

Frederick County, Virginia

FY 2012-2013 Citizens Guide to the Budget



COUNTY ADMINISTRATOR'S MESSAGE

The FY 2012-2013 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 Development

The FY 2013 budget process began in November 2011 with a preliminary memo from the Finance Committee Chairman cautioning the Board of Supervisors that the FY 2013 budget process was going to be challenging due to a continuing floundering economy and unknown state budget. The Chairman asked the committee to assist county staff by providing direction regarding tax rates, employee salaries and positions, usage of the fund balance, changes to county programs, etc. The Chairman noted that a down economy, taxpayers losing homes and jobs, and the loss of real estate values would remain key factors during the budget process but also noted that consideration needed to be given to providing employee pay increases if possible since none have been given in three years. This memo was followed by a memorandum to department heads discussing the upcoming budget process and stating that the next few months will consist of tracking revenue collections including state funding, analyzing the county's benefit plans, and the continued health of fund balance and the availability to utilize it to balance the budget.

Several budget development priorities were known at the beginning of the budget process:

- Virginia Retirement System increase to keep employees whole.
- Fund increase in County share of the Northwestern Regional Adult Detention Center.
- Maintain current staffing levels.
- Restructure current health insurance costs.

There were also key positive economic indicators at the outset of the budget process

- Increase in Sales, Meals and Lodging Taxes
- Unemployment – below state average
- Slight increase in construction-related permits

Budget Strategies

To get a general pulse from county departments, several of the larger departments were asked in January 2012 to list items/projects that have been suspended or put on hold due to the budget constraints of the last several years. The departments that were given this task were the Sheriff's Office, Fire and Rescue, Parks and Recreation, and Commissioner of the Revenue. The breakdown from these departments is listed below:

Sheriff's Office:	
Motor Vehicles – 28 in excess of 100,000 miles	\$686,000
28 bar lights	\$25,200
28 cages	\$30,800

28 control consoles	\$9,800
28 sets of vehicle decals	\$7,280
Radio Equipment – 26 mobile radios	\$72,800
Three police K-9's	\$21,000
Certification/Training for 3 K-9's and 3 handlers	\$18,000
Training for Staff	\$20,000
Total – Sheriff's Office	\$890,880
Fire and Rescue:	
Part-time Staff	\$24,000
Incentive Pay	\$21,305
Career Development	\$92,285
Replacement of two pickup trucks	\$59,326
Replacement of two SUV's	\$58,916
Vehicle Repair & Maintenance Costs	\$6,000
Gasoline – higher fuel costs	\$5,000
Lease expenses	\$1,500
Total Fire and Rescue	\$268,332
Parks and Recreation:	
Light Poles at Ball Fields	\$1,090,498
15 Passenger Bus	\$45,000
Coping Stone at Sherando Park Pool	\$12,000
Pool Bath House Siding Replacement	\$60,000
Middle School After School Program	\$44,096
Irrigation for Fields at Sherando Park	\$25,000
Assistant Director – Reinstate the position	\$95,978
Three Z-turn mowers	\$30,000
Training for Staff	\$7,000
Re-plaster Pools at Sherando and Clearbrook	\$80,000
Retile and Caulk Pools at Sherando and Clearbrook	\$66,000
Water UV Treatment at both pools	\$64,000
Six Maintenance Pickup Trucks	\$120,000
CAPRA Certification	\$1,200
Parks and Recreation Logo Change	\$1,500
Storage Building	\$6,000
Mountain Bike Trail at Sherando Park	\$19,897
Shade Cover at Sherando Park Pool	\$6,000
Trees – New Plantings at both parks	\$20,000
Total Parks and Recreation	\$1,794,169
Commissioner of the Revenue:	
Replacement of large copier/fax machine	\$7,300
Replacement of work station for PP/Business	\$18,900
Replacement of four computers	\$4,500
Total Commissioner of the Revenue	\$30,700

The General Fund budget for FY 2013 totals \$127,184,304. This is an increase over FY2012 of \$1,334,366. The revenue adjustments are as follows:

General Property Taxes	\$2,200,000
Other Local Taxes	\$1,513,042
State Revenue	\$68,219

Federal Revenue	\$78,340
Fees/Other Funding	(\$2,525,235)

General Fund expenditure adjustments for FY 2013 are as follows:

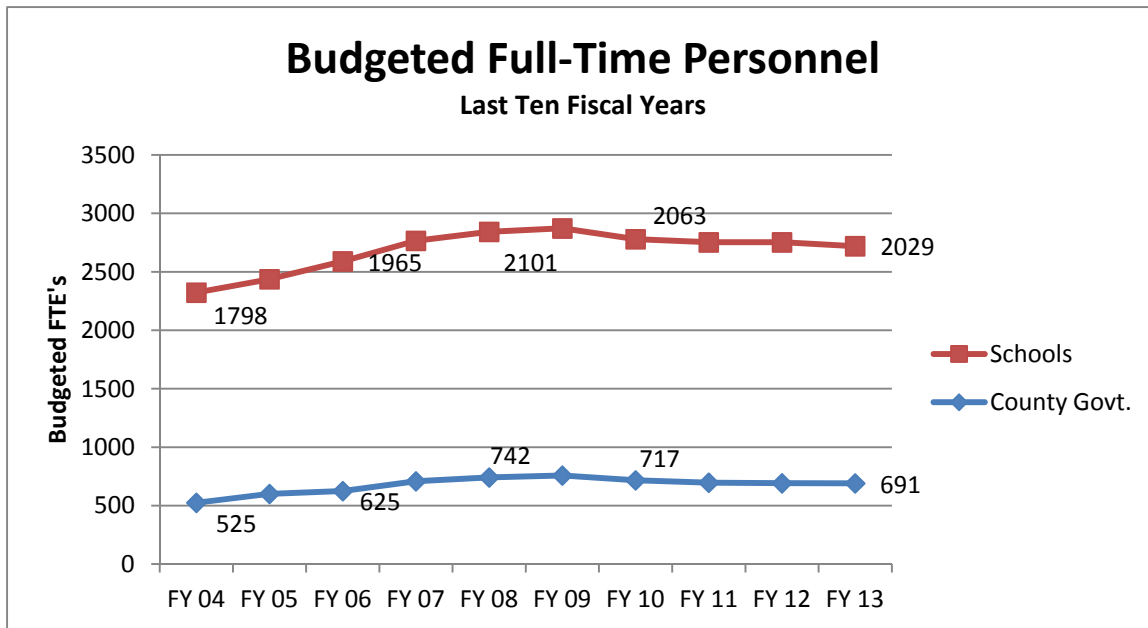
Salary and fringe benefit adjustments	(\$602,746)
Increase for Independent Auditor expenses	\$2,500
Internet expenses – IT Department	\$23,115
Phase II funding for IT Plan	\$109,485
Professional Services reduction in Management Info. Systems	(\$94,000)
Increase funding for Line of Duty Program	\$25,665
Registrar increases due to Presidential election	\$5,323
Increase for Circuit Court Expenses	\$8,000
Elimination of Detox Center Funding	(\$13,350)
Elimination of Sheriff's Office Grant Fund due to expiration	(\$244,885)
Increase funding to Regional Jail	\$465,988
Increase funding to Juvenile Detention Center	\$30,477
Reduction to Social Services Programs	(\$130,501)
Increase Northern Shenandoah Valley Reg. Comm. Contrib.	\$17,257
Elimination of Gypsy Moth/Biosolids budget	(\$4,000)
Miscellaneous Operating Expense Adjustments	(\$55,772)
Increase transfer to School Operating	\$760,794
County Debt and Contingency	\$11,915
Reserve for Merit/Fringe/VRS Adjustments	\$1,019,101

Except for these changes listed here, all other General Fund expenses remained at constant levels for FY 2013. The only capital expenses budgeted in the General Fund for FY 2013 was the second phase of the IT plan and funds for any emergency IT equipment needs.

One position was eliminated from and one position was added to the General Fund for FY 2013. An Investigator position was vacated during FY 2012 and was not refilled in the Commonwealth Attorney's Office. A grant position for an Intelligence Analyst was added to the Sheriff's Office.

The changes in positions for the school system are listed below:

- An instructional and an administrative administrator positions were eliminated – duties were absorbed by other administrators.
- Classroom teaching positions were downsized by 18.5 full-time equivalent positions including elementary middle, and high school levels.
- Guidance counseling positions were downsized by 5 full-time equivalent positions across the division.
- Support positions were downsized by 5 full-time equivalent positions – an instructional aide, a building and grounds maintenance technician, and three school custodians.
- Four Northern Shenandoah Valley Regional Adult Education Program positions were eliminated from the budget as fiscal agency of the program transfers to Lord Fairfax Community College from FCPS beginning July 1, 2012.
- Three new positions were added to the budget for the operation of vehicle maintenance at the new transportation facility – mechanic, service writer, and additional custodial and inventory technician hours. These positions will be filled when demand for vehicle maintenance services exceed current operational labor capacity.



The county held a public hearing on the proposed FY 2013 budget on March 28, 2012. Seven speakers voiced their concerns at the public hearing, including the Superintendent of Schools and the School Board Chairman commended the Board of Supervisors and School Board for working together to a satisfactory conclusion but also showed concern for upcoming projects that will need attention in the near future.

The adoption of the FY 2012-2013 budget occurred on April 11, 2012.

Budget Update

After the budget was adopted on April 11, 2012, the Board of Supervisors held a special board meeting after receiving news from the state regarding mandated changes to the Virginia Retirement System. Beginning July 1, government employees are required to contribute five percent to their retirement. In order for employees not to see a reduction in their salaries, localities are required to give five percent salary increases to all employees. In addition to this offsetting salary increase for employees, a “make whole” amount also had to be included so that employees would not see a reduction in their pay. The Board of Supervisors voted to hold a public hearing on a four cent real estate tax increase. The public hearing was held and the new real estate tax rate of 58 ½ cents was adopted on May 9, 2012.

The tax rates for Frederick County are assessed as follows:

Real Estate	
Budget Adopted Tax Rate	\$.545 per \$100
Amended 2012 Tax Rate	\$.585 per \$100
Personal Property	\$4.86 per \$100
Business & Occupational	
Retail	\$.20 per \$100
Contractors	\$.16 per \$100
Professional Services	\$.58 per \$100
(calculated on gross receipts)	
Wholesale (calculated on purchases)	\$.05 per \$100
Machinery and Tools	\$2.00 on declining values

These rates are based on 100% of estimated fair market value.

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 25, 2012.

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.

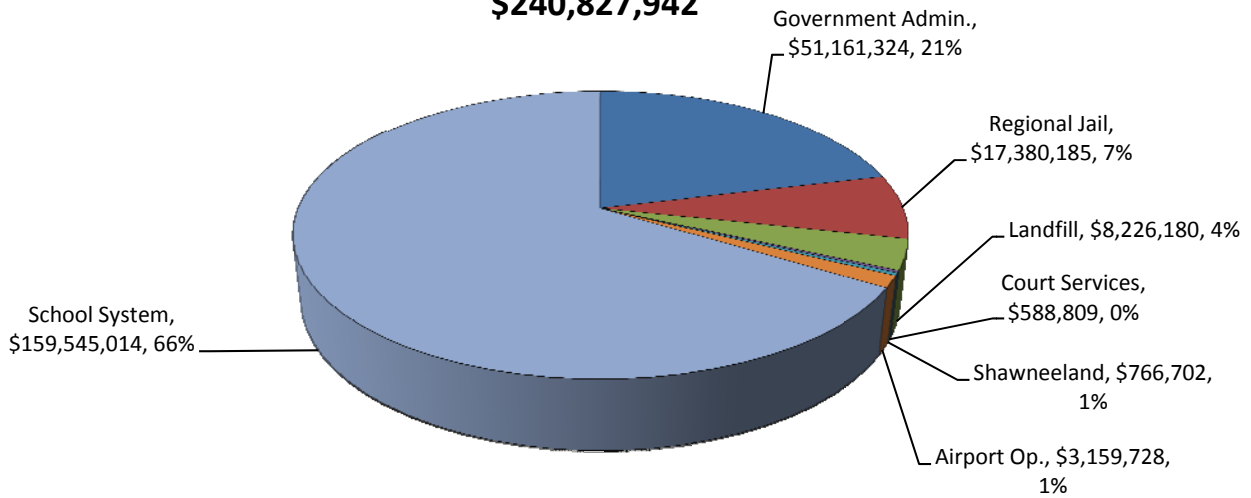
The Capital Improvements Plan is strictly advisory. It is possible that particular projects may not be funded during the year that is indicated in the CIP. The CIP is considered the first step towards the project, while the budget is considered the last obstacle before construction.

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 2012-2013 Total Operating Budget

\$240,827,942



Summary of All Funds

	Budget FY 2012	Adopted FY 2013	Increase (Decrease)	% Change
General Fund:				
Administration	\$7,835,455	\$7,907,509	\$72,054	.90%
Judicial Administration	2,043,138	1,940,620	(102,518)	(5.02%)
Public Safety	23,548,177	23,177,525	(370,652)	(1.57%)
Public Works	3,986,893	3,955,055	(31,838)	(.80%)
Health & Welfare	7,228,685	7,058,184	(170,501)	(2.36%)
Community College	56,493	56,493	0	0
Parks, Recreation & Cultural	4,972,994	4,929,830	(43,164)	(.87%)
Community Development	1,782,527	1,753,697	(28,830)	(1.62%)
Non-Departmental/Transfers	74,395,576	76,405,391	2,009,815	2.70%
Total General Fund	\$125,849,938	\$127,184,304	\$1,334,366	1.06%
Regional Detention Center Fund	\$16,425,072	\$17,380,185	\$955,113	5.81%
Landfill Fund	\$8,307,530	\$8,226,180	(\$81,350)	(.98%)
Division of Court Services Fund	\$1,107,584	\$588,809	(\$518,775)	(46.84%)
Shawneeland Fund	\$777,700	\$766,702	(\$10,998)	(1.41%)
Airport Operating Fund	\$3,159,728	\$3,159,728	0	0
School Funds	\$141,129,277	\$146,025,812	\$4,896,535	3.47%
School Debt Service Fund	\$14,696,201	\$14,923,651	\$227,450	1.55%
Total All Funds	\$311,453,030	\$318,255,371	\$6,802,341	2.18%
Less Transfers Between Funds	\$76,224,190	\$77,427,429	\$1,203,239	1.58%
Net Total – All Funds	\$235,228,840	\$240,827,942	\$5,599,102	2.38%

County of Frederick
FY 2012-2013 Budget Calendar

November 16, 2011

Preliminary budget worksession; Finance Committee Chairman shared budget memo

December 20, 2011

Scenarios presented

Present level scenario discussed and asked how remaining at present level would impact departments

Several large departments asked to provide information

January – February 2012

Budget worksession held to discuss impact of present level budget

Budget worksession held to discuss real estate tax rate for public hearing; voted to advertise at current tax rate

March 19, 2012

Public Hearing Advertisement in newspaper

March 28, 2012

FY 2012-2013 Budget Public Hearing

April 11, 2012

FY 2012-2013 Budget Adoption

April 18, 2012

Special Board meeting to discuss increase in real estate tax rate due to unfunded state mandates including the

requirement that employees pay 5% contribution to their retirement which is offset by a 5% salary increase

required to be paid by localities

May 9, 2012

Public Hearing on increase in real estate tax rate from 54 ½ cents to 58 ½ cents

Board of Supervisors approved and adopted the 4-cent tax increase

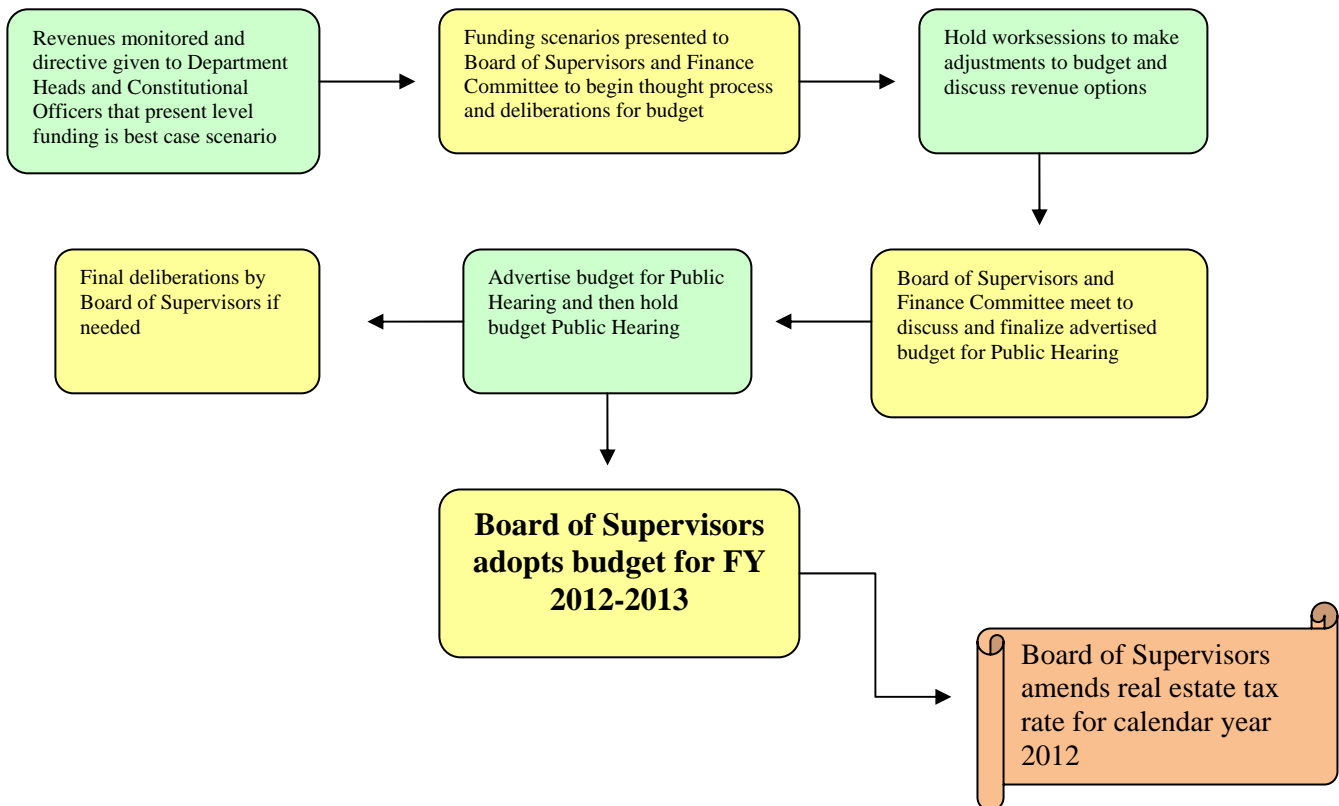
May-July, 2012

Preparation of Adopted Budget Document and submission of budget for award

July 1, 2012

Implementation of Fiscal Year 2012-2013

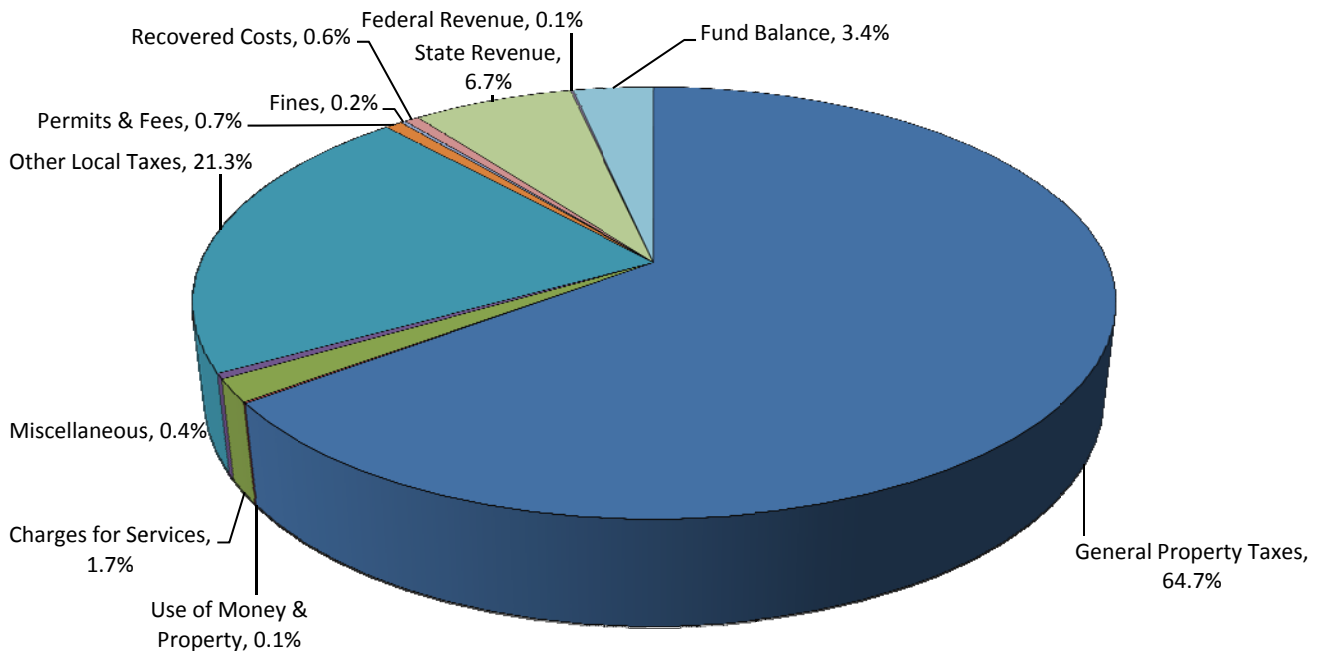
Budget Process Flow Chart



General Fund Revenues/Income

General Fund Revenues/Income	2011-12 Budgeted	2012-13 Adopted	Increase (Decrease)	% Change
General Property Taxes	80,085,000	82,285,000	2,200,000	2.75%
Other Local Taxes	25,632,609	27,145,651	1,513,042	5.90%
Permits, Fees and Licenses	1,229,649	904,250	(325,399)	(26.46%)
Fines and Forfeitures	482,849	251,759	(231,090)	(47.86%)
Use of Money and Property	871,762	154,545	(717,217)	(82.27%)
Charges for Services	2,312,574	2,250,180	(62,394)	(2.70%)
Miscellaneous	641,446	485,000	(156,446)	(24.39%)
Recovered Costs	1,782,842	753,275	(1,029,567)	(57.75%)
Commonwealth	8,481,207	8,546,304	65,097	.77%
Federal	30,000	108,340	78,340	261.13%
Fund Balance	4,300,000	4,300,000	0	0
Total	125,849,938	127,184,304	1,334,366	1.06%

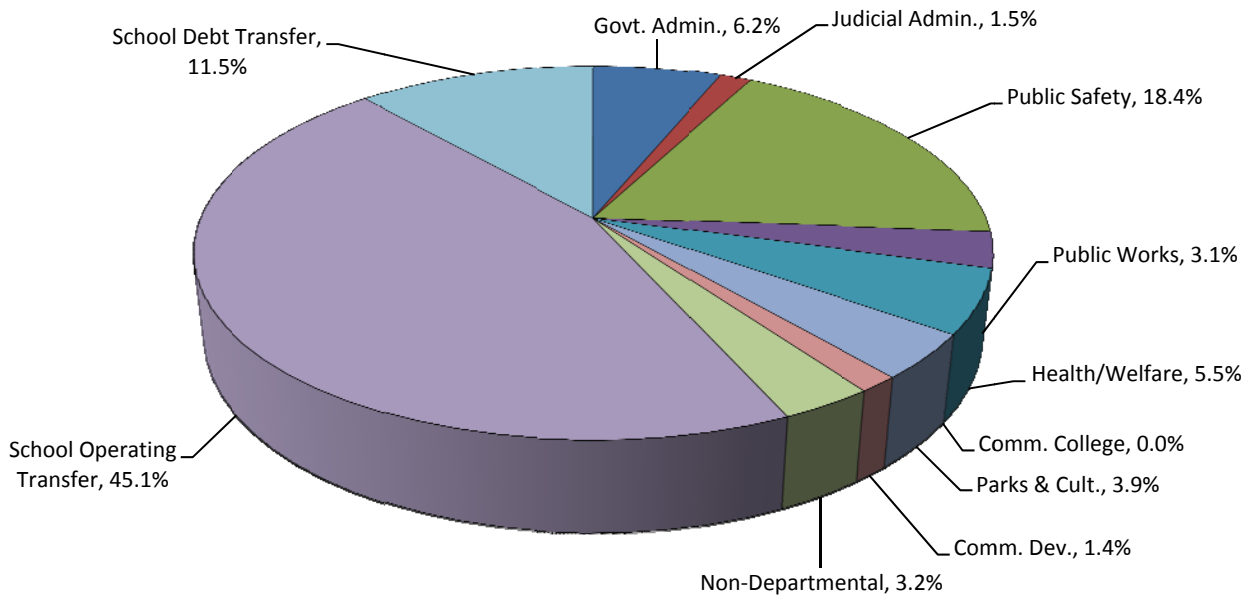
FY 2012-2013 General Fund Revenues/Income \$127,184,304



General Fund Expenses

General Fund Expenses	2011-12 Budgeted	2012-13 Adopted	Increase (Decrease)	% Change
General Administration	7,835,455	7,907,509	72,054	.92%
Judicial Administration	2,043,138	1,940,620	(102,518)	(5.02%)
Public Safety	23,548,177	23,395,530	(152,647)	(.65%)
Public Works	3,986,893	3,955,055	(31,838)	(.80%)
Health/Welfare	7,228,685	7,058,184	(170,501)	(2.36%)
Community College	56,493	56,493	0	0
Parks, Recreation & Cultural	4,972,994	4,929,830	(43,164)	(.87%)
Community Development	1,782,527	1,753,697	(28,830)	(1.62%)
Non-Departmental	3,131,757	4,162,773	1,031,016	32.92%
Transfer to Schools	56,637,668	57,398,462	760,794	1.34%
Transfer to School Debt	14,626,151	14,626,151	0	0
Total	125,849,938	127,184,304	1,334,366	1.06%

FY 2012-2013 General Fund Expenses \$127,184,304



COUNTY FACTS

FREDERICK COUNTY TAXPAYER COSTS

	General Fund FY 2012-13	Per Capita \$	% of Total
General Administration	\$7,907,509	\$99.90	6.22 %
Judicial Administration	1,940,620	25.81	1.53 %
Public Safety	23,395,530	295.56	18.39 %
Public Works	3,955,055	49.97	3.11 %
Health/Welfare	7,058,184	89.17	5.55 %
Parks & Rec./Cultural	4,929,830	62.28	3.88 %
Community Development	1,753,697	22.15	1.38 %
Education (includes Debt Svc.)	72,081,106	910.62	56.67 %
Miscellaneous	4,162,773	52.59	3.27 %
	\$127,184,304	\$1,608.05	100.00 %

Chart shows cost of General Fund per county citizen using an estimated population of 79,156

Property Tax Rates Last Ten Calendar Years

Calendar Year	Real Estate	Personal Property	Machinery and Tools	Mobile Homes	Public Utilities	
					Real Estate	Personal Property
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
2012	0.545 Adopted	4.86	2.00	0.545 Adopted	0.545 Adopted	4.86
2012	0.585 Amended	4.86	2.00	0.585 Amended	0.585 Amended	4.86

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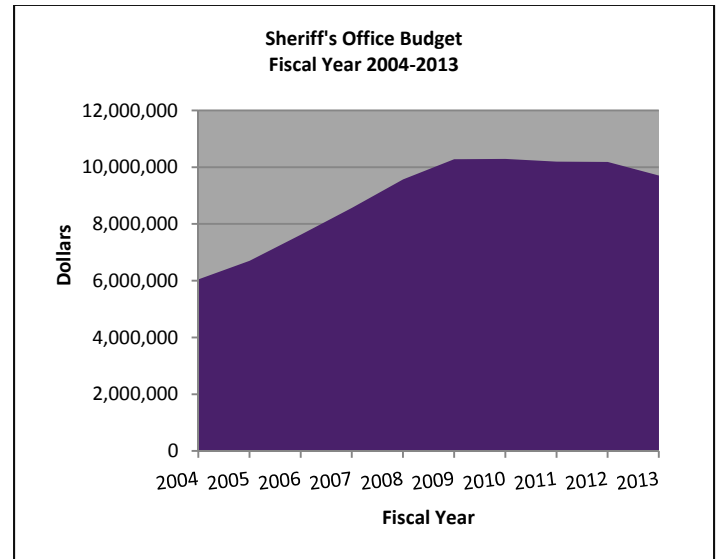
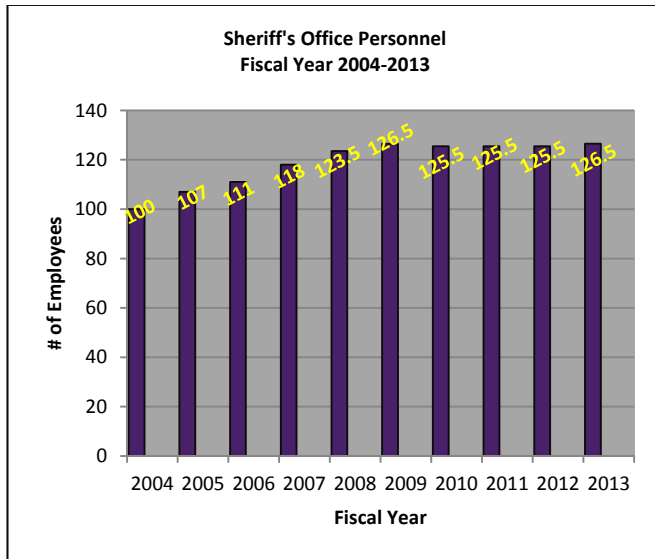
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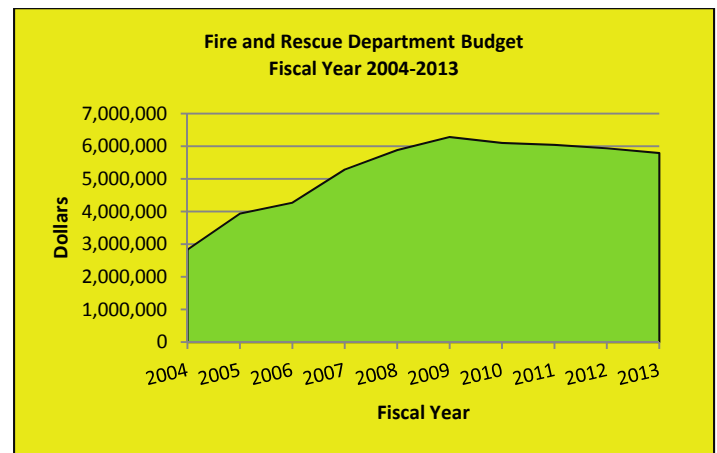
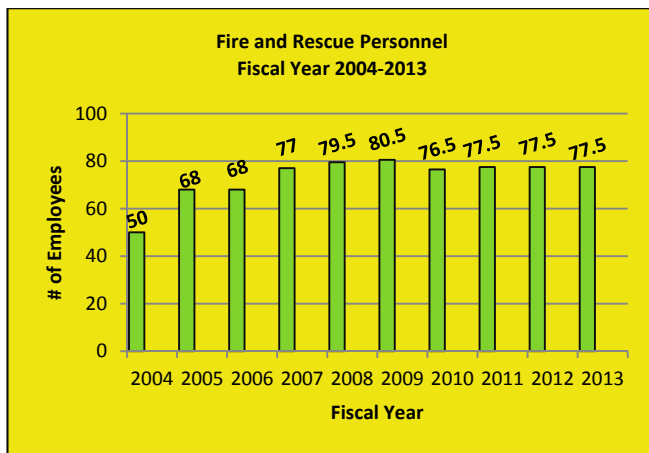
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Public Safety

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 2012-2013 budget for the Sheriff's Office includes one new Intelligence Analyst provided through a grant. The Sheriff's Office has seen a twenty-six percent (26%) increase in personnel over the past ten years. The FY 2012-2013 budget for the Sheriff's Office includes the second year lease payment for thirteen replacement cruisers. The Sheriff's Office has seen a sixty percent (60%) increase in their budget since FY 2003-2004, increasing from \$6,047,791 to \$9,704,775 in the last ten years.



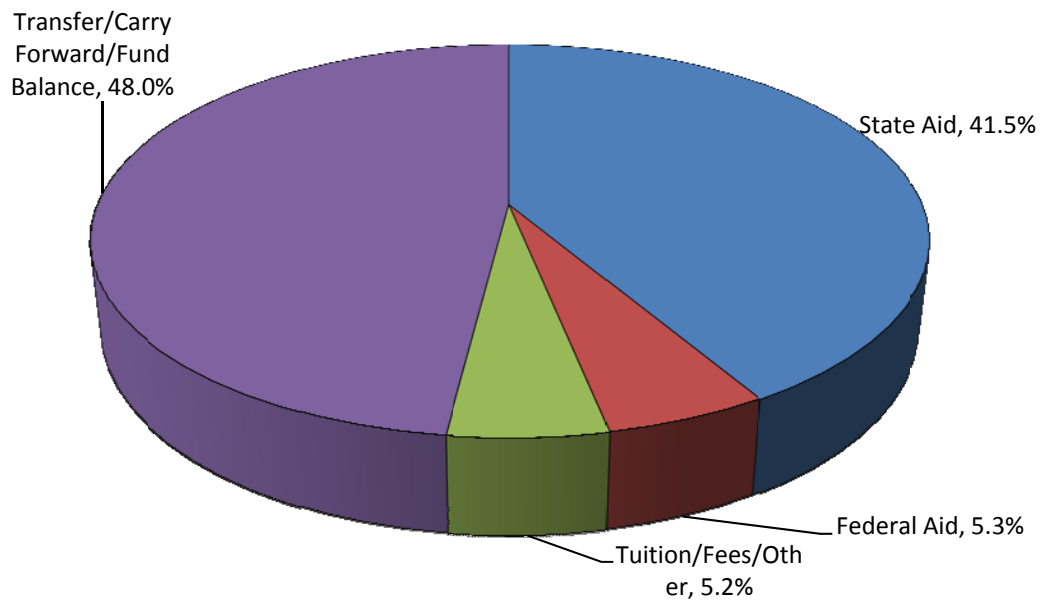
The Frederick County Fire and Rescue Department has also seen its share of growth over the past decade. The fire and rescue volunteer pool is supplemented by full-time career fire and rescue personnel. The Fire and Rescue Department has experienced a fifty-five percent (55%) jump in full-time personnel 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 four percent (104%) increase in their budget since FY 2003-2004, increasing from \$2,837,601 to \$5,795,073 in the last ten years.



School System Revenues/Income

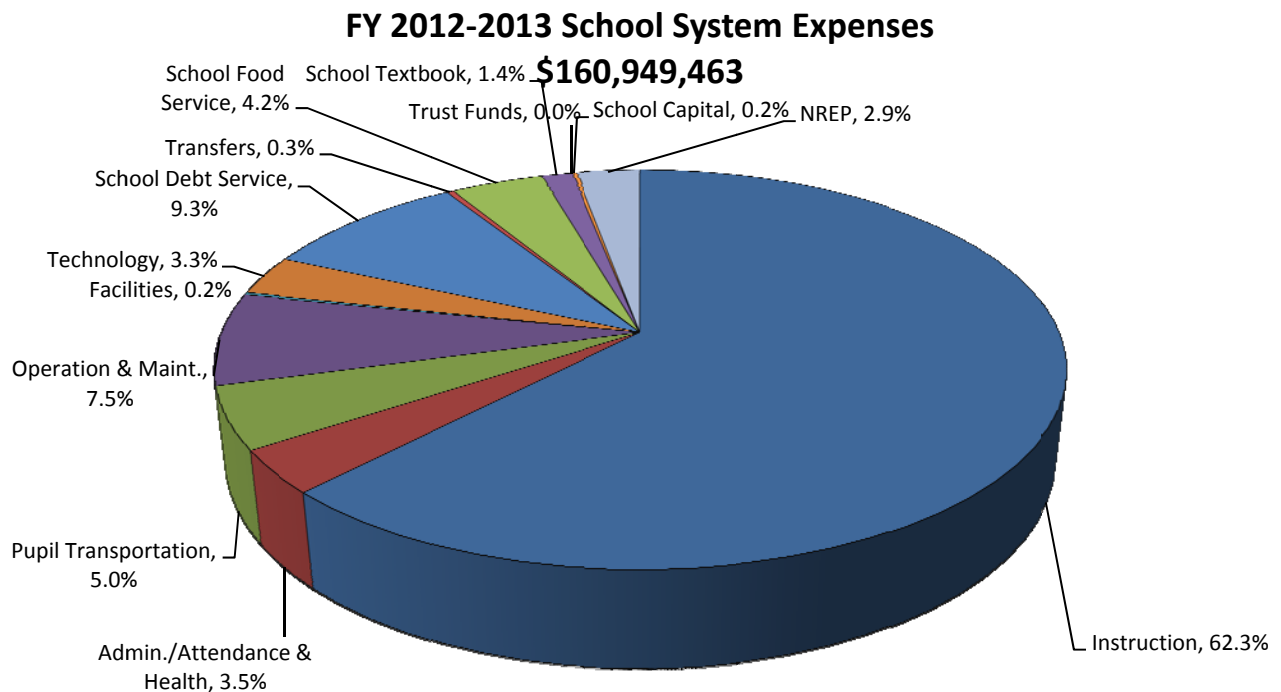
School System Revenues/Income	2011-12 Budgeted	2012-13 Adopted	Increase (Decrease)	% Change
State Aid	61,237,493	66,819,108	5,581,615	9.1%
Federal Aid	10,846,837	8,442,055	(2,404,782)	(22.2%)
Tuition, Fees, and Other	7,994,027	8,399,620	405,493	5.1%
Transfer/Carry Forward/Fund Balance	75,747,121	77,288,680	1,541,559	2.0%
Total	155,825,478	160,949,463	5,123,985	3.3%

FY 2012-2013 School System Revenues/Income \$160,949,463



School System Expenses

School System Expenses	2011-12 Budgeted	2012-13 Adopted	Increase (Decrease)	% Change
Instruction	96,222,872	100,270,454	4,047,582	4.21%
Admin./Attendance & Health	5,354,627	5,661,380	306,753	5.73%
Pupil Transportation	8,119,251	7,970,607	(148,644)	(1.83%)
Operation & Maintenance	11,936,761	12,049,427	112,666	0.94%
Facilities	341,348	249,322	(92,026)	(26.96%)
Technology	5,062,733	5,284,108	221,375	4.37%
School Debt Service	14,696,201	14,923,651	227,450	1.55%
Transfers	201,364	421,700	220,336	109.42%
School Food Service	6,224,441	6,774,851	550,410	8.84 %
School Textbook	2,007,644	2,295,277	287,633	14.33%
Trust Funds	16,100	16,100	0	0.00%
School Capital Fund	1,085,123	367,115	(718,008)	(66.17%)
NREP Operating Fund	4,507,013	4,615,470	108,457	2.41%
NREP Textbook Fund	50,000	50,000	0	0.00%
Total	155,825,478	160,949,463	5,123,985	3.29%



SCHOOL FACTS

Student Enrollment

The FY 2013 projected student enrollment is 13,156 for Frederick County Public Schools (FCPS). This is an increase of 127 students or one percent (1%) compared to the September 15, 2011, actual student enrollment of 13,029. Since FY 2001, FCPS has seen enrollment grow by about 2,346 students. Since FY 2001, FCPS has opened five new school buildings.

Student membership growth slowed during 2010 through 2012 compared to the previous years. In the past five years, FCPS' student membership grew by 3.4 percent while the Virginia state average grew by 4.7 percent. FCPS membership is projected to grow at an annual average rate of one percent over the next five years.

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%
2012	13,029	-14	-0.11%
Enrollment Projections			
2013	13,156	127	0.97%
2014	13,266	110	0.84%
2015	13,413	147	1.1%
2016	13,506	93	0.69%
2017	13,610	104	0.77%

Cost Per Pupil

Based on actual FY 11 information (most current information available) from the Virginia Department of Education, Frederick County Public Schools' cost per pupil is 9.4 % lower than the state average.

Cost Per Pupil Comparison							
	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Winchester City	10,487	10,856	11,566	12,387	12,396	11,392	11,560
Clarke County	8,379	8,778	8,995	9,365	9,578	9,241	9,768
Warren County	7,358	7,705	8,244	8,990	9,021	8,932	8,974
Loudoun County	11,246	11,975	12,655	13,440	13,448	12,688	11,946
Shenandoah County	8,571	8,878	9,617	9,804	10,113	10,394	10,115
Fauquier County	9,248	9,546	10,427	10,925	11,339	11,255	11,283
Frederick County	8,600	9,394	9,879	10,284	10,234	10,083	9,773
State Average	9,202	9,755	10,584	11,037	11,316	11,020	10,793
Regional Average	9,127	9,590	10,198	10,742	10,876	10,569	10,488

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.

