




County of Frederick
FY 2011 Fiscal Plan




Budget Challenges

- Economic Downturn Continues
 - Real Estate
 - Declining Values
 - Foreclosures
 - Unemployment = 8% (January 2010)
 - Sales tax collection
- Interest rates remain low.
- Sluggish residential/commercial building and related services.
- State has a \$4 billion deficit for FY 2011-2012 biennium.



Impacts of the Continued Economic Slump

- Limits the resources available to the County to provide expected services while increasing the demand and need for those same services.
- Financial uncertainty affects consumer spending and business activity.



FY 11 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.
- Continue our investment in education.



What is fund balance and why is it important?

- Fund balance = assets less liabilities
- Critical factor in financial planning and budgeting.
- Provides funds for unforeseen expenses and emergencies.
- Reduces the need for short term borrowing.
- Demonstrates financial stability.



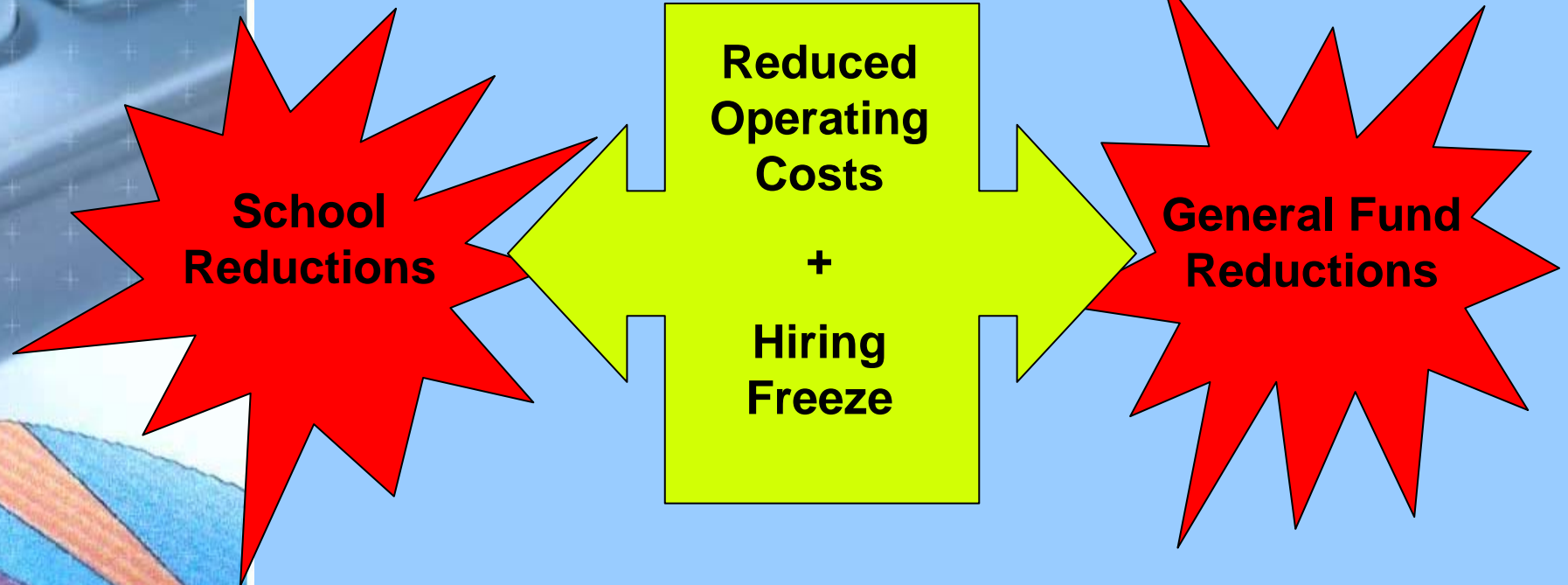
Unreserved Fund Balance


FY	Budgeted Fund Balance Funding	Total General Fund Budget	Unreserved Fund Balance @ July 1
2006	6,367,443	109,397,506	22,689,111
2007	5,851,964	121,394,503	32,429,542
2008	6,500,000	132,311,207	32,685,256
2009	8,699,000	135,106,340	23,837,516
2010	4,300,000	126,078,819	26,029,172
2011 projected	4,300,000	125,575,710	20,613,813

NOTE: figures are budgeted amounts as adopted per the budget resolution

FY 11 Proposed Fiscal Plan


- Meets the goal, objectives and board direction.






FY 11
Proposed General
Fund Budget

\$125,575,710



FY 11 Proposed General Fund Revenue Reductions


Recovered Costs	\$208,676
Compensation Board reductions	224,838
State aid to localities reductions	50,000
State reductions for Registrar & Electoral Board	12,000
State funding reductions for DSS	7,595
TOTAL	\$503,109



FY 11 Proposed Comp Board funding changes to Constitutional Offices

Sheriff	\$69,572
Commonwealth's Attorney	+16,126
Clerk of Court	102,110
Treasurer	47,139
Commissioner of the Revenue	22,143
TOTAL	\$224,838

NOTE: These amounts represent adjustments from FY 2010 budgets and not necessarily direct State budget adjustments.



FY 11 Proposed General Fund Absorbed Increases

Increased local costs for NRADC	\$744,252
Increased health insurance prem.	599,936
Increased VRS rates	49,000
TOTAL	\$1,393,188



Cost Cutting Measures

- Personnel & Benefits
 - Staff compensation frozen.
 - Elimination of non-essential vacant positions.
 - Reduce overtime.
 - Suspension of tuition assistance, career development programs and career incentives.
 - Suspension of employee of the month rewards.



Cost Cutting Measures

- Operating
 - Travel/Training significantly reduced.
 - Reduced office expenses.
 - Contributions to outside agencies reduced.
 - Reduced gypsy moth spraying.
 - Reduced refuse collection & disposal.
 - Reduced animal shelter funding.



Cost Cutting Measures

- Capital
 - Projects delayed.
- Other
 - Ladder truck supplement reduced.
 - Reduction in the CSA fund.
 - Continued from FY 2010
 - Reduction to F&R Company capital.
 - Delay of F&R VIP and vaccination programs.



Unresolved Budget Issues

- City of Winchester's commitment to funding Detox.
- City of Winchester's commitment to funding Economic Development.
- Park and Recreation administering ground maintenance for the school system.
- Final VRS rates.



FY 11 Proposed Fiscal Plan

- \$1.9 million General Fund shortfall.
- County transfer to Schools remained level.
- Real estate and personal property tax rate unchanged.

