

Frederick County, Virginia



**FY 2016-2017
Citizens Guide
to the Budget**

COUNTY ADMINISTRATOR'S MESSAGE

The FY 2016-2017 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. Public safety needs and concerns, overtime issues, education needs including the opening of the new middle school in the fall, and the use of fund balance funding to balance the budget 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 continued 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 2017 budget process began in October 2015 with departments and outside agencies receiving budget packets for completion and submission to the Finance Department in November 2015. The Finance Committee Chairman presented a budget memo in October 2015 to share his concerns on the upcoming budget. In his memo, the Chairman outlined several important components: 1) the continued need to concentrate on addressing public safety issues; 2) a reduced tax rate would be favorable, but it is anticipated that the property tax rate will remain constant; 3) use of fund balance may need to be considered in budget development; 4) new revenue funding with the school system will be consistent with current funding allocations; 5) identify and quantify capital investments needs and devise a plan to catch up on deferred capital needs; 6) public safety and educational needs should be a priority; and 7) the size of government should be minimized where possible and desirable.

These components were relayed as part of the budget directive given to department heads and constitutional officers.

In answer to this list of budget priorities and objectives, the County Administrator developed an analysis of what she believed needed to be accomplished within the FY2017 proposed budget:

- Provide sufficient funding for employee compensation and raises.
- Provide reasonable funding for schools, using historic 57%/43% sharing of new revenues.
- Identify alternative revenue sources where possible.
- Preserve fund balance at an appropriate level, per Board policy and best practices.
- Ensure that funding levels throughout departments are at sufficient and reasonable levels, justified by historical spending and projected needs.
- Provide for a sufficient Contingency Fund to handle unexpected needs and to consolidate emergency funds in one place.
- Reduce overtime throughout the budget where possible.
- Provide for additional staff in critical areas.
- Follow best budgeting practices, not recommending use of fund balance for ongoing expenses.
- Reduce operating costs and promote efficiencies where possible.
- Ensure realistic and justifiable budget funding recommendations.
- Provide for capital funding, whether by ongoing revenues or fund balance, if necessary.
- Maintain service levels in all functional areas.
- Carefully consider funding requests for new initiatives.
- Address Public Safety needs.
- Provide for continued support of technology to ensure equipment infrastructure are up-to-date.
- Support community non-profits to extent desired by the Board of Supervisors to ensure special populations are served.

- Ensure that critical county and school capital needs are met.
- Create a County Administrator’s Budget Committee to work through the budget process.
- Meet with all requestors to ensure a thorough understanding of budget requests.
- Provide opportunities for partnership with Department Directors and Constitutional Officers in making budget recommendations.
- Utilize an open, transparent, and collaborative process.
- Provide detailed information for the Board of Supervisors so that Supervisors can make informed decisions in budget adoption and setting tax rates.
- Communicate proposed budget information clearly and as frequently as possible with Board members, Department Directors and Constitutional Officers, county staff, School Board Superintendent, the press, and the public.

A County Administrator’s Budget Committee was established at the beginning of the budget process to meet with departments, constitutional offices, and outside agencies to listen and understand the requests being presented. These meetings took place from mid-December 2015 through January 2016.

Total General Fund requests equaled \$184,327,280, an increase over the FY 2016 adopted budget of \$29,513,636. This amount includes a \$16 million requested increase in the transfer to the school system.

Budget Strategies

Looking at what departments requested for FY 2017, most increases were made up of capital requests and new positions. Capital purchases have been deferred for many years due to budget constraints. Total General Fund capital requests totaled over \$5.2 million. Here is a condensed summary of some of the larger needs requested to be funded or purchased in FY 2017 for the General Fund:

| | |
|--|-----------|
| Information Technology: | |
| Server & virtual environment 5 year refresh – 5 year lease | \$111,000 |
| Registrar’s Office: | |
| 60 voting machines and related equipment and training | \$297,333 |
| Sheriff’s Office: | |
| Four thermal imagers – Patrol/Search & Rescue | \$31,416 |
| 34 marked patrol vehicles | \$884,884 |
| Three unmarked vehicles for Investigators | \$75,000 |
| Five 4x4 vehicles | \$127,500 |
| Associated equipment for marked patrol vehicles | \$171,696 |
| Public Safety Communications: | |
| Replacement base stations and consoles | \$839,000 |
| Fire and Rescue: | |
| Vehicles – two replacement, four new | \$182,000 |
| Radio Equipment – includes equipment for new vehicles | \$30,000 |
| Replacement of Engine 10 | \$100,000 |
| PortaCount and required equipment | \$20,000 |
| Fifteen Gas Meters | \$86,250 |
| Scanner/Plotter | \$8,000 |
| BullEx Bullseye System | \$11,000 |
| Training Manikins | \$160,000 |
| Hydraulic Extrication Equipment | \$90,000 |
| Parks and Recreation: | |

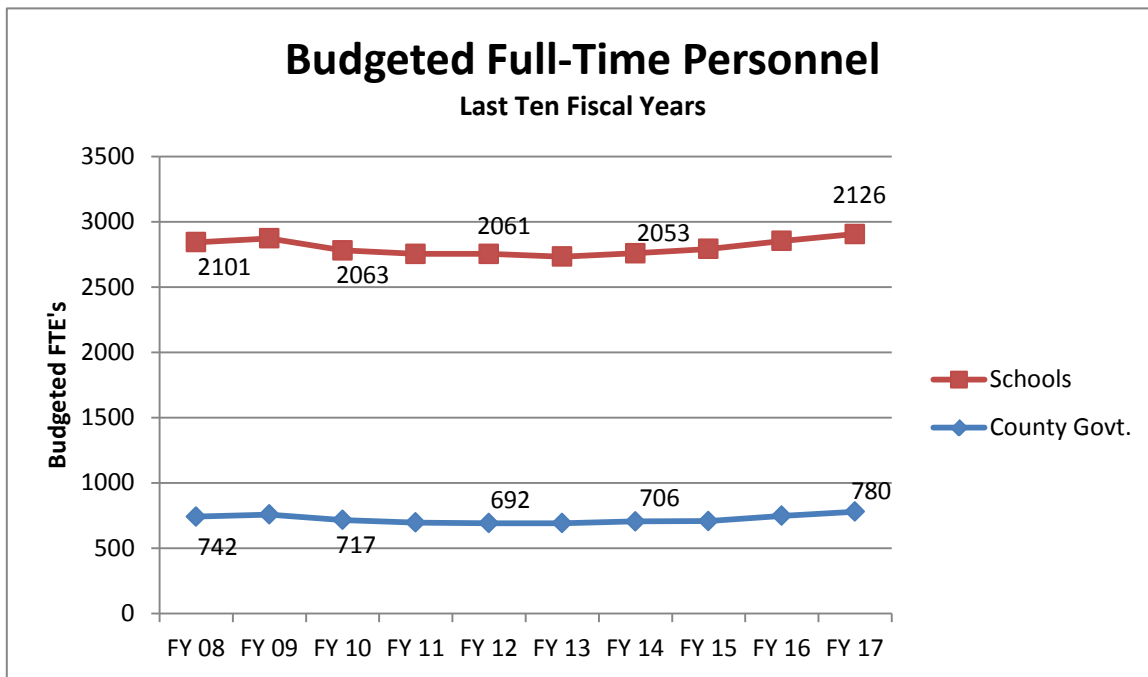
| | |
|--|-----------|
| Land – Abrams Creek Trail Easements | \$84,000 |
| Outdoor Aquatic Renovations | \$175,000 |
| Indoor Aquatic Center Design | \$480,000 |
| Vehicle Replacements – One van and two pickup trucks | \$95,000 |
| Replacement mower 11’ cut, 60 HP – Clearbrook Park | \$74,500 |
| Dump trailer to replace dump truck | \$9,000 |
| Three work carts – replace golf carts | \$33,000 |
| Replacement Paint Machine – Clearbrook Park | \$13,200 |
| Tractor 60 HP/loader/backhoe - replacement – Sherando Park | \$58,000 |
| Replacement Infield Drag Self-Propelled – Sherando Park | \$18,000 |
| Four soccer goals – Sherando Park | \$11,500 |

The school system had capital requests totaling \$5.1 million in FY 2017. As mentioned earlier, many capital requests for the General Fund and the school system have been delayed due to budget constraints. Knowing that many of these requests were of high importance and very critical, the Board of Supervisors opted to hold a public hearing to allocate \$7 million from unreserved fund balance in February 2016 to fund these critical needs, with \$4 million earmarked for the school needs and \$3 million allocated to the General Fund. As mentioned, the General Fund had FY 2017 capital requests totaling \$5.2 million. With the \$3 million allocation for the General Fund, it will be determined by the County Administrator what requested capital items, to include those on the list above, will be approved and funded.

Another large request in terms of dollars was new positions. When the economy took its downward turn starting in FY 2010, many positions were eliminated or not refilled. With the economy now in the middle of what appears to be an improving period, many departments have witnessed heavier workloads reminiscent of years past. The new positions requested in all funds for FY 2017 are as follows:

| Department | Quantity | Position | Approval |
|------------------------|-----------------|---------------------------------|----------------------|
| General Fund: | | | |
| County Attorney | 1 | Assistant County Attorney | Approved FY 2017 |
| Human Resources | 1 | HR Specialist | Approved FY 2017 |
| Human Resources | 1 | HR Assistant | Approved FY 2016 |
| Commonwealth Attorney | 1 | Assistant Commonwealth Attorney | Approved FY 2016 |
| Sheriff | 17 | Deputy I | Six Approved FY 2017 |
| Sheriff | 1 | Crime Prevention Specialist | Not Approved |
| Fire and Rescue | 21 | Firefighter | Ten Approved FY 2017 |
| Fire and Rescue | 2 | Training Officer | Not Approved |
| Parks and Recreation | 1 | Program Coordinator | Not Approved |
| Planning & Development | 1 | Planner I | Not Approved |
| Regional Jail | 3 | Correctional Officer | Approved FY 2017 |
| Shawneeland | 1 | Laborer | Approved FY 2017 |
| EDA | 1 | Research Manager | Not Approved |
| School System | 49 | | See Below |

A total of eight positions were added in FY 2017 for the school system to include four additional teaching positions to address special education needs, address elementary class size, and expand elementary instructional coaches and four new bus drivers for new Frederick County Middle School routes.



Key Elements of the Original Proposed Budget

| | |
|---|-------------------|
| Total estimated increase in revenue in the General Fund | \$8,792,939 |
| Less removal of use of fund balance | <u>-7,300,000</u> |
| Available funds | \$1,492,939 |

From the beginning of the budget process, the County Administrator recommended eliminating the use of unreserved fund balance to balance the budget. As shown above, increases in General Fund revenue were \$8.7 million. With the removal of fund balance use, that left \$1.4 million in new revenue. Included in this \$1.4 million are revenues designated for specific purposes and not available to share with the schools such as Compensation Board funding, building permits, parks and recreation fees, and state grants. With these revenues removed as well, that left \$558,647 to share with the schools. Using the historical split of funds between the School System (57%) and the General Fund (43%), that equals to \$318,429 for the schools and \$240,218 for the General Fund. With this in mind, there was no doubt that a real estate tax rate increase would be proposed. The Board of Supervisors were given scenarios with real estate tax rate increases of 6, 8, 10, and 12 cents which were deliberated and discussed at several budget worksessions. After these worksessions, the County Administrator ended up proposing an \$0.08 increase to the real estate tax rate. This would change the real estate tax rate from \$0.56 to \$0.64. This increase would provide \$6,400,000 in additional tax revenue. With this increase, the County Administrator was able to propose the following changes to the General Fund budget:

- Increase in local transfer to the schools of \$3,966,429
- 3% reserve for raises for county staff
- Health insurance premium increases of 7%
- Increases in funding for social services, health department, community services board (all jointly funded by the state)
- Increases in regionally funded operations: airport, tourism, library
- Regional Jail contribution increase
- CSA Fund transfer increase
- Increase in refuse collection fee for the county due to rate increase at the landfill
- New personnel:

- 10 new firefighters
- 6 new Sheriff's deputies
- 1 new Assistant County Attorney
- 1 new Human Resources Specialist who will focus on training
- 1 new Assistant Commonwealth Attorney (already approved in FY 2016)
- 1 Adult Protective Services Supervisor in Social Services

The proposed \$0.08 real estate tax rate increase is the rate that the Board of Supervisors agreed to advertise for the budget public hearing that was held in March. Several other revenue adjustments were made to the original revenue numbers to be reflected for the budget public hearing:

- Increase of \$28,031 in Compensation Board funding for Commonwealth Attorney position
- Increase of \$11,988 to reflect an increase in Fee for Service revenue
- Increase of \$132,850 for proposed increase in transient occupancy tax of .5%

Sales tax revenue was increased by \$200,000 after the public hearing advertisement due to an additional review of revenues to see where other adjustments could be made.

After the public hearing, two more budget worksessions were held to discuss the concerns raised during the public hearing as well as to come to an agreement on the proposed real estate tax rate. The Board was divided throughout the budget process as to what the tax increase, if any, should be. Several Board members were not opposed to using a reduced amount of unreserved fund balance to balance the budget and work towards a complete discontinuation over several fiscal years. One Board member proposed a \$0.04 real estate tax increase which would generate \$3,200,000 in tax revenue, using \$2,000,000 from fund balance as well as \$1,600,000 from the additional revenue that will be realized at the June 2016 tax collection. This would increase the real estate tax rate from \$0.56 to \$0.60. This proposal would keep intact the County Administrator's changes listed above as well as give an additional \$228,000 to the school system.

After continued deliberations, the \$0.04 real estate tax rate was agreed upon and the FY 2017 County Budget was adopted on April 13, 2016.

The tax rates for Frederick County are assessed as follows:

| | |
|-------------------------------------|----------------------------|
| Real Estate | \$.60 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 February 25, 2015.

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.



New Frederick County Middle School

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.

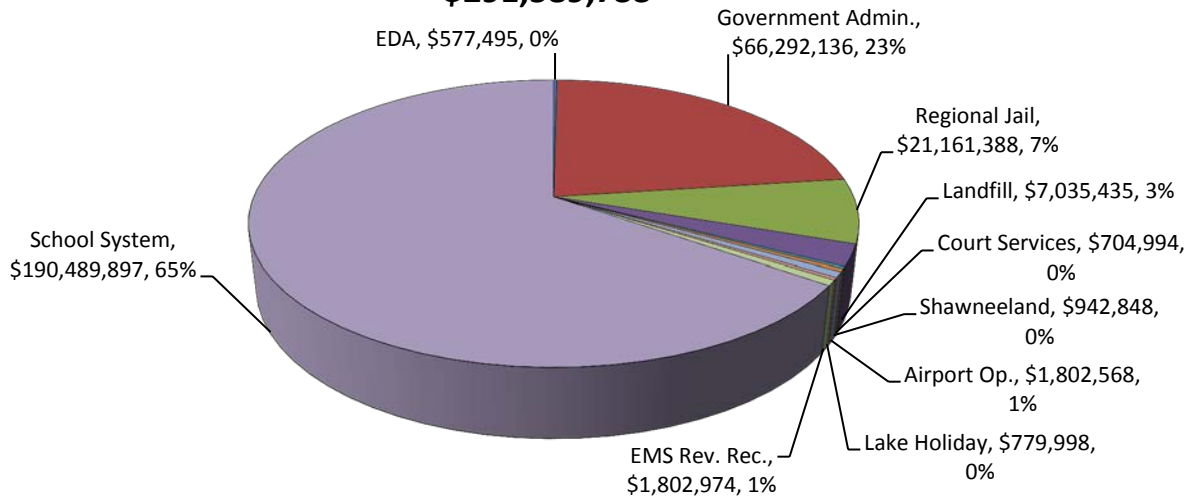
Impact of the Capital Program on the Operating Budget: The Capital Program has three direct impacts on the Operating Budget. The primary impact is in the Debt Service accounts. The greatest part of the county's capital improvement costs have been funded through the issuance of General Obligation Bonds, which generally are repaid over a period of twenty years. The only debt of this nature is funding for the construction of schools.

The second impact of the Capital Program upon the Operating Budget is in the Cash Capital account. Cash Capital is the appropriation of General Fund monies to fund capital improvement projects. Financing capital projects on a pay-as-you-go basis minimizes the need for issuing bonds and substantially reduces current and future debt service costs.

The third and final impact of the CIP on the Operating Budget arises when the CIP project is completed and the county must operate and maintain the new facility. In some instances, the costs re absorbed within the current budget of the department(s) providing the service. In other instances, such as the opening of a new school, direct operating and maintenance costs, as well as increases in the staff must be budgeted on an ongoing basis.

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 2016-2017 Total Operating Budget \$291,589,733



Summary of All Funds

| | Budget FY 2016 | Adopted FY 2017 | Increase (Decrease) | % Change |
|-------------------------------------|----------------------|----------------------|------------------------|--------------|
| General Fund: | | | | |
| Administration | \$9,529,674 | \$10,538,861 | \$1,009,187 | 10.59% |
| Judicial Administration | 2,314,476 | 2,487,577 | 173,101 | 7.48% |
| Public Safety | 30,994,820 | 32,492,579 | 1,497,759 | 4.83% |
| Public Works | 4,755,722 | 4,853,387 | 97,665 | 2.05% |
| Health & Welfare | 8,177,956 | 8,700,921 | 522,965 | 6.39% |
| Community College | 56,000 | 78,819 | 22,819 | 40.75% |
| Parks, Recreation & Cultural | 5,892,391 | 6,218,950 | 326,559 | 5.54% |
| Community Development | 1,972,887 | 1,948,164 | (\$24,723) | (1.25%) |
| Non-Departmental/Transfers | 91,119,718 | 95,987,325 | 4,867,607 | 5.34% |
| Total General Fund | \$154,813,644 | \$163,306,583 | \$8,492,939 | 5.48% |
| Other Funds: | | | | |
| Regional Detention Center Fund | \$20,063,860 | \$21,161,388 | \$1,097,528 | 5.47% |
| Landfill Fund | \$6,086,520 | \$7,035,435 | \$948,915 | 15.59% |
| Division of Court Services Fund | \$620,639 | \$704,994 | \$84,355 | 13.59% |
| Shawneeland Sanitary District Fund | \$811,026 | \$942,848 | \$131,822 | 16.25% |
| Airport Operating Fund | \$2,283,228 | \$1,802,568 | (\$480,660) | (21.05%) |
| Lake Holiday Sanitary District Fund | \$800,570 | \$779,998 | (\$20,572) | (2.56%) |
| EMS Revenue Recovery Fund | \$1,501,000 | \$1,802,974 | \$301,974 | 20.11% |
| Economic Development Authority Fund | \$573,198 | \$577,495 | \$4,297 | 0.74% |
| School Funds | | | | |
| School Funds | \$166,030,643 | \$174,618,953 | \$8,588,310 | 5.17% |
| School Debt Service Fund | \$15,236,485 | \$16,446,289 | \$1,209,804 | 7.94% |
| Total All Funds | \$368,820,813 | \$389,179,525 | \$20,358,712 | 5.51% |
| Less Transfers Between Funds | \$92,936,199 | \$97,589,792 | \$4,653,593 | 5.00% |
| Net Total – All Funds | \$275,884,614 | \$291,589,733 | \$15,705,119 | 5.69% |

**County of Frederick
FY 2016-2017 Budget Calendar**

October 21, 2015
Budget discussion at Finance Committee meeting including budget memo from Finance Committee Chairman

October 29, 2015
Budget materials sent to all departments and outside agencies

November 30, 2015
Budget requests from departments and outside agencies due back to Finance Department

December 14, 2015 – January 8, 2016
Departmental and Outside Agency meetings with County Administrator’s Budget Committee

January 20, 2016
Finance Committee/Budget Worksession; Budget Scenario Discussion

January 27, 2016
Joint budget meeting with School Board and Board of Supervisors;
School Board presents School Board budget to Board of Supervisors

February 3, 2016 & February 10, 2016
Board of Supervisors Budget Worksession

February 16, 2016
School Board budget public hearing

February 18, 2015
Finance Committee/Board of Supervisors Budget Worksession

February 22, 24, & 29, 2016
Board of Supervisors Budget Worksession including final worksession before budget advertisement

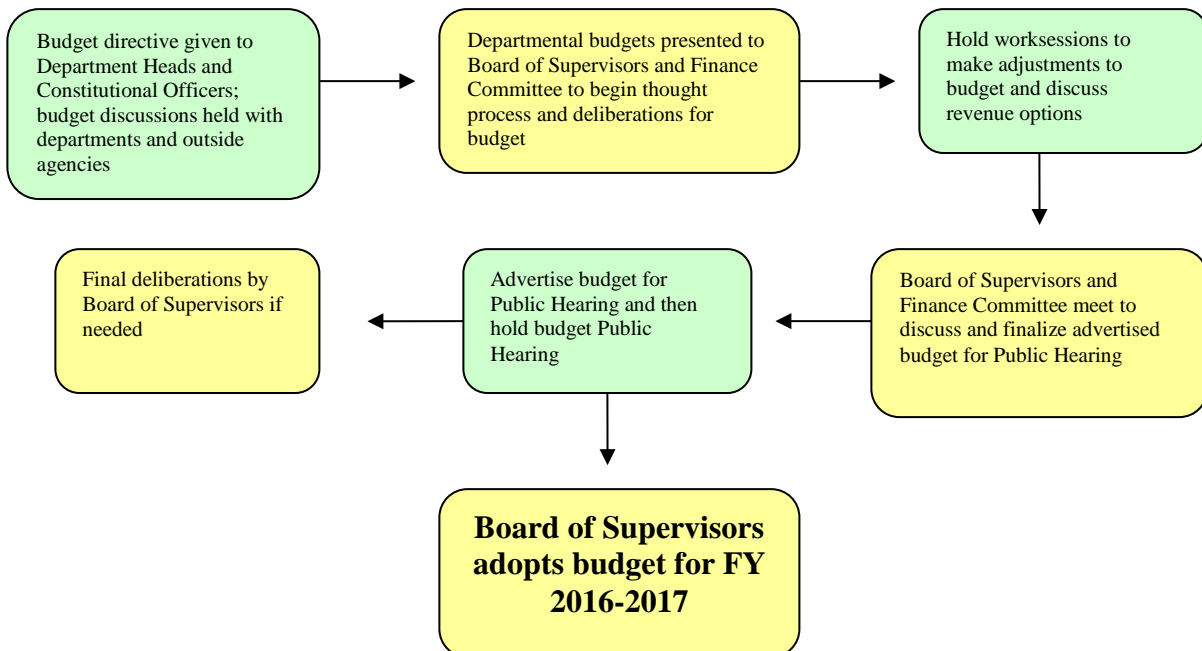
March 14, 2016
Public Hearing Advertisement in newspaper

March 23, 2016
FY 2016-2017 Budget Public Hearing

April 13, 2016
FY 2016-2017 Budget Adoption

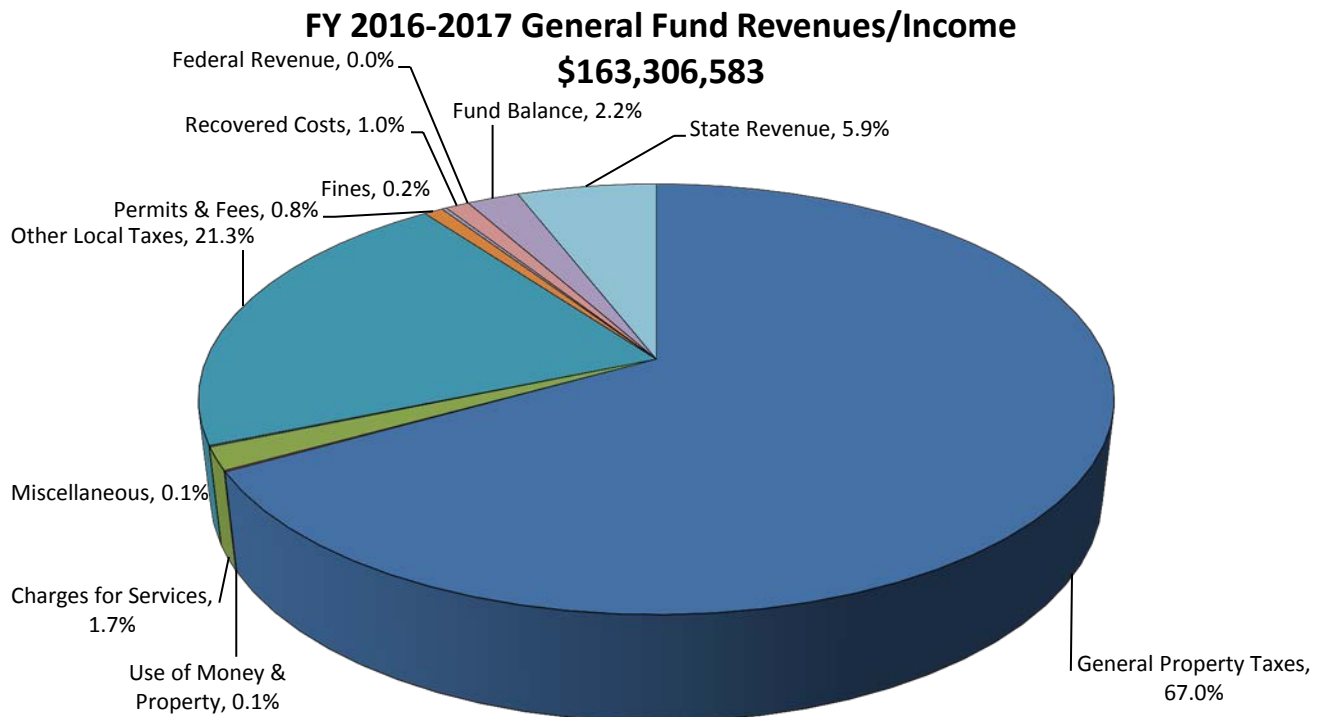
July 1, 2016
Implementation of Fiscal Year 2016-2017

Budget Process Flow Chart



General Fund Revenues/Income

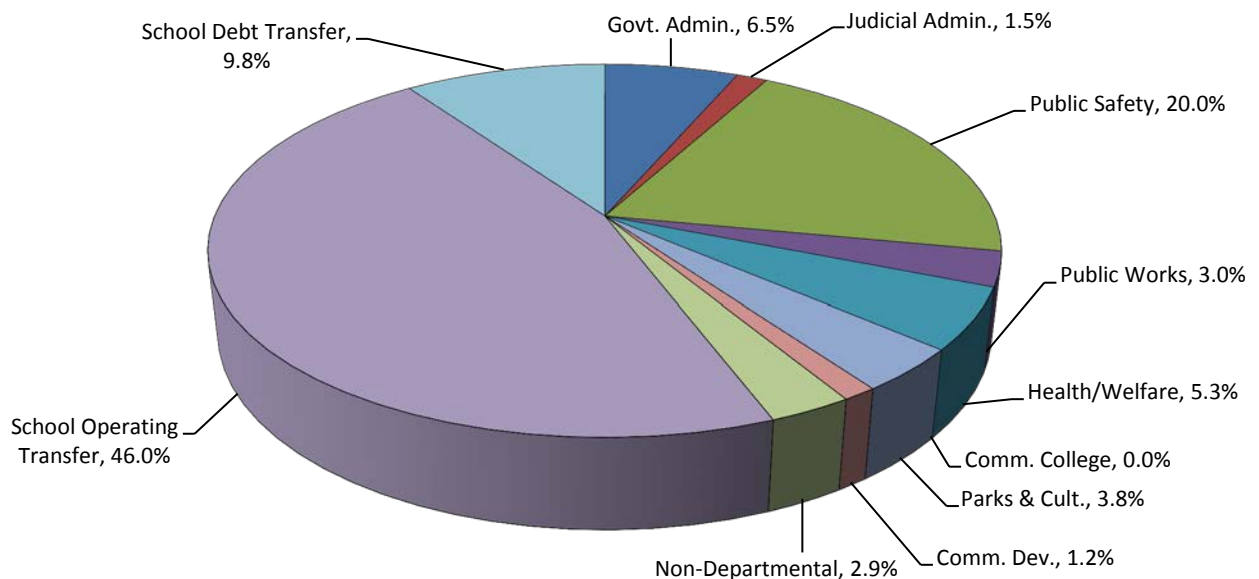
| General Fund Revenues/Income | 2015-16 Budgeted | 2016-17 Adopted | Increase (Decrease) | % Change |
|------------------------------|---------------------|--------------------|------------------------|--------------|
| General Property Taxes | 100,608,073 | 109,067,433 | 8,459,360 | 8.40% |
| Other Local Taxes | 31,899,849 | 34,831,980 | 2,932,131 | 9.19% |
| Permits, Fees and Licenses | 1,636,682 | 1,283,923 | (352,759) | (21.55%) |
| Fines and Forfeitures | 355,000 | 324,197 | (30,803) | (8.67%) |
| Use of Money and Property | 152,466 | 159,359 | 6,893 | 4.52% |
| Charges for Services | 2,478,226 | 2,710,296 | 232,070 | 9.36% |
| Miscellaneous | 174,528 | 165,885 | (8,643) | (4.95%) |
| Recovered Costs | 1,317,191 | 1,567,516 | 250,325 | 19.00% |
| Commonwealth | 8,852,629 | 9,559,994 | 707,365 | 7.99% |
| Federal | 39,000 | 36,000 | (3,000) | (7.69%) |
| Fund Balance | 7,300,000 | 3,600,000 | (3,700,000) | (50.68%) |
| Total | 154,813,644 | 163,306,583 | 8,492,939 | 5.48% |



General Fund Expenses

| General Fund Expenses | 2015-16 Budgeted | 2016-17 Adopted | Increase (Decrease) | % Change |
|------------------------------|---------------------|--------------------|------------------------|--------------|
| General Administration | 9,529,674 | 10,538,861 | 1,009,187 | 10.59% |
| Judicial Administration | 2,314,476 | 2,487,577 | 173,101 | 7.48% |
| Public Safety | 30,994,820 | 32,492,579 | 1,497,759 | 4.83% |
| Public Works | 4,755,722 | 4,853,387 | 97,665 | 2.05% |
| Health/Welfare | 8,177,956 | 8,700,921 | 522,965 | 6.39% |
| Community College | 56,000 | 78,819 | 22,819 | 40.75% |
| Parks, Recreation & Cultural | 5,892,391 | 6,218,950 | 326,559 | 5.54% |
| Community Development | 1,972,887 | 1,948,164 | (24,723) | (1.25%) |
| Non-Departmental | 4,417,499 | 4,976,677 | 559,178 | 12.65% |
| Transfer to Schools | 72,076,068 | 75,038,173 | 2,962,105 | 4.10% |
| Transfer to School Debt | 14,626,151 | 15,972,475 | 1,346,324 | 9.20% |
| Total | 154,813,644 | 163,306,583 | 8,492,939 | 5.48% |

FY 2016-2017 General Fund Expenses \$163,306,583



COUNTY FACTS

FREDERICK COUNTY TAXPAYER COSTS

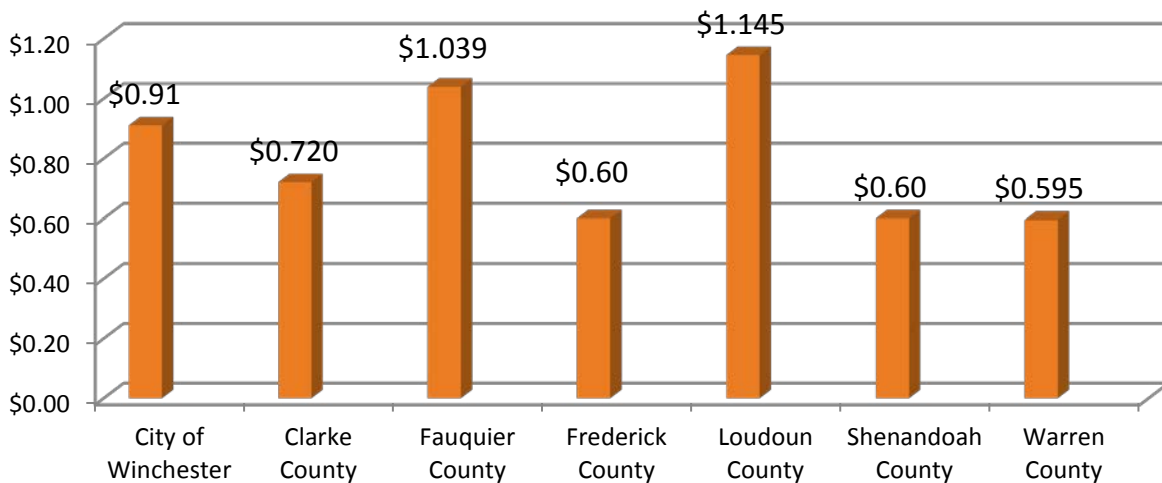
| | General Fund FY 2016-17 | Per Capita \$ | % of Total |
|--------------------------------|----------------------------|-------------------|----------------|
| General Administration | \$10,538,861 | \$127.55 | 6.45% |
| Judicial Administration | 2,487,577 | 30.11 | 1.52% |
| Public Safety | 32,492,579 | 393.26 | 19.90% |
| Public Works | 4,853,387 | 58.74 | 2.97% |
| Health/Welfare | 8,700,921 | 105.31 | 5.33% |
| Parks & Rec./Cultural | 6,218,950 | 75.27 | 3.81% |
| Community Development | 1,948,164 | 23.58 | 1.19% |
| Education (includes Debt Svc.) | 91,089,467 | 1,102.47 | 55.78% |
| Miscellaneous | 4,976,677 | 60.23 | 3.05% |
| | \$163,306,583 | \$1,976.52 | 100.00% |

Chart shows cost of General Fund per county citizen using an estimated population of 82,623

Property Tax Rates Last Ten Calendar Years

| Calendar Year | Real Estate | Personal Property | Machinery and Tools | Mobile Homes | Public Utilities | |
|------------------|----------------|----------------------|------------------------|-----------------|------------------|----------------------|
| | | | | | Real Estate | Personal Property |
| 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 | 0.585 | 4.86 | 2.00 | 0.585 | 0.585 | 4.86 |
| 2013 | 0.585 | 4.86 | 2.00 | 0.585 | 0.585 | 4.86 |
| 2014 | 0.585 | 4.86 | 2.00 | 0.585 | 0.585 | 4.86 |
| 2015 | 0.56 | 4.86 | 2.00 | 0.56 | 0.56 | 4.86 |
| 2016 | 0.60 | 4.86 | 2.00 | 0.60 | 0.60 | 4.86 |

Real Estate Tax Comparison of Neighboring Counties and Cities 2016



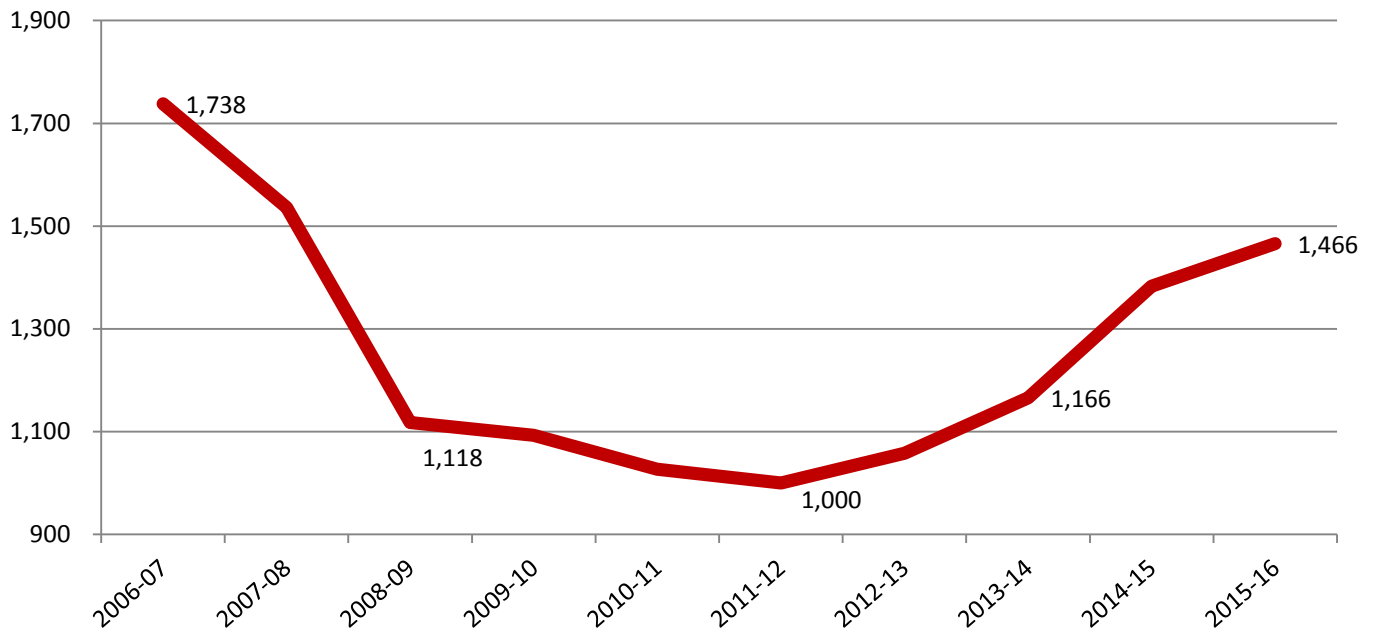
Frederick County, Virginia
Property Value and Construction

Last Ten Fiscal Years

| Fiscal Year | # of Permits | Commercial | | Residential Construction | Property Value | |
|-------------|--------------|-------------------------|--------------|--------------------------|------------------------|-------------|
| | | Industrial Construction | # of Permits | | Commercial/Residential | Non-Taxable |
| 2006-07 | 359 | 128,808,706 | 1,379 | 147,735,312 | 7,354,880,957 | 492,786,750 |
| 2007-08 | 374 | 129,196,966 | 1,162 | 92,305,260 | 7,625,155,090 | 513,919,600 |
| 2008-09 | 271 | 34,862,250 | 847 | 66,192,382 | 7,811,319,762 | 561,483,950 |
| 2009-10 | 244 | 48,476,650 | 849 | 55,093,500 | 8,050,510,886 | 629,193,050 |
| 2010-11 | 237 | 32,499,993 | 790 | 51,363,019 | 7,835,125,164 | 714,807,150 |
| 2011-12 | 238 | 128,913,347 | 762 | 58,500,877 | 7,636,872,397 | 786,027,450 |
| 2012-13 | 214 | 53,220,821 | 844 | 74,842,367 | 7,696,001,678 | 825,565,280 |
| 2013-14 | 272 | 126,203,474 | 894 | 86,297,300 | 7,816,092,895 | 863,762,710 |
| 2014-15 | 230 | 99,660,910 | 1,153 | 135,043,027 | 8,149,289,029 | 872,850,680 |
| 2015-16 | 246 | 74,856,234 | 1,220 | 149,274,072 | 8,534,068,052 | 891,411,050 |

Source: Comprehensive Annual Financial Report, Frederick County, Virginia
 Frederick County Inspections Department
 Frederick County Commissioner of the Revenue

Building Permits Issued
Last Ten Fiscal Years



Frederick County, Virginia

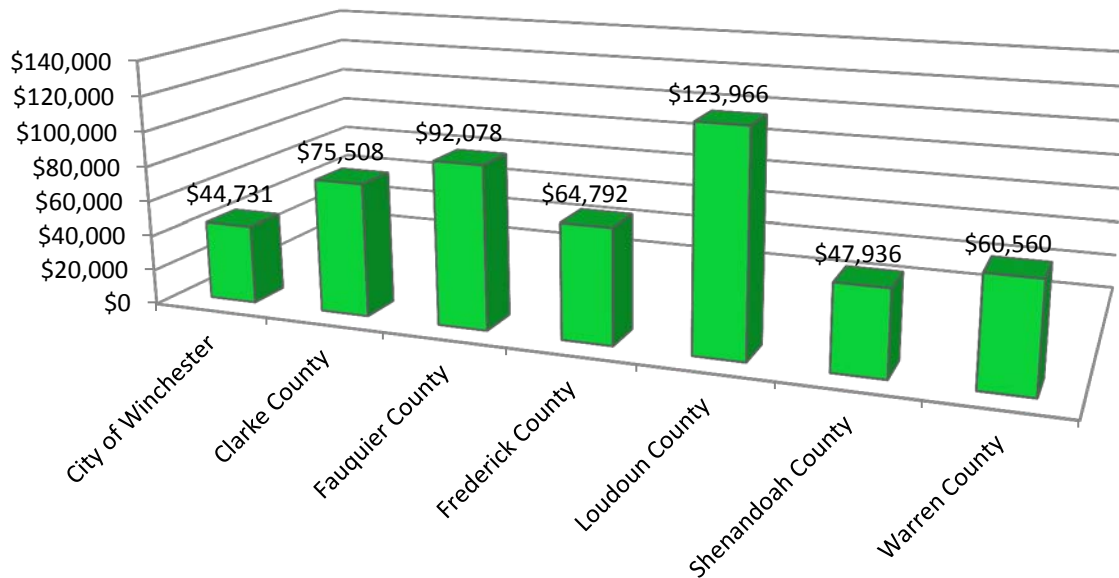
Demographic Statistics

Last Ten Calendar Years

| Calendar Year | Population (1) | Per Capita Income (1) (2) | School Enrollment (3) | Unemployment Rate (1) |
|---------------|----------------|---------------------------|-----------------------|-----------------------|
| 2006 | 70,575 | 32,059 | 12,549 | 2.6% |
| 2007 | 72,949 | 33,121 | 12,905 | 3.0% |
| 2008 | 73,886 | 34,156 | 13,041 | 4.3% |
| 2009 | 74,384 | 32,643 | 13,061 | 8.0% |
| 2010 | 78,305 | 33,528 | 13,043 | 7.1% |
| 2011 | 79,156 | 37,954 | 13,029 | 6.1% |
| 2012 | 80,118 | 39,710 | 13,066 | 5.3% |
| 2013 | 81,207 | 40,393 | 13,045 | 5.0% |
| 2014 | 82,059 | 42,701 | 13,092 | 4.5% |
| 2015 | 82,623 | N/A | 13,092 | 4.0% |

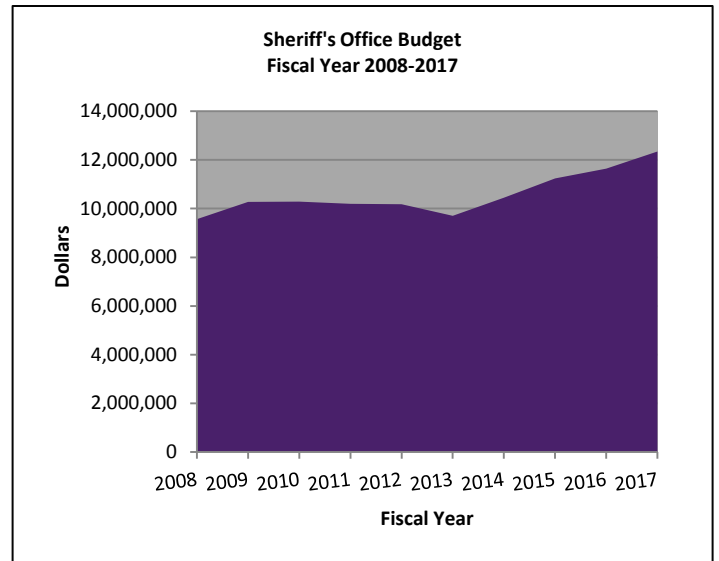
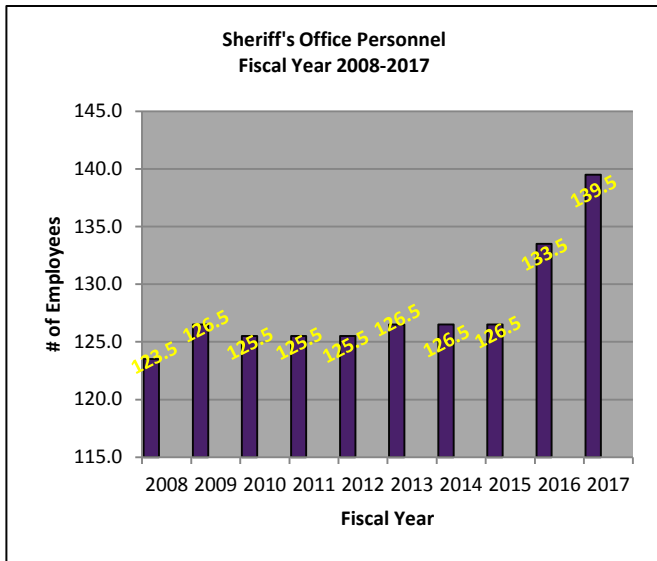
Sources: (1) Economic Development Authority
 (2) Includes City of Winchester
 (3) Frederick County School Board – Sept. 15 of respective calendar year

Median Household Income Comparison of Neighboring Counties and Cities

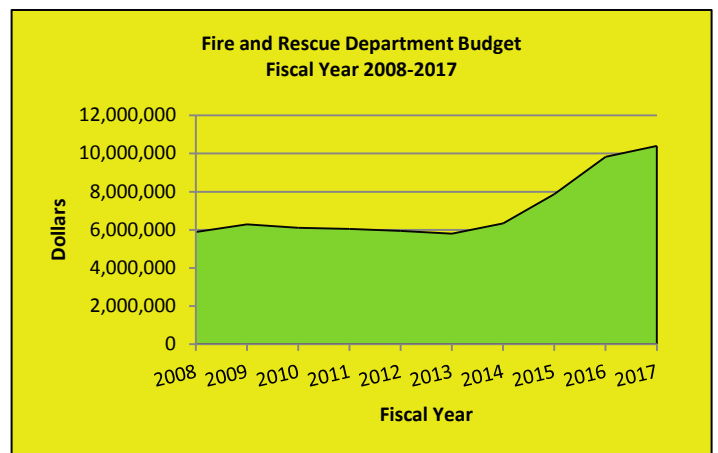
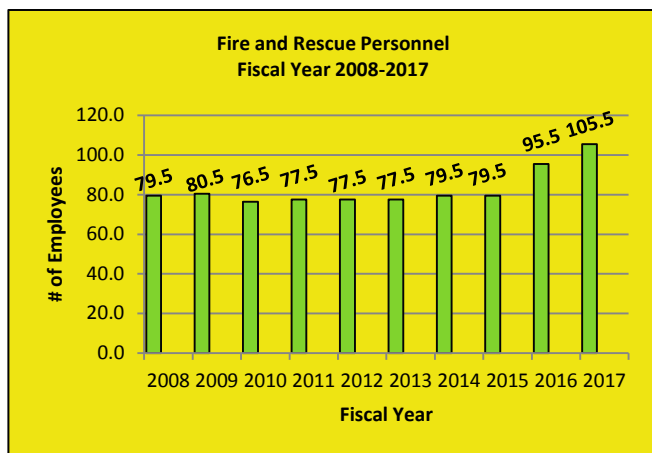


Public Safety

The Sheriff's Office has experienced an increased demand for public safety services due to increased organized crime, technology based crime and gang activity. There are six new positions included for the Sheriff's Office in the FY 2016-2017 budget. These are all deputy positions needed due to increased workload. The Sheriff's Office has seen a thirteen percent (13%) increase in personnel over the past ten years. The Sheriff's Office has seen a thirty-six percent (36%) increase in their budget since FY 2007-2008, increasing from \$9,567,289 to \$12,347,963 in the last ten years.

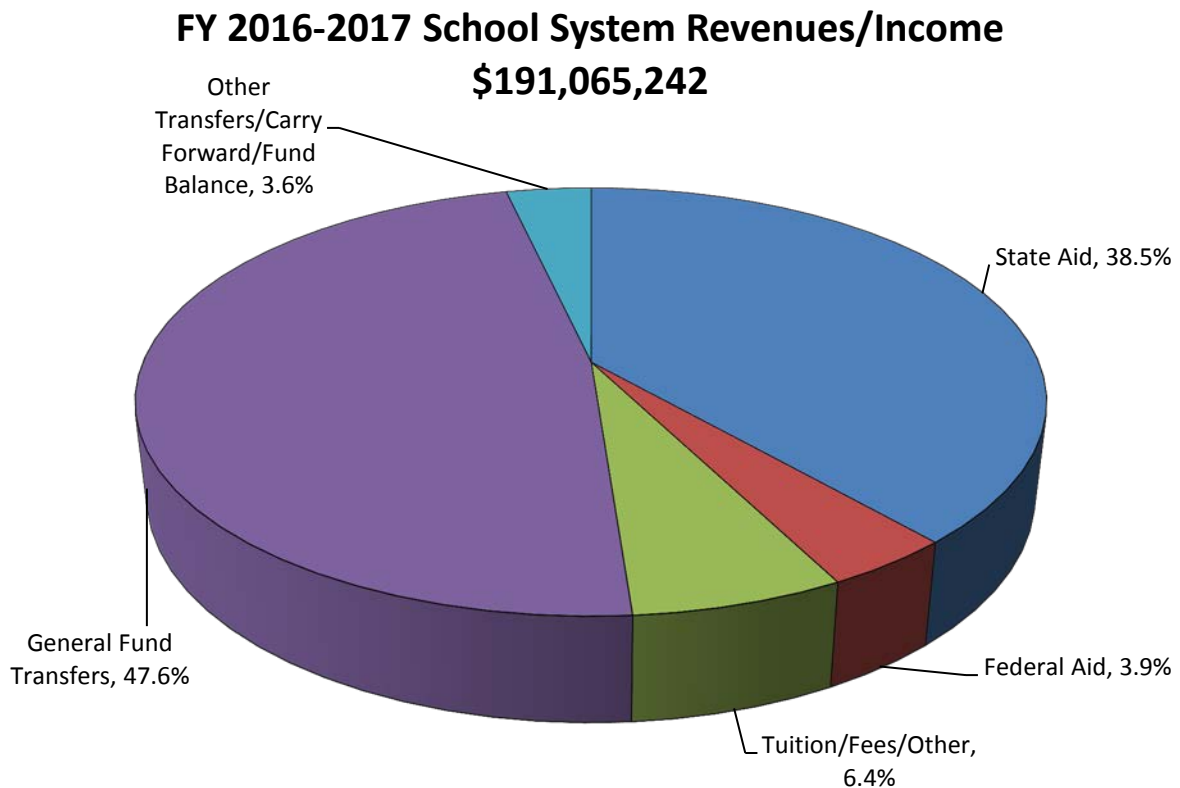


The Frederick County Fire and Rescue Department has also seen its share of growth over the past decade. The fire and rescue volunteer pool is supplemented by full-time career fire and rescue personnel. The FY 2016-2017 adopted budget for Fire and Rescue includes ten new positions, as reflected in the chart below. These positions are needed due to a decrease in volunteer recruitment and retention and an increased workload due in large part to an aging population and the addition of a number of elderly neighborhoods and facilities. The addition of these positions will also aid in reducing the overtime costs for the department. The Fire and Rescue Department has experienced a thirty-three percent (33%) jump in full-time personnel over the past ten years. The Fire and Rescue Department has seen a seventy-seven percent (77%) increase in their budget since FY 2007-2008, increasing from \$5,883,454 to \$10,402,352 in the last ten years.



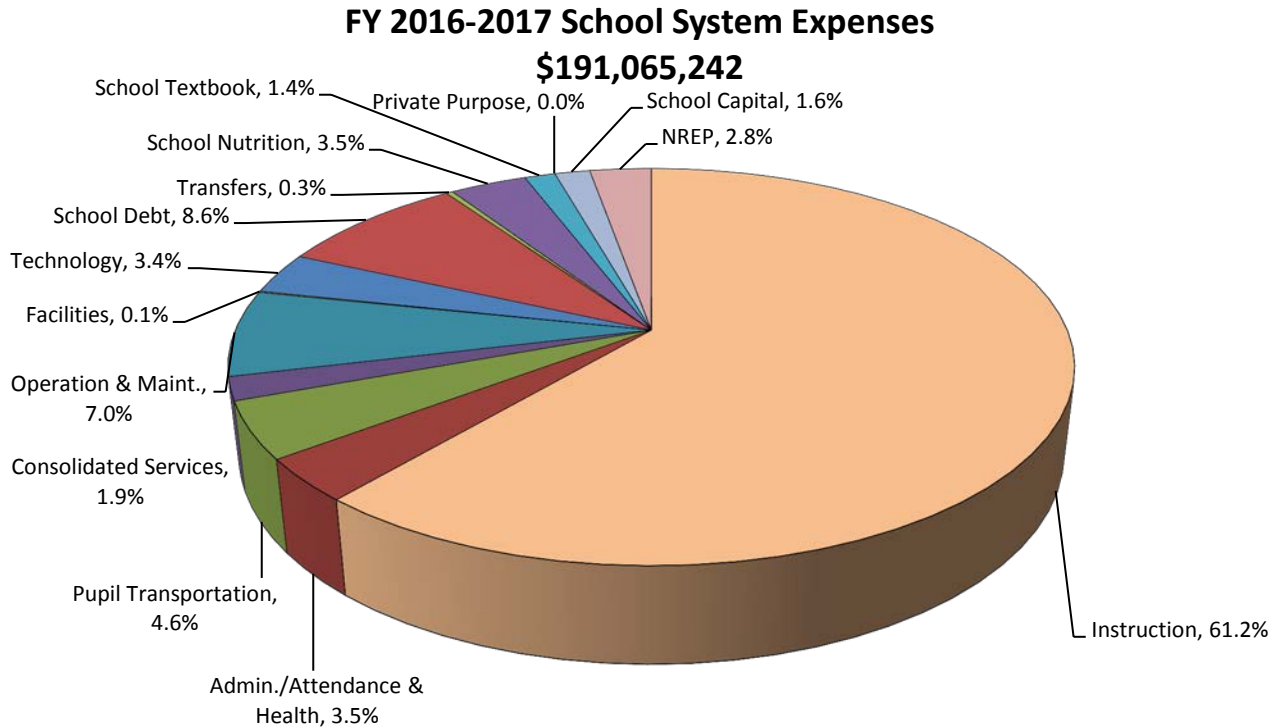
School System Revenues/Income

| School System Revenues/Income | 2015-16 Budgeted | 2016-17 Adopted | Increase (Decrease) | % Change |
|--|---------------------|--------------------|------------------------|-------------|
| State Aid | 71,010,750 | 73,477,224 | 2,466,474 | 3.5% |
| Federal Aid | 7,646,226 | 7,445,875 | (200,351) | (2.6%) |
| Tuition, Fees, and Other | 12,149,509 | 12,310,968 | 161,459 | 1.3% |
| Transfers from County General Operating Fund | 86,702,219 | 91,010,648 | 4,308,429 | 5.0% |
| Other Transfers/Carry Forward/Fund Balance | 3,758,424 | 6,820,527 | 3,062,103 | 81.5% |
| Total | 181,267,128 | 191,065,242 | 9,798,114 | 5.4% |



School System Expenses

| School System Expenses | 2015-16 Budgeted | 2016-17 Adopted | Increase (Decrease) | % Change |
|----------------------------|---------------------|--------------------|------------------------|--------------|
| Instruction | 113,461,369 | 116,910,372 | 3,449,003 | 3.04% |
| Admin./Attendance & Health | 6,387,423 | 6,771,401 | 383,978 | 6.01% |
| Pupil Transportation | 8,698,744 | 8,767,835 | 69,091 | 0.79% |
| Operation & Maintenance | 12,842,221 | 13,423,274 | 581,053 | 4.52% |
| Facilities | 204,412 | 206,887 | 2,475 | 1.21% |
| Technology | 5,965,019 | 6,565,886 | 600,867 | 10.07% |
| School Debt Service | 15,236,485 | 16,446,289 | 1,209,804 | 7.94% |
| Transfers | 469,739 | 565,345 | 95,606 | 20.35% |
| School Nutrition Services | 6,626,934 | 6,669,757 | 42,823 | 0.65% |
| School Textbook | 1,900,544 | 2,666,452 | 765,908 | 40.30% |
| Private Purpose Funds | 75,000 | 75,000 | 0 | 0.00% |
| School Capital Fund | 500,000 | 3,000,000 | 2,500,000 | 500.00% |
| NREP Operating Fund | 5,259,238 | 5,346,744 | 87,506 | 1.66% |
| NREP Textbook Fund | 40,000 | 50,000 | 10,000 | 25.00% |
| Consolidated Services | 3,600,000 | 3,600,000 | 0 | 0.00% |
| Total | 181,267,128 | 191,065,242 | 9,798,114 | 5.41% |



SCHOOL FACTS

Student Enrollment

The FY 2017 projected student enrollment is 13,117 for Frederick County Public Schools (FCPS). This is an increase of 25 students or .2% compared to the September 15, 2015, actual student enrollment of 13,092. Since FY 2007, FCPS has seen enrollment grow by 869 students, which is an increase of 7.1%.

Student membership growth has slowed considerably since 2011. In the past five years, FCPS' student membership grew by 0.48 percent while the Virginia state average grew by two percent. FCPS membership is projected to grow at an annual average rate of less than one percent over the next five years.

| Student Enrollment Growth | | | |
|----------------------------------|--------------------------|----------------------|--------------------------|
| Fiscal Year | Students Enrolled | Number Change | Percentage Change |
| 2007 | 12,596 | 373 | 3.1% |
| 2008 | 12,905 | 409 | 2.5% |
| 2009 | 12,913 | 8 | 0.06% |
| 2010 | 13,035 | 122 | 0.9% |
| 2011 | 13,043 | 8 | 0.06% |
| 2012 | 13,029 | -14 | -0.11% |
| 2013 | 13,066 | 37 | 0.2% |
| 2014 | 13,045 | -21 | -0.16% |
| 2015 | 13,092 | 47 | 0.4% |
| 2016 | 13,092 | 0 | 0.0% |
| Enrollment Projections | | | |
| 2017 | 13,117 | 25 | 0.2% |
| 2018 | 13,144 | 27 | 0.2% |
| 2019 | 13,157 | 13 | 0.1% |
| 2020 | 13,294 | 137 | 1.0% |
| 2021 | 13,432 | 138 | 1.0% |

Cost Per Pupil

Based on actual FY 15 information (most current information available) from the Virginia Department of Education, Frederick County Public Schools' cost per pupil is 4.5% lower than the state average.

| Cost Per Pupil Comparison | | | | | | | |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
| Winchester City | 12,396 | 11,392 | 11,560 | 11,369 | 11,987 | 12,126 | 12,587 |
| Clarke County | 9,578 | 9,241 | 9,768 | 9,637 | 10,656 | 10,556 | 11,096 |
| Warren County | 9,021 | 8,932 | 8,974 | 8,549 | 9,020 | 9,649 | 9,900 |
| Loudoun County | 13,448 | 12,688 | 11,946 | 12,429 | 13,106 | 12,611 | 12,915 |
| Shenandoah County | 10,113 | 10,394 | 10,115 | 10,741 | 10,502 | 9,561 | 10,137 |
| Fauquier County | 11,339 | 11,255 | 11,283 | 11,014 | 11,746 | 11,920 | 12,173 |
| Frederick County | 10,234 | 10,083 | 9,773 | 9,970 | 10,472 | 10,387 | 11,009 |
| State Average | 11,316 | 11,020 | 10,793 | 10,969 | 11,257 | 11,242 | 11,523 |
| Regional Average | 10,876 | 10,569 | 10,488 | 10,530 | 11,070 | 10,973 | 11,402 |

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

Charles s. DeHaven – Chairman

Gene E. Fisher – Shawnee District

Judith McCann-Slaughter – Stonewall District

Robert A. Hess – Gainesboro District

Gary A. Lofton – Back Creek District

Robert W. Wells – Opequon District

Blaine P. Dunn – Red Bud District

County Administrator

Brenda G. Garton

