which required a mandatory 5.0 percent salary increase, partially offset by a reduction in the VRS requirement. The

operating budget remains constant with the FY2012-13 budget.

State aid for the Juvenile Detention Home in the FY2013-14 budget is estimated to total \$500,500, which includes \$500,000 for the Juvenile Detention Home's block grant and \$500 in estimated per diem payments for State-responsible juveniles.

# JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

## Probation

### Description

The 14<sup>th</sup> District Court Services Unit provides all services mandated by the Code of Virginia to include Diversion Intervention for non-violent offenders, domestic and delinquent intake services, assessment and investigations, supervised probation, direct care supervision, and community based parole services. Detention services are provided through Henrico Detention Center. A number of programs and services are provided through VJCCCA, and the Juvenile Accountability Block Grant, including anger management, substance abuse counseling, larceny reduction programs, GPS electronic monitoring, in-home counseling services, group home placements and sex offender treatment. The 14<sup>th</sup> District Court Services Unit participates in Henrico's gang reduction initiative by hosting monthly meetings with local law enforcement, school personnel, the adult probation office, and community corrections officers.

- To protect the public by preparing court involved youth to be successful citizens.
- To refer youth and parents to community based services under the Virginia Juvenile Community Crime Control Act, or under State supported programs.

### Budget Highlights

The Department's budget for FY2013-14 is \$23,072. This represents an increase of \$720 or 3.2 percent compared to the previous approved budget. The increase is due to an adjustment in the telecommunications line items for the Court Mediation Program. These funds support the needs of this Court Services unit in the areas of motor pool, telecommunications, and office supplies.

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

### Objectives

- To provide necessary intake, investigative and probation/parole services as required by the Court and the Code of Virginia.

### Annual Fiscal Plan

Description	FY12 Actual	FY13 Original	FY14 Approved	Change 13 to 14
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	23,598	22,352	23,072	3.2%
Capital	0	0	0	0.0%
<b>Total</b>	<b>\$ 23,598</b>	<b>\$ 22,352</b>	<b>\$ 23,072</b>	<b>3.2%</b>

Personnel Complement \* N/A N/A N/A

\*Personnel expenses are paid by the Commonwealth of Virginia.

*Probation (cont'd)*

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	<b>Performance Measures</b>			<b>Change</b>
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>13 to 14</b>
<b>Performance Measures</b>				
Total Juvenile Complaints	3,600	3,000	3,000	0
Total Domestic Complaints	5,300	5,200	5,200	0

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# COMMONWEALTH'S ATTORNEY

## Description

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

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

## Objectives

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

## Budget Highlights

The Commonwealth's Attorney's Office budget for FY2013-14 totals \$4,510,214, representing an overall increase of \$147,724 or 3.4 percent when compared to the FY2012-13 approved budget. This increase is driven solely by the personnel component and reflects a reduction in the vacancy savings rate as well as rising VRS life insurance and health care expenses. The FY2013-14 approved budget also reflects a 5.0 percent State mandated raise to employees which was partially offset by a reduction in the VRS requirement. The operating and capital outlay components remain flat compared to the previous fiscal year. While these components remain flat, it is important to note that several adjustments were made to more accurately reflect planned expenditures.

In FY2013-14, the Commonwealth's Attorney's

## Annual Fiscal Plan

Description	FY12 Actual	FY13 Original	FY14 Approved	Change 13 to 14
Personnel	\$ 4,587,111	\$ 4,255,873	\$ 4,403,597	3.5 %
Operation	106,339	99,496	99,858	0.4 %
Capital	15,307	7,121	6,759	(5.1 %)
Total	<u>\$ 4,708,757</u>	<u>\$ 4,362,490</u>	<u>\$ 4,510,214</u>	<u>3.4 %</u>
Personnel Complement	56	56	56 *	0

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

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Circuit Court Defendants	1,267	1,500	1,550	50
Show Cause Hearings	721	950	975	25
Misdemeanor Appeals	2,022	2,000	2,075	75
General District Court Criminal Cases	34,227	35,225	35,250	25
General District Court Traffic Cases	99,262	110,000	110,100	100
Juvenile Court Misdemeanors	2,264	2,300	2,325	25
Juvenile Court Felonies	595	700	725	25
<b>Effectiveness Measure</b>				
Circuit Court Indictments	2,503	2,525	2,550	25

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

The Exile Grant, a grant from the State that began in

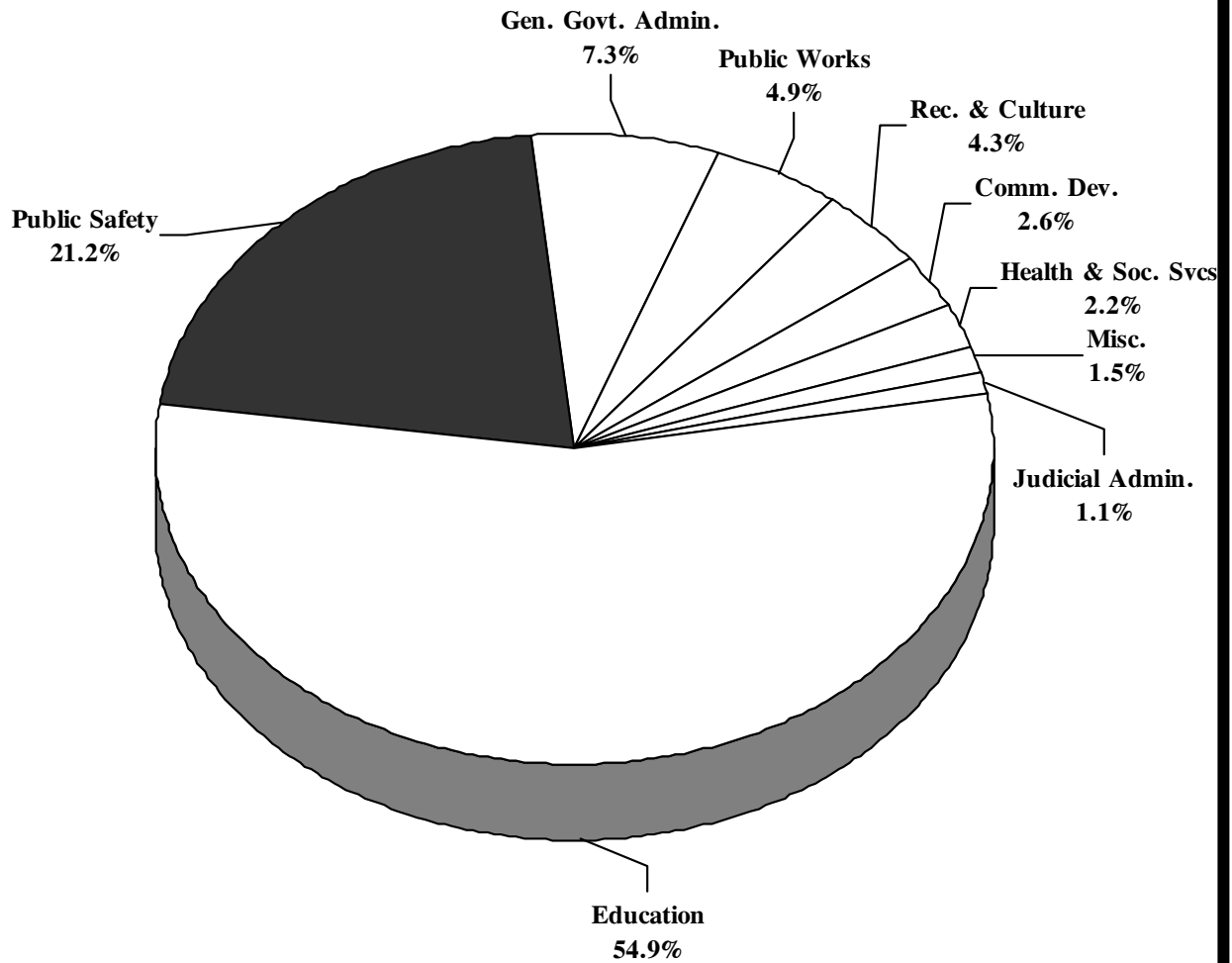
FY2002-03 and provided for a specialized prosecutor and a secretary to enforce violations of Virginia Exile laws, was discontinued in FY2006-07. In the FY2006-07 approved budget, anticipating that the grant would be discontinued, the funding for these two positions was included in the General Fund component of the Commonwealth's Attorney's budget. Funding for these positions remains in the General Fund component in the FY2013-14 budget.

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



# COUNTY OF HENRICO, VIRGINIA

Public Safety  
\$158,307,419



Total General Fund  
\$747,193,355



**COUNTY OF HENRICO, VIRGINIA  
PUBLIC SAFETY - GENERAL FUND  
FY 2013-14**

<u>Department</u>	<u>FY 11-12 Actual</u>	<u>FY 12-13 Original</u>	<u>FY 13-14 Approved</u>
Division of Police:			
Police Operations	\$60,703,697	56,583,418	\$58,786,923
Animal Protection	1,294,098	1,468,562	1,453,654
Communications/Radio Shop	4,520,996	4,784,536	5,870,403
Total Division of Police	<u>66,518,791</u>	<u>62,836,516</u>	<u>66,110,980</u>
Division of Fire:			
Administration	3,529,324	2,245,678	2,210,556
Emergency Planning & Safety Operations	342,164	392,676	381,502
Volunteer Rescue Squads	46,831,731	46,790,167	47,977,501
Total Division of Fire	<u>211,459</u>	<u>218,625</u>	<u>218,625</u>
Total Division of Fire	<u>50,914,678</u>	<u>49,647,146</u>	<u>50,788,184</u>
Sheriff:			
Administration	10,128,117	9,710,945	10,120,543
Jail West	15,726,802	15,218,932	15,694,868
Jail East	9,769,346	9,030,836	9,417,995
Total Sheriff	<u>35,624,265</u>	<u>33,960,713</u>	<u>35,233,406</u>
Juvenile Detention	2,080,552	2,106,715	2,143,735
Building Inspections:			
Building Inspections	3,737,986	3,755,191	3,775,839
Community Maintenance	178,770	336,336	255,275
Total Building Inspections	<u>3,916,756</u>	<u>4,091,527</u>	<u>4,031,114</u>
 Total Public Safety	 <u>\$159,055,042</u>	 <u>\$152,642,617</u>	 <u>\$158,307,419</u>

# PUBLIC SAFETY

## Police Division

### Description

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

With the exception of the Communications section and several specialized components of the organization that report to the Chief of Police, the Police Division 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 opportunity for crime and reduce fear of crime through Intelligence-Led Policing (ILP). This policing methodology employs Smart Policing concepts and requires a close working relationship with citizens, businesses, and governmental agencies. The basis of preventing crime through ILP hinges on intelligence gathered by officers responding to calls, and all available resources, then vetting the information through an effective Crime Analysis System to produce intelligence used to prevent crimes or apprehend criminals.
- 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.

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 59,060,981	\$ 57,746,932	\$ 59,965,667	3.8%
Operation	5,551,531	5,056,584	5,739,243	13.5%
Capital	1,906,279	33,000	406,070	1130.5%
Total	<u>\$ 66,518,791</u>	<u>\$ 62,836,516</u>	<u>\$ 66,110,980</u>	<u>5.2%</u>
 Personnel Complement*	 798	 791	 807	 16

\*Complement includes sixteen complement II positions funded by State revenue (Wireless E-911 funds). The complement also includes the transfer of seven positions from General Services Communications; the addition of ten Police Officers; and the elimination of one position.

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Total Calls for Service	198,373	202,340	206,387	4,047
Number of Animal Calls	18,581	18,862	19,145	283
Number of Part I Crimes	8,648	8,778	8,910	132
Number of Criminal Arrests	19,989	20,389	20,797	408
Number of Traffic Arrests	59,062	60,243	61,448	1,205

- To hold all division personnel accountable to the highest standards of conduct in performing our service to the community and embracing the ideals of our Constitution and democratic society.
- To provide our employees with an environment in which to work that is sensitive to their needs, and conducive to the accomplishment of the highest quality of work.

**Budget Highlights**

The FY2013-14 budget for the Police Division is \$66,110,980, which represents an overall increase of \$3,274,464 or 5.2 percent from the FY2012-13 approved budget. The personnel component increased by a net difference of \$2,218,735 or 3.8 percent from the previous approved fiscal year. This increase was driven by an adjustment of \$900,000 to overtime in order to cover mandated expenditures in this area. The personnel component also includes funding of \$601,305 associated with ten new Police Officer positions, which will allow the Division to reduce the number of unstaffed service areas. It is important to note that this increase in the Division's complement was achieved by eliminating ten positions in various departments throughout the County as a result of meeting their individual efficiency goals.

The personnel increase was also due to the transfer of seven Communications positions that were previously included in the General Services' budget. The total impact of these seven transferred positions and associated benefits total \$589,447 for FY2013-14. These adjustments in personnel were offset slightly by the elimination of two part-time positions (equivalent to one FTE) from the complement. The personnel component reflects a reduction in budgeted vacancy savings as well as rising VRS life insurance and

health care expenditures. This year's budget reflects the 5.0 percent raise to employees that was imposed by state government, partially offset by a reduction in the VRS requirement.

Although the personnel component is a driver of the increase, operating expenditures played an important role as well. The operating component is forecasted to increase by a net difference of \$682,659 or 13.5 percent from the previous approved budget. This increase was driven by funding of \$566,569 that was transferred from the General Services' Communications Division. In addition, funding of \$135,490 was added for costs associated with the ten new Police Officer positions, partially offset by a reduction of \$19,400 related to fingerprint background checks for individuals applying for a concealed weapons permit, which Police no longer has the authority to conduct. While the remaining Police operating budget remained flat, several adjustments were made in order to cover the forecasted rental adjustments totaling \$12,453 for the Innsbrook and Fair Oaks facilities.

The capital component is forecasted to increase by \$373,070 for FY2013-14. Funding of \$356,070 is included to cover the capital purchases associated with the ten new Police Officer positions. In addition, this component reflects transferred funding of \$31,000 from General Services. This additional funding provides for possible replacements of radio equipment and various types of machinery and equipment associated with the Radio Shop. A total of \$14,000 was removed from the camera replacement program as a budget reduction strategy. It is important to note that the Division has funding totaling \$2,574,800 in the capital budget, found elsewhere in this document, for the police vehicle replacement program, which will allow for the purchase of 108 vehicles in FY2013-14.

*Police (cont'd)*

In 2012, the Police Division placed first in the state and in the nation in the International Association of Chiefs of Police National Law Enforcement Challenge traffic safety initiative. For the last seven years, the Division placed in the top three and for the first time, won first place. Each year, the Police Division competes with agencies of similar size from across the country to determine which police departments have done the best job of conducting enforcement activities, plus 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 also received the Virginia Association of Chiefs of Police Law Enforcement Challenge Speed Enforcement Award for its efforts to reduce crashes, injuries and fatalities related to speed related traffic accidents. For the last seven years, the Division won first place in this Challenge. Henrico Police also received the Virginia Association of Chiefs of Police Commonwealth Award in 2012, an award presented to the agency with the best overall entry for the law enforcement challenge.

The Police Division remains a recognized professional law enforcement agency through its efforts to maintain international accreditation. The Division's success is demonstrated by retaining this internationally accredited law enforcement agency status since 1987. In addition, the Division has four Command Staff Officers serving as assessors including the Chief of Police who is a team leader for assessment teams evaluating other law enforcement agencies seeking accreditation. The selection of individuals to serve as assessors is the result of the reputation of the organization and completion of a rigorous training course for the assessors. Each assessor is selected by the accrediting authority and each must be re-certified every three years through attendance at a re-training seminar.

The Evidence and Logistics Unit received recognition at the National Association of Counties (NACo) Awards for the implementation of the Henrico Police Logistics Regional Incident Response Unit. The Response Unit acts as a support resource for Henrico Police and Fire during emergencies and/or long-term calls, and may also be deployed as a Police Logistics resource within this region.

The Police Division, Mental Health & Developmental Services, Sheriff's Office, and Division of Fire personnel work together as members of the Crisis Intervention Team (CIT). Members respond to citizens in psychiatric crises, help prevent dangerous situations in the future, effectively reduce the number of arrests and incarcerations for non-violent offenders with mental illness, and strengthen the relationship between the families of people with mental illness. Recognizing the value of compassionate and effective response to citizens in crisis, CIT trainers increased the frequency of the 40 hour Basic CIT training classes with emphasis on training sworn Police Division personnel, especially all TASER operators.

As part of Henrico's CIT Program, a Crisis Receiving Center (CRC) opened at Parham Doctors' Hospital Emergency Room. The CRC, the first of its kind in the region, open noon to midnight 365 days a year, adheres to the principles of recovery, which emphasize dignity, respect, trauma informed care, and consumer and family choice. Individuals and their families can actively participate in treatment choices and are informed throughout the process.

The Services to Aid Recovery (STAR) Team of CIT trained officers, mental health clinicians, and peer counselors works with a small number of citizens who are frequent users of public safety agency services. The team focuses on these citizens with the goal of building a network of care to enhance their support.

The Crisis Intervention Team program and several key individuals received awards this year including:

- CIT International Police Chief of the Year
- Virginia Crisis Intervention Team (VACIT) CIT Program of the Year
- VACIT CIT Coordinator of the Year
- National Alliance on Mental Illness Walks Award for Best Performance by a Community Team

The Police Division complement totals 807 in FY2013-14. One of the Division's top priorities is maintaining the appropriate level of patrol officers, detectives, and command staff. Included in the FY2013-14 Police Complement are sixteen

*Police (cont'd)*

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-six School Resource Officers assigned to a specific County middle or high school. The School Resource Officer Program is a joint effort between the Police Division and the Henrico County Public Schools. The Henrico County Public Schools provides funding for twenty-one of these Officers while the Police Division funds the remaining five School Resource Officer positions. In addition, the Police Division funds eight P.E.A.K. program positions.

As stated earlier, the budget includes ten new Police Officer positions for FY2013-14. A total of 247 sworn positions are currently assigned to the Patrol Operations Section. Although this complement has not changed since 2007, the population of Henrico County has increased 4.2% from 302,518 in 2007 to 315,157 in 2012. Currently the County is divided into 45 service areas. Based on the Division's minimum manning requirements, they currently staff approximately 69% of the County's service areas. The Division's request to add ten sworn officer positions to their complement would reduce the number of unstaffed service areas.

Based on an analysis that was completed in December 2012, the Police Division has presented a plan in which the allocation of ten positions per year for five years (50 positions total) would be conducted in five phases with Phase I allocating the full ten positions to Patrol Operations with five separate options for distribution of the ten positions. Phases II through IV each respectively provide additional positions to other components that support the Patrol mission. It was agreed that in Phase V, the ten positions would be

kept in reserve to allow for re-distribution of personnel based on the County's growth and the Police Division's needs.

**Police Staffing**

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

The tables in the column show personnel additions and subtractions by position type and funding source from FY1994-95 to FY2013-14.

<b>Position Type</b>	<b>No.</b>
Police Officer	160
Animal Control Officer	2
Communications Officer	19
Police Support Technician	9
Police Support Tech (trans to Sheriff)	(14)
Technical Support	5
Radio Repair Shop (trans to GS)	(5)
Radio Repair Shop (trans from GS)	7
Other	2
<b>Total</b>	<b>185</b>

<b>Funding Source</b>	<b>No.</b>
Grants (*)	90
State Wireless E-911	16
General Fund	79
<b>Total:</b>	<b>185</b>

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 is a community-driven, professional public safety and service organization that takes pride in stewardship and innovation, while maintaining public trust. The Division provides fire suppression, emergency medical services, technical rescue, hazardous materials mitigation, fire prevention, public education, and disaster preparedness.

The Division's organizational chart includes three major branches: Professional Services, Community Risk Reduction, and Operations. The Professional Services branch is comprised of Administrative Services, Business Management, Logistics, Personnel, and Training. The Community Risk Reduction branch includes Emergency Management, Planning & Technology, Safety, Code Enforcement, Fire Prevention, and Community Services. The Operations section comprises all fire, rescue, and emergency medical services personnel in the County's twenty fire stations.

### Objectives

- To enhance Henrico County's overall ability to prepare for, respond to, recover from, and mitigate hazards, emergencies, and disasters.
- To implement a comprehensive community risk reduction model.
- To provide an optimized community-driven service delivery model.
- To ensure the workforce is prepared to achieve the mission and vision of the Division of Fire while exemplifying its core values.
- To maintain processes and data management systems that meet the current and future needs of the Division of Fire.
- To utilize technology efficiently and effectively to meet current and future needs.

### Annual Fiscal Plan

Description	FY12 Actual	FY13 Original	FY14 Approved	Change 13 to 14
Personnel	\$ 43,698,652	\$ 44,803,086	\$ 45,939,033	2.5%
Operation	4,744,256	4,611,715	4,619,401	0.2%
Capital	2,471,770	232,345	229,750	(1.1%)
<b>Total</b>	<b>\$ 50,914,678</b>	<b>\$ 49,647,146</b>	<b>\$ 50,788,184</b>	<b>2.3%</b>

Personnel Complement 539 539 548 \* 9

\*Nine Firefighters are proposed to be included in the FY2013-14 Budget for a new Fire Medic Unit.

	Performance Measures			Change 13 to 14
	FY12	FY13	FY14	
<b>Workload Measures</b>				
Total Calls for Service	40,963	41,563	42,130	567
Total EMS and Rescue Calls for Service	30,189	31,082	32,059	977
Fire Incidents	983	939	916	(23)
Fires per 1,000 Population	3	3	3	0

**Budget Highlights**

The Division of Fire’s budget for FY2013-14 is \$50,788,184, representing an increase of \$1,141,038, or 2.3 percent from the previous approved budget. The personnel component increased \$1,135,947, or 2.5 percent from the previous approved fiscal year. The increase was driven by nine additional Firefighter positions for the newest Fire Medic Unit. Funding for the ambulance was approved by the Board of Supervisors in September, 2012. In addition to the new Fire Medic Unit, personnel expenses increased because of increased costs for VRS group life insurance, health care expenditures, career development program costs, and the 5.0 percent salary increase as a result of the implementation of Senate Bill 497, approved by the General Assembly in the 2012 Legislative Session, which were partially offset by a reduction in the VRS requirement.

The operating component is forecasted to increase by \$7,686 or 0.2 percent from the previous approved budget. An increase of \$24,381 is included for uniform and equipment costs associated with the new Fire Medic Unit. These new expenses are offset by reductions due to efficiencies found within current operations as well as a decrease in the capital component of \$2,595. It is important to note this component previously included funding for the apparatus replacement program at a total cost of \$1,500,000, which is now being captured in the capital budget.

There are still several items of note currently forecasted within the remaining capital budget of \$229,750. One of these items is the Emergency Medical Services (EMS) Equipment Enhancement Program. Funding for this program was created in FY2004-05 at an annual cost of \$96,000, which allowed for the annual replacement of defibrillators. Beginning in FY2011-12, the Division initiated a multi-year lease of defibrillators. This lease program

will provide a reliable inventory of defibrillators, which in turn will allow the Division to utilize its EMS enhancement funds on much-needed replacement of stretchers and other patient care equipment. The current budget of \$76,000 will satisfy this need.

Outside of these replacement plans, funding of \$105,600 is provided for various types of firefighter equipment. Also, funding of \$48,150 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 FY2013-14, 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.

During 2012, the Division’s Office of Emergency Management (OEM) assisted with county-wide emergencies. Hurricane Sandy offered the opportunity to allow multiple agency cooperation for the first time since Hurricane Irene to implement the County’s Emergency Operations Plan. This event also provided the opportunity for multiple agencies to better coordinate and collaboratively manage emergency responses in the County during the event. The OEM also coordinated training to maintain the County’s NIMS compliance in 2012 by offering training for 108 students using instructors from the Division of Fire and the Division of Police. The Division coordinated numerous Homeland Security grants offered by the Virginia Department of Emergency Management, including regional grants to help augment emergency shelter staff training and capacity for domestic animals in times of emergency,

*Fire (cont'd)*

and improve radio communications capability by continuing to enhance the existing amateur radio system and partnerships with volunteers for the system.

Enhancing community preparedness continues to be a priority for the Division of Fire. This includes participating in outreach programs such as the monthly preparedness targets (i.e. winter preparedness, hurricane preparedness, flood awareness), as well as continuing an aggressive plan to review newly licensed care facilities emergency action plans as required by state licensing agencies such as the Department of Social Services.

Adding to the more than 500 citizens and business members who have completed Community Emergency Response Team (CERT) training since 2002 are 58 County employees who completed one of the four CERT classes that were offered in 2012. The purpose of Henrico County's CERT program is to provide training to citizens in order to cope in the time period immediately following a disaster when local public safety resources may be overwhelmed. Citizens participating in the program learn basic first aid, search and rescue, and fire suppression techniques as well as how to prepare for a disaster before one occurs.

The Division will continue the commitment to maintain its international accreditation status, first received in FY1998-99, reaccredited in FY2002-03, and reaccredited for the third 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 2012, there are only 161 fire service organizations in North America that are currently accredited.

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 FY2013-14 budget continues to allocate resources to ensure a systematic replacement approach. Funding of \$177,400 is included within the existing approved budget for replacement turnout gear for firefighters as part of the on-going replacement plan. In addition, funding in the amount of \$77,600 is included for maintenance and repairs of self-contained breathing apparatus (SCBA). These efforts will

continue to provide the Division's personnel with the best available personal protective equipment.

Streamlining and enhancing training has been a continuing 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 was recertified for this effort in the fall of 2007 under that agreement and with the National Board on Fire Service Professional Qualifications. 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 more than eleven Recruit Academies, putting more than 200 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 continues the joint Emergency Medical Services (EMS) response effort with the volunteer rescue squads. In FY2013-14, \$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. This is in addition to \$218,625 in "Four for Life" funding from the Commonwealth of Virginia, which flows through the Division's budget and is paid to the volunteer rescue squads in order to reimburse them for qualifying expenses. Between the "Four for Life" and general fund support, over \$437,000 is provided to the three volunteer rescue squads.

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



*Fire (cont'd)*

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, SCBA shop, Oxygen shop, Hurst Tool shop, Small Engine shop, and the CPAP (Constant Positive Airway Pressure) shop.

In FY2013-14, the Division will continue its efforts with the Henrico Marine Patrol. The primary goal of this program is to provide emergency services to the marine community within the jurisdiction of the County. The Marine Patrol utilizes a C-Hawk vessel for year round response and several inflatable boat for shallow and white water response. There are no full

time dedicated Marine Patrol personnel and response is accomplished by utilizing on-duty fire 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 funding, the Sheriff's Office is divided into three areas of responsibility: Jail West, Jail East, and Administrative.

## 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 papers.
- To maximize organizational effectiveness and integrity through the recruitment and employment of highly qualified personnel; to ensure that all available internal and external training resources are utilized; and to develop comprehensive professional and leadership training programs for all staff levels.
- To maintain American Correctional Association and Department of Corrections accreditation of the jail facilities, court security, civil process, transportation, and training sections which will enhance the level and quality of services that are available to the inmates and the public.
- To achieve Virginia Law Enforcement Professional Standard Commission accreditation of court security, civil process, transportation, and training sections.
- 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>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 23,510,050	\$ 22,743,080	\$ 23,644,213	4.0%
Operation	12,070,302	11,180,693	11,581,193	3.6%
Capital	43,913	36,940	8,000	(78.3%)
Total	<u>\$ 35,624,265</u>	<u>\$ 33,960,713</u>	<u>\$ 35,233,406</u>	<u>3.7%</u>
Personnel Complement*	371	371	371	0

\*Personnel Complement totals above do not include one Complement IV position.

**Performance Measures**

	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Number of Civil Papers Served	115,948	120,000	118,500	(1,500)
Average Daily Inmate Population	1,138	1,180	1,200	20
Number of Commitals to Jail	12,157	13,000	15,000	2,000
Work Release Participants (Monthly Avg)	246	250	260	10
Home Incarceration (Monthly Avg)	110	110	150	40
Average Number of State Inmates	268	270	300	30

- 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 FY2013-14 totals \$35,233,406 which represents a net increase of \$1,272,693 or 3.7 percent when compared to the approved budget. Personnel expenditures, which make up 67.1 percent of the total budget, are forecasted to increase by a net difference of \$901,133 or 4.0 percent. This increase is driven primarily by the addition of \$1,000,000 to overtime to address underfunding in this area. The budget for personnel also included the reduction of budgeted vacancy savings as well as rising VRS life insurance and health care expenditures. It is important to note that this year’s budget reflects the 5.0 percent raise to employees that was imposed by state government, partially offset by a reduction in the VRS requirement.

The operating component is forecasted to increase by a net difference of \$400,500 or 3.6 percent from the previous fiscal year. Other contractual services was adjusted by \$371,560 to accommodate increased costs associated with the existing food service contract for the inmates. The new contract will cover a total of 1,327,000 meals per year based on current projections for the inmate population. It is important to note that funding was reallocated within the operating component to cover the forecasted medical services expense as well as several other vital services within the department.

The capital component is forecasted to decrease by \$28,940 or 78.3 percent from the previous approved budget. This funding was reallocated to the operating component in order to cover a portion of the forecasted increase in medical services.

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

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

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

The Sheriff’s Office also provides Court Services, including court security, civil process, and

*Sheriff (cont'd)*

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.

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

It is important to note that the Sheriff's Office graduated the first student basic jailor academy in the summer of 2011. The academy trains students at Virginia Commonwealth University as Correctional Deputies as well as awards the student who completes the academy with college credit. This training is provided at a minimal cost to the student. After the students complete the academy and are certified as Correctional Deputies they are used as Correctional Officers to reduce the need for deputies to work overtime, which reduces costs. For the year ending June 30, 2012 approximately 43,531 hours of temporary staff were used which equates to over \$506,000 in overtime savings. The second student basic jailor academy, which had a total of 28 students enrolled, was completed in August 2012. As a result of the success of the summer student basic academy, the Sheriff's Office received a National Association of Counties (NACO) award in 2012 for "Best in Category" in the field of Criminal Justice.

The Sheriff's Office was able to achieve a variety of cost savings initiatives in the past year. The department implemented an electronic filing system for the inmate medical folders which saved on paper

consumption. The agency began recycling cardboard and pallets, saving approximately \$4,800 per year and they removed the additional dumpsters that had been used to collect the cardboard, saving an additional \$2,955 on an annual basis. In addition, the department replaced 61 SCBA units with fire safety hoods, which netted an overall savings of \$106,811 in 2012.

A vehicle exchange program was initiated between the Civil Process Deputies and the Transportation Deputies to minimize vehicles exceeding the 1,000 mile mark per month. The department also acquired a new GPS monitoring device to track inmates on Work Release/HIP, which reduced the number of manpower hours needed.

In 2012, the Sheriff's Office implemented a new security system throughout the agency which resulted in less manpower and overtime hours used for investigations due to the placement of multiple cameras with video playback and the ability to print transcripts. This system also provides supporting documentation for prosecution as well as a major deterrent from assaults and thefts.

The Sheriff's Office has plans in 2013 to install 59 kiosks within the housing units, common areas, as well as the lobby to enhance the overall efficiency of jail operations. The affected services include the following: commissary ordering, inmate e-mail, law library access, inmate requests, grievance filing, medical appointment requests, announcements, and an inmate calendar.

The Sheriff's FY2013-14 budget will be offset by an estimated \$13,113,698 or 37.2 percent of expenditures, with State revenues. The State Compensation Board reimbursement is for salaries and benefits as well as a per diem rate for State responsible inmates only. The reimbursement for office supplies was eliminated by the State in FY2009-10 due to budget reductions. The revenue is listed below:

FY2011-12 Actuals	FY2012-13 Adopted	FY2013-14 Approved
\$12,763,626	\$12,475,000	\$13,113,698
Incr/(Decr)	(\$ 288,626)	\$ 638,698

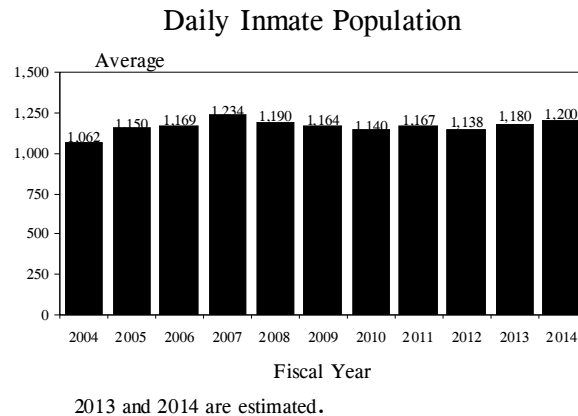
It should be noted that in FY2011-12, the overall percentage of jail operating costs paid by the State

*Sheriff (cont'd)*

was 35.8 percent, 57.1 percent was paid by the County, and the remaining 7.1 percent was paid with various other departmental revenues. In the FY2013-14 budget, it is estimated that the Henrico County Sheriff's Office will receive 37.2 percent of funding from the State while the County will contribute 56.8 percent of funding (the remaining 6.0 percent will be funded with departmental revenues).

The number of prisoners confined in the Henrico Regional System is slightly increasing but is the

main factor behind the operational projections for the fiscal year. The Average Daily Inmate Population has increased by 138 or 13.0 percent since FY2003-04. The FY2013-14 budget was prepared on the assumption of an average daily inmate population of 1,200. This estimate is based on 675 prisoners at Jail West and 525 housed at Jail East. Areas that are directly affected include medical services, food services, mental health services, and other operational costs spread among different associated categories.



# JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

## Detention Home

### Description

The Detention Home incarcerates juveniles who are awaiting court action for committing criminal offenses. Some juveniles may also be sentenced for up to thirty days after having been found guilty of an offense. This group includes criminal offenders, children in need of supervision, and certain traffic offenders. While housed at the Detention Home, juveniles are offered programs in education, recreation, and optional religious services as well as receive mental health screenings, evaluations, medical services, and follow-up evaluations as necessary.

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

### Budget Highlights

The Juvenile Detention Home provides protection, safe care, and basic needs and services to juveniles placed in the home by the courts through statutory regulation. All aspects of service levels in the Detention Home are mandated by the State and will remain unchanged in the upcoming fiscal year. Operational procedures, programs, professional services, and support services are all to stay in compliance with State mandated regulations for licensure. In addition, staff will be provided with ongoing training and development.

The personnel complement includes two full-time Mental Health Clinicians who provide mental health assessments and court ordered evaluations for the Detention Home. In addition to the 30 positions in the agency's personnel complement, three full-time teachers and one full-time reading specialist from Henrico County Schools are currently assigned to the agency for an eleven-month educational program along with two teachers that are shared with James River Juvenile Detention Center. These positions are funded by the Virginia Department of Education and their associated costs are included in the Education budget.

### Objectives

- To provide safe care for the juveniles placed under the supervision of the home.
- To retain certification from Virginia's Interdepartmental Licensing and Regulation Unit for Children.
- To administer an identifiable and assessable program of detention.
- To provide ongoing staff training and organizational development programs.
- To provide, in conjunction with the Henrico County School System, an education program that conforms to the Educational Standards for Residential Care Facilities of the Virginia Department of Education.

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 1,942,321	\$ 1,973,868	\$ 2,010,888	1.9%
Operation	137,311	132,847	132,847	0.0%
Capital	920	0	0	0.0%
Total	<u>\$ 2,080,552</u>	<u>\$ 2,106,715</u>	<u>\$ 2,143,735</u>	<u>1.8%</u>
 Personnel Complement	 30	 30	 30	 0

*Juvenile Detention (cont'd)*

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	<b>Performance Measures</b>			
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Admissions	1,033	1,136	1,136	0
Secure Detention Days	5,304	6,212	6,212	0
Average Daily Population	15	17	17	0
Average Length of Stay, Days	5	5	5	0

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The Juvenile Detention Home's budget for FY2013-14 is \$2,143,735, and represents an increase of \$37,020 or 1.8 percent when compared to the prior year approved budget. Personnel costs reflect an increase of 1.9 percent due to cost increases associated with Senate Bill 497, which required a mandatory 5.0 percent salary increase, partially offset by a reduction in the VRS requirement. The

operating budget remains constant with the FY2012-13 budget.

State aid for the Juvenile Detention Home in the FY2013-14 budget is estimated to total \$500,500, which includes \$500,000 for the Juvenile Detention Home's block grant and \$500 in estimated per diem payments for State-responsible juveniles.

# BUILDING INSPECTIONS

## Description

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

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

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

## Objectives

- To ensure the public health, safety, and welfare affected by the design and construction of buildings and structures in Henrico County.
- To ensure the quality of inspections by field staff through education and certification to State standards.
- To provide services that equal customer expectations for professionalism and accountability.
- To establish policies and procedures that are consistent, practical, workable, and enforceable.

## Budget Highlights

The Department of Building Construction and Inspections budget is divided into two sections: Building Inspections and Community Maintenance. The total FY2013-14 budget for the Department is \$4,046,114, a decrease of 1.1 percent when compared to the FY2012-13 approved budget.

### Annual Fiscal Plan

<b>Description</b>	<b>FY12 Actual</b>	<b>FY13 Original</b>	<b>FY14 Approved</b>	<b>Change 13 to 14</b>
Personnel	\$ 3,772,822	\$ 3,830,744	\$ 3,806,515	(0.6%)
Operation	290,501	416,222	390,322	(6.2%)
Capital	0	300	300	0.0%
Sub-Total	<u>\$ 4,063,323</u>	<u>\$ 4,247,266</u>	<u>\$ 4,197,137</u>	<u>(1.2%)</u>
Interdepartmental Billings	(146,567)	(155,739)	(151,023)	(3.0%)
Total Budget	<u>3,916,756</u>	<u>4,091,527</u>	<u>4,046,114</u>	<u>(1.1%)</u>
Personnel Complement <sup>(1)</sup>	56	54	53	(1)

<sup>(1)</sup> One vacant position is being moved to the County's hold complement for FY2013-14. Also, two vacant positions were moved to the hold complement in FY2012-13.



*Building Inspections (cont'd)*

**Performance Measures**

	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Total Permits Issued	13,771	13,750	13,750	0
Single Family Permits Issued	675	675	675	0
Building Inspections	21,475	25,750	25,750	0
Electrical Inspections	10,276	12,300	12,300	0
Mechanical Inspections	8,459	10,000	10,000	0
Plumbing Inspections	13,280	16,000	16,000	0
Fire Protection Inspections	2,167	2,500	2,500	0
Elevator Inspections	154	175	175	0
Sign Inspections	425	350	350	0
Existing Structure Inspections	2,267	2,300	2,300	0
FOG Inspections	212	275	275	0
Total Inspections	56,236	67,075	67,075	0
<b>Efficiency Measures</b>				
Residential Inspections/Inspector/Day	9	10	10	0
Mechanical /Plumbing Inspections/Inspector/Day	13	17	17	0
Electrical Inspections/Inspector/Day	11	13	13	0
Fire Protection Inspections/Inspector/Day	4	5	5	0
Commercial Inspections/Inspector/Day	0	6	6	0
Average # of Inspections/Single Family Dwelling	35	36	36	0

The personnel component of the budget is decreasing \$24,229, or 0.6 percent, attributable to targeted reductions identified by the Department, including the elimination of one vacant Office Assistant III position within the Property Maintenance Section of the Department. The elimination of this position was possible through the realization of operational efficiencies. These decreases were partially offset by increases in personnel costs related to State legislation (Senate Bill 497) requiring a 5.0 percent employee contribution to employee pensions. The implementation of this mandate resulted in an increase in salaries and corresponding benefits costs, as well as a decrease in the budgeted cost of VRS Retirement.

The operating component of the budget is decreasing \$25,900, or 6.2 percent, through targeted reductions identified by the department. The capital component of the budget remains unchanged.

Workload projections are based on current conditions and future developments that have already been announced for Henrico County. The Department projects the total number of permits issued for FY2012-13 to remain relatively flat, and it is

anticipated that these permit levels will remain in FY2013-14.

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 FY2013-14 totals \$3,775,839. This reflects an increase of \$20,648, or 0.5 percent when compared to the FY2012-13 approved budget. The increase is attributable to salary and benefit cost increases resulting from Senate Bill 497. The operating and capital components of the budget remain flat for FY2013-14.

Accounted for in the FY2013-14 proposed budget is the restructuring of Structure & Equipment Permit Fees charged by the Department. The enhancement of

*Building Inspections (cont'd)*

fees related to building inspections, as well as electrical, mechanical and plumbing inspections was initiated in order to better align the revenues collected for the services provided, with the actual cost of providing those services. Despite the proposed fee restructuring, Henrico County still maintains the lowest permit fees relative to comparably sized localities in the region.

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 \$270,275, which represents a decrease of \$66,061, or 19.6 percent from the prior fiscal year, attributable to targeted reductions in the personnel and operating components of the budget.

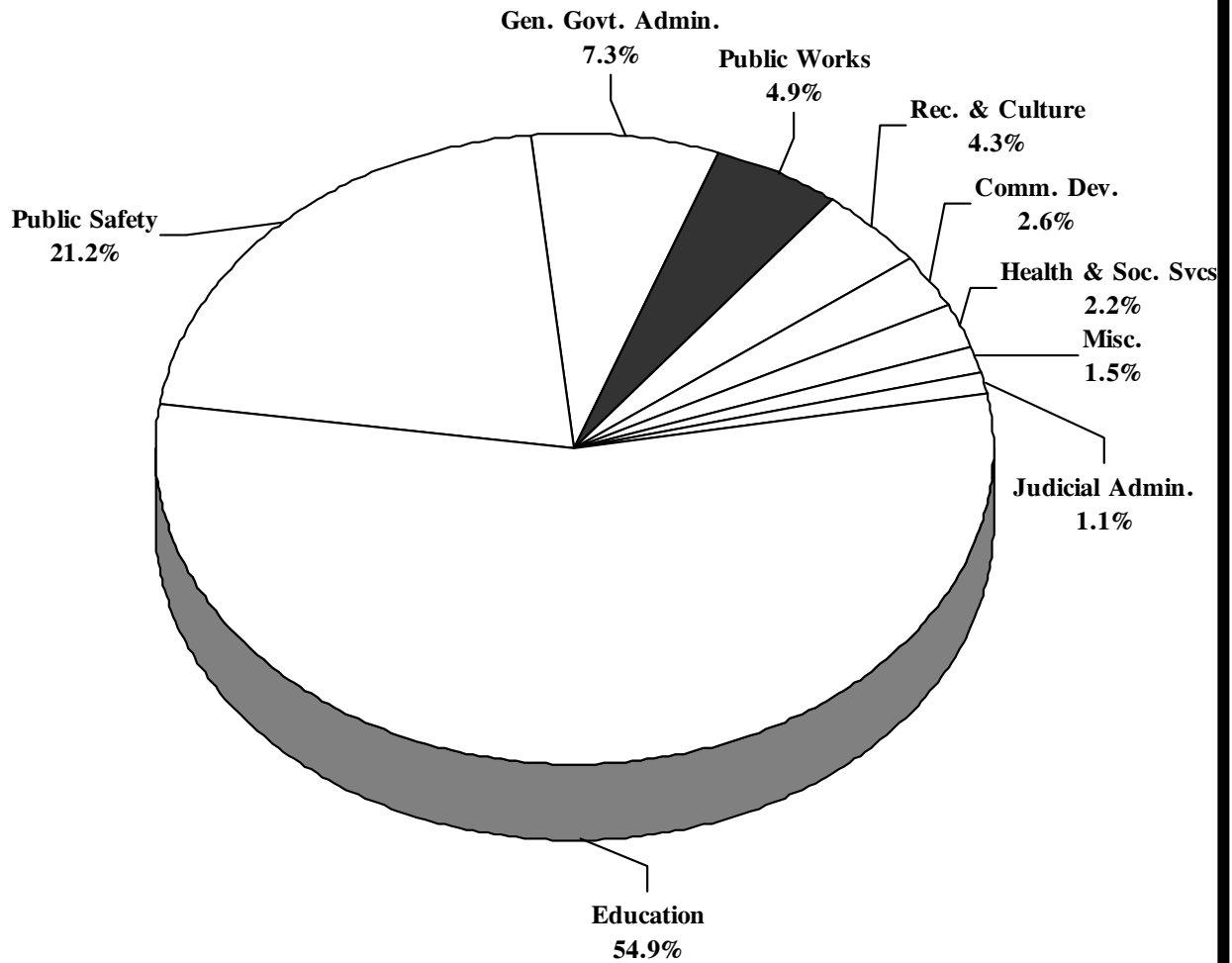
Included in this budget are the costs for two positions that are part of an initiative to ensure that restaurants have the proper equipment to prevent oil and grease from entering the sewer system. The total ongoing cost for these two positions equals \$151,023. The entirety of this cost will be reimbursed by the Department of Public Utilities. As such, an interdepartmental billing account has been budgeted to reflect the reimbursement of these ongoing costs.

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



# COUNTY OF HENRICO, VIRGINIA

Public Works  
\$36,672,020



Total General Fund  
\$747,193,355

**COUNTY OF HENRICO, VIRGINIA  
PUBLIC WORKS - GENERAL FUND  
FY 2013-14**

<u>Division</u>	<u>FY 11-12 Actual</u>	<u>FY 12-13 Original</u>	<u>FY 13-14 Approved</u>
Administration	\$1,235,136	\$1,331,982	\$1,358,230
Road Maintenance	23,871,100	19,605,802	19,470,385
Traffic Engineering	2,794,042	3,239,348	3,224,575
Construction	2,702,972	2,612,238	2,632,572
Design	1,776,569	1,904,611	1,930,792
Mass Transit	5,772,549	5,168,983	6,349,910
Environmental	1,404,098	1,246,379	1,304,800
Geographic Information System	138,523	0	0
Standing Water Initiative	374,842	394,954	400,756
Total Public Works	<u>\$40,069,831</u>	<u>\$35,504,297</u>	<u>\$36,672,020</u>

# PUBLIC WORKS

## Description

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

The majority of departmental services are funded by an allocation of gasoline tax revenues from the State of Virginia and license fee revenue collected in the County's General Fund. In addition, the General Fund provides funding for certain services in accordance with the Board of Supervisors' directives for various programs. These include the Environmental Control Program, Vacuum Leaf services, the JOBS transit service, the Standing Water Initiative, and supplemental funding for the Mass Transit Division.

## Objectives

- To develop and maintain a safe and efficient road system.
- To develop and maintain an efficient and economical storm drainage system.

- To ensure that the construction of road and drainage facilities is accomplished in accordance with appropriate standards and in an environmentally correct manner.
- To review and provide for the most cost-effective system of Public Transit for the residents of the County.
- To provide prompt responses to citizen inquiries or requests for service.
- To enforce Chesapeake Bay Act regulations along with current erosion and sedimentation control ordinances and policies.

## Budget Highlights

The Department's approved budget for FY2013-14 is \$36,672,020, representing an increase of \$1,167,723 or 3.3 percent from the previous approved budget. Within this overall approved budget, which combines both Gas Tax and General Fund supported programs; the personnel component is budgeted to increase by \$234,660 or 1.6 percent. The operating component is forecasted to increase by \$957,938 or 4.9 percent. Capital outlay expenditures are expected to decrease by \$24,875 or 1.6 percent.

Funding to support the approved budget is to be provided by the State's Gas Tax maintenance

## Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 13,698,508	\$ 14,436,968	\$ 14,671,628	1.6%
Operation	24,676,675	19,494,854	20,452,792	4.9%
Capital	1,694,648	1,572,475	1,547,600	(1.6%)
Total	<u>\$ 40,069,831</u>	<u>\$ 35,504,297</u>	<u>\$ 36,672,020</u>	<u>3.3%</u>
Personnel Complement	254	254	254	0

Public Works (cont'd)

	Performance Measures			Change 13 to 14
	FY12	FY13	FY14	
<b>Workload Measures</b>				
Lane Miles of Road Maintained	3,433	3,434	3,445	11
Traffic Signals Maintained	144	151	154	3
Development Plans Reviewed	691	778	876	98

allocation of \$28,745,000, the County's General Fund subsidy of \$7,168,356, a transfer of \$208,500 from the Public Works Capital Reserve, 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 \$8,343.98 and County lane miles of 3,445. It should be noted that the total projected Gas Tax for FY2013-14 is based on the allocation for operations and maintenance and does not include a construction allocation. If gas tax were allocated for construction it would be included in the capital budget section of this document. It should be noted that there has not been a construction allocation funded by gas tax since FY2008-09.

This funding source is utilized for approximately 78.4 percent of the operating budget. In other words, the gas tax allocation will support the Department of Public Works' divisions with the exception of the Standing Water Initiative and Environmental Inspection. This revenue source is restricted to roadway maintenance activities.

The functions supported by the General Fund subsidy total \$7,168,356. The General Fund supports 100 percent of expenses related to the Standing Water Initiative and Environmental Inspection divisions which combined total \$1,705,556. The Standing Water Initiative is budgeted at \$400,756 and the Environmental Inspection Division is budgeted at \$1,304,800 for the approved FY2013-14 budget. It is important to note that the funding for the Geographic Information Systems division was transferred to the Department of Information Technology's budget, in FY2011-12, in order to centralize GIS technology efforts.

General Fund support is also provided for Mass Transit and Leaf Collection services. Specifically, General Fund support of \$5,141,300 in FY2013-14 will subsidize the GRTC and JOBS services costs in the Mass Transit budget. In FY2013-14, the Leaf

Collection services budget totals \$473,700. Within this total budget, the General Fund will support \$321,500, Leaf Collection Fees will total \$150,000, and the remaining \$2,200 will be provided by miscellaneous revenues. It is important to note that this budget includes free leaf vacuum service for all County residents that currently participate in the Real Estate Tax Advantage Program (REAP).

The third source of funding in the FY2013-14 Approved Budget is a \$208,500 transfer from the Public Works' capital projects' balances. This transfer will help mitigate the \$1,372,000 cost increase in mass transit costs in FY2013-14, which will be explained further later in this document.

The fourth and final source of funding is generated from miscellaneous fees, which total \$550,164 for the approved budget. These charges/fees are used as enhancements to the Gas Tax revenue for all divisions with the exception of the Standing Water Initiative and Environmental Inspection divisions.

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

Roadway Maintenance and Administration

The total approved budget for the divisions that fall within this group is \$34,966,464, which experienced a net increase of \$1,103,500 compared to the previous fiscal year. This net increase is the result of a \$1,163,500 increase in Mass Transit expenses and a \$60,000 decrease in Leaf Collection program expenses. The increase in Mass Transit expenses is due to an error in the GRTC database, which previously undercharged Henrico for the services provided. The issue has been corrected and as a result Henrico's costs are expected to increase by \$1,372,000 in the FY2013-14 budget. In order to maintain the current GRTC fixed route and CARE para-transit service, two fare increases will be implemented with an effective date of January 1,

*Public Works (cont'd)*

2014. The fare for non-ADA trips (trips outside of a 1.5 mile radius of the GRTC bus route) will increase from \$2.50 to \$6.00 per trip, which will generate \$240,000 in additional revenue. The fare for Express Routes will increase from \$2.00 to \$3.00 per trip, which will generate \$177,000 in additional revenue. A transfer from Public Works' Capital Project Reserve of \$208,500 will cover six months of expenses until additional revenues are collected from the fare increases, which will be effective January 1, 2014.

The Vacuum Leaf Collection program has been modified to maximize efficiencies within the Department of Public Works resulting in \$60,000 in realized savings. As part of the FY2013-14 approved budget, the Program's schedule will be adapted from a 20 week program to a 12 week program. Based on a three-year analysis of vacuum orders, the majority of vacuum orders, 80 percent, fall within the designated 12 week period. This change will relieve workload demands within the department caused by using the same trucks for both vacuum leaf removal and snow removal, which necessitates changing equipment on the trucks for each of the separate functions. This realized efficiency will allow for the optimal use of staff and equipment and result in savings.

With the exception of Mass Transit, the Roadway Maintenance and Administration divisions represent the core services to maintain the existing roadway system provided by Public Works and therefore utilize the entire \$28,745,000 State Gas Tax maintenance allocation in providing these services. The remainder of funding is provided by other revenue in the General Fund, including a \$5,141,300 subsidy to support Mass Transit Services. The personnel component is forecasted to increase by \$170,437 or 1.3 percent due to a reduction in the vacancy savings rate as well as rising VRS life insurance, and health care expenditures. The FY2013-14 budget also reflects the State mandated 5.0 percent raise to employees, which has

been partially offset by a reduction in VRS expenditures.

The operating component increased by \$957,938 or 5.0 percent from the previous approved budget. In addition to the \$1,163,500 increase in GRTC and the \$60,000 decrease in Vacuum Leaf, a reduction of \$145,562 was made to road materials to reflect current actuals in this account and to cover the increases in personnel expenditures in Gas Tax cost centers.

The capital outlay component decreased by \$24,875 or 1.6 percent compared to the previous approved budget. There are several noteworthy capital purchases forecasted within the \$1,547,100 approved capital component. Capital outlay items budgeted include the following: one tractor mower, ten snow plows, five rollers, five leaf machines, three tandem dump trucks, four single axle dump trucks, four uninterruptable power supplies for traffic signals, one variable message board, and one crash cushion truck with a message board.

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 \$400,756. The personnel component comprises 79.5 percent or \$318,506 of the total budget.

Environmental Inspection Division

The Environmental Inspection Division is funded solely through the General Fund at a total cost of \$1,304,800. Expenditures are forecasted to increase by \$58,421 or 4.7 percent from the FY2012-13 approved budget. The personnel component increased by \$58,421 or 5.4 percent from the previous approved fiscal year. The operating and capital outlay components remained flat compared to the previous fiscal year.

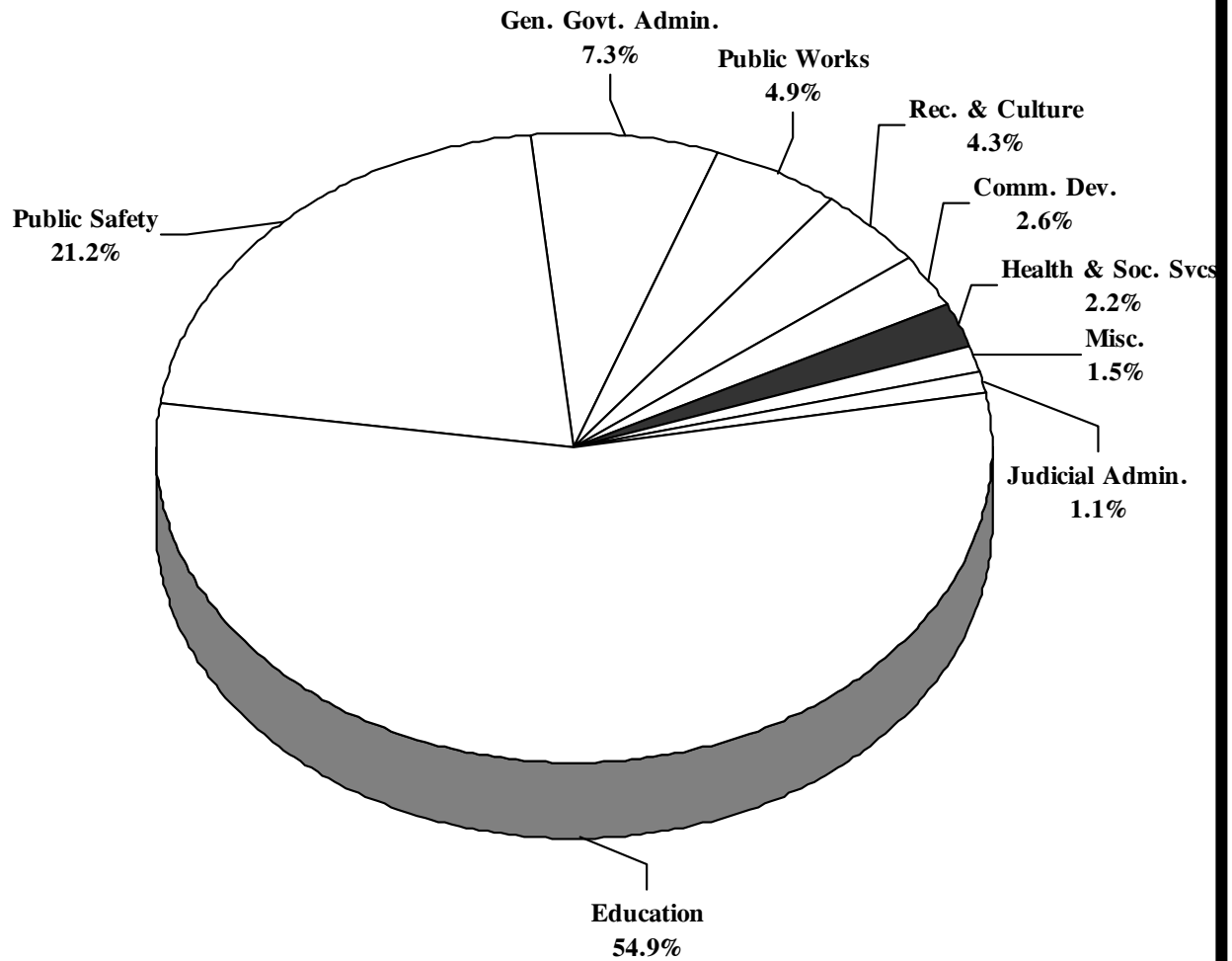




# COUNTY OF HENRICO, VIRGINIA

## Health and Social Services

\$16,455,413



Total General Fund

\$747,193,355

**COUNTY OF HENRICO, VIRGINIA  
HEALTH AND SOCIAL SERVICES - GENERAL FUND  
FY 2013-14**

<u>Department</u>	<u>FY 11-12 Actual</u>	<u>FY 12-13 Original</u>	<u>FY 13-14 Approved</u>
Public Health	\$1,653,542	\$1,653,542	\$1,734,819
Social Services:			
Administration	11,508,850	12,113,627	12,237,072
Public Welfare Board	40,471	40,489	40,489
Public Assistance	5,339,697	2,424,400	2,443,033
Employment Services Program	3,832,739	18,633	0
Total Social Services	<u>20,721,757</u>	<u>14,597,149</u>	<u>14,720,594</u>
Total Health and Social Services	<u>\$22,375,299</u>	<u>\$16,250,691</u>	<u>\$16,455,413</u>

## PUBLIC HEALTH

### Description

The Health Department provides medical, environmental and other public health services to the residents of Henrico County. The State and County provide cooperative funding consisting of 55.0 percent in State funds and 45.0 percent in County funds. The County also provides additional funding to assist with the maternity program. The budget herein reflects the County's 45.0 percent funding level for the cooperative budget and additional funds to support the maternity program.

- To provide clinical services for clients in need of prenatal care, well-child care, family planning, or Women Infant and Children (WIC).
- To prevent environmental contamination through enforcement of regulations governing on-site sewage disposal, installation of wells and the monitoring of water supplies.
- To assist the County with special services that includes but is not limited to fire and flood disaster, sanitation, lead hazard evaluation, and rabies control.
- To assure emergency preparedness for large scale health emergencies.

### Objectives

- To promote a healthier lifestyle through health education and outreach.
- To provide children and adolescent preventive dental care and to promote good dental hygiene.
- To minimize the spread of communicable disease through epidemiological monitoring of infectious diseases.
- Promote childhood immunizations.
- Provide inspection of food establishments, licensed child-care centers, motels, and hotels.

### Budget Highlights

The Department's budget for FY2013-14 reflects both the 45.0 percent County share of the cooperative budget, which amounts to \$1,549,321, and additional County funding for the local maternity program in the amount of \$183,698. An additional \$1,800 of telecommunications costs is also funded in this budget. The sum of these figures leads to a total request for County funding of \$1,734,819. The budget

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	1,653,542	1,653,542	1,734,819	4.9%
Capital	0	0	0	0.0%
Total	<u>\$ 1,653,542</u>	<u>\$ 1,653,542</u>	<u>\$ 1,734,819</u>	<u>4.9%</u>
Personnel Complement *	N/A	N/A	N/A	N/A

\*Does not reflect 71 classified and 14 non-classified State positions. The County portion of funding for these positions resides in natural account 50440 (Payment to State/Local Health Dept.) within the operating component of the budget.

*Public Health (cont'd)*

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	<b>Performance Measures</b>			<b>Change</b>
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>13 to 14</b>
<b>Workload Measures</b>				
Number of Patient Visits	27,153	27,153	28,500	1,347
Maternity Visits	2,404	2,404	2,700	296
Nursing Home Screening	479	479	500	21
Food Service Protection Visits	3,641	3,641	3,650	9
WIC Participants	15,653	15,653	16,500	847
Dental Clinic Visits	1,684	1,684	1,800	116

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for FY2013-14 is \$81,277 or 4.9 percent above the approved budget for FY2012-13. The difference is directly attributed to the increase in general fund allocations from the State. There are no County funded positions assigned to Public Health.

## 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. Family services workers engage 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.

A goal of the Department of Social Services is to reduce the number of children in institutional placements. Another goal of the Department is to make home and community based services available to assist the disabled and elderly. Through the use of varied program funds and community resources, the Department works with clients to become or to remain economically self-supporting. These efforts are accomplished via job training, other employment related activities, and other supportive services.

### Objectives

- To process applications and reviews for benefit programs within State/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>FY12</u> <u>Actual</u>	<u>FY13</u> <u>Original</u>	<u>FY14</u> <u>Approved</u>	<u>Change</u> <u>13 to 14</u>
Personnel	\$ 10,747,462	\$ 11,240,640	\$ 11,260,291	0.2%
Operation	9,881,964	3,345,164	3,448,958	3.1%
Capital	92,331	11,345	11,345	0.0%
Total	<u>\$ 20,721,757</u>	<u>\$ 14,597,149</u>	<u>\$ 14,720,594</u>	<u>0.8%</u>
Personnel Complement *	168	168	168	0

\* This count does not include 9 complement III positions.

*Social Services (cont'd)*

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Clients Entering Employment	632	650	675	25
<b>Efficiency Measures</b>				
Food Stamp Application Timely Processing	97%	97%	97%	0%
APS/CPS Complaints Initiate Within Timeframe	92%	92%	92%	0%
<b>Effectiveness Measures</b>				
Fraud Prosecution Rate	100%	100%	100%	0%
Customer Appeals Sustained	99%	99%	99%	0%
Clients Maintaining Employment after 90 days	512	527	547	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.

**Budget Highlights**

The Department's approved budget for FY2013-14 is \$14,720,594, which represents an increase of \$123,445 or 0.8 percent from the FY2012-13 approved budget. The Department anticipates collecting \$10,247,082 in revenue from State and Federal governments, which represents 69.6 percent of the total funding amount.

The personnel component increased by \$19,651 or 0.2 percent from the FY2012-13 approved budget. The increase is due to the costs of benefit increases associated with the Commonwealth's mandate of a 5.0 percent salary increase, partially offset by a

reduced VRS requirement. One area of cost decrease in the personnel area is eliminating the budget for use of temporary part-time staff.

The operating component of the budget increased by \$103,794, or 3.1 percent, over the FY2012-13 approved budget. This increase was caused by the Department eliminating its budget for temporary part-time staff and filling that need with temporary help service workers, which are budgeted in the operating area of the budget. A total of \$11,345 is budgeted for the capital needs of the Department.

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

The Department provides services to all socio-economic groups and is usually the last resort for residents of Henrico County. 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.

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 2011 versus May

*Social Services (cont'd)*

2012 reveals that the combined caseloads increased by 5.4 percent. Total caseloads for the combination of these three programs have increased by 222.0 percent when comparing May 2000 to May 2012.

Welfare reform has been successful in the past in moving people from public assistance to work. In FY2011-12, 632 clients became gainfully employed with 81.0 percent of them maintaining those jobs for 90 days or longer. Based on the increase of TANF caseloads, the forecast for FY2011-12 suggests that there will be significantly more clients the Department will need to assist with entering employment. The continued high unemployment rate will make the process of finding employment for these individuals difficult.

With the onset of state-wide initiatives to affect change in the child welfare programs, the Department of Social Services has successfully maintained a reduction in the number of children entering the foster care system. In FY2011-12 there was a

significant increase in the number of children entering foster care compared to the prior fiscal year. The number of foster care entries has continued to increase in the current fiscal year as well.

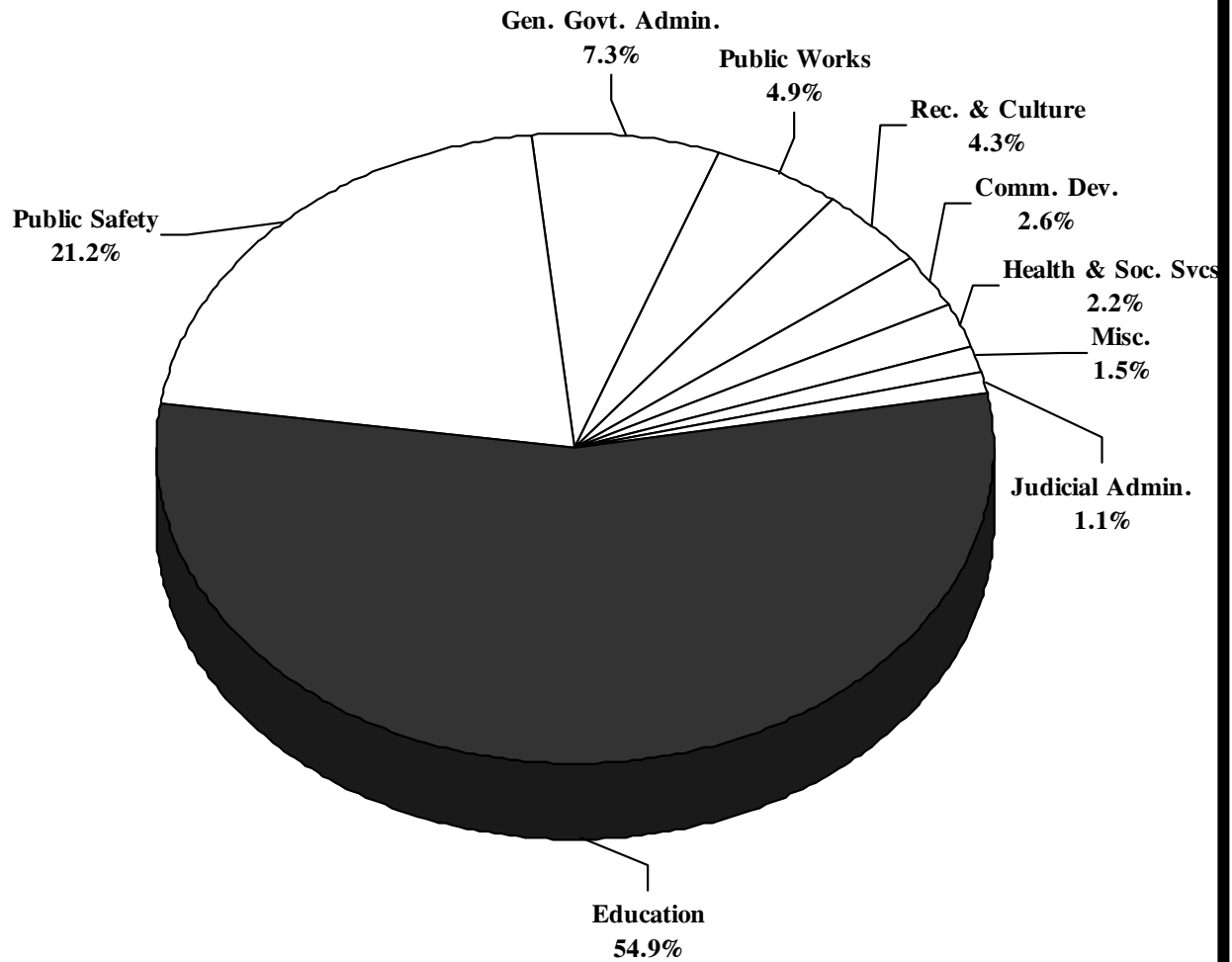
The mission of the Adult Services Programs is to serve adults through programs that protect older and incapacitated adults from abuse, neglect, or exploitation. The Department has experienced significant increases with service demands in this program area. In FY2011-12, the total number of Adult Services cases grew considerably with a 13.0 percent increase in the number of nursing home screenings and personal care waivers. While it is a state-wide goal in the Adult Services Program to allow the adult to remain in the least restrictive setting and function as independently as possible, state funding to support this effort has been reduced. Based on the aging demographics of the community, this is a quality of life issue that will be closely monitored by the Department in the upcoming year.





# COUNTY OF HENRICO, VIRGINIA

Education  
\$410,272,057



Total General Fund  
\$747,193,355

**COUNTY OF HENRICO, VIRGINIA  
EDUCATION - ALL FUNDS  
FY 2013-14**

<u>Fund/Division</u>	<u>FY 11-12 Actual</u>	<u>FY 12-13 Original</u>	<u>FY 13-14 Approved</u>
General Fund:			
Instruction	\$317,701,760	\$328,535,427	\$331,757,869
Administrative Services	9,095,736	8,920,669	10,631,650
Operations	70,206,056	67,533,377	68,659,846
Finance	3,128,939	3,256,315	3,282,084
School Board and Superintendent	1,446,339	1,374,236	1,440,608
Recommended Adjustments	<u>0</u>	<u>(5,570,024)</u>	<u>(5,500,000)</u>
Subtotal General Fund	401,578,830	404,050,000	410,272,057
General Fund - ARRA:			
Instruction	<u>4,533,590</u>	<u>0</u>	<u>0</u>
Subtotal ARRA General Fund	4,533,590	0	0
Total General Fund	\$406,112,420	\$404,050,000	\$410,272,057
Special Revenue Fund:			
School Food Service	\$18,158,870	\$18,638,229	\$19,772,186
State, Federal, and Other Grants:			
Capital Construction Management	0	427,540	440,521
Computer Insurance Coverage	(356,239)	0	0
CTE Resource Center	762,199	1,170,239	1,035,779
Distance Learning	7,563	15,900	0
Driver Education	125,863	213,798	214,104
Drug Free S/C Act	305	0	0
Educational Interpreters Grant	10,064	40,400	15,000
Federal Class Size	1,355,779	1,554,920	1,582,777
Gen. Adult Education	342,587	464,943	464,943
Grant Administration	12,522	155,924	155,218
Head Start	1,493,575	1,414,149	1,399,422
Homeless Assistance	93,455	82,798	94,514
Humanities Center Grants	7,490	10,000	10,000
Individual Student Alternative Ed Plan Grant	47,365	53,634	54,398
Juvenile Detention Home	1,305,271	1,275,943	1,329,747
Mentor Teacher Program	70,002	55,211	55,211
Miscellaneous School Grants - Federal	1,240,867	452,263	0
Miscellaneous School Grants - Local	1,246,408	1,371,230	1,056,987
Miscellaneous School Grants - State	765,570	500,000	500,000
Pell Grants	165,277	165,000	225,000
Perkins Act III	523,224	689,311	598,207
Pre-School	97,383	256,733	266,253
Project Connect	33,034	0	0
Reading First	(4,638)	0	0

*Education - All Funds (cont'd)*

<u>Fund/Division</u>	<u>FY 11-12 Actual</u>	<u>FY 12-13 Original</u>	<u>FY 13-14 Approved</u>
State, Federal, and Other Grants: (cont'd)			
Reading Intervention	461,348	485,816	485,816
Reserve for State and Federal Grants	0	4,163,204	3,897,870
SOL Algebra Readiness	360,753	484,845	512,382
Special Education Jail Program Grant	104,902	112,015	113,666
Virginia Preschool Initiative	2,248,506	2,376,579	2,346,434
Summer School	1,334,450	1,607,789	1,607,789
Teacher Incentive Fund Grant	334,356	2,494,872	1,747,005
Technology (State)	1,257,502	1,818,000	1,766,000
Title I	7,536,152	8,488,082	8,957,371
Title II-D Technology	27,414	57,357	0
Title III - ESL	257,153	285,377	300,222
Title VI - B Special Education	5,656,965	9,851,658	9,978,903
Other Special Revenue Grants	<u>297,159</u>	<u>532,809</u>	<u>321,512</u>
Subtotal Grants	29,221,586	42,573,506	41,533,051
ARRA Federal Grants:			
Title I, Part A	1,446,999	0	0
Title I, Part D	2,485	0	0
Title II, Part D	31,613	0	0
Section 611 Flow-Through	3,394,283	0	0
Homelessness Assistance	3,241	0	0
Section 619 Preschool	143,907	0	0
School Improvement	<u>45,416</u>	<u>0</u>	<u>0</u>
Subtotal ARRA Special Revenue Fund	5,067,944	0	0
Total Special Revenue Fund	\$52,448,400	\$61,211,735	\$61,305,237
Debt Service Fund:			
General Obligation	<u>37,883,579</u>	<u>39,257,303</u>	<u>36,565,167</u>
Total Debt Service Fund	37,883,579	39,257,303	36,565,167
Total Education - All Funds	<u><u>\$496,444,399</u></u>	<u><u>\$504,519,038</u></u>	<u><u>\$508,142,461</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 FY2013-14, the Division of Instruction will provide instructional programs to 22,670 elementary school students (grades K-5); 11,332 middle school students (grades 6-8) and 14,542 high school students (grades 9-12). This Division includes the departments of Elementary Education, Secondary Education, Career and Technical Education, Exceptional Education, Technology and Information Services, and Staff Development.

The Division of 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.

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

The Division of Operations provides support for building construction and maintenance, warehousing, pupil transportation, and the student breakfast and lunch programs for all schools.

The Division of Finance includes the areas of School Finance, Budget, Payroll, and General Services.

## Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 381,041,485	\$ 397,888,626	\$ 404,722,182	1.7%
Operation	59,788,071	62,135,045	61,034,717	(1.8%)
Capital	17,731,264	10,808,088	11,320,395	4.7%
Recommended Adjustments	0	(5,570,024)	(5,500,000)	(1.3%)
Debt Service	<u>37,883,579</u>	<u>39,257,303</u>	<u>36,565,167</u>	<u>(6.9%)</u>
Total	<u>\$ 496,444,399</u>	<u>\$ 504,519,038</u>	<u>\$ 508,142,461</u>	<u>0.7%</u>
 Personnel Complement	 6,564.25	 6,515.65 *	 6,621.25	 105.60
 Average Daily Membership	 48,981	 49,192	 49,500	 308

\* The personnel complement in FY2012-13 reflects the Superintendent's Proposed Budget.

*Education (cont'd)*

**Objectives**

- To strengthen instruction across the curriculum and improve student performance at all grade levels in reading, writing, math, and analytical skills.
- To 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 budget includes a total General Fund appropriation of \$410,272,057 for Education in FY2013-14. This amount represents a net increase of \$6,222,057 or 1.5 percent over the FY2012-13 budget. Of the \$410,272,057, \$183,544,057 (44.7 percent) will be provided from General Fund revenues. The FY2013-14 budget estimates \$226,728,000 (55.6 percent) in revenues from the State and Federal Governments to support Education. Projected State revenues of \$226,378,000 reflect an increase of \$11.5 million from the FY2012-13 budget, a 5.3 percent increase.

The local amount above does not include expenditures for Education debt service, which is funded entirely with local dollars. In the FY2013-14 budget, local Education debt service expenditures will total \$36,565,167, which is a decrease of \$2,692,136 as compared to the FY2012-13 budget.

Education's FY2013-14 budget for the Special Revenue Fund totals \$61,305,237, which is a 0.2 percent increase as compared to the FY2012-13 budget.

In total, with all funds (General Fund, Special Revenue Fund, and Debt Service Fund) included, the FY2013-14 budget for Education totals \$508,142,461, which is an increase of \$3,623,423 or 0.7 percent as compared to the FY2012-13 budget. Included in the FY2013-14 budget for Education is \$4,016,637 associated with the opening of the

County's 46<sup>th</sup> elementary school, Kaechele Elementary School. Included in this amount is funding for 26.1 new FTE positions, of which 13.0 are teachers.

The staffing level for FY2013-14 will reflect an average class size of 21.0:1 for elementary schools, 22.9:1 for middle schools, and 22.0:1 for high schools. This reflects no change when compared to staffing levels in the current fiscal year. To maintain these staffing levels, a total of 22.0 FTE positions are being added for teacher positions. 10.0 of those will go towards a teacher reserve and allocated to schools when needed. The remaining 12.0 FTE positions will go towards career and technical education in the middle and high schools.

In addition to the 22.0 FTE teacher positions, an additional 11.0 FTE positions are being added to accommodate growth in the school system. These include 5.0 bus drivers, 1.0 assistant/associate principal, 1.0 school social worker, 1.0 school security officer, 2.0 maintenance/custodial positions, and 1.0 clerical position.

In the FY2012-13 budget, \$11.0 million in one-time resources were utilized to balance the HCPS budget. This included the use of federal JOBS funds as well as utilizing savings in expenditures and revenues realized during FY2011-12. For FY2013-14, one-time resources in the amount of \$5.5 million will again be utilized to balance. This \$5.5 million will come in the form of expenditure and revenue savings realized in FY2012-13.

To balance the FY2013-14 budget, a gap of \$10,867,104 was initially identified to be closed with expenditure reductions. In order to close this gap, the following actions have been taken in addition to the \$5.5 million in one-time resources explained above:

- Budgeted a higher attrition rate for personnel,
- Captured savings within the Post-Retirement Employment Program (PREP),
- Shifted positions to grants,
- 3.0 percent reductions to the Math/Science Center, contributing to community organizations, and the Governor's School tuition,

*Education (cont'd)*

- Captured savings in utilities, turnover within the School Resource Officer program, and employee health care costs, and
- Identified additional state revenues after the Governor’s Proposed 2012-2014 Biennial Budget Amendments.

In order to provide a 21<sup>st</sup> century education to the students in Henrico County, Education’s FY2013-14 General Fund and Special Revenue Fund Budgets includes \$12.0 million of funding for technology equipment. Included in this amount is 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 7<sup>th</sup> and 8<sup>th</sup> graders. In FY2002-03, the agreement was amended to include 6<sup>th</sup> 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 FY2013-14 is \$7.8 million. An additional \$2.0 million is allocated for lease payments associated with laptop computers and printers at elementary schools. The FY2013-14 budget also includes \$2.4 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 provides a safer environment to the students and staff of the schools while also providing a positive role model and adviser to the students. As a joint effort with the Division of Police, there is assigned to each middle and high school in the County a uniformed Police Officer. A total of 27 Police Officers participate in the program.

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 was utilized to build a new high school, two new middle schools, and two new elementary schools. Also funded were 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.

The table below provides a summary of each GO Bond issue and the total debt issued for Education projects from the March 2005 GO Bond Referendum. In FY2011-12, the County issued the last of the outstanding GO Bond authorization from the Referendum approved in March 2005.

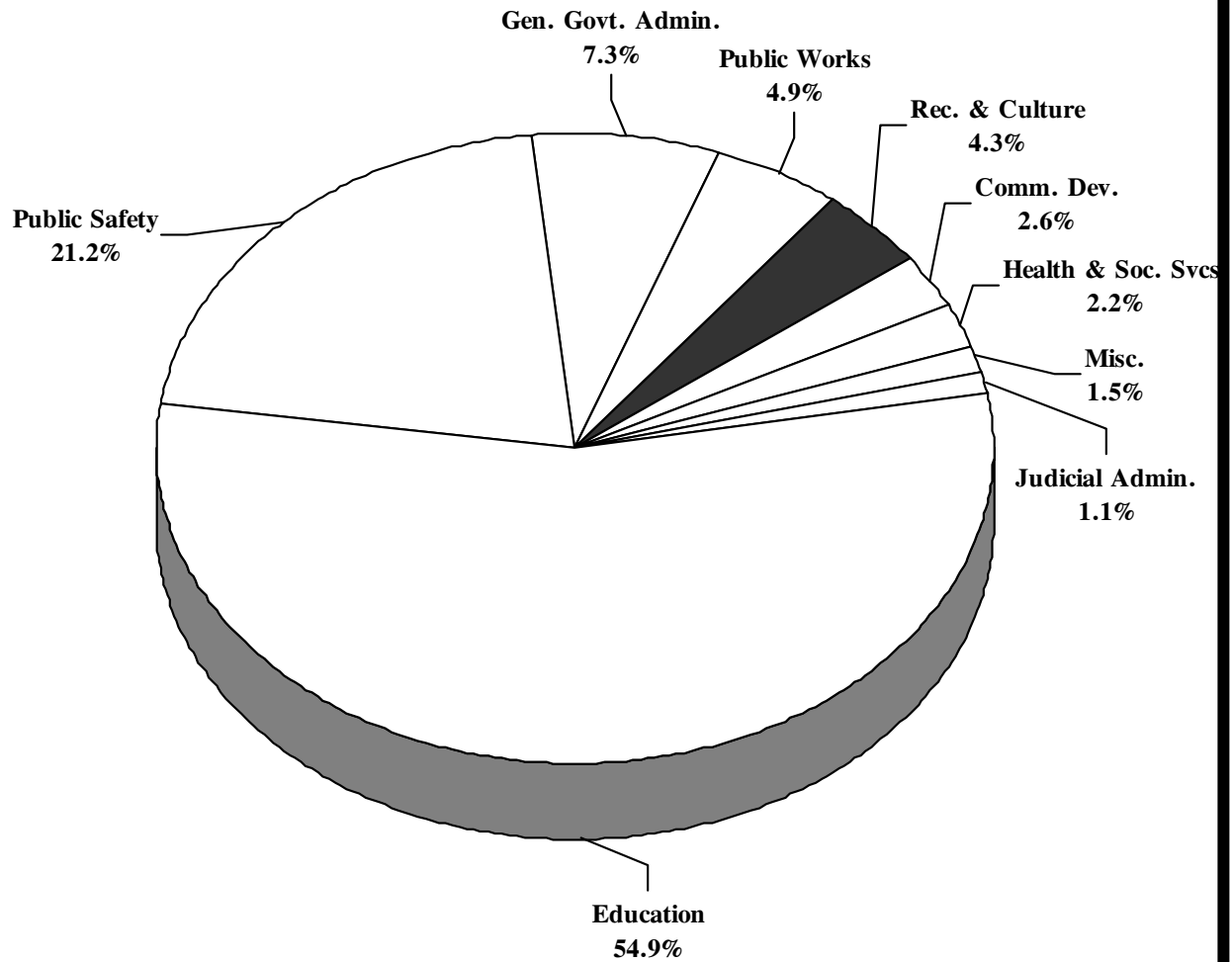
Fiscal Year	Amount	Issue Date
FY2005-06	\$22,878,432	August 2005
FY2006-07	\$20,320,013	November 2006
FY2007-08	\$25,115,892	January 2008
FY2008-09	\$59,386,186	November 2008
FY2009-10	\$0	Delayed to FY11.
FY2010-11	\$61,205,089	July 2010
FY2011-12	\$22,931,208	August 2011

The FY2013-14 capital budget for Education is \$5,000,000, which includes \$2,500,000 in appropriation from the Vehicle Replacement Reserve to purchase replacement school buses and the annual \$2,500,000 General Fund allocation for roof replacements and mechanical improvement projects. It should be noted the source for the \$2,500,000 for roof replacements and mechanical improvements in the FY2013-14 budget is interest earnings accumulated from previous bond issues. The initiative to provide local funds for these maintenance needs began in FY1997-98. 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

\$32,013,145



Total General Fund

\$747,193,355



**COUNTY OF HENRICO, VIRGINIA  
RECREATION, PARKS AND CULTURE - GENERAL FUND  
FY 2013-14**

<u>Department</u>	<u>FY 11-12 Actual</u>	<u>FY 12-13 Original</u>	<u>FY 13-14 Approved</u>
Recreation & Parks:			
Administration	\$2,214,166	\$2,161,609	\$2,206,935
Recreation Services	6,155,753	6,692,808	6,620,742
Parks Services	<u>7,952,634</u>	<u>8,518,381</u>	<u>8,444,438</u>
Total Recreation & Parks	16,322,553	17,372,798	17,272,115
Public Library	14,415,384	15,059,497	14,741,030
Total Recreation, Parks and Culture	<u>\$30,737,937</u>	<u>\$32,432,295</u>	<u>\$32,013,145</u>

## RECREATION AND PARKS

### Description

The Division of Recreation and Parks offers a variety of quality programs, services, events, facilities, and parks to meet the leisure needs of the residents of Henrico County. To accomplish these objectives, the Division is composed of the following three operational units: Park Services, Recreation Services, and Administrative Services.

Park Services is responsible for the care and maintenance of the County's park system of over 3,600 acres and 140 recreation buildings. Within Park Services are four principal service delivery areas. The Turf Management section is responsible for the maintenance of the athletic fields and the irrigated turf areas. The Grounds Services section is responsible for the mowing, landscaping, and maintenance of parkland and maintenance of trails and play equipment. The Resources section is responsible for the custodial operations at Recreation facilities as well as event preparation and clean up. The Trades section is responsible for the maintenance of the Division's buildings including HVAC, painting, carpentry, plumbing, machinery repairs and small construction projects.

Recreation Services provides expertise to create affordable recreational, cultural, educational, and leisure opportunities to benefit and enhance the lives of all Henrico County citizens. This area oversees recreation facility operations, including recreation and community centers and historic facilities, as

well as providing recreation programs, classes, and special events. It includes staffing in the following sections: Recreation Programs, Tourism, History, Sports, and Special Events.

The Recreation Programs area is responsible for all general-interest recreation programs, classes, and activities. These include programs for preschoolers, youth, teens, adults, and seniors in the areas of sports, community recreation, cultural arts, nature and outdoors, and therapeutic recreation. This program area also provides summer camp opportunities in these program areas and programs both the Henrico Theatre and Three Lakes Nature Center.

The Tourism section is responsible for Henrico County's new focus on promoting tourism and focuses on attracting visitors to Henrico County and marketing the County as a destination for both sports tournaments and cultural and family travel. This area also operates the Dabbs House Tourist Information Center.

The History section is responsible for the interpretation and programming of Henrico County historic sites, structures and artifacts. The Division owns and maintains several signature historic sites open for public visitation. These include the Dabbs House museum, Meadow Farm Museum, Virginia Randolph Museum, and Walkerton Tavern.

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 11,642,577	\$ 12,658,230	\$ 12,683,289	0.2%
Operation	3,905,807	4,035,385	4,047,833	0.3%
Capital	774,169	679,183	540,993	(20.3%)
<b>Total</b>	<b>\$ 16,322,553</b>	<b>\$ 17,372,798</b>	<b>\$ 17,272,115</b>	<b>(0.6%)</b>

Personnel Complement\* 178 177 175 (2)

\*In the FY2012-13 budget, two positions were moved to the hold complement and one position added to support Twin Hickory Park. Two positions were eliminated in the FY2013-14 budget.

Recreation (cont'd)

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Park Visitation	3,829,590	4,100,000	4,100,000	0
Special Event Attendance	62,170	48,000	49,000	1,000
RMCVB Reported Visitation <sup>1</sup>	296,583	297,000	297,000	0
Number of Youth Sports Participants	41,090	42,000	45,000	3,000
Turf Acres Mowed	5,335	5,335	5,350	15
Number of General Acres Mowed	18,884	18,884	18,884	0
Number of Trash Receptacles Maintained	1,503	1,503	1,515	12
Number of Work Orders Processed	6,574	6,600	6,600	0
Number of Irrigation Sites Maintained	122	124	125	1
Number of Special Event Set-Ups	347	360	360	0
Number of Recreation Structures	172	180	186	6
Number of Historic Sites	35	35	35	0
Number of Shelters Reservations	2,433	2,100	2,430	330
<b>Effectiveness Measures</b>				
Percentage of Programs Offered vs. Held	68%	68%	70%	2%
Percentage of Actual Enrollments vs. Capacity	41%	41%	43%	2%

1 - Reflects visitation to Meadow Farm, Three Lakes Nature Center, and Dabbs House, which is reported to the Richmond Metropolitan Convention and Visitors Bureau (RMCVB)

The Sports section schedules the use of athletic fields and gymnasiums for youth and adult athletic leagues and associations as well as outside sports tournaments. It also provides recreational sports programs, including summer youth basketball camp, summer youth golf camp, recreational tennis leagues, and adult recreational sports leagues such as softball, kickball, volleyball, and disc golf.

The Special Events section offers a variety of large free events in the parks for residents and visitors to enjoy. These include the Old Fashioned Fourth of July, Harvest Festival, Monster Mash, the Parade of Lights, and Kite Day. Staff also plans a number of smaller neighborhood events throughout the year, including ice cream socials, skating exhibitions, outdoor movies, and community events. This section is also responsible for administering both park use and borrowed equipment requests and manages all school use permits, schedules off-duty police assignments, and manages the park caretakers.

Administration Services provides all necessary support services to permit the Division to deliver its core services to the citizens of Henrico County. This area oversees the Division's information technology, personnel, financial, and customer service needs, including software support, accounts receivable and payable, procurement, records management, and customer registration. Also included in this area is Planning Services, which provides expertise to lead and guide the development and redevelopment of the County's park system. This operational unit is responsible for master planning, design development, construction documentation, and project bidding and construction administration as well as maintaining the division's annual five-year Capital Improvement Program.

**Objectives**

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

### *Recreation (cont'd)*

- To provide the citizens of Henrico County with a wide-range of convenient and affordable general-interest recreation programs, classes, activities, and special events.
- To ensure the protection of open spaces and historically significant properties in the County for the recreational and educational needs of future generations of citizens.
- To maximize the use of parks, open space, athletic sites and facilities using best management practices.
- To attract visitors to Henrico County as a premier sports tournament, and cultural heritage destination.

### **Budget Highlights**

The Division's FY2013-14 budget is \$17,272,115, which represents a \$100,683, or 0.6 percent decrease when compared to the FY2012-13 approved budget. The personnel component reflects an increase of \$25,059, or 0.2 percent as a result of increasing costs for group life and healthcare costs as well as the General Assembly mandated 5.0 percent increase in salaries partially offset by a reduction in the VRS requirement (Senate Bill 497) as well as additional funding for part-time staff and operating costs related to for the renovation of the Elko Community Center. In addition, the personnel component reflects the elimination of two positions within the Division's personnel complement. The overall operating component increased \$12,448 or 0.3 percent compared to the previous approved budget. In addition to funding for the Elko Community Center is additional funding for the Division's tourism effort, both of which are offset by a number of efficiencies realized in the operating component. The capital outlay component of the Recreation budget totals \$540,993, a reduction of \$138,190, or 20.3 percent. This total includes reductions in both the Equipment Replacement and Facility Rehabilitation programs. What follows is a synopsis

of each section's budget.

### **Administration**

The FY2013-14 budget for Administration, which includes the Director's office, Finance and Technology, Parks Planning, Parks Construction and Marketing sections, is \$2,206,935. This reflects an increase of \$45,326 or 2.1 percent when compared to FY2012-13. This increase is the result of the implementation of Senate Bill 497 as well as reallocating a position to the Business Section from Parks Services.

### **Recreation Services**

The FY2013-14 budget for Recreation Services totals \$6,620,742, which reflects a decrease of 1.1 percent when compared to FY2012-13. The decrease is the result of one position eliminated from the sections' personnel complement as well as a number of efficiencies realized in the operating component. The decrease was partially offset by the implementation of Senate Bill 497, part-time salaries and operating costs for the Elko Community Center, and additional funds for the County's Tourism effort. The new Tourism section is developing a marketing plan to attract visitors to Henrico County as a sports tournament destination and as a cultural and historical location dating back to 1611. The total funding for this new section, combining the part-time funding for the staffing of the Tourist Information Center and the full-time position reallocated to this new section, has a projected budget of \$286,348 in FY2013-14.

The capital component totals \$21,743 and includes \$9,750 to preserve historic artifacts and \$11,993 to purchase new and replacement furniture and fixtures for the various recreation centers. Revenue collected as a Set-Up Fee charged to the renters of the centers will support the funding for the replacement of furniture. This fee was approved in FY2001-02 and the replacement furniture expenditures program was approved in the FY2002-03 budget.

*Recreation (cont'd)*

**Park Services**

In the area of Park Services, the budget for FY2013-14 is \$8,444,438, which represents a decrease of \$73,943, or 0.9 percent when compared to the FY2012-13 approved budget. The personnel component reflects an increase of \$19,104 or 0.4 percent due to the General Assembly mandated 5.0 percent salary increase as well as increased costs for group life, and health care costs. These increases are offset by a position moving from this area to the Business Section under Administration and a position being eliminated from the section's personnel complement.

The operating component of the Park Services budget is projected to increase \$45,143. This is a result of operating costs for Elko Community Center being included in the FY2013-14 budget.

The capital outlay component of the Park Services budget totals \$515,800, which reflects a decrease of \$138,190 when compared to the FY2012-13 approved budget. The reductions in this component are entirely reflected in funding for the equipment replacement program as well as the Division's facility rehabilitation program.

The equipment replacement program was initiated in the FY2008-09 approved budget in order to provide a regular replacement schedule for necessary equipment to be replaced. In FY2013-14, two tractors, a sprayer, a landscape trailer with equipment rack and tool box, a sod cutter, a generator, three sets of box blades, ten weed trimmers, three backpack blowers, and four hand blowers will be replaced through the fund for a total of \$81,380.

The Facility Rehabilitation portion of the budget totals \$333,713 in the FY2013-14 budget. This plan was initiated in the FY2000-01 approved budget in order to maintain the Division's facilities on a yearly basis. Projects in the Facility Rehabilitation program include painting projects, field renovations, electrical projects, power washing/sealing projects, roofing, fencing projects, and an HVAC project. This funding is in addition to the Facility Rehabilitation program included in the County's Capital Improvements Program.

Outside of the two maintenance and rehabilitation programs, Parks Services has other significant plans for capital outlay. The remaining \$100,010 allocated within Parks Services will go towards new maintenance equipment for parks and fields, mobile light towers for fields without lighting, replacement playground equipment, and other replacement items as needed.

**Revenues**

Anticipated departmental revenue equals \$642,500 for FY2013-14, which reflects no change when compared to FY2012-13. Recreation generates revenues through program fees and facility rentals.

**Division Highlights**

In FY2012-13, the Division of Recreation and Parks initiated work on developing and implementing a new targeted marketing plan to attract sports tournaments to Henrico County. The County has always been a desirable destination for these events as they brought \$33.4 million in economic impact to the Richmond Metropolitan Area in FY2011-12. The new tourism effort will bring a greater focus on attracting new events to Henrico. In addition to the sports tourism efforts, the newly created Tourism section within the Division will also create marketing strategies to attract people to Henrico for its cultural and historical attractions. With an additional \$17,000 in the FY2013-14 budget, the tourism effort will be a continuing focus for the Division.

Several capital projects have either been completed or are projected to be completed in the near future. One project that recently reopened is the renovation of the Elko Community Center. Originally constructed in 1924, this center was previously owned and operated by a community organization. The renovation was funded in June 2011 and the reopening was on October 27, 2012.

Also completed recently were site renovations to the Brook Road Neighborhood Park and pre-school playground at the Eastern Henrico Recreation Center. Both of these projects used Community

*Recreation (cont'd)*

Development Block Grant (CDBG) funds for their improvements. In addition to the two completed projects, the current renovation of the Highland Springs Community Center is utilizing CDBG funds for these improvements.

Currently underway are the last two Recreation projects from the March 2005 General Obligation (G.O.) Bond Referendum: Twin Hickory Park and Short Pump Park. Improvements for Twin Hickory Park are currently under construction with an anticipated date of completion in the fall of 2013. Short Pump Park, which was included in the FY2012-13 Capital Budget, is currently in the design phase. Bids for the construction phase will be solicited in the near future.

In addition to the last G.O. Bond projects and the CDBG project, there are several other major renovations underway to the Division's facilities. Included in these are renovations to sports areas at several sites. Playing surface renovations are occurring at Tuckahoe Park and Capital Park, fencing replacements are underway at Varina Recreation Area, Seven Pines Elementary School, Moody Middle School, and Klehr Field, and padding and windscreens are being replaced at Glen Allen Stadium. Other renovations include roofing projects at several sites, HVAC projects at several sites, and painting and power washing projects through the Division's Facility Rehabilitation program.

# LIBRARY

## Description

Henrico County Public Library’s (HCPL) mission is to promote reading and lifelong learning, connect people with the information they need, and enrich community life. HCPL accomplishes this by delivering excellent library service and providing access to a varied collection of materials. The library serves the County’s diverse community by assisting customers in finding the information they seek using a variety of formats. This service is available through the traditional customer visits to any of the 11 library facilities as well as the expanding “virtual branch” available online 24/7 that provides the community with expanding e-services.

- To provide customers with a positive experience that meets their needs and expectations and that enriches community life.
- To supply citizens with information related to services provided by community agencies and organizations.
- All libraries will be welcoming and engaging places that provide maximum accessibility and an array of spaces to meet the community’s growing needs.

To accommodate these changing needs, Henrico libraries are home to over 457 public computer workstations, including 68 public laptops and minibooks that are available for checkout at the desk to use in the library. Color and black and white printers, scanners, and Wi-Fi access are all available.

## Budget Highlights

The Department’s approved budget for FY2013-14 totals \$14,741,030, representing an overall decrease of \$318,467 or 2.1 percent from the previous approved budget. This decrease is due to a decrease in the personnel and operating components as a result of realized efficiencies. The personnel component reflects a decrease of \$68,467 or 0.6 percent. This decrease is primarily due to the removal of five positions from the department’s personnel complement. Two positions were transferred from Library’s Administration Division to the Department of the Department of Information Technology during FY2012-13. Three vacant positions, an Office Supervisor position and two

## Objectives

- HCPL customers will be offered a responsive and relevant collection that is available in a timely manner.
- The Library System will offer services and programs that reach out to Henrico County’s changing population in ways that respond to their unique and diverse needs.

## Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 10,053,946	\$ 10,819,303	\$ 10,750,836	(0.6%)
Operation	4,270,295	4,195,194	3,945,194	(6.0%)
Capital	91,143	45,000	45,000	0.0%
Total	<u>\$ 14,415,384</u>	<u>\$ 15,059,497</u>	<u>\$ 14,741,030</u>	<u>(2.1%)</u>

Personnel Complement 168 166 161 \* (5)

\*Reflects the elimination of five positions from Library's personnel complement. Two positions were transferred to Information Technology's personnel complement during FY2012-13. Three positions are being eliminated in FY2013-14 in recognition of operational efficiencies.

Library (cont'd)

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Annual Circulation of Materials	3,860,738	3,899,345	3,938,339	38,994
Customer Visits	2,040,073	2,080,874	2,143,301	62,427
Program Attendance - Children	50,842	50,842	51,350	508
Program Attendance - Teen/Young Adult	2,908	2,908	2,937	29
Program Attendance - Adult	8,243	8,243	8,325	82
Number of Holds Requested by Customers	388,587	398,302	418,217	19,915
Number of Holds Filled - Inside Library	310,398	318,158	334,066	15,908
Number of Holds Filled - Drive Up Window	59,045	60,521	63,547	3,026
Number of Library Cards Issued	18,833	19,021	19,212	191
Number of Classes Taught	276	276	279	3
Total Class Attendance	1,976	1,976	1,996	20
Number of Volumes Added	130,771	130,771	130,771	0
Outside Use of Meeting Rooms	93,529	95,867	98,264	2,397
Outside Use of Study Rooms	14,521	14,957	15,405	448
Materials Provided to Other Library Systems	1,780	1,780	1,780	0
Materials Provided by Other Library Systems	606	606	606	0
<b>Efficiency Measures</b>				
Number of Self-Service Check-Out Transactions	1,617,644	1,698,526	1,783,453	84,927
Number of Self-Service Check-In Transactions	1,406,429	1,476,750	1,550,588	73,838
Number of eBook Transactions	104,107	156,161	234,241	78,080
Number of Library Catalog Visits	841,472	883,546	927,723	44,177
Number of Library Web Site Visits	1,219,953	1,341,948	1,476,143	134,195
Number of Database Document Retrievals	322,866	322,866	322,866	0
Total Number of Library Cards	268,866	274,243	279,728	5,485
<b>Effectiveness Measures</b>				
Reference Questions Answered	737,960	752,719	767,774	15,055
Number of Customers Using Public Workstations	197,799	201,755	205,790	4,035
Number of Sessions Using Public Workstations	523,590	534,062	544,743	10,681
Number of Public WiFi Connections by Customers	506,933	608,320	729,984	121,664
Number of Titles in Collection	314,907	314,907	314,907	0
Number of Volumes in Collection	852,164	852,164	852,164	0
Number of Electronic Databases Available*	26	21	19	(2)
Number of Volunteer Hours Used	8,482	8,652	8,825	173

\*Includes Find It VA databases from the State

Library Assistant positions, are being eliminated as a result of operational efficiencies within the department in FY2013-14. The removal of these five positions results in a decrease of \$234,408 in the personnel component for FY2013-14. This decrease is offset by a reduction in the vacancy savings rate as well as rising health care and VRS life insurance expenditures. In addition, the

FY2013-14 budget reflects a 5.0 percent raise to employees, imposed by the State government, along with a subsequent increase in FICA expenses. This increase has been partially offset by a reduction in VRS costs.

The operating component comprises \$3,945,194 of the total approved budget, and reflects a decrease of



## *Library (cont'd)*

\$250,000 or 6.0 percent compared to the previous fiscal year. The reduction in operating expenses is the result of the downward adjustment of several line items to more accurately reflect actual expenditures. The capital outlay component of the budget remains flat with the budgeted amount in the prior fiscal year.

### **Departmental Highlights**

#### Awards

Henrico County Public Library again was honored to have been recognized with national and state awards. Henrico County Public Library was recognized with a National Association of Counties (NACo) award for eBooks launched at the Public Library. After an extensive planning process, the Public Library expanded its offerings of free, digital content by launching OverDrive, which provides eBooks and audio books that can be accessed on a variety of mobile devices. HCPL received the 2012 Outstanding Cooperative Program Award for HCPL's program guide and newsletter, *Connections*. The newsletter, which was formerly distributed through the Richmond Times-Dispatch and all Henrico libraries, has now merged with Henrico County Division of Recreation and Parks' publication, *At Your Leisure*. The Public Library also received an award from the Virginia Public Library Directors Association (VPLDA).

#### Gayton Branch Library Reopening

After closing for renovation, the Gayton Branch Library hosted a reopening celebration on June 25, 2012. Voters approved the renovation in the 2005 Bond Referendum. The newly renovated Gayton Branch Library offers a more open interior, a new teen space, an updated collection, a remodeled meeting room with new technologies, an improved study area, an automated book return, and much more.

#### Library Services Plan

In September 2012, Henrico County Public Library publicly launched its Library Services Plan which includes a new mission, vision, and goals for the future of the library. The planning process, launched December 2010, engaged a wide range of stakeholders in developing a plan for the future. Over 7,000 members of the community shared what they liked about their public library and areas that

needed improvement through surveys, in-person listening sessions, and individual interviews. HCPL's new mission and vision are now prominently displayed in all libraries.

#### All Henrico Reads

This year's All Henrico Reads event held on April 5, 2012, was sponsored by the Henrico County Public Library, Henrico County Public Schools, and Friends of the Henrico County Public Library. Nationally known author, Garth Stein, whose book *The Art of*

*Racing in the Rain* has been on the New York Times Best Sellers list for nearly three years, was the featured speaker. Over 2,275 individuals from the entire Richmond area and beyond attended the event, which included approximately 1,200 Henrico middle and high school students. At the conclusion of the speaking event, Garth signed books for over an hour for about 300 people.

#### Summer Reading Club

The 2012 Summer Reading Club surpassed last year's record number of participants and finishers. Of the over 11,000 who signed up for the club, over 5,400 completed their reading goals. The Friends of the Library purchased great prizes, including iPads, Nook eReaders and much more as incentives for Summer Reading Club members to finish their reading goals.

#### Mobile App

In January 2012, HCPL launched a mobile application that allows residents to use their smart phones and electronic tablets for a variety of services, including searching the catalog, placing items on hold, and renewing materials. Since the launch of the mobile app, there have been over 400,000 queries, which include more than 260,000 queries related to catalog searches.

#### Online Communication & Social Media

The Library continues to explore new ways of communicating with the community beyond traditional print media. In addition to its website, HCPL is finding great success in social media outlets such as Twitter, Facebook, eNewsletters, and blogs. HCPL continues to offer classes to members of the community that are new to these technologies. With the overwhelming success of the monthly email newsletter launched in 2010, the

### *Library (cont'd)*

library system has added a family eNewsletter for parents, educators and caregivers.

#### E-Formats

The Library Services Plan findings and usage statistics reinforce the growing demand for e-formats. Currently there are over 8,000 library patrons who use the libraries' eBooks, an 83 percent increase from this time last year. Acknowledging the popularity of e-formats, HCPL has added over 3,000 new eBook titles to its OverDrive collection, increasing this collection by 68 percent, with plans to continue to add to the collection in the future. The community greatly appreciates the technical assistance offered by staff through classes, workshops, and clinics to help them learn how to use these eReaders.

#### New Dumbarton and Varina Area Libraries

Henrico County Public Library is looking forward

to the planning, construction, and opening of the new Dumbarton and Varina Area Libraries. In November, the architects sought public input about these projects both through community meetings, focus groups and an online survey.

#### Looking to the Future

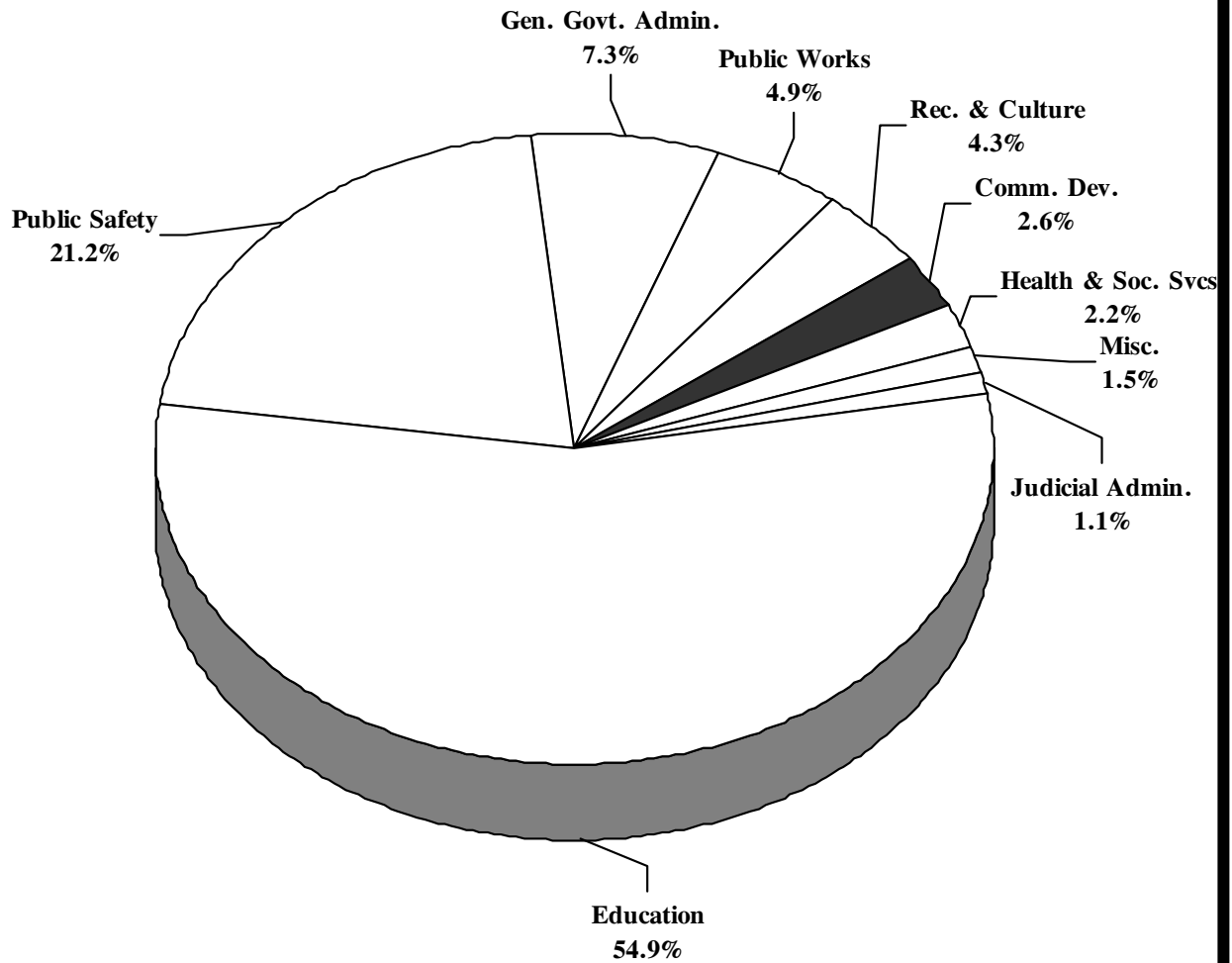
Henrico County Public Library sees exciting opportunities to meet the needs of the community in new ways, while continuing to provide its traditional services. Technology like eBooks and social media allow the library to provide new and popular services. But, as always HCPL's top priority and strength continues to be a library staff that provides exceptional public service. As many customers come to the library to retool, to look for a new job, or to find a book, library staff are ready to serve their needs and to identify sources and programs that will inform, entertain, and inspire them.



# COUNTY OF HENRICO, VIRGINIA

## Community Development

\$19,677,747



Total General Fund

\$747,193,355

**COUNTY OF HENRICO, VIRGINIA  
COMMUNITY DEVELOPMENT - GENERAL FUND  
FY 2013-14**

<u>Department</u>	<u>FY 11-12 Actual</u>	<u>FY 12-13 Original</u>	<u>FY 13-14 Approved</u>
Economic Development	\$13,913,434	\$13,234,709	\$13,168,391
Planning:			
Administration	3,430,452	3,623,663	3,671,739
Board of Zoning Appeals	149,306	148,650	148,650
Total Planning	<u>3,579,758</u>	<u>3,772,313</u>	<u>3,820,389</u>
Community Revitalization	1,424,985	1,516,392	1,473,675
Agriculture and Home Extension	315,534	354,492	353,581
Permit Center	880,615	884,218	861,711
Total Community Development	<u><u>\$20,114,326</u></u>	<u><u>\$19,762,124</u></u>	<u><u>\$19,677,747</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

The approved budget for the Economic Development Authority is \$13,168,391. This is a 0.5 percent decrease from the FY2012-13 approved budget. This change is the net of increases from Henrico assuming the salary costs of a seventh EDA employee and a 5.0 percent salary increase mandated by the Commonwealth, more than offset by a lower salary requirement stemming from the retirement of a senior employee within the Authority, and a reduction in requested funding for the Greater Richmond Partnership.

In addition to supporting the daily operations of Henrico's economic development activities, this budget for FY2013-14, contains the County's \$320,000 contribution to the Greater Richmond Partnership and the \$2,053,870 budgeted for the Richmond Metropolitan Convention and Visitor's Bureau.

## Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	3,395,206	3,570,909	3,504,591	(1.9%)
Capital	3,651	3,800	3,800	0.0%
Sub-Total	\$ 3,398,857	\$ 3,574,709	\$ 3,508,391	(1.9%)
Other Payments	10,514,577	9,660,000	9,660,000	0.0%
Total	<u>\$ 13,913,434</u>	<u>\$ 13,234,709</u>	<u>\$ 13,168,391</u>	<u>(0.5%)</u>
Personnel Complement*	N/A	N/A	N/A	N/A

\* Seven employees are supported by the County in this budget, but are not in the County's Complement.

*Economic Development (cont'd)*

**Performance Measures**

	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Effectiveness Measures</b>				
Value of New Capital Investments	\$24,472,500	\$50,000,000	\$50,000,000	0
Announced New Business Establishments	6	12	12	0
Announced New Jobs Created	392	750	750	0
Investment From Business Expansions	\$66,695,000	\$75,000,000	\$75,000,000	0
Business Expansions and Retentions	7	20	20	0
Jobs Created - Expansions and Retentions	824	750	750	0
Projects Generated (New and Existing)	104	75	75	0

Since FY1997-98 the County's share of the Richmond Center Expansion Project, funded with Hotel/Motel Tax revenues has been included in this budget. Beginning in FY2000-01, the entire 8.0 percent Hotel/Motel tax levy 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 Authority. In FY2013-14, \$9,660,000 is included for the Richmond Center Expansion Project. This amount is unchanged from the prior fiscal year.

The Authority's staff are not included in the County's complement since they are paid by the Economic Development Authority. The salary funding for these positions is provided by the County. The benefit costs of all positions are provided by the Authority.

Capital outlay totaling \$3,800 is requested to replace computer and telecommunications equipment. There are no requests from the Economic Development Authority for supplemental funding.

The following historical information is noted:

What follows is a table of RMCVB funding budgeted in the previous four fiscal years.

FY2012-13	\$2,053,870
FY2011-12	\$1,750,847
FY2010-11	\$1,750,847
FY2009-10	\$1,945,101

What follows is a table of funding budgeted for the Greater Richmond Partnership in the previous four fiscal years. It should be noted that the actual request of \$320,000 from the Greater Richmond Partnership in FY2012-13 was \$50,000 below the budgeted amount.

FY2012-13	\$370,000
FY2011-12	\$370,000
FY2010-11	\$370,000
FY2009-10	\$370,000

# PLANNING

## Description

The Department of Planning provides staff support to the Planning Commission, the Board of Zoning Appeals, and the Board of Supervisors relating to land development activities in the County. The department is organized into five divisions: Comprehensive Planning; Development Review and Design; Zoning Administration; Planning Systems; and Administrative.

Comprehensive Planning prepares long-range plans, evaluates rezoning requests, and handles planning data management, demographic and land-use information. Development Review and Design is responsible for the review of development plans. Zoning Administration enforces subdivision and zoning ordinances of the Henrico County Code. The Planning Systems Division provides information technology support to the entire department. Administrative Support provides budget, personnel, and clerical support for the operation of the office.

## Objectives

- To provide a comprehensive planning program with an emphasis on urban design in order to provide both public and private decision makers with a more informed basis for land use decisions and growth management.
- To continue an enforcement program that obtains compliance with the code for new development as well as correcting zoning and subdivision violations.

- To provide timely services to the public, other agencies, and technical and administrative support to the Board of Supervisors, the Planning Commission, and the Board of Zoning Appeals in matters relating to the Comprehensive Plan, zoning and subdivision ordinances, building permits, plans of development, subdivisions, use permits, variances, rezoning and enforcement of zoning regulations.
- To encourage the continued economic development of the County by continuing to work with the Economic Development Authority, developers, their representatives, and the general public to facilitate and expedite their requests for development approval or general planning assistance.
- To improve and protect the health, safety, and welfare of Henrico citizens consistent with the Code of Virginia, policies, ordinances, and resolutions adopted by the Board of Supervisors with good land use planning and zoning practices.
- To inspire and encourage the protection and enhancement of natural, historical, and cultural resources through the preservation of those sites, buildings, features, and structures identified as important to Henrico County's heritage.

## Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 3,392,515	\$ 3,457,661	\$ 3,515,737	1.7%
Operation	182,873	306,652	296,652	(3.3%)
Capital	4,370	8,000	8,000	0.0%
<b>Total</b>	<b>\$ 3,579,758</b>	<b>\$ 3,772,313</b>	<b>\$ 3,820,389</b>	<b>1.3%</b>
 Personnel Complement	 46	 43	 43	 0



<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Reviews Completed by Dev. Review & Design	260	300	300	0
Zoning Petitions & Provisional Use Permits	47	50	50	0
Variance and Use Permits Processed	40	40	40	0
Maps Prepared	1,048	1,000	1,000	0

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

**Budget Highlights**

The Department of Planning’s budget for FY2013-14 is \$3,820,389, which represents an increase of \$48,076, or 1.3 percent, from the FY2012-13 approved budget. This increase is driven by the personnel component and reflects increased health care expenditures and the benefit costs associated with the Commonwealth’s mandate of a 5.0 percent raise in FY2012-13, partially offset by a reduction in the VRS requirement.

The operating component is \$296,652, a decrease of 3.3 percent, while capital needs are unchanged at \$8,000. This capital funding is in place to provide for replacement of various types of small computer equipment and office chairs.

The Department of Planning’s mission to “Provide the professional planning leadership to accomplish excellent management of the valued resources which create our coveted quality of life” involves a wide spectrum of goals, functions, and accountability. It goes beyond the construction indicators shown in the department’s land use applications, which have declined with the economy. The department has many continuous functions and responsibilities.

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

and required updates to the County’s Comprehensive Plan are mandated by the Code of Virginia. These are necessary and on-going responsibilities of the Planning department staff, which also provides a gamut of expertise in drafting white papers, monitoring land use legislation and policy at the state and federal levels, conducting small area studies, and site analysis. Planning is often called upon to review and assist in long range plans for the airport, Richmond International Raceway, and other major economic generators for the County.

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

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

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

*Planning (cont'd)*

in numerous community meetings to keep citizens aware of land use and other issues affecting the public. Staff routinely provides internal consulting for County departments. This includes design assistance for General Services, Public Works, Community Revitalization, and informal plans discussed with Board members and Planning Commissioners. The department spends countless hours in providing zoning code interpretations and research ancillary to applications for variances, rezoning, and provisional use permits.

The Department of Planning continues to receive NACO awards, which total nineteen since 1998. This past year, the department received a NACO achievement award for the 3-C Report's base data update. The department believes that this innovation will allow it to produce future data with a higher level of accuracy while saving the County almost 60 hours of staff time.

Over the past three years, the department has implemented a number of cost cutting initiatives including decreases in paper consumption, the return of County vehicles and cell phones, revising legal advertising schedules, and discontinuing costly publications and equipment maintenance service contracts. Each of these innovative measures required staff to change work practices. These changes have been accomplished with minimal impact on the department's productivity.

The Department of Planning collects certain fees to help offset the expenses depicted in this budget. These include zoning application fees and fees paid for the sale of GIS maps. The total of these two revenues is budgeted to be \$150,000 in FY2013-14, accounting for 3.9 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

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 1,162,214	\$ 1,212,292	\$ 1,169,575	(3.5%)
Operation	262,531	296,197	296,197	0.0%
Capital	240	7,903	7,903	0.0%
Total	<u>\$ 1,424,985</u>	<u>\$ 1,516,392</u>	<u>\$ 1,473,675</u>	<u>(2.8%)</u>

Personnel Complement <sup>(1)</sup> 17 17 16 (1)

<sup>(1)</sup> Reflects the elimination of 1 vacant Technology Support Specialist II position. Also, the personnel complement does not include 6 Complement III positions that are funded through grant programs.

Community Revitalization (cont'd)

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Community Maintenance Cases	10,421	10,400	10,400	0
Inspections Made	26,626	27,000	27,000	0
Technical Assistance to Business	204	300	325	25
Enterprise Zone Design Assistance Provided	7	7	8	1
<b>Efficiency Measures</b>				
Volunteers Participating	563	600	625	25
Volunteer Hours Worked	4,076	4,500	5,000	500
CCP Hours Worked	5,318	5,500	5,600	100
<b>Effectiveness Measures</b>				
Violations Issued	4,144	4,100	4,100	0
Enterprise Zone Grants Completed	20	21	23	2
Value of Enterprise Zone Grant Assisted Projects	\$541,541	\$450,000	\$475,000	\$25,000
Value of All Enterprise Zone Projects	\$31,939,952	\$35,000,000	\$40,000,000	\$5,000,000
Value of Grants Awarded	\$157,341	\$140,000	\$145,000	\$5,000

**Budget Highlights**

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

The Department's budget for FY2013-14 totals \$1,473,675. This represents a decrease of \$42,717, or 2.8 percent from the prior year approved budget, attributable to a budgeted vacancy savings rate of 2.0 percent, totaling \$20,877, as well as targeted reductions in the personnel component of the budget. The reductions include the elimination of one vacant Technology Support Specialist II position, the removal of which was accommodated through greater operational efficiencies realized within the Department. Technology support is now being provided to Community Revitalization by the Planning Department. The total departmental decrease was partially offset by costs related to State legislation (Senate Bill 497) requiring a 5.0 percent employee contribution to employee pensions, as well as a 5.0 percent salary increase, which both increased salaries and corresponding benefits costs, partially offset by a decrease in the budgeted cost of VRS Retirement. Personnel costs reflect a decrease of \$42,717, or 3.5 percent.

The operating and capital outlay components of the budget represent no change from the prior fiscal year. In the FY2013-14 budget, \$6,000 will 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 Department is dedicated to preserving and revitalizing the County's mature neighborhoods and developed the award winning Homeowner's Enhancement Guide in 2010 as a means to help property owners envision an improved and more comfortable home for the future. This neighborhood revitalization tool is intended for homeowners and prospective purchasers of older homes, which may be in need of modernization and enhancement. Elements of the guide are of value for newer homes as well. The guide provides homeowner's with a number of ideas and tools to modernize and enhance their homes and property. By enhancing the appearance of a property it can increase the value, increase the tax base and contribute to the desirability of the neighborhood.

*Community Revitalization (cont'd)*

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 re-appropriated in the following year in order to complete the use of this funding. A few of the Community Development Division's major accomplishments within the CDBG and HOME grant programs include the continuation of the ElderHomes Housing Rehabilitation and Emergency Repair Programs, 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. In FY2012-13, an Enterprise Zone amendment was submitted to add properties generally along Hermitage Road at Staples Mill Road, Darbytown Road at South Laburnum Avenue, Williamsburg Road at Leonard Avenue, Chamberlayne Road at Wilmer Avenue, Glenside Drive at Broad Street, and a portion of the Richmond International Airport property.

The Community Maintenance Division conducts field inspections, performs community clean-ups, and provides assistance activities for neighborhoods 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 program 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' Existing Structures Division as they provide certain community maintenance services related to violations to the building codes in existing structures and ordinances on graffiti.

Historical expenses in both areas are depicted below:

Total Community Maintenance Costs:  
A Historical Overview

FY	Building Inspections	Planning/Community Revitalization <sup>(1)</sup>	Total
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 <sup>(1)</sup>	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	412,545	1,763,516	2,176,061
2010-11	360,529	1,576,211	1,936,740
2011-12	369,130	1,534,445	1,903,575
2012-13 <sup>(2)</sup>	336,336	1,516,392	1,852,728
2013-14 <sup>(3)</sup>	270,275	1,473,675	1,743,950

<sup>(1)</sup> Planning's Community Maintenance budget became Community Revitalization beginning with FY2004-05.

<sup>(2)</sup> Approved for FY2012-13.

<sup>(3)</sup> Approved for FY2013-14.

## 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's approved budget of \$353,581 for FY2013-14 decreased by 0.3 percent from the FY2012-13 approved budget. This decrease is driven by a decrease in personnel component of the budget. The decrease in the personnel component has been partially offset by an increase in the operating portion where funding for all five Extension Agent positions resides. The personnel component of the budget is decreasing by \$5,318, or 4.4 percent. This decrease is primarily a result of a reduction in Temporary Salaries and Wages to more accurately reflect actual expenditures in this account. The personnel component also reflects a reduction in the vacancy savings rate as well as rising VRS life insurance and health care expenditures. It is also important to note that the FY2013-14 approved budget includes the State mandated 5.0 percent raise to employees, which has been partially offset by a reduction in VRS expenditures.

The operating component of the budget increased by \$4,407, or 1.9 percent. This increase is due entirely to an increase in salary and benefits costs for the five Extension Agents budgeted in Other Professional Services.

The Agriculture and Home Extension's approved budget for FY2013-14 continues to reflect only Henrico County's contribution to the Department's

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 116,303	\$ 121,197	\$ 115,879	(4.4%)
Operation	199,231	233,295	237,702	1.9%
Capital	0	0	0	0.0%
Total	<u>315,534</u>	<u>354,492</u>	<u>353,581</u>	<u>(0.3%)</u>
Personnel Complement*	2	2	2	0

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

*Agriculture & Home Extension (cont'd)*

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Citizens Assisted	26,200	26,200	28,000	1,800
Programs Presented	453	453	450	(3)
4-H Youth Enrolled	1,300	1,300	1,500	200
Samples Analyzed and Identified	884	884	900	16
<b>Efficiency Measures</b>				
Volunteer Hours Supporting Programs	17,089	17,089	18,200	1,111

annual expenses. The personnel complement includes two support staff positions. A total of five Extension Agent positions whose funding is located in the operating portion of the Department's budget, are paid directly by Virginia Tech. Henrico County reimburses Virginia Tech for 100.0 percent of the salary and benefits costs of two Extension Agent positions, and 50.0 percent of the salary and benefits costs of the other three Extension Agent positions.

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. 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 of 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.

In 2012, Henrico Master Gardeners contributed a total of 8,539 hours to the Environmental Horticulture program and made 5,081 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.

## PERMIT CENTERS

### Description

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

- To 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’ approved budget for FY2013-14 is \$861,711, which reflects a decrease of \$22,507

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 1,070,689	\$ 1,084,322	\$ 1,057,748	(2.5%)
Operation	35,211	31,175	31,165	(0.0%)
Capital	125	1,140	1,150	0.9%
Sub-Total	<u>\$ 1,106,025</u>	<u>\$ 1,116,637</u>	<u>\$ 1,090,063</u>	<u>(2.4%)</u>
Interdepartmental Billings	<u>(225,410)</u>	<u>(232,419)</u>	<u>(228,352)</u>	<u>(1.7%)</u>
Total Budget	<u><u>880,615</u></u>	<u><u>884,218</u></u>	<u><u>861,711</u></u>	<u><u>(2.5%)</u></u>
Personnel Complement	17	17	16 *	(1)

\* One position is being eliminated in FY2013-14 in recognition of operational efficiencies.



Permit Centers (cont'd)

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Total Number of Inquiries	12,793	12,554	12,805	251
Permit Applications Received	4,734	5,508	5,618	110
Reviews Performed	7,191	6,739	6,874	135
Permits Issued	4,646	5,424	5,532	108
Business Licenses Reviewed	2,748	2,892	2,950	58

or 2.5 percent when compared to the FY2012-13 budget. The personnel component reflects a decrease of \$26,574, or 2.5 percent. The decrease in personnel costs is primarily due to the elimination of a vacant Office Assistant position due to increased efficiencies within the department. Compared to FY2012-13, budgeted interdepartmental billings in FY2013-14 will increase by \$4,067, which is discussed in greater detail below. Operating and capital outlay costs for both Centers will remain flat in FY2013-14.

The one-stop convenience at both the East and West locations simplifies the process for obtaining permits for the customer and improves overall service levels. Services provided include the processing of building permits and answering inquiries regarding code regulations, zoning, water/sewer availability, as well as road and drainage issues. Staff is utilized from Building Inspections, Public Works, Public Utilities, and Planning. Funds to pay for staff serving these functions are in the Permits Centers' budget and complement. Four staff members have their personnel expenditures reimbursed, via interdepartmental transfer, by the appropriate department related to the services furnished. Those

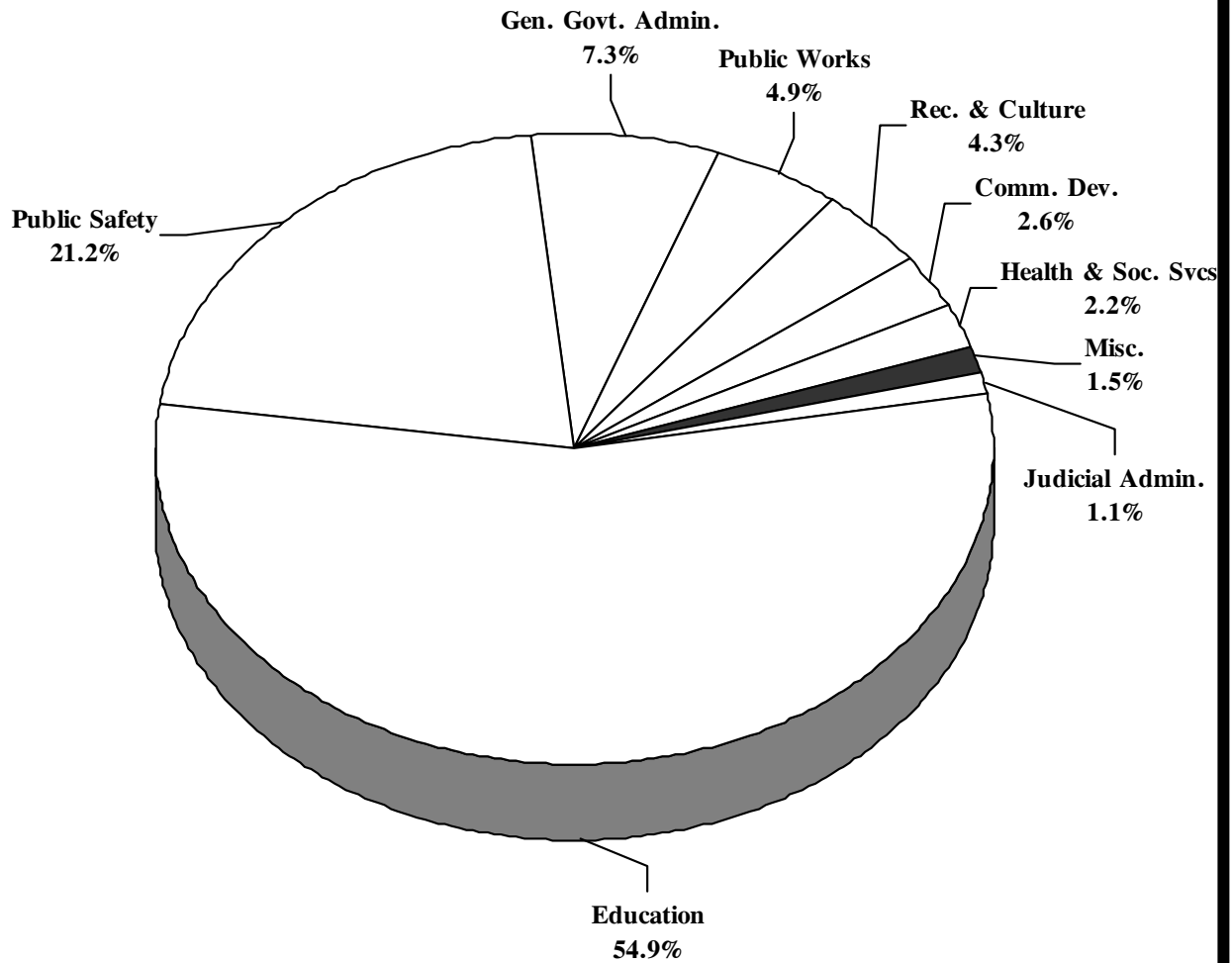
reimbursements for FY2013-14 will be from Public Works for one Engineering Aide III and one Engineering Technician and Public Utilities for two Engineering Technicians at the West Center. The sum of these reimbursements, totaling \$228,352, is shown as a negative amount in the Permit Centers' budget.

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  
\$11,596,880



Total General Fund  
\$747,193,355

**COUNTY OF HENRICO, VIRGINIA  
 MISCELLANEOUS - GENERAL FUND  
 FY 2013-14**

<u>Department</u>	<u>FY 11-12 Actual</u>	<u>FY 12-13 Original</u>	<u>FY 13-14 Approved</u>
Non-Departmental			
Tax Relief Program	8,729,518	7,647,550	7,797,550
Payments to Outside Agencies	2,514,604	2,443,766	2,178,266
Reserve - Miscellaneous	0	1,366,469	1,571,539
Other	169,960	35,525	35,525
Sandston Recreation Center	20,560	14,000	14,000
Total Miscellaneous	<u>\$11,434,642</u>	<u>\$11,507,310</u>	<u>\$11,596,880</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 for contributions from the County continues to increase, as does the amounts requested. The FY2013-14 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 contributions to the Greater Richmond Partnership, Inc., for \$320,000, and the Richmond Metropolitan Convention and Visitor's Bureau, for \$2,053,870, are budgeted in the County's Economic Development budget.

The cost of the County's Real Estate Tax Advantage Program (REAP) is budgeted in the non-departmental area. The maximum benefit from this program is to be reduced from \$3,000 to \$1,500 per participating home, effective January 1, 2014. The eligibility parameters for the REAP program are unchanged and continue to be the most inclusive in the region.

#### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Tax Relief Programs	\$ 8,729,518	\$ 7,647,550	\$ 7,797,550	2.0%
Board Members (1)	32,295	35,525	35,525	0.0%
Donations to Agencies	1,701,821	1,580,719	1,401,234	(11.4%)
Share of Other Agencies	812,783	863,047	777,032	(10.0%)
2011 Commemoration	137,665	0	0	0.0%
Reserve for Contingences	0	1,366,469	1,571,539	15.0%
Total (2)	<u>\$ 11,414,082</u>	<u>\$ 11,493,310</u>	<u>\$ 11,582,880</u>	<u>0.8%</u>

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)

Details of Activities

	FY 11-12 Actual	FY 12-13 Original	FY 13-14 Approved
A. County Functions:			
1. Tax Relief Programs	\$ 8,729,518	\$ 7,647,550	\$ 7,797,550
B. Board Members for:			
1. Capital Region Airport Commission	12,918	12,918	12,918
2. Richmond Regional Plan. Dist. Comm.	19,377	22,607	22,607
Sub-Total	32,295	35,525	35,525
C. Donations to:			
1. American Red Cross - Greater Richmond	0	0	0
2. Arts and Cultural Funding Consortium (Cultureworks) <sup>(1)</sup>	45,540	40,986	40,986
3. Asian American Society of Virginia	7,580	6,822	0
4. Assoc. for the Preservation of Henrico Antiquities	14,580	13,122	13,122
5. Better Housing Coalition	36,450	32,805	32,805
6. CARITAS	36,450	32,805	32,805
7. CASA (Court Appointed Special Advocates)	4,210	3,789	3,789
8. Central Virginia Legal Aid Society	0	0	0
9. Children's Hospital	1,460	1,314	1,314
10. Coal Pit Learning Center	0	0	0
11. Community Brain Injury Services (Mill House) <sup>(2)</sup>	19,130	17,217	17,217
12. Cultural Arts Center at Glen Allen	554,940	499,446	550,000
13. FeedMore (Meals on Wheels, Cent. Va. Foodbank)	21,060	18,954	18,954
14. Festival of India <sup>(3)</sup>	0	0	0
15. FISH (Eastern Henrico County)	29,160	26,244	26,244
16. Freedom House	0	0	0
17. Ginter (Lewis) Botanical Garden	109,350	98,415	98,415
18. The Healing Place	0	0	0
19. Henrico Community Partners	2,700	2,430	2,300
20. Henrico Police Athletic League	21,000	19,683	19,683
21. Henricus Foundation (Capital)	125,000	150,000	0
22. Henricus Foundation (Operating)	207,700	195,000	195,000
23. Hilliard House	46,930	41,337	41,337
24. Homeward	11,410	10,269	10,269
25. Horses in Service Riding Center	7,290	6,561	0
26. Housing Opportunities Made Equal (H.O.M.E.)	0	0	0
27. James River Advisory Council	0	4,050	4,050
28. Jamestown 4-H Education Center	0	0	0
29. Leadership Metro Richmond	11,000	9,837	9,837
30. Legal Aid Justice Center	0	0	0
31. Maymont Foundation Nature Center	75,940	68,346	55,000
32. Sports Backers (Metropolitan Richmond)	22,950	20,655	20,655
33. Northstar Academy	0	0	0
34. Offender Aid and Restoration (OAR) Center	0	0	0

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

	FY 11-12 Actual	FY 12-13 Original	FY 13-14 Approved
35. Partnership for Housing Affordability	0	0	0
36. Read Center, The	18,230	16,407	16,407
37. Resources for Independent Living <sup>(4)</sup>	40,180	36,162	36,162
38. Richmond Area ARC (Camp Baker)	7,290	6,561	6,561
39. Richmond Forum	3,640	3,276	3,276
40. Richmond Metropolitan Habitat for Humanity	0	0	0
41. Safe Harbor	18,990	17,091	17,091
42. Salvation Army	17,210	15,489	15,489
43. Greater Richmond SCAN (Stop Child Abuse Now)	3,820	3,438	3,438
44. Science Museum of Virginia	63,000	56,700	10,000
45. Science Museum of Virginia (Va. Aviation Museum)	10,000	9,000	9,000
46. Senior Connections (CAAA)	39,260	35,334	35,334
47. St. Joseph's Villa (Flagler Home)	37,971	34,174	34,174
48. Virginia Hispanic Chamber of Commerce	7,600	6,480	0
49. Virginia Supportive Housing	0	0	0
50. YMCA of Greater Richmond <sup>(5)</sup>	0	0	0
51. YWCA	22,800	20,520	20,520
Sub-Total	1,701,821	1,580,719	1,401,234
 D. Henrico's Share of Funding for:			
1. GRTC Taxicab Service Program	9,000	9,000	9,000
2. Henricopolis Soil/Water Conservation	85,000	85,000	85,000
3. Med-Flight Program	49,600	51,000	30,100
4. National Association of Counties	5,218	5,800	5,800
5. Reynolds Community College (Oper.)	72,144	90,929	91,031
6. Reynolds Community College (Capital)	223,977	282,297	282,613
7. Richmond Regional Plan. Dist. Comm.	166,307	185,559	188,757
8. RMA/Diamond Stadium <sup>(6)</sup>	0	0	0
9. Virginia Association of Counties	67,526	68,876	69,731
10. Alliance for Innovation (Virginia Innovation Group)	0	7,500	0
11. Virginia Institute of Government	15,000	15,000	15,000
12. Virginia Municipal League	62,086	62,086	0
13. Other Civic & Cultural Organizations <sup>(7)</sup>	194,590	0	0
Sub-Total	950,448	863,047	777,032
 E. Reserve for Travel:			
Reserve for Tuition:	0	425,211	425,211
Reserve for Contingencies:	0	143,473	143,473
Sub-Total	0	797,785	1,002,855
Total	\$ 11,414,082	\$ 11,493,310	\$ 11,582,880

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

Notes:

- (1) The Arts & Cultural Funding Consortium includes:
- a. Black History Museum and Cultural Center
  - b. Children's Museum of Richmond (Operating)
  - c. CultureWorks (The Arts Council of Richmond)
  - d. Edgar Allen Poe Museum
  - e. Elegba Folklore Society
  - f. New Virginia Review
  - g. Richmond Ballet (Operating)
  - h. Richmond Jazz Society
  - i. Richmond Symphony (Operating)
  - j. Valentine Museum (Richmond History Center)
  - k. Virginia Historical Society
  - l. Virginia Opera (Operating)
  - m. Virginia Repertory Theatre
  - n. Visual Arts Center of Richmond

The Arts & Cultural Funding Consortium did not budget contributions to Annual Members for FY2012-13 due to funding

- (2) Community Brain Injury Services (the Mill House) was formerly known as the Community Futures Foundation.
- (3) Funding of \$10,000 was provided for the Festival of India through a Budget Transfer during FY2010-11
- (4) Resources for Independent Living was previously named Central Virginia Independent Living Inc.
- (5) Funding of \$50,000 was provided to the Chickahominy YMCA, a member of YMCA of Greater Richmond, through a budget
- (6) Funding of \$170,000 for the County's share of maintenance and repair costs at the Diamond, in accordance with the Authority, was appropriated via budget amendment in September of 2009.
- (7) Other Civic & Cultural Organizations:

	<u>FY 2011-12</u>
a. Colonial Athletic Association	\$ 7,500
b. Association for the Study of African-American History	5,000
c. Vocational Education Golf Tournament	800
d. Henrico Ed. Foudation Scholarship Golf Tournament	3,000
e. 2011 Commemoration	137,665
f. Hosting of VML/VACo Conference	<u>40,625</u>
Total Other	\$ 194,590

Note: Budgeted in Economic Development:

	<u>FY 2013-14</u>
Greater Richmond Partnership	\$ 320,000
Richmond Metropolitan Convention & Visitors Bureau (RMCVB)	2,053,870

## NON-DEPARTMENTAL

### Sandston Recreation Center

#### Description

The Sandston Recreation Center provides a facility for indoor recreation for the Sandston community. Funding is provided through a charge of \$.50 each month on all water bills within Sanitary District Two. The center also receives funds in addition to those included in the County budget from rental fees and donations from users and community organizations.

#### Budget Highlights

There are no changes in service levels for FY2013-14. Funds are used for utilities, maintenance, and repairs of the facility.

#### Objectives

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

#### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 12 to 13</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	10,280	14,000	14,000	0.0%
Capital	0	0	0	0.0%
<b>Total</b>	<b>\$ 10,280</b>	<b>\$ 14,000</b>	<b>\$ 14,000</b>	<b>0.0%</b>
 Personnel Complement	 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 Capital Budget for FY2013-14 are general government and education projects to be funded from various General Fund revenues. This will be accomplished through a net transfer from the General Fund to the Capital Projects Fund in the amount of \$10,136,300.

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Transfer to Capital Projects	\$ 14,420,480	\$ 17,424,800	\$ 10,344,800	(40.6%)
Transfer from Capital Projects	0	0	(208,500)	0.0%
Net General Fund Transfer	<u>\$ 14,420,480</u>	<u>\$ 17,424,800</u>	<u>\$ 10,136,300</u>	<u>(41.8%)</u>

Capital Improvement Transfers (cont'd)

**GENERAL FUND TRANSFERS**

<b>General Fund - Fund Balance:</b>	<b><u>FY2013-14</u></b>
Facility Rehabilitation	\$650,000
Geographic Information System	300,000
Information Technology Projects	350,000
Network/VOIP	<u>200,000</u>
Subtotal General Fund - Fund Balance:	\$1,500,000
<b>General Fund - Reserve:</b>	
County Radio Communications System Replacement	\$1,420,000
<b>General Fund Revenue (Motor Vehicle License Fee) - Public Works:</b>	
General Road Construction	\$800,000
New Guardrails	<u>50,000</u>
Subtotal General Fund Revenue - Public Works:	\$850,000
<b>General Fund - Designated Vehicle Replacement Reserve:</b>	
School Bus Replacement Program	\$2,500,000
Fire Apparatus Replacement Program	1,500,000
Police Vehicle Replacement Program	<u>2,574,800</u>
Subtotal General Fund - Vehicle Replacement Reserve:	\$6,574,800
General Fund Transfer	<u>\$10,344,800</u>
Transfer from Capital Projects - Public Works to General Fund	(208,500)
Net General Fund Transfer	<u><u>\$10,136,300</u></u>



**SPECIAL REVENUE FUND**

**COUNTY OF HENRICO, VIRGINIA**  
**APPROVED SPECIAL REVENUE FUND REVENUES**  
**FY 2013-14**

<b>Revenues:</b> <b>Subfund/Activity</b>	<b>FY 11-12</b> <b>Actual</b>	<b>FY 12-13</b> <b>Original</b>	<b>FY 13-14</b> <b>Approved</b>
Capital Region Workforce Partnership (CRWP)			
CRWP	\$4,091,187	\$5,279,134	\$5,756,722
Transfer From the General Fund	<u>217,695</u>	<u>206,810</u>	<u>200,606</u>
Total Capital Region Workforce Partnership	4,308,882	5,485,944	5,957,328
Commonwealth's Attorney			
Commonwealth's Attorney	8,969	0	0
Special Drug Prosecutor	125,299	119,400	121,533
Victim/Witness Assistance Program	362,565	363,093	363,226
Asset Forfeitures	9,714	0	0
Transfer From the General Fund	<u>363,625</u>	<u>391,344</u>	<u>398,529</u>
Total Commonwealth's Attorney	870,172	873,837	883,288
Community Corrections Program			
CCP	1,412,234	1,449,011	1,456,262
Transfer From the General Fund	<u>306,643</u>	<u>309,054</u>	<u>308,710</u>
Total Community Corrections	1,718,877	1,758,065	1,764,972
Community Development Block Grant			
CDBG/HOME	2,110,799	0	0
ARRA - CDBG and Community Revitalization	19,183	0	0
Transfer From the General Fund	<u>44,963</u>	<u>0</u>	<u>0</u>
Total Community Development Block Grant	2,174,945	0	0
Economic Development			
Special Assessment - CDA	<u>5,424,000</u>	<u>0</u>	<u>0</u>
Total Economic Development	5,424,000	0	0
Education			
State, Federal & Other Grants	29,221,586	42,573,506	41,533,051
ARRA - Schools	<u>5,067,944</u>	<u>0</u>	<u>0</u>
Total Schools Grants	34,289,530	42,573,506	41,533,051
Cafeteria Receipts	8,382,199	9,208,473	8,562,385
State Food Payments - Nat. Sch. Lunch Prog.	379,867	468,137	380,000
Federal School Lunch Program	9,809,231	8,834,326	10,666,915
Recoveries & Rebates	154,955	127,293	150,000
Miscellaneous Revenue	3,510	0	0
(To) From Cafeteria Fund Balance	<u>(570,892)</u>	<u>0</u>	<u>12,886</u>
Total School Cafeteria	18,158,870	18,638,229	19,772,186
Total Education	52,448,400	61,211,735	61,305,237

*Special Revenue Fund Revenues (cont'd)*

<b>Revenues:</b>			
<b>Subfund/Activity</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>
	<b>Actual</b>	<b>Original</b>	<b>Approved</b>
General Services	1,976,901	0	0
Juvenile & Domestic Relations Court			
Virginia Juvenile Community Crime Act	368,393	329,571	329,571
USDA	20,013	24,000	24,376
Juvenile Accountability Grant	37,622	0	0
Transfer From the General Fund	<u>519,182</u>	<u>546,544</u>	<u>530,148</u>
Total Juvenile & Domestic Relations Court	945,210	900,115	884,095
Mental Health & Developmental Services			
State and Federal Grants	8,753,034	8,565,616	8,750,119
Payments from Other Localities	208,305	208,305	208,305
Miscellaneous Revenues	9,874,808	10,267,807	10,309,543
Transfer From General Fund	12,368,435	13,784,168	13,909,603
ARRA - MH & DS	<u>92,368</u>	<u>0</u>	<u>0</u>
Total Mental Health	31,296,950	32,825,896	33,177,570
Non-Departmental			
Transfer From General Fund	0	100,201	50,000
Public Safety			
Police - State & Federal Grants	1,347,486	1,025,237	1,042,499
Police - ARRA	8,633	0	0
Police - Donations	7,390	0	0
Metro Aviation/Extradition Reimbursement	273,217	326,126	334,668
Fire - Local Miscellaneous	10,880	0	0
Fire - State & Federal	133,649	0	0
Fire - Homeland Security	104,336	0	0
Asset Forfeitures	173,480	0	0
Transfer to Capital Projects	0	0	0
Transfer From General Fund	<u>100,825</u>	<u>135,561</u>	<u>127,332</u>
Total Public Safety	2,159,896	1,486,924	1,504,499
Public Utilities			
Solid Waste:			
Refuse Collection Billing	7,099,887	7,000,000	7,000,000
Weighing Fees - Charged Sales	1,225,604	1,141,354	1,225,604
Public Use/Host/Recycle Fees	1,719,836	1,782,498	1,719,836
Miscellaneous Revenues	279,102	322,134	319,149
Transfer to Capital Projects Fund	(2,300,000)	0	0
Transfer From General Fund	2,569,358	3,064,001	3,049,001
(To) From Solid Waste Fund Balance	<u>273,700</u>	<u>(978,023)</u>	<u>(1,050,991)</u>
Total Solid Waste	10,867,487	12,331,964	12,262,599
Street Lighting:			
Charge for Street Lights	78,465	83,100	83,100
(To) From Reserve for Street Lights	<u>(2,036)</u>	<u>0</u>	<u>0</u>
Total Street Lighting	76,429	83,100	83,100



**COUNTY OF HENRICO, VIRGINIA  
APPROVED SPECIAL REVENUE FUND EXPENDITURES  
FY 2013-14**

<b>Expenditures: Subfund/Activity</b>	<b>FY 11-12 Actual</b>	<b>FY 12-13 Original</b>	<b>FY 13-14 Approved</b>
Capital Region Workforce Partnership (CRWP)	\$4,308,882	\$5,485,944	\$5,957,328
Commonwealth's Attorney			
Commonwealth's Attorney	8,969	0	0
Victim/Witness Program	673,489	687,722	695,040
Special Drug Prosecutor	178,000	186,115	188,248
Asset Forfeitures - Commonwealth's Attorney	9,714	0	0
Total Commonwealth's Attorney	<u>870,172</u>	<u>873,837</u>	<u>883,288</u>
Community Corrections Program	1,718,877	1,758,065	1,764,972
Community Revitalization - CDBG/HOME	2,155,762	0	0
ARRA - CDBG and Community Revitalization	19,183	0	0
Total CDBG/HOME	<u>2,174,945</u>	<u>0</u>	<u>0</u>
Economic Development			
White Oak Village CDA	3,834,000	0	0
Reynolds Crossing CDA	1,590,000	0	0
Total Economic Development	<u>5,424,000</u>	<u>0</u>	<u>0</u>
Education			
State, Federal & Other Grants	29,221,586	42,573,506	41,533,051
ARRA - Education	5,067,944	0	0
School Cafeterias	18,158,870	18,638,229	19,772,186
Total Education	<u>52,448,400</u>	<u>61,211,735</u>	<u>61,305,237</u>
General Services	1,976,901	0	0
Juvenile & Domestic Relations Court			
Probation - VJCCCA	548,498	550,284	549,717
Detention - VJCCCA	339,077	325,831	310,002
Juvenile Probation	37,622	0	0
USDA	20,013	24,000	24,376
Total Juvenile & Domestic Relations Court	<u>945,210</u>	<u>900,115</u>	<u>884,095</u>
Mental Health & Developmental Services			
Clinical Services	15,159,238	16,115,807	16,263,110
Community Support Services	9,667,321	10,000,376	10,230,036
Administrative and Program Support	6,378,023	6,709,713	6,684,424
ARRA - Mental Health	92,368	0	0
Total Mental Health	<u>31,296,950</u>	<u>32,825,896</u>	<u>33,177,570</u>



*Special Revenue Fund Expenditures (cont'd)*

<b>Expenditures: Subfund/Activity</b>	<b>FY 11-12 Actual</b>	<b>FY 12-13 Original</b>	<b>FY 13-14 Approved</b>
Non-Departmental	0	100,201	50,000
Public Safety			
State and Federal Grants - Police	435,102	0	0
ARRA - Police	8,633	0	0
Donations - Police	7,390	0	0
Communications	912,384	1,025,237	1,042,499
Metro Aviation	304,223	411,687	387,000
Henrico Extraditions	69,819	50,000	75,000
Asset Forfeitures - Police	173,480	0	0
State and Federal Grants - Fire	133,649	0	0
Donations - Fire	10,880	0	0
Homeland Security - Fire	104,336	0	0
Total Public Safety	<u>2,159,896</u>	<u>1,486,924</u>	<u>1,504,499</u>
Public Utilities			
Solid Waste	10,867,487	12,331,964	12,262,599
Street Lighting	76,429	83,100	83,100
Total Public Utilities	<u>10,943,916</u>	<u>12,415,064</u>	<u>12,345,699</u>
Public Works			
Best Management Practices	50,000	50,000	50,000
Construction	11,940	0	0
Watershed Program	426,157	847,000	847,000
Total Public Works	<u>488,097</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation & Parks	18,749	0	0
Public Library	3,622	0	0
Total Recreation, Parks, & Culture	<u>22,371</u>	<u>0</u>	<u>0</u>
Social Services			
Comprehensive Services Act (CSA)	6,473,598	7,743,396	8,106,276
Total Expenditures	<u><u>\$121,252,215</u></u>	<u><u>\$125,698,177</u></u>	<u><u>\$126,875,964</u></u>

# CAPITAL REGION WORKFORCE PARTNERSHIP

## Description

The Capital Region Workforce Partnership (CRWP) is an eight locality entity comprised of the chief elected official from Henrico, Chesterfield, Goochland, Hanover, Charles City, New Kent, 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 Workforce Investment Board (RESOURCE) it appoints, exists to ensure the full development and operation of the region’s workforce development system as envisioned by RESOURCE 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 RESOURCE and the Consortium.

The Capital Region Workforce Partnership is the Henrico County Agency currently responsible for providing administrative support to RESOURCE and the Consortium, and is directly responsible for managing contracts awarded by RESOURCE and the Consortium for delivery of WIA services through Workforce Centers in the Region.

## Objectives

- Provide Regional leadership to develop innovative strategies and partnerships to sustain workforce solutions.
- 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.
- Awareness of the workforce development system as the “go to place” for workforce solutions has increased on the part of industry and jobseekers.

## Budget Highlights

The Workforce Investment Act (WIA) of 1998 is the principal funding source for CRWP. The Workforce Investment Act remains the primary funding source for RESOURCE and Consortium staff support costs and the service delivery system operating in the workforce centers. WIA funds may be supplemented by various grants secured during the year that provide

### Annual Fiscal Plan

<u>Description</u>	<u>FY12</u> <u>Actual</u>	<u>FY13</u> <u>Original</u>	<u>FY14</u> <u>Approved</u>	<u>Change</u> <u>13 to 14</u>
Personnel	\$ 733,189	\$ 913,673	\$ 1,893,329	107.2%
Operation	3,545,133	4,572,271	4,063,999	(11.1%)
Capital	30,560	0	0	0.0%
<b>Total</b>	<b>\$ 4,308,882</b>	<b>\$ 5,485,944</b>	<b>\$ 5,957,328</b>	<b>8.6%</b>
Personnel Complement*	N/A	N/A	N/A	N/A

\*All positions within CRWP are Complement III positions.

Capital Region Workforce Partnership (cont'd)

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Universal Core Services	6,000	5,000	5,000	0
Applicants for WIA Services	2,000	2,000	2,500	500
Enrolled in WIA	1,700	2,737	2,700	(37)
Enrolled in Training	282	350	400	50
Enrolled in Job Search/Counseling	1,415	2,737	2,700	(37)
Entered Employment from WIA	400	788	800	12

additional capability for workforce development system and provide additional funds to support the efforts of the one-stop (workforce center) system.

RESOURCE 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 support RESOURCE and the Consortium is also responsible for supporting the work of the Capital Region Youth Council, mandated under the Workforce Investment Act.

The value of federal grants and local government contributions determine the level of funding for the region through CRWP. The budget includes a grant reserve that will be allocated to specific programs when grant funding is identified. The FY2013-14 budget totals \$5,957,328, and represents an increase of \$471,384, from the FY2012-13 approved budget. The increase in personnel is attributed to 15 positions associated with the Out of School Youth Programs. These positions were not in the personnel complement in the FY2012-13 approved budget, but were added during the fiscal year. In addition to the new positions the personnel complement includes benefit cost increases, as a result of Senate Bill 497, which required a mandatory 5.0 percent salary increase partially offset by a reduction in the VRS requirement. Operating expenses decreased by \$508,272, or 11.1 percent from the approved FY2012-13 budget and no capital outlay funding is requested.

The FY2013-14 budget reflects a 5.0 percent decrease in available WIA formula funding for the Capital Region. This decrease is anticipated because the unemployment rate in the region is slightly lower, which puts the region in a stronger economic position than many of the workforce regions. WIA funds are awarded based on a three part formula, of which two-thirds of the funding is based on an unemployment rate trigger of 6.5 percent and a comparison to the unemployment rates in other regions. If the region's unemployment rate falls below the 6.5 percent threshold, the region may not be eligible for at least one-third of the federal funds awarded to Virginia on the basis of unemployment.

The local government contributions are projected at a level that would be the same as the current year, with the exception of the Henrico County contribution which would be reduced by 3.0 percent. The local government contributions may be slightly overstated given the impact the state and federal budget challenges may have on local revenues.

The WIA remains the primary funding source for the CRWP's personnel costs. There are currently 32 positions associated with the proposed budget, including 4 positions that are under the purview of the One Stop Operator - the Division Supervisor that will serve as the System Manager; the greeter at the Whitepine Resource Center and the two Case Managers required by the VETEC Grant. Additional positions may be requested in FY2013-14 if the One-Stop Operator requests additional staff from the fiscal agent, and as partners are willing to support financially.

*Capital Region Workforce Partnership (cont'd)*

Revenue from local contributions outside of Henrico County is expected to total \$62,280 in FY2013-14. Henrico County's contribution to CRWP's administrative expenses is budgeted at \$200,605 for FY2013-14, which is 3.0 percent less than the FY2012-13 contribution.

The following table shows historical contributions from Henrico County to CRWP's administrative expenses:

<b>Fiscal Year</b>	<b>Contribution</b>	<b>% Increase</b>
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%
FY2011-12	217,695	3.3%
FY2012-13	206,810	(5.0%)
FY2013-14	200,605	(3.0%)

It should be noted that final WIA funding and local government general funds for the FY2013-14 budget year are currently unknown. The continued budget challenges and discussions at the federal level make it especially difficult to assess budgetary increases or decreases at this point. The Capital Region's unemployment rate has been slightly reduced, which may result in reduced funding for the region. The WIA funding formula remains the same; however, Congress has begun discussion on changes to the workforce legislation and funding that could have significant implications for the region in the funding made available in FY2013-14. The State of Virginia is experiencing slightly decreasing unemployment rates that may affect the level of funding Virginia is able to access through the WIA formula. The Capital Region's unemployment rate, which for the past year has hovered at or below 7.0 percent, has slipped to slightly less than 6.7 percent. The unemployment rate coupled with the increasing poverty rates in the State and in the Capital Region create some potential for level funding, however, when the formula is applied to fewer national and state resources, the region's share may remain flat. Federal funding projected for FY2013-14 is approximately \$5.3 million.

The budget does include an increase in expenditures related to the two workforce centers that opened in FY2012-13 to replace those in Henrico County and the City of Richmond. The cost of the two new facilities requires higher rents and limited cost sharing with the partners co-locating in each of the facilities but rent is going down for FY14.

The Chesterfield one-stop continues to receive rent from partners located in the facility; however, the motel next to the Williamsburg Road Resource administrative office has stopped paying rent for parking spaces at the rear of the facility. The revenue generated from this source provided additional non-federal revenue. The One Stop Operator is currently working on the cost allocation plan for the partners located in the Cedar Fork Road Workforce Center and will be working on the costs associated with the new City of Richmond Cary Street location. The RESOURCE budget reflects the total cost of all rents that will be due and payable. Partner rents and operating cost support will be viewed as expense refunds.

CRWP received a grant in the amount of \$2,150,309 that will provide access to opportunities for comprehensive entrepreneurship training and technical assistance to Workforce Investment Act eligible adults and dislocated workers. This initiative will integrate entrepreneurship services within the Public Workforce System to enable hundreds of WIA eligible job seekers to grow assets and attain long-term self sufficiency through self-employment through a partnership with the Community College Workforce Alliance and the Resource Workforce Centers. FY2013-14 funds awarded will be \$661,313 plus any carry-forward from FY2012-13.

This contract began on July 1, 2012 and will terminate on June 30, 2016. The total amount of the contract is \$2,150,309. In FY2012-13, the contract awarded \$653,267; in FY2013-14, the contract will award \$661,313; in FY2014-15, the contract will award \$647,606, and in FY2015-16, the contract will award \$188,122. Funds not expended fully in any fiscal year will carry-forward to the next fiscal year. However, all funds and services will terminate at the end of FY2015-16.

*Capital Region Workforce Partnership (cont'd)*

ResCare Services, Inc. was awarded the Title I WIA services contract to deliver Adult and Dislocated Worker Services to those who meet the WIA eligibility criteria. Henrico County was awarded the Title I services contract to deliver Out of School Youth Services to Youth who are at least 17 years old but not older than 21 years of age who must also meet the WIA eligibility criteria. In addition to these two service providers, CRWP has also entered into contracts with local school districts to deliver services to economically disadvantaged rising 11<sup>th</sup> and 12<sup>th</sup> graders who do not have solid plans for their transition to employment or post secondary education and training and employment to assist them to achieve graduation from high school and to implement a plan for post high school education and training and/or employment. These initiatives permit local school districts to provide support during the first year immediately after high school graduation which may include financial aid for post secondary education and training and other needed supports to enter into a career path. Each of the sub-recipients (contractors) is responsible for meeting the performance requirements imposed by the WIA and RESOURCE.

In the redesigned service delivery model implemented in FY2011-12, the One Stop Operator is comprised of a partnership among three mandated partner agencies (the Virginia Department of Aging and Rehabilitative Services, the Virginia Employment Commission and the fiscal agent, (Henrico County). This partnership is now responsible for coordinating the work of all partner agencies in the delivery of services through the designated one-stop centers under WIA, and other grants. In providing such services, the One Stop Operator is responsible for working collaboratively

with the other sixteen WIA mandated partner programs to ensure that services and access to services are clearly defined and easily traversed by businesses and job seekers. The costs associated with the Out of School Youth Programs, One Stop Operator/Workforce Centers and the Case Management and other supports for the Innovation Grant (VETEC) are all included in the budget under the appropriate funding stream and staff costs associated with these items appears in the CRWP staff complement. These positions must appear in the County's complement as the County of Henrico is the fiscal agent for the region. The salary of the Director of the CRWP continues to be charged to non-federal local funds from the eight jurisdictions that comprises the Capital Region. Should non-federal funds not be made available to support this position, the position will be funded from WIA grant funds.

In FY2012-13, funds from a number of CRWP grants from FY2011-12 were carried forward (re-appropriated) into CRWP's revised budget. The value of the carry forward funds in FY2012-13 was \$2,769,261. Most of the CRWP's grants are awarded on a Federal fiscal year.

The decisions made by RESOURCE and the Consortium Board during FY2012-13 affect the expenditure projections included in the budget.

The FY2013-14 budget includes a grant reserve account (\$200,000). At some point during FY2013-14, funds in the reserve account will be transferred between programs/accounts as more specific and detailed information becomes available on specific grants that may become available.

# COMMONWEALTH'S ATTORNEY

## Special Drug Prosecutor

### Description

The General Assembly of Virginia passed legislation in 1983 under Section 19.2-215.3 establishing the Special Drug Prosecutor Program and creating multi-jurisdiction grand juries (MJGJs). A MJGJ, in contrast to a regular grand jury, is an investigative body with the statutory authority to issue statewide subpoenas for documents and other evidence, and to call for sworn testimony of persons with information related to specific criminal offenses. Henrico's Drug Prosecutor program was implemented in May of 1984. The goal is to investigate criminal violations of Virginia drug laws as well as other illegal activities, including homicide, abduction, perjury, embezzlement, computer crimes, Medicaid fraud, and trademark infringement.

- Administer use of the grand jury by prosecutors from each of the member jurisdictions Commonwealth's Attorney's Offices.

### Budget Highlights

The use of the Special Drug Prosecutor Program provides a vital function for the County of Henrico. The Program's approved budget for FY2013-14 is \$188,248, which includes General Fund support of \$66,715. The budget reflects an increase of 1.1 percent when compared to the FY2012-13 approved budget which is due entirely to an increase in personnel costs. The increase in personnel costs is in part attributable to an increase in VRS life insurance and health care costs. This year's budget also reflects a 5.0 percent State mandated raise to employees, which has been partially offset by a reduction in the VRS requirement. The State and the County both contribute to the salaries and associated personnel costs for the two positions funded through the program. The operating component remains flat to FY2012-13 approved budget.

The Special Drug Prosecutor's responsibilities include working with a multi-jurisdictional investigative grand jury comprised of the Counties of Henrico, Hanover and Chesterfield, and the City of Richmond. The Special Drug Prosecutor coordinates witnesses

### Objectives

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

### Annual Fiscal Plan

Description	FY12 Actual	FY13 Original	FY14 Approved	Change 13 to 14
Personnel	\$ 172,307	\$ 180,365	\$ 182,498	1.2 %
Operation	5,693	5,750	5,750	0.0 %
Capital	0	0	0	0.0 %
<b>Total</b>	<b>\$ 178,000</b>	<b>\$ 186,115</b>	<b>\$ 188,248</b>	<b>1.1 %</b>
Personnel Complement	N/A	N/A	N/A	N/A

*Special Drug Prosecutor (cont'd)*

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Total Subpoenas	2,324	2,350	2,375	25
Total Indictments	875	900	925	25
Total Defendants	297	300	325	25

and subpoenas for tangible evidence ordered by the grand jury and handles a full caseload of criminal matters.

The multi-jurisdictional grand jury plays an essential role in the investigation of drug and homicide cases in the Richmond metropolitan area.

The table below presents a historical depiction of the State/County split for the program.

Fiscal Year	State Funding	Approved 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	32,773	20%
2009-10	124,305	44,730	26%
2010-11	124,305	52,855	30%
2011-12	119,400	69,563	37%
2012-13	119,400	66,715	36%
2013-14	121,533	66,715	35%

# COMMONWEALTH'S ATTORNEY

## Victim/Witness Assistance Program

### Description

The Victim/Witness Assistance Program was established in Virginia in 1984 under Section 9-173.3 of the Code of Virginia. Henrico's Victim/Witness program was implemented in May of 1988. The goal is to assist crime victims and witnesses through the criminal justice system by providing the information and assistance required by the Crime Victim and Witness Rights Act 19.2 - 11.01. These services include: information of the victim/witness' case, explanation about court procedures, assistance in applying for Crime Victims' Compensation, assistance in preparing Victim Impact Statements and Parole Input Forms and short term crisis counseling.

- To increase victim cooperation and successful prosecution through providing the victim/witness more information on court room procedures and the criminal justice system.
- To provide victim/witness services in a cost-effective manner through the utilization and coordination of volunteer time and services.

### Objectives

- To reduce delays in the court process by reducing the incidences of witness "no-show" through improved notification services.
- To reduce the trauma of crime for victims through crisis intervention and specialized counseling.
- To enable authorities to quickly establish and maintain contact with victims and witnesses.

### Budget Highlights

The Victim/Witness Assistance Program continues to provide a vital function to the criminal justice systems in Henrico County. The FY2013-14 approved budget is \$695,040 which reflects an increase of \$7,318 or 1.1 percent when compared to the FY2012-13 approved budget. The personnel component is increasing by 0.9 percent as a result of increases in salaries and benefit rates. The operating component reflects an increase of 4.6 percent which is in part due to the increased costs in rent as well as the reallocation of funds from capital outlay to the operating component to more accurately reflect planned expenditures.

The FY2013-14 approved budget includes a General

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Changes 13 to 14</u>
Personnel	\$ 565,156	\$ 582,060	\$ 587,437	0.9%
Operating	104,348	101,677	106,337	4.6%
Capital	3,985	3,985	1,266	(68.2%)
<b>Total</b>	<b>\$ 673,489</b>	<b>\$ 687,722</b>	<b>\$ 695,040</b>	<b>1.1%</b>
Personnel Complement*	N/A	N/A	N/A	N/A

\* Five positions (4 comp II, 1 comp I) remain within the Commonwealth's Attorney's Office complement. Victim Witness maintains the budget for nine total positions (4 comp III, 4 comp II, and 1 comp I).



*Victim/Witness Assistance Program (cont'd)*

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Victims Assisted	5,103	5,150	5,150	0

Fund transfer of \$331,814, to provide funding for the program's costs. State/federal grant funding is anticipated to be \$363,226. This estimated grant funding is fully budgeted in the FY2013-14 budget. The budget includes funding for nine full-time positions, four of which are complement III, four are complement II, and one complement I position, an Office Assistant IV.

Below is a historical depiction of State and County funding for the program by fiscal year over a ten year period.

Fiscal Year	State Funding	County Funding	% County
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%
2011-12	342,625	326,686	49%
2012-13	363,093	324,629	47%
2013-14	363,226	331,814	48%



*Community Corrections Program (cont'd)*

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
New Pretrial Cases Supervised	1,520	1,600	1,600	0
New Probation Cases Supervised	1,959	1,900	1,900	0
Pretrial Investigations Conducted	2,015	2,000	2,000	0
Client Hours of Community Service Completed	26,871	20,000	20,000	0
New Restitution Cases Monitored	389	475	500	25
<b>Effectiveness Measures</b>				
Value of Restitution Collected	\$370,346	\$350,000	\$375,000	\$25,000

**Budget Highlights**

Community Corrections Program’s budget includes four distinct programs for FY2013-14: (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 \$129,686.

The estimated value of community service hours to be completed by program clients in FY2012-13 is \$375,000. Of this value, it is estimated that close to half will go towards County agencies. The Restitution Monitoring Program (a Community Criminal Justice Board project) is designed to track payments made by offenders to victims and increase the payment amount collected. The part-time temporary clerical position hired to monitor this program is partially funded by fees collected from offenders in the program.

The budget for the Community Corrections Program for FY2013-14 is \$1,341,597. This is an increase of \$4,132, or 0.3 percent, over the FY2012-13 approved budget. This increase is due to growth in healthcare expenditures, as well as the benefit costs associated with the Commonwealth’s mandate of a 5.0 percent pay raise in FY2012-13, which were partially offset by a reduction in the VRS requirement. Funding for the operating component will remain at \$52,919, with the capital outlay component of the Department’s budget remaining at \$12,174.

Funding from the General Fund has decreased by \$3,115, or 2.3 percent, below the amount provided in the FY2012-13 approved budget. The FY2013-14 projection for State funding is \$1,067,146. The program also collects probation and restitution monitoring fees that go towards paying for the services provided by this agency.

# COMMUNITY CORRECTIONS PROGRAM

## Drug Court Program

### Description

The Drug Court Program was initiated in January of 2003. The Drug Court provides intense supervision and treatment, frequent judicial reviews, mandatory drug testing, graduated sanctions, aftercare, and other rehabilitative services to nonviolent, substance abusing offenders for a minimum of twelve months, with the average participation lasting eighteen months. There are up to forty new participants placed in the program each year that have their progress closely monitored and evaluated by program staff.

Working with other organizations and agencies is key to the success of the Drug Court. The program coordinates its efforts with other County agencies and nonprofit organizations in the region to help deliver the program's services. In addition, the Sheriff provides one part-time Investigator to the program as a local in-kind County contribution. The Commonwealth's Attorney's Office, Henrico Mental Health and Developmental Services (MH/DS), the Circuit Court and the Community Corrections Program also provide local in-kind contributions to the program.

### 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 is completing its tenth year of operations in FY2012-13. The program was started with the use of Federal funding. However, Federal funds were discontinued in FY2005-06. The Drug Court program for Henrico County received a grant from the State in the amount of \$232,261 in FY2005-06 to support the program and replace the discontinued Federal funding. It is anticipated that funding from the Virginia Supreme Court, which took over the administration of these grants from the Department of Criminal Justice services will provide

### Annual Fiscal Plan

<u>Description</u>	<u>FY12</u> <u>Actual</u>	<u>FY13</u> <u>Original</u>	<u>FY14</u> <u>Approved</u>	<u>Change</u> <u>13 to 14</u>
Personnel	\$ 323,821	\$ 336,880	\$ 341,148	1.3%
Operation	100,665	83,720	82,227	(1.8%)
Capital	1,879	0	0	0.0%
<b>Total</b>	<b>\$ 426,365</b>	<b>\$ 420,600</b>	<b>\$ 423,375</b>	<b>0.7%</b>
 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)*

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Changes 13 to 14</b>
<b>Workload Measures</b>				
Community Awareness Activities Conducted	22	21	21	0
<b>Efficiency Measures</b>				
% of Referrals Assessed on Time	100.0%	100.0%	100.0%	0.0%
<b>Effectiveness Measures</b>				
% of Participants Gainfully Employed/Schooled	79.0%	85.0%	82.0%	-3.0%
% of Participants Staying Drug-Free	79.0%	72.0%	72.0%	0.0%
% of Participants Not Re-Arrested	95.0%	95.0%	95.0%	0.0%

funding of \$232,000 in FY2013-14. The Drug Court also collects probation fees to help defray the costs of the program and these fees are projected to total \$12,352 in FY2011-12. General Fund support will total \$179,023.

Currently, one Complement I position is funded for the Drug Court, a Senior Management Specialist. Four positions are Complement III, including one County Probation Officer, one Office Assistant III, and two MH/DS Clinicians.

The Henrico Drug Court's NACo Award winning "Healthy Lifestyles Initiative" continues to provide assistance for participants to gain access to primary health and wellness programming. Professionals with the Fan Free Clinic provided quarterly rapid results HIV testing at the Drug Court Office. Representatives from MADD and the Drive to Work Program provided seminars for the participants on lawful driving and Teresa McBean from Northstar

Recovery Church spoke on the importance of "whole life" recovery. The Drug Court continues to host quarterly Family Day events to help reestablish family ties that have been broken due to years of substance abuse addiction.

The budget for the Drug Court Program for FY2013-14 is \$423,375, an increase of 0.7 percent above the approved budget for FY2012-13. Personnel costs increased \$4,268, or 1.3 percent. This was due to increased healthcare expenditures, as well as the benefit costs associated with the Commonwealth's mandate of a 5.0 percent pay raise in FY2012-13, partially offset by a cost reduction in the VRS requirement.

The Drug Court program moved into a different office space during calendar year 2012. The lease costs associated with this space represented a cost increase and the lease calls for annual increases of 3.0 percent.

# 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, 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. 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 for FY2013-14 totals \$549,717, which includes County support of \$435,428. The Program's budget reflects a 0.1 percent decrease when compared to FY2012-13. The budget for personnel increased by

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 142,075	\$ 155,053	155,958	0.6%
Operation	406,423	395,231	393,759	(0.4%)
Capital	0	0	0	0.0%
Total	<u>\$ 548,498</u>	<u>\$ 550,284</u>	<u>\$ 549,717</u>	<u>(0.1%)</u>
Personnel Complement*	N/A	N/A	N/A	

\*Personnel Complement does not reflect 3 Complement III positions that are supported by this budget.

VJCCCA Probation (cont'd)

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Number of Referrals from Probation/Court Order	1,601	2,500	2,500	0

\$903, or 0.6 percent due to the benefit costs of a 5.0 percent salary increase mandated by the Commonwealth, partially offset by a 5.0 percent decrease in the VRS funding requirement. The funding request for operations decreased by \$1,472, or 0.4 percent.

The FY2013-14 budget for VJCCCA programs, Probation and Detention, reflects a General Fund share of \$529,148. This is a decrease of \$17,396, or 3.2 percent from the FY2012-13 approved budget. Since FY2008-09, the General Assembly has reduced

VJCCCA funding four times, with the projected state revenue for all VJCCCA programs totaling \$329,571 in FY2013-14.

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. These services and programs continue to be utilized as alternatives to secure detention.

# JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

## Detention Home - VJCCCA

### Description

In 1996, funding through the Virginia Juvenile Community Crime Control Act (VJCCCA) replaced the State Block Grant system for all community based programs and services in the juvenile justice system except secure detention. A major advantage of this funding is the Henrico's ability to develop programs and services that specifically address its juvenile justice needs.

### Objectives

- To help alleviate the problem of overcrowding in secure detention.
- To allow children to live with their custodial parents while in the program or until Court disposition.
- To operate the Outreach Program effectively per Court orders, thereby reducing the number of youths kept in detention.
- To provide a less restrictive alternative to incarceration.

### Budget Highlights

Juvenile Detention's proposed budget for the Virginia Juvenile Community Crime Control Act totals \$310,002, including the County contribution of \$94,720. The total budget reflects a decrease of \$15,829, or 4.9 percent when compared to the FY2012-13 budget. This is the result of the retirement of a senior employee who was replaced by an employee with a substantially lower salary.

The budget will support Detention Outreach and the Services Through Opportunity Programs (STOP) offered through Juvenile Detention. The STOP program was developed to monitor non-violent juveniles as an alternative to weekend sentencing in secure detention. The Department coordinates with Recreation and Parks to identify various park sites that require cleanup including picking up trash and sweeping sidewalks. The program requires juveniles that violate conditions of the program to finish the remainder of their Court ordered sentence in secure detention. All employees working with the STOP program are required to take CPR, first aid and defensive driving classes.

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 287,765	\$ 282,984	\$ 267,155	(5.6%)
Operation	51,312	42,847	42,847	0.0%
Capital	0	0	0	0.0%
<b>Total</b>	<b>\$ 339,077</b>	<b>\$ 325,831</b>	<b>\$ 310,002</b>	<b>(4.9%)</b>
 Personnel Complement	 3	 3	 3	 0



VJCCCA - Detention (cont'd)

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Electronic Monitoring Days	6,538	4,446	4,446	0
Outreach Participants w/Electronic Monitoring	191	123	123	0
Outreach Participants w/o Electronic Monitoring	96	60	60	0
STOP Participants	97	76	76	0
STOP Program Days	379	388	388	0
<b>Efficiency Measures</b>				
Average Length of Stay w/Electronic Monitoring	34	35	35	0
Average Length of Stay w/o Electronic Monitoring	36	74	74	0

The Detention Outreach Program is supported by three Complement II positions (1 Outreach Coordinator, 2 Outreach Workers) and provides an alternative to secure detention by offering direct and indirect services to children requiring less restrictive supervision. For those youths who need more restrictive supervision, the Electronic Monitoring component of Detention Outreach will be utilized. Juveniles that generally qualify for this program have reoccurring behavior issues such as curfew violations, running away from home and truancy.

As noted above, the proposed budget for the Detention Home's VJCCCA programs totals \$310,002. The personnel requirement for the VJCCCA Detention efforts has decreased by \$15,829. Operating costs are unchanged, meaning that the requested budget is \$15,829, or 4.9 percent, below the FY2012-13 approved budget. As projected revenues from the state are unchanged at \$215,282, the General Fund transfer in support of these programs is budgeted to be reduced by \$15,829, or 14.3 percent.

# 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 FY2013-14, 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 \$24,376 in USDA grant funding for FY2013-14, which is a \$376 or 1.6 percent increase when compared to the approved budget for FY2012-13. These funds will continue to be used to purchase food, food service equipment, and maintain and repair kitchen equipment. The total food budget for FY2013-14, including amounts budgeted in the General Fund, will total \$64,767.

### Objectives

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

### Annual Fiscal Plan

Description	FY12 Actual	FY13 Original	FY14 Approved	Change 13 to 14
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	12,504	22,500	19,875	(11.7%)
Capital	7,509	1,500	4,501	200.1%
<b>Total</b>	<b>\$ 20,013</b>	<b>\$ 24,000</b>	<b>\$ 24,376</b>	<b>1.6%</b>
Personnel Complement	N/A	N/A	N/A	



*Mental Health & Developmental Services (cont'd)*

**Performance Measures**

	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Persons Served by Emergency Services	1,770	1,700	1,700	0
Persons Served by Mental Health Services	4,746	4,700	4,700	0
Persons Served by Developmental Services	1,741	1,700	1,700	0
Persons Served by Substance Abuse Services	1,550	1,500	1,500	0

- To provide prescreening evaluations, attend involuntary commitment hearings and supervise mandatory outpatient treatment as ordered by the court.
- To provide medical and social detoxification services to the chemically dependent.

site services to the Juvenile Court. Emergency services are offered to all clients on a 7-day a week, 24-hour per day basis. The Emergency Services Program works closely with public safety personnel to address community safety issues. Mental health and substance abuse services are provided in both Henrico jail facilities and both detention facilities. The Department also provides extensive evaluations to local courts.

**Budget Highlights**

The State Department of Behavioral Health and Developmental Services (DBHDS) has identified four priority population groups for the Community Services Board system. MH/DS/SA spends the majority of its funding serving these groups, which are: those with serious mental illness, those with intellectual disabilities, those with substance use disorders, and children and youth. Services to these priority populations are delivered directly by MH/DS/SA and/or contracted through private vendors.

The Administrative Services section of the Department supports the Executive Director's office, the Department's information systems, and the general business functions of the Department. The Department operates a large wide area network on which resides a client data and billing system in addition to general office software. Administrative Services includes office support staff at various locations, facilities management for 18 facilities, medical 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 mirror these priority groups. In Mental Health Services, persons with general mental health problems and those ordered by the courts and other correctional agencies for evaluation/treatment are also served in addition to those with serious mental illness.

The Department's FY2013-14 budget, including the Sheltered Employment program, is \$33,177,570. Personnel expenditures increased \$7,936, or less than a tenth of one percent. This budget includes an increase in salaries of \$776,584 or 4.7 percent and an increase in FICA of \$62,405 or 4.6 percent because of the 5.0 percent salary increase effective in FY2012-13. VRS retirement costs decreased \$904,204 or 25.9 percent due to the 5.0 percent employee contribution to VRS. Temporary salaries increased \$48,333 or 5.7 percent primarily for relief clinicians at the Crisis Intervention Team (CIT) receiving center, funded with dedicated state funds. Hospital/medical plan costs decreased \$15,623 or

*Mental Health & Developmental Services (cont'd)*

0.7 percent, and VRS Life Insurance increased \$40,593 or 24.6 percent.

Allocations for operating expenditures increased \$343,738, or 4.2 percent. Medical services grew \$135,785, or 11.3 percent, in part due to a \$19,236 addition to account for a 2.0 percent growth for contractual psychiatrists.

Medical services in the Part C grant increased by \$117,049. Other contractual services increased \$168,789 (11.9 percent) primarily for the CIT receiving center, funded with dedicated state funds. Rent of facilities decreased \$77,846 (7.6 percent) due to favorable renegotiations of the East Center and Hermitage Enterprises leases.

The budget for the OBRA (Omnibus Budget Reconciliation Act) Nursing Home Grant for intellectually disabled consumers decreased \$8,500 compared to FY2012-13. Heating increased \$5,014 (30.2 percent) to cover propane for generators added at MH/DS group homes and the East Center in FY2012-13. Computer software increased \$11,424 (149.6 percent) for software required for electronic prescribing and electronic health records, funded with dedicated state pharmacy funds. Motor pool expenses increased \$10,800 (4.1 percent) for additional motor pool cars; this increase was offset by a decrease in mileage of \$11,441 (11.6 percent).

The Department estimates revenues at \$33,177,570 in FY2013-14, an increase of \$351,674 or 1.1 percent over the FY2012-13 adopted budget. The County transfer of \$13,909,603 is \$125,435 above the FY2012-13 level. This increase is solely due to funding added to ensure that there will be no waiting list for day services. The County transfer will represent 41.9 percent of FY2013-14 revenues.

The balance of the MH/DS/SA revenues are comprised of 26.4 percent Federal and State, 25.2 percent third party client fees, with the remaining 6.5 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 FY2013-14. Funds from this reserve will only be available for expenditure once they are received and approved by the County. Sheltered Employment revenue is expected to remain flat at \$344,400 for FY2013-14.

The Department's State performance contract revenue for FY2013-14 is projected to be \$5,144,845, a 4.2 percent increase from the FY2012-13 adopted budget. The FY2013-14 budget includes \$214,000 of dedicated state funding that was appropriated during FY2012-13 to support a CIT receiving center. Funding for Juvenile Detention services increased \$1,724 in FY2013-14.

Fee revenue has been budgeted at \$8,358,980 for FY2013-14, a 0.1 percent increase. Medicaid revenue increased \$24,563 over FY2012-13 levels. Increases in Medicaid ID Case Management services and ID Day Support offset anticipated decreases in the Virginia Independent Clinical Assessment Program. Self-pay and insurance revenue is anticipated to decrease \$13,648 compared to FY2012-13 funding.

What follows is a description of expenditure changes for the Department in the FY2013-14 budget.

The FY2013-14 budget for **Mental Health Services** increased \$156,375, to \$14,409,403, which is 1.1 percent over the FY2012-13 adopted budget. \$214,000 has been added in FY2013-14 for the CIT receiving center funded with dedicated state funds; without this addition the FY2013-14 budget decreased by \$57,625 (0.4 percent). This section's mission is to provide mental health services to the residents of Henrico, New Kent, and Charles City counties with 150 full-time and 2 part-time employees.

The **Substance Abuse Section** budget is \$1,853,707, a decrease of \$9,072 (0.5 percent) from the FY2012-13 adopted budget. 17 full-time and 4 part-time employees provide these services. Operating costs decreased by \$4,571 or 2.6 percent in FY2013-14.

The budget for **Developmental Services** reflects an expenditure increase of \$229,660 (2.4 percent) to \$9,885,636 in FY2013-14. These services are provided by 107 full-time and 12 part-time employees. Operating costs increased by \$275,058 in FY2013-14. The Part C grant increased by \$117,049 in medical services and \$28,125 in other contractual services; the increases are funded by Medicaid and insurance revenue generated by Part C grant funded staff.

*Mental Health & Developmental Services (cont'd)*

**Administration** spending decreased 0.4 percent, or \$25,289, to \$6,684,424 in FY2013-14. 50 full-time and 2 part-time employees comprise the administrative staff. Operational funding decreased \$81,655 (2.6 percent) to \$3,114,496 due to decreases in real property lease costs.

**Sheltered Employment** funding in FY2013-14 remains at the adopted FY2012-13 level of \$344,400. One full-time and one part-time position support the Sheltered Employment operation.

**Day Support Services**

Over the past fifteen years the County of Henrico has provided additional funding to Mental Health/Developmental Services Day Support Services to ensure that individuals who graduate from Special Education programs and other adults living in the community who need day support services will be served immediately.

In FY2013-14 it is anticipated that approximately 26 individuals with intellectual disabilities graduating from high school will be in need of a day support program. The cost of eighteen of these graduates will be absorbed with current resources. The

department is requesting the annual cost to serve the remaining eight individuals of \$125,435 in FY2013-14.

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

FY2012-13	(\$100,000)
FY2011-12	\$21,130
FY2010-11	\$226,376
FY2009-10	\$126,650
FY2008-09	\$214,800
FY2007-08	\$147,000
FY2006-07	\$167,000
FY2005-06	Fully Funded
FY2004-05	\$199,000
FY2003-04	\$253,330
FY2002-03	\$192,935
FY2001-02	\$172,110
FY2000-01	\$200,790
FY1999-00	\$172,110

## POLICE DIVISION

### Metro Aviation Unit

#### Description

In 1986 the Counties of Henrico and Chesterfield, and the City of Richmond entered into a multi-jurisdictional agreement, which facilitated the use of police aircraft in all three jurisdictions and created the Metro Aviation Unit. As a part of this agreement, the Henrico Police Division is charged with housing the aircraft; supervision of the pilots; fiscal management; and planning the training for the Unit.

#### Objectives

- The Unit will provide aerial observation and support for all jurisdictions.
- The Unit will conduct patrols of identified high crime areas.
- The Unit will provide transportation of prisoners to and from other jurisdictions upon request.
- The Unit will provide aerial photographs of any location in the metropolitan area upon request.
- The Unit will provide routine and special aerial patrol within the tri-jurisdictional area.

#### Budget Highlights

The FY2013-14 budget includes \$80,000 for the extradition of prisoners, which is fully reimbursable from the State Supreme Court. This amount increased by \$25,000 or 45.5 percent to more accurately reflect expenses in this area. The remaining balance of the budget, \$382,000, is divided equally between Chesterfield County, the City of Richmond, and Henrico County and reflects an overall decrease of \$24,687 or 6.1 percent from the previous approved budget. In FY2013-14, Henrico's share of the budget totals \$127,332, decreasing by \$8,229 from the FY2012-13 approved budget. It is important to note that the Metro Aviation unit moved to a new hangar with a fuel storage tank in December, 2012 and this decrease is driven by the reduced lease amount as well as fuel cost savings.

Henrico's Police Division manages the Metro Aviation Unit. This section of the Police Division also handles extradition of prisoners, which is entirely reimbursable from the State of Virginia. The combined budget for Metro Aviation and Extradition is \$462,000.

The Metro Aviation Unit continues to be a valuable and effective crime fighting tool to the participating localities and the region. The localities continue to

#### Annual Fiscal Plan

Description	FY12 Actual	FY13 Original	FY14 Approved	Change 13 to 14
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	363,542	431,687	422,000	(2.2%)
Capital	10,500	30,000	40,000	33.3%
<b>Total</b>	<b>\$ 374,042</b>	<b>\$ 461,687</b>	<b>\$ 462,000</b>	<b>0.1%</b>
 Personnel Complement	 N/A	 N/A	 N/A	 N/A

*Metro Aviation (cont'd)*

**Performance Measures**

	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Change 13 to 14</u>
<b>Workload Measures</b>				
Number of Aerial Transports	36	40	43	3
Flight Hours for Aerial Tranports	150	175	190	15
Extraditions (commercial carriers)	35	40	40	0

increase their usage of the unit and each locality now assigns three pilots to the unit.

The three participating jurisdictions approved the purchase of an additional patrol plane, a Cessna 182, and in July 2006, the Board of Supervisors approved a budget amendment to increase the Metro Aviation Unit's budget for the purchase of the new aircraft. The aircraft is equipped with the latest technology including an electronic instrument panel, an integrated spotlight, a forward looking infra-red (FLIR) system,

and a video downlink that permits the aircraft to broadcast images while flying for viewing at varying locations within the three jurisdictions. The Metro Aviation Unit's two other aircraft are of varying ages including a transport plane over twenty-five years old and an eleven year old patrol plane. With the purchase of the Cessna, the unit only uses the fourth plane, a Henrico County patrol plane over twenty-five years old, for training and as a reserve patrol plane during maintenance and repairs to the other two patrol planes.



## POLICE DIVISION

### Wireless E-911

#### Description

The Henrico County Emergency Communications Center began answering wireless E-911 calls in June 2000. The State Police had previously answered these calls, however State legislation was enacted, which mandated localities to begin answering 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 calls received by the emergency communications center.

#### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 680,062	\$ 942,548	\$ 959,160	1.8%
Operation	55,322	82,689	83,339	0.8%
Capital	177,000	0	0	0.0%
Total	<u>\$ 912,384</u>	<u>\$ 1,025,237</u>	<u>\$ 1,042,499</u>	<u>1.7%</u>
Personnel Complement*	N/A	N/A	N/A	N/A

\*Sixteen Communications Officers are included in the Police General Fund Complement.

*Wireless E-911 (cont'd)*

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Wireless 911 Calls Received	148,615	156,891	177,677	20,786
Percentage Wireless 911 Calls to Total 911 Calls Received	74.70 %	77.70%	80.70 %	3.00 %
Percentage Wireless 911 Calls to Total Calls (Emergency & Non-emergency) Received	23.57 %	25.57%	27.57 %	2.00 %

The Wireless E-911 budget for FY2013-14 totals \$1,042,499, representing an overall net increase of \$17,262 or 1.7 percent from the previous approved budget. This increase is driven by the personnel component and reflects the rising VRS life insurance and health care expenditures. It is important to note that this year's budget reflects the 5.0 percent raise to employees that was imposed by state government, partially offset by a reduction in the VRS requirement.

The operating component increased by \$650 or 0.8 percent from the previous fiscal year to reflect the addition of mobile application and voice response software for ten new police officers. The budget for FY2013-14 includes funding for sixteen communications officers, maintenance costs for mapping and verbal response software as well as

telecommunications costs associated with the emergency communication center's ability to handle wireless calls.

As previously stated a new distribution formula was approved in the 2006 General Assembly session. Under this formula, localities receive sixty percent of the revenue after allocations to two State agencies, the Division of Public Safety Communications (DPSC) and Virginia Geographical Information Network (VGIN). These two State agencies directly support Wireless E-911. Based on information provided by the Wireless Board, historically the localities were receiving forty-eight percent of the revenue collected, so the change has been beneficial to localities. Having said this, the County will continue to conservatively project the amount of Wireless E-911 revenues received from the State in FY2013-14.

# 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.

- Identify and intervene early with young children and their families.

## Budget Highlights

The Comprehensive Services Act budget for FY2013-14 is \$8,106,276. This represents growth of \$362,880, or 4.7 percent, over the FY2012-13 approved budget. The increase is primarily due to higher levels of funding from the State, as the transfer from the General Fund to support these services is unchanged. A minor increase of \$419, or 0.1, percent in the personnel area is due to the higher benefit costs associated with the 5.0 percent salary increase mandated by the Commonwealth, partially offset by a reduced VRS cost requirement. Capital funding is for repair or replacement of machinery and equipment.

The Henrico Policy and Management Team (HPMT) administers the CSA program with the help of a full-time coordinator. The existence and membership of HPMT is established by the Code of Virginia and includes agency directors of Mental Health and Developmental Services, Juvenile Court Services,

## 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.

## Annual Fiscal Plan

<u>Description</u>	<u>FY12</u> <u>Actual</u>	<u>FY13</u> <u>Original</u>	<u>FY14</u> <u>Approved</u>	<u>Change</u> <u>13 to 14</u>
Personnel	\$ 356,348	\$ 400,536	\$ 400,955	0.1%
Operation	6,111,497	7,342,310	7,704,771	4.9%
Capital	5,753	550	550	0.0%
<b>Total</b>	<b>\$ 6,473,598</b>	<b>\$ 7,743,396</b>	<b>\$ 8,106,276</b>	<b>4.7%</b>
Personnel Complement*	N/A	N/A	N/A	N/A

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

	Performance Measures			
	FY12	FY13	FY14	Change 13 to 14
<b>Workload Measures</b>				
Children Served	281	290	290	0
Children Served in Residential Programs	30	35	35	0

Public Health, Education and Social Services; a local government administrator; a private provider representative; and a parent representative.

In FY2013-14, CSA will fund services for an estimated 290 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 \$7,685,051 or 94.8 percent of the total budget, yielding an administrative component of 5.2 percent. The FY2013-14 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. Staff has had an active role in the development of prevention services through participation in all Family Partnership Meetings. This initiative was led by the Department of Social Services and is now being implemented across all County child serving agencies.

In addition, CSA has worked in coordination with Henrico County Public Schools (HCPS) and the Court Services Unit to focus on a truancy initiative that addresses school attendance issues. By providing community based services to the children and families; the goal is to eliminate the requirement of court intervention. Funding for this initiative is slated to come through the Promoting of Safe and Stable

Families (PSSF) grant. Based on established outcome measures, these grant monies for FY2013-14 will be focused on prevention and support within the social services system as well.

In FY2011-12 a total of 281 children were served through CSA funding. Additionally, 30 youth and families received services funded through the Promoting Safe and Stable Families Program, bringing the total number of children served to 311.

CSA works closely with HCPS in reviewing students at risk for private school placements. Beginning in FY2010-11, funding for one to one behavioral aides in the public schools was not funded through CSA as this expense is now the responsibility of the school system. As projected, more students have been placed in more restrictive private educational settings through an Individualized Education Plan (IEP). Also, there are more students being transferred into the HCPS from other localities with IEP’s written for private day placements. The review of these placements by HCPS, with the support of CSA, is essential to focus on bringing students back into the public school setting.

Members of the CSA staff have provided consistent utilization review of children placed in congregate care dramatically reducing the length of time for residential stays. CSA services are critical for discharge planning and maintaining the goal of returning home. CSA staff have also been very active in working with residential service providers to obtain Private Parental placements for children with serious mental health issues; thus, eliminating the cost to CSA.

The FY2013-14 budget for CSA continues the local match requirement for Medicaid costs incurred by the State on behalf of Henrico’s CSA unit. Based on the current trend in Medicaid payments for CSA children, the estimated local match for FY2013-14 is \$337,950. This forecasted amount is based on an estimated total Medicaid billing of \$1,800,000 at the State level.

CSA (cont'd)

The actual cost of CSA services had historically risen approximately 10.0 percent annually through FY2007-08. However, the following five year history shows dramatic reductions in the cost of the program from FY2007-08 to FY2010-11. In FY2011-12, the trend reversed and the costs rose by \$543,439, or 9.2 percent.

Among the reasons for the reduced costs were 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.

Fiscal Year	Actual Expenses	Change
FY2007-08	\$9,330,911	
FY2008-09	\$8,607,835	-\$723,076
FY2009-10	\$7,228,497	-\$1,379,338
FY2010-11	\$5,927,142	-\$1,301,355
FY2011-12	\$6,470,581	\$543,439

During FY2011-12, the number of children being placed in foster care rose, primarily due to situations of abuse, neglect, mental illness and substance abuse by caretakers. Additionally, the number of children

being placed in congregate care in FY2011-12, and thus far in FY2012-13 has also risen as a result of the need for consistent and structured treatment to meet the mental health needs of youth.

Alternative funding sources such as the Mental Health Non-mandated Initiative and Virginia Juvenile Community Crime Control Act, which had previously been utilized to fund low-end services, have experienced State funding cuts. In order to support these children in the community, there have been increased requests for prevention services to be funded through the Comprehensive Services Act.

In FY2013-14, the County will provide a projected total of \$3,602,531 as a direct match for all 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. Mandated services will receive local funding in the amount of \$2,972,213. CSA administration will receive \$292,368 in local funding. In addition, the County will provide a forecasted local match of Medicaid services totaling \$337,950 for a total contribution of \$3,466,423. The State will provide funding for the remainder of the CSA budget, totaling \$4,503,745, less the Medicaid local match of \$337,950, for a net contribution of \$4,165,795.

# 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 FY2013-14 are \$12,345,699, inclusive of a General Fund subsidy of \$3,049,001. Outside of the General Fund transfer, locally generated revenues are projected to decrease \$69,365 or 0.6 percent as compared to the prior fiscal year. The General Fund subsidy for FY2013-14 is decreasing by \$15,000, or 0.5 percent from the prior fiscal year. Revenues are sufficient to cover all operating expenditures for Solid Waste in FY2013-14. Total expenditures of \$12,345,699 reflect a decrease of \$69,365, or 0.6 percent compared to the FY2012-13 approved budget.

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 3,322,752	\$ 3,784,681	\$ 3,780,316	(0.1%)
Operation	6,449,185	7,310,283	7,123,243	(2.6%)
Capital	1,095,550	1,237,000	1,359,040	9.9%
Total Solid Waste	<u>\$ 10,867,487</u>	<u>\$ 12,331,964</u>	<u>\$ 12,262,599</u>	<u>(0.6%)</u>
Street Lights	76,429	83,100	83,100	0.0%
Total Solid Waste/Street Lights	<u>\$ 10,943,916</u>	<u>\$ 12,415,064</u>	<u>\$ 12,345,699</u>	<u>(0.6%)</u>
 Personnel Complement	 69	 69	 69	 0

*Solid Waste (cont'd)*

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Tons Collected by Refuse	39,335	39,000	39,000	0
Tons Collected by Bulky Waste Service	753	600	600	0
Tons Collected by Outside Sources	47,369	43,000	43,000	0
Tons Collected by Neighborhood Cleanups	3,038	3,100	3,100	0
Tons Deposited in Public Use Areas	29,888	31,000	31,000	0
Number of Refuse Customers	41,121	41,700	42,300	600

The personnel component of the Division of Solid Waste's FY2013-14 budget reflects a decrease of \$4,365, or 0.1 percent from the prior year approved budget. The entirety of this decrease is the result of turnover of staff in FY2012-13, partially offset by increased salary costs associated with Senate Bill 497, which mandated a 5.0 percent salary increase, as well as a 5.0 percent reduction in the VRS requirement. Also, partially offsetting the decrease were increases in healthcare and VRS Life, as well as an increase in FICA, which corresponds to the 5.0 percent increase in salaries.

The operating component of the budget is decreasing \$187,040, or 2.6 percent from the FY2012-13 approved budget, due to targeted reductions in multiple areas based upon anticipated expenditure needs. The capital outlay component of the budget is increasing \$122,040, or 9.9 percent for the purchase of machinery and equipment, motor vehicles and computer equipment. Specifically, two new rubber tired wheel loaders, 55 new refuse collection carts, five new replacement roll off boxes, two replacement Motorola radios, one replacement rear loader refuse truck, one replacement dump truck, two new road tractors, two replacement automated refuse trucks, as well as one laptop computer and four desktop computers. Overall, the operating and capital components of the budget reflect a decrease of \$65,000, or 0.8 percent from the FY2012-13 approved budget.

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 \$2,041,218 and represents an increase of \$72,278, or 3.7 percent relative to the compared to the prior year approved budget. The increase is due to a budgeted increase in electric services of \$3,800, or 47.5 percent, as well as an increase of \$122,040, or 9.9 percent, representing the entire increase in the capital outlay component of the proposed budget.

**Collections Operations:**

The budget for Collection Operations totals \$3,952,931, and represents an increase of 1.9 percent when compared to the prior fiscal year approved budget.

**Refuse Collection**

The budget for the Refuse Collection area is \$2,909,229, an increase of \$69,165, attributed to increases in personnel costs and vehicle repair costs due to the increasing complexity of refuse trucks and associated external service repairs. Weekly refuse collection services are provided to over 40,000 households in the County by eleven refuse collection crews, operating County owned equipment.

**Bulky Waste Collection**

Bulky Waste Collection operates during normal business hours and will collect large items, such as furniture, appliances and yard waste, and deposit them in 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 FY2013-14 budget continues to include the estimated cost

### *Solid Waste (cont'd)*

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 \$140,127, representing a reduction of \$15,000 from the prior year approved budget. The decrease is related to the proposed reduction of one bagged leaf collection from the existing schedule, in order to optimize collection efforts based upon seasonal and customer demand. Bagged Leaf Services will now provide two collection periods, the first running from mid-November through mid-January (8 weeks total), and the second running from mid-March through mid-April (4 weeks total). Collections will continue to operate in each neighborhood according to a published Leaf Collection Schedule. A transfer from the General Fund fully supports the costs associated with Bagged Leaf Services.

#### Community and Neighborhood Cleanup

Cleanup expenditures total \$532,072 in FY2013-14, which remains flat from the prior fiscal year approved 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 a General Fund subsidy.

#### **Processing and Disposal:**

The budget of \$6,187,448 in FY2013-14 for Processing and Disposal represents a reduction of \$199,435, or 3.1 percent, due to identified savings in a number of line items. These targeted reductions were offset by an increase in the personnel component of the budget of \$19,656, or 1.3 percent from the prior year, due to a slight increase in salaries, and corresponding increases in benefits costs, as a result of Senate Bill 497.

The Processing and Disposal budget components covers recycling, landfill and the public use areas.

#### Recycling

Recycling expenditures total \$3,148,877 in FY2013-14, representing a decrease of \$4,037, or 0.1 percent, attributable to identified savings in targeted line items within the operating component of the budget. The County contracts recycling services through the Central Virginia Waste Management Authority (CVWMA). The curbside recycling program serves

approximately 85,000 homes in the County at \$1.95 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, the FY2013-14 budget for which totals \$1,975,783. The landfill accepts refuse from the County's Refuse Collection Service, Public Use Areas, Bulky Waste Collection, and Neighborhood Cleanups, as well as from private haulers. The budget in this area is decreasing \$177,632, or 8.2 percent in FY2013-14, due to targeted decreases in several line items identified throughout the operating component of the budget.

#### Public Use Areas

The FY2013-14 budget for the Public Use Areas is \$984,933, a decrease of \$17,766, or 1.8 percent, due to targeted decreases in line items identified within the operating component of the budget. 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 1<sup>st</sup>, July 4<sup>th</sup>, Thanksgiving Day and Christmas Day. The Public Use Areas receive approximately 31,000 tons of refuse annually.

#### Landfill Post Closure

Landfill Post Closure expenditures of \$77,855 in FY2013-14 represent no change from the prior year approved budget, and are for close landfills at Nine Mile Road and Charles City Road.

#### **Litter Control (Keep Henrico Beautiful):**

The budget for Litter Control is increasing by \$782, or 0.8 percent, attributable to an increase in the personnel component of the budget related to Senate Bill 497. 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 \$3,049,001 represents a



*Solid Waste (cont'd)*

reduction of \$15,000, or 0.5 percent from the prior fiscal year approved budget, reflecting the reduction in the subsidy for the Bagged Leaf Program. The total General Fund subsidy includes \$2,137,800 for the curbside recycling program and \$911,201 for the cost of Community and Neighborhood Cleanup activities, Bagged Leaf Collection and Bulky Waste Collection. The subsidy for Bulky Waste Collection is net of the revenue from the \$43 per trip fee. The FY2013-14 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>FY12-13</u>	<u>FY13-14</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	140,127	(9.7%)
Total	\$3,064,001	\$3,049,001	(0.5%)

The history of Community Maintenance Cleanup projects are as follows:

<u>Community Maintenance</u>	<u>No.</u>	<u>Total Cost</u>
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
FY2009-10	31	\$398,857
FY2010-11	31	\$388,895
FY2011-12	30	\$387,051

This compares to the summary of Neighborhood Cleanup projects below:

<u>Neighborhood Cleanups</u>	<u>No.</u>	<u>Total Cost</u>
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
FY2009-10	40	\$13,512
FY2010-11	39	\$14,843
FY2011-12	41	\$14,860

***Street Lighting***

The County provides street lighting in certain areas and the costs for street lighting are supported by supplemental tax levies to residents and businesses in those areas. The budget for FY2013-14 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 FY2013-14 total \$83,100, representing no change from the prior year approved budget.

The street lighting personal property levy for each Sanitary District remains at \$0.001 for all districts and proposed real property levies remain unchanged for FY2013-14 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. The program was adopted on August 14, 2001 by the Board of Supervisors and will reduce the number of BMPs constructed for future development projects by providing more cost effective alternatives through a comprehensive, watershed management approach. Use of a subdivision lot for a BMP device not only reduces revenue for the developer by preventing the sale of this lot, but also effectively decreases the value of adjacent lots. The Best Management Practices Program will eventually be phased out as the new Watershed Management Program is implemented. Eventually, all revenue will be generated through the new Environmental Fund that was established to fund projects identified by the Watershed Management Program.

### Objective

- To provide the long-term maintenance of BMP devices in accordance with Federal and State regulations.

### Budget Highlights

The approved budget of \$50,000 is based on the amount of anticipated fee revenue. The BMP maintenance fee is \$100 per lot and is paid by

### Annual Fiscal Plan

Description	FY12 Actual	FY13 Original	FY14 Approved	Change 13 to 14
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	50,000	50,000	50,000	0.0%
Capital	0	0	0	0.0%
<b>Total</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>0.0%</b>
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.

for the environmental fund is \$8,000 per pound of pollutant removal required and is paid by developers prior to POD approval and subdivision recordation. At this time, the Department plans to conduct individual projects through Requests For Proposal and Professional Service Agreements.

The alternative storm water management program was adopted on August 14, 2001 by the Board of Supervisors. The Program provides alternatives to construction of BMPs in certain areas and will reduce the number of BMPs constructed in the future. To offset the storm water treatment that will not be provided by those BMPs, the Department of Public Works will use funds generated by the Program to conduct projects along streams to improve water quality. These projects will include stream restoration, stream bank stabilization, a streamside buffer establishment, and stream obstruction removal. Funding will also be made available for large, regional BMPs as opportunities become available through cooperation with developers and citizens. Expenditures from this program will not exceed revenues generated.

### Objective

- To restore streams and otherwise improve water quality in order to achieve the mandated levels of water quality benefit as the typical on-site BMP approach.

### Budget Highlights

The approved budget of \$847,000 is based on the amount of anticipated revenue to be generated from this program, which began in FY2002-03. The fee

### Annual Fiscal Plan

Description	FY12 Actual	FY13 Original	FY14 Approved	Change 13 to 14
Personnel	\$ 0	\$ 0	\$ 0	0.0 %
Operation	426,157	847,000	847,000	0.0 %
Capital	0	0	0	0.0 %
Total	<u>\$ 426,157</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 2013-14**

**Water and Sewer Enterprise Fund**

Revenues/Resources	FY 11-12 Actual	FY 12-13 Original	FY 13-14 Approved
<u>Water and Sewer Operating Budget:</u>			
Sale of Water	\$45,148,494	\$45,887,535	\$47,352,774
Sale of Sewer	42,060,417	44,497,991	44,936,300
Water Connection Fees	3,291,922	3,239,278	1,873,630
Sewer Connection Fees	3,620,525	1,377,088	1,736,483
Interest Earnings	1,026,710	848,276	862,168
Strong Waste Surcharge	2,173,366	1,485,000	1,700,000
VA DEQ Grant	479,752	0	0
Other Water/Sewer revenues	1,769,277	1,855,000	1,905,212
Transfer from General Fund	756,608	756,608	1,931,608
<b>Total Operating Revenues</b>	<b>100,327,071</b>	<b>99,946,776</b>	<b>102,298,175</b>
<u>Operating Expenditures</u>			
<u>Water and Sewer Operating Budget:</u>			
Personnel	18,819,650	19,993,542	20,234,453
Operating	36,058,744	37,452,511	38,922,511
Capital Outlay	691,906	785,527	785,527
<b>Sub-Total Operating</b>	<b>55,570,300</b>	<b>58,231,580</b>	<b>59,942,491</b>
Debt Service	16,420,866	22,783,414	21,273,746
<b>Total Operating Expenditures</b>	<b>71,991,166</b>	<b>81,014,994</b>	<b>81,216,237</b>
<b>Results of Operations (Prior to Capital Expenses)</b>	<b>28,335,905</b>	<b>18,931,782</b>	<b>21,081,938</b>
<b>Budget For Capital Use (Below)</b>	<b>n/a</b>	<b>(89,764,219)</b>	<b>(16,733,480)</b>
<b>Capital Budget Expenditures</b>			
	<b>FY11-12 Actual</b>	<b>FY12-13 Original</b>	<b>FY13-14 Approved</b>
Approved Capital Projects (FY2012-13 Budget)		89,764,219	
Proposed Capital Projects (New FY2013-14 Budget)			16,733,480
Continuing Capital Projects (Previously Approved) (1)	37,896,778	0	
Total Capital Budget Expenses:	37,896,778	89,764,219	16,733,480
<b>Capital Budget Resources</b>			
Water and Sewer Revenues	34,485,296	89,764,219	16,733,480
Revenue Bonds (2006 Series)	662,364	0	0
AARA- Federal Stimulus Funds	23,253	0	0
RZEDB - Recovery Zone Economic	2,725,865	0	0
Total Capital Budget Resources:	37,896,778	89,764,219	16,733,480
Fund Equity (Unreserved) (2)	60,371,868	101,789,995	26,648,366

Notes:

- (1) This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2011-12 represents actual spending, as per the 2012 audit.
- (2) FY12 Fund Equity represents actual unreserved equity, as per 2012 audit. FY2012-13 and FY2013-14 unreserved fund equity is based on current cash flow model prepared by the Department. Totals from above do not equal fund equity, as there is also a reserved component that cannot be calculated annually.

# PUBLIC UTILITIES

## Water and Sewer

### Description

The Water and Sewer Enterprise Fund accounts for the provision of water and sewer services to residents of Henrico County. All activities necessary to provide such services are accounted for in this fund, including construction, financing, and related debt service. The total cost of water and sewer services is funded by user charge revenue. No County taxes are used to support these services.

Henrico purchased all of its water requirements from the City of Richmond prior to April, 2004. At that time, the Water Treatment Facility (WTF) opened and began providing water to customers, thereby, reducing the quantity of water the County purchases from the City. In addition to water services, the Department is responsible for the installation and maintenance of fire hydrants throughout the County.

Sanitary sewers are separate from storm water collection facilities in the County, and the Department of Public Utilities is responsible for all sanitary sewer services. The Henrico County Water Reclamation Facility (WRF) treats most of the County's wastewater, with a small amount treated by the City of Richmond. Portions of Goochland County, Hanover County and the City of Richmond are also served by the WRF.

### Objectives

- To provide adequate quantities of safe drinking water in compliance with State and Federal regulations and County standards, at equitable rates, and to others with whom the County has contracted to provide service.
- To provide wastewater disposal in a manner consistent with State and Federal laws and regulations, V.P.D.E.S. permits and County standards, at equitable rates, and to others with whom the County has contracted to provide service.

### Budget Highlights

The Public Utilities' Water and Sewer Fund is an enterprise fund, supporting its operating and capital infrastructure expenditures with revenues derived from customer charges and water and sewer revenue bonds.

### Resources

In FY2013-14, projected operating resources of \$102,298,175 will support water and wastewater operations and reflects an increase of 2.4 percent

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 18,819,650	\$ 19,993,542	\$ 20,234,453	1.2%
Operation Expenses	36,058,744	37,452,511	38,922,511	3.9%
Capital	691,906	785,527	785,527	0.0%
Debt Service	16,420,866	22,783,414	21,273,746	(6.6%)
<b>Total</b>	<b>\$ 71,991,166</b>	<b>\$ 81,014,994</b>	<b>\$ 81,216,237</b>	<b>0.2%</b>
 Personnel Complement*	 307	 306	 306	 0

\*One vacant position was moved to the Hold Complement in FY2012-13.

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Average No. of Fire Hydrants in Service	12,167	12,300	12,500	200
Miles of Water Mains	1,558	1,570	1,585	15
Miles of Sewer Mains	1,456	1,475	1,475	0
Number of Water Customers	92,946	93,300	94,000	700
Number of Sewer Customers	90,068	90,400	91,100	700

from the FY2012-13 approved budget, which includes a proposed 5.0 percent increase in water and sewer rates.

In addition to supporting operating requirements, resources must be sufficient to service debt, bond coverage requirements and future capital requirements within the five-year Capital Improvement Program. Due to the nature of the infrastructure maintained by the Water and Sewer fund, consistent infrastructure maintenance and replacement must be planned on a multi-year basis, as opposed to the year-to-year analysis included in each budget cycle.

On an annual basis, Public Utilities performs cash flow projections verifying that cash flows are sufficient to cover current and future operating costs, capital infrastructure improvements, debt service, and bond coverage requirements over a multi-year period. These projections are critical in ensuring that rate changes are sufficient in meeting all of the obligations of the fund. The FY2013-14 budget adheres to that premise.

Payments and transfers from the General Fund in FY2013-14 total \$1,931,608 for debt service, all of which will support the debt service costs related to the Elko Tract infrastructure improvements.

**Expenditures**

The FY2013-14 budget of \$81,216,237 includes expenditures for personnel, operating, capital outlay and debt service. Overall, the Water and Sewer operating budget is increasing by 0.2 percent, or \$201,243. Excluding debt service costs, the FY2013-14 Water and Sewer operating budget is increasing 2.9 percent or \$1,710,911 from the FY2012-13 approved budget. The increase is due to both increased personnel costs as well as an increase in the operating portion of the budget to support maintenance needs at the Water

Treatment Facility (WTF) and the Water Reclamation Facility (WRF).

In addition to the operating budget, the Water and Sewer capital budget (found within the Capital budget component of this budget document) totals \$16,733,480 for FY2013-14. 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 FY2013-14 operating budget are as follows.

Personnel Expenses:

Personnel expenditures of \$20,234,453 represent an increase of \$240,911, or 1.2 percent, when compared to the approved budget for FY2012-13. The increase is attributable to costs resulting from State legislation (Senate Bill 497) requiring a 5.0 percent employee contribution to employee pensions. The implementation of this legislative mandate resulted in an increase in salaries and corresponding benefits costs, partially offset by a decrease in the cost of VRS Retirement. The increase in personnel was partially offset by the budgeting of a vacancy savings rate of 2.0 percent totaling \$341,397.

Operating Expenses:

Operating expenses of \$39,708,038 represent an increase of \$1,470,000, or 3.9 percent, from the prior year budgeted totals, specifically to address maintenance needs at both the Water Reclamation and Water Treatment Facilities. The increase in costs related to maintenance at the Water Reclamation Facility (WRF) totals \$770,000. The increase in costs related to maintenance at the Water Treatment Facility (WTF) totals \$700,000, and includes the replacement of carbon for three filters at the facility.

*Public Utilities (cont'd)*

The maintenance at both facilities is required due to the ageing of the plants, and several items of machinery and equipment approaching their useful lives, therefore requiring ongoing maintenance.

Capital Outlay Expenses:

Capital outlay expenditures in FY2013-14 total \$785,527, which represents no change from the FY2012-13 adopted budget.

Debt Service Requirements:

Debt service expenditures of \$21,273,746 represent a net decrease of \$1,509,668 or 6.6 percent when compared to the current fiscal year. The reason for this decrease is partly due to the full-year funding of principal and interest payments for an anticipated \$85 million issuance of new debt in FY2012-13 at a 5.0 percent rate of interest that hasn't yet occurred. It is anticipated that \$100 million of new debt will be issued in FY2012-13 at an approximate rate of interest of 4.0 percent, resulting in a reduction in the projected principal and interest payments. The budget for FY2013-14 reflects a full year of funding for the anticipated issuance of \$100 million during FY2012-13. Also contributing to the decrease is the retirement of 2002 Refunding Bonds, which will not require debt service funding in the coming fiscal year.

The debt service budget will fully fund requirements arising from the Water and Sewer Fund's outstanding debt, which on June 30, 2012 was \$168.4 million, as well as the projected FY2012-13 debt issuance. According to bond covenants for outstanding debt, the Water and Sewer Fund must ensure that net operating revenues be at least 1.25 times the debt service requirements. In the year that ended June 30, 2012, this coverage equaled 2.18 times the debt service requirements (Source: FY2011-12 Henrico County Comprehensive Annual Financial Report).

Debt service expenditures, in total, represent 26.1 percent of the FY2013-14 operating expenditures. As a note, this is a much higher percentage than what is seen in the General Fund (target of 7.75 percent of General Fund expenditures), and is representative of another difference between the County's General Fund and the Water and Sewer Fund.

FY2013-14 Capital Budget:

Specific details regarding the Water and Sewer Fund capital budget for FY2013-14 may be found within the capital budget component of this document.

The capital budget for the Water and Sewer Fund totals \$16,733,480. It should be noted that the five-year Capital Improvement Program for the Water and Sewer fund totals \$404,858,529. This amount represents 24.1 percent of the total County five-year Capital Improvement Program. However, when looking at the County's FY2012-13 operating budget, the Water and Sewer fund represents 7.8 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 FY2013-14 budget for the Department of Public Utilities continues to plan for infrastructure improvement and replacement, meet all debt service coverage requirements, and cover all known fixed operational cost increases. Because of the continued emphasis on multi-year planning and strong financial policies, the County of Henrico Department of Public Utilities possesses AAA bond ratings from two of the top three rating agencies, one of a few public utilities in the United States to possess two AAA bond ratings.

Historical Depiction of Fund Equity (Outside of Restricted Equity for Accounts Receivable, and Debt Service Coverage Requirements):

At the end of each year, the annual audit offers a depiction of fund equity that is available largely for future year infrastructure improvements in the Capital Improvement Program. For the past five years, this unrestricted fund equity has been noted as follows:

FY08: \$107,686,434  
FY09: \$ 86,679,593  
FY10: \$ 83,058,432  
FY11: \$ 60,371,868  
FY12: \$ 51,395,132

(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 FY2013-14 is \$1,233,733, which represents an overall increase of 0.4 percent when compared to the FY2012-13 approved budget. This budget includes \$1,061,114 for operation and maintenance of the Golf Course, \$150,119 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 total personnel component increased 0.8 percent due to increases in group life and health care benefit costs in addition to the General Assembly mandated 5.0 percent salary increase partially offset by a reduction in the VRS requirement. Operating expenditures are forecasted to increase by \$4,038 while the capital outlay component is expected to decrease by the same amount.

Capital outlay expenditures for the operation of the Belmont Golf Course total \$36,212 while capital expenditures for the Snack Bar total \$450. The Division anticipates the replacement of two utility vehicles, the air conditioner for the Snack Bar, and a commercial-grade toaster. The rehabilitation project for FY2013-14 is the replacement of three water cooler stations on the golf course.

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 remain the same in FY2013-14. The last time greens fees were increased was FY2010-11 when they were increased \$1.

## Annual Fiscal Plan

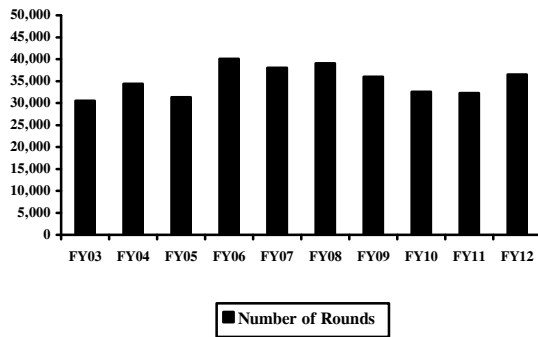
<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 598,338	\$ 612,214	\$ 617,140	0.8%
Operation	512,347	553,393	557,431	0.7%
Capital	31,022	40,700	36,662	(9.9%)
Debt Service	0	22,500	22,500	0.0%
<b>Total</b>	<b>\$ 1,141,707</b>	<b>\$ 1,228,807</b>	<b>\$ 1,233,733</b>	<b>0.4%</b>
 Personnel Complement	 9	 9	 9	 0

*Belmont Golf Course (cont'd)*

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Rounds of Golf Played	36,499	40,000	40,000	0
Equipment Man Hours	22,750	22,750	22,750	0

In reviewing the number of rounds played over the past ten fiscal years, the most recent year saw an uptick in rounds played after a downward trend during the recent economic downturn. Marketing efforts have been undertaken in an attempt to mitigate the decline in rounds played, and those efforts will continue.

**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 2013-14**

<u>Fund-Function/Activity</u>	<u>FY 11-12 Actual</u>	<u>FY 12-13 Original</u>	<u>FY 13-14 Approved</u>
<b>Internal Service Funds</b>			
<b>Central Automotive Maintenance</b>			
Revenues:			
Charges for Automotive Maintenance - West	\$6,433,373	\$6,040,842	\$6,370,000
Charges for Automotive Maintenance - East	1,886,220	1,460,000	1,890,000
Charges for Use of Motor Pool	4,210,174	4,123,235	4,225,000
Charges for Gasoline	7,693,602	8,586,096	7,658,542
Miscellaneous	451,930	251,000	272,100
(Gain)/Loss on Sale of Property	(246,198)	0	0
Transfer to Capital Projects	526,255	0	0
Fund Balance-CAM	204,860	0	0
<b>Total Revenues</b>	<b><u><u>\$21,160,216</u></u></b>	<b><u><u>\$20,461,173</u></u></b>	<b><u><u>\$20,415,642</u></u></b>
Expenses:			
Central Automotive Maintenance	<u>\$21,160,216</u>	<u>\$20,461,173</u>	<u>\$20,415,642</u>
<b>Total Expenses</b>	<b><u><u>\$21,160,216</u></u></b>	<b><u><u>\$20,461,173</u></u></b>	<b><u><u>\$20,415,642</u></u></b>
<b>Technology Replacement Fund</b>			
Revenues:			
Technology Replacement Charges	\$1,760,980	\$0	\$0
Technology Replacement Charges-Special Revenue	44,692	0	0
Technology Replacement Charges-Belmont	2,922	0	0
Technology Replacement Charges-JRJDC	2,058	0	0
Technology Replacement Charges-Risk	2,240	0	0
(To) From Retained Earnings - Technology	465,807	2,864,873	1,514,113
<b>Total Revenues</b>	<b><u><u>\$2,278,699</u></u></b>	<b><u><u>\$2,864,873</u></u></b>	<b><u><u>\$1,514,113</u></u></b>
Expenses:			
Data Processing Equipment	<u>\$2,278,699</u>	<u>\$2,864,873</u>	<u>\$1,514,113</u>
<b>Total Expenses</b>	<b><u><u>\$2,278,699</u></u></b>	<b><u><u>\$2,864,873</u></u></b>	<b><u><u>\$1,514,113</u></u></b>

*All Other Funds (cont'd)*

<u>Fund-Function/Activity</u>	<u>FY 11-12 Actual</u>	<u>FY 12-13 Original</u>	<u>FY 13-14 Approved</u>
<b>Risk Management</b>			
Revenues:			
Transfer from General Fund	\$7,268,197	\$4,543,437	\$4,407,836
Public Utilities Charges	554,546	629,403	629,403
Recon-Workers' Compensation	697,493	0	0
Prop/Liability Recovery	839,034	0	0
A/R-S1 P/L Subrogation	40,428	0	0
Interest Income	4,355	0	0
<b>Total Revenues</b>	<b><u>\$9,404,053</u></b>	<b><u>\$5,172,840</u></b>	<b><u>\$5,037,239</u></b>
Expenses:			
Risk Management	\$9,404,053	\$5,172,840	\$5,037,239
<b>Total Expenses</b>	<b><u>\$9,404,053</u></b>	<b><u>\$5,172,840</u></b>	<b><u>\$5,037,239</u></b>
<b>Healthcare Fund</b>			
Revenues:			
County Contribution	\$60,295,433	\$66,216,272	\$69,460,436
Employee Contribution	15,335,139	16,484,670	17,308,904
Retiree Contribution	5,343,300	6,188,432	6,497,853
Retiree Subsidy	583,506	621,320	767,506
Disabled Subsidy	128,080	170,387	150,242
COBRA	173,463	302,068	317,172
Other Revenues	68,425	75,000	75,000
Early Retirement Reimbursement Program	823,487	888,352	823,487
Healthcare - Wellness Payment	0	0	150,000
Fund Balance (Includes IBNR)	136,707	2,000,000	1,000,000
<b>Total Revenues</b>	<b><u>\$82,887,540</u></b>	<b><u>\$92,946,501</u></b>	<b><u>\$96,550,600</u></b>
Expenses:			
Healthcare	\$82,887,540	\$92,946,501	\$96,550,600
<b>Total Expenses</b>	<b><u>\$82,887,540</u></b>	<b><u>\$92,946,501</u></b>	<b><u>\$96,550,600</u></b>
<b>Debt Service Fund</b>			
Revenues:			
Transfer from General Fund	\$52,854,043	\$58,982,785	\$58,988,994
(To) From Fund Balance	2,471,243	2,000,000	0
<b>Total Revenues</b>	<b><u>\$55,325,286</u></b>	<b><u>\$60,982,785</u></b>	<b><u>\$58,988,994</u></b>
Expenditures:			
Accounting	\$462,481	\$0	\$0
Debt Service - General Government	14,024,595	18,525,219	19,031,464
Debt Service - Public Works	2,954,631	3,200,263	3,392,363
Debt Service - Education	37,883,579	39,257,303	36,565,167
<b>Total Expenditures</b>	<b><u>\$55,325,286</u></b>	<b><u>\$60,982,785</u></b>	<b><u>\$58,988,994</u></b>
<b>Adjustment for Interfund Transactions</b>	<b><u>(\$84,445,934)</u></b>	<b><u>(\$87,469,152)</u></b>	<b><u>(\$90,793,826)</u></b>

## 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 FY2013-14 is \$20,415,642. This represents a decrease of \$45,531, or 0.2 percent when compared to the FY2012-13 approved budget. Personnel costs are decreasing \$45,531, or 1.1 percent as a result of turnover in the division. Partially offsetting the decrease is the impact of Senate Bill 497, which required a 5.0 percent salary increase, partially offset by a reduction in the VRS Requirement.

The overall operating component totals \$16,423,082, which reflects no change when compared to the FY2012-13 approved budget. The capital component, excluding vehicles, totals \$210,465 for FY2013-14. Capital expenditures include three 64,000 pound mobile lifts, one snap on scanner, four mechanic's vices, one rim clamp tire changer, one automotive tire balancer, one parts washer, one drive impact wrench, two work benches, one truck tire balancer, one truck tire changer, one 12/24 volt jump box, two battery chargers, one air conditioner charging station and the scheduled replacement of 28 personal computers originally purchased in 2009.

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Personnel	\$ 3,753,946	\$ 4,038,091	\$ 3,992,560	(1.1%)
Operation	15,407,170	16,423,082	16,423,082	0.0%
Capital	1,999,100	2,462,110	2,989,965	21.4%
Sub-Total	<u>\$ 21,160,216</u>	<u>\$ 22,923,283</u>	<u>\$ 23,405,607</u>	<u>2.1%</u>
Recommended Adjustments	0	(2,462,110)	(2,989,965)	
Total Budget	<u>\$ 21,160,216</u>	<u>\$ 20,461,173</u>	<u>\$ 20,415,642</u>	<u>(0.2%)</u>
Personnel Complement	67	67	67	0

Central Automotive Maintenance (cont'd)

**Performance Measures**

	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Total Vehicles/Equipment Maintained by CAM	3,361	3,395	3,395	0
Gallons of Fuel Consumed	2,940,537	2,918,184	2,880,688	(37,496)
Annual Miles Driven	24,553,438	24,366,836	24,053,745	(313,091)
Equipment to Mechanic Ratio	83	83	82	(1)

The FY2013-14 budget also includes \$2,779,500 for the replacement of 110 motor pool vehicles, as compared to \$2,285,400 for the replacement of 88 motor pool vehicles in the FY2012-13 approved budget. Vehicles scheduled to be replaced next year include 23 compact sedans, 9 full-size police sedans, 3 mid-size sedans, 4 vans, 11 sport utility vehicles, and 60 trucks.

The Division of Central Automotive Maintenance is an internal service fund due to its ability to generate revenues that offset its expenditures. The majority of CAM's revenues are generated from charges to user departments for three primary services: automotive maintenance, motor pool, and fuel. Revenues from automotive maintenance performed at both the West End and East End maintenance facilities are estimated at \$8,260,000 for FY2013-14.

Motor pool revenues are projected at \$4,225,000 in FY2013-14. 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 (110 vehicles are scheduled for replacement in the FY2013-14 budget).

The estimate for CAM's fuel revenues totals \$7,658,542 for FY2013-14. Fuel consumed by a department owned vehicle is charged to departments at actual cost plus a markup per gallon which covers the

cost of providing the fuel service. In FY2013-14, the charge per gallon of diesel fuel is estimated at \$3.52 and the charge per gallon of gasoline is \$3.13. 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
FY2008-09	\$2.61	\$2.52
FY2009-10	\$3.59	\$3.50
FY2010-11	\$3.13	\$3.04
FY2011-12	\$3.13	\$3.04
FY2012-13	\$3.13	\$3.04
FY2013-14	\$3.13	\$3.04

Diesel (per gallon)	Dept Cost	CAM Cost
FY2008-09	\$2.61	\$2.52
FY2009-10	\$3.84	\$3.75
FY2010-11	\$3.52	\$3.43
FY2011-12	\$3.52	\$3.43
FY2012-13	\$3.52	\$3.43
FY2013-14	\$3.52	\$3.43

Miscellaneous revenue for CAM is projected at \$272,100 for FY2013-14 and includes the sale of vehicles, employee use of County vehicles, recoveries and rebates, and revenues from the energy connect program.



# TECHNOLOGY REPLACEMENT FUND

## Description

The Technology Replacement Fund was created in FY2000-01 to serve as an internal service function for general government technology replacement costs. This fund provides for the replacement of general government computers and related technology equipment. Individual departments will, on an annual basis, transfer funds from their operating budgets to the Technology Replacement Fund for future replacement of computer and related technology equipment included in the program.

## Objectives

- To allow Henrico County to utilize technological advancements as they occur.
- To spread the cost of replacing technology equipment over a period of multiple years to reduce the impact of large one-time purchases in a given year.
- To provide centralized accounting to accurately monitor the number and cost of technology equipment replacement.
- To ensure the County does not find itself in the position of having to issue long term debt to pay for routine technology equipment.

## Budget Highlights

The FY2013-14 approved budget for the Technology Replacement Fund totals \$1,514,113. The budget includes \$57,130 for the purchase of new computer equipment and software, which will be added to the program and \$1,456,983 for the replacement of computer equipment and software. The request for replacement equipment includes equipment that is eligible and approved by the Department of Information Technology for replacement based on age and usage. In an effort to reduce expenses, departments have been requested to review computer requirements to determine if an extended replacement cycle is practical based on the use of the computer.

In FY2013-14, funding of \$57,130 is included for the purchase of ruggedized laptops and required accessories which will be utilized by ten new Police Officers.

The FY2013-14 request for replacement computer equipment totals \$1,456,983. The departments that made formal requests for equipment replacement in FY2013-14 are the Building Inspections, Community Revitalization, County Attorney, County Manager, Division of Fire, Finance, General Services, Human Resources, Information Technology, James River Juvenile Detention Center, Planning, Police Division, Public Library, Public

### Annual Fiscal Plan

Description	FY12 Actual	FY13 Original	FY14 Approved	Change 13 to 14
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	412	33,839	25,443	(24.8%)
Capital	2,278,287	2,831,034	1,488,670	(47.4%)
<b>Total</b>	<b>\$ 2,278,699</b>	<b>\$ 2,864,873</b>	<b>\$ 1,514,113</b>	<b>(47.1%)</b>

*Technology Replacement Fund (cont'd)*

<b>Performance Measures</b>				
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Funds Transferred from Departments	1,812,892	-	-	0
Accumulated Value of Equipment	11,357,494	11,357,494	11,414,624	57,130
Computers in Program	2,833	2,833	2,843	10
Other Equipment in Program	1,027	1,027	1,027	0
<b>Effectiveness Measures</b>				
Percent of Eligible Departments in Program	100%	100%	100%	0%

Relations and Media Services, Public Works, Real Property, and Recreation and Parks.

FY2013-14 will mark the fourteenth year of the program, and is the eleventh year equipment in the fund can be replaced. It should be noted that in the current year, there are 2,833 computers and 1,027

other pieces of equipment in the program, which has an accumulated value of \$11,357,494. As of June 30, 2012, the Technology Replacement Fund had accumulated \$8,853,039 for future equipment replacement. The forecasted accumulated balance for the Fund as of June 30, 2014 is \$4,474,053.

# 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 FY2013-14 budget is reflected within the Internal Service Fund series as Risk Management and provides services to all areas of General Government and Education, across all funds. In FY2013-14, the budget for Risk Management totals \$5,037,239 and is funded with a transfer of \$4,407,836 from the County's General Fund and a projected transfer of \$629,403 from the County's Water & Sewer Enterprise Fund. The personnel component represents 16.1 percent of the budget while the operating and capital outlay components represent 83.9 percent of the total. A more detailed synopsis of these components will be explained in the individual areas within Risk Management listed below.

In FY2013-14, the budget for the Self-Insurance Administration function of Risk Management totals \$1,037,495. Within the Self-Insurance Administration area, ten employees will provide services including claims administration, healthcare administration, loss prevention, loss control, safety training, coordination of the Environmental Management Program, and administration of the Self-Insurance Fund for General Government and Schools. The complement for Risk Management reflects the reduction of one Senior Management Specialist position, which is now reflected in the Department of Finance's complement within the General Fund. Funding for this position resides within the Healthcare Fund. During FY2013-14, special emphasis will continue in the area of risk assessment of programs and activities in an effort to recognize, reduce, and control risk exposures.

## Annual Fiscal Plan

Description	FY12 Actual	FY13 Original	FY14 Approved	Change 13 to 14
Personnel	\$ 717,680	\$ 893,853	\$ 810,252	(9.4%)
Operation*	8,686,373	4,273,387	4,221,387	(1.2%)
Capital	0	5,600	5,600	0.0%
<b>Total</b>	<b>\$ 9,404,053</b>	<b>\$ 5,172,840</b>	<b>\$ 5,037,239</b>	<b>(2.6%)</b>
 Personnel Complement**	 10	 11	 10	 (1)

\*\$6,338,925 of FY2011-12 actual expenditures was funded through a routine budget amendment utilizing funding available in the Self-Insurance Reserve.

\*\*Reflects Senior Management Specialist position transferred from General Services' budget to Risk Management in FY2012-13, and then to Finance in FY2013-14.

*Risk Management (cont'd)*

<b>Performance Measures</b>				
<b>Workload Measures</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
Workers' Compensation Claims Processed	846	850	850	0
Auto, General Liability, Other Claims Processed	505	500	500	0
Property Damage and Loss Claims Processed	1,101	1,090	1,090	0

In addition, the development and implementation of the Environmental Management Program will continue, including communication of the County's environmental policy, general employee awareness training, establishing objectives through the Environmental Management System (EMS) process and implementing standard environmental operating procedures to ensure compliance with regulations. In FY2013-14, four operational areas will develop and implement an environmental management system. Further, healthcare administration will focus on wellness initiatives and cost containment measures to control County healthcare claims costs to minimize premium increases for plan members.

In FY2013-14, the budget for Claims is \$2,942,997, which includes \$1,670,961 for workers' compensation claim costs and \$1,272,036 for property/liability claims costs. As the number and cost of claims continues to increase, 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 FY2013-14 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 6/30/12 had a balance of \$10.0 million.

## HEALTHCARE FUND

### Description

Effective January 1, 2008, Henrico County's health care program transitioned to a self-insurance program. Prior to this transition, the County's health care program operated as a fully insured program, which, in exchange for the payment of a premium, an insurance company assumed the risk, administered the program, and paid all claims. With the transition to a self-insured program, the County pays claims and third party administrative fees. Self-insurance allows the County to more fully control all aspects of the plan, including setting rates to smooth out the impact of increases on employees and the County, while maintaining adequate funding to cover claims, expenses, and reserves.

### Budget Highlights

The cost to fund healthcare expenses is covered by payments from active employees, the County and the School Board, retirees, and retention of interest earnings. The County and Schools contributions are budgeted in departmental budgets, and the Healthcare Fund charges departments based upon actual participants in the program. Revenues to the Healthcare Fund in excess of expenditures accumulate in a premium stabilization reserve. These funds are utilized to allow the County to maintain rate increases at manageable levels.

The budget for FY2013-14 provides funding of \$96,550,600 for the Healthcare Fund. Included in this figure is \$70,378,184 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 \$26,172,416 reflects anticipated payments from employees and retirees that participate in the program, as well as interest earnings and the utilization of the Revenue Stabilization Reserve. In FY2013-14, the Healthcare Budget also includes \$823,487 in one-time federal Early Retirement Reinsurance Program (ERRP) funding that the County received in FY2010-11. The Healthcare Fund budget also assumes the use of \$1,000,000 from the Premium Stabilization Reserve, which was necessary to minimize the rate increase for the County and its employees for calendar year 2013.

Of the \$96,550,600 budget for Healthcare, \$89,808,376, or 93.0 percent reflects claims expenditures. The balance of \$6,742,224 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 (\$1,600,000). The excess risk insurance protects the County from single large claims greater than \$500,000 and total annual payments greater than 125.0 percent of actuarially projected annual claims. In addition, the budget includes funding for a Senior Management Specialist position, which is located within the Department of Finance's budget within the General Fund. Also included is \$52,000 in funding for the retainer agreement for the County's healthcare consultant. The budget for FY2013-14 also includes costs related to provisions of the Affordable Care Act (ACA), including \$1,100,000 to support a Transitional Reinsurance Fee, as well as \$35,000 for a Patient Centered Outcomes Research Institute (PCORI) fee.

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Claims	\$ 78,279,693	\$ 87,646,501	\$ 89,808,376	2.5%
Personnel*	0	0	105,224	n/a
Other Administrative Fees	4,607,847	5,300,000	5,502,000	3.8%
Payments to Federal Government (ACA)	0	0	1,135,000	n/a
<b>Total Healthcare</b>	<b>\$ 82,887,540</b>	<b>\$ 92,946,501</b>	<b>\$ 96,550,600</b>	<b>3.9%</b>

\*FY2013-14 Approved Budget includes funding for a Senior Management Specialist position recognized in the Department of Finance's personnel complement.

## 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 \$494,888,122 as of June 30, 2013. The distribution of the debt is: \$402,930,000 of General Obligation (GO) bonds (\$267,605,200 for Schools and \$135,324,800 for General Government), \$23,050,000 of Industrial Development Authority (IDA) bonds for the regional jail project, \$6,930,000 of IDA bonds for General Government projects, \$60,230,000 of Virginia Public School Authority (VPSA) bonds, and \$1,748,122 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 \$494,888,122 projected June 30, 2013 outstanding debt, \$327,835,200 or 66.2 percent is attributed to Education projects and \$167,052,922 or 33.8 percent is attributed to General Government projects.

In order to ensure that the County does not exceed its ability to service current and future debt requirements, an annual long-term debt affordability analysis is performed and utilized as a forecasting tool when confronted with the question of potential debt issues. The County has established the following debt affordability guidelines – debt service as a percentage of General Fund Expenditures, 7.75%; debt service as a percentage of assessed value, 1.49%; and debt per capita, \$1,650.

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Principal Payments	\$ 32,290,000	\$ 38,160,001	\$ 37,615,001	(1.4%)
Interest Payments	22,563,583	22,772,784	21,323,993	(6.4%)
Other Debt Expenses	471,703	50,000	50,000	0.0%
Total	<u>\$ 55,325,286</u>	<u>\$ 60,982,785</u>	<u>\$ 58,988,994</u>	<u>(3.3%)</u>
General Government	\$ 17,441,707	\$ 21,725,482	\$ 22,423,827	3.2%
Education	37,883,579	39,257,303	36,565,167	(6.9%)
Total	<u>\$ 55,325,286</u>	<u>\$ 60,982,785</u>	<u>\$ 58,988,994</u>	<u>(3.3%)</u>

### *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.

Following are three of the ratios that are calculated in the debt capacity analysis, which was most recently completed in February 2013. 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 **1.41%** in FY2012-13. The **ratio of debt service to General Fund expenditures** measures the percentage of the budget used to pay debt service and provides a measure of the annual demands placed on the operating budget by the County's long-term debt. This ratio is **7.66%** in FY2012-13. **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 FY2012-13 is **\$1,554**.

#### **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 34 counties in the United States to hold the highest rating from each of the three bond rating agencies, which is referred to as a triple AAA bond rating (Aaa, AAA, and AAA).

#### **Budget Highlights**

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

*Debt Service Fund (cont'd)*

projects, and Recreation and Parks. Of the total \$237,000,000 referendum approved by the voters, Education projects totaled \$170,500,000 and General Government projects totaled \$66,500,000. The financing plan that supported the 2000 GO Bond Referendum utilized \$12,600,000 in VPSA interest earnings and \$4,100,000 from the County's General Fund balance.

The GO Bond referendum approved in November 2000, anticipated the issuance of GO Bonds over a seven year period from FY2000-01 to FY2006-07. In actuality GO Bonds were issued six times over a seven year period with the final issue in November 2006. The following table provides a summary of each GO Bond issue.

<b>Fiscal Year</b>	<b>Amount</b>	<b>Issue Date</b>
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

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 reduced 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



*Debt Service Fund (cont'd)*

improvements to Creighton and Charles City Roads, funding to complete the construction of Deep Run Recreation Center, funding for improvements at Walkertown 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 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. The following table provides a summary of each GO Bond issue.

<b>Fiscal Year</b>	<b>Amount</b>	<b>Issue Date</b>
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	\$72,205,000	July 2010
FY2011-12	\$66,075,000	August 2011

The County issued \$77,815,000 of GO Bonds in August 2005, which included projects from the November 2000 and March 2005 Referenda. 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 Holman 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 Referenda. 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 Holman 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,

*Debt Service Fund (cont'd)*

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.

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.

In May 2009, the County refunded two prior debt issues, the 2001 and 2002 GO Bonds, totaling \$33,785,000 in all. Due to favorable interest rates on AAA bond issues, refunding these two debt issues reduced the County's interest cost by \$1.84 million over the balance of the debt payments.

In August 2009, the County refunded two more prior debt issues, the 1996 Industrial Development Authority (IDA) Lease Revenue Bonds and the 1998 IDA Lease Revenue Bonds, totaling \$36,425,000 in all. These bond refundings generated savings of \$5.2 million over the balance of the debt payments.

In May 2010, the County refunded \$119,735,000 in total debt, associated with six individual debt issues. These bond refundings generated a gross savings of \$3.9 million over the balance of the debt payments.

The County issued \$72,205,000 of GO Bonds in July 2010 for projects from the March 2005

Referendum. The General Government projects, which totaled 10,999,911, included the construction of Fire Station #19, planning and design of a new Varina Area Library, and funding to continue the construction of the North Gayton Road extension. The School projects, which totaled \$61,205,089, included funding for the final funding phase for the construction of 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 created a \$6.2 million Bond Project Reserve to allow for the completion of citizen-approved bond projects that required additional funding.

As a result of the attractive interest rate environment in August 2011, the County decided to combine the planned FY2011-12 and FY2012-13 bond issues into one, which completed all bond issues associated with the \$349.3 million GO Bond Referendum approved in March 2005. In August 2011, the County issued \$66,075,000 of GO Bonds for projects from the March 2005 Referendum. The General Government projects, which totaled \$45,443,418, included planning and construction funding of the Dumbarton Area Library Replacement; construction funding for the Varina Area Library, Short Pump Park, Twin Hickory Park, and the renovation and expansion of Fire Station #13; and funding of \$4.5 million to cover potential future project funding shortfalls in fire and Library projects. Education projects, which totaled \$20,631,582, included construction funding for the renovations of Pinchbeck Elementary School, and funding to be placed in a reserve account to cover future funding shortfalls in bond projects.

In September 2012, the County refunded \$37,500,000 from three prior debt issues, the August 2005 Series GO Bonds, the November 2006 Series GO Bonds, and the August 2010 Series A GO Bonds. This bond refunding generated \$2.4 million in savings over the balance of the debt payments.



## **FUDICIARY FUNDS**

**COUNTY OF HENRICO, VIRGINIA  
REVENUES & EXPENDITURES - AGENCY FUNDS  
FY 2013-14**

<u>Fund-Function/Activity</u>	<u>FY 11-12 Actual</u>	<u>FY 12-13 Original</u>	<u>FY 13-14 Approved</u>
<b>JRJDC Agency Fund</b>			
Revenues:			
Transfer from General Fund	\$3,274,421	\$3,271,174	\$3,267,402
Revenue from Federal Government	114,020	0	0
Revenue from the Commonwealth	1,417,499	1,412,270	1,513,273
Revenue from Goochland/Powhatan	403,306	401,438	401,438
Revenue from Other Localities	116,098	0	0
Interest Income	14,854	0	0
(To) From Fund Balance-JRJDC	391,544	445,138	355,598
<b>Total Revenues</b>	<b><u><u>\$5,731,742</u></u></b>	<b><u><u>\$5,530,020</u></u></b>	<b><u><u>\$5,537,711</u></u></b>
Expenses:			
Operating	\$5,063,800	\$4,853,142	\$4,864,605
Debt Service	667,942	676,878	673,106
<b>Total Expenses</b>	<b><u><u>\$5,731,742</u></u></b>	<b><u><u>\$5,530,020</u></u></b>	<b><u><u>\$5,537,711</u></u></b>
<b>Other Post Employment Benefits - GASB 45</b>			
Revenues:			
Transfer from General Fund	\$2,686,237	\$3,000,000	\$2,500,000
<b>Total Revenues</b>	<b><u><u>\$2,686,237</u></u></b>	<b><u><u>\$3,000,000</u></u></b>	<b><u><u>\$2,500,000</u></u></b>
Expenses:			
Operating	\$2,686,237	\$3,000,000	\$2,500,000
<b>Total Expenses</b>	<b><u><u>\$2,686,237</u></u></b>	<b><u><u>\$3,000,000</u></u></b>	<b><u><u>\$2,500,000</u></u></b>
<b>Line of Duty Act (LODA)</b>			
Revenues:			
Fiduciary Fund Balance	\$313,763	\$500,000	\$0
Operating Transfer from General Fund	\$0	\$0	\$500,000
<b>Total Revenues</b>	<b><u><u>\$313,763</u></u></b>	<b><u><u>\$500,000</u></u></b>	<b><u><u>\$500,000</u></u></b>
Expenses:			
Operating	\$313,763	\$500,000	\$500,000
<b>Total Expenses</b>	<b><u><u>\$313,763</u></u></b>	<b><u><u>\$500,000</u></u></b>	<b><u><u>\$500,000</u></u></b>

## 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 offences. 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.

#### Objectives

- To operate a safe and secure facility for residents and staff, free of serious incidents.
- To establish and maintain a quality system of health and physical care for residents.
- To provide quality programs and services for residents that enable them to return to their communities better equipped for a productive, crime-free life.
- To encourage and develop the professional skills of all employees.

#### Budget Highlights

The James River Juvenile Detention Commission (JRJDC) is a regional organization of Goochland, Powhatan, and Henrico Counties, formed to operate a juvenile detention facility. Henrico as majority partner serves as the fiscal agent for the operation of the JRJDC. This arrangement 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 \$4,864,605 for FY2013-14. This represents an overall increase of 0.1 percent above the FY2012-13 Approved budget. Personnel costs are budgeted to grow by \$31,463, or 0.7 percent, due to growth in healthcare expenses, as well as the benefit costs associated with the Commonwealth's mandate of a 5.0 percent pay raise in FY2012-13, partially offset by a reduced VRS cost requirement. Capital outlay totaling \$9,130 is also included in this budget for replacement of furniture as well as medical and recreational equipment.

The average daily population of the facility increased from 43 during FY2010-11 to 47 in FY2011-12.

In April of 2012, the City of Richmond closed its juvenile detention facility. At that time the City

#### Annual Fiscal Plan

<u>Description</u>	<u>FY12</u> <u>Actual</u>	<u>FY13</u> <u>Original</u>	<u>FY14</u> <u>Approved</u>	<u>Change</u> <u>13 to 14</u>
Personnel	\$ 4,011,074	\$ 4,199,091	\$ 4,230,554	0.7%
Operation	1,040,220	645,799	624,921	(3.2%)
Capital	12,506	8,252	9,130	10.6%
Debt	667,942	676,878	673,106	(0.6%)
<b>Total</b>	<b>\$ 5,731,742</b>	<b>\$ 5,530,020</b>	<b>\$ 5,537,711</b>	<b>0.1%</b>

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**

	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>Change 13 to 14</b>
<b>Workload Measures</b>				
Admissions - Service Detention	741	800	700	(100)
Average Daily Population	47	55	47	(8)
Admissions - Post Dispositional	42	40	40	0
Number of Female Groups Run by Clinicians	42	45	45	0
Number of Sub. Abuse Groups Run by Clinicians	43	45	45	0

contracted with the JRJDC, as well as other facilities, to serve its juvenile detention needs. That agreement calls for the JRJDC to serve approximately 10 residents from the City per day for a fee that is approximately \$50,000 per month. This arrangement added to the facility's average daily population in FY2011-12 and is adding to it again in FY2012-13. As it is anticipated that the City of Richmond will reopen a detention facility early in FY2013-14, there are no revenues from Richmond anticipated in the JRJDC's FY2013-14 budget

On December 14, 2012, the Commission met and approved a budget submission, which reflects funding needed to operate the facility on a day-to-day basis. The budget includes sufficient funding for food, clothing, linens, toiletries, medical services, utilities and maintenance of the facility.

In FY2013-14, 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 \$1,513,273 for FY2013-14, an increase of \$101,003, or 7.2 percent, above FY2012-13 estimates.

The Commission projects the use of \$355,598 of fund balance as part of the budget for FY2013-14. While the commission has used the practice of budgeting use of fund balance for many years,

actual use of fund balance has typically been minimal. However, in FY2011-12 the fund balance decreased by \$470,492, leaving a fund balance of \$2,421,697 as of June 30, 2012. In future years, contributions from the member counties may need to be raised in order to return fund the operating needs of the commission.

The Commission has budgeted debt payments totaling \$673,106 in the JRJDC Debt Service Fund for FY2013-14. These payments are paid entirely with local funds from Henrico.

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, the first full year of operations for the facility.

Fiscal Year	State Aid
2001-02	\$1,570,378
2002-03	\$1,077,234
2003-04	\$1,130,195
2004-05	\$1,346,574
2005-06	\$1,328,775
2006-07	\$1,519,703
2007-08	\$1,554,710
2008-09	\$1,522,679
2009-10	\$1,432,612
2010-11	\$1,412,270
2011-12	\$1,412,270
2012-13	\$1,412,270*
2013-14	\$1,513,273*

\* Figures for FY2012-13 and FY2013-14 are projections

## OTHER POST EMPLOYMENT BENEFITS AGENCY FUND

### Other Post Employment Benefits (OPEB)

#### Budget Highlights

The budget for FY2013-14 provides on-going funding of \$2,500,000 for costs associated with the accounting requirement from the Governmental Accounting Standards Board (GASB) known as GASB 45, which went into effect in FY2007-08. The GASB 45 pronouncement (*Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*) presented funding issues for many local governments throughout the United States.

Non-pension benefits provided to employees after employment ends are referred to as Other Post Employment Benefits or OPEB. The definition of OPEB, according to the Governmental Accounting Standards Board (GASB), includes health insurance coverage for retirees and their families, dental insurance, life insurance, and term care coverage. Other post employment benefits are a part of the compensation package employees earn each year, even though the benefits are not received until employment has ended. For Henrico County, these benefits are confined to retiree health insurance and specifically, for those retirees that opt to remain with the County's health care provider.

The rating agencies now consider OPEB funding status in their evaluations of government financial condition. It is possible that bond ratings may suffer for those governments with large and/or mounting liabilities and no defined way to pay for these future

costs. Under the guidelines, OPEB financial information will be produced using actuarial valuations performed in accordance with GASB standards. The actuarial valuations should be performed at least every two years for plans that administer OPEB for 200 or more plan members (active and retired) or every three years for plans with fewer than 200 members. Henrico County's update was completed as of June 30, 2011.

As a result of the financial reporting requirements of the Governmental Accounting Standards Board (GASB), this fiduciary fund was created in FY2007-08. This fund allows the County to budget for the annual cost of public employee non-pension benefits and all outstanding obligations and commitments related to OPEB in the same manner as reporting financial information for pensions. It is the intent of the County of Henrico to fully meet the GASB 45 funding requirement that began in FY2007-08. Due to Henrico's aggressive funding of GASB 45 requirements in FY2007-08, FY2008-09, and FY2010, Henrico was able to reduce funding in FY2010-11 to \$3,000,000. The County chose in FY2012-13 to fund the Line of Duty Act benefit by reducing the General Fund payment to this Fiduciary Fund. The allocation of \$2,500,000 for FY2013-14 reflects this reduction of \$500,000 and is forecasted to meet the anticipated funding requirements. Future contributions will continue to be based on completed independent actuarial analysis.

#### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
OPEB contribution	\$ 2,686,237	\$ 3,000,000	\$ 2,500,000	(16.7%)
Total OPEB	<u>\$ 2,686,237</u>	<u>\$ 3,000,000</u>	<u>\$ 2,500,000</u>	<u>(16.7%)</u>



## LINE OF DUTY – FIDUCIARY FUND

### Line of Duty

#### Description

The Line of Duty Fiduciary Fund was created in the FY2012-13 Annual Fiscal Plan due to a mandate from the Commonwealth of Virginia that requires localities to pay the cost of this State approved benefit. The Line of Duty benefit was initially approved by the General Assembly as an additional life insurance payment for public safety employees that die in the line of duty. However, the General Assembly expanded the benefit during the 1998 session of the General Assembly to include health insurance coverage. The health insurance benefit covers the public safety employee that dies or becomes disabled in the line of duty as well as their spouse and dependents. The expanded benefit was effective July 1, 2000.

During the 2010 session of the General Assembly, due to the increasing cost of this State benefit directly related to the increasing cost of providing healthcare insurance, the 2010-2012 Biennial Budget passed the cost of the line of duty benefits from the Commonwealth of Virginia to localities. Localities

were given two options to pay for the line of duty costs. The first option was for localities to pay the costs of the line of duty benefits directly. The second option was to participate in a line of duty pool administered by the Virginia Retirement System (VRS). The County of Henrico chose the first option to pay the costs of the program directly.

#### Budget Highlights

The budget for FY2013-14 provides funding for the costs associated with the Line of Duty payments.

As a result of the General Assembly passing the cost of this State approved benefit to localities, a new fiduciary fund was created for FY2012-13 with a forecasted budget of \$500,000. This fiduciary fund allows the County to budget for the annual cost of the Line of Duty. Currently, this benefit provides coverage for 38 retirees at an average monthly cost of \$883 per retiree.

#### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Line of Duty contribution	\$ 313,763	\$ 500,000	\$ 500,000	0.0%
Total Line of Duty	<u>\$ 313,763</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>0.0%</u>

## ADJUSTMENTS

### Description

Resources to support the Central Automotive Maintenance operation, the Technology Replacement functions, and the Healthcare Fund in the Internal Service Funds, come via transfers from other operating departments in the form of interdepartmental billings and transfers from the operating Funds, as required. To avoid a duplication of those anticipated expenditures, the amount of funds budgeted for Internal Service Fund activities are deducted from total budget requests.

### Objectives

- To be sure that any anticipated expenditure in the Internal Service Fund is recognized and offset by a negative entry of like amount to avoid duplication of anticipated expenditures to be billed to other departments.

### Budget Highlights

The amount to be funded through interdepartmental billings is determined by the level of service required by the user departments. Service levels for those

departments can be found within their individual operating budgets.

Beginning in FY1996-97, only the Central Automotive Maintenance operation was accounted for in the Internal Service Fund. Prior to FY1996-97, all County Information Technology operations were also in the Internal Service Fund. The Department of Information Technology was moved and is accounted for in the General Fund where its activities can more properly be reported at year-end. Since FY2000-01, the Technology Replacement Fund has been accounted for as an Internal Service Fund. This Fund allows the County to replace all computers on a scheduled basis, thereby avoiding large, one-time increases in this area. Effective January 1, 2008, the County's health care program transitioned to a self-insurance program. The Healthcare Fund has been designated as an Internal Service Fund as the majority of its funding is budgeted in departmental budgets. The health care costs that are budgeted within departmental budgets are included in the adjustment, while revenues from outside sources are not included in the adjustment.

### Annual Fiscal Plan

<u>Description</u>	<u>FY12 Actual</u>	<u>FY13 Original</u>	<u>FY14 Approved</u>	<u>Change 13 to 14</u>
Total	<u>\$ (84,445,934)</u>	<u>\$ (87,469,152)</u>	<u>\$ (90,793,826)</u>	<u>3.8%</u>



# **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 FY2013-14 through FY2017-18. 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. As we enter the sixth year of this economic downturn, resources for infrastructure needs are scarce, as evident in the capital budget presented. At \$6,850,000 (excluding Water and Sewer), the capital budget for FY2013-14 reflects less funding than the capital budget in FY1961-62, 52 years ago. 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. The capital budget does not include any General Obligation Bond funded projects as all projects approved by the citizens in the March 2005 G.O. Bond Referendum have been funded. Further, State Lottery/State Construction funding and State Transportation (Gas Tax) funding for construction, all of which are former capital project funding sources from the Commonwealth of Virginia, continue to be eliminated for consideration by the State.

Those projects associated with the maintenance of existing infrastructure that have an identifiable funding source have been approved for funding in FY2012-13. These projects include infrastructure improvements associated with water and sewer

transmission and routine maintenance associated with Education facilities to ensure the County's existing infrastructure remains sound. Funding for the General Government's roof and mechanical projects, which typically would be funded in the CIP, are to be funded instead by an internal transfer from remaining balances of existing projects allocations. 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 FY2013-14.

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

*Capital Improvement Program (cont'd)*

Approved FY2013-14 Operating budget, all operating costs arising from current and previously approved capital projects that are becoming operational have been accounted for through a crosswalk analysis that is updated annually.

Funding for CIP projects typically comes from current revenues (pay-as-you-go financing). The operating budget is the primary mechanism through which current revenues are appropriated to capital projects. 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 FY2013-14 through FY2017-18 CIP requests of \$1,680,180,677 represents a decrease of \$153,531,588 over the current FY2012-13 through FY2016-17 CIP of \$1,833,712,265. These needs are put forward by Departments, and prioritized by the Departments over the five-year period. The approved Capital Budget for FY2013-14 funds \$30,158,280 in the first year of the CIP.

The revenue sources for the FY2013-14 Capital budget are as follows:

<u>Revenue Sources:</u>	<u>Approved FY2013-14</u>
Capital Projects Fund:	
General Fund Operating Budget Transfers:	
General Fund Balance	\$ 1,500,000
General Fund Designated Capital Reserve	1,420,000
Motor Vehicle License Fee Revenue - Public Works	850,000
Subtotal - General Fund Operating Budget Transfers:	<u>\$ 3,770,000</u>
Other Revenue:	
Interest Earnings	\$ 2,500,000
Other Local Revenue	580,000
Subtotal - Other Revenue	<u>\$ 3,080,000</u>
Subtotal - Capital Projects Fund	<u>\$ 6,850,000</u>
Vehicle Replacement Reserve:	
General Fund Operating Budget Transfers:	
Designated Vehicle Replacement Reserve	\$ 6,574,800
Enterprise Fund:	
Water and Sewer Revenues	<u>\$ 16,733,480</u>
Subtotal - Enterprise Fund	<u>\$ 16,733,480</u>
Total Capital Budget Revenues	<u><u>\$ 30,158,280</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**  
**FY2013-14**

Project Number	Project Name	Approved FY2013-14
<b>Fund 21 Capital Projects Fund</b>		
<u>General Fund</u>		
06481	Information Technology Projects	\$ 350,000
06627	Network/VOIP	200,000
	Subtotal - Information Technology	<u>\$ 550,000</u>
00429	Geographic Information System	\$ 300,000
	Subtotal - Information Technology - GIS	<u>\$ 300,000</u>
06460	County Radio Communications System Replacement	\$ 1,420,000
	Subtotal - Police	<u>\$ 1,420,000</u>
06194	Facility Rehabilitation	\$ 650,000
	Subtotal - Recreation and Parks	<u>\$ 650,000</u>
	Subtotal - General Fund	<u>\$ 2,920,000</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>
<u>Interest Earnings</u>		
00518	Roof Replacements - Education	\$ 440,000
00527	Mechanical Improvements - Education	2,060,000
	Subtotal - Interest Earnings	<u>\$ 2,500,000</u>
<u>Other Local Revenue</u>		
06460	County Radio Communications System Replacement	\$ 580,000
	Subtotal - Other Local Revenue	<u>\$ 580,000</u>
	<b>Total - Fund 21 Capital Projects Fund</b>	<b><u><u>\$ 6,850,000</u></u></b>



**County of Henrico, Virginia**  
**Approved Capital Budget**  
**FY2013-14**

Project Number	Project Name	Approved FY2013-14
<b>Fund 22 Vehicle Replacement Reserve</b>		
<u>Designated Vehicle Replacement Reserve</u>		
06690	School Bus Replacement Program	\$ 2,500,000
	Subtotal - Education	<u>\$ 2,500,000</u>
06692	Fire Apparatus Replacement Program	\$ 1,500,000
	Subtotal - Fire	<u>\$ 1,500,000</u>
06691	Police Vehicle Replacement Program	\$ 2,574,800
	Subtotal - Police	<u>\$ 2,574,800</u>
	Subtotal - Designated Vehicle Replacement Reserve	<u>\$ 6,574,800</u>
	<b>Total - Fund 22 Vehicle Replacement Reserve</b>	<b><u><u>\$ 6,574,800</u></u></b>

**County of Henrico, Virginia**  
**Approved Capital Budget**  
**FY2013-14**

Project Number	Project Name	Approved FY2013-14
<b>Fund 51 Enterprise Fund - Public Utilities</b>		
<u>Other Local Revenue</u>		
00782	New Sewer Connections	\$ 50,000
00772	Sewer Line Extensions	500,000
00732	Sewer Line Rehabilitation	2,000,000
00743	Sewer Pump Station Improvements	100,000
00737	Sewer Reloc., Adjustments & Crossings	200,000
00725	Plan Review and Inspection	1,600,000
06492	Roof Replacement	50,000
01076	Strawberry Hill Basin Sewer Rehab	3,700,000
06139	Gillies Creek Basin Sewer Rehabilitation	510,000
06448	Broadwater Creek II SPS Improvements	1,788,480
06447	Route 33 To Lakeside Sewer Main	2,000,000
00735	Water Reclamation Facility Improvements	760,000
	Subtotal - Sewer	<u>\$ 13,258,480</u>
<u>Other Local Revenue</u>		
00771	New Water Connections	\$ 50,000
00770	Water Line Extensions	300,000
00768	Water Line Rehabilitation	1,000,000
00769	Water Pumping Station Improvements	75,000
00780	Water Meters	350,000
00767	Water Reloc., Adjustments & Crossings	200,000
00811	Information Technology Projects	500,000
06570	Bacova Water Pump Station Supply Main	1,000,000
	Subtotal - Water	<u>\$ 3,475,000</u>
	<b>Total - Fund 51 Enterprise Fund - Public Utilities</b>	<b><u>\$ 16,733,480</u></b>
	<b>Total Approved Capital Budget for FY2013-14</b>	<b><u>\$ 30,158,280</u></b>

## Capital Improvement Program Summary

### Fiscal Year 2013-14 through Fiscal Year 2017-18

By Department	Approved FY2013-14	Requested FY2013-14	Requested FY2014-15	Requested FY2015-16	Requested FY2016-17	Requested FY2017-18	Total Requested
<b>Fund 21 Capital Projects Fund</b>							
Education	2,500,000	8,459,231	204,461,103	74,471,393	71,250,330	39,743,462	398,385,519
Fire	0	3,139,052	17,214,186	23,699,593	9,823,311	23,138,959	77,015,101
General Services	0	14,815,005	24,397,942	80,561,762	40,432,779	133,879,768	294,087,256
Information Technology	550,000	3,700,000	1,300,000	1,300,000	0	0	6,300,000
Information Technology - GIS	300,000	850,000	850,000	350,000	350,000	350,000	2,750,000
Mental Health	0	90,228	847,651	0	4,396,587	30,274,790	35,609,256
Police	2,000,000	6,184,608	25,000,000	12,000,000	0	0	43,184,608
Public Library	0	1,506,163	1,239,695	29,167,826	15,857,956	0	47,771,640
Public Works - Drainage	0	0	18,495,091	15,420,388	28,586,685	27,247,579	89,749,743
Public Works - Roadway	850,000	850,000	850,000	850,000	850,000	850,000	4,250,000
Recreation	650,000	37,599,343	56,476,960	38,786,879	33,141,584	63,402,993	229,407,759
Sheriff	0	4,876,016	1,221,314	38,081,878	0	0	44,179,208
<b>Total</b>	<b>6,850,000</b>	<b>82,069,646</b>	<b>352,353,942</b>	<b>314,689,719</b>	<b>204,689,232</b>	<b>318,887,551</b>	<b>1,272,690,090</b>
<b>Fund 22 Vehicle Replacement Reserve</b>							
Education	2,500,000	0	0	0	0	0	0
Fire	1,500,000	0	0	0	0	0	0
Police	2,574,800	0	0	0	0	0	0
<b>Total</b>	<b>6,574,800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund 51 Enterprise Fund</b>							
Public Utilities - Sewer	13,258,480	13,258,480	49,133,590	44,975,140	68,847,365	38,158,954	214,373,529
Public Utilities - Water	3,475,000	3,475,000	168,200,000	10,300,000	4,500,000	4,010,000	190,485,000
<b>Total</b>	<b>16,733,480</b>	<b>16,733,480</b>	<b>217,333,590</b>	<b>55,275,140</b>	<b>73,347,365</b>	<b>42,168,954</b>	<b>404,858,529</b>
<b>Fund 52 Enterprise Fund</b>							
Recreation	0	0	79,860	719,516	449,806	1,382,876	2,632,058
<b>Total</b>	<b>0</b>	<b>0</b>	<b>79,860</b>	<b>719,516</b>	<b>449,806</b>	<b>1,382,876</b>	<b>2,632,058</b>
<b>Grand Total</b>	<b>30,158,280</b>	<b>98,803,126</b>	<b>569,767,392</b>	<b>370,684,375</b>	<b>278,486,403</b>	<b>362,439,381</b>	<b>1,680,180,677</b>

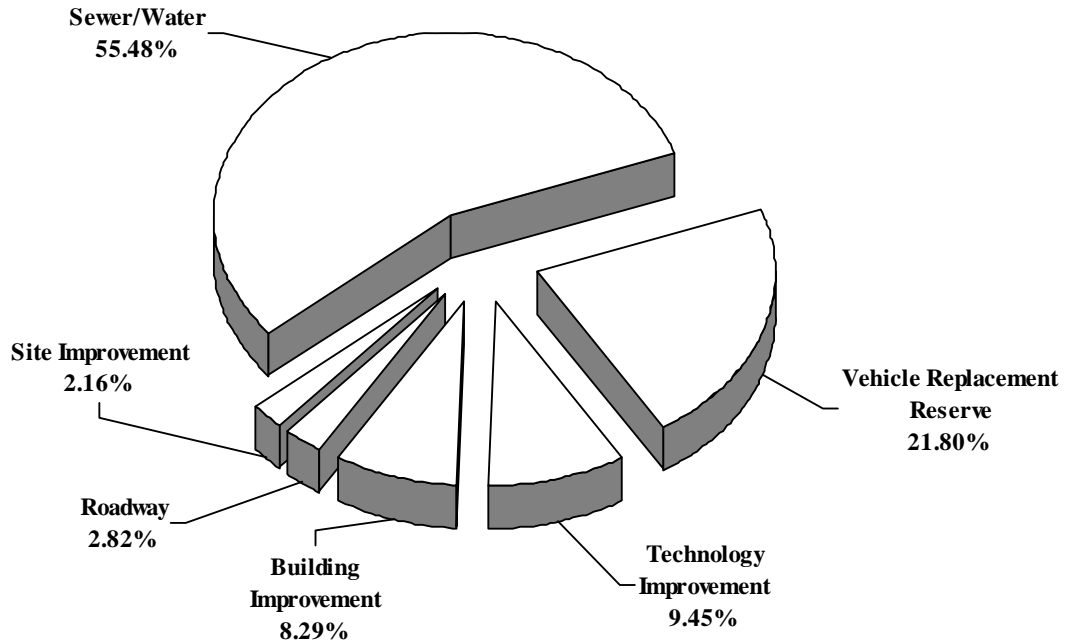
By Revenue Source	Approved FY2013-14	Requested FY2013-14	Requested FY2014-15	Requested FY2015-16	Requested FY2016-17	Requested FY2017-18	Total Requested
<b>Fund 21 Capital Projects Fund</b>							
General Fund	2,920,000	4,160,626	32,505,860	16,404,840	5,180,843	6,092,339	64,344,508
General Fund - Public Works	850,000	850,000	850,000	850,000	850,000	850,000	4,250,000
Interest Earnings	2,500,000	2,500,000	0	0	0	0	2,500,000
No Funding Source	0	73,979,020	318,998,082	297,434,879	198,658,389	311,945,212	1,201,015,582
Other Local Revenue	580,000	580,000	0	0	0	0	580,000
<b>Total</b>	<b>6,850,000</b>	<b>82,069,646</b>	<b>352,353,942</b>	<b>314,689,719</b>	<b>204,689,232</b>	<b>318,887,551</b>	<b>1,272,690,090</b>
<b>Fund 22 Vehicle Replacement Reserve</b>							
Designated Vehicle Replace Reserve	6,574,800	0	0	0	0	0	0
<b>Total</b>	<b>6,574,800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund 51 Enterprise Fund</b>							
Enterprise Fund	16,733,480	16,733,480	217,333,590	55,275,140	73,347,365	42,168,954	404,858,529
<b>Total</b>	<b>16,733,480</b>	<b>16,733,480</b>	<b>217,333,590</b>	<b>55,275,140</b>	<b>73,347,365</b>	<b>42,168,954</b>	<b>404,858,529</b>
<b>Fund 52 Enterprise Fund</b>							
Enterprise Fund	0	0	79,860	719,516	449,806	1,382,876	2,632,058
<b>Total</b>	<b>0</b>	<b>0</b>	<b>79,860</b>	<b>719,516</b>	<b>449,806</b>	<b>1,382,876</b>	<b>2,632,058</b>
<b>Grand Total</b>	<b>30,158,280</b>	<b>98,803,126</b>	<b>569,767,392</b>	<b>370,684,375</b>	<b>278,486,403</b>	<b>362,439,381</b>	<b>1,680,180,677</b>

**Capital Improvement Program Summary**  
**Fiscal Year 2013-14 through Fiscal Year 2017-18**

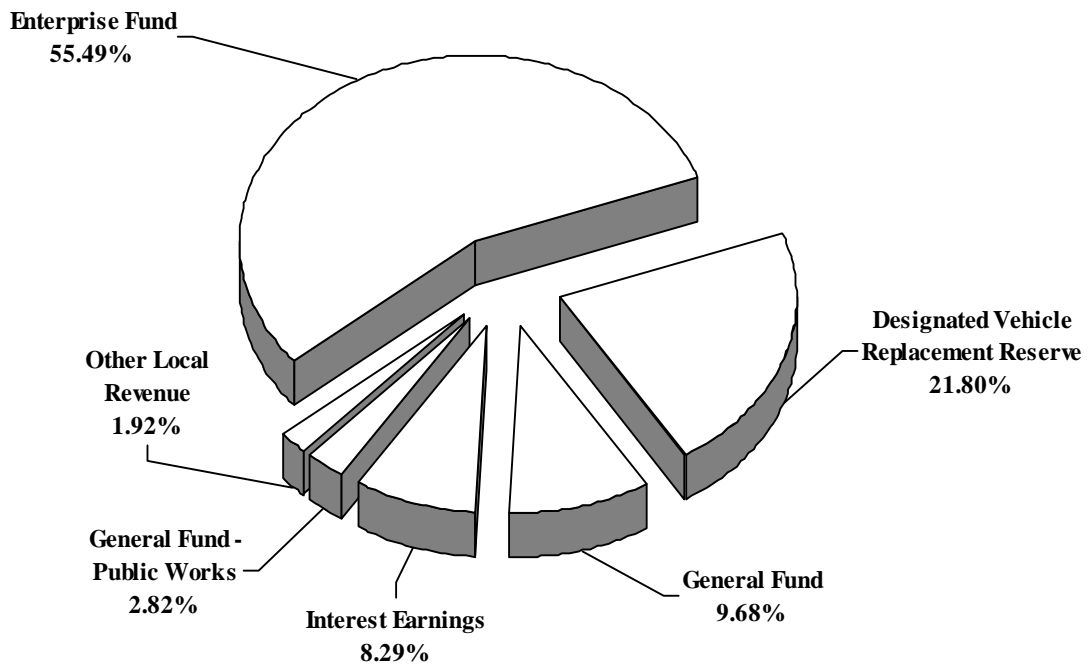
<b>By Project Type</b>	<b>Approved FY2013-14</b>	<b>Requested FY2013-14</b>	<b>Requested FY2014-15</b>	<b>Requested FY2015-16</b>	<b>Requested FY2016-17</b>	<b>Requested FY2017-18</b>	<b>Total Requested</b>
<b>Fund 21 Capital Projects Fund</b>							
Building (New)	0	13,998,944	117,842,433	112,894,001	77,325,901	164,206,959	486,268,238
Building Addition	0	0	0	0	17,856,698	13,498,442	31,355,140
Building Improvement	2,500,000	21,230,629	144,288,479	108,575,595	41,923,983	54,188,928	370,207,614
Drainage	0	0	18,495,091	15,420,388	28,586,685	27,247,579	89,749,743
Feasibility/Programming Study	0	90,228	83,881	0	0	0	174,109
Land	0	1,263,125	763,770	19,215,527	0	0	21,242,422
Park	0	9,231,264	20,650,330	14,014,612	16,047,898	44,742,490	104,686,594
Roadway	850,000	850,000	850,000	850,000	850,000	850,000	4,250,000
Site Improvement	650,000	28,855,456	19,430,040	30,069,596	21,748,067	13,803,153	113,906,312
Technology Improvement	2,850,000	6,550,000	29,949,918	13,650,000	350,000	350,000	50,849,918
<b>Total</b>	<b>6,850,000</b>	<b>82,069,646</b>	<b>352,353,942</b>	<b>314,689,719</b>	<b>204,689,232</b>	<b>318,887,551</b>	<b>1,272,690,090</b>
<b>Fund 22 Vehicle Replacement Reserve</b>							
Vehicle Replacement Reserve	6,574,800	0	0	0	0	0	0
<b>Total</b>	<b>6,574,800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund 51 Enterprise Fund</b>							
Sewer	13,258,480	13,258,480	49,133,590	44,975,140	68,847,365	38,158,954	214,373,529
Water	3,475,000	3,475,000	168,200,000	10,300,000	4,500,000	4,010,000	190,485,000
<b>Total</b>	<b>16,733,480</b>	<b>16,733,480</b>	<b>217,333,590</b>	<b>55,275,140</b>	<b>73,347,365</b>	<b>42,168,954</b>	<b>404,858,529</b>
<b>Fund 52 Enterprise Fund</b>							
Golf Course	0	0	79,860	719,516	449,806	1,382,876	2,632,058
<b>Total</b>	<b>0</b>	<b>0</b>	<b>79,860</b>	<b>719,516</b>	<b>449,806</b>	<b>1,382,876</b>	<b>2,632,058</b>
<b>Grand Total</b>	<b>30,158,280</b>	<b>98,803,126</b>	<b>569,767,392</b>	<b>370,684,375</b>	<b>278,486,403</b>	<b>362,439,381</b>	<b>1,680,180,677</b>

# Approved FY2013-14 Capital Budget \$30,158,280

## By Project Type



## By Funding Source



**CAPITAL PROJECTS BY DEPARTMENT  
FY2013-14**

**EDUCATION** **\$ 5,000,000**

Interest earnings of \$2,500,000 will support ongoing projects related to school roof replacements and mechanical systems improvements. In addition, \$2,500,000 is included within the Vehicle Replacement Reserve for the School Bus Replacement Program.

**FIRE** **\$ 1,500,000**

Funding of \$1,500,000 is included within the Vehicle Replacement Reserve for the Fire Apparatus Replacement Program.

**INFORMATION TECHNOLOGY** **\$ 550,000**

Funding of \$550,000 will support various information technology hardware and software upgrades, allow for improvements to the County's data network, and provide support for the replacement of the County's telephone system to a VOIP solution.

**INFORMATION TECHNOLOGY - 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.

**POLICE** **\$ 4,574,800**

General Fund revenue of \$1,420,000 will provide partial funding for the first phase of the County radio communications system replacement project. Other local revenue of \$580,000 will provide the remaining funding associated with this phase of the project. The Vehicle Replacement Reserve includes funding of \$2,574,800 for the Police Vehicle Replacement Program.

**PUBLIC WORKS - ROADWAY** **\$ 850,000**

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** **\$ 650,000**

General Fund revenue of \$650,000 will provide for facility rehabilitation projects at various County parks.

**SEWER** **\$ 13,258,480**

Projects that will be funded by revenues from the use of sewer services include \$3,700,000 for the Strawberry Hill basin sewer rehabilitation, \$2,000,000 for the Route 33 to Lakeside sewer main, \$1,788,480 for the Broadwater Creek II SPS improvements, \$760,000 for the Water Reclamation Facility improvements, and \$510,000 for the Gillies Creek basin sewer rehabilitation. In addition, funding of \$4,500,000 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, a roof replacement project, and various sewer relocations, adjustments, and crossings projects.

**WATER** **\$ 3,475,000**

Projects that will be funded by revenues from the use of water services include \$1,000,000 for the Bacova water pump station supply main and \$500,000 for various information technology projects. Additionally, funding of \$1,975,000 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 FY2013-14 through FY2017-18  
Fund 21 Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority Project Type	Source	District	Approved FY13-14	Request FY13-14	Request FY14-15	Request FY15-16	Request FY16-17	Request FY17-18	Total Five Year
<b>Education</b>										
00518	Roof Replacements	Interest Earnings/General Fund	Countywide	440,000	440,000	350,000	710,000	560,000	700,000	2,760,000
00527	Mechanical Improvements	Interest Earnings/General Fund	Countywide	2,060,000	2,060,000	2,150,000	1,790,000	1,940,000	1,800,000	9,740,000
06611	Athletic Facility Improvements	No Funding Source	Countywide	0	500,000	500,000	500,000	500,000	500,000	2,500,000
06612	Parking, Sidewalk & Curb Improvements	No Funding Source	Countywide	0	750,000	750,000	750,000	750,000	750,000	3,750,000
06545	Tuckahoe ES - 5th Grade Renovation	No Funding Source	Tuckahoe	0	2,091,019	0	0	0	0	2,091,019
06669	Tuckahoe District Land and Improvements	No Funding Source	Tuckahoe	0	1,118,400	0	0	0	0	1,118,400
06738	Jackson Davis ES Parking Lot Expansion	No Funding Source	Three Chopt	0	473,625	0	0	0	0	473,625
06739	Longan ES Parking Lot Expansion	No Funding Source	Brookland	0	552,562	0	0	0	0	552,562
06740	Pinchbeck ES Parking Lot Expansion	No Funding Source	Tuckahoe	0	473,625	0	0	0	0	473,625
06303	East Area HS #2	No Funding Source	Varina	0	81,501,478	0	0	0	0	81,501,478
06305	Pemberton ES Renovation	No Funding Source	Tuckahoe	0	9,595,349	0	0	0	0	9,595,349
06304	Crestview ES Renovation	No Funding Source	Tuckahoe	0	11,379,416	0	0	0	0	11,379,416
06538	Skipwith ES Renovation	No Funding Source	Tuckahoe	0	12,265,332	0	0	0	0	12,265,332
06479	Tuckahoe MS Renovation	No Funding Source	Three Chopt	0	26,674,855	0	0	0	0	26,674,855
06388	Tucker HS Renovation	No Funding Source	Three Chopt	0	47,269,534	0	0	0	0	47,269,534
06339	Seven Pines ES Renovation	No Funding Source	Varina	0	12,025,139	0	0	0	0	12,025,139
06741	Virginia Randolph Complex Renovation	No Funding Source	Fairfield	0	0	19,849,347	0	0	0	19,849,347
06541	Chamberlayne ES Renovation	No Funding Source	Fairfield	0	0	12,206,689	0	0	0	12,206,689
06672	Jackson Davis ES Renovation	No Funding Source	Three Chopt	0	0	12,144,298	0	0	0	12,144,298
06673	Longan ES Renovation	No Funding Source	Brookland	0	0	12,546,701	0	0	0	12,546,701
06670	Multi-Sport Athletic Fields	No Funding Source	Countywide	0	0	3,205,588	3,365,922	3,534,288	0	10,105,798
06742	Central Gardens Renovation	No Funding Source	Countywide	0	0	10,768,770	0	0	0	10,768,770
06484	Glen Allen HS Technical Center	No Funding Source	Brookland	0	0	0	31,691,798	0	0	31,691,798
06743	Highland Springs Elementary Renovation	No Funding Source	Varina	0	0	16,512,657	0	0	0	16,512,657
06744	Holladay Elementary School Renovation	No Funding Source	Brookland	0	0	15,929,953	0	0	0	15,929,953
06745	Adams Elementary School Renovation	No Funding Source	Fairfield	0	0	0	0	16,227,161	0	16,227,161
06746	Carver Elementary School Renovation	No Funding Source	Tuckahoe	0	0	0	0	0	16,232,013	16,232,013
<b>Department Subtotal</b>				<b>2,500,000</b>	<b>8,459,231</b>	<b>204,461,103</b>	<b>74,471,393</b>	<b>71,250,330</b>	<b>39,743,462</b>	<b>398,385,519</b>
<b>Fire</b>										
06731	Energy Efficiency Upgrades	No Funding Source	Countywide	0	53,752	257,633	0	0	0	311,385
06531	Fire Headquarters Building	No Funding Source	General Government	0	1,591,692	9,953,293	0	0	0	11,544,985
06366	Fire Station #1	No Funding Source	Fairfield	0	593,240	1,098,300	6,726,128	0	0	8,417,668
06177	Fire Station #6	No Funding Source	Varina	0	327,100	1,116,036	6,735,212	0	0	8,178,348
06663	Fire Specialty Vehicle Storage Facility	No Funding Source	General Government	0	573,268	3,191,020	0	0	0	3,764,288
06532	Fire Training Facility	No Funding Source	General Government	0	0	1,160,167	6,259,257	0	0	7,419,424
06529	Fire Station #11	No Funding Source	Fairfield	0	0	319,684	1,124,450	6,726,128	0	8,176,262
06623	Osborne Boathouse	No Funding Source	Varina	0	0	118,053	469,269	0	0	587,322
06190	Staples Mill Fire Station	No Funding Source	Brookland	0	0	1,879,480	1,186,059	8,303,749	0	11,369,288
06178	Osborne Turnpike Fire Station	No Funding Source	Varina	0	0	505,797	1,211,352	9,602,858	0	11,320,007
06519	Fire Station #4	No Funding Source	Varina	0	0	207,845	1,173,614	1,381,459	0	3,764,923
06520	Wilton Farms FS	No Funding Source	Varina	0	0	0	284,082	1,213,015	0	1,497,097
06522	Portugee Road Fire Station	No Funding Source	Varina	0	0	0	207,845	1,866,059	0	1,993,904
06563	North Gayton Fire Station	No Funding Source	Three Chopt	0	0	0	0	1,447,096	0	1,447,096
06524	Elko Road Fire Station	No Funding Source	Varina	0	0	0	0	212,568	0	212,568
<b>Department Subtotal</b>				<b>0</b>	<b>3,139,052</b>	<b>17,214,186</b>	<b>23,699,593</b>	<b>9,823,311</b>	<b>23,138,959</b>	<b>77,015,101</b>

**Capital Improvement Program FY2013-14 through FY2017-18  
Fund 21 Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Request					Request		Total
					Approved FY13-14	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	Five Year	
<b>General Services</b>												
00572	1	Mechanical Improvements	No Funding Source	General Government	0	1,292,950	1,315,745	1,273,322	1,299,050	1,243,440	6,424,507	
00425	2	Roof Replacement and Rehabilitation	No Funding Source	General Government	0	673,945	644,874	500,000	500,000	500,000	2,818,819	
00423	3	Pavement Rehabilitation	No Funding Source	General Government	0	392,129	316,045	37,585	38,459	39,333	823,551	
00625	4	Building Automation Systems Upgrade	No Funding Source	General Government	0	1,167,904	0	0	0	0	1,167,904	
06624	5	Fuel Storage Tank Monitoring Upgrades	No Funding Source	General Government	0	839,554	0	0	0	0	839,554	
01198	6	Energy Management	No Funding Source	General Government	0	736,121	0	0	0	0	736,121	
06368	7	Administration Building HVAC Upgrade	No Funding Source	General Government	0	704,146	4,208,598	0	0	0	4,912,744	
06649	8	Best Plaza Phase 1 & Other Renovations	No Funding Source	General Government	0	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	25,000,000	
00027	9	UPS Replacement	No Funding Source	General Government	0	394,482	0	0	0	0	394,482	
06736	10	Admin. Building Landscaping Improvements	No Funding Source	General Government	0	651,725	0	0	0	0	651,725	
06089	11	Backup EOC	No Funding Source	General Government	0	1,667,181	0	0	0	0	1,667,181	
01199	12	Generator Program	No Funding Source	General Government	0	1,294,868	0	0	0	0	1,294,868	
06727	1	CAM Large Vehicle Wash Facility	No Funding Source	General Government	0	0	2,475,569	0	0	0	2,475,569	
01031	2	Stormwater Regulatory Retrofits	No Funding Source	General Government	0	244,512	0	0	0	0	244,512	
00377	3	DGS Environmental Fund	No Funding Source	General Government	0	0	52,500	0	0	0	52,500	
06728	4	CAM Woodman Parking Expansion	No Funding Source	General Government	0	0	1,168,955	0	0	0	1,168,955	
06573	5	Admin Entry Walk Improvements	No Funding Source	General Government	0	0	125,667	143,274	0	0	268,941	
06729	6	Best Plaza & Woodman Fiber Optic Improvements	No Funding Source	General Government	0	0	2,799,918	0	0	0	2,799,918	
06088	7	Vulnerability Implementation	No Funding Source	General Government	0	0	539,602	1,393,892	182,323	0	2,115,817	
06096	8	Human Services Building Renovation	No Funding Source	General Government	0	0	4,120,027	23,189,945	0	0	27,309,972	
06512	9	Juvenile Courts 6th Courtroom Build-out	No Funding Source	General Government	0	0	720,212	0	0	0	720,212	
06091	10	Gov't Center Exterior Lights, Phase III, IV	No Funding Source	General Government	0	0	665,718	660,882	0	0	1,326,600	
06486	1	Circuit Courtroom No. 6	No Funding Source	General Government	0	0	0	2,175,778	0	0	2,175,778	
06102	2	Government Center Expansion - Admin. & Warehouse	No Funding Source	General Government	0	0	0	3,428,638	25,748,241	0	29,176,879	
06104	3	Administration Building Remaining Renovation	No Funding Source	General Government	0	0	0	1,472,754	0	0	1,472,754	
06655	4	Glen Echo Office Building Renovation	No Funding Source	General Government	0	0	0	3,554,099	0	0	3,554,099	
06376	5	Gen. Gov't Services East End Land/Study	No Funding Source	General Government	0	0	0	19,215,527	0	0	19,215,527	
06105	6	New Courts Complex Facility	No Funding Source	General Government	0	0	0	18,516,066	4,793,015	118,475,360	141,784,441	
06370	1	CAM Fuel Site - North West	No Funding Source	General Government	0	0	0	0	2,871,691	0	2,871,691	
06533	1	Courthouse Renovations	No Funding Source	General Government	0	0	0	0	0	4,543,068	4,543,068	
06103	2	East End Depot	No Funding Source	General Government	0	0	0	0	0	4,078,567	4,078,567	
<b>Department Subtotal</b>					<b>0</b>	<b>14,815,405</b>	<b>24,397,942</b>	<b>80,561,762</b>	<b>40,432,779</b>	<b>133,879,768</b>	<b>294,087,256</b>	
<b>Information Technology</b>												
06481	1	Information Technology Projects	General Fund	General Government	350,000	1,000,000	800,000	800,000	0	0	2,600,000	
06627	2	Network/VOIP	General Fund	General Government	200,000	500,000	500,000	500,000	0	0	1,500,000	
01033	3	Tidemark Replacement	No Funding Source	General Government	0	2,000,000	0	0	0	0	2,000,000	
00146	4	Disaster Recovery	No Funding Source	General Government	0	200,000	0	0	0	0	200,000	
<b>Department Subtotal</b>					<b>550,000</b>	<b>3,700,000</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>0</b>	<b>0</b>	<b>6,300,000</b>	
<b>Information Technology - GIS</b>												
00429	1	Geographic Information System	General Fund	General Government	300,000	350,000	350,000	350,000	350,000	350,000	1,750,000	
06506	2	Work Order Management/CRM	No Funding Source	General Government	0	500,000	500,000	0	0	0	1,000,000	
<b>Department Subtotal</b>					<b>300,000</b>	<b>850,000</b>	<b>850,000</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>	<b>2,750,000</b>	



**Capital Improvement Program FY2013-14 through FY2017-18  
Fund 21 Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY13-14	Request FY13-14	Request FY14-15	Request FY15-16	Request FY16-17	Request FY17-18	Total Five Year
<b>Mental Health</b>											
06568	1	Feasibility/Programming Study	No Funding Source	General Government	0	90,228	0	0	0	0	90,228
06577	1	Land	No Funding Source	General Government	0	0	763,770	0	0	0	763,770
06571	2	Feasibility/Programming Study	No Funding Source	General Government	0	0	83,881	0	0	0	83,881
06661	1	Building (New)	No Funding Source	General Government	0	0	0	2,397,845	16,776,348	0	19,174,193
06662	2	Building Addition	No Funding Source	General Government	0	0	0	1,998,742	13,498,442	0	15,497,184
<b>Department Subtotal</b>					<b>0</b>	<b>90,228</b>	<b>847,651</b>	<b>0</b>	<b>4,396,587</b>	<b>30,274,790</b>	<b>35,609,256</b>
<b>Police</b>											
06460	1	Technology Improvement	General Fund	General Government	1,420,000	1,420,000	25,000,000	12,000,000	0	0	38,420,000
06460	1	Technology Improvement	Other Local Revenue	General Government	580,000	580,000	0	0	0	0	580,000
06660	2	Building (New)	No Funding Source	General Government	0	2,240,785	0	0	0	0	2,240,785
06730	3	Building (New)	No Funding Source	General Government	0	1,442,300	0	0	0	0	1,442,300
06610	4	Building Improvement	No Funding Source	General Government	0	501,523	0	0	0	0	501,523
<b>Department Subtotal</b>					<b>2,000,000</b>	<b>6,184,608</b>	<b>25,000,000</b>	<b>12,000,000</b>	<b>0</b>	<b>0</b>	<b>43,184,608</b>
<b>Public Library</b>											
06258	1	Land	No Funding Source	Fairfield	0	1,263,125	0	0	0	0	1,263,125
06630	2	Building Improvement	No Funding Source	Countywide	0	243,038	0	0	0	0	243,038
06259	1	Building Improvement	No Funding Source	General Government	0	0	1,239,695	0	0	0	1,239,695
06274	1	Building (New)	No Funding Source	Fairfield	0	0	0	29,167,826	0	0	29,167,826
06261	1	Building Addition	No Funding Source	Three Chopt	0	0	0	15,857,956	0	0	15,857,956
<b>Department Subtotal</b>					<b>0</b>	<b>1,506,163</b>	<b>1,239,695</b>	<b>29,167,826</b>	<b>15,857,956</b>	<b>0</b>	<b>47,771,640</b>
<b>Public Works - Drainage</b>											
06000	1	Drainage	No Funding Source	Tuckahoe	0	0	1,166,604	0	0	0	1,166,604
06001	2	Drainage	No Funding Source	Tuckahoe	0	0	212,176	0	0	0	212,176
06002	3	Drainage	No Funding Source	Three Chopt	0	0	951,576	0	0	0	951,576
06003	4	Drainage	No Funding Source	Tuckahoe	0	0	409,313	0	0	0	409,313
06004	5	Drainage	No Funding Source	Tuckahoe	0	0	1,275,557	0	0	0	1,275,557
06005	6	Drainage	No Funding Source	Brookland	0	0	3,222,314	0	0	0	3,222,314
06006	7	Drainage	No Funding Source	Varina	0	0	2,621,894	0	0	0	2,621,894
06007	8	Drainage	No Funding Source	Tuckahoe	0	0	745,059	0	0	0	745,059
06008	9	Drainage	No Funding Source	Fairfield	0	0	896,394	0	0	0	896,394
06009	10	Drainage	No Funding Source	Varina	0	0	309,680	0	0	0	309,680
06010	11	Drainage	No Funding Source	Brookland	0	0	332,923	0	0	0	332,923
06011	12	Drainage	No Funding Source	Fairfield	0	0	617,001	0	0	0	617,001
06012	13	Drainage	No Funding Source	Tuckahoe	0	0	2,214,118	0	0	0	2,214,118
06013	14	Drainage	No Funding Source	Three Chopt	0	0	1,080,400	0	0	0	1,080,400
06014	15	Drainage	No Funding Source	Fairfield	0	0	1,196,749	0	0	0	1,196,749
06015	16	Drainage	No Funding Source	Three Chopt	0	0	450,390	0	0	0	450,390
06017	17	Drainage	No Funding Source	Varina	0	0	233,148	0	0	0	233,148
06018	18	Drainage	No Funding Source	Tuckahoe	0	0	276,366	0	0	0	276,366
06019	19	Drainage	No Funding Source	Fairfield	0	0	283,429	0	0	0	283,429
06020	1	Drainage	No Funding Source	Brookland	0	0	0	622,121	0	0	622,121
06021	2	Drainage	No Funding Source	Brookland	0	0	0	1,152,723	0	0	1,152,723
06022	3	Drainage	No Funding Source	Three Chopt	0	0	0	810,384	0	0	810,384
06023	4	Drainage	No Funding Source	Tuckahoe	0	0	0	2,059,349	0	0	2,059,349
06024	5	Drainage	No Funding Source	Varina	0	0	0	1,482,452	0	0	1,482,452
06025	6	Drainage	No Funding Source	Fairfield	0	0	0	601,559	0	0	601,559
06026	7	Drainage	No Funding Source	Fairfield	0	0	0	1,580,135	0	0	1,580,135

**Capital Improvement Program FY2013-14 through FY2017-18  
Fund 21 Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority Project Type	Source	District	Approved					Request	Request	Request	Request	Five Year
				FY13-14	FY13-14	FY13-14	FY13-14	FY13-14					
06027	7102 Walford Avenue	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	155,436	
06028	Chamberlayne Avenue/Serafin Lane	No Funding Source	Fairfield	0	0	0	0	0	0	0	0	789,710	
06029	Landsworth Avenue Drainage	No Funding Source	Fairfield	0	0	0	0	0	0	0	0	1,464,309	
06030	Eastover Gardens, Phase II	No Funding Source	Varina	0	0	0	0	0	0	0	0	539,688	
06031	Ainsworth to Biloxi Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	844,131	
06032	Hollyport Road Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	659,531	
06034	Oak Avenue Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	267,474	
06035	Meroynd Drive	No Funding Source	Varina	0	0	0	0	0	0	0	0	252,567	
06036	Alvarado Road	No Funding Source	Three Chopt	0	0	0	0	0	0	0	0	263,831	
06037	Avalon Drive Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	451,227	
06038	Winston Boulevard Drainage	No Funding Source	B, F	0	0	0	0	0	0	0	0	520,512	
06039	Skipwith Road	No Funding Source	Three Chopt	0	0	0	0	0	0	0	0	903,249	
06041	Edgewood Avenue	No Funding Source	Fairfield	0	0	0	0	0	0	0	0	436,386	
06044	Woodberry Road	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	707,031	
06042	Highland Springs Drainage, Phase II	No Funding Source	Varina	0	0	0	0	0	0	0	0	4,892,367	
06043	Bremo Road Drainage	No Funding Source	Brookland	0	0	0	0	0	0	0	0	1,421,160	
06044	Fourth Street Drainage	No Funding Source	Fairfield	0	0	0	0	0	0	0	0	1,990,675	
06045	Hobson Lane Drainage	No Funding Source	Fairfield	0	0	0	0	0	0	0	0	746,792	
06046	Rock Creek Road	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	1,571,420	
06047	Tacoma Street	No Funding Source	Brookland	0	0	0	0	0	0	0	0	1,146,666	
06048	Hollins Road Median Ditch	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	1,711,750	
06049	Elkridge Lane Drainage	No Funding Source	Fairfield	0	0	0	0	0	0	0	0	1,616,680	
06050	Woodman Rd Drainage - Thorpes Branch	No Funding Source	B, F	0	0	0	0	0	0	0	0	942,761	
06052	Willingham Road Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	593,681	
06053	Thorpes Branch	No Funding Source	Brookland	0	0	0	0	0	0	0	0	5,477,406	
06054	Lowell Street and Yates Lane Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	1,301,317	
06055	Polaria Street Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	721,443	
06056	Croft/Edgemore Drainage	No Funding Source	Brookland	0	0	0	0	0	0	0	0	722,232	
06057	Central Gardens Drainage	No Funding Source	Fairfield	0	0	0	0	0	0	0	0	1,595,265	
06058	Beulah/Treva Roads Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	679,522	
06059	Rockwood Road Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	312,131	
06060	Horsepen Rd - Shrewsbury to Hampshire	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	1,433,077	
06061	Magruder Avenue and Wilson Way	No Funding Source	Varina	0	0	0	0	0	0	0	0	2,064,597	
06062	Gaylord Road Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0	0	0	1,305,816	
06063	Fern Avenue	No Funding Source	Varina	0	0	0	0	0	0	0	0	991,229	
06064	Maplewood Ave Drain/Trumpets Branch V	No Funding Source	Brookland	0	0	0	0	0	0	0	0	944,605	
06065	Mapleleaf-N Holly Ave	No Funding Source	Varina	0	0	0	0	0	0	0	0	1,277,780	
06067	Lakeside Avenue Drainage	No Funding Source	Fairfield	0	0	0	0	0	0	0	0	1,076,761	
06068	Pump Road - Deep Run Creek Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	1,610,975	
06069	Lewis Road Outfall - Phase III	No Funding Source	Varina	0	0	0	0	0	0	0	0	858,641	
06070	Clover Lane Drainage	No Funding Source	Fairfield	0	0	0	0	0	0	0	0	342,522	
06071	Horsepen Branch	No Funding Source	Brookland	0	0	0	0	0	0	0	0	2,283,364	
06072	Rocky Branch/Catrail Branch	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	3,148,570	
06073	Georges Branch Channel	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	4,666,772	
06074	Charles City Road/Glen Alden Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	851,898	
06075	Westhill Road Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	227,620	
06076	204 and 206 Monterey Avenue	No Funding Source	Varina	0	0	0	0	0	0	0	0	452,387	
06077	Glendale Drive Drainage II	No Funding Source	Tuckahoe	0	0	0	0	0	0	0	0	389,062	
06078	Watts Lane	No Funding Source	Fairfield	0	0	0	0	0	0	0	0	386,087	
06079	Eastlake-Monterey Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	317,166	
06080	Eastlake Lane Drainage	No Funding Source	Varina	0	0	0	0	0	0	0	0	741,932	

**Capital Improvement Program FY2013-14 through FY2017-18  
Fund 21 Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority Project Type	Source	District	Request					Request	Total
				FY13-14	FY13-14	FY14-15	FY15-16	FY16-17		
06151	21	No Funding Source	Brookland	0	0	0	0	0	1,408,831	1,408,831
06082	22	No Funding Source	Three Chopt	0	0	0	0	0	297,781	297,781
06083	23	No Funding Source	Varina	0	0	0	0	0	170,106	170,106
<b>Department Subtotal</b>				<b>0</b>	<b>0</b>	<b>18,495,091</b>	<b>15,420,388</b>	<b>28,586,685</b>	<b>27,247,579</b>	<b>89,749,743</b>
<b>Public Works - Roadway</b>										
00499	1	General Fund - Public Works	Countywide	800,000	800,000	800,000	800,000	800,000	800,000	4,000,000
00486	2	General Fund - Public Works	Countywide	50,000	50,000	50,000	50,000	50,000	50,000	250,000
<b>Department Subtotal</b>				<b>850,000</b>	<b>850,000</b>	<b>850,000</b>	<b>850,000</b>	<b>850,000</b>	<b>850,000</b>	<b>4,250,000</b>
<b>Recreation</b>										
06194	1	General Fund	Countywide	650,000	890,626	3,355,860	254,840	2,330,843	3,242,339	10,074,508
06436	2	No Funding Source	Countywide	0	10,539,781	0	0	0	0	10,539,781
06472	3	No Funding Source	Tuckahoe	0	2,046,254	0	0	0	0	2,046,254
06219	4	No Funding Source	Brookland	0	2,715,295	0	0	23,813,556	0	26,528,851
06435	5	No Funding Source	Tuckahoe	0	8,626,717	3,805,053	6,804,633	6,526,689	0	25,763,092
06255	6	No Funding Source	Countywide	0	2,070,146	0	0	0	0	2,070,146
06255	7	No Funding Source	Fairfield	0	6,515,969	0	0	0	0	6,515,969
06276	8	No Funding Source	Three Chopt	0	1,840,012	0	0	0	0	1,840,012
06212	9	No Funding Source	Varina	0	2,354,543	15,687,519	0	0	0	18,042,062
06208	1	No Funding Source	Varina	0	0	4,479,968	0	0	0	4,479,968
06200	2	No Funding Source	Fairfield	0	0	6,927,787	0	0	5,737,193	12,664,980
06217	3	No Funding Source	Brookland	0	0	1,570,443	0	0	0	1,570,443
06210	4	No Funding Source	Varina	0	0	11,640,487	0	0	0	11,640,487
06197	5	No Funding Source	Varina	0	0	9,009,843	0	0	0	9,009,843
06253	1	No Funding Source	Brookland	0	0	0	3,351,043	0	0	3,351,043
06229	2	No Funding Source	Brookland	0	0	0	3,548,581	0	0	3,548,581
01154	3	No Funding Source	Three Chopt	0	0	0	14,014,612	0	0	14,014,612
00509	4	No Funding Source	Fairfield	0	0	0	4,175,584	0	0	4,175,584
06732	5	No Funding Source	Varina	0	0	0	2,817,845	0	0	2,817,845
06202	6	No Funding Source	Three Chopt	0	0	0	2,592,087	0	0	2,592,087
06235	7	No Funding Source	Varina	0	0	0	1,227,654	0	0	1,227,654
06733	1	No Funding Source	Varina	0	0	0	11,517,356	0	0	11,517,356
06735	2	No Funding Source	Varina	0	0	0	4,553,562	0	0	4,553,562
06256	3	No Funding Source	Fairfield	0	0	0	4,530,542	0	0	4,530,542
06238	4	No Funding Source	B, F	0	0	0	3,682,592	0	0	3,682,592
06441	1	No Funding Source	Brookland	0	0	0	0	1,737,725	0	1,737,725
06734	2	No Funding Source	Fairfield	0	0	0	6,430,657	0	0	6,430,657
	3	No Funding Source	Fairfield	0	0	0	1,512,589	0	0	1,512,589
	4	No Funding Source	Fairfield	0	0	0	0	20,928,934	0	20,928,934
<b>Department Subtotal</b>				<b>650,000</b>	<b>37,599,343</b>	<b>56,476,960</b>	<b>38,786,879</b>	<b>33,141,584</b>	<b>63,402,993</b>	<b>229,407,759</b>
<b>Sheriff</b>										
06386	1	No Funding Source	General Government	0	4,876,016	1,221,314	38,081,878	0	0	44,179,208
<b>Department Subtotal</b>				<b>0</b>	<b>4,876,016</b>	<b>1,221,314</b>	<b>38,081,878</b>	<b>0</b>	<b>0</b>	<b>44,179,208</b>
<b>Grand Total - Fund 21</b>				<b>6,850,000</b>	<b>82,069,646</b>	<b>352,353,942</b>	<b>314,689,719</b>	<b>204,689,232</b>	<b>318,887,551</b>	<b>1,272,690,090</b>

\*Items in red do not have a funding source identified.

**Capital Improvement Program FY2013-14 through FY2017-18  
Fund 51 Enterprise Fund - Public Utility Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY13-14	Request FY13-14	Request FY14-15	Request FY15-16	Request FY16-17	Request FY17-18	Total Five Year
<b>Public Utilities - Sewer</b>											
00782	1	Sewer	Enterprise Fund	Countywide	50,000	50,000	50,000	50,000	50,000	50,000	250,000
00772	2	Sewer	Enterprise Fund	Countywide	500,000	500,000	500,000	500,000	500,000	500,000	2,500,000
00732	3	Sewer	Enterprise Fund	Countywide	2,000,000	2,000,000	4,000,000	3,000,000	3,000,000	3,000,000	15,000,000
00743	4	Sewer	Enterprise Fund	Countywide	100,000	100,000	100,000	1,100,000	1,500,000	100,000	2,900,000
00737	5	Sewer	Enterprise Fund	Countywide	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000
00725	6	Sewer	Enterprise Fund	Countywide	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	8,000,000
06492	7	Sewer	Enterprise Fund	Countywide	50,000	50,000	50,000	50,000	50,000	50,000	250,000
01076	8	Sewer	Enterprise Fund	B, F, T, TC	3,700,000	3,700,000	7,000,000	11,500,000	11,150,000	1,400,000	34,750,000
06139	9	Sewer	Enterprise Fund	V, F	510,000	510,000	4,300,000	0	0	0	4,810,000
06448	10	Sewer	Enterprise Fund	Varina	1,788,480	1,788,480	0	0	0	0	1,788,480
06447	11	Sewer	Enterprise Fund	B, F	2,000,000	2,000,000	14,000,000	0	0	0	16,000,000
00735	12	Sewer	Enterprise Fund	Varina	760,000	760,000	2,560,000	1,825,000	0	18,988,125	24,133,125
06445	1	Sewer	Enterprise Fund	Fairfield	0	0	5,458,590	0	0	0	5,458,590
06569	2	Sewer	Enterprise Fund	Fairfield	0	0	9,315,000	0	36,067,680	0	45,382,680
06152	1	Sewer	Enterprise Fund	Tuckahoe	0	0	0	15,525,000	0	0	15,525,000
06446	2	Sewer	Enterprise Fund	Fairfield	0	0	0	2,649,600	0	0	2,649,600
06131	3	Sewer	Enterprise Fund	Tuckahoe	0	0	0	720,000	1,150,000	7,650,000	9,520,000
06459	4	Sewer	Enterprise Fund	Varina	0	0	0	4,547,790	0	0	4,547,790
06449	5	Sewer	Enterprise Fund	Varina	0	0	0	362,250	1,408,635	0	1,770,885
06450	6	Sewer	Enterprise Fund	Varina	0	0	0	1,345,500	4,171,050	0	5,516,550
06667	1	Sewer	Enterprise Fund	TC, T	0	0	0	0	5,000,000	0	5,000,000
06153	2	Sewer	Enterprise Fund	Fairfield	0	0	0	0	1,000,000	2,101,250	3,101,250
06666	3	Sewer	Enterprise Fund	Brookland	0	0	0	0	2,000,000	0	2,000,000
06723	1	Sewer	Enterprise Fund	Tuckahoe	0	0	0	0	0	1,776,966	1,776,966
06159	2	Sewer	Enterprise Fund	Varina	0	0	0	0	0	742,613	742,613
<b>Sewer Subtotal</b>					<b>13,258,480</b>	<b>13,258,480</b>	<b>49,133,590</b>	<b>44,975,140</b>	<b>68,847,365</b>	<b>38,158,954</b>	<b>214,373,529</b>
<b>Public Utilities - Water</b>											
00771	1	Water	Enterprise Fund	Countywide	50,000	50,000	50,000	50,000	50,000	50,000	250,000
00770	2	Water	Enterprise Fund	Countywide	300,000	300,000	300,000	300,000	300,000	300,000	1,500,000
00768	3	Water	Enterprise Fund	Countywide	1,000,000	1,000,000	5,000,000	5,000,000	3,000,000	2,000,000	16,000,000
00769	4	Water	Enterprise Fund	Countywide	75,000	75,000	750,000	2,700,000	600,000	75,000	4,200,000
00780	5	Water	Enterprise Fund	Countywide	350,000	350,000	350,000	350,000	350,000	350,000	1,750,000
00767	6	Water	Enterprise Fund	Countywide	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000
00811	7	Water	Enterprise Fund	Countywide	500,000	500,000	0	0	0	0	500,000
06570	8	Water	Enterprise Fund	Three Chopt	1,000,000	1,000,000	0	0	0	0	1,000,000
06125	1	Water	Enterprise Fund	Countywide	0	0	160,000,000	0	0	0	160,000,000
06382	2	Water	Enterprise Fund	F, V	0	0	950,000	0	0	0	950,000
06383	3	Water	Enterprise Fund	Varina	0	0	600,000	0	0	0	600,000
06118	1	Water	Enterprise Fund	Three Chopt	0	0	0	1,700,000	0	0	1,700,000
06513	1	Water	Enterprise Fund	Three Chopt	0	0	0	0	0	1,035,000	1,035,000
<b>Water Subtotal</b>					<b>3,475,000</b>	<b>3,475,000</b>	<b>168,200,000</b>	<b>10,300,000</b>	<b>4,500,000</b>	<b>4,010,000</b>	<b>190,485,000</b>
<b>Grand Total - Fund 51</b>					<b>16,733,480</b>	<b>16,733,480</b>	<b>217,333,590</b>	<b>55,275,140</b>	<b>73,347,365</b>	<b>42,168,954</b>	<b>404,858,529</b>

**Capital Improvement Program FY2013-14 through FY2017-18  
Fund 52 Enterprise Fund - Belmont Golf Course Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY13-14	Request FY13-14	Request FY14-15	Request FY15-16	Request FY16-17	Request FY17-18	Total Five Year	
<b>Recreation</b>												
06249	1	Golf Course	Enterprise Fund	Fairfield	0	0	79,860	0	0	0	79,860	
06357	1	Golf Course	Enterprise Fund	Fairfield	0	0	0	719,516	0	0	719,516	
06251	1	Golf Course	Enterprise Fund	Fairfield	0	0	0	0	449,806	0	449,806	
06250	1	Golf Course	Enterprise Fund	Fairfield	0	0	0	0	0	1,382,876	1,382,876	
<b>Golf Course Subtotal</b>					<b>0</b>	<b>0</b>	<b>79,860</b>	<b>719,516</b>	<b>449,806</b>	<b>1,382,876</b>	<b>2,632,058</b>	
<b>Grand Total - Fund 52</b>					<b>0</b>	<b>0</b>	<b>79,860</b>	<b>719,516</b>	<b>449,806</b>	<b>1,382,876</b>	<b>2,632,058</b>	

## **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 FY2013-14 through FY2017-18.

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 FY2013-14 is \$30,158,280, which funds a portion of the project requests in the first year of the CIP. The projects in the FY2013-14 Capital Budget do not have an operating impact on the FY2013-14 operating budget as the operating costs have implications on operating budgets beyond FY2013-14. Those costs have been factored into the County's multi-year expenditure forecasts. However, it should be noted the FY2013-14 operating budget includes \$4,097,452 in new operating costs arising from projects funded in prior Capital Budgets.

As mentioned, the FY2013-14 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 Kaechele Elementary School and the Elko Community 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, 9<sup>th</sup> and 10<sup>th</sup> 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 11<sup>th</sup> 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 12<sup>th</sup> 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 Tuckahoe Library, Twin Hickory Library, and Fire

*Implications on Operating Budget (cont'd)*

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 included 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 included 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, 9<sup>th</sup> and 10<sup>th</sup> 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.

In FY2011-12, the Revenue Stabilization Reserve budget included a \$10.2 million use of the reserve. Planned uses of the fund include costs associated with Glen Allen High School, 11<sup>th</sup> grade, Mehfoud Elementary School twelve classroom addition, Varina Elementary School twelve classroom addition, Tuckahoe Elementary School six classroom addition, Lakeside Elementary School six classroom addition, Dumbarton Elementary School six classroom addition, Fire Station #3 relocation, Juvenile Detention medical addition, Lakeside House expansion, Gayton Library renovation, Virginia Randolph Museum, and the Eastern Area Recreation Center.

In FY2012-13, the Revenue Stabilization Reserve budget includes a \$3.9 million use of the reserve. Planned uses of the fund include costs associated with Glen Allen High School, 12<sup>th</sup> grade, Fire Station #7 replacement, Fire Station #9 replacement, Fire Station #10 renovation, Fire Station #13 renovation/expansion, Tuckahoe Annex, Dabbs House Visitor Center, Twin Hickory Park, and Best Plaza.

In FY2013-14, the Revenue Stabilization Reserve budget includes a \$4.1 million use of the reserve. Planned uses of the fund include costs associated with Kaechele Elementary School and the Elko Community 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.

**Capital Improvement Program  
Fiscal Year 2013-14 through FY2017-18  
Department and Priority Order  
Associated Operating Cost**

**Fund 21 - Capital Projects Fund**

Project	Priority	Project Type	Source	District	Request FY13-14	Request FY14-15	Request FY15-16	Request FY16-17	Request FY17-18	Total Five Year
<b>Education</b>										
00518		Roof Replacements	Interest Earnings	Countywide	0	0	0	0	0	0
00527		Mechanical Improvements	Interest Earnings	Countywide	0	0	0	0	0	0
06611		Athletic Facility Improvements	No Funding Source	Countywide	0	0	0	0	0	0
06612		Parking, Sidewalk & Curb Improvements	No Funding Source	Countywide	0	0	0	0	0	0
06545	1	Tuckahoe ES - 5th Grade Renovation	No Funding Source	Tuckahoe	0	0	0	0	0	0
06669	2	Tuckahoe District Land and Improvements	No Funding Source	Tuckahoe	0	0	0	0	0	0
06738	3	Jackson Davis ES Parking Lot Expansion	No Funding Source	Three Chopt	0	0	0	0	0	0
06739	4	Longan ES Parking Lot Expansion	No Funding Source	Brookland	0	0	0	0	0	0
06740	5	Pinchbeck ES Parking Lot Expansion	No Funding Source	Tuckahoe	0	0	0	0	0	0
06303	1	East Area HS #2	No Funding Source	Varina	0	6,611,352	0	0	9,917,027	16,528,379
06305	2	Pemberton ES Renovation	No Funding Source	Tuckahoe	0	0	0	0	0	0
06304	3	Crestview ES Renovation	No Funding Source	Tuckahoe	0	0	0	0	0	0
06538	4	Skipwith ES Renovation	No Funding Source	Tuckahoe	0	0	0	0	0	0
06479	5	Tuckahoe MS Renovation	No Funding Source	Three Chopt	0	0	0	0	0	0
06388	6	Tucker HS Renovation	No Funding Source	Three Chopt	0	0	0	0	0	0
06539	7	Seven Pines ES Renovation	No Funding Source	Varina	0	0	0	0	0	0
06741	1	Virginia Randolph Complex Renovation	No Funding Source	Fairfield	0	0	0	0	0	0
06742	2	Chamberlayne ES Renovation	No Funding Source	Fairfield	0	0	0	0	0	0
06672	3	Jackson Davis ES Renovation	No Funding Source	Three Chopt	0	0	0	0	0	0
06673	4	Longan ES Renovation	No Funding Source	Brookland	0	0	0	0	0	0
06670	5	Multi-Sport Athletic Fields	No Funding Source	Countywide	0	0	0	0	0	0
06742	6	Central Gardens Renovation	No Funding Source	Countywide	0	0	0	0	0	0
06484	1	Glen Allen HS Technical Center	No Funding Source	Brookland	0	0	0	0	3,146,992	3,146,992
06743	2	Highland Springs Elementary Renovation	No Funding Source	Varina	0	0	0	0	0	0
06744	3	Holladay Elementary School Renovation	No Funding Source	Brookland	0	0	0	0	0	0
06745	1	Adams Elementary School Renovation	No Funding Source	Fairfield	0	0	0	0	0	0
06746	2	Carver Elementary School Renovation	No Funding Source	Tuckahoe	0	0	0	0	0	0
<b>Department Subtotal</b>					<b>0</b>	<b>0</b>	<b>0</b>	<b>6,611,352</b>	<b>13,064,019</b>	<b>19,675,371</b>
<b>Fire</b>										
06731	1	Energy Efficiency Upgrades	No Funding Source	Countywide	0	0	0	0	0	0
06531	2	Fire Headquarters Building	No Funding Source	General Government	0	0	107,734	107,734	107,734	323,202
06366	3	Fire Station #1	No Funding Source	Fairfield	0	0	0	10,000	10,000	20,000
06177	4	Fire Station #6	No Funding Source	Varina	0	0	0	10,000	10,000	20,000
06663	5	Fire Specialty Vehicle Storage Facility	No Funding Source	General Government	0	0	10,580	10,580	10,580	31,740
06532	1	Fire Training Facility	No Funding Source	General Government	0	0	0	70,741	70,741	141,482
06529	2	Fire Station #11	No Funding Source	Fairfield	0	0	0	0	10,000	10,000
06623	3	Osborne Boathouse	No Funding Source	Varina	0	0	0	10,449	10,449	20,898
06190	1	Staples Mill Fire Station	No Funding Source	Brookland	0	0	0	0	0	0
06178	2	Osborne Turnpike Fire Station	No Funding Source	Varina	0	0	0	0	0	0
06519	1	Fire Station #4	No Funding Source	Varina	0	0	0	0	0	0



**Capital Improvement Program  
Fiscal Year 2013-14 through FY2017-18  
Department and Priority Order  
Associated Operating Cost**

**Fund 21 - Capital Projects Fund**

Project	Priority	Project Type	Source	District	Request FY13-14	Request FY14-15	Request FY15-16	Request FY16-17	Request FY17-18	Total Five Year
06520 Wilton Farms FS	2	Building (New)	No Funding Source	Varina	0	0	0	0	0	0
06522 Portugee Road Fire Station	3	Building (New)	No Funding Source	Varina	0	0	0	0	0	0
06363 North Gayton Fire Station	1	Building (New)	No Funding Source	Three Chopt	0	0	0	0	0	0
06524 Elko Road Fire Station	2	Building (New)	No Funding Source	Varina	0	0	0	0	0	0
<b>Department Subtotal</b>					<b>0</b>	<b>0</b>	<b>118,314</b>	<b>219,504</b>	<b>229,504</b>	<b>567,322</b>
<b>General Services</b>										
00572 Mechanical Improvements	1	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
00425 Roof Replacement and Rehabilitation	2	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
00423 Pavement Rehabilitation	3	Site Improvement	No Funding Source	General Government	0	0	0	0	0	0
06625 Building Automation Systems Upgrade	4	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06624 Fuel Storage Tank Monitoring Upgrades	5	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
01198 Energy Management	6	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06368 Administration Building HVAC Upgrade	7	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06649 Best Plaza Phase 1 & Other Renovations	8	Building Improvement	No Funding Source	General Government	831,627	1,858,343	1,858,343	1,858,343	1,858,343	8,264,999
00027 UPS Replacement	9	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06736 Admin. Building Landscaping Improvements	10	Site Improvement	No Funding Source	General Government	0	0	0	0	0	0
06089 Backup EOC	11	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
01199 Generator Program	12	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06727 CAM Large Vehicle Wash Facility	1	Building (New)	No Funding Source	General Government	0	0	38,628	38,628	38,628	115,884
01031 Stormwater Regulatory Retrofits	2	Site Improvement	No Funding Source	General Government	0	0	0	0	0	0
00377 DGS Environmental Fund	3	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06728 CAM Woodman Parking Expansion	4	Site Improvement	No Funding Source	General Government	0	84,942	84,942	84,942	84,942	339,768
06573 Admin Entry Walk Improvements	5	Site Improvement	No Funding Source	General Government	0	0	0	0	0	0
06729 Best Plaza & Woodman Fiber Optic Improvement	6	Technology Improvement	No Funding Source	General Government	0	0	0	0	0	0
06088 Vulnerability Implementation	7	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06096 Human Services Building Renovation	8	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06512 Juvenile Courts 6th Courtroom Build-out	9	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06091 Gov't Center Exterior Lights, Phase III, IV	10	Site Improvement	No Funding Source	General Government	0	0	0	0	0	0
06486 Circuit Courtroom No. 6	1	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06102 Government Center Expansion - Admin. & Waret	2	Building (New)	No Funding Source	General Government	0	0	0	0	652,961	652,961
06104 Administration Building Remaining Renovation	3	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06655 Glen Echo Office Building Renovation	4	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06376 Gen. Gov't Services East End Land/Study	5	Land	No Funding Source	General Government	0	0	0	0	0	0
06105 New Courts Complex Facility	6	Building (New)	No Funding Source	General Government	0	0	0	0	0	0
06370 CAM Fuel Site - North West	1	Building (New)	No Funding Source	General Government	0	0	0	0	23,364	23,364
06533 Courthouse Renovations	1	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06103 East End Depot	2	Building (New)	No Funding Source	General Government	0	0	0	0	0	0
<b>Department Subtotal</b>					<b>831,627</b>	<b>1,943,285</b>	<b>1,981,913</b>	<b>1,981,913</b>	<b>2,658,238</b>	<b>9,396,976</b>

**Capital Improvement Program**  
**Fiscal Year 2013-14 through FY2017-18**  
**Department and Priority Order**  
**Associated Operating Cost**

**Fund 21 - Capital Projects Fund**

Project	Priority	Project Type	Source	District	Request FY13-14	Request FY14-15	Request FY15-16	Request FY16-17	Request FY17-18	Total Five Year
<b>Information Technology</b>										
06481	1	Technology Improvement	General Fund	General Government	0	0	0	0	0	0
06627	2	Technology Improvement	General Fund	General Government	0	0	0	0	0	0
01033	3	Technology Improvement	No Funding Source	General Government	0	200,000	200,000	200,000	200,000	800,000
00146	4	Technology Improvement	No Funding Source	General Government	0	0	0	0	0	0
<b>Department Subtotal</b>					<b>0</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>800,000</b>
<b>Information Technology - GIS</b>										
00429	1	Technology Improvement	General Fund	General Government	0	0	0	0	0	0
06506	2	Technology Improvement	No Funding Source	General Government	0	0	0	0	0	0
<b>Department Subtotal</b>					<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Mental Health</b>										
06568	1	Feasibility/Programming Study	No Funding Source	General Government	90,228	0	0	0	0	90,228
06577	1	Land	No Funding Source	General Government	0	763,770	0	0	0	763,770
06571	2	Feasibility/Programming Study	No Funding Source	General Government	0	83,881	0	0	0	83,881
06661	1	Building (New)	No Funding Source	General Government	0	0	0	2,397,845	16,776,348	19,174,193
06662	2	Building Addition	No Funding Source	General Government	0	0	0	1,998,742	13,498,442	15,497,184
<b>Department Subtotal</b>					<b>90,228</b>	<b>847,651</b>	<b>0</b>	<b>4,396,587</b>	<b>30,274,790</b>	<b>35,609,256</b>
<b>Police</b>										
00460	1	Technology Improvement	General Fund, Other Local Rev	General Government	0	0	0	0	0	0
06660	2	Building (New)	No Funding Source	General Government	0	29,200	29,200	29,200	29,200	116,800
06730	3	Building (New)	No Funding Source	General Government	0	300	300	300	300	1,200
06610	4	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
<b>Department Subtotal</b>					<b>0</b>	<b>29,500</b>	<b>29,500</b>	<b>29,500</b>	<b>29,500</b>	<b>118,000</b>
<b>Public Library</b>										
06258	1	Land	No Funding Source	Fairfield	0	0	0	0	0	0
06630	2	Building Improvement	No Funding Source	Countywide	0	0	0	0	0	0
06259	1	Building Improvement	No Funding Source	General Government	0	0	11,850	11,850	11,850	35,550
06274	1	Building (New)	No Funding Source	Fairfield	0	0	0	3,242,397	3,242,397	6,484,794
06261	1	Building Addition	No Funding Source	Three Chopt	0	0	0	0	1,617,707	1,617,707
<b>Department Subtotal</b>					<b>0</b>	<b>0</b>	<b>11,850</b>	<b>3,254,247</b>	<b>4,871,954</b>	<b>8,138,051</b>
<b>Public Works - Drainage</b>										
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

**Capital Improvement Program  
Fiscal Year 2013-14 through FY2017-18  
Department and Priority Order  
Associated Operating Cost**

**Fund 21 - Capital Projects Fund**

Project	Priority	Project Type	Source	District	Request	Request	Request	Request	Request	Total
					FY13-14	FY14-15	FY15-16	FY16-17		
06006		Huntsman Road Drainage Channel	No Funding Source	Varina	0	0	0	0	0	0
06007	7	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06008	8	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06009	9	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06010	10	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06011	11	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06012	12	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06013	13	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06014	14	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06015	15	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06016	16	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06017	17	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06018	18	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06019	19	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06020	1	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06021	2	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06022	3	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06023	4	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06024	5	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06025	6	Drainage	No Funding Source	Tuckahoe	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	Tuckahoe	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
06043	4	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06044	5	Drainage	No Funding Source	Fairfield	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

**Capital Improvement Program  
Fiscal Year 2013-14 through FY2017-18  
Department and Priority Order  
Associated Operating Cost**

**Fund 21 - Capital Projects Fund**

Project	Priority	Project Type	Source	District	Request FY13-14	Request FY14-15	Request FY15-16	Request FY16-17	Request FY17-18	Total Five Year
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	Tuckahoe	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	Tuckahoe	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
<b>Department Subtotal</b>					<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Public Works - Roadway</b>										
00499	1	Roadway	General Fund - Public Works	Countywide	0	0	0	0	0	0
00486	2	Roadway	General Fund - Public Works	Countywide	0	0	0	0	0	0
<b>Department Subtotal</b>					<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Capital Improvement Program  
Fiscal Year 2013-14 through FY2017-18  
Department and Priority Order  
Associated Operating Cost**

**Fund 21 - Capital Projects Fund**

Project	Priority	Project Type	Source	District	Request FY13-14	Request FY14-15	Request FY15-16	Request FY16-17	Request FY17-18	Total Five Year
<b>Recreation</b>										
06194 Facility Rehabilitation	1	Site Improvement	General Fund	Countywide	0	635,592	635,592	635,592	635,592	2,542,368
06436 Athletic Field Renovations	2	Site Improvement	No Funding Source	Countywide	0	635,592	635,592	635,592	635,592	2,542,368
06472 Byrd Middle School	3	Site Improvement	No Funding Source	Tuckahoe	0	242,431	242,431	242,431	242,431	969,724
06219 Greenwood Park	4	Park	No Funding Source	Brookland	0	0	0	0	0	0
06435 Tuckahoe Park	5	Site Improvement	No Funding Source	Tuckahoe	0	148,701	148,701	368,421	368,421	1,034,244
06620 Concession Construction	6	Building Improvement	No Funding Source	Countywide	0	145,218	145,218	145,218	145,218	580,872
06255 Lakeside Park	7	Park	No Funding Source	Fairfield	0	709,556	709,556	709,556	709,556	2,838,224
06726 Cheswick Park	8	Site Improvement	No Funding Source	Three Chopt	0	148,701	148,701	148,701	148,701	594,804
06212 Henrico Museum	9	Building (New)	No Funding Source	Varina	0	0	0	0	0	0
06208 Belmont Recreation Center Renovation	1	Building Improvement	No Funding Source	Fairfield	0	0	283,078	283,078	283,078	849,234
06200 Dorey Park	2	Site Improvement	No Funding Source	Varina	0	0	709,556	709,556	709,556	2,128,668
06217 Dunncroff/Castle Point Park	3	Site Improvement	No Funding Source	Brookland	0	0	148,701	148,701	148,701	446,103
06210 Four Mile Creek Park	4	Park	No Funding Source	Varina	0	0	509,243	509,243	509,243	1,527,729
06201 New Market Park	5	Park	No Funding Source	Varina	0	0	509,243	509,243	509,243	1,527,729
06197 RF & P Park	1	Site Improvement	No Funding Source	Brookland	0	0	0	148,701	148,701	297,402
06253 Laurel Recreation Area	2	Site Improvement	No Funding Source	Brookland	0	0	0	148,701	148,701	297,402
06229 Allen's Branch	3	Park	No Funding Source	Three Chopt	0	0	0	1,270,372	1,270,372	2,540,744
06336 Glen Lea Recreation/Vawter Street Park	4	Site Improvement	No Funding Source	Fairfield	0	0	0	280,275	280,275	560,550
01154 Dabbs House Tourist Information Center	5	Site Improvement	No Funding Source	Varina	0	0	0	283,078	283,078	566,156
00599 Pouncey Tract Park	6	Site Improvement	No Funding Source	Three Chopt	0	0	0	459,732	459,732	919,464
06732 Robinson Park	7	Site Improvement	No Funding Source	Varina	0	0	0	148,701	148,701	297,402
06202 Deep Bottom Park	1	Park	No Funding Source	Varina	0	0	0	280,275	280,275	280,275
06235 Highland Springs Recreation Area	2	Site Improvement	No Funding Source	Varina	0	0	0	0	280,275	280,275
06733 Brook Road Neighborhood Park	3	Park	No Funding Source	Fairfield	0	0	0	0	303,547	303,547
06735 Hunton Recreation Area/Woodman Park	4	Site Improvement	No Funding Source	B, F	0	0	0	0	280,275	280,275
06256 Meadow Farm	1	Building (New)	No Funding Source	Brookland	0	0	0	0	0	0
06238 Three Lakes Nature Center	2	Building Improvement	No Funding Source	Fairfield	0	0	0	0	0	0
06441 Armour House	3	Building Improvement	No Funding Source	Fairfield	0	0	0	0	0	0
06734 Virginia Heights Park	4	Park	No Funding Source	Varina	0	0	0	0	0	0
<b>Department Subtotal</b>					<b>0</b>	<b>2,665,791</b>	<b>4,825,612</b>	<b>7,784,892</b>	<b>8,929,264</b>	<b>24,205,559</b>
<b>Sheriff</b>										
06386 Jail Expansion-East & West	1	Building (New)	No Funding Source	General Government	0	0	0	0	4,657,325	4,657,325
<b>Department Subtotal</b>					<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,657,325</b>	<b>4,657,325</b>
<b>Grand Total - Fund 21</b>					<b>921,855</b>	<b>5,686,227</b>	<b>7,167,189</b>	<b>24,477,995</b>	<b>64,914,594</b>	<b>103,167,860</b>

## **APPENDICES**

## APPENDIX "A" GLOSSARY

**ADA** - The Americans with Disabilities Act (ADA) provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services and programs, and telecommunications.

**Adjustments** - Resources to support the Internal Service Fund operations come from operating department budgeted payments. To avoid duplication of these payments, the amount of funds budgeted for these activities are reduced so the funds are not budgeted twice.

**Advanced 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 or a portion thereof becomes the capital budget for that fiscal year.

**Capital Outlay** - Outlays which result in the acquisition (either new or replacement) or additions to fixed assets except outlays for major capital facilities which are constructed or acquired (e.g., land and buildings). Expenditures for these major capital facilities are reflected within the capital budget. Examples of capital outlays are furniture, fixtures, machinery, and equipment.

**CDBG** - A federal grant entitled the Community Development Block Grant. Funds are used to support housing, economic development, health and human services, and planning and administration.

**Complement** - A listing of authorized positions by department as approved by the Board of Supervisors and maintained by the Human Resources Department. Complement I - 100% County funded position. Complement II - Position partially County funded. Complement III - 100% Non-County funded position. Complement IV - Positions that, regardless of funding source and classified status, are exempt from use of the County's grievance procedure as determined by the County Manager.

**Contingency** - Funds set aside in a special account in the Annual Fiscal Plan, but not always appropriated for expenditure. These funds are for emergency and unforeseen needs or for previously identified items that may have funding held for further actions or approvals before being appropriated for expenditure.

**Debt Service Fund** - This fund is used to finance and account for the principal and interest payments on long-term debt incurred by the County.

**Department** - An entity within the County organization setup, either by State code or identified need, for the administration of specifically related duties or responsibilities.

**Designated Fund Balance** - That portion of resources, which at year's end, exceeded requirements and has been designated for use at some future time for a specific project or use. Money in a designated fund balance is not in the Annual Fiscal Plan and therefore has not been appropriated for expenditure.

**Division** - For manageability and accounting purposes, some departments are further divided into smaller units of control, called divisions. Example: Treasury and Accounting Divisions are both part of the Department of Finance.

**EDA Revenue Bonds** - The type of bonds issued by Henrico County through the Economic Development Authority for the construction of public facilities.

**Enterprise Fund** - These types of funds account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the County is that the cost of providing services to the general public be financed or recovered through charges to users of such services. Two examples are: the Water and Sewer operations and the Belmont Park Golf Course.

**Expenditure** - The authorized paying out of County funds to defray the County charges and expenses and all necessary obligations relating to, or arising from, the execution of the lawful authority of the Board of Supervisors.

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

**Financial Guidelines** - The principles utilized by the Henrico County Board of Supervisors. The Henrico County Board of Supervisors has chosen to adhere to the use of broad financial guidelines as a means of maintaining their flexibility in decision making.

**Financial Trend Monitoring System** - The process in which a locality reviews the economic trends that are predictive of its financial outlook for the purpose of assessing its ability to maintain existing service levels, withstand local and regional economic disruptions, and meet the demands of natural growth, decline and change.

**Fiscal Year (FY)** - The County of Henrico operates with a fiscal year from July 1 to June 30.

**Fringe Benefits** - Employer contributions to pension and fringe benefit systems for County employees. Examples of such benefits include health care, unemployment compensation, the Virginia Retirement System, and life insurance.

**Fund** - Each fund is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds can be further divided into subfunds.

**Fund Balance** - The difference between fund assets and fund liabilities for governmental and trust funds. This balance is classified into subcategories: restricted, committed, assigned and unassigned. The Enterprise Funds refer to these funds as retained earnings.

**GAAP** - Generally Accepted Accounting 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 and other purposes. Some revenue collected in the General Fund is transferred to support requirements of other funds such as the Debt Service Fund.

**General Obligation Bonds** - The type of bonds issued when repayment is backed by the full faith and credit of the County and which have been approved by the voters of the County through a bond referendum.

**Goal** - A broad statement of departmental purpose. Within this document, the departmental goal is generally included within the "description" component of individual departmental narratives.

**Grant** - A contribution by one governmental unit or organization to another. Typically, these contributions are made to local governments from the Federal and State governments for specified purposes.

**Interdepartmental Billings (IDT)** - Expenditures and credits to expenditures between departments. No net change in Countywide expenditures results. One primary use of IDT's is the payment by operating departments for services rendered by departments in the Internal Service Fund.

**Internal Service Funds** - These account for the County's Central Automotive Maintenance, Technology Replacement operations, Risk Management, and Health Care Fund. Resources for these funds come from IDT's and transfers from the General Fund.

**Development Services (DS) Day Support** - A program offered by the Mental Health Department. The program provides supported employment, vocational services and life enrichment services to graduates of Henrico County's special education program.

**Natural Account** - A more detailed and specific listing of expenditures in the County's Oracle Financial Management System. Examples of natural accounts are: 50100 - Salaries and Wages, Regular; and 50101 - Salaries and Wages, Overtime.

**Objective** - A statement of purpose for a program or service describing anticipated outputs or outcomes.

**Operating Budget** - Includes all funds except those accounted for in the capital budget. The Operating Budget or Annual Fiscal Plan is adopted by the Board of Supervisors by resolution on a fiscal year basis, and an annual appropriation is made, also by resolution, based upon this Plan. The Plan may be amended during the fiscal year pursuant to the Virginia State Code.

**Operating Expenses** - The cost of contractual services, materials, supplies and other expenses not related to personnel and capital outlay expenses or capital projects.

**Other Post Employment Benefits (OPEB)** - Non-pension benefits provided to employees after employment ends. The Governmental Accounting Standards Board (GASB) has required a financial reporting of this expenditure which is captured in a fiduciary fund. This fund will allow the County to budget for the annual cost of public employee non-pension benefits and all outstanding obligations and commitments related to OPEB.

**Pay-As-You-Go** - A method of financing capital projects. Funding is 100% from local revenue. No borrowing or issuing of bonds is undertaken. This method may be used, as warranted, to reduce long term debt requirements.

**Performance Measure** - Specific quantitative or qualitative indicators used to measure an organization's progress. Henrico County utilizes mostly quantitative performance measures, the majority of which have been tracked for over a decade.

**Personnel Expenses** - Cost of salaries, wages, and fringe benefits such as the employer's share of social security contributions, retirement expenses, and health and life insurance payments.

**Project (Capital)** - An item for which the purchase, construction, or other acquisition will represent a public betterment to the community and add to the total physical worth of the County provided that the project considered meets the criteria for total cost and life expectancy. Examples of capital projects are land, buildings and certain major pieces of equipment of a fixed nature.

**Requirement** - The use of resources to meet expenditures, to transfer to other County operations, or to set up a reserve. Resources for a given fiscal year must at least equal the requirements for the same fiscal year.

**Reserve** - Each fund may have one or more reserve accounts. These accounts contain funds which have been set aside for a specific purpose or use, but not included in the Annual Fiscal Plan and not appropriated for expenditure. A reserve may be adjusted year-to-year as the needs are adjusted. An example is the Reserve For Self-Insurance in the General Fund.

**Resource** - The income which supports the operation of the County. Sufficient resources each fiscal year must be received to meet the total requirements of the County for that fiscal year. Examples of a resource are: revenue (from taxes, fees, etc.), sale of bonds (or other borrowings), certain recoveries and rebates, contributions-in-aid, and prior year fund balance.

**Revenue** - The Government's income from taxes, permits, fees, licenses, etc., including funds received from other governmental entities. Excludes borrowings and funds from sources such as use of prior years fund balances, contributions-in-aid, and certain recoveries and rebates.

**Service Level** - The supporting information pertinent to departmental approved expenditures that describes the impact on efficiency and/or effectiveness of departmental functions.

**Special Revenue Fund** - This fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. This includes resources obtained and used relating to State and Federal grants, the Utility Department's Solid Waste operation, School Cafeterias, Mental

Health/Developmental Services, and Street Lighting. There are times when revenue collected in one of the other funds may be transferred into this fund to support those operations such as the County's share of a grant program.

**Subfund** - Within each fund there are often operations, which by their unique characteristics, are best accounted for separately. These related subfunds are combined into one of the major funds. These subfunds are reported separately in revenue and expenditure reports.

**Tax Levy** - Charges imposed by a government to finance activities for the common benefit. Henrico County's tax levies are based on an approved tax rate per one hundred dollars of assessed value.

**Tax Rate** - The level of taxation levied by the County on specifically identified classifications of property. For example, the real estate tax rate for calendar year 2011 was \$0.87 per \$100 of assessed value.

**Transfer** - A resource recorded in one fund may be moved to another fund with the approval of the Board of Supervisors. An example of this interfund transfer would be revenues recorded in the General Fund and then transferred to the Debt Service Fund for payments on principal and interest on bonds.

**Unassigned Fund Balance** - The portion of fund balance representing financial resources available to finance expenditures other than those tentatively planned (assigned).

**VPSA Bonds** - The type of bonds issued by Henrico County through the Virginia Public School Authority to finance capital projects for educational purposes.

**APPENDIX "B"**  
**PERSONNEL COMPLEMENT <sup>1</sup>**

<u>Department</u>	<u>FY12 Revised</u>	<u>FY13 Original</u>	<u>FY13 Changes<sup>3</sup></u>	<u>FY13 Revised<sup>3</sup></u>	<u>FY14 Changes</u>	<u>FY14 Approved</u>
General Government:						
Agriculture & Home Extension	2	2		2		2
Belmont Golf Course	9	9		9		9
Board of Supervisors	5	5		5	(1)	4
Building Inspections	56	54		54	(1)	53
Central Auto. Maintenance	67	67		67		67
Circuit Court Services	8	8		8		8
Commonwealth's Attorney	56	56		56		56
Community Corrections	2	2		2		2
Community Revitalization	17	17		17	(1)	16
County Attorney	18	18	1	19		19
County Manager	13	13		13		13
Electoral Board	8	8		8		8
Finance	157	153		153		153
Fire	539	539		539	9	548
General Services	155	155	(8)	147	(2)	145
Human Resources	52	49	(1)	48		48
Hold Complement <sup>2</sup>	19	44	(1)	43	(6)	37
Information Technology	85	84	5	89	(1)	88
Internal Audit	4	4		4		4
Juvenile Detention	30	30		30		30
Juvenile Detention/VJCCCA	3	3		3		3
Library	168	166	(2)	164	(3)	161
Mental Health	220	219	(1)	218		218
Permit Centers	17	17		17	(1)	16
Planning	46	43		43		43
Police	798	791	7	798	9	807
Public Relations & Media Services	19	19		19		19
Public Utilities	307	306		306		306
Public Works	254	254		254		254
Real Property	7	7		7		7
Recreation	178	177 <sup>4</sup>		177	(2)	175
Sheriff	371	371		371		371
Social Services	168	168		168		168
Solid Waste	69	69		69		69
Sub-Total	<u>3,927</u>	<u>3,927</u>	<u>0</u>	<u>3,927</u>	<u>0</u>	<u>3,927</u>
Education:	<u>6,564.25</u>	<u>6,515.65</u>	<u>48.00</u>	<u>6,563.65</u>	<u>57.60</u>	<u>6,621.25</u>
TOTAL	<u><u>10,491.25</u></u>	<u><u>10,442.65</u></u>	<u><u>48.00</u></u>	<u><u>10,490.65</u></u>	<u><u>57.60</u></u>	<u><u>10,548.25</u></u>

<sup>1</sup> 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 3/5/2012) are not included. General Government positions are based on headcount while Education positions are measured using FTE.

<sup>2</sup> Certain approved, vacant, and frozen positions have been removed from the department where previously assigned and are being held in the Hold Complement until reassignment is made.

<sup>3</sup> As of 2/5/2013

<sup>4</sup> This is the net of 2 positions removed from the Division and one new position for Twin Hickory Park, a 2005 G.O. Bond Referendum Project.

**Personnel Complement  
By Fund**

<b>Fund</b>	<b>FY 12 Revised</b>	<b>FY 13 Original</b>	<b>FY 13 Changes</b>	<b>FY 13 Revised<sup>(1)</sup></b>	<b>FY 14 Changes</b>	<b>FY 14 Approved</b>
<b>General Fund</b>						
General Government	3,200.00	3,174.00	2.00	3,176.00	7.00	3,183.00
Education	5,806.35	5,758.25	37.00	5,795.25	58.10	5,853.35
Total	<u>9,006.35</u>	<u>8,932.25</u>	<u>39.00</u>	<u>8,971.25</u>	<u>65.10</u>	<u>9,036.35</u>
<b>Special Revenue Fund</b>						
General Government	315.00	316.00	(1.00)	315.00	0.00	315.00
Education	757.90	757.40	11.00	768.40	(0.50)	767.90
Total	<u>1,072.90</u>	<u>1,073.40</u>	<u>10.00</u>	<u>1,083.40</u>	<u>(0.50)</u>	<u>1,082.90</u>
<b>Enterprise Funds</b>						
Public Utilities	307.00	306.00	0.00	306.00	0.00	306.00
Golf Course	9.00	9.00	0.00	9.00	0.00	9.00
Total	<u>316.00</u>	<u>315.00</u>	<u>0.00</u>	<u>315.00</u>	<u>0.00</u>	<u>315.00</u>
<b>Internal Service Fund</b>						
Cent. Auto. Maint.	67.00	67.00	0.00	67.00	0.00	67.00
Risk Management	10.00	11.00	0.00	11.00	(1.00)	10.00
Total	<u>77.00</u>	<u>78.00</u>	<u>0.00</u>	<u>78.00</u>	<u>(1.00)</u>	<u>77.00</u>
Hold Complement	19.00	44.00	(1.00)	43.00	(6.00)	37.00
<b>Grand Total</b>	<u><u>10,491.25</u></u>	<u><u>10,442.65</u></u>	<u><u>48.00</u></u>	<u><u>10,490.65</u></u>	<u><u>57.60</u></u>	<u><u>10,548.25</u></u>

<sup>(1)</sup> As of 2/5/2013

**County of Henrico  
Personnel Complement Changes  
FY 2013-14**

<b>Fund/Department</b>	<b>Position</b>	<b>F/PT</b>	<b>Number</b>	<b>Justification</b>
<b>GENERAL GOVERNMENT</b>				
<b>General Fund:</b>				
Board of Supervisors	Administrative Secretary	FT	(1.00)	Vacant position eliminated
Building Inspections	Office Assistant III	FT	(1.00)	Vacant position eliminated
Community Revitalization	Technology Support Specialist II	FT	(1.00)	Vacant position eliminated
Fire	Firefighter	FT	9.00	Positions to staff new EMS Unit
General Services	Account Clerk III	FT	(1.00)	Vacant position eliminated
General Services	Office Assistant IV	FT	(1.00)	Vacant position eliminated
			<u>(2.00)</u>	
Information Technology	Information Technology Hardware Specialist	FT	(1.00)	Vacant position eliminated
Library	Library Assistant I	FT	(2.00)	Vacant position eliminated
Library	Office Supervisor	FT	(1.00)	Vacant position eliminated
	Library Total		(3.00)	
Permit Centers	Office Assistant IV	FT	(1.00)	Vacant position eliminated
Police	Police Officers	FT	10.00	Positions added for patrol
Police	Crossing Guard	PT	(1.00)	Three vacant positions unfunded, one slot eliminated.
	Police Total		<u>9.00</u>	
Recreation	Recreation Programs Supervisor	FT	1.00	1 vacant position eliminated, 2 new positions the result of reclassifying 2 Senior Recreation Programs Coordinators.
Recreation	Laborer	FT	(2.00)	1 vacant position eliminated, 1 vacant position reclassified to fill needs within the department.
Recreation	Senior Recreation Programs Coordinator	FT	(2.00)	Positions reclassified to fill needs within the department.
Recreation	Labor Foreman II	FT	1.00	New position the result of a reclassification of a Laborer position.
	Recreation Total		<u>(2.00)</u>	
	<b>General Fund Total</b>		<b>6.00</b>	
	Hold Complement		(6.00)	
	<b>General Government Total</b>		<b><u>0.00</u></b>	

**County of Henrico  
Personnel Complement Changes  
FY 2013-14**

<b>Fund/Department</b>	<b>Position</b>	<b>F/PT</b>	<b>Number</b>	<b>Justification</b>
<b>EDUCATION</b>				
<b>General Fund:</b>				
Revisions During FY2012-13:				
Administrative	Communications & Public Relations	FT	(1.00)	Reduce Complement
Instructional	Secondary Education	FT	7.00	Realignment
Instructional	School Counseling Services	FT	1.00	Realignment
Librarians	Information Services	FT	1.00	New School
Principals	Elem. School Educ. & Org. Dev.	FT	1.00	New School
Principals	Secondary Education	FT	1.00	Realignment
Other Professional	Communications & Public Relations	FT	1.00	Reclassification
Other Professional	Operations	FT	1.00	Reclassification
Nurses	Nurses	FT	2.00	Reinstate Complement
Technical	Secondary Education	FT	1.00	Realignment
Technical	Pupil Transportation	FT	1.00	Reclassification
Technical	Pupil Transportation	FT	(3.00)	Reduce Complement
Technology Tech Support	Technology	FT	(1.00)	Reorganization
Technology Tech Support	Television Services	FT	(1.00)	Reclassification
Technology Tech Support	Operations	FT	(1.00)	Reclassification
Technology Tech Support	Operations	FT	1.00	Reorganization
Technology Tech Support	Pupil Transportation	FT	1.00	Reclassification
Clerical	Elem. School Educ. & Org. Dev.	FT	1.00	New School
Clerical	Secondary Education	FT	1.00	Realignment
Clerical	Pupil Transportation	FT	2.00	Reclassification
Operative	Pupil Transportation	FT	6.00	Reclassification
Operative	Pupil Transportation	FT	(3.00)	Reclassification
Technical	Pupil Transportation	PT	(0.50)	Reclassification
Operative	Pupil Transportation	PT	(0.50)	Reclassification
Operative	Pupil Transportation	PT	(3.00)	Reclassification
Assistant Superintendents	Elem. School Educ. & Org. Dev.	FT	(1.00)	Reorganization
Assistant Superintendents	Elem. School Educ. & Org. Dev.	FT	1.00	Reorganization
Assistant Superintendents	Secondary Education	FT	1.00	Reorganization
Assistant Superintendents	Exceptional Education	FT	1.00	Reorganization
Assistant Superintendents	Leadership Dev. & Special Projects	FT	1.00	Reorganization
Administrative	Secondary Education	FT	(1.00)	Reorganization
Administrative	Exceptional Education	FT	(1.00)	Reorganization
Administrative	Research & Planning	FT	(1.00)	Reorganization
Instructional	Elem. School Educ. & Org. Dev.	FT	(2.00)	Reclassification
Instructional	Elem. School Educ. & Org. Dev.	FT	8.00	Realignment
Instructional	Elem. School Educ. & Org. Dev.	FT	6.00	Board Approved Complement
Instructional	Elem. School Educ. & Org. Dev.	FT	2.00	Reorganization
Instructional	Secondary Education	FT	(2.20)	Realignment
Instructional	Secondary Education	FT	2.00	Realignment
Instructional	Secondary Education	FT	0.80	Realignment
Instructional	Instructional Reserve	FT	(10.00)	Realignment
Instructional	Gifted	FT	(2.00)	Reorganization
Instructional	Career & Technical Education	FT	(0.80)	Realignment
Instructional	Exceptional Education	FT	2.20	Realignment
Assistant Principals	Elem. School Educ. & Org. Dev.	FT	2.00	Reclassification
Nurses	Nurses	FT	7.00	Reclassification
Technical	Student Health Services	FT	(7.00)	Reclassification
Technical	Pupil Transportation	FT	1.00	Reclassification
Operative	Pupil Transportation	FT	16.00	Board Approved Complement
Operative	Pupil Transportation	FT	2.00	Reclassification
Technical	Pupil Transportation	PT	(1.00)	Reclassification
Operative	Pupil Transportation	PT	(2.00)	Reclassification
Total Education - General Fund FY2012-13			37.00	

**County of Henrico  
Personnel Complement Changes  
FY 2013-14**

<b>Fund/Department</b>	<b>Position</b>	<b>F/PT</b>	<b>Number</b>	<b>Justification</b>
Requested Changes for FY2013-14:				
Administrative	Secondary Education	FT	(1.00)	Reorganization
Administrative	Leadership Dev. & Special Projects	FT	1.00	Reorganization
Administrative	Communications & Public Relations	FT	(1.00)	Funding Shift
Instructional	Elem. School Educ. & Org. Dev.	FT	13.00	New School and System Growth
Instructional	Secondary Education	FT	9.00	System Growth
Instructional	Instructional Reserve	FT	10.00	Reinstate Reserve
Instructional	Career & Technical Education	FT	3.00	System Growth
Instructional	School Counseling Services	FT	1.60	New School and System Growth
Instructional	Instructional Technology	FT	1.00	Reorganization
Instructional	Staff Development	FT	(1.00)	Reorganization
Assistant Principals	Elem. School Educ. & Org. Dev.	FT	2.00	New School and System Growth
Assistant Principals	Secondary Education	FT	4.00	Reorganization
Assistant Principals	Staff Development	FT	(4.00)	Reorganization
Other Professional	Secondary Education	FT	(1.00)	Reorganization
Other Professional	Social Work Services	FT	1.00	System Growth
Other Professional	Leadership Dev. & Special Projects	FT	1.00	Reorganization
Nurses	Nurses	FT	1.00	System Growth
Technical	Secondary Education	FT	1.00	System Growth
Technical	Leadership Dev. & Special Projects	FT	1.00	Reorganization
Technical	Communications & Public Relations	FT	(1.00)	Reorganization
Technology Tech Support	Technology	FT	1.00	System Growth
Clerical	Elem. School Educ. & Org. Dev.	FT	1.00	New School
Clerical	Elem. School Educ. & Org. Dev.	FT	(1.00)	Reorganization
Clerical	Elem. School Educ. & Org. Dev.	FT	1.00	Reorganization
Clerical	Secondary Education	FT	1.00	System Growth
Clerical	Secondary Education	FT	(2.00)	Reorganization
Clerical	Information Services	FT	1.00	New School
Clerical	Staff Development	FT	(1.00)	Reorganization
Clerical	Leadership Dev. & Special Projects	FT	3.00	Reorganization
Operative	Pupil Transportation	FT	8.00	New School and System Growth
Laborers	Construction & Maintenance	FT	1.00	New School
Service	Construction & Maintenance	FT	4.00	New School and System Growth
Service	Construction & Maintenance	PT	0.50	New School
			<u>58.10</u>	
<b>Total Education - General Fund FY2013-14</b>			<b>58.10</b>	
<b>Total Education - General Fund since 7/1/2012</b>			<b><u>95.10</u></b>	
<b>Special Revenue Fund:</b>				
Revisions During FY2012-13:				
Instructional	Juvenile Detention	FT	1.00	Board Approved Complement
Instructional	Title I-A	FT	1.00	Reclassification
Psychologists	Title I-A	FT	(1.00)	Reclassification
Technical	Title I-A	FT	10.00	Board Approved Complement
			<u>11.00</u>	
<b>Total Education - Special Revenue Fund (FY2012-13):</b>			<b>11.00</b>	
Requested Additions for FY2013-14:				
Administrative	Head Start	FT	(1.00)	Reduce Complement
Administrative	Henrico Education Foundation	FT	1.00	Funding Shift
Instructional	Foreign Language Assistance Program	FT	(1.50)	Reduce Complement
Instructional	Title I-A	FT	1.00	Funding Shift
Instructional	Title I - School Improvement 1003A	FT	(1.00)	Funding Shift
Clerical	CTE Resource Center	FT	(2.00)	Reduce Complement
Services	School Nutrition Services	FT	1.00	New School
Food Service Personnel	School Nutrition Services	PT	2.00	New School
			<u>(0.50)</u>	
<b>Total Education - Special Revenue Fund (FY2013-14):</b>			<b>(0.50)</b>	
<b>Total Education - Special Revenue Fund (since 7/1/2011):</b>			<b><u>10.50</u></b>	
Total Education - All Funds (FY2012-13):			48.00	
Total Education - All Funds (FY2013-14):			<u>57.60</u>	
<b>Total Education - All Funds (since 7/1/2012):</b>			<b><u>105.60</u></b>	

**Personnel Complement  
By Department/Job Classification  
General Government**

	<u>Revised FY2011-12</u>	<u>Approved FY2012-13</u>	<u>Revised FY2012-13<sup>1</sup></u>	<u>Approved FY2013-14</u>
<b>Agriculture &amp; Home Extension</b>				
Administrative Assistant	1	1	1	1
Extension Agent	0	0	0	0
Office Assistant III	1	1	1	1
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
<b>Belmont Golf Course</b>				
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>
<b>Board of Supervisors</b>				
Administrative Assistant	1	1	1	1
Administrative Secretary	1	1	1	0
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>4</u>
<b>Building Inspections</b>				
Administrative Assistant	1	1	1	1
Building Inspector I	17	17	17	17
Building Inspector II	12	11	10	10
Building Inspector III	0	0	1	1
Building Official	1	1	1	1
Business Supervisor	1	1	1	1
Deputy Building Official	1	1	1	1
Electrical Engineer	1	1	1	1
Electrical/Elevator Inspector Supervisor	1	1	1	1
Engineer II	6	5	5	5
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	0
Permit Clerk	2	2	2	2
Residential Building Inspector Supervisor	1	1	1	1
Senior Permit Clerk	3	3	3	3
Senior Plans Review Engineer	2	2	2	2
Technology Support Specialist III	1	1	1	1
	<u>56</u>	<u>54</u>	<u>54</u>	<u>53</u>
<b>Central Automotive Maintenance</b>				
Accountant III	1	1	1	1
Accounting and Fiscal Technician	1	1	1	1
Automotive Equipment Mechanic	35	35	35	35
Automotive Equipment Supervisor	1	1	1	1



**Personnel Complement  
By Department/Job Classification  
General Government**

	<u>Revised FY2011-12</u>	<u>Approved FY2012-13</u>	<u>Revised FY2012-13<sup>1</sup></u>	<u>Approved FY2013-14</u>
<i>Central Automotive Maintenance (cont'd)</i>				
Automotive Equipment Technician	2	2	2	2
Automotive Fleet Manager	1	1	1	1
Automotive Mechanic Foreman	4	4	4	4
Automotive Service Worker I	1	1	1	1
Automotive Service Worker II	2	2	2	2
Custodial Worker	2	2	2	2
Fire Equipment Mechanic	5	5	5	5
Fire Equipment Mechanic Foreman	1	1	1	1
Office Assistant II	0	0	0	0
Office Assistant III	0	0	0	0
Secretary	1	1	1	1
Senior Shop Clerk Dispatcher	2	2	2	2
Storekeeper I	3	3	3	3
Storekeeper II	2	2	2	2
Superintendent/Central Maintenance Facility	1	1	1	1
Warehouse/Parts Supervisor	1	1	1	1
Welder	1	1	1	1
	<u>67</u>	<u>67</u>	<u>67</u>	<u>67</u>
<b>Circuit Court Services</b>				
Administrative Assistant	2	2	2	2
Executive Assistant	1	1	1	1
Law Clerk	3	3	3	3
Office Assistant III	1	1	1	1
Office Assistant IV	1	1	1	1
	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
<b>Commonwealth's Attorney</b>				
Administrative Assistant	1	1	1	1
Assistant Attorney I/Commonwealth	11	11	13	13
Assistant Attorney II/Commonwealth	5	5	5	5
Assistant Attorney III/Commonwealth	5	5	3	3
Attorney for the Commonwealth	1	1	1	1
Business Supervisor	1	1	1	1
Chief Deputy Attorney/Commonwealth	1	1	0	0
Management Specialist I	1	1	1	1
Management Specialist II	2	2	1	1
Office Assistant III	2	2	0	0
Office Assistant IV	1	1	4	4
Office Supervisor	1	1	1	1
Paralegal	3	3	3	3
Secretary	13	13	13	13
Senior Asst. Attorney/Commonwealth	6	6	7	7
Senior Management Specialist	1	1	1	1
Technical Support Specialist I	1	1	1	1
	<u>56</u>	<u>56</u>	<u>56</u>	<u>56</u>

**Personnel Complement  
By Department/Job Classification  
General Government**

	<u>Revised FY2011-12</u>	<u>Approved FY2012-13</u>	<u>Revised FY2012-13<sup>1</sup></u>	<u>Approved FY2013-14</u>
<b>Community Corrections</b>				
Senior Management Specialist	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
<b>Community Revitalization</b>				
Administrative Assistant	1	1	1	1
County Planner II	1	1	1	1
Deputy Zoning Conformance Officer	1	1	1	1
Director of Community Revitalization	1	1	1	1
Office Assistant III	1	1	0	0
Office Assistant IV	0	0	1	1
Principal Planner	1	1	1	1
Technology Support Specialist II	1	1	1	0
Zoning Enforcement Officer	10	10	8	8
Zoning Enforcement Supervisor	0	0	2	2
	<u>17</u>	<u>17</u>	<u>17</u>	<u>16</u>
<b>County Attorney</b>				
Assistant County Attorney I	2	2	2	2
Assistant County Attorney II	3	3	2	2
Assistant County Attorney III	1	1	3	3
Business Supervisor	1	1	1	1
County Attorney	1	1	1	1
Deputy County Attorney	1	1	1	1
Paralegal	3	3	3	3
Secretary	3	3	3	3
Senior Assistant County Attorney	3	3	3	3
	<u>18</u>	<u>18</u>	<u>19</u>	<u>19</u>
<b>County Manager</b>				
Administrative Assistant	3	3	3	3
County Manager	1	1	1	1
Deputy County Manager	5	5	4	4
Executive Assistant	1	1	1	1
Legislative Liaison	1	1	1	1
Management Specialist II	0	0	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>
<b>Electoral Board</b>				
Administrative Assistant	1	1	1	1
Assistant Registrar II	4	4	4	4
Deputy General Registrar	1	1	1	1
Management Specialist I	0	0	1	1
Office Supervisor	1	1	0	0
Technology Support Specialist I	1	1	1	1
	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>

**Personnel Complement  
By Department/Job Classification  
General Government**

	<u>Revised FY2011-12</u>	<u>Approved FY2012-13</u>	<u>Revised FY2012-13<sup>1</sup></u>	<u>Approved FY2013-14</u>
<b>Finance</b>				
Account Clerk II	26	25	26	26
Account Clerk III	7	6	6	6
Accountant I	2	2	1	1
Accountant II	1	0	0	0
Accountant III	5	5	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	1	1	2	2
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	3	3	2	2
Business Auditor II	3	3	3	3
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	1	1	1	1
Office Assistant III	9	9	8	8
Office Assistant IV	5	4	4	4
Office Supervisor	1	1	1	1
Personal Property Tax Auditor I	9	9	9	9
Personal Property Tax Supervisor	0	0	1	1
Real Estate Appraiser Supervisor	3	3	3	3
Real Estate Assessment Director	1	1	1	1
Real Estate Section Manager	1	1	1	1
Revenue Collection Officer I	3	3	3	3
Revenue Collection Officer II	5	5	5	5
Secretary	4	4	4	4
Senior Accountant	2	2	2	2
Senior Budget and Management Analyst	1	1	2	2
Senior Business Auditor	4	4	5	5
Senior Management Specialist	2	2	3	3
Senior Real Estate Appraiser	21	21	21	21
Technology Support Specialist III	4	4	4	4
Technology Support Specialist IV	1	1	1	1

**Personnel Complement  
By Department/Job Classification  
General Government**

	<u>Revised FY2011-12</u>	<u>Approved FY2012-13</u>	<u>Revised FY2012-13<sup>1</sup></u>	<u>Approved FY2013-14</u>
<i>Finance (cont'd)</i>				
Technology Support Technician II	2	2	0	0
Treasury Supervisor	2	2	2	2
Vehicle Section Manager	1	1	1	1
	<u>157</u>	<u>153</u>	<u>153</u>	<u>153</u>
<b>Fire</b>				
Account Clerk III	2	2	2	2
Administrative Assistant	1	1	1	1
Assistant Fire Chief	3	3	3	3
Controller	1	1	1	1
Deputy Fire Chief	0	0	0	0
Emergency Manager	1	1	1	1
Engineer II	1	1	1	1
Fire Battalion Chief	10	10	11	11
Fire Captain	31	31	34	34
Fire Chief	1	1	1	1
Fire Division Chief	3	3	3	3
Fire Lieutenant	88	88	86	86
Firefighter	381	381	379	388
Management Specialist I	2	2	2	2
Management Specialist II	2	2	2	2
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	1	1	1	1
Senior Management Specialist	1	1	1	1
Technology Support Specialist II	3	3	3	3
Technology Support Specialist III	1	1	1	1
Technology Support Specialist IV	1	1	1	1
	<u>539</u>	<u>539</u>	<u>539</u>	<u>548</u>
<b>General Services</b>				
Account Clerk III	3	3	3	2
Administrative Assistant	1	1	1	1
Assistant Director of General Services	0	0	1	1
Buildings and Grounds Manager	1	1	0	0
Business Supervisor	1	1	1	1
Buyer	5	5	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	0	0
Communications Systems Manager	1	1	0	0
Construction Coordinator	2	2	2	2
Courier	3	3	3	3

**Personnel Complement  
By Department/Job Classification  
General Government**

	<u>Revised FY2011-12</u>	<u>Approved FY2012-13</u>	<u>Revised FY2012-13<sup>1</sup></u>	<u>Approved FY2013-14</u>
<i>General Services (cont'd)</i>				
Custodial Worker	17	17	17	17
Custodian I	2	2	2	2
Custodian II	2	2	2	2
Deputy Director of General Services	1	1	0	0
Director Of General Services	1	1	1	1
Electronic Controls Technician	3	3	3	3
Facilities Coordinator	1	1	1	1
Facilities Manager	0	0	1	1
Food Service Assistant	2	2	2	2
Food Service Manager	1	1	1	1
Maintenance Superintendent	3	3	3	3
Maintenance Supervisor	1	1	1	1
Management Specialist I	1	1	1	1
Office Assistant II	2	2	2	2
Office Assistant III	2	2	2	2
Office Assistant IV	3	3	3	2
Plant Maintenance Mechanic	23	23	23	23
Procurement Supervisor	3	3	3	3
Purchasing Manager	1	1	1	1
Purchasing Support Specialist	2	2	2	2
Radio Repair Technician I	1	1	0	0
Radio Repair Technician II	2	2	0	0
Radio Repair Technician III	2	2	0	0
Risk Manager	0	0	1	1
Safety Officer	1	1	1	1
Secretary	2	2	2	2
Security Officer	25	25	24	24
Security Officer Supervisor	3	3	3	3
Senior Buyer	1	1	2	2
Senior Capital Projects Manager	2	2	2	2
Senior Claims Adjuster	1	1	1	1
Senior Construction Coordinator	1	1	1	1
Senior Controller	1	1	1	1
Senior Cook	3	3	3	3
Senior Engineer	1	1	1	1
Senior Management Specialist	3	3	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
	<u>155</u>	<u>155</u>	<u>147</u>	<u>145</u>
<b>Human Resources</b>				
Administrative Assistant	1	1	1	1
Assistant Director of Human Resources	2	1	1	1
Director of Human Resources	1	1	1	1
Division Manager	7	6	7	7

**Personnel Complement  
By Department/Job Classification  
General Government**

	<u>Revised FY2011-12</u>	<u>Approved FY2012-13</u>	<u>Revised FY2012-13<sup>1</sup></u>	<u>Approved FY2013-14</u>
<i>Human Resources (con'td)</i>				
Human Resource Analyst I	2	2	1	1
Human Resource Analyst II	6	6	5	5
Human Resource Analyst III	3	3	4	4
Human Resources Assistant I	12	12	12	12
Information Technology Project Manager	1	1	0	0
Medical Assistant	1	1	1	1
Nurse Practitioner	1	1	1	1
Office Assistant IV	0	0	0	0
Senior Fitness Trainer	2	2	2	2
Senior Human Resources Analyst	8	8	9	9
Technology Support Specialist III	2	1	1	1
Technology Support Specialist IV	3	3	2	2
	<u>52</u>	<u>49</u>	<u>48</u>	<u>48</u>
<b>Hold Complement<sup>2</sup></b>	19	44	43	37
<b>Information Technology</b>				
Accounting and Fiscal Technician	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Director of Information Technology	1	1	1	1
Computer Operations Supervisor	1	1	1	1
Computer Operator II	3	3	3	3
Computer Operator III	2	2	2	2
Director of Information Technology	1	1	1	1
GIS Coordinator	1	1	1	1
Information Technology Control Technician	4	3	3	3
Information Technology Hardware Specialist	1	1	1	0
Information Technology Project Leader	7	7	10	10
Information Technology Project Manager	6	6	6	6
Information Technology Senior Specialist	3	3	3	3
Information Technology Systems Engineer	6	6	5	5
Manager of Production Services	1	1	1	1
Office Assistant III	0	0	0	0
Senior Management Specialist	1	1	0	0
Technology Support Specialist I	0	0	1	1
Technology Support Specialist II	3	3	4	4
Technology Support Specialist III	22	22	20	20
Technology Support Specialist IV	20	20	22	22
Technology Support Technicitan II	0	0	2	2
	<u>85</u>	<u>84</u>	<u>89</u>	<u>88</u>
<b>Internal Audit</b>				
Auditor III	3	3	3	3
Director Of Internal Audit	1	1	1	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

**Personnel Complement  
By Department/Job Classification  
General Government**

	<u>Revised FY2011-12</u>	<u>Approved FY2012-13</u>	<u>Revised FY2012-13<sup>1</sup></u>	<u>Approved FY2013-14</u>
<b>Juvenile Detention</b>				
Administrative Assistant	1	1	1	1
Custodian I	1	1	1	1
Detention Counselor	14	14	13	13
Detention Home Assistant Superintendent	2	2	2	2
Detention Home Superintendent	1	1	1	1
Detention Supervisor	3	3	4	4
Food Service Supervisor	1	1	1	1
Office Assistant III	2	2	2	2
Registered Nurse	2	2	2	2
Senior Cook	3	3	3	3
	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>
<b>Juvenile Detention/VJCCCA</b>				
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>
<b>Library</b>				
Account Clerk II	2	2	2	2
Administrative Assistant	1	1	1	1
Assistant Library Director	1	1	1	1
Business Manager	1	1	0	0
Controller	0	0	1	1
Courier	2	2	2	2
Director of Library	1	1	1	1
Librarian I	29	29	28	28
Librarian II	12	12	11	11
Librarian III	10	10	12	12
Library Assistant I	51	49	48	46
Library Assistant II	30	30	29	29
Library Assistant III	7	7	6	6
Library Assistant IV	5	5	6	6
Library Manager	4	4	4	4
Library Public Services Coordinator	1	1	1	1
Management Technician	0	0	1	1
Office Supervisor	1	1	1	0
Technology Support Specialist I	4	4	0	0
Technology Support Specialist II	3	3	7	7
Technology Support Specialist III	2	2	1	1
Technology Support Specialist IV	1	1	1	1
	<u>168</u>	<u>166</u>	<u>164</u>	<u>161</u>
<b>Mental Health</b>				
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

**Personnel Complement  
By Department/Job Classification  
General Government**

	<u>Revised FY2011-12</u>	<u>Approved FY2012-13</u>	<u>Revised FY2012-13<sup>1</sup></u>	<u>Approved FY2013-14</u>
<i>Mental Health (cont'd)</i>				
Business Supervisor	3	3	3	3
Controller	1	1	0	0
Director of MH/DS	1	1	1	1
Infant Development Specialist	1	1	1	1
Medical Assistant	1	1	1	1
MH/DS Case Manager	35	35	36	36
MH/DS Clinical Supervisor	17	17	17	17
MH/DS Clinician	53	53	51	51
MH/DS Community Support Supervisor	7	7	7	7
MH/DS Division Director	3	3	3	3
MH/DS Group Home Supervisor	2	2	2	2
MH/DS Group Home Worker	1	1	1	1
MH/DS Marketing Specialist	1	1	1	1
MH/DS Program Coordinator	5	5	5	5
MH/DS Program Manager	10	9	9	9
MH/DS Residential Counselor	2	2	2	2
MH/DS Senior Community Support Supervisor	1	1	1	1
MH/DS Support Services Specialist	1	1	1	1
MH/DS Training Assistant	10	10	11	11
MH/DS Training Specialist	26	26	26	26
Occupational Therapist	1	1	1	1
Office Assistant IV	19	19	18	18
Secretary	2	2	2	2
Senior Controller	0	0	1	1
Senior Management Specialist	3	3	3	3
Speech Pathologist	1	1	1	1
Technology Support Specialist II	2	2	2	2
Technology Support Specialist IV	1	1	1	1
	<u>220</u>	<u>219</u>	<u>218</u>	<u>218</u>
<b>Permit Centers</b>				
Administrative Assistant	1	1	1	1
Assistant Director of Community Development	1	1	1	1
Community Development Technician I	1	1	1	1
Community Development Technician II	2	2	2	2
Community Development Technician III	7	7	5	5
Director of Community Development	1	1	1	1
Office Assistant IV	2	2	2	1
Senior Community Development Technician	2	2	4	4
	<u>17</u>	<u>17</u>	<u>17</u>	<u>16</u>
<b>Planning</b>				
Account Clerk III	1	1	1	1
Accounting & Fiscal Technician	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Director of Planning	2	2	2	2
County Planner I	4	3	3	3



**Personnel Complement  
By Department/Job Classification  
General Government**

	<u>Revised FY2011-12</u>	<u>Approved FY2012-13</u>	<u>Revised FY2012-13<sup>1</sup></u>	<u>Approved FY2013-14</u>
<i>Planning (cont'd)</i>				
County Planner II	5	5	5	5
County Planner III	4	4	4	4
County Planner IV	6	5	5	5
Deputy Zoning Conformance Officer	1	1	1	1
Director of Planning	1	1	1	1
Office Assistant IV	4	3	3	3
Planning Technician	1	1	1	1
Principal Planner	3	3	3	3
Senior Business Supervisor	1	1	1	1
Senior Planning Technician	2	2	2	2
Technology Support Specialist I	3	3	3	3
Technology Support Specialist II	3	3	3	3
Technology Support Specialist IV	1	1	1	1
Zoning Enforcement Officer	2	2	2	2
	<u>46</u>	<u>43</u>	<u>43</u>	<u>43</u>
<b>Police</b>				
Account Clerk III	3	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 Maintenance Supervisor	0	0	1	1
Communications Officer	76	76	76	76
Communications Supervisor	12	12	12	12
Communications Systems Manager	0	0	1	1
Controller	1	1	1	1
County Planner II	1	1	1	1
County Planner III	1	1	1	1
Criminal Records Manager	1	1	1	1
Crossing Guard	11	10	10	9
Deputy Chief of Police	1	0	0	0
Emergency Communications Manager	2	2	2	2
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	1	1	1	1
Police Lieutenant	36	36	37	37
Police Major	4	4	4	4
Police Officer	481	481	479	489
Police Sergeant	60	60	61	61
Police Support Technician I	14	12	12	12

**Personnel Complement  
By Department/Job Classification  
General Government**

	<u>Revised FY2011-12</u>	<u>Approved FY2012-13</u>	<u>Revised FY2012-13<sup>1</sup></u>	<u>Approved FY2013-14</u>
<i>Police (cont'd)</i>				
Police Support Technician II	33	32	32	32
Police Support Technician III	3	3	3	3
Polygraph Examiner	1	1	0	0
Radio Repair Technician I	0	0	1	1
Radio Repair Technician II	0	0	2	2
Radio Repair Technician III	0	0	2	2
Secretary	9	8	8	8
Senior Animal Protection Officer	2	2	2	2
Senior Latent Print Examiner	1	1	1	1
Senior Management Specialist	1	1	1	1
Senior Police Support Technician	1	1	1	1
Technology Support Specialist I	1	1	1	1
Technology Support Specialist II	3	3	4	4
Technology Support Specialist III	1	1	1	1
Technology Support Specialist IV	1	1	1	1
	<u>798</u>	<u>791</u>	<u>798</u>	<u>807</u>
<b>Public Relations and Media Services</b>				
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	2	2	2	2
Secretary	1	1	1	1
Senior Public Relations Specialist	1	1	1	1
Senior Television Producer/Director	2	2	2	2
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	4	4	4	4
	<u>19</u>	<u>19</u>	<u>19</u>	<u>19</u>
<b>Public Utilities</b>				
Account Clerk III	6	6	6	6
Accountant II	1	1	1	1
Accountant III	1	1	1	1
Accountant IV	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Director/Public Utilities	1	1	1	1
Assistant Division Director	3	3	3	3
Capital Projects Manager	1	1	1	1
Chemist	2	2	2	2
Chief of Laboratory Operations	1	1	1	1
Chief Water/Wastewater Plant Operator	8	8	8	8
Construction Inspector	13	13	13	13

**Personnel Complement  
By Department/Job Classification  
General Government**

	<u>Revised FY2011-12</u>	<u>Approved FY2012-13</u>	<u>Revised FY2012-13<sup>1</sup></u>	<u>Approved FY2013-14</u>
<i>Public Utilities (cont'd)</i>				
Customer Service Representative	10	10	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	0	0
Engineer I	7	7	6	6
Engineer II	14	14	14	14
Engineering Aide II	8	8	8	8
Engineering Aide III	1	1	1	1
Engineering Technician	8	8	8	8
Equipment Operator I	0	0	2	2
Equipment Operator II	36	36	32	32
Equipment Operator III	6	6	6	6
GIS Technician	4	4	4	4
Instrumentation Specialist	6	6	5	5
Instrumentation Specialist Supervisor	0	0	2	2
Labor Foreman II	12	12	12	12
Laboratory Aide	1	1	1	1
Laboratory Analyst	6	6	6	6
Laborer	0	0	2	2
Maintenance Assistant I	10	10	10	10
Maintenance Assistant II	6	6	6	6
Management Specialist I	1	1	1	1
Meter Reader	5	5	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	4	4
Monitoring Technician II	1	1	1	1
Monitoring Technician Supervisor	0	0	1	1
Office Assistant II	1	1	1	1
Office Assistant IV	4	4	4	4
Office Supervisor	4	4	4	4
Preventive Maintenance Technician	1	1	1	1
Secretary	1	1	1	1
Senior Construction Inspector	3	3	3	3
Senior Controller	1	1	1	1
Senior Electrician	1	1	1	1
Senior Engineer	2	2	3	3
Senior Instrumentation Specialist	1	1	1	1
Senior Laboratory Analyst	1	1	1	1
Senior Management Specialist	1	1	1	1
Senior Utility Pipe Locator	1	1	1	1

**Personnel Complement  
By Department/Job Classification  
General Government**

	<u>Revised FY2011-12</u>	<u>Approved FY2012-13</u>	<u>Revised FY2012-13<sup>1</sup></u>	<u>Approved FY2013-14</u>
<i>Public Utilities (cont'd)</i>				
Senior Utility Plant Mechanic	3	3	3	3
Senior Water/Wastewater Plant Operator	9	9	8	8
Shop Clerk-Dispatcher	2	2	2	2
Storekeeper I	2	2	2	2
Storekeeper II	1	1	1	1
Technology Support Specialist I	1	1	1	1
Technology Support Specialist II	1	1	1	1
Technology Support Specialist III	3	3	3	3
Technology Support Specialist IV	2	2	2	2
Utilities Cashier	1	1	1	1
Utility Pipe Locator	3	2	2	2
Utility Plant Mechanic	12	12	12	12
Utility Plant Operator I	3	3	3	3
Utility Plant Operator II	5	5	5	5
Utility Superintendent I	5	5	5	5
Utility Superintendent II	4	4	4	4
Warehouse/Parts Supervisor	2	2	2	2
Water/Wastewater Facility Maint. Supt.	1	1	1	1
Water Facility/Reclamation Facility Oper Supt.	1	1	1	1
Water/Wastewater Plant Operator II	7	7	7	7
Water/Wastewater Plant Operator Trainee	4	4	5	5
	<u>307</u>	<u>306</u>	<u>306</u>	<u>306</u>
<b>Public Works</b>				
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 Manager	2	2	2	2
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
Division Director	0	0	1	1
Drafting Technician II	1	1	1	1
Engineer I	5	5	5	5
Engineer II	13	13	13	13
Engineering Aide II	4	4	4	4
Engineering Aide III	6	6	6	6
Engineering Technician	1	1	1	1
Environmental Inspector	9	9	8	8
Environmental Management Engineer	1	1	1	1

**Personnel Complement  
By Department/Job Classification  
General Government**

	<u>Revised FY2011-12</u>	<u>Approved FY2012-13</u>	<u>Revised FY2012-13<sup>1</sup></u>	<u>Approved FY2013-14</u>
<i>Public Works (cont'd)</i>				
Equipment Operator I	33	33	37	37
Equipment Operator II	36	36	36	36
Equipment Operator III	28	28	28	28
GIS Coordinator	0	0	0	0
Labor Foreman II	13	13	13	13
Labor Foreman III	2	2	2	2
Laborer	20	20	16	16
Management Specialist II	1	1	1	1
Materials Technician I	1	1	1	1
Materials Technician II	1	1	1	1
Office Assistant III	4	4	4	4
Office Assistant IV	5	5	5	5
Preventive Maintenance Supervisor	1	1	1	1
Preventive Maintenance Technician	1	1	1	1
Road Constr. & Maint. Asst. Supt.	2	2	2	2
Road Constr. & Maintenance Supt.	1	1	1	1
Secretary	3	3	3	3
Senior Construction Coordinator	2	2	2	2
Senior Controller	1	1	1	1
Senior Engineer	1	1	2	2
Senior Environmental Inspector	2	2	2	2
Storekeeper II	2	2	2	2
Survey Party Chief	2	2	2	2
Technology Support Specialist III	1	1	1	1
Technology Support Technician II	3	3	3	3
Traffic Engineer	1	1	1	1
Traffic Engineering Technician	1	1	1	1
Traffic Operations Supervisor	1	1	1	1
Traffic Service Worker I	8	8	8	8
Traffic Service Worker II	1	1	1	1
Traffic Signal Service Worker	3	3	3	3
Traffic Signal Technician I	2	2	2	2
Traffic Signal Technician II	1	1	1	1
Traffic Signal Technician Supervisor	1	1	1	1
Transportation Development Engineer	1	1	0	0
Welder	1	1	1	1
	<u>254</u>	<u>254</u>	<u>254</u>	<u>254</u>
<b>Real Property</b>				
Administrative Assistant	1	1	1	1
Assistant Director of Real Property	1	1	1	1
Director of Real Property	1	1	1	1
Office Assistant III	1	1	1	1
Real Property Agent II	1	1	2	2
Senior Real Property Agent	2	2	1	1
	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>

**Personnel Complement  
By Department/Job Classification  
General Government**

	<u>Revised FY2011-12</u>	<u>Approved FY2012-13</u>	<u>Revised FY2012-13<sup>1</sup></u>	<u>Approved FY2013-14</u>
<b>Recreation</b>				
Account Clerk II	2	2	2	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
Controller	1	1	1	1
Custodian I	17	17	17	17
Custodian II	2	2	2	2
Director of Recreation And Parks	1	1	1	1
Equipment Operator I	23	24	26	26
Equipment Operator III	2	2	3	3
Labor Foreman I	4	4	4	4
Labor Foreman II	5	5	6	7
Laborer	15	15	14	12
Maintenance Assistant I	3	2	2	2
Maintenance Superintendent	4	4	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	17	17	14	14
Recreation Coordinator II	22	21	22	22
Recreation District Foreman	6	6	5	5
Recreation Programs Manager	2	2	2	2
Recreation Programs Supervisor	5	5	5	6
Secretary	2	2	2	2
Senior Construction Coordinator	2	2	2	2
Senior Recreation Coordinator	9	9	9	7
Shop Clerk-Dispatcher	1	1	1	1
Storekeeper II	2	2	2	2
Technology Support Specialist I	0	0	1	1
Technology Support Specialist II	3	3	3	3
Technology Support Specialist III	1	1	0	0
Technology Support Technician II	1	1	1	1
Utility Mechanic	3	3	3	3
	<u>178</u>	<u>177</u>	<u>177</u>	<u>175</u>

**Personnel Complement  
By Department/Job Classification  
General Government**

	<u>Revised FY2011-12</u>	<u>Approved FY2012-13</u>	<u>Revised FY2012-13<sup>1</sup></u>	<u>Approved FY2013-14</u>
<b>Sheriff</b>				
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	7	7	7	7
Correctional Deputy	263	263	260	260
Correctional Lieutenant	17	17	17	17
Correctional Major	3	3	3	3
Correctional Sergeant	37	37	40	40
Inmate Classification Officer	12	12	12	12
Inmate Classification Supervisor	1	1	1	1
Institutional Physician	1	1	1	1
Librarian I	2	2	2	2
Library Assistant II	1	1	1	1
Management Specialist I	1	1	1	1
Office Assistant III	12	12	12	12
Office Assistant IV	3	3	3	3
Senior Management Specialist	0	0	0	0
Storekeeper II	1	1	1	1
Technology Support Specialist I	2	2	2	2
Undersheriff	1	1	1	1
	<u>371</u>	<u>371</u>	<u>371</u>	<u>371</u>
<b>Social Services</b>				
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	8	8	8	8
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	41	41	40	40
Human Services Supervisor	9	9	9	9
Job Developer	7	7	7	7
Management Specialist I	1	1	1	1
Office Assistant III	15	15	15	15
Office Assistant IV	2	2	2	2
Senior Human Services Specialist	11	11	12	12
Senior Social Services Aide	2	2	2	2
Senior Social Worker	30	30	30	30
Social Worker I	5	5	5	5
Social Worker II	10	10	10	10

**Personnel Complement  
By Department/Job Classification  
General Government**

	<u>Revised FY2011-12</u>	<u>Approved FY2012-13</u>	<u>Revised FY2012-13<sup>1</sup></u>	<u>Approved FY2013-14</u>
<i>Social Services (cont'd)</i>				
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>
<b>Solid Waste</b>				
Automotive Service Worker II	1	1	1	1
Division Director	1	1	1	1
Equipment Operator I	2	2	2	2
Equipment Operator II	21	21	24	24
Equipment Operator III	8	8	8	8
Labor Foreman II	3	3	3	3
Laborer	18	18	15	15
Landfill Attendant	4	4	4	4
Management Specialist I	1	1	1	1
Office Assistant III	1	1	1	1
Preventive Maintenance Technician	1	1	1	1
Senior Engineer	1	1	1	1
Utilities Cashier	5	5	5	5
Utility Superintendent I	1	1	1	1
Utility Superintendent II	1	1	1	1
	<u>69</u>	<u>69</u>	<u>69</u>	<u>69</u>
<b>Total Complement:</b>	<u><u>3,927</u></u>	<u><u>3,927</u></u>	<u><u>3,927</u></u>	<u><u>3,927</u></u>

1 - as of 2/5/2013

2 - Reserved Positions, Hold Complement, Unfunded for FY2013-14 Budget.



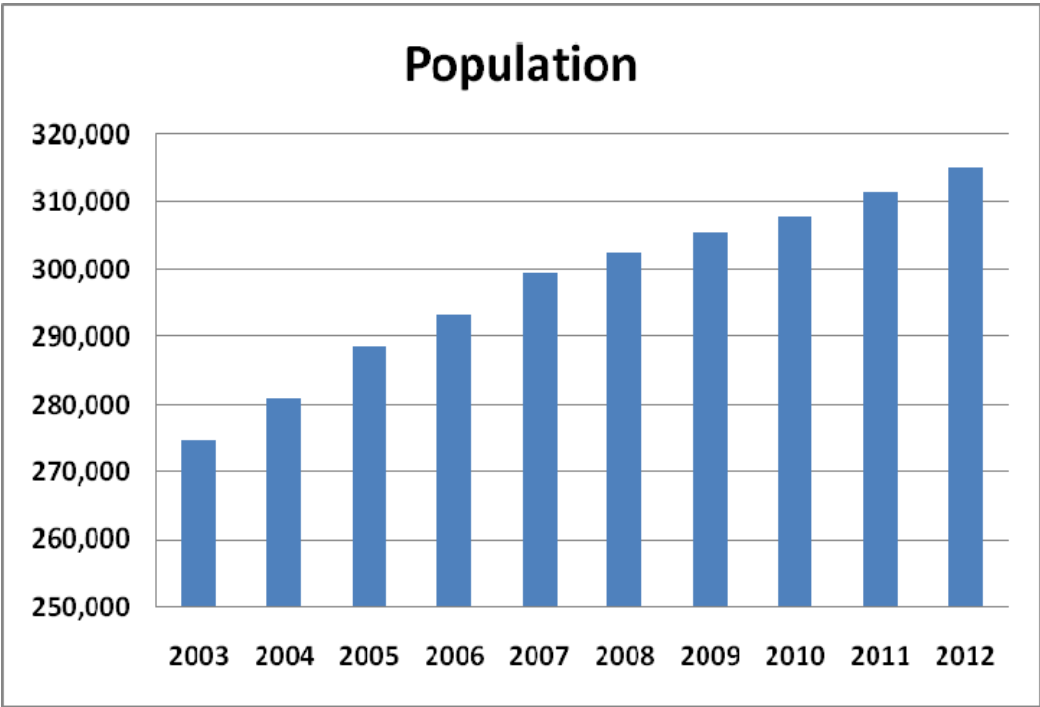
**APPENDIX "C"**  
**STATISTICAL SECTION**

**POPULATION**

According to 2010 Census data, the County of Henrico is the sixth largest locality in the Commonwealth. Henrico has experienced a steady growth in population throughout the past ten years, averaging over 1.5 percent growth per annum. Population estimates after the 2010 Census continue to show Henrico County maintaining its consistent growth pattern.

*Source: U.S. Census Bureau, 2010 Census Data (FY2010); County of Henrico 2012 Financial Trends Monitoring System (FY2002 – 2012 and FY2012)*

<b>Fiscal Year</b>	<b>Population</b>
2012	315,157
2011	311,726
2010	307,832
2009	305,580
2008	302,518
2007	299,443
2006	293,382
2005	288,735
2004	281,069
2003	274,847



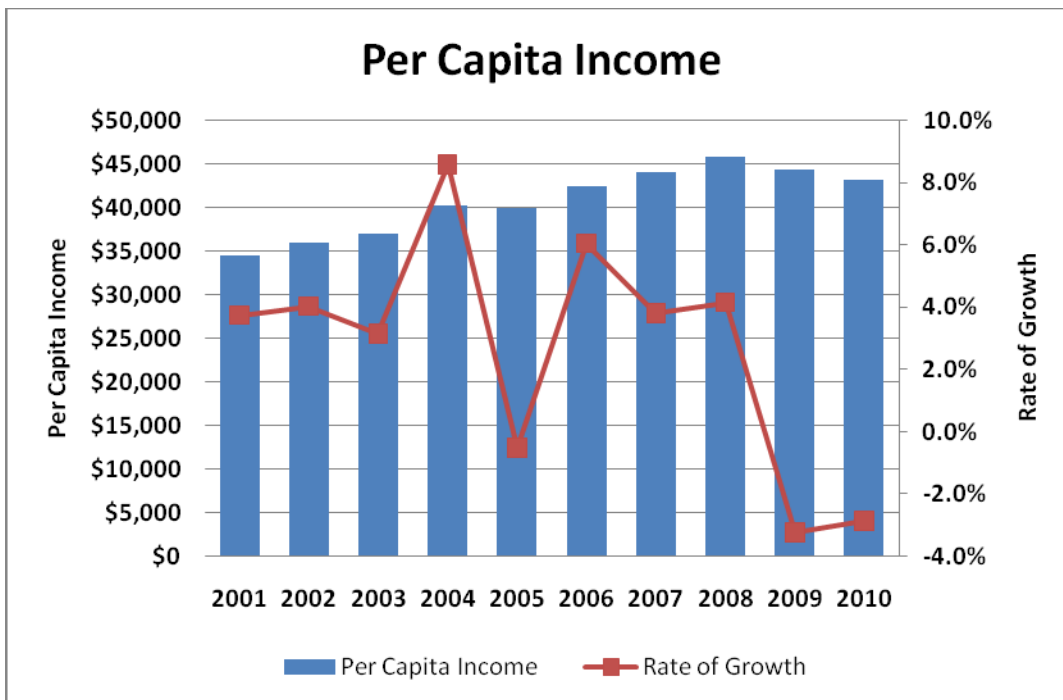
## STATISTICAL SECTION

### PER CAPITA INCOME

Per capita income is an important statistic in that County revenues tend to have a direct relationship with changes in this value. Furthermore, it is an accurate indicator of the County’s growing wealth. Henrico County had experienced consistent growth in per capita income from the period of 1998 to 2008, averaging 4.1 percent growth per annum, with only a nominal decrease in 2005. However, the economic impact of the recession resulted in a reduction in per capita income of 3.24 percent in 2009 and 2.86 percent in 2010. It should be noted that while the County’s population increased by an annual average rate 1.5 percent the last 10 years, the average rate of income growth in the County grew by 2.7 percent. The historical average growth and stability in per capita income over this period is indicative of both a diverse economy and a dedicated local workforce.

*Source: County of Henrico 2012 Financial Trends Monitoring System*

Year	Per Capita Income	Rate of Growth
2010	\$ 43,151	-2.86%
2009	\$ 44,423	-3.24%
2008	\$ 45,911	4.16%
2007	\$ 44,079	3.82%
2006	\$ 42,459	6.05%
2005	\$ 40,036	-0.52%
2004	\$ 40,246	8.60%
2003	\$ 37,059	3.15%
2002	\$ 35,928	4.04%
2001	\$ 34,534	3.75%



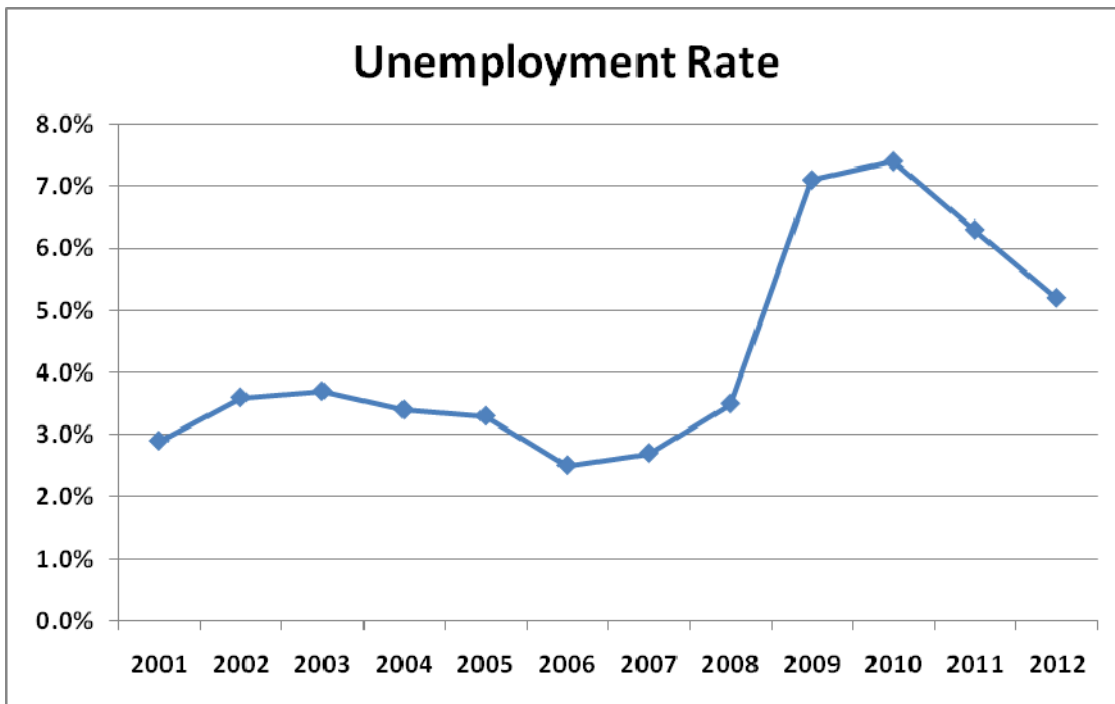
## STATISTICAL SECTION

### UNEMPLOYMENT RATE

The unemployment rate is highly indicative of changes in the economy and offers an accurate representation of the local economy. In the past ten years, Henrico County has had an unemployment rate ranging from a high of 7.4% in 2010, to a low of 2.7% in 2007. While the unemployment rate has been uncharacteristically high since 2009 as a result of the recession, the rate of 5.2 percent in 2012 was the lowest unemployment rate since 2008. While the local economy continues to add jobs, it may take years to recover from the 8,500 jobs lost since December 2007.

*Source: County of Henrico 2012 Financial Trends Monitoring System*

<u>Year</u>	<u>Change</u>
2012	5.2%
2011	6.3%
2010	7.4%
2009	7.1%
2008	3.5%
2007	2.7%
2006	2.9%
2005	3.1%
2004	3.1%
2003	3.5%



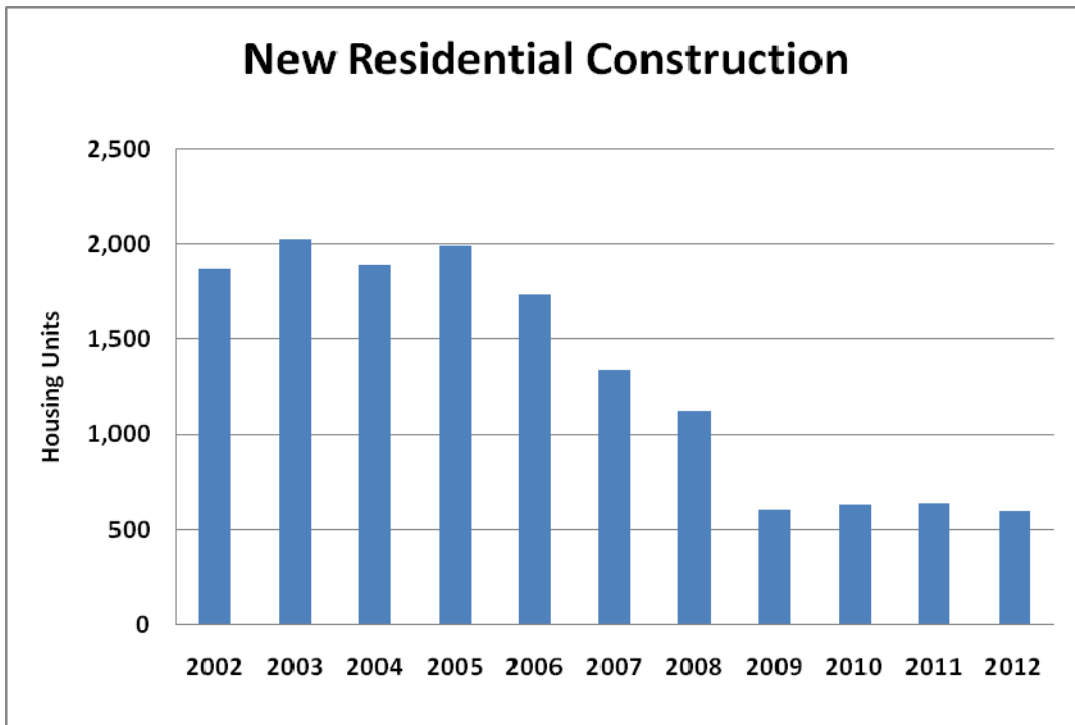
## STATISTICAL SECTION

### NEW RESIDENTIAL CONSTRUCTION

New residential construction is an important indicator in that steady building levels are indicative of a strong and stable economy. Between 2003 and 2008, residential construction averaged a total of 1,682 new single family permits issued per year. However, due to the economic downturn, in 2007 construction volume began to decline. Between 2009 and 2012, residential construction averaged 618, 63.3 percent less than the 2003 to 2008 average. The County continues to rebound from the significant reduction in new residential construction as a result of the recession, but will likely take years before pre-recession levels are again achieved.

*Source: County of Henrico Department of Building Inspections*

<b>Year</b>	<b>New Residential Construction</b>
2012	601
2011	639
2010	630
2009	602
2008	1,122
2007	1,336
2006	1,733
2005	1,987
2004	1,889
2003	2,024



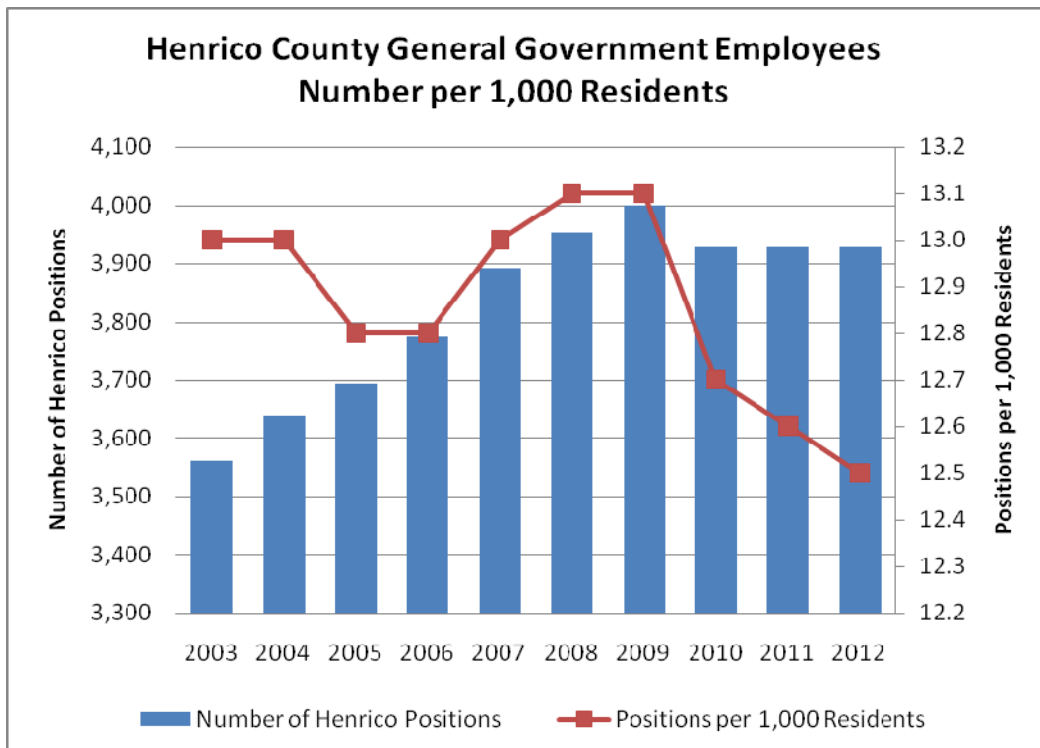
## STATISTICAL SECTION

### HENRICO COUNTY GOVERNMENT EMPLOYEES

The County of Henrico has averaged a 12.86 General Government Employee to County population ratio over the past ten years. This statistic includes all permanent employees of Henrico County, excluding employees of the School Board. The consistent drop in this indicator since 2009 is indicative of the hundreds of vacant positions eliminated due to budget constraints. Including frozen positions, the County is currently operating with 650 fewer positions than in 2009; an overall reduction of 6% of the County's overall workforce, including Schools.

*Source: County of Henrico 2012 Financial Trends Monitoring System*

Year	Positions	Positions per 1,000 Residents
2012	3,927	12.5
2011	3,927	12.6
2010	3,927	12.7
2009	4,000	13.1
2008	3,953	13.1
2007	3,895	13.0
2006	3,774	12.8
2005	3,694	12.8
2004	3,640	13.0
2003	3,561	13.0



**STATISTICAL SECTION**

**HENRICO BUSINESS STATISTICS**

**HENRICO COUNTY'S PRINCIPLE TAXPAYERS**

<b>Taxpayer</b>	<b>Type of Property</b>	<b>2012 Assessed Value</b>	<b>Percent of Total Assessed Valuation</b>
Virginia Power Company	Utility	\$ 463,535,687	1.29 %
Forest City (Short Pump TC, White Oak)	Retail and Offices	388,845,900	1.08 %
Verizon	Utility	304,851,389	0.85 %
Highwoods Properties	Offices and Warehouses	257,376,000	0.72 %
The Wilton Company etals	Office, Retail & Warehouse	216,121,600	0.60 %
Liberty Property, LP	Offices and Warehouses	210,226,800	0.59 %
General Services Corporation	Apartments	190,094,300	0.53 %
United Dominion Realty Trust	Apartments	165,629,200	0.46 %
Gumenick	Apartments	155,696,500	0.43 %
HCA Health Services of VA	Hospital	<u>145,988,626</u>	<u>0.41 %</u>
		<b><u><u>2,498,366,002</u></u></b>	<b><u><u>6.96%</u></u></b>

Total Real Estate and Personal Property Assessed Valuation for Calendar Year 2012 was \$35,083,231,701

Source: *Comprehensive Annual Financial Report, FY2011-12*

## STATISTICAL SECTION

### ASSESSED VALUE OF TAXABLE PROPERTY

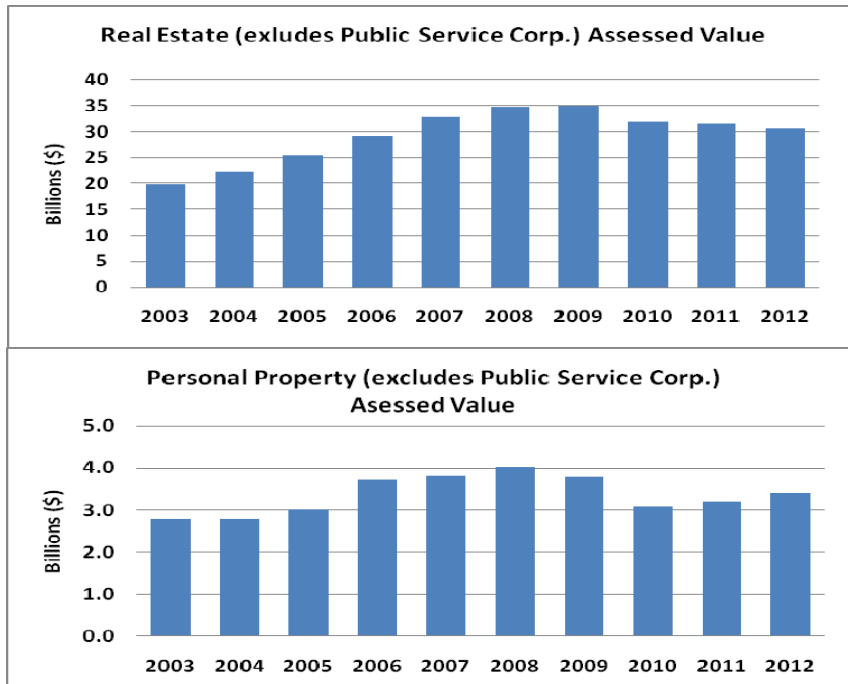
The assessed value of taxable property is a major indicator of the stability of a local economy. The assessed valuation of taxable property in the County of Henrico has experienced steady increases in most years. However, the recession that began in 2007 and officially concluded in June 2009<sup>(1)</sup> has caused both slower growth and a reduction in value during this time, with the first significant drop in total real estate valuation occurring in 2010. The County, however, has averaged a growth rate of 5.0 percent per annum since 2003, despite the recessionary impediments to growth in recent years.

Source: *Comprehensive Annual Financial Report, FY2011-12*

<sup>(1)</sup> Source: *National Bureau of Economic Research (NBER)*

Year	Real Estate	Personal Property	Public Service	Total
2012	\$ 30,666,925	\$ 3,432,535	\$ 983,772	\$ 35,083,232
2011	31,702,148	3,208,453	991,470	35,902,071
2010	32,016,975	3,068,020	980,016	36,065,011
2009	34,975,868	3,789,013	916,479	39,681,360
2008	34,740,075	4,022,204	854,945	39,617,224
2007	32,787,682	3,807,727	854,321	37,449,731
2006	29,281,500	3,721,480	805,532	33,808,512
2005	25,334,756	3,030,117	803,377	29,168,250
2004	22,303,455	2,792,062	897,081	25,992,598
2003	19,501,486	2,790,989	876,697	23,169,172

(\$ in Thousands)



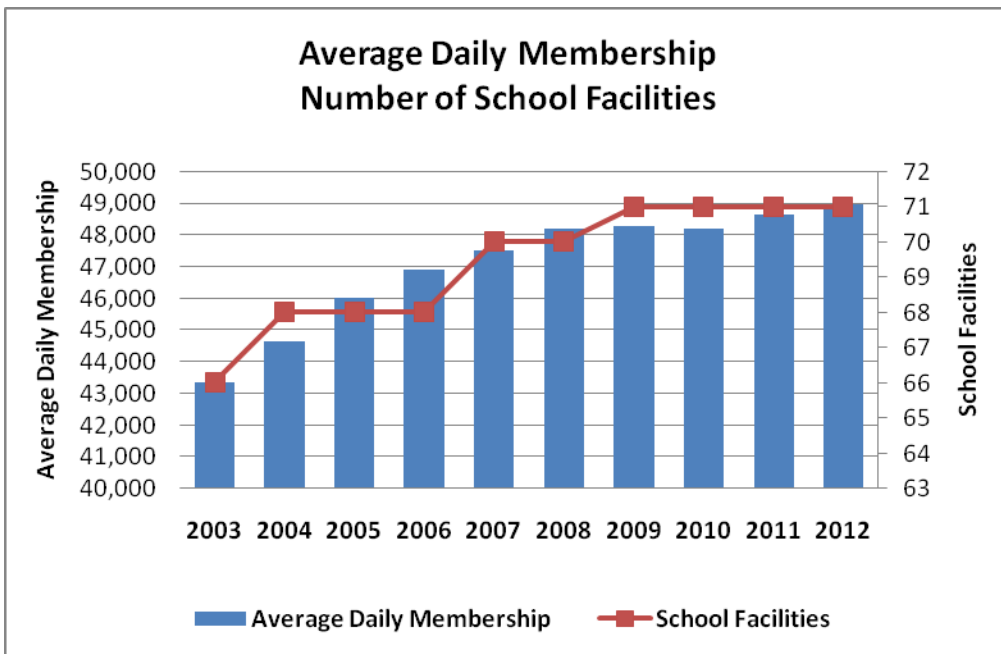
## STATISTICAL SECTION

### HENRICO COUNTY SCHOOLS

Since 2003, the average daily membership in Henrico County Public Schools has increased by a total of 12.3 percent. During the same time period, the County of Henrico built ten new schools, and has one planned to open soon. As the chart illustrates, the County of Henrico has been able to effectively keep the number of facilities in a similar growth pattern with the increasing number of students.

*Source: Henrico County Public Schools Annual Financial Plan, FY2013-14*

Year	Average Daily Membership
2012	48,981
2011	48,659
2010	48,232
2009	48,822
2008	48,226
2007	47,537
2006	46,910
2005	46,030
2004	44,637
2003	43,366





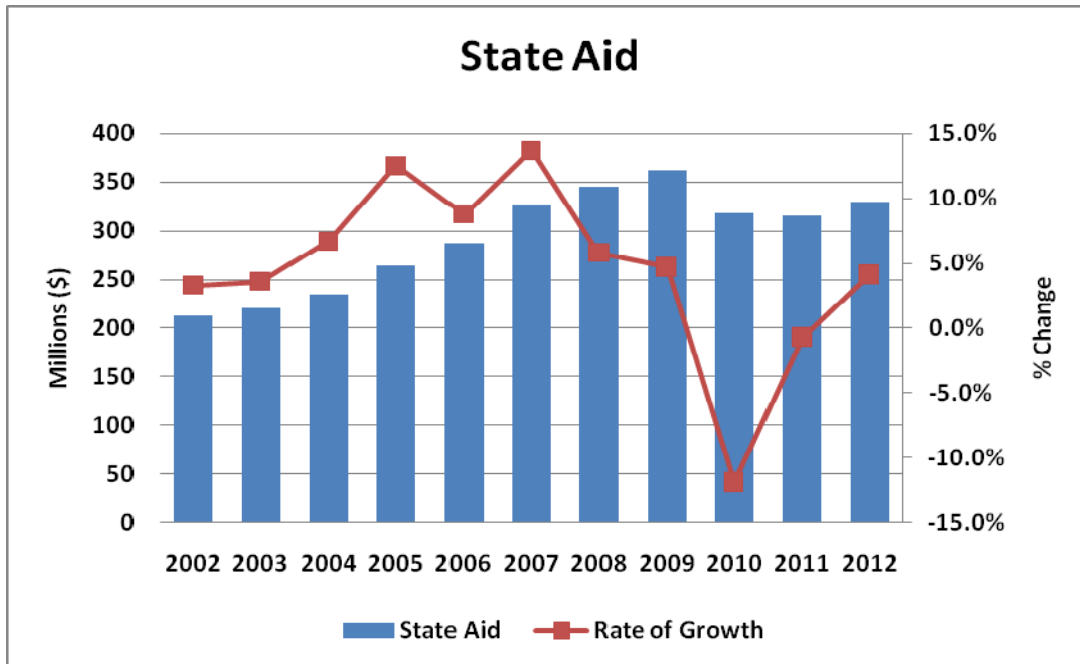
## STATISTICAL SECTION

### 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 2003. It should be noted that since FY1998-99, these figures include payments made by the State to Henrico for the Personal Property Tax Relief Act. The County has received approximately \$32.3 million less in General Fund support from the State since 2009, a reduction of 8.95 percent.

*Source: Comprehensive Annual Financial Report, FY2011-12*

Year	State Aid	Change
2012	328,690,912	4.12%
2011	315,681,610	-0.69%
2010	317,886,195	-11.9%
2009	361,001,730	4.7%
2008	344,569,613	5.8%
2007	325,745,512	13.7%
2006	286,448,006	8.8%
2005	263,338,403	12.5%
2004	234,079,657	6.7%
2003	219,388,084	3.6%



## 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, FY2011-12; Approved Annual Fiscal Plan, FY2012-13*

Year	Recreation Facilities	Library Facilities	Registered Voters	Fire Stations
2012	21	11	199,718	20
2011	20	11	197,091	20
2010	20	10	195,108	20
2009	20	11	195,683	20
2008	17	10	196,670	20
2007	17	10	175,943	20
2006	17	10	175,774	19
2005	15	10	172,764	19
2004	15	10	178,347	18
2003	14	10	167,706	18

### 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
2012	0.87	1.60	1.00	0.01	3.50	1.00	0.40
2011	0.87	1.60	1.00	0.01	3.50	1.00	0.40
2010	0.87	1.60	1.00	0.01	3.50	1.00	0.40
2009	0.87	1.60	1.00	0.01	3.50	1.00	0.40
2008	0.87	1.60	1.00	0.01	3.50	1.00	0.40
2007	0.87	1.60	1.00	0.01	3.50	1.00	0.55
2006	0.90	1.60	1.00	0.01	3.50	1.00	0.55
2005	0.92	1.60	1.00	0.01	3.50	1.00	0.55
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

### 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 5.3% 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 CY2012

*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 12 Actual</u>	<u>FY 13 Original</u>	<u>FY 14 Approved</u>
Revenue from Local Sources:			
General Property Taxes:			
2014 Real Estate Revenue	\$ 0	\$ 0	\$ 9,000,000
Current Real Property Taxes	264,797,978	261,800,000	261,800,000
Delinquent Real Prop Taxes	6,661,018	3,500,000	4,000,000
Land Redemption	(1,591)	55,000	55,000
Current Real Property Taxes - PSC	8,617,899	8,000,000	8,000,000
Current Personal Property Taxes - PSC	116,338	130,000	130,000
Current Personal Property Taxes	66,716,851	105,015,000	107,100,000
Delinquent Personal Property Taxes	1,282,261	1,200,000	1,200,000
Interest and Add-on - All Taxes	393,259	275,000	275,000
Total General Property Taxes	348,584,013	379,975,000	391,560,000
Other Local Taxes:			
County Recordation Tax	\$ 3,316,329	\$ 3,400,000	\$ 3,400,000
Local Sales and Use Taxes	55,913,302	58,400,000	58,056,000
Consumer Utility Taxes	2,923,405	2,600,000	2,600,000
Business & Professional License Taxes	28,486,699	28,600,000	29,458,000
Motor Vehicle License Taxes	6,275,819	6,325,000	6,325,000
Bank Franchise Taxes	17,439,674	5,000,000	5,000,000
Grantor's Tax	802,522	900,000	900,000
Hotel and Motel Tax	2,656,808	2,415,000	2,415,000
Hotel and Motel Tax – Optional 4%	5,313,616	4,830,000	4,830,000
Hotel and Motel Tax - Dedicated 2%(special)	2,656,808	2,415,000	2,415,000
Daily Rental Tax	60,426	100,000	100,000
Pare-Mutual Wagering	67,379	50,000	50,000
Consumption Tax	1,178,282	1,200,000	1,200,000
Total Other Local Taxes	127,091,069	116,235,000	116,749,000
Permits, Privilege Fees, & Regulatory Licenses:			
Elevator Fees	\$ 41,537	\$ 34,000	\$ 34,000
Dog Licenses	292,469	200,000	200,000
Transfer Fees	6,882	10,800	10,800
Structure & Equip Permits	2,355,166	2,000,000	2,650,000
Septic Tank Permit	29,200	5,000	5,000
Going Out Of Business Permit	101	0	0
Public Utility Permit	680	1,000	1,000
Hauling & Moving Permit	500	300	300
Vacation Of Roads	300	500	500
High School Parking Fees	95,509	100,000	100,000
Taxi-Cab Certificates	16,550	8,500	10,000
Permit To Purchase Precious Metals	17,565	5,000	5,000
Municipal Library Court Fees	143,082	155,000	155,000
Adult Video/Bookstore Permit	200	0	0
Weekend Tournaments-Softball	7,350	7,300	7,300
Jury Fees	44,998	51,000	51,000
Administrative Fees-Delin. Tax	0	500	0
Zoning Application Fees-Plan	138,956	150,000	150,000
Concealed Weapon Permit	58,602	40,000	50,000
Membership	30,234	0	0

## GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 12 Actual</u>	<u>FY 13 Original</u>	<u>FY 14 Approved</u>
<i>Permits, Privilege Fees, &amp; Regulatory Licenses (cont'd)</i>			
School-Facilities Rental	300,895	350,000	350,000
Criminal Justice Training Academy	328,949	325,000	325,000
Dance Hall Permit Application Fee	2,800	0	0
Recreation User Fees	3,230	0	0
Total Permits, Fees, and Licenses	3,915,755	3,443,900	4,104,900
<i>Fines and Forfeitures:</i>			
Traffic Violation	\$ 2,858,261	\$ 2,300,000	\$ 2,300,000
Parking Violation	28,847	25,000	25,000
False Alarm Penalty	70,471	65,000	65,000
CCP-Video Project-Sales	15	0	0
Total Fines and Forfeitures	2,957,594	2,390,000	2,390,000
<i>Revenue from Use of Money and Property:</i>			
Interest on Criminal Judgments	\$ 82,399	\$ 65,000	\$ 70,000
Rental On County Property	445,766	400,000	500,000
Sale Of Publications	95	500	100
Records and Services Fees	85,304	74,000	74,000
Interest on Investment - Repos	1,575,036	7,000,000	7,000,000
Interest Refund - Real Estate Tax	(4,523)	0	0
Interest Refund - Personal Property Tax	(19,307)	0	0
Rental of County Property	68,136	68,000	68,000
Vending Machine Commission	25,790	50,000	25,000
Sale of Public Documents - Real Estate	267	1,000	1,000
Sale of Publications- Real Estate	745	1,400	700
Land Use Revenue	497	1,000	1,000
Recreation - Sale of Books	2,233	200	200
Sale of Vehicles - DPW	10,173	40,000	0
Sale of Publications - DPW	195	900	200
Sale of Surplus and Salvage - DPW	127,017	50,000	90,700
Sale of Signs - DPW	303	3,000	3,000
Sale of Vehicles - Administration	16,534	0	0
Sale of Equipment	107,655	50,000	50,000
Sale of Maps and Plans	1,267	0	0
Sale of Unclaimed Property	1,113	2,000	2,000
Sale of Maps & Plans - DPW	1,149	500	500
Sale of Vehicles - Schools	0	65,000	65,000
Sale of Properties	7,000	0	0
Interest 1997 Bonds	19	0	0
Re-allocation- YPSA Interest	(1,000)	0	0
Accrued Interest 2002 Bond	(8)	0	0
Sale of Vehicles- CAM	20,069	0	0
Homeowner's Enhancement Guide	2,065	0	0
Total from Use of Money and Property	2,555,989	7,872,500	7,951,400
<i>Charges for Services:</i>			
RE Tax Cr-Rehab Fees	\$ 500	\$ 0	\$ 0
Residential Rehab Fees	550	0	0
Jail Booking Fees	58,615	40,000	40,000
Court Conviction Fees	643,538	600,000	600,000
Weekender Fee	57,202	40,000	40,000
Deep Run -Rentals	387	1,300	1,300
Sale of Text Books	107	0	0
Overdue Books	358,819	300,000	325,000
Photocopying Fees	10,046	2,000	2,000
Charges for Lost Books	129,274	30,000	30,000

**GENERAL FUND REVENUES**

<u>Function/Activity</u>	<u>FY 12 Actual</u>	<u>FY 13 Original</u>	<u>FY 14 Approved</u>
<i>Charges for Services (cont'd)</i>			
Miscellaneous Library Income	(5,306)	50,000	25,000
Non-Resident Fees - Library	8,441	7,200	7,200
Over/Under-Library	6	0	0
Sheriff Fees	35,884	36,000	36,000
Room & Board - Work Release Program	143,617	120,000	120,000
Home Incarceration Program - Sheriff	72,872	20,000	20,000
Inmate Medical Fees	88,398	35,000	35,000
Inmate Phone Charges	171,678	200,000	200,000
North Run Park Concessions	6,277	7,700	7,700
Pre-School Program	51,929	40,000	40,000
Cultural Arts Program	57,510	55,000	55,000
Senior Programs	40,975	31,600	31,600
Outdoor Programs	4,971	3,500	3,500
Therapeutic Programs	22,831	8,000	8,000
Special Interest Programs	77,115	70,000	70,000
Belmont Park Room Rentals	45,110	27,000	27,000
Picnic Kit Rental - Recreation	625	1,200	1,200
Shelter Reservations - Recreation	57,464	44,000	44,000
Non-Resident Fees - Softball	18,630	21,500	21,500
User Fees - Softball	45,900	50,000	50,000
Admissions for Meadow Farm Museum	12,054	4,800	4,800
Miscellaneous Revenue - Recreation	18,930	2,100	2,100
Day Camp Fees - Recreation	16,945	30,000	30,000
Basic Basketball Camp Fees	6,123	9,000	9,000
Three Lakes Park Nature Center	1,626	3,000	3,000
Non-Residential Fees - Football	0	300	300
User Fees - Football	3,350	800	800
Youth Basketball Registration	16,425	20,000	20,000
Dorey Park Concessions	3,488	3,300	3,300
Non-Resident Fees - Basketball	2,190	3,200	3,200
Non-Resident Fees - Volleyball	450	1,600	1,600
User Fees - Basketball	8,025	10,000	10,000
User Fees - Volleyball	1,650	4,000	4,000
Program Fees - Sports	1,123	10,000	10,000
Facility Rentals - Miscellaneous	725	2,200	2,200
Dorey Park Room Rental	21,195	24,000	24,000
Non-Resident Fees - Baseball	165	1,100	1,100
User Fees - Rugby	1,340	0	0
User Fees - Soccer	8,955	2,600	2,600
User Fees - Lacrosse	0	400	400
Non-Resident Fees - Lacrosse	0	600	600
Confederate Hills - Room Rentals	30,202	28,000	28,000
Set Up Fees - Belmont	4,130	3,300	3,300
Set Up Fees - Confederate Hills	2,730	2,100	2,100
Set Up Fees - Dorey	2,530	2,800	2,800
Set Up Fees - Hidden Creek	2,880	2,400	2,400
Set Up Fees - Facilities	8,723	1,100	1,100
Gazebo Rentals	675	600	600
Hidden Creek Room Rental	10,060	8,500	8,500
User Fees - Adult Baseball	3,175	0	0
Non-Resident Fees - Kickball	3,000	500	500
Henrico Field of Honor	999	0	0

**GENERAL FUND REVENUES**

<u>Function/Activity</u>	<u>FY 12 Actual</u>	<u>FY 13 Original</u>	<u>FY 14 Approved</u>
<i>Charges for Services (cont'd)</i>			
Deep Run Room Rental	37,451	25,000	25,000
Set Up Fees - Deep Run	2,870	1,600	1,600
Twin Hickory Room Rental	5,405	7,300	7,300
Set Up Fees - Twin Hickory	1,820	1,800	1,800
Walkerton Room Rental	9,117	10,100	10,100
Set Up Fees - Walkerton	525	1,600	1,600
User Fees - Disc Golf	740	0	0
Walkerton Programs	4,744	2,500	2,500
Room Rental	78,854	40,000	40,000
School Tuition - Winter	2,310	15,000	15,000
Practical Nursing - Adult Tuition	16,135	35,000	35,000
Math - Science Center	110,405	110,000	110,000
Vacuum Leaf Collection	169,920	150,000	150,000
Commonwealth's Attorney Fees	30,843	12,000	12,000
Charge for Board of Animals	18,956	15,000	15,000
Cafeteria Receipts - County	151,894	295,000	150,000
Grass Cutting/Demolition	79,517	125,000	125,000
Cafeteria Catering Receipts	74,119	90,000	90,000
Charges for Data Processing	750,000	750,000	750,000
Community House SD#2 Collections	14,474	15,500	15,500
Withholding Fee Processing Charges	24,859	0	0
Non-consecutive Jail Time	24	0	0
Total Charges for Services	<u>3,982,810</u>	<u>3,725,700</u>	<u>3,580,700</u>
 Miscellaneous Revenue:			
Blood Test/DNA Fees	\$ 4,503	\$ 3,900	\$ 3,900
CHMF-Courthouse Maintenance Facility	157,164	120,000	120,000
Miscellaneous General	1,096	0	0
Circuit Court-Copy fees	14,070	0	0
HCA Patient Account	80,710	90,000	88,900
Fire - Miscellaneous Revenue	3,415	1,000	1,000
Police - School Guard Reimbursement	12,360	9,500	9,500
Primary Filing Fees	(4,897)	0	0
Pay-In-Lieu of Tax Other	2,667	0	0
Meadow Farm Gift Shop	2,019	2,000	2,000
Geographic Information System Program	3,229	5,000	5,000
Court Orders Restitution (Fire)	13,968	10,000	10,000
W&S Suspense	12	0	0
Recoveries and Rebates - General	398,931	300,000	325,000
NSF Check Fees	16,634	10,000	10,000
Richmond Center Reimbursement	5,122,481	2,415,000	3,300,000
Recoveries and Rebates - DPW	1,695	32,000	5,000
Recoveries and Rebates - Schools	30,632	30,000	30,000
Energy Connect	129,977	0	0
Cedit Card Rebates	4,115	0	0
Student Basic Jailor Academy	11,645	0	0
Misc Revenue- Sheriff	469	0	0
Total Miscellaneous Revenue	<u>6,006,895</u>	<u>3,028,400</u>	<u>3,910,300</u>
 Recovered Costs:			
Reimbursement of Prisoner Cost - New Kent County	\$ 1,128,330	\$ 1,000,000	\$ 1,000,000
Recoveries - Hazardous Incidence Team	9,814	5,000	5,000
Charge for Office Space	111,000	111,000	111,000



**GENERAL FUND REVENUES**

<u>Function/Activity</u>	<u>FY 12 Actual</u>	<u>FY 13 Original</u>	<u>FY 14 Approved</u>
<i>Recovered Costs (cont'd)</i>			
Custodial Service	13,108	11,000	11,000
Bounty Fees - Sheriff	17,000	15,000	15,000
Payment for Fiscal Services	2,149,870	2,103,870	2,149,870
Sale of Vehicles - County	218,400	170,000	170,000
Recoveries and Rebates - Health	33,831	55,000	55,000
Payment for 100% Projects	58,481	55,000	55,000
Road Opening Damages	336,913	250,000	300,000
Interdepartmental Billing - DPW	37,014	73,000	73,000
Recreation and Parks - Payment for Services	156,847	175,000	175,000
Recovered Costs - Student Activity	180,099	140,000	140,000
Festival Permits	6,400	500	500
Recovery of Wages - School Facility	107,730	100,000	100,000
Lost/Damaged Textbook Payments	8,296	22,000	22,000
Total Recovered Costs	<u>4,573,133</u>	<u>4,286,370</u>	<u>4,382,370</u>
 Total from Local Sources	 <u>499,667,258</u>	 <u>520,956,870</u>	 <u>534,628,670</u>
 Non-Categorical Aid:			
Rolling Stock	\$ 151,386	\$ 125,000	\$ 131,000
Mobile Home Sales and Use Tax	18,713	12,500	12,500
Recovery of Central Cost Allocations	464,728	475,000	475,000
Motor Vehicle Rental Tax	2,816,420	2,600,000	2,600,000
Car Tax Revenue - State	37,001,783	0	0
Overweight Truck Citations	0	1,000	1,000
Comm Sales Tax - HB#568	<u>13,420,035</u>	<u>14,500,000</u>	<u>14,000,000</u>
Total Non-Categorical Aid	<u>53,873,065</u>	<u>17,713,500</u>	<u>17,219,500</u>
 Shared Expenses:			
Salaries - Sheriff	\$ 9,602,597	\$ 9,500,000	\$ 10,040,698
Fringe Benefits - Sheriff	902,595	675,000	675,000
Salaries - Clerk of Circuit Court	1,138,564	1,000,000	1,150,000
Circuit Court Clerk Excess Fees - State	370,930	350,000	350,000
State Recordation Tax	1,297,127	1,200,000	1,280,000
Salaries - Commonwealth's Attorney	1,639,474	1,450,000	1,727,000
Fringe Benefits - Commonwealth's Attorney	143,040	110,000	180,000
Office Expenses - Commonwealth's Attorney	3,840	0	0
Registrar Expenses	256,275	84,400	84,400
Salaries - Department of Finance	651,617	560,000	684,000
Fringe Benefits - Department of Finance	29,092	0	
Total Shared Expenses	<u>16,035,151</u>	<u>14,929,400</u>	<u>16,171,098</u>
 Categorical Aid:			
State Library Grant	\$ 175,978	\$ 175,000	\$ 183,000
Jail Cost Reimbursement	2,258,434	2,300,000	2,398,000
Share of Probation Expenses	7,017	6,000	6,000
Juvenile Detention - Per Diem from State	200	500	500
Block Grant - Detention Home	470,599	475,000	500,000
Law Enforcement - Police	8,052,237	7,650,000	8,500,000
Emergency Medical Services - Two for Life	279,369	205,000	205,000
State Fire Programs Fund	790,944	650,000	750,000
Hazardous Incidence Team Allotment	30,000	30,000	30,000
Auxiliary Grant for the Aged	202,641	135,000	135,000
Aid to Dependent Children	640,462	388,000	388,000

**GENERAL FUND REVENUES**

<u>Function/Activity</u>	<u>FY 12 Actual</u>	<u>FY 13 Original</u>	<u>FY 14 Approved</u>
<i>Categorical Aid (cont'd)</i>			
Auxiliary Grant for the Blind	16,052	0	0
General Relief	87,197	108,000	108,000
Regular Foster Care	413,306	499,000	499,000
Administration - VPA	1,323	1,700	1,700
Auxiliary Grant for the Disabled	347,995	203,000	203,000
Food Stamp Issuance	636,418	634,000	634,000
Purchased Services	505,992	514,000	514,000
Child Day Care Program	1,247,231	128,755	128,755
Respite Care - Foster Care	3,067	2,500	0
Street and Highway Maintenance - Gas Tax	31,912,822	28,745,000	28,745,000
English as a Second Language	1,318,974	1,300,000	1,570,000
Talented and Gifted Program	1,233,863	1,278,000	1,280,000
General Appropriation - Basic Aid	116,948,740	119,000,000	123,400,000
Foster Child Reimbursement - Schools	283,537	152,000	152,000
Textbooks	1,388,063	2,000,000	2,500,000
Social Security Reimbursement - Schools	6,882,212	7,110,000	7,140,000
Retirement Reimbursement - Schools	6,251,571	11,800,000	11,920,000
Group Life Reimbursement - Schools	246,773	440,000	446,000
Remedial Education	2,193,534	2,775,000	2,790,000
Share of State Sales Tax - Schools	46,286,808	47,000,000	50,200,000
SOQ - Basic Special Education	14,559,579	14,560,000	14,620,000
Special Education - Homebound	153,985	165,000	179,000
Virginia Commission - Visually Handicapped	8,216	10,000	10,000
Vocational Education - Adm. & Supv.	424,333	500,000	515,000
Vocational Education - SOQ Occupational	2,220,953	1,580,000	1,590,000
Handicapped Foster Home - Schools	569,000	850,000	728,000
Other Categorical- State	42,566	0	0
Adult Basic Education	70,317	0	0
Reading Recovery	300	0	0
At Risk - State	1,456,791	2,000,000	2,380,000
Salary Incentive K-3	2,023,194	2,485,000	3,830,000
Adult Education - SOQ	0	40,000	40,000
State Grants	6,359	0	0
ALS Training Fund Reimbursement	20,130	0	0
Clerk's Technology Fund	118,126	0	0
Supp. Support for School Ops	3,554,073	0	2,250,000
State Medical Plans	9,376	9,300	9,300
Independent Living Grant	11,862	7,800	7,800
Energy Assistance	0	3,100	3,100
Medicaid	375,639	378,000	378,000
Adoption Programs	1,127,298	243,000	243,000
FEMA-State-Irene	392,294	0	0
Total Categorical Aid	<u>258,257,750</u>	<u>258,536,655</u>	<u>272,110,155</u>
 Total from the Commonwealth	 <u>328,165,966</u>	 <u>291,179,555</u>	 <u>305,500,753</u>
 Revenue from the Federal Government:			
ARRA - State Fiscal Stabilization Funds	\$ 1,382,300	\$ 0	\$ 0
ROTC	397,089	300,000	350,000
Emergency Management Assistance - Fire	0	27,000	27,000
Food Stamp Program	1,735,779	1,979,860	1,979,860
Family Support Payment	2,061,584	935,380	935,380
Low Income Home Energy	96,446	72,000	72,000

**GENERAL FUND REVENUES**

<u>Function/Activity</u>	<u>FY 12 Actual</u>	<u>FY 13 Original</u>	<u>FY 14 Approved</u>
<i>Revenue from the Federal Government (cont'd)</i>			
Foster Care	773,225	870,180	870,180
SCAPP Program-Sheriff	30,421	0	0
Allocated Eligibility Program	214,349	56,400	56,400
Adoption Assistance	476,373	167,940	167,940
Social Services Block Grant	853,455	850,470	850,470
Independent Living	61,383	44,000	44,000
Medical Assistance	1,144,811	1,175,420	1,175,420
Child Care and Development	1,420,883	24,220	24,220
Refugees	47,652	9,970	9,970
Child Care and Development - Match	1,430,511	173,440	173,440
Safe & Stable Family - Fed	680,099	644,000	644,000
Project "YES"	(27,725)	0	0
ARRA- Jobs Fund	3,151,290	0	0
JOBS Funds - Education	0	5,500,000	0
FEMA-Fed-Irene	1,171,122	0	0
Total from Federal Government	<u>17,101,047</u>	<u>12,830,280</u>	<u>7,380,280</u>
 Total General Fund Revenue	 <u>844,934,271</u>	 <u>824,966,705</u>	 <u>847,509,703</u>
 Transfers:			
To Debt Service - From Operating	\$ (52,854,043)	\$ (58,982,785)	\$ (58,988,994)
Total To Debt Service:	<u>(52,854,043)</u>	<u>(58,982,785)</u>	<u>(58,988,994)</u>
 To Capital Projects Fund - Schools - Roof/Mech	 (2,500,000)	 (2,500,000)	 0
To Capital Projects Fund - General Government	(2,500,000)	(2,500,000)	(1,500,000)
To Capital Projects (From Capital Reserve)	(5,000,000)	(5,000,000)	(1,420,000)
To Cap Projects - CIPS - 21-011	(473,473)	0	0
To Capital - Public Works Vehicle License Fee	(850,000)	(850,000)	(850,000)
Oper. Transfer to Capital Projects	(3,097,007)	0	0
To Capital Projects Fund - Vehicle Replacement	0	(6,574,800)	(6,574,800)
Total To Capital Projects Fund:	<u>(14,420,480)</u>	<u>(17,424,800)</u>	<u>(10,344,800)</u>
 To Enterprise Fund - White Oak	 (756,608)	 (756,608)	 (1,931,608)
Oper. Transfer to Enterprise-Golf	(55,644)	0	0
Total To Enterprise Fund:	<u>(812,252)</u>	<u>(756,608)</u>	<u>(1,931,608)</u>
 To Risk Management	 (7,268,197)	 (4,543,437)	 (4,407,836)
Total To Internal Service Funds:	<u>(7,268,197)</u>	<u>(4,543,437)</u>	<u>(4,407,836)</u>
 To Special Revenue Fund - CRWP	 (217,695)	 (206,810)	 (200,606)
To Special Revenue Fund - CCP	(137,023)	(132,806)	(129,687)
To Special Revenue Fund - COLA Reserve	0	(25,000)	0
To Special Revenue Fund - CSA	(3,345,506)	(3,264,581)	(3,264,581)
To Special Revenue Fund - CSA Medicaid Match	(337,950)	(337,950)	(337,950)
To Special Revenue Fund - Victim Witness	(310,924)	(324,629)	(331,814)
To Special Revenue Fund - Drug Prosecutor	(52,701)	(66,715)	(66,715)
To Special Revenue Fund - VJCCCA	(519,182)	(546,544)	(530,148)
To Special Revenue Fund - MH/DS/SA	(12,368,435)	(13,784,168)	(13,909,603)
To Special Revenue Fund - Metro Aviation	(100,825)	(135,561)	(127,332)
To Special Revenue Fund - Curbside Recycling	(1,934,938)	(2,137,800)	(2,137,800)
To Special Revenue Fund - Bulky Waste	(176,477)	(239,002)	(239,002)
To Special Revenue Fund - Neighborhood Cleanups	(348,693)	(532,072)	(532,072)
To Special Revenue Fund - Bagged Leaf Collection	(109,250)	(155,127)	(140,127)

**GENERAL FUND REVENUES**

<u>Function/Activity</u>	<u>FY 12 Actual</u>	<u>FY 13 Original</u>	<u>FY 14 Approved</u>
<i>Transfers (cont'd)</i>			
To Special Revenue Fund - Contingency Account	0	(75,201)	(50,000)
To Special Revenue Fund - Drug Court	(169,620)	(176,248)	(179,023)
Oper. Transfer to Special Revenue Fund	<u>(44,963)</u>	<u>0</u>	<u>0</u>
Total To Special Revenue Fund:	(20,174,182)	(22,140,214)	(22,176,460)
To JRJDC Agency Fund - Operating	(2,606,479)	(2,594,296)	(2,594,296)
To JRJDC Agency Fund - Debt	<u>(667,942)</u>	<u>(676,878)</u>	<u>(673,106)</u>
Total To JRJDC Agency Fund:	(3,274,421)	(3,271,174)	(3,267,402)
To OPEB - GASB 45	(3,000,000)	(3,000,000)	(2,500,000)
Oper. Transfer to Line of Duty	<u>0</u>	<u>0</u>	<u>(500,000)</u>
Total	(3,000,000)	(3,000,000)	(3,000,000)
Total Transfers	(101,803,575)	(110,119,018)	(104,117,100)
Total Resources Prior to Use of Fund Balance/ Sinking Fund	<u>743,130,696</u>	<u>714,847,687</u>	<u>743,392,603</u>
To (From) FB- Education Reserve	0	0	(9,000,000)
Use of Fund Balance - Capital	5,000,000	5,000,000	1,500,000
Use of Fund Balance - designated - Capital Reserve	0	5,000,000	1,420,000
To (From) Fund Balance- VRS Reserve	0	0	(1,000,000)
From Capital- Public Works Reserve	0	0	208,500
Use of Fund Balance - Gen Fund	(7,319,534)	0	0
(To) From Revenue Stabilization	10,248,671	3,869,432	4,097,452
Operating Transfers from Vehicle Replacement Reserve	<u>0</u>	<u>6,574,800</u>	<u>6,574,800</u>
Net Fund Balance/Sinking Fund	7,929,137	20,444,232	3,800,752
Total Resources After Use of Fund Balance/Sinking Fund	751,059,833	735,291,919	747,193,355
Total General Fund Resources	<u><u>\$ 751,059,833</u></u>	<u><u>\$ 735,291,919</u></u>	<u><u>\$ 747,193,355</u></u>

## APPENDIX "F"

### ECONOMIC OUTLOOK

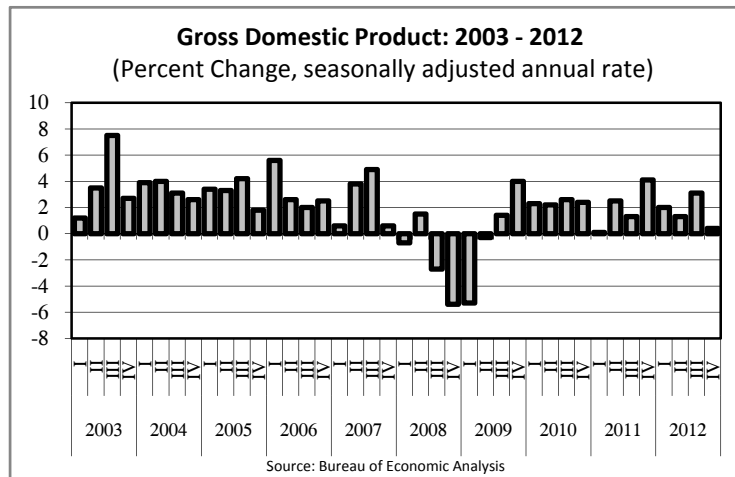
#### National Economy

“The U.S. economy continued to expand at a moderate rate, on average, over the second half of 2012. The housing recovery appeared to gain additional traction, consumer spending rose moderately, and business investment advanced further. Financial conditions eased over the period but credit remained tight for many households and businesses, and concerns about the course of fiscal policy and the ongoing European situation likely restrained private sector demand. In addition, total government purchases continued to move lower in an environment of budget restraint, while export growth was held back by slow foreign economic growth. All told, real gross domestic product (GDP) is estimated to have increased at an average annual rate of 1.5 percent in the second half of the year, similar to the pace in the first half.” As Federal Reserve Chairman Ben Bernanke’s introductory statement during the Semi-annual Report to Congress implies, the economy continues to slowly ease forward in an economic environment characterized by uncertainty and volatility. However, the prolonged fragility of economic conditions has left the U.S. economy vulnerable to a number of issues both global and domestic that threaten to temporarily restrain, or outright stall the economic recovery. Among the many issues of concern are reduced demand in the U.S. and overseas, exacerbated by governmental austerity measures brought about by debt crises, stagnant employee wages and a slowly recovering housing sector. In addition, high rates of unemployment and underemployment still remain, albeit improved, creating not only hardships for those individuals and their families, but also acting as a significant drag on the economy that will likely have significant impacts on the long term productivity and growth trajectory of the economy.

#### 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.

After exiting a brief recession in 2001, the economy experienced a period of rapid expansion, recognizing continual quarterly increases in the output of goods and services produced in the United States. 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 mediocre growth trend continued into the first quarter of 2008, before posting its first negative showing since 2001. During the recent recessionary period that began in late 2007, GDP fell sharply in the third and fourth quarters of 2008, and through the first quarter of 2009. While the recession was officially declared as having ended June 2009 – posting third and fourth quarter growth of 1.4 and 4.0 percent, respectively – its effects on the economy and the corresponding impact on GDP is still being felt.



Most of 2012 continued the trend of moderate, but relatively variable, growth, registering positive percentage changes of 2.0, 1.3, 3.1 in the first, second and third quarters of the year, respectively. Fourth quarter growth nominally increased by just 0.4 percent, reflecting positive contributions from personal consumption expenditures (PCE), private inventory investment, exports, residential investment, and non-residential fixed investment that

were largely offset by negative contributions from federal government spending and state and local government spending.

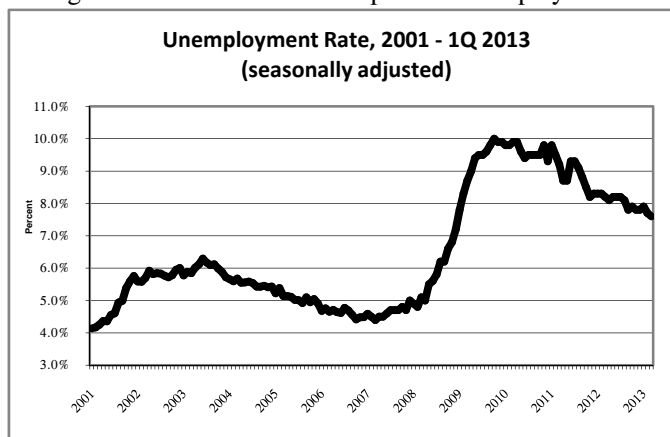
<b>Equity Market Growth:</b>	<b><u>DJIA</u></b>	<b><u>NASDAQ</u></b>	<b><u>S&amp;P 500</u></b>
Dec 2011-Dec 2012	7.3%	15.9%	13.4%
Jan 2003-Jan 2012	52.3%	118.0%	56.9%

Despite continued uncertainty stemming from several domestic and international economic and political issues during the year, the U.S. stock market in 2012 managed to post double-digit gains. The Dow Jones Industrial Average gained 7.3 percent for the year, while the NASDAQ and S&P 500 saw gains of 15.9 percent and 13.4

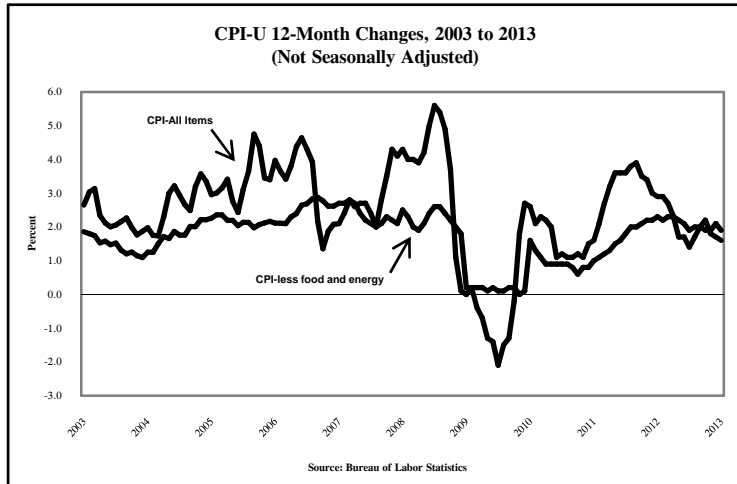
percent, respectively. Investor pessimism concerning Congress’s failure to secure a legislative deal to address the looming fiscal cliff crisis was fortunately alleviated by way of an 11<sup>th</sup> hour compromise, while better than expected consumer demand, housing figures and corporate earnings have all contributed to increased gains. In addition, developed economies’ easing initiatives – including the Fed’s own bond purchasing program – created available cash that has been reinvested in the U.S. market.

It was widely anticipated that the markets would continue to post gains in 2013, and as of May 2013, encouraging economic data has at least temporarily boosted investor confidence and driven up market values, with the Dow closing above 15,000 for the first time in its history. Continued strong corporate earnings, improved jobs and housing figures, as well as new rounds of quantitative easing may contribute to sustained positive momentum.

Encouraging employment figures and lowering monthly unemployment rates through the first quarter of 2013 suggest that the labor market is slowly but steadily improving. As of March 2013, the seasonally adjusted national unemployment rate stands at 7.6 percent. This figure is down from the 8.2 percent unemployment rate that existed the same time a year prior. 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 that 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. Significant decreases in employment occurred in those industries most directly related to the mortgage and credit crises, particularly construction, which by February 2011 had decreased by 2.2 million jobs and had an industry specific seasonally unadjusted unemployment rate of 20.0 percent. Among all labor force participants, the unemployment rate spiked at 10.0 percent in October 2009. Despite the global recession of 2007 having officially ended in June 2009, from April 2009 through March 2011, the unemployment rate was greater than 9.0 percent for 24 consecutive months, averaging 9.6 percent over this period. Unemployment began to gradually improve during late 2011 and throughout 2012, falling below the 8.0 percent mark in September 2012, when unemployment registered at 7.8 percent. For the year, unemployment averaged 8.1 percent in 2012. During the most recent quarter ending March 2013, the unemployment rate averaged 7.7 percent, registering 7.6 percent in March 2013, the lowest it’s been since December 2008 when the unemployment rate stood at 7.3 percent.



It is important to note that economists consider the natural unemployment rate, the rate at which the economy functions most efficiently, to be somewhere between 5.0 and 6.0 percent. In situations where the rate is lower, there is considered to be a surplus of jobs, and a shortage when rates are above the 5.0 – 6.0 percent mark.

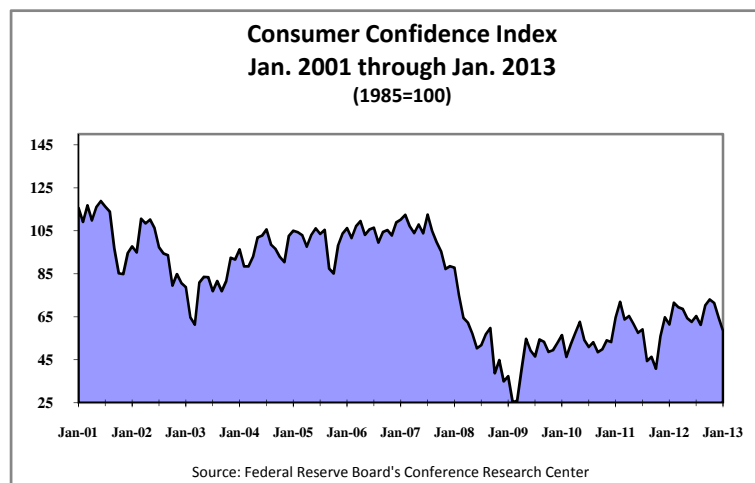


The Consumer Price Index (CPI) is an economic indicator most commonly referred to when measuring inflation in the United States. The Bureau of Labor Statistics (BLS) defines the CPI as “a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.” The BLS calculates the aggregate industry/category data for two population groups: wage earners/clerical workers, and all urban consumers. Given that the Consumer Price Index – All Urban Consumers (CPI-U) represents approximately 87 percent of the entire U.S. population, this is the statistic commonly

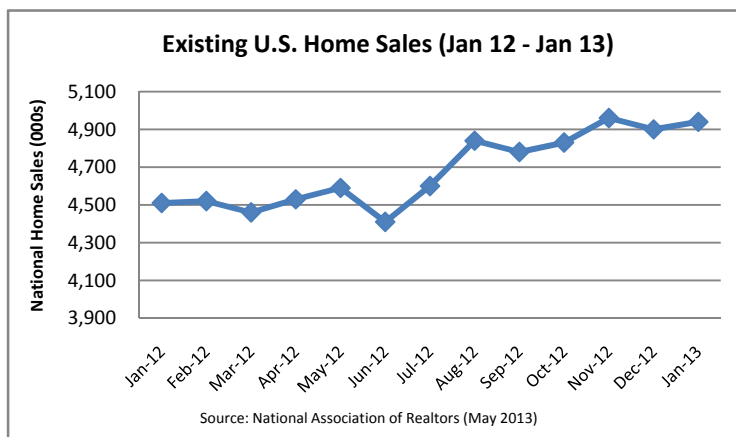
used when evaluating price and/or inflationary changes. In addition, what is referred to as the core CPI index, that is the CPI-U less food and energy, is a helpful index that excludes goods whose prices are typically more volatile, such as food and energy, which are subject to sudden, dramatic changes and are not necessarily representative of relative price changes.

From January 2012 to January 2013, the percentage change in the CPI-U (not seasonally adjusted) reduced from 2.9 percent to 1.6 percent, averaging a 2.1 percent monthly (12 month) increase in 2012. The index increased 1.6 percent for all of 2012 (January 2012 to January 2013), after increasing 1.3 percent the year prior. The increase in the all items index was attributable largely to an increase in the food index, while in the energy index, increases in oil and electricity of 2.0 percent and 0.5 percent, respectively, were offset by declines in gasoline of 1.5 percent, and natural gas of 2.5 percent. The index for all items less food and energy rose 1.9 percent for the year (January 2012 to January 2013), down from 2.3 percent the year prior. Contributing to the overall increase were increases in costs associated with airline fares, medical care, shelter, apparel, new vehicles and recreation. These increases were partially offset by small decreases in used cars and trucks and household furnishings and operations.

One of the most important economic indicators is the Consumer Confidence Index (CCI), as it measures the level of faith that consumers have in the current economy. The index, which is developed through a survey conducted by the Conference Board, reports data concerning consumer attitudes and buying intentions, and is compiled into three segments: the overall Consumer Confidence Index; the Present Situation Index and the Expectations Index. The overall CCI is a composite of the other two indices and is weighted 40% - Present Situation Index and 60% - Expectations Index. The benchmark year/value is 1985=100, and is the basis for each subsequent monthly and/or yearly comparison. The consumer market is especially important as it comprises two-thirds of the nation’s economy. During economic downturns, Americans typically become less confident in the economy. This was the case for several years following the economic recession of 2001, and particularly the months and years following the economic recession of 2007, as can be seen in the graph to the right. As economic downturns become longer and consumers observe 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 consumer confidence has remained relatively low. Even though the economic environment has improved modestly, individuals have still been less likely to spend, and those who would like to are unable to do so 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 pessimistic attitude toward the state of the economy that was widely shared among Americans. The index increased significantly in 2010 from its low of 2009, with February 2010 registering 46.4 – an 83.4 percent, February to February increase. Consumer confidence on average has continued to rise from the unprecedented lows of 2009, increasing from 54.48 in 2010, to 58.09 in 2011, 67.05 in 2012, and averaging 62.77 for the first three months of 2013. January 2013 was down significantly at 58.4 after averaging 67.7 the previous six months. For the first quarter of 2013, consumer confidence fell, with the March 2013 figure falling to 61.9 from the previous months 68.0, reflecting consumers’ continued pessimism in their assessment of current conditions and general economic outlook.



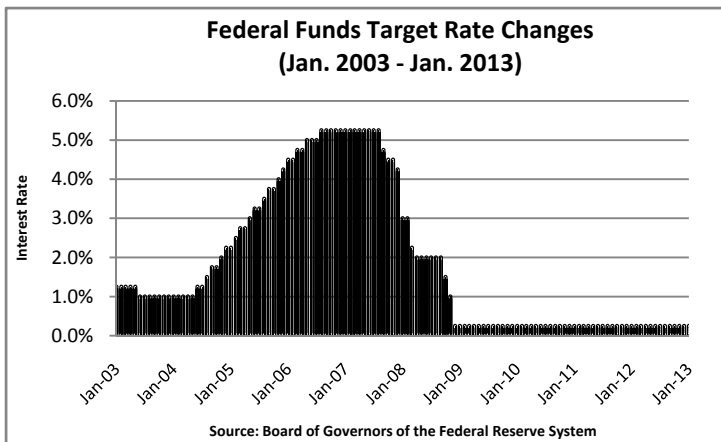
New and existing home sales, one of the principal drivers of consumer spending over the past several years, fell dramatically from 2006 through 2008. Although existing home sales were down marginally from 2009 to 2010, in 2011, average sales figures increased by 1.98 percent. In 2012 (January 2012 – January 2013) the average number of existing home sales increased by 386,923 units, or 9.0 percent.

Home sales activity increased monthly in 2009 and the first quarter of 2010 as the homebuyer tax credits of \$8,000 for new

homebuyers, and \$6,500 for existing homebuyers incentivized some to buy homes. However, with an April 30, 2010 home purchase deadline for program eligibility, a precipitous drop off in home purchases occurred, largely attributable to the cessation of the program. Following the program’s end, home sales moderated and sales prices dropped correspondingly to reduced demand.

However, beginning in late 2011 and throughout 2012, demand for housing picked up, and tighter inventory resulted in a transition from a prolonged period of a buyer’s market to a seller’s market. While buyer traffic has increased 40 percent from January 2012, total housing inventory at the end of January 2013 fell 4.9 percent to 1.74 million homes, representing a 4.2 month supply at the current sales pace and the lowest housing supply since April 2005. Correspondingly, home sales prices have also increased commensurate with demand, as the national median existing-home price in January 2013 was \$173,600, which is up 12.3 percent from January 2012.

Beginning in September 2007, the Fed initiated the first of five rate cuts, when 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 8 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 March 2013, represented over 50 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**

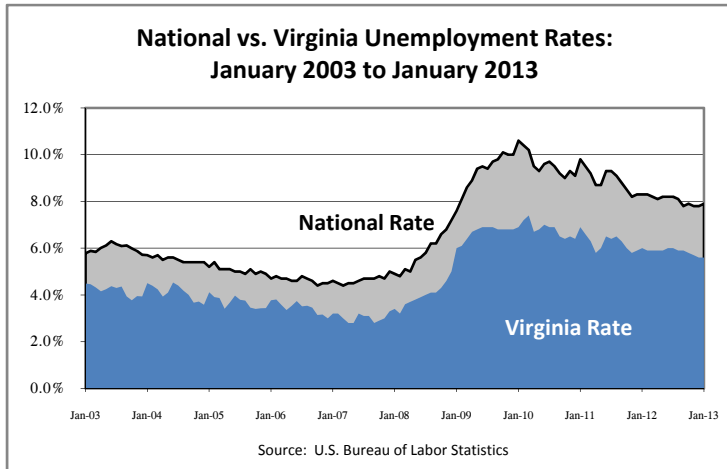
As the national economy has experienced booms and contractions over the years, the Virginia economy has largely followed the economic trends experienced by the United States. While the State economy generally follows the lead of the nation, the Commonwealth has outperformed the national economy in several economic indicators. Population growth and per capita income have both outpaced national levels. 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 production employment seem to mimic national trends.

According to the 2010 U.S. Census, the population in the State of Virginia is 8,001,024, an increase of 922,509, or 13.0 percent from 2000 Census figures. Virginia remains the twelfth most populous state in the Country. Over 80.0 percent of the State's growth during this period was concentrated in three major metropolitan statistical areas, with the greatest occurring in Northern Virginia, which accounted for roughly 55.0 percent of growth, followed by metropolitan Richmond at 17.0 percent and Hampton Roads at 10.0 percent. During the same time period the national population increased by 9.7 percent, 3.3 percent less than the growth experienced in Virginia. In addition, Virginia is also one of the most educated states in the U.S., with 34.0 percent of persons 25 years of age or older having a bachelor's degree or higher, ranking eighth among the states, while 14.1 percent hold a graduate degree or higher, ranking sixth among the states. Correspondingly, with a 2012 per capita personal income of \$47,082 and an average annual wage and salary disbursement of \$52,072, Virginia ranks eighth in both of these categories. It should be noted that State per capita personal income data represents 2011 revised estimates, and average annual salary and wage disbursement data represents 2010 preliminary data, the most recent data available.

While the average salary in the U.S. grew by 2.81 percent from 2010 to 2011, the Virginia state average only grew by 2.21 percent or \$195 less than the average annual wage increase in the U.S., which is in contrast to recent, prior year statistics. For example, from 2009 to 2010, the U.S. grew by 2.65 percent, while Virginia grew by 3.01 percent, or \$272 higher than the average annual wage increase in the U.S. The effects of the recession and recent Federal budget austerity measures have disproportionately affected wage distributions in the Northern Virginia region that normally buoys the statewide salary average.

While the population of the Commonwealth was estimated at over 8 million as of April 1, 2010, the level of growth has recently been slower than that experienced in the first half of the decade. From 2000 through 2006, the average year over year population growth was roughly 1.3 percent, while growth from 2007 through 2010 (As of April 2010) averaged just over 1.0 percent growth. While the growth rate has yet to return to levels observed prior to the recession, higher rates of growth 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

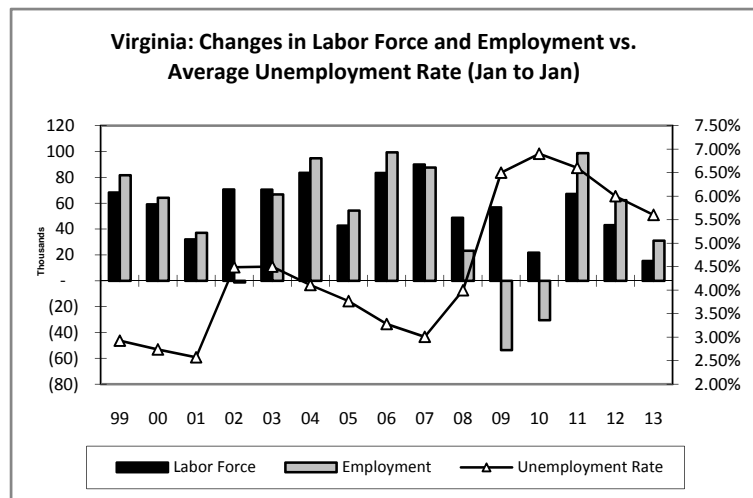
between these two contributing factors has grown less even, with natural increases exceeding migration into the state. This phenomenon was likely caused by economic conditions that resulted in a stagnant housing market and limited job prospects, factors that limited mobility. However, from 2009 through 2010, growth in the state was such that the net migration for the eleven year period 2000 – 2010 rose to a level equivalent to natural growth, with each component rising 6.5 percent to comprise the 13.0 percent total population growth statistic. The rise in in-migration, returning to a balance between natural and migration factors, is encouraging, as it is an indication that Virginia’s labor market, as well as its numerous amenities are competitive relative to the nation. From 2003 to 2007, national and state unemployment rates steadily decreased. In 2007, when the economy began to crumble, 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.

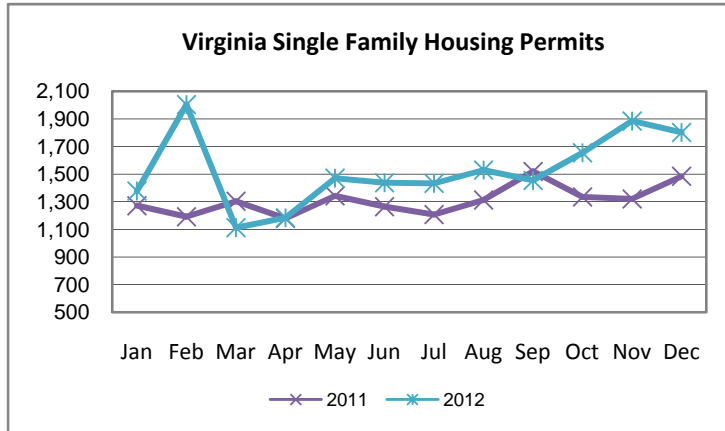


Given the recent, relative improvement in the U.S. labor market as of January 2013, Virginia’s unemployment rate was 5.6 percent. Virginia continues to outperform the nation in this respect, and the State’s unemployment rate of 5.3 percent as of March 2013 is significantly lower than the national unemployment rate of 7.6 percent. Despite the economic hardships experienced throughout the country, according to the U.S. Bureau of Labor Statistics, Virginia’s March 2013 unemployment rate of 5.3 percent was the 10<sup>th</sup> lowest seasonally adjusted unemployment rate in the nation. Virginia’s unemployment and labor statistics indicate

that even during times of economic difficulty, Virginia fares well relative to many states in the U.S.

Typically during periods of normal growth, throughout the state the level of job growth 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 666,798 in January 2013, which is up 8,214 jobs, or 1.2 percent from January 2012. Looking back over a four year period, regional employment is up 15,212, since January 2009, representing a 2.3 percent increase. While employment has grown over the period identified, the Civilian Labor Force in total has grown to 666,798, and the number of unemployed has risen to 44,178, from 43,201 of the total labor force. Despite extreme variability over this period, with the regional unemployment rate peaking at 8.8 percent in January 2010, the net change in labor force statistics has resulted in the unemployment rate remaining at 6.6 percent as of January 2013, the same level of unemployment that existed in January 2009.

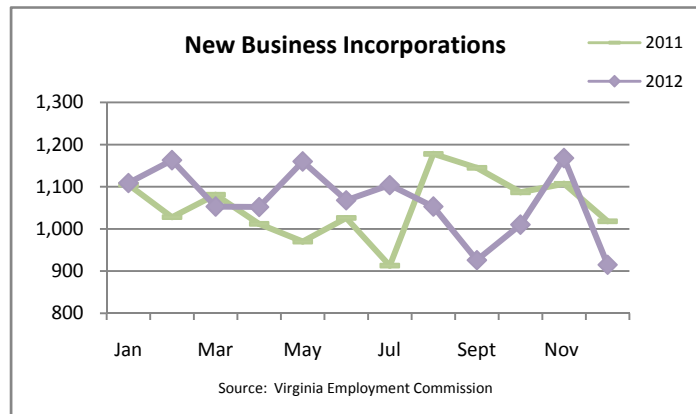




While population and unemployment are important indicators, other business economic indicators are vital in analyzing the performance of the Virginia economy. Since many other sectors of the economy feed off of new home construction, one significant indicator is the number of single family building permits issued. 2012 saw a significant increase from 2011, with 18,349 permits issued for the year, representing an increase of 2,612 permits, or 16.6 percent from the prior year. The performance in this statistic roughly approximated the national housing trend for 2012. The increase in the

number of single family housing permits is a reflection of increased consumer demand for housing, as well as a reduction in the surplus of available existing homes, given the extremely low rates of residential building in the years following the onset of the recession. On the demand side, in 2012, historically low 30 year fixed mortgage rates, relatively higher levels of employment, improved consumer sentiment contributed to the increase. In addition, home prices, while increasing throughout the year, have remained somewhat depressed, strengthening demand. Following the post Homebuyer Tax Credit decline, which expired September 30, 2010, beginning in the third quarter of 2011 through the first quarter of 2013, Virginia has experienced seven consecutive quarters of residential home sales growth. With respect to housing supply, increased demand and insufficient inventory has prompted increased residential building.

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 2012, 12,781 new businesses were incorporated, representing an increase of 0.88 percent from 2011. This minor increase represents a slight improvement over prior, year over year statistics, which saw an increase of 0.48 percent. However, two consecutive year over year increases, are significant improvements upon the previous two years, in which there were reductions of 18.4 percent and 1.9 percent in 2009 and 2010, respectively. While the 2012 marginal increase in new business incorporations is encouraging, recent figures continue a relatively downward trend that began in late 2005 and accelerated when the recession began in 2007. For example, in 2005 there were 20,783 new businesses incorporated, while in 2007 this number had dropped to 17,855, and by 2010 had reduced to 12,609, representing a decrease of 39.3 percent from 2005. 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.



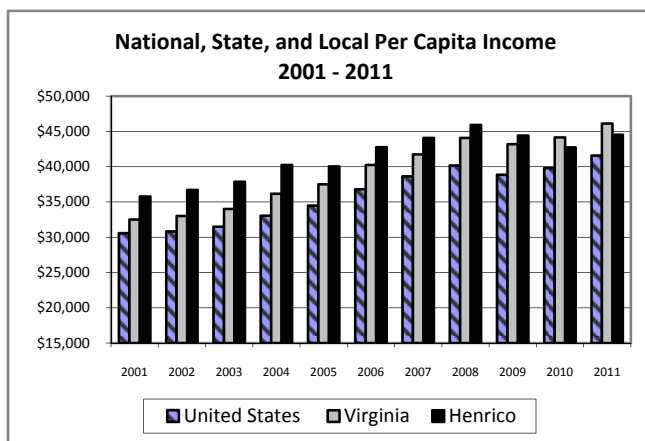
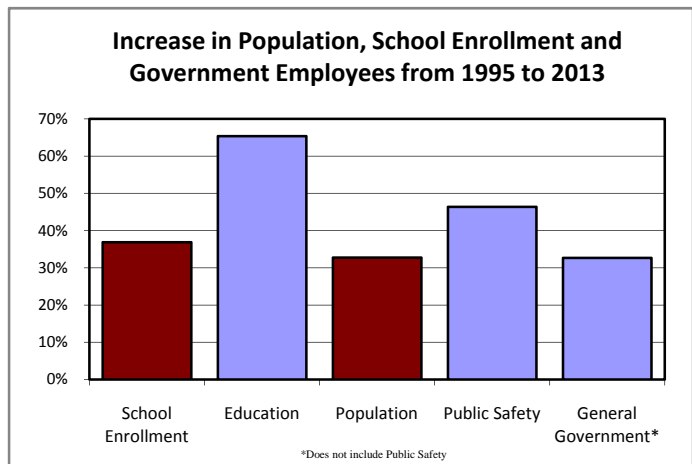
After three straight years of decreased automobile sales in Virginia from 2007 through 2009, year-over-year growth in this statistic has occurred in the past three years – 2010 through 2012 – with each year’s successive increase larger than the previous year’s increase. According to the Virginia Employment Commission’s *Virginia Economic Indicators* publication for the fourth quarter of 2012, the newest of such publications, 424,976 new vehicles were registered in the state during 2012, compared to 388,955 registered in 2011, an increase of 9.3 percent. However, while there were continued gains in automobile sales and registrations in 2012, looking back

to 2007, this figure represents a decrease of 84,241, or 16.5 percent, and is evidence of how far the economy has fallen these past several years. It is important to note that, prior to the recession and the subsequent automotive industry crisis, even during the periods in which auto registrations decreased in Virginia, the market had historically remained one of the strongest pieces 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 from 2007 through 2009.

Although some of the previously mentioned statistics show a decline in select 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. According to the Bureau of Labor Statistics, as of March 2013, Virginia's seasonally adjusted unemployment rate was 5.3 percent, 2.3 percent lower than the U.S. rate of 7.6 percent, representing the 10<sup>th</sup> lowest monthly unemployment rate in the U.S. The average number of unemployed workers in the State fell in 2012, dropping from 270,088 to 247,082, or 8.5 percent, while the size of the state's overall civilian labor force increased slightly from 4,197,683 in 2011 to 4,210,013 in 2012, an increase of 0.30 percent.

### Local Economy

Over the past sixteen years, the Henrico County economy has become more diverse as the County has grown. Since 1995, the County's population has increased 32.7 percent based on 2012 Henrico County estimates, growing from 239,683 residents to 318,158 in 2012. Based on U.S. Census data compiled in 2010 (the most recent data available), Henrico is the sixth most populous County in the Commonwealth. At the same time, the average daily student population attending Henrico County Public Schools has increased by 36.9 percent. In reaction to such growth trends, the County of Henrico has responded to the needs of the community by offering services commensurate with this growth. As education and public safety are both high priorities of the County, these two areas experienced the most employment growth. The education personnel complement has increased by 65.4 percent since 1995 as the number of education facilities grew 28.6 percent over the same time period. This figure does not include additions or renovations to existing structures.



Public Safety increased its personnel complement by 46.4 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, with additions of 155 and 221 to the Divisions respectively. It also should be noted that a net of 185 positions have been added in the Division of Police over the same eighteen 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, from 1995 to 2011, per capita income in Henrico has increased by \$18,388, or 70.3 percent, to an

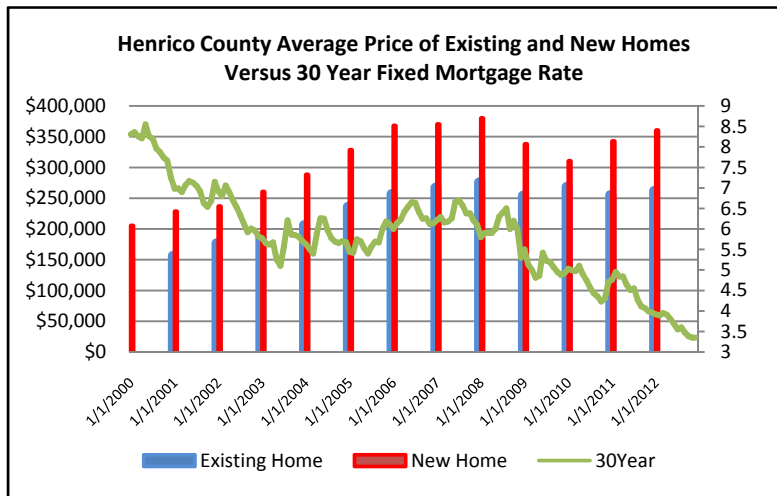
average of \$44,529. It should be noted that as of this writing, the 2011 County level data is the most recent information released by the Bureau of Economic Analysis, and as such, 2011 revised national and state figures are used for comparative purposes.

Recent conditions in the national and state economies have severely disrupted the County’s economy, particularly with respect to business failures and employment. While historically the county’s unemployment had fallen well below that of state and federal figures, in March 2009, Henrico County registered a 7.1 percent unemployment rate, slightly exceeding 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.

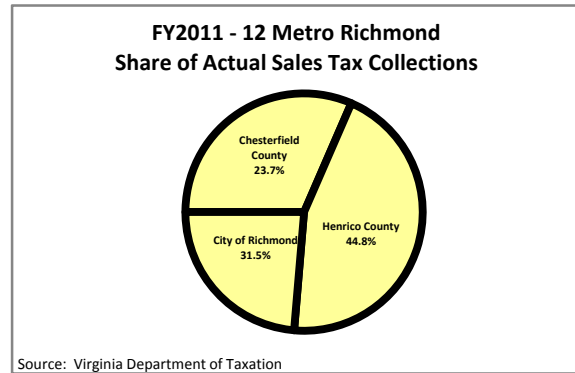
As of March 2013, Henrico County’s not-seasonally adjusted unemployment rate was 4.8 percent, which is nearly a full percentage point below the March 2012 unemployment rate of 5.7 percent, and reflective of the relative improvement in the local labor market. In addition, the March 2013 unemployment rate of 4.8 percent is also less than the State of Virginia’s rate of 5.2 percent, which has also fallen from 6.0 percent from the prior year. Relative to the state and the region, Henrico County continues to outperform its neighbors with respect to employment. The Richmond Metropolitan Area in March 2013 registered an unemployment rate of 5.6 percent, though significantly better than the March 2012 unemployment rate of 6.5 percent. The State of Virginia, as well as Henrico County and the greater Richmond area have registered year over year improvements in employment. Despite the severity of the recession’s impact on the local economy, there have been signs of improvement that indicate that the recovery is progressing. Henrico’s highly skilled workforce, sound infrastructure and business friendly environment have facilitated corporate expansion and economic development activities that should translate into labor growth, as well as have a corresponding impact on local revenues in the future. In addition, consumer confidence is improving, as reflected in increased sales tax revenues. Henrico County continues to lead its regional counterparts in this category.

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 tax generates the largest percentage of revenue for Henrico County, representing 46.2 percent (estimated) of total General Fund operating revenue in FY2013-14. 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.

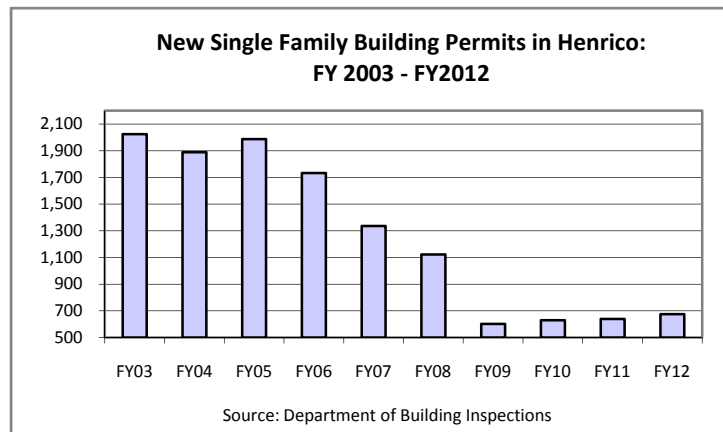
The chart to the right illustrates the overall upward trend in the average sales price of new and existing homes in comparison to the decrease in fixed mortgage rates. However, in 2008, as a result of the housing market crisis experienced nationwide, there was a corresponding drop in demand for housing 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 2012 was 3.66 percent, and was 3.57 percent in March 2013. While home sales and home sale prices are gradually improving, historically low 30 year fixed interest rate levels is an indication of a still weak housing market. It should be noted that the Board of Supervisors has decreased the Real Property Tax Rate three times since FY2003-04, from \$0.94 per \$100 of assessed value in CY2004 to \$0.92 per \$100 of assessed value in CY2005, then to \$0.90 per \$100 in CY2006, and was reduced again to \$.87 per \$100 in CY2007. The rate has remained unchanged through CY2013.



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 \$57.7 million in FY2011-12, representing a 4.3 percent increase from the prior fiscal year. Over the past fiscal year, Henrico County recorded a 44.8 percent share of the total local sales taxes collected in the Richmond area, compared to 31.5 in Chesterfield County, and 23.7 percent in Richmond City. Henrico County's figure approximates the five year average of 45.2 percent. While Henrico's sales tax collections increased by 0.83 percent, it also maintained its position as leader in total regional taxable sales, which is an indication of the strength of Henrico's local retail base. Overall, the Richmond Metropolitan Area experienced an increase of 4.3 percent in FY2011-12, an improvement from the previous year over year increase of 2.5 percent in FY2010-11, and the increase of 3.3 percent experienced in FY2009-10. Growth and stability in retail sales is encouraging, and indicative of an improving economy. In addition, Henrico County's sales figures have 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 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 also an important economic indicator carefully monitored by the County of Henrico. This revenue is considered to be elastic, meaning it will vary from year to year based on current economic situations. A change in the number of building permits issued can be used to gather information about the shape



the economy will take in the future. In FY2006-07, actual revenues decreased when compared to FY2005-06 as the number of new single-family permits issued decreased 16.0 percent, reflective of the cooling housing market being experienced nationwide. This cooling trend is further reflected upon analysis of the FY2007-08 to FY2008-09 permit data, which reveals that single family permits actually declined by 46.4 percent during this period. Prior to the market cool down, Henrico County experienced a boom in new home construction, as did the rest of the country,

primarily due to historically low interest rates and the availability of credit. In fact, in FY2001-02 and FY2002-03, the level of single family permits increased each year, with an overall 21.5 percent increase during this period. However, in FY2003-04, the number of permits dropped by 6.7 percent, while in FY2004-05, the number of permits in Henrico jumped back up by 5.2 percent. 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 19.3 percent increase comparing FY2004-05 and FY2000-01 levels. The number of single family building permits fell dramatically in FY2006-07, falling 25.5 percent, and further declining at a rate of 16.0 percent in FY2007-08. FY2008-09 registered the lowest numbers over the ten year period examined, with 602 permits issued, reflecting a decrease of 46.3 percent from the 1,122 permits issued in FY2007-08. This represents a decline of 70.3 percent from the high point of FY2002-03 over the period identified. FY2009-10 reflected a modest improvement in the number of single family permits issued, registering 630 permits, reflecting an increase of 4.6 percent from the prior fiscal year, while in FY2010-11, 639 single



family building permits were issued, representing a nominal increase of 9 permits or 1.4 percent from the prior year. In FY2011-12, 675 single family building permits were issued, representing a modest increase of 5.6 percent from the prior year.

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 2012, the County of Henrico reported 11,667 new and 43,785 used automobile registrations. These overall numbers represent a 0.55 percent decline from those recorded in the previous year. For FY2011-12, 35.9 percent of all car sales occurring in the Richmond Metropolitan Area occurred in Henrico County.

## **Conclusion**

The recession that began in late 2007 was officially declared as having ended June 2009, though its effects on all sectors of the economy continue to be felt through the first quarter of 2013. Looking to 2014, most economists predict that GDP will continue at a sluggish pace, somewhat restrained by low levels of capital investment, relatively high levels of unemployment and lower average work hours and productivity, as well as the potential manifestation of issues related to the \$85 billion reduction in government spending known as sequestration. However, these growth impediments will also be offset by continuing improvement in the housing sector, with development, sales and home prices all climbing, which should improve consumer confidence and potentially lead to greater consumer spending. Another issue that has implications for growth is the federal government's handling of FY2014 budget negotiations, including further handling of the sequester and debt limit discussions. Congress's recent history of being unable to introduce and pass fiscal legislation in a timely fashion augments the level of uncertainty in an already fragile economic environment. The partisanship that has come to characterize Washington (D.C.) in recent years resulted in the historic downgrading of our country's AAA credit rating in 2011. If negotiations on the budget and debt ceiling in September – October 2013 remain similarly contentious, the Nation runs the risk of potentially being downgraded by Moody's and Fitch, just as Standard & Poor's had already done. The repercussions of this could be costly, and ironically, would likely result in significantly increasing future deficits as the country's cost of borrowing would subsequently increase.

Given the recession's impact on the labor market, the level of current and projected growth is unlikely to have an immediate, strong impact on job creation. Based on economists' assessments, it would take approximately three to four percent annual growth to lower the unemployment rate by one percentage point annually, and Federal Reserve Chairman Ben Bernanke has been quoted as saying that growth of 3.5 percent per year (an annual growth factor that exceeds current estimates) means it would take five to six years for the labor market to normalize.

The labor market and unemployment is gradually improving, and the seasonally adjusted unemployment rate as of March 2013 of 7.6 percent represents a downward trend in the unemployment rate that began in October 2011. Despite the \$85 billion reduction in government spending, through April 2013, there seems to have been little effect on employment, with stronger-than-forecasted levels of job growth in February, March and April 2013. It has yet to be seen whether job growth equal to or greater than these levels can be sustained in the coming months, though most analysts estimate that the unemployment rate will remain around 7.5 percent through 2013. Analysts generally expect the economic recovery to continue at a modest pace through 2013, with GDP expected to grow about 2.0 percent for the year. Continued improvement in the housing market, including strong increases in both existing and new home sales in the second half of 2013, as well as price increases will help the economy grow. Consistent with this, increased consumer confidence may translate into increased consumer spending, required of a robust economic turnaround, as personal consumption expenditures constitute roughly 70.0 percent of goods produced domestically.

Like the rest of the nation, the County of Henrico continues to recover from the effects of the most devastating recession in over 80 years. However, the County continues to respond better than national averages. Sales tax collections grew in FY2011-12 and Henrico County's sales 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.

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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 twenty-fifth year of this financial trend analysis.

Completing the Trends document is one of the first steps in Henrico County’s annual budgetary process. The findings that emerge from this review form the foundation on which budget recommendations are planned and created. The County Manager presents the final Trends Document to the Board of Supervisors prior to the recommended operating and capital budgets. This provides the Board the opportunity to undertake an extensive review of the data, allowing them to make the sort of informed and proactive decisions that have led to Henrico’s premier reputation for planning and financial management.

The Trends document is included in the County’s Approved Annual Fiscal Plan to provide the reader with a historical perspective, and thus a more full understanding of the economic, demographic and financial factors that have been accounted for in the process of approving this document.

What follows is a reproduction of the original Trends document that was presented by the County Manager to the Board of Supervisors on February 26, 2013.

## 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**

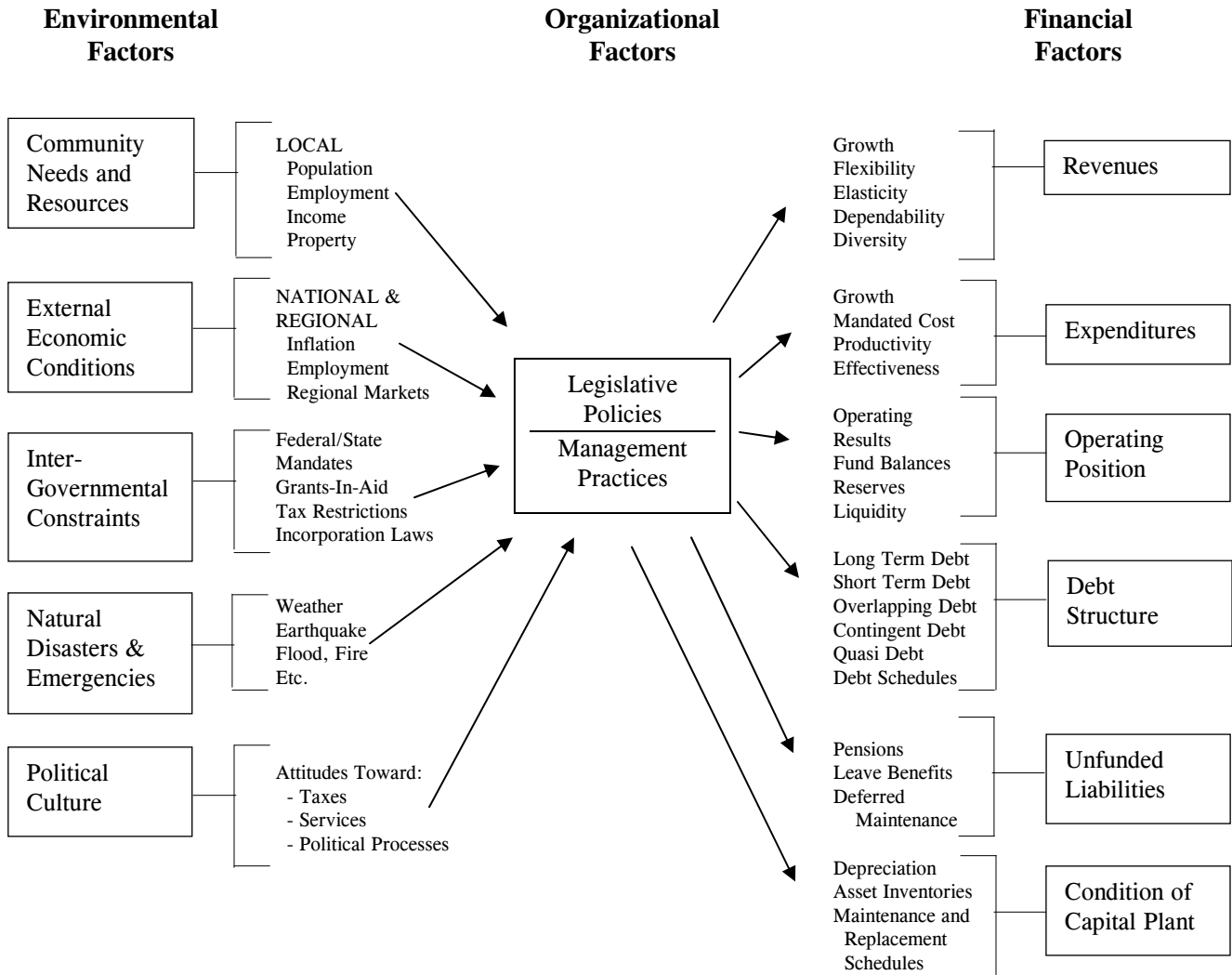
The financial indicators are the primary tools of the Financial Trend Monitoring System. They represent a way to quantify changes in the twelve factors. The chart on page 4 shows the twenty-eight indicators along with the factors with which they are associated. Many aspects of financial condition cannot 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

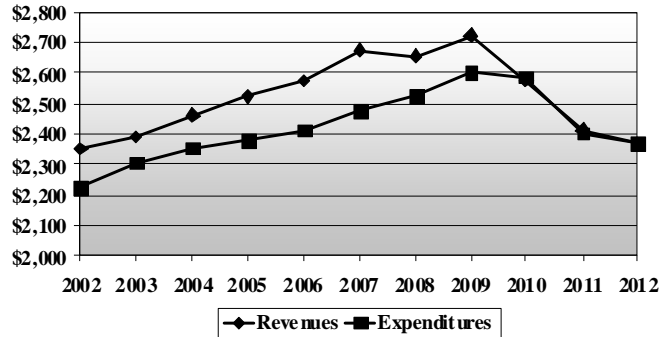
- Population
- Per Capita Income
- Public Assistance Recipients
- Real Property Values
- Residential Development
- Employment Base
- Business Activity - Local Retail Sales Tax Receipts and Business License Tax Receipts
- Business Activity - Commercial Acres and Market Value of Business Property

**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.

**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 nine-year period between FY02 and FY09, the County’s per capita revenues (in constant dollars) increased from \$2,352 to \$2,723, or 15.8 percent. However, in FY10, per capita revenues (in constant dollars) declined 5.5 percent from the previous fiscal year to \$2,573, dropped again in FY11 to \$2,413, a decline of 6.2 percent, and dropped for the third consecutive year in the most recent fiscal year, FY12, to \$2,365, a decline of 2.0 percent. From FY10 to FY12, per capita revenues (in constant dollars) have declined 13.1 percent. Viewed another way, FY12 per capita revenues (constant dollars) of \$2,365 are nearly equivalent to the same figure achieved in FY04, eight fiscal years ago.

Per capita expenditures (in constant dollars) increased from \$2,222 to \$2,604, or 17.2 percent from FY02 to FY09, before falling three consecutive fiscal years from FY10 to FY12 as a result of targeted expenditure reductions, described in greater detail below. In FY10, per capita expenditures (constant dollars) dropped 0.6 percent to \$2,587, dropped another 7.2 percent in FY11, and declined yet another 1.4 percent in the most recent fiscal year, FY12. From FY10 to FY12, per capita expenditures (constant dollars) have declined 9.1 percent. Like per capita revenues (constant dollars) noted above, FY12 per capita expenditures (constant dollars) of \$2,367 are also nearly equivalent to the same figure achieved in FY04. It should be noted that this decline in expenditures does not capture expenditures that have been “absorbed” during this most recent economic downturn through numerous recognized operating efficiencies. During this eleven-year period, the County’s population increased by 16.1 percent.

In examining the data, a number of distinct trends are evident. First, 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 was afforded the ability to forecast revenues conservatively. The benefits of this practice were realized in FY08, as County resources were able to keep pace with a number of significant fixed cost increases despite a slowing economy and accompanying slowing revenue growth. Per capita revenues (in constant dollars) in FY08 declined for the first time since the previous 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).

From FY09 to FY12, revenues per capita dropped significantly due to the economic downturn, and expenditures per capita were reduced to accommodate the loss in revenue. In FY09, per capita expenditures continued to outpace per capita revenues, but by a far less margin than 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. These initiatives include 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.

The economic downturn continued into FY10, and impacted virtually every County revenue source, especially in the areas of aid from the Commonwealth and real estate taxes, which combined account for over two thirds of the County's General Fund revenues. Overall, the General Fund experienced a reduction of \$52.1 million in revenues in FY10 as compared to the previous fiscal year, mostly the result of \$28.7 million in funding reductions from the Commonwealth of Virginia. January 2010 real estate valuations dropped 7.8 percent overall, impacting the second real estate tax payment of FY10 and resulting in a net reduction in real estate tax revenues of \$13.7 million from the prior fiscal year. In fact, per capita revenues (in constant dollars) dropped 5.5 percent from the previous fiscal year, resulting in the first fiscal year since FY82 that per capita expenditures were greater than per capita revenues. However, this statistic is slightly misleading, as reported expenditures include the recognition of a new four-year capital lease requirement for that fiscal year in the amount of \$18.4 million. Excluding this "expenditure," a reduction in the County's overall expenditures of \$13.1 million is recognized - the first such annual reduction in expenditures since FY1942-43 - and revenue collections outpaced expenditures by \$13.1 million in FY10.

In FY11, both expenditures and revenues (on a constant dollar basis) experienced the largest annual declines since FY1942-43. FY11 expenditures per capita (constant dollar) declined 7.2 percent from the previous fiscal year, an extension of the many cost savings initiatives implemented in the previous fiscal year, including a hiring freeze, across-the-board expenditure reductions due to identified efficiencies, and refunding any available debt to take advantage of historically low interest rates, among others. Revenues per capita (constant dollar) declined 6.2 percent as compared to the previous fiscal year, mostly due to a \$15.8 million decline in aid from the Commonwealth, in addition to a \$14.4 million reduction in real estate tax collections due to declining real estate values.

In FY12, expenditures per capita (constant dollar) exceeded revenues per capita (constant dollar) for the second time in the past three fiscal years. Expenditures per capita (constant dollar) declined 1.4 percent, while revenues per capita (constant dollar) declined 2.0 percent. As in FY10, this is due to the required reporting of \$1.3

million in new capital lease expenditures on the County's books, which do not represent "cash" expenditures in FY12. That being said, as shown in the Operating Surplus indicator within this document, General Fund operating revenues only exceeded operating expenditures (net of capital project appropriations) by \$533,000 in FY12. In other words, essentially every dollar of capital project expenditures appropriated from General Fund balance represented a direct reduction to fund balance, where historically, the County collected adequate revenues to replenish the majority of annual appropriations of fund balance. Clearly, this is a concern going forward, and one that must be addressed in annual budget deliberations until corrected.

As the County slowly emerges from the depths of this past recessionary economic environment, pockets of positive local economic data provide a cautiously optimistic outlook in regards to the County's local revenue streams in FY13. While these "positives" are encouraging, there is continued concern regarding real estate tax revenue and aid from the Commonwealth of Virginia, which combined represent two thirds of the County's General Fund revenues. These concerns are coupled with a number of additional fixed cost increases present in the FY13 budget. Fixed cost increases coupled with little revenue growth requires further expenditure reductions. In response, a number of vacant positions were unfunded or eliminated, across-the-board operating reductions were applied to all County agencies, and a number of other targeted expenditure reductions were implemented.

At this writing, a number of significant fixed cost increases have been identified in the coming FY14 budget process that require funding; however, revenues are not projected to be adequate to fund these requirements. In fact, the County has identified a budget gap of approximately \$18.5 million that must be covered to balance the FY14 budget. While \$18.5 million appears insignificant when compared to previous budget gaps in this economic downturn – particularly the \$53 million gap identified in FY13 – it must be recognized that the \$18.5 million is in addition to the previous \$97 million in expenditure reductions and absorptions since FY11. In other words, after balancing the \$18.5 million budget gap, the County will have reduced or absorbed more than \$115 million in expenditures over a four-year period. Significant expenditure reductions are once again necessary, which are becoming more and more difficult after five years of across-the-board expenditure reductions due to the economic downturn. Because of these continued concerns, a warning trend remains for this indicator.



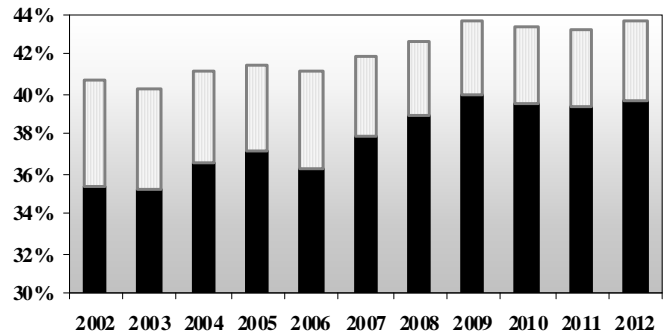
**WARNING TREND:** Increasing amount of intergovernmental operating revenues as a percentage of gross operating revenues.

*Formula:*

$$\frac{\text{Intergovernmental Operating Revenues}}{\text{Gross Operating Revenues}}$$

## Intergovernmental Revenues

(as a % of Gross Operating Revenues)



### Intergovernmental Revenues:

Intergovernmental revenues are those revenues received from other governmental entities. The sources of intergovernmental revenue in Henrico County include revenue from the Commonwealth of Virginia and the Federal Government. For example, in the General Fund the County receives a portion of the State Gasoline Tax revenue it generates for street maintenance and construction, as well as State and Federal revenue for schools, social services and a partial reimbursement from the State Compensation Board for salaries and office expenses for Constitutional Officers. In the Special Revenue Fund, the County receives State and Federal revenue for various grant programs for schools, mental health and public safety. Much of this intergovernmental revenue is restricted revenue, and therefore legally earmarked for a specific use as required by State and Federal law or grant requirements. Beginning in 1999, personal property tax payments paid by the State under the Personal Property Tax Relief Act (PPTRA) have been classified as intergovernmental revenues even though the assessment function is performed at the local level. In the graph above, PPTRA revenues appear as the top stacked bar.

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 40.7 percent in FY02 to 43.6 percent in FY12, although as is described below, this increase is misleading. 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 reflect all intergovernmental revenues, while the lower stacked bars exclude the effects of PPTRA payments.

While intergovernmental revenue has increased substantially over the eleven year period examined, there are three distinct patterns that need to be noted, as the increase is largely misleading. In FY00, discretionary 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. The significance of this decision was realized in FY10, as lottery funds were significantly reduced to \$3.2 million from \$5.7 million received the previous fiscal year. In FY11, the entire discretionary allocation of lottery funds was eliminated, as the State began utilizing lottery proceeds to supplant reductions to specific Education programs formerly funded with General Fund dollars.

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 20.6 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 FY01 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 solely 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 increased from FY06 through FY09, the increase is somewhat misleading. One example that depicts why these increases are misleading is **legislation that replaced four local revenue sources** with a monthly payment from the State Department of Taxation, known as 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 ten Trends documents have included a warning for this indicator. PPTRA payments since FY00 reflect the following:

Fiscal Year	PPTRA Payment
FY00	\$4.3 million
FY01	\$25.1 million
FY02	\$33.9 million
FY03	\$33.6 million
FY04	\$34.1 million
FY05	\$33.3 million
FY06	\$42.1 million
FY07	\$37.2 million
FY08 – FY12	\$37.0 million

From FY01 through FY07, PPTRA payments constituted between 4.0 and 5.0 percent of all operating revenues received by the County. In each fiscal year from FY08 through FY12, PPTRA payments made up less than 4.0 percent of all operating revenues to the County.

In the 2004 session of the Virginia General Assembly, the legislature made a materially adverse change to PPTRA payments – effective for FY06. The legislature capped the State's PPTRA payments to localities at approximately \$950.0 million and uses a pro-rata distribution mechanism for making these payments in the future. In essence, what that means is that Henrico's PPTRA reimbursements from the State will remain at a level amount in the future, while the taxpayer portion will once again increase. 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. The State's promise of maintaining reimbursement levels at 70.0 percent for the County's taxpayers slipped to 61.0 percent in 2008. This percentage increased to 68.0 percent in FY11, solely the result of declining vehicle valuations due to the economic environment, and as vehicle values began to increase again in FY12, the percentage dropped again to 62.0 percent. The differential is paid by the County's taxpayers.

In December 2009, outgoing Governor Tim Kaine's 2010-2012 Proposed Budget recommended 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. 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 bill was swiftly voted down by the House of Delegates due to its increasing of taxes; however, the subject will certainly arise again in the future due to the \$950 million price tag to the State.

From FY08 through FY11, the State cut billions of dollars from its budgets, most of which resulted in reductions in State aid to localities. In fact, from FY08 through FY11, the State reduced aid to Henrico County by more than \$46.0 million in the General Fund alone, most of which was targeted at State aid for Education. In addition, the County received more than \$28 million in one-time ARRA – Federal Stimulus funds from the State from FY09 through FY11, used by the State to supplant payments to localities for Education, the Sheriff's Office, and Social Services to offset State General Fund reductions. FY11 was the last year that ARRA – Federal Stimulus funds could be utilized by the State, and in FY12, the State was forced to identify revenue increment to cover the loss of one-time funds.

With the State's fiscal outlook improving slightly in FY12 and FY13, aid to localities has increased in both fiscal years, particularly in the area of Education – though levels of funding remain less than the County received in FY08. Further, additional revenue has been identified by the General Assembly in FY14, and accounts for the bulk of the identified General Fund revenue increment in the FY14 budget. As local revenues continue to be impacted by the continued struggles in the real estate market, most localities across the Commonwealth are becoming increasingly reliant on State aid to cover its continued fixed cost increases. As such, it is anticipated that this indicator will increase substantially in the next few fiscal years. Therefore, a warning trend continues for this indicator.

**WARNING TREND:** Decreasing (or unplanned) amount of elastic operating revenues as a percentage of net operating revenues.

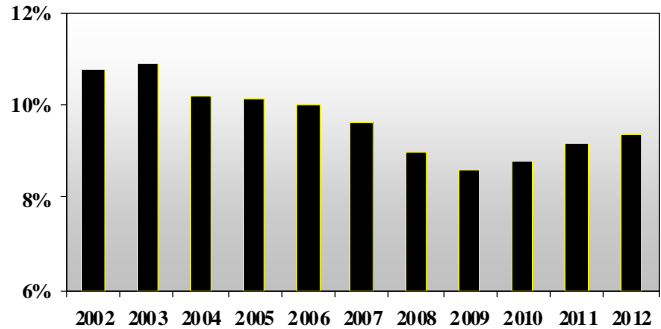
*Formula:*

$$\frac{\text{Elastic Operating Revenues}}{\text{Net Operating Revenues}}$$

### 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 are expected to decrease as a percentage of net operating revenues.

**Trends:**

The graph shown above indicates that the percentage of elastic tax revenues for Henrico County have decreased from a high of 10.8 percent of operating revenues in FY02 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 FY08, FY09, and FY10, as a result of the recent economic downturn. Elastic revenues, in total, increased 3.5 percent in FY11 and 2.2 percent in FY12, one of the few positives in Henrico County's revenue picture.

As a result of economic expansion from FY93 through FY01, the Board of Supervisors implemented a Business and Professional License Tax (BPOL) reduction strategy as a means of encouraging more businesses to locate in Henrico County. That strategy was first implemented by the Board of Supervisors in January 1996 and was phased in over a period of years. By January 2000, this tax reduction strategy fully exempted the first \$100,000 in gross receipts from taxation for County businesses and established a uniform maximum tax rate of \$.20/\$100 for County businesses. While the tax reduction did impact this indicator, it has had two beneficial impacts. First, due to the phase-in of the Board's BPOL tax reduction strategy, Henrico reduced its operating reliance on these elastic revenues prior to the actual recession of FY02. Second, commercial taxpayers do not require the same service levels as residential taxpayers, so a net benefit to the County's revenues has been achieved by attracting more businesses to Henrico.

A synopsis of these receipts is warranted. In FY03, the County's elastic revenues increased by 6.3 percent as the economy began improving from the recessionary environment of FY02. 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 receipts declined 1.9 percent to \$87.6 million. This trend continued into FY09 with a 1.7 percent decrease from the previous fiscal year, and again in FY10 with a 2.2 percent reduction in collections. In the four years from FY07 to FY10, gross local sales & use tax receipts declined 5.4 percent, BPOL collections declined 12.4 percent, and structure and equipment permit revenues declined 53.4 percent. Due to significant declines in real estate tax collections and aid from the Commonwealth, elastic tax revenues, as a percentage of net operating revenues, have increased every year since FY09, from 8.6 percent in FY09 to 9.4 percent in FY12.

As noted above, FY11 elastic revenues increased 3.5 percent from the previous fiscal year, the first year-over-year growth since FY07. In fact, elastic revenues were one of the few bright spots in overall revenue collections for the fiscal year, resulting in an increase in this indicator to 9.2 percent. Specifically, gross sales and use tax receipts increased 4.7 percent; BPOL collections increased for the first time since FY07, albeit at less than one percent; and structure and equipment permit revenues increased 15.9 percent. Elastic revenue growth of 2.2 percent in FY12 is due to 3.7 percent growth in BPOL tax receipts, 1.0 percent growth in sales and use tax receipts, and 17.5 percent growth in structure and equipment permits.

In looking at the time period examined, the overall trend reflects a reduction in operational reliance from these elastic revenue sources, despite overall growth in these revenues of 29.1 percent during the period.

Another positive note, Henrico County ranked second among all localities in Virginia for total taxable sales in 2011, only behind the much larger Fairfax County. Refer to the chart below for comparisons to other localities.

## 2011 Virginia Taxable Sales

Total Taxable Sales are from February 1, 2011 to January 31, 2012

<u>Rank</u>	<u>Locality</u>	<u>Total Taxable Sales</u>	<u>Population</u>	<u>Per Capita Sales</u>
1	Fairfax County	\$13,612,820,453.39	1,096,023	\$12,420.20
2	Henrico County	\$4,864,242,042.22	310,742	\$15,653.66
3	Virginia Beach City	\$4,703,054,747.96	441,246	\$10,658.58
4	Prince William County	\$4,516,298,083.55	414,531	\$10,894.96
5	Loudoun County	\$4,482,966,036.36	324,337	\$13,821.95
6	Chesterfield County	\$3,502,240,472.93	319,641	\$10,956.80
7	Arlington County	\$3,153,235,148.45	214,373	\$14,709.11
8	Chesapeake City	\$2,905,770,012.43	225,898	\$12,863.22
9	Norfolk City	\$2,556,933,034.00	243,985	\$10,479.90
10	Richmond City	\$2,195,246,513.77	206,238	\$10,644.26
11	Alexandria City	\$1,950,049,223.35	143,464	\$13,592.64
12	Newport News City	\$1,863,093,191.40	181,027	\$10,291.83
13	Roanoke City	\$1,578,181,076.60	97,206	\$16,235.43
14	Hanover County	\$1,487,657,143.75	100,704	\$14,772.63
15	Spotsylvania County	\$1,409,680,505.05	123,997	\$11,368.70

As of this writing, pockets of positive local economic information indicate a “bottom” has likely been reached and economic stabilization is imminent, though a slow recovery is expected. Through the first half of FY13 the County has experienced continued growth in BPOL collections and sales and use tax receipts. In addition, two other elastic revenue sources (not considered in this indicator), personal property tax collections and hotel/motel tax collections, are both experiencing growth as compared to the previous fiscal year. However, the real estate market continues to struggle, as January 1, 2013 valuations reflect only a 0.2 percent increase in the overall tax base – though this increase follows three consecutive fiscal years of declines.

With the continued problems in the real estate market, combined with significant cuts already allocated by the State and little growth in State aid anticipated in the near future, the reliance on elastic revenue receipts will continue to increase. Recent growth in elastic revenues, combined with stagnant revenues in other categories, should reflect increases in this indicator in the near future. As such, no warning trend is warranted for the indicator.

**WARNING TREND: Decreasing or negative growth in general property tax revenues (constant dollars).**

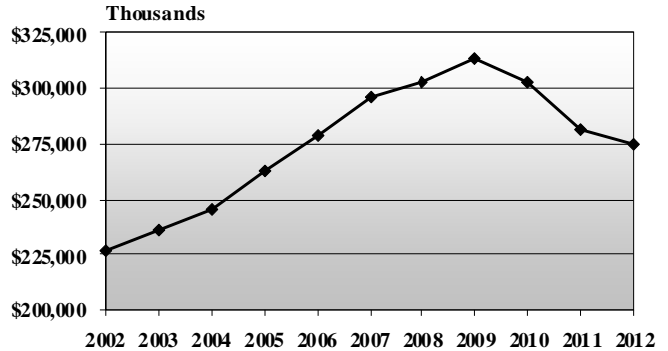
*Formula:*

*Property Tax Revenues (Constant Dollars)*

**General Property Tax Revenues:**

General property tax revenues in Henrico County include both current and delinquent real and personal property tax revenue levied and collected by the County. These revenues constitute Henrico County's largest local revenue category, representing 69.6 percent of total **local** operating revenue in Henrico County in FY12. It should be noted that beginning with FY99, the State's reimbursements of personal property tax revenues have been recorded as "intergovernmental" revenue. That is to say, the PPTRA revenue is not reflected on this indicator. This indicator does capture the "local" component of personal property – including the machinery and tools tax.

**General Property Tax Revenue**  
(In Constant Dollars)



**Trends:**

Henrico County has experienced an overall healthy increase in general property tax revenues over the last eleven years. In unadjusted dollars, general property tax revenue has increased from \$226.3 million in FY02 to \$351.1 million in FY12. This represents an average annual increase of 4.6 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 CY02 and CY12, the County's unadjusted real estate tax base has increased by \$12.5 billion.

In this eleven year time period, it should also be noted that when looking at these property tax revenues and comparing them to total net revenues, a revealing pattern emerges. Beginning in 1999, personal property tax payments paid by the State under the Personal Property Tax Relief Act (PPTRA) have been classified as intergovernmental revenues even though the assessment function is performed at the local level. With the capping of PPTRA payments from the State beginning in FY06, property tax revenues as a percentage of net operating revenues increased from 36.9 percent in FY06 to 38.3 percent in FY10. This percentage dropped to 37.5 percent in FY11 and again to 36.9 percent in FY12 due to declines in real estate and personal property valuations.

Another observation from the graph worthy of discussion is the "leveling off" of general property tax revenue (in constant dollars) in FY08, the subsequent sharp uptick in FY09, and the sharp reductions from FY10 through FY12. In spite of the beginning of a recessionary economic environment, unadjusted property tax revenues actually increased a healthy 7.8 percent in FY08, though this growth was lower than growth experienced from FY05 to FY07 at 9.7 percent, 10.4 percent, and 9.3 percent, respectively. Also, inflation was registered at nearly 5.0 percent in FY08, easily the highest figure in the eleven year period examined, and impacting this indicator as calculations are in constant dollars.

Conversely, FY09 reflected a deflationary cycle, as unadjusted property tax revenues only increased 1.9 percent but in constant dollars property tax revenues increased 3.3 percent. Considering the depth of the recessionary economic environment in FY09 – real estate valuations reflected, at the time, the lowest year-over-year increase

on record, automobiles experienced valuation declines, and the largest property taxpayer in the County, Qimonda AG, closed its doors – it is quite an accomplishment that the County experienced an increase in property tax collections at all. In fact, 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 in Henrico County 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 and FY11, significant reductions in State aid to localities increased the reliance on property tax revenues. However, unadjusted property tax revenues dropped 2.0 percent in FY10, mostly due to real estate valuations declining 7.8 percent overall from January 1, 2009 through January 1, 2010. This reduction in real estate valuations, coupled with yet another overall decline in real estate valuations on January 1, 2011, resulted in unadjusted property tax revenues declining 3.8 percent in FY11. Further, January 1, 2012 real estate valuations reflected yet another decline in the overall real estate tax base of 3.3 percent, which had an adverse impact on property tax collections in FY12. After three consecutive years of overall valuation declines, January 1, 2013 values reflect a slight increase of 0.4 percent.

Overall, the upward trend of the County’s total tax base over this time period is a very positive trend. However, with the significant number of properties that remain in foreclosure, in combination with a historically high number of vacant office spaces, recovery in the real estate market will likely take years to reach levels seen just five years ago. Once the economy recovers and a healthy number of new jobs are created in the County, property tax values will rebound and will show modest positive gains. However, all signs point to a very slow local economic recovery. As such, a warning trend is noted for the foreseeable future.

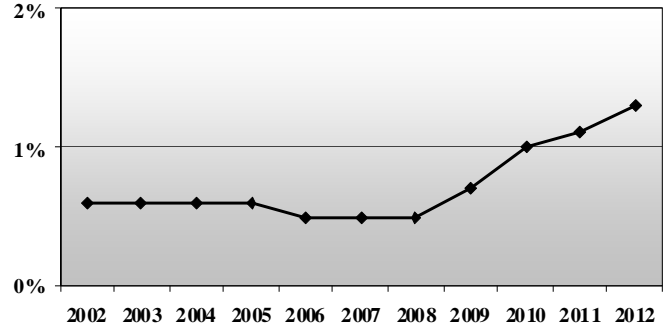


**WARNING TREND:** Increasing amount of current uncollected property taxes as a percentage of the current total property tax levy.

*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 0.5 percent from FY06 through FY08, to 1.3 percent in the most recent fiscal year, FY12, the high point in the eleven years examined.

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. From FY09 to FY12, uncollected real and personal property taxes reflect the impacts of the recessionary economic environment and the toll it has had on the citizens of Henrico County and the local real estate market, as the percentage of current uncollected real and personal property taxes increased to 0.7 percent in FY09, 1.0 percent in FY10, 1.1 percent in FY11, and again to 1.3 percent in FY12. In 2008, the number of residential foreclosures increased 93.4 percent from 2007. In 2009, foreclosures increased another 37.6 percent, and in 2010 they increased yet another 50.8 percent. The number of foreclosures has improved in FY11 and FY12, though the number remains elevated. 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 FY12, at 6.7 percent. This is an important note for this indicator due to the fact that collections of current taxes from the "Principle Taxpayers" of a locality are generally made in the year they are due.

In looking at this indicator over the eleven-year time period, a peak is depicted in FY12. However, even at its peak, uncollected current property taxes as a percent of the total levy measured 1.3 percent, well below the 5.0 percent level that Bond Rating agencies consider negative.

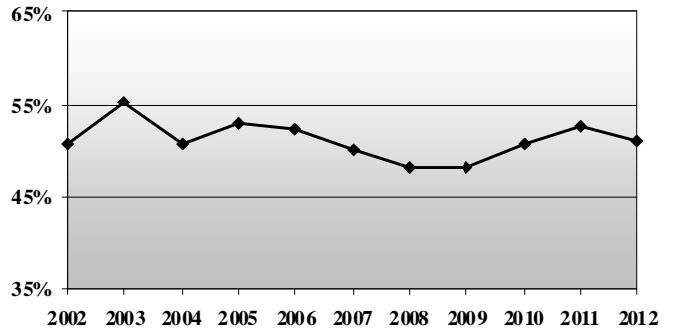
Due to enhancements made in the collections area in the past several years, it is not anticipated that this indicator will reach the 5.0 percent threshold, though it could increase from current levels. No long term warning trend is noted for this indicator, though the lasting effects of the recessionary 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 56.0 percent for this eleven-year period, with a low of 48.0 percent occurring in FY08, and a high of 55.3 percent occurring in FY03. 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 significantly in this economic downturn due to the significant drop in the number of permits issued in each fiscal year since FY07. In FY07, the user charge coverage percentage for Building Inspections was 99.9 percent, followed by 77.5 percent in FY08, 54.7 percent in FY09, and 48.5 percent in FY10. User charge coverage for Building Inspections increased to 54.1 percent in FY11, and again in FY12 to 65.1 percent, due to expenditure reductions made by the department an increase in structure and equipment permit revenue collections in FY12. Mental Health’s user charge coverage has actually increased over the eleven-year period from 26.6 percent to 42.3 percent due to third party fee payments made to that entity. The user charge coverage for Solid Waste has fluctuated, as in years where large capital expenditures are required for the landfill, operational revenues will not meet operational requirements. However, because Solid Waste has built up reserves for these occurrences, the operation has not been impacted in a negative manner. In looking at Recreation, the user charge coverage in this area has remained at approximately 5.0 percent throughout this time period. Also in this eleven-year time period, the School Cafeteria has typically generated sufficient revenues to cover operational requirements.

This indicator in the eleven-year period has averaged 51.1 percent. Excluding Recreation, the indicator has averaged 66.9 percent in the eleven-year period. As the local economy continues to slowly improve, associated revenues, particularly structure and equipment permit revenues, should improve as well. However, without permit fee increases, it is highly unlikely that Building Inspections will be fully funded with this revenue source any time in the near future, as intended, and other General Fund revenues will have to fund the differential. All departments Countywide continue to reduce expenditures by finding efficiencies in their respective operations. As such, no warning trend is noted for this indicator. The County will continue to maximize efforts to ensure coverage rates are appropriate to reduce reliance on other County revenues.

**WARNING TREND: Increase in revenue shortfalls as a percentage of net operating revenues.**

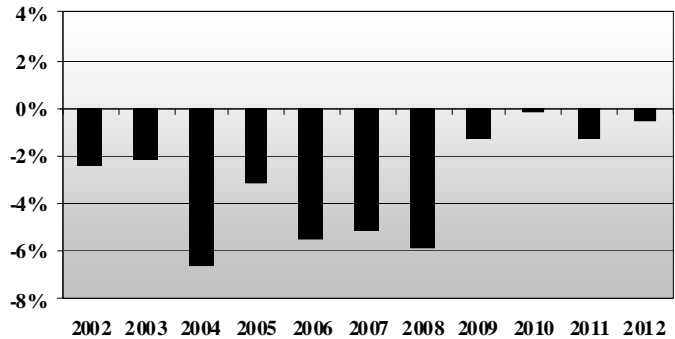
*Formula:*

$$\frac{\text{Revenue Shortfalls}}{\text{Net Operating Revenues}}$$

**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 the four most recent fiscal years, FY09 through FY12, when the variances were 1.2 percent in FY09 and FY11, 0.2 percent in FY10 and 0.5 percent in FY12. **In no case in this eleven-year time period did the County’s actual revenues not meet budgeted estimates.**

Looking at the trend since FY02, the County’s annual revenue variance has averaged 3.1 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 both weather 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 had the ability to continue to maintain a conservative revenue posture. In spite of the recessionary economic environment in FY08, the budget to actual revenue variance of 5.8 percent reflected the second highest level in this eleven-year period, only behind FY04, the first fiscal year after an economic recession. In FY09, with virtually every revenue source impacted by the recession, the variance between actual revenue collections and budget estimates narrowed significantly, as the revenue surplus of 1.2 percent reflects the third lowest surplus in the eleven-year period examined. Revenues contracted further in FY10, as the 0.2 percent revenue surplus reflects the lowest in the period examined. This surplus was achieved in spite of actual revenues (across the General Fund, Special Revenue Fund, and Debt Service Fund) declining \$37.9 million in FY10 from the previous fiscal year.

Actual revenues declined another \$16.1 million in FY11, yet the revenue surplus grew to 1.2 percent. In response to the revenue challenges, the County made a number of unprecedented budgetary decisions in FY11, including the elimination of 224 vacant positions (101 in General Government and 123 in Schools), implemented an anticipated “turnover rate,” and made across-the-board budget reductions for the second consecutive fiscal year. These budgetary decisions were required to balance the budget, while maintaining the County’s conservative approach to estimating revenues. In FY12, the revenue surplus dropped again, to 0.5 percent, mostly due to continued declines in real estate tax revenues and the significant decline in one-time Federal Stimulus – ARRA funding that had previously been utilized significantly by the State as a means of supplanting State General Fund support to localities. As revenues continue to grow slowly and fixed cost increases continue to increase, conservative revenue estimates have become more difficult to accomplish.

As the County slowly emerges from the depths of this past recessionary economic environment, pockets of positive local economic data provide a cautiously optimistic outlook in regards to the County’s local revenue streams in FY13. While these “positives” are encouraging, there is continued concern regarding real estate tax revenue and aid from the Commonwealth of Virginia, which combined represent two thirds of the County’s General Fund revenues. These concerns are coupled with a number of additional fixed cost increases present in the FY13 budget. In fact, the FY13 budget development process began with a \$53 million budget gap that had to be closed. In response, a number of additional vacant positions were unfunded, across-the-board operating reductions were once again applied to all County agencies, and a number of other targeted expenditure reductions were implemented. Balancing a budget shortfall of this magnitude required revenue estimates that were more aggressive than the County is accustomed to. That being said, it is expected that the County will exceed its revenue estimates yet again in FY13, though it should be expected that the revenue surplus will remain at historic lows.

At this writing, a number of significant fixed cost increases have been identified in the coming FY14 budget process that requires funding. In fact, fixed cost increases in the General Fund exceed available funding sources by approximately \$18.5 million. Significant expenditure reductions are once again necessary, and additional pressures will be placed on budget to actual revenue variances. However, with the County entering its fifth year of across-the-board expenditure reductions, reducing expenditures has become exceedingly more difficult. In an effort to avoid extreme budgetary decisions, such as layoffs and core service reductions, revenue estimates will likely become increasingly more aggressive. Because of these continued concerns, a warning trend remains for this indicator.

**WARNING TREND: Increasing number of employees per capita.**

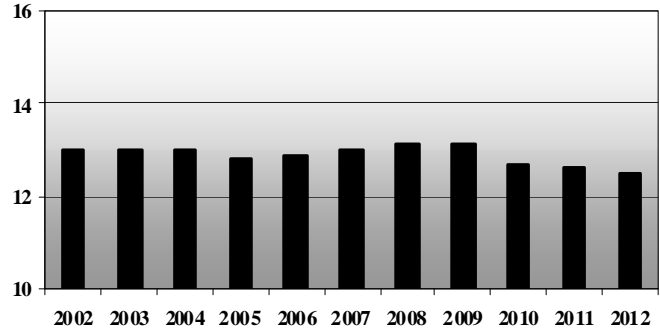
*Formula:*

$$\frac{\text{Number of General Government Employees}}{\text{Population}}$$

**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 410 employees since FY02. The graph above illustrates that the employees per 1,000 population has generally measured around 13.0 employees per 1,000 population in the time period examined, with the peak at 13.1 in FY08 and FY09. The County's personnel complement total was 3,927 in FY12 and this indicator measured 12.5, the lowest level in the eleven years examined.

Annual declines in the employees per capita indicator occurred in FY05 and the three most recent fiscal years, FY10 through FY12. 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 the average in this time period, 12.9. In FY07, this indicator increased to 13.0 employees, and FY08 reflected an increase to 13.1, the peak of this indicator, 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.

In October 2008, in response to a number of troubling economic indicators at that time, the County implemented a hiring freeze that impacted nearly all departments across the County. By FY10, the number of General Government vacant positions generated by the hiring freeze grew to more than 220. To assist in balancing the FY11 budget against significant revenue reductions, the County eliminated 101 of these vacant positions in FY10 and removed the funding for these positions in the FY11 budget. The result of this action is that the number of General Government employees per 1,000 population was reduced from 13.1 in FY09 to 12.7 in FY10, easily the largest year-over-year fluctuation in the time period examined. In the FY12 budget, 42 vacant positions were unfunded and removed from their respective departments to assist in balancing the budget. Of these 42 vacant positions, 21 were eliminated altogether, and the other 21 were placed into a hold complement, which continue to be counted in this indicator. With the elimination of 21 positions, this indicator dropped to 12.6 employees per 1,000 population. In FY12, the number of positions remained constant to the number in FY11 at 3,927 positions, in spite of the increase in population. As such, the employees per capita indicator dropped again to 12.5 in FY12. The County's hiring freeze remains in place at this writing, and although no additional positions have been eliminated at this time, a number were unfunded in the FY13 budget. As the County's budget situation remains bleak, there will be very few positions added to the complement in the near future. In addition, the

County estimates continued annual population growth going forward. As such, no warning trend is noted for this indicator.

It should also be noted that the graph above does not exclude departments that offer specialized services not offered by most localities in the State. Henrico County is one of two Counties in the State that maintain their own roads, and the information above includes 254 employees in the Public Works department. 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.**

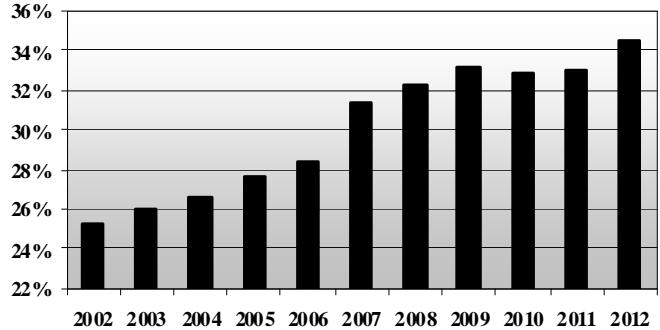
*Formula:*

$$\frac{\text{Fringe Benefit Expenditures}}{\text{Salaries and Wages}}$$

**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 33.1 percent between FY02 and FY12. The high point reflected in this time frame is the most recent fiscal year, FY12, which measured 34.5 percent. Clearly, the trend for this indicator reflects significant annual increases in the prior eleven fiscal years, and this trend is anticipated to continue into the future.

The one year in the eleven years examined that reflected a net decline in this indicator, in FY10, fringe benefits as a percent of salaries fell to 32.8 percent; however, this statistic is extremely misleading as healthcare costs increased, and all other fringe benefit rates remained consistent with FY09. The reason for this reduction is the result of a budget savings measure at the State level by the General Assembly in which the State deferred its fourth quarter VRS payment to the following fiscal year, which eliminated the fourth quarter employer share of the VRS payment for teachers across all localities as teachers’ VRS costs are partially funded by the General Assembly. Further, in FY11, the General Assembly lowered the VRS teacher employer rate from 9.85 percent to 3.93 percent as a budget balancing decision. However, the General Government VRS rate increased, in addition to all other fringe benefit rates, and the fringe benefits ratio increased to 33.0 percent, the third highest rate in the time period examined. The full-year impact of the VRS rate increase from FY11 can be seen in FY12, as the indicator posted by far the highest level in the eleven years examined, at 34.5 percent. The long-term trend in this indicator is clearly upward and prospects for the future continue to remain negative. The two principal reasons for the increase are health care and Virginia Retirement System costs. Both of 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 FY02 was \$2,256. By FY12, this cost had nearly tripled to \$6,450 *per employee*, or a change of 185.9 percent. In the FY13 budget, the cost of health care increased to \$6,919 *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 transitioning health care to a self-insurance program, which went into effect January 1, 2008. Prior to this transition, the County’s health care program operated as a fully insured program, which, in exchange for the payment of a premium, an insurance company assumed the risk, administered the program, and paid all claims. With the transition to a self-insured program, the County pays claims and third party administrative fees. Self-insurance allows the County to more fully control all aspects of the plan, including setting rates to smooth out the impact of increases on employees and the County, while maintaining adequate funding to cover claims, expenses, and services.



The Patient Protection and Affordable Care Act (PPACA) was signed into law by President Obama on March 23, 2010. As part of this law, employers across the country are faced with a number of new regulations and taxes that will have a significant cost to most employers, including Henrico County. In fact, in April 2012, the County was notified that beginning on January 1, 2014, Henrico County must begin paying a “transitional reinsurance fee” that is currently estimated to cost \$1.1 million. Further, Henrico County will have to reexamine the healthcare benefits it offers its employees to ensure that they aren’t too “rich” and subject to additional tax penalties. Specific new regulations associated with the PPACA are communicated every week, and therefore, it is difficult to know the full impact of the PPACA on the County’s healthcare costs.

The second cost that is outside of the County’s control is the cost of Virginia Retirement System (VRS) and life insurance benefits. The past nine 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 FY13 budget, where the VRS employer rate for teachers increased by 84.2% in *one year*.

A number of recent decisions and considerations by the General Assembly in regards to VRS are particularly troublesome. More specifically:

- ✓ In FY10, in an effort to conserve costs, the State made the decision to defer the entire fourth quarter VRS payment for all State supported groups to the following fiscal year, a move that saved the State \$33.9 million. The first quarter payment of FY11 was truly the fourth quarter FY10 payment, and until the State is fiscally able to make five quarterly payments in one fiscal year, or substantially increase rates to make up for the lost contributions, these “savings” will essentially be a “skipped payment.”
- ✓ In its 2010-2012 Biennial Budget, the General Assembly withheld \$620 million in VRS payments in an effort to balance its budget, an action that will result in higher VRS rate increases in future budgets due to the need to repay these funds. In fact, the VRS teacher rates for FY13 reflect an increase of 1.43 percent of salaries (a cost of \$4.1 million in and of itself) specifically tied to the repayment of this deferred payment, which will be applied to local VRS rates for the next ten years. This decision, coupled with an estimated unfunded liability approaching \$20 billion, sparked increased interest from the General Assembly and the Governor in regards to long-term “fixes” to VRS. For example, in FY12, the General Assembly approved a mandated 5.0 percent employee contribution for all State employees and encouraged localities to follow suit.
- ✓ Two bills approved by the 2012 General Assembly addressing VRS costs will have profound effects on all localities in the Commonwealth of Virginia. Dissatisfied that few localities decided to mandate that employees pay the 5.0 percent employee contribution, Senate Bill 497 required that all local government and school divisions employees pay their 5.0 percent employee contribution, which most localities formerly paid on behalf of their employees. Further, Senate Bill 497 forced a 5.0 percent salary increase for these employees to partially offset the impact of this mandated VRS contribution. While employees received the 5.0 percent salary increase, this action resulted in a net reduction in take-home pay for employees due to FICA taxes paid on the salary increase. Further, localities were forced to pick up the increased FICA and other variable rate benefit costs associated with the salary increase. The net cost of Senate Bill 497 to Henrico County was just under \$6.0 million in FY13.
- ✓ Senate Bill 498, as approved by the 2012 General Assembly, mandates that all non-Public Safety employees that are not vested (those with less than five years) in VRS as of January 1, 2013, and all new employees hired after January 1, 2014, be placed into a “hybrid” retirement plan, consisting of both a defined benefit and defined contribution plan. The defined contribution component will require an

employer match. Implementation of the hybrid retirement plan should mitigate cost increases slightly a number of years out. The impact will take years as 43.3 percent of the County's General Government complement consists of Public Safety employees immune from the hybrid plan. Senate Bill 498 also requires the State to phase-in a full funding approach to the VRS Board Certified Rate, which is rarely funded by the General Assembly. As a note, the State adopts the VRS rate for teachers each year, directly impacting every locality in the Commonwealth. Every two years, the required percentage funding of the VRS Board Certified Rate increases, and will ultimately require 100 percent funding. Senate Bill 498, while attempting to "right" years of underfunding of VRS by the Commonwealth, has guaranteed this indicator will increase substantially every year through FY19, when the VRS Board Certified Rate is fully funded. Of course, the General Assembly also recognizes that "budget trumps code," and could therefore decide to renege on Senate Bill 498 if funding issues arise.

An additional cost that impacted this indicator is the VRS Life Insurance benefit for employees. This benefit was not funded by the State between FY02 and FY06 (and therefore – the County could not fund the local required amount). In FY07, the State re-instituted payment requirements, and in FY11, the County's cost in this area equated to approximately \$1.3 million, after the State reduced the VRS Life rate from 0.79 percent to 0.28 percent of salaries in yet another effort to reduce expenditures. As a result of this significant reduction, the 2012 General Assembly increased the VRS Life rate from 0.28 percent to 1.19 percent of salaries, a one year increase of 425.0 percent.

Due to continued concern over cost increases for retirement benefits, a warning trend for this indicator continues.

**WARNING TREND: Decreasing amount of General Fund operating surpluses as a percentage of net operating revenues.**

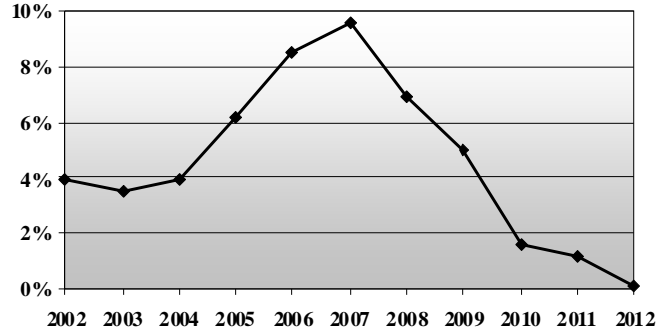
*Formula:*

$$\frac{\text{General Fund Operating Surpluses}}{\text{Net Operating Revenues}}$$

**Operating Surpluses:**

An operating surplus occurs when current revenues exceed current expenditures. If the reverse is true, it means that at least during the current year, the locality is spending more than it receives. This can occur because of an emergency such as a natural catastrophe that requires a large immediate outlay. It can also occur as a result of a conscious policy to use surplus fund balances that have accumulated over the years. The existence of an operating deficit in any one-year may not be cause for concern, but frequent occurrences may indicate that current revenues are not supporting current expenditures and serious problems may lie ahead.

**Operating Surpluses**  
(as a % of Net Operating Revenues)



**Trends:**

The County of Henrico has produced an operating surplus for each of the eleven years presented. Due to the recessionary period and subsequent decline in the County’s elastic revenue sources and State budget reductions, the operating surplus dropped to 3.9 percent in FY02. State budget reductions also impacted the County’s revenue streams in FY03 as evidenced by a drop in the operating surplus to 3.5 percent. In FY04, the operating surplus improved to a level of 3.9 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 6.2 percent, followed by an 8.5 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.

As clearly seen on the chart above, throughout the economic downturn, beginning in FY08 and continuing through the most recent fiscal year, FY12, the County’s operating surpluses have consistently declined each year.

In FY08, net operating revenue collection growth was at its lowest level since the last recessionary period of FY02 and FY03, though the operating surplus reflected a variance of 6.9 percent, well above the eleven-year average of 4.6 percent. In FY09, eighteen months into the worst recessionary economic environment since the Great Depression, the County achieved an operating surplus of 5.0 percent. In FY10 and FY11, the County achieved an operating surplus of 1.6 percent and 1.2 percent, respectively. In FY10, the General Fund achieved an operating surplus of \$15.1 million and in FY11, the General Fund achieved an operating surplus of \$11.8 million. Considering the environment in which these surpluses were achieved, and the fact that it was accomplished without raising taxes, laying off employees, or cutting service levels, the operating surpluses in these two fiscal years is considered in a very positive light. However, as the economy continues to struggle and the County continues to be faced with fixed cost increases, closing budget gaps has become more and more challenging. This is reflected in the FY12 operating surplus of only \$535,000, or 0.1 percent of net operating revenues. The FY13 budget process closed a \$53.6 million budget gap, which required numerous expenditure reductions and even more aggressive revenue estimates. In fact, since FY11, the County has reduced or absorbed \$97 million in expenditures, and with yet another budget gap anticipated for FY14, the total expenditure reduction/absorption is expected to exceed \$115 million. Without significant revenue growth soon, a warning trend must be noted.

**WARNING TREND: Consistent enterprise losses.**

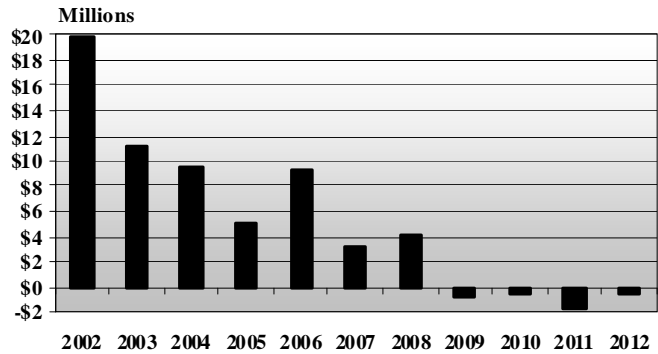
*Formula:*

*Enterprise Profits or Losses in Constant Dollars*

**Enterprise Losses:**

Enterprise losses are a highly visible type of operating deficit. They show potential problems because enterprise operations are expected to function as a "for profit" entity as opposed to a governmental "not for profit" entity. Managers of an enterprise program may raise rates and find that revenues actually decrease because users reduce their use of the service. Enterprises are typically subject to the laws of supply and demand; therefore, operating deficits are distinct indicators of emerging problems. On the graph to the right, the **negative numbers on the scale represent operating losses**. It should be noted that depreciation expenses are included in this analysis.

**Enterprise Profits or Losses**  
(In Constant Dollars)



During the eleven-year period shown, Henrico County's enterprise operations have included Water and Sewer services, and the Belmont Golf Course.

**Trends:**

With the exception of the most recent trend of negative results, the overall trend shown above has reflected positive results. The Water and Sewer Fund consistently makes up more than 90.0 percent of the total net income or loss reported in the Enterprise Funds. However, clearly the indicator reflects a downward trend throughout the entire eleven-year period examined.

There are a number of factors impacting this indicator during this time frame. First, it should be noted that, after an increase in expenditures of 1.3 percent in FY02, expenditures grew at increasing rates each year from FY03 (5.5 percent increase) through FY06 (9.1 percent increase). From FY07 through FY10, operating expenditure growth outpaced revenue growth in each fiscal year, mostly a result of the downturn in the economy which impacted revenue growth. As can be seen in the chart above, the last four fiscal years, FY09 through FY12, all reflect operating revenues that were insufficient to cover operating expenditures. This is not indicating that the Water and Sewer Fund did not make an overall "profit" in these fiscal years. However, it does indicate that operating requirements from FY09 through FY12 required the use of revenue sources that are generally associated with infrastructure, not operations, such as water and sewer connection fees. It should be noted that depreciation expenditures are included in this analysis, which are simply an accounting entry and do not impact cash flow. To give insight into impact of depreciation expenses on this indicator, the depreciation expense (unadjusted) for the Water and Sewer Fund in FY11, the lowest level of this indicator in the eleven years examined, totaled \$28.4 million. **Excluding depreciation expenditures, this indicator would reflect operating profits for all fiscal years examined in this analysis.**

Even with its operating "losses" posted in the last four fiscal years of this analysis, during this entire eleven-year period, the Water and Sewer Fund generated sufficient net revenues each year to exceed the coverage requirements under its Revenue Bond covenants. As a result of the consistent financial results experienced by the Water and Sewer Fund, Fitch IBCA awarded Henrico County an "AAA" rating in 2001. In 2008, Standard & Poor's upgraded its rating to an "AAA" as well. To achieve one "AAA" bond rating is very rare for bonds

issued by local Utility departments, and Henrico County's Water & Sewer Fund has two of them.

The Enterprise Funds' operating results displayed above also reflect the financial performance of the Belmont Golf Course. From FY02 to FY07, the Belmont Golf Course reported net operating losses of varying amounts. These losses were due to several factors. Rounds of play for each of these fiscal years were less than FY99 due to an increase in the number of golf courses in the area. Additionally, expenditures to correct turf damage and capital improvements were incurred in each of these years. In FY04, the Belmont Golf Course suffered significant damage as a result of *Hurricane Isabel*.

In FY08, the Belmont Golf Course posted its first positive operating result since FY99. In that fiscal year, the Belmont Golf Course implemented a number of business model changes that promoted finding efficiencies in its operations to allow for reduced expenditures and the ability to maximize revenues from every source. In spite of the operating "profit" in FY08, the FY08 Trends document noted the following observation:

*"The current economic environment will likely take its toll on Belmont Golf Course and hinder revenue growth in the near future."*

In FY09, the Belmont Golf Course experienced an 8.0 percent decline in the number of rounds of play as compared to FY08. The number of rounds played fell another 6.8 percent in FY10 and 0.9 percent in FY11. As such, the Golf Course posted net operating losses in these three fiscal years. Improvement in the economy in FY12 resulted in a 13.2 percent increase in the number of rounds of play, though a net operating loss was again reported.

Substantial improvement is not anticipated in FY13, as residents' discretionary spending continues to be impacted due to a number of citizens that remain unemployed in the County. To help return the Golf Course to profitability, an increase in green fees was approved 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.**

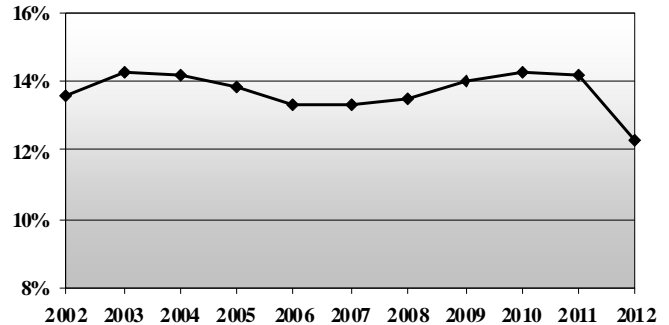
Formula:

$$\frac{\text{Unrestricted General Fund Balance}}{\text{Net Operating Revenues}}$$

**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 grew from 13.6 percent in FY02 to 14.2 percent in FY11, before dropping to 12.3 percent in the most recent fiscal year, FY12. As noted above, the depiction of this indicator in the Trends document is different than the indicator reflected in the Annual Fiscal Plan. In FY06, the Board of Supervisors agreed with a policy recommendation to maintain the County's unassigned fund balance at a level of 18.0 percent of General Fund expenditures (again, different than the indicator reflected in this document). Effective June 30, 2012 (FY12), as part of the County's FY13 budget balancing efforts, a policy change was recommended to the Board to reduce the amount of unassigned fund balance maintained from 18.0 percent to 15.0 percent of General Fund expenditures in an effort to "free up" cash reserves to fund vehicle replacement in the capital budget for a maximum three-year period.

Looking at the trend, in FY03, the County's percentage of unrestricted fund balance increased to 14.3 percent, before leveling off in FY04 and remaining constant at 13.3 percent for FY06 and FY07. The County's percentage of unrestricted fund balance increased in each fiscal year from FY08 to FY10. In FY08, the indicator increased slightly to 13.5 percent, in FY09 it increased to 14.0 percent, and in FY10 the indicator increased to 14.3 percent. In FY11, the indicator dropped slightly to 14.2 percent. With the County's fund balance policy change effective FY12, the indicator dropped to 12.3 percent.

The overall trend is positive, especially 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 8.3 percent from FY07 to FY11, amidst the worst economic environment since the Great Depression. Again, the decline in FY12 is associated with the County's policy change regarding unassigned fund balance.

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. Overall, the County's Unrestricted General Fund Balance reflects a positive trend since FY02 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 34 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.

As a result of the continued economic difficulties and correlated struggling revenue growth, in combination with consistent fixed cost increases, the County has been forced to cut expenditures – \$97 million in just three fiscal years – and become more aggressive in its revenue estimates. This effort was necessary to avoid tax rate increases, service delivery reductions, and layoffs. However, overall fund balance – both assigned and unassigned – has declined in each of the last three fiscal years, by a total of 12.2 percent in this timeframe. This is not necessarily reflected in this indicator, as assigned fund balance levels are not considered in this analysis. Assigned fund balance is critical as there are a number of critical annual appropriations that are made from these balances, including appropriations from the Risk Management Self-Insurance Reserve, funding for specific pay-as-you-go capital projects such as annual appropriations of building maintenance funding for both General Government and Education facilities, as well as the County's Revenue Stabilization Fund, which funds the first-year operating costs associated with new facilities. Though the intent of a number of these balances are for one-time purposes, annual appropriations of reserves from some of these "buckets" require additional funds to build the reserves back up for the following fiscal year. With unassigned fund balance levels currently calculated as a percentage of General Fund expenditures, when overall fund balance declines, the assigned fund balance levels are impacted on a greater scale. As such, there is concern that without adequate revenue growth or severe expenditure reductions, the County's fund balance levels will continue this trend. As such, a warning trend must be noted for this indicator.

**WARNING TREND: Decreasing amount of cash and short-term investments as a percentage of current liabilities.**

*Formula:*

$$\frac{\text{Cash and Short-term Investments}}{\text{Current Liabilities}}$$

**Liquidity:**

A good measure of a locality's short-run financial condition is its cash position. "Cash position" includes cash on hand and in the bank, as well as other assets that can be easily converted to cash, such as short-term investments. The level of this type of cash is referred to as liquidity. It measures a locality's ability to pay its short-term obligations.

Short-term obligations include accounts payable, the principal portion of long-term debt and other liabilities due within one year of the balance sheet date. The effect of insufficient liquidity is the inability to pay bills or insolvency. Declining liquidity may indicate that a locality has overextended itself.

**Trends:**

A liquidity ratio of greater than 1:1 (more than 100 percent) is referred to as a "current account surplus." Henrico County has been successful in achieving a current account surplus for the eleven-year period shown.

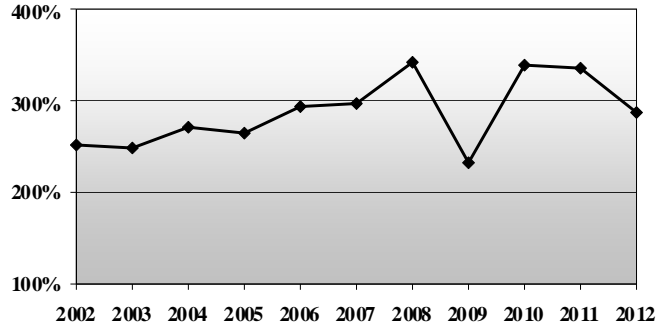
From the chart above, this indicator reflects a large "dip" downward in FY09. In that fiscal year total current liabilities increased by 58.1 percent, mostly in the area of "principle due in 12 months." It should be noted, however, that the spike in "principle due in 12 months" is misleading, as it mostly reflects two bond refundings in CY09. It is important to note that the County's bond refundings do not increase the County's outstanding long-term debt or the length of time to pay off the debt. "Principal due in 12 months" related to newly issued debt is minimal by comparison. In fact, ignoring the impact of the bond refundings in CY09 altogether, current liabilities only increase 13.6 percent instead of 58.1 percent, and the Liquidity indicator would reflect 323.2 percent in FY09, much higher than the recorded 232.2 percent. In FY10, this indicator increased to 339.4 percent and in FY11, the indicator dropped slightly to 335.2 percent. In FY12, the indicator dropped significantly to 288.2 percent, mostly due to the large debt issuance in that fiscal year, as the County combined two planned General Obligation debt issues into one as a result of the attractive interest rates at the time. This debt issuance finalized the County's March 2005 General Obligation Bond Referendum, and no new debt is planned in the immediate future.

Over the past eleven years, the County has maintained an average liquidity ratio of 2.87:1, which is more than *twice* the defined "current account surplus" above. The low point in this indicator of 2.32:1 was experienced in FY09. By performing annual debt capacity reviews and by compiling a five-year Capital Improvement Program that encompasses all funds, and by ensuring that those capital projects which obtain funding are appropriately cross-walked to the annual operating budget, the County of Henrico will not incur liabilities at a rate that cannot be supported within established resources.

With no new planned debt issuances in the immediate future, no warning is warranted for this indicator.

**Liquidity**

(Cash & Investments as a % of Current Liabilities)





**WARNING TREND: Increasing current liabilities at end of year as a percentage of net operating revenues.**

*Formula:*

$$\frac{\text{Current Liabilities}}{\text{Net Operating Revenues}}$$

**Current Liabilities:**

Current liabilities include short-term debt, the current principal portion of long-term debt, accounts payable and other current liabilities due within one year of the balance sheet date. A major component of current liabilities may be short-term debt in the form of tax or bond anticipation notes. Although the use of short-term borrowing is an accepted way to handle erratic flows of revenues, an increasing amount of short-term debt outstanding at the end of successive years can indicate liquidity problems, deficit spending, or both.

**Trends:**

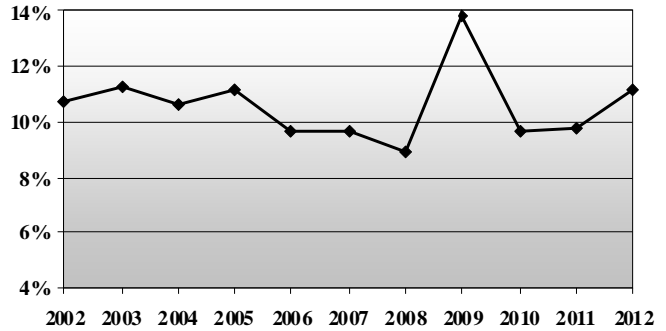
In the eleven-year trend depicted above the indicator has gone from a low of 8.9 percent in FY08, to a high of 13.8 percent in FY09. The level for FY09 is the highest in this eleven-year period for two overriding reasons. First, as noted in the “Liquidity” indicator narrative, total current liabilities 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 significant bond refundings in CY09, with only minimal impact, by comparison, due to newly issued debt. This indicator fell to 9.7 percent in FY10, and increased slightly to 9.8 percent in FY11, which more closely reflects the average in this eleven-year period of 10.6 percent. The indicator increased to 11.2 percent in the most recent fiscal year, FY12, as a result of the County combining two years of planned General Obligation (G.O.) debt issues into one as a result of the attractive interest rates at the time.

There are two large components that make up this indicator, the first of which is recorded “accounts payable.” The FY12 total for this liability measured \$53.3 million, which reflects an increase of 9.5 percent when compared to the FY11 totals. It is important to note that the accounts payable does fluctuate based on purchasing activity within the governmental unit. The second large component, “principal due in 12 months,” reflected an increase of just under 18.0 percent in FY12 as a result of the G.O. debt issuance noted above.

In November 2000 the voters approved a \$237.0 million G.O. Bond Referendum. In March of 2005, the voters approved a \$349.3 million G.O. Bond Referendum. Both referenda included School, Fire, Roadway, Public Library, and Recreation and Parks projects. The County of Henrico chose to phase in this debt over a multi-year time period (both referenda assume the debt would be phased in over a seven-year time frame). By taking this approach, the County has been able to pay required debt service costs and ancillary operating expenses without negatively impacting its operating budget and this indicator is reflective of that planning.

For this eleven-year period, this ratio has been between 8.9 percent and 13.8 percent of net operating revenues. Although the general trend over this time period is upward, the fact that the County has not experienced significant annual changes in this indicator, excluding the misleading increase in FY09, is reflective of the County’s conservative financial management approach. Also, this consistency is reflective of the County’s conservative debt management practices and successful long-term planning for infrastructure improvements. This indicator is very much aligned with the next two indicators: 1) long-term debt as a percentage of assessed

**Current Liabilities**  
(as a % of Net Operating Revenues)



valuation and 2) debt service as a percentage of net operating revenues. With no new debt planned in the immediate future, no long term warning trend is noted.

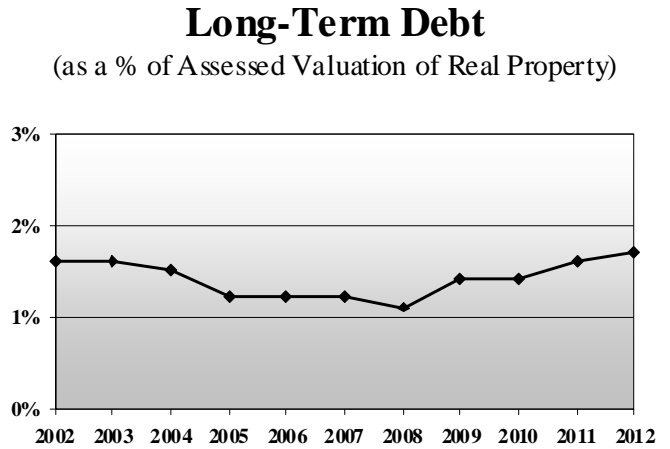
**WARNING TREND: Increasing amount of net direct long-term debt as a percentage of assessed valuation of real property.**

*Formula:*

$$\frac{\text{Net Direct Bonded Long-term Debt}}{\text{Assessed Valuation of Real Property}}$$

**Long-Term Debt:**

A locality's ability to repay its debt is determined by comparing net direct long-term debt to assessed valuations. Net direct long-term debt is direct debt minus self-supporting debt such as revenue bonds or special assessment bonds, which have a repayment source separate from general tax revenues. An increase in net direct long-term debt as a percentage of real property valuation can indicate that a locality's ability to repay its obligations is diminishing.



Another way to monitor the growth in debt is to measure it on a per capita basis. As population increases, it would be expected that capital needs, and hence, long-term debt needs may increase. The underlying assumption is that a locality's revenue generating ability, and ability to repay debt, is directly related to its population level. The concern is that long-term debt should not exceed the locality's resources for paying the debt. If this occurs, the locality may have difficulty obtaining additional capital funds, may pay a higher rate of interest for them, and therefore may have difficulty in repaying existing debt.

**Trends:**

During the eleven-year period shown above, the long-term debt indicator reached a high point of 1.7 percent in the most recent fiscal year, FY12, due to the County combining two years of planned debt issuances into one, and declining real property valuations. The combined issuance in FY12 completed the County's March 2005 General Obligation Bond Referendum. Despite a slowdown in real property assessed valuation, the FY08 indicator of 1.1 percent reflected the low point in this eleven-year period.

In FY09, the indicator 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, in FY09 the County experienced growth in real estate valuations of only 0.7 percent. This combination caused a spike in this indicator in FY09. In FY10, this indicator remained constant at 1.4 percent; however this statistic is slightly misleading. The County delayed by one year the sale of \$77.5 million in new debt originally scheduled for FY10 as a result of the economic downturn and its impact on revenue streams. With no new debt added in FY10, the County was able to reduce its long-term debt amount by 8.5 percent in one fiscal year. However, real estate valuations declined an unprecedented 7.8 percent on January 1, 2010. The significant reductions in long-term debt and real estate valuations offset each other and caused the indicator to remain constant. In FY11, the debt that was deferred in FY10 was issued, in the amount of \$72.2 million, and real estate values declined yet again on January 1, 2011. As such, this indicator increased to 1.6 percent in FY11.

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 FY12, the County's net direct long-term debt was \$533.2 million, which reflects a net increase of \$33.3 million when compared to FY11.

The County performs a debt affordability analysis (outside of the depiction in the Trends document) that calculates an indicator similar to the methodology employed above. In the debt affordability analysis, personal property is added to real property when determining “long-term debt as a percent of total assessed value.” Adding the assessed value of personal property to real property lowers the percentage slightly, but this is the current methodology utilized by the Bond Rating Agencies for Virginia localities. The debt affordability analysis also calculates debt per capita and debt as a percentage of General Fund expenditures, which are two indicators used by the Bond Rating Agencies to determine a locality’s ability to issue debt.

No new debt is planned in the immediate future, and therefore no long term warning trend is noted.

**WARNING TREND: Increasing amount of net direct debt service as a percentage of net operating revenues.**

*Formula:*

$$\frac{\text{Debt Service}}{\text{Net Operating Revenues}}$$

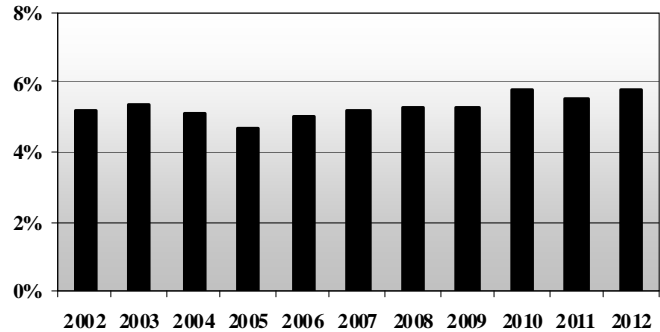
## Debt Service

(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 5.8 percent in both FY10 and FY12, and the low point of 4.7 percent may be found in the FY05 total. It is important to note that in this eleven-year time period, this indicator has fluctuated within a range of 1.1 percent.

This indicator will trigger a warning if the increase in debt service consistently exceeded the increase in net operating revenues. The issuance of debt normally results in a slight increase in this indicator, because in the year following the issuance of debt, the amount of debt service generally grows at a faster rate than operating revenues, however the consistency reflected above is indicative of the meticulous analysis that is performed before any debt issue is undertaken.

In November of 2000, the County's voters approved a \$237.0 million General Obligation (G.O.) Bond Referendum and in the Spring of 2005, the County's voters approved a \$349.3 million G.O. Bond Referendum. These referenda included School, Fire, Roadway, Public Library, and Recreation and Parks projects. The financial plan that coincided with the approval of these projects assumed that the County would issue this debt over a seven-year period for each of the approved referenda. In FY01, the County issued the first of these planned issues and that totaled \$37.1 million. In FY02, the County issued \$27.0 million in G.O. notes. In FY03, the County issued \$51.8 million and in FY04, the County issued \$38.9 million of G.O. bonds. In FY06, the County issued \$77.8 million and in FY07, the County issued \$71.9 million of G.O. notes. In FY08, the County issued \$29.8 million in G.O. bonds and in FY09, the County issued \$93.1 million in G.O. Bonds. Also in FY09, the County issued \$44.4 million in VPSA Bonds for a number of Schools projects approved on the March 2005 referendum that required additional funding due to unanticipated increases in construction costs. The County delayed by one year the sale of \$77.5 million in new debt originally scheduled for FY10 as a result of the economic downturn and its impact on revenue streams. In FY11 this G.O. debt was issued, in the amount of \$72.2 million. In FY12, the final \$66.1 million in new debt associated with the March 2005 G.O. Bond Referendum was issued.

There are important differences in this indicator and the “Long-Term Debt” indicator. The “Debt Service” indicator reflects the amount of principal and interest the County pays annually on its long-term debt as a percentage of operating revenues. The “Long-Term Debt” indicator reflects the County’s total outstanding debt as a percentage of assessed real estate valuation. The “Long-Term Debt” indicator graph reflects a sharp uptick in FY09 due to the large amount of debt issued in that fiscal year. However, that spike is not evident in the “Debt Service” indicator chart. This is due to the County’s two bond refundings in CY09 that achieved substantial debt service savings. The realized savings were mostly allocated in FY09 through FY11 to help the County offset anticipated revenue reductions as a result of the difficult economic environment. It should be noted that the County has taken part in two additional bond refundings, one in May 2010 and one in August 2011, that generated significant savings mostly targeted for FY11 through FY14.

In FY10, the “Debt Service” indicator increased to 5.8 percent in spite of debt service savings attributed to the bond refundings and not issuing any new long-term debt in this fiscal year. The reason for this increase is twofold. First, debt service costs increased from the previous year due to the first full-year payment of the 2008 VPSA issue. The FY09 debt service payment associated with this issue was only for six months of interest. Second, significant declines in State aid and real estate tax revenue in FY10 yielded a significant reduction in net operating revenues.

In FY11, the County issued \$72.2 million in new debt, but the first principal payment wasn’t due until FY12, and only six months of interest was due in FY11, which resulted in a reduction in debt service payments in FY11 of \$4.0 million as compared to FY10. In FY12, \$66.1 million in new debt was issued. Although operating revenues experienced a slight increase, the Debt Service indicator increased to 5.8 percent, the highest point in the eleven year period examined, as noted above. As operating revenues continue to gradually trend upwards again, and no new debt is planned until at least FY15 (associated with a new radio communications system), this indicator should drop for at least the next two fiscal years. A new bond referendum isn’t likely until substantial recovery is evident in the economy. Therefore, no long term warning trend is noted.

One last note needs to be mentioned. This indicator is different than a similar indicator included in the annual debt affordability analysis – which is “debt service as a percentage of General Fund Expenditures.” However, this examination in the Trends document does cross-verify the results of the debt affordability analysis.

**WARNING TREND: Increasing days of unused vacation leave per municipal employee.**

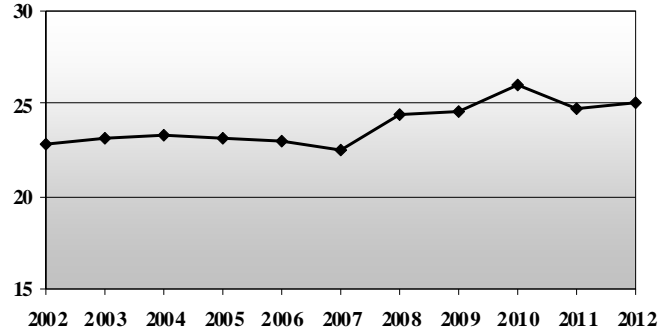
*Formula:*

$$\frac{\text{Total Days of Unused Vacation Leave}}{\text{Number of General Government Employees}}$$

**Accumulated Vacation Leave**  
(Days per Employee)

**Accumulated Vacation Leave:**

Localities usually allow their employees to accumulate some portion of unused vacation, which may be paid at termination or retirement. This expenditure is rarely funded while it is being accumulated although the costs of the benefit are covered through normal attrition. This is because of the fact that when an employee with many years of service is replaced, that employee is typically replaced with an employee with fewer or no years of service. The salary differential on a global basis



is sufficient to pay for this benefit in any given fiscal year. While there is no fiscal impact that arises from this indicator, its inclusion is useful in depicting the overall vacation leave balances of the General Government workforce. Finally, it needs to be noted that vacation leave balances not utilized by the beginning of the new calendar year, are readjusted downward (that is, time is “lost”), so the number included within this indicator is simply a reflection of June 30 balances. Because this number is not on a calendar year basis, the indicator may slightly overstate the actual vacation leave balances (as it does not account for actual vacation leave not utilized).

**Trends:**

In terms of the overall trend, the accumulated vacation leave indicator has averaged 23.9 days during the eleven-year period. What can be seen throughout this time period is stability in this indicator as it has ranged from a low of 22.5 days in FY07 to the high point of 26.0 days in FY10.

In looking at the graph above, the indicator remains relatively flat until FY08. This is due to an adjustment of annual leave accrual rates and increased “carry-over” hours (less time “lost”) for employees with fifteen or more years of service. FY10 experienced an unusual increase to 26.0 days of accumulated vacation leave per employee, mostly a result of the reduction in the number of General Government employees in that fiscal year. To assist in balancing the FY11 budget to significantly reduced revenues, the County eliminated 101 vacant General Government positions. In FY11, the indicator dropped to 24.7, mostly due to the County’s hiring freeze yielding well over 200 positions throughout much of the fiscal year. In other words, while the positions were being counted in the General Government complement, there were no vacation days associated with them as they were unfilled. The indicator rose slightly in FY12 to 25.0. In the entire eleven-year period, this indicator has fluctuated within a range of 3.5 days.

The overall slight upward movement since FY02 is also reflective of the County’s workforce, which is aging to a certain extent and employees with more seniority earn more hours of vacation leave than less senior employees. Henrico County's vacation leave indicator will generally increase as the average length of employment of County employees’ increases. The most recent information suggests the County has a workforce whose average age is 49. The average County employee has been with the County for nearly twelve years (Source: Human Resources Department).

In an effort to balance the budget and provide sustainable savings moving forward, in FY13, the County offered a Voluntary Retirement Incentive Program (VRIP) to employees that were eligible for full retirement in the Virginia Retirement System, in which financial incentives were offered to eligible employees that made the decision to retire by a given date. In total, 98 General Government employees accepted this incentive, 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.**

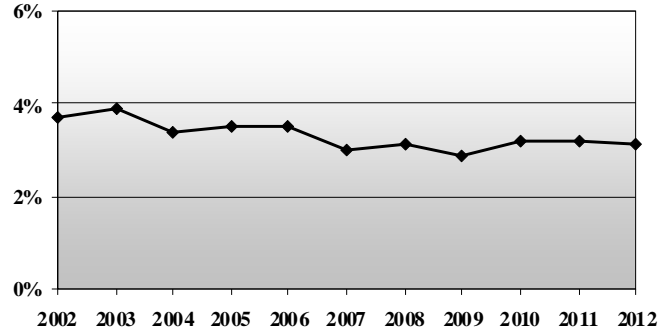
*Formula:*

$$\frac{\text{Capital Outlay from Operating Funds}}{\text{Net Operating Expenditures}}$$

**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 FY02, this indicator reflected a total of 3.9 percent, while the FY12 total measures 3.1 percent. 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 3.3 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. However, as in FY08, the indicator rebounded in FY10 to 3.2 percent and remained flat in FY11 in spite of across-the-board operating budget reductions in both fiscal years. It should be noted that in FY12, a third round of across-the-board budget reductions were implemented, yet the indicator remained relatively flat at 3.1 percent. The FY13 budget included yet another round of reductions to all departments. One significant budgetary decision was to remove \$4.1million in capital outlay – for the purchase of replacement Police vehicles and replacement Fire apparatus – from the operating budget and fund with General Fund balance via the Capital Projects Fund. This decision should significantly reduce this indicator next fiscal year. Further, the FY14 budget development process includes additional across-the-board reductions. With five consecutive fiscal years of budget reductions, it is very likely that departments will have little choice but to consider capital outlay funding reductions to some degree, which could result in obsolete or inefficient equipment in the near future. As such, a warning trend is noted for this indicator.

**WARNING TREND: Decreasing amount of depreciation expense as a percentage of total depreciable fixed assets for Enterprise Funds and Internal Service Funds.**

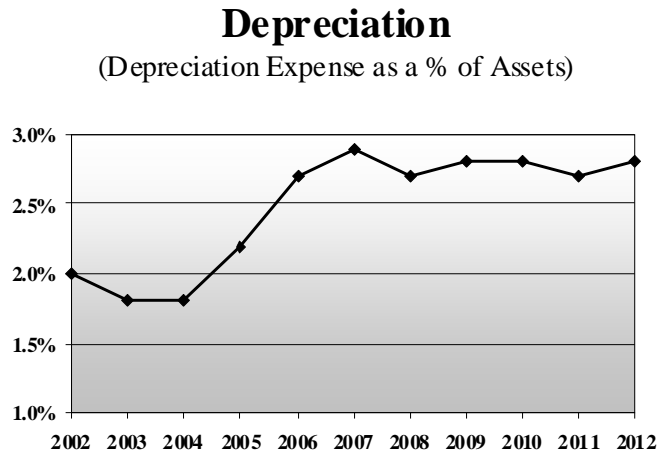
*Formula:*

$$\frac{\text{Depreciation Expense}}{\text{Cost of Depreciable Fixed Assets}}$$

**Depreciation:**

Depreciation is the mechanism by which a cost is associated with the use of a fixed asset over its estimated useful life. Depreciation is recorded only in the Enterprise and Internal Service Funds.

Total depreciation expense typically remains a relatively stable proportion of the cost of the entity's fixed assets. The reason is that older assets, which are fully depreciated, are usually removed from service and newer assets take their place. If depreciation expenses start to decline as a proportion of the fixed asset cost, the assets on hand are probably being used beyond their estimated useful life.



**Trends:**

The chart above reflects two overall trends. First, with the implementation of GASB 34 in FY02, a change was required in the length of depreciation for Utilities infrastructure. The change increased the time for depreciating many of these assets and is based on an industry standard. (GASB 34 required standardization in many areas that encompass fixed assets of localities and one of the changes actually increased the term of depreciation for certain assets). Concurrent with this, the value of fixed assets arising from the County's Water Treatment Plant resulted in an increase in County "assets" of nearly \$92.0 million over a two-year period, although that increase is really of a one-time nature. The drop in FY08 is a result of a change in the capitalization threshold for personal property (furniture, vehicles, and equipment/software) from \$2,500 to \$5,000. 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. This indicator has remained relatively constant at 2.8 percent in FY10, 2.7 percent in FY11, and 2.8 percent in FY12.

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.**

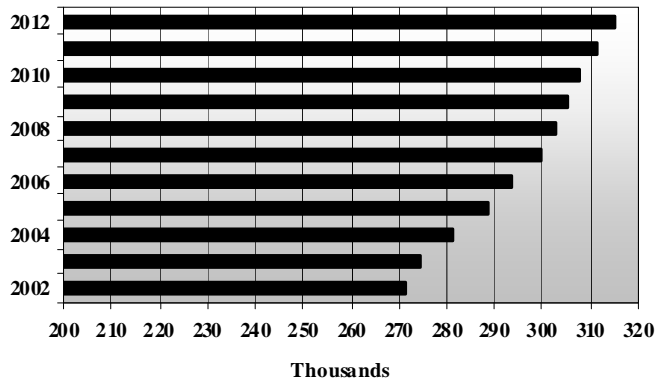
*Indicator:*

*Population of County Residents*

## Population

**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 271,440 in FY02 to 315,157 in FY12, an increase of 16.1 percent in this eleven-year time span, or an annual average increase of 1.5 percent per year. As the County enters the sixth year of this most recent economic downturn, declining revenues have resulted in numerous expenditure reductions. Declining resources have made it exceedingly difficult for the County to keep pace with the increased demand for services from its 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. According to the most recent 2010 United States Census, Chesterfield County grew at a faster pace over the past decade, as they now have a higher population than Henrico.

The population numbers for FY11 represent actual Census Data. All other years have been obtained from the Henrico County Department of Planning (see website: [www.co.henrico.va.us](http://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.

Due to consistent population growth, no warning trend is noted for this indicator. However, providing necessary services to this growing population remains a challenge as the County's largest local revenue source, real estate, continues to struggle. Further, when real estate values finally hit "bottom," it is projected that growth in this area will be significantly lower than levels experienced in the mid 2000's. The County must continue to evaluate its service delivery efforts and seek innovative solutions to provide these services at the lowest possible cost.

**WARNING TREND: Decline in the level, or growth rate, of personal income per capita.**

*Indicator:*

*Per Capita Income*

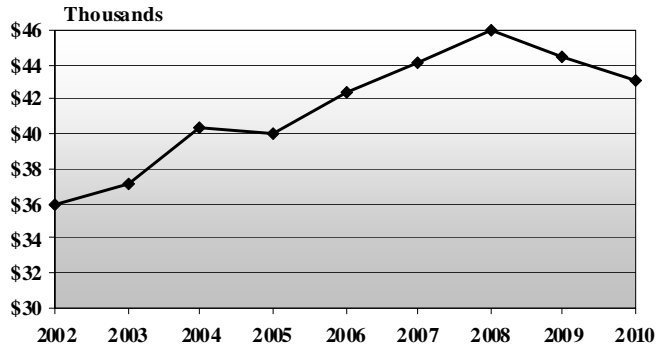
*Source: Bureau of Economic Analysis*

**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 20.1 percent from \$35,928 in 2002 to the \$43,151 reported for 2010. It should be noted that this indicator factors in increases to the County's population, which increased 13.4 percent between 2002 and 2010.

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 2010 tax year.

From the recessionary period of the early 1990's through 2005, this indicator consistently increased. 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 6.1 percent, followed by an increase of 3.8 percent in 2007. Another healthy increase followed in 2008 at 4.2 percent, in spite of the recessionary economic environment present the entire year. With the bankruptcy of two Fortune 1000 companies in this economic downturn, LandAmerica Financial and Circuit City, as well as the insolvency of one of the largest employers in the County, Qimonda AG, a number of high paying jobs were lost in Henrico during the economic downturn. The results can be seen in this indicator in 2009, as per capita income dropped 3.2 percent, and again in 2010 as per capita income fell another 2.9 percent.

As jobs continue to matriculate back into the County, it is anticipated that this indicator will level off again. As such, no warning trend is noted for this indicator at this time.

It should be noted that while the County's population has increased by an annual average of 1.5 percent in the past eleven years, taxpayer returns from County residents reflect an average annual increase of 2.2 percent in the *nine* years reflected on the graph above.

**WARNING TREND: Increasing number of public assistance recipients.**

*Formula:*

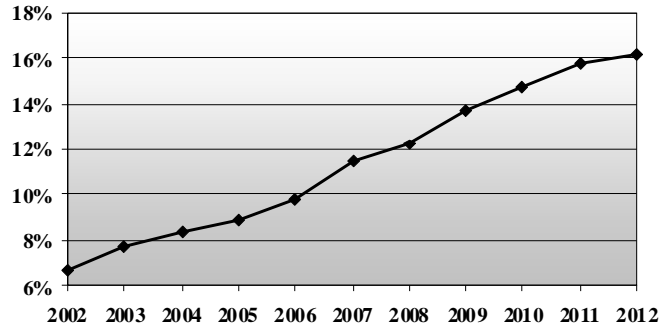
$$\frac{\text{Public Assistance Recipients}}{\text{Total Population}}$$

### 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 increased dramatically in this time period, experiencing a low of 6.0 percent in FY01 and a high of 16.1 percent in FY12, the most recent fiscal year.

The number of public assistance recipients has been determined by obtaining the number of people per year in the County receiving at least one of the following three types of benefits: Aid to Families of Dependent Children (AFDC), Food Stamps, or Medicaid. On a national level, some of the corollary factors that could impact this ratio are limited availability of affordable housing and health care coverage, as well as, limited funds for public transportation.

The Medicaid population has increased dramatically over the past eleven years, which has driven the increase in the number of public assistance recipients. There are currently more than fifty different categories that qualify for Medicaid coverage. Henrico has an aging population that requires long-term nursing home care, which is very expensive for each recipient. The number of mental health patients has increased as well as the number of foster care children, which have also added to the Medicaid population. In addition, policy changes related to income increase every year, which impacts this indicator as well.

The recessionary economic environment, and the subsequent loss of jobs and personal income, has created more demand for public assistance. In fact, in Henrico County from July 2007 through June 2012, the Supplemental Nutrition Assistance Program (also recognized as the food stamp program) caseload increased 95.8 percent, the Temporary Assistance for Needy Families (TANF) caseload increased by 28.3 percent, and the number of individuals receiving Medicaid increased by 65.4 percent (Source: Henrico County Department of Social Services).

In addition, the Patient Protection and Affordable Care Act was signed into law by President Obama on March 23, 2010. In June 2012, the U.S. Supreme Court ruled that the federal government could not force states to expand their Medicaid programs by withholding federal funds to the existing Medicaid programs. Each state must now decide to either opt in or out of the federal expansion. Should the Commonwealth of Virginia decide to opt in to Medicaid expansion, it is estimated that as many as 425,000 additional people Statewide would be eligible for Medicaid benefits. In Henrico County, it is estimated that nearly 15,000 additional residents would qualify, which would more than double the existing population receiving Medicaid benefits in Henrico County. Clearly, this will have a significant impact on this trend. These are alarming trends for Henrico County, and clearly a warning trend continues for this indicator.

**WARNING TREND: Declining or negative growth in market value of residential, commercial or agricultural property (constant dollars).**

*Formula:*

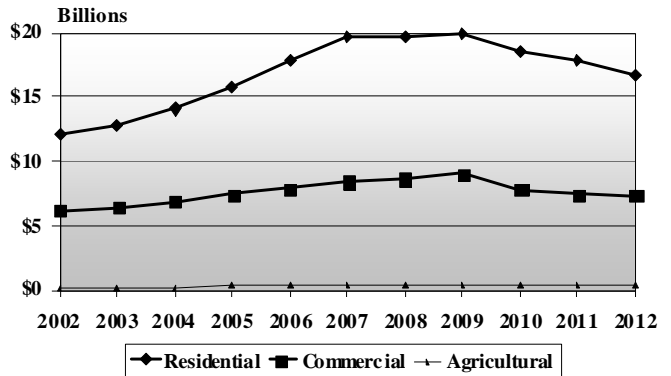
*Real Property Values (Constant Dollars)*

**Real Property Values:**

Changes in real property values are important because most local governments depend on property taxes for a substantial portion of their revenues, and Henrico County is no exception. If a locality has a stable tax rate, the higher the aggregate property value, the higher the revenues generated. Localities experiencing rapid population and economic growth are also likely to experience growth in property values in the short-run. This is because in the short-run, the supply of housing is fixed and the increase in demand due to growth will force prices up.

**Real Property Values**

(In Constant Dollars)



The extent to which declining real property values affect a locality's revenues will depend on the locality's reliance on property tax revenue. The extent to which the decline will ripple through the local economy and affect other revenues is difficult to determine. However, all of the economic and demographic factors are closely related. Most probably, a decline in property values will not be a cause, but rather a symptom of other underlying problems.

**Trends:**

The above graph illustrates real property values in *constant* dollars for residential, commercial, and agricultural properties. As such, any increases in this indicator are reported after negating the “effect” of inflation. The increases in valuation reflected above have been mitigated by a reduction in the Real Estate Tax Rate in this period of time. Specifically, since CY00, 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 1981, in spite of unadjusted residential property values increasing 4.7 percent. 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, and as home prices began to stabilize after years of significant growth, prices did not increase at a comparable rate to inflation. 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).

From FY10 through FY12, constant dollar residential property values declined 16.1 percent and constant dollar commercial property values declined 18.9 percent. Both residential and commercial property values, on a constant dollar basis, are below FY05 levels. In that same time period, the County lost \$33.9 million in annual revenue from Real Estate Tax collections, particularly painful as this funding source represents one-third of the County's overall General Fund revenues. Residential foreclosures and increasing office space vacancies significantly impacted the local real estate market in this time period, and continue to remain at historically high levels. Until the County can bring back a substantial portion of the more than 8,500 jobs lost in this most recent recessionary economic environment, 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.

In looking back at historical residential real estate price appreciation since the late 1800's, the average annual growth nearly always mirrors the annual inflation rate, as determined by the CPI. In fact, when adjusting real estate price appreciation by removing the inflation rate, and plotting these revised rates of appreciation on a line graph, the result is very close to a straight line with the exception of the "bubble" of the mid 2000's. When the real estate market finally stabilizes, it is very likely that real estate price appreciation will again begin to increase at a comparable rate to inflation levels – historically between 3.0 and 4.0 percent. As such, this indicator should reflect a "flattening out" effect long-term.

**WARNING TREND: Increasing market value of residential development as a percentage of market value of total development.**

*Formula:*

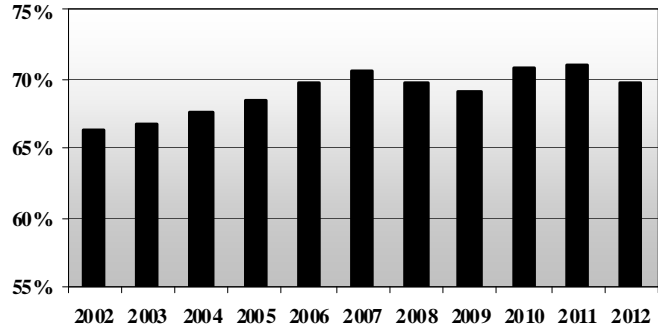
$$\frac{\text{Market Value of Residential Development}}{\text{Market Value of Total Development}}$$

**Residential Development:**

The net cost of servicing residential development is generally higher than the net cost of servicing commercial or industrial development. This is because residential development usually creates more expenditure demands (generally in the area of Education) than revenue receipts. The ideal condition would be to have sufficient commercial or industrial development to offset the costs of the residential development.

**Residential Development**

(as a % of Total Property)



The location of new residential development is also important. Houses built on the outer fringe of a community can impose a far greater initial cost to local government than houses built within developed areas. This is because the locality must provide capital items such as streets, sewer lines, water mains, education facilities, and fire stations to service the new development. The extent to which new residential development affects the financial condition of a particular community will depend on the community's economy, tax structure, and expenditure profile. The County has determined that a 70.0 percent level of residential valuation is optimal.

**Trends:**

Residential development as a percentage of total property market value in Henrico County has ranged from a low of 66.3 percent in 2002, to a high of 71.0 percent in 2011. As reflected in the chart above, the indicator increased each year from 2002 to 2007, from 66.3 percent in 2002 to 70.6 percent in 2007. In 2008, the indicator fell below the benchmark of 70.0 percent to 69.8 percent and in 2009 dropped again to 69.1 percent. In 2010, the indicator rose to 70.8 percent, increased again in 2011 to 71.0 percent, before again falling below the 70.0 percent threshold, to 69.8 percent, in the most recent year, 2012.

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.

From 2002 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 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. In 2010, because of sharp increases in vacant commercial real estate across the County, commercial valuations declined 13.0 percent as compared to a decline of 5.0 percent in residential real estate valuations. This large differential carried the Residential Development indicator to nearly 70.8 percent. Commercial valuations declined 1.5 percent in 2011, twice the decline of residential valuations that dropped 0.7 percent, increasing the indicator to 71.0 percent, the highest level in the eleven years examined. Slight improvement in the commercial real estate market in 2012 resulted in an overall increase of 0.7 percent in values, while residential real estate values dropped just under 5.0 percent. As such, the indicator fell back below the 70.0 percent threshold, to 69.8 percent.

Continued improvement in the commercial real estate market in 2013 resulted in an increase in commercial values that exceeded 4.0 percent due to tightening office vacancy rates and a growing trend of residents preferring apartments over single family homes. On the other hand, residential real estate values dropped 1.3 percent, the fifth consecutive year of declines. As a result of the large differential between residential valuation decline and commercial growth, this indicator will drop to 68.3 percent in 2013, the lowest level since 2004. Sustainable recovery in the real estate markets are closely correlated to the creation of new jobs in the County. Newly created jobs in the County will fill vacant office space, and provide families with the household income needed to make timely mortgage payments. Until the County replenishes the numerous jobs lost since January 2008, a warning trend must be noted.

**WARNING TREND: Increasing rate of local unemployment or a decline in number of jobs provided within the community.**

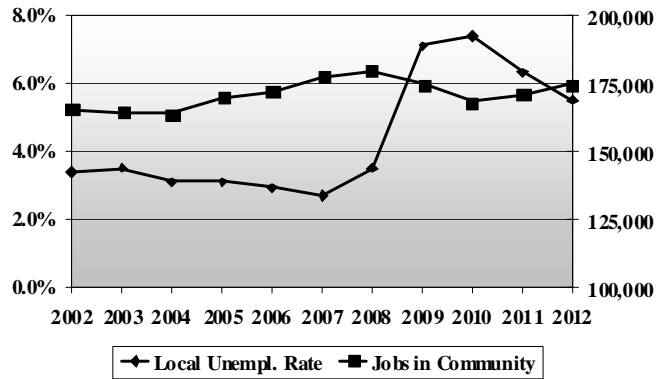
*Indicators:*

*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 7.4 percent in 2010, and a low of 2.7 percent for 2007. Due to the recessionary environment of 2002 and 2003, the County's unemployment rate increased from 3.4 percent in 2002 to 3.5 percent in 2003. 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 recession 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. In 2010, the unemployment rate rose again to 7.4 percent, the highest level in the eleven years examined, before falling in 2011 for the first time since 2007 to 6.3 percent. As a result of the strengthening economy, the unemployment rate dropped again in 2012 to 5.5 percent – which remains historically high for Henrico County. This indicator is highly indicative of changes in the economy and thus, is a solid representation of the condition of the local economy. As of December 2012, the unemployment rate has further improved to 5.2 percent, although this remains exceptionally high as compared to just three years ago. While the local economy is beginning to add new jobs, it will take a number of years for the County to make up for the 8,500 jobs it lost since December 2007. As such, a warning trend continues to be noted for this indicator.

**II. Number of Jobs:**

From 2002 through 2008, the number of jobs in Henrico increased from 165,203 to a peak of 179,426. As a result of the economic downturn, by 2010, the number of jobs in Henrico declined to 168,142. Since 2010, the County has added back 6,486 jobs, and now totals 174,628, though it remains lower than in 2007. 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 and 2010 both reflected net declines in the number of jobs in Henrico County. In 2011, Henrico gained 2,439 jobs, reflecting growth of 1.5 percent from the previous year, and in 2012, Henrico added 4,047 jobs, growth of 2.3 percent. 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 most recent 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 AG. 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. The recession claimed more than 14,000 jobs in the Metropolitan Richmond Area, with nearly two thirds of those in Henrico County.

A number of economic development announcements have been made recently, many of which will bring new jobs into the County. However, as noted above, it will take many years to make up for the 8,500 jobs Henrico lost in the most recent economic recession. As such, a warning trend continues to be noted for this indicator.

**WARNING TREND: Decline in business activity as measured by retail sales and gross business receipts.**

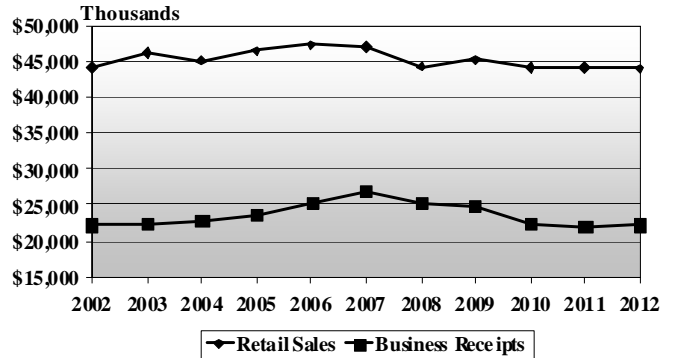
*Indicators:*

*Local Retail Sales Tax and Business and Professional License (BPOL) Tax Receipts*

**Local Sales Tax and Business and Professional License Tax (BPOL) Receipts:**

The level of business activity affects a locality's financial condition in two ways. First, it directly affects revenue yields as sales taxes and gross receipts taxes are products of business activity. Second, the effect of these indicators may be indirect to the extent that a change in business activity affects other demographic and economic areas such as employment base, personal income or property values. Changes in business activity also tend to be cumulative. A decline in business activity will tend to have a negative impact on employment base, personal income and/or commercial property values. This in turn can cause a decline in local revenues generated by businesses.

**Local Retail Sales and Business Receipts**  
(In Constant Dollars)



**Trends:**

**I. Local Retail Sales Tax Receipts:**

The above graph indicates that local sales tax receipts, in constant dollars, reflect a reduction from \$44.0 million in FY02 to \$43.8 million in FY12. 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 \$46.1 million to \$45.0 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 \$46.4 million and the FY06 inflation adjusted sales of \$47.2 million reflects increases of 3.2 percent and 1.7 percent, respectively. In FY07, inflation adjusted sales declined slightly from \$47.2 to \$47.0 million.

In FY08, inflation adjusted sales declined from \$47.0 million to \$44.2 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

occurred in FY09. With the CPI actually *declining* in FY09, reflecting a period of deflation, inflation-adjusted sales tax collections posted a 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 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 economic struggles continuing into FY10, inflation-adjusted sales tax collections declined 2.6 percent to \$43.9 million. However, like the recessionary economic environment in FY02, Henrico County’s retail sales as a percentage of the total Richmond Metropolitan Area increased. In fact, from FY08 through FY12, Henrico increased its share of the total region’s retail sales. Clearly, this can be attributed to the “Henrico, VA” initiative and the diversity of Henrico’s retailers. As of this writing, sales tax collections are up 1.2 percent in FY13, as the local economy continues to reflect cautious optimism after years of economic downturn. Though it will likely take a number of years to achieve retail sales levels seen just a few years ago, there are clear signs that the local economy is again growing, albeit at a slow pace. As such, no long-term warning trend is noted.

## II. Local Business and Professional License (BPOL) Tax Receipts:

The graph for the eleven-year period shown on the preceding page indicates that from FY02 to FY07, local business license tax receipts, in constant dollars, were 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 was successful. FY05, FY06, and FY07 totals rebounded strongly from the recessionary period in 2002 and 2003, with constant dollar gains of 3.5 percent, 7.3 percent, and 6.3 percent, respectively.

Like local sales tax revenues, FY08 BPOL tax receipts (constant dollars) fell sharply due to the struggling economy and unusually high inflation. While this indicator reflects a significant decrease, real unadjusted BPOL tax revenue only reflected a slight decrease of 1.0 percent. 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. However, the recession present in FY02 was short lived, whereas the most recent recession lasted eighteen months (December 2007 through June 2009), the longest since the Great Depression, and the lingering effects of this most recent recession continue years after it officially ended. In FY09, inflation adjusted BPOL tax receipts declined by 1.8 percent and real unadjusted BPOL tax revenue declined by 3.2 percent. In FY10 inflation adjusted BPOL tax receipts declined by 9.5 percent, easily the largest decline in the eleven-year period examined, and real unadjusted BPOL tax revenue declined by 8.5 percent. In FY11 inflation adjusted BPOL tax receipts declined by 2.9 percent, but real unadjusted BPOL tax revenue increased slightly, by 0.8 percent. From FY09 to FY11, a number of businesses in the County were forced to close their doors. As new businesses have entered the County and join the existing diversified business community, BPOL tax receipts are again reflecting constant dollar growth after three years of declines, as adjusted BPOL tax revenue grew 2.0 percent in FY12. Like sales tax collections, no long-term warning trend is noted.

**WARNING TREND: Decline in business activity as measured by commercial acres developed and market valuation of business property.**

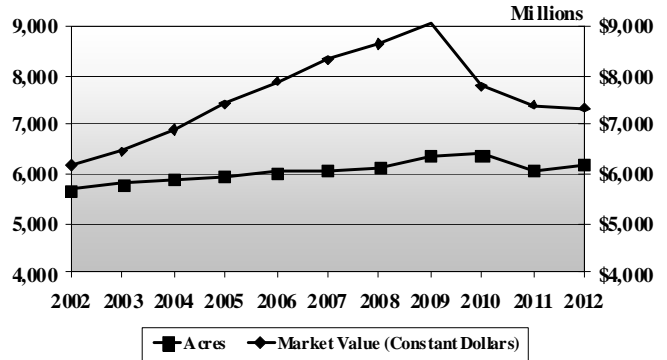
*Indicators:*

*Number of Commercial Property Acres and Market Value of Business Property*

**Business Activity – Commercial Acres and Market Value of Business Property:**

The level of business activity affects a locality's financial condition in two ways. First, it directly affects revenue yields to the extent that the number of business acres and value of business property may be considered products of business activity. Second, the effect of these indicators may be indirect to the extent that a change in business activity affects other demographic and economic areas such as employment base, personal income or property values. Changes in business activity also tend to be cumulative. A decline in business activity will tend to have a negative impact on employment base, personal income or property value. This in turn, can cause a decline in local revenues generated by businesses.

**Commercial Acres and Market Value of Business Property**



**Trends:**

**I. Business Acres:**

As shown in the graph above, business acreage steadily increased from 2002 to 2010, with 5,684 acres in 2002 to 6,393 in 2010. In 2011, business acreage dropped substantially to 6,064, but this is entirely due to a change in the calculation methodology for land use acreage by the Department of Planning, to be more compatible and consistent with the County’s technological systems. The County, in fact, added 33 acres in 2011. Business acreage is defined as “developed commercial property for office and retail use.” The data reveals that in the nine years from 2002 to 2010 and in 2012, the average annual increase in the number of business acres developed was 83.4. There were four years in which business acreage development exceeded this average. In 2003, the total acreage developed was 116 acres. In 2009, the total acreage developed was 253 acres, the largest annual increase in the eleven years examined, in spite of the slowing economy. A number of large commercial developments were completed in FY09, including 142 acres associated with a new shopping center, White Oak Village, and a number of businesses surrounding the mall. A number of new hotels were constructed in FY09 as well. In the most recent fiscal year, FY12, the total acreage developed was 125 acres, the second largest annual increase in the eleven years examined. This figure is encouraging after only 22 acres were developed in FY10 and only 33 acres were developed in FY11 during the recent economic downturn. The depth and length of the economic downturn impacted all real estate in FY10 and FY11, particularly commercial real estate, and commercial construction was virtually nonexistent as a number of existing properties remained vacant, particularly office space.

Commercial development and concentration is a key component to maintaining a low Real Estate Tax rate and ensuring that Henrico continues to increase the number of jobs in the community. The commercial component of the Real Estate Tax base is able to subsidize the costs incurred by residential development – particularly in the area of Education. Adjusting for FY11, the total increase of business acreage in this eleven-year period is 866.6 acres, reflecting growth of 15.2 percent.

**II. Market Value of Business Property:**

The eleven-year trend for this indicator, *in constant dollars*, has ranged from \$6.2 billion in CY02 to \$9.0 billion in CY09, before falling in each of the next three years, to \$7.3 billion in CY12. The value of commercial

properties is prone to devaluation when the supply of those properties is greater than the demand. Commercial valuations increased every year from FY01 to FY09. This increase occurred even during the recessionary period of CY02 and CY03 and the economic downturn in CY08 and CY09. However, entering the third year of the most recent recessionary economic environment, the supply of vacant office and retail space increased significantly due to a number of businesses closing their doors. The result was an overall reduction in the commercial tax base of more than 13.0 percent in FY10. Another decrease in the commercial tax base of 1.5 percent occurred in CY11 due to the continued elevated supply of vacant office space. In the most recent year, CY12, the commercial market improved slightly, and values increased 0.7 percent, though not enough to keep up with inflation, as reflected in the indicator above, which fell just under 1.0 percent in CY12. From CY10 to CY12, constant dollar commercial market values declined 18.9 percent.

Improvement in the commercial real estate market continued from January 2012 to January 2013, as commercial reassessments reflect an increase of \$280 million or 3.0 percent from the prior year. This figure does not include new commercial growth, which is still being calculated at this writing. Looking into the future, commercial real estate will continue to rebound slowly as jobs continue to gradually matriculate back into the County after the substantial losses during the economic downturn. A full commercial real estate market recovery is likely a number of years away, though recent growth is encouraging. As such, the warning trend noted last year is lifted; however, the County remains cautious in the near term due to the likelihood that it will take a number of years to fully recover the losses of the past three years, which may impact this indicator negatively if values fail to keep up with inflation levels.

**FINANCIAL INDICATORS DISPLAYED GRAPHICALLY**

Description	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues Per Capita	2,352.0	2,391.1	2,461.9	2,520.6	2,573.7	2,674.6	2,654.9	2,723.0	2,572.9	2,413.1	2,365.0
Expenditures Per Capita (In Constant Dollars)	2,222.0	2,304.8	2,355.5	2,379.0	2,412.1	2,476.2	2,522.2	2,603.7	2,587.1	2,400.6	2,367.2
Intergovernmental Revenues (without PPTRA)	35.4%	35.2%	36.5%	37.2%	36.2%	37.9%	38.9%	40.0%	39.5%	39.4%	39.7%
Intergovernmental Revenues (PPTRA only)	5.3%	5.0%	4.7%	4.2%	4.9%	4.0%	3.8%	3.7%	3.9%	3.9%	3.9%
Elastic Tax Revenues (as a % of Net Operating Revenue)	10.8%	10.9%	10.2%	10.1%	10.0%	9.6%	9.0%	8.6%	8.8%	9.2%	9.4%
Property Tax Revenues (In Constant Dollars)	226,258	235,687	245,678	262,883	278,268	296,038	302,610	312,664	303,226	281,810	275,279
Uncollected Property Tax Revenues (as a % of Total Levy)	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.7%	1.0%	1.1%	1.3%
User Charge Coverage (Revenues/Expenditures)	50.6%	55.3%	50.6%	53.0%	52.4%	50.1%	48.0%	48.2%	50.6%	52.5%	51.0%
Revenue Shortfalls (as a % of Net Operating Revenue)	-2.4%	-2.1%	-6.6%	-3.1%	-5.4%	-5.1%	-5.8%	-1.2%	-0.2%	-1.2%	-0.5%
Employees Per Capita (Employees per thousand population)	13.0	13.0	13.0	12.8	12.9	13.0	13.1	13.1	12.7	12.6	12.5
Fringe Benefits (as a % of Salaries)	25.3%	26.1%	26.7%	27.6%	28.4%	31.3%	32.2%	33.1%	32.8%	33.0%	34.5%
Operating Surpluses (as a % of Net Operating Revenue)	3.9%	3.5%	3.9%	6.2%	8.5%	9.6%	6.9%	5.0%	1.6%	1.2%	0.1%
Enterprise Losses (In Constant Dollars)	19,808	11,164	9,425	5,061	9,208	3,127	4,210	(0,720)	(0,595)	(1,656)	(0,518)
General Fund Balances (as a % of Net Operating Revenue)	13.6%	14.3%	14.2%	13.8%	13.3%	13.3%	13.5%	14.0%	14.3%	14.2%	12.3%
Liquidity (Cash & Investments as a % of Current Liabilities)	251.4%	248.5%	271.1%	266.0%	294.9%	297.1%	342.2%	232.2%	339.4%	335.4%	288.2%
Current Liabilities (as a % of Net Operating Revenue)	10.7%	11.3%	10.6%	11.2%	9.7%	9.7%	8.9%	13.8%	9.7%	9.8%	11.2%
Long Term Debt (as a % of Assessed Valuation)	1.6%	1.6%	1.5%	1.2%	1.2%	1.2%	1.1%	1.4%	1.4%	1.6%	1.7%
Debt Service (as a % of Net Operating Revenue)	5.2%	5.4%	5.1%	4.7%	5.0%	5.2%	5.3%	5.3%	5.8%	5.5%	5.8%
Accumulated Employee Leave Liability (in Days)	22.8	23.1	23.3	23.2	23.0	22.5	24.5	24.6	26.0	24.7	25.0



**FINANCIAL INDICATORS DISPLAYED GRAPHICALLY**

Description	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Level of Capital Outlay (as a % of Net Operating Expenditures)	3.7%	3.9%	3.4%	3.5%	3.5%	3.0%	3.1%	2.9%	3.2%	3.2%	3.1%
Depreciation (Depreciation Expense as a % of Assets)	2.0%	1.8%	1.8%	2.2%	2.7%	2.9%	2.7%	2.8%	2.8%	2.7%	2.8%
Population	271,440	274,847	281,069	288,735	293,382	299,443	302,518	305,580	307,832	311,726	315,157
Per Capita Income (restated)	35,928	37,059	40,246	40,036	42,459	44,079	45,911	44,423	43,151	N/A	N/A
Public Assistance Recipients (as a % of Total Population)	6.7%	7.8%	8.4%	8.9%	9.8%	11.5%	12.2%	13.7%	14.7%	15.7%	16.1%
Property Values (In Constant Dollars)	18,3396	19,3919	21,1512	23,4330	25,9623	28,3038	28,5637	29,1709	26,6048	25,4433	24,1967
Residential	8,7923	5,7376	9,0727	10,7879	10,7935	9,0189	9,9184	2,1257	-8,7969	-4,3656	-4,8994
Commercial	11,986	12,765	14,055	15,767	17,816	19,656	19,607	19,827	18,565	17,796	16,634
Agricultural	6,173	6,453	6,879	7,410	7,858	8,311	8,627	9,025	7,768	7,390	7,319
	0,180	0,173	0,218	0,256	0,288	0,337	0,329	0,319	0,272	0,257	0,244
Residential Development (includes agric) (as a % of Total Property)	66.3%	66.7%	67.5%	68.4%	69.7%	70.6%	69.8%	69.1%	70.8%	71.0%	69.8%
Employment Base											
Local Unemployment Rate	0.0340	0.0350	0.0310	0.0310	0.0290	0.0270	0.0350	0.0710	0.0740	0.0630	0.0550
Jobs in Community	165,203	164,398	163,525	170,183	172,216	177,744	179,426	174,758	168,142	170,581	174,628
Business Activity - #1 (In Constant Dollars)											
Retail Sales	43,991.90	46,121.59	44,994.86	46,443.08	47,217.29	47,023.32	44,187.49	45,128.21	43,948.74	44,111.96	43,833.41
Annual Business Receipts	22,315.23	22,537.31	22,800.43	23,595.43	25,314.22	26,910.33	25,363.41	24,894.56	22,539.53	21,892.28	22,332.24
Business Activity - #2											
Market Value of Business Property	6,173.48	6,453.37	6,878.80	7,410.19	7,858.32	8,310.61	8,627.44	9,025.01	7,767.65	7,390.41	7,318.79
Acres Devoted to Business	5,684.39	5,800.43	5,897.00	5,954.00	6,032.00	6,062.00	6,118.00	6,371.00	6,393.00	6,064.00	6,189.00

**GENERAL FINANCIAL AND ECONOMIC DATA**

Item	Description	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1.3	Cash & Short Term Investments	171,895	187,865	209,971	234,085	242,879	268,646	298,304	320,117	314,414	309,643	308,287
1.4	Accounts Payable	41,502	47,298	49,607	54,607	46,617	51,420	49,407	53,262	48,284	48,717	53,348
1.7	Principle due in 12 months	22,142	23,351	23,132	27,038	29,870	33,224	30,749	74,560	32,810	32,825	38,725
1.8	Other Current Liabilities	4,730	4,939	4,700	6,354	5,875	5,771	7,021	10,025	11,557	10,769	14,881
1.9	Total Current Liabilities	68,373	75,587	77,439	87,999	82,362	90,414	87,177	137,847	92,651	92,311	106,954
1.10	Net Direct Long Term Debt	287,105	314,423	329,992	306,861	357,638	399,683	396,269	503,505	460,535	499,930	533,180
1.12	Cost Depreciable Fixed Assets	774,354	831,112	880,456	922,326	957,377	982,096	1,015,665	1,051,575	1,080,905	1,109,368	1,124,786
1.13	Depreciation Expense	15,744	15,186	16,028	19,995	25,879	28,010	27,596	28,928	30,566	30,439	31,308
1.14	General Fund Operating Surplus	24,733	23,220	28,457	48,896	72,364	88,984	67,853	49,565	15,123	11,751	533
1.15	Enterprise Operating Results	19,808	11,400	9,939	5,472	10,386	3,622	5,120	(863)	(721)	(2,078)	(661)
1.16	General Fund Balances	118,781	126,950	140,670	161,517	199,079	207,453	239,708	252,549	246,603	230,524	221,639
1.17	General Fund Restricted Balances	31,691	31,298	36,718	53,132	85,442	84,029	107,615	113,094	109,831	96,798	104,751
1.18	General Fund Unrestricted Balances	87,090	95,652	103,952	108,385	113,637	123,424	132,093	139,455	136,771	133,727	116,888
1.19	Uncollected Property Taxes	1,539	1,553	1,678	2,037	1,638	1,901	2,035	2,700	3,604	3,737	4,604
1.20	Full Property Tax Levy	256,109	265,314	287,938	324,712	339,091	352,305	369,930	380,661	365,522	349,269	347,803
2.1	Property Tax Revenues	226,258	240,665	259,061	284,218	313,845	342,937	368,044	374,884	367,444	353,555	351,142
2.2	Committed User Charges	23,179	24,135	23,907	26,143	28,316	29,127	28,850	29,884	30,409	30,207	31,424
2.3	Uncommitted User Charges	8,457	8,961	9,646	9,744	9,988	6,745	2,845	2,846	3,261	3,321	3,152
2.4	Other Revenue greater than 5%	101,468	109,465	116,443	118,320	125,617	125,927	122,796	125,309	119,791	127,013	129,354
2.5	Other Revenue less than 5%	19,064	17,806	20,081	22,479	23,470	33,800	37,612	28,837	22,822	21,028	21,220
2.6	Total Local Operating Revenue	378,427	401,031	429,137	460,904	501,236	538,535	560,147	561,760	543,727	535,125	536,292
2.7	Intergovernmental Operating Revenue	259,993	270,034	300,535	325,935	350,394	389,249	416,686	435,925	416,038	408,589	414,459
2.7	Intergovernmental Operating Revenue (without PPTRA reimbursements)	226,102	236,387	266,444	292,612	308,263	352,028	379,686	398,923	379,036	371,587	377,457
2.10	Gross Operating Revenues	638,420	671,066	729,672	786,839	851,629	927,785	976,833	997,685	959,765	943,714	950,751
2.13	Net Operating Revenues	638,420	671,066	729,672	786,839	851,629	927,785	976,833	997,685	959,765	943,714	950,751
2.14	Restricted Operating Revenues	191,910	204,837	231,539	262,136	280,148	317,359	328,348	354,849	342,338	334,134	337,427
2.15	Elastic Operating Revenue	69,017	73,331	74,509	79,200	85,208	89,286	87,579	86,099	84,217	87,182	89,098
2.17	Net Operating Revenue Budgeted	623,409	657,000	681,735	762,685	806,056	880,557	920,221	986,094	957,860	932,150	946,188
3.1	Salaries and Wages	332,167	346,539	363,879	393,160	413,031	440,213	464,016	487,694	480,659	472,724	480,853
3.2	Fringe Benefits	83,945	90,538	97,282	108,505	117,379	137,938	149,220	161,362	157,582	156,088	165,696
3.3	Supplies	27,282	27,386	28,252	31,976	34,433	36,858	40,764	43,737	41,682	46,168	43,383
3.4	Services	88,036	78,659	94,074	93,720	88,068	109,413	117,670	107,968	120,657	113,118	109,529
3.5	Capital Outlay	22,031	25,398	23,678	25,788	28,075	25,447	28,322	27,403	31,049	29,983	29,924
3.6	Principal-Long term Debt	19,987	21,792	22,986	22,747	26,633	29,450	32,779	30,284	34,880	32,300	32,290
3.7	Interest-Long term Debt	13,047	14,439	13,961	14,466	15,598	18,588	18,900	22,339	21,191	19,722	23,035
3.8	Total Direct Debt	33,034	36,231	36,947	37,213	42,230	48,038	51,679	52,623	56,071	52,022	55,325
3.9	Other Expenditures	29,369	34,656	46,093	44,101	54,842	36,926	52,400	50,416	52,285	45,527	43,982
3.10	Internal Service Fund Transfers	6,852	7,441	7,930	8,173	20,083	24,113	23,917	22,764	25,058	23,195	22,949
3.11	Total Net Operating Expenditures	603,150	646,848	698,136	742,636	798,141	858,946	927,990	953,967	965,044	938,824	951,640
3.12	Number of General Government Employees	3,517	3,561	3,640	3,694	3,774	3,895	3,953	4,000	3,915	3,927	3,927
3.13	Unused Annual Leave (in days)	80,217	82,182	84,862	85,661	86,980	87,502	96,971	98,411	101,636	96,974	98,048
3.14	Unused Sick Leave (in days)	251,411	255,593	257,590	261,646	267,779	272,360	270,336	280,842	284,267	288,847	292,650
3.15	Expenditures Covered by Charges	45,846	43,674	47,267	49,296	54,040	58,176	60,157	61,944	60,144	57,538	61,630
7.1	Population (Calendar Year)	271,440	274,847	281,069	288,735	293,382	299,443	302,518	305,580	307,832	311,726	315,157
7.3	Total Personal Income (Thous. of \$)	9,622,920	10,065,647	11,106,399	11,234,015	12,125,029	12,758,972	13,437,921	13,167,734	13,265,139	N/A	N/A
	Per Capita Income	35,928	37,059	40,246	40,036	42,459	44,079	45,911	44,42	43,15	N/A	N/A

**GENERAL FINANCIAL AND ECONOMIC DATA**

Item	Description	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
7.4	Public Assistance Recipients	18,182	21,369	23,628	25,591	28,656	34,469	36,799	41,809	45,255	49,093	50,801
7.6	Market Value of Property (Mil. of \$)	18,340	19,801	22,303	25,335	29,282	32,788	34,740	34,976	32,239	31,921	30,865
7.8	Market Value-Residential (Mil. of \$)	11,986	13,035	14,821	17,047	20,093	22,770	23,847	23,772	22,497	22,327	21,218
7.9	Market Value-Commercial (Mil. of \$)	6,173	6,590	7,254	8,012	8,863	9,627	10,493	10,821	9,413	9,272	9,336
7.10	Market Value-Agricultural (Mil. of \$)	180	177	229	277	325	391	400	382	329	322	311
7.11	Residential Households (Calendar Year)	114,884	116,345	119,107	121,505	123,457	125,972	127,046	128,529	129,781	130,482	131,044
7.12	Vacancy Rates-Residential (Calendar Year)	1.4%	1.4%	1.4%	1.5%	1.5%	1.6%	1.6%	1.6%	1.6%	2.5%	2.4%
7.15	Local Unemployment Rate	3.4%	3.5%	3.1%	3.1%	2.9%	2.7%	3.5%	7.1%	7.4%	6.3%	5.5%
7.16	Jobs Within Community	165,203	164,398	163,525	170,183	172,216	177,744	179,426	174,758	168,142	170,581	174,628
7.17	Retail Sales (Thous. of \$)	43,992	47,096	47,446	50,212	53,254	54,473	53,742	54,109	53,256	55,342	55,913
7.19	Annual Business Receipts (Thous. of \$)	22,315	23,013	24,042	25,510	28,551	31,174	30,848	29,849	27,313	27,466	28,487
7.20	Business Acres (Calendar Year)	5,684	5,800	5,897	5,954	6,032	6,062	6,118	6,371	6,393	6,064	6,189
7.21	CPI	179.9	183.7	189.7	194.5	202.9	208.4	218.8	215.7	218.0	225.7	229.5
7.22	CPI-Index	1.0000	1.0211	1.0545	1.0812	1.1278	1.1584	1.2162	1.1990	1.2118	1.2546	1.2756

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A Sampler of Economic and Demographic Characteristics for the Richmond-Petersburg Metropolitan  
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Manager's Monthly Reports



## INDEX

Agriculture and Home Extension.....	219
Basis of Budgeting and Fund Structure.....	27
Belmont Park Golf Course Fund.....	279
Best Management Practices.....	271
Board of Supervisors.....	109
Building Inspections.....	170
Capital Region Workforce Partnership.....	239
Capital Budget.....	306
Capital Improvement Transfers.....	230
Capital Projects Fund Forecast.....	98
Central Automotive Maintenance.....	268
Circuit Court Clerk.....	127
Circuit Court Services.....	129
Commonwealth's Attorney.....	138
Community Corrections Program.....	231
Community Revitalization.....	200
Comprehensive Services Act.....	248
County Attorney.....	100
County Manager.....	97
Debt Service Fund Forecast.....	79
Debt Service Fund.....	275
Division of Fire (Fire, Emergency Medical Services and Emergency Services).....	147
Division of Police (Police, Animal Protection and E-911 Communications).....	143
Drug Court.....	233
Economic Development.....	195
Education.....	178
Electoral Board.....	122
Enterprise Funds Forecast.....	62
Finance.....	105
Financial Guidelines.....	21
General District Court Services.....	131
General Fund Forecast.....	46
General Services.....	112
Healthcare Fund.....	274
Henrico County's Budget Process.....	17
Human Resources.....	102
Information Technology.....	117
Internal Audit.....	115
Internal Service Funds Forecast.....	66
JRJDC Agency Fund Forecast.....	83
JRJDC Agency Fund.....	283
Juvenile and Domestic Relations Court – Probation.....	136
Juvenile and Domestic Relations Court Services.....	134
Juvenile Detention – USDA Grant.....	239
Juvenile Detention – VJCCCA.....	237
Juvenile Detention.....	155
Library.....	188
Line of Duty.....	286
Magistrate.....	133
Manager's Message.....	1

## INDEX

Mental Health/Developmental Services.....	240
Metro Aviation Unit.....	244
Non-Departmental .....	209
Other Post Employment Benefits (OPEB) Agency Fund .....	285
Permit Centers.....	205
Planning.....	197
Probation – VJCCCA.....	235
Public Health.....	169
Public Relations and Media Services.....	98
Public Works.....	163
Real Property.....	120
Recreation and Parks.....	183
Revenue and Expenditure Summaries By Fund.....	26
Risk Management.....	272
Sandston Recreation Center.....	213
Sheriff.....	151
Social Services.....	171
Solid Waste and Street Lights.....	251
Special Drug Prosecutor.....	227
Special Revenue Fund Forecast.....	58
Technology Replacement Fund.....	270
Three-Year Forecast of Revenues and Expenditures.....	45
Undesignated Fund Balance Projections.....	43
Victim/Witness.....	229
Water and Sewer Revenue Fund.....	259
Watershed Management Program.....	256
Wireless E-911.....	246