



PRINCE WILLIAM COUNTY

2nd Quarter

FY 2020

Revenue and Expenditures Report



2nd Quarter FY 2020 Revenues

Section 2.09 of the ***Principles of Sound Financial Management*** requires quarterly updates to the Board of County Supervisors (BOCS) within 45 days of the end of each quarter on the County's General Fund budget and trends with revenue projections through the end of the fiscal year.

The FY 2020 Adopted Budget estimates general revenues to be \$1.06 billion.

As of the second quarter, general revenues are expected to produce a surplus of \$5.7 million from the adopted FY 2020 budget by June 30, 2020, as follows:

Category of General Revenues	Prior Year FY 2019	FY 2020		\$ change from Adopted	% change from Adopted
	Year-End	Q1 Adopted	Q2 Revised		
Real Property Taxes	\$662,834,584	\$694,102,000	\$694,102,000	\$285,503	0.04%
Personal Property Taxes	197,558,029	207,180,000	207,180,000	\$4,700,000	2.27%
Sales Tax	68,699,741	68,176,000	68,176,000	\$3,272,000	4.80%
Consumer Utility Tax	14,443,344	14,590,000	14,590,000	\$0	0.00%
Communications Tax	15,289,789	15,500,000	15,500,000	(\$600,000)	-3.87%
BPOL Tax	26,945,229	28,000,000	28,000,000	(\$400,000)	-1.43%
Investment Income	11,893,648	13,940,000	13,940,000	(\$2,740,000)	-19.66%
All Other	22,433,190	21,646,000	21,646,000	\$1,181,000	5.46%
Total General Revenues	\$1,020,097,554	\$1,063,134,000	\$1,063,134,000	\$5,698,503	0.54%

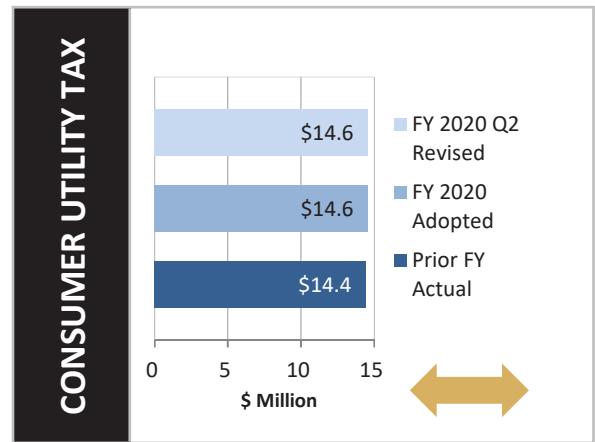
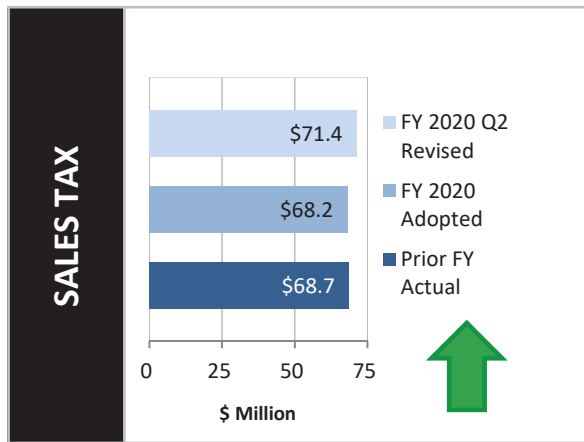
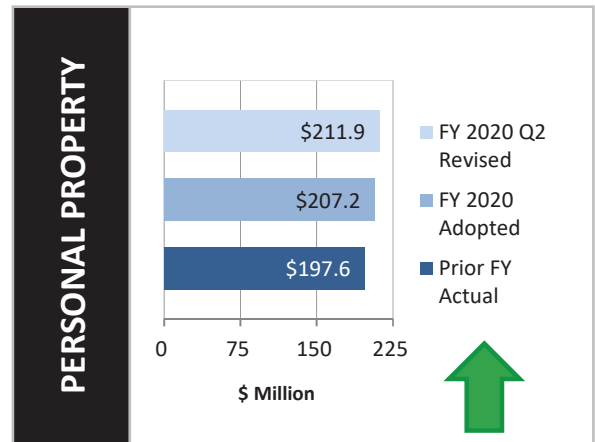
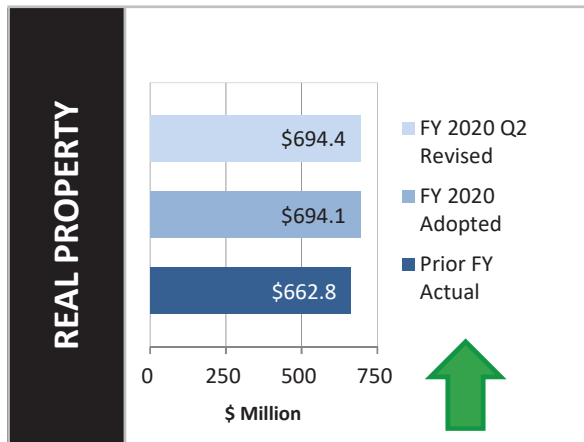
Revenues At-A-Glance

Variances from the FY 2020 Adopted Budget are as follows:

Real Property Tax is expected to produce a revenue surplus of \$285 thousand due to an increase in gross billings (supplemental billings and rollbacks).

Personal Property Tax revenue is expected to generate a \$4.7 million surplus. The surplus is attributable to increases in new taxable business tangible property, mainly from data centers and new vehicle billings.

Sales Tax revenue has remained strong, bolstered by internet sales, and is expected to generate a surplus of \$3.2 million.

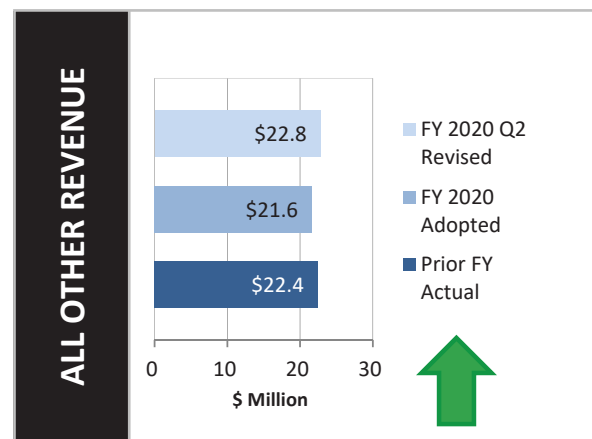
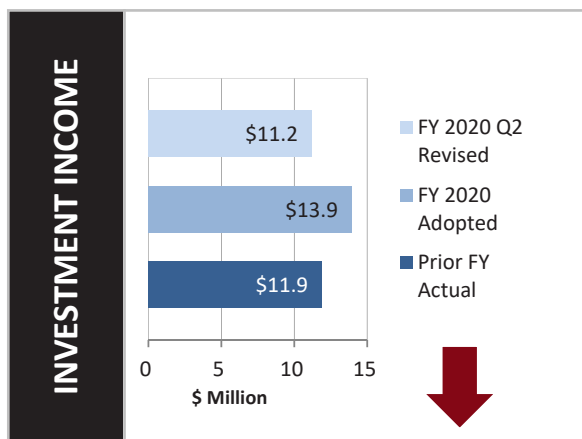
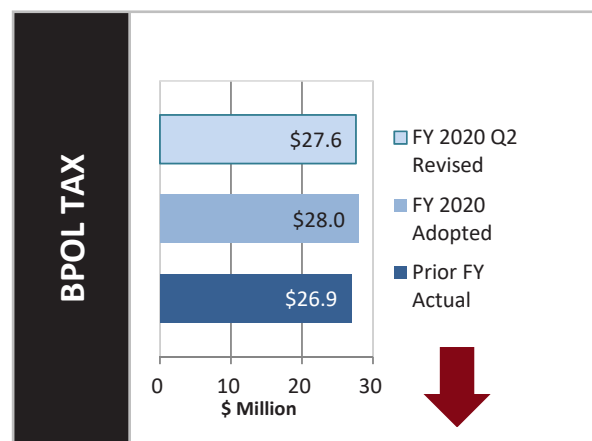
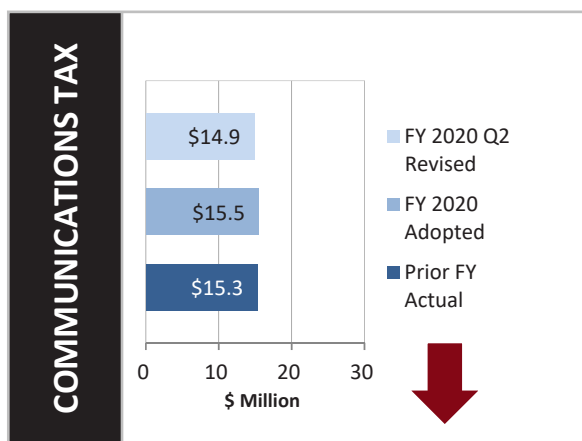


Communications Sales Tax revenue continues to decline as the number of American homes with only wireless telephones continues to grow. This revenue source is expected to experience a revenue shortfall of \$600 thousand.

BPOL Tax while overall tax revenue has increased year over year, it is doing so at a slower growth rate. A reduction of \$400 thousand is warranted to reflect this trend.

Investment Income After pausing for six months, the Federal Open Market Committee (FOMC) decreased the target Federal Funds rate 75 basis points in 2019 to a range of 1.50% to 1.75%, where the target range remains today. Earnings on the investment holdings are again challenged as yields across the U.S. Treasury Curve have decreased approximately 100 basis points since December of 2018. Investment income is expected to experience a shortfall of \$2.7 million.










All Other Revenue is comprised of fifteen revenue sources estimated to be less than \$5 million each. A net surplus of \$1.1 million is projected for FY 2020 led by increases in the Bank Franchise Tax, Recordation Tax and Tax on Deeds.



Looking Ahead

Economy At-A-Glance

The charts that follow identify some of the key indicators for the national, regional and local economies and show trends year-over-year (Y-O-Y). A “green” symbol stands for a positive trend, a “yellow” symbol signals a cautionary or neutral trend and a “red” symbol represents a negative trend.

Indicator			Explanation	Trend (Y-O-Y)
CPI (Inflation) (unadjusted year/year)	2.3% <i>(Dec 2019)</i>	1.9% <i>(Dec 2018)</i>	Reflects changes in the purchasing power per unit of money	
GDP (Gross Domestic Product)	2.1% <i>(Q4 2019)</i>	2.2% <i>(Q4 2018)</i>	Indicator of the overall health of the U.S. economy	
Stock Market:				
S&P 500	3,230.78 <i>(12/31/19)</i>	2,506.85 <i>(12/31/18)</i>	Indicator of the overall health of the U.S. stock market	
Dow Jones	28,376.49 <i>(12/31/19)</i>	23,327.46 <i>(12/31/18)</i>	Indicator of the overall health of the U.S. stock market	
Federal Funds Rate	1.55% <i>(12/31/19)</i>	2.40% <i>(12/31/18)</i>	Indicator of return on investments	
Unemployment Rate :				
National (seasonally adjusted)	3.5% <i>(Dec 2019)</i>	3.9% <i>(Dec 2018)</i>	Indicator of overall health of U.S. job market	
State (seasonally adjusted)	2.5% <i>(Dec 2019)</i>	2.8% <i>(Dec 2018)</i>	Indicator of overall health of VA job market	
Region (not seasonally adjusted)	2.6% <i>(Dec 2019)</i>	2.9% <i>(Dec 2018)</i>	Indicator of overall health of NoVA job market	
Prince William County (not seasonally adjusted)	2.2% <i>(Dec 2019)</i>	2.4% <i>(Dec 2018)</i>	Indicator of overall health PWC of job market	
<i>Bureau of Labor Statistics - U3</i>				

Indicator			Explanation	Trend (Y-O-Y)
National Retail Sales	0.3% <i>(M/M Dec 2019)</i>	-1.2% <i>(M/M Dec 2018)</i>	Indicator of relative health of U.S. economy	
# Employment Establishments:				
State	281,944 (+5.2%)	267,892 (+2.1%)	Indicator of overall health of VA	
Region	91,296 (+1.3%) <i>(Q2 2019)</i>	90,116 (+0.5%) <i>(Q2 2018)</i>	Indicator of overall health of NoVA economy, businesses & job market	
Prince William County	9,553 (+4.8%) <i>(Q2 2019)</i>	9,119 (+0.5%) <i>(Q2 2018)</i>	Indicator of overall health of PWC economy, businesses & job market	
Sales Tax Growth:				
State	+8.1% <i>(FYTD Dec 2019)</i>	+4.8% <i>(FYTD Dec 2018)</i>	Indicator of relative health of VA	
Prince William County	+6.1% <i>(FYTD Dec 2019)</i>	+4.4% <i>(FYTD Dec 2018)</i>	Indicator of relative health of PWC economy	
State Revenue Collections	+8.3% <i>(FYTD Dec 2019)</i>	+1.5% <i>(FYTD Dec 2018)</i>	Indicator of relative health of VA economy	
National Automobile Sales	17.10M <i>(CY 2019)</i>	17.19M <i>(CY 2018)</i>	Indicator of consumer purchasing power	
Commercial Vacancy Rates:				
Prince William County	5.7% <i>(Q4 2019)</i>	5.6% <i>(Q4 2018)</i>	Indicator of overall health of PWC businesses and commercial market	

National, State, and Local Trends

National The final month of 2019 was marked by a presidential impeachment, a halt in production of the Boeing's 737 MAX, and continued trade deals between the U.S. and China. The Federal Reserve left the target interest rate unchanged at their last meeting in 2019 (1.50% - 1.75%) and signaled rates would be on hold through 2020. In his testimony to the House Financial Services Committee, Federal Reserve Chairman Jerome Powell said that the U.S. economy is in a "very good place," pointing to job creation and moderate growth in a sluggish global environment. He also shrugged off concerns over a recession stating he does not believe markets are at risk of talking themselves into a recession. Powell said, "There is no reason why the expansion can't continue, There's nothing about this expansion that is unstable or unsustainable."

The Consumer Price Index (CPI), a measurement of the change in prices paid by consumers for goods and services, rose 0.2 percent in December, below market expectations of 0.3 percent. Consumer prices increased in December as Americans paid more for gasoline, housing and healthcare, with medical care commodities (i.e. prescription drugs) posting their largest monthly jump. Core CPI finished 2019 with a gain of 2.3 percent year over year matching its rate over the past two months, illustrating that inflation is firm but subdued.

Gross Domestic Product (GDP), the broadest measure of economic activity, grew at a rate of 2.1 percent in the fourth quarter, the same as the third quarter according to the “advance” estimate released by the Bureau of Economic Analysis. As noted by Piper Sandler Fixed Income Analytics, business spending has slowed down significantly despite the corporate tax rate cuts and have now contracted for three consecutive quarters. Residential investment made its largest contribution as lower rates and steady job gains are supporting the housing market.

The U.S. unemployment rate held steady at 3.5 percent, staying at a 50-year low. Hiring came in lower in December as employers added 145,000 new jobs below market expectations (160,000). Average hourly earnings were little changed over the month at 2.9 percent below the 3.1 percent projection. December also marked the first time that wage gains were below 3% on a year-over-year basis since July 2018.

The Commerce Department reported that retail sales increased 0.3 percent as U.S. consumers increased their purchases in every major category with the exception of motor vehicles. For the year, retail sales increased 5.8 percent over December 2018 and above the 3.3 percent average for the past 10 years. The increase in sales in the final month of the year suggests the economy finished 2019 with a good amount of momentum that may spill into 2020.

According to the Automotive News Data Center, 2019 ended with new light-vehicle sales of 17.1 million. This marked the fifth straight year of more than 17 million units sold even though sales were down slightly as compared to 2018. Manufacturers helped bolster the sales numbers by significantly increasing incentive spending toward the end of the year. The shift to crossovers and pickups continued in 2019. Light trucks represented 72.1% of all new light-vehicle sales, an increase of 2.9 percentage points compared to 2018. The report notes there are two factors that will help siphon off more buyers into the used-vehicle market: affordability issues with new vehicles and the high level of used-vehicle inventory. Their forecast is for new-vehicle sales to again fall by 1%-2% to 16.8 million units in 2020.

State Total general fund revenues rose 7.6 percent in December, driven by solid growth in payroll withholding, sales and use taxes, and recordation tax collections. On a fiscal year-to-date basis, total revenue collections rose 8.3 percent through December, well ahead of the annual forecast of 1.9 percent growth.

The Commonwealth’s seasonally adjusted unemployment rate was unchanged at 2.6 percent in December, which is 0.2 percentage point below the rate from a year ago. The labor force expanded for the eighteenth consecutive month by 0.3 percent, to set a new record high of 4,454,888, as the number of unemployed residents rose by 324. Virginia’s seasonally adjusted unemployment rate continues to be below the national rate, which was unchanged at 3.5 percent. “I am pleased to see the Commonwealth’s consistently low unemployment rate hold steady for a third consecutive month,” said Governor Northam. “We will keep the momentum going in 2020 by engaging more Virginians in our labor force, helping businesses of all sizes grow and thrive, and connecting skills to jobs with enhanced workforce training opportunities for in-demand jobs.”

Local The Prince William County economy remains healthy with 30-year mortgage rates below 4 percent and affordable housing relative to neighboring counties. The residential real estate market continues to be constrained by limited inventory as indicated by significantly fewer listings in December as compared to 2018. As a result, average sales prices have continued to rise.







The County’s unemployment rate remained unchanged from the prior quarter at 2.2 percent and reflects a decrease from December 2018 (2.4 percent). The County’s low level of unemployment and steady job growth are indications of a healthy economy.

Prince William County Real Estate Market At-A-Glance

The chart below presents some of the key indicators for the local real estate market and shows trends year-over-year (Y-O-Y).

Residential Sales Activity According to the Metropolitan Regional Information Systems (MRIS) sales data for December 2019, the average residential sales price of \$400,443 is a 5.4 percent increase over December 2018. The number of sales for the same period totaled 536 units, an increase of 28.2 percent when compared to December 2018 (418 units sold). The County's residential market remains a soft seller's market, mixed with tight inventories and a decrease in active listings, down 39.3 percent, when compared to the same period in 2018. On average, units are 29 days on the market, a sharp decrease from 40 days the same period last year. According to the Virginia Realtors Virginia Home Sales 2019 Year-End Edition, "despite price growth, there are no signs of a "housing bubble" in Virginia. The outlook for Virginia's housing market in 2020 is positive, though the biggest challenges will be a lack of inventory and growing affordability challenges."

Commercial Sector For the quarter ending December 2019, according to Costar Realty Group (Costar), the County's commercial inventory included 48.4 million occupied square feet (sq.ft.) of space in 2,116 buildings with 2.8 million sq. ft. of vacant space.

Indicator			Explanation	Trend (Y-O-Y)
Average Sales Price (MRIS) Prince William County	\$400,443 (+5.4%) (CYTD Dec 2019)	\$379,768 (CYTD Dec 2018)	Indicator of relative health of housing market	
# of Homes Sold Prince William County	7,587 (+5.1%) (CYTD Dec 2019)	7,220 (CYTD Dec 2018)	Indicator of relative health of housing market	
Average # of Days on Market Prince William County	29 (-28%) (Dec 2019)	40 (Dec 2018)	Indicator of relative health of housing market	
# of Occupancy Permits Issued	1,171 (-12.9%) (CY 2019)	1,344 (CY 2018)	Indicator of relative health of housing market	
# of Building Permits Issued	1,177 (-3.2%) (CY 2019)	1,216 (CY 2018)	Indicator of relative health of housing market	
Ratio of Homes on the Market to Homes Sold	0.91 (-52%) (Dec 2019)	1.9 (Dec 2018)	Indicator of relative health of housing market	



2nd Quarter FY 2020

Expenditures

General Information

The Board of County Supervisors (BOCS) adopted the ***Principles of Sound Financial Management***; the County government's guiding financial policies. The Principles require that the BOCS receive a quarterly general fund revenue and expenditure update within 45 days of the end of each quarter.

The County's fiscal year runs from July 1 to June 30. The BOCS adopted a FY 2020 general fund budget of \$1.24 billion.

- \$607.3 million adopted School transfer, in accordance with the County-Schools revenue sharing agreement.
- \$631.9 million adopted County government general fund budget, including transfers.

In accordance with State Code, the County cannot exceed the annual legal appropriation. As a result, the County general fund budget will always have a year-end surplus.

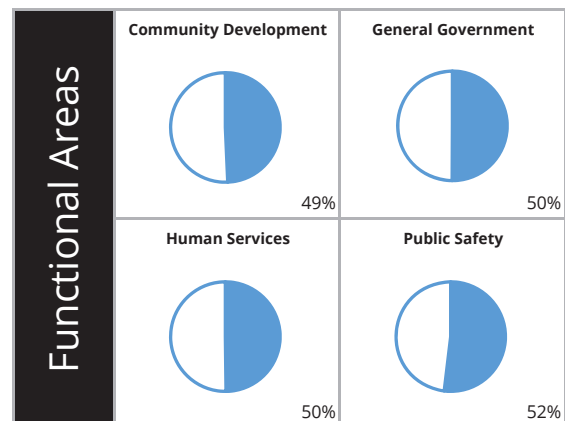
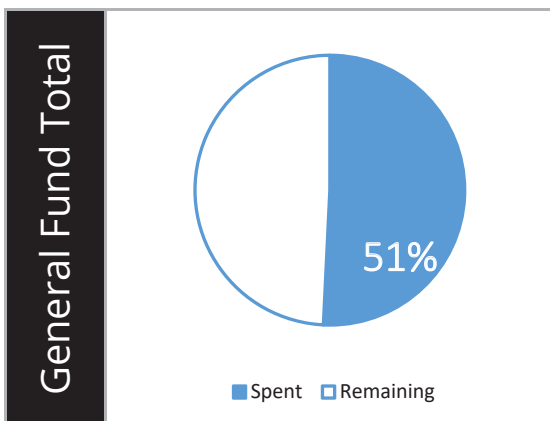
County agencies may have revenue sources other than local taxes that support the general fund expenditure budget. These include charges for services, federal and state revenue, court fines, and fees.

Second Quarter Summary

1. **General Fund Reporting** - This report includes only unrestricted general fund expenditures. It does not include restricted funds within the general fund such as Transient Occupancy Tax mandated for tourism, proffers, grants, or criminal forfeitures.
2. **Revised FY 2020 Budget** - As of December 31, 2019, the revised County government unrestricted general fund budget, excluding transfers, was \$581.0 million.
3. **Second Quarter General Fund Expenditures and Projections** - As of December 31, 2019, 56.5% of the expenditure budget was spent. Excluding Non-Departmental and Debt Service, which are not indicators of direct County agency operations, agencies spent 50.8% of the operating expenditure budget. Current projections indicate more than 99% of the County government's general fund expenditure budget will be expended by year-end.

Percent of Budget Spent (Including Non-Departmental and Debt Service)	Percent of Budget Spent (Excluding Non-Departmental and Debt Service)
56.5%	50.8%

4. **Information Technology Charges** - Information technology costs for the entire fiscal year were billed in the second quarter. Therefore, Internal Services expenditures will be higher than normally anticipated, as well as overall general fund expenditures.
5. **Retiree Health Benefit** - Retiree health benefit costs of \$2.1 million were charged for the entire fiscal year in the first quarter.
6. **Classification and Compensation Study/Position Reclassifications** - On November 19, 2019, the BOCs approved a new position classification and pay plan for general County employees. The study findings will be implemented in two phases. Phase 1 was implemented on January 11, 2020 whereby administrative pay increases were provided for existing employees with salaries lower than the starting salary of their newly assigned position classification's pay band. The Phase 1 half-year cost (approximately \$3.2 million) will be absorbed within agency's existing FY20 budgets and will be noted in the third and fourth Quarterly Expenditure reports.
7. **Other Notable Agency Variances** - Other notable variances are reported based on the Spent % column on the following pages. Encumbrances are not included in the agency detailed tables and charts.



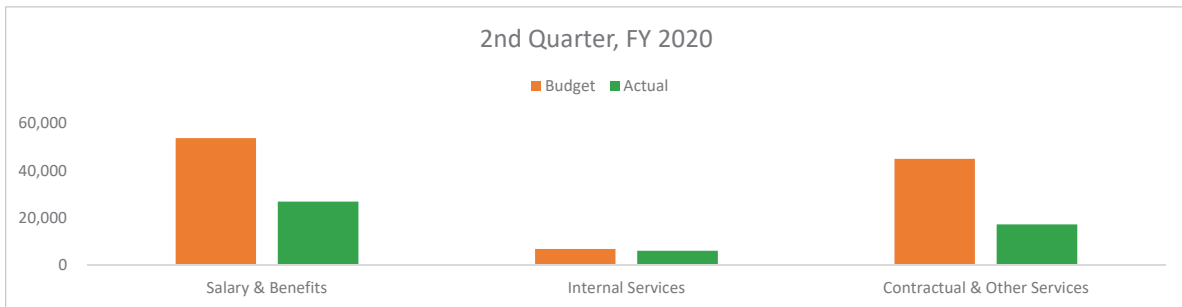
Community Development Functional Area

(Dollar amounts expressed in thousands)

Departments & Agencies

- Economic Development
- Library
- Parks, Recreation & Tourism
- Planning
- Public Works
- Transportation

Functional Area	Spending Category	Budget	Actual	Spent %
Community Development	Salary & Benefits	53,779.91	26,875.83	
	Internal Services	6,907.23	6,135.70	
	Contractual & Other Services	44,981.92	17,260.31	
	Reserves & Contingencies	(6,702.52)	(1,480.15)	
	98,966.55	48,791.70	49.30%	



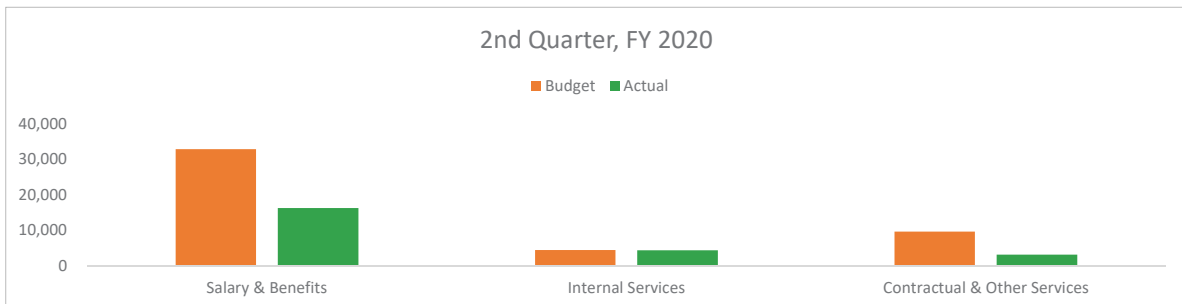
General Government Functional Area

(Dollar amounts expressed in thousands)

Departments & Agencies

- Board of County Supervisors
- County Attorney
- Elections
- Executive Management
- Finance
- Human Resources
- Human Rights
- Management & Budget

Functional Area	Spending Category	Budget	Actual	Spent %
General Government	Salary & Benefits	32,806.62	16,212.79	
	Internal Services	4,393.51	4,296.15	
	Contractual & Other Services	9,616.95	3,114.63	
	Reserves & Contingencies	(1,562.30)	(953.58)	
	45,254.78	22,669.99	50.09%	




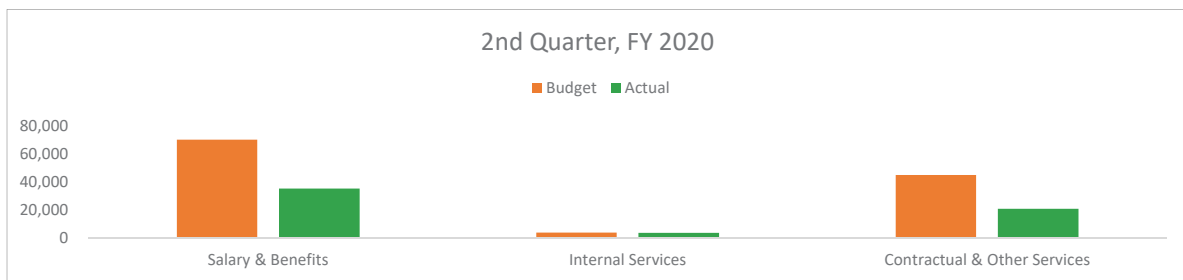
Human Services Functional Area

(Dollar amounts expressed in thousands)

Departments & Agencies

- Aging
- Community Services
- Cooperative Extension Service
- Public Health
- Social Services

Functional Area	Spending Category	Budget	Actual	Spent %
Human Services	Salary & Benefits	70,110.16	35,070.99	
	Internal Services	3,567.20	3,320.22	
	Contractual & Other Services	44,770.17	20,611.53	
	Reserves & Contingencies	0.00	0.00	
	118,447.54	59,002.74	49.81%	




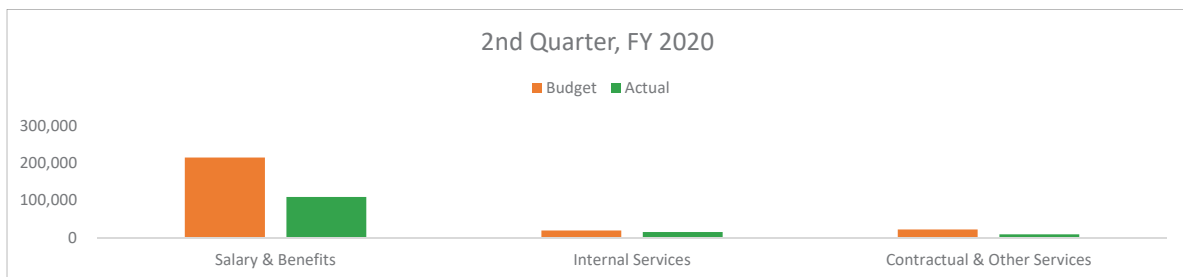
Public Safety Functional Area

(Dollar amounts expressed in thousands)

Departments & Agencies







- Circuit Court Judges
- Clerk of the Circuit Court
- Commonwealth's Attorney
- Criminal Justice Services
- Fire & Rescue
- General District Court
- Juvenile & Domestic Relations Court
- Juvenile Court Service Unit
- Magistrates
- Police
- Public Safety Communications
- Sheriff

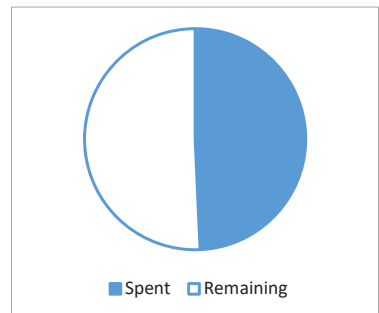
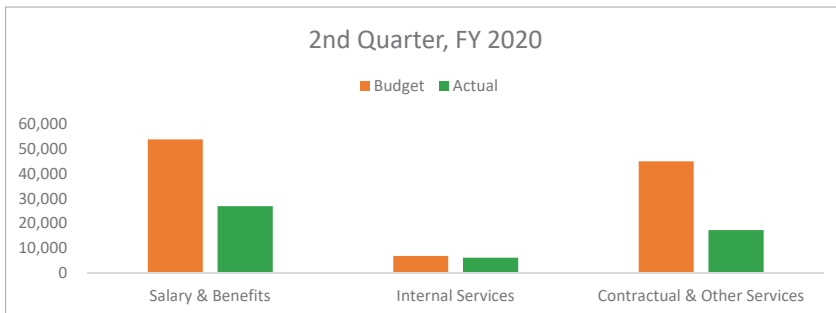
Functional Area	Spending Category	Budget	Actual	Spent %
Public Safety	Salary & Benefits	215,113.71	108,905.24	
	Internal Services	18,927.44	15,160.75	
	Contractual & Other Services	21,753.79	8,655.91	
	Reserves & Contingencies	0.00	0.00	
	255,794.94	132,721.90	51.89%	



Community Development Functional Area

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Economic Development	Salary & Benefits	2,023.71	850.58	
	Internal Services	63.21	61.74	
	Contractual & Other Services	1,253.11	351.33	
	Reserves & Contingencies	0.00	0.00	
		3,340.03	1,263.64	
Library	Salary & Benefits	13,562.44	6,443.80	
	Internal Services	1,090.89	1,064.52	
	Contractual & Other Services	3,417.75	1,089.95	
	Reserves & Contingencies	0.00	0.00	
		18,071.08	8,598.28	
Parks, Recreation & Tourism	Salary & Benefits	20,747.46	10,671.76	
	Internal Services	2,063.88	1,688.61	
	Contractual & Other Services	11,553.99	4,615.36	
	Reserves & Contingencies	(154.00)	0.00	
		34,211.33	16,975.72	
Planning	Salary & Benefits	1,236.30	587.12	
	Internal Services	2,519.35	2,514.22	
	Contractual & Other Services	1,039.29	805.67	
	Reserves & Contingencies	0.00	0.00	
		4,794.94	3,907.02	
Public Works	Salary & Benefits	12,719.08	6,213.09	
	Internal Services	1,019.32	675.16	
	Contractual & Other Services	25,151.20	9,384.14	
	Reserves & Contingencies	(3,480.77)	(1,480.15)	
		35,408.83	14,792.24	
Transportation	Salary & Benefits	3,490.92	2,109.47	
	Internal Services	150.58	131.45	
	Contractual & Other Services	2,566.57	1,013.87	
	Reserves & Contingencies	(3,067.74)	0.00	
		3,140.34	3,254.80	











Notable Variances

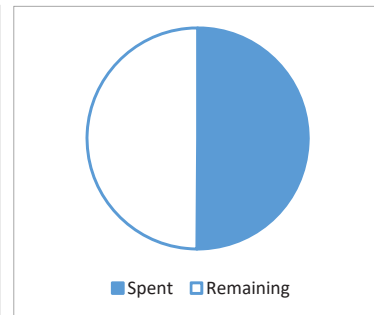
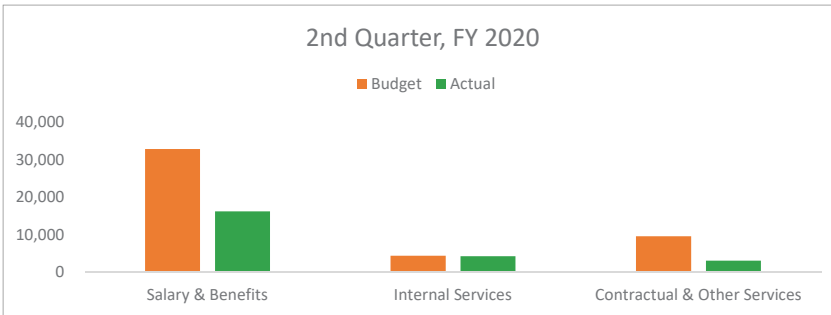
- Economic Development** - Salary and benefits are under budget due to several vacant positions. Additionally, contract payments for small business development services will not occur until later in the fiscal year.
- Planning** - COG membership dues (\$556,980) have been paid for the entire fiscal year. Additionally, Contractual & Other Services includes encumbered funds, not included in the Actual total, for consultant services for various projects intended for completion this fiscal year.
- Public Works** - The department has \$11M in outstanding encumbrances that are not included in the Actual total.
- Transportation** - Most personnel costs are cost-recovered from capital projects. First and second quarter cost recovery has not yet been billed to capital projects.

General Government Functional Area

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Board of County Supervisors	Salary & Benefits	2,962.73	1,444.88	
	Internal Services	127.70	128.85	
	Contractual & Other Services	2,369.96	918.34	
	Reserves & Contingencies	0.00	0.00	
	5,460.39	2,492.06	45.64%	
County Attorney	Salary & Benefits	3,915.06	1,914.59	
	Internal Services	88.28	87.83	
	Contractual & Other Services	249.64	88.51	
	Reserves & Contingencies	(237.91)	(51.54)	
	4,015.07	2,039.38	50.79%	
Elections	Salary & Benefits	1,343.29	707.36	
	Internal Services	85.20	85.45	
	Contractual & Other Services	1,219.00	625.96	
	Reserves & Contingencies	0.00	0.00	
	2,647.49	1,418.77	53.59%	
Executive Management	Salary & Benefits	3,740.47	1,877.91	
	Internal Services	195.68	117.35	
	Contractual & Other Services	526.57	227.15	
	Reserves & Contingencies	0.00	0.00	
	4,462.73	2,222.40	49.80%	
Finance	Salary & Benefits	15,357.52	7,596.99	
	Internal Services	3,260.17	3,240.38	
	Contractual & Other Services	4,717.11	1,051.57	
	Reserves & Contingencies	(719.86)	(412.20)	
	22,614.94	11,476.73	50.75%	
Human Resources	Salary & Benefits	3,289.87	1,541.76	
	Internal Services	574.89	574.93	
	Contractual & Other Services	405.87	176.74	
	Reserves & Contingencies	(599.59)	(489.84)	
	3,671.05	1,803.59	49.13%	
Human Rights Office	Salary & Benefits	695.00	334.93	
	Internal Services	20.82	20.82	
	Contractual & Other Services	79.21	19.00	
	Reserves & Contingencies	0.00	0.00	
	795.03	374.75	47.14%	
Management & Budget	Salary & Benefits	1,502.70	794.38	
	Internal Services	40.76	40.54	
	Contractual & Other Services	49.58	7.38	
	Reserves & Contingencies	(4.95)	0.00	
	1,588.08	842.30	53.04%	

General Government Functional Area *(Continued)*



Notable Variances

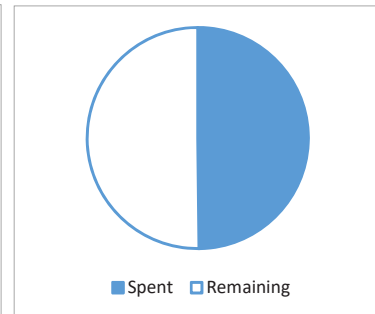
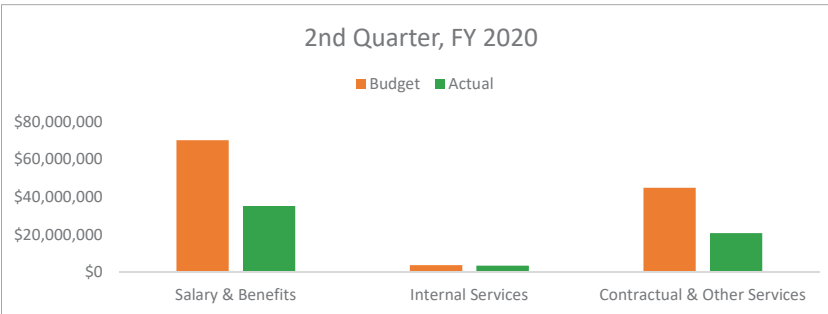
- Board of County Supervisors** - Contractual & Other Services includes audit services. Funds for future audits will be encumbered later in the fiscal year.
- Elections** - The majority of Elections' expenditures occurred during the second quarter coinciding with November elections.

Human Services Functional Area

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Aging	Salary & Benefits	2,482.16	1,254.05	
	Internal Services	155.78	133.87	
	Contractual & Other Services	4,228.48	2,775.70	
	Reserves & Contingencies	0.00	0.00	
	Total	6,866.41	4,163.62	
Community Services	Salary & Benefits	35,051.89	17,193.82	
	Internal Services	1,930.13	1,786.46	
	Contractual & Other Services	12,507.68	3,958.23	
	Reserves & Contingencies	0.00	0.00	
	Total	49,489.70	22,938.52	
Cooperative Extension Service	Salary & Benefits	868.15	386.76	
	Internal Services	80.83	80.83	
	Contractual & Other Services	88.68	43.31	
	Reserves & Contingencies	0.00	0.00	
	Total	1,037.66	510.91	
Public Health	Salary & Benefits	271.63	88.88	
	Internal Services	33.44	27.16	
	Contractual & Other Services	3,059.72	1,615.19	
	Reserves & Contingencies	0.00	0.00	
	Total	3,364.78	1,731.23	
Social Services	Salary & Benefits	31,436.34	16,147.47	
	Internal Services	1,367.03	1,291.90	
	Contractual & Other Services	24,885.62	12,219.09	
	Reserves & Contingencies	0.00	0.00	
	Total	57,688.98	29,658.46	

Human Services Functional Area *(Continued)*



Notable Variances

- Aging** - Expenditures are higher due to full year costs associated with Birmingham Green (\$2.0 million) paid in the first quarter.
- Social Services** - Special education private day school placements projections are higher than anticipated. In February 2020, the BOCS adjusted the FY2020 Budget for Social Services by \$5.8 million.







Public Safety Functional Area

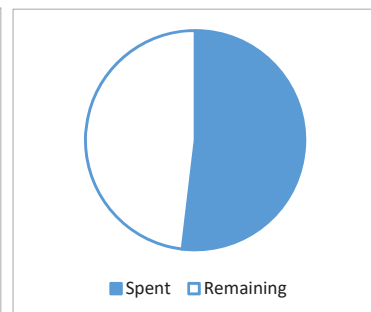
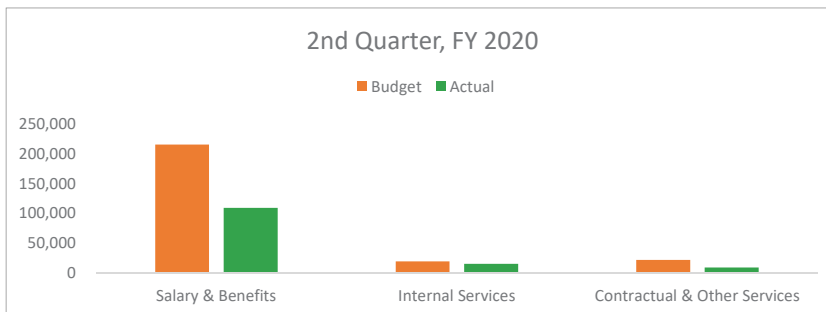
(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Circuit Court Judges	Salary & Benefits	896.41	463.66	
	Internal Services	36.32	33.59	
	Contractual & Other Services	226.06	41.05	
	Reserves & Contingencies	0.00	0.00	
	1,158.79	538.30	46.45%	
Clerk of the Court	Salary & Benefits	3,501.51	1,792.74	
	Internal Services	150.46	150.46	
	Contractual & Other Services	545.49	193.96	
	Reserves & Contingencies	0.00	0.00	
	4,197.45	2,137.16	50.92%	
Commonwealth Attorney	Salary & Benefits	5,840.10	2,571.15	
	Internal Services	155.60	146.70	
	Contractual & Other Services	216.56	89.21	
	Reserves & Contingencies	0.00	0.00	
	6,212.26	2,807.06	45.19%	
Criminal Justice Services	Salary & Benefits	3,867.17	1,941.99	
	Internal Services	170.50	160.64	
	Contractual & Other Services	533.82	178.43	
	Reserves & Contingencies	0.00	0.00	
	4,571.49	2,281.06	49.90%	
Fire & Rescue	Salary & Benefits	87,374.28	45,503.85	
	Internal Services	6,208.78	5,450.47	
	Contractual & Other Services	7,542.86	2,561.28	
	Reserves & Contingencies	0.00	0.00	
	101,125.92	53,515.60	52.92%	
General District Court	Salary & Benefits	181.58	64.17	
	Internal Services	33.80	33.80	
	Contractual & Other Services	473.21	53.47	
	Reserves & Contingencies	0.00	0.00	
	688.59	151.44	21.99%	

Public Safety Functional Area *(Continued)*

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Juvenile & Domestic Relations Ct	Salary & Benefits	111.93	40.29	
	Internal Services	30.30	30.30	
	Contractual & Other Services	286.18	37.76	
	Reserves & Contingencies	0.00	0.00	
		428.41	108.35	25.29%
Juvenile Court Services Unit	Salary & Benefits	577.47	269.64	
	Internal Services	81.40	75.18	
	Contractual & Other Services	374.49	106.42	
	Reserves & Contingencies	0.00	0.00	
		1,033.36	451.24	43.67%
Magistrates	Salary & Benefits	90.50	44.37	
	Internal Services	15.35	15.35	
	Contractual & Other Services	11.83	3.50	
	Reserves & Contingencies	0.00	0.00	
		117.68	63.22	53.72%
Police	Salary & Benefits	92,537.23	46,002.57	
	Internal Services	10,972.07	8,200.48	
	Contractual & Other Services	8,817.72	4,678.09	
	Reserves & Contingencies	0.00	0.00	
		112,327.02	58,881.15	52.42%
Public Safety Communications	Salary & Benefits	9,879.44	4,448.84	
	Internal Services	292.74	288.36	
	Contractual & Other Services	1,852.94	368.99	
	Reserves & Contingencies	0.00	0.00	
		12,025.12	5,106.18	42.46%
Sheriff	Salary & Benefits	10,256.08	5,761.96	
	Internal Services	780.12	575.42	
	Contractual & Other Services	872.63	343.76	
	Reserves & Contingencies	0.00	0.00	
		11,908.84	6,681.14	56.10%



Notable Variances


- Circuit Court Judges** - Spending is low due to one-time office renovations that are in progress. The renovations are related to additional staff added in FY20 and are scheduled to be completed within the fiscal year. Onboarding of the new staff was delayed.
- Commonwealth Attorney** - Salary and benefits are low due to the election of a new Commonwealth's Attorney. The office did not fill vacancies prior to the new administration.
- Fire & Rescue** - 52.1% of Salary & Benefits has been spent during the first half of the fiscal year. This is a direct result of 75.1% of budgeted overtime spent in the first half of the fiscal year.

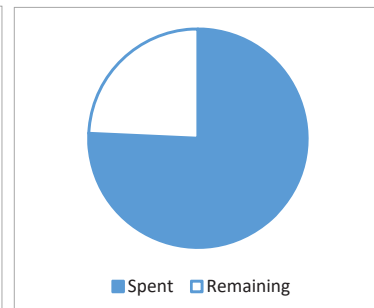
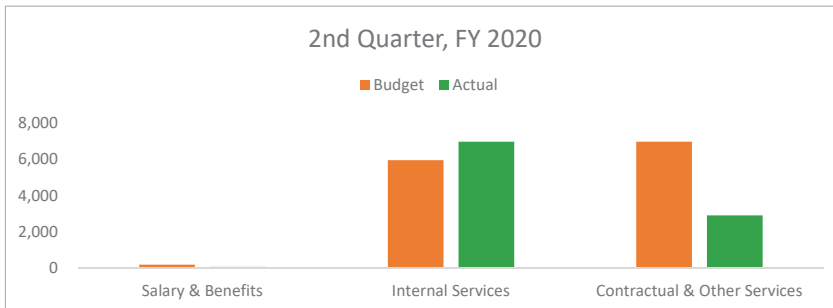
Public Safety Functional Area *(Continued)*

4. **General District Court** - Spending is low due to one-time office renovations that have not begun. The renovations are related to additional staff added in FY20 and are scheduled to be completed within the fiscal year. Onboarding of new staff was delayed.
5. **Juvenile and Domestic Relations Court** - Spending is low due to one-time office renovations that have not begun. The renovations are related to additional staff added in FY20 and are scheduled to be completed within the fiscal year. Onboarding of new staff was delayed.
6. **Juvenile Court Services Unit** - Community Partner funds of approximately \$93K have not yet been distributed to Northern Virginia Family Service for the Intervention, Prevention, and Education program. The department has \$156K in outstanding encumbrances that are not included in the Actual total.
7. **Public Safety Communications** - Salary & Benefits are below budget due to multiple vacancies. Contractual & Other Services are below budget due to subscription costs associated with Next Generation 911, projected to be implemented summer or fall of next fiscal year.
8. **Sheriff** - Salaries and benefits are higher due to implementation of Public Safety Retention and Recruitment Phase 2.

Non-Departmental

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Non-Departmental	Salary & Benefits	173.31	50.51	
	Internal Services	5,954.93	6,967.68	
	Contractual & Other Services	6,967.29	2,897.16	
	Reserves & Contingencies	0.00	0.00	
		13,095.53	9,915.34	




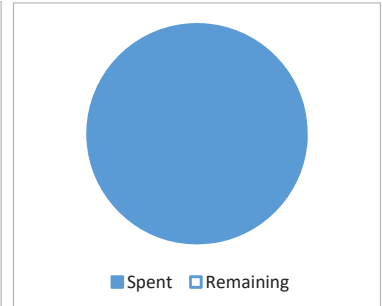
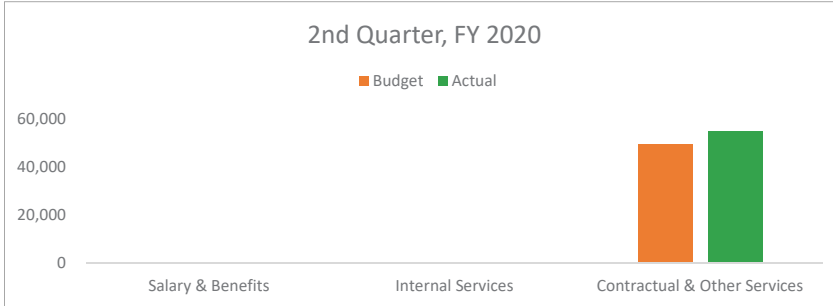
Notable Variances

1. **Non-Departmental** - The following payments were made during the first quarter of the fiscal year: Self Insurance Workers Compensation (\$5.1M), Self-Insurance Casualty Pool (\$1.6M), Property and Miscellaneous insurance premiums (\$0.5M), Hylton Performing Arts Center Contribution (\$1.8M), and Northern Virginia Community College Contribution (\$0.3M).

Debt Service

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Debt Service	Salary & Benefits	0.00	0.00	
	Internal Services	0.00	0.00	
	Contractual & Other Services	49,430.32	54,862.08	
	Reserves & Contingencies	0.00	0.00	
			49,430.32	



Notable Variances

- Debt Service** - The majority of debt service obligations are scheduled for payment in the first quarter of the fiscal year. Additionally, a budget adjustment will be done to comply with the State's requirement to deposit the Commercial and Industrial Tax into a separate and distinct fund.



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