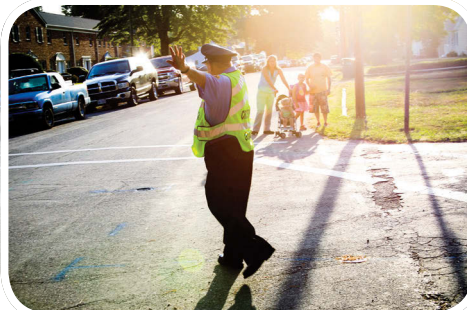
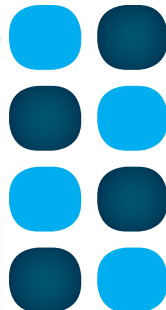
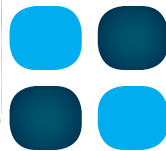
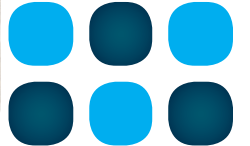
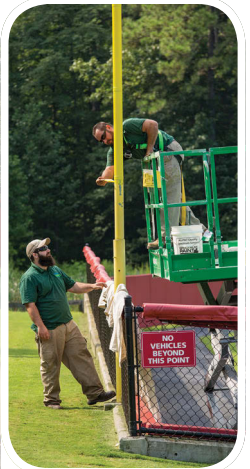
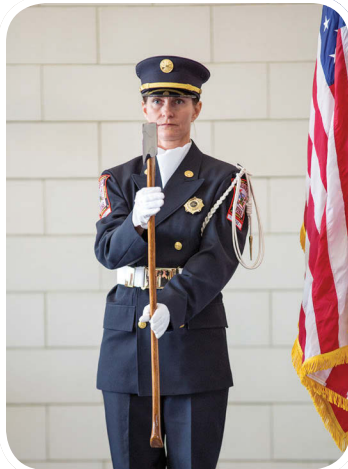
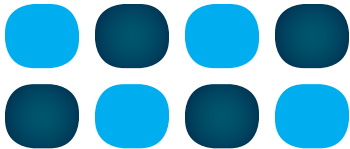




Fiscal Year 2018 – 2019 APPROVED BUDGET

includes summary of 5-year
Capital Improvement Program




HENRICO COUNTY • VIRGINIA



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Henrico County
Virginia**

For the Fiscal Year Beginning

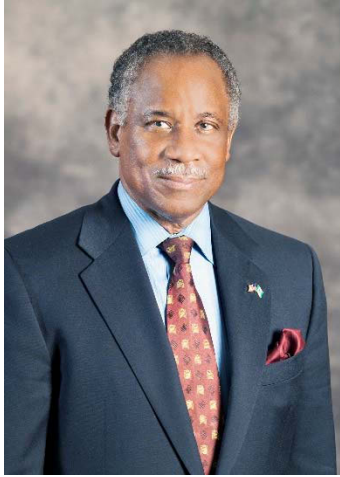
July 1, 2017

Christopher P. Morrill

Executive Director

HENRICO COUNTY

Board of Supervisors



Frank J. Thornton
Chairman
Fairfield District



Tyrone E. Nelson
Vice Chairman
Varina District



Courtney D. Lynch
Brookland District



Thomas M. Branin
Three Chopt District



Patricia S. O'Bannon
Tuckahoe District



HENRICO COUNTY

OUR MISSION

In partnership with our citizens, the Henrico County Government is dedicated to enhancing the quality of life for all our residents. As a nationally acclaimed local government, the County accepts the challenges of our changing social, physical and economic environments by serving in an efficient manner, with pride and with concern for the present and excitement for the future.

OUR VALUES

We are dedicated to providing our citizens responsible government, characterized by integrity and accountability. We will provide service in a professional manner with sensitivity to the needs of all people and our environment.

We are committed to the concept that the public, as our customers, deserves honest consideration, professional conduct and respect regarding all government activities.

We believe that our reputation for integrity, credibility and sensitivity to employee and citizen needs is a key asset.

We recognize that our employees are a valuable resource to be treated with equality, fairness and justice.

We believe that accountability and responsibility in handling the public's property and money are essential.



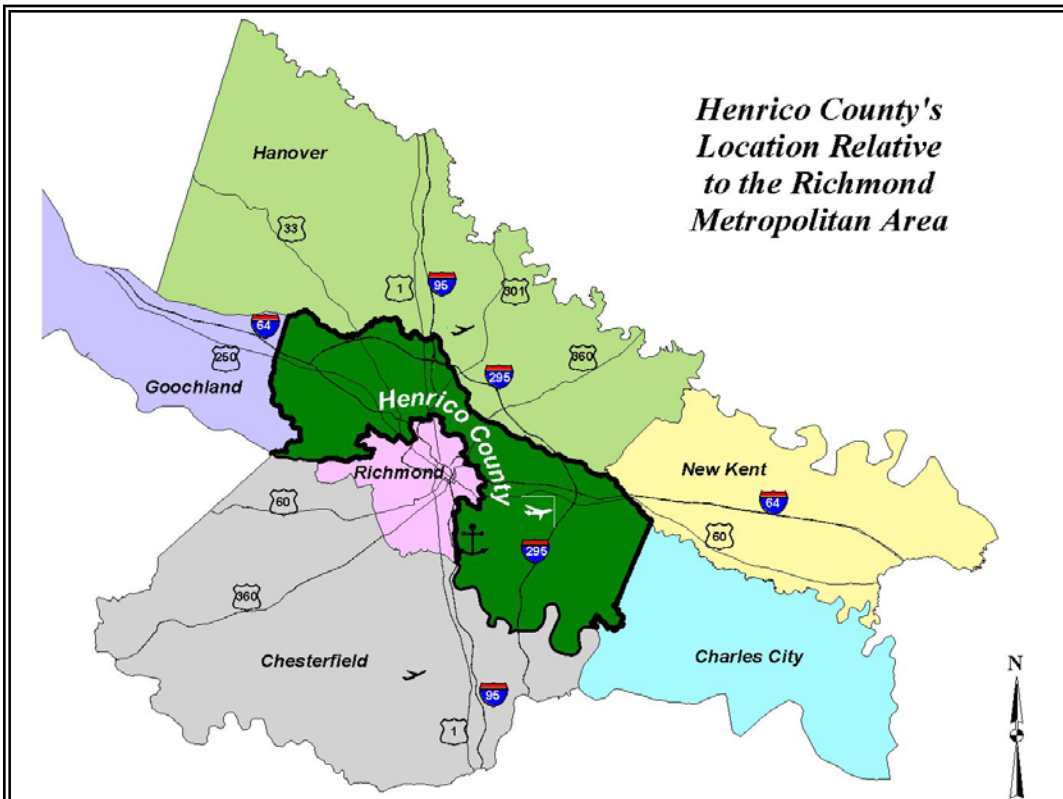
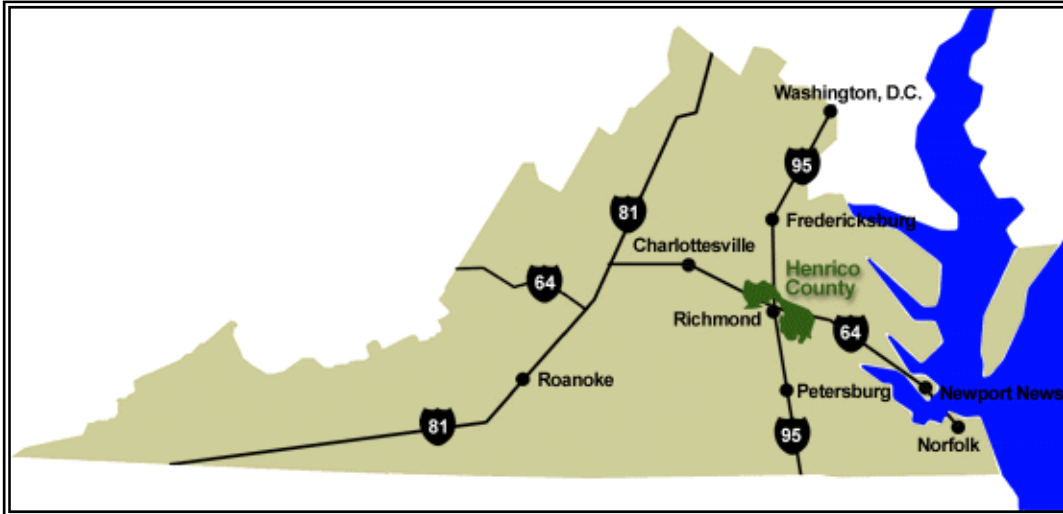
John A. Vithoukas
County Manager



Henrico County Profile

Overview of Henrico County

Henrico County is situated in central Virginia along the northern and eastern borders of Virginia's capital city of Richmond. The County lies between the James and Chickahominy rivers, and constitutes approximately a third of the Richmond Metropolitan area. Today, around 329,000 Henrico County residents live in a well-planned community of 244.12 square miles consisting of beautiful residential communities, large expanses of farm land, and carefully developed office, retail and diversified industrial areas. Henrico has been recognized for its premier schools, neighborhoods, and government operations. Henrico's rich history has allowed the County to progress from its early beginnings in 1611, into a distinguished place to live and work.



Henrico County Profile

History of Henrico County

Henrico is one of the oldest political subdivisions in Virginia and was the scene of the second settlement in the colony. Its first boundaries incorporated an area from which 10 Virginia counties were later formed in whole or in part, as well as the cities of Richmond, Charlottesville, and Colonial Heights.

In 1611, Sir Thomas Dale left Jamestown to establish a settlement on the Powhatan River, now called the James River. Relations with the Arrohatloc Indians had steadily deteriorated since 1607, and Dale's party suffered constant attacks. They finally came to a peninsula on the north side of the river, now Farrar's Island, where Dale established the colony's second settlement, "Henricus," known also as the "city" or "town" of "Henrico."

Life in the New World was hard, but the English had high hopes that their settlements would add valuable minerals and raw materials to their economy, in addition to providing strategic military outposts. They also saw this land as a new frontier for spreading Christianity.

Virginia's economy was sharply transformed in 1612 by the introduction of new strains of mild tobacco by colonist John Rolfe. Rolfe's tobacco was shipped to England, and Virginia's economy soon began to prosper. In 1614, peace with the Indians was temporarily established, following Rolfe's marriage to Powhatan's daughter, Pocahontas. Both the tobacco leaf and Pocahontas are represented on the County's seal as symbols of our early heritage. Many different depictions of Pocahontas exist today, as seen in the image to the right, courtesy of William E. Ryder and the Virginia Historical Society.

In 1634, Virginia was divided into eight shires, or counties, one being Henrico. The County was named for Henry, Prince of Wales, the eldest son of King James I of England.

In 1776, Henrico representatives Richard Adams and Nathaniel Wilkerson participated in the Fifth Virginia Convention, which voted to send delegates to the Continental Congress to propose separation from the British. That proposal led to the Declaration of Independence. In 1788, seven years after the Revolutionary War, the General Assembly called a special convention to consider the ratification of the proposed United States Constitution. After 25 days of heated debate, Virginia voted 89-79 in favor of ratification.

Many important Civil War battles were fought on Henrico soil, including the battles of Seven Pines, Savage's Station, Glendale, Malvern Hill, Yellow Tavern, New Market Heights, and others in defense of Richmond.

In 1934, exactly 300 years after becoming one of the original shires, Henrico became the only county in Virginia to adopt the county manager form of government.

Source: Henrico County, Public Relations and Media Services



Henrico County Profile

Henrico County's Form of Government

In a public referendum held on September 19, 1933, the citizens of Henrico County approved the implementation of a new form of local government. Under the new County Manager form of government, all of the administrative functions of the county government were placed under a county manager appointed by the Board of Supervisors while the legislative authority and responsibility continued to reside with the Board of Supervisors.



Henrico County's Board of Supervisors consists of five representatives, one from each of the County's five magisterial districts: Brookland, Fairfield, Three Chopt, Tuckahoe and Varina.

Supervisors are elected for four-year terms. The Board annually elects a chairman who presides at each Board meeting and serves as the official head of the County government, and a vice chairman who serves in the absence of the chairman. This election occurs in January of each calendar year.

The administrative head of Henrico County's form of government is the county manager. The county manager is appointed by the Board of Supervisors and serves at the pleasure of the Board. The duties of the county manager are to carry out the policies determined by the Board of Supervisors, to coordinate the business affairs of the County by installation and enforcement of administrative procedures, and to conduct the day-to-day business operations through a staff of professional administrators. This position has no definite term and the manager may be removed by a majority vote of the Board at any time.

The county manager form of government allows for the grouping and consolidation of administrative functions of the County into departments. The constitutional offices of treasurer and commissioner of the revenue do not exist under the county manager form of government. Those functions are combined into a Department of Finance which is headed by a director of finance. Heads of all County government departments with the exception of the following constitutional officers are appointed and discharged by the county manager: clerk of the circuit court, commonwealth's attorney and sheriff. Within the limits set by the County personnel system, pay and classification plan, the county manager determines and fixes the salaries of all appointees (employees).

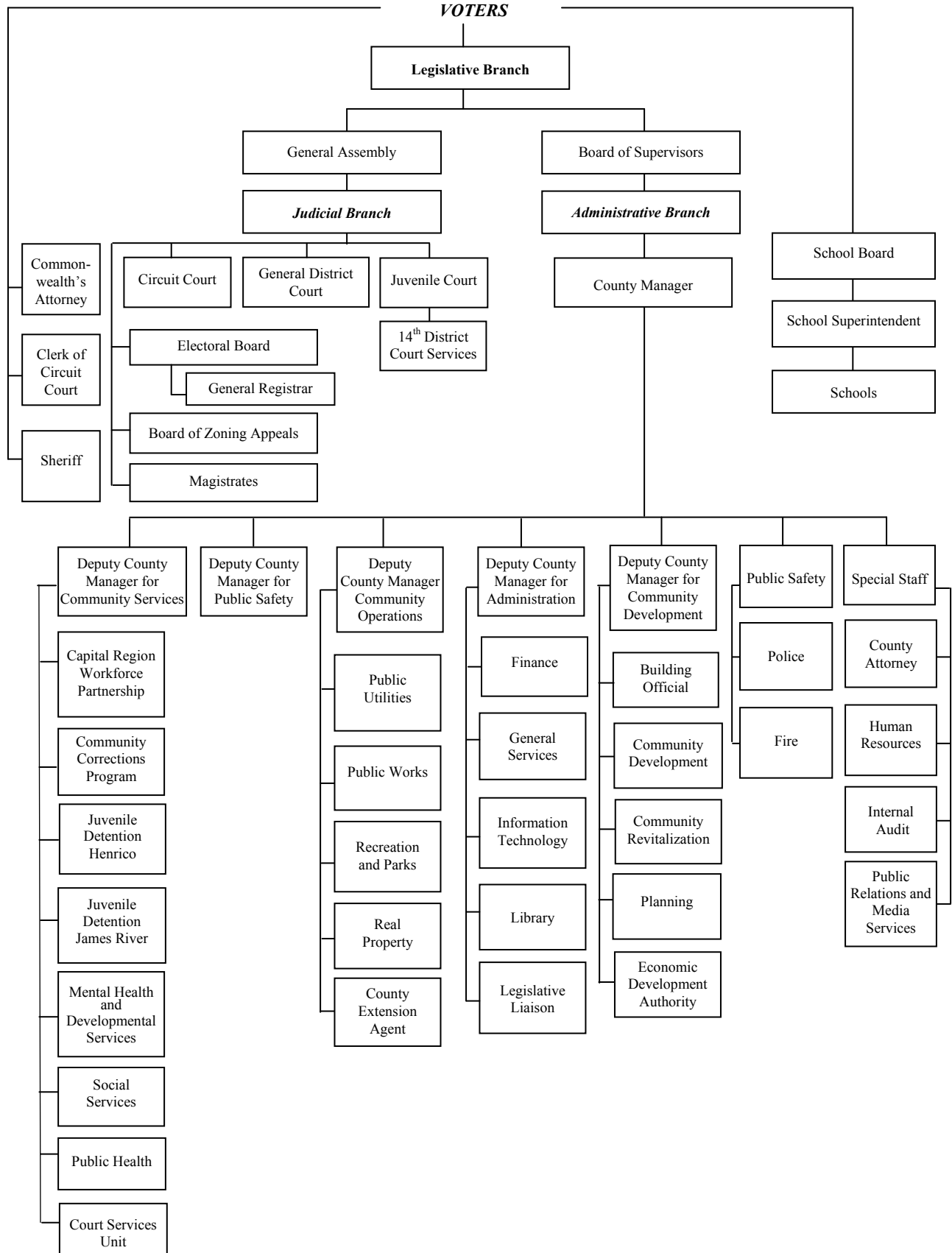
The School Board is elected by the voters to represent each of the five magisterial districts. They are elected for four-year in a sequence similar to that of the County Board Members and are responsible for the allocation and control of school finances, programs and personnel. The superintendent of schools is appointed by the School board and administers the operations of the County's public schools. The County Board of Supervisors determines the total amount of local funding appropriated to the public school system; however the use of these funds is determined solely by the School Board and is independent of the County Board of Supervisors and the County Manager, as prescribed by Virginia law.

The structure of Henrico County's government is depicted in an organizational chart on the following page.

Source: Henrico County, County Manager's Office

Henrico County Profile

Organization Chart



Henrico County Profile

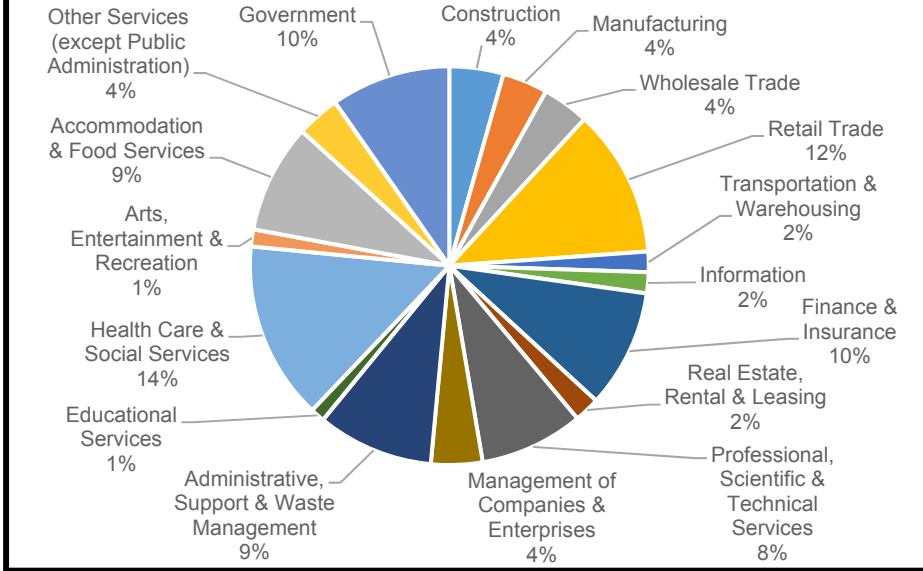
Economy

Located in the heart of the Eastern Seaboard, Henrico County offers a business-friendly environment with competitive tax rates and a cost of living below the national average. The County's triple, triple-A bond rating, diverse economic base, ample land supply and favorable location within the Richmond metropolitan area contribute to the County's continued development and expansion. The County is home to approximately 25,000 businesses and four Fortune 1000 headquarters including Altria, Genworth Financial, Brink's, and Markel Corporation. The chart to the right displays the top ten largest employers in Henrico County according to the Virginia Employment Commission's March 2018 Community Profile for Henrico.

Top Ten Employers with ≥ 900 Employees

Rank	Employer
1	Henrico County School Board
2	County of Henrico, VA
3	Bon Secours Richmond Health System
4	Anthem
5	HCA Virginia Health System
6	Capital One Bank
7	Walmart
8	U.S. Postal Service
9	Kroger
10	Wells Fargo Bank NA

Henrico County Employment by Industry



Henrico County's local economy is characterized by diversity with a healthy representation of businesses from numerous industries including retail, manufacturing, financial, insurance, health and life services, and more. The local employment base in the County is substantial and diverse, as you can see in the chart below with data from the Virginia Employment Commission's March 2018 Community Profile for Henrico and represents approximately one-third of the Richmond metropolitan statistical area's (MSA) employment base. The broad

employment base supports relatively low unemployment rates within the County. In addition, the region offers a highly educated workforce, with 90.2 percent of the population 18 years and older holding high school degrees or higher and 37.9 percent holding bachelor's degrees or higher.

Henrico's unemployment rate continues to remain low at 3.3 percent in December 2017, which is lower than the Richmond MSA average of 3.6 percent, the state average of 3.4 percent, and the national average of 3.9 percent. Henrico's job market remains strong with 189,568 total jobs in the County, the second highest of all localities in Virginia. In addition, sixteen local businesses in Henrico are among "America's Fastest Growing Companies" according to the Inc. 5000 List.

Henrico's local economy continues to get a significant boost from visitor spending in the County. In fact, during 2015, the County captured \$852.2 million in visitor spending, a 2.8 percent increase from last year, and had the fifth highest total of any Virginia locality, according to the U.S. Travel Association. Henrico topped all localities in central Virginia and trailed only the counties of Arlington, Fairfax and Loudoun and the city of Virginia Beach. Under the direction of the Board of Supervisors, Henrico has taken steps to promote tourism in the county. In March 2013, officials launched the Visit Henrico campaign to promote Henrico as a destination for tourists and youth and adult recreational sports tournaments.

Henrico County Profile

Demographics

Demographic trends of the past decade indicate that the County is becoming increasingly urban and diverse. According to the U.S Census Bureau's decennial census, the total minority population in Henrico, which includes racial and ethnic minority groups, has increased to 43 percent of the whole population in 2010, compared to 33 percent in 2000. As a result of these changing demographics, the County has been infused with new cultures and traditions that are enriching the community as a whole.

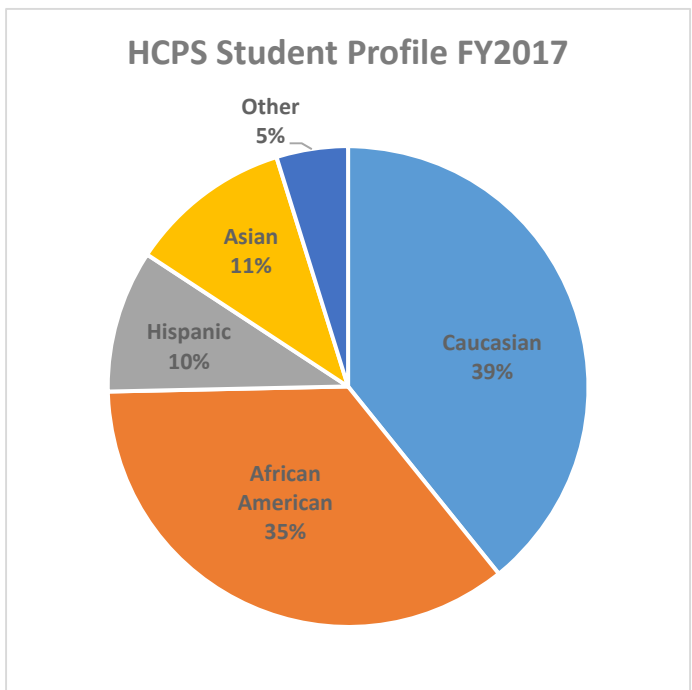
<i>Population by Race</i>	<i>2000</i>	<i>2010</i>	<i>% Change</i>
American Indian & Alaska native alone	920	1,012	10.0%
Asian /Pacific Islander	9,533	20,179	111.7%
Black or African American alone	64,820	90,669	39.9%
Other/Multiracial	6,284	13,356	112.5%
White alone	180,780	181,719	0.5%
Total	262,337	306,935	17.0%

Education

In Henrico County, education is a top priority. The Henrico County Public School (HCPS) system currently has 9 high schools, 12 middle schools, 46 elementary schools, 2 technical centers, and 3 program centers. The average daily membership of HCPS was 50,330 in 2017. Henrico County's student population is racially and economically diverse. In fact, HCPS is a majority minority school system, as seen in the chart to the right.

Henrico County Public Schools (HCPS) have been recognized during the 2014 school year by publications including U.S. News & World Report, the National School Board Association and the National Association of Music Merchants. In addition, Henrico has the lowest per pupil cost among the twenty-five largest localities by population in Virginia according to the Superintendents 2013 Annual Report.

Henrico County's school division is equipped with the latest technology and laptops are provided to each of the more than 26,000 secondary students each year through the Teaching and Learning Initiative. HCPS was one of the first school divisions in the country to start this initiative in 2001.



Parks, Recreation and Culture

The Henrico County Public Library (HCPL) system has nine library branches, one municipal government and law library, and a bookmobile which circulate over half a million volumes. In 2017, HCPL was awarded four NACo awards, one Outstanding Service Innovation awards, and one AIA/ALA award for the new Varina Area Library. The designation from the Library Journal was based on national rankings that consider per-capita circulation, visits, program attendance and public computer access.

Henrico County Profile

Henrico's Department of Recreation and Parks maintains 4,058 acres of public park land. The park system includes 69 parks/facility sites, 172 athletic fields, 58 playgrounds, 27.7 miles of trails and 2 parks with access to the James River. There are approximately 3.3 million visits to the park system every year.

Public Safety

The Henrico County Police Division has three police stations and over 620 sworn police officers that serve the County. The Division is fully accredited by the Commission for Accreditation of Law Enforcement Agencies (CALEA); an accreditation it has maintained since 1987. On an annual basis, the Henrico Police Division responds to approximately 200,000 calls for service. The County remains a safe place to live, work and play because of the Division's tireless efforts. In fact, according to police records, Henrico experienced the lowest rate of crimes per 1,000 residents in 2014 since the data collection began in 1975.

The Henrico County Fire Division operates 21 fire stations and one training facility within the County. The Division currently has 21 engines, 16 Advanced Life Support Medic units, and 6 ladder trucks on duty each day and responds to approximately 49,000 calls for service every year. Henrico Fire Division was one of the first in the world to receive International Accreditation from the Commission on Fire Accreditation International (CFAI) in 1998; an accreditation it has maintained since that time. All field personnel are certified to the Emergency Medical Technician (EMT) Basic level and approximately 200 firefighters are also certified to provide advanced life support (ALS) services.

Transportation

Henrico County is one of only two counties in Virginia that maintains its own roadways. The decision made by Henrico citizens more than 80 years ago to maintain the County's roadways has allowed the County an added degree of flexibility in addressing the County's roadway needs. Henrico's Public Works Department maintains over 3,500 lane miles of road, the third largest road network in Virginia.

The region is a major interstate highway crossroads for Interstates 95 and 64. Much of the Interstate 295 northern beltway around Richmond tracks through Henrico County. In fact, as seen in the image to the right, most locations within the county can be reached within 15 minutes. The highway network is complemented by excellent air and rail service. Richmond International Airport provides both domestic and international service to more than three million passengers per year. In addition, Amtrak provides passenger rail service in Henrico County, with Henrico's Staples Mill Road Amtrak station being the busiest passenger train station in Virginia.



GUIDE TO USING THIS DOCUMENT

This document represents the Approved 2018-19 Annual Fiscal Plan for the County of Henrico, Virginia. The purpose of the Annual Fiscal Plan is to provide useful, concise information about the County's financial plans and operations to residents, elected officials and other interested parties. The budget document has been divided into the seven sections described below:

Introduction:

The Introduction section of the document contains specific information about the County's basis of budgeting and fund structure, financial guidelines, the budget process and the budget calendar. In addition, the County Manager's transmittal letter to the Board of Supervisors, and three-year revenue and expenditure forecasts are provided.

Revenue and Expenditure Summaries:

The Revenue and Expenditure Summaries provide the reader with an overview of the County's FY2018-19 Budget. The tables presented in this section identify the sources of funding and requirements for all of the County's funds by department.

General Fund:

As prescribed by the State Auditor of Public Accounts, Henrico County has chosen to organize its General Fund expenditures by function with a summary narrative for each department. The narrative provides information about the department's major objectives, operational plans, the number of authorized positions, and a breakdown of expenditures by personnel, operating, and capital allocations. Personnel expenditures include all salary expenses and corresponding benefits such as FICA, VRS, health insurance, and life insurance. Capital Outlay expenditures are purchases of fixed assets with a life expectancy greater than two years. Operating expenditures are all other recurring expenses needed for department operations.

Special Revenue Fund:

The Special Revenue Fund section accounts for the resources obtained and the legally restricted expenditures relating to State and Federal Grants, the Utility Department's Solid Waste and Street Light operations, and the School Cafeterias. The format of this section is similar to that of the General Fund section. A summary narrative is provided for each program with information about its objectives and service levels. The program budget is broken down by personnel, operating and capital outlay expenditures; and the personnel complement is provided where applicable.

Enterprise Funds:

The Enterprise Funds section accounts for operations that are funded and operated in a manner similar to private business enterprises. The intent of the County is to recover the cost of providing services to the general public through user charges. The Enterprise Funds include the Water and Wastewater Utility operations and the County-owned golf course.

The Water and Sewer Enterprise Fund accounts for the provision of water and sewer services to residents of Henrico County, and wholesale service to Hanover and Goochland Counties. The Belmont Park Golf Course Enterprise Fund accounts for the operations of Belmont Park Golf Course. All activities necessary to provide such services are accounted for in the respective funds, including operations, maintenance, construction, financing, and the related debt service.

All Other Funds:

This section includes information on the County's four Internal Service Funds, as well as the Debt Service Fund and the Agency Fund. The Internal Service Funds include the County's Central Automotive Maintenance operations, the Technology Replacement Fund, the Risk Management Fund, and the Healthcare Fund. A description of the County's Debt Service Fund is provided in addition to more detailed information about principal, interest, and other debt expenditures. A summary of the County's outstanding general long-term debt obligations at year-end is also presented. The Agency Funds account for the revenues and expenditures of the James River Juvenile Detention Center, the OPEB-GASB 45 requirement, Line of Duty Fiduciary Fund, and the Long-Term Disability Fiduciary Fund

The Capital Improvement Program:

The FY2018-19 Capital Budget is presented by project and fund, and a narrative section discusses the capital projects by type. There is also a section that addresses anticipated operating expenditures associated with these projects.

For more detailed information, please contact the Office of Management and Budget of the County of Henrico at (804) 501-4295 or visit our web site at <http://www.henrico.us/finance/divisions/office-of-management-and-budget>.

**HENRICO COUNTY, VIRGINIA
APPROVED BUDGET
FISCAL YEAR 2018-19
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**HENRICO COUNTY, VIRGINIA
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INTRODUCTION





COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

John A. Vithoukas
County Manager

June 13, 2018

The Honorable Board of Supervisors
County of Henrico
Virginia

Honorable Members of the Board:

Enclosed is the Annual Fiscal Plan for FY2018-19, including both the operating and capital budgets, that was approved by the Board of Supervisors at the April 24, 2018 meeting. The approved budget, as noted within, reflects changes made by the Board of Supervisors during Legislative Budget Reviews, within the Non-Departmental area of the General Fund budget. Funding for 32 outside agencies was increased by a total of \$290,871, which was offset by a decision to change the County's \$300,000 contribution to the Reynolds Culinary Arts Program to a two-year commitment of \$150,000 in each year, saving \$150,000 in the coming fiscal year, as well as a reduction in the Reserve for Contingencies in the amount of \$140,871.

On June 12, 2018, as part of the appropriation of the FY2018-19 budget, the Board of Supervisors increased the amount for Henrico County Public Schools (HCPS) by \$3,200,000 for additional teachers, retention incentives, and classroom supports. As this change was an amendment to the FY2018-19 Approved Annual Fiscal Plan after the budget was adopted on April 24, 2018, these funds are not reflected in this document. However, the funding will be available for expenditure on July 1, 2018 and will be included in the base allocation for HCPS as we begin preparing for the FY2019-20 County Manager's Proposed Budget.

Again, I would like to thank the County staff for their efforts in developing this budget. And, as always, the staff and I stand ready to assist you in answering any questions you may have regarding the Approved Budget for FY2018-19.

Sincerely,

John A. Vithoukas
County Manager





COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

John A. Vitoulkas
County Manager

March 13, 2018

The Honorable Board of Supervisors
County of Henrico
Virginia

Honorable Members of the Board:

I am honored to submit to you the FY2018-19 Proposed Budget for Henrico County. The Proposed Budget is balanced within available resources at our current **real estate tax rate of 87¢**, maintaining the County's standing as having the lowest tax burden of any large locality in the Commonwealth of Virginia. Even though we are experiencing a resurgent local economy, affirmed by improving signs at state and national levels, this budget uses conservative revenue estimates.

The resources projected in this budget are allocated in a prudent, strategic manner to this County's highest funding priorities. As stated during the Board Retreat on January 12, 2018, those priorities are the following:

- ✓ Honoring Prior Funding Commitments;
- ✓ Enhancing the County's Economic Development Efforts;
- ✓ Allocating Funds for the County's Core Service Areas, primarily Education and Public Safety;
- ✓ Maintaining Competitive Compensation and Benefits for the County's Employees; and
- ✓ Maintaining the County's Fiscal Structure.

The budget for FY2018-19 proposes to meet these priorities in several ways. First, the Proposed Budget **fully funds the budget request of the Henrico County School Board**. The funding reflects \$21.4 million in new, overall incremental resources provided to our school system, including continued implementation of the Achievable Dream Academy and CodeRVA; an effort to reduce class sizes; an extension of planning periods; the addition of student supports; and full implementation of the Gifted Young Scholars Program at Wilder Middle School and STEAM integration at all of the County's middle schools.

The Proposed Budget honors prior commitments to Public Safety while funding several new endeavors. A total of \$10.1 million in overall incremental General Fund resources will be allocated to support a variety of Public Safety initiatives. **Nearly ¾ of the total revenue increase for FY2018-19 is strategically allocated to Education and Public Safety.**

The Proposed Budget continues tax relief efforts from the FY2017-18 budget by **increasing the full exemption threshold from BPOL taxation to \$300,000**. The budget adds \$500,000 to tax relief in recognition of the rising costs of these programs and the enhancement of the eligibility criteria for the County's REAP program for qualified senior and disabled citizens.

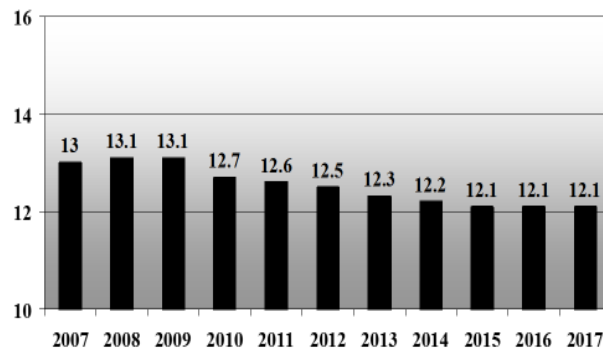
This budget rewards eligible general government and Henrico County Public Schools’ employees with a 2.4% merit-based salary increase, effective July 1, 2018. **Henrico will lead the Richmond region in starting pay for police officers, firefighters, correctional deputies, and teachers.** In addition, employees who have worked for six or more years will be eligible for an additional 0.6% increase, for a total salary increase of 3.0%. As shown below, Henrico has led the region in employee salary increases over the past four years. This budget will continue this trend.

Salary Increases in Metro Richmond FY15 - FY18					
Fiscal Year	Henrico	Chesterfield	Hanover	Richmond GG	Richmond Sworn Police/Fire
FY18	2.5%	2.0%	2.0%	0.0%	Varied ⁽¹⁾
FY17	2.4%	2.0%	2.0%	0.0%	2.5%
FY16	2.0%	2.0%	2.0%	2.0%	2.5%
FY15	3.0%	1.0%	2.0%	0.0%	0.0%
Total:	9.9%	7.0%	8.0%	2.0%	5.0%

(1) Richmond sworn Police and Fire employees were moved to a step based on length of service

Henrico leads the region in employee compensation, yet it operates as one of the leanest local governments in the Commonwealth. This is largely due to its efficient workforce. Much is expected from County employees, with a low ratio of 12.1 employees per 1,000 population, and, in turn, employees are highly valued. We hire fewer employees than others -- we expect the most of them -- our formula for success is simply different. This is a premise that works, and we must continue to attract the best and the brightest to this workforce.

**From ‘Trends’:
Employees per Capita**
(Employees per 1,000 Population)



The Proposed Budget increases GRTC bus transit service by expanding operating hours, including weekend service, for three routes. **This is the largest bus transit expansion proposed for Henrico County in over 25 years.**

Community maintenance efforts will be enhanced by a new **“Community Revitalization Fund”**. This \$2.0 million fund will serve as a resource for improvement of older neighborhoods in our community and will have the flexibility to immediately address urgent problems.

The Proposed Budget continues to **strengthen the County’s fiscal structure** in FY2018-19. Ongoing revenues will be allocated to the County’s Technology Replacement Fund. The budget embarks on a multi-year effort to minimize the annual, mid-year amendment for the County’s Risk Management Fund. This budget also seeks to minimize the use of reserves in the Central Automotive Maintenance operation. Finally, the Proposed Budget sets aside **\$1.0 million in the “State Revenue Stabilization Reserve”** to make a total of \$3.5 million available to potentially offset the impact of an impending recession. This is in addition to the significant improvement of the County’s reserves over the past five years.

Fund Balance – General Fund (in millions)



Continued conservative revenue estimates, mindful spending, and careful planning of fund balance use have allowed the County's General Fund balance to continue improvement. It should also be noted that the County's fiscal approach requires that the unassigned fund balance equal 15% of General Fund expenditures.

The Proposed Capital Budget continues funding the 26 projects overwhelmingly approved by voters in the November 2016 General Obligation Bond

Referendum. The projects include planning and design for the renovation of Tucker High School and for a new elementary school in the Brookland magisterial district; the replacement of the Fairfield Library; the planning of the construction of Staples Mill Fire Station; the beginning of Phase II construction of Greenwood Park; and the expansion of fields at Dorey Park. The Capital Budget also provides an additional \$9.3 million of funding to complete the conversion of high school athletic fields to natural synthetic turf.

The Capital Budget includes \$4.9 million for the extension of Woodman Road and \$507,000 toward the planning costs for improvements to Oakley's Lane. This is in addition to the continuation of the \$2.3 million for stormwater improvements, \$2.5 million for sidewalk improvements, and \$1.0 million in motor vehicle license fees to provide local funding for road construction.

In addition to the approved General Obligation Bond Projects and resources for Public Works projects, the Capital Budget includes \$8.5 million to renovate and expand the Circuit Court facilities. It also provides \$3.8 million for renovation of the space in the Human Services Building vacated by Recreation and Parks. Additionally, the Capital Budget includes the maintenance efforts of our school division with \$2.5 million in roof and mechanical funding combined with \$9.0 million for Meals Tax projects and \$5.0 million for general government facility maintenance projects.

General Fund Revenues – A Reflection of Local Economic Improvement

The total estimated General Fund revenues for FY2018-19, prior to transfers, are \$1.0 billion, which represents an increase of \$42.7 million or 4.4%. Net of transfers and uses of fund balance, the County's overall General Fund is growing by 3.8%.

As you can see in the chart to the right, the majority of revenue growth can be attributed to a few sources: real estate tax, personal property tax, local sales tax, and State Aid for Schools. Hotel/Motel Tax receipts, Meals Tax

Category	FY19 General Fund Revenues		Difference	% Change
	FY18 Approved	FY19 Proposed		
Real Estate Tax	\$305.5 M	\$323.8 M	\$18.3 M	6.0%
Personal Property Tax	\$120.0 M	\$124.0 M	\$4.0 M	3.3%
Local Sales Tax	\$64.3 M	\$67.0 M	\$2.7 M	4.2%
Business Licenses (BPOL)	\$32.5 M	\$33.2 M	\$0.7 M	2.0%
Hotel/Motel Tax*	\$12.0 M	\$12.6 M	\$0.6 M	5.0%
Meals Tax	\$23.0 M	\$27.0 M	\$4.0 M	17.5%
<u>All Other Local Revenues</u>	<u>\$60.1 M</u>	<u>\$61.3 M</u>	<u>\$1.2 M</u>	<u>2.0%</u>
Total Local Revenues	\$617.4 M	\$648.9 M	\$31.5 M	5.1%
<i>* Hotel/Motel Tax revenues are dedicated to the Greater Richmond Convention Center</i>				
State Aid for Schools	\$254.2 M	\$263.8 M	\$9.6 M	3.8%
State Gasoline Tax	\$45.2 M	\$46.1 M	\$0.9 M	2.1%
<u>All Other State & Federal</u>	<u>\$47.3 M</u>	<u>\$47.9 M</u>	<u>\$0.6 M</u>	<u>1.3%</u>
Total State and Federal Revs.	\$346.7 M	\$357.9 M	\$11.2 M	3.2%
Total General Fund Revs.	\$964.1 M	\$1,006.8 M	\$42.6 M	4.4%
Transfers/Cash Reserves	(\$124.5 M)	(\$134.9 M)	(\$10.4 M)	8.4%
TOTAL NET REVENUES	\$839.7 M	\$871.9 M	\$32.2 M	3.8%

revenues, and State Gasoline Tax revenues are each dedicated for a specific purpose—the Greater Richmond Convention Center, education, and road maintenance, respectively. Outside of these resources, minimal revenue growth continues to be experienced, particularly in State Aid for General Government. Lastly, even though the BPOL exemption is proposed to increase from \$200,000 in gross receipts to \$300,000, this revenue is still projected to increase.

Excluding the FY2014-15 budget, which contained the first full year implementation of the Meals Tax, the 4.4% growth projected in the FY2018-19 Proposed Budget is the largest budgeted growth in General Fund revenues since the FY2008-09 budget. This reflects improvements in the economy at all levels. Consumer confidence is at levels not seen since the recession. Inflation and wages are improving, and unemployment rates are back to prerecession levels. This has translated to positive trends in local revenues.

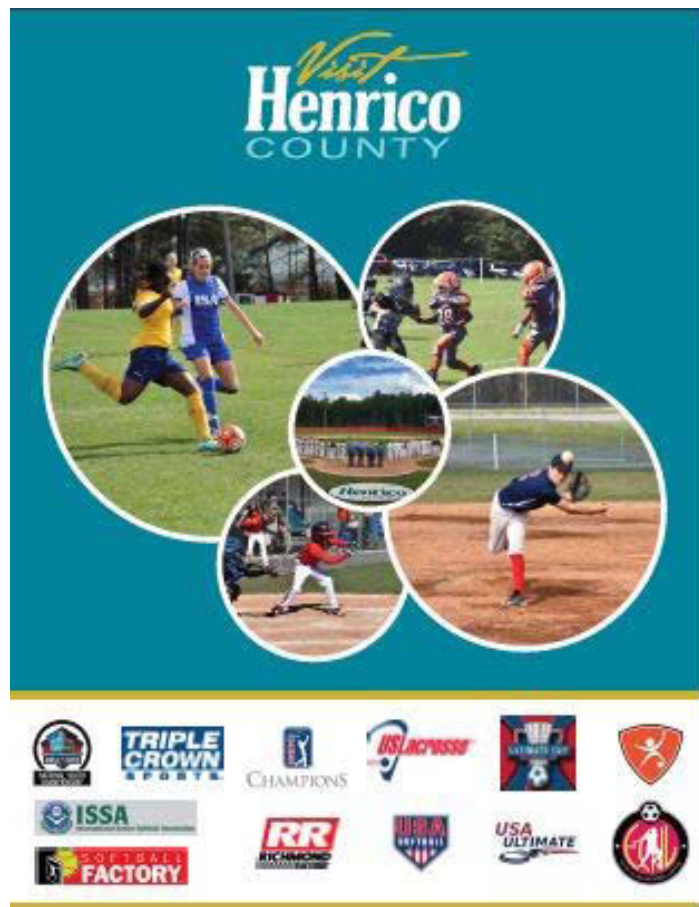
Real Estate Growth Exceeds Expectations, But for How Long?

Real estate tax revenues in the Proposed Budget reflect an overall increase of \$18.3 million from the current fiscal year estimate. The total real estate tax base, inclusive of new construction and reassessment, increased by 6.0%. Reassessments increased 4.7%, and new construction accounted for an increase of 1.3% in the tax base. For 2018, the ratio of residential to commercial value remains 69% residential to 31% commercial.

The increase in the real estate tax base reflects current market conditions. However, recent data regarding new and existing home sales nationally suggest the market could be slowing down as home sales were down in both December and January. Further, as the Federal Reserve continues to raise interest rates, mortgage rates will rise. This has the potential to make home mortgages less affordable. These reasons prompt us to look cautiously towards 2019.

The Continuing Impact of Visitors

The County's tourism efforts continue to drive growth in sales tax and hotel/motel tax receipts. In fact, during 2016, the County recorded a 3.2% increase from tourism spending and, again, had the fifth highest tourism spending total of any Virginia locality, according to the U.S. Travel Association. Henrico topped all localities in central Virginia and trailed only the counties of Arlington, Fairfax, and Loudoun and the city of Virginia Beach. In fact, since 2011, tourism spending in Henrico County has increased 23.4%. Under the direction of the Board of Supervisors, Henrico has taken steps to highlight our County to the world. In March 2013, the *Visit Henrico* campaign was launched to promote Henrico as a destination for tourists and recreational sports tournaments. The results continue to impress. As a result of prior investments for Greenwood Park and future investments approved by the voters in the 2016 General Obligation Bond Referendum, the impact of visitor spending should continue to grow.



State Funding

In looking at projected revenues from the State in the budget, a net increase of \$11.2 million is anticipated, with the majority of the increase in the area of State aid for K-12 Education. State aid for Schools is increasing \$9.6 million, which is 86.2% of the total State aid increase, while all other sources from the State reflect a net increase of \$1.5 million. While increased aid from the Commonwealth is positive as it represents approximately one-third of all General Fund revenues, Henrico County must continue to be extremely cautious when appropriating these funds due to continued uncertainty in the State's ability to meet its revenue estimates. As of this writing, the General Assembly has been unable to adopt a State budget prior to its Session adjournment and has voted to hold an upcoming special Session to complete this task. Caution in projecting these resources is crucial.

Finally, FY2018-19 will mark the tenth year since the end of the last recession – the Great Recession. While the national economy has embarked on one of the longest periods of economic growth in modern times, the economy is cyclical in nature, and a downturn is inevitable.

Focus on Core Services – Education and Public Safety

The Proposed Budget continues to emphasize strategic investments in the County's top priorities: Education and Public Safety. Again, nearly $\frac{3}{4}$ of the incremental revenues in the FY2018-19 budget recommendation are allocated to these top priorities.

FY2018-19 Proposed Schools Operating Budget

The overall General Fund budget for Schools is increasing \$15.2 million or 3.2% to \$485.1 million, representing 56% of the entire General Fund budget. However, the debt service for the 2016 Bond Projects, the increase for the School Bus Replacement Program, the addition of local resources to the Children's Services Act program, the Schools' portion of incremental funding for Risk Management, and the addition of a new County Attorney position for special education cases bring a total of **\$21.4 million of incremental General Fund resources to our school system.**

FY2018-19 Proposed Additional Allocation to Schools and Public Safety	
HCPS General Fund Expenditure Increase	\$15.2 M
Meals Tax for G.O. Bond Projects	\$5.1 M
Additional Funding for School Buses	\$0.5 M
Schools' Share of Risk Management	\$0.3 M
Increase in Local Share for CSA Expenses	\$0.2 M
County Attorney for Special Education	\$0.1 M
Total Allocation Increase to Schools	\$21.4 M
Public Safety General Fund Increase	\$8.8 M
Additional for Fire Apparatus	\$0.3 M
Police Vehicle Replacement	\$0.3 M
Line of Duty Increase	\$0.4 M
Public Safety Share of Tech Replacement	\$0.2 M
Public Safety Share of Risk Management	\$0.1 M
Increase in Henrico Share for JRJDC	\$0.1 M
Total Allocation Increase to Public Safety	\$10.1 M
<u>Total Allocation Increase to Schools and Public Safety</u>	<u>\$31.5 M</u>

The budget recommendation also fully funds Schools' cost for a 2.4% merit-based salary increase for Schools' employees, effective July 1, 2018, and an additional 0.6% wage increase for employees who have been with HCPS for six or more years. The additional wage adjustment will address salary compression for those employees who faithfully served in Henrico through the economic downturn. This was a time that included no salary increase for three years and one year of a State-mandated 5% raise to offset employees' contributions towards their VRS retirement benefit. The "5 and 5" raises not only cost the County \$6.0 million that fiscal year and thereafter, but also resulted in a net reduction in employee paychecks.

The FY2018-19 staffing levels recommended by the Henrico County School Board include 60 new positions. Twenty-two of these positions are the beginning of a multi-year effort to provide a planning period for all elementary school teachers, starting with "school improvement"-designated schools. Thirty-four of the remaining 38 positions are new teachers to reduce class sizes or to provide instructional assistants for classroom instruction.

The FY2018-19 budget provides funding for several existing programs within our school system. The Achievable Dream Academy at Highland Springs will begin its second academic year in the fall of 2018,

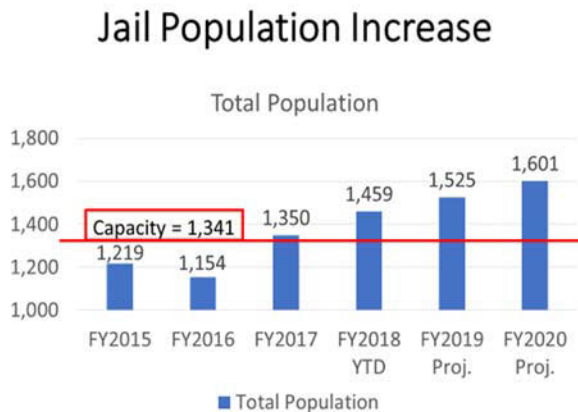
and this budget adds \$270,100 for a new third-grade class. The 2018-2019 academic year will also mark the second operational year for the CodeRVA Regional High School, and the budget includes an additional \$180,000 for 18 additional student slots. This budget also fully implements two programs for which planning funds were included in the current fiscal year. The first is the Gifted Young Scholars Program at Wilder Middle School, which provides gifted County students a comprehensive and rigorous interdisciplinary education through opportunities for leadership, inquiry-based learning, literary and scientific analysis, service learning, arts integration, and problem-based learning that focuses on topics of strength and interest. The second program is the integration of Science, Technology, Engineering, Art, and Mathematics (STEAM) concepts in all middle schools.

Finally, the Proposed Budget includes an additional \$500,000 in current General Fund revenues for the replacement of school buses to minimize the repair costs of the County’s school bus fleet. This brings the school bus replacement fund total to \$3.0 million and continues the multi-year effort to fully fund the School Bus Replacement Fund with \$4.0 million per year.

Supporting Public Safety – Fire, Sheriff, and Police

This budget includes three additional firefighter positions, which concludes the three-year commitment to add a total of nine firefighter positions. These positions will alleviate staffing pressures and reduce minimum staffing-related overtime costs in the Division of Fire. The Vehicle Replacement Fund includes \$1,250,000 for the replacement of Fire apparatus, such as ambulances and fire trucks, as a step to provide adequate funding for this vital, life-saving equipment.

The budget also includes a proposal to alter the response model for less urgent calls for service. The Division of Fire’s EMS and CARE (Community Assistance Resources and Education) programs include a Basic Life Support (BLS) transport program, which will run during peak call hours to relieve the Advance Life Support (ALS) medic units the County currently employs to respond to these calls. In addition, the CARE program would send a Community Response Team to visit patients who do not require emergency services. The initial cost of \$850,981 reflects the first year of a multi-year effort to fully implement these changes designed to provide the appropriate level of response to each emergency call.



Over the past two years, the inmate population in the County’s jail facilities has dramatically increased, largely because of the national opioid crisis. The FY2018-19 Proposed Budget includes multiple approaches for the Sheriff’s Office to address this increase. The addition of \$500,000 will address the rising inmate population’s food costs. This budget also recognizes the full-year cost of \$912,500 for 50 female inmates to be housed in Chesterfield County’s facility. It also includes an increase of \$280,000 to fully fund the Sheriff’s GPS Monitoring program. Finally, the FY2018-19 Proposed Capital Budget includes **\$3.0 million to initiate the accumulation of funds for a County jail expansion.**

The Proposed Budget funds a new, five-year replacement program for the Police Division’s body worn cameras and tasers. The replacement program will cost \$528,072 annually. Replacing the equipment over a five-year period instead of a one-time purchase will save over \$500,000. To account for the 50 police vehicles purchased over the past five years, \$300,000 has been added to the Police Vehicle Replacement Fund to keep these vehicles on a regular replacement schedule. Finally, this budget enhances the Division’s overtime budget by nearly \$550,000 because of increased operational demands.

Enhancing Transportation and Regulating Stormwater

A key attribute of any thriving community is a well-functioning transportation network. The ability to move people and goods throughout the area is vital to the County's economic development efforts. The Proposed Budget makes several efforts to enhance the County's transportation network, including expansion of bus transit service; construction of new roads; and maintenance of the third largest road network in the State, behind the road systems of the Commonwealth and the City of Virginia Beach. The budget also continues to fund the County's sidewalk improvement and stormwater programs.

In an effort to connect our residents with jobs and essential services in the community, the budget enhances bus transit within the County. The allocated \$1.2 million will expand the service hours and include weekend service on three routes—the Seven Pines route (Route 7), the Laburnum Connector (Route 91), and the Pemberton Route (Route 19). The new hours of operation will be 7:00 am to 11:00 pm Monday through Saturday and 10:00 am through 10:00 pm Sunday. In addition, the Pemberton Route will be extended from Pemberton Road to West Broad Marketplace in Short Pump. A sufficient level of bus ridership is essential to justify the commitment of such substantial public funds for these expansions. The review of bus ridership is an annual exercise, and this plan attempts to increase that potential ridership.

This Capital Budget also makes several investments in the County's road network. First, \$4.9 million is allocated for the extension of Woodman Road from Greenwood Road to Brook Road. This will provide improved access to the Virginia Center Commons area, Interstate 295, and the planned River Mill subdivision development. Second, \$507,000 will fund the planning of improvements for Oakley's Lane, which includes widening, realigning, improving drainage, and adding a new bridge over Gillie's Creek. Finally, the Proposed Budget increases the amount of Motor Vehicle License Fee for capital funding to \$1.0 million to provide local funding for road construction. This is another step to identify additional ongoing revenues for new road construction.

The FY2018-19 Capital Budget continues to provide \$2.5 million of local resources for sidewalk improvements. These local dollars will be leveraged for State and Federal funding, like we did with the \$19.0 million for all of Public Works' projects in FY2017-18. The 19 miles of sidewalks and multi-use trails to be constructed over the next four years will build on the 22 miles of sidewalk constructed since FY2013-14.

In the environmental area of Public Works, the budget maintains the \$2.3 million for Chesapeake Bay clean-up requirements, continuing to delay any need for a stormwater utility fee. Due to efforts undertaken since FY2015-16, including the large vehicle wash facility and other planned projects, the County has achieved a reduction of 16% in the three pollutants identified in the stormwater management permit. The permit requires a reduction of 5% in the first 5 years. The future stability of the \$2.3 million annual funding source offers another economic development advantage for our county. The Proposed Budget continues to separate this County from others as we have not have imposed a stormwater tax on our residents or businesses like many other localities have.

November 2016 Bond Referendum

The FY2018-19 Proposed Budget continues to include capital and debt service costs related to the overwhelming approval of the \$419.8 million 2016 Bond Referendum. The projects in the Capital Budget are listed in the chart to the right. The bonds to support these projects will be issued in the fall as interest rates for triple AAA rated localities remain historically low.

Bond Projects in the FY2018-19 Capital Budget	
Tucker HS Renovation	\$10.0 M
Brookland Area ES	\$5.0 M
Fairfield Library	\$24.0 M
Greenwood Park Phase II	\$10.0 M
Staples Mill Fire Station	\$2.0 M
Dorey Park	\$2.0 M
Total, FY2018-19 G.O. Projects	\$53.0 M

Efforts are underway to ensure construction can commence on two of these projects once bond funding is made available. The land for the new elementary school in the Brookland district and the Staples Mill Fire Station

have both been identified, and the planning and design of Fairfield Library, funded through savings from the Libbie Mill Library and Varina Library projects, is underway. Every effort will be made to complete these projects as quickly as possible.

Economic and Community Development Efforts

The Proposed Budget includes recommendations to improve our local economy. On the tax side, the recommendation is to increase the BPOL tax exemption threshold from \$200,000 to \$300,000. The \$100,000 exemption was set in 2000, which was at the end of a four-year phase-in. Increasing the exemption to \$300,000 would make Henrico even more attractive to prospective businesses than other large localities in Virginia and would exempt an additional 900 existing business from paying the tax. **The tripling of the BPOL exemption will eliminate the tax for over 2,300 businesses over a two-year period.**

In the area of sports tourism, the budget provides the second half of operating funds for Phase I of Greenwood Park. The first phase of this facility, which recently opened, adds four NCAA-sized multi-purpose natural synthetic turf athletic fields to the County's complement of fields. This budget also funds the operating costs to maintain the first three high school fields that are currently being renovated. In addition, the Capital Budget includes \$9.3 million from unspent tourism-generated funds to complete the conversion of high school athletic fields to natural synthetic turf.

The estimated untapped economic value turned away because of insufficient field capacity is \$52.2 million. The expansion of field capacity in Henrico is crucial to attracting new sports tournaments to the region, and Greenwood Park and the high school athletic field conversions will help meet current demand. However, this is not the lone reason to renovate these fields. Citizen use is paramount in the design, and the renovated high school fields will be available to residents when not in use for school or tournament purposes.

Other economic development enhancements in the FY2018-19 Proposed Budget include \$50,000 to support potential GO Virginia initiatives and \$300,000 to support the expansion of the Culinary Institute at Reynolds Community College. The funding for GO Virginia, which promotes private sector business growth through regional collaboration, will be used to match state grants for approved economic development proposals. The funding for the Reynolds project enhances workforce development efforts, which clearly benefits the region's economic development strategies.

The budget also enhances the County's community revitalization efforts in two ways. First, the budget creates a "**Community Revitalization Fund**". This \$2.0 million fund will be flexible to assist in the redevelopment of older neighborhoods, such as purchasing abandoned homes or directing funds to 501(c)3 organizations that work to improve older neighborhoods. The Board will be asked to appropriate each use from this fund, as this recommendation creates a designation in the County's fund balance that will require future appropriations. The second proposal is the creation of a "Housing Advocate" position that will serve as a liaison between County agencies and residents who are seeking services to improve their living environments.

These initiatives will build on the successes of the prior efforts, including the reductions of the personal property tax rate for data centers in 2017, the airplane personal property tax rate in 2016, and the machinery and tools tax in 2016; the undertaking of the Cobbs Creek Reservoir project; and the reduction of water and sewer connection fees in 2016. These initiatives combined with our exceptionally low real estate tax rate will cause Henrico to stand out to new business prospects.

Adding Fiscal Structure

The Proposed Budget for FY2018-19 provides resources to bring further fiscal structure – ongoing revenues for ongoing expenses – to the County's budget. Each structural initiative continues a multi-year effort to re-establish this fiscal structure, as this must be balanced with the need to provide for our core services.

First, the budget continues to provide ongoing revenues to the County's Technology Replacement Fund. Established in FY2000-01, this fund ensures all general government employees have the computer tools necessary to complete their jobs. This budget adds \$250,000 in ongoing revenues for a total of \$2.5 million, which minimizes the use of the fund's reserves.

Second, the Proposed Budget adds \$500,000 of ongoing revenues to the County's Risk Management Fund. This is a multi-year effort to minimize the necessity of a budget amendment from the Risk Management reserve each December for this area, which totaled \$5.8 million this past year.

Finally, the budget makes several changes related to the County's Central Automotive Maintenance (CAM) operation to attempt to minimize the use of its reserves. This budget first allocates funding to Fire and HCPS to more fully fund the costs of repairing fire apparatus and school buses – an area in each budget that requires budget savings to cover each year. To assist in minimizing these repair costs, this budget also continues to attempt to fully fund their replacement funds as discussed earlier. Finally, CAM has not adjusted their labor and fuel mark-up rates in some time to minimize costs to other departments during the recession. The Proposed Budget includes an \$5 increase to CAM's hourly labor rate and a 1¢ fuel markup. This will be the first year of a three-year phase-in to more accurately reflect these costs.

These changes are not inclusive of all the other areas where this budget adds structure to the fiscal plan, such as the vehicle replacement fund enhancements and the operating increases in the Sheriff's budget. Each proposal is an attempt to maintain Henrico's reputation as a well-managed locality and its position as **one of 46 counties nationwide to achieve a triple-AAA bond rating.**

Capital Budget

Outside of the 2016 General Obligation Referendum projects, the FY2018-19 Capital Budget brings forward several projects that focus on maintaining the County's infrastructure in a cost-effective manner. This includes \$2.5 million for HCPS' mechanical improvements and roof rehabilitation projects, \$9.0 million of Meals Tax revenues for HCPS' maintenance projects, and \$5.0 million for various general government maintenance projects, including funding for the County's information technology infrastructure. Maintaining vital infrastructure is key to avoiding significant replacement costs in the future, and this is a focus of the Capital Budget.

The Capital Budget also recommends \$8.5 million for the renovation of the Circuit Court. This project will visually refresh the courtrooms and will provide the technologies necessary to conduct twenty-first-century trials. Additionally, this project will add a sixth courtroom in anticipation of an additional judgeship when the caseload statistics support this future need.

Finally, the Capital Budget identifies funds for two additional projects. The first project is the renovation of vacant space in the Human Services Building that formerly housed the administrative functions of Recreation and Parks. This \$3.8 million project will allow the Department of Social Services to expand their operations. The final project included in the County's FY2018-19 Capital Budget is planning funds to expand the Police Division's space for evidence storage.

Water & Sewer

The Proposed Budget for the Department of Public Utilities' Water & Sewer system includes an increase in water and sewer rates necessary to provide service to all residents and businesses while meeting infrastructure demands and the requirements to maintain the AAA bond rating for the Water & Sewer system. This rate increase, which translates to an additional \$6.91 every two months for an average residential account holder, will support operational and capital project needs. Within the operating budget, \$1.8 million will be allocated to debt service costs, which include a \$100 million issuance this spring largely supporting construction of the Cobbs Creek Reservoir. The Capital Budget contains numerous projects to maintain and rehabilitate the County's Water and Sewer system and includes the first year of a multi-year

process of replacing and enhancing the filtration system at the Water Reclamation Facility to meet regulatory requirements.

Summary

The FY2018-19 Manager's Proposed Budget tackles the County's funding priorities on multiple fronts. It fully funds the request of the School Board and supports our employees with a well-earned salary increase. It supports Public Safety operations; it expands the ability of residents to move throughout our borders. Further, this budget makes Henrico County more attractive to businesses and establishes a new tool to revitalize the distressed pockets within our community. This budget moves Henrico forward in every way possible.

The Capital Budget honors the commitments made to County residents by initiating the voter-approved 2016 Bond Referendum projects. In addition, this budget continues to maintain the current infrastructure and provides funding to enhance the County's road and pedestrian network.

The local economy is solid and moving in a positive direction, but every economy is cyclical. At some point soon, we will experience another downturn. Each prosperous year that passes brings us closer to a recession of some sort. Adding structure back to the budget and continuing to improve our cash reserves allows us to begin preparations for the next economic storm.

This budget would not have come together without the many hours of hard work by staff. Henrico County employees have been asked to serve with significantly fewer resources, and because of their efforts and the continued work and vigilant oversight of our Board of Supervisors, this County has continued to be successful in the midst of hard times. The commitment to service is what embodies the "Henrico Way", and I am truly grateful and appreciate of all that our employees do.

I would also like to recognize the Superintendent and the School Board for their efforts that will result in the continued success of our County. I especially want to thank Dr. Kinlaw for his 40 years of public service in education, of which the past 21 have been in Henrico County. He has done so much for our community and our future, and he deserves the best in this next phase of life!

In closing, I would like to thank you, our dedicated Board of Supervisors, for your input and guidance in this most important process. As always, the staff and I stand ready to assist you as you seek to chart the course for the future of our community.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John A. Vithoukas". The signature is stylized and somewhat cursive, with a large loop at the end.

John A. Vithoukas
County Manager

BASIS OF BUDGETING AND FUND STRUCTURE

BASIS OF BUDGETING

Budgets are adopted on a basis consistent with generally accepted accounting principles ("GAAP"). Governmental and Fiduciary Funds utilize the modified accrual basis of accounting under which revenues and related assets are recorded when measurable and available to finance operations during the year. Proprietary Funds use the accrual basis of accounting which recognizes revenues when earned and expenses when incurred. Annual operating budgets are adopted for all Governmental Funds except for the Capital Projects Fund in which effective budgetary control is achieved on a project-by-project basis when funding sources become available. All appropriations lapse at year-end, except those for the Capital Projects Fund. It is the intention of the Board of Supervisors that appropriations for capital projects continue until completion of the project.

FUND STRUCTURE

The budget of the County is organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. The various funds are grouped as follows:

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the County are financed. These include:

General Fund

The General Fund accounts for all revenue and expenditures of the County which are not accounted for in the other funds. Revenues are primarily derived from general property taxes, local sales taxes, license and permit fees, and revenues received from the State for educational and other purposes. A significant part of General Fund revenues is used to maintain and operate the general government, however, a portion is also transferred to other funds principally to fund debt service requirements and capital projects. Expenditures include, among other things, those for general government, education, public safety, highways and streets, recreation, parks, and culture.

Special Revenue Fund

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the resources obtained and used relating to State and Federal Grants, Social Services programs, Mental Health and Developmental Services programs, the Utility Department's Solid Waste and Street Light operations and the School Cafeteria.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principal on all governmental fund long-term debt except for accrued compensated absences and capital lease obligations which are paid by the fund incurring such expenditures. Debt Service Fund resources are derived from transfers from the General Fund.

Capital Projects Fund

The Capital Projects Fund accounts for all general government and school system capital projects which are financed through a combination of proceeds from general obligation bonds and operating transfers from the General Fund, Special Revenue Fund, and Internal Service Fund.

Basis of Budgeting and Fund Structure (continued)

PROPRIETARY FUNDS

Proprietary funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the County is that the cost of providing services to the general public be financed or recovered through charges to users of such services. These funds include:

Enterprise Funds

These funds account for the operation, maintenance and construction of the County-owned water and wastewater (sewer) utility, and the County-owned golf course.

Internal Service Funds

An Internal Service Fund accounts for the financing of goods or services provided by one department to other departments of the government on a cost-reimbursement basis. The Internal Service Fund budgets for the County are: the Central Automotive Maintenance operations, the Technology Replacement Fund, the Risk Management Fund, and the Healthcare Fund.

FIDUCIARY FUND

Fiduciary funds are used if the government has a fiduciary or custodial responsibility for assets.

James River Juvenile Detention Center Agency Fund

The Agency Fund accounts for assets held by the County for the James River Juvenile Detention Commission. All revenue and expenditures related to operations are accounted for in separate sub-funds, operating, debt, and capital. Resources for operations are primarily derived from a transfer from the General Fund and payments from the State and other localities.

Other Post Employee Benefits Fiduciary Fund (GASB 45)

The Fiduciary Fund accounts for assets held by the County for Other Post Employee Benefits (OPEB-GASB 45 costs). Resources for these cost requirements are derived from a transfer from the General Fund.

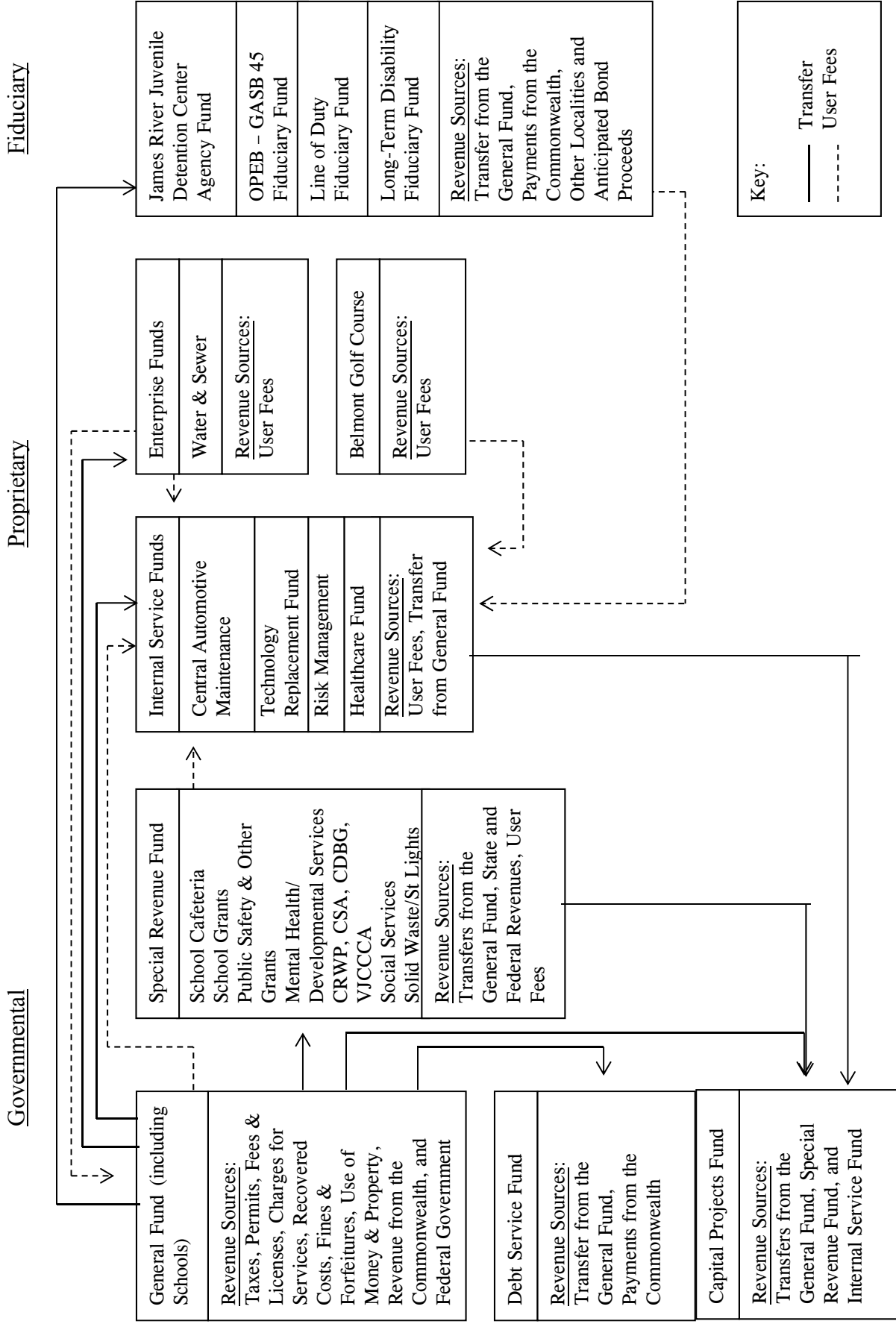
Line of Duty

The Line of Duty Fiduciary Fund was created due to a mandate from the Commonwealth of Virginia that requires localities to pay the cost of this State approved benefit. Resources for this cost requirement are derived from a transfer to OPEB-GASB 45 Fiduciary Fund.

Long-Term Disability

The Long-Term Disability Fund includes funding for the fully-insured premiums to cover the basic, County-provided long-term disability benefit for eligible General Government and Schools employees. Resources for this cost requirement are derived from a transfer from the General Fund.

STRUCTURE OF COUNTY FUNDS



HENRICO COUNTY'S BUDGET PROCESS

THE BUDGET CYCLE

August 2017

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
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September 2017

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October 2017

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August through September

Revenue Estimates

Henrico County's budget process begins with an estimate of revenues in order to develop a budget balanced within resources. Revenue estimates begin in August of the year prior to the fiscal year being adopted. This process includes the review of current County finances, local and regional economic conditions, and a re-examination of key local economic indicators. This includes such specifics as building permits, tax assessments, business license records, retail sales by category and type. The questions that are asked in this review are aimed at acquiring relevant financial information that will set the broad limits of budgetary possibilities. From a fiscal perspective, the basic question is whether current revenues support the necessary budgetary outlays.

October

Target Development

The next step in the budget process is to create a funding or target allocation for each department, which is calculated by the Office of Management and Budget in October. Debt service requirements are the top priority before targets are created for the individual departments. Payroll expenditures are the next "fixed" obligation. The target allocation provides the funding for all of the current positions in the County's personnel complement. The target allocation assigned to the individual department also provides funding for operating and capital outlay items, which are based on the prior year approved budget. It does not automatically include an inflation factor for operating expenditures, nor does it fund any new services or positions. The target allocations do, where applicable, include the operating costs of new facilities approved in prior year budgets. This "link" between the operating and capital budgets is performed through an annual crosswalk that determines all such costs. The FY2018-19 Operating budget includes all operating costs arising from new facilities that are anticipated to become operational during the fiscal year. For additional information, please see "Capital Improvement Program – Implications on Operating Budget", found elsewhere in this document.

THE BUDGET CYCLE

November 2017

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November

Budget Call for Estimates

Each year all County departments receive the County Manager's "Call for Estimates" (i.e., budget call) in November, which contains the budget policy, special budget instructions, various revisions to the budget manual, a budget calendar, and the target allocation. The Call for Estimates is accompanied by information on using the County's Automated Budget System, which enables the departments to prepare their budget requests on their departmental personal computers and submit them to the Office of Management and Budget (OMB) electronically. The budget request consists of expenditure estimates in detail by line item, and in summary,

together with supporting narrative information. When expenditure needs exceed the target allocation, departments must submit a request for additional funding. Certain County departments such as Education, Police, and Fire are considered priorities when allocating new funds among departments. Each request must be prioritized and prepared with detailed justification to support the need for additional funding.

December 2017

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November through December

Financial Trend Monitoring System

An important step of the budget process involves the completion of the Financial Trend Monitoring System Trends Document, which represents an eleven-year evaluation of past financial and economic indicators. These indicators, over time, may reflect fluctuations, which when analyzed, prove to be extremely valuable as a management tool. The document allows staff to monitor changes in all aspects of the local economy and provides an insight into possible trends that may impact future decision making. This document, which analyzes historical trends, is utilized as a forecasting tool and provides a logical way of introducing long-range considerations into the annual budget process.

The County benefits by examining historical trends of financial and economic indicators prior to initiating the budget process. For more information regarding the Trends document, please see: <http://henrico.us/finance/divisions/office-of-management-and-budget/financial-trends/>

December

Budget Submissions

All County departments submit their budgets in the first week in December for initial review by the Office of Management and Budget. This includes both the target allocation as well as any supplemental requests for funding. The Budget Director and the OMB staff prepare the revenue estimates, and work closely with the County Manager and department administrators in reviewing expenditure estimates both in program and financial terms.

January 2018

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December through January

Review of Budget Submissions

The Office of Management and Budget reviews each department's budget submission and provides recommendations, as appropriate, to the County Manager. These recommendations include expenditure analyses and evaluations of budget submissions. As a result of this review, a narrative for each department is created.

THE BUDGET CYCLE

February 2018

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reviews and have the opportunity to make presentations and answer questions relative to their budget requests. The Budget Office finalizes recommendations based on the Executive Review Committee results.

January through February
Executive Budget Reviews

After the expenditure estimates are analyzed, department requests are presented to the Executive Budget Review Committee. This Committee holds hearings to discuss budget submissions with departments in the last week of January through the first week in February. The Executive Budget Review Committee consists of the County Manager, (four) Deputy County Managers, the Director of Finance, the Director of Human Resources, one department director on a rotating basis, the Director of the Office of Management and Budget (OMB), and the supporting (six) budget analysts. The representatives from the departments are present at the time of these

March 2018

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intensive research and analysis. The purpose of the document is to present to the legislative body and the public a comprehensive picture of proposed operations for the budget year, expressed in both verbal and statistical terms. During the hearings, the Board of Supervisors examines all line items in each of the department’s budgets and all associated operational premises. These hearings are held during the course of one week, in the middle of March, approximately eight hours per day. Based on these hearings, the County Board of Supervisors may amend the County Manager’s Proposed Budget.

March
Legislative Budget Reviews

Based on information exchanged during the Executive Budget Reviews, a balanced budget is recommended by the County Manager to the County Board of Supervisors as the Proposed Budget in early March. (The Code of Virginia requires that the County Manager submit a balanced budget to the Board of Supervisors). The Legislative Budget Review Committee is comprised of the County Board of Supervisors, which represents each of the County’s five magisterial districts. The budget document that is presented to the County Board of Supervisors during these hearings represents the culmination of long periods of

April 2018

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April (Second and Fourth Tuesdays)
Public Hearing and Adoption of Budget

Once the County Board of Supervisors has received the County Manager’s Proposed Budget, advertisements in the local newspaper are ordered and a date is set for the Budget Public Hearing in April. The FY2018-19 Public Hearing was held on April 10, 2018. The public hearing that sets the tax levies was held on April 24, 2018. The Code of Virginia requires that the County advertise a synopsis of the budget in the newspaper and that one or more public hearings be held before the Board adopts the budget. The Board of Supervisors adopts the Annual Fiscal Plan during this month and sets tax levies for the Calendar Year.

THE BUDGET CYCLE

May 2018

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May
Publish and Distribute Budget

During the month of May, the final Annual Fiscal Plan is compiled, published, and distributed.

June 2018

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June
Appropriation of Budget

In the final month of the current fiscal year (last Board meeting in June), the Board of Supervisors appropriates funding for the next Annual Fiscal Plan, which is required by the Code of Virginia.

During the Fiscal Year

Transfers

The County Manager is authorized to transfer budgeted amounts between departments within any Fund; however, any revisions that alter the total budgeted amounts and/or appropriations of any Fund require an amendment to the budget. The Code of Virginia requires that the Board of Supervisors approve any amendment request. If the total amendment requested at any one time is over one percent of the current total appropriation, the request also must be advertised in the newspaper and a public hearing must be held before the Board can act.

FINANCIAL GUIDELINES

The following informal guidelines represent principles and practices that have guided the County in the past and have helped foster the County's current financial stability. These guidelines allow the Board maximum flexibility each year when determining how best to meet the needs of County residents when adopting the Annual Fiscal Plan.

General Guidelines:

The County of Henrico will maintain its AAA General Obligation Bond ratings with Standard and Poors, Moody's Investor Service and Fitch IBCA. Currently, Henrico County is one of 44 Counties in the nation that maintains a AAA/AAA/Aaa General Obligation Bond rating.

The County of Henrico will continue its efforts of "Changing the way Henrico does business", as a means of ensuring the County's residents an efficient and highly effective local government.

The County of Henrico will utilize technological advances as a means of providing more convenient and streamlined services to citizens, increasing employee productivity and reducing the need for new positions.

The County of Henrico will allocate new dollars (after meeting fixed commitments such as debt service requirements and benefits changes) to the areas of Education and Public Safety first.

The County of Henrico will attempt to utilize benefits of new economic development successes as a means of maintaining the low tax rate environment the residents currently enjoy. In addition, the County will maintain a balance between the need for real estate tax relief for residents with the long-term operational needs of the County. In that regard, **the FY2018-19 Annual Fiscal Plan is based on a Real Estate Tax rate of \$0.87/\$100 of assessed valuation for CY2018 real estate tax levies.**

The County of Henrico will continue its proactive efforts to bolster the quality of life our residents now enjoy.

Budgetary Guidelines:

The County's budgetary policies are based upon guidelines and restrictions established by State and County Code and Generally Accepted Accounting Principles (GAAP) for Governmental entities. These provisions set forth the County's fiscal year, public hearing and advertising requirements, restrictions on taxation, and also stipulate that the County must maintain a balanced budget.

The County's budget may be considered balanced if estimated revenues meet planned expenditures.

Cash Management:

The County will invest public funds in a manner that provides the highest investment return with the maximum safety while meeting daily cash flow demands. The County will deposit available funds on the same day they are received.

Capital Improvement Program Guidelines:

The County will develop a Five-Year Capital Improvement Program annually. The first year of this plan or a portion thereof will be approved by the Board of Supervisors after legal advertising and public hearing requirements have been met.

The County's Capital Improvement Program will utilize debt financing as a funding source only after it has been determined that the County can afford to service this debt and associated operating costs in subsequent years. The County will attempt to maximize the use of pay-as-you-go financing for capital projects.

Financial Guidelines (continued)

The County will continue to enhance the level of pay-as-you-go funding in the annual Capital budget as a means of reducing reliance on debt financing for capital projects.

The County will ensure that all operating costs arising from approved capital projects are accounted for in the operating budget, through the compilation of an annual crosswalk analysis that captures all such costs.

The County will maintain its physical assets at a level adequate to protect the County's capital investment and minimize future maintenance and replacement costs. The operating budget will provide for the adequate maintenance of these facilities and infrastructure.

Debt Guidelines:

A long-term debt affordability analysis will be completed on an annual basis as a means of ensuring that the County does not exceed its ability to service current and future debt requirements. This analysis will verify that the County is maintaining the following prescribed ratios and will be performed in conjunction with the County's Capital Improvement Program Process. The guidelines that are utilized are as follows:

Debt Service as a Percentage of General Fund Expenditures: 7.75%
Debt as a Percentage of Assessed Value: 1.49%
Debt per Capita: \$1,650

The County will adopt annual water and sewer rates that will generate sufficient revenues to meet the legal requirements of Enterprise Fund bond covenants. These rates will also allow for adequate capital replacement in water and sewer systems.

Revenues:

Multi-Year revenue and expenditure forecasts for all County funds will be included as a part of the Adopted Annual Fiscal Plan.

The County of Henrico will attempt to maintain a stable but diversified revenue base as a means of sheltering it from fluctuations in the economy.

The County will continue to strive to exceed a 70% residential – 30% commercial real estate assessment ratio. Maintaining a healthy commercial ratio will help the County maintain current tax rates while continuing to enhance service delivery efforts – particularly in the area of Education.

While revenues are monitored continually, a report is compiled quarterly that depicts current year trends, receipts, and explains any unanticipated revenue variances.

With the approval by the voters of a referendum on November 5, 2013 and subsequent ordinance approved by the Board of Supervisors on February 25, 2014, all revenues generated by a 4% tax on food and beverages sold in restaurants, commonly known as a "meals tax", will support the operations and capital infrastructure of Henrico County Public Schools.

Financial Guidelines (continued)

Fund Balance Guidelines:

The County has, over time, maintained a healthy unassigned fund balance – as compared to similar sized Virginia localities. As a percentage of actual General Fund expenditures, the County’s unassigned (formally undesignated) fund balance has been:

FY99:	10.67%
FY00:	12.90%
FY01:	15.54%
FY02:	16.69%
FY03:	17.79%
FY04:	18.04%
FY05 to FY11:	18.00%
FY12 to FY17:	15.00%

During the FY2005-06 budget, the Board of Supervisors agreed with a policy recommendation to maintain the undesignated fund balance at a level of 18.0 percent of General Fund expenditures effective June 30, 2006. During the fiscal year-end closing of the County’s books, any funding over the agreed upon level of unassigned fund balance will be allocated to a Capital Reserve Fund for future allocation as a pay-as-you-go funding source in the Capital Budget. The policy of maintaining this reserve will be examined on an annual basis, during the budget process.

During the FY2012-13 Approved Budget, the Board of Supervisors agreed to reduce the amount of unassigned fund balance maintained from 18.0 percent to 15.0 percent of General Fund expenditures. The one-time funding generated due to this reduction as of June 30, 2012 was assigned to a dedicated vehicle replacement reserve that was used to replace police vehicles, fire apparatus and school buses.

The County will not use its unassigned fund balance to subsidize current operations.

Note: The fund balance portrayal above is different than the analysis performed annually in the Trends document. The Trends portrayal examines the Unassigned Fund Balance as a percentage of revenues in the Operating Funds – which includes the General, Special Revenue and Debt Service Funds. The portrayal above reflects the County’s Unassigned Fund Balance as a percentage of General Fund Expenditures.

Inter-Fund Guidelines:

The General Fund will be reimbursed annually by the Enterprise Fund for general and administrative services provided such as finance, personnel, and administration.

The General Fund will reimburse the Enterprise Fund, on an annual basis, for debt service requirements associated with the Elko Tract Infrastructure Improvement Bonds.

The General Fund will subsidize the Solid Waste Operation for costs not recouped from user fees associated with curbside recycling, bulky waste pickup, neighborhood cleanups and bagged leaf collection.

**REVENUE
AND
EXPENDITURE
SUMMARIES**



**COUNTY OF HENRICO, VIRGINIA
SOURCE OF APPROVED REVENUES
- ALL FUNDS -**

Revenues: Function/Program	FY 16-17 Actual	FY 17-18 Original	FY 18-19 Approved
Revenue from Local Sources:			
General Property Taxes	\$403,505,236	\$439,375,000	\$461,625,000
Other Local Taxes	176,154,233	151,248,000	159,760,000
Permits, Fees, and Licenses	7,231,117	5,758,064	5,899,647
Fines and Forfeitures	2,561,521	2,492,607	2,527,166
Use of Money and Property	3,536,448	8,577,100	8,619,199
Charges for Services	155,963,193	155,704,712	162,296,987
Recovered Costs	121,631,968	135,536,137	142,887,823
Miscellaneous	13,412,704	9,583,914	9,439,450
Shared Expenses	431,984	472,236	488,764
Total from Local Sources	<u>\$884,428,404</u>	<u>\$908,747,770</u>	<u>\$953,544,036</u>
Revenue from the Commonwealth:			
Non-categorical Aid	56,887,040	17,974,547	18,717,970
Shared Expenses	19,872,483	19,229,500	19,698,339
Categorical Aid	344,563,494	350,129,536	363,089,108
Total from the Commonwealth	<u>\$421,323,017</u>	<u>\$387,333,583</u>	<u>\$401,505,417</u>
Revenue from the Federal Government:			
Categorical Aid	65,789,434	62,263,460	62,434,517
Total from the Federal Government	<u>\$65,789,434</u>	<u>\$62,263,460</u>	<u>\$62,434,517</u>
Total Revenues	<u>\$1,371,540,855</u>	<u>\$1,358,344,813</u>	<u>\$1,417,483,970</u>
(To) From Fund Balance/Retained Earnings			
(To) From General Fund Balance	(29,325,645)	7,500,000	10,000,000
(To) From General Fund - Sinking Fund	1,864,067	2,853,640	927,279
(To) Revenue Stabilization Reserve	(1,000,000)	0	(1,000,000)
(To) From Fund Balance - Designated Capital Reserve	4,899,400	6,826,777	17,662,090
Use of Fund Balance - Designated Fund Balance	3,100,000	0	0
Use of Fund Balance - Tourism Reserve	0	0	9,251,000
Use of Fund Balance - Undesignated	350,000	0	1,000,000
Use of Fund Balance - Public Works Reserve	0	0	3,678,910
Use of Fund Balance - des FY14 Permit Fee (to Capital)	1,000,000	0	0
Use of Fund Balance - Community Maint Reserve	0	0	2,000,000
Use of Special Revenue Fund	1,018,500	6,837,223	0
(To) From Fund Balance - Community Maint Reserve	0	0	(2,000,000)
(To) From Fund Balance - Meals Tax FY15 Collection	8,783,247	0	0
(To) From Fund Balance - Meals Tax FY16 Collection	2,000,000	0	0
(To) From Fund Balance - Meals Tax Reserve	(2,000,000)	(2,000,000)	0
(To) From School Cafeterias	(926,038)	575,947	(222,452)
(To) From Solid Waste	(2,329,848)	859,145	(323,389)
(To) From Retained Earnings - Water & Sewer	(38,432,666)	(33,396,053)	(36,146,912)
(To) From Other Funds	5,899,289	4,090,743	486,152
Total Fund Balance	<u>(45,099,694)</u>	<u>(5,852,578)</u>	<u>5,312,678</u>
Total Revenues and Fund Balances	<u>\$1,326,441,161</u>	<u>\$1,352,492,235</u>	<u>\$1,422,796,648</u>
Operating Transfers to Capital Projects Fund	(\$48,642,178)	(\$40,536,800)	(\$61,564,800)
Interdepartmental Billings	(94,002,951)	(102,804,784)	(108,483,399)
Total Source of Funding	<u><u>\$1,183,796,032</u></u>	<u><u>\$1,209,150,651</u></u>	<u><u>\$1,252,748,449</u></u>

**COUNTY OF HENRICO, VIRGINIA
TOTAL APPROVED EXPENDITURES
- ALL FUNDS -**

Department	FY 16-17 Actual	FY 17-18 Original	FY 18-19 Approved
01 Board of Supervisors	\$1,104,389	\$1,081,048	\$1,100,085
02 Library	17,423,494	18,821,527	19,552,483
03 Sheriff	43,179,458	38,336,592	40,846,900
04 Circuit Court	3,264,342	3,121,783	3,278,634
05 Commonwealth's Attorney	5,855,913	6,051,409	6,272,645
06 General District Court	228,956	311,599	311,599
07 Juvenile & Domestic Relations Court	3,377,823	3,460,321	3,485,918
08 Electoral Board	1,908,370	1,535,898	1,608,371
09 County Manager	1,882,489	1,802,834	1,883,328
09 Public Relations and Media Services	1,974,815	1,831,135	1,879,300
10 County Attorney	2,551,194	2,394,553	2,509,297
11 Human Resources	28,636,299	18,478,598	20,537,587
12 Police	75,348,751	75,054,847	77,703,435
13 Fire	58,225,344	58,667,363	61,518,326
14 Finance	12,827,326	13,647,914	14,104,509
16 General Services	34,590,909	35,675,693	36,637,040
17 Internal Audit	446,546	442,715	455,337
18 Debt Service	58,436,493	57,762,829	63,468,451
19 Information Technology	13,464,623	14,569,023	15,158,222
21 Agriculture and Home Extension	368,403	406,808	433,866
22 Social Services	32,995,873	32,855,479	34,087,136
23 Recreation & Parks	19,511,654	19,832,253	20,690,887
24 Public Health	2,219,894	2,219,895	2,287,051
26 Mental Health & Developmental Services	36,087,735	37,426,239	39,188,284
27 Capital Region Workforce Partnership	6,010,041	5,140,116	4,390,918
28 Public Works	52,351,818	51,452,927	53,598,159
29 Real Property	722,523	648,326	599,906
30 Economic Development	19,603,473	16,747,273	17,499,201
31 Public Utilities	96,115,896	103,484,602	106,133,078
32 Non-Departmental	10,707,332	11,758,555	12,770,721
33 Building Inspections	4,171,157	4,432,477	4,650,667
34 Planning	3,826,247	4,420,096	4,522,435
35 Permit Centers	893,332	908,766	931,027
36 Community Corrections Program	1,997,255	1,949,481	2,040,556
37 Technology Replacement	2,171,792	2,402,765	2,878,100
38 Community Revitalization	3,868,659	1,638,980	1,739,317
40 James River Juvenile Detention Center	5,100,405	5,161,281	5,333,877
42 Healthcare	96,958,043	113,525,148	116,259,266
50 Education	517,389,917	542,496,287	558,885,929
60 Interdepartmental Billings	(94,002,951)	(102,804,784)	(108,483,399)
Total Expenditures	<u>\$1,183,796,032</u>	<u>\$1,209,150,651</u>	<u>\$1,252,748,449</u>

**COUNTY OF HENRICO, VIRGINIA
APPROVED GENERAL FUND REVENUES
FY 2018-19**

Revenues:	FY 16-17	FY 17-18	FY 18-19
Function/Program	Actual	Original	Approved
Revenue from Local Sources:			
General Property Taxes	\$402,025,236	\$439,375,000	\$461,625,000
Other Local Taxes	176,154,233	151,248,000	159,760,000
Permits, Fees, & Licenses	5,763,288	4,741,100	4,871,300
Fines & Forfeitures	2,110,351	2,090,000	2,085,000
From Use of Money & Property	3,153,825	7,925,600	7,960,400
Charges for Services	6,365,485	3,832,850	4,114,867
Miscellaneous	8,504,640	4,132,500	4,442,000
Recovered Costs	7,368,636	4,090,470	4,050,738
Total from Local Sources	<u>611,445,694</u>	<u>617,435,520</u>	<u>648,909,305</u>
Revenue from the Commonwealth:			
Categorical Aid:			
Education	245,326,848	245,702,000	263,825,000
Public Works	47,661,174	45,197,567	46,132,000
Public Safety (HB #599)	8,801,460	8,700,000	8,800,000
Other	7,491,849	12,924,500	4,479,500
Total Categorical Aid	<u>309,281,331</u>	<u>312,524,067</u>	<u>323,236,500</u>
Non-Categorical Aid:			
General Government	53,950,475	16,118,500	16,170,500
Total Non-Categorical Aid	<u>53,950,475</u>	<u>16,118,500</u>	<u>16,170,500</u>
Shared Expenses:			
State Share of Salaries & Benefits	18,262,991	17,715,000	18,120,000
Total from the Commonwealth	<u>381,494,797</u>	<u>346,357,567</u>	<u>357,527,000</u>
Revenue from the Federal Government			
Total Revenues	<u>994,424,188</u>	<u>964,163,087</u>	<u>1,006,796,305</u>
Interfund Transfers:			
To Debt Service Fund	(58,436,493)	(57,762,829)	(63,468,451)
To Capital Projects Fund	(47,473,678)	(35,067,380)	(61,564,800)
To Enterprise Fund	(1,928,621)	(1,930,021)	(1,930,021)
To Technology Replacement	(2,000,000)	(2,250,000)	(2,500,000)
To CAM	0	0	(99,500)
To Risk Management	(16,814,470)	(8,392,479)	(8,965,327)
To Special Revenue Fund	(28,642,053)	(29,189,507)	(30,394,745)
To JRJDC Agency Fund	(2,979,622)	(3,069,011)	(3,158,722)
To OPEB-GASB 45 Fiduciary Fund	(2,750,000)	(2,675,000)	(2,675,000)
To Line of Duty	(569,869)	(700,000)	(1,100,000)
To Long-Term Disability	(522,540)	(600,000)	(600,000)
Total Transfers	<u>(162,117,346)</u>	<u>(141,636,227)</u>	<u>(176,456,566)</u>

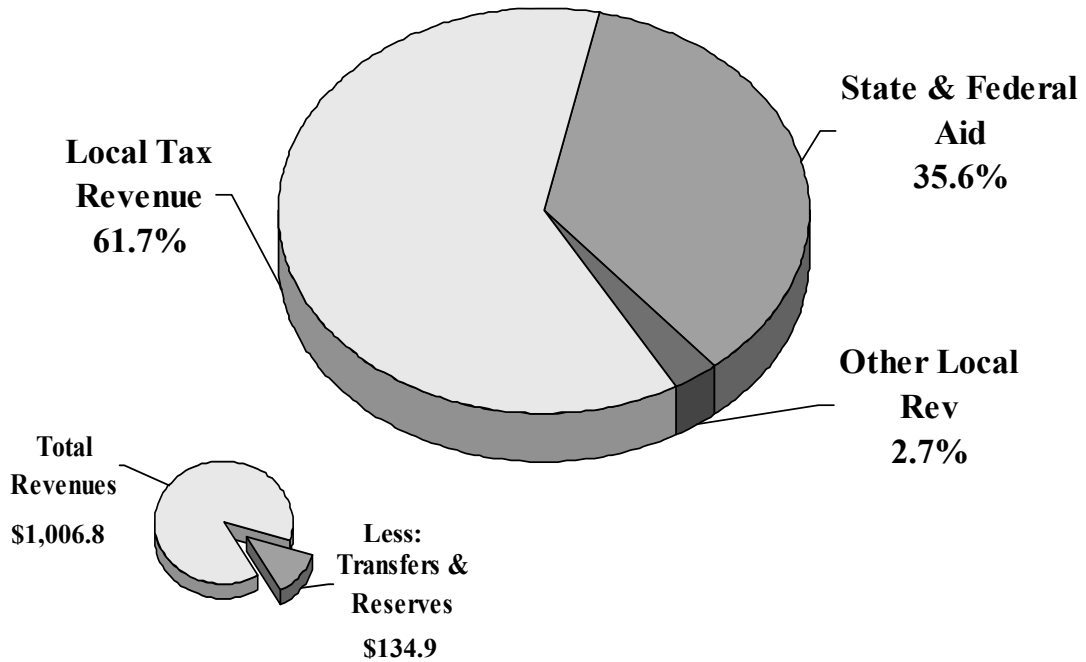
General Fund Revenues (cont'd)

Revenues:			
Function/Program	FY 16-17	FY 17-18	FY 18-19
	Actual	Original	Approved
Use of Fund Balance - Capital Projects	5,000,000	5,000,000	7,500,000
Use of Fund Balance - Sidewalks	0	2,500,000	2,500,000
Use of Fund Balance - Designated Capital Reserve	4,899,400	6,826,777	17,662,090
Use of Fund Balance - MH/DS East Center Reserve	0	1,967,803	0
Use of Fund Balance - Community Maintenance Reserve	0	0	2,000,000
(To) Fund Balance - Community Maintenance Reserve	0	0	(2,000,000)
Use of Fund Balance - Designated Fund Balance	3,100,000	0	0
Use of Fund Balance - Tourism Reserve	0	0	9,251,000
Use of Fund Balance - Capital Initiatives	0	0	0
Use of Fund Balance - Undesignated	350,000	0	1,000,000
Use of Fund Balance - Public Works Reserve	0	0	3,678,910
Use of Fund Balance - Designated Permit Fee	1,000,000	0	0
From Fund Balance - Meals Tax FY15 Collection	8,783,247	0	0
From Fund Balance - Meals Tax FY16 Collection	2,000,000	0	0
(To) Fund Balance - Meals Tax Reserve	(2,000,000)	(2,000,000)	0
(To) Revenue Stabilization Reserve	(1,000,000)	0	(1,000,000)
From Sinking Fund	1,864,067	2,853,640	927,279
(To) Fund Balance - General Fund	(34,325,645)	0	0
Total Resources Net of Transfers	<u>\$821,977,911</u>	<u>\$839,675,080</u>	<u>\$871,859,018</u>

**COUNTY OF HENRICO, VIRGINIA
APPROVED GENERAL FUND EXPENDITURES
FY 2018-19**

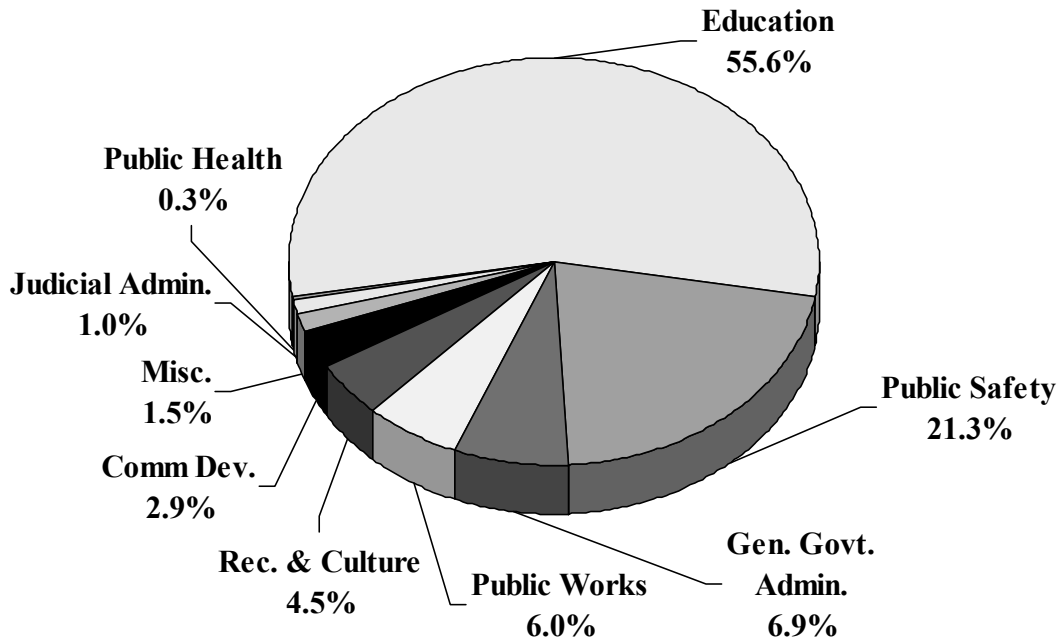
Expenditures: Function/Activity	FY 16-17 Actual	FY 17-18 Original	FY 18-19 Approved
General Government Administration	\$55,774,969	\$57,871,707	\$60,491,164
Judicial Administration	8,265,448	8,500,620	8,851,985
Public Safety:			
Police Operations	66,037,524	65,484,699	67,872,502
Animal Protection	1,480,537	1,526,240	1,589,290
Communications/Radio Shop	6,050,687	6,504,817	6,650,048
Total Police	<u>73,568,748</u>	<u>73,515,756</u>	<u>76,111,840</u>
Administration	2,921,218	3,064,237	3,024,692
Emergency Planning & Safety	127,935	179,194	500,576
Operations	54,356,548	55,205,307	57,774,433
Volunteer Rescue Squads	200,504	218,625	218,625
Total Fire	<u>57,606,205</u>	<u>58,667,363</u>	<u>61,518,326</u>
Sheriff	43,179,458	38,336,592	40,846,900
Juvenile Detention	2,278,502	2,287,094	2,294,732
Building Inspections	4,171,157	4,432,477	4,650,667
Total Public Safety	<u>180,804,070</u>	<u>177,239,282</u>	<u>185,422,465</u>
Public Works:	51,038,531	50,555,927	52,701,159
Public Health:	2,219,894	2,219,895	2,287,051
Education:			
Instruction	338,575,644	355,973,362	369,230,155
Administration/Attendance & Health	15,478,122	16,266,983	16,452,102
Pupil Transportation	29,285,490	25,614,810	26,860,931
Operations and Maintenance	44,325,690	45,757,731	46,124,182
Technology	24,772,546	26,294,359	26,474,625
Total Education	<u>452,437,492</u>	<u>469,907,245</u>	<u>485,141,995</u>
Recreation, Parks, & Culture:			
Recreation & Parks	18,521,779	18,728,399	19,564,149
Library	17,412,942	18,821,527	19,552,483
Total Recreation, Parks, & Culture	<u>35,934,721</u>	<u>37,549,926</u>	<u>39,116,632</u>
Community Development	24,795,454	24,121,923	25,125,846
Miscellaneous:			
Non-Departmental	10,707,332	11,708,555	12,720,721
Total Miscellaneous	<u>10,707,332</u>	<u>11,708,555</u>	<u>12,720,721</u>
Total General Fund Expenditures	<u><u>\$821,977,911</u></u>	<u><u>\$839,675,080</u></u>	<u><u>\$871,859,018</u></u>

FY2018-19 General Fund Revenues
\$1,006,796,305



Note: General Fund Revenues less Transfers & Reserves equals General Fund Expenditures of \$871,859,018.

FY2018-19 General Fund Expenditures
\$871,859,018



COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND REVENUES
FY 2018-19

Revenues: Subfund/Activity	FY 16-17 Actual	FY 17-18 Original	FY 18-19 Approved
Capital Region Workforce Partnership (CRWP)			
CRWP	\$5,910,912	\$5,094,866	\$4,344,518
Transfer From the General Fund	<u>99,129</u>	<u>45,250</u>	<u>46,400</u>
Total Capital Region Workforce Partnership	6,010,041	5,140,116	4,390,918
Commonwealth's Attorney			
Commonwealth's Attorney	33,100	0	0
Special Drug Prosecutor	134,790	104,207	108,936
Victim/Witness Assistance Program	660,936	674,155	660,936
Asset Forfeitures	38,047	0	0
Transfer From the General Fund	<u>389,044</u>	<u>429,906</u>	<u>465,118</u>
Total Commonwealth's Attorney	1,255,917	1,208,268	1,234,990
Community Corrections Program			
CCP	1,414,290	1,376,968	1,427,865
CCP - Drug Court	277,498	272,410	272,410
Transfer From the General Fund	<u>305,467</u>	<u>300,103</u>	<u>340,281</u>
Total Community Corrections	1,997,255	1,949,481	2,040,556
Community Development Block Grant			
CDBG/HOME	2,016,764	0	0
ESG	163,465	0	0
Transfer From the General Fund - Local Business Assistance	<u>104,431</u>	<u>0</u>	<u>0</u>
Total Community Development Block Grant	2,284,660	0	0
Economic Development			
White Oak CDA	<u>1,480,000</u>	<u>0</u>	<u>0</u>
Total Economic Development	1,480,000	0	0
Education			
State, Federal & Other Grants	<u>44,429,990</u>	<u>46,829,020</u>	<u>48,147,181</u>
Total Schools Grants	44,429,990	46,829,020	48,147,181
Cafeteria Receipts	6,874,609	9,284,452	9,562,985
State Food Payments - Nat. Sch. Lunch Prog.	545,826	532,584	582,142
Federal School Lunch Program	13,650,029	14,937,455	15,385,578
Recoveries & Rebates	373,578	422,267	283,500
Sale of Equipment	4,431	7,317	5,000
(To) From Cafeteria Fund Balance	<u>(926,038)</u>	<u>575,947</u>	<u>(222,452)</u>
Total School Cafeteria	20,522,435	25,760,022	25,596,753
Total Education	64,952,425	72,589,042	73,743,934

Special Revenue Fund Revenues (cont'd)

Revenues:			
Subfund/Activity	FY 16-17 Actual	FY 17-18 Original	FY 18-19 Approved
Juvenile & Domestic Relations Court			
Virginia Juvenile Community Crime Act	390,110	390,108	390,108
USDA	22,449	23,207	25,332
Transfer From the General Fund	514,608	535,815	551,649
Total Juvenile & Domestic Relations Court	<u>927,167</u>	<u>949,130</u>	<u>967,089</u>
Mental Health & Developmental Services			
State and Federal Grants	10,871,781	10,146,859	10,964,283
Payments from Other Localities	241,833	243,844	251,160
Miscellaneous Revenues	11,098,620	12,368,200	12,518,958
Operating Transfer to Capital Projects	(1,018,500)	(4,869,420)	0
Special Revenue - MH Fund Balance	1,018,500	4,869,420	0
Transfer From General Fund	13,875,501	14,667,336	15,453,883
Total Mental Health	<u>36,087,735</u>	<u>37,426,239</u>	<u>39,188,284</u>
Non-Departmental			
Transfer From General Fund	0	50,000	50,000
Public Safety			
Police - State & Federal Grants	1,237,099	1,077,091	1,129,595
Police - Donations	873	0	0
Metro Aviation/Extradition Reimbursement	274,241	334,668	334,668
Fire - Donations	4,950	0	0
Fire - State & Federal	614,189	0	0
Asset Forfeitures	174,144	0	0
Transfer From General Fund	93,646	127,332	127,332
Total Public Safety	<u>2,399,142</u>	<u>1,539,091</u>	<u>1,591,595</u>
Public Utilities			
Solid Waste:			
Refuse Collection Billing	8,477,201	8,100,000	8,648,000
Public Use/Host/Recycle Fees	2,370,032	1,933,000	1,952,000
Miscellaneous Revenues	409,033	329,315	337,000
Transfer to Capital Projects Fund	(150,000)	(600,000)	0
Transfer From General Fund	3,018,511	3,018,511	3,018,511
(To) From Solid Waste Fund Balance	(2,342,665)	859,145	(323,389)
Total Solid Waste	<u>11,782,112</u>	<u>13,639,971</u>	<u>13,632,122</u>
Street Lighting:			
Charge for Street Lights	75,479	83,100	83,100
Total Street Lighting	<u>75,479</u>	<u>83,100</u>	<u>83,100</u>

Special Revenue Fund Revenues (cont'd)

Revenues:			
Subfund/Activity	FY 16-17	FY 17-18	FY 18-19
	Actual	Original	Approved
Public Works			
Best Management Practices	100,000	50,000	50,000
Watershed Management Program	1,213,287	847,000	847,000
Total Public Works	<u>1,313,287</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation	6,277	0	0
Public Library	10,552	0	0
Total Recreation, Parks, & Culture	<u>16,829</u>	<u>0</u>	<u>0</u>
Social Services			
State and Federal Grants - Social Services	16,441,475	15,565,303	16,082,631
Transfer From the General Fund - Social Services	3,814,789	5,059,850	5,141,671
State and Federal Grants - CSA	132,940	109,849	109,849
Comprehensive Services Act (CSA)	6,179,742	7,165,073	7,553,085
Transfer From the General Fund - CSA Medicaid	485,000	485,000	485,000
Transfer From the General Fund - CSA	5,941,927	4,470,404	4,714,900
Total Social Services	<u>32,995,873</u>	<u>32,855,479</u>	<u>34,087,136</u>
Total Revenues	<u><u>\$163,577,922</u></u>	<u><u>\$168,326,917</u></u>	<u><u>\$171,906,724</u></u>

COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND EXPENDITURES
FY 2018-19

Expenditures:	FY 16-17	FY 17-18	FY 18-19
Subfund/Activity	Actual	Original	Approved
Capital Region Workforce Partnership (CRWP)	\$6,010,041	\$5,140,116	\$4,390,918
Commonwealth's Attorney			
Commonwealth's Attorney	33,100	0	0
Victim/Witness Program	968,093	1,043,218	1,064,711
Special Drug Prosecutor	216,677	165,050	170,279
Asset Forfeitures - Commonwealth's Attorney	38,047	0	0
Total Commonwealth's Attorney	<u>1,255,917</u>	<u>1,208,268</u>	<u>1,234,990</u>
Community Corrections Program			
CCP	1,560,869	1,512,018	1,600,067
CCP - Drug Court	436,386	437,463	440,489
Total Community Corrections Program	<u>1,997,255</u>	<u>1,949,481</u>	<u>2,040,556</u>
Community Revitalization			
CDBG	1,334,349	0	0
Home	697,256	0	0
Local Business Assistance	89,589	0	0
ESG	163,466	0	0
Total Community Revitalization	<u>2,284,660</u>	<u>0</u>	<u>0</u>
Economic Development			
White Oak Village CDA	1,480,000	0	0
Total Economic Development	<u>1,480,000</u>	<u>0</u>	<u>0</u>
Education			
State, Federal & Other Grants	44,429,990	46,829,020	48,147,181
School Cafeterias	20,522,435	25,760,022	25,596,753
Total Education	<u>64,952,425</u>	<u>72,589,042</u>	<u>73,743,934</u>
Juvenile & Domestic Relations Court			
Probation - VJCCCA	583,736	606,883	616,169
Detention - VJCCCA	320,982	319,040	325,588
USDA	22,449	23,207	25,332
Total Juvenile & Domestic Relations Court	<u>927,167</u>	<u>949,130</u>	<u>967,089</u>
Mental Health & Developmental Services			
Clinical Services	17,097,962	17,846,519	18,991,330
Community Support Services	12,073,109	12,191,546	12,640,380
Administrative and Program Support	6,916,664	7,388,174	7,556,574
Total Mental Health	<u>36,087,735</u>	<u>37,426,239</u>	<u>39,188,284</u>

Special Revenue Fund Expenditures (cont'd)

Expenditures: Subfund/Activity	FY 16-17 Actual	FY 17-18 Original	FY 18-19 Approved
Non-Departmental	0	50,000	50,000
Public Safety			
State and Federal Grants - Police	392,130	0	0
Communications	845,842	1,077,091	1,129,595
Metro Aviation	281,782	387,000	387,000
Henrico Extraditions	86,105	75,000	75,000
Asset Forfeitures - Police	174,144	0	0
State and Federal Grants - Fire	619,139	0	0
Total Public Safety	<u>2,399,142</u>	<u>1,539,091</u>	<u>1,591,595</u>
Public Utilities			
Solid Waste	11,794,929	13,639,971	13,632,122
Street Lighting	62,662	83,100	83,100
Total Public Utilities	<u>11,857,591</u>	<u>13,723,071</u>	<u>13,715,222</u>
Public Works			
Best Management Practices	100,000	50,000	50,000
Watershed Program	1,213,287	847,000	847,000
Total Public Works	<u>1,313,287</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation & Parks	6,277	0	0
Public Library	10,552	0	0
Total Recreation, Parks, & Culture	<u>16,829</u>	<u>0</u>	<u>0</u>
Social Services			
Administration	13,544,228	14,551,885	15,146,300
Public Welfare Board	40,486	290,489	290,489
Public Assistance	6,671,550	5,782,779	5,787,513
Comprehensive Services Act (CSA)	12,739,609	12,230,326	12,862,834
Total Social Services	<u>32,995,873</u>	<u>32,855,479</u>	<u>34,087,136</u>
Total Expenditures	<u>\$163,577,922</u>	<u>\$168,326,917</u>	<u>\$171,906,724</u>

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - WATER & SEWER ENTERPRISE FUND
FY 2018-19

Water and Sewer Enterprise Fund

Revenues/Resources	FY 16-17 Actual	FY 17-18 Original	FY 18-19 Approved
<u>Water and Sewer Operating Budget:</u>			
Sale of Water	\$54,616,230	\$53,973,909	\$56,587,528
Sale of Sewer	52,637,429	53,095,870	56,648,416
Water Charges	4,574,104	4,780,020	4,567,875
Sewer Charges	4,906,675	4,597,271	4,863,316
Strong Waste Surcharge	713,518	1,500,000	650,000
City of Richmond	1,212,436	820,000	820,000
Interest Earnings	1,059,927	1,204,593	1,151,923
Other Water/Sewer Revenues	1,042,031	1,330,900	1,345,689
Transfer from General Fund	1,928,621	1,855,021	1,930,021
Total Operating Revenues	122,690,971	123,157,584	128,564,768

Operating Expenditures

<u>Water and Sewer Operating Budget:</u>			
Personnel	21,219,544	21,262,571	21,924,590
Operating	41,637,881	42,075,332	42,305,712
Capital Outlay	712,589	785,527	785,527
Sub-Total Operating	63,570,014	64,123,430	65,015,829
Debt Service	20,688,291	25,638,101	27,402,027
Total Operating Expenditures	84,258,305	89,761,531	92,417,856
Results of Operations (Prior to Capital Expenses)	(38,432,666)	(33,396,053)	(36,146,912)
Budget For Capital Use (Below)	(69,384,000)	(77,550,000)	(62,400,000)

Capital Budget Expenditures	FY 16-17 Actual	FY 17-18 Original	FY 18-19 Approved
Approved Capital Projects (FY2017-18 Budget)		77,550,000	
Approved Capital Projects (New FY2018-19 Budget)			62,400,000
Continuing Capital Projects (Previously Approved) (1)	69,384,000		
Total Capital Budget Expenses:	69,384,000	77,550,000	62,400,000
Capital Budget Resources			
Water and Sewer Revenues	16,202,000	77,550,000	42,100,000
Revenue Bonds	53,182,000	0	20,300,000
Total Capital Budget Resources:	69,384,000	77,550,000	62,400,000

Notes:

(1) This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2016-17 represents actual spending, as per the 2017 audit.

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - BELMONT GOLF COURSE ENTERPRISE FUND
FY 2018-19

<u>Fund-Function/Activity</u>	<u>FY 16-17 Actual</u>	<u>FY 17-18 Original</u>	<u>FY 18-19 Approved</u>
Belmont Golf Course Fund			
Revenues:			
Operating	\$730,709	\$1,103,854	\$1,126,738
Gain/Loss on Sales of Property	(7,689)	0	0
Miscellaneous Revenue	6,810	0	0
Total Revenues	<u>729,829</u>	<u>1,103,854</u>	<u>1,126,738</u>
(To) From Retained Earnings	253,769	0	0
Total Resources	<u>\$983,598</u>	<u>\$1,103,854</u>	<u>\$1,126,738</u>
Expenses:			
Operating	983,598	1,103,854	1,126,738
Total Operating Expenses	<u>\$983,598</u>	<u>\$1,103,854</u>	<u>\$1,126,738</u>

COUNTY OF HENRICO, VIRGINIA
ALL OTHER FUNDS
FY 2018-19

<u>Fund-Function/Activity</u>	<u>FY 16-17 Actual</u>	<u>FY 17-18 Original</u>	<u>FY 18-19 Approved</u>
Central Automotive Maintenance			
Revenues:			
Charges for Automotive Maintenance - West	\$8,545,707	\$7,149,379	\$9,291,690
Charges for Automotive Maintenance - East	2,145,008	2,179,072	2,250,000
Charges for Use of Motor Pool	3,565,993	4,010,000	3,910,500
Charges for Gasoline	4,173,353	7,200,000	5,828,801
Charges for Vehicle Wash Facility	0	136,000	136,000
Miscellaneous	284,338	369,100	300,000
(Gain)/Loss on Sale of Property	(71,101)	0	0
Transfer from General Fund	0	0	99,500
Fund Balance-CAM	1,915,209	0	0
Total Revenues	<u>\$20,558,507</u>	<u>\$21,043,551</u>	<u>\$21,816,491</u>
Expenses:			
Central Automotive Maintenance	<u>\$20,558,507</u>	<u>\$21,043,551</u>	<u>\$21,816,491</u>
Total Expenses	<u>\$20,558,507</u>	<u>\$21,043,551</u>	<u>\$21,816,491</u>
Technology Replacement Fund			
Revenues:			
Transfer from General Fund	\$2,000,000	\$2,250,000	\$2,500,000
(To) From Retained Earnings - Technology	171,792	152,765	378,100
Total Revenues	<u>\$2,171,792</u>	<u>\$2,402,765</u>	<u>\$2,878,100</u>
Expenses:			
Technology Replacement	<u>\$2,171,792</u>	<u>\$2,402,765</u>	<u>\$2,878,100</u>
Total Expenses	<u>\$2,171,792</u>	<u>\$2,402,765</u>	<u>\$2,878,100</u>
Risk Management			
Revenues:			
Transfer from General Fund	\$16,814,470	\$8,392,479	\$8,965,327
Public Utilities Charges	1,240,817	750,000	750,000
Recon-Workers' Compensation	854,661	0	0
Prop/Liability Recovery	1,005,797	0	0
Interest Income	17,853	0	0
Total Revenues	<u>\$19,933,598</u>	<u>\$9,142,479</u>	<u>\$9,715,327</u>
Expenses:			
Risk Management	<u>\$19,933,598</u>	<u>\$9,142,479</u>	<u>\$9,715,327</u>
Total Expenses	<u>\$19,933,598</u>	<u>\$9,142,479</u>	<u>\$9,715,327</u>

All Other Funds (cont'd)

Fund-Function/Activity	FY 16-17 Actual	FY 17-18 Original	FY 18-19 Approved
Healthcare Fund			
Revenues:			
County Contribution	\$72,641,123	\$80,751,847	\$85,596,958
Employee Contribution	19,382,622	19,861,439	21,053,125
Retiree Contribution	0	7,456,088	7,903,453
Retiree Subsidy	757,181	893,094	946,680
Disabled Subsidy	46,140	116,292	123,270
COBRA	224,623	363,944	385,780
Interest Income	83,532	100,000	100,000
Recoveries and Rebates	2,733	0	0
Healthcare - Wellness Payment	165,695	150,000	150,000
Use of Fund Balance (Includes IBNR)	3,654,394	3,832,444	0
Total Revenues	\$96,958,043	\$113,525,148	\$116,259,266
Expenses:			
Healthcare	\$96,958,043	\$113,525,148	\$116,259,266
Total Expenses	\$96,958,043	\$113,525,148	\$116,259,266
Debt Service Fund			
Revenues:			
Transfer from General Fund	\$58,436,493	\$57,762,829	\$63,468,451
Total Revenues	\$58,436,493	\$57,762,829	\$63,468,451
Expenditures:			
Debt Service - General Government	\$21,650,541	\$20,287,617	\$20,828,418
Debt Service - Public Works	3,493,179	3,729,843	3,746,282
Debt Service - Education	33,292,773	33,745,369	38,893,751
Total Expenditures	\$58,436,493	\$57,762,829	\$63,468,451
Adjustment for Interfund Transactions	(\$94,002,951)	(\$102,804,784)	(\$108,483,399)

COUNTY OF HENRICO, VIRGINIA
REVENUES & EXPENDITURES - AGENCY FUNDS
FY 2018-19

<u>Fund-Function/Activity</u>	<u>FY 16-17 Actual</u>	<u>FY 17-18 Original</u>	<u>FY 18-19 Approved</u>
JRJDC Agency Fund			
Revenues:			
Transfer from General Fund	\$2,979,622	\$3,069,011	\$3,158,722
Revenue from Federal Government	85,287	0	0
Revenue from the Commonwealth	1,609,492	1,514,500	1,578,339
Revenue from Goochland/Powhatan	431,984	472,236	488,764
Revenue from Other Localities	63,189	0	0
Interest Income	13,889	0	0
(To) From Fund Balance-JRJDC	(83,058)	105,534	108,052
Total Revenues	<u>\$5,100,405</u>	<u>\$5,161,281</u>	<u>\$5,333,877</u>
Expenses:			
Operating	5,100,405	5,061,281	5,233,877
Capital Projects	0	100,000	100,000
Total Expenses	<u>\$5,100,405</u>	<u>\$5,161,281</u>	<u>\$5,333,877</u>
Other Post Employment Benefits - GASB 45			
Revenues:			
Transfer from General Fund	\$2,750,000	\$2,675,000	\$2,675,000
Transfer from Enterprise Fund	0	75,000	0
Revenue from Enterprise Fund	0	0	75,000
Total Revenues	<u>\$2,750,000</u>	<u>\$2,750,000</u>	<u>\$2,750,000</u>
Expenses:			
Operating	\$2,750,000	\$2,750,000	\$2,750,000
Total Expenses	<u>\$2,750,000</u>	<u>\$2,750,000</u>	<u>\$2,750,000</u>
Line of Duty Act (LODA)			
Revenues:			
Operating Transfer from General Fund	\$569,869	\$700,000	\$1,100,000
Total Revenues	<u>\$569,869</u>	<u>\$700,000</u>	<u>\$1,100,000</u>
Expenses:			
Operating	\$569,869	\$700,000	\$1,100,000
Total Expenses	<u>\$569,869</u>	<u>\$700,000</u>	<u>\$1,100,000</u>
Long-Term Disability			
Revenues:			
Operating Transfer from General Fund	\$522,540	\$600,000	\$600,000
Total Revenues	<u>\$522,540</u>	<u>\$600,000</u>	<u>\$600,000</u>
Expenses:			
Operating	\$522,540	\$600,000	\$600,000
Total Expenses	<u>\$522,540</u>	<u>\$600,000</u>	<u>\$600,000</u>

COUNTY OF HENRICO, VIRGINIA
TOTAL REVENUES (BY SOURCE) - ACROSS ALL FUNDS
FY 2018-19

	General Fund	Special Revenue Fund	Water & Sewer Enterprise Fund	Belmont Golf Enterprise Fund	Debt Service Fund	Internal Service Funds	Agency Funds	Total All Funds
Revenue from Local Sources:								
General Property Taxes	\$461,625,000	\$0	\$0	\$0	\$0	\$0	\$0	\$461,625,000
Other Local Taxes	159,760,000	0	0	0	0	0	0	159,760,000
Permits, Fees, and Licenses	4,871,300	1,028,347	0	0	0	0	0	5,899,647
Fines and Forfeitures	2,085,000	282,681	159,485	0	0	0	0	2,527,166
Use of Money and Property	7,960,400	258,799	0	0	0	400,000	0	8,619,199
Charges for Services	4,114,867	32,362,043	124,693,339	1,126,738	0	0	0	162,296,987
Recovered Costs	4,050,738	585,828	0	0	0	138,176,257	75,000	142,887,823
Shared Expenses	0	0	0	0	0	0	488,764	488,764
Miscellaneous	4,442,000	3,065,527	1,781,923	0	0	150,000	0	9,439,450
Total from Local Sources	648,909,305	37,583,225	126,634,747	1,126,738	0	138,726,257	563,764	953,544,036
Revenue from the Commonwealth:								
Non-categorical Aid	16,170,500	2,547,470	0	0	0	0	0	18,717,970
Shared Expenses	18,120,000	0	0	0	0	0	1,578,339	19,698,339
Categorical Aid	323,236,500	39,852,608	0	0	0	0	0	363,089,108
Total from the Commonwealth	357,527,000	42,400,078	0	0	0	0	1,578,339	401,505,417
Revenue from the Federal Government:								
Categorical Aid	360,000	62,074,517	0	0	0	0	0	62,434,517
Total from the Federal Government	360,000	62,074,517	0	0	0	0	0	62,434,517
Total Revenues	\$1,006,796,305	\$142,057,820	\$126,634,747	\$1,126,738	\$0	\$138,726,257	\$2,142,103	\$1,417,483,970
Operating Transfers	(114,891,766)	30,394,745	1,930,021	0	63,468,451	(96,918,572)	7,533,722	(108,483,399)
Transfers to Capital Projects	(61,564,800)	0	0	0	0	0	0	(61,564,800)
Total Resources	\$830,339,739	\$172,452,565	\$128,564,768	\$1,126,738	\$63,468,451	\$41,807,685	\$9,675,825	\$1,247,435,771
(To) From Fund Balance	7,500,000	(545,841)	(36,146,912)	0	0	378,100	108,052	(28,706,601)
Use of Fund Balance - Sidewalks	2,500,000	0	0	0	0	0	0	2,500,000
Use of Fund Balance - Designated Capital Reserve	17,662,090	0	0	0	0	0	0	17,662,090
Use of Fund Balance - Tourism Reserve	9,251,000	0	0	0	0	0	0	9,251,000
Use of Fund Balance - Undesignated	1,000,000	0	0	0	0	0	0	1,000,000
Use of Fund Balance - Public Works Reserve	3,678,910	0	0	0	0	0	0	3,678,910
Use of Fund Balance - Community Maint Reserve	2,000,000	0	0	0	0	0	0	2,000,000
(To) Fund Balance - Community Maint Reserve	(2,000,000)	0	0	0	0	0	0	(2,000,000)
(To) Revenue Stabilization Reserve	(1,000,000)	0	0	0	0	0	0	(1,000,000)
From Sinking Fund - Bond Ops	927,279	0	0	0	0	0	0	927,279
Total All Funds	\$871,859,018	\$171,906,724	\$92,417,856	\$1,126,738	\$63,468,451	\$42,185,785	\$9,783,877	\$1,252,748,449

COUNTY OF HENRICO, VIRGINIA
TOTAL EXPENDITURES BY DEPARTMENT - ACROSS ALL FUNDS
FY 2018-19

Department	General Fund	Special Revenue Fund	Water & Sewer Enterprise Fund	Belmont Golf Enterprise Fund	Debt Service Fund	Internal Service Funds	Agency Funds	Total All Funds
01 Board of Supervisors	\$1,100,085							\$1,100,085
02 Library	19,552,483							19,552,483
03 Sheriff	40,846,900							40,846,900
04 Circuit Court	3,278,634							3,278,634
05 Commonwealth's Attorney	5,037,655	1,234,990						6,272,645
06 General District Court	311,599							311,599
07 Juvenile & Domestic Relations Court	2,518,829	967,089						3,485,918
08 Electoral Board	1,608,371							1,608,371
09 County Manager	3,762,628							3,762,628
10 County Attorney	2,509,297							2,509,297
11 Human Resources	6,372,260					9,715,327	4,450,000	20,537,587
12 Public Safety - Police	76,111,840	1,591,595						77,703,435
13 Public Safety - Fire	61,518,326							61,518,326
14 Finance	14,104,509							14,104,509
16 General Services	14,820,549					21,816,491		36,637,040
17 Internal Audit	455,337							455,337
18 Debt Service					24,574,700			24,574,700
19 Information Technology	15,158,222							15,158,222
21 Agriculture and Home Extension	433,866							433,866
22 Social Services		34,087,136						34,087,136
23 Recreation & Parks	19,564,149							19,564,149
24 Public Health	2,287,051							2,287,051
26 Mental Health & Developmental Services		39,188,284						39,188,284
27 Capital Region Workforce Partnership		4,390,918						4,390,918
28 Public Works	52,701,159	897,000						53,598,159
29 Real Property	599,906							599,906
30 Economic Development	17,499,201							17,499,201
31 Public Utilities		13,715,222	92,417,856					106,133,078
32 Non-Departmental	12,720,721	50,000						12,770,721
33 Building Inspections	4,650,667							4,650,667
34 Planning	4,522,435							4,522,435
35 Permit Center	931,027							931,027
36 Community Corrections Program		2,040,556						2,040,556
37 Technology Replacement						2,878,100		2,878,100
38 Community Revitalization	1,739,317							1,739,317
40 James River Juvenile Detention Ctr							5,333,877	5,333,877
42 Healthcare								116,259,266
50 Education	485,141,995	73,743,934			38,893,751			597,779,680
60 Interdepartmental Billings								(108,483,399)
Total Expenditures	\$871,859,018	\$171,906,724	\$92,417,856	\$1,126,738	\$63,468,451	\$42,185,785	\$9,783,877	\$1,252,748,449

**Estimated Changes to Unassigned Fund Balances
FY2017 Actual through FY2019 Projected (By Fund)**

	Revenues	Expenditures/ Transfers	Fund Balance
GENERAL FUND			
Undesignated Fund Balance - FY2017 Actual			\$ 124,315,651 *
FY2018 Budgeted Revenues	964,163,087		
FY2018 Budgeted Expenditures		(839,675,080)	
FY2018 Budgeted Transfers to Other Funds		(124,488,007)	
FY2018 Use of Fund Balance - Capital Projects		7,500,000	
FY2018 Anticipated Results of Operations			(5,864,389)
FY2018 Projected Use of Fund Balance - Capital Projects			7,500,000
Projected Ending Undesignated Fund Balance FY2018			125,951,262
FY2019 Budgeted Revenues	1,006,796,305		
FY2019 Budgeted Expenditures		(871,859,018)	
FY2019 Budgeted Transfers to Other Funds		(134,937,287)	
FY2019 Use of Fund Balance - Capital Projects		10,000,000	
FY2019 Anticipated Results of Operations			(5,172,409)
FY2019 Projected Use of Fund Balance - Capital Projects			10,000,000
Projected Ending Undesignated Fund Balance FY2019			\$ 130,778,853
*Reflects an undesignated fund balance of 15.0 percent of General Fund expenditures as of June 30, 2017. Prior to this adjustment Henrico policy for General Fund undesignated fund balance reflected 18.0 percent of expenditures.			
SPECIAL REVENUE FUND			
Undesignated Fund Balance - FY2017 Actual			\$ 0
FY2018 Budgeted Revenues	162,022,405		
FY2018 Budgeted Use of Reserves (net)	6,304,512		
FY2018 Budgeted Total Resources	168,326,917		
FY2018 Budgeted Expenditures		(168,326,917)	
FY2018 Projected Use of Undesignated Fund Balance			0
Projected Ending Undesignated Fund Balance FY2018			0
FY2019 Budgeted Revenues	172,452,565		
FY2019 Budgeted Use of Reserves (net)	(545,841)		
FY2019 Budgeted Total Resources	171,906,724		
FY2019 Budgeted Expenditures		(171,906,724)	
FY2019 Projected Use of Undesignated Fund Balance			0
Projected Ending Undesignated Fund Balance FY2019			\$ 0
INTERNAL SERVICE FUNDS			
Unreserved Retained Earnings - FY2017 Actual			\$ 27,263,492
FY2018 Budgeted Revenues	142,128,734		
FY2018 Budgeted Expenditures		(146,113,943)	
FY2018 Projected Use of Retained Earnings and Fund Balance			(3,985,209)
Projected Ending Unreserved Retained Earnings FY2018			23,278,283
FY2019 Budgeted Revenues	150,291,084		
FY2019 Budgeted Expenditures		(150,669,184)	
FY2019 Projected Use of Retained Earnings and Fund Balance			(378,100)
Projected Ending Unreserved Retained Earnings FY2019			\$ 22,900,183

**Estimated Changes to Unassigned Fund Balances
FY2017 Actual through FY2019 Projected (By Fund)**

	<u>Revenues</u>	<u>Expenditures/ Transfers</u>	<u>Fund Balance</u>
<i>WATER & SEWER ENTERPRISE FUND</i>			
Unreserved Fund Equity - FY2017 Actual			\$ 101,851,492
FY2018 Budgeted Revenues	123,157,584		
FY2018 Budgeted Revenues - Revenue Bonds - Capital	0		
FY2018 Budgeted Expenditures		(89,761,531)	
FY2018 Budgeted for Capital Use		<u>(77,550,000)</u>	
FY2018 Budgeted Expenditures and Transfers		<u>(167,311,531)</u>	
FY2018 Projected Change to Unreserved Fund Equity			<u>(44,153,947)</u>
Projected Unreserved Fund Equity FY2018			57,697,545
FY2019 Budgeted Revenues	128,564,768		
FY2019 Budgeted Revenues - Revenue Bonds - Capital	20,300,000		
FY2019 Budgeted Expenditures		(92,417,856)	
FY2019 Budgeted for Capital Use		<u>(62,400,000)</u>	
FY2019 Budgeted Expenditures and Transfers		<u>(154,817,856)</u>	
FY2019 Projected Change to Unreserved Fund Equity			<u>(5,953,088)</u>
Projected Unreserved Fund Equity FY2019			\$ 51,744,457
<i>JRJDC AGENCY FUND</i>			
Unreserved Retained Earnings - FY2017 Actual			\$ 3,536,407
FY2018 Budgeted Revenues	5,055,747		
FY2018 Budgeted Expenditures		<u>(5,161,281)</u>	
FY2018 Budgeted Use of Unreserved Retained Earnings			<u>(105,534)</u>
Projected Ending Unreserved Retained Earnings FY2018			3,430,873
FY2019 Budgeted Revenues	5,225,825		
FY2019 Budgeted Expenditures		<u>(5,333,877)</u>	
FY2019 Budgeted Use of Unreserved Retained Earnings			<u>(108,052)</u>
Projected Ending Unreserved Retained Earnings FY2019			\$ 3,322,821

THREE YEAR FORECAST OF REVENUES AND EXPENDITURES

Background

The Henrico County budget is organized on the basis of funds. Each fund is considered a separate accounting entity. Accounting for the operation of each fund is performed using a separate set of self-balancing accounts comprising each fund's assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate.

Funds are grouped into four categories: Governmental Funds, Proprietary Funds, Internal Funds, and Fiduciary Funds. Governmental Funds include most governmental functions of the County and include the General, Special Revenue, Debt Service and Capital Projects Funds. Proprietary Funds, on the other hand, account for functions financed and operated in a manner similar to a private business enterprise. The intent of Proprietary Funds is to finance or recover, through charges to users, the cost of providing these services. Proprietary Funds used by Henrico County include both Enterprise Funds (Public Utilities and Belmont Golf Course). Internal Service Funds primarily provides either benefits or goods/services to other funds, departments on a cost-reimbursement basis with the goal to breakeven rather than make a profit. Internal Funds used by Henrico County includes Central Automotive Maintenance (CAM) which repairs and maintains all county vehicles on a cost-reimbursement basis. Other Internal Service funds are the Technology Replacement Fund established in 2001 for the purpose of funding a computer replacement program. In FY2005, the Risk Management function was moved to the Internal Service Fund series for more appropriate classification. In FY2008, the County's health care program transitioned to a self-insurance program and the Healthcare Internal Service Fund was created to account for these costs. Lastly, Fiduciary Funds budgeted by Henrico County are for the James River Juvenile Detention Center (JRJDC) Agency Fund. As the fiscal agent for JRJDC, Henrico eliminates the need for the Commission to duplicate various administrative functions related to personnel, procurement, accounting, and budget responsibilities.

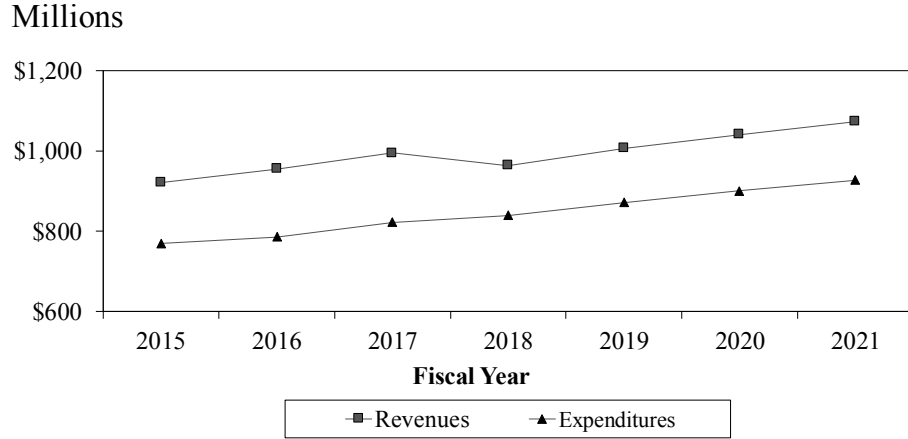
The information that follows constitutes the forecast of the County's cost of operations for FY2019 through FY2021. The FY2019 data represents the budget adopted by the Board of Supervisors, while FY2020 and FY2021 are included for projective purposes. This data is presented by fund and includes a description of major revenue and expenditure assumptions used to develop each forecast. Henrico County has opted to project revenues and expenses of each fund, as opposed to simply projecting the County's General Fund requirements. The actual forecasts, showing the relationship between revenues and expenditures and the predicted effects on fund balance, are presented in a schedule at the end of the narrative.

The revenue and expenditure forecasts for each fund are formulated using a combination of statistical forecasting techniques, regional economic data, and local government operating experience. Preliminary estimates for the subsequent fiscal year are initiated in August of each year, using a variety of forecasting models.

In the late fall, the County's annual financial audit is finalized. The previous year's revenue and expenditure forecasts are compared against audited financial statements to determine if revenue model refinements are necessary. At that point, refined forecasts are prepared for the upcoming fiscal year.

Revised estimates are analyzed against a variety of forecasted economic data with special emphasis on: consumer and wholesale prices, local population, retail sales, building and construction activity, employment, wages, interest rates, and Federal/State funding to ensure the forecast is consistent with future economic expectations. Continuing refinements are made until the budget is adopted by the Board of Supervisors annually.

Three Year Forecast Revenues and Expenditures General Fund



Fiscal Years 2018 through 2021 are estimated. Revenues depicted are prior to transfers to other funds.

GENERAL FUND

(Fund 01)

The General Fund reflects all revenues and expenditures of the County not required to be accounted for in another fund. Local revenues are primarily derived from Real and Personal Property Taxes, Business License Taxes, Local Sales Tax, Charges for Services, and Use of Money and Property. Revenues are received from the State for educational purposes, public safety, constitutional officers, and road maintenance. Revenues from the Federal Government are largely for social services and education.

Major expenditures include the cost of general government services such as education, public safety, streets and roadways, health and social services, recreation and libraries, and transfers to other funds, primarily to fund the County's debt service requirements and capital projects.

Revenues

Assumptions

Total estimated General Fund revenue for FY2019, prior to transfers to other funds, is \$1,006,796,305. This reflects an increase of \$42,633,218, or 4.4 percent above FY2018 estimates. General Fund revenues for the County of Henrico are categorized into three broad categories: Local Tax Revenue, Other Local Revenue, and State and Federal Revenue. The table below summarizes General Fund revenue by category. Following is a brief discussion of the revenue components in each of these categories, including graphs depicting the historical trends of these revenue sources as compared with future projections.

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Increase (Decrease)</u>
Local Tax Revenue	\$ 578,179,469	\$ 590,623,000	\$ 621,385,000	\$ 30,762,000
Other Local Revenue	33,266,225	26,812,520	27,524,305	711,785
State and Federal Revenue	382,978,494	346,727,567	357,887,000	11,159,433
Total General Fund Revenue	<u>\$ 994,424,188</u>	<u>\$ 964,163,087</u>	<u>\$ 1,006,796,305</u>	<u>\$ 42,633,218</u>

Local Tax Revenue:

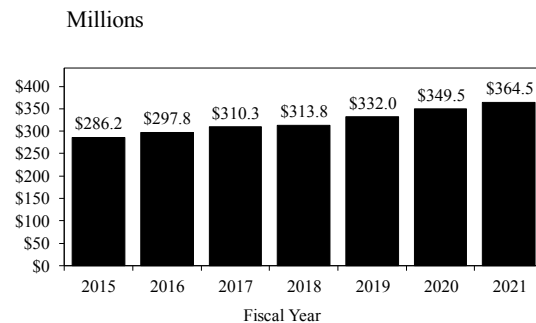
Local Tax Revenue represents Henrico County’s principal source of local revenue. County tax revenue is projected to total \$621.4 million or 61.7 percent of total General Fund revenue for FY2019. This represents an increase of 5.2 percent, or \$30.8 million above the current fiscal year. Local Tax Revenue includes:

Local Tax Revenue	FY18 Original	FY19 Approved	Increase (Decrease)	Percent Change	Pct. Of Category
Real Property Tax	\$ 313,785,000	\$ 332,035,000	\$ 18,250,000	5.8%	53.4%
Personal Property Tax	120,115,000	124,115,000	4,000,000	3.3%	20.0%
Other Property Taxes	5,475,000	5,475,000	0	0.0%	0.9%
Local Sales Tax	64,275,000	67,000,000	2,725,000	4.2%	10.8%
Business License Tax	32,500,000	33,150,000	650,000	2.0%	5.3%
Motor Vehicle License Tax	6,325,000	6,500,000	175,000	2.8%	1.0%
Consumer Utility Tax	2,600,000	2,700,000	100,000	3.8%	0.4%
Hotel/Motel Tax	12,000,000	12,600,000	600,000	5.0%	2.0%
Bank Franchise Tax	5,000,000	5,000,000	0	0.0%	0.8%
Food & Beverage (Meals) Tax	22,988,000	27,000,000	4,012,000	17.5%	4.3%
Other Local Taxes	5,560,000	5,810,000	250,000	4.5%	0.9%
Total Local Tax Revenue	\$ 590,623,000	\$ 621,385,000	\$ 30,762,000	5.2%	100.0%

The majority, 73.4 percent, of the \$621.4 million in Local Tax revenues is derived from Real and Personal Property Tax, which are estimated to generate approximately \$456.2 million or 45.3 percent of total General Fund revenue. Projected Local Sales Tax revenue increased \$2,725,000 or 4.2 percent in FY2019 and makes up 10.8 percent of Local Tax revenue. Business & Professional License (BPOL) Tax revenue is projected to increase by \$650,000 in FY2019. This accounts for the 2019 increase in the BPOL Tax exemption from \$200,000 of gross receipts to \$300,000 of gross receipts.

The Motor Vehicle License Tax revenue is projected to increase \$175,000 in FY2019 to \$6.5 million. The Consumer Utility Tax revenue (electric only) estimate of \$2.7 million is \$100,000 over the FY18 estimate. Revenue from the 8.0 percent Hotel/Motel Tax, estimated to total \$12.6 million, increased 5.0%, or \$600,000, in FY2019. These funds will be paid to the Richmond Convention Center during FY2019. The Convention Center will return \$3.2 million (a fourth of the 8.0 percent levy) to the County at the end of FY2019. The assumptions used when preparing the FY2020 – FY2021 revenue estimates for each of these taxes are described in greater detail in the following pages.

Real Property Tax Revenues



Fiscal Years 2018 through 2021 are estimated.

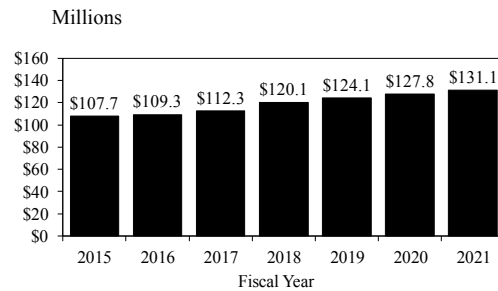
Real Property Taxes are estimated to generate \$332.0 million or 33.0 percent of the County’s total General Fund revenue in FY2019. This revenue estimate increased by \$18,250,000 in FY2019. Included within this total is revenue derived from current real estate taxes and real estate taxes paid by public service corporations. The FY2019 budget is balanced within the tax rate of \$0.87 per \$100 of assessed value for CY2018.

Assessment information for January 2018 indicates real estate assessments total \$37.9 billion, reflecting an increase of approximately \$2.2 billion, or 6.0 percent from the January 2017 assessed values. The increase was driven by increased residential reassessments of 4.7 percent. The commercial percentage of the tax base equated to 31.1 percent in January 2018, equal to the ratio in January 2017, as commercial real estate reassessments increased 4.3 percent.

Yearly projections for countywide assessments are based on a forecast model factoring in changes in both residential and commercial values as well as the addition of new residential and commercial construction. The FY2020 and FY2021 projections assume increases to the County’s real property tax collections of 5.3 percent and 4.4 percent, respectively.

Personal Property Taxes are levied on the tangible property of individuals and businesses. For individuals, this tax is primarily on automobiles and recreational vehicles. Business personal property includes motor vehicles, machines, furniture, computers, fixtures and tools. The approved budget maintains the following Personal Property Tax rates: \$3.50 per \$100 of assessed value for tangible personal property; \$0.30 per \$100 of assessed value for machinery and tools; \$0.50 per \$100 of assessed value on airplanes; and \$1.00 per \$100 of assessed value for one vehicle for rescue squad volunteers. Also included is the Personal Property Tax rate of \$0.01 per \$100 of assessed value for tangible personal property owned by disabled veterans and vehicles equipped for the physically handicapped. The FY2017 Approved Budget reduced the tax rate aircraft from \$1.60 per \$100 assessed value to \$0.50 per \$100. In FY2018 the tax rate for Data Centers was reduced to \$0.40 per \$100 assessed value. These tax reductions are reflective of an effort to enhance the County’s economic development efforts.

Personal Property Tax Revenues

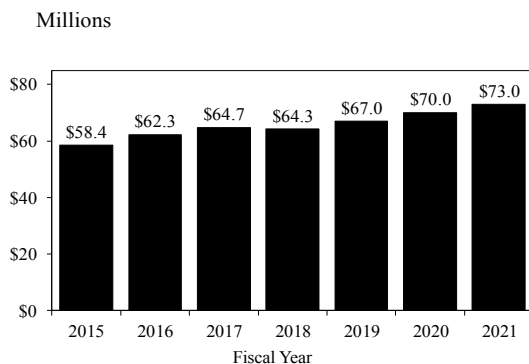


Fiscal Years 2018 through 2021 are estimated.
Actuals and projections include PPTRA.

FY2019 marks the twenty-first year of the Personal Property Tax Relief Act (PPTRA) enacted by the General Assembly in 1998, although actual reimbursements to localities were capped by the State in the 2004 legislative session. Due to the State payment cap, the amount of tax relief will vary by year and locality. The amount of funding Henrico will receive on an annual basis is \$37.0 million. For Henrico residents owning qualifying individual vehicles assessed at or below \$1,000, the State’s reimbursement is intended to pay 100.0 percent of the CY2018 tax levy. For qualifying individual vehicles assessed between \$1,001 and \$20,000, the State will pay Henrico County 52.0 percent of the CY2018 tax levy. With qualifying individual vehicles valued at \$20,001 or more, the State will pay Henrico County 52.0 percent of the CY2018 tax levy for the first \$20,000 of value only. The PPTRA payments from the State are included in the actual and projected revenues. Henrico’s payment from the State will remain constant at \$37.0 million, so as personal property values increase over time, the actual percentage of State reimbursement will decrease.

Personal Property Tax revenue is estimated at \$124.1 million for FY2019. This represents 12.3 percent of total General Fund revenue. This revenue includes taxes from current personal property, taxes on personal property owned by public service corporations, and PPTRA. It is projected that Personal Property Tax receipts will increase by 3.3 percent in FY2020 and 3.0 percent in FY2021.

Local Sales Tax



Fiscal Years 2018 through 2021 are estimated.

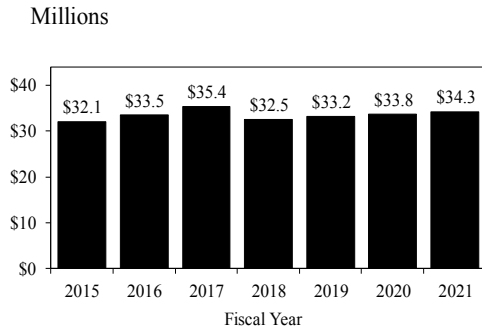
Other General Property Tax revenue includes delinquent real estate and personal property taxes, land redemptions and interest, and penalties on delinquent taxes.

Local Sales Tax revenue is considered an elastic revenue source because it is responsive to changes in the economy. Effective July 1, 2013, Virginia’s Sales Tax rate was increased from 5.0 percent to 5.3 percent with the State retaining 4.3 percent and the return to the locality will remain flat at 1.0 percent. Local Sales Tax revenue is projected to generate \$67.0 million in

FY2019, an increase of \$2.7 million, or 4.2 percent from the current fiscal year budget. Local Sales Tax revenues are projected to increase by 4.5 percent in FY2020 and 4.3 percent FY2021. Henrico County’s retailers continue to lead

the Richmond Metropolitan Area in the generation of Local Sales Tax revenue. As of May 2018, Henrico County is recording 39.0 percent of the Local Sales Tax dollars redistributed to localities in the Richmond Metropolitan Area by the State. Additionally, a sign of Henrico’s strength as a visitor destination that Henrico lead the largest localities in Virginia in per capita taxable sales for CY2017.

Business, Professional & Occupational License Tax (BPOL) Revenues



Fiscal Years 2018 through 2021 are estimated.

Business & Professional License (BPOL) Taxes are levied on businesses operating in the County. All County businesses must hold a valid business license, but that license may or may not be taxable. In January 1996, Henrico County embarked on the most ambitious BPOL tax reduction strategy in Virginia in an effort to continue to attract economic development to the County. This strategy, completed with the FY2000 Annual Fiscal Plan, resulted in the exemption of the first \$100,000 of gross receipts for County businesses. In FY2018, the county increased this exemption to the first \$200,000 of gross receipts and again, in FY2019, to the first \$300,000. This exemption is different from the “threshold” tax reduction in other Virginia localities. For Henrico County businesses, the first \$300,000 of gross receipts is exempt from the BPOL tax – regardless of total gross receipts. In a “threshold” locality, if a business exceeds

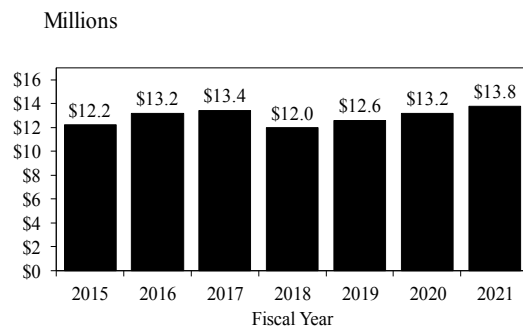
\$300,000 in gross receipts, all gross receipts are taxable as the tax reduction only applies to businesses with total gross receipts below the \$300,000 threshold. In addition, the FY2019 budget maintains a maximum uniform BPOL tax rate of \$0.20/\$100 of gross receipts for all business categories. Taking this increase to the BPOL tax exemption into consideration, the FY2020 and FY2021 forecast estimates BPOL tax receipts will increase to a level of \$33.8 million and \$34.2 million, respectively.

Motor Vehicle License Taxes are collected for every motor vehicle or trailer normally garaged, stored or parked in the County. This tax is projected to increase to \$6.7 million during the forecast period.

Consumer Utility Taxes are estimated to be \$2.7 million in FY2019 and increase to \$2.8 million in FY2020 and FY2021. The Code of Virginia authorizes localities to impose a tax on the consumers of public utilities (not the same as a tax on utility providers). Residential consumers of public utilities are taxed \$0.70 plus the rate of \$0.007537 per kilowatt hour not to exceed \$1.00 per month. Commercial consumers of public utilities are taxed \$1.15 plus the rate of \$0.007603 per kilowatt hour not to exceed \$10.00 per month.

Hotel/Motel Taxes under the Code of Virginia are defined as “transient occupancy taxes.” These taxes are similar to the Sales Tax in that they are based on the value of a purchase, which in this case is a motel or hotel room. The Hotel/Motel Tax rate in the Richmond Metropolitan Area is 8.0 percent, all of which is transferred to the Richmond Convention Center. At the end of the fiscal year, Henrico County’s local 2.0 percent component for tourism expenses will be returned from the Authority. FY2019 revenue estimates for the Hotel/Motel Tax total \$12.6 million. It is anticipated that revenues will increase by 4.8 percent in FY2020 and 4.6 percent in FY2021, respectively.

Hotel/Motel Tax Revenue



Fiscal Years 2018 through 2021 are estimated.

Food & Beverage (Meals) Tax represents revenue forecasted to be generated by the passage of the Meals Tax in November 2013. As pledged to the voters in Henrico, the ordinance passed by the Board of Supervisors in February, 2014 states the Meals Tax will be earmarked for School’s operating and capital budget needs. The FY2019 forecast is \$27.0 million, and it is projected that this revenue will increase to \$28.0 million in FY2020 and FY2021.

Bank Franchise Taxes are derived from the taxation of net capital on banks located in the County. In FY2019 Bank Franchise Taxes are estimated at \$5.0 million and will remain flat during the projection period.

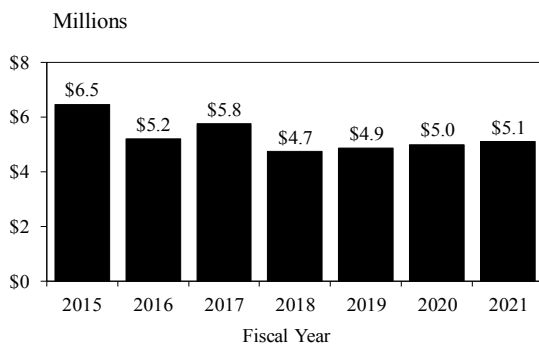
Other Local Taxes includes funds received for grantor’s taxes, recordation taxes, daily rental tax, and the consumption tax. In total \$5.8 million is budgeted in FY2019, which is an increase from the current fiscal year by \$250,000 or 4.5 percent. It is projected that Other Local Taxes will remain flat for FY2020 and FY2021.

Other Local Revenue:

Other Local Revenue is estimated to generate nearly \$27.5 million in FY2019. This represents a \$711,785, or a 2.7 percent decrease from FY2018. More detailed information on each of these categories of local revenue is included in the pages that follow.

Other Local Revenue	FY18 Original	FY19 Approved	Increase (Decrease)	Percent Change
Permits, Fees and Licenses	\$ 4,741,100	\$ 4,871,300	\$ 130,200	2.7%
Fines and Forfeitures	2,090,000	2,085,000	(5,000)	(0.2%)
Use of Money and Property	7,925,600	7,960,400	34,800	0.4%
Charges for Services	3,832,850	4,114,867	282,017	7.4%
Miscellaneous	8,222,970	8,492,738	269,768	3.3%
Total Other Local Revenue	\$ 26,812,520	\$ 27,524,305	\$ 711,785	2.7%

Permits, Fees, and Licenses



Fiscal Years 2018 through 2021 are estimated.

\$1,382,996.55 year-to-date in FY2018. The forecast for Permits, Fees and License revenues are projected to increase to \$5.0 million in FY2020 and \$5.1 million FY2021.

Fines and Forfeitures include revenue for such items as traffic and parking violations, false alarm fees and courthouse maintenance fees. This category is estimated at \$2.1 million for FY2019 and is projected to remain flat for FY2020 and FY2021.

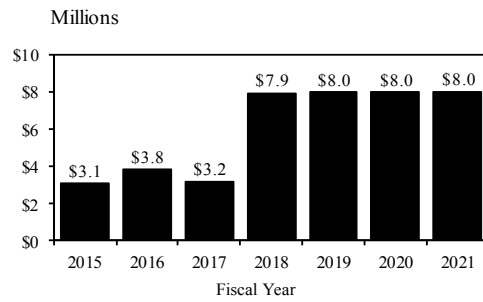
Permits, Fees and Licenses include such items as structure and equipment permits, municipal library fees, zoning application fees, fees for the rental of school facilities and dog licenses. This revenue category is estimated to generate \$4.9 million in FY2019, which represents a \$130,200, or 2.7 percent increase when compared to FY2018.

Building Permit Fees, which are an elastic revenue source, account for 71.7 percent of this revenue category in the current budget year. In FY2019 Building Permit Fees are estimated to increase by \$200,000 or 5.9%.

Information through May 2018 indicates an increase of 18.1 percent in the number of permits issued and an increase in permit value of 4.9 percent or

Use of Money and Property is estimated to generate \$8.0 million in FY2019. This category of revenue includes receipts from the sale of County property and interest on County investments. The County generates revenue from the prudent and timely investment of cash reserves. The County invests cash reserves in Banker's Acceptances, Certificates of Deposit, Commercial Paper and Treasury Notes. Adherence to stringent cash management principles requires investing public funds in instruments that are safe, liquid, and generate adequate yields (See "Financial Guidelines"). Revenue from use of money and property is projected to remain flat in FY2020 and in FY2021.

Use of Money and Property



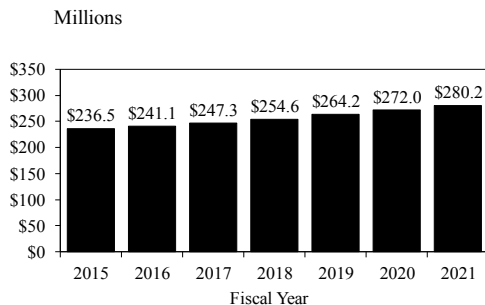
Fiscal Years 2018 through 2021 are estimated.

Charges for Services are revenues paid by users of various County services including participation fees for Recreation and Parks special interest classes and sports leagues; charges for overdue and lost books; cafeteria receipts; and charges for data processing services. Revenue from Charges for Services is estimated at \$4.1 million in FY2019 and is projected to increase to 1.0 percent in both FY2020 and FY2021.

State and Federal Revenue:

State and Federal revenue is estimated at \$357.9 million in FY2019, which represents 35.5 percent of total General Fund revenue. This is a projected increase of approximately 3.2 percent over the current fiscal year. This category is comprised of revenue for General Government programs totaling \$93.7 million and Education funding of \$264.2 million. The following is a look at the components.

State and Federal Aid to Education



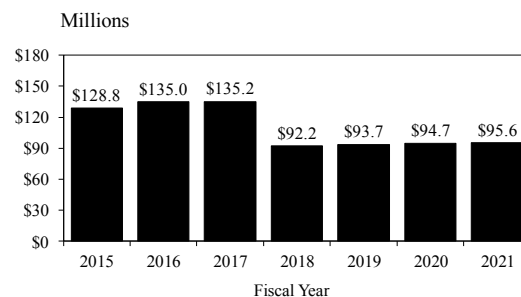
Fiscal Years 2018 through 2021 are estimated.

State and Federal Aid to Education is estimated to increase from \$254.5 million in FY2018 to \$264.2 million in FY2019. This represents an increase of \$9.6 million or 3.8 percent. The projection assumes an increase of 3.0 percent in FY2020 and FY2021.

Federal reimbursements for Education have a minimal impact on the level of total appropriations in the General Fund as all the Federal grants awarded to HCPS is recognized in the County's Special Revenue Fund. In FY2019, Federal funding in the General Fund for Education totals \$360,000 and is forecasted to remain constant in FY2020 and FY2021.

State and Federal Aid to General Government is estimated at \$93.7 million in FY2019. This represents an increase of \$1.5 million or 1.7 percent when compared to the FY2018 budget. General Government programs for which Henrico County receives State and Federal funding include police, street and highway maintenance, and partial payments for the salaries and benefits of constitutional officers and their employees. The budget estimate for the car tax payment from the State is included in the local Personal Property Tax projections for FY2018 through FY2021, due to the State not fully implementing the PPTRA (see Personal Property Taxes section). As such the budget for personal property tax is in one central location. It must be noted that the budget adopted by the Virginia General Assembly in May 2004 froze the PPTRA

State and Federal Aid to General Gov't.



Fiscal Years 2018 through 2021 are estimated. PPTRA payments are reflected in the FY2015-FY2017 totals. Current and future year projections include the estimate for personal property in one central location (local revenue).

reimbursement to localities. The payments to localities have equaled the FY2005 payment. Henrico's payment under the State cap is \$37.0 million. As such, over time, the reimbursement from the State has and continues to remain flat, while the local component (paid by the County taxpayers) has and will continue to increase.

Henrico is projected to receive \$46.1 million for road maintenance in FY2019. This includes the recalibration of the lane mile rate for which Henrico's gasoline tax allocation is calculated. This recalibration was part of the 2013 Omnibus Transportation package passed by the General Assembly. This forecast projects these funds to grow at a rate of 2.1 percent per year, with the remainder of State and Federal Aid remaining flat.

This is a result of legislation approved by the General Assembly in the 2006 Legislative Session, which was the passage of the Virginia Communications Sales & Use Tax (HB568). This bill changed the way certain communication mediums are taxed in Virginia by removing the taxing authority from localities and placing a statewide tax on certain services. Included in the statewide 5.0 percent sales and use tax are landline telephones, cellular telephones, Voice Over Internet Protocol (VOIP), paging services, cable television services, satellite television services, and satellite radio. With the passage of HB568, localities no longer administer several local taxes and fees such as the Consumer Utility taxes on landline telephones, the mobile phone utility tax, local E-911, and cable franchise fees. This does not affect the Consumer Utility Tax as it applies to electric and gas companies, as well as Wireless E-911 fees received by the County from the State. The State distributes the revenues from the Virginia Communications Sales and Use Tax to localities based upon FY2006 actual receipts for the taxes and fees that were eliminated, after administrative costs for the tax are covered along with funding for the telephone relay service center for the deaf and payment of any local cable franchise fees that will now be collected by the State Department of Taxation. In total, the Communications Sales & Use Tax, which went into effect January 1, 2007, is projected to total \$12.3 million in FY2019.

This forecast projects no Federal Aid to General Government in FY2019 as all budgeted sources of Federal Aid are included in the Special Revenue Fund.

Expenditures

Assumptions

While developing the FY2019 Annual Fiscal Plan, difficult decisions were required to bring the budget into balance and maintain the real estate tax rate at \$0.87 per \$100 of assessed value in CY2018. These decisions were reached after careful review and planning by the Board of Supervisors. This planning reaches beyond FY2019 and is intended to establish a balance between the County's recurring revenues and expenditures in future years. The FY2019 General Fund Budget of \$871.9 million represents an increase of \$32.2 million or 3.8 percent, which is discussed below and in greater detail in the County Manager's Budget Message and respective department narratives.

Education is the top priority of the Board of Supervisors. In FY2019, the Education budget represents 55.6 percent of General Fund expenditures. General Fund Education expenditures total \$485.1 million in the Annual Fiscal Plan, which represents an increase of \$15.2 million, or 3.1 percent. Of the total expenditures in Education, 45.5 percent are funded with locally generated revenues and 54.5 percent are funded with State and Federal funding. It must be noted that the totals above do not include Debt Service costs for Education, which are entirely a local responsibility (see the Debt Service Fund forecast).

For General Government, the total for the FY2019 Annual Fiscal Plan is \$386.7 million, which represents an increase of \$16.9 million, or 4.6 percent. The focus continues to remain on Public Safety. For the Police Division, \$423,222 has been added for the Body-Worn Camera/Taser Officer Safety Program. For the Division of Fire, \$654,430 was added for the first year of a five-year EMS CARE program and three new Firefighter positions were included for the final year of a three-year plan to add a total of nine new Firefighters for the alleviation of staffing pressures.

General Fund expenditures are forecasted to grow by 3.3 percent in FY2020 and 3.1 percent in FY2021. The proposed levels of operational funding allow for the continuation of existing service levels as well as new operating costs associated with capital projects approved by the Board of Supervisors. In addition, funding has been dedicated for much need operating and capital projects for Schools, various road maintenance and construction projects.

The FY2019 Capital Budget totals \$177.0 million. The five-year Capital Improvement Program for FY2019 through FY2023 includes requests that exceed \$1.2 billion. The County of Henrico will continue to ensure necessary Capital Projects are funded in a manner that maintains the County's AAA/AAA/Aaa bond ratings (See "Financial Guidelines"). Of the \$177.0 million FY2019 Capital Budget, \$62.4 million is for Water and Sewer projects. Water

and Sewer projects are funded by revenues from water and sewer user and connection fees and revenue bonds. The remaining balance of \$114.6 million within the FY2019 Capital Budget has been approved for Education and County General Fund supported departments. Of this total, \$53.0 million is supported by bonds overwhelmingly approved by the voters in November 2016. The total for the G.O. Bond Referendum was \$419.6 million, which will be issued to support projects for Education, Recreation, Public Safety, Libraries, and Road projects, over a six-year period.

As a means of ensuring the County does not rely too heavily on debt financing for required infrastructure improvements, the FY2019 Annual Fiscal Plan includes \$61.6 million in pay-as-you-go funding from a variety of sources. The FY2019 transfer of includes an allocation of \$40.6 million from General Fund balance. This allocation includes \$10.0 million for pay-as-you-go projects of which: \$5.0 million allocated for maintenance of General Government building and technology infrastructure; \$2.5 million is used for school roofing and mechanical needs, which has been included in the capital budget since 1998; and \$2.5 million for Countywide pedestrian improvements. The remaining \$30.6 million will be used for following projects: \$9.3 million for high school field upgrades; \$8.5 million for the Circuit Court renovation; \$4.9 million for the Woodman Road extension; \$3.8 million for the Human Services building renovation; \$3.0 million for the Sheriff Orbit facility; \$0.6 million for a Police Storage facility; and \$0.5 million for Oakley's Lane.

The FY2019 revenue transfer totals \$21.0 million, which includes; Motor Vehicle License Fee revenue of \$1.0 million, which supports various Public Works' ongoing projects; dedicated General Fund resources of \$2.3 million are included for an ongoing stormwater project to meet the County's Chesapeake Bay Total Maximum Daily Load (TMDL) permit requirement. The General Fund revenues transfer for FY2019 also includes \$8.6 million and will fund the School Bus Replacement Program, the Fire Apparatus Replacement Program, and the Police Vehicle Replacement Program.

Finally, the projected revenues from the food and beverage tax, commonly referred to as the "Meals Tax", will once again be allocated to Schools as prescribed in the ordinance the Board of Supervisors passed. A total of \$9.0 million is allocated to various Education capital projects. This revenue source was approved by the voters in November 2013 to fund capital and operational needs of the County's school system.

To (From) Debt Service Fund represents the forecast of General Fund support to the Debt Service Fund. The debt service levels through FY2021 are calculated on new, existing and projected debt service requirements. The forecast period is based on projected debt service costs arising from all prior debt issues, including debt authorized in prior referenda in 2000, 2005, and 2016.

To (From) Capital Projects is projected at \$61.6 million in FY2019, as discussed above. Projections for FY2020 and FY2021 include transfers of \$50.2 million and \$40.5 million in each year, respectively, for anticipated capital projects.

To (From) Water and Sewer Enterprise Fund represents the annual transfer to pay for the debt service costs associated with \$32.0 million in debt for infrastructure improvements made at the Elko Industrial Tract for current and future economic development prospects. The FY2019 estimate of these costs is \$1.9 million and the costs for FY2020 and FY2021 are estimated to remain relatively flat.

To (From) Risk Management Fund is the transfer of funds to support risk management operations. The fund was established in FY2005. The FY2019 transfer is for \$9.0 million to support the County's Risk Management operations, which includes the cost of the County's self-insurance program (excluding healthcare, which is a separate Internal Service Fund) and the cost to purchase insurance policies as well as funding the administrative costs of the operation. The anticipated transfer to fund the cost of the County's Risk Management operation is estimated to increase to \$10.0 million in FY2020 and \$11.0 million in FY2021 in an effort to minimize mid-year budget amendments for this area.

To (From) Special Revenue Fund is the anticipated local requirement from the General Fund to support a variety of State and Federal grant programs including the Capital Region Workforce Partnership (CRWP – formerly CATC), the Community Corrections Services Program (CCP), the Department of Social Services including the Comprehensive Services Act (CSA) program, and the Virginia Juvenile Community Crime Control Act (VJCCCA). Also included in the transfer is the County's funding for the curbside-recycling program in the Solid Waste Division and the County's funding for the Department of Mental Health and Developmental Services. The transfer to the Special Revenue Fund is estimated at \$30.4 million in FY2019. The projections over the forecast period are \$31.3 million in FY2020 and \$32.2 million in FY2021 and were determined after analyzing all the individual components of the Special Revenue Fund.

To (From) JRJDC Agency Fund represents the transfer to pay for Henrico County's share of the operating costs and debt service requirements associated with the James River Juvenile Detention Center (JRJDC). The JRJDC Agency Fund accounts for the James River Juvenile Detention Center budget. Henrico County, as the majority partner serves as the fiscal agent for the James River Juvenile Detention Center Commission. The JRJDC Agency Fund accounts for the Commission's revenues from participating localities, operating and debt service expenditures. As the forecast indicates, the transfer to the JRJDC Agency Fund is anticipated at \$3.2 million for FY2019, as the debt associated with the construction of the facility has been paid. The transfer for the JRJDC Agency fund is projected to increase to \$3.2 million in FY2020 and \$3.3 million in FY2021.

(To) From OPEB - GASB 45 represents the anticipated funding for the costs associated with the accounting requirement issued by the Government Accounting Standards Board (GASB) known as GASB 45. A new fiduciary fund was created in FY2006 with an allocation of \$6.7 million. The transfer will allow the County to budget for the annual cost of public employee non-pension benefits, all outstanding obligations and commitments related to Other Post-Employment Benefits (OPEB) in the same manner as reporting financial information for pensions. Projections for FY2019, FY2020, and FY2021 total \$2.7 million each year, which is anticipated to fully fund the County's obligation in this area.

(To) From Line of Duty represents the anticipated funding needed for expenses associated with the Line of Duty payments. The Line of Duty Fiduciary Fund was created in the FY2012-13 Annual Fiscal Plan because of a mandate from the Commonwealth of Virginia that requires localities to pay the cost of this State approved benefit. Projections for FY2019 were \$1.1 million, which will fund the County's obligation in this area. The transfer is projected to increase to remain flat in FY2020 and FY2021.

(To) From Long Term Disability represents the anticipated funding needed for expenses associated with the payments for County-provided long-term disability benefit for eligible General Government and Schools employees. In January 2017, the county contracted with Metropolitan Life Insurance Company to fully insure and administer a long-term disability program. Projections for FY2019, FY2020 and FY2021 remain flat at \$600,000 each year, which will fund the County's obligation in this area.

(To) From Fund Balance – General encompasses any money used to fund. The 2019 figure incorporates 4 areas: Capital Projects, Capital Reserve, Assigned and Unassigned. \$10.0 million in **Capital Projects** represents the allocation of funding for pay-as-you-go construction from the General Fund for Education and General Government to support various ongoing projects. **Capital Reserve** represents the allocation of designated funding for specific projects. In FY2019, \$17.7 million is being allocated for multiple projects. The FY2020 and FY2021 forecasted expenditures are budgeted at \$28.7 million and \$18.5 million, respectively, to cover future capital projects. **Assigned Fund Balance** totals \$9.3 million reserved for the renovation high school fields. **Unassigned Fund Balance** totals \$1.0 million for Fire Apparatus replacement.

(To) From Community Revitalization Fund is a new fund created to serve as a resource for improvement of older neighborhoods within Henrico with the flexibility to immediately address urgent problems. Current year revenues totaling \$2.0 million will be used to support this fund.

(To) From State Revenue Stabilization Fund is used to offset reduced State revenues in the event of a future recession. In FY19, an additional \$1.0 million will be added to this fund bringing the total fund to \$3.5 million. This is in addition to the significant improvement of the County's reserves over the past five years.

From Sinking Fund – Bond Ops are funds held in reserve to offset increases in future operating costs associated with schools, parks, fire facilities, and libraries that will be constructed with General Obligation Bond funds authorized by the voters in the March 2005 referendum. This funding source was first used in FY2003. The use of the designated fund balance is an allocation from the Sinking Fund reserve, which was created by the Board of Supervisors in FY2002 to pay for Bond Referendum operating costs. Once the large one-time incremental increases, which arise from these projects, dissipate, then the reserve will no longer be required. In FY2019, a forecasted use of \$0.9 million is anticipated while \$3.0 million and \$1.1 million is anticipated for FY2020 and FY2021, respectively.

Ending General Fund Balance represents reserves not appropriated for expenditure, including the assigned and unassigned balances. The unassigned portion of fund balance in FY2013 was reduced to 15.0 percent, from 18.0

percent of general fund expenditures to accommodate the funding of replacement Education and General Government vehicles. Unassigned fund balance is projected at 15.0 percent of general fund expenditures in FY2018, FY2019, FY2020, and FY2021.

General Fund Forecast

	FY16-17 Actual	FY17-18 Approved	FY18-19 Approved	FY19-20 Forecast	FY20-21 Forecast
Revenues:					
Current Real Estate Tax	\$ 301,412,803	\$ 305,500,000	\$ 323,750,000	\$ 341,000,000	356,000,000
P.S. Real Estate Tax	8,894,578	8,285,000	8,285,000	8,500,000	8,500,000
Current Personal Prop. Tax ⁽¹⁾	75,233,396	120,000,000	124,000,000	127,700,000	131,000,000
P.S. Personal Property Tax	77,920	115,000	115,000	70,000	70,000
Other General Property Tax	16,406,539	5,475,000	5,475,000	5,200,000	5,200,000
Local Sales Tax	64,666,206	64,275,000	67,000,000	70,000,000	73,000,000
Business License Tax	35,432,437	32,500,000	33,150,000	33,750,000	34,250,000
Motor Vehicle License Tax	7,199,016	6,325,000	6,500,000	6,600,000	6,700,000
Consumer Utility Tax	2,813,090	2,600,000	2,700,000	2,800,000	2,825,000
Bank Franchise Tax	17,318,152	5,000,000	5,000,000	5,000,000	5,000,000
Hotel/Motel Tax	13,448,236	12,000,000	12,600,000	13,200,000	13,800,000
Food & Beverage (Meals) Tax	28,443,883	22,988,000	27,000,000	28,000,000	28,000,000
Other Local Taxes	6,833,213	5,560,000	5,810,000	5,810,000	5,810,000
Local Taxes Sub-Total	578,179,469	590,623,000	621,385,000	647,630,000	670,155,000
Permits, Fees, & Licenses	5,763,288	4,741,100	4,871,300	5,000,000	5,100,000
Fines & Forfeitures	2,110,351	2,090,000	2,085,000	2,085,000	2,085,000
Use of Money & Property	3,153,825	7,925,600	7,960,400	7,965,150	7,975,000
Charges for Services	6,365,485	3,832,850	4,114,867	4,160,000	4,200,000
Miscellaneous Revenue	15,873,276	8,222,970	8,492,738	8,578,419	8,586,530
Total Local Revenue	611,445,694	617,435,520	648,909,305	675,418,569	698,101,530
State & Federal-Schools	247,292,997	254,562,000	264,185,000	272,000,000	280,160,000
State & Federal-General Government ⁽¹⁾	135,685,497	92,165,567	93,702,000	94,675,000	95,600,000
Total State & Fed. Revenue	382,978,494	346,727,567	357,887,000	366,675,000	375,760,000
Total Revenue	\$ 994,424,188	\$ 964,163,087	\$ 1,006,796,305	\$ 1,042,093,569	\$ 1,073,861,530
Transfers:					
(To) From Debt Service Fund	\$ (58,436,493)	\$ (57,762,829)	\$ (63,468,451)	\$ (69,934,408)	(69,870,149)
(To) From Capital Projects Fund	(47,473,678)	(35,067,380)	(61,564,800)	(50,172,800)	(40,472,800)
(To) From Enterprise Fund	(1,928,621)	(1,930,021)	(1,930,021)	(1,928,921)	(1,929,858)
(To) From Risk Management Fund	(16,814,470)	(8,392,479)	(8,965,327)	(9,985,327)	(11,005,327)
(To) From CAM	-	-	(99,500)	-	-
(To) From Technology Replacement	(2,000,000)	(2,250,000)	(2,500,000)	(2,750,000)	(3,000,000)
(To) From Special Revenue Fund	(28,642,053)	(29,189,507)	(30,394,745)	(31,306,587)	(32,245,785)
(To) From JRJDC Agency Fund	(2,979,622)	(3,069,011)	(3,158,722)	(3,221,896)	(3,286,334)
(To) From OPEB - GASB 45 Fiduciary Fund	(2,750,000)	(2,675,000)	(2,675,000)	(2,675,000)	(2,675,000)
(To) From Line of Duty	(569,869)	(700,000)	(1,100,000)	(1,100,000)	(1,100,000)
(To) From Long Term Disability	(522,540)	(600,000)	(600,000)	(600,000)	(600,000)
Use of Fund Balance - Public Works Revenues	-	-	3,678,910	-	-
Use of Fund Balance - Designated Permit Fee	1,000,000	-	-	-	-
Use of Fund Balance - Community Maintenance Reserve	-	-	2,000,000	-	-
(To) Fund Balance - Community Maintenance Reserve	-	-	(2,000,000)	-	-
Use of Fund Balance - Designated Fund Balance	3,100,000	-	-	-	-
Use of Fund Balance - Unassigned	350,000	-	1,000,000	750,000	500,000
(To) From Fund Balance - Hotel/Motel Tax Reimbursement	-	-	9,251,000	-	-
(To) From Fund Balance General Fund	(34,325,645)	-	-	-	-
(To) From Fund Balance - Meals Tax Reserve	(2,000,000)	(2,000,000)	-	-	-
(To) From Fund Balance - Meals Tax FY15	8,783,247	-	-	-	-
(To) From Fund Balance - Meals Tax FY16	2,000,000	-	-	-	-
Use of Fund Balance - Capital Projects	5,000,000	5,000,000	7,500,000	7,500,000	7,500,000
Use of Fund Balance - Pedestrian Improvements	-	2,500,000	2,500,000	2,500,000	2,500,000
Use of Fund Balance - Capital Reserve	4,899,400	6,826,777	17,662,090	18,700,000	8,500,000
Use of Fund Balance - MH/DS East Center Reserve	-	1,967,803	-	-	-
(To) From Revenue Stabilization Reserve	(1,000,000)	-	(1,000,000)	-	-
From Sinking Fund - Bond Ops	1,864,067	2,853,640	927,279	3,033,158	1,071,643
Total Transfers	\$ (172,446,277)	\$ (124,488,007)	\$ (134,937,287)	\$ (141,191,781)	\$ (146,113,610)
Total Resources	\$ 821,977,911	\$ 839,675,080	\$ 871,859,018	\$ 900,901,788	\$ 927,747,920

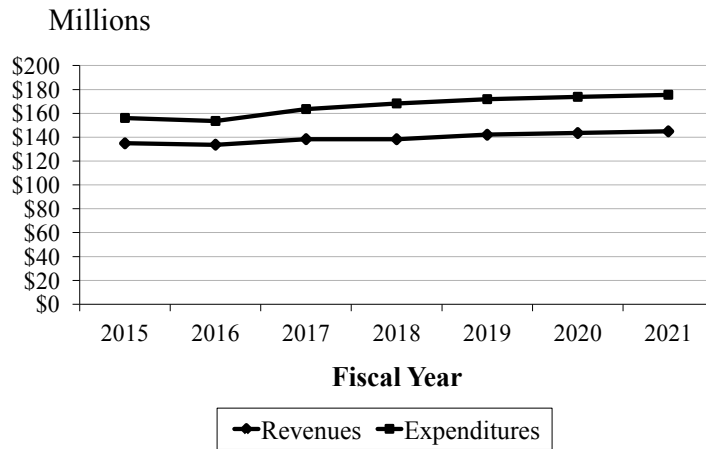
⁽¹⁾ Actual PPTRA Car Tax Reimbursements are reflected as State Aid, although budget estimates do not break out PPTRA Reimbursements from Current Personal Property Tax estimates. FY15 actual = \$37,001,783. Forecast period FY16 thru FY19 equal \$37,000,000.

	FY16-17 Actual	FY17-18 Approved	FY18-19 Approved	FY19-20 Forecast	FY20-21 Forecast
Expenditures:					
General Government Administration	\$ 55,774,969	57,871,707	60,491,164	62,305,899	64,175,076
Judicial Administration	8,265,448	8,500,620	8,851,985	9,029,025	9,209,605
Public Safety	180,804,070	177,239,282	185,422,465	190,985,139	196,714,693
Public Works	51,038,531	50,555,927	52,701,159	53,755,182	54,830,286
Health & Social Services	2,219,894	2,219,895	2,287,051	2,332,792	2,379,448
Education	452,437,492	469,907,245	485,141,995	501,215,706	515,952,176
Recreation & Culture	35,934,721	37,549,926	39,116,632	42,423,289	44,595,988
Community Development	24,795,454	24,121,923	25,125,846	25,879,621	26,656,010
Miscellaneous	10,707,332	11,708,555	12,720,721	12,975,135	13,234,638
Total Expenditures	\$ 821,977,911	\$ 839,675,080	\$ 871,859,018	\$ 900,901,788	\$ 927,747,920
Fund Balance:					
Restricted (*)	\$ 6,886,148	10,000,000	\$ 10,000,000	\$ 10,000,000	10,000,000
Assigned (**)	122,793,214	105,644,994	64,125,715	31,642,557	11,570,914
Unassigned Fund Balance	124,315,651	125,951,262	130,778,853	135,135,268	139,162,188
Total Fund Balance	\$ 253,995,013	\$ 241,596,256	204,904,568	\$ 176,777,825	\$ 160,733,102

* Represents reserves (largely comprised of encumbrances).

** Changes to designated fund balance are the results of the use of or addition to the Revenue Stabilization Fund and Designated State Revenues.

Three Year Forecast Revenues and Expenditures Special Revenue Fund



Fiscal Years 2018 through 2021 are estimated. Revenues exclude transfers from other funds.

SPECIAL REVENUE FUND

(Fund 11)

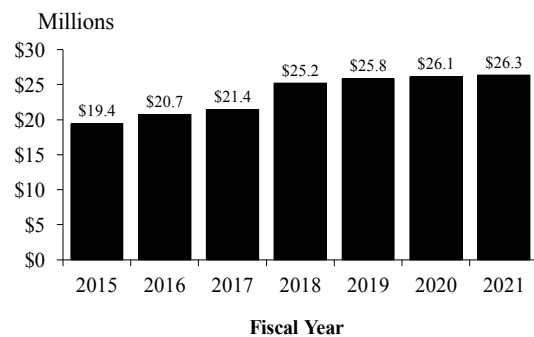
The Special Revenue Fund accounts for proceeds from revenue sources that legally restrict expenditures to specified purposes. Henrico County's Special Revenue Fund includes the Department of Public Utilities' Solid Waste and Street Lighting operations; Public Works' Watershed and Best Management Practices programs; Schools' Cafeteria Programs; Mental Health; Social Services; State and Federal grants for various educational and County programs; certain aspects of the Economic Development Authority; asset forfeitures; and the Police Metro Aviation Unit. The Special Revenue Fund budget for FY2018-19 is \$171,906,724, which represents an increase of \$3,579,807, or 2.1 percent, from the current fiscal year. No area of this budget grew by as much as 5.0 percent. The expenditure budget for Mental Health increased by approximately \$1.8 million, or 4.7 percent, while the allocation for Social Services expanded by \$1.2 million, which represents a 3.7 percent increase. The expense budgets for School Cafeteria and Solid Waste each decreased by less than 1.0 percent.

Revenues

Assumptions

School Cafeteria revenues support the operations of all County public school cafeterias. Funding is received from specific State and Federal government grant programs as well as revenues generated by the school lunch program. Receipts for FY2018-19 are estimated at \$25,819,205 compared to \$25,184,075 in FY2017-18, which is a 2.5 percent increase. FY2019-20 and FY2020-21 revenue estimates of \$26,077,397 and \$26,338,171, respectively, reflect projected increases of 1.0 percent based on anticipated growth in cafeteria operations.

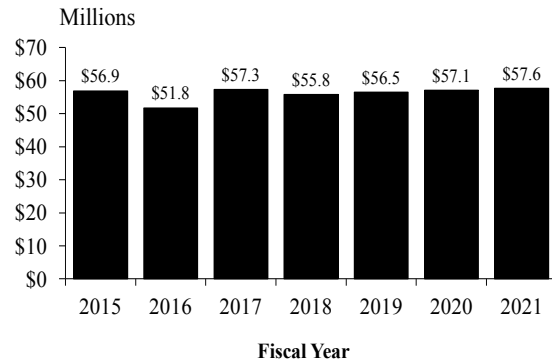
School Cafeteria Revenue



Fiscal Years 2018 through 2021 are estimated.

State, Federal and Other Grants revenue funds various programs, principally those related to Education, the Capital Region Workforce Partnership (CRWP), the Community Corrections Services Program (CCP), the Community Development Block Grant (CDBG), and the Virginia Juvenile Community Crime Control Act (VJCCCA). Grant funding for FY2018-19 totals \$56,506,881. In the event additional grant funding is received during the fiscal year, the County will recognize the revenue only after official notification has been received from the State or Federal government, and approval has been obtained in the form of a budget amendment from the Board of Supervisors. The forecasts for FY2019-20 and FY2020-21 each reflect annual increases in revenues of 1.0 percent.

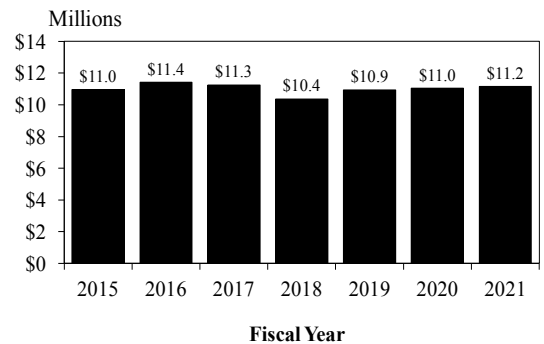
State, Federal, and Other Grant Revenue



Fiscal Years 2018 through 2021 are estimated. Revenues do not include transfers from other funds.

Solid Waste revenues support the operation and maintenance of the County's solid waste disposal services. A portion of the funding is user charges from customers who receive County refuse removal service. Revenue is also collected from landfill user fees paid by commercial trash hauling companies and County residents. The cost of providing curbside recycling, bagged leaf collection, neighborhood cleanup, and bulky waste services throughout the County will be funded by a General Fund subsidy to the Solid Waste Fund. The amount of the General Fund subsidy will be net of any user fee revenue generated by these services. No incremental increases in the General Fund subsidy are projected during the forecast period.

Solid Waste Revenue



Fiscal Years 2018 through 2021 are estimated. Revenues do not include transfers from other funds.

In FY2018-19, the revenue generated by fees related to the disposal of solid waste is forecasted to increase by \$574,685, or 5.5 percent. The forecasts for FY2019-20 and FY2020-21 each reflect annual revenue increases of 1.0 percent.

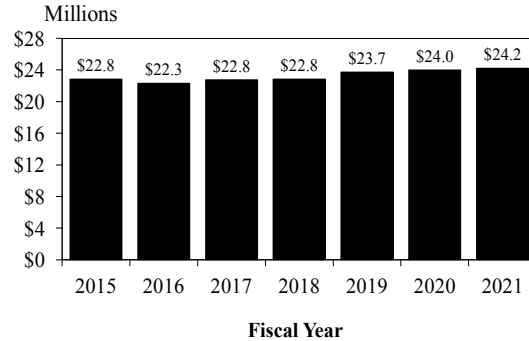
Street Lighting revenues fund the operation and maintenance of the street lighting districts throughout the County. Funding is provided by a specific annual surcharge levied on each property within a street light district. Street lighting revenue estimates throughout the forecast period support operating costs of existing streetlights.

Mental Health revenues are restricted to providing community based mental health, developmental, and substance abuse services to the residents of Henrico, Charles City, and New Kent counties. Budgeted revenues for Mental Health total \$23,734,401 for FY2018-19. State revenues are projected to be \$9,240,509, while federal revenues of \$1,723,774, fee revenues of \$11,528,958, Mental Health grant reserve funding of \$700,000, and \$290,000 of contract revenues from Sheltered Employment, are also anticipated. Additionally, Henrico is budgeted to receive a total of \$251,160 of fee revenues from Charles City and New Kent counties. A 1.0 percent increase in Mental Health revenues is projected for both FY2019-20 and FY2020-21. The forecast is based on modest anticipated increases in State and Federal grant funding. MH/DS/SA receives funding through State and Federal Aid programs including the Reinvestment Program, Community Care Funds from the State, and the Part C Grant program. It is expected that these funding sources will continue in the future.

The Police Metro Aviation Unit is a regional multi-jurisdictional effort that includes the City of Richmond, along with Chesterfield and Henrico counties. It is projected that each locality will contribute \$127,334 in FY2018-19, FY2019-20, and FY2020-21. It is anticipated that the State Supreme Court will reimburse the Metro Aviation Unit \$80,000 for costs incurred to extradite prisoners in each year of the forecast period.

Social Services revenues support an array of community services. Among them are supplemental nutrition, assistance for needy families, medical assistance, protective services, and assistance with foster care and adoption. Additionally, the Comprehensive Services Act (CSA) is funded within this department. The Social Services revenues for FY2018-19 total \$23,745,565, of which \$7,662,934 is directed toward CSA and the remaining \$16,082,631 support all other Social Services efforts. Of the total revenues forecasted for these programs, State revenues are projected to total \$12,479,600 while federal revenues of \$11,215,401 and other local revenues of \$50,564 are also anticipated. A 1.0 percent increase in revenues is projected for both FY2019-20 and FY2020-21, based on anticipated increases in State and Federal funding.

Social Services Revenue



Fiscal Years 2018 through 2021 are estimated. Revenues do not include transfers from other funds.

Best Management Practice devices are basins for treating storm water to improve water quality. The Department of Public Works is responsible for the long-term maintenance of Best Management Practice (BMP) devices in single family residential subdivisions within Henrico County. The BMP maintenance fee of \$100 per lot is paid by developers at the time subdivisions are recorded. **The Watershed Management Program** provides alternatives to construction of BMPs in certain areas and will reduce the number of BMPs constructed in the future. The fee for the environmental fund is \$8,000 per pound of pollutant removal required and is paid by developers prior to POD approval and subdivision recordation.

(To) From General Fund represents local revenues, received by the General Fund and transferred to the Special Revenue Fund. Several State and Federal programs require a commitment of local funds before the locality is eligible to receive grant funds.

In FY2018-19, the transfer of \$30,394,705 includes the County's contribution of \$1,453,448 to fund the Community Corrections Programs, the Capital Region Workforce Partnership (CRWP), the Special Drug Prosecutor, Virginia Juvenile Community Crime Control Act (VJCCCA), and the State Victim/Witness Program. Additional transfers are distributed as follows: \$127,332 for Henrico County's portion of the regional Police Metro Aviation Unit; \$3,018,511 in support of Solid Waste programs; \$10,341,571 in local support of Social Services, which includes funding for the CSA; and \$15,453,883 for Mental Health. The total transfer from the General Fund is projected to increase to \$31,306,587 in FY2019-20 and \$32,245,785 in FY2020-21.

(To) From School Cafeteria Fund Balance is a reserve, accumulated from the operation of the school cafeterias. The School Board's practice has been to charge enough for cafeteria meals to cover the cost of providing the service to County students. Expenditure projections are based on prior experience and student enrollment. It is anticipated that \$222,452 will be added to the School Cafeteria Fund balance in FY2018-19.

(To) From Solid Waste Fund Balance is a reserve, which has accumulated over time from the Solid Waste operations to fund expansion and closure projects related to County owned landfills. It is the County's practice to ensure Solid Waste charges are sufficient to cover operating expenditures. Occasionally, operational costs exceed revenues and a use of reserves is required. The budget for FY2018-19 anticipates the addition of \$323,389 to the Solid Waste Fund balance. The forecast for FY2019-20 and FY2020-21 reflects anticipation of further increases to the fund balance.

Expenditures

Assumptions

The development of the FY2018-19 Special Revenue Fund budget assumes recurring revenues will support recurring expenditures in future years. Special Revenue Fund resources and requirements for FY2019-20 and FY2020-21 are expected to grow at an average rate of 1.0 percent respectively. The modest growth rate in grant related revenue is predicated on the basis that ongoing Federal and State budgetary constraints will limit substantial increases in grant funding.

Ending Special Revenue Fund Balance is the sum of fund balances in all sub-funds, which are expected to remain on June 30th of each of the forecasted fiscal years, within the School Cafeteria Fund, Solid Waste Fund, and Street Light Fund. The State and Federal Grants fund balance and the Economic Development Authority Fund balance are forecasted to be zero in FY2017-18 through FY2020-21. If a balance exists on June 30th, it is the County's policy to carry those funds forward to the next fiscal year.

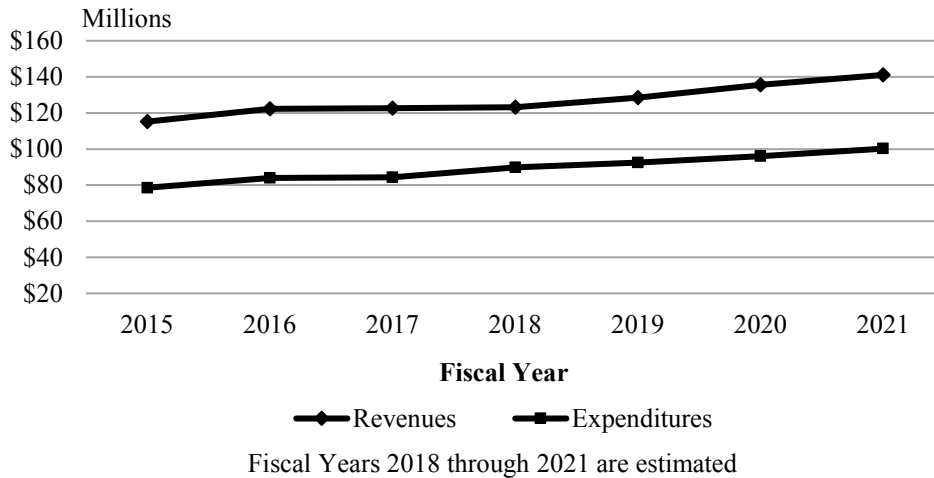
Special Revenue Fund Forecast

	<u>FY 16-17</u> <u>Actual</u>	<u>FY 17-18</u> <u>Original</u>	<u>FY 18-19</u> <u>Forecast</u>	<u>FY19-20</u> <u>Forecast</u>	<u>FY20-21</u> <u>Forecast</u>
Revenues:					
School Cafeteria	\$ 21,448,473	\$ 25,184,075	\$ 25,819,205	\$ 26,077,397	\$ 26,338,171
State, Federal & Other Grants	57,305,592	55,842,032	56,506,881	57,071,950	57,642,669
Asset Forfeitures	212,191	0	0	0	0
Donations	22,652	0	0	0	0
Revenue from Local Sources - CDA	1,480,000	0	0	0	0
Solid Waste	11,256,266	10,362,315	10,937,000	11,046,370	11,156,834
Street Lighting	75,479	83,100	83,100	83,100	83,100
Mental Health	22,212,234	22,758,903	23,734,401	23,971,745	24,211,462
Metro Aviation/Extradition	274,241	334,668	334,668	334,668	334,668
Social Services	22,754,157	22,840,225	23,745,565	23,983,021	24,222,851
Watershed/Best Management Practices	1,313,287	897,000	897,000	897,000	897,000
Subtotal Revenues	<u>\$138,354,572</u>	<u>\$138,302,318</u>	<u>\$142,057,820</u>	<u>\$143,465,251</u>	<u>\$144,886,755</u>
From General Fund:					
State, Federal & Other Grants	\$ 1,412,679	\$ 1,361,074	\$ 1,453,448	\$ 1,497,051	\$ 1,541,963
Mental Health	13,875,501	14,667,336	15,453,883	\$ 15,917,499	\$ 16,395,024
Metro Aviation	93,646	127,332	127,332	\$ 131,152	\$ 135,087
Social Services	10,241,716	10,015,254	10,341,571	\$ 10,651,818	\$ 10,971,373
Solid Waste	3,018,511	3,018,511	3,018,511	\$ 3,109,066	\$ 3,202,338
Subtotal From General Fund	<u>\$ 28,642,053</u>	<u>\$ 29,189,507</u>	<u>\$ 30,394,745</u>	<u>\$ 31,306,587</u>	<u>\$ 32,245,785</u>
(To) Capital Projects Fund for Solid Waste	(150,000)	(600,000)	0	0	0
(To) Capital Projects Fund for Mental Health	(1,018,500)	(4,869,420)	0	0	0
(To) From Mental Health Fund Balance	1,018,500	4,869,420	0	0	0
(To) From School Cafeteria Fund Balance	(926,038)	575,947	(222,452)	0	0
(To) From Solid Waste Fund Balance	(2,342,665)	859,145	(323,389)	(386,993)	(453,044)
Total Resources	<u>\$163,577,922</u>	<u>\$168,326,917</u>	<u>\$171,906,724</u>	<u>\$174,384,845</u>	<u>\$176,679,496</u>
Expenditures:					
School Cafeteria	\$ 20,522,435	\$ 25,760,022	\$ 25,596,753	\$ 26,077,397	\$ 26,338,171
State, Federal & Other Grants	58,953,114	57,203,106	57,960,329	58,569,001	59,184,632
Economic Development Authority	1,480,000	0	0	0	0
Solid Waste	11,782,112	13,639,971	13,632,122	13,768,443	13,906,128
Street Lighting	75,479	83,100	83,100	83,100	83,100
Mental Health	36,087,735	37,426,239	39,188,284	39,889,245	40,606,487
Metro Aviation/Extradition	367,887	462,000	462,000	465,820	469,755
Social Services	32,995,873	32,855,479	34,087,136	34,634,839	35,194,224
Watershed/Best Management Practices	1,313,287	897,000	897,000	897,000	897,000
Total Expenditures	<u>\$163,577,922</u>	<u>\$168,326,917</u>	<u>\$171,906,724</u>	<u>\$174,384,845</u>	<u>\$176,679,496</u>
Ending Special Revenue Fund Balance:					
Schools	\$ 10,304,205	\$ 9,728,258	\$ 9,950,710	\$ 9,950,710	\$ 9,950,710
State, Federal & Other Grants, Forfeitures *	26,169,892	0	0	0	0
Economic Development Authority **	2,848,001	0	0	0	0
Solid Waste	21,187,929	20,328,784	20,652,173	21,039,166	21,492,210
Street Lighting	803,616	803,616	803,616	803,616	803,616
Total Fund Balance	<u>\$ 61,313,643</u>	<u>\$ 30,860,658</u>	<u>\$ 31,406,499</u>	<u>\$ 31,793,492</u>	<u>\$ 32,246,536</u>

* Forecast assumes miscellaneous grant appropriations will be spent by 6/30/17. Any unspent appropriations will be carried forward into FY2017-18.

** EDA balances will be appropriated annually, through a budget amendment, based on actual receipts.

Three Year Forecast Revenues and Expenditures Enterprise Fund – Water & Sewer



ENTERPRISE FUNDS

(Funds 51 and 52)

Enterprise Funds account for operations funded and operated in a manner similar to private business enterprises, where the intent of the County is to recover, through user charges, the cost of providing services to users of the service.

The Water and Sewer Enterprise Fund (Fund 51) accounts for the provision of water and sewer services to residents of Henrico County, and wholesale service to Hanover and Goochland Counties. The Belmont Park Golf Course Enterprise Fund (Fund 52) accounts for the operations of Belmont Park Golf Course. All activities necessary to provide such services are accounted for in the respective funds, including operations, maintenance, construction, financing, and related debt service.

The three-year forecast narrative of revenues and expenditures has been prepared for each of these operations separately, using the same basic framework as the General Fund.

Water and Sewer Operations (Fund 5101)

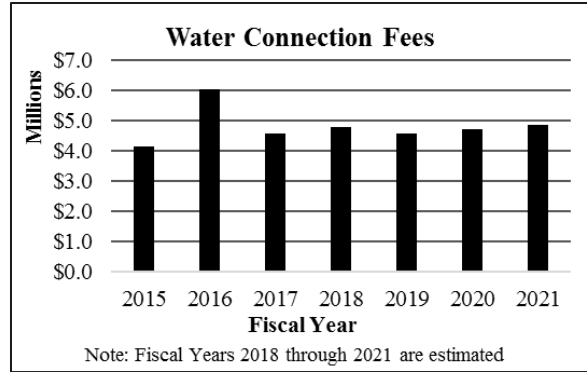
Revenues

Assumptions

Water and Sewer Enterprise Fund revenues are forecasted with increases in customer growth necessary to keep pace with routine operating costs, expansion and rehabilitation of infrastructure and the debt service payments on outstanding debt. Forecasted revenues also satisfy the requirements of the County’s revenue bond covenants for current and future debt issues.

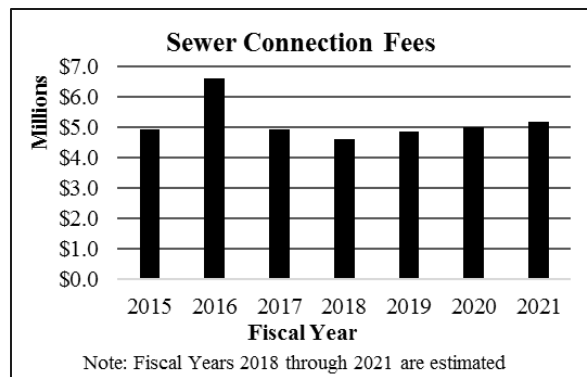
Sale of Water for FY2018-19 is based on a 5.0 percent increase in water rates. Forecasts for FY2019-20 and FY2020-21 were prepared using 5.0 percent rate increases in each year. These increases will support inflationary growth in expenditures and planned rehabilitation projects, as well as future new capital infrastructure needs, including the Cobbs Creek Reservoir.

Water Connection Fees are those fees collected for initial connection to the County's water distribution system. This revenue category mirrors economic development activity and all collections are used to fund the cost of expanding the County's water system. Forecasted revenue collections in FY2018-19 reflect no change to the water connection fees. The forecast for water connection fees reflects 3.0 percent growth in FY2019-20 and FY2020-21, which reflects a conservative estimate of growth in the commercial and residential real estate.



Sale of Sewer Services for FY2018-19 is based on a 5.0 percent increase in sewer rates. Like Sale of Water Service revenues, noted above, forecasts for FY2019-20 and FY2020-21 were prepared using 5.0 percent rate increases in each year. Most of this increase will be used to support growth in expenditures and capital infrastructure projects and rehabilitation.

Sewer Connection Fees are those fees collected for initial connection to the County's sewage system. This revenue category mirrors economic development activity and all collections are used to fund the cost of expanding the County's sewer system. Like water connections fees, as noted above, the forecast for FY2018-19 reflects no change in sewer connection fees. A 3.0 percent increase in collections has been projected for both FY2019-20 and FY2020-21 which reflects a conservative estimate of commercial and residential real estate growth.



(To) From General Fund includes the General Fund payment to support debt service on the portion of the \$32,000,000 subordinate Water and Sewer Revenue bonds sold in FY1997-98 to fund the infrastructure improvements of the Elko Tract in eastern Henrico County (these bonds were refunded in FY2009-10). The payment in FY2018-19 totals \$1,930,021. With the refunding of the \$32,000,000 subordinate Water and Sewer Revenue bonds in FY2009-10, the structure of these payments from the General Fund is solely reflected in the General Fund transfer amount.

(To) From OPEB - GASB 45 represents the anticipated funding for the costs associated with the accounting requirement issued by the Government Accounting Standards Board (GASB) known as GASB 45. A new fiduciary fund was created in FY2006. As of FY2019, this amount was reflected as an expenditure in the Water and Sewer Enterprise Fund for budget purposes, therefore, was not reflected as a transfer to OPEB – GASB 45. This payment will allow the Water and Sewer Enterprise Fund to budget for the annual cost of water and sewer employee non-pension benefits, all outstanding obligations and commitments related to Other Post-Employment Benefits (OPEB) in the same manner as reporting financial information for pensions. The expenditure projections for FY2019, FY2020, and FY2021 total \$75,000 each year, which is anticipated to fully fund Water and Sewer's obligation in this area.

Budget for Capital Use projections represent non-bond resources, available from Water and Sewer Operations to supplement utility infrastructure rehabilitation, expansion and other capital improvement activities. The transfer amounts for the forecast period reflect the planned appropriations for capital improvement projects to be supported by non-bond resources.

Expenditures Assumptions

Expenditures developed for the forecast period represent total operating costs for providing water and sewer service to County residents. Operating costs include infrastructure maintenance, operation of the water and sewer systems and debt service on bond issues.

Results of Operations (Prior to Capital Expenses) reflect the anticipated variance of revenues less expenditures.

Water and Sewer Construction Fund (Fund 5102)

Capital Budget Expenditures

Assumptions

Approved/Proposed Capital Projects are expected to total \$62.4 million in FY2018-19, \$27.8 million in FY2019-20, and \$32.0 million in FY2020-21. These projections represent expenditures for projects planned in future years listed in the Capital Projects Fund section of this budget document.

Continuing Capital Projects represent the expenditures in construction appropriations based on projected resources and corresponding expenditures throughout the forecast period.

Capital Budget Resources

Assumptions

Water and Sewer Revenue projections represent non-bond resources transferred from the Operations sub-fund to the Construction sub-fund to support costs related to system rehabilitation, expansion and improvements. This transfer includes the connection fees paid by real-estate developers and new customers for initial connection to the County's water and sewer systems.

Revenue Bonds represents the proceeds from the sale of revenue bonds for new and rehabilitation capital projects.

Water & Sewer Enterprise Fund Forecast

	<u>FY16-17 Actual</u>	<u>FY17-18 Original</u>	<u>FY18-19 Forecast</u>	<u>FY19-20 Forecast</u>	<u>FY20-21 Forecast</u>
Water & Sewer Operations Subfund					
Revenues:					
Sale of Water	\$ 54,616,230	\$ 53,973,909	\$ 56,587,528	\$ 59,416,904	\$ 62,387,750
Water Connection Fees	4,574,104	4,780,020	4,567,875	4,704,911	4,846,059
Sale of Sewer Services	52,637,429	53,095,870	56,648,416	59,480,837	62,454,879
Sewer Connection Fees	4,906,675	4,597,271	4,863,316	5,009,215	5,159,492
Miscellaneous Revenue	4,027,912	4,855,493	3,967,612	4,086,640	4,290,972
Transfer from General Fund	1,928,621	1,930,021	1,930,021	1,928,921	1,929,858
Transfer to OPEB	0	(75,000)	0	0	0
Total Revenue	\$ 122,690,971	\$ 123,157,584	\$ 128,564,768	\$ 134,627,429	\$ 141,069,009
Expenditures:					
Personnel	\$ 21,219,544	\$ 21,262,571	\$ 21,924,590	\$ 22,363,082	\$ 22,810,343
Operating	41,637,881	42,075,332	42,305,712	43,151,826	44,014,863
Capital Outlay	712,589	785,527	785,527	801,238	817,262
Sub-Total	63,570,014	64,123,430	65,015,829	66,316,146	67,642,468
Debt Service	20,688,291	25,638,101	27,402,027	29,749,929	32,568,381
Total Expenditures	\$ 84,258,305	\$ 89,761,531	\$ 92,417,856	\$ 96,066,075	\$ 100,210,849
Results of Operations (Prior to Capital Expenses)	38,432,666	33,396,053	36,146,912	38,561,355	40,858,160
Budget For Capital Use (Below)	69,384,000	(77,550,000)	(62,400,000)	(27,800,000)	(31,950,000)

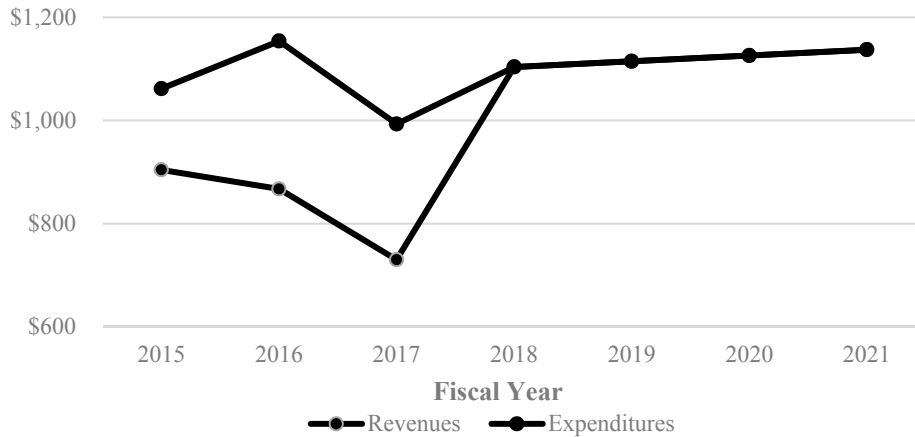
Capital Budget Expenditures	<u>FY16-17 Actual</u>	<u>FY17-18 Original</u>	<u>FY18-19 Forecast</u>	<u>FY19-20 Forecast</u>	<u>FY20-21 Forecast</u>
Approved/Requested Capital Projects	\$ -	\$ 77,550,000	\$ 62,400,000	\$ 27,800,000	\$ 31,950,000
Continuing Capital Projects (Previously Approved) ⁽¹⁾	69,384,000	-	-	-	-
Total Capital	\$ 69,384,000	\$ 77,550,000	\$ 62,400,000	\$ 27,800,000	\$ 31,950,000
Capital Budget Resources					
Water and Sewer Revenues	\$ 16,202,000	\$ 77,550,000	\$ 42,100,000	\$ 19,300,000	\$ 23,450,000
Revenue Bonds	53,182,000	-	20,300,000	8,500,000	8,500,000
Total Capital Budget Resources	\$ 69,384,000	\$ 77,550,000	\$ 62,400,000	\$ 27,800,000	\$ 31,950,000

Notes:

⁽¹⁾ This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2016-17 represents actual spending, as per the 2017 audit.

Note: Fund Equity as of June 30, 2017 was \$101,851,492.

Three Year Forecast Revenues and Expenditures Enterprise Fund – Belmont Golf Course



Fiscal Years 2018 through 2021 are estimated.

Belmont Park Golf Course Operations (Fund 5201)

Revenues

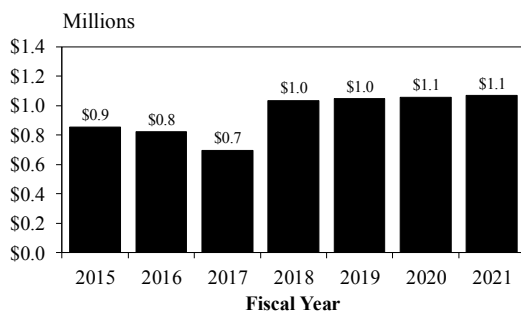
Assumptions

Golf Course Fees revenue for FY2018-19 is estimated to total \$1,044,893, which reflects an increase of \$11,148 or 1.1 percent. There are no scheduled changes in the golf course fees for FY2018-19. Revenue projections for FY2019-2020 and FY2020-21 are based upon modest one percent growth.

Snack Bar Revenues prior to January 1, 2000, there revenues were a percentage of gross receipts from the vendor operating the snack bar. Since January 1, 2000, the County operates the Snack Bar with departmental employees and collects all revenues from snack bar sales. Revenues are projected at \$70,000 for FY2018-19, FY2019-20, and FY2020-21.

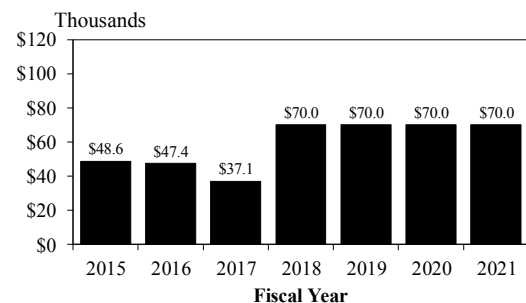
(To) From Golf Course Retained Earnings is Retained Earnings from golf course operations to be used for future golf course operations, maintenance or improvements. During the forecast period there is no scheduled use of Retained Earnings.

Golf Course Fees



Fiscal Years 2018 through 2021 are estimated.

Snack Bar Revenues



Fiscal Years 2018 through 2021 are estimated.

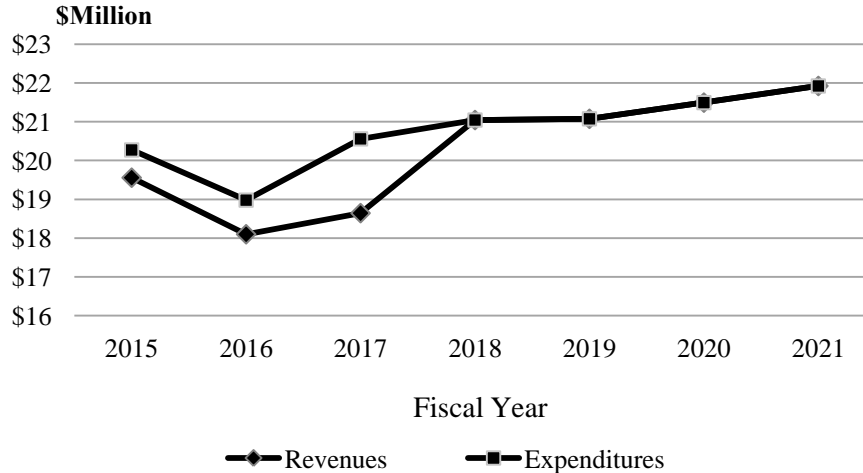
Expenditures

Assumptions

Operational Expenses in FY2018-19 are estimated to increase by \$11,148 or 1.0 percent. Expenditure reductions were made in FY2014-15 through a number of targeted efforts, realizing greater efficiencies, and reducing personnel expenses at the Golf Course, including eliminating one position from the Golf Course's complement. Expenditure estimates in FY2019-20 and FY2020-21 reflect modest 1.0 percent growth per year.

	Belmont Golf Course				
	Enterprise Fund Forecast				
	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
	Actual	Original	Forecast	Forecast	Forecast
Belmont Golf Course Operations					
Revenues:					
Golf Course Fees	\$ 693,626	\$ 1,033,854	\$ 1,044,893	\$ 1,056,041	\$ 1,067,302
Snack Bar Revenues	37,082	70,000	70,000	70,000	70,000
Gain/Loss on Sale of Property	(7,689)	-	-	-	-
Recoveries & Rebates	6,810	-	-	-	-
Transfer fom General Fund	-	-	-	-	-
Total Revenues	<u>\$ 729,829</u>	<u>\$ 1,103,854</u>	<u>\$ 1,114,893</u>	<u>\$ 1,126,041</u>	<u>\$ 1,137,302</u>
Plus:					
(To)From Golf Course					
Retained Earnings	263,395	-	-	-	-
Total Resources	<u>\$ 993,224</u>	<u>\$ 1,103,854</u>	<u>\$ 1,114,893</u>	<u>\$ 1,126,041</u>	<u>\$ 1,137,302</u>
Expenditures:					
Operational Expenses	<u>\$ 993,224</u>	<u>\$ 1,103,854</u>	<u>\$ 1,114,893</u>	<u>\$ 1,126,041</u>	<u>\$ 1,137,302</u>

Three Year Forecast Revenues and Expenditures Central Automotive Maintenance



Fiscal Years 2018 through 2021 are estimated. Revenues exclude transfers from other funds.

CENTRAL AUTOMOTIVE MAINTENANCE

(Fund 61)

Central Automotive Maintenance, which operates as an Internal Service Fund, accounts for the County's Central Automotive Maintenance operation. Resources for this fund are primarily from interdepartmental charges.

Revenues

Assumptions

Charges for Automotive Maintenance - West are billings by Central Automotive Maintenance (CAM) for work performed at the maintenance facility on Woodman Road, in the western part of the County. Projected billing for FY2018-19 is \$9,291,690. Projected billings for FY2019-20 and FY2020-21 are forecasted at \$9,570,441 and \$9,857,554, respectively. Projected increases of 3.0 percent are based on the anticipated actual billings for the maintenance facility during this period.

Charges for Automotive Maintenance - East are billings by CAM for work performed at the maintenance facility on Dabbs House Road, in the eastern portion of the County. Projected billing for FY2018-19 is \$2,250,000. Projected billings for FY2019-20 and FY2020-21 are \$2,317,500 and \$2,387,025, respectively, representing a 3.0 percent annual increase.

Charges for Use of Motor Pool are collected from departments using County motor pool vehicles. These charges offset maintenance and operational expenses as well as accumulating a reserve for replacement of motor pool vehicles. The vehicle replacement reserve is based on replacing the vehicles after 80,000 miles for smaller cars and 100,000 miles for pickup trucks and larger vehicles. Projected billing for the use of vehicles in FY2018-19 is \$3,910,500. Projected billings for FY2019-20 and FY2020-21 are \$3,988,710 and \$4,068,484, respectively, assuming an annual 2.0 percent increase due to projected vehicle replacements and the rising cost of repairs.

Charges for Gasoline represents the charge for gasoline and diesel fuel used by County departments. A nominal mark-up on top of the wholesale price is used to offset CAM's maintenance and operational expenses in this area. The recent decreases in the wholesale cost of gasoline reflect the volatility of this commodity, therefore the projections for gasoline at this moment remain flat at \$5,828,801.

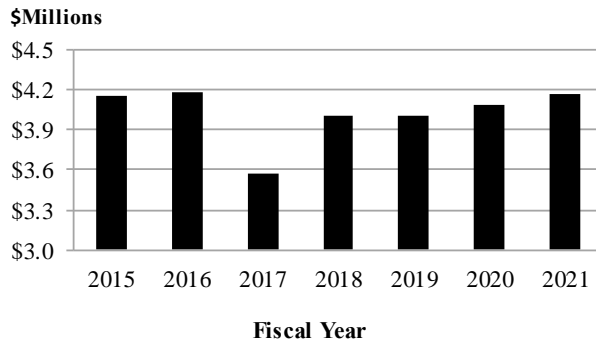
Charges for Wash Facility represents charges for use of a large vehicle wash facility, which became operational in March 2017. It is estimated that use of this facility will generate \$136,000 of revenue each year, from FY2018-19 through FY2020-21.

(To) From General Fund is the transfer from General Fund for the initial purchase of new motor pool vehicles. No transfers are anticipated during the forecasted period as the purchase of new motor vehicles will be funded with generated revenues and retained earnings.

(To) From Capital Projects is the transfer from CAM’s retained earnings to the Capital Projects Fund for purchase of a one-time Capital need. There is no current or future planned use of retained earnings.

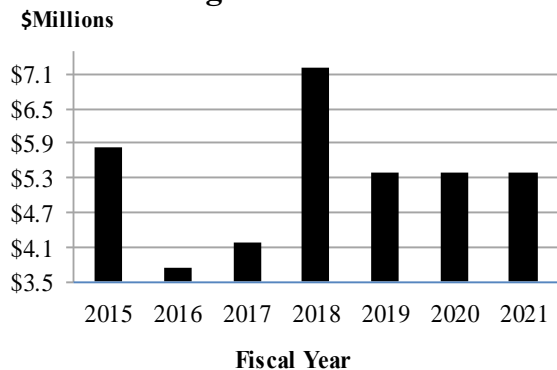
(To) From Internal Service Fund Retained Earnings is used to accumulate a reserve for replacement of motor pool vehicles when the vehicles reach the end of their useful life. Occasionally, increases in the cost of CAM operations, such as in gasoline and diesel fuel, requires Internal Service Fund Retained Earnings to be utilized to offset a portion of the additional expenses. It should be noted that a portion of the motor pool charge is also set aside for the replacement of vehicles.

Charges for Use of Motor Pool



Fiscal years 2018 through 2021 are estimated.

Charges for Gasoline



Fiscal years 2018 through 2021 are estimated.

Expenditures

Assumptions

The development of the Central Automotive Maintenance Internal Service Fund budget assumes revenues and transfers will support expenditures in future years. For FY2019-20 and FY2020-21, Central Automotive Expenses expenses are projected to grow at 2.0 percent annually.

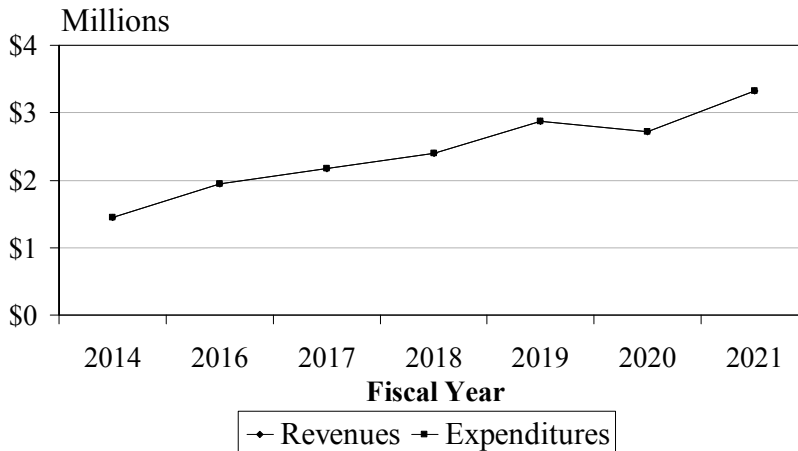
The proposed level of operational funding allows for increases in personnel costs such as changes in the cost of benefits and provides adequate operational adjustments necessary to overcome increases of vehicle repairs.

Retained Earnings, June 30, 2017, is \$2,026,849. The impact of anticipated resources and expenditures on the ending balance is projected for each fiscal year of the forecast period, and anticipates no change.

Central Automotive Maintenance Internal Service Fund Forecast

	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
	Actual	Original	Forecast	Forecast	Forecast
Revenues:					
Charges for Auto Maint West	\$ 8,545,707	\$ 7,149,379	\$ 9,291,690	\$ 9,570,441	\$ 9,857,554
Charges for Auto Maint East	2,145,008	2,179,072	2,250,000	2,317,500	2,387,025
Charges for Use of Motor Pool	3,565,993	4,010,000	3,910,500	3,988,710	4,068,484
Charges for Gasoline	4,173,353	7,200,000	5,828,801	5,828,801	5,828,801
Charges for Wash Facility	0	136,000	136,000	136,000	136,000
Miscellaneous Revenues	284,338	369,100	300,000	300,000	300,000
Gain/Loss on Sale of Property	(71,101)	0	0	0	0
Total Revenues	\$ 18,643,298	\$ 21,043,551	\$ 21,716,991	\$ 22,141,452	\$ 22,577,864
(To) From General Fund	0	0	99,500	0	0
(To) From Contributions in Aid	0	0	0	0	0
(To) From Capital Projects	0	0	0	0	0
(To) From Retained Earnings	1,915,209	0	0	0	0
Total Resources	\$ 20,558,507	\$ 21,043,551	\$ 21,816,491	\$ 22,141,452	\$ 22,577,864
Expenditures:					
Central Automotive Maintenance	\$ 20,558,507	\$ 21,043,551	\$ 21,816,491	\$ 22,141,452	\$ 22,577,864
Total Expenditures	\$ 20,558,507	\$ 21,043,551	\$ 21,816,491	\$ 22,141,452	\$ 22,577,864
Retained Earnings June 30	\$ 2,026,849	\$ 2,026,849	\$ 2,026,849	\$ 2,026,849	\$ 2,026,849

Three Year Forecast Revenues and Expenditures Technology Replacement



Fiscal Years 2018 through 2021 are estimated.

TECHNOLOGY REPLACEMENT FUND

(Fund 6101)

The Technology Replacement Fund, established in FY2001 as an Internal Service Fund, was created to develop a method of replacing computer equipment on a regular schedule. The goal of the fund is to establish a means to pay for computer equipment and reduce the impact of large one-time computer purchases in a given year. Resources for this fund originated from interdepartmental charges and continue with funding from the General Fund. In FY2004, the Technology Replacement Fund approach obtained a National Association of Counties award for Financial Innovation. Prior to that, American City and County magazine cited this funding mechanism as an example of how to minimize incremental expenditure increases for technology related items.

Revenues

Assumptions

(To) From General Fund is the transfer from the General Fund for the initial purchase of computer equipment. The FY2019 forecasted budget reflects a transfer of \$2.5 million. The FY2020 and FY2021 forecasts reflect a transfer of \$2.75 million and \$3.0 million, respectively. These transfers are necessary in order to maintain the stability of the Technology Replacement Fund as its fund balance has been depleted as a result of the removal of funding in FY2013 from the departments that participate in the program.

(To) From Technology Replacement Fund Retained Earnings is used to accumulate a reserve for the purchase of replacement computer equipment, when the original equipment has reached the end of its useful life.

Expenses

Assumptions

The development of the Technology Replacement Fund budget assumes revenues and transfers will support expenditures in future years. For FY2019, the Technology Replacement Fund expenses are projected to be \$2,878,100. For FY2020, forecasted expenses are projected to be \$2,716,334 and in FY2021, expenses are projected to be \$3,323,451. The FY2020 and FY2021 forecasts assume that all items in the Fund, which qualify for replacement, will be purchased on a pre-determined schedule.

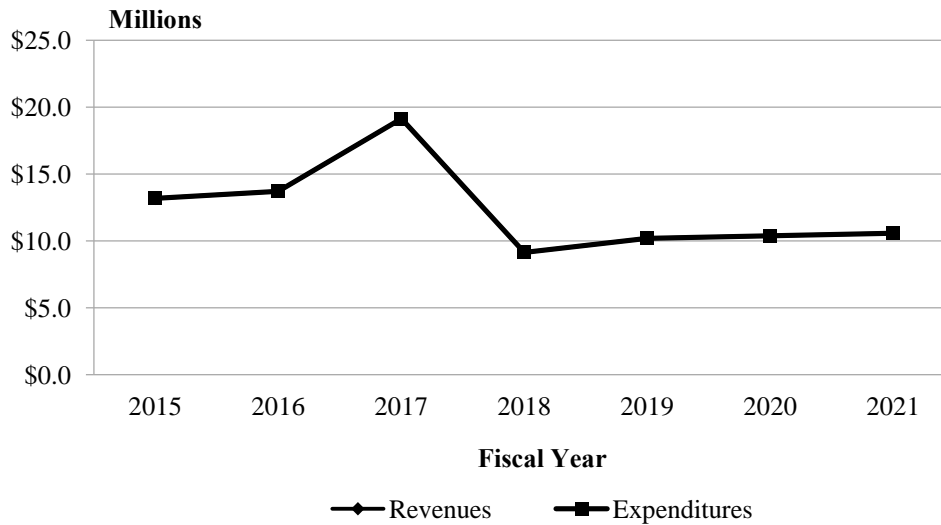
Retained Earnings, June 30, 2017, is \$2,786,830. The impact of anticipated resources, including operating transfers and expenditures on the ending balance, is projected for each fiscal year of the forecast period.

Technology Replacement Internal Service Fund Forecast

	FY 16-17 Actual	FY 17-18 Original	FY 18-19 Forecast	FY 19-20 Forecast	FY 20-21 Forecast
Revenues:					
Transfer from General Fund	\$2,000,000	\$2,250,000	\$2,500,000	\$2,750,000	\$3,000,000
(To) From Retained Earnings - Technology Replacement	<u>171,792</u>	<u>152,765</u>	<u>378,100</u>	<u>(33,666)</u>	<u>323,451</u>
Total Revenues	<u>\$2,171,792</u>	<u>\$2,402,765</u>	<u>\$2,878,100</u>	<u>\$2,716,334</u>	<u>\$3,323,451</u>
Expenditures:					
Technology Equipment	<u>\$2,171,792</u>	<u>\$2,402,765</u>	<u>\$2,878,100</u>	<u>\$2,716,334</u>	<u>\$3,323,451</u>
Total Expenditures	<u>\$2,171,792</u>	<u>\$2,402,765</u>	<u>\$2,878,100</u>	<u>\$2,716,334</u>	<u>\$3,323,451</u>
Retained Earnings June 30*	<u>\$2,786,830</u>	<u>\$2,634,065</u>	<u>\$2,255,965</u>	<u>\$2,289,631</u>	<u>\$1,966,180</u>

*Retained Earnings are designated for future technology replacement costs. There is no undesignated balance within the Technology Replacement Fund.

Three Year Forecast Revenues and Expenditures Risk Management



Fiscal years 2018 through 2021 are estimated.

RISK MANAGEMENT

(Fund 6301)

The Risk Management Fund was established in FY2004-05 as an Internal Service Fund. Prior to this date, costs associated with this function were expended in the General Fund. Because Risk Management provides services to all agencies, including education, across all funds, the budget is more properly captured within the Internal Service Fund Series. Resources for this fund are primarily provided by a transfer from the General Fund as well as interdepartmental charges from Public Utilities. Risk Management provides protection from accidental losses arising out of the County and Public School operations, including workers' compensation, automobile, property, and liability claims.

Revenues

Assumptions

Public Utilities Charges are based on actual claims cost and a pro rata share of the insurance costs expended by the Department of Public Utilities in the Water and Sewer Enterprise Fund (Fund 5101). Each fiscal year, the Risk Management Internal Service Fund receives a reimbursement from expenses associated with the Public Utilities' Water and Sewer Enterprise Fund in the prior fiscal year. Projected billings for FY2018-19 through FY2020-21 are \$750,000 per year, which is below the actual amount received during FY2015-17.

Recovered Costs - Miscellaneous includes recovered costs associated with property and liability as well as workers' compensation. While revenues of \$1,860,458 were received during FY2016-17, there are no revenues anticipated in this area throughout the forecast period.

Use of Money and Property represents interest on the certificate of deposit for self-insurance. While revenues of \$17,853 were received during FY2016-17, there are no revenues anticipated in this area throughout the forecast period.

(To) From General Fund represents the transfer from the General Fund for approximately 92 percent of the forecasted revenues associated with this fund. A transfer from the General Fund totaling \$8,965,327 is anticipated for FY2018-19, with a increases projected for FY2019-20 and FY2020-21 to minimize midyear budget amendments.

Expenditures
Assumptions

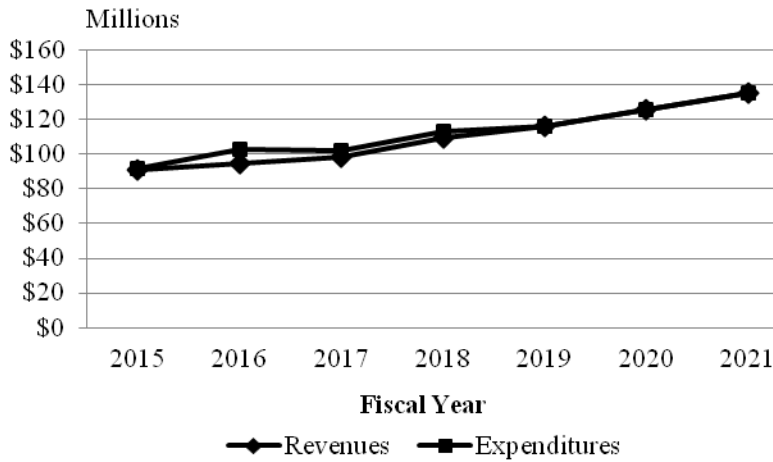
The development of the Risk Management Fund budget assumes revenues and transfers will support expenditures in future years. For FY2018-19 and FY2019-20, Internal Service Fund expenses are projected to grow at an annual rate of approximately 2.0 percent. Due to the unpredictable nature of expenditures, the budget is kept relatively flat with only a small incremental increase built into the forecast. In FY2018-19 a multi-year effort to reduce the midyear budget amendments was put in place. The budget is amended annually on a case-by-case basis with funding provided by the Self-Insurance Reserve, which is a designated reserve within the County's General Fund Balance.

Self-Insurance Reserve, June 30, 2017, totals \$7,500,000. The County has assigned this amount in the General Fund's fund balance specifically for self-insurance.

Risk Management Internal Service Fund Forecast

	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
	Actual	Original	Forecast	Forecast	Forecast
Revenues:					
Public Utilities Charges	\$ 1,240,817	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
Recovered Costs - Misc	1,860,458	-	-	-	-
Use of Money and Property	17,853	-	-	-	-
Total Revenues	<u>\$ 3,119,128</u>	<u>\$ 750,000</u>	<u>\$ 750,000</u>	<u>\$ 750,000</u>	<u>\$ 750,000</u>
(To) From General Fund	<u>\$ 16,814,470</u>	<u>\$ 8,392,479</u>	<u>\$ 8,965,327</u>	<u>\$ 9,985,327</u>	<u>\$ 11,005,327</u>
Total Resources	<u><u>\$ 19,933,598</u></u>	<u><u>\$ 9,142,479</u></u>	<u><u>\$ 9,715,327</u></u>	<u><u>\$ 10,735,327</u></u>	<u><u>\$ 11,755,327</u></u>
Expenditures:					
Risk Management	<u>\$ 19,933,598</u>	<u>\$ 9,142,479</u>	<u>\$ 9,715,327</u>	<u>\$ 10,735,327</u>	<u>\$ 11,755,327</u>
Total Expenditures	<u><u>\$ 19,933,598</u></u>	<u><u>\$ 9,142,479</u></u>	<u><u>\$ 9,715,327</u></u>	<u><u>\$ 10,735,327</u></u>	<u><u>\$ 11,755,327</u></u>
Self-Insurance Reserve	<u>\$ 7,500,000</u>	<u>\$ 7,500,000</u>	<u>\$ 7,500,000</u>	<u>\$ 7,500,000</u>	<u>\$ 7,500,000</u>

Three Year Forecast Revenues and Expenditures Healthcare Fund



Fiscal years 2018 through 2021 are estimated

HEALTHCARE FUND

(Fund 6401)

Effective January 1, 2008, Henrico County’s healthcare program transitioned to a self-insurance program. Prior to this transition, the County’s healthcare program operated as a fully insured program, which, in exchange for the payment of a premium, an insurance company assumed the risk, administered the program, and paid all claims. With the transition to a self-insured program, the County pays claims and third party administrative fees. Self-insurance allows the County to more fully control all aspects of the plan, including setting rates to smooth out the impact of cost increases on employees and the County, while maintaining adequate funding to cover claims, expenses, and reserves. The cost to fund healthcare expenses is covered by payments from active employees, the County and the School Board, retirees, and retention of interest earnings. The County and Schools contributions are budgeted in departmental budgets, and the Healthcare Fund charges departments based upon actual participants in the program. Revenues to the Healthcare Fund in excess of expenditures accumulate in a premium stabilization reserve, which allows the County to maintain rate increases at manageable levels.

Revenues

Assumptions

County Contribution – Active reflects the County’s contributions for active General Government and Schools employees budgeted within each respective department. For General Government employees, the County calculates a blended rate for each County employee for healthcare calculation purposes. Schools, on the other hand, estimates healthcare costs for each individual eligible employee based on the plan in which they participate. The forecast for FY2018-19 reflects an increase in the County’s contribution for active employees of 6.0 percent. The forecasts for FY2019-20 and FY2020-21 assume 8.0 percent increases when combining rate increases and annual enrollment growth.

Employee Contribution represents contributions from active General Government and Schools employees toward their respective individual healthcare plans. The forecast for FY2018-19 reflects an overall increase of 6.0 percent. The forecasts for FY2019-20 and FY2020-21 assume 8.0 percent increases when combining rate increases and annual enrollment growth.

Retiree Contribution reflects rate payments by County retirees under 65 years of age that continue to participate in the County’s healthcare program. The forecast for FY2018-19 reflects an increase of 6.0 percent. The forecasts for FY2019-20 and FY2020-21 assume increases of 8.0 percent, respectively.

Retiree Subsidy and **Disabled Subsidy** represent County contributions to retiree healthcare plans. The Disabled Subsidy reflects the healthcare subsidy provided to disabled retirees prior to January 1, 2003. The Disabled Subsidy forecast for FY2019-20 through FY2020-21 remains flat. For retirees after January 1, 2003, the healthcare supplement is referred to as a Retiree Subsidy, and is provided to County retirees with a minimum of 20 years in the Virginia Retirement System (VRS) of which 10 years must be with Henrico County. The total subsidy is calculated based on each full year of VRS service. The forecast for the Retiree Subsidy reflects an increase of 6.0 percent in FY2018-19. In addition, 5.0 percent annual increases are projected for FY2019-20 and FY2020-21 based upon the anticipated rate of employee retirement for which the Retiree Subsidy is applicable.

COBRA reflects rate payments from eligible COBRA participants. Under the Consolidated Omnibus Reconciliation Act of 1985 (COBRA), extended coverage for healthcare may be purchased (at the participant's expense) for former participants of the County's healthcare program and their qualified beneficiaries, if coverage is lost under a group plan due to termination of employment or a reduction of work hours. The cost to COBRA participants is the full plan rate for that calendar year.

Recoveries and Rebates represent small, one-time miscellaneous recovered cost and rebate revenues related to the Healthcare Fund.

Healthcare Wellness Payments in the FY2018-19 budget reflects the payment from the County's healthcare administrator in the amount of \$150,000 to support the Wellness Program initiative.

Interest Income reflects interest earned throughout the fiscal year on bank balances relating to the Healthcare Fund. The annual forecast for this revenue is projected to be \$100,000 in FY2018-19 and remain at that level in FY2019-20 and FY2020-21.

(To) From Premium Stabilization Reserve reflects the amount of funding either added to or utilized from the Premium Stabilization Reserve in each respective fiscal year. Whereas the FY2017-18 Approved Budget assumed the use of \$3,832,444 from the Premium Stabilization Reserve as a needed budget balancing tool to help offset healthcare cost increases, the FY2018-19 Approved Budget assumes no use of reserve funds. This was made possible by anticipated savings for the Healthcare fund stemming from the new contract for pharmacy services. The forecast for FY2019-20 and FY2020-21 assumes that no funds from the Premium Stabilization Reserve will be utilized. To forecast the amount of funding to be added to or utilized from the Premium Stabilization Reserve is a difficult task, as the amount of claims paid by the Healthcare Fund fluctuates each fiscal year. It must be noted that consideration of funding additions to or subtractions from the Premium Stabilization Reserve must be recognized when calendar year plan rates are established. As such, unless there is a planned utilization of funds from the reserve any given year, the intent of the Healthcare Fund is to generate a positive revenue variance as compared to expenditures, yielding an addition to the Premium Stabilization Reserve.

Expenditures

Assumptions

Claims expenditures reflect the County's cost of service for each participant in the program. In other words, these expenditures reflect the cost of healthcare services and pharmaceutical requirements for enrolled participants outside of any co-pay the program participant is responsible for per the defined benefit structure. The forecast for FY2018-19 assumes an increase in claims expenditures by 2.4 percent. This low level of projected claims growth is due to the savings on pharmaceutical services noted above. The forecasts for FY2019-20 and FY2020-21 assume annual increases of 8.4 percent, respectively.

Other Administrative Fees represent the cost of third party administrative fees, the costs of an annual actuarial study and claims audit, and the premium payment for excess risk insurance. The County's excess risk insurance protects the County from any individual claim greater than \$500,000 and total annual payments that exceed 125.0 percent of actuarially projected annual claims. The FY2018-19 budget also includes funding for costs related to the County's healthcare consultant, as well as costs associated with the Affordable Care Act (ACA), which includes funding for a Patient Centered Outcomes Research Institute (PCORI) fee.

The forecast for FY2018-19 projects an increase in other administrative fee costs of 1.3 percent. The increase is attributable to projected growth in the cost of excess risk insurance. The forecasts for FY2019-20 and FY2020-21

assume no change in other administrative fee costs. It is noted that 2016 was the last year of the ACA's Transitional Reinsurance Fee

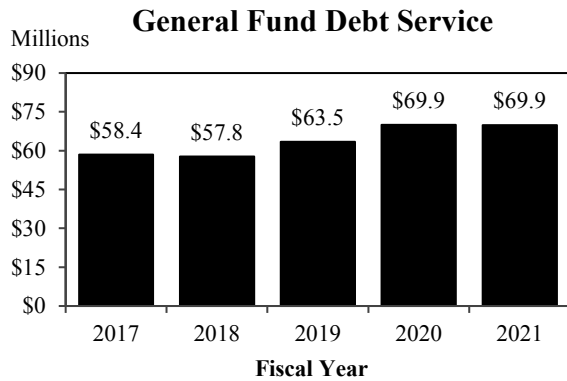
Premium Stabilization Reserve (PSR)

The Healthcare Fund's **Premium Stabilization Reserve (PSR)** reflects the accumulation of annual revenues collected in excess of expenditures. This reserve has allowed the County to maintain annual rate increases at manageable levels. While approximately \$3.8 million from the PSR was designated for use in the FY2017-18 Annual Fiscal Plan, no use of reserves is forecast for FY2018-19. As of June 30, 2017, the PSR has a balance of \$15,600,545. However, as of that same date, it was calculated that the County has claims that were Incurred But Not Reported (IBNR) amounting to \$7,646,000. When the value of this estimate is deducted from the PSR, it leaves an uncommitted balance of \$7,954,545.

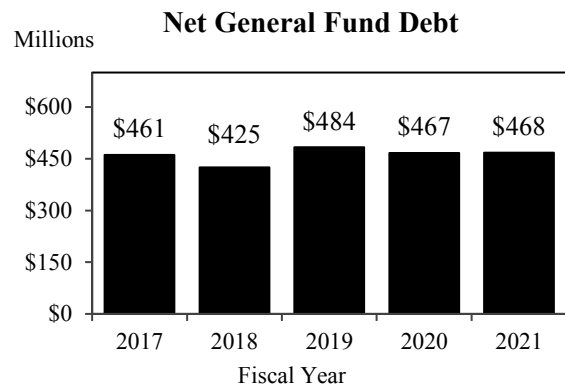
Healthcare Internal Service Fund Forecast

	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
	Actual	Original	Forecast	Forecast	Forecast
Revenues:					
County Contribution - Active	\$ 72,641,123	\$ 80,751,847	\$ 85,596,958	\$ 92,444,715	\$ 99,840,292
Employee Contribution	19,382,622	19,861,439	21,053,125	22,737,375	24,556,365
Retiree Contribution	5,497,515	7,456,088	7,903,453	8,535,729	9,218,588
Retiree Subsidy	757,181	893,094	946,680	994,014	1,043,715
Disabled Subsidy	46,140	116,292	123,270	123,270	123,270
COBRA	224,623	363,944	385,780	416,642	449,974
Recoveries and Rebates	2,733	-	-	-	0
Healthcare - Wellness Payment	165,695	150,000	150,000	150,000	150,000
Interest Income	83,532	100,000	100,000	100,000	100,000
Total Revenues	<u>\$ 98,801,164</u>	<u>\$ 109,692,704</u>	<u>\$ 116,259,266</u>	<u>\$ 125,501,745</u>	<u>\$ 135,482,203</u>
(To) From Premium Stabilization Fund	\$ 3,654,394	\$ 3,832,444	\$ -	\$ -	\$ -
Total Resources	<u>\$ 102,455,558</u>	<u>\$ 113,525,148</u>	<u>\$ 116,259,266</u>	<u>\$ 125,501,745</u>	<u>\$ 135,482,203</u>
Expenditures:					
Claims	\$ 96,498,563	\$ 107,343,588	\$ 109,922,766	\$ 119,165,245	\$ 129,145,703
Other Administrative Fees	5,956,995	6,181,560	6,336,500	6,336,500	6,336,500
Total Expenditures	<u>\$ 102,455,558</u>	<u>\$ 113,525,148</u>	<u>\$ 116,259,266</u>	<u>\$ 125,501,745</u>	<u>\$ 135,482,203</u>
Premium Stabilization Reserve (PSR):					
Premium Stabilization Reserve (PSR)	\$ 15,600,545	\$ 11,768,101	\$ 11,768,101	\$ 11,768,101	\$ 11,768,101
Incurred But Not Reported (IBNR)	<u>(7,646,000)</u>	<u>(7,646,000)</u>	<u>(7,646,000)</u>	<u>(7,646,000)</u>	<u>(7,646,000)</u>
Uncommitted PSR	<u>\$ 7,954,545</u>	<u>\$ 4,122,101</u>	<u>\$ 4,122,101</u>	<u>\$ 4,122,101</u>	<u>\$ 4,122,101</u>

Three Year Forecast Revenues and Expenditures Debt Service Fund



Fiscal Years 2018 through 2021 are estimated.



Fiscal Years 2018 through 2021 are estimated.

DEBT SERVICE FUND

(Fund 71)

The Debt Service Fund accounts for the accumulation of financial resources for payment of interest and principal on all governmental fund long-term debt, except accrued compensated absences and capital lease obligations, which are paid by the fund incurring these expenses. Debt Service Fund resources can include transfers from the General Fund and Capital Projects Fund. Miscellaneous revenue includes capitalized interest and reimbursements from other localities and the State. Debt service requirements for bonds issued by the County's Water and Sewer Utility are accounted for in the Enterprise Fund. Debt service on bonds issued by the James River Juvenile Detention Center Commission (JRJDC), for construction of the facility, is accounted for in the JRJDC Agency Fund. However, the outstanding principal and debt service of the JRJDC are considered County obligations when calculating the County's debt ratios.

Revenues

Assumptions

(To) From General Fund represents the transfer of local resources to support debt service requirements. Debt service requirements in fiscal years 2018 through 2021 are calculated on existing debt service and anticipated debt service. The County citizens approved a General Obligation (G.O.) Bond referendum that was included on the November 2000 ballot. The referendum included School construction projects totaling \$170,500,000, and General Government projects totaling \$66,500,000. The G.O. Bond funding for these projects was issued between FY2001 and FY2007. The County citizens again approved a G.O. Bond referendum that was included on the March 2005 ballot. The referendum included School construction projects totaling \$220,000,000, and General Government projects totaling \$129,300,000. The funding for these projects was anticipated from seven G.O. Bond issues between FY2006 and FY2013. In November 2016, the County citizens approved a General Obligation (G.O.) Bond referendum in the amount of \$419,800,000. This referendum included School construction projects totaling \$253,600,000; Recreation and Parks projects totaling \$106,100,000; Library project totaling \$24,000,000; Fire projects totaling \$22,100,000 and Road projects totaling \$14,000,000.

Also included in these assumptions is the issue of \$34,000,000 of debt for the replacement of the 800 MHz Communication System used by Henrico's public safety agencies. This ten-year debt was issued in February of 2016.

Meals Tax Revenues represents additional resources that were recognized as a partial funding source to pay for the debt service obligations on the school projects in the 2016 Bond Referendum. As a result of the 2016 Bond Referendum, Henrico citizens approved the debt issuance of \$104,500,000 for new school projects and \$168,100,000 for school renovations.

(To) From Fund Equity represents the use of resources accumulated as a result of differences in actual versus projected debt service costs. The savings results from two factors, which are difficult to predict in projecting debt service payments for anticipated bond issues. One is the timing and structure of the actual bond issue and the other factor is the favorable interest rates the County receives as a result of Henrico’s triple AAA bond rating. Fund equity provides an additional source of funding for debt service or pay-as-you-go funding source for capital projects.

(To) Capital Projects Fund represents the transfer of excess accumulated debt service fund equity for funding pay-as-you-go capital projects. It could also represent the utilization of interest earnings from bond proceeds to help offset debt service payments.

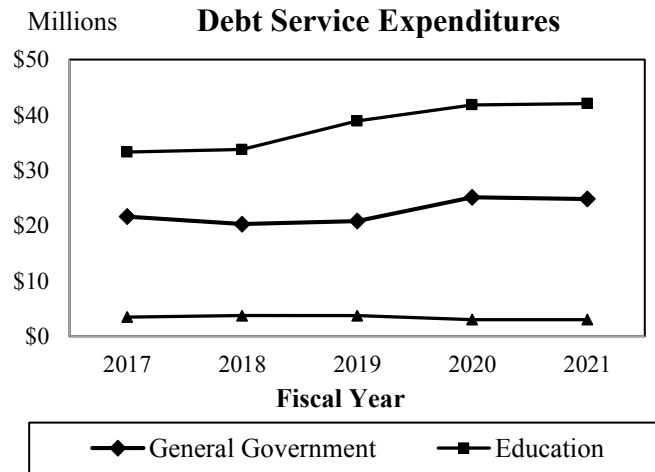
GRCCA Reimbursement represents the reimbursement of Hotel/Motel tax collections from the Greater Richmond Convention Center Authority. This funding has been designated to fund the debt service obligations related to the debt issued for the large park projects of the 2016 Bond Referendum. This includes the planned debt issuance for Glover Park, Taylor Park, and Tuckahoe Park.

Expenditures Assumptions

Debt Service - General Government includes principal and interest payments on General Obligation (G.O.) Bond issues and Industrial Development Authority (IDA) Lease Revenue Bond issues. These obligations fund a variety of projects including parks, libraries, fire stations, a radio communication system, a parking deck, a communication/training facility, as well as technology initiatives.

Debt Service - Education includes principal and interest payments on Education General Obligation (G.O.) Bonds, Virginia Public School Authority (VPSA) Bonds, and Literary Fund Loans. These obligations support construction and improvement of facilities operated by the County's School System.

Debt Service - Public Works includes principal and interest payments on General Obligation (G.O.) Bonds issued to support road improvements throughout the County.



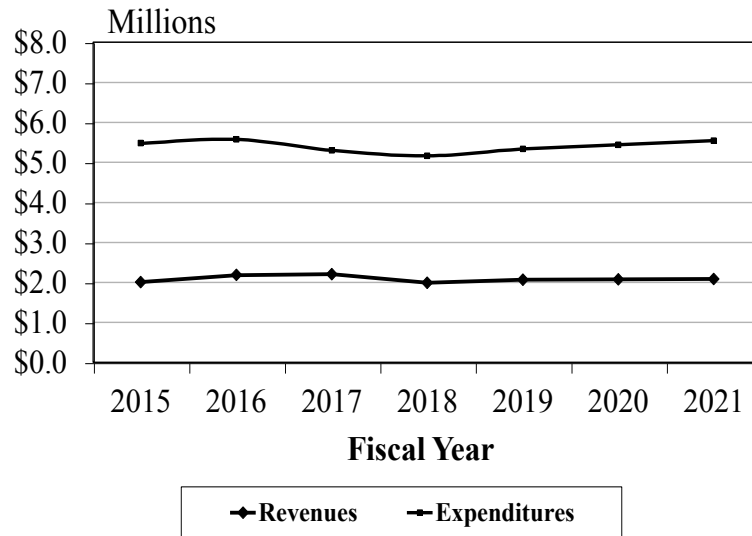
Fiscal Years 2018 through 2021 are estimated.

Debt Service Fund Forecast

	FY2017 Actual	FY2018 Approved	FY2019 Forecast	FY2020 Forecast	FY2021 Forecast
Revenues:					
(To) From General Fund	57,436,493	\$ 54,774,829	\$ 54,068,451	\$ 59,134,408	\$ 59,010,149
Meals Tax Revenue	0	2,988,000	9,000,000	9,000,000	9,000,000
(To) From Fund Equity	1,000,000	0	0	0	0
(To) From Capital Projects Fund		0	0	0	0
GRCCA Reimbursement	0	0	400,000	1,800,000	1,860,000
Total Revenues	58,436,493	\$ 57,762,829	\$ 63,468,451	\$ 69,934,408	\$ 69,870,149
Expenditures:					
Debt Service - General					
Government	21,650,541	\$ 20,287,617	\$ 20,828,418	\$ 25,114,360	\$ 24,816,342
Debt Service - Education	33,292,773	33,745,369	38,893,751	41,807,483	42,048,103
Debt Service - Public Works	3,493,179	3,729,843	3,746,282	3,012,565	3,005,704
Total Expenditures	58,436,493	\$ 57,762,829	\$ 63,468,451	\$ 69,934,408	\$ 69,870,149
Fund Equity*	202,833	\$ 202,833	\$ 202,833	\$ 202,833	\$ 202,833

**Represents balance that has accumulated in the Debt Service Fund over a period of years.*

Three Year Forecast Revenues and Expenditures JRJDC Agency Fund



Fiscal Years 2018 through 2021 are estimated.
Revenues exclude transfers from other funds.

JRJDC AGENCY FUND

(Fund 82)

The JRJDC Agency Fund, created in December 1998, accounts for revenues and expenditures related to the James River Juvenile Detention Center (JRJDC). The JRJDC Commission includes Goochland, Powhatan, and Henrico counties. Henrico, as the majority partner, serves as fiscal agent for the Commission, thereby eliminating duplicate administrative functions for personnel, procurement, accounting, and budget responsibilities. Construction of the sixty-bed facility, located in Powhatan County, began in the spring of 1999, and the facility opened in April, 2001.

JRJDC Operations

Revenues

Assumptions

Revenue from the Commonwealth represents funding from the State, received quarterly, for day-to-day operational costs of the facility. As there is uncertainty in the level of future funding from the State, conservative revenue estimates will continue to be utilized. Annual revenue of \$1,578,339 is forecast for FY2018-19. This is an increase of 4.2 percent from the projection of FY2017-18 State revenues. Continued caution for this estimate is warranted due to the effect that a diminishing average daily population at the facility may have on State funding.

Revenue from Goochland/Powhatan is funding from Goochland and Powhatan for each county's 6.7 percent share of operating costs of the facility. Per the JRJDC Commission's agreement, Powhatan and Goochland have four beds each in the sixty-bed facility. Combined revenues from Goochland and Powhatan are projected at \$488,764 for FY2018-19, \$498,540 for FY2019-20, and \$508,510 for FY2020-21.

To (From) General Fund represents Henrico County's share of operational costs. Per the JRJDC agreement, Henrico has fifty-two beds. The Commission will bill Henrico 86.6 percent of operational costs of the facility.

To (From) Retained Earnings is the anticipated difference between revenues and expenditures. The use of Fund Equity is projected at \$108,052 for FY2018-19, \$139,780 for FY2019-20, and \$172,142 for FY2020-21. Although use of fund equity is projected throughout the forecast period, it should be noted that historically, use of fund equity has been markedly less than projections, due to expenditure savings as well as the realization of miscellaneous revenues that are not reliable enough to fall within the budget structure of the JRJDC.

Expenditures

Assumptions

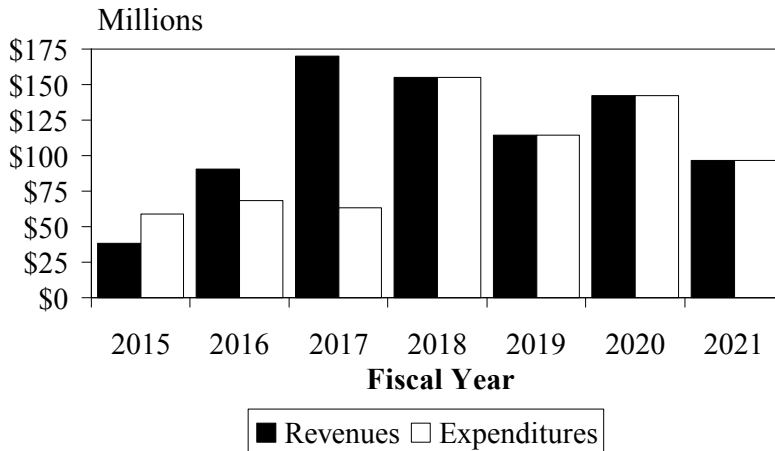
James River Juvenile Detention Center includes the personnel, operating, and capital expenditures required to operate the facility. The JRJDC Agency Fund requirements for the forecast period are expected to grow at an annual rate of 2.0 percent. This level of operational funding allows for operational adjustments for actual costs incurred in the day-to-day operations of the James River Juvenile Detention Center.

At the December 15, 2017 meeting, the Commission approved a continuation of its plan to appropriate \$100,000 of facility maintenance funding in the annual budget, in an effort to provide funding for capital projects necessary to maintain the facility as it ages.

JRJDC Agency Fund Forecast

	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
	Actual	Original	Forecast	Forecast	Forecast
JRJDC Operations and Debt Service Subfunds					
Revenues:					
Revenue from Commonwealth	\$ 1,609,492	\$ 1,514,500	\$ 1,578,339	\$ 1,578,339	\$ 1,578,339
Revenue from Federal Govt	85,287	0	0	0	0
Revenue from Goochland	215,992	236,118	244,382	249,270	254,255
Revenue from Powhatan	215,992	236,118	244,382	249,270	254,255
Other Localities	63,189	0	0	0	0
Recovered Costs	0	0	0	0	0
Interest Income	13,889	0	0	0	0
Total Revenues	<u>\$ 2,203,841</u>	<u>\$ 1,986,736</u>	<u>\$ 2,067,103</u>	<u>\$ 2,076,878</u>	<u>\$ 2,086,849</u>
Plus:					
(To) From Construction Subfund	0	0	0	0	0
(To) From General Fund	3,173,745	3,069,011	3,158,722	3,221,896	3,286,334
(To) From Retained Earnings	(77,145)	105,534	108,052	139,780	172,142
Total Resources	<u>\$ 5,300,441</u>	<u>\$ 5,161,281</u>	<u>\$ 5,333,877</u>	<u>\$ 5,438,555</u>	<u>\$ 5,545,326</u>
Expenditures:					
James River Juvenile Detention Center	\$ 5,100,405	\$ 5,061,281	\$ 5,233,877	\$ 5,338,555	\$ 5,445,326
Facility Maintenance Funding	200,036	100,000	100,000	100,000	100,000
Debt Service	0	0	0	0	0
Total Expenditures	<u>\$ 5,300,441</u>	<u>\$ 5,161,281</u>	<u>\$ 5,333,877</u>	<u>\$ 5,438,555</u>	<u>\$ 5,545,326</u>
Ending Retained Earnings	<u>\$ 3,562,875</u>	<u>\$ 3,457,341</u>	<u>\$ 3,349,289</u>	<u>\$ 3,209,509</u>	<u>\$ 3,037,367</u>

Three Year Forecast Revenues and Expenditures Capital Projects Fund



Fiscal Years 2018 through 2021 are estimated.

CAPITAL PROJECTS FUND

(Fund 21)

The Capital Projects Fund accounts for all general government and school system capital projects, which are financed through a combination of general obligation bonds and operating transfers from the General Fund and Special Revenue Fund.

The County of Henrico adopts both an operating and capital budget annually. These two separate budgets, when combined, represent the total appropriation made by the Board of Supervisors each year. This “fund” forecast encompasses the County’s Capital Projects Fund, which is representative of the County’s capital budget. A separate narrative, found elsewhere in this document, includes the operating impact of approved capital projects on the County’s operating budget. The County of Henrico will not approve funding for a capital project in the capital budget unless all operating cost increases are known, and have been incorporated into the operating budget.

Revenues

Assumptions

Use of Money & Property represents the interest earned on the balance remaining within the Capital Projects Fund from bond proceeds and other sources of funding.

Miscellaneous Revenues includes payments received from other localities or other entities for shared capital project costs.

Intergovernmental Revenues include various State grants, Federal grants, and VDOT Construction Aid Drawdown.

General Obligation Bonds - 2016 of \$419.8 million were approved by the voters in the November 2016 Bond Referendum for school and general government capital projects over a six-year period ending in FY2022-23. The six bond issues for FY2018 through FY2023 by year and category are:

(In millions)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
Education	\$99.6	\$15.0	\$70.0	\$42.0	\$46.0	\$0.0	\$272.6
General Government	<u>\$15.0</u>	<u>\$38.0</u>	<u>\$22.2</u>	<u>\$14.0</u>	<u>\$31.7</u>	<u>\$26.3</u>	<u>\$147.2</u>
Total	\$114.6	\$53.0	\$92.2	\$56.0	\$77.7	\$26.3	\$419.8

Transfers:

(To) From General Fund is the transfer of non-bond resources from the General Fund. The FY2019 transfer of \$61,564,800 includes an allocation of \$10.0 million from the Designated General Fund balance. This allocation includes \$5.0 million for pay-as-you-go construction for General Government and \$2.5 million for Education to support various ongoing projects. The remaining \$2.5 million associated with the General Fund designated fund balance transfer will support the Countywide pedestrian improvements project. The forecast also includes a \$17,662,090 allocation from the Designated Capital Reserve balance which will provide funding for several General Government projects.

Education Meals Tax revenue of \$9.0 million will support various maintenance and rehabilitation projects identified by Schools. Dedicated Stormwater resources of \$2,348,000 are included for an ongoing stormwater project to meet the County’s Chesapeake Bay Total Maximum Daily Load (TMDL) permit requirement. Motor Vehicle License Fee revenue of \$1,000,000 will provide funding for various Public Works’ ongoing general road construction projects. A total of \$9,251,000 associated with the Tourism Reserve has been dedicated to the High School Field Renovations project. Public Works Reserve funding of \$3,678,910 will partially support the Woodman Road Extension project. The FY2019 transfer also includes General Fund revenues totaling \$7,624,800 which will fully fund the School Bus Replacement Program and the Police Vehicle Replacement Program, and partially support the Fire Apparatus Replacement Program. The remaining \$1.0 million in Undesignated General Fund balance will provide the remaining support needed for the Fire Apparatus Replacement Program.

The FY2020 forecasted transfer of \$50,172,800 includes a \$10.0 million allocation from the Designated General Fund balance, an \$18.7 million allocation from the Designated Capital Reserve balance, \$9.0 million from Education Meals Tax revenue, \$2,348,000 of dedicated General Fund Stormwater revenues, \$1.0 million from Motor Vehicle License Fee revenue, \$8,374,800 in General Fund revenues, and \$750,000 from the Undesignated General Fund balance. The FY2021 forecast of \$40,472,800 mirrors the FY2020 forecast with the exception of the Designated Capital Reserve balance, which is projected at a cost of \$8.5 million, General Fund revenues, which total \$9,124,800, and the Undesignated General Fund balance, which is projected to total \$500,000.

On the following page is a list of projects funded by the General Fund transfer in the Approved FY2017-18 and FY2018-19 Capital Budgets.

FY2018
From General Fund - \$35,067,380

FY2019
From General Fund - \$61,564,800

Project	Total	Project	Total
Recreation Facility Rehabilitation	\$ 766,000	Recreation Facility Rehabilitation	\$ 600,000
Geographic Information System	150,000	Geographic Information System	150,000
General Road Construction	850,000	General Road Construction	1,000,000
Information Technology Projects	1,000,000	Information Technology Projects	1,500,000
Education Meals Tax Project Reserve	9,000,000	Education Meals Tax Project Reserve	9,000,000
Schools - Mechanical Improvement	1,547,000	Schools - Mechanical Improvement	1,961,850
Schools - Roof Replacement	953,000	Schools - Roof Replacement	538,150
Mechanical Improvements	1,000,000	Mechanical Improvements	1,100,000
Roof Replacement and Rehabilitation	350,000	Roof Replacement and Rehabilitation	500,000
Pavement Rehabilitation	500,000	Pavement Rehabilitation	500,000
Small Project Improvements/Renovations	400,000	Small Project Improvements/Renovations	250,000
Chesapeake Bay TMDL Compliance	2,348,000	Chesapeake Bay TMDL Compliance	2,348,000
School Bus Replacement Plan	2,500,000	School Bus Replacement Plan	3,000,000
Fire Apparatus Replacement Program	1,750,000	Fire Apparatus Replacement Program	3,000,000
Police Vehicle Replacement Program	2,324,800	Police Vehicle Replacement Program	2,624,800
Countywide Pedestrian Improvements	2,500,000	Countywide Pedestrian Improvements	2,500,000
Human Services Building Renovation	435,000	Human Services Building Renovation	3,800,000
Evidence Storage Facility	200,000	Evidence Storage Facility	589,000
Data Center Upgrade	697,000	Energy Management	400,000
East Center Replacement Construction	3,830,580	Circuit Court Renovation	8,500,000
Emergency Medical Dispatch System	580,000	Woodman Road Extension	4,945,000
Communications Training Room	258,000	Oakley's Lane	507,000
Juvenile Courts - Secured Parking	270,000	High School Field Upgrades	9,251,000
Countywide Engineering Feasibility Studies	500,000	ORBIT Facility	3,000,000
Belmont Golf Course Bunker Renovations	358,000	Total From General Fund	\$ 61,564,800
Total From General Fund	\$ 35,067,380		

Expenditures

Assumptions

Capital Project Expenditures over the three-year forecast period are requested at \$353,410,400. Expenditures for Education projects funded with General Obligation Bonds during the forecast period total \$127.0 million and include the Tucker High School renovation - \$55.0 million, a new Brookland Area Elementary School - \$20.0 million, the Glen Allen High School Technical Center - \$37.0 million, and partial funding of \$15.0 million towards an Eastern Area Technical Center. Expenditures for General Government projects funded with General Obligation Bonds during the forecast period total \$69.2 million. Forecasted expenditures include \$10.0 million for the Staples Mill Road Fire Station, \$24.0 million for the Fairfield Area Library replacement, \$6.2 million for improvements at Dorey Park, \$4.0 million for improvements at Deep Run Park, partial funding of \$5.0 million for the new Taylor Park, and \$20.0 million for the final phase of Greenwood Park. Expenditures for the Public Works project funded with General Obligation Bonds during the forecast period total \$5.0 million, which represents partial funding associated with the Richmond/Henrico Turnpike project.

Designated Fund balance expenditures for the three-year period total \$30.0 million of which \$7.5 million has been designated for Schools, \$15.0 million has been designated for pay-as-you-go construction for General Government, and the remaining \$7.5 million will support the Countywide pedestrian improvements project. Forecasted FY2019 expenditures which have been designated for Schools totals \$2.5 million, which will cover mechanical improvements of \$1,961,850 and roof replacements of \$538,150. The \$5.0 million for General Government includes \$1.5 million for Information Technology projects, \$1.1 million for mechanical improvements, \$500,000 for roof replacement and rehabilitation projects, \$500,000 for pavement rehabilitation projects, \$600,000 for facility rehabilitation projects, \$400,000 for energy management projects, \$250,000 for small project improvements and renovation projects, and \$150,000 for the Geographic Information System project. The remaining \$2.5 million associated with the General Fund designated fund balance transfer will support the Countywide pedestrian improvements project. FY2020 and FY2021

expenditures are also forecasted at \$10.0 million per year, with Education receiving \$2.5 million, General Government receiving \$5.0 million, and the Countywide pedestrian improvements project receiving \$2.5 million.

Designated Capital Reserve Fund balance expenditures for the three-year period total \$44,862,090. FY2019 expenditures of \$17,662,090 will provide funding of \$8.5 million for the Circuit Court Renovation project, \$3.8 million for the Human Services Building Renovation, \$3.0 million for the ORBIT Facility, \$1,266,090 for the Woodman Road Extension, \$589,000 for the Evidence Storage Facility, and \$507,000 for the Oakley's Lane project. FY2020 forecasted expenditures are budgeted at \$18.7 million and include \$6.0 million for the ORBIT facility, \$5.0 million for the Evidence Storage Facility, \$5.2 million for Oakley's Lane, \$2.0 million for the Woodman Road Extension, and \$500,000 for the Countywide Engineering Feasibility Study. FY2021 forecasted expenditures are budgeted at \$8.5 million and include \$6.0 million for the ORBIT facility, \$2.0 million for the Tactical Training Facility, and \$500,000 for the Countywide Engineering Feasibility Study.

Education Meals Tax revenue are forecasted to generate \$27.0 million over the three-year period which would provide funding for various Schools infrastructure projects. General Fund dedicated stormwater revenue is forecasted to generate \$7,044,000 million over a three-year period, which would allow for stormwater infrastructure projects required by the EPA as part of the Chesapeake Bay TMDL. The Motor Vehicle License Fee revenue is forecasted to generate \$3.0 million for the three-year period which will cover on-going general construction. In FY2019, General Fund-Tourism Reserve funding of \$9,251,000 will cover costs associated with the High School Field Renovations project and Public Works Reserve funding of \$3,678,910 will partially support the Woodman Road Extension project.

Expenditures utilizing General Fund revenues for vehicle replacement over the three-year forecast period total \$25,124,400. Expenditures for Education's School Bus Replacement Program total \$10.5 million over the forecast period. Expenditures for General Government total \$14,624,400 and include funding of \$7,874,400 for Police's Vehicle Replacement Program and partial funding of \$6,750,000 for Fire's Apparatus Replacement Program. A total of \$2,250,000 in Undesignated General Fund balance will provide the remaining funding needed for the Fire Apparatus Replacement Program over the three-year period.

(To) From Capital Projects Fund Equity represents the change in accumulated construction appropriations based on projected resources and corresponding expenditures throughout the forecast period.

Capital Projects Fund Balance represents the estimated amount of available appropriations based on the addition of new resources less projected expenditures.

Capital Projects Fund Forecast

	FY 16-17 Actual	FY 17-18 Original	FY 18-19 Forecast	FY 19-20 Forecast	FY 20-21 Forecast
Resources:					
Revenues:					
Use of Money and Property	\$ 324,932	-	-	-	-
Miscellaneous Revenues	324,709	-	-	-	-
Intergovernmental	5,830,899	-	-	-	-
Subtotal Revenues	<u>\$ 6,480,540</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Financing (Uses) Sources:					
Bonds:					
G. O. Bonds - Education - 2016	\$ 99,600,000	\$ 99,600,000	\$ 15,000,000	\$ 70,000,000	\$ 42,000,000
G. O. Bonds - General Gov't - 2016	15,000,000	15,000,000	38,000,000	22,200,000	9,000,000
G. O. Bonds - Public Works - 2016	-	-	-	-	5,000,000
Subtotal Bonds:	<u>\$ 114,600,000</u>	<u>\$ 114,600,000</u>	<u>\$ 53,000,000</u>	<u>\$ 92,200,000</u>	<u>\$ 56,000,000</u>
Transfers:					
(To) From General Fund:					
Designated Fund Balance	\$ 12,418,231	\$ 7,500,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Designated Capital Reserve	4,899,400	6,826,777	17,662,090	18,700,000	8,500,000
Education Meals Tax	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
Fund Balance (Meals Tax Prior Yr Addt'l Receipts)	10,783,247	-	-	-	-
Undesignated Fund Balance	350,000	-	-	-	-
General Fund Revenues - Stormwater Dedication	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000
General Fund Revenue - Motor Vehicle License Fee	850,000	850,000	1,000,000	1,000,000	1,000,000
Permit Fee Revenue	1,000,000	-	-	-	-
General Fund - Mental Health Reserve	-	1,967,803	-	-	-
General Fund - Tourism Reserve	-	-	9,251,000	-	-
Public Works Reserve	-	-	3,678,910	-	-
General Fund Revenues - Vehicle Replacement	5,824,800	6,574,800	7,624,800	8,374,800	9,124,800
Undesignated Fund Balance - Vehicle Replacement	-	-	1,000,000	750,000	500,000
Subtotal General Fund Transfers	<u>\$ 47,473,678</u>	<u>\$ 35,067,380</u>	<u>\$ 61,564,800</u>	<u>\$ 50,172,800</u>	<u>\$ 40,472,800</u>
(To) From Special Revenue Fund:					
Mental Health - Fund Balance	\$ 1,018,500	\$ 4,869,420	\$ -	\$ -	\$ -
Landfill Fees	150,000	600,000	-	-	-
Subtotal Special Revenue Fund Transfers	<u>\$ 1,168,500</u>	<u>\$ 5,469,420</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Resources and Transfers	<u>\$ 169,722,718</u>	<u>\$ 155,136,800</u>	<u>\$ 114,564,800</u>	<u>\$ 142,372,800</u>	<u>\$ 96,472,800</u>
Expenditures:					
General Government	\$ 31,608,431	\$ 34,380,800	\$ 73,764,800	\$ 43,824,800	\$ 27,624,800
Education	18,937,914	113,600,000	29,500,000	85,000,000	57,500,000
Public Works	12,544,369	6,198,000	11,300,000	13,548,000	11,348,000
Utilities - Landfill	143,493	600,000	-	-	-
Belmont Golf Course	-	358,000	-	-	-
Total Expenditures	<u>\$ 63,234,207</u>	<u>\$ 155,136,800</u>	<u>\$ 114,564,800</u>	<u>\$ 142,372,800</u>	<u>\$ 96,472,800</u>
(To) From Capital Projects Fund Equity	<u>\$(106,488,511)</u>	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>
Capital Projects Fund Balance*	<u>\$ 267,823,964</u>	<u>\$ 247,823,964</u>	<u>\$ 227,823,964</u>	<u>\$ 207,823,964</u>	<u>\$ 187,823,964</u>

Notes:

Revenues and Expenditures in forecast years are based on anticipated appropriations.

From Capital Projects Fund Balance is the use of cash to complete projects where funds were appropriated in prior years.

To Capital Projects Fund Balance is the anticipated addition to Fund Balance of unspent current year appropriations.

(*) Source - Trial Balance. Represents unspent balance as of 6/30/17.

GENERAL FUND



COUNTY OF HENRICO, VIRGINIA
APPROVED GENERAL FUND REVENUES
FY 2018-19

Revenues:	FY 16-17	FY 17-18	FY 18-19
Function/Program	Actual	Original	Approved
Revenue from Local Sources:			
General Property Taxes	\$402,025,236	\$439,375,000	\$461,625,000
Other Local Taxes	176,154,233	151,248,000	159,760,000
Permits, Fees, & Licenses	5,763,288	4,741,100	4,871,300
Fines & Forfeitures	2,110,351	2,090,000	2,085,000
From Use of Money & Property	3,153,825	7,925,600	7,960,400
Charges for Services	6,365,485	3,832,850	4,114,867
Miscellaneous	8,504,640	4,132,500	4,442,000
Recovered Costs	7,368,636	4,090,470	4,050,738
Total from Local Sources	<u>611,445,694</u>	<u>617,435,520</u>	<u>648,909,305</u>
Revenue from the Commonwealth:			
Categorical Aid:			
Education	245,326,848	245,702,000	263,825,000
Public Works	47,661,174	45,197,567	46,132,000
Public Safety (HB #599)	8,801,460	8,700,000	8,800,000
Other	7,491,849	12,924,500	4,479,500
Total Categorical Aid	<u>309,281,331</u>	<u>312,524,067</u>	<u>323,236,500</u>
Non-Categorical Aid:			
General Government	53,950,475	16,118,500	16,170,500
Total Non-Categorical Aid	<u>53,950,475</u>	<u>16,118,500</u>	<u>16,170,500</u>
Shared Expenses:			
State Share of Salaries & Benefits	18,262,991	17,715,000	18,120,000
Total from the Commonwealth	<u>381,494,797</u>	<u>346,357,567</u>	<u>357,527,000</u>
Revenue from the Federal Government			
Total Revenues	<u>994,424,188</u>	<u>964,163,087</u>	<u>1,006,796,305</u>
Interfund Transfers:			
To Debt Service Fund	(58,436,493)	(57,762,829)	(63,468,451)
To Capital Projects Fund	(47,473,678)	(35,067,380)	(61,564,800)
To Enterprise Fund	(1,928,621)	(1,930,021)	(1,930,021)
To Technology Replacement	(2,000,000)	(2,250,000)	(2,500,000)
To CAM	0	0	(99,500)
To Risk Management	(16,814,470)	(8,392,479)	(8,965,327)
To Special Revenue Fund	(28,642,053)	(29,189,507)	(30,394,745)
To JRJDC Agency Fund	(2,979,622)	(3,069,011)	(3,158,722)
To OPEB-GASB 45 Fiduciary Fund	(2,750,000)	(2,675,000)	(2,675,000)
To Line of Duty	(569,869)	(700,000)	(1,100,000)
To Long-Term Disability	(522,540)	(600,000)	(600,000)
Total Transfers	<u>(162,117,346)</u>	<u>(141,636,227)</u>	<u>(176,456,566)</u>

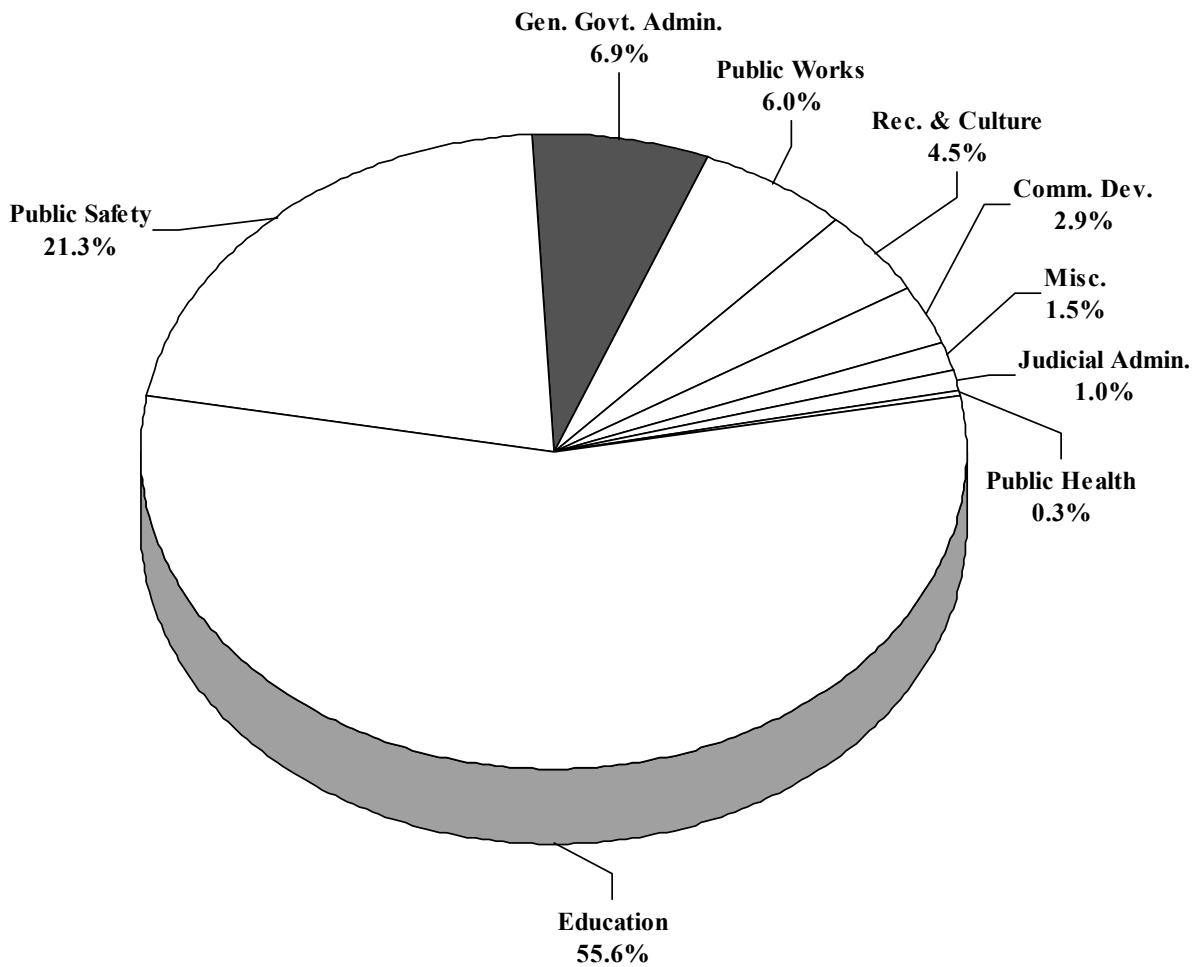
General Fund Revenues (cont'd)

Revenues:			
Function/Program	FY 16-17	FY 17-18	FY 18-19
	Actual	Original	Approved
Use of Fund Balance - Capital Projects	5,000,000	5,000,000	7,500,000
Use of Fund Balance - Sidewalks	0	2,500,000	2,500,000
Use of Fund Balance - Designated Capital Reserve	4,899,400	6,826,777	17,662,090
Use of Fund Balance - MH/DS East Center Reserve	0	1,967,803	0
Use of Fund Balance - Community Maintenance Reserve	0	0	2,000,000
(To) Fund Balance - Community Maintenance Reserve	0	0	(2,000,000)
Use of Fund Balance - Designated Fund Balance	3,100,000	0	0
Use of Fund Balance - Tourism Reserve	0	0	9,251,000
Use of Fund Balance - Capital Initiatives	0	0	0
Use of Fund Balance - Undesignated	350,000	0	1,000,000
Use of Fund Balance - Public Works Reserve	0	0	3,678,910
Use of Fund Balance - Designated Permit Fee	1,000,000	0	0
From Fund Balance - Meals Tax FY15 Collection	8,783,247	0	0
From Fund Balance - Meals Tax FY16 Collection	2,000,000	0	0
(To) Fund Balance - Meals Tax Reserve	(2,000,000)	(2,000,000)	0
(To) Revenue Stabilization Reserve	(1,000,000)	0	(1,000,000)
From Sinking Fund	1,864,067	2,853,640	927,279
(To) Fund Balance - General Fund	(34,325,645)	0	0
Total Resources Net of Transfers	<u>\$821,977,911</u>	<u>\$839,675,080</u>	<u>\$871,859,018</u>

COUNTY OF HENRICO, VIRGINIA

General Government Administration

\$60,491,164



Total General Fund

\$871,859,018

COUNTY OF HENRICO, VIRGINIA
GENERAL GOVERNMENT ADMINISTRATION - GENERAL FUND
FY 2018-19

<u>Department</u>	<u>FY 16-17 Actual</u>	<u>FY 17-18 Original</u>	<u>FY 18-19 Approved</u>
Board of Supervisors	\$1,104,389	\$1,081,048	\$1,100,085
County Manager:			
Administration	1,882,489	1,802,834	1,883,328
Public Relations	930,540	843,056	789,671
Media Services	1,044,275	988,079	1,089,629
Total County Manager	<u>3,857,304</u>	<u>3,633,969</u>	<u>3,762,628</u>
County Attorney	2,551,194	2,394,553	2,509,297
Human Resources:			
Human Resources	4,015,816	4,376,733	4,526,502
Group Benefits	844,476	909,386	1,845,758
Total Human Resources	<u>4,860,292</u>	<u>5,286,119</u>	<u>6,372,260</u>
Finance:			
Administration	316,158	364,912	371,761
Technology	432,832	328,480	328,480
Accounting	1,712,938	1,786,598	1,898,419
Budget	705,913	784,019	822,826
Treasury	2,365,738	2,548,182	2,669,939
Purchasing	1,187,983	1,377,425	1,449,329
Real Estate Assessment	2,925,349	3,018,064	3,018,221
Board of Real Estate Review	15,084	18,721	18,721
Vehicle	1,423,107	1,544,146	1,593,496
Business	1,742,224	1,877,367	1,933,317
Total Finance	<u>12,827,326</u>	<u>13,647,914</u>	<u>14,104,509</u>
General Services:			
Records Management	593,535	486,788	499,911
Administration	1,671,101	1,697,843	1,770,173
Employee Cafeteria	401,235	442,088	451,394
Maintenance and Custodial	9,860,437	10,406,855	10,494,994
Security	1,506,094	1,598,568	1,604,077
Total General Services	<u>14,032,402</u>	<u>14,632,142</u>	<u>14,820,549</u>
Internal Audit	446,546	442,715	455,337
Information Technology	13,464,623	14,569,023	15,158,222
Real Property	722,523	648,326	599,906
Electoral Board	1,908,370	1,535,898	1,608,371
Total General Government Administration	<u><u>\$55,774,969</u></u>	<u><u>\$57,871,707</u></u>	<u><u>\$60,491,164</u></u>

BOARD OF SUPERVISORS

Description

The County Board of Supervisors is the elected governing body of the County and is responsible for establishing policy within the framework of the Constitution of Virginia and the Code of Virginia.

Board members are elected to four-year terms by the voters in each of the five magisterial districts: Brookland, Fairfield, Three Chopt, Tuckahoe and Varina. The Board appoints the County Manager, who is the chief administrative officer of the County. They also appoint the members of the Social Services Board, Library Board, Mental Health and Developmental Services Board, the Board of Real Estate Review and Equalization, the Planning Commission, and several other advisory boards and commissions.

The Board of Supervisors adopts the annual operating and capital budgets and appropriates all funds for expenditure.

Objectives

- To provide broad policy direction and oversight to the County administration pursuant to the laws of the United States,

Commonwealth, County and other applicable regulations.

- To maintain minimum tax rates necessary to provide service levels which ensure a high quality of life for the citizens of Henrico County.

Budget Highlights

The Board of Supervisors' approved budget for FY2018-19 includes funding for continuing correspondence with constituents and for periodic "town meetings", in addition to office expenses and personnel costs. The County's annual audit and general County advertisement requirements are also funded within the operating costs of this budget.

The department's approved budget for FY2018-19 is \$1,100,085. This represents an overall increase of \$19,037 or 1.8 percent compared to FY2017-18. The increase is due entirely to personnel costs related to salary increases as well as fringe benefit rate increases, particularly VRS and health care. Operating and capital budgets remained flat from the previous year.

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 794,494	\$ 765,605	\$ 784,642	2.5%
Operation	309,715	315,443	315,443	0.0%
Capital	180	0	0	0.0%
Total	<u>\$ 1,104,389</u>	<u>\$ 1,081,048</u>	<u>\$ 1,100,085</u>	<u>1.8%</u>
Personnel Complement	4	4	4	0

Board of Supervisors (cont'd)

	Performance Measures			Change
	FY17	FY18	FY19	18 to 19
Performance Measures				
Population of County Served*	332,368	335,692	339,049	3,357
Regular Board Meetings Held	22	22	22	0
Special Board Meetings Held	26	28	26	(2)
Town Meetings Hosted	15	25	20	(5)
Board Papers Considered	266	266	275	9
Provisional Use Permits/Zoning Cases Considered	52	45	50	5
Board and Commission Members Appointed	129	116	105	(11)

*Population data provided by the Department of Planning

COUNTY MANAGER

Description

The County Manager is the chief administrative officer of the County, and he is responsible for the execution of policies established by the Board of Supervisors and for advising and recommending actions to the Board to meet the needs of County residents. In addition to administering the day-to-day operations of the County, the Manager is required by law to present an annual budget to the Board of Supervisors for consideration of all needed County expenditures.

Objectives

- To keep the Board of Supervisors and the public informed of the activities of the County Government.
- To effectively and efficiently manage the County Government.
- To execute all duties required by law and the Board of Supervisors.
- To monitor and advise County officials on all pertinent legislation before the Virginia General Assembly and prepare the annual legislative program and summary.

Budget Highlights

The approved FY2018-19 County Manager’s office budget includes funding to cover the costs of personnel, routine office expenses, and other expenditures needed to keep the members of the Board of Supervisors advised on County business and finances. Also, funds are included that allow the County Manager and his five deputies to maintain memberships and participation in organizations and meetings necessary to keep abreast of current trends and developments beneficial to the County and its citizens.

Additionally, the County Manager and his deputies actively engage in promoting County interests by maintaining close communication with various important sectors of the community. These include County residents, civic groups, other governments, the local business community, and the legislative delegation for the region.

The County Manager’s approved budget for FY2018-19 is \$1,883,328. This represents an increase of \$80,494 or 4.5 percent when compared to FY2017-18. This increase can be attributed to updated estimates for personnel, including salary increases and an increase in health care costs.

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 1,775,471	\$ 1,724,871	\$ 1,805,365	4.7%
Operation	99,893	77,963	77,963	0.0%
Capital	7,125	0	0	0.0%
Total	\$ 1,882,489	\$ 1,802,834	\$ 1,883,328	4.5%
 Personnel Complement	 13	 13	 13	 0

COUNTY MANAGER

Public Relations & Media Services

Description

The Public Relations & Media Services Department directs the County’s public communications efforts and increases awareness and understanding of Henrico County Government activities for the County’s residents, businesses, news media and others. Working with County agencies and officials, the Department creates and implements print, video and graphic communications targeted to a variety of audiences. Activities include news releases, media advisories, news conferences, photography, graphic design, Henrico County Television (HCTV), management of social media including the County’s official Twitter and Facebook accounts and YouTube channel, public awareness campaigns, print publications — such as the County’s annual report, the employee telephone directory, and departmental brochures — media relations, news tracking, agency consultation, website news maintenance, audiovisual presentation services, streaming Board of Supervisors meetings, and more. The Department also receives, distributes and responds to Virginia Freedom of Information Act requests through its service as the County’s FOIA officer.

The Department oversees operations of HCTV. Activities include production of feature-length programming and short-format video news releases to broadcast on HCTV and distribute through social media and the County website. The Department continues to offer residents timely information and quality programming through HCTV.

Objectives

- To tell the story of Henrico County through print and video productions.
- To provide County agencies with effective support and technical assistance in crisis consultation, media relations and promotion of their programs and services.
- To establish and maintain contacts with news media representatives to ensure accurate coverage of County activities.
- To create crisis and emergency communication plans.
- To enhance the visibility of Henrico County as a desirable place to live, work, and enjoy leisure hours.
- To disseminate information to County residents through print publications, feature video productions, HCTV message boards, social media, the news media, the County website, and other available platforms.

Budget Highlights

The Public Relations & Media Services Department’s approved budget for FY2018-19 is \$1,879,300, which is a \$48,165 or a 2.6 percent increase from the

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 1,680,489	\$ 1,601,684	\$ 1,649,849	3.0%
Operation	290,662	229,451	229,451	0.0%
Capital	3,664	0	0	0.0%
Total	\$ 1,974,815	\$ 1,831,135	\$ 1,879,300	2.6%
 Personnel Complement	 19	 19	 19	 0

	Performance Measures			Change
	FY17	FY18	FY19	18 to 19
Workload Measures				
Video Shoots	615	500	500	0
Publications Distributed	263,900	300,000	300,000	0
Cable TV Messages	1,420	1,600	1,600	0
Information Packets Distributed	14,586	15,500	15,500	0
Media Contacts Made	8,140	8,000	8,000	0
DVD Duplication	1,734	2,000	2,000	0
Photos Taken/Distributed	1,385	1,500	1,500	0

FY2017-18 approved budget. This increase was driven solely by the personnel component, which includes salary increases and associated fringe benefits such as VRS rates and health care costs.

The Department is separated into two divisions: Public Relations and Media Services.

Public Relations

The Public Relations component of the budget for FY2018-19 is \$789,671. Compared to the approved FY2017-18 budget, this is a decrease of \$53,385 or 6.3 percent. This decrease is due to the movement of one position previously in the Public Relations division to the Media Services division, however it is partially offset by an overall increase in salaries and fringe benefit costs.

The employees in the Public Relations office focus on media relations and public awareness of County policies, programs and services via coverage in print and broadcast news media, and through various publications such as news releases, departmental brochures and other print materials. Public Relations is also responsible for social media, including the County’s official Twitter and Facebook accounts, photography, graphic design, and HCTV message board bulletins, among other services. The division also serves as the County’s FOIA officer.

Media Services

The Media Services component of the budget for FY2018-19 is \$1,089,629, which is an increase of \$101,550 or 10.3 percent from FY2017-18. The significant increase is attributed to the previously mentioned transfer of one position from Public Relations, as well as salary increases and an increase in fringe benefit rates.

The employees in the Media Services office serve as a video production and media support staff, telling the story of Henrico County through feature and documentary programming and video news releases. Media Services offers other County agencies assistance with promotion of their programs and services through video productions. The office maintains and develops content for the Henrico County Government channel at YouTube.com, provides streaming video coverage of Board of Supervisors meetings and is also responsible for producing programs and operating HCTV.

For FY2018-19, Public Relations and Media Services will continue providing the same quality and level of service. The department will continue to assist agencies with media and public information needs, will be available to disseminate information during crisis situations, will write and produce various publications, will live-stream every Board of Supervisors meeting, will assist with special projects, and will produce new, original programming for HCTV and the Henrico County Government YouTube channel.

COUNTY ATTORNEY

Description

The County Attorney's Office serves as legal advisor to the County government, including its various departments, divisions, and agencies. The Office prosecutes or defends all actions involving County officials and employees arising out of acts performed in the course of their employment. In addition to litigation, the office is called upon to interpret State and Federal laws, County ordinances and County resolutions, and to draft County ordinances and proposed State legislation.

Development Authority, and reviews and approves contracts entered into by the County, the School Board, and the Economic Development Authority.

In 2016-17, the office provided legal services for several key transactions such as the negotiation of 457 deferred compensation plan contracts; a review of the update to the Emergency Operations Plan; Excel to Excellence and Junior Achievement projects at the old Varina Library and Libbie Mill Library, respectively; Code RVA and the Achievable Dream Academy contract; bond issues for the County; and 10 County Code amendments. In addition, the office played an integral role in advising on the new proffer statute effective July 1, 2016, which included hiring outside counsel and providing training for County staff and County officials. In the winter of 2017, the office played a key role in planning the November 2017 special election in the Brookland District due to the sudden death of long-time supervisor Richard Glover.

Objectives

- To provide the County government with quality legal services.
- To protect the County treasury from damage awards as a result of litigation.

Budget Highlights

The County Attorney's Office is charged by statute with providing all legal services of a civil nature required by the County and its various boards, commissions, and agencies. This responsibility includes rendering legal advice to the Board of Supervisors, the County Manager and his staff, the Planning Commission, the Board of Zoning Appeals, the School Board, the Superintendent of Schools, the Economic Development Authority, department heads, key officials, and employees. The Office also drafts County ordinances and resolutions for presentation to the Board of Supervisors, drafts resolutions for presentation to the Economic

On an ongoing basis, office staff provides training on the Conflict of Interests Act and the Freedom of Information Act, in addition to civil liability, confidentiality of health records, and the Health Insurance Portability and Accountability Act. Training sessions also include groups such as the crisis intervention team, security officers, and communications officers.

The office also represents the County and its officials and employees in civil litigation and in criminal prosecutions of violations of certain County

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 2,416,698	\$ 2,323,758	\$ 2,436,677	4.9%
Operation	134,096	70,795	72,620	2.6%
Capital	400	0	0	0.0%
Total	\$ 2,551,194	\$ 2,394,553	\$ 2,509,297	4.8%
 Personnel Complement *	 20	 20	 21	 1

¹ Assistant County Attorney position is being added to the personnel complement in FY2018-19

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
New Cases Filed	27	30	30	0
Cases Disposed of	19	20	25	5
Administrative Proceedings	18	25	30	5
Court Appearances	1,036	1,200	1,250	50

ordinances. In addition to the above mentioned, The County Attorney handles a variety of other types of cases, such as bankruptcy, civil rights, construction, corrections, employment discrimination, land use, personal injury, procurement, professional responsibility, special education, taxation, and wrongful death. In FY2016-17, 27 new lawsuits were filed in courts of record that seek a minimum of \$25,000.

The County Attorney office also represents the County in state and federal courts of record, which includes the trial and appellate courts and currently have 36 state and federal cases pending. In FY2016-17, the office made 66 appearances in these courts and in 2016-17 the County Attorney Office handled 1,036 cases in courts not of record: 97 cases in the Henrico County General District Court and 939 cases in the Henrico County Juvenile and Domestic Relations District Court.

In addition to litigation matters, the office handles a high volume of transactional work on behalf of County departments. This work includes 1,752

contracts drafted or reviewed, 372 deeds and leases drafted or reviewed, 356 board papers drafted or reviewed, 552 Freedom of Information Act requests handled, 376 Subpoenas Duces Tecum handled, eight restrictive covenants reviewed, nine festival permit applications reviewed, 76 sets of conditional zoning proffers reviewed, and one official opinions. Finally, during FY2016-17, the County Attorney’s office recovered \$158,183, owed to the County through bankruptcy proceedings and \$36,122 in revenue from delinquent tax sales.

The department’s approved budget for FY2018-19 is \$2,509,297, which reflects an increase of \$114,744 or 4.8 percent compared to FY2017-18. This increase comes primarily from personnel costs, which includes salary increases and the addition of a new Assistant County Attorney I, for special education cases. The personnel component also includes overall increases in fringe benefit rates. There is also a small increase in operating costs, which is necessitated by the addition of this new position.

HUMAN RESOURCES

Description

The County of Henrico Department of Human Resources (HR) supports County departments in a myriad of ways from collaboration on award-winning initiatives to credible implementation of compliance-driven requirements. HR continues to actively practice its vision of “Communication, Collaboration and Credibility” to produce strong service outcomes for the overall organization. The department is a fully-engaged strategic partner with the County’s operational departments in the areas of employment and compensation management, employee talent development and organizational learning, benefits administration, fitness and wellness, risk management, employee health services, job classification, employee relations, employee and applicant records, and information systems, including personnel and payroll transactions.

- To attract and retain the “right” employees in the “right” seats at all job levels.
- To maintain high employment and low turnover.
- To enhance employee health, fitness, and wellness efforts in an attempt to manage rising health care costs.
- To provide innovative training programs for County employees in customer service and technology as well as training to promote continued employee development.
- To ensure leadership readiness through the award-winning career enrichment, succession management, leadership development programs, and the Emerging Leaders program.
- To keep the County’s compensation and benefits at a competitive level, and to partner with Henrico County Public Schools to maintain a unified pay plan.

Objectives

- To focus on Communication, Collaboration, and Credibility as HR serves its customers.
- To remain an employer-of-choice.

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 3,559,414	\$ 3,787,695	\$ 3,937,464	4.0%
Operation	425,785	588,688	588,688	0.0%
Capital	30,617	350	350	0.0%
Total	\$ 4,015,816	\$ 4,376,733	\$ 4,526,502	3.4%
Employee Services	\$ 844,476	\$ 909,386	\$ 1,845,758	103.0%
Total Budget	\$ 4,860,292	\$ 5,286,119	\$ 6,372,260	20.5%
Personnel Complement*	46	47	47	0

*One Management Specialist I position was added to HR's complement for FY2017-18.

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Applications Received	27,559	28,000	28,000	0
Retirements (FY)	128	120	120	0
Effectiveness Measure				
Turnover Rate	10.5%	10.0%	10.0%	0

- To provide assistance to employees and supervisors in areas impacting employee relations and promote EEO and diversity awareness.
- To maintain all personnel records in an effective and efficient manner.
- To ensure that all laws, regulations and policies are followed.
- To attract and utilize volunteers in all departments.
- To be organizationally astute to the needs of the County of Henrico and serve as an internal consultant to the County Manager’s Office and to operating departments regarding human resource management.

\$936,372 or 103.0 percent from the previous approved budget. This increase is driven primarily by the County-wide wage adjustment budgeted at \$900,000, which is an amount estimated by the Office of Management and Budget.

This budget captures the costs associated with the retiree health benefit supplement, which was authorized by the Board of Supervisors effective January 1, 2003. This County-wide benefit is included at a cost of \$920,758 increasing by \$52,199 from the previous fiscal year. It provides coverage for 667 retirees at an average monthly cost of \$115 per retiree.

The Group Benefits budget also includes health care premiums for disabled retirees which total \$25,000 for FY2018-19, decreasing by \$15,827 from the previous fiscal year. This amount will provide health care premiums for four disabled retirees which represents a reduction of two disabled retirees from the previous fiscal year.

Budget Highlights

The Department of Human Resources budget for FY2018-19 totals \$6,372,260, representing a net increase of \$1,086,141 or 20.5 percent from the previous approved budget. The Human Resources budget includes both the departmental budget and the group benefits budget. Each of these components is noted in the following narrative.

The employee turnover rate was reported at 10.5 percent this past year. These efforts and more have further validated Henrico County as one of the “leanest” local governments in the Commonwealth, with one of the lowest employee-to-citizen population ratios.

The Human Resources section of the FY2018-19 budget is \$4,526,502, which represents a net increase of \$149,769 or 3.4 percent from the previous fiscal year. This increase was driven solely by the personnel component and reflects revised salary estimates including a salary increase for FY2018-19 as well as rising health care costs. The operating and capital components of the budget remained flat from the previous fiscal year.

One of the more visible and also highly valuable services provided as a department and as an employer is in employee attraction and retention, which HR accomplishes through competitive benefits and strategic initiatives to increase the overall well-being of County employees. The County of Henrico remains a preferred employer, as evidenced by a high number of applications – 27,559 total.

The FY2018-19 budget for the Group Benefits section of the Human Resources budget is \$1,845,758, which increased by a net difference of

It has been a busy year for the "EngAGE in Henrico" initiative. Focusing on the senior community, HR’s Advocate for the Aging increased the program’s

Human Resources (cont'd)

scope with new outreach initiatives that resulted in hosting over 15 programs and partnering with other organizations to offer 37 additional events in the past fiscal year. Partnerships have been developed with over 80 different organizations throughout the region. One partnership to highlight is with Senior Connections. Together HR hosted its first "Senior Law Day" which allowed the department to prepare free documents including wills, durable powers of attorney and advanced medical directives for 30 Henrico citizens.

Additionally, having listened to the needs of Henrico's seniors and their caregivers, the Henrico Ambassador Program for Seniors (HAPS) was created. This was a two-part, bi-annual, series that gave participants the opportunity to learn about the various community agencies available to them along with County resources provided to older citizens, caregivers and their families.

Transitioning focus from the aging to the younger generation, the HR department is proud of the growth of its internship program. Receiving 720 internship applications this year, HR was afforded the opportunity to hire 93 students for 34 different programs throughout most County departments. The diversity of learning goals across the program provided HR with valuable feedback in learning what drives the younger generation

With over 23,000 hours worked by the interns, this year was the most active year-to-date, resulting in hiring 15 interns into full-time positions here in Henrico County. Because of the internship program, students are developing an interest to serve and have a passion for local government.

Also, a trend in hiring the younger generation (millennials) emerged this year. 57.0 percent of new hires were under the age of 30. Facilitating the hiring process for people who have a passion for local government, and specifically for Henrico County, is a key component of HR's Employment and Compensation Services (ECS) division.

HR's Financial and Administrative Services division received an increase of employment verifications by 32.0 percent this fiscal year. Completing these verifications helped current and former employees receive necessary information for new employment and private loan applications. In addition to verifications, Financial and Administrative Services certified 80 employees with the Department of

Education's Public Service Loan Forgiveness Program, having a great impact financially for those employees in the program.

Cultivating professional growth and development continued to be a pillar for Human Resources. The department saw an increase of 48 non-public safety Career Development Programs (CDP) from fiscal year 2016. Departments across the County experienced benefits of the CDP program and expressed the lasting effects it will have on their divisions and the customer service they provide

Helping foster excellent performance and pushing employees to further their careers through coaching, training and leadership opportunities is the cornerstone of the Organizational Learning and Talent Development (OLTLD) division. Evolution and teamwork within this division thrived at all times. This past year, Human Resources was awarded a National Association of Counties (NACo) award for the Employee Academy: Engaging Employees at All Levels of the Organization and was the co-recipient of Creating a Culture of Leadership: Public Works Leadership Discussion Group in collaboration with strategic partners in the Department of Public Works (DPW).

Immersed in "The Henrico Way", the employee academy connected employees with one another to give them rare insight into the behind-the-scenes operations of diverse county departments. The standard of "Leadership at all Levels," thrived in the academy because tours were conducted by a myriad of leaders from top agency heads, to employees occupying diverse roles within each department. To date, 234 people registered for the academy with a 98.0 percent approval rating triggering this program to be one of the highest in demand for the County.

The second NACo award, Creating a Culture of Leadership, was a true collaborative effort between DPW and Human Resources. This discussion group

was designed and formed to facilitate ongoing knowledge-sharing and development of DPW supervisors, once again displaying values of leadership at every level. HR's philosophy of communication and collaboration led to the key success and credibility of this group so that the best ideas were given a chance to become a reality for the County. These awards highlight the many ways in which growth and development has been at the forefront of the department all year.

Human Resources (cont'd)

While awards highlight the strength and guidance OLTD provides employees, it scratched the surface on the overall practice of the division. The continued guidance in the Leadership Development Program (LDP) allowed for 25.0 percent of all first line supervisors in the County to be active participants. The department has found that over the past fiscal year employees are seeking more consultation and coaching to grow within their positions as the time spent offering these services has increased by 25.0 percent from FY2015-16.

In the classroom, instructor-led training saw an 8.0 percent increase in the number of classes taught this year. The interest in management classes also nearly doubled with the most popular class being, 'Change, Stress, and Resiliency: Leading with the SCARF Model,' with 115 registrations.

Not only are employees seeing the benefits of career development but also HR's volunteer program offered engagement opportunities with citizens in an unprecedented way. In partnership with local organizations and events, HR continued to market the volunteer program which resulted in an average of 708 volunteers each month with a total of over 135,000 hours worked in the past year. This is equivalent to 65 full-time employees and allows for a unique experience of interaction between the community and the County demonstrating HR's vision as an organization.

Staying in sync with the community afforded the Human Resources Management System (HRMS) division the opportunity to implement the County's newly established fundraising effort, The Henrico Fund. Employees can now donate to one or more of the 11 different non-profit organizations directly through a payroll deduction with the amount contributed documented on their pay slip. Once again, collaboration was at the forefront of this effort, this time partnering with the County Manager's office on the design of this charitable giving option with the focus on employee self-service.

Continuing to highlight the growth and development of the department in service to employees, the Employee Health Services (EHS) division is doing its part to help employees on their HealthTrip journey. A push made this year to greatly expand employees' knowledge of their services expanded greatly due to the diligent education and persistent message from the EHS staff. From participating in many department in-service meetings to including

information at new employee orientation, to presenting to County leadership at a Pre-Board meeting, the EHS team has made employees more aware of the benefits and amenities provided at Employee Health Services, and it showed in the numbers. Non-occupational visits nearly tripled in the last fiscal year, with a total of 976 unique visits. That included everything from allergy injections to treating common cold symptoms, sore throats and health screenings. Along with common check-ups, discussions about overall health were a priority to educate employees about diabetic counseling, smoking cessation, hypertension and cholesterol management. The all-inclusive philosophy was to capture the moment with each patient and not just treat their initial issue.

Also contributing to the employees' HealthTrip journey, and with the attention of total overall health for employees, the Fitness and Wellness division focused on four program areas for individualizing the employee HealthTrip journey this year: physical health, nutritional health, personal health management and life balance. The HealthTrip traveled to Strong Falls, South Dakota with goals of developing or maintaining regular muscle strength. The journey also took employees to Las Veggies, Nevada where the excursion focused on nutritional wellness and encouraged employees to make sure half of their plates at a daily meal consist of fruits and vegetables. Side excursions for HealthTrip led to participation in the Monument Avenue 10K, Nutzy's Funn Run 5K and Anthem Corporate 5K. In total over 2,800 employees participated in programs with Fitness and Wellness this year visiting out fitness facilities almost 21,000 times and representing 29 different general government departments along their individual HealthTrip journeys. Visits included everything from participating in a class and attending fitness orientation to Henrico County Police and Fire CrossFit, weight room and outside trail usage.

Aside from the daily attention Fitness and Wellness gave to the employees' HealthTrip journey, the division also offered different programs to educate employees on health trends and personal overall well-being. Health risk assessments for Schools and General Government employees were offered to better understand where they were on their HealthTrip journey, and 2,017 employees took the opportunity to be evaluated. Along with the health risk assessment, the Weight Loss for Optimal Health program was designed to combat obesity and growing overweight trends in society. This program

Human Resources (cont'd)

saw 88 employees start their journey to overall wellness.

HealthTrip focus was not just through EHS and Fitness and Wellness. The Benefits Division contributed by replacing the long-term disability program with a comparable fully-insured program by MetLife. This means that the focus on complete service and care is provided for employees with greater efficiency and more options for employees to return to work.

As a department, Human Resources continues to recognize that the most integral strength of Henrico County is its employees. They are the core that afforded the department the ability to serve its local government and community. HR provided the tools for them to grow, support for them to develop and community in which they can share with every citizen of this County. "The Henrico Way" is not just a saying, it is the foundation that allowed us to communicate, collaborate and to nurture this credible organization from day one forward.

FINANCE

Description

The Director of Finance is charged by State law with all duties mandated for the constitutional offices of the Treasurer and Commissioner of Revenue as prescribed by the Code of Virginia §15.2-617, along with the preparation and administration of the County budget and the Comprehensive Annual Financial Report (CAFR). To accomplish these tasks, the Department is comprised of administration and six divisions: Real Estate Assessment, Revenue (split into Business and Vehicle sections), Accounting, Treasury, Purchasing, and the Office of Management and Budget.

- To maintain, complete, and accurate accounting records for the County.
- To maintain the County’s triple AAA bond ratings through sound financial management, the accurate recording of financial activity, and the timely preparation of the Comprehensive Annual Financial Report.
- To prepare, administer, and monitor the operating and capital budgets of the County.
- To procure goods and services required by County departments and Schools at the lowest price in a legally responsible manner.
- To continue the commitment for the education and career development of all Department employees.
- To promote the most innovative technologies available to enhance financial service delivery, information management, and customer service.
- To administer the Real Estate Tax Advantage Program (REAP) for the elderly and/or disabled.

Objectives

- To continue the improvement of customer service for both internal and external customers.
- To provide convenient property tax information for the citizens of Henrico County.
- To assess all real estate and certain personal property located in the County.
- To review, assess, bill, and collect all taxes, licenses, and fees in the County in conformance with all local, state, and federal regulations.

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 11,435,676	\$ 12,114,204	\$ 12,570,798	3.8%
Operation	1,363,993	1,509,077	1,509,078	0.0%
Capital	27,657	24,633	24,633	0.0%
Total	\$ 12,827,326	\$ 13,647,914	\$ 14,104,509	3.3%
 Personnel Complement*	 163	 163	 163	 -

*Five employees transferred to Information Technology during FY2016-17

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Parcels of Land Reviewed	115,532	116,482	117,482	1,000
Vehicles Assessed	389,491	383,083	390,000	6,917
Business License Payments	7,349	7,413	7,450	37
Cashier Transactions Per Teller/Day	63	75	75	0
Budget Transfer Document Processed	1,597	1,400	1,400	0
Accounts Payable Transactions	240,818	248,907	257,628	8,721
Credit and Debit Card Transactions	302,465	320,000	325,000	5,000
REAP Applicants	6,319	6,214	6,500	286
Electronic Bill Payments	231,369	266,524	266,524	0
Tax Bills Generated	801,631	825,680	830,000	4,320
Effectiveness Measures				
G.O. Bond Ratings				
Standard & Poor's	AAA	AAA	AAA	N/A
Moody's	Aaa	Aaa	Aaa	N/A
Fitch	AAA	AAA	AAA	N/A
Number of Years - GFOA Award for Budget	27	28	29	1
Number of Years - GFOA Award for CAFR	34	35	36	1

Budget Highlights

The Department of Finance's budget for FY2018-19 totals \$14,104,509, representing an overall increase of \$456,595 or 3.3 percent from the previous approved budget. This increase was driven solely by the personnel component and reflects revised salary estimates including a salary increase for FY2018-19 as well as rising health care costs.

During FY2017-18, the Department of Finance again received recognition from the Government Finance Officers Association (GFOA) for the Annual Fiscal Plan and the Comprehensive Annual Financial Report (CAFR). The County has been awarded the Certificate of Achievement for Excellence in Financial Reporting from GFOA for the CAFR for thirty-five consecutive years. The Office of Management and Budget received the Distinguished Budget Presentation Award from GFOA for the Annual Fiscal Plan for the twenty-eighth consecutive year.

In addition to sound fiscal planning, Henrico County also makes every effort to operate in a conservative fashion by maximizing efficiencies, prudently managing resources, and engaging in special initiatives to ensure the appropriate level of tax collection. One example is the County's proactive debt management, taking advantage of favorable interest rates to minimize costs through new debt issuances and debt refundings. Also, the County continues the practice of conservatively estimating revenues and minimizing expenditures without compromising service delivery. In any economic environment, fiscal prudence, combined with proactive and pragmatic fiscal management, is of absolute necessity. Even as local economic conditions slowly improve, economic challenges continue in other areas especially with State funding, which means Henrico County must continue to examine the processes by which it conducts business in order to more cost effectively provide valuable

Finance (cont'd)

services to citizens. This examination has led to the County's departments and agencies, including Finance, to streamline operations, identify cost savings, and implement efficiency measures to maximize the value of taxpayer's dollars. The Department has adopted many cost cutting and efficiency maximizing strategies that are consistent with the County's overall goal of continuing to provide exceptional services to citizens.

Administration

The Administration function oversees all activities of the Finance Department with the Director of Finance establishing the policies and procedures under which the Department operates. The administrative staff is responsible for the issuance of all County debt and maintains all of the debt issuance records as well as handling all subsequent reviews or filings related to that debt. The Administration staff also monitors the County's investments and administers the County's Investment and Cash Management Guidelines. The Department of Finance has also assisted in the presentation of economic updates at numerous community forums and gatherings.

Real Estate Assessment

The Real Estate Assessment Division is responsible for the review/reassessment of all real property in Henrico County, in conformance with the standards of Market Value and Uniformity as mandated by Article X of the Constitution of Virginia, Title 58.1, of the Code of Virginia, and Section 15.2 of the County Manager Act. Henrico County employs an annual countywide reassessment program using a Computer Assisted Mass Appraisal (CAMA) system. Changes in assessed value are based on actions of buyers and sellers in the local real estate market. The Real Estate Assessment Division maintains accurate and up-to-date records on each parcel of real estate in the County. These records reflect uniform, comprehensive, and descriptive data relative to location, improvements, ownership, sales information, and assessed value.

The Real Estate Assessment Division is responsible for tracking all changes in assessed value including reassessment and new construction. Real Estate Assessment staff also provides valuation recommendations and administrative support to the Board of Real Estate Review and Equalization. New subdivisions, parcel splits/combinations, deeds, wills,

etc. recorded in the Clerk's Office of the Circuit Court of Henrico County are received and processed by the Real Estate Assessment Division. Also, accounts for individuals as well as properties eligible for assessment adjustments or exemption are catalogued.

As of January 1, 2018, the taxable assessed value of the County was approximately \$37.9 billion, an increase of 6.0 percent, or approximately \$2.2 billion, compared to January 1, 2017. Reassessments accounted for 4.7 percent, or \$1.7 billion of the change with new construction and all other changes accounting for 1.3 percent or \$481 million of the change in the total land book from January 1, 2017 to January 1, 2018. The real estate market continues to strengthen with increases in both residential and commercial values. New construction also continues to increase at a moderate pace.

The Real Estate Assessment Division is committed to providing the public and citizenry with accurate and up-to-date information for all real property with the highest level of customer service. For calendar year 2017 the Division processed 6,142 telephone inquiries and 1,307 walk-in requests for property information.

The Real Estate Assessment Division administers a countywide Partial Real Estate Tax Credit program for qualifying rehabilitated or renovated multi-family, commercial/industrial, and hotel/motel properties. The structure (building) must be at least 26 years old to qualify. The "Reinvest" residential rehabilitation program was initiated on January 1, 2010. To qualify home must be at least 40 years old with a maximum assessed value of \$250,000. A total of 130 properties participate in the program. In 2011 the Commonwealth of Virginia modified the Constitution to exempt the residence of permanently disabled veterans. As of January 1, 2018, 427 homes have been exempted for veterans. Also, beginning in 2016 an additional constitutional amendment exempted residences of spouses of members of the armed forces killed in action.

The Real Estate Assessment Division manages a countywide Land Use program for the assessment of qualifying land based on agricultural, horticultural, forestry, or open-space use value rather than market value. Forestland eligibility includes a twenty acre minimum and other classifications require a five acre minimum. A total of 453 property owners are

Finance (cont'd)

currently in the program totaling approximately 30,600 acres.

Revenue

The Revenue Division consists of two sections: Business and Vehicle. The Business section administers business license and personal property taxes within the County along with a variety of other taxes, including the collection and monitoring of the Meals Tax and the relevant portion of the Virginia Sales and Use Tax attributable to Henrico County. The Vehicle Section administers vehicle license and personal property taxes within the County, as well as a variety of other taxes.

The total number of business licenses issues in calendar year 2017 remained reasonably constant when compared to the previous fiscal year. The Division continued imaging over 100,000 documents within the office and outsourced printing and mailing of business license and personal property renewal forms. The Division updates depreciation schedules for computer, furniture and fixtures, and machinery and tools as well as tax code and forms on the Internet.

The Revenue Division continues to verify vehicles are in compliance with the Personal Property Tax Relief Act. The Division offers State Income Tax assistance to citizens. This Division also offers assistance to citizens through the Real Estate Tax Advantage Program (REAP), which provides real estate tax relief for persons 65 years of age and older, or permanently and totally disabled persons, so long as they own and occupy their home. The maximum net worth and income thresholds are \$400,000 and \$75,000, respectively. During calendar year 2018, all qualifying participants will receive tax relief for 100 percent of their taxes up to a maximum of \$3,000. REAP continues to provide immediate tax relief to a large percentage of seniors.

In addition to assessing these businesses or vehicles for license and personal property taxes, the Division continually seeks to improve the administrative duties to streamline processes. It also continues its effort from the "Henrico, VA" initiative, which was implemented to reduce the miscoding of local tax revenues to area localities. Additional duties performed by the Division include the administration, collection, and auditing (where authorized under the State Code) of the following taxes: Bank

Franchise, Communications' Sales and Use, Consumer Utility, Daily Rental, Hotel/Motel Transient Occupancy, Public Service Corporation, Food and Beverage, and the local portion of the Virginia Sales and Use.

Accounting

The Accounting Division has three operating sections: General Accounting, Payroll, and Accounts Payable. The General Accounting Section assigns and establishes all account coding, exercises pre-audit control over receipts and disbursements, accumulates information to meet budget requirements, prepares the County's Comprehensive Annual Financial Report ("CAFR"), maintains inventory records of County property, maintains and supervises fixed assets, grants accounting, and complies with IRS arbitrage and rebate requirements. The Accounting division completes cash management reporting including bank reconciliations and the County's investment portfolio. The Payroll Section audits and approves payrolls, issues checks, records all payroll deductions, deposits taxes withheld, and completes required reporting of such activity.

The Accounts Payable Section verifies that expenditures are within the approved limits and exercises pre-audit control over expenditures and disbursement of funds. The number of transactions processed in FY2016-17 was 240,818 and it is projected that 248,907 will be processed during FY2017-18 and 257,628 transactions are forecasted to be processed in FY2018-19. In FY2016-17, 118,699 invoices were processed in accounts payable. The Accounts Payable Section initiated an invoice imaging system during FY2010-11 that streamlines the data storage and retrieval process. In FY2016-17, 122,119 invoices were scanned into the imaging system.

The Division began making electronic payments (ach and card payments) in January 2015. During FY2016-17, 21,605 electronic payments were processed which represented 26 percent of all payments made by the County. The electronic payments program generated a rebate of \$222,118 for the County.

In addition, the Division processes approximately 23,718 payroll direct deposits/checks per month. The number of payroll direct deposits/checks processed in

Finance (cont'd)

FY2016-17 was 284,616. The Accounting Division, in cooperation with other areas of Administration, also facilitates information and provides as-needed assistance in the County's annual external audit. The County audit assessment continues to be favorable, further illustrating the soundness and conservative nature of Henrico County's fiscal management.

Treasury

The Treasury Division serves as the County's cashier and provides tellers, at both the Western Government Center (WGC) and the Eastern Government Center (EGC), to collect taxes and fees, as well as Department of Public Utilities (DPU), and parking ticket payments from citizens. Treasury is also responsible for the billing of real estate and personal property taxes as well as dog license fees. Additional functions include billing and collection of delinquent taxes and fees, taxpayer liaison, and account maintenance. The Treasury Department is divided into three distinct areas: Cash Operations, Receivables and Account Maintenance, and Delinquent Accounts Collections. Treasury implemented a career development plan for non-supervisory personnel to encourage retention and provide advancement opportunities. These efforts are one of the department's goals of becoming a high performing organization.

Treasury continues to expand billing and payment options for taxpayers and County customers. Payment methods at the government centers include: cash, checks, pin-based debit cards and credit and pin-less debit cards. Treasury offers several payment offsite methods to customers paying for County services, fees and taxes by offering lockbox services, e-box services that take ACH payments, credit/debit cards, by phone or the internet, electronic checks by phone or over the internet, off site cash payment locations, monthly ACH withdrawals, 24/7 drop boxes located conveniently at each government center, and in-person payments at the Cashier windows at the government centers. A remote lockbox process is used to quickly deposit drop box payments for personal property and real estate taxes.

Treasury enhanced the billing and bill view methods in September 2017. Taxpayers may opt into receiving paperless real estate and personal property tax bills, view their installment tax bills online, schedule payments, and receive notifications and reminders via email or text. If paying online, taxpayers are able to

view their payment history. Taxpayers have the option to combine personal property and real estate bills into one account. The expanded billing features are available even if a taxpayer does not pay using the online payment method. As of mid-December almost 3,000 taxpayers signed up for paperless bills and almost 27,000 taxpayers have created accounts to manage their tax bills and payments.

A change in the State Code in 2017 provided the opportunity to change the dog license process. In November 2017, a County ordinance was passed to permit the County to sell lifetime dog licenses. The license replaces the one and three-year dog licenses that expired with the expiration of the rabies vaccination. The new lifetime license is valid for the life of the dog as long as the dog's owner resides in Henrico County and the rabies vaccination remains current. The cost of the lifetime license is \$10.

The cashiers processed 121,322 checks in-person during FY2016-17, while the County Lockbox Operation Center processed 406,574 paper checks. The number of pin-based debit card transactions for FY2016-17 was 71,096 for all County agencies. Credit card and E-Check payments increased from 139,738 in FY2015-16 to 178,555 in FY2016-17, which represents an increase of 38,817 or 27.8 percent. Electronic lockbox payments increased 1.6 percent, from 227,690 in FY2015-16 to 231,369 in FY2016-17. Electronic payments are projected to increase in FY2018-19 as taxpayers continue to bank more electronically.

Real estate and personal property tax bills are mailed in two installments, with due dates of June 5th and December 5th. Treasury mailed 801,631 bills during FY2016-17, an increase of 9.8 percent from the previous year. Of these bills, 109,229 were real estate bills and 692,402 were personal property bills. Four mortgage files were submitted electronically for both the June and December installments that paid on 120,537 accounts. An additional 1,741 real estate accounts were sent to mortgage holders. Mortgage company escrow accounts are 52.5 percent of the real estate bills. A total of 29,435 supplemental bills and 264,855 delinquent bills were mailed. Treasury provides electronic files to vehicle leasing companies. In FY2016-17, 29 leasing companies participated in the program, which utilized electronic files for leasing company billings. The program included 1,688 accounts for a total payment of \$7,246,870.

Finance (cont'd)

The Delinquent Accounts and Collections Section collected \$4,690,427 in delinquent real estate taxes and \$1,145,167 in delinquent business taxes during FY2016-17. In addition, the Delinquent Accounts and Collections Section was responsible for processing a total of 34,493 new Department of Motor Vehicle registration withholdings (VRW) resulting in collection of 51,876 vehicle personal property accounts. Collections utilizing the Commonwealth of Virginia's Debt-Set-Off Program, in which funds withheld from individual state income tax returns, produced \$1,400,344 in revenue from unpaid taxes, utility debts, and library and miscellaneous fees. The collection of returned checks for multiple Henrico Departments resulted in \$864,022 worth of additional revenue. This Section also handled 750 bankruptcy claims filed in FY 2016-17, collecting \$480,576. In FY 2016-17, 12 properties were sold in judicial and non-judicial tax sales, paying \$53,220 outstanding tax liens.

Office of Management and Budget

The Office of Management and Budget (OMB) prepares and monitors the operating and capital budgets. This Division works closely with the County Manager's Office in monitoring current revenue collections and projecting future resources as a means of preparing a realistic budget for future fiscal years. Throughout the year, OMB maintains close contact with all operating departments to avoid deficit spending and to ensure the prudent use of County funds. In addition to preparing the budget, OMB conducts a comprehensive analysis of historic and current economic conditions in Henrico County, culminating in the creation of the Financial Trends Monitoring System. This document, which is completed every fiscal year, takes into account multiple economic factors and financial information to identify past trends that aid in the derivation of statistical models to accurately forecast the future economic health of the County.

It is also the responsibility of the OMB to engage in special studies as they are deemed necessary, as well as conduct a thorough fiscal impact analysis of legislation proposed by the General Assembly. While Henrico County is clearly not immune to changes in the economy, it can mitigate the effects of adverse economic conditions through prudent and conservative fiscal policies. One of the many such proactive measures that the Board of Supervisors has implemented is to plan on a multi-year basis. This

allows budgetary and fiscal planning to be conducted more accurately, based on exhaustive analyses of current and anticipated revenues and expenditures, in a thoroughly preparative fashion.

Limiting spending during strong economic times not only allows for prudent fiscal management in the short term, but also helps to prepare for more trying economic times in the long term. In addition, revenue projections are done on a conservative basis, in accordance with the multi-year planning approach that the County has adopted. Factors such as state aid, personal property tax and sales tax revenues, are some of the revenue sources that are estimated conservatively.

All of these efforts have contributed to the conservative nature of Henrico County's budgetary processes and fiscal policy, and to the exceptional services that the County provides for its citizens on a continual basis.

Purchasing

The mission of the Purchasing division is to professionally procure all goods and services essential to Henrico County and Henrico County Public Schools, and to ensure the integrity and efficiency of the procurement process in an environment that is fair to all qualified suppliers

The goal of the Division is to provide overall direction, management, and oversight of the County's centralized procurement functions and the surplus property program. Operation of the Division is accomplished in accordance with the Code of Virginia (Chapter 43, Title 2.2 Virginia Public Procurement Act) and the Code of the County of Henrico, Chapter 16

In FY2016-17, Purchasing processed a total of 9,845 purchase requisitions totaling \$417,180,585. 24 surplus sales, on-line and vehicle auctions were held generating \$1,552,826 in revenue from the sale of surplus property. In addition, 172 solicitations were issued and 219 contracts were awarded.

In addition, the Division assures that SWaM suppliers have the maximum practicable opportunity to participate in County procurement transactions by developing and carrying out procedures in support of the Board of Supervisors' Small, Women-Owned, and Minority-Owned (SWaM) Supplier Policy which

Finance (cont'd)

was amended in April 2017. A Supplier Diversity Program was created to actively promote procurement from SWaM suppliers in a competitive manner and ensures the inclusion of SWaM suppliers on solicitation lists. Supplier Diversity is a significant part of the Henrico County business strategy. As a major purchaser of goods, services, insurance, and construction, Henrico County has the opportunity to facilitate diverse business growth and to strengthen the economies of all our customer service areas. Total spending with SWaM suppliers which includes

Small, Women-Owned, Minority-Owned, Service-Disabled Veterans and Employment Services Organizations was over 54 percent and totaled \$161.5 million during FY2016-17. The Division's staff participated in twenty-two supplier outreach events in FY2016-17.

Being "Customer Focused, Performance Driven," the Division continues to focus on education and outreach for both the staff and the suppliers.

GENERAL SERVICES

Description

The Department of General Services is dedicated to providing quality support services for all County operations. The Department provides services in an effective, economical, and efficient manner, with pride and concern for those served. All activities are conducted in accordance with the Department’s four core values: safety in the work place; outstanding customer service; stewardship; and respecting and valuing others. General Services is a diversified operation that consists of six divisions: Administration, Building and Grounds, Café 1611, Security, Support Services and Central Automotive Maintenance.

The Administration Division consists of four groups. The Director’s office handles the management and administrative functions for the Department. The Financial group handles financial transactions for the Department as well as taking the lead role in budget preparation. The Capital Projects group manages the CIP request process for all County Agencies (except DPU and DPW). They also manage the design and construction of all habitable buildings as well as refresh and repurpose projects for existing facilities. Energy Management is responsible for reducing the County’s energy consumption as well as promoting conservation in all County activities.

The Building and Grounds Division provides a safe and clean environment for citizens and employees to conduct business by maintaining over 2,821,706 square feet of County buildings.

Café 1611 operates the cafeteria at the Western Government Complex and provides catering services for County functions.

The Security Division safeguards County property and monitors the security of facilities through patrols and 24 hours per day security console operations.

Support Services includes the copy center, print shop, mail delivery, clerical storeroom and record retention functions.

Central Automotive Maintenance (CAM) provides fleet management, automotive maintenance and fueling operations for the County. Details of CAM’s budget can be found in the Internal Service Fund section of this book.

Objectives

- To provide County departments and agencies with effective office support services so departments and agencies can effectively carry out their assigned functions.
- To provide facilities planning, design, construction, building and grounds maintenance, food services and 24/7 security services to enhance the use and quality of County facilities.

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 7,067,494	\$ 7,195,038	\$ 7,379,345	2.6%
Operation	6,471,124	7,068,944	7,084,844	0.2%
Capital	493,784	368,160	356,360	(3.2%)
Total	\$ 14,032,402	\$ 14,632,142	\$ 14,820,549	1.3%
 Personnel Complement	 118	 118	 118	 0

Performance Measures

	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>Change 18 to 19</u>
Workload Measures				
Preventive Mechanical Maint. Work Orders	9,117	9,250	9,250	0
Corrective Maintenance Work Orders	11,665	12,500	12,500	0
Square Feet Maintained	2,808,956	2,821,706	2,830,426	8,720

- To exercise sound financial management and accountability of public funds used toward departmental and County-wide objectives through a uniform system of accounting, financial reporting and internal control.

Budget Highlights

The Department's budget for FY2018-19 is \$14,820,549. This represents a net increase of \$188,407, or 1.3 percent when compared to the FY2017-18 approved budget. The personnel component net increase of \$184,307 or 2.6 percent is driven by revised salary estimates and a salary increase for FY2018-19 as well as rising health care costs. The operating component net increase of \$15,900 or 0.2 percent is due to additional costs necessary to maintain the new Fire Training facility. The capital component net decrease of \$11,800, or 3.2 percent is due to one-time capital costs that were budgeted in FY2017-18 to support radio equipment for the addition of temporary security officers.

Administration

The General Services Administration budget totals \$1,770,173, representing an increase of \$72,330, or 4.3 percent from the prior fiscal year. This increase is primarily due to increases in personnel costs resulting from the addition of two temporary part time positions who serve as Lobby Ambassadors. General Services Administration includes all business functions, budgetary oversight and fiscal management for the other divisions. It also includes the Capital Projects group that works with other departments to develop CIP requests, and manages the design and construction of all habitable buildings for the County. Accomplishments in this area include completion of Junior Achievement Central Virginia, Fire House 19, Recreation and Parks Main

Office and refreshing the Courthouse with new floors, walls and lighting. The Administration division is responsible for the County's energy management program and has been tasked with promoting an environment that generates conservation across all activities within the County. This area recently completed converting Jail East to natural gas which will provide annual savings and developed a map of all LEED projects and information about each project for the County's website.

Building and Grounds

The Building and Grounds budget for FY2018-19 is \$10,494,994, representing an increase of \$88,139, or 0.8 percent from the FY2017-18 budget. This is primarily due to personnel cost increases and the costs of the new Fire Training facility.

The Buildings and Grounds Division provides building, custodial, and grounds maintenance at numerous County facilities, and coordination of the Training Center. The \$160,000 allocation remains dedicated for the Division's Building Maintenance Program, which supports painting, re-carpeting and fitness center equipment replacement. This area has expanded the recycling program to 12 County buildings and is available to 1,650 employees. On average five tons of waste is being recycled per month. These efforts have achieved a cost avoidance of \$6,000 annually.

Café 1611

In FY2018-19, the budget for the Employee Cafeteria totals \$451,394, which reflects an increase of \$9,306, or 2.1 percent when compared to the FY2017-18 budget. The entirety of this increase is reflected in the personnel component of the budget. This area operates the cafeteria at the Western Government

General Services (cont'd)

Complex and provides catering for County events with six full-time positions.

Security

The budget for the Security Division totals \$1,604,077, representing an increase of \$5,509, or 0.3 percent from the prior year approved budget. Personnel costs account for the increase. Security safeguards County property with a complement of 28 employees by monitoring the security of facilities through patrols and a 24-hour per day security console operation.

Support Services

The FY2018-19 budget of \$499,911 for the Records Management division represents an increase of \$13,123, or 2.7 percent when compared to the

FY2017-18 approved budget. The increase is attributable to cost increases within the personnel component of the budget. Records Management has eight employees that operate the County's internal mail system, copy center, print shop, clerical storeroom and the County's offsite record storage.

Central Automotive Maintenance

The budget for this area is captured in the Internal Service Fund as opposed to the General Fund since funding for operations are provided primarily through inter-departmental billings. Central Automotive Maintenance (CAM) is the division that maintains all County motorized equipment; operates eight self-service fueling facilities throughout the County; and leases vehicles to departments on a monthly or daily basis.

INTERNAL AUDIT

Description

Internal Audit assists the County Manager and the Board of Supervisors by providing objective analyses, recommendations, advice and comments concerning those areas reviewed to ensure an appropriate level of control at a reasonable cost. To be effective, Internal Audit must maintain independence, and therefore reports directly to the County Manager and the County's Audit Committee. The focus of Internal Audit is on General Government, as Education has a separate internal audit function.

Internal Audit evaluates the adequacy and effectiveness of County agencies' internal controls and examines the quality of performance of their operations for improvement of accountability within the General Government. Assessing quality of performance includes appraising the reliability and integrity of financial and operating information and the means to process data; evaluating the sufficiency of compliance with significant plans, policies, procedures, laws, and regulations; ascertaining the adequacy of controls for safeguarding General Government assets and, as appropriate, verifying asset existence; and examining efficient use of General Government resources and program accomplishments.

- Follow up on prior internal audits to determine that agreed-upon management action plans have been effectively implemented to address the risks identified during the audits.
- Assist with the County's annual external audit.
- Advise County management and the County's Audit Committee on potential improvements in operations and results through technical assistance.
- Perform requested special audits and follow up on issues raised through the fraud reporting mechanisms and recommend corrective action as required.
- Administer office activities for continuous professional education, training, and skills development, ensuring excellent quality and adherence to independent auditing with integrity.

Objectives

- Perform an annual risk assessment, identify areas of risk for audit, and conduct internal audits to evaluate controls, recommend workable improvements, and note commendable practices that can be shared with other agencies.

Budget Highlights

The auditing environment has become increasingly complex and challenging as the County and its agencies implement additional technology and as regulations and accounting requirements are continuously changing. To meet these challenges and provide quality audit results, Internal Audit uses

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 434,035	\$ 428,136	\$ 440,758	2.9%
Operation	12,511	14,579	14,579	0.0%
Capital	0	0	0	0.0%
Total	<u>\$ 446,546</u>	<u>\$ 442,715</u>	<u>\$ 455,337</u>	<u>2.9%</u>
Personnel Complement	4	4	4	0

Internal Audit (cont'd)

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Audit Projects: Audits, Follow Ups, Consults	23	26	26	0
Efficiency Measures				
General Gov't budget/audit position (mil)	\$ 167	\$ 167	\$ 173	6
General Gov't employees/audit position	1,008	1,025	1,030	5

enhanced auditing software in all its audits to better examine activity in a cost-effective manner. The department pays annual software licensing costs to maintain current versions and support for these tools. In addition, the department requires all staff to maintain professional certifications and provides annual continuing education to stay current with requirements, business risks, and the latest audit techniques. The software licensing costs as well as the continuing education costs are the two largest components of the operating budget for Internal Audit.

As the majority of the department's budget (97 percent) consists of personnel costs, service levels will continue at current levels on audits, special projects, and follow-ups. Internal Audit conducts an annual survey and finalizes a risk-based planning assessment to select and perform routine audits of the effectiveness of controls in a number of areas. The goal of the audit planning process is to select auditable areas of risk in each of the major operating segments each year – Administration, Community Services, Community Development, Community

Operations, and Public Safety.

The fraud reporting webpage may generate additional special projects. Technical assistance will be provided to agencies as requested. The department also assists the County's external auditors with the required annual financial and compliance audits to help control those costs.

Some of the internal audits conducted by the department in FY2017-18 included Public Work's management of bonds, cash, and lines of credit used to guarantee satisfactory completion of projects related to roads and right-of ways; meals tax administration process; and libraries technology controls.

Internal Audit's approved budget for FY2018-19 of \$455,337 represents an increase of \$12,622 or 2.9 percent over the FY2017-18 approved budget. This increase is driven solely by the personnel component, because of salary increases and the rising rates of fringe benefits for the County. The operating component remains flat from the previous fiscal year.

INFORMATION TECHNOLOGY

Description

The Department of Information Technology is responsible for serving all computer-oriented information processing needs of County agencies. This includes information and office automation equipment selection, application development and/or software selection assistance, ongoing hardware and software maintenance, and data and telecommunications network development and support. The computer center now operates twelve hours a day, five days a week. Major areas of service include Finance, Community Development/Operations Agencies, Human Resources, and all Public Safety agencies. IT's Help Desk aids agency personnel on any computer related problems.

The Department also administers and maintains the County's security cameras and audio-visual, and telecommunications infrastructure including telephone systems, mobile devices, and the voice and data plant. In addition, the Department is responsible for the maintenance and support of the Emergency E-911 system for Public Safety and the management of the County's Geographic Information System (GIS).

- To assist County agencies in increasing efficiency and effectiveness through the use of advanced technological tools for administrative and field operations.
- To provide application development and/or software selection services.
- To maintain operational efficiency through the use of state-of-the-art equipment and software.
- To administer the Department's information technology resources in a manner that best serves the County's operational and customer service needs.
- To maintain the highest level of proficiency of staff in all areas of technical support.
- To host and support various enterprise applications, including email and Internet connections, to all County agencies.
- To monitor, maintain, and upgrade the County's local and wide area network (LAN/WAN) as efficiently and effectively as possible.

Objectives

- To provide enterprise server based computer capabilities to County agencies.

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Proposed</u>	<u>Change 18 to 19</u>
Personnel	\$ 9,475,534	\$ 9,994,002	\$ 10,323,201	3.3%
Operation	3,708,599	4,052,806	4,312,806	6.4%
Capital	280,490	522,215	522,215	0.0%
Total	<u>\$ 13,464,623</u>	<u>\$ 14,569,023</u>	<u>\$ 15,158,222</u>	<u>4.0%</u>
 Personnel Complement	 91	 97	 98 *	 1

*A Network/Telecomm Administrator I position was added to manage Public Utilities' SCADA system. IT will be reimbursed by Public Utilities for the cost of this position

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Support Desk - Tickets	4,615	7,894	9,215	1,321
Support Desk - Call Queue	-	5,880	6,532	652
Systems - Servers Added	60	47	53	6
Systems - Servers Decommissioned	30	33	35	2

- To manage GIS technology to enhance coordination of Community Development services among County departments.
- To provide the County with an efficient and dependable telecommunications network.
- To administer, maintain, and enhance the County's security camera and audio-visual systems.

Budget Highlights

The Department of Information Technology's (IT) FY2018-19 approved budget totals \$15,158,222, which represents an overall increase of \$589,199 or 4.0 percent from the previous approved budget. This increase was partially driven by the personnel component, which increased by \$329,199 or 3.3 percent. This increase reflects salary increases and rising health care costs. The approved budget also includes an additional IT Network/Telecomm Administrator I within IT's complement that will assist the Department of Public Utilities (DPU) with their newly upgraded SCADA system. However, this position will be reimbursed by DPU through an interdepartmental billings account with IT's operating budget, offsetting the increase in personnel.

The operating component totals \$4,312,806 for the FY2018-19 budget and reflects an increase of \$338,000 or 6.4 percent from the previous fiscal year. This component includes two adjustments. The first increase of \$200,000 was made to the computer software account in order to accommodate increasing software maintenance costs for Oracle eBusiness Suite, OTS Disaster Recovery Expansion, Microsoft Engine Agreement, Applaud Software, and other miscellaneous software. The second adjustment of \$60,000 is for training for IT personnel. The capital

component remains constant, totaling \$522,215, which will allow for the purchase of new and replacement computer equipment as well as furniture replacement needed for the department.

During FY2017-18, the **IT System Admin Team** will continue to expand and upgrade its virtual server environment. Currently IT has approximately 375 virtual servers running on 23 physical host servers. IT successfully migrated most of the virtual server workload to a new blade-based, converged infrastructure platform reducing both the number of servers needed as well as the associated power and cooling requirements. The County also has further reduced the number of physical servers from 85 to 50 during this past year as workloads were either virtualized or retired. County enterprise storage onsite grew by 13% to a total of 451TB of data on premise, with an additional 6.3TB of data in the Cloud (Office 365).

IT continues to expand its formal Disaster Recovery (DR) capabilities at the 3rd party co-location company, located within Henrico County. IT now has greater capability to bring up critical Public Safety and County business applications and services at reduced capacity should there be an event impacting the main data facilities.

The IT Database Team has successfully moved 100% of the 346 supported SQL Server databases to virtualized servers running Microsoft SQL Server 2012, 2014, and 2016. These versions of SQL Server are expected to be supported by Microsoft for the next 5 years for SQL 2012, 7 years for SQL 2014, and 9 years for SQL 2016. All Police reporting systems, Computer Aided Dispatch, the Sheriff's Office Medical Service, GIS, Libraries, and Circuit Court Land Record databases (as well as major portions of Finance's RBS databases) are now

Information Technology (cont'd)

running in a high availability architecture at multiple facilities including the new DR site. This architecture allows one facility to suffer a catastrophic anomaly but permits the databases to continue to operate.

The **IT eBusiness Oracle Team** continues to improve the County's Oracle Infrastructure. The purchase and deployment of Oracle Database Appliance (ODA) is continuing to show significant return on investment for Oracle database and applications environments. This year IT has developed several new web applications for a faster and paper free procurement card verification and Bid log system meant to expose the RFP/RFI information to public in real time. IT will continue to look into developing mobile friendly applications for Oracle eBusiness suite. In 2018, IT will work on upgrading the ODA infrastructure with newer, faster and better machines. IT will also be working on upgrading Oracle applications to release 12.2, this new release will bring in mobile new compatible applications and provide a new mobile look and feel.

The **IT Finance Support Team** worked with the Treasury Division to successfully launch Henrico's first eBill Presentment to citizens available for the 2nd installment billing of taxes in November 2017. They also launched the County's initial PCARD program in a joint effort with the Accounting Division and the IT eBusiness Oracle Team in November 2017. Other initiatives being worked on for 2018 include implementing a new Cashier System and Delinquent Tax Collections module along with various development work to upgrade technology being utilized for various business processes within the Department of Finance.

In FY2016-17, the **IT Network/Telecom team** completed the migration of all Library locations' data connections from legacy Verizon TLS to Comcast ENS, which resulted in an excess of \$40,000 annual savings for like services. An upgraded network connection was added to the DR site to increase data replication needs. Information Technology continues to maintain and operate the County's visual security infrastructure. These systems are being migrated from legacy analog stand-alone systems to IP-based digital systems when funding is available or priorities dictate. Information Technology has built an entire new fiber-optic backbone for the WGC complex, which will be utilized to connect the campus to the County's new Data Center. Also, Information Technology has recently completed a refresh of 94 aging wireless access points at various locations

throughout the County with more advanced devices. This wireless refresh will enhance the County's wireless capabilities and footprint dramatically.

The **IT Web Team** was involved in two major projects in the last year, a rebranding effort and the launch of a new search engine for henrico.us. Four applications received a visual overhaul this year to match the redesign of henrico.us launched in 2016. With this redesign, these applications also received their first mobile user interfaces for better use on devices like smartphones and tablets (which makes up 40% of the County's web traffic). A new search engine tool was launched due to Google's exit from the paid site search market. This new tool provides enhanced technology on both the user and administrative side, with constant improvements and search refinements.

The **Office 365 team** continued to work on governance and administration, while also onboarding several departments into Office 365, including some of the largest departments in the County. The team also shifted in support for just SharePoint to looking at Office 365 as an entire tool. New sites and projects were launched to assist several departments with new collaboration methods, significant time savings in previous workflows, and active use of multiple Office 365 tools.

Both the Web and Office 365 teams worked with the Heroin Task Force to implement a new website and collaborative environment. The Web team worked with HCPS and interns to develop BounceBackHC.com, a website for addiction resources in Henrico County. The Office 365 team worked with the task force to create a SharePoint team site to aid in collaboration, communication, and scheduling.

The **FileNet team** launched a major update to their web interface, migrating to the Navigator platform. They also implemented several new projects for various agencies around the County.

The **IT Help Desk** provides tiered technical support for County-owned hardware and software. The support is provided via telephone and deskside visits from technicians. During FY2016-17, the Help Desk received more than 6,100 tickets via the Kace ticketing system. The average of 508.3 tickets per month does not include other departmental queues such as General Services or Recreation & Parks. In 2017, the IT Help Desk began supporting the four

Information Technology (cont'd)

locations of CRWP in Henrico, Richmond, and Chesterfield.

The **IT Oracle Application Express (APEX)** development team delivered five new in-house applications for four different agencies. These include the Customer Tracking for the Permit Center, Liquid Haul Waste and Lien Tracking for Public Utilities, Vacant House tracking for Community Revitalization, and the Card Access Request Tracking for General Services. IT APEX development team upgraded the Dog Licensing system to allow citizens to purchase lifetime licenses starting in November of 2017. The IT APEX Development team supports over forty APEX applications used by every agency in the County at a rate of 13.5 million page views a year. New systems in the works for the IT APEX Development team includes Real Estate Commercial Assessments tracking for Finance, VoIP phone inventory system and an expanded application portfolio and equipment management system for Information Technology.

The **IT Community Development & Services Team**, in collaboration with Purchasing and the Enterprise Land Management System (ELMS) Committee, conducted in-depth evaluation of three potential vendor products selected from RFP responses. The ELMS Committee expects to make a recommendation to the Board of Supervisors during the first or second quarter of 2018. In addition, the team supports seven commercial-off-the-shelf systems and numerous APEX applications, interactive reports, and Crystal Reports. The team created a Project Management Office, hiring an experienced Project Manager to streamline project development and system implementation for Information Technology and the County.

The **IT Public Sector Reporting Team** implemented the Chronic Offender Program (COP) which allows the Police Division to see details on specific repeat offenders. Chronic Offenders are identified based on decay rates for incidents/arrests and the values assigned to specific offenses. Additionally, locations are similarly scored to assist the Police Division in identifying locations with repeated crimes. The team implemented an automated court check-in system for the Police Division. The system replaces an old paper system and enables officers to sign in and out of court electronically. This assists court staff in confirming officers scheduled for court have arrived. To assist with collaboration between Public Safety agencies, the team took over the IT project

management support of the Sheriff's Office. The team is assisting the Sheriff's Office with the purchase and replacement of the aging Jail Management System (JMS).

The **IT Computer Aided Dispatch Team** made numerous enhancements to the Cad24x7 system during the past year. These include interfacing the CAD system with the County's new fire alerting system which has enabled the automation of dispatches for Fire and EMS calls, fire unit station transfers and display of unit status information and on-map call visualization on in-station monitors. The creation and integration with CAD of the Smoke Alarm Initiative system. The implementation and integration with CAD of the Fire Passport fire fighter safety and accountability system. The implementation of a single Public Safety map application to replace three individual maps. The creation of an automated methodology to assist with the creation of new fire districts based upon GIS routing technology.

The **IT GIS Office** has had several major accomplishments during the past year. Highlights include: data preparation work for NG911 to make Henrico's roadway network function seamlessly with that of surrounding jurisdictions; creating of new training curriculum and classes for ArcMap for internal County GIS users; implementation of a new Sharepoint based internal website for the GIS office; and initiation of a new quarterly GIS newsletter for internal GIS users.

IT Fire Division support for custom information systems includes the Fire Roster system, the Smoke Alarm Initiative system and the Fire Passport system. Additional custom in-house applications are currently under development and will be implemented in the coming year.

IT also supports the E-9-1-1 telephone system and the voice recording system both of which are used in the 9-1-1 Emergency Communications center and both vendor-provided systems. Both also required technology upgrades during 2017. IT's role was in the project management aspects of the upgrades which involved planning, coordination and control. The project was successfully concluded earlier this year. The 9-1-1 telephone upgrade involved a multi-node implementation with the City of Richmond which will provide a very robust backup capability for both jurisdictions. Most recently the 9-1-1 telephone system has added a Text-to-9-1-1

Information Technology (cont'd)

capability which is planned for region wide rollout in early 2018.

REAL PROPERTY

Description

The Real Property Department provides professional Real Estate Services for the County General Government, Economic Development Authority and Schools. The Department, a centralized real estate operation, manages property transactions of the County through deeds, leases, easements, vacations, abandonments, licenses, and eminent domain. It also administers the sale of County surplus real estate and it negotiates leases and manages the County lease portfolio.

The real estate services it provides includes collaborating with the County Attorney's Office in advising and making recommendations to the County Manager's Office, the Board of Supervisors, the School Board, and Economic Development Office, regarding their property needs and performing the related work as directed. This includes representing the County in negotiations with its citizens & business development community and taking their respective property inquiries and appropriately distribute requests to County departments for their expertise & input to determine and obtain information so that a desired resolution can be achieved.

Objectives

- To acquire real estate by purchase or lease at fair market value.
- To dispose of surplus real estate owned by the County at the maximum value permitted by law.
- To perform the necessary administrative

duties required for the acquisition, leasing, and disposal of real property for the County Government, the County School Board and Economic Development Authority.

Budget Highlights

The Real Property approved budget of \$599,906 represents a decrease of \$48,420 or 7.5 percent over the FY2017-18 approved budget. This decrease was a result of revised salary estimates. This was partially offset by salary increases and an increase in benefits. The operating component remained flat from the previous fiscal year

The Real Property Department will continue to strive to maintain the existing level of service to the County and the public in FY2018-19. Currently, the department manages 98 County-leased properties. The Department of Mental Health & Developmental Services comprises eight leases out of the total County-leased properties, which includes properties for supervised Independent Living programs. In addition, the department manages office space and warehouse storage facilities for various departments such as General Registrar, General Services, Recreation and Parks, Capital Region Workforce Partnership, and Henrico County Public Schools.

Also leased is the former Henrico Federal Credit Union building east of Dixon Powers Drive acquired for future Government Center expansion. Real Property manages approximately 37 cell tower leases and continues to receive requests to review new sites or add new cellular technologies like "nodes" at existing County and School sites. The Department

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 706,610	\$ 628,313	\$ 579,893	(7.7%)
Operation	14,600	20,013	20,013	0.0%
Capital	1,313	0	0	0.0%
Total	\$ 722,523	\$ 648,326	\$ 599,906	(7.5%)
 Personnel Complement	 7	 7	 7	 0

Real Property (cont'd)

	Performance Measures			Change
	FY17	FY18	FY19	18 to 19
Workload Measures				
Property & Easements Purchased	\$515,000	\$1,000,000	\$1,500,000	500,000
Property Leased to Others	\$592,500	\$650,000	\$650,000	0
Property Leased from Others	\$842,000	\$850,000	\$850,000	0
Leased Managed	96	98	98	0

anticipates increased requests from the Department of Public Works for road, sidewalks and drainage projects and water and sewer projects for Public Utilities.

Finally, Real Property will continue to assist the County in acquiring properties for future fire & police stations and parks as well as assist the

Economic Development Authority in the sale or lease of its property holdings, and assist Schools in the acquisition of land easements for new and existing schools. During FY2018-19, the Department will continue the County initiative to selectively cull surplus property inventory with the intention of returning it to the taxable land book by selling it for maximum value.

ELECTORAL BOARD

Description

The General Registrar provides appropriate forms for those registering to vote, maintains the official voter registration records for Henrico County, and other duties defined in the Code of Virginia and by the State Board of Elections. The official voter registration records allow the Registrar to provide an accurate list of voters to each polling place. The Henrico County Electoral Board delegates to the General Registrar the duties of arranging and supervising the elections held in Henrico County. The mission statement of the Office of Voter Registration and Elections is: *To promote consistent administration of all elections, registration and campaign finance laws, rules and regulations.*

Objectives

- To provide all County residents the opportunity to register to vote.
- To provide fair and honest Federal, Commonwealth, and County elections to qualified registered voters of the County of Henrico.
- To offer absentee voting to all qualified voters of the County of Henrico who request this service.

- To ensure the number of absentee voters is correctly projected, all absentee requests are reported, and issue correct ballots to voters.
- To provide information about the requirements, procedures, and codes governing campaign reporting.
- To educate staff and poll workers on registration and election laws as well as voting procedures and ensure all poll workers are notified of training dates before each election.
- To ensure every precinct conducts fair and impartial elections and a safe and secure voting environment is provided to each voter.
- To provide information to the public regarding the administration of elections in the County and Commonwealth.
- To ensure the programming of ballots is designed in a timely manner to permit voters to cast and mail ballots to the Registrar's office before the voting deadline for each election.

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 1,462,961	\$ 1,144,902	\$ 1,167,375	2.0%
Operation	445,109	390,796	440,796	12.8%
Capital	300	200	200	0.0%
Total	\$ 1,908,370	\$ 1,535,898	\$ 1,608,371	4.7%
 Personnel Complement*	 8	 9 **	 9	 0

*Complement does not include 1 Complement IV position, whose salary is set and funded by the State.

**An Assistant Registrar II position was added in FY2017-18 to address an increase in workload resulting from an increase in voter registration and absentee voting.

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Number of Registered Voters	217,757	223,172	219,563	(3,609)
Efficiency Measures				
% of Manuals Published before Training	100%	100%	100%	0
% of Attendance for All Chief and Assistants	100%	100%	100%	0
% Accuracy of Daily Registration Reports	100%	100%	100%	0
% of Polling Locations Meeting ADA	100%	100%	100%	0
% of Ballots Passing Public Testing	100%	100%	100%	0
% of Ballots Cast Reconciled with Voters	100%	100%	100%	0
% of Candidates Receiving Filing Manuals	100%	100%	100%	0

- To ensure all required media advertisement from Virginia General Code is published.
- To ensure precinct manuals on Election Day procedures and actions are supplied to all precinct workers.
- To record all candidate filings for upcoming elections and to collect information on candidates' contributions, committees, and treasurers.
- To provide regulation advice for political advertising.
- To provide required forms and supplies to candidates, treasurers, and committees.

FY2018-19 and rising health care costs. The operating component totals \$440,796, an increase of \$50,000 or 12.8 percent from the FY2017-18 submission. The additional \$50,000 for ballots is attributed to the County's optical scan voting machine.

The Electoral Board's budget for FY2018-19 will cover the operating costs of the voter registration operation along with costs associated with elections held during the fiscal year.

An election resource not included in the budget is the Henrico County Student Page Program, which is supervised by the department. High school students volunteer to work on Election Day at the polling places to earn community service hours. Their duties include assisting with the opening of polls on Election Day, distributing voting guide pamphlets, operating doors for elderly and disabled voters, and other duties as assigned by the Chief Officer of Election. In the 2017 November General Election, 152 student pages, representing all nine County High Schools, earned 1,778 hours of community service working at the polling places. These community service hours resulted in \$22,800 in cost.

Budget Highlights

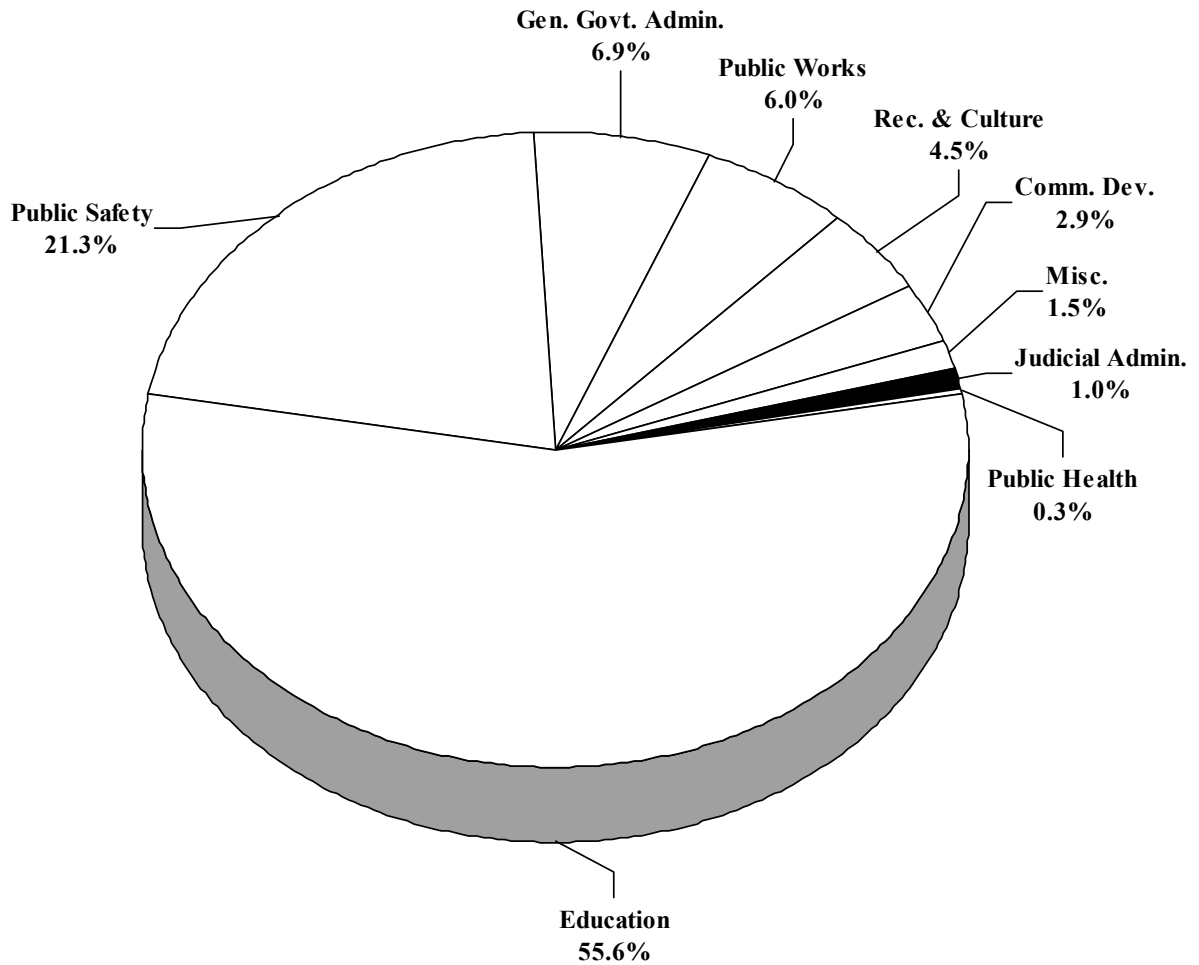
The Department's budget for FY2018-19 is \$1,608,371, which represents an increase of \$72,473 or 4.7 percent compared to the FY2017-18 budget. The \$22,473 or 2.0 percent increase in personnel is due to revised salary estimates including a salary increase for



COUNTY OF HENRICO, VIRGINIA

Judicial Administration

\$8,851,985



Total General Fund

\$871,859,018

**COUNTY OF HENRICO, VIRGINIA
 JUDICIAL ADMINISTRATION - GENERAL FUND
 FY 2018-19**

<u>Department</u>	<u>FY 16-17 Actual</u>	<u>FY 17-18 Original</u>	<u>FY 18-19 Approved</u>
Circuit Court:			
Court Clerk	\$2,679,811	\$2,515,790	\$2,580,551
Court Services	<u>584,531</u>	<u>605,993</u>	<u>698,083</u>
Total Circuit Court	3,264,342	3,121,783	3,278,634
 General District Court:			
Court Services	220,702	305,313	305,313
Magistrates	<u>8,254</u>	<u>6,286</u>	<u>6,286</u>
Total General District Court	228,956	311,599	311,599
 Juvenile and Domestic Relations District Court:			
Court Services	152,131	201,025	201,025
Juvenile Probation	<u>20,023</u>	<u>23,072</u>	<u>23,072</u>
Total Juvenile District Court	172,154	224,097	224,097
 Commonwealth's Attorney	4,599,996	4,843,141	5,037,655
 Total Judicial Administration	<u><u>\$8,265,448</u></u>	<u><u>\$8,500,620</u></u>	<u><u>\$8,851,985</u></u>

CIRCUIT COURT

Court Clerk

Description

The Circuit Court Clerk is a Constitutional Officer elected for a term of eight years, who serves as the administrative officer of the Circuit Court, is the Register of Deeds, and serves as a Probate Judge in other states. The Circuit Court Clerk is responsible for maintaining and administering the files in felony cases, claims over \$25,000, matters including adoptions, divorces, disputes concerning wills and estates, controversies involving property as well as maintaining and administering the files for misdemeanor appeals and civil appeals from District Court and Juvenile Court. The Clerk is also responsible for the collection of fines and costs in criminal cases; the collection of recordation fees and taxes; and maintains a financial system to track the collections and remittance of these sums to the State and local governments.

The Clerk is also responsible for issuing and maintaining marriage licenses entered by the office and issuing concealed handgun permits. The land records, which need to be retained permanently by the Clerk, include deeds, surveys, wills, the indices for judgments, financing statements, and assumed names (or partnership names). The land records section of the Clerk's office contains a portion of the history of the County of Henrico, and it is important to preserve this history for future generations.

Objectives

- To provide access to all public records using modern technology to the extent allowed by law.
- To maintain and preserve the integrity of all documents of historical value to the County.
- To provide services to the public in the areas of land records, marriage licenses, and probates of wills.
- To efficiently and professionally assist attorneys and the public in all areas of the Clerk's Office.

Budget Highlights

The Circuit Court Clerk's budget of \$2,580,551 represents a net increase of \$64,761 or 2.6 percent from the FY2017-18 approved budget. This increase was driven by updated estimates for personnel including a salary increase for FY2018-19 and rising health care costs.

Pursuant to Virginia Code Section 17.1-279, the Clerk collects a \$5.00 technology fee on all instruments recorded in the land books, judgments docketed and all civil suits commenced. Of this total,

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 2,290,803	\$ 2,287,682	\$ 2,352,443	2.8%
Operation	389,008	228,108	228,108	0.0%
Capital	0	0	0	0.0%
Total	\$ 2,679,811	\$ 2,515,790	\$ 2,580,551	2.6%
Personnel Complement	N/A	N/A	N/A	N/A

Court Clerk (cont'd)

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Civil Cases Commenced	4,659	4,300	4,100	(200)
Criminal Cases Commenced	6,650	5,800	5,800	0
Number of Wills and Administrations Recorded	1,038	1,150	1,050	(100)
Number of Instruments Recorded in Deed Books	42,752	43,000	43,000	0
Marriage Licenses Issued	2,238	2,225	2,250	25
Number of Judgments Docketed	19,503	17,100	19,000	1,900
Concealed Weapon Permits Issued	3,213	2,800	3,000	200

\$4.00 is to be reimbursed to the locality by the Compensation Board to support technology efforts within the Clerk's office. The funding is distributed to the Clerk by the Compensation Board. The Clerk implemented an electronic recording system in the Clerk's office and currently maintains deeds, plats, judgments, wills and fiduciaries, criminal orders, and civil orders.

It should be noted that in FY2010-11 this revenue source was removed from State restricted revenue and replaced with a line of credit. This revenue source is not included in the County's original budget, but is appropriated during the fiscal year as the Compensation Board makes funds available. Upon the implementation of the secure remote site to land records, the Code of Virginia provides that the Clerk can apply to the Compensation Board to implement other technology projects within the office.

In 2014, the Clerk implemented an on-line system for Officers of the Court to remotely access criminal and civil records. This system is offered to attorneys and their staff by a paid subscription. The system enables attorneys to have access to court files without leaving their office. The Clerk currently has approximately 100 users of the system.

Also of interest is the reduction in excess clerk fees to the local government. The fee allocation to localities was reduced by 50.0 percent in the FY2010-11 State budget cycle. This reduced the amount of funds reimbursed to the locality by the Commonwealth from the collection of fees by the Circuit Court Clerk.

In September 2017, funding of \$233,201, which was appropriated during the prior year from funding received by the Virginia Compensation Board, was re-appropriated to be spent during FY2017-18. In addition, new funding of \$186,000 was also appropriated in September. This appropriation of funds was used to enhance and improve the current imaging system for indexes, land records, wills and marriage licenses to provide better customer service in the Record Room.

In 2016, the Clerk's Office expanded the use of credit card services to the Record Room, Civil Division, Probate Department, and Concealed Weapon Permits. Three informational pamphlets were created for Probate, Record Room, and the Civil division to give customers a helpful resource. Record room staff scanned forty (40) years worth of State Highway Plat Books and made them available on-line, which saved \$20,450 in outside vendor costs. The office received two grants from the Library of Virginia to digitalize and restore two older books, which were showing signs of deterioration.

In 2017, the Clerk's Office added an additional 17 years to the digitalized land record system, with grantor/grantee images now going back to January 1973. The office also began e-recording four basic document types in the Record Room with CSC. Again in 2017, the Clerk's Office was awarded a 2nd grant from the Library of Virginia, to both digitalize and restore two older books. Currently, the staff is scanning in military discharge documents for disaster recovery purposes. The Clerk's Office spent \$42,000 to replace all of the aging recording equipment in each of the 5 Circuit Courts, which now includes

Court Clerk (cont'd)

hand held audio devices for the hearing impaired. Hundreds of hours were spent shredding both used and unused primary special election, and general election ballots from election cages.

In 2018, the goals of the Clerk’s Office are to digitalize another 26 years of land records going back to 1947 and add 95 years worth of will indexes and images, going back to 1904. Both projects will be accomplished using TTF money and outside Land Record vendor Logan Systems. Lastly, the office plans to add a second e-recording vendor to increase the number of e-recordings from banks and title companies.

The table below reflects actuals for FY2008-09 through FY2016-17 as well as the budget forecast for FY2017-18 and FY2018-19 for both State and County funding. In FY2008-09, the State was contributing \$1,156,809 or 47.6 percent. By comparison, in FY2016-17 the State contributed \$1,274,703 or 52.4 percent. This represents a 1.1 percent increase over this time period. State funding represents only those revenues that are generated by the Compensation Board and excludes Clerk Excess Fees, State Recordation Tax, and the Clerk’s Technology Trust Fund. In addition, the County portion below represents the difference between the Compensation Board revenues and actuals and/or budget for the Circuit Court Clerk’s Office.

Fiscal Year	State Funding	County Funding	% County
2008-09	1,156,809	1,274,591	52.4%
2009-10	1,020,916	1,411,650	58.0%
2010-11	1,156,485	1,178,984	50.5%
2011-12	1,138,564	1,322,374	53.7%
2012-13	1,160,474	1,318,458	53.2%
2013-14	1,226,908	1,255,521	50.6%
2014-15	1,185,219	1,394,247	54.1%
2015-16	1,258,458	1,330,081	51.4%
2016-17	1,274,703	1,405,108	52.4%
2017-18*	1,200,000	1,315,790	52.3%
2018-19*	1,200,000	1,380,702	53.5%

**FY18 and FY19 represent forecasted estimates.*

CIRCUIT COURT

Court Services

Description

The Circuit Court of Henrico County (Fourteenth Judicial Circuit) is the trial court of general jurisdiction with the authority to try a full range of civil, chancery/equity, and criminal cases.

In civil cases, the Circuit Court exercises concurrent jurisdiction with the General District Court in money claims of one to twenty-five thousand dollars, and original jurisdiction for claims over twenty-five thousand dollars. Also included on the civil docket are condemnation trials.

In criminal cases, the Circuit Court has jurisdiction over the trials of misdemeanor and felony cases – offenses punishable by confinement in jails or other correctional institutions. Court costs and fines are assessed in court against those charged.

The Circuit Court also exercises jurisdiction in domestic and other chancery/equity cases. This includes all divorce matters, as well as disputes concerning wills and estates, guardianships and partition suits.

The Circuit Court exercises appellate jurisdiction over appeals of civil and criminal matters from the Henrico Juvenile and Domestic Relations District Court and the Henrico General District Court. Circuit Court judges also hear appeals from certain administrative agencies in the Commonwealth and Henrico County.

Objectives

- To administer justice fairly, according to applicable laws, in a timely manner.
- To operate an efficient and effective court system in the administration of justice for the citizens of Henrico County.

Budget Highlights

There are five judges elected to the Circuit Court by the General Assembly of Virginia, each for a term of eight years. One Judge is elected Chief Judge every two years. The Chief Judge serves as the administrative judge of the support staff, which consists of one part-time and four full-time clerical positions, and four law clerks. The Judges' salaries are paid directly by the Commonwealth. In 2007, the Judicial Council approved a sixth judge for the Circuit Court, but as of 2017 the sixth judge has not been approved by the General Assembly. Fines and costs against those found guilty in certain felony and misdemeanor cases from Henrico charges are assessed by the judges. These fines and costs are collected by the Circuit Court Clerk's Office.

The Circuit Court's approved budget for FY2018-19 is \$698,083. This represents an increase of \$92,090 or 15.2 percent from the FY2017-18 budget. A portion of this increase was driven by rising

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 539,356	\$ 550,249	\$ 632,339	14.9%
Operation	45,175	54,344	64,344	18.4%
Capital	0	1,400	1,400	0.0%
Total	<u>\$ 584,531</u>	<u>\$ 605,993</u>	<u>\$ 698,083</u>	<u>15.2%</u>
Personnel Complement*	8	8	9	1

* Law Clerk position is being added to the personnel complement in FY18-19

Circuit Court Services (cont'd)

	Performance Measures			Change
	FY17	FY18	FY19	18 to 19
Workload Measures				
Full Time Judges	5	5	5	0
Jury Commissioners	4	6	6	0
Citizens Eligible to Serve as Petit Jurors	4,500	4,500	4,500	0
Citizens Called to Serve as Petit Jurors	4,200	4,200	4,200	0
Jury Panels	700	700	700	0
Grand Jurors Called to Serve	108	108	108	0
Grand Jurors on Master Panel	120	120	120	0

personnel cost, which includes salary increases and the addition of a new law clerk for FY2018-19. The operating component increased by \$10,000 from the previous year as a result of increases necessary for jury meals.

Service levels of this court are governed by the number of cases filed each year – criminal, civil law, chancery law (including divorces) along with those carried over from the past year, and requests for juries. According to 2016 Caseload Statistical Information, the most recent available, the caseload for the Fourteenth Circuit showed 12,600 cases (civil and criminal) commenced in 2016, with an average of 2,520 per judge. There were 5,355 total criminal cases commenced, with an average of 1,071 per judge. In 2016, there were a total of 3,671 civil cases commenced, with an average of 734 per judge. The total number of cases (civil and criminal) concluded was 11,586, with an average of 2,317 per judge.

The Circuit Court responds to telephone inquiries from citizens and other courts, coordinates with the Sheriff on the security of the courthouse, provides internships to law students, and contributes to educational programs to improve the administration of justice.

Individual judges also actively participate in organizations, committees, and programs outside of their everyday duties in the courtroom, including but not limited to the Virginia Criminal Sentencing Commission, the Benchbook Committee, the Drug Court Program, Virginia Continuing Legal Education and Bench Bar Conference.

The judges make themselves available for Three Judge Panels at the request of the Chief Justice and any other committee or panel the Chief Justice may request of them. In addition to these activities, judges also participate in mock trials conducted by the University of Richmond School of Law, local high school students, and for police officer training.

GENERAL DISTRICT COURT

Court Services

Description

The General District Court exercises original jurisdiction over all misdemeanor cases and has jurisdiction over civil matters where less than twenty-five thousand dollars is involved. Preliminary hearings in felony cases are also conducted in this court. The average monthly caseload for the Court is 10,000 new cases. In addition to new cases, the Clerk's Office processes an average of 3,000 witness subpoenas, 300 requests for certified copies of prior convictions, 500 requests for restricted licenses, 80 protective orders, 1,000 garnishments, 800 requests for civil abstracts, and 800 writs of possession monthly. The Clerk's Office also assists citizens with phone inquiries and in-person visits averaging 7,000 phone calls and 2,000 walk-ins monthly. General District Court judges preside over traffic cases and certain violations of the County Code. There are five judges serving in this court, having been appointed by the General Assembly for a term of six years. The judges, clerk, and deputy clerks are all paid directly by the Commonwealth. The County provides space, furniture, and support for the General District Court.

- To maintain accurate and timely court records.
- To maintain an accurate accounting of court funds.
- To provide adequate maintenance, storage, and retrieval of court records.

Budget Highlights

The General District Court's approved FY2018-19 budget of \$305,313 represents no increase from FY2017-18 approved budget. The \$53,825 personnel budget is attributed to the cost of 3 hourly, part-time positions that were approved in FY2017-18. The operational budget is utilized to support the daily activities of the General District Court, which consists of five courtrooms and administrative offices, occupied by five judges and 34 employees. The fifth judge was appointed by the General Assembly during the 2015 session and began November 1, 2015. The permanent staff of the General District Court is comprised entirely of state employees, so all permanent personnel costs are paid by the Commonwealth of Virginia and are not reflected in this budget.

Objectives

- To ensure the efficient operation of the General District Court through support of the activities of the Clerk's office.

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 18,744	\$ 53,825	\$ 53,825	0.0%
Operation	200,230	251,488	251,488	0.0%
Capital	1,728	0	0	0.0%
Total	\$ 220,702	\$ 305,313	\$ 305,313	0.0%
Personnel Complement	N/A	N/A	N/A	N/A

* FT Personnel expenses are paid by the Commonwealth of Virginia

General District Court Services (cont'd)

	Performance Measures			Change
	FY17	FY18	FY19	18 to 19
Workload Measures				
Total New Cases Filed	106,325	107,100	107,100	0
Total New Criminal Cases Filed	15,573	16,200	16,200	0
Total New Civil Cases Filed	36,935	36,000	36,000	0
Total New Traffic Cases Filed	53,817	54,900	54,900	0
Number of Full-Time Judges	5	5	5	0

*Note: These estimates are prepared by State Supreme Court personnel.

GENERAL DISTRICT COURT

Magistrate

Description

The principal function of the Magistrate’s office is to provide independent review of complaints from police officers, sheriff’s deputies, and residents. These complaints provide the magistrate with facts needed to determine whether a warrant of arrest should be issued. In addition to issuing warrants of arrest, magistrates conduct bail hearings, commit offenders to jail, and release prisoners from jail. The Magistrate’s office operates under the supervision of the Supreme Court of Virginia.

- To cooperate with the Sheriff’s department to try to develop a more efficient means of committing defendants and releasing those who have posted bonds.

Budget Highlights

The Magistrate’s approved budget for FY2018-19 remains flat at \$6,286. Funding in FY2018-19 continues to support the daily operation for thirteen Magistrates. There are no County paid positions assigned to this office, as the thirteen magistrates are State employees. The County does provide space, furnishings, and operating expenses for the Magistrate’s office.

Objectives

- To provide efficient, unbiased, and professional services to law enforcement officers, mental health professionals, and citizens including the issuance of Emergency Protective and Custody Orders and Temporary Detention Orders.

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	6,382	6,286	6,286	0.0%
Capital	1,872	0	0	0.0%
Total	\$ 8,254	\$ 6,286	\$ 6,286	0.0%
 Personnel Complement *	 N/A	 N/A	 N/A	 N/A

*Personnel Expenses are paid by the Commonwealth of Virginia.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

Court Services

Description

The Juvenile and Domestic Relations District Court exercises original jurisdiction over cases involving persons less than 18 years of age and all members of their families regardless of age. This court also holds jurisdiction over other cases involving adults related by blood or marriage to persons under the age of 18, including spousal abuse, custody, visitation, and support. The Juvenile Court differs from other courts in their commitment to rehabilitate those who come before the court, in addition to protecting the public and holding juvenile offenders accountable for their behavior.

The Judges of the Juvenile and Domestic Relations District Court are elected by the General Assembly for a term of six years. The Judges, Clerk, and Deputy Clerks are paid directly by the Commonwealth. The County provides space, furniture, and support for the court. Currently, five full-time judges preside over the Henrico County Juvenile and Domestic Relations District Court.

Objectives

- To continue making enhancements to the customer service area of the Clerk's office to

provide more efficient service delivery to the public.

- To evaluate and implement innovative technology available for the Juvenile and Domestic Relations District Court.
- To continue to provide training opportunities to staff to improve services to the public.
- To ensure the efficient and effective operation of the Juvenile and Domestic Relations District Court for the citizens of Henrico County.

Budget Highlights

The FY2018-19 budget for the Juvenile and Domestic Relations District Court is \$201,025. These funds support the operational needs of the five judges and their staff, whose salaries are funded by the State. This submission reflects no change from FY2017-18.

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 21,605	\$ 0	\$ 0	0.0%
Operation	106,791	197,275	197,275	0.0%
Capital	23,735	3,750	3,750	0.0%
Total	<u>\$ 152,131</u>	<u>\$ 201,025</u>	<u>\$ 201,025</u>	<u>0.0%</u>
Personnel Complement*	N/A	N/A	N/A	N/A

*Full-time personnel expenses are paid by the Commonwealth of Virginia.

Juvenile & Domestic Relations District Court (cont'd)

	Performance Measures			Change
	FY17	FY18	FY19	18 to 19
Workload Measures				
Cases filed in Juvenile Court	18,151	18,105	18,000	(105)
Court Hearings	48,135	48,536	48,336	(200)
Efficiency Measures				
Caseload per Judge*	3,630	3,621	3,600	(21)

*Note: These estimates are prepared by State Supreme Court Personnel.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

Probation

Description

The 14th District Court Services Unit provides all services mandated by the Code of Virginia, which include Diversion Intervention for non-violent offenders, domestic and delinquent intake services, assessment and investigations, supervised probation, direct-care supervision, and community-based parole services. Detention services are provided through Henrico Juvenile Detention Center. The Court Services Unit, in addition to their General Fund budget, utilizes grant funding, such as the Virginia Juvenile Community Crime Control Act (VJCCCA), to provide a number of programs and services which include: anger management, substance abuse counseling, larceny reduction programs, GPS electronic monitoring, in-home counseling services, group home placements and sex offender treatment.

based services under the Virginia Juvenile Community Crime Control Act, or under State supported programs.

- To protect the public by preparing court involved youth to be successful citizens.

Budget Highlights

The Department's budget for FY2018-19 is \$23,072. This reflects no change from FY2017-18.

Multi-Systemic Treatment (MST), for chronic and/or serious offenders living with their families in the community is provided by the Department of Juvenile Justice through Henrico Mental Health. The Virginia Center for Restorative Justice provides restorative justice services for youth at diversion.

As of January 5, 2018, the Court Services Unit had 862 open cases in various levels of supervision. The overall severity of crimes has increased in recent years, causing the need for higher levels of supervision and more community-based services.

Objectives

- To provide necessary intake, investigative and probation/parole services as required by the Court and the Code of Virginia.
- To refer youth and parents to community-

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	20,023	23,072	23,072	0.0%
Capital	0	0	0	0.0%
Total	\$ 20,023	\$ 23,072	\$ 23,072	0.0%
Personnel Complement *	N/A	N/A	N/A	N/A

*Personnel expenses are paid by the Commonwealth of Virginia.

Probation (cont'd)

	Performance Measures			Change
	FY17	FY18	FY19	18 to 19
Workload Measures				
Total Juvenile Complaints	2,339	2,200	2,000	(200)
Total Domestic Complaints	4,988	4,800	4,800	0

COMMONWEALTH'S ATTORNEY

Description

The Commonwealth's Attorney is a Constitutional Officer elected for a term of four years. The Commonwealth's Attorney is responsible for prosecuting criminal offenses that occur in Henrico County. Trials and hearings occur in the Circuit Courts, General District Courts and the Juvenile and Domestic Relations Courts. Additionally, the Commonwealth's Attorney's Office provides legal advice and training to the Division of Police as well as other law enforcement agencies, including the Virginia State Police and the Richmond Airport Police.

- To prosecute criminal cases.
- To work with other criminal justice agencies to strengthen juvenile prosecutions and crime prevention.
- To make the public aware of Virginia Exile laws and enforce them appropriately.
- To train local law enforcement agencies in criminal law and criminal procedures.

Objectives

- To enforce criminal laws in Henrico County.
- To operate the Victim/Witness program.
- To cooperate on behalf of Henrico County in the operation of two investigative multi-jurisdictional grand juries.
- To promote a better understanding of the criminal justice system among citizens.
- To proactively investigate and prosecute drug dealers with increased concentration/focus on the opioid epidemic and human trafficking.

Budget Highlights

The Commonwealth's Attorney's Office approved budget for FY2018-19 totals \$5,037,655, representing an overall increase of \$194,514 or 4.0 percent when compared to the FY2017-18 approved budget. The personnel component increased 3.1 percent and reflects salary increases as well as rising health care costs.

The operating component reflects an increase of \$50,180 or an increase of 41.0 percent. This is due to the addition of Education and Training expenses into the operating budget. It also includes increases to other accounts such as membership dues, medical

Annual Fiscal Plan

<u>Description</u>	<u>FY17</u> <u>Actual</u>	<u>FY18</u> <u>Original</u>	<u>FY19</u> <u>Approved</u>	<u>Change</u> <u>18 to 19</u>
Personnel	\$ 4,471,504	\$ 4,713,876	\$ 4,861,390	3.1%
Operation	124,740	122,285	172,465	41.0%
Capital	3,752	6,980	3,800	(45.6%)
Total	<u>\$ 4,599,996</u>	<u>\$ 4,843,141</u>	<u>\$ 5,037,655</u>	<u>4.0%</u>
Personnel Complement	56	57	57 *	0

*This personnel count includes 52 positions in Commonwealth's Attorney's Office and 13 in Victim Witness. (1 Comp I, 4 Comp II and 8 Comp III positions). An Assistant Commonwealth Attorney I position added in the FY2017-18 budget in response to the increase in heroin related cases prosecuted by the Commonwealth's Attorney's Office.

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Circuit Court Defendants	1,397	1,375	1,400	25
Show Cause Hearings	786	700	750	50
Misdemeanor Appeals	842	1,000	900	(100)
General District Court Criminal Cases	45,037	41,500	43,000	1,500
General District Court Traffic Cases	76,134	88,000	80,000	(8,000)
Juvenile Court Misdemeanors	1,831	1,850	1,850	0
Juvenile Court Felonies	823	700	800	100
Effectiveness Measure				
Circuit Court Indictments	2,932	2,400	2,900	500

services, office supplies, books and subscriptions, and telecommunications to reflect actual expense trends. The capital component decreased by \$3,180 or 45.6 percent to help cover the additional funding for some of the previously mentioned operating accounts.

In FY2018-19, the Commonwealth's Attorney's Office will continue to prosecute traffic and criminal cases in all the Henrico County Courts. Aggressive prosecution of those who commit violent crimes will remain the number one priority. The Office will continue to work closely with the Police Division to reduce crime, proactively as well as reactively, by ensuring that those who commit crimes are held accountable. The Commonwealth's Attorney's Office will continue to pursue narcotics traffickers through the utilization of two multi-jurisdictional grand juries. In addition, the Commonwealth's Attorney's Office will continue to provide legal training to the Police Division in its basic academies as well as in continuing service training. Special efforts will also continue to be made to reduce domestic violence, human trafficking and opioid overdoses.

Enforcement of Virginia's Exile laws will continue in FY2018-19 to reduce violent gun crimes. Two provisions, a specialized prosecutor and a secretary, were funded with a Virginia Exile grant from FY2002-03 to FY2005-06. However, as this grant was discontinued, the County picked up the cost of these positions in the FY2006-07 budget due to the

effectiveness of this program in reducing violent crimes.

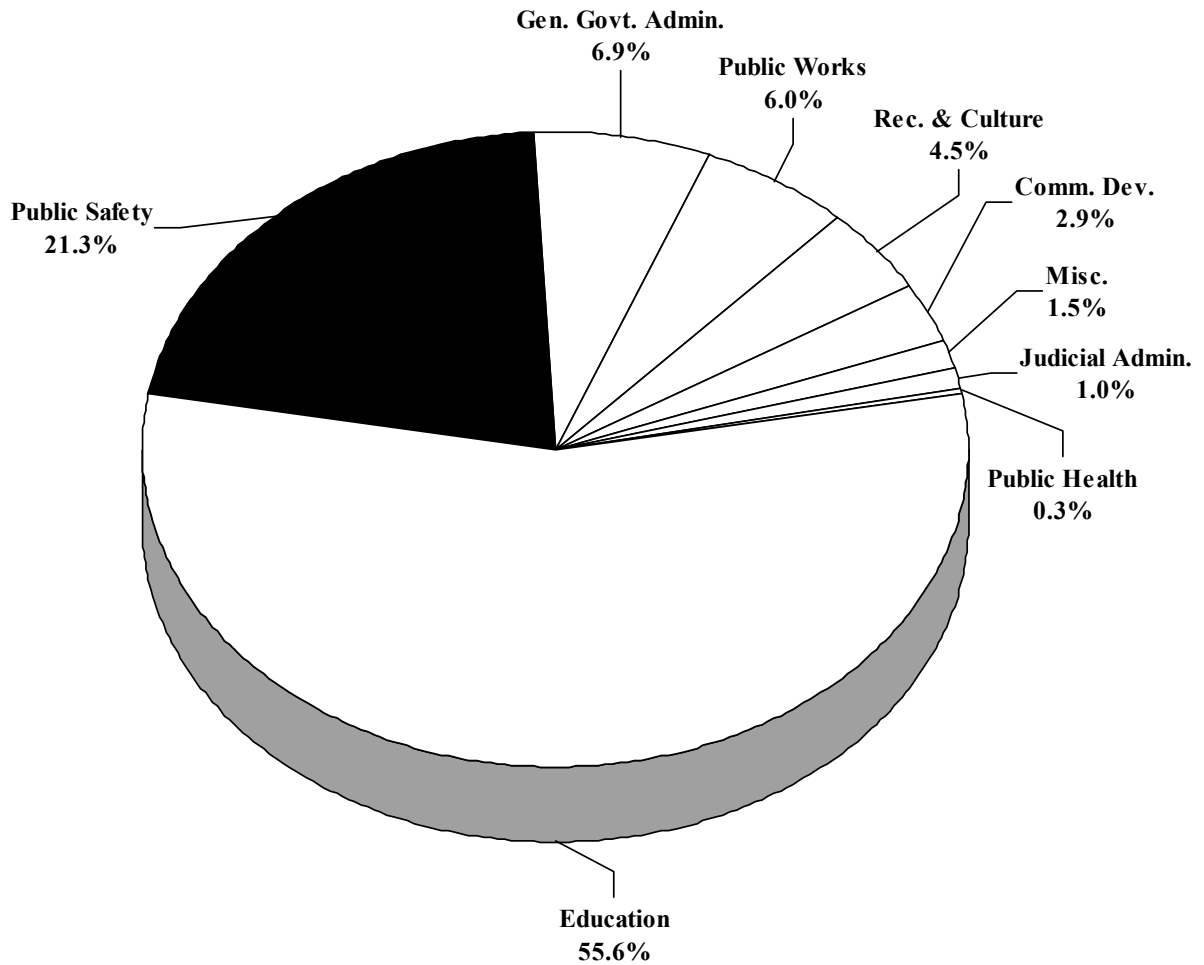
As of December 27, 2017, the Commonwealth Attorney's personnel complement, including Special Drug and Victim Witness, consisted of 67 positions. This consists of 19 complement I positions; 37 complement II positions; 10 complement III positions, and 1 complement IV position (Attorney for the Commonwealth). The Office's complement reflects the complement I, II and IV positions, which total 56 positions.

The following table presents a historical depiction of State funding for the Commonwealth's Attorney's Office:

Fiscal Year	State Funding	% State
2009-10	1,715,708	38%
2010-11	1,798,606	39%
2011-12	1,786,354	38%
2012-13	1,817,870	41%
2013-14	1,907,000	42%
2014-15	1,877,000	42%
2015-16	2,092,617	47%
2016-17	2,157,747	47%
2017-18	2,075,000	43%
2018-19	2,150,000	43%

COUNTY OF HENRICO, VIRGINIA

Public Safety
\$185,422,465



Total General Fund
\$871,859,018

**COUNTY OF HENRICO, VIRGINIA
PUBLIC SAFETY - GENERAL FUND
FY 2018-19**

<u>Department</u>	<u>FY 16-17 Actual</u>	<u>FY 17-18 Original</u>	<u>FY 18-19 Approved</u>
Division of Police:			
Police Operations	\$66,037,524	\$65,484,699	\$67,872,502
Animal Protection	1,480,537	1,526,240	1,589,290
Communications/Radio Shop	6,050,687	6,504,817	6,650,048
Total Division of Police	<u>73,568,748</u>	<u>73,515,756</u>	<u>76,111,840</u>
Division of Fire:			
Administration	2,921,218	3,064,237	3,024,692
Emergency Planning & Safety	127,935	179,194	500,576
Operations	54,356,548	55,205,307	57,774,433
Volunteer Rescue Squads	200,504	218,625	218,625
Total Division of Fire	<u>57,606,205</u>	<u>58,667,363</u>	<u>61,518,326</u>
Sheriff:			
Administration	13,367,858	10,538,473	12,259,823
Jail West	19,800,549	18,173,012	18,646,558
Jail East	10,011,051	9,625,107	9,940,519
Total Sheriff	<u>43,179,458</u>	<u>38,336,592</u>	<u>40,846,900</u>
Juvenile Detention	2,278,502	2,287,094	2,294,732
Building Inspections:			
Building Inspections	3,906,683	3,960,311	4,186,387
Community Maintenance	264,474	472,166	464,280
Total Building Inspections	<u>4,171,157</u>	<u>4,432,477</u>	<u>4,650,667</u>
Total Public Safety	<u><u>\$180,804,070</u></u>	<u><u>\$177,239,282</u></u>	<u><u>\$185,422,465</u></u>

PUBLIC SAFETY

Police Division

Description

The Police Division responds to citizen complaints, provides patrol coverage, enforces traffic laws, investigates criminal activity, and provides educational programs on such topics as drug awareness and crime prevention. In addition, the Division conducts crime analysis, investigates animal complaints, operates citizen police academies, and provides emergency communications for the County.

With the exception of several specialized components of the organization that report to the Chief of Police, the Police Division consists of two primary commands, Field Operations and Support Operations. Field Operations encompasses the Patrol Bureau, the Investigative Bureau, and the Special Operations Group. Support Operations is responsible for the Administrative Services and Support Services Bureaus along with the Fiscal Records and Communications Maintenance Units. By dividing the agency into functions associated with various organizational entities, the Division formally establishes and categorizes components according to job function, and defines organizational philosophies.

Objectives

- To achieve total professionalism, through training, commitment and action within the rule of law, in response to the needs of the community.
- To establish as a cornerstone of all Division endeavors, a partnership with the community based upon mutual trust and integrity.
- To eliminate opportunity for crime and reduce fear of crime through Intelligence-Led Policing (ILP) and the Division's policing strategy TEMPO (Technology Enhanced Modern Policing Operations). TEMPO is the efficient use of intelligence in the deployment of resources to effectively prevent, deter, and respond to crime and quality of life concerns. To achieve the highest level of safety possible on Henrico's streets through education, enforcement, and high visibility.

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 67,973,063	\$ 66,198,482	\$ 68,547,787	3.5%
Operation	5,068,919	6,860,204	7,477,903	9.0%
Capital	526,766	457,070	86,150	(81.2%)
Total	<u>\$ 73,568,748</u>	<u>\$ 73,515,756</u>	<u>\$ 76,111,840</u>	<u>3.5%</u>
Personnel Complement*	842	852	852	0

*Complement includes sixteen complement II positions funded by State revenue (Wireless E-911 funds) in the Special Revenue Fund.

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Total Calls for Service	212,154	212,897	216,540	3,643
Number of Animal Calls	16,515	17,631	17,718	87
Number of Part I Crimes	8,569	8,893	8,972	79
Number of Criminal Arrests	22,689	21,993	22,539	546
Number of Traffic Arrests	44,613	46,596	45,692	(904)

- To extend compassion impartially to all persons, regardless of the nature of the interaction, through fairness and understanding in response to those with whom contact is necessitated.
- To hold all division personnel accountable to the highest standards of conduct in performing Police's services to the community and embracing the ideals of the department's Constitution and democratic society.
- To provide the department's employees with an environment in which to work that is sensitive to their needs, and conducive to the accomplishment of the highest quality of work.

Budget Highlights

The FY2018-19 budget for the Police Division totals \$76,111,840, which represents an overall increase of \$2,596,084 or 3.5 percent from the previous approved budget. The personnel component increased by a net difference of \$2,349,305 or 3.5 percent from the previous approved fiscal year. This component reflects a salary increase for FY2018-19 as well as rising health care and VRS costs. Funding of \$547,950 is included for overtime and associated FICA to address increasing costs in this area. In addition, funding of \$43,921 is also included for overtime and associated FICA for the Emergency Medical Dispatch training. Ongoing funding of \$189,895 is included in order to cover the costs associated with the 147 positions authorized to receive the \$1,200 per year clothing allowance. It is important to note that these adjustments were offset by the reduction of salaries and benefits associated

with a large number of recent retirements of long-term employees within the Division.

The operating component is forecasted to increase by \$617,699 or 9.0 percent from the previous fiscal year. Funding of \$423,222 is included in order to begin a replacement program for the 430 body worn cameras and tasers as the Division's warranty periods are ending. The cost of the Officer Safety Program includes unlimited image storage, software maintenance, docking stations, repairs to the body worn cameras and tasers, and support the replacement with newer technology. Under this program, BWCs would be replaced every 2 1/2 years and tasers would be replaced every five years, which would ensure officers have the most current BWC and taser technology. The estimated savings of the Officer Safety Program during the five-year period is projected to be over \$500,000 compared to a self-designed repair and replacement plan.

In order to address rising expenditures, an adjustment of \$30,581 is included for vehicle maintenance as well as \$5,362 for gasoline costs. In addition, funding of \$50,000 is included to cover telecommunication charges associated with converting 216 existing standard cell phones to smart phones. Smart phones would assist with criminal investigations by providing better research capabilities, access to e-mail, and quick exchange of information. Funding of \$15,600 is included for the Firearms Range to provide additional classroom space for training. This component also includes \$15,080 for the annual software update and maintenance associated with two 3-D laser scanners for the fatal crash team and the crime scene forensic unit.

Funding of \$70,920 was reallocated from the capital component to cover additional costs associated with

Police (cont'd)

medical services and supplies, ballistic shield replacement, EMD training, computer software maintenance, and Project Lifesaver transmitters. In addition, funding of \$6,934 was added to the operating base to assist with these expenditures. It is important to note that the one-time operating costs of \$79,350 for the ten new Police Officer positions added in FY2017-18 remained in the Division's base budget.

The capital component totals \$86,150 and was reduced by a net difference of \$370,920 or 81.2 percent from the previous approved budget. Funding of \$70,920 was reallocated to the operating component to cover forecasted expenditures. In addition, a total of \$300,000 was reallocated to the police vehicle replacement program, which is funded in the capital budget. This program now totals \$2,624,800 and will allow for the purchase of vehicles in FY2018-19. It is important to note that these adjustments were funded with one-time capital costs budgeted in FY2017-18 for expenses associated with the ten new Police Officer positions. The capital component includes \$49,150 for replacement equipment associated with the Radio Shop, \$22,000 for the digital camera replacement program, \$10,000 for preliminary breathe tests, and \$5,000 for printer replacements.

The Police Division Patrol Operations continue to operate from three stations that make up the Patrol West, Central, and South Operations. The three station design allows station commanders to better deploy officers and address quality of life issues and engagement with their communities.

The Fair and Impartial Policing (FIP) training program trains officers on the negative effect of implicit bias. The program gives them the information and skills they need to reduce and manage their biases. The curricula address not just racial/ethnic bias, but biases based on other factors, such as gender, sexual orientation, religion, socio-economic status and others. This training is required prior to the issuance of body-worn cameras. In 2016, all sworn officers in the Police Division completed the Fair and Impartial Policing training program, regardless of the officer's assignment. The initial body-worn camera deployment plan is now complete with a total of 430 body-worn cameras issued to uniformed officers.

In 2017, the Police Division placed first in the Virginia Association of Chiefs of Police Law Enforcement Challenge. This is the 12th consecutive year the Police Division earned the first-place award at the state level. This award is presented to agencies of similar size categories based on judging criteria that evaluates the agency's efforts in reducing impaired driving, speeding, and occupant protection violations and crashes.

In 2016, the Criminal Justice Services Board of the Virginia Department of Criminal Justice Services recertified Henrico County as a Certified Crime Prevention Community (CCPC). This is the County's fourth recertification since its initial certification in 2003. The goal of the CCPC program is to publicly recognize and certify localities that implement a defined set of community safety strategies as part of a comprehensive community safety/crime prevention effort. To obtain certification and recertification, a locality must meet twelve core community safety elements/strategies augmented by a minimum of seven approved optional elements. This recertification is a major accomplishment and a true example of the many partnerships within Henrico County.

Henrico County's Crisis Intervention Team (CIT) consists of selected staff from Henrico County's Police and Fire Divisions, Sheriff's Office, and Mental Health and Developmental Services. This team responds to citizens in psychiatric crisis with the goal of avoiding unnecessary hospitalization or incarceration.

The County's CIT Crisis Receiving Center (CRC) is located at Parham Doctors' Hospital and is staffed by CIT trained officers, Henrico MH Emergency Services clinicians, and a peer specialist. In 2017, out of the 841 individuals seen, 589 were placed under a temporary detention order. The others were offered alternative services or were hospitalized voluntarily. FY2016-17 marked the five year anniversary of the Crisis Receiving Center (CRC). The Police Division's CRC staff has assisted more than 3,600 residents since December 2012. The CRC is open seven days a week from 8:00 a.m. to 2:00 a.m.

Another component of Henrico County's CIT

Police (cont'd)

program is a community response continuum and STAR team (Services to Aid Recovery). This program is a coordinated outreach initiative between CIT trained police officers, fire, sheriff, and mental health clinicians. The STAR team averages 4.23 visits per day and includes utilization of other county agencies such as the Henrico Department of Social Services, the Division of Fire, and Community Maintenance. The STAR team saw approximately 1,124 individuals in 2017.

Henrico's CIT team has trained 1,698 first responders from 39 jurisdictions or agencies. The Police Division's CIT instructors offered over 550 hours of instruction in the Division's many CIT training initiatives including the CIT Basic Class, the CIT Refresher Class, the CIT Regional TTT, and academies. CIT staff designed and implemented a daylong CIT Refresher series of twelve classes which was delivered to 247 first responders previously trained in the CIT Basic Class. The Police Division's team offered six Mental Health First Aid for Public Safety (MHFA-PS) trainings this year to 50 first responders. The IACP One Mind Campaign supports training 100% of law enforcement in this model.

The Police Division remains a recognized professional law enforcement agency through its efforts to maintain international accreditation. In 2017, the Division earned its ninth reaccreditation since it was first accredited in 1987. The Commission on Accreditation for Law Enforcement Agencies (CALEA) chose to present the Division with its highest award, the CALEA Gold Standard Advanced Accreditation with Excellence. The Division established the goal of becoming a TRI-ARC accredited agency. TRI-ARC is achieved when the Training Unit and the Emergency Communications Section receive independent accredited status through CALEA. In pursuit of this goal, CALEA conducted simultaneous onsite assessments of all three TRI-ARC disciplines in 2016. The Commission awarded the TRI-ARC accreditation to the Division in March 2017.

Recruiting intelligent and effective police officers representative of the community they serve is the highest priority of the Police Division. In an effort to greatly expand recruitment reach, the Police Division has assigned five additional officers to act as recruiters for the Spring of 2018. This intensive push is designed to provide one-on-one contact with

prospective applicants and shepherd their participation throughout the hiring process. This assignment more than triples the current personnel assigned to recruiting.

The Police Division complement totals 852 in FY2018-19. One of the Division's top priorities is maintaining the appropriate level of patrol officers, detectives, and command staff. Included in the Police complement are sixteen communication officer positions, whose salary and benefits are funded in the Special Revenue Fund. The County receives funding to support these positions from the State 911 Services Board, which distributes to localities a portion of the E-911 service fee collected by the State. The State service fee is \$0.75 per month charged to each cellular phone.

The Police complement includes a total of thirty-two School Resource Officers. The School Resource Officer Program is a joint effort between the Police Division and the Henrico County Public Schools. Henrico County Public Schools provides funding for seventeen of these Officers while the Police Division funds the remaining fifteen School Resource Officer positions.

All School Resource Officers (SRO) and Supervisors receive forty hours of in-service training annually to certify or recertify as Juvenile Services Officers. This specific regimen of training was established by the Police Division to set a new precedent regarding how School Resource Officers engage both students and parents in a school environment. Some examples of this forty-hour block of instruction consisted of Fair and Impartial Policing, Youth Mental Health and Emotional Issues, Interacting with Students with Disabilities and Special Needs, and Conflict De-escalation.

The Police Division supports the Police Athletic League (PAL) by providing three Police Support Technicians to work with the program. Each is assigned to one of the three PAL after-school programs at Baker, Chamberlayne, and Harvie elementary schools. These Police Support Technicians perform administrative tasks while School Resource officers present safety lessons/programs and assist students with homework during the afterschool program, as well as mentoring and supporting PAL summer camp. The Police Athletic League Police Support Technicians assist

Police (cont'd)

with a variety of other programs including open basketball gym events and chess club, which are open to all Henrico County youth.

PUBLIC SAFETY

Division of Fire

Description

The Henrico County Division of Fire provides fire suppression, emergency medical services, technical rescue, hazardous materials mitigation, fire prevention, public education, and disaster preparedness to the citizens and visitors of Henrico County.

The Division of Fire is a community-driven, professional public safety and service organization that takes pride in stewardship and innovation, while maintaining public trust. The Division is committed to and guided by its core values of Professionalism, Respect, Integrity, Dedication, and Empathy (**PRIDE**).

The Division of Fire is an all-hazards department with a focus on improving the quality of life for all citizens in Henrico County. The Division takes a proactive approach to reducing risk throughout the community through a wide range of planning, response, and recovery initiatives. In addition to the traditional role as the provider of fire prevention and fire protection, the Division is also the primary provider of Emergency Medical Services, including both first-response and advanced life support emergency transport. The Division of Fire operates several specialty teams including the regional hazardous materials team, the technical rescue team, and the search, rescue, and dive team.

Objectives

- Ensure an organizational environment for safety, health, and wellness for all employees.
- Enhance the County’s overall ability to prepare for, respond to, mitigate, and recover from emergencies and disasters by developing a community-driven service delivery model.
- Ensure a workforce that exemplifies the Henrico County Division of Fire’s core values and is prepared to achieve the mission and vision.
- Utilize business procedures, data and technology systems that support the current and future requirements of the Henrico County Division of Fire.
- Utilize an adaptable, comprehensive, all-hazard whole community risk reduction program.
- Provide an effective and comprehensive training and certification program.
- Utilize and implement an effective and comprehensive communication plan for the Henrico County Division of Fire.

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 51,920,704	\$ 52,599,801	\$ 54,852,481	4.3%
Operation	5,289,474	5,595,142	6,231,302	11.4%
Capital	396,027	472,420	434,543	(8.0%)
Total	<u>\$ 57,606,205</u>	<u>\$ 58,667,363</u>	<u>\$ 61,518,326</u>	<u>4.9%</u>
Personnel Complement*	562	589	595	6

*The complement includes the addition of four Firefighters, one Senior Management Specialist, and one Management Specialist II for FY2018-19.

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Total Calls for Service	49,235	51,124	54,439	3,315
Total EMS and Rescue Calls for Service	41,216	42,244	45,297	3,053
Fire Incidents	768	733	758	25
Fires per 1,000 Population	2	2	2	0

- Ensure a responsive, sustainable logistics program is in place to comprehensively address the current and future needs of the Henrico County Division of Fire.

Budget Highlights

The Division of Fire’s budget for FY2018-19 is \$61,518,326, representing a net increase of \$2,850,963 or 4.9 percent from the previous approved budget. The personnel component increased by a net difference of \$2,252,680 or 4.3 percent from the previous approved fiscal year. This component reflects a salary increase for FY2018-19 as well as rising health care and VRS costs. Additional funding of \$253,699 is included for overtime and associated FICA to address increasing costs in this area. The personnel component also includes funding of \$195,149 associated with three new Firefighter positions needed for the Division. This year represents the final year of a three-year plan to add a total of nine new Firefighters to help alleviate some of the staffing pressures within the Division. These additional positions will allow suppression personnel more opportunity to utilize their leave and will reduce minimum staffing overtime costs.

In addition, funding of \$645,430 is included for year one of the Division’s new EMS and CARE program. This plan includes the creation of the Basic Life Support (BLS) Transport Program which uses overtime and existing personnel and the Community Assistance Resources and Education (CARE) Program with an accompanying Community Response Team which would visit patients that do not need emergency medical services. These programs would relieve some of the 911 emergency system stress created by low acuity calls for service resulting in an improved reliability rate for Advance Life Support Fire Medic Units. Personnel costs include the salaries and

associated benefits for three new positions, a Senior Management Specialist - \$81,966, a Management Specialist II - \$75,412, and a Firefighter to serve as an EMT Instructor - \$72,052 as well as overtime costs of \$416,000 for this new program. Although the personnel component experienced an overall increase, it is important to note that there were several long-term positions which were vacated during the year, as a result of retirements, that reduced the personnel component.

The operating component is forecasted to increase by \$636,160 or 11.4 percent from the previous approved budget. In order to address rising expenditures, an adjustment of \$323,932 is included for vehicle maintenance as well as \$2,006 for gasoline costs. This component also includes \$116,644 associated with the opening of the Fire Training Center, for facility costs which include utilities, other contractual services, and various supplies. In addition, funding of \$85,895 is included within this component for various operating costs associated with the new EMS and CARE program. Outside of these adjustments, funding of \$10,770 is included to provide uniforms for the three new Firefighters. It is important to note that funding of \$96,013 was reallocated from the capital component in order to cover additional forecasted expenses.

The Division is currently reviewing a contract for a new multiyear lease of patient care computers and 20 CPR assist devices. This lease program provides for 65 patient care computers located on each front-line response unit and support vehicles. The FY2018-19 operating budget also includes \$374,981 for professional services for an Operational Medical Director, mental health services, and medical and laboratory supplies which includes medications, personal protective equipment to manage infection control risks, general supplies for EMS services, and disposable supplies for the patient care computer

Fire (cont'd)

lease program.

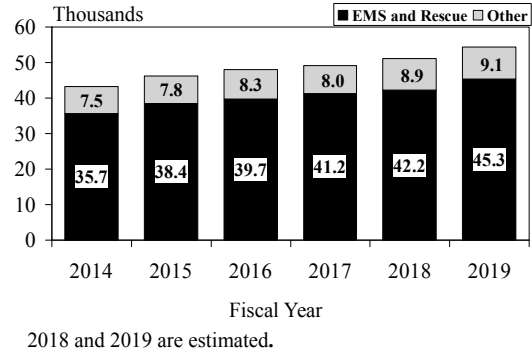
The capital component for FY2018-19 totals \$434,543 and represents a net decrease of \$37,877 or 8.0 percent from the previous approved budget. Included in the capital component is the funding for the Division of Fire's Equipment Replacement Plan, which currently totals \$151,095 for FY2018-19. This replacement plan includes equipment that generally has a useful life beyond one year and allows for a more consistent approach to acquiring and managing equipment that is critical for both service delivery and firefighter safety. Items covered under the Equipment Replacement Plan include power stretchers, stair chairs, CPAT weighted vests, iSimulate equipment, thermal imaging cameras, saws, rope rescue equipment, bikes, and monitors.

Funding of \$58,136 is included within this component for various types of telecommunications equipment as well as vehicle equipment up-fit costs associated with the new EMS and CARE program. Funding of \$45,000 provides an ongoing source to eventually replace all of the existing public access Automated External Defibrillators (AED) which are located in many County facilities.

Additional funding is provided for various other types of specialized firefighter equipment needed for the Division. Funding is also included as a part of the ongoing plan to refurbish the fire stations, as well as for replacement telecommunications and computer equipment. It is important to note that in the Capital budget, found elsewhere in this document, the Division has funding totaling \$3,000,000 for the apparatus replacement program, which will allow for the systemic replacement of the Division's apparatus. This program was adjusted by \$1,250,000 in the FY2018-19 budget to more accurately reflect current forecasted expenditures.

In FY2018-19, the Division of Fire will focus on expanding the quality of existing programs as well as continuing to provide a consistently high level of service to the citizens of the County. Examples of these programs include enhancing firefighter safety, fully leveraging the recently deployed station alerting platform, along with expanded and targeted prevention efforts in the community. These will be accomplished in an environment of increasing call volumes, particularly with EMS and Rescue calls as the following chart shows.

Total Calls For Service



In 2015, Henrico County received an Insurance Service Office (ISO) rating of Class 1. Henrico is one of four localities in Virginia to receive this ISO rating. Henrico is also one of two counties in the United States to have both an ISO Class 1 rating and to have an internationally accredited fire department. This continues a trend toward excellence. In fact, the Division of Fire was the first accredited in 1997 - making it the first fire service organization in the Commonwealth of Virginia and the ninth in the nation to receive this distinction. There are currently only 239 CFAI accredited fire service organizations in the world. The Division is currently in the process of being reaccredited.

Henrico County is proud to be a leader of innovation in public safety. The Division received three achievement awards from the National Association of Counties (NACo) for three programs in 2017: the Residential Fire Risk Identification program, the Fire Apparatus Diesel Particulate Filter Reprocessing program, and the Fire Command Officer Exchange program. The Officer Exchange Program is a partnership with the Fairfax County Department of Fire and Rescue which allows command officers from each agency to perform an internship with the others to see other ideas and explore solutions to issues. The program has been very beneficial for each department in the observing and sharing of best practices. In 2017 the Division was also very proud to partner with Henrico's other public safety agencies in support of the Achievable Dream program taking place at Highland Spring Elementary School.

In 2016, the Division was the recipient of several awards as well. The Division of Fire was honored

Fire (cont'd)

with the 2016 Mission Lifeline Gold Award from the American Heart Association for their system approach to Cardiac Care. Also in 2016 the Division was the recipient of the Special Achievement in GIS (SAG), which was based on technology utilized during special events and Incident Management Team Operations. In addition, the Division received two Achievement Awards from the National Association of Counties (NACo) for the following programs: Virtual Operations Support Team and Entry Level Firefighting Hiring Process.

In 2016 the Division of Fire was a participant in the regional Port of Virginia/Port of Richmond study with the Governor's Office. The Division had a representative in the Federal Department of Transportation's Executive Leadership Group for the International Association of Fire Chiefs.

The Division continues to be a leader in the provision of emergency medical services. In FY2018-19, \$218,625 of General Fund support will provide medical supplies, fuel, and insurance premium payments for the three volunteer rescue squads located in the County. This is in addition to \$205,000 in "Four for Life" funding from the Commonwealth of Virginia, which flows through the Division's budget and is disbursed to the volunteer rescue squads in order to reimburse for qualifying expenses. Between the "Four for Life" and General Fund support, over \$518,202 is provided to the three volunteer rescue squads.

The Division continues to provide specialized response services to the citizens of Henrico. These services include, but are not limited to, the Hazardous Incident Team, Search and Rescue Team, and the Technical Rescue Team. In addition, the Division actively supports fire prevention efforts in the community through the Fire Prevention Associate Program, the 1st, 3rd, and the 4th Grade Fire Education Programs. The Division also supports efforts aimed at providing County youth with opportunities that build character, emphasize core values, and orient young people to potential careers in public safety. Examples of these programs include the Fire Explorer Program, the Teen Summer Fire Academy, Mission Tomorrow, and the Achievable Dream.

Firefighter safety and wellness continues to be a top priority for the Division. Proper equipment and apparatus is vital to the safety of the firefighters and the FY2018-19 budget continues to allocate resources

to ensure a systematic replacement approach. Funding of \$165,280 is included within the existing budget for replacement turnout gear for firefighters as part of the on-going replacement plan. In addition, funding in the amount of \$24,000 is included for maintenance and repairs of self-contained breathing apparatus (SCBA). These efforts will continue to provide the Division's personnel with the best available personal protective equipment.

Streamlining and enhancing training continues to be a priority in the Division of Fire. The Division is designated as a self-certifying agency by the Commonwealth of Virginia Department of Fire Programs. This status allows the Division of Fire's training staff the ability to plan, develop, and deliver training programs that meet the specific training needs of the Division while ensuring compliance with National Board on Fire Service Professional Qualifications standards. Since FY2004-05, the Division of Fire's Training section has conducted twenty Recruit Academies, putting more than 300 new firefighters through a six-month Basic Firefighter Recruit Academy. In FY2013-14, the Division implemented an online training and records management system. This system improved the efficiency of training delivery and support efforts which impacts the Division of Fire's Insurance Services Organization (ISO) rating. An improvement in ISO rating is tied to lower insurance costs for County residents and businesses.

Enhancing community preparedness continues to be a priority for the Division of Fire. The Division's Office of Emergency Management (OEM) continues to protect citizens and businesses of Henrico County by promoting awareness and assisting in the development of community resilience through coordinated planning efforts. OEM works with County agencies to help coordinate resources in large scale disasters through the Emergency Operations Center and offers training to County staff ranging from general disaster preparedness, workplace continuity of operations planning, and in-depth training and coordination for the County's Emergency Operations Center.

The Division of Fire offers numerous outreach programs to help citizens become better prepared, including Community Emergency Response Team (CERT) classes. Since 2001, over 756 citizens and business representatives have completed this CERT training. The Division also hosted two regional

Fire (cont'd)

Survivor Day sessions in Henrico in concert with nine other localities in Central Virginia. Participants received training directly from Henrico Fire, Henrico Health Department, and Henrico Division of Police. CERT members are exposed to many volunteer groups such as the Division's Fire Explorer Post, Medical Reserve Corps and Fire Corps representatives, and the Henrico Amateur Radio Cadre. In FY2014-15, the Division of Fire launched a revamped Citizen's Fire Academy. In FY2016-17, a total of forty-three County residents completed this comprehensive academy that exposed each of them to all aspects of the Division operations.

The Division of Fire has led efforts to train 669 students in the Incident Command System, using instructors from the Division of Fire and the Division of Police. In addition, the Incident Management Team (IMT) has trained over 200 County and State employees for large scale incidents.

In FY2018-19, the Division will continue its efforts to enhance marine firefighting and rescue capabilities. In FY2014-15 and FY2015-16 the County was awarded FEMA Port Security Grants that

provided funding for training and to purchase swift water equipment to aid in rescue efforts along the James River.

The Division operates a specialty repair shop program by assigning firefighters to these shops in addition to their normal duties. These shops repair and maintain equipment at a lower cost and with less down time than if the County had to purchase these services from an outside vendor. There are twenty-six such specialty shops, including the Hose and Nozzle shop, SCBA shop, Oxygen Cylinder shop, and the CPAP shop.

The Division expects to continue to face a number of challenges over the coming years. Some of these challenges include increased service demands due to an expanding and aging population, turnover of personnel due to retirement, and the continued development of mixed use, high density, and high service demand properties such as nursing homes, assisted living facilities and commercial/residential mixed use buildings. The Division continues to plan for these challenges and will meet the increasing service demands presented by these challenges.

SHERIFF

Description

The Sheriff is an elected Constitutional Officer. The Sheriff's Office provides Court Services, including court security, civil process, and transportation of inmates. Court security maintains courthouse safety through screening of individuals entering the courthouse and provides security for five Circuit Court courtrooms, five General District Court courtrooms, and five Juvenile and Domestic Relations Court courtrooms, all located in the western portion of the County. Civil Process deputies serve thousands of civil papers a month to individuals inside and outside the County. An automated tracking system is used to manage the papers. Transportation is responsible for taking inmates to and from court appearances, medical appointments, and for movement between detention facilities. The Sheriff's Office is divided into two geographically separate facilities and divided into four areas of responsibility: Jail East, Jail West, Administration, and Courts and Booking.

- To maximize the level and quality of security for the court facilities and provide for the safety of the visiting public and court personnel working in these facilities.
- To maximize the timely and accurate service of civil papers.
- To maximize organizational effectiveness and integrity through the recruitment and employment of highly qualified personnel; to ensure that all available internal and external training resources are utilized; and to develop comprehensive professional and leadership training programs for all staff levels.
- To maintain American Correctional Association and Department of Corrections accreditation of the jail facilities, court security, civil process, transportation, and training sections which will enhance the level and quality of services that are available to the inmates and the public.
- To maintain a collaborative relationship with other criminal justice agencies and other units of federal, state, and local government; and to ensure efficient and effective operation of the Sheriff's Office.

Objectives

- To achieve the highest level of quality of life, safety, and health of inmates, as well as staff, through medical services, mental health programs, vocational and educational programs, vocational sanitation, staff training, and reduction of incidents of aggression within jail facilities.

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 28,398,761	\$ 26,580,669	\$ 27,360,477	2.9%
Operation	14,750,965	11,740,659	13,472,799	14.8%
Capital	29,732	15,264	13,624	(10.7%)
Total	<u>\$ 43,179,458</u>	<u>\$ 38,336,592</u>	<u>\$ 40,846,900</u>	<u>6.5%</u>
Personnel Complement*	390	394	394	0

*Personnel totals above do not include one Complement IV position.

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Number of Civil Papers Served	122,337	125,000	128,000	3,000
Average Daily Inmate Population	1,350	1,465	1,525	60
Number of Commitals to Jail	15,049	15,425	15,811	386
Work Release Participants (Monthly Avg)	60	65	70	5
Home Incarceration (Monthly Avg)	24	26	30	4
GPS Bond (Monthly Avg)	78	87	100	13
Average Number of State Inmates	464	600	624	24

- To maintain current PREA certification which is achieved by meeting and/or exceeding the standards set forth by the Prison Rape Elimination Act 2003 (Public Law No. 108-79). The Henrico Sheriff's Office has a zero tolerance for offender-on-offender sexual assault or abuse, sexual misconduct or harassment towards offenders. This agency strives to provide a safe environment where offenders are free from such assaults and sexual misconduct, and makes every effort to detect, prevent, reduce and punish sexual abuse, assault, harassment and misconduct.
- To maintain the level of educational and vocational training programs in concert with mental health programs and services to the inmate population which improves their reintegration into society with an increased sense of self-worth, and marketable skills to lead productive and law abiding lives.

Budget Highlights

The Sheriff's Office budget for FY2018-19 totals \$40,846,900, which represents an overall net increase of \$2,510,308 or 6.5 percent when compared to the approved budget. The personnel component increased by a net difference of \$779,808 or 2.9 percent from the previous approved fiscal year. This component reflects a salary increase for FY2018-19 as well as rising health care and VRS costs. It is important to note that the personnel increase was offset by several positions which were vacated during the year as the department continues to experience high turnover.

The operating component is forecasted to increase by \$1,732,140 or 14.8 percent from the previous approved budget. An adjustment of \$912,500 was made to cover costs associated with the housing of approximately fifty female inmates at Chesterfield County's jail in order to relieve overcrowding at Henrico County's jail. A total of \$500,000 is included to cover additional expenditures in the food service contract primarily as a result of the increase in the inmate population. Funding of \$280,000 is included to more accurately reflect current actuals for the GPS monitoring equipment expense. This equipment assists in controlling inmates and bond releases.

Funding of \$20,000 is included to begin a formal training and leadership program for the Sheriff's Office. In addition, funding of \$10,000 is included to support the purchase of safety supplies. The operating component also includes \$8,000 to begin a replacement program for ballistic vests. The remaining adjustment of \$1,640 is due to the reallocation of funding from the capital component. Adjustments were made to several accounts within the operating component to more accurately reflect forecasted expenditures. The capital component decreased by a net difference of \$1,640 or 10.7 percent in order to provide additional funding to the operating component.

The Sheriff's Office operates two separate jail facilities. Henrico County Regional Jail West, located in the western portion of the County, opened in 1980 and expanded in 1996. This maximum-security facility has a capacity of 686 inmates, housing both male and female inmates. The Sheriff and administrative staff are also at this location.

Sheriff (cont'd)

Henrico County Regional Jail East, in New Kent County, was built in 1996 as a regional cooperation effort between Goochland, Henrico, and New Kent counties. The jail is operated by the Henrico County Sheriff's Office and has a capacity of 655 inmates. It houses male and female inmates, in a barrier free environment between deputies and inmates. New Kent and Goochland counties reimburse Henrico County for the number of prisoner days used each month. The jails also house State prisoners, typically serving sentences of less than two years. The State reimburses Henrico County for inmates held on their behalf, although the reimbursement does not actually capture the cost of incarceration.

Jail Security staff maintain the safety and order in the facilities and move inmates throughout the facilities. Jail Services staff provide programs and services to the inmate population, including recreation, visitation, educational opportunities and mental health/substance abuse services.

One of the main focuses of the Henrico County Sheriff's Office is the security of jail facilities and the level of services and programs offered to the inmate population. In addition to the GED certification, vocational classes in Automotive Technology, Computer Programming, and Cosmetology are offered to inmates with the assistance of Henrico County Public Schools to help their chances of gaining employment once they are released. Funding of \$780,000 is included in the budget for these courses.

The Sheriff's Office graduated the first student basic jailor academy in the summer of 2011. The academy trains students at Virginia Commonwealth University and Virginia Union University as Correctional Deputies as well as awards students who complete the academy with college credit. This training is provided at a minimal cost to the student. After students complete the academy and are certified as Correctional Deputies they are used as Correctional Officers to reduce the need for deputies to work overtime, which reduces costs. The seventh student basic jailor academy, which had a total of 28 students enrolled, was completed in August 2017. As a result of the success of the summer student basic academy, the Sheriff's Office received a National Association of Counties (NACO) award in 2012 for "Best in Category" in the field of Criminal Justice.

Jail East and Jail West both passed the PREA (Prison Rape Elimination Act) audit in November 2016 and are both awaiting certification. This federal mandate needed to be implemented by August 2016 and the Sheriff's Office passed all applicable mandates to both jails.

In August 2017, Sheriff Michael L. Wade accepted the Lucy Web Hayes Award from the American Correctional Association which honors correctional agencies that have met 100.0 percent compliance with both ACA accreditation standards and federal Prison Rape Elimination Act standards. The Henrico County Jail was the third entity to receive this award and the first jail. There have been a total of seven recipients.

Opiate Recovery By Intensive Tracking (ORBIT Program) is a four-phased treatment to address the current opiate problem. In phase two, the qualified participants are assigned to work details. These work details provided some necessary training needed upon the participant's release and also reduce the use of some outside contractors by the County.

The Sheriff's Office continues to utilize cost savings initiatives which were implemented in the prior fiscal year. For example, the movement to the electronic filing system for the inmate classification record folders has generated continued savings for the Sheriff's Office. The reporting schedule for Alternative Sentencing (weekenders) last year continues to save funding as this action eliminated the number of meals prepared for this inmate population.

Additionally, several inmates with medical conditions, which result in costly medical bills, have been deferred to Alternative Sentencing. The Henrico County Judges and Commonwealth's Attorney Office work with the department to find options for high cost inmates with medical and mental health issues such as home incarceration and GPS monitoring.

In January 2016, the canteen service offered inmates and their families an opportunity to purchase packs containing a variety of items on a year-round basis instead of only being available to purchase four times a year. In 2017, a total of \$92,456 in revenue was generated from the sales of the holiday packs. It is

Sheriff (cont'd)

anticipated that offering these packs throughout the year will generate additional revenue.

Bondsmen and the general public are now able to access Basic Inmate Information via the Internet. This saves on manpower hours used to field questions related to jail inmate information. The site can be found at the following address: <http://www.henricosheriff.org/search/>.

The State Compensation Board reimbursement is for salaries and benefits as well as a per diem rate for State responsible inmates only. In FY2016-17, the actual overall percentage of jail operating costs paid by the State was 34.9 percent, 59.7 percent was paid by the County, and the remaining 5.4 percent was paid with various other departmental revenues. In the FY2018-19 budget, it is estimated that the Henrico County Sheriff's Office will receive 35.9 percent of funding from the State while the County will contribute 59.1 percent of funding (the remaining 5.0 percent will be funded with departmental revenues).

Fiscal Year	State Funding	% of State Funding	State Resp. Inmates	% of Total Inmates
FY09	14,967,520	42.2%	103	9%
FY10	13,064,081	38.6%	250	22%
FY11	12,797,756	37.3%	225	19%
FY12	12,763,626	35.8%	268	24%
FY13	12,935,558	35.4%	322	27%
FY14	13,805,530	36.3%	300	26%
FY15	13,712,024	35.1%	307	25%
FY16	14,501,033	37.5%	334	28%
FY17	15,063,503	34.9%	464	34%
FY18*	14,450,000	37.7%	600	41%
FY19*	14,650,000	35.9%	624	41%

**FY18 and FY19 represent forecasted estimates.*

The chart above shows State funding as well as the number of State responsible inmates in the County's jail over an eleven-year time period. Actual funding received from the State has increased from \$14,967,520 in FY2008-09 to \$15,063,503 in

FY2016-17. In FY2008-09, the average daily population totaled 1,164, with 1,061 local inmates and 103 State inmates. In FY2016-17, the average daily population totaled 1,350 with 886 local inmates and 464 State inmates. The number of State inmates housed in the County's jail has increased by 361 or 350.5 percent since FY2008-09 while the percentage of State funding has decreased over the same period.

The number of prisoners confined in the Henrico Regional System has increased dramatically from FY2015-16. The FY2018-19 budget was prepared on the assumption of an average daily inmate population of 1,525. This estimate is based on 915 prisoners at Jail West and 610 housed at Jail East. Areas that are directly affected include medical services, food services, mental health services, and other operational costs spread among different associated categories.

Fiscal Year	Cost Per Inmate - County Share	Cost Per Inmate - State Share	Cost Per Inmate - Total
FY09	17,602	12,859	30,461
FY10	18,202	11,460	29,662
FY11	18,440	10,966	29,406
FY12	20,088	11,216	31,304
FY13	19,913	10,935	30,848
FY14	20,618	11,750	32,368
FY15	20,779	11,230	32,009
FY16	20,516	12,320	32,836
FY17	20,827	11,158	31,985
FY18*	16,305	9,863	26,168
FY19*	17,178	9,607	26,785

**FY18 and FY19 represent forecasted estimates.*

The chart above depicts the total cost per inmate for the County and State as well as the overall cost per inmate over an eleven-year time period. The funding provided to the County from the State to cover the cost per inmate has decreased from \$12,859 in FY2008-09 to \$11,158 in FY2016-17 while the County's share has increased from \$17,602 in FY2008-09 to \$20,827 in FY2016-17.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

Detention Home

Description

The Detention Home incarcerates juveniles who are awaiting court action for committing criminal offenses. Some juveniles may also be sentenced for up to thirty days after having been found guilty of an offense. This group includes criminal offenders, children in need of supervision, and certain traffic offenders. While housed at the Detention Home, juveniles are offered programs in education, recreation, and optional religious services as well as receive mental health screenings, evaluations, medical services, and follow-up evaluations as necessary.

- To work within interagency agreements and contracts with Henrico County Police, Fire, Sheriff, MH/DS/SA, and the Henrico County Court System.

Budget Highlights

The Juvenile Detention Home provides protection, safe care, and basic needs and services to juveniles placed in the facility by the courts through statutory regulation. All aspects of service levels in the Detention Home are mandated by the State and will remain unchanged in the upcoming fiscal year. Operational procedures, programs, professional services, and support services are all to stay in compliance with State mandated regulations for licensure. In addition, staff will be provided with ongoing training and development.

The personnel complement includes two full-time Mental Health Clinicians who provide mental health assessments and court ordered evaluations for the Detention Home. In addition to the 30 positions in the agency's personnel complement, five full-time teachers from Henrico County Schools are currently assigned to the agency for an eleven-month educational program along with two teachers that are shared with James River Juvenile Detention Center. These positions are funded by the Virginia Department of Education and their associated costs are included in the Education budget.

Objectives

- To provide safe care for the juveniles placed under the supervision of the Detention Home.
- To retain certification from Virginia's Interdepartmental Licensing and Regulation Unit for Children.
- To administer an identifiable and assessable program of detention.
- To provide ongoing staff training and organizational development programs.
- To provide, in conjunction with the Henrico County School System, an education program that conforms to the Educational Standards for Residential Care Facilities of the Virginia Department of Education.

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 2,136,957	\$ 2,143,447	\$ 2,151,085	0.4%
Operation	136,842	143,147	143,147	0.0%
Capital	4,703	500	500	0.0%
Total	2,278,502	2,287,094	2,294,732	0.3%
 Personnel Complement	 30	 30	 30	 0

Juvenile Detention (cont'd)

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Admissions	1,035	1,032	1,032	0
Secure Detention Days	5,246	4,707	4,707	0
Average Daily Population	14	13	13	0
Average Length of Stay, Days	5	5	5	0

The Juvenile Detention Home's budget of \$2,294,732 represents a net increase of \$7,638 or 0.3 percent from the FY2017-18 approved budget. This increase was driven solely by the personnel component and reflects revised salary estimates and a salary increase for FY2018-19 as well as rising health care costs.

State aid for the Juvenile Detention Home in the FY2018-19 budget is estimated to total \$550,500, which includes \$550,000 for the Juvenile Detention Home's block grant and \$500 in estimated per diem payments for State-responsible juveniles.

BUILDING INSPECTIONS

Description

The Code of Virginia requires all local governments to enforce the Virginia Uniform Statewide Building Code (USBC). The Department of Building Construction and Inspections fulfills this role for Henrico County by reviewing and inspecting the structural, mechanical, electrical, and plumbing systems of buildings and structures in Henrico County to ensure the safety, health, and welfare of the County's citizens. The reviews and inspections are based on criteria that are consistent with nationally recognized codes and standards at reasonable cost levels.

The Department also enforces the maintenance and unsafe provisions of the USBC and the Drug Blight and Bawdy Places ordinances to further the objectives of the County's Community Maintenance Program. In addition, the Department administers the graffiti ordinance to remove graffiti in the County.

These traditional code enforcement activities are supplemented with public awareness programs.

Objectives

- To ensure the public health, safety, and welfare affected by the design and construction of buildings and structures in Henrico County.
- To ensure the quality of inspections by field staff through education and certification to State standards.
- To provide services that equal customer expectations for professionalism and accountability.
- To establish policies and procedures that are consistent, practical, workable, and enforceable.

Budget Highlights

The Department of Building Construction and Inspections budget is divided into two sections: Building Inspections and Community Maintenance.

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 4,073,379	\$ 4,187,414	\$ 4,388,891	4.8%
Operation	260,995	410,314	432,261	5.3%
Capital	540	300	300	0.0%
Sub-Total	<u>\$ 4,334,914</u>	<u>\$ 4,598,028</u>	<u>\$ 4,821,452</u>	<u>4.9%</u>
Interdepartmental Billings	(163,757)	(165,551)	(170,785)	3.2%
Total Budget	<u>\$ 4,171,157</u>	<u>\$ 4,432,477</u>	<u>\$ 4,650,667</u>	<u>4.9%</u>
Personnel Complement*	53	55 *	58 **	3

*Reflects the addition of two inspector positions for the Community Maintenance Program.

**Reflect the addition of three positions which were added to address increasing development activity.

Building Inspections (cont'd)

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Total Permits Issued	15,619	16,000	16,000	0
Single Family Permits Issued	789	900	900	0
Building Inspections	30,804	32,940	32,940	0
Electrical Inspections	16,037	17,500	17,500	0
Mechanical Inspections	12,874	13,500	13,500	0
Plumbing Inspections	17,532	20,000	20,000	0
Fire Protection Inspections	3,534	5,000	5,000	0
Elevator Inspections	135	200	200	0
Sign Inspections	1,067	1,000	1,000	0
Total Inspections	81,983	90,140	90,140	0
Existing Structure Inspections	5,383	5,500	5,500	0
FOG Inspections	202	300	300	0
Efficiency Measures				
Residential Inspections/Inspector/Day	13	16	16	0
Mech./Plumbing Inspections/Inspector/Day	19	22	22	0
Electrical Inspections/Inspector/Day	15	16	16	0
Fire Protection Inspections/Inspector/Day	6	6	6	0
Commercial Inspections/Inspector/Day	9	9	9	0
Avg. # of Inspections/Single Family Dwelling	33	35	35	0

The total approved FY2018-19 budget for the Department is \$4,650,667, an increase of \$218,190 or 4.9 percent when compared to the FY2017-18 approved budget. The personnel component increased \$201,477 or 4.8 percent and is partially attributable to benefit rate changes and salary increases. This also includes the addition of two new Building Inspectors and one new Inspection Supervisor to aid in increased development activity within the County.

The operating component increased \$21,947 or 5.3 percent from the prior year. This increase is attributable to upgraded phone plans for all inspectors as well as additional operating supplies needed for the three new positions mentioned above. The capital component remains flat.

Workload projections are based on current conditions and future developments that have already been announced for Henrico County. The Department projects development continuing at the current pace for both FY2017-18 and FY2018-19.

The Building Inspections section is responsible for assuring that structural stability, fire safety, and electrical safety is provided in newly constructed buildings throughout the County through compliance with nationally recognized building codes and standards. This section also inspects structures for compliance with accessibility, sanitation, light and ventilation, and energy and water conservation standards as referenced in the building code.

The Building Inspections section's approved budget for FY2018-19 totals \$4,186,387. This reflects an increase of \$205,497 or 5.6 percent in personnel expenses when compared to the FY2017-18 approved budget and is attributable to the three new positions proposed for FY2018-19. The operating budget increased \$20,579 from the previous fiscal year. This is due to upgraded phone plans for all the inspectors as well as additional operating supplies needed for the three new positions. Capital outlay remains flat for FY2018-19.

The Community Maintenance Division within the

Building Inspections (cont'd)

Building Inspections Department is responsible for resolving violations of the building code and graffiti ordinance for existing structures. This Division's approved budget totals \$464,280, which is a decrease of \$7,886 when compared to the prior fiscal year. This decrease was realized in personnel because of revised estimates for salary costs. Also included in this budget are the costs for two positions that are part of an initiative to ensure that restaurants have the proper equipment to prevent oil and grease from entering the sewer system. The ongoing cost for these two positions total \$170,785. The entirety of this cost will be reimbursed by the Department of Public Utilities. As such, an interdepartmental billing

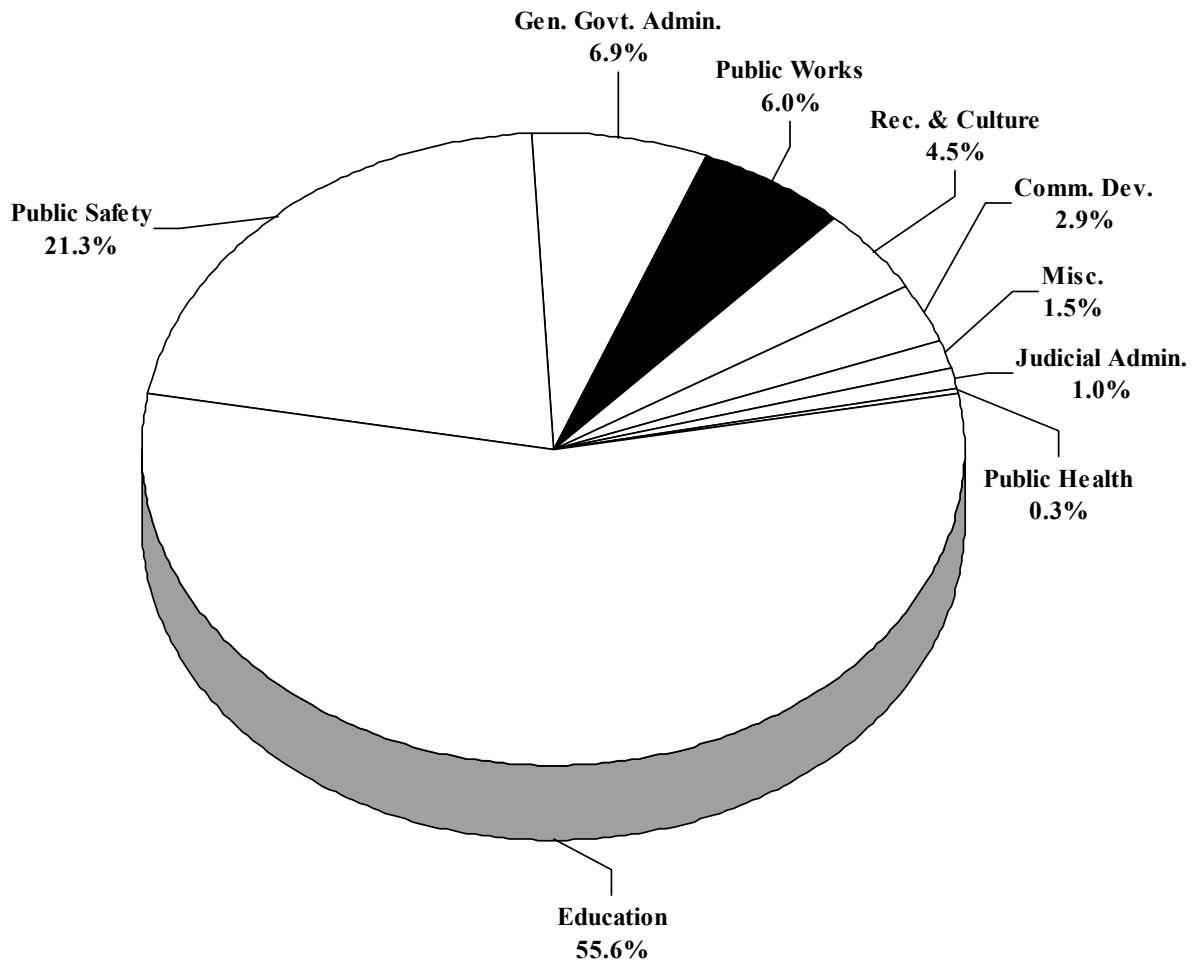
account has been budgeted to reflect the reimbursement of these ongoing costs. The operating budget increased \$1,368 from the previous fiscal year. This is due to upgraded phone plans for all the inspectors.

The Community Maintenance Division will continue to work closely with the Department of Community Revitalization, as they also provide community maintenance services. Community Revitalization's services include those related to identifying the needs of established communities and providing assistance in improving the properties in these areas.



COUNTY OF HENRICO, VIRGINIA

Public Works
\$52,701,159



Total General Fund
\$871,859,018

**COUNTY OF HENRICO, VIRGINIA
PUBLIC WORKS - GENERAL FUND
FY 2018-19**

Division	FY 16-17 Actual	FY 17-18 Original	FY 18-19 Approved
Administration	\$1,519,109	\$1,303,804	\$1,340,512
Road Maintenance	31,993,663	30,917,172	31,110,607
Traffic Engineering	3,672,858	3,560,769	3,977,267
Construction	2,631,502	2,854,728	2,992,366
Design	1,822,229	2,033,333	2,090,514
Mass Transit	7,248,556	7,847,382	9,085,763
Environmental	1,725,175	1,612,536	1,669,183
Standing Water Initiative	425,439	426,203	434,947
Total Public Works	<u>\$51,038,531</u>	<u>\$50,555,927</u>	<u>\$52,701,159</u>

PUBLIC WORKS

Description

The Henrico County Department of Public Works maintains the third largest road network in the State of Virginia after the State of Virginia and the City of Virginia Beach. The Department is responsible for the construction and maintenance of all secondary roads in the County, storm water drainage, administration of Public Transit services, and enforcement of erosion and sedimentation laws and ordinances. The Department is organized into the following divisions: Administration, Design, Maintenance, Construction, Transportation Development, Traffic Engineering, Environmental Control, and Standing Water Initiative.

The majority of departmental services are funded by an allocation of gasoline tax revenues from the State of Virginia and license fee revenue collected in the County's General Fund. In addition, the General Fund provides funding for certain services in accordance with the Board of Supervisors' directives for various programs. These include the Environmental Control Program, Vacuum Leaf services, the JOBS transit service, the Standing Water Initiative, and supplemental funding for the Mass Transit Division.

Objectives

- To develop and maintain a safe and efficient road system.

- To develop and maintain an efficient and economical storm drainage system.
- To ensure that the construction of road and drainage facilities is accomplished in accordance with appropriate standards and in an environmentally correct manner.
- To review and provide for the most cost-effective system of Public Transit for the residents of the County.
- To provide prompt responses to citizen inquiries or requests for service.
- To enforce Chesapeake Bay Act regulations along with current erosion and sedimentation control ordinances and policies.

Budget Highlights

The Department's approved budget for FY2018-19 is \$52,701,159, representing an increase of \$2,145,232 or 4.2 percent from the FY2017-18 approved budget. Within this overall approved budget, which combines both Gas Tax and General Fund supported programs, the personnel component is budgeted to increase by a net difference of \$730,977 or 4.4 percent. The

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 16,995,975	\$ 16,747,328	\$ 17,478,305	4.4%
Operation	32,090,665	32,128,489	33,407,244	4.0%
Capital	1,951,891	1,680,110	1,815,610	8.1%
Total	<u>\$ 51,038,531</u>	<u>\$ 50,555,927</u>	<u>\$ 52,701,159</u>	<u>4.2%</u>
Personnel Complement	259	262 *	263 **	1

*Two Capital Project Managers added to the Mass Transit & Transportation Division in FY2017-18 in order to assist with locally administered capital projects. A Management Specialist I added to the Environmental Division in FY2017-18 for the inspection of BMPs.

**Construction Inspector added to the Construction Division to help manage the Annual Road and Drainage Contract.

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Lane Miles of Road Maintained	3,516	3,521	3,531	10
Traffic Signals Maintained	154	154	155	1
Development Plans Reviewed	1,922	1,975	2,000	25

increase in the personnel component is due to the budgeting of a salary increase in FY2018-19, the addition of a Construction Inspector position, as well as rising health care costs. The operating component is forecasted to increase by \$1,278,755 or 4.0 percent. This increase is primarily attributable to the addition of \$1,200,000 to the Mass Transit division for the expansion of the hours of service on three routes – the Seven Pines route (Route 7), the Laburnum Connector (Route 91), and the Pemberton Route (Route 19) – to 7:00 am to 11:00 pm Monday through Saturday and 10:00 am through 10:00 pm Sunday. This additional service will extend these routes into later evening hours as well as provide weekend service. In addition, the Pemberton Route will be extended from Pemberton Road to West Broad Marketplace in Short Pump. It is important to note that the future funding of this Mass Transit expansion will be contingent on whether there is adequate usage of these expanded services.

Capital outlay expenditures are projected to increase by \$135,500 or 8.1 percent compared to the FY2017-18 approved budget. This increase is due to several large equipment purchases planned for FY2018-19.

The FY2018-19 approved budget is to be funded by \$42,331,218 from the State’s Gas Tax maintenance allocation, \$9,783,430 from the County’s General Fund subsidy, and \$586,511 from miscellaneous departmental revenue. The total projected Gas Tax for FY2018-19 is based on the allocation for operations and maintenance and does not include a construction allocation. If gas tax were allocated for construction, it would be included in the capital budget section of this document. There has not been a construction allocation funded by gas tax since FY2008-09.

The State’s Gas Tax maintenance allocation is utilized for approximately 80.3 percent of the operating budget. In other words, the gas tax allocation will support the Department of Public Works’ divisions except for the Standing Water Initiative and Environmental Inspection. This revenue source is

restricted to roadway maintenance activities.

The functions supported by the General Fund subsidy total \$9,783,430. The General Fund supports 100 percent of expenses related to the Standing Water Initiative and Environmental Inspection divisions which combined total \$2,104,130. The Standing Water Initiative is budgeted at \$434,947 and the Environmental Inspection Division is budgeted at \$1,669,183 for the approved FY2018-19 budget.

General Fund support is also provided for Mass Transit services, feasibility studies for the new road construction funding application process tied to House Bill Two (HB2), and Leaf Collection services. Specifically, General Fund support of \$7,177,800 in FY2018-19 will subsidize the GRTC and JOBS services costs in the Mass Transit budget. The General Fund support for Mass Transit increased by \$1,200,000 or 20.1 percent when compared to last fiscal year. The Mass Transit budget includes additional General Fund support for the expansion of the Seven Pines route (Route 7), the Laburnum Connector (Route 91), and the Pemberton Route (Route 19) with services anticipated to start in September 2018. The expansion of services in FY2018-19 will be the largest local bus route expansion in the past 25 years.

General fund support will also be provided for feasibility studies in the amount of \$200,000. This funding will assist with the HB2 application process which determines eligibility for additional funding for transportation projects.

The Leaf Collection services budget totals \$488,700. Within this total budget, the General Fund will support \$301,500, Leaf Collection Fees will total \$185,000, and the remaining \$2,200 will be provided by miscellaneous revenues. It is important to note that this budget includes free leaf vacuum service for all County residents that currently participate in the Real Estate Tax Advantage Program (REAP).

Public Works (cont'd)

The following table depicts the General Fund support for the Department of Public Works:

General Fund Support	FY2018-19
Environmental Inspection	\$1,669,183
Standing Water Initiative	\$434,947
Leaf Collection services	\$301,500
Feasibility Studies	\$200,000
GRTC and JOBS services	\$7,177,800
Total	\$9,783,430

The third and final source of funding is generated from miscellaneous fees, which total \$586,511 for the approved budget. These charges/fees are used as enhancements to the Gas Tax revenue for all divisions with the exception of the Standing Water Initiative and Environmental Inspection divisions.

What follows is a discussion of each of the divisions within the approved budget for Public Works.

Roadway Maintenance and Administration

The total approved budget for the divisions that fall within this group is \$50,597,029. Except for Mass Transit, the Roadway Maintenance and Administration divisions represent the core services to maintain the existing roadway system provided by Public Works and therefore utilize \$42,331,218 of State Gas Tax maintenance allocation in providing these services. The remainder of funding is provided by other revenue in the General Fund, including a \$7,177,800 subsidy to support Mass Transit Services. The personnel component is forecasted to increase by a net difference of \$665,586 or 4.4 percent which reflects the budgeting of a salary increase in FY2018-19, the addition of a Construction Inspector to assist with increasing workloads, as well as increasing health care costs. The operating component reflects a net increase of \$1,271,255 or 4.0 percent compared to the prior fiscal year which is primarily due to the two bus route expansions.

The capital outlay component increased by \$143,000 compared to the prior fiscal year. There are several noteworthy capital purchases forecasted within the \$1,815,610 capital component. The capital outlay items include the following: 2 replacement single axle dump trucks, 8 replacement tandem axle dump trucks, 3 traffic detector camera systems, 2 sheds, 2 variable message boards, 1 new Digger Derrick truck, 2 new pickup trucks, 1 pressure washer, and 5 traffic signal controllers.

Standing Water Initiative Division

The Standing Water Initiative Division is a program that is funded solely through the General Fund at a total cost of \$434,947. The personnel component comprises 80.3 percent or \$349,247 of the total budget. The operating component remains flat compared to the prior fiscal year.

Environmental Inspection Division

The Environmental Inspection Division is funded solely through the General Fund at a total cost of \$1,669,183. The Division's budget is forecasted to increase by \$56,647 or 3.5 percent from the FY2017-18 approved budget. This budgetary increase is entirely due to an increase in the personnel component and reflects a salary increase and rising health care costs in FY2018-19. The operating component reflects an increase of \$7,500 compared to last fiscal year. This increase is due to the movement of funds from the capital component to the operating component. Budget adjustments were made to more accurately reflect planned expenditures in FY2018-19.

Departmental Highlights

In 2017, the Department of Public Works accepted over 4 miles of new roads into the county road network. In addition, the department completed over 10,000 inspections of active construction projects. Public Works also secured over \$19.6 million in grant funding for roadway and pedestrian capital projects for FY2018-19.

Supporting Economic Development

Public Works continued its role in facilitating economic development in the County by improving access to the road system. The department constructed an extension of the westbound Nuckols Road ramp onto I-295 to facilitate traffic flow in the Innsbrook area. In addition, the department secured a \$650,000 Economic Development Access Program grant from VDOT to extend Engineered Wood Way to accommodate future development. The total project estimate for Engineered Wood Way is \$2,800,000 with the remaining funding of \$2,150,000 being provided by local resources.

Community Outreach

The Department of Public Works interacts with the public on a daily basis through its services. As such, it is important that the department keep the community

Public Works (cont'd)

informed about these services and respond to customer feedback and concerns. Public Works also conducted eleven citizen information meetings and public hearings for new roadway, sidewalk, and stream restoration projects. The department also partnered with GRTC to hold two stakeholder meetings and three public meetings across the County to present proposed changes to GRTC transit service and receive input as part of GRTC's Transit Development Plan.

Road Projects

Charles City Road

The Department of Public Works completed the Charles City Road Improvement Project just south of Richmond International Airport in September 2017. This project widened a 0.3-mile section of roadway to a 4-lane divided facility with curb-and-gutter, drainage improvements, and an upgraded railroad crossing. The project was completed five months ahead of schedule and under budget

Dabbs House Road

A 0.8-mile section of Dabbs House Road between Nine Mile Road and East Richmond Road is scheduled to be widened with curb-and-gutter, drainage improvements, a sidewalk, and a right-turn lane on Nine Mile Road. All necessary right-of-way has been acquired and the project is advancing to the utility construction phase in 2018.

North Gayton Road Interchange at I-64

The Department of Public Works is working with the Virginia Department of Transportation to complete an engineering study in support of a new interchange to be constructed at N. Gayton Road at I-64 in Short Pump. The study is anticipated to be completed in Spring 2018. Upon approval by the Federal Highway Administration, the county will work to fund and design the interchange.

Richmond-Henrico Turnpike

The County leveraged \$14.0 million in bond funds to receive \$11.7 million in Virginia Department of Transportation SMART SCALE funding for the Richmond-Henrico Turnpike Improvement Project. This project will widen and improve the existing 1.9-mile section roadway between Laburnum Avenue and the at-grade railroad crossing located approximately 0.7 mile north of Azalea Avenue. The road will be reconstructed as a four-lane divided roadway with turn lanes, curb-and-gutter, drainage improvements, a 10-foot multi-use trail, and sidewalk. The contract for engineering design for this project is anticipated to be awarded in mid-2018.

Three Chopt Road

A project to widen and improve a 2.1-mile section of Three Chopt Road between Gaskins Road and Barrington Hills Drive has advanced to the right-of-way acquisition phase. This project will widen the roadway to a four-lane divided section with curb-and-gutter, drainage improvements, and sidewalks. This project is scheduled to be advertised for construction in mid-2019.

Woodman Road Extension

Design is underway for the extension of Woodman Road between Greenwood Road and Brook Road. A 2-lane roadway will be constructed with a 12-ft paved multi-use trail connecting to the River Mill Development. The project includes construction of a 2-lane roundabout at the intersection of Greenwood Road and Woodman Road. Construction is anticipated to begin in early 2019. The Capital Budget includes \$4.9 million for the extension of Woodman Road.

Pedestrian and Commuter Improvements

The Department of Public Works is continuing its initiative to improve bicycle and pedestrian accommodations across the County. In addition to the \$2.5 million allocation included in the Capital Improvement Program, the Department of Public Works received \$15.3 million in grant funding in 2017 for 10 bicycle and pedestrian related projects. In total, the Department has 28 programmed projects scheduled to be completed or under construction over the next four years that will add over 19 miles of sidewalks and paved multi-use trails.

Bridge Projects

The Department of Public Works is tasked with maintaining the aging bridges within the county's road system. In addition to the Creighton Road Bridge Replacement Project completed in April 2017, the Department of Public Works has four additional bridge repair or replacement projects under design. Repairs to the Parham Road and Greenwood Road bridges over the CSX railroad tracks are anticipated to be advertised for construction in 2018.

Storm Cleanup

Crews worked all weekend long to secure Galaxie Road after it was washed out on June 16 following a 4-inch intense thunderstorm that caused severe local flooding. The road was closed for several months while special large diameter elliptical concrete pipes were fabricated, a water line adjusted, and a temporary

Public Works (cont'd)

sewer line was constructed to re-open the road. This road repair cost \$253,000.

A late developing snow storm in early December dropped 2.5 inches of snow and caused the Department of Public Works to work diligently through the night to clear the roads. The high daytime temperatures helped with the department's efforts. Shortly after celebrating the new year, a winter storm dropped more than 3 inches of snow with frigid temperatures below 0°F in many parts of the county. This left the Department of Public Works with the task of fighting an uphill battle. Finally, midway through January another winter storm blew through the area dropping around 2 inches of snow with very icy conditions. The Department of Public Works was thoroughly prepared even before the MLK holiday to fight the ice that was expected.

The total for all three winter storms was \$3.2 million and the department used 5,100 tons of salt.

Municipal Separate Storm Sewer System Permit (MS4)

Work is ongoing to comply with the state permit which requires watershed restoration and pollution reductions over a 15-year time horizon. The department has already exceeded the five-year target of 5 percent reduction and has achieved 16 percent to date of the 40 percent required in the first ten years of the program. The department must achieve 100 percent of the pollution reductions by year 15.

Some examples of the work done to date include:

Dunncroft Stream Restoration

A stream restoration project improved a 2,200-foot section of an unnamed tributary to Meredith Branch located within Dunncroft/Castle Point Park off Francistown Road. Construction started in February 2017 and was completed in August 2017. The \$800,000 project relocated and stabilized the stream while reconnecting the stream with its floodplain. This stream had been eroding and allowing phosphorus, nitrogen and other pollutants to flow to the Chickahominy River, James River, and ultimately the Chesapeake Bay.

Belmont Golf Course Streambank Restoration

A streambank restoration project improved three sections of Upham Brook and North Run totaling approximately 2,000 feet located within the Belmont Recreation Center. Construction started in November 2016 and is anticipated to be complete in March 2018. The \$1.3 million project, partially funded with a grant from the Virginia Department of Environmental Quality's Stormwater Local Assistance Fund (SLAF), consists of removing debris and blockages as well as stabilizing the streambank. This stream had also been eroding and allowing phosphorus, nitrogen and other pollutants to flow to the Chickahominy River, James River, and ultimately the Chesapeake Bay.

Two other stream restoration projects are under design at the Virginia Home for Boys and Girls and Quarter Mill Apartments.

Mosquito Control

The Engineering and Environmental Services - Standing Water Initiative monitored for the presence of mosquito borne disease through 343 residential complaint responses and the collection and identification of 26 distinct species of mosquitoes, which accounted for a total of 55,500 individual mosquitoes. From 95 regularly monitored sites across the county, 759 West Nile Virus (WNV) mosquito samples were tested with 113 positive test results from 34 monitoring sites. This is the highest and most prolonged WNV positive mosquito collection in the Division's history. No mosquitoes were submitted for Zika testing as Virginia Department of Health protocol changed in 2017 to only test from areas with Human Zika cases. The Division performed 937 individual mosquito larvicide applications on county-maintained property using environmentally friendly mosquito larvicide products.

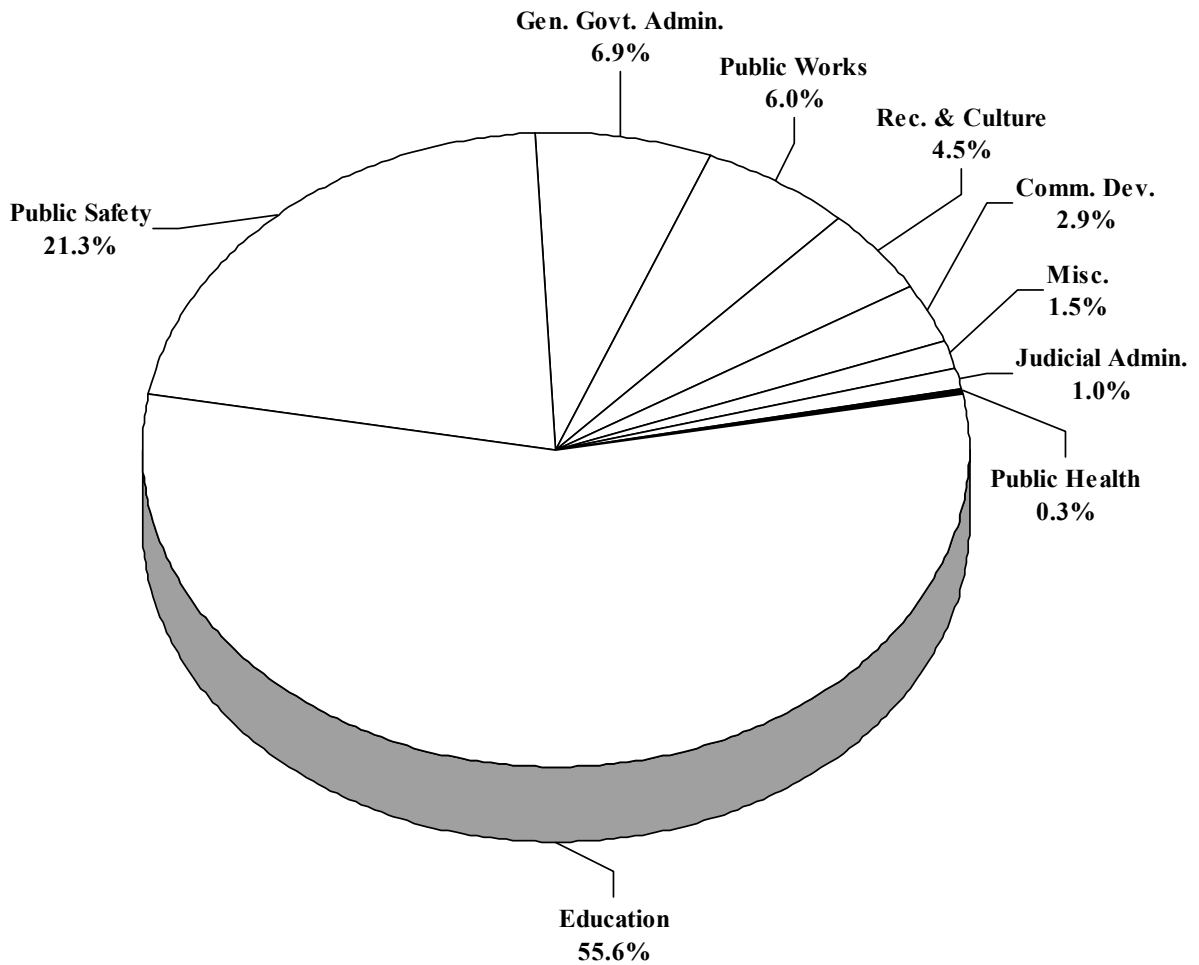
County-wide collaboration continued with a focus on all potential mosquito borne diseases, hence a name change from the Henrico County Zika Working Group to the Henrico Arbovirus Working Group. This group conducted 26 outreach events reaching approximately 2,000 individuals and 5 media-initiated interviews coordinated through the Department of Public Relations and Media Services



COUNTY OF HENRICO, VIRGINIA

Public Health

\$2,287,051



Total General Fund

\$871,859,018

**COUNTY OF HENRICO, VIRGINIA
HEALTH - GENERAL FUND
FY 2018-19**

<u>Department</u>	<u>FY 16-17 Actual</u>	<u>FY 17-18 Original</u>	<u>FY 18-19 Proposed</u>
Public Health	\$2,219,894	\$2,219,895	\$2,287,051
Total Health	<u><u>\$2,219,894</u></u>	<u><u>\$2,219,895</u></u>	<u><u>\$2,287,051</u></u>

PUBLIC HEALTH

Description

The Health Department provides medical, environmental and other public health services to the residents of Henrico County. The State and County provide cooperative funding consisting of 55.0 percent in State funds and 45.0 percent in County funds. The County also provides additional funding to assist with the maternity program. The budget herein reflects the County's 45.0 percent funding level for the cooperative budget and additional funds to support the maternity program.

- To prevent environmental contamination through enforcement of regulations governing on-site sewage disposal, installation of wells and the monitoring of water supplies.
- To assist the County with special services that includes but is not limited to fire and flood disaster, sanitation, lead hazard evaluation, and rabies control.
- To assure emergency preparedness for large scale health emergencies.

Objectives

- To promote a healthier lifestyle through health education and outreach.
- To minimize the spread of communicable disease through epidemiological monitoring of infectious diseases.
- Promote childhood immunizations.
- Provide inspection of food establishments, licensed child-care centers, motels, and hotels.
- To provide clinical services for clients in need of prenatal care, well-child care, family planning, or Women Infant and Children (WIC).

Budget Highlights

The Department's approved budget for FY2018-19 reflects the mandated 45.0 percent County share of the cooperative budget, which totals \$2,101,553. Additional county funding of \$183,698 is also provided for the local maternity program, as well as an additional \$1,800 for telecommunications costs. The sum of these figures amounts to a total County funding of \$2,287,051, which represents an increase of \$67,156, or 3.0 percent above the FY2017-18 approved budget, due to increased support allocated from the State. There are no County funded positions assigned to Public Health.

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	2,219,894	2,219,895	2,287,051	3.0%
Capital	0	0	0	0.0%
Total	<u>\$ 2,219,894</u>	<u>\$ 2,219,895</u>	<u>\$ 2,287,051</u>	<u>3.0%</u>
Personnel Complement*	N/A	N/A	N/A	N/A

*Does not reflect classified and non-classified State positions. The County portion of funding for these positions resided in natural account 50440 (Payment to State/Local Health Dept.) within the operating component of the budget.

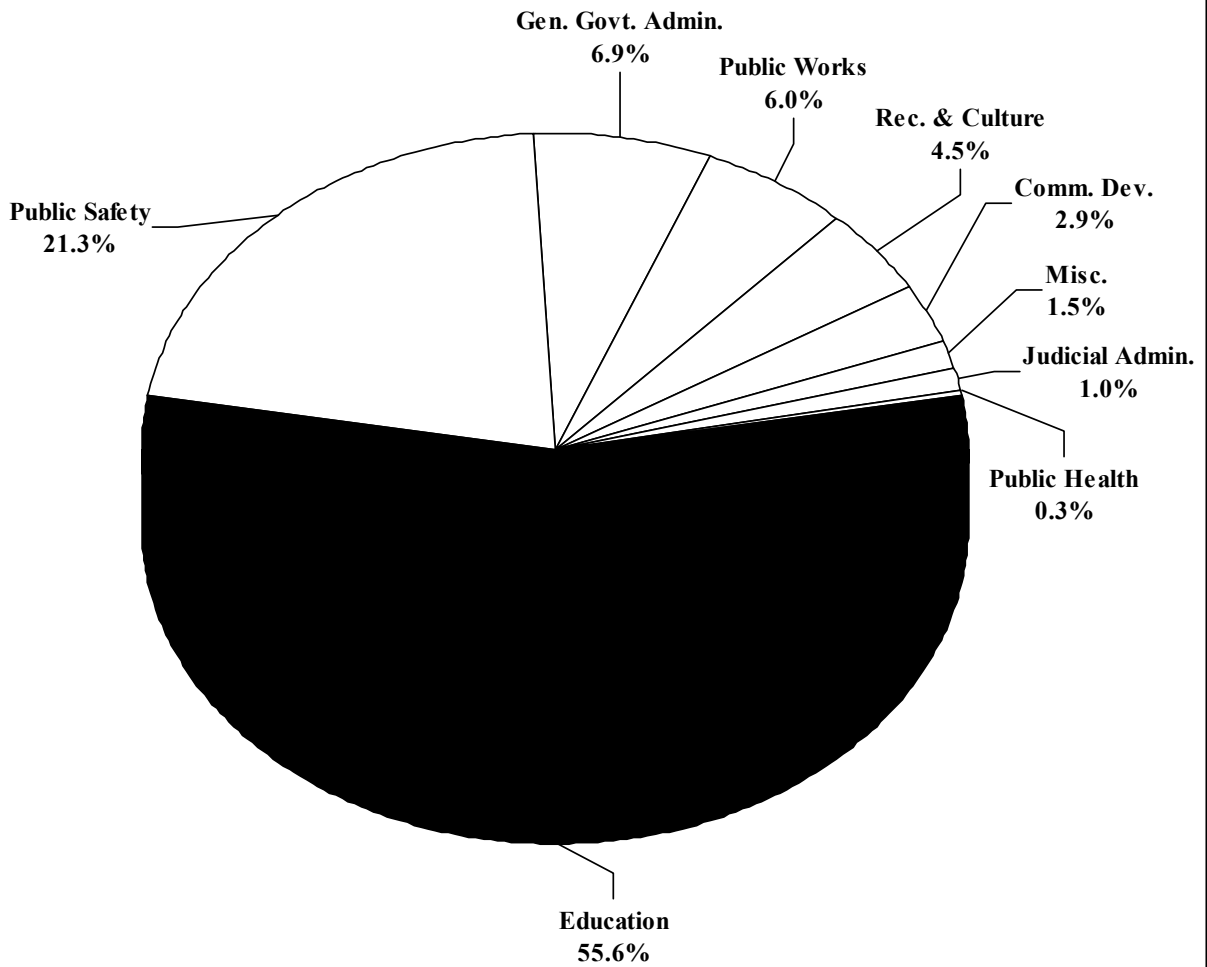
Public Health (cont'd)

	Performance Measures			Change
	FY17	FY18	FY19	18 to 19
Workload Measures				
Maternity Visits	2,069	2,100	2,100	0
Nursing Home Screening	729	715	715	0
Food Service Protection Visits	3,324	3,400	3,600	200
WIC Average Monthly Participation	4,776	4,900	5,200	300
Number of Clinic Patients	6,722	6,700	6,700	0
Number of Clinic Patient Visits	15,117	15,000	15,000	0

COUNTY OF HENRICO, VIRGINIA

Education

\$485,141,995



Total General Fund

\$871,859,018

**COUNTY OF HENRICO, VIRGINIA
EDUCATION - ALL FUNDS
FY 2018-19**

<u>Fund/Division</u>	<u>FY 16-17 Actual</u>	<u>FY 17-18 Original</u>	<u>FY 18-19 Approved</u>
General Fund:			
Instruction	\$338,575,644	\$355,973,362	\$369,230,155
Administration/Attendance & Health	15,478,122	16,266,983	16,452,102
Pupil Transportation	29,285,490	25,614,810	26,860,931
Operations and Maintenance	44,325,690	45,757,731	46,124,182
Technology	24,772,546	26,294,359	26,474,625
Total General Fund	452,437,492	469,907,245	485,141,995
Special Revenue Fund:			
School Food Service	\$20,522,435	\$25,760,022	\$25,596,753
State, Federal, and Other Grants:			
Adult Education Catalog Classes	99,106	102,795	102,795
Computer Insurance Coverage	750,712	1,500,000	1,500,000
CTE Resource Center	876,916	1,129,502	1,103,249
DMAS School Health	1,574,045	1,390,316	2,099,338
Driver Education Program	154,542	119,964	131,347
Federal Class Size/Title II	1,062,137	1,259,053	1,423,600
Adult Education	308,979	292,023	292,023
Head Start	1,457,721	1,412,237	1,424,784
Homeless Assistance	65,222	94,312	109,209
Humanities Center Grants	7,475	8,000	8,000
Individual Student Alternative Ed Plan Grant	50,508	63,184	62,979
Juvenile Detention Home	1,318,941	1,510,470	1,519,588
Mentor Teacher Program	0	25,000	25,000
Miscellaneous School Grants - Federal	(88,214)	319,146	319,553
Miscellaneous School Grants - Local	1,531,256	1,390,414	1,128,668
Miscellaneous School Grants - State	2,886,057	1,792,863	2,484,491
Pell Grants	324,627	402,850	649,550
Perkins Act III	733,091	682,774	721,812
Pre-School	187,128	311,486	303,320
VPI+	2,300,372	2,565,092	2,401,745
Early Reading Intervention	843,069	795,775	867,926
Reserve for State and Federal Grants	0	1,741,253	2,375,714
SOL Algebra Readiness	724,925	510,110	526,874
Special Education Jail Program Grant	69,373	81,607	73,528
State Four Year Old Program - VA Preschool Initiative	1,844,125	2,965,189	2,865,331
Summer School	1,461,180	1,970,963	1,969,963
TIF Grant-Teacher Leaders	1,980	0	0
Technology (State)	2,110,047	2,194,400	2,194,400
Title I-A	9,764,368	9,502,638	8,753,506
Title I-D	88,050	166,941	166,773

Education - All Funds (cont'd)

<u>Fund/Division</u>	<u>FY 16-17 Actual</u>	<u>FY 17-18 Original</u>	<u>FY 18-19 Approved</u>
State, Federal, and Other Grants: (cont'd)			
Title III ESL	394,164	377,892	334,838
Title VI - B	11,498,864	10,110,771	10,153,607
Other Special Revenue Grants	<u>29,224</u>	<u>40,000</u>	<u>53,670</u>
Subtotal Grants	44,429,990	46,829,020	48,147,181
Total Special Revenue Fund	\$64,952,425	\$72,589,042	\$73,743,934
Debt Service Fund:			
General Obligation	<u>33,292,773</u>	<u>33,745,369</u>	<u>38,893,751</u>
Total Debt Service Fund	33,292,773	33,745,369	38,893,751
Total Education - All Funds	<u><u>\$550,682,690</u></u>	<u><u>\$576,241,656</u></u>	<u><u>\$597,779,680</u></u>

EDUCATION

Description

The Henrico County Public School system is responsible for the instructional programming, construction, and operation and maintenance of educational facilities in the County. The School Board, elected by the voters of Henrico County by magisterial district, is charged with providing a total educational environment to prepare the students of today for the world of tomorrow. The Superintendent, appointed by the School Board as the Chief Administrative Officer, is charged with establishing and supervising the policies of the Henrico County Public Schools in accordance with the laws of the Commonwealth of Virginia, the regulations adopted by the State Board of Education, and the directives of the Henrico County School Board, which are guided by the mission statement: *Henrico County Public Schools, an innovative leader in educational excellence, will actively engage our students in diverse educational, social, and civic learning experiences that inspire and empower them to become contributing citizens.*

The Divisions of Instruction, Instructional Support, Operations, Finance & Administration, Human Resources, Equity and Diversity, Communications & Public Relations, and School Board and Superintendent have been established to accomplish the educational objectives of the County. A description of each follows.

In FY2018-19, the Division of Instruction will provide instructional programs to 22,361 elementary school students (grades K-5); 11,957 middle school students (grades 6-8) and 15,878 high school students (grades

9-12). This Division includes the departments of Elementary Education, Secondary Education, Career and Technical Education, Instructional Technology, Professional Development, School Improvement, and Research. This includes educational research, evaluation, student testing and assessment, and program audit services.

The Division of Instructional Support provides support to exceptional education, foundational learning, family engagement, school counseling, student support and disciplinary review, school psychology, school social work, school based mental health, and extended learning.

The Division of Operations provides support for building construction and maintenance, warehousing, and pupil transportation.

The Division of Finance and Administration includes the areas of school finance, budget, payroll, general services, school nutrition services, Oracle HRMS, planning, and policy and records management.

The Division of Human Resources provides support to all divisions through recruitment, selection, assignment, and evaluation of personnel. The Division is also responsible for Student Health Services.

The Division of Equity and Cultural Diversity leads efforts to promote equity and diversity within the school system by creating Strategic Action Plans and providing recommendations in response to identified areas of concerns.

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 438,542,528	\$ 455,283,976	\$ 471,051,908	3.5%
Operation	59,918,314	67,997,936	69,839,559	2.7%
Capital	18,929,075	19,214,375	17,994,462	(6.3%)
Debt Service	33,292,773	33,745,369	38,893,751	15.3%
Total	\$ 550,682,690	\$ 576,241,656	\$ 597,779,680	3.7%
Personnel Complement	6,832.45	6,845.45	6,927.85	82.40
Average Daily Membership	50,173	50,330	50,196	(134)

Education (cont'd)

The Division of Communications & Public Relations provides support for communications, media services, television services and legislative services.

Finally, the Division of the School Board and the Superintendent is responsible for compliance requirements of Federal and State laws, regulations, and standards.

Objectives

- To strengthen instruction across the curriculum and improve student performance at all grade levels in reading, writing, math, and analytical skills.
- To meet safety and security guidelines to foster an environment where all members of the HCPS community can safely learn, work, and play.
- To ensure a level of staffing consistent with programmatic and support service needs.
- To provide additional teacher training opportunities.
- To meet compliance requirements of Federal and State laws, regulations, and standards.
- To operate and maintain all facilities and equipment in a manner to ensure optimal returns on the public investment.

Budget Highlights

The total budget for Henrico County Public Schools (HCPS) in FY2018-19, which includes the General Fund budget, School Cafeteria Fund, State and Federal Grants Fund, and the education portion of the Debt Service Fund, is \$597,779,680. This reflects an increase of \$21,538,024 or 3.7 percent when compared to the FY2017-18 approved budget. Included in the increase is funding for a merit-based salary increase for all employees.

Of the total \$597,779,680, \$485,141,995 of that amount is the General Fund budget for HCPS. The General Fund budget consists of 81.2 percent of the total HCPS budget. The General Fund reflects an overall increase of \$15,234,750 or 3.2 percent increase when compared to the FY2017-18 budget. The increase in funding is accounted for as follows: State revenues fund \$263,825,000, or 54.4 percent of the

FY2018-19 budget, which reflects an increase of \$9,623,000 or 3.8 percent increase; Federal revenues accounts for \$360,000, and local resources fund \$220,956,995, an increase of \$5,611,750 or 2.6 percent compared to FY2017-18. HCPS' personnel component increase includes a merit-based salary increase, an increase for employee health insurance and 56 new General Fund positions for various initiatives.

The FY2018-19 budget for HCPS continues the County's commitment to the Achievable Dream Academy, which started in FY2017-18. HCPS entered into an agreement to participate in this program in FY2016-17. This program is designed to support children to improve their academic performance in school, encourage appropriate behavior and citizenship, and increase their school attendance. The budget for this program in FY2018-19 is \$3,296,844.

In addition to the Achievable Dream Academy, the FY2018-19 budget includes \$1,480,000 initiating the process of providing a planning period per day for all teachers in elementary schools. This effort includes the addition of 22 positions and is part of a multi-year effort that will start with school improvement, Tier 3, designated schools. The budget also includes \$700,000 for STEAM (Science, Technology, Engineering, Art, and Math) integration at all HCPS middle schools and the continuation of the middle school transformation for Gifted Young Scholar Academy at L. Douglas Wilder Middle School. The Gifted Young Scholar Academy focuses on research, deeper learning, and field experiences in a rigorous academic environment. Also, \$455,000 has been included in the FY2018-19 budget to fund additional teaching positions for Superintendent's Pool to reduce class sizes or provide new instructional assistants for classroom instruction.

Found elsewhere in the FY2018-19 budget, \$665,521 in local resources is provided for two purposes. The first is the addition of \$500,000 for school bus replacements. This addition will bring the total funding for school bus replacement to \$3,000,000. This funding is included in the Vehicle Replacement Fund, which can be found in the Capital Budget narrative later in this document. The other \$165,521, not included in the HCPS budget is incorporated in the Children's Services Act (CSA) budget to cover expenses for children referred for CSA services by HCPS. More detail can be found in the CSA narrative also located later in this document.

Education (cont'd)

The staffing level for FY2018-19 reflects an average pupil teacher ratio of 19.9:1 for elementary schools and an average class size of 18.9:1 for middle schools, and 19.3:1 for high schools. The elementary school ratio reflects a decrease from the prior fiscal year whereas the middle and high school ratios reflect a slight increase. In prior years, additional staff were hired to maintain and reduce these ratios.

In order to provide a 21st century education to the students in Henrico County, Education's FY2018-19 General Fund and Special Revenue Fund Budgets includes \$15,296,729 for technology. Included in this amount is funding for the laptop leases. The laptop initiative began in FY2001-02 when the School system entered into an agreement to provide laptop computers to all high school students and 7th and 8th graders. In FY2002-03, the agreement was amended to include 6th grade students. The projected cost for the laptop initiative in FY2018-19 is \$12,794,245 which reflects a reduction of \$895,734 primarily due to the cost of the middle school network refresh project budgeted in FY2017-18.

There are two components of the HCPS budget that are included in the Special Revenue Fund. Those are the School Cafeteria Fund and the State and Federal Grants Fund. Neither fund has local tax dollars allocated in them. In the case of grants in the State and Federal Grant Fund that require a local match, those dollars are provided through utilization of General Fund expenses.

The FY2018-19 budget for the School Cafeteria Fund is \$25,596,753, which reflects a decrease of \$163,269 or 0.6 percent when compared to the FY2017-18 budget. The decrease is primarily due to a decrease in the School Cafeteria's capital outlay budget for the replacement of machinery and equipment.

The FY2018-19 budget for the State and Federal Grants Fund is \$48,147,181, which reflects an increase of \$1,318,161 or 2.8 percent when compared to the FY2017-18 approved budget. This fund is where HCPS accounts for grant funds, mostly from the Commonwealth of Virginia or the Federal Government. Examples include the Title I-A program, the Algebra Readiness Grant, and the Head Start Program. The FY2018-19 budget includes increased funding for the DMAS Health Services Program, a decrease in the Title I-A grant, and an increase in the National Board Certification grant funds.

The amount budgeted for debt service related to education is \$38,893,751, which reflects an increase of

\$5,148,382 or 15.3 percent compared to last fiscal year. This amount is a net amount of annual debt payments on existing debt plus \$9,204,993 for the debt service costs for school projects approved in November, 2016 General Obligation (G.O.) Referendum. The education debt service is for outstanding debt related to the issue of (G.O.) bonds and Virginia Public School Authority (VPSA) bonds. More information on debt issued and total debt service can be found in the debt service fund narrative within this document.

As a result of the approval of the referendum in November, 2013, the FY2018-19 budget continues to reflect the inclusion of revenues to be generated from the food and beverage tax, more commonly referred to as the meals tax. In FY2018-19, \$27,000,000 is projected in meals tax resources. Of this amount, \$9,000,000 will continue to be allocated to the operating budget, \$9,000,000 will continue to be allocated to the capital budget for deferred maintenance project, and \$9,000,000 will be allocated to debt service related to the 2016 bond projects.

The School Resource Officer (SRO) program provides a safer environment to the students and staff of the schools while also providing a positive role model and adviser to the students. As a joint effort with the Division of Police, a uniformed Police Officer is assigned to middle and high school in the County. A total of 32 Police Officers participate in the program.

The FY2018-19 County budget includes a new attorney position for HCPS' special education cases in the County Attorney's budget. County and School leadership continue to work together to improve efficiency and optimize service and cost savings through the combining of services. In addition to improving services, this effort also redirects cost savings to instructional programs. These efforts include:

- Consolidation of print shop functions;
- Collaboration of information technology, including the consolidation of data center operations;
- Consolidated financial operations;
- Consolidated human resources management systems;
- The provision of the County Attorney's staff;

Education (cont'd)

- A consolidated self-insurance health care system;
- The provision of School Resource Officers (SRO),
- Centralized Purchasing, Risk Management, and CAM functions; and

- Collaborative efforts with the Division of Recreation and Parks related to programs and field maintenance.

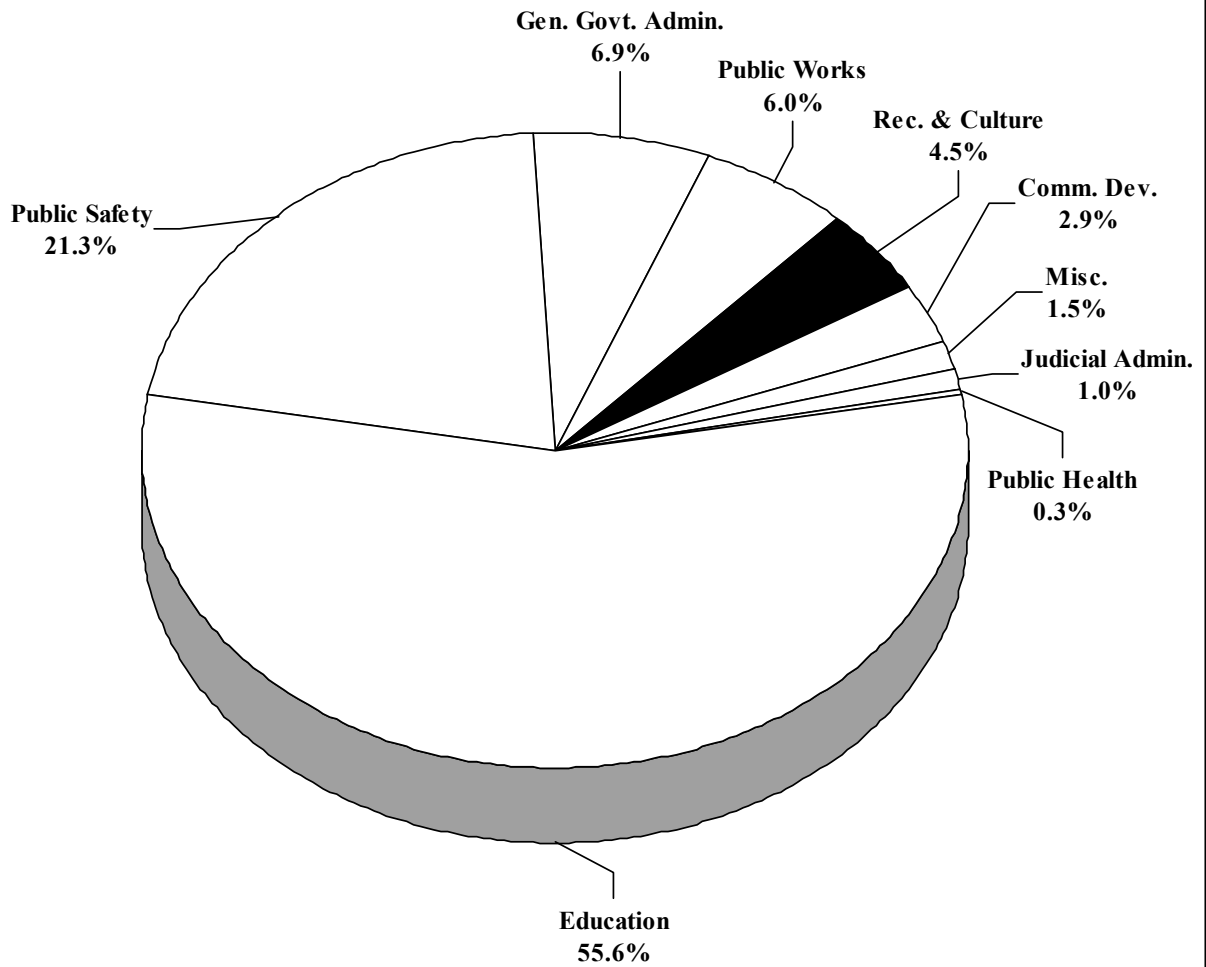
In order to continue to provide a premier education to the children who attend one of the 72 schools in Henrico County at the most efficient point possible, more collaborative efforts with General Government will be explored.



COUNTY OF HENRICO, VIRGINIA

Recreation, Parks, and Culture

\$39,116,632



Total General Fund

\$871,859,018

**COUNTY OF HENRICO, VIRGINIA
RECREATION, PARKS AND CULTURE - GENERAL FUND
FY 2018-19**

<u>Department</u>	<u>FY 16-17 Actual</u>	<u>FY 17-18 Original</u>	<u>FY 18-19 Proposed</u>
Recreation & Parks:			
Administration	\$2,852,343	\$2,826,140	\$2,371,241
Recreation Services	6,305,834	6,363,454	6,991,915
Parks Services	<u>9,363,602</u>	<u>9,538,805</u>	<u>10,200,993</u>
Total Recreation & Parks	18,521,779	18,728,399	19,564,149
Public Library	17,412,942	18,821,527	19,552,483
Total Recreation, Parks and Culture	<u><u>\$35,934,721</u></u>	<u><u>\$37,549,926</u></u>	<u><u>\$39,116,632</u></u>

RECREATION AND PARKS

Description

The Division of Recreation and Parks offers a variety of programs, facilities, and parks to meet the leisure needs of residents of Henrico County. To accomplish its mission, the Division is composed of the following three operational units: Park Services, Recreation Services, and Administrative Services.

Park Services is responsible for the care and maintenance of the Henrico County park system, which is comprised of over 4,000 acres of developed and undeveloped property. The system also includes 140 recreation buildings, which range in size and purpose from small restroom buildings in parks to full-service recreation centers.

There are three service sectors within Park Services. Support Services is responsible for custodial operations at all recreation facilities as well as special event preparation and clean up. This section also maintains National Recreation and Parks Association certified playground inspectors who provide weekly safety inspections of all play areas and coordinate all necessary equipment repairs or replacements.

Turf and Grounds section is responsible for general lawn, grounds, and plant maintenance. This section also handles the care and preparation of all sports fields scheduled for use through the Division of Recreation and Parks, which includes Henrico County Public School fields.

Property Services is responsible for the maintenance

of recreation buildings and handles painting, carpentry, HVAC and plumbing repairs, and general construction improvement projects. This area is also responsible for maintenance and repair of both rolling and small equipment such as tractors, mowers, blowers, chain saws, etc.

In addition, there is also a warehouse supervisor reporting to the Park Services Division Manager. This position is responsible for ordering, stocking, issuing, and safekeeping various parts, supplies and materials needed for all property and building maintenance and operation.

Sports Operations also reports to the Parks Services Division Manager. Coordinating closely with other service delivery areas within Park Services, sports staff members schedule the use of all athletic fields requested by users. They maintain relationships with all leagues and associations operating within Henrico County and also work closely with the Visit Henrico Tourism staff within Recreation Services to ensure the needs and expectations of visiting sports tournaments and activities are also met.

Recreation Services creates safe, fun, and affordable recreational opportunities to improve the quality of life for Henrico County citizens. This service area oversees the daily management and operation of all recreation facilities. Employees work in teams across a number of program focus areas to create class and program offerings that appeal to a diverse range

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 13,565,149	\$ 13,550,325	\$ 14,047,995	3.7%
Operation	4,310,917	4,376,974	4,614,497	5.4%
Capital	645,713	801,100	901,657	12.6%
Total	\$ 18,521,779	\$ 18,728,399	\$ 19,564,149	4.5%
 Personnel Complement	 170	 177*	 177	 0

*Seven new positions were added in the FY2017-18 budget for Phase I of Greenwood Park.

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Park Visitation	3,570,480	3,600,000	4,000,000	400,000
Special Event Attendance	29,800	38,500	38,500	0
Reported Visitation ⁽¹⁾	541,323	542,000	542,000	0
Number of Youth Sports Participants	40,313	42,000	42,500	500
Turf Acres Mowed	6,804	6,900	7,000	100
Number of General Acres Mowed	14,736	14,900	15,000	100
Number of Work Orders Processed	4,989	5,000	5,100	100
Number of Irrigation Sites Maintained	133	134	135	1
Number of Special Event Set-Ups	494	500	510	10
Number of Habitable Structures	101	102	102	0
Number of Historic Sites	35	35	35	0
Number of Shelter Reservations	2,308	2,500	2,500	0
Effectiveness Measures				
% of Programs Offered vs. Held	71%	75%	75%	0%
% of Actual Enrollments vs. Capacity	68%	70%	70%	0%

⁽¹⁾Reflects visitation to Meadow Farm, Three Lakes Nature Center, and Dabbs House, which is reported to the Richmond Region Tourism (formerly RMCVB).

interests. Programs are targeted to serve customers of all ages and abilities, including age-appropriate offering for preschoolers, children and tweens, teens, and adults. Highlights within this area include the long-standing Summer Blast and Teen Scene program, which offers a free summer camp to residents at various park and school locations throughout Henrico County. There are also nature programs at Three Lakes Nature Center and Aquarium, performing arts programs at the Henrico Theatre, and living history programs at Meadow Farm.

The preservation and interpretation of the history of Henrico County also falls under Recreation Services. Historic program and preservation focus groups develop and implement preservation and interpretive solutions at all 11 historic sites owned and operated by Henrico County. These include Antioch School, Armour House and Gardens, Clarke Palmore Museum, Courtney Road Service Station, Dabbs House Museum, Deep Run Schoolhouse, Dorey Recreation Center, Elko Community Center, Meadow Farm Museum, Virginia Randolph Museum and Walkerton Tavern.

Recreation Services also offers a variety of free public events in the parks for residents to enjoy. These include large annual events such as the Red, White, and Lights Fourth of July and Harvest Festival as well as a number of smaller community-scale events spread throughout the year.

Beginning in 2012, Recreation Services also assumed responsibility for promoting local tourism and attracting visitors to Henrico County. Since that time, the Visit Henrico Tourism Section within Recreation Services has effectively marketed Henrico County as a destination of choice for both amateur sports tournaments and cultural and family travel.

Administration Services provides all necessary support for the department to fulfill its primary customer service mission and objectives. This area oversees the department's information technology, personnel, financial, and customer service needs, including software support, accounts receivable and payable, procurement, records management, and customer registration.

Recreation (cont'd)

It also includes the Capital Planning and Development work team, which provides professional expertise to lead the development and redevelopment of the entire Henrico County park system. This work team is responsible for master planning, design development, construction documentation, and project bidding and construction administration as well as maintaining the department's annual five-year Capital Improvement Program.

Objectives

- To provide the citizens of Henrico County safe, clean, and well-maintained parks and facilities.
- To provide the citizens of Henrico County with a wide-range of convenient and affordable general-interest recreation programs, classes, activities, and special events.
- To maximize the use of parks, open space, athletic sites and facilities.
- Cultivate an effective and dynamic workforce.
- To attract visitors to Henrico County as a premier family-and-friends tourism destination.

Budget Highlights

The Division's approved FY2018-19 budget is \$19,564,149, which represents an \$835,750, or 4.5 percent increase when compared to the FY2017-18 approved budget. The personnel component increased \$497,670, or 3.7 percent, because of additional overtime added for Phase I of Glover Park, hourly staff for maintaining high school athletic fields, salary increases and increased healthcare benefits to the Division's employees.

The operating component increased \$237,523, or 5.4 percent, while the capital outlay grew by \$100,577, or 12.6 percent. The operating increases are related to four events: the opening of Glover Park that was noted above, the supplies necessary for maintenance of the high school fields, and the addition of funding in the budget for Henrico's commitment to the Richmond Raceway and the Richmond Symphony.

Administrative Services

The approved FY2018-19 budget for Administration totals \$2,371,241 and includes the Director's office, the Business Office, Information Technology, Capital Planning and Development, and Marketing sections. The approved budget for FY2018-19 reflects a decrease of 16.1 percent. Most of this decline was due to changes in personnel because nine positions were moved from Administration into Recreation Services. This was slightly offset by a salary increase and rising healthcare costs.

Recreation Services

The approved FY2018-19 budget for Recreation Services totals \$6,991,915, which reflects an increase of 9.9 percent when compared to FY2017-18. This large increase is due to a few factors: nine positions were moved from Administration into Recreation Services; \$50,000 was added for promotions at the Richmond International Raceway; and \$25,000 was added for payment to the Richmond Symphony in exchange for them playing at the County's Fourth of July event.

The capital component totals \$44,743 and reflects a \$3,000 increase from the prior fiscal year. This increase is due to a reallocation of operating accounts in order to pay for equipment replacement expenses. The capital budget also includes \$9,750 to preserve historic artifacts and \$11,993 to purchase new and replacement furniture and fixtures for the various recreation centers. Revenue collected as a Set-Up Fee charged to the renters of the centers will support the funding for the replacement of furniture. This fee was approved in FY2001-02 and the replacement furniture expenditures program was approved in the FY2002-03 budget.

In a similar fashion, the FY2017-18 budget initiated the inclusion of \$20,000 annually for replacement of equipment at the Eastern Henrico Recreation Center. This is funded through revenues collected from members for use of the facility.

Park Services

In the area of Park Services, the approved budget for FY2018-19 is \$10,200,993, which represents an increase of \$662,188, or 6.9 percent, when compared to the FY2017-18 approved budget. Personnel, operating and capital all increased for this category

Recreation (cont'd)

for two reasons: funding for Phase I of Glover Park; and costs associated with the Division for the maintenance of the County's high school fields after the voter approved renovations.

The equipment replacement program was initiated in the FY2008-09 budget in order to provide a regular replacement schedule for equipment to be replaced when necessary. In FY2018-19, \$285,512 will go towards the replacement of mowers, trailers, landscaping equipment, utility vehicles, and other specialized equipment necessary for the maintenance of playing fields and park areas.

The Facility Rehabilitation portion of the budget totals \$508,782 in the approved FY2018-19 budget. This plan was initiated in the FY2000-01 budget in order to maintain the Division's facilities on a yearly basis. Types of projects in the Facility Rehabilitation program include painting, electrical, playground, scoreboard, turf, roofing, fencing, and HVAC. This funding is in addition to the Facility Rehabilitation program included in Henrico's Capital Improvements Program.

Revenues

The Division anticipates collecting revenue totaling \$693,200 in FY2018-19, which reflects a decrease of \$18,250 from the approved FY2017-18 budget. Recreation generates revenues through program fees and facility rentals. No program or rental fees are proposed to be increased in FY2018-19.

Division Highlights

Sports visitation continues to be a major economic driver for Henrico County, with increasing levels of overall visitor spending and corresponding direct tax revenue growth via the local hotel/motel tax and the Henrico County meals tax.

In 2017, Henrico County hosted 150 tournaments that generated \$47.3M in economic impact and 107,425 visitors. Some of the more noteworthy tournaments included the 2017 Jefferson Cup, the 2017 14U Babe Ruth World Series, and the XXIII International Senior Softball Association World Championships. The spring 2018 opening of Glover Park will provide new opportunities for both Henrico residents and sports tourism visitors.

During FY2016-17, the Recreation Services section offered several successful recreation programs and events, including:

- "Short Pump WOW" at the new Short Pump Park ("Weekend on Wednesday")
- "Monster Mash" Halloween event
- "Sunday Afternoon with the Classics: Racing in Richmond" at Dorey Park
- "Santa Paws," a new holiday event at Short Pump Park
- "Blended Voices," a Christmas Chorus featuring individuals with disabilities
- "Play it Forward," a new intergenerational event for children and seniors
- "Behind the Scenes" summer film camp
- Helping Hands Teen Volunteer Program
- Homefront Tribute Special Event at Sandston

In 2017, the Division of Recreation and Parks also successfully relocated all its historic artifacts and archives to the Ranco Road warehouse (artifacts) and the Dabbs House Museum (archives). The department also continues to place artifacts on public display in changing exhibits spread throughout public locations in Henrico County. This year, a new exhibit depicting the USS Henrico located on the 2nd floor of the Henrico County Main Administration building.

During FY2016-17, the Division continued to be busy with capital projects. The construction on Phase I of Greenwood Park wound to a close, with this new multi-purpose athletic field complex set to open in early 2018.

One year after its dedication, the popular Short Pump dog park required major renovation. It was closed for six weeks and reopened in late September after natural grass was replaced with artificial turf. Landscaping, shade structures, and seating walls were also added.

Two facility rehabilitation projects were completed at Dorey Park during FY2016-17. The recreation center's parking lot was redesigned and repaved along with a complete renovation of the three tennis courts.

Recreation (cont'd)

Four lighted and fenced pickleball courts were also added to Pouncey Tract Park. These were completed and opened in December of 2017.

LIBRARY

Description

The Henrico County Public Library (HCPL) delivers a variety of informational and recreational services to residents of all ages. These services include professional information staff who expertly answer customers' questions, a comprehensive and timely materials collection, programming for children, teens, and adults, computer classes, book discussion groups, and more.

HCPL also offers several electronic and online services through the 759 public workstations, loanable laptops and other devices embedded in libraries across the county. These computers provide Internet access, web-based Library Catalog searching, Microsoft Office software, and electronic information resources to Henrico residents. Wireless access (WiFi) is available at all HCPL locations. The library catalog, eBook downloads, and electronic databases are available remotely, at any time, on library users' personal devices. HCPL also extends its reach by providing mobile library services to daycare centers and retirement communities.

Objectives

- To offer a responsive and relevant collection that is available in a timely manner.
- To offer services and programs that reach out to Henrico County's changing population in ways that respond to their unique and diverse needs.

- To provide customers with a positive experience that meets their needs and expectations and that enriches community life.
- All libraries will be welcoming and engaging places that provide maximum accessibility and an array of spaces to meet the community's growing needs.

Budget Highlights

The Department's approved budget for FY2018-19 totals \$19,552,483, representing an increase of \$730,956 or 3.9 percent from the previous approved budget. The budgetary increase is solely driven by an increase in the personnel component and reflects a salary increase and rising health care expenditures. It also includes the addition of two Public Services Supervisors and two Librarians for the opening of the Fairfield Area Library replacement, which was approved in the 2016 G.O. Bond Referendum. The operating and capital components of the budget total \$4,791,151 and reflect no increase over the prior fiscal year budget. The capital component of HCPL's FY2018-19 budget includes \$135,000 for a Library Maintenance Plan, which was added in the FY2015-16 budget. Funding for the Library Maintenance Plan provides HCPL with the ability to refurbish high traffic public areas throughout the Library system as needed.

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 13,036,516	\$ 14,030,376	\$ 14,761,332	5.2%
Operation	4,096,816	4,601,151	4,601,151	0.0%
Capital	279,610	190,000	190,000	0.0%
Total	\$ 17,412,942	\$ 18,821,527	\$ 19,552,483	3.9%
Personnel Complement	206	206	210 ⁽¹⁾	4

(1) Four positions were added for the opening of the Fairfield Area Library replacement, which was approved in the 2016 G.O. Bond Referendum

Library (cont'd)

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Annual Circulation of Materials	4,213,553	4,311,723	4,416,478	104,755
Physical Items	3,556,408	3,591,972	3,627,892	35,920
Digital Items (Electronic Materials)	622,603	684,863	753,350	68,487
Online Database Visits (Electronic Collections)	34,542	34,887	35,236	349
Customer Visits	2,141,043	2,248,095	2,360,500	112,405
Program Attendance - Children	70,032	73,534	77,210	3,676
Program Attendance - Teen/Young Adult	7,272	7,490	7,865	375
Program Attendance - Adult	6,197	6,383	6,702	319
Number of Programs	3,509	3,614	3,795	181
Number of Holds Requested by Customers	546,098	562,481	579,355	16,874
Number of Holds - Picked Up Inside Library	223,443	225,677	230,191	4,514
Number of Holds - Picked Up at Drive Up Window	62,180	62,802	64,686	1,884
Number of Library Cards Issued	23,731	23,731	24,443	712
Number of Classes Taught	576	576	588	12
Total Class Attendance	3,267	3,267	3,332	65
Digital Media Lab Bookings	333	366	403	37
Digital Media Lab Attendance	854	939	1,033	94
Number of Copies Added	115,711	115,711	127,282	11,571
Outside Use of Meeting Rooms	85,623	88,192	95,247	7,055
Outside Use of Study Rooms	86,866	89,472	92,946	3,474
Outreach Programming Attendance	70,092	73,597	77,276	3,679
Total Number of Library Members	292,445	282,595	291,072	8,477
Efficiency Measures				
Number of Self-Service Check-Out Transactions	1,450,992	1,450,992	1,480,012	29,020
Number of Self-Service Check-In Transactions	1,561,251	1,561,251	1,608,089	46,838
Number of Library Catalog Visits	846,193	846,193	863,117	16,924
Number of Library Web Site Visits	3,245,642	3,091,870	3,091,870	-
Effectiveness Measures				
Reference Questions Answered	663,520	663,250	670,155	6,905
Number of Customers Using Public Workstations	178,310	147,621	150,574	2,953
Number of Sessions by Customers Using Public Workstations	435,531	439,886	448,684	8,798
Number of Public WiFi Connections by Customers	2,348,355	2,348,355	2,371,839	23,484
Number of Titles in Collection	320,017	323,217	329,682	6,465
Number of Copies in Collection	805,732	821,847	830,065	8,218
Number of Electronic Databases Available*	31	31	31	-
Number of Volunteer Hours Used	6,183	6,245	6,245	-

* Includes 3 Find It VA databases from the State

DEPARTMENTAL HIGHLIGHTS

New Fairfield Library Planning

Planning for the New Fairfield Library got a jumpstart from a series of well-attended community meetings held in late March and early April 2017.

The architectural firms BCWH and Tappé created engaging, activity-based sessions to get input for the new library's design and services. The sessions were targeted to different patron demographics, including parents of young children, teens, seniors, and the general public, as well as staff members. Six public meetings were held in all, with nearly 60 attendees,

Library (cont'd)

and a survey was made available online that gathered hundreds of responses. On September 27th, the library hosted a Community Meeting at the Eastern Recreation Center to present the schematic design for the new Fairfield library, with nearly 80 community members in attendance. Feedback was positive, and community concerns including safety, sightlines within the building, parking, and accessibility were addressed.

All Henrico Reads

The annual author event featured its first nonfiction selection in 2017, *The Soul of an Octopus*, by acclaimed naturalist, best-selling author, and National Book Award finalist Sy Montgomery. Ms. Montgomery was a delightful speaker, engaging the evening's audience with a slideshow of original photographs taken on expeditions across the globe in her study of octopuses, their otherworldly physiology, and their compellingly human-like behavior. Earlier that day, Ms. Montgomery connected with HCPS students in a lively lecture and Q&A session. The evening event was very well-attended, with approximately 800 residents in the audience. Feedback for the event was overwhelmingly positive. Book sales were also strong, with fans lining up in a long queue to take home an autographed copy.

The Great American Eclipse

On August 21 from 2-3:30 pm, Glen Allen, Libbie Mill, North Park, Twin Hickory, and Varina libraries hosted Eclipse Parties where Henrico residents of all ages learned about the science behind eclipses through hands-on activities, and received pairs of eclipse glasses to safely view the eclipse. The glasses were provided courtesy of NASA @ My Library, the Gordon and Betty Moore Foundation, and the Friends of Henrico County Public Library. Limited quantities of these safety glasses were made available to the public at all HCPL locations.

The public response to these events was remarkable. Over 19,500 patrons visited our libraries on the day of the Eclipse. The Libbie Mill library alone had thousands of visitors, and distributed 350 pairs of glasses and 600 pinhole viewers. Henrico Police and Community Officers worked closely with library staff, provided additional help directing traffic, and

maintained public safety. Demand quickly overwhelmed supply in terms of the quantities of glasses available, but patrons were encouraged to share glasses under the supervision of an adult, and HCPL staff was impressed with the generosity, patience, and curiosity of Henrico library patrons.

NASA @ My Library

In May 2017, Henrico County Public Library was one of 75 Libraries selected from a pool of 513 applicants nationwide to win funding for STEM programs through the NASA @ My Library project. The NASA @ My Library project is led by the National Center for Interactive Learning at the Space Science Institute. The grant is intended to increase youth access to STEM education. Henrico County Public Library is the only library in Virginia selected to receive funding through NASA @ My Library.

The grant supplies training, materials, and funding for HCPL libraries for 18 months in Phase 1, and through 2020 in Phase 2, to increase youth participation in STEM activities at the library. Resources from the grant will support a variety of STEM programs for all ages at all Henrico County Public Libraries, as well as a community dialogue that will engage community stakeholders, particularly those from groups traditionally underrepresented in STEM fields. Obtaining support from NASA @ My Library furthers HCPL's goal to become a community learning destination by increasing our capacity to provide STEM programming.

Custom Book Lists

HCPL debuted a new way to provide book recommendations for adult patrons in 2017 with the launch of Custom Book Lists. Based on the NACo Award-winning 3 Books 4 Me program started by HCPL Teen Services Librarians, Custom Book Lists allows adult patrons to fill out a simple survey of their taste in reading materials and receive a customized list of recommendations from an HCPL librarian. Creating the Custom Book Lists interface required an interdepartmental effort to develop and advise the creation of the web form, best practices for librarians' responses, and a promotional campaign. The Henrico Citizen ran a feature article on the service's debut, and hundreds of patrons have been helped by Custom Book Lists so far.

NATIONAL AND LOCAL AWARDS

National Association of Counties (NACo)

HCPL received four National Association of Counties (NACo) Achievement Awards in 2017, and received an additional “100 Brilliant Ideas at Work” distinction for the Children and Teens Neighborhoods Collections program. Neighborhood Collections are a new way of organizing materials that is more responsive to the way that children and teens look for books. The first Neighborhoods were created for children at the Gayton Branch Library, and the subjects were Dinosaurs, Transportation, and Farms. Each Neighborhood includes fiction and non-fiction titles for preschool to early elementary children. The program was then expanded to encompass teen literature, and teen books were grouped into Neighborhoods based on emotion and mood.

NACo Awards were also given to: the Henrico Community Authors Showcase program, in which local authors can reserve meeting room space for events to promote their work, and make their titles available in local library collections; the Nature Study program series developed at Libbie Mill and expanded through the library system that encourages families and children to explore the outdoors using scientific resources from the library to facilitate outdoor learning experiences; and the Heritage Wall at Libbie Mill Library, an interactive historical video wall that encourages learning about local history in an accessible, engaging, and recreational manner.

Recognition for New Facilities

Libbie Mill and Varina Libraries earned LEED Silver Certifications in 2017 from the U.S. Green Buildings Council, indicating environmentally conscious construction, design, and energy usage. These buildings join the Glen Allen and Gayton Libraries as LEED Silver-certified libraries in Henrico. The new Fairfield Library design aims for LEED Silver certification as well.

The Varina Area Library received the American Institute of Architects and American Library Association’s Library Building Award in April 2017. The library, designed by local architectural firm BCWH and Tappé Architects of Boston, was one of

eight American and European libraries to be recognized. The Library Building Award is the only award that recognizes whole library buildings for their design. Varina Library was noted for “[bridging] its rural and historic context with the contemporary ambitions of the community.” The design was praised for its variety of indoor and outdoor spaces, and supporting collaboration, communal activity, quiet study, project production, self-directed access to information, and appreciation of the natural landscape.

TECHNOLOGY

WiFi Continues to be Popular

The Library’s WiFi continues to be an extremely valuable and popular service for the community. Library members can come in with their laptops, tablets or phones and use the library network to access email and the Internet, many of whom are using this service to look for and apply for jobs using many of the public library’s online resources. There have been over 2,348,355 WiFi connections in FY2016-17, a 27.5% increase since last year, reflecting an enormous growth in the public’s use of this service.

Online Communication and Social Media

Library Social media sites saw a 32% rise in visits in FY2016-17, with 585,197 visits total. HCPL uses social media to communicate with patrons about upcoming programs and events, new and improved services, and library closures or other important information that can affect patron access. The library uses Facebook, Twitter, Flickr, Instagram, and Wordpress to communicate with patrons. The Wordpress blog post about the Eclipse Parties had over 7,000 views. The Night Sky Astronomy program event listings on Facebook had hundreds of “interested” and “attending” RSVPs, and many attendees reported hearing about the events via Facebook.

Digital Media Labs

The classes available in our Digital Media Labs continue to evolve as classes for all ages in 3D printing and coding are now available at Libbie Mill, Varina, and Twin Hickory libraries. At Libbie Mill

Library (cont'd)

and Varina Libraries, classes on Adobe Suite software like InDesign (for graphic design), Dreamweaver (for web design), Premiere (video editing), and Photoshop (photo editing) are offered. Podcasting classes for a wide range of ages are hosted at Libbie Mill.

In addition to classes, Libbie Mill and Varina libraries now offer Open Lab Hours, where patrons can drop in to use the technology available in the lab, with the assistance of a library staff member. Knowledge of Adobe software products provided at our Digital Media Labs is required for many jobs today, and can help patrons get ahead in the job market. The technology is also used by students to create high-quality school projects. For example, the winner of the VMFA Teen Fashion Design contest in Spring 2017 3D printed pieces of her winning design at Twin Hickory library.

eContent

HCPL added three more formats to the hoopla streaming service this year, making eBooks, eAudiobooks, and eGraphic Novels accessible to patrons in addition to streaming movies, videos, and music. Since these new formats were added in March 2017, over 2,200 patrons joined as users. Over 30,000 items have circulated through hoopla. The service continues to bring on new items and publishers, and improve user experience.

Library members are able to check out eBooks, eAudiobooks and magazines online and download them to their personal computers or other digital devices anytime from anywhere they have an internet connection. In FY2016-17, HCPL patrons checked out 607,318 eBooks, eAudiobooks, and eMagazines from our other electronic vendors, a 6% increase from the year before. HCPL monitors publishing trends and circulation/use data to purchase the most stable formats and popular titles.

Floating

HCPL began floating most of the library system's collections in October 2017. This means that items now belong to the location to which they are returned, instead of being sent back to a home library through the library courier service. Floating means that items will spend less time in transit between

libraries which will result in greater availability of materials to the public. In addition, over time, each library's collection will contain more items of interest to local library users. Some collections, such as our popular Bestseller collection held at each branch, do not float, to continue to serve each location's unique community.

Preparations for this process began in 2014 utilizing the data collected by collectionHQ software. Working with public service staff, the collection management department used data reports to help each location curate their holdings to reflect their individual communities over a two-year period. HCPL now offers better collections in terms of item condition, subject matter, and community interest. The response to floating from library patrons and staff has been positive.

Maintenance Plan

Several improvements have been completed and more are in process at the Tuckahoe Area Library. The lower floor was re-carpeted in the spring. Furniture reupholstering and refinishing was completed. Carpet selection and layout was started with installation planned for FY2017-18. At Twin Hickory, the second floor public computer area was re-carpeted. Additionally, the main first floor periodicals area carpet has now been replaced. Furniture reupholstering and refinishing was started and will continue in phases.

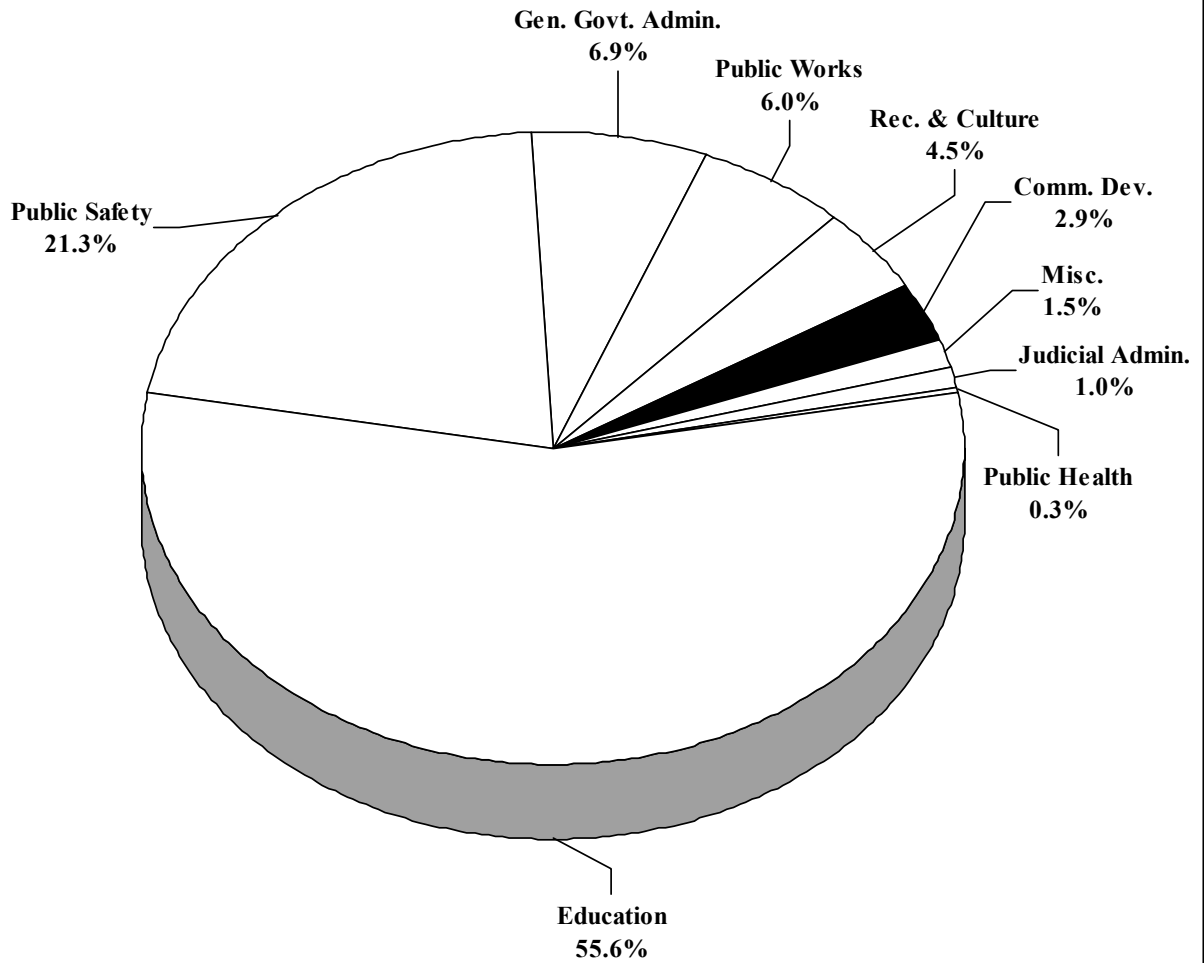
Conclusion

In conclusion, the Henrico County Public Library continues to meet the needs of the community through providing strong, traditional library services, while embracing innovation. The library's role in the community continues to grow, offering not only opportunities for literacy and learning through print books, but also through digital materials, high-interest programming, engaging spaces, and new services. The Library's top priority continues to be providing excellent customer service through friendly and professional staff. Library staff are trained and ready to assist members of the community connect with the information they need, whether that be through finding a good book, discovering new technologies in the Digital Media Lab, reserving a study room, or attending a class or program.

COUNTY OF HENRICO, VIRGINIA

Community Development

\$25,125,846



Total General Fund

\$871,859,018

**COUNTY OF HENRICO, VIRGINIA
COMMUNITY DEVELOPMENT - GENERAL FUND
FY 2018-19**

<u>Department</u>	<u>FY 16-17 Actual</u>	<u>FY 17-18 Original</u>	<u>FY 18-19 Proposed</u>
Economic Development	\$18,123,473	\$16,747,273	\$17,499,201
Planning:			
Administration	3,656,987	4,250,569	4,352,908
Board of Zoning Appeals	169,260	169,527	169,527
Total Planning	<u>3,826,247</u>	<u>4,420,096</u>	<u>4,522,435</u>
Community Revitalization	1,583,999	1,638,980	1,739,317
Agriculture and Home Extension	368,403	406,808	433,866
Permit Center	893,332	908,766	931,027
Total Community Development	<u><u>\$24,795,454</u></u>	<u><u>\$24,121,923</u></u>	<u><u>\$25,125,846</u></u>

ECONOMIC DEVELOPMENT

Description

The Economic Development Authority was created as a political subdivision of the Commonwealth of Virginia and, as such, may issue tax exempt bonds for the purpose of promoting industry and developing trade, by inducing desirable businesses to locate or remain in the County. The bonds and notes financed by private lenders for approved projects do not constitute a debt of the Commonwealth, the County, or the Authority. The debts are repaid solely from the revenues and receipts derived from the projects.

In 1984, the Authority was designated as the official economic development organization for the County of Henrico, and was authorized to undertake those activities necessary to accomplish the County's economic development goals. Although the Authority is officially independent of the County, it works closely with the County government and receives support in the form of an annual operating subsidy. This budget includes that subsidy. Reimbursements for expenditures are subject to the same controls as other County departments.

Objectives

- To increase the number of successful locations of new businesses in Henrico County.
- To conduct a successful business retention program.
- To create employment opportunities and to increase the nonresidential tax base.

- To increase the number of corporate inquiries and prospect visits to Henrico County.
- To promote the retention and expansion of existing major primary corporate businesses.

Budget Highlights

The budget for the Economic Development Authority for FY2018-19 is \$17,499,201. This is an increase of \$751,928, or 4.5 percent, over the FY2017-18 Approved Budget. This budgetary growth is due to increases in the funding requirements for the Richmond Center Expansion Project and Richmond Region Tourism, as well as increases in the County's subsidy for the Authority's salary costs.

Since FY1997-98 the County's share of the Richmond Center Expansion Project (RCEP), funded with Hotel/Motel Tax revenues has been included in this budget. Beginning in FY2000-01, the entire 8.0 percent Hotel/Motel tax levy has been transferred to the Richmond Convention Center Authority. At the end of the fiscal year, Henrico's local 2.0 percent component is returned from the Authority. In FY2018-19, \$12,600,000 is included for the Richmond Center Expansion Project. This increase of \$600,000, or 5.0 percent, is in recognition of robust growth in the Hotel/Motel tax revenues that drive this expense. Henrico's annual contribution to Richmond Region Tourism, which is also tied to lodging tax receipts, is \$2,938,514 for FY2018-19. This is an increase of \$81,878, or 2.9 percent.

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	4,687,106	4,743,473	4,895,401	3.2%
Capital	3,198	3,800	3,800	0.0%
Sub-Total	\$ 4,690,304	\$ 4,747,273	\$ 4,899,201	3.2%
Other Payments	13,433,169	12,000,000	12,600,000	5.0%
Total Budget	<u>\$ 18,123,473</u>	<u>\$ 16,747,273</u>	<u>\$ 17,499,201</u>	<u>4.5%</u>
Personnel Complement*	N/A	N/A	N/A	N/A

*Nine employees are supported by the County in this budget, but are not in the County's Complement.

Economic Development (cont'd)

	Performance Measures			Change 18 to 19
	FY17	FY18	FY19	
Effectiveness Measures				
Square Footage of New Businesses	81,897	500,000	500,000	0
Announced New Businesses	7	14	14	0
Announced New Jobs Created	173	500	500	0
Payroll - New Businesses	9,084,178	\$ 22,000,000	\$ 22,000,000	0
Square Footage of Existing Businesses	337,324	250,000	250,000	0
Business Expansions/Retentions	11	10	10	0
Jobs Created - Expansions and Retentions	438	300	300	0
Payroll - Expansions and Retentions	\$ 21,257,039	\$ 13,500,000	\$ 13,500,000	0

This budget for FY2018-19 also contains the County's \$385,000 contributions to the Greater Richmond Partnership. This figure is unchanged from the FY2017-18 Approved Budget.

The Authority's staff members are not included in the County's complement since they are paid by the Economic Development Authority. The funding for salary and FICA requirements for these positions is provided by the County. The benefit costs of all positions are provided by the Authority.

A total of \$50,000 was added to this budget to support the GO Virginia regional economic development initiative, which promotes private sector business growth through regional collaboration. This funding will provide Henrico's share for any regional projects approved by the GO Virginia Board

Setting aside the increases for the GO Virginia initiative, RCEP, and Richmond Region Tourism, the budget for the operations of the Authority is up \$20,050, or 2.1 percent, above the FY2017-18 Approved Budget.

The following historical information is noted:

What follows is a table of Richmond Region Tourism (formerly RMCVB) funding budgeted in the previous six fiscal years.

FY2017-18	\$2,856,636
FY2016-17	\$2,636,200
FY2015-16	\$2,393,090
FY2014-15	\$2,378,050
FY2013-14	\$2,053,870
FY2012-13	\$2,053,870
FY2011-12	\$1,750,847

What follows is a table of funding budgeted for the Greater Richmond Partnership in the previous six fiscal years.

FY2017-18	\$385,000
FY2016-17	\$385,000
FY2015-16	\$385,000
FY2014-15	\$370,000
FY2013-14	\$320,000
FY2012-13	\$370,000
FY2011-12	\$370,000

PLANNING

Description

The Department of Planning provides staff support to the Planning Commission, the Board of Zoning Appeals, and the Board of Supervisors relating to land development activities in the County. The department is organized into five divisions: Comprehensive Planning; Development Review and Design; Zoning Administration; Planning Systems; and Administrative.

Comprehensive Planning prepares long-range plans, evaluates rezoning requests, and handles planning data management, demographic and land-use information. Development Review and Design is responsible for the review of development plans. Zoning Administration enforces subdivision and zoning ordinances of the Henrico County Code. The Planning Systems Division provides information technology support to the entire department. Administrative Support provides budget, personnel, and clerical support for the operation of the office.

Objectives

- To provide a comprehensive planning program with an emphasis on urban design in order to provide both public and private decision makers with a more informed basis for land use decisions and growth management.
- To continue an enforcement program that obtains compliance with the code for new development as well as correcting zoning and subdivision violations.

- To provide timely services to the public, other agencies, and technical and administrative support to the Board of Supervisors, the Planning Commission, and the Board of Zoning Appeals in matters relating to the Comprehensive Plan, zoning and subdivision ordinances, building permits, plans of development, subdivisions, use permits, variances, rezoning and enforcement of zoning regulations.
- To encourage the continued economic development of the county by continuing to work with the Economic Development Authority, developers, their representatives, and the general public to facilitate and expedite their requests for development approval or general planning assistance.
- To improve and protect the health, safety, and welfare of Henrico citizens consistent with the Code of Virginia, policies, ordinances, and resolutions adopted by the Board of Supervisors with good land use planning and zoning practices.
- To inspire and encourage the protection and enhancement of natural, historical, and cultural resources through the preservation of those sites, buildings, features, and structures identified as important to Henrico County's heritage.

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 3,647,783	\$ 3,881,923	\$ 3,984,262	2.6%
Operation	175,110	530,173	530,173	0.0%
Capital	3,354	8,000	8,000	0.0%
Total	3,826,247	4,420,096	4,522,435	2.3%
 Personnel Complement	 44	 45	 45	 0

Performance Measures

	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Reviews Completed by Dev. Review & Design	314	300	300	0
Zoning Petitions & Provisional Use Permits	60	60	60	0
Variance and Use Permits Processed	63	60	60	0
Maps Prepared	1,296	1,150	1,200	50

- To continue to maintain effective and efficient procedures for meeting legal requirements that set forth maximum time periods within which activities must be accomplished.
- To implement decisions of the Board of Supervisors and the policies of the County Manager related to Department of Planning responsibilities.

Comprehensive Plan are mandated by the Code of Virginia. These are necessary and on-going responsibilities of the Planning department staff, which also provides a gamut of expertise in drafting white papers, monitoring state and federal land use legislation and policy, conducting small area studies, and site analysis. Planning is often called upon to review and assist in long range plans for the airport, Richmond International Raceway, and other major economic generators for the county.

Budget Highlights

The Department of Planning’s approved budget for FY2018-19 is \$4,522,435, which represents an increase of \$102,339 or 2.3 percent from the FY2017-18 approved budget. The entirety of this increase is in personnel and is driven by salary increases and rising healthcare costs. The operating and capital outlay components reflect no overall change. While remaining flat, the operating component continues to include \$230,000 of funding for the update of the County’s zoning ordinance and subdivision ordinance. This is the third of a three-year funding plan to complete this initiative

County development standards and regulations, such as zoning ordinance revisions for statutory and land use policy changes at the federal, state, and local levels, are a department priority. This also includes an annual review of the General Assembly actions as well as revisions in response to the County’s changing growth patterns, and needs of the development community and residents.

The Department of Planning’s mission to “Provide the professional planning leadership to accomplish excellent management of the valued resources which create our coveted quality of life” involves a wide spectrum of goals, functions, and accountability. It goes beyond the construction indicators shown in the department’s land use applications. The department has many continuous functions and responsibilities.

Planning provides geographic and demographic management for certain GIS layers and statistical data used by most departments within the county. The County Attorney’s and County Manager’s offices, Community Revitalization, Permit Center, and Media Services often receive mapping support through Planning’s office.

The department manages land use policy and planning to provide the framework for the physical, social, and economic growth of the county. The implementation and required updates to the county’s

The knowledge base of staff supports many regional and local groups including the Richmond Regional Planning District Commission (RRPDC), Metropolitan Planning Organization (MPO), Urban Land Institute (ULI), and special committees for the General Assembly and VCU. The department assists in reviewing impacts of adjacent development such as future renovations and expansions of the University of Richmond; examining best practices with nearby localities; and review of adjacent localities’ comprehensive plans to determine impact

Planning (cont'd)

on county residents and businesses.

The department also organizes, as needed, and participates, as requested, in numerous community meetings to keep citizens aware of land use and other issues affecting the public. Staff routinely provides internal consulting for county departments. This includes design assistance for General Services, Public Works, Community Revitalization, and informal plans discussed with Board members and Planning Commissioners. The department spends countless hours in providing zoning code interpretations and research ancillary to applications for variances, rezoning, and provisional use permits.

A new focus on efficiencies through the use of advanced technology has realized staff time savings, greater accuracy of data and increased public engagement. Improvements were made to the process used to compile the Henrico County Continuing, Cooperative and Comprehensive (3-C) Report, a mandatory narrative that serves as the basis for federal highway and transit assistance in urban areas, winning a 2017 NACo Achievement Award. Additionally, staff created a public engagement portal using web-based technology to expand the reach and input from residents and other stakeholders; the

portal was well received, encouraging public input for a recent small area land study.

The Department of Planning collects certain fees to help offset the expenses depicted in this budget. These include zoning application fees and fees paid for the sale of GIS maps. The total of these two revenues is budgeted to be \$150,000 in FY2018-19.

Personnel costs for the Department of Planning's 45 employees represent 88.1 percent of the Department's budget. The operating and capital outlay components of the budget will remain flat from the prior year approved budget, at \$530,173 and \$8,000, respectively.

There are two components to the budget: Administration, which includes five divisions, and Boards and Commissions, which includes the Planning Commission and the Board of Zoning Appeals. The Boards and Commissions portion of the budget totals \$169,527 for FY2018-19 (unchanged from FY2017-18) and supports the Planning Commission. The Administration portion of the budget totals \$4,352,908, which represents an increase of \$102,329 or 2.4 percent from the previous fiscal year.

COMMUNITY REVITALIZATION

Description

The Department of Community Revitalization coordinates the County’s revitalization efforts and community development programs. The department plays an integral role in the enhancement of existing residential, commercial, and industrial areas in the County. The Department is divided into two major divisions (Community Development and Community Maintenance) and is responsible for administering the following programs: Community Maintenance program; CDBG, HOME and ESG programs; Virginia Enterprise Zone program; Commercial Revitalization Assistance; Neighborhood Revitalization Assistance; Volunteer Assistance Program; and property maintenance and zoning enforcement in developed communities.

- To identify needs within the County’s older communities and offer staff and volunteer services to improve properties and structures as a part of the Volunteer Assistance Program.
- To prepare commercial enhancement plans in older commercial corridors and districts in the County in order to identify barriers for new investment and to develop realistic plans of action for addressing concerns.
- To coordinate the review of tax credit applications and low-interest bond financing requests in order to encourage rehabilitation and new investment in the County’s older multifamily developments.

Objectives

- To administer and aggressively market the County’s Enterprise Zone program to potential new and existing businesses and/or property owners.
- To administer the CDBG, HOME and ESG programs to assist in meeting the County’s community development objectives.
- To administer the Community Maintenance program of environmental and zoning enforcement.
- To prepare neighborhood plans in older residential communities in the County in order to ensure that such areas remain attractive for existing and potential residents.
- To perform special projects requested by the Board of Supervisors, County Manager, or other departments.

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 1,309,818	\$ 1,337,600	\$ 1,437,937	7.5%
Operation	272,122	295,477	295,477	0.0%
Capital	2,059	5,903	5,903	0.0%
Total	\$ 1,583,999	\$ 1,638,980	\$ 1,739,317	6.1%

Personnel Complement ⁽¹⁾ 17 18 19 ⁽²⁾ -1

⁽¹⁾ Personnel Complement does not include 6 Complement III positions that are funded through grant programs.

⁽²⁾ Reflects additional Management Specialist to coordinate improvement of existing housing in the County

Community Revitalization (cont'd)

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Community Maintenance Cases	13,040	13,500	13,800	300
Inspections Made	35,600	36,000	37,000	1,000
Technical Assistance to Business	956	950	950	0
Enterprise Zone Design Asst. Provided	1	6	6	0
Efficiency Measures				
Volunteers Participating	278	300	325	25
Volunteers Hours Worked	4,336	4,400	4,400	0
CCP Hours Worked	4,540	5,000	5,000	0
Effectiveness Measures				
Violations Issued	4,907	5,000	5,000	0
Enterprise Zone Grants Completed	17	21	21	0
Value of Enterprise Zone Grant Assisted Project	\$ 415,911	\$ 625,000	\$ 625,000	\$ -
Value of All Enterprise Zone Projects	\$ 52,623,475	\$ 52,000,000	\$ 52,000,000	\$ -
Value of Grants Awarded	\$ 120,344	\$ 140,000	\$ 140,000	\$ -

Budget Highlights

The Community Revitalization Department’s mission statement is as follows: *“To coordinate the County’s revitalization programs and services intended to promote healthy, vibrant, and attractive residential, commercial, and industrial communities.”*

The Department’s approved budget for FY2018-19 is \$1,739,317. This represents a net increase of \$100,337 or 6.1 percent from the FY2017-18 approved budget. This increase is due entirely to personnel costs. Part of the increase is due to salary raises and increased healthcare costs and the other part is due to a new position added to help coordinate the improvement of existing housing within the county. The operating and capital portions of the budget remain the same as the prior year’s approved budget.

Community Revitalization collaborates with the Department of Building Inspections in a multi-faceted effort to proactively enforce compliance with applicable codes directed at creating and maintaining clean and safe communities. The Department is dedicated to preserving and revitalizing the County’s mature neighborhoods, business corridors and industrial areas through its programs and activities. Staff provide presentations to neighborhood, business and community organizations to raise citizen awareness regarding community maintenance

requirements, housing assistance and Enterprise Zone programs administered by the Department. The meetings also allow for the collection of valuable feedback on Department programs and an opportunity to solicit volunteers for assistance projects.

The Community Development Division administers the Housing and Urban Development (HUD), CDBG HOME, and Emergency Solutions Grant (ESG) programs within Henrico County. The ESG funds are used for homeless prevention and rapid re-housing programs. All three of these grant programs, which are awarded by the Federal government each year, are based on the Federal fiscal year that runs from October 1st through September 30th. There are six positions within the Department that are grant-funded and are not included in the County’s personnel complement. This funding is appropriated once the grant awards are announced by HUD and the projects and programs to be supported by the award have been identified. The projects and programs begin after grant contracts are signed by HUD and the County. Grant funding that is not expended by the end of the County’s fiscal year is re-appropriated in the following year to complete the use of this funding.

A few of the Community Development Division’s major accomplishments within the CDBG, HOME,

Community Revitalization (cont'd)

and ESG grant programs include the continuation of the Housing Rehabilitation and Emergency and Minor Repair Programs, the CONNECT Program for at-risk youth, the down payment assistance program providing homeownership opportunities to first-time homebuyers, and funding of the Commercial Assistance and Enterprise Zone Programs. Also, completed in FY2016-17 with the assistance of CDBG funds was the Trinity Village playground at the Trinity Family Life Center on Dill Road, and four Home Maintenance Workshops. With the help of HOME Program Funds, two blighted houses were demolished, two new houses were constructed, and one vacant house was rehabilitated. All three were sold to low-income first-time homebuyers. The ESG program provided homelessness prevention and assistance to homeless persons with shelter and case management, and rapid re-housing for homeless families. The Community Development Division also administers the Enterprise Zone Program and Commercial Assistance Program to facilitate improvements to commercial buildings and business corridors.

The Community Maintenance Division conducts field inspections, coordinates community clean-ups, and aids activities for neighborhoods throughout the County. The Division is involved in Operation Paintbrush, which matches civic, church, business and neighborhood groups with low income senior citizens whose homes need minor repairs and painting. Volunteers continue to contribute many hours to neighborhood clean-up activities as well as assistance projects ranging from yard maintenance and clean-up to house repairs and painting for low-income and senior citizens.

Supervision of volunteers on weekends requires a substantial number of staff work hours outside the normal five-day schedule. The courts' assignment of some Community Corrections Program participants to perform community service on weekends also contributes additional hours to the community maintenance programs.

The Community Maintenance Division of the Department of Community Revitalization will continue to work closely with Building Inspections' Existing Structures Division as they provide certain community maintenance services related to violations of the building code in existing structures and ordinances on graffiti. Historical budget expenses in both areas are depicted below:

<u>Fiscal Year</u>	<u>Building Inspections</u>	<u>Community Revitalization</u>	<u>Total</u>
2008-09	399,340	1,773,295	2,172,635
2009-10	412,545	1,763,516	2,176,061
2010-11	360,529	1,576,211	1,936,740
2011-12	369,130	1,534,445	1,903,575
2012-13	336,336	1,516,392	1,852,728
2013-14	255,275	1,473,675	1,728,950
2014-15	258,012	1,467,094	1,725,106
2015-16	335,837	1,549,846	1,885,683
2016-17	264,474	1,583,999	1,848,473
2017-18 *	472,166	1,638,980	2,111,146
2018-19 *	464,280	1,739,317	2,203,597

*Approved Budget

AGRICULTURE AND HOME EXTENSION

Description

The Henrico Extension Office is the local arm of the national Cooperative Extension system that began with the passage of the Smith-Lever Act in 1914. The Cooperative Extension is a partnership between the USDA, the 106 land-grant colleges and universities across the nation, and state and local governments. In Virginia, Cooperative Extension is administered through Virginia Tech and Virginia State University.

The Cooperative Extension system employs tens of thousands of community-based educators and campus-based faculty and staff statewide. It has a broad scope of work centered on program areas that include the following: agriculture and natural resources; 4-H youth development; family and consumer sciences; leadership development; and community and economic development. Cooperative Extension provides research-based information through an informal educational process that is designed to address specific issues and needs relevant to the communities each local office serves.

Objectives

- To assess local issues and needs through a periodic situational analysis process conducted in cooperation with the Henrico Extension Leadership Council.
- To provide timely, research-based recommendations to citizens in response to their inquiries.

- To develop the subject matter expertise and leadership skills of a dedicated cadre of volunteers who in turn multiply the educational reach of the professional staff far beyond their capacity alone.
- To design educational programs by employing a variety of delivery methods that provide citizens with needed information to make life-enhancing decisions.
- To make appropriate use of technology to provide more efficient, cost-effective means of communication and service to citizens.

Budget Highlights

The Agriculture and Home Extension approved budget for FY2018-19 of \$433,866 increased by 6.7 percent from the FY2017-18 approved budget. There is a 2.7 percent increase in personnel costs that reflects salary increases as well as rising health care costs. The 8.4 percent increase in the operating component of the budget is driven by three factors: one extension agent received two promotions; funding for a summer intern; and the State 4.0 percent merit raises to the five Extension Agents and the subsequent increase in benefits mandated by the State (these positions are funded by Virginia Tech and reimbursed by the County).

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 126,166	\$ 125,000	\$ 128,324	2.7%
Operation	242,237	281,808	305,542	8.4%
Capital	0	0	0	0.0%
Total	\$ 368,403	\$ 406,808	\$ 433,866	6.7%

Personnel Complement*	2	2	2	0
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*Does not include Extension Agents who are paid directly by Virginia Tech.

Agriculture & Home Extension (cont'd)

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Citizens Assisted	38,700	43,241	40,200	(3,041)
Programs Presented	518	590	525	(65)
4-H Youth Enrolled	2,000	1,825	2,000	175
Samples Analyzed and Identified	781	727	750	23
Efficiency Measures				
Volunteer Hours Supporting Programs	17,675	15,799	16,450	651

The Agriculture and Home Extension approved budget for FY2018-19 continues to reflect only Henrico County's contribution to the Department's annual expenses. The personnel complement includes two support staff positions. A total of five Extension Agent positions, whose funding is located in the operating portion of the Department's budget, are paid directly by Virginia Tech. Henrico County reimburses Virginia Tech for 100.0 percent of the salary and benefit costs of two Extension Agent positions, and 50.0 percent of the salary and benefit costs of the other three Extension Agent positions.

Throughout the history of Cooperative Extension, volunteers have been a critical resource to extend knowledge to the community. While the university-provided training and expertise of professional staff is necessary for program design and implementation, it is often the volunteer staff that fulfills the service levels expected by citizens.

Volunteers within the 4-H program serve as judges and coordinators for various contests held throughout the year at the local and state levels. Others serve as counselors for camps and conferences held at either the Jamestown 4-H Center or on the campuses of Virginia Tech and Virginia State. Many volunteers serve as club leaders working throughout the year with youth groups that range in size from six to over thirty members between the ages of five and nineteen. Each year Henrico Master Gardener volunteers contribute more than 7,000 hours to the Environmental Horticulture program and make thousands of citizen contacts by phone and in person.

They assist residents who call the Horticulture Helpline, visit the Extension Office, or participate in various educational programs offered throughout the County at a variety of venues. Popular programs include the Speakers' Bureau, Junior Master Gardeners, Gardens Growing Families, SMART Lawns, and Tree Smarts.

The Family and Consumer Sciences program addresses tasks most relevant to the cornerstone of a healthy community: the family unit. This program helps citizens learn to make good choices for themselves and their families in the areas of food, nutrition, and health & family financial management. Financial education courses teach critical thinking skills related to consumer goals, needs, and wants. The workshops offered teach a range of basic financial concepts including spending plans; understanding credit and financial institutions; and recordkeeping. These classes are held in a variety of settings including churches, schools, and workplaces. Tax preparation assistance is given on an annual basis to those who meet income guidelines, with special focus on the Earned Income Tax Credit.

Nutrition education is provided through community workshops, in-school and afterschool educational programs, and interactive displays at public events. These programs are designed to help citizens make healthy lifestyle choices for nutrition and health. The Family Nutrition Program is designed to teach low income citizens how to make the best use of their food dollars and make healthy dietary choices.

PERMIT CENTER

Description

The Department of Community Development, better known as the Permit Center, is a convenient “one-stop shop” for residents seeking community development services including permits and applications. The Department has two locations referred to as the Permit Center-East and the Permit Center-West. The Permit Center-East has been in service since 1989. Due to the success of the eastern location, services were expanded to a western location that opened in April 2001. The Permit Center is staffed by representatives from Building Inspections, Planning, Public Utilities, and Public Works.

- To assist the public with questions concerning the agendas and processes of the Planning Commission and Board of Zoning Appeals.
- To provide a streamlined development review process at a convenient location.
- To accurately track, monitor, and administer the costs of providing these services in order to provide them in a cost efficient manner.

Objectives

- To consistently provide quality services to all citizens and customers in a professional, accurate, and efficient manner.
- To assist the public, including private citizens, builders, developers, and engineers, with their permitting and licensing needs.
- To provide information to the public concerning the requirements and regulations related to zoning and subdivisions of property, building construction, and other aspects of the development process.

Budget Highlights

The one-stop convenience at both the East and West locations simplifies the process for obtaining permits for the customer and improves overall service levels. Services provided include the processing of building permits and answering inquiries regarding code regulations, zoning, water/sewer availability, as well as road and drainage issues.

Staff is utilized from Building Inspections, Public Works, Public Utilities, and Planning. Funds to pay for staff serving these functions are in the Permit Center’s budget and complement. Four staff members included in the complement have their personnel expenditures reimbursed, via interdepartmental transfer, by the appropriate department related to the

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 1,141,191	\$ 1,147,761	\$ 1,176,771	2.5%
Operation	17,202	25,353	25,353	0.0%
Capital	3,587	4,950	4,950	0.0%
Sub-Total	<u>\$ 1,161,980</u>	<u>\$ 1,178,064</u>	<u>\$ 1,207,074</u>	<u>2.5%</u>
Interdepartmental Billings	(268,648)	(269,298)	(276,047) *	2.5%
Total Budget	<u>\$ 893,332</u>	<u>\$ 908,766</u>	<u>\$ 931,027</u>	<u>2.4%</u>
Personnel Complement ⁽¹⁾	16	16	16	0

*Reflects the reimbursement of four positions (2 Public Works; 2 Public Utilities) assigned to the Permit Center, which are reflected in the Permit Centers' personnel complement.

Permit Center (cont'd)

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Total Number of Inquiries	15,556	16,776	18,898	2,122
Permit Applications Received	5,214	5,760	6,174	414
Reviews Performed	9,178	10,832	9,767	(1,065)
Business Licenses Reviewed	3,029	2,519	2,754	235

services furnished. Those reimbursements for FY2018-19 will be from the Public Works and Public Utilities departments. The sum of these reimbursements, totaling \$276,047, is shown as a negative amount in the Permit Center's budget.

The Permit Center's budget for FY2018-19 is increasing \$22,261, or 2.4 percent from the prior year approved budget. This increase was driven solely by the personnel component and reflects revised salary estimates and a salary increase for FY2018-19 as well as rising health care costs.

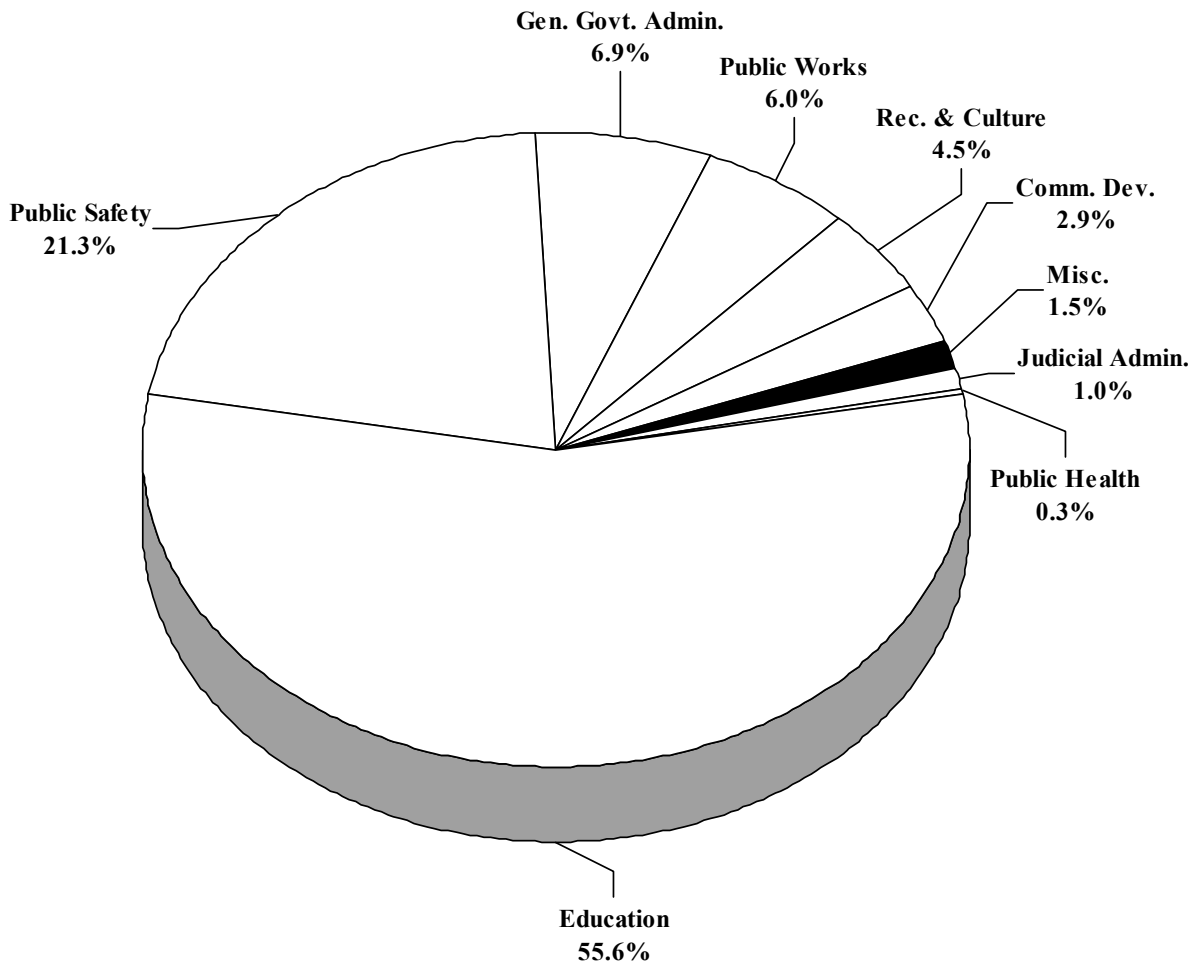
The Permit Center was designed to make it more convenient to process and approve a permit at a central location. Technology was one of the driving forces to accomplish this process through the use of the Geographic Information System (GIS) and the Tidemark software system. Now, when a resident or builder enters the Permit Center, they can leave with an approved permit for additions, decks, and accessory structures in one hour or less. Customers can also have copies of maps within fifteen minutes. The department continues to evaluate areas to improve operational efficiencies as an ongoing effort toward continual service improvement. For example,

the department has implemented new management practices to make the staff more flexible in responding to citizens' request for assistance. In addition, regular staff rotations have continued between the East and West Permit Centers, allowing junior staff the opportunity to experience a wider variety of public service environments, hone and exercise leadership skills and practice supervisory techniques. Also, the department continues to work closely with cooperating agencies through consultation with their counterparts to ensure that customer assistance is being provided consistent with established policies, regulations and interpretation.

In an effort to increase employee engagement and job satisfaction, a policy was established allowing technicians to shadow employees in other departments whose missions align with the overall objectives of the Permit Center, and are of personal and professional interest to the technicians. This effort has broadened the scope of technicians' understanding of services delivered by cooperating agencies, increasing employee morale and contributing to a more comprehensive perspective of the Permit Center's processes and enhanced customer service.

COUNTY OF HENRICO, VIRGINIA

Miscellaneous
\$12,720,721



Total General Fund
\$871,859,018

**COUNTY OF HENRICO, VIRGINIA
 MISCELLANEOUS - GENERAL FUND
 FY 2018-19**

<u>Department</u>	<u>FY 16-17 Actual</u>	<u>FY 17-18 Original</u>	<u>FY 18-19 Proposed</u>
Non-Departmental			
Tax Relief Program	\$8,308,312	\$8,197,550	\$8,697,550
Payments to Outside Agencies	2,352,267	2,394,677	2,812,523
Reserve - Miscellaneous	0	1,066,803	1,161,123
Other	35,255	35,525	35,525
Sandston Recreation Center	11,498	14,000	14,000
Total Miscellaneous	<u>\$10,707,332</u>	<u>\$11,708,555</u>	<u>\$12,720,721</u>

NON-DEPARTMENTAL

County Supported Activities

Description

Certain General Fund functions which cannot logically be categorized with any of the established departments are included within this Non-Departmental category. These functions are largely comprised of funding for community organizations and the County's Real Estate Advantage (Tax Relief) Program.

Objectives

- To cover the funding requirements of a number of approved regionally or jointly supported outside agencies.
- To provide funding for the County's Real Estate Advantage Program (REAP), which provides tax relief for elderly and handicapped citizens.
- To provide funding to a number of approved not-for-profit agencies that provide needed and useful services to residents of Henrico County.
- To provide funding for payments to County Board members who serve on certain Boards and Commissions.

Budget Highlights

The amount of funding requested from organizations in the private sector for contributions from the County continues to exceed available funding. The FY2018-19 budget has attempted to strike a balance between these requests and available resources.

In addition to the funding for outside agencies shown in this budget, contributions are made to other agencies in the Schools' budget, including: Partners in the Arts; Richmond Symphony; Valentine Museum; Virginia Historical Society; and The American Civil War Center at Tredegar.

Henrico's contributions to the Greater Richmond Partnership Inc., for \$385,000, and Richmond Region Tourism (formerly Richmond Metropolitan Convention and Visitor's Bureau), for \$2,938,514, are located in the County's Economic Development budget.

The cost of the County's Real Estate Tax Advantage Program (REAP) is also budgeted in the non-departmental area. The maximum benefit for the REAP program is \$3,000 per participating home. The eligibility parameters, already the most inclusive in the region, are proposed to be expanded. The net worth

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Tax Relief Programs	\$ 8,308,312	\$ 8,197,550	\$ 8,697,550	6.1%
Board Members ⁽¹⁾	35,255	35,525	35,525	0.0%
Donations to Agencies	1,515,618	1,589,618	1,969,872	23.9%
Share of Other Agencies	836,649	805,059	983,522	22.2%
Reserve for Contingences	\$ 0	\$ 1,066,803	\$ 1,020,252	(4.4%)
Total ⁽²⁾	<u>\$ 10,695,834</u>	<u>\$ 11,694,555</u>	<u>\$ 12,706,721</u>	<u>8.7%</u>
Personnel Complement	N/A	N/A	N/A	N/A

⁽¹⁾Capital Regional Airport commission and Richmond Regional Planning District Commission.

⁽²⁾Not including Sandston Community House.

Non-Departmental – County Supported Activities (cont'd)

parameter (excluding the value of the home and up to 10 acres of land) will be raised from \$350,000 to \$400,000. Additionally, the income threshold will be expanded from \$67,000 to \$75,000. These changes will become effective on January 1, 2019.

During the period that extended from the FY2009-10 Approved Budget to the FY2012-13 Approved Budget, as a budget balancing necessity, Henrico instituted four consecutive 10 percent across the board cuts to the contributions to outside agencies. As a measure to restore structure into the County's fiscal plan, Henrico has returned funding levels for most of these longtime partners to full FY2008-09 levels, or the full amount of an agency's request. Additionally, Henrico initiated funding for eight new

agencies: The Central Virginia Legal Aid Society, ChinaFest, The India Association of Virginia, The Richmond Performing Arts Alliance, The Virginia Capital Trail Foundation, The Virginia Hispanic Chamber of Commerce, The Way, and Youth Life Foundation. In total, donations to agencies increased by \$380,254, or 23.9 percent.

Henrico's share of contributions to cooperative regional ventures increased by \$178,463, or 22.2 percent. The primary source of this budgetary growth was a contribution of \$150,000 toward a culinary arts program at J. Sargeant Reynolds Community College. FY2018-19 is the first year of a two year commitment of funding toward this program.

Non-Departmental - County Supported Activities (cont'd)

Details of Activities

	FY 16-17 Actual	FY 17-18 Original	FY 18-19 Recommended
A. County Functions:			
1. Tax Relief Programs	\$ 8,308,312	\$ 8,197,550	\$ 8,697,550
B. Board Members for:			
1. Capital Region Airport Commission	12,918	12,918	12,918
2. Richmond Regional Plan. Dist. Comm.	22,337	22,607	22,607
Sub-Total	35,255	35,525	35,525
C. Donations to: *			
1. American Red Cross - Greater Richmond	0	0	0
2. Arts and Cultural Funding Consortium (Cultureworks) ⁽¹⁾	40,986	40,986	50,000
3. Asian American Society of Virginia	6,822	6,822	9,500
4. Assoc. for the Preservation of Henrico Antiquities	13,122	13,122	13,621
5. Better Housing Coalition	32,805	32,805	38,405
6. CARITAS	32,805	32,805	50,000
7. CASA (Court Appointed Special Advocates)	3,789	3,789	5,000
8. Central Virginia Legal Aid Society	0	0	10,000
9. Children's Hospital	1,314	1,314	1,500
10. ChildSavers	0	0	0
11. ChinaFest ⁽²⁾	10,000	0	10,000
12. Community Brain Injury Services (Mill House) ⁽³⁾	17,217	17,217	26,250
13. Crossover Health Clinic	0	50,000	50,000
14. Cultural Arts Center at Glen Allen	550,000	550,000	600,000
15. FeedMore (Meals on Wheels, Cent. Va. Foodbank)	18,954	18,954	25,000
16. Festival of India	5,000	5,000	8,000
17. FISH (Eastern Henrico County)	26,244	26,244	26,244
18. Friends of Henrico County Public Library (All Henrico Rea	5,000	5,000	5,000
19. Ginter (Lewis) Botanical Garden	98,415	98,415	115,000
20. The Healing Place	10,000	10,000	25,000
21. Henrico Community Partners	2,300	2,300	2,300
22. Henrico Police Athletic League	19,683	19,683	21,000
23. Henricus Foundation	275,000	314,000	322,100
24. Hilliard House (Housing Families First)	41,337	41,337	70,000
25. Homeward	10,269	10,269	20,500
26. India Association of Virginia	5,000	0	10,000
27. James River Advisory Council	4,050	4,050	5,000
28. Leadership Metro Richmond	9,837	9,837	10,000
29. Maymont Foundation Nature Center	55,000	55,000	60,000
30. Sports Backers (Metropolitan Richmond)	20,655	20,655	30,000
31. Opportunity. Alliance. Reentry (OAR)	5,000	5,000	15,000
32. Project HOMES	0	0	0
33. Ramp Access Made Possible by Students (RAMPS)	0	0	0
34. Read Center, The	16,407	16,407	19,500
35. Resources for Independent Living	36,162	36,162	36,162
36. Richard Bland College Foundation	0	0	0
37. Richmond Area ARC (Camp Baker)	6,561	6,561	7,500
38. Richmond Forum	3,276	3,276	0
39. Richmond Performing Arts Alliance (Centerstage)	0	0	10,000
40. Safe Harbor	17,091	17,091	20,000
41. Salvation Army	15,489	15,489	16,000
42. Science Museum of Virginia	10,000	10,000	10,000
43. Senior Connections (CAAA)	35,334	35,334	56,000
44. St. Joseph's Villa (Flagler Home)	34,174	34,174	35,000
45. Virginia Capital Trail Foundation	0	0	50,000
46. Virginia Hispanic Chamber of Commerce ⁽⁴⁾	0	0	20,000
47. Virginians for High Speed Rail ⁽⁵⁾	0	0	0
48. The Way	0	0	20,000
49. Youth Life Foundation	0	0	4,000
50. YWCA	20,520	20,520	31,290
Sub-Total	1,515,618	1,589,618	1,969,872

Non-Departmental - County Supported Activities (cont'd)

	<u>FY 16-17 Actual</u>	<u>FY 17-18 Original</u>	<u>FY 18-19 Recommended</u>
D. Henrico's Share of Funding for:			
1. Henricopolis Soil/Water Conservation	91,927	96,891	101,735
2. Med-Flight Program	10,200	10,300	14,500
3. National Association of Counties	6,001	6,001	6,001
4. Reynolds Community College (Oper.) ⁽⁶⁾	97,359	99,892	102,223
5. Reynolds Community College (Capital)	302,281	310,144	317,380
6. Reynolds Culinary Arts Program - Construction	0	0	150,000
7. Richmond Regional Plan. Dist. Comm. ⁽⁷⁾	192,430	198,133	207,875
8. RMA/Diamond Stadium ⁽⁸⁾	0	0	0
9. Virginia Association of Counties	67,351	68,698	68,808
10. Virginia Institute of Government	15,000	15,000	15,000
11. Other Civic & Cultural Organizations ⁽⁹⁾	54,100	0	0
Sub-Total	<u>836,649</u>	<u>805,059</u>	<u>983,522</u>
E. Reserve for Contingencies:	0	1,066,803	1,020,252
Total	<u>\$ 10,695,834</u>	<u>\$ 11,694,555</u>	<u>\$ 12,706,721</u>

Notes:

⁽¹⁾ The Arts & Cultural Funding Consortium includes:

- a. Black History Museum and Cultural Center
- b. Children's Museum of Richmond (Operating)
- c. CultureWorks (The Arts Council of Richmond)
- d. Edgar Allen Poe Museum
- e. Elegba Folklore Society
- f. Richmond Ballet (Operating)
- g. Richmond Jazz Society
- h. Richmond Symphony (Operating)
- i. Valentine Museum (Richmond History Center)
- j. Virginia Historical Society
- k. Virginia Opera (Operating)
- l. Virginia Repertory Theatre
- m. Visual Arts Center of Richmond

⁽²⁾ Funding of \$10,000 was provided to ChinaFest through budget transfers in fiscal years 2007-2009 and 2015-2018

⁽³⁾ Community Brain Injury Services (the Mill House) was formerly known as the Community Futures Foundation.

⁽⁴⁾ The Virginia Hispanic Chamber of Commerce received annual outside agency funding ranging from \$6,480 to \$9,900, in FY2008 through FY2013.

⁽⁵⁾ Funding of \$10,000 was provided to Virginians for High Speed Rail, through Henrico EDA, from FY2002-03 through FY2012-13.

⁽⁶⁾ Payments for Reynolds Community College are made through the Community College Workforce Alliance.

⁽⁷⁾ \$15,135 of the request for the RRPDC is for Henrico's share of funding for the Capital Region Collaborative (CRC). Henrico has provided funding for the CRC via budget transfers in FY2015, FY2016, and FY2018.

⁽⁸⁾ Funding of \$100,000 for Henrico's share of lighting improvement costs at the Diamond, in accordance with the members of the Richmond Metropolitan agreement of the Authority, was appropriated via budget amendment in June of 2013.

⁽⁹⁾ Other Civic & Cultural Organizations: *

	<u>FY 2016-17</u>
a Vocational Education	25,900
b Virginia Union University	22,000
c Metropolitan Business League	4,500
d Metropolitan Junior Baseball League	500
e Henrico Ed. Foundation Scholarship	1,200
Total Other	<u>\$ 54,100</u>

* Scholarships for VCU School of Engineering funded through Henrico Economic Development Authority

Non-Departmental - County Supported Activities (cont'd)

Note: Budgeted in Economic Development:

	FY 18-19
Greater Richmond Partnership	\$ 385,000
Richmond Region Tourism (Formerly RMCVB)	2,938,514

NON-DEPARTMENTAL

Sandston Recreation Center

Description

The Sandston Recreation Center provides a facility for indoor recreation for the Sandston community. The center also receives funds in addition to those included in the County budget from rental fees and donations from users and community organizations.

Objectives

- To provide meeting and recreational opportunities for the Sandston community.
- To provide space to community organizations for meetings and public activities.

Budget Highlights

There are no requested changes in service levels for FY2018-19. Funds are used for utilities, maintenance, and repairs of the facility. In FY2016-17, the Board of Supervisors approved, as part of the adoption of the Water & Sewer rates, the elimination of the \$0.50 per month fee charged on water bills within Sanitary District Two to support this operation. This operation will be supported by the fund balance retained for this operation.

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	11,498	14,000	14,000	0.0%
Capital	0	0	0	0.0%
Total	\$ 11,498	\$ 14,000	\$ 14,000	0.0%
 Personnel Complement	 N/A	 N/A	 N/A	 N/A

CAPITAL IMPROVEMENT TRANSFERS

Description

A capital improvement is an item for which the purchase, construction, or other acquisition, such as land and/or equipment, will represent a public betterment to the community and add to the total physical worth of the County.

Budget Highlights

Within the approved Capital Budget for FY2018-19 are general government and education projects to be funded from various General Fund revenues. This will be accomplished through a transfer from the General Fund to the Capital Projects Fund in the amount of \$61,564,800.

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Transfer to Capital Projects	\$ 47,473,678	\$ 35,067,380	\$ 61,564,800	75.6%

Capital Improvement Transfers (cont'd)

GENERAL FUND TRANSFERS

	<u>FY2018-19</u>
General Fund - Designated Fund Balance:	
Mechanical Improvements - Education	\$1,961,850
Roof Replacements - Education	538,150
Mechanical Improvements	1,100,000
Roof Replacement and Rehabilitation	500,000
Pavement Rehabilitation	500,000
Small Project Improvements and Renovations	250,000
Energy Management	400,000
Information Technology Projects	1,500,000
Geographic Information System	150,000
Facility Rehabilitation	600,000
Countywide Pedestrian Improvements	2,500,000
Subtotal General Fund - Designated Fund Balance:	<u>\$10,000,000</u>
General Fund - Designated Capital Reserve:	
Human Services Building Renovation	\$3,800,000
Circuit Court Renovation	8,500,000
Evidence Storage Facility	589,000
Woodman Road Extension	1,266,090
Oakley's Lane	507,000
ORBIT Facility	3,000,000
Subtotal General Fund - Designated Capital Reserve:	<u>\$17,662,090</u>
General Fund Revenue - Education Meals Tax:	
Education Meals Tax Project Reserve	\$9,000,000
General Fund - Tourism Reserve:	
High School Field Renovations	\$9,251,000
General Fund - Public Works Reserve:	
Woodman Road Extension	\$3,678,910
General Fund Revenue - Stormwater Dedication:	
Chesapeake Bay TMDL/MS4 Compliance	\$2,348,000
General Fund Revenue (Motor Vehicle License Fee) - Public Works:	
General Road Construction	\$1,000,000
General Fund Revenues - Vehicle Replacement Fund:	
School Bus Replacement Plan	\$3,000,000
Fire Apparatus Replacement Program	2,000,000
Police Vehicle Replacement Program	2,624,800
Subtotal General Fund Revenues - Vehicle Replacement Fund	<u>\$7,624,800</u>
General Fund - Undesignated Fund Balance - Vehicle Replacement Fund:	
Fire Apparatus Replacement Program	\$1,000,000
Total General Fund Transfer	<u><u>\$61,564,800</u></u>

SPECIAL REVENUE FUND

COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND REVENUES
FY 2018-19

Revenues:			
Subfund/Activity	FY 16-17	FY 17-18	FY 18-19
	Actual	Original	Approved
Capital Region Workforce Partnership (CRWP)			
CRWP	\$5,910,912	\$5,094,866	\$4,344,518
Transfer From the General Fund	99,129	45,250	46,400
Total Capital Region Workforce Partnership	<u>6,010,041</u>	<u>5,140,116</u>	<u>4,390,918</u>
Commonwealth's Attorney			
Commonwealth's Attorney	33,100	0	0
Special Drug Prosecutor	134,790	104,207	108,936
Victim/Witness Assistance Program	660,936	674,155	660,936
Asset Forfeitures	38,047	0	0
Transfer From the General Fund	389,044	429,906	465,118
Total Commonwealth's Attorney	<u>1,255,917</u>	<u>1,208,268</u>	<u>1,234,990</u>
Community Corrections Program			
CCP	1,414,290	1,376,968	1,427,865
CCP - Drug Court	277,498	272,410	272,410
Transfer From the General Fund	305,467	300,103	340,281
Total Community Corrections	<u>1,997,255</u>	<u>1,949,481</u>	<u>2,040,556</u>
Community Development Block Grant			
CDBG/HOME	2,016,764	0	0
ESG	163,465	0	0
Transfer From the General Fund - Local Business Assistance	104,431	0	0
Total Community Development Block Grant	<u>2,284,660</u>	<u>0</u>	<u>0</u>
Economic Development			
White Oak CDA	1,480,000	0	0
Total Economic Development	<u>1,480,000</u>	<u>0</u>	<u>0</u>
Education			
State, Federal & Other Grants	44,429,990	46,829,020	48,147,181
Total Schools Grants	<u>44,429,990</u>	<u>46,829,020</u>	<u>48,147,181</u>
Cafeteria Receipts	6,874,609	9,284,452	9,562,985
State Food Payments - Nat. Sch. Lunch Prog.	545,826	532,584	582,142
Federal School Lunch Program	13,650,029	14,937,455	15,385,578
Recoveries & Rebates	373,578	422,267	283,500
Sale of Equipment	4,431	7,317	5,000
(To) From Cafeteria Fund Balance	(926,038)	575,947	(222,452)
Total School Cafeteria	<u>20,522,435</u>	<u>25,760,022</u>	<u>25,596,753</u>
Total Education	<u>64,952,425</u>	<u>72,589,042</u>	<u>73,743,934</u>

Special Revenue Fund Revenues (cont'd)

Revenues:			
Subfund/Activity	FY 16-17 Actual	FY 17-18 Original	FY 18-19 Approved
Juvenile & Domestic Relations Court			
Virginia Juvenile Community Crime Act	390,110	390,108	390,108
USDA	22,449	23,207	25,332
Transfer From the General Fund	514,608	535,815	551,649
Total Juvenile & Domestic Relations Court	<u>927,167</u>	<u>949,130</u>	<u>967,089</u>
Mental Health & Developmental Services			
State and Federal Grants	10,871,781	10,146,859	10,964,283
Payments from Other Localities	241,833	243,844	251,160
Miscellaneous Revenues	11,098,620	12,368,200	12,518,958
Operating Transfer to Capital Projects	(1,018,500)	(4,869,420)	0
Special Revenue - MH Fund Balance	1,018,500	4,869,420	0
Transfer From General Fund	13,875,501	14,667,336	15,453,883
Total Mental Health	<u>36,087,735</u>	<u>37,426,239</u>	<u>39,188,284</u>
Non-Departmental			
Transfer From General Fund	0	50,000	50,000
Public Safety			
Police - State & Federal Grants	1,237,099	1,077,091	1,129,595
Police - Donations	873	0	0
Metro Aviation/Extradition Reimbursement	274,241	334,668	334,668
Fire - Donations	4,950	0	0
Fire - State & Federal	614,189	0	0
Asset Forfeitures	174,144	0	0
Transfer From General Fund	93,646	127,332	127,332
Total Public Safety	<u>2,399,142</u>	<u>1,539,091</u>	<u>1,591,595</u>
Public Utilities			
Solid Waste:			
Refuse Collection Billing	8,477,201	8,100,000	8,648,000
Public Use/Host/Recycle Fees	2,370,032	1,933,000	1,952,000
Miscellaneous Revenues	409,033	329,315	337,000
Transfer to Capital Projects Fund	(150,000)	(600,000)	0
Transfer From General Fund	3,018,511	3,018,511	3,018,511
(To) From Solid Waste Fund Balance	(2,342,665)	859,145	(323,389)
Total Solid Waste	<u>11,782,112</u>	<u>13,639,971</u>	<u>13,632,122</u>
Street Lighting:			
Charge for Street Lights	75,479	83,100	83,100
Total Street Lighting	<u>75,479</u>	<u>83,100</u>	<u>83,100</u>

Special Revenue Fund Revenues (cont'd)

Revenues:			
Subfund/Activity	FY 16-17	FY 17-18	FY 18-19
	Actual	Original	Approved
Public Works			
Best Management Practices	100,000	50,000	50,000
Watershed Management Program	1,213,287	847,000	847,000
Total Public Works	<u>1,313,287</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation	6,277	0	0
Public Library	10,552	0	0
Total Recreation, Parks, & Culture	<u>16,829</u>	<u>0</u>	<u>0</u>
Social Services			
State and Federal Grants - Social Services	16,441,475	15,565,303	16,082,631
Transfer From the General Fund - Social Services	3,814,789	5,059,850	5,141,671
State and Federal Grants - CSA	132,940	109,849	109,849
Comprehensive Services Act (CSA)	6,179,742	7,165,073	7,553,085
Transfer From the General Fund - CSA Medicaid	485,000	485,000	485,000
Transfer From the General Fund - CSA	5,941,927	4,470,404	4,714,900
Total Social Services	<u>32,995,873</u>	<u>32,855,479</u>	<u>34,087,136</u>
Total Revenues	<u><u>\$163,577,922</u></u>	<u><u>\$168,326,917</u></u>	<u><u>\$171,906,724</u></u>

COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND EXPENDITURES
FY 2018-19

Expenditures:	FY 16-17	FY 17-18	FY 18-19
Subfund/Activity	Actual	Original	Approved
Capital Region Workforce Partnership (CRWP)	\$6,010,041	\$5,140,116	\$4,390,918
Commonwealth's Attorney			
Commonwealth's Attorney	33,100	0	0
Victim/Witness Program	968,093	1,043,218	1,064,711
Special Drug Prosecutor	216,677	165,050	170,279
Asset Forfeitures - Commonwealth's Attorney	38,047	0	0
Total Commonwealth's Attorney	<u>1,255,917</u>	<u>1,208,268</u>	<u>1,234,990</u>
Community Corrections Program			
CCP	1,560,869	1,512,018	1,600,067
CCP - Drug Court	436,386	437,463	440,489
Total Community Corrections Program	<u>1,997,255</u>	<u>1,949,481</u>	<u>2,040,556</u>
Community Revitalization			
CDBG	1,334,349	0	0
Home	697,256	0	0
Local Business Assistance	89,589	0	0
ESG	163,466	0	0
Total Community Revitalization	<u>2,284,660</u>	<u>0</u>	<u>0</u>
Economic Development			
White Oak Village CDA	1,480,000	0	0
Total Economic Development	<u>1,480,000</u>	<u>0</u>	<u>0</u>
Education			
State, Federal & Other Grants	44,429,990	46,829,020	48,147,181
School Cafeterias	20,522,435	25,760,022	25,596,753
Total Education	<u>64,952,425</u>	<u>72,589,042</u>	<u>73,743,934</u>
Juvenile & Domestic Relations Court			
Probation - VJCCCA	583,736	606,883	616,169
Detention - VJCCCA	320,982	319,040	325,588
USDA	22,449	23,207	25,332
Total Juvenile & Domestic Relations Court	<u>927,167</u>	<u>949,130</u>	<u>967,089</u>
Mental Health & Developmental Services			
Clinical Services	17,097,962	17,846,519	18,991,330
Community Support Services	12,073,109	12,191,546	12,640,380
Administrative and Program Support	6,916,664	7,388,174	7,556,574
Total Mental Health	<u>36,087,735</u>	<u>37,426,239</u>	<u>39,188,284</u>

Special Revenue Fund Expenditures (cont'd)

Expenditures: Subfund/Activity	FY 16-17 Actual	FY 17-18 Original	FY 18-19 Approved
Non-Departmental	0	50,000	50,000
Public Safety			
State and Federal Grants - Police	392,130	0	0
Communications	845,842	1,077,091	1,129,595
Metro Aviation	281,782	387,000	387,000
Henrico Extraditions	86,105	75,000	75,000
Asset Forfeitures - Police	174,144	0	0
State and Federal Grants - Fire	619,139	0	0
Total Public Safety	<u>2,399,142</u>	<u>1,539,091</u>	<u>1,591,595</u>
Public Utilities			
Solid Waste	11,794,929	13,639,971	13,632,122
Street Lighting	62,662	83,100	83,100
Total Public Utilities	<u>11,857,591</u>	<u>13,723,071</u>	<u>13,715,222</u>
Public Works			
Best Management Practices	100,000	50,000	50,000
Watershed Program	1,213,287	847,000	847,000
Total Public Works	<u>1,313,287</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation & Parks	6,277	0	0
Public Library	10,552	0	0
Total Recreation, Parks, & Culture	<u>16,829</u>	<u>0</u>	<u>0</u>
Social Services			
Administration	13,544,228	14,551,885	15,146,300
Public Welfare Board	40,486	290,489	290,489
Public Assistance	6,671,550	5,782,779	5,787,513
Comprehensive Services Act (CSA)	12,739,609	12,230,326	12,862,834
Total Social Services	<u>32,995,873</u>	<u>32,855,479</u>	<u>34,087,136</u>
Total Expenditures	<u>\$163,577,922</u>	<u>\$168,326,917</u>	<u>\$171,906,724</u>

CAPITAL REGION WORKFORCE PARTNERSHIP

Description

The Capital Region Workforce Partnership (CRWP) is an eight-jurisdiction consortium with elected representation from Henrico, Charles City, Chesterfield, Goochland, Hanover, New Kent and Powhatan Counties and the City of Richmond. The Partnership, in cooperation with the Capital Region Workforce Development Board (WDB) it appoints, has responsibility for disbursing and conducting oversight of federal funds allocated to the region from the Workforce Innovation and Opportunity Act of 2014 (WIOA), and other federal, state, and local grants and resources that become available to support the Capital Region’s workforce efforts. Henrico County serves as grant recipient and fiscal agent for these funds.

The Capital Region Workforce Partnership is organized as a Henrico County department with responsibility for providing administrative support to the Partnership Board, the WDB and its standing committees, and managing contracts for delivery of WIOA services through the three Workforce Centers in the Region.

Objectives

- Provide Regional leadership to develop innovative strategies and deliver services that advance and sustain workforce solutions.
- Align workforce development efforts to business and economic development needs to ensure a demand-driven system.

- Develop and advance partnerships with other service delivery organizations to minimize duplication and deploy resources in a more efficient and effective manner.
- Raise awareness of the public workforce development system as the “go to place” for workforce solutions for both the business sector and job seekers.

Budget Highlights

The CRWP is responsible for meeting the administrative requirements of its various funding sources and implementation of policies, budget management, and achieving performance requirements, as may be set by the Partnership, the State of Virginia, Virginia Community College System (VCCS), and the U.S. Department of Labor. ResCare is the firm that has been awarded the Title I WIOA contract to deliver Adult and Dislocated Worker Services to those who meet WIOA eligibility criteria under by WIOA regulations. WIOA services include individualized career planning assistance, resume and interviewing workshops, counseling, basic work readiness such as computer skills, paid work experiences and internships, and various forms of training assistance such as tuition vouchers and on-the-job training.

ResCare was also awarded a contract to serve as the region’s One Stop Operator, a federally-required role that ensures that workforce centers and partners operate in a consistent and collaborative manner with

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 930,676	\$ 777,854	\$ 662,324	(14.9%)
Operation	4,975,249	4,362,262	3,728,594	(14.5%)
Capital	104,116	0	0	0.0%
Total	6,010,041	5,140,116	4,390,918	(14.6%)
Personnel Complement	N/A	N/A	N/A	N/A

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
New WIOA Program Enrollments	950	1,076	1,050	(26)
Total Served by WIOA Funds	1,853	1,921	1,950	29
Individuals Receiving Training Services	424	503	525	22

high-quality standards for the benefit of customers.

The out-of-school youth program targets disengaged young people ages 18-24 and those with certain barriers to success in employment or education.

Outcomes

Perhaps more important than counting how many customers are served are the performance outcomes generated.

For FY2017-18, the following results were achieved:

Adults/Dislocated Workers

Did they get a job? 73.25%
 Did they keep a job? 85%
 Average Wages \$27,434

Youth

Placed in education or job 68.7%
 Certificate or Credential Earned 66.7%
 Literacy/Numeracy Gain 44.6%

Budget Details

The approved FY2018-19 CRWP budget in the amount of \$4,390,918 is a 14.6 percent reduction from the FY2017-18 approved budget of \$5,140,116. This is attributed to expected cuts in federal funding.

It is important to note, the exact amount of federal funding for FY2018-19 is currently unknown. Federal funding is awarded on a federal fiscal year that starts three months after the beginning of the County's fiscal year. Second, federal funding is distributed on a formulaic basis and the regional variables that impact this formula are subject to change. For instance, the Capital Region and the

State of Virginia have seen decreasing unemployment rates, which impact the level of funding the region is able to access through the formula. However, poverty rates have been steady or increasing.

The Capital Region Workforce Partnership expects increased revenue in FY2018-19 through rent received from state agencies that have located in our facilities.

Henrico County and Local Funding

Revenue from local contributions outside of Henrico County is expected to total \$124,300 in FY2018-19. Henrico County's contribution to CRWP's administrative expenses is budgeted at \$46,400 for FY2018-19. This is a slight increase from the prior fiscal year approved budget. This increase is the result of the new contribution request formula unanimously adopted by the eight jurisdictions that bases the amount on the proportional share of workforce services received by each jurisdiction.

The WIOA remains the primary funding source for CRWP's personnel costs. The percentage of salary of the Director of the Capital Region Partnership charged to non-federal local funds from the eight jurisdictions that comprise the Capital Region is 25%, with the balance going to the federal grant.

The approved budget includes a grant reserve account. Once into FY2018-19, funds in the reserve account will be transferred into programs/accounts based on need.

The table on the following page shows contributions to CRWP from Henrico County and from other localities as well as Henrico's contributions as a percentage of total local contributions.

Capital Region Workforce Partnership (cont'd)

Fiscal Year	Henrico Funding	All Other Local Funding	Henrico % of Local Funding
FY2009-10	\$210,648	\$71,580	74.60%
FY2010-11	\$210,648	\$127,280	62.30%
FY2011-12	\$217,695	\$127,280	63.10%
FY2012-13	\$206,810	\$127,280	61.90%
FY2013-14	\$200,606	\$62,280	76.30%
FY2014-15	\$170,028	\$62,080	73.30%
FY2015-16	\$64,380	\$120,435	34.80%
FY2016-17	\$46,101	\$138,899	24.80%
FY2017-18	\$45,250	\$114,750	28.30%
FY2018-19	\$46,400	\$124,300	27.20%

COMMONWEALTH'S ATTORNEY

Special Drug Prosecutor

Description

The General Assembly of Virginia passed legislation in 1983 under Section 19.2-215.3 establishing the Special Drug Prosecutor Program and creating multi-jurisdiction grand juries (MJGJs). A MJGJ, in contrast to a regular grand jury, is an investigative body with the statutory authority to issue statewide subpoenas for documents and other evidence, and to call for sworn testimony of persons with information related to specific criminal offenses. Henrico's Drug Prosecutor program was implemented in May of 1984. The goal is to investigate criminal violations of Virginia drug laws as well as other illegal activities, including homicide, abduction, perjury, embezzlement, computer crimes, Medicaid fraud, and trademark infringement.

- Administer use of the grand jury by prosecutors from each of the member jurisdictions Commonwealth's Attorney's Offices.

Budget Highlights

The use of the Special Drug Prosecutor Program provides a vital public safety function for the County of Henrico. The Program's approved budget for FY2018-19 is \$170,279 and reflects a \$5,229 or 3.2 percent increase when compared to the prior fiscal year. The Program's approved budget includes General Fund support of \$61,343 which reflects an increase of \$500 compared to the approved FY2017-18 budget.

The operating component increased \$500 when compared to the prior fiscal year. This is entirely due to money added to pay for food for multi-jurisdictional investigative grand juries.

The State Compensation Board and the County both contribute to the salaries and associated personnel costs for the two positions funded through the program. Personnel costs will increase \$4,729 or 3.0 percent because of increased benefits and salary increases.

Objectives

- Investigate and prosecute those involved in the illegal use or distribution of drugs, and drug paraphernalia.
- Provide assistance in any other provision of law when such condition is discovered in the course of an investigation, which a multi-jurisdiction drug prosecutor is otherwise authorized to undertake and to investigate any condition, which involves or tends to promote any attempt, solicitation or conspiracy to violate laws.

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 212,420	\$ 159,592	\$ 164,321	3.0%
Operation	4,257	5,458	5,958	9.2%
Capital	0	0	0	0.0%
Total	\$ 216,677	\$ 165,050	\$ 170,279	3.2%
Personnel Complement	N/A	N/A	N/A	N/A

Special Drug Prosecutor (cont'd)

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Total Subpoenaes	1,792	1,790	1,800	10
Total Indictments	1,189	1,130	1,150	20
Total Defendants	364	340	350	10

The Special Drug Prosecutor’s responsibilities include working with a multi-jurisdictional investigative grand jury comprised of the Counties of Henrico, Hanover and Chesterfield, and the City of Richmond. The Special Drug Prosecutor coordinates witnesses and subpoenas for tangible evidence ordered by the grand jury and handles a full caseload of criminal matters. The multi-jurisdictional grand jury plays an essential role in the investigation of drug and homicide cases in the Richmond metropolitan area.

The table to the right presents a historical depiction of the State/County split for the program.

Fiscal Year	State Funding	Approved County Funding	% County
2009-10	124,305	44,730	26%
2010-11	124,305	52,855	30%
2011-12	119,400	69,563	37%
2012-13	119,400	66,715	36%
2013-14	121,533	66,715	35%
2014-15	129,773	61,185	32%
2015-16	133,409	52,569	28%
2016-17	134,790	61,862	32%
2017-18	104,207	60,843	37%
2018-19	108,936	61,343	36%

COMMONWEALTH'S ATTORNEY

Victim/Witness Assistance Program

Description

The Victim/Witness Assistance Program was established in Virginia in 1984 by the General Assembly. Henrico's Victim/Witness program was implemented in May of 1988. The goal is to assist crime victims and witnesses through the criminal justice system by providing the information and assistance required by the Crime Victim and Witness Rights Act. These services include: information of the victim/witness' case, explanation about court procedures, assistance in applying for Crime Victims' Compensation, assistance in preparing Victim Impact Statements and Parole Input Forms and short-term crisis counseling.

- To increase victim cooperation and successful prosecution through providing the victim/witness more information on court room procedures and the criminal justice system.
- To provide victim/witness services in a cost-effective manner through the utilization and coordination of volunteer time and services.

Objectives

- To reduce delays in the court process by reducing the incidences of witness "no-show" through improved notification services.
- To reduce the trauma of crime for victims through crisis intervention and specialized counseling.
- To enable authorities to quickly establish and maintain contact with victims and witnesses.

Budget Highlights

The Victim/Witness Assistance Program continues to provide a vital function to the criminal justice systems in Henrico County. The FY2018-19 approved budget is \$1,064,711, which reflects an increase of \$21,493 or 2.1 percent when compared to the FY2017-18 approved budget.

The personnel component experienced a net increase of \$19,499 or 2.2 percent. This increase is due to salary increases as well as increases in health care costs. The operating component reflects an increase of \$7,291 or 5.6 percent compared to last fiscal year.

Annual Fiscal Plan

Description	FY17	FY18	FY19	Change
	Actual	Original	Approved	18 to 19
Personnel	\$ 824,403	\$ 893,974	\$ 913,473	2.2%
Operation	125,062	130,447	137,738	5.6%
Capital	18,628	18,797	13,500	(28.2%)
Total	<u>\$ 968,093</u>	<u>\$ 1,043,218</u>	<u>\$ 1,064,711</u>	<u>2.1%</u>
Personnel Complement*	N/A	N/A	N/A	N/A

*Five positions (4 comp II, 1 comp I) remain within the Commonwealth's Attorney's Office complement. Victim Witness maintains the budget for thirteen total positions (8 comp III, 4 comp II, 1 comp I).

Victim Witness (cont'd)

	Performance Measures			Change 18 to 19
	FY17	FY18	FY19	
Workload Measures				
Victims Assisted	4,971	5,050	5,100	50

This is almost entirely due to money shifted from Capital Outlay into various underfunded operating accounts. However, \$1,995 was due to increased rent for the Victim Witness and CASA building.

The FY2018-19 approved budget includes a General Fund transfer of \$403,775, to provide funding for the program costs. State/federal grant funding is anticipated to be \$660,936. This estimated grant funding is fully budgeted in the FY2018-19 approved budget. The budget includes funding for thirteen full-time positions, eight of which are complement III, four are complement II, and one complement I position, an Office Assistant IV.

The table to the right provides a historical depiction of State and County funding for the program by fiscal year over a ten-year period.

Fiscal Year	State Funding	County Funding	% County
2009-10	327,509	338,760	51%
2010-11	342,625	334,808	49%
2011-12	342,625	326,686	49%
2012-13	363,093	324,629	47%
2013-14	362,359	332,681	48%
2014-15	370,297	353,256	49%
2015-16	363,226	343,711	49%
2016-17	660,936	307,157	32%
2017-18	674,155	369,063	35%
2018-19	660,936	403,775	38%

COMMUNITY CORRECTIONS PROGRAM

Community-Based Probation and Pretrial Services Program

Description

The purpose of the Henrico Community Corrections Program (CCP) is to provide the Henrico County Court System with alternatives to incarceration through a range of probation and pretrial services for adults. The CCP mission is to enhance public safety through assessments and community supervision guided by best practices.

Probationers are supervised according to risks and needs, based upon assessments and case plan goals, and referred to counseling and community resources. They also perform community service work and make restitution to their victims as retribution and restorative justice. Pretrial Services Officers conduct risk assessments with defendants who are in jail awaiting trial. They provide the court with risk assessments and bond recommendations at arraignment, and supervise defendants so ordered by the court as a condition of release pending trial. Henrico's Community Corrections Program has provided services to the courts since 1995, and, through the former Community Diversion Incentive (CDI) Program, since 1983.

The Drug Court Program is under the auspices of the Community Corrections Program and is presented in this document as a separate budget for clarity in understanding its functions as well as its separate funding source.

Objectives

- To collaborate with community service agencies and community resources.
- To coordinate the program with the Courts and criminal justice partners, while developing partnerships with the Community Criminal Justice Board.
- To assign court-ordered probationers, to perform community service, maintenance, and improvement projects, and to public or private non-profit community agencies.
- To provide case management services and supervision to probationers throughout their court ordered participation.
- To monitor probationers for payment of court ordered costs and restitution to the courts and victims.
- To implement evidence-based practices and programs, including validated risk assessments, strategies for effective pretrial supervision and motivational interviewing.
- To provide a means of either pretrial release to bail, unsecured release on recognizance, or release on secure bond.

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 1,469,356	\$ 1,432,411	\$ 1,512,960	5.6%
Operation	79,704	68,530	76,030	10.9%
Capital	11,809	11,077	11,077	0.0%
Total	\$ 1,560,869	\$ 1,512,018	\$ 1,600,067	5.8%

Personnel Complement*	1	1	1	0
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*Twenty-One Complement III positions are also funded in this budget for FY2018-19.

Community Corrections Program (cont'd)

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
New Pretrial Cases Supervised	2,056	2,300	2,550	250
New Probation Cases Supervised	1,663	1,750	1,750	0
Pretrial Investigations Conducted	1,655	2,000	2,100	100
Client Hours of Community Service Completed	11,068	11,100	11,100	0
New Restitution Cases Monitored	250	200	200	0
Effectiveness Measures				
Value of Restitution Collected	\$ 214,044	\$ 200,000	\$ 200,000	0

- To provide case management services and supervision, substance testing, and other services to defendants released from jail while awaiting trial.

Budget Highlights

The Community Corrections budget includes four distinct programs for FY2018-19: (a) Pretrial Services; (b) Probation Services; (c) Community Service Coordination; and (d) the Drug Court Program (The Drug Court Program is presented as a separate budget narrative). Pretrial and Probation Services are principally funded by the State, with probation fees that are collected by the Department also contributing to the funding of these services. The Community Services Coordination Program is locally funded through the County's General Fund contribution and fee revenues.

The estimated value of community service hours to be completed by probationers in FY2018-19 is \$140,000. Of this value, it is estimated that close to half will go to County Departments. The Restitution Monitoring Program (a Community Criminal Justice Board project) is designed to track payments made by

offenders to victims and increase the payment amount collected.

The Community Corrections Program's budget for FY2018-19 is \$1,600,067, which is an increase of \$88,049, or 5.8 percent, from the FY2017-18 Approved Budget. Growth of \$80,549, or 5.6 percent, in the personnel area stems from a salary increase and growth in Healthcare and VRS costs.

The Operations section of the budget increased by \$7,500, or 10.9 percent, due to growth in the cost of drug testing. The budget for capital equipment costs remains unchanged at \$11,077. The majority of the capital funds are provided for computer equipment replacements.

The total allotment of General Fund support for FY2018-19 has increased to a total of \$172,202. The FY2018-19 projection for State funding is \$1,182,915, which is a 1.3 percent increase from the FY2017-18 State budget allocation. The Department also collects probation and restitution monitoring fees, which are also utilized to support program services.

COMMUNITY CORRECTIONS PROGRAM

Drug Court Program

Description

The Drug Court Program was initiated in January of 2003. The Drug Court provides intense supervision and treatment, frequent judicial reviews, mandatory drug testing, graduated sanctions, aftercare, and other rehabilitative services to nonviolent, substance abusing offenders for a minimum of twelve months. The average participation lasts eighteen months. New participants are placed in the program each year. Their progress is closely monitored and evaluated by program staff.

Working with other organizations and agencies is key to the success of the Drug Court. The program coordinates its efforts with other County agencies and nonprofit organizations in the region to help deliver the program's services. In addition, the Sheriff provides one part-time investigator to the program as an in-kind County contribution. The Henrico Commonwealth's Attorney's Office, Henrico Mental Health and Developmental Services, the Circuit Court and the Community Corrections Program also provide in-kind contributions to the program.

Objectives

- To reduce crime resulting from substance abusing offenders.
- To assist participants with finding gainful employment or increasing their educational achievements.

- To locate additional resources to contribute towards the support of the Drug Court Program in the future.
- To provide comprehensive treatment to substance abusing offenders.
- To administer, monitor, and evaluate the Drug Court Program for effectiveness and economic impact.

Budget Highlights

The Drug Court Program will complete its fourteenth year of operations in FY2017-18. The program was started with the use of federal funding. However, federal funds were discontinued in FY2005-06. The Drug Court program for Henrico County received a grant from the State in the amount of \$232,261 in FY2005-06 to support the program and replace the discontinued federal funding. It is anticipated that funding from the Virginia Supreme Court, which administers these grants, will be \$250,000 in FY2018-19. The requirement for General Fund support in FY2018-19 is \$168,079, which is an increase of \$3,026, or 1.8 percent from the amount in the FY2017-18 Approved Budget. The Drug Court also collects probation fees to help defray the costs of the program. The Drug Court is expected to receive \$22,410 in fee revenues during FY2018-19.

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 348,736	\$ 365,499	\$ 368,525	0.8%
Operation	85,195	70,464	70,464	0.0%
Capital	2,455	1,500	1,500	0.0%
Total	\$ 436,386	\$ 437,463	\$ 440,489	0.7%
 Personnel Complement*	 1	 1	 1	 0

*Personnel Complement does not reflect 4 Complement III positions that are supported by this budget.

Drug Court (cont'd)

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Community Awareness Activities	30	25	25	0
Efficiency Measures				
% of Referrals Assessed on Time	100%	100%	100%	0%
Effectiveness Measures				
% of Participants Gainfully Employed/Schooled	85%	80%	80%	0%
% of Participants Staying Drug-Free	51%	60%	65%	5%
% of Participants Not Re-Arrested	90%	95%	95%	0%

The Drug Court’s budget for FY2018-19 is \$440,489, which is an increase of \$3,026, or 0.7 percent, above the FY2017-18 Approved Budget. The increase is solely due to modest growth in the personnel requirement, as a salary increase and growth in VRS and healthcare costs were partially offset by savings related to staff turnover. The budgets for operations and capital remain at \$70,464 and \$1,500, respectively. The vast majority of operations funding is found in the Medical Services account to fund drug testing. The budget for capital equipment is allocated for the replacement of computer equipment.

In January of 2017, the Drug Court instituted a limit of 55 participants in the program, with new slots becoming available when participants leave. Services are provided by; one Complement I position, a Community Corrections Unit Supervisor, and four positions that are Complement III, including one County Probation Officer, one Office Assistant III, and two MH/DS Clinicians.

The Henrico Drug Court’s NACo Award winning “Healthy Lifestyles Initiative” continues to provide information and assistance for participants to gain access to primary health and wellness programming. The Health Brigade (formerly the Fan Free Clinic) provides quarterly HIV testing at the Drug Court Office. Again this year, an insurance broker provided a seminar to the participants regarding affordable health insurance and how to understand the insurance

market, after which many participants then went on to sign up for health insurance.

In July of 2017, the Drug Court began to offer a new Moral Reconciliation Therapy (MRT) program that is focused on changing the criminal thinking mindset that can create problems for program participants. In September of 2017, another evidence-based group offering was initiated. The Seeking Safety program focuses on treating the mental trauma that has led many to drug addiction. With the initiation of these two new programs, the Drug Court has doubled its treatment dosage for participants.

Employees from the Henrico Commonwealth Attorney have encouraged friendly competition by taking on the Drug Court participants in a March Madness basketball game as well as the annual Drug Court Month softball game, which also includes employees of the Sheriff’s Office.

Also in 2017, the Drug Court held its first annual 5K race. The proceeds from this event are being used to offset the costs of program-related social events, designed to help reestablish family ties that have been damaged by years of substance abuse. Among these events is the annual Turkey Tuesday, which provides frozen turkeys to program participants and graduates at Thanksgiving, so they can share a holiday meal with their families.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

Probation-VJCCCA

Description

Since 1996, the Virginia Juvenile Community Crime Control Act (VJCCCA) has provided funding for community-based programs and services in the juvenile justice system except secure detention. Juvenile and Domestic Relations District Court Judges and Court Service Unit staff utilize VJCCCA funding to provide an array of programs and services to juveniles and their families. This is accomplished by the use of private vendors, independent contractors, and VJCCCA staff. The programs and services provided include home-based services, GPS electronic monitoring, a two-level larceny reduction program, anger management, Project Fresh Start, and Promoting Empowerment and Resiliency through Learning Strengths (PEARLS), a program that specifically addresses the needs of female youth. In FY2017-18, revisions were made to the parenting program to better meet the needs of parents of delinquent youth and include input from the judiciary and court services unit. In addition, a category was included under Service Plan Supervision that allows for the ability to provide unique services that meet the VJCCCA criteria.

VJCCCA funds continue to offer services that are accessible in a timely manner and provide much needed resources to youth and their families. This funding continues to develop programs and services that address the juvenile justice needs of Henrico

County. Each VJCCCA program has its own unique program goals, but all seek to hold youth accountable for their behavior and reduce continued delinquent behavior. Beyond these goals, parental participation is required within all VJCCCA programs.

Objectives

- To provide a continuum of service to the Court and Court Service Unit staff that best fit the needs of Henrico County.
- To continue to provide services to the Court and Court Service Unit staff that are easily accessible and available.
- To continue to provide services that promotes parental participation to assist juveniles and their families in making positive changes.
- To encourage a public/private partnership in the design and delivery of services.

Budget Highlights

The Juvenile Probation VJCCCA budget for FY2018-19 totals \$616,169, which includes County support of \$441,341. The Program's budget reflects a \$9,286

Annual Fiscal Plan

Description	FY17	FY18	FY19	Change
	Actual	Original	Approved	18 to 19
Personnel	\$ 222,667	\$ 220,943	\$ 230,229	4.2%
Operation	361,069	385,940	385,940	0.0%
Capital	0	0	0	0.0%
Total	\$ 583,736	\$ 606,883	\$ 616,169	1.5%
Personnel Complement*	N/A	N/A	N/A	N/A

*Personnel Complement does not reflect 3 Complement III positions that are supported by this budget.

VJCCCA-Probation (cont'd)

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Number of Referrals from Probation/Court Order	708	708	708	0

increase or 1.5 percent when compared to FY2017-18. This increase was driven solely by the personnel component and reflects revised salary estimates and a salary increase for FY2018-19 as well as rising health care costs.

Probation will continue to use VJCCCA funding to provide a wide variety of services and programs to offenders and their families. These services and programs continue to be utilized as alternatives to secure detention.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

Detention Home - VJCCCA

Description

In 1996, funding through the Virginia Juvenile Community Crime Control Act (VJCCCA) replaced the State Block Grant system for all community-based programs and services in the juvenile justice system outside of secure detention. A major advantage of this funding is Henrico's ability to develop programs and services that specifically address its juvenile justice needs.

Objectives

- To help alleviate the problem of overcrowding in secure detention.
- To allow children to live with their custodial parents while in the program or until Court disposition.
- To operate the Outreach Program effectively per Court orders, thereby reducing the number of youths kept in detention.
- To provide a less restrictive alternative to incarceration.

Budget Highlights

Juvenile Detention's budget for the Virginia Juvenile Community Crime Control Act totals \$325,588 including the County contribution of \$110,308. The total budget reflects an increase of \$6,548 or 2.1 percent when compared to the FY2017-18 approved budget. This increase was driven by the personnel component and reflects revised salary estimates and a salary increase for FY2018-19 as well as rising health care costs.

The budget will support Detention Outreach and the Services Through Opportunity Programs (STOP) offered through Juvenile Detention. The STOP program was developed to monitor non-violent juveniles as an alternative to weekend sentencing in secure detention. The Department coordinates with Recreation and Parks to identify various park sites that require cleanup including picking up trash and sweeping sidewalks. The program requires juveniles that violate conditions of the program to finish the remainder of their Court ordered sentence in secure detention. All employees working with the STOP program are required to take CPR, first aid and defensive driving classes.

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 278,261	\$ 275,675	\$ 282,035	2.3%
Operation	42,721	43,365	43,553	0.4%
Capital	0	0	0	0.0%
Total	\$ 320,982	\$ 319,040	\$ 325,588	2.1%
 Personnel Complement	 3	 3	 3	 0

VJCCA-Detention (cont'd)

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Electronic Monitoring Days	6,778	5,637	5,637	0
Outreach Participants w/Electronic Monitoring	212	195	195	0
Outreach Participants w/o Electronic Monitoring	41	39	39	0
STOP Participants	48	66	66	0
STOP Program Days	192	279	279	0
Efficiency Measures				
Average Length of Stay w/Electronic Monitoring	32	29	29	0
Average Length of Stay w/o Electronic Monitoring	77	61	61	0

The Detention Outreach Program is supported by 3 Complement II positions (1 Outreach Coordinator, 2 Outreach Workers) and provides an alternative to secure detention by offering direct and indirect services to children requiring less restrictive supervision. For those youths who need more

restrictive supervision, the Electronic Monitoring component of Detention Outreach will be utilized. Juveniles who generally qualify for this program have reoccurring behavior issues such as curfew violations, running away from home and truancy.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

USDA Grant

Description

Each year the United States Department of Agriculture (USDA) awards a grant to the County to assist with caring for juveniles who are in some form of detention. Henrico County's Juvenile Detention Home qualifies for a portion of this grant. Funds can be used for food, supplies, kitchen equipment, and relief wages for cooks. Funds are awarded based upon the number of breakfast and lunch meals served and reported monthly. Unspent funds at the end of each year may be carried over to the next fiscal year and accumulated for qualifying large item purchases. The Virginia Department of Juvenile Justice and the Federal Government jointly monitor the program's guidelines and expenditures.

Budget Highlights

In FY2018-19, the Juvenile Detention Home will continue to use USDA Federal grant funds to supplement operating expenses for the Detention Home's kitchen and food service. The Department projects \$25,332 in USDA grant funding for FY2018-19, which is a \$2,125 or 9.2 percent increase when compared to the approved budget for FY2017-18. These funds will continue to be used to purchase food, food service equipment, and maintain and repair kitchen equipment. The total food budget for FY2018-19, including amounts budgeted in the General Fund, will total \$75,206.

Objectives

- To file all reports promptly and accurately for reimbursement of funds.
- To disburse grant funds for eligible items for the benefit of detained youths.

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	22,449	23,207	25,332	9.2%
Capital	0	0	0	0.0%
Total	\$ 22,449	\$ 23,207	\$ 25,332	9.2%
Personnel Complement	N/A	N/A	N/A	N/A

MENTAL HEALTH & DEVELOPMENTAL SERVICES

Description

The Department of Mental Health, Developmental, and Substance Abuse Services (MH/DS/SA) provides community-based mental health, intellectual disability, substance abuse, prevention, and early intervention services to the residents of Henrico, Charles City, and New Kent Counties, under the direction of the Henrico Area Mental Health & Developmental Services Board. The Department serves people experiencing the effects of, or who are at risk for, mental illness, intellectual disabilities, substance abuse, and children with developmental delay. The vision of the Department is:

We envision an inclusive, healthy, safe community where individuals lead full and productive lives.

The vision is carried out through a wide range of emergency, inpatient, outpatient, case management, day support, assertive community intervention, residential, prevention, jail based, and early intervention services.

Objectives

- To provide emergency services 24 hours per day, seven days a week.
- To provide protective inpatient services to individuals who are dangerous to themselves or to others or unable to care for themselves.
- To provide outpatient psychotherapy and related services to adults, the elderly and their families.

- To provide early intervention for infants and toddlers experiencing significant developmental delay.
- To provide ongoing support and treatment services to individuals with long-term mental illness, including case management, psychiatric treatment, crisis intervention, residential and day support services.
- To provide case management, outpatient psychotherapy, in-home intervention and related services to children and their families.
- To provide medical and social detoxification services to the chemically dependent.
- To provide outpatient treatment to adults and adolescents abusing alcohol and drugs.
- To provide evidence based prevention services to youth and their families to prevent mental health problems, substance abuse and delinquency.
- To provide case management to individuals with developmental disabilities.
- To provide ongoing supportive services to individuals with intellectual disabilities, including residential, day support, and case management services.

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 27,357,918	\$ 27,941,729	\$ 30,361,329	8.7%
Operation	8,551,080	9,484,510	8,826,955	(6.9%)
Capital	178,737	0	0	0.0%
Total	<u>\$ 36,087,735</u>	<u>\$ 37,426,239</u>	<u>\$ 39,188,284</u>	<u>4.7%</u>

Personnel Complement*	219	219	221	2
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* Two positions to provide Crisis Intervention Team training for Public Safety are approved for FY2018-19. Personnel Complement totals above do not include 163 Complement III positions in FY2018-19.

Mental Health & Development Services (cont'd)

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Persons Served by Emergency Services	2,915	2,300	3,300	1,000
Persons Served by Mental Health Services*	6,901	6,600	6,900	300
Persons Served by Developmental Services*	2,277	2,100	2,300	200
Persons Served by Substance Abuse Services*	1,650	1,700	1,700	0

*Unduplicated

- To meet all code requirements relating to emergency custody, temporary detention, involuntary commitment and mandatory outpatient treatment.

Budget Highlights

The State Department of Behavioral Health and Developmental Services (DBHDS) has identified four priority population groups for the Community Services Board system. MH/DS/SA spends the majority of its funding serving these groups, which are: those with serious mental illness, those with developmental disabilities, those with substance use disorders, and children and youth. Services to these priority populations are delivered directly by MH/DS/SA and/or contracted through private vendors.

Each of these priority groups requires a continuum of care in order to achieve a better quality of life and avoid more costly services. The continuum of care for these populations may include psychiatric services, vocational or day support programs, intensive case management, outpatient care, housing, transportation, or inpatient care.

The Department's budget is divided into areas that mirror these priority groups. In Mental Health Services, persons with general mental health problems and those ordered by the courts and other correctional agencies for evaluation/treatment are also served in addition to those with serious mental illness.

Services in support of other County agencies are among the important contributions of this Department. These include services to Public Safety (Police, Fire and Sheriff), Juvenile Detention, and on-site services to the Juvenile Court. Emergency services are offered to all clients on a 7-day a week,

24-hour per day basis. The Emergency Services Program works closely with public safety personnel to address community safety issues. This division continues to train first responders in the Crisis Intervention Team (CIT) model and the Crisis Receiving Center at Parham Doctors Hospital operates 18 hours per day. Mental health and substance abuse services are provided in both Henrico jail facilities and both detention facilities. The Department also provides extensive evaluations to local courts.

The Administrative Services section supports the Executive Director's office, the information systems, and the general business functions of the Department. The Department operates a large wide area network on which resides a client data and billing system in addition to general office software. Administrative Services includes office support staff at various locations, facilities management for 17 facilities, medical records management, human resources and financial management.

Sheltered Employment enables individuals with intellectual disabilities to work at jobs outside of their home and earn wages. This section operates Cypress Enterprises and Hermitage Enterprises.

The Department's Approved Budget for FY2018-19, including the Sheltered Employment program, is \$39,188,284. This amount is \$1,762,045, or 4.7 percent, above the FY2017-18 Approved Budget. Personnel expenditures are \$30,361,329 or 77.5 percent of the total. Personnel increased \$2,419,600 or 8.7 percent over the FY2017-18 Approved Budget. The majority of this increase, \$1,310,991, occurs in the Medical Services Cost Center, as the termination of a medical services contract necessitated the hiring of five institutional physicians. A corresponding decrease of \$990,890 can be found in the operations area of the same Cost Center.

Mental Health & Development Services (cont'd)

The agency added a total of 11 Complement III positions in FY2017-18. Four full-time and one part-time institutional physician positions, noted above, were added. In addition, a Case Manager and a Support Services Specialist are being supported with restricted state funding for permanent supportive housing for persons with serious mental illness. Another four State-funded positions were needed because of an increase in demand due to implementing Same Day Access services.

County funding is being added in FY2018-19 to support a Clinician and a Support Services Specialist who will provide expanded Crisis Intervention Team (CIT) training for public safety. In addition to the new positions, personnel costs grew because of a salary increase, and higher costs of hospitalization and VRS benefits.

The budget for rent of facilities is \$1,040,468. The largest facility lease is the East Center at \$348,425 in FY2018-19. The costs associated with this lease are set to expire upon completion of a County-owned East Center, which is scheduled to open at the onset of FY2019-20.

Two of the largest increases in operations were; Medical and lab supplies, which increased by \$47,733 to cover medications for consumers funded by restricted state funds for Young Adult Services, and Financial Subsidies, which increased by \$160,297 because of the addition of the Permanent Supportive Housing program funded with restricted state funding.

The Department estimates revenues at \$39,188,284 in FY2018-19, an increase of \$1,762,045, or 4.7 percent, over the FY2017-18 Approved Budget. The County transfer of \$15,453,883 is \$786,547, or 5.4 percent, higher than the FY2017-18 level. The County transfer will represent 39.4 percent of FY2018-19 revenues.

The balance of the MH/DS/SA revenues are comprised of 27.9 percent Federal and State, 27.1 percent third party client fees, with the remaining 5.6 percent coming from other local governments, the Grant Reserve, and from sheltered employment contracts. A reserve fund of \$700,000 will cover grant opportunities in FY2018-19. Funds from this reserve will only be available for expenditure once they are received and approved by the County.

Sheltered Employment revenue is expected to decrease by \$30,000 or 9.4 percent to \$290,000 for FY2018-19.

The Department's State performance contract revenue for FY2018-19 is projected to be \$7,098,003, a 10.6 percent increase over FY2017-18. The FY2018-19 budget includes an increase of \$270,000 of restricted funds for Same Day Access and \$331,009 of restricted funding for the Permanent Supportive Housing for persons with serious mental illnesses. Other increases include \$73,365 for cost of living increases and \$5,239 of restricted funds for Young Adult Services.

Fee revenue has been budgeted at \$10,608,666 for FY2018-19, a 1.3 percent increase. Medicaid State Plan Option for mental health services is projected to increase by \$132,000 and Medicaid Psychiatric services will increase by \$42,500, offsetting a decrease of \$90,000 in Medicaid Early Intervention services. Self-pay and insurance revenue is anticipated to increase \$48,000 primarily due to Same Day Access services.

What follows is a description of expenditure changes for the Department in the FY2018-19 budget.

The mission of the **Mental Health Services** section is to provide services to the residents of Henrico, New Kent, and Charles City counties with 172 full-time and 3 part-time employees. The FY2018-19 budget for Mental Health Services increased \$1,179,424, to \$16,670,190, which is 7.6 percent higher than the FY2017-18 Approved Budget. Personnel costs comprise 89.1 percent of the Mental Health Services budget in FY2018-19.

The **Substance Abuse Services** budget is \$2,321,140, a decrease of \$34,613 (1.5 percent) from the FY2017-18 Approved Budget. Nineteen full-time and three part-time employees provide these services. Personnel expenses make up 80.8 percent of the substance abuse budget in FY2018-19. One clinician position was moved from Substance Abuse Services to Mental Health Services for Same Day Access.

For the second year, the budget in this area contains \$200,000 dedicated to combating the opioid crisis. These funds will be available to augment the services that Henrico already provides in this area as new programs and opportunities become available.

Mental Health & Development Services (cont'd)

The budget for **Developmental Services** reflects an expenditure increase of \$399,217 (3.5 percent) to \$11,938,188 in FY2018-19. These services are provided by 120 full-time and 9 part-time employees. Personnel costs account for 75.5 percent of the Developmental Services budget.

Administration spending increased 3.2 percent, or \$248,017, to \$7,968,766 in FY2018-19. Fifty-six full-time and 3 part-time employees comprise the administrative staff. Personnel funding increased \$239,949 (5.7 percent) to \$4,219,538 due to adding an Office Assistant IV in Business Support and a Case Manager in Quality Assurance to meet increased demands since implementing Same Day Access.

Sheltered Employment funding in FY2018-19 decreased by \$30,000 from the FY2017-18 Approved Budget level, to \$290,000. One full-time and one part-time position support the Sheltered Employment operation.

Day Support Services

Over the past twenty years the County of Henrico has provided additional funding to Mental Health and Developmental Services Day Support programs to ensure that individuals who graduate from Special Education programs and other adults living in the community who need day support services will be served immediately.

It is anticipated that approximately 21 individuals with intellectual disabilities, graduating from high schools, will be in need of a day support program in

FY2018-19. The cost of five graduates needing day services will be absorbed with current resources. The budget includes an addition of \$199,953, to serve the remaining 16 individuals in FY2018-19.

With this addition, the total annual funding the County provides to ensure immediate service for these individuals would be \$2,445,193.

What follows is a list of additional funding received in prior years.

FY2017-18	Fully Funded
FY2016-17	\$34,000
FY2015-16	Fully Funded
FY2014-15	\$92,574
FY2013-14	\$125,435
FY2012-13	(\$100,000)
FY2011-12	\$21,130
FY2010-11	\$226,376
FY2009-10	\$126,650
FY2008-09	\$214,800
FY2007-08	\$147,000
FY2006-07	\$167,000
FY2005-06	Fully Funded
FY2004-05	\$199,000
FY2003-04	\$253,330
FY2002-03	\$192,935
FY2001-02	\$172,110
FY2000-01	\$200,790
FY1999-00	\$172,110

POLICE DIVISION

Metro Aviation Unit

Description

In 1986 the Counties of Henrico and Chesterfield, and the City of Richmond entered into a multi-jurisdictional agreement, which facilitated the use of police aircraft in all three jurisdictions and created the Metro Aviation Unit. As a part of this agreement, the Henrico Police Division is charged with housing the aircraft; supervision of the pilots; fiscal management; and planning the training for the Unit.

Objectives

- The Unit will provide aerial observation and support for all jurisdictions.
- The Unit will conduct patrols of identified high crime areas.
- The Unit will provide transportation of prisoners to and from other jurisdictions upon request.
- The Unit will provide aerial photographs of any location in the metropolitan area upon request.
- The Unit will provide routine and special aerial patrol within the tri-jurisdictional area.

Budget Highlights

The FY2018-19 budget includes \$80,000 for the extradition of prisoners, which is fully reimbursable from the State Supreme Court. The remaining balance of the budget, \$382,000, is divided equally between Chesterfield County, the City of Richmond, and Henrico County. In FY2018-19, Henrico's share of the budget remains constant at \$127,332. Henrico's Police Division fiscally manages and supervises the Metro Aviation Unit. The combined budget for Metro Aviation and Extradition totals \$462,000.

The Metro Aviation Unit continues to be a valuable and effective crime fighting tool to the participating localities and the region. The localities continue to increase their usage of the unit and each locality now assigns three pilots to the unit.

The three participating jurisdictions own three aircraft:

- 2006 Cessna 182
- 2000 Cessna 172
- 1979 Cessna 182RG (Transport Aircraft)

The eleven-year-old Cessna 182 is equipped with an electronic instrument panel, an integrated spotlight, a

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	287,062	422,000	422,000	0.0%
Capital	80,825	40,000	40,000	0.0%
Total	\$ 367,887	\$ 462,000	\$ 462,000	0.0%
 Personnel Complement	 N/A	 N/A	 N/A	 N/A

Metro Aviation (cont'd)

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Number of Aerial Transports	29	50	55	5
Flight Hours for Aerial Transports	127	200	220	20
Extraditions (commercial carriers)	36	33	30	(3)

forward looking infra-red (FLIR) system, and a video downlink that permits the aircraft to broadcast images while flying for viewing at varying locations within the three jurisdictions.

There is a capital project to replace the current FLIR camera system with a new high definition FLIR system. Once replaced, the existing FLIR will be moved to the second patrol aircraft to expand the unit's capabilities.

The Metro Aviation Unit moved to a new hanger with a fuel storage tank in the Sandston area in December, 2012. The facility is 4,500 square feet, three stories tall, includes 1,100 square feet of office space, and houses the three small planes shared by all localities. This relocation provided combined lease savings to the three participating jurisdictions of roughly \$20,000 per year.

POLICE DIVISION

Wireless 911

Description

The Henrico County Emergency Communications Center has been answering wireless 911 calls since June 2000. The Emergency Communications Center answers all emergency and non-emergency calls for service and dispatches the appropriate Police, Fire, or Emergency Medical Service unit, to the location of the call. The emergency communications operators spend more time processing a wireless call than they spend processing a wireline 911 call. Some of the unique problems of a wireless call are a limited ability to determine the exact caller location and the uncertainty of being able to reconnect with the caller if they are disconnected.

Objectives

- To answer the wireless call and collect information from the wireless caller to allow for location identification.
- To provide emergency instruction prior to the arrival of emergency medical services.
- To dispatch appropriate emergency or non-emergency unit to the location of the call for service.

Budget Highlights

Henrico began receiving funding from the State 911 Services Board to pay for the cost of receiving wireless 911 calls in FY1999-00. The funding is provided from the State 911 Cellular Tax, \$0.75 per month charged to each cellular phone, and distributed to localities through the State 911 Services Board. In 2006, the General Assembly approved a change in the method of distributing the revenue collected. In the approved legislation, 60% of the revenue collected from the \$0.75 monthly fee was distributed to the localities. The distribution from the State 911 Services Board to each locality was based on the 911 call load of the center.

A recalculation of the distribution formula was approved by the 9-1-1 Services Board on September 14, 2017. It is based on an equal weighting of population and 911 call load for each jurisdiction relative to other jurisdictions. Legislation to codify these changes was approved by both chambers of the Virginia General Assembly and was signed by the Governor on March 29, 2018.

The Police Division, the Chesterfield Department of Emergency Communications, and the Richmond Department of Emergency Communications have

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 770,766	\$ 983,322	\$ 1,035,826	5.3%
Operation	75,076	93,769	93,769	0.0%
Capital	0	0	0	0.0%
Total	<u>\$ 845,842</u>	<u>\$ 1,077,091</u>	<u>\$ 1,129,595</u>	<u>4.9%</u>
Personnel Complement*	N/A	N/A	N/A	N/A

*Sixteen Communications Officers are included in the Police General Fund Complement.

Wireless 911 (cont'd)

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Wireless 911 Calls Received	142,105	144,947	147,846	2,899
Percentage Wireless 911 Calls to Total 911 Calls Received	78.4%	79.2%	80.0%	0.8%
Percentage Wireless 911 Calls to Total Calls (Emergency & Non-emergency) Received	25.1%	25.5%	25.9%	0.4%

gone live with text-to-911 capability through a 2016 911 Services Board grant.

Wireless phones provide a quick, easy, and efficient means of reporting traffic accidents and other emergencies, which do not always occur near a landline phone. As the performance measures indicate, the number of 911 calls received from wireless phones are increasing at a faster rate than the number of wireline emergency calls received by the emergency communications center. Clearly wireless phones have become the public's primary communication device even in emergent situations.

The Wireless 911 budget for FY2018-19 totals \$1,129,595 which increased by \$52,504 or 4.9 percent from the previous approved budget. This increase is driven solely by the personnel component and reflects a salary increase for FY2018-19 as well as rising health care and VRS costs.

The operating component remained flat for FY2018-19. This component includes funding for sixteen communications officers, maintenance costs for mapping and verbal response software as well as telecommunications costs associated with the emergency communication center's ability to handle wireless calls.

SOCIAL SERVICES

Description

The Department of Social Services focuses on providing an array of services to children, families, and individuals who are in need of human-based services including financial assistance. The financial assistance and social services programs provided by the Department assist individuals and families in meeting their basic human needs; increase their capacity to function independently; and provide protection for the elderly, disabled, and abused or neglected children. Funding to support these efforts is provided by the Federal, State, and County governments as well as through community partnerships.

The Department helps those who cannot provide for themselves financially on a temporary or longer basis to obtain the basic necessities of life and adequate health care. The financial assistance programs provide temporary cash assistance and employment-related services to enable families with children to become self-supporting. These programs also include medical and health-related services for certain individuals and families with low incomes.

The Department is also responsible for the protection of the community's children and adults from abuse and neglect. Family services workers engage in various local, State, and Federal initiatives that will support and preserve families. When these efforts are no longer viable options and/or the courts remove the

child or children from their caretaker, foster care services are provided. When children are unable to return to their own families, the goal for the child is adoption.

A goal of the Department of Social Services is to reduce the number of children in institutional placements. Another goal is to make home and community based services available to assist the disabled and elderly. Through the use of varied program funds and community resources, the Department works with clients to become or to remain economically self-supporting. These efforts are accomplished via job training, other employment related activities, and other supportive services.

Objectives

- To process applications and reviews for benefit programs within State and Federal standards of promptness.
- To offer and/or provide family services and interventions as prescribed by State/Federal standards.
- To guarantee all foster parent applicants will receive orientation and training prior to the placement of a child.

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 12,569,466	\$ 13,514,750	\$ 14,113,899	4.4%
Operation	7,633,440	7,099,143	7,099,143	0.0%
Capital	53,358	11,260	11,260	0.0%
Total	<u>\$ 20,256,264</u>	<u>\$ 20,625,153</u>	<u>\$ 21,224,302</u>	<u>2.9%</u>
Personnel Complement*	193	198	200	2

* Five positions were added in the Service Administration Division in the FY2017-18 Approved Budget. Two Senior Family Services Specialist positions were added through a September 2017 budget amendment.

Social Services (cont'd)

Performance Measures				
	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>Change 18 to 19</u>
Workload Measures				
Foster Child Initial Placement in Family Homes	76%	77%	78%	1%
Family Foster Home Recruitment	8	10	10	0
Efficiency Measures				
SNAP Application Timely Processing	97%	97%	97%	0%
Abuse Investigations Initiated Within 72 hours	92%	92%	92%	0%
Effectiveness Measures				
Fraud Prosecution Rate	100%	100%	100%	0%
Customer Appeals Sustained	99%	99%	99%	0%

- To make certain required foster care administrative responsibilities and judicial hearings will be held in compliance with State and Federal rules.
- To initiate investigations on all valid adult and child abuse complaints within policy timeframes.
- To ensure all cases closed in the Adult Protective Services program will result in the provision of accepted services to assist the client with living in a safe situation.
- To provide job registrants with employment, education, or training that will lead to employment.
- To ensure employed clients will maintain employment for more than 90 days.
- To successfully prosecute all cases where payment fraud is evident.

a transfer from the General Fund. The amount of this transfer represents an increase of \$81,821, or 1.6 percent. The vast majority of the increase in this budget, 86.3 percent, will come from State and federal sources, with only 13.7 percent being needed from the addition to the transfer from the General Fund.

The Department also anticipates receiving \$50,564 from other local sources, which is 0.2 percent of the total budget.

The entirety of the increase in requested expenditure requirements for FY2018-19 is in the personnel component of the budget, which is 4.4 percent higher than the FY2017-18 Approved Budget. This growth is due to the addition of two positions through a September 2017 budget amendment, a salary increase, growth in overtime expense, and higher costs of hospitalization and VRS benefits.

The operating component of the budget is \$7,099,143, which is equal to the FY2017-18 Approved Budget. A total of \$11,260 is budgeted for capital needs. This figure is also unchanged from FY2017-18. The bulk of the capital budget is for the replacement of furniture and computer equipment.

Budget Highlights

The Department's of Social Services budget for FY2018-19 is \$21,224,302, which represents an increase of \$599,149, or 2.9 percent, from the FY2017-18 Approved Budget. The Department anticipates collecting \$16,032,067 in revenue from State and federal governments, which is 75.5 percent of funding. An additional \$5,141,671, representing 24.2 percent of all funding, will be provided through

The Department of Social Services provides critical services to County residents within legally binding timeframes. These services are rendered to all socio-economic groups and are often the last resort for residents of Henrico County. Programs provided by Social Services include: Adult/Child Protective

Social Services (cont'd)

Service, Adult Services, Foster Care, Adoptions, Child Day Care, Employment Services, Custody Investigations, Home Studies, and Housing Services. Benefits administered by the Department include Medicaid; Supplemental Nutrition Assistance Program (SNAP), formerly the Food Stamp program; Temporary Assistance for Needy Families (TANF), General Relief, Refugee, and Long-Term Care.

In the past year, Social Services has experienced a 1.9 percent increase in the number of cases for the Medicaid Program. Applications for this program increased by 3.2 percent in FY2016-17. Through November of FY2017-18, the Medicaid caseload has increased by an additional 4.4 percent. The SNAP Program noted a 6.1 percent caseload decrease for FY2016-17; through November of FY2017-18 the caseload has increased by 1.9 percent. The Department anticipates the SNAP and TANF caseloads to remain fairly constant; Medicaid is projected to continue a slight increase for the remainder of FY2017-18.

Foster Care caseload numbers decreased by 6 children during FY2016-17, from 111 to 105; the number of new children entering foster care decreased by 13.7 percent during FY2016-17 and continues to experience a similar decrease through November of FY2017-18. Continued need for residential placements is an ongoing concern. In many cases these youth come into foster care with significant emotional, behavioral, and mental health needs. Some of those needs are met through the Children's Services Act, which is located in another section of this document.

The mission of the Adult Services Programs is to provide services that protect older and incapacitated adults from abuse, neglect, or exploitation, and provide access to long-term care services. The Department has experienced a 50.0 percent increase in the number of Adult Protective Service Investigations in this program area for FY2016-17, and, for the first six months of FY2017-18, the number has experienced an increase of 44.6 percent.

CHILDREN’S SERVICES ACT

Description

The Children’s Services Act (CSA) is a State mandated program that insures foster care, special education, residential, and community-based services are provided to at-risk youth and families. CSA provides a collaborative system of services and funding that is child-centered, family-focused, and community-based. The Children’s Services Act is implemented by law at a local level under the direction of a Community Policy and Management Team (CPMT). The Henrico Policy and Management Team, which is a multi-agency team within the County, must plan all services to children. Funding for these services must be approved by the CPMT. The Henrico Department of Social Services acts as the fiscal agent for CSA.

Objectives

- Provide services that are responsive to diverse strengths and needs of youth and family.
- Increase interagency collaboration and family involvement in the provision of services to children.
- Encourage public and private partnerships.
- Identify, and intervene early with, young children and their families.

Budget Highlights

The budget for the Children’s Services Act for FY2018-19 is \$12,862,834. This represents an increase of \$632,508, or 5.2 percent, over the FY2017-18 Approved Budget. The increase is due to growth of \$584,778 in Purchase of Services and \$47,730 for administration of the program. The administrative requirements, which are for the personnel expenses of the program, went up by 12.4 percent as the Department of Social Services dedicated an additional position for this purpose.

The Henrico Policy and Management Team (HPMT) administers the CSA program with the help of a full-time coordinator. The existence and membership of HPMT is established by the Code of Virginia and includes agency directors of Mental Health and Developmental Services, Juvenile Court Services, Public Health, Education, and Social Services; a local government administrator; a private provider representative; and a parent representative.

In FY2018-19, CSA is estimated to fund services for 550 children. These services will include the following: 1) placement of foster care children into services ranging from family foster homes to intensive psychiatric residential treatment facilities; 2) special education programs including private programs when children’s educational needs exceed public school resources; 3) residential treatment for substance abusers, sexual offenders, and those with

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 332,128	\$ 385,607	\$ 433,337	12.4%
Operation	12,407,357	11,844,169	12,428,947	4.9%
Capital	124	550	550	0.0%
Total	\$ 12,739,609	\$ 12,230,326	\$ 12,862,834	5.2%
Purchase of Services				
General Government Services	\$ 2,598,710	\$ 2,882,538	\$ 3,026,665	\$ 5.0%
Education Services	9,642,766	8,813,029	9,253,680	5.0%
Administration	498,133	534,759	582,489	8.9%
Total	\$ 12,739,609	\$ 12,230,326	\$ 12,862,834	\$ 5.2%
Personnel Complement*	N/A	N/A	N/A	N/A

*Total personnel complement of positions is reflected within Social Services budget.

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Children Served	494	525	550	25
Children Served in Residential Programs	61	55	55	0

severe psychiatric disorders, when the safety of the child and/or community precludes services in the home; 4) community based services for children and families such as home based counseling, intensive care coordination, parent coaching, and psychological or parenting assessments focusing on risk and service planning to work toward reunification of children that are in foster care.

Funding to purchase services for children and families accounts for \$12,280,345, or 95.5 percent of the total budget, yielding an administrative component of 4.5 percent. Administrative requirements are requested to increase by \$39,095 above the FY2017-18 Approved Budget. This growth is because an additional Department of Social Services employee has been added to the group that is dedicated to managing Henrico CSA services.

The FY2018-19 budget request includes continued provision of staff for structured oversight of purchased services, conduct state required utilization review activities, and support the placement of children into family-based environments as well as monitor the cases of children funded through CSA. The CSA staff has had an active role in the development of prevention services through participation in all family partnership meetings.

The CSA Coordinator has worked closely with HPMT and HCPS to review expenditures for students in private school placements. New policies are in place to ensure timely completion of paperwork and funding authorizations that will allow for better budget forecasting.

CSA services are critical for discharge planning and maintaining the goal of returning home. Members of the CSA staff have provided consistent utilization review of children placed in congregate care. Staff also participate in treatment meetings for residential and private agency foster homes, and facilitate Family Assessment and Planning Team reviews three

times a week. The frequency and detailed level of reviews are key to reducing the length of time for all services, and the overall expenditures.

The FY2018-19 budget for CSA continues the local match requirement for Medicaid costs incurred by the State on behalf of Henrico's CSA unit. Based on the current trend in Medicaid payments for CSA children, the estimated local match for FY2018-19 is \$485,000.

The following six year history shows dramatic growth, in the actual cost of CSA services in recent fiscal years.

Fiscal Year	Expenses	Change	Percent
FY2011-12	\$6,470,581	\$543,439	9.2%
FY2012-13	\$7,092,653	\$622,072	9.6%
FY2013-14	\$7,568,812	\$476,159	6.7%
FY2014-15	\$9,767,199	\$2,198,387	29.0%
FY2015-16	\$11,580,707	\$1,813,508	18.6%
FY2016-17	\$12,241,476	\$660,769	5.7%

The cumulative growth in purchase of service expenses from FY2011-12 to FY2016-17 has been \$5,770,895, or 89.2 percent. During that time period, expenses related to school placements went up by 147.9 percent while all other service expenses went up by 23.4 percent.

In response to this pattern of sharply rising growth, funding for Treatment Services has been increased by \$584,778 in FY2018-19. Funding for these services has been split, with the cost center for educational services receiving 75.4 percent and all other areas receiving 24.6 percent.

In FY2018-19, the County will provide a projected total of \$5,199,900 as a direct match for all CSA funding; that is purchased services, administration, and Medicaid. This amount represents an increase of \$244,496, or 4.9 percent, over the General Fund

CSA (cont'd)

transfer amount from FY2017-18. This local share is derived from several different estimated percentages, based on the type of service being provided by CSA.

Purchased services will receive local funding in the amount of \$4,422,034, CSA Administration will receive \$272,716 of local funding. In addition, the County will provide a forecasted local match of Medicaid services, totaling \$485,000, and a local match of \$20,150 for the Safe and Stable Families

Program noted below, for the total local contribution of \$5,199,900. The State will provide \$7,553,085 as its direct match for the CSA budget.

A grant for the Safe and Stable Families Program is also administered through the CSA. This grant is expected to receive \$97,499 federal and \$12,350 state funding, along with the local match of \$20,150, for a total of \$129,999.

PUBLIC UTILITIES

Solid Waste and Street Lighting

Description

In addition to the water and sewer services reflected in the Enterprise Fund, the Department of Public Utilities provides solid waste disposal, limited refuse collection, and street lighting services to residents of Henrico County.

Revenue from user charges supports the activities necessary to provide all Solid Waste services except curbside recycling, bulky waste services, bagged leaf collection and neighborhood cleanup activities. These programs are supported by a transfer from the General Fund. Street Lighting services are supported by a Sanitary District tax levy on real and personal property in those Sanitary Districts where street lights are installed.

The Solid Waste services provided consist of operating a transfer station, public use areas, limited curbside refuse collection and recyclables collection, neighborhood and community maintenance cleanups, Keep Henrico Beautiful program, bulky waste and bagged leaf collection, and maintaining two closed landfills. The street lighting services provided consist of accounting for the operation and maintenance of several designated street lighting districts.

Objectives

- To provide for disposal of solid waste in a manner consistent with State and Federal laws and regulations and policies of the County Board of Supervisors.
- To administer the street lighting program in sanitary Districts 2, 3, 3.1, 12 and 23 in a manner consistent with policies of the County Board of Supervisors.

Budget Highlights

Projected Solid Waste revenues in FY2018-19 are \$13,632,122, inclusive of a General Fund subsidy of \$3,018,511, which remains flat compared to the prior year approved budget based upon anticipated expenditures in the four General Fund supported programs administered by Solid Waste. Outside of the General Fund transfer, locally generated revenues are projected to increase \$577,025 or 5.6 percent when compared to the prior fiscal year. Revenues are sufficient to cover all operating expenditures for Solid Waste in FY2018-19. The Division's total expenditures of \$13,715,222 remain relatively flat to the FY2017-18 approved budget with a decrease of \$7,849 or 0.1 percent.

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 3,775,171	\$ 3,962,231	\$ 4,093,048	3.3%
Operation	7,741,455	7,667,195	8,107,943	5.7%
Capital	278,303	2,010,545	1,431,131	(28.8%)
Total Solid Waste	<u>\$ 11,794,929</u>	<u>\$ 13,639,971</u>	<u>\$ 13,632,122</u>	<u>(0.1%)</u>
Street Lights	62,662	83,100	83,100	0.0%
Total Solid Waste/Street Lights	<u><u>\$ 11,857,591</u></u>	<u><u>\$ 13,723,071</u></u>	<u><u>\$ 13,715,222</u></u>	<u><u>(0.1%)</u></u>
 Personnel Complement	 69	 69	 67 *	 (2)

* A Laborer and an Equipment Operator II were moved from the Solid Waste personnel complement to the Water & Sewer personnel complement to work on the Cobbs Creek Reservoir Project.

Solid Waste (cont'd)

Performance Measures				
	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>Change 18 to 19</u>
Workload Measures				
Tons Collected by Refuse Collection	49,599	48,000	49,000	1,000
Tons Collected by Bulky Waste	658	600	600	0
Tons Collected by Neighborhood Cleanups	2,517	3,000	3,000	0
Tons Deposited in Public Use Areas	27,836	25,000	26,000	1,000
Number of Refuse Customers	47,955	49,000	50,000	1,000

The personnel component is budgeted at \$4,093,048 in FY2018-19, and reflects an increase of \$130,817 or 3.3 percent when compared to the FY2017-18 approved budget. The increase in the personnel component is due to a salary increase in FY2018-19 as well as an increase in health care expenditures. It is important to note that two vacant positions, a Laborer and Equipment Operator II, have been moved to the Water & Sewer personnel complement to work on the Cobbs Creek Reservoir project.

The operating component of the budget reflects an increase of \$440,748 or 5.7 percent which is in part due to the movement of funds from the capital outlay component to accurately reflect projected expenditures. The capital outlay component of the budget reflects a decrease of \$579,414, or 28.8 percent. The FY2018-19 capital component totals \$1,431,131 and includes funding for a rubber tracked mini-excavator, a used road tractor, 2 120-cubic yard refuse trailers, a backhoe, a wheeled front-end loader, 3 automated refuse collection trucks, 8 roll-off boxes, 4 CB radios, 4 desktop/laptop workstations as well as the replacement of refuse and public use area (PUA) equipment that has reached the end of its useful life. Overall, the operating and capital components of the budget reflect a net decrease of \$138,666, or 1.4 percent from the FY2017-18 approved budget.

The Solid Waste budget is captured in four distinct areas – Administration, Collection Operations, Processing and Disposal and Litter Control (Keep Henrico Beautiful). What follows is a description of each major area in the Solid Waste Budget:

Administration:

The budget for Administration is \$2,250,324 and represents a decrease of \$442,971, or 16.4 percent. The bulk of the decrease is due to the removal of

funding from the capital component that was used to replace two automated refuse collection trucks, and three rear loaders refuse packers in FY2017-18.

Collection Operations:

The budget for Collection Operations totals \$5,860,971 and represents an increase of \$1,042,394 or 21.6 percent when compared to the prior fiscal year approved budget. This increase is primarily due to an increase in interdepartmental billings which was adjusted to accurately reflect the cost of transfer station services provided to other functions.

Refuse Collection

The budget for the Refuse Collection area is \$4,818,771, which represents an increase of \$1,010,173, or 26.5 percent. This increase is due to an adjustment to interdepartmental billings to cover the cost of transfer station services. Weekly refuse collection services are provided to approximately 48,000 households in the County by eleven refuse collection crews, operating County owned equipment.

Bulky Waste Collection

Bulky Waste Collection operates during normal business hours and will collect large items, such as furniture, appliances and yard waste, and deposit them in a solid waste disposal facility. The cost for this service is a \$43 per trip fee. The program also receives a subsidy of \$174,024 from the General Fund. The FY2018-19 budget continues to include the estimated cost to provide free bulky waste pick up for all County residents that currently participate in the Real Estate Tax Advantage Program (REAP).

Bagged Leaf Services

The budget for Bagged Leaf Services is \$157,904, which increased from the prior fiscal year approved budget by \$29,286 or 22.8 percent. This increase is due

Solid Waste (cont'd)

to an adjustment to interdepartmental billings. Bagged Leaf Services provides two collections in each neighborhood from November through February per a published Leaf Collection Schedule. A transfer from the General Fund fully supports the costs associated with Bagged Leaf Services.

Community and Neighborhood Cleanup

Cleanup expenditures total \$555,917 in FY2018-19, which represents a \$2,182 or 0.4 percent decrease from the prior year approved budget. There are no personnel costs budgeted for Cleanup activities, however \$268,127 is budgeted for employees from other areas of Solid Waste to perform this service. A General Fund subsidy fully supports cleanup costs.

Processing and Disposal:

The FY2018-19 budget of \$5,401,344 for Processing and Disposal represents a decrease of \$621,760 or 10.3 percent from the prior year approved budget. The Processing and Disposal budget components cover recycling, transfer station and public use area operation, and landfill post closure.

Recycling

Recycling expenditures total \$2,870,902 in FY2018-19, representing a decrease of \$7,192 or 0.2 percent. The County contracts recycling services through the Central Virginia Waste Management Authority (CVWMA). The curbside recycling program currently serves approximately 85,000 homes in the County at \$2.05 per home per month. The County also contracts with CVWMA for the collection of recyclables at 12 drop-off locations (9 fire stations, 2 public use areas, and the Shane Road Recycling Center). A General Fund subsidy of \$2,130,666 supports recycling costs.

Transfer Station

On July 1, 2014, the County began operating a transfer station at Ford's Country Lane due to the closure of the landfill. The cost of the transfer station is entirely covered by charges to other functions through interdepartmental billings for transfer station services. The transfer station will accept refuse from the County's Refuse Collection Service, Public Use Areas, Bulky Waste Collection, and Community/Neighborhood Cleanups.

Public Use Areas

The FY2018-19 budget for the Public Use Areas is \$2,072,692, an increase of \$521,697, or 33.6 percent. This increase is primarily due to an increase in interdepartmental billings. Solid Waste operates two Public Use Areas in the County, on the western end at

Ford's Country Lane, and on the eastern end at Charles City Road. The Public Use Areas are available to citizens to deposit refuse for a fee of \$3 per visit and deposit recyclables at no charge. Coupon books are available for ten visits at a cost of \$27 and for fifteen visits at a cost of \$40. The Public Use Areas are open three hundred and sixty days a year, closing on January 1st, July 4th, Thanksgiving Day, Christmas Eve and Christmas Day. The Public Use Areas receive approximately 28,000 tons of refuse annually.

Landfill Post Closure

Landfill Post Closure expenditures of \$457,750 in FY2018-19 remain flat compared to the prior year budget. Funding in this area exists for post closure care of both closed landfills located at Nine Mile Road and Springfield Rd. In addition, funding for the operation, maintenance, and environmental sampling of the landfill gas collection system at the Glen Allen Softball Complex comes from this component.

Litter Control (Keep Henrico Beautiful):

The FY2018-19 budget for Litter Control is \$119,483, which reflects an increase of \$14,488, or 13.8 percent compared to the FY2017-18 approved budget. Solid Waste receives an annual grant from the State Litter Control Board for this program, which is budgeted at \$40,000 in FY2018-19.

General Fund Subsidies:

The General Fund subsidy of \$3,018,511 represents no change from the prior fiscal year. Included in the subsidy is \$2,130,666 for the curbside recycling program and \$887,845 for the cost of Community and Neighborhood Cleanup activities, Bagged Leaf Collection, and Bulky Waste Collection. The subsidy for Bulky Waste Collection is net of the revenue from the \$43 per trip fee. The FY2018-19 subsidy for bulky waste factors in the cost of REAP participants receiving free bulky waste pick up service. The components of the General Fund subsidies for Recycling, Community and Neighborhood Cleanups, Bagged Leaf Collections, and Bulky Waste Collection are depicted below.

	FY2017-18	FY2018-19	Percent Change
Recycling	2,130,666	2,130,666	0.0%
Bulky Waste	201,128	174,024	-13.5%
Cleanups	558,099	555,917	-0.4%
Bagged Leaf	128,618	157,904	22.8%
Total	3,018,511	3,018,511	0.0%

Solid Waste (cont'd)

Street Lighting

The County provides street lighting in certain areas which are funded with supplemental tax levies to residents and businesses in those areas. The budget for FY2018-19 will maintain service levels for the current 156 street lights in District #2, 163 street lights in District #3, the 27 streetlights in District #3.1, the 27 street lights in District #23, and the 87 street lights in District #12. Projected street lighting revenues and expenditures in FY2018-19 total \$83,100, representing no change from the prior year approved budget.

The street lighting personal property levy for each Sanitary District remains at \$0.001 for all districts and the real property levies remain unchanged for

FY2018-19 at the following rates:

Sanitary District	Approved Rate
District #2	\$0.003
District #3	\$0.010
District #3.1	\$0.031
District #23	\$0.010
District #12	\$0.010

It should be noted that the real property rates were decreased for street lighting in the FY2006-07 approved budget. Prior to that decrease, the real property tax levies had not been reduced since calendar year 1981 for all existing sanitary districts.

PUBLIC WORKS

Best Management Practices

Description

The Department of Public Works is responsible for the long-term maintenance of Best Management Practice (BMP) devices in single-family residential subdivisions within Henrico County. BMP devices are basins for treating storm water to improve water quality. A fee is paid by developers at the time subdivisions are recorded to offset the County's cost of maintaining BMPs.

Department plans to use an annual contractor to perform BMP maintenance.

An alternative storm water management program has been developed. The program was adopted on August 14, 2001 by the Board of Supervisors and will reduce the number of BMPs constructed for future development projects by providing more cost effective alternatives through a comprehensive, watershed management approach. Use of a subdivision lot for a BMP device not only reduces revenue for the developer by preventing the sale of this lot, but also effectively decreases the value of adjacent lots. The Best Management Practices Program will eventually be phased out as the new Watershed Management Program is implemented. Eventually, all revenue will be generated through the new Environmental Fund that was established to fund projects identified by the Watershed Management Program.

Objective

- To provide the long-term maintenance of BMP devices in accordance with Federal and State regulations.

Budget Highlights

The approved budget of \$50,000 is based on the amount of anticipated fee revenue. The BMP maintenance fee is \$100 per lot and is paid by developers when subdivisions are recorded. Now, the

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	100,000	50,000	50,000	0.0%
Capital	0	0	0	0.0%
Total	\$ 100,000	\$ 50,000	\$ 50,000	0.0%
Personnel Complement	N/A	N/A	N/A	N/A

PUBLIC WORKS

Watershed Program

Description

The Department of Public Works has developed and implemented an innovative program that addresses storm water quality requirements mandated by State and Federal regulations for development projects. The Watershed Program provides more effective alternatives to the typical Best Management Practices (BMPs). One of these alternatives is the contribution to an environmental fund in lieu of constructing BMPs in certain areas. This fund will be used by the Department of Public Works to restore streams and otherwise improve water quality throughout the County.

for the environmental fund is \$8,000 per pound of pollutant removal required and is paid by developers prior to POD approval and subdivision recordation. At this time, the Department plans to conduct individual projects through Requests for Proposal and Professional Service Agreements.

The alternative storm water management program was adopted on August 14, 2001 by the Board of Supervisors. The Program provides alternatives to construction of BMPs in certain areas and will reduce the number of BMPs constructed in the future. To offset the storm water treatment that will not be provided by those BMPs, the Department of Public Works will use funds generated by the Program to conduct projects along streams to improve water quality. These projects will include stream restoration, stream bank stabilization, a streamside buffer establishment, and stream obstruction removal. Funding will also be made available for large, regional BMPs as opportunities become available through cooperation with developers and citizens. Expenditures from this program will not exceed revenues generated.

Objective

- To restore streams and otherwise improve water quality in order to achieve the mandated levels of water quality benefit as the typical on-site BMP approach.

Budget Highlights

The approved budget of \$847,000 is based on the amount of anticipated revenue to be generated from this program, which began in FY2002-03. The fee

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	1,213,287	847,000	847,000	0.0%
Capital	0	0	0	0.0%
Total	\$ 1,213,287	\$ 847,000	\$ 847,000	0.0%
Personnel Complement	N/A	N/A	N/A	N/A

ENTERPRISE FUNDS

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - WATER & SEWER ENTERPRISE FUND
FY 2018-19

Water and Sewer Enterprise Fund

Revenues/Resources	FY 16-17 Actual	FY 17-18 Original	FY 18-19 Approved
<u>Water and Sewer Operating Budget:</u>			
Sale of Water	\$54,616,230	\$53,973,909	\$56,587,528
Sale of Sewer	52,637,429	53,095,870	56,648,416
Water Charges	4,574,104	4,780,020	4,567,875
Sewer Charges	4,906,675	4,597,271	4,863,316
Strong Waste Surcharge	713,518	1,500,000	650,000
City of Richmond	1,212,436	820,000	820,000
Interest Earnings	1,059,927	1,204,593	1,151,923
Other Water/Sewer Revenues	1,042,031	1,330,900	1,345,689
Transfer from General Fund	1,928,621	1,855,021	1,930,021
Total Operating Revenues	122,690,971	123,157,584	128,564,768

Operating Expenditures

<u>Water and Sewer Operating Budget:</u>			
Personnel	21,219,544	21,262,571	21,924,590
Operating	41,637,881	42,075,332	42,305,712
Capital Outlay	712,589	785,527	785,527
Sub-Total Operating	63,570,014	64,123,430	65,015,829
Debt Service	20,688,291	25,638,101	27,402,027
Total Operating Expenditures	84,258,305	89,761,531	92,417,856
Results of Operations (Prior to Capital Expenses)	(38,432,666)	(33,396,053)	(36,146,912)
Budget For Capital Use (Below)	(69,384,000)	(77,550,000)	(62,400,000)

Capital Budget Expenditures	FY 16-17 Actual	FY 17-18 Original	FY 18-19 Approved
Approved Capital Projects (FY2017-18 Budget)		77,550,000	
Approved Capital Projects (New FY2018-19 Budget)			62,400,000
Continuing Capital Projects (Previously Approved) (1)	69,384,000		
Total Capital Budget Expenses:	69,384,000	77,550,000	62,400,000
Capital Budget Resources			
Water and Sewer Revenues	16,202,000	77,550,000	42,100,000
Revenue Bonds	53,182,000	0	20,300,000
Total Capital Budget Resources:	69,384,000	77,550,000	62,400,000

Notes:

(1) This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2016-17 represents actual spending, as per the 2017 audit.

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - BELMONT GOLF COURSE ENTERPRISE FUND
FY 2018-19

<u>Fund-Function/Activity</u>	<u>FY 16-17 Actual</u>	<u>FY 17-18 Original</u>	<u>FY 18-19 Approved</u>
Belmont Golf Course Fund			
Revenues:			
Operating	\$730,709	\$1,103,854	\$1,126,738
Gain/Loss on Sales of Property	(7,689)	0	0
Miscellaneous Revenue	6,810	0	0
Total Revenues	<u>729,829</u>	<u>1,103,854</u>	<u>1,126,738</u>
(To) From Retained Earnings	<u>253,769</u>	<u>0</u>	<u>0</u>
Total Resources	\$983,598	\$1,103,854	\$1,126,738
Expenses:			
Operating	<u>983,598</u>	<u>1,103,854</u>	<u>1,126,738</u>
Total Operating Expenses	\$983,598	\$1,103,854	\$1,126,738

PUBLIC UTILITIES

Water and Sewer

Description

The Water and Sewer Enterprise Fund accounts for the provision of water and sewer services to residents of Henrico County. All activities necessary to provide such services are accounted for in this fund, including construction, financing, and related debt service. The total cost of water and sewer services is funded by user charge revenue. No County taxes are used to support these services.

Henrico purchased all its water requirements from the City of Richmond prior to April, 2004. At that time, the Water Treatment Facility (WTF) opened and began providing water to customers, thereby, reducing the quantity of water the County purchases from the City. In addition to water services, the Department is responsible for the installation and maintenance of fire hydrants throughout the County.

Sanitary sewers are separate from storm water collection facilities in the County, and the Department of Public Utilities is responsible for all sanitary sewer services. The Henrico County Water Reclamation Facility (WRF) treats most of the County's wastewater, with a small amount treated by the City of Richmond. Portions of Goochland County, Hanover County and the City of Richmond are also served by the WRF.

Objectives

- To provide adequate quantities of safe drinking water in compliance with State and Federal regulations and County standards, at equitable rates, and to others with whom the County has contracted to provide service.
- To provide wastewater disposal in a manner consistent with State and Federal laws and regulations, V.P.D.E.S. permits and County standards, at equitable rates, and to others with whom the County has contracted to provide service.

Budget Highlights

The Public Utilities' Water and Sewer Fund is an enterprise fund, supporting its operating and capital infrastructure expenditures with revenues derived from customer charges and water and sewer revenue bonds.

The Department provides water and wastewater services to approximately 94 percent of the County's citizens, including the delivery of clean drinking water, sewer disposal, street lighting, refuse management and recycling services. The Solid Waste

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 21,219,544	\$ 21,262,571	\$ 21,924,590	3.1%
Operation	41,637,881	42,075,332	42,305,712	0.5%
Capital	712,589	785,527	785,527	0.0%
Debt Service	20,688,291	25,638,101	27,402,027	6.9%
Total	\$ 84,258,305	\$ 89,761,531	\$ 92,417,856	3.0%

Personnel Complement 307 307 311 * 4

* A Laborer and an Equipment Operator II were moved from the Solid Waste personnel complement to the Water & Sewer personnel complement for the Cobbs Creek project. One position added to the Wastewater Collection Division to replace a position moved to the Cobbs Creek project. An Engineer II added to the Design and Engineering Division to manage CIP projects.

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Average No. of Fire Hydrants in Service	13,011	13,200	13,400	200
Miles of Water Mains	1,621	1,630	1,640	10
Miles of Sewer Mains	1,503	1,510	1,520	10
Number of Water Customers	97,546	98,500	99,500	1,000
Number of Sewer Customers	94,538	95,500	96,500	1,000

and Street Lighting functions are discussed in greater detail in a separate narrative within this document.

Ensuring the efficient delivery of services to citizens has required a commitment to making necessary investments in the System’s operations and critical water and sewer infrastructure. In addition, to address system demands resulting from consumer growth, Public Utilities performs capacity improvements that are consistent with the County’s broader planning and residential and commercial development objectives. The Department also engages in strategic, long-term infrastructure planning to ensure that citizens’ and businesses’ water and sewer capacity requirements are sufficiently met well into the future.

Resources

In FY2018-19, projected operating resources of \$126,634,747 will support water and wastewater operations, reflecting an increase of 4.4 percent from the FY2017-18 adopted budget, and includes a 5.0 percent increase in water and sewer rates.

In addition to supporting operating requirements, resources must be sufficient to service debt, bond coverage requirements and future capital requirements within the five-year Capital Improvement Program. Due to the nature of the infrastructure maintained by the Water and Sewer Fund, consistent infrastructure maintenance and replacement must be planned on a multi-year basis, as opposed to the year-to-year analysis included in each budget cycle.

On an annual basis, Public Utilities performs cash flow projections verifying that cash flows are sufficient to cover current and future operating costs, capital infrastructure improvements, debt service, and bond coverage requirements over a multi-year period. These projections are critical in ensuring that rate changes are sufficient in meeting all the obligations of the fund. The FY2018-19 budget adheres to that premise. Payments and transfers from the General Fund to

Water and Sewer in FY2018-19 total \$1,930,021 for debt service costs related to the Elko Tract infrastructure improvements.

Expenditures

The FY2018-19 budget of \$92,417,856 includes expenditures for personnel, operating, capital outlay, and debt service. Overall, the Water and Sewer operating budget is increasing by 3.0 percent, or \$2,656,325. This is primarily attributable to a \$1,763,926 increase to the debt service portion of the budget. A portion of the increase is driven by the personnel component, which totals \$21,924,590 and reflects an increase of \$662,019 or 3.1 percent. This increase is primarily attributable to a salary increase in FY2018-19 as well as the addition of three positions to Wastewater Collection to replace three positions that were moved to the Cobbs Creek project as well as the addition of an Engineer II position to manage CIP projects. It is important to note that two vacant positions, a Laborer and an Equipment Operator II, were moved from Solid Waste’s personnel complement to Water & Sewer’s complement. These positions were reclassified as Construction Inspectors and assigned to the Cobbs Creek Reservoir project. The operating component increased by \$230,380 or 0.5 percent when compared to the prior fiscal year. This increase is primarily attributable to the addition of funds for database administration services as well as a payment to OPEB. The capital component remains flat when compared to the prior fiscal year.

Debt Service Requirements:

Projected debt service expenditures of \$27,402,027 represents a net increase of \$1,763,926 or 6.9 percent when compared to the approved FY2017-18 budget. The debt service in the FY2018-19 budget is based on existing debt service plus the addition of an anticipated \$100,000,000 debt issuance in May 2018. Approximately \$63,000,000 of the planned debt issuance is to provide funding for the Cobbs Creek Reservoir project, \$5,000,000 will provide funding for

Public Utilities (cont'd)

the Water Reclamation Facility and the remainder will provide funding for a variety of Water and Sewer rehabilitation projects and address ongoing maintenance requirements for the County's water and sewer system infrastructure.

The debt service budget will fully fund requirements arising from the Water and Sewer Fund's outstanding debt, which on June 30, 2017 was \$275,800,000, as well as the FY2017-18 debt issuance. According to bond covenants for outstanding debt, the Water and Sewer Fund must ensure that net operating revenues be at least 1.25 times the Fund's debt service requirements. In the year that ended June 30, 2017, this coverage equaled 2.44 times the debt service requirements. (Source: FY2016-17 Henrico County Comprehensive Annual Financial Report)

Debt service expenditures, in total, represent 29.8 percent of FY2018-19 operating expenditures. As a note, this is a much higher percentage than what is seen in the General Fund (target of 7.75 percent of General Fund expenditures), and is representative of another difference between the County's General Fund and the Water and Sewer Enterprise Fund.

It should be noted that the five-year Capital Improvement Program for the Water and Sewer fund totals \$261,620,000. This amount represents 21.6 percent of the total County five-year Capital Improvement Program. However, when looking at the County's FY2017-18 operating budget, the Water and Sewer fund represents 8.6 percent of approved expenditures. The difference between the relative proportion required for Water and Sewer in the capital

budget as opposed to the operating budget is indicative of the significant infrastructure maintenance and replacement requirements that are present in this operation.

The FY2018-19 budget for the Department of Public Utilities continues to plan for infrastructure improvement and replacement, meet all debt service coverage requirements, and cover all known fixed operational cost increases. Because of the continued emphasis on multi-year planning and strong financial policies, the County of Henrico Department of Public Utilities possesses AAA bond ratings from two of the top three rating agencies, one of only a few public utilities in the United States to possess two AAA bond ratings.

Historical Depiction of Fund Equity (Outside of Restricted Equity for Accounts Receivable, and Debt Service Coverage Requirements):

At the end of each year, the annual audit offers a depiction of fund equity that is available largely for future year infrastructure improvements in the Capital Improvement Program. For the past five years, this unrestricted fund equity has been noted as follows:

FY13: \$ 48,899,271
FY14: \$ 24,886,066
FY15: \$ 55,689,150
FY16: \$ 84,663,117
FY17: \$ 101,851,492

(Source: Annual Audit of the Water and Sewer Enterprise Fund, Respective Fiscal Year.)

BELMONT PARK GOLF COURSE

Description

The Belmont Park Golf Course is operated and maintained by the Division of Recreation and Parks. All activities necessary to run this public facility are accounted for in the Belmont Park Golf Course Enterprise Fund and are paid for by the people who use the course.

Maintenance of the golf course and food and beverage operations are provided by the County.

Objectives

- To provide a well-run and well-maintained 18-hole daily fee public golf course for the benefit of both residents and guests of Henrico County.
- To utilize all available resources to provide quality maintenance programs, planning, and development to maintain and enhance the Golf Course and services provided to its customers.
- To continue to improve the aesthetics of the Golf Course by improving the turf quality.
- To improve the quality and playing conditions of the sand traps, utilizing existing resources.

- To prepare and serve quality food in a clean and attractive environment for the customers of the golf course.

Budget Highlights

The approved budget for the Belmont Golf Course in FY2018-19 is \$1,126,739, which represents an increase of 2.1 percent when compared to the FY2017-18 approved budget. This budget includes \$899,848 for operation and maintenance of the Golf Course and \$226,890 for the Snack Bar.

The personnel component of the Golf Course budget reflects a 21.6 percent increase when compared to the FY2017-18 approved budget. This is the result of ending the golf course management contract and picking up the costs to staff the Pro Shop with part-time staff. The rest of the increase is the result of a salary increase and an increase in the County's cost of health care benefits.

The operating budget declined 18.9 percent as a result of ending the golf course management contract. In addition to requiring part-time staff that was previously covered by the management contract, merchandise will be purchased from the operating component to sell to the public. The capital component remains flat from the previous fiscal year.

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 525,064	\$ 546,372	\$ 664,256	21.6%
Operation	413,878	503,222	408,222	(18.9%)
Capital	44,656	54,260	54,260	0.0%
Total	\$ 983,598	\$ 1,103,854	\$ 1,126,738	2.1%
 Personnel Complement	 8	 8	 8	 0

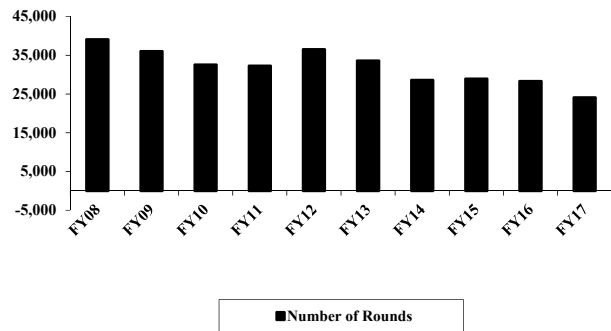
Belmont Golf (cont'd)

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Rounds of Golf Played	24,071	25,000	28,000	3,000
Efficiency Measures				
Golf Revenue per Round	\$28.8	\$41.4	\$37.5	(\$3.9)
Food/Beverage Revenue per Round	\$1.54	\$2.80	\$2.50	(\$0.3)

The revenues for Belmont Golf Course consist of greens fees, cart rentals, and the sale of items at the Snack Bar. Prices are set to provide a quality yet affordable golfing experience for the County's citizens. There are no requests for fee adjustments in the FY2018-19 budget submission.

In reviewing the number of rounds played over the past ten fiscal years, the most recent year saw a significant decline in rounds played, falling from 28,285 to 24,071. Some of this was due to half of the course being closed for the first phase of a stream restoration project, the second half of which is expected to affect FY2017-18 rounds similarly. The long-term trend of rounds played has been downward, with annual rounds having decreased by 38.4 percent in the period between FY2007-08 and FY2016-17.

**Belmont Golf Course:
Number of Rounds Played**



OTHER FUNDS

COUNTY OF HENRICO, VIRGINIA
ALL OTHER FUNDS
FY 2018-19

<u>Fund-Function/Activity</u>	<u>FY 16-17 Actual</u>	<u>FY 17-18 Original</u>	<u>FY 18-19 Approved</u>
Central Automotive Maintenance			
Revenues:			
Charges for Automotive Maintenance - West	\$8,545,707	\$7,149,379	\$9,291,690
Charges for Automotive Maintenance - East	2,145,008	2,179,072	2,250,000
Charges for Use of Motor Pool	3,565,993	4,010,000	3,910,500
Charges for Gasoline	4,173,353	7,200,000	5,828,801
Charges for Vehicle Wash Facility	0	136,000	136,000
Miscellaneous	284,338	369,100	300,000
(Gain)/Loss on Sale of Property	(71,101)	0	0
Transfer from General Fund	0	0	99,500
Fund Balance-CAM	1,915,209	0	0
Total Revenues	<u>\$20,558,507</u>	<u>\$21,043,551</u>	<u>\$21,816,491</u>
Expenses:			
Central Automotive Maintenance	<u>\$20,558,507</u>	<u>\$21,043,551</u>	<u>\$21,816,491</u>
Total Expenses	<u>\$20,558,507</u>	<u>\$21,043,551</u>	<u>\$21,816,491</u>
Technology Replacement Fund			
Revenues:			
Transfer from General Fund	\$2,000,000	\$2,250,000	\$2,500,000
(To) From Retained Earnings - Technology	171,792	152,765	378,100
Total Revenues	<u>\$2,171,792</u>	<u>\$2,402,765</u>	<u>\$2,878,100</u>
Expenses:			
Technology Replacement	<u>\$2,171,792</u>	<u>\$2,402,765</u>	<u>\$2,878,100</u>
Total Expenses	<u>\$2,171,792</u>	<u>\$2,402,765</u>	<u>\$2,878,100</u>
Risk Management			
Revenues:			
Transfer from General Fund	\$16,814,470	\$8,392,479	\$8,965,327
Public Utilities Charges	1,240,817	750,000	750,000
Recon-Workers' Compensation	854,661	0	0
Prop/Liability Recovery	1,005,797	0	0
Interest Income	17,853	0	0
Total Revenues	<u>\$19,933,598</u>	<u>\$9,142,479</u>	<u>\$9,715,327</u>
Expenses:			
Risk Management	<u>\$19,933,598</u>	<u>\$9,142,479</u>	<u>\$9,715,327</u>
Total Expenses	<u>\$19,933,598</u>	<u>\$9,142,479</u>	<u>\$9,715,327</u>

All Other Funds (cont'd)

<u>Fund-Function/Activity</u>	<u>FY 16-17 Actual</u>	<u>FY 17-18 Original</u>	<u>FY 18-19 Approved</u>
Healthcare Fund			
Revenues:			
County Contribution	\$72,641,123	\$80,751,847	\$85,596,958
Employee Contribution	19,382,622	19,861,439	21,053,125
Retiree Contribution	0	7,456,088	7,903,453
Retiree Subsidy	757,181	893,094	946,680
Disabled Subsidy	46,140	116,292	123,270
COBRA	224,623	363,944	385,780
Interest Income	83,532	100,000	100,000
Recoveries and Rebates	2,733	0	0
Healthcare - Wellness Payment	165,695	150,000	150,000
Use of Fund Balance (Includes IBNR)	3,654,394	3,832,444	0
Total Revenues	<u>\$96,958,043</u>	<u>\$113,525,148</u>	<u>\$116,259,266</u>
Expenses:			
Healthcare	\$96,958,043	\$113,525,148	\$116,259,266
Total Expenses	<u>\$96,958,043</u>	<u>\$113,525,148</u>	<u>\$116,259,266</u>
Debt Service Fund			
Revenues:			
Transfer from General Fund	\$58,436,493	\$57,762,829	\$63,468,451
Total Revenues	<u>\$58,436,493</u>	<u>\$57,762,829</u>	<u>\$63,468,451</u>
Expenditures:			
Debt Service - General Government	\$21,650,541	\$20,287,617	\$20,828,418
Debt Service - Public Works	3,493,179	3,729,843	3,746,282
Debt Service - Education	33,292,773	33,745,369	38,893,751
Total Expenditures	<u>\$58,436,493</u>	<u>\$57,762,829</u>	<u>\$63,468,451</u>
Adjustment for Interfund Transactions	<u>(\$94,002,951)</u>	<u>(\$102,804,784)</u>	<u>(\$108,483,399)</u>

CENTRAL AUTOMOTIVE MAINTENANCE

Description

Central Automotive Maintenance (CAM) is a division within the Department of General Services tasked with supporting the County's diverse fleet of over 3,600 units. CAM provides fleet management services, repair and preventive maintenance services, fleet refueling, motor pool lease vehicles, and County's large vehicle wash facility. Fleet repair and maintenance activities are performed at two locations. The main shop is located in the western portion of the County on Woodman Road, and a satellite shop is located in the eastern portion of the County on Dabbs House Road. CAM operates eight (8) self-service refueling facilities strategically located within the County that provide unleaded gasoline, diesel fuel, and propane. CAM owns and leases approximately 700 passenger sedans, pickup trucks, vans, and other miscellaneous vehicles to other County departments through its motor pool operation. CAM is an Internal Service Fund organization and as such funding for all aforementioned activities is provided through inter-departmental billings.

Objectives

- To provide high quality fleet and equipment management services.
- To maintain the County's automotive and equipment fleet as safely and efficiently as possible.
- To provide motor pool lease vehicles to other County agencies.
- To provide dependable fuel supplies for County-owned vehicles.

Budget Highlights

The Central Automotive Maintenance budget for FY2018-19 totals \$21,816,491, which represents a net increase of \$772,940 or 3.7 percent from the previous approved budget. The personnel component totals \$4,583,222, which is a \$159,458 or 3.6 percent increase compared to FY2017-18. This increase is

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 4,116,656	\$ 4,423,764	\$ 4,583,222	3.6%
Operation	13,456,372	13,978,487	14,742,869	5.5%
Capital	2,985,479	2,641,300	2,490,400	(5.7%)
Budget	<u>\$ 20,558,507</u>	<u>\$ 21,043,551</u>	<u>\$ 21,816,491</u>	<u>3.7%</u>
Personnel Complement*	67	70	71	1

*The complement includes the addition of one Fire Equipment Mechanic position for FY2018-19.

Central Automotive Maintenance (cont'd)

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Total Vehicles/Equip. Maintained by CAM	3,622	3,600	3,600	0
Gallons of Fuel Consumed	3,045,532	3,137,000	3,231,000	94,000
Annual Miles Driven	25,273,320	26,285,000	27,336,000	1,051,000
Equipment to Mechanic Ratio	80	75	73	(2)
Fleet Readiness (Countywide Goal of 95%)	N/A	95%	95%	95%

driven by a salary increase for FY2018-19, rising health care costs and funding for a Fire Equipment Mechanic. The salary and associated benefits for this new position totals \$56,148.

The overall operating component totals \$14,742,869, which reflects an overall increase of \$764,382 or 5.5 percent from the previous approved budget. This increase reflects the reallocation of funding to the capital component. It is important to note that adjustments were made to several accounts within the operating component to more accurately reflect forecasted expenditures.

The capital component totals \$2,490,400 and includes \$2,076,500 for the replacement of 70 motor pool vehicles. Vehicles scheduled to be replaced next year include 11 compact sedans, 40 trucks, 7 vans, 11 sport utility vehicles, and 1 mid-size sedan. The capital component also includes \$99,500 for the purchase of two new vehicles for Public Works and one for Fire. It is important to note that funding of \$99,500 to support this budget request is to be provided by a transfer from the General Fund. The remaining \$314,400 budgeted to replace old vehicle lifts, completion of the new CAM West oil distribution system, and replace truck tire balancer/changer.

The Division of Central Automotive Maintenance is an Internal Service Fund program and as such CAM generates revenue through its rates and fees to recover expenditures. CAM's revenues are generated from charges to user departments for three primary services: fleet repair and preventive maintenance, motor pool vehicle leasing, and fuel services.

Revenues from fleet repair and maintenance performed at both the West End and East End maintenance facilities are estimated at \$11,541,690 for FY2018-19.

The labor rate for CAM is increasing from \$53 per hour in FY2017-18 to \$58 per hour in FY2018-19, the first of three year effort to more accurately reflect the costs in this area. Motor pool vehicle lease revenues are projected at \$3,910,500 in FY2018-19. Vehicle rental rates are designed to recover maintenance and operational costs along with a vehicle replacement additive that accumulates in CAM's fund balance. This additional revenue is then used for the purchase of replacement motor pool vehicles. In FY2016-17, CAM introduced a flat monthly or daily rental rate for motor pool vehicles in lieu of the former rate structure which charged a flat fee for the first 1,000 miles plus 20¢ for each additional mile. The new rate structure enables the users to more accurately forecast future motor pool costs.

The estimate for CAM's fuel revenues totals \$5,828,801 for FY2018-19. Fuel consumed by a department owned vehicle is charged to departments at actual cost plus a mark-up per gallon which covers the cost of providing the fuel service. The mark-up per gallon is 1 cent in FY2018-19, the first of a three year effort to more accurately reflect costs in this area.

A total of \$136,000 in revenues has been budgeted for the Vehicle Wash Facility. Miscellaneous revenue for CAM is projected at \$300,000 for FY2018-19 for the sale of vehicles.

Beginning in FY2017-18, an additional performance measure that tracks overall Fleet Readiness was adopted for Central Automotive Maintenance. This measurement will compare the number of out-of-service units to the overall fleet count to determine the percentage of vehicles ready for service each day. An aggressive overall readiness rate of 95% has been adopted for the countywide fleet.

TECHNOLOGY REPLACEMENT FUND

Description

The Technology Replacement Fund was created in FY2000-01 to serve as an internal service function for general government technology replacement costs. This fund provides for the replacement of general government computers and related technology equipment.

Objectives

- To allow Henrico County to utilize technological advancements as they occur.
- To spread the cost of replacing technology equipment over a period of multiple years to reduce the impact of large one-time purchases in a given year.
- To provide centralized accounting to accurately monitor the number and cost of technology equipment replacement.
- To ensure the County does not find itself in the position of having to issue long-term debt to pay for routine technology equipment.

Budget Highlights

The FY2018-19 budget for the Technology Replacement Fund totals \$2,878,100. It is important to note that funding of \$2,500,000 to support this budget request is to be provided by a transfer from the General Fund. The FY2018-19 budget will mark the nineteenth year of the program, and is the sixteenth year equipment in the fund can be replaced. It should be noted that in the current year, there are 2,890 computers and 1,027 other pieces of equipment in the program, which has an accumulated value of \$11,641,340. As of June 30, 2017, the Technology Replacement Fund had accumulated \$2,786,830 for future equipment replacement. The forecasted accumulated balance for the Fund as of June 30, 2019 is \$2,255,965.

The Technology Replacement Fund budget includes new funding of \$207,439 for 21 toughbooks, 51 desktops, 11 laptops, and one color printer for the Sheriff's Office; \$104,060 for 220 e-ticket printers for the Police Division; and \$14,014 for two toughbooks and two desktops associated with the Division of Fire's EMS and CARE program. In addition, this budget includes \$2,552,587 for the replacement of computer equipment and software.

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	65,430	0	10,392	100.0%
Capital	2,106,362	2,402,765	2,867,708	19.4%
Total	\$ 2,171,792	\$ 2,402,765	\$ 2,878,100	19.8%

Technology Replacement Fund (cont'd)

	Performance Measures			Change
	FY17	FY18	FY19	18 to 19
Workload Measures				
Accumulated Value of Equipment	11,596,554	11,641,340	11,966,853	325,513
Computers in Program	2,879	2,890	2,977	87
Other Equipment in Program	1,027	1,027	1,248	221

The departments that made formal requests for equipment replacement in FY2018-19 are Board of Supervisors, Building Inspections, County Attorney, County Manager, Finance, General Services, Division of Fire, Human Resources, Information Technology, Internal Audit, Permit Center, Planning, Police Division, Public Library, Public Relations and Media Services, Public Works, and Registrar.

The request for replacement equipment includes equipment that is eligible and approved for

replacement based on age and usage. While there may be a budget for specific items, some funding is provided for contingency and will only be spent if necessary. In an effort to reduce expenses, departments were requested to review computer requirements to determine if an extended replacement cycle is practical based on the use of the computer. The Department of Information Technology approves the replacement request based on the computer's use as well as the user's anticipated needs.

RISK MANAGEMENT

Description

Risk Management is a division within the Department of Human Resources that provides protection from accidental losses arising out of the County's General Government and Public Schools operations. The Division is responsible for the management of the self-insurance reserve, administration of workers' compensation, auto, property and liability claims, loss prevention, safety training, and environmental management. Protection is provided through a combination of self-insurance, purchased insurance, and risk transfer mechanisms. Administrative support is provided to the Executive Safety Committee and the Accident Review Board. The safety staff provides training and guidance to all County agencies and Henrico County Public Schools to ensure compliance with state and federal regulations. The environmental coordinator provides administration for the County's environmental program, including the communication of policy, program implementation, and employee awareness training.

- To provide comprehensive insurance coverage for the General Government and Schools at the lowest possible cost when considering the various risks involved.

Budget Highlights

The FY2018-19 budget is reflected within the Internal Service Fund series as Risk Management provides services to all areas of General Government and Education, across all funds. Risk Management will continue to administer all applicable programs and services to all County agencies.

The Risk Management budget for FY2018-19 totals \$9,715,327 and is funded with a transfer of \$8,965,327 from the County's General Fund and a projected transfer of \$750,000 from the Department of Public Utilities' Water & Sewer Enterprise and Solid Waste Funds. This budget represents a net increase of \$572,848 from the previous approved budget. This increase is driven by the personnel and operating components. The personnel component reflects revised salary estimates and a salary increase for FY2018-19 as well as rising health care costs.

Part of a multi-year funding effort to reduce the midyear budget amendments for Risk Management,

Objectives

- To protect the County against losses that could significantly impact its personnel, property, or financial stability in providing services to the general public.

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 815,223	\$ 923,333	\$ 994,691	7.7%
Operation ⁽¹⁾	19,117,775	8,213,546	8,715,036	6.1%
Capital	600	5,600	5,600	0.0%
Total	\$ 19,933,598	\$ 9,142,479	\$ 9,715,327	6.3%
 Personnel Complement	 11	 11	 11	 0

⁽¹⁾\$7,500,000 of FY2016-17 actual expenditures was funded through budget amendments utilizing funding available in the Self-Insurance Reserve.

Risk Management (cont'd)

Performance Measures				
	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Workers' Compensation Claims Processed	1,279	1,300	1,250	(50)
Auto. Gen. Liability, Other Claims Processed	1,354	1,250	1,300	50
Property Damage and Loss Claims Processed	267	180	200	20

\$500,000 is added to the FY2018-19 operating component. The capital component of the budget remained flat from the previous fiscal year.

In FY2018-19, the budget for the Self-Insurance Administration function of Risk Management totals \$1,249,928. Within the Self-Insurance Administration area, eleven employees provide services including claims administration, loss prevention, loss control, safety training, coordination of the Environmental Management Program as well as administration of the Self-Insurance Reserve for General Government and Schools. During FY2018-19, the risk assessment of programs and activities in an effort to recognize, reduce, and control risk exposures will continue to be emphasized. In addition, the development and implementation of the Environmental Management Program will continue, including communication of the County's environmental policy, general employee awareness training, establishing objectives through the Environmental Management System (EMS) process, and implementing standard environmental operating procedures to ensure compliance with regulations.

In FY2018-19, the budget for Claims totals \$7,030,706. Funding for a portion of the Division's costs is typically provided in the December amendment via a transfer from the Self-Insurance Reserve within the General Fund. It is important to note that the budget amendment in December 2017 totaled \$5,800,000, which was based on an average

of actual expenditures for Risk Management over last three fiscal years.

The Division promotes a culture of safe work practice through the review and development of safety programs, emergency action plans, safety training for employees, and analyses of trends in the number and type of claims. Rising medical costs contribute to the increase in the cost of workers' compensation claims. Efforts to control the costs include close monitoring of the claim, negotiated discounts with providers, reduction of bills through a preferred provider network or to the prevailing community rate, and a prescription drug program.

Also included in the FY2018-19 budget is \$1,434,693 for insurance policies/premiums. These funds are for costs associated with purchased commercial insurance for both property liability and workers' compensation. It should be noted that the County's costs in this area are supplemented by the Self-Insurance Reserve, which on June 30, 2017 had a balance of \$7,500,000.

Beginning in FY2018-19, the County will pay for an annual subscription to SafeSchools. SafeSchools is a cloud based online safety training program tailored towards school systems that will be used by all school employees. Risk Management wants to help ensure compliance with OSHA regulations and reduce workers' compensation claims and costs. SafeSchools will help accomplish these goals.

HEALTHCARE FUND

Description

Effective January 1, 2008, Henrico County’s health care program transitioned to a self-insurance program. Prior to this transition, the County’s health care program operated as a fully insured program, which, in exchange for the payment of a premium, an insurance company assumed the risk, administered the program, and paid all claims. With the transition to a self-insured program, the County pays claims and third party administrative fees. Self-insurance allows the County to more fully control all aspects of the plan, including setting rates to smooth out the impact of increases on employees and the County, while maintaining adequate funding to cover claims, expenses, and reserves.

Budget Highlights

The cost to fund healthcare expenses is covered by payments from active employees, the County and the School Board, retirees, and retention of interest earnings. The County and Schools contributions are budgeted in departmental budgets, and the Healthcare Fund charges departments based upon actual participants in the program. Revenues to the Healthcare Fund in excess of expenditures accumulate in a premium stabilization reserve. These funds are utilized to allow the County to maintain rate increases at manageable levels.

The budget for FY2018-19 provides funding of \$116,259,266 for the Healthcare Fund. Included in this figure is \$85,596,958 in funding that is budgeted within individual County and Schools departments as the County’s contributions for Healthcare for active employees. Also included in this figure is the cost to the County and Schools for retiree subsidies, which are budgeted within the Human

Resources budget. It is important to note that expenditures already budgeted within individual departments are negated from the Healthcare Fund budget in the “Adjustments for Interdepartmental Billings” to avoid double counting of expenditures. The balance of \$30,662,308 reflects anticipated payments from employees and retirees that participate in the program, as well as interest earnings.

During the summer of 2017, Henrico renewed its contract for medical services with Anthem. At the same time, the County changed its pharmacy service provider to Express Scripts. The successful negotiations of these contracts allowed the County to minimize the calendar year 2018 rate increase for employees, attributable to overall healthcare cost increases. The savings also allowed for discontinuing the recent practice of assuming the use of Premium Stabilization Reserve funds as a mechanism to balance the Healthcare Fund budget.

Of the \$116,259,266 budget for Healthcare, \$109,922,766, or 94.6 percent reflects estimated claims expenditures. The balance of \$6,256,500 (less ACA fees) consists of anticipated third party administrative fees (\$3,600,000), health spending account costs (\$450,000), the costs of an actuarial study and claims audit (\$100,000), wellness initiatives funding (\$150,000), and the premium payment for excess risk insurance (\$1,900,000). The excess risk insurance protects the County from single large claims greater than \$500,000 and total annual payments greater than 125.0 percent of actuarially projected annual claims. Also included in the budget is \$56,500 in funding for the retainer agreement for the County’s healthcare consultant.

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Claims	\$ 91,001,048	\$ 107,343,588	\$ 109,922,766	2.4%
Other Administrative Fees	5,456,500	5,656,500	6,256,500	10.6%
Payments to Federal Government (ACA)	500,495	525,060	80,000	-84.8%
Total Healthcare	\$ 96,958,043	\$ 113,525,148	\$ 116,259,266	2.4%

DEBT SERVICE FUND

Description

The Debt Service Fund is used to accumulate financial resources for the payment of interest and principal on all general obligation debt of the County. The debt service on revenue bonds issued by the County's Water and Sewer utility is paid and accounted for within the Enterprise Fund. The debt service on bonds issued by the James River Juvenile Detention Center (JRJDC) Commission is paid and accounted for within the Agency Fund. The County's authority to issue general obligation debt secured solely by the pledge of its full faith and credit is provided by the Constitution of Virginia and the Public Finance Act. There are no limitations imposed by State law or local ordinance on the amount of general obligation debt that may be issued either directly or indirectly. However, with certain exceptions, all debt, which is secured by the general obligation of a county, must be approved at public referendum prior to issuance.

The process of issuing general obligation bonded debt in the County begins with the departments' presentation of capital expenditure needs to the County Manager, who then presents recommendations for funding to the Board of Supervisors. The Board of Supervisors must approve of any debt issue before it is placed on the ballot. Then County citizens must vote on the bond referendum and if the bond referendum is approved the debt can be issued. While there are, no limitations imposed by State law, the County utilizes debt guidelines (described herein) to ensure that debt service payments do not impact current operations.

The County is projected to have total outstanding general debt of \$424,685,000 as of June 30, 2018. This reflects the issuance of \$114,600,000 of General Obligation (G.O.) Bonds, the first issuance of the November 2016 Bond Referendum. The distribution of the debt is: \$380,140,000 of G.O. bonds (\$287,827,155 for Schools and \$92,312,845 for General Government), \$11,495,000 of Industrial Development Authority (IDA) bonds for the regional jail project, \$5,850,000 of Virginia Public School Authority (VPSA) bonds, and \$27,200,000 for Lease/Revenue bonds for the replacement of the County's 800mhz Public Safety Communications System. In previous years, the debt from the construction of the James River Juvenile Detention Center (JRJDC) was included in the projected outstanding debt total. However, the last payment on those bonds was in FY2015-16. Another way to view the \$424,685,000 projected outstanding debt is \$293,677,155 or 69.2 percent is attributed to Education projects and \$131,007,845 or 30.8 percent is attributed to General Government projects.

In order to ensure that the County does not exceed its ability to service current and future debt requirements, an annual long-term debt affordability analysis is performed and utilized as a forecasting tool when confronted with the question of potential debt issues. The County has established the following debt affordability guidelines – debt service as a percentage

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Principal Paymnts	\$ 41,700,000	\$ 39,365,000	\$ 43,775,000	11.2%
Interest Payments	16,735,306	18,347,829	19,643,451	7.1%
Other Debt Expenses	1,187	50,000	50,000	0.0%
Total	\$ 58,436,493	\$ 57,762,829	\$ 63,468,451	9.9%
General Government	\$ 25,143,720	\$ 24,017,460	\$ 24,574,700	2.3%
Education	33,292,773	33,745,369	38,893,751	15.3%
Total Budget	\$ 58,436,493	\$ 57,762,829	\$ 63,468,451	9.9%

Debt Service Fund (cont'd)

of General Fund Expenditures, 7.75% and debt service as a percentage of assessed value, 1.49%.

The Board of Supervisors established the debt guidelines in the FY1998-99 Annual Fiscal Plan, which were reaffirmed during growth retreats held in the summer of 2004. Following these guidelines has allowed the County to meet its infrastructure needs without sacrificing other operational requirements.

Following are three of the ratios that are calculated in the debt capacity analysis, which was most recently completed in February 2017. The ratio of **net bonded debt to total assessed value** is a standard measure of the County's ability to meet interest and principal payments on its long-term debt. The County has a ratio of **1.10%** in FY2017-18. The **ratio of debt service to General Fund expenditures** measures the percentage of the budget used to pay debt service and provides a measure of the annual demands placed on the operating budget by the County's long-term debt. This ratio is **6.39%** in FY2017-18. **Net bonded debt per capita** is the amount of debt outstanding divided by the number of County residents. The amount of debt per capita in FY2017-18 is **\$1,310**.

The County's bond ratings are as follows:

- **Moody's Investors Service: Aaa**
- **Standard & Poor's: AAA**
- **Fitch IBCA: AAA**

As a note, Henrico is 1 of only 46 localities in the United States to hold the highest rating from each of the three bond rating agencies, which is referred to as a triple AAA bond rating (Aaa, AAA, and AAA).

Budget Highlights

The budget for the Debt Service fund is \$63,468,451, which reflects a 9.9 percent increase when compared to the FY2017-18 Approved Budget. Of the total, \$43,775,000 is payment towards the principal amount owed, \$19,643,451 is interest owed on the debt, and \$50,000 fees paid related to the service of the debt.

Another way to view the debt service anticipated to be paid in FY2018-19 is by service area, of which \$38,893,751 is payment on Education debt, \$20,828,418 is payment on debt related to General Government functions, and \$3,746,282 is debt related

to Public Works projects.

As noted earlier, this budget does not include debt related to the Water and Sewer Enterprise Fund. The debt service payments for those functions are included in their respective budgets.

In November 2016, the County had a General Obligation Bond Referendum that was overwhelmingly approved by the citizens of the County. The amount approved was \$419,800,000 for projects in Schools, Fire, Recreation and Parks, Libraries, and Public Works. The FY2018-19 Capital Budget includes \$53,000,000 in bond projects as a result of the November 2016 referendum.

There are three types of debt the County has issued over the past 18 years that the County will pay debt service on in FY2018-19: General Obligation (G.O.) Bonds, Virginia Public School Authority (VPSA) Bonds, and Lease/Revenue Bonds.

General Obligation (G.O.) Debt

Of the total debt service in FY2018-19, \$53,622,039 is related to General Obligation (G.O.) Bonds. This debt vehicle is issued against the full faith and credit of the County and must be approved by the voters of Henrico. All the debt service related to G.O. Bonds is for debt issued as part of three referenda: November 2000, March 2005 and November 2016.

In November 2000, the County's voters approved a \$237,000,000 G.O. Bond Referendum. The referendum included projects for Schools, Fire, Public Library, Public Works – road projects, and Recreation and Parks. Of the total \$237,000,000 referendum approved by the voters, Education projects totaled \$170,500,000 and General Government projects totaled \$66,500,000. The financing plan that supported the 2000 G.O. Bond Referendum utilized \$12,600,000 in VPSA interest earnings and \$4,100,000 from the County's General Fund balance.

The G.O. Bond referendum approved in November 2000, anticipated the issuance of G.O. Bonds over a seven-year period from FY2000-01 to FY2006-07. G.O. Bonds were issued six times over a seven-year period with the final issue in November 2006. The following table provides a summary of each G.O. Bond issue.

Debt Service Fund (cont'd)

Fiscal Year	Amount	Issue Date
FY2000-01	\$37,110,000	May 2001
FY2001-02	\$27,035,000	February 2002
FY2002-03	\$50,230,000	January 2003
FY2003-04	\$38,920,000	May 2004
FY2005-06	\$46,729,550	August 2005
FY2006-07	\$33,169,057	November 2006

On March 8, 2005, the County voters approved a \$349,300,000 General Obligation (G.O.) Bond Referendum. The referendum included projects for Schools, Fire, Public Library, Public Works – one road project - and Recreation and Parks. Of the total \$349,300,000 referendum approved by the voters, Education projects totaled \$220,000,000 and General Government projects totaled \$129,300,000. The financing plan funded the projects over a seven-year period instead of a six-year period. By stretching the period of debt issuance over seven years, the debt service and operating costs for these projects came on line more slowly and allowed the maximum use of incremental County resources. The following table provides a summary of each G.O. Bond issue.

Fiscal Year	Amount	Issue Date
FY2005-06	\$31,085,450	August 2005
FY2006-07	\$38,745,943	November 2006
FY2007-08	\$29,810,000	January 2008
FY2008-09	\$93,090,000	November 2008
FY2009-10	\$0	Delayed to FY11.
FY2010-11	\$72,205,000	July 2010
FY2011-12	\$66,075,000	August 2011

Because of the difficult economic environment, the County chose to take the prudent approach and delay the planned FY2009-10 issuance of G.O. Bonds one year, to FY2010-11. This decision also pushed back the originally planned bond issues for FY2010-11 and FY2011-12 one year as well.

In November 2016, the County voters approved a \$419,800,000 General Obligation (G.O.) Bond Referendum for projects in Schools, Fire, Recreation and Parks, Libraries, and Public Works-road project. Of the total \$419,800,000 referendum approved by the voters, Education projects totaled \$272,600,000 and General Government's total was \$147,200,000.

The FY2017-18 budget was the first of six appropriations from this referendum, which totaled

\$114,600,000. The payment reflected in FY2017-18 is nine (9) months of interest only and the FY2018-19 budget picks up the total payment of principal and interest. The FY2018-19 budget also reflects a projected issuance in the summer of 2018.

VPSA Bonds

The second debt instrument utilized that the County will pay debt service on in FY2018-19 is debt issued through the Virginia Public School Authority. VPSA Bonds may only be utilized for school improvements, but do not require a vote of the citizens to issue. However, the debt issued is recorded as a liability therefore is included when calculating the County's debt affordability.

There are two VPSA Bond issues for which debt service in the amount of \$2,791,299 will be paid in FY2018-19: one in 1999 for \$35,740,000 and one in 2000 for \$15,215,000. There was a third VPSA issue in 2008 for \$44,440,000 but this issuance was included in the March 2015 refunding and is now reflected as G.O. debt.

Lease/Revenue Bonds

The third debt instrument utilized that the County will pay debt service on in FY2018-19 is lease/revenue bonds issued through the Henrico Economic Development Authority. These bonds were initially issued in 1996 and 1998 in the amounts of \$28,765,000 and \$24,765,000 respectively and utilized to build the County's Emergency Communications and Training Center, renovate what became the Public Safety Building, purchase an 800 MHz Communication System, renovate several facilities and enhance the County's technology systems. In 2009, the County refunded the balance of these bonds to achieve savings on these bonds (more details follow). However, in 2016 the County secured a direct bank 10-year lease revenue bond in the amount of \$34,000,000, which will partially fund the new 800 MHz communication system. The total project for the communication system is \$47,482,181.

Bond Refundings

During the economic downturn, the County reviewed each coupon of debt issued to try to find savings in debt service costs. Water and Sewer Enterprise Fund realized a savings of \$20,500,000 through targeted refunding efforts. In the General Fund, since 2009, the County has saved \$20,638,722. The following table provides a summary of the General Fund savings.

Debt Service Fund (cont'd)

Refunding Date	Bond Types	Amount	Savings
May, 2009	G.O. Bonds - 2001,2002	33,785,000	1,840,000
August, 2009	IDA Lease Revenue Bonds - 1996,1998,1999	36,425,000	5,150,000
May, 2010	G.O. Bonds - 2003,	119,735,000	5,100,000
September, 2012	G.O. Bonds - 2005,2006.2010A	37,500,000	2,360,000
March, 2015	G.O. Bond - 2008A and VPSA Bond-2008	50,485,000	3,290,000
May, 2017	G.O. Bond - 2010A, 2011	53,755,000	2,898,722
Total - Six Refundings		277,930,000	20,638,722

FUDICIARY FUNDS

COUNTY OF HENRICO, VIRGINIA
REVENUES & EXPENDITURES - AGENCY FUNDS
FY 2018-19

<u>Fund-Function/Activity</u>	<u>FY 16-17 Actual</u>	<u>FY 17-18 Original</u>	<u>FY 18-19 Approved</u>
JRJDC Agency Fund			
Revenues:			
Transfer from General Fund	\$2,979,622	\$3,069,011	\$3,158,722
Revenue from Federal Government	85,287	0	0
Revenue from the Commonwealth	1,609,492	1,514,500	1,578,339
Revenue from Goochland/Powhatan	431,984	472,236	488,764
Revenue from Other Localities	63,189	0	0
Interest Income	13,889	0	0
(To) From Fund Balance-JRJDC	(83,058)	105,534	108,052
Total Revenues	<u>\$5,100,405</u>	<u>\$5,161,281</u>	<u>\$5,333,877</u>
Expenses:			
Operating	5,100,405	5,061,281	5,233,877
Capital Projects	0	100,000	100,000
Total Expenses	<u>\$5,100,405</u>	<u>\$5,161,281</u>	<u>\$5,333,877</u>
Other Post Employment Benefits - GASB 45			
Revenues:			
Transfer from General Fund	\$2,750,000	\$2,675,000	\$2,675,000
Transfer from Enterprise Fund	0	75,000	0
Revenue from Enterprise Fund	0	0	75,000
Total Revenues	<u>\$2,750,000</u>	<u>\$2,750,000</u>	<u>\$2,750,000</u>
Expenses:			
Operating	\$2,750,000	\$2,750,000	\$2,750,000
Total Expenses	<u>\$2,750,000</u>	<u>\$2,750,000</u>	<u>\$2,750,000</u>
Line of Duty Act (LODA)			
Revenues:			
Operating Transfer from General Fund	\$569,869	\$700,000	\$1,100,000
Total Revenues	<u>\$569,869</u>	<u>\$700,000</u>	<u>\$1,100,000</u>
Expenses:			
Operating	\$569,869	\$700,000	\$1,100,000
Total Expenses	<u>\$569,869</u>	<u>\$700,000</u>	<u>\$1,100,000</u>
Long-Term Disability			
Revenues:			
Operating Transfer from General Fund	\$522,540	\$600,000	\$600,000
Total Revenues	<u>\$522,540</u>	<u>\$600,000</u>	<u>\$600,000</u>
Expenses:			
Operating	\$522,540	\$600,000	\$600,000
Total Expenses	<u>\$522,540</u>	<u>\$600,000</u>	<u>\$600,000</u>

JRJDC AGENCY FUND

James River Juvenile Detention Center

Description

The James River Juvenile Detention Center detains youth who are awaiting court action in Henrico, Goochland, or Powhatan counties for committing criminal offences. Additionally, some youth may be sentenced for up to six months after having been found guilty of an offense. This group includes criminal offenders, children in need of supervision, and certain traffic offenders. The facility can house up to 60 youths, who are offered psychological screening and follow-ups as needed, as well as programs in education and recreation, and opportunities for success through a high expectation management program.

Objectives

- To operate a safe and secure facility for residents and staff, free of serious incidents.
- To establish and maintain a quality system of health and physical care for residents.
- To provide quality programs and services for residents that enable them to return to their communities better equipped for a productive, crime-free life.
- To encourage and develop the professional skills of all employees.

Budget Highlights

The James River Juvenile Detention Commission (JRJDC) is a regional organization of Goochland, Powhatan, and Henrico Counties, formed to operate a juvenile detention facility. Henrico as majority partner serves as the fiscal agent for the operation of the JRJDC. This arrangement eliminates the need for the Commission to duplicate various administrative functions related to personnel matters, procurement activities, and the management of accounting and budgeting efforts.

During a December 15, 2017, meeting, the Commission approved a budget submission, which reflects funding needed to operate the facility on a day-to-day basis. The operating budget for the JRJDC (excluding facility maintenance funding) totals \$5,233,877 for FY2018-19. This is an increase of \$172,596, or 3.3 percent compared to the FY2017-18 Approved Budget. Personnel expenses grew by \$147,596, or 3.4 percent, primarily due to a salary increase and growth in costs of the employee health insurance and VRS retirement benefits.

The budget for operations increased by \$25,000 or 3.9 percent. This is solely because of an adjustment in the Food Supplies line item that was endorsed by the Commission.

Annual Fiscal Plan

Description	FY17 Actual	FY18 Original	FY19 Approved	Change 18 to 19
Personnel	\$ 4,276,055	\$ 4,405,770	\$ 4,553,366	3.4%
Operation	789,949	646,381	671,381	3.9%
Capital	34,401	9,130	9,130	0.0%
Subtotal	5,100,405	5,061,281	5,233,877	3.4%
Facility Maintenance	0	100,000	100,000	0.0%
Total	<u>\$ 5,100,405</u>	<u>\$ 5,161,281</u>	<u>\$ 5,333,877</u>	<u>3.3%</u>
Personnel Complement*	N/A	N/A	N/A	N/A

*The Commission has approved funding for 66 full-time positions and 1 part-time position. All positions are Complement III.

Performance Measures

	FY17	FY18	FY19	Change 18 to 19
Workload Measures				
Admissions - Secure Detention	541	552	563	11
Average Daily Population	38	37	38	1
Admissions - Post Dispositional	41	43	45	2
Number of Female Groups Run by Clinicians	45	45	46	1
Number of Sub. Abuse Groups Run by Clinicians	44	45	46	1

Capital outlay totaling \$9,130 is also requested in this budget for replacement of furniture, as well as medical and recreational equipment. Beginning in the FY2016-17 Approved Budget, \$100,000 of annual funding has been included to address increased maintenance needs as the facility ages.

In FY2018-19, the Commission will bill each participating locality their operating share based on the number of beds assigned in the 60-bed facility. Per the JRJDC agreement, Henrico has 52 beds and Powhatan and Goochland have 4 beds each. This allocation results in the Commission billing the participating localities for the operating costs at the following percentages: Henrico - 86.6 percent, Powhatan - 6.7 percent and Goochland - 6.7 percent. The requirement for Henrico's portion of the FY2018-19 operating budget is \$3,158,722.

State aid for the Commission is estimated at \$1,578,339 for FY2018-19. This figure is \$63,839, or 4.2 percent, higher than the estimate for FY2017-18. As the State's funding formula depends in part on average daily population over a five year span, future reductions in state funding are possible.

The Commission projects the use of \$108,052 of reserves as part of the budget for FY2018-19. While the Commission has often used this budgeting practice, actual use of reserves has been minimal.

As of June 30, 2017, the Commission had a balance of cash and cash equivalents equaling \$3,562,875.

The following is a list of State aid to the Commission for the fiscal years that the JRJDC has been in full operation. The projected FY2018-19 level of funding is little changed from that of FY2001-02, the first full year of operations for the facility.

Fiscal Year	State Aid	ADP
2001-02	\$1,570,378	34
2002-03	\$1,077,234	34
2003-04	\$1,130,195	34
2004-05	\$1,346,574	46
2005-06	\$1,328,775	54
2006-07	\$1,519,703	59
2007-08	\$1,554,710	59
2008-09	\$1,522,679	57
2009-10	\$1,432,612	58
2010-11	\$1,412,270	43
2011-12	\$1,417,499	47
2012-13	\$1,571,668	56 (1)
2013-14	\$1,596,771	41
2014-15	\$1,602,976	35
2015-16	\$1,675,438	39
2016-17	\$1,609,492	38
2017-18	\$1,514,500*	37*
2018-19	\$1,578,339*	38*

* Figures for FY2016-17 and FY2017-18 are projections.

(1) – Average Daily Population was inflated in FY2012-13 due to serving Richmond City juveniles.

OTHER POST EMPLOYMENT BENEFITS AGENCY FUND

Other Post Employment Benefits (OPEB)

Description

Non-pension benefits provided to employees after employment ends are referred to as Other Post Employment Benefits or OPEB. The definition of OPEB, according to the Governmental Accounting Standards Board (GASB), includes health insurance, dental insurance, life insurance, and term care coverage for retirees and their families. Other post employment benefits are a part of the compensation package employees earn each year, even though the benefits are not received until employment has ended. For Henrico County, these benefits are confined to retiree health insurance and specifically, for those retirees that opt to remain with the County's health care provider.

The rating agencies now consider OPEB funding status in their evaluations of government financial condition. It is possible that bond ratings may suffer for those governments with large and/or mounting liabilities and no defined way to pay for these future costs. Under the guidelines, OPEB financial information will be produced using actuarial valuations performed in accordance with GASB standards. The actuarial valuations should be performed at least every two years for plans that administer OPEB for 200 or more plan members

(active and retired) or every three years for plans with fewer than 200 members. Henrico County's update was completed as of June 30, 2015.

As a result of the financial reporting requirements of the Governmental Accounting Standards Board (GASB), this fiduciary fund was created in FY2007-08. This fund allows the County to budget for the annual cost of public employee non-pension benefits and all outstanding obligations and commitments related to OPEB in the same manner as reporting financial information for pensions. It is the intent of the County of Henrico to fully meet the GASB 45 funding requirement that began in FY2007-08.

Budget Highlights

The budget for FY2018-19 provides funding of \$2,750,000 for costs associated with this accounting standard. It should be noted in FY2017-18, \$2,675,000 will come from the General Fund and \$75,000 will cover the Water and Sewer portion of this requirement. The budget continues to meet the anticipated funding requirements. Future contributions will continue to be based on completed independent actuarial analysis.

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
OPEB Contribution	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000	0.0%
Total OPEB	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000	0.0%

LINE OF DUTY – FIDUCIARY FUND

Line of Duty

Description

The Line of Duty Fiduciary Fund was created in the FY2012-13 Annual Fiscal Plan due to a mandate from the Commonwealth of Virginia that requires localities to pay the cost of this State approved benefit. The Line of Duty benefit was initially approved by the General Assembly as an additional life insurance payment for public safety employees that die in the line of duty. However, the General Assembly expanded the benefit during the 1998 session of the General Assembly to include health insurance coverage. The health insurance benefit covers the public safety employee that dies or becomes disabled in the line of duty as well as their spouse and dependents. The expanded benefit was effective July 1, 2000.

During the 2010 session of the General Assembly, due to the increasing cost of this State benefit directly related to the increasing cost of providing healthcare insurance, the 2010-2012 Biennial Budget passed the cost of the line of duty benefits from the Commonwealth of Virginia to localities. Localities were given two options to pay for the line of duty

costs. The first option was for localities to pay the costs of the line of duty benefits directly. The second option was to participate in a line of duty pool administered by the Virginia Retirement System (VRS). The County of Henrico chose the first option, to pay the costs of the program directly.

Budget Highlights

The budget for FY2018-19 totals \$1,100,000 and reflects an increase of \$400,000 from the previous approved budget. This additional funding is needed in order to provide for projected cost increases associated with the Line of Duty payments.

As a result of the General Assembly passing the cost of this State approved benefit to localities, a new fiduciary fund was created for FY2012-13 with an original forecasted budget of \$500,000. This fiduciary fund allows the County to budget for the annual cost of the Line of Duty. Currently, this benefit provides coverage for 66 retirees at an average monthly cost of \$1,211 per retiree.

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Line of Duty Contribution	\$ 569,869	\$ 700,000	\$ 1,100,000	57.1%
Total Line of Duty	<u>\$ 569,869</u>	<u>\$ 700,000</u>	<u>\$ 1,100,000</u>	<u>57.1%</u>

LONG-TERM DISABILITY – FIDUCIARY FUND

Long-Term Disability

Description

Starting in 1985, the County provided a self-insured long-term disability program to employees after six months of full-time service. This benefit was funded through the budget amendment process and the remaining budget was automatically carried forward into the next fiscal year.

Effective January 1, 2017, the County contracted with Metropolitan Life Insurance Company to fully insure and administer a similar long-term disability program. This budget includes funding for the fully-insured premiums to cover the basic, County-provided long-

term disability benefit for eligible General Government and Schools employees.

Budget Highlights

The Long-Term Disability Fiduciary Fund was added to the budget beginning with the FY2017-18 Annual Fiscal Plan in order to capture the on-going expenses associated with this program. This program has a forecasted budget of \$600,000 based on contract estimates for the program.

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Long-Term Disability Contribution	\$ 522,540	\$ 600,000	\$ 600,000	0.0%
Total Long Term Disability	<u>\$ 522,540</u>	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>0.0%</u>

ADJUSTMENTS

Description

Resources to support the Central Automotive Maintenance operation and the Healthcare Fund in the Internal Service Funds, come via transfers from other operating departments in the form of interdepartmental billings and transfers from the operating Funds, as required. To avoid a duplication of those anticipated expenditures, the amount of funds budgeted for Internal Service Fund activities are deducted from total budget requests.

departments can be found within their individual operating budgets.

Beginning in FY1996-97, only the Central Automotive Maintenance operation was accounted for in the Internal Service Fund. Prior to FY1996-97, all County Information Technology operations were also in the Internal Service Fund. The Department of Information Technology was moved and is accounted for in the General Fund where its activities can more properly be reported at year-end. The Technology Replacement Fund was also funded by interdepartmental billings from FY2000-01 to FY2011-12. Since FY2012-13, funding has been provided by a transfer from the General Fund and retained earnings. Effective January 1, 2008, the County's health care program transitioned to a self-insurance program. The Healthcare Fund has been designated as an Internal Service Fund as the majority of its funding is budgeted in departmental budgets. The health care costs that are budgeted within departmental budgets are included in the adjustment, while revenues from outside sources are not included in the adjustment.

Objectives

- To be sure that any anticipated expenditure in the Internal Service Fund is recognized and offset by a negative entry of like amount to avoid duplication of anticipated expenditures to be billed to other departments.

Budget Highlights

The amount to be funded through interdepartmental billings is determined by the level of service required by the user departments. Service levels for those

Annual Fiscal Plan

<u>Description</u>	<u>FY17 Actual</u>	<u>FY18 Original</u>	<u>FY19 Approved</u>	<u>Change 18 to 19</u>
Total	\$ (94,002,951)	\$ (102,804,784)	\$ (108,483,399)	5.5%

CAPITAL BUDGET

CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) accounts for capital improvement projects that generally require a significant outlay of funds and have a project life of longer than one year. Once funds are appropriated to the Capital Projects Fund for a project, the funds remain appropriated until the project is completed.

Henrico County's capital improvement needs and funding requirements are outlined in a separate document - the Capital Improvement Program FY2018-19 through FY2022-23. The CIP represents infrastructure improvements requested by County departments over the next five years to meet existing and future service obligations. In evaluating each of the projects, the CIP process takes into account such factors as population growth, density, desired service levels, economic development concerns, and the County's fiscal condition. In the end, the CIP reflects the needs and desires of the residents of Henrico.

The CIP also represents a balance between available resources and competing County priorities. In an effort to ensure that the County's infrastructure is meeting the service delivery needs of our residents, the Board of Supervisors, in consultation with the Henrico County School Board, presented a plan to fund \$419.8 million of projects utilizing General Obligation (G.O.) Bonds. These projects were approved by County voters in the November 2016 election and are considered the highest priority projects. Funding for these projects began in FY2017-18 and will traverse a six-year period (through FY2022-23). With the approval of the bond referendum, County residents affirmed these projects are important to the quality of life in the County and are considered the highest priority projects.

Routine maintenance associated with both Education and General Government facilities is addressed as a means of ensuring our infrastructure does not deteriorate. Other projects given high priority are the ones vital to the economic growth of the County including infrastructure improvements associated with water and sewer transmission. With the approval of the Bond Referendum, many of the County's needs will be met. However, a significant number of projects submitted in the FY2018-19 through FY2022-23 CIP do not have an identified funding source at this time.

The Capital Improvement Program provides for the orderly and systematic financing and acquisition of

public improvements. It also provides information for the individual taxpayer, neighborhood councils, and other civic groups interested in the County's development plan; a statement of intention for Federal and State agencies who provide grants-in-aid to the County; and a source of information for potential investors who may purchase municipal securities. By projecting and scheduling capital improvements in advance of actual needs, the County obtains several advantages.

1. Reduction of the need for "crash programs" to finance the construction of County facilities.
2. Budgeting takes place within a system, which assures capital projects will be built according to a predetermined priority system while planning in advance for revenue needed to finance and complete these capital projects.
3. Advance planning ensures projects are well thought out in advance of construction.
4. It permits major purchases to be scheduled in conjunction with favorable market conditions.
5. Coordination with the operating budget is ensured. An important aspect of capital improvement planning is the affect capital expenditures have upon the annual operating cost of the County. When a new facility is established, it must be maintained and staffed, and obligations, which begin when it is made operational, will become continuous. Within the Approved FY2018-19 Operating budget, all operating costs arising from current and previously approved capital projects that are becoming operational have been accounted for through a crosswalk analysis that is updated annually.

Funding for CIP projects typically comes from two major sources: long-term borrowing and current revenues (pay-as-you-go financing). The operating budget is the primary mechanism through which current revenues are appropriated to capital projects. It is important to note that the FY2018-19 CIP includes the Education Meals Tax revenue which was approved by the voters in November 2013. A total of \$9.0 million associated with this revenue has been dedicated to various school maintenance and rehabilitation projects. Other sources of financing for the CIP can include State Construction grants, State

Capital Improvement Program (cont'd)

Lottery funds, State Transportation funds, and Enterprise Fund resources. The amount appropriated for capital projects each year is based on the Capital Improvement Program in effect at the time of the development of the capital budget. The FY2018-19 through FY2022-23 CIP requests of \$1,211,176,193 represents an increase of \$151,879,079 from the current FY2017-18 through FY2021-22 CIP of

\$1,059,297,114. These needs are put forward by Departments, and prioritized by the Departments over the five-year period. The approved Capital Budget for FY2018-19 funds \$176,964,800 in the first year of the CIP.

The revenue sources approved for the FY2018-19 Capital budget are as follows:

<u>Revenue Sources:</u>	<u>Approved FY2018-19</u>
Capital Projects Fund:	
General Fund Operating Budget Transfers:	
General Fund - Designated Fund Balance	\$ 10,000,000
General Fund - Designated Capital Reserve	17,662,090
General Fund - Education Meals Tax Revenue	9,000,000
General Fund - Tourism Reserve	9,251,000
General Fund - Public Works Reserve	3,678,910
General Fund - Stormwater Dedication	2,348,000
Motor Vehicle License Fee Revenue - Public Works	1,000,000
Subtotal - General Fund Operating Budget Transfers:	<u>\$ 52,940,000</u>
General Obligation Bonds - Education - 2016	\$ 15,000,000
General Obligation Bonds - General Government - 2016	\$ 38,000,000
Subtotal - Capital Projects Fund	<u>\$ 105,940,000</u>
Vehicle Replacement Fund:	
General Fund Operating Budget Transfers:	
General Fund Revenues	\$ 7,624,800
General Fund - Undesignated Fund Balance	1,000,000
Subtotal - Vehicle Replacement Fund	<u>\$ 8,624,800</u>
Enterprise Fund - Public Utilities:	
Revenue Bonds	\$ 20,300,000
Water and Sewer Revenues	42,100,000
Subtotal - Enterprise Fund - Public Utilities	<u>\$ 62,400,000</u>
Total Capital Budget Revenues	<u><u>\$ 176,964,800</u></u>

Capital Improvement Program Calendar

Capital Improvement Program (CIP) preparation requires careful scheduling so the responsible officials are given adequate time and complete information to make sound program decisions. The large volume of data to be compiled into a clear, concise project request, requires the steps in the budget-making process be taken in scheduled and logical sequence. The Capital Improvement Program calendar provides, in chronological order, the key dates set each year to ensure prompt and efficient preparation and adoption of the Capital Budget:

MIDDLE OF JULY - Call for CIP estimates, calendar of dates, and other related information sent to departments.

FIRST WEEK OF SEPTEMBER - Deadline for submission of CIP requests to the Office of Management and Budget.

FIRST WEEK OF OCTOBER - Office of Management and Budget briefs CIP Review Committee and County Manager on status of CIP requests.

FOURTH WEEK OF NOVEMBER - Office of Management and Budget furnishes CIP Review Committee with details and summaries of departmental CIP requests.

SECOND WEEK OF DECEMBER – The County Manager and the CIP Review Committee conducts executive reviews with departments.

MIDDLE OF JANUARY – The County Manager and the CIP Review Committee submits the CIP and recommended Capital Budget to the Planning Commission.

MIDDLE OF JANUARY – Planning Commission announces a public hearing on the CIP for middle of February.

MIDDLE OF FEBRUARY – Planning Commission conducts public hearing and submits comments on CIP to the County Manager.

SECOND WEEK OF APRIL – Board of Supervisors conducts public hearing on the proposed Capital Budget.

LAST WEEK OF APRIL - Board of Supervisors adopts Capital Budget.

County of Henrico, Virginia
Approved Capital Budget
FY2018-19

Project Number	Project Name	Approved FY2018-19
Capital Projects Fund		
<u>General Fund</u>		
00518	Roof Replacements - Education	\$ 538,150
00527	Mechanical Improvements - Education	1,961,850
	Subtotal - Education	<u>\$ 2,500,000</u>
00572	Mechanical Improvements	\$ 1,100,000
00425	Roof Replacement and Rehabilitation	500,000
00423	Pavement Rehabilitation	500,000
06477	Small Project Improvements and Renovations	250,000
01198	Energy Management	400,000
06096	Human Services Building Renovation	3,800,000
06347	Circuit Court Renovation	8,500,000
	Subtotal - General Services	<u>\$ 15,050,000</u>
06481	Information Technology Projects	\$ 1,500,000
	Subtotal - Information Technology	<u>\$ 1,500,000</u>
00429	Geographic Information System	\$ 150,000
	Subtotal - Information Technology - GIS	<u>\$ 150,000</u>
08350	Evidence Storage Facility	\$ 589,000
	Subtotal - Police	<u>\$ 589,000</u>
07043	Woodman Road Extension	\$ 4,945,000
06604	Oakley's Lane	507,000
06837	Countywide Pedestrian Improvements	2,500,000
	Subtotal - Public Works - Roadway	<u>\$ 7,952,000</u>
07046	Chesapeake Bay TMDL/MS4 Compliance	\$ 2,348,000
	Subtotal - Public Works - Stormwater	<u>\$ 2,348,000</u>
23001	High School Field Upgrades	\$ 9,251,000
06194	Facility Rehabilitation	600,000
	Subtotal - Recreation and Parks	<u>\$ 9,851,000</u>
08605	ORBIT Facility	\$ 3,000,000
	Subtotal - Sheriff's Office	<u>\$ 3,000,000</u>
	Subtotal - General Fund	<u>\$ 42,940,000</u>

County of Henrico, Virginia
Approved Capital Budget
FY2018-19

Project Number	Project Name	Approved FY2018-19
Capital Projects Fund (Continued)		
<u>General Fund Revenue - Education Meals Tax</u>		
06899	Education Meals Tax Project Reserve	\$ 9,000,000
	Subtotal - General Fund Revenue - Education Meals Tax	\$ 9,000,000
<u>General Fund Revenue - Public Works (Motor Vehicle License Fee)</u>		
00499	General Road Construction	\$ 1,000,000
	Subtotal - General Fund Revenue - Public Works	\$ 1,000,000
<u>G.O. Bonds - Education - 2016</u>		
70008	Tucker HS Renovation	\$ 10,000,000
70009	Brookland Area ES Planning & Construction	5,000,000
	Subtotal - G.O. Bonds - Education - 2016	\$ 15,000,000
<u>G.O. Bonds - General Government - 2016</u>		
13002	Staples Mill Fire Station	\$ 2,000,000
	Subtotal - Fire	\$ 2,000,000
02100	Fairfield Area Library Replacement	\$ 24,000,000
	Subtotal - Public Library	\$ 24,000,000
23002	Greenwood Park	\$ 10,000,000
23003	Dorey Park	2,000,000
	Subtotal - Recreation and Parks	\$ 12,000,000
	Subtotal - G.O. Bonds - General Government - 2016	\$ 38,000,000
	Total - Capital Projects Fund	\$ 105,940,000
Vehicle Replacement Fund		
<u>General Fund</u>		
06690	School Bus Replacement Plan	\$ 3,000,000
	Subtotal - Education	\$ 3,000,000
06692	Fire Apparatus Replacement Program	\$ 3,000,000
	Subtotal - Fire	\$ 3,000,000
06691	Police Vehicle Replacement Program	\$ 2,624,800
	Subtotal - Police	\$ 2,624,800
	Total - Vehicle Replacement Fund	\$ 8,624,800

County of Henrico, Virginia
Approved Capital Budget
FY2018-19

Project Number	Project Name	Approved FY2018-19
Enterprise Fund - Public Utilities		
<u>Other Local Revenue</u>		
00782	New Sewer Connections	\$ 200,000
00772	Sewer Line Extensions	500,000
00732	Sewer Line Rehabilitation	5,000,000
00743	Sewer Pump Station (SPS) Improvements	1,600,000
00737	Sewer Reloc., Adjustments & Crossings	200,000
00725	Plan Review and Inspection	1,700,000
06492	Roof Replacement	50,000
08172	Water Reclamation Facility Improvements	500,000
00735	Water Reclamation Facility Expansion	1,500,000
06449	White Oak SPS Improvements	800,000
06569	Upham Brook Storage Facilities	7,000,000
	Subtotal - Other Local Revenue	<u>\$ 19,050,000</u>
<u>Revenue Bonds</u>		
01076	Strawberry Hill Basin Sewer Rehab	\$ 12,500,000
06152	Gambles Mill SPS Flow Equalization Basin (FEB) Modification	7,800,000
	Subtotal - Revenue Bonds	<u>\$ 20,300,000</u>
	Subtotal - Sewer	<u>\$ 39,350,000</u>
<u>Other Local Revenue</u>		
00771	New Water Connections	\$ 150,000
00770	Water Line Extensions	300,000
00768	Water Line Rehabilitation	4,000,000
00769	Water Pumping Station Improvements	1,300,000
00780	Water Meters	500,000
00767	Water Reloc., Adjustments & Crossings	200,000
00811	Information Technology Projects	15,000,000
08171	Water Treatment Facility Improvements	1,300,000
08162	Woodman Road Water Line	300,000
	Subtotal - Water	<u>\$ 23,050,000</u>
	Total - Enterprise Fund - Public Utilities	<u><u>\$ 62,400,000</u></u>
TOTAL APPROVED CAPITAL BUDGET FOR FY2018-19		<u><u>\$ 176,964,800</u></u>

Capital Improvement Program Summary

Fiscal Year 2018-19 through Fiscal Year 2022-23

By Department	Approved FY2018-19	Requested FY2018-19	Requested FY2019-20	Requested FY2020-21	Requested FY2021-22	Requested FY2022-23	Total Requested
Capital Projects Fund							
Education	26,500,000	27,500,000	81,500,000	53,500,000	57,500,000	165,610,367	385,610,367
Fire	2,000,000	2,000,000	10,638,488	8,479,184	1,600,000	18,694,293	41,411,965
General Services	15,050,000	18,497,508	9,298,987	31,994,753	40,037,644	22,958,186	122,787,078
Information Technology	1,500,000	2,500,000	1,500,000	1,500,000	1,500,000	1,500,000	8,500,000
Information Technology - GIS	150,000	150,000	150,000	150,000	150,000	150,000	750,000
Mental Health	0	0	0	1,627,518	12,405,337	0	14,032,855
Police	589,000	1,790,865	18,002,426	2,733,085	10,077,474	9,216,625	41,820,475
Public Library	24,000,000	24,000,000	0	1,470,647	13,819,452	10,687,957	49,978,056
Public Works - Drainage	0	0	3,809,479	10,262,214	24,828,147	2,559,666	41,459,506
Public Works - Roadway	8,952,000	9,452,000	11,005,000	9,000,000	14,200,000	5,830,000	49,487,000
Public Works - Stormwater	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	11,740,000
Recreation	21,851,000	23,354,791	21,147,341	12,349,451	23,785,323	19,868,553	100,505,459
Sheriff	3,000,000	2,464,831	27,833,976	30,530,964	2,239,136	15,371,798	78,440,705
Total	105,940,000	114,057,995	187,233,697	165,945,816	204,490,513	274,795,445	946,523,466
Vehicle Replacement Reserve							
Education	3,000,000	0	0	0	0	0	0
Fire	3,000,000	0	0	0	0	0	0
Police	2,624,800	0	0	0	0	0	0
Total	8,624,800	0	0	0	0	0	0
Enterprise Fund - Utilities							
Public Utilities - Sewer	39,350,000	39,350,000	20,750,000	24,500,000	66,850,000	54,120,000	205,570,000
Public Utilities - Water	23,050,000	23,050,000	7,050,000	7,450,000	9,250,000	9,250,000	56,050,000
Total	62,400,000	62,400,000	27,800,000	31,950,000	76,100,000	63,370,000	261,620,000
Enterprise Fund							
Recreation	0	1,224,827	0	1,247,910	0	559,990	3,032,727
Total	0	1,224,827	0	1,247,910	0	559,990	3,032,727
Grand Total	176,964,800	177,682,822	215,033,697	199,143,726	280,590,513	338,725,435	1,211,176,193
By Revenue Source	Approved FY2018-19	Requested FY2018-19	Requested FY2019-20	Requested FY2020-21	Requested FY2021-22	Requested FY2022-23	Total Requested
Capital Projects Fund							
G.O. Bonds - Education - 2016	15,000,000	15,000,000	70,000,000	42,000,000	46,000,000	0	173,000,000
G.O. Bonds - General Gov't - 2016	38,000,000	38,000,000	22,200,000	14,000,000	31,700,000	26,300,000	132,200,000
General Fund	42,940,000	28,701,460	23,085,309	15,015,872	14,081,586	15,670,384	96,554,611
General Fund - Education Meals Tax	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	45,000,000
General Fund - Public Works	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
No Funding Source	0	22,356,535	61,948,388	84,929,944	102,708,927	222,825,061	494,768,855
Total	105,940,000	114,057,995	187,233,697	165,945,816	204,490,513	274,795,445	946,523,466
Vehicle Replacement Reserve							
General Fund	8,624,800	0	0	0	0	0	0
Total	8,624,800	0	0	0	0	0	0
Enterprise Fund - Utilities							
Enterprise Fund	42,100,000	42,100,000	19,300,000	23,450,000	52,100,000	46,370,000	183,320,000
Revenue Bonds	20,300,000	20,300,000	8,500,000	8,500,000	24,000,000	17,000,000	78,300,000
Total	62,400,000	62,400,000	27,800,000	31,950,000	76,100,000	63,370,000	261,620,000
Enterprise Fund							
Enterprise Fund	0	1,224,827	0	1,247,910	0	559,990	3,032,727
Total	0	1,224,827	0	1,247,910	0	559,990	3,032,727
Grand Total	176,964,800	177,682,822	215,033,697	199,143,726	280,590,513	338,725,435	1,211,176,193

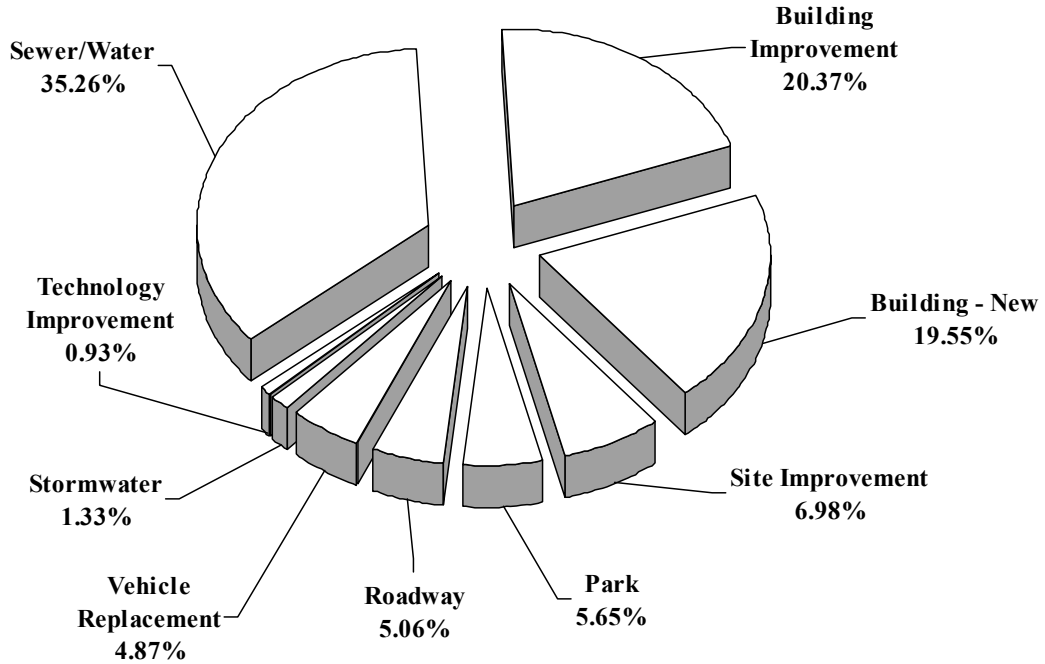
Capital Improvement Program Summary

Fiscal Year 2018-19 through Fiscal Year 2022-23

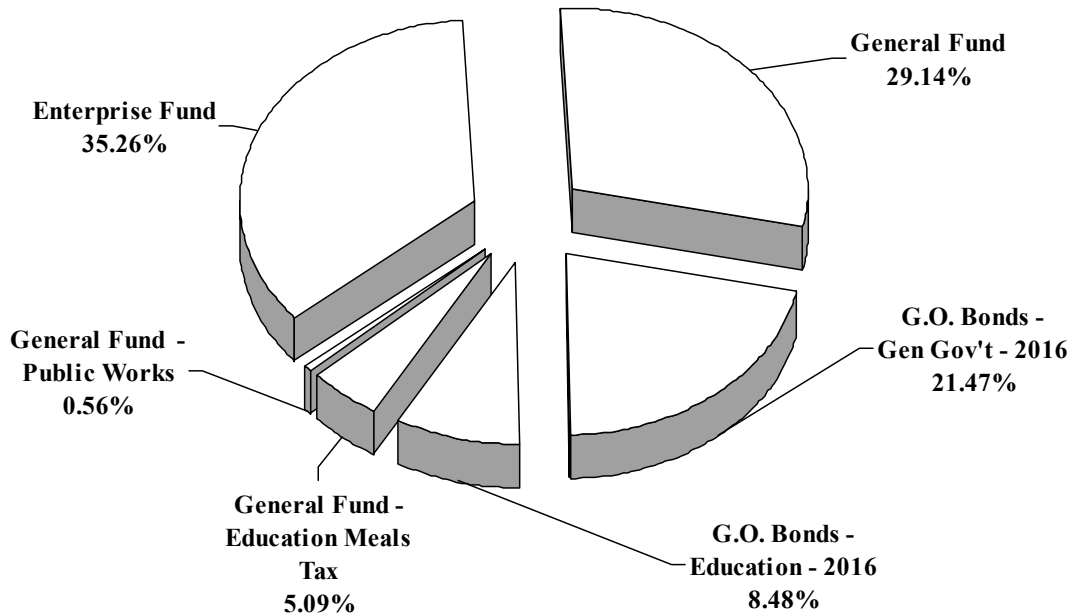
By Project Type	Approved FY2018-19	Requested FY2018-19	Requested FY2019-20	Requested FY2020-21	Requested FY2021-22	Requested FY2022-23	Total Requested
Capital Projects Fund							
Building (New)	34,589,000	34,800,310	80,726,781	105,283,572	70,720,634	38,551,546	330,082,843
Building Addition	0	0	0	1,627,518	12,405,337	8,492,693	22,525,548
Building Improvement	36,050,000	39,842,894	65,579,596	22,435,061	56,228,145	194,466,737	378,552,433
Drainage	0	0	3,809,479	10,262,214	24,828,147	2,559,666	41,459,506
Park	10,000,000	10,000,000	10,000,000	5,000,000	19,000,000	0	44,000,000
Roadway	8,952,000	9,452,000	11,005,000	9,000,000	14,200,000	5,830,000	49,487,000
Site Improvement	12,351,000	14,964,791	12,114,841	8,339,451	3,110,250	20,896,803	59,426,136
Stormwater	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	11,740,000
Technology Improvement	1,650,000	2,650,000	1,650,000	1,650,000	1,650,000	1,650,000	9,250,000
Total	105,940,000	114,057,995	187,233,697	165,945,816	204,490,513	274,795,445	946,523,466
Vehicle Replacement Reserve							
Vehicle Replacement Reserve	8,624,800	0	0	0	0	0	0
Total	8,624,800	0	0	0	0	0	0
Enterprise Fund - Utilities							
Sewer	39,350,000	39,350,000	20,750,000	24,500,000	66,850,000	54,120,000	205,570,000
Water	23,050,000	23,050,000	7,050,000	7,450,000	9,250,000	9,250,000	56,050,000
Total	62,400,000	62,400,000	27,800,000	31,950,000	76,100,000	63,370,000	261,620,000
Enterprise Fund							
Golf Course	0	1,224,827	0	1,247,910	0	559,990	3,032,727
Total	0	1,224,827	0	1,247,910	0	559,990	3,032,727
Grand Total	176,964,800	177,682,822	215,033,697	199,143,726	280,590,513	338,725,435	1,211,176,193

Approved FY2018-19 Capital Budget \$176,964,800

By Project Type



By Funding Source



**CAPITAL PROJECTS BY DEPARTMENT
FY2018-19**

EDUCATION **\$ 29,500,000**

Projects that will be funded through the issuance of 2016 General Obligation (G.O.) Bonds, which County voters approved in November 2016, totals \$15.0 million for Education and includes partial funding of \$10.0 million for the Tucker High School Renovation project and \$5.0 million to support the new Brookland Area Elementary School Planning and Construction project. Education Meals Tax revenue of \$9.0 million is forecasted for various maintenance and rehabilitation projects for Schools' facilities. These projects include improvements to school facilities such as bathroom, kitchen, lighting, mechanical, roof, and site improvements. A total of \$2.5 million of General Fund resources will support ongoing projects related to school roof replacements and mechanical systems improvements. In addition, General Fund revenue of \$3.0 million is forecasted within the Vehicle Replacement Fund for the School Bus Replacement Plan.

FIRE **\$ 5,000,000**

The 2016 General Obligation (G.O.) Bonds will provide partial funding of \$2.0 million for the Staples Mill Fire Station. Funding of \$3.0 million is forecasted within the Vehicle Replacement Fund for the Fire Apparatus Replacement Program which includes General Fund revenues of \$2.0 million and General Fund balance of \$1.0 million.

GENERAL SERVICES **\$ 15,050,000**

General Fund resources of \$2.1 million are forecasted to fund ongoing roof, mechanical, and pavement rehabilitation projects. In addition, a total of \$12,950,000 in General Fund resources will provide funding for the following projects: Circuit Court Renovation - \$8,500,000, Human Services Building Renovation - \$3,800,000, Energy Management - \$400,000, and Small Project Improvements and Renovations - \$250,000.

INFORMATION TECHNOLOGY **\$ 1,500,000**

General Fund resources of \$1.5 million will support various information technology hardware and software upgrades.

INFORMATION TECHNOLOGY - GIS **\$ 150,000**

General Fund revenue of \$150,000 is included for the Geographical Information System (GIS) to continue the accumulation of funds in order to fly over the County on a routine basis.

POLICE **\$ 3,213,800**

A total of \$589,000 in General Fund resources will provide funding for the Evidence Storage Facility. General Fund revenues of \$2,624,800 are forecasted within the Vehicle Replacement Fund for the Police Vehicle Replacement Program.

PUBLIC LIBRARY **\$ 24,000,000**

The 2016 General Obligation (G.O.) Bonds will provide funding of \$24.0 million for the Fairfield Area Library Replacement.

PUBLIC WORKS - ROADWAY **\$ 8,952,000**

General Fund resources of \$7,952,000 will provide funding for the Woodman Road Extension project - \$4,945,000, Oakley's Lane - \$507,000, and ongoing Countywide Pedestrian Improvement projects - \$2.5 million. Public Works' Motor Vehicle License Fee revenue of \$1.0 million has been designated for ongoing general road construction projects.

PUBLIC WORKS - STORMWATER **\$ 2,348,000**

Dedicated General Fund resources of \$2,348,000 are included for an ongoing stormwater project which has been submitted in order to meet the County's Chesapeake Bay Total Maximum Daily Load (TMDL) permit requirement. This project involves the construction of stream restoration, level spreaders, and bio-retention facilities.

RECREATION AND PARKS

\$ 21,851,000

The 2016 General Obligation (G.O.) Bonds totals \$12.0 million for Recreation and Parks and includes partial funding of \$10.0 million for Greenwood Park and \$2.0 million for Dorey Park. In addition, General Fund resources of \$9,851,000 will provide funding for the completion of the High School Field Upgrades project - \$9,251,000 and \$600,000 for facility rehabilitation projects at various County parks.

SHERIFF'S OFFICE

\$ 3,000,000

A total of \$3,000,000 in General Fund resources will provide funding for planning costs associated with the ORBIT Facility.

PUBLIC UTILITIES - SEWER

\$ 39,350,000

Projects that will be funded by revenues from the use of sewer services include \$7.0 million for the Upham Brook Storage Facilities, \$1.5 million for the Water Reclamation Facility Expansion, \$800,000 for the White Oak SPS Improvements, and \$500,000 for the Water Reclamation Facility improvements. Funding of \$9,250,000 is also included for new sewer connections, extensions of the existing sewer system, sewer line rehabilitation, preventive maintenance of various sewer pump stations, plan review and inspection activities, a roof replacement project, and various sewer relocations, adjustments, and crossings projects. Revenue bond financing will be utilized for the Strawberry Hill Basin Sewer Rehabilitation - \$12.5 million and the Gambles Mill SPS FEB Modification - \$7.8 million.

PUBLIC UTILITIES - WATER

\$ 23,050,000

Projects that will be funded by revenues from the use of water services include \$15.0 million for Information Technology projects, \$1.3 million for Water Treatment Facility Improvements, and \$300,000 for the Woodman Road Water Line project. Funding of \$6,450,000 is included for the new water connections, water line extensions, water line rehabilitation, water pumping station improvements, water meters, and various water relocations, adjustments, and crossings projects.

**Capital Improvement Program FY2018-19 through FY2022-23
Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY18-19	Request FY18-19	Request FY19-20	Request FY20-21	Request FY21-22	Request FY22-23	Total Five Year	
Education												
00518		Roof Replacements	General Fund	Countywide	538,150	538,150	1,000,000	1,000,000	1,000,000	1,000,000	4,538,150	
00527		Mechanical Improvements	General Fund	Countywide	1,961,850	1,961,850	1,500,000	1,500,000	1,500,000	1,500,000	7,961,850	
06899		Education Meals Tax Project Reserve	General Fund - Education Meals Tax	Countywide	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	45,000,000	
70008	1	Tucker HS Renovation	G.O. Bonds - Education - 2016	Three Chopt	10,000,000	10,000,000	45,000,000	0	0	0	55,000,000	
70009	2	Brookland Area ES Planning & Construction	G.O. Bonds - Education - 2016	Brookland	5,000,000	5,000,000	15,000,000	0	0	0	20,000,000	
06669	3	Freeman HS Practice Field	No Funding Source	Tuckahoe	0	1,000,000	0	0	0	0	1,000,000	
70010	1	Glen Allen HS ACE Center	G.O. Bonds - Education - 2016	Brookland	0	0	10,000,000	27,000,000	0	0	37,000,000	
70011	1	Eastern Area ACE Center	G.O. Bonds - Education - 2016	Varina	0	0	0	15,000,000	0	0	15,000,000	
70012	1	Adams ES Renovation	G.O. Bonds - Education - 2016	Fairfield	0	0	0	0	19,000,000	0	19,000,000	
00001	1	Jackson Davis ES - 8 Classroom Addition	No Funding Source	Three Chopt	0	0	0	0	0	8,492,693	8,492,693	
06741	2	Virginia Randolph Complex Renovation	No Funding Source	Fairfield	0	0	0	0	0	31,571,210	31,571,210	
06742	3	Central Gardens Renovation	No Funding Source	Fairfield	0	0	0	0	0	14,495,393	14,495,393	
06672	4	Jackson Davis ES Renovation	No Funding Source	Three Chopt	0	0	0	0	0	16,737,073	16,737,073	
06673	5	Longan ES Renovation	No Funding Source	Brookland	0	0	0	0	0	17,318,377	17,318,377	
06743	6	Highland Springs ES Renovation	No Funding Source	Varina	0	0	0	0	0	22,785,186	22,785,186	
06744	7	Holladay ES Renovation	No Funding Source	Brookland	0	0	0	0	0	23,298,794	23,298,794	
06746	8	Carver ES Renovation	No Funding Source	Tuckahoe	0	0	0	0	0	19,411,641	19,411,641	
Department Subtotal					26,500,000	27,500,000	81,500,000	53,500,000	57,500,000	165,610,367	385,610,367	
Fire												
13002	1	Staples Mill Fire Station	G.O. Bonds - General Gov't - 2016	Brookland	2,000,000	2,000,000	8,000,000	0	0	0	10,000,000	
06366	1	Fire Station #1 Replacement	No Funding Source	Fairfield	0	0	2,638,488	8,479,184	0	0	11,117,672	
13003	1	Eastgate/Newbridge Fire Station	G.O. Bonds - General Gov't - 2016	Fairfield	0	0	0	0	1,600,000	8,000,000	9,600,000	
06177	1	Fire Station #6 Replacement	No Funding Source	Varina	0	0	0	0	0	10,694,293	10,694,293	
Department Subtotal					2,000,000	2,000,000	10,638,488	8,479,184	1,600,000	18,694,293	41,411,965	
General Services												
00572	1	Mechanical Improvements	General Fund	General Government	1,100,000	2,097,821	2,000,000	2,046,511	2,088,372	2,125,581	10,358,285	
00425	2	Roof Replacement and Rehabilitation	General Fund	General Government	500,000	857,917	1,527,403	927,915	984,964	950,000	5,248,199	
00423	3	Pavement Rehabilitation	General Fund	General Government	500,000	900,000	967,500	990,000	1,010,250	1,028,250	4,896,000	
06477	4	Small Project Improvements and Renovations	General Fund	General Government	250,000	500,000	500,000	500,000	500,000	500,000	2,500,000	
01198	5	Energy Management	General Fund	General Government	400,000	500,000	500,000	500,000	500,000	500,000	2,500,000	
01199	6	County Generator Program	No Funding Source	General Government	0	900,000	967,500	990,000	1,010,250	1,028,250	4,896,000	
06096	7	Human Services Building Renovations	General Fund	General Government	3,800,000	3,795,621	0	0	0	0	3,795,621	
06347	8	Circuit Court Renovation	General Fund	General Government	8,500,000	8,537,636	0	0	0	0	8,537,636	
08563	9	Library HQ Streambank Restoration	No Funding Source	General Government	0	408,513	0	0	0	0	408,513	
00612	1	Administration Infill Building	No Funding Source	General Government	0	0	2,223,704	15,846,563	0	0	18,070,267	
08562	2	Old Fairfield Library Renovation	No Funding Source	General Government	0	0	612,880	3,774,798	0	0	4,387,678	
08560	1	Admin Building New Agencies Renovation	No Funding Source	General Government	0	0	0	725,190	4,585,971	0	5,311,161	
08599	2	Woodman Police & Fire Installation Shop	No Funding Source	General Government	0	0	0	1,154,244	7,634,518	0	8,788,762	
06103	3	CAM East & Road Crew Building	No Funding Source	General Government	0	0	0	4,539,532	19,893,403	0	24,432,935	
07036	1	East Government Center Swing Building	No Funding Source	General Government	0	0	0	0	1,829,916	10,640,628	12,470,544	
08561	2	Eastern Government Center Renovations	No Funding Source	General Government	0	0	0	0	0	6,185,477	6,185,477	
Department Subtotal					15,050,000	18,497,508	9,298,987	31,994,753	40,037,644	22,958,186	122,787,078	

**Capital Improvement Program FY2018-19 through FY2022-23
Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY18-19	Request FY18-19	Request FY19-20	Request FY20-21	Request FY21-22	Request FY22-23	Total Five Year
Information Technology											
06481	1	Information Technology Projects	General Fund	General Government	1,500,000	2,500,000	1,500,000	1,500,000	1,500,000	1,500,000	8,500,000
Department Subtotal					1,500,000	2,500,000	1,500,000	1,500,000	1,500,000	1,500,000	8,500,000
Information Technology - GIS											
00429	1	Geographic Information System	General Fund	General Government	150,000	150,000	150,000	150,000	150,000	150,000	750,000
Department Subtotal					150,000	150,000	150,000	150,000	150,000	150,000	750,000
Mental Health											
06662	1	Woodman Road Expansion Construction	No Funding Source	General Government	0	0	0	1,627,518	12,405,337	0	14,032,855
Department Subtotal					0	0	0	1,627,518	12,405,337	0	14,032,855
Police											
08350	1	Evidence Storage Facility	General Fund	General Government	589,000	588,459	4,925,161	0	0	0	5,513,620
08567	2	Police East Station	No Funding Source	General Government	0	1,202,406	12,822,348	0	0	0	14,024,754
06730	1	Tactical Training Facility	No Funding Source	General Government	0	0	254,917	1,673,575	0	0	1,928,492
08568	1	Police Investigative Offices	No Funding Source	General Government	0	0	0	1,059,510	8,984,488	0	10,043,998
08569	1	Police West Station	No Funding Source	General Government	0	0	0	0	1,092,986	9,216,625	10,309,611
Department Subtotal					589,000	1,790,865	18,002,426	2,733,085	10,077,474	9,216,625	41,820,475
Public Library											
02100	1	Fairfield Area Library Replacement	G.O. Bonds - General Gov't - 2016	Fairfield	24,000,000	24,000,000	0	0	0	0	24,000,000
07034	1	Tuckahoe Library Renew/Repurpose	No Funding Source	Tuckahoe	0	0	0	1,470,647	12,474,727	0	13,945,374
07033	1	Twin Hickory Library Renew/Repurpose	No Funding Source	Three Chopt	0	0	0	0	1,344,725	10,687,957	12,032,682
Department Subtotal					24,000,000	24,000,000	0	1,470,647	13,819,452	10,687,957	49,978,056
Public Works - Drainage											
06051	1	Joyceelyn Court/Shewalt Drive Drainage	No Funding Source	Fairfield	0	0	489,774	0	0	0	489,774
05013	2	Lawndale Farms Drainage	No Funding Source	Varina	0	0	1,175,459	0	0	0	1,175,459
06037	3	Avalon Drive Drainage	No Funding Source	Tuckahoe	0	0	979,549	0	0	0	979,549
06476	4	Gaylord Road Drainage	No Funding Source	Three Chopt	0	0	1,047,151	0	0	0	1,047,151
06846	5	Lakeside Drainage Area Study	No Funding Source	Brookland	0	0	117,546	0	0	0	117,546
06589	1	Oak Hill Lane Drainage	No Funding Source	Fairfield	0	0	0	1,791,900	0	0	1,791,900
06020	2	Falmouth/Tacomia Street Drainage Study	No Funding Source	Brookland	0	0	0	129,016	0	0	129,016
06004	3	Rolando Drive Drainage	No Funding Source	Tuckahoe	0	0	0	2,011,389	0	0	2,011,389
06006	4	Huntsman Road Drainage Channel	No Funding Source	Varina	0	0	0	4,550,289	0	0	4,550,289
06013	5	Homeview Drive Design	No Funding Source	Three Chopt	0	0	0	1,779,620	0	0	1,779,620
06000	1	Beverly Drive/Dinwiddie Avenue Drainage	No Funding Source	Tuckahoe	0	0	0	0	1,971,631	0	1,971,631
06053	2	Thorpes Branch	No Funding Source	Brookland	0	0	0	0	9,753,466	0	9,753,466
06076	3	Monterey Avenue Drainage	No Funding Source	Varina	0	0	0	0	882,824	0	882,824
06057	4	Central Gardens Drainage	No Funding Source	Fairfield	0	0	0	0	3,113,122	0	3,113,122
06073	5	Georges Branch Channel	No Funding Source	Tuckahoe	0	0	0	0	9,107,104	0	9,107,104
06010	1	Henderson Road Drainage	No Funding Source	Brookland	0	0	0	0	0	663,427	663,427
06002	2	Barribee Lane Drainage	No Funding Source	Three Chopt	0	0	0	0	0	1,896,239	1,896,239
Department Subtotal					0	0	3,809,479	10,262,214	24,828,147	2,559,666	41,459,506

**Capital Improvement Program FY2018-19 through FY2022-23
Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY18-19	Request FY18-19	Request FY19-20	Request FY20-21	Request FY21-22	Request FY22-23	Total Five Year	
Public Works - Roadway												
07043	1	Roadway	General Fund	Brookland, Fairfield	4,945,000	4,945,000	1,810,000	0	0	0	6,755,000	
06604	2	Roadway	General Fund	Varina	507,000	507,000	5,195,000	0	0	0	5,702,000	
00499	3	Roadway	General Fund - Public Works	Countywide	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000	
06837	4	Roadway	General Fund	Countywide	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	12,500,000	
08163	5	Roadway	General Fund	Countywide	0	500,000	500,000	500,000	500,000	500,000	2,500,000	
28001	1	Roadway	G.O. Bonds - General Gov't - 2016	Fairfield	0	0	0	5,000,000	9,000,000	1,830,000	14,000,000	
08558	1	Roadway	No Funding Source	Three Chopt	0	0	0	0	1,200,000	1,830,000	3,030,000	
Department Subtotal					8,952,000	9,452,000	11,005,000	9,000,000	14,200,000	5,830,000	49,487,000	
Public Works - Stormwater												
07046	1	Stormwater	General Fund	Countywide	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	11,740,000	
Department Subtotal					2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	2,348,000	11,740,000	
Recreation												
23001	1	Site Improvement	General Fund	Countywide	9,251,000	9,250,823	0	0	0	0	9,250,823	
23002	2	Park	G.O. Bonds - General Gov't - 2016	Brookland	10,000,000	10,000,000	10,000,000	0	0	0	20,000,000	
23003	3	Site Improvement	G.O. Bonds - General Gov't - 2016	Varina	2,000,000	2,000,000	4,200,000	0	0	0	6,200,000	
06194	4	Facility Rehabilitation	General Fund	Countywide	600,000	926,006	3,667,245	1,053,446	0	1,568,553	7,215,250	
08355	5	Site Improvement	No Funding Source	Varina	0	887,962	0	0	0	0	887,962	
06215	6	Building (New)	No Funding Source	Brookland	0	290,000	0	0	0	0	290,000	
06253	1	Site Improvement	No Funding Source	Brookland	0	0	3,280,096	0	0	0	3,280,096	
23004	1	Site Improvement	G.O. Bonds - General Gov't - 2016	Three Chopt	0	0	0	4,000,000	0	0	4,000,000	
23005	2	Park	G.O. Bonds - General Gov't - 2016	Varina	0	0	0	5,000,000	14,000,000	0	19,000,000	
00509	3	Site Improvement	No Funding Source	Three Chopt	0	0	0	2,296,005	0	0	2,296,005	
23006	1	Site Improvement	G.O. Bonds - General Gov't - 2016	Three Chopt	0	0	0	0	2,100,000	0	2,100,000	
23007	2	Park	G.O. Bonds - General Gov't - 2016	Tuckahoe	0	0	0	0	5,000,000	0	5,000,000	
06213	3	Building (New)	No Funding Source	General Government	0	0	0	0	2,685,323	0	2,685,323	
23008	1	Site Improvement	G.O. Bonds - General Gov't - 2016	Fairfield	0	0	0	0	0	2,300,000	2,300,000	
23009	2	Site Improvement	G.O. Bonds - General Gov't - 2016	Tuckahoe	0	0	0	0	0	16,000,000	16,000,000	
Department Subtotal					21,851,000	23,354,791	21,147,341	12,349,451	23,785,323	19,868,553	100,505,459	
Sheriff												
08605	1	Building (New)	General Fund	General Government	3,000,000	0	0	0	0	0	3,000,000	
08600	2	Building (New)	No Funding Source	General Government	0	1,719,445	20,971,366	0	0	0	22,690,811	
08166	3	Building Improvement	No Funding Source	General Government	0	259,853	0	0	0	0	259,853	
08566	1	Building Improvement	No Funding Source	General Government	0	485,533	0	0	0	0	485,533	
08564	2	Building Improvement	No Funding Source	General Government	0	0	373,653	0	0	0	373,653	
08565	3	Building Improvement	No Funding Source	General Government	0	0	2,598,160	0	0	0	2,598,160	
01112	1	Building (New)	No Funding Source	General Government	0	0	3,890,797	30,530,964	0	0	34,421,761	
06386	1	Building Improvement	No Funding Source	General Government	0	0	0	0	2,239,136	15,371,798	17,610,934	
Department Subtotal					3,000,000	2,464,831	27,833,976	30,530,964	2,239,136	15,371,798	78,440,705	
Grand Total - Capital Projects Fund					105,940,000	114,057,995	187,233,697	165,945,816	204,490,513	274,795,445	946,523,466	

**Capital Improvement Program FY2018-19 through FY2022-23
Enterprise Fund - Public Utility Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY18-19	Request FY18-19	Request FY19-20	Request FY20-21	Request FY21-22	Request FY22-23	Total Five Year	
Public Utilities - Sewer												
00782	1	Sewer	Enterprise Fund	Countywide	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000	
00772	2	Sewer	Enterprise Fund	Countywide	500,000	500,000	500,000	500,000	500,000	500,000	2,500,000	
00732	3	Sewer	Enterprise Fund	Countywide	5,000,000	4,000,000	4,000,000	5,000,000	3,000,000	11,000,000	28,000,000	
00743	4	Sewer	Enterprise Fund	Countywide	1,600,000	1,600,000	400,000	2,100,000	2,200,000	750,000	7,050,000	
00737	5	Sewer	Enterprise Fund	Countywide	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000	
00725	6	Sewer	Enterprise Fund	Countywide	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	8,500,000	
06492	7	Sewer	Enterprise Fund	Countywide	50,000	50,000	50,000	50,000	50,000	50,000	250,000	
08172	8	Sewer	Enterprise Fund	Varina	500,000	500,000	500,000	500,000	500,000	500,000	2,500,000	
00735	9	Sewer	Enterprise Fund	Varina	1,500,000	1,500,000	0	0	0	7,670,000	9,170,000	
01076	10	Sewer	Revenue Bonds	B, F, T, TC	12,500,000	8,500,000	8,500,000	8,500,000	11,000,000	17,000,000	57,500,000	
06152	11	Sewer	Revenue Bonds	Tuckahoe	7,800,000	7,800,000	0	0	13,000,000	0	20,800,000	
06449	12	Sewer	Enterprise Fund	Varina	800,000	800,000	3,200,000	0	0	0	4,000,000	
06569	13	Sewer	Enterprise Fund	Fairfield	7,000,000	7,000,000	0	0	20,000,000	0	27,000,000	
06838	1	Sewer	Enterprise Fund	B, TC	0	0	1,500,000	0	7,150,000	0	8,650,000	
06666	1	Sewer	Enterprise Fund	Brookland	0	0	0	5,750,000	0	0	5,750,000	
06667	1	Sewer	Enterprise Fund	TC, T	0	0	0	0	5,000,000	0	5,000,000	
06131	2	Sewer	Enterprise Fund	Tuckahoe	0	0	0	0	1,150,000	7,750,000	8,900,000	
07029	3	Sewer	Enterprise Fund	Varina	0	0	0	0	1,200,000	0	1,200,000	
06450	1	Sewer	Enterprise Fund	Varina	0	0	0	0	0	1,300,000	1,300,000	
07026	2	Sewer	Enterprise Fund	Three Chopt	0	0	0	0	0	3,000,000	3,000,000	
07027	3	Sewer	Enterprise Fund	Three Chopt	0	0	0	0	0	1,500,000	1,500,000	
06157	4	Sewer	Enterprise Fund	Varina	0	0	0	0	0	1,000,000	1,000,000	
Sewer Subtotal					39,350,000	39,350,000	20,750,000	24,500,000	66,850,000	54,120,000	205,570,000	
Public Utilities - Water												
00771	1	Water	Enterprise Fund	Countywide	150,000	150,000	150,000	150,000	150,000	150,000	750,000	
00770	2	Water	Enterprise Fund	Countywide	300,000	300,000	300,000	300,000	300,000	300,000	1,500,000	
00768	3	Water	Enterprise Fund	Countywide	4,000,000	4,000,000	4,000,000	3,000,000	6,000,000	4,000,000	21,000,000	
00769	4	Water	Enterprise Fund	Countywide	1,300,000	1,300,000	1,700,000	1,200,000	500,000	500,000	5,200,000	
00780	5	Water	Enterprise Fund	Countywide	500,000	500,000	500,000	500,000	500,000	500,000	2,500,000	
00767	6	Water	Enterprise Fund	Countywide	200,000	200,000	300,000	200,000	200,000	200,000	1,100,000	
00811	7	Water	Enterprise Fund	Countywide	15,000,000	15,000,000	0	0	0	0	15,000,000	
08171	8	Water	Enterprise Fund	Three Chopt	1,300,000	1,300,000	100,000	100,000	100,000	100,000	1,700,000	
08162	9	Water	Enterprise Fund	B, F	300,000	300,000	0	1,200,000	0	0	1,500,000	
06119	1	Water	Enterprise Fund	Fairfield	0	0	0	800,000	0	2,500,000	3,300,000	
06118	1	Water	Enterprise Fund	Three Chopt	0	0	0	0	1,500,000	0	1,500,000	
08555	1	Water	Enterprise Fund	Varina	0	0	0	0	0	600,000	600,000	
08556	2	Water	Enterprise Fund	Varina	0	0	0	0	0	400,000	400,000	
Water Subtotal					23,050,000	23,050,000	7,050,000	7,450,000	9,250,000	9,250,000	56,050,000	
Grand Total - Enterprise Fund					62,400,000	62,400,000	27,800,000	31,950,000	76,100,000	63,370,000	261,620,000	

**Capital Improvement Program FY2018-19 through FY2022-23
Enterprise Fund - Belmont Golf Course Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY18-19	Request FY18-19	Request FY19-20	Request FY20-21	Request FY21-22	Request FY22-23	Total Five Year	
Recreation												
06251 Belmont Golf Course Renovation	1	Golf Course	Enterprise Fund	Fairfield	0	1,224,827	0	1,247,910	0	0	2,472,737	
08474 Pro Shop Renovation	1	Golf Course	Enterprise Fund	Fairfield	0	0	0	0	0	559,990	559,990	
			Golf Course Subtotal		0	1,224,827	0	1,247,910	0	559,990	3,032,727	
Grand Total - Enterprise Fund					0	1,224,827	0	1,247,910	0	559,990	3,032,727	

CAPITAL IMPROVEMENT PROGRAM IMPLICATIONS ON OPERATING BUDGET

The Capital Improvement Program (CIP) accounts for capital improvement projects that generally require a significant outlay of funds and have a project life of longer than one year. Henrico County's capital improvement needs and funding requirements are outlined in the Capital Improvement Program FY2018-19 through FY2022-23.

Bringing a new facility on-line requires additional costs such as maintenance, utilities, and personnel to operate the new facility. This impact to future operating budgets is considered before funding for a capital project is recommended. Operating costs associated with a new facility are added to departments' budgets in the year of the facility's projected opening date through a complete "crosswalk" between the capital and operating budgets.

The approved Capital Budget for FY2018-19 is \$176,964,800, which funds a portion of the project

requests in the first year of the CIP. The projects in the FY2018-19 approved Capital Budget do not have an operating impact on the FY2018-19 operating budget as the operating costs have implications on operating budgets beyond FY2018-19. Those costs have been factored into the County's multi-year expenditure forecasts. The FY2018-19 budget reflects new operating costs of \$928,076. These operational costs are in support of the following projects: Fairfield Area Library, Greenwood Park, Fire Training Center, and high school field renovations. These operating costs are being funded utilizing the Revenue Stabilization Reserve, which was established in FY2000-01 to offset the increase in operating costs associated with bond funded projects.

What appears in the following pages is the estimated incremental impact of operating costs that would arise from all the current capital projects requested within the five-year Capital Improvement Program.

Capital Improvement Program
Fiscal Year 2018-19 through FY2022-23
Fund 21 - Capital Projects Fund
Associated Operating Cost

Project	Priority	Project Type	Source	District	Request FY18-19	Request FY19-20	Request FY20-21	Request FY21-22	Request FY22-23	Total Five Year
Education										
00518		Roof Replacements	General Fund	Countywide	0	0	0	0	0	0
00527		Mechanical Improvements	General Fund	Countywide	0	0	0	0	0	0
06899		Education Meals Tax Project Reserve	General Fund - Education Meals Tax	Countywide	0	0	0	0	0	0
70008	1	Tucker HS Renovation	G.O. Bonds - Education - 2016	Three Chopt	0	0	0	0	0	0
70009	2	Brookland Area ES Planning & Construction	G.O. Bonds - Education - 2016	Brookland	0	0	0	5,407,426	5,407,426	10,814,852
06669	3	Freeman HS Practice Field	No Funding Source	Tuckahoe	0	0	0	0	0	0
70010	1	Glen Allen HS ACE Center	G.O. Bonds - Education - 2016	Brookland	0	0	0	0	4,369,218	4,369,218
70011	1	Eastern Area ACE Center	G.O. Bonds - Education - 2016	Varina	0	0	0	0	0	0
70012	1	Adams ES Renovation	G.O. Bonds - Education - 2016	Fairfield	0	0	0	0	0	0
08604	1	Jackson Davis ES - 8 Classroom Addition	No Funding Source	Three Chopt	0	0	0	0	0	0
06741	2	Virginia Randolph Complex Renovation.	No Funding Source	Fairfield	0	0	0	0	0	0
06742	3	Central Gardens Renovation	No Funding Source	Fairfield	0	0	0	0	0	0
06672	4	Jackson Davis ES Renovation	No Funding Source	Three Chopt	0	0	0	0	0	0
06673	5	Longan ES Renovation	No Funding Source	Brookland	0	0	0	0	0	0
06743	6	Highland Springs ES Renovation	No Funding Source	Varina	0	0	0	0	0	0
06744	7	Holladay ES Renovation	No Funding Source	Brookland	0	0	0	0	0	0
06746	8	Carver ES Renovation	No Funding Source	Tuckahoe	0	0	0	0	0	0
Department Subtotal					0	0	0	5,407,426	9,776,644	15,184,070
Fire										
13002	1	Staples Mill Fire Station	G.O. Bonds - General Gov't - 2016	Brookland	0	0	1,924,744	1,924,744	1,924,744	5,774,232
06366	1	Fire Station #1 Replacement	No Funding Source	Fairfield	0	0	0	185,400	185,400	370,800
13003	1	Eastgate/Newbridge Fire Station	G.O. Bonds - General Gov't - 2016	Fairfield	0	0	0	0	0	0
06177	1	Fire Station #6 Replacement	No Funding Source	Varina	0	0	0	0	0	0
Department Subtotal					0	0	1,924,744	2,110,144	2,110,144	6,145,032
General Services										
00572	1	Mechanical Improvements	General Fund	General Government	0	0	0	0	0	0
00425	2	Roof Replacement and Rehabilitation	General Fund	General Government	0	0	0	0	0	0
00423	3	Pavement Rehabilitation	General Fund	General Government	0	0	0	0	0	0
06477	4	Small Project Improvements and Renovations	General Fund	General Government	0	0	0	0	0	0
01198	5	Energy Management	General Fund	General Government	0	0	0	0	0	0
01199	6	County Generator Program	No Funding Source	General Government	0	0	0	0	0	0
06096	7	Human Services Building Renovations	General Fund	General Government	0	0	0	0	0	0
06347	8	Circuit Court Renovation	General Fund	General Government	0	0	0	0	0	0
08563	9	Library HQ Streambank Restoration	No Funding Source	General Government	0	0	0	0	0	0
00612	1	Administration Infill Building	No Funding Source	General Government	0	0	0	297,330	297,330	594,660
08562	2	Old Fairfield Library Renovation	No Funding Source	General Government	0	0	0	0	0	0
08560	1	Admin Building New Agencies Renovation	No Funding Source	General Government	0	0	0	0	0	0
08599	2	Woodman Police & Fire Installation Shop	No Funding Source	General Government	0	0	0	0	151,368	151,368
06103	3	CAM East & Road Crew Building	No Funding Source	General Government	0	0	0	0	592,858	592,858
07036	1	East Government Center Swing Building	No Funding Source	General Government	0	0	0	0	0	0
08561	2	Eastern Government Center Renovations	No Funding Source	General Government	0	0	0	0	0	0
Department Subtotal					0	0	0	297,330	1,041,556	1,338,886
Information Technology										
06481	1	Information Technology Projects	General Fund	General Government	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Information Technology - GIS										
00429	1	Geographic Information System	General Fund	General Government	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0

Capital Improvement Program
Fiscal Year 2018-19 through FY2022-23
Fund 21 - Capital Projects Fund
 Associated Operating Cost

Project	Priority	Project Type	Source	District	Request FY18-19	Request FY19-20	Request FY20-21	Request FY21-22	Request FY22-23	Total Five Year
Mental Health										
06662	1	Building Addition	No Funding Source	General Government	0	0	0	0	0	279,250
Department Subtotal					0	0	0	0	0	279,250
Police										
08350	1	Evidence Storage Facility	General Fund	General Government	0	0	85,338	85,338	85,338	256,014
08567	2	Police East Station	No Funding Source	General Government	0	0	0	307,175	307,175	614,350
06730	1	Tactical Training Facility	No Funding Source	General Government	0	0	0	58,084	58,084	116,168
08568	1	Police Investigative Offices	No Funding Source	General Government	0	0	0	0	167,550	167,550
08569	1	Police West Station	No Funding Source	General Government	0	0	0	0	0	0
Department Subtotal					0	0	85,338	450,597	618,147	1,154,082
Public Library										
02100	1	Fairfield Area Library Replacement	G.O. Bonds - General Gov't - 2016	Fairfield	0	2,119,322	2,119,322	2,119,322	2,119,322	8,477,288
07034	1	Tuckahoe Library Renew/Repurpose	No Funding Source	Tuckahoe	0	0	0	0	0	0
07033	1	Twin Hickory Library Renew/Repurpose	No Funding Source	Three Chopt	0	0	0	0	0	0
Department Subtotal					0	2,119,322	2,119,322	2,119,322	2,119,322	8,477,288
Public Works - Drainage										
06051	1	Joycelyn Court/Shewalt Drive Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
05013	2	Lawndale Farms Drainage	No Funding Source	Varina	0	0	0	0	0	0
06037	3	Avalon Drive Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06476	4	Gaylord Road Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06846	5	Lakeside Drainage Area Study	No Funding Source	Brookland	0	0	0	0	0	0
06589	1	Oak Hill Lane Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06020	2	Falmouth/Tacoma Street Drainage Study	No Funding Source	Brookland	0	0	0	0	0	0
06004	3	Rolando Drive Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06006	4	Huntsman Road Drainage Channel	No Funding Source	Varina	0	0	0	0	0	0
06013	5	Homeview Drive Design	No Funding Source	Three Chopt	0	0	0	0	0	0
06000	1	Beverly Drive/Dinwiddie Avenue Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06053	2	Thorpes Branch	No Funding Source	Brookland	0	0	0	0	0	0
06076	3	Monterey Avenue Drainage	No Funding Source	Varina	0	0	0	0	0	0
06057	4	Central Gardens Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06073	5	Georges Branch Channel	No Funding Source	Tuckahoe	0	0	0	0	0	0
06010	1	Henderson Road Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06002	2	Barribee Lane Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Public Works - Roadway										
07043	1	Woodman Road Extension	General Fund	Brookland, Fairfield	0	0	0	0	0	0
06604	2	Oakley's Lane	General Fund	Varina	0	0	0	0	0	0
00499	3	General Road Construction	General Fund - Public Works	Countywide	0	0	0	0	0	0
06837	4	Countywide Pedestrian Improvements	General Fund	Countywide	0	0	0	0	0	0
08163	5	Countywide Engineering Feasibility Study	General Fund	Countywide	0	0	0	0	0	0
28001	1	Richmond - Henrico Turnpike	G.O. Bonds - General Gov't - 2016	Fairfield	0	0	0	0	0	0
08558	1	Kaim Road	No Funding Source	Three Chopt	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Public Works - Stormwater										
07046	1	Chesapeake Bay TMDL/MS4 Compliance	General Fund	Countywide	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0

Capital Improvement Program
Fiscal Year 2018-19 through FY2022-23
Fund 21 - Capital Projects Fund
Associated Operating Cost

Project	Priority	Project Type	Source	District	Request FY18-19	Request FY19-20	Request FY20-21	Request FY21-22	Request FY22-23	Total Five Year
Recreation										
23001	1	Site Improvement	General Fund	Countywide	0	343,286	514,929	514,929	514,929	1,888,073
23002	2	Park	G.O. Bonds - General Gov't - 2016	Brookland	0	0	435,384	435,384	435,384	1,306,152
23003	3	Site Improvement	G.O. Bonds - General Gov't - 2016	Varina	0	334,475	334,475	334,475	334,475	1,337,900
06194	4	Facility Rehabilitation	General Fund	Countywide	0	0	0	0	0	0
08355	5	Site Improvement	No Funding Source	Varina	0	19,500	19,500	19,500	19,500	78,000
06215	6	Building (New)	No Funding Source	Brookland	0	42,640	42,640	42,640	42,640	170,560
06253	1	Site Improvement	No Funding Source	Brookland	0	0	0	0	0	0
23004	1	Site Improvement	G.O. Bonds - General Gov't - 2016	Three Chopt	0	0	0	50,000	50,000	100,000
23005	2	Park	G.O. Bonds - General Gov't - 2016	Varina	0	0	0	790,380	790,380	1,580,760
00509	3	Site Improvement	No Funding Source	Three Chopt	0	0	0	0	0	0
23006	1	Site Improvement	G.O. Bonds - General Gov't - 2016	Three Chopt	0	0	0	0	0	0
23007	2	Park	G.O. Bonds - General Gov't - 2016	Tuckahoe	0	0	0	0	0	0
06213	3	Building (New)	No Funding Source	General Government	0	0	0	0	0	0
23008	1	Site Improvement	G.O. Bonds - General Gov't - 2016	Fairfield	0	0	0	0	0	0
23009	2	Site Improvement	G.O. Bonds - General Gov't - 2016	Tuckahoe	0	0	0	0	0	0
Department Subtotal					0	739,901	1,346,928	2,187,308	2,187,308	6,461,445
Sheriff										
08600	1	Building (New)	No Funding Source	General Government	0	0	1,233,960	1,233,960	1,233,960	3,701,880
08166	2	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
08566	3	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
08564	1	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
08565	2	Building Improvement	No Funding Source	General Government	0	0	0	86,702	86,702	173,404
01112	3	Building (New)	No Funding Source	General Government	0	0	0	2,358,842	2,358,842	4,717,684
06386	1	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
Department Subtotal					0	0	1,233,960	3,679,504	3,679,504	8,592,968
Grand Total - Capital Projects Fund					0	2,859,223	6,710,292	16,251,631	21,811,875	47,633,021



APPENDICES

APPENDIX "A" GLOSSARY

ADA - The Americans with Disabilities Act (ADA) provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services and programs, and telecommunications.

Adjustments – Resources to support the Internal Service Fund operations come from operating department budgeted payments. To avoid duplication of these payments, the amount of funds budgeted for these activities are reduced so the funds are not budgeted twice.

Advanced Live Support (ALS) - The rapid intervention of advanced emergency medical services such as cardiac monitoring, starting IV fluids, giving medication, manual defibrillation, and the process of using advance airway adjuncts.

Agency Fund - This fund accounts for assets held by the County for outside organizations. This is done to eliminate the duplication of administrative functions related to personal matters, procurement activities and accounting and budget responsibilities.

Annual Fiscal Plan - The formal title of the County's budget. See *Operating Budget*.

Appropriation - This is the legal authorization granted by the Board of Supervisors to expend or obligate funds for specific purposes. An appropriation usually is limited in the amount and time that it may be expended. The Board appropriates annually, at the beginning of each fiscal year, by department, agency, or project, based upon the adopted Annual Fiscal Plan. Additional appropriations may be approved by the Board during the fiscal year by amending the Annual Fiscal Plan and appropriating the funds for expenditure.

Assessed Value - A value set on real and other property as a basis for levying taxes. See *Tax Rate*.

Bond - A promissory note to pay a specified sum of money (called the principal) at a specified date in the future, together with periodic interest at a specified interest rate. These payments are identified in the budget documents as debt service.

Budget - The County's Annual Fiscal Plan showing estimated expenditures and revenues as well as other related data for a specific fiscal year. The Board of Supervisors adopts the Annual Fiscal Plan by resolution.

Budgetary Basis - Is the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash or modified accrual. See *"Basis of Budgeting"* in the front section of this document.

CAM - Central Automotive Maintenance is a division within the Department of General Services and is accounted for in the Internal Service Fund.

Capital Budget - A plan of proposed capital projects and means of financing them. Capital projects are approved and funds are appropriated for expenditure by the Board of Supervisors for the duration of the project. The capital budget contains the funds available for expenditure in a specific fiscal year.

Capital Improvement Program (CIP) - A plan for capital expenditures to be incurred each year over a five-year period to meet capital requests by the departments and agencies of the County. It sets forth each project, by department, in which the County is to have a part and it specifies the full resources estimated to be available to finance the projected expenditures. The first year of the CIP or a portion thereof becomes the capital budget for that fiscal year.

Capital Outlay - Outlays which result in the acquisition (either new or replacement) or additions to fixed assets except outlays for major capital facilities which are constructed or acquired (e.g., land and buildings). Expenditures for these major capital facilities are reflected within the capital budget. Examples of capital outlays are furniture, fixtures, machinery, and equipment.

CDBG - A federal grant entitled the Community Development Block Grant. Funds are used to support housing, economic development, health and human services, and planning and administration.

Complement - A listing of authorized positions by department as approved by the Board of Supervisors and maintained by the Human Resources Department. Complement I - 100% County funded position. Complement II - Position partially County funded. Complement III - 100% Non-County funded position. Complement IV – Positions that, regardless of funding source and classified status, are exempt from use of the County's grievance procedure as determined by the County Manager.

Contingency - Funds set aside in a special account in the Annual Fiscal Plan, but not always appropriated for expenditure. These funds are for emergency and unforeseen needs or for previously identified items that may have funding held for further actions or approvals before being appropriated for expenditure.

Debt Service Fund - This fund is used to finance and account for the principal and interest payments on long-term debt incurred by the County.

Department - An entity within the County organization setup, either by State code or identified need, for the administration of specifically related duties or responsibilities.

Designated Fund Balance - That portion of resources, which at year's end, exceeded requirements and has been designated for use at some future time for a specific project or use. Money in a designated fund balance is not in the Annual Fiscal Plan and therefore has not been appropriated for expenditure.

Development Services (DS) Day Support - A program offered by the Mental Health Department. The program provides supported employment, vocational services and life enrichment services to graduates of Henrico County's special education program.

Division - For manageability and accounting purposes, some departments are further divided into smaller units of control, called divisions. Example: Treasury and Accounting Divisions are both part of the Department of Finance.

EDA Revenue Bonds - The type of bonds issued by Henrico County through the Economic Development Authority for the construction of public facilities.

Enterprise Fund - These types of funds account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the County is that the cost of providing services to the general public be financed or recovered through charges to users of such services. Two examples are: the Water and Sewer operations and the Belmont Park Golf Course.

Expenditure - The authorized paying out of County funds to defray the County charges and expenses and all necessary obligations relating to, or arising from, the execution of the lawful authority of the Board of Supervisors.

Fiduciary Fund - These funds are used if the government has a fiduciary or custodial responsibility for assets.

Financial Guidelines - The principles utilized by the Henrico County Board of Supervisors. The Henrico County Board of Supervisors has chosen to adhere to the use of broad financial guidelines as a means of maintaining their flexibility in decision making.

Financial Trend Monitoring System - The process in which a locality reviews the economic trends that are predictive of its financial outlook for the purpose of assessing its ability to maintain existing service levels, withstand local and regional economic disruptions, and meet the demands of natural growth, decline and change.

Fiscal Year (FY) - The County of Henrico operates with a fiscal year from July 1 to June 30.

Fringe Benefits - Employer contributions to pension and fringe benefit systems for County employees. Examples of such benefits include health care, unemployment compensation, the Virginia Retirement System, and life insurance.

Fund - Each fund is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds can be further divided into subfunds.

Fund Balance - The difference between fund assets and fund liabilities for governmental and trust funds. This balance is classified into subcategories: restricted, committed, assigned and unassigned. The Enterprise Funds refer to these funds as retained earnings.

GAAP - Generally Accepted Accounting Principles are uniform standards and guidelines for financial accounting and reporting.

General Fund - This fund accounts for all revenues and expenditures of the County which are not accounted for in the other funds. Revenues are primarily derived from general property taxes, local sales taxes, license and permit fees, and revenues received from the State for educational and other purposes. Some revenue collected in the General Fund is transferred to support requirements of other funds such as the Debt Service Fund.

General Obligation Bonds - The type of bonds issued when repayment is backed by the full faith and credit of the County and which have been approved by the voters of the County through a bond referendum.

Goal - A broad statement of departmental purpose. Within this document, the departmental goal is generally included within the "description" component of individual departmental narratives.

Grant - A contribution by one governmental unit or organization to another. Typically, these contributions are made to local governments from the Federal and State governments for specified purposes.

Interdepartmental Billings (IDT) - Expenditures and credits to expenditures between departments. No net change in Countywide expenditures results. One primary use of IDT's is the payment by operating departments for services rendered by departments in the Internal Service Fund.

Internal Service Funds - These account for the County's Central Automotive Maintenance, Technology Replacement operations, Risk Management, and Health Care Fund. Resources for these funds come from IDT's and transfers from the General Fund.

Natural Account - A more detailed and specific listing of expenditures in the County's Oracle Financial Management System. Examples of natural accounts are: 50100 - Salaries and Wages, Regular; and 50101 - Salaries and Wages, Overtime.

Objective - A statement of purpose for a program or service describing anticipated outputs or outcomes.

Operating Budget - Includes all funds except those accounted for in the capital budget. The Operating Budget or Annual Fiscal Plan is adopted by the Board of Supervisors by resolution on a fiscal year basis, and an annual appropriation is made, also by resolution, based upon this Plan. The Plan may be amended during the fiscal year pursuant to the Virginia State Code.

Operating Expenses - The cost of contractual services, materials, supplies and other expenses not related to personnel and capital outlay expenses or capital projects.

Other Post Employment Benefits (OPEB) - Non-pension benefits provided to employees after employment ends. The Governmental Accounting Standards Board (GASB) has required a financial reporting of this expenditure which is captured in a fiduciary fund. This fund will allow the County to budget for the annual cost of public employee non-pension benefits and all outstanding obligations and commitments related to OPEB.

Pay-As-You-Go - A method of financing capital projects. Funding is 100% from local revenue. No borrowing or issuing of bonds is undertaken. This method may be used, as warranted, to reduce long term debt requirements.

Performance Measure - Specific quantitative or qualitative indicators used to measure an organization's progress. Henrico County utilizes mostly quantitative performance measures, the majority of which have been tracked for over a decade.

Personnel Expenses - Cost of salaries, wages, and fringe benefits such as the employer's share of social security contributions, retirement expenses, and health and life insurance payments.

Project (Capital) - An item for which the purchase, construction, or other acquisition will represent a public betterment to the community and add to the total physical worth of the County provided that the project considered meets the criteria for total cost and life expectancy. Examples of capital projects are land, buildings and certain major pieces of equipment of a fixed nature.

Requirement - The use of resources to meet expenditures, to transfer to other County operations, or to set up a reserve. Resources for a given fiscal year must at least equal the requirements for the same fiscal year.

Reserve - Each fund may have one or more reserve accounts. These accounts contain funds which have been set aside for a specific purpose or use, but not included in the Annual Fiscal Plan and not appropriated for expenditure. A reserve may be adjusted year-to-year as the needs are adjusted. An example is the Reserve For Self-Insurance in the General Fund.

Resource - The income which supports the operation of the County. Sufficient resources each fiscal year must be received to meet the total requirements of the County for that fiscal year. Examples of a resource are: revenue (from taxes, fees, etc.), sale of bonds (or other borrowings), certain recoveries and rebates, contributions-in-aid, and prior year fund balance.

Revenue - The Government's income from taxes, permits, fees, licenses, etc., including funds received from other governmental entities. Excludes borrowings and funds from sources such as use of prior years fund balances, contributions-in-aid, and certain recoveries and rebates.

Service Level - The supporting information pertinent to departmental approved expenditures that describes the impact on efficiency and/or effectiveness of departmental functions.

Special Revenue Fund - This fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. This includes resources obtained and used relating to State and Federal grants, the Utility Department's Solid Waste operation, School Cafeterias, Mental Health/Developmental Services, and Street Lighting. There are times when revenue collected in one of the other funds may be transferred into this fund to support those operations such as the County's share of a grant program.

Subfund - Within each fund there are often operations, which by their unique characteristics, are best accounted for separately. These related subfunds are combined into one of the major funds. These subfunds are reported separately in revenue and expenditure reports.

Tax Levy - Charges imposed by a government to finance activities for the common benefit. Henrico County's tax levies are based on an approved tax rate per one hundred dollars of assessed value.

Tax Rate - The level of taxation levied by the County on specifically identified classifications of property. For example, the real estate tax rate for calendar year 2013 is \$0.87 per \$100 of assessed value.

Transfer - A resource recorded in one fund may be moved to another fund with the approval of the Board of Supervisors. An example of this interfund transfer would be revenues recorded in the General Fund and then transferred to the Debt Service Fund for payments on principal and interest on bonds.

Unassigned Fund Balance - The portion of fund balance representing financial resources available to finance expenditures other than those tentatively planned (assigned).

VPSA Bonds - The type of bonds issued by Henrico County through the Virginia Public School Authority to finance capital projects for educational purposes.

APPENDIX "B"
PERSONNEL COMPLEMENT¹

<u>Department</u>	<u>FY17 Revised</u>	<u>FY18 Original</u>	<u>FY18 Changes³</u>	<u>FY18 Revised³</u>	<u>FY19 Changes</u>	<u>FY19 Approved</u>
General Government:						
Agriculture & Home Extension	2	2		2		2
Belmont Golf Course	8	8		8		8
Board of Supervisors	4	4		4		4
Building Inspections	55	55		55	3	58
Central Auto. Maintenance	67	70		70	1	71
Circuit Court Services	8	8		8	1	9
Commonwealth's Attorney	56	57		57		57
Community Corrections	2	2		2		2
Community Revitalization	18	18		18	1	19
County Attorney	20	20		20	1	21
County Manager	13	13		13		13
Electoral Board	8	9		9		9
Finance	163	163		163		163
Fire	562	589		589	6	595
General Services	118	118		118		118
Human Resources	57	58		58		58
Hold Complement ²	3	7		7		7
Information Technology	97	97		97	1	98
Internal Audit	4	4		4		4
Juvenile Detention	30	30		30		30
Juvenile Detention/VJCCCA	3	3		3		3
Library	206	206		206	4	210
Mental Health	219	219		219	2	221
Permit Centers	16	16		16		16
Planning	45	45		45		45
Police	842	852		852		852
Public Relations & Media Services	19	19		19		19
Public Utilities	307	307	2	309	2	311
Public Works	259	262		262	1	263
Real Property	7	7		7		7
Recreation	170	177		177		177
Sheriff	390	394		394		394
Social Services	185	190	2	192		192
Solid Waste	69	69	(2)	67		67
Sub-Total	<u>4,032</u>	<u>4,098</u>	<u>2</u>	<u>4,100</u>	<u>23</u>	<u>4,123</u>
Education:	<u>6,832.45</u>	<u>6,845.45</u>	<u>22.40</u>	<u>6,867.85</u>	<u>60.00</u>	<u>6,927.85</u>
TOTAL	<u><u>10,864.45</u></u>	<u><u>10,943.45</u></u>	<u><u>24.40</u></u>	<u><u>10,967.85</u></u>	<u><u>83.00</u></u>	<u><u>11,050.85</u></u>

¹ The County's personnel complement reflected here includes only those positions funded either wholly or in part with County funds. Positions funded 100% by other agencies (327 as of 2/7/2018) are not included. General Government positions are based on headcount while Education positions are measured using FTE.

² Certain approved, vacant, and frozen positions have been removed from the department where previously assigned and are being held in the Hold Complement until reassignment is made.

³ As of 2/7/2018

**Personnel Complement
By Fund**

Fund	FY17 Revised	FY18 Original	FY18⁽¹⁾ Changes	FY18 Revised	FY19 Changes	FY19 Approved
General Fund						
General Government	3,123.00	3,177.00	0.00	3,177.00	18.00	3,195.00
Education	6,000.65	6,012.65	30.00	6,042.65	56.00	6,098.65
Total	<u>9,123.65</u>	<u>9,189.65</u>	<u>30.00</u>	<u>9,219.65</u>	<u>74.00</u>	<u>9,293.65</u>
Special Revenue Fund						
General Government	513.00	518.00	2.00	520.00	2.00	522.00
Education	831.80	832.80	(7.60)	825.20	4.00	829.20
Total	<u>1,344.80</u>	<u>1,350.80</u>	<u>(5.60)</u>	<u>1,345.20</u>	<u>6.00</u>	<u>1,351.20</u>
Enterprise Funds						
Public Utilities	307.00	307.00	0.00	307.00	2.00	309.00
Golf Course	8.00	8.00	0.00	8.00	0.00	8.00
Total	<u>315.00</u>	<u>315.00</u>	<u>0.00</u>	<u>315.00</u>	<u>2.00</u>	<u>317.00</u>
Internal Service Fund						
Cent. Auto. Maint.	67.00	70.00	0.00	70.00	1.00	71.00
Risk Management	11.00	11.00	0.00	11.00	0.00	11.00
Total	<u>78.00</u>	<u>81.00</u>	<u>0.00</u>	<u>81.00</u>	<u>1.00</u>	<u>82.00</u>
Hold Complement	3.00	7.00	0.00	7.00	0.00	7.00
Grand Total	<u>10,864.45</u>	<u>10,943.45</u>	<u>24.40</u>	<u>10,967.85</u>	<u>83.00</u>	<u>11,050.85</u>

⁽¹⁾ As of 2/7/2018

General Government Total	4,032.00	4,098.00	2.00	4,100.00	23.00	4,123.00
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**County of Henrico
Personnel Complement Changes
FY 2018-19**

Fund/Department	Position	F/PT	Number	Justification
<u>GENERAL GOVERNMENT</u>				
General Fund:				
Building Inspections	Building Inspector I	FT	2.00	To address increasing development activity
Building Inspections	Inspection Supervisor	FT	<u>1.00</u>	To address increasing development activity
	Total, Building Inspections		3.00	
Circuit Court Services	Law Clerk	FT	1.00	Increasing caseloads
Community Revitalization	Management Specialist I	FT	1.00	Coordinate improvement of housing in older neighborhoods
County Attorney	County Attorney I	FT	1.00	Increasing Special Education cases
Fire	Firefighter	FT	3.00	Relieve Staffing Pressures
Fire	Firefighter	FT	1.00	Added for first Phase of EMS CARE Program
Fire	Senior Management Specialist	FT	1.00	Added for first Phase of EMS CARE Program
Fire	Management Specialist II	FT	<u>1.00</u>	Added for first Phase of EMS CARE Program
	Total, Fire		6.00	
Information Technology	IT Database Administrator	FT	1.00	Support DPU Technology Needs
Library	Public Services Supervisor	FT	2.00	Added for the opening of Fairfield Library
Library	Librarian I	FT	<u>2.00</u>	Added for the opening of Fairfield Library
	Total, Library		4.00	
Public Works	Construction Inspector	FT	1.00	Manage CIP project workload increases
	General Fund Total		18.00	
Special Revenue Fund:				
Mental Health	MH/DS Clinician	FT	1.00	Crisis Intervention Team (CIT) training for public safety
Mental Health	MH/DS Support Services Specialist	FT	<u>1.00</u>	Crisis Intervention Team (CIT) training for public safety
	Total, Mental Health		2.00	
	Special Revenue Fund Total		2.00	
Enterprise Fund:				
Public Utilities	Equipment Operator II	FT	1.00	Replace positions transferred to the Cobbs Creek project
Public Utilities	Engineer II	FT	<u>1.00</u>	Replace positions transferred to the Cobbs Creek project
	Total, Public Utilities		2.00	
	Enterprise Fund Total		2.00	
Internal Service Fund:				
Central Automotive Maintenance	Fire Mechanic	FT	1.00	Increased workload
	Internal Service Fund Total		1.00	
	General Government Total		<u>23.00</u>	

**County of Henrico
Personnel Complement Changes
FY 2018-19**

Fund/Department	Position	F/PT	Number	Justification
EDUCATION				
General Fund:				
Revisions During FY2017-18				
Administrative	Instruction	FT	1.00	Reclassification
Administrative	Instructional Support	FT	1.00	Board Approved Complement
Administrative	Exceptional Education	FT	1.00	Board Approved Complement
Administrative	Operations	FT	1.00	Reclassification
Instructional	Instructional Reserve	FT	(1.10)	Reclassification
Instructional	Career & Technical Education	FT	(1.50)	Reclassification
Instructional	Elementary Education	FT	1.00	Board Approved Complement
Instructional	Elementary Education	FT	2.90	Reclassification
Instructional	Exceptional Education	FT	4.80	Reclassification
Instructional	Gifted	FT	4.00	Board Approved Complement
Instructional	Instructional Support	FT	4.00	Board Approved Complement
Instructional	Secondary Education	FT	(2.10)	Reclassification
Instructional	School Improvement	FT	1.00	Reorganization
Instructional	Staff Development	FT	(1.00)	Reorganization
Principal	Secondary Education	FT	0.20	Reclassification
Assistant Principal	Elementary Education	FT	1.50	Reclassification
Assistant Principal	Secondary Education	FT	0.80	Reclassification
Other Professional	Henrico Education Foundation	FT	(1.00)	Reclassification
Other Professional	Communications & Public Relations	FT	1.00	Reclassification
Other Professional	Finance	FT	1.00	Reclassification
Other Professional	Finance	FT	1.00	Reorganization
Other Professional	General Services	FT	(1.00)	Reorganization
Technology Tech Development	Technology	FT	5.00	Reclassification
Technical	Construction & Maintenance	FT	1.00	Reclassification
Technical	Secondary Education	FT	10.00	Board Approved Complement
Technical	Communications & Public Relations	FT	(1.00)	Reclassification
Technology Tech Support	Payroll	FT	2.00	Reclassification
Technology Tech Support	Finance	FT	1.00	Reclassification
Technology Tech Support	Technology	FT	(5.00)	Reclassification
Clerical	Payroll	FT	(2.00)	Reclassification
Clerical	Superintendent	FT	(1.00)	Reclassification
Instructional Assistants	Elementary Education	FT	6.00	Board Approved Complement
Instructional Assistants	Exceptional Education	FT	(1.50)	Reclassification
Trades	Construction & Maintenance	FT	(2.00)	Reclassification
Operative	Transportation	FT	(1.00)	Reclassification
Laborer	Construction & Maintenance	FT	1.00	Reclassification
Service	Construction & Maintenance	FT	(2.00)	Reclassification
	Total Education - General Fund (FY2017-18)		30.00	
Requested Changes for FY2018-19:				
Instructional	Elementary Education	FT	9.00	Change funding source
Instructional	Elementary Education	FT	22.00	Teacher Planning
Instructional	Instructional Reserve	FT	10.00	Class Size Reduction
Instructional	Secondary Education	FT	2.00	Middle School STEAM
Instructional	Exceptional Education	FT	3.00	Achievable Dream/Dyslexia
Nurses	Student Health Services	FT	1.00	Growth
Clerical	Secondary Education - ESL	FT	1.00	Change funding source
Clerical	Human Resources	FT	1.00	Growth
Instructional Assistants	Elementary Education	FT	6.00	Reading
Instructional Assistants	Exceptional Education	FT	1.00	Behavior Support
	Total Education - General Fund (FY2018-19)		56.00	
	Total Education - General Fund since 7/1/2017		86.00	

**County of Henrico
Personnel Complement Changes
FY 2018-19**

Fund/Department	Position	F/PT	Number	Justification
Special Revenue Fund:				
Revisions During FY2017-18:				
Administrative	Henrico Education Foundation	FT	(1.00)	Funding Shift
Instructional	Algebra Readiness	FT	(1.80)	Reduce Complement
Instructional	Extended School Year	FT	0.20	Board Approved Complement
Instructional	Homeless Assistance	FT	(1.00)	Reclassification
Instructional	Math/Reading Incentive	FT	2.00	Reclassification
Instructional	Reserve	FT	(5.00)	Funding Shift
Instructional	Title I	FT	(3.00)	Reclassification
Instructional	Title VI-B	FT	1.00	Reclassification
Instructional	Wallace Grant	FT	1.00	Board Approved Complement
Instructional Assistants	Title VI-B	FT	(1.00)	Reclassification
Nurses	VPI+	FT	1.00	Reclassification
Other Professional	Henrico Education Foundation	FT	(1.00)	Funding Shift
Other Professional	Homeless Assistance	FT	1.00	Reclassification
Other Professional	Title I	FT	3.00	Reclassification
Other Professional	VPI+	FT	1.00	Reclassification
Service	School Nutrition Services	PT	(1.00)	Reclassification
Service	School Nutrition Services	FT	1.00	Reclassification
Technical	Head Start	FT	(1.00)	Reclassification
Technical	Title I	FT	(1.00)	Reclassification
Technical	VPI+	FT	(2.00)	Reclassification
	Total Education - Special Revenue Fund (FY2017-18)		(7.60)	
Requested Additions for FY2018-19:				
Instruction	Reserve	FT	6.00	Reinstate Reserve
Instruction	Title II	FT	(9.00)	Change funding source
Instruction	DMAS - Medicaid	FT	3.00	Exceptional Education
Technical	DMAS - Medicaid	FT	2.00	Family Advocates
Instructional Assistants	DMAS - Medicaid	FT	3.00	Exceptional Education
Clerical	Title III	FT	(1.00)	Change funding source
	Total Education - Special Revenue (FY2018-19)		4.00	
	Total Education - Special Revenue Fund (since 7/1/2017)		(3.60)	
	Total Education - All Funds (FY2017-18)		22.40	
	Total Education - All Funds (FY2018-19)		60.00	
	Total Education - All Funds (since 7/1/2017)		82.40	

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2016-17</u>	<u>Approved FY2017-18</u>	<u>Revised FY2017-18</u>	<u>Approved FY2018-19</u>
Agriculture & Home Extension				
Administrative Assistant	1	1	1	1
Office Assistant III	1	1	1	1
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Belmont Golf Course				
Groundskeeper I	4	4	4	4
Groundskeeper IV	1	1	1	1
Park Services Division Supervisor	1	1	1	1
Preventative Maintenance Technician	1	1	1	1
Senior Business Supervisor	1	1	1	1
	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
Board of Supervisors				
Administrative Assistant	1	1	1	1
Assistant to the County Manager	1	1	1	1
Executive Assistant	2	2	2	2
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Building Inspections				
Administrative Assistant	1	1	1	1
Building Inspector I	16	16	17	20
Building Inspector II	12	12	12	12
Building Inspector III	1	1	0	0
Building Official	1	1	1	1
Business Supervisor	1	1	1	1
Constructability Specialist II	0	0	1	1
Department Technology Specialist III	1	1	1	1
Deputy Building Official	1	1	1	1
Electrical Engineer	1	1	1	1
Electrical/Elevator Inspector Supervisor	1	1	1	1
Engineer II	5	5	4	4
Existing Structures Inspection Supervisor	1	1	1	1
Inspections Plans Reviewer	1	1	1	1
Mechanical Engineer	2	2	2	2
Mechanical/Plumbing Inspector Supervisor	1	1	1	1
Office Assistant II	1	1	1	1
Permit Clerk	2	2	2	2
Residential Building Inspector Supervisor	1	1	1	1
Senior Permit Clerk	3	3	3	3
Senior Plans Review Engineer	2	2	2	2
	<u>55</u>	<u>55</u>	<u>55</u>	<u>58</u>
Central Automotive Maintenance				
Accountant III	1	1	0	0
Accounting and Fiscal Technician	1	1	1	1
Automotive Equipment Mechanic	35	38	38	38
Automotive Equipment Supervisor	1	1	1	1
Automotive Equipment Technician	2	2	4	4
Automotive Fleet Manager	1	1	1	1
Automotive Mechanic Foreman	3	3	3	3

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2016-17</u>	<u>Approved FY2017-18</u>	<u>Revised FY2017-18</u>	<u>Approved FY2018-19</u>
<i>Central Automotive Maintenance (cont'd)</i>				
Automotive Mechanic Foreman, Senior	1	1	1	1
Automotive Service Worker I	1	1	1	1
Automotive Service Worker II	2	2	0	0
Business Manager	0	0	1	1
Custodial Worker	2	2	2	2
Fire Equipment Mechanic	5	5	5	6
Fire Equipment Mechanic Foreman	1	1	1	1
Secretary	1	1	1	1
Senior Shop Clerk Dispatcher	2	2	2	2
Storekeeper I	3	3	3	3
Storekeeper II	2	2	2	2
Superintendent/Central Maintenance Facility	1	1	1	1
Warehouse/Parts Supervisor	1	1	1	1
Welder	1	1	1	1
	<u>67</u>	<u>70</u>	<u>70</u>	<u>71</u>
Circuit Court Services				
Administrative Assistant	3	3	3	3
Court Administrator	1	1	1	1
Law Clerk	3	3	3	4
Office Assistant IV	1	1	1	1
	<u>8</u>	<u>8</u>	<u>8</u>	<u>9</u>
Commonwealth's Attorney				
Administrative Assistant	1	1	0	0
Assistant Attorney I/Commonwealth	12	13	12	12
Assistant Attorney II/Commonwealth	7	7	7	7
Assistant Attorney III/Commonwealth	4	4	5	5
Attorney for the Commonwealth	1	1	1	1
Business Supervisor	1	1	0	0
Chief Deputy Attorney/Commonwealth	1	1	1	1
Management Assistant	2	2	4	4
Management Specialist I	1	1	1	1
Management Specialist II	1	1	1	1
Office Assistant IV	3	3	1	1
Paralegal	4	4	5	5
Secretary	13	13	13	13
Senior Asst. Attorney/Commonwealth	4	4	4	4
Senior Business Supervisor	0	0	1	1
Senior Management Specialist	1	1	1	1
	<u>56</u>	<u>57</u>	<u>57</u>	<u>57</u>
Community Corrections				
Community Corrections Unit Supervisor	1	1	1	1
Senior Management Specialist	1	1	1	1
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Community Revitalization				
Administrative Assistant	1	1	1	1
County Planner II	1	1	1	1

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<i>Community Revitalization (cont'd)</i>				
Deputy Zoning Conformance Officer	1	1	1	1
Director of Community Revitalization	1	1	1	1
Management Specialist I	0	0	0	1
Office Assistant IV	1	1	1	1
Principal Planner	1	1	1	1
Planning Technician	1	1	1	1
Zoning Enforcement Officer	9	9	9	9
Zoning Enforcement Supervisor	2	2	2	2
	<u>18</u>	<u>18</u>	<u>18</u>	<u>19</u>
County Attorney				
Assistant County Attorney I	3	3	3	4
Assistant County Attorney II	3	3	3	3
Assistant County Attorney III	3	3	3	3
Business Supervisor	1	1	1	1
County Attorney	1	1	1	1
Deputy County Attorney	1	1	1	1
Paralegal	3	3	3	3
Secretary	3	3	3	3
Senior Assistant County Attorney	2	2	2	2
	<u>20</u>	<u>20</u>	<u>20</u>	<u>21</u>
County Manager				
Administrative Assistant	3	3	3	3
County Manager	1	1	1	1
Deputy County Manager	4	4	4	4
Executive Assistant	1	1	1	1
Legislative Liaison	1	1	1	1
Management Specialist I	1	1	2	2
Management Specialist II	1	1	0	0
Office Assistant IV	1	1	1	1
	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>
Electoral Board				
Administrative Assistant	1	1	1	1
Assistant Registrar II	4	5	5	5
Department Technology Specialist II	1	1	1	1
Deputy General Registrar	1	1	1	1
Management Specialist I	1	1	1	1
	<u>8</u>	<u>9</u>	<u>9</u>	<u>9</u>
Finance				
Account Clerk II	6	6	1	1
Account Clerk III	1	1	5	5
Account Clerk Senior	1	1	2	2
Accountant I	1	1	0	0
Accountant II	1	1	1	1
Accountant III	4	4	5	5
Administrative Assistant	1	1	1	1
Assistant Division Director	3	3	4	4

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<i>Finance (cont'd)</i>				
Budget Analyst I	2	2	1	1
Budget Analyst II	1	1	2	2
Budget Analyst III	1	1	0	0
Budget Director	1	1	1	1
Budget Supervisor	1	1	1	1
Business Audit Supervisor	1	1	1	1
Business Auditor I	4	4	4	4
Business Auditor II	2	2	0	0
Business Auditor III	2	2	4	4
Business Inspection Supervisor	1	1	1	1
Business Inspector I	1	1	0	0
Business Inspector II	4	4	5	5
Business Section Manager	1	1	1	1
Business Supervisor	1	1	1	1
Director Of Finance	1	1	1	1
Division Director	3	3	3	3
Management Assistant	6	6	6	6
Management Specialist I	1	1	1	1
Management Specialist II	3	3	3	3
Management Technician	15	15	15	15
Payroll Specialist	2	2	2	2
Payroll System Administrator	1	1	1	1
Procurement Analyst I	3	3	2	2
Procurement Analyst II	1	1	2	2
Procurement Analyst IV	4	4	3	3
Purchasing Director	1	1	1	1
Purchasing Support Specialist	3	3	3	3
Real Estate Appraiser I	2	2	2	2
Real Estate Appraiser II	0	0	1	1
Real Estate Appraiser Supervisor	3	3	3	3
Real Estate Assessment Director	1	1	1	1
Real Estate Section Manager	1	1	1	1
Revenue Collection Officer I	5	5	0	0
Revenue Collection Officer II	3	3	0	0
Secretary	1	1	1	1
Senior Accountant	3	3	3	3
Senior Budget and Management Analyst	2	2	3	3
Senior Business Auditor	1	1	1	1
Senior Management Specialist	3	3	3	3
Senior Real Estate Appraiser	19	19	18	18
Senior Tax Auditor	0	0	1	1
Tax Auditor I	5	5	3	3
Tax Auditor II	4	4	5	5
Tax Auditor Supervisor	1	1	1	1
Treasury Collections Officer I	0	0	2	2
Treasury Collections Officer II	0	0	6	6

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<i>Finance (cont'd)</i>				
Treasury Services Officer I	6	6	10	10
Treasury Services Officer II	10	10	8	8
Treasury Manager	3	3	3	3
Treasury Supervisor	4	4	2	2
Vehicle Section Manager	1	1	1	1
	<u>163</u>	<u>163</u>	<u>163</u>	<u>163</u>
Fire				
Account Clerk III	2	2	2	2
Accountant I	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Fire Chief	0	0	5	5
Controller	1	1	1	1
Department IT Manager	1	1	1	1
Department Technology Specialist II	2	2	2	2
Department Technology Specialist IV	2	2	2	2
Deputy Fire Chief	2	2	1	1
Division Director	1	1	1	1
Emergency Manager	1	1	1	1
Engineer II	1	1	1	1
Fire Battalion Chief	13	13	13	13
Fire Captain	33	33	33	33
Fire Chief	1	1	1	1
Fire District Chief	3	3	0	0
Fire Lieutenant	91	97	97	97
Firefighter	395	416	415	419
Management Specialist I	1	1	1	1
Management Specialist II	3	3	3	4
Office Supervisor	1	1	1	1
Registered Nurse	1	1	1	1
Secretary	1	1	1	1
Senior Management Specialist	2	2	2	3
Store Keeper II	1	1	1	1
Warehouse/Parts Supervisor	1	1	1	1
	<u>562</u>	<u>589</u>	<u>589</u>	<u>595</u>
General Services				
Account Clerk III	2	2	2	2
Assistant Director of General Services	1	1	1	1
Assistant Division Manager	1	1	1	1
Business Supervisor	1	1	1	1
Capital Projects Manager	4	4	4	4
Chief of Security Services	1	1	1	1
Construction Coordinator	3	3	3	3
Courier	3	3	3	3
Custodial Worker	18	18	18	18
Custodian I	2	2	2	2
Custodian II	1	1	1	1

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<i>General Services (cont'd)</i>				
Custodian III	1	1	1	1
Director Of General Services	1	1	1	1
Electronic Controls Technician	3	3	3	3
Energy Manager	0	0	1	1
Facilities Coordinator	1	1	1	1
Facilities Manager	1	1	1	1
Food Service Assistant	3	3	3	3
Food Service Manager	1	1	1	1
Maintenance Superintendant	3	3	4	4
Management Specialist II	1	1	0	0
Office Assistant II	2	2	2	2
Office Assistant III	1	1	1	1
Office Assistant IV	2	2	3	3
Plant Maintenance Mechanic	23	23	23	23
Secretary	1	1	0	0
Security Officer	24	24	24	24
Security Officer Supervisor	3	3	3	3
Senior Capital Projects Manager	1	1	1	1
Senior Controller	1	1	1	1
Senior Cook	2	2	2	2
Senior Engineer	1	1	0	0
Senior Plant Maintenance Mechanic	4	4	4	4
Support Services Supervisor	1	1	1	1
	<u>118</u>	<u>118</u>	<u>118</u>	<u>118</u>
Human Resources				
Administrative Assistant	1	1	1	1
Assistant Director of Human Resources	1	1	1	1
Business Supervisor	1	1	1	1
Claims Technician	2	2	2	2
Department Technology Specialist	1	1	0	0
Department Technology Specialist II	0	0	1	1
Director of Human Resources	1	1	1	1
Division Manager	7	7	7	7
Environmental Management Coordinator	1	1	1	1
Fitness Trainer	0	0	1	1
Human Resource Analyst I	4	4	2	2
Human Resource Analyst II	2	2	3	3
Human Resource Analyst III	5	5	2	2
Human Resources Assistant I	4	4	6	6
Human Resources Assistant II	7	7	4	4
Human Resources Manager	2	2	2	2
Management Specialist	0	1	1	1
Management Specialist II	1	1	1	1
Medical Assistant Specialist	1	1	1	1
Nurse Practitioner	1	1	1	1
Risk Management Claims Supervisor	1	1	1	1

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<i>Human Resources (cont'd)</i>				
Risk Manager	1	1	1	1
Safety Officer	2	2	2	2
Senior Claims Adjuster	3	3	3	3
Senior Fitness Trainer	2	2	2	2
Senior Human Resources Analyst	6	6	10	10
	<u>57</u>	<u>58</u>	<u>58</u>	<u>58</u>
Hold Complement²	3	7	7	7
Information Technology				
Accounting and Fiscal Technician	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Director of Information Technology	1	1	1	1
Computer Operations Supervisor	1	1	1	1
Computer Operator II	2	2	0	0
Computer Operator III	1	1	0	0
Director of Information Technology	1	1	1	1
GIS Analyst I	0	0	1	1
GIS Analyst II	1	1	1	1
GIS Analyst III	2	2	1	1
GIS Analyst Senior	1	1	3	3
GIS Manager	1	1	1	1
Information Technology Control Technician	1	1	0	0
Information Technology Systems Engineer	0	0	2	2
IT Application Developer I	1	1	3	3
IT Application Developer II	4	4	2	2
IT Application Developer III	10	10	9	9
IT Application Developer Senior	2	2	3	3
IT Database Administrator I	1	1	1	2
IT Database Administrator III	3	3	3	3
IT Desk Support Specialist I	2	2	0	0
IT Desk Support Specialist II	6	6	5	5
IT Desk Support Specialist III	1	1	2	2
IT Desk Support Specialist Senior	2	2	2	2
IT Manager I	11	11	11	11
IT Manager II	11	11	10	10
IT Network/Telecomm Admin I	3	3	2	2
IT Network/Telecomm Admin II	2	2	3	3
IT Network/Telecomm Admin III	1	1	2	2
IT Systems Admin I	1	1	1	1
IT Systems Admin II	2	2	1	1
IT Systems Admin III	1	1	2	2
IT Systems Developer I	5	5	5	5
IT Systems Developer II	3	3	6	6
IT Systems Developer III	6	6	4	4
IT Systems Developer Senior	1	1	1	1

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<i>Information Technology (cont'd)</i>				
Manager of Production Services	1	1	1	1
Technology Support Technician I	2	2	2	2
Technology Support Technician II	1	1	2	2
	<u>97</u>	<u>97</u>	<u>97</u>	<u>98</u>
Internal Audit				
Auditor III	3	3	3	3
Director Of Internal Audit	1	1	1	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Juvenile Detention				
Business Supervisor	1	1	1	1
Custodian I	1	1	1	1
Detention Counselor	13	13	13	13
Detention Home Assistant Superintendent	2	2	2	2
Detention Home Superintendent	1	1	1	1
Detention Supervisor	4	4	4	4
Food Service Supervisor	1	1	1	1
Office Assistant III	1	1	1	1
Registered Nurse	2	2	2	2
Secretary	1	1	1	1
Senior Cook	3	3	3	3
	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>
Juvenile Detention/VJCCCA				
Detention Outreach Coordinator	1	1	1	1
Detention Outreach Worker	2	2	2	2
	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Library				
Account Clerk Senior	2	2	2	2
Accountant II	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Library Director	1	1	1	1
Controller	1	1	1	1
Courier	2	2	2	2
Department IT Manager	1	1	1	1
Department Technology Specialist II	5	5	5	5
Department Technology Specialist III	5	5	5	5
Department Technology Specialist IV	1	1	1	1
Director of Library	1	1	1	1
Librarian I	31	31	29	31
Librarian II	5	5	4	4
Librarian III	0	0	2	2
Librarian IV	1	1	0	0
Library Circulation Asst. Supervisor	6	6	6	6
Library Circulation Supervisor	11	11	11	11
Library Collection Management Specialist I	7	7	5	5
Library Collection Management Specialist II	1	1	2	2
Library Manager I	13	13	14	14

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<i>Library (cont'd)</i>				
Library Manager II	5	5	5	5
Library Public Services Coordinator	2	2	2	2
Library Public Services Specialist I	88	88	84	84
Library Public Services Specialist II	1	1	7	7
Library Public Services Supervisor	12	12	12	14
Management Specialist I	1	1	1	1
Senior Management Specialist	1	1	1	1
	<u>206</u>	<u>206</u>	<u>206</u>	<u>210</u>
Mental Health				
Account Clerk III	8	8	8	8
Accountant I	1	1	1	1
Accountant III	2	2	2	2
Administrative Assistant	1	1	1	1
Business Manager	1	1	1	1
Business Supervisor	3	3	3	3
Department IT Manager	1	1	1	1
Department Technology Specialist II	1	1	1	1
Department Technology Specialist III	1	1	1	1
Department Technology Specialist IV	3	3	3	3
Director of MH/DS	1	1	1	1
Infant Development Specialist	1	1	1	1
Management Specialist II	1	1	1	1
Medical Assistant	1	1	1	1
MH/DS Case Manager	37	37	40	40
MH/DS Clinical Supervisor	16	16	16	16
MH/DS Clinician	47.5	47.5	45.5	46.5
MH/DS Community Support Supervisor	6	6	6	6
MH/DS Division Director	3	3	3	3
MH/DS Group Home Supervisor	3	3	3	3
MH/DS Marketing Specialist	1	1	1	1
MH/DS Program Coordinator	6	6	6	6
MH/DS Program Manager	9	9	9	9
MH/DS Residential Counselor	1	1	1	1
MH/DS Senior Community Support Supervisor	1	1	1	1
MH/DS Support Services Specialist	1	1	1	2
MH/DS Training Assistant	11.5	11.5	11.5	11.5
MH/DS Training Specialist	26	26	24	24
Nurse Practitioner	1	1	1	1
Occupational Therapist	1	1	1	1
Office Assistant IV	17	17	18	18
Secretary	2	2	1	1
Senior Controller	1	1	1	1
Senior Management Specialist	1	1	2	2
Speech Pathologist	1	1	1	1
	<u>219</u>	<u>219</u>	<u>219</u>	<u>221</u>

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Permit Centers				
Administrative Assistant	1	1	1	1
Assistant Director of Community Development	1	1	1	1
Community Delevopment Supervisor	2	2	2	2
Community Development Technician I	1	1	2	2
Community Development Technician II	1	1	1	1
Community Development Technician III	3	3	2	2
Director of Community Development	1	1	1	1
Office Assistant IV	1	1	1	1
Senior Community Development Technician	5	5	5	5
	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>
Planning				
Account Clerk III	1	1	1	1
Accounting & Fiscal Technician	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Director of Planning	1	1	1	1
County Planner I	3	3	2	2
County Planner II	6	6	8	8
County Planner III	3	3	2	2
County Planner IV	8	8	8	8
Department IT Manager	1	1	1	1
Department Technology Specialist II	1	1	1	1
Department Technology Specialist III	1	1	1	1
Deputy Zoning Conformance Officer	1	1	1	1
Director of Planning	1	1	1	1
GIS Analyst III	1	1	1	1
GIS Specialist	0	0	3	3
Office Assistant III	1	1	0	0
Office Assistant IV	3	3	4	4
Planning Technician	1	1	1	1
Senior Business Supervisor	1	1	1	1
Senior Planning Technician	1	1	1	1
Senior Principal Planner	3	3	3	3
Technology Support Specialist I	3	3	0	0
Zoning Enforcement Officer	2	2	2	2
	<u>45</u>	<u>45</u>	<u>45</u>	<u>45</u>
Police				
Account Clerk III	2	2	2	2
Administrative Assistant	1	1	1	1
Animal Protection Lieutenant	1	1	1	1
Animal Protection Officer	9	9	9	9
Animal Protection Seargeant	2	2	2	2
Auditor II	1	1	1	1
Chief of Police	1	1	1	1
Communications Maintenance Supervisor	1	1	1	1
Communications Officer	76	76	76	76
Communications Supervisor	12	12	9	9

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<i>Police (cont'd)</i>				
Communications Systems Manager	1	1	1	1
Controller	1	1	1	1
County Planner III	1	1	1	1
Crime Analyst	3	3	3	3
Criminal Records Manager	1	1	1	1
Crossing Guard	8	8	8	8
Department IT Manager	1	1	1	1
Department Technology Specialist I	2	2	2	2
Department Technology Specialist III	4	4	4	4
Department Technology Specialist IV	1	1	1	1
Deputy County Manager, Public Safety	1	1	1	1
Emergency Communications Manager	1	1	1	1
Latent Print Examiner	1	1	1	1
Management Technician	2	2	2	2
Management Specialist I	1	1	1	1
Management Specialist II	1	1	1	1
Office Assistant III	3	3	3	3
Office Assistant IV	2	2	2	2
Office Supervisor	3	3	3	3
Police Captain	10	10	11	11
Police Command Sergeant	1	1	1	1
Police Lieutenant	41	41	41	41
Police Lieutenant Colonel	2	2	2	2
Police Major	4	4	4	4
Police Officer	504	514	512	512
Police Sergeant	70	70	71	71
Police Support Technician I	14	14	14	14
Police Support Technician II	28	28	28	28
Police Support Technician III	5	5	5	5
Radio Repair Technician I	2	2	2	2
Radio Repair Technician II	2	2	2	2
Radio Repair Technician III	3	3	3	3
Secretary	9	9	9	9
Senior Communications Supervisor	0	0	3	3
Senior Latent Print Examiner	1	1	1	1
Senior Management Specialist	1	1	1	1
Senior Police Support Technician	1	1	1	1
	<u>842</u>	<u>852</u>	<u>852</u>	<u>852</u>
Public Relations and Media Services				
Asst. Dir. of Public Relations and Media Svcs.	2	2	2	2
Business Supervisor	1	1	1	1
Department Technology Specialist III	1	1	1	1
Director of Public Relations and Media Services	1	1	1	1
Media Specialist	1	1	1	1
Office Assistant III	1	1	1	1
Office Assistant IV	2	2	2	2

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<i>Public Relations and Media Services (cont'd)</i>				
Public Relations Specialist	2	2	2	2
Senior Public Relations Specialist	1	1	1	1
Senior Television Producer/Director	1	1	1	1
Television Operations Technician	1	1	1	1
Television Producer/Director	5	5	5	5
	<u>19</u>	<u>19</u>	<u>19</u>	<u>19</u>
Public Utilities				
Account Clerk III	6	6	6	6
Accountant II	1	1	1	1
Accountant III	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Director/Public Utilities	1	1	1	1
Assistant Division Director	3	3	3	3
Capital Projects Manager	1	1	1	1
Chemist	2	2	2	2
Chief of Laboratory Operations	1	1	1	1
Chief Water/Wastewater Plant Operator	8	8	8	8
Construction Inspector	13	13	15	15
Customer Service Representative	11	11	11	11
Customer Service Supervisor	1	1	1	1
Department IT Manager	1	1	1	1
Department Technology Specialist II	2	2	2	2
Department Technology Specialist IV	3	3	3	3
Director of Public Utilities	1	1	1	1
Division Director	5	5	5	5
Electrician	2	2	2	2
Engineer I	8	8	8	8
Engineer II	14	14	15	16
Engineering Aide II	8	8	8	8
Engineering Aide III	1	1	1	1
Engineering Technician	7	7	8	8
Environmental Inspector	0	0	2	2
Equipment Operator I	6	6	2	2
Equipment Operator II	30	30	30	31
Equipment Operator III	6	6	6	6
GIS Analyst II	1	1	1	1
GIS Analyst III	1	1	1	1
GIS Specialist	0	0	3	3
GIS Technician	4	4	0	0
Instrumentation Specialist I	2	2	2	2
Instrumentation Specialist II	4	4	2	2
Instrumentation Specialist III	3	3	5	5
Instrumentation Specialist Supervisor	2	2	2	2
Labor Foreman II	12	12	12	12
Laboratory Aide	2	2	2	2
Laboratory Analyst	6	6	6	6

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<i>Public Utilities (cont'd)</i>				
Maintenance Assistant I	10	10	10	10
Maintenance Assistant II	2	2	2	2
Management Specialist I	1	1	1	1
Management Specialist II	1	1	1	1
Meter Repair Specialist	2	2	2	2
Meter Service Worker	7	7	7	7
Meter Service Worker Senior	2	2	2	2
Monitoring Technician I	3	3	0	0
Monitoring Technician II	1	1	0	0
Monitoring Technician Supervisor	1	1	0	0
Office Assistant II	1	1	1	1
Office Assistant IV	4	4	4	4
Office Supervisor	4	4	4	4
Preventive Maintenance Technician	1	1	1	1
Secretary	1	1	1	1
Senior Accountant	1	1	1	1
Senior Construction Coordinator	1	1	1	1
Senior Construction Inspector	3	3	4	4
Senior Controller	1	1	1	1
Senior Electrician	1	1	1	1
Senior Engineer	3	3	3	3
Senior Laboratory Analyst	1	1	1	1
Senior Management Specialist	1	1	1	1
Senior Utility Pipe Locator	1	1	1	1
Senior Utility Plant Mechanic	1	1	1	1
Senior Water/Wastewater Plant Operator	13	13	12	12
Shop Clerk-Dispatcher	2	2	2	2
Storekeeper I	2	2	2	2
Storekeeper II	1	1	1	1
Utilities Cashier	1	1	1	1
Utility Pipe Locator	2	2	2	2
Utility Plant Mechanic	5	5	5	5
Utility Superintendent I	5	5	5	5
Utility Superintendent II	4	4	4	4
Utility Technician	12	12	12	12
Warehouse/Parts Supervisor	2	2	2	2
Water Quality Compliance Specialist I	0	0	4	4
Water Quality Compliance Supervisor	0	0	1	1
Water/Wastewater Facility Maint. Supt.	1	1	1	1
Water/Wastewater Plant Mechanic I	1	1	1	1
Water/Wastewater Plant Mechanic II	6	6	6	6
Water/Wastewater Plant Mechanic III	3	3	3	3
Water/Wastewater Plant Mechanic Supervisor	2	2	2	2
Water Facility/Reclamation Facility Oper Supt.	1	1	1	1
Water/Wastewater Plant Operator I	1	1	0	0
Water/Wastewater Plant Operator II	5	5	5	5

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2016-17</u>	<u>Approved FY2017-18</u>	<u>Revised FY2017-18</u>	<u>Approved FY2018-19</u>
<i>Public Utilities (cont'd)</i>				
Water/Wastewater Plant Operator Trainee	2	2	4	4
	307	307	309	311
Public Works				
Accountant III	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Construction Division Director	1	1	1	1
Assistant Director/Public Works	1	1	1	1
Assistant Division Director	3	3	3	3
Assistant Traffic Engineer	2	2	2	2
Assistant Traffic Operations Supervisor	2	2	0	0
Bridge Inspector	1	1	1	1
Business Supervisor	1	1	1	1
Capital Projects Manager	3	5	5	5
Constructability Specialist II	2	2	2	2
Construction Division Director	1	1	1	1
Construction Inspector	15	15	14	15
County Surveyor	1	1	1	1
Department IT Manager	1	1	1	1
Department Technology Specialist I	1	1	1	1
Design Engineer	1	1	1	1
Design Program Specialist I	1	1	1	1
Design Program Specialist II	1	1	1	1
Director of Public Works/County Engineer	1	1	1	1
Division Director	1	1	1	1
Drafting Technician II	1	1	1	1
Drainage Construction and Maintenance Specialist	1	1	1	1
Drainage Construction and Maintenance Manager	1	1	1	1
Engineer I	2	2	2	2
Engineer II	7	7	7	7
Engineering Aide II	4	4	3	3
Engineering Aide III	5	5	6	6
Engineering/Environmental Services Div. Manager	1	1	1	1
Engineering Technician	1	1	1	1
Environmental Inspector	10	10	10	10
Environmental Program Specialist I	3	3	3	3
Environmental Program Specialist II	1	1	1	1
Equipment Operator III	1	1	0	0
GIS Specialist	0	0	2	2
GIS Analyst III	1	1	1	1
Laborer	7	7	7	7
Maintenance Superintendent	1	1	1	1
Management Assisstant	0	0	1	1
Management Specialist I	0	1	1	1
Management Specialist II	2	2	2	2
Management Technician	2	2	2	2
Office Assistant III	4	4	4	4

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2016-17</u>	<u>Approved FY2017-18</u>	<u>Revised FY2017-18</u>	<u>Approved FY2018-19</u>
<i>Public Works (cont'd)</i>				
Office Assistant IV	5	5	5	5
Road Constr. & Maintenance Supt.	1	1	1	1
Road Maintenance Heavy Equipment Specialist I	60	60	49	49
Road Maintenance Heavy Equipment Specialist II	27	27	37	37
Road Maintenance Heavy Equipment Specialist III	3	3	4	4
Road Maintenance Shop Supervisor	2	2	2	2
Road Maintenance Specialist	9	9	9	9
Road Maintenance Supervisor I	12	12	12	12
Road Maintenance Supervisor II	2	2	2	2
Road Maintenance Technician I	5	5	1	1
Road Maintenance Technician II	1	1	5	5
Secretary	3	3	3	3
Senior Construction Coordinator	2	2	3	3
Senior Controller	1	1	1	1
Senior Engineer	4	4	4	4
Senior Environmental Inspector	3	3	3	3
Survey Party Chief	2	2	2	2
Technology Support Technician II	2	2	0	0
Traffic Controls Supervisor	0	0	2	2
Traffic Engineer	1	1	1	1
Traffic Engineering Technician	1	1	1	1
Traffic Operations Supervisor	1	1	1	1
Traffic Service Worker I	1	1	0	0
Traffic Service Worker II	7	7	8	8
Traffic Signal Service Worker	1	1	1	1
Traffic Signal Technician I	3	3	3	3
Traffic Signal Technician II	2	2	2	2
Traffic Signal Technician Supervisor	1	1	1	1
	<u>259</u>	<u>262</u>	<u>262</u>	<u>263</u>
Real Property				
Administrative Assistant	1	1	1	1
Assistant Director of Real Property	1	1	1	1
Director of Real Property	1	1	1	1
Office Assistant III	1	1	1	1
Real Property Agent	0	0	2	2
Real Property Agent II	2	2	0	0
Senior Real Property Agent	1	1	1	1
	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
Recreation				
Account Clerk II	1	1	0	0
Account Clerk III	2	2	2	2
Account Clerk Senior	1	1	3	3
Administrative Assistant	1	1	1	1
Animal Care Specialist	2	2	2	2
Assistant Director of Recreation	1	1	1	1
Assistant Division Manager	1	1	1	1

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2016-17</u>	<u>Approved FY2017-18</u>	<u>Revised FY2017-18</u>	<u>Approved FY2018-19</u>
<i>Recreation (cont'd)</i>				
Assistant Park Services Supervisor	6	6	6	6
Capital Projects Coordinator	0	0	3	3
Capital Projects Manager	2	2	0	0
Controller	1	1	1	1
Custodian I	0	0	1	1
Department IT Manager	1	1	1	1
Department Technology Specialist II	2	2	1	1
Department Technology Specialist III	0	0	1	1
Director of Recreation And Parks	1	1	1	1
Division Manager	1	1	2	2
GIS Specialist	0	0	1	1
Groundskeeper I	23	26	23	23
Groundskeeper II	6	6	9	9
Groundskeeper III	0	0	4	4
Groundskeeper IV	9	9	7	7
Laborer	3	3	1	1
Maintenance Assistant I	1	1	1	1
Management Assistant	1	1	1	1
Management Specialist I	3	3	3	3
Management Specialist II	3	3	3	3
Office Assistant III	4	4	2	2
Office Assistant IV	2	2	4	4
Park Services Division Supervisor	3	3	3	3
Park Services Specialist I	5	6	5	5
Park Services Specialist II	1	1	2	2
Park Services Specialist III	1	1	1	1
Preventative Maintenance Technician	2	2	2	2
Recreation Coordinator I	24	24	23	23
Recreation Coordinator II	2	2	1	1
Recreation Coordinator III	1	1	1	1
Recreation Division Manager	1	1	1	1
Recreation Facility Coordinator	0	0	3	3
Recreation Maintenance Worker I	9	10	8	8
Recreation Maintenance Worker II	6	6	6	6
Recreation Maintenance Worker III	0	0	2	2
Recreation Maintenance Worker IV	3	3	3	3
Recreation Manager	8	8	8	8
Recreation Marketing Coordinator	2	2	2	2
Recreation Marketing Specialist	1	1	1	1
Recreation Sports Leagues Coordinator I	2	3	3	3
Recreation Tourism Coordinator	1	1	1	1
Recreation Tourism Specialist	1	1	1	1
Senior Account Clerk	1	1	0	0
Senior Construction Coordinator	2	2	0	0
Senior Historic Preservation Conservator	1	1	1	1
Senior Recreation Fitness Coordinator	1	1	0	0

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2016-17</u>	<u>Approved FY2017-18</u>	<u>Revised FY2017-18</u>	<u>Approved FY2018-19</u>
<i>Recreation (cont'd)</i>				
Storekeeper II	1	1	1	1
Technology Support Specialist I	1	1	0	0
Technology Support Specialist II	1	1	0	0
Theater Technical Coordinator	1	1	1	1
Tradesman I	4	5	4	4
Tradesman II	3	3	3	3
Tradesman III	0	0	1	1
Tradesman IV	2	2	2	2
Warehouse Supervisor	1	1	1	1
	<u>170</u>	<u>177</u>	<u>177</u>	<u>177</u>
Sheriff				
Account Clerk III	3	3	3	3
Administrative Assistant	1	1	1	1
Chief Deputy Sheriff	0	0	1	1
Controller	1	1	1	1
Correctional Lieutenant/Shift	1	1	1	1
Department Technology Specialist II	1	1	1	1
Division Director	1	1	1	1
Inmate Classification Officer	13	13	13	13
Inmate Classification Supervisor	2	2	2	2
Librarian I	2	2	2	2
Management Specialist I	1	1	1	1
Nurse Practitioner	2	2	2	2
Office Assistant III	14	14	14	14
Office Assistant IV	2	2	2	2
Office Supervisor	1	1	1	1
Sheriff Captain	8	8	8	8
Sheriff Deputy	269	273	270	270
Sheriff Lieutenant	16	16	17	17
Sheriff Major	4	4	4	4
Sheriff Sergeant	46	46	47	47
Technology Support Specialist I	0	0	0	0
Undersheriff	2	2	2	2
	<u>390</u>	<u>394</u>	<u>394</u>	<u>394</u>
Social Services				
Account Clerk II	0	0	1	1
Account Clerk III	3	3	5	5
Accountant I	1	1	1	1
Accountant III	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Director/Social Services	2	2	2	2
Business Manager	1	1	1	1
Casework Supervisor	7	7	7	7
CSA Coordinator	1	1	1	1
Department IT Manager	1	1	1	1
Department Technology Specialist II	2	2	2	2

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2016-17</u>	<u>Approved FY2017-18</u>	<u>Revised FY2017-18</u>	<u>Approved FY2018-19</u>
<i>Social Services (cont'd)</i>				
Director of Social Services	1	1	1	1
Employment Services Supervisor	1	1	1	1
Family Services Specialist I	6	6	6	6
Family Services Specialist II	13	14	17	17
Human Services Assistant	3	3	0	0
Human Services Specialist I	10	12	18	18
Human Services Specialist II	11	11	11	11
Human Services Specialist III	44	44	42	42
Human Services Specialist IV	11	11	14	14
Human Services Specialist Senior	1	1	1	1
Human Services Supervisor	10	10	10	10
Job Developer	6	6	6	6
Management Specialist II	1	1	1	1
Office Assistant III	12	13	4	4
Office Assistant IV	3	3	5	5
Senior Controller	1	1	1	1
Senior Family Services Specialist	31	32	31	31
	<u>185</u>	<u>190</u>	<u>192</u>	<u>192</u>
Solid Waste				
Automotive Service Worker II	1	1	1	1
Division Director	1	1	1	1
Equipment Operator I	2	2	3	3
Equipment Operator II	18	18	17	17
Equipment Operator III	15	15	14	14
Labor Foreman II	4	4	4	4
Laborer	13	13	12	12
Landfill Attendant	4	4	4	4
Management Specialist II	1	1	1	1
Office Assistant III	1	1	1	1
Preventive Maintenance Technician	1	1	1	1
Senior Engineer	1	1	1	1
Utilities Cashier	5	5	5	5
Utility Superintendent I	1	1	1	1
Utility Superintendent II	1	1	1	1
	<u>69</u>	<u>69</u>	<u>67</u>	<u>67</u>
Total Complement:	<u>4,032</u>	<u>4,098</u>	<u>4,100</u>	<u>4,123</u>

¹ As of 2/7/2018

² Reserved Positions, Hold Complement, Unfunded for FY2017-18 Budget.

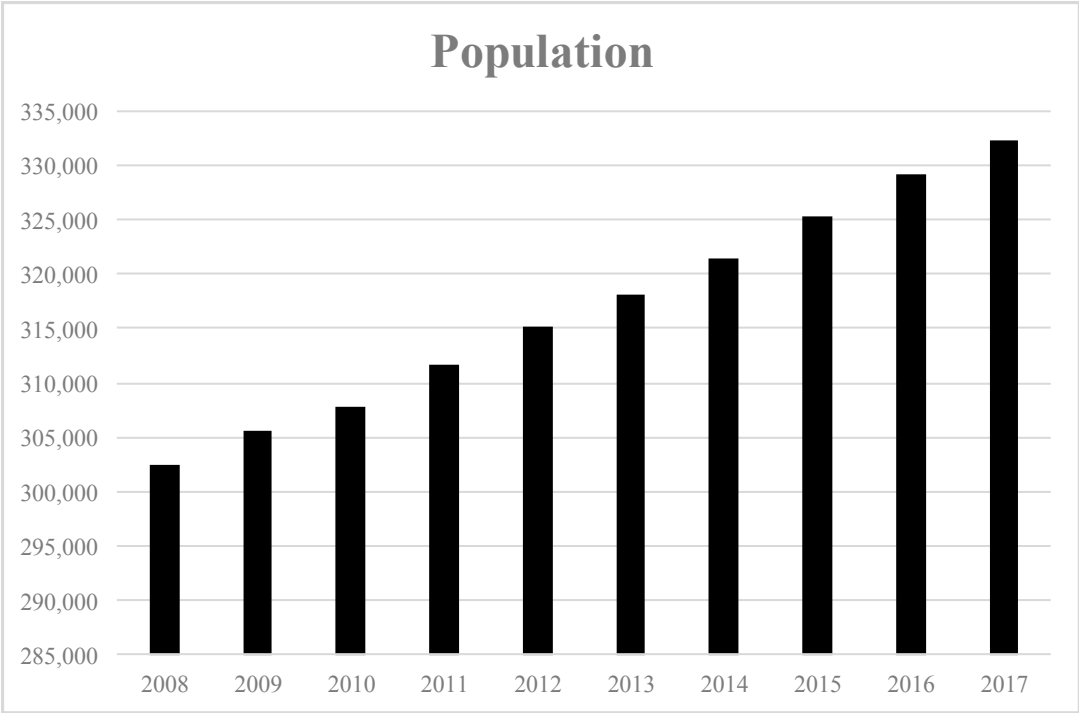
APPENDIX "C"
STATISTICAL SECTION

POPULATION

According to 2010 Census data, the County of Henrico is the sixth largest locality in the Commonwealth. Henrico has experienced a steady growth in population throughout the past ten years, averaging 1.1 percent growth per annum. Population estimates after the 2010 Census continue to show Henrico County maintaining its consistent growth pattern.

Source: U.S. Census Bureau, 2010 Census Data (FY2010); County of Henrico 2017 Financial Trends Monitoring System (FY2008 – FY2017)

Fiscal Year	Population
2017	332,368
2016	329,227
2015	325,283
2014	321,374
2013	318,158
2012	315,157
2011	311,726
2010	307,832
2009	305,580
2008	302,518



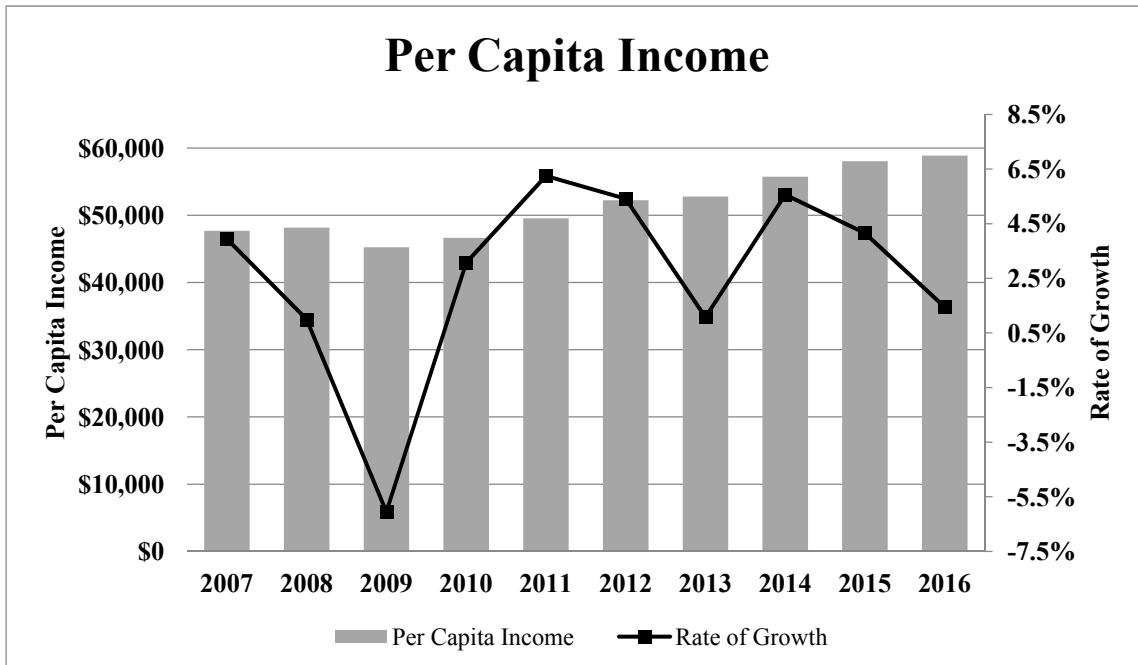
STATISTICAL SECTION

PER CAPITA INCOME

Per capita income is an important statistic in that County revenues tend to have a direct relationship with changes in this value. Furthermore, it is an accurate indicator of the County’s growing wealth. Henrico County had experienced consistent growth in per capita income from the period of 1998 to 2008, averaging 4.6 percent growth per annum, with only a nominal decrease in 2002. However, the economic impact of the recession resulted in a reduction in per capita income of 6.1 percent in 2009. Since then, PCI has experienced continued improvement with an average PCI growth of 3.9 percent each year since 2010. It should be noted that while the County’s population increased by an annual average rate 1.1 percent the last 10 years, the average rate of per capita income growth in the County over the same time frame was 2.6 percent each year. The historical average growth and stability in per capita income over this period is indicative of both a vibrant economy and a dedicated local workforce.

Source: County of Henrico 2017 Financial Trends Monitoring System

Year	Per Capita Income	Rate of Growth
2016	\$ 58,876	1.44%
2015	\$ 58,039	4.15%
2014	\$ 55,725	5.56%
2013	\$ 52,789	1.07%
2012	\$ 52,229	5.41%
2011	\$ 49,548	6.25%
2010	\$ 46,634	3.07%
2009	\$ 45,246	-6.05%
2008	\$ 48,161	0.99%
2007	\$ 47,688	3.94%



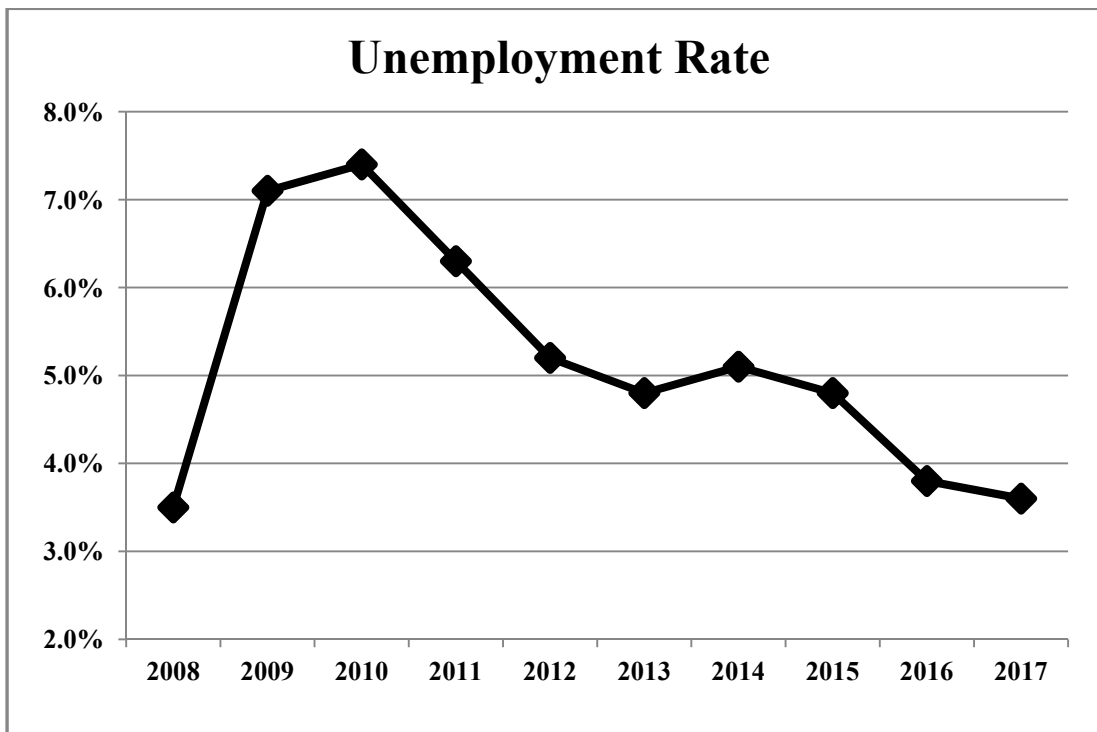
STATISTICAL SECTION

UNEMPLOYMENT RATE

The unemployment rate is highly indicative of changes in the economy and offers an accurate representation of the local economy. In the past ten years, Henrico County has had an unemployment rate ranging from a high of 7.4% in 2010, to a low of 2.7% in 2007. While the unemployment rate was uncharacteristically high in the period from 2009 to 2014 because of the recession, the rate of 3.6 percent in 2017 is the lowest unemployment rate since 2008 and indicates a regained strength in Henrico's labor market.

Source: County of Henrico 2017 Financial Trends Monitoring System

Year	Change
2017	3.6%
2016	3.8%
2015	4.8%
2014	5.1%
2013	4.8%
2012	5.2%
2011	6.3%
2010	7.4%
2009	7.1%
2008	3.5%



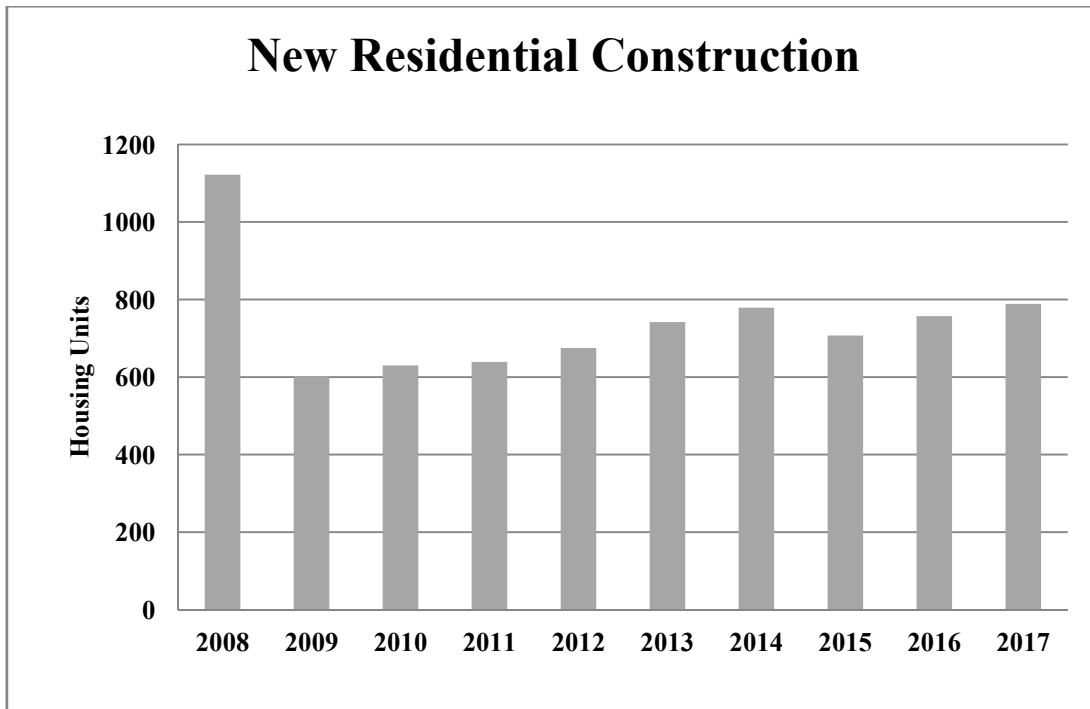
STATISTICAL SECTION

NEW RESIDENTIAL CONSTRUCTION

New residential construction is an important indicator in that steady building levels are indicative of a strong and stable economy. Between 2004 and 2008, residential construction averaged a total of 1,613 new single-family permits issued per year. However, due to the economic downturn, in 2007 construction volume began to decline. Between 2009 and 2016, residential construction averaged 702 permits, 56.5 percent less than the 2004 to 2008 average. The County continues to rebound from the significant reduction in new residential construction because of the recession but will likely take years before pre-recession levels are again achieved.

Source: County of Henrico Department of Building Inspections

	New Residential Construction
2017	789
2016	757
2015	707
2014	779
2013	742
2012	675
2011	639
2010	630
2009	602
2008	1,122



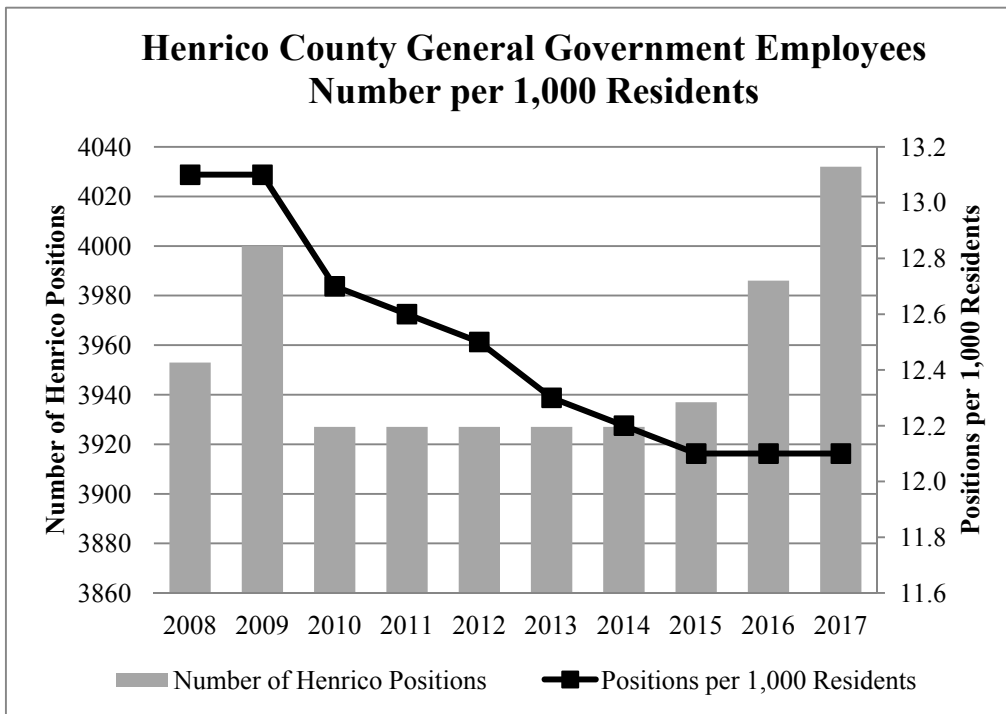
STATISTICAL SECTION

HENRICO COUNTY GOVERNMENT EMPLOYEES

The County of Henrico has averaged a 12.5 General Government Employee to County population ratio over the past ten years. This statistic includes all permanent employees of Henrico County, excluding employees of the School Board. The consistent drop in this indicator since 2009 is indicative of the hundreds of vacant positions eliminated due to budget constraints.

Source: County of Henrico 2017 Financial Trends Monitoring System

		Positions per 1,000 Residents
Fiscal Year	Positions	Residents
2017	4,032	12.1
2016	3,986	12.1
2015	3,937	12.1
2014	3,927	12.2
2013	3,927	12.3
2012	3,927	12.5
2011	3,927	12.6
2010	3,927	12.7
2009	4,000	13.1
2008	3,953	13.1



STATISTICAL SECTION
HENRICO BUSINESS STATISTICS

Henrico County Principal Tax Payers

Taxpayer	Type of Business	2017 Assessed Value	Percent of Total Valuation
Virginia Power Company	Utility	\$ 680,426,188	1.66%
Forest City (Short Pump TC, White Oak)	Retail and Offices	390,530,900	0.95%
General Services Corporation	Apartments	261,536,800	0.64%
The Wilton Companies	Offices, Retail & Warehouses	246,760,900	0.60%
Highwoods Properties	Office and Warehouses	228,557,100	0.56%
Verizon	Utility	208,535,908	0.51%
Weinstein Family	Apartments	204,748,500	0.50%
HCA Health Services of VA	Hospital	171,526,544	0.42%
Gumenick	Apartments & Retail	156,369,700	0.38%
Breeden Companies	Apartments & Retail	147,634,000	0.36%
United Dominion Realty Trust	Apartments	-	-
Liberty Property, LP	Warehouses and Offices	-	-
Qimonda AG (Infineon Technologies)	Industrial	-	-
Totals		\$ 2,696,646,540	6.58%
Total Assessed Values		\$ 40,960,861,608	

Source: Comprehensive Annual Financial Annual Report FY2016-2017

STATISTICAL SECTION

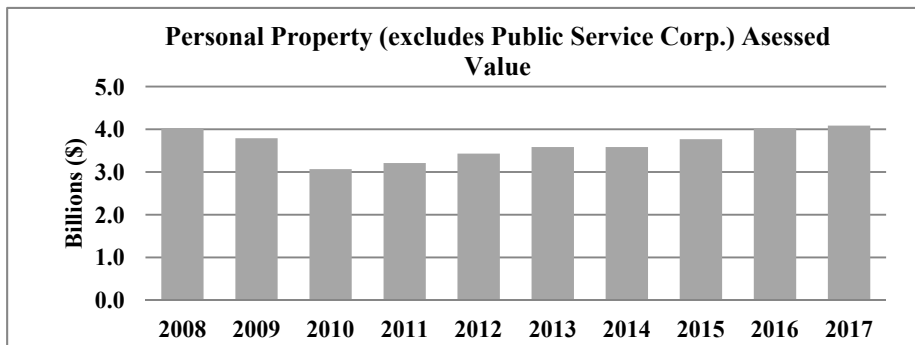
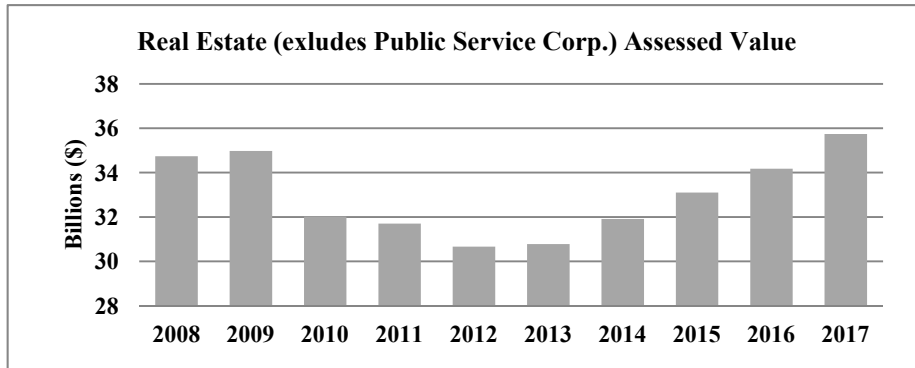
ASSESSED VALUE OF TAXABLE PROPERTY

The assessed value of taxable property is a major indicator of the stability of a local economy. The assessed valuation of taxable property in the County of Henrico has experienced steady increases in most years. However, the economic downturn caused both slower growth and a reduction in value during this time, with the first significant drop in total real estate valuation occurring in 2010. The County, however, has averaged a growth rate of 3.0 percent per annum since 2006, despite the recessionary impediments to growth in recent years.

Source: Comprehensive Annual Financial Report, FY2016-17

Year	Real Estate	Personal Property	Public Service	Total
2017	\$ 35,742,298	\$ 4,087,035	\$ 1,131,530	\$ 40,960,863
2016	34,175,523	4,013,147	1,006,276	39,194,946
2015	33,103,077	3,766,963	964,746	37,834,786
2014	31,908,424	3,585,703	911,706	36,405,833
2013	30,776,112	3,586,164	942,100	35,304,376
2012	30,666,925	3,432,535	983,772	35,083,232
2011	31,702,148	3,208,453	991,470	35,902,071
2010	32,016,975	3,068,020	980,016	36,065,011
2009	34,975,868	3,789,013	916,479	39,681,360
2008	34,740,075	4,022,204	854,945	39,617,224

(\$ in Thousands)



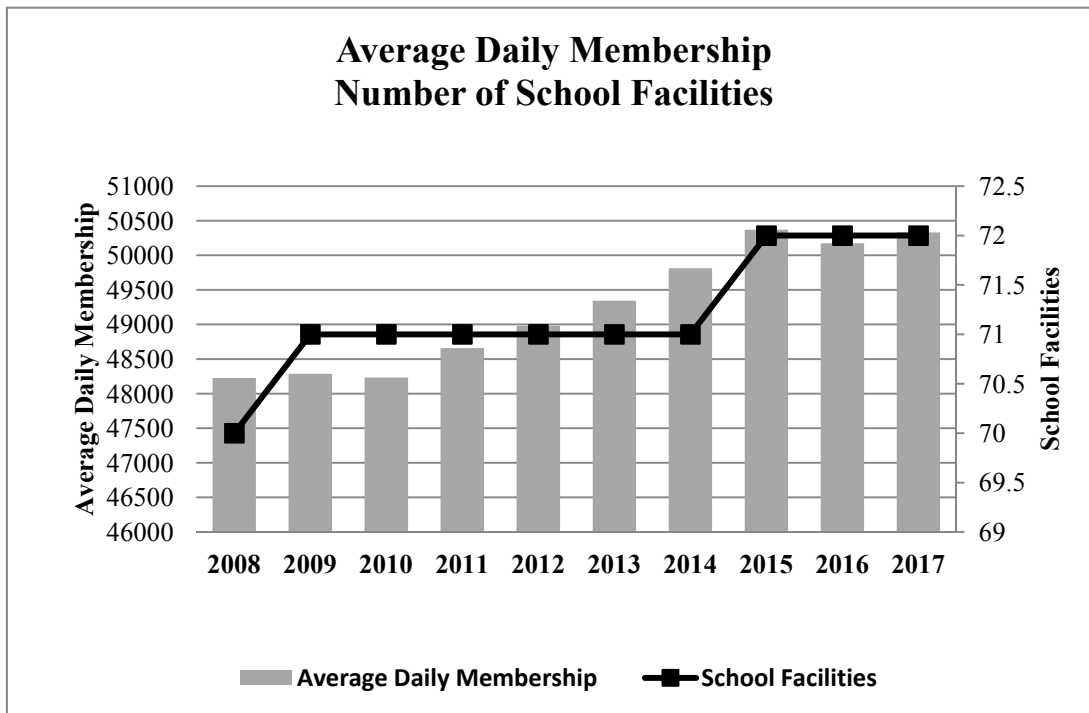
STATISTICAL SECTION

HENRICO COUNTY SCHOOLS

Since 2008, the average daily membership in Henrico County Public Schools has increased by a total of 4.4 percent. Since 2003, the County of Henrico has built eight new schools. As the chart illustrates, the County of Henrico has been able to effectively keep the number of facilities in a similar growth pattern with the increasing number of students.

Source: Henrico County Public Schools Annual Financial Plan

Year	Average Daily Membership
2017	50,330
2016	50,173
2015	50,370
2014	49,812
2013	49,343
2012	48,981
2011	48,659
2010	48,232
2009	48,822
2008	48,226



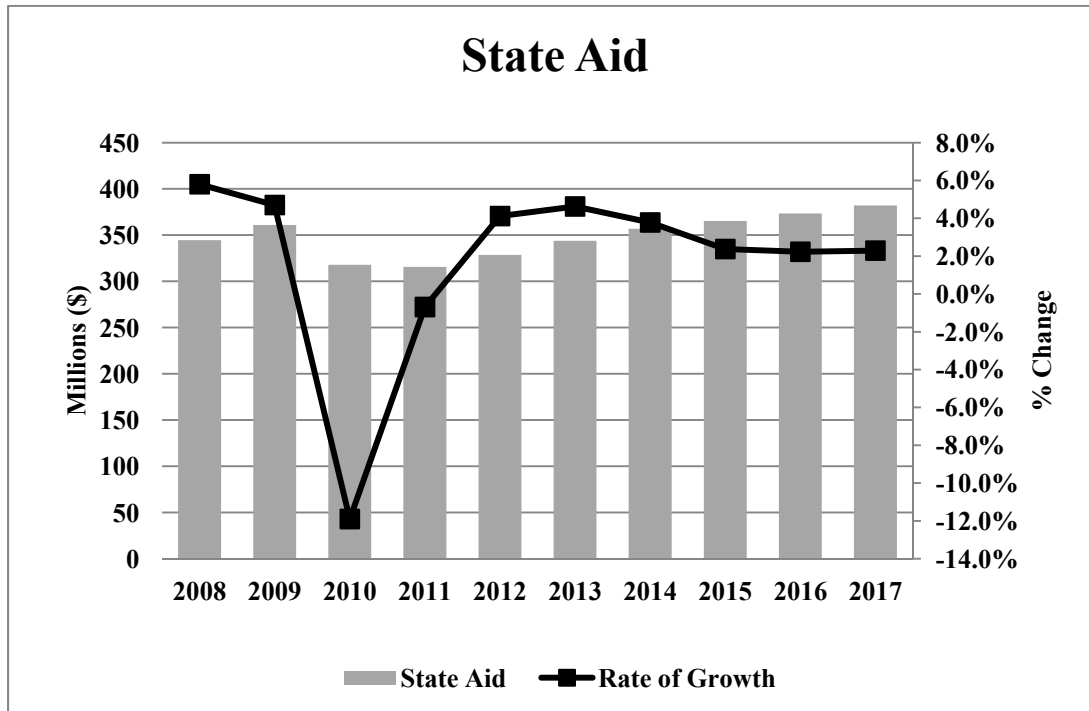
STATISTICAL SECTION

STATE AID-GENERAL FUND

This chart tracks the amount of General Fund aid received by the County of Henrico from the Commonwealth of Virginia since 2006. It should be noted that since FY1998-99, these figures include payments made by the State to Henrico for the Personal Property Tax Relief Act. The County received approximately \$8.6 million more in General Fund support from the State in FY2016-17 compared to the previous year.

Source: Comprehensive Annual Financial Report, FY2016-17

Year	State Aid	Change
2017	382,067,785	2.29%
2016	373,498,993	2.23%
2015	365,353,974	2.37%
2014	356,883,659	3.78%
2013	343,886,690	4.62%
2012	328,690,912	4.12%
2011	315,681,610	-0.69%
2010	317,886,195	-11.9%
2009	361,001,730	4.7%
2008	344,569,613	5.8%



STATISTICAL SECTION

OTHER DATA

Over the past ten years, the County of Henrico has been able to increase services for County residents. During the same time period, Henrico County has maintained consistent tax rates and, in some cases, offered significant tax rate decreases. In line with this history, the FY2016-17 budget included a reduction in the Aircraft Tax Rate to \$0.50 per \$100 assessed value and the FY2017-18 budget includes a reduction in the tax rate applied to Data Centers to \$0.40 per \$100 of assessed value. No reductions or increases are proposed for FY19.

Source: Comprehensive Annual Financial Report, FY2016-17; Approved Annual Fiscal Plan, FY2018-19

Year	Recreation/Community Centers	Library Facilities	Registered Voters	Fire Stations
2017	21	10	217,757	20
2016	21	11	208,366	20
2015	21	11	207,029	20
2014	20	11	206,176	20
2013	20	11	205,890	20
2012	20	11	199,718	20
2011	20	11	197,091	20
2010	20	10	195,108	20
2009	20	11	195,683	20
2008	17	10	196,670	20

PROPERTY TAX RATE (PER \$100 OF ASSESSED VALUE)

Personal Property

Year	Real Estate	Aircraft	Computer Equip. and Peripherals used in a Data Center	Veh. of Volunteer Rescue Squad Members	Equipped Veh. for the Physically Handicapped/ Disabled Veterans'	All Other Personal Property	Machinery & Tools	Machinery & Tools Semi- Conductor
2018	0.87	0.50	0.40	1.00	0.01	3.50	0.30	0.30
2017	0.87	0.50	3.50	1.00	0.01	3.50	0.30	0.30
2016	0.87	1.60	3.50	1.00	0.01	3.50	0.30	0.30
2015	0.87	1.60	3.50	1.00	0.01	3.50	0.30	0.30
2014	0.87	1.60	3.50	1.00	0.01	3.50	1.00	0.40
2013	0.87	1.60	3.50	1.00	0.01	3.50	1.00	0.40
2012	0.87	1.60	3.50	1.00	0.01	3.50	1.00	0.40
2011	0.87	1.60	3.50	1.00	0.01	3.50	1.00	0.40
2010	0.87	1.60	3.50	1.00	0.01	3.50	1.00	0.40
2009	0.87	1.60	3.50	1.00	0.01	3.50	1.00	0.40
2008	0.87	1.60	3.50	1.00	0.01	3.50	1.00	0.40

BOND RATINGS

Year	Moody's	Fitch	Standard & Poor's
General Obligation	Aaa	AAA	AAA
Utilities Revenue	Aaa	AAA	AA+

Source: Department of Finance, County of Henrico

APPENDIX "D"

APPROVED TAX AND FEE SCHEDULE

Real Estate*

Tax Rate: \$0.87 per \$100.00 of the assessed value, including manufactured homes.

Tangible Personal Property*

Tax Rate: \$3.50 per \$100.00 of the assessed value. \$1.00 per \$100.00 of the assessed value for qualifying vehicles used by volunteer firefighters and volunteer members of rescue squads. \$0.01 per \$100 of the assessed value for disabled veterans' vehicles, and motor vehicles specially equipped to provide transportation for physically handicapped individuals.

Machinery Used for Manufacturing/Mining*

Tax Rate: \$0.30 per \$100 of the assessed value of the machinery and tools.

Aircraft*

Tax Rate: \$0.50 per \$100.00 of the assessed value of the aircraft.

Computer Equipment and Peripherals used in a Data Center*

Tax Rate: \$0.40 per \$100 of assessed valuation.

Sanitary District Tax*

In Sanitary Districts 2, 3, 3.1, 12 and 23 an additional tax is levied on real estate and personal property for the provision of street lights. The real estate rates are \$0.003, \$0.010, \$0.031, \$0.010 and \$0.010 per \$100 of the assessed value, respectively. The personal property rates are \$0.001 per \$100 of the assessed value for all sanitary districts.

Motor Vehicle License

License Fee: \$20.00 for a vehicle under 4,000 pounds and \$25.00 for a vehicle over 4,000 pounds. The license fee is \$15.00 for motorcycles.

Local Sales Tax

Tax Rate: The County receives 1.0% of the 5.3% collected on each purchase. The State of Virginia disburses these receipts.

Food and Beverage (Meals) Tax

Tax Rate: 4.0% of a taxable meal.

Lodging Tax

Tax Rate: 8.0% of the total amount paid for room rental.

Utility Consumers' Tax

Monthly Commercial and Industrial Utility Tax Rates

Electric

Residential - \$0.70 plus the rate of \$0.007537 per kilowatt hour delivered not to exceed a maximum monthly tax of \$1.00.

Master Metered Units w/Residential Use - \$0.70 plus the rate of \$0.007537 per kilowatt hour delivered not to exceed a maximum monthly tax of \$1.00 per dwelling unit.

Commercial - \$1.15 plus the rate of \$0.00713 per kilowatt hour delivered not to exceed a maximum monthly tax of \$10.00.

Industrial - \$1.15 plus the rate of \$0.007603 per kilowatt hour delivered not to exceed a maximum monthly tax of \$10.00.

Natural Gas

There is no tax on the use of gas in either Residential or Commercial areas.

*For CY2018

Appendix "D" (cont'd)

Business and Professional Licenses

Tax Rates:

The first \$200,000 of gross purchases is excluded from the tax for item (1):

- (1) \$200,001 to \$5,000,000 (\$.20 per \$100, \$25 min. tax)
- \$5,000,001 to \$15,000,000 (\$.15 per \$100)
- \$15,000,001 to \$25,000,000 (\$.10 per \$100)
- \$25,000,001 to \$50,000,000 (\$.05 per \$100)
- \$50,000,001 to \$100,000,000 (\$.025 per \$100)
- \$100,000,001 and over (\$.0125 per \$100)

Items (2), (3), (4) and (5) assess taxes on gross receipts. When gross receipts are \$200,000 or less, an application is required, but no tax is due.

- (2) Retail Merchant: \$0.20 per \$100.00, or \$30.00 minimum, of gross receipts exceeding \$200,000.
- (3) Professional Service: \$0.20 per \$100.00, or \$30.00 minimum, of gross receipts exceeding \$200,000.

(4) (a) Contractor (Fee Basis): \$1.50 per \$100.00, or \$30.00 minimum, of gross fees exceeding \$200,000.

(b) Contractor (Contract Basis): \$0.15 per \$100.00, or \$30.00 minimum, of gross receipts exceeding \$200,000.

(5) Utility Companies (includes Cellular Telephone): One-half of 1.0% of the gross receipts, or \$30.00 minimum of gross receipts exceeding \$200,000.

Landfill Fees

Landfill: \$50.00 per ton for commercial refuse collected in Henrico; \$65.00 per ton for commercial refuse collected outside of Henrico; \$3.00 per visit effective April 1, 1998 to public use area by private citizens. Coupon books are available for purchase as follows: 15 coupons for \$40.00; 10 coupons for \$27.00.

Refuse Collection Charges

Frequency of Collection: Weekly
Collection Fee: \$15.00 per month

APPENDIX "E"
GENERAL FUND REVENUES

Function/Activity	FY 17 Actual	FY 18 Original	FY 19 Approved
Revenue from Local Sources:			
General Property Taxes:			
Current Real Property Taxes	\$ 301,412,803	\$ 305,500,000	\$ 323,750,000
Delinquent Real Prop Taxes	4,832,913	4,000,000	4,000,000
Current Real Property Taxes - PSC	8,894,578	8,285,000	8,285,000
Current Personal Property Taxes - PSC	77,920	115,000	115,000
Current Personal Property Taxes	75,233,396	120,000,000	124,000,000
Delinquent Personal Property Taxes	11,659,450	1,200,000	1,200,000
Interest and Add-on - All Taxes	(85,824)	275,000	275,000
Total General Property Taxes	402,025,236	439,375,000	461,625,000
Other Local Taxes:			
County Recordation Tax	\$ 4,518,839	\$ 3,500,000	\$ 3,750,000
Local Sales and Use Taxes	64,666,206	64,275,000	67,000,000
Consumer Utility Taxes	2,813,090	2,600,000	2,700,000
Business & Professional License Taxes	35,432,437	32,500,000	33,150,000
Motor Vehicle License Taxes	7,199,016	6,325,000	6,500,000
Bank Franchise Taxes	17,318,152	5,000,000	5,000,000
Grantor's Tax	1,163,660	900,000	1,000,000
Hotel and Motel Tax	3,362,059	3,000,000	3,150,000
Hotel and Motel Tax – Optional 4%	6,724,118	6,000,000	6,300,000
Hotel and Motel Tax - Dedicated 2%(special)	3,362,059	3,000,000	3,150,000
Daily Rental Tax	90,168	60,000	60,000
Pare-Mutual Wagering	35,731	0	0
Consumption Tax	1,024,815	1,100,000	1,000,000
Food & Beverage (Meals) Tax	28,443,883	22,988,000	27,000,000
Total Other Local Taxes	176,154,233	151,248,000	159,760,000
Permits, Privilege Fees, & Regulatory Licenses:			
Elevator Fees	\$ 41,942	\$ 40,000	\$ 40,000
Dog Licenses	119,293	120,000	120,000
Transfer Fees	8,498	7,000	7,000
Structure & Equip Permits	4,324,433	3,400,000	3,600,000
Septic Tank Permit	4,300	5,000	3,000
Going Out Of Business Permit	50	0	0
Public Utility Permit	1,620	1,000	1,000
Hauling & Moving Permit	855	300	500
Vacation Of Roads	1,650	500	1,000
High School Parking Fees	100,990	100,000	100,000
Taxi-Cab Certificates	18,350	15,000	15,000
Permit To Purchase Precious Metals	8,600	5,000	6,000
Municipal Library Court Fees	138,368	120,000	120,000
Adult Video/Bookstore Permit	700	0	0
Adult Tournaments	44,047	7,300	7,800
Jury Fees	62,994	45,000	45,000
Zoning Application Fees-Plan	163,487	150,000	150,000
Concealed Weapon Permit	95,628	55,000	55,000
School-Facilities Rental	284,502	300,000	300,000
Criminal Justice Training Academy	235,437	200,000	200,000

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 17 Actual</u>	<u>FY 18 Original</u>	<u>FY 19 Approved</u>
<i>Permits, Fees, and Licenses (cont'd)</i>			
Dance Hall Permit Application Fee	600	0	0
VSMP - Permit	106,049	170,000	100,000
Dangerous or Vicious Dog Registration	895	0	0
Total Permits, Fees, and Licenses	5,763,288	4,741,100	4,871,300
<i>Fines and Forfeitures:</i>			
Traffic Violation	\$ 2,017,083	\$ 2,000,000	\$ 2,000,000
Parking Violation	22,503	25,000	20,000
False Alarm Penalty	70,765	65,000	65,000
Total Fines and Forfeitures	2,110,351	2,090,000	2,085,000
<i>Revenue from Use of Money and Property:</i>			
Interest on Criminal Judgments	\$ 94,485	\$ 80,000	\$ 80,000
Rental On County Property	563,094	545,000	545,000
Sale Of Publications	0	100	0
Records and Services Fees	103,786	74,000	74,000
Interest on Investment - Repos	1,393,528	7,000,000	7,000,000
Interest Refund - P.P. Tax	125	0	0
Rental of County Property	68,124	68,000	65,000
Vending Machine Commission	76,887	10,000	50,000
Sale of Public Documents - Real Estate	115	200	0
Sale of Publications- Real Estate	446	700	0
Land Use Revenue	541	1,000	0
Recreation - Sale of Books	656	200	0
Sale of Publications - DPW	0	200	200
Sale of Surplus and Salvage - DPW	86,464	90,700	90,700
Sale of Signs - DPW	1,720	3,000	3,000
Sale of Equipment - Schools	164,399	50,000	50,000
Sale of Unclaimed Property	9,083	2,000	2,000
Sale of Maps & Plans - DPW	0	500	500
Sale of Vehicles	217,060	0	0
Sale of Vehicles - Schools	131	0	0
EDA leasing former library	123,211	0	0
Gov Deal Rebates	1,889	0	0
E-Payables Credit Card Rebates	248,081	0	0
Total from Use of Money and Property	3,153,825	7,925,600	7,960,400
<i>Charges for Services:</i>			
RE Tax Cr-Rehab Fees	\$ 100	\$ 0	\$ 0
Residential Rehab Fees	1,050	0	0
Background Investigation Fee	200	0	0
Jail Booking Fees	56,886	60,000	50,000
Court Conviction Fees	464,337	560,000	440,000
Weekender Fee	77,267	50,000	50,000
Deep Run -Rentals	0	150	0
Sale of Textbooks	641	0	0
Overdue Books	300,574	300,000	250,000
Photocopying Fees	12,044	10,000	10,000
Charges for Lost Books	152,057	115,000	115,000
Miscellaneous Library Income	(11,012)	0	0

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 17 Actual</u>	<u>FY 18 Original</u>	<u>FY 19 Approved</u>
<i>Charges for Services (cont'd)</i>			
Non-Resident Fees - Library	11,222	8,000	8,000
Sheriff Fees	36,125	36,000	36,000
Room & Board - Work Release Program	153,480	125,000	125,000
Home Incarceration Program - Sheriff	350,137	70,000	350,000
Inmate Medical Fees	103,257	75,000	75,000
Inmate Phone Charges	2,546,262	225,000	225,000
North Run Park Concessions	2,606	0	0
Picnic Kit Rental - Recreation	0	500	0
Shelter Reservations - Recreation	63,794	60,000	60,000
Non-Resident Fees - Softball	0	15,000	15,000
User Fees - Softball	3,868	40,000	40,000
Admissions for Meadow Farm Museum	8,952	10,000	10,000
Miscellaneous Revenue - Recreation	31,918	2,100	2,100
User Fees - Football	288	2,150	2,150
Dorey Park Concessions	1,510	0	0
Non-Resident Fees - Basketball	0	3,000	3,000
User Fees - Basketball	1,858	17,500	17,500
Facility Rentals - Miscellaneous	297	0	0
User Fees - Rugby	979	1,000	1,000
User Fees - Soccer	7,454	7,000	7,000
Set Up Fees - Facilities	33,350	25,350	25,350
Gazebo Rentals	1,710	600	600
User Fees - Adult Baseball	863	1,000	1,000
Henrico Field of Honor	304	0	0
Set Up Fees - Walkerton	(45)	0	0
Room Rental	222,582	196,000	196,000
Memberships	45,780	50,000	50,000
Program Revenue	213,743	270,600	200,000
Theater Concession Revenue	6,364	0	3,000
Outside Agency Registration Fees	2,948	0	0
School Tuition - Winter	18,659	2,000	2,000
Practical Nursing - Adult Tuition	0	16,000	16,000
Math - Science Center	125,368	110,000	110,000
Vacuum Leaf Collection	197,033	170,000	175,000
Commonwealth's Attorney Fees	23,478	25,000	25,000
Charge for Board of Animals	28,731	15,000	20,000
Cafeteria Receipts - County	169,694	150,000	150,000
Grass Cutting/Demolition	83,332	65,000	65,000
Cafeteria Catering Receipts	27,686	30,000	30,000
Charges for Data Processing	756,500	893,900	1,134,167
Community House SD#2 Collections	1,855	0	0
Withholding Fee Processing Charges	27,399	20,000	20,000
Total Charges for Services	6,365,485	3,832,850	4,114,867

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 17 Actual</u>	<u>FY 18 Original</u>	<u>FY 19 Approved</u>
Miscellaneous Revenue:			
Blood Test/DNA Fees	\$ 4,236	\$ 4,500	\$ 4,500
CHMF-Courthouse Maintenance Facility	153,841	150,000	150,000
Miscellaneous General	10	0	0
Circuit Court-Copy fees	27,128	10,000	17,500
Fire - Miscellaneous Revenue	48	1,000	0
Primary Filing Fees	6,724	0	0
Pay-In-Lieu of Tax Other	9,865	0	0
Meadow Farm Gift Shop	838	2,000	0
Geographic Information System Program	2,025	5,000	0
Court Orders Restitution (Fire)	14,812	10,000	10,000
Recoveries/Rebates- Police	69,320	0	0
Recoveries and Rebates - General	169,777	325,000	250,000
NSF Check Fees	1,723	10,000	0
Richmond Center Reimbursement	7,996,062	3,600,000	4,000,000
Recoveries and Rebates - DPW	0	5,000	0
Recoveries and Rebates - Schools	10,562	10,000	10,000
Credit Card Rebates	13,519	0	0
Sheriff's Suspense Account	847	0	0
Student Basic Jailor Academy	23,298	0	0
Misc Revenue- Sheriff	5	0	0
Total Miscellaneous Revenue	8,504,640	4,132,500	4,442,000
Recovered Costs:			
Reimbursement of Prisoner Cost - New Kent County	\$ 684,040	\$ 700,000	\$ 700,000
Proceeds From Sale of Land	3,337,361	0	0
Charge for Office Space	111,337	111,000	111,000
Custodial Service	18,752	12,000	14,000
Bounty Fees - Sheriff	800	10,000	0
Payment for Fiscal Services	2,158,427	2,212,470	2,294,738
Sale of Vehicles - County	566,567	205,000	205,000
Payment for 100% Projects	69,909	55,000	55,000
Road Opening Damages	48,398	325,000	250,000
Interdepartmental Billing - DPW	34,392	35,000	35,000
Recreation and Parks - Payment for Services	82,017	150,000	120,000
Recovered Costs - Student Activity	96,251	160,000	145,000
Festival Permits	5,600	5,000	4,500
Recovery of Wages - School Facility	150,632	100,000	110,000
Lost/Damaged Textbook Payments	4,153	10,000	6,500
Total Recovered Costs	7,368,636	4,090,470	4,050,738
Total from Local Sources	611,445,694	617,435,520	648,909,305
Non-Categorical Aid:			
Rolling Stock	\$ 178,564	\$ 138,500	\$ 138,500
Mobile Home Sales and Use Tax	8,422	5,000	7,000
Recovery of Central Cost Allocations	598,223	475,000	525,000
Motor Vehicle Rental Tax	3,753,236	3,000,000	3,250,000
Car Tax Revenue - State	37,001,783	0	0
Comm Sales Tax - HB#568	12,410,247	12,500,000	12,250,000
Total Non-Categorical Aid	53,950,475	16,118,500	16,170,500

GENERAL FUND REVENUES

Function/Activity	FY 17 Actual	FY 18 Original	FY 19 Approved
Shared Expenses:			
Salaries - Sheriff	\$ 11,254,572	\$ 11,150,000	\$ 11,300,000
Fringe Benefits - Sheriff	856,113	850,000	850,000
Salaries - Clerk of Circuit Court	1,274,703	1,200,000	1,250,000
Circuit Court Clerk Excess Fees - State	367,275	300,000	350,000
State Recordation Tax	1,489,293	1,350,000	1,400,000
Salaries - Commonwealth's Attorney	1,977,578	1,925,000	2,000,000
Fringe Benefits - Commonwealth's Attorney	176,481	150,000	150,000
Office Expenses - Commonwealth's Attorney	3,668	0	0
Registrar Expenses	75,850	70,000	70,000
Salaries - Department of Finance	722,795	720,000	750,000
Fringe Benefits - Department of Finance	64,663	0	0
Total Shared Expenses	18,262,991	17,715,000	18,120,000
Categorical Aid:			
State Library Grant	\$ 198,643	\$ 183,000	\$ 190,000
Jail Cost Reimbursement	2,952,818	2,450,000	2,500,000
Share of Probation Expenses	4,426	6,000	4,000
Juvenile Detention - Per Diem from State	500	500	500
Block Grant - Detention Home	588,791	550,000	550,000
Law Enforcement - Police	8,801,460	8,700,000	8,800,000
Emergency Medical Services - Two for Life	321,027	205,000	205,000
State Fire Programs Fund	1,614,692	1,000,000	1,000,000
Hazardous Incidence Team Allotment	30,000	30,000	30,000
Respite Care - Foster Care	0	0	0
Street and Highway Maintenance - Gas Tax	47,661,174	45,197,567	46,132,000
English as a Second Language	1,979,336	2,000,000	2,100,000
Talented and Gifted Program	1,407,019	1,400,000	1,415,000
General Appropriation - Basic Aid	127,323,274	126,500,000	135,000,000
Foster Child Reimbursement - Schools	258,444	152,000	350,000
Textbooks	3,217,969	3,200,000	2,900,000
Social Security Reimbursement - Schools	7,914,480	7,900,000	8,050,000
Retirement Reimbursement - Schools	16,327,279	18,000,000	17,800,000
Group Life Reimbursement - Schools	527,632	500,000	525,000
Remedial Education	4,396,933	4,300,000	4,300,000
Lottery Funds - Education	1,540,685	6,500,000	6,000,000
Share of State Sales Tax - Schools	54,426,840	55,000,000	56,500,000
SOQ - Basic Special Education	15,711,709	15,500,000	16,000,000
Special Education - Homebound	210,589	200,000	210,000
Vocational Education - Adm. & Supv.	644,418	750,000	650,000
Vocational Education - SOQ Occupational	2,051,902	2,000,000	2,200,000
Handicapped Foster Home - Schools	590,791	300,000	600,000
Other Categorical- State	78,908	0	0
At Risk - State	3,195,263	3,000,000	3,475,000
Salary Incentive K-3	5,064,062	5,000,000	5,750,000
ALS Training Fund Reimbursement	13,073	0	0
Clerk's Technology Fund	215,869	0	0
FEMA Disaster - State Reimburse	8,197	0	0
FEMA - State - Irene	3,128	0	0
Compensation Supplement	0	2,000,000	0
Total Categorical Aid	309,281,331	312,524,067	323,236,500
Total from the Commonwealth	381,494,797	346,357,567	357,527,000

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 17 Actual</u>	<u>FY 18 Original</u>	<u>FY 19 Approved</u>
Revenue from the Federal Government:			
ROTC	\$ 425,464	\$ 360,000	\$ 360,000
SCAPP Program-Sheriff	0	10,000	0
FED-FEMA-Disaster Reimbursement	1,008,269	0	0
FEMA Disaster - Federal	36,164	0	0
FEMA-FED-Irene	13,800	0	0
Total from Federal Government	<u>1,483,697</u>	<u>370,000</u>	<u>360,000</u>
 Total General Fund Revenue	 <u>994,424,188</u>	 <u>964,163,087</u>	 <u>1,006,796,305</u>
Transfers:			
To Debt Service - From Operating	\$ (58,436,493)	\$ (57,762,829)	\$ (63,468,451)
Total To Debt Service:	<u>(58,436,493)</u>	<u>(57,762,829)</u>	<u>(63,468,451)</u>
 To Capital Projects Fund - Schools - Roof	 (2,500,000)	 (2,500,000)	 (2,500,000)
To Capital Projects Fund - To Gen Govt	(2,500,000)	(2,500,000)	(5,000,000)
To Capital Projects Fund - Sidewalks	0	(2,500,000)	(2,500,000)
To Capital Projects Fund - Capital Reserve	(4,899,400)	(6,826,777)	(17,662,090)
To Capital Projects Fund - Undesig - Amendments	(4,318,231)	0	0
To Capital - Desig. FB - Permits	(1,000,000)	0	0
To Capital - MH/DS East Center Reserve	0	(1,967,803)	0
To Capital - Public Works Vehicle License Fee	(850,000)	(850,000)	(1,000,000)
To Capital - Schools Meals Tax	(9,000,000)	(9,000,000)	(9,000,000)
To Capital - Meals Tax Fund Balance	(10,783,247)	0	0
To Capital - Stormwater	(2,348,000)	(2,348,000)	(2,348,000)
To Capital Projects - Tourism Reserve	(800,000)	0	(9,251,000)
To Capital Projects - Undesignated	(350,000)	0	0
To Capital - Public Works Reserve	0	0	(3,678,910)
To Capital Projects - SCBA	(1,700,000)	0	0
To Capital Projects - Designated FB Schools	(600,000)	0	0
To Capital Projects Fund - Undesig - Vehicle Replace - Fire	0	0	(1,000,000)
To Capital Projects Fund - Vehicle Replacement - GG	(3,824,800)	(4,074,800)	(4,624,800)
To Capital Projects Fund - Vehicle Replacement - Schools	(2,000,000)	(2,500,000)	(3,000,000)
Total To Capital Projects Fund:	<u>(47,473,678)</u>	<u>(35,067,380)</u>	<u>(61,564,800)</u>
 To Enterprise Fund - White Oak	 (1,928,621)	 (1,930,021)	 (1,930,021)
Total To Enterprise Fund:	<u>(1,928,621)</u>	<u>(1,930,021)</u>	<u>(1,930,021)</u>
 To CAM	 0	 0	 (99,500)
To Technology Replacement Fund	(2,000,000)	(2,250,000)	(2,500,000)
To Risk Management	(16,814,470)	(8,392,479)	(8,965,327)
Total To Internal Service Funds:	<u>(18,814,470)</u>	<u>(10,642,479)</u>	<u>(11,564,827)</u>
 To Special Revenue Fund - CRWP	 (99,129)	 (45,250)	 (46,400)
To Special Revenue Fund - CCP	(146,579)	(135,050)	(172,202)
To Special Revenue Fund - CSA	(5,941,927)	(4,470,404)	(4,714,900)
To Special Revenue Fund - CSA Medicaid Match	(485,000)	(485,000)	(485,000)
To Special Revenue Fund - Victim Witness	(307,157)	(369,063)	(403,775)
To Special Revenue Fund - Drug Prosecutor	(81,887)	(60,843)	(61,343)
To Special Revenue Fund - VJCCCA	(514,608)	(535,815)	(551,649)
To Special Revenue Fund - MH/DS/SA	(13,875,501)	(14,667,336)	(15,453,883)

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 17 Actual</u>	<u>FY 18 Original</u>	<u>FY 19 Approved</u>
<i>Transfers (cont'd)</i>			
To Special Revenue Fund - Metro Aviation	(93,646)	(127,332)	(127,332)
To Special Revenue Fund - Curbside Recycling	(2,130,666)	(2,130,666)	(2,130,666)
To Special Revenue Fund - Bulky Waste	(210,431)	(201,128)	(174,024)
To Special Revenue Fund - Neighborhood Cleanups	(531,045)	(558,099)	(555,917)
To Special Revenue Fund - Bagged Leaf Collection	(146,369)	(128,618)	(157,904)
To Special Revenue Fund - Contingency Account	0	(50,000)	(50,000)
To Special Revenue Fund - Drug Court	(158,888)	(165,053)	(168,079)
To Special Revenue - Social Services	(3,814,789)	(5,059,850)	(5,141,671)
To Special Revenue Fund - Community Revitalization	(104,431)	0	0
Total To Special Revenue Fund:	<u>(28,642,053)</u>	<u>(29,189,507)</u>	<u>(30,394,745)</u>
To JRJDC Agency Fund - Operating	(2,979,622)	(3,069,011)	(3,158,722)
Total To JRJDC Agency Fund:	<u>(2,979,622)</u>	<u>(3,069,011)</u>	<u>(3,158,722)</u>
To OPEB - GASB 45	(2,750,000)	(2,675,000)	(2,675,000)
Oper. Transfer - Long-term Disability	(522,540)	(600,000)	(600,000)
Oper. Transfer to Line of Duty	(569,869)	(700,000)	(1,100,000)
Total Fiduciary Funds	<u>(3,842,409)</u>	<u>(3,975,000)</u>	<u>(4,375,000)</u>
Total Transfers	(162,117,346)	(141,636,227)	(176,456,566)
Total Resources Prior to Use of Fund Balance/ Sinking Fund	<u>832,306,842</u>	<u>822,526,860</u>	<u>830,339,739</u>
Use of Fund Balance - Capital Projects	5,000,000	5,000,000	7,500,000
Use of Fund Balance - Sidewalks	0	2,500,000	2,500,000
Use of Fund Balance - Designated Capital Reserve	4,899,400	6,826,777	17,662,090
Use of Fund Balance - MH/DS East Center Reserve	0	1,967,803	0
Use of Fund Balance - Designated Fund Balance	3,100,000	0	0
Use of Fund Balance - Undesignated	350,000	0	1,000,000
Use of Fund Balance - Public Works Reserve	0	0	3,678,910
Use of Fund Balance - Designated Permit Fee	1,000,000	0	0
Use of Fund Balance - Community Maintenance Reserve	0	0	2,000,000
(To) Fund Balance - Community Maintenance Reserve	0	0	(2,000,000)
From Fund Balance - Meals Tax June 2014	0	0	0
From Fund Balance - Meals Tax June 2015	8,783,247	0	0
From Fund Balance - Meals Tax June 2016	2,000,000	0	0
(To) Fund Balance - Meals Tax Reserve	(2,000,000)	0	0
(To) Fund Balance - Meals Tax FY18	0	(2,000,000)	0
Use of Fund Balance - Tourism Reserve	0	0	9,251,000
(To) Revenue Stabilization Reserve	(1,000,000)	0	(1,000,000)
(To) Fund Balance General Fund	(34,325,645)	0	0
From Sinking Fund	1,864,067	2,853,640	927,279
Net Fund Balance/Sinking Fund	<u>(10,328,931)</u>	<u>17,148,220</u>	<u>41,519,279</u>
Total General Fund Resources	<u>\$ 821,977,911</u>	<u>839,675,080</u>	<u>871,859,018</u>

APPENDIX “F”
FINANCIAL TRENDS MONITORING SYSTEM
FY 2007 - 2017

Note to the reader:

The County of Henrico compiles the Financial Trend Monitoring System (Trends) annually as a means of reviewing historical financial and demographic data prior to composing the annual budget. In completing the Trends document, an extensive review of the County’s financial history over the preceding eleven fiscal years is performed using a series of twenty-eight key economic, demographic, and budgetary factors. By reviewing historical actuals over an extensive period of time, long ago forgotten financial impacts may be reviewed for validity to current economic conditions and variables. This marks the twenty-fifth year of this financial trend analysis.

Completing the Trends document is one of the first steps in Henrico County’s annual budgetary process. The findings that emerge from this review form the foundation on which budget recommendations are planned and created. The County Manager presents the final Trends Document to the Board of Supervisors prior to the recommended operating and capital budgets. This provides the Board the opportunity to undertake an extensive review of the data, allowing them to make the sort of informed and proactive decisions that have led to Henrico’s premier reputation for planning and financial management.

The Trends document is included in the County’s Approved Annual Fiscal Plan to provide the reader with a historical perspective, and thus a more full understanding of the economic, demographic and financial factors that have been accounted for in the process of approving this document.

What follows is a reproduction of the original Trends document for the period of FY 2007 – 2017 that was presented by the County Manager to the Board of Supervisors on February 27, 2018.

THE FINANCIAL TREND MONITORING SYSTEM

Financial Condition

Financial condition is broadly defined as the ability of a locality to maintain existing service levels, withstand local and regional economic disruptions, and meet the demands of natural growth, decline, and change.

The ability to maintain existing service levels means more than the ability to pay for services currently being provided. It also means the ability to maintain programs in the future that are currently funded from external sources such as state or federal grants where the support is likely to diminish, and where the service cannot practically be eliminated when the funds do disappear. It also includes the ability to maintain capital facilities, such as roads and buildings, in a manner that would protect the initial investment in them and keep them in usable condition. Finally, it includes the ability to provide funds for future liabilities that may currently be unfunded, such as pension, employee leave, and debt commitments.

The ability to withstand local, regional, and national economic disruptions is also important because these disruptions may have a major impact on the businesses and individuals who live and work in the locality, and therefore impact the locality's ability to generate new local tax dollars.

This leads to the third component of the definition of financial condition, which is **the ability to meet the future demands of change**. As time passes, localities grow, shrink or stay the same size. Each condition has its own set of financial pressures. Growth, for example, can force a locality to rapidly assume new debt to finance roads and public facilities, or it can cause a sudden increase in the operating budget to provide necessary services. Shrinkage, on the other hand, leaves a locality with the same number of roads and public facilities to maintain but with fewer people to pay for them.

The Financial Trend Monitoring System

The Financial Trend Monitoring System (FTMS), adapted from the system developed by the International City/County Management Association (ICMA), "identifies the factors that affect financial condition and arranges them in a rational order so that they can be more easily analyzed and measured." It is a management tool that pulls together the pertinent information from the County's budgetary and financial reports, mixes it with the appropriate economic and demographic data, and creates a series of local government financial indicators that, when plotted over a period of time, can be used to monitor changes in financial condition. The financial indicators include such things as cash liquidity, level of business activities, changes in fund balance, and external revenue dependencies. This system can also assist the Board of Supervisors in setting long-range policy priorities and can provide a logical way of introducing long-range considerations into the annual budget process. The following discussion has been developed using the ICMA manual entitled Evaluating Financial Condition, A Handbook for Local Government.

The FTMS is built on twelve overall "factors" that represent the primary forces that influence financial condition (see Chart 1). These financial condition factors are then associated with twenty-eight "indicators" that measure different aspects of these factors. Once developed, these can be used to monitor changes in the factors, or more importantly, to monitor changes in financial condition. Each factor is classified as an environmental factor, an organizational factor or a financial factor.

The **environmental factors** affect a locality in two ways. First, they create demands. Second, they provide resources. Underlying an analysis of the effect the environmental factors have on financial condition is the question: "Do they provide enough resources to pay for the demands they make?"

The **organizational factors** are the responses the government makes to changes in the environmental factors. It may be assumed in theory that any government can remain in good financial condition if it makes the proper organizational response to adverse conditions by reducing services, increasing efficiency, raising taxes, or taking some other appropriate action. This assumes that public officials have enough notice of the problem, understand its nature and magnitude, know what to do and are willing to do it. Underlying an analysis of the effects the organizational factors have on financial condition is the question: "Do legislative policies and management practices provide the opportunity to make the appropriate response to changes in the environment?"

The **financial factors** reflect the condition of the government's internal finances. In some respects, they are a result of the influence of the environmental and organizational factors. If the environment makes greater demands than resources provided and if the County is not effective in making a balanced response, the financial factors would eventually show signs of cash or budgetary problems. In analyzing the effect financial factors have on financial condition, the underlying question is: "Is government paying the full cost of operating without postponing costs to a future period when revenues may not be available to pay these costs?"

Financial Indicators

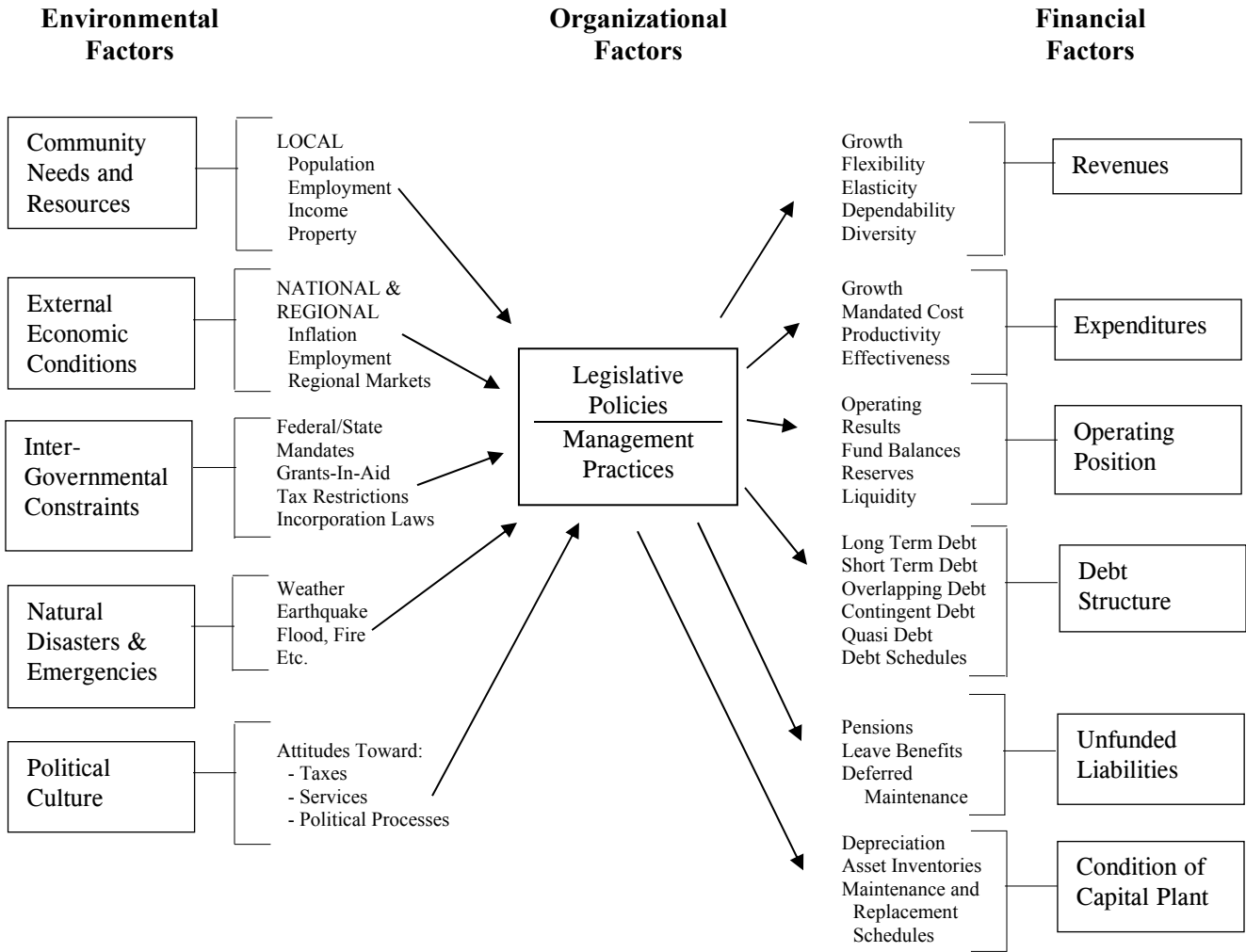
The financial indicators are the primary tools of the Financial Trend Monitoring System. They represent a way to quantify changes in the twelve factors. The chart on page 4 shows the twenty-eight indicators along with the factors with which they are associated. Many aspects of financial condition cannot be measured explicitly; however, by quantifying twenty-eight indicators and plotting them over a period of eleven years, decision makers can begin to monitor and evaluate the County's financial performance. The use of these indicators will not provide answers to why a problem is occurring or what the appropriate solution is, but it may provide the opportunity to make an informed management response.

How to Use This Document

Twenty-eight indicators have been selected for use in monitoring Henrico County's financial condition. They are displayed graphically on the following pages. These indicators were chosen based upon the availability of data and their appropriateness for Henrico County. The indicators selected are grouped by the seven financial factors as illustrated on page 4. The remainder of this document, in fact, is structured into seven sections, one for each of the seven factors. Appendix A provides the raw data used to develop the graphs. Appendix B provides a list of the Economic Data Sources used in the analysis.

Chart 1

Financial Condition Factors



Source: Evaluating Financial Condition, A Handbook for Local Government International City/County Management Association

FINANCIAL INDICATORS

(Those underlined denote warning trends)

REVENUES

Revenues Per Capita
Intergovernmental Revenues
Elastic Operating Revenues
General Property Tax Revenues
Uncollected Current Property Taxes
User Charge Coverage
Revenue Variance

EXPENDITURES

Expenditures Per Capita
Employees Per Capita
Fringe Benefits

OPERATING POSITION

Operating Surpluses
Enterprise Losses
General Fund Unassigned Balances
Liquidity

DEBT STRUCTURE

Current Liabilities
Long-Term Debt
Debt Service

EMPLOYEE LEAVE

Accumulated Vacation Leave

CONDITION OF CAPITAL PLANT

Level of Capital Outlay
Depreciation

COMMUNITY NEEDS & RESOURCES

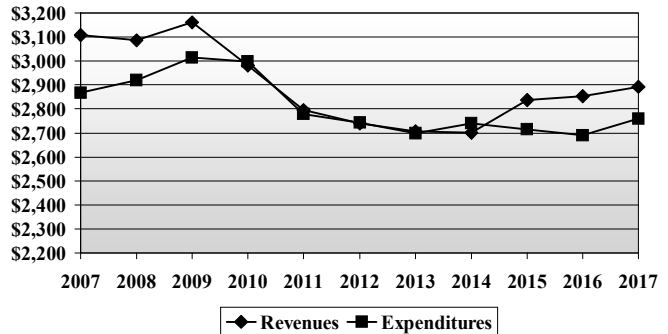
Population
Per Capita Income
Public Assistance Recipients
Real Property Values
Residential Development
Employment Base
Business Activity - Local Retail Sales Tax
Receipts and Business License Tax Receipts
Business Activity - Commercial Acres and
Market Value of Business Property

WARNING TREND: Decreasing net operating revenues per capita (constant dollars). Increasing net operating expenditures per capita (constant dollars).

Formula:

$$\frac{\text{Net Operating Revenues/Expenditures}}{\text{Population}}$$

Revenues/Expenditures per Capita (In Constant Dollars)



Revenues and Expenditures Per Capita:

These indicators depict how revenues and expenditures are changing relative to changes in the level of population and inflation. As the population increases, it might be expected that the need for services would increase proportionately; therefore, the level of per capita revenues should remain at least constant in real terms. If per capita revenues are decreasing, it could be expected that the locality would be unable to maintain existing service levels unless it were to find new revenue sources or ways to save money. Increasing per capita expenditures can indicate that the cost of providing services is greater than the community's ability to pay, especially if spending is increasing faster than the community's personal income or other relevant tax base.

Trends:

This indicator considers “Net Operating Revenues/Expenditures” to be revenues and expenditures (on a constant dollar basis) from the General, Special Revenue, and Debt Service funds. Because this indicator combines these operating funds, the representation is somewhat different than those made in the Annual Fiscal Plan, which is fund specific when examining revenue and expenditure growth. In looking at per capita revenues, the most recent fiscal year, FY17, marked the third straight year of constant dollar increase in this indicator since FY09. With 1.4 percent growth in this indicator (gross revenue growth of 4.1 percent), FY17 growth in per capita revenue was slower than the 5.1 percent growth experienced in FY15, but higher than the 0.5 percent experienced in FY16. As a note, the decreases in per capita revenues (constant dollar) noted in FY08 and from FY10 through FY14 are the only such year-over-year declines in this indicator since it began being tracked in 1982, pointing to the severity of the Great Recession.

While the per capita revenue growth in FY17 is indicative of continued improvement in the County's existing revenue streams, it also reflects the third full fiscal year recognition of the County's 4.0 percent meals tax, which generated just over \$28.4 million in FY17, all of which was dedicated to the County's school system. Of the \$28.4 million in meals tax receipts collected in FY17, \$9.0 million was allocated to the operating budget of the County's school system, while the balance of \$19.4 million was dedicated to pay-as-you-go capital budget needs for County schools, expenditures that are not captured in this indicator. Including meals tax receipts, total General Fund revenues grew by \$38,903,545 in FY17 (current dollars) and Special Revenue Fund revenues, which mostly reflect State and Federal grant funding, increased by \$10.9 million (current dollars), yielding total revenue growth of \$29.3 million in current dollars for FY17, as compared to FY16.

In looking at expenditures per capita (constant dollar), the County experienced a year-over-year increase of 2.6 percent in FY17, the second increase since 2009 and a far cry from pre-recession high of \$3,015. While in years past, slow economic growth subdued expenditure growth, a note of caution is warranted when acknowledging the decline in FY15. In FY14 GASB required a one-time accounting entry which inflated actual expenditures in this indicator for the fiscal year by \$43 million; an expenditure that was not present in FY15. In fact, without this entry recorded in FY14, expenditures per capita (constant dollar) would have grown by 3.5 percent. The focus of the FY15 budget was adding structure back to the County's finances after several years of strategic budgetary reductions necessary in the difficult economic environment. This structure is evident in a number of indicators portrayed throughout this document.

In examining the data, a few distinct trends are evident. First, from FY06 to FY07, the County's per capita revenues outpaced per capita expenditures. In looking back over this time period, economic prosperity resulted in healthy revenue growth, while the County's financial plans intentionally minimized incremental expenditure growth. This is important in that expenditure controls have ensured the County's operating budgets did not outpace available resources. By minimizing incremental expenditures, the County was afforded the ability to forecast revenues conservatively. The benefits of this practice were realized in FY08, as County resources kept pace with a number of significant fixed cost increases despite a sluggish economy and the subsequently slower revenue growth. Per capita revenues (in constant dollars) in FY08 declined and on the expense side, fixed costs increased significantly, mostly due to soaring energy prices - notably the costs of gasoline, diesel fuel, electricity, and heating costs (natural gas).

From FY09 to FY14, revenues per capita dropped significantly due to the economic downturn, and expenditures per capita were reduced to accommodate this loss in revenue. In anticipation of a slower than normal economic recovery, a number of sustainable expense reduction initiatives were implemented that allowed the County to reduce or absorb more than \$125 million in expenses, including the elimination, freezing, or unfunding of more than 650 positions countywide. It should be noted that from FY07 to FY17, the County's population grew by 12.6 percent.

As the County's economy and revenue streams continue growing, a myriad of positive local, state and national economic data allow for an optimistic outlook in regards to the County's local revenue streams. While there are plenty of positive signs within local revenues, real estate assessment growth will not return to that seen during 2003 to 2009 period because of the unsustainable housing bubble from 1995-2006 that artificially propped up real estate prices. We also anticipate that State revenues will remain stagnant in the short term due to other funding priorities of the General Assembly. Real estate tax revenues and State Aid, combined, account for approximately two-thirds of all County General Fund revenues. Henrico's cautious outlook towards State revenues notwithstanding, the local revenues have been growing at a healthy, moderate rate reaching 4.1 percent in the most recent fiscal year. This exceeds population and inflation growth, which combined have averaged 1.1 and 1.3 percent since the recession, respectively. However, to avoid becoming complacent, the County will continue to add fiscal structure within the budget process, minimizing one-time resources and investing in core services – particularly Education and Public Safety. The County must also continue to explore innovative ways to provide the highest level of service at the lowest possible cost. In spite of the challenges noted herein, the structural additions and strategic expenditure reductions, as well as solid local revenue growth, have placed the County in an overall positive fiscal environment. Therefore, no warning trend is noted for this indicator.

WARNING TREND: Increasing amount of intergovernmental operating revenues as a percentage of gross operating revenues.

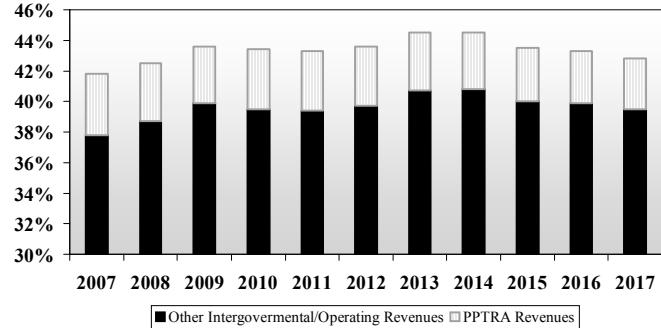
Formula:

$$\frac{\text{Intergovernmental Operating Revenues}}{\text{Gross Operating Revenues}}$$

Intergovernmental Revenues
(as a % of Gross Operating Revenues)

Intergovernmental Revenues:

Intergovernmental revenues are those revenues received from other governmental entities. The sources of intergovernmental revenue in Henrico County include revenue from the Commonwealth of Virginia and the Federal Government. For example, in the General Fund the County receives a portion of the State Gasoline Tax revenue it generates for street maintenance and construction, as well as State and Federal revenue for schools and a partial reimbursement from the State Compensation Board for salaries and office expenses for Constitutional Officers. In the Special Revenue Fund, the County receives State and Federal revenue for various grant programs for schools, mental health, social services and public safety. Much of this intergovernmental revenue is restricted revenue, and therefore legally earmarked for a specific use as required by State and Federal law or grant requirements. Beginning in 1999, personal property tax payments paid by the State under the Personal Property Tax Relief Act (PPTRA) have been classified as intergovernmental revenues even though the assessment function is performed at the local level. In the graph above, PPTRA revenues appear as the top stacked bar.



An overdependence on intergovernmental revenues can have an adverse impact on the County’s financial condition. The "strings" that the external source attaches to these revenues may prove too costly, especially if these conditions are changed in the future after the locality has developed a dependence on the program. In addition, the external source may withdraw the funds and leave the locality with the dilemma of cutting programs or paying for them with General Fund resources.

Trends:

As the graph above indicates, Henrico County’s intergovernmental revenues as a percentage of operating revenues increased from 41.8 percent in FY07 to 44.6 percent in FY14, and then reversed course, dropping to 42.8 percent in the most recent fiscal year, FY17. The peak in this indicator is FY14 and largely arises from additional State Aid for education, which outpaced growth in local revenues, primarily real estate tax revenues. FY17 was also the third full-year that recognized the County’s 4.0 percent meals tax, all local revenue, which has generated \$83.3 million for the county’s school system since FY15. As mentioned above, the State began reimbursing localities under the PPTRA in FY00. The graph above delineates between PPTRA reimbursements and all other intergovernmental revenues. The total bars reflect all intergovernmental revenues, while the lower stacked bars exclude the effects of PPTRA payments.

While intergovernmental revenue has increased substantially over the eleven year period examined, there are two distinct patterns that need to be noted, as the increase is largely misleading. Starting in FY05 and extending through FY09, Henrico County was awarded annual discretionary State Lottery funds of more than \$5.0 million for Education, funds in which Henrico used solely for Education construction projects and not factored into this indicator. This decision was based on the premise that, if in the future, the State reduced lottery funds for Education - the County’s operating budget would not be impacted in a negative manner. As such, an operational dependence was not created for this revenue source. The significance of this decision was realized in FY10, as discretionary lottery funds were significantly reduced to \$3.2 million from \$5.7 million

received the previous fiscal year. In FY11, the entire discretionary allocation of lottery funds was eliminated, as the State began utilizing lottery proceeds to supplant reductions to specific Education programs formerly funded with General Fund dollars. In the 2016 Legislative Session, the General Assembly’s Adopted Biennial Budget included the return of discretionary lottery funding. While the County did not include lottery funding in the adoption of the FY17 budget, this funding stream was eventually utilized by HCPS to fill a funding gap that was the result of missing enrollment projections by over 500 students.

The second trend reflects the reclassification of prior local revenues as “state” revenues, and while overall State aid looks like it increased from FY07 through FY09, the increase is somewhat misleading. One example that depicts why these increases are misleading is **legislation that replaced four local revenue sources** with a monthly payment from the State Department of Taxation, known as the Communication Sales & Use Tax, which became effective January 1, 2007 and was supposed to be “revenue neutral.” The following local revenue sources were replaced: **Consumer Utility Tax, Cable TV Franchise Fee, Cellular Telephone Tax, and E-911 Tax**. This legislation distributes funding using a formula that has impacted Henrico’s receipts, and has not proved to be revenue neutral as assumed in the legislation, as is demonstrated in the table below. The State deducts an administrative fee from the revenue collections and redistributes the funding monthly to localities as a fixed percentage of State-wide collections, which was established by FY06 local collection levels.

Fiscal Year	Local Revenue Collection	Communications Sales & Use Tax Collection
FY06	\$14,260,480	\$0
FY07	\$9,662,975	\$5,792,982
FY08	\$0	\$15,088,668
FY09	\$0	\$13,709,408
FY10	\$0	\$13,766,559
FY11	\$0	\$13,698,421
FY12	\$0	\$13,243,471
FY13	\$0	\$12,359,303
FY14	\$0	\$13,226,685
FY15	\$0	\$13,111,116
FY16	\$0	\$12,722,974
FY17	\$0	\$12,410,247

This is noted because it represents an example of the State’s continued forays into issues of local taxing authority. This concern of State involvement in local revenues continues to be noted as a concern, as it is a significant wildcard in the County’s multi-year financial planning efforts.

As mentioned, creating a dependency on a revenue source not controlled locally may create fiscal difficulties if that revenue source is altered. This is exactly what has occurred with the PPTRA revenue paid by the State. In FY00, the Virginia General Assembly made a commitment to reimburse localities for a State tax reduction of a local revenue source (individual personal property). Since FY00, the County of Henrico has built a dependency on this revenue source and every Trends document since then has included a warning for this indicator.

In the 2004 session of the Virginia General Assembly, the legislature made a materially adverse change to PPTRA payments – effective for FY06. The legislature capped the State’s PPTRA payments to localities at approximately \$950.0 million and uses a pro-rata distribution mechanism for making these payments in the future. In essence, what that means is that Henrico’s PPTRA reimbursements from the State will remain at a

level amount in the future, while the taxpayer portion will once again increase and the taxpayer will be required to pay more to the County. The State's promise of maintaining reimbursement levels at 70.0 percent for the County's taxpayers slipped to 53.0 percent in 2017. As noted earlier, the differential is paid by the County's taxpayers.

From FY08 through FY11, the State cut billions of dollars from its budgets, most of which resulted in reductions in State aid to localities. In fact, from FY08 through FY11, the State reduced aid to Henrico County by more than \$46.0 million in the General Fund alone, most of which was targeted at State Aid for Education. In addition, the County received more than \$28 million in one-time ARRA – Federal Stimulus funds from the State from FY09 through FY11, used by the State to supplant payments to localities for Education, the Sheriff's Office, and Social Services to offset State General Fund reductions. FY11 was the last year that ARRA – Federal Stimulus funds could be utilized by the State, and in FY12, the State was forced to identify revenue increment to cover the loss of one-time funds.

In the spring of 2014, the State identified a “shortfall” of revenues as a result of the impact of Federal sequestration, resulting in reductions in funding to localities across the State. While the State missed its revenue projections for FY14 and substantially adjusted revenue expectations for FY15 mid-year, revenue projections from the Commonwealth remained alarmingly healthy. As feared, at the end of FY16, the State announced that while its revenues grew, they would again fall short of revenue projections. This created a \$1.5 billion “shortfall” for the Commonwealth – the result of continued struggles with accurately projecting their revenues. As such, Henrico County continues to be exceptionally cautious when it comes to estimating revenues from the Commonwealth.

With the implementation of the County's meals tax along with moderate growth in other local revenues, some of the County's reliance on State aid has been alleviated. However, the fact remains that State revenues represent a large portion of the County's operating revenues and as long as the Commonwealth continues to struggle with their fiscal picture, a warning trend must continue for this indicator.

WARNING TREND: Decreasing (or unplanned) amount of elastic operating revenues as a percentage of net operating revenues.

Formula:

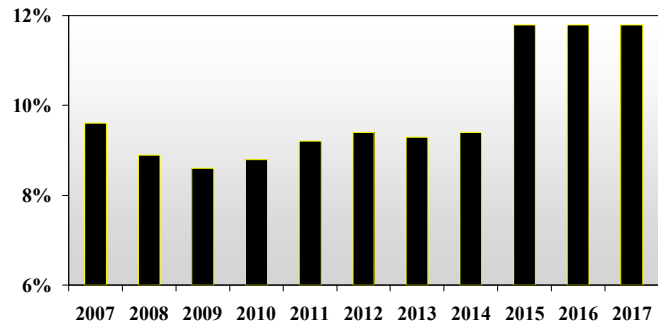
$$\frac{\text{Elastic Operating Revenues}}{\text{Net Operating Revenues}}$$

Elastic Operating Revenues:

Elastic operating revenues are those that are highly responsive to changes in the economic base and inflation. The highly elastic revenue categories used for this indicator are:

- Local sales and use taxes;
- Business and professional license taxes;
- Structure and equipment permit fees; and
- Food and beverage tax, more commonly known as a “meals tax”.

Elastic Operating Revenues
(as a % of Net Operating Revenues)



It is to a locality's advantage to have a balance between elastic and inelastic revenues to mitigate the effects of economic growth or decline. The relationship between elastic revenues and total receipts is largely driven by consumer consumption. During an economic downturn, elastic revenues are expected to decrease as a percentage of net operating revenues.

Trends:

The graph shown above indicates that the percentage of elastic tax revenues for Henrico County have increased from a low of 8.6 percent in FY09 to a high of 11.8 percent in the most recent fiscal year, FY17. The sharp increase from FY14 to FY15 was primarily the result of the first full-year implementation of the County’s 4.0 percent meals tax, which generated \$26.8 million in FY15. Similar results were recognized in FY16 and FY17 with collections of \$28.1 million and \$28.4 million, respectively. This is why elastic operating revenues as a percent of net operating revenues have remained stable over the past three years at 11.8 percent. In addition to meals tax receipts, sales tax receipts grew 3.8 percent in FY17 and BPOL receipts increased 5.7 percent. In looking at all elastic tax revenues, the County experienced an increase of \$4.5 million or 3.5 percent in FY17.

In looking from FY07 to FY14, the overall trend reflects a reduction in operational reliance from these elastic revenue sources. From FY10 to FY12, in spite of net declines in overall elastic revenues, the reliance on elastic revenues increased due to significant declines in real estate values and State aid, which combined account for approximately two-thirds of the County’s General Fund revenues. The indicator dropped slightly in FY13 in spite of year-over-year growth due to increased State aid. In FY14, elastic revenue growth of 3.1 percent can be partly attributed to two factors. First, the FY14 Approved Budget included an increase in structure and equipment permit fees that restructured how the fees were charged. Second, the meals tax was implemented on June 1, 2014 and generated nearly \$2.0 million in that first month, which was reflected in FY14 totals depicted in this indicator.

As a result of economic expansion from FY93 through FY01, the Board of Supervisors implemented a Business and Professional License Tax (BPOL) reduction strategy as a means of encouraging more businesses to locate in Henrico County. That strategy was first implemented by the Board of Supervisors in January 1996 and was phased in over a period of years. By January 2000, this tax reduction strategy fully exempted the first \$100,000 in gross receipts from taxation for County businesses and established a uniform maximum tax rate of \$.20/\$100 for County businesses. While the tax reduction did impact this indicator, it has had two beneficial

impacts. First, due to the phase-in of the Board’s BPOL tax reduction strategy, Henrico reduced its operating reliance on these elastic revenues prior to the actual recession of FY02. Second, commercial taxpayers do not require the same service levels as residential taxpayers, so a net benefit to the County’s revenues has been achieved by attracting more businesses to Henrico. In the FY18 budget, the Board of Supervisors doubled the BPOL exemption, increasing it from \$100,000 to \$200,000 in an effort to make Henrico even more attractive to businesses searching for a place to locate their business. The amount of the exemption will continue to be explored as an economic development and tax relief strategy.

Another positive note, Henrico County ranked fourth among all localities in Virginia for total taxable sales in 2016, behind only Fairfax County, Loudoun County and Virginia Beach. More significantly though, when looking at the ten largest generators of taxable sales, **Henrico ranks first for taxable sales per capita**. Refer to the chart below for comparisons to other localities.

Rank	Locality	2016 Taxable Sales	Population	Per Capita
1	Henrico County	\$5,479,744,704	321,233	\$ 17,058
2	Loudoun County	5,564,634,638	385,327	14,441
3	Chesapeake City	3,425,962,195	240,485	14,246
4	Arlington County	3,199,424,638	236,691	13,517
5	Fairfax County	14,910,908,192	1,137,290	13,111
6	Chesterfield County	4,179,658,883	333,963	12,515
7	Virginia Beach City	5,530,431,346	453,628	12,192
8	Prince William County	5,409,993,523	448,050	12,075
9	Richmond City	2,625,916,434	221,679	11,846
10	Norfolk City	2,698,815,474	247,087	10,923

Encouraging local economic trends and continued elastic revenue growth indicate a solid turnaround in the local economy. That being said, on average the United States economy has experienced a recession every five to six years, and is now at the ten-year mark since the beginning of the last recession, which was the worst since the Great Depression. Further, the General Assembly continues to look for ways to reform the BPOL tax in an attempt to reduce business taxes, which would be to the detriment to localities. So, while local economic growth has continued its positive trend, the County must remain diligent and exercise fiscal prudence when estimating elastic resources to mitigate reliance on these resources and quickly adapt to changing economic conditions. Nonetheless, with growth continuing in all the elastic indicators, no warning trend is warranted for the indicator.

WARNING TREND: Decreasing or negative growth in general property tax revenues (constant dollars).

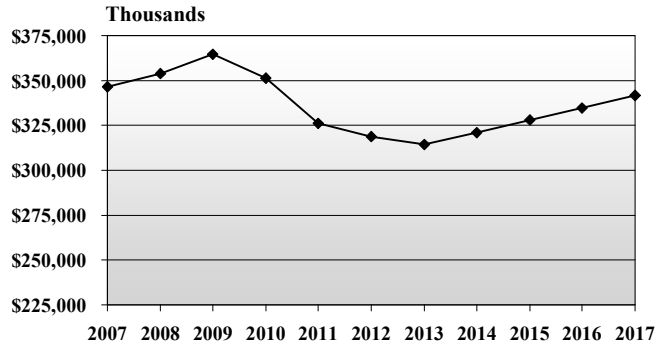
Formula:

Property Tax Revenues (Constant Dollars)

General Property Tax Revenues:

General property tax revenues in Henrico County include both current and delinquent real and personal property tax revenue levied and collected by the County. These revenues constitute Henrico County’s largest local revenue category, representing 62.2 percent of total **local** operating revenue in Henrico County in FY17. It should be noted that beginning with FY99, the State’s reimbursements of personal property tax revenues have been recorded as “intergovernmental” revenue. That is to say, the PPTRA revenue is not reflected on this indicator. This indicator does capture the “local” component of personal property – including the machinery and tools tax.

General Property Tax Revenue
(In Constant Dollars)



Trends:

Henrico County has experienced an overall healthy increase in general property tax revenues over the last eleven years. In unadjusted dollars, general property tax revenue has increased from \$346.4 million in FY07 to \$402.0 million in FY17, representing an average annual increase of 1.5 percent over this eleven-year period.

Henrico’s strong local economy and community of choice designation for new area residents and businesses have had a positive impact on the County’s real property assessed valuations over the past eleven years. During this time between CY07 and CY17, the County’s unadjusted real estate tax base has increased by \$3.1 billion. In this eleven year time period, it should also be noted that when looking at these property tax revenues and comparing them to total net revenues, a revealing pattern emerges. Beginning in 1999, personal property tax payments paid by the State under the Personal Property Tax Relief Act (PPTRA) have been classified as intergovernmental revenues even though the assessment function is performed at the local level. After capping PPTRA payments at \$37.0 million annually for Henrico County, property tax revenues as a percentage of net operating revenues increased from 37.1 percent in FY06 to 38.3 percent in FY10. Due to the economic downturn, particularly the impact on real estate values, this indicator dropped four consecutive years, to 36.5 percent in FY13. The increase in constant dollar property tax revenue over the next four years is attributed to increases of 3.7 percent, 3.7 percent, 3.2 percent, and 4.6 percent in the overall real estate tax base for the past four years.

Overall, the upward trend of the County’s total tax base over this time period is a very positive trend. To further influence this trend, the County’s overall tax base for January, 2018 reflects a reassessment increase of 4.6 percent, with new construction increasing 1.4 percent. Going forward, the County anticipates continued growth in real estate values, though nothing compared to the growth experienced in the mid-2000’s, when property values increased by 76.6 percent from 2003 to 2009. With a fifth consecutive year of overall real estate valuation growth and with personal property tax receipt expected to continue to grow at levels close to inflation, no warning trend is noted for this indicator.

WARNING TREND: Increasing amount of current uncollected property taxes as a percentage of the current total property tax levy.

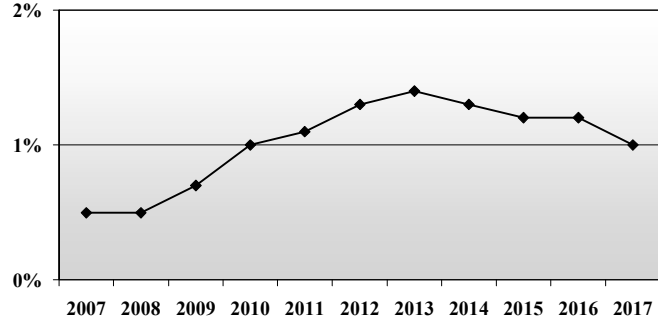
Formula:

$$\frac{\text{Uncollected Current Property Taxes}}{\text{Current Property Tax Levy}}$$

Uncollected Current Property Taxes (as a % of Total Levy)

Uncollected Current Property Taxes:

Every year a certain percentage of current real and personal property taxes go uncollected because property owners are unable to or choose not to pay them. As this percentage increases over time, it may be an indication of an overall decline in a locality's economic health. Bond rating agencies consider that a locality will normally be unable to collect between 2.0 to 3.0 percent of its property tax levy each year. If uncollected property taxes rise to more than 5.0 percent, rating agencies consider this to be a negative indicator that signals potential problems in the stability of the property tax base or is indicative of systemic problems with local tax collection efforts.



Trends:

As the graph above indicates, for this eleven-year period, Henrico County's percentage of current **uncollected** real and personal property taxes has ranged from 0.5 percent in FY07 and FY08, to 1.4 percent in FY13, the high point in the eleven years examined, before falling the past four years to 1.0 percent in FY17.

In looking at this indicator, a consistency in collections on the part of the County is depicted, as the range on the graph is within expected parameters. In the past several years, significant enhancements have been made in the collection of delinquent real estate taxes. This, in part, can be attributed to Henrico's commitment to improving customer service by streamlining collection procedures and increasing payment options for County residents. In this time period, Henrico has implemented acceptance of payments by credit card over the telephone and via the internet, implemented acceptance of payments by debit and credit cards in person, instituted a monthly debit program for personal and real property tax payments, continued to be more timely in collecting delinquent taxes and enhanced its collection processes. The results of these efforts can clearly be seen above. From FY09 to FY13, uncollected real and personal property taxes reflect the impacts of the recessionary economic environment and the toll it had on the citizens of Henrico County and the local real estate market, as can be seen by the steady climb before topping out at 1.4 percent in 2013.

One ancillary fact that needs to be mentioned is that the County's top ten "Principal Taxpayers" continued to constitute a large percentage of the tax base in FY17, at 6.6 percent. This is an important note for this indicator due to the fact that collections of current taxes from the "Principle Taxpayers" of a locality are generally made in the year they are due.

In looking at this indicator over the eleven-year time period, a peak is depicted in FY13. However, even at its peak, uncollected current property taxes as a percent of the total levy measured 1.4 percent, well below the 5.0 percent level that Bond Rating agencies consider negative.

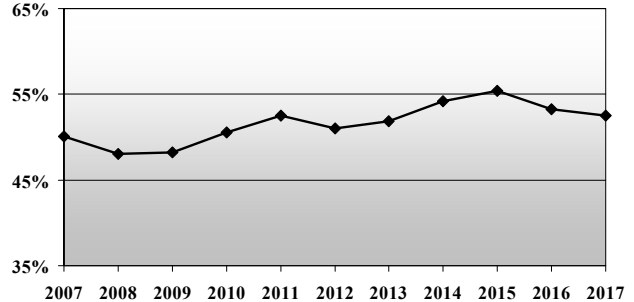
Due to enhancements made in the collections area in the past several years, levels are anticipated to remain well below 2.0 percent. As such, no long term warning trend is noted for this indicator.

WARNING TREND: Decreasing revenues from user charges as a percentage of total expenditures for providing related service.

Formula:

$$\frac{\text{Revenues from User Charges}}{\text{Expenditures for Related Services}}$$

User Charge Coverage (Revenues/Expenditures)



User Charge Coverage:

User charge coverage refers to whether or not fees and charges cover the full cost of providing a service. Henrico County charges fees for the employee cafeteria, recreation activities, and building permits in the General Fund. In the Special Revenue Fund there are fees for the school cafeteria, mental health services, street lighting, and solid waste services. As coverage declines, the burden on other revenues to support these services increases. Inflation will erode the user charge coverage if not reviewed and amended periodically. Therefore, costs and fees should be reviewed frequently to ensure that the desired level of coverage is maintained.

Trends:

As shown in the graph, the user charge coverage for the County has measured less than 55.0 percent for much of this eleven-year period, with the exception being in FY15, in which user charge coverage increased to 55.4 percent. For FY16 this decreased to 53.3 percent which is below the FY14 level and again dropped in FY17 to 52.5 percent. The indicator measures user coverage of seven specific expenditure areas. These are: Building Inspections, Employee Cafeteria, Mental Health, Recreation, Street Lighting, School Cafeteria and Solid Waste. The decrease in this indicator in FY17 is the result of expenditure growth of 2.4 percent as compared to only 0.9 percent growth in revenues.

In looking at the larger operational components, the user charge coverage percentages for Building Inspections had typically been sufficient to cover the activities of that department. However, user charges as a percent of expenditures fell significantly in the economic downturn due to the significant drop in the number of permits issued during the downturn. To put this in perspective, in FY07, the user charge coverage percentage for Building Inspections was 99.9 percent, falling to 48.5 percent by FY10. In FY14, structure and equipment permit fees were increased in an effort to close the coverage gap, and as a result, the coverage grew to 76.9 percent. In FY15, for the first time since FY05, permit fees sufficiently covered all costs of Building Inspections. This trend has continued over the past two fiscal years, as permit fees provided coverage of 112.8 percent of Building Inspections expenses in FY17.

Mental Health's user charge coverage has increased over the eleven-year period from 38.2 percent to 45.3 percent due to third party fee payments made to that entity. The user charge coverage for Solid Waste shows a positive trend over the eleven-year period, increasing from 72.3 percent in FY07 to 98.4 percent in FY17. In looking at Recreation, the user charge coverage in this area has averaged 4.7 percent throughout this time period. Also, in this eleven-year time period, the School Cafeteria has typically generated sufficient revenues to cover operational requirements.

This indicator in the eleven-year period has averaged 51.6 percent. Excluding Recreation, the indicator has averaged 68.7 percent in the eleven-year period. As the local economy continues to slowly improve, these user fees should continue to improve. As such, no warning trend is noted for this indicator and the County will continue to maximize efforts to ensure coverage rates are appropriate to reduce reliance on other County revenues.

WARNING TREND: Declining revenue variance as a percentage of net operating revenues.

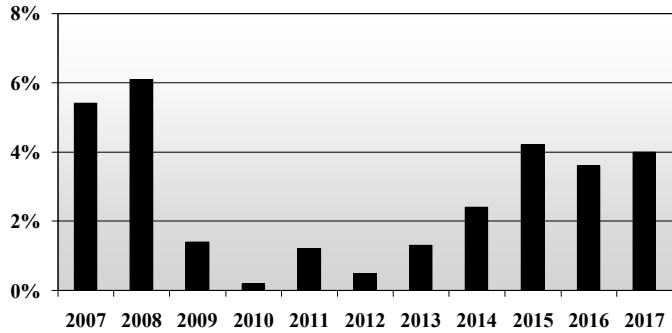
Formula:

$$\frac{\text{Revenue Variance}}{\text{Net Operating Revenues}}$$

Revenue Variance:

This financial indicator examines the differences between revenue estimates and revenues actually received. It includes revenues in the General, Special Revenue, and Debt Service funds. Major discrepancies in revenue estimates can be an indication of a declining economy, inefficient collection procedures, or inaccurate estimating techniques. On the graph to the right, the “0%” represents the fiscal year budgeted estimates. A positive number reflects a positive revenue variance, indicating budget estimates were met, while a negative number reflects missed revenue projections.

Revenue Variance
(as a % of Net Operating Revenues)



Trends:

The overall trend depicted above reveals that the County’s revenues exceeded budget estimates for each of the eleven years analyzed.

In looking at this eleven-year period, this indicator peaked in FY08, when the budget to actual revenue variance reached 6.1 percent. The low points may be found from FY09 through FY13, when the variances ranged from 0.2 percent in FY10 to 1.3 percent in FY13. The variance for FY14 increased to 2.4 percent, while the variance for FY15, at 4.2 percent, reflects the largest revenue variance in the past eight fiscal years. For FY16 the revenue variance dropped to 3.6 percent, but this was still the third highest in nine years, significantly higher than FY14 and trailing only slightly the most recent fiscal year, FY17, where revenue variance increased again to 4.0 percent.

Looking at the trend since FY07, the County’s annual revenue variance has averaged 2.8 percent. The County of Henrico maintains a conservative posture when projecting revenues on an annual basis. In spite of the recessionary economic environment in FY08, the budget to actual revenue variance of 6.1 percent reflected the highest level in this eleven-year period. The impact of the economic downturn is evident from FY09 through FY13, as the gap between estimated and actual revenue collections narrowed due to virtually all revenue sources declining. During this period, and in anticipation of a slow economic recovery, a number of sustainable expense reduction initiatives were implemented that allowed the County to reduce overall expenses by more than \$125 million, including the elimination, freezing, or unfunding of more than 650 positions Countywide.

Continuously improving revenue collections, combined with the continued effort of departments finding efficiencies, allowed the County to post an improved 2.4 percent revenue variance in FY14, contributing to growth in overall General Fund fund balance as well – the first such increase in fund balance in five years. A revenue variance of 4.0 percent was achieved in FY17 due to conservative revenue estimates, the continuing performance of meals tax, and the continued focus on minimizing expense growth. The continuation of conservative revenue estimates in the FY18 budget will again yield a positive revenue variance into the foreseeable future. As such, no warning trend is warranted for this indicator.

WARNING TREND: Increasing number of employees per capita.

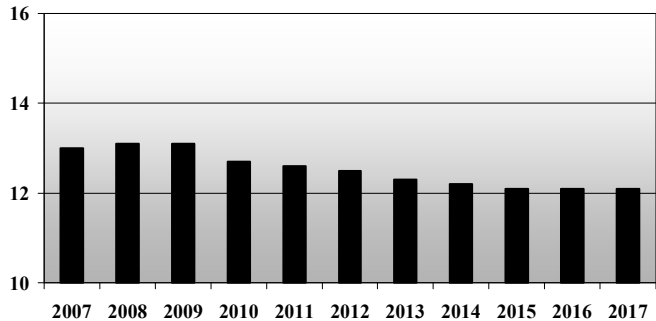
Formula:

$$\frac{\text{Number of General Government Employees}}{\text{Population}}$$

Employees per Capita
(Employees per 1,000 Population)

Employees Per Capita:

Personnel costs reflect the major portion of a locality's operating budget, and plotting changes in the number of employees per capita is another way to measure changes in expenditures. An increase in employees per capita might indicate that expenditures are rising faster than revenues, or that the locality is becoming more labor intensive, or that personnel productivity is declining.



Trends:

The County's General Government personnel complement (which does not include the personnel complement of the Henrico County Public Schools) increased by 226 employees from FY06 to FY09, then was reduced by 73 positions from FY10 to FY14. The graph above illustrates that the employees per 1,000 population generally measured around 13.0 employees per 1,000 population during the first three years of the time examined, with the peak at 13.1 in FY08 and FY09. Since FY09, this indicator has steadily dropped to the level of 12.1, where it has sat for the past three fiscal years despite an increase of 105 positions in the personnel complement over this time frame.

Three notes are warranted for this indicator. First, the graph above does not exclude departments that offer specialized services not offered by most localities in the State. Henrico County is one of two counties in the State that maintain its own roads, and the information above includes 262 employees in the Public Works department. Second, the personnel complement does not include positions that are completely tied to non-County funding sources and do not have local revenue sources supporting them. As of this writing, the County has 339 of these positions throughout the County. Finally, this indicator includes positions that are currently being held vacant as a result of the County's hiring freeze. As of this writing, the County is holding 367 vacant positions that are in the personnel complement.

Growth in this indicator from FY06 through FY08 are a direct reflection of a number of new facilities that were built as a result of the two General Obligation Bond Referenda held in November, 2000 and March, 2005. In October 2008, in response to a number of troubling economic indicators at that time, the County implemented a hiring freeze that impacted nearly all departments across the County. To assist in balancing the FY11 budget against significant revenue reductions, the County eliminated 101 of these vacant positions in FY10. The result of this action is that the number of General Government employees per 1,000 population was reduced from 13.1 in FY09 to 12.7 in FY10, easily the largest year-over-year fluctuation in the time period examined. In the FY12 budget 21 vacant positions were eliminated to assist in balancing the budget and 21 positions were placed into a hold complement, dropping the indicator to 12.5 employees per 1,000 population. In FY12 through FY14, the number of positions remained constant to the number in FY11 at 3,927 positions, in spite of the increase in population. In FY15, the number of positions increased by a net total of 10 to 3,937 and in FY16, the number of positions increased by a net total of 49 to 3,986. Then in FY17, the county added 46 positions bringing the total to 4,032. This indicator dropped to 12.5 in FY12, 12.3 in FY13, 12.2 in FY14, and 12.1 in FY15, FY16, and FY17. In fact, the ratio of employees per 1,000 population is at its lowest level since FY1988.

The increase in the FY16 complement was primarily driven by the addition of 26 positions associated with the new Libbie Mill and Varina libraries and 17 additional employees added to the Sheriff's Office complement as

a result of a jail closure. It is important to note that a total of 16 positions were eliminated from the complement in order to offset the impact of these new positions. FY17 saw a similar increase in the number of general government employees with addition of 46 positions. These additions were mostly associated with three departments: Police, Fire and Libraries. The Police positions were due to the third year of promised increases to patrol personnel and additional positions for the new radio system. Fire's increases were due to the first of a three year commitment to hire three firefighters for extra coverage and positions for the new Fire Station #19. Library's increases were entirely due to the new Varina Area library opening.

As the local economy improves and demands for services increase, new positions will be needed to meet the community's needs. However, the addition of a new position requires an extensive analysis and justification. Further, if a position is no longer required for a service, then that position will be reallocated within the County where it can be utilized in an effort to minimize the need for new positions. With these practices in place, no warning trend is noted for this indicator.

WARNING TREND: Increasing fringe benefit expenditures as a percentage of salaries and wages.

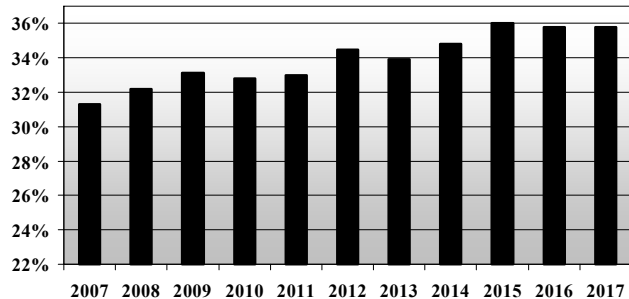
Formula:

$$\frac{\text{Fringe Benefit Expenditures}}{\text{Salaries and Wages}}$$

Fringe Benefits
(as a % of Salaries)

Fringe Benefits:

The fringe benefits measured on this indicator are: FICA Taxes, Payments to the Virginia Retirement System (VRS), Health Insurance, VRS Group Life Insurance, Unemployment costs and Worker’s Compensation. The cost of these benefits is divided by the cost of salaries and wages paid in these years to obtain the percentages depicted on this chart. Charting these costs is valuable as they can inadvertently escalate and place a financial strain on a locality.



Trends:

The fringe benefits ratio has averaged 33.9 percent between FY07 and FY17. The high point reflected in this time frame is FY15, which measured 36.0 percent. Clearly, the trend for this indicator reflects significant annual increases in the prior eleven fiscal years, and this trend is anticipated to continue into the future.

Three years in the eleven years examined reflect net declines in this indicator – FY10, FY13, and FY16. In FY10, fringe benefits as a percent of salaries fell to 32.8 percent; however, this statistic is extremely misleading as healthcare costs increased, and all other fringe benefit rates remained consistent with FY09. The reason for this reduction is the result of a budget savings measure at the State level by the General Assembly in which the State deferred its fourth quarter VRS payment to the following fiscal year, which eliminated the fourth quarter employer share of the VRS payment for teachers across all localities. Further, in FY11, the General Assembly lowered the VRS teacher employer rate from 9.85 percent to 3.93 percent as a budget balancing decision. However, the General Government VRS rate increased, in addition to all other fringe benefit rates, and the fringe benefits ratio increased to 33.0 percent. The full-year impact of the VRS rate increase from FY11 can be seen in FY12, as the indicator sharply increased to 34.5 percent. In FY16 and FY17 this indicator declined slightly from an eleven-year high of 36.0 percent to 35.8 as a result of salaries increasing at a higher pace than fringe benefits.

The reduction in this indicator in FY13 is also misleading as the General Assembly, as part of a series of reforms to increase the funding status of VRS and mitigate future cost increases exacerbated by the budget actions of the General Assembly in FY10 and FY11, forced localities to provide a 5.0 percent salary increase to its employees in exchange for the employees paying 5.0 percent of their respective salary into VRS – a portion that localities, including Henrico, had provided as a benefit to employees. While this action helped to reduce this indicator, it did so at a net cost increase of just under \$6.0 million to the County’s taxpayers while resulting in a net pay reduction to employees as they had to pay additional FICA taxes on the higher salary.

In looking at health care costs, the County’s cost for providing health care *per employee* in FY07 was \$4,430. By FY17, this cost had increased to \$7,292 *per employee*, or a change of 64.6 percent. While the County cannot influence national trends regarding the cost of health care insurance, Henrico has taken a very aggressive approach in cost-containment by transitioning health care to a self-insurance program, which went into effect January 1, 2008. Prior to this transition, the County’s health care program operated as a fully insured program, which, in exchange for the payment of a premium, an insurance company assumed the risk, administered the program, and paid all claims. With the transition to a self-insured program, the County pays claims and third party administrative fees. Self-insurance allows the County to more fully control all aspects of

the plan, including setting rates to smooth out the impact of increases on employees and the County, while maintaining adequate funding to cover claims, expenses, and services.

The Patient Protection and Affordable Care Act (PPACA) was signed into law on March 23, 2010. Many of the provisions in that law still stand, with some not having taken effect yet. As health insurance markets continue to be unstable and the legislative process remains uncertain, the County will continue to monitor any federal actions that impact the health care industry as they will certainly affect this benefit provided to the County's employees.

The second cost that is outside of the County's control is the cost of Virginia Retirement System (VRS) and life insurance benefits. The past fourteen Trends documents have noted a concern regarding the rising costs related to VRS benefits. The concern is principally focused on one-time budget balancing actions of the Virginia General Assembly that reduce a State contribution rate for a finite period of time (to reduce immediate costs) and in later years, increase contribution rates as a result of segments of the system that are "under-funded." An example of the impact of these past actions occurred in the FY13 budget, where the VRS employer rate for teachers increased by 84.2 percent in *one year*.

In its 2010-2012 Biennial Budget, the General Assembly withheld \$620 million in VRS payments in an effort to balance its budget, an action that will result in higher VRS rate increases in future budgets due to the need to repay these funds. In fact, the VRS teacher rates for FY13 reflect an increase of 1.43 percent of salaries (a cost of \$4.1 million in and of itself) specifically tied to the repayment of this deferred payment, which will be applied to local VRS rates for the next ten years. This decision, coupled with an estimated unfunded liability approaching \$20 billion, sparked increased interest from the General Assembly and the Governor in regards to long-term "fixes" to VRS. For example, in FY12, the General Assembly approved a mandated 5.0 percent employee contribution for all State employees and encouraged localities to follow suit.

In 2012, the General Assembly mandated that all non-Public Safety employees that are not vested (those with less than five years) in VRS as of January 1, 2013, and all new employees hired after January 1, 2014, be placed into a "hybrid" retirement plan, consisting of both a defined benefit and defined contribution plan. The defined contribution component requires an employer match. Implementation of the hybrid retirement plan should mitigate cost increases slightly a number of years out. Further, the VRS Board Certified now requires 100 percent funding by the General Assembly.

An additional cost that impacted this indicator is the VRS Life Insurance benefit for employees. This benefit was not funded by the State between FY02 and FY06 (and therefore – the County could not fund the local required amount). In FY07, the State re-instituted payment requirements, and in FY11 reduced the rate from 0.79 percent to 0.28 percent to reduce expenditures. As a result of this significant reduction, the 2012 General Assembly increased the VRS Life rate from 0.28 percent to 1.19 percent of salaries, a one year increase of 425.0 percent. In FY15, VRS life was again increased to 1.33 percent of salaries, which a 11.76 percent increase.

Despite three years of fringe benefits remaining consistent as a percentage of salaries, the long-term trend in this indicator is upward and prospects for the future continue to remain negative. The two principal reasons for the increase are health care and Virginia Retirement System costs, both of which fall largely outside of the direct control of the County. As such, a warning trend for this indicator continues.

WARNING TREND: Decreasing amount of General Fund operating surpluses as a percentage of net operating revenues.

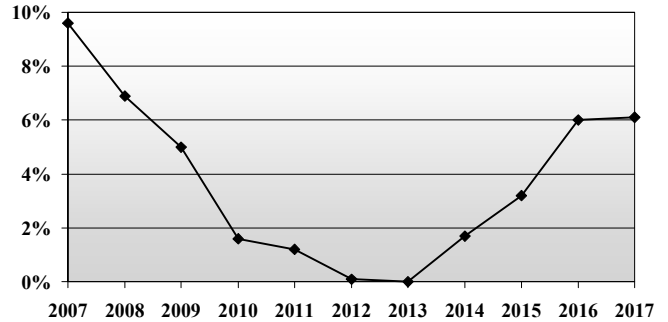
Formula:

$$\frac{\text{General Fund Operating Surpluses}}{\text{Net Operating Revenues}}$$

Operating Surpluses:

An operating surplus occurs when current revenues exceed current expenditures. If the reverse is true, it means that at least during the current year, the locality is spending more than it receives. This can occur because of an emergency such as a natural catastrophe that requires a large immediate outlay. It can also occur as a result of a conscious policy to use surplus fund balances that have accumulated over the years. The existence of an operating deficit in any one-year may not be cause for concern, but frequent occurrences may indicate that current revenues are not supporting current expenditures and serious problems may lie ahead.

Operating Surpluses
(as a % of Net Operating Revenues)



Trends:

The County of Henrico has produced an operating surplus for each of the eleven years presented. In FY07, the operating surplus was at its peak of 9.6 percent. As clearly seen on the chart above, throughout the economic downturn, beginning in FY08 and continuing through FY13, the County’s annual operating surplus consistently declined each year. In FY08, in spite of net operating revenue collection growth at its lowest level since the previous recessionary period of FY02 and FY03, the operating surplus reflected a variance of 6.9 percent, well above the eleven-year average of 4.0 percent. In FY09, eighteen months into the worst recessionary economic environment since the Great Depression, the County achieved an operating surplus of 5.0 percent. In FY10 and FY11, the County achieved operating surpluses of 1.6 percent and 1.2 percent, respectively. Considering the environment in which these surpluses were achieved, and the fact that it was accomplished without raising taxes, laying off employees, or cutting service levels, the operating surpluses in these two fiscal years is considered in a very positive light. However, as the economy continued to struggle the County continued to face fixed cost increases making the ability to close budget gaps more and more challenging. This is reflected in the FY12 operating surplus of only \$535,000, or 0.1 percent of net operating revenues as well as the FY13 operating surplus of \$336,000.

However, with the first moderate signs of recovery in the local economy, particularly real estate, and increases in State Aid, the \$17.0 million operating surplus realized in FY14 was the largest since FY09 and the first increase in operating surplus as a percentage of net operating revenues since FY07. In FY15, the operating surplus doubled to \$34.2 million as a result of fiscal structure added back to the budget baseline that fiscal year. In FY16, as previously stated, the trend continued upward and the operating surplus was \$64.7 million. In the most recent fiscal year, FY17, the County realized an even larger operating surplus of \$69.1 million, the highest surplus since FY07. With conservative revenue estimates for both the FY18 and FY19 budgets, these two fiscal years should yield positive operating surpluses as well. This, in combination with moderate economic growth, should yield positive operating surpluses in future fiscal years. As such, no warning trend is warranted for this indicator.

WARNING TREND: Consistent enterprise losses.

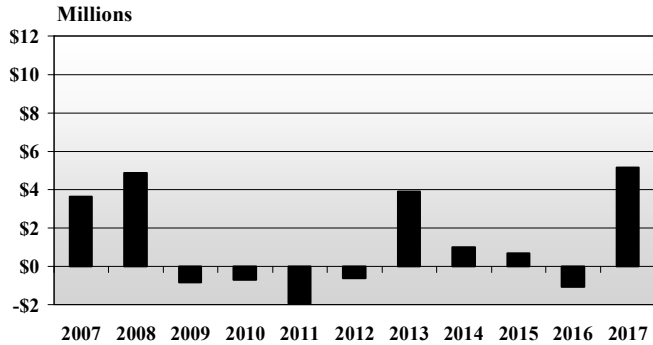
Formula:

Enterprise Profits or Losses in Constant Dollars

Enterprise Losses:

Enterprise losses are a highly visible type of operating deficit. They show potential problems because enterprise operations are expected to function as a "for profit" entity as opposed to a governmental "not for profit" entity. Managers of an enterprise program may raise rates and find that revenues actually decrease because users reduce their use of the service. Enterprises are typically subject to the laws of supply and demand; therefore, operating deficits are distinct indicators of emerging problems. On the graph to the right, the **negative numbers on the scale represent operating losses**. It should be noted that depreciation expenses are included in this analysis.

Enterprise Profits or Losses
(In Constant Dollars)



During the eleven-year period shown, Henrico County's enterprise operations have included Water and Sewer services, and the Belmont Golf Course.

Trends:

With the exception of the four-year trend of negative results from FY09 to FY12, the overall trend for FY13-FY15 shown above reflected positive results. FY16 reversed trend with the first Enterprise loss in four years but was followed in FY17 by the largest profit for the entire eleven-year examined period. The Water and Sewer Fund consistently makes up more than 90.0 percent of the total net income or loss reported in the Enterprise Fund.

There are a number of factors impacting this indicator during this time frame. From FY07 through FY10, operating expenditure growth outpaced revenue growth in each fiscal year, mostly a result of the downturn in the economy which impacted revenue growth. As can be seen in the chart above, FY09 through FY12 all reflect operating revenues that were insufficient to cover operating expenditures. This is not indicating that the Water and Sewer Fund did not make an overall "profit" in these fiscal years. However, it does indicate that operating requirements from FY09 through FY12 required the use of revenue sources that are generally associated with infrastructure, not operations, such as water and sewer connection fees. FY13 saw a return to "profitability." This was the result of a 2.0 percent increase in revenues collected as well as a 0.7 percent decrease in expenditures. The Enterprise Fund maintained "profitability" in FY14 and FY15, though it should be noted these two fiscal years were the lowest "profit" recorded in the history of the tracking of this indicator, excluding years where a loss is noted. It should be noted that depreciation expenditures are included in this analysis, which are simply an accounting entry and do not impact cash flow. To give insight into impact of depreciation expenses on this indicator, the depreciation expense (unadjusted) for the Water and Sewer Fund in FY11, the lowest level of this indicator in the eleven years examined, totaled \$28.4 million. **Excluding depreciation expenditures, this indicator would reflect operating profits for all fiscal years examined in this analysis.**

Even with its operating "losses" posted in the four fiscal years from FY09 to FY12, during this entire eleven-year period the Water and Sewer Fund generated sufficient net revenues each year to exceed the coverage requirements under its Revenue Bond covenants. As a result of the consistent financial results experienced by the Water and Sewer Fund, Fitch IBCA awarded Henrico County an "AAA" rating in 2001. In 2008, Standard

& Poor's upgraded its rating to an "AAA" as well. To achieve one "AAA" bond rating is very rare for bonds issued by local utility departments, and Henrico County's Water & Sewer Fund has two of them. In FY16, Fitch changed Henrico County's rating from "AAA Negative Outlook" to "AAA with a Stable Outlook". This change in designation was due to the strong financial health of the system and the increases in the financial metrics. As such, no warning trend is warranted for the Water and Sewer Fund.

The Enterprise Fund's operating results also reflects the financial performance of the Belmont Golf Course. From FY02 to FY07, the Belmont Golf Course reported net operating losses of varying amounts. These losses were due to several factors. Rounds of play for each of these fiscal years were less than FY99 due to an increase in the number of golf courses in the area. Additionally, expenditures to correct turf damage and capital improvements were incurred in each of these years.

In FY08, the Belmont Golf Course posted its first positive operating result since FY99. In that fiscal year, the Belmont Golf Course implemented a number of business model changes that promoted finding efficiencies in its operations to allow for reduced expenditures and the ability to maximize revenues from every source. In spite of the operating "profit" in FY08, the FY08 Trends document noted the following observation:

"The current economic environment will likely take its toll on Belmont Golf Course and hinder revenue growth in the near future."

In FY09, the Belmont Golf Course experienced an 8.0 percent decline in the number of rounds of play as compared to FY08. The number of rounds played fell another 6.8 percent in FY10 and 0.9 percent in FY11. As such, the Golf Course posted net operating losses in these three fiscal years. Improvement in the economy in FY12 resulted in a 13.2 percent increase in the number of rounds of play, though a net operating loss was again reported. In FY13, rounds dropped 8.0 percent and, in what could be seen as the bottom, the number of rounds in FY14 decreased 13.7 percent and were the lowest recorded since 1978 when the County first acquired the golf course. In FY15, as a result of targeted cost reductions at the golf course and slight green fee and cart increases, as well as 1.3 percent increase in rounds played, the Belmont Golf Course nearly achieved profitability in FY15. However, Belmont experienced a 2.2 percent decrease in the number of rounds in FY16 to 28,285, a new historical low for the Golf Course's history with the County and reflective of the downward trend in golf rounds nationwide. Starting in FY17, the golf course underwent the first round of stream restoration repairs through the assistance of State grants that impacted the playability of the course as half of it was closed in order to accommodate these repairs. This resulted in another decline in annual rounds played, dropping to 24,071 or a 14.9 percent decrease.

Currently, the County is examining other alternatives for the Belmont Golf Course property. This includes finding a private operator to take over operations of Belmont or converting the property to a park and discontinuing golf operations. Until an alternative is decided, the Belmont will continue to operate as is and, as such, a warning trend for the Golf Course continues.

WARNING TREND: Declining unassigned General Fund Balance as a percentage of net operating revenues.

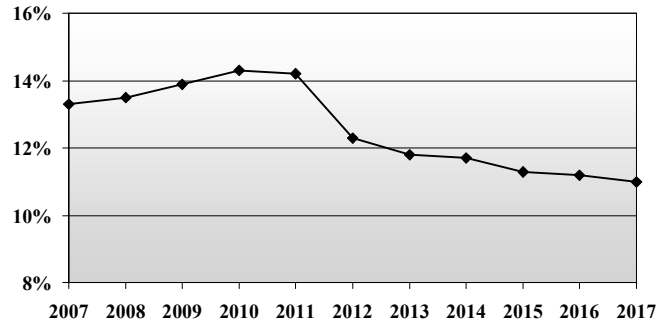
Formula:

$$\frac{\text{Unassigned General Fund Balance}}{\text{Net Operating Revenues}}$$

General Fund Unassigned Balance
(as a % of Net Operating Revenues)

General Fund Unassigned Balance:

The level of a locality's unassigned fund balance may determine its ability to withstand unexpected financial emergencies, which may result from natural disasters, revenue shortfalls, or steep rises in inflation. It also may determine a locality's ability to accumulate funds for large-scale one-time purchases without having to incur debt. *Note: This historical depiction is reflected differently than the percentages typically referred to in the Annual Fiscal Plan as "net operating revenues."* **In the Trends document, this includes the General, Special Revenue and Debt Service Funds.** As such, the percentage reflected on this page is lower than what is reflected in the Annual Fiscal Plan, which reflects the General Fund Unassigned balance as a percentage of General Fund expenditures.



Trends:

Henrico County's unassigned General Fund balance as a percentage of net operating revenues remained relatively static from FY07, where it was 13.5 percent, to FY11, where it was 14.2 percent before dropping each year since, to 11.0 percent in FY17. It should be noted that overall General Fund balance increased \$21.6 million in FY17.

As noted above, the depiction of this indicator in the Trends document is different than the indicator reflected in the Annual Fiscal Plan. In FY06, the Board of Supervisors agreed with a policy recommendation to maintain the County's unassigned fund balance at a level of 18.0 percent of General Fund expenditures (again, different than the indicator reflected in this document). Effective June 30, 2012 (FY12), as part of the County's FY13 budget balancing efforts, a policy change was recommended to the Board to reduce the amount of unassigned fund balance maintained from 18.0 percent to 15.0 percent of General Fund expenditures in an effort to "free up" cash reserves to fund vehicle replacement in the capital budget for a maximum three-year period.

The overall trend is positive, especially considering the effects and after-effects of two recessions during this eleven year period. Of even greater significance, the County's overall unassigned fund balance grew by 8.3 percent from FY07 to FY11, amidst the worst economic environment since the Great Depression. Again, the decline in FY12 is associated with the County's policy change regarding unassigned fund balance while the decline in FY13 is the result of a drop in unassigned fund balance. FY14, FY15, FY16, and FY17 reflect unassigned fund balance increases of 2.1 percent, 2.9 percent, 1.1 percent, and 2.5 percent respectively, as the County experienced a positive result of operations. It is important to again note that this depiction of General Fund balance is completely different from those referred to in the Annual Fiscal Plan, as "net operating revenues" in this indicator includes the General, Special Revenue, and Debt Service Funds. In the Annual Fiscal Plan, net operating revenues typically refer to just General Fund revenues.

Overall, the County's Unassigned General Fund Balance reflects a positive trend since FY07 that places Henrico in a desirable position for a local government. Henrico County has been assigned an AAA bond rating by all three bond rating agencies making it one of only 44 triple AAA rated counties in the Country. The maintenance of a healthy fund balance is a critical component examined by rating agencies when assigning bond ratings. Henrico has a long history of maintaining a healthy unassigned General Fund balance and will continue to use prudence in safeguarding this resource.

As a result of the continued economic difficulties and correlated struggling revenue growth, in combination with consistent fixed cost increases, the County was forced to cut expenditures – over \$125 million in five fiscal years – and become more aggressive in its revenue estimates. This effort was necessary to avoid tax rate increases, service delivery reductions, and layoffs. However, overall fund balance – both assigned and unassigned – declined four consecutive fiscal years by a total of 21.8 percent from FY10 to FY13. This is not necessarily reflected in this indicator, as assigned fund balance levels are not considered in this analysis. Assigned fund balance is of significant importance as there are a number of critical annual appropriations that are made from these balances, including appropriations from the Risk Management Self-Insurance Reserve, funding for specific pay-as-you-go capital projects such as annual appropriations of building maintenance funding for both General Government and Education facilities, as well as the County’s Revenue Stabilization Fund, which funds the first-year operating costs associated with new facilities. Though the intent of a number of these balances are for one-time purposes, annual appropriations of reserves from some of these “buckets” require additional funds to build the reserves back up for the following fiscal year. With unassigned fund balance levels currently calculated as a percentage of General Fund expenditures, when overall fund balance declines, the assigned fund balance levels are impacted on a greater scale.

With the County’s revenue picture becoming more positive over the past four fiscal years, unassigned and overall fund balance levels have improved. However, net operating revenues have had greater growth in comparison to the unassigned fund balance. With this growth in the net operating revenues the County decided to utilize it to strengthen their Risk Management fund by adding 5.0 million to its operating budget, fund the vehicle replacement funds for Police, Fire, and Schools with current revenues, and fund the technology replacement fund again with current revenues after years of utilizing only reserves. These decisions justify the slight decrease in this indicator for FY15, FY16, and FY17. In review of the current fiscal year there is a great indication that the operating revenue will continue to grow, which verifies that these funding decisions are sustainable and will place the County in an improved fiscal position moving forward. As such, no warning trend is warranted for this indicator.

WARNING TREND: Decreasing amount of cash and short-term investments as a percentage of current liabilities.

Formula:

$$\frac{\text{Cash and Short-term Investments}}{\text{Current Liabilities}}$$

Liquidity:

A good measure of a locality's short-run financial condition is its cash position. "Cash position" includes cash on hand and in the bank, as well as other assets that can be easily converted to cash, such as short-term investments. The level of this type of cash is referred to as liquidity. It measures a locality's ability to pay its short-term obligations.

Short-term obligations include accounts payable, the principal portion of long-term debt and other liabilities due within one year of the balance sheet date. The effect of insufficient liquidity is the inability to pay bills or insolvency. Declining liquidity may indicate that a locality has overextended itself.

Trends:

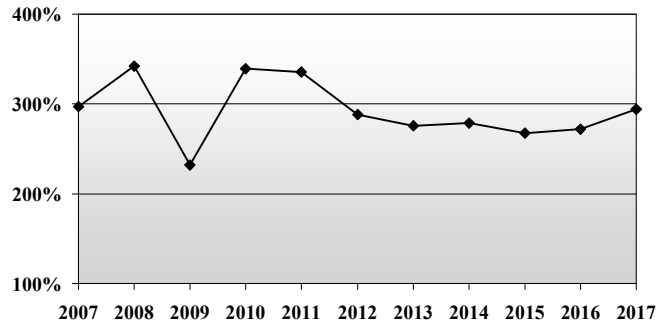
A liquidity ratio of greater than 1:1 (more than 100 percent) is referred to as a "current account surplus." Henrico County has been successful in achieving a current account surplus for the eleven-year period shown.

From the chart above, this indicator reflects a large "dip" downward in FY09 mostly in the area of "principle due in 12 months." It should be noted, however, that the spike in "principle due in 12 months" is misleading, as it mostly reflects two bond refunding's in CY09. It is important to note that the County's bond refunding's do not increase the County's outstanding long-term debt or the length of time to pay off the debt. "Principal due in 12 months" related to newly issued debt is minimal by comparison. In fact, ignoring the impact of the bond refunding's in CY09 altogether, current liabilities only increase 13.6 percent instead of 58.1 percent, and the Liquidity indicator would reflect 323.2 percent in FY09, much higher than the recorded 232.2 percent. In FY10 this indicator increased to 339.4 percent which was an overall decline in current liabilities. and in FY11, the indicator dropped slightly to 335.4 percent. In FY12, the indicator dropped significantly to 288.2 percent, mostly due to the large debt issuance in that fiscal year, as the County combined two planned General Obligation debt issues into one as a result of the attractive interest rates at the time. This debt issuance finalized the County's March 2005 General Obligation Bond Referendum. Over the prior four fiscal years, FY13 to FY16, this indicator averaged 273.6 percent, but FY17 saw this indicator rise to 294.7 percent, the highest level since FY11.

Over the past eleven years, the County has maintained an average liquidity ratio of 2.93:1, which is more than *twice* the defined "current account surplus" above. The low point in this indicator of 2.32:1 was experienced in FY09. By performing annual debt capacity reviews and by compiling a five-year Capital Improvement Program that encompasses all funds, and by ensuring that those capital projects which obtain funding are appropriately cross-walked to the annual operating budget, the County of Henrico will not incur liabilities at a rate that cannot be supported within established resources. Based on the overall stable trend of this indicator, no warning is warranted for this indicator.

Liquidity

(Cash & Investments as a % of Current Liabilities)



WARNING TREND: Increasing current liabilities at end of year as a percentage of net operating revenues.

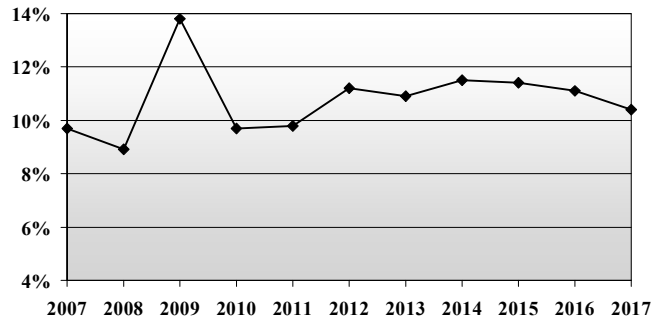
Formula:

$$\frac{\text{Current Liabilities}}{\text{Net Operating Revenues}}$$

Current Liabilities:

Current liabilities include short-term debt, the current principal portion of long-term debt, accounts payable and other current liabilities due within one year of the balance sheet date. A major component of current liabilities may be short-term debt in the form of tax or bond anticipation notes. Although the use of short-term borrowing is an acceptable way to handle erratic flows of revenues, an increasing amount of short-term debt outstanding at the end of successive years can indicate liquidity problems, deficit spending, or both.

Current Liabilities
(as a % of Net Operating Revenues)



Trends:

In the eleven-year trend depicted above the indicator has ranged from a low of 8.9 percent in FY08 to a high of 13.8 percent in FY09. As noted in the “Liquidity” indicator narrative, total current liabilities increased 58.1 percent in FY09 as compared to the previous fiscal year. However, this increase is misleading, as it is mostly attributed to an increase in “principal due in 12 months” as a result of two significant bond refundings in CY09, with only minimal impact, by comparison, due to newly issued debt. This indicator fell back to more “normal” levels at 9.7 percent in FY10. Over the past eleven years the indicator has been, on average, 10.8 percent. The decline from FY14 to FY17 has been the result of year-end balances of accounts payable and other current liabilities.

In November 2000, the voters approved a \$237.0 million G.O. Bond Referendum. In March of 2005, the voters approved a \$349.3 million G.O. Bond Referendum. Both referenda included School, Fire, Roadway, Public Library, and Recreation and Parks projects. The County of Henrico chose to phase in this debt over a multi-year time period (both referenda assume the debt would be phased in over a seven-year time frame). By taking this approach, the County has been able to pay required debt service costs and ancillary operating expenses without negatively impacting its operating budget and this indicator is reflective of that planning.

In November 2016, the voters approved a \$419.8 million G.O. Bond Referendum. This referendum also included projects for Schools, Fire, Roadway, Public Library and Recreation and Parks. The plan developed will issue this debt over a six-year time period and the debt service is projected to be covered with current revenues – those that are freed up due to paying off debt obligations or revenues not currently appropriated.

For this eleven-year period, this ratio has been between 8.9 percent and 13.8 percent of net operating revenues. Although the general trend from FY08 to FY14 is slightly upward, there has a downward trend for the past three fiscal years. The fact that the County has not experienced significant annual changes in this indicator, excluding the misleading increase in FY09, is reflective of the County’s continuation of conservative financial management. Also, this consistency is reflective of the County’s prudent debt management practices, and successful long-term planning for infrastructure improvements. This indicator is very much aligned with the next two indicators: 1) long-term debt as a percentage of assessed valuation and 2) debt service as a percentage of net operating revenues. For these reasons, no warning trend is noted.

WARNING TREND: Increasing amount of net direct long-term debt as a percentage of assessed valuation of real property.

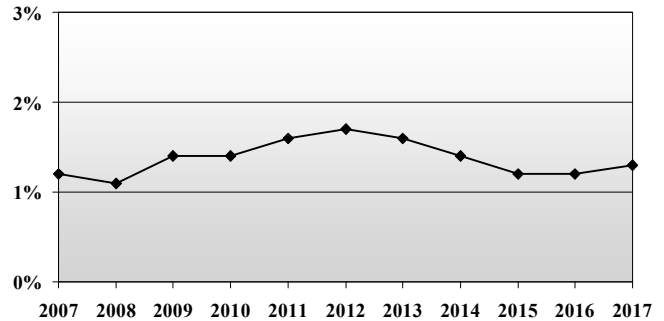
Formula:

$$\frac{\text{Net Direct Bonded Long-term Debt}}{\text{Assessed Valuation of Real Property}}$$

Long-Term Debt:

A locality's ability to repay its debt is determined by comparing net direct long-term debt to assessed valuations. Net direct long-term debt is direct debt minus self-supporting debt such as revenue bonds or special assessment bonds, which have a repayment source separate from general tax revenues. An increase in net direct long-term debt as a percentage of real property valuation can indicate that a locality's ability to repay its obligations is diminishing.

Long-Term Debt
(as a % of Assessed Valuation of Real Property)



Another way to monitor the growth in debt is to measure it on a per capita basis. As population increases, it would be expected that capital needs, and hence, long-term debt needs may increase. The underlying assumption is that a locality's revenue generating ability, and ability to repay debt, is directly related to its population level. The concern is that long-term debt should not exceed the locality's resources for paying the debt. If this occurs, the locality may have difficulty obtaining additional capital funds, may pay a higher rate of interest for them, and therefore may have difficulty in repaying existing debt.

Trends:

As seen above, Henrico County's percentage of net long-term debt to real property valuations has remained relatively stable. During the eleven-year period shown above, the long-term debt indicator reached a high point of 1.7 percent in FY12 due to the County combining two years of planned debt issuances into one, and declining real property valuations. The combined issuance in FY12 completed the County's March 2005 General Obligation Bond Referendum. Despite a slowdown in real property assessed valuation, the FY08 indicator of 1.1 percent reflected the low point in this eleven-year period.

In FY09, the indicator reflects a sharp increase to 1.4 percent due to a 27.1 percent increase in long-term debt, as the County issued \$137.5 million in General Obligation and VPSA Bonds. In FY10, this indicator remained constant at 1.4 percent; however, this statistic is slightly misleading as the County deferred its schedule bond issuance that year – and is solely due to an unprecedented drop in the County's real estate tax base. In fact, net long-term debt dropped 8.5 percent that fiscal year. In FY11, the indicator grew to 1.6 percent as the debt that was deferred in FY10 was issued, in the amount of \$72.2 million, and real estate values declined yet again on January 1, 2011. For FY13 and FY14, no new debt was issued as the County's March 2005 Referendum was completed in FY12, as noted above. Since its peak, this indicator has fallen to 1.2 percent for both FY15 and FY16. For FY16, it is important to note that outstanding debt reflected a net decrease of \$5.3 million as a result of the County issuing \$34.0 million in Lease/Revenue Bonds to fund the County's share of the regional 800 MHz Public Safety Communication System. In FY17, this indicator experienced a slight increase in long-term debt due to the first issuance of bonds related to the 2016 Bond Referendum.

As stated in the section "Current Liabilities", in November 2016 the voters overwhelmingly approved a \$419.8 million G.O. Bond Referendum to fund significant capital infrastructure projects for Schools, Fire, Roadway, Public Library and Recreation and Parks. Before the County put forward this plan, a debt affordability analysis similar to the methodology employed above was conducted to insure the County's ability to repay the proposed debt that will be issued over a six year period. It should be noted that for the debt affordability analysis for the referendum (and for any new debt issue the County undertakes) personal property is added to real property

when determining “long-term debt as a percent of total assessed value.” Adding the assessed value of personal property to real property lowers the percentage slightly, but this is the current methodology utilized by the Bond Rating Agencies for Virginia localities. The debt affordability analysis also includes calculations for debt per capita and debt as a percentage of General Fund expenditures, which are two additional indicators used by the Bond Rating Agencies to determine a locality’s ability to issue debt. The analysis verified the affordability of the debt issuance plan put forward to the voters. No long-term warning trend is noted at this time, though this trend will be closely watched to assure the continued affordability of the 2016 G.O. Bond Referendum.

WARNING TREND: Increasing amount of net direct debt service as a percentage of net operating revenues.

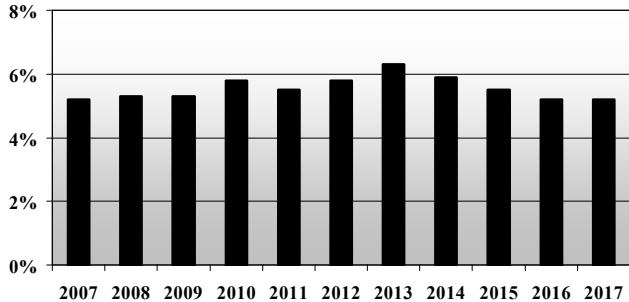
Formula:

$$\frac{\text{Debt Service}}{\text{Net Operating Revenues}}$$

Debt Service
(as a % of Net Operating Revenues)

Debt Service:

Debt service is the amount of principal and interest that a locality must pay each year on net direct long-term debt, plus the interest it must pay on direct short-term debt. As debt service increases, it adds to a locality's obligations and reduces the locality's expenditure flexibility.



Debt service can be a major part of a locality's fixed costs, and its increase can indicate excessive debt and fiscal strain. If debt service

on net direct debt exceeds 20.0 percent of operating revenues, it is considered a potential problem. Below 10.0 percent is the rate preferred by bond rating agencies. **It should be noted that “net operating revenues” used in this indicator include the General, Special Revenue and Debt Service Funds.** Debt service for this indicator includes principal and interest payments for General Obligation bonds, Virginia Public School Authority (VPSA) debt, Literary Loan debt, and Lease Revenue bonds including the Regional Jail and the Public Safety Communication System. The indicator does not include Enterprise Fund debt.

Trends:

As shown in the graph above, the debt service percentage reached the high point of 6.3 percent in FY13 with the low point of 5.2 percent bookending this analysis in years FY07, FY16 and FY17. It is important to note that in this eleven-year time period, this indicator has fluctuated within a range of 1.1 percent. The indicator average over the 11 year period is 5.5 percent.

This indicator will trigger a warning if the increase in debt service consistently exceeds the increase in net operating revenues. The issuance of debt normally results in a slight increase in this indicator, because in the year following the issuance of debt, the amount of debt service generally grows at a faster rate than operating revenues, however the consistency reflected above is indicative of the meticulous analysis that is performed before any debt issue is undertaken.

In November of 2000, the County's voters approved a \$237.0 million General Obligation (G.O.) Bond Referendum and in the Spring of 2005, the County's voters approved a \$349.3 million G.O. Bond Referendum. These referenda included School, Fire, Roadway, Public Library, and Recreation and Parks projects. The financial plan that coincided with the approval of these projects assumed that the County would issue this debt over a multi-year period for each of the approved referenda. In FY01, the County issued the first of these planned issues and that totaled \$37.1 million. In FY02, the County issued \$27.0 million in G.O. bonds, the first of six issues in support of the 2000 G.O. Bond Referendum. In FY06, the County issued \$77.8 million in support of both the 2000 G.O. Bond Referendum and the first of seven planned issues for the 2005 G.O. Bond Referendum. In FY09, the County issued \$44.4 million in VPSA Bonds for a number of Schools projects approved on the March 2005 referendum that required additional funding due to unanticipated increases in construction costs. The County delayed by one year the sale of \$77.5 million in new debt originally scheduled for FY10 as a result of the economic downturn and its impact on revenue streams. In FY11 this G.O. debt was issued, in the amount of \$72.2 million. In FY12, the final \$66.1 million in new debt associated with the March 2005 G.O. Bond Referendum was issued.

In November 2016, the voters overwhelmingly approved a \$419.8 million G.O. Bond Referendum. This referendum included projects for Schools, Fire, Roadway, Public Library and Recreation and Parks. In FY17, the first debt issuance for the approved FY16 Bond Referendum in FY16 occurred earlier than scheduled and totaled \$114.6 million. This was alongside a refunding of bonds that were originally issued in 2010 and 2011. The impact of the issuance of this new debt will occur with the FY18 and FY19 budgets. It is currently estimated that \$53 million will be issued in FY19, the second issuance of bonds approved in the 2016 Referendum. The remaining \$252.2 million in G.O. Bonds will be issued over the following five years as they are needed for the projects to be undertaken.

There are important differences in this indicator and the “Long-Term Debt” indicator. The “Debt Service” indicator reflects the amount of principal and interest the County pays annually on its long-term debt as a percentage of operating revenues. The “Long-Term Debt” indicator reflects the County’s total outstanding debt as a percentage of assessed real estate valuation. The “Long-Term Debt” indicator graph reflects a sharp uptick in FY09 due to the large amount of debt issued in that fiscal year. However, that spike is not evident in the “Debt Service” indicator chart. This is due to the County’s two bond refunding’s in CY09 that achieved substantial debt service savings. The realized savings were mostly allocated in FY09 through FY11 to help the County offset anticipated revenue reductions as a result of the difficult economic environment. It should be noted that the County has taken part in several additional bond refundings since 2009 that have generated permanent significant savings.

In FY10, the “Debt Service” indicator increased to 5.8 percent despite debt service savings attributed to the bond refundings and not issuing any new long-term debt in this fiscal year. The reason for this increase is twofold. First, debt service costs increased from the previous year due to the first full-year payment of the 2008 VPSA issue. The FY09 debt service payment associated with this issue was only for six months of interest. Second, significant declines in State aid and real estate tax revenue in FY10 yielded a significant reduction in net operating revenues.

In FY11, the County issued \$72.2 million in new debt, but the first principal payment wasn’t due until FY12, and only six months of interest was due in FY11, which resulted in a reduction in debt service payments in FY11 of \$4.0 million as compared to FY10. In FY12, \$66.1 million in new debt was issued. Although operating revenues experienced a slight increase, the Debt Service indicator increased to 5.8 percent. In FY13, this indicator reached its peak at 6.0 percent as debt service expenses increased at a faster rate (10.1 percent) than net operating revenues (1.5 percent). As with the “Long-Term Debt” indicator, no long-term warning trend is noted at this time. But as debt is scheduled to be issued over the next six years, this indicator will be important along with the debt affordability analysis conducted outside of the Trends document to assure the County’s ability to afford new debt.

One last note needs to be mentioned. This indicator is different than a similar indicator included in the annual debt affordability analysis – which is “debt service as a percentage of General Fund Expenditures.” However, this examination in the Trends document does cross-verify the results of the debt affordability analysis.

WARNING TREND: Increasing days of unused vacation leave per municipal employee.

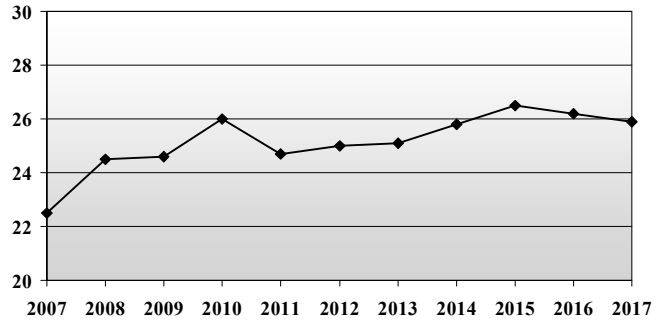
Formula:

$$\frac{\text{Total Days of Unused Vacation Leave}}{\text{Number of General Government Employees}}$$

Accumulated Vacation Leave
(Days per Employee)

Accumulated Vacation Leave:

Localities usually allow their employees to accumulate some portion of unused vacation, which may be paid at termination or retirement. This expenditure is rarely funded while it is being accumulated although the costs of the benefit are covered through normal attrition. This is because of the fact that when an employee with many years of service is replaced, that employee is typically replaced with an employee with fewer or no years of service. The salary differential on a global basis is sufficient to pay for this benefit in any given fiscal year. While there is no fiscal impact that arises from this indicator, its inclusion is useful in depicting the overall vacation leave balances of the General Government workforce. Finally, it needs to be noted that vacation leave balances not utilized by the beginning of the new fiscal year are readjusted downward (that is, time is “lost”).



Trends:

In terms of the overall trend, the accumulated vacation leave indicator has averaged 25.2 days during the eleven-year period. What can be seen throughout this time period is stability in this indicator as it has ranged from a low of 22.5 days in FY07 to the high point of 26.5 days in FY15.

In taking a historical look, the indicator remained relatively flat until FY08. This is due to an adjustment of annual leave accrual rates and increased “carry-over” hours (less time “lost”) for employees with fifteen or more years of service. FY10 experienced an unusual increase to 26.0 days of accumulated vacation leave per employee, mostly a result of the reduction in the number of General Government employees in that fiscal year. To assist in balancing the FY11 budget to significantly reduced revenues, the County eliminated 101 vacant General Government positions. In FY11, the indicator dropped to 24.7, mostly due to the County’s hiring freeze yielding well over 200 positions throughout much of the fiscal year. In other words, while the positions were being counted in the General Government complement, there were no vacation days associated with them as they were unfilled. The indicator rose slightly in FY12 to 25.0 and remained relatively flat at 25.1 in FY13. In FY14, this indicator increased slightly to 25.8. In FY15, this indicator reached the highest point in the time period represented, increasing to 26.5 before decreasing in FY16, to 26.2, the first decrease since 2011. FY17 saw a similar decrease to 25.9. In the entire eleven-year period, this indicator has fluctuated within a range of 4.0 days, though if you look at the period from FY08 (when annual leave accrual rates and “carry-over” hours were increased) to FY16 the fluctuation in this indicator is within 2.0 days.

The overall slight upward movement since FY07 is also reflective of the County’s workforce, who are aging to a certain extent and employees with more seniority earn more hours of vacation leave than less senior employees. Henrico County’s vacation leave indicator will generally increase as the average length of employment of County employees’ increases. With that said, if the declines of the past two years continue, this will be indicative of the workforce becoming younger and less tenured.

The most recent information suggests the County has a workforce whose average age is 45.0. The average County employee has been with the County for twelve years (Source: Human Resources Department). No warning trend is noted for this indicator.

WARNING TREND: A decline in capital outlay in operating funds as a percentage of net operating expenditures.

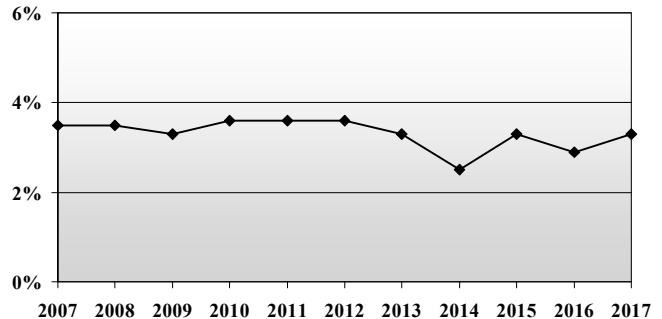
Formula:

$$\frac{\text{Capital Outlay from Operating Funds}}{\text{Net Operating Expenditures}}$$

Level of Capital Outlay
(as a % of Net Operating Expenditures)

Level of Capital Outlay:

Capital outlay includes expenditures for equipment in the operating budget, such as vehicles or computers. It normally includes equipment that will last longer than one year. Capital outlay does not include capital improvement expenditures for construction of capital facilities such as streets, buildings, fire stations, or schools.



The purpose of capital outlay in the operating budget is to replace worn equipment or add new equipment. The level of capital outlay is a rough indicator of whether or not the stock of equipment is being maintained in good condition. However, this indicator does not reflect the cost of routine maintenance and repair. If this indicator is declining in the short run of one to three years, it could mean that a locality's needs have temporarily been satisfied, because most equipment lasts more than one year. If the decline persists over three or more years, it can be an indication that capital outlay needs are being deferred, resulting in the use of obsolete and inefficient equipment and the creation of a future unfunded liability.

Trends:

As a note for the 2017 Trends document, this trend has been restated to include capital outlay associated with the Central Automotive Maintenance Fund, the Technology Replacement Fund, and the Vehicle Replacement Fund to more accurately reflect capital expenditures. The eleven-year trend for this indicator depicts a range between 2.5 percent and 3.6 percent, which is indicative of the consistency of meeting capital outlay requirements. In fiscal years FY07 and FY08, the indicator remained constant at 3.5 percent and decreased by 0.2 percent to 3.3 percent in FY09. From FY10 through FY12, this indicator remained constant at 3.6 percent and decreased by 0.3 percent in FY13.

In FY14, capital outlay spending was reduced to its lowest level in the eleven year period at 2.5 percent of net operating expenditures due to the result of departmental budget balancing maneuvers. The level of capital outlay expenditures increased in FY15 to 3.3 percent of net operating expenditures however this was the result of increased capital lease costs related to a new contract for HCPS student laptops and reconciliation of the bills so they would all be on the same billing cycle. In FY16, the capital outlay went back down to 2.9 percent. However, in FY17, the level increased to 3.3 percent due to the purchase of multiple school buses for HCPS.

The Vehicle Replacement Fund, as noted earlier, was created in the FY13 budget as a budget reduction measure by reducing the unassigned fund balance level from 18 percent of General Fund expenditures to 15 percent of General Fund expenditures and assigning that difference to purchase Police vehicles, Fire apparatus, and school buses. Beginning in FY15, Police vehicles and Fire apparatus purchases remained in the Vehicle Replacement Fund but were funded with current General Fund revenues. The decision was made to keep these expenses in a separate fund within the Capital Project series of funds to allow for the carry-forward of unspent appropriations from one year to the next. This is particularly helpful with the acquisition of Fire apparatus as there are significant fluctuations based on what types of equipment are scheduled to be replaced. In FY16, \$1.0 million was added to the Vehicle Replacement Fund as the start of a multi-year effort to fund, with current revenues, school bus replacements. This funding was increased to \$2.0 million in the FY17 budget and will continue over a number of years until a total of \$4.0 million a year is achieved.

The Central Automotive Maintenance (CAM) fund, a division within the Department of General Services, purchases and maintains vehicles for many of the County's agencies. CAM budgets for the replacement of vehicles for all other departments on an annual basis. In FY17, CAM spent \$2.9 million on the replacement of vehicles and other equipment.

The Technology Replacement Fund is an internal service fund for the purchase of computers, laptops, and other pieces of technology necessary for County employees to efficiently and effectively do their jobs while avoiding the budget swings created by one-time purchases. This fund was created in FY01 and was funded by eligible departments adding 1/3 of the costs of their equipment to a 'Technology Replacement' line item within the department's budget. These line items would be utilized as revenues to support the purchases from the Technology Replacement Fund. Over time as computer equipment became cheaper and started lasting longer, a fund balance was developed for the Technology Replacement Fund. During the economic downturn, this fund balance was utilized as a budget balancing tool to offset the loss of revenues in the General Fund. In FY13, department contributions were eliminated and all expenses in the Technology Replacement Fund were supported by the balance of the fund. The FY15 budget included a transfer of \$1.0 million of ongoing revenues to minimize the use of the Technology Replacement Fund balance, which was continued in FY16 to support the \$1.9 million in computer replacements. The FY17 budget included \$2.0 million of ongoing revenues to support a budget of nearly \$3.0 million for the Technology Replacement Fund.

The restatement of this indicator to include the other funds supported by General Fund revenues shows a more accurate reflection of the level of capital outlay expenses within General Government. It also shows a more consistent level of expenditure, indicative of the County's efforts to make sure a) employees have the right equipment to do their job, and b) County infrastructure is updated and maintained on a regular basis. There are steps still required to fully fund certain programs, such as the aforementioned School Bus Replacement Fund and the Fire Apparatus Replacement Fund, and fully funding Technology Replacement with ongoing revenues. As long as these steps are still being taken, a warning trend will continue for this indicator.

WARNING TREND: Decreasing amount of depreciation expense as a percentage of total depreciable fixed assets for Enterprise Funds and Internal Service Funds.

Formula:

$$\frac{\text{Depreciation Expense}}{\text{Cost of Depreciable Fixed Assets}}$$

Depreciation:

Depreciation is the mechanism by which a cost is associated with the use of a fixed asset over its estimated useful life. Depreciation is recorded only in the Enterprise and Internal Service Funds. Total depreciation expense typically remains a relatively stable proportion of the cost of the entity's fixed assets. The reason is that older assets, which are fully depreciated, are usually removed from service and newer assets take their place. If depreciation expenses start to decline as a proportion of the fixed asset cost, the assets on hand are probably being used beyond their estimated useful life.

Trends:

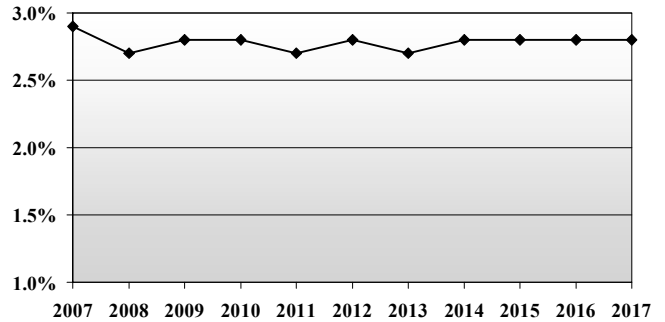
The chart above reflects two overall trends. First, with the implementation of GASB 34 in FY02, a change was required in the length of depreciation for Utilities infrastructure. The change increased the time for depreciating many of these assets and is based on an industry standard. (GASB 34 required standardization in many areas that encompass fixed assets of localities and one of the changes actually increased the term of depreciation for certain assets). Concurrent with this, the value of fixed assets arising from the County's Water Treatment Plant resulted in an increase in County "assets" of nearly \$92.0 million over a two-year period, although that increase is really of a one-time nature. The drop in FY08 is a result of a change in the capitalization threshold for personal property (furniture, vehicles, and equipment/software) from \$2,500 to \$5,000. From FY08 to the most recent fiscal year, FY17, depreciation expenditures as a percentage of depreciable fixed assets have been consistent at either 2.7 percent or 2.8 percent.

What this graph shows clearly, is that with the standardization in the recordation of fixed assets that is the result of GASB 34, this indicator now reflects a level that is slightly higher than that noted in the 1990's. This result was anticipated as assets of the Enterprise Fund continue to increase in value as the number of customers and the assets of the system continue to increase.

The absence of a truly downward trend suggests that the County's depreciable assets are not currently being used past their depreciable useful life.

No warning trend is noted for this indicator.

Depreciation
(Depreciation Expense as a % of Assets)



WARNING TREND: A decreasing growth rate or a sudden increase in population.

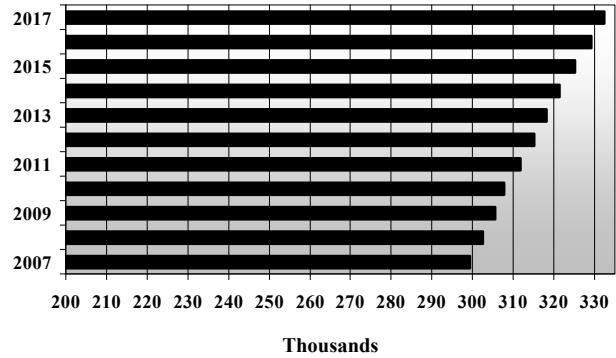
Indicator:

Population of County Residents

Population

Population:

Empirical evidence indicates that changes in population can have a direct effect on a locality's revenue because of the impact upon related issues, such as employment, income, and property value. A sudden increase in population can create immediate pressures for new capital outlays for infrastructure and for higher levels of service, particularly in the areas of Education, Public Safety and Recreation.



A locality faced with a declining population is rarely able to reduce expenditures in the same proportion as it is losing population. Many expenditures such as debt service, government mandates, and salaries are fixed and cannot effectively be reduced in the short run. In addition, because of the interrelationship between population levels and other economic and demographic factors, a decline in population tends to have a cumulative negative effect on revenues - the further the decline, the more adverse the effect on employment, income, housing and business activity.

Trends:

The County of Henrico has experienced a steady growth in population from 299,443 in FY07 to 332,368 in FY17, which represents an increase of 11.0 percent in this eleven-year time span, or an annual average increase of 1.0 percent per year. According to the 2000 United States Census, Henrico and Chesterfield were in competition for the largest population within the Central Virginia region with Henrico having a slightly higher total. According to the most recent 2010 United States Census, Chesterfield County grew at a faster pace over the past decade, as they now have a higher population than Henrico.

Henrico continues to prepare for expanded and enhanced services to serve an increasing population as evidenced by construction of new facilities for education and recreation, as well as additional roads, fire stations and libraries, and by continuing to maximize the use of technology to enhance productivity and thereby minimize requirements for additional personnel.

As noted throughout this document, local economic growth is steady and producing modest incremental revenue growth for the County. However, Henrico County must continue to focus on finding ways to provide efficient services at the lowest possible cost to its growing population, cutting costs where possible and continuing to make wise investments in its core services.

Due to consistent population growth, no warning trend is noted for this indicator. However, providing necessary services to this growing population will remain a challenge.

WARNING TREND: Decline in the level, or growth rate, of personal income per capita.

Indicator:

Per Capita Income

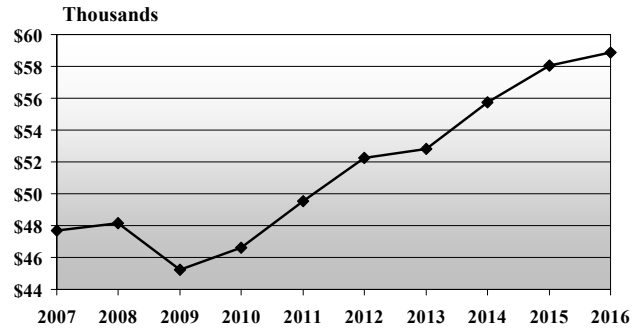
Source: Bureau of Economic Analysis

Per Capita Income:

Per capita income is one measure of a community's wealth. Credit rating agencies use per capita income as an important measure of a local government's ability to repay debt.

A decline in per capita income causes a drop in consumer purchasing power and can provide advance notice that businesses, especially in the retail sector, will suffer a decline that can ripple through the rest of the local economy. Changes in per capita income are especially important for communities that have little commercial or industrial tax base, because personal income is the primary source from which taxes can be paid.

Per Capita Income



Trends:

In the ten years depicted above, per capita income has increased by 23.5 percent from \$47,688 in 2007 to the \$58,876 reported for 2016. It should be noted that this indicator factors in increases to the County's population, which increased 9.9 percent between 2007 and 2016.

The per capita income statistics depicted above come from the United States Bureau of Economic Analysis. That source is based on income tax returns and therefore data is only available through the 2016 tax year.

From the recessionary period of the early 1990's through 2005, this indicator consistently increased. In looking at the ten-year period examined, 2006 through 2008 reflected increases of 14.6 percent, 3.9 percent, and 1.0 percent, respectively. With the bankruptcy of two Fortune 1000 companies in this economic downturn headquartered in Henrico County, LandAmerica Financial and Circuit City, as well as the insolvency of one of the largest employers in the County, Qimonda AG, a number of high paying jobs were lost in Henrico during the economic downturn. The results can be seen in this indicator in 2009, as per capita income dropped 6.1 percent. Despite economic volatility, 2009 was the only year Henrico experienced a decline in per capita income. Per capita income grew each year from 2010 through 2016, and experienced a total increase of 30.1 percent.

As jobs have matriculated back into the County, it is anticipated that this indicator will continue the trend of consistent gains into the immediate future. As such, no warning trend is noted for this indicator at this time.

WARNING TREND: Increasing number of public assistance recipients.

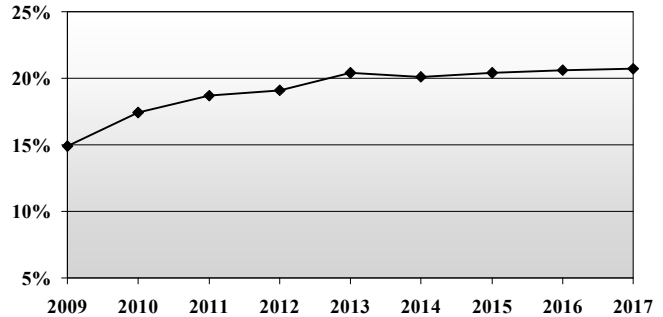
Formula:

$$\frac{\text{Public Assistance Recipients}}{\text{Total Population}}$$

Public Assistance Recipients
(as a % of Total Population)

Public Assistance Recipients:

This trend is closely associated with a decline in personal income. The indicator measures the number of public assistance recipients against the number of residential households in the County. An increase in the number of public assistance recipients can signal a future increase in the level and unit cost of services because of the relatively higher needs of low-income residents combined with their relative lack of personal wealth.



Trends:

This trend was restated with a new report from the Virginia Department of Social Services beginning with the 2016 Trends document. However, the data for this trend from this resource only goes back to 2009. Therefore, this document will only show a nine-year trend this year and will add data points in subsequent years.

The nine-year trend for this indicator has increased dramatically in this time period, from a low of 14.9 percent in FY09 to 20.4 percent in FY13. Since FY13, the indicator has leveled off but experienced a high of 20.7 percent in FY17. The number of public assistance recipients has been determined by obtaining the unduplicated number of people per year in the County receiving at least one of the following three types of benefits: Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance to Needy Families (TANF), or Medicaid. On a national level, some of the corollary factors that could impact this ratio are limited availability of affordable housing and health care coverage, as well as, limited funds for public transportation.

The Medicaid population has increased dramatically over the past eleven years, which has driven the increase in the number of public assistance recipients. There are currently more than fifty different categories that qualify for Medicaid coverage. Recently, the State Medicaid unit was dissolved and all cases statewide were sent back to their local jurisdictions. In addition, the state deployed CoverVirginia, which is a processing unit for the State. Citizens now have the ability to file on-line as well as telephonic. This has allowed for ease in applying for benefits. There has also been a simplification of verifications needed to process cases utilizing federal data matches and self-declaration.

Henrico has an aging population that requires long-term nursing home care, which is very expensive for each recipient. The number of mental health patients has increased as well as the number of foster care children, which have also added to the Medicaid population. In addition, policy changes related to income increase every year, which impacts this indicator as well.

In Henrico County, since 2010, the Supplemental Nutrition Assistance Program (SNAP) (also recognized as the food stamp program) caseload has increased by 7.0 percent and the number of Medicaid cases has increased by 30.2 percent (Source: Virginia Department of Social Services).

In addition, the Patient Protection and Affordable Care Act was signed into law by President Obama on March 23, 2010. In June 2012, the U.S. Supreme Court ruled that the federal government could not force states to expand their Medicaid programs by withholding federal funds to the existing Medicaid programs. In FY15, Virginia did not expand Medicaid for individuals with less than 138 percent of the federal poverty level. Should the Commonwealth of Virginia decide to opt in to Medicaid expansion, it is estimated that as many as

300,791 additional people statewide would be eligible for Medicaid benefits. In Henrico County, it is estimated that 11,430 additional residents would qualify, adding to the 45,626 recipients currently eligible, increasing the citizens in Henrico receiving Medicaid benefits by nearly 25.0 percent (Source: Henrico Department of Social Services).

It should be noted that prior editions of Trends had shown this data point increasing significantly in recent years. The revised data only differs in that the number of unduplicated has increased at the rate of population growth, remaining over 20.0 percent for the past five years. Due to the high level of public assistance recipients over this time period, a warning trend should continue for this indicator.

WARNING TREND: Declining or negative growth in market value of residential, commercial or agricultural property (constant dollars).

Formula:

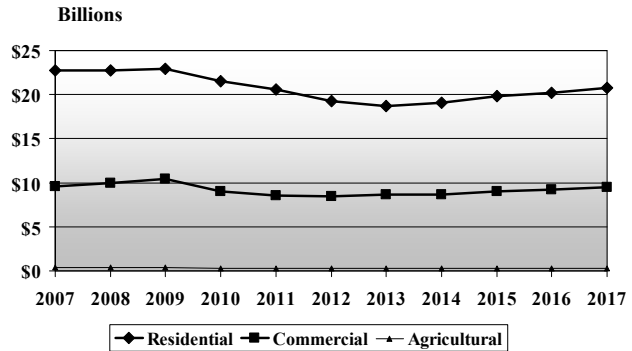
Real Property Values (Constant Dollars)

Real Property Values:

Changes in real property values are important because most local governments depend on property taxes for a substantial portion of their revenues, and Henrico County is no exception. If a locality has a stable tax rate, the higher the aggregate property value, the higher the revenues generated. Localities experiencing rapid population and economic growth are also likely to experience growth in property values in the short-run. This is because in the short-run, the supply of housing is fixed and the increase in demand due to growth will force prices up.

Real Property Values

(In Constant Dollars)



The extent to which declining real property values affect a locality's revenues will depend on the locality's reliance on property tax revenue. The extent to which the decline will ripple through the local economy and affect other revenues is difficult to determine. However, all of the economic and demographic factors are closely related. Most probably, a decline in property values will not be a cause, but rather a symptom of other underlying problems.

Trends:

The above graph illustrates real property values in constant dollars for residential, commercial, and agricultural properties. As such, any increases in this indicator are reported after negating the “effect” of inflation. The increases in valuation reflected above have been mitigated by a reduction in the Real Estate Tax Rate in this period of time. Specifically, since CY05, the Real Estate Tax Rate has been reduced from \$0.94/\$100 to the current level of \$0.87/\$100 of assessed valuation. In looking at the historical Real Estate Tax rates for the County of Henrico, two facts are clearly evident. First, *stability* is clearly evident as the Real Estate Tax Rate was maintained at \$0.98/\$100 of assessed valuation for a period of *sixteen* consecutive years (CY80-CY95). The second trend that is evident is that since CY98, as property valuations have increased, the Board of Supervisors has mitigated these increases with prudent Real Estate Tax rate reductions that have been made without impacting the County’s ability to meet debt obligations, capital infrastructure needs, and County operations, while also offering tax relief to County residents. This is a very difficult balancing act, but one that has been achieved because of the consistency of Board actions in establishing the Real Estate Tax rate on an annual basis.

In looking at the more recent trends, from FY09 through FY13, constant dollar residential property values declined 18.6 percent while constant dollar commercial property values declined 18.9 percent from FY09 to FY12. Residential foreclosures and increasing office space vacancies significantly impacted the local real estate market during this time period. In that same time period, the County lost \$36.9 million in annual revenue from Real Estate Tax collections, particularly painful as this funding source represents one-third of the County’s overall General Fund revenues. This trend has been reversed with constant dollar residential property values increasing by 11.3 percent from FY13 to FY17 while constant dollar commercial property values have experienced an increase of 11.8 percent from FY12 to FY17. While increases in this indicator have been steady for 4 and 5 years, respectively, it is important to note that both residential and commercial property values, on a constant dollar basis, remain below FY07 levels. As the County continues its economic development efforts and residential foreclosures decrease, the County is recognizing modest growth in its real estate values.

In looking back at historical residential real estate price appreciation since the late 1800's, the average annual growth nearly always mirrors the annual inflation rate, as determined by the CPI. In fact, when adjusting real estate price appreciation by removing the inflation rate, and plotting these revised rates of appreciation on a line graph, the result is very close to a straight line with the exception of the "bubble" of the mid 2000's. As the real estate market continues to stabilize, it is anticipated that real estate price appreciation will increase at a comparable rate to inflation levels. As such, this indicator should reflect a "flattening out" effect long-term. As the County recently experienced its fourth consecutive year of growth in total constant-dollar real estate property values, with similar growth expected in the foreseeable future, a recovery to pre-recession levels is expected within the next year or two. Therefore, no warning trend is noted for this indicator at this time.

WARNING TREND: Increasing market value of residential development as a percentage of market value of total development.

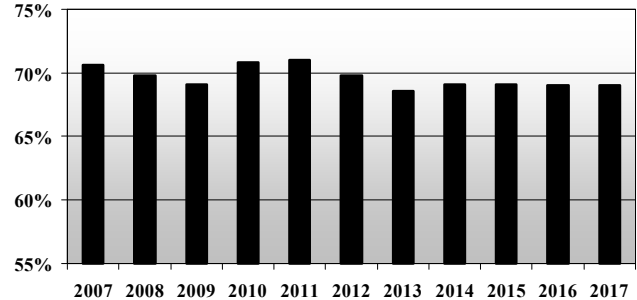
Formula:

$$\frac{\text{Market Value of Residential Development}}{\text{Market Value of Total Development}}$$

Residential Development:

The net cost of servicing residential development is generally higher than the net cost of servicing commercial or industrial development. This is because residential development usually creates more expenditure demands (generally in the area of Education) than revenue receipts. The ideal condition would be to have sufficient commercial or industrial development to offset the costs of the residential development.

Residential Development
(as a % of Total Property)



The location of new residential development is also important. Houses built on the outer fringe of a community can impose a far greater initial cost to local government than houses built within developed areas. This is because the locality must provide capital items such as streets, sewer lines, water mains, education facilities, and fire stations to service the new development. The extent to which new residential development affects the financial condition of a particular community will depend on the community's economy, tax structure, and expenditure profile. The County has determined that a 70.0 percent level of residential valuation is optimal.

Trends:

Residential development as a percentage of total property market value in Henrico County has ranged from a low of 68.6 percent in 2013, to a high of 71.0 percent in 2011. This indicator increased each year from 2002 to 2007, from 66.3 percent in 2002 to 70.6 percent in 2007. In 2008, the indicator fell below the benchmark of 70.0 percent to 69.8 percent and in 2009 dropped to 69.1 percent. In 2010, the indicator rose to 70.8 percent, increased again in 2011 to 71.0 percent, before again falling below the 70.0 percent threshold, to 69.8 percent in 2012 and 68.6 in 2013. In 2014, the indicator increased slightly to 69.1 percent and has remained at this level through 2015. In 2016, this indicator fell to 69.0 percent and maintained this level in 2017.

Market value is slightly different from assessed value in that market value includes the value of land use properties that would be deducted when assessing the property for tax purposes. The County is required to report market value to the State. The indicator above does not reflect inflation-adjusted values.

After the residential real estate boom from 2004 to 2007, in which increases in residential market values outpaced increases in the commercial segment of the market, in 2008, increases in commercial values remained strong, but residential values began to show signs of slowing down. As a result, the Residential Development indicator fell to 69.8 percent in 2008. In 2009, the Residential Development indicator fell again, to 69.1 percent, as residential real estate valuation declined by 0.3 percent and commercial values increased 3.1 percent. In 2010, because of sharp increases in vacant commercial real estate across the County, commercial valuations declined 13.0 percent as compared to a decline of 5.4 percent in residential real estate valuations. This large differential carried the Residential Development indicator to nearly 70.8 percent. Commercial valuations declined 1.5 percent in 2011, twice the decline of residential valuations that dropped 0.8 percent, increasing the indicator to 71.0 percent, the highest level in the eleven years examined. Slight improvement in the commercial real estate market in 2012 resulted in an overall increase of 0.7 percent in values, while residential real estate values dropped just under 5.0 percent. As such, the indicator fell back below the 70.0 percent threshold, to 69.8 percent. In 2013, residential values declined 1.3 percent and commercial values grew more than 4.1 percent. For the first time since 2008, 2014 residential reassessments reflected growth at 4.4 percent, and commercial values grew by 2.1 percent, causing the indicator to increase to 69.1 percent.

Although the indicator remained relatively flat for FY15, FY16 and FY17, it is important to note that both residential and commercial values experienced an increase as discussed in the previous trend.

As the overall real estate market improves and stabilization becomes more and more evident, there is growing confidence that growth will continue in both residential and commercial valuations going forward. As such, no warning trend is noted for this indicator at this time.

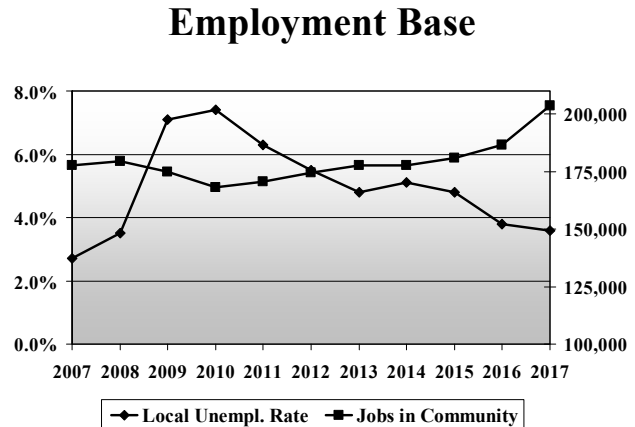
WARNING TREND: Increasing rate of local unemployment or a decline in number of jobs provided within the community.

Indicators:

Local Unemployment Rate and Number of Jobs within the Community

Employment Base:

Employment base considers both the unemployment rate and the number of jobs because they are closely related. This indicator is significant because it is directly related to the levels of business activity and personal income. Changes in the number of jobs provided by the community are a measure of and an influence on business activity. Changes in the rate of employment of the community's residents is related to fluctuations in personal income and, thus, is a measure of and an influence on the community's ability to support its local business sector.



If the employment base is growing, if its diversity provides a cushion against short-run economic fluctuations or a downturn in one sector, and if the employment base provides sufficient income to support the local business community, then it will have a positive influence on the locality's financial condition. A decline in employment base as measured by jobs or lack of employment can be an early warning sign of declining economic activity and thus, governmental revenues. The data source for this information is the Virginia Employment Commission.

Trends:

I. Unemployment:

Henrico County's unemployment rate, in the eleven-year period above, reflects a low of 2.7 percent for 2007 and a high of 7.4 percent in 2010. From 2003 to 2007, there was a distinct downward trend as the unemployment rate fell from 3.5 percent to the eleven year low of 2.7 percent shown in the chart above. The second distinct trend began in 2008 as the unemployment rate shot up to 7.4 percent because of several businesses closing – most notably LandAmerica Financial, Circuit City, and Qimonda AG – as well as jobs lost in the construction and manufacturing sectors that were being artificially propped up due to the housing bubble. Since 2010, the rate has steadily dropped as new jobs have consistently matriculated back into Henrico County. In 2014, the rate crept up slightly from 4.8 percent to 5.1 percent but has since continued its downward trend. In FY17, the unemployment rate fell to 3.6 percent, the lowest point since before the recession. This rate is also slightly below Henrico's historical average of 3.7 percent dating back to 1988, representing a great improvement compared to where the County was just a short time ago. With the overall downward trend since 2010, there is no warning trend for this indicator.

II. Number of Jobs:

From 2005 through 2008, the number of jobs in Henrico increased from 170,183 to 179,426. As a result of the economic downturn, by 2010, the number of jobs in Henrico had declined to 168,142. Since 2010, the County has added back 35,337 jobs and now totals 203,479 for 2017. This year marks the highest number of jobs in the eleven-year period (and the highest one-year increase) as well as the most jobs within the community that has been recorded to date. With the County surpassing the 2008 indicator for number of jobs and always continuing to look for more employment opportunities through economic development, there is no warning trend for this indicator.

WARNING TREND: Decline in business activity as measured by retail sales and gross business receipts.

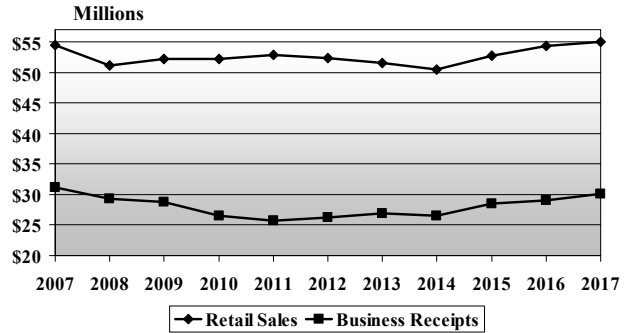
Indicators:

Local Retail Sales Tax and Business and Professional License (BPOL) Tax Receipts

Local Sales Tax and Business and Professional License Tax (BPOL) Receipts:

The level of business activity affects a locality's financial condition in two ways. First, it directly affects revenue yields as sales taxes and gross receipts taxes are products of business activity. Second, the effect of these indicators may be indirect to the extent that a change in business activity affects other demographic and economic areas such as employment base, personal income or property values. Changes in business activity also tend to be cumulative. A decline in business activity will tend to have a negative impact on employment base, personal income and/or commercial property values. This in turn can cause a decline in local revenues generated by businesses.

Local Retail Sales and Business Receipts
(In Constant Dollars)



Trends:

I. Local Retail Sales Tax Receipts:

The above graph indicates that local sales tax receipts, in constant dollars, have finally surpassed the previous 11-year high of \$54.5 million in FY07 with \$55.0 million recorded in FY17. The elasticity of this revenue stream is evidenced by the decline in FY08, which represents the beginning of the most recent recession. Prior to that, the more recent upward trends were marked by a healthy local and national economy as seen between 2005 and 2007. In FY08, inflation adjusted sales declined from \$54.5 million to \$51.2 million, a decrease of 6.1 percent from the prior fiscal year, and was due to the largest consumer price index measurement since 1989, in addition to declining sales tax collections.

With a rare deflationary environment, coupled with slight growth in local sales tax collections, inflation-adjusted sales tax collections posted a 2.1 percent growth, despite the economic downturn, in FY09. This occurred due to the defeasance of the Short Pump Town Center CDA that fiscal year, as well as the successful implementation of the “Henrico, VA” initiative, in which the majority of “Richmond, VA” addresses were changed to “Henrico, VA” to correct revenue miscoding that misdirected local tax revenue to neighboring jurisdictions.

From FY10 through FY14, only FY11 reflected growth in inflation-adjusted sales tax collections. During this period, sales tax receipts have been relatively constant, but clearly not growing at the level of inflation. In FY14, sales tax receipts adjusted for inflation decreased to its lowest point in the examination period at \$50.5 million. Retail sales, on a constant dollar basis, experienced a significant rebound in FY15, growing 4.5 percent. A similar trend was recorded for FY16 where retail sales grew 3.0 percent while FY17 came in a bit more tepidly at 1.2 percent growth. However, the County still maintains the lion’s share of regional taxable sales and will continue to strengthen its retail market. In fact, local sales and use taxes increased in FY15, FY16 and FY17, year-over-year, at rates of 4.7 percent, 6.6 percent and 3.8 percent, respectively. Sales and use tax receipts will continue to be monitored closely but no long-term warning trend is noted for this indicator.

II. Local Business and Professional License (BPOL) Tax Receipts:

Like local sales tax revenues, FY08 BPOL tax receipts (constant dollars) fell sharply due to the struggling economy and unusually high inflation. While this indicator reflects a significant decrease, real unadjusted

BPOL tax revenue only reflected a slight decrease of 1.0 percent. In FY09, inflation adjusted BPOL tax receipts declined by 1.8 percent and real unadjusted BPOL tax revenue declined by 3.2 percent. In FY10 inflation adjusted BPOL tax receipts declined by 8.2 percent, easily the largest decline in the eleven-year period examined, and real unadjusted BPOL tax revenue declined by 7.2 percent. In FY11 inflation adjusted BPOL tax receipts declined by 2.8 percent, but real unadjusted BPOL tax revenue increased slightly, by 0.7 percent. From FY09 to FY11, a number of businesses in the County were forced to close their doors.

As new businesses have entered the County and join the existing diversified business community, BPOL tax receipts are again reflecting growth after three years of declines. In fact, in FY12 and FY13, inflation-adjusted BPOL tax revenue grew 2.2 percent and 2.3 percent, respectively. BPOL tax receipts in FY14 experienced an inflation-adjusted decline of 1.3 percent, though experienced overall growth of 0.7 percent. Business receipts in FY15 grew at the highest rate since before the economic recession as, in constant dollars, they grew 7.4 percent. While not nearly as substantial as FY15, business receipts grew 2.1 percent in FY16 and 3.5 percent in FY17.

To enhance the County's economic development efforts and low business tax environment, the Board of Supervisors doubled the exemption for businesses to pay BPOL taxes from \$100,000 to \$200,000 as part of the FY18 budget. Even with this increase and potentially others in the future, it is anticipated that BPOL receipts will continue to grow with the economy. Just as with sales tax collections, no long-term warning trend is noted.

WARNING TREND: Decline in business activity as measured by commercial acres developed and market valuation of business property.

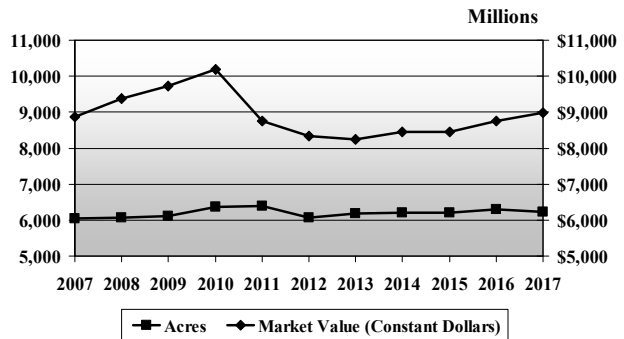
Indicators:

*Number of Commercial Property Acres and
Market Value of Business Property*

Business Activity – Commercial Acres and Market Value of Business Property:

The level of business activity affects a locality's financial condition in two ways. First, it directly affects revenue yields to the extent that the number of business acres and value of business property may be considered products of business activity. Second, the effect of these indicators may be indirect to the extent that a change in business activity affects other demographic and economic areas such as employment base, personal income or property values. Changes in business activity also tend to be cumulative. A decline in business activity will tend to have a negative impact on employment base, personal income or property value. This in turn, can cause a decline in local revenues generated by businesses.

Commercial Acres and Market Value of Business Property



Trends:

I. Business Acres:

As shown in the graph above, business acreage steadily increased from 2007 to 2010, with 6,032 acres in 2007 to 6,393 in 2010. In 2011, business acreage dropped substantially to 6,064, but this is entirely due to a change in the calculation methodology for land use acreage by the Department of Planning, to be more compatible and consistent with the County’s technological systems. The County, in fact, added 33 acres in 2011. Business acreage is defined as “developed commercial property for office and retail use.” The data reveals that in the eight years from 2007 to 2010 and from 2011 through 2015, the average annual increase in the number of business acres developed was nearly 62.2. That being said, in FY14, the total acreage developed was only 3 acres, the lowest annual total in Henrico County since 1993. This is due to two factors: 1) several commercial structures were demolished in FY14 and reclassified from business acreage to vacant acreage and 2) several parcels were previously incorrectly identified as business acreage and corrected. This growth rebounded in FY15 to 77 newly developed business acres for a total of 6,291. The reduction in 2016 to 6,217 is misleading as there was an adjustment to the Existing Land Use GIS layer that refined what was considered developed commercial property. The total business acreage for 2017 was 6,331 or 114 higher than 2016. Outside of years where there were changes to the way business acreage is defined and collected, Henrico has seen steady increases in acreage.

Commercial development and concentration is a key component to maintaining a low Real Estate Tax rate and ensuring that Henrico continues to increase the number of jobs in the community. The commercial component of the Real Estate Tax base can subsidize the costs incurred by residential development – particularly in Education.

II. Market Value of Business Property:

The eleven-year trend for this indicator, *in constant dollars*, starts at \$9.6 billion in CY07 and rises to \$10.5 billion in CY09, before falling in each of the next three years due to recessionary contractions. After bottoming out at \$8.5 billion in CY12, it started climbing again and over the next five years, reaching \$9.5 billion in CY17, an increase of 11.8 percent. The value of commercial properties is prone to devaluation when the supply of those properties is greater than the demand, as was the case during the housing bubble. This was evident in 2010 when we were entering the third year of the most recent recessionary economic environment and the supply of vacant office and retail space increased significantly due to a number of businesses closing their

doors. The result was an overall reduction in the commercial tax base of more than 13.0 percent in FY10. Another decrease in the commercial tax base of 1.5 percent occurred in CY11 due to the continued elevated supply of vacant office space. In CY12, the commercial market improved slightly, and values increased 0.7 percent, though not enough to keep up with inflation, as reflected in the indicator above. Commercial values increased greater than inflation in CY13 at 3.3 percent, and increased only barely higher than inflation in CY14 with growth of 0.02 percent. Growth continued in CY15 and CY16, as commercial values increased 5.1 percent and 3.6 percent, respectively. CY17 marks the fifth consecutive year of growth with commercial values increasing 4.1 percent on a constant dollar basis. While these gains show continued improvement in the County's business property market values, it must be noted that this indicator has not fully rebounded to the 2009 level.

Looking into the future, commercial real estate will continue to rebound as jobs continue matriculating back into the County, which they have considering Henrico had the second highest number of jobs in VA for 2016. Due to an environment of continuing growth, no warning trend is noted but a cautious outlook remains.

FINANCIAL INDICATORS DISPLAYED GRAPHICALLY

Description	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues Per Capita	3,109.9	3,085.7	3,162.1	2,980.3	2,794.4	2,739.0	2,707.6	2,701.2	2,838.5	2,854.0	2,893.9
Expenditures Per Capita (In Constant Dollars)	2,884.4	2,933.6	3,028.5	3,009.6	2,791.6	2,753.9	2,722.2	2,762.2	2,736.6	2,715.2	2,790.1
Intergovernmental Revenues (without PPTRA)	37.8%	38.7%	39.9%	39.5%	39.4%	39.7%	40.7%	40.8%	40.0%	39.9%	39.5%
Intergovernmental Revenues (PPTRA only)	4.0%	3.8%	3.7%	3.9%	3.9%	3.9%	3.8%	3.7%	3.5%	3.4%	3.3%
Elastic Tax Revenues (as a % of Net Operating Revenue)	9.6%	8.9%	8.6%	8.8%	9.2%	9.4%	9.3%	9.4%	11.8%	11.8%	11.8%
Property Tax Revenues (In Constant Dollars)	346,403	353,789	364,683	351,238	326,348	318,816	314,330	320,925	328,006	334,909	341,890
Uncollected Property Tax Revenues (as a % of Total Levy)	0.5%	0.5%	0.7%	1.0%	1.1%	1.3%	1.4%	1.3%	1.2%	1.2%	1.0%
User Charge Coverage (Revenues/Expenditures)	50.1%	48.0%	48.2%	50.6%	52.5%	51.0%	51.9%	54.2%	55.4%	53.3%	49.8%
Revenue Variance (as a % of Net Operating Revenue)	5.4%	6.1%	1.4%	0.2%	1.2%	0.5%	1.3%	2.4%	4.2%	3.6%	4.0%
Employees Per Capita (Employees per thousand population)	13.0	13.1	13.1	12.7	12.6	12.5	12.3	12.2	12.1	12.1	12.1
Fringe Benefits (as a % of Salaries)	31.3%	32.2%	33.1%	32.8%	33.0%	34.5%	33.9%	34.8%	36.0%	35.8%	35.8%
Operating Surpluses (as a % of Net Operating Revenue)	9.6%	6.9%	5.0%	1.6%	1.2%	0.1%	0.0%	1.7%	3.2%	6.0%	6.1%
Enterprise Losses (In Constant Dollars)	3,622	4,875	(0,833)	(0,689)	(1,918)	(0,600)	3,926	1,004	0,683	(1,076)	5,146
General Fund Balances (as a % of Net Operating Revenue)	13.3%	13.5%	13.9%	14.3%	14.2%	12.3%	11.8%	11.7%	11.3%	11.2%	11.0%
Liquidity (Cash & Investments as a % of Current Liabilities)	297.1%	342.2%	232.2%	339.4%	335.4%	288.2%	275.5%	279.0%	267.8%	272.1%	294.7%
Current Liabilities (as a % of Net Operating Revenue)	9.7%	8.9%	13.8%	9.7%	9.8%	11.2%	10.9%	11.5%	11.4%	11.1%	10.4%
Long Term Debt (as a % of Assessed Valuation)	1.2%	1.1%	1.4%	1.4%	1.6%	1.7%	1.6%	1.4%	1.2%	1.2%	1.3%
Debt Service (as a % of Net Operating Revenue)	5.2%	5.3%	5.3%	5.8%	5.5%	5.8%	6.3%	5.9%	5.5%	5.2%	5.2%
Accumulated Employee Leave Liability (in Days)	22.5	24.5	24.6	26.0	24.7	25.0	25.1	25.8	26.5	26.2	25.9
Level of Capital Outlay (as a % of Net Operating Expenditures)	3.5%	3.5%	3.3%	3.6%	3.6%	3.6%	3.3%	2.5%	3.3%	2.9%	3.3%

FINANCIAL INDICATORS DISPLAYED GRAPHICALLY

Description	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Depreciation (Depreciation Expense as a % of Assets)	2.9%	2.7%	2.8%	2.8%	2.7%	2.8%	2.7%	2.8%	2.8%	2.8%	2.8%
Population	299,443	302,518	305,580	307,832	311,726	315,157	318,158	321,374	325,283	329,227	332,368
Per Capita Income (restated)	47,688	48,161	45,246	46,634	49,548	52,233	52,820	55,725	58,039	58,876	N/A
Public Assistance Recipients (restated for 2016 Trends) (as a % of Total Population)			14.9%	17.4%	18.7%	19.1%	20.4%	20.1%	20.4%	20.6%	20.7%
Property Values (In Constant Dollars)	32,787 11,974	33,079 0,883	33,785 2,136	30,817 -8,782	29,464 -4,393	28,026 -4,891	27,637 -1,386	28,073 1,585	29,069 3,546	29,709 2,201	30,566 2,865
Residential	22,770	22,707	22,963	21,505	20,608	19,265	18,689	19,119	19,793	20,218	20,804
Commercial	9,627	9,991	10,453	8,998	8,558	8,476	8,678	8,680	8,994	9,222	9,474
Agricultural	0,391	0,381	0,369	0,315	0,298	0,283	0,269	0,275	0,282	0,270	0,283
Residential Development (includes agric) (as a % of Total Property)	70.6%	69.8%	69.1%	70.8%	71.0%	69.8%	68.6%	69.1%	69.1%	69.0%	69.0%
Employment Base											
Local Unemployment Rate	0.0270	0.0350	0.0710	0.0740	0.0630	0.0550	0.0480	0.0510	0.0480	0.0380	0.0360
Jobs in Community	177,744	179,426	174,758	168,142	170,581	174,628	177,810	177,647	180,877	186,728	203,479
Business Activity - #1 (In Constant Dollars)											
Retail Sales	54,472.82	51,172.44	52,267.14	52,265.72	52,818.26	52,382.65	51,516.86	50,472.75	52,746.49	54,345.69	54,993.02
Annual Business Receipts	31,173.50	29,372.74	28,832.69	26,482.03	25,742.96	26,302.02	26,892.85	26,540.81	28,498.66	29,109.14	30,131.95
Business Activity - #2	8.9%	-5.8%	-1.8%	-8.2%	-2.8%	2.2%	2.2%	-1.3%	7.4%	2.1%	3.5%
Market Value of Business Property	9,627.18	9,991.23	10,452.70	8,997.58	8,558.41	8,476.28	8,678.11	8,679.62	8,994.24	9,221.79	9,473.64
Acres Devoted to Business	6,062.00	6,118.00	6,371.00	6,393.00	6,064.00	6,189.00	6,211.00	6,214.00	6,291.00	6,217.00	6,331.00

GENERAL FINANCIAL AND ECONOMIC DATA

Item	Description	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1.3	Cash & Short Term Investments	268,646	298,304	320,117	314,414	309,643	308,287	289,131	318,999	323,342	326,848	347,810
1.4	Accounts Payable	51,420	49,407	53,262	48,284	48,717	53,348	52,155	61,604	58,946	55,431	60,925
1.7	Principle due in 12 months	33,224	30,749	32,810	32,810	32,810	38,725	38,510	38,890	39,255	41,700	41,700
1.8	Other Current Liabilities	5,771	7,021	10,025	11,557	10,769	14,881	14,284	13,853	22,553	22,969	15,405
1.9	Total Current Liabilities	90,414	87,177	137,847	92,651	92,311	106,954	104,950	114,346	120,754	120,100	118,030
1.10	Net Direct Long Term Debt	399,683	396,269	503,505	460,535	499,930	533,180	492,025	454,095	411,405	406,150	464,530
1.12	Cost Depreciable Fixed Assets	982,096	1,015,665	1,051,575	1,080,905	1,109,368	1,124,786	1,143,806	1,176,897	1,205,603	1,249,751	1,300,142
1.13	Depreciation Expense	28,010	27,596	28,928	30,566	30,439	31,308	30,993	32,433	34,326	35,573	36,517
1.14	General Fund Operating Surplus	88,984	67,853	49,565	15,123	11,751	533	336	17,000	34,246	64,678	69,053
1.15	Enterprise Operating Results	3,622	5,120	(863)	(721)	(2,078)	(661)	4,400	1,148	782	(1,244)	6,051
1.16	General Fund Balances	207,453	239,708	252,549	246,603	230,524	221,639	197,540	210,567	224,205	232,416	253,995
1.17	General Fund Restricted Balances	84,029	107,615	113,094	109,831	96,798	104,751	83,364	93,945	104,259	111,167	129,679
1.18	General Fund Unrestricted Balances	123,424	132,093	139,455	136,771	133,727	116,888	114,175	116,622	119,946	121,249	124,316
1.19	Uncollected Property Taxes	1,901	2,035	2,700	3,604	3,737	4,604	5,025	4,815	4,645	4,506	3,994
1.20	Full Property Tax Levy	352,305	369,930	380,661	365,522	349,269	347,803	357,613	361,689	373,457	374,674	389,341
2.1	Property Tax Revenues	346,403	371,556	377,532	367,444	353,555	351,142	352,275	367,120	375,685	387,388	402,026
2.2	Committed User Charges	29,127	28,850	29,884	30,409	30,207	31,424	31,336	33,266	33,372	33,680	33,971
2.3	Uncommitted User Charges	6,745	2,845	2,846	3,261	3,321	3,152	3,323	3,379	3,378	3,552	5,678
2.4	Other Revenue greater than 5%	33,900	122,796	125,309	119,791	127,013	129,354	125,872	125,113	158,824	165,920	176,154
2.5	Other Revenue less than 5%	33,800	37,612	28,837	22,822	21,028	21,220	22,343	21,664	25,951	25,143	29,010
2.6	Total Local Operating Revenue	542,002	563,659	564,409	543,727	535,125	536,292	535,150	550,542	597,210	615,683	646,840
2.7	Intergovernmental Operating Revenue	389,249	416,686	435,925	416,038	408,589	414,459	430,280	442,504	460,328	471,181	484,181
2.7	Intergovernmental Operating Revenue (without PPTRA reimbursements)	352,028	379,686	398,923	379,036	371,587	377,457	393,278	405,502	423,327	434,180	447,180
2.10	Gross Operating Revenues	931,251	980,345	1,000,334	959,765	943,714	950,751	965,430	993,046	1,057,538	1,086,864	1,131,022
2.13	Net Operating Revenues	931,251	980,345	1,000,334	959,765	943,714	950,751	965,430	993,046	1,057,538	1,086,864	1,131,022
2.14	Restricted Operating Revenues	317,374	328,363	354,864	342,353	334,149	337,442	353,421	354,991	374,039	375,575	384,747
2.15	Elastic Operating Revenue	89,286	87,579	86,099	84,217	87,182	89,098	90,097	92,893	124,352	128,416	132,959
2.17	Net Operating Revenue Budgeted	880,557	920,221	986,094	957,860	932,150	946,188	953,214	969,062	1,013,213	1,047,214	1,085,742
3.1	Salaries and Wages	440,213	464,016	487,694	480,659	472,724	480,853	495,822	496,472	508,111	526,875	538,928
3.2	Fringe Benefits	137,938	149,220	161,362	157,582	156,088	165,696	167,899	172,540	183,080	188,878	192,860
3.3	Supplies	36,858	40,764	43,737	41,682	46,168	43,383	42,775	48,999	49,833	42,677	41,628
3.4	Services	109,413	117,670	107,968	120,657	113,118	109,529	105,315	144,336	111,340	109,868	118,046
3.5	Capital Outlay (restated for 2017 Trends)	30,210	32,373	31,506	35,217	33,920	34,201	31,748	25,555	33,639	30,132	36,013
3.6	Principal-Long term Debt	29,450	32,779	30,284	34,880	32,300	32,290	38,510	37,615	38,285	38,605	41,700
3.7	Interest-Long term Debt	18,588	18,900	22,339	21,191	19,722	23,035	22,393	21,132	19,392	17,481	17,144
3.8	Total Direct Debt	48,038	51,679	52,623	56,071	52,022	55,325	60,903	58,747	57,677	56,086	58,844
3.9	Other Expenditures	36,926	52,400	50,416	52,285	45,527	43,982	41,361	44,052	43,982	53,866	69,189
3.10	Internal Service Fund Transfers	24,113	23,917	22,764	25,058	23,195	22,949	24,815	24,779	26,177	25,609	34,955
3.11	Total Net Operating Expenditures	863,709	932,040	958,070	969,212	942,761	955,918	970,638	1,015,481	1,019,557	1,033,991	1,090,463
3.12	Number of General Government Employees	3,895	3,953	4,000	3,915	3,927	3,927	3,927	3,927	3,937	3,986	4,032
3.13	Unused Annual Leave (in days)	87,502	96,971	98,411	101,636	96,974	98,048	98,496	101,198	104,232	104,592	104,368
3.14	Unused Sick Leave (in days)	272,360	270,336	280,842	284,267	288,847	292,650	286,114	290,157	286,638	280,967	275,656
3.15	Expenditures Covered by Charges	58,176	60,157	61,944	60,144	57,538	61,630	60,360	61,408	60,245	63,189	68,198
7.1	Population (Calendar Year)	299,443	302,518	305,580	307,832	311,726	315,157	318,158	321,374	325,283	329,227	332,368
7.3	Total Personal Income (Thous. of \$) - restated	14,135,116	14,457,715	13,789,201	14,346,335	15,402,475	16,499,257	16,870,717	17,981,681	18,871,045	19,223,208	N/A
	Per Capita Income - restated	47,688	48,161	45,246	46,634	49,548	52,233	52,820	55,725	58,039	58,876	N/A
7.4	Public Assistance Recipients (restated for 2016 Trends)	32,788	34,740	34,976	32,239	31,921	30,865	30,973	32,114	30,865	34,364	35,937
7.6	Market Value of Property (Mil. of \$)	22,770	23,847	23,772	22,497	22,327	21,218	20,945	21,871	22,670	23,386	24,463
7.8	Market Value-Residential (Mil. of \$)	9,627	10,493	10,821	9,413	9,272	9,336	9,726	9,929	10,302	10,667	11,140
7.9	Market Value-Commercial (Mil. of \$)	391	400	382	329	322	311	302	315	323	312	333
7.10	Market Value-Agricultural (Mil. of \$)	125,972	127,046	128,529	129,781	130,482	131,044	131,652	132,363	133,020	134,153	134,747
7.11	Residential Households (Calendar Year)											

GENERAL FINANCIAL AND ECONOMIC DATA

Item	Description	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
7.12	Vacancy Rates-Residential (Calendar Year)	1.6%	1.6%	1.6%	1.6%	2.5%	2.4%	2.0%	1.6%	1.4%	1.4%	1.5%
7.15	Local Unemployment Rate	2.7%	3.5%	7.1%	7.4%	6.3%	5.5%	4.8%	5.1%	4.8%	3.8%	3.6%
7.16	Jobs Within Community	177,744	179,426	174,758	168,142	170,581	174,628	177,810	177,647	180,877	186,728	203,479
7.17	Retail Sales (Thous. of \$)	54,473	53,742	54,109	54,677	57,222	57,694	57,736	57,738	60,414	62,861	64,666
7.19	Annual Business Receipts (Thous. of \$)	31,174	30,848	29,849	27,704	27,889	28,969	30,139	30,361	32,641	33,670	35,432
7.20	Business Acres (Calendar Year)	6,062	6,118	6,371	6,393	6,064	6,189	6,211	6,214	6,291	6,217	6,331
7.21	CPI	208.4	218.8	215.7	218.0	225.7	229.5	233.5	238.3	238.6	241.0	245.0
7.22	CPI-Index	1.0000	1.0502	1.0352	1.0461	1.0834	1.1014	1.1207	1.1439	1.1454	1.1567	1.1759

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A Review of Richmond and Global Trends in Commercial Real Estate
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