

Frederick County, Virginia

FY 2009-2010 Citizens Guide to the Budget



COUNTY ADMINISTRATOR'S MESSAGE

The FY 2009-2010 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 decrease 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 increases to the citizens.
 - Maintain adequate levels of fund balance.
 - Continue effective delivery of core services.

Board Direction for FY 2009-2010

- Adjust real estate and personal property tax rates to a revenue neutral amount.
- Reduce the use of fund balance to balance the budget.

Budget Strategies

The beginning of the FY 2010 budget process started with a sobering look at the FY 2009 revenue crisis. FY 2009 revenues were shaping up to be roughly \$4 million short of the projected numbers. This shortfall was distributed proportionately between the General Fund and the School System. The General Fund made \$1.68 million in cuts and the School System made \$2.32 million in cuts.

In developing the FY 2009-2010 budget, reductions to the operating budgets of most departments was necessary. Departments were given the directive to cut operational budgets by 15%. Operating expenditure cuts total \$2.2 million. This is a roughly 11% average reduction due to public safety departments reducing their budgets by smaller percentages because of critical need. All outside agency contributions were reduced by 15%.

Protecting personnel was a high priority for this budget process. Among the nine funds with paid employees, a total of 108 positions were removed from the FY 2009-2010 budget. Most of these were reduced due to attrition. Of these positions, 24 were within the General Fund and 67 were within the School Funds.

The Board adopted the FY 2009-2010 budget with a revenue neutral real estate tax rate which lowered the actual rate from 52 ½ cents to 51 cents. A revenue neutral tax rate means that an increase to county revenues is not realized due to the reassessment of real property. The personal property tax rate was adopted at a rate of \$4.86, which appears to be an increase from the original rate of \$4.20, however, with vehicle values on a steady decline, the taxpayer is technically paying the same amount of taxes as at the lower rate.

The Board also decided to reduce the amount taken from fund balance by half to balance the General Fund budget. Fund balance funding for the General Fund for FY 2010 is \$4,300,000 compared to \$8,699,000 taken from fund balance to balance the FY 2009 budget.

Federal government revenues for the school system increased significantly due to the American Recovery and Reinvestment Act of 2009 (ARRA). Stimulus funds are provided for FY 2010 to temporarily stabilize state funds, support Individuals with Disabilities Education Act (IDEA) and Title I programs to save and create jobs and to improve student achievement in ways that do not result in unsustainable continuing commitments after the funding expiring in two or three years. ARRA federal funds will be disbursed to Frederick County Public Schools on a reimbursement basis.

Revenue projections will be reviewed monthly as they appear to continue to decline. Discussions have already started on the FY 2011 budget. Funding from the federal stimulus is temporary and restructuring local government will be both a need and a challenge. Funding education and public safety will continue to be priorities. The shift in the state's population to one in every five Virginians being a senior citizen over the next five years will also change the services required by county citizens and funding for those services will need to become a priority.

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 February 25, 2009.

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.

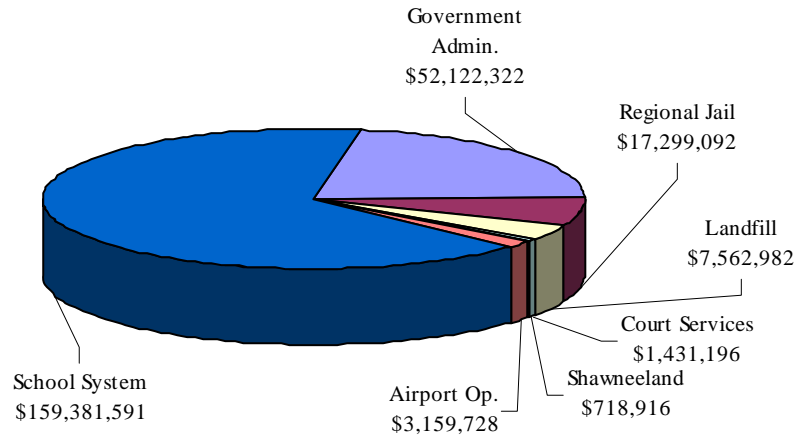
The annual review process begins with the submission of capital expenditure requests from county departments and relevant agencies in the fall of the year. These requests are evaluated by the Comprehensive Plans and Programs Subcommittee (CPPS), a subcommittee of the Planning Commission. The CPPS meets with representatives of departments making expenditure requests and determines a recommended priority for the various requests. 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 2009-2010 Total Operating Budget

\$241,675,827



Summary of All Funds

	Budget FY 2009	Adopted FY 2010	Increase (Decrease)	% Change
General Fund:				
Administration	\$8,040,534	\$7,751,108	(\$289,426)	(3.60%)
Judicial Administration	2,370,639	2,219,558	(151,081)	(6.37%)
Public Safety	24,052,474	23,149,826	(902,648)	(3.75%)
Public Works	4,926,537	4,259,937	(666,600)	(13.53%)
Health & Welfare	7,499,941	7,282,106	(217,835)	(2.90%)
Community College	73,847	62,770	(11,077)	(15.00%)
Parks, Recreation & Cultural	5,623,020	5,354,638	(268,382)	(4.77%)
Community Development	2,647,948	1,985,327	(662,621)	(25.02%)
Non-Departmental/Transfers	79,871,400	74,013,549	(5,857,851)	(7.33%)
Total General Fund	\$135,106,340	\$126,078,819	(\$9,027,521)	(6.68%)
Regional Detention Center Fund	\$18,878,477	\$17,299,092	(\$1,579,385)	(8.37%)
Landfill Fund	\$11,342,676	\$7,562,982	(\$3,779,694)	(33.32%)
Division of Court Services Fund	\$1,415,036	\$1,423,981	\$8,945	0.63%
Shawneeland Fund	\$1,020,538	\$718,916	(\$301,622)	(29.56%)
Airport Operating Fund	\$3,345,135	\$3,159,728	(\$185,407)	(5.54%)
School Funds	\$149,664,100	\$144,076,128	(\$5,587,972)	(3.73%)
School Debt Service Fund	\$14,672,237	\$15,315,613	\$643,376	4.38%
Total All Funds	\$335,444,539	\$315,635,259	(\$19,809,280)	(5.91%)
Less Transfers Between School Funds and Jail Fund	\$79,546,354	\$73,959,432	(\$5,586,922)	(7.02%)
Net Total – All Funds	\$255,898,185	\$241,675,827	(\$14,222,358)	(5.56%)

**County of Frederick
FY 2009-2010 Budget Calendar**

November 10, 2008
Directors receive budget instructions for submitting request

November, 2008
Directors prepare budgets

December 12, 2008
Budget submissions due to Finance Department to prepare budget packets for Board of Supervisors and Finance Committee

February 23, 2009
Distribution of budget packets to Board of Supervisors and Finance Committee

February – March 2009
Various meetings held regarding state reductions and local economy and the impact on county budget

March 27, 2009
Budget advertised in newspaper

April 8, 2009
FY 2009 – 2010 Budget Public Hearing

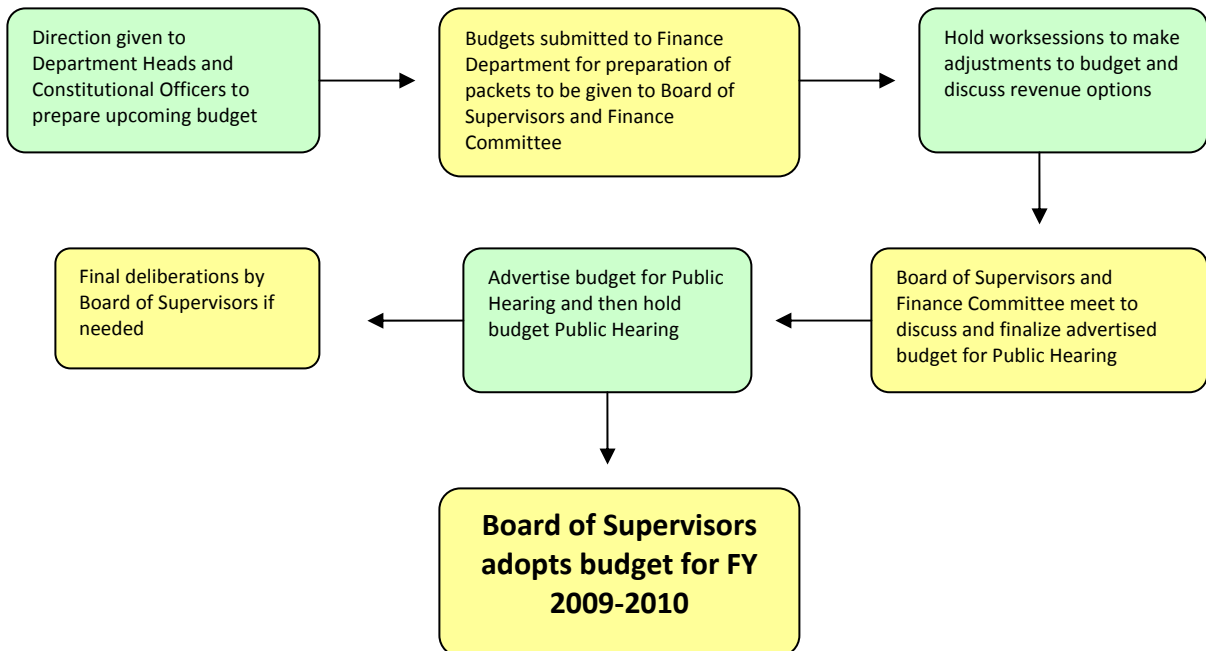
April 8, 2009
FY 2009 – 2010 Tax Rate Adoption

April 22, 2009
FY 2009-2010 Budget Adoption

May-July, 2009
Preparation of Adopted Budget Document and submission of budget for award

July 1, 2009
Implementation of Fiscal Year 2009 – 2010

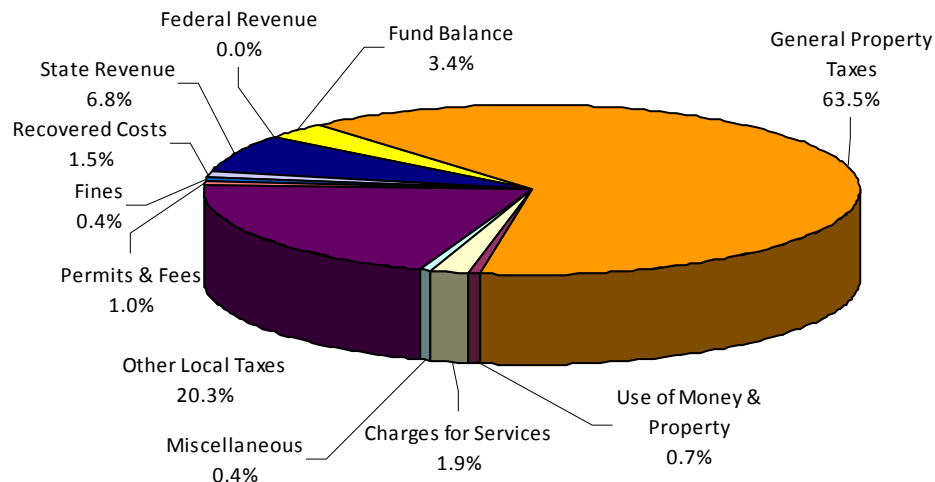
Budget Process Flow Chart



General Fund Revenues/Income

General Fund Revenues/Income	2008-09 Budgeted	2009-10 Adopted	Increase (Decrease)	% Change
General Property Taxes	79,935,000	80,085,000	150,000	.19%
Other Local Taxes	29,402,112	25,603,042	(3,799,070)	(12.92%)
Permits, Fees and Licenses	1,819,165	1,219,649	(599,516)	(32.96%)
Fines and Forfeitures	299,033	482,849	183,816	61.47%
Use of Money and Property	1,073,962	871,762	(202,200)	(18.83%)
Charges for Services	2,508,711	2,402,424	(106,287)	(4.24%)
Miscellaneous	429,571	558,175	128,604	29.94%
Recovered Costs	1,727,497	1,898,418	170,921	9.89%
Commonwealth	9,166,289	8,613,500	(552,789)	(6.03%)
Federal	46,000	44,000	(2,000)	(4.35%)
Fund Balance	8,699,000	4,300,000	(4,399,000)	(50.57%)
Total	135,106,340	126,078,819	(9,027,521)	(6.68%)

FY 2009-2010 General Fund Revenues/Income \$126,078,819

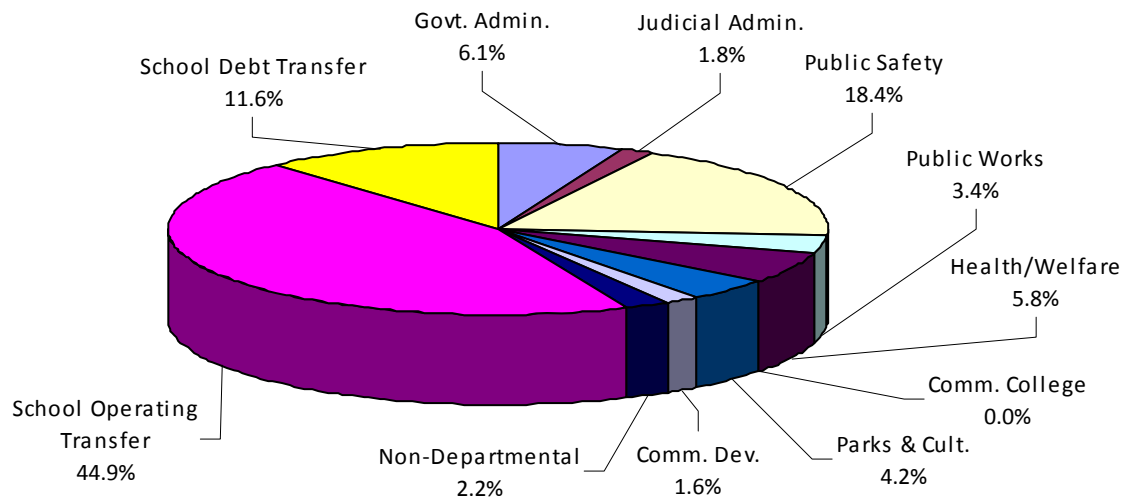


General Fund Expenses

General Fund Expenses	2008-09 Budgeted	2009-10 Adopted	Increase (Decrease)	% Change
General Administration	8,040,534	7,751,108	(289,426)	(3.60%)
Judicial Administration	2,370,639	2,219,558	(151,081)	(6.37%)
Public Safety	24,052,474	23,149,826	(902,648)	(3.75%)
Public Works	4,926,537	4,259,937	(666,600)	(13.53%)
Health/Welfare	7,499,941	7,282,106	(217,835)	(2.90%)
Community College	73,847	62,770	(11,077)	(15.00%)
Parks, Recreation & Cultural	5,623,020	5,354,638	(268,382)	(4.77%)
Community Development	2,647,948	1,985,327	(662,621)	(25.02%)
Non-Departmental	3,807,581	2,749,730	(1,057,851)	(27.78%)
Transfer to Schools	63,472,093	56,637,668	(6,834,425)	(10.77%)
Transfer to School Debt	12,591,726	14,626,151	2,034,425	16.16%
Total	135,106,340	126,078,819	(9,027,521)	(6.68%)

FY 2009-2010 General Fund Expenses

\$126,078,819



COUNTY FACTS

FREDERICK COUNTY TAXPAYER COSTS

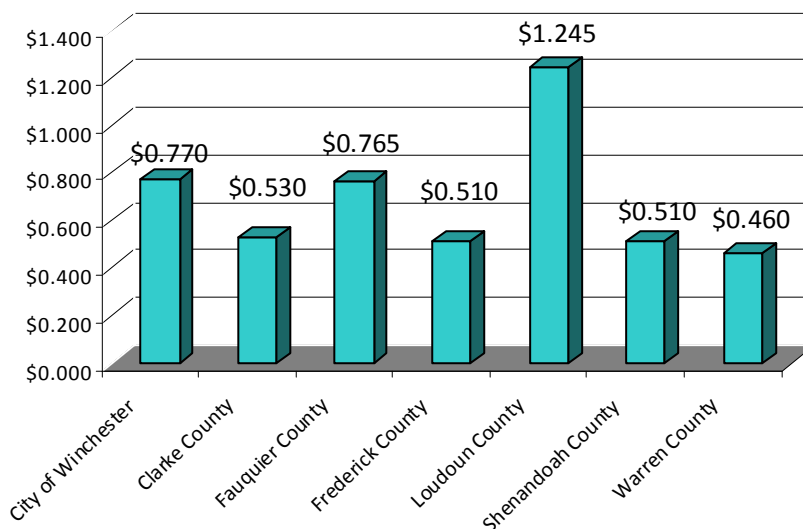
	General Fund FY 2009-10	Per Capita \$	% of Total
General Administration	\$7,751,108	\$104.91	6.15%
Judicial Administration	2,219,558	30.04	1.76%
Public Safety	23,149,826	313.32	18.36%
Public Works	4,259,937	57.66	3.38%
Health/Welfare	7,282,106	98.56	5.78%
Parks & Rec./Cultural	5,354,638	72.47	4.25%
Community Development	1,985,327	26.87	1.57%
Education (includes Debt Svc.)	71,326,589	965.36	56.57%
Miscellaneous	2,749,730	37.22	2.18%
	\$126,078,819	\$1,706.41	100.00%

Chart shows cost of General Fund per county citizen using an estimated population of 73,886

Property Tax Rates Last Ten Calendar Years

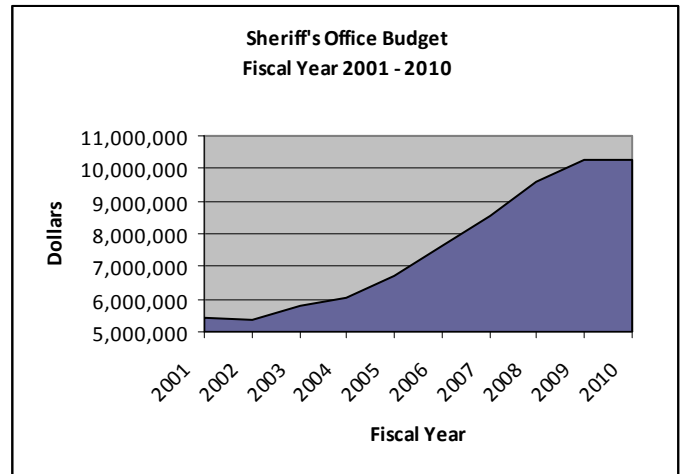
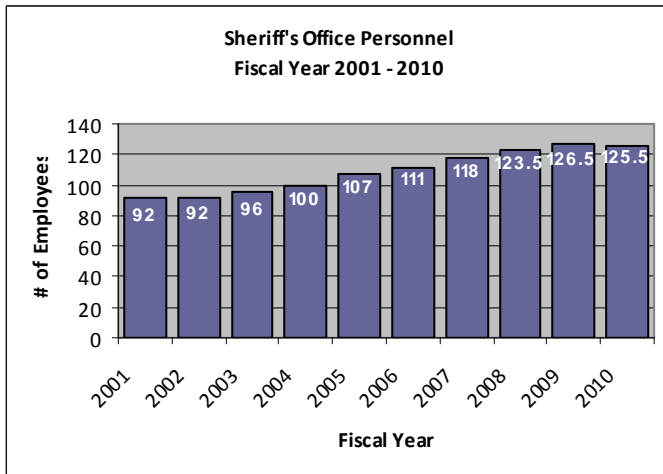
Calendar Year						Public Utilities	
	Real Estate	Personal Property	Machinery and Tools	Mobile Homes	Real Estate	Personal Property	
2000	0.64	4.20	2.00	0.64	0.64	4.20	
2001	0.61	4.20	2.00	0.61	0.61	4.20	
2002	0.61	4.20	2.00	0.61	0.61	4.20	
2003	0.73	4.20	2.00	0.73	0.73	4.20	
2004	0.73	4.20	2.00	0.73	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	

Real Estate Tax Comparison of Neighboring Counties and Cities FY 2009-2010

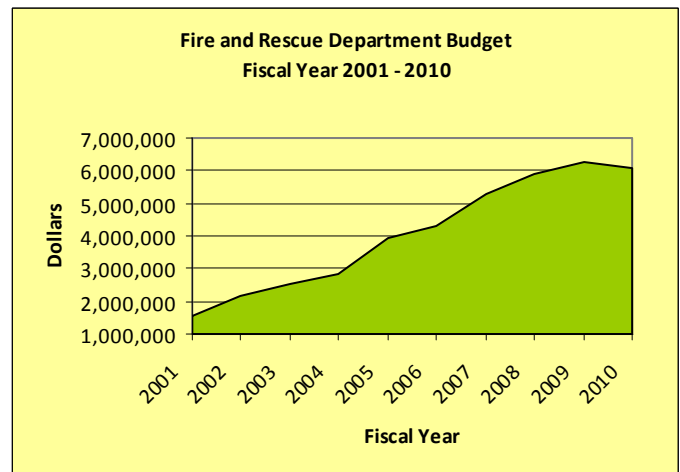
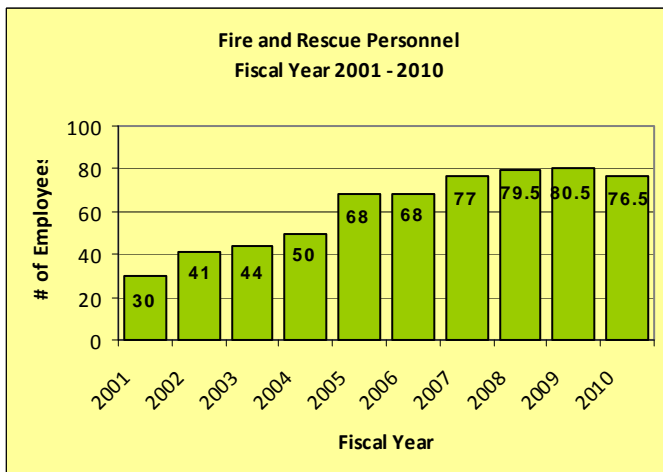


Public Safety

The Sheriff's Office has experienced a greater need for public safety due to increased violent crime, technology based crime and gang activity. The FY 2009-2010 budget does not include any new personnel for the Sheriff's Office. The Sheriff's Office has seen a thirty-six percent increase in personnel over the past ten years. Also, the FY 2009-2010 budget for the Sheriff's Office does not include any capital items such as replacement vehicles or radio equipment. The Sheriff's Office has seen a ninety percent increase in their budget since FY 2000-2001, increasing from \$5,403,660 to \$10,287,939 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 one hundred fifty-five percent jump in full-time personnel over the past ten years. As with the Sheriff's Office, the FY 2009-2010 budget for 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 296% increase in their budget since FY 2000-2001, increasing from \$1,540,235 to \$6,103,026 in the last ten years.

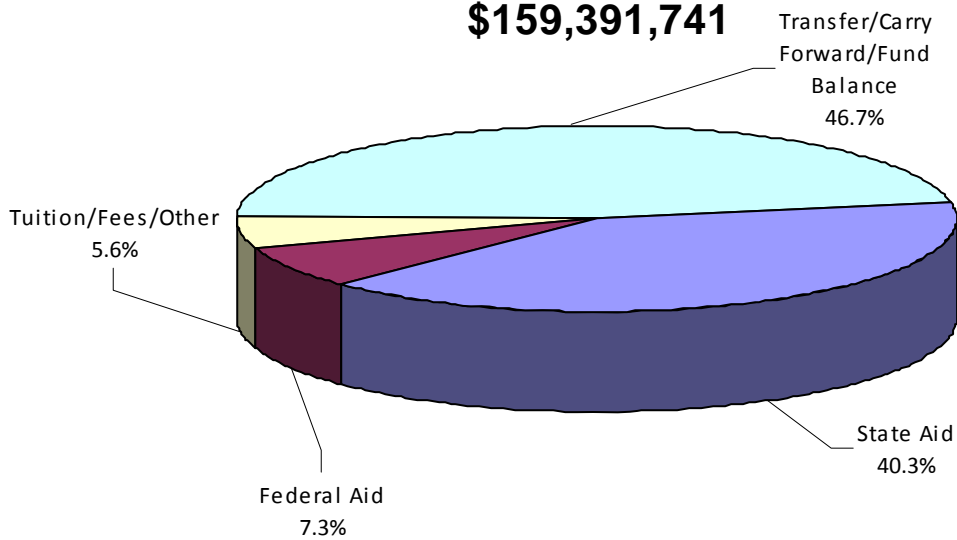


School System Revenues/Income

School System Revenues/Income	2008-09 Budgeted	2009-10 Adopted	Increase (Decrease)	% Change
State Aid	69,219,533	64,278,394	(4,941,139)	(7.14%)
Federal Aid	5,982,122	11,678,533	5,696,411	95.22%
Tuition, Fees, and Other	9,250,869	8,967,017	(283,852)	(3.07%)
Transfer/Carry Forward/Fund Balance	79,883,813	74,467,797	(5,416,016)	(6.78%)
Total	164,336,337	159,391,741	(4,944,596)	(3.01%)

FY 2009-2010 School System Revenues/Income

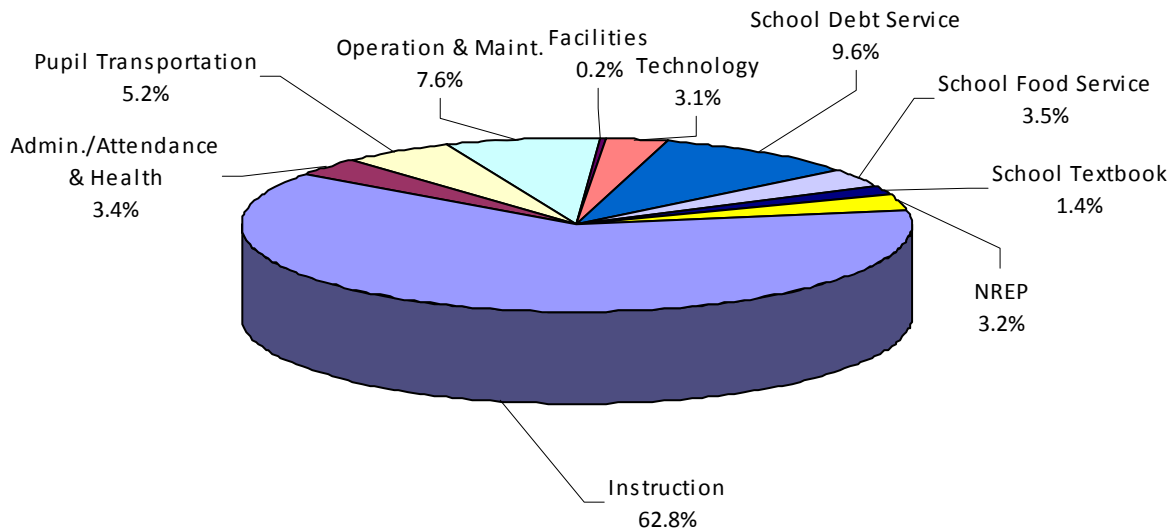
\$159,391,741



School System Expenses

School System Expenses	2008-09 Budgeted	2009-10 Adopted	Increase (Decrease)	% Change
Instruction	102,347,361	100,137,250	(2,210,111)	(2.16%)
Admin./Attendance & Health	5,369,441	5,355,293	(14,148)	(0.26%)
Pupil Transportation	8,814,131	8,221,718	(592,413)	(6.72%)
Operation & Maintenance	12,238,497	12,090,790	(147,707)	(1.21%)
Facilities	339,518	341,905	2,387	0.70%
Technology	5,289,779	5,004,604	(285,175)	(5.39%)
School Debt Service	14,672,237	15,315,613	643,376	4.38%
Transfers	634,981	0	(634,981)	(100.00%)
School Food Service	5,623,346	5,601,270	(22,076)	(0.39%)
School Textbook	3,051,911	2,253,886	(798,025)	(26.15%)
Trust Funds	1,100	1,100	0	0.00%
School Capital Fund	500,000	0	(500,000)	(100.00%)
NREP Operating Fund	5,424,035	5,038,312	(385,723)	-7.11%
NREP Textbook Fund	30,000	30,000	0	0.00%
Total	164,336,337	159,391,741	(4,944,596)	-3.01%

FY 2009-2010 School System Expenses \$159,391,741



SCHOOL FACTS

Student Enrollment

The FY 2010 projected student enrollment is 13,092 for Frederick County Public Schools (FCPS). This is an increase of 179 students or 1.4 percent compared to the September 15, 2008, actual student enrollment and 125 fewer students or 0.9 percent compared to the FY 2009 approved budget. Since FY 1999, FCPS has seen enrollment grow by about 2,506 students. Since FY 1999, FCPS has opened five new school buildings.

While student membership growth slowed in FY 2009, FCPS' student membership continues to grow at a faster rate than Virginia's student membership average. FCPS' student membership grew by 13.7 percent while the Virginia state average grew by 5.3 percent in the past five years. FCPS membership is projected to grow at an annual average rate of 1.8 percent.

Student Enrollment Growth			
Fiscal Year	Students Enrolled	Number Change	Percentage Change
1999	10,407	--	--
2000	10,538	131	1.2%
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	0.1%
Enrollment Projections			
2010	13,092	179	1.4%
2011	13,276	184	1.4%
2012	13,518	242	1.8%
2013	13,793	275	2.0%
2014	14,122	329	2.4%

Cost Per Pupil

Based on actual FY 2008 information (most current information available) from the Virginia Department of Education, Frederick County Public Schools' cost per pupil is 6.8 percent lower than the state average.

Cost Per Pupil Comparison							
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Winchester City	8,821	9,331	10,040	10,487	10,856	11,566	12,387
Clarke County	7,779	7,722	8,294	8,379	8,778	8,995	9,365
Warren County	5,987	6,573	7,060	7,358	7,705	8,244	8,990
Loudoun County	9,318	10,159	10,344	11,246	11,975	12,655	13,440
Shenandoah County	6,978	6,910	7,106	8,571	8,878	9,617	9,804
Fauquier County	8,351	8,386	8,601	9,248	9,546	10,427	10,925
Frederick County	7,311	7,677	8,345	8,600	9,394	9,879	10,284
State Average	7,836	8,186	8,552	9,202	9,755	10,584	11,037
Regional Average	7,792	8,108	8,541	9,127	9,590	10,198	10,742

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

Gary W. Dove - Gainesboro District

Gene E. Fisher - Shawnee District

Gary A. Lofton - Back Creek District

Charles S. DeHaven - Stonewall District

Philip a. Lemieux - Red Bud District

County Administrator

John R. Riley, Jr.

