

Tax Payment Deadline Extended
to
June 15, 2012



**COUNTY OF FREDERICK
FINANCIAL NEWSLETTER
March 2012**

Performance At A Glance

	Year to Date	Page Reference
General Fund Revenue	Positive	2
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Special points of interest:

- Social Media: Connect with Frederick County
- Frederick County Treasurer's Office Pilot Program with the Virginia Department of Taxation
- Construction Fraud Info

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**Old Frederick
County Courthouse**

Overall Fund Performance

Frederick County's overall General Fund revenue comparison through March 31, 2012 shows an increase of \$681,861. The revenue was significantly impacted by an increase in sales, business, and meals tax. Of the \$71.4 million revenue collected year to date,

52 % is from property taxes.

The comparison of the FY12 expenditures have decreased \$2,626,735 year to date from the previous year. This decrease was due to the NW Works building renovation completion in FY11. Transfers included

a reduction of \$287,963 for the School Fund, \$1,700,000 for School Construction, \$105,009 for Debt Service-County, and \$123,296 for Operational.

The variance year to date is an increase of \$681,861. The increase was significantly impacted from an increase in property tax and sales tax revenue.

General Fund Revenue Comparison

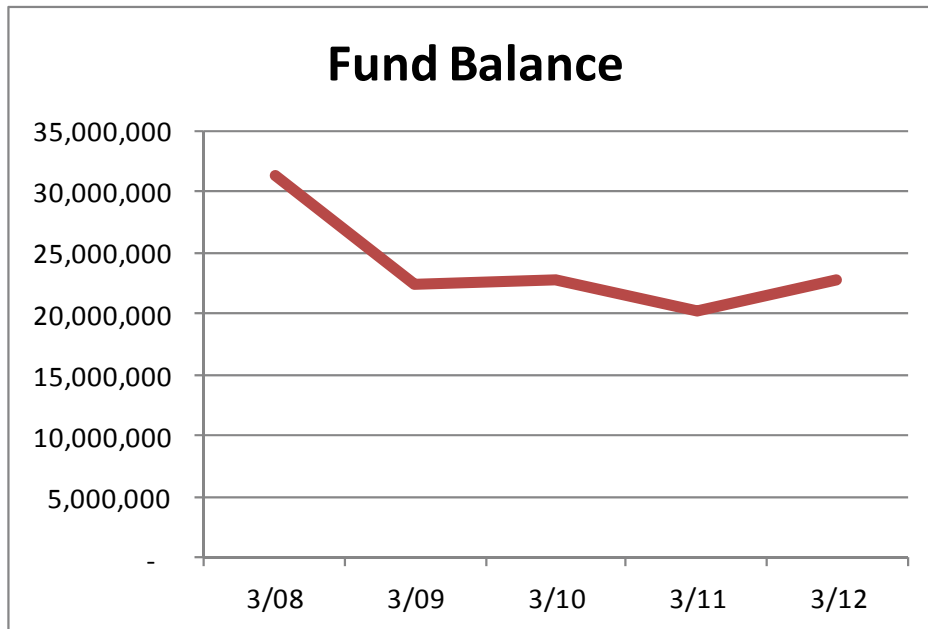
	FY2012 Revenue	FY2011 Revenue	Monthly Variance
JUL	2,750,578	2,827,027	(76,449)
AUG	5,298,239	5,333,167	(34,928)
SEPT	3,722,941	3,423,975	298,966
OCT	4,016,955	4,137,791	(120,836)
NOV	26,332,292	26,173,397	158,895
DEC	14,660,910	15,375,721	(714,811)
JAN	3,672,474	3,407,869	264,605
FEB	5,537,595	5,062,658	474,937
MAR	5,460,330	5,028,849	431,481
APR	-	3,783,026	-
MAY	-	24,854,761	-
JUN	-	26,850,590	-
Totals	71,452,315	126,258,831	681,861

General Fund Expenditure Comparison

Expenditures decreased \$2,626,735 year to date. Contributing to the decrease was the completion of the NW Works building renovation and the decrease of transfers in the current year.

	FY2012 Expenditures	FY2011 Expenditures	Monthly Variance
JUL	4,579,816	5,009,175	(429,359)
AUG	4,719,522	4,650,518	69,004
SEPT	3,611,838	6,554,925	(2,943,087)
OCT	4,564,028	4,023,920	540,108
NOV	4,895,696	4,702,101	193,595
DEC	40,148,966	40,954,931	(805,965)
JAN	3,484,303	3,620,289	(135,986)
FEB	4,625,588	3,898,820	726,768
MAR	3,904,259	3,746,072	158,187
APR	-	5,350,626	-
MAY	-	4,056,156	-
JUN	-	42,156,086	-
Totals	74,534,016	128,723,619	(2,626,735)

Unreserved Fund Balance 5-year Comparison



The County monitors unreserved general fund balance monthly. Over the years, fund balance has been used to balance the General Fund budget. At year-end those funds have been routinely returned to unreserved fund balance as a result of unbudgeted revenues or unspent expenditures. Returning those funds is a conscience effort on the part of management. The reduction in fund balance for FY2011 was mainly due to budget supplements made after the adoption of the County's annual budget.

The Importance of Fund Balance

Fund Balance is the excess dollars of what the County owns (assets) and what the County owes (liabilities). There are several reasons that fund balance is important. It is a critical factor in financial planning and budgeting. It provides funds for unforeseen expenses or emergencies. Fund balance reduces the need for short-term borrowing for operations and cash flows. Cash flow becomes a critical component since half of the largest revenue source is collected at the end of

the budget year with the June 5th tax collection.

The Government Finance Officers Association (GFOA) recommends that unreserved fund balance be maintained at no less than two months of regular operating revenues or regular operating expenditures. For Frederick County's general fund, that equates to approximately \$20.1 million or 17% of the total general fund budget for FY 2012. Currently, the County's fund balance is just above the recommendation at 18% (\$23.0 million).

The General Fund balance was reduced by \$4.3 million to balance the FY 2012 budget without a tax increase. With an economy continuing to experience the longest recession since World War II, the Board of Supervisors felt that reserves should be spent before increasing the burden to taxpayers. Funding for the FY 2013 budget from fund balance remains constant at \$4.3 million.



Weather Alerts Now Available!

Receive messages about weather warnings within seconds from the time they are issued by the National Weather Service on your cell phone, by text message or to home phones. This service is strictly opt in. Register to receive any or all of the three warnings; Severe Thunderstorm, Flash Flood or Tornado. There is no cost for this service other than individual cost for text messaging from your service provider.

http://www.co.frederick.va.us/public_safety/alert_frederick.aspx



**Public Safety
Building**

Revenue Information

Property taxes include real estate, personal property and machinery and tools tax. Comparable months would be December and June due to tax collection due dates.

Included in the permits and privilege fees are land use, transfer fees,

development review fees, building, mechanical, electrical, plumbing, sign, land disturbance, commercial burning, septic haulers, and sewage installation permits. These permits collections fluctuate with the economy and housing industry.

Local sales taxes consist of the portion of the state sales tax that is remitted to the locality. The state sales tax is 5% with the state returning 1% of the 5% back to the locality. The sales tax increased \$64,468 in March 2012 compared to the prior

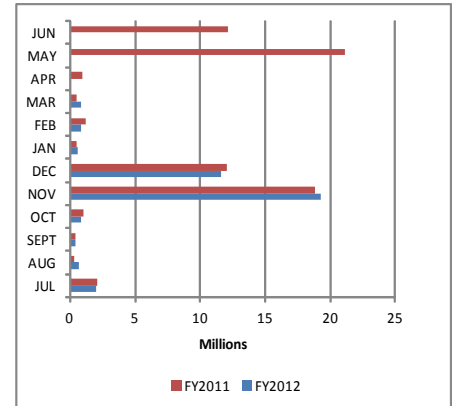
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Total property taxes increased \$324,922 year to date.

*Significant variances were:
Real Estate: (\$124,274)
Personal Property: \$612,152*

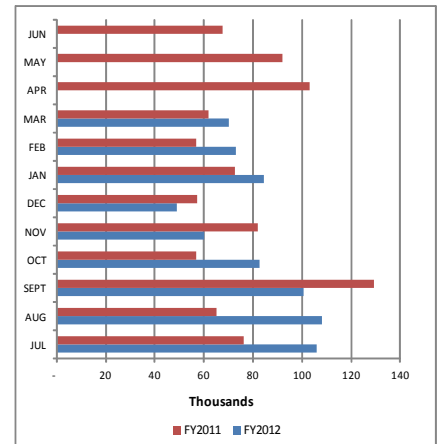
Property Tax Comparison 2011-2012

	Property Taxes		Variance
	FY2012	FY2011	
JUL	1,994,908	2,053,311	(58,403)
AUG	656,969	302,446	354,523
SEPT	445,736	402,851	42,885
OCT	888,301	1,018,028	(129,727)
NOV	19,285,270	18,842,113	443,157
DEC	11,639,143	12,080,534	(441,391)
JAN	557,101	502,081	55,020
FEB	861,135	1,186,668	(325,533)
MAR	875,833	491,443	384,390
APR	-	923,056	-
MAY	-	21,106,233	-
JUN	-	12,146,216	-
Totals	37,204,397	71,054,980	324,922



Permit Fees Comparison 2011-2012

	Permits&Fees		Variance
	FY2012	FY2011	
JUL	105,784	76,104	29,680
AUG	107,998	65,130	42,868
SEPT	100,525	129,372	(28,847)
OCT	82,515	56,891	25,624
NOV	60,214	81,954	(21,740)
DEC	48,960	57,101	(8,141)
JAN	84,420	72,560	11,860
FEB	72,882	56,999	15,883
MAR	70,197	61,719	8,478
APR	-	102,933	-
MAY	-	91,877	-
JUN	-	67,688	-
Totals	733,493	920,328	75,663



The permits and privilege fees increased \$8,478 at the end of March. The variance year to date is an increase of \$75,663.

Other Local Taxes 2011-2012 Comparison

	Other Local Taxes	Other Local Taxes	Variance
	FY2012	FY2011	
JUL	146,380	205,127	(58,747)
AUG	855,962	685,669	170,293
SEPT	1,942,884	2,161,950	(219,066)
OCT	1,752,675	1,706,087	46,588
NOV	1,821,809	1,721,536	100,273
DEC	1,936,950	1,905,096	31,854
JAN	2,013,419	1,810,529	202,890
FEB	3,618,434	2,964,016	654,418
MAR	3,488,380	3,591,025	(102,645)
APR	-	1,718,524	-
MAY	-	2,710,718	-
JUN	-	5,521,130	-
Totals	17,576,894	26,701,407	825,859

Included in other local taxes are: local sales and use tax, communications tax, utility taxes, business licenses, auto rental tax, motor vehicle license fees, recordation taxes, meals and lodging taxes, street lights and Star Fort fees. The categories that increased substantially were local sales tax and motor vehicle license fees. Sales tax detail follows.

Sales Tax 2011-2012 Comparison

	Sales Tax	Sales Tax	Variance
	FY2012	FY2011	
JUL	853,640	764,830	88,810
AUG	925,849	791,674	134,175
SEPT	862,116	802,741	59,375
OCT	905,590	811,899	93,691
NOV	852,630	802,700	49,930
DEC	831,818	822,556	9,262
JAN	878,446	805,436	73,010
FEB	982,499	867,665	114,834
MAR	754,666	690,198	64,468
APR	-	719,401	-
MAY	-	782,473	-
JUN	-	826,552	-
Totals	7,847,254	9,488,125	687,555

Sales Tax continues to be a large economic market indicator that is closely monitored by Frederick County officials. With sales tax on the rise by 9.6% through the third quarter of FY2012, officials view the increase as positive.

Revenue Information

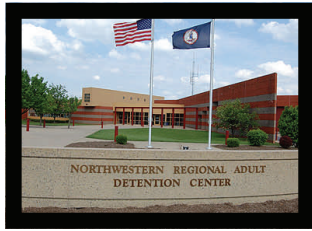
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year and increased \$687,555 year to date.

The variance of \$825,859 in other local taxes through March was impacted by the decrease in communication tax, utility taxes, recordation

taxes and Star Fort fees.

Sales tax, business licenses, auto rental tax, motor vehicle licenses fees, meals tax, lodging tax, and street lights increased through the third quarter of 2012.



**Northwestern
Regional Adult
Detention Center**

Northwestern Regional Adult Detention Center

Between FY09 and FY11, the Jail staff reduced operating costs by more than \$2.38 million or 12.6%. By ending all contract bed agreements, the inmate population declined from a high of 624 in FY09 to 555 in FY10. The resulting reduction in the Jail's average population (ADP) provided the opportunity to close the Jail

Annex Building and to reduce the staff by eleven officers and seven civilian employees. The significant reduction in operating costs and staff over the last three years limits the potential for further large reductions in FY12.

Economic conditions at the state level continue to impact negatively upon

state assistance levels. Since FY08, state salary assistance and inmate per diems have been reduced by 9.5%. Although the Detention Center reduced expenses during the same period, those reductions were not sufficient to avoid increases each year in the contributions required of the participating jurisdictions.

The NRADC revenue increase year to date is \$816,132. The timing of County local share contribution impacted the 3/12 revenue.

NRADC Revenues

	FY2012 Revenue	FY2011 Revenue	Monthly Variance
JUL	1,032,028	1,972,355	(940,327)
AUG	782,589	891,021	(108,432)
SEPT	1,386,703	631,569	755,134
OCT	2,963,735	2,310,472	653,263
NOV	496,764	492,426	4,338
DEC	1,445,391	1,349,526	95,865
JAN	892,927	1,887,206	(994,279)
FEB	1,831,219	483,547	1,347,672
MAR	494,933	492,035	2,898
APR	-	3,548,136	-
MAY	-	587,191	-
JUN	-	1,330,562	-
Totals	11,326,289	15,976,046	816,132

NRADC expenditures increased \$42,438 in March 2012 compared to March of the prior year and increased \$562,151 year to date.

NRADC Expenditures

	FY2012 Expenditures	FY2011 Expenditures	Monthly Variance
JUL	1,138,976	1,155,902	(16,926)
AUG	1,170,653	1,158,708	11,945
SEPT	1,538,192	1,509,128	29,064
OCT	1,280,744	1,176,513	104,231
NOV	1,301,186	1,198,004	103,182
DEC	1,729,449	1,577,491	151,958
JAN	1,266,866	1,181,211	85,655
FEB	1,243,249	1,192,645	50,604
MAR	1,505,712	1,463,274	42,438
APR	-	1,203,955	-
MAY	-	1,201,127	-
JUN	-	1,739,625	-
Totals	12,175,027	15,757,583	562,151

Frederick-Winchester Landfill

The Frederick County Sanitary Landfill provides non-hazardous solid waste disposal needs for Frederick and Clarke Counties and the City of Winchester.

Currently, the Landfill has begun the Clarke County Property Improvements. This project is to make improvements to property that the landfill owns in Clarke County (formerly

the Peter Paul Riley farm). These improvements are required under a conditional use permit issued by Clarke County for the property. These improvements must be made prior to any clay extraction for the completion of a 10 acre construction demolition cell this summer. The improvements include the construction of two storm water detention ponds along with installing fence-

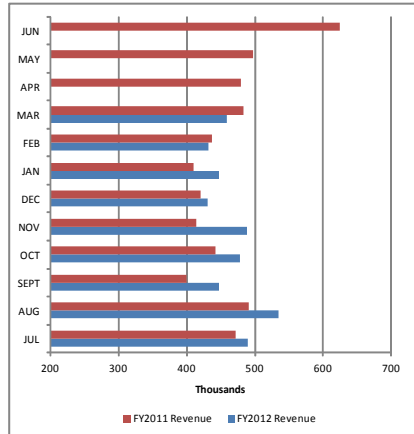
ing and earthen sound attenuation berms around borrow areas. Once these improvements have been made, there should be minimal impacts to future budgets for maintenance and operation.



Construction Demolition Cell in Clarke County

Landfill Revenues

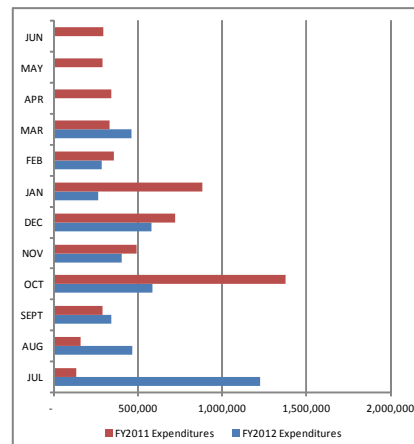
	FY2012 Revenue	FY2011 Revenue	Monthly Variance
JUL	489,700	471,514	18,186
AUG	534,369	490,876	43,493
SEPT	446,675	400,310	46,365
OCT	478,565	442,321	36,244
NOV	488,432	413,665	74,767
DEC	430,284	419,942	10,342
JAN	447,097	410,623	36,474
FEB	431,295	436,456	(5,161)
MAR	458,536	483,729	(25,193)
APR	-	479,088	-
MAY	-	497,965	-
JUN	-	624,630	-
Totals	4,204,952	5,571,119	235,516



Landfill revenue decreased \$25,193 in March 2012 compared to the prior year and increased \$235,516 year to date. The increase in revenue can be attributed to revenue received from the gas to energy project.

Landfill Expenditures

	FY2012 Expenditures	FY2011 Expenditures	Monthly Variance
JUL	1,226,446	131,248	1,095,198
AUG	466,969	156,246	310,723
SEPT	340,261	285,276	54,985
OCT	584,408	1,375,558	(791,150)
NOV	404,851	492,354	(87,503)
DEC	577,945	719,019	(141,074)
JAN	260,307	881,246	(620,939)
FEB	281,577	354,140	(72,563)
MAR	460,047	332,085	127,962
APR	-	341,385	-
MAY	-	287,961	-
JUN	-	292,951	-
Totals	4,602,811	5,649,468	(124,361)



The March 2012 Landfill expenditures increased \$127,962 compared to the previous year. Year to date expenditures have decreased \$124,361 and can be attributed to a decrease in capital project expenses in the third quarter.

RUNWAY 14/32



Before Construction



Near Completion

Winchester Airport Runway Rehab

Rehab Runway 14/32 and Upgrade Airfield Lighting Design and Construction: The design project involved development of the specifications and scope of work for the rehabilitation of runway 14-32 to meet FAA safety design standards for Category III aircraft. Category III aircraft encompass large business/corporate aircraft. Upgrade to the runway lighting comprised of new high intensity runway lights and the installation of a new four box PAPIs (navigational aid) to meet FAA safety design standards for the precision approach. The construction phase involved removing 4,500 feet of the existing 5,500 foot runway in order to correct design deficiencies and strengthen the runway surface.

The Runway 14/32 Reha-

bilitation Project brought the runway up to FAA runway design standards for large aircraft that currently use the Winchester Airport. Funds were included in this project to upgrade the airfield lighting from medium intensity to high intensity to meet FAA safety design standards for a precision approach. In addition, funds were also included to demolish structures on seven parcels of land located on Bufflick Road acquired by the Airport Authority over the past several years.

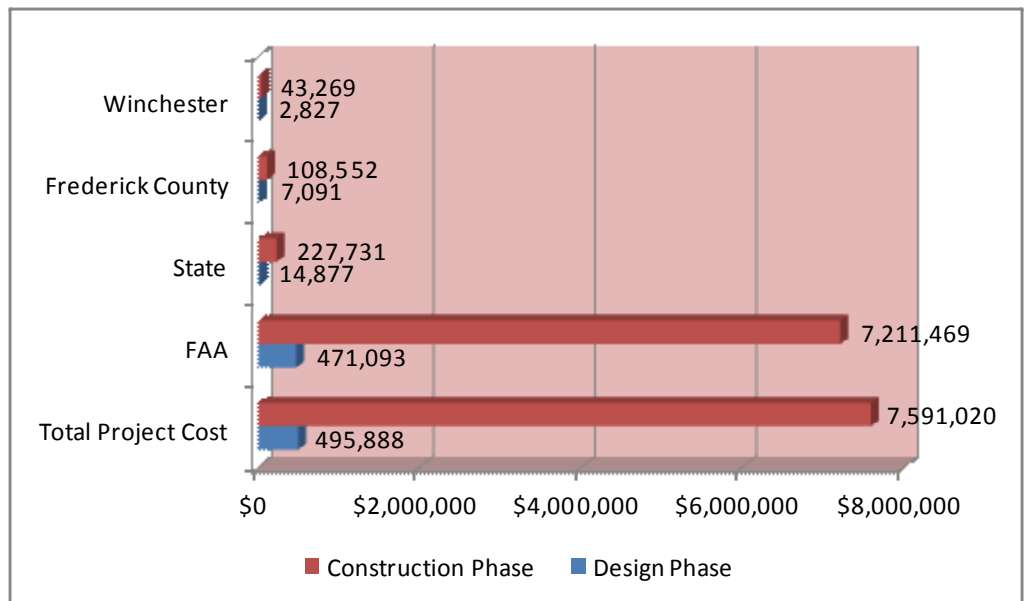
Future projects in the Master Plan updated and adopted in October 2005, include acquiring 17 parcels of land on Bufflick Road to meet FAA criteria for free and clear runway safety areas; relocating existing taxiway 100' in order to provide 400' separation from the

runway for CAT III aircraft; construction maintenance storage facility for airport equipment; and design/build a new general aviation terminal.

Through continuing support and concentrated joint efforts received by the Federal Aviation Administration, the Virginia Department of Aviation, Frederick County, the City of Winchester, and the Counties of Clarke, Shenandoah, and Warren the Airport Authority is able to successfully continue implementation of the Airport Master Development Plan designed to maintain and enhance a safe and modern all-weather aviation facility.

The Winchester Regional Airport continues to remain a vital link with the National Air Transportation System and a key asset to economic development within the region.

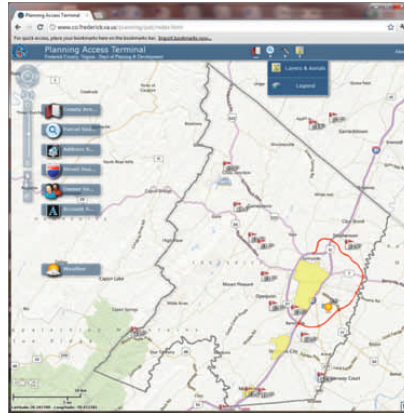
Rehab Runway 14/32 Funding



Planning & Development Web Apps

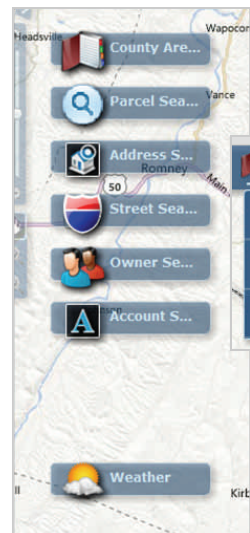
Planning web applications were originally created to enable the Planning Department staff easier access to the County GIS data using a series of simple and easy to use queries. The Planning Access Terminal (PAT) is a legacy GIS project created in 2003 and has been continuously updated as data and software have changed.

The PAT provides the user with queries to search by owner name, parcel ID, address, and account number. In December 2011, research began on ways to accomplish this task. Staff discovered an application that the GIS software vendor (ESRI) provides, for free, that enables someone to build and deploy an online GIS application within minutes using online GIS data provided through numerous sources. The ArcGIS Viewer for Flex was easily deployed on the desktop with a step by step method on how to create an online application. After a short learning and self-instruction period staff was able to deploy the 'Planning Access Terminal for Flex'. It does require the user to install the latest version of Flash Player provided by Adobe.



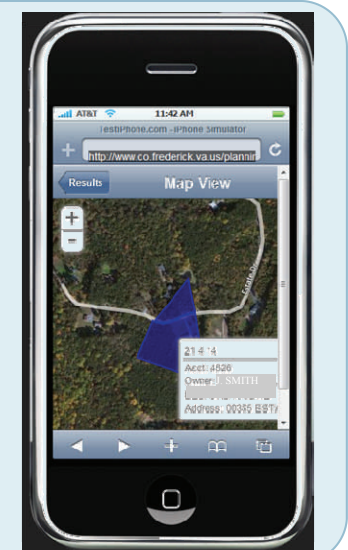
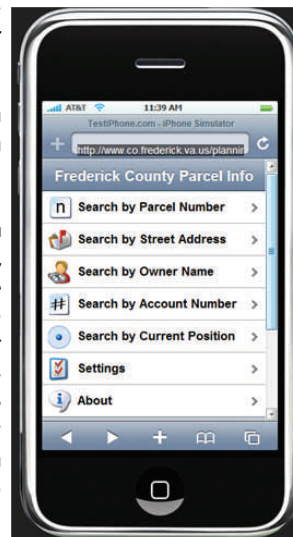
This version of the PAT works across the web browser platforms of Internet Explorer, Chrome, Firefox, Safari. So, where can you find this application? Using your desktop browser navigate to the Frederick County Home Page and you will find under 'The Spotlight Feature' a brief description of the web apps and a link to the webpage set up for the web apps. This is the web link for the applications, <http://www.co.frederick.va.us/planning/webapps/>.

Once on the webpage you will notice two tabs. The opening tab shows the desktop web application discussed previously. The second tab is for a mobile application that uses the same searches on a mobile device, primarily an iPhone, iPad, Android phone and an Android tablet.



All the searches on the desktop PAT open on the left-side of the screen and require only partial search terms. There are two added features, one that allow the user to view weather stations throughout the county, the second provides the user with a street view of the location. A user can enable that feature by clicking on the Tools (hammer) toolbar at the top of the screen.

The mobile application takes advantage of an open source programming language called Javascript. You can view the details on the application. Upon entering the app, the homepage displays which is the County seal, click the seal to enter. The user will select the search type and enter the required information which will provide a list of results. By clicking on the details the user will see basic property information including the calculated yearly taxes. From the details page for the property. The user can also click on the Map Parcel button to view an overhead map of the property.



The Planning and Development department has created two web applications to bring GIS data to users on both mobile and desktop platforms.

The web application provides the desktop user an interactive way to search for property information, view zoning, view land use, access to Bing and Google streetviews and aerial imagery.

The mobile app allows the ability to search for property information, view zoning and tax information, and provides access to Bing aerial imagery.



Fiscal Year 2013 Budget

The FY 2013 budget process began in mid-January. Six scenarios were presented to the Board of Supervisors. All scenarios included an increase in General Fund revenue of \$1.3 million. Three scenarios were presented with a present level real estate tax rate of 54 ½ cents, one with a 3 cent tax increase, one with a 5 cent tax increase, and one with a 10 cent tax increase. After several work sessions, the Board of Supervisors voted to advertise the FY 2013 budget for public hearing with no increases in the tax rates. Funding from fund balance remained constant at \$4,300,000. The increase of \$1.3 million in new General Fund revenue is split with 57% allocated to the school system and the remaining 43% allocated to the General

Fund. In dollars, this equates to \$760,793 to the school system and \$573,573 to the General Fund. The public hearing on the FY 2013 budget was held on March 28, 2012.

Several factors were of importance during this budget process:

- The local economy has shown positive indications with slight increases in Sales, Meals and Lodging Taxes.
- There were no involuntary reductions in the county workforce for FY 2013.
- This is the fourth year of no budgeted salary increases for county employees.
- The State House and Senate enacted legislation that requires local government em-

ployees to pay the five percent VRS member contribution beginning July 1. Local employers must give a five percent salary increase to offset the annual contribution.

The FY 2013 budget was adopted on April 11, 2012. The total budget for Frederick County, before transfers, equals \$318,255,371. This is an increase of 2.1% over the FY 2012 total county budget. The General Fund budget totals \$127,184,304. This is an increase of 1% over the FY 2012 General Fund budget. The School Operating Fund budget totals \$131,906,999. This is an increase of 3.6% over the FY 2012 School Operating Fund budget.

The FY 2012-2013 budget begins on July 1, 2012.

Budget Transparency

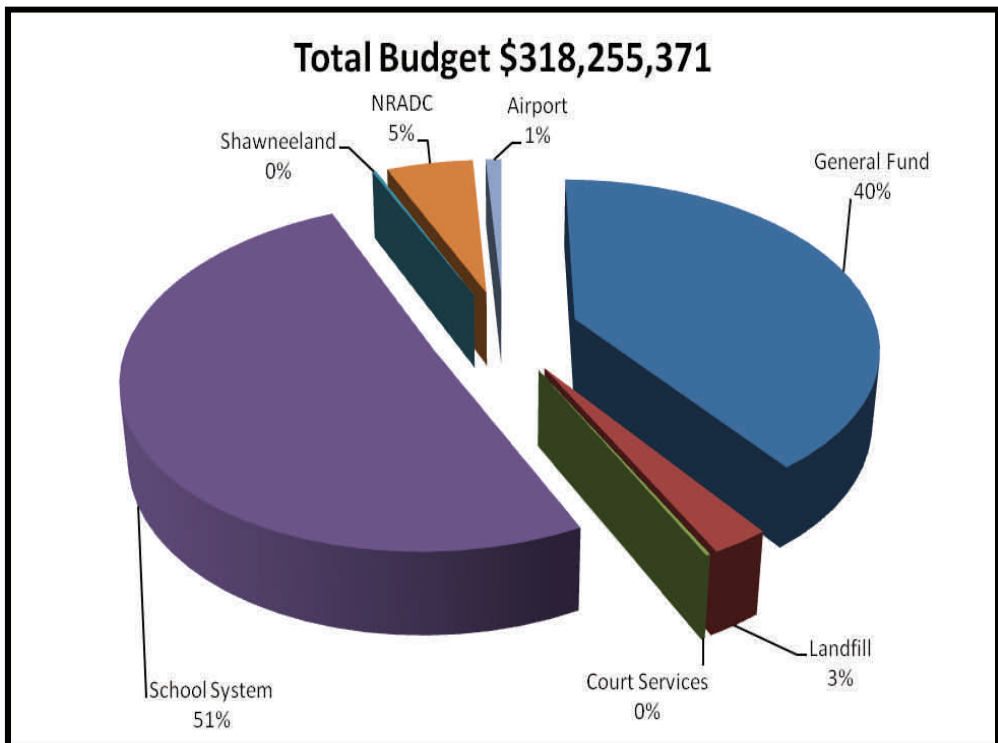
The Finance department has published online summarized budget data for fiscal year 2012.

[http://](http://www.co.frederick.va.us/finance/finansparency.aspx)

www.co.frederick.va.us/finance/finansparency.aspx

Update

The Board of Supervisors held a special board meeting on April 18, 2012 to reopen budget discussions. At that meeting, it was voted to advertise a 4 cent real estate tax rate increase. A public hearing on the tax rate increase is scheduled for May 9, 2012. The rate increase is anticipated to help offset unfunded State mandates and State budget concerns placed upon the localities.



Special Points of Interest

Connect with Frederick County

Find us. Follow us. Stay connected.

Government-to-citizen communication is evolving rapidly with web technologies and Frederick County is embracing these new ways to reach those we serve.

<http://www.co.frederick.va.us/social.aspx>

Subscribe to the Quarterly Newsletter!!

www.co.frederick.va.us/email_updates/email_updates.aspx

Select Financial Information

Sign up for Tax eBills!!

www.fredtax.com

Receive your personal property and real estate tax bills electronically.

News from the Treasurer's Office

April marks the completion of a pilot program the Frederick County Treasurer's Office has participated in. Along with five other localities, the Office partnered with the Virginia Department of Taxation to collect State delinquent taxes due in their respective localities. Each locality received a percentage of what they collected, as a stipend for the service. At the end of the program, Frederick County had collected over \$25.5K for the State, which accounted for 11.2% of the original accounts assigned to them.

At the completion of the project, all parties will do an assessment to see if the program should be implemented statewide. The concept of the project was to utilize local collection abilities instead of using third party agencies, which often were located outside of the Commonwealth.



Home Repairs & Construction Fraud Info

With the arrival of spring and warmer weather comes increased construction activity and greater risk of construction fraud. Visit Frederick County's Construction Fraud information page to learn what construction fraud is and how to protect yourself.

http://taxes.co.frederick.va.us/payments/Treasurer/construction_fraud.aspx



County of Frederick

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Winchester, Virginia 22601

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WE'RE ON THE WEB!

FREDERICKCOUNTYVA.GOV

Republican U.S. Senate Primary

Tuesday, June 12, 2012

www.fcvotes.net to find precinct & polling places

Spring Cleaning Community Shred

Protect your identity through safe and secure destruction of personal documents. Community Shred is free and a perfect opportunity to do just that. All paper collected is recycled.

Spring Cleaning Community Shred held on March 24, 2012 was a huge success. Despite rainy skies, a record 302 area residents and businesses participated to safely destroy personal documents.

At this unique recycling opportunity, 16,258 pounds of paper were collected -- also a new benchmark! This equates to the conservation of 140 trees; 3,140 gallons of petroleum; 57,848 gallons of water, and the prevention of air pollutants.

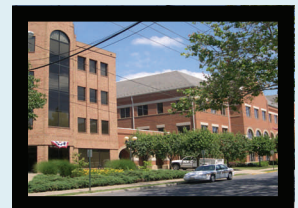
Many thanks to our sponsors: Dominion Document Shredding, Southern Scrap/Williams Recycling, TV 3, Shockey Companies, E&M Enterprises, and Frederick County Recycling.

Fall Shred Fest will be held in October.



Headlines

- Regional unemployment rate for February 2012 was 5.6%, compared to 6.8% in February 2011.
- Frederick County government, as an employer, had \$8,694.44 in unemployment claims for the March 2012 quarter. That is a 27% increase from March 2011 quarter when the claims were \$6,849.71.
- A report from Moody's said that the U.S. economy is on track to grow at about 2.5% through mid next year before accelerating to 4% by mid-2014.
- Home foreclosure filings dropped 4% in March compared with February and fell 17% compared to a year ago.
- The average price of a new car is at \$30,748, up 6.9% from last year.
- Apple, already the world's most valuable company, hit the \$600 billion level for the first time.
- Dell will acquire cloud-computing software provider Wyse Technology.
- Chrysler Group's U.S. vehicle sales surged 34% in March, GM's jumped 12%, Toyota's rose 11.2% and Ford's increased 5%.
- The average rate on 30-year loans slipped to 3.88% for the week of April 13, 2012.



County Administration Complex

