

Non-Departmental/Unclassified Administration

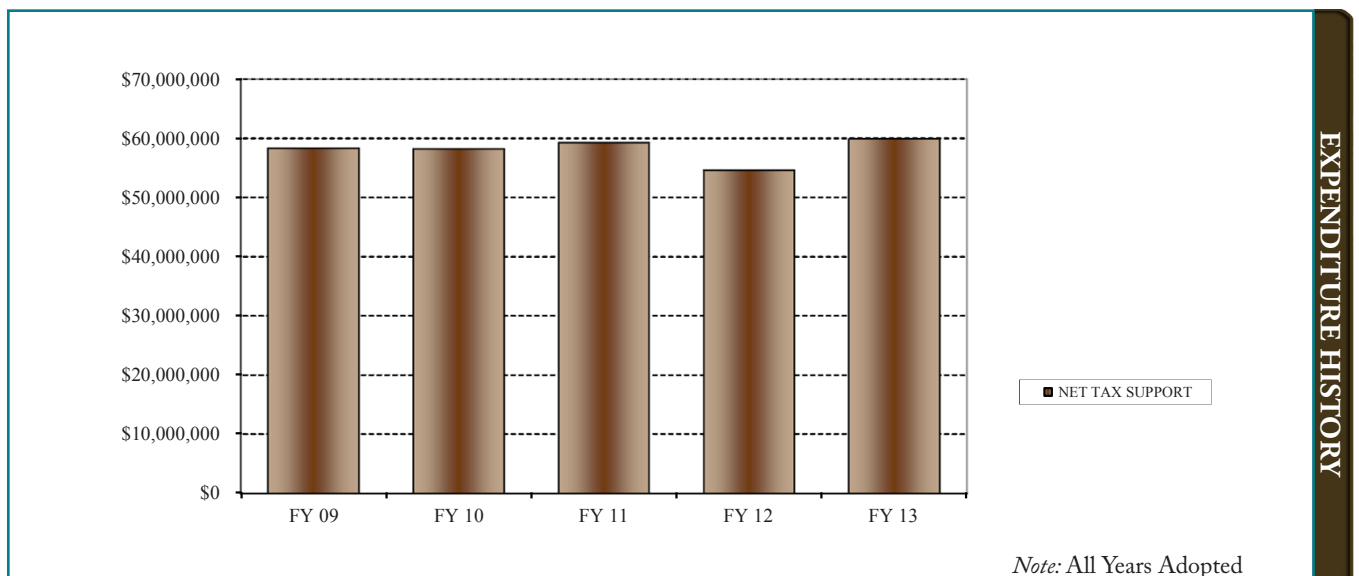
EXPENDITURE AND REVENUE SUMMARY

	FY 11 Approp	FY 11 Actual	FY 12 Adopted	FY 13 Adopted	% Change Adopt 12/ Adopt 13
A. Expenditure by Program					
1 Administration	\$14,367,321	\$11,729,407	\$9,167,647	\$10,407,341	13.52%
2 Medical Insurance - (Internal Services)	\$44,693,902	\$36,877,874	\$45,473,000	\$49,491,000	8.84%
Total Expenditures	\$59,061,223	\$48,607,280	\$54,640,647	\$59,898,341	9.62%

	FY 11 Approp	FY 11 Actual	FY 12 Adopted	FY 13 Adopted	% Change Adopt 12/ Adopt 13
B. Expenditure by Classification					
1 Personal Services	(\$247,100)	\$38,822	\$438,604	\$555,569	26.67%
2 Fringe Benefits	\$1,602,625	\$191,743	(\$571,328)	(\$32,703)	-94.28%
3 Contractual Services	\$3,396,902	\$3,185,563	\$3,600,170	\$4,324,170	20.11%
4 Internal Services	\$1,472,417	\$5,608	\$5,402,585	\$6,678,877	23.62%
5 Other Services	\$41,372,928	\$33,722,093	\$41,861,593	\$45,625,918	8.99%
6 Transfers	\$11,463,451	\$11,463,451	\$3,909,023	\$2,746,510	-29.74%
Total Expenditures	\$59,061,223	\$48,607,280	\$54,640,647	\$59,898,341	9.62%

	FY 11 Approp	FY 11 Actual	FY 12 Adopted	FY 13 Adopted	% Change Adopt 12/ Adopt 13
C. Funding Sources					
1 Other Local Taxes	\$1,762,500	\$1,901,229	\$1,857,000	\$1,875,000	0.97%
2 Revenue From Use of Money & Property	\$450,000	\$333,086	\$350,000	\$500,000	42.86%
3 Charges for Services	\$35,317,431	\$34,759,492	\$36,461,000	\$38,612,000	5.90%
4 Miscellaneous Revenue	\$9,223,679	\$9,235,857	\$10,078,944	\$9,320,791	-7.52%
5 Revenue From Other Localities	\$20,828	\$20,828	\$8,170	\$8,170	—
6 Revenue From Federal Government	\$0	\$283,645	\$0	\$0	—
7 Transfers	\$2,418,165	\$2,418,165	\$2,328,726	\$1,869,470	-19.72%
Total Designated Funding Sources	\$49,192,603	\$48,952,302	\$51,083,840	\$52,185,431	2.16%

Net General Tax Support	\$9,868,620	(\$345,022)	\$3,556,807	\$7,712,910	116.85%
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I. Major Issues

General Overview of Unclassified

Administrative - The Unclassified Administrative area of the budget includes those budget areas representing general expenditures which are not assigned to specific agency budgets. During the course of the fiscal year, many of these dollars are allocated against agency budgets to properly account for where the expenditures actually occur. As a program becomes established, it will often be assigned to an agency on a permanent basis. The funds, once established, would then be transferred from Unclassified Administrative to the agency budget. Due to the many items coming into and out of the Unclassified Administrative budget area between budget years, it is difficult to compare different fiscal year totals. The items in the FY 2013 Budget for Unclassified Administrative are discussed below.

A. Non-Departmental Data Processing

Applications Support - A revision of Internal Services Fund (ISF) Technology Billing has resulted in an increase of \$794,659 to the Non-Departmental budget for FY 13. The Department of Information Technology's (DoIT) formula to develop each agency's ISF bill has been revised to better align actual costs with activities, and to include telephones and radios for FY 13. Telephone costs are based on the number of phone lines and voicemail boxes in each agency, and radio costs are based on the number of hand-held radios in each agency. The net result of this billing revision is an increase of \$794,659 to the Non-Departmental budget for FY 13. Additional information on what these funds support can be found in the DoIT budget.

B. Reduction in Seat Management Contract

Costs - During FY 11, the County entered into a new five year contract with a new vendor to provide seat management services at a lower annual rate. The savings in the FY 12 Budget was \$607,668. An additional \$90,240 in savings is reduced in the Unclassified Administrative FY 2013 Budget.

C. Reduction in Transfer to DoIT Internal Service Fund

- A total reduction of \$651,321 is included in the FY 2013 Budget for technology improvement projects funded from fund balance on a one-time basis in the FY 2012 Budget. The technology improvement projects funded in FY 12 as a transfer to the DoIT internal service fund

included the Computer-Aided Dispatch (\$563,717) replacement project and the Jail Management System (\$87,604) project.

D. Self-Insurance Support

- \$5,140,238 - The Unclassified Administrative area of the general fund includes funds to support the internal service fund of the Prince William County Self-Insurance Group (PWSIG). Included in this group are the Self-Insurance Workers Compensation, and the Self-Insurance Casualty Pool. The FY 2013 Budget is unchanged from the FY 12 Adopted level of \$5,140,238.

E. Transfer from Adult Detention Center

Fund - \$1,172,470 - The transfer of \$1,172,470 to the general fund from the Adult Detention Center (ADC) is required to compensate the general fund for the cost of implementing the Law Enforcement Officers (LEOS) retirement program for Jail Officers and the Jail Superintendent. The funds are shown under Transfers within the Funding Sources area. Additional information concerning the ADC LEOS retirement program can be found in the Major Issues section of the ADC departmental budget.

F. Funds to Support GASB 45 Requirements

- \$644,000 - This item helps support the Board's adopted compensation policy for Prince William County to have a combination of salaries, benefits that include post employment health care, employee development, and workplace environment to attract and retain the most qualified employees in order to implement our vision.

II. Compensation Budget Adjustments

Attracting and Retaining Quality County Employees

Prince William County Compensation Policy

- The compensation policy is as follows:

Prince William County will have a combination of salaries, benefits, employee development and workplace environment that will attract and retain the most qualified employees in order to implement our vision. To accomplish this, the County recognizes the



importance of maintaining salaries that are competitive with other Northern Virginia jurisdictions. Our success in implementing this strategy will be measured by our ability to attract quality applicants, retain quality employees and maintain employee satisfaction.

To implement this compensation policy, we will make every effort, within our position classification structure, to maintain salaries comparable to salaries of similar positions in Fairfax and Arlington counties and the City of Alexandria. The County will annually benchmark its starting salaries with the average starting salaries for these three jurisdictions. Since the County's pay grades are built off the starting salary figure, increases in the starting salary will result in increases throughout the pay grade.

Implementing the Compensation Policy -

The County's policy will be implemented through the following:

A. Market Pay Adjustment

Total Cost	\$0
Supporting Revenue	\$0
Total PWC Cost	\$0

1. Category

- | | |
|--|---------------------------------------|
| <input checked="" type="radio"/> Addition | <input type="radio"/> Base Reduction |
| <input type="radio"/> Five Year Plan Reduction | <input type="radio"/> Resource Shifts |
| <input type="radio"/> Fees/Revenue Increase | <input type="radio"/> State Cuts |

2. Market Pay Adjustment - \$0 - For years in which an adjustment is required to maintain salaries that are competitive between Prince William and the other Northern Virginia jurisdictions, an across-the-board market pay adjustment will be proposed for all County employees. No funding is included to support a market pay adjustment in FY 13. Market pay adjustments of 2.0% in FY 14 and FY 16 are included in the five year plan.

3. Sunday and Holiday Pay Increase - \$0 - This increase is included for agencies which pay out Sunday and Holiday Pay for years in which a market pay adjustment is granted to County employees.

4. Five Year Plan Impact - The five year plan includes the following pay adjustments.

▪ Market Plan Adjustment

FY 13		0.0%
FY 14		2.0%
FY 15		0.0%
FY 16		2.0%
FY 17		0.0%

Market pay adjustments are a moving target, however, and may need to be adjusted based on actions taken by other Northern Virginia jurisdictions. The total five year cost for these salary initiatives is as follows:

▪ Market Pay Adjustment	\$32,811,117
▪ Sunday and Holiday Pay Increase	<u>\$542,196</u>
TOTAL	\$33,353,313

B. Pay for Performance Adjustment

Total Cost	\$4,726,576
Supporting Revenue	\$279,481
Total PWC Cost	\$4,447,095

1. Category

- | | |
|--|---------------------------------------|
| <input checked="" type="radio"/> Addition | <input type="radio"/> Base Reduction |
| <input type="radio"/> Five Year Plan Reduction | <input type="radio"/> Resource Shifts |
| <input type="radio"/> Fees/Revenue Increase | <input type="radio"/> State Cuts |

2. Pay for Performance Adjustment - \$4,726,576 - Funding is included to support a 3.0% pay for performance increase for FY 13. Additionally, the five year plan includes funding for 3.0% pay for performance increases in FY 15 and FY 17. Pay for performance includes the following unless noted otherwise:

- The basic pay for performance increase is calculated on the employee's current salary/pay as a percentage increase until the employee reaches the maximum salary/pay for that position. For FY 13 the maximum salary/pay scale **will be** extended by 3.0% to enable all employees the opportunity to receive a salary increase associated with their pay for performance rating. For FY 15 and FY 17 the maximum salary/pay scale **will not be** extended.
- "Performance Plus" is a lump-sum award that will be added to the first paycheck the employee receives after his/her evaluation, if the performance is rated higher than the "Fully Achieved" rating. This one-





time amount is not added to the employee's base pay. Employees at the maximum salary/pay for their position ("topped out") are eligible for this award. Funding to support "Performance Plus" is budgeted in FY 13, FY 15, and FY 17.

- All employees will also receive whatever pay plan market adjustment is budgeted by the Board of County Supervisors, except those who receive a "Significantly Below" rating.

3. Compensation "Rollover" - Each year the County's budget funds the rollover of compensation actions in the current year into the next budget year. Primarily, this is due to positions which were funded for a part year in the prior year requiring a full year budget for the next fiscal year. Pay for performance increases are necessary because all employees do not receive their pay for performance increases at the beginning of the fiscal year. Therefore, a pay for performance increase given half way through a fiscal year needs to be funded for the entire next fiscal year. This rollover increases the cost of providing a pay for performance increase to all employees. In years in which the prior year budget did not include a pay for performance increase, as was the case for FY 12, little if any additional funds are added to the base budget in the next budget year for compensation rollover. For FY 13 no additional funds were added to the budget due to compensation rollover.

4. Five Year Plan Impact - The five year plan includes the following pay for performance adjustments.

Pay for Performance Adjustment

FY 13	3.0%
FY 14	0.0%
FY 15	3.0%
FY 16	0.0%
FY 17	3.0%

The total five year cost for annual pay for performance and compensation rollover is as follows:

Pay for Performance Increase	\$37,982,826
Compensation Roll-Over	\$9,168,588
TOTAL	\$47,151,414

C. Virginia Retirement System (VRS) and Group Life Insurance Rate

Total Cost	\$10,011,192
Supporting Revenue	\$852,794
Total PWC Cost	\$9,158,398

1. Category

- Addition
- Base Reduction
- Five Year Plan Reduction
- Resource Shifts
- Fees/Revenue Increase
- State Cuts

2. VRS Background - The Prince William County (PWC) FY 13 VRS rate is 18.70%. The rate is calculated based on an actuarial valuation of political subdivision contribution rates as of June 30, 2011. In May 1981 the Prince William BOCS approved that employee paid VRS contributions would be paid by PWC. Since July 4, 1981, PWC has paid the 5% employee share for employees.

3. VRS Plan 2 Employees Start Paying 5% Employee Share of VRS - During FY 10 the Commonwealth of Virginia passed legislation that created VRS Plan 2 for employees hired after July 1, 2010 and who have not been a member of VRS in a previous job. The BOCS approved the FY 2012 Budget with all Plan 2 employees paying the 5% employee share of VRS. The FY 13 savings of \$1.2 million was already included in the FY 13 base budget. It is anticipated that additional FY 14 savings to PWC will be \$0.8 million with the savings growing to \$3.1 million by FY 17 as the number of Plan 2 employees hired by PWC increases over time. The total five year PWC VRS savings attributed to Plan 2 employees paying their share of VRS is projected to be \$7,839,430.

4. 2012 Legislative Session Approves VRS Pension Reform - During FY 12 the Commonwealth of Virginia passed additional VRS legislation that required all individuals in VRS who are employed by local governments to pay the 5% employee contribution effective July 1, 2012. In other words, localities no longer have the option of paying the 5% employee share on behalf of employees. The approved state legislation provided local governments the option to phase in the 5% VRS contribution paid by employees over a maximum of five years. However, localities must provide a salary increase effective July 1, 2012 to offset the mandatory VRS contributions from employees.



5. **1% VRS Offset Cost** - \$2,608,911 - Prince William County elected in the FY 13 Budget to phase in the 5% VRS contribution paid by employees over a period of five years. Therefore, a 1% VRS offset is included in each year of the five year plan for the following employees at a total five year cost of \$29,566,676:

- All VRS Plan 1 employees hired on or before June 30, 2010 **will receive** a 1% salary increase on July 1, 2012 to help offset their required 1% contribution to VRS.
- All VRS Plan 2 employees hired between July 1, 2010 and June 30, 2011 **will receive** a 1% salary increase on July 1, 2012 to help offset their existing 5% employee contribution to VRS.
- VRS Plan 2 employees hired on or after July 1, 2011 **will not receive** any VRS-related salary increase because they were hired knowing that they are required to make the 5% employee contribution to VRS.

1. **VRS Actuarial Rate Increase from FY 12 Adopted and VRS Plan 1 Savings** - \$5,132,234 - Separate from the VRS reform legislation passed by the Commonwealth during FY 12, the VRS actuary completed an actuarial valuation of political subdivision contribution rates for FY 13 and FY 14 as of June 30, 2011. As a result of these valuations the PWC contribution rate for FY 13 increased 3.16% from 15.54% to 18.70% effective July 1, 2012. The rate will remain at 18.70% for FY 14 at a general fund cost of \$6.3 million per year. Additionally, the VRS rate is projected to increase by 1.16% to 19.86% in FY 15 at an additional general fund cost of \$2.3 million per year. The combined FY 13 and FY 15 VRS increases will require additional general fund support of \$8.6 million by FY 15. The total five year cost associated with the VRS actuarial increase is \$38,398,855.

Prince William County will realize savings as a result of the annual 1% shift in VRS costs from employer to Plan 1 employees as mandated by VRS legislation. Instead of paying the VRS actuarial rate of 18.70% in FY 13, PWC will pay a rate of 17.70% because of the 1% shift to Plan 1 employees. The savings to the County's general fund is \$1.6 million in FY 13 and increases each year to \$5.3 million in FY 17 as Plan 1 employees will begin paying the mandated 5% contribution to VRS. The total

five year savings to PWC associated with Plan 1 employees paying their share of VRS by FY 17 is projected to be \$18,655,389.

2. **Group Life Insurance Rate Increase from FY 12 Adopted** - \$2,270,047 - For FY 13 VRS notified Prince William County that the Group Life Insurance rate will increase by 1.04% from 0.28% to 1.32% effective July 1, 2012. The rate is projected to remain at 1.32% for FY 14. The total five year cost for Group Life Insurance increases is \$10,356,540.

3. **Reasons for Increases** - The rate increases in FY 13 for Prince William County are primarily due to the market performance of assets which affects the actuarial value of assets and the unfunded actuarial liability dictating the contribution of the County Pay for Performance.

4. **Five Year Plan Impact** - The total five year cost for the VRS and Group Life Insurance changes are as follows:

▪ VRS Plan 2 Savings	(\$7,839,430)
▪ VRS Offset	\$29,566,676
▪ VRS Actuarial Increase	\$38,398,855
▪ VRS Plan 1 Savings	(\$18,655,389)
▪ Group Life Increase	<u>\$10,356,540</u>
TOTAL	\$51,827,252

D. County Health Insurance / Dental Rate Increase

Total Cost	\$731,848
Supporting Revenue	\$66,163
Total PWC Cost	\$665,685

1. **Category**

- Addition
- Base Reduction
- Five Year Plan Reduction
- Resource Shifts
- Fees/Revenue Increase
- State Cuts

2. **Description** - The County employer contributions to the Medical Insurance Self Insurance Internal Service account for Health Insurance and Dental increases by \$731,848. Nine years ago the County moved to self-insurance for Health Insurance with the creation of a county-wide Medical Insurance Self Insurance Internal Service account. The FY 2013 Budget amount for the Medical Insurance Self Insurance Internal Service account is \$49,491,000.





3. **For FY 13** - The County employer share of the contribution increase to the Medical Insurance Self Insurance Internal Service account is \$731,848 and is required to maintain the stability of the County's self-insurance for Health Insurance. This increase includes approximately a 3.0% average increase for the County's health insurance (\$645,931) and a 9.0% increase for dental insurance (\$85,917).
4. **Five Year Plan Impact** - The total five year cost for the County's employer contribution for health insurance / dental is \$24,241,714.

E. Retiree Health Care Cost Increase

Total Cost	\$76,013
Supporting Revenue	\$6,212
Total PWC Cost	\$69,801

1. Category

- Addition
- Base Reduction
- Five Year Plan Reduction
- Resource Shifts
- Fees/Revenue Increase
- State Cuts

2. **Description** - The County Retiree Health Credit Program is available to employees upon separation and retirement from County service. This Retiree Health Credit Program is separate from and in addition to the existing VRS Health Credit Program, which is also totally funded by County contributions. All full-time employees and existing retirees with a minimum of 15 years of County service can receive \$5.50 per month for each year of PWC service, up to a maximum of \$165 per month for 30 years of County service. When the \$45 maximum per month currently offered as part of the State VRS is added, the maximum for 30 years of County service increases to \$210 per month.
 - An approximate 5% cost increase of \$76,013 in the Retiree Health Care budget is included to cover projected growth in this benefit due to additional retirees. The amount paid to each individual retiree has not increased.
3. **Five Year Plan Impact** - The cumulative five year cost to increase the Retiree Health Care budget at approximately 5% per year is projected to be \$1,119,483.



Summary of FY 2013 Adopted Compensation Adjustments

<u>General Fund</u>	<u>Merit Cost</u>	<u>VRS Offset Cost</u>	<u>VRS (Plan 1 and 2)</u>	<u>Group Life</u>	<u>Delta Dental</u>	<u>Retiree Health</u>	<u>Health Insurance</u>	<u>Total Additions</u>
At Risk Youth & Family Service	\$5,444	\$3,539	\$5,823	\$2,804	\$126	\$76	\$336	\$18,148
Audit Services	\$5,116	\$6,345	\$13,586	\$5,499	\$132	\$133	\$935	\$31,746
Board of County Supervisors	\$15,344	\$15,945	\$31,779	\$12,924	\$832	\$436	\$6,059	\$83,319
Circuit Court Judges	\$12,175	\$5,372	\$11,737	\$4,615	\$187	\$171	\$1,581	\$35,838
Clerk of the Court	\$29,132	\$28,757	\$49,166	\$23,169	\$1,059	\$872	\$7,349	\$139,504
Commonwealth Attorney	\$0	\$42,591	\$71,577	\$34,285	\$955	\$777	\$6,414	\$156,599
Community Services	\$262,399	\$202,280	\$360,543	\$165,225	\$5,330	\$4,833	\$37,024	\$1,037,634
Cooperative Extension Service	\$3,436	\$4,427	\$5,060	\$2,436	\$70	\$76	\$617	\$16,122
County Attorney	\$0	\$27,423	\$49,726	\$23,664	\$620	\$474	\$4,325	\$106,232
Criminal Justice Services	\$41,607	\$23,679	\$38,669	\$17,665	\$591	\$607	\$4,046	\$126,864
Economic Development	\$9,474	\$9,849	\$25,608	\$11,112	\$315	\$246	\$2,513	\$59,117
Finance	\$75,870	\$107,141	\$196,120	\$90,413	\$3,521	\$2,805	\$23,498	\$499,368
Fire and Rescue	\$611,164	\$453,601	\$725,286	\$328,890	\$13,502	\$10,027	\$106,579	\$2,249,049
General District Court	\$0	\$478	\$837	\$403	\$14	\$19	\$140	\$1,891
Human Resources	\$11,469	\$16,407	\$29,643	\$13,916	\$518	\$341	\$2,968	\$75,262
Human Rights Office	\$10,013	\$4,823	\$8,570	\$4,126	\$145	\$95	\$608	\$28,380
Information Technology	\$76,173	\$72,015	\$134,846	\$61,434	\$1,711	\$1,460	\$12,013	\$359,652
Juvenile Court Service Unit	\$9,459	\$5,725	\$10,015	\$4,822	\$159	\$152	\$944	\$31,276
Law Library	\$0	\$1,028	\$1,798	\$866	\$14	\$19	\$140	\$3,865
Library	\$116,165	\$97,310	\$134,436	\$63,424	\$2,326	\$2,009	\$12,360	\$428,030
Non Departmental	\$721,606	(\$272,814)	\$312,070	\$45,297	\$2,086	\$9,729	\$15,539	\$833,513
Office of Executive Management	\$19,447	\$22,764	\$41,675	\$19,195	\$634	\$436	\$4,002	\$108,153
Office of Management & Budget	\$5,831	\$11,125	\$19,723	\$9,496	\$203	\$208	\$1,552	\$48,138
Office on Aging	\$28,377	\$18,508	\$26,628	\$12,821	\$499	\$436	\$2,646	\$89,915
Parks and Recreation	\$669,297	\$133,123	\$162,912	\$78,439	\$0	\$0	\$29,211	\$1,072,982
Planning	\$17,106	\$14,169	\$26,474	\$12,168	\$423	\$357	\$3,568	\$74,265
Police	\$646,418	\$566,133	\$944,650	\$436,986	\$17,187	\$13,476	\$126,269	\$2,751,119
Public Health	\$89,422	\$47,711	\$4,877	\$2,348	\$81	\$57	\$458	\$144,954
Public Safety Communications	\$64,007	\$68,393	\$120,886	\$55,915	\$2,294	\$1,952	\$17,357	\$330,804
Public Works	\$141,909	\$117,735	\$217,333	\$100,601	\$4,443	\$3,576	\$33,106	\$618,703
Registrar	\$6,181	\$6,182	\$11,140	\$5,219	\$255	\$208	\$1,385	\$30,570
Sheriff	\$94,057	\$65,649	\$114,303	\$53,572	\$2,101	\$1,668	\$15,143	\$346,493
Social Services	\$328,803	\$199,227	\$363,449	\$164,087	\$7,462	\$5,705	\$48,464	\$1,117,197
Transfer to ADC	\$292,996	\$218,504	\$387,767	\$180,192	\$7,221	\$5,668	\$52,324	\$1,144,672
Transportation	\$27,198	\$27,748	\$55,486	\$23,280	\$953	\$697	\$6,243	\$141,605
General Fund Total	\$4,447,095	\$2,372,892	\$4,714,198	\$2,071,308	\$77,969	\$69,801	\$587,716	\$14,340,979
Other Funds:								
Adult Detention Center	\$36,213	\$27,006	\$47,926	\$22,271	\$893	\$701	\$6,468	\$141,478
Development Services	\$78,866	\$68,009	\$121,812	\$57,629	\$2,186	\$1,621	\$15,236	\$345,359
Housing & Comm. Dev.	\$23,421	\$20,196	\$35,796	\$17,029	\$653	\$531	\$4,207	\$101,833
Planning - Special Levy	\$17,832	\$10,316	\$16,980	\$8,721	\$401	\$259	\$2,784	\$57,293
Public Works - Const. Crew	\$11,918	\$13,091	\$20,541	\$11,098	\$488	\$401	\$3,678	\$61,215
Public Works - Landfill	\$42,725	\$34,964	\$62,108	\$29,238	\$1,254	\$1,113	\$10,170	\$181,572
Public Works - Special Levy	\$56,824	\$48,025	\$87,713	\$40,639	\$1,650	\$1,297	\$12,405	\$248,553
Transportation	\$11,682	\$14,412	\$25,160	\$12,114	\$423	\$289	\$3,267	\$67,347
Other Funds Total	\$279,481	\$236,019	\$418,036	\$198,739	\$7,948	\$6,212	\$58,215	\$1,204,650
All Funds Total	\$4,726,576	\$2,608,911	\$5,132,234	\$2,270,047	\$85,917	\$76,013	\$645,931	\$15,545,629





III. Other Budget Adjustments

A. Properties Receiving Tax Reimbursement Reduction

Total Cost	(\$52,867)
Supporting Revenue	\$0
Total PWC Cost	(\$52,867)

1. Category

- | | |
|--|---|
| <input type="radio"/> Addition | <input checked="" type="radio"/> Base Reduction |
| <input type="radio"/> Five Year Plan Reduction | <input type="radio"/> Resource Shifts |
| <input type="radio"/> Fees/Revenue Increase | <input type="radio"/> State Cuts |

2. **Description** - A total of \$52,867 was provided in FY 12 to relieve the real estate tax burden for the following non-profit organizations in tax year 2011:

▪ Good Shepherd Housing Foundation	\$29,434
▪ Northern Virginia Family Service	<u>\$23,433</u>
TOTAL	\$52,867

Effective January 1, 2012, the properties owned by these organizations became tax exempt. Since the real estate tax will no longer be levied, the County reimbursement to the aforementioned organizations is no longer necessary.

B. County Proffers

Total Cost	\$5,299,281
Supporting Revenue	\$5,299,281
Total PWC Cost	\$0

3. Category

- | | |
|--|---------------------------------------|
| <input checked="" type="radio"/> Addition | <input type="radio"/> Base Reduction |
| <input type="radio"/> Five Year Plan Reduction | <input type="radio"/> Resource Shifts |
| <input checked="" type="radio"/> Fees/Revenue Increase | <input type="radio"/> State Cuts |

4. **Description** - Funding from proffer accounts is budgeted to support the transfer of \$5,299,281 to capital project accounts. Of this amount, \$3,279,030 is budgeted for transportation projects; \$1,373,946 for parks and recreation projects; \$466,913 for library projects; \$177,139 for fire and rescue projects; and

\$2,253 for stormwater projects identified in the FY 2013-2018 Capital Improvement Program (CIP). Please refer to the CIP document and General Debt/CIP section of this document for additional information regarding proffers and specific projects.

C. Fuel Cost Increase

Total Cost	\$468,145
Supporting Revenue	\$0
Total PWC Cost	\$468,145

1. Category

- | | |
|--|---------------------------------------|
| <input checked="" type="radio"/> Addition | <input type="radio"/> Base Reduction |
| <input type="radio"/> Five Year Plan Reduction | <input type="radio"/> Resource Shifts |
| <input type="radio"/> Fees/Revenue Increase | <input type="radio"/> State Cuts |

2. **Description** - This addition provides for gasoline and diesel fuel cost increases. It is also included in the budget adjustments in the Public Works Fleet Management program in the Planning and Development section of this document.

D. Transfer from Escrowed Development Fee Stabilization Fund

Total Cost	\$352,488
Supporting Revenue	\$0
Total PWC Cost	\$352,488

1. Category

- | | |
|--|---------------------------------------|
| <input checked="" type="radio"/> Addition | <input type="radio"/> Base Reduction |
| <input type="radio"/> Five Year Plan Reduction | <input type="radio"/> Resource Shifts |
| <input type="radio"/> Fees/Revenue Increase | <input type="radio"/> State Cuts |

2. **Description** - This addition transfers \$352,488 from an escrowed development fee stabilization fund in the general fund to address a revenue shortfall in the Land Development area. The transfer will support existing expenditures and a balanced budget for Land Development agencies in the budget.

The total available in the development fee stabilization fund is \$352,488; after this transfer the remaining balance will be \$0.

This addition is part of the other budget adjustments in the Department of Development Services in the Planning and Development section of this document.



E. Virginia Line of Duty Act (LODA)

Total Cost	\$230,000
Supporting Revenue	\$0
Total PWC Cost	\$230,000

1. Category

- Addition Base Reduction
- Five Year Plan Reduction Resource Shifts
- Fees/Revenue Increase State Cuts

2. Description - This addition is the estimated increased cost associated with the Virginia Line of Duty Act (LODA). Individuals or survivors of public safety officers or firefighters with the Commonwealth of Virginia or one of its political subdivisions who are disabled or die in the line of duty may be eligible for benefits under LODA. Beginning in FY 12, the Commonwealth required all political subdivision employers with employees covered under LODA to pay contributions for the cost of the program. Prior to FY 12 the program was funded by the Commonwealth. The County's LODA contribution to the Commonwealth increases \$230,000 from \$400,000 in FY 12 to \$630,000 in the FY 2013 Budget. The County's LODA contribution is anticipated to increase an additional \$70,000 in FY 14 to a total, annual cost of \$700,000.

3. Five Year Plan Impact - The total five year cost of projected LODA rate increases in FY 13 and FY 14 is \$1.4 million.

F. Department of Information Technology Internal Service Fund (DoIT ISF)

Total Cost	\$103,728
Supporting Revenue	\$0
Total PWC Cost	\$103,728

1. Category

- Addition Base Reduction
- Five Year Plan Reduction Resource Shifts
- Fees/Revenue Increase State Cuts

2. Description - This initiative increases the expenditures in the 4000 series related to the DoIT ISF. The expenditure changes can be summarized as follows:

- a. Increase business applications charges by \$162,120.
- b. Reduce web services charges by \$19,572.
- c. Reduce seat management charges by \$52,081.
- d. Increase core IT service charges by \$87,254.
- e. Decrease phone charges by \$105,456.
- f. Increase radio charges by \$31,463.

G. Transient Occupancy Tax for Tourism

Total Cost	\$18,000
Supporting Revenue	\$18,000
Total PWC Cost	\$0

1. Category

- Addition Base Reduction
- Five Year Plan Reduction Resource Shifts
- Fees/Revenue Increase State Cuts

2. Description - The FY 13 revenue projection represents a 0.97% increase (\$18,000) from the FY 2012 Budget of \$1,857,000 to \$1,875,000 in FY 13.

The portion of the County's Transient Occupancy Tax (TOT) revenue designated to support tourism-related expenditures is included under Other Local Taxes within the Funding Sources area of the Expenditure and Revenue Summary. Funding is restricted to a portion of the three cents of each five cents received from transient occupancy tax revenue collected by the County. The three cents represent 60 percent of total transient occupancy tax revenue collected and is designated for the promotion of tourism in the County. Transient occupancy tax revenue is derived from a levy on hotels, motels, boarding houses, travel campgrounds and other facilities offering guest rooms rented out for continuous occupancy for fewer than thirty consecutive days. This tax is reinvested to attract and serve more visitors. The FY 2013 Budget designated Transient Occupancy Tax fund allocation is shown in *Table 1: Transient Occupancy Tax Fund Allocation for FY 13 Budget*.

The TOT revenue for tourism projected for the FY 2013 Budget totals \$1,875,000 (which represents the three cents) and is allocated as follows:





- a. The budget amount provided to the Prince William/Manassas Convention and Visitors Bureau (CVB) is a 2.32% increase (\$22,808) from the FY 12 budget amount. The total amount provided to the CVB is \$1,028,812. Additional information on this addition can be found in the CVB budget pages, in the Planning and Development section.
- b. The FY 13 budget amount provided to Public Works, Historic Preservation program is unchanged from the FY 12 budget amount. The total amount provided to the Historic Preservation program is \$780,438.
- c. The FY 13 budget amount for the Dumfries Weems-Botts Museum, Prince William Soccer, Inc. and Occoquan Mill House Museum is unchanged from the FY 12 budget amount.
- d. The FY 2013 Budget continues funding (\$750) to provide insurance for the Western Prince William County Farm Tour. The Farm Tour is a family fun and educational program devised to highlight farming's contribution to the environment, the community and the County's economy.

1. Category

- Addition
- Five Year Plan Reduction
- Fees/Revenue Increase
- Base Reduction
- Resource Shifts
- State Cuts

2. Description - As part of the FY 2012 Budget, \$3,370,000 was transferred from the Economic Development Opportunity Fund to create a new development services special revenue stabilization fund. It is projected that this stabilization fund will be depleted in FY 14 and development fee revenues alone are not projected to be sufficient to support existing expenditure budgets within the development services special revenue fund. Therefore, a general fund transfer is included in the five year plan beginning in FY 14 to assist in recovering projected land and building development budget deficits in future fiscal years.

The transfer from the general fund will support expenditure budgets in the Departments of Transportation, Public Works and Development Services and the Office of Planning on a cost recovery basis. It is anticipated that at least 90% of land and building development expenditures will be recovered from development fee revenue with up to 10% recovered from the general fund.

3. Five Year Plan Impact - Beginning in FY 14, \$550,000 per year is included in the five year plan for land and building development services. The total five year cost is \$2.2 million.

H. Development Services Cost Recovery from General Fund

Total Cost	\$0
Supporting Revenue	\$0
Total PWC Cost	\$0

Table 1: Transient Occupancy Tax Fund Allocations for FY 2013 Budget

The FY 13 budget allocates the transient occupancy tax funding in the following manner:		
1.	Transfer to the Convention and Visitors Bureau	\$ 1,028,812
2.	Transfer to Public Works/Historic Preservation	\$ 780,438
3.	Dumfries Weems-Botts Museum	\$ 35,000
4.	Prince William Soccer, Inc.	\$ 25,000
5.	Occoquan Mill House Museum	\$ 5,000
6.	Western Prince William County Farm Tour	\$ 750
Total Designated Transient Occupancy Tax Revenues for Tourism		\$ 1,875,000

