

# Department of Finance

## History

---

### Prior to the War of Independence

There are records of current functions of the Finance Department being performed in Henrico prior to the War of Independence. During that time period taxes paid on land and personal property represented the County's primary source of revenue. The responsibility for assuring that taxes were collected rested with the Sheriff. One significant tax reform in the late 18<sup>th</sup> century was a change in real estate tax assessment. Originally, the tax on land had been based on the amount on acreage. This was changed to a more accurate tax based on the assessed property value.<sup>1</sup> Although there was a semblance of the current Finance Department in Henrico's early history; the first major innovation that significantly shaped the makeup of the modern Department of Finance did not occur until the late 19<sup>th</sup> century.

### Passage of the Underwood Constitution

The Underwood Constitution, which was drafted at a state convention and ratified by voters in 1869, provided a new stipulation for the separation of powers on the county level. This new document established a Board of Supervisors to handle Henrico's administrative functions. As part of the administrative change, the responsibilities of the Sheriff were redefined so that they no longer included the collection of taxes and fines; this duty was instead conferred to the newly created position of Treasurer.<sup>2</sup> The change to a Board of Supervisors with administrative responsibilities lasted in Henrico County until the mid-nineteen thirties and persists to this day in other localities in the State.

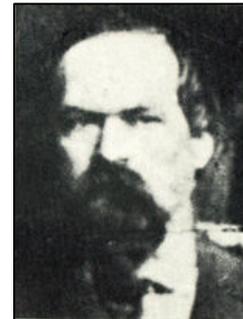


Figure 1 John C. Underwood was the driving force in the 1867-1868 constitutional convention which resulted in the Underwood Constitution.

### 1927 New York Bureau Report



Figure 2 Governor Harry F. Byrd Sr. of Virginia

In the 1920's, Governor Harry F. Byrd Sr. of Virginia, a noted reformer, commissioned a study of the operations of both the state and various localities in an effort to change the inefficient structure of state and local government in the commonwealth and to promote more streamlined management of finances.<sup>3</sup> The New York Bureau of Municipal Research published a report for Governor Byrd in 1927 called, *County Government in Virginia: Report on a Survey Made to the Governor and his Committee on Consolidation and Simplification*. This report harshly criticized the fiduciary management of localities in

<sup>1</sup> County Manager Government in Henrico, Virginia. Wikstrom, Dr. Nelson. Henrico County. 2003.

<sup>2</sup> County Manager Government in Henrico, Virginia. Wikstrom, Dr. Nelson. Henrico County. 2003.

<sup>3</sup> Laurence J. O'Toole, J. (1986, March - April). Harry F. Byrd, Sr. and the New York Bureau of Municipal Research: Lessons from an Ironic Alliance. *Public Administration Review*, pp. Vol. 46, No. 2, pp. 113-123.

Virginia. In the report it was noted that, “In our study of Virginia county government we were particularly impressed by the scattered, disjointed, and irresponsible type of organization that exists in all counties.”<sup>4</sup> The report went on to state that,

“The present county government has no responsible head: it is without a chief administrative officer and the board of supervisors controls through appointment only a small part of the county administration. Authority for carrying on the administrative work of the county at the present time rests with many individuals. The voters of the county have very little power in the determination of county policies. It is true that they elect a number of administrative officers besides the members of the board of supervisors, but this serves only to dissipate authority and to increase the difficulties of securing effective and economical county government.”<sup>5</sup>

The Bureau frankly concluded their report by stating, “In fact, there is nothing to commend the present form of county government in Virginia. In many of the counties it is grossly political, careless, wasteful, and thoroughly inefficient. It has been that way for years, but still exists and seems to flourish.”<sup>6</sup> This report was noted by the leadership in Henrico County and it set the groundwork for future changes in the management of Henrico County’s finances along with the entire restructuring of the Department of Finance with the later adoption of the County Manager form of government.

### **1928 General Assembly – Commission on County Government**

The year following the release of the New York Bureau report, the General Assembly of Virginia requested that the Commission of County Government compile their own report on the condition of localities in Virginia. When this report was presented to the General Assembly it conveyed concurrent findings with the New York Bureau’s report. For example the report stated that,

“Waste and inefficiency are inevitable under the present conditions. These arise in the main from unnecessary duplication of functions and the employment of too many officers and deputies; from the lack of organized purchasing and accounting control; and from the absence of systematic planning and management from the point of view of the county as a whole.”<sup>7</sup>

This statement was directly applicable to the structure of financial operations in Henrico because the functions were scattered and under the leadership of various officers, which diminished both the efficiency and accountability of the operations. The report went on to say that,

“More serious than waste is the tendency to develop irresponsible government. In the maze of officers and boards – scattered, intangible, and functioning over wide areas - the people have no means of

---

<sup>4</sup> County Manager Government in Henrico, Virginia. Wikstrom, Dr. Nelson. Henrico County. 2003.

<sup>5</sup> County Manager Government in Henrico, Virginia. Wikstrom, Dr. Nelson. Henrico County. 2003.

<sup>6</sup> County Manager Government in Henrico, Virginia. Wikstrom, Dr. Nelson. Henrico County. 2003.

<sup>7</sup> County Manager Government in Henrico, Virginia. Wikstrom, Dr. Nelson. Henrico County. 2003.

comprehending the process of their government or of controlling them if perchance they should see and understand (such a need). The representative body of the people, the county board of supervisors, is without the jurisdiction or the power to enforce the will of the people it represents. At no point in our governmental machinery is there so complete a breakdown of popular control.”<sup>8</sup>

The reports done both by the New York Bureau and the Commission of County Government set the precedent for the future changes made to the County’s financial management.

## **Great Depression**

While the reports provided the groundwork for change the Great Depression provided the necessary duress to localities to advance efficient fiduciary management. At that time it became clear that local governments would have to become prepared to respond more adeptly to economic cycles.

As efficient governmental management became more of a necessity throughout the Depression the reputation of the manager form of government as being more successful increased. The citizens of Henrico County seized the moment and after much deliberation, on September 19, 1933 voted to become the first county in Virginia, and one of the first counties in the country, to respond to these structural issues through the implementation of the County Manager form of government.

## **1934 County Manager Form of Government**

The citizens of Henrico County voted in favor of the adoption of the County Manager form of government, with 56 percent of the 3,006 ballots cast being in the affirmative.<sup>9</sup> As a result of the implementation of the new governmental structure, Henrico County’s Finance Department was subject to extensive changes. In order to reform the scattered fiduciary functions; the offices of the Treasurer, Commissioner of Revenues, and the Land Appraiser were consolidated into the Department of Finance and presided over by the newly created position of the Director of Finance appointed by and responsible to the County Manager.<sup>10</sup> This new structure simplified the department in such a way that the Board of Supervisors could be more directly accountable to the public for the financial management of the County’s revenues.

One of the reasons why the change in governmental structure garnered so much support from the citizens of Henrico was because of articles posted in both the Richmond News Leader and the Richmond Times-Dispatch that were in favor of the county manager form of government.<sup>11</sup> Just days before the referendum on whether to adopt the county manager form of government, the News Leader posted an article which stated that the current form of County government was unresponsive, wasteful,

---

<sup>8</sup> County Manager Government in Henrico, Virginia. Wikstrom, Dr. Nelson. Henrico County. 2003.

<sup>9</sup> County Manager Government in Henrico, Virginia. Wikstrom, Dr. Nelson. Henrico County. 2003.

<sup>10</sup> County Manager Government in Henrico, Virginia. Wikstrom, Dr. Nelson. Henrico County. 2003.

<sup>11</sup> County Manager Government in Henrico, Virginia. Wikstrom, Dr. Nelson. Henrico County. 2003.

and unnecessarily expensive. The article went on to say that with the new form of government the Board of Supervisors would have more comprehensive control over the County's finances due to the increased centralization, keeping public funds more directly in the control of the public.

### **Henrico's First County Manager – Willard F. Day**

On March 6, 1934, the Board of Supervisors appointed the first County Manager of Henrico, Willard F. Day. At the time of the Manager's appointment, a citizen commented on the new form of government and stated that, "Today marked a new day and a new deal for Henrico."<sup>12</sup> Day was successful in implementing the structural reorganization of the Finance Department. Initially he appointed Mr. Walter L. Lawrence, who had been Commissioner of the Revenue, to act as the head of the new department during the transition. Several months later Mr. Day hired J. Allen Gates to permanently fill the position of Director of Finance.<sup>13</sup>



Figure 3 County Manager  
Willard F. Day

As a result of the administrative reorganization of the Department of Finance, the County saved approximately \$14,800 in operating expenses in the two year time period between FY1935 and FY1936. Considering that the \$7,440 savings in FY1935 represented nearly five percent of the entire General Fund Budget that year, this transition was a significant achievement.<sup>14</sup>

Another innovative change to the Department in FY1935 was the implementation of the "Tax Budget Plan," which permitted citizens to pay their taxes in installments. This plan is credited for having significantly reduced delinquent tax bills. Mr. Day also noted in the FY1935 Annual Report that the reorganized Finance Department was able to significantly reduce the amount of County debt.

In 1940, six years after being appointed by the Board of Supervisors, Mr. Day resigned from his position. An article written by Karl Detzer for the National Municipal Review, assessed Day's term as County Manager and emphasized the effect Day's leadership had on the improvement of Henrico's Finance Department. Detzer wrote that during the time period which Day served as County Manager, Henrico County's service levels increased while, Henrico's tax rate remained three percent lower than the rate still under the old form of government.<sup>15</sup> The article attributed the success of the County Manager form of government to Mr. Day having effectively consolidated several departments which abolished useless jobs and substituted business practices for political expediency. Most importantly Detzer noted that the political reform, "Transformed a chaotic, unrelated, overlapping group of offices which collected and spent public funds into a modern Department of Finance."<sup>16</sup>

<sup>12</sup> County Manager Government in Henrico, Virginia, Wikstrom, Dr. Nelson. Henrico County. 2003.

<sup>13</sup> Henrico County First Annual Report for the Year Ending June 30, 1935. Day Willard F Sr.

<sup>14</sup> Henrico County First Annual Report for the Year Ending June 30, 1935. Day Willard F Sr.

<sup>15</sup> County Manager Government in Henrico, Virginia, Wikstrom, Dr. Nelson. Henrico County. 2003.

<sup>16</sup> County Manager Government in Henrico, Virginia, Wikstrom, Dr. Nelson. Henrico County. 2003.

During Day's time as County Manager modern systems in both budgeting and accounting were installed and, as noted above, the amount of tax delinquencies was significantly decreased. Day also set an example of balancing budgets based on conservative principles that has been followed by each of his successors.

## **Annexation**

These improvements were soon to pay important dividends. On June 9, 1941 the Virginia Supreme Court of Appeals upheld a decree of annexation from the City of Richmond. The decision became effective on January 1, 1942, less than a month after the United States began to fight in World War II. The annexation resulted in the loss of 8.29 square miles, which was about three percent of the land mass of the County, and the loss of approximately 47 percent of Henrico's assessed valuation. As a result of the annexation, the County needed to revamp its systems of service delivery, particularly for sewer, water, police, and fire. At that time, it was decided that these changes would be paid for on a pay-as-you-go basis, consistent with Henrico's tradition of fiscal conservatism.

At the time of the annexation, Dr. B. H. Martin, Chairman of the Board of Supervisors, was undaunted about the brightness of Henrico's future as he presciently wrote about his vision of it;

"I envision for Henrico a county and government which will attract and hold a citizenry who will be pleased and happy to live within its confines, where unemployment will be nil and rehabilitation will be its watchword, where crime and truancy will be conspicuous for their absence. This can be accomplished provided every citizen will become a homeowner, voter, and committee of one to be interested in the welfare of all. No government is any better than the personnel that governs: so let us make what is left of Old Henrico Shire that which she was destined to be by the efforts and sacrifices of her founders."

## **Mid Twentieth Century – Rapid Expansion**

The annexation reduced the population of Henrico to approximately 30,000 as of January 1, 1942. Within the next 18 years the number of citizens multiplied by a factor of four to over 117,000. As a result of the rapid population growth, the County needed to expand its services and infrastructure. Henrico County and its Finance Department continued to adapt to the quickly changing environment with great success.



Figure 4 Assessors Reviewing Real Estate Records

Before focusing on some of the more comprehensive changes that occurred throughout the County, which were impactful on the Finance Department, it is important to first focus on some of the structural changes that were specific to the Department. As

Henrico's real estate market expanded, the need to update the function of Real Estate assessment increased. The County's Board of Supervisors reacted to this need with the addition of a permanent Board of Assessors on February 9, 1949. At its creation, the Board of Assessors was authorized to receive all complaints regarding real estate assessments and to review assessments where no complaints were filed.<sup>17</sup> The Board then made adjustments in the cases for which it considered a reassessment to be proper. The Board of Assessors no longer exists, as its function is performed by professional assessors within the Real Estate Division.

Another key addition to the Real Estate Division of the Finance Department was the Board of Real Estate Review and Equalization. This Board was created pursuant to the Acts of Assembly of 1956 and was assigned the tasks of reviewing complaints regarding real estate assessments as well as reviewing the assessments made by the real estate assessors so that the real estate tax burden would be equitably distributed among the property owners of the County.<sup>18</sup> Due to the formation of these two Boards;



Figure 5 Henrico County's School Population Experiences Unprecedented Growth

the County obtained an enhanced ability to maintain up to date appraisals as well as respond to citizens petitions for reappraisals in a more efficient manner. Property owners could now appeal appraisal decisions, first to the Assessor and then to the Board of Real Estate Review and Equalization.<sup>19</sup>

As noted above, one of the major challenges to service delivery in Henrico County through the middle of the 20<sup>th</sup> Century was the exponential population growth that began in the years following the annexation of 1942 and picked up steam as World War II ended in 1945 and the baby boom began.

Henrico quickly morphed from a predominantly rural community to a suburban and even in part urban community in just a few short decades. As a result of the changing demographics in the County the services required by these new residents increased dramatically. The County needed to adjust its functions to meet the needs of a growing residential population. This meant new schools, libraries, and parks, enhancement of water and sewer services, new roads, and an even more robust commitment to public safety. Yet the County's revenue collections were nowhere near those needed to cover the immediate needs of its residents, particularly in the area of education. As Henrico schools became crowded and it became clear that new school facilities would be needed, the County government considered various means of obtaining the revenues required to support this endeavor.<sup>20</sup>

<sup>17</sup> Henrico County Annual Report for Fiscal Year Ended June 30, 1955. Beck, E. A.

<sup>18</sup> Henrico County Annual Report for Fiscal Year Ended June 30, 1957. Beck, E. A.

<sup>19</sup> Henrico County Annual Report for Fiscal Year Ended June 30, 1958. Beck, E. A.

<sup>20</sup> Henrico County Annual Report for Fiscal Year Ended June 30, 1952. Beck, E. A.

Henrico County's leadership initially responded to the situation with the proposal of a Bond Referendum in 1951.<sup>21</sup> On September 21 of that year, when the Bond Referendum for public education did not pass, the Finance Department along with the County's top leadership understood that the citizens did not want to borrow their way out of the situation and acted accordingly, as they began to consider other methods of gaining revenues to meet the escalating service needs.

<b>General Fund Expenditures Growth</b>	
(did not include education, roads and highways, utilities and public assistance)	
<b>FY1952</b>	Approximately \$470,000
<b>FY1960</b>	\$1,586,915
<b>FY1970</b>	\$6,556,943
<b>FY1977</b>	\$22,481,182

Initially, the Board of Supervisors ratified an ordinance which imposed a one dollar capitation tax on all residents 21 years or older, effective January 1, 1952, yet this alone was not enough to alleviate the pressure from the fiscal situation.<sup>22</sup>

In an interview given to the Richmond New Leader by County Manager Beck, who began his tenure as County Manager in 1953, Mr. Beck acknowledged that Henrico urgently needed to identify new financial resources in order to cover the County's growing expenditures. Mr. Beck went on to state that, "This is key to all our other problems. We need to revise our financial structure to provide for this residential living... we need help from business and industry because it is an economic fact that residential property just doesn't carry itself from a tax standpoint."<sup>23</sup> This meant finding ways to collect revenue from commercial development in the County in order to offset the service level costs of residential development. In order to generate enough revenue to cover educational costs the Board of Supervisors adopted a Business and Professional Occupational License (BPOL) tax and enacted a new automobile license charge, and increased the real estate tax rates. These changes cumulatively generated enough revenue to cover the County's financial needs.<sup>24</sup>

The results of these financial adaptations are clear. During the 1950's, 15 elementary schools, along with four middle schools and two high schools were opened. This expansion laid the foundation for the many successes that the modern Henrico County Public School System has achieved. Similar successes in service expansion in this time period can be seen throughout the County's many departments.

## **Technology**

Another major change during this time period which completely altered the functions of the County and the Department of Finance in particular, was the introduction of new technology. The Department of Finance was one of the initial offices in the County to utilize new technology to expedite departmental functions. Due to the massive amount

<sup>21</sup> County Manager Government in Henrico, Virginia, Wikstrom, Dr. Nelson. Henrico County. 2003.

<sup>22</sup> County Manager Government in Henrico, Virginia, Wikstrom, Dr. Nelson. Henrico County. 2003.

<sup>23</sup> County Manager Government in Henrico, Virginia, Wikstrom, Dr. Nelson. Henrico County. 2003.

<sup>24</sup> Henrico County Annual Report for Fiscal Year Ended June 30, 1958. Beck. E. A.

of bills and forms sent out from the Department it followed that Finance would be one of the first to implement new and quicker processes to complete these otherwise time consuming tasks. In fact, many of the processes involving new technology that began within Finance would later expand from the Department through the rest of the County government.

In the mid 1950's County Manager Beck sought to incorporate computer equipment into the County's operations; the Department of Finance was chosen as the first section to utilize the newly acquired computer technology for data processing. In 1958 the Finance Department began renting tabulating equipment on a month to month basis. The tabulating section processed the first payroll checks, tax billing operation (real estate, tangible personal property, and state capitulation taxes), utility billing and voting lists as well as other types of data processing.



Figure 6 Part of the Tabulating Section

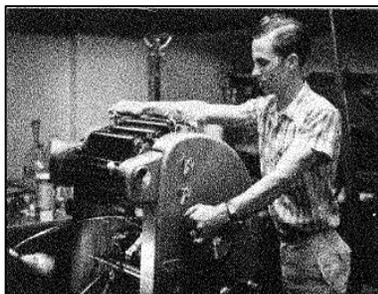


Figure 7 The Printing Shop's Offset

The County government's printing function was also initially utilized within the Finance Department although it was later sectioned off as the print shop became more expansive. The County was able to achieve significant savings at the print shop's introduction. With its initiation in the Finance Department, the print shop was utilized to produce forms and printed matters of various types for all departments of the County.

Sadly, it should also be noted that in April of 1953, Mr. Gates, who had directed the Department of Finance since the inception of the County Manager form of Government, passed away. He was replaced by Mr. Albert Q. Corbett, who served the citizens in that capacity until 1967.

### **Continued Growth**

The rapid development of Henrico continued throughout the 1960's and 1970's as the County became firmly established as a community of choice in the region. The total value of assessed property, which had been measured at \$29.0 million in 1944, grew to over \$3.3 billion in 1980. This was an astronomical increase of over 100 fold in just 36 years. This increase in the value of property within the County went far to support the expansion of services while lowering tax rates. Budgetary revenues grew from a total of \$13.0 million in 1960 to \$148.0 million in 1980, meaning that revenues were doubling about every six years. A total of 19 new schools, including five high schools were opened between 1960 and 1980, while the tax rate on real estate was lowered four times between 1973 and 1980, with the total change having been from \$1.20 to \$0.98 per \$100 of assessed value. This stands as a remarkable accomplishment, having

occurred during a nation-wide era of rapid inflation and high interest rates, which created great difficulties for the American dream of homeownership.

Perhaps in keeping with the frenetic pace of the County's activities, there were frequent changes at the helm of the Finance Department during this time period. Edward G. Heatwole served in the capacity from 1967-1977, followed by Cecil F. Jones in 1977, Clark D. Martin in 1978, and George E. Supensky in 1979.

In 1977, Henrico County received a bond rating of AAA from both the Moody's and Standard and Poor's rating agencies, becoming one of the first counties in the nation to receive this highest possible bond rating. In 1998, the newest bond rating agency – Fitch – recognized the County's financial excellence with an identical rating. Henrico has maintained these gilded bond ratings continuously in the time since they were first issued.

### **The Late 20<sup>th</sup> Century**

The 1980's began with a severe recession that had a tremendous impact on the finances of local governments throughout the nation, with Henrico being no exception. In the midst of that recession, in his message to the Board of Supervisors that accompanied his budget proposal for Fiscal Year 1981-82, County Manager Frank A. Faison was compelled to recommend the abolishment of 168 positions, 113 of which being filled, as well as the use of most of Henrico's General Fund Balance, in order to balance the Annual Fiscal Plan.<sup>25</sup>

The economy rebounded soon after, and the finances of the County showed quick improvement. As a result, governmental revenues in Henrico grew by 150 percent between 1980 and 1990, and an additional 81 percent in the decade that followed. This growth in revenues was again spurred by tremendous advances in the valuations of real property, which increased by 175 percent in the 1980's and 65 percent during the 1990's.

In January of 1992, Mr. Virgil R. Hazelett was unanimously appointed to succeed William F. LaVecchia and serve as Henrico's seventh County Manager. A position that he continues to hold as the County commemorates its 400<sup>th</sup> anniversary in 2011. Mr. Hazelett's tenure in the position has been characterized by his commitment to adhering to Henrico's tradition of fiscal discipline, and providing a minimal tax burden on its citizens.

Real estate tax rates were lowered once again in both 1996 and 1997 and ended the century at 94 cents per \$100 of valuation. Personal property tax rates were lowered as well during this time period.

In the early 1980's, the Department initiated use of a new Financial Management System. The Financial Accounting Management Information System (FAMIS) went live

in the early 1980's and served Finance's informational needs for nearly a quarter of a century.<sup>25</sup>

Mr. Michael D. Rogers took over the reigns of the Finance Department in 1983. He was followed by Mr. Dennis M. Kerns in 1991, Mr. W. Forrest Matthews in 1997, and Ms. Reta R. Busher in 2001.

## **The New Millennium**

The first several years of the new millennium were shaped by robust growth in the values of real property throughout Henrico as with most of the Commonwealth. Though few saw it at the time, a bubble in the real estate market was forming. Fortunately, Henrico's leadership honored the County tradition of fiscal conservatism and distinguished themselves from their peers in ways that would pay off handsomely for their community.

In cooperation with Henrico's School Board, which had transitioned from being an appointed body to having elected members in November of 1995, a plan was set in place to finance the acquisition and modernization of many County facilities. In November of 2000, County voters approved a \$237.0 million bond referendum. Among the projects that were authorized were new schools, improvements to existing schools, new fire stations, new park and library facilities, and the John Rolfe Parkway, along with other road improvements.

Henrico's leadership was able to accommodate the additional operating costs of these new facilities along with the added debt service costs without increasing tax rates. This was accomplished in part by placing a cap of 5.0 percent on the growth of ongoing expenditures.

On March 8, 2005, the citizens of Henrico approved a \$349.3 million bond referendum, bringing the total bonded debt approved within a five year period to \$586.3 million. Of this total, \$390.5 million, or 66.6 percent was allocated for school improvements. Notable projects in this referendum included the Gayton Road extension, the Varina Library, and the Eastern Henrico Recreation Center, as well as numerous new and improved school facilities and fire stations.

The cumulative effect of the passage of these bond referenda and the 5.0 percent cap on expenditure growth allowed Henrico to make dramatic improvements on its infrastructure while gradually lowering real estate tax rates from \$0.94 in CY2004 to \$0.87 in CY2007. These improvements have allowed the County to continue to stand out from its peers in terms of the facilities that it provides for Henrico's citizens. The tax rate decreases in 2005, 2006, and 2007 brought the total number of tax cuts under Mr. Hazelett's tenure as County Manager to five.

---

<sup>25</sup> Henrico County Annual Fiscal Plan - Fiscal Year 1981-1982, Page xii

In the Spring of 2007, as housing values were still rising sharply, John A. Vithoulikas, who was soon to take over for Ms. Busher and become Henrico's eleventh Director of Finance, gave a presentation to County employees in which he warned of troubling trends among high risk subprime borrowers in the home mortgage market. That statement from Mr. Vithoulikas showed that the County's leadership was prepared to respond quickly and deftly if the trend worsened.

The subprime mortgage situation did worsen, both quickly and severely, with its effects spreading to the economy as a whole. Within less than a year, Qimonda and Circuit City, two of the County's largest employers and tax payers were shut down. Unemployment rates within Henrico, as well as throughout the region and Commonwealth spiked. Nearly every source of revenue that supported the functions of the County's government was diminished. However, through its foresight and prudent fiscal approach, Henrico was able to enter into the Great Recession with more preparedness than many of its peers. What follows is a list of some of the additional measures that were taken by Henrico's financial leaders in advance of the economic crisis:

- Moved all of the County's funds away from any sort of risk, well in advance of the mortgage-backed security meltdown that occurred in the summer and autumn of 2008. Also at this time, the Department of Finance changed its banking provider to assure that its liquid assets were kept with an institution that had far less exposure to mortgage-backed security defaults.
- In the Spring of 2008, with the support of its citizens, changed addresses from Richmond, Virginia to Henrico, Virginia. This allowed Henrico to receive tax revenues that had been previously been misclassified by the State government.
- Constructed a very aggressive community development authority (CDA) for building public infrastructure at the Short Pump Town Center. In this CDA, \$25.5 million was used to finance infrastructure projects such as entrance roads and storm water management for the site. This CDA paid huge dividends, as it was paid off in five years, and then added at least \$8.0 million in incremental revenue growth in FY2010, during the heart of the Great Recession.
- During the securities crisis that traversed the economy between late 2008 and early 2010, Henrico's rock-solid financial structure became very attractive to investors. The County acted boldly and was able to restructure its bonded debt to extremely favorable terms. The County saved nearly \$18.0 million by taking this step.
- Initiated an expansive hiring freeze that saved salary dollars without the need for layoffs, as staff innovated and successfully maintained service levels. In total, the County's revenues decreased by \$91.5 million over a two year span. Through the foresight of Henrico's leaders, the County was able to maintain the high quality of service levels that its citizens have come to expect, and that have made this

community a destination of choice, while not raising the tax rate or laying off any employees.

The Finance Department, which had been born out of the needs of the Great Depression; the need to be efficient, responsive, and nimble, had remembered the lessons learned at the time of its founding, and responded successfully during the modern time of crisis.

## **Appendix A**

### **Finance Mission Statement**

The Mission of the Department of Finance is to promote excellence, quality and efficiency by enhancing the ability of our employees to serve our internal and external customers in an outstanding manner. We will strive to promote a considerate, positive and informed workforce.

### **2011 - Divisions of the Department of Finance**

#### **Accounting Division**

One of the main responsibilities of the Accounting Division is to prepare the Comprehensive Annual Financial Report (CAFR) for each fiscal year ending June 30th. The County of Henrico financial report includes all funds and account groups of the "primary government."

#### **Office of Management & Budget**

The Office of Management & Budget (OMB) is responsible for preparing and managing the County's annual fiscal plan, or budget.

#### **Revenue Division**

In the County Manager form of government in Henrico County, the Revenue Division performs the functions usually found in the constitutional office of the Commissioner of the Revenue.

#### **Treasury Division**

The Treasury Division is responsible for issuing tax bills and for collecting taxes and other amounts due to the County.

#### **Real Estate Division**

The Real Estate Division maintains the county land book and performs assessments for tax purposes of all real estate in the County.