



## COUNTY ADMINISTRATOR'S MESSAGE

The FY 2013-2014 budget represents the Board's revenue and expenditure policy direction after budget work sessions with the School Board and Finance Committee. During the budget work sessions, many issues were discussed including revenue increases and decreases, varying revenue from the Commonwealth, and public schools and public safety concerns are just a few of the areas that needed to be addressed. The commitment of the Board of Supervisors, the School Board and county staff has allowed us the opportunity to continue to provide necessary services with a low real estate tax rate in comparison to surrounding localities. With this commitment in mind, we have produced a budget that recognizes limited revenue sources, conservative expenditures and the needs of Frederick County citizens.

### ***Budget Development***

The FY 2014 budget process began in November 2012 with departments and outside agencies receiving budget packets for completion for the first time in five years. Budget submissions were due to the Finance Department in December 2012. The Finance Committee Chairman presented a budget memo in January 2013 to share his concerns on the upcoming budget. In his memo, the Chairman anticipated level funding, continued fund balance funding of \$4.3 million and recommended no increase to the real estate tax rate. The Chairman noted that even though the economy was showing some signs of improvement, the County still needed to be cautious due to any possible curveballs thrown by the state and federal governments. The Chairman also expressed concern over the lack of pay increases for employees for the past several years and would like to see pay increases included, if possible, in the upcoming budget. Departmental budget requests came in about \$30 million above the present level budget. The majority of this increase was capital requests. Revenue projections for FY 2014 also came out ahead of the FY 2013 revenue numbers by \$5.8 million.

Budget development priorities and strategies were as follows:

- Merit Increases
- Fund increase in County share of the Northwestern Regional Adult Detention Center.
- Maintain current staffing levels.
- Restructure health insurance costs.

There were also key positive economic indicators at the outset of the budget process such as revenue increases in sales tax, meals and lodging taxes, personal property taxes, deeds, recordation taxes, Clerk's fees, and Development Review fees. The unemployment rate for Frederick County also has shown steady improvement running consistently below the state and national averages.

### ***Budget Strategies***

Looking at what departments requested for FY 2014, most increases were made up of capital requests. Capital purchases have been deferred for many years due to budget constraints. Here is a brief look at what some of the departments requested to be funded or purchased in FY 2014:

<b>Sheriff's Office:</b>	
Outdoor stand alone camera - surveillance	\$9,000
Automated Fingerprint ID System	\$75,000
Digital Imager – electronic capture of fingerprints	\$22,049
ENT Callbox for barricade situations	\$10,000
LETS Body Worn Transmitter	\$10,000

Three unmarked vehicles for Investigators	\$68,961
13 marked patrol vehicles	\$304,434
Crisis Negotiation/Command Post Vehicle	\$100,000
Livescan System – Update/Replace equipment	\$27,130
Servers – update/replace	\$30,000
<b>Fire and Rescue:</b>	
Vehicles – six replacement, two new	\$252,250
Support Trailer 7x14 w/storage and generator	\$10,500
Laptop w/Getac & required accessories/software	\$6,000
Fit Testing machine	\$8,900
Gas meters for Battalion 10	\$5,750
Lifepak 15 with capnography software	\$66,000
Wave Form Capnography	\$15,000
Four Autopulse or Lucas automated chest compression devices	\$62,000
Onboard RV Generator	\$6,000
Two Lifepak 15 Monitor/Defibrillators	\$80,000
Laerdal Training Manikins	\$160,000
<b>Parks and Recreation:</b>	
Fleet Trip Vehicles – Two buses, one van	\$290,000
Indoor Aquatic Facility	\$15,163,000
Two 72" Z-Turn Mowers	\$21,000
Four pickup trucks – two for Clearbrook, two for Sherando	\$160,400
Replace pool siding – Clearbrook and Sherando	\$70,000
Re-plaster pool – Clearbrook and Sherando	\$80,000
Baseball field lighting upgrade – Clearbrook and Sherando Parks	\$1,300,000
Water Slide/Spray Ground – Clearbrook and Sherando Parks	\$1,251,208
Storage Building 30' x 60' – Clearbrook Park	\$50,000
Electric Utility Cart and 21" Sod Cutter – Sherando Park	\$12,000
Access Road with Parking/Trails – Sherando Park	\$1,540,626
Sun Shade Cover 30' x 30' – Sherando Pool	\$7,000
Water Well Completion – North Side – Sherando Park	\$35,000

The General Fund budget for FY 2014 totals \$133,024,407. This is an increase over FY2013 of \$5,840,103. Historically, any new General Fund revenue is split with the School Board receiving 57%, or \$3,328,859, and the other 43%, or \$2,511,244, remaining in the General Fund. The revenue adjustments are as follows:

General Property Taxes	\$4,883,379
Other Local Taxes	\$1,283,809
Permits, Fees and Licenses	\$52,360
Fines and Forfeitures	\$28,241
Use of Money and Property	(\$23,425)
Charges for Services	\$59,050
Miscellaneous	(\$253,705)
Recovered Costs	\$163,427
State Revenue	(\$259,693)
Federal Revenue	(\$93,340)

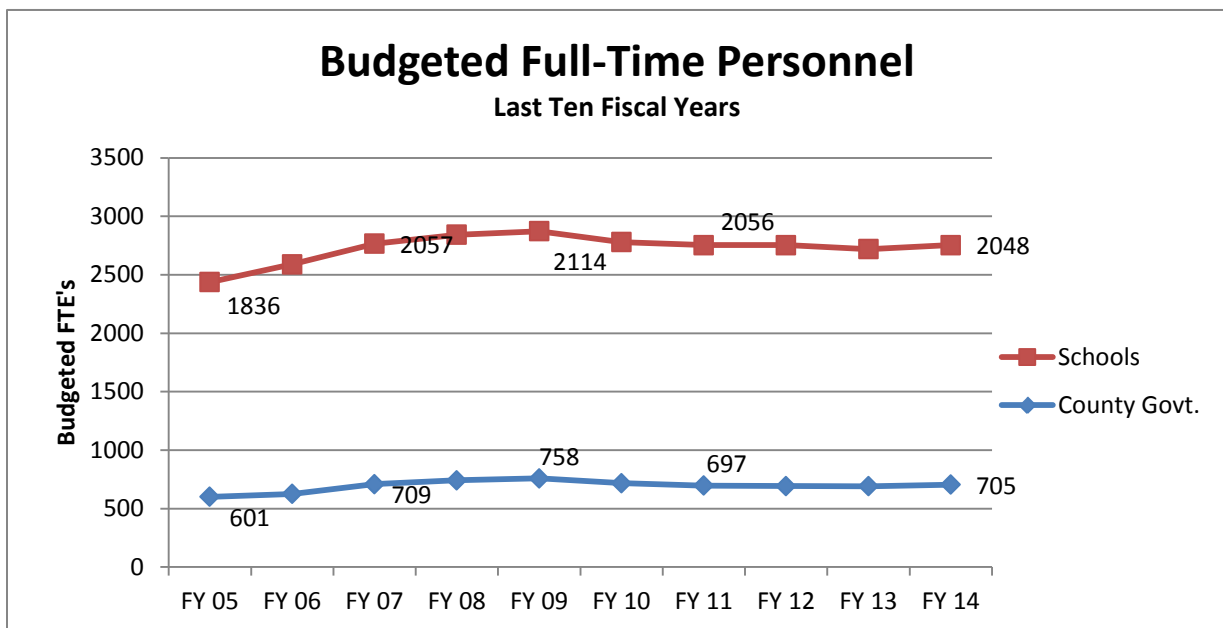
As stated above, \$2.5 million of new revenue remained in the General Fund to fund any necessary adjustments. Salary adjustments of \$1.8 million were made in FY 2013 to fund the VRS mandate and to fund seven new positions approved in the fall of 2013. With the budget priorities and strategies in mind, General Fund expenditure adjustments were able to occur for FY 2014 as follows:

- ▶ Health Insurance Premium increase – The County experienced close to a ten percent increase in health insurance rates. Employer contributions as well as employee contributions increased to cover this cost. The same benefit plan was maintained.
- ▶ Jail contribution increase – The original contribution amount was \$1.6 million but was reduced by cuts to the Jail budget.
- ▶ Salary Increases – An average of 3.7 percent has been included for County employees to be effective October 1, 2013. Salary increases have not been included in the budget since FY 2009.
- ▶ Maintenance Service Contracts – The Information Technologies department has had recent upgrades to equipment and these contracts are necessary for these upgrades.
- ▶ Airport Operating Contribution – An increase to the Airport Contribution from the General Fund is needed. The sale of fuel has decreased significantly which leads to a larger contribution from the localities that help fund the Airport.

Seven positions were added to the General Fund budget during FY 2013. No new positions were approved in the FY 2014 budget for the General Fund. Five positions were requested from several General Fund departments but unfortunately, none were approved.

The changes in positions for the school system are listed below:

- 8.5 additional classroom teaching positions were approved in the FY 2014 budget – a physical education teacher, 1.5 full-time equivalent (FTEs) Health & Sciences teachers under the Valley Health System Partnership, and six unidentified teachers to accommodate class schedules and potential growth. The six unidentified classroom teaching positions will be filled when needed and as funding is identified.
- One additional full-time special education aide was approved in the budget.
- One additional full-time grounds maintenance technician was approved in the budget.
- A Records Center Specialist is added to the FY 2014 budget.
- FY 2014 budget eliminated positions include 2.5 FTEs from the Regional Adult Education Program, 0.4 FTE technology programming and records center administration hours, and a computer technician. These positions were eliminated due to instructional and departmental restructuring plans.



The county held a public hearing on the proposed FY 2014 budget on March 27, 2013. Nine speakers voiced their concerns at the public hearing, including the Superintendent of Schools and the School Board Chairman commended the Board of Supervisors and School Board for working together to a satisfactory conclusion but also showed concern for upcoming projects that will need attention in the near future.

The adoption of the FY 2013-2014 budget occurred on April 9, 2013.

The tax rates for Frederick County are assessed as follows:

Real Estate	\$.585 per \$100
Personal Property	\$4.86 per \$100
Business & Occupational	
Retail	\$.20 per \$100
Contractors	\$.16 per \$100
Professional Services (calculated on gross receipts)	\$.58 per \$100
Wholesale (calculated on purchases)	\$.05 per \$100
Machinery and Tools	\$2.00 on declining values

These rates are based on 100% of estimated fair market value.

## CAPITAL IMPROVEMENT PLAN

The Code of Virginia assigns the responsibility for preparation of plans for capital outlays to the local planning commission. The Capital Improvements Plan (CIP) consists of a schedule for major capital expenditures for the county for the ensuing five years. The CIP document separate from the budget was adopted by the Board of Supervisors on January 23, 2013.

The CIP is updated annually. Projects are removed from the plan as they are completed or as priorities change. The plan is intended to assist the Board of Supervisors in preparation of the county budget. In addition to determining priorities for capital expenditures, the county must also ensure that projects contained within the CIP conform to the Comprehensive Policy Plan. Specifically, the projects are reviewed with considerations regarding health, safety, and the general welfare of the public. Only items/projects which exceed \$100,000 are included in the CIP. When the CIP is adopted, it becomes a component of the Comprehensive Policy Plan.

The annual review process begins with the submission of capital expenditure requests from county departments and relevant agencies in the fall of the year. These requests are evaluated by the Comprehensive Plans and Programs Committee (CPPC), a committee of the Planning Commission. The CPPC meets with department representatives regarding expenditure requests to determine a recommended priority for the various projects. This recommendation is forwarded to the Planning Commission which in turn makes a recommendation to the Board of Supervisors.

The Capital Improvements Plan is strictly advisory. It is possible that particular projects may not be funded during the year that is indicated in the CIP. The CIP is considered the first step towards the project, while the budget is considered the last obstacle before construction.

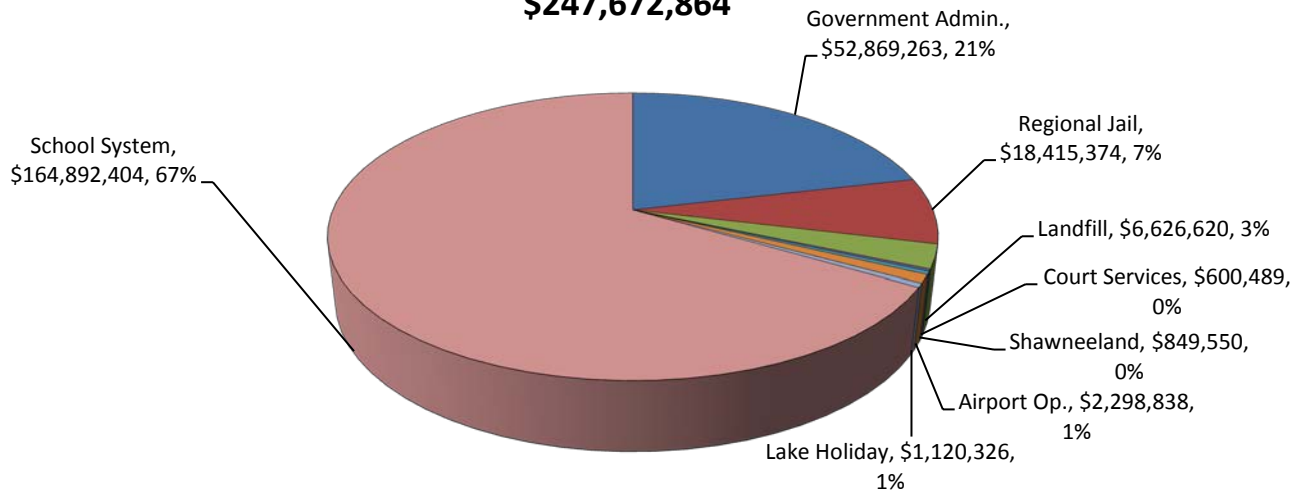
For more detailed information about Frederick County's Capital Improvement Plan, see the full Capital Improvement Plan document available on the county's website.



**School Transportation Facility**

## FY 2013-2014 Total Operating Budget

**\$247,672,864**



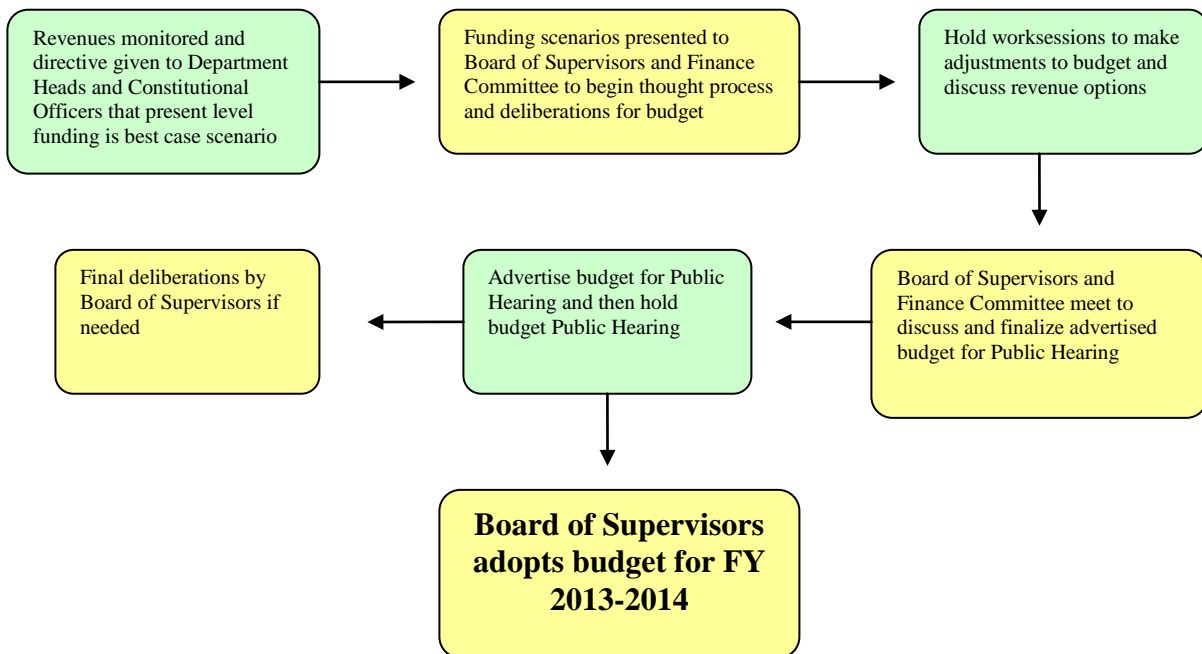
### Summary of All Funds

	Budget FY 2013	Adopted FY 2014	Increase (Decrease)	% Change
<b>General Fund:</b>				
Administration	\$7,907,509	\$8,394,217	\$486,708	6.16%
Judicial Administration	1,940,620	2,124,752	184,132	9.49%
Public Safety	23,177,525	25,469,242	2,291,717	9.89%
Public Works	3,955,055	3,940,814	(14,241)	(.36%)
Health & Welfare	7,058,184	6,935,132	(123,052)	(1.74%)
Community College	56,493	56,493	0	0
Parks, Recreation & Cultural	4,929,830	5,107,445	177,615	3.60%
Community Development	1,753,697	1,818,346	64,649	3.69%
Non-Departmental/Transfers	76,405,391	79,177,966	2,772,575	3.63%
<b>Total General Fund</b>	<b>\$127,184,304</b>	<b>\$133,024,407</b>	<b>\$5,840,103</b>	<b>4.59%</b>
Regional Detention Center Fund	\$17,380,185	\$18,415,374	\$1,035,189	5.95%
Landfill Fund	\$8,226,180	\$6,626,620	(\$1,599,560)	(19.44%)
Division of Court Services Fund	\$588,809	\$600,489	\$11,680	1.98%
Shawneeland Sanitary District Fund	\$766,702	\$849,550	\$82,848	10.80%
Airport Operating Fund	\$3,159,728	\$2,298,838	(\$860,890)	(27.24%)
Lake Holiday Sanitary District Fund	\$0	\$1,120,326	\$1,120,326	100.00%
School Funds	\$146,025,812	\$151,452,001	\$5,426,189	3.71%
School Debt Service Fund	\$14,923,651	\$14,954,701	\$31,050	.20%
<b>Total All Funds</b>	<b>\$318,255,371</b>	<b>\$329,342,306</b>	<b>\$11,086,935</b>	<b>3.48%</b>
Less Transfers Between Funds	\$77,427,429	\$81,669,442	\$4,242,013	5.47%
<b>Net Total – All Funds</b>	<b>\$240,827,942</b>	<b>\$247,672,864</b>	<b>\$6,844,922</b>	<b>2.84%</b>

**County of Frederick**  
**FY 2013-2014 Budget Calendar**

- November 19, 2012**  
 Budget materials sent to all departments and outside agencies
- December 21, 2012**  
 Budget requests from departments and outside agencies due back to Finance Department
- January 16, 2013**  
 Budget discussion at Finance Committee meeting outlining priorities including budget memo from Finance Committee Chairman
- January 23, 2013**  
 Joint budget meeting with School Board and Board of Supervisors;  
 School Board presents School Board budget to Board of Supervisors
- February 13, 2013**  
 Board of Supervisors Budget Worksession
- February 19, 2013**  
 School Board budget public hearing
- February 27, 2013**  
 Budget Worksession – Final worksession before budget advertisement
- March 18, 2013**  
 Public Hearing Advertisement in newspaper
- March 27, 2013**  
 FY 2013-2014 Budget Public Hearing
- April 9, 2013**  
 FY 2013-2015 Budget Adoption
- May-July, 2013**  
 Preparation of Adopted Budget Document and submission of budget for award
- July 1, 2013**  
 Implementation of Fiscal Year 2013-2014

**Budget Process Flow Chart**

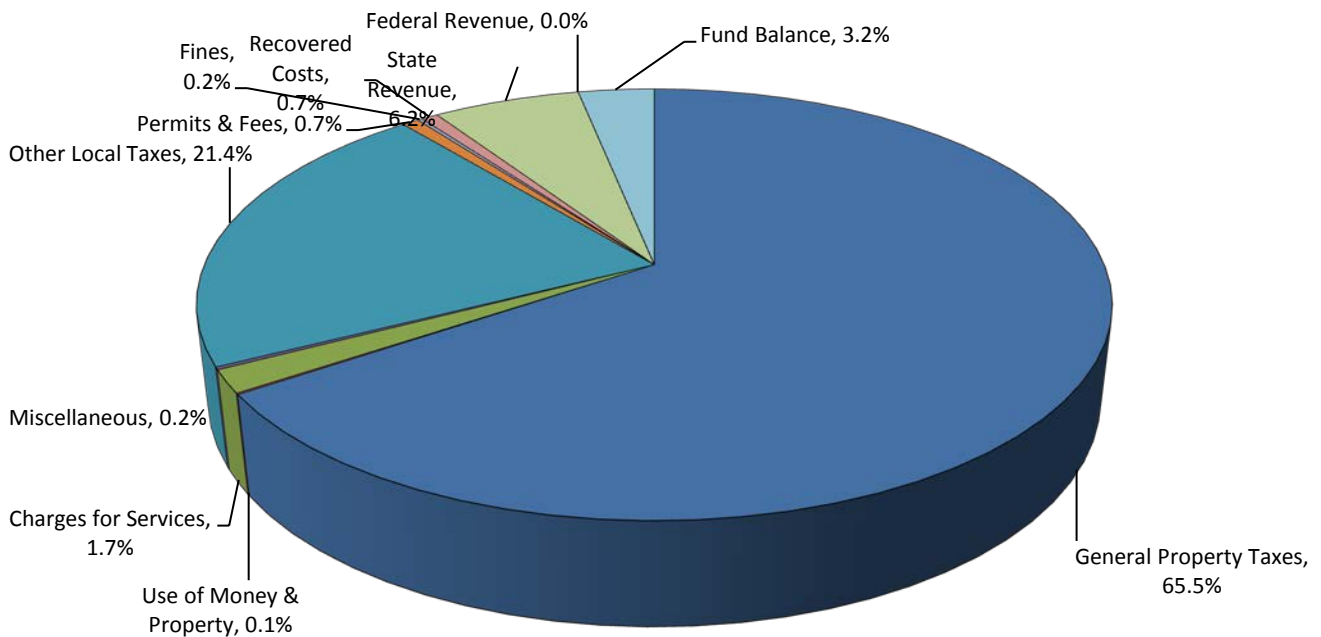




## General Fund Revenues/Income

General Fund Revenues/Income	2012-13 Budgeted	2013-14 Adopted	Increase (Decrease)	% Change
General Property Taxes	82,285,000	87,168,379	4,883,379	5.93%
Other Local Taxes	27,145,651	28,429,460	1,283,809	4.72%
Permits, Fees and Licenses	904,250	956,610	52,360	5.79%
Fines and Forfeitures	251,759	280,000	28,241	11.22%
Use of Money and Property	154,545	131,120	(23,425)	(15.16%)
Charges for Services	2,250,180	2,309,230	59,050	2.62%
Miscellaneous	485,000	231,295	(253,705)	(52.31%)
Recovered Costs	745,275	916,702	171,427	23.00%
Commonwealth	8,554,304	8,286,611	(267,693)	(3.13%)
Federal	108,340	15,000	(93,340)	(86.15%)
Fund Balance	4,300,000	4,300,000	0	0
<b>Total</b>	<b>127,184,304</b>	<b>133,024,407</b>	<b>5,840,103</b>	<b>4.59%</b>

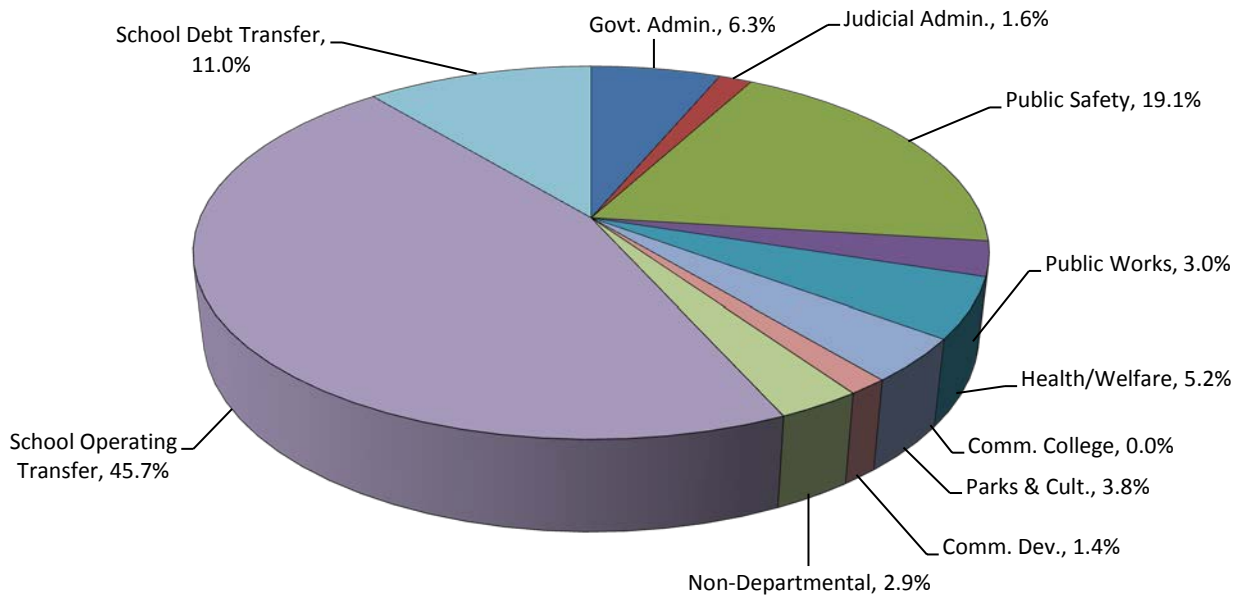
### FY 2013-2014 General Fund Revenues/Income \$133,024,407



## General Fund Expenses

General Fund Expenses	2012-13 Budgeted	2013-14 Adopted	Increase (Decrease)	% Change
General Administration	7,907,509	8,394,217	486,708	6.15%
Judicial Administration	1,940,620	2,124,752	184,132	9.48%
Public Safety	23,395,530	25,469,242	2,291,717	8.86%
Public Works	3,955,055	3,940,814	(14,241)	(.36%)
Health/Welfare	7,058,184	6,935,132	(123,052)	(1.74%)
Community College	56,493	56,493	0	0
Parks, Recreation & Cultural	4,929,830	5,107,445	177,615	3.60%
Community Development	1,753,697	1,818,346	64,649	3.68%
Non-Departmental	4,162,773	3,824,494	(556,284)	(8.12%)
Transfer to Schools	57,398,462	60,727,321	3,328,859	5.79%
Transfer to School Debt	14,626,151	14,626,151	0	0
<b>Total</b>	<b>127,184,304</b>	<b>133,024,407</b>	<b>5,840,103</b>	<b>4.59%</b>

### FY 2013-2014 General Fund Expenses \$133,024,407



# COUNTY FACTS

## FREDERICK COUNTY TAXPAYER COSTS

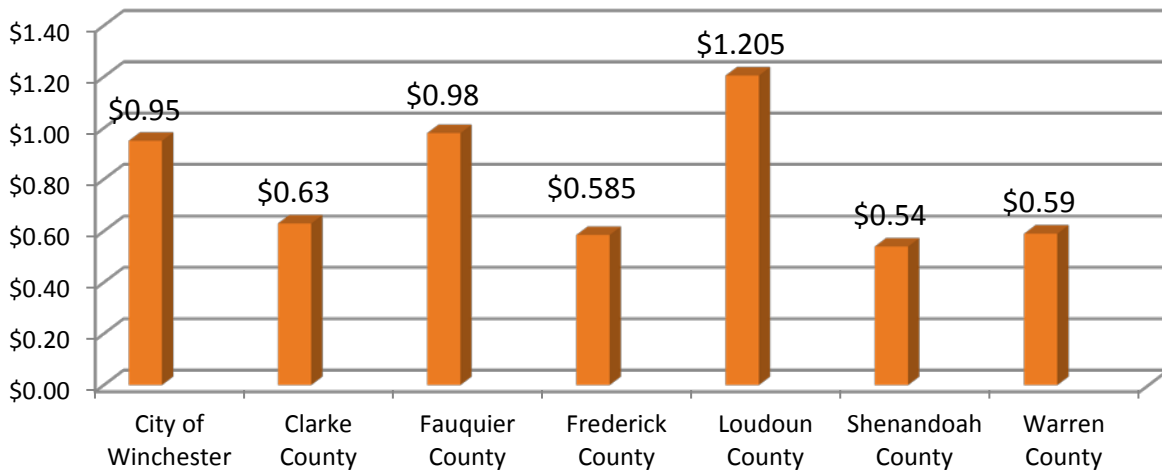
	General Fund FY 2013-14	Per Capita \$	% of Total
General Administration	\$8,394,217	\$104.77	6.31 %
Judicial Administration	2,124,752	26.52	1.60 %
Public Safety	25,469,242	317.90	19.15 %
Public Works	3,940,814	49.19	2.96 %
Health/Welfare	6,935,132	86.56	5.21 %
Parks & Rec./Cultural	5,107,445	63.75	3.84 %
Community Development	1,818,346	22.70	1.37 %
Education (includes Debt Svc.)	75,409,965	941.24	56.69 %
Miscellaneous	3,824,494	47.74	2.88 %
	<b>\$133,024,407</b>	<b>\$1,660.37</b>	<b>100.00 %</b>

Chart shows cost of General Fund per county citizen using an estimated population of 80,118

### Property Tax Rates Last Ten Calendar Years

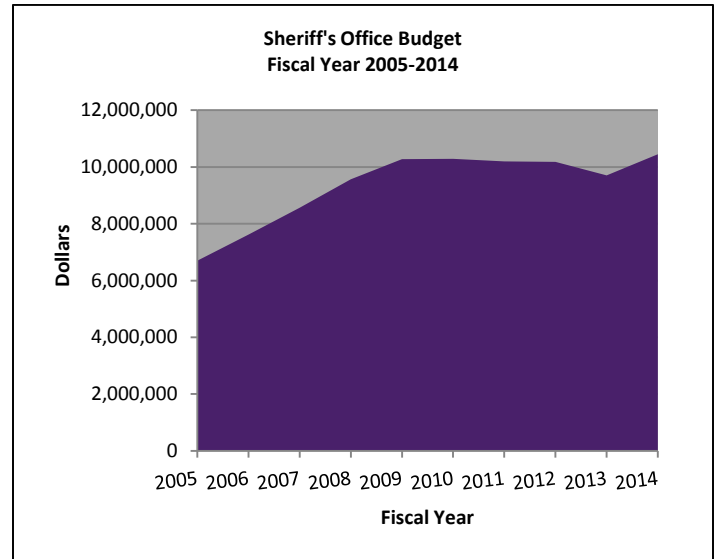
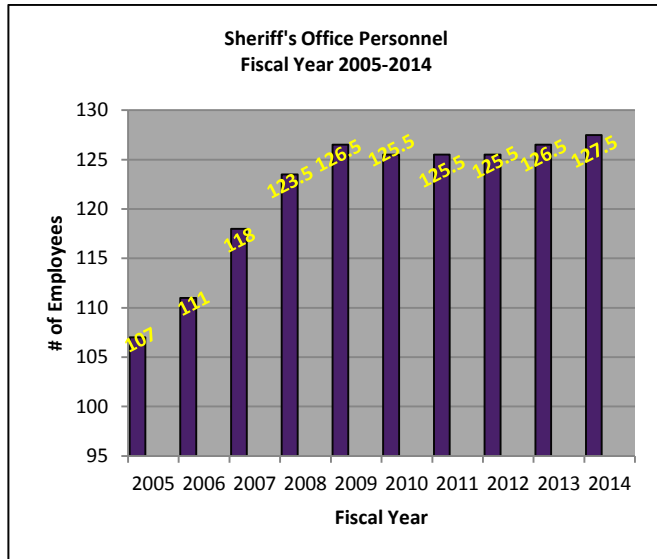
Calendar Year	Real Estate	Personal Property	Machinery and Tools	Mobile Homes	Public Utilities	
					Real Estate	Personal Property
2004	0.73	4.20	2.00	0.73	0.73	4.20
2005	0.525	4.20	2.00	0.525	0.525	4.20
2006	0.525	4.20	2.00	0.525	0.525	4.20
2007	0.525	4.20	2.00	0.525	0.525	4.20
2008	0.525	4.20	2.00	0.525	0.525	4.20
2009	0.51	4.86	2.00	0.51	0.51	4.86
2010	0.51	4.86	2.00	0.51	0.51	4.86
2011	0.545	4.86	2.00	0.545	0.545	4.86
2012	0.585	4.86	2.00	0.585	0.585	4.86
2013	0.585	4.86	2.00	0.585	0.585	4.86

### Real Estate Tax Comparison of Neighboring Counties and Cities 2012

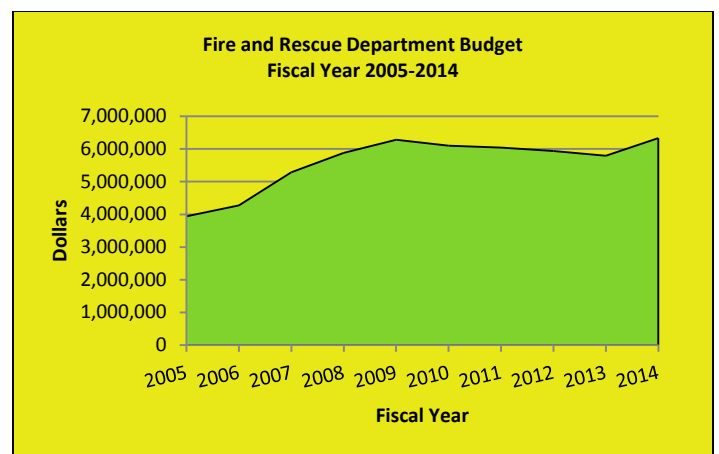
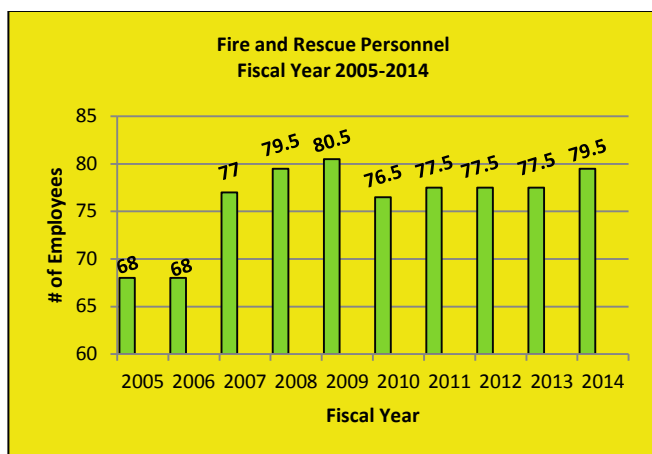


## Public Safety

The Sheriff's Office has experienced an increased demand for public safety services due to increased violent crime, technology based crime and gang activity. The FY 2013-2014 budget for the Sheriff's Office includes one new ICAC Investigator provided through a grant. The Sheriff's Office has seen an eighteen percent (18%) increase in personnel over the past ten years. The FY 2013-2014 budget for the Sheriff's Office includes the third year lease payment for thirteen replacement cruisers. The Sheriff's Office has seen a fifty-five percent (55%) increase in their budget since FY 2004-2005, increasing from \$6,716,432 to \$10,449,266 in the last ten years.



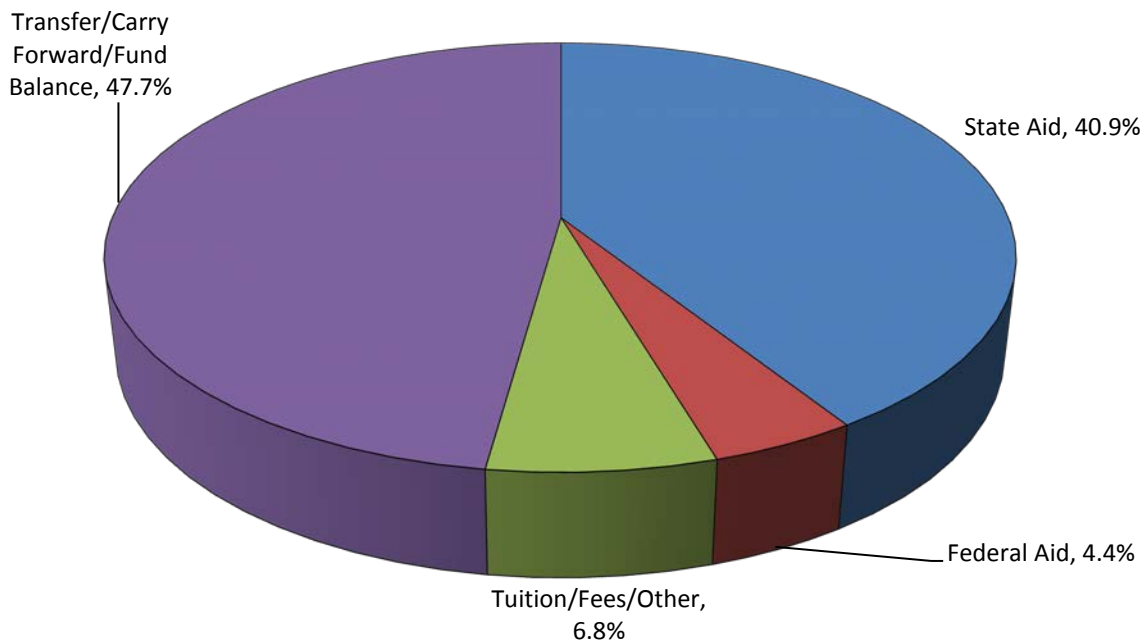
The Frederick County Fire and Rescue Department has also seen its share of growth over the past decade. The fire and rescue volunteer pool is supplemented by full-time career fire and rescue personnel. The FY 2013-2014 budget for Fire and Rescue includes two new firefighters that were added during FY 2012-2013. The Fire and Rescue Department has experienced a sixteen percent (16%) jump in full-time personnel over the past ten years. The Fire and Rescue Department does not include any capital items such as rescue equipment or vehicles. The Fire and Rescue Department has seen a sixty-one percent (61%) increase in their budget since FY 2004-2005, increasing from \$3,941,334 to \$6,335,030 in the last ten years.



## School System Revenues/Income

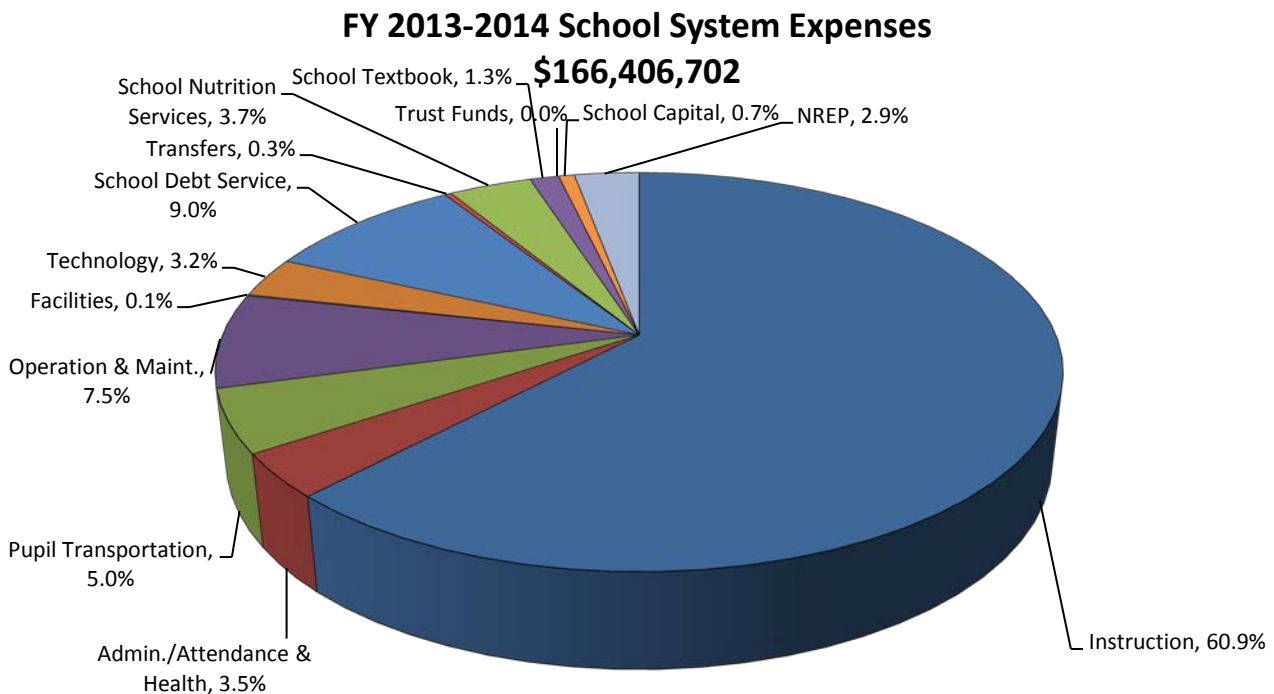
School System Revenues/Income	2012-13 Budgeted	2013-14 Adopted	Increase (Decrease)	% Change
State Aid	66,819,108	68,139,042	1,319,934	1.9%
Federal Aid	8,442,055	7,418,374	(1,023,681)	(1.2%)
Tuition, Fees, and Other	8,479,576	11,407,709	2,928,133	3.5%
Transfer/Carry Forward/Fund Balance	77,208,724	79,441,577	2,232,853	2.8%
<b>Total</b>	<b>160,949,463</b>	<b>166,406,702</b>	<b>5,457,239</b>	<b>3.3%</b>

### FY 2013-2014 School System Revenues/Income \$166,406,702



## School System Expenses

School System Expenses	2012-13 Budgeted	2012-13 Adopted	Increase (Decrease)	% Change
Instruction	100,270,454	101,465,070	1,194,616	1.19%
Admin./Attendance & Health	5,661,380	5,869,055	207,675	3.67%
Pupil Transportation	7,970,607	8,247,089	276,482	3.47%
Operation & Maintenance	12,049,427	12,411,165	361,738	3.00%
Facilities	249,322	200,411	(48,911)	(19.62%)
Technology	5,284,108	5,385,745	101,637	1.92%
School Debt Service	14,923,651	14,954,701	31,050	0.21%
Transfers	421,700	421,508	(192)	(0.05%)
School Nutrition Services	6,774,851	6,124,927	(649,924)	(9.59%)
School Textbook	2,295,277	2,158,429	(136,848)	(5.96%)
Trust Funds	16,100	16,100	0	0.00%
School Capital Fund	367,115	1,182,640	815,525	222.14%
NREP Operating Fund	4,615,470	4,819,862	204,392	4.43%
NREP Textbook Fund	50,000	50,000	0	0.00%
Consolidated Services	0	3,100,000	3,100,000	100.00%
<b>Total</b>	<b>160,949,463</b>	<b>166,406,702</b>	<b>5,457,240</b>	<b>3.39%</b>



## SCHOOL FACTS

### **Student Enrollment**

The FY 2014 projected student enrollment is 13,150 for Frederick County Public Schools (FCPS). This is an increase of 84 students or one percent (1%) compared to the September 15, 2012, actual student enrollment of 13,066. Since FY 2002, FCPS has seen enrollment grow by about 2,346 students. Since FY 2002, FCPS has opened five new school buildings.

Student membership growth slowed during 2010 through 2012 compared to the previous years. In the past five years, FCPS' student membership grew by 3.4 percent while the Virginia state average grew by 4.7 percent. FCPS membership is projected to grow at an annual average rate of less than one percent over the next five years.

<b>Student Enrollment Growth</b>			
<b>Fiscal Year</b>	<b>Students Enrolled</b>	<b>Number Change</b>	<b>Percentage Change</b>
2002	10,774	91	0.9%
2003	11,029	255	2.4%
2004	11,343	314	2.9%
2005	11,742	399	3.5%
2006	12,223	481	4.1%
2007	12,596	373	3.1%
2008	12,905	409	2.5%
2009	12,913	8	0.06%
2010	13,035	122	0.9%
2011	13,043	8	0.06%
2012	13,029	-14	-0.11%
2013	13,066	37	-0.11%
<b>Enrollment Projections</b>			
2014	13,150	127	0.97%
2015	13,204	110	0.84%
2016	13,251	147	1.1%
2017	13,397	93	0.69%
2018	13,529	104	0.77%

### **Cost Per Pupil**

Based on actual FY 12 information (most current information available) from the Virginia Department of Education, Frederick County Public Schools' cost per pupil is 9.1 % lower than the state average.

<b>Cost Per Pupil Comparison</b>							
	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
Winchester City	10,856	11,566	12,387	12,396	11,392	11,560	11,369
Clarke County	8,778	8,995	9,365	9,578	9,241	9,768	9,637
Warren County	7,705	8,244	8,990	9,021	8,932	8,974	8,549
Loudoun County	11,975	12,655	13,440	13,448	12,688	11,946	12,429
Shenandoah County	8,878	9,617	9,804	10,113	10,394	10,115	10,741
Fauquier County	9,546	10,427	10,925	11,339	11,255	11,283	11,014
<b>Frederick County</b>	<b>9,394</b>	<b>9,879</b>	<b>10,284</b>	<b>10,234</b>	<b>10,083</b>	<b>9,773</b>	<b>9,970</b>
<b>State Average</b>	<b>9,755</b>	<b>10,584</b>	<b>11,037</b>	<b>11,316</b>	<b>11,020</b>	<b>10,793</b>	<b>10,969</b>
<b>Regional Average</b>	<b>9,590</b>	<b>10,198</b>	<b>10,742</b>	<b>10,876</b>	<b>10,569</b>	<b>10,488</b>	<b>10,530</b>

The Citizens Guide to the Budget has been developed to give citizens an understanding of the budget process and final budget approved by the Frederick County Board of Supervisors. Frederick County's budget document provides estimated revenues and expenditures for the current fiscal year, detailed departmental budgets, and historical and statistical information. Citizens may view this document by visiting the Frederick County website at [www.frederickcountyva.gov](http://www.frederickcountyva.gov) and selecting the Finance Department page.

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### ***Board of Supervisors***

Richard C. Shickle – Chairman

Charles S. DeHaven – Stonewall District

Robert A. Hess – Gainesboro District

Gene E. Fisher – Shawnee District

Gary A. Lofton – Back Creek District

Robert W. Wells – Opequon District

Christopher E. Collins – Red Bud District

### ***County Administrator***

John R. Riley, Jr.

