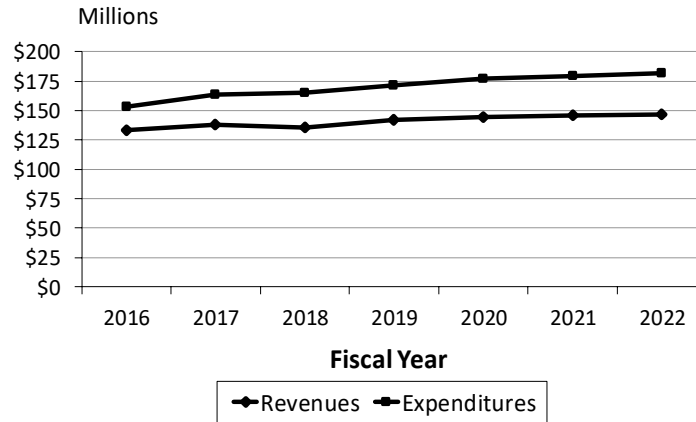


### Three Year Forecast Revenues and Expenditures Special Revenue Fund



Fiscal Years 2019 through 2022 are estimated. Revenues exclude transfers from other funds.

### SPECIAL REVENUE FUND

#### (Fund 11)

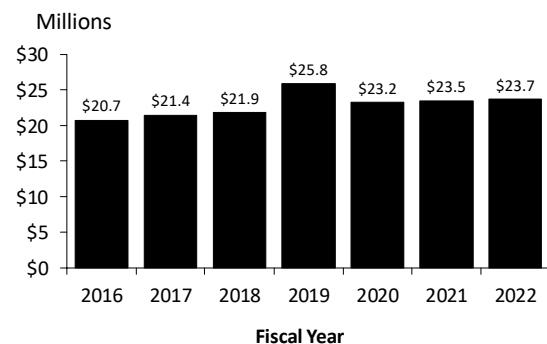
The Special Revenue Fund accounts for proceeds from revenue sources that legally restrict expenditures to specified purposes. Henrico County's Special Revenue Fund includes the Department of Public Utilities' Solid Waste and Street Lighting operations; Public Works' Watershed and Best Management Practices programs; Schools' Cafeteria Programs; Mental Health; Social Services; State and Federal grants for various educational and County programs; certain aspects of the Economic Development Authority; asset forfeitures; and the Police Metro Aviation Unit. The Special Revenue Fund expenditure budget for FY2019-20 is \$177,517,668, which represents a net increase of \$5,610,944, or 3.3 percent, from the current fiscal year. The budget for State and Federal grants associated with Schools increased by \$3.5 million or 7.4 percent, based on anticipated expenditures. Social Services increased by \$2.2 million or 6.4 percent due to rising demand for services. The budget for Solid Waste increased by \$1.1 million or 8.2 percent while the Mental Health budget increased by \$0.9 million, or 2.4 percent based on increases in services. Although the Special Revenue Fund reflects an overall increase, it is important to note that the expenditure budget for School Cafeteria reflects a reduction of \$2.4 million or 9.2 percent to more accurately reflect actual expenditures.

#### Revenues

##### Assumptions

**School Cafeteria** revenues support the operations of all County public school cafeterias. Funding is received from specific State and Federal government grant programs as well as revenues generated by the school lunch program. Receipts for FY2019-20 are estimated at \$23,236,967 compared to \$25,819,205 in FY2018-19, which reflects a 10.0 percent reduction. FY2020-21 and FY2021-22 revenue estimates of \$23,469,337 and \$23,704,030, respectively, reflect projected increases of 1.0 percent based on anticipated growth in cafeteria operations.

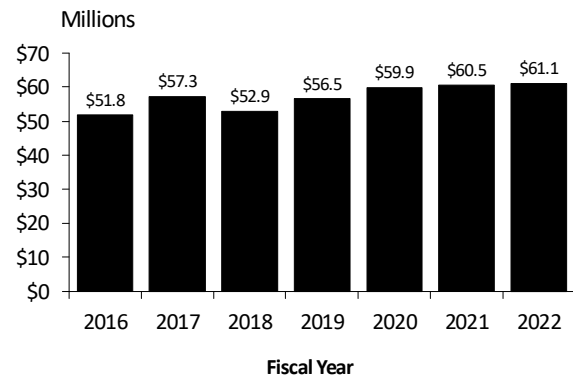
### School Cafeteria Revenue



Fiscal Years 2019 through 2022 are estimated.

**State, Federal and Other Grants** revenue funds various programs, principally those related to Education, the Capital Region Workforce Partnership (CRWP), the Community Corrections Services Program (CCP), the Community Development Block Grant (CDBG), and the Virginia Juvenile Community Crime Control Act (VJCCCA). Grant funding for FY2019-20 totals \$59,851,978. 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. The forecasts for FY2020-21 and FY2021-22 each reflect annual increases in revenues of 1.0 percent.

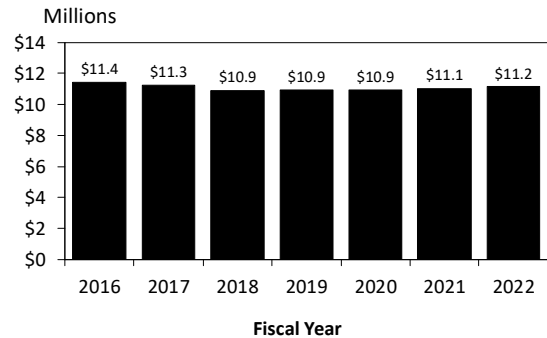
## State, Federal, and Other Grant Revenue



Fiscal Years 2019 through 2022 are estimated. Revenues do not include transfers from other funds.

**Solid Waste** revenues support the operation and maintenance of the County's solid waste disposal services. A portion of the funding is user charges from customers who receive County refuse removal service. Revenue is also collected from landfill user fees paid by commercial trash hauling companies and County residents. The cost of providing curbside recycling, bagged leaf collection, neighborhood cleanup, and bulky waste services throughout the County will be funded by a General Fund subsidy to the Solid Waste Fund. The amount of the General Fund subsidy will be net of any user fee revenue generated by these services. No incremental increases in the General Fund subsidy are projected during the forecast period.

## Solid Waste Revenue



Fiscal Years 2019 through 2022 are estimated. Revenues do not include transfers from other funds.

In FY2019-20, the revenue generated by fees related to the disposal of solid waste is forecasted to remain relatively flat at \$10,942,550 when compared to the FY2018-19 estimate. The forecasts for FY2020-21 and FY2021-22 each reflect annual revenue increases of 1.0 percent.

**Street Lighting** revenues fund the operation and maintenance of the street lighting districts throughout the County. Funding is provided by a specific annual surcharge levied on each property within a street light district. Street lighting revenue estimates throughout the forecast period support operating costs of existing streetlights.

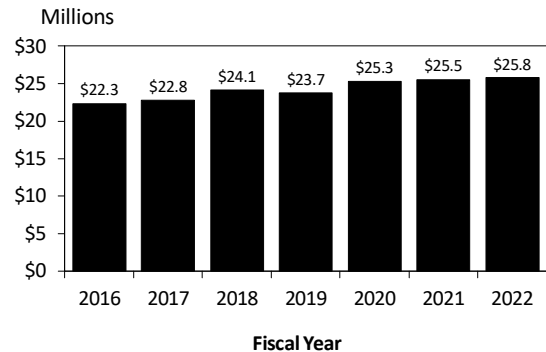
**Mental Health** revenues are restricted to providing community based mental health, developmental, and substance abuse services to the residents of Henrico, Charles City, and New Kent counties. Budgeted revenues for Mental Health total \$23,836,411 for FY2019-20. State revenues are projected to be \$8,646,848, while federal revenues of \$1,707,041, fee revenues of \$12,247,241, Mental Health grant reserve funding of \$700,000, and \$282,600 of contract revenues from Sheltered Employment, are also anticipated. Additionally, Henrico is budgeted to receive a total of \$252,681 of fee revenues from Charles City and New Kent counties. A 1.0 percent increase in Mental Health revenues is projected for both FY2020-21 and FY2021-22. The forecast is based on modest anticipated increases in State and Federal grant funding. MH/DS/SA receives funding through State and Federal Aid programs including the Reinvestment Program, Community Care Funds from the State, and the Part C Grant program. It is expected that these funding sources will continue in the future.

**The Police Metro Aviation Unit** is a regional multi-jurisdictional effort that includes the City of Richmond, along with Chesterfield and Henrico counties. It is projected that each locality will contribute \$127,334 in FY2019-20,

FY2020-21, and FY2021-22. It is anticipated that the State Supreme Court will reimburse the Metro Aviation Unit \$80,000 for costs incurred to extradite prisoners in each year of the forecast period.

**Social Services** revenues support an array of community services. Among them are supplemental nutrition, assistance for needy families, medical assistance, protective services, and assistance with foster care and adoption. Additionally, the Comprehensive Services Act (CSA) is funded within this department. The Social Services revenues for FY2019-20 total \$25,264,435, of which \$8,035,150 is directed toward CSA and the remaining \$17,229,285 support all other Social Services efforts. Of the total revenues forecasted for these programs, State revenues are projected to total \$13,505,963 while federal revenues of \$11,706,553 and other local revenues of \$51,919 are also anticipated. A 1.0 percent increase in revenues is projected for both FY2020-21 and FY2021-22, based on anticipated increases in State and Federal funding.

### Social Services Revenue



Fiscal Years 2019 through 2022 are estimated. Revenues do not include transfers from other funds.

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

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

In FY2019-20, the transfer of \$32,629,985 includes the County’s contribution of \$1,841,140 to fund the Community Corrections Programs, the Capital Region Workforce Partnership (CRWP), the Special Drug Prosecutor, the Virginia Juvenile Community Crime Control Act (VJCCA), the State Victim/Witness Program, and the Special Revenue Fund Reserve. Additional transfers are distributed as follows: \$127,332 for Henrico County's portion of the regional Police Metro Aviation Unit; \$3,371,409 in support of Solid Waste programs; \$10,997,615 in local support of Social Services, which includes funding for the CSA; and \$16,292,489 for Mental Health. The total transfer from the General Fund is projected to increase to \$33,608,885 in FY2020-21 and \$33,617,151 in FY2021-22.

**(To) From School Cafeteria Fund Balance** is a reserve, accumulated from the operation of the school cafeterias. The School Board’s practice has been to charge enough for cafeteria meals to cover the cost of providing the service to County students. Expenditure projections are based on prior experience and student enrollment.

**(To) From Solid Waste Fund Balance** is a reserve, which has accumulated over time from the Solid Waste operations to fund expansion and closure projects related to County owned landfills. It is the County's practice to ensure Solid Waste charges are sufficient to cover operating expenditures. Occasionally, operational costs exceed revenues and a use of reserves is required. The budget for FY2019-20 anticipates the use of \$440,574 from the Solid Waste Fund balance. The forecast for FY2020-21 and FY2021-22 reflects further reductions to the fund balance.

## **Expenditures**

### **Assumptions**

The development of the FY2019-20 Special Revenue Fund budget assumes recurring revenues will support recurring expenditures in future years. Special Revenue Fund resources and requirements for FY2020-21 and FY2021-22 are expected to grow at an average rate of 1.0 percent respectively. The modest growth rate in grant related revenue is predicated on the basis that ongoing Federal and State budgetary constraints will limit substantial increases in grant funding.

**Ending Special Revenue Fund Balance** is the sum of fund balances in all sub-funds, which are expected to remain on June 30th of each of the forecasted fiscal years, within the School Cafeteria Fund, Solid Waste Fund, and Street Light Fund. The State and Federal Grants fund balance and the Economic Development Authority Fund balance are forecasted to be zero in FY2018-19 through FY2021-22. If a balance exists on June 30th, it is the County's policy to carry those funds forward to the next fiscal year.

**Special Revenue Fund Forecast**

	<b>FY 17-18 Actual</b>	<b>FY 18-19 Original</b>	<b>FY19-20 Forecast</b>	<b>FY20-21 Forecast</b>	<b>FY21-22 Forecast</b>
<b>Revenues:</b>					
School Cafeteria	\$ 21,859,188	\$ 25,819,205	\$ 23,236,967	\$ 23,469,337	\$ 23,704,030
State, Federal & Other Grants	52,946,765	56,506,881	59,851,978	60,450,498	61,055,003
Asset Forfeitures	234,855	0	0	0	0
Donations	17,572	0	0	0	0
Revenue from Local Sources - CDA	1,368,000	0	0	0	0
Solid Waste	10,895,102	10,937,000	10,942,550	11,051,976	11,162,495
Street Lighting	81,223	83,100	83,100	83,100	83,100
Mental Health	23,214,034	23,734,401	23,836,411	24,074,775	24,315,523
Metro Aviation/Extradition	280,402	334,668	334,668	334,668	334,668
Social Services	24,139,668	23,745,565	25,264,435	25,517,079	25,772,250
Watershed/Best Management Practices	1,069,476	897,000	897,000	897,000	897,000
<b>Subtotal Revenues</b>	<b>\$136,106,285</b>	<b>\$142,057,820</b>	<b>\$144,447,109</b>	<b>\$145,878,432</b>	<b>\$147,324,069</b>
From General Fund:					
State, Federal & Other Grants	\$ 1,991,771	\$ 1,453,448	\$ 1,841,140	\$ 1,896,374	\$ 1,953,265
Mental Health	14,518,109	15,453,883	16,292,489	\$ 16,781,264	\$ 17,284,702
Metro Aviation	93,342	127,332	127,332	\$ 127,332	\$ 127,332
Social Services	10,339,567	10,341,571	10,997,615	\$ 11,327,543	\$ 11,667,370
Solid Waste	3,018,511	3,018,511	3,371,409	\$ 3,472,551	\$ 3,576,728
<b>Subtotal From General Fund</b>	<b>\$ 29,961,300</b>	<b>\$ 30,394,745</b>	<b>\$ 32,629,985</b>	<b>\$ 33,605,065</b>	<b>\$ 34,609,397</b>
(To) Capital Projects Fund for Solid Waste	(600,000)	0	0	0	0
(To) Capital Projects Fund for Mental Health	(5,340,550)	0	0	0	0
(To) From Mental Health Fund Balance	5,340,550	0	0	0	0
(To) From School Cafeteria Fund Balance	(995,841)	(222,452)	0	0	0
(To) From Solid Waste Fund Balance	1,013,430	(323,389)	440,574	377,552	311,876
(To) From Street Light Fund Balance	(16,453)	0	0	0	0
<b>Total Resources</b>	<b>\$165,468,721</b>	<b>\$171,906,724</b>	<b>\$177,517,668</b>	<b>\$179,861,049</b>	<b>\$182,245,342</b>
<b>Expenditures:</b>					
School Cafeteria	\$ 20,863,347	\$ 25,596,753	\$ 23,236,967	\$ 23,469,337	\$ 23,704,030
State, Federal & Other Grants	54,890,963	57,960,329	61,693,118	62,346,872	63,008,268
Economic Development Authority	1,668,000	0	0	0	0
Solid Waste	14,327,043	13,632,122	14,754,533	14,902,078	15,051,099
Street Lighting	64,770	83,100	83,100	83,100	83,100
Mental Health	37,732,143	39,188,284	40,128,900	40,856,039	41,600,224
Metro Aviation/Extradition	373,744	462,000	462,000	462,000	462,000
Social Services	34,479,235	34,087,136	36,262,050	36,844,623	37,439,620
Watershed/Best Management Practices	1,069,476	897,000	897,000	897,000	897,000
<b>Total Expenditures</b>	<b>\$165,468,721</b>	<b>\$171,906,724</b>	<b>\$177,517,668</b>	<b>\$179,861,049</b>	<b>\$182,245,342</b>
<b>Ending Special Revenue Fund Balance:</b>					
Schools	\$ 10,748,682	\$ 10,971,134	\$ 10,971,134	\$ 10,971,134	\$ 10,971,134
State, Federal & Other Grants, Forfeitures *	18,547,052	0	0	0	0
Economic Development Authority **	1,368,000	0	0	0	0
Solid Waste	23,648,436	23,971,825	23,531,251	23,153,699	22,841,823
Street Lighting	816,434	816,434	816,434	816,434	816,434
<b>Total Fund Balance</b>	<b>\$ 55,128,604</b>	<b>\$ 35,759,393</b>	<b>\$ 35,318,819</b>	<b>\$ 34,941,267</b>	<b>\$ 34,629,391</b>

\* Forecast assumes miscellaneous grant appropriations will be spent by 6/30/19. Any unspent appropriations will be carried forward into FY2019-20.

\*\* EDA balances will be appropriated annually, through a budget amendment, based on actual receipts.