

Frederick County, Virginia

FY 2011-2012 Citizens Guide to the Budget



COUNTY ADMINISTRATOR'S MESSAGE

The FY 2011-2012 budget represents the Board's revenue and expenditure policy direction after budget work sessions with the School Board and Finance Committee. During the budget work sessions, many issues were discussed. Local revenue shortfalls, decreasing revenue from the Commonwealth, and public schools and public safety concerns are just a few of the areas that needed to be addressed. The commitment of the Board of Supervisors, the School Board and county staff has allowed us the opportunity to continue to provide necessary services with a low real estate tax rate in comparison to surrounding localities. With this commitment in mind, we have produced a budget that recognizes limited revenue sources, conservative expenditures and the needs of Frederick County citizens.

Budget Goal and Objectives

- GOAL
 - To operate with a minimal increase in local tax funded expenditures and prioritize limited resources to meet citizen need for services, programs, and facilities.
- OBJECTIVES
 - No real estate or personal property tax rate increases to the citizens.
 - Maintain adequate levels of fund balance.
 - Continue effective delivery of core services.

Board Direction for FY 2011-2012

- Adjust real estate tax rates to a revenue neutral amount.
- No increase in the use of fund balance to balance the budget.

Budget Strategies

The FY 2012 budget process began with the knowledge that present level funding for the second consecutive year would be the most likely outcome. Revenues were being monitored on a monthly basis with a few signs of positive local growth in certain areas. A budget worksession was held in January 2011 to give the Board of Supervisors guidance on the upcoming budget. Several areas were discussed including significant issues that the County has dealt with in regards to past budgets. Those issues included:

- July 2011 will be three years since salary increases for county employees.
- Outside Agencies – 15% reduction in FY 2010 and 10% reduction in FY 2011.
- Total budgeted county workforce down by 63 positions since FY 2009.
- Sheriff's Office and Fire & Rescue down by four positions since FY 2009.
- General Fund transfer to Schools down by 6.7% since FY 2009.
- General Fund (excluding school transfer) down by 7.9% since FY 2009.
- General Fund share to Regional Jail has increased by \$599,000 since FY 2009 even though the Jail budget has decreased.
- No capital purchases budgeted in General Fund since FY 2008.
- Budgeted real property and personal property tax revenue has remained constant since FY 2009.

With a reassessment completed in 2010, it was then decided that a revenue neutral real estate tax rate was the best scenario to combat the FY 2012 budget. This meant that the real estate tax revenue collected by the County

for FY 2012 would remain the same at \$40,430,000 but would change the actual tax rate from 0.51 cents per \$100 of assessed value to 0.545 cents per \$100 of assessed value. With the average value of a residential property decreasing by roughly 12%, the taxpayer would not see much if any change to the taxes paid on their property.

The General Fund budget for FY 2012 totals \$125,849,938. This is an increase over FY2011 of \$238,000. The revenue adjustments are as follows:

Budgeted 911 Grant	\$60,000
Budgeted Purchasing Card Rebate	\$50,000
Budgeted Payment in Lieu of Taxes	\$26,000
Increase Budgeted Revenue for Dog Licenses	\$10,000
Increase Budgeted Revenue for Rent Payments	\$74,681
Increase Budgeted State Reimbursement from Comp. Board	\$18,344
Increase Budgeted Revenue for Street Lights and Star Fort Fees	\$29,567
Reduce Budgeted Revenue – Forfeited Assets	(\$29,995)

Several revenue sources were not budgeted in FY 2011 that are being budgeted in FY 2012. A 911 Grant, Purchasing Card Rebate and payments in lieu of taxes are all new revenue sources for FY 2012. General Fund revenue history was analyzed and several areas were increased. Revenue collected in the Treasurer’s Office for dog licenses was increased by \$10,000. Rent payments collected by Frederick County for use of office space in the county administration building was increased by almost \$75,000. The state compensation board reimbursements to the Commissioner of the Revenue, Treasurer, Registrar and Electoral Board were all increased by \$18,344. Street light revenue was also increased by \$29,000. A reduction in General Fund budgeted revenue is also included in the amount of \$29,995. Revenue from forfeited assets was eliminated due to this expense being removed from the General Fund budget.

General Fund expenditure adjustments for FY 2012 are as follows:

Replace batteries on voting machines	\$20,424
Increase Lease expense - Sheriff	\$58,729
Budget Line of Duty Program	\$73,335
Increase funding to Regional Jail	\$344,681
Reduce County Detox Center Funding	(\$27,535)
Reduce transfers to Comprehensive Services Act Fund	(\$100,000)
Added one position, deleted 3.5 positions	(\$20,000)
Reduce health care costs	(\$193,261)
Reduce Incentive Pay	(\$15,000)
Freeze Career Development	(\$67,334)

These adjustments are detailed as follows:

- Batteries for voting machines need to be replaced, increasing the Electoral Board budget by \$20,424.
- The Sheriff’s Office is in need of replacing cruisers with high mileage. Increasing the lease expense by \$58,729 as well as using funds already allocated in that department, thirteen vehicles will be replaced through a lease program during FY 2012.
- The Line of Duty Program is a new program that is to be included beginning July 1, 2011. This program has been administered and paid for by the Commonwealth of Virginia since the 1960’s. This program provides benefits to hazardous duty first responders who die or become disabled in the line of duty. The beneficiary either receives a death benefit or continued health coverage. This cost is now being passed on to Virginia localities to fund. This cost of \$73,335 is based on the number of full- and part-time hazardous duty employees.

- Local funding from Frederick County to the Northwestern Regional Adult Detention Center increased by \$344,681 for FY 2012. Even though the Detention Center’s budget decreased for FY 2012, Frederick County This increase is due primarily to the increase of the length of local sentences imposed by Frederick County courts.
- Departmental expenses for the Inebriate Center were reduced significantly for FY 2012 in conjunction with the anticipated closing in July 2011; therefore Frederick County funding was reduced by \$27,535.
- Comprehensive Services Act funding has been less than anticipated; therefore a reduction of \$100,000 for FY 2012 was implemented.
- One position was added and 3.5 positions were eliminated in the General Fund for FY 2012 resulting in a net reduction of \$20,000.
- Health care costs were favorable for this year so a slight reduction in county costs was realized at \$193,261.
- Due to cutbacks, incentive pay and career development costs were reduced for a total of \$82,334.

Except for these changes listed here, General Fund expenses remained at constant levels for FY 2012. Outside agencies were afforded a reprieve from any reductions for FY 2012. Any capital equipment and construction projects have been delayed for a third year.

Three and one-half positions were eliminated from the General Fund, one position was eliminated from the Northwestern Regional Adult Detention Center, and three positions were eliminated from Division of Court Services Fund for FY 2011-2012. Those positions are as follows:

Department	Position
Board of Supervisors	Part-Time Receptionist
Reassessment	Assessor
Inspections	Permit Technician I
General Engineering	Civil Engineer
Regional Adult Detention Center	Correctional Officer III
Division of Court Services	Cashier II
Division of Court Services	Facility Aide
Division of Court Services	Office Assistant III

One position was added to the General Fund budget for FY 2012. An Information Technology Director was added after a restructuring of the Information Technology and Management Information Systems Departments.

The School System added two instructional positions to the FY 2012 budget – an occupational therapist and a physical therapist reducing the school division’s need to outsource the service. These positions were added at no additional cost to the budget.

The county held a public hearing on the proposed FY 2012 budget on March 23, 2011. One speaker took the podium at the public hearing, the School Board Chairman to commend the Board of Supervisors and School Board for working together to a satisfactory conclusion.

The adoption of the FY 2011-2012 budget occurred on April 13, 2011.

CAPITAL IMPROVEMENT PLAN

The Code of Virginia assigns the responsibility for preparation of plans for capital outlays to the local planning commission. The Capital Improvements Plan (CIP) consists of a schedule for major capital expenditures for the county for the ensuing five years. The CIP document separate from the budget was adopted by the Board of Supervisors on January 12, 2011.

The CIP is updated annually. Projects are removed from the plan as they are completed or as priorities change. The plan is intended to assist the Board of Supervisors in preparation of the county budget. In addition to determining priorities for capital expenditures, the county must also ensure that projects contained within the CIP conform to the Comprehensive Policy Plan. Specifically, the projects are reviewed with considerations regarding health, safety, and the general welfare of the public. Only items/projects which exceed \$100,000 are included in the CIP. When the CIP is adopted, it becomes a component of the Comprehensive Policy Plan.

The annual review process begins with the submission of capital expenditure requests from county departments and relevant agencies in the fall of the year. These requests are evaluated by the Comprehensive Plans and Programs Committee (CPPC), a committee of the Planning Commission. The CPPC meets with department representatives regarding expenditure requests to determine a recommended priority for the various projects. This recommendation is forwarded to the Planning Commission which in turn makes a recommendation to the Board of Supervisors.

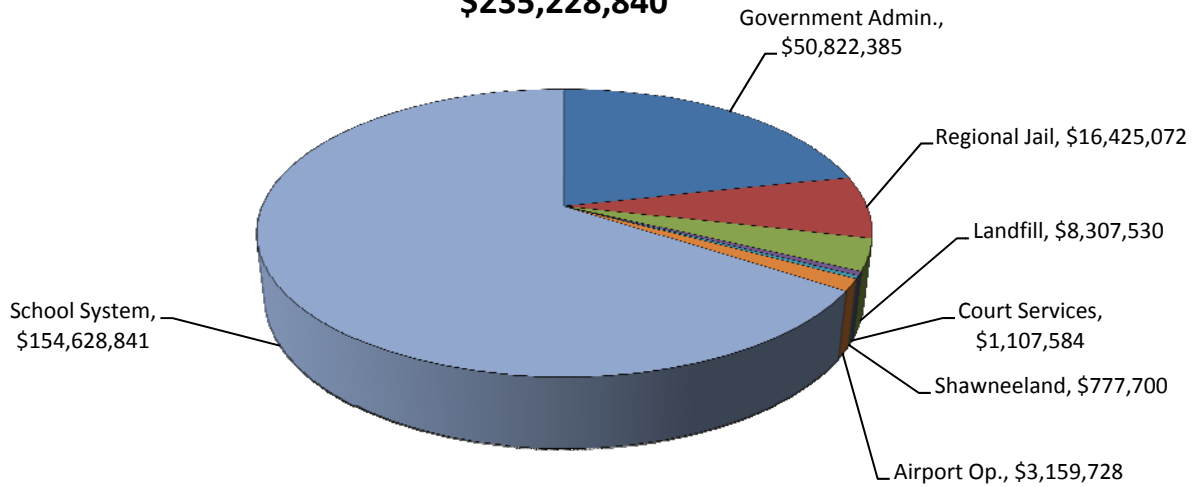
The Capital Improvements Plan is strictly advisory. It is possible that particular projects may not be funded during the year that is indicated in the CIP. The CIP is considered the first step towards the project, while the budget is considered the last obstacle before construction.

For more detailed information about Frederick County's Capital Improvement Plan, see the full Capital Improvement Plan document available on the county's website.



FY 2011-2012 Total Operating Budget

\$235,228,840



Summary of All Funds

	Budget FY 2011	Adopted FY 2012	Increase (Decrease)	% Change
General Fund:				
Administration	\$7,777,945	\$ 7,835,455	57,510	.74%
Judicial Administration	2,081,266	2,043,138	(38,128)	(1.83%)
Public Safety	23,376,506	23,548,177	171,671	.73%
Public Works	4,064,573	3,986,893	(77,680)	(1.91%)
Health & Welfare	7,230,873	7,228,685	(2,188)	(.03%)
Community College	56,493	56,493	0	0
Parks, Recreation & Cultural	4,994,023	4,972,994	(21,029)	(.42%)
Community Development	1,827,176	1,782,527	(44,649)	(2.44%)
Non-Departmental/Transfers	74,202,486	74,395,576	193,090	.26%
Total General Fund	\$125,611,341	\$125,849,938	\$238,597	.19%
Regional Detention Center Fund	\$16,832,410	\$16,425,072	(\$407,338)	(2.42%)
Landfill Fund	\$7,366,729	\$8,307,530	\$940,801	12.77%
Division of Court Services Fund	\$1,279,083	\$1,107,584	(\$171,499)	(13.41%)
Shawneeland Fund	\$848,097	\$777,700	(\$70,397)	(8.30%)
Airport Operating Fund	\$3,159,728	\$3,159,728	0	0
School Funds	\$138,857,471	\$141,129,277	\$2,271,806	1.64%
School Debt Service Fund	\$14,806,621	\$14,696,201	(\$110,420)	(.75%)
Total All Funds	\$308,761,480	\$311,453,030	\$2,691,550	.87%
Less Transfers Between Funds	\$76,675,896	\$76,224,190	(\$451,706)	(.59%)
Net Total – All Funds	\$232,085,584	\$235,228,840	\$3,143,256	1.35%

**County of Frederick
FY 2011-2012 Budget Calendar**

January – February 2011

Revenue continuously monitored for impact on FY 2012 budget

January 19, 2011

Board of Supervisors Budget Worksession

February 2, 2011

Board of Supervisors Budget Worksession – revenue neutral tax rate chosen

February 9, 2011

Joint School Board/Board of Supervisors meeting

School Board proposed budget presented to Board of Supervisors

February 23, 2011

Board of Supervisors Budget Worksession

March 16, 2011

FY 2012 budget advertised in newspaper

March 23, 2011

FY 2011-2012 Budget Public Hearing

April 13, 2011

FY 2011-2012 Budget Adoption

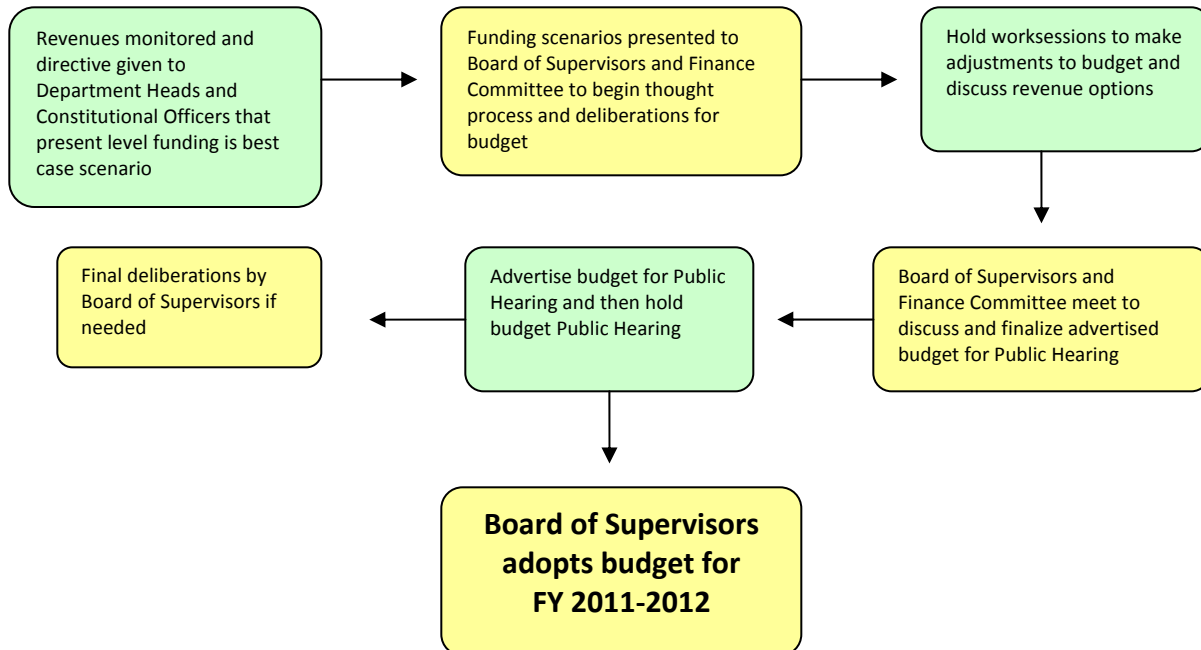
May-July, 2011

Preparation of Adopted Budget Document and submission of budget for award

July 1, 2011

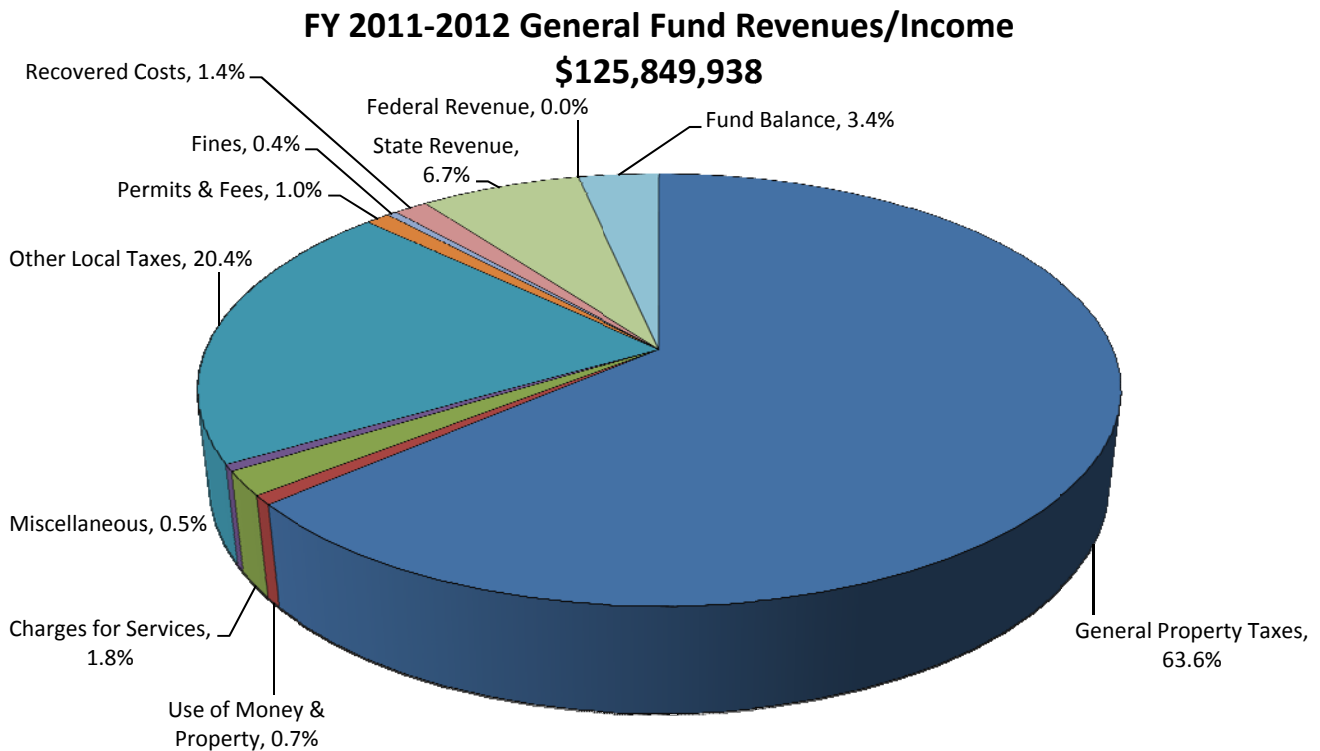
Implementation of Fiscal Year 2011-2012

Budget Process Flow Chart



General Fund Revenues/Income

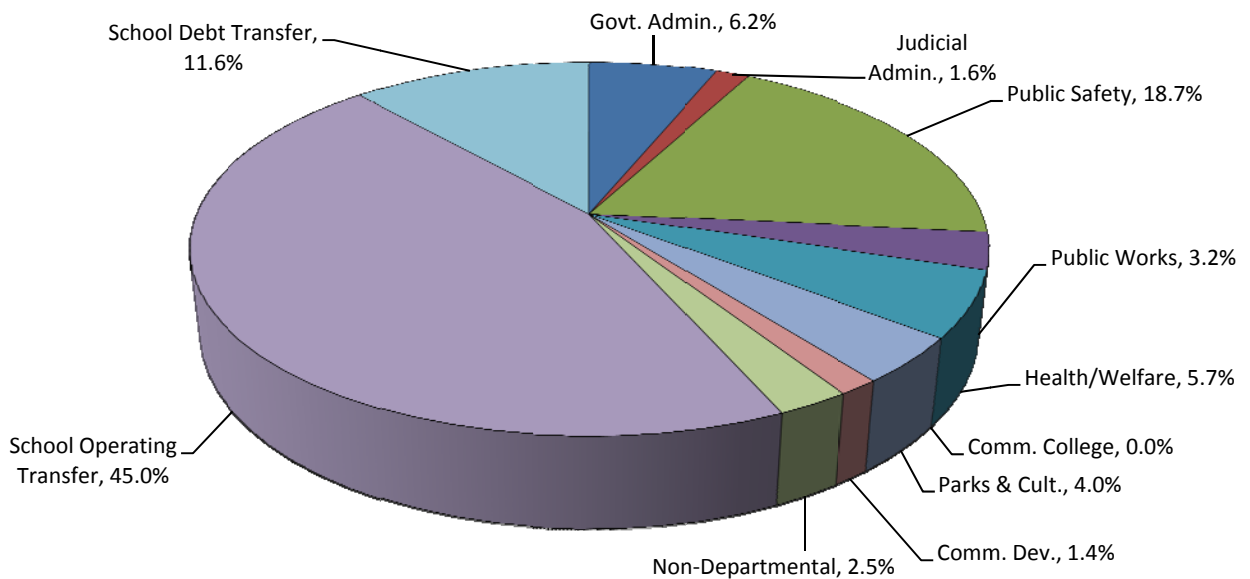
General Fund Revenues/Income	2010-11 Budgeted	2011-12 Adopted	Increase (Decrease)	% Change
General Property Taxes	80,085,000	80,085,000	0	0
Other Local Taxes	25,603,042	25,632,609	29,567	.12%
Permits, Fees and Licenses	1,219,649	1,229,649	10,000	.82%
Fines and Forfeitures	482,849	482,849	0	0
Use of Money and Property	871,762	871,762	0	0
Charges for Services	2,314,074	2,312,574	(1,500)	(.06%)
Miscellaneous	643,068	641,446	(1,622)	(.25%)
Recovered Costs	1,706,842	1,782,842	76,000	4.45%
Commonwealth	8,341,055	8,481,207	140,152	1.68%
Federal	44,000	30,000	(14,000)	(31.82%)
Fund Balance	4,300,000	4,300,000	0	0
Total	125,611,341	125,849,938	238,597	.19%



General Fund Expenses

General Fund Expenses	2010-11 Budgeted	2011-12 Adopted	Increase (Decrease)	% Change
General Administration	7,777,945	7,835,455	57,510	.74%
Judicial Administration	2,081,266	2,043,138	(38,128)	(1.83%)
Public Safety	23,376,506	23,548,177	171,671	.73%
Public Works	4,064,573	3,986,893	(77,680)	(1.91%)
Health/Welfare	7,230,873	7,228,685	(2,188)	(.03%)
Community College	56,493	56,493	0	0
Parks, Recreation & Cultural	4,994,023	4,972,994	(21,029)	(.42%)
Community Development	1,827,176	1,782,527	(44,649)	(2.44%)
Non-Departmental	2,938,667	3,131,757	193,090	.26%
Transfer to Schools	56,637,668	56,637,668	0	0
Transfer to School Debt	14,626,151	14,626,151	0	0
Total	125,611,341	125,849,938	238,597	.19%

FY 2011-2012 General Fund Expenses \$125,849,938



COUNTY FACTS

FREDERICK COUNTY TAXPAYER COSTS

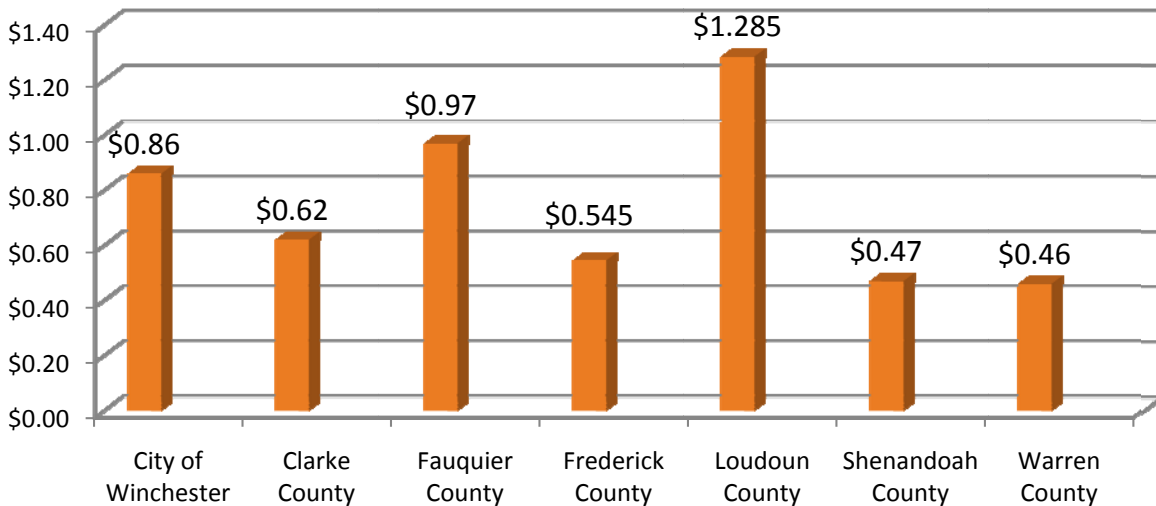
	General Fund FY 2011-12	Per Capita \$	% of Total
General Administration	\$7,835,455	\$100.06	6.23 %
Judicial Administration	2,043,138	26.09	1.62 %
Public Safety	23,548,177	300.72	18.71 %
Public Works	3,986,893	50.91	3.17 %
Health/Welfare	7,228,685	92.31	5.74 %
Parks & Rec./Cultural	4,972,994	63.51	3.95 %
Community Development	1,782,527	22.76	1.42 %
Education (includes Debt Svc.)	71,320,312	910.80	56.67 %
Miscellaneous	3,131,757	39.99	2.49 %
	\$125,849,938	\$1,607.15	100.00 %

Chart shows cost of General Fund per county citizen using an estimated population of 78,305

Property Tax Rates Last Ten Calendar Years

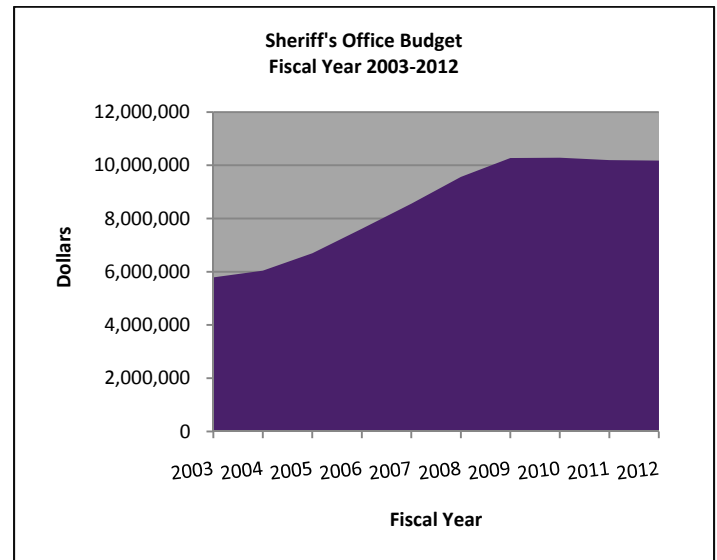
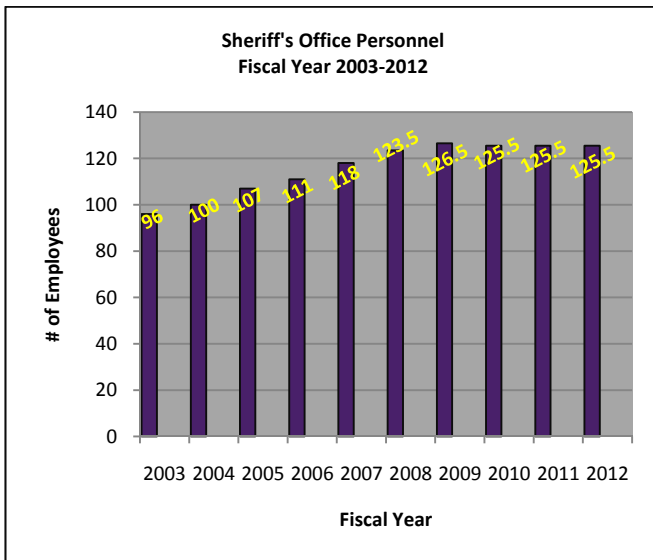
Calendar Year	Real Estate	Personal Property	Machinery and Tools	Mobile Homes	Public Utilities	
					Real Estate	Personal Property
2002	0.61	4.20	2.00	0.61	0.61	4.20
2003	0.73	4.20	2.00	0.73	0.73	4.20
2004	0.73	4.20	2.00	0.73	0.73	4.20
2005	0.525	4.20	2.00	0.525	0.525	4.20
2006	0.525	4.20	2.00	0.525	0.525	4.20
2007	0.525	4.20	2.00	0.525	0.525	4.20
2008	0.525	4.20	2.00	0.525	0.525	4.20
2009	0.51	4.86	2.00	0.51	0.51	4.86
2010	0.51	4.86	2.00	0.51	0.51	4.86
2011	0.545	4.86	2.00	0.545	0.545	4.86

Real Estate Tax Comparison of Neighboring Counties and Cities 2011

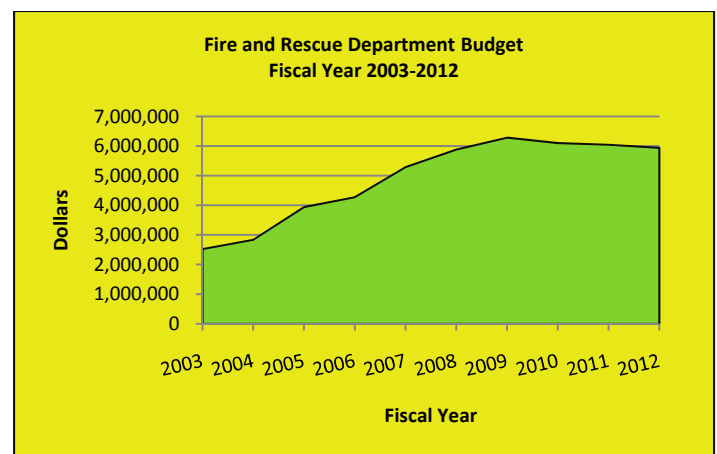
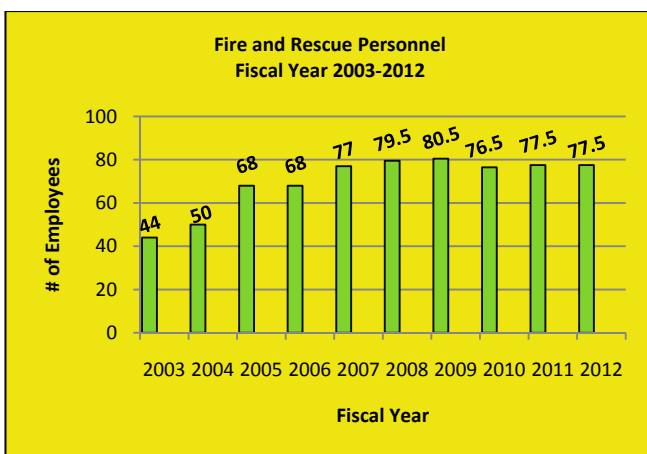


Public Safety

The Sheriff's Office has experienced an increased demand for public safety services due to increased violent crime, technology based crime and gang activity. The FY 2011-2012 budget does not include any new personnel for the Sheriff's Office. The Sheriff's Office has seen a thirty-one percent (31%) increase in personnel over the past ten years. The FY 2011-2012 budget for the Sheriff's Office includes lease payments for thirteen replacement cruisers. These new cruisers are replacing current high mileage vehicles. The Sheriff's Office has seen a seventy-six percent (76%) increase in their budget since FY 2002-2003, increasing from \$5,790,645 to \$10,180,918 in the last ten years.



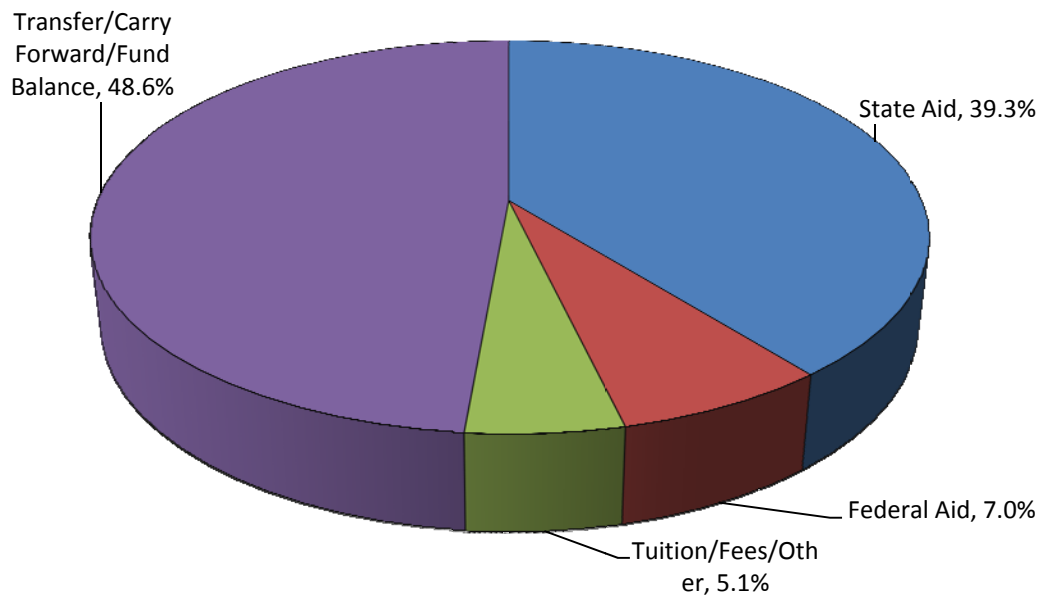
The Frederick County Fire and Rescue Department has also seen its share of growth over the past decade. The fire and rescue volunteer pool has been supplemented by full-time career fire and rescue personnel. The Fire and Rescue Department has experienced a seventy-six percent (76%) jump in full-time personnel over the past ten years. The Fire and Rescue Department does not include any capital items such as rescue equipment or vehicles. The Fire and Rescue Department has seen a one hundred thirty-five percent (135%) increase in their budget since FY 2002-2003, increasing from \$2,524,089 to \$5,940,110 in the last ten years.



School System Revenues/Income

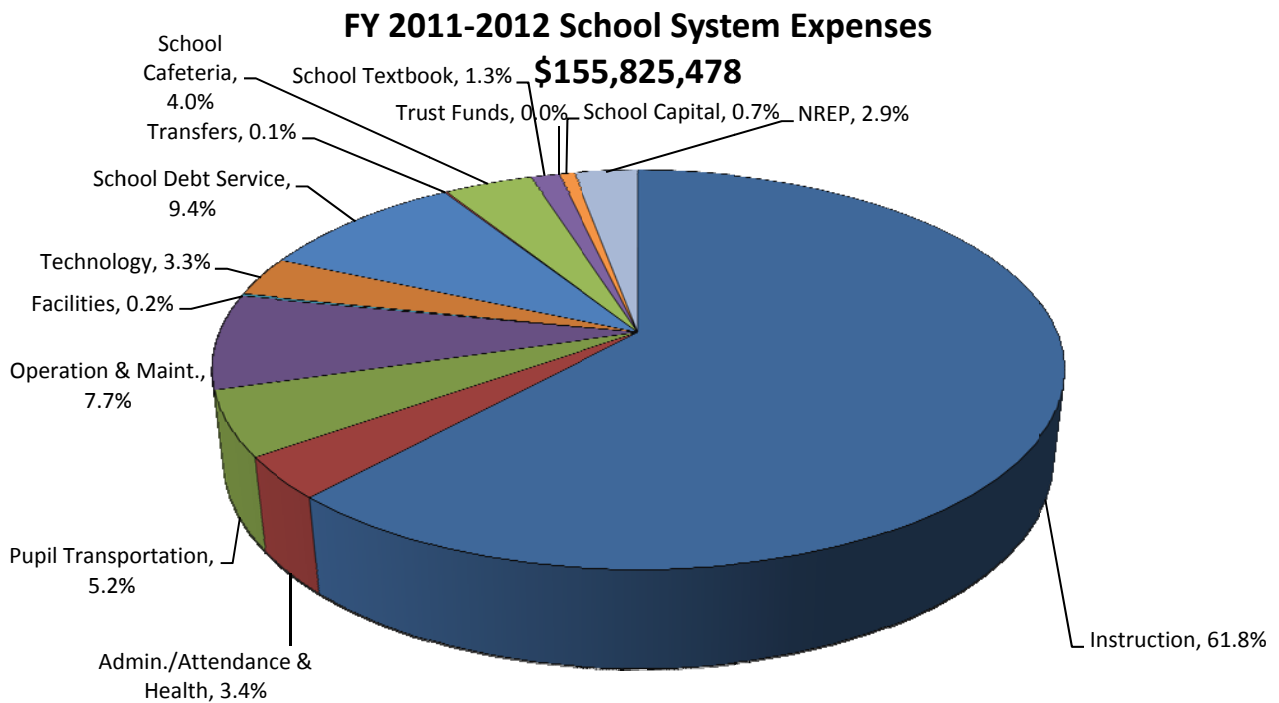
School System Revenues/Income	2010-11 Budgeted	2011-12 Adopted	Increase (Decrease)	% Change
State Aid	58,200,238	61,237,493	3,037,255	5.2%
Federal Aid	10,164,454	10,846,837	682,383	6.7%
Tuition, Fees, and Other	8,157,896	7,994,027	(163,869)	(2.0%)
Transfer/Carry Forward/Fund Balance	77,141,504	75,747,121	(1,394,383)	(1.8%)
Total	153,664,092	155,825,478	2,161,386	1.4%

FY 2011-2012 School System Revenues/Income \$155,825,478



School System Expenses

School System Expenses	2010-11 Budgeted	2011-12 Adopted	Increase (Decrease)	% Change
Instruction	93,790,118	96,222,872	2,432,755	2.59%
Admin./Attendance & Health	5,150,163	5,354,627	204,464	3.97%
Pupil Transportation	7,693,174	8,119,251	426,077	5.54%
Operation & Maintenance	11,845,472	11,936,761	91,289	0.77%
Facilities	329,073	341,348	12,275	3.73%
Technology	4,635,454	5,062,733	427,279	9.22%
School Debt Service	14,806,621	14,696,201	(110,420)	(0.75)%
Transfers	261,744	201,364	(60,380)	(23.07)%
School Cafeteria	5,955,697	6,224,441	268,744	4.51 %
School Textbook	2,952,741	2,007,644	(945,097)	(32.01)%
Trust Funds	16,100	16,100	0	0.00%
School Capital Fund	1,693,595	1,085,123	(608,472)	(35.93)%
NREP Operating Fund	4,489,140	4,507,013	17,873	0.40%
NREP Textbook Fund	45,000	50,000	5,000	11.11%
Total	153,664,092	155,825,478	2,161,387	1.41%



SCHOOL FACTS

Student Enrollment

The FY 2012 projected student enrollment is 13,115 for Frederick County Public Schools (FCPS). This is an increase of 72 students or .55 percent (.55%) compared to the September 15, 2010, actual student enrollment. Since FY 2001, FCPS has seen enrollment grow by about 2,360 students. Since FY 2001, FCPS has opened five new school buildings.

FCPS' membership continues to grow at a faster rate than Virginia's student membership average. FCPS's student membership grew by eleven percent (11%) while the Virginia state average grew by 1.6% in the past five years. FCPS membership is projected to grow at an annual average rate of 1.8%.

Student Enrollment Growth			
Fiscal Year	Students Enrolled	Number Change	Percentage Change
2001	10,683	145	1.4%
2002	10,774	91	0.9%
2003	11,029	255	2.4%
2004	11,343	314	2.9%
2005	11,742	399	3.5%
2006	12,223	481	4.1%
2007	12,596	373	3.1%
2008	12,905	409	2.5%
2009	12,913	8	0.06%
2010	13,035	122	.9%
2011	13,043	8	0.06%
Enrollment Projections			
2012	13,115	72	0.5%
2013	13,266	151	1.1%
2014	13,424	158	1.2%
2015	13,684	260	1.9%
2016	13,915	231	1.7%

Cost Per Pupil

Based on actual FY 10 information (most current information available) from the Virginia Department of Education, Frederick County Public Schools' cost per pupil is 9.3 % lower than the state average.

Cost Per Pupil Comparison							
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Winchester City	10,040	10,487	10,856	11,566	12,387	12,396	11,392
Clarke County	8,294	8,379	8,778	8,995	9,365	9,578	9,241
Warren County	7,060	7,358	7,705	8,244	8,990	9,021	8,932
Loudoun County	10,344	11,246	11,975	12,655	13,440	13,448	12,688
Shenandoah County	7,106	8,571	8,878	9,617	9,804	10,113	10,394
Fauquier County	8,601	9,248	9,546	10,427	10,925	11,339	11,255
Frederick County	8,345	8,600	9,394	9,879	10,284	10,234	10,083
State Average	8,552	9,202	9,755	10,584	11,037	11,316	11,020
Regional Average	8,541	9,127	9,590	10,198	10,742	10,876	10,569

The Citizens Guide to the Budget has been developed to give citizens an understanding of the budget process and final budget approved by the Frederick County Board of Supervisors. Frederick County's budget document provides estimated revenues and expenditures for the current fiscal year, detailed departmental budgets, and historical and statistical information. Citizens may view this document by visiting the Frederick County website at www.frederickcountyva.gov and selecting the Finance Department page.

Board of Supervisors

Richard C. Shickle – Chairman

Bill M. Ewing - Opequon District

Ross P. Spicer - Gainesboro District

Gene E. Fisher - Shawnee District

Gary A. Lofton - Back Creek District

Charles S. DeHaven - Stonewall District

Christopher E. Collins - Red Bud District

County Administrator

John R. Riley, Jr.

