# HENRICO COUNTY

# VIRGINIA


## Approved Annual Fiscal Plan & Capital Budget
## Includes Summary of 5-Year
## Capital Improvement Program
## Fiscal Year 2012-13

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COUNTY OF HENRICO, VIRGINIA

GOVERNMENT FINANCE OFFICERS ASSOCIATION

# *Distinguished Budget Presentation Award*

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## Virginia

For the Fiscal Year Beginning

**July 1, 2011**

Linda C. Davidson Jeffrey R. Esser

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# COUNTY OF HENRICO

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COUNTY OF HENRICO, VIRGINIA

# COUNTY OF HENRICO

## *OUR MISSION*

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

## *OUR VALUES*

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

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

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

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

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

Virgil R. Hazelett, P. E.
County Manager

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# *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.

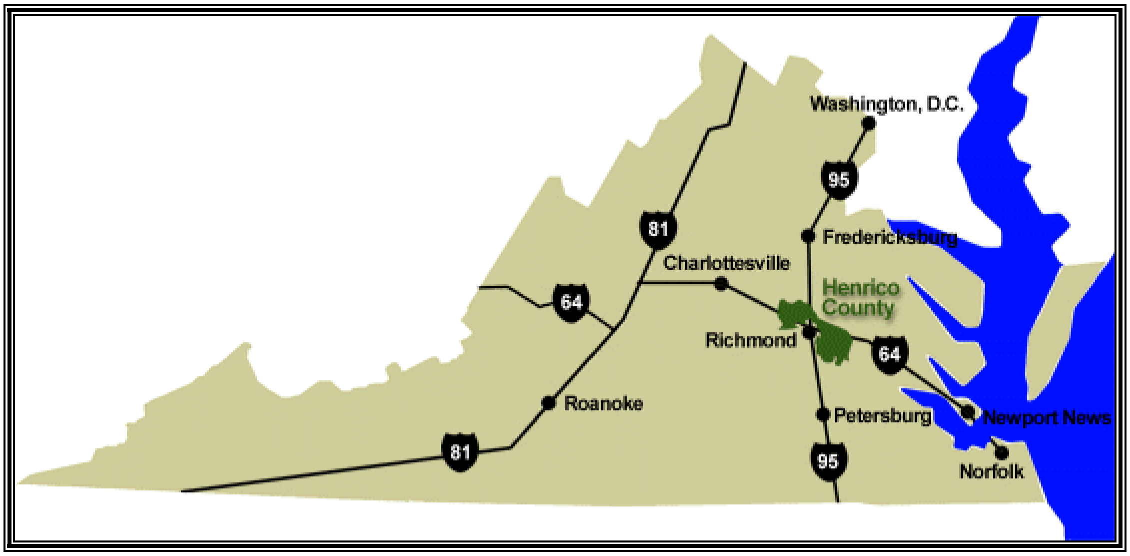
In 1776, Henrico representatives Richard Adams and Nathaniel Wilkerson participated in the Fifth Virginia Convention, which voted to send delegates to the Continental Congress to propose separation from the British. That proposal led to the Declaration of Independence. In 1788, seven years after the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

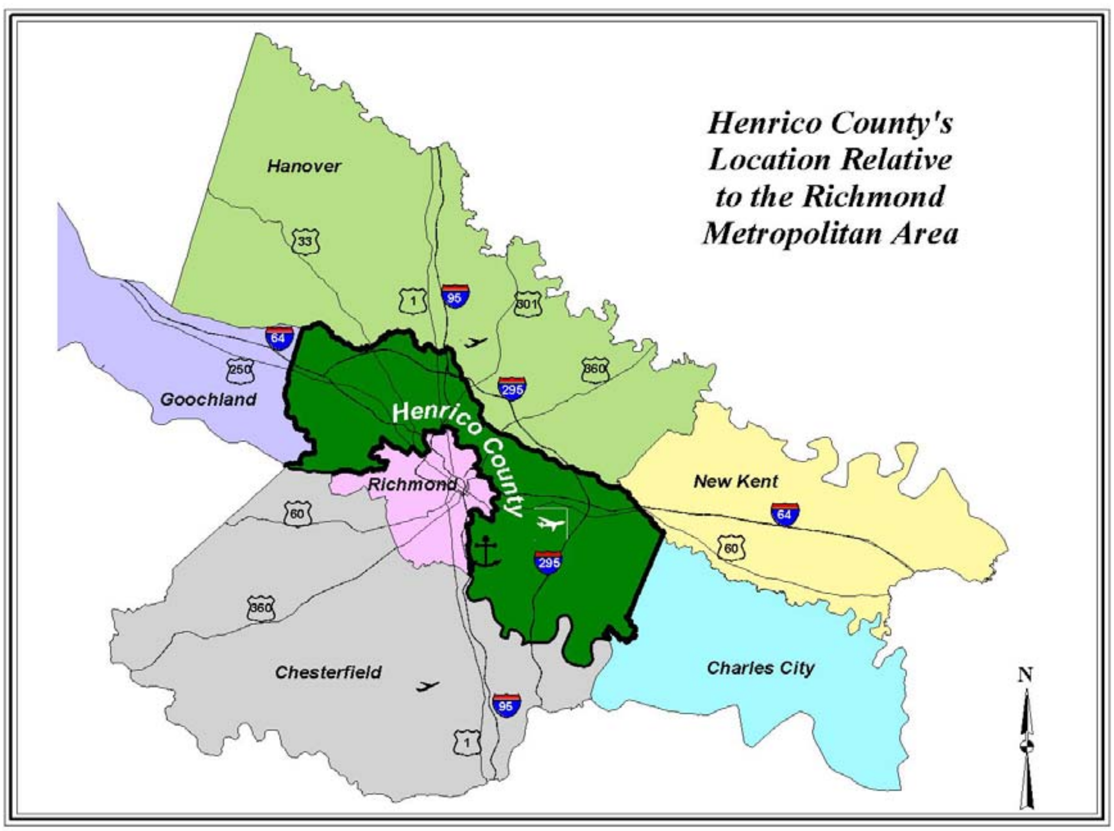
Today, bordering the City of Richmond on the west, north and east, the County of Henrico lies between the James and Chickahominy rivers, and constitutes approximately a third of the Richmond Metropolitan area. More than 300,000 Henrico County residents live in a well-planned community of 244.12 square 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.**

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COUNTY OF HENRICO, VIRGINIA

# GUIDE TO USING THIS DOCUMENT

This document represents the Approved 2012-13 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 FY2012-13 Budget. The tables presented in this section identify the sources of funding and requirements for all of the County's funds by department.

**General Fund:**
As prescribed by the State Auditor of Public Accounts, Henrico County has chosen to organize its General Fund expenditures by function with a summary narrative for each department. The narrative provides information about the department's major objectives, operational plans, the number of authorized positions, and a breakdown of expenditures by personnel, operating, and capital allocations. Personnel expenditures include all salary expenses and corresponding benefits such as FICA, VRS, health insurance, and life insurance. Capital Outlay expenditures are purchases of fixed assets with a life expectancy greater than two years. Operating expenditures are all other recurring expenses needed for department operations.

**Special Revenue Fund:**
The Special Revenue Fund section accounts for the resources obtained and the legally restricted expenditures relating to State and Federal Grants, the Utility Department's Solid Waste and Street Light operations, and the School Cafeterias. The format of this section is similar to that of the General Fund section. A summary narrative is provided for each program with information about its objectives and service levels. The program budget is broken down by personnel, operating and capital outlay expenditures; and the personnel complement is provided where applicable.

**Enterprise Funds:**
The Enterprise Funds section accounts for operations that are funded and operated in a manner similar to private business enterprises. The intent of the County is to recover the cost of providing services to the general public through user charges. The Enterprise Funds include the Water and Wastewater Utility operations and the County-owned golf course.

The Water and Sewer Enterprise Fund accounts for the provision of water and sewer services to residents of Henrico County, and wholesale service to Hanover and Goochland Counties. The Belmont Park Golf Course Enterprise Fund accounts for the operations of Belmont Park Golf Course. All activities necessary to provide such services are accounted for in the respective funds, including operations, maintenance, construction, financing, and the related debt service.

**All Other Funds:**

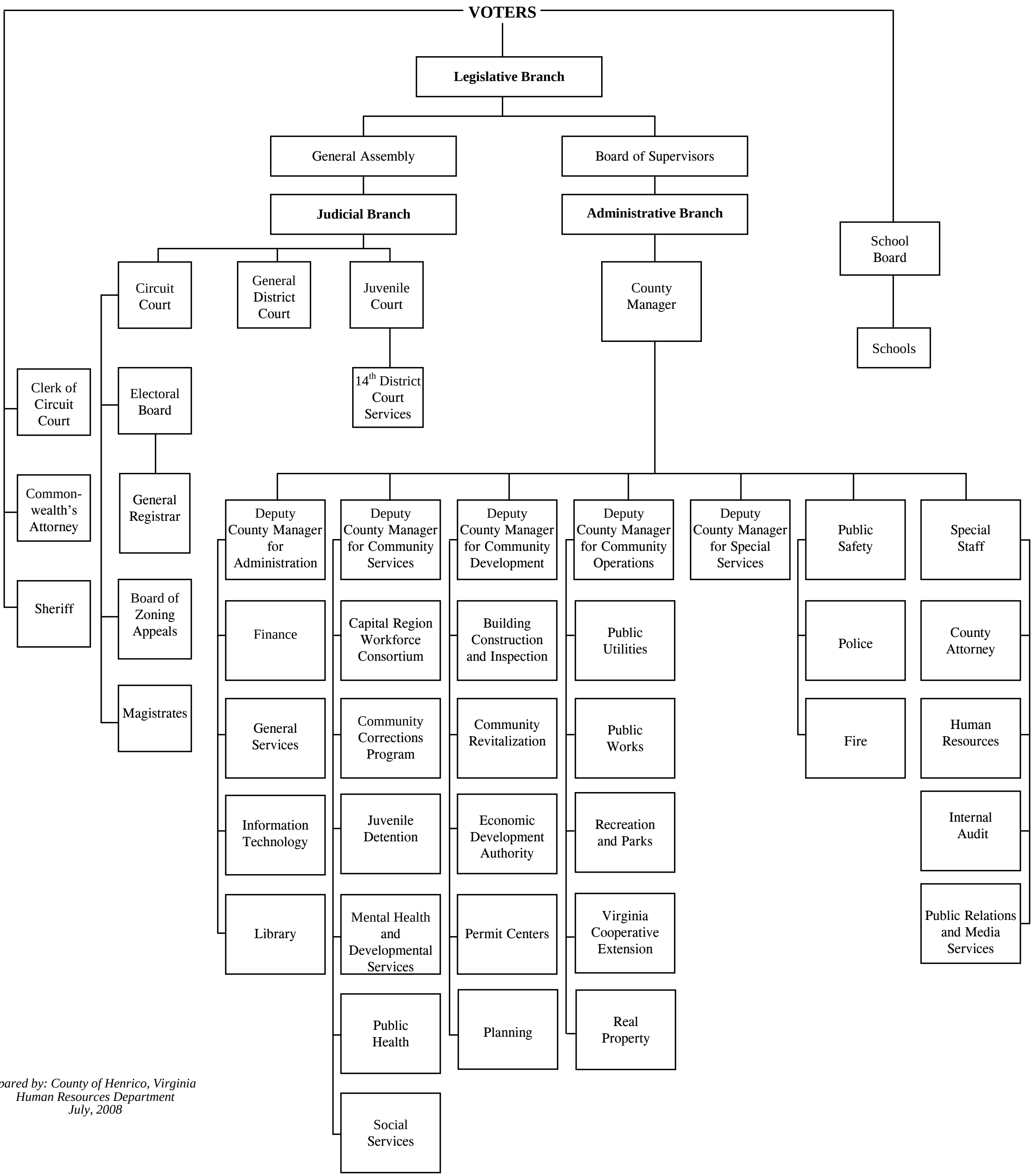
This section includes information on the County's four Internal Service Funds, as well as the Debt Service Fund and the Agency Fund. The Internal Service Funds include the County's Central Automotive Maintenance operations, the Technology Replacement Fund, the Risk Management Fund, and the Healthcare Fund. A description of the County's Debt Service Fund is provided in addition to more detailed information about principal, interest, and other debt expenditures. A summary of the County's outstanding general long-term debt obligations at year-end is also presented. The Agency Funds account for the revenues and expenditures of the James River Juvenile Detention Center, the OPEB-GASB 45 requirement, and the Line of Duty Fiduciary Fund.

**The Capital Improvement Program:**

The FY2012-13 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




*Prepared by: County of Henrico, Virginia*
*Human Resources Department*
*July, 2008*

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COUNTY OF HENRICO, VIRGINIA

**COUNTY OF HENRICO, VIRGINIA**
**APPROVED ANNUAL FISCAL PLAN 2012-13**
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# INTRODUCTION

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Virgil R. Hazelett, P.E.
County Manager

COMMONWEALTH OF VIRGINIA

# COUNTY OF HENRICO

July 1, 2012

The Honorable Board of Supervisors
County of Henrico
Virginia

Honorable Members of the Board:

Enclosed is the Approved Annual Fiscal Plan for FY2012-13, including both the operating and capital budgets, that were approved by the Board of Supervisors at the April 24, 2012 meeting. Included in this document is the one change made by the Board to the County Manager's proposed budget the week of Legislative Budget Reviews. As approved on April 24, 2012, $18,363 has been added to the Public Relations and Media Services budget to allow for the continuation of quarterly Henrico Today publications, and the same amount was removed from the County Manager's Reserve for Contingencies within the Non-Departmental area of the General Fund budget. These changes were made without increasing the total operating 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 Annual Fiscal Plan for FY2012-13.

Respectfully submitted,

Virgil R. Hazelett, P.E.
County Manager

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COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

Virgil R. Hazelett, P.E.
County Manager

March 13, 2012

The Honorable Board of Supervisors
County of Henrico
Virginia

Honorable Members of the Board:

I am pleased to submit to you the Proposed FY2012-13 Annual Fiscal Plan for the County of Henrico. As we enter the sixth year of this economic downturn, I cannot help but be amazed at all that this County has accomplished in spite of unprecedented declines in resources. With your steadfast guidance, Henrico remains one of the few localities in the Commonwealth, and the country for that matter, that has balanced each and every budget in this economic downturn without significant service delivery reductions, without raising taxes on its citizens and businesses, and without laying off one employee. In spite of the unprecedented challenges the FY2012-13 budget process has presented, <u>the plan before you does not deviate from this ideology</u>.

As we have discussed on several occasions, this budget process began with a $53.6 million General Fund budget shortfall, easily the largest budget gap in my twenty years as County Manager. Achieving a balanced budget in FY2012-13 without significant impact to service delivery efforts and without layoffs has required significant budget reductions across the board. It has also required a number of budget reduction strategies that have never before been considered in Henrico County. More specifically, the following <u>unprecedented</u> budgetary decisions have been made in this budget:

- In addition to a 2.0 percent vacancy savings rate applied to all General Government departments in the FY2012-13 Proposed Budget, the County will offer a <u>one-time voluntary retirement incentive</u> to 1) all full-time Henrico County employees who will have met all eligibility requirements for full retirement through the Virginia Retirement System no later than September 1, 2012; and 2) who choose to retire during the period of July 1, 2012 through September 1, 2012. Employees who are eligible for the Henrico County Retiree Supplement that elect to participate would receive a cash payment equivalent to 10.0 percent of the employee's annual base salary, and a monthly healthcare supplement amount double the current rate of $3.00 per full year of service to $6.00 per full year of service for the first five years from their retirement date. Employees who are not eligible for the Henrico County Retiree Supplement that choose to participate would receive a cash payment equivalent to 15.0 percent of the employee's annual base salary.

- Henrico County's internal policy of maintaining an undesignated fund balance equivalent to 18.0 percent of General Fund expenditures will be lowered to 15.0 percent of General Fund expenditures at fiscal year-end June 30, 2012. Expected one-time "savings" of more than $22 million will be applied to a Vehicle Replacement Reserve within the Capital Budget, which will

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fund replacement police vehicles, fire apparatus, and school buses for at least the next three fiscal years.

- Technology replacement allocations within each participating General Government department, totaling $1.7 million, have been completely removed from the respective departmental budgets. In the FY2012-13 Proposed Budget, the $2.9 million appropriation in the Technology Replacement Fund will be funded utilizing Technology Replacement Fund Balance, which could be sustained for the next three fiscal years with existing Fund Balance levels, if necessary.

- In addition to these unprecedented budgetary decisions, 26 positions across a number of General Government departments have been "unfunded" and placed into the County's "hold complement" for future allocation. Further, targeted operating and capital outlay reductions have been made across all General Government departments.

- Within the Education budget submitted by the School Board:

    - $11.0 million in one-time funding has been utilized to balance Education's budget in an effort to minimize classroom disruption and avoid layoffs of existing staff. Using one-time funds in the budget means that the County will need to generate adequate incremental revenue and/or additional cost savings in FY2013-14 in the amount of $11.0 million simply to make Education "whole" in the next budget process.

    - The VRS rate for teachers has been assumed at a level reflecting the average of the lower VRS rate in the House Appropriations' budget submission, the higher VRS rate in Senate Finance's budget submission and in the Governor's Proposed 2012-2014 Biennial Budget.

    - Contracts for newly hired school bus drivers will be reduced from the two existing bus driver contracts - 186 day/7 hours per day and 202 day/8 hours per day - to a standard 183 day/6 hour per day contract.

    - Centralized school bus parking locations are being established across the County to significantly reduce "deadhead miles." This initiative includes aggressively reducing the number of take-home buses, eliminating a significant amount of bus mileage and yielding significant savings in the areas of diesel fuel and automotive maintenance.

    - In addition to these unprecedented budget reduction strategies, Education has also achieved additional budgetary savings in the following areas:

        - Post Retirement Earnings Program (PREP) benefits for retired Schools employees have been restructured for the second consecutive fiscal year.

        - A total of 58.1 FTE will be eliminated in FY2012-13 through attrition. Included in this figure are 19.6 central office and other professional positions, 28.5 instructional positions necessary to increase the pupil-teacher-ratio (PTR) by 0.25, and 10.0 Exceptional Education instructional positions due to declining enrollment. Partially offsetting this reduction in FTE is the addition of 10.0 teachers into a "teacher reserve" for future classroom adjustment.

        - Across the board operating reductions have been applied to all Education departments.

In spite of the difficult reductions recommended in this Proposed Budget, Education and Public Safety clearly remain the top funding priorities. In regards to Education, of the $53.6 million General Fund budget shortfall, $27.6 million was allocated to General Government and $26.0 million was allocated to Education, in spite of Education funding representing more than 54 percent of the total General Fund budget in FY2011-12. Further, in total, the General Fund budget is declining just under $8.4 million. However, funding for Education is actually increasing $300,000 in the FY2012-13 Proposed Budget, compared to a decline of nearly $8.7 million for General Government departments. As a result, the percentage of the total General Fund budget allocated to Education is increasing from 54.3 percent to 55.0 percent in the plan before you. In addition, with the creation of the Vehicle Replacement Program within the Capital Budget, as noted above, Education is being allocated $2.5 million for the replacement of school buses, an item that was removed from the budget in a previous year as a cost savings measure.

In looking at the area of Public Safety, the General Fund budget is declining $3.2 million in the FY2012-13 Proposed Budget. However, when you add back Police's vehicle replacement program and Fire's apparatus replacement program, which will continue to be funded outside of the operating budget, Public Safety would reflect a net increase of just under $900,000. Clearly, Public Safety and Education remain the top priorities of the Board of Supervisors, and these priorities have been reflected in the plan before you.

Further, it must be noted that the plan before you may change, depending on any fundamental changes made by the General Assembly to the Governor's Proposed 2012-2014 Biennial Budget or any other approved bills that would harm localities. In reviewing the budget submissions from both Houses' finance committees, it is highly likely that aid to localities will actually exceed the Governor's budget proposal. However, the legislation that gives me the greatest concern in regards to the plan before you is Senate Bill 497, which would prohibit localities and school divisions across the State from picking up the 5.0 percent VRS employee rate. Employees would be required to pay that cost, and localities would be required to pass on at least a 5.0 percent salary increase to partially offset this cost to employees. Staff has diligently reviewed this bill, and has determined that for Henrico County to implement this bill without impact to employee salaries would require a County cost of nearly $8.0 million – General Government and Schools – due to the cost of salary driven benefit costs. I hope it's clear by now that Henrico does not have $8.0 million available to apply towards this mandate, should it be approved. Again, this is the one outstanding bill in the 2012 General Assembly that continues to concern me.

With the exception of the utilization of one-time funds in the area of Education, all of the budget reduction strategies noted above are sustainable for at least the next three fiscal years. This is critical as we continue to slowly ascend from the depths of this economic downturn. Even in the face of a $53 million budget shortfall, we must not close our eyes to what lies ahead. The FY2013-14 budget process may likely be just as challenging, if not more challenging, than the budget process in which we currently find ourselves. Revenues aren't expected to recover significantly as real estate will likely continue its struggle, and a number of incremental fixed costs have already been identified, such as operating costs for new facilities and making Education "whole" after using $11.0 million in one-time funds in the plan before you. Further, we have very little to no flexibility remaining in the operating budget for further expenditure reductions with this being the County's fourth consecutive fiscal year of cost reductions. Further operating budget reductions will require a reduction in services, reducing the number of existing employees, and/or revenue enhancements.

In addition to the known fixed costs forthcoming, I must remind the Board of Supervisors that a very large - and very real - expenditure is on the horizon that must be funded. We are at the point where it is critical that we begin the process of replacing the County's 800MHz radio system, an expenditure that is currently estimated at more than $37 million. This system is the backbone of the County's communications network, notably in the area of Public Safety. The current system is now nearly 13 years old, and because of its age, system maintenance support and replacement components will significantly dwindle in the near future. The current goal is to have a fully functional replacement system by late 2016. Staff is currently working on a funding plan that will likely include a combination of cash and debt financing. A needs assessment will soon be underway, and more detail will be provided to the Board of Supervisors when the assessment is completed.

**Where We Are and Where We've Been**

In this economic downturn, virtually every single General Fund revenue source has been impacted, particularly the two largest funding sources, real estate tax collections and aid from the Commonwealth, which combined, account for approximately two thirds of total General Fund revenues. Estimated General Fund revenues in this FY2012-13 Proposed Budget total just under $825 million, more than $22 million less than the amount collected in FY2006-07. In other words, Henrico County is currently operating with less revenue than it collected six fiscal years ago. In these six years, the County has opened 43 new or newly renovated facilities that received incremental operating costs, including new schools, new parks, a new library, new fire stations, as well as a number of renovations and additions. In fact, these 43 facilities alone required $55.3 million in new operating costs in the General Fund – funding for staff, utilities, etc. That's just one example of the service delivery enhancements and initiatives this County has undertaken over the past six years, particularly in the areas of Public Safety and Education. All of these initiatives required incremental expenditures, and incremental expenditures require a revenue source. Yet, the County operates with substantially less revenue than before these initiatives began. I often find myself asking how we've balanced each and every budget in this time period without harsh budgetary actions. And every time, I come back to the same answer – fiscal stewardship.

Entering the economic recession that began in December 2007, Henrico County was better prepared for the subsequent fiscal impact of an economic downturn than most municipalities in the Commonwealth of Virginia, if not the country as a whole. The fiscal management and foresight of this Board of Supervisors over the years has paid significant dividends as we have navigated through this downturn. Since FY2001-02, Henrico has capped continuing operating expenditure growth at five percent annually, even during the periods of strong economic expansion and real estate growth. This capping of expenditures allowed the County to conservatively estimate revenues, which proved to be critical when General Fund revenues began declining as the County was afforded the opportunity to "true up" revenues rather than reduce expenditures dollar-for-dollar with declining revenues. Henrico County positioned itself prior to the recession as the "leanest of the lean." With the sizable reductions made over the past four fiscal years, Henrico County is that much leaner. In fact, including the $53.6 million budget gap that is being covered in the FY2012-13 Proposed Budget, the County has absorbed or trimmed more than $96 million in expenditures from the budget – General Government and Education combined – since FY2010-11. To summarize the actions taken over the past three fiscal years:

- Within General Government, 169 vacant positions have been either eliminated or "unfunded" and moved to the County's hold complement. In addition to these positions, at this writing, more than 200 positions remain vacant due to the hiring freeze that has been in effect since October 2008.

- In addition to the General Government positions, Education has eliminated 207.6 vacant positions through attrition over the past three fiscal years. Including the 169 General Government positions, a total of 376.6 vacant positions have been eliminated or unfunded in the past three fiscal years in the County's complement.

- In addition to vacant positions being eliminated, the County instituted a "vacancy savings rate" to capture expenditure savings due to annual attrition. Further, as noted above, a proposed retirement incentive is being recommended to capture additional vacancy savings next fiscal year.

- Both General Government and Education have applied across-the-board operating reductions for four consecutive fiscal years. These reduced expenditures were mostly the result of departments "changing how Henrico does business," and finding efficiencies and cost savings in every possible aspect of their respective operations.

- More than $280 million in outstanding debt has been refunded since 2009, achieving nearly $18 million in debt service savings over the life of the bonds.

- Technology replacement costs were reduced significantly from FY2009-10 to FY2011-12, and then eliminated completely in FY2012-13. Technology replacement schedules have been expanded to maximize the usage of existing equipment. In addition, Information Technology has meticulously reviewed the County's telecommunications costs and has saved more than $1.0 million annually by finding and recommending efficiencies in this area.

- Travel and tuition costs have been removed from all departmental budgets, with the exception of the budget for Countywide training programs. There remains a reserve account with a balance dedicated to travel and tuition – in which I must approve every request.

- The County's Energy Reduction and Environmental Sustainability Program has yielded permanent cost savings in the County's utility costs – both General Government and Schools.

- Central Automotive Maintenance (CAM) has implemented an initiative to downsize vehicles when acceptable as they are being replaced, saving one-time capital costs in addition to gasoline costs. In addition, departments have been encouraged to "turn in" underutilized motor pool vehicles.

- As noted above, the FY2012-13 Proposed Budget recommends an internal Fund Balance policy change, and a Vehicle Replacement Reserve has been created to remove a number of vehicle replacement requirements from the operating budget as a budget balancing tool.

- Education is utilizing one-time funds to avoid staff layoffs and is making fundamental changes to its transportation system and early retirement program.

There are a number of other targeted operating budget reductions that have been made throughout this economic downturn. The initiatives this County has undertaken to reduce costs have required an incredible effort on behalf of all County and Schools staff. We have done everything we can possibly do and cut everywhere we can possibly cut. County departments cannot reduce resources any further and continue to provide the current level of services. If the County doesn't achieve adequate revenue growth in FY2013-14 to cover its fixed cost increases, <u>there are simply no more options outside of significant service reductions, elimination of existing staff, and/or consideration of a tax rate increase or other revenue enhancement</u>.

**<u>Breaking Down the $53 Million Budget Gap</u>**

Unlike many localities across the State, Henrico County made a pointed decision to continue issuing debt and continuing construction projects throughout this economic downturn, in spite of the associated incremental operating and debt service costs. This decision has proven to be beneficial for a number of reasons: 1) interest rates have remained at historic lows and the County's triple-AAA bond rating has yielded the lowest true interest costs on record; 2) construction bids have been exceptionally generous in this time period; 3) continuing these construction jobs have kept people employed in one of the hardest impacted sectors of the economy; and 4) Henrico County has better positioned itself for future growth. In addition, I feel that the County had a moral obligation to the citizens of Henrico County to complete the projects that were voted on and approved on the March 2005 G.O. Bond Referendum. While the decision to continue the County's capital improvement program has a short-term cost, the long-term benefits will prove to be invaluable. In FY2012-13, there are significant fixed costs that must be addressed that arise from the continued building of County infrastructure, specifically in the areas of debt service and incremental operating costs for new facilities.

The County's $53.6 million budget shortfall that was addressed in this budget process was generated solely by fixed cost increases, as there is inadequate revenue growth - to say the least - to cover the incremental costs present in the FY2012-13 Proposed Budget. Overall, General Fund revenues are actually increasing in the plan before you, albeit by only $3.2 million, and that figure is misleading as it includes $5.5 million in one-time Federal Jobs Funds for Education. However, fixed cost increases far outpaced the minute increase in revenues. The following fixed cost increases were addressed in the FY2012-13 Proposed Budget:

- In the Governor's Proposed 2012-2014 Biennial Budget, the recommended VRS employer rate for teachers was increased from 6.33 percent in FY2011-12 to 11.66 percent in FY2012-13, an increase of more than 84 percent.

- On the General Government side, the VRS employer rate has increased from 12.16 percent in FY2011-12 to 14.98 percent in FY2012-13, an increase of more than 23 percent.

- The VRS Group Life rate is increasing from 0.28 percent in FY2011-12 to 1.19 percent in FY2012-13, a 325 percent increase. This cost increase impacts both General Government and Education.

- In FY2011-12, $10.2 million in incremental operating costs for new facilities was funded from the Revenue Stabilization Reserve, which must be funded with current revenues in FY2012-13.

- The FY2012-13 Proposed Budget addresses the increased cost of healthcare benefits for employees, which increased in calendar year 2012.

- Debt service costs are increasing $6.1 million in FY2012-13, due to the $66.1 million G.O. Bond issue in August 2011.

Fixed cost increases combined with a zero or negative revenue growth environment requires expenditure reductions. County and Schools staff have worked meticulously in doing just that. Everyone is doing more with much less.

**<u>Global Revenue Assumptions</u>**

- The County continues to utilize the most up-to-date sales information in determining the assessed values of real estate and this remains the case as assessed values are based on sales information as of the end of calendar year 2011. Using the most recent sales data has resulted in an overall reduction in real estate market value of more than $1.0 billion or 3.3 percent in 2012, the third consecutive year of overall declines.

- As in the past, the revenue estimates in the Proposed Budget have been prepared with extreme caution. This is particularly the case for estimates of our elastic revenue sources such as Local Sales Tax, Business and Professional License Tax, Business Personal Property Tax, as well as fees received from new building permits. Currently, local sales tax receipt are relatively flat after a strong showing in FY2010-11. Individual personal property valuations and BPOL receipts are expected to increase slightly in FY2011-12 due to an overall increase in vehicle valuations and increased economic activity. Through December 2011, structure and equipment permit revenues reflected an increase of more than 74 percent for the fiscal year, as compared to the same time period the previous fiscal year. The Proposed Budget before you includes an overall increase in elastic revenues as a result of the growing economy, but we must prepare revenue estimates with cautious optimism – therefore, projections of these revenues have been estimated very conservatively. As always, these elastic revenues will continue to be monitored closely and adjustments will be made, if necessary.

- Estimated State revenues are balanced to the Governor's Proposed 2012-2014 Biennial Budget. At this writing, it appears that the budget amendments developed by both General Assembly Houses' finance committees would provide additional funding for localities, over and above the Governor's Proposed budget. That being said, we must remain extremely cautious in projecting these resources at the local level, as revenue estimates at the State level continue to be fairly aggressive. In addition, there are a number of other bills outside of the budget still being considered that could impact localities fiscally.

## THE FY2012-13 PROPOSED ANNUAL FISCAL PLAN:

The total recommended Operating Budget for the General Fund is decreasing $8,369,447 or 1.1 percent as compared to the FY2011-12 adopted budget. Including all funds, the Operating Budget totals $1,047,222,937, which reflects an increase of $3,491,343 or 0.3 percent. The total Proposed Budget is illustrated in the table that follows.

### FY2012-13 Proposed Budget (Expenditures)
### All Funds

| General Fund: | FY2011-12 Approved | FY2012-13 Proposed | Dollar Change | Percent Change |
|---|---|---|---|---|
| General Government Admin. | $ 55,759,533 | $ 55,362,271 | $ (397,262) | (0.7%) |
| Judicial Administration | 8,049,983 | 7,761,951 | (288,032) | (3.6%) |
| Public Safety | 155,821,049 | 152,642,617 | (3,178,432) | (2.0%) |
| Public Works | 35,765,565 | 35,504,297 | (261,268) | (0.7%) |
| Health & Social Services | 20,180,869 | 16,250,691 | (3,930,178) | (19.5%) |
| Education | 403,750,000 | 404,050,000 | 300,000 | 0.1% |
| Recreation, Parks & Culture | 33,257,069 | 32,432,295 | (824,774) | (2.5%) |
| Community Development | 19,058,975 | 19,762,124 | 703,149 | 3.7% |
| Miscellaneous | 12,018,323 | 11,525,673 | (492,650) | (4.1)% |
| **Total General Fund** | **743,661,366** | **735,291,919** | **(8,369,447)** | **(1.1%)** |
| | | | | |
| Special Revenue Fund | 125,898,394 | 125,698,177 | (200,217) | (0.2%) |
| Enterprise Funds | 79,610,279 | 82,243,801 | 2,633,522 | 3.3% |
| Internal Service Funds | 31,165,703 | 33,976,235 | 2,810,532 | 9.0% |
| Debt Service Fund | 54,854,043 | 60,982,785 | 6,128,742 | 11.2% |
| Agency Fund | 8,541,809 | 9,030,020 | 488,211 | 5.7% |
| **Total Proposed Budget** | **$1,043,731,594** | **$1,047,222,937** | **$ 3,491,343** | **0.3%** |

As you delve into each area in this budget, you will see that a number of departments reflect a reduction in overall expenditures – some a result of reduced State funding and others are reflective of targeted reductions in expenditures. Other specific highlights of the FY2012-13 Proposed Budget include:

- While the overall Proposed Budget, all funds, is increasing by $3.5 million, General Fund expenditures are decreasing nearly $8.4 million. All increased costs in the above referenced funds are attributable to fixed cost increases. In fact, of the $11.9 million increase outside of the General Fund, $8.5 million is attributable to increased costs of debt service expenditures, both in the Debt Service Fund and in the Water and Sewer Enterprise Fund. In looking globally at the fund level, I offer the following as highlights:

- ✓ In the General Fund, Public Safety is declining $3.2 million, mostly due to the removal of the replacement police vehicles and fire apparatus from the operating budget and funding these items in the capital budget.

- ✓ Effective with day care services provided after February 1, 2012, the Department of Social Services will no longer process payment for day care programs. The Virginia Department of Social Services implemented a new Virginia Case Management System to provide electronic time and attendance tracking services for child day care programs. The state will process all vendor payments and will no longer require any local match for any of the child day care programs. As such, the budget in the area of Health and Social Services is declining $3.9 million.

- ✓ Within the Enterprise Funds category, the Proposed Budget for the Water and Sewer Fund is increasing $2.6 million, mostly related to a $2.4 million increase in debt service costs related to the full-year appropriation of a planned $85 million new debt issue in FY2012-13. Outside of debt service, the Water and Sewer Fund's operating expenditures are only increasing $232,657 or 0.4 percent.

- ✓ In the area of Internal Service Funds, the total increase noted above is $2.8 million, an increase that is misleading as it is simply due to the removal of all departmental appropriations for the Technology Replacement Fund in an effort to close the budget gap in FY2012-13, and instead utilizing Technology Replacement Fund Balance.

- ✓ The Debt Service Fund is increasing $6.1 million related to the $66.1 million debt issuance in FY2011-12. As a note, this debt issuance completed the March 2005 G.O. Bond Referendum authorization, and the FY2012-13 Proposed Capital Budget includes the final $40.2 million appropriation for citizen approved projects from this referendum.

- ✓ In the area of Agency Funds, the overall expenditure increase of $488,211 is solely due to the creation of a new Line of Duty Act Fund, which has been allocated $500,000 in the FY2012-13 Proposed Budget. As you may recall, the 2010 General Assembly passed the cost of this State-created program to localities in the passage of the 2010-2012 Biennial Budget. The Line of Duty Act provides a death benefit and/or a healthcare benefit to the employee and/or surviving spouse of Public Safety personnel, including volunteer rescue squad members, who are disabled or killed in the line of duty. The County must make a decision by July 1, 2012 as to whether it prefers to participate in a VRS-sponsored pooled program or manage these benefits internally.

- Across-the-board and targeted expenditure reductions have been made to all General Government departments in this proposed budget. More specifically:

  - ✓ In addition to the removal of funding of 26 positions, most departments were allocated a turnover rate of 3.0 percent of salaries and variable rate benefits –

2.0 percent attributed to capturing normal annual attrition and 1.0 percent attributed to the retirement incentive initiative.

- ✓ Targeted operating and capital outlay expenditure reductions have been applied to most General Government departments.

- ✓ Technology replacement costs have been removed from all participating departmental budgets in FY2012-13. Funding in this area was reduced substantially over the past three fiscal years before finally being removed in the plan before you. Technology Replacement Fund expenditures will be funded with Technology Replacement Fund Balance in FY2012-13.

- In the area of Non-Departmental, donations to outside agencies were again reduced by 10.0 percent across-the-board in the FY2012-13 Proposed Budget, the fourth consecutive year of 10.0 percent reductions. Henrico County continues to fulfill all of its regional obligations.

- The FY2012-13 Proposed Budget includes $3.9 million in funding associated with the opening of new facilities, utilizing funding from the Revenue Stabilization Fund. The new facilities opening in FY2012-13 include Glen Allen High School (12th grade), the replacement of Fire Station #7 and Fire Station #9, the renovation of Fire Station #10, the renovation and expansion of Fire Station #13, the Tuckahoe Annex (the new Library headquarters located in the old Tuckahoe Library), Dabbs House Visitors Center, Twin Hickory Park, and Best Plaza. No new positions were added as a result of these new facilities in FY2012-13.

- The Proposed Budget for Education includes a total General Fund appropriation of $404,050,000, 55.0 percent of the Proposed General Fund Budget. This amount represents an overall increase of $300,000 or 0.1 percent when compared to the FY2011-12 Approved Annual Fiscal Plan. The Proposed Budget for Education includes $2.5 million in funding from the Revenue Stabilization Fund associated with the addition of the 12th grade at Glen Allen High School.

- A recommended increase of 5.0 percent in water and sewer rates is suggested for the maintenance of the County's long-term water and sewer infrastructure and the continued funding requirements arising from the Water and Sewer Enterprise Fund. Rates in this area must be sufficient to provide for annual operating, debt service and capital budget requirements, but they also must ensure that funding for longer-term infrastructure requirements are met as well. By continuing to adjust rates incrementally on an annual basis, it is hoped that significant one-time increases may be avoided in future years and that our infrastructure is well maintained.

## GENERAL FUND

### Revenues

The plan before you maintains our *conservative* approach in projecting available resources. While many entities take a year-by-year approach in budgeting, Henrico has and will continue to take a multi-year approach to allocating public resources, even as the majority of revenues have deteriorated in the past several years. That approach is a basic premise of our financial management. Total estimated General Fund revenue for FY2012-13, prior to transfers to other funds, is $824,966,705, which represents an <u>increase of $3,189,535 or 0.4 percent</u> when compared to the current fiscal year.

## General Fund Revenues

| | | FY2011-12 Original | | FY2012-13 Estimated | | Dollar Change | Percent Change |
|---|---|---|---|---|---|---|---|
| **Local Revenues** | | | | | | | |
| General Property Taxes | $ | 388,660,000 | $ | 379,975,000 | $ | (8,685,000) | (2.2%) |
| Other Local Taxes | | 114,755,000 | | 116,235,000 | | 1,480,000 | 1.3% |
| **Total Taxes** | | 503,415,000 | | 496,210,000 | | (7,205,000) | (1.4%) |
| Permits/Fees/Licenses | | 3,345,200 | | 3,443,900 | | 98,700 | 3.0% |
| Fines and Forfeitures | | 2,390,000 | | 2,390,000 | | - | 0.0% |
| Use of Money and Property | | 9,784,400 | | 7,872,500 | | (1,911,900) | (19.5%) |
| Charges for Services | | 3,748,700 | | 3,725,700 | | (23,000) | (0.6%) |
| Miscellaneous Revenues | | 2,857,800 | | 3,028,400 | | 170,600 | 6.0% |
| Recovered Costs | | 4,278,870 | | 4,286,370 | | 7,500 | 0.2% |
| **Total Other Local Revenue** | | 26,404,970 | | 24,746,870 | | (1,658,100) | (6.3%) |
| **Total Local Revenues** | **$** | **529,819,970** | **$** | **520,956,870** | **$** | **(8,863,100)** | **(1.7%)** |
| **State/Federal Revenues** | | | | | | | |
| State-Education | $ | 204,679,000 | $ | 214,883,000 | $ | 10,204,000 | 5.0% |
| State-Public Works | | 28,745,000 | | 28,745,000 | | - | 0.0% |
| State-General Government | | 47,848,000 | | 47,551,555 | | (296,445) | (0.6%) |
| **Total State Revenues** | $ | 281,272,000 | $ | 291,179,555 | $ | 9,907,555 | 3.5% |
| **Total Federal Revenues** | $ | 10,685,200 | $ | 12,830,280 | $ | 2,145,080 | 20.1% |
| **Total General Fund Revenues Prior to Transfer** | **$** | **821,777,170** | **$** | **824,966,705** | **$** | **3,189,535** | **0.4%** |
| Transfers to Other Funds | | (93,364,475) | | (110,119,018) | | (16,754,543) | 17.9% |
| (To)/From Fund Balance (Cap.) | | 5,000,000 | | 5,000,000 | | - | 0.0% |
| From Fund Balance (Cap. Reserve) | | - | | 5,000,000 | | 5,000,000 | 100.0% |
| From Vehicle Capital Reserve | | - | | 6,574,800 | | 6,574,800 | 100.0% |
| From Revenue Stabilization Fund | | 10,248,671 | | 3,869,432 | | (6,379,239) | (62.2%) |
| **Total General Fund Revenues** | **$** | **743,661,366** | **$** | **735,291,919** | **$** | **(8,369,447)** | **(1.1%)** |

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

The General Property Tax category is anticipated to decrease by $8,685,000 or 2.2 percent when compared to the FY2011-12 Annual Fiscal Plan. In looking at the larger components, Current Real Estate Taxes are projected to decrease by $11,400,000 or 4.2 percent, partially offset by increases in other property tax categories, including Personal Property Tax collections. The revenue projections for Real Estate Taxes assume a continuation of the current Real Estate Tax Rate, $0.87/$100 of assessed valuation.

In CY2011, the assessed valuation of real property in the County will total $30.7 billion, an overall decline of just over $1.0 billion, or 3.3 percent. This decline reflects the third consecutive year-over-year decline in real estate valuation, over which the County's real estate tax base has dropped $3.1 billion, or 9.0 percent. The graph to the right indicates the extent to which real estate valuations have been impacted throughout this economic downturn. The entire reduction was in the area of residential real estate, which declined by $1.1 billion or 4.9 percent, the fourth consecutive year of reduced valuation in this market. Commercial real estate posted a slight increase in CY2011 of $62.2 million or 0.7 percent after two preceding years of declines. Commercial valuation as a percentage of the overall tax base increased from 29.2 percent to 30.4 percent.

The annual assessment of real estate in the County reflects the most recent 2011 sales data of comparable properties. By using the most recent sales data in determining the assessed value of property, Henrico County has been able to capture the most current values for the real estate market. We pride ourselves on using the most recent sales data so our assessments are as accurate as possible and the decline in real estate values is indicative of the current market. The projection for real property tax revenue for FY2012-13 is $261.8 million, which represents a reduction of $11.4 million from the current fiscal year's adopted budget.

Personal Property Tax revenues, which include PPTRA reimbursements from the State, are projected to increase slightly in FY2012-13 to $105.0 million, an increase of $1.2 million or 1.2 percent. Due to the strength of the used car market, vehicle valuations are projected to increase in the current fiscal year. Also, with the recent announcements of businesses relocating or expanding in Henrico County, as well as the continued impact of the "Henrico, VA" initiative, business personal property tax collections are anticipated to increase slightly. Again, the conservative estimate of this revenue source is due to the slow growth expectations of the economy and the effect this may have on this revenue, which includes business as well as individual personal property. Total Personal Property estimates continue to be impacted by the reality that disbursements by the State to localities under the Personal Property Tax Relief Act (PPTRA) remain capped at $950.0 million.

The forecasts for our Other Local Tax Revenues for FY2012-13 reflects a slight net increase of $1.5 million or 1.3 percent. The projection for Local Sales Tax receipts of $58,400,000 reflects a budgeted increase of $2,350,000 or 4.2 percent. Business and Professional License Taxes (BPOL) collections reflect a decline of $1,250,000 or 4.2 percent, to $28,600,000, to better reflect prior year actuals and maintain the County's conservative posture in regards to its local tax revenues.

The projection for all other locally generated revenues such as permits and fees, fines and forfeitures, interest earnings, charges for services, miscellaneous revenues and recovered costs totals $24,746,870. This total represents a net decrease of $1,658,100 or 6.3 percent when compared to the FY2011-12 Annual Fiscal Plan.

In the Proposed Budget, overall State revenues are estimated to increase $9.9 million or 3.5 percent as compared to the FY2011-12 Adopted Budget. This increase is solely the result of increased funding for State aid to Education, which is estimated to increase $10.2 million in FY2012-13. Of this increased revenue for Education, more than half is due to the projected increase in the VRS rate for teachers. It should be noted that State revenues were mostly balanced to the Governor's Proposed 2012-2014 Biennial Budget. Though all of the locality-specific detail is not yet available, it appears that the budgets being considered by the House and Senate each would provide additional aid to localities. However, we cannot be sure until a compromise is reached and a final budget adopted. Estimates of State aid must remain conservative, as revenue estimates at the State level may prove to be aggressive. If the State misses these revenue estimates, reductions in aid to localities would be necessary.

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

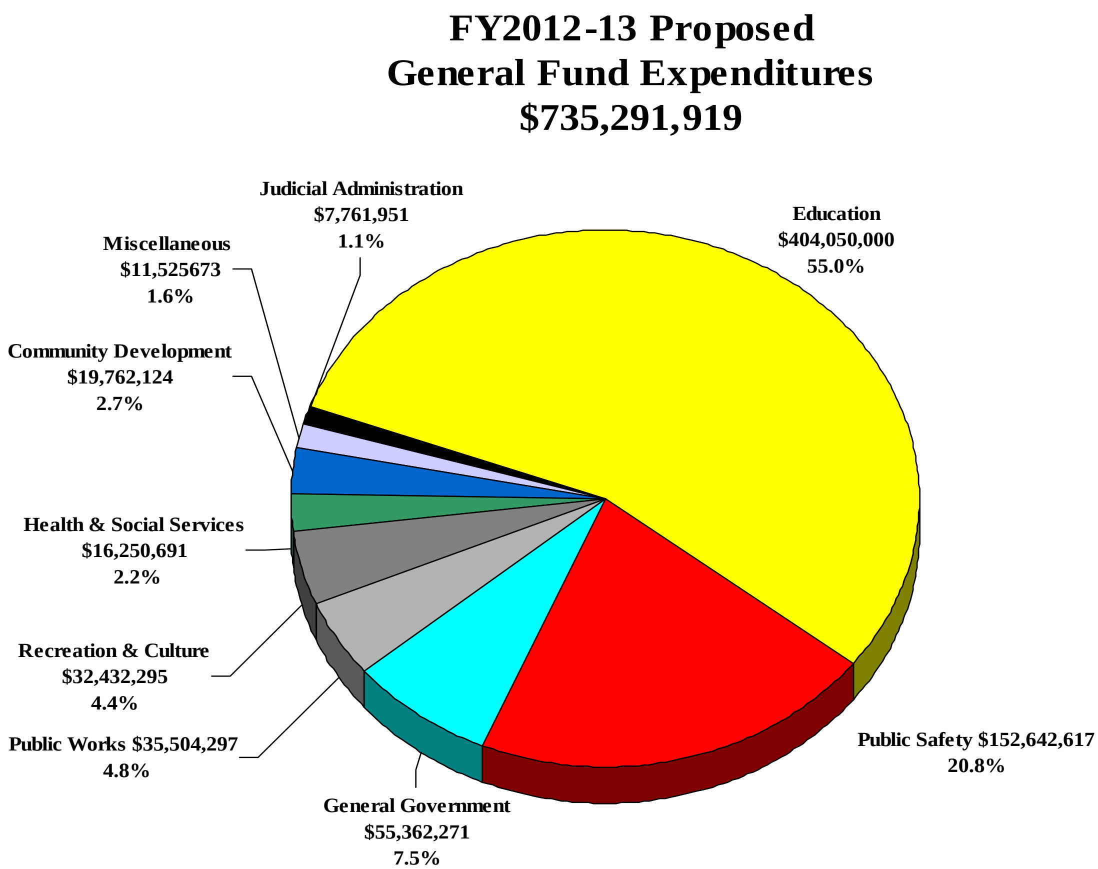
The first overall category, State revenues for Education is projected at $214,883,000 and reflects an increase of $10.2 million or 5.0 percent when compared to the current fiscal year. As noted above, more than half of this revenue increment is attributed to the increased VRS employer rate. Also noted above, it is highly likely that additional aid to localities for Education will be approved in the final budget bill. Should additional State funding be added for Education, it is highly recommended that these funds should remain "off the table" and not appropriated in the FY2012-13 budget, as they would be deferred to the following fiscal year, FY2013-14, to help offset the $11.0 million in one-time funding that Education is receiving in FY2012-13. Clearly, it has required a demonstrable effort by the Board of Supervisors to provide Education with adequate local resources to continue the quality Education system County citizens expect.

The second component is State Gasoline Tax revenues for Public Works, which is projected to remain flat with FY2011-12 estimates with a total allocation of $28,745,000. Since the current distribution structure began in 1986, the Gasoline Tax allocation to Henrico has been distributed between maintenance of current roads and construction costs in the Capital Budget. However, the amount of revenue collected from gasoline taxes statewide declined due to the conservation that began when the price of gas exceeded $3.75 per gallon nearly four years ago. It remains uncertain if the Gasoline Tax allocation to Henrico will include funding for construction. If additional State Gasoline Taxes are allocated from the State above our projections, an amendment will be brought to you to add that revenue to the budget. This is the course of action that must be taken due to the unknowns that exists within the area of transportation in the State Budget.

State revenues for all other General Government totals $47,551,555, which is a projected net decrease of $296,445. This estimate includes all anticipated allocations for Constitutional Officers, State Law Enforcement (House Bill #599), Social Services, and other areas that receive State funding allocations. More specifically, House Bill #599 funds are estimated at $7,650,000 in FY2012-13, an increase of $300,000 from the current fiscal year budget, though this increase is misleading. The increase is only due to conservative estimates made in the FY2011-12 adopted budget. The Governor's Proposed 2012-2014 Biennial Budget leaves House Bill #599 funds flat with the current fiscal year level. It should be noted, however, that the *Code of Virginia* states that the program's funding growth should be tied to the overall rate of growth in the State General Fund, which is projected to grow at 3.3 percent in FY2012-13 and 4.5 percent in FY2013-14. That being said, the budget bill "trumps" the *Code of Virginia*, and the level of House Bill #599 funds have remained flat in the current fiscal year, and in each year of the Governor's Proposed 2012-2014 Biennial Budget, in spite of projected budget growth in each of these three fiscal years. In FY2007-08, the County collected $10.1 million in House Bill #599 funding. The State's share of funding for constitutional officers has increased $100,600 in FY2012-13, but still remains well below the levels seen in FY2007-08.

Projections for Federal Aid total $12,830,280 and reflect an increase of $2,145,080 in FY2012-13. However, this increase is slightly misleading, as it's mostly due to the utilization of $5.5 million of one-time Federal Jobs Funds to assist in balancing Education's operating budget requirements. Offsetting this increase is the elimination of a number of federal Social Services revenue sources due to the State taking over a number of day care services going forward, and is therefore retaining the federal funds for themselves. The majority of Federal Aid is allocated for Social Services programs and the projections were developed based on current information.

## General Fund Expenditures




The total Proposed General Fund Budget for FY2012-13 is $735,291,919, a net reduction of $8,369,447 or 1.1 percent. General Government departmental highlights of the Proposed General Fund Budget are provided below. Specific details regarding each departmental budget may be found in the narratives included within this Proposed Budget document.

- As previously noted, the Division of Police's vehicle replacement program and the Division of Fire's apparatus replacement program have been removed from the operating budget and will be funded within the Vehicle Replacement Reserve in the FY2012-13 Capital Budget.

- Also included in the Division of Fire's FY2012-13 budget is operating costs associated with the replacement of Fire Stations #7 and #9, the renovation of Fire Station #10, and the renovation and expansion of Fire Station #13.

- The budget for General Services includes $930,000 in new operating costs associated with the Tuckahoe Annex (new Library headquarters located in the old Tuckahoe Library) and Best Plaza.

- In the Recreation and Parks budget, $364,446 in new operating costs associated with the Dabbs House Visitors Center and Twin Hickory Park has been added.

- The General Services' and Recreation and Parks' budgets continue their respective maintenance programs. For General Services, the Building Maintenance Program continues their efforts in replacing worn carpet and painting General Government facilities.

➢ The FY2012-13 Proposed Budget continues the County's Real Estate Advantage Program for our senior citizens at its current levels.

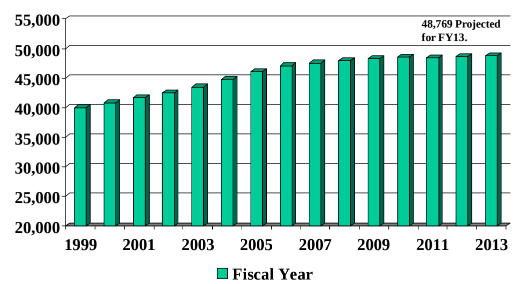
## Education

The Proposed Budget includes a total General Fund appropriation of $404,050,000 for Education in FY2012-13. This amount represents an increase of $300,000 or 0.1 percent as compared to the FY2011-12 Approved Annual Fiscal Plan. Of the $404,050,000, $189,167,000 (46.7 percent) will be provided from General Fund revenues and $215,183,000 (53.3 percent) comes directly from the State and Federal Governments to support Education, including $5.5 million in one-time Federal Jobs Funds. As a result of the $66.1 million bond issue in FY2011-12, local Education debt service expenditures will increase $1,733,735 in FY2012-13 to $39,257,303. In total, local support for the Education operating and debt service budgets is proposed at $236,294,569 for FY2012-13.

Education's FY2012-13 Budget for the Special Revenue Fund totals $61,211,735, which is a 0.2 percent reduction as compared to the FY2011-12 Approved Annual Fiscal Plan. In total, with all funds (General Fund, Special Revenue Fund and Debt Service Fund) included, the FY2012-13 Budget for Education totals $504,519,038, which is an increase of $1,893,342 or 0.4 percent as compared to the FY2011-12 Approved Annual Fiscal Plan.

In an effort to reduce a projected $26 million funding gap in the FY2012-13 budget, Education is reducing its complement by 58.1 FTE through attrition, which will be partially offset by the addition of 10.0 instructional positions into a "teacher reserve." Central office and other professional staff will be reduced by 19.6 FTE, exceptional education positions will be reduced by 10.0 FTE due to declining enrollment in this area, and the number of teachers will be reduced by 28.5 FTE as a result of increasing the pupil-teacher-ratio (PTR) by 0.25. The proposed staffing level will reflect an average class size of 20.8:1 for elementary schools, 22.5:1 for middle schools, and 21.6:1 for high schools. The graph to the right reflects a fifteen year history of actual student enrollment at the Henrico County Public Schools with the current projected enrollment for FY2012-13.

Henrico County School Membership
FY1999-FY2013 Projected




FY11 reflects projected 9/30/10 ADM.

In addition to the elimination of positions through attrition, Education has also conserved funding in FY2012-13 through the following actions:

- ➢ Restructuring of Post Retirement Earnings Program (PREP) benefits for retired Schools employees.
- ➢ Reduced departmental operating budgets by more than $6.0 million through identified savings.
- ➢ Identified cost savings in transportation as a result of eliminating "deadhead" miles by establishing several central locations for buses to be stored. In addition, newly hired school bus driver contracts will include a reduction in the number of paid hours to more closely reflect actual hours worked.
- ➢ $11.0 million in one-time funding will be utilized to help close Education's budget gap and to avoid significant service delivery reductions and layoffs.

A total of $2,491,746 is recommended to fund operating costs associated with the 12$^{th}$ grade at Glen Allen High School.

The School Resource Officer (SRO) Program, which is a joint effort with the Division of Police, assigns a Uniformed Police Office to each middle and high school in the County. A total of 27 Police Officers participate in the program. The School Resource Officer provides a safer environment to the students and staff of the schools while also providing a positive role model and adviser to the students.

The FY2012-13 Proposed Capital Budget for Education is $5,018,792, which includes $2,500,000 in appropriation from the Vehicle Replacement Program to purchase replacement school buses, and $18,792 to appropriate the last of the March 2005 GO Bond Referendum authorization to the Education Bond Project Reserve to continue previously funded GO Bond projects that may be underfunded. The Proposed Capital Budget also includes the annual $2,500,000 General Fund allocation for roof replacements and mechanical improvements projects that continues the initiative that began in FY1997-98. This will be the 16th year of this initiative that has provided a total of $40.0 million for these critical maintenance needs.

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

## SPECIAL REVENUE FUND

The Special Revenue Fund includes the Department of Public Utilities' Solid Waste and Street Light operations, the Henrico County Public Schools' Cafeteria Programs, and State and Federal grants for various educational and General Government programs including the Capital Region Workforce Partnership (CRWP), the Community Corrections Services Program, Wireless E-911 Communications, Virginia Juvenile Community Crime Control Act (VJCCCA), the Comprehensive Services Act (CSA), and Mental Health/Developmental Services/Substance Abuse. The Proposed Special Revenue Fund Budget for FY2012-13 totals $125,698,177, which represents a slight reduction of $200,217 or 0.2 percent as compared to the current fiscal year.

It should be noted that many of these grant funded programs rely on State Aid. Estimates of State funding were based on the Governor's Proposed 2012-2014 Biennium Budget. Should the General Assembly provide additional funding, or less funding, as compared to the Governor's Proposed Budget, amendments to this budget may be necessary in FY2012-13. The components of the Special Revenue Fund are seen in the chart on the following page:

**FY2012-13 Proposed Special Revenue Fund Expenditures**

| Department | FY2011-12 Adopted | FY2012-13 Proposed | Increase/ (Decrease) | Percent Change |
|---|---|---|---|---|
| CRWP | $4,959,921 | $5,485,944 | 526,023 | 10.6% |
| Commonwealth Attorney | 858,274 | 873,837 | 15,563 | 1.8% |
| Community Corrections | 1,815,156 | 1,758,065 | (57,091) | (3.1%) |
| Comprehensive Services Act | 8,796,782 | 7,743,396 | (1,053,386) | (12.0%) |
| Education | 61,352,128 | 61,211,735 | (140,393) | (0.2%) |
| Mental Health | 32,442,571 | 32,825,896 | 383,325 | 1.2% |
| Other | 100,201 | 100,201 | 0 | 0.0% |
| Public Safety | 1,423,867 | 1,486,924 | 63,057 | 4.4% |
| Public Works | 897,000 | 897,000 | 0 | 0.0% |
| Solid Waste | 12,267,102 | 12,331,964 | 64,862 | 0.5% |
| Street Lights | 72,500 | 83,100 | 10,600 | 14.6% |
| USDA (Juv. Detention) | 27,500 | 24,000 | (3,500) | (12.7%) |
| VJCCCA | 885,392 | 876,115 | (9,277) | (1.0%) |
| **Total Special Revenue:** | **$125,898,394** | **$125,698,177** | **($200,217)** | **(0.2%)** |

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

- In the Capital Region Workforce Partnership (CRWP) area, formally Capital Area Training Consortium (CATC), overall expenditures are increasing $526,023 due to the addition of seven positions added during FY2011-12 as a result of additional Workforce Investment Act (WIA) funds received.

- In the area of Mental Health, FY2012-13 expenditures are increasing $383,325 or 1.2 percent, supported by a General Fund transfer of $13,784,168, which has been reduced by $650,187 in FY2012-13. Personnel expenditures are increasing $918,120 due to the addition of several complement III positions in FY2011-12, that each had dedicated funding sources, as well as increased costs of benefits. Allocations for operating expenditures decreased $534,795 as a result of the Department's efforts in increasing operating efficiencies. These savings have allowed the Department to absorb the cost of providing Day Support Services to individuals who graduate from special education programs without a waiting list. Efforts such as these have allowed Mental Health and Development Services to decrease its requirement for support from the County's General Fund for three straight fiscal years and lower its percentage of County support for five consecutive fiscal years.

- Funding for the Comprehensive Services Act (CSA) has been reduced by $1,057,935 or 12.0 percent from the FY2011-12 Approved Budget. The decrease is attributable to a decline in the cost of purchased services for children and families. In FY2012-13, CSA will fund services for an estimated 275 children.

## ENTERPRISE FUNDS

### Water and Sewer

The Water and Sewer Enterprise Fund accounts for the provision of water and sewer services to residents of Henrico County. All activities necessary to provide such services are accounted for in this Fund, including operations, construction, and related debt service. The total cost of water and sewer services is funded by user fee revenue. No County taxes are used to support these services.

The Proposed Budget includes revenue estimates based on a 5.0 percent increase for water and sewer rates as well as a 5.0 percent increase in water and sewer connection fees.

The FY2012-13 Proposed Budget of $81,014,994 includes expenditures for personnel, operating, capital outlay and debt service. Overall, the Water and Sewer Proposed Operating Budget including debt service costs is projected to increase by 3.3 percent, or $2,624,785. Excluding debt service costs, the FY2012-13 Water and Sewer Proposed Operating Budget is increasing 0.4 percent or $232,657 from the FY2011-12 Adopted Budget, solely the result of increased personnel costs due to increases in the cost of benefits.

Debt service expenditures of $22,783,414 represent a net increase of $2,392,128 when compared to the current fiscal year. The reason for this increase is due to the full-year funding of an anticipated $85 million issuance of new debt in FY2012-13. The debt service budget will fully fund requirements arising from the Water and Sewer Fund's outstanding debt, which on June 30, 2011 was $176.5 million.

In addition to the Proposed Operating Budget, the Water and Sewer Proposed Capital Budget (found within the Capital Budget component of this document) totals $89,764,219 for FY2012-13. In the Proposed Five Year Capital Improvement Program, requested capital infrastructure for the Water and Sewer Enterprise Fund totals $585,083,774 over five years. As an Enterprise Fund, revenues generated by this operation must support both the proposed operating expenditures as well as ensuring that Proposed Capital Budget expenditures over a multi-year period may be funded. It should be noted that the five-year Capital Improvement Program for the Water and Sewer fund represents 31.9 percent of the total County Five-Year Capital Improvement Program. However, when looking at the County's current FY2011-12 Operating Budget, the Water and Sewer fund represents 7.5 percent of recommended expenditures. The difference between the relative proportion required for Water and Sewer in the Capital Budget as opposed to the Operating Budget is indicative of the significant infrastructure maintenance and replacement requirements that are present in this operation.

### Belmont Golf Course

The Belmont Park Golf Course is operated and maintained by the Department of Recreation and Parks. The Golf Course has a PGA golf professional under contract. In addition to golf services, the professional operates the Pro Shop at the Golf Course. The snack bar is staffed and operated by the County. All activities necessary to run this public facility are accounted for in the Belmont Park Golf Course Enterprise Fund and are paid for by the people who use the course.

The Proposed Budget for the Belmont Golf Course in FY2012-13 is $1,228,807, which represents an overall increase of 0.7 percent from the FY2011-12 Approved Budget. This budget includes $1,055,862 for the Golf Course operations, $150,445 for the Snack Bar, and $22,500 for payment on a loan from the General Fund.

The total personnel component for the Golf Course operations and the Snack Bar increased by 2.1 percent due to increases in retirement, group life, and healthcare benefit costs. The operating component is projected to decrease $7,529 while the capital outlay component reflects an increase of

$3,633 when compared to the FY2011-12 Approved Budget. The rehabilitation project planned for FY2012-13 includes the replacement of the snack bar and the pro shop building roof.

The revenues for Belmont Golf Course consist of green 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. <u>Green fees will remain the same in FY2012-13</u>. The last time greens fees were increased was in FY2010-11 when they were increased $1.

## HEALTHCARE FUND

Effective January 1, 2008, Henrico County's health care program transitioned to a self-insurance program in an effort to save administrative expenses. Prior to this transition, the County's health care program operated as a fully insured program, which, in exchange for the payment of a premium, an insurance company assumed the risk, administered the program, and paid all claims. With the transition to a self-insured program, the County pays claims and third party administrative fees. Self-insurance allows the County to more fully control all aspects of the plan, including setting rates to smooth out the impact of increases on employees and the County, while maintaining adequate funding to cover claims, expenses, and reserves.

The Proposed FY2012-13 Budget for the Healthcare fund totals $92,946,501, which is an increase of $3,043,296 or 3.4 percent. Included in this figure is $67,007,979 in funding that is budgeted within individual County and Schools departments as the County's contributions for Healthcare for active and retired employees. The balance of funding, $25,938,522, is the employee and retiree payments for their portion of healthcare, as well as the use of $888,352 in one-time federal Early Retiree Reinsurance Program (ERRP) funding that the County received in FY2010-11, and the utilization of $2.0 million from the Premium Stabilization Reserve, which was necessary to minimize the rate increase to the County and its active and retired employees in calendar year 2012. The majority of the budget, $87,646,501 or 94.3 percent of the total Healthcare budget is allocated for payment of claims. The remaining $5,300,000 is allocated for the payment of third party administrative fees, premium payments for excess risk insurance, and an actuarial study.

## AGENCY FUND

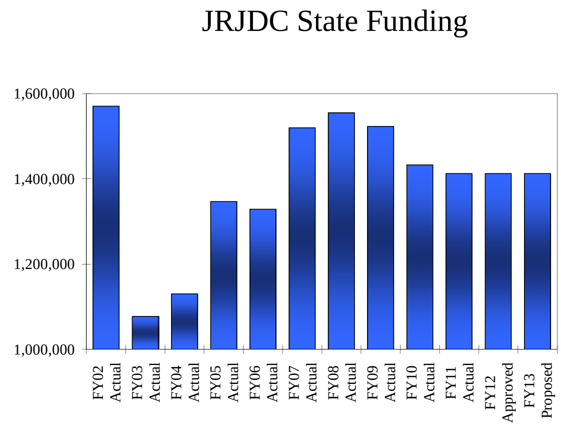
The James River Juvenile Detention Commission (JRJDC) Agency Fund was created to account for expenditures of the James River Juvenile Detention Center. Henrico County, as the majority partner, serves as the fiscal agent for the James River Juvenile Detention Center Commission. Henrico's role as fiscal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

The JRJDC Proposed Operating Budget (excluding debt service) totals $4,853,142 for FY2012-13. This is a decrease of $14,057 or 0.3 percent when compared to the FY2011-12 Approved Budget. Debt service costs, paid entirely by Henrico County, are budgeted at $676,878.

The Commission bills each participating locality their operating share based on the number of beds assigned in the 60-bed facility. Per the JRJDC agreement, Henrico has 52 beds and Powhatan and Goochland have 4 beds each. The Commission will bill the participating localities their share of the operating costs at the following percentages: Henrico - 86.6 percent, Powhatan - 6.7 percent, and Goochland - 6.7 percent. Additionally, some localities in Virginia are operating above capacity in their detention homes, and the JRJDC will lease bed space to them, as space is available.

State Aid for the Commission is estimated at $1,412,270 in the Proposed Budget. This figure remains at the same level as in the past two fiscal years. As can be seen on the accompanying graph, the level of State funding remains below what it was in FY2001-02 when the average daily population of the facility was 34, as compared to the average daily population of 43 in FY2010-11.

Total Henrico County funds for the Commission are budgeted at $3,271,174 in FY2012-13 and represents a decrease of $9,915.




## DEBT SERVICE FUND

The County is projected to have total outstanding general debt of $533,180,000 as of June 30, 2012. The distribution of the debt is: $430,540,000 of General Obligation (GO) bonds ($284,415,643 for Schools and $146,124,357 for General Government), $25,180,000 of Industrial Development Authority (IDA) bonds for the regional jail project, $8,505,000 of IDA bonds for General Government projects, $66,530,000 of Virginia Public School Authority (VPSA) bonds, and $2,425,000 for the JRJDC, which is included in the total outstanding debt figure above as it is included in the bond rating agencies' calculations. It must be noted that of the $533,180,000 projected June 30, 2012 outstanding debt, $350,945,643 or 65.8 percent is attributed to Education projects and $182,234,357 or 34.2 percent is attributed to General Government projects.

In order to ensure that the County does not exceed its ability to service current and future debt requirements, an annual long-term debt affordability analysis is performed and utilized as a forecasting tool when confronted with the question of potential debt issues. The County has established the following debt affordability guidelines – debt service as a percentage of assessed value, 1.49 percent; debt service as a percentage of General Fund expenditures, 7.75 percent; and net bonded debt per capita, $1,650. Following are the calculation of these three ratios in the debt capacity analysis, which was most recently completed in February 2012:

- 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 1.46% in FY2011-12.

- The ratio of debt service to General Fund expenditures measures the percentage of the budget used to pay debt service and provides a measure of the annual demands placed on the Operating Budget by the County's long-term debt. This ratio is 6.87% in FY2011-12.

- Net bonded debt per capita is the amount of debt outstanding divided by the number of County residents. The amount of debt per capita exceeded the guideline of $1,650 in FY2011-12, and was calculated at $1,693; however, this is solely the result of the County combining the final two planned GO Bond issues from the March 2005 GO Bond Referendum due to the attractive interest rate environment. This ratio will fall well below the guideline of $1,650 in FY2012-13 as a result of a reduction in total outstanding debt due to scheduled principal payments in FY2012-13, coupled with no planned new debt issuances in the fiscal year and a projected increase in the County's population.

In August 2011, the County issued $66.1 million in new GO bonds, which combined the planned FY2011-12 and FY2012-13 debt issues into one larger issue due to a historically low interest rate environment. As such, all bonds associated with the $349.3 million GO Bond Referendum approved by the voters on March 8, 2005 have been issued. The FY2012-13 Capital Budget appropriates the final $40.2 million associated with the March 2005 GO Bond Referendum, further detailed below.

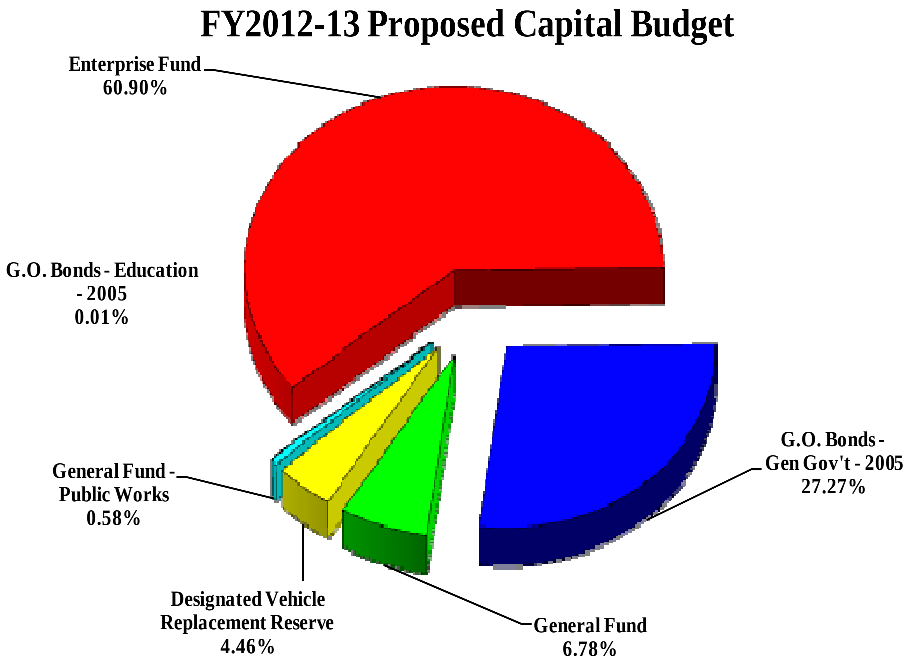
## CAPITAL IMPROVEMENT PROGRAM

One of the County's financial priorities is met through the five-year Capital Improvement Program (CIP), which ensures that infrastructure improvements are planned thoroughly and that financing those improvements is done prudently. The CIP is a very valuable document because we must achieve a balance between available resources and competing priorities. The five-year CIP for FY2012-13 through FY2016-17 totals $1,833,712,265. This amount is indicative of the County's increasing infrastructure requirements and the demand that the Capital Budget will continue to place on resource allocation in the future. In order to provide a more accurate picture in the CIP, projects that do not have an identified and verified source of funding have been labeled "No Funding Source". Of the $1.8 billion projected over the next five years, $1.1 billion is identified as "No Funding Source". Projects recommended for funding in the first year of the CIP are included in the Proposed Capital Budget that follows.

### <u>Proposed FY2012-13 Capital Budget:</u>

The Proposed Capital Budget for FY2012-13 totals $147,407,811 and is funded through a variety of revenue sources. For the fourth consecutive fiscal year, no State Transportation Funding (Gas Tax) has been included in the Proposed Capital Budget for Public Works projects due to continued uncertainty associated with that funding source. Since the amount of the County's Gas Tax allocation is unknown at this time, the prudent decision is to not propose any funding for Road projects that would utilize Gas Tax as a funding source. If the General Assembly approves a budget that includes funding for road projects, these projects will be appropriated via an amendment to the budget in FY2012-13.

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




| | | |
|---|---|---|
| **Total Recommended Resources:** | **$147,407,811** | **100.0%** |

Highlights of the FY2012-13 Proposed Capital Budget are as follows:

The issuance of General Obligation (G.O.) Bonds - March 2005 will fund $40.2 million for General Government and $18,792 for Education will be added to the reserve for Education bond projects. This appropriation represents the final appropriation of the March 2005 G.O. Bond Referendum. The General Government 2005 G.O. Bond projects in the Capital Budget include the construction of the Varina Area Library, the replacement of the Dumbarton Area Library, development of Short Pump Park, and a reserve for Public Library bond projects as well as Fire bond projects. The funding being allocated to the various reserves represents available authorization of March 2005 G.O. bonds not previously issued for specific projects. With identified funding shortfalls in other bond projects, the prudent decision is to propose putting these funds into a reserve for future allocation.

The Proposed FY2012-13 Capital Budget includes the use of $10.0 million of General Fund revenues for various capital projects. These projects consist of $2.5 million for roof replacements and mechanical improvements at Education facilities, as well as $7.5 million for various General Government projects. The General Government projects include funding for the first phase of renovations to Best Plaza, roof replacement, mechanical improvements, pavement rehabilitation projects, UPS replacement, Recreation and Parks facility rehabilitation projects, various information technology hardware and software upgrades, improvements to the County's data network and replacement of the telephone system to a VOIP solution, and continued enhancements for the County's Geographical Information System. General Fund – Public Works revenue of $850,000 has been designated for various road improvement projects.

It is important to note that a Vehicle Replacement Reserve totaling $6,574,800 was created for the FY2012-13 Capital Budget in order to 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. This reserve will be sustainable for three years and funding for these important vehicles will return to the operating budget at this time.

The remaining $89,764,219 of the FY2012-13 Proposed Capital Budget is designated for water and sewer projects, which are supported by forecasted revenues generated by the Water and Sewer Enterprise fund. Public Utilities has requested $7,575,000 for recurring water and sewer projects such as water and sewer line rehabilitation, capital project plan review, connections, extensions, preventive maintenance of various water and sewer pump stations, and various relocations, adjustments, and crossings projects. The remaining projects in this program area planned in FY2012-13 include the following: $3,700,000 for the Strawberry Hill Basin Sewer Rehabilitation, $2,160,000 for the River Road Basin Sewer Rehabilitation, $406,344 for the Gillies Creek Basin Sewer Rehabilitation, $465,750 for the Broadwater Creek II Sewer Pump Station Improvements, $4,140,000 for the Gambles Mill Sewer Pump Station Flow Equalization Basin Modification, $1,552,000 for the Strawberry Hill Sewer Pump Station Capacity Improvements, $698,625 for the Strawberry Hill Force Main Creighton Road Vent Facility, $1,035,000 for the Broadwater Creek I Sewer Pump Station and Flow Equalization Basin, $5,796,000 for the Beverly Hills Area Water Rehabilitation, and $1,360,000 for the Ridge Water Pressure Zone. The Proposed Budget also includes $60,000,000 for costs associated with permitting, design, utility relocations, land acquisition, mitigation, and construction for the Cobbs Creek Reservoir in Cumberland County, a project that will be completed over the next ten years and has a projected cost of nearly $280 million. Additionally, the Proposed Budget includes $50,000 for roof replacements, $325,000 for water meters, and $500,000 for various information technology projects.

## G.F.O.A. DISTINGUISHED BUDGET AWARD

The Government Finance Officers Association (GFOA) of the United States and Canada, each year nationally recognizes budgets that meet certain rigorous standards. GFOA presented an Award for Distinguished Budget Presentation to the County of Henrico for its Annual Fiscal Plan for FY2011-12. In order to receive this award, a governmental unit must publish a budget document that meets stringent program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. The award is valid for a period of one year only. After receiving the award for 22 consecutive years, we believe our current budget continues to conform to the program requirements, and we will be submitting it to GFOA to determine its eligibility for a 23rd year.

## SUMMARY

Without question, this budget process has been the most difficult this County has ever experienced. Significant fixed cost increases, combined with little to no revenue growth, has created a situation in which the County has been forced to make unprecedented budget reductions and consider entirely unique budgetary decisions - decisions that this County has never had to consider in the past. It gives me great pleasure to present to you a fiscal plan that achieves all of this without significant service delivery impacts, without laying off one employee, and without requesting a tax rate increase. This County's prevailing goal in each and every budget process throughout this economic downturn has been just that – and we've been extremely successful in doing so.

However, I cannot state with enough emphasis that we've done everything we can possibly do to achieve these goals – there is nothing left. Remarkably, this County has absorbed more than $96 million in expenditures over the past three fiscal years. We have, quite literally, looked at and considered <u>everything</u>. Without significant changes in revenue collections, particularly in the area of real estate, revenue enhancements will be necessary to avoid significant service delivery reductions and laying off existing staff.

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 express my gratitude to our Department Heads who continue to find ways to do more with less, while also seeking quality improvement in their daily operations. Finally, I would 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,

Virgil R. Hazelett, P.E.
County Manager

# BASIS OF BUDGETING AND FUND STRUCTURE

## BASIS OF BUDGETING

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

## FUND STRUCTURE

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

## GOVERNMENTAL FUNDS

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

### General Fund

The General Fund accounts for all revenue and expenditures of the County which are not accounted for in the other funds. Revenues are primarily derived from general property taxes, local sales taxes, license and permit fees, and revenues received from the State for educational 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.

**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.

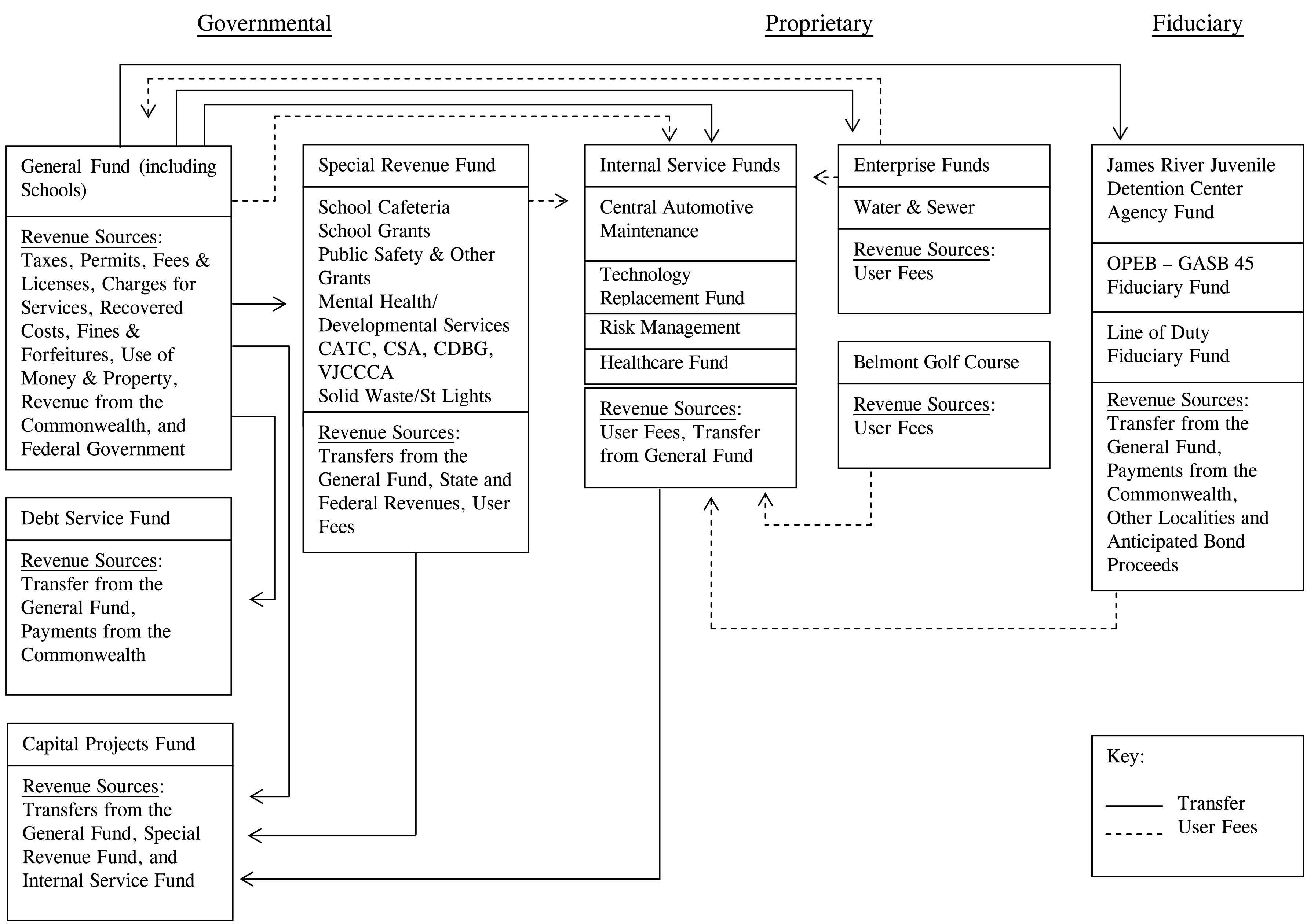
**Other Post Employee Benefits Fiduciary Fund (GASB 45)**

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 |
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| 25 | 26 | 27 | 28 | 29 | 30 | 31 |
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### *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.

**Sep 2011**

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**Oct 2011**

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### **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 FY2012-13 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**

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**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**

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**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**

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**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.

**Feb 2012**

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**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 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**

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**March**
**Legislative Budget Reviews**

Based on information exchanged during the Executive Budget Reviews, a balanced budget is recommended by the County Manager to the County Board of Supervisors as the Proposed Budget in early March. (The Code of Virginia requires that the County Manager submit a balanced budget to the Board of Supervisors). The Legislative Budget Review Committee is comprised of the County Board of Supervisors, which represents each of the County's five magisterial districts. The budget document that is presented to the County Board of Supervisors during these hearings represents the culmination of long periods of intensive research and analysis. The purpose of the document is to present to the legislative body and the public a comprehensive picture of proposed operations for the budget year, expressed in both verbal and statistical terms. During the hearings, the Board of Supervisors examines all line items in each of the department's budgets and all associated operational premises. These hearings are held during the course of one week, in the middle of March, approximately eight hours per day. Based on these hearings, the County Board of Supervisors may amend the County Manager's Proposed Budget.

## THE BUDGET CYCLE

**Apr 2012**

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**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 FY2012-13 Public Hearing was held on April 10, 2012. The public hearing that sets the tax levies was held on April 24, 2012. The Code of Virginia requires that the County advertise a synopsis of the budget in the newspaper and that one or more public hearings be held before the Board adopts the budget. The Board of Supervisors adopts the Annual Fiscal Plan during this month and sets tax levies for the Calendar Year.

**May 2012**

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**May**
**Publish and Distribute Budget**

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

**Jun 2012**

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| 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 FY2012-13 Annual Fiscal Plan is based on a Real Estate Tax rate of $0.87/$100 of assessed valuation for CY2012 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 FY2012-13 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.

**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% |

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. The FY2012-13 Proposed Budget includes a policy recommendation 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. 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 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:<br>Function/Program | FY 10-11<br>Actual | FY 11-12<br>Original | FY 12-13<br>Approved |
|---|---|---|---|
| Revenue from Local Sources: | | | |
| General Property Taxes | $353,602,119 | $388,660,000 | $379,975,000 |
| Other Local Taxes | 127,129,692 | 114,755,000 | 116,235,000 |
| Permits, Fees, and Licenses | 3,548,392 | 4,347,777 | 4,554,698 |
| Fines and Forfeitures | 3,488,480 | 2,788,749 | 2,747,067 |
| Use of Money and Property | 4,016,107 | 10,216,917 | 8,330,312 |
| Charges for Services | 122,388,531 | 128,559,990 | 129,436,249 |
| Recovered Costs | 102,872,392 | 111,403,740 | 115,643,526 |
| Miscellaneous | 11,919,450 | 9,556,321 | 8,369,779 |
| Shared Expenses | 448,688 | 403,312 | 401,438 |
| Total from Local Sources | $729,413,851 | $770,691,806 | $765,693,069 |
| Revenue from the Commonwealth: | | | |
| Non-categorical Aid | 54,697,920 | 17,782,087 | 18,267,134 |
| Shared Expenses | 17,397,482 | 16,241,070 | 16,341,670 |
| Categorical Aid | 268,479,271 | 273,019,834 | 283,312,756 |
| Total from the Commonwealth | $340,574,673 | $307,042,991 | $317,921,560 |
| Revenue from the Federal Government: | | | |
| Categorical Aid | 68,243,434 | 57,970,530 | 60,157,822 |
| Total from the Federal Government | $68,243,434 | $57,970,530 | $60,157,822 |
| Total Revenues | $1,138,231,958 | $1,135,705,327 | $1,143,772,451 |
| (To) From Fund Balance/Retained Earnings | | | |
| (To) From General Fund Balance | (2,349,666) | 5,000,000 | 5,000,000 |
| (To) From Vehicle Replacement Reserve | 0 | 0 | 6,574,800 |
| (To) From General Fund - Revenue Stabilization | 11,548,345 | 10,248,671 | 3,869,432 |
| (To) From Fund Balance - Designated Capital Reserve | 3,565,242 | 0 | 5,000,000 |
| (To) From Debt Service | 2,189,064 | 2,000,000 | 2,000,000 |
| (To) From School Cafeterias | (1,053,661) | (600,000) | 0 |
| (To) From Special Revenue Fund - Economic Development | (306,148) | 0 | 0 |
| (To) From Special Revenue Fund | 0 | 0 | 0 |
| (To) From Solid Waste | (3,354,737) | 529,349 | (978,023) |
| (To) From Street Lights | (15,810) | 0 | 0 |
| (To) From Retained Earnings - Water & Sewer | (23,666,000) | (20,367,958) | (18,931,782) |
| (To) From Retained Earnings - Golf Course | 156,415 | 0 | 0 |
| (To) From Self-Insurance Reserve | 0 | 0 | 0 |
| (To) From Other Funds - CAM | 178,196 | 0 | 0 |
| (To) From Other Funds | 3,817,455 | 4,962,461 | 5,810,011 |
| Total Fund Balance | ($9,291,305) | $1,772,523 | $8,344,438 |
| Total Revenues and Fund Balances | $1,128,940,653 | $1,137,477,850 | $1,152,116,889 |
| Operating Transfers to Capital Projects Fund | (27,676,550) | (7,300,000) | (17,424,800) |
| Interdepartmental Billings | (79,682,865) | (86,446,256) | (87,469,152) |
| Total Source of Funding | $1,021,581,238 | $1,043,731,594 | $1,047,222,937 |

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

| Department | | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|---|
| 01 | Board of Supervisors | $1,071,546 | $1,104,851 | $1,097,781 |
| 02 | Library | 14,231,050 | 15,917,916 | 15,059,497 |
| 03 | Sheriff | 34,317,231 | 33,561,876 | 33,960,713 |
| 04 | Circuit Court | 2,847,806 | 2,949,797 | 2,960,352 |
| 05 | Commonwealth's Attorney | 5,449,839 | 5,501,487 | 5,236,327 |
| 06 | General District Court | 301,129 | 214,897 | 214,556 |
| 07 | Juvenile & Domestic Relations Court | 3,232,099 | 3,257,589 | 3,231,383 |
| 08 | Electoral Board | 1,081,326 | 1,348,019 | 1,292,871 |
| 09 | County Manager | 1,957,567 | 1,940,667 | 1,956,459 |
| 09 | Public Relations and Media Services | 1,803,264 | 1,895,196 | 1,724,868 |
| 10 | County Attorney | 2,121,140 | 2,031,459 | 2,002,158 |
| 11 | Human Resources | 8,280,839 | 8,503,598 | 8,503,086 |
| 12 | Police | 70,396,291 | 67,342,646 | 64,323,440 |
| 13 | Fire | 49,452,288 | 49,964,586 | 49,647,146 |
| 14 | Finance | 11,592,342 | 12,057,258 | 11,754,015 |
| 16 | General Services | 46,684,273 | 41,829,432 | 42,741,690 |
| 17 | Internal Audit | 390,043 | 387,370 | 395,367 |
| 18 | Debt Service | 52,021,536 | 54,854,043 | 60,982,785 |
| 19 | Information Technology | 11,383,549 | 12,464,369 | 12,458,607 |
| 21 | Agriculture and Home Extension | 340,750 | 351,596 | 354,492 |
| 22 | Social Services | 29,462,090 | 27,394,595 | 22,340,545 |
| 23 | Recreation & Parks | 16,742,089 | 18,559,223 | 18,601,605 |
| 24 | Public Health | 1,524,652 | 1,583,056 | 1,653,542 |
| 26 | Mental Health & Developmental Services | 29,553,925 | 32,442,571 | 32,825,896 |
| 27 | Capital Region Workforce Partnership | 4,814,705 | 4,959,921 | 5,485,944 |
| 28 | Public Works | 34,781,770 | 36,662,565 | 36,401,297 |
| 29 | Real Property | 558,418 | 576,838 | 587,745 |
| 30 | Economic Development | 17,812,803 | 12,474,686 | 13,234,709 |
| 31 | Public Utilities | 81,896,051 | 90,729,811 | 93,430,058 |
| 32 | Non-Departmental | 12,296,727 | 12,118,524 | 11,607,511 |
| 33 | Building Inspections | 4,044,432 | 4,273,187 | 4,091,527 |
| 34 | Planning | 3,622,430 | 3,893,506 | 3,772,313 |
| 35 | Permit Centers | 865,676 | 804,742 | 884,218 |
| 36 | Community Corrections Program | 1,731,417 | 1,815,156 | 1,758,065 |
| 37 | Technology Replacement | 2,395,863 | 2,329,230 | 2,864,873 |
| 38 | Community Revitalization | 3,796,417 | 1,534,445 | 1,516,392 |
| 40 | James River Juvenile Detention Center | 5,594,322 | 5,541,809 | 5,530,020 |
| 42 | Healthcare | 81,938,485 | 89,903,205 | 92,946,501 |
| 50 | Education | 448,875,924 | 465,102,128 | 465,261,735 |
| 60 | Interdepartmental Billings | (79,682,865) | (86,446,256) | (87,469,152) |
| | Total Expenditures | $1,021,581,238 | $1,043,731,594 | $1,047,222,937 |

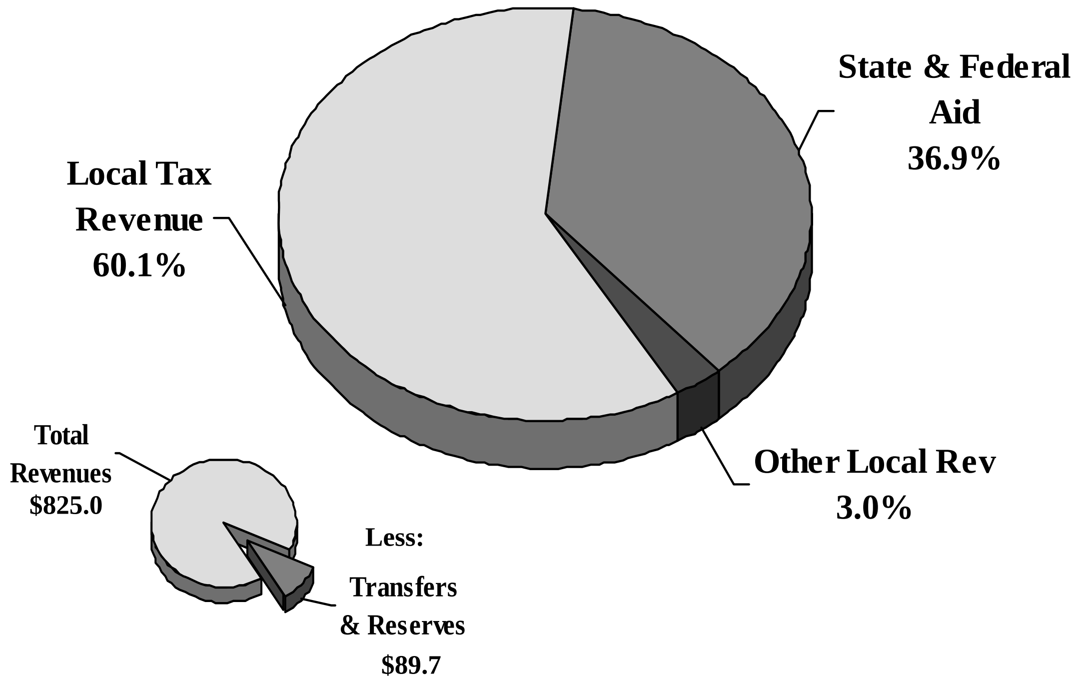
**COUNTY OF HENRICO, VIRGINIA**
**APPROVED GENERAL FUND REVENUES**
**FY 2012-13**

| Revenues: Function/Program | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| Revenue from Local Sources: | | | |
| General Property Taxes | $351,383,871 | $388,660,000 | $379,975,000 |
| Other Local Taxes | 124,886,792 | 114,755,000 | 116,235,000 |
| Permits, Fees, & Licenses | 3,391,948 | 3,345,200 | 3,443,900 |
| Fines & Forfeitures | 3,186,609 | 2,390,000 | 2,390,000 |
| From Use of Money & Property | 3,515,202 | 9,784,400 | 7,872,500 |
| Charges for Services | 4,150,393 | 3,748,700 | 3,725,700 |
| Miscellaneous | 5,246,680 | 2,857,800 | 3,028,400 |
| Recovered Costs | 4,469,041 | 4,278,870 | 4,286,370 |
| Total from Local Sources | 500,230,536 | 529,819,970 | 520,956,870 |
| Revenue from the Commonwealth: | | | |
| Categorical Aid: | | | |
| Education | 200,474,630 | 204,679,000 | 214,883,000 |
| Public Works | 30,777,035 | 28,745,000 | 28,745,000 |
| Public Safety (HB #599) | 8,354,062 | 7,350,000 | 7,650,000 |
| Social Services | 5,164,331 | 3,988,200 | 2,613,955 |
| Other | 436,304 | 4,052,500 | 4,644,700 |
| Total Categorical Aid | 245,206,362 | 248,814,700 | 258,536,655 |
| Non-Categorical Aid: | | | |
| General Government | 54,023,500 | 17,628,500 | 17,713,500 |
| Total Non-Categorical Aid | 54,023,500 | 17,628,500 | 17,713,500 |
| Shared Expenses: | | | |
| State Share of Salaries & Benefits | 15,894,838 | 14,828,800 | 14,929,400 |
| Total from the Commonwealth | 315,124,700 | 281,272,000 | 291,179,555 |
| Revenue from the Federal Government | 17,335,979 | 10,685,200 | 12,830,280 |
| Total Revenues | 832,691,215 | 821,777,170 | 824,966,705 |
| Interfund Transfers: | | | |
| To Debt Service Fund | (49,832,472) | (52,854,043) | (58,982,785) |
| To Capital Projects Fund | (27,829,203) | (5,850,000) | (17,424,800) |
| To Enterprise Fund | (756,608) | (756,608) | (756,608) |
| To Risk Management | (8,715,889) | (4,369,790) | (4,543,437) |
| To Special Revenue Fund | (18,710,178) | (23,252,945) | (22,140,214) |
| To JRJDC Agency Fund | (3,281,789) | (3,281,089) | (3,271,174) |
| To OPEB-GASB 45 Fiduciary Fund | (3,000,000) | (3,000,000) | (3,000,000) |
| Total Transfers | (112,126,139) | (93,364,475) | (110,119,018) |
| (To) From Fund Balance | (7,349,666) | 0 | 0 |
| (To) From Fund Balance - Capital Projects | 5,000,000 | 5,000,000 | 5,000,000 |
| (To) From Fund Balance - Designated Capital Reserve | 3,565,242 | 0 | 5,000,000 |
| (To) From Vehicle Replacement Reserve | 0 | 0 | 6,574,800 |
| From Revenue Stabilization | 11,548,345 | 10,248,671 | 3,869,432 |
| Total Resources Net of Transfers | $733,328,997 | $743,661,366 | $735,291,919 |

# COUNTY OF HENRICO, VIRGINIA
## APPROVED GENERAL FUND EXPENDITURES
## FY 2012-13

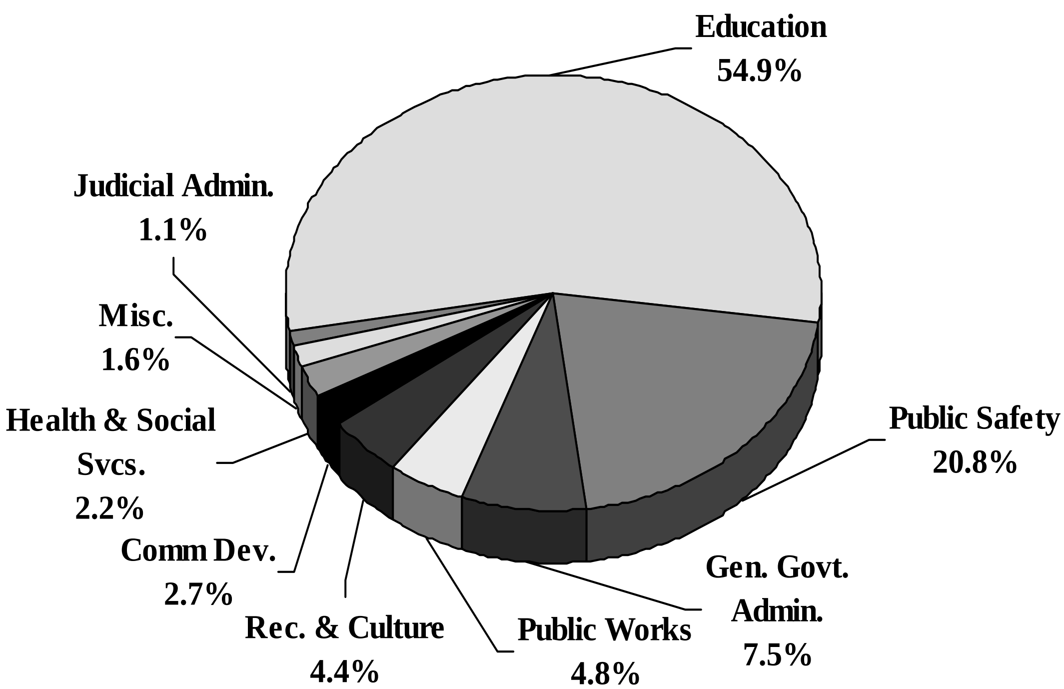
| Expenditures: Function/Activity | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| General Government Administration | $53,125,431 | $55,759,533 | $55,380,634 |
| Judicial Administration | 7,964,106 | 8,049,983 | 7,761,951 |
| Public Safety: | | | |
| Police Operations | 61,201,122 | 59,586,285 | 56,583,418 |
| Animal Protection | 1,333,406 | 1,442,064 | 1,468,562 |
| Communications | 4,774,806 | 4,890,430 | 4,784,536 |
| Total Police | 67,309,334 | 65,918,779 | 62,836,516 |
| Administration | 7,226,569 | 2,217,398 | 2,245,678 |
| Emergency Planning & Safety | 274,908 | 256,318 | 392,676 |
| Operations | 41,420,418 | 47,272,245 | 46,790,167 |
| Volunteer Rescue Squads | 192,287 | 218,625 | 218,625 |
| Total Fire | 49,114,182 | 49,964,586 | 49,647,146 |
| Sheriff | 34,317,231 | 33,561,876 | 33,960,713 |
| Juvenile Detention | 2,054,049 | 2,102,621 | 2,106,715 |
| Building Inspections | 4,044,432 | 4,273,187 | 4,091,527 |
| Total Public Safety | 156,839,228 | 155,821,049 | 152,642,617 |
| Public Works | 34,734,540 | 35,765,565 | 35,504,297 |
| Health & Social Services: | | | |
| Public Health | 1,524,652 | 1,583,056 | 1,653,542 |
| Social Services | 23,534,948 | 18,597,813 | 14,597,149 |
| Total Health & Social Services | 25,059,600 | 20,180,869 | 16,250,691 |
| Education: | | | |
| Instruction | 314,614,131 | 321,022,965 | 328,535,427 |
| Administrative Services | 10,144,818 | 9,764,885 | 8,920,669 |
| Operations | 65,216,919 | 68,220,951 | 67,533,377 |
| Finance | 2,811,168 | 3,423,774 | 3,256,315 |
| School Board & Superintendent | 1,683,371 | 1,317,425 | 1,374,236 |
| Adjustments | 0 | 0 | -5,570,024 |
| Total Education | 394,470,407 | 403,750,000 | 404,050,000 |
| Recreation, Parks, & Culture: | | | |
| Recreation & Parks | 15,623,435 | 17,339,153 | 17,372,798 |
| Library | 14,229,130 | 15,917,916 | 15,059,497 |
| Total Recreation, Parks, & Culture | 29,852,565 | 33,257,069 | 32,432,295 |
| Community Development | 18,986,393 | 19,058,975 | 19,762,124 |
| Miscellaneous: | | | |
| Non-Departmental | 12,296,727 | 12,018,323 | 11,507,310 |
| Total Miscellaneous | 12,296,727 | 12,018,323 | 11,507,310 |
| Total General Fund Expenditures | $733,328,997 | $743,661,366 | $735,291,919 |

## FY2012-13 General Fund Revenues
## $824,966,705




**Note: General Fund Revenues less Transfers & Reserves equals General Fund Expenditures of $735,291,919.**

## FY2012-13 General Fund Expenditures
## $735,291,919



## COUNTY OF HENRICO, VIRGINIA
## APPROVED SPECIAL REVENUE FUND REVENUES
## FY 2012-13

| **Revenues:**<br>**Subfund/Activity** | **FY 10-11**<br>**Actual** | **FY 11-12**<br>**Original** | **FY 12-13**<br>**Approved** |
|---|---|---|---|
| Capital Region Workforce Partnership (CRWP) | | | |
| CRWP | $3,249,274 | $4,742,226 | $5,279,134 |
| City of Richmond WIA Fund | 93,858 | 0 | 0 |
| ARRA - CRWP | 1,260,925 | 0 | 0 |
| Transfer From the General Fund | 210,648 | 217,695 | 206,810 |
| Total Capital Region Workforce Partnership | 4,814,705 | 4,959,921 | 5,485,944 |
| Commonwealth's Attorney | | | |
| Special Drug Prosecutor | 125,621 | 119,400 | 119,400 |
| Victim/Witness Assistance Program | 355,524 | 342,625 | 363,093 |
| Asset Forfeitures | 15,181 | 0 | 0 |
| Transfer From the General Fund | 339,857 | 396,249 | 391,344 |
| Total Commonwealth's Attorney | 836,183 | 858,274 | 873,837 |
| Community Corrections Program | | | |
| CCP | 1,402,016 | 1,510,737 | 1,449,011 |
| ARRA - CCP | 28,621 | 0 | 0 |
| Transfer From the General Fund | 300,779 | 304,419 | 309,054 |
| Total Community Corrections | 1,731,416 | 1,815,156 | 1,758,065 |
| Community Development Block Grant | | | |
| CDBG/HOME | 2,125,862 | 0 | 0 |
| ARRA - CDBG and Community Revitalization | 270,821 | 0 | 0 |
| Total Community Development Block Grant | 2,396,683 | 0 | 0 |
| Economic Development | | | |
| Governors Opportunity Award | 900,000 | 0 | 0 |
| Sales Tax - EDA | 1,879,390 | 0 | 0 |
| Real Estate Tax - CDA | 1,180,419 | 0 | 0 |
| Special Assessment - CDA | 365,000 | 0 | 0 |
| Personal Property Tax - EDA | 672,829 | 0 | 0 |
| Business License Tax - EDA | 363,510 | 0 | 0 |
| (To) From Economic Development Fund Balance | (306,148) | 0 | 0 |
| Total Economic Development | 5,055,000 | 0 | 0 |

*Special Revenue Fund Revenues (cont'd)*

| **Revenues:** **Subfund/Activity** | **FY 10-11** **Actual** | **FY 11-12** **Original** | **FY 12-13** **Approved** |
|---|---|---|---|
| Education | | | |
| State, Federal & Other Grants | 26,047,113 | 42,857,611 | 42,573,506 |
| ARRA - Schools | 11,630,396 | 0 | 0 |
| Total Schools Grants | 37,677,509 | 42,857,611 | 42,573,506 |
| | | | |
| Cafeteria Receipts | 8,509,723 | 9,987,040 | 9,208,473 |
| State Food Payments - Nat. Sch. Lunch Prog. | 396,511 | 432,535 | 468,137 |
| Federal School Lunch Program | 8,702,972 | 8,549,997 | 8,834,326 |
| Recoveries & Rebates | 167,175 | 124,945 | 127,293 |
| Miscellaneous Revenue | 5,288 | 0 | 0 |
| (To) From Cafeteria Fund Balance | (1,053,661) | (600,000) | 0 |
| Total School Cafeteria | 16,728,008 | 18,494,517 | 18,638,229 |
| Total Education | 54,405,517 | 61,352,128 | 61,211,735 |
| | | | |
| General Services | 1,304,170 | 0 | 0 |
| | | | |
| Juvenile & Domestic Relations Court | | | |
| Virginia Juvenile Community Crime Act | 366,479 | 338,848 | 329,571 |
| USDA | 24,588 | 27,500 | 24,000 |
| Juvenile Acountability Grant | 44,226 | 0 | 0 |
| Transfer From the General Fund | 541,242 | 546,544 | 546,544 |
| Total Juvenile & Domestic Relations Court | 976,535 | 912,892 | 900,115 |
| | | | |
| Mental Health & Developmental Services | | | |
| State and Federal Grants | 8,975,858 | 8,231,387 | 8,565,616 |
| Payments from Other Localities | 208,305 | 208,305 | 208,305 |
| Miscellaneous Revenues | 8,898,148 | 9,568,524 | 10,267,807 |
| Transfer From General Fund | 11,251,530 | 14,434,355 | 13,784,168 |
| ARRA - MH & DS | 220,084 | 0 | 0 |
| Total Mental Health | 29,553,925 | 32,442,571 | 32,825,896 |
| | | | |
| Non-Departmental | | | |
| Transfer From General Fund | 0 | 100,201 | 100,201 |
| | | | |
| Public Safety | | | |
| Police - State & Federal Grants | 2,398,580 | 962,180 | 1,025,237 |
| Police - ARRA | 187,015 | 0 | 0 |
| Police - Donations | 5,981 | 0 | 0 |
| Metro Aviation/Extradition Reimbursement | 314,888 | 326,126 | 326,126 |
| Fire - Local Miscellaneous | 31,833 | 0 | 0 |
| Fire - State | 4,200 | 0 | 0 |
| Fire - Homeland Security | 302,073 | 0 | 0 |
| Asset Forfeitures | 67,304 | 0 | 0 |
| Transfer to Capital Projects | 0 | 0 | 0 |
| Transfer From General Fund | 113,189 | 135,561 | 135,561 |
| Total Public Safety | 3,425,063 | 1,423,867 | 1,486,924 |

*Special Revenue Fund Revenues (cont'd)*

| **Revenues:** **Subfund/Activity** | **FY 10-11** **Actual** | **FY 11-12** **Original** | **FY 12-13** **Approved** |
|---|---|---|---|
| Public Utilities | | | |
| Solid Waste: | | | |
| Refuse Collection Billing | 7,088,742 | 7,000,000 | 7,000,000 |
| Weighing Fees - Charged Sales | 1,141,354 | 1,117,548 | 1,141,354 |
| Public Use/Host/Recycle Fees | 1,803,335 | 1,712,381 | 1,782,498 |
| Miscellaneous Revenues | 288,582 | 293,823 | 322,134 |
| Transfer to Capital Projects Fund | 0 | (1,450,000) | 0 |
| Transfer From General Fund | 3,064,001 | 3,064,001 | 3,064,001 |
| (To) From Solid Waste Fund Balance | (3,354,737) | 529,349 | (978,023) |
| Total Solid Waste | 10,031,277 | 12,267,102 | 12,331,964 |
| Street Lighting: | | | |
| Charge for Street Lights | 83,098 | 72,500 | 83,100 |
| (To) From Reserve for Street Lights | (15,810) | 0 | 0 |
| Total Street Lighting | 67,288 | 72,500 | 83,100 |
| Public Works | | | |
| Best Management Practices | 0 | 50,000 | 50,000 |
| Watershed Management Program | 47,230 | 847,000 | 847,000 |
| Miscellaneous Grants | 0 | 0 | 0 |
| Total Public Works | 47,230 | 897,000 | 897,000 |
| Recreation, Parks & Culture | | | |
| Recreation | 5,900 | 0 | 0 |
| Public Library | 1,920 | 0 | 0 |
| Total Recreation | 7,820 | 0 | 0 |
| Social Services | | | |
| Comprehensive Services Act (CSA) | 3,052,106 | 4,698,050 | 4,140,865 |
| Title IV-E | 0 | 44,812 | 0 |
| Transfer From the General Fund | 2,875,036 | 4,053,920 | 3,602,531 |
| Total Social Services | 5,927,142 | 8,796,782 | 7,743,396 |
| Total Revenues | $120,579,954 | $125,898,394 | $125,698,177 |

**COUNTY OF HENRICO, VIRGINIA**
**APPROVED SPECIAL REVENUE FUND EXPENDITURES**
**FY 2012-13**

| Expenditures: Subfund/Activity | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| Capital Region Workforce Partnership (CRWP) | $3,459,917 | $4,959,921 | $5,485,944 |
| City of Richmond WIA Fund | 93,858 | 0 | 0 |
| ARRA - CRWP | 1,260,930 | 0 | 0 |
| Total CRWP | $4,814,705 | $4,959,921 | $5,485,944 |
| | | | |
| Commonwealth's Attorney | | | |
| Victim/Witness Program | 642,440 | 669,311 | 687,722 |
| Special Drug Prosecutor | 178,562 | 188,963 | 186,115 |
| Asset Forfeitures - Commonwealth's Attorney | 15,181 | 0 | 0 |
| Total Commonwealth's Attorney | 836,183 | 858,274 | 873,837 |
| | | | |
| Community Corrections Program | 1,702,795 | 1,815,156 | 1,758,065 |
| ARRA - CCP | 28,621 | 0 | 0 |
| Total Community Corrections Program | 1,731,416 | 1,815,156 | 1,758,065 |
| | | | |
| Community Revitalization - CDBG/HOME | 2,125,862 | 0 | 0 |
| ARRA - CDBG and Community Revitalization | 270,821 | 0 | 0 |
| Total CDBG/HOME | 2,396,683 | 0 | 0 |
| | | | |
| Economic Development | | | |
| Governor's Opportunity Fund | 900,000 | 0 | 0 |
| White Oak Village CDA | 3,790,000 | 0 | 0 |
| Reynolds Crossing CDA | 365,000 | 0 | 0 |
| Total Economic Development | 5,055,000 | 0 | 0 |
| | | | |
| Education | | | |
| State, Federal & Other Grants | 26,047,113 | 42,857,611 | 42,573,506 |
| ARRA - Education | 11,630,396 | 0 | 0 |
| School Cafeterias | 16,728,008 | 18,494,517 | 18,638,229 |
| Total Education | 54,405,517 | 61,352,128 | 61,211,735 |
| | | | |
| General Services | 1,304,170 | 0 | 0 |
| | | | |
| Juvenile & Domestic Relations Court | | | |
| Probation - VJCCCA | 579,389 | 550,941 | 550,284 |
| Detention - VJCCCA | 326,885 | 334,451 | 325,831 |
| Juvenile Probation | 45,703 | 0 | 0 |
| USDA | 24,558 | 27,500 | 24,000 |
| Total Juvenile & Domestic Relations Court | 976,535 | 912,892 | 900,115 |

*Special Revenue Fund Expenditures (cont'd)*

| **Expenditures:** Subfund/Activity | **FY 10-11** Actual | **FY 11-12** Original | **FY 12-13** Approved |
|---|---|---|---|
| Mental Health & Developmental Services | | | |
| Clinical Services | 14,443,413 | 16,030,348 | 16,115,807 |
| Community Support Services | 9,078,849 | 9,902,729 | 10,000,376 |
| Administrative and Program Support | 5,811,579 | 6,509,494 | 6,709,713 |
| ARRA - Mental Health | 220,084 | 0 | 0 |
| Total Mental Health | 29,553,925 | 32,442,571 | 32,825,896 |
| Non-Departmental | 0 | 100,201 | 100,201 |
| Public Safety | | | |
| State and Federal Grants - Police | 1,806,572 | 0 | 0 |
| ARRA - Police | 187,015 | 0 | 0 |
| Donations - Police | 5,981 | 0 | 0 |
| Communications | 592,008 | 962,180 | 1,025,237 |
| Metro Aviation | 356,527 | 411,687 | 411,687 |
| Henrico Extraditions | 71,550 | 50,000 | 50,000 |
| Asset Forfeitures - Police | 67,304 | 0 | 0 |
| State and Federal Grants - Fire | 280,650 | 0 | 0 |
| Donations - Fire | 750 | 0 | 0 |
| Homeland Security - Fire | 56,706 | 0 | 0 |
| Total Public Safety | 3,425,063 | 1,423,867 | 1,486,924 |
| Public Utilities | | | |
| Solid Waste | 10,031,277 | 12,267,102 | 12,331,964 |
| Street Lighting | 67,288 | 72,500 | 83,100 |
| Total Public Utilities | 10,098,565 | 12,339,602 | 12,415,064 |
| Public Works | | | |
| Best Management Practices | 0 | 50,000 | 50,000 |
| Watershed Program | 47,230 | 847,000 | 847,000 |
| Total Public Works | 47,230 | 897,000 | 897,000 |
| Recreation, Parks & Culture | | | |
| Recreation & Parks | 5,900 | 0 | 0 |
| Public Library | 1,920 | 0 | 0 |
| Total Recreation, Parks, & Culture | 7,820 | 0 | 0 |
| Social Services | | | |
| Comprehensive Services Act (CSA) | 5,927,142 | 8,796,782 | 7,743,396 |
| Total Expenditures | $120,579,954 | $125,898,394 | $125,698,177 |

## COUNTY OF HENRICO, VIRGINIA
## APPROVED REVENUES & EXPENDITURES - WATER & SEWER ENTERPRISE FUND
## FY 2012-13

### Water and Sewer Enterprise Fund

| **Revenues/Resources** | **FY 10-11 Actual** | **FY 11-12 Original** | **FY 12-13 Approved** |
|---|---|---|---|
| Water and Sewer Operating Budget: | | | |
| Sale of Water | $44,428,308 | $44,258,630 | $45,887,535 |
| Sale of Sewer | 40,212,364 | 43,579,501 | 44,497,991 |
| Water Connection Fees | 2,537,192 | 2,216,550 | 3,239,278 |
| Sewer Connection Fees | 1,958,330 | 4,076,998 | 1,377,088 |
| Interest Earnings | 652,348 | 917,073 | 848,276 |
| Strong Waste Surcharge | 1,710,903 | 1,385,000 | 1,485,000 |
| VA DEQ Grant | 1,524,845 | 0 | 0 |
| Other Water/Sewer revenues | 1,682,588 | 1,567,807 | 1,855,000 |
| Transfer from General Fund | 756,608 | 756,608 | 756,608 |
| **Total Operating Revenues** | **95,463,486** | **98,758,167** | **99,946,776** |

### Operating Expenditures

| | | | |
|---|---|---|---|
| Water and Sewer Operating Budget: | | | |
| Personnel | 19,167,882 | 19,760,885 | 19,993,542 |
| Operating | 37,151,329 | 37,452,511 | 37,452,511 |
| Capital Outlay | 978,520 | 785,527 | 785,527 |
| **Sub-Total Operating** | **57,297,731** | **57,998,923** | **58,231,580** |
| Debt Service | 14,499,755 | 20,391,286 | 22,783,414 |
| **Total Operating Expenditures** | **71,797,486** | **78,390,209** | **81,014,994** |
| **Results of Operations (Prior to Capital Expenses)** | **23,666,000** | **20,367,958** | **18,931,782** |
| **Budget For Capital Use (Below)** | **n/a** | **(100,827,965)** | **(89,704,219)** |

| **Capital Budget Expenditures** | **FY10-11 Actual** | **FY11-12 Original** | **FY12-13 Approved** |
|---|---|---|---|
| Approved Capital Projects (FY2011-12 Budget) | | 100,827,965 | |
| Approved Capital Projects (New FY2012-13 Budget) | | | 89,764,219 |
| Continuing Capital Projects (Previously Approved) (1) | 48,395,279 | 0 | |
| Total Capital Budget Expenses: | 48,395,279 | 100,827,965 | 89,764,219 |
| **Capital Budget Resources** | | | |
| Water and Sewer Revenues | 31,294,356 | 100,827,965 | 89,764,219 |
| Revenue Bonds (2006 Series) | 9,910,044 | 0 | |
| ARRA - Federal Stimulus Funds | 7,190,879 | 0 | |
| Total Capital Budget Resources: | 48,395,279 | 100,827,965 | 89,764,219 |

| | | | |
|---|---|---|---|
| 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. FY2010-11 represents actual spending, as per the 2011 audit.

(2) FY11 Fund Equity represents actual unreserved equity, as per 2011 audit. FY2011-12 and FY2012-13 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 2012-13**

| Fund-Function/Activity | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| **Belmont Golf Course Fund** | | | |
| **Revenues:** | | | |
| Operating | 956,339 | 1,220,070 | 1,228,807 |
| Transfer from General Fund | 0 | 0 | 0 |
| Total Revenues | 956,339 | 1,220,070 | 1,228,807 |
| (To) From Retained Earnings | 156,415 | 0 | 0 |
| **Total Resources** | **1,112,754** | **1,220,070** | **1,228,807** |
| **Expenses:** | | | |
| Loan Repayment to County | 0 | 22,500 | 22,500 |
| Operating | 1,112,754 | 1,197,570 | 1,206,307 |
| **Total Operating Expenses** | **$1,112,754** | **$1,220,070** | **$1,228,807** |

**COUNTY OF HENRICO, VIRGINIA**
**ALL OTHER FUNDS**
**FY 2012-13**

| Fund-Function/Activity | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| **Internal Service Funds** | | | |
| | | | |
| **Central Automotive Maintenance** | | | |
| | | | |
| Revenues: | | | |
| Charges for Automotive Maintenance - West | $6,364,813 | $6,000,000 | $6,040,842 |
| Charges for Automotive Maintenance - East | 1,538,762 | 1,420,000 | 1,460,000 |
| Charges for Use of Motor Pool | 4,510,702 | 4,123,235 | 4,123,235 |
| Charges for Gasoline | 6,424,813 | 8,589,596 | 8,586,096 |
| Miscellaneous | 292,562 | 247,500 | 251,000 |
| (Gain)/Loss on Sale of Property | (108,345) | 0 | 0 |
| (To) From Retained Earnings - CAM | 178,196 | 0 | 0 |
| Transfer to Capital Projects | 152,653 | 0 | 0 |
| Transfer from General Fund | 0 | 0 | 0 |
| **Total Revenues** | **$19,354,156** | **$20,380,331** | **$20,461,173** |
| | | | |
| Expenses: | | | |
| Central Automotive Maintenance | $19,354,156 | $20,380,331 | $20,461,173 |
| **Total Expenses** | **$19,354,156** | **$20,380,331** | **$20,461,173** |
| | | | |
| **Technology Replacement Fund** | | | |
| | | | |
| Revenues: | | | |
| Technology Replacement Charges | $2,032,495 | $1,759,995 | $0 |
| Technology Replacement Charges-Special Revenue | 59,590 | 44,692 | 0 |
| Technology Replacement Charges-Belmont | 3,896 | 2,922 | 0 |
| Technology Replacement Charges-JRJDC | 2,744 | 2,058 | 0 |
| Technology Replacement Charges-Risk | 2,987 | 2,240 | 0 |
| (To) From Retained Earnings - Technology | 294,151 | 517,323 | 2,864,873 |
| **Total Revenues** | **$2,395,863** | **$2,329,230** | **$2,864,873** |
| | | | |
| Expenses: | | | |
| Data Processing Equipment | $2,395,863 | $2,329,230 | $2,864,873 |
| **Total Expenses** | **$2,395,863** | **$2,329,230** | **$2,864,873** |

*All Other Funds (cont'd)*

| Fund-Function/Activity | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| **Risk Management** | | | |
| Revenues: | | | |
| Transfer from General Fund | $8,715,889 | $4,369,790 | $4,543,437 |
| Public Utilities Charges | 672,189 | 629,403 | 629,403 |
| Recon-Workers' Compensation | 393,668 | 0 | 0 |
| Prop/Liability Recovery | 338,991 | 0 | 0 |
| A/R-S1 P/L Subrogation | 14,070 | 0 | 0 |
| Interest Income | 5,743 | 0 | 0 |
| **Total Revenues** | **$10,140,550** | **$4,999,193** | **$5,172,840** |
| Expenses: | | | |
| Risk Management | $10,140,550 | $4,999,193 | $5,172,840 |
| **Total Expenses** | **$10,140,550** | **$4,999,193** | **$5,172,840** |
| **Healthcare Fund** | | | |
| Revenues: | | | |
| County Contribution | $57,200,580 | $62,860,858 | $66,216,272 |
| Employee Contribution | 14,464,484 | 15,850,645 | 16,484,671 |
| Retiree Contribution | 5,100,164 | 5,950,415 | 6,188,431 |
| Retiree Subsidy | 579,246 | 606,967 | 621,320 |
| Disabled Subsidy | 153,020 | 268,870 | 170,387 |
| COBRA | 205,626 | 290,450 | 302,068 |
| Other Revenues | 80,901 | 75,000 | 75,000 |
| Early Retirement Reimbursement Program | 888,352 | 0 | 888,352 |
| Fund Balance (Includes IBNR) | 3,266,112 | 4,000,000 | 2,000,000 |
| **Total Revenues** | **$81,938,485** | **$89,903,205** | **$92,946,501** |
| Expenses: | | | |
| Healthcare | $81,938,485 | $89,903,205 | $92,946,501 |
| **Total Expenses** | **$81,938,485** | **$89,903,205** | **$92,946,501** |
| **Debt Service Fund** | | | |
| Revenues: | | | |
| Transfer from General Fund | $49,832,472 | $52,854,043 | $58,982,785 |
| (To) From Fund Balance | 2,189,064 | 2,000,000 | 2,000,000 |
| **Total Revenues** | **$52,021,536** | **$54,854,043** | **$60,982,785** |
| Expenditures: | | | |
| Debt Service - General Government | $11,838,278 | $14,375,844 | $18,525,219 |
| Debt Service - Public Works | 3,521,618 | 2,954,631 | 3,200,263 |
| Debt Service - Education | 36,661,640 | 37,523,568 | 39,257,303 |
| **Total Expenditures** | **$52,021,536** | **$54,854,043** | **$60,982,785** |
| Adjustment for Interfund Transactions | ($79,682,865) | ($86,446,256) | ($87,469,152) |

## COUNTY OF HENRICO, VIRGINIA
## REVENUES & EXPENDITURES - AGENCY FUNDS
## FY 2012-13

| Fund-Function/Activity | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| **JRJDC Agency Fund** | | | |
| Revenues: | | | |
| Transfer from General Fund | $3,281,789 | $3,281,089 | $3,271,174 |
| Revenue from Federal Government | 81,173 | 0 | 0 |
| Revenue from the Commonwealth | 1,502,644 | 1,412,270 | 1,412,270 |
| Revenue from Goochland/Powhatan | 448,688 | 403,312 | 401,438 |
| Gain/Loss Sale of Assets | 0 | 0 | 0 |
| Revenue from Other Localities | 0 | 0 | 0 |
| Interest Income | 22,836 | 0 | 0 |
| (To) From Fund Balance-JRJDC | 257,192 | 445,138 | 445,138 |
| **Total Revenues** | **$5,594,322** | **$5,541,809** | **$5,530,020** |
| Expenses: | | | |
| Operating | $4,924,004 | $4,867,199 | $4,853,142 |
| Debt Service | 670,318 | 674,610 | 676,878 |
| **Total Expenses** | **$5,594,322** | **$5,541,809** | **$5,530,020** |
| **Other Post Employment Benefits - GASB 45** | | | |
| Revenues: | | | |
| Transfer from General Fund | $3,000,000 | $3,000,000 | $3,000,000 |
| **Total Revenues** | **$3,000,000** | **$3,000,000** | **$3,000,000** |
| Expenses: | | | |
| Operating | $3,000,000 | $3,000,000 | $3,000,000 |
| **Total Expenses** | **$3,000,000** | **$3,000,000** | **$3,000,000** |
| **Line of Duty Act (LODA)** | | | |
| Revenues: | | | |
| Fiduciary Fund Balance | $0 | $0 | $500,000 |
| **Total Revenues** | **$0** | **$0** | **$500,000** |
| Expenses: | | | |
| Operating | $0 | $0 | $500,000 |
| **Total Expenses** | **$0** | **$0** | **$500,000** |

## COUNTY OF HENRICO, VIRGINIA
## TOTAL REVENUES (BY SOURCE) - ACROSS ALL FUNDS
## FY 2012-13

| | 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 | $379,975,000 | $0 | $0 | $0 | $0 | $0 | $0 | $379,975,000 |
| Other Local Taxes | $116,235,000 | 0 | 0 | 0 | 0 | 0 | 0 | 116,235,000 |
| Permits, Fees, and Licenses | $3,443,900 | 1,110,798 | 0 | 0 | 0 | 0 | 0 | 4,554,698 |
| Fines and Forfeitures | $2,390,000 | 227,067 | 130,000 | 0 | 0 | 0 | 0 | 2,747,067 |
| Use of Money and Property | $7,872,500 | 172,812 | 0 | 0 | 0 | 285,000 | 0 | 8,330,312 |
| Charges for Services | $3,725,700 | 29,094,850 | 95,386,892 | 1,228,807 | 0 | 0 | 0 | 129,436,249 |
| Recovered Costs | $4,286,370 | 534,431 | 0 | 0 | 0 | 110,822,725 | 0 | 115,643,526 |
| Shared Expenses | $0 | 0 | 0 | 0 | 0 | 0 | 401,438 | 401,438 |
| Miscellaneous | $3,028,400 | 1,627,103 | 3,673,276 | 0 | 0 | 41,000 | 0 | 8,369,779 |
| Total from Local Sources | 520,956,870 | 32,767,061 | 99,190,168 | 1,228,807 | 0 | 111,148,725 | 401,438 | 765,693,069 |
| Revenue from the Commonwealth: | | | | | | | | |
| Non-categorical Aid | 17,713,500 | 553,634 | 0 | 0 | 0 | 0 | 0 | 18,267,134 |
| Shared Expenses | 14,929,400 | 0 | 0 | 0 | 0 | 0 | 1,412,270 | 16,341,670 |
| Categorical Aid | 258,536,655 | 24,776,101 | 0 | 0 | 0 | 0 | 0 | 283,312,756 |
| Total from the Commonwealth | 291,179,555 | 25,329,735 | 0 | 0 | 0 | 0 | 1,412,270 | 317,921,560 |
| Revenue from the Federal Government: | | | | | | | | |
| Categorical Aid | 12,830,280 | 46,439,190 | 0 | 0 | 0 | 888,352 | 0 | 60,157,822 |
| Total from the Federal Government | 12,830,280 | 46,439,190 | 0 | 0 | 0 | 888,352 | 0 | 60,157,822 |
| Total Revenues | $824,966,705 | $104,535,986 | $99,190,168 | $1,228,807 | $0 | $112,037,077 | $1,813,708 | $1,143,772,451 |
| Operating Transfers | (92,694,218) | 22,140,214 | 756,608 | 0 | 58,982,785 | (82,925,715) | 6,271,174 | (87,469,152) |
| Transfers to Capital Projects | (17,424,800) | 0 | 0 | 0 | 0 | 0 | 0 | (17,424,800) |
| Total Resources | $714,847,687 | $126,676,200 | $99,946,776 | $1,228,807 | $58,982,785 | $29,111,362 | $8,084,882 | $1,038,878,499 |
| (To) From Fund Balance | 5,000,000 | (978,023) | (18,931,782) | 0 | 2,000,000 | 4,864,873 | 945,138 | (7,099,794) |
| (To) From Fund Balance - Designated Cap | 5,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 5,000,000 |
| (To) From Revenue Stabilization | 3,869,432 | 0 | 0 | 0 | 0 | 0 | 0 | 3,869,432 |
| (To) From Vehicle Replacement Reserve | 6,574,800 | 0 | 0 | 0 | 0 | 0 | 0 | 6,574,800 |
| Total All Funds | $735,291,919 | $125,698,177 | $81,014,994 | $1,228,807 | $60,982,785 | $33,976,235 | $9,030,020 | $1,047,222,937 |

## COUNTY OF HENRICO, VIRGINIA
## TOTAL EXPENDITURES BY DEPARTMENT - ACROSS ALL FUNDS
## FY 2012-13

| | 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 | $1,097,781 | | | | | | | $1,097,781 |
| 02 | Library | 15,059,497 | | | | | | | 15,059,497 |
| 03 | Sheriff | 33,960,713 | | | | | | | 33,960,713 |
| 04 | Circuit Court | 2,960,352 | | | | | | | 2,960,352 |
| 05 | Commonwealth's Attorney | 4,362,490 | $873,837 | | | | | | 5,236,327 |
| 06 | General District Court | 214,556 | | | | | | | 214,556 |
| 07 | Juvenile & Domestic Relations Court | 2,331,268 | 900,115 | | | | | | 3,231,383 |
| 08 | Electoral Board | 1,292,871 | | | | | | | 1,292,871 |
| 09 | County Manager | 3,681,327 | | | | | | | 3,681,327 |
| 10 | County Attorney | 2,002,158 | | | | | | | 2,002,158 |
| 11 | Human Resources | 5,003,086 | | | | | | $3,500,000 | 8,503,086 |
| 12 | Public Safety - Police | 62,836,516 | 1,486,924 | | | | | | 64,323,440 |
| 13 | Public Safety - Fire | 49,647,146 | | | | | | | 49,647,146 |
| 14 | Finance | 11,754,015 | | | | | | | 11,754,015 |
| 16 | General Services | 17,107,677 | | | | | $25,634,013 | | 42,741,690 |
| 17 | Internal Audit | 395,367 | | | | | | | 395,367 |
| 18 | Debt Service | | | | | $21,725,482 | | | 21,725,482 |
| 19 | Information Technology | 12,458,607 | | | | | | | 12,458,607 |
| 21 | Agriculture and Home Extension | 354,492 | | | | | | | 354,492 |
| 22 | Social Services | 14,597,149 | 7,743,396 | | | | | | 22,340,545 |
| 23 | Recreation & Parks | 17,372,798 | | | $1,228,807 | | | | 18,601,605 |
| 24 | Public Health | 1,653,542 | | | | | | | 1,653,542 |
| 26 | Mental Health & Developmental Services | | 32,825,896 | | | | | | 32,825,896 |
| 27 | Capital Region Workforce Partnership | | 5,485,944 | | | | | | 5,485,944 |
| 28 | Public Works | 35,504,297 | 897,000 | | | | | | 36,401,297 |
| 29 | Real Property | 587,745 | | | | | | | 587,745 |
| 30 | Economic Development | 13,234,709 | | | | | | | 13,234,709 |
| 31 | Public Utilities | | 12,415,064 | $81,014,994 | | | | | 93,430,058 |
| 32 | Non-Departmental | 11,507,310 | 100,201 | | | | | | 11,607,511 |
| 33 | Building Inspections | 4,091,527 | | | | | | | 4,091,527 |
| 34 | Planning | 3,772,313 | | | | | | | 3,772,313 |
| 35 | Permit Centers | 884,218 | | | | | | | 884,218 |
| 36 | Community Corrections Program | | 1,758,065 | | | | | | 1,758,065 |
| 37 | Technology Replacement | | | | | | 2,864,873 | | 2,864,873 |
| 38 | Community Revitalization | 1,516,392 | | | | | | | 1,516,392 |
| 40 | James River Juvenile Detention Ctr | | | | | | | 5,530,020 | 5,530,020 |
| 42 | Healthcare | | | | | | 92,946,501 | | 92,946,501 |
| 50 | Education | 404,050,000 | 61,211,735 | | | 39,257,303 | | | 504,519,038 |
| 60 | Interdepartmental Billings | | | | | | (87,469,152) | | (87,469,152) |
| | Total Expenditures | $735,291,919 | $125,698,177 | $81,014,994 | $1,228,807 | $60,982,785 | $33,976,235 | $9,030,020 | $1,047,222,937 |

## Estimated Changes to Undesignated Fund Balances

### FY2011 Actual through FY2013 Projected (By Fund)

| | Revenues | Expenditures/ Transfers | Fund Balance |
|---|---|---|---|
| ***GENERAL FUND*** | | | |
| Undesignated Fund Balance - FY2011 Actual | | | $ 133,726,576 |
| FY2012 Budgeted Revenues | 821,777,170 | | |
| FY2012 Budgeted Expenditures | | (743,661,366) | |
| FY2012 Budgeted Transfers to Other Funds | | (78,115,804) | |
| FY2012 Use of Undesignated Fund Balance-PAYG Capital Projects | | (5,000,000) | |
| FY2012 Anticipated Results of Operations | | | (17,177,371) |
| FY2012 Projected Use of Fund Balance-PAYG Capital Projects | | | (5,000,000) |
| Projected Ending Undesignated Fund Balance FY2012 | | | 111,549,205 * |
| 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 | | | 3,744,583 |
| FY2013 Projected Use of Fund Balance-PAYG Capital Projects | | | (5,000,000) |
| Projected Ending Undesignated Fund Balance FY2013 | | | 110,293,788 |

*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.

| | Revenues | Expenditures/ Transfers | Fund Balance |
|---|---|---|---|
| ***SPECIAL REVENUE FUND*** | | | |
| Undesignated Fund Balance - FY2011 Actual | | | 0 |
| FY2012 Budgeted Revenues | 127,419,045 | | |
| FY2012 Budgeted Use of Reserves (net) | (1,520,651) | | |
| FY2012 Budgeted Total Resources | 125,898,394 | | |
| FY2012 Budgeted Expenditures | | (125,898,394) | |
| FY2012 Projected Use of Undesignated Fund Balance | | | 0 |
| Projected Ending Undesignated Fund Balance FY2012 | | | 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 |

## Estimated Changes to Undesignated Fund Balances

### FY2011 Actual through FY2013 Projected (By Fund)

| | Revenues | Expenditures/ Transfers | Fund Balance |
|---|---|---|---|
| ***INTERNAL SERVICE FUNDS*** | | | |
| Unreserved Retained Earnings - FY2011 Actual | | | $ 29,617,723 |
| FY2012 Budgeted Revenues | 117,094,636 | | |
| FY2012 Budgeted Expenditures | | (117,611,959) | |
| FY2012 Projected Use of Retained Earnings | | | (517,323) |
| Projected Ending Unreserved Retained Earnings FY2012 | | | 29,100,400 |
| 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 | | | 26,235,527 |
| ***WATER & SEWER ENTERPRISE FUND*** | | | |
| Unreserved Fund Equity - FY2011 Actual | | | 60,371,868 |
| FY2012 Budgeted Revenues | 98,758,167 | | |
| FY2012 Budgeted Expenditures | | (78,390,209) | |
| FY2012 Budgeted for Capital Use | | (100,827,865) | |
| FY2012 Budgeted Expenditures and Transfers | | (179,218,074) | |
| FY2012 Projected Change to Unreserved Fund Equity | | | 41,418,127 |
| Projected Unreserved Fund Equity FY2012 | | | 101,789,995 |
| 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 | | | (75,141,629) |
| Projected Unreserved Fund Equity FY2013 | | | 26,648,366 |
| ***JRJDC AGENCY FUND*** | | | |
| Unreserved Retained Earnings - FY2011 Actual | | | $ 2,892,189 |
| FY2012 Budgeted Revenues | 5,096,671 | | |
| FY2012 Budgeted Expenditures | | (5,541,809) | |
| FY2012 Budgeted Use of Unreserved Retained Earnings | | | (445,138) |
| Projected Ending Unreserved Retained Earnings FY2012 | | | 2,447,051 |
| 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 | | | 2,001,913 |

# 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.

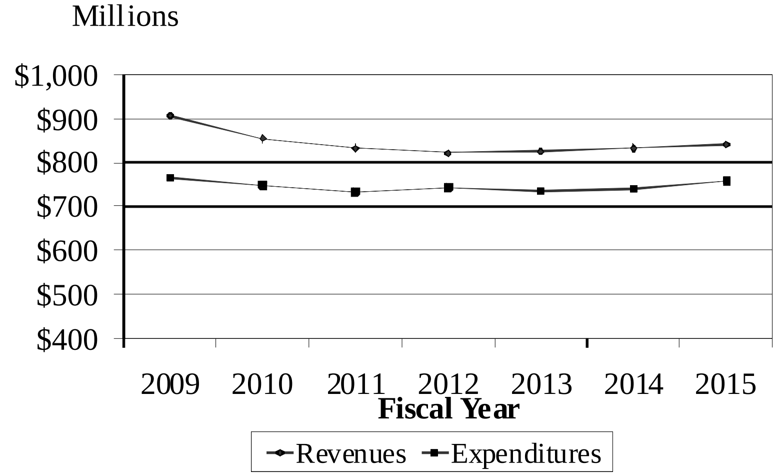
**The information that follows constitutes the forecast of the County's cost of operations for FY2013 through FY2015**. The FY2013 data represents the budget adopted by the Board of Supervisors, while FY2014 and FY2015 are included for projective purposes. This data is presented by fund and includes 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 2012 through 2015 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 FY2013, prior to transfers to other funds, is $824,966,705. This is an increase of $3,189,535, or 0.39 percent above FY2012 estimates. General Fund revenues for the County of Henrico are categorized into three broad categories: Local Tax Revenue, Other Local Revenue, and State and Federal Revenue. The table below summarizes General Fund revenue by category. Following is a brief discussion of the revenue components in each of these categories, including graphs depicting the historical trends of these revenue sources as compared with future projections.

**Local Tax Revenue:**

| Description | FY 2011 Actual | FY 2012 Original | FY 2013 Approved | Increase (Decrease) |
|---|---|---|---|---|
| Local Tax Revenue | $ 476,270,663 | $ 503,415,000 | $ 496,210,000 | $ (7,205,000) |
| Other Local Revenue | 23,959,873 | 26,404,970 | 24,746,870 | (1,658,100) |
| State and Federal Revenue | 332,460,679 | 291,957,200 | 304,009,835 | 12,052,635 |
| Total General Fund Revenue | $ 832,691,215 | $ 821,777,170 | $ 824,966,705 | $ 3,189,535 |

Local Tax Revenue represents Henrico County's principal source of revenue. County tax revenue is projected to total $496.2 million or 60.1 percent of total General Fund revenue for FY2013. This is a decrease of 1.4 percent, or $7.2 million below the current fiscal year. Local Tax Revenue includes:

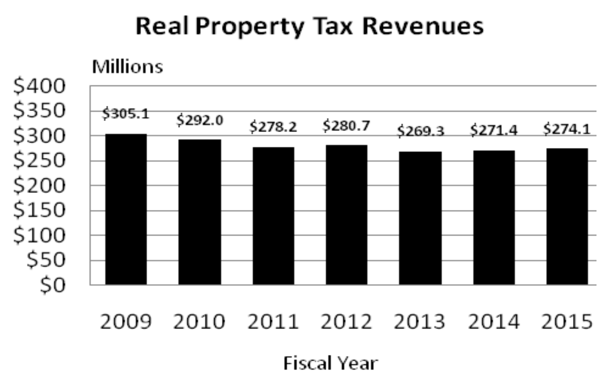
| Local Tax Revenue | FY 2012 Original | FY 2013 Approved | Increase (Decrease) | Percent Change | Pct. Of Revenue |
|---|---|---|---|---|---|
| Real Property Tax | $ 280,700,000 | $ 269,300,000 | $ (11,400,000) | (4.1%) | 54.3% |
| Personal Property Tax | 103,930,000 | 103,930,000 | 0 | 0.0% | 20.9% |
| Other Property Taxes | 4,030,000 | 6,745,000 | 2,715,000 | 67.4% | 1.4% |
| Local Sales Tax | 56,050,000 | 58,400,000 | 2,350,000 | 4.2% | 11.8% |
| Business License Tax | 29,850,000 | 28,600,000 | (1,250,000) | (4.2%) | 5.8% |
| Motor Vehicle License Tax | 6,325,000 | 6,325,000 | 0 | 0.0% | 1.3% |
| Consumer Utility Tax (*) | 2,600,000 | 2,600,000 | 0 | 0.0% | 0.5% |
| Hotel/Motel Tax | 9,200,000 | 9,660,000 | 460,000 | 5.0% | 1.9% |
| Bank Franchise Tax | 5,000,000 | 5,000,000 | 0 | 0.0% | 1.0% |
| Other Local Taxes | 5,730,000 | 5,650,000 | (80,000) | (1.4%) | 1.1% |
| Total Local Tax Revenue | $ 503,415,000 | $ 496,210,000 | $ (7,205,000) | (1.4%) | 100.0% |

*Electric Only

The majority, 75.2 percent, of the $496.2 million in Local Tax revenues is derived from Real and Personal Property Tax revenues (including delinquent collections), which are estimated to generate approximately $373.2 million or 45.2 percent of total General Fund revenue. Local Sales Tax revenue increased $2,350,000, or 4.2 percent in FY2013 and makes up 11.8 percent of Local Tax revenue. Business & Professional License (BPOL) Tax revenue is projected to decrease by $1,250,000 in FY2013. 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 FY2013. The Consumer Utility Tax revenue (electric only) estimate of $2.6 remained flat for FY2013. Revenue from the 8.0 percent Hotel/Motel Tax is anticipated to increase to $9.6 million in FY2013. These funds will be paid to the Richmond Convention Center during FY2013. The Convention Center will return $2.4 million (a fourth of the 8.0 percent levy) to the County at the end of FY2013. The assumptions used when preparing the FY2013 – FY2015 revenue estimates for each of these taxes are described in greater detail in the following pages.

**Real Property Taxes** are estimated to generate $269.3 million or 32.6 percent of the County's total General Fund revenue in FY2013. This is a decrease of $11.4 million or 4.1 percent less than the current fiscal year. Included within this total is revenue derived from current real estate taxes and real estate taxes paid by public service corporations. The FY2013 budget is balanced within the tax rate of $0.87 per $100 of assessed value for CY2011.



Fiscal Years 2012 through 2015 are estimated.

Assessment information for January 2012 indicates real estate assessments total $30.6 billion, reflecting a decline of approximately $1.0 billion, or 3.3 percent from the January 2011 assessed values, and reflects the third consecutive year-over-year decline in real estate valuation. The commercial percentage of the tax base equated to 30.4 percent in January 2012. Following two years of declines, the commercial ratio increased from January 2011, as commercial real estate values increased due to the absorption of previously vacant office space in the County, as well as some new commercial development. The overall reduction in assessed valuation was attributable entirely to residential real estate valuation, which declined by approx $1.0 billion or 3.3 percent. Real estate valuations have been impacted by the economic downturn and are indicative of current market conditions.

Out year projections on movements in countywide assessments are based on a forecast model factoring in changes in both residential and commercial values as well as the addition of new residential and commercial construction. The FY2014 and FY2015, projections assume increases to the County's real property tax collections of 0.81 and 1.0 percent in each year, respectively.

Fiscal Years 2012 through 2015 are estimated. Includes PPTRA reimbursements.

**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.

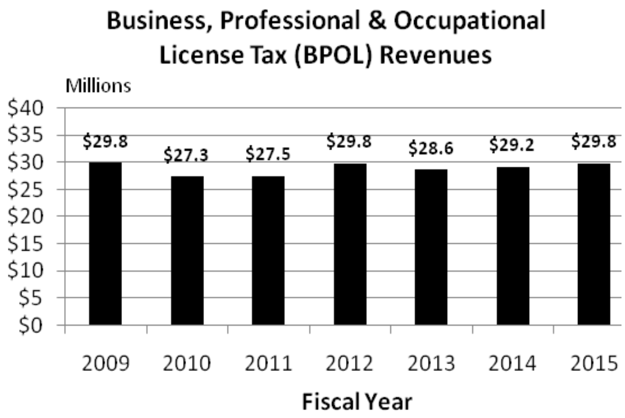
FY2012 marks the fourteenth year of the Personal Property Tax Relief Act (PPTRA) enacted by the General Assembly in 1998, although actual reimbursements to localities were capped by the State in the 2004 legislative session. Due to the State payment cap the amount of tax relief will vary by year and 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 CY2012 tax levy. For qualifying individual vehicles assessed between $1,001 and $20,000, the State will pay Henrico County 68.0 percent of the CY2012 tax levy. With qualifying individual vehicles valued at $20,001 or more, the State will pay Henrico County 68.0 percent of the CY2012 tax levy for the first $20,000 of value only. The PPTRA payments from the State are included in the projections for FY2013 through FY2015. Henrico's payment from the State will remain constant at $37.0 million, so as personal property values increase over time, the actual percentage of State reimbursement will decrease.

Personal Property Tax revenue is estimated at $103.9 million for FY2013. This represents 12.6 percent of total General Fund revenue. This revenue includes taxes from current personal property and taxes on personal property owned by public service corporations. It is projected that Personal Property Tax receipts will increase by 1.0 percent in both FY2014 and FY2015, respectively.

**Other General Property Tax** revenue includes delinquent real estate and personal property taxes, land redemptions and interest and penalties on delinquent taxes.

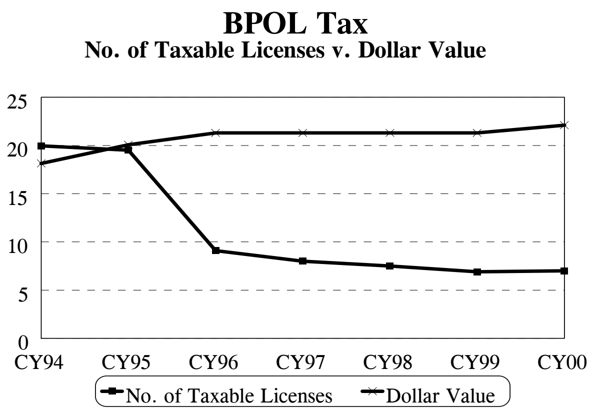
**Local Sales Tax** revenue is considered an elastic revenue source because it is responsive to changes in the economy. Virginia's Sales Tax rate was increased to 5.0 percent during FY2005. The Virginia General Assembly approved the increase in May 2004 and dedicated the proceeds to local education. With the increase the State will retain 4.0 percent and return 1.0 percent as unrestricted revenue to the locality where the funds were collected (localities also receive a blended 1.25 percent back from the State for local education – see the discussion on State Revenues). Local Sales Tax revenue is projected to generate $58.4 million in FY2013, an increase of $2,350,000, or 4.2 percent from the current fiscal year budget. Local Sales Tax revenues are projected to increase by 3.0 percent in both FY2014 and FY2015, respectively.

Henrico County's retailers continue to lead the Richmond Metropolitan Area in the generation of Local Sales Tax revenue. As of May 2012, Henrico County is recording 39.8 percent of the Local Sales Tax dollars redistributed to localities in the Richmond Metropolitan Area by the State.

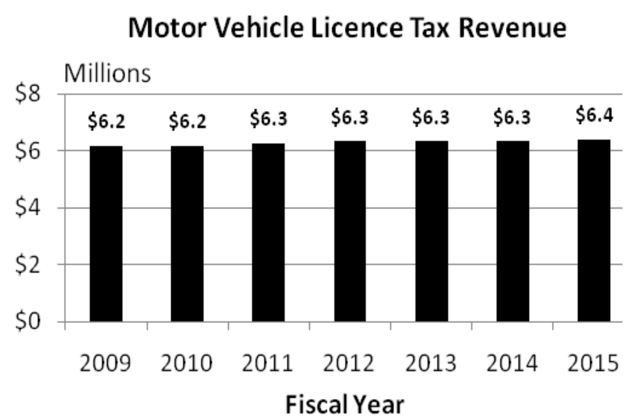



Fiscal Years 2012 through 2015 are estimated.

**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 FY2013 budget maintains a maximum uniform BPOL tax rate of $0.20/$100 of gross receipts for all business categories.



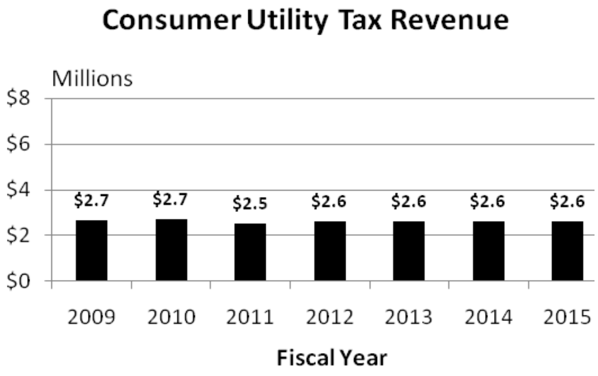

The graph to the right depicts the success of Henrico's BPOL tax reduction program. The success is apparent by comparing the change in the number of *taxable* business licenses issued in calendar year 2000 and those issued in calendar year 1995 (the year before the tax reduction was implemented). All County businesses must hold a valid business license, but that license may or may not be taxable. The BPOL tax reduction was implemented in phases and was initiated in January 1996, when the Board of Supervisors implemented a standard exemption for the first $25,000 of gross receipts earned by County businesses. In January 1997, the earnings exemption was increased to the first $50,000 of gross receipts. The FY1998 budget continued the rate rollback and the gross receipts exemption was increased to the first $75,000 earned by County businesses. The FY1999 budget raised the gross receipts exemption amount to $100,000 and continued the rate rollback. The FY2000 budget completed the rate rollback at the maximum uniform rate of $.20/$100 of gross receipts for all business categories. A category change was implemented in FY2002, when utility companies discontinued paying BPOL taxes, and began paying a Local Consumption Tax, which is based on actual usage of electricity. This change was initiated by the State due to the forthcoming deregulation of the utility industry in Virginia. The FY2013 forecast assumes BPOL tax receipts will decrease to a level of $28.6 million. It is projected that receipts will increase by 2.0 percent in both FY2014 and FY2015, respectively.




Fiscal Years 2012 through 2015 are estimated.

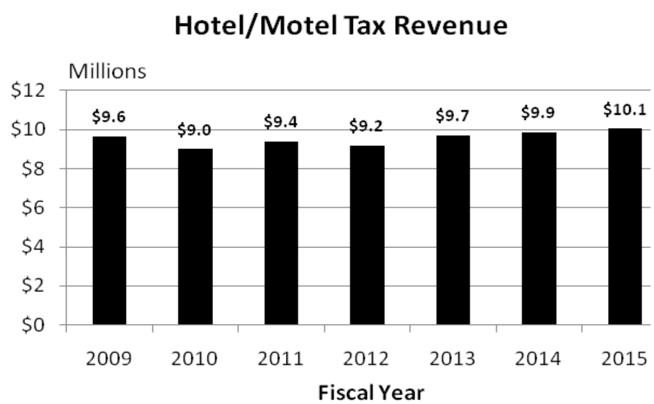
**Motor Vehicle License Taxes** are collected for every motor vehicle or trailer normally garaged, stored or parked in the County. The FY2013 and FY2014 revenue estimates remained the same as the FY2012 estimate at $6.3 million. The projection for FY2015 is $6.4 million.

**Consumer Utility Taxes** are estimated at $2.6 million in FY2013. 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 $14.5 million in FY2013.



Fiscal Years 2012 through 2015 are estimated.

**Hotel/Motel Taxes** under the Code of Virginia are defined as "transient occupancy taxes". These taxes are similar to the Sales Tax in that they are based on the value of a purchase, which in this case is a motel or hotel room. The Hotel/Motel Tax rate in the Richmond Metropolitan Area is 8.0 percent. 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.



Fiscal Years 2012 through 2015 are estimated.

In the 1998 Legislative Session, the Virginia General Assembly authorized an additional 2.0 percent levy in the Hotel/Motel Tax (bringing the entire levy to 8.0 percent) and earmarked the additional 2.0 percent levy for the Richmond Convention Center. FY2013 revenue estimates for the Hotel/Motel Tax total $9.7 million. In FY2013, the entire 8.0 percent levy will be transferred to the Richmond Convention Center Authority. At the end of the fiscal year, Henrico County's local 2.0 percent component for tourism expenses will be returned from the Authority. It is anticipated that revenues will increase in FY2014 and FY2015 by 2.0 percent in each year, respectively.

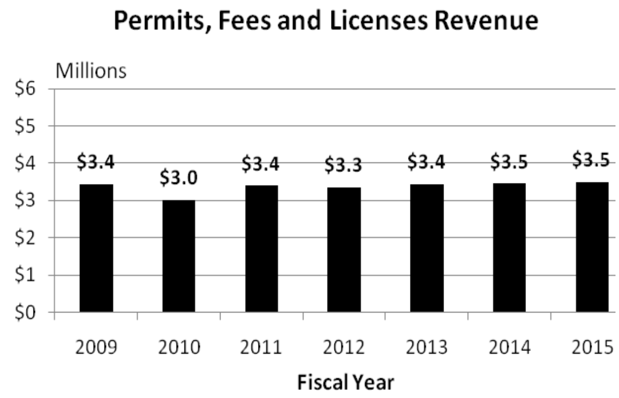
**Bank Franchise Taxes** are derived from the taxation of net capital on banks located in the County. In FY2013, Bank Franchise Taxes are estimated at $5.0 million. Bank Franchise tax revenue is projected to remain constant in FY2014 and FY2015 at $5,000,000.

**Other Local Taxes** includes funds received for grantor's taxes, recordation taxes, daily rental tax, and the consumption tax. In total $5.7 million is budgeted in FY2013, and it is projected that revenues will remain level for FY2014 and FY2015.

**Other Local Revenue:**

Other Local Revenue is estimated to generate $24.7 million in FY2013. This is a $1.7 million, or a 6.3 percent decrease from FY2012. More detailed information on each of these categories of local revenue is included in the pages that follow.

**Permits, Fees and Licenses** include such items as structure and equipment permits, municipal library fees, zoning application fees, fees for the rental of school facilities and dog licenses. This revenue category is estimated to generate $3.4 million in FY2013, which is a $98,700, or 2.9 percent increase when compared to the current fiscal year.



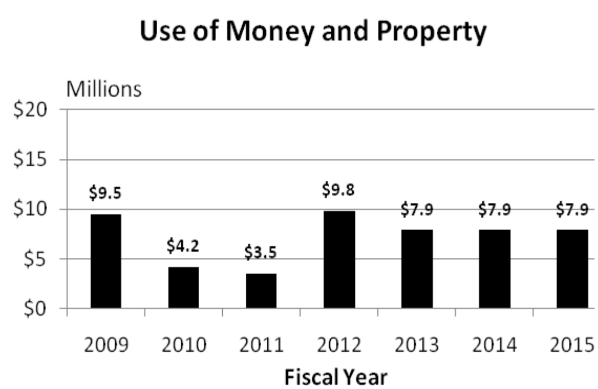
Fiscal Years 2012 through 2015 are estimated.

Building Permit Fees, which are an elastic revenue source, account for more than 58.0 percent of this revenue category. In FY2013, Building Permit Fees are estimated to remain constant at $2.0 million. The projection for this revenue continues the assumption that this revenue source will be below the historical highs that were seen in FY2005, FY2006, and FY2007 due to the continuing lack of new construction because of economic conditions.

Information through the third quarter of FY2012 indicates a substantial increase in the total value of permits issued as compared to the first three quarters of FY2011. Residential permit values increased $7.3 million and non-residential permit values increased $104.4 million, while additions/alterations, both residential and non-residential, decreased $17.9 million.

Looking back, residential building permit values in FY2011 totaled $115.6 million, while FY2010 and FY2009 totaled $96.3 million, and $116.6, respectively. The number of new single-family residential building permits issued in FY2011 was 639, while in FY2010 and FY2009, there were 630 and 622 issued, respectively. In FY2011, the total value of these permits increased $17.9 million. This represents a significant improvement from the prior, year-over year reduction in total single-family permit value of $20.4 million or 17.5 percent. In the two years preceding 2011, the total value of these permits had decreased markedly due to the slowdown in the construction industry. The increase in FY2010 to FY2011 YTD permit volume and values indicates an improving local economy, housing market and construction sector. The forecast for Permits, Fees and License revenues is $3.4 million in FY2014 and $3.5 million in FY2015.

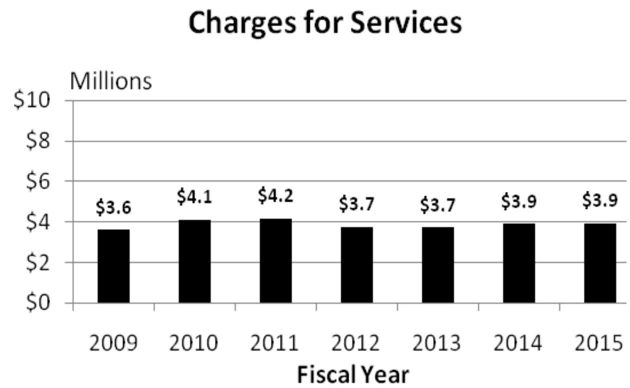
**Fines and Forfeitures** include revenue for such items as traffic and parking violations, false alarm fees and courthouse maintenance fees. This category is estimated at $2.4 million in FY2013. Total projections in Fines and Forfeitures revenue category is $2.5 million for FY2014 and FY2015.



Fiscal Years 2012 through 2015 are estimated.

**Use of Money and Property** is estimated to generate $7.9 million in FY2013. This category of revenue includes receipts from the sale of County property and interest on County investments. The County generates revenue from the prudent and timely investment of cash reserves. The County invests cash reserves in Banker's Acceptances, Certificates of Deposit, Commercial Paper and Treasury Notes. Adherence to stringent cash management principles requires investing public funds in instruments that are safe, liquid, and generate adequate yields (See "Financial Guidelines"). Revenue from use of money and property is projected to remain constant at $7.9 million in FY2014 and FY2015.

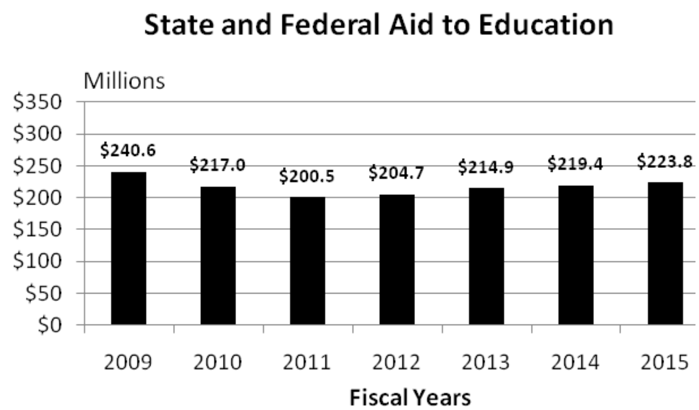
**Charges for Services** are revenues paid by users of various County services including participation fees for Recreation and Parks special interest classes and sports leagues; charges for overdue and lost books; cafeteria receipts; and charges for data processing services. Revenue from Charges for Services is estimated at $3.73 million in FY2013. This revenue category is projected to increase to $3.90 million in FY2014 and to $3.94 million in FY2015.



Fiscal Years 2012 through 2015 are estimated.

**State and Federal Revenue:**

State and Federal revenue is estimated at $304.0 million in FY2013, which represents 36.9 percent of total General Fund revenue. This is a projected increase of approximately 4.1 percent over the current fiscal year. This category is comprised of revenue for General Government programs totaling $89.1 million and Education funding in the amount of almost $214.8 million. Following is a look at the components.



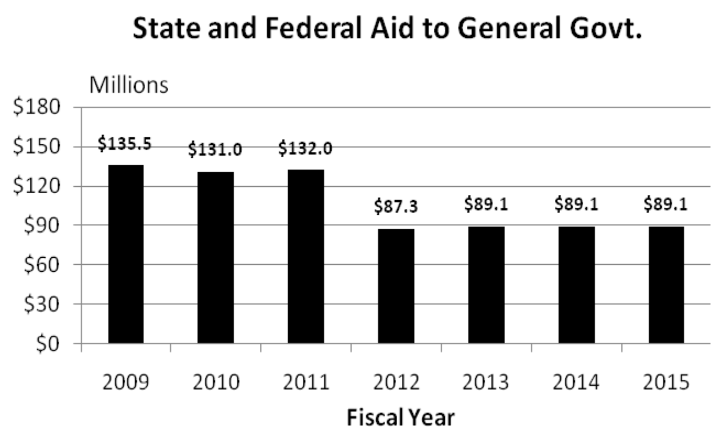
Fiscal Years 2012 through 2015 are estimated.

**State and Federal Aid to Education** is estimated to increase from $204.7 million in FY2012 to $214.9 million in FY2013. This is an increase of $10.2 million or 4.9 percent. This projection assumes an increase of 2.1 percent in FY2014 and an increase of 2.0 percent in FY2015.

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

Federal reimbursements for Education comprise 0.14 percent of this revenue category. As such, they have a minimal impact on the level of total appropriations. In FY2013, Federal funding for Education totals $300,000. The FY2014 and FY2015 projections are based on Federal revenue remaining at $300,000.

**State and Federal Aid to General Government** is estimated at $89.1 million in FY2013. This represents an increase of approximately $1.8 million or 2.1 percent when compared to the FY2012 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 FY2012 through FY2015, due to the State



Fiscal Years 2012 through 2015 are estimated. PPTRA payments are reflected in the FY2009-FY2011 totals. Current and future year projections include the estimate for personal property in one central location (local revenue).

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. The projected decrease in State Aid to General Government programs is based on state revenue shortfalls and assumes the elimination of the construction component of the State Gas Tax allocation that Henrico receives for street and highway construction. Henrico is projected to receive $28.7 million for road maintenance in FY2013. State and Federal Aid to General Government is estimated to remain level at $89.1 million in FY2014 and FY2015.

## Expenditures

### Assumptions

In the course of developing the FY2013 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 CY2011. These decisions were reached after careful review and planning by the Board of Supervisors. This planning reaches beyond FY2013 and is intended to establish a balance between the County's recurring revenues and expenditures in future years. The FY2013 General Fund Budget of $735.3 million represents a decrease of $8.4 million or 1.1 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 FY2013, the Education budget represents 55.0 percent of General Fund expenditures. General Fund Education expenditures total $404.1 million in the Annual Fiscal Plan, which represents an increase of $300,000, or 0.07 percent. Of the total expenditures in Education, 46.8 percent are funded with locally generated revenues and 53.2 percent are funded with State and Federal funding. It must be noted that the totals above do not include Debt Service costs for Education, which are entirely a local responsibility (see the Debt Service Fund forecast).

For General Government, the total for the FY2013 Annual Fiscal Plan is $331.2 million, a decrease of $8.7 million, or 2.6 percent. Balancing the budget required further reductions to expenditures including 27 positions being unfunded and removed them from their respective departments, utilizing a 3.0 percent turnover rate and making operating reductions across all General Government areas.

General Fund expenditures, *prior to transfers*, are forecasted to grow by 1.1 percent in FY2014 and 2.9 percent in FY2015. The proposed levels of operational funding allows for the continuation of existing service levels as well as new operating costs associated with projects approved in the March 2005 Bond Referendum. Due to current economic conditions, the growth in expenditures is not anticipated to achieve the five percent maximum during the projection period. The total anticipated increase of 1.1 percent in FY2014 includes $3.6 million for estimated operating expenditures associated with projects approved in the March 2005 Bond Referendum for Education and $264,446 for General Government projects. The total anticipated increase of 2.9 percent in FY2015 includes $12.3 million for estimated operating expenditures associated with General Government projects approved in the March 2005 Bond Referendum.

The FY2013 Capital Budget totals $147.4 million. The five-year Capital Improvement Program for FY2013 through FY2017 includes requests that exceed $1.8 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 $147.4 million FY2013 Capital Budget, $89.8 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 $57.6 million within the FY2013 Capital Budget has been approved for Education and County General Fund supported departments. General Obligation Bonds will fund $40.2 million in projects with $18,792 designated for projects approved on the March 2005 Bond Referendum for Education and $40.2 million designated for the following General Government department projects: Varina Area Library; Dumbarton Area

Library Replacement; Short Pump Park; and the completion, as needed, of existing Fire and Library projects approved on the 2005 Bond Referendum, utilizing funding from both Fire and Library Bond Project Reserves.

As a means of ensuring the County does not rely too heavily on debt financing for required infrastructure improvements, the FY2013 Annual Fiscal Plan includes $10.0 million in pay-as-you-go funding. In the area of Education, $2.5 million is included for roof replacements and mechanical improvements. The remaining $7.5 million has been allocated for General Government projects in a variety of ways: $1,400,000 for General Services mechanical improvement, facility rehabilitation and pavement projects; $5.0 million to initiate renovations to the Best Plaza Building; $750,000 for technology upgrade projects, including network VOIP; $150,000 to continue implementing and updating the Geographic Information System; and $200,000 will go towards a variety of Recreation and Parks projects, such as improvements and rehabilitations of park facilities, pavement rehabilitation and building maintenance, landscape upgrades and safety improvements. Also General Fund revenue from a portion of the Motor Vehicle License Fees totaling $850,000 is designated for various road improvement projects.

**(To) From General Fund Balance** is the amount added to or taken from the General Fund Balance based on budgetary needs. This forecast assumes expenditures for FY2013 will use $5.0 million from ending FY2012 undesignated fund balance. The use of undesignated fund balance is for capital projects including $2.5 million for Education capital improvements including roof replacements and HVAC improvements as well as various General Government capital improvements totaling $2.5 million. The General Government projects include pavement rehabilitation, building maintenance area safety improvements, recreation facility rehabilitation, and continued funding for the Geographic Information System.

**To (From) Debt Service Fund** represents the forecast of General Fund support to the Debt Service Fund. The debt service levels through FY2013 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 is projected to be appropriated in FY2013.

**To (From) Capital Projects** is projected at $17.4 million in FY2013, of which, $5.0 million is targeted for General Fund (pay-as-you-go) support for capital improvement projects – as mentioned above. In addition, $6.6 million is 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. Also included is $5.0 million in funding to support the initial phase of renovations for the Best Plaza building. Projections for FY2014 and FY2015 are for transfers of $16.4 million and $15.4 million in each year, respectively. In each of these years, the County anticipates allocating $5.0 million for funding of routine capital projects such as roof repairs, pavement rehabilitation and mechanical improvements. Also included in FY2014 and FY2015 projections is funding for the continuation of the Best Plaza renovation, as well as the Vehicle Replacement Reserve.

In the FY2013 Approved Budget the ceiling for the County's undesignated fund balance was reduced from 18.0 percent, to 15.0 percent of general fund expenditures. This was done in order to accommodate the funding of replacement Education and General Government vehicles. Once this 15.0 percent balance is reached, additional reserves will be allocated to a Capital Reserve and used for pay-as-you-go capital projects. Undesignated fund balance is projected at 15.0 percent of general fund expenditures in both FY2014 and FY2015. FY2013, FY2014 and FY2015 project an allocation from the Capital Reserve to support the continuation of the Best Plaza renovation. Also included for road projects is $850,000 of Motor Vehicle License Fees in each fiscal year of the projection period.

**To (From) Internal Services Fund** is a transfer to purchase new vehicles. There is no transfer recommended for FY2013. Also, the forecast for FY2014 and FY2015 does not anticipate transfers to Central Automotive Maintenance (CAM) to purchase new vehicles for the County's fleet.

**To (From) Technology Replacement Fund** is a transfer to purchase new equipment that will be added to the Technology Replacement Fund. There is no transfer recommended for FY2013 and none anticipated for FY2014 and FY2015. Once new equipment is added to the technology replacement program, the cost to replace the equipment in the future comes from Technology Replacement Fund reserves.

**To (From) Risk Management Fund** is the transfer of funds to support risk management operations. The fund was established in FY2005. The FY2013 transfer is for $4.5 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 FY2014 and FY2015 is estimated at $4.6 million and $4.7 million in each year, respectively.

**To (From) Special Revenue Fund** is the anticipated local requirement from the General Fund to support a variety of State and Federal grant programs including the Capital Region Workforce Partnership (CRWP – formerly CATC), the Community Corrections Services Program, 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 $22.1 million in FY2013. The projections over the forecast period are $22.6 million in FY2014 and $23.0 million in FY2015, and were determined after analyzing all of the individual components of the Special Revenue Fund.

**To (From) Water and Sewer Enterprise Fund** represents the annual transfer to pay for the debt service costs associated with $32.0 million in debt for infrastructure improvements made at the Elko Industrial Tract for current and future economic development prospects. The FY2013 estimate of these costs is $757,000. The estimated costs for FY2014 and FY2015 are $1.9 million in each year, respectively.

**To (From) Agency Fund** represents the transfer to pay for Henrico County's share of the operating costs and debt service requirements associated with the James River Juvenile Detention Center (JRJDC). The JRJDC Agency Fund accounts for the James River Juvenile Detention Center budget. Henrico County, as the majority partner serves as the fiscal agent for the James River Juvenile Detention Center Commission. Henrico's role as fiscal agent eliminates the need for the Commission to duplicate various administrative functions related to personnel matters, procurement and accounting activities and budget responsibilities. The JRJDC Agency Fund accounts for the Commission's revenues from participating localities, operating and debt service expenditures. As the forecast indicates, the transfer to the JRJDC Agency Fund is anticipated at $3.3 million for FY2013; $3.3 million in FY2014 and $3.4 million in FY2015.

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

**Use of Fund Balance – General Fund** represents the use of fund balance for targeted costs. In FY2013, $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. FY2014 and FY2015 forecasts project the use of $5.6 and $4.6 million in each year, respectively, for Education and General Government vehicle replacement.

**(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 FY2013, FY2014, and FY2015 are $3.0 million each year, which is anticipated to fully fund the County's obligation in this area.

**(To) From Revenue Stabilization** are funds held in reserve to offset increases in future operating costs associated with schools, parks, fire facilities, and libraries that will be constructed with General Obligation Bond funds authorized by the voters in the March 2005 referendum. This funding source was first used in FY2003. The use of the designated fund balance is an allocation from the Revenue Stabilization reserve, which was created by the Board of Supervisors in FY2002 to pay for Bond Referendum operating costs. The fund uses current revenues as a financing source and not one-time sources. Once the large one-time incremental increases, which arise from these projects, dissipate, then the reserve will no longer be required. In FY2013, a forecasted use of $3.9 million is anticipated, $3.9 million is anticipated to be allocated from this reserve in FY2014, and $12.3 million is anticipated for FY2015.

**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 both FY2014 and FY2015.

## General Fund Forecast

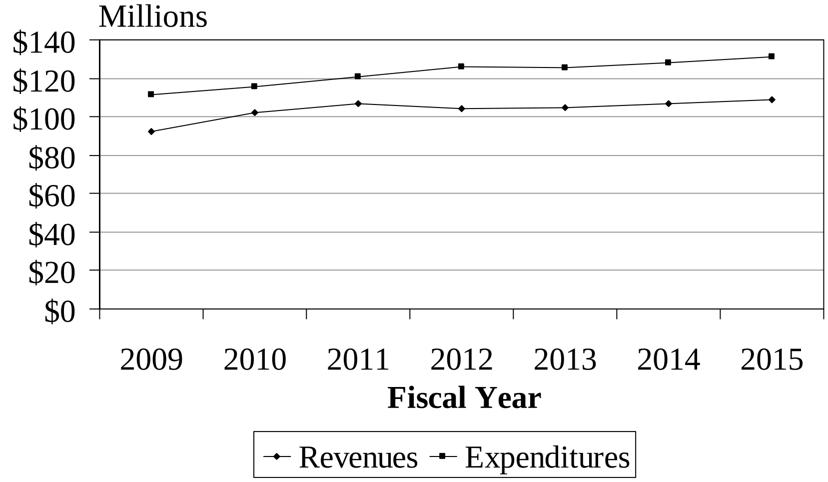
| | FY10-11 Actual | FY11-12 Original | FY12-13 Approved | FY13-14 Forecast | FY14-15 Forecast |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Current Real Estate Tax | $ 269,376,350 | $ 273,200,000 | $ 261,800,000 | $ 263,912,013 | $ 266,551,133 |
| P.S. Real Estate Tax | 8,774,710 | 7,500,000 | 7,500,000 | 7,500,000 | 7,575,000 |
| Current Personal Prop. Tax (1) | 65,208,189 | 103,800,000 | 103,800,000 | 104,838,000 | 105,886,380 |
| P.S. Personal Property Tax | 68,636 | 130,000 | 130,000 | 130,000 | 130,000 |
| Other General Property Tax | 7,955,986 | 4,030,000 | 6,745,000 | 6,812,450 | 6,880,575 |
| Local Sales Tax | 55,458,592 | 56,050,000 | 58,400,000 | 60,152,000 | 61,956,560 |
| Business License Tax | 27,525,601 | 29,850,000 | 28,600,000 | 29,172,000 | 29,755,440 |
| Motor Vehicle License Tax | 6,253,599 | 6,325,000 | 6,325,000 | 6,325,000 | 6,390,000 |
| Consumer Utility Tax | 2,495,016 | 2,600,000 | 2,600,000 | 2,600,000 | 2,600,000 |
| Bank Franchise Tax | 18,906,021 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| Hotel/Motel Tax | 9,389,088 | 9,200,000 | 9,660,000 | 9,853,200 | 10,050,264 |
| Other Local Taxes | 4,858,875 | 5,730,000 | 5,650,000 | 5,650,000 | 5,650,000 |
| **Local Taxes Sub-Total** | **476,270,663** | **503,415,000** | **496,210,000** | **501,944,663** | **508,425,352** |
| Permits, Fees, & Licenses | 3,391,948 | 3,345,200 | 3,443,900 | 3,450,000 | 3,500,000 |
| Fines & Forfeitures | 3,186,609 | 2,390,000 | 2,390,000 | 2,510,000 | 2,535,000 |
| Use of Money & Property | 3,515,202 | 9,784,400 | 7,872,500 | 7,872,500 | 7,872,500 |
| Charges for Services | 4,150,393 | 3,748,700 | 3,725,700 | 3,900,000 | 3,940,000 |
| Miscellaneous Revenue | 9,715,721 | 7,136,670 | 7,314,770 | 8,000,000 | 8,080,000 |
| **Total Local Revenue** | **500,230,536** | **529,819,970** | **520,956,870** | **527,677,163** | **534,352,852** |
| State & Federal-Schools | 200,474,630 | 204,679,000 | 214,883,000 | 219,383,000 | 223,770,660 |
| State & Federal-General Government (1) | 131,986,049 | 87,278,200 | 89,126,835 | 89,126,835 | 89,126,835 |
| **Total State & Fed. Revenue** | **332,460,679** | **291,957,200** | **304,009,835** | **308,509,835** | **312,897,495** |
| **Total Revenue** | **832,691,215** | **821,777,170** | **824,966,705** | **836,186,998** | **847,250,347** |

(1) Actual PPTRA Car Tax Reimbursements are reflected as State Aid, although budget estimates do not break out PPTRA Reimbursements from Current Personal Property Tax estimates. FY11 actual = $37,001,783. Forcast period FY12 thru FY15 equal $37,000,000.

| | FY10-11 Actual | FY11-12 Original | FY12-13 Approved | FY13-14 Forecast | FY14-15 Forecast |
|---|---|---|---|---|---|
| **Transfers:** | | | | | |
| (To) From Fund Balance - Capital Projects | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| (To) From Debt Service Fund | (49,832,472) | (52,854,043) | (58,982,785) | (60,219,999) | (57,895,575) |
| (To) From Capital Projects Fund | (27,829,203) | (5,850,000) | (17,424,800) | (16,424,800) | (15,424,800) |
| (To) From CAM Fund | - | - | - | - | - |
| (To) From Technology Replacement Fund | - | - | - | - | - |
| (To) From Risk Management Fund | (8,715,889) | (4,369,790) | (4,543,437) | (4,634,306) | (4,726,992) |
| (To) From Special Revenue Fund | (18,710,178) | (23,252,945) | (22,140,214) | (22,583,018) | (23,034,679) |
| (To) From Enterprise Fund | (756,608) | (756,608) | (756,608) | (1,931,608) | (1,928,108) |
| (To) From JRJDC Agency Fund | (3,281,789) | (3,281,089) | (3,271,174) | (3,319,342) | (3,372,069) |
| (To) From Capital Reserve | 3,565,242 | - | 5,000,000 | 5,000,000 | 5,000,000 |
| (To) From Fund Balance - General Fund | (7,349,666) | - | - | - | - |
| Use of Fund Balance - General Fund | - | - | 6,574,800 | 5,574,800 | 4,574,800 |
| (To) From OPEB - GASB 45 | (3,000,000) | (3,000,000) | (3,000,000) | (3,000,000) | (3,000,000) |
| (To) From Revenue Stabilization | 11,548,345 | 10,248,671 | 3,869,432 | 3,907,654 | 12,294,345 |
| **Total Transfers** | **(99,362,218)** | **(78,115,804)** | **(89,674,786)** | **(92,630,619)** | **(82,513,078)** |
| **Total Resources** | **$ 733,328,997** | **$ 743,661,366** | **$ 735,291,919** | **$ 743,556,379** | **$ 764,737,269** |
| **Expenditures:** | | | | | |
| General Government Administration | $ 53,125,431 | $ 55,759,533 | $ 55,380,634 | $ 55,380,634 | $ 55,934,440 |
| Judicial Administration | 7,964,106 | 8,049,983 | 7,761,951 | 7,761,951 | 7,839,571 |
| Public Safety | 156,839,228 | 155,821,049 | 152,642,617 | 153,728,637 | 157,705,360 |
| Public Works | 34,734,540 | 35,765,565 | 35,504,297 | 35,504,297 | 35,859,340 |
| Health & Social Services | 25,059,600 | 20,180,869 | 16,250,691 | 16,250,691 | 16,413,198 |
| Education | 394,470,407 | 403,750,000 | 404,050,000 | 410,793,208 | 416,352,121 |
| Recreation & Culture | 29,852,565 | 33,257,069 | 32,432,295 | 32,866,754 | 43,050,330 |
| Community Development | 18,986,393 | 19,058,975 | 19,762,124 | 19,762,897 | 19,960,526 |
| Miscellaneous | 12,296,727 | 12,018,323 | 11,507,310 | 11,507,310 | 11,622,383 |
| **Total Expenditures** | **$ 733,328,997** | **$ 743,661,366** | **$ 735,291,919** | **$ 743,556,379** | **$ 764,737,269** |
| **Fund Balance:** | | | | | |
| Reserved (*) | 9,624,158 | 12,500,000 | 12,500,000 | 12,500,000 | 12,500,000 |
| Designated (**) | 87,717,531 | 77,468,860 | 73,599,428 | 69,691,774 | 57,397,429 |
| Undesignated Fund Balance | 133,726,576 | 133,859,046 | 110,293,788 (2) | 111,533,457 | 114,710,590 |
| **Total Fund Balance** | **231,068,265** | **223,827,906** | **196,393,216** | **193,725,231** | **184,608,019** |

* Represents reserves (largely comprised of encumbrances).
** Changes to designated fund balance are the results of the use of or addition to the Revenue Stabilization Fund and Designated State Revenues.
*** With the establishment in the FY2006 approved Annual Fiscal Plan of an undesignated fund balance ceiling at 18%, the changes to undesignated fund balance in the projections reflect necessary addition to maintain the 18% ceiling.
(2) Undesignated fund balance reduced from 18% to 15% of General Fund expenditures in FY2013.

# Three Year Forecast
# Revenues and Expenditures
# Special Revenue Fund



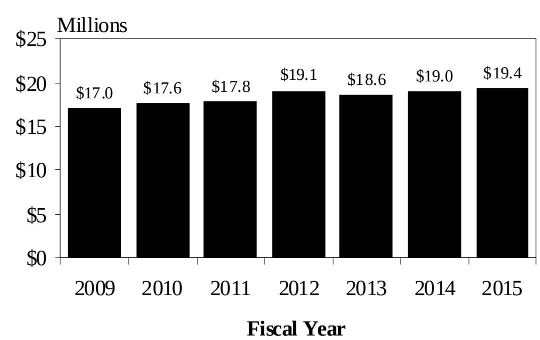

Fiscal Years 2012 through 2015 are estimated**.** Revenues exclude transfers from other funds.

**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 FY2013 is $125,698,177, a decrease of $200,217 or 0.2 percent, from the current fiscal year. Projected resources and requirement for FY2014 and FY2015 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 FY2013 are estimated at $18,638,229, compared to $19,094,517 in FY2012. FY2014 and FY2015 revenue estimates of $19,010,994 and $19,391,213 respectively reflect projected increases of 2.0 percent based on anticipated growth in pupil enrollment and cafeteria operations.

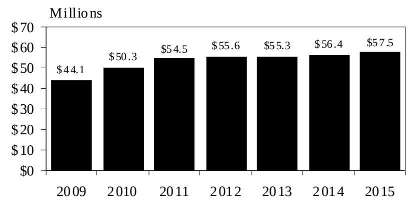
**School Cafeteria Revenue**




Fiscal Years 2012 through 2015 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 FY2013, totals $55,303,816. 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.

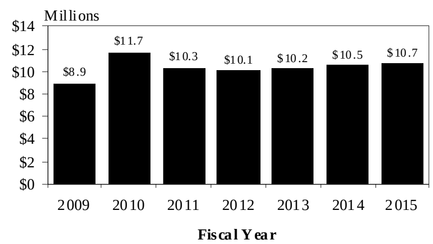
**State, Federal, and Other Grant Revenue**




Fiscal Years 2012 through 2015 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 2012 through 2015 are estimated. Revenues do not include transfers from other funds.

In FY2013, 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 1.2 percent. The forecasts for FY2014 and FY2015 reflect annual increases in revenues of 2.0 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 FY2013 is $32,825,896 including the General Fund contribution of $13,784,168, State revenues of $6,634,246 federal revenues of $1,931,370, fee revenues of $10,131,712, and $344,400 of contract revenues from Sheltered Employment. A 2.0 percent increase in Mental Health revenues is projected for both FY2014 and FY2015. 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 $135,561 in FY2013, $138,272 in FY2014, and $141,038 in FY2015 based upon 2.0 percent increases in FY2014 and FY2015. It is anticipated that the State Supreme Court will reimburse the Metro Aviation Unit $55,000 for costs incurred to extradite prisoners in each year of the forecast period.

**Best Management Practice** devices are basins for treating storm water to improve water quality. The Department of Public Works is responsible for the long-term maintenance of Best Management Practice (BMP) devices in single family residential subdivisions within Henrico County. The BMP maintenance fee of $100 per lot is paid by developers at the time subdivisions are recorded. **The Watershed Management Program** provides alternatives to construction of BMPs in certain areas and will reduce the number of BMPs constructed in the future. The fee for the environmental fund is $8,000 per pound of pollutant removal required and is paid by developers prior to POD approval and subdivision recordation.

**(To) From General Fund** represents local revenues, received by the General Fund and transferred to the Special Revenue Fund. Several State and Federal programs require a commitment of local funds before the locality is eligible to receive grant funds.

In FY2013, the transfer of $22,140,214 includes the County's contribution of $1,553,953 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; $135,561 for Henrico County's portion of the regional Police Metro Aviation Unit; $3,064,001 in support of Solid Waste programs; $3,602,531 in local support of the Comprehensive Services Act (CSA); and $13,784,168 for Mental Health. The total transfer from the General Fund is projected to increase to $22,583,018 in FY2014 and $23,034,679 in FY2015.

**(To) From School Cafeteria Fund Balance** is a reserve, which has accumulated over time from the operation of the school cafeterias. The School Board's practice in the past has been to charge enough for cafeteria meals to cover the cost of providing the service to County students. Expenditure projections are based on prior experience and student enrollment. Occasionally, operational costs exceed revenues and a use of reserves is required.

**(To) From Solid Waste Fund Balance** is a reserve, which has accumulated over time from the solid waste operations to fund expansion and closure projects related to County owned landfills. It is the County's practice to ensure solid waste charges are sufficient to cover operating expenditures. The forecast for FY2014 and FY2015 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 FY2013 Special Revenue Fund budget assumes recurring revenues will support recurring expenditures in future years. Special Revenue Fund resources and requirements for FY2014 and FY2015 are expected to grow at an average rate of 2.0 percent and 2.2 percent respectively. The modest growth rate in grant related revenue is predicated on the basis that ongoing Federal and State budgetary constraints will limit substantial increases in grant funding in FY2014, and FY2015.

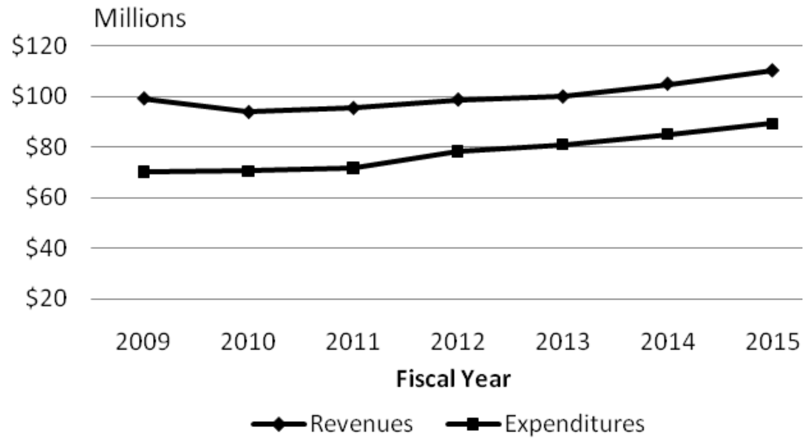
**Ending Special Revenue Fund Balance** is the sum of fund balances in all sub-funds, which are expected to remain on June 30th of each of the forecasted fiscal years, within the School Cafeteria Fund, Solid Waste Fund, and Street Light Fund. The State and Federal Grants fund balance and the Economic Development Authority fund balance are forecasted to be zero in FY2012 through FY2015 based on the assumption that all funding will be spent in the fiscal year it is budgeted. If a balance exists on June 30th, it is the County's policy to carry those funds forward to the next fiscal year.

**Special Revenue Fund Forecast**

| | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Forecast | FY 13-14 Forecast | FY14-15 Forecast |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| School Cafeteria | $ 17,781,669 | $ 19,094,517 | $ 18,638,229 | $ 19,010,994 | $ 19,391,213 |
| State, Federal & Other Grants | 54,501,372 | 55,643,990 | 55,303,816 | 56,409,892 | 57,538,090 |
| Asset Forfeitures | 82,485 | 0 | 0 | 0 | 0 |
| Donations | 37,814 | 0 | 0 | 0 | 0 |
| Revenue from Local Sources - EDA | 1,545,419 | 0 | 0 | 0 | 0 |
| Other Local Taxes - EDA | 3,815,729 | 0 | 0 | 0 | 0 |
| Solid Waste | 10,322,013 | 10,123,751 | 10,245,986 | 10,450,906 | 10,659,924 |
| Street Lighting | 67,288 | 72,500 | 83,100 | 84,762 | 86,457 |
| Mental Health | 18,082,311 | 18,008,216 | 19,041,728 | 19,422,563 | 19,811,014 |
| Metro Aviation/Extradition | 314,888 | 326,126 | 326,126 | 326,126 | 326,126 |
| Watershed/Best Management Practices | 47,230 | 897,000 | 897,000 | 897,000 | 897,000 |
| Subtotal Revenues | $106,598,218 | $104,166,100 | $104,535,985 | $106,602,242 | $108,709,825 |
| From General Fund: | | | | | |
| State, Federal & Other Grants | $ 4,267,562 | $ 5,619,028 | $ 5,156,484 | $ 5,259,614 | $ 5,364,806 |
| Mental Health | 11,251,530 | 14,434,355 | 13,784,168 | 14,059,851 | 14,341,048 |
| Metro Aviation | 113,189 | 135,561 | 135,561 | 138,272 | 141,038 |
| Solid Waste | 3,064,001 | 3,064,001 | 3,064,001 | 3,125,281 | 3,187,787 |
| Subtotal From General Fund | $ 18,696,282 | $ 23,252,945 | $ 22,140,214 | $ 22,583,018 | $ 23,034,679 |
| (To) Capital Projects Fund for Solid Waste | 0 | (1,450,000) | 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 | (306,148) | 0 | 0 | 0 | 0 |
| (To) Short Pump CDA | 0 | 0 | 0 | 0 | 0 |
| (To) From Mental Health Fund Balance | 0 | 0 | 0 | 0 | 0 |
| (To) From School Cafeteria Fund Balance | (1,053,661) | (600,000) | 0 | 0 | 0 |
| (To) From Solid Waste Fund Balance | (3,354,737) | 529,349 | (978,023) | (997,582) | (765,962) |
| (To) From Street Light Fund Balance | 0 | 0 | 0 | 0 | 0 |
| **Total Resources** | $120,579,954 | $125,898,394 | $125,698,177 | $128,187,678 | $130,978,541 |
| **Expenditures:** | | | | | |
| School Cafeteria | $ 16,728,008 | $ 18,494,517 | $ 18,638,229 | $ 19,010,994 | $ 19,391,213 |
| State, Federal & Other Grants | 58,669,149 | 61,263,018 | 60,460,300 | 61,669,506 | 62,902,896 |
| Economic Development Authority | 5,055,000 | 0 | 0 | 0 | 0 |
| Solid Waste | 10,031,277 | 12,267,101 | 12,331,965 | 12,578,604 | 13,081,748 |
| Street Lighting | 67,288 | 72,500 | 83,100 | 84,762 | 86,457 |
| Mental Health | 29,553,925 | 32,442,571 | 32,825,896 | 33,482,414 | 34,152,062 |
| Metro Aviation/Extradition | 428,077 | 461,687 | 461,687 | 464,398 | 467,164 |
| Watershed/Best Management Practices | 47,230 | 897,000 | 897,000 | 897,000 | 897,000 |
| **Total Expenditures** | $120,579,954 | $125,898,394 | $125,698,177 | $128,187,678 | $130,978,541 |
| **Ending Special Revenue Fund Balance:** | | | | | |
| Schools | $ 4,209,450 | $ 4,809,450 | $ 4,809,450 | $ 4,809,450 | $ 4,809,450 |
| State, Federal & Other Grants, Forfeitures (*) | 20,703,518 | 0 | 0 | 0 | 0 |
| Economic Development Authority | 6,034,889 | 0 | 0 | 0 | 0 |
| Solid Waste | 11,680,332 | 11,150,983 | 12,129,006 | 13,126,588 | 13,892,550 |
| Street Lighting | 788,432 | 788,432 | 788,432 | 788,432 | 788,432 |
| **Total Fund Balance** | $ 43,416,621 | $ 16,748,865 | $ 17,726,888 | $ 18,724,470 | $ 19,490,432 |

* Forecast assumes miscellaneous grant appropriations will be spent by 6/30/12. EDA balances will be appropriated annually, through a budget amendment, based on actual receipts. Any unspent appropriations will be carried forward into FY2012-13.

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




Fiscal Years 2012 through 2015 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.

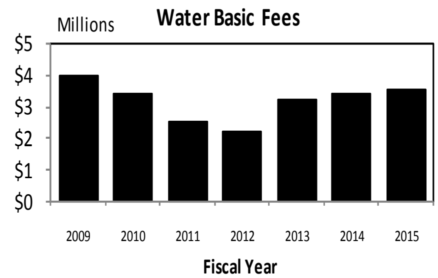
The three-year forecast narrative of revenues and expenditures has been prepared for each of these operations separately, using the same basic framework as the General Fund.

**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.

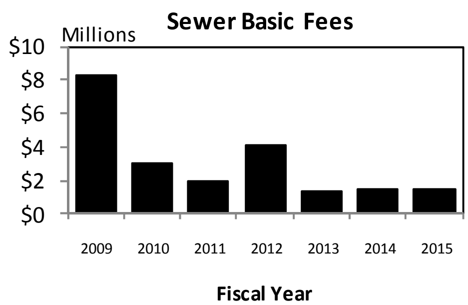
**Sale of Water** for FY2012-13 is based on a 5.0 percent increase in water rates. Forecasts for FY2013-14 and FY2014-15 were prepared using 5.0 percent rate increases in each year. These increases will support inflationary growth in expenditures and planned rehabilitation projects, as well as future new capital infrastructure needs, including the Cobbs Creek Reservoir, which began in FY2011-12.

**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 FY2012-13 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.




Fiscal Years 2012 through 2015 are estimated.

**Sale of Sewer Services** for FY2012-13 is based on a 5.0 percent increase in sewer rates. Like Sale of Water Service revenues, noted above, forecasts for FY2013-14 and FY2014-15 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.




Fiscal Years 2012 through 2015 are estimated.

**Sewer Basic Fees** are those fees collected for initial connection to the County's sewage system. This revenue category mirrors economic development activity and all collections are used to fund the cost of expanding the County's sewer system. Like Water Basic Fees, as noted above, forecasted revenue collections in FY2012-13 reflect an increase of 5.0 percent in connection fees. A 5.0 percent increase has been forecasted in FY2013-14 and FY2014-15.

**(To) From General Fund** includes the General Fund payment to support debt service on the portion of the $32.0 million subordinate Water and Sewer Revenue bonds sold in FY1997-98 to fund the infrastructure improvements of the Elko Tract in eastern Henrico County (these bonds were refunded in FY2009-10). In addition to payment of the debt service, the General Fund is also responsible for the annual repayment of the $9.6 million loan made in FY1996-97 to the Capital Projects Fund for additional infrastructure built at the Elko Tract site. The County's year-end financial statements disclose this loan as an asset in the Water and Sewer Enterprise Fund and a liability in the Capital Projects Fund; however, the General Fund is responsible for repaying the debt. The annual repayment of this loan was included in the General Fund transfer amount in FY1998-99. However, from FY1999-00 through FY2009-10, this amount was reflected as an expenditure in the General Fund for budget purposes, therefore, was not reflected in the General Fund transfer amount. With the refunding of the $32.0 million subordinate Water and Sewer Revenue bonds in FY2009-10, the structure of these payments from the General Fund will again be solely reflected in the General Fund transfer amount.

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

**Expenditures**

**Assumptions**

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

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

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

**Capital Budget Expenditures**

**Assumptions**
**Approved/Proposed Capital Projects** are expected to total $89.8 million in FY2012-13, $39.4 million in FY2013-14, and $72.7 million in FY2014-15. These projections represent expenditures for projects planned in future years listed in the Capital Projects Fund section of this budget document.

**Continuing Capital Projects** represent the expenditures in construction appropriations based on projected resources and corresponding expenditures throughout the forecast period.

**Capital Budget Resources**
**Assumptions**

**Water and Sewer Revenue** projections represent non-bond resources transferred from the Operations subfund to the Construction subfund to support costs related to system rehabilitation, expansion and improvements. This transfer includes the connection fees paid by real-estate developers and new customers for initial connection to the County's water and sewer systems.

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

**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.

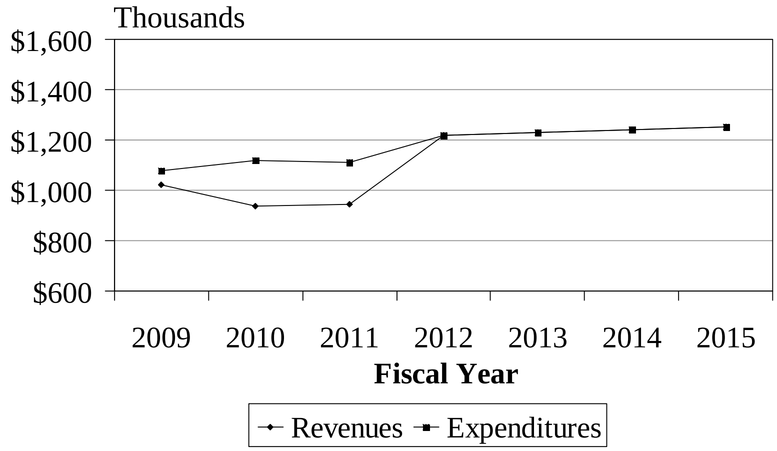
**Water & Sewer Enterprise Fund Forecast**

| | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Forecast | FY 13-14 Forecast | FY 14-15 Forecast |
|---|---|---|---|---|---|
| **Water & Sewer Operations Subfund** | | | | | |
| **Revenues:** | | | | | |
| Sale of Water | $ 44,428,308 | $ 44,258,630 | $ 45,887,535 | $ 48,181,912 | $ 50,591,007 |
| Water Connection Fees | 2,537,192 | 2,216,550 | 3,239,278 | 3,401,242 | 3,571,304 |
| Sale of Sewer Services | 40,212,364 | 43,579,501 | 44,497,991 | 46,722,891 | 49,059,035 |
| Sewer Connection Fees | 1,958,330 | 4,076,998 | 1,377,088 | 1,445,942 | 1,518,240 |
| Miscellaneous Revenue | 5,570,684 | 3,869,880 | 4,188,276 | 4,397,690 | 4,617,574 |
| Transfer from General Fund | 756,608 | 756,608 | 756,608 | 1,931,608 | 1,928,108 |
| **Total Revenue** | **$ 95,463,486** | **$ 98,758,167** | **$ 99,946,776** | **$ 103,673,856** | **$ 108,818,938** |
| **Expenditures:** | | | | | |
| Personnel | $ 19,167,882 | $ 19,760,885 | $ 19,993,542 | $ 20,393,413 | $ 20,801,281 |
| Operating | 37,151,329 | 37,452,511 | 37,452,511 | 38,201,561 | 38,965,592 |
| Capital Outlay | 978,520 | 785,527 | 785,527 | 801,238 | 817,262 |
| **Sub-Total** | 57,297,731 | 57,998,923 | 58,231,580 | 59,396,212 | 60,584,136 |
| Debt Service | 14,499,755 | 20,391,286 | 22,783,414 | 21,579,149 | 19,226,211 |
| **Total Expenditures** | **$ 71,797,486** | **$ 78,390,209** | **$ 81,014,994** | **$ 80,975,361** | **$ 79,810,347** |
| **Results of Operations (Prior to Capital Expenses)** | **23,666,000** | **20,367,958** | **18,931,782** | **22,698,495** | **29,008,591** |
| **Budget For Capital Use (Below)** | n/a | (100,827,965) | (89,764,219) | (39,414,280) | (72,740,780) |

| **Capital Budget Expenditures** | FY 10-11 Actual | FY 11-12 Forecast | FY 12-13 Forecast | FY 13-14 Forecast | FY 14-15 Forecast |
|---|---|---|---|---|---|
| Approved/Requested Capital Projects | - | 100,827,965 | 89,764,219 | 39,414,280 | 72,740,780 |
| Continuing Capital Projects (Previously Approved) (1) | 48,395,279 | - | - | - | - |
| **Total Capital** | 48,395,279 | 100,827,965 | 89,764,219 | 39,414,280 | 72,740,780 |
| **Capital Budget Resources** | | | | | |
| Water and Sewer Revenues | 31,294,356 | 100,827,965 | 89,764,219 | 39,414,280 | 72,740,780 |
| Revenue Bonds (2006 Series) | 9,910,044 | - | - | - | - |
| ARRA - Federal Stimulus Funds | 7,190,879 | - | - | - | - |
| Total Capital Budget Resources | 48,395,279 | 100,827,965 | 89,764,219 | 39,414,280 | 72,740,780 |

Notes:
(1) This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2010-11 represents actual spending, as per the 2010 audit.

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




Fiscal Years 2012 through 2015 are estimated.

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

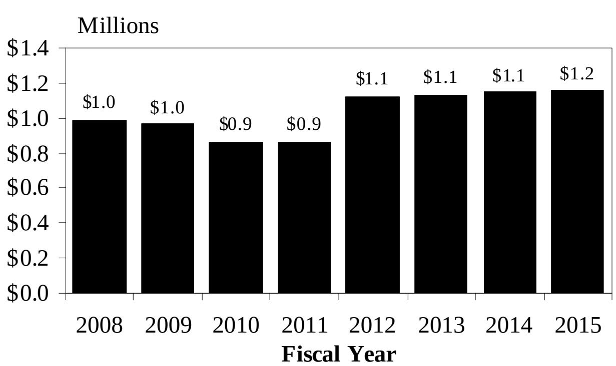
**Revenues**

**Assumptions**

**Golf Course Fees** revenue for FY2013 is estimated to increase from the FY2012 projection to $1,135,491. 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 FY2014 and FY2015 are based upon modest one percent growth.

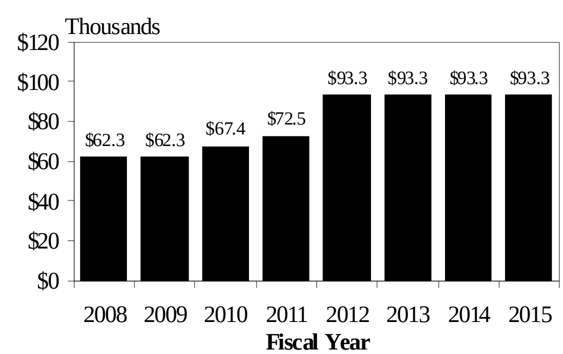
**Snack Bar Revenues** prior to January 1, 2000 were a percentage of gross receipts from the vendor operating the snack bar. Since January 1, 2000, the County operates the Snack Bar with departmental employees and collects all revenues from snack bar sales. Revenues are projected at $93,316 for FY2013, FY2014, and FY2015.

### Golf Course Fees




Fiscal Years 2012 through 2015 are estimated.

### Snack Bar Revenues




Fiscal Years 2012 through 2015 are estimated.

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

## Expenditures

### Assumptions

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

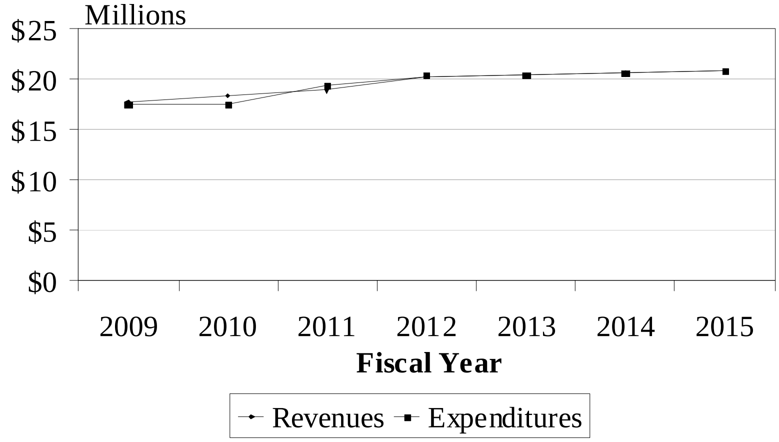
**Operational Expenses** include modest increases for course maintenance and enhancements. The forecast period establishes a balance between golf course recurring revenues and expenses in future years.

**Belmont Golf Course**
**Enterprise Fund Forecast**

| | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Forecast | FY 13-14 Forecast | FY 14-15 Forecast |
|---|---|---|---|---|---|
| **Belmont Golf Course Operations** | | | | | |
| **Revenues:** | | | | | |
| Golf Course Fees | $ 867,096 | $ 1,126,754 | $ 1,135,491 | $ 1,147,554 | $ 1,159,738 |
| Snack Bar Revenues | 72,455 | 93,316 | 93,316 | 93,316 | 93,316 |
| Gain/Loss on Sale of Property | 0 | 0 | 0 | 0 | 0 |
| Recoveries & Rebates | 5,663 | 0 | 0 | 0 | 0 |
| Total Revenues | $ 945,214 | $ 1,220,070 | $ 1,228,807 | $ 1,240,870 | $ 1,253,054 |
| Plus: | | | | | |
| (To)From Golf Course Retained Earnings | 167,540 | 0 | 0 | 0 | 0 |
| Total Resources | $ 1,112,754 | $ 1,220,070 | $ 1,228,807 | $ 1,240,870 | $ 1,253,054 |
| **Expenditures:** | | | | | |
| Loan Repayment* | $ 0 | $ 22,500 | $ 22,500 | $ 22,500 | $ 22,500 |
| Operational Expenses | 1,112,754 | 1,197,570 | 1,206,307 | 1,218,370 | 1,230,554 |
| Total Expenditures | $ 1,112,754 | $ 1,220,070 | $ 1,228,807 | $ 1,240,870 | $ 1,253,054 |
| Total Net Assets | $ 999,332 | $ 999,332 | $ 999,332 | $ 999,332 | $ 999,332 |

**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 2012 through 2015 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 FY2012-13 is $6,040,842. Projected billings for FY2013-14 and FY2014-15 are forecasted at $6,161,659 and $6,284,892 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 FY2012-13 is $1,460,000. Projected billings for FY2013-14 and FY2014-15 are $1,489,200 and $1,518,984 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 FY2012-13 is $4,123,235. Projected billings for FY2013-14 and FY2014-15 are $4,205,700 and $4,289,814 respectively, assuming an annual 2.0 percent increase due to projected vehicle replacements and the rising cost of repairs.

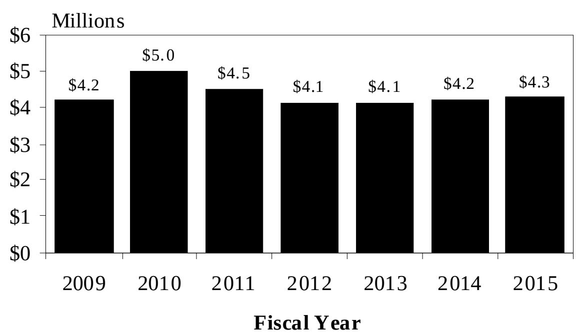
**Charges for Gasoline** represents the charge for gasoline and diesel fuel used by County departments. A nominal mark-up on top of the wholesale price is used to offset CAM's maintenance and operational expenses in this area.

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. In FY2009-10, CAM replaced its fuel management system to be funded with accumulated retained earnings. There is no current or future planned use of retained earnings.

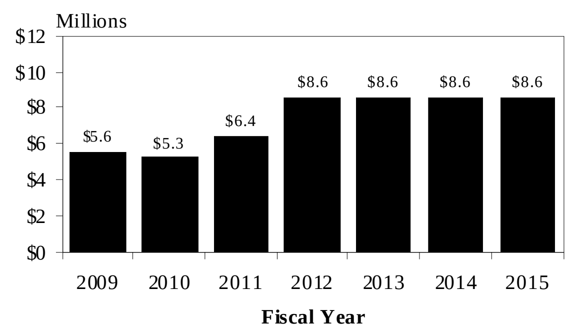
**(To) From Internal Service Fund Retained Earnings** is used to accumulate a reserve for replacement of motor pool vehicles when the vehicles reach the end of their useful life. Due to recent exceptional increases in the cost of gasoline and diesel, Internal Service Fund Retained Earnings have also been utilized to offset a portion of the additional expenses. It should be noted that a portion of the motor pool charge is also set aside for the replacement of vehicles.

**Charges for Use of Motor Pool**




Fiscal Years 2011 through 2014 are estimated.

**Charges for Gasoline**




Fiscal Years 2011 through 2014 are estimated.

<u>**Expenditures**</u>

**Assumptions**

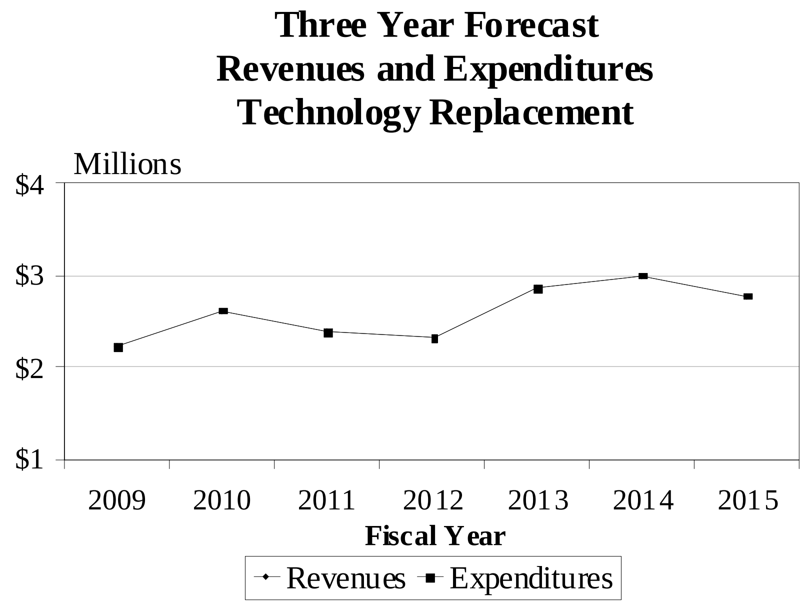
The development of the Central Automotive Maintenance Internal Service Fund budget assumes revenues and transfers will support expenditures in future years. For FY2013-14 and FY2014-15, Internal Service Fund expenses are projected to grow at an annual rate of 1.1 percent.

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, 2011,** is $7,873,591. 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**

| | FY10-11 Actual | FY11-12 Forecast | FY12-13 Forecast | FY13-14 Forecast | FY14-15 Forecast |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Charges for Auto Maint West | $ 6,364,813 | $ 6,000,000 | $ 6,040,842 | $ 6,161,659 | $ 6,284,892 |
| Charges for Auto Maint East | 1,538,762 | 1,420,000 | 1,460,000 | 1,489,200 | 1,518,984 |
| Charges for Use of Motor Pool | 4,510,702 | 4,123,235 | 4,123,235 | 4,205,700 | 4,289,814 |
| Charges for Gasoline | 6,424,813 | 8,589,596 | 8,586,096 | 8,586,096 | 8,586,096 |
| Miscellaneous Revenues | 292,562 | 247,500 | 251,000 | 251,000 | 251,000 |
| Gain/Loss on Sale of Property | (108,345) | 0 | 0 | 0 | 0 |
| Total Revenues | $19,023,307 | $20,380,331 | $20,461,173 | $20,693,655 | $20,930,786 |
| (To) From Capital Projects | 152,653 | 0 | 0 | 0 | 0 |
| (To) From Retained Earnings | 178,196 | 0 | 0 | 0 | 0 |
| Total Resources | $19,354,156 | $20,380,331 | $20,461,173 | $20,693,655 | $20,930,786 |
| **Expenditures:** | | | | | |
| Central Automotive Maintenance | $19,354,156 | $20,380,331 | $20,461,173 | $20,693,655 | $20,930,786 |
| Total Expenditures | $19,354,156 | $20,380,331 | $20,461,173 | $20,693,655 | $20,930,786 |
| **Retained Earnings June 30** | $ 7,873,591 | $ 7,873,591 | $ 7,873,591 | $ 7,873,591 | $ 7,873,591 |




Fiscal Years 2012 through 2015 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 FY2013, the Technology Replacement Fund expenses are projected to be $2,864,873.

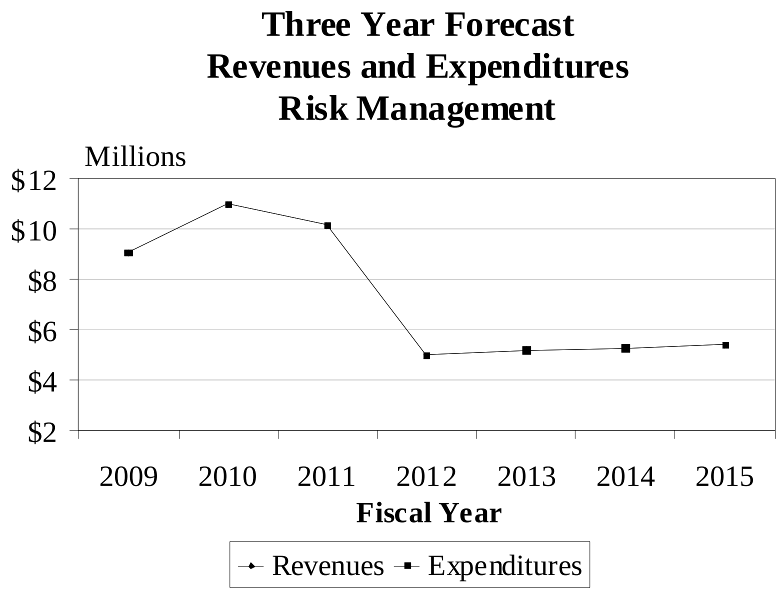
For FY2014, forecasted expenses are projected to be $3,002,728. In FY2015, expenses are projected to be $2,787,206. The FY2014 and FY2015 forecasts assume that all items in the Fund, which qualify for replacement, will be purchased on a pre-determined schedule.

**Retained Earnings, June 30, 2011,** is $9,318,847. The impact of anticipated resources, including operating transfers and expenditures on the ending balance, is projected for each fiscal year of the forecast period.

**Technology Replacement Internal Service Fund Forecast**

| | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Forecast | FY 13-14 Forecast | FY 14-15 Forecast |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Accumulated Technology Replacement - General Fund | $ 2,032,495 | $ 1,759,995 | $ 0 | $ 1,000,000 | $ 2,000,000 |
| Accumulated Technology Replacement - Special Revenue | 59,590 | 44,692 | 0 | 0 | 0 |
| Accumulated Technology Replacement - Belmont | 3,896 | 2,922 | 0 | 0 | 0 |
| Accumulated Technology Replacement - JRJDC | 2,744 | 2,058 | 0 | 0 | 0 |
| Accumulated Technology Replacement - Risk Mgmt | 2,987 | 2,240 | 0 | 0 | 0 |
| (To) From Retained Earnings - Technology Replacement | 294,149 | 517,323 | 2,864,873 | 2,002,728 | 787,206 |
| Total Revenues | $ 2,395,861 | $ 2,329,230 | $ 2,864,873 | $ 3,002,728 | $ 2,787,206 |
| **Expenditures:** | | | | | |
| Technology Equipment | $ 2,395,861 | $ 2,329,230 | $ 2,864,873 | $ 3,002,728 | $ 2,787,206 |
| Total Expenditures | $ 2,395,861 | $ 2,329,230 | $ 2,864,873 | $ 3,002,728 | $ 2,787,206 |
| Retained Earnings June 30* | $ 9,318,847 | $ 8,801,524 | $ 5,936,651 | $ 3,933,923 | $ 3,146,717 |

*Retained Earnings are designated for future technology replacement costs. There is no undesignated balance within the Technology Replacement Fund.




Fiscal Years 2012 through 2015 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 FY2013-14 and FY2014-15 remain level with the FY2012-13 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 87.6 percent of the forecasted revenues associated with this fund. A transfer from the General Fund totaling $4,543,437 is anticipated for FY2012-13, with a 2.0 percent increase projected for FY2013-14 and FY2014-15.

**Expenditures**

**Assumptions**

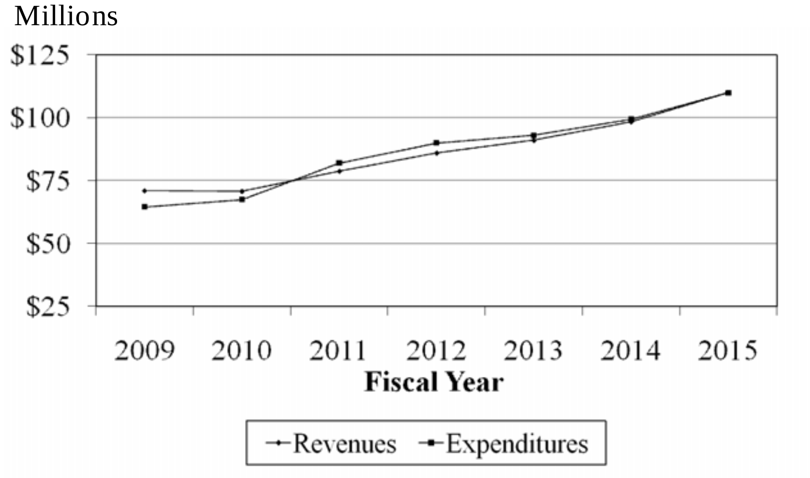
The development of the Risk Management Fund budget assumes revenues and transfers will support expenditures in future years. For FY2013-14 and FY2014-15, Internal Service Fund expenses are projected to grow at an annual rate of approximately 1.8 percent. Due to the unpredictable nature of expenditures, 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, 2011**, 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**

| | FY10-11 Actual | FY11-12 Original | FY12-13 Forecast | FY13-14 Forecast | FY14-15 Forecast |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Public Utilities Charges | $ 672,188 | $ 629,403 | $ 629,403 | $ 629,403 | $ 629,403 |
| Total Revenues | $ 672,188 | $ 629,403 | $ 629,403 | $ 629,403 | $ 629,403 |
| (To) From General Fund | $ 9,468,362 | $ 4,369,790 | $ 4,543,437 | $ 4,634,306 | $ 4,726,992 |
| Total Resources | $ 10,140,550 | $ 4,999,193 | $ 5,172,840 | $ 5,263,709 | $ 5,356,395 |
| **Expenditures:** | | | | | |
| Risk Management | $ 10,140,550 | $ 4,999,193 | $ 5,172,840 | $ 5,263,709 | $ 5,356,395 |
| Total Expenditures | $ 10,140,550 | $ 4,999,193 | $ 5,172,840 | $ 5,263,709 | $ 5,356,395 |
| **Self-Insurance Reserve** | $ 10,000,000 | $ 10,000,000 | $ 10,000,000 | $ 10,000,000 | $ 10,000,000 |

## Three Year Forecast
## Revenues and Expenditures
## Healthcare Fund




Fiscal Years 2012 through 2015 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 FY2012-13 reflects an increase in the County's contribution for active employees of 5.3 percent. The forecasts for FY2013-14 and FY2014-15 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 FY2012-13 reflects an overall increase of 4.0 percent, which assumes a rate increase of 8.0 percent in calendar year 2012 (which will impact half of FY2012-13). The forecasts for FY2013-14 and FY2014-15 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 FY2012-13 reflects an increase of 4.0 percent, assuming a rate increase of 8.0 percent in calendar year 2012 (which would impact half of FY2012-13). The forecasts for FY2013-14 and FY2014-15 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 FY2012-13 through FY2013-14 remains relatively 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 2.4 percent increase in FY2012-13, and 5.0 percent annual increases in FY2013-14 and FY2014-15.

**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 will utilize these funds to lower healthcare rate increases in calendar year 2012.

**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 FY2012-13 Proposed Budget assumes the use of $2.0 million from the Premium Stabilization Reserve to help offset the healthcare cost increase to the County. The forecast for FY2013-14 assumes the utilization of $1.0 million from the Premium Stabilization Reserve. 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 FY2012-13 assumes an increase in claims expenditures by approximately 3.6 percent, and the forecasts for FY2013-14 and FY2014-15 assume increases of 7.1 percent and 5.9 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 forecast for FY2012-13 projects no increase in other administrative fee costs. The forecasts for FY2013-14 and FY2014-15 assume an annual 3.0 percent increase in other administrative fee costs.

**Premium Stabilization Reserve (PSR)**

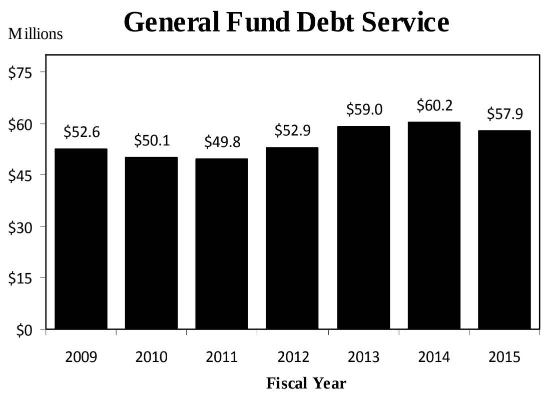
The Healthcare Fund's **Premium Stabilization Reserve (PSR)** reflects the accumulation of annual revenues collected in excess of expenditures. This reserve allows the County to maintain annual rate increases at manageable levels. For example, in FY2012-13, $2.0 million from the PSR is being utilized in the Annual Fiscal Plan to prevent additional costs to the County in this difficult economic environment. As of June 30, 2011, the PSR has a balance of $12,525,534, prior to consideration of the County's "Incurred But Not Reported" liability referenced below.

**Incurred But Not Reported (IBNR)** represents an actuarially estimated dollar amount of claims that have been incurred by program participant but have not yet been reported by the healthcare provider as of June 30, 2011. 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, 2011 in future years.

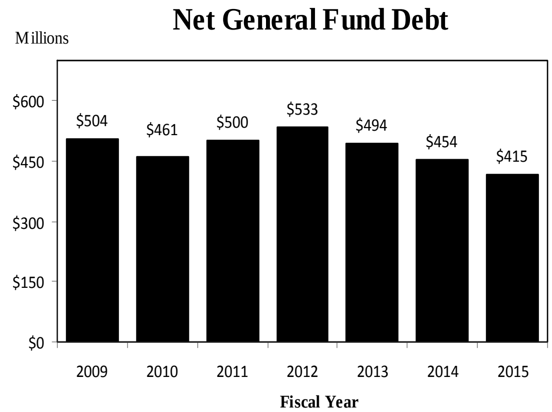
**Healthcare Internal Service Fund Forecast**

| | FY10-11 Actual | FY11-12 Original | FY12-13 Forecast | FY13-14 Forecast | FY14-15 Forecast |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| County Contribution - Active | $ 57,200,580 | $ 62,860,858 | $ 66,216,272 | $ 71,513,574 | $ 77,234,660 |
| Employee Contribution | $ 14,464,484 | $ 15,850,645 | $ 16,484,671 | $ 17,803,445 | $ 19,227,720 |
| Retiree Contribution | $ 5,100,164 | $ 5,950,415 | $ 6,188,431 | $ 6,683,505 | $ 7,218,186 |
| Retiree Subsidy | $ 579,246 | $ 606,967 | $ 621,320 | $ 652,386 | $ 685,005 |
| Disabled Subsidy | $ 153,020 | $ 268,870 | $ 170,387 | $ 270,000 | $ 270,000 |
| COBRA | $ 205,626 | $ 290,450 | $ 302,068 | $ 326,233 | $ 352,332 |
| Recoveries and Rebates | $ - | $ - | $ - | $ - | $ - |
| Federal Reimbursements (ERRP) | $ 888,352 | $ - | $ 888,352 | $ 1,000,000 | $ - |
| Interest Income | $ 80,901 | $ 75,000 | $ 75,000 | $ 75,000 | $ 75,000 |
| **Total Revenues** | **$ 78,672,373** | **$ 85,903,205** | **$ 90,946,501** | **$ 98,324,143** | **$ 105,062,903** |
| (To) From Premium Stabilization Fund | $ 3,266,112 | $ 4,000,000 | $ 2,000,000 | $ 1,000,000 | $ - |
| **Total Resources** | **$ 81,938,485** | **$ 89,903,205** | **$ 92,946,501** | **$ 99,324,143** | **$ 105,062,903** |
| **Expenditures:** | | | | | |
| Claims | $ 77,326,453 | $ 84,603,205 | $ 87,646,501 | $ 93,865,143 | $ 99,440,133 |
| Other Administrative Fees | $ 4,612,032 | $ 5,300,000 | $ 5,300,000 | $ 5,459,000 | $ 5,622,770 |
| **Total Expenditures** | **$ 81,938,485** | **$ 89,903,205** | **$ 92,946,501** | **$ 99,324,143** | **$ 105,062,903** |
| **Premium Stabilization Reserve (PSR):** | | | | | |
| Premium Stabilization Reserve (PSR) | $ 12,525,534 | $ 8,525,534 | $ 6,525,534 | $ 5,525,534 | $ 5,525,534 |
| Incurred But Not Reported (IBNR) | $ (6,764,000) | $ (6,764,000) | $ (6,764,000) | $ (6,764,000) | $ (6,764,000) |
| Uncommitted PSR | $ 5,761,534 | $ 1,761,534 | $ (238,466) | $ (1,238,466) | $ (1,238,466) |

# Three Year Forecast
# Revenues and Expenditures
# Debt Service Fund




**Fiscal Years 2012 through 2015 are estimated. Reflects transfer from the County's General Fund.**




**Fiscal Years 2012 through 2015 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 2012 through 2015 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.

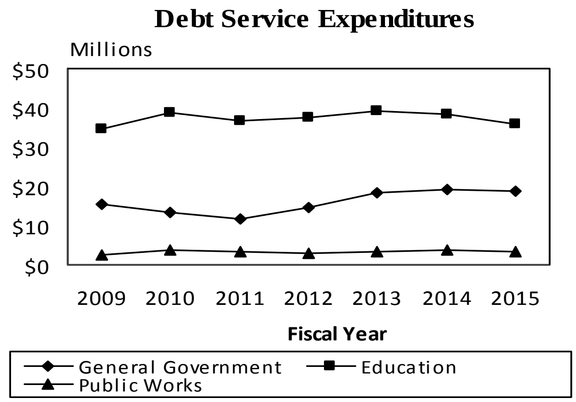
**(To) Capital Projects Fund** represents the transfer of excess accumulated debt service fund equity for funding pay-as-you-go capital projects. It could also represent the utilization of interest earnings from bond proceeds to help offset debt service payments. The use of debt service fund equity is 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 FY2011-12 through FY2014-15. This debt will not exceed the County's self-imposed debt limits mentioned within the Financial Guidelines section of this document.

**Assumptions**

**Debt Service - General Government** includes principal and interest payments on General Obligation (G.O.) Bond issues and Industrial Development Authority (IDA) Lease Revenue Bond issues. These obligations fund a variety of projects including parks, libraries, fire stations, a radio communication system, a parking deck, a communication/training facility, as well as technology initiatives. Future debt service fund expenditures include the debt service associated with issuance of General Government G.O. Bonds for $50,550,000 in August, 2011. The bond proceeds for FY2011-12 and FY2012-2013 will be used for the renovation and expansion of one fire station, to build one replacement and one new library as well as the development of two park projects.




Fiscal Years 2012 through 2015 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. The Education G.O. Bond issue in August, 2011 is $22,950,000. This funding will allow for the renovation of one elementary school and an addition of $17.8 million to the Bond Project Reserve allowing for the completion of citizen-approved bond projects that may require additional funding.

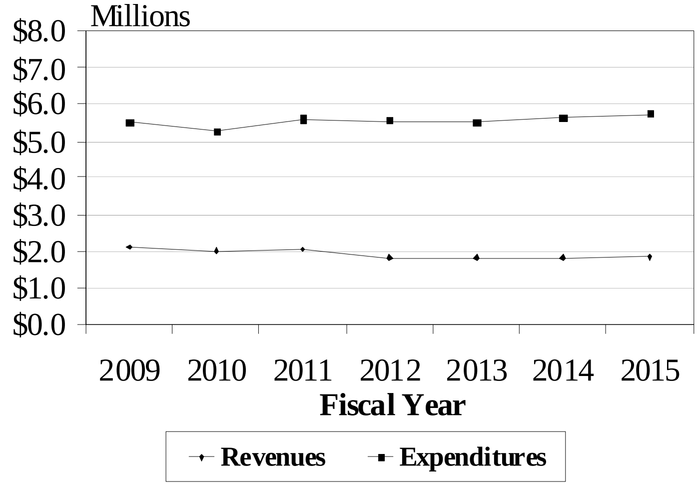
**Debt Service - Public Works** includes principal and interest payments on General Obligation (G.O.) Bonds issued to support road improvements throughout the County.

**Debt Service Fund Forecast**

| | **FY 2011 Actual** | **FY 2012 Original** | **FY 2013 Forecast** | **FY 2014 Forecast** | **FY2015 Forecast** |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| (To) From General Fund | $ 49,832,472 | $ 52,854,043 | $ 58,982,785 | $ 60,219,999 | $ 57,895,575 |
| (To) From Fund Equity | 2,189,064 | 2,000,000 | 2,000,000 | 768,994 | 0 |
| (To) Capital Projects Fund | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous Revenue | 0 | 0 | 0 | 0 | 0 |
| Total Revenues | $ 52,021,536 | $ 54,854,043 | $ 60,982,785 | $ 60,988,993 | $ 57,895,575 |
| **Expenditures:** | | | | | |
| Debt Service - General Government | $ 11,838,278 | $ 14,375,844 | $ 18,525,220 | $ 19,000,819 | $ 18,634,996 |
| Debt Service - Education | 36,661,640 | 37,523,568 | 39,257,302 | 38,426,707 | 35,796,269 |
| Debt Service - Public Works | 3,521,618 | 2,954,631 | 3,200,263 | 3,561,467 | 3,464,310 |
| Total Expenditures | $ 52,021,536 | $ 54,854,043 | $ 60,982,785 | $ 60,988,993 | $ 57,895,575 |
| Fund Equity* | $ 4,768,994 | $ 2,768,994 | $ 768,994 | $ 0 | $ 0 |

**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 2012 through 2015 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. In April of 2012, the last quarterly payment of FY2011-12 was received, bringing the total to $1,499,974, which is $87,704 above the estimated amount of support. As there continues to be uncertainty in the level of future funding from the State, conservative revenue estimates will continue to be utilized. It should be noted that under these projections, State funding in FY2015, estimated at $1,412,270, would be 10.1 percent 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 FY2013, $409,466 for FY2014 and $417,656 for FY2015.

**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, 2011 is $2,425,000. As majority partner, Henrico is responsible for debt service payments projected at $676,878 in FY2013, $673,106 in FY2014, and $672,964 in FY2015. The final bond payment is scheduled to occur in FY2016. Goochland made a one-time payment of $511,646 in FY2001. Powhatan was relinquished of debt responsibility, since the facility is located in that county.

**To (From) Retained Earnings** is the anticipated difference between revenues and expenditures. The use of Fund Equity is projected at $445,138 for FY2013, $482,232 for FY2014, and $520,178 for FY2015. 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.

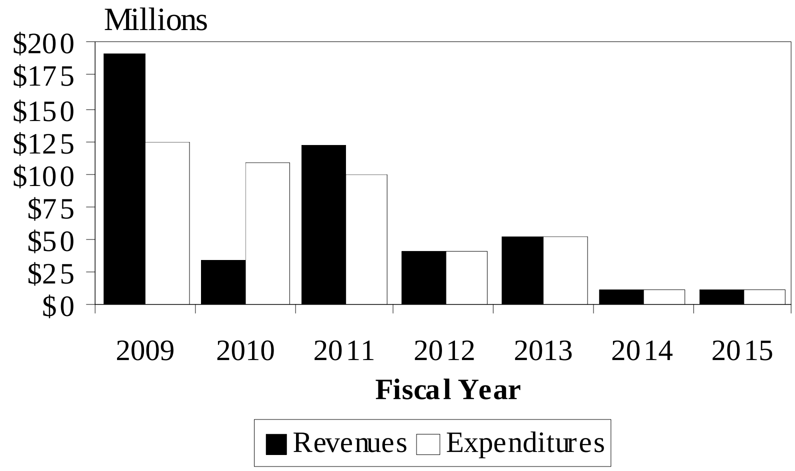
**Expenditures**

**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.

| | FY10-11 Actual | FY11-12 Original | FY12-13 Forecast | FY13-14 Forecast | FY14-15 Forecast |
|---|---|---|---|---|---|
| **JRJDC Operations and Debt Service Subfunds** | | | | | |
| **Revenues:** | | | | | |
| Revenue from Commonwealth | $ 1,502,644 | $ 1,412,270 | $ 1,412,270 | $ 1,412,270 | $ 1,412,270 |
| Revenue from Federal Govt | 81,173 | 0 | 0 | 0 | 0 |
| Revenue from Goochland | 224,344 | 201,656 | 200,719 | 204,733 | 208,828 |
| Revenue from Powhatan | 224,344 | 201,656 | 200,719 | 204,733 | 208,828 |
| Recovered Costs | 0 | 0 | 0 | 0 | 0 |
| Interest Income | 22,836 | 0 | 0 | 0 | 0 |
| Total Revenues | 2,055,341 | 1,815,582 | 1,813,708 | 1,821,737 | 1,829,926 |
| Plus: | | | | | |
| (To) From Construction Subfund | 0 | 0 | 0 | 0 | 0 |
| (To) From General Fund | 3,281,789 | 3,281,089 | 3,271,174 | 3,319,342 | 3,372,069 |
| (To) From Retained Earnings | 257,192 | 445,138 | 445,138 | 482,232 | 520,178 |
| Total Resources | $ 5,594,322 | $ 5,541,809 | $ 5,530,020 | $ 5,623,311 | $ 5,722,173 |
| **Expenditures:** | | | | | |
| James River Juvenile Detention Center | $ 4,924,004 | $ 4,867,199 | $ 4,853,142 | $ 4,950,205 | $ 5,049,209 |
| Debt Service | 670,318 | 674,610 | 676,878 | 673,106 | 672,964 |
| Total Expenditures | $ 5,594,322 | $ 5,541,809 | $ 5,530,020 | $ 5,623,311 | $ 5,722,173 |
| Ending Retained Earnings | $ 2,892,189 | $ 2,447,051 | $ 2,001,913 | $ 1,519,681 | $ 999,503 |

## Three Year Forecast
## Revenues and Expenditures
## Capital Projects Fund




Fiscal Years 2012 through 2015 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.

**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. General Obligation (G.O.) Bonds will fund $40.2 million for General Government projects and funding of $18,792 is to be added to the reserve for Education bond projects.

**Transfers:**
**(To) From General Fund** is the transfer of non-bond resources from the General Fund. The FY2013 transfer of $10,850,000 includes a $5.0 million allocation for pay-as-you-go construction from General Fund balance which is divided equally between General Government and Education to support various ongoing projects and includes a $5.0 million allocation from the Designated Capital Reserve Fund balance, which will support the initial phase of the County's facility renovation of the Best Plaza facility. In addition, the FY2013 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 will be lowered to 15.0 percent of General Fund expenditures at fiscal year-end June 30, 2012. Expected one-time savings will be applied to a Vehicle Replacement Reserve within the Capital Budget (found elsewhere in this document), which will fund replacement police vehicles, fire apparatus, and school buses for at least the next three fiscal years.

The FY2014 and FY2015 forecasted transfer of $10,850,000 includes $5.0 million of General Fund balance, $5.0 million of Designated Capital Reserve Fund balance, and $850,000 from Motor Vehicle License Fee revenue.

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

**<u>Expenditures</u>**
**Assumptions**
**Capital Project Expenditures** over the three-year forecast period are requested at $72,768,792. General Obligation (G.O.) Bonds will fund $40.2 million for General Government projects in FY2013. The General Government 2005 G.O. Bond projects in the Capital Budget include $16.7 million for the construction of the new Varina Area Library, $16.0 million for the replacement of the Dumbarton Area Library, $3.0 million for the development of the Short Pump Park, a reserve of $4,470,000 for Public Library bond projects as well as a reserve of $30,000 for Fire bond projects. Funding of $18,792 is also forecasted to be added to the reserve for Education bond projects. This will complete the funding approved by the voters on the March 2005 G.O. Bond Referendum.

General Fund balance expenditures for the three-year period total $15.0 million. Forecasted FY2013 expenditures include $2.5 million for Schools mechanical improvements of $2.4 million and roof replacements of $100,000. The remaining $2.5 million of General Fund balance, which has been designated for General Government includes $250,000 for Information Technology projects, $500,000 for the Network/VOIP project, $200,000 for recreation facility rehabilitation projects, $150,000 for pavement rehabilitation projects, $560,000 for mechanical improvements projects, $250,000 for roof replacement and rehabilitation projects, $440,000 for various UPS replacements, and $150,000 for the Geographic Information System project. FY2014 and FY2015 expenditures will continue 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 $15.0 million. This funding has 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.

**(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 FY2011-12 and FY2012-13 Capital Budgets.

**FY2012**
**From General Fund - $5,850,000**

| Project | Total |
|---|---|
| Schools - Mechanical Improvements | $ 2,000,000 |
| Schools - Roof Replacement | 500,000 |
| Recreation Facility Rehabilitation | 311,000 |
| Geographic Information System | 150,000 |
| Pavement Rehabilitation | 200,000 |
| Building Maint Area Safety Improvements | 175,000 |
| General Road Construction | 800,000 |
| New Guardrails | 50,000 |
| Information Technology Projects | 750,000 |
| Network/VOIP | 750,000 |
| Card Access System - Panel Upgrade | 164,000 |
| **Total From General Fund** | **$ 5,850,000** |

**FY2013**
**From General Fund - $10,850,000**

| Project | Total |
|---|---|
| Schools - Mechanical Improvements | $ 2,400,000 |
| Schools - Roof Replacement | 100,000 |
| Recreation Facility Rehabilitation | 200,000 |
| Geographic Information System | 150,000 |
| Pavement Rehabilitation | 150,000 |
| UPS Replacement | 440,000 |
| Mechanical Improvements | 560,000 |
| Roof Replacement and Rehabilitation | 250,000 |
| Best Plaza | 5,000,000 |
| General Road Construction | 800,000 |
| New Guardrails | 50,000 |
| Information Technology Projects | 250,000 |
| Network/VOIP | 500,000 |
| **Total From General Fund** | **$ 10,850,000** |

**Capital Projects Fund Forecast**

| | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Forecast | FY 13-14 Forecast | FY 14-15 Forecast |
|---|---|---|---|---|---|
| **Resources:** | | | | | |
| Revenues: | | | | | |
| Use of Money and Property | $ 406,943 | - | - | - | - |
| Miscellaneous Revenues | 933,193 | - | - | - | - |
| Intergovernmental | 14,633,519 | - | - | - | - |
| Subtotal Revenues | $ 15,973,655 | $ - | $ - | $ - | $ - |
| Other Financing (Uses) Sources: | | | | | |
| Bonds: | | | | | |
| G. O. Bonds - Education - 2005 | 65,656,903 | 22,931,208 | 18,792 | - | - |
| G. O. Bonds - General Govt - 2005 | 5,800,000 | 10,350,000 | 40,200,000 | - | - |
| G. O. Bonds - Public Works - 2005 | 286,043 | - | - | - | - |
| Bond Premiums | 5,713,957 | - | - | - | - |
| Subtotal Bonds: | $ 77,456,903 | $ 33,281,208 | $ 40,218,792 | $ - | $ - |
| Transfers: | | | | | |
| (To) From General Fund: | | | | | |
| General Fund Balance | $ 21,111,301 | $ 5,000,000 | $ 5,000,000 | $ 5,000,000 | $ 5,000,000 |
| Designated Capital Reserve | 3,565,242 | - | 5,000,000 | 5,000,000 | 5,000,000 |
| General Fund Revenue - License Fee | 850,000 | 850,000 | 850,000 | 850,000 | 850,000 |
| State Revenue - Education | 200,000 | - | - | - | - |
| State Gasoline Tax | 2,102,660 | - | - | - | - |
| Subtotal General Fund Transfers | $ 27,829,203 | $ 5,850,000 | $ 10,850,000 | $ 10,850,000 | $ 10,850,000 |
| Transfers: | | | | | |
| (To) From Special Revenue Fund: | | | | | |
| Landfill Fees | $ - | $ 1,450,000 | $ - | $ - | $ - |
| Subtotal Special Revenue Fund | $ - | $ 1,450,000 | $ - | $ - | $ - |
| Total Resources and Transfers | $121,259,761 | $ 40,581,208 | $ 51,068,792 | $ 10,850,000 | $ 10,850,000 |
| **Expenditures:** | | | | | |
| General Government | $ 25,453,641 | $ 12,850,000 | $ 47,700,000 | $ 7,500,000 | $ 7,500,000 |
| Education | 48,817,453 | 25,431,208 | 2,518,792 | 2,500,000 | 2,500,000 |
| Public Works Roads | 24,767,466 | 850,000 | 850,000 | 850,000 | 850,000 |
| Utilities - Landfill | 589,025 | 1,450,000 | - | - | - |
| Total Expenditures | $ 99,627,585 | $ 40,581,208 | $ 51,068,792 | $ 10,850,000 | $ 10,850,000 |
| (To) From Capital Projects Fund Equity | $ (21,632,176) | $ 35,000,000 | $ 30,000,000 | $ 25,000,000 | $ 25,000,000 |
| Capital Projects Fund Balance | $229,960,488 * | $194,960,488 | $164,960,488 | $139,960,488 | $114,960,488 |

**Notes:**

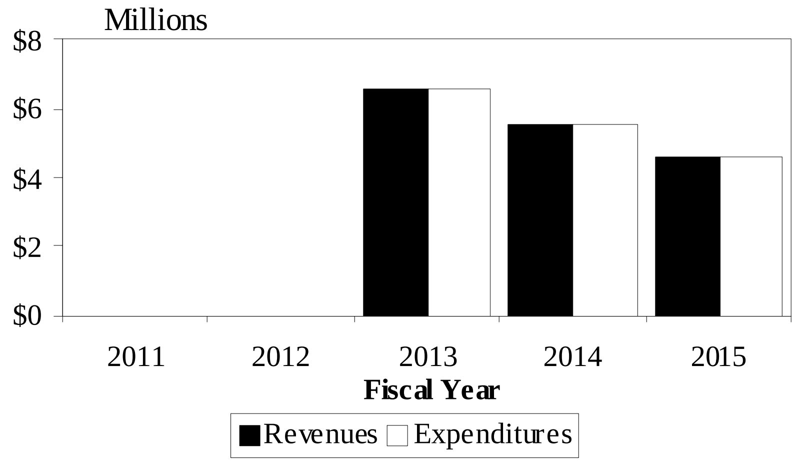
Revenues and Expenditures in forecast years are based on anticipated appropriations.

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 6/30/11.

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




Fiscal Years 2012 through 2015 are estimated.

**VEHICLE REPLACEMENT RESERVE FUND**

**(Fund 22)**
The Vehicle Replacement Reserve is being created in the FY2012-13 Capital Budget as a result of a revision to the County's Fund Balance guidelines which will generate one-time savings. Henrico's internal policy of maintaining an undesignated fund balance equivalent to 18.0 percent of General Fund expenditures will be 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. The initial funding allocated to the Reserve will provide funding for three years and 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 FY2013 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. For FY2014, forecasted expenses are projected to be $5,574,800. In FY2015, expenses are projected to be $4,574,800.

**Expenditures**
**Assumptions**
**Vehicle Replacement Reserve Expenditures** over the three-year forecast period are requested at $16,724,400. Expenditures for General Government total $10,724,400 over a three-year period and include Fire's Apparatus Replacement Program - $3,750,000 and Police's Vehicle Replacement Program - $6,974,400. Expenditures for Education's School Bus Replacement Program are forecasted to be $6.0 million over a three-year 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**

| | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Forecast | FY 13-14 Forecast | FY 14-15 Forecast |
|---|---|---|---|---|---|
| **Resources:** | | | | | |
| Transfers: | | | | | |
| (To) From General Fund: | | | | | |
| Designated Vehicle Replacement Reserve | $ - | $ - | $ 6,574,800 | $5,574,800 | $4,574,800 |
| Subtotal General Fund Transfers | $ - | $ - | $ 6,574,800 | $5,574,800 | $4,574,800 |
| Total Resources and Transfers | $ - | $ - | $ 6,574,800 | $5,574,800 | $4,574,800 |
| **Expenditures:** | | | | | |
| General Government | $ - | $ - | $ 4,074,800 | $3,574,800 | $3,074,800 |
| Education | - | - | 2,500,000 | 2,000,000 | 1,500,000 |
| Total Expenditures | $ - | $ - | $ 6,574,800 | $5,574,800 | $4,574,800 |
| (To) From Vehicle Replacement Reserve Fund Equity | $ - | $ - | $ 6,574,800 | $5,574,800 | $4,574,800 |
| Vehicle Replacement Reserve Fund Balance* | $ - | $ - | $13,149,600 | $7,574,800 | $3,000,000 |

**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 6/30/11.

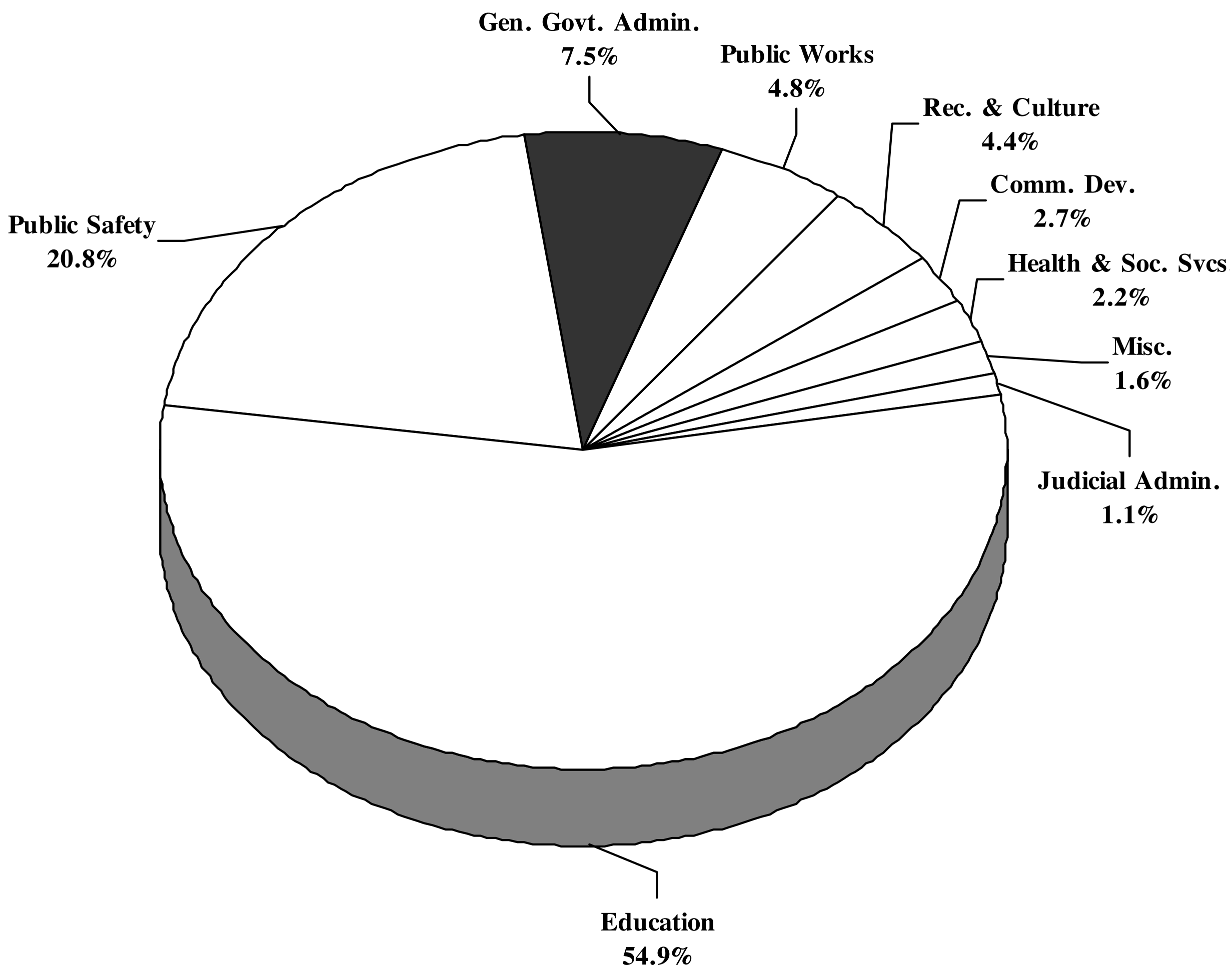
# GENERAL FUND

## COUNTY OF HENRICO, VIRGINIA
## APPROVED GENERAL FUND REVENUES
## FY 2012-13

| **Revenues: Function/Program** | **FY 10-11 Actual** | **FY 11-12 Original** | **FY 12-13 Approved** |
|---|---|---|---|
| Revenue from Local Sources: | | | |
| General Property Taxes | $351,383,871 | $388,660,000 | $379,975,000 |
| Other Local Taxes | 124,886,792 | 114,755,000 | 116,235,000 |
| Permits, Fees, & Licenses | 3,391,948 | 3,345,200 | 3,443,900 |
| Fines & Forfeitures | 3,186,609 | 2,390,000 | 2,390,000 |
| From Use of Money & Property | 3,515,202 | 9,784,400 | 7,872,500 |
| Charges for Services | 4,150,393 | 3,748,700 | 3,725,700 |
| Miscellaneous | 5,246,680 | 2,857,800 | 3,028,400 |
| Recovered Costs | 4,469,041 | 4,278,870 | 4,286,370 |
| Total from Local Sources | 500,230,536 | 529,819,970 | 520,956,870 |
| Revenue from the Commonwealth: | | | |
| Categorical Aid: | | | |
| Education | 200,474,630 | 204,679,000 | 214,883,000 |
| Public Works | 30,777,035 | 28,745,000 | 28,745,000 |
| Public Safety (HB #599) | 8,354,062 | 7,350,000 | 7,650,000 |
| Social Services | 5,164,331 | 3,988,200 | 2,613,955 |
| Other | 436,304 | 4,052,500 | 4,644,700 |
| Total Categorical Aid | 245,206,362 | 248,814,700 | 258,536,655 |
| Non-Categorical Aid: | | | |
| General Government | 54,023,500 | 17,628,500 | 17,713,500 |
| Total Non-Categorical Aid | 54,023,500 | 17,628,500 | 17,713,500 |
| Shared Expenses: | | | |
| State Share of Salaries & Benefits | 15,894,838 | 14,828,800 | 14,929,400 |
| Total from the Commonwealth | 315,124,700 | 281,272,000 | 291,179,555 |
| Revenue from the Federal Government | 17,335,979 | 10,685,200 | 12,830,280 |
| Total Revenues | 832,691,215 | 821,777,170 | 824,966,705 |
| Interfund Transfers: | | | |
| To Debt Service Fund | (49,832,472) | (52,854,043) | (58,982,785) |
| To Capital Projects Fund | (27,829,203) | (5,850,000) | (17,424,800) |
| To Enterprise Fund | (756,608) | (756,608) | (756,608) |
| To Risk Management | (8,715,889) | (4,369,790) | (4,543,437) |
| To Special Revenue Fund | (18,710,178) | (23,252,945) | (22,140,214) |
| To JRJDC Agency Fund | (3,281,789) | (3,281,089) | (3,271,174) |
| To OPEB-GASB 45 Fiduciary Fund | (3,000,000) | (3,000,000) | (3,000,000) |
| Total Transfers | (112,126,139) | (93,364,475) | (110,119,018) |
| (To) From Fund Balance | (7,349,666) | 0 | 0 |
| (To) From Fund Balance - Capital Projects | 5,000,000 | 5,000,000 | 5,000,000 |
| (To) From Fund Balance - Designated Capital Reserve | 3,565,242 | 0 | 5,000,000 |
| (To) From Vehicle Replacement Reserve | 0 | 0 | 6,574,800 |
| From Revenue Stabilization | 11,548,345 | 10,248,671 | 3,869,432 |
| Total Resources Net of Transfers | $733,328,997 | $743,661,366 | $735,291,919 |

# COUNTY OF HENRICO, VIRGINIA

## General Government Administration
## $55,380,634




## Total General Fund
## $735,291,919

**COUNTY OF HENRICO, VIRGINIA**
**GENERAL GOVERNMENT ADMINISTRATION - GENERAL FUND**
**FY 2012-13**

| Department | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| Board of Supervisors | $1,071,546 | $1,104,851 | $1,097,781 |
| County Manager: | | | |
| Administration | 1,957,567 | 1,940,667 | 1,956,459 |
| Public Relations | 702,377 | 781,262 | 818,282 |
| Media Services | 1,100,887 | 1,113,934 | 906,586 |
| Total County Manager | 3,760,831 | 3,835,863 | 3,681,327 |
| County Attorney | 2,121,140 | 2,031,459 | 2,002,158 |
| Human Resources: | | | |
| Human Resources | 4,659,478 | 4,727,761 | 4,311,379 |
| Group Benefits | 621,361 | 775,837 | 691,707 |
| Total Human Resources | 5,280,839 | 5,503,598 | 5,003,086 |
| Finance: | | | |
| Administration | 476,000 | 515,932 | 431,124 |
| Technology | 907,618 | 846,679 | 798,307 |
| Accounting | 1,826,328 | 1,833,557 | 1,694,707 |
| Budget | 645,533 | 649,914 | 683,047 |
| Treasury | 2,081,223 | 2,296,867 | 2,213,773 |
| Real Estate Assessment | 2,811,487 | 2,892,665 | 2,944,851 |
| Board of Real Estate Review | 16,874 | 18,721 | 18,721 |
| Vehicle | 1,456,805 | 1,533,646 | 1,492,225 |
| Business | 1,370,474 | 1,469,277 | 1,477,260 |
| Total Finance | 11,592,342 | 12,057,258 | 11,754,015 |
| General Services: | | | |
| Communications | 1,140,828 | 1,270,693 | 1,164,189 |
| Purchasing | 1,533,589 | 1,665,268 | 1,660,044 |
| Records Management | 494,301 | 454,149 | 441,415 |
| Administration | 1,948,158 | 1,930,341 | 1,743,218 |
| Employee Cafeteria | 365,123 | 517,077 | 433,418 |
| Maintenance and Custodial | 9,019,920 | 9,199,776 | 10,226,100 |
| Security | 1,383,478 | 1,412,604 | 1,439,293 |
| Total General Services | 15,885,397 | 16,449,908 | 17,107,677 |
| Internal Audit | 390,043 | 387,370 | 395,367 |
| Information Technology | 11,383,549 | 12,464,369 | 12,458,607 |
| Real Property | 558,418 | 576,838 | 587,745 |
| Electoral Board | 1,081,326 | 1,348,019 | 1,292,871 |
| Total General Government Administration | $53,125,431 | $55,759,533 | $55,380,634 |

# BOARD OF SUPERVISORS

**Description**

The County's Board of Supervisors is the elected governing body of the County and is responsible for establishing policy within the framework of the Constitution of Virginia and the Code of Virginia.

Board members are elected to four-year terms by the voters in each of the five magisterial districts: Brookland, Fairfield, Three Chopt, Tuckahoe and Varina. The Board appoints the County Manager, who is the chief administrative officer of the County. They also appoint the members of the Social Services Board, Library Board, Mental Health and Developmental Services Board, the Board of Real Estate Review and Equalization, the Planning Commission, and several other advisory boards and commissions.

The Board of Supervisors adopts the annual operating and capital budgets and appropriates all funds for expenditure.

**Objectives**

- To provide broad policy direction and oversight to the County administration pursuant to the laws of the United States, Commonwealth, County and other applicable regulations.
- To maintain minimum tax rates necessary to provide service levels which ensure a high quality of life for the citizens of Henrico County.

**Budget Highlights**

The Board of Supervisors' approved budget for FY2012-13 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 FY2012-13 approved budget for the Board of Supervisor's Office is $1,097,781 and represents a decrease of 0.6 percent from the prior fiscal year. Personnel costs increased by 1.9 percent while realized savings from previous efficiency measures reduced the cost of operations. The operating budget decreased by $21,068 or 5.9 percent compared to last fiscal year.

It should be noted that the funding level for the Board of Supervisors' FY2012-13 approved budget is below the funding level for the FY2006-07 approved budget.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 719,721 | $ 747,048 | $ 761,046 | 1.9% |
| Operation | 351,825 | 357,803 | 336,735 | (5.9%) |
| Capital | 0 | 0 | 0 | 0.0% |
| Total | $ 1,071,546 | $ 1,104,851 | $ 1,097,781 | (0.6%) |
| Personnel Complement | 5 | 5 | 5 | 0 |

## Performance Measures

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Performance Measures** | | | | |
| Population of County Served (*) | 311,726 | 314,843 | 317,991 | 3,148 |
| Regular Board Meetings Held | 22 | 22 | 22 | 0 |
| Special Board Meetings Held | 26 | 30 | 26 | (4) |
| Board Resolutions/Ordinances Considered | 265 | 260 | 275 | 15 |
| Provisional Use Permits/Zoning Cases Considered | 29 | 30 | 35 | 5 |
| Presentations Made at Board Hearings | 41 | 45 | 40 | (5) |
| Board and Commission Members Appointed | 128 | 130 | 140 | 10 |
| Agend-O-Grams Published | 22 | 22 | 22 | 0 |

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

# COUNTY MANAGER

## Description

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

## 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 FY2012-13 County Manager's office budget includes funding to cover the costs of personnel, routine office expenses, and other expenditures needed to keep the members of the Board of Supervisors advised on County business and finances. Also, funds are included that allow the County Manager and his five deputies to maintain memberships and participation in organizations and meetings necessary to keep abreast of current trends and developments beneficial to the County and its citizens.

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

The approved budget for the County Manager's Office totals $1,956,459 for FY2012-13. This represents a 0.8 percent increase compared to the FY2011-12 approved budget. The personnel component of the budget increased by $28,563 or 1.6 percent, while the operating budget decreased by 10.7 percent. The operating budget reduction reflects annual savings initiatives implemented in the previous fiscal year.

### Annual Fiscal Plan

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 1,826,455 | $ 1,821,654 | $ 1,850,217 | 1.6% |
| Operation | 130,732 | 119,013 | 106,242 | (10.7%) |
| Capital | 380 | 0 | 0 | 0.0% |
| Total | $ 1,957,567 | $ 1,940,667 | $ 1,956,459 | 0.8% |
| | | | | |
| 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' approved budget for FY2012-13 totals $1,724,868, a 9.0 percent decrease from the FY2011-12 approved

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 1,447,033 | $ 1,444,464 | $ 1,457,620 | 0.9% |
| Operation | 330,545 | 450,732 | 267,248 | (40.7%) |
| Capital | 25,686 | 0 | 0 | 0.0% |
| Total | $ 1,803,264 | $ 1,895,196 | $ 1,724,868 | (9.0%) |
| Personnel Complement | 19 | 19 | 19 | 0 |

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Video Shoots | 667 | 500 | 500 | 0 |
| Publications Distributed | 303,922 | 300,000 | 300,000 | 0 |
| Cable TV Messages | 1,605 | 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 | 3,000 | 3,000 | 0 |
| Print Articles Generated | 333 | 500 | 500 | 0 |
| Photos Taken/Distributed | 2,392 | 1,800 | 1,800 | 0 |

budget. This amount includes funding for operating costs and numerous programs sponsored by the department. For FY2012-13, personnel costs increased by $13,156, or 0.9 percent. The operating costs, for FY2012-13, total $267,248, a 40.7 percent decrease from the FY2011-12 operating budget. The reduction in the operating budget is primarily due to the suspension of technology replacement funding.

At the approved level of funding, the FY2012-13 budgetary requirement for Public Relations & Media Services is below the level of funding in the FY2006-07 approved budget.

Public Relations

The employees in the Public Relations office focus on media relations and public awareness of County policies and activities via coverage in print, broadcast media, and publications. The office handles media contacts for County agencies on public awareness campaigns, crises, and other media-related issues.

Public Relations is also responsible for tours, the speakers' bureau, and other bulletins that include tips on special events planning and promotion, working with the media, writing news releases and public service announcements, and listing other in-house services.

The approved budget for the Public Relations office is $818,282. 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 approved budget for the Media Services division totals $906,586 in FY2012-13.

# 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.

**Objectives**

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

**Budget Highlights**

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

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 FY2010-11, 30 new lawsuits were filed in courts of record.

At present, 29 cases are pending in state and federal courts of record, which include trial and appellate courts. The office made 60 appearances in these courts during FY2010-11. In addition, during that same period, the office handled 701 cases in courts not of record; 133 cases in the Henrico County General District Court and 568 cases in the Henrico County Juvenile and Domestic Relations District Court. Moreover, the office handled 24 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; 1,142 contracts drafted or reviewed, 237 deeds and leases

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 2,050,674 | $ 1,951,385 | $ 1,932,779 | (1.0%) |
| Operation | 68,621 | 80,074 | 69,379 | (13.4%) |
| Capital | 1,845 | 0 | 0 | 0.0% |
| Total | $ 2,121,140 | $ 2,031,459 | $ 2,002,158 | (1.4%) |
| | | | | |
| Personnel Complement | 18 | 18 | 18 | 0 |

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| New Cases Filed | 30 | 20 | 20 | 0 |
| Cases Disposed of | 39 | 32 | 22 | (10) |
| Administrative Proceedings | 24 | 30 | 30 | 0 |
| Court Appearances | 761 | 700 | 700 | 0 |

drafted or reviewed, 434 board papers drafted or reviewed, 346 Freedom of Information Act requests handled, 171 Subpoenas Duces Tecum handled, 10 restrictive covenants reviewed, 6 festival permit applications reviewed, 73 sets of conditional zoning proffers reviewed and 5 official opinions rendered. In addition, during the months of January, February, and March 2011, while the General Assembly was in session, 131 articles of proposed legislation were reviewed. Also, during FY2010-11, the County Attorney's office recovered $218,051, in recovered funds owed to the County by businesses in bankruptcy.

The Department's approved budget for FY2012-13 is $2,002,158. This represents a decrease of $29,301 or 1.4 percent from the FY2011-12 approved budget. Personnel costs decreased by $18,606 or 1.0 percent, while operating costs for the approved budget decreased by $10,695 or 13.4 percent. Annual savings achieved in the prior fiscal year represents a portion of the reduction in operating costs.

The level of funding for the County Attorney's FY2012-13 approved budget is below the level of funding allocated to the department in the FY2008-09 approved budget.

# 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 staffing, classification and compensation management, benefits administration, employee development and training, volunteer services, employee health, fitness and wellness, employee relations, employee and applicant records, and information systems including personnel and payroll transactions.

Administering the 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 are also administered by the Department of Human Resources. 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 remain an employer-of-choice by continuing to attract and retain employees at all job levels.
- 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.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 3,768,716 | $ 3,916,963 | $ 3,643,642 | (7.0%) |
| Operation | 890,217 | 810,798 | 667,737 | (17.6%) |
| Capital | 545 | 0 | 0 | 0.0% |
| Total | $ 4,659,478 | $ 4,727,761 | $ 4,311,379 | (8.8%) |
| | | | | |
| Employee Services | $ 621,361 | $ 775,837 | $ 691,707 | (10.8%) |
| Total Budget | $ 5,280,839 | $ 5,503,598 | $ 5,003,086 | (9.1%) |
| | | | | |
| Personnel Complement | 53 | 52 | 49 * | (3) |

*Three vacant positions were removed from the complement.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Applications Received | 22,553 | 21,876 | 21,220 | (656) |
| Retirements (FY) | 104 | 115 | 115 | 0 |
| **Effectiveness Measures** | | | | |
| Turnover Rate | 6.4% | 8.0% | 9.3% | 1.3% |

- To ensure leadership readiness through the award-winning career enrichment, succession management, and leadership development programs.
- To continue to keep the County's compensation and benefits at a competitive level while maintaining the unified pay plan with Henrico County Public Schools.
- 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 recognize volunteers for their contributions.
- 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 approved budget for FY2012-13 totals $5,003,086, representing an overall decrease of $500,512 or 9.1 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 FY2012-13 approved budget is $4,311,379, which represents an overall decrease of $416,382 or 8.8 percent from the previous fiscal year. Personnel expenditures decreased by a net difference of $273,321 or 7.0 percent. This decrease was driven by the removal of three vacant positions from the complement and the increase in vacancy savings. The positions that were removed are no longer needed due to restructuring of Human Resources. The decrease in personnel was offset by the rising VRS, VRS life insurance, and health care expenditures for remaining personnel.

The operating component decreased by $143,061 or 17.6 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 increase efficiencies. In addition, this decrease also reflects the County-wide adjustment in technology replacement.

The FY2012-13 budget for the Group Benefits section of the Human Resources budget is $691,707, representing a decrease of $84,130 or 10.8 percent from the previous approved fiscal year budget.

Health care premiums for disabled retirees total $120,387, decreasing by $98,483 from the previous fiscal year. In FY2012-13, this amount will provide health care premiums for eighteen disabled retirees which represent a reduction of five 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 $571,320, increasing by $14,353 from the previous fiscal year. It provides coverage for 462 retirees at an average monthly cost of $103 per retiree.

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. In addition, 21 vacant positions were eliminated in FY2010-11, saving the County an additional $774,000 per year.

The employee turnover rate was reported at 6.44% this past year. This marked the twenty-fourth 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 the lowest employee-to-citizen population ratio.

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, continues to be published on a quarterly basis exclusively for the County's 800 plus supervisors, providing them with pertinent and timely information to assist them in their leadership roles. Providing training and consultation to employees and supervisors is an important service offered by Human Resources and one that adds value to the entire role of government. The Department takes a lead role in this regard and will continue this effort in FY2012-13.

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 and due to these successes, the department continues to expand the fitness and wellness efforts. The programs focus on weight management, nutrition, walking/running, fitness assessments, strength and conditioning, as well as a wide array of classes requested by County employees. These offerings are intended to encourage employees' efforts to improve their overall health, particularly for Public Safety employees, which in the long run will reduce healthcare costs.

The HR Department will continue to focus on improving communication, collaboration, and credibility with all of its customers through recruitment, training, employee health, wellness and fitness, employee relations, technology, records, compensation, benefits, and administration.

# 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**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 10,586,828 | $ 10,645,353 | $ 10,474,683 | (1.6%) |
| Operation | 994,405 | 1,386,988 | 1,254,415 | (9.6%) |
| Capital | 11,109 | 24,917 | 24,917 | 0.0% |
| Total | $ 11,592,342 | $ 12,057,258 | $ 11,754,015 | (2.5%) |
| | | | | |
| Personnel Complement | 159 | 157 | 153 * | (4) |

* Four vacant positions are being moved to the "hold" complement in FY2012-13.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Parcels of Land Reviewed | 112,383 | 112,783 | 112,924 | 141 |
| Vehicles Assessed | 347,790 | 337,860 | 350,000 | 12,140 |
| Business License Payments | 7,901 | 7,667 | 8,500 | 833 |
| Cashier Transactions Per Teller/Day | 90 | 90 | 90 | 0 |
| Budget Transfer Documents Processed | 1,567 | 1,600 | 1,600 | 0 |
| Checks Written | 132,245 | 122,900 | 122,900 | 0 |
| Debit Card Transactions | 25,408 | 25,480 | 29,219 | 3,739 |
| Credit Card Transacitons | 49,849 | 69,089 | 75,275 | 6,186 |
| Tax Advantage Applicants | 6,386 | 6,452 | 6,500 | 48 |
| Electronic Bill Payments | 185,387 | 181,744 | 203,926 | 22,182 |
| **Effectiveness Measures** | | | | |
| G.O. Bond Ratings: | | | | |
| Standard & Poor | AAA | AAA | AAA | n/a |
| Moody's | Aaa | Aaa | Aaa | n/a |
| Fitch | AAA | AAA | AAA | n/a |
| Number of Years - GFOA Award for Budget | 21 | 22 | 23 | 1 |
| Number of Years - GFOA Award for CAFR | 28 | 29 | 30 | 1 |

**Budget Highlights**

During FY2011-12, the Department of Finance again received recognition from the Government Finance Officer's Association (GFOA) for the Annual Fiscal Plan and the Comprehensive Annual Financial Report (CAFR). The County has been awarded the Certificate of Achievement for Excellence in Financial Reporting from GFOA for the CAFR for twenty nine consecutive years. The Office of Management and Budget received the Distinguished Budget Presentation Award from GFOA for the Annual Fiscal Plan for the twenty second consecutive year.

In addition to sound fiscal planning, Henrico County also makes every effort to operate in a conservative fashion by maximizing efficiencies, prudently managing resources and engaging in special initiatives to ensure the appropriate level of tax collection. One example is the County's proactive debt management, taking advantage of favorable interest rates to minimize costs through new debt issuances and debt refundings. Also, the County continues the practice of conservatively estimating 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 new 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 2011-12 fiscal year, which include:

1) Issued $73.5 million in General Obligation Bonds at a True Interest Cost of 2.83 percent.

2) Became the first locality in the Country to have its triple AAA Bond Rating reaffirmed after the historic downgrade of the U.S.'s debt rating.
3) Implemented new, state-of-the-art Computer Assisted Mass Appraisal system (CAMA).
4) Continued filling only critically needed vacant positions.
5) Expanded the use of volunteers and interns.
6) Continued the reallocation and elimination of capital outlay throughout the Department to best utilize equipment.

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 2011, Henrico County performed another of a recent series of successful bond sales that resulted in significant debt service savings. The most recent occurred in August, 2011, when the County issued $73.5 million in General Obligation Bonds, with a True Interest Cost (TIC) of 2.83 percent. The issuance of these G.O. Bonds was approved on the March 2005 Referendum. Prior to this issuance, Henrico County's triple AAA bond rating was reaffirmed by the three primary bond rating agencies: Moody's; Standard & Poor's; and Fitch, and is a distinction of credit worthiness shared by only 35 counties in the nation. Henrico County led the way for local governments in U.S. bond markets during this period of heightened economic uncertainty, and was the first locality in the Country to have its triple AAA bond rating status reaffirmed following S&P's historic downgrade of the U.S.'s debt rating. It was Henrico County's outstanding credit rating, combined with the prevailing economic conditions that resulted in achieving the extraordinarily low TIC of 2.83 percent.

Real Estate Assessment

The Real Estate Assessment Division is responsible for the review/reassessment of all real property in Henrico County, in conformance with the standards of Market Value and Uniformity as mandated by Article X of the Constitution of Virginia, Title 58.1, of the Code of Virginia, and Section 15.2 of the County Manager Act. Henrico County employs an annual countywide reassessment program using a Computer Assisted Mass Appraisal (CAMA) system. Changes in assessed value are based on actions of buyers and sellers in the local real estate market. The Real Estate Assessment Division maintains accurate and up-to-date records on each parcel of real estate in the County. These records reflect uniform, comprehensive, and descriptive data relative to location, improvements, ownership, sales information, and assessed value. The Real Estate Assessment Division is responsible for tracking all changes in assessed value including reassessment and new construction. Real Estate Assessment staff also provides valuation recommendations and administrative support to the Board of Real Estate Review and Equalization. New subdivisions, parcel splits/combinations, deeds, wills, etc. recorded in the Clerk's Office of the Circuit Court of Henrico County are received and processed by the Real Estate Assessment Division. Also, accounts for individuals and properties eligible for assessment adjustments or exemption are catalogued.

As of January 1, 2012, the taxable assessed value of the County was approximately $30.6 billion, a decrease of 3.28 percent, or approximately $1.0 billion compared to January 1, 2011. Excluding new construction, the decline in assessed value was 3.68 percent. As can be inferred from this data, the real estate market continued to experience declines due to the economic downturn.

The County experienced fewer foreclosures in calendar year 2011, than in 2010, but foreclosures continue to have a measurable impact on real estate valuations. While the 3.28 percent decline in total assessed value in 2012 is greater than the 0.98 percent decline experienced in 2011, it does represent an improvement from the 7.98 percent drop in real estate valuations recognized in 2010.

The division implemented a new state of the art CAMA system to assist in the annual reassessment process. The previous system had been in place for 15 years and significant improvements in database software had occurred since its implementation. The new VISION system is ORACLE based and contains numerous improvements including integration with the County GIS system. In conjunction with the CAMA system implementation, the County also made real estate data available to the public on the Internet, using a newly developed system.

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 2011, the division processed 19,368 telephone inquiries and 2,124 walk-in requests for property information. As a result of making real estate information available on the Internet, telephone inquiries and walk-in inquires have decreased 39 percent and 49 percent, respectively.

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 2012, a total of 26 commercial property owners will receive $602,000 in tax credits. The "Reinvest" residential rehabilitation program was initiated January 1, 2010. Thirteen properties have been completed with a total tax credit of $5,800. Additionally, in 2011 the Commonwealth of Virginia modified the Constitution to exempt the residence of permanently disabled veterans. As of January 1, 2012, 125 homes have been exempted for a total tax savings for the veterans of $221,254.

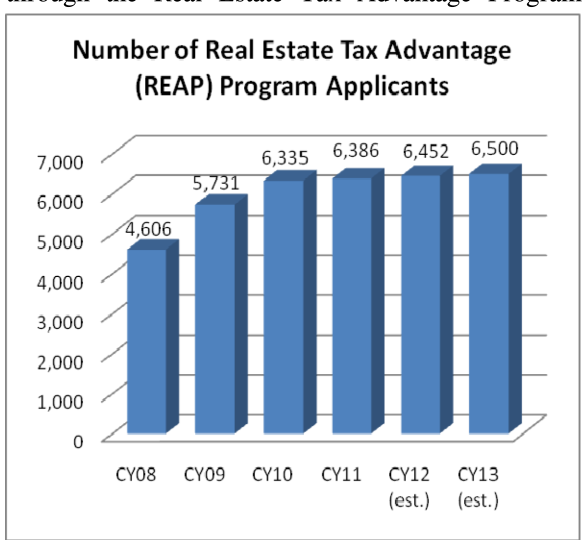
The Real Estate Assessment Division manages a countywide Land Use program for the assessment of qualifying land based on agricultural, horticultural, forestry, or open-space use value rather than market value. Forestland eligibility includes a 20-acre minimum and other classifications require a 5-acre minimum. A total of 453 property owners are currently in the program totaling approximately 30,000 acres.

<u>Revenue</u>

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 2009 totaled 22,618 compared to 23,736 issued in 2011. 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 is also an indication of an improving economy.

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 FY2012-13, the maximum net worth and income thresholds are $350,000 and $67,000, respectively. In addition, certain administrative changes to the program were initiated by the Board of Supervisors, which liberalized application deadline requirements in order to meet the tax relief needs of those seniors who fail to apply on time. All qualifying participants will receive tax relief for 100 percent of their taxes, up to a maximum of $3,000. REAP continues to provide immediate tax relief to a large percentage of seniors.

In addition to assessing these businesses for license and/or personal property taxes, the division continually seeks to improve the administrative duties to streamline processes. As a result of these efforts, the office received an award from the National Association of Counties (NACo) in 2011 for re-engineering its license and personal property audit program. This area was enhanced to improve the level of customer service and efficiency, as well as generate additional revenue. The actions taken include: assigning responsibility for handling inquiries on a business account among the staff; imaging the business tax returns and work papers so that they can be readily retrieved; setting quantitative "goals" with regard to the number of field audits; and vastly expanding the number of desk reviews.

The Revenue Division 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 and collection of the Daily Rental Tax, Bank Franchise Fees, as well as auditing and collecting the Hotel/Motel Transient Occupancy Tax, Consumer Utility Tax and all applicable personal property taxes. The Division also monitors the County's portion of both the Virginia Communication Sales Tax, and the Sales and Use Tax.

Accounting

The Accounting Division has three operating sections: General Accounting, Payroll, and Accounts Payable. The General Accounting Section assigns and establishes all account coding, exercises pre-audit control over receipts and disbursements, accumulates information to meet budget requirements, prepares financial statements, maintains inventory records of County property, maintains and supervises fixed assets, grants accounting, and complies with IRS arbitrage/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 Fiscal Years 2010 and 2011 were 195,509 and 206,691 respectively. It is projected that 202,000 accounts payable transactions will be processed during FY2012. The Accounts Payable Section initiated an invoice imaging system in FY2011 that streamlines the data storage and retrieval process. During FY2011, 119,362 invoices were scanned into the imaging system.

In addition, the Division processes approximately 730 payroll checks, and 18,800 payroll direct deposits per month. In an effort to be more efficient, as of January 1, 2012, the Division no longer processes payroll checks and all payroll transactions are performed via direct deposit. 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.

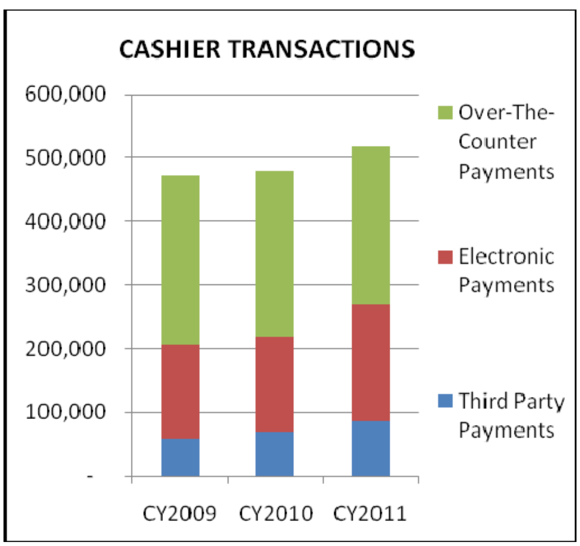
Treasury

The Treasury Division serves as the County's cashier function and provides tellers to collect taxes and utility payments. Treasury is also responsible for the billing of real estate and personal property taxes, along with the collection of delinquent taxes using the various tools provided by the Code of Virginia.

In July, 2008, the Division implemented the use of pin-based debit cards as an acceptable form of payment in the cashier offices at the Western and

Eastern Government Centers and the Utility Cash Office. Over the initial 12 months, there were a total of 14,396 pin-based debit card transactions.

The number of pin-based debit card transactions for the most recent calendar year was 25,408 and is projected to increase to 29,219 representing an increase of 3,811 or 15 percent over the previous period. Third party credit card payments, initially accepted in March, 2000 numbered 5,464 over the first 12 months but have grown to 60,220 during calendar year 2011. This form of remittance is projected to increase to 75,275, a growth rate of 25 percent. The Division is beginning to experience a reduction in the number of checks processed as both in-person payments (246,917 transactions, a reduction of 13,358 or 5.0 percent) and Lockbox Operations (517,105 transactions, a reduction of 23,097 or 4 percent) were down during calendar year 2011. Electronic Bill Payments, however, increased 23 percent from 150,978 in 2010, to 185,387 in 2011. This trend is partially responsible for the Division's reduced headcount without experiencing any service level reductions.




The Customer Service-Account Maintenance function within Treasury also answered 66,550 incoming telephone inquiries from citizens, handled 31,127 pieces of mail, and made 49,401 personal property and real estate customer account adjustments in 2011.

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

The Treasury Division – Delinquent Team also enforces payment of taxes via the Commonwealth of Virginia's Debt Set-Off Program (funds withheld from individual state income tax returns). In 2011, this program produced $630,769 in revenue from unpaid taxes, utility debts, library fees and miscellaneous items. These collections decreased slightly from the 2010 total of $686,805, emphasizing the success of the Division's goal toward promoting voluntary compliance. In addition, in 2010, the Division's Customer Service Team processed 25,562 applications for renewal of dog licenses.

<u>Office of Management and Budget</u>

The Office of Management and Budget (OMB) prepares and monitors the operating and capital budgets. This Division works closely with the County Manager's Office in monitoring current revenue collections and projecting future resources as a means of preparing a realistic budget for future fiscal years. Throughout the year, OMB maintains close contact with all operating departments to avoid deficit spending and to ensure the prudent use of County funds. In addition to preparing the budget, OMB conducts a comprehensive analysis of historic and current economic conditions in Henrico County, culminating in the creation of the Financial Trends Monitoring System. This document, which is completed every fiscal year, takes into account multiple economic factors and financial information to identify past trends that aid in the derivation of statistical models to accurately forecast the future economic health of the County.

It is also the responsibility of OMB to engage in special studies as they are deemed necessary, as well as conduct a thorough fiscal impact analysis of legislation proposed by the General Assembly. While Henrico County is clearly not immune to changes in the economy, it can mitigate the effect of adverse economic conditions through prudent and conservative fiscal policies. One of the many such proactive measures that the Board of Supervisors has implemented is to plan on a multi-year basis. This allows budgetary and fiscal planning to be conducted more accurately, based on exhaustive analyses of current and anticipated revenues and expenditures, in a thoroughly preparative fashion. Another of these measures was to keep incremental expenditure growth capped at an amount not to exceed five percent in any given fiscal year. This five percent figure is based on yearly Consumer Price Index statistics and an estimated two percent population growth factor.

Limiting spending during strong economic times not only allows for prudent fiscal management in the short term, but also helps to prepare for more trying economic times in the long term. 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 four divisions: Communications, Facilities Management, Support Services, and Risk Management.

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

The Facilities Management Division is responsible for capital improvement projects, energy management, maintenance of the buildings and grounds, custodial services, food services, and security. Building and Grounds Maintenance provides a safe and clean environment for citizens and employees to conduct business by maintaining over 2,550,000 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.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 8,142,149 | $ 8,595,658 | $ 8,620,112 | 0.3% |
| Operation | 7,048,086 | 7,451,204 | 8,024,599 | 7.7% |
| Capital | 695,162 | 403,046 | 462,966 | 14.9% |
| Total | $ 15,885,397 | $ 16,449,908 | $ 17,107,677 | 4.0% |
| | | | | |
| Personnel Complement* | 146 | 145 | 144 | (1) |

*One vacant position was moved to the hold complement in FY2011-12. One position will be transferred to Risk Management in FY2012-13.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Preventive Mechanical Maintenance Work Orders | 4,863 | 4,900 | 5,000 | 100 |
| Corrective Maintenance Work Orders | 13,785 | 15,800 | 15,950 | 150 |
| Square Feet Maintained | 2,225,054 | 2,552,351 | 2,574,155 | 21,804 |
| Radio System Work Orders | 3,660 | 3,850 | 4,000 | 150 |

**Objectives**

- To provide County departments and agencies with effective support in the areas of centralized purchasing, food service, automotive maintenance and office support services so departments and agencies can effectively carry out their assigned functions.

- To provide professional leadership to County agencies for planning and construction of appropriate facilities, and to maintain them properly to provide a pleasant, comfortable, and aesthetically pleasing environment to work and conduct business.

- To provide the County with an efficient and dependable radio system infrastructure.

**Budget Highlights**

The Department's budget for FY2012-13 is $17,107,677. This represents an increase of 4.0 percent when compared to the FY2011-12 approved budget. Personnel increased by 0.3 percent over the FY2011-12 approved budget. This is the result of retirement and health care increases that are offset by the moving of one position to Risk Management. The overall operating component increased $573,395, or 7.7 percent while capital outlay expenditures will increase $59,920, or 14.9 percent. This is due the costs associated with new facilities including Best Plaza, Fire Station #9, Fire Station #7, Fire Station #10, Fire Station #13, and the new Library headquarters at the former Tuckahoe Library. This is offset by the transfer of the healthcare contractual retainer to Risk Management as well as other targeted reductions.

**<u>Division of Communications</u>**

In FY2012-13, the Division of Communications' budget totals $1,164,189, which reflects a decrease of 8.4 percent when compared to the FY2011-12 approved budget. Personnel expenditures are increasing $10,439, or 1.9 percent due to projected retirement and health care cost increases. The operating component decreased $107,943, or 16.0 percent due to capturing savings in the radio maintenance contract. Capital outlay decreased $9,000 to be reallocated elsewhere within General Services.

**<u>Division of Facilities Management</u>**

<u>Maintenance & Custodial</u>

In the Maintenance and Custodial section of Facilities Management, the budget for FY2012-13 is $10,226,100, an increase of $1,026,324 or 11.2 percent over the FY2011-12 approved budget.

The personnel component is increasing by $110,328, or 3.6 percent because of projected increases in payments to VRS for retirement as well as the cost to provide health care. The remainder of the increase totals $915,996 and is for new, expanded, or renovated facilities. The facilities that this funding will go to maintain are Best Plaza, Fire Station #7, Fire Station #9, Fire Station #10, Fire Station #13, and the new Library headquarters at the former Tuckahoe Library. This function of General Services provides building, custodial, and grounds maintenance at numerous County facilities, and coordination of the Training Center. The $160,000 allocation remains for the Division's Building Maintenance Program, which provides for the replacement of carpet and tile at County facilities on a regular schedule.

Security

The budget for the Security section of Facilities Management totals $1,439,293, representing an increase of $26,689, or 1.9 percent over the previous approved fiscal year. Personnel costs account for the entirety of the increase. Security safeguards County property with a complement of 28 employees by monitoring the security of facilities through patrols and a 24-hour per day security console operation.

Administration

The General Services Administration budget totals $1,743,218, representing a decrease of $187,123 or 9.7 percent over the previous fiscal year. This is the result of budgeted expenses related to the administration of the healthcare fund being moved to Risk Management. This includes one position and a healthcare contractual retainer. These decreases are offset by increases in projected retirement costs. General Services Administration provides budgetary oversight and fiscal management to the four divisions.

Employee Cafeteria

In FY2012-13, the budget for Employee Cafeteria totals $433,418, which reflects a decrease of $83,659, or 16.2 percent when compared to the FY2011-12 budget. $58,889 of this decrease is reflected in the personnel component as one position was transferred to the Maintenance and Custodial section. The operating component reflects a decrease of $24,770 as a result of a reduction in the projected food budget. The Food Services area operates the cafeteria at the Western Government Complex with six full-time positions.

**Division of Support Services**

Purchasing

In FY2012-13, the budget for the Purchasing office is $1,660,044, a decrease of $5,224 or 0.3 percent from FY2011-12. This is reflective of targeted reductions within the operating component. These reductions are partially offset by increasing retirement costs. The Purchasing, Records Management, Communications, and Risk Management sections of General Services currently reside in the North Run offices.

Records Management

The FY2012-13 budget of $441,415 for the Records Management office is a decrease of $12,734 or 2.8 percent when compared to the FY2011-12 approved budget. This decrease is attributed to a reduction in salaries. 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 Series. The Risk Management budget is included within the Internal Service Fund Series because the division provides services to General Government (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 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.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 379,757 | $ 375,164 | $ 385,328 | 2.7% |
| Operation | 10,286 | 12,206 | 10,039 | (17.8%) |
| Capital | 0 | 0 | 0 | 0.0% |
| Total | $ 390,043 | $ 387,370 | $ 395,367 | 2.1% |
| | | | | |
| Personnel Complement | 4 | 4 | 4 | 0 |

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Audit Projects: Audits, Follow Ups, Consults | 26 | 26 | 26 | 0 |
| **Efficiency Measures** | | | | |
| General Gov't budget/audit position (millions) | $143.3 | $144.7 | $145.5 | 1 |
| General Gov't employees/audit position | 982 | 982 | 982 | 0 |

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

Internal Audit's FY2012-13 approved budget of $395,367 represents a 2.1 percent increase over the FY2011-12 approved budget. The total personnel component of the budget increased by $10,164 or 2.7 percent, while the operating budget decreased by $2,167 or 17.8 percent. The Department has realized sustainable savings in its operating budget and adjusted its funding amount for FY2012-13 accordingly.

# INFORMATION TECHNOLOGY

**Description**

The Department of Information Technology is responsible for serving all computer-oriented information processing needs of County agencies. This includes information and office automation equipment selection, application development and/or software selection assistance, ongoing hardware and software maintenance, and data and telecommunications network development and support. The computer center now operates 16 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 network (LAN/WAN) as efficiently and effectively as possible.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 7,831,613 | $ 8,028,245 | $ 8,396,543 | 4.6% |
| Operation | 2,591,948 | 3,972,444 | 3,598,384 | (9.4%) |
| Capital | 959,988 | 463,680 | 463,680 | 0.0% |
| Total | $ 11,383,549 | $ 12,464,369 | $ 12,458,607 | (0.0%) |
| Personnel Complement* | 83 | 82 | 84 | 2 |

*Three GIS positions were transferred from Public Works to Information Technology. One vacant position was removed from the complement.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Henrico Internet Pages Accessed | 19,121,527 | 19,294,500 | 19,323,000 | 28,500 |
| Henrico Internet Number of Visits | 2,269,242 | 2,252,000 | 2,260,000 | 8,000 |
| **Efficiency Measures** | | | | |
| Central Computer Average Uptime | 99.80% | 99.80% | 99.80% | 0.00% |

- 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.

**Budget Highlights**

The Department of Information Technology's (IT) FY2012-13 budget is $12,458,607, which represents a net decrease of $5,762 from the previous approved budget. The personnel component increased by a net difference of $368,298 or 4.6 percent from the previous approved fiscal year. This increase was driven by the transfer of three Geographic Information System (GIS) positions that were previously included in Public Works' budget. In addition, this increase was also driven by rising VRS, VRS life insurance, and health care expenditures. This increase was offset by the removal of one vacant position from the complement, salary adjustments to two existing positions, a reduction in overtime, and an increase in departmental vacancy savings.

The department's operating budget decreased by $374,060 or 9.4 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 increase efficiencies. In addition, this decrease also reflects the County-wide adjustment in technology replacement. Although this component experienced an overall decrease, it is important to note that funding of $31,121 was transferred from the Public Works' GIS Division.

The capital component is forecasted to remain flat at $463,680. This portion of the budget allows for the purchase of new and replacement computer equipment as well as replacement telecommunications equipment.

During FY2012-13, the Department of Information Technology will continue to expand its virtual server environment. Currently IT has approximately 114 virtual servers running on 7 physical servers. The County has 144 physical servers. The goal of Information Technology is to continue to virtualize servers where practical.

Also during the past fiscal year, Information Technology has been upgrading the County's main campuses data infrastructure from the main data center to the communication closets. This upgrade includes new single mode fiber where needed and a complete refresh of data switch hardware. When complete data speeds LAN-wide will increase from 1gb to 10gb to the data closet and 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.

While large savings have already been achieved, IT continues to review telecommunications costs. IT is reviewing an upgrade of the current PBX phone system to a VOIP capable telephone system. This could result in additional savings by reducing the cost of incoming phone lines via a conversion to SIP trunking and an associated reduction in phone number and long distance costs.

IT implemented a new E-911 Emergency Telephone System during the previous fiscal year. This system was installed on-time and under budget. It provides Henrico's E-911 Dispatch Center with a state of the art system. IT assisted the GIS office to implement a high-availability GIS server architecture during the past fiscal year. This provides near non-stop GIS services for both internal and external applications. This architecture now supports 24x7 access for Public Safety applications including GPS unit mapping and GPS closest-unit response recommendations for the E-911 center. The GIS office also implemented the County's first citizen accessible interactive mapping website during the past fiscal year.

During FY2011-12, the County's Geographic Information Systems (GIS) Office, which had been a part of the Department of Public Works was moved into IT as the goals of the GIS Office are more closely aligned with IT.

One major project facing the County during the upcoming fiscal year is the upgrade of the Oracle e-Business Suite to release 12. The upgrade, scheduled for November 2012 increases the functionality of the software.

Also in the coming year the Department will continue to review new technology. Some of these new technologies are LTE (faster mobile wireless), desktop PC virtualization and mobile devices such as iPads.

The few remaining "legacy" systems should be replaced by July 2012. 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 an effort to better protect the County's systems from disaster.

# 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.

**Objectives**

- To acquire real estate by purchase or lease at fair market value.

- To dispose of surplus real estate owned by the County at the maximum value permitted by law.

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

**Budget Highlights**

The Real Property Department will continue to maintain the existing level of service to the County and the public in FY2012-13. Currently, the department manages 106 County-leased properties. Included are eight leases for the Department of Mental Health & Developmental Services, which includes properties for supervised Independent Living programs. In addition, the department manages office space and 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 43 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.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 540,012 | $ 554,844 | $ 569,894 | 2.7% |
| Operation | 18,406 | 21,994 | 17,851 | (18.8%) |
| Capital | 0 | 0 | 0 | 0.0% |
| Total | $ 558,418 | $ 576,838 | $ 587,745 | 1.9% |
| | | | | |
| Personnel Complement | 7 | 7 | 7 | 0 |

**Performance Measures**

| | FY11 | FY12 | FY13 | Changes 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Leases Managed | 105 | 106 | 106 | 0 |
| Parcels & Easements Acquired | 71 | 75 | 80 | 5 |
| Vacations, Quitclaims & Surplus Parcels | 4 | 10 | 10 | 0 |
| Utility Easements to Others | 7 | 6 | 6 | 0 |
| Easements for Developers | 51 | 55 | 50 | (5) |

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

The FY2012-13 approved budget for Real Property totals $587,745 and represents a 1.9 percent increase compared to the FY2011-12 approved budget. The personnel component increased by $15,050 or 2.7 percent, while the operating budget decreased by $4,143 or 18.8 percent. The reduction in the Department's operating budget is primarily a result of the suspension of technology replacement funding in FY2012-13.

# ELECTORAL BOARD

**Description**

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

**Objectives**

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

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 834,635 | $ 1,046,491 | $ 1,009,565 | (3.5%) |
| Operation | 246,691 | 301,528 | 283,306 | (6.0%) |
| Capital | 0 | 0 | 0 | 0.0% |
| Total | $ 1,081,326 | $ 1,348,019 | $ 1,292,871 | (4.1%) |
| | | | | |
| Personnel Complement* | 9 | 8 | 8 | 0 |

*Complement does not include 1 Complement IV position, whose salary is set and funded by the State.
One position was moved to the County's hold complement in FY2011-12

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Number of Registrered Voters | 198,335 | 199,718 | 201,715 | 1,997 |
| **Efficiency Measures** | | | | |
| % of Manuals Published before Training | 100% | 100% | 100% | 0 |
| % of Attendance for All Chief and Assistants | 100% | 100% | 100% | 0 |
| % Accuracy of Daily Registration Reports | 99% | 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 |

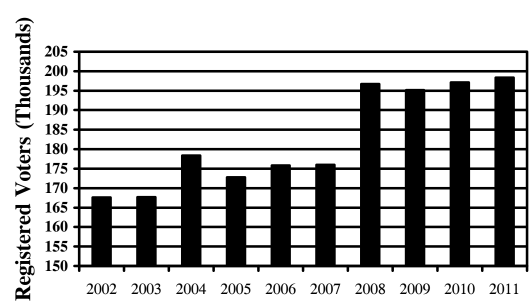
- To ensure a safe and secure voting environment is provided to each voter.
- To ensure precinct manuals on Election Day procedures and actions are supplied to all precinct workers.
- To ensure all poll workers are notified of training dates before each election.
- To collect information on candidates' 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 FY2012-13 is $1,292,871, which represents a decrease of 4.1 percent when compared to the FY2011-12 approved budget. Personnel costs are budgeted to decrease $36,926 or 3.5 percent when compared to FY2011-12. This is the result of capturing savings related to the implementation of electronic poll books at precincts for elections. This was offset by increases in retirement, group life, and health care expenses. The operating component is $283,306, which is a decrease of $18,222, or 6.0 percent when compared to the FY2011-12 budget. There is no capital outlay in the Electoral Board's budget.

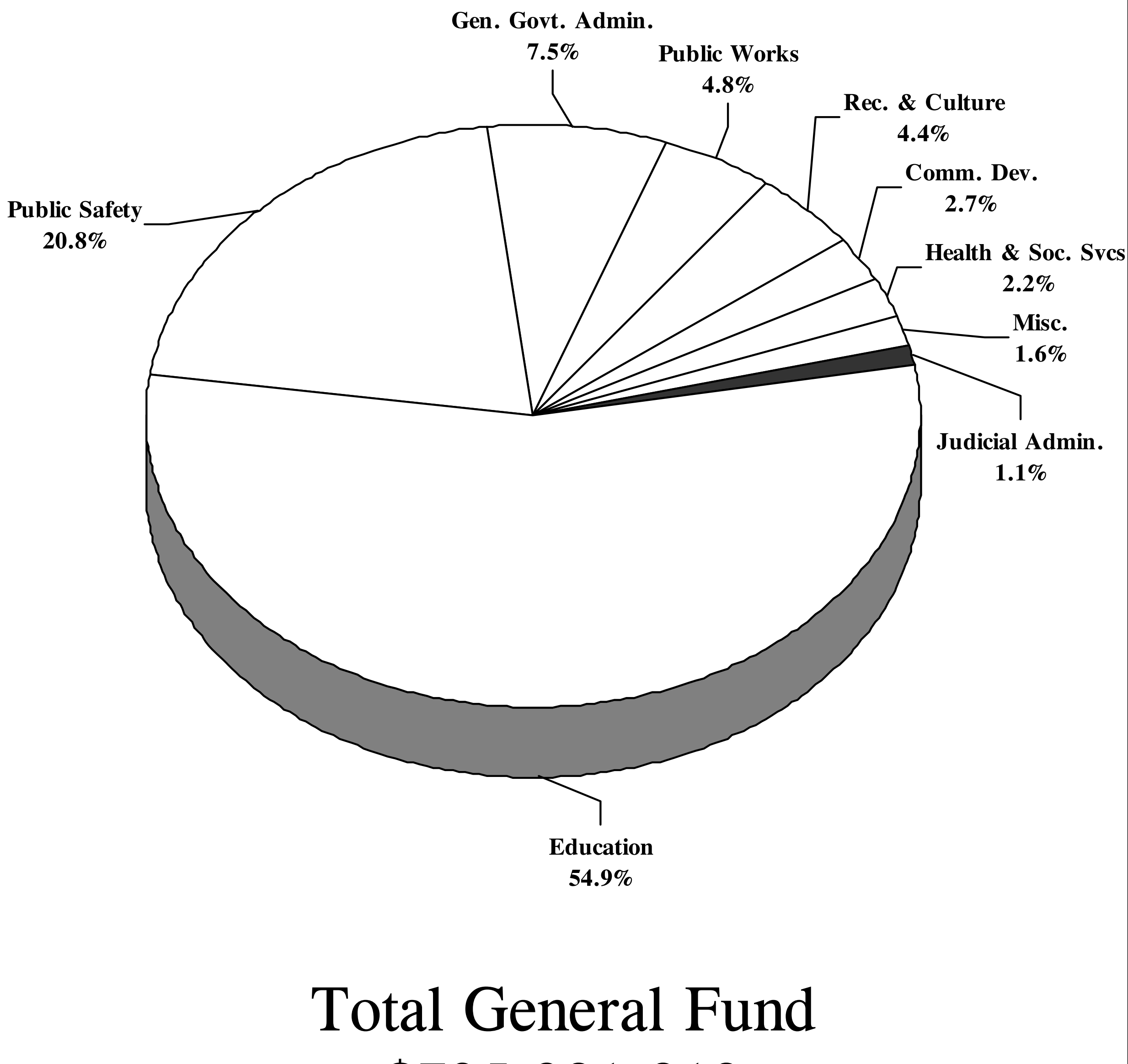
The Registrar and Electoral Board's budget for FY2012-13 will cover the operating costs of the voter registration operation along with costs associated with elections held during the fiscal year. In FY2012-13, the General Election will be held on November 6, 2012 with a potential primary election in the summer of 2012 for statewide offices.

**Number of Registered Voters**



# COUNTY OF HENRICO, VIRGINIA

## Judicial Administration
## $7,761,951




## Total General Fund
## $735,291,919

**COUNTY OF HENRICO, VIRGINIA**
**JUDICIAL ADMINISTRATION - GENERAL FUND**
**FY 2012-13**

| **Department** | **FY 10-11 Actual** | **FY 11-12 Original** | **FY 12-13 Approved** |
|---|---|---|---|
| Circuit Court: | | | |
| Court Clerk | $2,335,469 | $2,422,593 | $2,428,490 |
| Court Services | 512,337 | 527,204 | 531,862 |
| Total Circuit Court | 2,847,806 | 2,949,797 | 2,960,352 |
| General District Court: | | | |
| Court Services | 294,961 | 208,076 | 208,076 |
| Magistrates | 6,168 | 6,821 | 6,480 |
| Total General District Court | 301,129 | 214,897 | 214,556 |
| Juvenile and Domestic Relations District Court: | | | |
| Court Services | 177,049 | 215,539 | 202,201 |
| Juvenile Probation | 24,466 | 26,537 | 22,352 |
| Total Juvenile District Court | 201,515 | 242,076 | 224,553 |
| Commonwealth's Attorney | 4,613,656 | 4,643,213 | 4,362,490 |
| Total Judicial Administration | $7,964,106 | $8,049,983 | $7,761,951 |

# CIRCUIT COURT

## Court Clerk

### Description

The Circuit Court Clerk is a Constitutional Officer elected for a term of eight years, who serves as the administrative officer of the Circuit Court, is the Register of Deeds, and serves as a Probate Judge serves in other states. The Circuit Court Clerk is responsible for maintaining and administering the files in felony cases, claims over $15,000, matters including adoptions, divorces, disputes concerning wills and estates, controversies involving property as well as maintaining and administering the files for misdemeanor appeals and civil appeals from District Court. The Clerk is also responsible for the collection of fines and costs in criminal cases; the collection of recordation fees and taxes; and maintains a financial system to track the collections and remittance of these sums to the State and local governments.

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

### Objectives

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

### Budget Highlights

The Circuit Court Clerk's budget of $2,428,490 represents a net increase of $5,897 or 0.2 percent over the FY2011-12 approved budget. Personnel expenditures increased by a net difference of $31,597 or 1.5 percent due to rising VRS, VRS life insurance, and health care expenditures. This increase was offset by the increase in vacancy savings and the reduction of salaries and benefits tied to current vacancies within the department.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 2,078,654 | $ 2,144,285 | $ 2,175,882 | 1.5% |
| Operation | 255,286 | 278,308 | 252,608 | (9.2%) |
| Capital | 1,529 | 0 | 0 | 0.0% |
| Total | $ 2,335,469 | $ 2,422,593 | $ 2,428,490 | 0.2% |
| | | | | |
| Personnel Complement | N/A | N/A | N/A | N/A |

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

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Civil Cases Commenced | 3,034 | 3,200 | 3,200 | 0 |
| Criminal Cases Commenced | 6,431 | 7,500 | 7,000 | (500) |
| Number of Wills and Administrations Recorded | 1,095 | 1,200 | 1,200 | 0 |
| Number of Instruments Recorded in Deed Books | 37,682 | 43,000 | 40,000 | (3,000) |
| Marriage Licenses Issued | 1,844 | 2,000 | 2,000 | 0 |
| Number of Judgments Docketed | 19,720 | 21,000 | 21,000 | 0 |
| Concealed Weapon Permits Issued | 1,545 | 1,500 | 1,600 | 100 |

The operating component decreased by $25,700 or 9.2 percent from the previous approved budget. These reductions were made as a result of the department's budget reduction strategy to reduce expenditures and increase efficiencies.

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 in the electronic system.

Pursuant to the Code of Virginia, *"Every circuit court clerk shall provide secure remote access to land records…on or before July 1, 2008."* The Clerk made available via a secure remote paid site, deeds, judgments, and financing statements effective July 1, 2008. All users are required to enter into a subscription agreement and payment is made before access is granted. Currently, approximately 95 users have subscribed to the service through the Clerk's service provider.

It should be noted that 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 2010, funding of $348,783, which was appropriated during the prior year from funding received by the Virginia Compensation Board, was reappropriated to be spent during FY2010-11. The appropriation of funds have been used to comply with the Code of Virginia to remove social security numbers from the secure remote access site by 2011; implement a file tracking system for court records; improve the Clerk's ability to track files within the office; and upgrade software.

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 reduces the amount of funds reimbursed to the locality by the Commonwealth from the collection of fees by the Circuit Court Clerk.

# 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 2011 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.

Circuit Court Services' FY2012-13 approved budget of $531,862 represents an increase of $4,658, or 0.9 percent from the prior year approved budget, attributable to increases in the costs of benefits in the

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 461,624 | $ 476,160 | $ 484,218 | 1.7% |
| Operation | 50,528 | 45,444 | 44,844 | (1.3%) |
| Capital | 185 | 5,600 | 2,800 | (50.0%) |
| Total | $ 512,337 | $ 527,204 | $ 531,862 | 0.9% |
| | | | | |
| Personnel Complement | 8 | 8 | 8 | 0 |

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Full Time Judges | 5 | 5 | 6 | 1 |
| Jury Commissioners | 6 | 6 | 6 | 0 |
| Citizens Eligible to Serve as Petit Jurors | 4,500 | 4,500 | 4,500 | 0 |
| Citizens Called to Serve as Petit Jurors | 4,200 | 4,200 | 4,200 | 0 |
| Jury Panels | 700 | 700 | 700 | 0 |
| Grand Jurors Called to Serve | 108 | 108 | 108 | 0 |
| Grand Jurors on Master Panel | 120 | 120 | 120 | 0 |

personnel component of the budget. These increases are partially offset by the budgeting of a 3.0 percent vacancy savings in the amount of $12,730. The operating and capital components of the budget combined are decreasing $3,400, or 6.7 percent from the prior year approved budget through targeted operating and capital line item reductions.

Service levels of this court are governed by the number of cases filed each year – criminal, civil law, chancery law (including divorces) along with those carried over from the past year, and requests for juries. According to 2010 Caseload Statistical Information, the caseload for the Fourteenth Circuit showed 10,191 cases (civil and criminal) commenced in 2010, with an average of 2,038 per judge, ranking 9th in the state. There were 6,990 total criminal cases commenced, with an average of 1,398 per judge, ranking 10th among the 31 circuits.

There were 3,201 civil cases commenced, with an average of 640 per judge, ranking 14th among the 31 circuits. The total number of cases (civil and criminal) concluded were 10,162 in 2010, with an average of 2,032 per judge. There were 3,139 civil cases concluded, averaging 628 per judge and 7,023 criminal cases concluded, averaging 1,404 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.

### 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.
- 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 FY2012-13 approved budget of $208,076 represents no change from the FY2011-12 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 30 employees. The staff of the General District Court is comprised entirely of state employees, so all personnel costs are paid by the Commonwealth of Virginia and are not reflected in this budget.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 0 | $ 0 | $ 0 | 0.0% |
| Operation | 294,961 | 208,076 | 208,076 | 0.0% |
| Capital | 0 | 0 | 0 | 0.0% |
| Total | $ 294,961 | $ 208,076 | $ 208,076 | 0.0% |
| | | | | |
| Personnel Complement | N/A | N/A | N/A | N/A |

*Personnel expenses are paid by the Commonwealth of Virginia

*General District Court Services (cont'd)*

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Total New Cases Filed | 136,078 | 127,327 | 127,327 | 0 |
| Total New Criminal Cases Filed | 15,196 | 12,874 | 12,874 | 0 |
| Total New Civil Cases Filed | 40,411 | 41,849 | 41,849 | 0 |
| Total New Traffic Cases Filed | 80,481 | 72,604 | 72,604 | 0 |
| Number of Full-Time Judges | 4 | 4 | 4 | 0 |

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

# GENERAL DISTRICT COURT

## Magistrate

**Description**

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

**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.

**Budget Highlights**

This is the fourteenth year that the Magistrate's operation will be budgeted separately from the Clerk of the General District Court. This change has allowed for better flexibility in meeting the operational needs of each office. The FY2012-13 approved budget totals $6,480, and represents a decrease of $341, or 5.0 percent from the prior year approved budget. Funding in FY2012-13 will continue to support the daily operation for nine Magistrates. There are no County paid positions assigned to this office, as the nine magistrates are State employees. The County does provide space, furnishings, and operating expenses for the Magistrate's office.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 0 | $ 0 | $ 0 | 0.0% |
| Operation | 6,168 | 6,821 | 6,480 | (5.0%) |
| Capital | 0 | 0 | 0 | 0.0% |
| Total | $ 6,168 | $ 6,821 | $ 6,480 | (5.0%) |
| | | | | |
| Personnel Complement* | N/A | N/A | N/A | N/A |

*Personnel Expenses are paid by the Commonwealth of Virginia

# JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

## Court Services

### Description

The Juvenile and Domestic Relations District Court exercises original jurisdiction over cases involving persons less than 18 years of age and all members of their families regardless of age. This court also holds jurisdiction over other cases involving adults related by blood or marriage to persons under the age of 18, including spousal abuse, custody, visitation, and support.

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

The judges of the Juvenile and Domestic Relations District Court are elected by the General Assembly for a term of six years. The Judges, Clerk, and Deputy Clerks are paid directly by the Commonwealth. The County provides space, furniture, and support for the court.

### Objectives

- To continue making enhancements to the customer service area of the Clerk's office to provide more efficient service delivery to the public.
- To evaluate and implement innovative technology available for the Juvenile and Domestic Relations District Court.
- To continue to provide training opportunities to staff to improve services to the public.
- To ensure the efficient and effective operation of the Juvenile and Domestic Relations District Court for the citizens of Henrico County.

### Budget Highlights

The Juvenile Court's FY2012-13 approved budget totals $202,201 and represents a decrease of $13,338, or 6.2 percent from the FY2011-12 approved budget. There are no personnel expenditures in this budget since personnel expenses are paid directly by the State.

Currently, four full-time judges preside over the Henrico County Juvenile and Domestic Relations District Court. A fifth judge was added by the General Assembly during the 2006 Legislative Session to help address rising Juvenile Court caseloads. Due to the retirement of one of the five judges in FY2009-10, the caseload for the judges increased dramatically in FY2010-11 and FY2011-12. Given the State's budgetary constraints, not all vacant judgeships are being filled, and it has yet to be determined when the current vacancy will be filled in the Fourteenth Judicial District.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 0 | $ 0 | $ 0 | 0.0% |
| Operation | 171,996 | 210,540 | 197,900 | (6.0%) |
| Capital | 5,053 | 4,999 | 4,301 | (14.0%) |
| Total | $ 177,049 | $ 215,539 | $ 202,201 | (6.2%) |
| | | | | |
| Personnel Complement* | N/A | N/A | N/A | N/A |

*Personnel expenses are paid by the Commonwealth of Virginia

*Juvenile & Domestic Relations District Court (cont'd)*

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Cases filed in Juvenile Court | 21,557 | 21,527 | 22,635 | 1,108 |
| Court Hearings | 52,309 | 59,366 | 62,334 | 2,968 |
| **Efficiency Measures** | | | | |
| Caseload per Judge (4) | 5,389 | 5,382 | 5,659 | 277 |

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

# JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

## Probation

### Description

The 14th District Court Service 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 14th Court Service 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.

### Objectives

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

- To refer youth and parents to community based services under the Virginia Juvenile Community Crime Control Act, or under State supported programs.

- To protect the public through a balanced approach of accountability and comprehensive services that prevent and reduce delinquency through partnerships with families, schools, communities, law enforcement, and others, while providing opportunities for delinquent youth to become responsible and productive citizens.

### Budget Highlights

The Department's approved budget for FY2012-13 is $22,352. This is a decrease of $4,185, or 15.8 percent from the budgeted amount in FY2011-12. These funds support the needs of this Court Services Unit for 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 Multisystemic 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.

The number of delinquency complaints in FY2010-11 decreased by 5.5 percent from the number of complaints during FY2009-10. The severity of crimes has increased, causing the need for higher levels of supervision and more community based services.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 0 | $ 0 | $ 0 | 0.0% |
| Operation | 24,466 | 26,537 | 22,352 | (15.8%) |
| Capital | 0 | 0 | 0 | 0.0% |
| Total | $ 24,466 | $ 26,537 | $ 22,352 | (15.8%) |
| | | | | |
| Personnel Complement * | N/A | N/A | N/A | |

* - Personnel expenses are paid by the Commonwealth of Virginia

*Probation (cont'd)*

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Performance Measures** | | | | |
| Total Juvenile Complaints | 3,316 | 3,600 | 3,600 | 0 |
| Total Domestic Complaints | 5,631 | 5,300 | 5,300 | 0 |

# 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.

**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.
- 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.

**Budget Highlights**

In FY2012-13, the Commonwealth's Attorney's Office will continue to prosecute traffic and criminal cases in all of the Henrico County Courts. Aggressive prosecution of those who commit violent crimes will remain the number one priority. The Office will continue to work closely with the Division of Police to reduce crime, proactively as well as reactively, by ensuring that those who commit crimes are held accountable. The Commonwealth's Attorney's Office will continue to pursue narcotics traffickers through the utilization of two multi-jurisdictional grand juries. In addition, the Commonwealth's Attorney's Office will continue to provide legal training to the Division

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 4,448,808 | $ 4,536,596 | $ 4,255,873 | (6.2%) |
| Operation | 139,369 | 99,496 | 99,496 | 0.0% |
| Capital | 25,479 | 7,121 | 7,121 | 0.0% |
| Total | $ 4,613,656 | $ 4,643,213 | $ 4,362,490 | (6.0%) |
| Personnel Complement | 54 | 56 | 56 * | 0 |

*This count includes 51 positions for the Commonwealth's Attorney, 2 positions in Special Drug Prosecutor, and 3 positions in the Victim/Witness Assistance Program (1 complement I, and 2 complement II positions). The two positions added in FY12 were vacant positions within the Department of Finance that were reallocated to the Victim/Witness Program, and replaced 2 complement III positions that were eliminated.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Circuit Court Defendants | 1,376 | 1,400 | 1,450 | 50 |
| Show Cause Hearings | 870 | 900 | 925 | 25 |
| Misdemeanor Apeals | 1,916 | 1,950 | 1,975 | 25 |
| General District Court Criminal Cases | 34,061 | 35,050 | 35,200 | 150 |
| General District Court Traffic Cases | 109,152 | 109,250 | 109,400 | 150 |
| Juvenile Court Misdemeanors | 1,907 | 1,950 | 1,975 | 25 |
| Juvenile Court Felonies | 622 | 650 | 675 | 25 |
| **Effectiveness Measure** | | | | |
| Circuit Court Indictments | 2,231 | 2,275 | 2,300 | 25 |

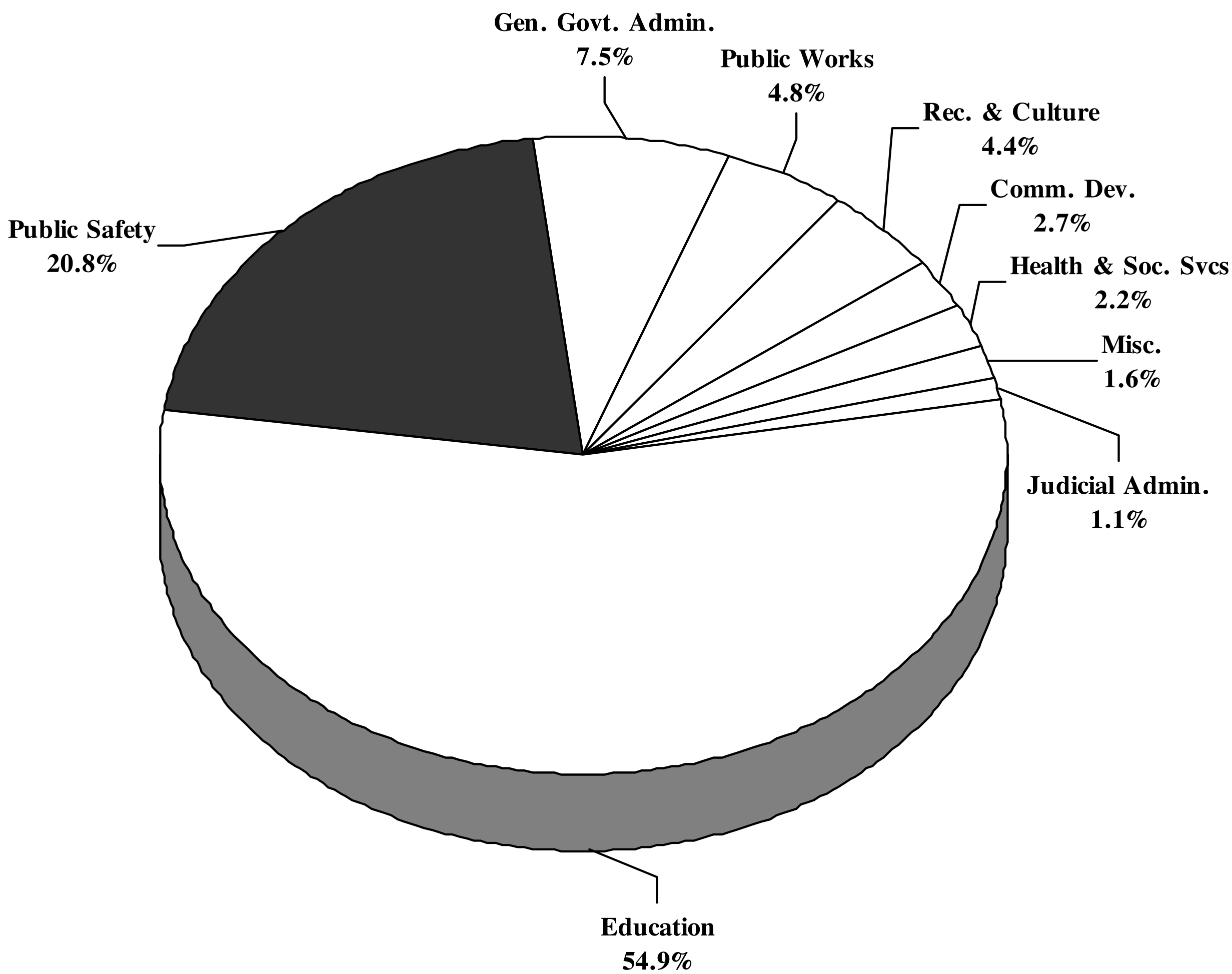
of Police in its basic academies as well as in continuing service training. Special efforts will also continue to be made to reduce domestic violence. Also, Enforcement of Virginia Exile laws will continue as a method of reducing violent crime.

The Commonwealth's Attorney's Office approved budget for FY2012-13 totals $4,362,490. This reflects a decrease of 6.0 percent when compared to the FY2011-12 approved budget, attributable to salary decreases for certain positions, plus the corresponding cost of benefits associated with the salary reductions. In addition, the budget includes a 3.0 percent vacancy savings rate, which amounts to $119,254.

In FY2006-07, the Exile Grant, a grant from the State that began in FY2002-03 and provided for a specialized prosecutor and a secretary to enforce violations of Virginia Exile laws, was discontinued. In the FY2006-07 approved budget, anticipating that the grant would be discontinued, the funding for these two positions was included in the General Fund component of the Commonwealth's Attorney's budget. Funding for these positions remains in the General Fund component in the FY2012-13 budget.

# COUNTY OF HENRICO, VIRGINIA

## Public Safety
## $152,642,617




## Total General Fund
## $735,291,919

**COUNTY OF HENRICO, VIRGINIA**
**PUBLIC SAFETY - GENERAL FUND**
**FY 2012-13**

| Department | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| Division of Police: | | | |
| Police Operations | $61,201,122 | 59,586,285 | $56,583,418 |
| Animal Protection | 1,333,406 | 1,442,064 | 1,468,562 |
| Communications | 4,774,806 | 4,890,430 | 4,784,536 |
| Total Division of Police | 67,309,334 | 65,918,779 | 62,836,516 |
| Division of Fire: | | | |
| Administration | 7,226,569 | 2,217,398 | 2,245,678 |
| Emergency Planning & Safety | 274,908 | 256,318 | 392,676 |
| Operations | 41,420,418 | 47,272,245 | 46,790,167 |
| Volunteer Rescue Squads | 192,287 | 218,625 | 218,625 |
| Total Division of Fire | 49,114,182 | 49,964,586 | 49,647,146 |
| Sheriff: | | | |
| Administration | 9,819,415 | 9,840,211 | 9,710,945 |
| Jail West | 15,348,493 | 14,700,576 | 15,218,932 |
| Jail East | 9,149,323 | 9,021,089 | 9,030,836 |
| Total Sheriff | 34,317,231 | 33,561,876 | 33,960,713 |
| Juvenile Detention | 2,054,049 | 2,102,621 | 2,106,715 |
| Building Inspections: | | | |
| Building Inspections | 3,831,118 | 3,904,057 | 3,755,191 |
| Community Maintenance | 213,314 | 369,130 | 336,336 |
| Total Building Inspections | $4,044,432 | $4,273,187 | $4,091,527 |
| Total Public Safety | $156,839,228 | $155,821,049 | $152,642,617 |

# PUBLIC SAFETY

## Police Division

### Description

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

With the exception of several specialized components of the organization that report to the Chief of Police, the Police Division consists of 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**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 58,409,567 | $ 57,497,807 | $ 57,746,932 | 0.4% |
| Operation | 5,443,227 | 5,598,631 | 5,056,584 | (9.7%) |
| Capital | 3,456,540 | 2,822,341 | 33,000 | (98.8%) |
| Total | $ 67,309,334 | $ 65,918,779 | $ 62,836,516 | (4.7%) |
| | | | | |
| Personnel Complement* | 799 | 798 | 791 * | (7) |

*Complement includes sixteen complement II positions funded by State revenue (Wireless E-911 funds).
A total of seven vacant positions were removed from the complement.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Total Calls for Service | 192,726 | 196,581 | 200,513 | 3,932 |
| Number of Animal Calls | 18,928 | 19,307 | 19,693 | 386 |
| Number of Part I Crimes | 8,339 | 8,506 | 8,676 | 170 |
| Number of Criminal Arrests | 20,716 | 21,130 | 21,553 | 423 |
| Number of Traffic Arrests | 65,481 | 66,791 | 68,127 | 1,336 |

- 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 FY2012-13 approved budget for the Police Division is $62,836,516, which represents an overall decrease of $3,082,263 or 4.7 percent from the FY2011-12 approved budget. Personnel expenditures are forecasted to increase by a net difference of $249,125 or 0.4 percent. This increase was driven by rising VRS, VRS life insurance, and health care expenditures for remaining personnel. The increase in personnel was offset by the removal of six full-time positions and two part-time positions (equivalent to one FTE) from the complement and the increase in departmental vacancy savings. In addition, two Communications Officers were transferred from the General Fund to the Special Revenue Fund to support the Wireless E-911 effort.

The Division's operating budget decreased by $542,047 or 9.7 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 increase efficiencies. In addition, this decrease also reflects the County-wide adjustment in technology replacement.

The capital component is forecasted to decrease by $2,789,341 or 98.8 percent from the previous fiscal year. It is important to note this component previously included funding for replacement of approximately 108 vehicles annually, at a total cost of $2,574,800 which is now being captured in the capital budget. In addition, funding of $214,541 previously allotted to purchase mobile and portable radios has been removed from the capital component. The Division will work to identify unobligated funds received during the course of the year to continue installation of the radios in Police vehicles. All Patrol vehicles, which were the Division's primary officer safety objective, have been equipped with mobile radios.

In 2011, the Police Division placed first in the state and second in the nation in the International Association of Chiefs of Police National Law Enforcement Challenge traffic safety initiative. 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.

In 2010, the P.E.A.K. (Parents, Educators, and Kids) program replaced the DARE program. In 2011, the County received a National Association of Counties Award for this creative program. The new program gives Elementary School Resource Officers (ESROs) more flexibility working with their schools. The P.E.A.K. program was written by Henrico Police ESROs in collaboration with educators in the Henrico County Public School (HCPS) system to create a syllabus focusing on the needs of HCPS students. The idea was conceived from the Chief of Police challenging the ESROs to consider a more relevant and flexible curriculum for elementary school students. Unlike the DARE program curriculum, elements of P.E.A.K. can be taught in any sequence, and modified to the unique issues confronting students in a particular school. They can also be tailored to meet specific objectives an individual school may have for its students.

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 three Command Staff Officers who serve as assessors including the Chief of Police who is a team leader for assessment teams evaluating other law enforcement agencies seeking accreditation. This past year, Chief Middleton was recognized by the Commission on Accreditation for Law Enforcement Agencies (CALEA) as one of the few assessors and team leaders to achieve ten consecutive years of service to CALEA. 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 Division has installed mobile radios in all Patrol Operations police vehicles. These mobile radios enhance officer safety and allow greater interoperability with Hanover County's emergency communications network. The mobile radios are the latest technology and most recent generation of radios for use in a digital trunked 800 Mhz radio system. In addition, the installation of the mobile radios provides emergency communications abilities in the event the officer's portable radio is disabled or inoperable. This program has been phased in over multiple fiscal years. These radios are compatible with the next generation radio system available to public safety.

In FY2007-08, the Division began converting to digital cameras to collect and store photography evidence. Digital photography is acceptable as evidence in criminal cases as long as chain of custody and documentation showing the images have not been altered can be provided to the courts. Using digital cameras enhances the quality of images and allows instant viewing and verification of images. The conversion to digital cameras began with the purchase of cameras for the forensic unit, computer hardware, and software used to provide the necessary chain of custody documentation. All sworn officers within the Police Division are now equipped with a digital camera. Last year, the Division deployed new technology in the interview rooms. This equipment is compatible with the digital systems used to store the digital photographs. All of the Division's digital photo and video system are now linked in a secure system and are accessible on-line to case officers and the Commonwealth's Attorney's Office.

The Police Division complement totals 791 in FY2012-13 and reflects the reduction of six full-time and two part-time positions (one FTE). One of the Division's top priorities is maintaining the appropriate level of patrol officers, detectives, and command staff. Included in the FY2012-13 Police Complement are sixteen communication officer positions, whose salary and benefits are funded in the Special Revenue Fund. The County receives funding to support these positions from the State Wireless Board, which distributes to localities a portion of the E-911 service fee collected by the State. The State service fee is $0.75 per month charged to each cellular phone.

The Police complement includes a total of twenty-seven School Resource Officers, who are 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 six positions. The Elementary School Resource Officer (ESRO) program is funded entirely by the Police Division.

**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 nineteen years. This is included as a historical reference.

*Police (cont'd)*

The tables in the column below show personnel additions and subtractions by position type and funding source from FY1994-95 to FY2012-13.

| **Position Type** | | **No.** |
|---|---|---|
| Police Officer | | 150 |
| Animal Control Officer | | 2 |
| Communications Officer | | 19 |
| Police Support Technician | | 9 |
| Police Support Tech (trans to Sheriff) | | (14) |
| Technical Support | | 5 |
| Radio Repair Shop (transfer to GS) | | (5) |
| Other | | 3 |
| **Total** | | **169** |

| **Funding Source** | | **No.** |
|---|---|---|
| Grants (*) | | 90 |
| State Wireless E-911 | | 16 |
| General Fund | | 63 |
| **Total:** | | **169** |

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

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

# PUBLIC SAFETY

## Division of Fire

### Description

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

The Division'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.

The Division of Fire is an all-hazards department with a focus on the protection of life, property, and with a proactive approach to community preparedness. In addition to its traditional role as the provider of fire prevention and protection, the Division is also the primary provider of Emergency Medical Services, both in terms of first-response and emergency pre-hospital transport. Finally, the Division of Fire operates the regional hazardous materials team and provides technical rescue, ground search, and water rescue.

### Objectives

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

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 42,990,272 | $ 43,442,604 | $ 44,803,086 | 3.1% |
| Operation | 4,390,800 | 4,433,782 | 4,611,715 | 4.0% |
| Capital | 1,733,110 | 2,088,200 | 232,345 | (88.9%) |
| Total | $ 49,114,182 | $ 49,964,586 | $ 49,647,146 | (0.6%) |
| | | | | |
| Personnel Complement | 539 | 539 | 539 | 0 |

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Total Calls for Service | 39,120 | 39,871 | 40,622 | 751 |
| Total EMS and Rescue Calls for Service | 29,114 | 30,091 | 31,068 | 977 |
| Fire Incidents | 1,110 | 1,087 | 1,065 | (22) |
| Fires per 1,000 Population | 3 | 3 | 3 | 0 |

- To ensure customers receive the highest level of service and protection by supplying the Division's employees with quality training, equipment, and educational opportunities.

- To work cooperatively with other agencies and organizations (public/private) to ensure the effective operation of the Division of Fire.

- To continually enhance the level of emergency medical service delivery by maintaining a constant awareness of changes in the field and through the utilization of a strong quality improvement process.

- To support the Division's partners in the Volunteer Rescue Squads in recruitment as well as training.

- To implement technology in all aspects of the operation in an effort to aid in administrative decision making, emergency resource deployment, and training.

**Budget Highlights**

The Division of Fire's approved budget for FY2012-13 is $49,647,146, representing a net decrease of $317,440 or 0.6 percent from the previous approved budget. The personnel component increased by $1,360,482 or 3.1 percent from the previous approved fiscal year. The increase was driven by rising VRS, VRS life insurance, and health care expenditures as well as career development program costs. This increase was slightly offset by the increase in departmental vacancy savings.

The operating component is forecasted to increase by a net difference of $177,933 or 4.0 percent from the previous approved budget. The lease/rent of equipment increased by $266,647 to reflect the new Defibrillator Lease Program. The County will not own the units and the new contract will allow the County to have standardized units throughout the Division. It is important to note that funding of $40,000 is included for additional operating costs associated with the replacement of Fire Station #7 and Fire Station #9 as well as the renovation of Fire Station #10 and Fire Station #13. A total of $65,883 was reallocated from capital to cover various other operations within the Division. Although this component experienced an overall increase, it is important to note that there were several reductions as well. A reduction of $74,650 was made as a result of the department's budget reduction strategy to reduce expenditures by streamlining services and increase efficiencies. In addition, this decrease also reflects the County-wide adjustment in technology replacement totaling $119,947.

The capital component is forecasted to decrease by $1,855,855 or 88.9 percent from the previous approved budget. 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. A total of $266,647 was reallocated to the operating component to cover the new Defibrillator Lease Program and the remaining $65,883 was reallocated to cover various other operations within the Division. In addition, funding of $23,325 was removed from the capital component as a budget reduction strategy. It is important to note that there are several items that are currently forecasted within the remaining capital budget of $232,345.

The capital component also includes Emergency Medical Services (EMS) Equipment Enhancement Program funding in the amount of $76,600. 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 FY2012, 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 approved funding of $76,600 will satisfy this need.

Outside of these replacement plans, funding of $98,050 is provided for various types of firefighter equipment. Also, funding of $57,695 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 FY2012-13, 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 2011, the Division's Office of Emergency Management (OEM) assisted with numerous county-wide emergencies, including responses to snows in January, wildfires in February, a 5.8 magnitude earthquake, and Hurricane Irene in August. The OEM also coordinated training to maintain the County's NIMS compliance in 2011 by offering training for 418 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, enhance domestic animal sheltering capacity in an emergency, and enhancing communications capability in the County's emergency operations center (EOC).

Enhancing community preparedness continues to be a priority for the Division of Fire. This includes distribution of emergency action plan templates for businesses and licensed care facilities in the County and the review of more than 40 emergency action plans throughout the year for these licensed facilities. Staff members have worked to help develop regional information sharing platforms with similar agencies to include outreach campaigns such as "Be Ready Henrico!", hurricane preparedness week, tornado awareness week, winter preparedness month, and "Resolve to be Prepared in 2012". The Division of Fire, the Division of Police, and the Health Department collaborated to offer the first annual Central Virginia Disaster Survivor Day. This training, which was held concurrently with six other localities and was sponsored through the Central Virginia Urban Area Security Initiative (CVUASI), focused on hazard awareness and preparation efforts citizens can take before an emergency.

Adding to the more than 450 citizens and business members who have completed Community Emergency Response Team (CERT) training since 2002 are 18 County employees who completed one of the four CERT classes that were offered in 2011. The Division of Fire firmly established its "Fire Corps" program, which includes a volunteer cadre of instructors and volunteers to help with information sharing. CERT and Henrico Amateur Emergency Radio Service volunteers assisted in the County's EOC during Hurricane Irene. The Division continues to enhance the Citizen Corps Program efforts by expanding the training opportunities available to the five Citizen Corps programs by providing ongoing training to Citizen Corps volunteers across the County to augment shelter staff during disasters, and actively participating with the Central Virginia Volunteer Organizations Active in Disaster (CVVOAD).

Additionally, the Office of Emergency Management will be adding a new volunteer program in collaboration with the Division of Police's Animal Police Unit. The Henrico County Community Animal Response and Resource Team (HCARRT) will offer additional volunteers and resources to the domestic animal section of the County's emergency shelters, and will offer an avenue to collaborate and coordinate volunteer efforts in an emergency, in addition to offering information to the public on disaster preparedness for animals.

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 2011, there are only 141 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 FY2011-12 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 recertified 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 FY2012-13, $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 $436,000 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 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 FY2012-13, 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 boats for shallow and white water response. There are no full time dedicated Marine Patrol personnel and response is accomplished by utilizing on-duty fire 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**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 22,952,816 | $ 22,257,424 | $ 22,743,080 | 2.2% |
| Operation | 11,352,410 | 11,263,157 | 11,180,693 | (0.7%) |
| Capital | 12,005 | 41,295 | 36,940 | (10.5%) |
| Total | $ 34,317,231 | $ 33,561,876 | $ 33,960,713 | 1.2% |
| | | | | |
| Personnel Complement* | 371 | 371 | 371 | 0 |

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

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Number of Civil Papers Served | 116,434 | 120,000 | 120,000 | 0 |
| Average Daily Inmate Population | 1,167 | 1,175 | 1,225 | 50 |
| Number of Commitals to Jail | 17,623 | 16,424 | 18,110 | 1,686 |
| Work Release Participants (Monthly Avg) | 170 | 250 | 225 | (25) |
| Home Incarceration (Monthly Avg) | 76 | 60 | 107 | 47 |
| Average Number of State Inmates | 225 | 200 | 250 | 50 |

- 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 approved budget for FY2012-13 totals $33,960,713, which represents a net increase of $398,837 or 1.2 percent when compared to the approved budget. Personnel expenditures, which make up 67.0 percent of the total budget, are forecasted to increase by 485,656 or 2.2 percent, which is driven by the rising VRS, VRS life insurance, and health care expenditures. This increase was offset by the increase in vacancy savings and the reduction of salaries and benefits tied to current vacancies within the department.

The operating component is forecasted to decrease by a net difference of $82,464 or 0.7 percent and the capital component is forecasted to decrease by $4,355 or 10.5 percent from the previous approved budget. Funding for both of these components was reallocated to the personnel component in order to meet the budget. It is important to note that although the operating component experienced an overall reduction, various accounts were increased to more accurately reflect current actuals.

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

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

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

It is important to note that the Sheriff's Office graduated the first student basic jailor academy in the summer of 2011. The academy trained students at Virginia Commonwealth University as Correctional Deputies as well as awards the student who completes the academy with college credit. 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. As of December 2011, the students have worked approximately 6,200 hours in four months since completing the academy saving the overtime budget about $77,000. Another student basic jailor academy has been tentatively set for summer 2012.

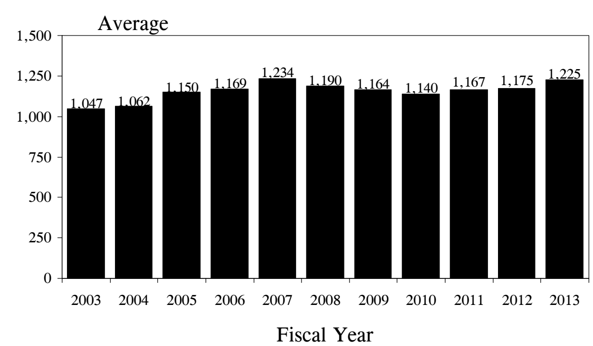
The Sheriff's FY2012-13 budget will be offset by an estimated $12,475,000 or 36.7 percent of approved expenditures, with State revenues. The State Compensation Board reimbursement is for salaries and benefits as well as a per diem rate for State responsible inmates only. The reimbursement for office supplies was eliminated by the State in FY2009-10 due to budget reductions. The revenue is listed below:

| FY2010-11 Actuals | FY2011-12 Adopted | FY2012-13 Approved |
|---|---|---|
| $12,797,756 | $12,494,400 | $12,475,000 |
| Incr/(Decr) | ($ 303,356) | ($ 19,400) |

It should be noted that in FY2010-11, the overall percentage of jail operating costs paid by the State was 37.3 percent, 55.2 percent was paid by the County, and the remaining 7.5 percent was paid with various other departmental revenues. In the FY2012-13 budget, it is estimated that the Henrico County Sheriff's Office will receive 36.7 percent of funding from the State while the County will contribute 57.1 percent of funding (the remaining 6.2 percent will be funded with departmental revenues).

The number of prisoners confined in the Henrico Regional System is slightly increasing and is the main factor behind the operational projections for the fiscal year. The Average Daily Inmate Population has increased by 178 or 17.0 percent since FY2002-03. The FY2012-13 budget was prepared on the assumption of an average daily inmate population of 1,225. This estimate is based on 700 prisoners at Jail West and 525 housed at Jail East. Areas that are directly affected include medical services, food services, mental health services, and other operational costs spread among different associated categories.

Daily Inmate Population




2012 and 2013 are estimated.

# JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

## Detention Home

### Description

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

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

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 1,893,575 | $ 1,954,781 | $ 1,973,868 | 1.0% |
| Operation | 160,474 | 147,840 | 132,847 | (10.1%) |
| Capital | 0 | 0 | 0 | 0.0% |
| Total | $ 2,054,049 | $ 2,102,621 | $ 2,106,715 | 0.2% |
| Personnel Complement | 30 | 30 | 30 | 0 |

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Admissions | 1,001 | 904 | 904 | 0 |
| Secure Detention Days | 5,359 | 5,948 | 5,948 | 0 |
| Average Daily Population | 15 | 16 | 16 | 0 |
| Average Length of Stay, Days | 5 | 7 | 7 | 0 |

Health who provides mental health assessments and court ordered evaluations for the Detention Home. In addition to the 30 positions in the agency's personnel complement, three full-time teachers and one part-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.

The Juvenile Detention Home's budget for FY2012-13 is $2,106,715, which reflects an increase of 0.2 percent when compared to FY2011-12. Personnel costs reflect an increase of 1.0 percent and operating reflects a decrease of $14,993, or 10.1 percent. The reduction in operating is the result of targeted reductions in several accounts.

State aid for the Juvenile Detention Home in the FY2011-12 budget is estimated to total $480,500, which includes $475,000 for the Juvenile Detention Home's block grant and $5,500 in estimated per diem payments for State-responsible juveniles. While this reflects no change from the FY2011-12 budget, the block grant still reflects the reduction taken in FY2009-10 due to budget cuts by the State.

# BUILDING INSPECTIONS

**Description**

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

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

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

**Objectives**

- To ensure the public health, safety, and welfare affected by the design and construction of buildings and structures in Henrico County.
- To ensure the quality of inspections by field staff through education and certification to State standards.
- To provide services that equal 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 FY2012-13 budget for the Department is $4,091,527, a decrease of 4.3 percent when compared to the FY2011-12 approved budget. There is a 1.5 percent decrease in the personnel component while the operating component decreases 22.3 percent.  Capital outlay remains flat in FY2012-13.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 3,828,880 | $ 3,887,189 | $ 3,830,744 | (1.5%) |
| Operation | 357,488 | 535,960 | 416,222 | (22.3%) |
| Capital | 8,113 | 300 | 300 | 0.0% |
| Sub-Total | $ 4,194,481 | $ 4,423,449 | $ 4,247,266 | (4.0%) |
| Interdepartmental Billings | (150,049) | (150,262) | (155,739) | 3.6% |
| Total Budget | 4,044,432 | 4,273,187 | 4,091,527 | (4.3%) |
| Personnel Complement* | 58 | 56 | 54 | (2) |

*Two vacant positions are being moved to the County's hold complement in FY2012-13.  Two vacant positions were moved to the hold complement in FY2011-12.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Total Permits Issued | 12,208 | 12,500 | 12,500 | 0 |
| Single Family Permits Issued | 639 | 650 | 650 | 0 |
| Building Inspections | 20,004 | 20,500 | 20,500 | 0 |
| Electrical Inspections | 10,649 | 12,000 | 12,000 | 0 |
| Mechanical Inspections | 7,085 | 7,600 | 7,600 | 0 |
| Plumbing Inspections | 11,723 | 13,500 | 13,500 | 0 |
| Fire Protection Inspections | 1,621 | 1,800 | 1,800 | 0 |
| Elevator Inspections | 98 | 125 | 125 | 0 |
| Sign Inspections | 171 | 700 | 200 | (500) |
| Existing Structure Inspections | 2,481 | 2,500 | 2,500 | 0 |
| FOG Inspections | 244 | 300 | 300 | 0 |
| Total Inspections | 51,351 | 56,225 | 55,725 | (500) |
| **Efficiency Measures** | | | | |
| Residential Inspections/Inspector/Day | 8 | 8 | 8 | 0 |
| Mechanical /Plumbing Inspections/Inspector/Day | 12 | 12 | 12 | 0 |
| Electrical Inspections/Inspector/Day | 10 | 10 | 10 | 0 |
| Fire Protection Inspections/Inspector/Day | 3 | 3 | 3 | 0 |
| Commercial Inspections/Inspector/Day | 5 | 5 | 5 | 0 |
| Average # of Inspections/Single Family Dwelling | 37 | 37 | 37 | 0 |

Workload projections are based on current conditions and future developments that have already been announced for Henrico County. The Department projects a slight increase in the total number of permits issued for FY2011-12, which are anticipated to remain at those same levels during FY2012-13.

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 FY2012-13 totals $3,755,191. This reflects a decrease of $148,866 when compared to the FY2011-12 Approved Budget. The personnel component will decrease $61,438 as a result of two positions being moved to the County's hold complement while being somewhat offset by increasing projections for retirement and health care costs. The operating component reflects a decrease of $87,428 as a result of targeted reductions. Capital outlay will remain $300 in FY2012-13.

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 $336,336, which is a decrease of 8.9 percent when compared to the prior fiscal year. Included in this budget are the costs for two positions that are part of an initiative to ensure that restaurants have the proper equipment to prevent oil and grease from entering the sewer system. The total ongoing cost for these two positions equals $155,739. 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.

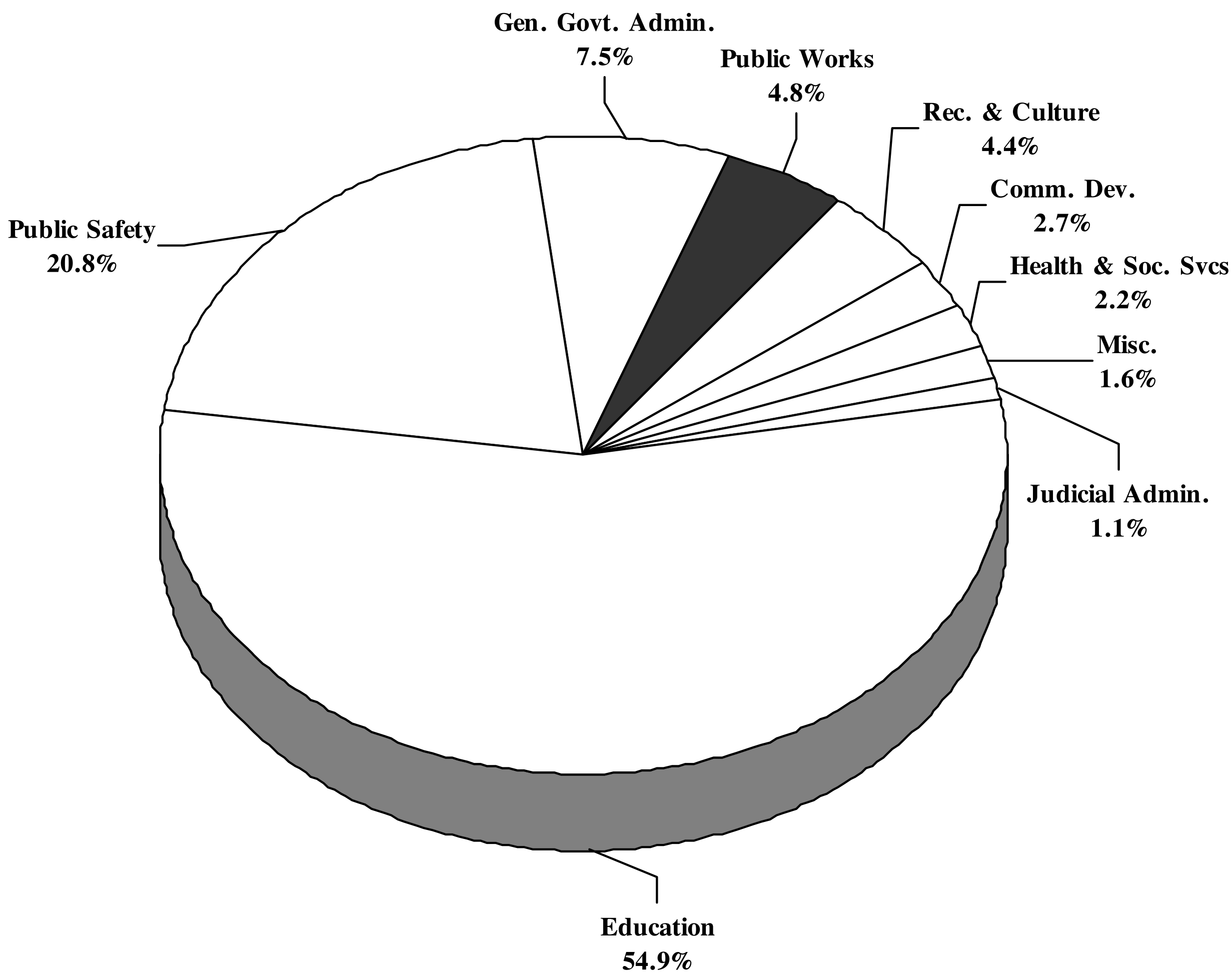
The Community Maintenance Division will continue to work closely with the Department of Community Revitalization, as they also provide community maintenance services. Community Revitalization's

*Building Inspections (cont'd)*

services include those related to identifying the needs of established communities and providing assistance in improving the properties in these areas.

# COUNTY OF HENRICO, VIRGINIA

## Public Works
## $35,504,297




## Total General Fund
## $735,291,919

**COUNTY OF HENRICO, VIRGINIA**
**PUBLIC WORKS - GENERAL FUND**
**FY 2012-13**

| Division | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| Administration | $1,235,138 | $1,290,218 | $1,331,982 |
| Road Maintenance | 19,029,185 | 19,120,505 | 19,605,802 |
| Traffic Engineering | 2,730,495 | 3,211,385 | 3,239,348 |
| Construction | 2,440,520 | 3,177,516 | 2,612,238 |
| Design | 1,840,936 | 1,897,068 | 1,904,611 |
| Mass Transit | 5,684,825 | 5,166,272 | 5,168,983 |
| Environmental | 1,136,257 | 1,217,169 | 1,246,379 |
| Geographic Information System | 304,693 | 307,165 | 0 |
| Standing Water Initiative | 332,491 | 378,267 | 394,954 |
| Total Public Works | $34,734,540 | $35,765,565 | $35,504,297 |

# 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, as well as, 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.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 13,940,855 | $ 14,605,342 | $ 14,436,968 | (1.2%) |
| Operation | 19,986,396 | 19,800,523 | 19,494,854 | (1.5%) |
| Capital | 807,289 | 1,359,700 | 1,572,475 | 15.6% |
| Total | $ 34,734,540 | $ 35,765,565 | $ 35,504,297 | (0.7%) |
| | | | | |
| Personnel Complement* | 258 | 257 | 254 | (3) |

*Three GIS positions were transferred from Public Works to Information Technology.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Lane Miles of Road Maintained | 3,402 | 3,406 | 3,417 | 11 |
| Traffic Signals Maintained | 144 | 146 | 151 | 5 |
| Development Plans Reviewed | 653 | 500 | 500 | 0 |

**Budget Highlights**

The Department's budget for FY2012-13 is $35,504,297, representing a decrease of $261,268 or 0.7 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 decrease by $168,374 or 1.2 percent. The operating component is forecasted to decrease by $305,669 or 1.5 percent while capital outlay expenditures are expected to increase by $212,775 or 15.6 percent.

It is important to note that the funding of $307,165 associated with the Geographic Information Systems division, which is entirely supported by the General Fund, was transferred to the Department of Information Technology's budget in order to centralize GIS technology efforts.

Funding to support the approved budget is to be provided by the State's Gas Tax maintenance allocation of $28,745,000, the County's General Fund subsidy of $6,209,133, 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 $8,412.35 and County lane miles of 3,417. It should be noted that the total projected Gas Tax for FY2012-13 is based on the allocation for operations and maintenance and does not include a construction allocation. If a construction allocation was funded for the Public Works capital budget that would be found elsewhere in this document.

Gas Tax funding is utilized for approximately 81.0 percent of the operating budget. In other words, the gas tax allocation will support the Department of Public Works' divisions with the exception of the Standing Water Initiative and Environmental Inspection. This revenue source is restricted to roadway maintenance activities.

The functions supported by the General Fund subsidy total $6,209,133 and include required adjustments for the rising VRS, VRS life insurance, and health care expenditures. Budget adjustments were made with the operating component as well. The General Fund supports 100 percent of expenses related to the Standing Water Initiative and Environmental Inspection divisions and these programs combined total $1,641,333. The Standing Water Initiative is budgeted at $394,954 and the Environmental Inspection Division is budgeted at $1,246,379 for the approved FY2012-13 budget.

General Fund support is also provided for Mass Transit and Leaf Collection services. Specifically, General Fund support of $4,186,300 in FY2012-13 will subsidize the GRTC and JOBS services costs in the Mass Transit budget. In FY2012-13, the Leaf Collection services budget totals $533,700. Within this total budget, the General Fund will support $381,500, Leaf Collection Fees will total $143,000, and the remaining $9,200 will be provided by miscellaneous revenues. It is important to note that this budget includes free leaf vacuum service for all County residents that currently participate in the Real Estate Tax Advantage Program (REAP).

The third and final source of funding is generated from miscellaneous fees, which total $407,164 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 $33,862,964, which remained constant from the previous two fiscal years. With the exception of Mass Transit, these 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 $4,186,300 subsidy to support Mass Transit Services. The personnel component is forecasted to increase by $69,291 due to rising VRS, VRS life insurance, and health care expenditures. This increase was slightly offset by the increase in departmental vacancy savings.

The operating component decreased by a net difference of $282,066 or 1.4 percent from the previous approved budget. Major adjustments made to the operating component include a reduction in other contractual services in the amount of $487,767 and a reduction in diesel fuel in the amount of $200,000 to reflect current actuals in those accounts and to cover approved increases in personnel expenditures. In addition, this decrease also reflects the reduction of printing street map books and the County-wide adjustment in technology replacement. Although this component experienced a decrease, it is important to note that funding of $471,748 was added to road materials to cover rising expenditures in this area.

Although the operating component experienced a decrease, the capital outlay component increased by $212,775 or 15.6 percent over the previous approved budget. There are several noteworthy capital purchases forecasted within the $1,571,975 approved capital component. Capital outlay items budgeted include the following: one wheel saw, one small driveway roller, two small excavators, four snow plows, seven tandem dump trucks, three single axle dump trucks, one bucket truck, five Gamma NT counters, and eight uninterruptable power supplies for traffic signals.

<u>Standing Water Initiative Division</u>

The Standing Water Initiative Division is a program that is funded solely through the General Fund at a total cost of $394,954. This budget increased by an overall net difference of $16,687 or 4.4 percent from the previous fiscal year. The personnel component comprises 79.2 percent or $312,704 of the total budget. The increase in the personnel component reflects rising VRS, VRS life insurance, and health care expenditures. The operating component decreased by $2,117 or 2.5 percent primarily as a result of the County-wide adjustment in technology replacement.

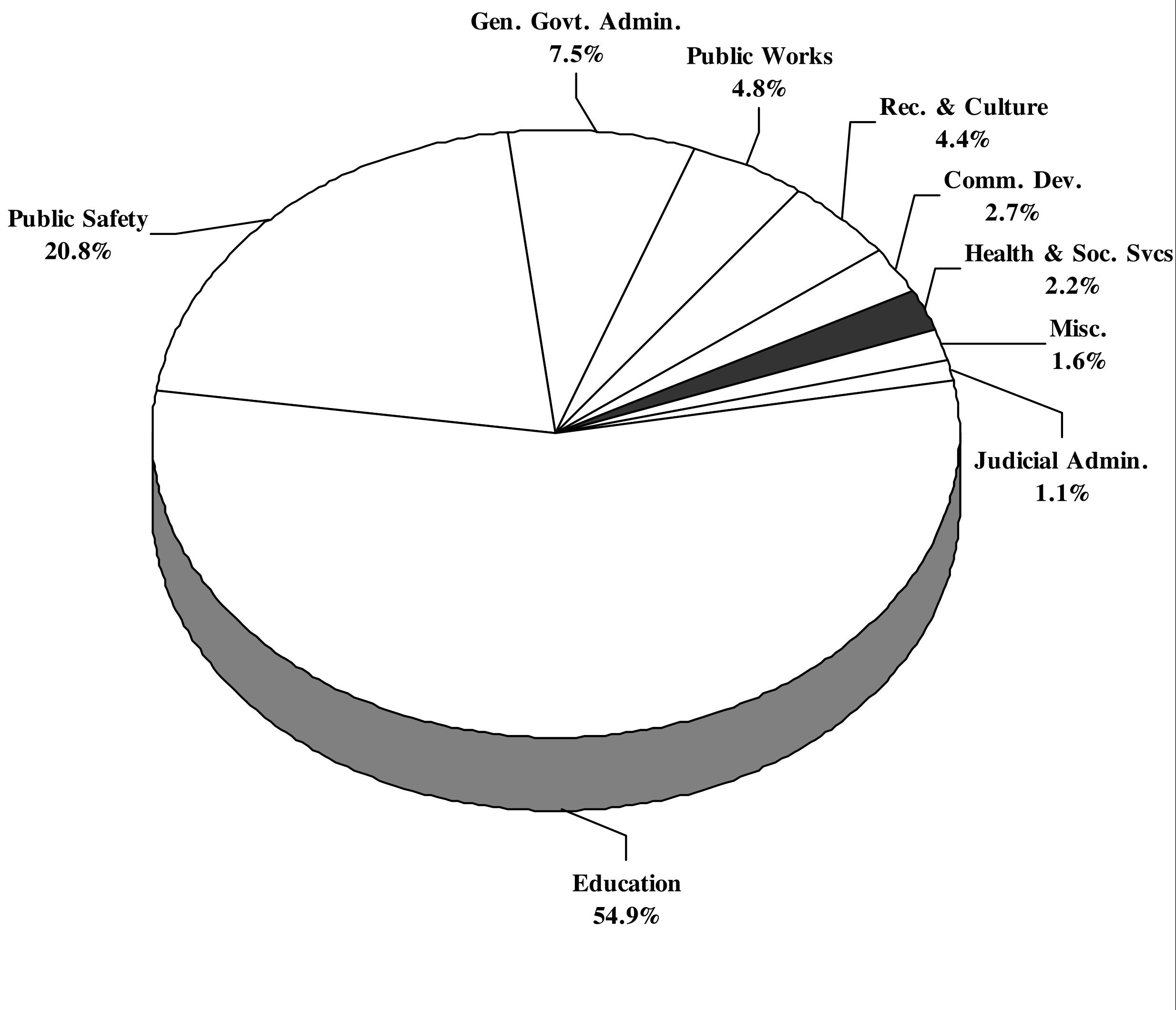
<u>Environmental Inspection Division</u>

The Environmental Inspection Division is funded solely through the General Fund at a total cost of $1,246,379. Expenditures are forecasted to increase by $29,210 or 2.4 percent from the FY2011-12 approved budget. The personnel component increased by $19,575 or 1.8 percent from the previous approved fiscal year. Adjustments made as a result of rising VRS, VRS life insurance, and health care costs were offset by the reduction of salaries and benefits tied to vacancies as well as an increase in vacancy savings.

The operating component increased by a net difference of $9,635 or 6.2 percent from the previous fiscal year. Other contractual services and automotive/motor pool increased by $9,612 and $4,227 respectively to reflect forecasted expenditures. These adjustments were offset by the County-wide adjustment in technology replacement totaling $3,804.

# COUNTY OF HENRICO, VIRGINIA

## Health and Social Services
## $16,250,691




## Total General Fund
## $735,291,919

**COUNTY OF HENRICO, VIRGINIA**
**HEALTH AND SOCIAL SERVICES - GENERAL FUND**
**FY 2012-13**

| Department | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| Public Health | $1,524,652 | $1,583,056 | $1,653,542 |
| Social Services: | | | |
| Administration | 6,293,702 | 6,349,519 | 6,674,502 |
| Public Welfare Board | 40,296 | 40,489 | 40,489 |
| Public Assistance | 10,771,415 | 8,048,305 | 7,863,525 |
| Employment Services Program | 5,955,855 | 4,159,500 | 18,633 |
| ARRA - Social Services | 473,680 | 0 | 0 |
| Total Social Services | 23,534,948 | 18,597,813 | 14,597,149 |
| Total Health and Social Services | $25,059,600 | $20,180,869 | $16,250,691 |

# PUBLIC HEALTH

**Description**

The Health Department provides medical, environmental and other public health services to the residents of Henrico County. The State and County provide cooperative funding consisting of 55 percent in State funds and 45 percent in County funds. The County also provides additional funding to assist with the maternity program. The budget herein reflects the County's 45 percent funding level for the cooperative budget and additional funds to support the maternity program.

**Objectives**

- To promote a healthier lifestyle through health education and outreach.
- To provide children and adolescents 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.
- 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 include but are not limited to fire and flood disaster, sanitation, lead hazard evaluation, and rabies control.
- To assure emergency preparedness for large scale health emergencies.

**Budget Highlights**

The Department's approved budget for FY2012-13 reflects both the 45.0 percent County share of the cooperative budget, which amounts to $1,468,044, and additional County funding for the local maternity program in the sum 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

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 0 | $ 0 | $ 0 | 0.0% |
| Operation | 1,524,652 | 1,583,056 | 1,653,542 | 4.5% |
| Capital | 0 | 0 | 0 | 0.0% |
| Total | $ 1,524,652 | $ 1,583,056 | $ 1,653,542 | 4.5% |
| | | | | |
| Personnel Complement * | N/A | N/A | N/A | N/A |

* Personnel Complement totals above are not applicable because the County's portion of salaries is paid to the State in object code 50290, Purchase of Services from Other Governmental Entities. The State pays for 71 classified positions and 14 non-classified positions.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Number of Patient Visits | 27,531 | 27,531 | 28,000 | 469 |
| Maternity Visits | 2,575 | 2,575 | 2,700 | 125 |
| Nursing Home Screening | 369 | 369 | 425 | 56 |
| Food Service Protection Visits | 3,630 | 3,630 | 3,675 | 45 |
| WIC Participants | 14,453 | 14,453 | 16,000 | 1,547 |
| Dental Clinic Visits | 1,847 | 1,847 | 2,000 | 153 |

County funding of $1,653,542. The budget for FY2012-13 is $70,486 or 4.5 percent above the approved budget for FY2011-12. The difference is directly attributed to the increase in the existing cooperative agreement with the State. Revisions to the budgeted allocation for the County's portion of this cooperative budget may become necessary after the General Assembly approves its FY2012-14 Biennial Budget. Such changes would be made through the budget amendment process.

# SOCIAL SERVICES

**Description**

The Department of Social Services focuses on providing an array of services to children, families, and individuals who are in need of human-based services including financial assistance. The financial assistance and social services programs provided by the Department assist individuals and families in meeting their basic human needs; increase their capacity to function independently; and provide protection for the elderly, disabled, and abused or neglected children. Funding that supports these efforts is provided by Federal, State, and County governments as well as Community Partnerships.

The Department helps those who cannot provide for themselves financially on a temporary or longer basis in order to obtain the basic necessities of life and adequate health care. The financial assistance programs provide temporary cash assistance and employment-related services to enable families with children to become self-supporting. These programs also include medical and health-related services for certain individuals and families with low incomes.

The Department is also responsible for the protection of the community's children and adults from abuse and neglect. Social work staff engages in various local, state, and/or federal initiatives that will support and preserve families. When these efforts are no longer viable options and/or the courts remove the child or children from their caretaker, foster care services are provided. When children are unable to return to their own families, adoption services are provided.

The 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**

| Description | FY11 ** Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 10,732,363 | $ 11,100,922 | $ 11,240,640 | 1.3% |
| Operation | 12,766,016 | 7,484,206 | 3,345,164 | (55.3%) |
| Capital | 36,569 | 12,685 | 11,345 | (10.6%) |
| Total | $ 23,534,948 | $ 18,597,813 | $ 14,597,149 | (21.5%) |
| | | | | |
| Personnel Complement * | 168 | 168 | 168 | 0 |

* This count does not include 9 complement III positions.
**FY2010-11 actuals include American Recovery and Reinvestment Act (ARRA) funding of $473,680.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Clients Entering Employment | 483 | 575 | 600 | 25 |
| **Efficiency Measure** | | | | |
| Food Stamp Application Timely Processing | 97% | 97% | 97% | 0% |
| APS/CPS Complaints Initiated Within Timeframe | 92% | 92% | 92% | 0% |
| **Effectiveness Measure** | | | | |
| Fraud Prosecution Rate | 100% | 100% | 100% | 0% |
| Customer Appeals Sustained | 99% | 99% | 99% | 0% |
| Clients Maintaining Employment after 90 days | 367 | 432 | 456 | 24 |

- 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 FY2012-13 is $14,597,149 which represents a decrease of $4,000,664 or 21.5 percent from the FY2011-12 approved budget. The Department anticipates collecting $10,348,435 in revenue from the State and Federal governments, which represents 70.89 percent of the total funding amount. While funding for personnel expenditures has increased by $139,718, or 1.3 percent due to increases in the cost of benefits, the budgetary requirement for operations decreased by $4,139,042, or 55.3 percent. The major decrease in the funding for this segment of the department's budget has been caused by a transition of the VIEW and Non-VIEW daycare programs to being funded directly by the State, without any funds passing through this budget, or any local match. This transition does not represent a reduction in service levels for the participants in these programs.

Approved capital funding of $11,345 includes funding for replacement furniture and telecommunications equipment.

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

The Department provides services to all socio-economic groups and is usually the last resort for 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 2010 versus May 2011 reveals that the combined caseloads increased by 4.3 percent. Total caseloads for the combination of these three programs have increased by 205 percent when comparing May 2000 to May 2011.

The department anticipates these caseloads will increase another 5 percent by May 2012 if economic conditions do not improve.

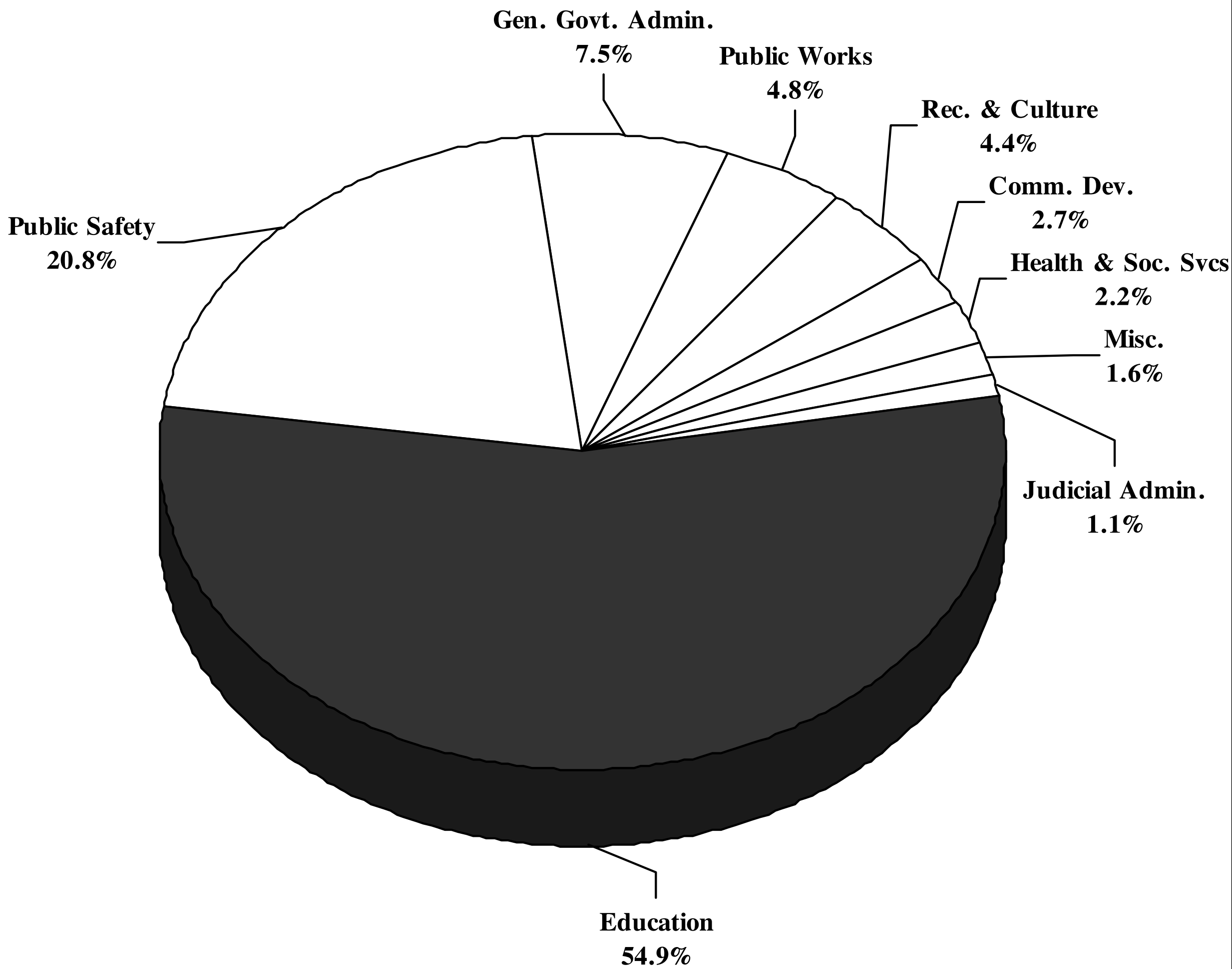
Welfare reform has been successful in the past in moving people from public assistance to work. In FY2010-11, 483 clients became gainfully employed with 76.0 percent of them maintaining those jobs for 90 days or longer. Based on the increase of TANF caseloads, the forecast for FY2011-12 suggests that there will be significantly more clients the Department needs 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 FY2010-11, the number of children entering the foster care system decreased by 14.3 percent. These efforts have continued to generate positive outcomes for families as well as a considerable reduction in Comprehensive Service Act (CSA) costs.

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 FY2010-11, the total number of Adult Services cases grew considerably with an 8.4 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, resulting in fewer clients being maintained in their own homes and/or community. In FY2010-11, there was a 10.0 percent reduction in the number of clients receiving non-Medicaid companion (in-home) services. Based on the aging demographics of the community, this is a quality of life issue that will be closely monitored in the upcoming year.

# COUNTY OF HENRICO, VIRGINIA

## Education
## $404,050,000




## Total General Fund
## $735,291,919

## COUNTY OF HENRICO, VIRGINIA
## EDUCATION - ALL FUNDS
## FY 2012-13

| Fund/Division | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| General Fund: | | | |
| Instruction | $309,526,101 | $321,022,965 | $328,535,427 |
| Administrative Services | 10,144,818 | 9,764,885 | 8,920,669 |
| Operations | 65,216,919 | 68,220,951 | 67,533,377 |
| Finance | 2,811,168 | 3,423,774 | 3,256,315 |
| School Board and Superintendent | 1,683,371 | 1,317,425 | 1,374,236 |
| Recommended Adjustments | 0 | 0 | (5,570,024) |
| Subtotal General Fund | 389,382,377 | 403,750,000 | 404,050,000 |
| General Fund - ARRA: | | | |
| Instruction | 5,088,030 | 0 | 0 |
| Subtotal ARRA General Fund | 5,088,030 | 0 | 0 |
| Total General Fund | $394,470,407 | $403,750,000 | $404,050,000 |
| Special Revenue Fund: | | | |
| School Food Service | $16,728,008 | $18,494,517 | $18,638,229 |
| State, Federal, and Other Grants: | | | |
| Capital Construction Management | 0 | 409,812 | 429,759 |
| Computer Insurance Coverage | (274,928) | 0 | 0 |
| CTE Resource Center | 727,596 | 1,167,442 | 1,174,618 |
| Distance Learning | 49,072 | 0 | 15,900 |
| Driver Education | 109,214 | 105,577 | 213,798 |
| Drug Free S/C Act | 23,870 | 0 | 0 |
| Educational Interpreters Grant | 19,353 | 40,400 | 40,400 |
| Federal Class Size | 1,382,929 | 1,499,919 | 1,561,019 |
| Gen. Adult Education | 210,642 | 464,942 | 464,943 |
| Grant Administration | (217,960) | 230,299 | 156,770 |
| Head Start | 1,233,146 | 1,388,456 | 1,420,381 |
| High Schools That Work | 0 | 0 | 0 |
| Homeless Assistance | 43,799 | 60,000 | 83,166 |
| Humanities Center Grants | 7,475 | 10,000 | 10,000 |
| Individual Student Alternative Ed Plan Grant | 45,648 | 50,222 | 53,937 |
| JSR Dual Credit Program | 0 | 100,000 | 0 |
| Juvenile Detention Home | 1,142,759 | 1,159,851 | 1,282,162 |
| Mentor Teacher Program | 90,792 | 55,211 | 55,211 |
| Miscellaneous School Grants - Federal | 1,474,301 | 551,997 | 453,160 |
| Miscellaneous School Grants - Local | 644,361 | 766,751 | 947,883 |
| Miscellaneous School Grants - State | 887,503 | 0 | 744,426 |
| Pell Grants | 207,741 | 120,000 | 165,000 |
| Perkins Act III | 655,932 | 671,954 | 690,188 |
| Pre-School | 156,022 | 242,546 | 257,989 |
| Project Connect | 102,366 | 103,365 | 0 |
| Reading First | 266,996 | 0 | 0 |

*Education - All Funds (cont'd)*

| Fund/Division | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| State, Federal, and Other Grants: (cont'd) | | | |
| Reading Intervention | 572,753 | 485,816 | 485,816 |
| Refugee School Impact Grant (ESL) | 0 | 8,896 | 0 |
| Reserve for State and Federal Grants | 0 | 4,563,066 | 4,051,494 |
| SOL Algebra Readiness | 162,591 | 297,871 | 485,142 |
| Special Education Jail Program Grant | 102,211 | 103,065 | 112,603 |
| Virginia Preschool Initiative | 1,703,373 | 2,218,142 | 2,388,491 |
| Summer School | 1,318,803 | 1,607,789 | 1,607,789 |
| Teacher Incentive Fund Grant | 944,911 | 4,963,280 | 2,495,533 |
| Technology (State) | 1,663,913 | 1,818,000 | 1,818,000 |
| Title I | 5,795,169 | 7,896,278 | 8,513,304 |
| Title II-D Technology | 0 | 57,357 | 57,357 |
| Title III - ESL | 279,807 | 263,746 | 286,635 |
| Title V | 0 | 0 | 0 |
| Title VI - B Special Education | 4,417,148 | 9,253,956 | 9,888,045 |
| Other Special Revenue Grants | 97,805 | 121,605 | 162,587 |
| Subtotal Grants | 26,047,113 | 42,857,611 | 42,573,506 |
| ARRA Federal Grants: | | | |
| Title I, Part A | 5,050,174 | 0 | 0 |
| Title I, Part D | 9,806 | 0 | 0 |
| Title II, Part D | 0 | 0 | 0 |
| Section 611 Flow-Through | 6,229,284 | 0 | 0 |
| Head Start | 34,986 | 0 | 0 |
| Homelessness Assistance | 36,434 | 0 | 0 |
| Section 619 Preschool | 223,232 | 0 | 0 |
| School Improvement | 46,480 | 0 | 0 |
| Subtotal ARRA Special Revenue Fund | 11,630,396 | 0 | 0 |
| Total Special Revenue Fund | $54,405,517 | $61,352,128 | $61,211,735 |
| Debt Service Fund: | | | |
| General Obligation | 36,661,640 | 37,523,568 | 39,257,303 |
| Total Debt Service Fund | 36,661,640 | 37,523,568 | 39,257,303 |
| Total Education - All Funds | $485,537,564 | $502,625,696 | $504,519,038 |

# 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 FY2012-13, the Division of Instruction will provide instructional programs to 22,426 elementary school students (grades K-5); 11,370 middle school students (grades 6-8) and 14,240 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 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.

The Division of the School Board and the Superintendent is responsible for compliance requirements of Federal and State laws, regulations, and standards. The Superintendent, appointed by the School Board as the Chief Administrative Officer, is charged with establishing and supervising the policies of the Henrico County Public Schools in accordance with the laws of the Commonwealth of Virginia, the regulations adopted by the State Board of Education, and the directives of the Henrico County School Board.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 370,228,608 | $ 387,266,192 | $ 397,888,626 | 2.7% |
| Operation | 60,908,245 | 66,168,299 | 62,135,045 | (6.1%) |
| Capital | 17,739,071 | 11,667,637 | 10,808,088 | (7.4%) |
| Recommended Adjustments | 0 | 0 | (5,570,024) | (100.0%) |
| Debt Service | 36,661,640 | 37,523,568 | 39,257,303 | 4.6% |
| Total | $ 485,537,564 | $ 502,625,696 | $ 504,519,038 | 0.4% |
| | | | | |
| Personnel Complement | 6,567.30 | 6,540.25 * | 6,516.65 | (23.60) |
| | | | | |
| Average Daily Membership | 48,431 | 48,659 | 48,769 | 110 |

* The personnel complement in FY2011-12 reflects the Superintendent's Proposed Budget.

**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 $404,050,000 for Education in FY2012-13. This amount represents a net increase of $300,000 or 0.1 percent over the FY2011-12 Approved Annual Fiscal Plan. Of the $404,050,000, $183,367,000 (45.4 percent) will be provided from General Fund revenues. The Proposed Budget estimates $220,683,000 (54.6 percent) in revenues from the State and Federal Governments to support Education. Projected State revenues of $214,883,000 reflect an increase of $10.2 million from the FY2011-12 budget, a 5.0 percent increase.

The local amount above does not include expenditures for Education debt service, which is funded entirely with local dollars. In the FY2012-13 budget, local Education debt service expenditures will total $39,257,303, which is an increase of $1,733,735 as compared to the FY2011-12 Approved Annual Fiscal Plan.

Education's FY2012-13 budget for the Special Revenue Fund totals $61,211,735, which is a 0.2 percent reduction as compared to the FY2011-12 Approved Annual Fiscal Plan.

In total, with all funds (General Fund, Special Revenue Fund, and Debt Service Fund) included, the FY2012-13 budget for Education totals $504,519,038, which is an increase of $1,893,342 or 0.4 percent as compared to the FY2011-12 Approved Annual Fiscal Plan.

A total of $2,491,746 will fund operating costs associated with the 12th grade at Glen Allen High School.

In an effort to reduce a projected $26 million funding gap in the FY2012-13 budget, Education is reducing its complement by 58.1 FTE through attrition. Central office and other professional staff will be reduced by 19.6 FTE, exceptional education instruction positions will be reduced by 10.0 FTE due to declining enrollment, and the number of teachers will be reduced by 28.5 FTE as a result of increasing the pupil-teacher-ratio (PTR) by 0.25. Partially offsetting the complement reduction is the addition of 10.0 instructional positions into a "teacher reserve." The proposed staffing level will reflect an average class size of 20.8:1 for elementary schools, 22.5:1 for middle schools, and 21.6:1 for high schools.

In addition to the elimination of positions through attrition, Education has also conserved funding in FY2012-13 through the following actions:

- Restructuring of Post Retirement Earnings Program (PREP) benefits for retired Schools employees.
- Reduced departmental operating budgets by more than $6.0 million through identified savings.
- Identified cost savings in transportation as a result of eliminating "deadhead" miles by establishing a number of central locations for buses to be parked. In addition, newly hired school bus driver contracts will include a reduction in the number of paid hours to more closely reflect actual hours worked.
- Education is utilizing $5.5 million in Federal Jobs Funds, in addition to a year-end reversion of $5.6 million in expenditure and revenue savings from FY2011-12.

In the technology area, Education's FY2012-13 General Fund and Special Revenue Fund Budgets include $12.0 million of funding for technology equipment, which includes funding for the Dell and Apple laptop leases. The laptop initiative began in FY2001-02 when the School system entered into an a agreement with Apple Corporation to provide iBook laptop computers to all high school students and 7th and 8th graders. In FY2002-03, the agreement was amended to include 6th grade students. In FY2005-06, Dell began providing laptops to the high school students while Apple continues to provide laptops to the middle school students. The projected cost for the laptop initiative in FY2012-13 is $7.8 million. An additional $2.0 million is allocated for lease payments associated with laptop computers and printers at elementary schools. The FY2012-13 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, which is a joint effort with the Division of Police, assigns a Uniformed Police Officer to each middle and high school in the County. A total of 27 Police Officers participate in the program. The School Resource Officer provides a safer environment to the students and staff of the schools while also providing a positive role model and adviser to the students.

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

Approved in the referendum was funding to complete the construction of a new high school, build three new elementary schools, a new middle school, and an alternative middle school. Also funded were renovations at seven elementary schools, one middle school, and two high schools. Five of the elementary school renovations included additions. The referendum projects also included funding for asbestos abatement, tennis court replacements, and ADA enhancements.

GO Bonds were issued six times since November 2000 associated with this Referendum. The following table provides a summary of each GO Bond issue and the total debt issued for Education projects. The November 2006, FY2006-07, debt issue was the final issue associated with the November 2000 Referendum.

| Fiscal Year | Amount | Issue Date |
|---|---|---|
| FY2000-01 | $37,110,000 | May 2001 |
| FY2001-02 | $8,674,055 | February 2002 |
| FY2002-03 | $41,597,975 | January 2003 |
| FY2003-04 | $12,549,826 | May 2004 |
| FY2005-06 | $39,883,931 | August 2005 |
| FY2006-07 | $26,691,167 | November 2006 |

In March 2005, County voters approved a GO Bond Referendum, which resulted in the authorization of $220.0 million of GO Bond funding for school capital projects in fiscal years 2005-06 through 2011-12. The approved funding in the March 2005 referendum will build a new high school, two new middle schools, and two new elementary schools. Also funded are additions and renovations at two high schools, the renovation of two middle schools, and the renovation of five elementary schools, two of which will include additions.

Because of the difficult economic environment, the County chose to take the prudent approach and delay the planned FY2009-10 issuance of GO Bonds, which were issued in FY2010-11. In FY2011-12, the County issued the last of the outstanding GO Bond authorization from the Referendum approved in March 2005.

The table on the following page provides a summary of each GO Bond issue and the total debt issued for Education projects from the March 2005 GO Bond Referendum.

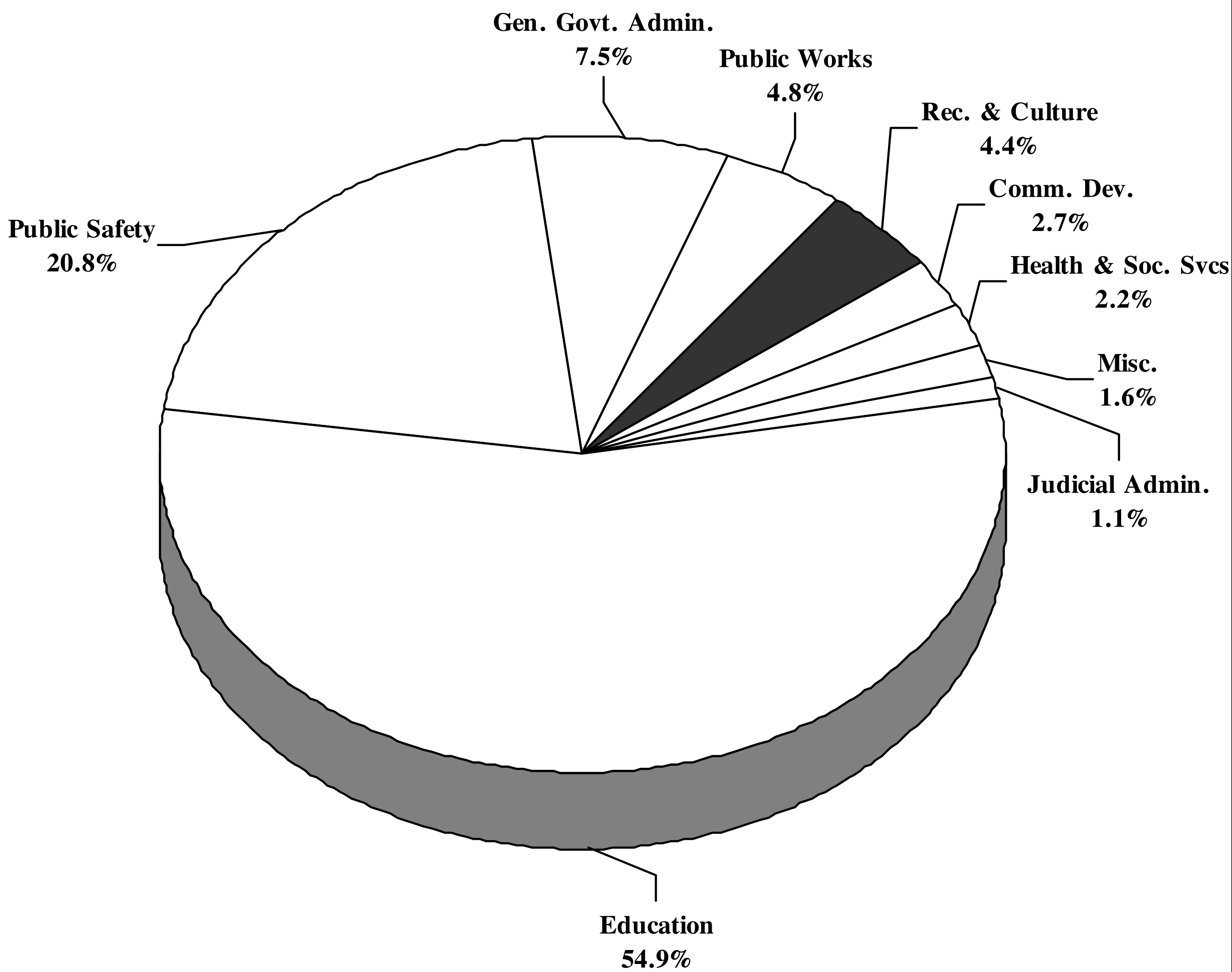
*Education (cont'd)*

| 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 FY2012-13 capital budget for Education is $5,018,792, which includes $2,500,000 in appropriation from the Vehicle Replacement Reserve to purchase replacement school buses, and $18,792 to appropriate the last of the March 2005 GO Bond Referendum authorization to the Education Bond Project Reserve to continue previously funded GO Bond projects that may be underfunded. The Proposed Capital Budget also includes the annual $2,500,000 General Fund allocation for roof replacements and mechanical improvement projects. 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
## $32,432,295




## Total General Fund
## $735,291,919

**COUNTY OF HENRICO, VIRGINIA**
**RECREATION, PARKS AND CULTURE - GENERAL FUND**
**FY 2012-13**

| Department | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| Recreation & Parks: | | | |
| Administration | $2,247,546 | $2,279,691 | $2,161,609 |
| Recreation Services | 5,680,290 | 6,798,974 | 6,692,808 |
| Parks Services | 7,695,599 | 8,260,488 | 8,518,381 |
| Total Recreation & Parks | 15,623,435 | 17,339,153 | 17,372,798 |
| Public Library | 14,229,130 | 15,917,916 | 15,059,497 |
| Total Recreation, Parks and Culture | $29,852,565 | $33,257,069 | $32,432,295 |

# RECREATION AND PARKS

**Description**

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

The Recreation Services section manages leisure activities and events for the residents of Henrico County and is organized into two sections: Recreation Programs/Services and Tourism, History, Sports, and Special Events.

The Recreation Programs/Services area is responsible for the programs and activities for Community Recreation, Cultural Arts, Outdoors, Preschool, and Therapeutics and Seniors. This section also develops the programs at Three Lakes Nature Center, Henrico Theatre, Osborne boat landing, and the remaining recreation centers located throughout the County.

The Tourism, History, Sports, and Special Events section is responsible for the new tourism focus for the Division, including operating the Dabbs House Tourist Information Center, preservation of the County's historic structures and artifacts, and providing museum services and programs at the County's historic sites. This section is also responsible for coordinating the County's athletic offerings and special events, such as the Old Fashioned Fourth of July and the Harvest Festival.

The Park Services section oversees the County's park system of over 3,600 acres and also maintains the Division's athletic and recreation facilities. The Turf Management section 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 the parkland and maintenance of the 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 buildings including HVAC, painting, carpentry, plumbing, machinery repairs and small construction projects. The Park Manager's staff includes the Storekeeper and the finance and clerical staff.

The Administration section oversees all personnel, fiscal, and technology management issues. They also provide planning, research, and project management related to the development of new facilities and programs, community relations, and marketing for the Division.

**Objectives**

- To ensure the citizens of Henrico County are provided well-balanced leisure activities.
- To provide the citizens of Henrico County a safe and clean environment in all parks and athletic facilities.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 11,324,822 | $ 12,692,406 | $ 12,658,230 | (0.3%) |
| Operation | 3,691,542 | 3,996,603 | 4,035,385 | 1.0% |
| Capital | 607,071 | 650,144 | 679,183 | 4.5% |
| Total | $ 15,623,435 | $ 17,339,153 | $ 17,372,798 | 0.2% |
| | | | | |
| Personnel Complement* | 178 | 177 | 177 | 0 |

*One position was moved to the hold complement in FY2011-12. During FY2011-12 a position was moved from the hold complement for the Sports Tourism effort. In the FY2012-13 budget, two positions were moved to the hold complement and one position added to support Twin Hickory Park.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Park Visitation | 3,951,571 | 4,100,000 | 4,100,000 | 0 |
| Number of Enrollments | 20,997 | 22,000 | 20,000 | (2,000) |
| Number of Recreation Programs Held | 766 | 800 | 800 | 0 |
| Number of Shelter Reservations | 2,028 | 2,100 | 2,100 | 0 |
| Number of Sports Associations/Travel Groups | 184 | 263 | 315 | 52 |
| Number of Acres Mowed | 21,633 | 24,000 | 24,000 | 0 |
| Number of Athletic Sites Prepared | 13,056 | 13,100 | 13,100 | 0 |
| Number of Recreation Structures | 175 | 178 | 178 | 0 |
| Number of Trash Receptacles Maintained | 1,557 | 1,500 | 1,500 | 0 |
| Number of Work Orders Processed | 6,203 | 6,200 | 6,300 | 100 |
| Number of Special Events Set-ups | 318 | 370 | 360 | (10) |
| Number of Irrigation Systems Maintained | 118 | 120 | 120 | 0 |
| Number of Recreation Sites Maintained | 123 | 124 | 124 | 0 |
| **Effectiveness Measures** | | | | |
| Percentage of Satisfied Customers (Fee-Based Programs) | 100% | 100% | 100% | 0% |
| Percentage of Athletic Fields Irrigated | 55% | 54% | 56% | 2% |

- 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 sports tournament destination, and as a County with a rich history dating back to 1611.

**Budget Highlights**

The Division's FY2012-13 budget is $17,372,798, which represents a $33,645, or 0.2 percent increase when compared to the FY2011-12 approved budget. The personnel component reflects a decrease of $34,176, or 0.3 percent. This is the result of two positions being moved to the hold complement as well as targeted reductions in temporary part-time salaries. The decrease is offset by increasing estimates for retirement, group life, and healthcare costs, a new position for the maintenance of Twin Hickory Park approved in the 2005 G.O. Bond Referendum, and part-time salaries for the operation of the Dabbs House Tourist Information Center. The overall operating component increased $38,782, or 1.0 percent compared to the previous approved budget. This includes new operational and maintenance costs for Twin Hickory Park as well as funding for the new tourism effort in Recreation that are offset by targeted reductions. The capital outlay component of the Recreation budget totals $679,183. This total includes continuing the equipment replacement and facility rehabilitation programs along with new equipment for the maintenance of Twin Hickory Park. What follows is a synopsis of each sections' budget.

<u>Administration</u>

The FY2012-13 budget for Administration, which includes the Director's office, Finance and Technology, Parks Planning, Parks Construction and Marketing sections, is $2,161,609. This reflects a decrease of $118,082 or 5.2 percent when compared to FY2011-12. This decrease is the result of targeted reductions within the section. The reduction was somewhat offset by increases in retirement, group life, and health care costs.

## Recreation Services

The FY2012-13 budget for Recreation Services totals $6,692,808, which reflects a decrease of 1.6 percent when compared to FY2011-12. The decrease is the result of targeted reductions within the section, including moving one vacant Recreation Coordinator II position to the hold complement. These decreases are offset by increased retirement, group life, and health care costs for all employees, $40,000 for part-time staff for the Dabbs House Tourist Information Center, and $60,000 for the new tourism section under Recreation. The new Tourism section will develop a marketing plan to attract visitors to Henrico County as a sports tournament destination and as a County with a rich history 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 $165,348 in FY2012-13.

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 offset a majority of the funding for the replacement of furniture. This fee was approved in FY2001-02 and the replacement furniture expenditures program was approved in the FY2002-03 budget.

The Recreation Services section is organized into two sections: Recreation Programs/Services and Tourism, History, Sports and Special Events. The Recreation Programs/Services area is responsible for the programs and activities for Community Recreation, Cultural Arts, Outdoors, Pre-School, Therapeutics and Seniors, as well as the program facilities Three Lakes Nature Center, and Henrico Theatre. The Recreation Programs/Services section includes all of the Recreation and Community Centers, and the Osborne boat landing.

The Tourism, History, Sports and Special Events section is responsible for the new tourism focus for the Division, including operating the Dabbs House Tourist Information Center. This section is also responsible for the preservation of the County's historic structures and artifacts as well as providing museum services and programs at the County's historic sites.

The Sports and Events section is responsible for the coordination of tournaments, the scheduling of athletic fields and gymnasiums, and producing programs such as the summer basketball camps, summer golf camp, employee golf league, tennis leagues, youth basketball, and adult sports leagues including softball, kickball, lacrosse, volleyball and disc golf. As part of scheduling athletic fields, the County hosts a number of athletic tournaments throughout the year. In FY2010-11, there were 11 tournaments that attracted participants from outside of the Richmond Metropolitan Area that had an economic impact of $29,767,296 for Henrico County.

The Special Events staff offers events in the parks that are free to the public including the Old Fashioned Fourth of July, Harvest Festival, Monster Mash, the Parade of Lights, ice cream socials, skating exhibitions, outdoor movies, and community events in the parks. This section handles reservations to rent park areas and equipment, manages the school use permits, schedules off duty police assignments, and manages the park caretakers.

## Park Services

In the area of Park Services, the budget for FY2012-13 is $8,518,381, which represents an increase of $257,893, or 3.1 percent when compared to the FY2011-12 approved budget. The personnel component reflects an increase of $52,531, or 1.0 percent due to increased projections for retirement, group life, and health care costs as well as a new position, an Equipment Operator I, for the maintenance of Twin Hickory Park, which is a project approved by the citizens in the 2005 G.O. Bond Referendum. These increases are offset by targeted personnel reductions, including the moving of one vacant Maintenance Assistant I position to the hold complement.

Along with the new position, the operating component of the Park Services budget is projected to increase $168,795. This is a result of operating costs for Twin Hickory Park being included in the FY2012-13 budget.

The capital outlay component of the Park Services budget totals $653,990, which reflects an increase of $36,567, or 5.9 percent. This increase is associated with mowing and maintenance equipment for Twin Hickory Park. The remainder of capital outlay includes both the equipment replacement program and the facility rehabilitation program.

The equipment replacement program was initiated in the FY2008-09 approved budget in order for necessary equipment to be replaced on a regular replacement schedule. In FY2012-13, a power rake, an aerator, a pole saw, a hedge clipper, a rotary sports turf mower, an out-front deck mower, a parking lot striping machine, an equipment trailer, a PTO deck mower, two turbine blowers, a replacement scoreboard, a sand pro/rahn groomer, two 10' x 20' canopies, twenty stacking chairs, a portable generator, miscellaneous replacement appliances, ten weed trimmers, four hand blowers, four backpack blowers, a floor cleaner, and two dispense and vac systems will be replaced through the fund for a total of $178,823.

The Facility Rehabilitation portion of the budget totals $377,600 in the FY2012-13 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 at a variety of Recreation facilities, field renovations, padding and windscreen replacements at Glen Allen Stadium, parking lot projects, and HVAC, roofing, and fencing projects. This is in addition to the Division's Facility Rehabilitation program that is included in the County's Capital Improvements Program.

The Parks Services section underwent reorganization in FY2011-12 to align its service areas by function. 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 the parkland and maintenance of the trails and play equipment. The Resources section is responsible for the custodial operations and the event set-ups and take-downs. The Park Manager's staff includes the Storekeeper and the finance and clerical staff.

Anticipated departmental revenue equals $653,000 for FY2012-13, which reflects no change when compared to FY2011-12. Recreation generates revenues through program fees and facility rentals.

During FY2011-12, the Division plans to complete several projects including: parking lot projects at Laurel Recreation Area and Three Lakes Park, roof projects at Dorey Park, Deep Run Park, Meadow Farm, Seven Pines concession, and Cheswick Park, HVAC projects at Dorey baseball, Johnson concession, Short Pump concession, the West Maintenance Facility, Hidden Creek Recreation Center, and the Armour House, turf projects at Tuckahoe Park and the soccer fields adjacent to Wilder Middle School, fencing projects at Varina Recreation Area, Seven Pines, Moody Middle School and Klehr Field Recreation Area, various painting, power washing and staining projects for decks, gazeboes, shelters and other structures, and improvements at the Stadium at Glen Allen.

# LIBRARY

## Description

The Henrico County Public Library (HCPL) delivers a variety of informational and recreational services to residents of all ages. These services include professional information staff who expertly answer customers' questions, a comprehensive and timely materials collection, programming for children, teens, and adults; computer classes, book discussion groups, and more.

HCPL also offers a number of electronic and online services at more than 424 public workstations and loanable laptops and netbooks located throughout the system, including a web-based Library Catalog, access to the Internet and electronic information resources. All electronic databases are available remotely. Wireless access (wifi) is available at all public library locations. The library also provides mobile library services to daycare centers and retirement communities.

## Objectives

- HCPL customers will be offered a responsive and relevant collection that is available in a timely manner.

- The Library System will offer services and programs that reach out to Henrico County's changing population in ways that respond to their unique and diverse needs.

- To provide customers with a positive experience that meets their needs and expectations and that enriches community life.

- To supply citizens with information related to services provided by community agencies and organizations.

- All libraries will be welcoming and engaging places that proved maximum accessibility and an array of spaces to meet the community's growing needs.

## Budget Highlights

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. HCPL anticipates and responds to the needs of the community that is focused on literacy and education.

The library serves the County's diverse community by assisting customers in finding the information that they want or need often using a variety of formats. This service is available not only through the

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 10,127,273 | $ 10,696,787 | $ 10,819,303 | 1.1% |
| Operation | 4,049,280 | 5,176,129 | 4,195,194 | (19.0%) |
| Capital | 52,577 | 45,000 | 45,000 | 0.0% |
| Total | $ 14,229,130 | $ 15,917,916 | $ 15,059,497 | (5.4%) |
| | | | | |
| Personnel Complement | 168 | 168 | 166 * | (2) |

*Two vacant positions are being moved to the "hold" complement in FY2012-13.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Annual Circulation of Materials | 3,905,151 | 3,983,254 | 4,062,919 | 79,665 |
| Customer Visits | 2,046,163 | 2,097,317 | 2,202,183 | 104,866 |
| Program Attendance - Children | 50,508 | 50,508 | 51,013 | 505 |
| Program Attendance - Teen/Young Adult | 3,168 | 3,168 | 3,200 | 32 |
| Program Attendance - Adult | 8,900 | 8,900 | 8,989 | 89 |
| Number of Holds Requested by Customers | 325,610 | 333,750 | 350,438 | 16,688 |
| Number of Holds Filled - Inside Library | 254,626 | 260,992 | 274,041 | 13,050 |
| Number of Holds Filled - Drive Up Window | 53,980 | 55,330 | 58,096 | 2,766 |
| Number of Library Cards Issued | 19,212 | 19,404 | 19,598 | 194 |
| Number of Classes Taught | 235 | 235 | 237 | 2 |
| Total Class Attendance | 1,922 | 1,922 | 1,941 | 19 |
| Number of Volumes Added | 114,422 | 114,422 | 114,422 | 0 |
| Outside Use of Meeting Rooms | 85,382 | 87,517 | 89,704 | 2,188 |
| Outside Use of Study Rooms | 31,064 | 31,996 | 32,956 | 960 |
| Materials Provided to Other Library Systems | 2,020 | 2,020 | 2,020 | 0 |
| Materials Provided by Other Library Systems | 1,693 | 1,693 | 1,693 | 0 |
| **Efficiency Measures** | | | | |
| Number of Self-Service Check-Out Transactions | 1,529,077 | 1,605,531 | 1,685,807 | 80,277 |
| Number of Self-Service Check-In Transactions | 1,209,787 | 1,270,276 | 1,333,790 | 63,514 |
| Number of eBook Transactions | 31,588 | 47,382 | 71,073 | 23,691 |
| Number of Library Catalog Visits | 826,159 | 908,775 | 999,652 | 90,877 |
| Number of Library Web Site Visits | 1,312,103 | 1,443,313 | 1,587,645 | 144,331 |
| Number of Database Document Retrievals | 385,804 | 424,384 | 466,823 | 42,438 |
| Total Number of Library Cards | 245,029 | 249,930 | 254,928 | 4,999 |
| **Effectiveness Measures** | | | | |
| Reference Questions Answered | 818,857 | 900,743 | 990,817 | 90,074 |
| Number of Customers Using Public Workstations | 185,892 | 189,610 | 193,402 | 3,792 |
| Number of Sessions Using Public Workstations | 535,166 | 545,869 | 556,787 | 10,917 |
| Number of Public WiFi Connections by Customers | 193,622 | 232,346 | 278,816 | 46,469 |
| Number of Titles in Collection | 324,527 | 324,527 | 331,018 | 6,491 |
| Number of Volumes in Collection | 860,640 | 869,246 | 886,631 | 17,385 |
| Number of Electronic Databases Available* | 26 | 26 | 26 | 0 |
| Number of Volunteer Hours Used | 7,451 | 7,600 | 7,752 | 152 |

*Includes Find It VA databases from the State

traditional customer visits to any of the 11 library facilities, but also through the expanding "virtual branch" available online 24/7 that provides the community with expanding e-services. To accommodate these changing needs, Henrico libraries are home to over 424 public computer workstations, including 63 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 as well.

The Department's approved budget for FY2012-13 totals $15,059,497. This represents a decrease of 5.4 percent or $858,419 from the approved FY2011-12 budget, attributable to reductions in the operating component of the budget. Significant line item decreases include the removal of technology replacement in the amount of $670,036, as well as an 8.2 percent, or $150,000 reduction in Books and Subscriptions. In addition, two vacant positions are being moved to the hold complement in FY2012-13.

Listed below are some of the Library System's highlights:

**Henrico County's 400th Anniversary**

The Henrico County Public Library (HCPL) has continued to partner with other Henrico County agencies as the entire community celebrated Henrico County's 400th Anniversary throughout 2011. The library offered special historical programs, book discussions, author visits, and participated in county-wide community events to highlight Henrico County's heritage. One of the children's librarians created a Time Machine so that "Richard Byrd," appeared at the County's special Aviation Day Celebration at the Airport to highlight Henrico's past. Children and adults both enjoyed the Time Machine's appearances at the Hunt for Henrico History events when Patrick Henry and other colonial celebrities entertained and educated the audience. Children enjoyed the American Girl parties for young girls that also celebrated Henrico County's historic past.

**Notable Henricoans Database**

As a special project for the County's 400th Anniversary, the Notable Henricoans Database was launched October 1, 2010, and has become a valuable online resource for the community and beyond. Working with members of a 400th Anniversary Commission special committee, library staff did significant research to identify deceased Henrico citizens who met the criteria for inclusion in the database. Information about these local individuals was scattered throughout many documents and now has been pulled together into this database for easy access. This project will serve as a model for online publishing of local historical information. The database has approximately 200 individuals, and there have been approximately 2,609 visits to the pages. HCPL is proud to continue to support this valuable and unique community resource.

**ALL HENRICO READS**

The ALL HENRICO READS event held on April 5, 2011, at Glen All High School was sponsored by the Henrico County Public Library and Henrico County Public Schools with a special focus on the Henrico County 400th Anniversary. The internationally and nationally renowned author, David Baldacci, who is a native of Henrico County, was the featured speaker. With significant funding support from the Friends of the Henrico County Public Library, a reception for special guests and members of his family was held prior to the evening program. Over 1,300 individuals from the entire Richmond area and beyond attended the evening event, with approximately 2,000 Henrico middle and high school students coming to hear him during the day. After the evening event, he stayed until nearly 400 books were signed. This literary celebration would not have been possible without the support of the 400th Anniversary Commission, the Friends of the Henrico County Public Library, Henrico County Public Schools, and the Henrico Education Foundation.

**Summer Reading Club**

The Summer Reading Club also capitalized on Henrico's 400th Anniversary Celebration, with its theme of "What's Your Story," featuring programs highlighting Henrico County's story from the year 1611 to 2011. A record number participated in the Summer Reading Club, with another record broken for those who completed their reading goals. Nationally-known children's entertainer, Bill Harley, was the Summer Reading Club kick-off performer. Bill's hilarious performances were presented to enthusiastic crowds. Capitalizing on the previous year's suggestions from the community, prizes were streamlined, with only one theme and logo, instead of different ones for each age group. The extremely sought-after grand prize, an iPad, was bought by the Friends of the Library for each age group's winner. Children's participation increased by 109 percent, teen's 765 percent and adults' increased by 1,125 percent! The number of library participants who completed their reading goal doubled in this one year to over 6,800.

**OverDrive Digital Bookmobile**

Responding to the overwhelming interest in eBooks and eAudiobooks, the Henrico County Public Library hosted the OverDrive Digital Bookmobile in October at the Tuckahoe Area Library parking lot as part of its national tour. The high-tech 74-foot, 18-wheel tractor-trailer came equipped with broadband Internet-connected PCs, high definition monitors, premium sound systems, and a variety of portable media players. Hands-on learning stations gave visitors an opportunity to search Henrico library's digital media collections, use mobile devices, and download and enjoy eBooks, eAudiobooks, and more. Over 700 members of the community visited the truck and learned more about HCPL's digital collection. A Nook eReader was given away each day as part of a raffle sponsored by the Friends of the Henrico County Public Library. HCPL has already offered eReader "clinics" for the public, and one trained librarian at each site will be the "go-to" person for troubleshooting problems with the e-formats.

**The Library as a Place in the Community**

The library also serves as a community gathering place. Some customers come seeking a quiet haven from the noise of shopping areas or traffic. Others are interested in using the newest online technologies to research a topic or reserve a meeting room for their group's program. Library cardholders being able to reserve one of the library's conference, meeting and/or study rooms has proven to be one of the libraries' most popular features. This past year the reservation process was streamlined. Approximately 89,398 members of the community booked rooms, reflecting a 3,000 person increase in use with a significant decrease in staff time previously used to manage the rooms. The change to a more self-serve model has worked well. All of these services are available to anyone who has an HCPL library card.

**Gayton Library Closing**

The Gayton Branch of the Henrico County Public Libraries, located at 10600 Gayton Road, Henrico, VA, temporarily closed for renovation work on April 23, 2011, and will reopen sometime in 2012. This Henrico County construction project was made possible by the 2005 General Obligation Bond Referendum. Library services to the Gayton Library customers will continue to be provided at the Tuckahoe and Twin Hickory Area Libraries. The Gayton Branch Library, which opened in 1988, will have a more comfortable, open interior, new teen space, an updated collection, remodeled meeting room with new technologies, an improved study area, more self check machines, and an automated book return.

**CUSTOMER SERVICE/PUBLIC SERVICE ACHIEVEMENTS**

**Library Cafés are Back**

After closing briefly, the Tuckahoe and Twin Hickory Cafés have reopened into a more self-service format with vending machines. Families enjoy having an area to sit with their family and enjoy food and a beverage, and teens have used the space to chat and work on homework together.

**Redesigned Website**

The HCPL website continues to be updated and redesigned to respond to the community's needs and to reflect the community's growing interest in e-formats. The homepage now has large icons that directly link to digital content. Library visitors can link directly to eBooks and eAudiobooks available from Overdrive. An icon for the free music download service Freegal, has already provided 685 individuals over 5,200 songs, which they have download to their personal computer or listening devices. Immediately after adding this icon to the homepage, use of the service significantly increased. The youngest children's e-collection called Tumblebooks has also been moved to the Homepage for parents to find easily. Icons for HCPL's social media pages (Facebook, Twitter, Flickr, and the library blog) are also prominently featured.

In an effort to better advertise library programs to the community, the monthly program highlight press release can be accessed directly from the home page, and the eNewsletter carried the notice that this feature will continue to be available. This will give customers another option instead of looking for programs through the library software, Evanced.

**Improved Computer Availability**

At Sandston and Varina libraries, physical space had limited the number of computer workstations that was available for the public. This year netbooks were purchased that may be checked out from the desk for library members to use in the library, which provides greater access to the web. This strategy has greatly increased the computer availability at these two libraries.

**WiFi Continues to be Popular**

WiFi continues to be extremely popular in all libraries, particularly with the ongoing economic challenges facing the community. With the increased numbers of citizens cutting back on their personal expenses at home, this has proven to be a valuable service. Using their HCPL card, members can come in with their laptops and use the library network to access email and the Internet. Many individuals are using this service to look for and apply for jobs using the Public Library's online resources. There have been over 224,615 WiFi connections in 2011 (almost doubling last year's number), reflecting an enormous growth in the public's use of this service.

**Social Media**

HCPL exhibited a leadership role in researching how social media could enhance communications with the community and has offered workshops for various county agencies interested in using social media. The public library continues to offer help to members of the community that are still new to the Web 2.0 technologies. These sites have already captured significant online subscribers. Facebook followers now number 541 with 71 added since September 2011. More and more are subscribing each week, and there are currently 307 followers on Twitter. The Public Library's blog had 4,758 views from the community, with May 2011 being the busiest. Flicker photos featured on each of the library's branch pages continue to attract the most visitors, with 3,172 photos having a combined total of 81,000 views in 2011. This tool has become particularly effective in keeping the community up-to-date when a public library is undergoing reconstruction or remodeling such as Gayton.

**New Online Newsletter**

With an ongoing commitment to explore new ways of communicating with the community, HCPL launched an online monthly email newsletter in October. With the stipulation that the subscribers must opt-in to receive the newsletter, over 500 people are already subscribed and there are incentives provided for subscribing. After two editions, the most popular feature so far has been the Book & Author Question of the Month where the first person getting the correct answer wins a $25 gift certificate, provided by the Friends of the Library, to a local bookstore.

**NATIONAL AND LOCAL AWARDS**

Henrico County Public Library again was honored to have been recognized with one national and two state awards. Henrico County Public Library (HCPL) was recognized once again with a NACo (National Association of Counties) award for the 400th Anniversary Notable Henricoans Database in celebration of Henrico County's 400th anniversary. The unique database can be used by people of all ages throughout the world who have interest in persons important to Henrico County history. Following the commemoration year, the database will continue as an online resource through Henrico's public library website.

The public library received two awards from the Virginia Public Library Directors Association (VPLDA) at its conference held in April. HCPL received the Outstanding Public Relations Award for the Henrico County 400th Anniversary Database that serves as a model of online publishing that other public libraries or county agencies may copy. The database provides quick and easy access to local historical information. The library also received the Outstanding Service Innovation award for development and implementation of workshops for childcare providers. Staff conducted these workshops so that childcare providers could improve their knowledge and skills about using books with preschool children. Twelve workshops were held over a nine-month period last year, which were attended by 202 participants. This training fills their need for continuing education credits, and continues to highlight the educational role that the public library plays in the community.

**PARTNERING OPPORTUNITIES**

**Henrico's Department of Recreation and Parks**

For the third year, HCPL Youth Services has collaborated with Henrico County Division of Recreation and Parks to augment the summer camp programs with books and book-related activities. Teen and Children's staff made presentations to camp staff during Recreation and Parks' annual training week at Deep Run Recreation Center in late June.

The presentation for the 2011 Summer Blast program for elementary children featured books and activities based on the themes for the camp sessions. The resource manual for camp staff included a section of books and activities that was compiled by a committee from children's services. Camp staff were encouraged to include reading aloud as part of the daily activities at the camps. In addition, a box of 50 books was provided to each of the 25 camp locations so that the campers would have access to books during the summer program. The boxes rotated throughout the summer, so that fresh titles were available during each camp session.

The Teen Scene camps included presentations about books and reading. The program encouraged teens to read during the camp day. Bins of 100 teen paperbacks were provided to each camp. Teens who read a book were able to fill out a slip and put it in a box during each session to qualify for a raffle. Teen library staff visited each camp to draw prizes during the second week of the session. Teen participants had an opportunity to win journal notebooks, and one $10 Target gift card was also awarded at each drawing. All teens who read a book also received a glitter temporary tattoo. The program was held at each of the six Teen Scene locations throughout the county.

**VISITING AUTHORS**

**Bill Lohmann**
As the final Friends of the Library annual meeting and author event, local journalist, Bill Lohmann, entertained over 100 Friends members at the Tuckahoe Area Library on May 20 with his charming stories about his travels across Virginia. His first book, *Are We There Yet: A Modern American Family's Cross-Country Adventure*, was an extremely successful narrative about his family adventures traveling across the US. He came back to this familiar format with *Backroads & Byways of Virginia* that shared stories from some of the most remote areas. The book is also filled with a rich heritage of folklore and family sagas.

**Meg Medina**
In celebration of Hispanic Heritage Month, children's librarians invited local author, Meg Medina, to talk about her new book, *Tia Isa Wants a Car*. Ms. Medina shared stories from her childhood about her own "Tia Isa" and explained how those memories became the basis for this book. She also displayed sketches from the illustrator, and talked about how an author and illustrator work collaboratively to create the final product. After her presentation, the children designed personalized license plates and bookmarks to go along with the automotive theme. *Tia Isa Wants a Car* was named as a Junior Library Guild selection last fall.

**400th Anniversary Authors & Programs**
Library staff worked to identify local authors whose works were in some way related to Henrico County's history as support for the 400th Anniversary Celebration. Ruth Doumlele's book, *The Randolph Women & Their Me,* shares an intriguing inside look at the secrets, sorrows and triumphs of this celebrated Henrico family from 1780-1840. Local paranormal author, Beth Brown, presented the history and haunts of several of the county's most notable locations including battlefields, taverns, homes, and more. Also, storytellers Donna Washington, one of America's most celebrated storytellers, and Katherine Louis, a local storyteller, dramatized tales about contemporary African American culture as part of Black History Month.

Jeffrey Ruggles, local historian and author of *Photography in Virginia,* explored the role of photography in Virginia history using visual materials. He described not only the technological progress of photography, but also who was making pictures and why. John Wiley, Jr., co-author of *Margaret Mitchell's Gone with the Wind: Odyssey of a Bestseller from Atlanta to Hollywood*, offered a dramatic and humorous look at the 75-year history of the most popular American novel of all time. In addition, an exhibit of rare items from Wiley's *Gone With the Wind* collection was on display at Tuckahoe Library.

**PROGRAMS AND ACTIVITIES**

**Technology Workshops for Seniors**
Teen Advisory Board members from Dumbarton and North Park libraries assisted Seniors seeking to improve their computer skills, with a unique opportunity for one-on-one assistance. Participants learned from the savvy teens how to play computer games and discovered that these games are a great way to improve motor skills, memory and just have fun. Other sessions covered Email and Skype.

**Babysitting**
The Henrico Extension Office once again offered their annual babysitting workshops at the Dumbarton,

Sandston, and Twin Hickory Libraries. The workshops continue to be well attended.

**Money Camp**
The Virginia Credit Union presented a weeklong Teen Summer Money Camp highlighting the importance of saving and budgeting, selecting a career, buying a car, renting vs. buying a home/house, and the basics of investing.

**Multicultural Community Outreach**
HCPL continues to explore its role in helping to support families whose native language is not English. This year's focused efforts to reach out to the Latino and Hispanic communities were highlighted with three signature community events.

**ESL Conversation Cafés**

The Henrico County Public Library continues to work with the Welcome Center for Henrico County Public Schools to distribute flyers to families of ESL students to inform and attract those new to the Henrico community to participate in the library's ESL Conversation Cafés. Although the attendance has been steady, the true success of the program has come in the stories of how this opportunity has helped these members of the community to get jobs, to open their own businesses, and to be more comfortable communicating. Programs have continued two evenings a month at Dumbarton and Tuckahoe Libraries.

**Virginia Hispanic Chamber of Commerce Job Fair**
On Saturday, July 16, 2011, HCPL participated in the **Virginia Hispanic Chamber of Commerce Job Fair** held at the Arthur Ashe Center. The Multicultural Committee members and the Bookmobile staff distributed information about job searching to event goers. Children enjoyed spinning HCPL's prize wheel for prizes. The annual job fair was a great opportunity for HCPL to meet and greet the Hispanic community. Approximately 3,500 participated in the event.

**¿Qué Pasa? Festival of Virginia**
Library staff once again participated in the Virginia Hispanic Chamber of Commerce's ninth annual ¿Qué Pasa? Festival at the Science Museum of Virginia in celebration of National Hispanic Heritage Month. HCPL was one of the more than 100 exhibitors who collectively featured games, prizes, program handouts, and information about becoming a library member, and this information was shared with approximately 5,000 people who attended the festival.

**STAFF TRAINING**

HCPL continues its commitment to ongoing staff development and professional improvement for all employees so that they can better serve library patrons and keep abreast of the rapidly changing information technologies that are available for consumers.

**Staff Development Day**
The third annual event for all library staff was held in December 2011 at the Deep Run Recreation Center. The keynote speaker was Mickey Coalwell, the Library Development Consultant for the Northeast Kansas Libraries, who talked about how library staff can become advocates in the community and beyond. The event also highlighted the Library's Excellence in Public Service Award winners, and an update on the pending Library Services Plan and survey. Cindy Angus, the Wellness Director of the YMCA of Greater Richmond, concluded each day's session with a lively and fun session on stress management.

**COLLECTION**

HCPL continues to provide a collection of materials in a variety of traditional and newer formats – print, electronic, online, multimedia, etc. Based on the responses from the recent public library survey, the community is extremely interested in having e-formats available in the public libraries. The library members like the idea of being able to not only access digital content such as database information 24/7 from home, but also being able to check out books online and download them to their personal computers or other digital devices 24/7 from wherever they are. Visitors to the OVERDRIVE exhibit at Tuckahoe this past fall expressed their delight in still being able to check out books and even read them during inclement weather, without having to drive to the library.

The online version of Morningstar Investment Research Center was added to the money management databases this past year, replacing the former print version. These resources provide historical and current information about the value of investments, a variety of professional opinions and advice regarding financial questions, and personal money management tools.

Many of the library databases include eBooks as a separate format to accompany the unique research and information developed for that resource. For example, Grolier Online (America the Beautiful, Encyclopedia Americana, New Book of Knowledge), Encyclopedia Britannica, and Gale Virtual Reference Library are a few that now include eBooks for research and reference purposes.

**E-Formats**

Acknowledging the popularity of e-formats, HCPL's total e-book collection size is over 16,660. The e-audiobook collection size is now over 3,000, and the collection of popular downloadable e-audiobooks that are compatible with the iPod is now over 1,200 and will continue to grow. HCPL will continue to monitor publishing trends, working to purchase the formats that are stable, popular, and that are available to public libraries.

Henrico also continues to modify and update its database collection. With currently 45 databases available to all library members 24/7 from any location with an Internet connection, the public library's education role has significantly expanded. Immediately updated information concerning business and finance, health and medicine, travel and foreign languages, and careers and job assistance has become extremely popular as community members need to retool, learn new skills, and update their knowledge in a given field. Even the youngest library members have a children's book database available to teach them early literacy skills.

**TECHNOLOGY**

IT staff has recently completed updating the library's computer systems with large, clear display monitors and machines loaded with Windows 7 and Office 2007 products. Upgrades were made to the network that resulted in reduced costs and increased speed at most locations. All self-check equipment at the libraries has been updated and expanded making these operations much more reliable and easier to use.

Responding to community feedback, HCPL expanded filtering to allow Facebook and Twitter accounts to be accessed by teens and on the check-out laptops. New library kiosk payment centers have been installed that are easier for our library members to use to deposit funds, check their account balances, and even print receipts.

Working with Henrico's security team, overhead paging and announcement systems were installed at older libraries to broadcast emergency messages to the library.

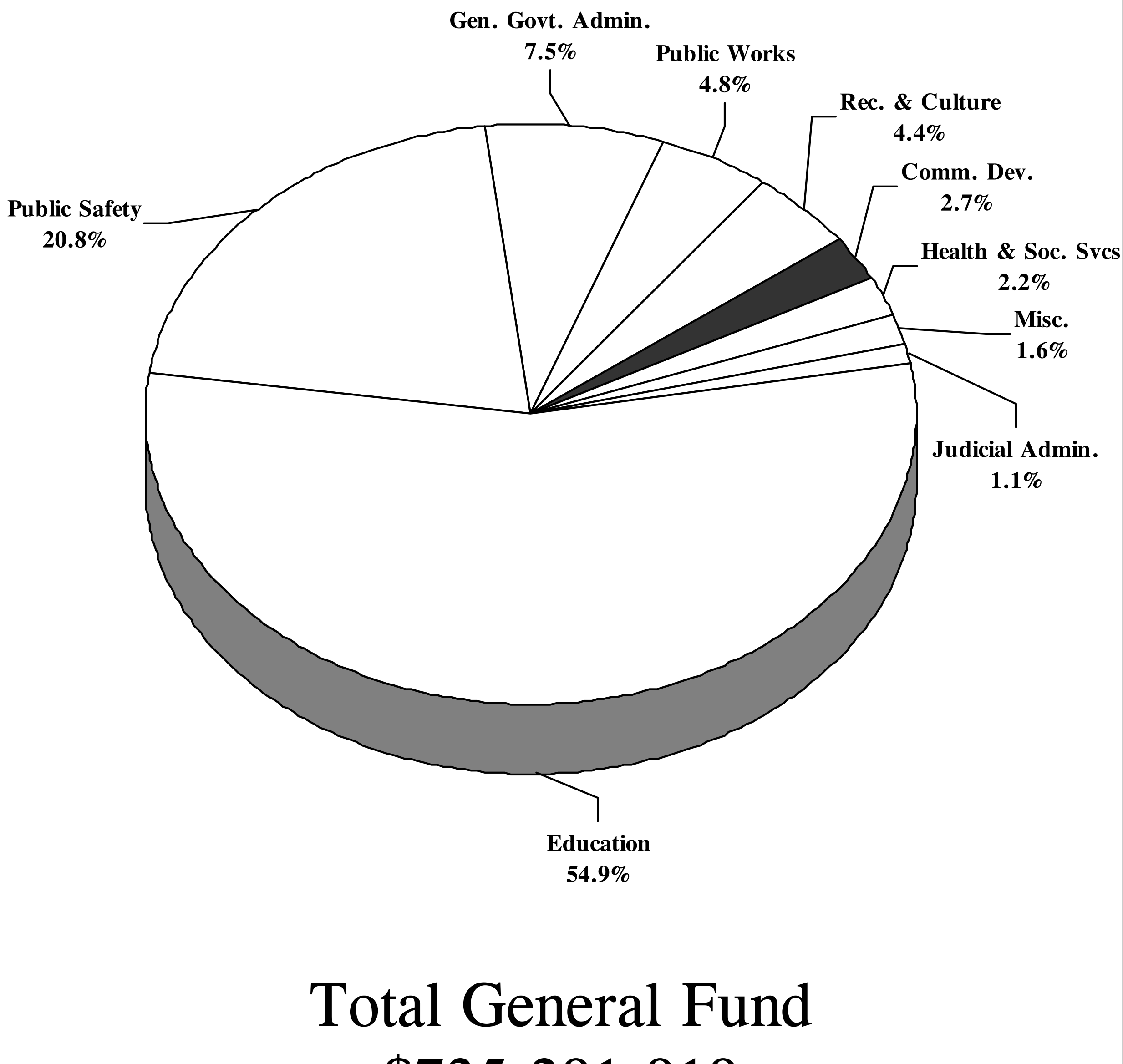
One of the most requested technologies – a mobile app for phones – will provide online visitors a brand new mobile tool with amazing flexibility. Library members will be able to use their phones to easily scan the catalog, get a program listing, pay a fine, or even reserve a room. Henrico Public Library is in the final stages of making this newest technology available for the community.

**Summary**

Despite the challenges of the economy, the Henrico County Public Library is aggressively growing and changing to meet the information needs of the community. As one of HCPL's top priorities, library staff will continue their efforts to provide the exceptional public service that was repeatedly recognized in the recent public library survey. As evidenced by the many new initiatives, HCPL will continue to look for new ways of reaching out and serving the community, as new educational opportunities are provided for all Henrico citizens. As many customers come to the library to retool, to look for a new job, or to find a book that helps them to escape, library staff are ready to serve their needs and to identify sources and programs that will inform, entertain and inspire them.

# COUNTY OF HENRICO, VIRGINIA

## Community Development
## $19,762,124




## Total General Fund
## $735,291,919

**COUNTY OF HENRICO, VIRGINIA**
**COMMUNITY DEVELOPMENT - GENERAL FUND**
**FY 2012-13**

| Department | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| Economic Development | $12,757,803 | $12,474,686 | $13,234,709 |
| Planning: | | | |
| Administration | 3,474,617 | 3,744,856 | 3,623,663 |
| Board of Zoning Appeals | 147,813 | 148,650 | 148,650 |
| Total Planning | 3,622,430 | 3,893,506 | 3,772,313 |
| Community Revitalization | 1,399,734 | 1,534,445 | 1,516,392 |
| Agriculture and Home Extension | 340,750 | 351,596 | 354,492 |
| Permit Center | 865,676 | 804,742 | 884,218 |
| Total Community Development | $18,986,393 | $19,058,975 | $19,762,124 |

# ECONOMIC DEVELOPMENT

**Description**

The Economic Development Authority was created as a political subdivision of the Commonwealth of Virginia and, as such, may issue tax exempt bonds for the purpose of promoting industry and developing trade, by inducing desirable businesses to locate or remain in the County. The bonds and notes financed by private lenders for approved projects do not constitute a debt of the Commonwealth, the County, or the Authority. The debts are repaid solely from the revenues and receipts derived from the projects.

In 1984, the Authority was designated as the official economic development organization for the County of Henrico, and was authorized to undertake those activities necessary to accomplish the County's economic development goals. Although the Authority is officially independent of the County, it works closely with the County government and receives support in the form of an annual operating subsidy. This budget includes that subsidy. Reimbursements for expenditures are subject to the same controls as other County departments.

**Objectives**

- To increase the number of successful locations of new businesses in Henrico County.
- To conduct a successful business retention program.
- To create employment opportunities and to increase the nonresidential tax base.
- To increase the number of corporate inquiries and prospect visits to Henrico County.
- To promote the retention and expansion of existing major primary corporate businesses.

**Budget Highlights**

In addition to supporting the daily operations of Henrico's economic development activities, this budget for FY2012-13, contains the County's $370,000 share of contributions to the Greater Richmond Partnership, a total of $2,053,870 for the Richmond Metropolitan Convention and Visitor's Bureau (RMCVB), and $10,000 for the Virginia High Speed Rail Development Committee.

Since FY1997-98 the County's share of the Richmond Center Expanson Project, funded with Hotel/Motel Tax Revenues, has been included in this budget. Beginning in FY2000-01, the entire 8.0 percent

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 0 | $ 0 | $ 0 | 0.0% |
| Operation | 3,291,141 | 3,270,886 | 3,570,909 | 9.2% |
| Capital | 2,165 | 3,800 | 3,800 | 0.0% |
| Sub-Total | $ 3,293,306 | $ 3,274,686 | $ 3,574,709 | 9.2% |
| Other Payments | 9,464,497 | 9,200,000 | 9,660,000 | 5.0% |
| Total | $ 12,757,803 | $ 12,474,686 | $ 13,234,709 | 6.1% |
| | | | | |
| Personnel Complement* | N/A | N/A | N/A | N/A |

* Six employees are supported by the County in this budget, but are not in the County's Complement. Another employee, currently paid with EDA Funds, will be supported by the County as of January 1, 2013.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Effectiveness Measures** | | | | |
| Value of New Capital Investments | $313,650,000 | $50,000,000 | $50,000,000 | 0 |
| Announced New Business Establishments | 7 | 12 | 12 | 0 |
| Announced New Jobs Created | 333 | 750 | 750 | 0 |
| Investment From Business Expansions | $139,851,600 | $75,000,000 | $75,000,000 | 0 |
| Business Expansions and Retentions | 19 | 20 | 20 | 0 |
| Jobs Created - Expansions and Retentions | 1,856 | 750 | 750 | 0 |
| Projects Generated (New and Existing) | 69 | 75 | 75 | 0 |

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 FY2012-13, $9,660,000 is budgeted for the Richmond Center Expansion Project.

Members of the Authority's staff are not included in the County's complement since they are paid by the Economic Development Authority. The majority of the funding for these positions is provided by the County.

The FY2012-13 approved budget for the Economic Development Authority is $13,234,709. This is an increase of $760,023, or 6.1 percent from the FY2011-12 approved budget. The entire increase can be attributed to an increases in the payments to the Richmond Center Expansion Project and the RMCVB that each pass through this budget.

Other Payments, which is comprised of the Richmond Center Expansion Project are budgeted at $9,660,000, which is a 5.0 percent increase over the approved FY2011-12 budget.

The following historical information is noted:

What follows is a table of RMCVB funding budgeted in the previous five fiscal years.

| | |
|---|---|
| FY2011-12 | $1,750,847 |
| FY2010-11 | $1,750,847 |
| FY2009-10 | $1,945,101 |
| FY2008-09 | $1,805,189 |
| FY2007-08 | $1,750,847 |

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

| | |
|---|---|
| FY2011-12 | $370,000 |
| FY2010-11 | $370,000 |
| FY2009-10 | $370,000 |
| FY2008-09 | $390,000 |
| FY2007-08 | $390,000 |

# 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 of the operation of the office.

**Objectives**

- To provide a comprehensive planning program with an emphasis on urban design in order to provide both public and private decision makers with a more informed basis for land use decisions and growth management.

- To continue an enforcement program that obtains compliance with the code for new development as well as correcting zoning and subdivision violations.

- To provide timely services to the public, other agencies, and technical and administrative support to the Board of Supervisors, the Planning Commission, and the Board of Zoning Appeals in matters relating to the Comprehensive Plan, zoning and subdivision ordinances, building permits, plans of development, subdivisions, use permits, variances, rezoning and enforcement of zoning regulations.

- To encourage the continued economic development of the county by continuing to work with the Economic Development Authority, developers, their representatives, and the general public to facilitate and expedite their requests for development approval or general planning assistance.

- To improve and protect the health, safety, and welfare of Henrico citizens consistent with the Code of Virginia, policies, ordinances, and resolutions adopted by the Board of Supervisors with good land use planning and zoning practices.

- 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.

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 3,387,888 | $ 3,514,616 | $ 3,457,661 | (1.6%) |
| Operation | 231,909 | 370,890 | 306,652 | (17.3%) |
| Capital | 2,633 | 8,000 | 8,000 | 0.0% |
| Total | $ 3,622,430 | $ 3,893,506 | $ 3,772,313 | (3.1%) |
| | | | | |
| Personnel Complement | 49 | 46 | 43 * | (3) |

*Three vacant positions were removed from the complement.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Reviews Completed by Dev. Review & Design | 300 | 270 | 300 | 30 |
| Zoning Petitions & Provisional Use Permits | 51 | 56 | 56 | 0 |
| Variance and Use Permits Processed | 36 | 37 | 37 | 0 |
| Maps Prepared | 1,036 | 819 | 1,000 | 181 |

- To continue to maintain effective and efficient procedures for meeting legal requirements that set forth maximum time periods within which activities must be accomplished.

- To implement decisions of the Board of Supervisors and the policies of the County Manager related to Department of Planning responsibilities.

**Budget Highlights**

The Department of Planning's approved budget for FY2012-13 is $3,772,313, which represents an overall decrease of $121,193 or 3.1 percent from the previous approved budget. Personnel expenditures decreased by a net difference of $56,955 or 1.6 percent. This decrease was driven by the removal of three vacant positions from the complement and the increase in departmental vacancy savings. The decrease in personnel was offset by the rising VRS, VRS life insurance, and health care expenditures for remaining personnel.

The operating component decreased by $64,238 or 17.3 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 increase efficiencies. In addition, this decrease also reflects the County-wide adjustment in technology replacement.

The capital component remains flat for FY2012-13 and is forecasted at a total cost of $8,000. This funding will provide for replacement of various types of small computer equipment and office chairs.

The Department of Planning's mission "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. Three new ordinances are pending and the department is about to undergo a complete assessment of the zoning and subdivision ordinances. These will have a significant impact on work flow.

Planning provides geographic and demographic management for certain GIS layers and statistical data used by most departments within the county, a recent high profile project being redistricting. 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), special committees for the General Assembly, and VCU. The department assists in reviewing impacts of adjacent development such as the approved Goochland landfill; examining best practices with nearby localities; and review of adjacent localities' comprehensive plans to determine impact on county residents and businesses. The department also organizes, as needed, and participates, as requested, in numerous community 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 was recently instrumental in the county's success in acquiring and relocating a historical resource, the Springfield School, which was otherwise marked for demolition. The department spends countless hours in providing zoning code interpretations and research ancillary to applications for variances, rezoning, and provisional use permits, which can often be the laborious cases.

Unprecedented forfeitures of financial guarantees posted by developers and others in lieu of infrastructure requirements are being experienced. As a result, staff is being placed in the position of responsibility for completion of public improvements for subdivisions under construction. Staff is working diligently with the departments of Public Works and Public Utilities to develop punch lists and cost estimates to complete the subdivision work so improvements can be accepted into the public system for maintenance. During the past year, the department directly managed fourteen such projects, three of which have been finalized.

The Development Review and Design Division's work indicators showed an increase in the categories of office and industrial/warehouse development from last year's levels, and a decrease in retail approvals. Residential development for single-family approvals again reflected a decrease in conditional approvals and recordation of new lots, and was substantially lower than the record high levels at the beginning of the last five year period. Multifamily development, however, increased significantly in conditional and final subdivision approvals for townhouse development. There were also increases in POD approvals for single family zero-lot line, townhouse, and apartment units from last year's very low levels.

The Department of Planning continues to receive NACO awards, which total eighteen since 1998. The Innsbrook Area Study won a 2011 achievement award as a redevelopment strategy for an area that saw prosperity in the '80s and '90s, but has struggled throughout the current economic downturn. The study promotes a mixed use development and strategies positioning the area for redevelopment over the next fifty years. This project involved a significant number of staff hours dedicated to development and implementation and the results were well worth the investment.

The Department collects certain fees to help offset the expenses depicted in this budget. These include zoning application fees and fees paid for the sale of GIS maps. These two revenue sources are budgeted for $150,000 in FY2012-13. This accounts for 4.0 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.

**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.
- 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.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 1,125,097 | $ 1,190,452 | $ 1,212,292 | 1.8% |
| Operation | 270,618 | 334,379 | 296,197 | (11.4%) |
| Capital | 4,019 | 9,614 | 7,903 | (17.8%) |
| Total | $ 1,399,734 | $ 1,534,445 | $ 1,516,392 | (1.2%) |
| | | | | |
| Personnel Complement* | 18 | 17 | 17 | 0 |

*Personnel Complement does not include 6 Complement III positions that are funded through grant programs. Also, one vacant position was moved to the hold complement in FY2011-12.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Community Maintenance Cases | 11,004 | 11,250 | 11,450 | 200 |
| Inspections Made | 27,499 | 28,100 | 28,700 | 600 |
| Technical Assistance to Business | 280 | 290 | 300 | 10 |
| Enterprise Zone Design Assistance Provided | 8 | 10 | 12 | 2 |
| Enterprise Zone Grants Awarded | 5 | 11 | 14 | 3 |
| **Efficiency Measures** | | | | |
| Volunteers Participating | 332 | 350 | 375 | 25 |
| Volunteer Hours Worked | 2,488 | 2,600 | 2,800 | 200 |
| CCP Hours Worked | 5,703 | 5,900 | 6,100 | 200 |
| **Effectiveness Measures** | | | | |
| Violations Issued | 4,325 | 4,500 | 4,770 | 270 |
| Enerprise Zone Grants Completed | 4 | 11 | 12 | 1 |
| Value of Enterprise Zone Grant Assisted Projects | $83,782 | $385,000 | $400,000 | $15,000 |
| Value of All Enterprise Zone Projects | $35,537,685 | $40,000,000 | $45,000,000 | $5,000,000 |
| Value of Grants Awarded | $43,896 | $120,000 | $135,000 | $15,000 |

**Budget Highlights**

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

The Department's approved budget for FY2012-13 is $1,516,392. This represents a decrease of $18,053, or 1.2 percent compared to the FY2011-12 approved budget, attributable to targeted reductions in the operating and capital components of the budget as well as the removal of technology replacement funding. The operating and capital components combined are decreasing $39,893, or 11.6 percent from the prior year approved budget.

The personnel component of the budget is increasing $21,840 or 1.8 percent due to increased costs for benefits. This increase was partially offset by targeted salary reductions related to overtime costs, as well as the budgeting of a 3.0 percent vacancy savings in the amount of $32,955.

In the FY2012-13 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 new 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.

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 FY2010-11, Enterprise Zone funds provided design assistance to eight businesses and provided grant assistance for parking lot improvements for four businesses. Total business investment in the Enterprise Zone amounted to over $35 million for the year.

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 [(1)] | Total |
|---|---|---|---|
| 1996-97 | $ 557,933 | $ - | $ 557,933 |
| 1997-98 | 240,125 | 688,013 | 928,138 |
| 1998-99 | 329,013 | 647,890 | 976,903 |
| 1999-00 | 287,491 | 882,939 | 1,170,430 |
| 2000-01 | 258,960 | 887,237 | 1,146,197 |
| 2001-02 | 241,558 | 796,459 | 1,038,017 |
| 2002-03 | 355,305 | 1,138,251 | 1,493,556 |
| 2003-04 | 259,883 | 905,153 | 1,165,036 |
| 2004-05 | 330,181 | 1,355,979 [(1)] | 1,686,160 |
| 2005-06 | 327,738 | 1,302,406 | 1,630,144 |
| 2006-07 | 329,687 | 1,408,457 | 1,738,144 |
| 2007-08 | 280,159 | 1,487,106 | 1,767,265 |
| 2008-09 | 399,340 | 1,773,295 | 2,172,635 |
| 2009-10 | 412,545 | 1,763,516 | 2,176,061 |
| 2010-11 | 360,529 | 1,576,211 | 1,936,740 |
| 2011-12 [(2)] | 369,130 | 1,534,445 | 1,903,575 |
| 2012-13 [(3)] | 336,336 | 1,516,392 | 1,852,728 |

(1) Planning's Community Maintenance budget became Community Revitalization beginning with FY2004-05.

(2) Approved for FY2011-12.

(3) Approved for FY2012-13.

# AGRICULTURE AND HOME EXTENSION

**Description**

Through a cooperative agreement between Henrico County, Virginia Cooperative Extension, and the United States Department of Agriculture, the Extension Office provides County residents with educational programs pertaining to Agriculture and Natural Resources, Family and Consumer Services, and 4-H Youth Development. These services are provided through many diverse methods, including special interest programs, newsletters, workshops, clinics, individual contacts, mass media, organized clubs, and a diverse volunteer network.

**Objectives**

- To provide the citizens of Henrico County with informal educational programs in Agriculture and Natural Resources, Family and Consumer Services, and 4-H Youth Development.
- To provide research-based counsel to citizens in response to inquiries.
- To proactively offer programs, seminars, and workshops to provide Henrico citizens with needed information.
- To expand services to clientele through the extensive use of trained volunteers.

**Budget Highlights**

The Agriculture and Home Extension approved budget for FY2012-13 continues to reflect only Henrico County's contribution to the Department's annual expenses. The personnel complement includes two support staff positions. Funding for the Department's five Extension Agent positions is located in the operating portion of the budget. These positions 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.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 138,634 | $ 148,050 | $ 121,197 | (18.1%) |
| Operation | 202,116 | 203,546 | 233,295 | 14.6% |
| Capital | 0 | 0 | 0 | 0.0% |
| Total | 340,750 | 351,596 | 354,492 | 0.8% |
| | | | | |
| Personnel Complement* | 3 | 3 | 2 | (1) |

* Decrease reflects Extension Agent position removed from complement in FY2011-12 and moved to Virginia Tech payroll.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Citizens Assisted | 32,300 | 28,244 | 32,100 | 3,856 |
| Programs Presented | 457 | 445 | 455 | 10 |
| 4-H Youth Enrolled | 1,300 | 1,300 | 1,500 | 200 |
| Samples Analyzed and Identified | 893 | 1,297 | 1,250 | (47) |
| **Efficiency Measures** | | | | |
| Volunteer Hours Supporting Programs | 20,441 | 18,684 | 19,800 | 1,116 |

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. Some volunteers 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 2011, Henrico Master Gardeners contributed a total of 9,946 hours to the Environmental Horticulture program and made 10,110 citizen contacts. They assisted residents who called the Horticulture Helpline or visited one of the Extension Office's Plant Clinics or Gardening Answers booths. They presented valuable information to community groups via the Master Gardener Speakers' Bureau and taught weekly lessons to elementary school-aged children enrolled in the Junior Master Gardener program. Their many and varied activities are coordinated through the Henrico Master Gardener's Association.

The Agriculture and Home Extension approved budget of $354,492 for FY2012-13 increased by 0.8 percent from the FY2011-12 approved budget. The personnel component of the budget is decreasing by $26,853, or 18.1 percent, as a result of an Extension Agent position moving from the County's complement to Virginia Tech's payroll, as well as the budgeting of a 3.0 percent vacancy savings in the amount of $2,627. Funding for all five Extension Agent positions now resides within the operating portion of the Department's budget.

The operating and capital outlay components of the budget increased by $29,749, or 14.6 percent, in direct relation to the movement of the Extension Agent position from the County's complement to the operating portion of the budget. This increase was partially offset by the removal of technology replacement funding of $816.

# 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.

**Objectives**

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

**Budget Highlights**

The Permit Centers' budget for FY2012-13 is $884,218, which reflects an increase of $79,476,

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 1,039,545 | $ 1,029,748 | $ 1,084,322 | 5.3% |
| Operation | 42,387 | 54,540 | 31,175 | (42.8%) |
| Capital | 967 | 0 | 1,140 | 0.0% |
| Sub-Total | $ 1,082,899 | $ 1,084,288 | $ 1,116,637 | 3.0% |
| Interdepartmental Billings | (217,223) | (279,546) | (232,419) | (16.9%) |
| Total Budget | 865,676 | 804,742 | 884,218 | 9.9% |
| Personnel Complement* | 18 | 17 | 17 | 0 |

*One vacant position was moved to the County's hold complement in FY2011-12.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Total Number of Inquiries | 13,295 | 13,707 | 13,981 | 274 |
| Permit Applications Received | 4,519 | 5,208 | 5,312 | 104 |
| Reviews Performed | 7,113 | 7,840 | 7,997 | 157 |
| Permits Issued | 4,447 | 5,141 | 5,244 | 103 |
| Business Licenses Reviewed | 3,192 | 2,787 | 2,842 | 55 |

or 9.9 percent when compared to the FY2011-12 budget. The personnel component reflects an increase of $54,574, or 5.3 percent due to the increases in salaries and benefit rates. The remainder of the increase is related to the budgeted interdepartmental billings, which is discussed in greater detail below. Operating costs for both Centers will decrease $23,365 as a result of a number of targeted reductions, including the global adjustment of suspending contributions to the technology replacement fund, which accounted for $17,625 of the decrease. There is $1,140 allocated for capital outlay, which will be utilized for unanticipated computer and telecommunication replacements throughout the fiscal year.

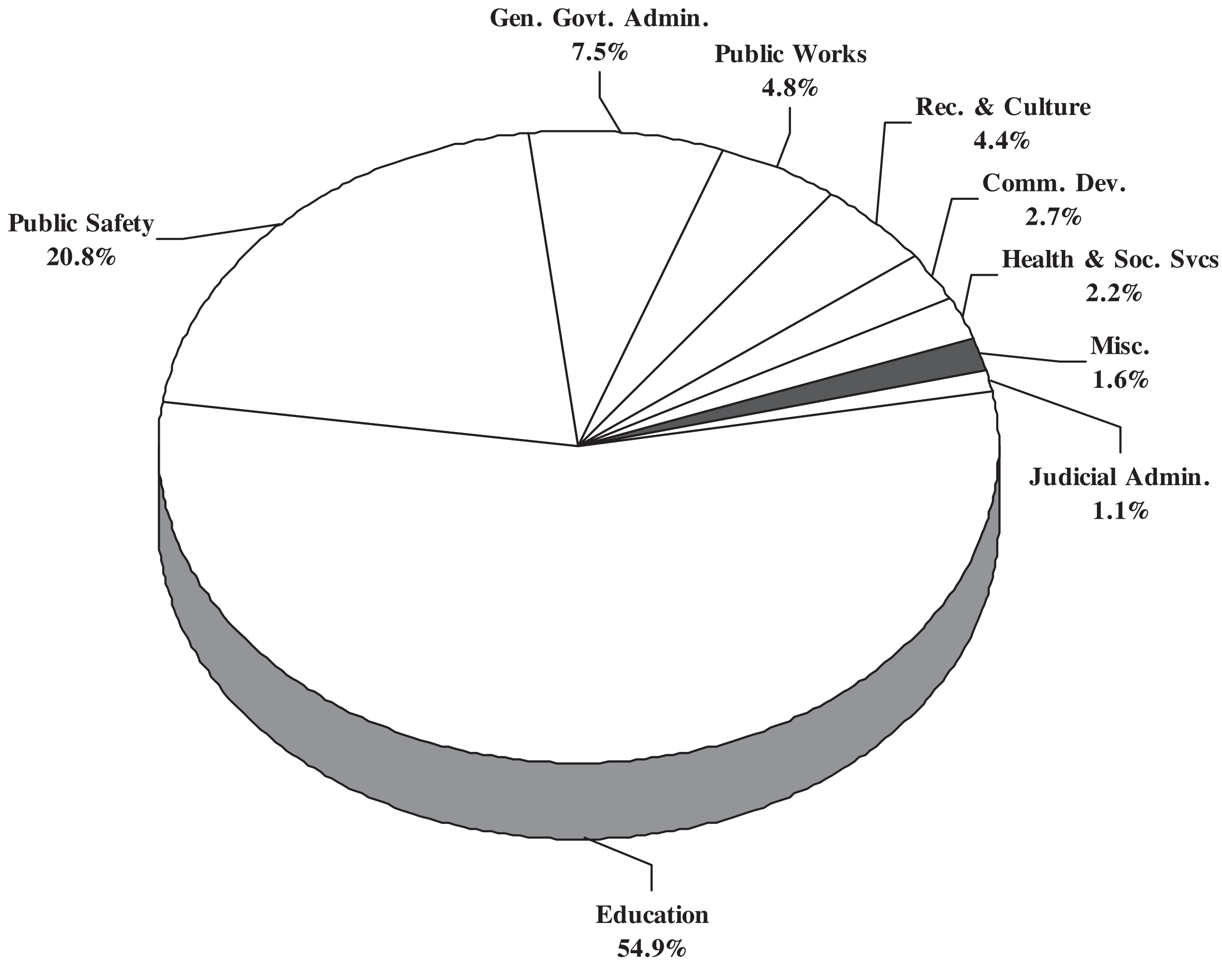
The one-stop convenience at both the East and West locations simplifies the process for obtaining permits for the customer and improves overall service levels. Services provided include the processing of building permits and answering inquiries regarding code regulations, zoning, water/sewer availability, 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. With one position moved to the hold complement in FY2011-12, four staff members now have their personnel expenditures reimbursed, via interdepartmental transfer, by the appropriate department related to the services furnished. Those reimbursements for FY2012-13 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 $232,419, is shown as a negative amount in the Permit Centers' budget. Due to the one position previously reimbursed being moved to the hold complement, the reimbursement is budgeted for $47,127 less than in FY2011-12.

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
## $11,507,310




## Total General Fund
## $735,291,919

## COUNTY OF HENRICO, VIRGINIA
## MISCELLANEOUS - GENERAL FUND
## FY 2012-13

| Department | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| Non-Departmental | | | |
| Tax Relief Program | $8,699,355 | $7,647,550 | $7,647,550 |
| Payments to Outside Agencies | 3,160,914 | 2,579,882 | 2,443,766 |
| Reserve - Miscellaneous | 0 | 1,741,366 | 1,366,469 |
| Other | 424,161 | 35,525 | 35,525 |
| Sandston Recreation Center | 12,297 | 14,000 | 14,000 |
| Total Miscellaneous | $12,296,727 | $12,018,323 | $11,507,310 |

# 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 disabled citizens.
- To provide funding to a number of approved not-for-profit agencies that provide needed and useful services to residents of Henrico County.
- To provide funding for payments to County Board members who serve on certain Boards and Commissions.

### Budget Highlights

The number of requests from non-profit organizations for contributions from the County continues to increase, as does the amounts requested. The FY2012-13 budget has attempted to strike a balance between these requests and available resources.

In addition to the funding for outside agencies shown in this budget, contributions are made to other agencies in the Schools' budget, including: Partners in the Arts; Richmond Symphony; Valentine Museum; Virginia Historical Society; and The American Civil War Center at Tredegar.

The County's contribution to the Greater Richmond Partnerships, Inc., for $370,000; the Richmond Metropolitan Convention and Visitor's Bureau for $2,053,870; and the Virginia High Speed Rail Development Committee, for $10,000, is budgeted in the County's Economic Development budget.

The cost of the County's Real Estate Tax Advantage Program (REAP) is also budgeted in the non-departmental area. The program has been tremendously successful in providing real estate tax relief to the County's elderly and disabled citizens.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Tax Relief Programs | $ 8,699,355 | $ 7,647,550 | $ 7,647,550 | 0.0% |
| Board Members (1) | 32,295 | 35,525 | 35,525 | 0.0% |
| Donations to Agencies | 2,148,830 | 1,705,721 | 1,580,719 | (7.3%) |
| Share of Other Agencies | 1,012,084 | 775,087 | 863,047 | 11.3% |
| Reserve for Contingences | 0 | 1,840,440 | 1,366,469 | (25.8%) |
| Total (2) | $ 11,892,564 | $ 12,004,323 | $ 11,493,310 | (4.3%) |
| | | | | |
| 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.

## Details of Activities

| | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| A. County Functions: | | | |
| 1. Tax Relief Programs | $ 8,699,355 | $ 7,647,550 | $ 7,647,550 |
| B. Board Members for: | | | |
| 1. Capital Region Airport Commission | 12,918 | 12,918 | 12,918 |
| 2. Richmond Regional Plan. Dist. Comm. | 19,377 | 22,607 | 22,607 |
| Sub-Total | 32,295 | 35,525 | 35,525 |
| C. Donations to: | | | |
| 1. American Red Cross - Greater Richmond | 0 | 0 | 0 |
| 2. Arts and Cultural Funding Consortium (Cultureworks) (1) | 50,600 | 45,540 | 40,986 |
| 3. Asian American Society of Virginia | 8,425 | 7,580 | 6,822 |
| 4. Assoc. for the Preservation of Henrico Antiquities | 16,200 | 14,580 | 13,122 |
| 5. Better Housing Coalition | 40,500 | 36,450 | 32,805 |
| 6. Boaz & Ruth | 0 | 0 | 0 |
| 7. CARITAS (operating) | 40,500 | 36,450 | 32,805 |
| 8. CASA (Court Appointed Special Advocates) | 4,680 | 4,210 | 3,789 |
| 9. Central Virginia Legal Aid Society | 0 | 0 | 0 |
| 10. Children's Hospital | 1,620 | 1,460 | 1,314 |
| 11. China-American Festival (2) | 0 | 0 | 0 |
| 12. Coal Pit Learning Center | 0 | 0 | 0 |
| 13. Cultural Arts Center at Glen Allen | 616,600 | 554,940 | 499,446 |
| 14. FeedMore (Meals on Wheels, Cent. Va. Foodbank) | 23,400 | 21,060 | 18,954 |
| 15. FISH (Eastern Henrico County) | 32,400 | 29,160 | 26,244 |
| 16. Freedom House | 0 | 0 | 0 |
| 17. Ginter (Lewis) Botanical Garden | 121,500 | 109,350 | 98,415 |
| 18. The Healing Place | 0 | 0 | 0 |
| 19. Henrico Community Partners | 3,000 | 2,700 | 2,430 |
| 20. Henrico Police Athletic League | 24,300 | 21,870 | 19,683 |
| 21. Henricus Foundation (Capital) | 228,000 | 125,000 | 150,000 |
| 21. Henricus Foundation (Operating) | 192,350 | 207,700 | 195,000 |
| 22. Hilliard House | 51,030 | 45,930 | 41,337 |
| 23. Homeward | 12,675 | 11,410 | 10,269 |
| 24. Horses in Service Riding Center | 8,100 | 7,290 | 6,561 |
| 25. Housing Opportunities Made Equal (H.O.M.E.) | 0 | 0 | 0 |
| 26. James River Advisory Council | 9,000 | 4,500 | 4,050 |
| 27. Jamestown 4-H Education Center | 0 | 0 | 0 |
| 28. Leadership Metro Richmond | 12,150 | 10,930 | 9,837 |
| 29. Legal Aid Justice Center | 0 | 0 | 0 |
| 30. Maymont Foundation Nature Center | 84,375 | 75,940 | 68,346 |
| 31. Mill House, The (Community Futures Foundation) | 21,260 | 19,130 | 17,217 |
| 32. Northstar Academy | 0 | 0 | 0 |
| 33. Offender Aid and Restoration (OAR) Center | 0 | 0 | 0 |
| 34. Read Center, The | 20,250 | 18,230 | 16,407 |

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

| | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| 35. Resources for Independent Living[3] | 44,640 | 40,180 | 36,162 |
| 36. Richmond Area ARC (Camp Baker) | 8,100 | 7,290 | 6,561 |
| 37. Richmond Forum | 4,050 | 3,640 | 3,276 |
| 38. Safe Harbor | 21,100 | 18,990 | 17,091 |
| 39. Richmond Metropolitan Habitat for Humanity | 0 | 0 | 0 |
| 40. Salvation Army | 19,125 | 17,210 | 15,489 |
| 41. Greater Richmond SCAN (Stop Child Abuse Now) | 4,250 | 3,820 | 3,438 |
| 42. Science Museum of Virginia | 70,000 | 63,000 | 56,700 |
| 43. Science Museum of Virginia (Va. Aviation Museum) | 10,000 | 10,000 | 9,000 |
| 44. Senior Connections (CAAA) | 43,625 | 39,260 | 35,334 |
| 45. SPARC (School for the Performing Arts) | 0 | 0 | 0 |
| 46. Sports Backers (Metropolitan Richmond) | 25,500 | 22,950 | 20,655 |
| 47. St. Joseph's Villa (Flagler Home) | 42,190 | 37,971 | 34,174 |
| 48. VCU - Monroe Campus[4] | 200,000 | 0 | 0 |
| 49. Virginia Hispanic Chamber of Commerce | 8,000 | 7,200 | 6,480 |
| 50. Virginia State University | 0 | 0 | 0 |
| 51. Virginia Supportive Housing | 0 | 0 | 0 |
| 52. YWCA | 25,335 | 22,800 | 20,520 |
| Sub-Total | 2,148,830 | 1,705,721 | 1,580,719 |
| D. Henrico's Share of Funding for: | | | |
| 1. GRTC Taxicab Service Program | 9,000 | 9,000 | 9,000 |
| 2. Henricopolis Soil/Water Conservation | 85,284 | 85,000 | 85,000 |
| 3. Maggie Walker H.S. Renovation Foundation[5] | 173,310 | 0 | 0 |
| 4. Med-Flight Program | 49,600 | 49,600 | 51,000 |
| 5. National Association of Counties | 5,218 | 5,800 | 5,800 |
| 6. Reynolds Community College (Oper.) | 87,438 | 72,144 | 90,929 |
| 7. Reynolds Community College (Capital) | 262,713 | 223,977 | 282,297 |
| 8. Richmond Regional Plan. Dist. Comm. | 166,307 | 179,954 | 185,559 |
| 9. RMA/Diamond Stadium[6] | 0 | 0 | 0 |
| 10. Virginia Association of Counties | 70,228 | 65,026 | 68,876 |
| 11. Alliance for Innovation (Virginia Innovation Group) | 0 | 7,500 | 7,500 |
| 12. Virginia Institute of Government | 15,000 | 15,000 | 15,000 |
| 13. Virginia Municipal League | 62,086 | 62,086 | 62,086 |
| 14. Other Civic & Cultural Organizations[7] | 25,900 | 0 | 0 |
| Sub-Total | 1,012,084 | 775,087 | 863,047 |
| E. Reserve for Travel: | 0 | 425,211 | 425,211 |
| Reserve for Tuition: | 0 | 143,473 | 143,473 |
| Reserve for Contingencies: | 0 | 1,271,756 | 797,785 |
| Sub-Total | 0 | 1,840,440 | 1,366,469 |
| Total | $ 11,892,564 | $ 12,004,323 | $ 11,493,310 |

Notes:

(1) The Arts & Cultural Funding Consortium includes:

a. Barksdale Theater
b. Black History Museum and Cultural Center
c. Children's Museum of Richmond (Operating)
d. CultureWorks (The Arts Council of Richmond)
e. Edgar Allen Poe Museum
f. Elegba Folklore Society
g. New Virginia Review
h. Richmond Ballet (Operating)
i. Richmond Jazz Society
j. Richmond Symphony (Operating)
k. Theatre IV
l. Valentine Museum (Richmond History Center)
m. Virginia Historical Society
n. Virginia Opera (Operating)
o. Visual Arts Center of Richmond

The Arts & Cultural Funding Consortium did not budget contributions to Annual Members for FY2011-12 due to funding constraints for the full members listed above.

(2) Funding of $10,000 was provided for the Chinese-American Festival through budget transfers in FY2006-07. FY2007-08, and FY2008-09

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

(4) FY2010-11 was the final year of a five year $1,000,000 request to Henrico County for the VCU - Monroe Park Campus. Funds were split evenly between the School of Engineering and the School of Business.

(5) FY2010-11 was the final year of a ten year commitment to the Maggie Walker H.S. Foundation for costs associated with the renovation of the building.

(6) Funding of $170,000 for the County's share of maintenance and repair costs at the Diamond, in accordance with the RMA agreement, was appropriated via budget amendment in September of 2009.

(7) Other Civic & Cultural Organizations:

| | | | **FY 2010-11** |
|---|---|---|---|
| a. | Colonial Athletic Association | $ | 7,500 |
| b. | American Association of State and Local Historians | | 3,000 |
| c. | Vocational Education Golf Tournament | | 400 |
| d. | Henrico Ed. Foudation Scholarship Golf Tournament | | 3,000 |
| e. | Friends of Bryan Park | | 2,000 |
| f. | Festival of India | | 10,000 |
| | Total Other | $ | 25,900 |

Note: Budgeted in Economic Development:

| | | FY 2012-13 |
|---|---|---|
| Greater Richmond Partnership | $ | 370,000 |
| Richmond Metropolitan Convention & Visitors Bureau (RMCVB) | | 2,053,870 |
| Virginia High Speed Rail Development Committee | | 10,000 |

# 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.

**Objectives**

- To provide meeting and recreational opportunities for the Sandston community.

- To provide space to community organizations for meetings and public activities.

**Budget Highlights**

There are no changes in service levels for FY2012-13. Funds are used for utilities, maintenance, and repairs of the facility.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 0 | $ 0 | $ 0 | 0.0% |
| Operation | 12,297 | 14,000 | 14,000 | 0.0% |
| Capital | 0 | 0 | 0 | 0.0% |
| Total | $ 12,297 | $ 14,000 | $ 14,000 | 0.0% |
| | | | | |
| 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 Approved Capital Budget for FY2012-13 are general government and education projects to be funded from various General Fund revenues. This will be accomplished through a transfer from the General Fund to the Capital Projects Fund in the amount of $17,424,800.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Transfer to Capital Projects | $ 27,829,203 | $ 5,850,500 | $ 17,424,800 | 197.8% |

## GENERAL FUND TRANSFERS

| | FY2012-13 |
|---|---|
| **General Fund - Fund Balance:** | |
| Schools Mechanical Improvements | $2,400,000 |
| Schools Roof Replacement | 100,000 |
| General Government Mechanical Improvements | 560,000 |
| General Government Roof Replacement | 250,000 |
| Pavement Rehabilitation | 150,000 |
| UPS Replacement | 440,000 |
| Facility Rehabilitation | 200,000 |
| Geographic Information System | 150,000 |
| Information Technology Projects | 250,000 |
| Network/VOIP | 500,000 |
| Subtotal General Fund - Fund Balance: | $5,000,000 |
| | |
| **General Fund - Reserve:** | |
| Best Plaza | $5,000,000 |
| | |
| **General Fund Revenue (Motor Vehicle License Fee) - Public Works:** | |
| General Road Construction | $800,000 |
| New Guardrails | 50,000 |
| Subtotal General Fund Revenue - Public Works: | $850,000 |
| | |
| **General Fund - Designated Vehicle Replacement Reserve:** | |
| School Bus Replacement Program | $2,500,000 |
| Fire Apparatus Replacement Program | 1,500,000 |
| Police Vehicle Replacement Program | 2,574,800 |
| Subtotal General Fund - Vehicle Replacement Reserve: | $6,574,800 |
| | |
| Total General Fund Transfer | $17,424,800 |

# SPECIAL REVENUE FUND

**COUNTY OF HENRICO, VIRGINIA**
**APPROVED SPECIAL REVENUE FUND REVENUES**
**FY 2012-13**

| Revenues: Subfund/Activity | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| Capital Region Workforce Partnership (CRWP) | | | |
| CRWP | $3,249,274 | $4,742,226 | $5,279,134 |
| City of Richmond WIA Fund | 93,858 | 0 | 0 |
| ARRA - CRWP | 1,260,925 | 0 | 0 |
| Transfer From the General Fund | 210,648 | 217,695 | 206,810 |
| Total Capital Region Workforce Partnership | 4,814,705 | 4,959,921 | 5,485,944 |
| | | | |
| Commonwealth's Attorney | | | |
| Special Drug Prosecutor | 125,621 | 119,400 | 119,400 |
| Victim/Witness Assistance Program | 355,524 | 342,625 | 363,093 |
| Asset Forfeitures | 15,181 | 0 | 0 |
| Transfer From the General Fund | 339,857 | 396,249 | 391,344 |
| Total Commonwealth's Attorney | 836,183 | 858,274 | 873,837 |
| | | | |
| Community Corrections Program | | | |
| CCP | 1,402,016 | 1,510,737 | 1,449,011 |
| ARRA - CCP | 28,621 | 0 | 0 |
| Transfer From the General Fund | 300,779 | 304,419 | 309,054 |
| Total Community Corrections | 1,731,416 | 1,815,156 | 1,758,065 |
| | | | |
| Community Development Block Grant | | | |
| CDBG/HOME | 2,125,862 | 0 | 0 |
| ARRA - CDBG and Community Revitalization | 270,821 | 0 | 0 |
| Total Community Development Block Grant | 2,396,683 | 0 | 0 |
| | | | |
| Economic Development | | | |
| Governors Opportunity Award | 900,000 | 0 | 0 |
| Sales Tax - EDA | 1,879,390 | 0 | 0 |
| Real Estate Tax - CDA | 1,180,419 | 0 | 0 |
| Special Assessment - CDA | 365,000 | 0 | 0 |
| Personal Property Tax - EDA | 672,829 | 0 | 0 |
| Business License Tax - EDA | 363,510 | 0 | 0 |
| (To) From Economic Development Fund Balance | (306,148) | 0 | 0 |
| Total Economic Development | 5,055,000 | 0 | 0 |

*Special Revenue Fund Revenues (cont'd)*

| **Revenues:** <br> **Subfund/Activity** | **FY 10-11** <br> **Actual** | **FY 11-12** <br> **Original** | **FY 12-13** <br> **Approved** |
|---|---|---|---|
| Education | | | |
| State, Federal & Other Grants | 26,047,113 | 42,857,611 | 42,573,506 |
| ARRA - Schools | 11,630,396 | 0 | 0 |
| Total Schools Grants | 37,677,509 | 42,857,611 | 42,573,506 |
| | | | |
| Cafeteria Receipts | 8,509,723 | 9,987,040 | 9,208,473 |
| State Food Payments - Nat. Sch. Lunch Prog. | 396,511 | 432,535 | 468,137 |
| Federal School Lunch Program | 8,702,972 | 8,549,997 | 8,834,326 |
| Recoveries & Rebates | 167,175 | 124,945 | 127,293 |
| Miscellaneous Revenue | 5,288 | 0 | 0 |
| (To) From Cafeteria Fund Balance | (1,053,661) | (600,000) | 0 |
| Total School Cafeteria | 16,728,008 | 18,494,517 | 18,638,229 |
| Total Education | 54,405,517 | 61,352,128 | 61,211,735 |
| | | | |
| General Services | 1,304,170 | 0 | 0 |
| | | | |
| Juvenile & Domestic Relations Court | | | |
| Virginia Juvenile Community Crime Act | 366,479 | 338,848 | 329,571 |
| USDA | 24,588 | 27,500 | 24,000 |
| Juvenile Acountability Grant | 44,226 | 0 | 0 |
| Transfer From the General Fund | 541,242 | 546,544 | 546,544 |
| Total Juvenile & Domestic Relations Court | 976,535 | 912,892 | 900,115 |
| | | | |
| Mental Health & Developmental Services | | | |
| State and Federal Grants | 8,975,858 | 8,231,387 | 8,565,616 |
| Payments from Other Localities | 208,305 | 208,305 | 208,305 |
| Miscellaneous Revenues | 8,898,148 | 9,568,524 | 10,267,807 |
| Transfer From General Fund | 11,251,530 | 14,434,355 | 13,784,168 |
| ARRA - MH & DS | 220,084 | 0 | 0 |
| Total Mental Health | 29,553,925 | 32,442,571 | 32,825,896 |
| | | | |
| Non-Departmental | | | |
| Transfer From General Fund | 0 | 100,201 | 100,201 |
| | | | |
| Public Safety | | | |
| Police - State & Federal Grants | 2,398,580 | 962,180 | 1,025,237 |
| Police - ARRA | 187,015 | 0 | 0 |
| Police - Donations | 5,981 | 0 | 0 |
| Metro Aviation/Extradition Reimbursement | 314,888 | 326,126 | 326,126 |
| Fire - Local Miscellaneous | 31,833 | 0 | 0 |
| Fire - State | 4,200 | 0 | 0 |
| Fire - Homeland Security | 302,073 | 0 | 0 |
| Asset Forfeitures | 67,304 | 0 | 0 |
| Transfer to Capital Projects | 0 | 0 | 0 |
| Transfer From General Fund | 113,189 | 135,561 | 135,561 |
| Total Public Safety | 3,425,063 | 1,423,867 | 1,486,924 |

*Special Revenue Fund Revenues (cont'd)*

| **Revenues:** <br> **Subfund/Activity** | **FY 10-11** <br> **Actual** | **FY 11-12** <br> **Original** | **FY 12-13** <br> **Approved** |
|---|---|---|---|
| Public Utilities | | | |
| Solid Waste: | | | |
| Refuse Collection Billing | 7,088,742 | 7,000,000 | 7,000,000 |
| Weighing Fees - Charged Sales | 1,141,354 | 1,117,548 | 1,141,354 |
| Public Use/Host/Recycle Fees | 1,803,335 | 1,712,381 | 1,782,498 |
| Miscellaneous Revenues | 288,582 | 293,823 | 322,134 |
| Transfer to Capital Projects Fund | 0 | (1,450,000) | 0 |
| Transfer From General Fund | 3,064,001 | 3,064,001 | 3,064,001 |
| (To) From Solid Waste Fund Balance | (3,354,737) | 529,349 | (978,023) |
| Total Solid Waste | 10,031,277 | 12,267,102 | 12,331,964 |
| Street Lighting: | | | |
| Charge for Street Lights | 83,098 | 72,500 | 83,100 |
| (To) From Reserve for Street Lights | (15,810) | 0 | 0 |
| Total Street Lighting | 67,288 | 72,500 | 83,100 |
| Public Works | | | |
| Best Management Practices | 0 | 50,000 | 50,000 |
| Watershed Management Program | 47,230 | 847,000 | 847,000 |
| Miscellaneous Grants | 0 | 0 | 0 |
| Total Public Works | 47,230 | 897,000 | 897,000 |
| Recreation, Parks & Culture | | | |
| Recreation | 5,900 | 0 | 0 |
| Public Library | 1,920 | 0 | 0 |
| Total Recreation | 7,820 | 0 | 0 |
| Social Services | | | |
| Comprehensive Services Act (CSA) | 3,052,106 | 4,698,050 | 4,140,865 |
| Title IV-E | 0 | 44,812 | 0 |
| Transfer From the General Fund | 2,875,036 | 4,053,920 | 3,602,531 |
| Total Social Services | 5,927,142 | 8,796,782 | 7,743,396 |
| Total Revenues | $120,579,954 | $125,898,394 | $125,698,177 |

## COUNTY OF HENRICO, VIRGINIA
## APPROVED SPECIAL REVENUE FUND EXPENDITURES
## FY 2012-13

| **Expenditures:** **Subfund/Activity** | **FY 10-11** **Actual** | **FY 11-12** **Original** | **FY 12-13** **Approved** |
|---|---|---|---|
| Capital Region Workforce Partnership (CRWP) | $3,459,917 | $4,959,921 | $5,485,944 |
| City of Richmond WIA Fund | 93,858 | 0 | 0 |
| ARRA - CRWP | 1,260,930 | 0 | 0 |
| Total CRWP | $4,814,705 | $4,959,921 | $5,485,944 |
| | | | |
| Commonwealth's Attorney | | | |
| Victim/Witness Program | 642,440 | 669,311 | 687,722 |
| Special Drug Prosecutor | 178,562 | 188,963 | 186,115 |
| Asset Forfeitures - Commonwealth's Attorney | 15,181 | 0 | 0 |
| Total Commonwealth's Attorney | 836,183 | 858,274 | 873,837 |
| | | | |
| Community Corrections Program | 1,702,795 | 1,815,156 | 1,758,065 |
| ARRA - CCP | 28,621 | 0 | 0 |
| Total Community Corrections Program | 1,731,416 | 1,815,156 | 1,758,065 |
| | | | |
| Community Revitalization - CDBG/HOME | 2,125,862 | 0 | 0 |
| ARRA - CDBG and Community Revitalization | 270,821 | 0 | 0 |
| Total CDBG/HOME | 2,396,683 | 0 | 0 |
| | | | |
| Economic Development | | | |
| Governor's Opportunity Fund | 900,000 | 0 | 0 |
| White Oak Village CDA | 3,790,000 | 0 | 0 |
| Reynolds Crossing CDA | 365,000 | 0 | 0 |
| Total Economic Development | 5,055,000 | 0 | 0 |
| | | | |
| Education | | | |
| State, Federal & Other Grants | 26,047,113 | 42,857,611 | 42,573,506 |
| ARRA - Education | 11,630,396 | 0 | 0 |
| School Cafeterias | 16,728,008 | 18,494,517 | 18,638,229 |
| Total Education | 54,405,517 | 61,352,128 | 61,211,735 |
| | | | |
| General Services | 1,304,170 | 0 | 0 |
| | | | |
| Juvenile & Domestic Relations Court | | | |
| Probation - VJCCCA | 579,389 | 550,941 | 550,284 |
| Detention - VJCCCA | 326,885 | 334,451 | 325,831 |
| Juvenile Probation | 45,703 | 0 | 0 |
| USDA | 24,558 | 27,500 | 24,000 |
| Total Juvenile & Domestic Relations Court | 976,535 | 912,892 | 900,115 |

*Special Revenue Fund Expenditures (cont'd)*

| **Expenditures:**<br>**Subfund/Activity** | **FY 10-11**<br>**Actual** | **FY 11-12**<br>**Original** | **FY 12-13**<br>**Approved** |
|---|---|---|---|
| Mental Health & Developmental Services | | | |
| Clinical Services | 14,443,413 | 16,030,348 | 16,115,807 |
| Community Support Services | 9,078,849 | 9,902,729 | 10,000,376 |
| Administrative and Program Support | 5,811,579 | 6,509,494 | 6,709,713 |
| ARRA - Mental Health | 220,084 | 0 | 0 |
| Total Mental Health | 29,553,925 | 32,442,571 | 32,825,896 |
| | | | |
| Non-Departmental | 0 | 100,201 | 100,201 |
| | | | |
| Public Safety | | | |
| State and Federal Grants - Police | 1,806,572 | 0 | 0 |
| ARRA - Police | 187,015 | 0 | 0 |
| Donations - Police | 5,981 | 0 | 0 |
| Communications | 592,008 | 962,180 | 1,025,237 |
| Metro Aviation | 356,527 | 411,687 | 411,687 |
| Henrico Extraditions | 71,550 | 50,000 | 50,000 |
| Asset Forfeitures - Police | 67,304 | 0 | 0 |
| State and Federal Grants - Fire | 280,650 | 0 | 0 |
| Donations - Fire | 750 | 0 | 0 |
| Homeland Security - Fire | 56,706 | 0 | 0 |
| Total Public Safety | 3,425,063 | 1,423,867 | 1,486,924 |
| | | | |
| Public Utilities | | | |
| Solid Waste | 10,031,277 | 12,267,102 | 12,331,964 |
| Street Lighting | 67,288 | 72,500 | 83,100 |
| Total Public Utilities | 10,098,565 | 12,339,602 | 12,415,064 |
| | | | |
| Public Works | | | |
| Best Management Practices | 0 | 50,000 | 50,000 |
| Watershed Program | 47,230 | 847,000 | 847,000 |
| Total Public Works | 47,230 | 897,000 | 897,000 |
| | | | |
| Recreation, Parks & Culture | | | |
| Recreation & Parks | 5,900 | 0 | 0 |
| Public Library | 1,920 | 0 | 0 |
| Total Recreation, Parks, & Culture | 7,820 | 0 | 0 |
| | | | |
| Social Services | | | |
| Comprehensive Services Act (CSA) | 5,927,142 | 8,796,782 | 7,743,396 |
| | | | |
| Total Expenditures | $120,579,954 | $125,898,394 | $125,698,177 |

# CAPITAL REGION WORKFORCE PARTNERSHIP

**Description**

The Capital Region Workforce Partnership (CRWP), formally the Capital Area Training Consortium (CATC), is an eight locality entity comprised of the chief elected official from Henrico, Chesterfield, Goochland, Hanover, Charles City, New Kent and Powhatan Counties and the City of Richmond or their designee. The County of Henrico serves as the fiscal agent and grant recipient for the Partnership. The Partnership, in cooperation with the Capital Region Workforce Investment Board (now RESOURCE) it appoints, exists to ensure the full development and operation of the region's workforce development system as envisioned by RESOURCE and the Partnership. 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 Partnership.

The Capital Region Workforce Partnership is the Henrico County Agency currently responsible for providing administrative support to RESOURCE and the Partnership, and is directly responsible for managing contracts awarded by RESOURCE and the Partnership for delivery of Workforce Investment Act (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 for both industry and job seekers.

**Annual Fiscal Plan**

| Description | FY11 * Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 940,197 | $ 467,326 | $ 913,673 | 95.5% |
| Operation | 3,726,388 | 4,492,595 | 4,572,271 | 1.8% |
| Capital | 148,120 | 0 | 0 | 0.0% |
| Total | $ 4,814,705 | $ 4,959,921 | $ 5,485,944 | 10.6% |
| | | | | |
| Personnel Complement** | N/A | N/A | N/A | N/A |

*FY2010-11 actuals include American Recovery and Reinvestment Act (ARRA) funding of $1,260,925

**All positions within the CRWP are Complement III positions.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Universal Core Services | 25,000 | 6,000 | 6,000 | 0 |
| Applicants for WIA Services | 3,000 | 1,500 | 1,500 | 0 |
| Enrolled in WIA | 2,200 | 1,000 | 1,000 | 0 |
| Enrolled in Training | 425 | 250 | 250 | 0 |
| Enrolled in Job Search/Counseling | 1,775 | 750 | 750 | 0 |
| Entered Employment from WIA | 400 | 400 | 400 | 0 |

**Budget Highlights**

The Workforce Investment Act (WIA) of 1998 is the principal funding source for the Capital Region and the FY2010-11 budget reflected the first full year of operation after the Capital Area Training Consortium's Service Delivery Division was eliminated. The Workforce Investment Act remains the primary funding source for RESOURCE and Partnership staff support costs and the Service Delivery system operating in the workforce centers. WIA funds are supplemented by various grants secured during the year that provide additional capability for the 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 Partnership, as well as the State of Virginia, Virginia Community College System (VCCS), and the U.S. Department of Labor. The staff assigned to support RESOURCE and the Partnership, is also responsible for supporting the work of the Capital Region Youth Council, mandated under the Workforce Investment Act.

KRA was awarded the Title I WIA services contract to deliver Adult and Dislocated Worker Services who meet WIA eligibility criteria to be supported by WIA funds. The Employment Transition Center is still operating under the County of Henrico as provider of Dislocated Worker services only. This center will be eliminated within 60 days of the opening of the new Cedar Fork Road Workforce Center. WIA Services include case management, employment assistance, responding to the needs of businesses for workers, publicizing the availability of skilled job seekers to potential employers, providing access to training, paying training costs as appropriate, and developing opportunities for better earnings for the underemployed and economically disadvantaged. The contractor (KRA), in addition to the Employment Transition Center, is also 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 and the fiscal agent (Henrico County), that 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 is clearly defined and easily traversed by businesses and job seekers.

The FY2012-13 approved budget in the amount of $5,485,944 reflects an overall increase of $526,023, or 10.6 percent from the approved FY2011-12 budget. Personnel costs increased $446,347, or 95.5 percent. This increase is in direct relation to the increase in salaries from the addition of seven positions added during FY2011-12, and the corresponding, increased cost for benefits related to these positions. Operating expenses increased by $79,676, or 1.8 percent from the approved FY2011-12 budget and no capital outlay funding is requested.

The revenue projection includes a 5.0 percent decrease in the formula based Adult, Dislocated Worker and Youth Funds for the region, and does include anticipated local government contributions, inclusive of a second year of funding from the City of

Richmond. 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 5.0 percent.

Final WIA funding for the FY2012-13 budget year are unknown. The Congressional changes and the continuing budget 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 based on unemployment data. The WIA funding formula remains the same, however, Congress has begun discussion on potential changes to the workforce legislation and funding that could have significant implications for the region in the available funding. 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 last two years has hovered at or below 7.0 percent has slipped to slightly less than 6.5 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. WIA funding projected for FY2012-13 is approximately $4.9 million.

The decisions made by RESOURCE and the Partnership Board during FY2011-12 affects the expenditure projections included in the budget.

The budget does anticipate two new sites for workforce centers to replace those now operating in Henrico, Chesterfield and the City of Richmond. The cost of the two new facilities would be shared with the partners co-locating in each of the facilities and would be incorporated in various leases and agreements and may be incorporated in the agreement with the One Stop Operator for all sites.

Revenue from local contributions outside of Henrico County is expected to total $127,280 in FY2012-13. Henrico County's contribution to CRWP's administrative expenses is budgeted at $206,810 for FY2012-13, 5.0 percent less than the FY2011-12 contribution.

The table below shows historical contributions from Henrico County to CRWP's (formerly CATC's) administrative expenses:

| Fiscal Year | Contribution | % Increase/Decrease |
|---|---|---|
| FY2005-06 | 187,700 | 3.20% |
| FY2006-07 | 195,860 | 4.30% |
| FY2007-08 | 201,447 | 2.90% |
| FY2008-09 | 208,665 | 3.60% |
| FY2009-10 | 210,648 | 1.00% |
| FY2010-11 | 210,648 | 0.00% |
| FY2011-12 | 217,695 | 3.30% |
| FY2012-13 | 206,810 | -5.00% |

The Chesterfield One-Stop Center continues to receive rent from partners located in the facility and the motel next to the Henrico Workforce Center is still paying rent for parking spaces at the rear of the facility. The revenue generated from these sources provides support, but not enough to make up for any further reduction of the Workforce Investment Act funds. The One Stop Operator is currently working on the cost allocation plan for the partners located in the Chesterfield Workforce Center and will be working on the costs associated with locating in the new Henrico Cedar Fork Road location. The Resource Budget reflects the total cost of all rents that will be due and payable.

The WIA remains the primary funding source for the Capital Region Workforce Partnership's personnel costs. There are currently 13 positions in the proposed budget. Additional positions may be requested in FY2012-13 if the one-stop operator requests additional staff from the fiscal agent. The cost associated with the One Stop Operator/Workforce Centers is included in the budget under the One Stop Operator line item. The salary of the Director of the Capital Region Partnership continues to be charged to non-federal local funds from the eight jurisdictions that comprise the Capital Region. Should non-federal funds not be made available to support this position, the position will be funded from WIA grant funds.

The budget does reflect the elimination of the temporary staff positions that were established in 2009-10 to support the Employment Transition

*Capital Region Workforce Partnership (cont'd)*

Center. The center is expected to close no later than June 30, 2012

The FY2012-13 budget includes a grant reserve. Once into FY2012-13, funds in the grant reserve will be transferred between programs/accounts as additional grants are received, and more detailed information becomes available.

# COMMONWEALTH'S ATTORNEY

## Special Drug Prosecutor

### Description

The Special Drug Prosecutor Program was established in Virginia in 1983 under Section 19.2-215.3 of the Code of Virginia. Henrico's Drug Prosecutor program was implemented in May of 1984. The goal is to investigate criminal violations of Virginia drug laws as well as other illegal activities, including homicide, abduction, perjury, embezzlement, and computer crimes.

### Objectives

- Investigate and prosecute those involved in the illegal use or distribution of drugs, and drug paraphernalia.
- Provide assistance in any other provision of law when such condition is discovered in the course of an investigation, which a multi-jurisdiction drug prosecutor is otherwise authorized to undertake and to investigate any condition, which involves or tends to promote any attempt, solicitation or conspiracy to violate laws.
- Administer use of the grand jury by prosecutors from each of the member jurisdictions Commonwealth's Attorney's Offices.

### Budget Highlights

The use of the Special Drug Prosecutor Program provides a vital function for the County of Henrico. The Program's approved budget for FY2012-13 is $186,115, which includes General Fund support of $66,715. The budget reflects a decrease of 1.5 percent when compared to the FY2011-12 approved budget, due to a slight reduction in salary costs and a corresponding reduction in FICA attributable to the reduction in salaries. This reduction was partially offset by increased benefits costs. Overall, personnel costs are decreasing $2,848 or 1.6 percent, equal to the total departmental budget reduction. The State and the County both contribute to the salaries and associated personnel costs for the two complement II positions funded through the program.

The Special Drug Prosecutor's responsibilities include working with a multi-jurisdictional investigative grand jury comprised of the Counties of Henrico, Hanover and Chesterfield, and the City of Richmond. The Special Drug Prosecutor coordinates witnesses and subpoenas for tangible evidence ordered by the grand jury and handles a full caseload of criminal matters. The multi-jurisdictional grand jury plays an essential role in the investigation of drug and homicide cases in the Richmond metropolitan area.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 172,621 | $ 183,213 | $ 180,365 | (1.6%) |
| Operation | 4,821 | 5,750 | 5,750 | 0.0% |
| Capital | 1,120 | 0 | 0 | 0.0% |
| Total | $ 178,562 | $ 188,963 | $ 186,115 | (1.5%) |
| | | | | |
| Personnel Complement* | N/A | N/A | N/A | N/A |

* Two complement II positions funded through this program are included in the Commonwealth's Attorney's General Fund complement.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Total Subpoenaes | 2,172 | 2,225 | 2,275 | 50 |
| Total Indictments | 1,011 | 825 | 1,050 | 225 |
| Total Defendants | 348 | 400 | 375 | (25) |

The table below presents a historical depiction of the State/County split for the program.

| Fiscal Year | State Funding | County Funding | % County |
|---|---|---|---|
| 2003-04 | 107,487 | 32,321 | 23% |
| 2004-05 | 107,487 | 38,308 | 26% |
| 2005-06 | 101,383 | 36,947 | 27% |
| 2006-07 | 105,767 | 38,545 | 27% |
| 2007-08 | 121,594 | 32,539 | 21% |
| 2008-09 | 130,357 | 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% |

# COMMONWEALTH'S ATTORNEY

## Victim/Witness Assistance Program

**Description**

The Victim/Witness Assistance Program was established in Virginia in 1984 under Section 9-173.3 of the Code of Virginia. Henrico's Victim/Witness program was implemented in May of 1988. The goal is to assist crime victims and witnesses through the criminal justice system by providing the information and assistance required by the Crime Victim and Witness Rights Act 19.2 - 11.01. These services include; information about the victim/witness' case, explanation about court procedures, assistance in applying for Crime Victims' Compensation, assistance in preparing Victim Impact Statements and Parole Input Forms and short term crisis counseling.

**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.
- 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.

**Budget Highlights**

The Victim/Witness Assistance Program continues to provide a vital function to the criminal justice systems in Henrico County. The approved budget of $687,722 includes a General Fund transfer of $324,629 to provide funding for program costs. State/federal grant funding is anticipated to be level from FY2011-12 at $363,093. This estimated grant funding is fully budgeted in the FY2012-13 approved budget.

The budget includes funding for nine full-time positions, six of which are complement III, two are complement II, and one complement I position, an Office Assistant IV.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Changes 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 532,356 | $ 563,458 | $ 582,060 | 3.3% |
| Operating | 110,084 | 105,853 | 105,662 | (0.2%) |
| Capital | 0 | 0 | 0 | 0.0% |
| Total | $ 642,440 | $ 669,311 | $ 687,722 | 2.8% |
| Personnel Complement* | N/A | N/A | N/A | N/A |

*The Department has 6 complement III positions, 2 complement II positions and 1 complement I position. The complment I and II positions are reflected in the Commonwealth's Attorney's budget in the General Fund.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Victims Assisted | 4,954 | 5,000 | 5,100 | 100 |

Below is a historical depiction of State/Federal and County funding for the program by fiscal year over a ten year period.

| Fiscal Year | State/Federal Funding | County Funding | % County |
|---|---|---|---|
| 2003-04 | 318,628 | 103,662 | 25% |
| 2004-05 | 339,662 | 124,287 | 27% |
| 2005-06 | 341,757 | 135,218 | 28% |
| 2006-07 | 330,275 | 281,146 | 46% |
| 2007-08 | 355,151 | 263,483 | 43% |
| 2008-09 | 327,496 | 325,160 | 50% |
| 2009-10 | 327,509 | 338,760 | 51% |
| 2010-11 | 342,625 | 334,808 | 49% |
| 2011-12 | 342,625 | 326,686 | 49% |
| 2012-13 | 363,093 | 324,629* | 47%* |
| ***1.6% reduction in County contribution based on anticipated state/federal funding levels and operating budget levels in FY2012-13.** | | | |

# COMMUNITY CORRECTIONS PROGRAM

## Pre-Trial and Post-Trial Program

**Description**

The purpose of the Henrico Community Corrections Program (CCP) is to provide the Henrico County Court System with alternatives to incarceration through a range of pre-trial and post-trial services for adults who require less than institutional custody. The program also reduces the commitment of nonviolent offenders to local jail facilities. Offenders participate in treatment services, receive intensive supervision, make restitution to their victims, and pay the County through performing a certain number of community service hours. Pretrial staff provides the court with risk assessments and bond recommendations on defendants in jail at arraignment, and also supervise defendants so ordered by the court as a condition of release pending trial. Henrico's Community Corrections Program has provided services to the courts since 1995, and through the old Community Diversion Incentive (CDI) Program, since 1983.

This office is also responsible for the administration of the Drug Court Program, which is presented in this document as a separate budget for clarity in understanding its functions as well as its separate funding source.

**Objectives**

- To provide casework services and supervision to all clients throughout their court ordered participation.
- To coordinate the CCP program with the Police and Courts, and to conduct planning research and fundraising in developing partnerships for the Community Criminal Justice Board.
- To assign all clients, who are so directed to perform community service to public or private non-profit community agencies, which is to be verified by program staff.
- To recruit and recognize community service agencies, public and private, who serve as sites for clients.
- To monitor all clients for payment of court ordered costs and restitution to the courts and victims.
- To serve as a state pilot site for applying evidence based practices, including validated risk assessments and motivational interviewing.
- To provide a means of either pre-trial release to bail, unsecured release on recognizance, or release on secure bond.
- To provide supervision, substance testing and other services to defendants released from jail while awaiting trial.

**Annual Fiscal Plan**

| Description | FY11** Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 1,252,573 | $ 1,331,299 | $ 1,272,372 | (4.4%) |
| Operation | 71,680 | 59,935 | 52,919 | (11.7%) |
| Capital | 7,949 | 12,174 | 12,174 | 0.0% |
| Total | $ 1,332,202 | $ 1,403,408 | $ 1,337,465 | (4.7%) |
| | | | | |
| Personnel Complement* | 1 | 1 | 1 | 0 |

*Nineteen Complement III positions are also funded in this budget for FY2012-13.
**FY10-11 actuals include American Recovery and Reinvestment Act (ARRA) funding of $28,621.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| New Pretrial Cases Supervised | 1,459 | 1,450 | 1,450 | 0 |
| New Probation Cases Supervised | 1,926 | 1,900 | 1,900 | 0 |
| Pretrial Investigations Conducted | 2,180 | 2,250 | 2,250 | 0 |
| Client Hours of Community Service Completed | 30,370 | 27,500 | 28,000 | 500 |
| New Restitution Cases Monitored | 539 | 530 | 530 | 0 |
| **Effectiveness Measures** | | | | |
| Value of Restitution Collected | $449,146 | $475,000 | $475,000 | $0 |

**Budget Highlights**

Community Corrections Program's budget includes four distinct programs for FY2012-13: (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 $132,801.

The estimated value of community service hours to be completed by program clients in FY2011-12 is $635,644. 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 approved budget for the Community Corrections Program for FY2012-13 is $1,337,465, a 4.7 percent decrease from the FY2011-12 approved budget. Personnel expenditures decreased by $58,927, or 4.4 percent, primarily due to the elimination of one Complement III position. The operating component is budgeted to decrease by $7,016, or 11.7 percent, as the program has been able to find efficiencies in Medical Services and Other Professional Services.

Funding from the General Fund has decreased by $4,222, or 3.1 percent, from the amount provided in the FY2011-12 approved budget. The FY2012-13 projection for State funding is $1,039,029. 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, initiated in January of 2003, continues operations in FY2012-13. 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 will complete its ninth year of operations in FY2011-12. Caseloads continue to increase as new cases are constantly added. The program was started with the use of Federal funding. However, Federal funding was discontinued as a funding source in FY2005-06. The Drug Court program for Henrico County received 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

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 315,340 | $ 325,529 | $ 336,880 | 3.5% |
| Operation | 83,874 | 86,219 | 83,720 | (2.9%) |
| Capital | 0 | 0 | 0 | 0.0% |
| Total | $ 399,214 | $ 411,748 | $ 420,600 | 2.1% |
| | | | | |
| Personnel Complement* | 1 | 1 | 1 | 0 |

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

**Performance Measures**

| | FY11 | FY12 | FY13 | Changes 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Community Awareness Activities Conducted | 24 | 21 | 21 | 0 |
| **Efficiency Measures** | | | | |
| % of Referrals Assessed on Time | 100.0% | 100.0% | 100.0% | 0.0% |
| **Effectiveness Measures** | | | | |
| % of Participants Gainfully Employed/Schooled | 89.0% | 85.0% | 85.0% | 0.0% |
| % of Participants Staying Drug-Free | 76.0% | 72.0% | 72.0% | 0.0% |
| % of Participants Not Re-Arrested | 96.0% | 95.0% | 95.0% | 0.0% |

Criminal Justice Services, will provide funding of $232,000 in FY2012-13. 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 FY2012-13. General Fund support will total $176,248.

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 approved budget for the Drug Court Program totals $420,600. Personnel cost increased $11,351. This is due to increases in payments to the Virginia Retirement System and health care costs.

The allocation for operating expenses decreased by $2,499, or 2.9 percent, to $83,720 in FY2012-13 due to greater efficiencies in use of the automotive pool. No capital outlay funding is requested.

The program has faced several operational challenges related to office and program space. After suitable office space was located, a move occurred in the spring of 2012. The lease costs associated with this space represent an increase of $14,702, or 53.8 percent, above those in the approved FY2011-12 budget. The Drug Court has identified $4,471 in utility savings under terms of the new lease and can accommodate the remaining $10,231 of increase within its current resources.

The Drug Court maintains a full caseload averaging 40 new cases each year. Drug Court services have been enhanced recently with a Bureau of Justice grant. The grant funding provides for enhanced alcohol testing, alumni outreach, and training opportunities for team members.

# 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 totals $550,284, which includes County support of $435,995 for FY2012-13. The Program's budget reflects a 0.1 percent decrease when compared to FY2011-12. This decrease is the result of

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 138,637 | $ 152,492 | 155,053 | 1.7% |
| Operation | 440,171 | 398,449 | 395,231 | (0.8%) |
| Capital | 581 | 0 | 0 | 0.0% |
| Total | $ 579,389 | $ 550,941 | $ 550,284 | (0.1%) |
| | | | | |
| Personnel Complement* | N/A | N/A | N/A | |

*Personnel Complement does not reflect 3 Complement III positions that are supported by this budget.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Number of Referrals from Probation/Court Order | 2,639 | 2,600 | 2,500 | (100) |

reductions for VJCCCA programs in the Governor's Proposed Biennial Budget.

This most recent reduction is only the latest in a line of reductions to this program. The first significant revenue reduction occurred in FY2002-03 when the General Assembly reduced VJCCCA funding received by the County by 51.2 percent. This revenue decrease resulted in the termination of programs and reductions in service levels. State funding remained close to this level until FY2008-09, when the General Assembly adopted the 2008-2010 Biennial Budget, which included reductions to localities across a variety of service areas including VJCCCA. Since FY2008-09, the General Assembly has reduced VJCCCA funding four more times, with the projected revenue for all VJCCCA programs totaling $329,571 in FY2012-13. This amount is 28,216 <u>less</u> than when the program was initiated in FY1995-96.

In response to a continued state funding freeze (at FY2002-03 levels) that was significantly impacting service levels, the County General Fund transfer was increased to $480,882 in the FY2006-07 budget. The FY2012-13 budget for VJCCCA programs, Probation and Detention, reflect the same General Fund share, $546,544, as FY2011-12. Probation will continue to use VJCCCA funding to provide a wide variety of services and programs to offenders and their families, including psychological and substance abuse assessments, anger management, parenting groups, drug screens, intensive home based services, and residential services. Despite the reduction in State funding, these services and programs continue to be highly utilized as alternatives to secure detention.

# JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

## Detention Home - VJCCCA

### Description

In 1996, funding through the Virginia Juvenile Community Crime Control Act (VJCCCA) replaced the State Block Grant system for all community based programs and services in the juvenile justice system except secure detention. A major advantage of this funding includes the locality's ability to develop programs and services that specifically address the juvenile justice needs of Henrico County.

### Objectives

- To help alleviate the problem of over-crowding in secure detention.
- To allow children to live with their custodial parents while in the program or until Court disposition.
- To operate the Outreach Program effectively per Court orders, thereby reducing the number of youths kept in detention.
- To provide a less restrictive alternative to incarceration.

### Budget Highlights

Juvenile Detention's budget for the Virginia Juvenile Community Crime Control Act totals $325,831, including the County contribution of $110,549. The total budget reflects a decrease of $8,620, or 2.6 percent when compared to the FY2011-12 budget.

The budget will support Detention Outreach and the Services Through Opportunity Programs (STOP) offered through Juvenile Detention. The STOP program was developed to monitor non-violent juveniles as an alternative to weekend sentencing in secured detention. The Department coordinates with Recreation and Parks to identify various park sites that require cleanup including picking up trash and sweeping sidewalks. The program requires juveniles that violate conditions of the program to finish the remainder of their Court ordered sentence in secure detention. The Department anticipates serving 84 participants in FY2012-13. All employees working with the STOP program are required to take CPR, first aid and defensive driving classes.

The Detention Outreach Program is supported by 3 Complement II positions (1 Outreach Coordinator, 2

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 272,950 | $ 282,555 | $ 282,984 | 0.2% |
| Operation | 53,935 | 51,896 | 42,847 | (17.4%) |
| Capital | 0 | 0 | 0 | 0.0% |
| Total | $ 326,885 | $ 334,451 | $ 325,831 | (2.6%) |
| | | | | |
| Personnel Complement | 3 | 3 | 3 | 0 |

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Electronic Monitoring Days | 6,536 | 7,185 | 7,185 | 0 |
| Outreach Participants w/Electronic Monitoring | 213 | 192 | 192 | 0 |
| Outreach Participants w/o Electronic Monitoring | 120 | 111 | 111 | 0 |
| STOP Participants | 79 | 84 | 84 | 0 |
| STOP Program Days | 329 | 332 | 332 | 0 |
| **Efficiency Measures** | | | | |
| Average Length of Stay w/Electronic Monitoring | 37 | 37 | 37 | 0 |
| Average Length of Stay w/o Electronic Monitoring | 36 | 31 | 31 | 0 |

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.

This most recent reduction is only the latest in a line of reductions to this program. The first significant revenue reduction occurred in FY2002-03 when the General Assembly reduced VJCCCA funding received by the County by 51.2 percent. This revenue decrease resulted in the termination of programs and reductions in service levels. State funding remained close to this level until FY2008-09, when the General Assembly adopted the 2008-2010 Biennial Budget, which included reductions to localities across a variety of service areas including VJCCCA. Since FY2008-09, the General Assembly has reduced VJCCCA funding four more times, with the projected revenue for all VJCCCA programs totaling $329,571 in FY2012-13. This amount is 28,216 less than when the program was initiated in FY1995-96.

In response to a continued state funding freeze (at FY2002-03 levels) that was significantly impacting service levels, the County General Fund transfer was increased to $480,882 in the FY2006-07 budget. The FY2012-13 budget for VJCCCA programs, Probation and Detention, reflect the same General Fund share, $546,544, as FY2011-12. Despite the reduction in State funding, these services and programs continue to be highly utilized as alternatives to secure detention.

# JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

## 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.

### 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.

### Budget Highlights

In FY2012-13, 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 $24,000 in USDA grant funding for FY2012-13, which is a $3,500, or 12.7 percent decrease when compared to the approved budget for FY2011-12. These funds will continue to be used to purchase food, food service equipment, and maintain and repair kitchen equipment. The total food budget for FY2012-13, including amounts budgeted in the General Fund, will total $79,175.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 0 | $ 0 | $ 0 | 0.0% |
| Operation | 22,545 | 23,009 | 22,500 | (2.2%) |
| Capital | 2,013 | 4,491 | 1,500 | (66.6%) |
| Total | $ 24,558 | $ 27,500 | $ 24,000 | (12.7%) |
| | | | | |
| Personnel Complement | N/A | N/A | N/A | |

# MENTAL HEALTH & DEVELOPMENTAL SERVICES

**Description**

MH/DS/SA Services provides community-based mental health, intellectual disability, substance abuse, prevention, and early intervention services to the residents of Henrico, Charles City, and New Kent Counties, under the direction of the Henrico Area Mental Health & Developmental Services Board. The Department serves people experiencing the effects of or at risk for mental illness, intellectual disabilities, substance abuse, and children with developmental delay. The vision of the Department is:

**Promote dignity, recovery and self-sufficiency in the lives of the people we serve, help our community embrace people with mental disabilities, and lead in providing innovative and responsive services that exceed our community's expectations.**

The vision is carried out through a wide range of emergency, inpatient, outpatient, case management, day support, assertive community intervention, residential, prevention, jail, and early intervention services.

**Objectives**

- To provide emergency services 24 hours per day, seven days a week.
- To provide ongoing support and treatment services to individuals with long-term mental illness, including case management, psychiatric treatment, crisis intervention, residential and day support services.
- To provide ongoing supportive services to individuals with intellectual disabilities, including residential, day support, and case management services.
- To provide protective inpatient services to individuals who are dangerous to themselves or to others or unable to care for themselves.
- 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.
- To provide outpatient psychotherapy and related services to children, adults, the elderly, and their families.
- To provide intensive outpatient treatment for adults and adolescents abusing alcohol and drugs.
- To provide early intervention and prevention services to children at risk of developing mental health issues, intellectual disabilities, and substance abuse problems and their families.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 22,321,432 | $ 23,785,000 | $ 24,703,120 | 3.9% |
| Operating | 7,025,640 | 8,657,571 | 8,122,776 | (6.2%) |
| Capital | 206,853 | 0 | 0 | 0.0% |
| Total | $ 29,553,925 | $ 32,442,571 | $ 32,825,896 | 1.2% |
| | | | | |
| Personnel Complement * | 220 | 220 | 219 | (1) |

* Personnel Complement totals above do not include 123 Complement III positions in FY2012-13.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Persons Served by Emergency Services | 1,714 | 1,700 | 1,700 | 0 |
| Persons Served by Mental Health Services | 4,204 | 4,200 | 4,200 | 0 |
| Persons Served by Developmental Services | 1,728 | 1,700 | 1,700 | 0 |
| Persons Served by Substance Abuse Services | 1,623 | 1,600 | 1,600 | 0 |

**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. Services to these priority populations are delivered directly by MH/DS/SA and/or contracted through private vendors.

Each of these priority groups requires a continuum of care in order to achieve a better quality of life and avoid more costly services. The continuum of care for these populations may include psychiatric services, vocational or day support programs, intensive case management, outpatient care, housing, transportation, or inpatient care.

The Department's budget is divided into areas that mirror these priority groups. In Mental Health Services, persons with general mental health problems and those ordered by the courts and other correctional agencies for evaluation/treatment are also served in addition to those with serious mental illness.

Services in support of other County agencies are among the important contributions of this Department. These include services to Public Safety (Police and Fire), Juvenile Detention, and on-site services to the Juvenile Court. Emergency services are offered to all clients on a 7-day a week, 24-hour per day basis. The Emergency Services Program works closely with public safety personnel to address community safety issues. Mental health and substance abuse services are provided in both Henrico jail facilities. The Department also provides extensive evaluations to local courts.

The Administrative Services section of the Department supports the Executive Director's office the Department's information systems, and the general business functions of the Department. The Department operates a large wide area network on which resides a client data and billing system in addition to general office software. Administrative Services includes office support staff at various locations, facilities management for 18 facilities, medical records management, human resources and financial management.

Sheltered Employment enables individuals with intellectual disabilities to work at jobs outside of their home and earn wages. This section operates Cypress Enterprises and Hermitage Enterprises.

The Department's FY2012-13 budget, including the Sheltered Employment program, is $32,825,896. Personnel expenditures increased $918,120, or 3.9 percent. Several complement III positions with dedicated funding were added in FY2011-12 and are included in the FY2012-13 budget. Three clinicians and an Office Assistant IV were added for the new Virginia Clinical Assessment Program, funded by client/third party fees [Medicaid]. Two licensed practical nurse positions were added, funded with state pharmacy funds. The impact of these personnel cost increases has been lessened by un-funding three vacant positions: a Program Manager, an Office Assistant IV and a part-time Case Manager. The duties associated with these positions have been redistributed throughout the Department.

Allocations for operating expenditures decreased $534,795 or 6.2 percent. Rent of facilities increased $89,066 (9.6 percent) due to moving from the Radford Avenue office to the larger Richmond Medical Park office on Bremo Road and anticipated inflation on the Hermitage Enterprises and East Center leases. Electricity increased $19,655 (16.4 percent). The revenue and expenditure budgets for the Federal and State Part C Grants increased $92,130 (15.9 percent) compared to the FY2011-12 budget to reflect anticipated funding levels.

The revenue and operating expenditure budgets for the OBRA (Omnibus Budget Reconciliation Act) Nursing Home Grant for intellectually disabled consumers decreased $8,664 compared to FY2011-12. The funding on a pharmacy technician positions was changed from a combination of County, state general funds, and fees to restricted state pharmacy funds in the FY2012-13 budget for savings of $95,101. The pharmacy funds are available because of reduced medication costs and use of patient assistance programs. Residential Properties revenue is being used to fund routine maintenance, lawn care and pest control at the Mental Health Support Homes for savings of $27,700 in FY2012-13; in prior years this revenue was budgeted to be used for major home repairs. Other contractual services have been reduced by almost $46,000 from the FY2011-12 budget, by using staff to perform specialized services instead of contractors or contract psychologists. Several consumer related operating expenses have been reduced or eliminated in the FY2012-13 budget, including respite for consumers with intellectual disabilities, subsidies, family support, structured summer programs for youth, methadone and residential substance abuse services. These reductions will reduce financial assistance provided to consumers and families, but they are expected to have minimal impact on services.

The Department estimates revenues at $32,825,896 in FY2012-13, an increase of $383,325 (1.2 percent) over the FY2011-12 adopted budget. The County transfer of $13,784,168 represents a 4.5 percent decrease from the FY2011-12 level. As such, the County transfer will represent 42.0 percent of FY2012-13 expenditures.

The balance of the MH/DS/SA revenues are comprised of 26.1 percent Federal and State, 25.4 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 FY2012-13. Funds from this reserve will only be available for expenditure once they are received and approved by the County. Sheltered Employment revenue is expected remain flat at $344,400 for FY2012-13.

The Department's State performance contract revenue for FY2012-13 is projected to be $4,937,621, a 4.0 percent increase from the FY2011-12 adopted budget. The FY2011-12 budget amount anticipated a state funding cut that has not occurred to date and is not anticipated in the FY2012-13 budget. The state OBRA Nursing Home grant decreased by $8,664 for FY2012-13 because one participant moved out of the department's catchment area.

Fee revenue has been budgeted at $8,348,065 for FY2012-13, a 9.6 percent increase. The Virginia Independent Clinical Assessment Program began after the FY2011-12 budget was approved; and it is anticipated that this program will increase Medicaid revenue by $380,000 in FY2012-13. Medicaid Waiver revenue increased $97,280 because funding that was anticipated to be cut by 5.0 percent in the FY2011-12 budget has been restored in FY2012-13. Other increases include billing for Crisis Intervention by MH Intensive Case Management and increases to Intellectually Disabled and Early Intervention Case Management services. Self-pay and insurance revenue remains flat compared to FY2011-12 levels. Decreases in Substance Abuse and Early Intervention self-pay and insurance revenue were offset by anticipated billing of a flat fee for court ordered evaluations.

What follows is a description of expenditure changes for the Department in the FY2012-13 budget.

The FY2012-13 budget for **Mental Health Services** increased $248,448, to $14,253,028, which is 1.7 percent over the FY2012-13 adopted budget. A large portion of this increase is the cost of the Virginia Clinical Assessment Program funded by Medicaid fees. 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 3 part-time employees. While Personnel costs are increasing in this area, operating expenditures are budgeted to decrease by $379,805, or 13.5 percent.

The **Substance Abuse Section** budget is $1,862,779, a decrease of $162,989 (8.0 percent) from the FY2011-12 adopted budget. 17 full-time and 4 part-time employees provide substance abuse services. A vacant substance abuse position that had served the Community Corrections High Intensity Drug Trafficking Areas program was unfunded because Community Corrections did not renew the contract. Operating costs decreased by $83,174 or 32.6 percent in FY2012-2013. Medical services decreased $25,402 because the Department no longer pays for drug screenings for the Juvenile Court. Methadone treatment services were reduced by $20,000 and residential services were reduced by $37,052.

The budget for **Developmental Services** reflects an expenditure increase of $97,647 (1.0 percent) to $9,655,976 in FY2012-13. These services are provided by 107 full-time and 12 part-time employees. Operating costs decreased by $159,191 or 6.5 percent in FY2012-13. Medical services under the early intervention Part C Grants increase by $18,848 or 9.0 percent, funded by growth in the State and Federal Part C Grants. Respite for consumers with intellectual disabilities, subsidies, and family support were reduced in FY2012-13 for savings of $65,109.

**Administration** spending increased 3.1 percent, or $200,219, to $6,709,713. 50 full-time and 2 part-time employees comprise the administrative staff. Operational funding increased $85,935 (2.8 percent) to $3,196,151 due to increases in real property lease costs.

**Sheltered Employment** funding in FY2012-13 remain at the adopted FY2011-12 level of $344,400. One full-time and one part-time position support the Sheltered Employment operation.

**Day Support Services**

Over the past fourteen 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.

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

| | |
|---|---|
| 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 |

In FY2012-13 it is anticipated that approximately 14 individuals with intellectual disabilities graduating from high school will be in need of a day support program. The Department believes that all of these individuals can be served with current resources.

# 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 FY2012-13 budget includes $55,000 for the extradition of prisoners, which is fully reimbursable from the State Supreme Court. The remaining balance of the budget, $406,687, is divided equally between Chesterfield County, the City of Richmond, and Henrico County. In FY2012-13, Henrico's share of the budget remains constant at $135,561.

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 $461,687.

The Metro Aviation Unit continues to be a valuable and effective crime fighting tool to the participating localities and the region. The localities continue to increase their usage of the unit and each locality now assigns three pilots to the unit.

The three participating jurisdictions approved the purchase of an additional patrol plane, a Cessna 182, and in July 2006, the Board of Supervisors approved a budget amendment to increase the Metro Aviation Unit's budget for the purchase of the new aircraft. The aircraft is equipped with the latest

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 0 | $ 0 | $ 0 | 0.0% |
| Operation | 372,966 | 431,687 | 431,687 | 0.0% |
| Capital | 55,111 | 30,000 | 30,000 | 0.0% |
| Total | $ 428,077 | $ 461,687 | $ 461,687 | 0.0% |
| Personnel Complement | N/A | N/A | N/A | N/A |

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Number of Aerial Transports | 51 | 55 | 35 | (20) |
| Flight Hours for Aerial Tranports | 218 | 220 | 140 | (80) |
| Extraditions (commercial carriers) | 37 | 38 | 39 | 1 |

technology including an electronic instrument panel, an integrated spotlight, a forward looking infra-red (FLIR) system, and a video downlink that permits the aircraft to broadcast images while flying for viewing at varying locations within the three jurisdictions. The unit's three other aircrafts are of varying ages including a patrol plane and a transport plane, which are each over twenty-five years old. The third aircraft is a patrol plane that is ten years old. With the purchase of the fourth plane, the unit uses the older patrol plane for training and as a reserve patrol plane that is used during maintenance and repairs to the other two patrol planes.

# 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**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 516,556 | $ 839,552 | $ 942,548 | 12.3% |
| Operation | 75,452 | 122,628 | 82,689 | (32.6%) |
| Capital | 0 | 0 | 0 | 0.0% |
| Total | $ 592,008 | $ 962,180 | $ 1,025,237 | 6.6% |
| Personnel Complement* | N/A | N/A | N/A | N/A |

*Sixteen Communications Officers are included in the Police General Fund Complement.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Wireless 911 Calls Received | 128,339 | 138,868 | 150,255 | 11,387 |
| Percentage Wireless 911 Calls to Total 911 Calls Received | 71.78% | 73.48% | 74.04% | 0.56% |
| Percentage Wireless 911 Calls to Total Calls (Emergency & Non-emergency) Received | 26.09% | 22.67% | 24.06% | 1.39% |

The Wireless E-911 budget for FY2012-13 totals $1,025,237, representing an overall net increase of $63,057 or 6.6 percent from the previous approved budget. Personnel expenditures increased by a total of $102,996 or 12.3 percent. This increase was driven by the transfer of two Communication Officers from the Division of Police's Communications Division within the General Fund, which impacted the personnel component by $102,041. This movement reflects the need for additional officers to support the Wireless E-911 effort. In addition, this component also reflects the rising VRS, VRS life insurance, and health care expenditures forecasted for FY2012-13.

The approved budget for FY2012-13 includes funding for personnel and benefits 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. It is important to note that the operating component decreased by $39,939 or 32.6 percent to reflect the County-wide adjustment in technology replacement.

Beginning with the 2005-06 approved budget, the number of Communications Officers funded with the allocation from the State Wireless Board was increased from three to eleven. Due to the continued stability of this revenue source, three Communications Officers were added in FY2009-10 and two additional Communication Officers are being funded by Wireless E-911 revenues in FY2012-13, which brings the total number of officers funded by this revenue source to sixteen. The increase over the years was based on the anticipated revenue from the State Wireless Board and the anticipated stability of the revenue distributions to the localities.

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 FY2012-13.

# COMPREHENSIVE SERVICES ACT

**Description**

The Comprehensive Services Act (CSA) is a State mandated program that insures services to at-risk youth and families. The CSA provides a collaborative system of services and funding that is child-centered, family-focused, and community-based. The Comprehensive Services Act is implemented by law at a local level under the direction of a Community Policy and Management Team (CPMT). The Henrico Policy and Management Team, which is a multi-agency team within the County, must plan all services to children and funding for these services must be approved by the CPMT. The Henrico Department of Social Services serves as the fiscal agent for CSA.

**Objectives**

- Provide services that are responsive to diverse strengths and needs of youth and family.
- Increase interagency collaboration and family involvement in the provision of services to children.
- Encourage public and private partnerships.
- Identify and intervene early with young children and their families.

**Budget Highlights**

The Comprehensive Services Act approved budget for FY2012-13 is $7,743,396. This represents a decrease of $1,053,386, or 12.0 percent from the FY2011-12 approved budget. The decrease is attributable to a decline in the cost of purchased services for children and families. Capital funding is for repair or replacement of machinery and equipment.

The Henrico Policy and Management Team (HPMT) administer the CSA program with the help of a full-time coordinator. The existence and membership of HPMT is established by the Code of Virginia and includes agency directors of Mental Health and Developmental Services, Juvenile Court Services, Public Health, Education and Social Services; a local government administrator; a private provider representative; and a parent representative.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 369,718 | $ 384,619 | $ 400,536 | 4.1% |
| Operation | 5,557,324 | 8,411,613 | 7,342,310 | (12.7%) |
| Capital | 100 | 550 | 550 | 0.0% |
| Total | $ 5,927,142 | $ 8,796,782 | $ 7,743,396 | (12.0%) |
| Personnel Complement* | N/A | N/A | N/A | N/A |

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

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Children Served | 272 | 275 | 275 | 0 |
| Children Served in Residential Programs | 19 | 30 | 30 | 0 |

In FY2012-13, CSA will fund services for an estimated 275 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 $7,322,590 or 94.6 percent of the total budget, yielding an administrative component of 5.4 percent. The FY2012-13 budget includes continued provision of staff to provide structured oversight of purchased services, conduct state required utilization review activities, and support the placement of children into family-based environments as well as monitor the cases of children funded through CSA. CSA staff members have 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. In fiscal year 2010-11, a total of 272 children were served through CSA funding. An additional 40 youth and families received services funded through the Promoting Safe and Stable Families Program, bringing the total number of children served to 312. Based on established outcome measures, these grant monies for FY2012-13 will be focused on prevention and support within the Social Services system as well.

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 expended through CSA as this cost 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 transferring 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 number of residential placements. In FY2012-13 the numbers of children placed in congregate care through CSA funding is projected to rise as a result of requests for assistance with placements by the Court Service Unit and Henrico Mental Health and Developmental Services. It is noted that CSA staff have been pivotal in working with the increasing numbers of requests for parental placements for children identified as being in need of short- term evaluations in residential care. 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 FY2012-13 approved 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 FY2012-13 is $337,950. This forecasted amount is based on an estimated total Medicaid billing of $1,800,000 at the State level. Of this amount, the Federal match is 50 percent or $900,000. Of the remaining $900,000, the State provides funding of $562,050 or 62.45 percent and the County provides the remaining funding of $337,950 or 37.55 percent. In order for the State to be reimbursed by this amount, the State reduces monthly CSA reimbursements by the local share of the Medicaid expenditures.

The actual cost of CSA services had historically risen approximately 10.0 percent annually through FY2007-08. However, the following four year history shows dramatic reductions in the cost of the program in the time since.

| 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 |

Among the reasons for the reduced costs during this time are the efforts made by the Department of Social Services and CSA to reduce the numbers of children in congregate care (residential placement) and to place these children in foster homes within the local community. Additionally, through the provision of community based prevention services there has been a significant decrease in the number of children needing to be placed in foster care. However, the number of children being placed in congregate care thus far in FY2011-12 has risen based on the serious needs of youth that have been referred by Court Services and Henrico Mental Health and Developmental Services

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 for services. 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. Other funding sources previously utilized by children for non-mandated services such as Revenue Maximization are no longer available.

Both state and local governments provide funding for the Comprehensive Services Act. Beginning July 1, 2008 match rates for services for children were changed as an incentive to reduce the numbers of children placed in congregate care. Prior to July 1, 2008 the established match rate was 37.55 percent. Effective January 1, 2009, the local match rate for residential (congregate care) placements increased to 43.18 percent. On July 1, 2009, this rate increased to 46.94 percent. As previously stated the County has worked very hard to decrease the number of children in congregate care, thus reducing the cost to CSA.

In FY2012-13, the County will provide funding totaling $3,254,406 or 44.4 percent based on last year's average for purchased services. The State will provide the remaining $4,068,184, or 55.6 percent, less the Medicaid local match amount of $337,950.

In FY2012-13, 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 $2,916,456. CSA administration will receive $348,125 in local funding. In addition, the County will provide a forecasted local match of Medicaid services totaling $337,950 for a total contribution of $3,602,531. The State will provide funding for the remainder of the CSA budget, totaling $4,140,865, less the Medicaid local match of $337,950, for a net contribution of $3,802,915.

# 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 FY2012-13 are $13,309,987, inclusive of a General Fund subsidy of $3,064,001. Outside of the General Fund transfer, locally generated revenues are projected to increase $122,234 or 1.2 percent as compared to the prior fiscal year. The General Fund subsidy for FY2012-13 will remain at the same level as in FY2011-12. Revenues are sufficient to cover all operating expenditures for Solid Waste in FY2012-13.

Total expenditures of $12,331,964 reflect an increase of $64,862 or 0.5 percent compared to the FY2011-12 adopted budget.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 3,412,511 | $ 3,669,799 | $ 3,784,681 | 3.1% |
| Operation | 6,032,071 | 7,360,303 | 7,310,283 | (0.7%) |
| Capital | 586,695 | 1,237,000 | 1,237,000 | 0.0% |
| Total Solid Waste | $ 10,031,277 | $ 12,267,102 | $ 12,331,964 | 0.5% |
| Street Lights | 67,288 | 72,500 | 83,100 | 14.6% |
| Total Solid Waste/Street Lights | $ 10,098,565 | $ 12,339,602 | $ 12,415,064 | 0.6% |
| | | | | |
| Personnel Complement | 69 | 69 | 69 | 0 |

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Tons Collected by Refuse | 38,543 | 39,000 | 39,000 | 0 |
| Tons Collected by Bulky Waste Service | 455 | 600 | 600 | 0 |
| Tons Collected by Outside Sources | 41,316 | 42,000 | 42,000 | 0 |
| Tons Collected by Neighborhood Cleanups | 2,950 | 3,100 | 3,100 | 0 |
| Tons Deposited in Public Use Areas | 29,700 | 31,000 | 31,000 | 0 |
| Number of Refuse Customers | 39,862 | 40,400 | 41,000 | 600 |

In looking at the components of the Solid Waste budget, personnel costs reflect an $114,882 or 3.1 percent increase, due to the increased cost of healthcare, VRS, and VRS Life.

The operating budget reflects a slight reduction of $50,020 or 0.7 percent. The capital outlay component of the budget reflects no change from the previous fiscal year.

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 $1,968,940 and represents an increase of $53,086 or 2.8 percent as compared to the prior fiscal year. This increase is solely related to increases in personnel costs.

**Collections Operations:**

The budget for Collection Operations totals $3,880,921, and represents an increase of 1.6 percent when compared to the prior fiscal year.

Refuse Collection

The budget for the Refuse Collection area is $2,840,064, an increase of $57,149, 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 FY2012-13 budget continues to include the estimated cost to provide free bulky waste pick up for all County residents that currently participate in the Real Estate Tax Advantage Program (REAP).

Bagged Leaf Services

The budget for Bagged Leaf Services is $155,127 which remains flat with the prior fiscal year budget. Bagged Leaf Services provides three collections in each neighborhood from October to February according to a published Leaf Collection Schedule. 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 FY2012-13, which remains flat with the prior fiscal year budget. There are no personnel costs budgeted for Cleanup activities, however, $319,636 is budgeted for employees from other areas of Solid Waste to perform this service. Cleanup costs are fully supported by a General Fund subsidy.

**Processing and Disposal:**

The budget of $6,386,883 in FY2012-13 for Processing and Disposal represents a slight reduction of $48,118 due to identified savings in a number of line items moved to other areas to cover fixed cost increases. The Processing and Disposal budget components covers recycling, landfill and the public use areas.

Recycling

Recycling expenditures total $3,152,914 in FY2012-13, an increase of $44,367. Of this increase, $39,915 is attributed to an increase in the recycling contract with 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 and the budget is $2,153,415. The landfill accepts refuse from the County's Refuse Collection Service, Public Use Areas, Bulky Waste Collection, Neighborhood Cleanups, as well as from private haulers. The budget in this area is decreasing in FY2012-13, which is mainly due to reduced personnel costs related to the transfer of one position to the Water and Sewer Fund in FY2010-11.

Public Use Areas

The FY2012-13 budget for the Public Use Areas is $1,002,699, an increase of $13,783. Solid Waste operates two Public Use Areas in the County, on the western end at Ford's Country Lane, and on the eastern end at Charles City Road. The Public Use Areas are available to citizens to deposit refuse for a fee of $3 per visit and deposit recyclables at no charge. Coupon books are available for ten visits at a cost of $27 and for fifteen visits at a cost of $40. The Public Use Areas are open three hundred and sixty one days a year, closing on January 1st, July 4th, Thanksgiving Day and Christmas Day. The Public Use Areas receive approximately 31,000 tons of refuse annually.

Landfill Post Closure

Landfill Post Closure expenditures in FY2012-13 are to remain the same as the current fiscal year at $77,855 for closed landfills at Nine Mile Road and Charles City Road.

**Litter Control (Keep Henrico Beautiful):**

The budget for Litter Control remains status quo at a level of $95,220. Solid Waste receives an annual grant from the State Litter Control Board, budgeted at $25,000, for this program.

**General Fund Subsidies:**

The General Fund subsidy of $3,064,001 remains flat with the prior fiscal year budget, and includes $2,137,800 for the curbside recycling program and $926,201 for the cost of Community and Neighborhood Cleanup activities, Bagged Leaf Collection and Bulky Waste Collection. The subsidy for Bulky Waste Collection is net of the revenue from the $43 per trip fee.

The FY2012-13 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:

| | FY11-12 | FY12-13 | % Change |
|---|---|---|---|
| Recycling | 2,137,800 | 2,137,800 | 0.0% |
| Bulky Waste | 239,002 | 239,001 | 0.0% |
| Cleanups | 532,072 | 532,072 | 0.0% |
| Bagged Leaf | 155,127 | 155,128 | 0.0% |
| Total | $3,064,001 | $3,064,001 | 0.0% |

The history of Community Maintenance Cleanup projects are:

| *Community Maintenance* | *No.* | *Total Cost* |
|---|---|---|
| FY2000-01 | 18 | $355,923 |
| FY2001-02 | 27 | $329,083 |
| FY2002-03 | 26 | $333,890 |
| FY2003-04 | 25 | $433,267 |
| FY2004-05 | 25 | $423,600 |
| FY2005-06 | 27 | $448,040 |
| FY2006-07 | 30 | $464,990 |
| FY2007-08 | 31 | $419,814 |
| FY2008-09 | 31 | $416,086 |
| FY2009-10 | 31 | $398,857 |
| FY2010-11 | 31 | $388,895 |

This compares to the summary of Neighborhood Cleanup projects below:

| *Neighborhood Cleanups* | *No.* | *Total Cost* |
|---|---|---|
| FY2000-01 | 22 | $7,125 |
| FY2001-02 | 26 | $7,830 |
| FY2002-03 | 23 | $9,268 |
| FY2003-04 | 18 | $6,904 |
| FY2004-05 | 22 | $9,077 |
| FY2005-06 | 26 | $11,645 |
| FY2006-07 | 29 | $11,038 |
| FY2007-08 | 44 | $16,539 |
| FY2008-09 | 41 | $14,560 |
| FY2009-10 | 40 | $13,512 |
| FY2010-11 | 39 | $14,843 |

***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 FY2012-13 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 FY2012-13 total $83,100, an increase of $10,600 or 14.6 percent, due to anticipated increases in electricity costs and to ensure availability of funds in the event a new street light is requested.

The street lighting personal property levy for each District remains at $0.001 for all districts below and proposed real property levies remain unchanged for FY2012-13 at the following rates:

| Sanitary District | Approved Rate |
|---|---|
| District #2 | $0.003 |
| District #3 | $0.010 |
| District #3.1 | $0.031 |
| District #23 | $0.010 |
| District #12 | $0.010 |

It should be noted that the real property rates were decreased for street lighting in the FY2006-07 approved budget. Prior to that decrease, the real property tax levies had not been reduced since calendar year 1981 for all existing sanitary districts.

# PUBLIC WORKS

## Best Management Practices

### Description

The Department of Public Works is responsible for the long-term maintenance of Best Management Practice (BMP) devices in single-family residential subdivisions within Henrico County. BMP devices are basins for treating storm water to improve water quality. A fee is paid by developers at the time subdivisions are recorded to offset the County's cost of maintaining BMPs.

### Objective

- To provide the long-term maintenance of BMP devices in accordance with Federal and State regulations.

### Budget Highlights

The approved budget of $50,000 is based on the amount of anticipated fee revenue. The BMP maintenance fee is $100 per lot and is paid by developers when subdivisions are recorded. At this 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.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 0 | $ 0 | $ 0 | 0.0% |
| Operation | 0 | 50,000 | 50,000 | 0.0% |
| Capital | 0 | 0 | 0 | 0.0% |
| Total | $ 0 | $ 50,000 | $ 50,000 | 0.0% |
| Personnel Complement | N/A | N/A | N/A | N/A |

# PUBLIC WORKS

## Watershed Program

### Description

The Department of Public Works has developed and implemented an innovative program that addresses stormwater quality requirements mandated by State and Federal regulations for development projects. The Watershed Program provides more effective alternatives to the typical Best Management Practices (BMPs). One of these alternatives is the contribution to an environmental fund in lieu of constructing BMPs in certain areas. This fund will be used by the Department of Public Works to restore streams and otherwise improve water quality throughout the County.

### 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 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.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 0 | $ 0 | $ 0 | 0.0% |
| Operation | 47,230 | 847,000 | 847,000 | 0.0% |
| Capital | 0 | 0 | 0 | 0.0% |
| Total | $ 47,230 | $ 847,000 | $ 847,000 | 0.0% |
| Personnel Complement | N/A | N/A | N/A | N/A |

# ENTERPRISE FUNDS

## COUNTY OF HENRICO, VIRGINIA
## APPROVED REVENUES & EXPENDITURES - WATER & SEWER ENTERPRISE FUND
## FY 2012-13

### Water and Sewer Enterprise Fund

| Revenues/Resources | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| Water and Sewer Operating Budget: | | | |
| Sale of Water | $44,428,308 | $44,258,630 | $45,887,535 |
| Sale of Sewer | 40,212,364 | 43,579,501 | 44,497,991 |
| Water Connection Fees | 2,537,192 | 2,216,550 | 3,239,278 |
| Sewer Connection Fees | 1,958,330 | 4,076,998 | 1,377,088 |
| Interest Earnings | 652,348 | 917,073 | 848,276 |
| Strong Waste Surcharge | 1,710,903 | 1,385,000 | 1,485,000 |
| VA DEQ Grant | 1,524,845 | 0 | 0 |
| Other Water/Sewer revenues | 1,682,588 | 1,567,807 | 1,855,000 |
| Transfer from General Fund | 756,608 | 756,608 | 756,608 |
| **Total Operating Revenues** | **95,463,486** | **98,758,167** | **99,946,776** |
| **Operating Expenditures** | | | |
| Water and Sewer Operating Budget: | | | |
| Personnel | 19,167,882 | 19,760,885 | 19,993,542 |
| Operating | 37,151,329 | 37,452,511 | 37,452,511 |
| Capital Outlay | 978,520 | 785,527 | 785,527 |
| **Sub-Total Operating** | **57,297,731** | **57,998,923** | **58,231,580** |
| Debt Service | 14,499,755 | 20,391,286 | 22,783,414 |
| **Total Operating Expenditures** | **71,797,486** | **78,390,209** | **81,014,994** |
| **Results of Operations (Prior to Capital Expenses)** | **23,666,000** | **20,367,958** | **18,931,782** |
| **Budget For Capital Use (Below)** | **n/a** | **(100,827,965)** | **(89,704,219)** |

| Capital Budget Expenditures | FY10-11 Actual | FY11-12 Original | FY12-13 Approved |
|---|---|---|---|
| Approved Capital Projects (FY2011-12 Budget) | | 100,827,965 | |
| Approved Capital Projects (New FY2012-13 Budget) | | | 89,764,219 |
| Continuing Capital Projects (Previously Approved) (1) | 48,395,279 | 0 | |
| Total Capital Budget Expenses: | 48,395,279 | 100,827,965 | 89,764,219 |
| **Capital Budget Resources** | | | |
| Water and Sewer Revenues | 31,294,356 | 100,827,965 | 89,764,219 |
| Revenue Bonds (2006 Series) | 9,910,044 | 0 | |
| ARRA - Federal Stimulus Funds | 7,190,879 | 0 | |
| Total Capital Budget Resources: | 48,395,279 | 100,827,965 | 89,764,219 |

| | | | |
|---|---|---|---|
| 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. FY2010-11 represents actual spending, as per the 2011 audit.

(2) FY11 Fund Equity represents actual unreserved equity, as per 2011 audit. FY2011-12 and FY2012-13 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 2012-13**

| Fund-Function/Activity | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| **Belmont Golf Course Fund** | | | |
| | | | |
| **Revenues:** | | | |
| Operating | 956,339 | 1,220,070 | 1,228,807 |
| Transfer from General Fund | 0 | 0 | 0 |
| Total Revenues | 956,339 | 1,220,070 | 1,228,807 |
| | | | |
| (To) From Retained Earnings | 156,415 | 0 | 0 |
| **Total Resources** | **1,112,754** | **1,220,070** | **1,228,807** |
| | | | |
| **Expenses:** | | | |
| Loan Repayment to County | 0 | 22,500 | 22,500 |
| Operating | 1,112,754 | 1,197,570 | 1,206,307 |
| **Total Operating Expenses** | **$1,112,754** | **$1,220,070** | **$1,228,807** |

# PUBLIC UTILITIES

## Water and Sewer

### Description

The Water and Sewer Enterprise Fund accounts for the provision of water and sewer services to residents of Henrico County. All activities necessary to provide such services are accounted for in this fund, including construction, financing, and related debt service. The total cost of water and sewer services is funded by user charge revenue. No County taxes are used to support these services.

Henrico purchased all of its water requirements from the City of Richmond prior to April, 2004. At that time, the Water Treatment Facility (WTF) opened and began providing water to customers, thereby, reducing the quantity of water the County purchases from the City. In addition to water services, the Department is responsible for the installation and maintenance of fire hydrants throughout the County.

Sanitary sewers are separate from storm water collection facilities in the County, and the Department of Public Utilities is responsible for all sanitary sewer services. The Henrico County Water Reclamation Facility (WRF) treats most of the County's wastewater, with a small amount treated by the City of Richmond. Portions of Goochland County, Hanover County and the City of Richmond are also served by the WRF.

### Objectives

- To provide adequate quantities of safe drinking water in compliance with State and Federal regulations and County standards, at equitable rates, and to others with whom the County has contracted to provide service.
- To provide wastewater disposal in a manner consistent with State and Federal laws and regulations, V.P.D.E.S. permits and County standards, at equitable rates, and to others with whom the County has contracted to provide service.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 19,167,882 | $ 19,760,885 | $ 19,993,542 | 1.2% |
| Operation Expenses | 37,151,329 | 37,452,511 | 37,452,511 | 0.0% |
| Capital | 978,520 | 785,527 | 785,527 | 0.0% |
| Debt Service | 14,499,755 | 20,391,286 | 22,783,414 | 11.7% |
| Total | $ 71,797,486 | $ 78,390,209 | $ 81,014,994 | 3.3% |
| | | | | |
| Personnel Complement | 307 | 307 | 306 * | (1) |

* One position was unfunded and moved to the Hold Complement in FY2012-13.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Average No. of Fire Hydrants in Service | 11,969 | 12,100 | 12,300 | 200 |
| Miles of Water Mains | 1,548 | 1,563 | 1,583 | 20 |
| Miles of Sewer Mains | 1,450 | 1,465 | 1,475 | 10 |
| Number of Water Customers | 92,243 | 92,600 | 93,300 | 700 |
| Number of Sewer Customers | 89,355 | 89,800 | 90,400 | 600 |

**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 FY2012-13, projected operating resources of $99,946,776 will support water and wastewater operations and reflects an increase of 1.2 percent from the FY2011-12 adopted budget, including 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 FY2012-13 budget adheres to that premise.

Payments and transfers from the General Fund in FY2012-13 total $756,608 for debt service, all of which will support the debt service costs related to the Elko Tract infrastructure improvements.

**Expenditures**

The FY2012-13 budget of $81,014,994 includes expenditures for personnel, operating, capital outlay, and debt service. Overall, the Water and Sewer operating budget is increasing by 3.3 percent, or $2,624,785. Excluding debt service costs, the FY2012-13 Water and Sewer operating budget is increasing 0.4 percent or $232,657 from the FY2011-12 approved budget, solely the result of increased personnel costs.

<u>In addition to the operating budget, the Water and Sewer capital budget (found within the Capital budget component of this budget document) totals $89,764,219 for FY2012-13</u>. 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 FY2012-13 operating budget are as follows.

<u>Personnel Expenses:</u>
Personnel expenditures of $19,993,542 represent an increase of $232,657, or 1.2 percent, as compared to the approved budget for FY2011-12. This increase is due to increases in VRS, VRS Life, and healthcare expenditures.

<u>Operating Expenses:</u>
Operating expenses of $37,452,511 represents no change from the prior year budgeted totals. Within the operating budget, identified savings in chemicals, electricity, and heating have been utilized to fund anticipated increases in maintenance and repairs and maintenance service contracts, to allow for the rebuilding of two large motors at the Water Treatment Facility and to fund increased service costs related to

maintaining laboratory services and electrical testing equipment.

Capital Outlay Expenses:
Capital outlay expenditures in FY2012-13 total $785,527, which represents no change from the FY2011-12 adopted budget.

Debt Service Requirements:
Debt service expenditures of $22,783,414 represent a net increase of $2,392,128 or 11.7 percent when compared to the current fiscal year. The reason for this increase is due to the full-year funding of an anticipated $85 million issuance of new debt in FY2012-13. The FY2011-12 budget included funding for six months of principal and interest payments due to an anticipated issuance of new debt during the fiscal year if necessary. The debt service budget will fully fund requirements arising from the Water and Sewer Fund's outstanding debt, which on June 30, 2011 was $176.5 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, 2011, this coverage equaled 2.14 times the debt service requirements (Source: FY2010-11 Henrico County Comprehensive Annual Financial Report).

Debt service expenditures, in total, represent 28.1 percent of the FY2012-13 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.

FY2012-13 Capital Budget:
Specific details regarding the Water and Sewer Fund capital budget for FY2012-13 may be found within the capital budget component of this document.

The capital budget for the Water and Sewer Fund totals $89,764,219. It should be noted that the five-year Capital Improvement Program for the Water and Sewer fund totals $585,083,774. This amount represents 31.9 percent of the total County five-year Capital Improvement Program. However, when looking at the County's FY2011-12 operating budget, the Water and Sewer fund represents 7.5 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 FY2012-13 budget for the Department of Public Utilities continues to plan for infrastructure improvement and replacement, it meets all debt service coverage requirements, and covers all known fixed 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:

FY07: $109,362,917
FY08: $107,686,434
FY09: $ 86,679,593
FY10: $ 83,058,432
FY11: $ 60,371,868
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 FY2012-13 is $1,228,807, which represents an overall increase of 0.7 percent when compared to the FY2011-12 approved budget. This budget includes $1,055,862 for operation and maintenance of the Golf Course, $150,445 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 2.1 percent due to increases in retirement, group life, and health care benefit costs. Operating expenditures are forecasted to decrease by $7,529 while the capital outlay component is expected to increase by $3,633.

The maintenance and operations section of the Golf Course budget reflects a 0.8 percent increase when compared to the previous fiscal year. Personnel costs reflect an increase of $12,142 due to rising costs for retirement benefits as well as group life and health care. The operating component is projected to decrease $7,529 while the capital outlay component reflects an increase of $3,633 when compared to FY2011-12.

The Snack Bar section of the budget reflects an increase of $491. This is entirely the result of rising personnel costs as retirement, group life and health care costs are increasing. The operating and capital outlay components remain constant in FY2012-13.

Capital outlay expenditures for the operation of the Belmont Golf Course total $39,200 while capital

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 588,501 | $ 599,581 | $ 612,214 | 2.1% |
| Operation | 520,705 | 560,922 | 553,393 | (1.3%) |
| Capital | 3,548 | 37,067 | 40,700 | 9.8% |
| Debt Service | 0 | 22,500 | 22,500 | 0.0% |
| Total | $ 1,112,754 | $ 1,220,070 | $ 1,228,807 | 0.7% |
| | | | | |
| Personnel Complement | 9 | 9 | 9 | 0 |

**Performance Measures**

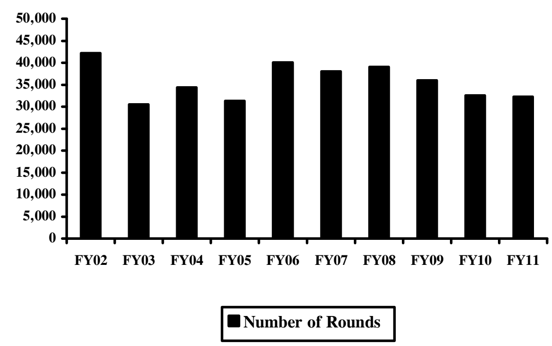
| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Rounds of Golf Played | 32,256 | 40,000 | 40,000 | 0 |
| Equipment Man Hours | 22,750 | 22,750 | 22,750 | 0 |

expenditures for the Snack Bar total $1,500. The Division anticipates the replacement of a drop spreader while the snack bar anticipates replacing a vacuum cleaner, a deep fryer, and a time clock. The rehabilitation project for FY2012-13 is a replacement of the snack bar and the pro shop building roof.

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 FY2012-13. The last time greens fees were increased was FY2010-11 when they were increased $1.

In reviewing the number of rounds played over the past ten fiscal years, current totals, while still above the lows experienced after the hurricanes from FY2002-03 to FY2004-05, have been on 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 2012-13

| Fund-Function/Activity | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| **Internal Service Funds** | | | |
| | | | |
| **Central Automotive Maintenance** | | | |
| | | | |
| Revenues: | | | |
| Charges for Automotive Maintenance - West | $6,364,813 | $6,000,000 | $6,040,842 |
| Charges for Automotive Maintenance - East | 1,538,762 | 1,420,000 | 1,460,000 |
| Charges for Use of Motor Pool | 4,510,702 | 4,123,235 | 4,123,235 |
| Charges for Gasoline | 6,424,813 | 8,589,596 | 8,586,096 |
| Miscellaneous | 292,562 | 247,500 | 251,000 |
| (Gain)/Loss on Sale of Property | (108,345) | 0 | 0 |
| (To) From Retained Earnings - CAM | 178,196 | 0 | 0 |
| Transfer to Capital Projects | 152,653 | 0 | 0 |
| Transfer from General Fund | 0 | 0 | 0 |
| **Total Revenues** | **$19,354,156** | **$20,380,331** | **$20,461,173** |
| | | | |
| Expenses: | | | |
| Central Automotive Maintenance | $19,354,156 | $20,380,331 | $20,461,173 |
| **Total Expenses** | **$19,354,156** | **$20,380,331** | **$20,461,173** |
| | | | |
| **Technology Replacement Fund** | | | |
| | | | |
| Revenues: | | | |
| Technology Replacement Charges | $2,032,495 | $1,759,995 | $0 |
| Technology Replacement Charges-Special Revenue | 59,590 | 44,692 | 0 |
| Technology Replacement Charges-Belmont | 3,896 | 2,922 | 0 |
| Technology Replacement Charges-JRJDC | 2,744 | 2,058 | 0 |
| Technology Replacement Charges-Risk | 2,987 | 2,240 | 0 |
| (To) From Retained Earnings - Technology | 294,151 | 517,323 | 2,864,873 |
| **Total Revenues** | **$2,395,863** | **$2,329,230** | **$2,864,873** |
| | | | |
| Expenses: | | | |
| Data Processing Equipment | $2,395,863 | $2,329,230 | $2,864,873 |
| **Total Expenses** | **$2,395,863** | **$2,329,230** | **$2,864,873** |

*All Other Funds (cont'd)*

| Fund-Function/Activity | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| **Risk Management** | | | |
| Revenues: | | | |
| Transfer from General Fund | $8,715,889 | $4,369,790 | $4,543,437 |
| Public Utilities Charges | 672,189 | 629,403 | 629,403 |
| Recon-Workers' Compensation | 393,668 | 0 | 0 |
| Prop/Liability Recovery | 338,991 | 0 | 0 |
| A/R-S1 P/L Subrogation | 14,070 | 0 | 0 |
| Interest Income | 5,743 | 0 | 0 |
| **Total Revenues** | **$10,140,550** | **$4,999,193** | **$5,172,840** |
| Expenses: | | | |
| Risk Management | $10,140,550 | $4,999,193 | $5,172,840 |
| **Total Expenses** | **$10,140,550** | **$4,999,193** | **$5,172,840** |
| **Healthcare Fund** | | | |
| Revenues: | | | |
| County Contribution | $57,200,580 | $62,860,858 | $66,216,272 |
| Employee Contribution | 14,464,484 | 15,850,645 | 16,484,671 |
| Retiree Contribution | 5,100,164 | 5,950,415 | 6,188,431 |
| Retiree Subsidy | 579,246 | 606,967 | 621,320 |
| Disabled Subsidy | 153,020 | 268,870 | 170,387 |
| COBRA | 205,626 | 290,450 | 302,068 |
| Other Revenues | 80,901 | 75,000 | 75,000 |
| Early Retirement Reimbursement Program | 888,352 | 0 | 888,352 |
| Fund Balance (Includes IBNR) | 3,266,112 | 4,000,000 | 2,000,000 |
| **Total Revenues** | **$81,938,485** | **$89,903,205** | **$92,946,501** |
| Expenses: | | | |
| Healthcare | $81,938,485 | $89,903,205 | $92,946,501 |
| **Total Expenses** | **$81,938,485** | **$89,903,205** | **$92,946,501** |
| **Debt Service Fund** | | | |
| Revenues: | | | |
| Transfer from General Fund | $49,832,472 | $52,854,043 | $58,982,785 |
| (To) From Fund Balance | 2,189,064 | 2,000,000 | 2,000,000 |
| **Total Revenues** | **$52,021,536** | **$54,854,043** | **$60,982,785** |
| Expenditures: | | | |
| Debt Service - General Government | $11,838,278 | $14,375,844 | $18,525,219 |
| Debt Service - Public Works | 3,521,618 | 2,954,631 | 3,200,263 |
| Debt Service - Education | 36,661,640 | 37,523,568 | 39,257,303 |
| **Total Expenditures** | **$52,021,536** | **$54,854,043** | **$60,982,785** |
| Adjustment for Interfund Transactions | ($79,682,865) | ($86,446,256) | ($87,469,152) |

# 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 FY2012-13 is $20,461,173. This represents an increase of $80,842, or 0.4 percent when compared to the FY2011-12 approved budget. Personnel costs are increasing 5.4 percent as a result of two new positions added to the Central Automotive Maintenance complement in FY2011-12. The two new Automotive Mechanic positions are for the repair and maintenance of school buses, which will result in savings for the school system by decreasing the utilization of commercial repair shops. In addition to the two new positions, this budget also accounts for increasing costs in health care and retirement.

The overall operating component totals $16,423,082, which reflects a decrease of $127,407, or 0.8 percent when compared to the FY2011-12 approved budget. This decrease captures savings in outside repair costs for school buses which will be realized through the addition of the two new positions. The operating component, in addition to repair costs, includes funding for fuel costs, parts for repairs, and other necessary costs.

The capital component, excluding vehicles, totals $176,710 for FY2012-13. Capital expenditures include three 64,000 pound mobile lifts, a truck tire changer, an automotive tire balancer, a truck tire

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 11 to 12 |
|---|---|---|---|---|
| Personnel | $ 3,595,279 | $ 3,829,842 | $ 4,038,091 | 5.4% |
| Operation | 13,930,936 | 16,550,489 | 16,423,082 | (0.8%) |
| Capital | 1,827,941 | 2,889,125 | 2,462,110 | (14.8%) |
| Sub-Total | $ 19,354,156 | $ 23,269,456 | $ 22,923,283 | (1.5%) |
| | | | | |
| Recommended Adjustments | 0 | (2,889,125) | (2,462,110) | |
| Total Budget | $ 19,354,156 | $ 20,380,331 | $ 20,461,173 | 0.4% |
| | | | | |
| Personnel Complement* | 65 | 67 | 67 | 0 |

*2 Automotive Mechanics were added to CAM from the hold complement in FY2011-12.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Total Vehicles/Equipment Maintained by CAM | 3,361 | 3,361 | 3,360 | (1) |
| Gallons of Fuel Consumed | 2,955,906 | 2,975,000 | 2,975,000 | 0 |
| Annual Miles Driven | 24,681,815 | 24,841,250 | 24,841,250 | 0 |
| Equipment to Mechanic Ratio | 86 | 82 | 82 | 0 |

balancer, a rim clamp heavy duty changer, a parts washer, four mechanic's vices, two storage cabinets, two workbenches, two battery chargers, two 12/24 volt jump boxes, a 1 inch drive impact wrench, and an AC charging station.

The FY2012-13 budget also includes $2,285,400 for the replacement of 88 motor pool vehicles, as compared to $2,688,900 for the replacement of 101 motor pool vehicles in the FY2011-12 approved budget. Vehicles scheduled to be replaced next year include 15 compact sedans, 5 full-size police sedans, 2 mid-size sedans, 5 vans, 9 sport utility vehicles, and 52 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 $7,580,727 for FY2012-13.

Motor pool revenues are projected to remain flat in FY2012-13. 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 (88 vehicles are scheduled for replacement in the FY2012-13 budget).

The estimate for CAM's fuel revenues totals $8,586,096 for FY2012-13. Fuel consumed by a department owned vehicle is charged to departments at actual cost plus a mark up per gallon which covers the cost of providing the fuel service. In FY2012-13, 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 |

| 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 |

Miscellaneous revenue for CAM is projected at $251,000 for FY2012-13 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 FY2012-13 approved budget for the Technology Replacement Fund totals $2,864,873 for the replacement of computer equipment. The request for replacement equipment in the FY2012-13 budget includes equipment that is eligible and approved 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. The Department of Information Technology approves the replacement request based on the computer's use as well as the user's anticipated needs.

FY2012-13 will mark the thirteenth year of the program, and is the tenth year equipment in the fund can be replaced. The FY2012-13 request for replacement computer equipment totals $2,864,873. The departments that made formal requests for equipment replacement in FY2012-13 are the Board of Supervisors, Community Revitalization, County Manager, Division of Fire, Finance, General Services, Human Resources, Information Technology, Internal Audit, Planning, Police Division, Public Library, Public Relations and Media Services, Public Works, and Recreation and Parks.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 0 | $ 0 | $ 0 | 0.0% |
| Operation | 287,071 | 0 | 33,839 | 0.0% |
| Capital | 2,108,792 | 2,329,230 | 2,831,034 | 21.5% |
| Total | $ 2,395,863 | $ 2,329,230 | $ 2,864,873 | 23.0% |

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Funds Transferred from Departments | 2,101,712 | 1,812,892 | - | (1,812,892) |
| Accumulated Value of Equipment | 10,116,447 | 11,357,494 | 11,357,494 | 0 |
| Computers in Program | 2,806 | 2,833 | 2,833 | 0 |
| Other Equipment in Program | 878 | 1,027 | 1,027 | 0 |
| **Effectiveness Measures** | | | | |
| Percent of Eligible Departments in Program | 100% | 100% | 100% | 0% |

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, 2011, the Technology Replacement Fund had accumulated $9,318,847 for future equipment replacement.

# RISK MANAGEMENT

## Description

Risk Management is a division within the Department of General Services that provides protection from accidental losses arising out of the County's General Government and Public Schools operations. The Division is responsible for the management of the self-insurance fund, administration of workers' compensation, auto, property and liability claims, loss prevention, safety training, and environmental management. Protection is provided through a combination of self-insurance, purchased insurance, and risk transfer mechanisms. Administrative support is provided to the Executive Safety Committee and the Accident Review Board. The safety staff provides training and guidance to all County agencies and Henrico County Public Schools to ensure compliance with state and federal regulations. The environmental coordinator provides administration for the County's environmental program to include communication of policy, program implementation, and employee awareness training.

## Objectives

- To protect the County against losses which could significantly impact its personnel, property, or financial stability in providing services to the general public.
- To provide comprehensive insurance coverage for the General Government and Schools at the lowest possible cost when considering the various risks involved.

## Budget Highlights

The FY2012-13 budget reflected within the Internal Service Fund series as Risk Management provides services to all areas of General Government and Education, across all funds. In FY2012-13, the budget for Risk Management totals $5,172,840 and is funded with a transfer of $4,543,437 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 17.3 percent of the budget while the operating and capital outlay components represent 82.7 percent of the total. A more detailed synopsis of these components will be explained in the individual areas within Risk Management listed below.

In FY2012-13, the budget for the Self-Insurance Administration function of Risk Management totals $1,173,096. Within the Self-Insurance Administration area, eleven 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. During FY2012-13, special emphasis will continue in the area of risk assessment of programs and activities in an effort to recognize, reduce, and control risk exposures. In addition, the development and implementation of the Environmental Management Program will continue, including communication of the County's environmental policy, general employee awareness training, establishing objectives through the

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 720,537 | $ 763,940 | $ 893,853 | 17.0% |
| Operation* | 9,418,428 | 4,229,253 | 4,273,387 | 1.0% |
| Capital | 1,585 | 6,000 | 5,600 | (6.7%) |
| Total | $ 10,140,550 | $ 4,999,193 | $ 5,172,840 | 3.5% |
| | | | | |
| Personnel Complement** | 10 | 10 | 11 | 1 |

*$5,837,198 of FY2010-11 actual expenditures was funded through a routine budget amendment utilizing funding available in the Self-Insurance Reserve.

**One position will be transferred from General Services' budget within the General Fund to Risk Management in FY2012-13.

**Performance Measures**

| | FY11 | FY12 | FY13 | Change 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Workers' Compensation Claims Processed | 857 | 875 | 875 | 0 |
| Auto, General Liability, Other Claims Processed | 458 | 475 | 475 | 0 |
| Property Damage and Loss Claims Processed | 985 | 1,000 | 1,000 | 0 |

Environmental Management System (EMS) process and implementing standard environmental operating procedures to ensure compliance with regulations. In FY2012-13, four operational areas will have developed and implemented 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 FY2012-13, 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 FY2012-13 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, which are used in conjunction with the County's self-insurance program to limit risk exposure.

It should be noted that the County's costs in this area are also augmented by the Self-Insurance Reserve, which on 6/30/11 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 approved budget for FY2012-13 provides funding of $92,946,501 for the Healthcare Fund. Included in this figure is $66,216,272 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 $25,938,522 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 FY2012-13, the Healthcare Budget also includes $888,352 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 $2,000,000 from the Premium Stabilization Reserve, which was necessary to minimize the rate increase for the County and its employees for calendar year 2012.

Of the $92,946,501 approved budget for Healthcare, $87,646,501 or 94.3 percent reflects claims expenditures. The balance of $5,300,000 reflects anticipated third party administrative fees ($3,600,000), the costs of an actuarial study and claims audit ($100,000), and the premium payment for excess risk insurance ($1,600,000). 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.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Claims | $ 77,326,453 | $ 84,603,205 | $ 87,646,501 | 3.6% |
| Other Administrative Fees | 4,612,032 | 5,300,000 | 5,300,000 | 0.0% |
| Total Healthcare | $ 81,938,485 | $ 89,903,205 | $ 92,946,501 | 3.4% |

# 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 $533,180,000 as of June 30, 2012. The distribution of the debt is: $430,540,000 of General Obligation (GO) bonds ($284,415,643 for Schools and $146,124,357 for General Government), $25,180,000 of Industrial Development Authority (IDA) bonds for the regional jail project, $8,505,000 of IDA bonds for General Government projects, $66,530,000 of Virginia Public School Authority (VPSA) bonds, and $2,425,000 for the JRJDC, which is included in the total outstanding debt figure above as it is included in the bond rating agencies' calculations. It must be noted that of the $533,180,000 projected June 30, 2012 outstanding debt, $350,945,643 or 65.8 percent is attributed to Education projects and $182,234,357 or 34.2 percent is attributed to General Government projects.

In order to ensure that the County does not exceed its ability to service current and future debt requirements, an annual long-term debt affordability analysis is performed and utilized as a forecasting tool when confronted with the question of potential debt issues. The County has established the following debt affordability guidelines – debt service as a percentage of General Fund Expenditures, 7.75%; debt service as a percentage of assessed value, 1.49%; and debt per capita, $1,650.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Principal Payments | $ 32,300,000 | $ 32,290,000 | $ 38,160,000 | 18.2% |
| Interest Payments | 19,243,700 | 22,514,043 | 22,772,785 | 1.1% |
| Other Debt Expenses | 477,836 | 50,000 | 50,000 | 0.0% |
| Total | $ 52,021,536 | $ 54,854,043 | $ 60,982,785 | 11.2% |
| | | | | |
| General Government | $ 15,359,896 | $ 17,330,475 | $ 21,725,482 | 25.4% |
| Education | 36,661,640 | 37,523,568 | 39,257,303 | 4.6% |
| Total | $ 52,021,536 | $ 54,854,043 | $ 60,982,785 | 11.2% |

The Board of Supervisors established the debt guidelines in the FY1998-99 Annual Fiscal Plan. The Board of Supervisors revalidated the guidelines during growth retreats held during the summer of 2004. Following these guidelines has allowed the County to meet its infrastructure needs without sacrificing other operational requirements.

**The County's bond ratings are as follows:**

- **Moody's Investors Service: Aaa**
- **Standard & Poor's: AAA**
- **Fitch IBCA: AAA**

As a note, Henrico is 1 of only 35 counties in the United States to hold the highest rating from each of the three bond rating agencies, which is referred to as a triple AAA bond rating (Aaa, AAA, and AAA).

Following are three of the ratios that are calculated in the debt capacity analysis, which was most recently completed in February 2012. 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 1.46% in FY2011-12. The **ratio of debt service to General Fund expenditures** measures the percentage of the budget used to pay debt service and provides a measure of the annual demands placed on the operating budget by the County's long-term debt. This ratio is 6.87% in FY2011-12. **Net bonded debt per capita** is the amount of debt outstanding divided by the number of County residents. The amount of debt per capita exceeded the guideline of $1,650 in FY2011-12, and was calculated at $1,693; however, this is solely the result of the County combining the final two planned G.O. Bond issues from the March 2005 G.O. Bond Referendum due to the attractive interest rate environment.

**Budget Highlights**

Following is a historical overview of recent bond issues for which the County incurred debt obligations. By offering this historical perspective, the current year debt service requirements may be put into the context of the true multi-year planning that is required when managing the County's debt.

In FY1996-97, the County participated in a Virginia Public School Authority (VPSA) bond issue. The VPSA issue totaled $30,595,000. The proceeds were used for technology initiatives, roof replacements, mechanical improvements, land acquisition, and planning and construction of new schools. In the fall of 1996, the County issued IDA Lease Revenue Bonds in the amount of $28,765,000. The proceeds were for construction of the Emergency Communication and Training Facility, renovation of the Hartford Building (now the Public Safety Building), and the Lease/Purchase of a new 800 MHz Communication System.

In FY1997-98, the County issued IDA Lease Revenue Bonds for $24,765,000. The proceeds from the bond issue were used for renovations to the Administration Annex (Old Public Safety Building), construction of the parking deck, and the County's technology initiative, which included technology enhancements for the Department of Finance, Community Development Agencies, and County Libraries. In addition, funding was provided for the County's LAN/WAN (local and wide area networks) backbone.

In the spring of 1999, the County participated in a VPSA Bond issue. The issue totaled $35,740,000. The proceeds were used for various school additions and renovation projects as well as the construction of Pocahontas Middle School and Twin Hickory Elementary School.

In the fall of 1999, the County refinanced bonds that were originally issued in FY1994-95 to build the regional jail facility. The regional jail is located in New Kent County and shared by the Counties of New Kent, Goochland, and Henrico. The refinancing was advantageous due to the prevailing interest rates that reduced the debt service payments throughout the life of the issue. The State of Virginia, which committed to reimbursing the County for a portion of the debt service on the original issue, paid-off the balance of their commitment during the refinancing process.

Also in FY1999-00, the County's Schools participated in a VPSA Bond issue. The issue totaled $15,215,000. The proceeds were used to add a multi-purpose room to Crestview Elementary School and to begin construction of Deep Run High School.

In November 2000, the County's voters approved a $237,000,000 General Obligation (GO) Bond Referendum. The referendum included projects for

Schools, Fire, Public Library, Public Works – road projects, and Recreation and Parks. Of the total $237,000,000 referendum approved by the voters, Education projects totaled $170,500,000 and General Government projects totaled $66,500,000. The financing plan that supported the 2000 GO Bond Referendum utilized $12,600,000 in VPSA interest earnings and $4,100,000 from the County's General Fund balance.

In the spring 2001, the County issued $37,110,000 in GO Bonds for School projects, which included the continued construction of Deep Run High School; planning and design costs for Rivers Edge Elementary School; the purchase of land for Hungary Creek Middle School; renovations to Fair Oaks Elementary School and Moody Middle School, as well as construction of New Bridge Alternative Middle School.

The County issued GO Bonds totaling $27,035,000 in February 2002. The issue was for School projects totaling $8,674,055 and General Government projects totaling $18,360,945. It should be noted that the GO Bond funding when combined with $12,600,000 of VPSA interest earnings for Education and $4,100,000 of the County's General Fund balance provided a total of $43,735,000 for projects approved in the FY2001-02 Capital Budget. School projects being funded include the completion of Deep Run High School and Rivers Edge Elementary School, the purchase of land for Colonial Trail Elementary School, planning and design funding for Hungary Creek Middle School and Greenwood Elementary School, and additions at Baker and Ratcliffe Elementary Schools. General Government projects being funded include construction of Fire Station #18, a replacement Tuckahoe Library, a portion of John Rolfe Parkway, and design funding for Meadowview Park, Walkerton Tavern, Osborne Park, and the Deep Run Park Recreation Center.

In January 2003, the County refinanced two prior debt issues – the 1993 Public Improvement Refunding Bonds and the VPSA 1993 Bonds – and issued $50,230,000 of new GO Bonds, which were approved on the November 2000 referendum, for a total debt issue of $107,545,000. Due to favorable interest rates on AAA bond issues, refunding the two debt issues 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 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 revised financing plan funds the projects over a seven year period instead of a six year period. By stretching the period of debt issuance over seven years, the debt service and operating costs for these projects comes on line more slowly and allows the maximum use of incremental County resources.

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, included funding for the construction of Glen Allen High School, the addition of twelve classrooms each at Mehfoud Elementary School and Varina Elementary School, and planning and design funding for a new West Area Elementary School and the renovations of Varina High School, Johnson Elementary School, and Brookland Middle School.

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

In May 2009, the County refunded two prior debt issues, the 2001 and 2002 GO Bonds, totaling $33,785,000 in all. Due to favorable interest rates on AAA bond issues, refunding these two debt issues reduced the County's interest cost by $1.84 million over the balance of the debt payments.

In August 2009, the County refunded two more prior debt issues, the 1996 Industrial Development Authority (IDA) Lease Revenue Bonds and the 1998 IDA Lease Revenue Bonds, totaling $36,425,000 in all. These bond refundings generated 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.

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.

The GO Bond referendum approved in November 2000, anticipated the issuance of GO Bonds over a seven year period from FY2000-01 to FY2006-07. In actuality GO Bonds were issued six times over a seven year period with the final issue in November 2006. The following table provides a summary of each GO Bond issue.

| Fiscal Year | Amount | Issue Date |
|---|---|---|
| FY2000-01 | $37,110,000 | May 2001 |
| FY2001-02 | $27,035,000 | February 2002 |
| FY2002-03 | $50,230,000 | January 2003 |
| FY2003-04 | $38,920,000 | May 2004 |
| FY2005-06 | $46,729,550 | August 2005 |
| FY2006-07 | $33,169,057 | November 2006 |

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 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. The following table provides a summary of each GO Bond issue.

| Fiscal Year | Amount | Issue Date |
|---|---|---|
| FY2005-06 | $31,085,450 | August 2005 |
| FY2006-07 | $38,745,943 | November 2006 |
| FY2007-08 | $29,810,000 | January 2008 |
| FY2008-09 | $93,090,000 | November 2008 |
| FY2009-10 | $0 | Issue delayed to FY11. |
| FY2010-11 | $72,205,000 | July 2010 |
| FY2011-12 | $66,075,000 | August 2011 |

# FUDICIARY FUNDS

**COUNTY OF HENRICO, VIRGINIA**
**REVENUES & EXPENDITURES - AGENCY FUNDS**
**FY 2012-13**

| Fund-Function/Activity | FY 10-11 Actual | FY 11-12 Original | FY 12-13 Approved |
|---|---|---|---|
| **JRJDC Agency Fund** | | | |
| Revenues: | | | |
| Transfer from General Fund | $3,281,789 | $3,281,089 | $3,271,174 |
| Revenue from Federal Government | 81,173 | 0 | 0 |
| Revenue from the Commonwealth | 1,502,644 | 1,412,270 | 1,412,270 |
| Revenue from Goochland/Powhatan | 448,688 | 403,312 | 401,438 |
| Gain/Loss Sale of Assets | 0 | 0 | 0 |
| Revenue from Other Localities | 0 | 0 | 0 |
| Interest Income | 22,836 | 0 | 0 |
| (To) From Fund Balance-JRJDC | 257,192 | 445,138 | 445,138 |
| **Total Revenues** | **$5,594,322** | **$5,541,809** | **$5,530,020** |
| Expenses: | | | |
| Operating | $4,924,004 | $4,867,199 | $4,853,142 |
| Debt Service | 670,318 | 674,610 | 676,878 |
| **Total Expenses** | **$5,594,322** | **$5,541,809** | **$5,530,020** |
| **Other Post Employment Benefits - GASB 45** | | | |
| Revenues: | | | |
| Transfer from General Fund | $3,000,000 | $3,000,000 | $3,000,000 |
| **Total Revenues** | **$3,000,000** | **$3,000,000** | **$3,000,000** |
| Expenses: | | | |
| Operating | $3,000,000 | $3,000,000 | $3,000,000 |
| **Total Expenses** | **$3,000,000** | **$3,000,000** | **$3,000,000** |
| **Line of Duty Act (LODA)** | | | |
| Revenues: | | | |
| Fiduciary Fund Balance | $0 | $0 | $500,000 |
| **Total Revenues** | **$0** | **$0** | **$500,000** |
| Expenses: | | | |
| Operating | $0 | $0 | $500,000 |
| **Total Expenses** | **$0** | **$0** | **$500,000** |

# 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 procurements as well as accounting and budget activities.

The operating budget for the JRJDC (excluding debt service) totals $4,853,142 for FY2012-13. This is a decrease of $14,057, or 0.3 percent. Costs of operations decreased by 7.3 percent, due to improved efficiencies in the areas of Uniform Apparel, Food Supplies, and Maintenance Service Contracts. Capital outlay totaling $8,252 is also included in this budget for replacement of furniture as well as medical and recreational equipment.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Personnel | $ 3,875,937 | $ 4,163,396 | $ 4,199,091 | 0.9% |
| Operation | 1,035,390 | 696,803 | 645,799 | (7.3%) |
| Capital | 12,677 | 7,000 | 8,252 | 17.9% |
| Debt | 670,318 | 674,610 | 676,878 | 0.3% |
| Total | $ 5,594,322 | $ 5,541,809 | $ 5,530,020 | (0.2%) |
| | | | | |
| 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**

| | FY11 | FY12 | FY13 | Changes 12 to 13 |
|---|---|---|---|---|
| **Workload Measures** | | | | |
| Admissions - Secure Detention | 602 | 600 | 600 | 0 |
| Average Daily Population | 43 | 50 | 50 | 0 |
| Admissions - Post Dispositional | 39 | 40 | 40 | 0 |
| Number of Female Groups Run by Clinicians | 43 | 45 | 45 | 0 |
| Number of Sub. Abuse Groups Run by Clinicians | 42 | 45 | 45 | 0 |

It should be noted that the average daily population of the facility, after having grown from 34 in FY2003-04 to 58 in FY 2009-10, decreased markedly to 43 in FY2010-11.

The FY2012-13 approved budget 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 FY2012-13, the Commission will bill each participating locality their operating share based on the number of beds assigned in the 60-bed facility. Per the JRJDC agreement, Henrico has 52 beds and Powhatan and Goochland have 4 beds each. This allocation results in the Commission billing the participating localities for the operating costs at the following percentages: Henrico - 86.6 percent, Powhatan - 6.7 percent and Goochland - 6.7 percent.

State aid for the Commission is estimated at $1,412,270 in this submission, which is unchanged from the projected State grant in FY2011-12.

The Commission projects the use of $445,138 of fund balance as part of the budget for FY2012-13. While the commission has used this practice for many years, due to expenditure savings from efficiencies along with unbudgeted revenues, actual use of fund balance has been minimal. As of June 30, 2011, the Commission had a fund balance of $2,892,189.

The Commission has budgeted debt payments totaling $676,878 in the JRJDC Debt Service Fund for FY2012-13. These payments are paid entirely with local funds.

The following is a schedule of State aid to the Commission for the fiscal years JRJDC has been in full operation. The level of State funding remains below what it was in FY2001-02, 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 | $1,502,644 |
| 2011-12 | $1,412,270* |
| 2012-13 | $1,412,270* |

* Figures for FY2011-12 and FY2012-13 are projections

It should also be noted that while estimates of revenues coming to the JRJDC from the State are based on the most recent information received, uncertainties about the full amount of State budget cuts, and thus the final total of this revenue, persist.

# OTHER POST EMPLOYMENT BENEFITS AGENCY FUND

## Other Post Employment Benefits (OPEB)

### Budget Highlights

The budget for FY2012-13 provides on-going funding of $3,000,000 for costs associated with the accounting requirement from the Governmental Accounting Standards Board (GASB) known as GASB 45, which went into effect in FY2007-08. The 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. The allocation has remained level at $3,000,000 since FY2010-11 and is forecasted to meet the anticipated funding requirements. Future contributions will continue to be based on completed independent actuarial analysis.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| OPEB contribution | $ 3,000,000 | $ 3,000,000 | $ 3,000,000 | 100.0% |
| Total OPEB | $ 3,000,000 | $ 3,000,000 | $ 3,000,000 | 100.0% |

# LINE OF DUTY – FIDUCIARY FUND

## Line of Duty

### Description

The Line of Duty Fiduciary Fund is being created beginning with 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 have two options to pay for the line of duty costs. The first option is for localities to pay the costs of the line of duty benefits directly. The second option is to participate in a line of duty pool administered by the Virginia Retirement System (VRS). Localities have until June 30, 2012 to decide whether to pay the costs of the program directly or join the VRS pooled program.

### Budget Highlights

The budget for FY2012-13 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 has been created for FY2012-13 with a forecasted budget of $500,000. This fiduciary fund will allow the County to budget for the annual cost of the Line of Duty.

**Annual Fiscal Plan**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Line of Duty contribution | $ 0 | $ 0 | $ 500,000 | 100.0% |
| Total Line of Duty | $ 0 | $ 0 | $ 500,000 | 100.0% |

# 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**

| Description | FY11 Actual | FY12 Original | FY13 Approved | Change 12 to 13 |
|---|---|---|---|---|
| Total | $ (79,682,865) | $ (86,446,256) | $ (87,469,152) | 1.2% |

# 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 FY2012-13 through FY2016-17. The CIP represents infrastructure improvements requested by County departments over the next five years to meet existing and future service obligations. In evaluating each of the projects, the CIP process takes into account such factors as population growth, density, desired service levels, economic development concerns, and the County's fiscal condition. In the end, the CIP reflects the needs and desires of the residents of Henrico.

The CIP also represents a balance between available resources and competing County priorities, which in the current economic climate is extremely difficult. The demands for government services do not decrease during a recession so the understanding of service demand requirements is vital to the preparation of the CIP and complicates the allocation of limited resources. Projects approved by the citizens on the March 2005 General Obligation (G.O.) Bond Referendum continue to be the highest priority projects and the FY2012-13 approved capital budget includes the appropriations for the final projects authorized on the referendum. Public Works projects that receive funding from State Transportation (Gas Tax) funds are not included in the approved Capital Improvement Program for FY2012-13 due to continuing State budget shortfalls in this area.

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 both Education and General Government facilities to ensure the County's existing infrastructure remains sound. The maintenance of existing infrastructure must be funded even in these difficult economic times. Although many other projects are also needed, funding constraints necessitate only the highest priority projects be recommended for funding in FY2012-13.

The Capital Improvement Program provides for the orderly and systematic financing and acquisition of public improvements. It also provides information for the individual taxpayer, neighborhood councils, and other civic groups interested in the County's development plan; a statement of intention for Federal and State agencies who provide grants-in-aid to the County; and a source of information for potential investors who may purchase municipal securities. By projecting and scheduling capital improvements in advance of actual needs, the County obtains several advantages.

1. Reduction of the need for "crash programs" to finance the construction of County facilities.

2. Budgeting takes place within a system, which assures capital projects will be built according to a predetermined priority system while planning in advance for revenue needed to finance and complete these capital projects.

3. Advance planning ensures projects are well thought out in advance of construction.

4. It permits major purchases to be scheduled in conjunction with favorable market conditions.

5. Coordination with the operating budget is ensured. An important aspect of capital improvement planning is the affect capital expenditures have upon the annual operating cost of the County. When a new facility is established, it must be maintained and staffed, and obligations, which begin when it is made operational, will become continuous. Within the Approved FY2012-13 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.

The majority of funding for CIP projects typically comes from two major sources: long-term borrowing

(General Obligation bonds) and current revenues (pay-as-you-go financing). The operating budget is the primary mechanism through which current revenues are appropriated to capital projects.

Other sources of financing can include State Construction grants, State Lottery funds, State Transportation funds, State Wireless E-911 funds, and Enterprise Fund resources. The amount appropriated for capital projects each year is based on the Capital Improvement Program in effect at the time of the development of the capital budget. The FY2012-13 through FY2016-17 CIP requests of $1,833,712,265 represents a decrease of $68,750,454 over the current FY2011-12 through FY2015-16 CIP of $1,902,462,719. These needs are put forward by Departments, and prioritized by the Departments over the five-year period. The approved Capital Budget for FY2012-13 funds $147,407,811 in the first year of the CIP.

The revenue sources approved for the FY2012-13 Capital budget are as follows:

| **Revenue Sources:** | **Approved FY2012-13** |
|---|---|
| Capital Projects Fund: | |
| General Fund Operating Budget Transfers: | |
| General Fund Balance | $ 5,000,000 |
| General Fund Designated Capital Reserve | 5,000,000 |
| Motor Vehicle License Fee Revenue - Public Works | 850,000 |
| General Obligation Bonds - Education - 2005 | 18,792 |
| General Obligation Bonds - General Government - 2005 | 40,200,000 |
| Subtotal - Capital Projects Fund | 51,068,792 |
| | |
| Vehicle Replacement Reserve: | |
| General Fund Operating Budget Transfers: | |
| Designated Vehicle Replacement Reserve | 6,574,800 |
| | |
| Enterprise Fund: | |
| Water and Sewer Revenues | 89,764,219 |
| Subtotal - Enterprise Fund | 89,764,219 |
| | |
| Total Capital Budget Revenues | $ 147,407,811 |

## 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**
**FY2012-13**

| Project Number | Project Name | | Approved FY2012-13 |
|---|---|---|---|
| | **Fund 21 Capital Projects Fund** | | |
| General Fund | | | |
| 00518 | Roof Replacements - Education | $ | 100,000 |
| 00527 | Mechanical Improvements - Education | | 2,400,000 |
| | Subtotal - Education | $ | 2,500,000 |
| 00572 | Mechanical Improvements | $ | 560,000 |
| 00425 | Roof Replacement and Rehabilitation | | 250,000 |
| 00423 | Pavement Rehabilitation | | 150,000 |
| 06649 | Best Plaza | | 5,000,000 |
| 00027 | UPS Replacement | | 440,000 |
| | Subtotal - General Services | $ | 6,400,000 |
| 06481 | Information Technology Projects | $ | 250,000 |
| 06627 | Network/VOIP | | 500,000 |
| | Subtotal - Information Technology | $ | 750,000 |
| 00429 | Geographic Information System | $ | 150,000 |
| | Subtotal - Information Technology - GIS | $ | 150,000 |
| 06194 | Facility Rehabilitation | $ | 200,000 |
| | Subtotal - Recreation and Parks | $ | 200,000 |
| | Subtotal - General Fund | $ | 10,000,000 |
| General Fund Revenue - Public Works (Motor Vehicle License Fee) | | | |
| 00499 | General Road Construction | $ | 800,000 |
| 00486 | New Guardrails | | 50,000 |
| | Subtotal - General Fund Revenue - Public Works | $ | 850,000 |
| G.O. Bonds - Education - 2005 | | | |
| 06397 | Education Bond Project Reserve | $ | 18,792 |
| | Subtotal - Education - G.O. Bonds - 2005 | $ | 18,792 |

**County of Henrico, Virginia**
**Approved Capital Budget**
**FY2012-13**

| Project Number | Project Name | | Approved FY2012-13 |
|---|---|---|---|
| | **Fund 21 Capital Projects Fund** (Continued) | | |
| G.O. Bonds - General Government - 2005 | | | |
| 06396 | Fire Bond Project Reserve | $ | 30,000 |
| | Subtotal - Fire | $ | 30,000 |
| 06396 | Public Library Bond Project Reserve | $ | 4,470,000 |
| 06272 | Varina Area Library | | 16,700,000 |
| 06271 | Dumbarton Area Library Replacement | | 16,000,000 |
| | Subtotal - Public Library | $ | 37,170,000 |
| 06352 | Short Pump Park | $ | 3,000,000 |
| | Subtotal - Recreation and Parks | $ | 3,000,000 |
| | Subtotal - G.O. Bonds - General Government - 2005 | $ | 40,200,000 |
| | **Total - Fund 21 Capital Projects Fund** | **$** | **51,068,792** |
| | **Fund 22 Vehicle Replacement Reserve** | | |
| Designated Vehicle Replacement Reserve | | | |
| 06690 | School Bus Replacement Program | $ | 2,500,000 |
| | Subtotal - Education | $ | 2,500,000 |
| 06692 | Fire Apparatus Replacement Program | $ | 1,500,000 |
| | Subtotal - Fire | $ | 1,500,000 |
| 06691 | Police Vehicle Replacement Program | $ | 2,574,800 |
| | Subtotal - Police | $ | 2,574,800 |
| | Subtotal - Designated Vehicle Replacement Reserve | **$** | **6,574,800** |
| | **Total - Fund 22 Vehicle Replacement Reserve** | **$** | **6,574,800** |

**County of Henrico, Virginia**
**Approved Capital Budget**
**FY2012-13**

| Project Number | Project Name | | Approved FY2012-13 |
|---|---|---|---|
| | **Fund 51 Enterprise Fund - Public Utilities** | | |
| Other Local Revenue | | | |
| 00782 | New Sewer Connections | $ | 250,000 |
| 00772 | Sewer Line Extensions | | 600,000 |
| 00732 | Sewer Line Rehabilitation | | 2,000,000 |
| 00743 | Sewer Pump Station Improvements | | 100,000 |
| 00737 | Sewer Relocations, 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 |
| 06135 | River Road Basin Sewer Rehabilitation | | 2,160,000 |
| 06139 | Gillies Creek Basin Sewer Rehabilitation | | 406,344 |
| 06448 | Broadwater Creek II SPS Improvements | | 465,750 |
| 06152 | Gambles Mill SPS FEB Modification | | 4,140,000 |
| 06445 | Strawberry Hill SPS Capacity Improv. | | 1,552,500 |
| 06446 | Strawberry Hill FM Creighton Rd Vent Fclty. | | 698,625 |
| 06459 | Broadwater Creek I SPS & FEB | | 1,035,000 |
| | Subtotal - Sewer | $ | 18,958,219 |
| Other Local Revenue | | | |
| 00771 | New Water Connections | $ | 200,000 |
| 00770 | Water Line Extensions | | 350,000 |
| 00768 | Water Line Rehabilitation | | 2,000,000 |
| 00769 | Water Pumping Station Improvements | | 75,000 |
| 00780 | Water Meters | | 325,000 |
| 00767 | Water Reloc., Adjustments & Crossings | | 200,000 |
| 00811 | Information Technology Projects | | 500,000 |
| 06125 | Cobbs Creek (Cumberland) Reservoir | | 60,000,000 |
| 00774 | Beverly Hills Area Water Rehabilitation | | 5,796,000 |
| 06615 | Ridge Water Pressure Zone | | 1,360,000 |
| | Subtotal - Water | $ | 70,806,000 |
| | **Total - Fund 51 Enterprise Fund - Public Utilities** | **$** | **89,764,219** |
| | **Total Approved Capital Budget for FY2012-13** | **$** | **147,407,811** |

# Capital Improvement Program Summary

## Fiscal Year 2012-13 through Fiscal Year 2016-17

| By Department | Approved FY2012-13 | Requested FY2012-13 | Requested FY2013-14 | Requested FY2014-15 | Requested FY2015-16 | Requested FY2016-17 | Total Requested |
|---|---|---|---|---|---|---|---|
| **Fund 21 Capital Projects Fund** | | | | | | | |
| CRWP | 0 | 704,459 | 0 | 0 | 0 | 0 | 704,459 |
| Customer Relationship Management | 0 | 750,000 | 900,000 | 4,576,150 | 0 | 0 | 6,226,150 |
| Education | 2,518,792 | 108,955,165 | 89,719,528 | 19,163,241 | 41,398,396 | 33,525,385 | 292,761,715 |
| Fire | 30,000 | 15,678,112 | 24,506,152 | 21,819,650 | 9,296,238 | 11,993,683 | 83,293,835 |
| General Services | 6,400,000 | 28,852,251 | 84,573,689 | 59,122,449 | 36,196,931 | 118,662,537 | 327,407,857 |
| Information Technology | 750,000 | 5,650,000 | 650,000 | 650,000 | 1,000,000 | 1,000,000 | 8,950,000 |
| Information Technology - GIS | 150,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 1,500,000 |
| Mental Health | 0 | 91,158 | 856,813 | 0 | 4,392,872 | 29,922,419 | 35,263,262 |
| Police | 0 | 2,793,893 | 0 | 0 | 0 | 0 | 2,793,893 |
| Public Library | 37,170,000 | 38,679,656 | 1,620,373 | 0 | 45,933,848 | 0 | 86,233,877 |
| Public Works - Drainage | 0 | 0 | 17,614,384 | 16,263,141 | 25,987,892 | 24,224,165 | 84,089,582 |
| Public Works - Roadway | 850,000 | 3,235,611 | 850,000 | 850,000 | 850,000 | 850,000 | 6,635,611 |
| Recreation | 3,200,000 | 26,240,805 | 86,811,839 | 50,187,692 | 39,432,414 | 63,803,790 | 266,476,540 |
| Sheriff | 0 | 4,594,298 | 1,241,314 | 37,844,661 | 0 | 0 | 43,680,273 |
| **Total** | **51,068,792** | **236,525,408** | **309,644,092** | **210,776,984** | **204,788,591** | **284,281,979** | **1,246,017,054** |
| **Fund 22 Vehicle Replacement Reserve** | | | | | | | |
| 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 |
| **Total** | **6,574,800** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Fund 51 Enterprise Fund** | | | | | | | |
| Public Utilities - Sewer | 18,958,219 | 18,958,219 | 20,064,280 | 58,516,340 | 34,972,075 | 83,917,680 | 216,428,594 |
| Public Utilities - Water | 70,806,000 | 70,806,000 | 19,350,000 | 14,224,440 | 172,571,000 | 91,703,740 | 368,655,180 |
| **Total** | **89,764,219** | **89,764,219** | **39,414,280** | **72,740,780** | **207,543,075** | **175,621,420** | **585,083,774** |
| **Fund 52 Enterprise Fund** | | | | | | | |
| Recreation | 0 | 0 | 72,600 | 701,992 | 445,131 | 1,391,714 | 2,611,437 |
| **Total** | **0** | **0** | **72,600** | **701,992** | **445,131** | **1,391,714** | **2,611,437** |
| **Grand Total** | **147,407,811** | **326,289,627** | **349,130,972** | **284,219,756** | **412,776,797** | **461,295,113** | **1,833,712,265** |

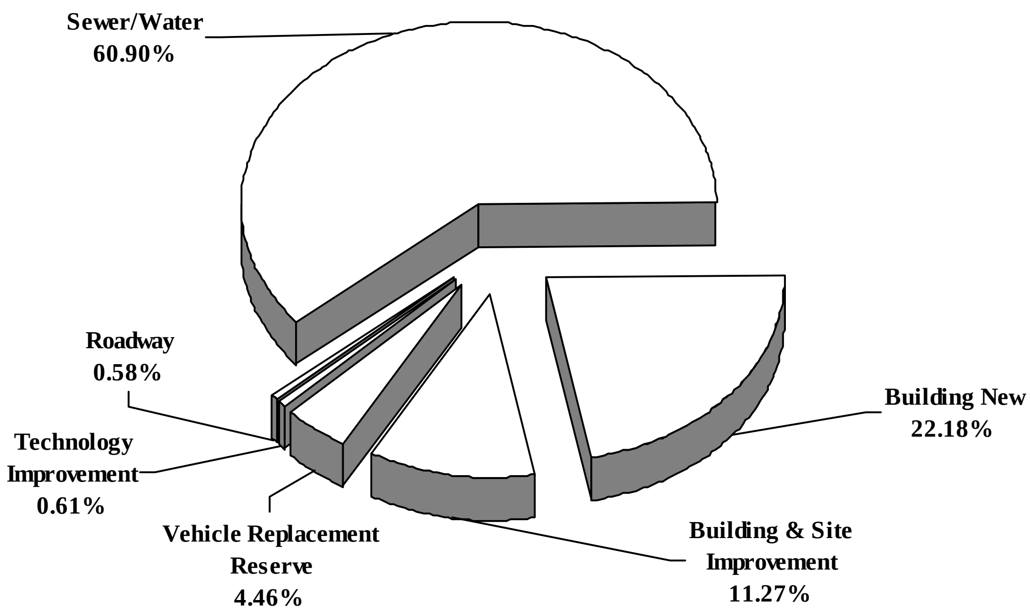
| By Revenue Source | Approved FY2012-13 | Requested FY2012-13 | Requested FY2013-14 | Requested FY2014-15 | Requested FY2015-16 | Requested FY2016-17 | Total Requested |
|---|---|---|---|---|---|---|---|
| **Fund 21 Capital Projects Fund** | | | | | | | |
| General Fund | 10,000,000 | 19,195,254 | 11,899,503 | 12,212,879 | 16,643,991 | 13,337,243 | 73,288,870 |
| General Fund - Public Works | 850,000 | 850,000 | 850,000 | 850,000 | 850,000 | 850,000 | 4,250,000 |
| G.O. Bonds - Education - 2005 | 18,792 | 18,792 | 0 | 0 | 0 | 0 | 18,792 |
| G.O. Bonds - Gen Gov't - 2005 | 40,200,000 | 40,200,000 | 0 | 0 | 0 | 0 | 40,200,000 |
| No Funding Source | 0 | 176,261,362 | 296,894,589 | 197,714,105 | 187,294,600 | 270,094,736 | 1,128,259,392 |
| **Total** | **51,068,792** | **236,525,408** | **309,644,092** | **210,776,984** | **204,788,591** | **284,281,979** | **1,246,017,054** |
| **Fund 22 Vehicle Replacement Reserve** | | | | | | | |
| Designated Vehicle Replace Reserve | 6,574,800 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **6,574,800** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Fund 51 Enterprise Fund** | | | | | | | |
| Enterprise Fund | 89,764,219 | 89,764,219 | 39,414,280 | 72,740,780 | 207,543,075 | 175,621,420 | 585,083,774 |
| **Total** | **89,764,219** | **89,764,219** | **39,414,280** | **72,740,780** | **207,543,075** | **175,621,420** | **585,083,774** |
| **Fund 52 Enterprise Fund** | | | | | | | |
| Enterprise Fund | 0 | 0 | 72,600 | 701,992 | 445,131 | 1,391,714 | 2,611,437 |
| **Total** | **0** | **0** | **72,600** | **701,992** | **445,131** | **1,391,714** | **2,611,437** |
| **Grand Total** | **147,407,811** | **326,289,627** | **349,130,972** | **284,219,756** | **412,776,797** | **461,295,113** | **1,833,712,265** |

# Capital Improvement Program Summary
## Fiscal Year 2012-13 through Fiscal Year 2016-17

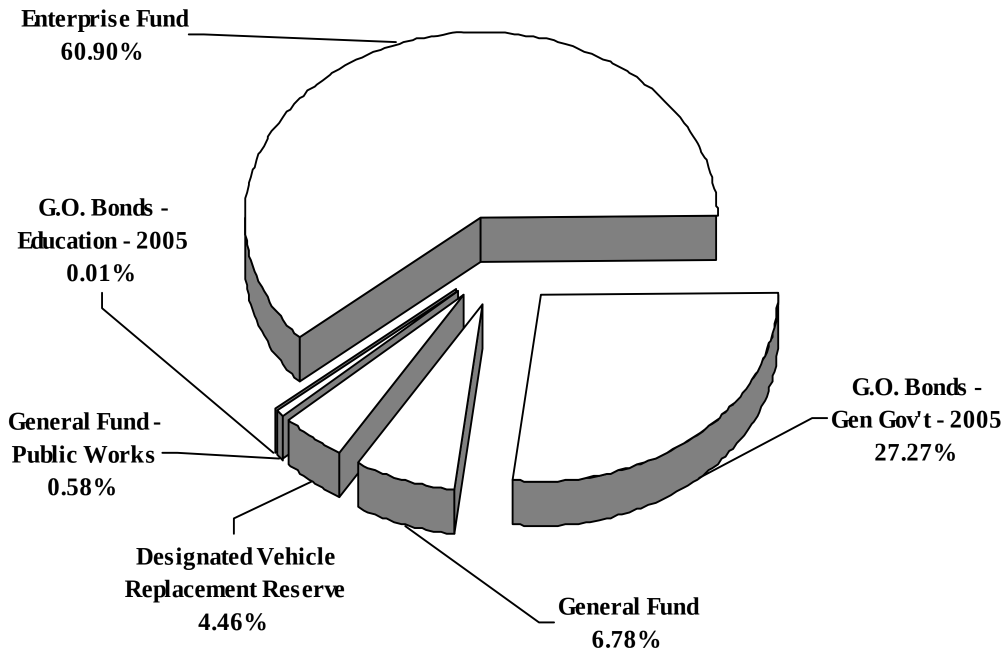
| By Project Type | Approved FY2012-13 | Requested FY2012-13 | Requested FY2013-14 | Requested FY2014-15 | Requested FY2015-16 | Requested FY2016-17 | Total Requested |
|---|---|---|---|---|---|---|---|
| **Fund 21 Capital Projects Fund** | | | | | | | |
| Building (New) | 32,700,000 | 135,571,464 | 52,734,399 | 102,752,377 | 80,091,383 | 136,281,468 | 507,431,091 |
| Building Addition | 0 | 0 | 11,240,761 | 2,135,305 | 17,423,031 | 13,326,680 | 44,125,777 |
| Building Improvement | 13,268,792 | 65,930,320 | 110,454,103 | 28,602,716 | 35,744,646 | 50,044,250 | 290,776,035 |
| Drainage | 0 | 0 | 17,614,384 | 16,263,141 | 25,987,892 | 24,224,165 | 84,089,582 |
| Feasibility/Programming Study | 0 | 91,158 | 80,535 | 0 | 0 | 0 | 171,693 |
| Land | 0 | 3,173,559 | 52,936,204 | 2,129,568 | 5,690,970 | 16,839,723 | 80,770,024 |
| Park | 0 | 5,390,035 | 11,642,604 | 34,736,534 | 15,828,663 | 24,011,818 | 91,609,654 |
| Roadway | 850,000 | 3,235,611 | 850,000 | 850,000 | 850,000 | 850,000 | 6,635,611 |
| Site Improvement | 3,350,000 | 14,933,261 | 13,241,102 | 17,781,193 | 21,872,006 | 17,403,875 | 85,231,437 |
| Technology Improvement | 900,000 | 8,200,000 | 38,850,000 | 5,526,150 | 1,300,000 | 1,300,000 | 55,176,150 |
| **Total** | **51,068,792** | **236,525,408** | **309,644,092** | **210,776,984** | **204,788,591** | **284,281,979** | **1,246,017,054** |
| **Fund 22 Vehicle Replacement Reserve** | | | | | | | |
| Vehicle Replacement Reserve | 6,574,800 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **6,574,800** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Fund 51 Enterprise Fund** | | | | | | | |
| Sewer | 18,958,219 | 18,958,219 | 20,064,280 | 58,516,340 | 34,972,075 | 83,917,680 | 216,428,594 |
| Water | 70,806,000 | 70,806,000 | 19,350,000 | 14,224,440 | 172,571,000 | 91,703,740 | 368,655,180 |
| **Total** | **89,764,219** | **89,764,219** | **39,414,280** | **72,740,780** | **207,543,075** | **175,621,420** | **585,083,774** |
| **Fund 52 Enterprise Fund** | | | | | | | |
| Golf Course | 0 | 0 | 72,600 | 701,992 | 445,131 | 1,391,714 | 2,611,437 |
| **Total** | **0** | **0** | **72,600** | **701,992** | **445,131** | **1,391,714** | **2,611,437** |
| **Grand Total** | **147,407,811** | **326,289,627** | **349,130,972** | **284,219,756** | **412,776,797** | **461,295,113** | **1,833,712,265** |

# Approved FY2012-13 Capital Budget
# $147,407,811

## By Project Type




## By Funding Source



# CAPITAL PROJECTS BY DEPARTMENT
# FY2012-13

**EDUCATION** **$ 5,018,792**

Funding of $18,792 provided through the issuance of 2005 General Obligation (G.O.) Bonds is included in the approved budget to be added to the reserve for Education bond projects. General Fund revenue 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** **$ 1,530,000**

Funding of $30,000 provided through the issuance of 2005 General Obligation (G.O.) Bonds is included in the approved budget to be added to the reserve for Fire bond projects. Funding of $1,500,000 is included within the Vehicle Replacement Reserve for the Fire Apparatus Replacement Program.

**GENERAL SERVICES** **$ 6,400,000**

General Fund revenue of $5,000,000 will support the first phase of renovations to the Best Plaza facility. In addition, General Fund revenue will support ongoing projects totaling $960,000 related to roof replacements, mechanical systems improvements, and various pavement rehabilitation projects. In addition, General Fund revenue of $440,000 will be utilized for the UPS replacement project.

**INFORMATION TECHNOLOGY** **$ 750,000**

Funding of $750,000 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** **$ 150,000**

General Fund revenue of $150,000 is included for the Geographical Information System (GIS) to continue the accumulation of funds in order to fly over the County on a routine basis.

**POLICE** **$ 2,574,800**

The Vehicle Replacement Reserve includes funding of $2,574,800 for the Police Vehicle Replacement Program.

**PUBLIC LIBRARY** **$ 37,170,000**

Funding of $32,700,000 provided through the issuance of 2005 General Obligation (G.O.) Bonds will allow for the construction of the Varina Area Library - $16,700,000 and the replacement of the Dumbarton Area Library – 16,000,000. In addition, General Obligation (G.O.) Bond funding of $4,470,000 is included in the approved budget to be added to the reserve for Library bond projects.

**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** **$ 3,200,000**

Funding of $3,000,000 provided through the issuance of 2005 General Obligation (G.O.) Bonds will allow for the development of Short Pump Park. General Fund revenue of $200,000 will provide for facility rehabilitation projects at various County parks.

**SEWER** **$ 18,958,219**

Projects that will be funded by revenues from the use of sewer services include $5,951,125 for three Strawberry Hill sewer projects, $4,140,000 for the Gambles Mill SPS Modification, $2,160,000 for the River Road Basin Sewer Rehabilitation, $1,035,000 for the Broadwater Creek I SPS, $465,750 for the Broadwater Creek II SPS Improvements, and $406,344 for the Gillies Creek Basin Sewer Rehabilitation. In addition, funding of $4,800,000 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** **$ 70,806,000**

Projects that will be funded by revenues from the use of water services include $60,000,000 for the Cobbs Creek (Cumberland) Reservoir, $5,796,000 for the Beverly Hills Area Water Rehabilitation, $1,360,000 for the Ridge Water Pressure Zone, and $500,000 for various information technology projects. Additionally, funding of $3,150,000 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 FY2012-13 through FY2016-17
## Fund 21 Capital Projects Fund - *Department Requests by Fiscal Year and Priority Number*

| Project | Priority | Project Type | Source | District | Approved FY12-13 | Request FY12-13 | Request FY13-14 | Request FY14-15 | Request FY15-16 | Request FY16-17 | Total Five Year |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **CRWP** | | | | | | | | | | | |
| 00400 CRWP Office Renovation | 1 | Building Improvement | No Funding Source | General Government | 0 | 704,459 | 0 | 0 | 0 | 0 | 704,459 |
| | | | | **Department Subtotal** | **0** | **704,459** | **0** | **0** | **0** | **0** | **704,459** |
| **Customer Relationship Management** | | | | | | | | | | | |
| 06506 Customer Relationship Management | 1 | Technology Improvement | No Funding Source | General Government | 0 | 750,000 | 900,000 | 4,576,150 | 0 | 0 | 6,226,150 |
| | | | | **Department Subtotal** | **0** | **750,000** | **900,000** | **4,576,150** | **0** | **0** | **6,226,150** |
| **Education** | | | | | | | | | | | |
| 06397 Education Bond Project Reserve | 0 | Building Improvement | G.O. Bonds - Education - 2005 | Countywide | 18,792 | 18,792 | 0 | 0 | 0 | 0 | 18,792 |
| 00518 Roof Replacements | 1 | Building Improvement | General Fund | Countywide | 100,000 | 100,000 | 300,000 | 370,000 | 720,000 | 640,000 | 2,130,000 |
| 00527 Mechanical Improvements | 2 | Building Improvement | General Fund | Countywide | 2,400,000 | 2,400,000 | 2,200,000 | 2,130,000 | 1,780,000 | 1,860,000 | 10,370,000 |
| 06611 Athletic Facility Improvements | 3 | Site Improvement | No Funding Source | Countywide | 0 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 2,500,000 |
| 06612 Parking, Sidewalk & Curb Improvements | 4 | Site Improvement | No Funding Source | Countywide | 0 | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 | 3,750,000 |
| 06305 Pemberton ES Renovation | 5 | Building Improvement | No Funding Source | Tuckahoe | 0 | 9,138,428 | 0 | 0 | 0 | 0 | 9,138,428 |
| 06304 Crestview ES Renovation | 6 | Building Improvement | No Funding Source | Tuckahoe | 0 | 10,837,539 | 0 | 0 | 0 | 0 | 10,837,539 |
| 06303 East Area HS #2 | 7 | Building (New) | No Funding Source | Varina | 0 | 73,924,243 | 0 | 0 | 0 | 0 | 73,924,243 |
| 06538 Skipwith ES Renovation | 8 | Building Improvement | No Funding Source | Tuckahoe | 0 | 11,286,163 | 0 | 0 | 0 | 0 | 11,286,163 |
| 06388 Tucker HS Renovation | 1 | Building Improvement | No Funding Source | Three Chopt | 0 | 0 | 47,269,534 | 0 | 0 | 0 | 47,269,534 |
| 06479 Tuckahoe MS Renovation | 2 | Building Improvement | No Funding Source | Three Chopt | 0 | 0 | 26,674,855 | 0 | 0 | 0 | 26,674,855 |
| 06539 Seven Pines ES Renovation | 3 | Building Improvement | No Funding Source | Varina | 0 | 0 | 12,025,139 | 0 | 0 | 0 | 12,025,139 |
| 06541 Chamberlayne ES Renovation | 1 | Building Improvement | No Funding Source | Fairfield | 0 | 0 | 0 | 12,206,689 | 0 | 0 | 12,206,689 |
| 06669 Tuckahoe District Land Improvements | 2 | Site Improvement | No Funding Source | Tuckahoe | 0 | 0 | 0 | 891,352 | 0 | 0 | 891,352 |
| 06670 Multi-Sport Athletic Fields | 3 | Site Improvement | No Funding Source | Countywide | 0 | 0 | 0 | 2,315,200 | 2,431,000 | 2,552,600 | 7,298,800 |
| 06484 Glen Allen HS Technical Center | 1 | Building (New) | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 32,389,010 | 0 | 32,389,010 |
| 06545 Tuckahoe ES - 5th Grade Renov. | 2 | Building Improvement | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 2,828,386 | 0 | 2,828,386 |
| 06672 Jackson Davis ES Renovation | 1 | Building Improvement | No Funding Source | Three Chopt | 0 | 0 | 0 | 0 | 0 | 13,389,560 | 13,389,560 |
| 06673 Longan ES Renovation | 2 | Building Improvement | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 13,833,225 | 13,833,225 |
| | | | | **Department Subtotal** | **2,518,792** | **108,955,165** | **89,719,528** | **19,163,241** | **41,398,396** | **33,525,385** | **292,761,715** |
| **Fire** | | | | | | | | | | | |
| 16396 Fire Bond Project Reserve | 0 | Building Improvement | G.O. Bonds - Gen Gov't - 2005 | General Government | 30,000 | 30,000 | 0 | 0 | 0 | 0 | 30,000 |
| 06531 Fire Headquarters Building | 1 | Building (New) | No Funding Source | General Government | 0 | 10,830,902 | 0 | 0 | 0 | 0 | 10,830,902 |
| 06468 Fire Station #1 - Land Purchase | 2 | Land | No Funding Source | Fairfield | 0 | 601,904 | 0 | 0 | 0 | 0 | 601,904 |
| 06170 Fire Station #6 - Land Purchase | 3 | Land | No Funding Source | Varina | 0 | 320,204 | 0 | 0 | 0 | 0 | 320,204 |
| 06171 Osborne Turnpike FS - Land Purchase | 4 | Land | No Funding Source | Varina | 0 | 475,880 | 0 | 0 | 0 | 0 | 475,880 |
| 06663 Fire Specialty Vehicle Storage Facility | 5 | Building (New) | No Funding Source | General Government | 0 | 3,419,222 | 0 | 0 | 0 | 0 | 3,419,222 |
| 06366 Fire Station #1 - Construction | 1 | Building (New) | No Funding Source | Fairfield | 0 | 0 | 8,256,475 | 0 | 0 | 0 | 8,256,475 |
| 06177 Fire Station #6 - Construction | 2 | Building (New) | No Funding Source | Varina | 0 | 0 | 8,258,846 | 0 | 0 | 0 | 8,258,846 |
| 06532 Fire Training Facility - Construction | 3 | Building (New) | No Funding Source | General Government | 0 | 0 | 7,115,118 | 0 | 0 | 0 | 7,115,118 |
| 06528 Fire Station #11 - Land Purchase | 4 | Land | No Funding Source | Fairfield | 0 | 0 | 318,434 | 0 | 0 | 0 | 318,434 |
| 06623 Osborne Boathouse | 5 | Building (New) | No Funding Source | Varina | 0 | 0 | 557,279 | 0 | 0 | 0 | 557,279 |
| 06518 Fire Station #4 - Land Purchase | 1 | Land | No Funding Source | Varina | 0 | 0 | 0 | 201,407 | 0 | 0 | 201,407 |
| 06529 Fire Station #11 - Construction | 2 | Building (New) | No Funding Source | Fairfield | 0 | 0 | 0 | 8,538,587 | 0 | 0 | 8,538,587 |
| 06178 Osborne Turnpike FS - Construction | 3 | Building (New) | No Funding Source | Varina | 0 | 0 | 0 | 11,151,495 | 0 | 0 | 11,151,495 |
| 06185 Staples Mill Road FS - Land Purchase | 4 | Land | No Funding Source | Brookland | 0 | 0 | 0 | 1,928,161 | 0 | 0 | 1,928,161 |
| 06519 Fire Station #4 - Construction | 1 | Building (New) | No Funding Source | Varina | 0 | 0 | 0 | 0 | 8,801,891 | 0 | 8,801,891 |
| 06520 Wilton Farms FS - Land Purchase | 2 | Land | No Funding Source | Varina | 0 | 0 | 0 | 0 | 286,729 | 0 | 286,729 |
| 06522 Portugee Road FS - Land Purchase | 3 | Land | No Funding Source | Varina | 0 | 0 | 0 | 0 | 207,618 | 0 | 207,618 |

## Capital Improvement Program FY2012-13 through FY2016-17
## Fund 21 Capital Projects Fund - *Department Requests by Fiscal Year and Priority Number*

| Project | Priority | Project Type | Source | District | Approved FY12-13 | Request FY12-13 | Request FY13-14 | Request FY14-15 | Request FY15-16 | Request FY16-17 | Total Five Year |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 06190 Staples Mill Fire Station - Construction | 1 | Building (New) | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 10,286,652 | 10,286,652 |
| 06363 North Gayton Fire Station-Land Purchase | 2 | Land | No Funding Source | Three Chopt | 0 | 0 | 0 | 0 | 0 | 1,494,533 | 1,494,533 |
| 06524 Elko Road Fire Station - Land Purchase | 3 | Land | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 212,498 | 212,498 |
| | | | **Department Subtotal** | | **30,000** | **15,678,112** | **24,506,152** | **21,819,650** | **9,296,238** | **11,993,683** | **83,293,835** |
| **General Services** | | | | | | | | | | | |
| 00572 Mechanical Improvements | 1 | Building Improvement | General Fund | General Government | 560,000 | 1,329,888 | 1,147,292 | 1,201,322 | 1,435,944 | 1,040,519 | 6,154,965 |
| 00425 Roof Replacement and Rehabilitation | 2 | Building Improvement | General Fund | General Government | 250,000 | 599,018 | 658,444 | 658,444 | 658,444 | 658,444 | 3,232,794 |
| 00423 Pavement Rehabilitation | 3 | Site Improvement | General Fund | General Government | 150,000 | 280,391 | 255,020 | 224,950 | 349,520 | 160,520 | 1,270,401 |
| 00117 PSB Rooftop HVAC Replacement | 4 | Building Improvement | No Funding Source | General Government | 0 | 421,150 | 0 | 0 | 0 | 0 | 421,150 |
| 06625 Building Automation Systems Upgrade | 5 | Building Improvement | No Funding Source | General Government | 0 | 1,440,768 | 0 | 0 | 0 | 0 | 1,440,768 |
| 06634 Henrico Health Department - East Clinic | 6 | Building (New) | No Funding Source | General Government | 0 | 5,235,496 | 0 | 0 | 0 | 0 | 5,235,496 |
| 06655 Glen Echo Office Building Renovation | 7 | Building Improvement | No Funding Source | General Government | 0 | 3,200,000 | 0 | 0 | 0 | 0 | 3,200,000 |
| 06649 Best Plaza | 8 | Building Improvement | General Fund | General Government | 5,000,000 | 9,995,700 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 29,995,700 |
| 06624 Under Ground Storage Tanks | 9 | Building Improvement | No Funding Source | General Government | 0 | 871,772 | 0 | 0 | 0 | 0 | 871,772 |
| 01198 Energy Management | 10 | Building Improvement | No Funding Source | General Government | 0 | 305,093 | 319,913 | 330,844 | 341,047 | 349,063 | 1,645,960 |
| 06368 Administration Building HVAC Upgrade | 11 | Building Improvement | No Funding Source | General Government | 0 | 631,984 | 4,806,074 | 0 | 0 | 0 | 5,438,058 |
| 06460 Communications System Replacement | 12 | Technology Improvement | No Funding Source | General Government | 0 | 1,500,000 | 37,000,000 | 0 | 0 | 0 | 38,500,000 |
| 06089 Backup EOC & Data Center | 13 | Building Improvement | No Funding Source | General Government | 0 | 1,757,118 | 0 | 0 | 0 | 0 | 1,757,118 |
| 06094 Government Center Land Utilization Plan | 14 | Land | No Funding Source | General Government | 0 | 522,854 | 0 | 0 | 0 | 0 | 522,854 |
| 00027 UPS Replacement | 15 | Building Improvement | General Fund | General Government | 440,000 | 761,019 | 0 | 0 | 0 | 0 | 761,019 |
| 01031 Stormwater Regulatory Retrofits | 1 | Building Improvement | No Funding Source | General Government | 0 | 0 | 250,000 | 0 | 0 | 0 | 250,000 |
| 00377 DGS Environmental Fund | 2 | Building Improvement | No Funding Source | General Government | 0 | 0 | 54,339 | 0 | 0 | 0 | 54,339 |
| 06573 Admin Entry Walk Improvements | 3 | Site Improvement | No Funding Source | General Government | 0 | 0 | 102,149 | 138,675 | 0 | 0 | 240,824 |
| 06088 Vulnerability Implementation | 4 | Building Improvement | No Funding Source | General Government | 0 | 0 | 530,861 | 1,384,132 | 183,921 | 0 | 2,098,914 |
| 06376 Gen. Gov't Services East End Land/Study | 5 | Land | No Funding Source | General Government | 0 | 0 | 19,079,297 | 0 | 0 | 0 | 19,079,297 |
| 06102 Government Center Expansion - Admin. & Warehouse | 6 | Building (New) | No Funding Source | General Government | 0 | 0 | 4,338,081 | 24,577,971 | 739,440 | 0 | 29,655,492 |
| 06486 Circuit Courtroom No. 6 | 7 | Building Improvement | No Funding Source | General Government | 0 | 0 | 1,819,470 | 0 | 0 | 0 | 1,819,470 |
| 06512 Juvenile Courts 6th Courtroom Build-out | 8 | Building Improvement | No Funding Source | General Government | 0 | 0 | 691,538 | 0 | 0 | 0 | 691,538 |
| 06091 Gov't Cntr Exterior Lights, Phase III, IV | 9 | Site Improvement | No Funding Source | General Government | 0 | 0 | 1,338,984 | 0 | 0 | 0 | 1,338,984 |
| 00016 East CAM & DPW Crew Building | 10 | Building (New) | No Funding Source | General Government | 0 | 0 | 7,182,227 | 0 | 0 | 0 | 7,182,227 |
| 06104 Admin Bldg/Remaining Renovation | 1 | Building Improvement | No Funding Source | General Government | 0 | 0 | 0 | 1,462,567 | 0 | 0 | 1,462,567 |
| 06105 New Courts Complex Facility | 2 | Building (New) | No Funding Source | General Government | 0 | 0 | 0 | 17,642,716 | 4,879,508 | 102,264,882 | 124,787,106 |
| 06370 CAM Fuel Site - North West | 3 | Building (New) | No Funding Source | General Government | 0 | 0 | 0 | 2,996,947 | 0 | 10 | 2,996,957 |
| 06096 Human Services Building Renovation | 4 | Building Improvement | No Funding Source | General Government | 0 | 0 | 0 | 3,503,881 | 22,609,107 | 0 | 26,112,988 |
| 06533 Courthouse Renovations | 1 | Building Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 4,818,025 | 4,818,025 |
| 06103 East End Depot | 2 | Building (New) | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 4,371,074 | 4,371,074 |
| | | | **Department Subtotal** | | **6,400,000** | **28,852,251** | **84,573,689** | **59,122,449** | **36,196,931** | **118,662,537** | **327,407,857** |
| **Information Technology** | | | | | | | | | | | |
| 06481 Information Technology Projects | 1 | Technology Improvement | General Fund | General Government | 250,000 | 650,000 | 650,000 | 650,000 | 0 | 0 | 1,950,000 |
| 06627 Network/VOIP | 2 | Technology Improvement | General Fund | General Government | 500,000 | 1,500,000 | 0 | 0 | 1,000,000 | 1,000,000 | 3,500,000 |
| 00146 Disaster Recovery | 3 | Technology Improvement | No Funding Source | General Government | 0 | 1,500,000 | 0 | 0 | 0 | 0 | 1,500,000 |
| 01033 Tidemark Replacement | 4 | Technology Improvement | No Funding Source | General Government | 0 | 2,000,000 | 0 | 0 | 0 | 0 | 2,000,000 |
| | | | **Department Subtotal** | | **750,000** | **5,650,000** | **650,000** | **650,000** | **1,000,000** | **1,000,000** | **8,950,000** |
| **Information Technology - GIS** | | | | | | | | | | | |
| 00429 Geographic Information System | 1 | Technology Improvement | General Fund | General Government | 150,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 1,500,000 |
| | | | **Department Subtotal** | | **150,000** | **300,000** | **300,000** | **300,000** | **300,000** | **300,000** | **1,500,000** |

## Capital Improvement Program FY2012-13 through FY2016-17
## Fund 21 Capital Projects Fund - *Department Requests by Fiscal Year and Priority Number*

| Project | | Priority | Project Type | Source | District | Approved FY12-13 | Request FY12-13 | Request FY13-14 | Request FY14-15 | Request FY15-16 | Request FY16-17 | Total Five Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Mental Health** | | | | | | | | | | | | |
| 06568 | Feasibility Study to Replace East Center | 1 | Feasibility/Programming Study | No Funding Source | General Government | 0 | 91,158 | 0 | 0 | 0 | 0 | 91,158 |
| 06577 | East Center Expansion Land Purchase | 1 | Land | No Funding Source | General Government | 0 | 0 | 776,278 | 0 | 0 | 0 | 776,278 |
| 06571 | Feasibility Study to Expand Woodman Rd | 2 | Feasibility/Programming Study | No Funding Source | General Government | 0 | 0 | 80,535 | 0 | 0 | 0 | 80,535 |
| 06661 | MH/DS East Center Replacement Construction | 1 | Building (New) | No Funding Source | General Government | 0 | 0 | 0 | 0 | 2,483,728 | 16,595,739 | 19,079,467 |
| 06662 | MH/DS Woodman Road Expansion Construction | 2 | Building Addition | No Funding Source | General Government | 0 | 0 | 0 | 0 | 1,909,144 | 13,326,680 | 15,235,824 |
| | | | | | **Department Subtotal** | **0** | **91,158** | **856,813** | **0** | **4,392,872** | **29,922,419** | **35,263,262** |
| **Police** | | | | | | | | | | | | |
| 06660 | Police Specialty Vehicle Facility | 1 | Building (New) | No Funding Source | General Government | 0 | 2,223,811 | 0 | 0 | 0 | 0 | 2,223,811 |
| 06610 | Communications Training Room | 2 | Building Improvement | No Funding Source | General Government | 0 | 570,082 | 0 | 0 | 0 | 0 | 570,082 |
| | | | | | **Department Subtotal** | **0** | **2,793,893** | **0** | **0** | **0** | **0** | **2,793,893** |
| **Public Library** | | | | | | | | | | | | |
| 06396 | Public Library Bond Project Reserve | 0 | Building Improvement | G.O. Bonds - Gen Gov't - 2005 | General Government | 4,470,000 | 4,470,000 | 0 | 0 | 0 | 0 | 4,470,000 |
| 06272 | Varina Area Library | 1 | Building (New) | G.O. Bonds - Gen Gov't - 2005 | Varina | 16,700,000 | 16,700,000 | 0 | 0 | 0 | 0 | 16,700,000 |
| 06271 | Dumbarton Area Library Replacement | 2 | Building (New) | G.O. Bonds - Gen Gov't - 2005 | Brookland | 16,000,000 | 16,000,000 | 0 | 0 | 0 | 0 | 16,000,000 |
| 06258 | Fairfield Area Library - Land Purchase | 3 | Land | No Funding Source | Fairfield | 0 | 1,252,717 | 0 | 0 | 0 | 0 | 1,252,717 |
| 06630 | Library Security Cameras & Equipment Purchase | 4 | Building Improvement | No Funding Source | Countywide | 0 | 256,939 | 0 | 0 | 0 | 0 | 256,939 |
| 06259 | Library Headquarters Alteration | 1 | Building Improvement | No Funding Source | General Government | 0 | 0 | 1,620,373 | 0 | 0 | 0 | 1,620,373 |
| 06274 | Fairfield Area Library Replacement | 1 | Building (New) | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 30,419,961 | 0 | 30,419,961 |
| 06261 | Twin Hickory Library Expansion | 2 | Building Addition | No Funding Source | Three Chopt | 0 | 0 | 0 | 0 | 15,513,887 | 0 | 15,513,887 |
| | | | | | **Department Subtotal** | **37,170,000** | **38,679,656** | **1,620,373** | **0** | **45,933,848** | **0** | **86,233,877** |
| **Public Works - Drainage** | | | | | | | | | | | | |
| 06000 | Beverly Drive/Dinwiddie Ave. Drainage | 1 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 1,111,052 | 0 | 0 | 0 | 1,111,052 |
| 06001 | Borden Road Drainage | 2 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 202,075 | 0 | 0 | 0 | 202,075 |
| 06002 | Barribee Lane | 3 | Drainage | No Funding Source | Three Chopt | 0 | 0 | 906,264 | 0 | 0 | 0 | 906,264 |
| 06003 | River Road Hills Drainage | 4 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 389,823 | 0 | 0 | 0 | 389,823 |
| 06004 | Rolando Drive | 5 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 1,214,826 | 0 | 0 | 0 | 1,214,826 |
| 06005 | Lafayette/Linbrook/Lincoln Drainage | 6 | Drainage | No Funding Source | Brookland | 0 | 0 | 3,068,870 | 0 | 0 | 0 | 3,068,870 |
| 06006 | Huntsman Road Drainage Channel | 7 | Drainage | No Funding Source | Varina | 0 | 0 | 2,497,041 | 0 | 0 | 0 | 2,497,041 |
| 06007 | Glendale Drive Drainage | 8 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 709,580 | 0 | 0 | 0 | 709,580 |
| 06008 | East Rois Road | 9 | Drainage | No Funding Source | Fairfield | 0 | 0 | 853,709 | 0 | 0 | 0 | 853,709 |
| 06009 | Linda Road Drainage | 10 | Drainage | No Funding Source | Varina | 0 | 0 | 294,934 | 0 | 0 | 0 | 294,934 |
| 06010 | Henderson Drainage | 11 | Drainage | No Funding Source | Brookland | 0 | 0 | 317,068 | 0 | 0 | 0 | 317,068 |
| 06011 | Thomas Drive to Chickahominy Avenue | 12 | Drainage | No Funding Source | Fairfield | 0 | 0 | 587,621 | 0 | 0 | 0 | 587,621 |
| 06012 | Westham Parkway Channel | 13 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 2,108,684 | 0 | 0 | 0 | 2,108,684 |
| 06013 | Homeview Dr - Broad to Parham Drainage | 14 | Drainage | No Funding Source | Three Chopt | 0 | 0 | 1,028,952 | 0 | 0 | 0 | 1,028,952 |
| 06014 | Ginter Street Drainage | 15 | Drainage | No Funding Source | Fairfield | 0 | 0 | 1,139,760 | 0 | 0 | 0 | 1,139,760 |
| 06015 | Michael/Fordson Drainage | 16 | Drainage | No Funding Source | Three Chopt | 0 | 0 | 428,943 | 0 | 0 | 0 | 428,943 |
| 06017 | Lochaven Drainage | 17 | Drainage | No Funding Source | Varina | 0 | 0 | 222,046 | 0 | 0 | 0 | 222,046 |
| 06018 | Midway Rd - Michaux La Drainage | 18 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 263,205 | 0 | 0 | 0 | 263,205 |
| 06019 | 3000 Block Carlton Road Drainage | 19 | Drainage | No Funding Source | Fairfield | 0 | 0 | 269,931 | 0 | 0 | 0 | 269,931 |
| 06020 | Falmouth Street | 1 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 638,918 | 0 | 0 | 638,918 |
| 06021 | Lakewood Road Drainage | 2 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 1,217,062 | 0 | 0 | 1,217,062 |
| 06022 | Woodley Road | 3 | Drainage | No Funding Source | Three Chopt | 0 | 0 | 0 | 855,614 | 0 | 0 | 855,614 |
| 06023 | Brookside Road - Westham | 4 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 2,174,288 | 0 | 0 | 2,174,288 |
| 06024 | Huntsman Road Storm Sewer | 5 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 1,565,193 | 0 | 0 | 1,565,193 |
| 06025 | Hungary Road/North Run Drainage | 6 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 635,136 | 0 | 0 | 635,136 |
| 06026 | Chamberlayne Avenue Drainage | 7 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 1,668,329 | 0 | 0 | 1,668,329 |

## Capital Improvement Program FY2012-13 through FY2016-17
## Fund 21 Capital Projects Fund - *Department Requests by Fiscal Year and Priority Number*

| Project | | Priority | Project Type | Source | District | Approved FY12-13 | Request FY12-13 | Request FY13-14 | Request FY14-15 | Request FY15-16 | Request FY16-17 | Total Five Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 06027 | 7102 Walford Avenue | 8 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 164,111 | 0 | 0 | 164,111 |
| 06028 | Chamberlayne Avenue/Serafim Lane | 9 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 833,790 | 0 | 0 | 833,790 |
| 06029 | Landsworth Avenue Drainage | 10 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 1,546,039 | 0 | 0 | 1,546,039 |
| 06030 | Eastover Gardens, Phase II | 11 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 569,811 | 0 | 0 | 569,811 |
| 06031 | Ainsworth to Biloxi Drainage | 12 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 891,247 | 0 | 0 | 891,247 |
| 06032 | Hollyport Road Drainage | 13 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 696,342 | 0 | 0 | 696,342 |
| 06034 | Oak Avenue Drainage | 14 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 282,402 | 0 | 0 | 282,402 |
| 06035 | Meroyn Drive | 15 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 266,664 | 0 | 0 | 266,664 |
| 06036 | Alvarado Road | 16 | Drainage | No Funding Source | Three Chopt | 0 | 0 | 0 | 278,557 | 0 | 0 | 278,557 |
| 06037 | Avalon Drive Drainage | 17 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 476,411 | 0 | 0 | 476,411 |
| 06038 | Winston Boulevard Drainage | 18 | Drainage | No Funding Source | B, F | 0 | 0 | 0 | 549,564 | 0 | 0 | 549,564 |
| 06039 | Skipwith Road | 19 | Drainage | No Funding Source | Three Chopt | 0 | 0 | 0 | 953,663 | 0 | 0 | 953,663 |
| 06040 | Edgewood Avenue | 1 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 396,714 | 0 | 396,714 |
| 06041 | Woodberry Road | 2 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 642,755 | 0 | 642,755 |
| 06042 | Highland Springs Drainage, Phase II | 3 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 4,447,607 | 0 | 4,447,607 |
| 06043 | Bremo Road Drainage | 4 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 1,291,963 | 0 | 1,291,963 |
| 06044 | Fourth Street Drainage | 5 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 1,809,704 | 0 | 1,809,704 |
| 06045 | Hobson Lane Drainage | 6 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 678,901 | 0 | 678,901 |
| 06046 | Rock Creek Road | 7 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 1,428,564 | 0 | 1,428,564 |
| 06047 | Tacoma Street | 8 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 1,042,424 | 0 | 1,042,424 |
| 06048 | Hollins Road Median Ditch | 9 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 1,556,137 | 0 | 1,556,137 |
| 06049 | Elkridge Lane Drainage | 10 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 1,469,708 | 0 | 1,469,708 |
| 06050 | Woodman Rd Drainage - Thorpes Branch | 11 | Drainage | No Funding Source | B, F | 0 | 0 | 0 | 0 | 857,056 | 0 | 857,056 |
| 06052 | Willingham Road Drainage | 12 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 539,709 | 0 | 539,709 |
| 06053 | Thorpes Branch | 13 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 4,979,461 | 0 | 4,979,461 |
| 06054 | Lowell Street and Yates Lane Drainage | 14 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 1,183,016 | 0 | 1,183,016 |
| 06055 | Polaria Street Drainage | 15 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 655,857 | 0 | 655,857 |
| 06056 | Croft/Edgemore Drainage | 16 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 656,574 | 0 | 656,574 |
| 06057 | Central Gardens Drainage | 17 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 1,450,240 | 0 | 1,450,240 |
| 06058 | Beulah/Treva Roads Drainage | 18 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 617,747 | 0 | 617,747 |
| 06059 | Rockwood Road Drainage | 19 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 283,755 | 0 | 283,755 |
| 06060 | Horsepen Rd - Shrewsbury to Hampshire | 1 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 1,273,846 | 1,273,846 |
| 06061 | Magruder Avenue and Wilson Way | 2 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 1,835,197 | 1,835,197 |
| 06062 | Gaylord Road Drainage | 3 | Drainage | No Funding Source | Three Chopt | 0 | 0 | 0 | 0 | 0 | 1,160,726 | 1,160,726 |
| 06063 | Fern Avenue | 4 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 881,092 | 881,092 |
| 06064 | Maplewood Ave Drain/Trumpets Branch V | 5 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 839,650 | 839,650 |
| 06065 | Mapleleaf-N Holly Ave | 6 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 1,135,803 | 1,135,803 |
| 06067 | Lakeside Avenue Drainage | 7 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 957,120 | 957,120 |
| 06068 | Pump Road - Deep Run Creek Drainage | 8 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 1,431,978 | 1,431,978 |
| 06069 | Lewis Road Outfall - Phase III | 9 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 763,236 | 763,236 |
| 06070 | Clover Lane Drainage | 10 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 304,465 | 304,465 |
| 06071 | Horsepen Branch | 11 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 2,033,754 | 2,033,754 |
| 06072 | Rocky Branch/Cattail Branch | 12 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 2,798,728 | 2,798,728 |
| 06073 | Georges Branch Channel | 13 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 4,148,242 | 4,148,242 |
| 06074 | Charles City Road/Glen Alden Drainage | 14 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 757,243 | 757,243 |
| 06075 | Westhill Road Drainage | 15 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 202,330 | 202,330 |
| 06076 | 204 and 206 Monterey Avenue | 16 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 402,122 | 402,122 |
| 06077 | Glendale Drive Drainage II | 17 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 345,833 | 345,833 |
| 06078 | Watts Lane | 18 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 343,188 | 343,188 |
| 06079 | Eastlake-Monterey Drainage | 19 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 281,925 | 281,925 |
| 06080 | Eastlake Lane Drainage | 20 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 659,494 | 659,494 |

## Capital Improvement Program FY2012-13 through FY2016-17
## Fund 21 Capital Projects Fund - *Department Requests by Fiscal Year and Priority Number*

| Project | | Priority | Project Type | Source | District | Approved FY12-13 | Request FY12-13 | Request FY13-14 | Request FY14-15 | Request FY15-16 | Request FY16-17 | Total Five Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 06151 | Bethlehem Rd - Spencer to Staples Mill Rd | 21 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 1,252,295 | 1,252,295 |
| 06082 | Ranch Drive Drainage | 22 | Drainage | No Funding Source | Three Chopt | 0 | 0 | 0 | 0 | 0 | 264,694 | 264,694 |
| 06083 | Early Ave - Stuttaford Dr Drainage | 23 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 151,204 | 151,204 |
| | | | | **Department Subtotal** | | **0** | **0** | **17,614,384** | **16,263,141** | **25,987,892** | **24,224,165** | **84,089,582** |
| **Public Works - Roadway** | | | | | | | | | | | | |
| 00985 | Creighton Road | 1 | Roadway | No Funding Source | F, V | 0 | 2,385,611 | 0 | 0 | 0 | 0 | 2,385,611 |
| 00499 | General Road Construction | 2 | Roadway | General Fund - Public Works | Countywide | 800,000 | 800,000 | 800,000 | 800,000 | 800,000 | 800,000 | 4,000,000 |
| 00486 | New Guardrails | 3 | Roadway | General Fund - Public Works | Countywide | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 250,000 |
| | | | | **Department Subtotal** | | **850,000** | **3,235,611** | **850,000** | **850,000** | **850,000** | **850,000** | **6,635,611** |
| **Recreation** | | | | | | | | | | | | |
| 06352 | Short Pump Park | 1 | Site Improvement | G.O. Bonds - Gen Gov't - 2005 | Three Chopt | 3,000,000 | 3,000,000 | 0 | 0 | 0 | 0 | 3,000,000 |
| 06194 | Facility Rehabilitation | 2 | Site Improvement | General Fund | Countywide | 200,000 | 1,279,238 | 1,388,747 | 1,678,163 | 5,400,083 | 2,677,760 | 12,423,991 |
| 06212 | Henrico Museum | 3 | Building (New) | No Funding Source | Varina | 0 | 2,371,009 | 15,785,059 | 0 | 0 | 0 | 18,156,068 |
| 06395 | Three Lakes Nature Center Landscaping | 4 | Site Improvement | No Funding Source | Fairfield | 0 | 380,502 | 0 | 0 | 0 | 0 | 380,502 |
| 06203 | Cedar Hill House | 5 | Building Improvement | No Funding Source | Fairfield | 0 | 1,083,079 | 0 | 0 | 0 | 0 | 1,083,079 |
| 06215 | Meadow Farm Museum | 6 | Building (New) | No Funding Source | Brookland | 0 | 272,483 | 0 | 0 | 0 | 0 | 272,483 |
| 06435 | Tuckahoe Park | 7 | Site Improvement | No Funding Source | Tuckahoe | 0 | 6,938,323 | 3,666,801 | 6,603,048 | 6,372,124 | 0 | 23,580,296 |
| 06620 | Concession Construction | 8 | Building Improvement | No Funding Source | Countywide | 0 | 1,976,316 | 0 | 0 | 0 | 0 | 1,976,316 |
| 06436 | Athletic Field Upgrades | 9 | Site Improvement | No Funding Source | Countywide | 0 | 1,804,807 | 0 | 0 | 0 | 0 | 1,804,807 |
| 06199 | Nuckol's Farm | 10 | Building Improvement | No Funding Source | Three Chopt | 0 | 1,745,013 | 0 | 0 | 0 | 0 | 1,745,013 |
| 06255 | Lakeside Park | 11 | Park | No Funding Source | Fairfield | 0 | 5,390,035 | 0 | 0 | 0 | 0 | 5,390,035 |
| 06356 | Historic Facility Rehabilitation Year 2-5 | 1 | Building Improvement | No Funding Source | Countywide | 0 | 0 | 352,857 | 354,837 | 187,797 | 443,835 | 1,339,326 |
| 06208 | Belmont Recreation Center Renovation | 2 | Building Improvement | No Funding Source | Fairfield | 0 | 0 | 4,733,414 | 0 | 0 | 0 | 4,733,414 |
| 06200 | Dorey Park | 3 | Site Improvement | No Funding Source | Varina | 0 | 0 | 2,230,487 | 0 | 0 | 3,092,714 | 5,323,201 |
| 06205 | Eastern Henrico Recreation Center | 4 | Site Improvement | No Funding Source | Fairfield | 0 | 0 | 1,201,855 | 0 | 0 | 0 | 1,201,855 |
| 06214 | Dorey Recreation Center | 5 | Building Addition | No Funding Source | Varina | 0 | 0 | 9,338,017 | 0 | 0 | 0 | 9,338,017 |
| 06216 | Confederate Hills Recreation Center | 6 | Building Addition | No Funding Source | Varina | 0 | 0 | 1,902,744 | 0 | 0 | 0 | 1,902,744 |
| 06217 | Dunncroft/Castle Point Park | 7 | Site Improvement | No Funding Source | Brookland | 0 | 0 | 1,807,059 | 0 | 0 | 0 | 1,807,059 |
| 06219 | Greenwood Park | 8 | Park | No Funding Source | Brookland | 0 | 0 | 814,926 | 0 | 0 | 10,457,279 | 11,272,205 |
| 06221 | James River West Park | 9 | Land | No Funding Source | Tuckahoe | 0 | 0 | 9,400,188 | 0 | 0 | 3,566,193 | 12,966,381 |
| 06223 | Tucker Park | 10 | Land | No Funding Source | TC, T | 0 | 0 | 6,209,420 | 0 | 0 | 4,652,886 | 10,862,306 |
| 06225 | Kanawha Park | 11 | Land | No Funding Source | B, TC, T | 0 | 0 | 15,521,749 | 0 | 0 | 0 | 15,521,749 |
| 06226 | Chickahominy Park | 12 | Land | No Funding Source | B, F | 0 | 0 | 1,630,838 | 0 | 0 | 0 | 1,630,838 |
| 06210 | Four Mile Creek Park | 13 | Park | No Funding Source | Varina | 0 | 0 | 10,827,678 | 0 | 0 | 0 | 10,827,678 |
| 06227 | Vawter Street Park | 1 | Park | No Funding Source | Fairfield | 0 | 0 | 0 | 3,499,912 | 0 | 0 | 3,499,912 |
| 06197 | RF & P Park | 2 | Site Improvement | No Funding Source | Brookland | 0 | 0 | 0 | 3,360,363 | 0 | 0 | 3,360,363 |
| 06253 | Laurel Recreation Area | 3 | Site Improvement | No Funding Source | Brookland | 0 | 0 | 0 | 1,319,442 | 0 | 0 | 1,319,442 |
| 06228 | Holladay Park | 5 | Park | No Funding Source | Brookland | 0 | 0 | 0 | 1,804,400 | 0 | 0 | 1,804,400 |
| 06229 | Allen's Branch | 6 | Park | No Funding Source | Three Chopt | 0 | 0 | 0 | 13,291,628 | 0 | 0 | 13,291,628 |
| 06230 | Gill Dale Park | 7 | Park | No Funding Source | Varina | 0 | 0 | 0 | 4,380,247 | 0 | 0 | 4,380,247 |
| 06354 | Hidden Creek Rec Center Expansion | 8 | Building Addition | No Funding Source | Fairfield | 0 | 0 | 0 | 2,135,305 | 0 | 0 | 2,135,305 |
| 06218 | Bickerstaff Park | 9 | Park | No Funding Source | Varina | 0 | 0 | 0 | 3,011,585 | 0 | 0 | 3,011,585 |
| 06201 | New Market Park | 10 | Park | No Funding Source | Varina | 0 | 0 | 0 | 8,748,762 | 0 | 0 | 8,748,762 |
| 06231 | Highland Gardens Park | 1 | Park | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 3,165,877 | 0 | 3,165,877 |
| 06232 | Dorey Model Farm | 2 | Building (New) | No Funding Source | Varina | 0 | 0 | 0 | 0 | 377,845 | 2,405,852 | 2,783,697 |
| 06202 | Deep Bottom Park | 3 | Park | No Funding Source | Varina | 0 | 0 | 0 | 0 | 11,200,445 | 0 | 11,200,445 |
| 06234 | Pocahontas Park | 4 | Land | No Funding Source | Varina | 0 | 0 | 0 | 0 | 5,196,623 | 0 | 5,196,623 |
| 06235 | Highland Springs Park | 5 | Park | No Funding Source | Varina | 0 | 0 | 0 | 0 | 1,462,341 | 0 | 1,462,341 |
| 06236 | Group Picnic Shelters | 6 | Site Improvement | No Funding Source | Countywide | 0 | 0 | 0 | 0 | 2,454,885 | 0 | 2,454,885 |

## Capital Improvement Program FY2012-13 through FY2016-17
## Fund 21 Capital Projects Fund - *Department Requests by Fiscal Year and Priority Number*

| Project | | Priority | Project Type | Source | District | Approved FY12-13 | Request FY12-13 | Request FY13-14 | Request FY14-15 | Request FY15-16 | Request FY16-17 | Total Five Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 06437 | Deep Run Park - Artificial Turf Fields | 7 | Site Improvement | No Funding Source | Three Chopt | 0 | 0 | 0 | 0 | 3,614,394 | 0 | 3,614,394 |
| 06240 | Monument Hills Park | 1 | Park | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 3,112,645 | 3,112,645 |
| 06241 | Virginia Randolph Recreation Area | 2 | Site Improvement | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 1,657,140 | 1,657,140 |
| 06256 | Meadow Farm | 3 | Building (New) | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 357,259 | 357,259 |
| 06238 | Three Lakes Nature Center | 4 | Building Improvement | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 6,439,430 | 6,439,430 |
| 06242 | Chamberlayne Park | 5 | Land | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 3,524,058 | 3,524,058 |
| 06243 | Hungary Park | 6 | Land | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 3,389,555 | 3,389,555 |
| 06244 | Pinedale Park | 7 | Park | No Funding Source | TC, T | 0 | 0 | 0 | 0 | 0 | 5,474,073 | 5,474,073 |
| 06245 | Tuckahoe Creek Park | 8 | Park | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 4,967,821 | 4,967,821 |
| 06336 | Glen Lea Recreation Area | 9 | Site Improvement | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 6,013,141 | 6,013,141 |
| 06441 | Armour House | 10 | Building Improvement | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 1,572,149 | 1,572,149 |
| | | | | | **Department Subtotal** | **3,200,000** | **26,240,805** | **86,811,839** | **50,187,692** | **39,432,414** | **63,803,790** | **266,476,540** |
| **Sheriff** | | | | | | | | | | | | |
| 06386 | Jail Expansion-East & West | 1 | Building (New) | No Funding Source | General Government | 0 | 4,594,298 | 1,241,314 | 37,844,661 | 0 | 0 | 43,680,273 |
| | | | | | **Department Subtotal** | **0** | **4,594,298** | **1,241,314** | **37,844,661** | **0** | **0** | **43,680,273** |
| **Grand Total - Fund 21** | | | | | | **51,068,792** | **236,525,408** | **309,644,092** | **210,776,984** | **204,788,591** | **284,281,979** | **1,246,017,054** |

**Items in red do not have a funding source identified.*

## Capital Improvement Program FY2012-13 through FY2016-17
## Fund 22 Vehicle Replacement Reserve - *Department Requests by Fiscal Year and Priority Number*

| Project | Priority | Project Type | Source | District | Approved FY12-13 | Request FY12-13 | Request FY13-14 | Request FY14-15 | Request FY15-16 | Request FY16-17 | Total Five Year |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Education** | | | | | | | | | | | |
| 06690 School Bus Replacement Program | 0 | Vehicle Replacement Reserve | Designated Vehicle Reserve | Countywide | 2,500,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | **Department Subtotal** | **2,500,000** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Fire** | | | | | | | | | | | |
| 06692 Fire Apparatus Replacement Program | 0 | Vehicle Replacement Reserve | Designated Vehicle Reserve | General Government | 1,500,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | **Department Subtotal** | **1,500,000** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Police** | | | | | | | | | | | |
| 06691 Police Vehicle Replacement Program | 0 | Vehicle Replacement Reserve | Designated Vehicle Reserve | General Government | 2,574,800 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | **Department Subtotal** | **2,574,800** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Grand Total - Fund 22** | | | | | **6,574,800** | **0** | **0** | **0** | **0** | **0** | **0** |

# Capital Improvement Program FY2012-13 through FY2016-17
## Fund 51 Enterprise Fund - *Public Utility Requests by Fiscal Year and Priority Number*

| Project | | Priority | Project Type | Source | District | Approved FY12-13 | Request FY12-13 | Request FY13-14 | Request FY14-15 | Request FY15-16 | Request FY16-17 | Total Five Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Public Utilities - Sewer** | | | | | | | | | | | | |
| 00782 | New Sewer Connections | 1 | Sewer | Enterprise Fund | Countywide | 250,000 | 250,000 | 400,000 | 400,000 | 400,000 | 400,000 | 1,850,000 |
| 00772 | Sewer Line Extensions | 2 | Sewer | Enterprise Fund | Countywide | 600,000 | 600,000 | 600,000 | 600,000 | 600,000 | 600,000 | 3,000,000 |
| 00732 | Sewer Line Rehabilitation | 3 | Sewer | Enterprise Fund | Countywide | 2,000,000 | 2,000,000 | 2,000,000 | 4,000,000 | 3,000,000 | 3,000,000 | 14,000,000 |
| 00743 | Sewer Pump Station Improvements | 4 | Sewer | Enterprise Fund | Countywide | 100,000 | 100,000 | 100,000 | 100,000 | 1,100,000 | 1,500,000 | 2,900,000 |
| 00737 | Sewer Reloc., Adjustments & Crossings | 5 | Sewer | Enterprise Fund | Countywide | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 1,000,000 |
| 00725 | Plan Review and Inspection | 6 | Sewer | Enterprise Fund | Countywide | 1,600,000 | 1,600,000 | 1,800,000 | 1,800,000 | 1,800,000 | 1,800,000 | 8,800,000 |
| 06492 | Roof Replacement | 7 | Sewer | Enterprise Fund | Countywide | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 250,000 |
| 01076 | Strawberry Hill Basin Sewer Rehab | 8 | Sewer | Enterprise Fund | B, F, T | 3,700,000 | 3,700,000 | 3,700,000 | 7,000,000 | 11,500,000 | 10,750,000 | 36,650,000 |
| 06135 | River Road Basin Sewer Rehabilitation | 9 | Sewer | Enterprise Fund | Tuckahoe | 2,160,000 | 2,160,000 | 0 | 0 | 0 | 0 | 2,160,000 |
| 06139 | Gillies Creek Basin Sewer Rehabilitation | 10 | Sewer | Enterprise Fund | Varina | 406,344 | 406,344 | 510,000 | 4,300,000 | 0 | 0 | 5,216,344 |
| 06448 | Broadwater Creek II SPS Improvements | 11 | Sewer | Enterprise Fund | Varina | 465,750 | 465,750 | 1,788,480 | 0 | 0 | 0 | 2,254,230 |
| 06152 | Gambles Mill SPS FEB Modification | 12 | Sewer | Enterprise Fund | Tuckahoe | 4,140,000 | 4,140,000 | 0 | 15,525,000 | 0 | 0 | 19,665,000 |
| 06445 | Strawberry Hill SPS Capacity Improv. | 13 | Sewer | Enterprise Fund | Fairfield | 1,552,500 | 1,552,500 | 0 | 5,458,590 | 0 | 0 | 7,011,090 |
| 06446 | Strawberry Hill FM Creighton Rd Vent Fclty. | 14 | Sewer | Enterprise Fund | Fairfield | 698,625 | 698,625 | 0 | 0 | 2,649,600 | 0 | 3,348,225 |
| 06459 | Broadwater Creek I SPS & FEB | 15 | Sewer | Enterprise Fund | Varina | 1,035,000 | 1,035,000 | 0 | 0 | 4,547,790 | 0 | 5,582,790 |
| 00735 | Water Reclamation Facility Improvements | 1 | Sewer | Enterprise Fund | Varina | 0 | 0 | 760,000 | 2,560,000 | 1,825,000 | 0 | 5,145,000 |
| 06447 | Route 33 To Lakeside Sewer Main | 2 | Sewer | Enterprise Fund | B, F | 0 | 0 | 8,155,800 | 0 | 0 | 11,000,000 | 19,155,800 |
| 06569 | Lakeside Storage Facilities | 1 | Sewer | Enterprise Fund | Fairfield | 0 | 0 | 0 | 9,315,000 | 0 | 36,067,680 | 45,382,680 |
| 06449 | White Oak SPS Improvements | 2 | Sewer | Enterprise Fund | Varina | 0 | 0 | 0 | 362,250 | 1,408,635 | 0 | 1,770,885 |
| 06450 | White Oak SPS FM | 3 | Sewer | Enterprise Fund | Varina | 0 | 0 | 0 | 1,345,500 | 4,171,050 | 0 | 5,516,550 |
| 06443 | Gambles Mill Sewer FM Vent Facility | 4 | Sewer | Enterprise Fund | Brookland | 0 | 0 | 0 | 5,500,000 | 0 | 0 | 5,500,000 |
| 06131 | Gambles Mill Basin Sewer Rehabilitation | 1 | Sewer | Enterprise Fund | Three Chopt | 0 | 0 | 0 | 0 | 720,000 | 1,150,000 | 1,870,000 |
| 06444 | Hungary Road Vent Facility | 2 | Sewer | Enterprise Fund | Brookland | 0 | 0 | 0 | 0 | 1,000,000 | 3,000,000 | 4,000,000 |
| 00749 | Broadwater Area Sewer Rehab | 1 | Sewer | Enterprise Fund | Varina | 0 | 0 | 0 | 0 | 0 | 400,000 | 400,000 |
| 06667 | Tuckahoe Creek Trunk Sewer Rehab | 2 | Sewer | Enterprise Fund | TC, T | 0 | 0 | 0 | 0 | 0 | 5,000,000 | 5,000,000 |
| 06153 | Lakeside to Route 301 Sewer Line | 3 | Sewer | Enterprise Fund | Fairfield | 0 | 0 | 0 | 0 | 0 | 1,000,000 | 1,000,000 |
| 06666 | Horsepen Br Sew - Broad Street to Rte 33 | 4 | Sewer | Enterprise Fund | Brookland | 0 | 0 | 0 | 0 | 0 | 2,000,000 | 2,000,000 |
| 06665 | New Market & Buffin Road Force Main | 5 | Sewer | Enterprise Fund | Varina | 0 | 0 | 0 | 0 | 0 | 6,000,000 | 6,000,000 |
| | | | | **Sewer Subtotal** | | **18,958,219** | **18,958,219** | **20,064,280** | **58,516,340** | **34,972,075** | **83,917,680** | **216,428,594** |
| **Public Utilities - Water** | | | | | | | | | | | | |
| 00771 | New Water Connections | 1 | Water | Enterprise Fund | Countywide | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 1,000,000 |
| 00770 | Water Line Extensions | 2 | Water | Enterprise Fund | Countywide | 350,000 | 350,000 | 500,000 | 500,000 | 500,000 | 500,000 | 2,350,000 |
| 00768 | Water Line Rehabilitation | 3 | Water | Enterprise Fund | Countywide | 2,000,000 | 2,000,000 | 2,000,000 | 6,000,000 | 7,000,000 | 4,000,000 | 21,000,000 |
| 00769 | Water Pumping Station Improvements | 4 | Water | Enterprise Fund | Countywide | 75,000 | 75,000 | 75,000 | 750,000 | 2,700,000 | 600,000 | 4,200,000 |
| 00780 | Water Meters | 5 | Water | Enterprise Fund | Countywide | 325,000 | 325,000 | 350,000 | 350,000 | 350,000 | 350,000 | 1,725,000 |
| 00767 | Water Reloc., Adjustments & Crossings | 6 | Water | Enterprise Fund | Countywide | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 1,000,000 |
| 00811 | Information Technology Projects | 7 | Water | Enterprise Fund | Countywide | 500,000 | 500,000 | 500,000 | 0 | 0 | 0 | 1,000,000 |
| 06125 | Cobbs Creek (Cumberland) Reservoir | 8 | Water | Enterprise Fund | Countywide | 60,000,000 | 60,000,000 | 0 | 0 | 160,000,000 | 0 | 220,000,000 |
| 00774 | Beverly Hills Area Water Rehabilitation | 9 | Water | Enterprise Fund | Tuckahoe | 5,796,000 | 5,796,000 | 0 | 0 | 0 | 0 | 5,796,000 |
| 06615 | Ridge Water Pressure Zone | 10 | Water | Enterprise Fund | Tuckahoe | 1,360,000 | 1,360,000 | 0 | 0 | 0 | 0 | 1,360,000 |
| 06515 | Water Transmission Mains Ph 2 | 1 | Water | Enterprise Fund | B, F, V | 0 | 0 | 14,490,000 | 0 | 0 | 83,317,500 | 97,807,500 |

## Capital Improvement Program FY2012-13 through FY2016-17

## Fund 51 Enterprise Fund - *Public Utility Requests by Fiscal Year and Priority Number*

| Project | | Priority | Project Type | Source | District | Approved FY12-13 | Request FY12-13 | Request FY13-14 | Request FY14-15 | Request FY15-16 | Request FY16-17 | Total Five Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 06513 | Bacova Road PS & Tank | 2 | Water | Enterprise Fund | Three Chopt | 0 | 0 | 1,035,000 | 2,674,440 | 0 | 0 | 3,709,440 |
| 06570 | Bacova Water Pump Station Supply Main | 1 | Water | Enterprise Fund | Three Chopt | 0 | 0 | 0 | 300,000 | 1,000,000 | 0 | 1,300,000 |
| 06383 | Dabbs House Road Water Line | 2 | Water | Enterprise Fund | Varina | 0 | 0 | 0 | 600,000 | 0 | 0 | 600,000 |
| 06118 | Sadler Road 12" Water Line | 3 | Water | Enterprise Fund | Three Chopt | 0 | 0 | 0 | 1,700,000 | 0 | 0 | 1,700,000 |
| 06382 | Creighton Road Water Line | 4 | Water | Enterprise Fund | F, V | 0 | 0 | 0 | 950,000 | 0 | 0 | 950,000 |
| 06119 | Laburnum Avenue Water Booster Station | 1 | Water | Enterprise Fund | Fairfield | 0 | 0 | 0 | 0 | 621,000 | 2,136,240 | 2,757,240 |
| 06381 | Charles City Road Water Line | 1 | Water | Enterprise Fund | Varina | 0 | 0 | 0 | 0 | 0 | 400,000 | 400,000 |
| | | | | **Water Subtotal** | | **70,806,000** | **70,806,000** | **19,350,000** | **14,224,440** | **172,571,000** | **91,703,740** | **368,655,180** |
| **Grand Total - Fund 51** | | | | | | **89,764,219** | **89,764,219** | **39,414,280** | **72,740,780** | **207,543,075** | **175,621,420** | **585,083,774** |

## Capital Improvement Program FY2012-13 through FY2016-17
## Fund 52 Enterprise Fund - *Belmont Golf Course Requests by Fiscal Year and Priority Number*

| Project | | Priority | Project Type | Source | District | Approved FY12-13 | Request FY12-13 | Request FY13-14 | Request FY14-15 | Request FY15-16 | Request FY16-17 | Total Five Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Recreation** | | | | | | | | | | | | |
| 06249 | Belmont Golf Course Renovation | 1 | Golf Course | Enterprise Fund | Fairfield | 0 | 0 | 72,600 | 0 | 0 | 0 | 72,600 |
| 06357 | Belmont Golf Course Pond Management | 1 | Golf Course | Enterprise Fund | Fairfield | 0 | 0 | 0 | 701,992 | 0 | 0 | 701,992 |
| 06251 | Belmont Golf Course Renovation | 1 | Golf Course | Enterprise Fund | Fairfield | 0 | 0 | 0 | 0 | 445,131 | 0 | 445,131 |
| 06250 | Belmont Golf Course Renovation | 1 | Golf Course | Enterprise Fund | Fairfield | 0 | 0 | 0 | 0 | 0 | 1,391,714 | 1,391,714 |
| | | | | **Golf Course Subtotal** | | **0** | **0** | **72,600** | **701,992** | **445,131** | **1,391,714** | **2,611,437** |
| **Grand Total - Fund 52** | | | | | | **0** | **0** | **72,600** | **701,992** | **445,131** | **1,391,714** | **2,611,437** |

# 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 FY2012-13 through FY2016-17.

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 FY2012-13 is $147,407,811, which funds a portion of the project requests in the first year of the CIP. The projects in the FY2012-13 approved Capital Budget do not have an operating impact on the FY2012-13 operating budget as the operating costs have implications on operating budgets beyond FY2012-13. Those costs have been factored into the County's multi-year expenditure forecasts. <u>However, it should be noted the FY2012-13 operating budget includes $3,869,432 in new operating costs arising from projects funded in **prior** Capital Budgets.</u>

As mentioned, the FY2012-13 operating budget includes funding for operating costs associated with new facilities as well as renovations and additions to existing facilities. These facilities include operating costs, including personnel if required, for the following: Glen Allen High School, 12th 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. These projects were funded in prior years' capital budgets.

In FY2000-01, a Revenue Stabilization reserve was established to offset the increase in operating costs associated with the bond funded projects. In FY2000-01 and FY2001-02, $2.6 million and $5.2 million, respectively, was deposited into the reserve to build a balance to offset future operating costs.

In FY2002-03, $2.5 million was added to the reserve and $4.7 million of the reserve balance was used. These funds were allocated from the reserve to reduce the impact of the increase in operating costs associated with the opening of Fire Station #18 and Deep Run High School, 9th and 10th grades.

In FY2003-04, $1.6 million was added to the reserve and $4.0 million of the reserve balance was used. These funds reduced the impact of the operating costs associated with opening Rivers Edge Elementary School and Fire Station #22 as well as adding the 11th grade to Deep Run High School.

In FY2004-05, the Revenue Stabilization Reserve budget included a $4.5 million addition to the reserve and a $3.2 million use of the reserve balance. The use of the reserve reduced the impact of the increased costs associated with openings of the Hungary Creek Middle School and the Greenwood Elementary School, the addition of the 12th grade at Deep Run High School, additions for the Baker and Ratcliffe Elementary Schools, full-year operations for Fire Station #22, and partial year funding for the Tuckahoe and Twin Hickory Libraries.

In FY2005-06, the Revenue Stabilization Reserve budget included a $6.4 million addition to the reserve and a $2.5 million use of the reserve balance. Planned uses of the fund include costs associated with the renovations for the Ridge and Tuckahoe Elementary Schools, Deep Run Recreation Center, Walkerton Tavern, Osborne

Park/Meade property, and partial year funding for Tuckahoe Library, Twin Hickory Library, and Fire Station #21.

In FY2006-07, the Revenue Stabilization Reserve budget included a $2.4 million addition to the reserve. Because of significant operating increases projected in FY2007-08 and FY2008-09, there was no use of the Revenue Stabilization Fund.

In FY2007-08, the Revenue Stabilization Reserve budget included a $1.4 million addition and a $4.1 million use. Planned uses of the fund include costs associated with Elko Middle School, Colonial Trail Elementary School, Varina High School addition/renovation, Henrico Theatre, Tuckahoe Little League, and the Twin Hickory Library. In addition, the residual funding difference for the Fire Station #5 renovation, Fire Station #21, RF&P Park, Deep Run Recreation Center, Walkerton Tavern, and the Tuckahoe Library were included in the operating budget.

In FY2008-09, the Revenue Stabilization Reserve budget included a $2.3 million addition to the reserve and a $5.7 million use of the reserve. Planned uses of the fund include costs associated with Harvie Elementary School, Henrico High School classroom addition, Highland Springs High School classroom addition, Dabbs House, Clark-Palmore, Glen Allen Library addition, and the Gayton Library renovation. Additionally, the residual funding difference for the Fire Station #5 renovation, Fire Station #21, Tuckahoe Library, and the Twin Hickory Library were included in the operating budget.

In FY2009-10, the Revenue Stabilization Reserve budget 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 a $11.5 million use of the reserve. Planned uses of the fund include costs associated with the new Glen Allen High School, 9$^{th}$ and 10$^{th}$ 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 $10.2 million use of the reserve. Planned uses of the fund include costs associated with Glen Allen High School, 11$^{th}$ 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 $3.9 million use of the reserve. Planned uses of the fund include costs associated with Glen Allen High School, 12$^{th}$ 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.

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 2012-13 through FY2016-17**
**Department and Priority Order**
**Associated Operating Cost**

**Fund 21 - Capital Projects Fund**

| Project | | Priority | Project Type | Source | District | Request FY12-13 | Request FY13-14 | Request FY14-15 | Request FY15-16 | Request FY16-17 | Total Five Year |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **CRWP** | | | | | | | | | | | |
| 00400 | CRWP Office Renovation | 1 | Building Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | **Department Subtotal** | | **0** | **0** | **0** | **0** | **0** | **0** |
| **Customer Relationship Management** | | | | | | | | | | | |
| 06506 | Customer Relationship Management | 1 | Technology Improvement | No Funding Source | General Government | 0 | 0 | 0 | 3,690,984 | 3,690,984 | 7,381,968 |
| | | | | **Department Subtotal** | | **0** | **0** | **0** | **3,690,984** | **3,690,984** | **7,381,968** |
| **Education** | | | | | | | | | | | |
| 06397 | Education Bond Project Reserve | 0 | Building Improvement | G.O. Bonds - Education - 2005 | Countywide | 0 | 0 | 0 | 0 | 0 | 0 |
| 00518 | Roof Replacements | 1 | Building Improvement | General Fund | Countywide | 0 | 0 | 0 | 0 | 0 | 0 |
| 00527 | Mechanical Improvements | 2 | Building Improvement | General Fund | Countywide | 0 | 0 | 0 | 0 | 0 | 0 |
| 06611 | Athletic Facility Improvements | 3 | Site Improvement | No Funding Source | Countywide | 0 | 0 | 0 | 0 | 0 | 0 |
| 06612 | Parking, Sidewalk & Curb Improvements | 4 | Site Improvement | No Funding Source | Countywide | 0 | 0 | 0 | 0 | 0 | 0 |
| 06305 | Pemberton ES Renovation | 5 | Building Improvement | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06304 | Crestview ES Renovation | 6 | Building Improvement | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06303 | East Area HS #2 | 7 | Building (New) | No Funding Source | Varina | 0 | 5,711,134 | 8,566,701 | 11,422,268 | 11,422,268 | 37,122,371 |
| 06538 | Skipwith ES Renovation | 8 | Building Improvement | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06388 | Tucker HS Renovation | 1 | Building Improvement | No Funding Source | Three Chopt | 0 | 0 | 0 | 0 | 0 | 0 |
| 06479 | Tuckahoe MS Renovation | 2 | Building Improvement | No Funding Source | Three Chopt | 0 | 0 | 0 | 0 | 0 | 0 |
| 06539 | Seven Pines ES Renovation | 3 | Building Improvement | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06541 | Chamberlayne ES Renovation | 1 | Building Improvement | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06669 | Tuckahoe District Land Improvements | 2 | Site Improvement | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06670 | Multi-Sport Athletic Fields | 3 | Site Improvement | No Funding Source | Countywide | 0 | 0 | 0 | 0 | 0 | 0 |
| 06484 | Glen Allen HS Technical Center | 1 | Building (New) | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 0 |
| 06545 | Tuckahoe ES - 5th Grade Renov. | 2 | Building Improvement | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06672 | Jackson Davis ES Renovation | 1 | Building Improvement | No Funding Source | Three Chopt | 0 | 0 | 0 | 0 | 0 | 0 |
| 06673 | Longan ES Renovation | 2 | Building Improvement | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | **Department Subtotal** | | **0** | **5,711,134** | **8,566,701** | **11,422,268** | **11,422,268** | **37,122,371** |
| **Fire** | | | | | | | | | | | |
| 16396 | Fire Bond Project Reserve | 0 | Building Improvement | G.O. Bonds - Gen Gov't - 2005 | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06531 | Fire Headquarters Building | 1 | Building (New) | No Funding Source | General Government | 0 | 125,662 | 125,662 | 125,662 | 125,662 | 502,648 |
| 06468 | Fire Station #1 - Land Purchase | 2 | Land | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06170 | Fire Station #6 - Land Purchase | 3 | Land | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06171 | Osborne Turnpike FS - Land Purchase | 4 | Land | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06663 | Fire Specialty Vehicle Storage Facility | 5 | Building (New) | No Funding Source | General Government | 0 | 31,855 | 31,855 | 31,855 | 31,855 | 127,420 |
| 06366 | Fire Station #1 - Construction | 1 | Building (New) | No Funding Source | Fairfield | 0 | 0 | 10,000 | 10,000 | 10,000 | 30,000 |
| 06177 | Fire Station #6 - Construction | 2 | Building (New) | No Funding Source | Varina | 0 | 0 | 10,000 | 10,000 | 10,000 | 30,000 |
| 06532 | Fire Training Facility - Construction | 3 | Building (New) | No Funding Source | General Government | 0 | 0 | 67,035 | 67,035 | 67,035 | 201,105 |
| 06528 | Fire Station #11 - Land Purchase | 4 | Land | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06623 | Osborne Boathouse | 5 | Building (New) | No Funding Source | Varina | 0 | 0 | 9,902 | 9,902 | 9,902 | 29,706 |

**Capital Improvement Program**
**Fiscal Year 2012-13 through FY2016-17**
**Department and Priority Order**
**Associated Operating Cost**

**Fund 21 - Capital Projects Fund**

| Project | | Priority | Project Type | Source | District | Request FY12-13 | Request FY13-14 | Request FY14-15 | Request FY15-16 | Request FY16-17 | Total Five Year |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 06518 | Fire Station #4 - Land Purchase | 1 | Land | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06529 | Fire Station #11 - Construction | 2 | Building (New) | No Funding Source | Fairfield | 0 | 0 | 0 | 10,000 | 10,000 | 20,000 |
| 06178 | Osborne Turnpike FS - Construction | 3 | Building (New) | No Funding Source | Varina | 0 | 0 | 0 | 1,756,547 | 1,756,547 | 3,513,094 |
| 06185 | Staples Mill Road FS - Land Purchase | 4 | Land | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 0 |
| 06519 | Fire Station #4 - Construction | 1 | Building (New) | No Funding Source | Varina | 0 | 0 | 0 | 0 | 10,000 | 10,000 |
| 06520 | Wilton Farms FS - Land Purchase | 2 | Land | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06522 | Portugee Road FS - Land Purchase | 3 | Land | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06190 | Staples Mill Fire Station - Construction | 1 | Building (New) | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 0 |
| 06363 | North Gayton Fire Station-Land Purchase | 2 | Land | No Funding Source | Three Chopt | 0 | 0 | 0 | 0 | 0 | 0 |
| 06524 | Elko Road Fire Station - Land Purchase | 3 | Land | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | **Department Subtotal** | | **0** | **157,517** | **254,454** | **2,021,001** | **2,031,001** | **4,463,973** |
| **General Services** | | | | | | | | | | | |
| 00572 | Mechanical Improvements | 1 | Building Improvement | General Fund | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 00425 | Roof Replacement and Rehabilitation | 2 | Building Improvement | General Fund | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 00423 | Pavement Rehabilitation | 3 | Site Improvement | General Fund | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 00117 | PSB Rooftop HVAC Replacement | 4 | Building Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06625 | Building Automation Systems Upgrade | 5 | Building Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06634 | Henrico Health Department - East Clinic | 6 | Building (New) | No Funding Source | General Government | 0 | 63,265 | 63,265 | 63,265 | 63,265 | 253,060 |
| 06655 | Glen Echo Office Building Renovation | 7 | Building Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06649 | Best Plaza | 8 | Building Improvement | General Fund | General Government | 0 | 958,343 | 958,343 | 958,343 | 958,343 | 3,833,372 |
| 06624 | Under Ground Storage Tanks | 9 | Building Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 01198 | Energy Management | 10 | Building Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06368 | Administration Building HVAC Upgrade | 11 | Building Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06460 | Communications System Replacement | 12 | Technology Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06089 | Backup EOC & Data Center | 13 | Building Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06094 | Government Center Land Utilization Plan | 14 | Land | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 00027 | UPS Replacement | 15 | Building Improvement | General Fund | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 01031 | Stormwater Regulatory Retrofits | 1 | Building Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 00377 | DGS Environmental Fund | 2 | Building Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06573 | Admin Entry Walk Improvements | 3 | Site Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06088 | Vulnerability Implementation | 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 |
| 06102 | Government Center Expansion - Admin. & Wareh | 6 | Building (New) | No Funding Source | General Government | 0 | 0 | 0 | 652,961 | 652,961 | 1,305,922 |
| 06486 | Circuit Courtroom No. 6 | 7 | Building Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06512 | Juvenile Courts 6th Courtroom Build-out | 8 | Building Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06091 | Gov't Cntr Exterior Lights, Phase III, IV | 9 | Site Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 00016 | East CAM & DPW Crew Building | 10 | Building (New) | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06104 | Admin Bldg/Remaining Renovation | 1 | Building Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06105 | New Courts Complex Facility | 2 | Building (New) | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06370 | CAM Fuel Site - North West | 3 | Building (New) | No Funding Source | General Government | 0 | 0 | 0 | 12,000 | 12,000 | 24,000 |
| 06096 | Human Services Building Renovation | 4 | Building Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |

**Capital Improvement Program**
**Fiscal Year 2012-13 through FY2016-17**
**Department and Priority Order**
**Associated Operating Cost**

**Fund 21 - Capital Projects Fund**

| Project | | Priority | Project Type | Source | District | Request FY12-13 | Request FY13-14 | Request FY14-15 | Request FY15-16 | Request FY16-17 | Total Five Year |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 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 |
| | | | | **Department Subtotal** | | **0** | **1,021,608** | **1,021,608** | **1,686,569** | **1,686,569** | **5,416,354** |
| **Information Technology** | | | | | | | | | | | |
| 06481 | Information Technology Projects | 1 | Technology Improvement | General Fund | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06627 | Network/VOIP | 2 | Technology Improvement | General Fund | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 00146 | Disaster Recovery | 3 | Technology Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 01033 | Tidemark Replacement | 4 | Technology Improvement | No Funding Source | General Government | 0 | 200,000 | 200,000 | 200,000 | 200,000 | 800,000 |
| | | | | **Department Subtotal** | | **0** | **200,000** | **200,000** | **200,000** | **200,000** | **800,000** |
| **Information Technology - GIS** | | | | | | | | | | | |
| 00429 | Geographic Information System | 1 | Technology Improvement | General Fund | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | **Department Subtotal** | | **0** | **0** | **0** | **0** | **0** | **0** |
| **Mental Health** | | | | | | | | | | | |
| 06568 | Feasibility Study to Replace East Center | 1 | Feasibility/Programming Study | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06577 | East Center Expansion Land Purchase | 1 | Land | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06571 | Feasibility Study to Expand Woodman Rd | 2 | Feasibility/Programming Study | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06661 | MH/DS East Center Replacement Construction | 1 | Building (New) | No Funding Source | General Government | 0 | 0 | 0 | 2,483,728 | 16,595,739 | 19,079,467 |
| 06662 | MH/DS Woodman Road Expansion Construction | 2 | Building Addition | No Funding Source | General Government | 0 | 0 | 0 | 1,909,144 | 13,326,680 | 15,235,824 |
| | | | | **Department Subtotal** | | **0** | **0** | **0** | **4,392,872** | **29,922,419** | **34,315,291** |
| **Police** | | | | | | | | | | | |
| 06660 | Police Specialty Vehicle Facility | 1 | Building (New) | No Funding Source | General Government | 0 | 27,700 | 27,700 | 27,700 | 27,700 | 110,800 |
| 06610 | Communications Training Room | 2 | Building Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | **Department Subtotal** | | **0** | **27,700** | **27,700** | **27,700** | **27,700** | **110,800** |
| **Public Library** | | | | | | | | | | | |
| 06396 | Public Library Bond Project Reserve | 0 | Building Improvement | G.O. Bonds - Gen Gov't - 2005 | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06272 | Varina Area Library | 1 | Building (New) | G.O. Bonds - Gen Gov't - 2005 | Varina | 0 | 0 | 5,419,301 | 5,419,301 | 5,419,301 | 16,257,903 |
| 06271 | Dumbarton Area Library Replacement | 2 | Building (New) | G.O. Bonds - Gen Gov't - 2005 | Brookland | 0 | 0 | 3,973,132 | 3,973,132 | 3,973,132 | 11,919,396 |
| 06258 | Fairfield Area Library - Land Purchase | 3 | Land | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06630 | Library Security Cameras & Equipment Purchase | 4 | Building Improvement | No Funding Source | Countywide | 0 | 0 | 0 | 0 | 0 | 0 |
| 06259 | Library Headquarters Alteration | 1 | Building Improvement | No Funding Source | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| 06274 | Fairfield Area Library Replacement | 1 | Building (New) | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 3,973,132 | 3,973,132 |
| 06261 | Twin Hickory Library Expansion | 2 | Building Addition | No Funding Source | Three Chopt | 0 | 0 | 0 | 0 | 1,456,316 | 1,456,316 |
| | | | | **Department Subtotal** | | **0** | **0** | **9,392,433** | **9,392,433** | **14,821,881** | **33,606,747** |

**Capital Improvement Program**
**Fiscal Year 2012-13 through FY2016-17**
**Department and Priority Order**
**Associated Operating Cost**

**Fund 21 - Capital Projects Fund**

| Project | | Priority | Project Type | Source | District | Request FY12-13 | Request FY13-14 | Request FY14-15 | Request FY15-16 | Request FY16-17 | Total Five Year |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Public Works - Drainage** | | | | | | | | | | | |
| 06000 | Beverly Drive/Dinwiddie Ave. Drainage | 1 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06001 | Borden Road Drainage | 2 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06002 | Barribee Lane | 3 | Drainage | No Funding Source | Three Chopt | 0 | 0 | 0 | 0 | 0 | 0 |
| 06003 | River Road Hills Drainage | 4 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06004 | Rolando Drive | 5 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06005 | Lafayette/Linbrook/Lincoln Drainage | 6 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 0 |
| 06006 | Huntsman Road Drainage Channel | 7 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06007 | Glendale Drive Drainage | 8 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06008 | East Rois Road | 9 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06009 | Linda Road Drainage | 10 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06010 | Henderson Drainage | 11 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 0 |
| 06011 | Thomas Drive to Chickahominy Avenue | 12 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06012 | Westham Parkway Channel | 13 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06013 | Homeview Dr - Broad to Parham Drainage | 14 | Drainage | No Funding Source | Three Chopt | 0 | 0 | 0 | 0 | 0 | 0 |
| 06014 | Ginter Street Drainage | 15 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06015 | Michael/Fordson Drainage | 16 | Drainage | No Funding Source | Three Chopt | 0 | 0 | 0 | 0 | 0 | 0 |
| 06017 | Lochaven Drainage | 17 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06018 | Midway Rd - Michaux La Drainage | 18 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06019 | 3000 Block Carlton Road Drainage | 19 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06020 | Falmouth Street | 1 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 0 |
| 06021 | Lakewood Road Drainage | 2 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 0 |
| 06022 | Woodley Road | 3 | Drainage | No Funding Source | Three Chopt | 0 | 0 | 0 | 0 | 0 | 0 |
| 06023 | Brookside Road - Westham | 4 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06024 | Huntsman Road Storm Sewer | 5 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06025 | Hungary Road/North Run Drainage | 6 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06026 | Chamberlayne Avenue Drainage | 7 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06027 | 7102 Walford Avenue | 8 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06028 | Chamberlayne Avenue/Serafim Lane | 9 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06029 | Landsworth Avenue Drainage | 10 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06030 | Eastover Gardens, Phase II | 11 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06031 | Ainsworth to Biloxi Drainage | 12 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06032 | Hollyport Road Drainage | 13 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06034 | Oak Avenue Drainage | 14 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06035 | Meroyn Drive | 15 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06036 | Alvarado Road | 16 | Drainage | No Funding Source | Three Chopt | 0 | 0 | 0 | 0 | 0 | 0 |
| 06037 | Avalon Drive Drainage | 17 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06038 | Winston Boulevard Drainage | 18 | Drainage | No Funding Source | B, F | 0 | 0 | 0 | 0 | 0 | 0 |
| 06039 | Skipwith Road | 19 | Drainage | No Funding Source | Three Chopt | 0 | 0 | 0 | 0 | 0 | 0 |
| 06040 | Edgewood Avenue | 1 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06041 | Woodberry Road | 2 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06042 | Highland Springs Drainage, Phase II | 3 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |

**Capital Improvement Program**
**Fiscal Year 2012-13 through FY2016-17**
**Department and Priority Order**
**Associated Operating Cost**

**Fund 21 - Capital Projects Fund**

| Project | | Priority | Project Type | Source | District | Request FY12-13 | Request FY13-14 | Request FY14-15 | Request FY15-16 | Request FY16-17 | Total Five Year |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 06043 | Bremo Road Drainage | 4 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 0 |
| 06044 | Fourth Street Drainage | 5 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06045 | Hobson Lane Drainage | 6 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06046 | Rock Creek Road | 7 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06047 | Tacoma Street | 8 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 0 |
| 06048 | Hollins Road Median Ditch | 9 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06049 | Elkridge Lane Drainage | 10 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06050 | Woodman Rd Drainage - Thorpes Branch | 11 | Drainage | No Funding Source | B, F | 0 | 0 | 0 | 0 | 0 | 0 |
| 06052 | Willingham Road Drainage | 12 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06053 | Thorpes Branch | 13 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 0 |
| 06054 | Lowell Street and Yates Lane Drainage | 14 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06055 | Polaria Street Drainage | 15 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06056 | Croft/Edgemore Drainage | 16 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 0 |
| 06057 | Central Gardens Drainage | 17 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06058 | Beulah/Treva Roads Drainage | 18 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06059 | Rockwood Road Drainage | 19 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06060 | Horsepen Rd - Shrewsbury to Hampshire | 1 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06061 | Magruder Avenue and Wilson Way | 2 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06062 | Gaylord Road Drainage | 3 | Drainage | No Funding Source | Three Chopt | 0 | 0 | 0 | 0 | 0 | 0 |
| 06063 | Fern Avenue | 4 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06064 | Maplewood Ave Drain/Trumpets Branch V | 5 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 0 |
| 06065 | Mapleleaf-N Holly Ave | 6 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06067 | Lakeside Avenue Drainage | 7 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06068 | Pump Road - Deep Run Creek Drainage | 8 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06069 | Lewis Road Outfall - Phase III | 9 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06070 | Clover Lane Drainage | 10 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06071 | Horsepen Branch | 11 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 0 |
| 06072 | Rocky Branch/Cattail Branch | 12 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 0 |
| 06073 | Georges Branch Channel | 13 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06074 | Charles City Road/Glen Alden Drainage | 14 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06075 | Westhill Road Drainage | 15 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06076 | 204 and 206 Monterey Avenue | 16 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06077 | Glendale Drive Drainage II | 17 | Drainage | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06078 | Watts Lane | 18 | Drainage | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06079 | Eastlake-Monterey Drainage | 19 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06080 | Eastlake Lane Drainage | 20 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06151 | Bethlehem Rd - Spencer to Staples Mill Rd | 21 | Drainage | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 0 |
| 06082 | Ranch Drive Drainage | 22 | Drainage | No Funding Source | Three Chopt | 0 | 0 | 0 | 0 | 0 | 0 |
| 06083 | Early Ave - Stuttaford Dr Drainage | 23 | Drainage | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | **Department Subtotal** | | **0** | **0** | **0** | **0** | **0** | **0** |

**Capital Improvement Program**
**Fiscal Year 2012-13 through FY2016-17**
**Department and Priority Order**
**Associated Operating Cost**

**Fund 21 - Capital Projects Fund**

| Project | | Priority | Project Type | Source | District | Request FY12-13 | Request FY13-14 | Request FY14-15 | Request FY15-16 | Request FY16-17 | Total Five Year |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Public Works - Roadway** | | | | | | | | | | | |
| 00985 | Creighton Road | 1 | Roadway | No Funding Source | F, V | 0 | 0 | 0 | 0 | 0 | 0 |
| 00499 | General Road Construction | 2 | Roadway | General Fund - Public Works | Countywide | 0 | 0 | 0 | 0 | 0 | 0 |
| 00486 | New Guardrails | 3 | Roadway | General Fund - Public Works | Countywide | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | **Department Subtotal** | | **0** | **0** | **0** | **0** | **0** | **0** |
| **Recreation** | | | | | | | | | | | |
| 06352 | Short Pump Park | 1 | Site Improvement | G.O. Bonds - Gen Gov't - 2005 | Three Chopt | 0 | 264,446 | 264,446 | 264,446 | 264,446 | 1,057,784 |
| 06194 | Facility Rehabilitation | 2 | Site Improvement | General Fund | Countywide | 0 | 567,303 | 567,303 | 567,303 | 567,303 | 2,269,212 |
| 06212 | Henrico Museum | 3 | Building (New) | No Funding Source | Varina | 0 | 0 | 755,033 | 755,033 | 755,033 | 2,265,099 |
| 06395 | Three Lakes Nature Center Landscaping | 4 | Site Improvement | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06203 | Cedar Hill House | 5 | Building Improvement | No Funding Source | Fairfield | 0 | 133,012 | 133,012 | 133,012 | 133,012 | 532,048 |
| 06215 | Meadow Farm Museum | 6 | Building (New) | No Funding Source | Brookland | 0 | 65,312 | 65,312 | 65,312 | 65,312 | 261,248 |
| 06435 | Tuckahoe Park | 7 | Site Improvement | No Funding Source | Tuckahoe | 0 | 180,320 | 180,320 | 180,320 | 180,320 | 721,280 |
| 06620 | Concession Construction | 8 | Building Improvement | No Funding Source | Countywide | 0 | 52,558 | 52,558 | 52,558 | 52,558 | 210,232 |
| 06436 | Athletic Field Upgrades | 9 | Site Improvement | No Funding Source | Countywide | 0 | 140,656 | 140,656 | 140,656 | 140,656 | 562,624 |
| 06199 | Nuckol's Farm | 10 | Building Improvement | No Funding Source | Three Chopt | 0 | 265,045 | 265,045 | 265,045 | 265,045 | 1,060,180 |
| 06255 | Lakeside Park | 11 | Park | No Funding Source | Fairfield | 0 | 264,446 | 264,446 | 264,446 | 264,446 | 1,057,784 |
| 06356 | Historic Facility Rehabilitation Year 2-5 | 1 | Building Improvement | No Funding Source | Countywide | 0 | 0 | 0 | 0 | 0 | 0 |
| 06208 | Belmont Recreation Center Renovation | 2 | Building Improvement | No Funding Source | Fairfield | 0 | 0 | 272,441 | 272,441 | 272,441 | 817,323 |
| 06200 | Dorey Park | 3 | Site Improvement | No Funding Source | Varina | 0 | 0 | 264,446 | 264,446 | 264,446 | 793,338 |
| 06205 | Eastern Henrico Recreation Center | 4 | Site Improvement | No Funding Source | Fairfield | 0 | 0 | 140,657 | 140,657 | 140,657 | 421,971 |
| 06214 | Dorey Recreation Center | 5 | Building Addition | No Funding Source | Varina | 0 | 0 | 755,033 | 755,033 | 755,033 | 2,265,099 |
| 06216 | Confederate Hills Recreation Center | 6 | Building Addition | No Funding Source | Varina | 0 | 0 | 208,637 | 208,637 | 208,637 | 625,911 |
| 06217 | Dunncroft/Castle Point Park | 7 | Site Improvement | No Funding Source | Brookland | 0 | 0 | 140,657 | 140,657 | 140,657 | 421,971 |
| 06219 | Greenwood Park | 8 | Park | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 0 |
| 06221 | James River West Park | 9 | Land | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06223 | Tucker Park | 10 | Land | No Funding Source | TC, T | 0 | 0 | 0 | 0 | 0 | 0 |
| 06225 | Kanawha Park | 11 | Land | No Funding Source | B, TC, T | 0 | 0 | 0 | 0 | 0 | 0 |
| 06226 | Chickahominy Park | 12 | Land | No Funding Source | B, F | 0 | 0 | 0 | 0 | 0 | 0 |
| 06210 | Four Mile Creek Park | 13 | Park | No Funding Source | Varina | 0 | 0 | 477,112 | 477,112 | 477,112 | 1,431,336 |
| 06227 | Vawter Street Park | 1 | Park | No Funding Source | Fairfield | 0 | 0 | 0 | 264,446 | 264,446 | 528,892 |
| 06197 | RF & P Park | 2 | Site Improvement | No Funding Source | Brookland | 0 | 0 | 0 | 140,657 | 140,657 | 281,314 |
| 06253 | Laurel Recreation Area | 3 | Site Improvement | No Funding Source | Brookland | 0 | 0 | 0 | 140,657 | 140,657 | 281,314 |
| 06228 | Holladay Park | 5 | Park | No Funding Source | Brookland | 0 | 0 | 0 | 140,657 | 140,657 | 281,314 |
| 06229 | Allen's Branch | 6 | Park | No Funding Source | Three Chopt | 0 | 0 | 0 | 477,112 | 477,112 | 954,224 |
| 06230 | Gill Dale Park | 7 | Park | No Funding Source | Varina | 0 | 0 | 0 | 264,446 | 264,446 | 528,892 |
| 06354 | Hidden Creek Rec Center Expansion | 8 | Building Addition | No Funding Source | Fairfield | 0 | 0 | 0 | 208,637 | 208,637 | 417,274 |
| 06218 | Bickerstaff Park | 9 | Park | No Funding Source | Varina | 0 | 0 | 0 | 140,657 | 140,657 | 281,314 |
| 06201 | New Market Park | 10 | Park | No Funding Source | Varina | 0 | 0 | 0 | 477,112 | 477,112 | 954,224 |
| 06231 | Highland Gardens Park | 1 | Park | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 140,657 | 140,657 |
| 06232 | Dorey Model Farm | 2 | Building (New) | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |

**Capital Improvement Program**
**Fiscal Year 2012-13 through FY2016-17**
**Department and Priority Order**
**Associated Operating Cost**

**Fund 21 - Capital Projects Fund**

| Project | | Priority | Project Type | Source | District | Request FY12-13 | Request FY13-14 | Request FY14-15 | Request FY15-16 | Request FY16-17 | Total Five Year |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 06202 | Deep Bottom Park | 3 | Park | No Funding Source | Varina | 0 | 0 | 0 | 0 | 264,446 | 264,446 |
| 06234 | Pocahontas Park | 4 | Land | No Funding Source | Varina | 0 | 0 | 0 | 0 | 0 | 0 |
| 06235 | Highland Springs Park | 5 | Park | No Funding Source | Varina | 0 | 0 | 0 | 0 | 140,657 | 140,657 |
| 06236 | Group Picnic Shelters | 6 | Site Improvement | No Funding Source | Countywide | 0 | 0 | 0 | 0 | 54,399 | 54,399 |
| 06437 | Deep Run Park - Artificial Turf Fields | 7 | Site Improvement | No Funding Source | Three Chopt | 0 | 0 | 0 | 0 | 11,025 | 11,025 |
| 06240 | Monument Hills Park | 1 | Park | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 0 |
| 06241 | Virginia Randolph Recreation Area | 2 | Site Improvement | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06256 | Meadow Farm | 3 | Building (New) | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 0 |
| 06238 | Three Lakes Nature Center | 4 | Building Improvement | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06242 | Chamberlayne Park | 5 | Land | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06243 | Hungary Park | 6 | Land | No Funding Source | Brookland | 0 | 0 | 0 | 0 | 0 | 0 |
| 06244 | Pinedale Park | 7 | Park | No Funding Source | TC, T | 0 | 0 | 0 | 0 | 0 | 0 |
| 06245 | Tuckahoe Creek Park | 8 | Park | No Funding Source | Tuckahoe | 0 | 0 | 0 | 0 | 0 | 0 |
| 06336 | Glen Lea Recreation Area | 9 | Site Improvement | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| 06441 | Armour House | 10 | Building Improvement | No Funding Source | Fairfield | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | **Department Subtotal** | | **0** | **1,933,098** | **4,947,114** | **7,201,495** | **7,812,679** | **21,894,386** |
| **Sheriff** | | | | | | | | | | | |
| 06386 | Jail Expansion-East & West | 1 | Building (New) | No Funding Source | General Government | 0 | 0 | 0 | 0 | 4,474,495 | 4,474,495 |
| | | | | **Department Subtotal** | | **0** | **0** | **0** | **0** | **4,474,495** | **4,474,495** |
| **Grand Total - Fund 21** | | | | | | **0** | **9,051,057** | **24,410,010** | **40,035,322** | **76,089,996** | **149,586,385** |

**Capital Improvement Program**
**Fiscal Year 2012-13 through FY2016-17**
**Department and Priority Order**
**Associated Operating Cost**

**Fund 22 - Vehicle Replacement Reserve**

| Project | | Priority | Project Type | Source | District | Request FY12-13 | Request FY13-14 | Request FY14-15 | Request FY15-16 | Request FY16-17 | Total Five Year |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Education** | | | | | | | | | | | |
| 06690 | School Bus Replacement Program | 0 | Vehicle Replacement Reserve | Designated Vehicle Reserve | Countywide | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | **Department Subtotal** | | **0** | **0** | **0** | **0** | **0** | **0** |
| **Fire** | | | | | | | | | | | |
| 06692 | Fire Apparatus Replacement Program | 0 | Vehicle Replacement Reserve | Designated Vehicle Reserve | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | **Department Subtotal** | | **0** | **0** | **0** | **0** | **0** | **0** |
| **Police** | | | | | | | | | | | |
| 06691 | Police Vehicle Replacement Program | 0 | Vehicle Replacement Reserve | Designated Vehicle Reserve | General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | **Department Subtotal** | | **0** | 0 | 0 | 0 | 0 | 0 |
| **Grand Total - Fund 22** | | | | | | **0** | 0 | 0 | 0 | 0 | 0 |

# 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 [1]

| Department | FY11 Revised | FY12 Original | FY12 Changes[3] | FY12 Revised[3] | FY13 Changes | FY13 Approved |
|---|---|---|---|---|---|---|
| General Government: | | | | | | |
| Agriculture & Home Extension | 3 | 3 | (1) | 2 | | 2 |
| Belmont Golf Course | 9 | 9 | 0 | 9 | | 9 |
| Board of Supervisors | 5 | 5 | 0 | 5 | | 5 |
| Building Inspections | 58 | 56 | 0 | 56 | (2) | 54 |
| Central Auto. Maintenance | 65 | 65 | 2 | 67 | | 67 |
| Circuit Court Services | 8 | 8 | 0 | 8 | | 8 |
| Commonwealth's Attorney | 54 | 56 | 0 | 56 | | 56 |
| Community Corrections | 2 | 2 | 0 | 2 | | 2 |
| Community Revitalization | 18 | 17 | 0 | 17 | | 17 |
| County Attorney | 18 | 18 | 0 | 18 | | 18 |
| County Manager | 13 | 13 | 0 | 13 | | 13 |
| Electoral Board | 9 | 8 | 0 | 8 | | 8 |
| Finance | 159 | 157 | 0 | 157 | (4) | 153 |
| Fire | 539 | 539 | 0 | 539 | | 539 |
| General Services | 156 | 155 | 0 | 155 | | 155 |
| Human Resources | 53 | 52 | 0 | 52 | (3) | 49 |
| Hold Complement[2] | 0 | 21 | (2) | 19 | 25 | 44 |
| Information Technology | 83 | 82 | 3 | 85 | (1) | 84 |
| Internal Audit | 4 | 4 | 0 | 4 | | 4 |
| Juvenile Detention | 30 | 30 | 0 | 30 | | 30 |
| Juvenile Detention/VJCCCA | 3 | 3 | 0 | 3 | | 3 |
| Library | 173 | 168 | 0 | 168 | (2) | 166 |
| Mental Health | 220 | 220 | 0 | 220 | (1) | 219 |
| Permit Centers | 18 | 17 | 0 | 17 | | 17 |
| Planning | 49 | 46 | 0 | 46 | (3) | 43 |
| Police | 799 | 798 | 0 | 798 | (7) | 791 |
| Public Relations & Media Services | 19 | 19 | 0 | 19 | | 19 |
| Public Utilities | 309 | 307 | 0 | 307 | (1) | 306 |
| Public Works | 258 | 257 | (3) | 254 | | 254 |
| Real Property | 7 | 7 | 0 | 7 | | 7 |
| Recreation | 178 | 177 | 1 | 178 | (1) [4] | 177 |
| Sheriff | 371 | 371 | 0 | 371 | | 371 |
| Social Services | 168 | 168 | 0 | 168 | | 168 |
| Solid Waste | 69 | 69 | 0 | 69 | | 69 |
| Sub-Total | 3,927 | 3,927 | 0 | 3,927 | 0 | 3,927 |
| Education: | 6,567.30 | 6,540.25 | 24.00 | 6,564.25 | (48.60) | 6,515.65 |
| TOTAL | 10,494.30 | 10,467.25 | 24.00 | 10,491.25 | (48.60) | 10,442.65 |

[1] The County's personnel complement reflected here includes only those positions funded either wholly or in part with County funds. Positions funded 100% by other agencies (294 as of 3/5/2012) are not included. General Government positions are based on headcount while Education positions are measured using FTE.

[2] Certain approved, vacant, and frozen positions have been removed from the department where previously assigned and are being held in the Hold Complement until reassignment is made.

[3] As of 3/5/2012

[4] 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

| Fund | FY 11 Revised | FY 12 Original | FY 12 Changes | FY 12 Revised[1] | FY 13 Changes | FY 13 Approved |
|---|---|---|---|---|---|---|
| General Fund | | | | | | |
| General Government | 3,221.00 | 3,200.00 | 0.00 | 3,200.00 | (25.00) | 3,175.00 |
| Education | 5,827.55 | 5,798.05 | 8.30 | 5,806.35 | (48.10) | 5,758.25 |
| Total | 9,048.55 | 8,998.05 | 8.30 | 9,006.35 | (73.10) | 8,933.25 |
| Special Revenue Fund | | | | | | |
| General Government | 313.00 | 315.00 | 0.00 | 315.00 | 1.00 | 316.00 |
| Education | 739.75 | 742.20 | 15.70 | 757.90 | (0.50) | 757.40 |
| Total | 1,052.75 | 1,057.20 | 15.70 | 1,072.90 | 0.50 | 1,073.40 |
| Enterprise Funds | | | | | | |
| Public Utilities | 309.00 | 307.00 | 0.00 | 307.00 | (1.00) | 306.00 |
| Golf Course | 9.00 | 9.00 | 0.00 | 9.00 | 0.00 | 9.00 |
| Total | 318.00 | 316.00 | 0.00 | 316.00 | (1.00) | 315.00 |
| Internal Service Fund | | | | | | |
| Cent. Auto. Maint. | 65.00 | 65.00 | 2.00 | 67.00 | 0.00 | 67.00 |
| Risk Management | 10.00 | 10.00 | 0.00 | 10.00 | 0.00 | 10.00 |
| | 75.00 | 75.00 | 2.00 | 77.00 | 0.00 | 77.00 |
| Hold Complement | 0.00 | 21.00 | (2.00) | 19.00 | 25.00 | 44.00 |
| Grand Total | 10,494.30 | 10,467.25 | 24.00 | 10,491.25 | (48.60) | 10,442.65 |

[1] As of 3/5/2012

**County of Henrico**
**Personnel Complement Changes**
**FY 2012-13**

| Fund/Department | Position | F/PT | Number | Justification |
|---|---|---|---|---|
| **GENERAL GOVERNMENT** | | | | |
| **General Fund:** | | | | |
| Building Inspections | Building Inspector II | FT | (1.00) | Vacant position moved to the hold complement |
| Building Inspections | Engineer II | FT | (1.00) | Vacant position moved to the hold complement |
| | Building Inspections Total | | (2.00) | |
| Finance | Account Clerk II | FT | (1.00) | Vacant position moved to the hold complement |
| Finance | Account Clerk III | FT | (1.00) | Vacant position moved to the hold complement |
| Finance | Accountant II | FT | (1.00) | Vacant position moved to the hold complement |
| Finance | Office Assistant IV | FT | (1.00) | Vacant position moved to the hold complement |
| | Finance Total | | (4.00) | |
| Human Resources | Assistant Director of Human Resources | FT | (1.00) | Vacant position moved to the hold complement |
| Human Resources | Division Manager | FT | (1.00) | Vacant position moved to the hold complement |
| Human Resources | Technology Support Specialist III | FT | (1.00) | Vacant position moved to the hold complement |
| | | | (3.00) | |
| Information Technology | Information Technology Control Technician | FT | (1.00) | Vacant position moved to the hold complement |
| Planning | County Planner I | FT | (1.00) | Vacant position moved to the hold complement |
| Planning | County Planner IV | FT | (1.00) | Vacant position moved to the hold complement |
| Planning | Office Assistant IV | FT | (1.00) | Vacant position moved to the hold complement |
| | Planning Total | | (3.00) | |
| Police | Account Clerk III | FT | (1.00) | Vacant position moved to the hold complement |
| Police | Deputy Chief of Police | FT | (1.00) | Vacant position moved to the hold complement |
| Police | Police Support Technician I | FT | (2.00) | Vacant positions moved to the hold complement |
| Police | Police Support Technician II | FT | (1.00) | Vacant position moved to the hold complement |
| Police | Secretary | FT | (1.00) | Vacant position moved to the hold complement |
| Police | Communications Officer | FT | (2.00) | Positions moved from the General Fund to the Special Revenue Fund |
| Police | Crossing Guard | PT | (1.00) | Three vacant positions unfunded, one slot moved to the hold complement |
| | Police Total | | (9.00) | |
| Public Library | Library Assistant I | FT | (2.00) | Vacant positions moved to the hold complement |
| Recreation | Recreation Coordinator II | FT | (1.00) | Vacant position moved to the hold complement |
| | **General Fund Total** | | **(25.00)** | |
| **Special Revenue Fund:** | | | | |
| MH/DS/SA | MH/DS Program Manager | FT | (1.00) | Vacant Position moved to the hold complement |
| Police | Communications Officer | FT | 2.00 | Positions moved from the General Fund to the Special Revenue Fund |
| | **Special Revenue Fund Total** | | **1.00** | |
| **Enterprise Fund:** | | | | |
| Public Utilities | Utility Pipe Locator | FT | (1.00) | Vacant position moved to the hold complement |
| | **Enterprise Fund Total** | | **(1.00)** | |
| | Hold Complement | | 25.00 | |
| | **General Government Total** | | **0.00** | |

## County of Henrico
## Personnel Complement Changes
## FY 2012-13

| Fund/Department | Position | F/PT | Number | Justification |
|---|---|---|---|---|
| **EDUCATION** | | | | |
| **General Fund:** | | | | |
| Revisions During FY2011-12: | | | | |
| Administrative | Staff Development | FT | (1.00) | Reclassification |
| Instructional | Elementary School Education | FT | 5.00 | Realignment |
| Instructional | Elementary School Education | FT | (2.00) | Reclassification |
| Instructional | Secondary Education | FT | 13.80 | Realignment |
| Instructional | Instructional Reserve | FT | (7.00) | Realignment |
| Instructional | Career and Technical Education | FT | (2.80) | Realignment |
| Instructional | Exceptional Education | FT | 1.00 | Reclassification |
| Instructional | Exceptional Education | FT | (0.50) | Reduce Complement |
| Instructional | Staff Development | FT | 1.00 | Reclassification |
| Instructional | Staff Development | FT | (0.20) | Reduce Complement |
| Assistant Principals | Elementary School Education | FT | 2.00 | Reclassification |
| Technical | Secondary Education | FT | 1.00 | Reclassification |
| Technology Tech Support | Construction and Maintenance | FT | 1.00 | Reclassification |
| Clerical | Elementary School Education | FT | (1.00) | Realignment |
| Clerical | Secondary Education | FT | (1.00) | Reclassification |
| Clerical | Exceptional Education | FT | 1.00 | Realignment |
| Clerical | Staff Development | FT | 1.00 | Realignment |
| Clerical | Construction and Maintenance | FT | (1.00) | Reclassification |
| Instructional Assistants | Exceptional Education | FT | (1.00) | Reclassification |
| Service | Construction and Maintenance | FT | 1.00 | Reclassification |
| Service | Construction and Maintenance | FT | (1.00) | Reclassification |
| Clerical | Exceptional Education | PT | (1.00) | Realignment |
| | Total Education - General Fund (FY2011-12): | | 8.30 | |
| Changes for FY2012-13: | | | | |
| Assistant Superintendent | Elementary School Education | FT | 1.00 | Reorganization |
| Assistant Superintendent | Administrative Services | FT | (1.00) | Reorganization |
| Administrative | Elementary School Education | FT | (1.00) | Reduce Complement |
| Administrative | Secondary Education | FT | 1.00 | Reorganization |
| Administrative | Administrative Services | FT | (1.00) | Reorganization |
| Instructional | Elementary School Education | FT | (11.00) | Increase PTR |
| Instructional | Elementary School Education | FT | (2.00) | Reduce Complement |
| Instructional | Secondary Education | FT | (14.50) | Increase PTR |
| Instructional | Instructional Reserve | FT | 10.00 | Reinstate Reserve |
| Instructional | Career and Technical Education | FT | (3.00) | Increase PTR |
| Instructional | Exceptional Education | FT | (10.00) | Reduced Enrollment |
| Instructional | School Counseling Services | FT | (1.00) | Reduce Complement |
| Instructional | Staff Development | FT | (1.60) | Reduce Complement |
| Other Professional | Secondary Education | FT | 1.00 | Reorganization |
| Other Professional | Secondary Education | FT | (1.00) | Reduce Complement |
| Other Professional | Social Work Services | FT | (2.00) | Reduce Complement |
| Other Professional | Administrative Services | FT | (1.00) | Reorganization |
| Other Professional | Human Resources | FT | (1.00) | Reduce Complement |
| Nurses | Student Health Services | FT | (2.00) | Reduce Complement |
| Psychologists | Psychological Services | FT | (0.50) | Reduce Complement |
| Technical | Secondary Education | FT | (1.00) | Reduce Complement |
| Technical | Administrative Services | FT | (1.00) | Reorganization |
| Technical | Communications and Community Outreach | FT | 1.00 | Reorganization |
| Technical | Communications and Community Outreach | FT | (1.00) | Reduce Complement |
| Technology Tech Support | Operations | FT | 1.00 | Reclassification |
| Technology Tech Support | Construction and Maintenance | FT | 4.00 | Reorganization |
| Technology Tech Support | Technology | FT | (4.00) | Reorganization |

## County of Henrico
## Personnel Complement Changes
## FY 2012-13

| Fund/Department | Position | F/PT | Number | Justification |
|---|---|---|---|---|
| *Education (cont'd)* | | | | |
| Clerical | Elementary School Education | FT | 1.00 | Reorganization |
| Clerical | Secondary Education | FT | 2.00 | Reorganization |
| Clerical | Exceptional Education | FT | (1.00) | Shift to Special Revenue |
| Clerical | Administrative Services | FT | (3.00) | Reorganization |
| Clerical | Human Resources | FT | (1.00) | Reduce Complement |
| Clerical | Student Health Services | FT | (1.00) | Reduce Complement |
| Clerical | Construction and Maintenance | FT | (1.00) | Reduce Complement |
| Operative | Pupil Transportation | FT | (1.00) | Reclassification |
| Operative | Pupil Transportation | FT | (1.00) | Reduce Complement |
| Clerical | Exceptional Education | PT | (0.50) | Reduce Complement |
| | Total Education - General Fund FY2012-13: | | (48.10) | |
| | Total Education - General Fund (since 7/1/2011): | | (39.80) | |
| **Special Revenue Fund:** | | | | |
| Revisions During FY2011-12: | | | | |
| Administrative | Teacher Incentive Fund Grant | FT | 1.00 | Reclassification |
| Instructional | Algebra Readiness | FT | 4.20 | Board Approved Complement |
| Instructional | Title VI-B | FT | 1.00 | Board Approved Complement |
| Instructional | Teacher Incentive Fund Grant | FT | (1.00) | Reclassification |
| Instructional | Foreign Language Assistance Program | FT | 0.50 | Board Approved Complement |
| Instructional | Reserve for State and Federal Grants | FT | (1.00) | Realignment |
| Instructional | Homeless Assistance | FT | 1.00 | Board Approved Complement |
| Instructional | DMAS Health Services Program | FT | 2.00 | Board Approved Complement |
| Instructional | Head Start | FT | 1.00 | Reclassification |
| Instructional | Head Start | FT | (1.00) | Realignment |
| Instructional | Juvenile Detention Title I-D | FT | 1.00 | Board Approved Complement |
| Instructional Assistants | Head Start | FT | 8.00 | Board Approved Complement |
| Technical | Head Start | FT | 1.00 | Realignment |
| Technical | Project Connect | FT | (2.00) | Reduce Complement |
| Clerical | Juvenile Detention | FT | 1.00 | Realignment |
| Instructional Assistants | Title I-A | FT | (1.00) | Reclassification |
| | Total Education - Special Revenue Fund (FY2011-12): | | 15.70 | |
| Requested Additions for FY2012-13: | | | | |
| Instructional | Head Start | FT | (1.00) | Funding Shift |
| Instructional | Title 1-A | FT | 2.00 | Funding Shift |
| Instructional | Title I-School Improvement Grant 1003A | FT | (1.00) | Funding Shift |
| Instructional | Reserve for State and Federal Grants | FT | 1.00 | Reinstate Reserve |
| Librarians | Grant Administration | FT | (1.00) | Reduce Complement |
| Nurses | Head Start | FT | (1.00) | Funding Shift |
| Nurses | Title 1-A | FT | 1.00 | Funding Shift |
| Technical | Head Start | FT | (1.00) | Funding Shift |
| Technical | Title 1-A | FT | 1.00 | Funding Shift |
| Clerical | Head Start | FT | (2.00) | Funding Shift |
| Clerical | Title 1-A | FT | 2.00 | Funding Shift |
| Instructional Assistants | Refugee School Impact | PT | (0.50) | Reduce Complement |
| | Total Education - Special Revenue Fund (FY2012-13): | | (0.50) | |
| | **Total Education - Special Revenue Fund (since 7/1/2011):** | | **15.20** | |
| | Total Education - All Funds (FY2011-12): | | 24.00 | |
| | Total Education - All Funds (FY2012-13): | | (48.60) | |
| | **Total Education - All Funds (since 7/1/2011):** | | **(24.60)** | |

## Personnel Complement
## By Department/Job Classification
## General Government

| | Revised FY2010-11 | Approved FY2011-12 | Revised FY2011-12[1] | Approved FY2012-13 |
|---|---|---|---|---|
| **Agriculture & Home Extension** | | | | |
| Administrative Assistant | 1 | 1 | 1 | 1 |
| Extension Agent | 1 | 1 | 0 | 0 |
| Office Assistant III | 1 | 1 | 1 | 1 |
| | 3 | 3 | 2 | 2 |
| **Belmont Golf Course** | | | | |
| Equipment Operator I | 4 | 4 | 4 | 4 |
| Equipment Operator III | 1 | 1 | 1 | 1 |
| Food Service Supervisor | 1 | 1 | 1 | 1 |
| Labor Foreman III | 1 | 1 | 1 | 1 |
| Maintenance Superintendent | 1 | 1 | 1 | 1 |
| Utility Mechanic | 1 | 1 | 1 | 1 |
| | 9 | 9 | 9 | 9 |
| **Board of Supervisors** | | | | |
| Administrative Assistant | 1 | 1 | 1 | 1 |
| Administrative Secretary | 1 | 1 | 1 | 1 |
| Assistant to the County Manager | 1 | 1 | 1 | 1 |
| Executive Assistant | 2 | 2 | 2 | 2 |
| | 5 | 5 | 5 | 5 |
| **Building Inspections** | | | | |
| Administrative Assistant | 1 | 1 | 1 | 1 |
| Building Inspector I | 18 | 18 | 17 | 17 |
| Building Inspector II | 12 | 11 | 12 | 11 |
| Building Official | 1 | 1 | 1 | 1 |
| Business Supervisor | 1 | 1 | 1 | 1 |
| Deputy Building Official | 1 | 1 | 1 | 1 |
| Electrical Engineer | 1 | 1 | 1 | 1 |
| Electrical/Elevator Inspector Supervisor | 1 | 1 | 1 | 1 |
| Engineer II | 6 | 6 | 6 | 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 | 1 |
| Permit Clerk | 3 | 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 |
| | 58 | 56 | 56 | 54 |
| **Central Automotive Maintenance** | | | | |
| Accountant III | 1 | 1 | 1 | 1 |
| Accounting and Fiscal Technician | 0 | 0 | 1 | 1 |
| Automotive Equipment Mechanic | 33 | 33 | 35 | 35 |
| Automotive Equipment Supervisor | 1 | 1 | 1 | 1 |
| Automotive Equipment Technician | 2 | 2 | 2 | 2 |

# Personnel Complement
# By Department/Job Classification
# General Government

| | Revised FY2010-11 | Approved FY2011-12 | Revised FY2011-12[1] | Approved FY2012-13 |
|---|---|---|---|---|
| *Central Automotive Maintenance (con'td)* | | | | |
| 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 | 1 | 1 | 0 | 0 |
| Office Assistant III | 1 | 1 | 0 | 0 |
| Secretary | 1 | 1 | 1 | 1 |
| Senior Shop Clerk Dispatcher | 1 | 1 | 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 |
| | 65 | 65 | 67 | 67 |
| **Circuit Court Services** | | | | |
| 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 |
| | 8 | 8 | 8 | 8 |
| **Commonwealth's Attorney** | | | | |
| Administrative Assistant | 1 | 1 | 1 | 1 |
| Assistant Attorney I/Commonwealth | 11 | 11 | 11 | 11 |
| Assistant Attorney II/Commonwealth | 5 | 5 | 5 | 5 |
| Assistant Attorney III/Commonwealth | 5 | 5 | 5 | 5 |
| Attorney for the Commonwealth | 1 | 1 | 1 | 1 |
| Business Supervisor | 1 | 1 | 1 | 1 |
| Chief Deputy Attorney/Commonwealth | 1 | 1 | 1 | 1 |
| Management Specialist I | 1 | 1 | 1 | 1 |
| Management Specialist II | 1 | 2 | 2 | 2 |
| Office Assistant III | 2 | 2 | 2 | 2 |
| Office Assistant IV | 1 | 1 | 1 | 1 |
| Office Supervisor | 1 | 1 | 1 | 1 |
| Paralegal | 3 | 3 | 3 | 3 |
| Secretary | 13 | 13 | 13 | 13 |
| Senior Asst. Attorney/Commonwealth | 6 | 6 | 6 | 6 |
| Senior Management Specialist | 0 | 1 | 1 | 1 |
| Technical Support Specialist I | 1 | 1 | 1 | 1 |
| | 54 | 56 | 56 | 56 |
| **Community Corrections** | | | | |
| Senior Management Specialist | 2 | 2 | 2 | 2 |
| | 2 | 2 | 2 | 2 |

# Personnel Complement
# By Department/Job Classification
# General Government

| | Revised FY2010-11 | Approved FY2011-12 | Revised FY2011-12[1] | Approved FY2012-13 |
|---|---|---|---|---|
| **Community Revitalization** | | | | |
| 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 | 1 | 0 | 1 | 1 |
| Principal Planner | 1 | 1 | 1 | 1 |
| Technology Support Specialist II | 1 | 1 | 1 | 1 |
| Zoning Enforcement Officer | 10 | 10 | 8 | 8 |
| Zoning Enforcement Supervisor | 0 | 0 | 2 | 2 |
| | 18 | 17 | 17 | 17 |
| **County Attorney** | | | | |
| Assistant County Attorney I | 2 | 2 | 2 | 2 |
| Assistant County Attorney II | 3 | 3 | 2 | 2 |
| Assistant County Attorney III | 1 | 1 | 2 | 2 |
| Business Supervisor | 1 | 1 | 1 | 1 |
| County Attorney | 1 | 1 | 1 | 1 |
| Deputy County Attorney | 1 | 1 | 1 | 1 |
| Paralegal | 3 | 3 | 3 | 3 |
| Secretary | 3 | 3 | 3 | 3 |
| Senior Assistant County Attorney | 3 | 3 | 3 | 3 |
| | 18 | 18 | 18 | 18 |
| **County Manager** | | | | |
| Administrative Assistant | 3 | 3 | 3 | 3 |
| County Manager | 1 | 1 | 1 | 1 |
| Deputy County Manager | 5 | 5 | 5 | 5 |
| Executive Assistant | 1 | 1 | 1 | 1 |
| Legislative Liaison | 1 | 1 | 1 | 1 |
| Office Assistant IV | 1 | 1 | 1 | 1 |
| Technology Support Specialist III | 1 | 1 | 1 | 1 |
| | 13 | 13 | 13 | 13 |
| **Electoral Board** | | | | |
| Administrative Assistant | 1 | 1 | 1 | 1 |
| Assistant Registrar II | 5 | 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 |
| | 9 | 8 | 8 | 8 |
| **Finance** | | | | |
| Account Clerk II | 28 | 28 | 26 | 25 |
| Account Clerk III | 6 | 6 | 7 | 6 |
| Accountant I | 2 | 2 | 2 | 2 |
| Accountant II | 0 | 0 | 1 | 0 |
| Accountant III | 5 | 5 | 5 | 5 |
| Accountant IV | 2 | 2 | 2 | 2 |

## Personnel Complement
## By Department/Job Classification
## General Government

| | Revised FY2010-11 | Approved FY2011-12 | Revised FY2011-12[1] | Approved FY2012-13 |
|---|---|---|---|---|
| *Finance (cont'd)* | | | | |
| 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 | 1 | 2 | 2 |
| Budget Analyst I | 0 | 0 | 1 | 1 |
| Budget Analyst II | 2 | 2 | 1 | 1 |
| Budget Analyst III | 2 | 2 | 2 | 2 |
| Budget Director | 1 | 1 | 1 | 1 |
| Budget Supervisor | 1 | 1 | 1 | 1 |
| Business Audit Supervisor | 1 | 1 | 1 | 1 |
| Business Auditor I | 3 | 3 | 3 | 3 |
| Business Auditor II | 5 | 5 | 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 | 9 | 9 |
| Office Assistant IV | 5 | 5 | 5 | 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 II | 1 | 1 | 0 | 0 |
| Real Estate Appraiser Supervisor | 3 | 3 | 3 | 3 |
| Real Estate Assessment Director | 1 | 1 | 1 | 1 |
| Real Estate Section Manager | 1 | 0 | 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 | 3 | 3 | 2 | 2 |
| Senior Budget and Management Analyst | 1 | 1 | 1 | 1 |
| Senior Business Auditor | 2 | 2 | 4 | 4 |
| Senior Management Specialist | 2 | 2 | 2 | 2 |
| Senior Real Estate Appraiser | 21 | 21 | 21 | 21 |
| Senior Revenue Collection Officer | 1 | 1 | 0 | 0 |
| Technology Support Specialist III | 4 | 4 | 4 | 4 |
| Technology Support Specialist IV | 1 | 1 | 1 | 1 |
| Technology Support Technician II | 2 | 2 | 2 | 2 |
| Treasury Supervisor | 2 | 2 | 2 | 2 |
| Vehicle Section Manager | 1 | 1 | 1 | 1 |
| | 159 | 157 | 157 | 153 |

## Personnel Complement
## By Department/Job Classification
## General Government

| | Revised FY2010-11 | Approved FY2011-12 | Revised FY2011-12[1] | Approved FY2012-13 |
|---|---|---|---|---|
| **Fire** | | | | |
| Account Clerk III | 2 | 2 | 2 | 2 |
| Administrative Assistant | 1 | 1 | 1 | 1 |
| Assistant Fire Chief | 2 | 2 | 3 | 3 |
| Controller | 1 | 1 | 1 | 1 |
| Deputy Fire Chief | 1 | 1 | 0 | 0 |
| Emergency Manager | 1 | 1 | 1 | 1 |
| Engineer II | 1 | 1 | 1 | 1 |
| Fire Battalion Chief | 10 | 10 | 10 | 10 |
| Fire Captain | 31 | 31 | 31 | 31 |
| Fire Chief | 1 | 1 | 1 | 1 |
| Fire Division Chief | 3 | 3 | 3 | 3 |
| Fire Lieutenant | 88 | 88 | 88 | 88 |
| Firefighter | 381 | 381 | 381 | 381 |
| Management Specialist I | 4 | 4 | 2 | 2 |
| Management Specialist II | 1 | 1 | 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 | 2 | 2 | 3 | 3 |
| Technology Support Specialist III | 1 | 1 | 1 | 1 |
| Technology Support Specialist IV | 1 | 1 | 1 | 1 |
| | 539 | 539 | 539 | 539 |
| **General Services** | | | | |
| Account Clerk III | 3 | 3 | 3 | 3 |
| Administrative Assistant | 1 | 1 | 1 | 1 |
| Buildings and Grounds Manager | 1 | 1 | 1 | 1 |
| Business Supervisor | 1 | 1 | 1 | 1 |
| Buyer | 4 | 4 | 5 | 5 |
| Capital Projects Manager | 4 | 4 | 4 | 4 |
| Chief of Security Services | 1 | 1 | 1 | 1 |
| Claims Adjuster | 2 | 2 | 2 | 2 |
| Claims Technician | 2 | 2 | 2 | 2 |
| Communications Maintenance Supervisor | 1 | 1 | 1 | 1 |
| Communications Systems Manager | 1 | 1 | 1 | 1 |
| Construction Coordinator | 2 | 2 | 2 | 2 |
| Controller | 1 | 1 | 0 | 0 |
| Courier | 3 | 3 | 3 | 3 |
| 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 | 1 | 1 |
| Director Of General Services | 1 | 1 | 1 | 1 |
| Division Manager | 2 | 2 | 0 | 0 |

# Personnel Complement
# By Department/Job Classification
# General Government

| | Revised FY2010-11 | Approved FY2011-12 | Revised FY2011-12[1] | Approved FY2012-13 |
|---|---|---|---|---|
| *General Services (cont'd)* | | | | |
| Electronic Controls Technician | 3 | 3 | 3 | 3 |
| Facilities Coordinator | 1 | 1 | 1 | 1 |
| Food Service Assistant | 2 | 2 | 2 | 2 |
| Food Service Manager | 1 | 1 | 1 | 1 |
| Food Service Supervisor | 1 | 1 | 0 | 0 |
| Maintenance Superintendant | 3 | 3 | 3 | 3 |
| Maintenance Supervisor | 1 | 1 | 1 | 1 |
| Management Specialist I | 1 | 1 | 1 | 1 |
| Management Specialist II | 1 | 1 | 0 | 0 |
| Office Assistant II | 3 | 2 | 2 | 2 |
| Office Assistant III | 2 | 2 | 2 | 2 |
| Office Assistant IV | 3 | 3 | 3 | 3 |
| Plant Maintenance Mechanic | 22 | 22 | 23 | 23 |
| Procurement Supervisor | 3 | 3 | 3 | 3 |
| Purchasing Manager | 0 | 0 | 1 | 1 |
| Purchasing Support Specialist | 2 | 2 | 2 | 2 |
| Radio Repair Technician I | 1 | 1 | 1 | 1 |
| Radio Repair Technician II | 1 | 1 | 2 | 2 |
| Radio Repair Technician III | 2 | 2 | 2 | 2 |
| Safety Officer | 1 | 1 | 1 | 1 |
| Secretary | 2 | 2 | 2 | 2 |
| Security Officer | 24 | 24 | 25 | 25 |
| Security Officer Supervisor | 3 | 3 | 3 | 3 |
| Senior Buyer | 2 | 2 | 1 | 1 |
| Senior Capital Projects Manager | 2 | 2 | 2 | 2 |
| Senior Claims Adjuster | 1 | 1 | 1 | 1 |
| Senior Construction Coordinator | 1 | 1 | 1 | 1 |
| Senior Controller | 0 | 0 | 1 | 1 |
| Senior Cook | 3 | 3 | 3 | 3 |
| Senior Engineer | 1 | 1 | 1 | 1 |
| Senior Management Specialist | 2 | 2 | 3 | 3 |
| Senior Plant Maintenance Mechanic | 5 | 5 | 5 | 5 |
| Support Services Supervisor | 1 | 1 | 1 | 1 |
| Technology Support Specialist II | 2 | 2 | 2 | 2 |
| Technology Support Specialist III | 1 | 1 | 0 | 0 |
| | 156 | 155 | 155 | 155 |
| **Human Resources** | | | | |
| Account Clerk III | 2 | 2 | 0 | 0 |
| Administrative Assistant | 1 | 1 | 1 | 1 |
| Assistant Director of Human Resources | 2 | 2 | 2 | 1 |
| Director of Human Resources | 1 | 1 | 1 | 1 |
| Division Manager | 7 | 7 | 7 | 6 |
| Fitness Trainer | 2 | 2 | 0 | 0 |
| Human Resource Analyst I | 1 | 1 | 2 | 2 |
| Human Resource Analyst II | 5 | 5 | 6 | 6 |
| Human Resource Analyst III | 3 | 3 | 3 | 3 |

## Personnel Complement
## By Department/Job Classification
## General Government

| | Revised FY2010-11 | Approved FY2011-12 | Revised FY2011-12[1] | Approved FY2012-13 |
|---|---|---|---|---|
| *Human Resources (cont'd)* | | | | |
| Human Resources Assistant I | 0 | 0 | 12 | 12 |
| Human Resources Manager | 1 | 1 | 0 | 0 |
| Human Resources Specialist | 1 | 1 | 0 | 0 |
| Information Technology Project Manager | 1 | 1 | 1 | 1 |
| Medical Assistant | 1 | 1 | 1 | 1 |
| Nurse Practitioner | 1 | 1 | 1 | 1 |
| Office Assistant IV | 7 | 7 | 0 | 0 |
| Senior Fitness Trainer | 0 | 0 | 2 | 2 |
| Senior Human Resources Analyst | 7 | 7 | 8 | 8 |
| Technology Support Specialist II | 2 | 2 | 0 | 0 |
| Technology Support Specialist III | 1 | 1 | 2 | 1 |
| Technology Support Specialist IV | 4 | 3 | 3 | 3 |
| Technology Support Technician II | 3 | 3 | 0 | 0 |
| | 53 | 52 | 52 | 49 |
| **Hold Complement[2]** | 0 | 21 | 19 | 44 |
| **Information Technology** | | | | |
| Accounting and Fiscal Technician | 1 | 1 | 1 | 1 |
| Administrative Assistant | 1 | 1 | 1 | 1 |
| Assistant Director of Information Technology | 1 | 1 | 1 | 1 |
| Computer Operations Supervisor | 1 | 1 | 1 | 1 |
| Computer Operator II | 3 | 3 | 3 | 3 |
| Computer Operator III | 3 | 2 | 2 | 2 |
| Director of Information Technology | 1 | 1 | 1 | 1 |
| GIS Coordinator | 0 | 0 | 1 | 1 |
| Information Technology Control Technician | 4 | 4 | 4 | 3 |
| Information Technology Hardware Specialist | 1 | 1 | 1 | 1 |
| Information Technology Project Leader | 8 | 8 | 7 | 7 |
| Information Technology Project Manager | 6 | 6 | 6 | 6 |
| Information Technology Senior Specialist | 4 | 4 | 3 | 3 |
| Information Technology Systems Engineer | 4 | 4 | 6 | 6 |
| Manager of Production Services | 1 | 1 | 1 | 1 |
| Office Assistant III | 0 | 0 | 0 | 0 |
| Senior Management Specialist | 1 | 1 | 1 | 1 |
| Technology Support Specialist II | 3 | 3 | 3 | 3 |
| Technology Support Specialist III | 20 | 20 | 22 | 22 |
| Technology Support Specialist IV | 20 | 20 | 20 | 20 |
| | 83 | 82 | 85 | 84 |
| **Internal Audit** | | | | |
| Auditor III | 3 | 3 | 3 | 3 |
| Director Of Internal Audit | 1 | 1 | 1 | 1 |
| | 4 | 4 | 4 | 4 |

# Personnel Complement
# By Department/Job Classification
# General Government

| | Revised FY2010-11 | Approved FY2011-12 | Revised FY2011-12[1] | Approved FY2012-13 |
|---|---|---|---|---|
| **Juvenile Detention** | | | | |
| Administrative Assistant | 1 | 1 | 1 | 1 |
| Custodian I | 1 | 1 | 1 | 1 |
| Detention Counselor | 14 | 14 | 14 | 14 |
| Detention Home Assistant Superintendent | 2 | 2 | 2 | 2 |
| Detention Home Superintendent | 1 | 1 | 1 | 1 |
| Detention Supervisor | 3 | 3 | 3 | 3 |
| Food Service Supervisor | 1 | 1 | 1 | 1 |
| Office Assistant III | 2 | 2 | 2 | 2 |
| Registered Nurse | 2 | 2 | 2 | 2 |
| Senior Cook | 3 | 3 | 3 | 3 |
| | 30 | 30 | 30 | 30 |
| **Juvenile Detention/VJCCCA** | | | | |
| Detention Outreach Coordinator | 1 | 1 | 1 | 1 |
| Detention Outreach Worker | 2 | 2 | 2 | 2 |
| | 3 | 3 | 3 | 3 |
| **Library** | | | | |
| Account Clerk II | 2 | 2 | 2 | 2 |
| Administrative Assistant | 1 | 1 | 1 | 1 |
| Assistant Library Director | 1 | 1 | 1 | 1 |
| Business Manager | 1 | 1 | 1 | 1 |
| Courier | 2 | 2 | 2 | 2 |
| Director of Library | 1 | 1 | 1 | 1 |
| Librarian I | 31 | 30 | 29 | 29 |
| Librarian II | 10 | 10 | 12 | 12 |
| Librarian III | 11 | 11 | 10 | 10 |
| Library Assistant I | 55 | 51 | 51 | 49 |
| Library Assistant II | 30 | 30 | 30 | 30 |
| Library Assistant III | 7 | 7 | 7 | 7 |
| Library Assistant IV | 5 | 5 | 5 | 5 |
| Library Manager | 4 | 4 | 4 | 4 |
| Library Public Services Coordinator | 1 | 1 | 1 | 1 |
| Office Supervisor | 1 | 1 | 1 | 1 |
| Technology Support Specialist I | 4 | 4 | 4 | 4 |
| Technology Support Specialist II | 3 | 3 | 3 | 3 |
| Technology Support Specialist III | 2 | 2 | 2 | 2 |
| Technology Support Specialist IV | 1 | 1 | 1 | 1 |
| | 173 | 168 | 168 | 166 |
| **Mental Health** | | | | |
| Account Clerk III | 6 | 6 | 6 | 6 |
| Accountant I | 1 | 1 | 1 | 1 |
| Accountant III | 1 | 1 | 1 | 1 |
| Administrative Assistant | 1 | 1 | 1 | 1 |
| Business Manager | 1 | 1 | 1 | 1 |
| Business Supervisor | 3 | 3 | 3 | 3 |
| Controller | 1 | 1 | 1 | 1 |
| Director of MH/DS | 1 | 1 | 1 | 1 |

## Personnel Complement
## By Department/Job Classification
## General Government

| | Revised FY2010-11 | Approved FY2011-12 | Revised FY2011-12[1] | Approved FY2012-13 |
|---|---|---|---|---|
| *Mental Health (cont'd)* | | | | |
| Infant Development Specialist | 1 | 1 | 1 | 1 |
| Medical Assistant | 0 | 0 | 1 | 1 |
| MH/DS Case Manager | 35 | 35 | 35 | 35 |
| MH/DS Clinical Supervisor | 17 | 17 | 17 | 17 |
| MH/DS Clinician | 52.5 | 52.5 | 53 | 53 |
| 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 | 2 | 2 | 1 | 1 |
| MH/DS Marketing Specialist | 1 | 1 | 1 | 1 |
| MH/DS Program Coordinator | 5 | 5 | 5 | 5 |
| MH/DS Program Manager | 10 | 10 | 10 | 9 |
| MH/DS Residential Counselor | 2 | 2 | 2 | 2 |
| MH/DS Senior Community Support Supervisor | 1 | 1 | 1 | 1 |
| MH/DS Support Services Specialist | 0 | 0 | 1 | 1 |
| MH/DS Training Assistant | 10.5 | 10.5 | 10 | 10 |
| MH/DS Training Specialist | 26 | 26 | 26 | 26 |
| Occupational Therapist | 1 | 1 | 1 | 1 |
| Office Assistant III | 1 | 1 | 0 | 0 |
| Office Assistant IV | 19 | 19 | 19 | 19 |
| Secretary | 2 | 2 | 2 | 2 |
| Senior Management Specialist | 3 | 3 | 3 | 3 |
| Speech Pathologist | 1 | 1 | 1 | 1 |
| Technology Support Specialist II | 2 | 2 | 2 | 2 |
| Technology Support Specialist IV | 1 | 1 | 1 | 1 |
| | 220 | 220 | 220 | 219 |
| **Permit Centers** | | | | |
| Administrative Assistant | 1 | 1 | 1 | 1 |
| Assistant Director of Community Development | 1 | 1 | 1 | 1 |
| Community Development Technician I | 3 | 3 | 1 | 1 |
| Community Development Technician II | 3 | 2 | 2 | 2 |
| Community Development Technician III | 5 | 5 | 7 | 7 |
| Director of Community Development | 1 | 1 | 1 | 1 |
| Office Assistant IV | 2 | 2 | 2 | 2 |
| Senior Community Development Technician | 2 | 2 | 2 | 2 |
| | 18 | 17 | 17 | 17 |
| **Planning** | | | | |
| Account Clerk III | 1 | 1 | 1 | 1 |
| Accounting & Fiscal Technician | 1 | 1 | 1 | 1 |
| Administrative Assistant | 1 | 1 | 1 | 1 |
| Assistant Director of Planning | 2 | 2 | 2 | 2 |
| County Planner I | 4 | 3 | 4 | 3 |
| County Planner II | 5 | 5 | 5 | 5 |
| County Planner III | 4 | 4 | 4 | 4 |
| County Planner IV | 6 | 5 | 6 | 5 |
| Deputy Zoning Conformance Officer | 1 | 1 | 1 | 1 |

## Personnel Complement
## By Department/Job Classification
## General Government

| | Revised FY2010-11 | Approved FY2011-12 | Revised FY2011-12[1] | Approved FY2012-13 |
|---|---|---|---|---|
| *Planning (cont'd)* | | | | |
| Director of Planning | 1 | 1 | 1 | 1 |
| Office Assistant III | 1 | 0 | 0 | 0 |
| Office Assistant IV | 5 | 5 | 4 | 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 | 3 | 3 | 2 | 2 |
| | 49 | 46 | 46 | 43 |
| **Police** | | | | |
| Account Clerk III | 3 | 3 | 3 | 2 |
| Administrative Assistant | 1 | 1 | 1 | 1 |
| Animal Protection Officer | 9 | 9 | 9 | 9 |
| Animal Protection Supervisor | 1 | 1 | 1 | 1 |
| Auditor II | 1 | 1 | 1 | 1 |
| Chief of Police | 1 | 1 | 1 | 1 |
| Communications Officer | 76 | 76 | 76 | 76 |
| Communications Supervisor | 12 | 12 | 12 | 12 |
| Controller | 1 | 1 | 1 | 1 |
| County Planner II | 1 | 1 | 1 | 1 |
| County Planner III | 1 | 1 | 1 | 1 |
| Criminal Records Manager | 1 | 1 | 1 | 1 |
| Crossing Guard | 11 | 11 | 11 | 10 |
| Deputy Chief of Police | 1 | 1 | 1 | 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 | 2 | 2 | 1 | 1 |
| Police Lieutenant | 36 | 36 | 36 | 36 |
| Police Major | 4 | 4 | 4 | 4 |
| Police Officer | 481 | 481 | 481 | 481 |
| Police Sergeant | 59 | 59 | 60 | 60 |
| Police Support Technician I | 15 | 15 | 14 | 12 |
| Police Support Technician II | 33 | 32 | 33 | 32 |
| Police Support Technician III | 3 | 3 | 3 | 3 |
| Polygraph Examiner | 0 | 0 | 1 | 1 |
| Secretary | 10 | 10 | 9 | 8 |
| Senior Animal Protection Officer | 2 | 2 | 2 | 2 |
| Senior Latent Print Examiner | 1 | 1 | 1 | 1 |

# Personnel Complement
# By Department/Job Classification
# General Government

| | Revised FY2010-11 | Approved FY2011-12 | Revised FY2011-12[1] | Approved FY2012-13 |
|---|---|---|---|---|
| *Police (cont'd)* | | | | |
| 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 | 3 | 3 |
| Technology Support Specialist III | 1 | 1 | 1 | 1 |
| Technology Support Specialist IV | 1 | 1 | 1 | 1 |
| | 799 | 798 | 798 | 791 |
| **Public Relations and Media Services** | | | | |
| Asst. Dir. of Public Relations and Media Svcs. | 1 | 1 | 1 | 1 |
| Business Supervisor | 1 | 1 | 1 | 1 |
| Director of Public Relations and Media Services | 1 | 1 | 1 | 1 |
| Media Specialist | 1 | 1 | 1 | 1 |
| Office Assistant III | 1 | 1 | 1 | 1 |
| Office Assistant IV | 1 | 1 | 1 | 1 |
| Public Relations Specialist | 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 |
| | 19 | 19 | 19 | 19 |
| **Public Utilities** | | | | |
| Account Clerk III | 6 | 6 | 6 | 6 |
| Accountant II | 1 | 1 | 1 | 1 |
| Accountant III | 1 | 1 | 1 | 1 |
| Accountant IV | 1 | 1 | 1 | 1 |
| Administrative Assistant | 1 | 1 | 1 | 1 |
| Assistant Director/Public Utilities | 1 | 1 | 1 | 1 |
| Assistant Division Director | 3 | 3 | 3 | 3 |
| Capital Projects Manager | 0 | 0 | 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 Engineer | 0 | 0 | 0 | 0 |
| Construction Inspector | 13 | 13 | 13 | 13 |
| 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 | 1 | 1 |
| Engineer I | 7 | 7 | 7 | 7 |
| Engineer II | 14 | 14 | 14 | 14 |
| Engineering Aide II | 8 | 8 | 8 | 8 |

# Personnel Complement
# By Department/Job Classification
# General Government

| | Revised FY2010-11 | Approved FY2011-12 | Revised FY2011-12[1] | Approved FY2012-13 |
|---|---|---|---|---|
| *Public Utilities (cont'd)* | | | | |
| Engineering Aide III | 1 | 1 | 1 | 1 |
| Engineering Technician | 9 | 9 | 8 | 8 |
| Equipment Operator I | 1 | 1 | 0 | 0 |
| Equipment Operator II | 37 | 37 | 36 | 36 |
| Equipment Operator III | 5 | 5 | 6 | 6 |
| GIS Technician | 4 | 4 | 4 | 4 |
| Instrumentation Specialist | 6 | 6 | 6 | 6 |
| Labor Foreman II | 12 | 12 | 12 | 12 |
| Laboratory Aide | 1 | 0 | 1 | 1 |
| Laboratory Analyst | 6 | 6 | 6 | 6 |
| Maintenance Assistant I | 10 | 9 | 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 | 5 | 5 |
| Monitoring Technician II | 1 | 1 | 1 | 1 |
| Office Assistant II | 1 | 1 | 1 | 1 |
| Office Assistant IV | 5 | 5 | 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 | 2 | 2 |
| 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 |
| Senior Utility Plant Mechanic | 3 | 3 | 3 | 3 |
| Senior Water/Wastewater Plant Operator | 9 | 9 | 9 | 9 |
| 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 | 3 | 3 | 2 |
| Utility Plant Mechanic | 12 | 12 | 12 | 12 |
| Utility Plant Operator I | 3 | 3 | 3 | 3 |

# Personnel Complement
# By Department/Job Classification
# General Government

| | Revised FY2010-11 | Approved FY2011-12 | Revised FY2011-12[1] | Approved FY2012-13 |
|---|---|---|---|---|
| *Public Utilities (cont'd)* | | | | |
| 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 | 4 | 4 |
| | 309 | 307 | 307 | 306 |
| **Public Works** | | | | |
| Accountant III | 1 | 1 | 1 | 1 |
| Administrative Assistant | 1 | 1 | 1 | 1 |
| Administrative Secretary | 1 | 1 | 1 | 1 |
| Assistant Director/Public Works | 1 | 1 | 1 | 1 |
| Assistant Traffic Engineer | 2 | 2 | 2 | 2 |
| Bridge Inspector | 1 | 1 | 1 | 1 |
| Business Supervisor | 1 | 1 | 1 | 1 |
| Capital Projects Coordinator | 2 | 2 | 0 | 0 |
| Capital Projects Manager | 0 | 0 | 2 | 2 |
| Construction Coordinator | 1 | 0 | 0 | 0 |
| Construction Engineer | 1 | 1 | 1 | 1 |
| Construction Inspector | 13 | 13 | 13 | 13 |
| County Surveyor | 1 | 1 | 1 | 1 |
| Design Engineer | 1 | 1 | 1 | 1 |
| Director of Public Works/County Engineer | 1 | 1 | 1 | 1 |
| Drafting Technician II | 1 | 1 | 1 | 1 |
| Engineer I | 4 | 4 | 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 | 9 | 9 |
| Environmental Management Engineer | 1 | 1 | 1 | 1 |
| Equipment Operator I | 35 | 35 | 33 | 33 |
| Equipment Operator II | 36 | 36 | 36 | 36 |
| Equipment Operator III | 28 | 28 | 28 | 28 |
| GIS Coordinator | 1 | 1 | 0 | 0 |
| Labor Foreman II | 13 | 13 | 13 | 13 |
| Labor Foreman III | 2 | 2 | 2 | 2 |
| Laborer | 18 | 18 | 20 | 20 |
| Management Specialist II | 2 | 2 | 1 | 1 |
| Materials Technician I | 1 | 1 | 1 | 1 |
| Materials Technician II | 1 | 1 | 1 | 1 |
| Office Assistant III | 5 | 5 | 4 | 4 |
| Office Assistant IV | 4 | 4 | 5 | 5 |
| Preventive Maintenance Supervisor | 1 | 1 | 1 | 1 |

# Personnel Complement
# By Department/Job Classification
# General Government

| | Revised FY2010-11 | Approved FY2011-12 | Revised FY2011-12[1] | Approved FY2012-13 |
|---|---|---|---|---|
| *Public Works (cont'd)* | | | | |
| Preventive Maintenance Technician | 1 | 1 | 1 | 1 |
| Road Constr. & Maint. Asst. Supt. | 2 | 2 | 2 | 2 |
| Road Constr. & Maintenance Supt. | 1 | 1 | 1 | 1 |
| Secretary | 3 | 3 | 3 | 3 |
| Senior Construction Coordinator | 2 | 2 | 2 | 2 |
| Senior Controller | 1 | 1 | 1 | 1 |
| Senior Engineer | 1 | 1 | 1 | 1 |
| Senior Environmental Inspector | 2 | 2 | 2 | 2 |
| Storekeeper II | 2 | 2 | 2 | 2 |
| Survey Party Chief | 2 | 2 | 2 | 2 |
| Technology Support Specialist III | 2 | 2 | 1 | 1 |
| Technology Support Specialist IV | 1 | 1 | 0 | 0 |
| 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 | 1 | 1 |
| Welder | 1 | 1 | 1 | 1 |
| | 258 | 257 | 254 | 254 |
| **Real Property** | | | | |
| Administrative Assistant | 1 | 1 | 1 | 1 |
| Assistant Director of Real Property | 1 | 1 | 1 | 1 |
| Director of Real Property | 1 | 1 | 1 | 1 |
| Office Assistant III | 1 | 1 | 1 | 1 |
| Real Property Agent II | 1 | 1 | 1 | 1 |
| Senior Real Property Agent | 2 | 2 | 2 | 2 |
| | 7 | 7 | 7 | 7 |
| **Recreation** | | | | |
| 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 | 26 | 26 | 23 | 24 |
| Equipment Operator III | 2 | 2 | 2 | 2 |

# Personnel Complement
# By Department/Job Classification
# General Government

| | Revised FY2010-11 | Approved FY2011-12 | Revised FY2011-12[1] | Approved FY2012-13 |
|---|---|---|---|---|
| *Recreation (cont'd)* | | | | |
| Labor Foreman I | 4 | 4 | 4 | 4 |
| Labor Foreman II | 5 | 5 | 5 | 5 |
| Laborer | 13 | 13 | 15 | 15 |
| Maintenance Assistant I | 3 | 3 | 3 | 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 | 18 | 18 | 17 | 17 |
| Recreation Coordinator II | 23 | 22 | 22 | 21 |
| Recreation District Foreman | 6 | 6 | 6 | 6 |
| Recreation Programs Manager | 2 | 2 | 2 | 2 |
| Recreation Programs Supervisor | 5 | 5 | 5 | 5 |
| Secretary | 2 | 2 | 2 | 2 |
| Senior Construction Coordinator | 2 | 2 | 2 | 2 |
| Senior Recreation Coordinator | 7 | 7 | 9 | 9 |
| Shop Clerk-Dispatcher | 1 | 1 | 1 | 1 |
| Storekeeper II | 1 | 1 | 2 | 2 |
| Technology Support Specialist II | 3 | 3 | 3 | 3 |
| Technology Support Specialist III | 1 | 1 | 1 | 1 |
| Technology Support Technician II | 1 | 1 | 1 | 1 |
| Utility Mechanic | 3 | 3 | 3 | 3 |
| | 178 | 177 | 178 | 177 |
| **Sheriff** | | | | |
| Account Clerk II | 4 | 4 | 4 | 4 |
| Administrative Assistant | 1 | 1 | 1 | 1 |
| Chief Deputy Sheriff | 1 | 1 | 1 | 1 |
| Controller | 1 | 1 | 1 | 1 |
| Correctional Captain | 7 | 7 | 7 | 7 |
| Correctional Deputy | 263 | 263 | 263 | 263 |
| Correctional Lieutenant | 17 | 17 | 17 | 17 |
| Correctional Major | 2 | 2 | 3 | 3 |
| Correctional Sergeant | 37 | 37 | 37 | 37 |
| Inmate Classification Officer | 12 | 12 | 12 | 12 |
| Inmate Classification Supervisor | 1 | 1 | 1 | 1 |
| Institutional Physician | 1 | 1 | 1 | 1 |
| Librarian I | 2 | 2 | 2 | 2 |
| Library Assistant II | 1 | 1 | 1 | 1 |
| Management Specialist I | 1 | 1 | 1 | 1 |
| Office Assistant III | 13 | 13 | 12 | 12 |
| Office Assistant IV | 3 | 3 | 3 | 3 |

# Personnel Complement
# By Department/Job Classification
# General Government

| | Revised FY2010-11 | Approved FY2011-12 | Revised FY2011-12[1] | Approved FY2012-13 |
|---|---|---|---|---|
| *Sheriff (cont'd)* | | | | |
| Senior Management Specialist | 1 | 1 | 0 | 0 |
| Storekeeper II | 1 | 1 | 1 | 1 |
| Technology Support Specialist I | 1 | 1 | 2 | 2 |
| Undersheriff | 1 | 1 | 1 | 1 |
| | 371 | 371 | 371 | 371 |
| **Social Services** | | | | |
| Account Clerk III | 4 | 4 | 4 | 4 |
| Accountant I | 1 | 1 | 1 | 1 |
| Accountant III | 1 | 1 | 1 | 1 |
| Administrative Assistant | 1 | 1 | 1 | 1 |
| Assistant Director/Social Services | 2 | 2 | 2 | 2 |
| Business Manager | 1 | 1 | 1 | 1 |
| Casework Supervisor | 6 | 6 | 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 | 40 | 40 | 41 | 41 |
| Human Services Supervisor | 9 | 9 | 9 | 9 |
| Job Developer | 8 | 8 | 7 | 7 |
| Management Specialist I | 0 | 0 | 1 | 1 |
| Office Assistant III | 15 | 15 | 15 | 15 |
| Office Assistant IV | 2 | 2 | 2 | 2 |
| Office Supervisor | 1 | 1 | 0 | 0 |
| Senior Human Services Specialist | 13 | 13 | 11 | 11 |
| Senior Management Specialist | 1 | 1 | 0 | 0 |
| Senior Social Services Aide | 2 | 2 | 2 | 2 |
| Senior Social Worker | 29 | 29 | 30 | 30 |
| Social Worker I | 8 | 8 | 5 | 5 |
| Social Worker II | 7 | 7 | 10 | 10 |
| Technology Support Specialist I | 1 | 1 | 1 | 1 |
| Technology Support Specialist III | 1 | 1 | 1 | 1 |
| Technology Support Technician II | 1 | 1 | 1 | 1 |
| | 168 | 168 | 168 | 168 |
| **Solid Waste** | | | | |
| Automotive Service Worker II | 1 | 1 | 1 | 1 |
| Division Director | 1 | 1 | 1 | 1 |
| Equipment Operator I | 1 | 1 | 2 | 2 |
| Equipment Operator II | 20 | 20 | 21 | 21 |
| Equipment Operator III | 8 | 8 | 8 | 8 |
| Labor Foreman II | 3 | 3 | 3 | 3 |
| Laborer | 20 | 20 | 18 | 18 |
| 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 |

# Personnel Complement
# By Department/Job Classification
# General Government

| | Revised FY2010-11 | Approved FY2011-12 | Revised FY2011-12[1] | Approved FY2012-13 |
|---|---|---|---|---|
| *Solid Waste (cont'd)* | | | | |
| 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 |
| | 69 | 69 | 69 | 69 |
| **Total Complement:** | **3,927** | **3,927** | **3,927** | **3,927** |

1 - as of 3/5/2012
2 - Reserved Positions, Hold Complement, Unfunded for FY2012-13 Budget.

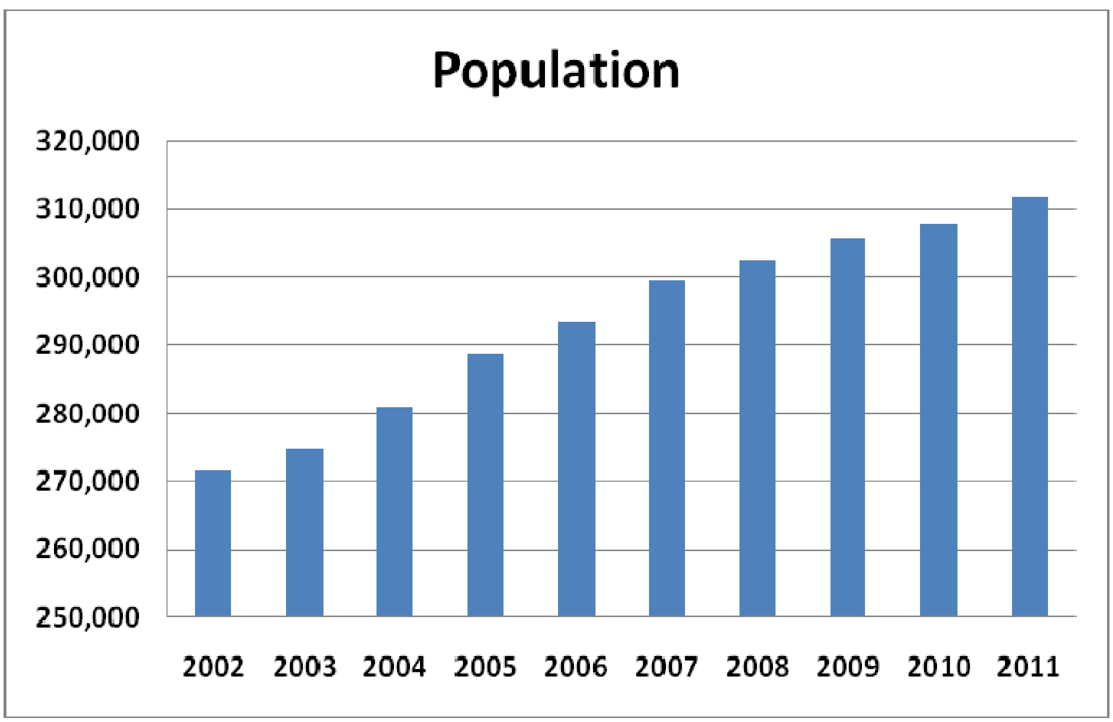
# APPENDIX "C"
# STATISTICAL SECTION

## POPULATION

According to 2010 Census data, the County of Henrico is the fifth 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 2011 Financial Trends Monitoring System (FY2002 – 2009 and FY2011)*

| Fiscal Year | Population |
|---|---|
| 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 |
| 2002 | 271,440 |



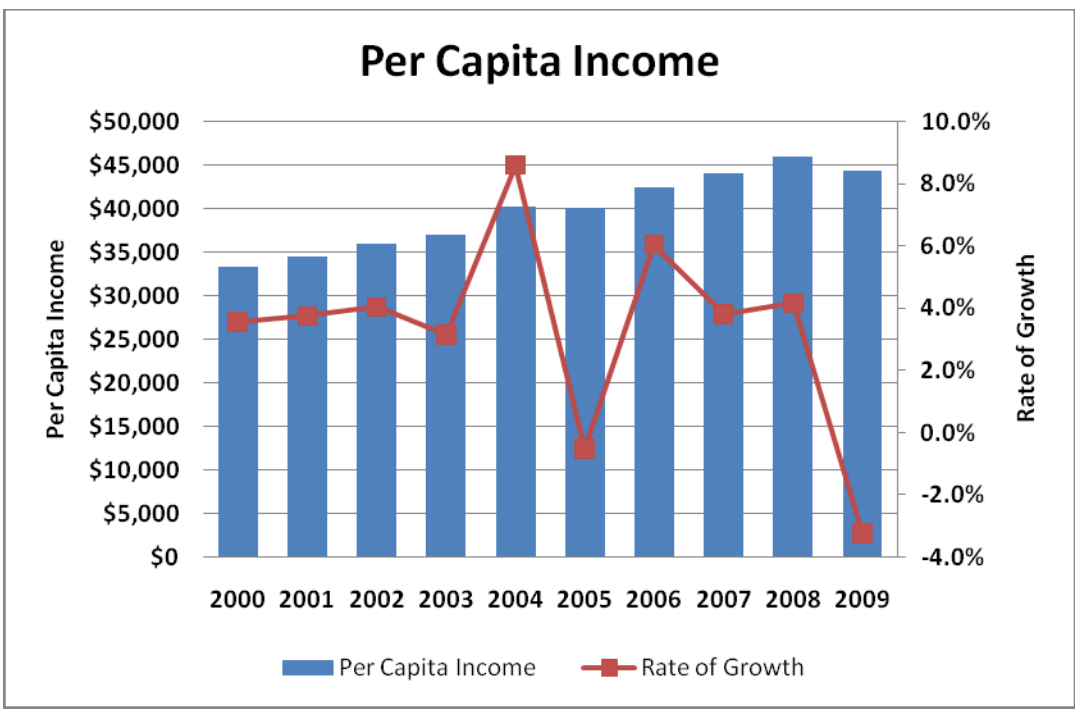
## STATISTICAL SECTION

## 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 3.2 percent in 2009. 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 3.3 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 2011 Financial Trends Monitoring System*

| Year | Per Capita Income | Rate of Growth |
|---|---|---|
| 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% |
| 2000 | $ 33,286 | 3.56% |



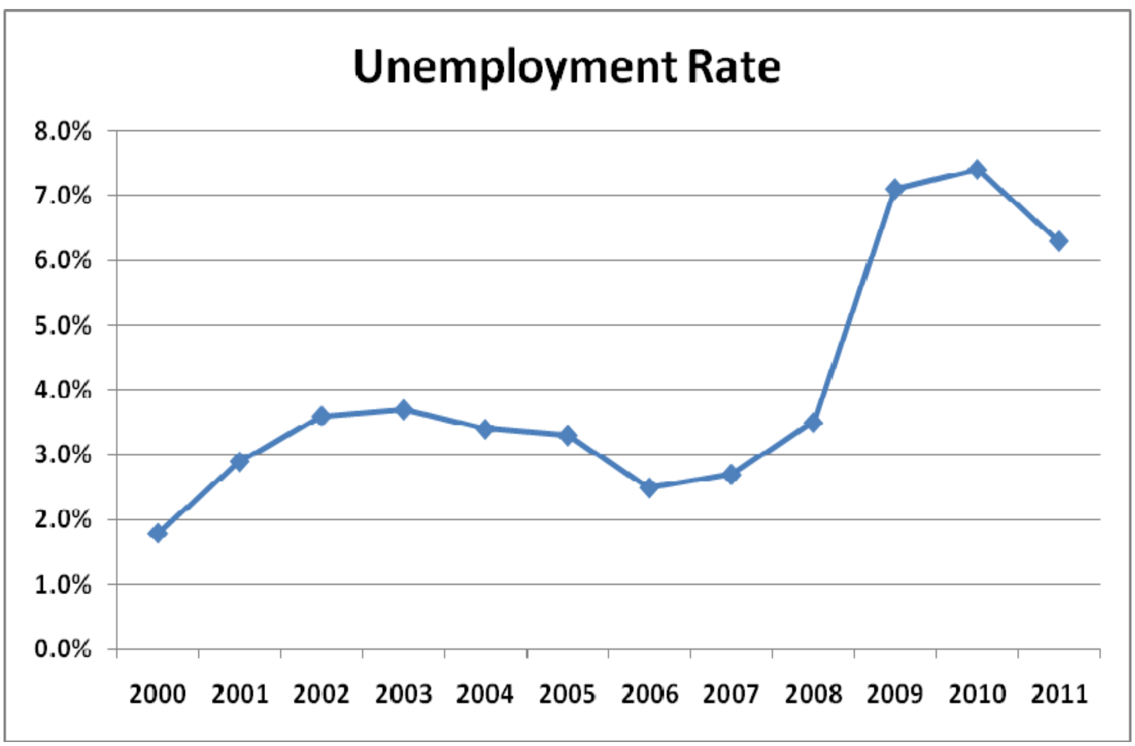
## STATISTICAL SECTION

## 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 6.3 percent in 2011 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 2011 Financial Trends Monitoring System*

| Year | Change |
|---|---|
| 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% |
| 2002 | 3.4% |



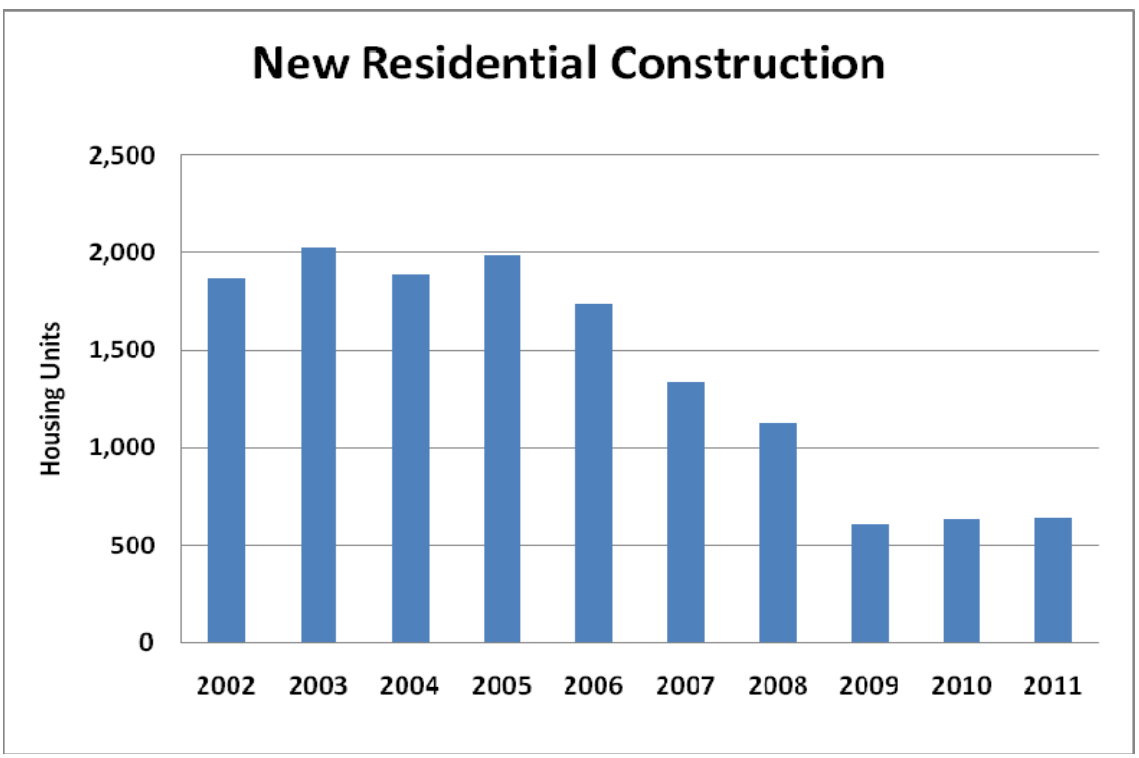
## STATISTICAL SECTION

## NEW RESIDENTIAL CONSTRUCTION

New residential construction is an important indicator in that steady building levels are indicative of a strong and stable economy. Between 2002 and 2008, residential construction averaged a total of 1,709 new single family permits issued per year. However, due to the economic downturn, in 2007 construction volume began to decline, with 2009 dropping to a new, ten-year low of 602, representing a 70.3% decline from the high point of 2003 over the period identified. 2010 and 2011 saw marginal improvements in single family permits issued, with 630 and 639 in each year, respectively. The County continues to rebound from the significant reduction in new residential construction as a result of the recession.

*Source: County of Henrico Department of Building Inspections*

| Year | New Residential Construction |
|---|---|
| 2011 | 639 |
| 2010 | 630 |
| 2009 | 602 |
| 2008 | 1,122 |
| 2007 | 1,336 |
| 2006 | 1,733 |
| 2005 | 1,987 |
| 2004 | 1,889 |
| 2003 | 2,024 |
| 2002 | 1,871 |

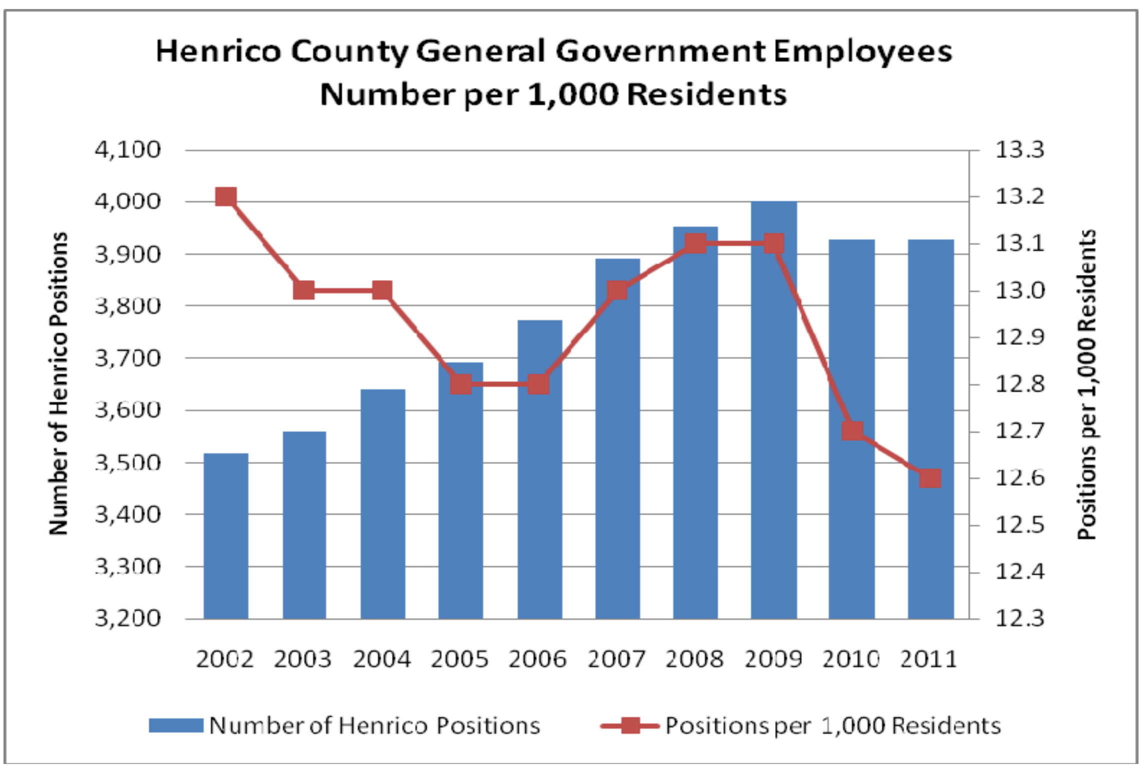


## STATISTICAL SECTION

## HENRICO COUNTY GOVERNMENT EMPLOYEES

The County of Henrico has averaged a 12.9 General Government Employee to County population ratio over the past ten years. This statistic includes all permanent employees of Henrico County, excluding employees of the School Board.
*Source: County of Henrico 2011 Financial Trends Monitoring System*

| Year | Positions | Positions per 1,000 Residents |
|---|---|---|
| 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 |
| 2002 | 3,517 | 13.2 |



# STATISTICAL SECTION

## HENRICO BUSINESS STATISTICS

### HENRICO COUNTY'S PRINCIPLE TAXPAYERS

| Taxpayer | Type of Property | | 2011 Assessed Value | Percent of Total Assessed Valuation |
|---|---|---|---|---|
| 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 | | 145,988,626 | 0.41% |
| | | | **2,498,366,002** | **6.96%** |

Total Real Estate and Personal Property Assessed Valuation for Calendar Year 2011 was $35,902,070,827

*Source: Comprehensive Annual Financial Report, FY2010-11*

## STATISTICAL SECTION

## ASSESSED VALUE OF TAXABLE PROPERTY

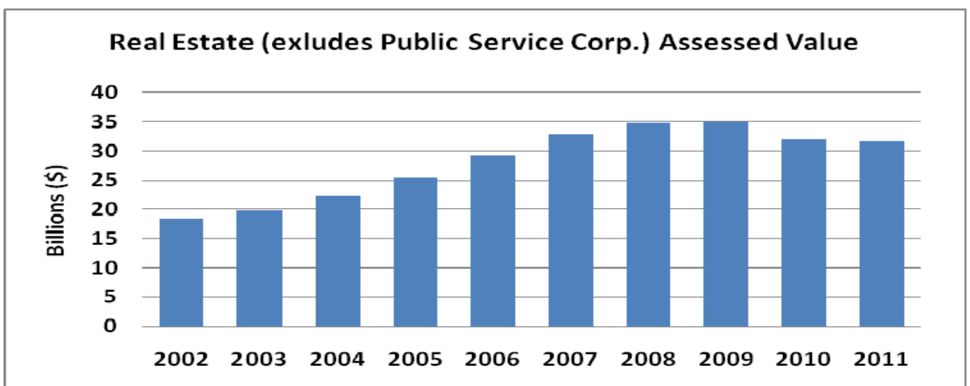
The assessed value of taxable property is a major indicator of the stability of a local economy. The assessed valuation of taxable property in the County of Henrico has experienced steady increases in most years. However, the recession that began in 2007 and officially concluded in June 2009[1] has caused 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 6.0 percent per annum since 2002, despite the recessionary impediments to growth in recent years.

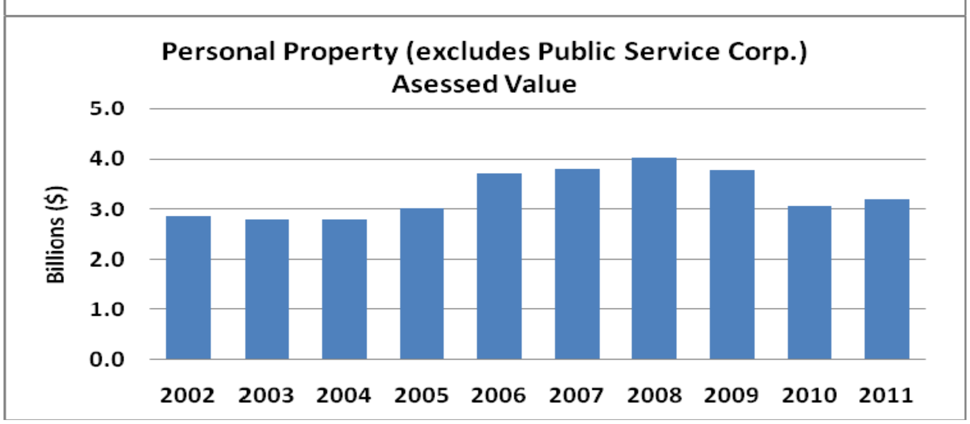
*Source: Comprehensive Annual Financial Report, FY2010-11*

[1] *Source: National Bureau of Economic Research (NBER)*

| Year | Real Estate | Personal Property | Public Service | Total |
|---|---|---|---|---|
| 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 |
| 2002 | 18,339,625 | 2,859,762 | 856,370 | 22,055,757 |

($ in Thousands)



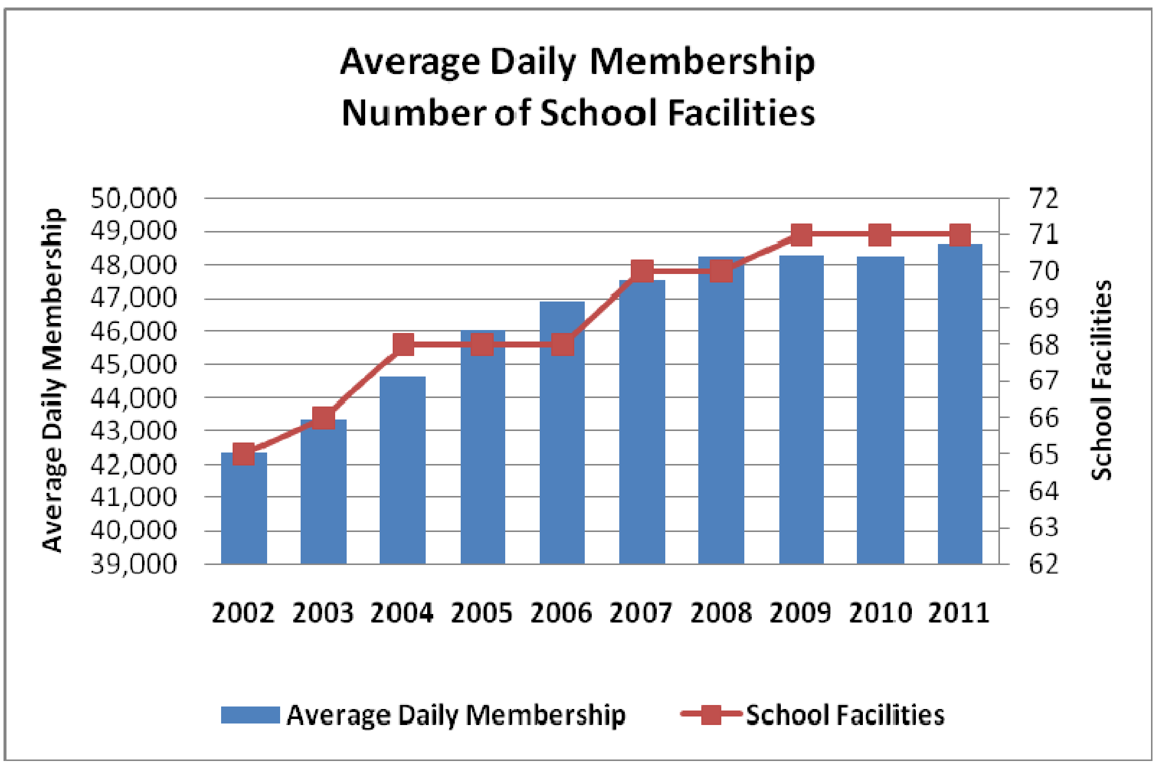



## STATISTICAL SECTION

## HENRICO COUNTY SCHOOLS

Since 2002, the average daily membership in Henrico County Public Schools has increased by a total of 14.9 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, FY2012-13*

| Year | Average Daily Membership |
|---|---|
| 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 |
| 2002 | 42,333 |



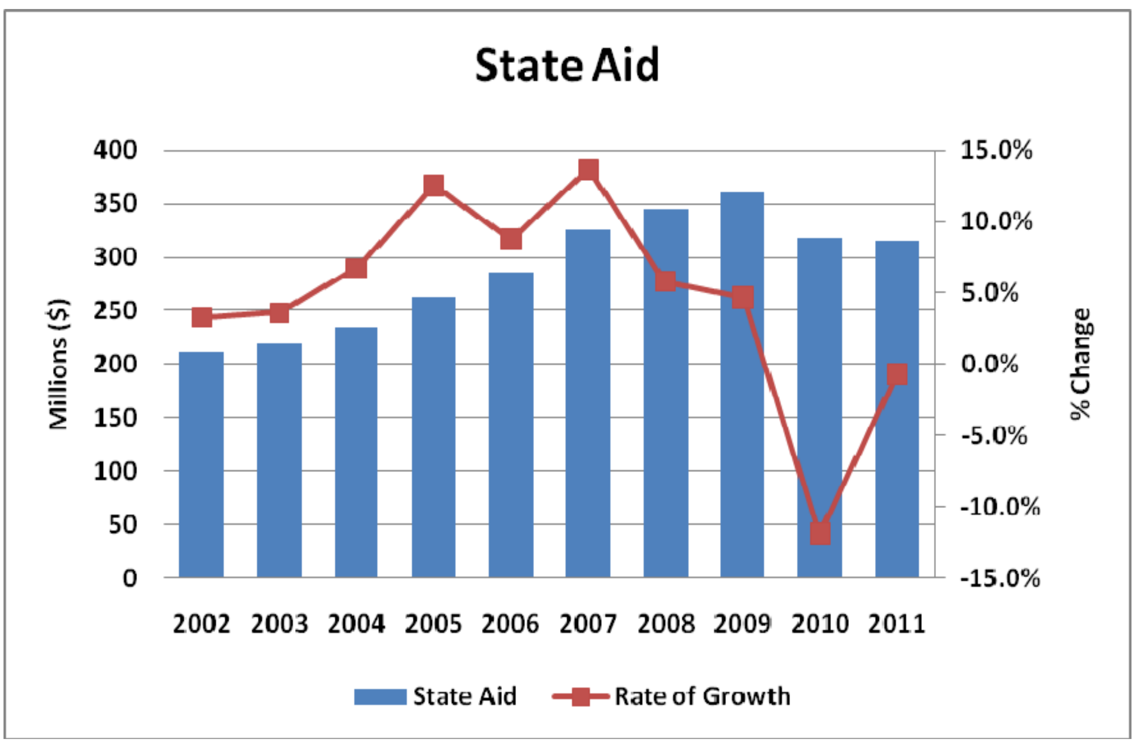
# STATISTICAL SECTION

## 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 2002. 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 $45.3 million less in General Fund support from the State since 2009, a reduction of 12.5 percent.

*Source: Comprehensive Annual Financial Report, FY2010-11*

| Year | State Aid | Change |
|---|---|---|
| 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% |
| 2002 | 211,727,327 | 3.4% |



# 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, FY2010-11; Approved Annual Fiscal Plan, FY2011-12*

| Year | Recreation Facilities | Library Facilities | Registered Voters | Fire Stations |
|---|---|---|---|---|
| 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 |
| 2002 | 14 | 10 | 167,564 | 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 |
| 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 |
| 2002 | 0.94 | 1.60 | 1.00 | n/a | 3.50 | 1.00 | n/a |

## BOND RATINGS

| Year | Moody's | Fitch | Standard & Poor's |
|---|---|---|---|
| General Obligation | Aaa | AAA | AAA |
| Utilities Revenue | Aaa | AAA | AA+ |

*Source: Department of Finance, County of Henrico*

# APPENDIX "D"

## APPROVED TAX AND FEE SCHEDULE

**Real Estate***

Tax Rate: $0.87 per $100.00 of the assessed value, including manufactured homes.

**Tangible Personal Property***

Tax Rate: $3.50 per $100.00 of the assessed value. $1.00 per $100.00 of the assessed value for qualifying vehicles used by volunteer firefighters and volunteer members of rescue squads. $0.01 per $100 of the assessed value for disabled veterans' vehicles, and motor vehicles specially equipped to provide transportation for physically handicapped individuals.

**Machinery Used for Manufacturing/Mining***

Tax Rate: $1.00 per $100 of the assessed value of the machinery and tools. $0.40 per $100 of the assessed value for machinery and tools used in semiconductor manufacturing.

**Aircraft***

Tax Rate: $1.60 per $100.00 of the assessed value of the aircraft.

**Sanitary District Tax***

In Sanitary Districts 2, 3, 3.1, 12 and 23 an additional tax is levied on real estate and personal property for the provision of street lights. The real estate rates are $0.003, $0.010, $0.031, $0.010 and $0.010 per $100 of the assessed value, respectively. The personal property rates are $0.001 per $100 of the assessed value for all sanitary districts.

**Motor Vehicle License**

License Fee: $20.00 for a vehicle under 4,000 pounds and $25.00 for a vehicle over 4,000 pounds. The license fee is $15.00 for motorcycles.

**Local Sales Tax**

Tax Rate: The County receives 1.0% of the 5.0% collected on each purchase. The State of Virginia disburses these receipts.

**Lodging Tax**

Tax Rate: 8.0% of the total amount paid for room rental.

**Utility Consumers' Tax**

**Monthly Commercial and Industrial Utility Tax Rates**

**Electric**

Residential - $0.70 plus the rate of $0.007537 per kilowatt hour delivered not to exceed a maximum monthly tax of $1.00.

Master Metered Units w/Residential Use - $0.70 plus the rate of $0.007537 per kilowatt hour delivered not to exceed a maximum monthly tax of $1.00 per dwelling unit.

Commercial - $1.15 plus the rate of $0.00713 per kilowatt hour delivered not to exceed a maximum monthly tax of $10.00.

Industrial - $1.15 plus the rate of $0.007603 per kilowatt hour delivered not to exceed a maximum monthly tax of $10.00.

**Natural Gas**

**There is no tax on the use of gas in either Residential or Commercial areas.**

*For CY2012

**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

| Function/Activity | FY 11 Actual | FY 12 Original | FY 13 Approved |
|---|---|---|---|
| Revenue from Local Sources: | | | |
| General Property Taxes: | | | |
| Current Real Property Taxes | $ 269,376,350 | $ 273,200,000 | $ 261,800,000 |
| Delinquent Real Prop Taxes | 6,356,206 | 2,500,000 | 3,500,000 |
| Land Redemption | 10,368 | 55,000 | 55,000 |
| Current Real Property Taxes - PSC | 8,774,710 | 7,500,000 | 8,000,000 |
| Current Personal Property Taxes - PSC | 68,636 | 130,000 | 130,000 |
| Current Personal Property Taxes | 65,208,189 | 103,800,000 | 105,015,000 |
| Delinquent Personal Property Taxes | 1,212,614 | 1,200,000 | 1,200,000 |
| Interest and Add-on - All Taxes | 376,798 | 275,000 | 275,000 |
| Total General Property Taxes | 351,383,871 | 388,660,000 | 379,975,000 |
| Other Local Taxes: | | | |
| County Recordation Tax | $ 2,881,421 | $ 3,400,000 | $ 3,400,000 |
| Local Sales and Use Taxes | 55,458,592 | 56,050,000 | 58,400,000 |
| Consumer Utility Taxes | 2,495,016 | 2,600,000 | 2,600,000 |
| Business & Professional License Taxes | 18,906,021 | 29,850,000 | 28,600,000 |
| Motor Vehicle License Taxes | 6,253,599 | 6,325,000 | 6,325,000 |
| Bank Franchise Taxes | 27,525,601 | 5,000,000 | 5,000,000 |
| Grantor's Tax | 738,860 | 900,000 | 900,000 |
| Hotel and Motel Tax | 2,347,272 | 2,300,000 | 2,415,000 |
| Hotel and Motel Tax – Optional 4% | 4,694,544 | 4,600,000 | 4,830,000 |
| Hotel and Motel Tax - Dedicated 2% | 2,347,272 | 2,300,000 | 2,415,000 |
| Daily Rental Tax | 84,987 | 150,000 | 100,000 |
| Pare-Mutual Wagering | 51,189 | 80,000 | 50,000 |
| Consumption Tax | 1,102,418 | 1,200,000 | 1,200,000 |
| Total Other Local Taxes | 124,886,792 | 114,755,000 | 116,235,000 |
| Permits, Privilege Fees, & Regulatory Licenses: | | | |
| Elevator Fees | $ 40,515 | $ 34,000 | $ 34,000 |
| Dog Licenses | 242,321 | 200,000 | 200,000 |
| Transfer Fees | 6,440 | 10,800 | 10,800 |
| Structure & Equip Permits | 1,893,656 | 2,000,000 | 2,000,000 |
| Septic Tank Permit | 14,665 | 5,000 | 5,000 |
| Going Out Of Business Permit | 444 | 0 | 0 |
| Public Utility Permit | 825 | 5,500 | 1,000 |
| Hauling & Moving Permit | 530 | 300 | 300 |
| Vacation Of Roads | 600 | 2,500 | 500 |
| High School Parking Fees | 103,692 | 25,000 | 100,000 |
| Taxi-Cab Certificates | 13,522 | 6,300 | 8,500 |
| Permit To Purchase Precious Metals | 9,400 | 2,000 | 5,000 |
| Municipal Library Court Fees | 148,770 | 155,000 | 155,000 |
| Adult Video/Bookstore Permit | 500 | 0 | 0 |
| Weekend Tournaments-Softball | 8,950 | 7,300 | 7,300 |
| Jury Fees | 43,723 | 51,000 | 51,000 |
| Administrative Fees-Delin. Tax | 0 | 500 | 500 |
| Zoning Application Fees-Plan | 129,516 | 150,000 | 150,000 |
| Concealed Weapon Permit | 51,117 | 40,000 | 40,000 |

## GENERAL FUND REVENUES

| Function/Activity | | FY 11 Actual | | FY 12 Original | | FY 13 Approved |
|---|---|---|---|---|---|---|
| *Permits, Privilege Fees, & Regulatory Licenses (cont'd)* | | | | | | |
| School-Facilities Rental | | 323,663 | | 350,000 | | 350,000 |
| Criminal Justice Training Academy | | 354,789 | | 300,000 | | 325,000 |
| Dance Hall Permit Application Fee | | 3,200 | | 0 | | 0 |
| Recreation User Fees | | 1,110 | | 0 | | 0 |
| Total Permits, Fees, and Licenses | | 3,391,948 | | 3,345,200 | | 3,443,900 |
| Fines and Forfeitures: | | | | | | |
| Traffic Violation | $ | 3,044,250 | $ | 2,300,000 | $ | 2,300,000 |
| Parking Violation | | 27,604 | | 25,000 | | 25,000 |
| False Alarm Penalty | | 114,755 | | 65,000 | | 65,000 |
| Total Fines and Forfeitures | | 3,186,609 | | 2,390,000 | | 2,390,000 |
| Revenue from Use of Money and Property: | | | | | | |
| Interest on Criminal Judgments | $ | 89,104 | $ | 65,000 | $ | 65,000 |
| Rental On County Property | | 502,968 | | 350,000 | | 400,000 |
| Sale Of Publications | | 108 | | 500 | | 500 |
| Records and Services Fees | | 84,014 | | 74,000 | | 74,000 |
| Interest on Investment - Repos | | 2,451,139 | | 9,000,000 | | 7,000,000 |
| Interest Refund - Real Estate Tax | | (11,663) | | 0 | | 0 |
| Interest Refund - Personal Property Tax | | (3,160) | | 0 | | 0 |
| Interest on Certificate of Deposit - Self-Ins. | | 59 | | 0 | | 0 |
| Rental of County Property | | 68,136 | | 68,000 | | 68,000 |
| Vending Machine Commission | | 31,083 | | 50,000 | | 50,000 |
| Sale of Public Documents - Real Estate | | 994 | | 2,500 | | 1,000 |
| Sale of Public Documents | | 863 | | 1,400 | | 1,400 |
| Land Use Revenue | | 2,128 | | 1,000 | | 1,000 |
| Recreation - Sale of Books | | 997 | | 200 | | 200 |
| Sale of Vehicles - DPW | | 0 | | 40,000 | | 40,000 |
| Sale of Publications - DPW | | 136 | | 900 | | 900 |
| Sale of Surplus and Salvage - DPW | | 93,360 | | 4,900 | | 50,000 |
| Sale of Signs - DPW | | 3,041 | | 3,000 | | 3,000 |
| Sale of Vehicles - Administration | | 18,279 | | 0 | | 0 |
| Sale of Equipment | | 101,917 | | 50,000 | | 50,000 |
| Sale of Plats - DPW | | 0 | | 1,000 | | 0 |
| Sale of Maps and Plans | | 820 | | 0 | | 0 |
| Sale of Unclaimed Property | | 2,300 | | 2,000 | | 2,000 |
| Sale of Maps & Plans - DPW | | 1,031 | | 5,000 | | 500 |
| Sale of Vehicles - Schools | | 76,527 | | 65,000 | | 65,000 |
| Sale of Property | | 471 | | 0 | | 0 |
| Homeowner's Enhancement Guide | | 550 | | 0 | | 0 |
| Total from Use of Money and Property | | 3,515,202 | | 9,784,400 | | 7,872,500 |
| Charges for Services: | | | | | | |
| RE Tax Cr-Rehab Fees | $ | 200 | $ | 0 | $ | 0 |
| Residential Rehab Fees | | 700 | | 0 | | 0 |
| Jail Booking Fees | | 58,342 | | 40,000 | | 40,000 |
| Court Conviction Fees | | 694,831 | | 600,000 | | 600,000 |
| Weekender Fee | | 69,881 | | 40,000 | | 40,000 |
| Deep Run -Rentals | | 150 | | 1,300 | | 1,300 |
| Sale of Text Books | | 152 | | 5,000 | | 0 |
| Overdue Books | | 365,642 | | 300,000 | | 300,000 |
| Photocopying Fees | | 9,615 | | 2,000 | | 2,000 |
| Charges for Lost Books | | 122,230 | | 30,000 | | 30,000 |

# GENERAL FUND REVENUES

| Function/Activity | FY 11 Actual | FY 12 Original | FY 13 Approved |
|---|---|---|---|
| *Charges for Services (cont'd)* | | | |
| Miscellaneous Library Income | (2,664) | 50,000 | 50,000 |
| Non-Resident Fees - Library | 9,601 | 7,200 | 7,200 |
| Over/Under-Library | 10 | 0 | 0 |
| Sheriff Fees | 35,884 | 36,000 | 36,000 |
| Room & Board - Work Release Program | 130,270 | 120,000 | 120,000 |
| Home Incarceration Program - Sheriff | 50,752 | 20,000 | 20,000 |
| Inmate Medical Fees | 87,842 | 35,000 | 35,000 |
| Inmate Phone Charges | 190,448 | 225,000 | 200,000 |
| North Run Park Concessions | 9,850 | 7,700 | 7,700 |
| Pre-School Program | 43,557 | 40,000 | 40,000 |
| Cultural Arts Program | 65,819 | 55,000 | 55,000 |
| Senior Programs | 33,634 | 31,600 | 31,600 |
| Outdoor Programs | 9,676 | 3,500 | 3,500 |
| Therapeutic Programs | 5,333 | 8,000 | 8,000 |
| Special Interest Programs | 61,873 | 70,000 | 70,000 |
| Belmont Park Room Rentals | 42,538 | 27,000 | 27,000 |
| Picnic Kit Rental - Recreation | 844 | 1,200 | 1,200 |
| Shelter Reservations - Recreation | 56,894 | 44,000 | 44,000 |
| Non-Resident Fees - Softball | 18,340 | 21,500 | 21,500 |
| User Fees - Softball | 47,330 | 50,000 | 50,000 |
| Admissions for Meadow Farm Museum | 12,718 | 4,800 | 4,800 |
| Miscellaneous Revenue - Recreation | 8,451 | 2,100 | 2,100 |
| Day Camp Fees - Recreation | 37,014 | 30,000 | 30,000 |
| Basic Basketball Camp Fees | 7,806 | 9,000 | 9,000 |
| Three Lakes Park Nature Center | 1,916 | 3,000 | 3,000 |
| Non-Residential Fees - Football | 0 | 300 | 300 |
| User Fees - Football | 1,158 | 800 | 800 |
| Youth Basketball Registration | 19,260 | 30,000 | 20,000 |
| Dorey Park Concessions | 6,026 | 3,300 | 3,300 |
| Non-Resident Fees - Basketball | 2,220 | 3,200 | 3,200 |
| Non-Resident Fees - Volleyball | 1,125 | 1,600 | 1,600 |
| User Fees - Basketball | 12,935 | 25,000 | 10,000 |
| User Fees - Volleyball | 2,310 | 4,000 | 4,000 |
| Program Fees - Sports | 7,440 | 10,000 | 10,000 |
| Facility Rentals - Miscellaneous | 975 | 2,200 | 2,200 |
| Dorey Park Room Rental | 32,136 | 24,000 | 24,000 |
| Non-Resident Fees - Baseball | 375 | 1,100 | 1,100 |
| Tennis League | 0 | 500 | 0 |
| User Fees - Rugby | 510 | 0 | 0 |
| User Fees - Soccer | 12,805 | 2,600 | 2,600 |
| Non-Resident Fees - Soccer | 270 | 0 | 0 |
| User Fees - Lacrosse | 0 | 400 | 400 |
| Non-Resident Fees - Lacrosse | 0 | 600 | 600 |
| Confederate Hills - Room Rentals | 32,330 | 28,000 | 28,000 |
| Set Up Fees - Belmont | 4,270 | 3,300 | 3,300 |
| Set Up Fees - Confederate Hills | 3,255 | 2,100 | 2,100 |
| Set Up Fees - Dorey | 3,490 | 2,800 | 2,800 |
| Set Up Fees - Hidden Creek | 2,825 | 2,400 | 2,400 |
| Set Up Fees - Facilities | 4,499 | 1,100 | 1,100 |
| Gazebo Rentals | 200 | 600 | 600 |
| Hidden Creek Room Rental | 10,290 | 8,500 | 8,500 |
| User Fees - Adult Baseball | 510 | 0 | 0 |
| Non-Resident Fees - Kickball | 0 | 500 | 500 |
| Henrico Field of Honor | 1,365 | 0 | 0 |

## GENERAL FUND REVENUES

| Function/Activity | FY 11 Actual | FY 12 Original | FY 13 Approved |
|---|---|---|---|
| *Charges for Services (cont'd)* | | | |
| Deep Run Room Rental | 34,228 | 25,000 | 25,000 |
| Set Up Fees - Deep Run | 3,325 | 1,600 | 1,600 |
| Twin Hickory Room Rental | 4,108 | 7,300 | 7,300 |
| Set Up Fees - Twin Hickory | 1,365 | 1,800 | 1,800 |
| Walkerton Room Rental | 10,685 | 10,100 | 10,100 |
| Set Up Fees - Walkerton | 630 | 1,600 | 1,600 |
| User Fees - Disc Golf | 3,645 | 0 | 0 |
| Hidden Creek Programs | 60 | 0 | 0 |
| Walkerton Programs | 3,347 | 0 | 2,500 |
| Twin Hickory Programs | 890 | 0 | 0 |
| Room Rental | 51,525 | 25,000 | 40,000 |
| School Tuition - Winter | 21,048 | 15,000 | 15,000 |
| Practical Nursing - Adult Tuition | 30,941 | 35,000 | 35,000 |
| Math - Science Center | 143,556 | 95,000 | 110,000 |
| Vacuum Leaf Collection | 159,060 | 150,000 | 150,000 |
| Commonwealth's Attorney Fees | 18,484 | 12,000 | 12,000 |
| Charge for Board of Animals | 10,675 | 15,000 | 15,000 |
| Cafeteria Receipts - County | 141,064 | 295,000 | 295,000 |
| Grass Cutting/Demolition | 177,762 | 125,000 | 125,000 |
| Cafeteria Catering Receipts | 89,833 | 90,000 | 90,000 |
| Charges for Data Processing | 750,000 | 750,000 | 750,000 |
| Community House SD#2 Collections | 14,959 | 15,500 | 15,500 |
| Withholding Fee Processing Charges | 28,541 | 0 | 0 |
| Non-consecutive Jail Time | 604 | 0 | 0 |
| Total Charges for Services | 4,150,393 | 3,748,700 | 3,725,700 |
| Miscellaneous Revenue: | | | |
| Blood Test/DNA Fees | $ 7,095 | $ 3,900 | $ 3,900 |
| Courthouse Maintenance Facility | 117,026 | 90,000 | 120,000 |
| Miscellaneous General | 2,284 | 0 | 0 |
| Circuit Court-Copy fees | 12,912 | 0 | 0 |
| HCA Patient Account | 92,572 | 88,900 | 90,000 |
| Fire - Miscellaneous Revenue | 1,082 | 1,000 | 1,000 |
| Police - School Guard Reimbursement | 11,668 | 9,500 | 9,500 |
| Primary Filing Fees | 5,257 | 0 | 0 |
| Pay-In-Lieu of Tax Other | 2,616 | 0 | 0 |
| Meadow Farm Gift Shop | 2,029 | 4,500 | 2,000 |
| Geographic Information System Program | 6,586 | 5,000 | 5,000 |
| Court Orders Restitution (Fire) | 21,423 | 10,000 | 10,000 |
| Recoveries and Rebates - Police | (70) | 3,000 | 0 |
| Recoveries and Rebates - General | 482,767 | 250,000 | 300,000 |
| NSF Check Fees | 20,020 | 10,000 | 10,000 |
| Richmond Center Reimbursement | 4,299,255 | 2,300,000 | 2,415,000 |
| Recoveries and Rebates - DPW | 9,000 | 32,000 | 32,000 |
| Recoveries and Rebates - Schools | 30,381 | 50,000 | 30,000 |
| Energy Connect | 94,557 | 0 | 0 |
| 400th Annversary Donations | 20,000 | 0 | 0 |
| Student Basic Jailor Academy | 8,220 | 0 | 0 |
| Total Miscellaneous Revenue | 5,246,680 | 2,857,800 | 3,028,400 |
| Recovered Costs: | | | |
| Reimbursement of Prisoner Cost - New Kent County | $ 1,140,265 | $ 1,000,000 | $ 1,000,000 |
| Recoveries - Hazardous Incidence Team | 17,886 | 5,000 | 5,000 |
| Charge for Office Space | 111,000 | 111,000 | 111,000 |

## GENERAL FUND REVENUES

| Function/Activity | FY 11 Actual | FY 12 Original | FY 13 Approved |
|---|---|---|---|
| *Recovered Costs (cont'd)* | | | |
| Custodial Service | 11,554 | 11,000 | 11,000 |
| Bounty Fees - Sheriff | 20,600 | 7,500 | 15,000 |
| Payment for Fiscal Services | 1,769,330 | 2,103,870 | 2,103,870 |
| Sale of Vehicles - County | 185,540 | 170,000 | 170,000 |
| Recoveries and Rebates - Health | 134,884 | 55,000 | 55,000 |
| Payment for 100% Projects | 59,547 | 95,000 | 55,000 |
| Road Opening Damages | 415,444 | 210,000 | 250,000 |
| Interdepartmental Billing - DPW | 131,698 | 73,000 | 73,000 |
| Recreation and Parks - Payment for Services | 138,085 | 175,000 | 175,000 |
| Recovered Costs - Student Activity | 194,256 | 140,000 | 140,000 |
| Festival Permits | 4,000 | 500 | 500 |
| Recovery of Wages - School Facility | 123,105 | 100,000 | 100,000 |
| Lost/Damaged Textbook Payments | 11,847 | 22,000 | 22,000 |
| Total Recovered Costs | 4,469,041 | 4,278,870 | 4,286,370 |
| | | | |
| Total from Local Sources | 500,230,536 | 529,819,970 | 520,956,870 |
| | | | |
| Non-Categorical Aid: | | | |
| Rolling Stock | $ 45,740 | $ 125,000 | $ 125,000 |
| Mobile Home Sales and Use Tax | 10,832 | 12,500 | 12,500 |
| Recovery of Central Cost Allocations | 465,501 | 475,000 | 475,000 |
| Motor Vehicle Rental Tax | 2,800,553 | 2,500,000 | 2,600,000 |
| Car Tax Revenue - State | 37,001,783 | 0 | 0 |
| Overweight Truck Citations | 670 | 16,000 | 1,000 |
| Comm Sales Tax - HB#568 | 13,698,421 | 14,500,000 | 14,500,000 |
| Total Non-Categorical Aid | 54,023,500 | 17,628,500 | 17,713,500 |
| | | | |
| Shared Expenses: | | | |
| Salaries - Sheriff | $ 9,622,634 | $ 9,369,400 | $ 9,500,000 |
| Fringe Benefits - Sheriff | 922,084 | 625,000 | 675,000 |
| Salaries - Clerk of Circuit Court | 1,156,484 | 960,000 | 1,000,000 |
| Circuit Court Excess Fees - State | 358,342 | 500,000 | 350,000 |
| State Recordation Tax | 1,265,218 | 1,200,000 | 1,200,000 |
| Salaries - Commonwealth's Attorney | 1,632,021 | 1,450,000 | 1,450,000 |
| Fringe Benefits - Commonwealth's Attorney | 153,502 | 110,000 | 110,000 |
| Office Expenses - Commonwealth's Attorney | 13,083 | 0 | 0 |
| Registrar Expenses | 71,697 | 84,400 | 84,400 |
| Salaries - Department of Finance | 652,244 | 530,000 | 560,000 |
| Fringe Benefits - Department of Finance | 47,529 | 0 | 0 |
| Total Shared Expenses | 15,894,838 | 14,828,800 | 14,929,400 |
| | | | |
| Categorical Aid: | | | |
| State Library Grant | $ 178,501 | $ 175,000 | $ 175,000 |
| Jail Cost Reimbursement | 2,253,038 | 2,500,000 | 2,300,000 |
| Share of Probation Expenses | 6,629 | 12,000 | 6,000 |
| Juvenile Detention - Per Diem from State | 600 | 5,500 | 500 |
| Block Grant - Detention Home | 410,323 | 475,000 | 475,000 |
| Law Enforcement - Police | 8,354,062 | 7,350,000 | 7,650,000 |
| Emergency Medical Services - Two for Life | 218,625 | 205,000 | 205,000 |
| State Fire Programs Fund | 670,983 | 650,000 | 650,000 |
| Hazardous Incidence Team Allotment | 30,000 | 30,000 | 30,000 |
| Auxiliary Grant for the Aged | 209,111 | 160,000 | 135,000 |
| Aid to Dependent Children | 660,848 | 425,000 | 388,000 |

## GENERAL FUND REVENUES

| Function/Activity | FY 11 Actual | FY 12 Original | FY 13 Approved |
|---|---|---|---|
| *Categorical Aid (cont'd)* | | | |
| Auxiliary Grant for the Blind | 23,213 | 0 | 0 |
| General Relief | 112,826 | 59,000 | 108,000 |
| Regular Foster Care | 427,513 | 250,000 | 499,000 |
| Administration - VPA | 1,821 | 1,344,300 | 1,700 |
| Auxiliary Grant for the Disabled | 350,276 | 225,000 | 203,000 |
| Food Stamp Issuance | 676,729 | 10,000 | 634,000 |
| Purchased Services | 498,891 | 264,400 | 514,000 |
| Child Day Care Program | 2,199,742 | 1,250,000 | 128,755 |
| Family Preservation Grant | 0 | 500 | 0 |
| Respite Care - Foster Care | 3,361 | 0 | 2,500 |
| Street and Highway Maintenance - Gas Tax | 30,777,035 | 28,745,000 | 28,745,000 |
| English as a Second Language | 1,171,845 | 1,229,000 | 1,300,000 |
| Talented and Gifted Program | 1,217,578 | 1,227,000 | 1,278,000 |
| General Appropriation - Basic Aid | 110,908,741 | 116,600,000 | 119,000,000 |
| Foster Child Reimbursement - Schools | 391,423 | 152,000 | 152,000 |
| Textbooks | 1,421,589 | 1,106,000 | 2,000,000 |
| Social Security Reimbursement - Schools | 6,791,377 | 6,846,000 | 7,110,000 |
| Retirement Reimbursement - Schools | 4,031,535 | 6,218,000 | 11,800,000 |
| Group Life Reimbursement - Schools | 243,516 | 245,000 | 440,000 |
| Remedial Education | 2,164,582 | 2,182,000 | 2,775,000 |
| Share of State Sales Tax - Schools | 44,548,374 | 45,981,000 | 47,000,000 |
| SOQ - Basic Special Education | 14,367,415 | 14,483,000 | 14,560,000 |
| Special Education - Homebound | 113,171 | 117,000 | 165,000 |
| Virginia Commission - Visually Handicapped | 6,064 | 10,000 | 10,000 |
| Vocational Education - Equipment | 59,794 | 0 | 0 |
| Vocational Education - Adm. & Supv. | 382,691 | 479,000 | 500,000 |
| Vocational Education - SOQ Occupational | 2,191,640 | 2,209,000 | 1,580,000 |
| Handicapped Foster Home - Schools | 473,789 | 765,000 | 850,000 |
| Other Categorical State | 19,583 | 0 | 0 |
| Adult Basic Education | 73,349 | | |
| At Risk - State | 1,434,256 | 1,449,000 | 2,000,000 |
| Salary Incentive K-3 | 1,957,814 | 2,238,000 | 2,485,000 |
| Adult Education - SOQ | 0 | 40,000 | 40,000 |
| ALS Training Fund Reimbursement | 3,120 | 0 | 0 |
| Clerk's Technology Fund | 78,813 | 0 | 0 |
| Composite Index Hold Harmless | 1,416,474 | 682,415 | 0 |
| Supp. Support for School Ops | 0 | 420,585 | 0 |
| State Medical Plans | 9,702 | 0 | 9,300 |
| Independent Living Grant | 11,972 | 0 | 7,800 |
| Energy Assistance | 29,436 | 0 | 3,100 |
| Medicaid | 401,613 | 0 | 378,000 |
| Adoption Programs | 1,220,979 | 0 | 243,000 |
| Total Categorical Aid | 245,206,362 | 248,814,700 | 258,536,655 |
| Total from the Commonwealth | 315,124,700 | 281,272,000 | 291,179,555 |
| Revenue from the Federal Government: | | | |
| ARRA - State Fiscal Stablization Funds | $ 5,088,030 | $ 0 | $ 0 |
| ROTC | 433,726 | 300,000 | 300,000 |
| Emergency Management Assistance - Fire | 17,504 | 27,000 | 27,000 |
| Food Stamp Program | 1,702,393 | 1,329,000 | 1,979,860 |
| Family Support Payment | 2,178,164 | 1,413,000 | 935,380 |
| Low Income Home Energy | 76,373 | 22,000 | 72,000 |

## GENERAL FUND REVENUES

| Function/Activity | FY 11 Actual | FY 12 Original | FY 13 Approved |
|---|---|---|---|
| *Revenue from the Federal Government (cont'd)* | | | |
| Foster Care | 818,154 | 1,217,000 | 870,180 |
| SCAPP Program-Sheriff | 34,130 | 0 | 0 |
| Allocated Eligiblity Program | 189,811 | 0 | 56,400 |
| Adoption Assistance | 401,603 | 174,800 | 167,940 |
| Social Services Block Grant | 855,845 | 1,096,000 | 850,470 |
| Independent Living | 62,184 | 90,000 | 44,000 |
| Medical Assistance | 1,096,731 | 1,161,000 | 1,175,420 |
| Child Care and Development | 1,479,620 | 1,716,000 | 24,220 |
| Refugees | 89,959 | 11,900 | 9,970 |
| Child Care and Development - Match | 2,723,148 | 1,979,500 | 173,440 |
| Safe & Stable Family - State | 106,354 | 148,000 | 644,000 |
| Project "YES" | (17,750) | 0 | 0 |
| JOBS Funds - Education | 0 | 0 | 5,500,000 |
| Total from Federal Government | 17,335,979 | 10,685,200 | 12,830,280 |
| Total General Fund Revenue | 832,691,215 | 821,777,170 | 824,966,705 |
| Transfers: | | | |
| To Debt Service - From Operating | $ (49,832,472) | $ (52,854,043) | $ (58,982,785) |
| Total To Debt Service: | (49,832,472) | (52,854,043) | (58,982,785) |
| To Capital Projects Fund - Schools - Roof/Mech | (2,500,000) | (2,500,000) | (2,500,000) |
| To Capital Projects Fund - Schools - Lottery | 0 | 0 | 0 |
| To Capital Projects Fund - General Government | (2,500,000) | (2,500,000) | (2,500,000) |
| To Capital Projects (From Capital Reserve) | (3,565,242) | 0 | (5,000,000) |
| To Cap Projects - CIPS - 21-011 | (2,992,861) | 0 | 0 |
| To Capital - Public Works Vehicle License Fee | (850,000) | (850,000) | (850,000) |
| Oper. Transfer to Capital Projects | (15,421,100) | 0 | 0 |
| To Capital Projects Fund - Vehicle Replacement | 0 | 0 | (6,574,800) |
| Total To Capital Projects Fund: | (27,829,203) | (5,850,000) | (17,424,800) |
| To Enterprise Fund - White Oak | (756,608) | (756,608) | (756,608) |
| Total To Enterprise Fund: | (756,608) | (756,608) | (756,608) |
| To Risk Management | (8,715,889) | (4,369,790) | (4,543,437) |
| Total To Internal Service Funds: | (8,715,889) | (4,369,790) | (4,543,437) |
| To Special Revenue Fund - CATC | (210,648) | (217,695) | (206,810) |
| To Special Revenue Fund - CCP | (145,574) | (137,023) | (132,806) |
| To Special Revenue Fund - COLA Reserve | 0 | (25,000) | (25,000) |
| To Special Revenue Fund - CSA | (2,537,086) | (3,715,970) | (3,264,581) |
| To Special Revenue Fund - CSA Medicaid Match | (337,950) | (337,950) | (337,950) |
| To Special Revenue Fund - Victim Witness | (286,916) | (326,686) | (324,629) |
| To Special Revenue Fund - Drug Prosecutor | (52,941) | (69,563) | (66,715) |
| To Special Revenue Fund - VJCCCA | (541,242) | (546,544) | (546,544) |
| To Special Revenue Fund - MH/DS/SA | (11,251,530) | (14,434,355) | (13,784,168) |
| To Special Revenue Fund - Metro Aviation | (113,189) | (135,561) | (135,561) |
| To Special Revenue Fund - Curbside Recycling | (2,137,800) | (2,137,800) | (2,137,800) |
| To Special Revenue Fund - Bulky Waste | (239,002) | (239,002) | (239,002) |
| To Special Revenue Fund - Neighborhood Cleanups | (532,072) | (532,072) | (532,072) |
| To Special Revenue Fund - Bagged Leaf Collection | (155,127) | (155,127) | (155,127) |

## GENERAL FUND REVENUES

| Function/Activity | FY 11 Actual | FY 12 Original | FY 13 Approved |
|---|---|---|---|
| *Transfers (cont'd)* | | | |
| To Special Revenue Fund - Contingency Account | 0 | (75,201) | (75,201) |
| To Special Revenue Fund - Drug Court | (155,205) | (167,396) | (176,248) |
| Oper. Transfer to Special Revenue Fund | (13,896) | 0 | 0 |
| Total To Special Revenue Fund: | (18,710,178) | (23,252,945) | (22,140,214) |
| To JRJDC Agency Fund - Operating | (2,606,479) | (2,606,479) | (2,594,296) |
| To JRJDC Agency Fund - Debt | (675,310) | (674,610) | (676,878) |
| Total To JRJDC Agency Fund: | (3,281,789) | (3,281,089) | (3,271,174) |
| To OPEB - GASB 45 | (3,000,000) | (3,000,000) | (3,000,000) |
| Total Transfers | (112,126,139) | (93,364,475) | (110,119,018) |
| Total Resources Prior to Use of Fund Balance/ Sinking Fund | 720,565,076 | 728,412,695 | 714,847,687 |
| (To) Desig Fund Balance-State Revs | 0 | 0 | 0 |
| Use of Fund Balance - Capital | 5,000,000 | 5,000,000 | 5,000,000 |
| Use of Fund Balance - designated - Capital Reserve | 3,565,242 | 0 | 5,000,000 |
| Use of Fund Balance - Gen Fund | (7,349,666) | 0 | 0 |
| (To) From Revenue Stabilization | 11,548,345 | 10,248,671 | 3,869,432 |
| Operating Transfers from Vehicle Replacement Reserve | 0 | 0 | 6,574,800 |
| Net Fund Balance/Sinking Fund | 12,763,921 | 15,248,671 | 20,444,232 |
| Total Resources After Use of Fund Balance/Sinking Fund | 733,328,997 | 743,661,366 | 735,291,919 |
| Total General Fund Resources | $ 733,328,997 | $ 743,661,366 | $ 735,291,919 |

## APPENDIX "F"

## ECONOMIC OUTLOOK

**National Economy**

"Economic Activity in the United States expanded at a moderate rate in the second half of 2011 following an anemic gain in the first half, and the moderate pace of expansion appears to have continued into the opening months of 2012. Activity was held down in the first half of 2011 by temporary factors, particularly supply chain disruptions stemming from the earthquake in Japan and the damping effect of higher energy prices on consumer spending. As the effects of these factors waned over the second half of the year, economic activity picked up. Conditions in the labor market have improved since last summer, with an increase in the pace of job gains and a noticeable reduction in the unemployment rate. Meanwhile, consumer price inflation has stepped down from the temporarily high levels observed over the first half of 2011, as commodity and import prices retreated and as longer-term inflation expectations remained stable. Looking ahead, growth is likely to be modest during the coming year, as several factors appear likely to continue to restrain activity, including restricted access to credit for many households and small businesses, the still-depressed housing market, tight fiscal policy at all levels of government and some slowing in global economic growth." This was the introductory statement made by Ben Bernanke during testimony to Congress on February 29, 2012 as part of the Federal Reserve's Semiannual Monetary Policy Report to Congress.

As Mr. Bernanke's statement indicates, the U.S. economy improved modestly in 2011 and through the first quarter of 2012. Given the fragile economic conditions that exist, the Federal Open Market Committee (FOMC) has expressed its intent to aggressively pursue efforts to counteract recessionary impediments to growth. The FOMC took a number of steps in 2011 and the early months of 2012 to provide additional monetary policy support to bolster the economic recovery within the context of price stability, and credit availability and affordability. The steps taken included: "…modifying the forward rate guidance included in post-meeting statements, increasing the average maturity of the Federal Reserve's securities holdings, and shifting the reinvestment of principal payments on agency securities to agency-guaranteed mortgage-backed securities (MBS)." In an effort to better execute its congressional mandates of promoting employment, stabilizing prices (controlling inflation) and moderating interest rates, the FOMC has made its longer term goals fully transparent so as to best educate and communicate existing and future policy objectives so that market participants - from household consumers to businesses - can make better informed decisions. In August 2011, the FOMC modified its forward rate guidance, stating that economic conditions "were likely to warrant exceptionally low levels for the federal funds rate at least through mid-2013." Then, at the Committee's January 2012 meeting, the FOMC again modified its forward guidance to indicate that "it expected economic conditions to warrant exceptionally low levels for the federal funds rate at least through 2014." In addition, at its January 2012 Summary of Economic Projections (SEP), the FOMC made available individual Federal Reserve Bank participants' (which included the members of the Board of Governors and the presidents of the 12 Federal Reserve Banks) individual economic assessments concerning both monetary policy and the appropriate target federal funds rate. Their individual insights and collective economic assessments can be a valuable tool in projecting the approximate pace and success of the recovery in the coming months/years.

As stated in the 2012 Monetary Report to Congress, the economy "showed continued gradual improvement in the pace of economic activity during the second half of 2011, as the influence of the temporary factors that dampened activity in the first half of the year subsided. However, a number of additional factors, including ongoing weakness in the housing sector, modest growth in real disposable income, and the restraining effects of fiscal consolidation, suggested that the pace of recovery would be modest in coming quarters". In addition, "…as the monetary/fiscal issues overseas, particularly in Europe begin to wane, there will be an uptick in demand for U.S. exports, strengthening the pace of economic expansion". It was also collectively thought that inflation will be subdued at "rates at or below the FOMC's longer-run objective of 2.0 percent." In addition to these projections, it was also estimated that the unemployment rate will remain elevated in the near term, but should moderate to a level between 5.2 to 6.0 percent in the long run.

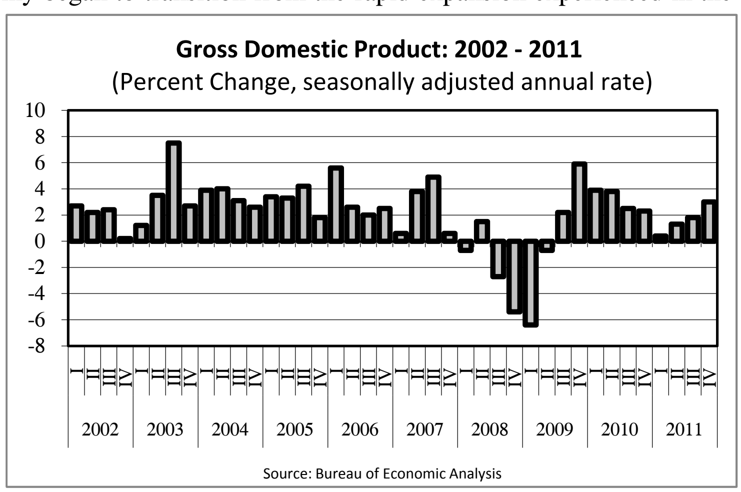
From 2008 to the present the Federal Reserve and the Treasury Department have taken significant steps to correct and/or mitigate any further deterioration in the financial markets and in the economy as a whole, following the "Great Recession" that began December 2007, and technically ended in June 2009. In December 2008, the Federal Open Market Committee (FOMC) lowered the federal funds rate in the target range of 0.0 to 0.25 percent and indicated that conditions could potentially warrant exceptionally low rate levels for some time. As of March 2012, the Fed Funds Rate remained at 0.00 – 0.25 percent, a level unchanged for over 38 months.

While the recovery's trajectory has been low, and the pace of economic expansion has been, in Bernanke's words "uneven and modest by historical standards", the recovery is in fact taking place, indicated by steady increases in real gross domestic product (GDP), which, after minimal gains in the first half of 2011, increased at an annualized 2-1/4 percent rate in the second half, based on fourth quarter 2011 data. In addition, there have been positive developments in the labor market, with private payroll increasing by an average of 165,000 per month since the middle of 2011, while nearly 260,000 jobs were added in January 2012, with gains being recognized across nearly all industries. However, the public sector continued to lose jobs, primarily at the state and local government level. This is symptomatic of several variables, not the least of which are the struggling housing market, higher than average unemployment, and below average consumer demand.

**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, where negative GDP growth had occurred in the first three quarters of 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, while falling sharply in the third and fourth quarters of 2008, through the first quarter and second quarters of 2009, before rebounding in third and fourth quarters of 2009, with growth of 2.2 percent and 5.9 percent, respectively. GDP increased in each consecutive quarter of 2010, increasing 3.7 percent in 1Q, 1.7 percent in 2Q, 2.6 percent in 3Q and 3.1 percent in 4Q. The increases beginning in 4Q 2009 and extending throughout 2010 are largely attributable to positive contributions from personal consumption expenditures (consumer spending), exports and non-residential fixed investment, however, these increases were partly offset by a decrease in inventory investment and in state and local government spending. Growth moderated in 2011, with an annual increase of 1.7 percent in GDP, versus the 3.0 increase recognized in 2010. The deceleration was primarily reflected by downturns in private inventory investment and in federal spending. The growth over this period is primarily a reflection of positive consumer spending, increases in exports and nonresidential fixed investment. These gains, which were partly offset by reductions in state and local government spending and private inventory investment, were also offset by the increased importation of goods, which are a subtraction in the calculation of GDP.

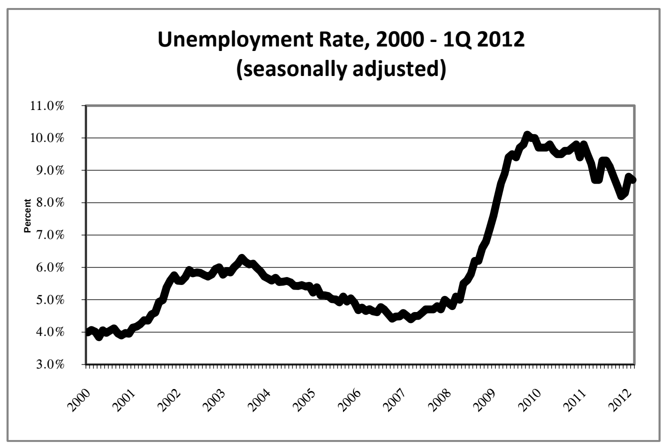


Despite small year over year losses in the NASDAQ and S&P 500, overall financial market statistics reflect an improving economy, though the indices are still far from levels seen during the peak of 2007. U.S. economic and political issues and the European debt crisis largely left investors frustrated and pessimistic.

| Equity Market Growth: | DJIA | NASDAQ | S&P 500 |
|---|---|---|---|
| Jan-Dec 2011 | 4.69% | (3.21)% | (1.12)% |
| Jan 2002-Dec 2011 | 21.29% | 31.62% | 8.91% |

Just as in 2010, uncertainty and volatility continued to define the market in 2011, though 2011 didn't see the positive gains recognized the year prior. While the Dow gained around 5.0 percent to close the year, the NASDAQ and S&P 500 closed slightly down, with declines of 3.21 and 1.12 percent respectively, performances that were more reflective of the year's market performance. However, these small increases/decreases in market value somewhat mask the volatility that occurred throughout the year, where gains and losses fluctuated dramatically from the various domestic and geo-political, natural disaster related and financial crises that exacerbated uncertainty in an already fragile environment. Most analysts are in agreement that the market is likely to perform relatively well in 2012, particularly if the European debt crisis is resolved. However, if any efforts by the European Union (EU) to control the crisis are perceived by global investors and stakeholders as inadequate, gains may be further suppressed by continued investor timidity. Assuming the crises ease overseas, interest rates on Treasury bonds and yields will likely increase, while corresponding prices will fall as investors balance their portfolios to include greater equity investments.

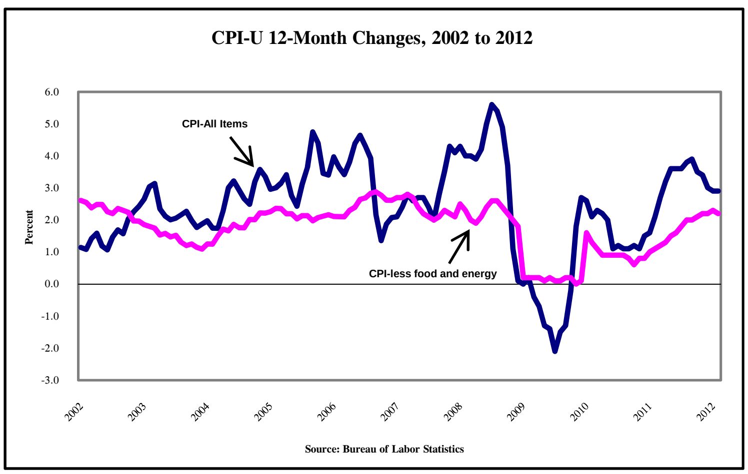
The labor market continues to suffer as a result of the recession. As of Februrary 2012, the seasonally adjusted national unemployment stands at 8.7 percent. However this figure is down from the 9.5 percent unemployement rate the existed the same time a year prior. From 2004 through the first quarter 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. 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.




Gradual economic improvement led to marginal increases in employment from 3Q 2011 through 1Q 2012. While there were no dramatic fluctuations in the unemployment rate, averaging 8.6 percent over the same period, the U.S. did increase non-farm employment by 223,000, 284,000 and 227,000 in December 2011, and January and February 2012, respectively. This represents a significant improvement over the previous nine months, during which an average of 143,000 jobs per month were added. The recent jobs additions represent an even bigger improvement from the jobs added/lost during the ending period of the recession (2Q 2009) and the beginning of the recovery period (3Q 2009 to present). For example, during 2009, the economy was losing an average of 422,000 non-farm payroll jobs per month.

The seasonally adjusted unemployment rate currently stands at 8.3 percent, down 0.7 percent from February 2011, and down considerably from its high of 10.1 percent in October 2009. However, while unemployment has held (Jan – Feb) at 8.3 percent, this statistic continues to be somewhat understated due to the fact that the market is not adding jobs at a fast pace, but the labor force is also diminished from exiting discouraged workers and those who are marginally attached to the labor force. For example, in February 2012, there were approximately 1 million discouraged workers, defined by the Bureau of Labor Statistics (BLS) as those persons "…who are not currently looking for work because they believe there are no jobs available for them", and about 1.6 million persons who were marginally attached to the labor force given that they "…wanted and were available for work, and had looked for a job sometime in the prior 12 months, …but had not searched for work in the 4 weeks preceding the (BLS) survey." Given their respective labor force participation/employment prospect status, neither of these groups - which amount to 2.6 million individuals - is included in the unemployment statistic. The total statistic also does not capture the involuntary part-time or underemployed workers, a group comprised of 8.1 million individuals who are currently working in a part-time capacity because they are unable to find full-time work. BLS calculates an alternative measure of unemployment, referred to as the U-6 (a sub-category of the Bureau's "Alternative Measures of Labor Underutilization"), which includes unemployed persons as well as all persons marginally attached to the labor force, plus individuals employed part-time for economic reasons, as a percent of the civilian labor force. When taking all of these unemployed and/or underemployed individuals into consideration the February 2012 unemployment rate jumps to 16.7 percent.

While the unemployment figures are staggering, the actual unemployment impact is further understated when population growth is taken into consideration. Under normal conditions the labor market would have naturally added some jobs relative to population growth from December 2007 to the present. During the recession and subsequent recovery, the defensive posture of preserving job loss due to economic conditions, rather than adding jobs as population growth necessitates, means that the market would need to add millions more jobs than those lost over the course of the recovery to equal the pre-recession level of employment.

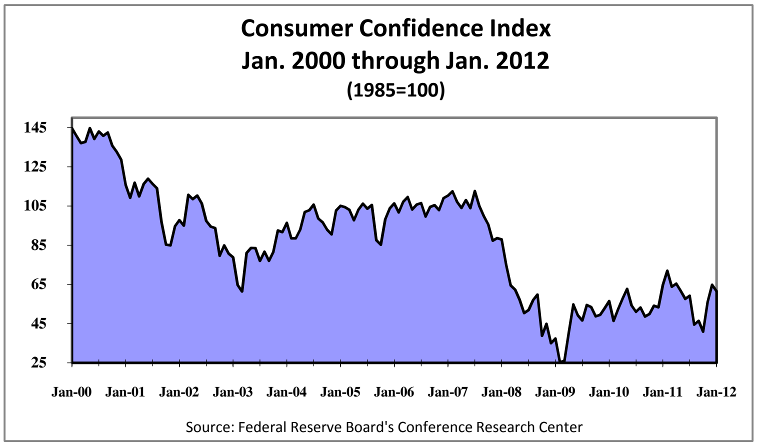



The Consumer Price Index (CPI) is an economic indicator most commonly referred to when measuring inflation in the United States. The Bureau of Labor Statistics (BLS) defines the CPI as "a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods 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.

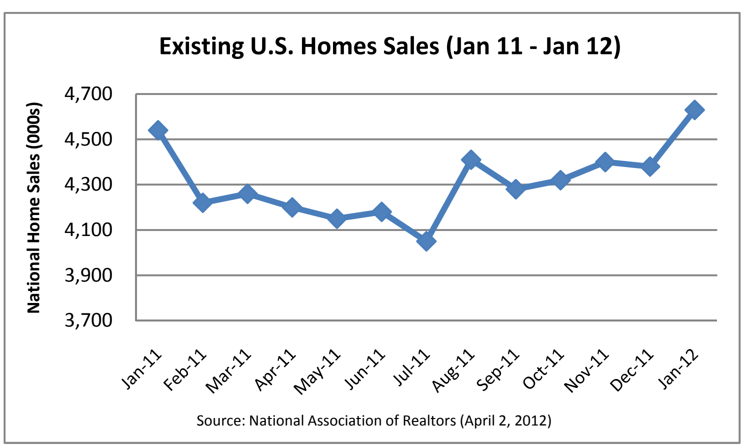
From January 2011 to January 2012, the percentage change in the CPI-U (not seasonally adjusted) rose from 1.6 percent to 2.9 percent, averaging a 3.2 percent monthly (12 month) change in 2011. The index increased 1.3 percent for all of 2011 (January 2011 to January 2012), after decreasing 1.0 percent the year prior. The un-adjusted 12 month energy index ending January 2012 rose by 6.1 percent, driven largely by gasoline and fuel oil prices. Energy Commodities as a whole increased by 10.0 percent, the bulk of the increase attributable to Gasoline (all types), which increased by 9.7 percent over the 12 month period, and Fuel oil, which increased 12.1 percent over the 12 month period. Electricity prices have advanced slightly at 2.4 percent. Household energy prices declined by 0.6 percent in 2011, after registering a 0.6 percent increase in 2010, while food prices increased at 4.4 percent, exceeding inflation and with increased commodity prices contributed largely to the year-over-year CPI-U increase of 2.9 percent in January 2012.

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, 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 and lasting throughout 2010, consumer confidence remained 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.



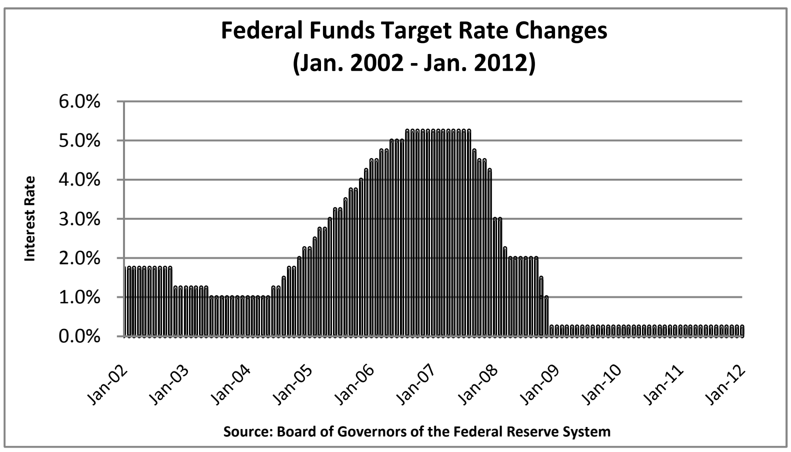

Consumer confidence on average has continued to rise from the unprecedented lows of 2009, increasing from 54.48 in 2010, to 58.09 in 2011 and 67.77 for the first three months of 2012. January 2012 was down slightly after making significant gains the previous two months because of increased optimism about the job market. This confidence was eroded by slightly worsened job market perceptions, as well as a sharp decrease in consumers' views of the current economy. Referred to as the "present situation index", and serving as a gauge of consumers' assessment of current economic conditions, the statistic dropped to 38.4 in January from a recently revised figure of 46.5.




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 homes sales were down marginally from 2009 to 2010, in 2011, average sales figures increased by 1.98 percent (January 2011 to January 2012). 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. Home sales have since moderated, as sales prices dropped correspondingly to reduced demand.

From January 2011 to January 2012, home sales increased 1.98 percent, attributable to favorable housing affordability conditions. As of January 2012, the inventory of unsold homes on the national market is approximately 2.3 million housing units, or a 6.0 month supply based on the current pace of sales. While January 2012 inventory is 10,000 units greater than the 2011 inventory figure of 2.3 million units, the monthly supply of inventory has decreased from 8.2 to 6.0 months, based on the pace of sales in January 2012. Building permits and new residential construction, while having increased in 2009 from a dramatic drop in 2008, moderated in 2010. Building permits issued in January 2011 totaled 676,000 nationally, up 19.0 percent from the January 2011 rate of 568,000. New residential housing starts numbered 699,000 in January 2012, a 9.9 percent increase from the January 2011 rate of 636,000.

The national median existing home price in January 2012 was $154,600, representing a 2.0 percent reduction from the national median home price registered in January 2011. This is a slight improvement from the previous year over year assessment, which reflected a 3.7 percent reduction in median home price from January 2010 to January 2011. In addition to other factors, the downward adjustment in median sales price is partly attributable to the purchasing characteristics of first time homebuyers. Distressed sales, which typically sell for 20 percent below market price, are the kind that have been commonly sought by first time buyers and represented approximately 35 percent of transactions in 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.

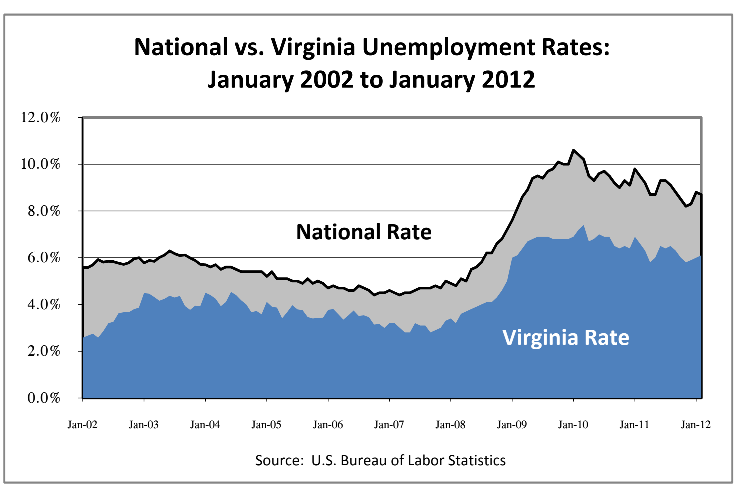
Despite its efforts to provide a balance between loosening a tight credit market, while also addressing the issue of inflation, the Fed had little choice but to continue to cut the Federal funds rate. By December 2008, the Fed had lowered the rate 8 times, for a total of 325 basis points for the year, 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 2012, represented over 38 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.

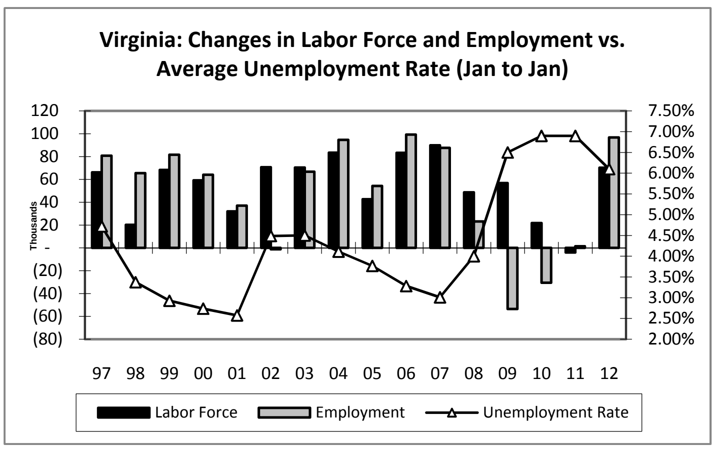
According to the 2010 U.S. Census, the population in the State of Virginia is 8,001,024, an increase of 922,509, or 13.0 percent from 2000 Census figures. Virginia remains the twelfth most populous state in the Country. Over 80.0 percent of the State's growth during this period was concentrated in three 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 2011 per capita personal income of $45,920 and an average annual wage and salary disbursement of $50,957, Virginia ranks seventh and tenth among the states, respectively in these categories. While the average salary in the U.S. grew by 2.77 percent from 2009 to 2010, the Virginia state average grew by 3.02 percent, a comparison that reinforces Virginia's strong economic position in the U.S. It should be noted that State per capita personal income data represents 2011 estimates, and average annual salary and wage disbursement data represents 2010 preliminary data, the most recent data available.

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.

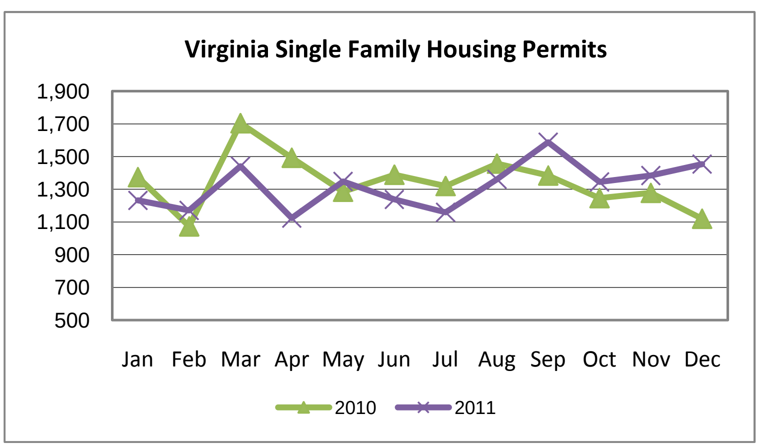



Given the recent, relative improvement in the U.S. labor market as of February 2012, Virginia experienced a reduction in its unemployment rate. However, Virginia continues to outperform the nation in this respect, and the State's unemployment rate of 6.1 percent as of February 2012 is significantly lower than the national unemployment rate of 8.7 percent. Despite the economic hardships experienced throughout the country, according to the U.S. Bureau of Labor Statistics, Virginia had the 8th lowest seasonally adjusted unemployment rate in the nation as of February 2012, registering at 5.7 percent. This statistic is an improvement from its 9th place ranking of 6.4 percent unemployment the year prior and significantly better than the United States unemployment rate during the same period. Virginia's unemployment and labor statistics indicate that even during times of economic difficulty, Virginia continues to fare better than most states in the U.S.

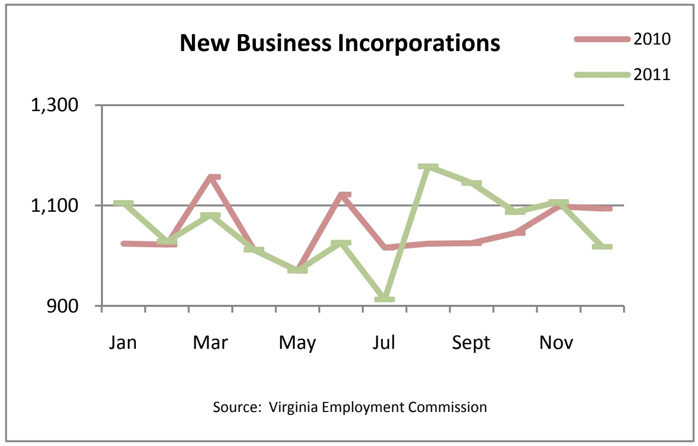
Typically during periods of normal growth, throughout the state the level of job growth varies significantly by geographic area. The northern portion of the state, which offers the highest concentration of professional and business services, as well as technology and federal contracting jobs, accounts 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. Employment in the Richmond Metropolitan Area, one of nine publishable metropolitan statistical areas in Virginia, was 633,159 in January 2012, which is up 34,596 jobs, or 5.8 percent from January 2011. Looking back over a four year period, regional employment is up 12,029, since January 2008, representing a 1.9 percent increase. However, while employment has grown over the period identified, the Civilian Labor Force in total has grown to 677,711, and the number of unemployed has risen to 44,552, from 24,523 of the total labor force. This growth in unemployed persons has resulted in the unemployment rate rising from 3.8 percent to 6.6 percent as of January 2012. Since the recession began, the area has experienced significant job loss due to business closings, particularly in the trade/transportation, manufacturing, and finance industries.




While population and unemployment are important indicators, other business economic indicators are vital in analyzing the performance of the Virginia economy. Since many other sectors of the economy feed off of new home construction, one significant indicator is the number of single family building permits issued. 2011 saw a minor decrease from 2010, with 15,757 permits issued for the year, representing a decrease of 351 permits, or 2.2 percent from the prior year. The lackluster performance in this statistic roughly approximated the national housing trend for 2011. The continuation of low numbers is partly attributable to the surplus of inventory on the market from foreclosures, weakened consumer demand and insufficient access to credit. While the year over year difference in single family housing permits is significant, it doesn't approach the reduction in permits that has occurred since the recession began. To put in perspective the significant drop in residential building from pre-recession levels, in 2010 and 2011 there were 16,236 and 14,964 building permits issued respectively, which represents decreases of 44.8 and 49.2 percent respectively, from the 29,434 permits issued in 2007. It should be noted that fourth quarter 2011 permit data is preliminary. Despite the modest increase in demand for housing related to the Homebuyer Tax Credit, which expired September 30, 2010, it has been the opinion of real estate agents and industry analysts that the credit did little to perpetuate upward sales momentum. Home prices have stabilized, but are still below their 2006 peak, and many existing



homeowners currently owe more on their homes than what they're worth. While the efforts to modify loans that were facing foreclosure has been ineffective, there exists the potential for many new homes to continue to be added to the existing over-saturated inventory, which should act to depress prices, and further dissuade builders from obtaining permits, given the gross supply and demand imbalance that will likely exist.



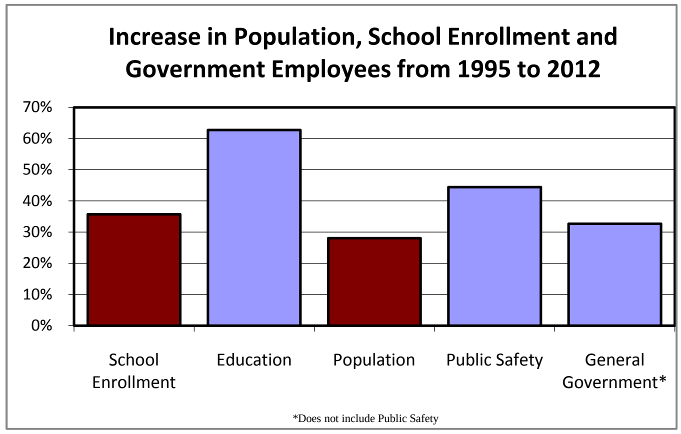

Virginia is a very attractive location for businesses as it features a low tax burden, business-friendly laws, and an aggressive economic development program. New business incorporations are one way in which the soundness of the State economy is measured. Due to the fact that the incorporation of a new business requires a large investment, this indicator is tied heavily to perceptions of the state of the economy. In 2011, 12,670 new businesses were incorporated, representing an increase of 0.48 percent from 2010. This minor increase represents an improvement over prior year over year statistics, which saw reductions in 2009 and 2010 of 18.4 percent and 1.9 percent respectively. While the 2011 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 occurred in 2010 and was approved upon in 2011. According to the Virginia Employment Commissions' *Virginia Economic Indicators* publication for the fourth quarter of 2011, 389,903 new vehicles were registered in the state during 2011, compared to 358,920 registered in 2010, an increase of 8.6 percent. However, while there were continued gains in automobile sales and registrations in 2011, looking back to 2008, this figure represents a decrease of 16,741, or 4.1 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. Domestic auto manufacturers rebounded in 2010, after reaching the lowest point in three decades in 2009, and 2011 continued the trend of sales growth. U.S. auto sales were approximately 12.7 million in 2011, reflecting a 10.0 percent increase from 2010, and a 22.0 percent increase from 2009. In addition, despite rising gas prices through the first quarter of 2012, sales have remained strong, and according to analysts, it is projected that total industry sales in 2012 will exceed 14.0 million.

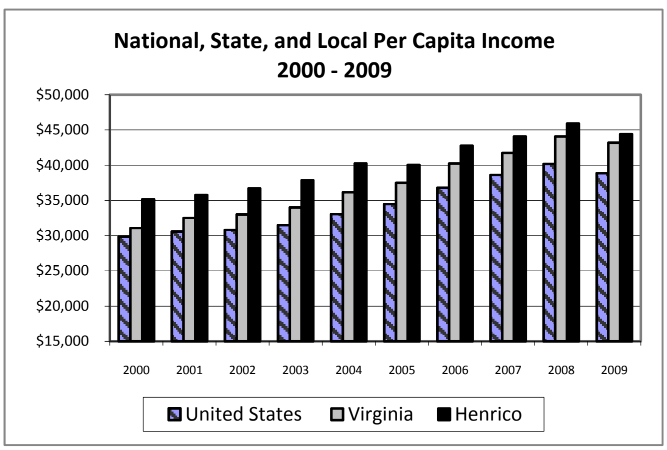
Although some of the previously mentioned statistics show a decline in select areas, it is important to note that over the past several years, Virginia has continually maintained one of the strongest state economies in the country. According to the Bureau of Labor Statistics, as of March 2012, Virginia's seasonally adjusted unemployment rate was 5.6 percent, 2.6 percent lower than the U.S. rate of 8.2 percent, representing the 9th lowest monthly unemployment rate in the U.S.

The average number of unemployed workers in the State fell in 2011, dropping from 294,746 to 268,833, or 8.8 percent, while the size of the state's overall civilian labor force increased from 4,255,162 in 2010 to 4,306,174 in 2011, an increase of 1.2 percent. In addition, 2011 job growth in Virginia was higher than labor/employment statistical estimates had indicated. Nonfarm employment increased by 1.2 percent, identical to the increase in the state's labor force. The gain of 1.2 percent in 2011 was preceded by two years of employment declines, and despite the gains realized in 2011, average nonfarm employment remains below the 2008 peak of 3,762,900. A total of eight Virginia industrial sectors added jobs in 2011, the largest of which occurred in professional and business services, which added 12,200 jobs, representing an increase of 1.9 percent from 2010. Job losses in 2011 occurred in the Virginia employment sectors of information, manufacturing and construction.

**Local Economy**




Over the past sixteen years, Henrico County's economy has become more diverse as the County has grown. Since 1995 the County's population has increased 28.0 percent based on 2010 Census figures. Increasing from 239,683 to 306,935, Henrico is now the fifth most populous County in the Commonwealth. At the same time, the average daily student population attending Henrico County Public Schools has increased by 35.7 percent. In reaction to such growth trends, the County of Henrico has responded to the needs of the community by offering more services. As education and public safety are both high priorities of the County, these two areas experienced the most employment growth. The education personnel complement increased by 62.7 percent since 1995 as the number of education facilities grew 27 percent over the same time period. This figure does not include additions or renovations to existing structures. Public Safety increased its personnel complement by 44.4 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 212 to the Divisions respectively. It also should be noted that a net of 169 positions have been added in the Division of Police over the same sixteen years. Since 1995, General Government (excluding Public Safety) experienced an increase in personnel of 24.3 percent. All increases in personnel and service levels were accomplished while real estate tax rates in Henrico decreased from $0.98 per $100 of assessed value to $0.87 per $100 of assessed value during this time period. In addition, Henrico citizens experienced increases in income larger than national and State averages. From 1995 to 2009, per capita income in Henrico has increased by $18,282, or 69.9 percent, to an average of $44,423. It should be noted that as of this writing, the 2009 County level data is the most recent information released by the Bureau of Economic Analysis, and as such, 2009 revised national and state figures are used for comparative purposes.

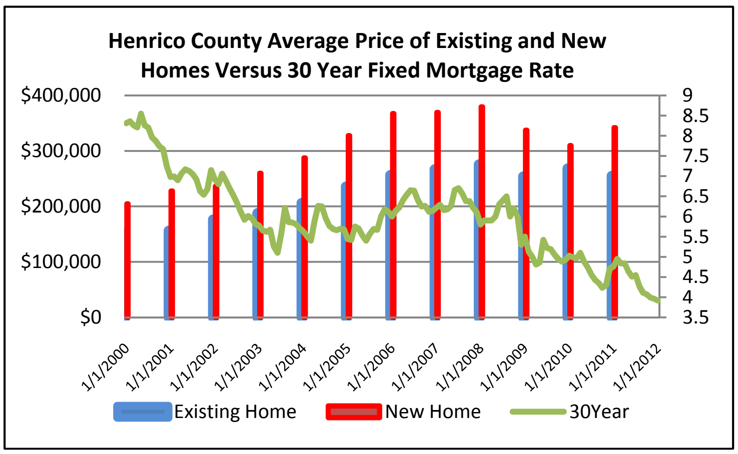



The downturn in the national and state economies disrupted the County's economy, particularly with respect to business failures and employment. While historically the county's unemployment had fallen well below that of state and federal figures, in March 2009, Henrico County registered a 7.1 percent 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 February 2012, Henrico County's not-seasonally adjusted unemployment rate was 5.8 percent, below the State of Virginia's rate of 6.1 percent, which had also fallen from

6.6 percent from the prior year. Henrico's existing unemployment rate of 5.8 percent represents a significant, year-over-year improvement in unemployment from the February 2011 rate of 6.5 percent. Relative to the state and the region, Henrico County continues to outperform its neighbors with respect to employment. The Richmond Metropolitan Area in February 2012 registered an unemployment rate of 6.8 percent. The State of Virginia, as well as Henrico County and the greater Richmond area have registered year over year improvements in employment.

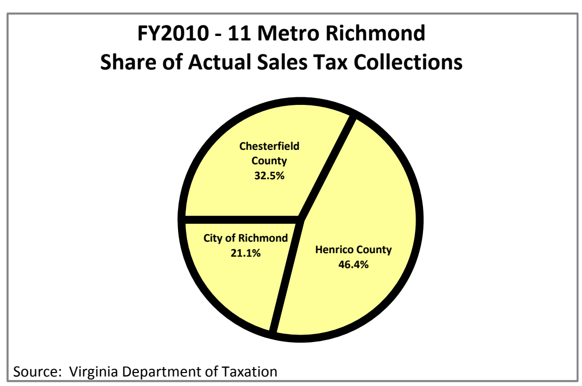
Despite the severity of the recession's impact on the local economy, there have been signs of improvement that indicate that the recovery is progressing. Henrico's highly skilled workforce, sound infrastructure and business friendly environment have facilitated corporate expansion and economic development 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 46.1 percent (estimated) of total General Fund operating revenue in FY2012-13.



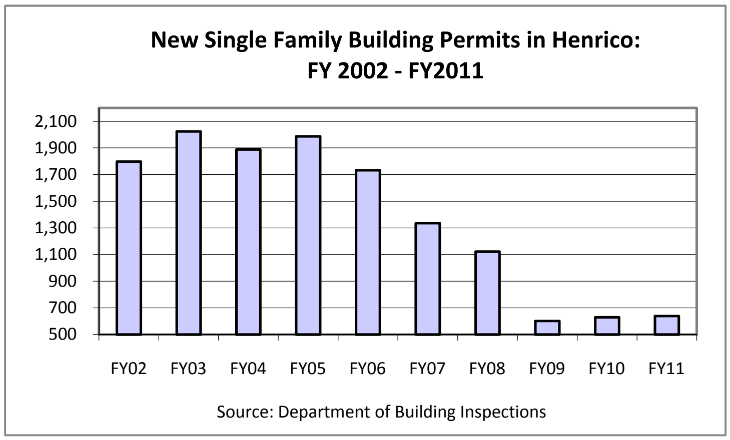

A large driver behind the growth in this revenue historically, has been the strength seen in the County's real estate market, relative to the national market. The chart below illustrates the overall upward trend in the average sales price of new and existing homes in comparison to the decrease in fixed 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 2011 was 4.45 percent, and was 3.98 percent in January 2012. Despite the strongest winter for home sales nationally in five years, the continued drop in the 30 year fixed interest rate 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 FY2004, 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 CY2012.

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 $57.2 million in FY2010-11, representing a 4.7 percent increase from the prior fiscal year. Over the past fiscal year, Henrico County recorded a 46.4 percent share of the total local sales taxes collected in the Richmond area, compared to 32.5 in Chesterfield County, and 21.1 percent in Richmond City. Henrico County's figure is slightly above the five year average of 45.2 percent. While Henrico's sales tax collections increased by 4.7 percent, its percentage share of regional



sales also increased by 2.9 percent, which is an indication of the strength of Henrico's local retail base. Overall, the Richmond Metropolitan Area experienced an increase of 2.5 percent, a significant improvement from the previous year over year decrease of approximately 3.3 percent in FY10, and the decrease of 3.9 percent experienced in FY09. Growth 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, and have in fact grown as a percentage share of regional expenditures since FY10. 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 FY2005 and FY2001 levels. The number of single family building permits fell dramatically in 2007, falling 25.5 percent, and further declining at a rate of 16.0 percent in 2008. FY2009 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 FY2008, and represents a decline of 70.3 percent from the high point of 2003 over the period identified. FY2010 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. In FY2011, 639 single family building permits were issued, representing a nominal increase of 9 permits or 1.4 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 2011, the County of Henrico reported 10,689 new and 45,068 used automobile registrations. These overall numbers represent a 4.3 percent increase from those recorded in the previous year. For 2011, 36.1 percent of all care 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 are still being felt through the first quarter of 2012. The slow economic recovery is continuing, though the trajectory of growth in 2011 was lower than many analysts had estimated. While 2010 had been a reasonably strong growth year both domestically and globally, a combination of financial, natural disaster and geo-political crises in 2011, as well as the expiration of stimulus funds, stymied growth and exposed how fragile the economic recovery truly was and continues to be. Despite dramatic volatility in the U.S. stock market throughout much of 2011, the indices closed relatively flat, while overseas markets suffered due in large part to the ongoing European debt crisis.

GDP increased at revised rates of 1.8 percent and 3.0 in the third and fourth quarters of 2011, respectively, primarily reflecting positive contributions from private inventory investment, personal consumption expenditures (PCE), nonresidential fixed investment, exports, and residential fixed investments. These contributions were offset by reductions in federal, state and local government spending, while imports (which are a subtraction in the GDP calculation), increased. In addition, gross domestic purchases, which are purchases made by U.S. residents, regardless of the origin of the goods or services, increased 1.3 and 3.1 percent in the third and fourth quarters of 2011, respectively, which may indicate improved consumer sentiment, and a strengthening domestic economy.

However, while consumers may be more willing to spend down savings, and potentially borrow to make big-ticket purchases in the coming months, higher energy prices may temper consumer spending growth. The national average per gallon price of gasoline as of this writing is $3.840 (Richmond, VA average is $3.794) and it is expected by most analysts that gasoline could climb in excess of $4.00 per gallon and maintain this level throughout the summer months of 2012, possibly exceeding the July 2008 peak national average price of $4.11 per gallon. While the increase in the Consumer Price Index (CPI) is driven primarily by energy, the CPI, which grew by 3.0 percent from December 2010 to December 2011, is expected to be in the range of 2.0 - 2.5 percent for 2012. Grocery prices have risen 3.6 percent over the 12 months through March 2012 and it is expected that food prices will rise about 3.0 percent for the year. While the high cost of fuel and food presents some longer term inflationary worries, these more volatile prices, as has historically been the case, are expected to moderate. Core CPI, excluding food and energy, is up slightly higher than the Federal Reserve's target of 2.0 percent, registering 2.3 percent for March 2012, though analysts expect core inflation to be in the range of 2.0 percent by the end of the year.

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. Jobs, however, are slowly being added, and the seasonally adjusted unemployment rate as of February 2012 of 8.3 percent represents a downward trend in the unemployment rate that began in October 2011. Analysts predict job growth in the neighborhood of about 2 million jobs in 2012, which equates to approximately 185,000 jobs added per month. This level of employment growth means it will likely take several years to recover the millions of jobs lost during the recession, and as such, the unemployment rate is not likely to drastically drop anytime soon, and is expected hold at 8.0 – 8.3 percent throughout 2012.

Analysts generally expect the economic recovery to continue at a modest pace through 2012, and likely decelerate to some degree from the prior year, as stimulus funding and certain tax provisions for businesses expire, which will hinder capital investments made by businesses. In addition, leading economic indicators also suggest a significant slowing of overseas economies, reducing export growth. Weakened demand for U.S. goods overseas, combined with a slowdown of domestic consumer spending will stymie growth and further elongate the recovery effort. The increasing likelihood that Europe's financial woes will result in a full recession, and as domestic and foreign debt concerns increase the potential for further draconian austerity measures in the U.S. and abroad, governmental policy decisions may augment existing levels of uncertainty and consumer pessimism, and further restrain growth. In addition, the insufficient pace of growth may result in elevated unemployment for the foreseeable future, increased consumer savings rates and correspondingly weakened demand for credit. These variables (among others) indicate that interest rates will remain low, and may possibly necessitate another round of quantitative easing by the Fed in 2012 or early 2013, subject to domestic political considerations that may change considerably after November 6, 2012, following the outcome of the presidential election.

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 FY 2011 by 4.7 percent, following a 2.5 percent drop in the prior year, 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 28, 2012.

## 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**

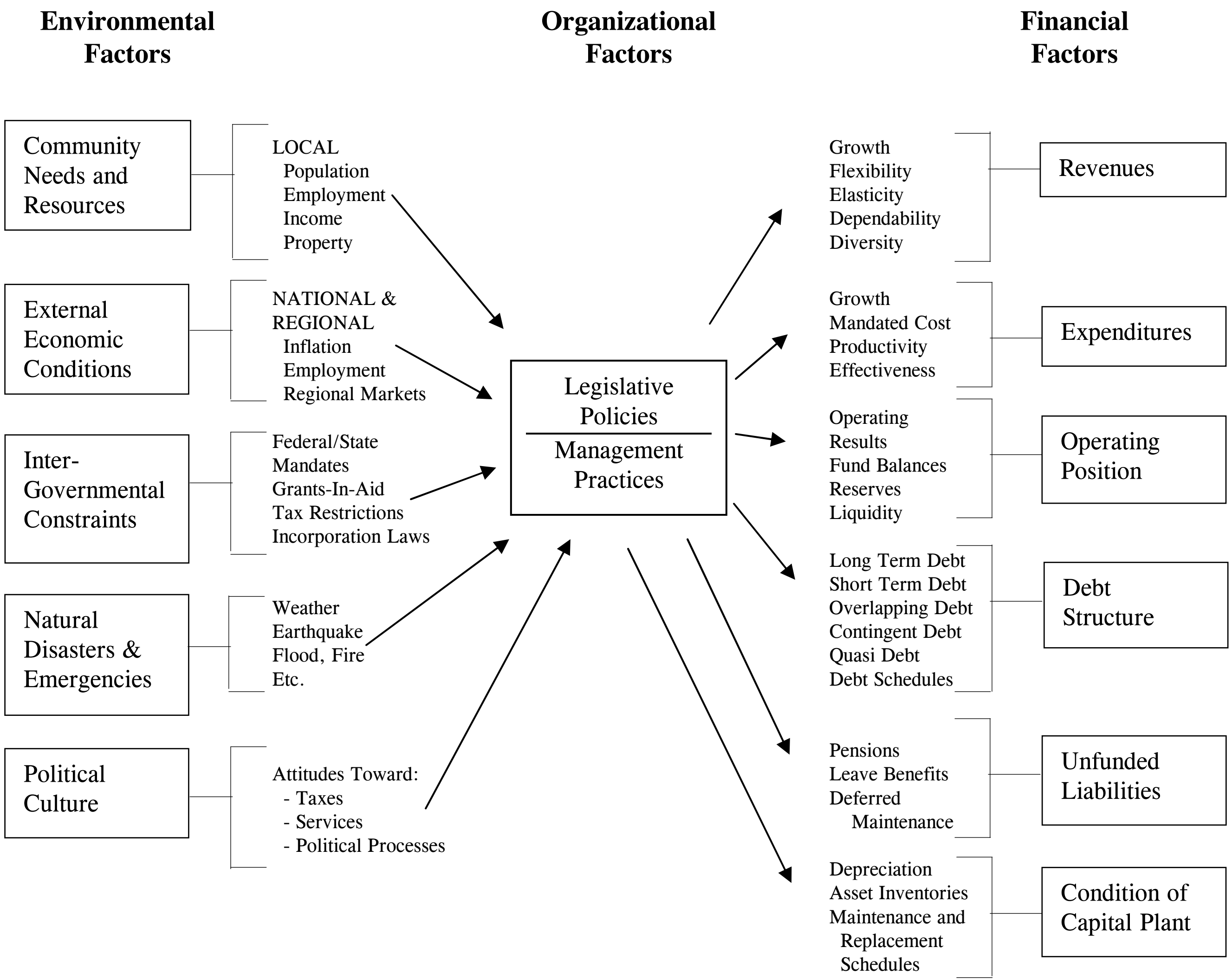
The financial indicators are the primary tools of the Financial Trend Monitoring System. They represent a way to quantify changes in the twelve factors. The chart on page 4 shows the twenty-eight indicators along with the factors with which they are associated. Many aspects of financial condition cannot 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

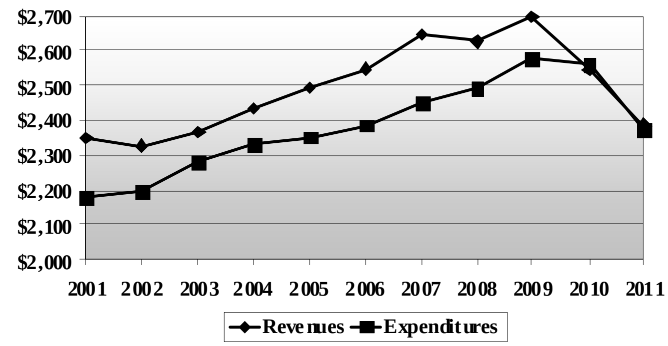
**WARNING TREND: Decreasing net operating revenues per capita (constant dollars). Increasing net operating expenditures per capita (constant dollars).**

*Formula:*

$$\frac{\textit{Net Operating Revenues/Expenditures}}{\textit{Population}}$$

**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 FY01 and FY09, the County's per capita revenues (in constant dollars) increased from $2,348 to $2,694, or 14.7 percent. However, in FY10, per capita revenues (in constant dollars) declined 5.5 percent from the previous fiscal year to $2,546, and dropped again in FY11 to $2,388, a decline of 6.2 percent. Per capita expenditures (in constant dollars) increased from $2,177 to $2,576, or 18.3 percent from FY01 to FY09, before falling 0.6 percent to $2,560 in FY10 and falling an additional 7.2 percent in FY11, at $2,375. During this eleven-year period, the County's population increased by 16.7 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 last economic recession in FY02. On the expense side, fixed costs increased significantly, mostly due to soaring energy prices - notably the costs of gasoline, diesel fuel, electricity, and heating costs (natural gas).

From FY09 to FY11, 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.

FY10 expenditures were somewhat exaggerated in the County's financial statements as a result of a General Accounting Standards Board (GASB) regulation that requires the full life of a new "capital lease" agreement be treated as an expenditure in the year that capital lease was implemented. In FY10, the School Board approved a new four-year contract with Dell to provide laptops to high school students at a cost to Henrico County of approximately $4.6 million annually. GASB regulations require the County to disclose an expenditure of $18.4 million ($4.6 million over four years) for this transaction in FY10, a figure that will not appear again in the financial statements until the lease is renewed. Largely due to the accounting of this capital lease, expenditures appear to outpace revenues in FY10 by $5.3 million. Excluding this capital lease, overall revenues in the General, Special Revenue, and Debt Service Funds outpaced expenditures by $13.1 million. Further, the exclusion of this capital lease resulted in a reduction in the County's overall expenditures in FY10 from the previous fiscal year, the first such annual reduction in expenditures since FY1942-43, when the City of Richmond annexed nearly half of the County's real estate tax base. This reduction was due to a number of factors, including the continuation of the hiring freeze that began in FY09, across-the-board reductions to all County departmental budgets, the refunding of all eligible County-owned debt (totaling $283.3 million in all), extending the replacement cycle of technology, and establishing a brand new culture in the way Henrico County operates now and into the future. These initiatives saved the County millions of dollars on the expenditure side of the ledger in FY10.

It should be noted that the overall trend for this indicator shows that Henrico County has a consistent history of meeting current expenditure requirements with current revenues and has avoided the use of one-time revenues in meeting operating expenditures. Because of the unique economic factors impacting revenues and "one-time" accounting transactions, FY10 will likely prove to be an anomaly going forward, as shown in the following fiscal year, FY11.

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, as noted above.

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 fact, after two years of declines, inflation adjusted (constant dollar) revenues per capita in FY11 are now at FY03 levels, and expenditures (constant dollar) have declined to FY06 levels. As a result of the significant reduction in expenditures to counter the unprecedented reduction in revenues, FY11 revenues per capita again outpaced expenditures per capita.

The County of Henrico continues to prepare multi-year financial plans that factor in infrastructure and operating requirements for an increasing population. Both the capital and operating budgets are cross-walked annually to ensure that all known costs of operations are recognized. Before the County issues any debt, a full debt affordability analysis is undertaken. Finally, in FY01 both the Henrico County School Board and the Henrico County Board of Supervisors agreed to a long-term financing plan that phased in $586.3 million in debt ($237.0 million authorized in the November, 2000 General Obligation Bond Referendum and $349.3 million in debt authorized in the March, 2005 General Obligation Bond Referendum) by controlling incremental expenditure growth for continuing operations at a maximum of 5.0 percent per year.

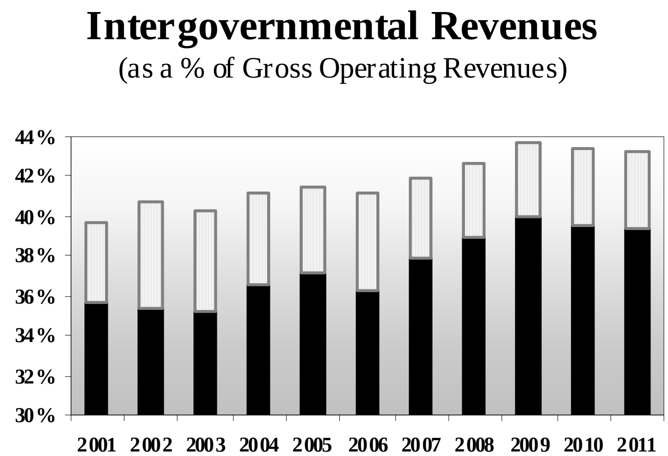
As the County slowly emerges from the depths of this past recessionary economic environment, pockets of positive local economic data provide a cautiously optimistic outlook in regards to the County's local revenue streams in FY12. While these "positives" are encouraging, there is continued concern regarding 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 FY12 budget. Fixed cost increases coupled with little to no 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. As a result, the County should continue to add to fund balance at the end of the fiscal year, barring any unanticipated expenditure requirements and/or any additional significant funding reductions from the Commonwealth of Virginia.

At this writing, a number of significant fixed cost increases have been identified in the coming FY13 budget process that require funding; however, revenues are projected to further decline in the fiscal year due to yet another decline in overall real estate valuations as of January 1, 2012. In fact, the County has identified a budget gap of approximately $53 million that must be covered to balance the FY13 budget. Significant expenditure reductions are once again necessary, which are becoming more and more difficult after four 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:*

$$\frac{\textit{Intergovernmental Operating Revenues}}{\textit{Gross Operating Revenues}}$$




**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 39.6 percent in FY01 to 43.3 percent in FY11, although as is described, 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 from 39.6 percent in FY01 to 43.3 percent in FY11, there are three distinct patterns that need to be noted, as the increase is largely misleading. The chart depicts an overall upward trend beginning in the time period examined. In 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 more than 26.0 percent, creating additional pressure on local revenues.

The second trend which is evident is that State Aid for all other program areas (Education, Public Safety, Jails, Constitutional Officers, Mental Health, etc), as a percentage of gross operating revenues, was actually *reduced* between 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 nine 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 – FY11 | $37.0 million |

From FY01 through FY07, PPTRA payments constituted between 4.0 and 5.0 percent of all intergovernmental aid received by the County. In each fiscal year from FY08 through FY11, PPTRA payments made up less than 4.0 percent of all intergovernmental 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 and at this current writing, the State's promise of maintaining reimbursement levels at 70.0 percent for the County's taxpayers slipped to 61.0 percent in 2008. This percentage has since risen to 68.0 percent in FY11, a result of declining vehicle valuations due to the economic environment. The differential is paid by the County's taxpayers.

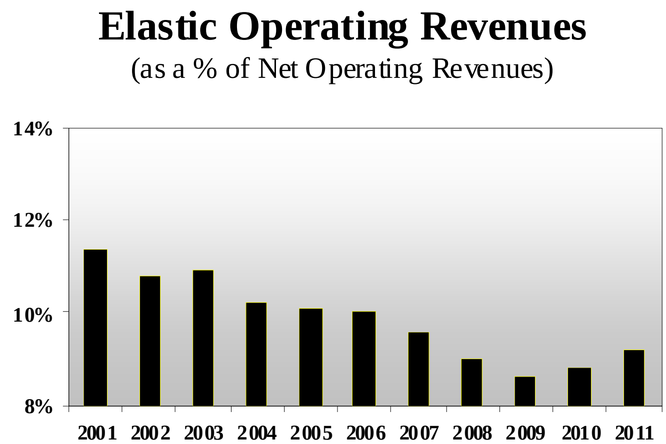
In December 2009, outgoing Governor Tim Kaine's 2010-2012 Proposed Budget recommended the elimination of the vehicle personal property tax altogether, including the State's PPTRA payments to localities as a means to offset the State's budget shortfall. Governor Kaine recommended a 1.0 percent income 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.

Since the beginning of this economic downturn, the State has cut billions of dollars from its budgets, most of which has 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 beginning in FY12, the State has been forced to rely on aggressive revenue estimates and further expenditure reductions to offset the loss of these one-time funds. At this writing, the State appears that it will meet its budget estimates in FY12, and further, the Governor's Proposed 2012-2014 Biennial Budget, currently being debated in the General Assembly, includes incremental expenditure growth. However, State funding to Henrico County would remain at levels experienced in FY07, six fiscal years ago. As such, 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:*

$$\frac{\textit{Elastic Operating Revenues}}{\textit{Net Operating Revenues}}$$




**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 11.4 percent of operating revenues in FY01 to a low of 8.6 percent in FY09. In this time period, there have only been four actual decreases in the amount of elastic tax revenues collected, in FY02 and FY08 through FY10, all during periods of economic recession. Elastic revenues, in total, increased 3.5 percent in FY11, 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, <u>Henrico reduced its operating reliance on these elastic revenues</u> prior to the actual recession of FY02. Second, <u>commercial taxpayers do not require the same service levels as residential taxpayers</u>, 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 FY02, due to the effects of the recession, elastic revenues actually declined from the $71.4 million recorded the prior fiscal year to $69.0 million. In FY03, the County's elastic revenues increased by 6.3 percent. In FY04, these revenues increased by another 1.6 percent and FY05 actual receipts increased by 6.3 percent. FY06 data reflects receipts of $85.2 million, which is a 7.6 percent increase over FY05. FY07 data reflects receipts of $89.3 million which is a 4.8 percent increase over the prior fiscal year.

In correlation with the beginning of the most recent recessionary economic environment, FY08 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. The reduction in gross elastic revenues these three fiscal years resulted from the downturn in the economy and the struggling housing market. 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, increased from in FY11 the previous fiscal year, to 8.8 percent.

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.

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 22.0 percent during the period.

Another positive note, Henrico County ranked second among all localities in Virginia for total taxable sales in 2010, only behind the much larger Fairfax County. Refer to the chart below for comparisons to other localities.

## 2010 Virginia Taxable Sales

Total Taxable Sales are from February 1, 2010 to January 31, 2011

| Rank | Locality | Total Taxable Sales | Population | Per Capita Sales |
|---|---|---|---|---|
| 1 | Fairfax County | $13,093,317,177 | 1,081,726 | $12,104 |
| 2 | Henrico | $4,717,139,313 | 306,935 | $15,369 |
| 3 | Virginia Beach | $4,690,141,163 | 437,994 | $10,708 |
| 4 | Prince William | $4,353,167,888 | 402,002 | $10,829 |
| 5 | Loudoun | $4,280,997,983 | 312,311 | $13,707 |
| 6 | Chesterfield | $3,363,333,027 | 316,236 | $10,636 |
| 7 | Arlington | $3,058,031,548 | 207,627 | $14,728 |
| 8 | Chesapeake | $2,914,222,025 | 222,209 | $13,115 |
| 9 | Norfolk | $2,554,999,044 | 242,803 | $10,523 |
| 10 | Richmond City | $2,121,673,956 | 204,214 | $10,389 |
| 11 | Alexandria | $1,969,266,259 | 139,966 | $14,070 |
| 12 | Newport News | $1,923,436,250 | 180,719 | $10,643 |
| 13 | Roanoke City | $1,676,331,018 | 97,032 | $17,276 |
| 14 | Hanover | $1,459,792,136 | 99,863 | $14,618 |
| 15 | Spotsylvania | $1,360,120,319 | 122,397 | $11,112 |

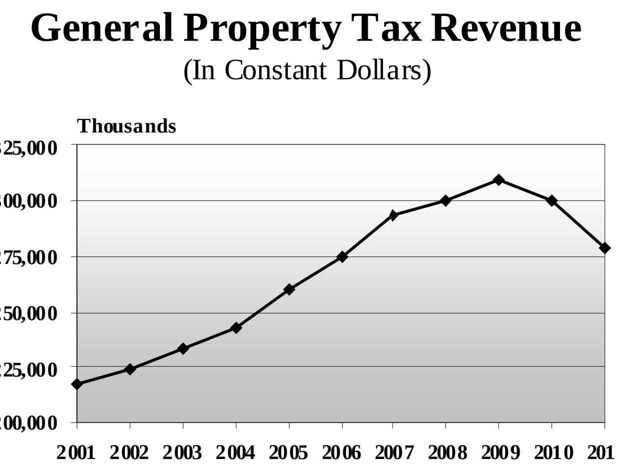
As of this writing, pockets of positive local economic information indicate a “bottom” has likely been reached and economic stabilization is imminent, though a slow recovery is expected. Through the first half of FY12 the County has experienced continued growth in BPOL collections, growth of more than 74 percent in structure and equipment permits, and steady local sales and use tax collections. In addition, two other elastic revenue sources (not considered in this indicator), personal property tax collections and hotel/motel tax collections, are both experiencing healthy growth as compared to the previous fiscal year. Also, a number of positive local economic development announcements have been made recently, many of which will result in the addition of jobs in Henrico County, critical to future economic recovery. However, the real estate market continues to struggle, as January 1, 2012 valuations reflect a 3.3 percent reduction in the overall tax base, the third consecutive year of overall decline.

With the continued decline in real estate valuations, combined with significant cuts already allocated by the State and little to no 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 or declining 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 70.2 percent of total **local** operating revenue in Henrico County in FY11. 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.

**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 $217.1 million in FY01 to $353.6 million in FY11. This represents an average annual increase of 5.1 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 CY01 and CY11, the County's unadjusted real estate tax base has increased by $14.9 billion.

In this eleven year time period, it should also be noted that when looking at these property tax revenues and comparing them to total net revenues, a revealing pattern emerges. Beginning in 1999, personal property tax payments paid by the State under the Personal Property Tax Relief Act (PPTRA) have been classified as intergovernmental revenues even though the assessment function is performed at the local level. 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 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 in FY10 and FY11. 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.

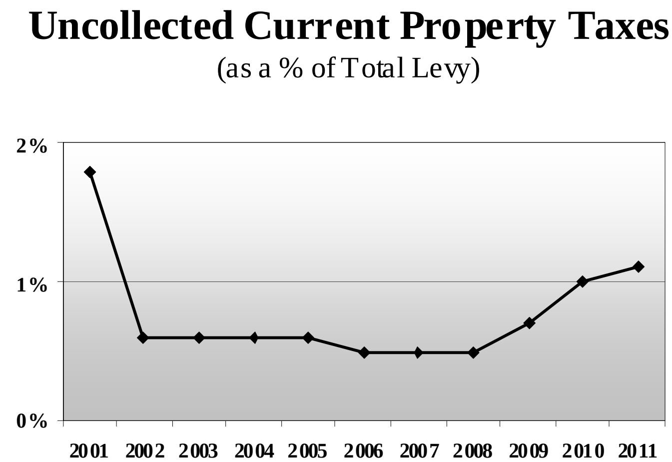
In FY10 and FY11, significant reductions in State aid to localities increased the reliance on property tax revenues. However, unadjusted property tax revenues dropped 2.0 percent in FY10, mostly due to real estate valuations declining 7.8 percent overall from January 1, 2009 through January 1, 2010. 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 reflect yet another decline in the overall real estate tax base of 3.3 percent, which will have an adverse impact on property tax collections in both FY12 and FY13.

Overall, the upward trend of the County's total tax base over this time period is a very positive trend. However, with the unprecedented number of properties that remain in foreclosure, in combination with a significant number of vacant office spaces, a recovery in the real estate market will likely take years to reach levels seen just four 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 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:*

$$\frac{\textit{Uncollected Current Property Taxes}}{\textit{Current Property Tax Levy}}$$




**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 1.8 percent in FY01, the high point in this time period, to the most recent level of 1.1 percent recorded in FY11.

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 FY11, 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, and 1.1 percent in FY11. 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 improved in 2011 with a 19.1 percent decline, however 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 FY11, at 7.0 percent, up from 6.9 percent the previous fiscal year. 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.

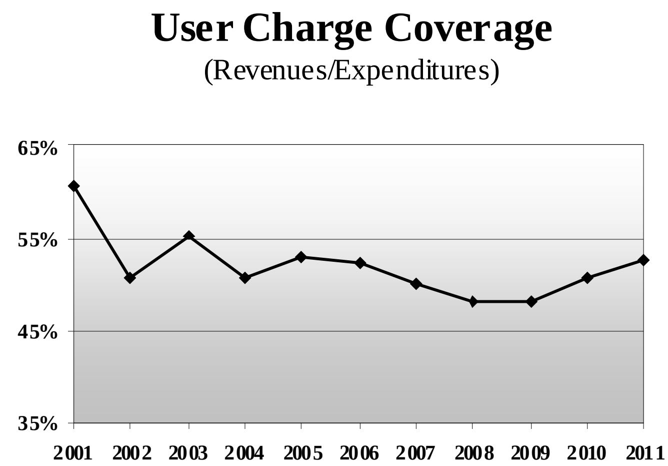
In looking at this indicator over the eleven-year time period, a peak is depicted in FY01. However, even at its peak, uncollected current property taxes as a percent of the total levy measured 1.8 percent, well below the 5.0 percent level that Bond Rating agencies consider negative.

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:*

$$\frac{\textit{Revenues from User Charges}}{\textit{Expenditures for Related Services}}$$




**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 61.0 percent for this eleven-year period, with a low of 48.0 percent occurring in FY08, and a high of 60.7 percent occurring in FY01. 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.

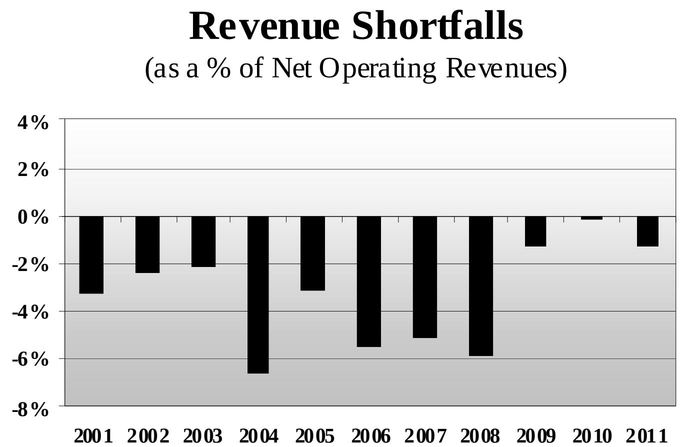
In looking at the larger operational components, the user charge coverage percentages for Building Inspections has typically been sufficient to cover the activities of that department. However, user charges as a percent of expenditures have fallen significantly in this economic downturn due to the significant 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. In FY11, user charge coverage for Building Inspections increased to 54.1 percent due to expenditure reductions made by the department. Mental Health's user charge coverage has actually increased over the eleven-year period from 38.5 percent to 42.4 percent due to third party fee payments made to that entity. The user charge coverage for Solid Waste has fluctuated, as in years where large capital expenditures are required for the landfill, operational revenues will not meet operational requirements. However, because Solid Waste has built up reserves for these occurrences, the operation has not been impacted in a negative manner. In looking at Recreation, the user charge coverage in this area has remained at approximately 5.0 percent throughout this time period. Also in this eleven-year time period, the School Cafeteria has typically generated sufficient revenues to cover operational requirements.

This indicator in the eleven-year period has averaged 52.0 percent. Excluding Recreation, the indicator has averaged 67.9 percent in the eleven-year period. Through the first six months of FY12, structure and equipment permit revenues have increased more than 74 percent from the same time period the previous fiscal year. In addition, most 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:*

$$\frac{\textit{Revenue Shortfalls}}{\textit{Net Operating Revenues}}$$




**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.

**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 three most recent fiscal years, FY09 through FY11, when the variances were 1.2 percent in FY09 and FY11, and 0.2 percent in FY10. **In no case in this eleven-year time period did the County's actual revenues not meet budgeted estimates**.

Looking at the trend since FY01, the County's annual revenue variance has averaged 3.3 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 the ability to continue to maintain a conservative revenue posture in the future as a means of ensuring operational and financial stability. In fact, in spite of the recessionary economic environment in FY08, the budget to actual revenue variance of 5.8 percent reflected the second highest level in this eleven-year period, only behind FY04, the first fiscal year after 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 second 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.

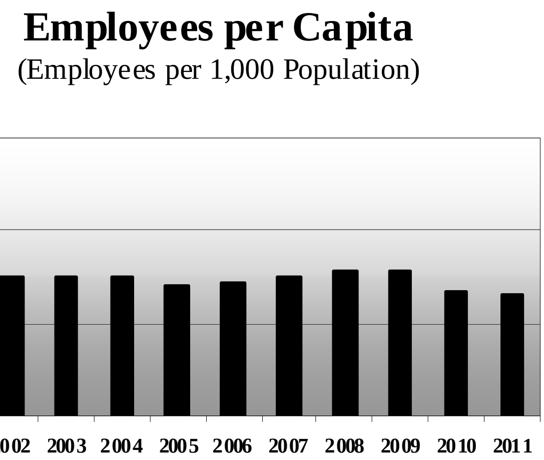
As the County slowly emerges from the depths of this past recessionary economic environment, pockets of positive local economic data provide a cautiously optimistic outlook in regards to the County's local revenue streams in FY12. While these "positives" are encouraging, there is continued concern regarding 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 FY12 budget. In response, a number of additional vacant positions were unfunded or eliminated, across-the-board operating reductions were once again applied to all County agencies, and a number of other targeted expenditure reductions were implemented. As a result, the County once again balanced the budget while maintaining conservative revenue estimates, and it is expected that the County will exceed its revenue estimates yet again in FY12, in spite of the numerous economic challenges.

At this writing, a number of significant fixed cost increases have been identified in the coming FY13 budget process that require funding; however, revenues are projected to further decline in the fiscal year due to yet another decline in overall real estate valuations as of January 1, 2012. Significant expenditure reductions are once again necessary, which will allow the County to remain as conservative as possible in its revenue estimates. However, with the County entering its fourth 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:*

*Number of General Government Employees*
*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 511 employees since FY01. 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 FY11 and this indicator measured 12.6.

Annual declines in the employees per capita indicator occurred in FY05 and the two most recent fiscal years, FY10 and FY11. 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 the lowest level in the time period examined, at 12.6 employees per 1,000 population. The County's hiring freeze remains in place at this writing, and although no additional positions have been eliminated at this time, 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.

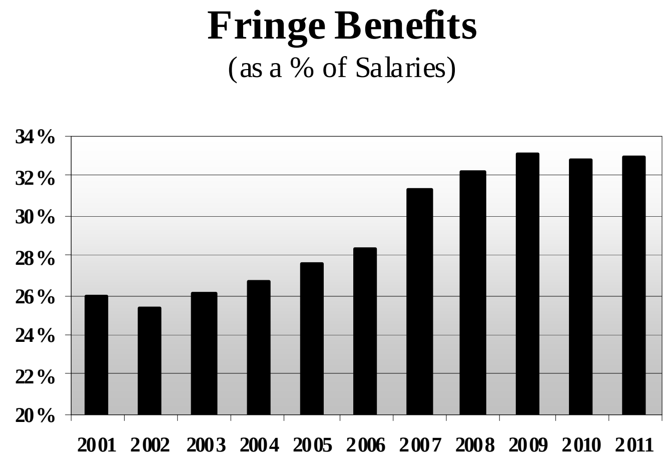
It should also be noted that between FY01 and FY11, a total of 86 positions have been added to the Division of Police's complement. This expansion has largely been aided by obtaining Federal Community Oriented Policing Services (COPS) Grants. During this same time period, 181 additional positions have been added to the Division of Fire's complement as a means of ensuring an increasing population continues to receive these critical services in a timely manner. The continued expansion of the County's EMS efforts is perhaps the largest reason for the increase in Division of Fire personnel although Homeland Security requirements have also impacted personnel numbers.

The graph above does not exclude departments that offer specialized services not offered by most localities in the State. Henrico County is one of two Counties in the State that maintain their own roads, and the information above includes 257 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:*

$$\frac{\textit{Fringe Benefit Expenditures}}{\textit{Salaries and Wages}}$$




**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 29.3 percent between FY01 and FY11. The high points reflected in this time frame are from FY07 through FY09, which measure 31.3 percent in FY07, 32.2 percent in FY08, and 33.1 percent in FY09. 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 second highest rate in the time period examined. 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 FY01 was $1,979. By FY11, this cost had more than tripled to $6,128 *per employee*, or a change of 209.7 percent. In the FY12 budget, the cost of health care increased to $6,450 *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 second cost that is outside of the County's control is the cost of Virginia Retirement System (VRS) and life insurance benefits. The past eight Trends documents have noted concern regarding these rising costs. The concern is principally focused on one-time budget balancing actions of the Virginia General Assembly that reduce a State contribution rate for a finite period of time (to reduce immediate costs) and in later years, increase contribution rates as a result of segments of the system that are "under-funded." A recent example of the impact of these past actions occurred in the FY05 budget, where the VRS rate for General Government employees increased by 42.5% in *one year*. The FY11 budget reflected a cost requirement of 17.16 percent of salaries for General Government employees – excluding teachers. Including teachers, the total cost for FY11 amounted to $58.1 million for Henrico County.

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. This decision, coupled with an estimated unfunded liability approaching $20 billion, has 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 (it should be noted that the employee's 5.0 percent contribution is more than twice the 2.08 percent State employer rate adopted for the first three quarters of FY12). Many other systemic changes to VRS continue to be explored by the State.

- ✓ In the Governor's Proposed 2012-2014 Biennial Budget, currently being deliberated in the 2012 Session of the General Assembly, the proposed VRS employer rate for teachers is increasing from 6.33 percent in FY12 to 11.66 percent in FY13, an increase of 84.2 percent in one year. It should be noted that the majority of VRS costs for teachers are paid for by Henrico County. Further, the County must pick up this significant cost increase in FY13 in spite of a projected decline in revenues due to decreased real estate valuations, resulting in the County being forced to absorb these costs through expenditure reductions elsewhere. In addition, embedded in this increase is a predetermined factor to allow for the gradual repayment of the VRS payment deferral noted above. In other words, the State's decision to defer VRS costs in FY11 will directly impact local School divisions for a number of years.

With the transition to a self-insured health care program, the County is no longer completely at the mercy of health care market trends, as the self-insurance fund includes a rate stabilization fund that is intended to "flatten out" future health care cost increases. However, VRS and life insurance benefits continue to remain completely outside of the County's control.

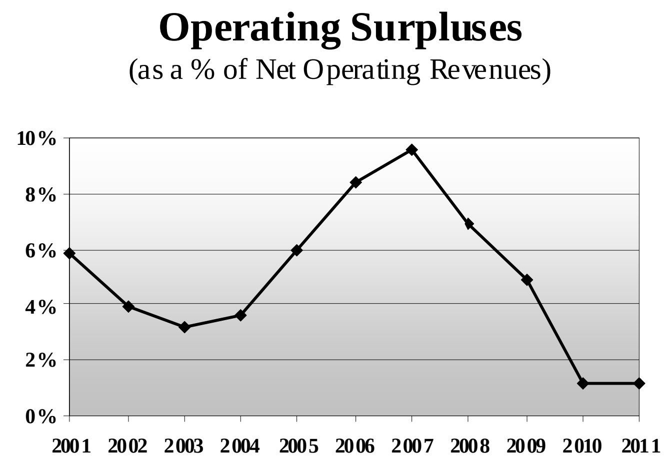
An additional cost that impacted this indicator is the VRS Life Insurance benefit for employees. This benefit was not funded by the State between FY02 and FY06 (and therefore – the County could not fund the local required amount). In FY07, the State re-instituted payment requirements, and in FY11, the 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, it was anticipated that a large increase in this area was forthcoming, as noted in last fiscal year's <u>Trends</u> document. In his Proposed 2012-2014 Biennial Budget, the Governor has 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:*

$$\frac{\textit{General Fund Operating Surpluses}}{\textit{Net Operating Revenues}}$$




**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.

**Trends:**
The County of Henrico has produced an operating surplus for each of the eleven years presented. After an operating surplus of 5.9 percent in FY01, 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 3.2 percent. In FY04, the operating surplus improved to a level of 3.6 percent, although the effects of the State's recent budget reductions continued to be reflected in this lower than average operating surplus. In FY05, the operating surplus returned to historic post-recession averages and measured 6.0 percent, followed by an 8.4 percent in FY06.

In FY07, with continued increases in the County's elastic tax revenues, the operating surplus reflected a variance of 9.6 percent, the highest surplus in this eleven-year period. In FY08, despite net operating revenue collection growth at its lowest level since the last recessionary period of FY02 and FY03, the operating surplus reflected a variance of 6.9 percent, well above the eleven-year average of 5.0 percent. In FY09, eighteen months into the worst recessionary economic environment since the Great Depression, the County achieved an operating surplus of 4.9 percent. In both FY10 and FY11, the County achieved an operating surplus of 1.2 percent, by far the lowest in the period examined. In FY10, the General Fund achieved an operating surplus of $11.5 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. It is a testament to the County's history of conservative financial policies of capping incremental expenditure growth annually and, as a result, estimating revenues extremely conservatively. In addition, the County has focused on completely changing the way it does business, with an eye always towards operational efficiencies and cost savings. This initiative has yielded significant sustainable expenditure reductions, critical as the County moves forward into a slow-growth economic environment.

The eleven-year trend of annual operating surpluses is an indication of Henrico County's sound financial condition and reflects Henrico's conservative budgetary policies. In addition, this trend reflects growth in recurring revenues that consistently exceed the growth in recurring expenditures and therefore minimize the use of one-time funding sources, such as fund balance. Going forward, no warning trend is noted.

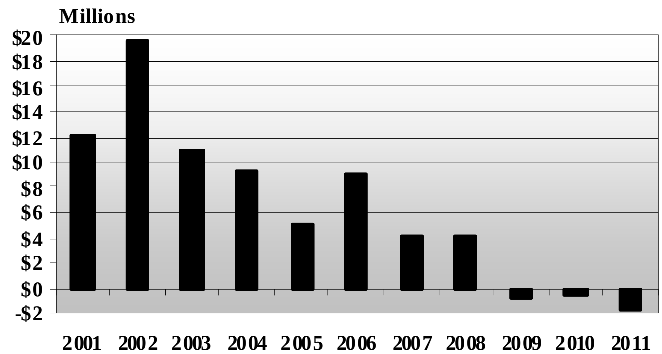
**WARNING TREND: Consistent enterprise losses.**

*Formula:*

*Enterprise Profits or Losses in Constant Dollars*

# Enterprise Profits or Losses

(In Constant Dollars)




**Enterprise Losses:**

Enterprise losses are a highly visible type of operating deficit. They show potential problems because enterprise operations are expected to function as a "for profit" entity as opposed to a governmental "not for profit" entity. Managers of an enterprise program may raise rates and find that revenues actually decrease because users reduce their use of the service. Enterprises are typically subject to the laws of supply and demand; therefore, operating deficits are distinct indicators of emerging problems. On the graph above, the **negative numbers on the scale represent operating losses**. It should be noted that depreciation expenses are included in this analysis.

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.

The upward trend between FY01 and FY02 reflected a combination of steady customer growth and moderate annual rate increases between FY95 and FY00 that were able to provide revenues sufficient to cover all current operating costs, including depreciation expenses. Water and Sewer rates were not raised in FY01, FY02, or FY03 due to sufficient bond coverage ratios and resources to fund long-term infrastructure repairs. Water and Sewer rates were increased slightly each year from FY04 through FY09 in order to ensure that long-term infrastructure continues to be maintained. No rate increase was given in FY10, followed by a slight increase in FY11.

From FY03 through FY11, a downward trend is evident in the chart above. There are a number of factors impacting this indicator during this time frame. First, it should be noted that, after increases in expenditures of 1.5 percent and 1.3 percent in FY01 and FY02, respectively, expenditures grew at increasing rates each year from FY03 (5.5 percent increase) through FY06 (9.1 percent increase). 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 three fiscal years, FY09 through FY11, reflect the only times in this eleven-year time frame that operating revenues were insufficient to cover operating expenditures. This is not indicating that the Water and Sewer Fund did not make an overall "profit" in these fiscal years. However, it does indicate that operating requirements from FY09 through FY11 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 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 three 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 FY01 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:

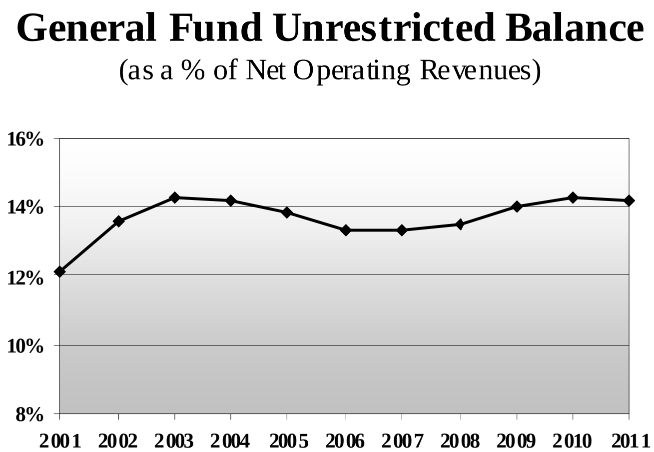
*"The current economic environment will likely take its toll on Belmont Golf Course and hinder revenue growth in the near future."*

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. Substantial improvement is not anticipated in FY12, 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. 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:*

$$\frac{\textit{Unrestricted General Fund Balance}}{\textit{Net Operating Revenues}}$$




**General Fund Unrestricted Balance:**
The level of a locality's unrestricted fund balance may determine its ability to withstand unexpected financial emergencies, which may result from natural disasters, revenue shortfalls, or steep rises in inflation. It also may determine a locality's ability to accumulate funds for large-scale one-time purchases without having to incur debt. *Note: This historical depiction is reflected differently than the percentages typically referred to in the Annual Fiscal Plan as "net operating revenues."* ***In the Trends document, this includes the General, Special Revenue and Debt Service Funds.*** *As such, the percentage reflected on this page is lower than what is reflected in the Annual Fiscal Plan, which reflects the General Fund Unrestricted balance as a percentage of General Fund expenditures.*

**Trends:**
Henrico County's unrestricted General Fund balance as a percentage of net operating revenues has grown from 12.1 percent in FY01 to 14.2 percent in FY11. As noted above, the depiction of this indicator in the Trends document is different than the indicator reflected in the Annual Fiscal Plan.

Looking at the trend, between FY01 and FY03, the County's percentage of unrestricted fund balance reflected an upward trend before leveling off in FY04 and remaining constant at 13.3 percent for FY06 and FY07. 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 only dropped slightly to 14.2 percent.

This is particularly positive considering that during FY02, FY03, and FY04, the County's revenues were impacted by State funding reductions, and the effects and after-effects of a national recession. Of even greater significance, the County's overall unrestricted fund balance grew by 8.3 percent from FY07 to FY11, amidst the worst economic environment since the Great Depression. The increase in this indicator has been influenced by the County's conservative posture when estimating available revenues and expenditure controls imposed on both General Government and Education.

In FY04, the County of Henrico faced a significant natural disaster, *Hurricane Isabel*. In the aftermath of the storm, the County's Board of Supervisors was able to appropriate over $20.0 million for the massive cleanup that was required. In FY05, the County of Henrico was deluged with *Tropical Storm Gaston* and the Board again was able to quickly react to the damage to public facilities by appropriating $8.0 million. The fact that the County has a strong unrestricted fund balance ensures that in times of emergency, the County has the resources to react quickly and effectively to ensure that the service delivery our residents expect continues in the manner expected.

In spite of the continuing economic troubles and subsequent revenue declines, particularly in the areas of State aid and real estate, as noted on numerous occasions throughout this document, the County's unrestricted General Fund balance *as a percentage of net operating revenues* will likely increase once again in FY12. Because of adjustments made to expenditures in FY12 to offset anticipated declines in revenues, the County will likely add to fund balance on June 30, 2012. Also, because of an anticipated net decline in operating revenues in FY12, if unrestricted General Fund balance remains relatively flat, an increase will be reflected in this indicator for FY12.

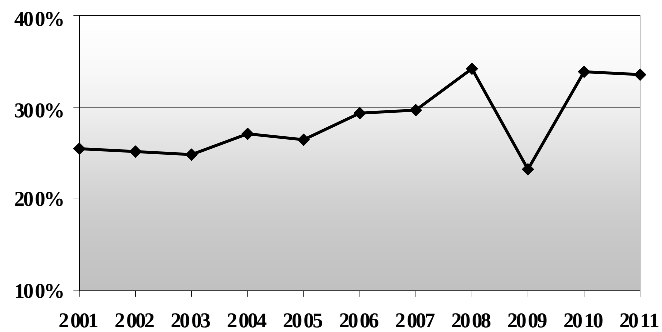
Overall, the County's Unrestricted General Fund Balance reflects a positive trend since FY01 that places Henrico in a desirable position for a local government. Henrico County has been assigned an AAA/AAA/Aaa bond rating, making it one of 34 counties in the nation to hold such a rating. The maintenance 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 such, no warning trend is 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
(Cash & Investments as a % of Current Liabilities)




**Liquidity:**
A good measure of a locality's short-run financial condition is its cash position. "Cash position" includes cash on hand and in the bank, as well as other assets that can be easily converted to cash, such as short-term investments. The level of this type of cash is referred to as liquidity. It measures a locality's ability to pay its short-term obligations.

Short-term obligations include accounts payable, the principal portion of long-term debt and other liabilities due within one year of the balance sheet date. The effect of insufficient liquidity is the inability to pay bills or insolvency. Declining liquidity may indicate that a locality has overextended itself.

**Trends:**
A liquidity ratio of greater than 1:1 (more than 100 percent) is referred to as a "current account surplus." Henrico County has been successful in achieving a current account surplus for the eleven-year period shown. In the eleven year period from FY01 to FY11, cash and short-term investments grew at an average annual rate of 8.3 percent, outpacing the average annual growth in current liabilities in that eleven year period of 6.8 percent.

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.

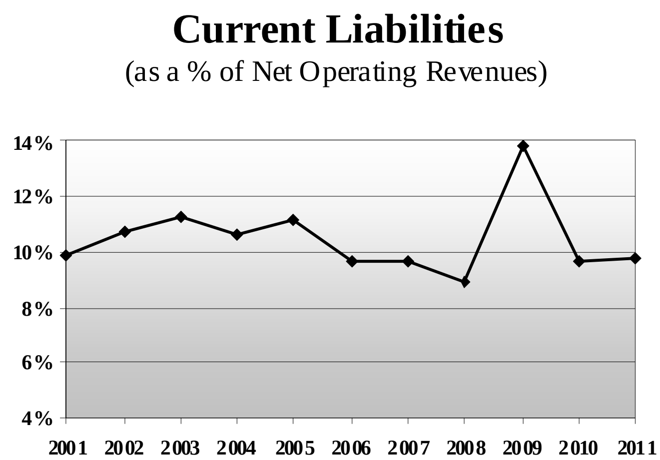
Over the past eleven years, the County has maintained an average liquidity ratio of 2.85:1, which is more than *twice* the defined “current account surplus” above. The low point in this indicator of 2.32:1 was experienced in FY09. By performing annual debt capacity reviews and by compiling a five-year 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.

No warning is warranted for this indicator.

**WARNING TREND: Increasing current liabilities at end of year as a percentage of net operating revenues**.

*Formula:*

*Current Liabilities*
*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 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.

There are two large components that make up this indicator, the first of which is recorded "accounts payable." The FY11 total for this liability measured $48.7 million, which reflects a slight increase of less than one percent when compared to the FY10 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 a slight increase of 0.05 percent in FY11.

In November 2000 the voters approved a $237.0 million General Obligation Bond Referendum. In March of 2005, the voters approved a $349.3 million General Obligation Bond Referendum. Both referenda included School, Fire, Roadway, Public Library, and Recreation and Parks projects. The County of Henrico chose to phase in this debt over a multi-year time period (both referenda assume the debt would be phased in over a seven-year time frame). By taking this approach, the County has been able to pay required debt service costs and ancillary operating expenses without negatively impacting its operating budget and this indicator is reflective of that planning.

For this eleven-year period, this ratio has been between 8.9 percent and 13.8 percent of net operating revenues. Although the general trend over this time period is upward, the fact that the County has not experienced significant annual changes in this indicator, excluding the misleading increase in FY09, is reflective of the County's conservative financial management approach. Also, this consistency is reflective of the County's conservative debt management practices and successful long-term planning for infrastructure improvements. This indicator is very much aligned with the next two indicators: 1) long-term debt as a percentage of assessed valuation and 2) debt service as a percentage of net operating revenues.

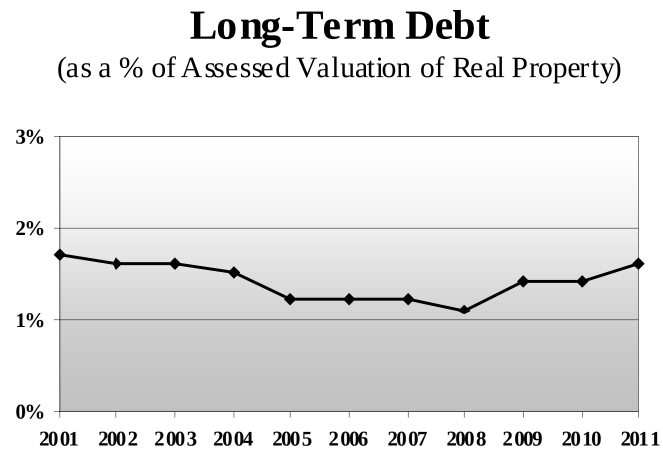
The County issued $66.1 million in new debt in FY12, which completed the March 2005 GO Bond Referendum. With no new debt planned to be issued in the immediate future, no long term warning trend is noted.

**WARNING TREND: Increasing amount of net direct long-term debt as a percentage of assessed valuation of real property.**

*Formula:*

$$\frac{\textit{Net Direct Bonded Long-term Debt}}{\textit{Assessed Valuation of Real Property}}$$

**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 FY01. 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 FY11, the County's net direct long-term debt was $499.9 million, which reflects a net increase of $39.4 million when compared to FY10.

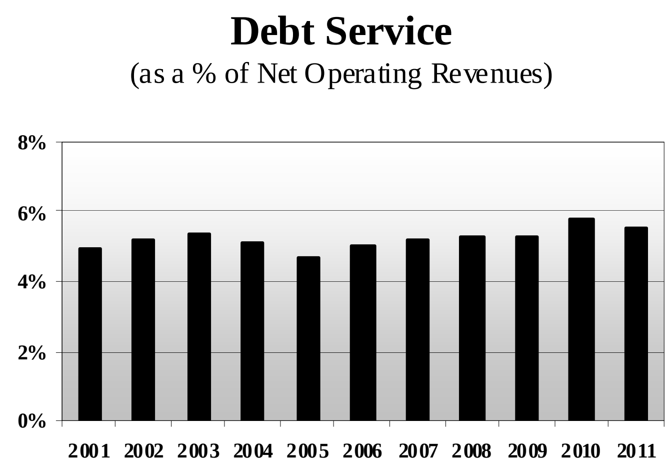
The County performs a debt affordability analysis (outside of the depiction in the Trends document) that calculates an indicator similar to the methodology employed above. In the debt affordability analysis, personal property is added to real property when determining "long-term debt as a percent of 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.

As a note, the County issued $66.1 million in new debt in FY12, completing the March 2005 GO Bond Referendum. Combining the increased outstanding debt with another 3.3 percent decline in real estate valuations on January 1, 2012, this indicator will remain elevated in the immediate future. However, 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:*

$$\frac{\textit{Debt Service}}{\textit{Net Operating Revenues}}$$




**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 FY10, 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.

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 took part in another bond refunding in May 2010 that generated significant savings mostly targeted for FY11 through FY13.

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 is due in 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 has been issued, which will increase this indicator in the near future as revenue growth remains slow. However, this debt issue was the last of the March 2005 GO Bond Referendum, and a new 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 <u>different</u> 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 <u>Trends</u> document does cross-verify the results of the debt affordability analysis.

**WARNING TREND: Increasing days of unused vacation leave per municipal employee**.

*Formula:*

*Total Days of Unused Vacation Leave*
*Number of General Government Employees*


**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 23.7 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. The FY09 accumulated vacation leave indicator remained relatively constant with FY08. 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. In the entire eleven-year period, this indicator has fluctuated within a range of 3.5 days.

The overall slight upward movement since FY01 is also reflective of the County's workforce, which is aging to a certain extent and employees with more seniority earn more hours of vacation leave than less senior employees. Henrico County's vacation leave indicator will generally increase as the average length of employment of County employees' increases.

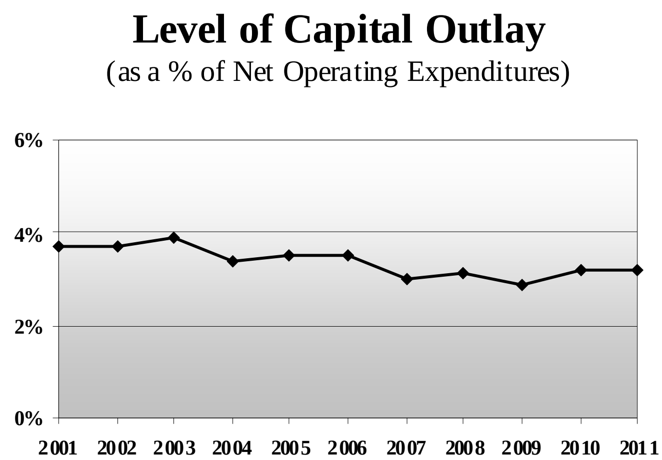
The most recent information suggests the County has a workforce whose average age is 44. The average County employee has been with the County for eleven years (Source: Human Resources Department).

No warning trend is noted for this indicator.

**WARNING TREND: A decline in capital outlay in operating funds as a percentage of net operating expenditures.**

*Formula:*

$$\frac{\textit{Capital Outlay from Operating Funds}}{\textit{Net Operating Expenditures}}$$




**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 FY01, this indicator reflected a total of 3.7 percent, while the FY11 total measures 3.2 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 3.4 percent of net operating expenditures throughout this eleven-year period.

In the recessionary economic environment of FY02 through FY04, in spite of a number of revenue challenges, particularly reductions in State aid, the County was able to maintain a stable level of capital outlay expenditures. This may be considered positive as the County was not forced to defer capital outlay expenditures in order to maintain a balanced budget. However, the current economic difficulties have presented much deeper revenue challenges than experienced in FY02 through FY04.

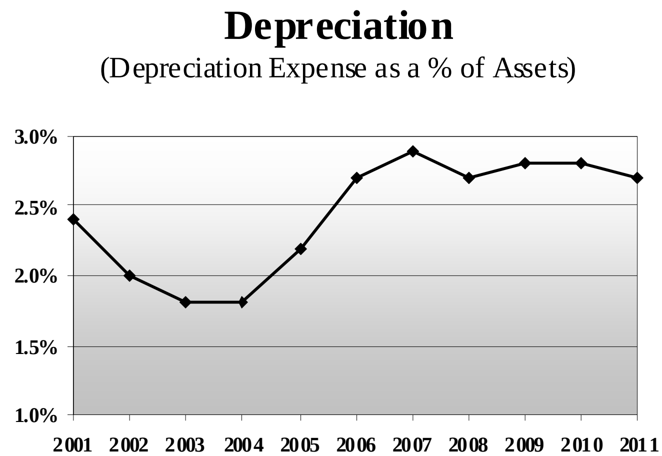
In FY09, the indicator fell to the lowest level in the eleven-year time frame at 2.9 percent. However, as in FY08, the indicator rebounded in FY10 to 3.2 percent and remained flat in FY11 in spite of across-the-board operating budget reductions in both fiscal years. It should be noted that in FY12, a third round of across-the-board budget reductions were implemented, and the FY13 budget development process will include yet another round of reductions to all departments. With four 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.

The overall consistency in capital outlay expenditures in the eleven years examined may be viewed as a positive trend as current capital outlay needs are being met within existing resources. These capital outlay expenditures are largely concentrated in the areas of new computer equipment, replacement computers, and replacement vehicles, particularly in the area of public safety.

**WARNING TREND: Decreasing amount of depreciation expense as a percentage of total depreciable fixed assets for Enterprise Funds and Internal Service Funds.**

*Formula:*

$$\frac{\textit{Depreciation Expense}}{\textit{Cost of Depreciable Fixed Assets}}$$




**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 new Water Treatment Plant resulted in an increase in County "assets" of nearly $92.0 million over a two-year period, although that increase is really of a one-time nature. The drop in FY08 is a result of a change in the capitalization threshold for personal property (furniture, vehicles, and equipment/software) from $2,500 to $5,000. In FY09, depreciation expenditures as a percentage of depreciable fixed assets yielded 2.8 percent, a slight increase from the prior fiscal year indicator of 2.7 percent. This indicator has remained relatively constant at 2.8 percent in FY10 and 2.7 percent in FY11.

What this graph shows clearly, is that with the standardization in the recordation of fixed assets that is the result of GASB 34, this indicator now reflects a level that is slightly higher than that noted in the 1990's. This result was anticipated as assets of the Enterprise Fund continue to increase in value as the number of customers and the assets of the system continue to increase.

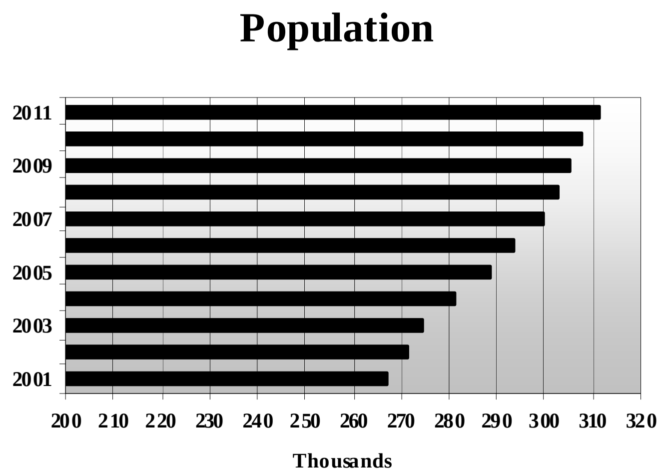
The absence of a truly downward trend suggests that the County's depreciable assets are not currently being used past their depreciable useful life.

No warning trend is noted for this indicator.

**WARNING TREND: A decreasing growth rate or a sudden increase in population**.

*Indicator:*

*Population of County Residents*




**Population:**
Empirical evidence indicates that changes in population can have a direct effect on a locality's revenue because of the impact upon related issues, such as employment, income, and property value. A sudden increase in population can create immediate pressures for new capital outlays for infrastructure and for higher levels of service, particularly in the areas of Education, Public Safety and Recreation.

A locality faced with a declining population is rarely able to reduce expenditures in the same proportion as it is losing population. Many expenditures such as debt service, government mandates, and salaries are fixed and cannot effectively be reduced in the short run. In addition, because of the interrelationship between population levels and other economic and demographic factors, a decline in population tends to have a cumulative negative effect on revenues - the further the decline, the more adverse the effect on employment, income, housing and business activity.

**Trends:**
The County of Henrico has experienced a steady growth in population from 267,024 in FY01 to 311,726 in FY11, an increase of 16.7 percent in this eleven-year time span, or an annual average increase of 1.5 percent per year. In the eleven-year period, the County's resources have kept pace with the increased demand for services from a rising population.

According to the 2000 United States Census, Henrico and Chesterfield were in competition for the largest population within the Central Virginia region with Henrico having a slightly higher total. 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.

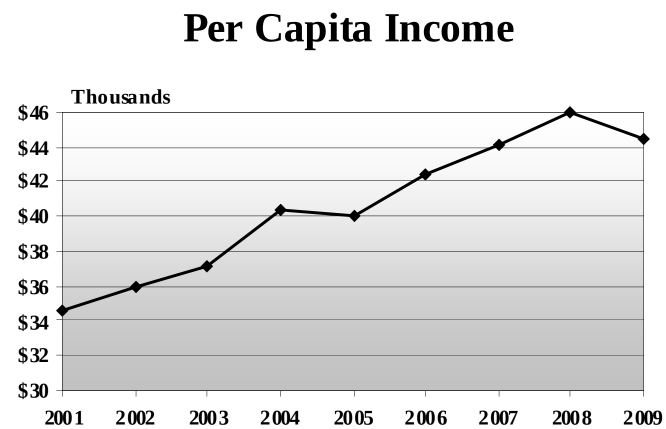
The population numbers for FY01 and FY11 represent actual Census Data. All other years have been obtained from the Henrico County Department of Planning (see website: www.co.henrico.va.us).

Henrico continues to prepare for expanded and enhanced services to serve an increasing population as evidenced by construction of new facilities for education and recreation, as well as additional roads, fire stations and libraries, and by continuing to maximize the use of technology to enhance productivity and thereby minimize requirements for additional personnel.

**WARNING TREND: Decline in the level, or growth rate, of personal income per capita.**

*Indicator:*

*Per Capita Income*
*Source: Bureau of Economic Analysis*




**Per Capita Income:**
Per capita income is one measure of a community's wealth. Credit rating agencies use per capita income as an important measure of a local government's ability to repay debt.

A decline in per capita income causes a drop in consumer purchasing power and can provide advance notice that businesses, especially in the retail sector, will suffer a decline that can ripple through the rest of the local economy. Changes in per capita income are especially important for communities that have little commercial or industrial tax base, because personal income is the primary source from which taxes can be paid.

**Trends:**
In the nine years depicted above, per capita income has increased by 28.6 percent from $34,534 in 2001 to the $44,423 reported for 2009. It should be noted that this indicator factors in increases to the County's population, which increased 14.4 percent between 2001 and 2009.

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 2009 tax year.

From the recessionary period of the early 1990's through 2005, this indicator consistently increased. In calendar years 2001 and 2002, there was a steady increase in the per capita income average growth rate, at 3.8 percent and 4.0 percent, respectively. In calendar year 2003, the growth rate decreased slightly to 3.1 percent. The 2004 data reveals that per capita income in Henrico County reached its highest growth rate in the nine-year period at 8.6 percent, which represents a dramatic increase from the previous calendar year. In 2005, however, this indicator leveled off and actually decreased by 0.5 percent from the previous year. In calendar year 2006, the increase was a healthy 6.0 percent, followed by an increase of 3.8 percent in 2007. 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. The results can be seen in this indicator in 2009, as per capita income dropped 3.2 percent.

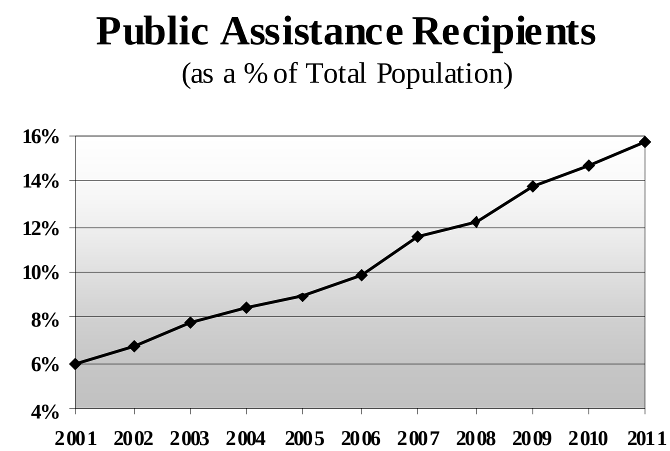
It should be noted that while the County's population has increased by an annual average of 1.5 percent in the past eleven years, taxpayer returns from County residents reflect an average annual increase of 2.7 percent in the *nine* years reflected on the graph above.

**WARNING TREND: Increasing number of public assistance recipients.**

*Formula:*

$$\frac{\textit{Public Assistance Recipients}}{\textit{Total Population}}$$

**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 15.7 percent in FY11, 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.

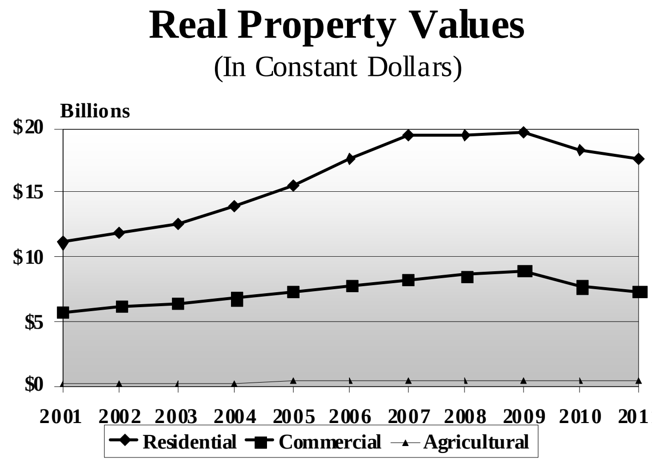
The Medicaid population has increased dramatically over the past eleven years, which has driven the increase in the number of public assistance recipients. There are currently more than fifty different categories that qualify for Medicaid coverage. Henrico has an aging population that requires long-term 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 2011, the Supplemental Nutrition Assistance Program (also recognized as the food stamp program) caseload increased 96.2 percent, the Temporary Assistance for Needy Families (TANF) caseload increased by 16.9 percent, and the number of individuals receiving Medicaid increased by 48.9 percent (Source: Henrico County Department of Social Services). 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.

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. The reasons for this decrease are twofold. First, the struggle in the residential real estate market hindered property value increases, as evidenced by residential reassessment values only increasing 2.6 percent in January 2008, the lowest year-over-year increase since 1995. Second, the property values noted in the graph are inflation adjusted (constant dollars), and in FY08 the consumer price index (CPI), commonly referred to when measuring inflation, yielded a 5.0 percent increase over the prior year. It is important to note that unadjusted real property values actually increased nearly $1.1 billion or 4.7 percent in FY08 from the prior fiscal year.

In FY09, residential property values (in constant dollars) reflect a slight increase after the decline in FY08. The reasons for this increase are solely attributed to the deflationary environment in FY09, as the CPI posted a 1.4

percent decline from the inflated levels experienced in FY08. The market value of residential real estate actually slightly declined in FY09 by 0.3 percent. However, because of the decline in the CPI, the indicator reflects positive growth in real property values (in constant dollars).

FY10 experienced unprecedented declines in real estate valuations, as constant dollar residential property values declined 6.4 percent and constant dollar commercial property values declined 13.9 percent. Residential foreclosures and increasing office space vacancies significantly impacted the local real estate market in FY10. Problems continued in the local real estate market in FY11, as real estate valuations declined yet again in January 2011. Constant dollar residential property values dropped 0.8 percent due to elevated numbers of residential foreclosures and constant dollar commercial property values dropped 1.5 percent, as office vacancies remained high.

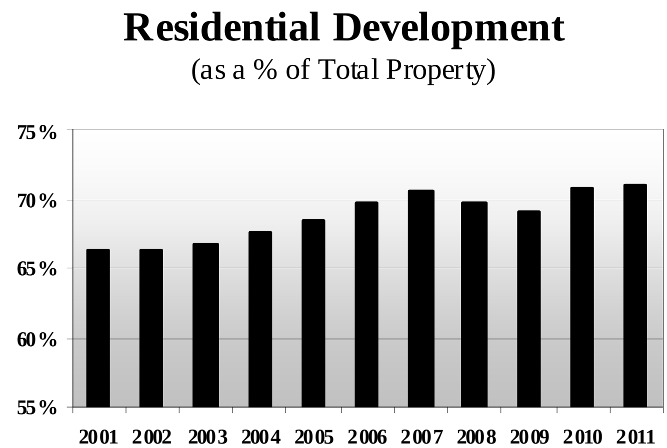
Residential foreclosures and vacant office space remain at historically high levels. Until the County can bring back a substantial portion of the more than 8,500 jobs lost in this most recent recessionary economic environment, residential foreclosures will likely remain at high levels and commercial real estate, notably office space, will remain vacant. As such, a warning trend is noted for the immediate future.

**WARNING TREND: Increasing market value of residential development as a percentage of market value of total development.**

*Formula:*

$$\frac{\textit{\textbf{Market} Value of Residential Development}}{\textit{\textbf{Market} Value of Total Development}}$$

**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.




The location of new residential development is also important. Houses built on the outer fringe of a community can impose a far greater initial cost to local government than houses built within developed areas. This is because the locality must provide capital items such as streets, sewer lines, water mains, education facilities, and fire stations to service the new development. The extent to which new residential development affects the financial condition of a particular community will depend on the community's economy, tax structure, and expenditure profile.

**Trends:**
Residential development as a percentage of total property market value in Henrico County has ranged from a low of 66.3 percent in 2002, to a high of 71.0 percent in the most recent year, 2011. The indicator shown above for 2001 was 66.4 percent. In 2003 and 2004, this indicator increased slightly to a level of 66.7 percent and 67.5 percent, respectively. This indicator continued to rise in 2005 with 68.4 percent, 2006 with 69.7 percent, and in 2007 with a high of 70.6 percent. In 2008, the indicator again fell below the benchmark of 70.0 percent to 69.8 percent and in 2009 dropped again to 69.1 percent. In 2010, the indicator rose to 70.8 percent and in 2011 increased again to 71.0 percent.

Market value is slightly different from assessed value in that market value includes the value of land use properties that would be deducted when assessing the property for tax purposes. The County is required to report market value to the State. The indicator above does not reflect inflation-adjusted values.

In 2001, commercial property market values (including multi-family) outpaced the growth of residential property values, as commercial value increased 10.6 percent and residential values increased 10.4 percent. From 2003 to 2007, increases in residential market values outpaced increases in the commercial segment of the market. As noted within the "Real Property Value" indicator, both the residential and commercial components of the Real Estate Tax base increased at rates that exceeded the rate of inflation. In this time period, the low interest rate environment spurred significant growth in residential real estate. Also, banks were lending funds to nearly any inquiring consumer, without regard to the borrower's ability to repay the loan. However, the factors that allowed the residential real estate market to thrive in this time span has been the driving factor behind the current struggles of the real estate market and the near collapse of the entire national financial sector. In 2008, increases in commercial values remained relatively strong but residential values began to show signs of slowing down, as reassessments increased only 2.6 percent in 2008. In total, residential market value increased 4.7 percent due to new construction, while total commercial market value increased 9.0 percent. As a result, the Residential

Development indicator fell to 69.8 percent in 2008.

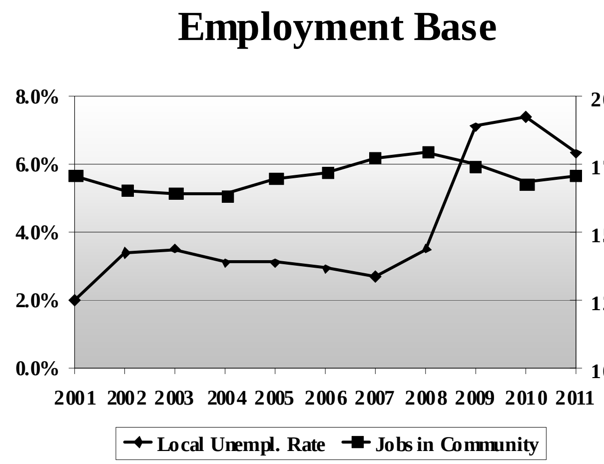
In 2009, the Residential Development indicator fell again, to 69.1 percent. As noted in the Real Property Value indicator narrative, residential real estate valuation actually declined by 0.3 percent in 2009, while commercial valuation increased over 3.1 percent. In 2010, because of sharp increases in 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 that of residential valuations that dropped 0.7 percent.

The residential real estate market continues to struggle in 2012 while some signs of life are being reflected in the commercial real estate market. Residential real estate valuations have declined for the fourth consecutive year, by 4.9 percent, driven by continued high levels of residential foreclosures. Commercial real estate valuations have increased slightly by 0.7 percent as a result of increased reassessments of existing commercial properties and new construction. As a result of the large differential between residential valuation decline and slight commercial growth, this indicator will again dip below the 70.0 percent goal in 2012. 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 would fill vacant office space, and would provide families with the household income needed to make timely mortgage payments. Until the County replenishes the numerous jobs lost 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.

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 2.0 percent for 2001. In 2001, local economic conditions were improving, which resulted in a low unemployment rate. The 2002 unemployment rate depicts an increase to 3.4 percent and 2003 showed a leveling off of the local unemployment rate at 3.5 percent. The 2002 and 2003 increases were indicative of the recessionary period at the time. In 2004 and 2005, the unemployment rate remained constant at 3.1 percent. The 2006 unemployment rate of 2.9 percent as well as the 2007 unemployment rate of 2.7 percent illustrates the improvement in economic conditions at the time from the prior recessionary period. With the 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, before falling in 2011 for the first time since 2007 to 6.3 percent. 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 2011, the unemployment rate has further improved to 6.0 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 2001 through 2008, the number of jobs in Henrico increased from 170,793 to a peak of 179,426. As a result of the economic downturn, by 2011, the number of jobs in Henrico declined to 170,581, less than in 2001. 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. 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.

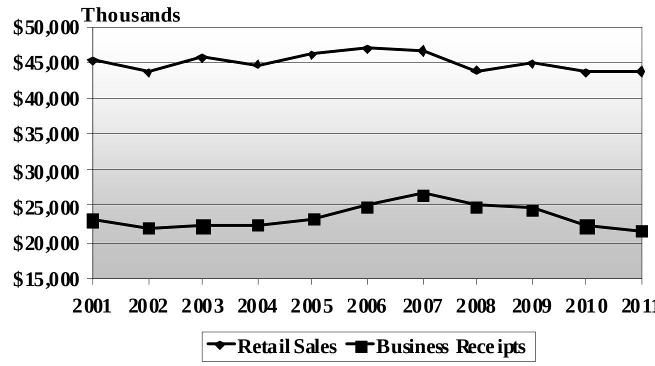
A number of economic development announcements have been made recently, many of which will bring new jobs into the County. However, as noted above, it will take many years to make up for the 8,500 jobs Henrico lost in the most recent economic recession. As such, a warning trend continues to be noted 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 Retail Sales and Business Receipts**
(In Constant Dollars)




**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.

**Trends**:
I. Local Retail Sales Tax Receipts:
The above graph indicates that local sales tax receipts, in constant dollars, reflect a reduction from $45.1 million in FY01 to $43.6 million in FY11. The elasticity of this revenue stream is evidenced by the declines in FY02 and FY08, both of which represent the beginning of a recessionary economic environment. Prior to that, the more recent upward trends were marked by a healthy local and national economy as seen during much of the 1990's and economic recovery period between 2004 and 2007.

With the retraction in FY02, sales tax receipts decreased. However, a surprising thing occurred in FY02. In spite of the decline in total sales tax receipts, Henrico County's retail sales as a percentage of total sales in the Richmond Metropolitan Area (including the City of Richmond and Chesterfield County) actually *increased* from the FY01 level of 45.98 percent to 48.91 percent. This occurred because Henrico's diversified retailers offered more of a choice to the region's shoppers during this recession. In FY03, local sales tax receipts rebounded from the previous year, increasing by 4.8 percent representing the largest constant dollar increase since FY00. In FY04, inflation adjusted sales declined from $41.8 million to $40.8 million, decreasing by 2.4 percent from the previous fiscal year. This decline was driven by an increase in the inflation factor, which overshadowed the increase in local sales tax receipts. FY05 inflation adjusted sales of $42.1 million and the FY06 inflation adjusted sales of $42.8 million reflects increases of 3.2 percent and 1.7 percent, respectively. In FY07, inflation adjusted sales declined slightly from $42.8 to $42.6 million.

In FY08, inflation adjusted sales declined from $42.6 million to $40.0 million, a decrease of 6.0 percent from the prior fiscal year. This year-over-year decrease is by far the highest recorded in this eleven-year time period. The reasons for this decrease are twofold. First, as mentioned above, local sales tax collections are highly elastic and the recessionary economic environment present through much of FY08 hindered growth in this revenue source. It should be noted that real unadjusted local sales tax revenue declined 1.3 percent in FY08 from prior fiscal year collections. Second, like the Real Property Value indicator, the values noted in the graph are inflation adjusted (constant dollars), and in FY08 the consumer price index was measured at 5.0 percent, the largest such increase since 1989.

While the inflation factor negatively impacted inflation adjusted local sales tax collections in FY08, the reverse happened in FY09. With the CPI actually *declining* in FY09, reflecting a period of deflation, inflation-adjusted sales tax collections posted 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 $42.1 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 FY11, 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 down 1.0 percent in FY12, mostly due to normalizing collections from a number of one-time collections in FY10 as a result of identified sales tax miscodings to other localities. 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, the near term warning trend noted in this document last year has been lifted and no long-term warning trend is noted.

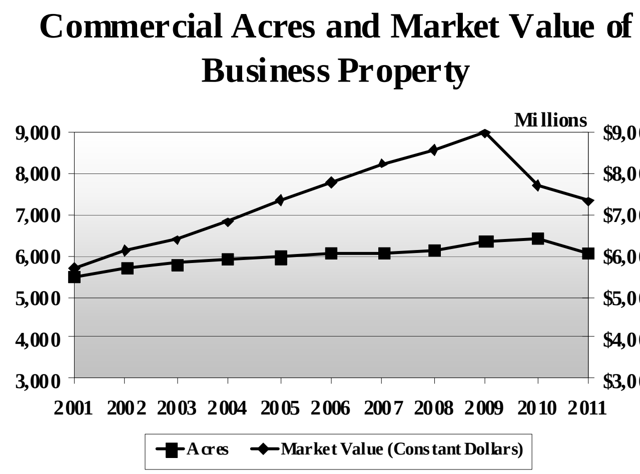
II. <u>Local Business and Professional License (BPOL) Tax Receipts:</u>
The graph for the eleven-year period shown on the preceding page indicates that from FY02 to FY07, local business license tax receipts, in <u>constant dollars</u>, were maintained at a level that kept up with inflationary changes. 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. The FY02, FY03, and FY04 totals reflect a decrease when compared to the FY01 totals, however a decrease was anticipated as the local economy was in recession. FY05, FY06, and FY07 totals rebounded strongly from the recessionary period, with constant dollar gains of 3.5 percent, 7.3 percent, and 6.3 percent, respectively.

Like local sales tax revenues, FY08 BPOL tax receipts (constant dollars) 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 thirty months after it officially ended. In FY09, inflation adjusted BPOL tax receipts declined by 1.9 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. During this economic downturn, a number of businesses in the County were forced to close their doors. However, a number of recent economic development announcements have been made that will have a positive impact on every local revenue stream, including BPOL receipts. As new businesses enter the County and join the existing diversified business community, BPOL tax receipts will again show strong growth. Like sales tax collections, the near term warning trend noted in last year's Trends document has been lifted and no long-term warning trend is noted as well.

**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.

**Trends**:
I. Business Acres:
As shown in the graph above, business acreage steadily increased from 2001 to 2010, with 5,479 acres in 2001 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 ten years from 2001 to 2010, the average annual increase in the number of business acres developed has been 101.6. There were three years in which business acreage development exceeded the annual average from 2001 to 2010. In 2002 and 2003, the total acreage developed was 205 acres and 116 acres, respectively. 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 FY10, only 22 total acres were developed and in FY11, 33 acres were developed, as previously noted. The depth and length of the economic downturn impacted all real estate in FY10, 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. The total increase of business acreage in this eleven-year period is 10.7 percent.

II. Market Value of Business Property:
The eleven-year trend for this indicator, *in constant dollars*, has ranged from $5.7 billion in CY01 to $8.9 billion in CY09, before falling to $7.7 billion in CY10 and $7.3 billion in CY11. 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.

Commercial real estate valuations reversed the downward trend from January 2011 to January 2012, and a 0.7 percent commercial tax base increase is expected. This includes overall increases as a result of increased valuation of existing properties in addition to $51.3 million in new construction. While there have been a number of recent positive economic development announcements, many of which are adding jobs in Henrico County and absorbing office vacancies, it will take many years to replace the large number of jobs lost in the past three years. Looking into the future, commercial real estate will continue to struggle until these jobs are replenished, as newly created jobs would fill vacant office space and would have a positive impact on commercial real estate valuations. As a result, a commercial real estate market recovery is likely a number of years away. As such, a warning trend must be noted.

# FINANCIAL INDICATORS DISPLAYED GRAPHICALLY

| **Description** | **2001** | **2002** | **2003** | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenues Per Capita | 2,348.0 | 2,327.1 | 2,365.8 | 2,435.9 | 2,493.9 | 2,546.6 | 2,646.4 | 2,626.9 | 2,694.3 | 2,545.7 | 2,387.6 |
| Expenditures Per Capita | 2,177.3 | 2,198.6 | 2,280.5 | 2,330.7 | 2,353.8 | 2,386.6 | 2,450.0 | 2,495.5 | 2,576.2 | 2,559.7 | 2,375.2 |
| (In Constant Dollars) | | | | | | | | | | | |
| | | | | | | | | | | | |
| Intergovernmental Revenues (without PPTRA) | 35.6% | 35.4% | 35.2% | 36.5% | 37.2% | 36.2% | 37.9% | 38.9% | 40.0% | 39.5% | 39.4% |
| Intergovernmental Revenues (PPTRA only) | 4.0% | 5.3% | 5.0% | 4.7% | 4.2% | 4.9% | 4.0% | 3.8% | 3.7% | 3.9% | 3.9% |
| | | | | | | | | | | | |
| Elastic Tax Revenues | 11.4% | 10.8% | 10.9% | 10.2% | 10.1% | 10.0% | 9.6% | 9.0% | 8.6% | 8.8% | 9.2% |
| (as a % of Net Operating Revenue) | | | | | | | | | | | |
| | | | | | | | | | | | |
| Property Tax Revenues | 217,145 | 223,869 | 233,197 | 243,083 | 260,107 | 275,329 | 292,911 | 299,414 | 309,362 | 300,023 | 278,834 |
| (In Constant Dollars) | | | | | | | | | | | |
| | | | | | | | | | | | |
| Uncollected Property Tax Revenues | 1.8% | 0.6% | 0.6% | 0.6% | 0.6% | 0.5% | 0.5% | 0.5% | 0.7% | 1.0% | 1.1% |
| (as a % of Total Levy) | | | | | | | | | | | |
| | | | | | | | | | | | |
| User Charge Coverage | 60.7% | 50.6% | 55.3% | 50.6% | 53.0% | 52.4% | 50.1% | 48.0% | 48.2% | 50.6% | 52.5% |
| (Revenues/Expenditures) | | | | | | | | | | | |
| | | | | | | | | | | | |
| Revenue Shortfalls | -3.2% | -2.4% | -2.1% | -6.6% | -3.1% | -5.4% | -5.1% | -5.8% | -1.2% | -0.2% | -1.2% |
| (as a % of Net Operating Revenue) | | | | | | | | | | | |
| | | | | | | | | | | | |
| Employees Per Capita | 12.8 | 13.0 | 13.0 | 13.0 | 12.8 | 12.9 | 13.0 | 13.1 | 13.1 | 12.7 | 12.6 |
| (Employees per thousand population) | | | | | | | | | | | |
| | | | | | | | | | | | |
| Fringe Benefits | 26.0% | 25.3% | 26.1% | 26.7% | 27.6% | 28.4% | 31.3% | 32.2% | 33.1% | 32.8% | 33.0% |
| (as a % of Salaries) | | | | | | | | | | | |
| | | | | | | | | | | | |
| Operating Surpluses | 5.9% | 3.9% | 3.2% | 3.6% | 6.0% | 8.4% | 9.6% | 6.9% | 4.9% | 1.2% | 1.2% |
| (as a % of Net Operating Revenue) | | | | | | | | | | | |
| | | | | | | | | | | | |
| Enterprise Losses (In Constant Dollars) | 12.195 | 19.599 | 11.046 | 9.326 | 5.008 | 9.111 | 4.231 | 4.165 | (0.712) | (0.589) | (1.639) |
| | | | | | | | | | | | |
| General Fund Balances | 12.1% | 13.6% | 14.3% | 14.2% | 13.8% | 13.3% | 13.3% | 13.5% | 14.0% | 14.3% | 14.2% |
| (as a % of Net Operating Revenue) | | | | | | | | | | | |
| | | | | | | | | | | | |
| Liquidity | 255.2% | 251.4% | 248.5% | 271.1% | 266.0% | 294.9% | 297.1% | 342.2% | 232.2% | 339.4% | 335.2% |
| (Cash & Investments as a % of Current Liabilities) | | | | | | | | | | | |
| | | | | | | | | | | | |
| Current Liabilities | 9.9% | 10.7% | 11.3% | 10.6% | 11.2% | 9.7% | 9.7% | 8.9% | 13.8% | 9.7% | 9.8% |
| (as a % of Net Operating Revenue) | | | | | | | | | | | |
| | | | | | | | | | | | |
| Long Term Debt | 1.7% | 1.6% | 1.6% | 1.5% | 1.2% | 1.2% | 1.2% | 1.1% | 1.4% | 1.4% | 1.6% |
| (as a % of Assessed Valuation) | | | | | | | | | | | |
| | | | | | | | | | | | |
| Debt Service | 4.9% | 5.2% | 5.4% | 5.1% | 4.7% | 5.0% | 5.2% | 5.3% | 5.3% | 5.8% | 5.5% |
| (as a % of Net Operating Revenue) | | | | | | | | | | | |
| | | | | | | | | | | | |
| Accumulated Employee Leave Liability | 23.0 | 22.8 | 23.1 | 23.3 | 23.2 | 23.0 | 22.5 | 24.5 | 24.6 | 26.0 | 24.7 |
| (in Days) | | | | | | | | | | | |
| | | | | | | | | | | | |
| Level of Capital Outlay | 3.7% | 3.7% | 3.9% | 3.4% | 3.5% | 3.5% | 3.0% | 3.1% | 2.9% | 3.2% | 3.2% |
| (as a % of Net Operating Expenditures) | | | | | | | | | | | |

## FINANCIAL INDICATORS DISPLAYED GRAPHICALLY

| Description | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | |
| Depreciation | 2.4% | 2.0% | 1.8% | 1.8% | 2.2% | 2.7% | 2.9% | 2.7% | 2.8% | 2.8% | 2.7% |
| (Depreciation Expense as a % of Assets) | | | | | | | | | | | |
| | | | | | | | | | | | |
| Population | 267.024 | 271.440 | 274.847 | 281.069 | 288.735 | 293.382 | 299.443 | 302.518 | 305.580 | 307.832 | 311.726 |
| | | | | | | | | | | | |
| Per Capita Income (restated) | 34.534 | 35.928 | 37.059 | 40.246 | 40.036 | 42.459 | 44.079 | 45.911 | 44.423 | N/A | N/A |
| | | | | | | | | | | | |
| Public Assistance Recipients | 6.0% | 6.7% | 7.8% | 8.4% | 8.9% | 9.8% | 11.5% | 12.2% | 13.7% | 14.7% | 15.7% |
| (as a % of Total Population) | | | | | | | | | | | |
| | 16.8575 | 18.1459 | 19.1871 | 20.9279 | 23.1855 | 25.6881 | 28.0048 | 28.2620 | 28.8628 | 26.3238 | 25.1746 |
| Property Values | 10.3498 | 7.6433 | 5.7376 | 9.0727 | 10.7879 | 10.7935 | 9.0189 | 0.9184 | 2.1257 | -8.7969 | -4.3656 |
| (In Constant Dollars) | | | | | | | | | | | |
| Residential | 11.030 | 11.860 | 12.630 | 13.906 | 15.600 | 17.628 | 19.448 | 19.400 | 19.617 | 18.369 | 17.608 |
| Commercial | 5.671 | 6.108 | 6.385 | 6.806 | 7.332 | 7.775 | 8.223 | 8.536 | 8.930 | 7.686 | 7.312 |
| Agricultural | 0.157 | 0.178 | 0.172 | 0.215 | 0.253 | 0.285 | 0.334 | 0.325 | 0.316 | 0.269 | 0.254 |
| | | | | | | | | | | | |
| Residential Development (includes agric) | 66.4% | 66.3% | 66.7% | 67.5% | 68.4% | 69.7% | 70.6% | 69.8% | 69.1% | 70.8% | 71.0% |
| (as a % of Total Property) | | | | | | | | | | | |
| | | | | | | | | | | | |
| Employment Base | | | | | | | | | | | |
| Local Unemployment Rate | 0.0200 | 0.0340 | 0.0350 | 0.0310 | 0.0310 | 0.0290 | 0.0270 | 0.0350 | 0.0710 | 0.0740 | 0.0630 |
| Jobs in Community | 170,793 | 165,203 | 164,398 | 163,525 | 170,183 | 172,216 | 177,744 | 179,426 | 174,758 | 168,142 | 170,581 |
| | | | | | | | | | | | |
| Business Activity - #1 | | | | | | | | | | | |
| (In Constant Dollars) | | | | | | | | | | | |
| Retail Sales | 45,093.45 | 43,527.28 | 45,634.48 | 44,519.65 | 45,952.57 | 46,718.61 | 46,526.69 | 43,720.81 | 44,651.59 | 43,484.58 | 43,646.08 |
| Annual Business Receipts | 23,092.65 | 22,079.55 | 22,299.28 | 22,559.62 | 23,346.23 | 25,046.87 | 26,626.12 | 25,095.54 | 24,631.64 | 22,301.48 | 21,661.06 |
| | | | | | | | | | | | |
| Business Activity - #2 | | | | | | | | | | | |
| Market Value of Business Property | 5,671.22 | 6,108.28 | 6,385.22 | 6,806.15 | 7,331.92 | 7,775.33 | 8,222.83 | 8,536.32 | 8,929.69 | 7,685.61 | 7,312.36 |
| Acres Devoted to Business | 5,479.00 | 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 |

# GENERAL FINANCIAL AND ECONOMIC DATA

| Item | Description | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1.3 | Cash & Short Term Investments | 158,160 | 171,895 | 187,865 | 209,971 | 234,085 | 242,879 | 268,646 | 298,304 | 320,117 | 314,414 | 309,386 |
| 1.4 | Accounts Payable | 37,329 | 41,502 | 47,298 | 49,607 | 54,607 | 46,617 | 51,420 | 49,407 | 53,262 | 48,284 | 48,717 |
| 1.7 | Principle due in 12 months | 20,317 | 22,142 | 23,351 | 23,132 | 27,038 | 29,870 | 33,224 | 30,749 | 74,560 | 32,810 | 32,825 |
| 1.8 | Other Current Liabilities | 4,334 | 4,730 | 4,939 | 4,700 | 6,354 | 5,875 | 5,771 | 7,021 | 10,025 | 11,557 | 10,769 |
| 1.9 | Total Current Liabilities | 61,980 | 68,373 | 75,587 | 77,439 | 87,999 | 82,362 | 90,414 | 87,177 | 137,847 | 92,651 | 92,311 |
| | | | | | | | | | | | | |
| 1.10 | Net Direct Long Term Debt | 283,262 | 287,105 | 314,423 | 329,992 | 306,861 | 357,638 | 399,683 | 396,269 | 503,505 | 460,535 | 499,930 |
| 1.12 | Cost Depreciable Fixed Assets | 739,416 | 774,354 | 831,112 | 880,456 | 922,326 | 957,377 | 982,096 | 1,015,665 | 1,051,575 | 1,080,905 | 1,109,368 |
| 1.13 | Depreciation Expense | 17,587 | 15,744 | 15,186 | 16,028 | 19,995 | 25,879 | 28,010 | 27,596 | 28,928 | 30,566 | 30,439 |
| 1.14 | General Fund Operating Surplus | 37,266 | 24,733 | 21,720 | 25,957 | 47,396 | 71,814 | 88,709 | 67,853 | 48,547 | 11,523 | 11,751 |
| 1.15 | Enterprise Operating Results | 12,195 | 19,808 | 11,400 | 9,939 | 5,472 | 10,386 | 4,954 | 5,120 | (863) | (721) | (2,078) |
| 1.16 | General Fund Balances | 112,553 | 118,781 | 126,950 | 140,670 | 161,517 | 199,079 | 207,453 | 239,708 | 252,549 | 246,603 | 230,524 |
| 1.17 | General Fund Restricted Balances | 36,860 | 31,691 | 31,298 | 36,718 | 53,132 | 85,442 | 84,029 | 107,615 | 113,094 | 109,831 | 96,798 |
| 1.18 | General Fund Unrestricted Balances | 75,693 | 87,090 | 95,652 | 103,952 | 108,385 | 113,637 | 123,424 | 132,093 | 139,455 | 136,771 | 133,727 |
| 1.19 | Uncollected Property Taxes | 4,417 | 1,539 | 1,553 | 1,678 | 2,037 | 1,638 | 1,901 | 2,035 | 2,700 | 3,604 | 3,737 |
| 1.20 | Full Property Tax Levy | 244,518 | 256,109 | 265,314 | 287,938 | 324,712 | 339,091 | 352,305 | 369,930 | 380,661 | 365,522 | 349,269 |
| | | | | | | | | | | | | |
| 2.1 | Property Tax Revenues | 217,145 | 226,258 | 240,665 | 259,061 | 284,218 | 313,845 | 342,937 | 368,044 | 374,884 | 367,444 | 353,555 |
| | | | | | | | | | | | | |
| 2.2 | Committed User Charges | 24,104 | 23,179 | 24,135 | 23,907 | 26,143 | 28,316 | 29,127 | 28,850 | 29,884 | 30,409 | 30,207 |
| 2.3 | Uncommitted User Charges | 7,890 | 8,457 | 8,961 | 9,646 | 9,744 | 9,988 | 6,745 | 2,845 | 2,846 | 3,261 | 3,321 |
| 2.4 | Other Revenue greater than 5% | 102,029 | 101,468 | 109,465 | 116,443 | 118,320 | 125,617 | 125,927 | 122,796 | 125,309 | 119,791 | 127,013 |
| 2.5 | Other Revenue less than 5% | 27,749 | 19,064 | 17,806 | 20,081 | 22,479 | 23,470 | 33,800 | 37,612 | 28,837 | 22,822 | 21,028 |
| 2.6 | Total Local Operating Revenue | 378,916 | 378,427 | 401,031 | 429,137 | 460,904 | 501,236 | 538,535 | 560,147 | 561,760 | 543,727 | 535,125 |
| | | | | | | | | | | | | |
| 2.7 | Intergovernmental Operating Revenue | 248,047 | 259,993 | 270,034 | 300,535 | 325,935 | 350,394 | 389,249 | 416,686 | 435,925 | 416,038 | 408,589 |
| | | | | | | | | | | | | |
| 2.7 | Intergovernmental Operating Revenue (without PPTRA reimbursements) | 222,944 | 226,102 | 236,387 | 266,444 | 292,612 | 308,263 | 352,028 | 379,686 | 398,923 | 379,036 | 371,587 |
| 2.10 | Gross Operating Revenues | 626,964 | 638,420 | 671,066 | 729,672 | 786,839 | 851,629 | 927,785 | 976,833 | 997,685 | 959,765 | 943,714 |
| 2.13 | Net Operating Revenues | 626,964 | 638,420 | 671,066 | 729,672 | 786,839 | 851,629 | 927,785 | 976,833 | 997,685 | 959,765 | 943,714 |
| | | | | | | | | | | | | |
| 2.14 | Restricted Operating Revenues | 186,473 | 191,910 | 204,837 | 231,539 | 262,136 | 280,148 | 317,359 | 328,348 | 354,849 | 342,338 | 334,134 |
| 2.15 | Elastic Operating Revenue | 71,451 | 69,017 | 73,331 | 74,509 | 79,200 | 85,208 | 89,286 | 87,579 | 86,099 | 84,217 | 87,182 |
| 2.17 | Net Operating Revenue Budgeted | 607,124 | 623,409 | 657,000 | 681,735 | 762,685 | 806,056 | 880,557 | 920,221 | 986,094 | 957,860 | 932,150 |
| | | | | | | | | | | | | |
| 3.1 | Salaries and Wages | 316,750 | 332,167 | 346,539 | 363,879 | 393,160 | 413,031 | 440,213 | 464,016 | 487,694 | 480,659 | 472,724 |
| 3.2 | Fringe Benefits | 82,348 | 83,945 | 90,538 | 97,282 | 108,505 | 117,379 | 137,938 | 149,220 | 161,362 | 157,582 | 156,088 |
| 3.3 | Supplies | 32,612 | 27,282 | 27,386 | 28,252 | 31,976 | 34,433 | 36,858 | 40,764 | 43,737 | 41,682 | 46,168 |
| 3.4 | Services | 64,681 | 88,036 | 78,659 | 94,074 | 93,720 | 88,068 | 109,413 | 117,670 | 107,968 | 120,657 | 113,118 |
| 3.5 | Capital Outlay | 21,553 | 22,031 | 25,398 | 23,678 | 25,788 | 28,075 | 25,447 | 28,322 | 27,403 | 31,049 | 29,983 |
| 3.6 | Principal-Long term Debt | 18,382 | 19,987 | 21,792 | 22,986 | 22,747 | 26,633 | 29,450 | 32,779 | 30,284 | 34,880 | 32,300 |
| 3.7 | Interest-Long term Debt | 12,487 | 13,047 | 14,439 | 13,961 | 14,466 | 15,598 | 18,588 | 18,900 | 22,339 | 21,191 | 19,722 |
| 3.8 | Total Direct Debt | 30,869 | 33,034 | 36,231 | 36,947 | 37,213 | 42,230 | 48,038 | 51,679 | 52,623 | 56,071 | 52,022 |
| 3.9 | Other Expenditures | 26,268 | 29,369 | 34,656 | 46,093 | 44,101 | 54,842 | 36,926 | 52,400 | 50,416 | 52,285 | 45,527 |
| 3.10 | Internal Service Fund Transfers | 6,316 | 6,852 | 7,441 | 7,930 | 8,173 | 20,083 | 24,113 | 23,917 | 22,764 | 25,058 | 23,195 |
| 3.11 | Total Net Operating Expenditures | 581,398 | 603,150 | 646,848 | 698,136 | 742,636 | 798,141 | 858,946 | 927,990 | 953,967 | 965,044 | 938,824 |
| 3.12 | Number of General Government Employees | 3,416 | 3,517 | 3,561 | 3,640 | 3,694 | 3,774 | 3,895 | 3,953 | 4,000 | 3,915 | 3,927 |
| 3.13 | Unused Annual Leave (in days) | 78,519 | 80,217 | 82,182 | 84,862 | 85,661 | 86,980 | 87,502 | 96,971 | 98,411 | 101,636 | 96,974 |
| 3.14 | Unused Sick Leave (in days) | 248,178 | 251,411 | 255,593 | 257,590 | 261,646 | 267,779 | 272,360 | 270,336 | 280,842 | 284,267 | 288,847 |
| 3.15 | Expenditures Covered by Charges | 39,728 | 45,846 | 43,674 | 47,267 | 49,296 | 54,040 | 58,176 | 60,157 | 61,944 | 60,144 | 57,538 |
| | | | | | | | | | | | | |
| 7.1 | Population (Calendar Year) | 267,024 | 271,440 | 274,847 | 281,069 | 288,735 | 293,382 | 299,443 | 302,518 | 305,580 | 307,832 | 311,726 |
| 7.3 | Total Personal Income (Thous. of $) | 9,184,465 | 9,622,920 | 10,065,647 | 11,106,399 | 11,234,015 | 12,125,029 | 12,758,972 | 13,437,921 | 13,167,734 | N/A | N/A |
| | Per Capita Income | 34.534 | 35.928 | 37.059 | 40.246 | 40.036 | 42.459 | 44.079 | 45.911 | 44.42 | N/A | N/A |

## GENERAL FINANCIAL AND ECONOMIC DATA

| Item | Description | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 7.4 | Public Assistance Recipients | 16,028 | 18,182 | 21,369 | 23,628 | 25,591 | 28,656 | 34,469 | 36,799 | 41,809 | 45,255 | 49,093 |
| 7.6 | Market Value of Property (Mil. of $) | 16,857 | 18,340 | 19,801 | 22,303 | 25,335 | 29,282 | 32,788 | 34,740 | 34,976 | 32,239 | 31,921 |
| 7.8 | Market Value-Residential (Mil. of $) | 11,030 | 11,986 | 13,035 | 14,821 | 17,047 | 20,093 | 22,770 | 23,847 | 23,772 | 22,497 | 22,327 |
| 7.9 | Market Value-Commercial (Mil. of $) | 5,671 | 6,173 | 6,590 | 7,254 | 8,012 | 8,863 | 9,627 | 10,493 | 10,821 | 9,413 | 9,272 |
| 7.10 | Market Value-Agricultural (Mil. of $) | 157 | 180 | 177 | 229 | 277 | 325 | 391 | 400 | 382 | 329 | 322 |
| 7.11 | Residential Households (Calendar Year) | 113,041 | 114,884 | 116,345 | 119,107 | 121,505 | 123,457 | 125,972 | 127,046 | 128,529 | 129,781 | 130,482 |
| 7.12 | Vacancy Rates-Residential (Calendar Year) | 1.4% | 1.4% | 1.4% | 1.4% | 1.5% | 1.5% | 1.6% | 1.6% | 1.6% | 1.6% | 2.5% |
| 7.15 | Local Unemployment Rate | 2.0% | 3.4% | 3.5% | 3.1% | 3.1% | 2.9% | 2.7% | 3.5% | 7.1% | 7.4% | 6.3% |
| 7.16 | Jobs Within Community | 170,793 | 165,203 | 164,398 | 163,525 | 170,183 | 172,216 | 177,744 | 179,426 | 174,758 | 168,142 | 170,581 |
| 7.17 | Retail Sales (Thous. of $) | 45,093 | 43,992 | 47,096 | 47,446 | 50,212 | 53,254 | 54,473 | 53,742 | 54,109 | 53,256 | 55,342 |
| 7.19 | Annual Business Receipts (Thous. of $) | 23,093 | 22,315 | 23,013 | 24,042 | 25,510 | 28,551 | 31,174 | 30,848 | 29,849 | 27,313 | 27,466 |
| 7.20 | Business Acres (Calendar Year) | 5,479 | 5,684 | 5,800 | 5,897 | 5,954 | 6,032 | 6,062 | 6,118 | 6,371 | 6,393 | 6,064 |
| 7.21 | CPI | 178.0 | 179.9 | 183.7 | 189.7 | 194.5 | 202.9 | 208.4 | 218.8 | 215.7 | 218.0 | 225.7 |
| 7.22 | CPI-Index | 1.0000 | 1.0107 | 1.0320 | 1.0657 | 1.0927 | 1.1399 | 1.1708 | 1.2292 | 1.2118 | 1.2247 | 1.2680 |

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