

Fiscal Year 2014

General Fund Budget Summary

Frederick County, Virginia



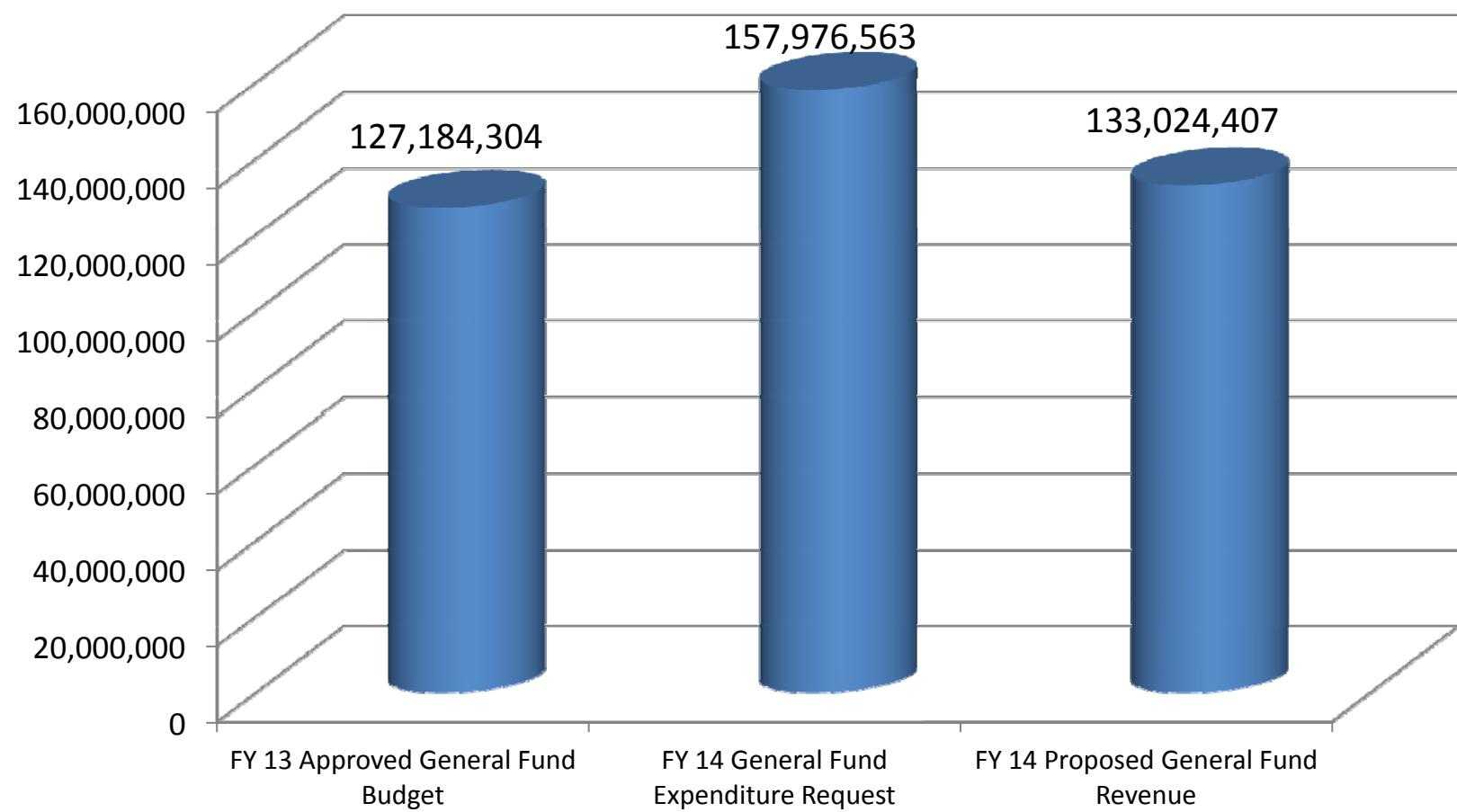
FY 2013 Budget Calendar

- **Monday, November 19, 2012** – Budget packets sent to all departments and outside agencies.
- **Friday, December 21, 2012** – Budget requests from departments and outside agencies due back to Finance.
- **Wednesday, January 16, 2013** – Budget discussion outlining priorities including Finance Committee Chairman's budget memo.
- **Wednesday, January 23, 2013** – Joint budget meeting with School Board and Board of Supervisors.
- **Wednesday, February 13, 2013** – County budget meeting with Board of Supervisors prior to BOS meeting.
- **Tuesday, February 19, 2013** – School Board budget public hearing.
- **Wednesday, February 20, 2013** – Finance Committee meeting.
- **Wednesday, February 27, 2013** – County budget meeting with Board of Supervisors prior to BOS meeting.
- **Wednesday, March 6, 2013** – Final budget work session with staff and BOS to discuss drafting of budget advertisement.
- **Wednesday, March 20, 2013** – Finance Committee meeting.
- **Wednesday, March 27, 2013** – Board of Supervisors meeting – public hearing on budget.
- **Wednesday, April 3, 2013** – Budget work session with staff and BOS to discuss public hearing and budget resolution.
- **Wednesday, April 10, 2013** – FY 2014 Budget Adoption.

FY 2014 Budget Priorities

- Emphasize importance of salary increase for current employees to improve morale, retention, and employment recruitment.
- Evaluate employee salary scales to ensure sufficient compensation and adequateness.
- Evaluate employee benefits to assure consistency, fiscal prudence, and market trends.
- Provide responsible stewardship for county funds and to ensure the citizens receive the best services possible for the funds expended.
- Ensure a highly trained public safety program to provide efficient services and protection to county citizens.

Fiscal Year 2014 General Fund Revenue/Expenditure Summary



FY 14 Departmental Requests to FY 13 Adopted General Fund Expenditure Comparison

Function	FY 13 Approved	FY 14 Request	Increase (Decrease)
General Govt.	7,935,188	8,714,766	779,578
Judicial Admin.	1,946,320	2,082,044	135,724
Public Safety	23,407,082	28,059,336	4,652,254
Public Works	3,955,055	4,190,099	235,044
Health/Welfare	7,058,184	7,058,160	(24)
Comm. College	56,493	76,936	20,443
Parks/Cultural	4,929,830	25,346,438	20,416,608
Comm. Dev.	1,753,697	1,862,526	108,829
School Transfers	72,024,613	78,024,613	6,000,000
Non-Departmental	4,117,842	2,561,645	(1,556,197)
Total	127,184,304	157,976,563	30,792,259

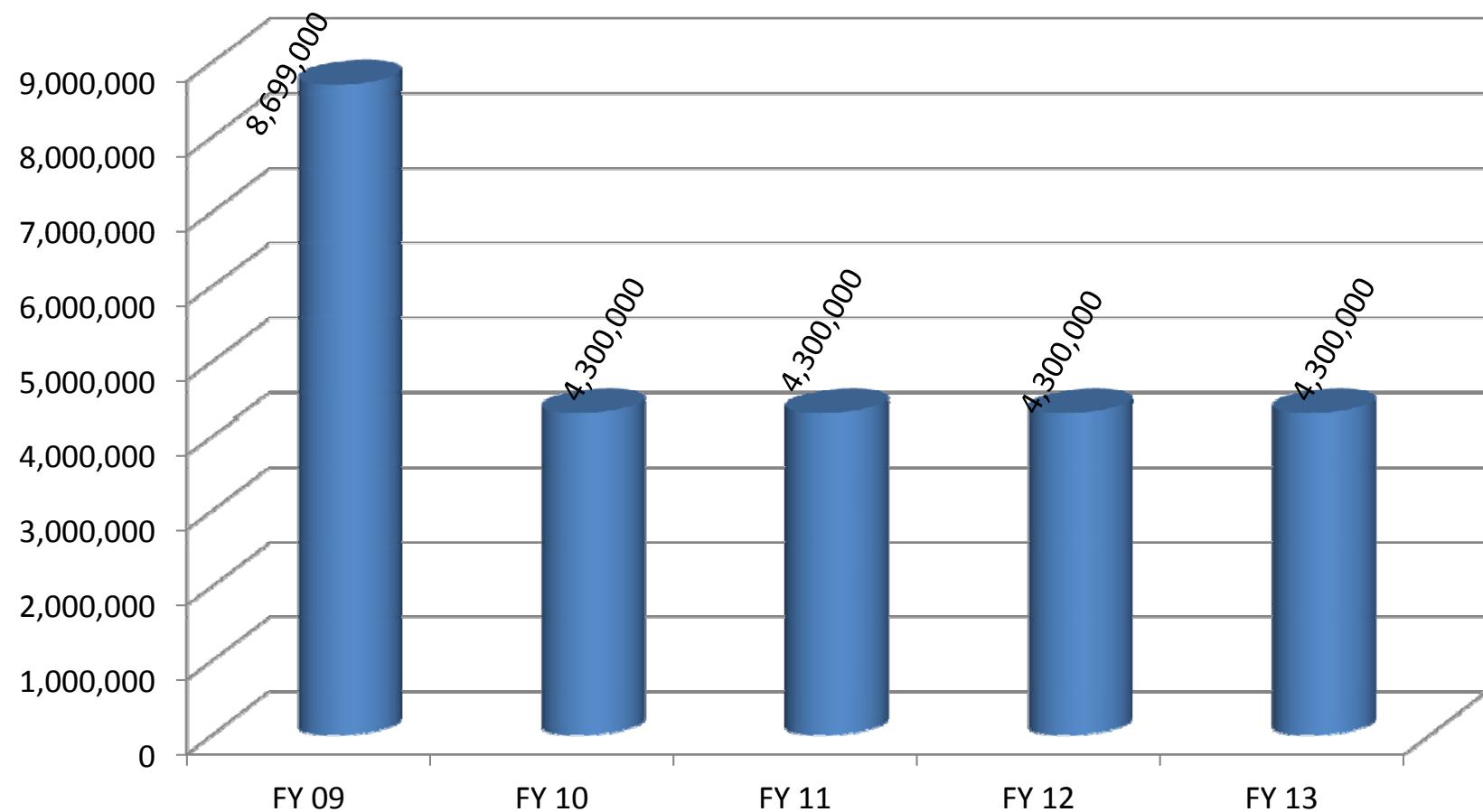
FY 14 New Positions Requested

General Fund

Department	Position	Salary & Fringes
County Administrator	Public Information Officer	\$83,000
Human Resources	Human Resources Admin.	\$40,000
Comm. of Revenue	Office Assistant I	\$38,000
Reassessment	Data Collector	\$39,000
Parks and Rec.	Assistant Director	\$97,197

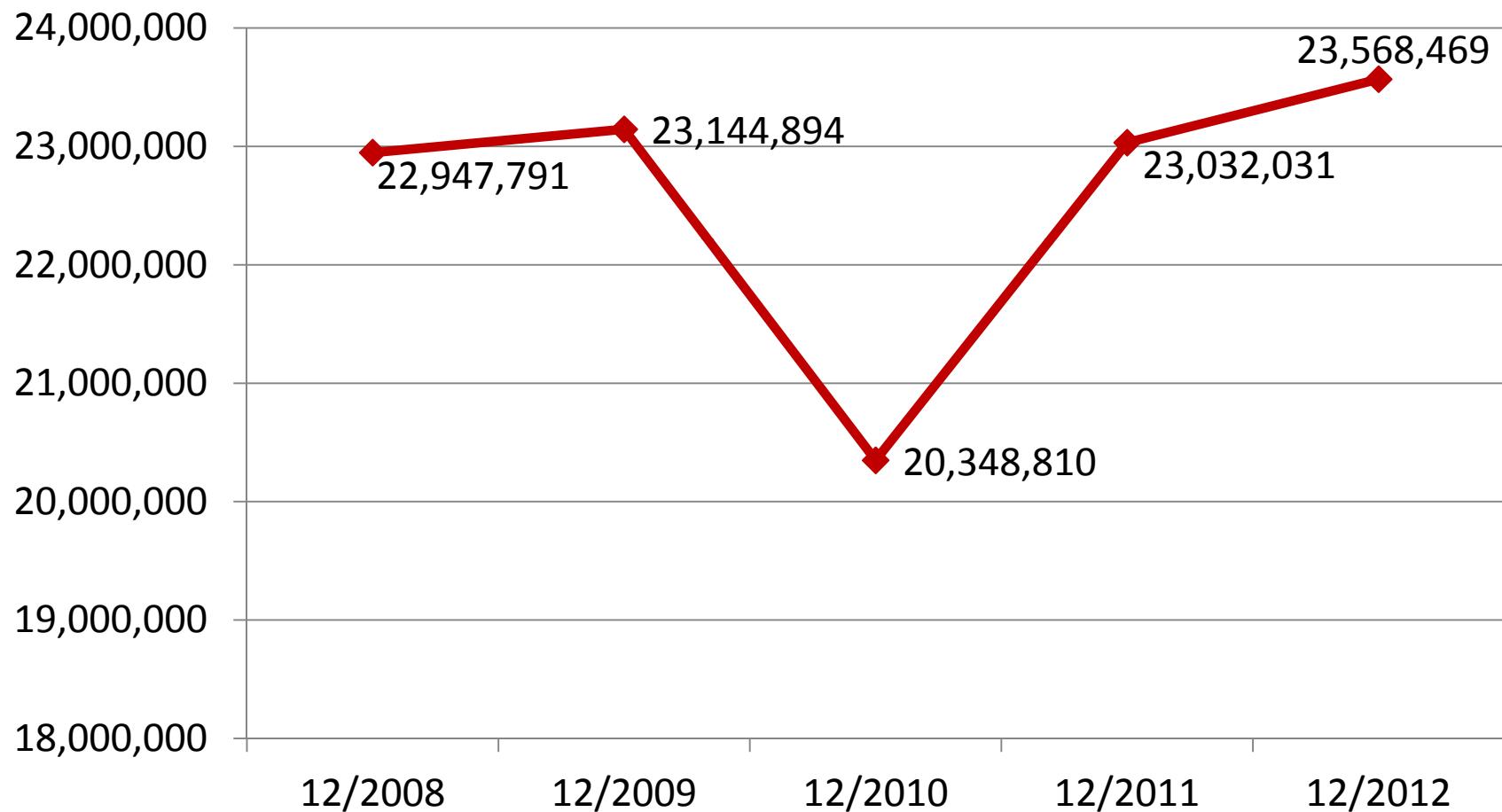
Funding From Fund Balance

Last Five Fiscal Years



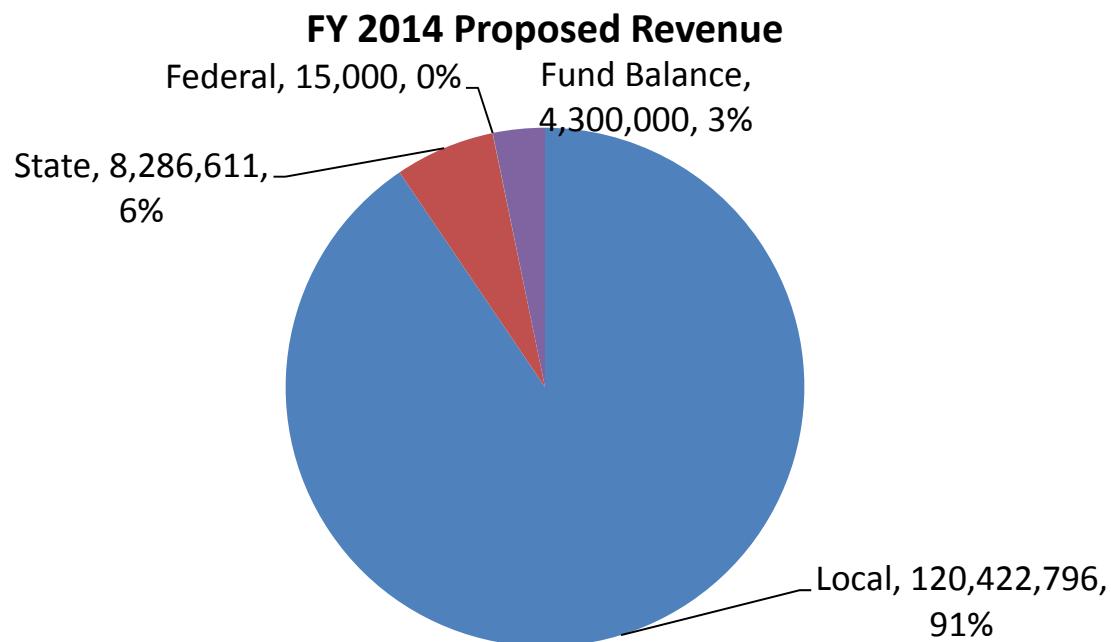
Unreserved Fund Balance History

12/31 Balance Last Five Years



General Fund Revenue Comparison

	FY 13 Budget	FY 14 Proposed	Difference
Local Revenue	114,229,660	120,422,796	6,193,136
State Revenue	8,546,304	8,286,611	(259,693)
Federal Revenue	108,340	15,000	(93,340)
Fund Balance	4,300,000	4,300,000	--
Total	127,184,304	133,024,407	5,840,103



FY 14 General Fund Revenue Increase Breakdown

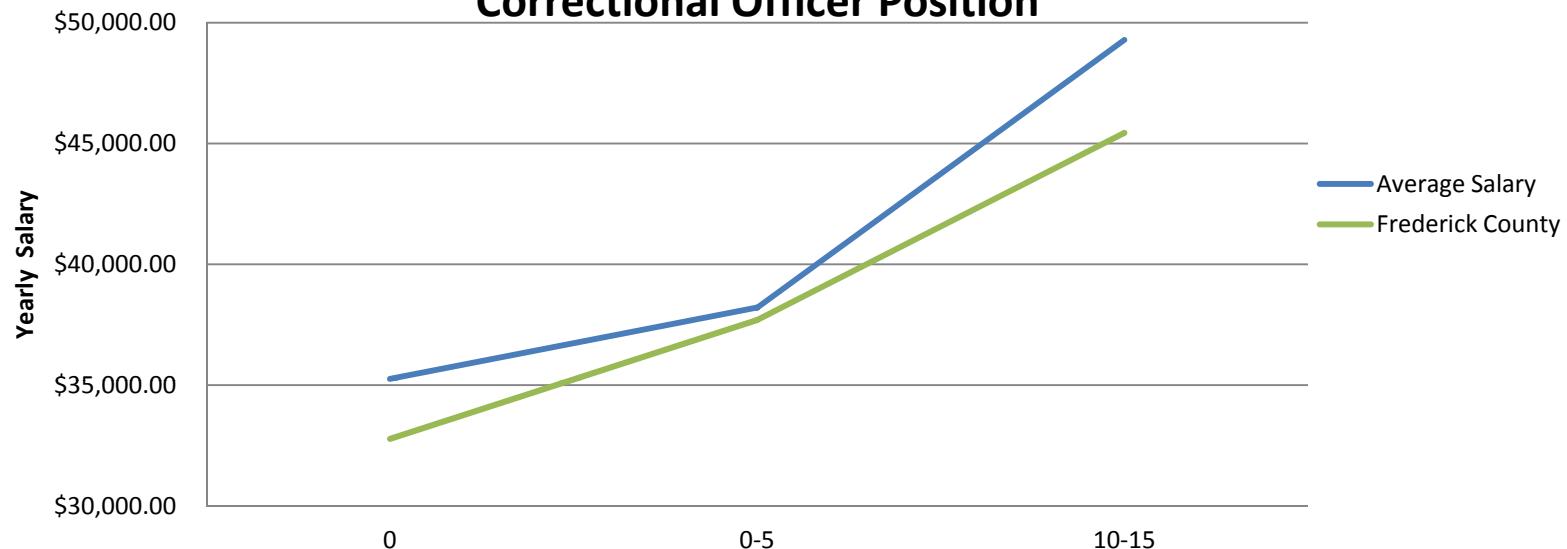
Revenue Increase	5,840,103
School Operating (57%)	3,328,859
General Fund (43%)	2,511,244
	5,840,103

FY 14 General Fund Previously Committed Summary

FY 13 Budget Amendments	
IT – Maintenance Service Contracts	86,630
IT – Phase III Increase	5,515
Assistant Comm. Attorney	78,000
Career Development	140,000
5 Dispatch/Fire & Rescue positions	210,000
Overtime – Fire & Rescue	60,000
1% VRS make whole salary adjustment	233,000
VRS funding shortfall	136,842
Total	949,987

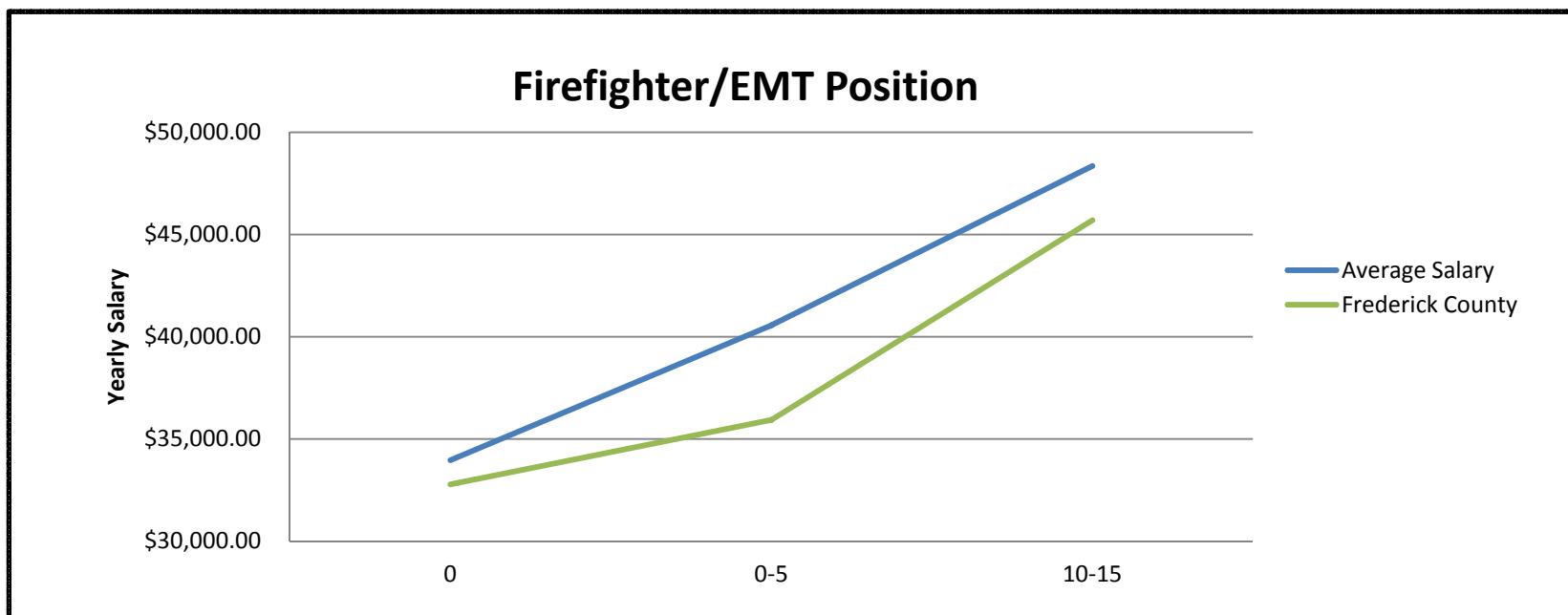
General Fund Share of FY 14 Increased Revenue	2,511,244
FY 13 Amendments	(949,987)
Amount Remaining for General Fund to Fund Salary Increases/Other Items	1,561,257

Deputy Position Correctional Officer Position



County	Years of Service		
	0	0-5	10-15
Rockingham	\$ 28,234.00	\$ 30,863.00	no data
Albemarle	\$ 34,378.00	\$ 36,949.00	\$ 46,206.00
York	\$ 36,875.00	\$ 45,886.00	\$ 54,192.00
Fauquier	\$ 37,564.00	\$ 38,115.00	\$ 53,070.00
Harrisonburg City	\$ 39,249.00	\$ 39,249.60	\$ 43,700.80
Average	\$ 35,260.00	\$ 38,212.52	\$ 49,292.20
Frederick	\$ 32,777.60	\$ 37,697.00	\$ 45,441.77

*Salaries are prior to VRS "make whole" amount



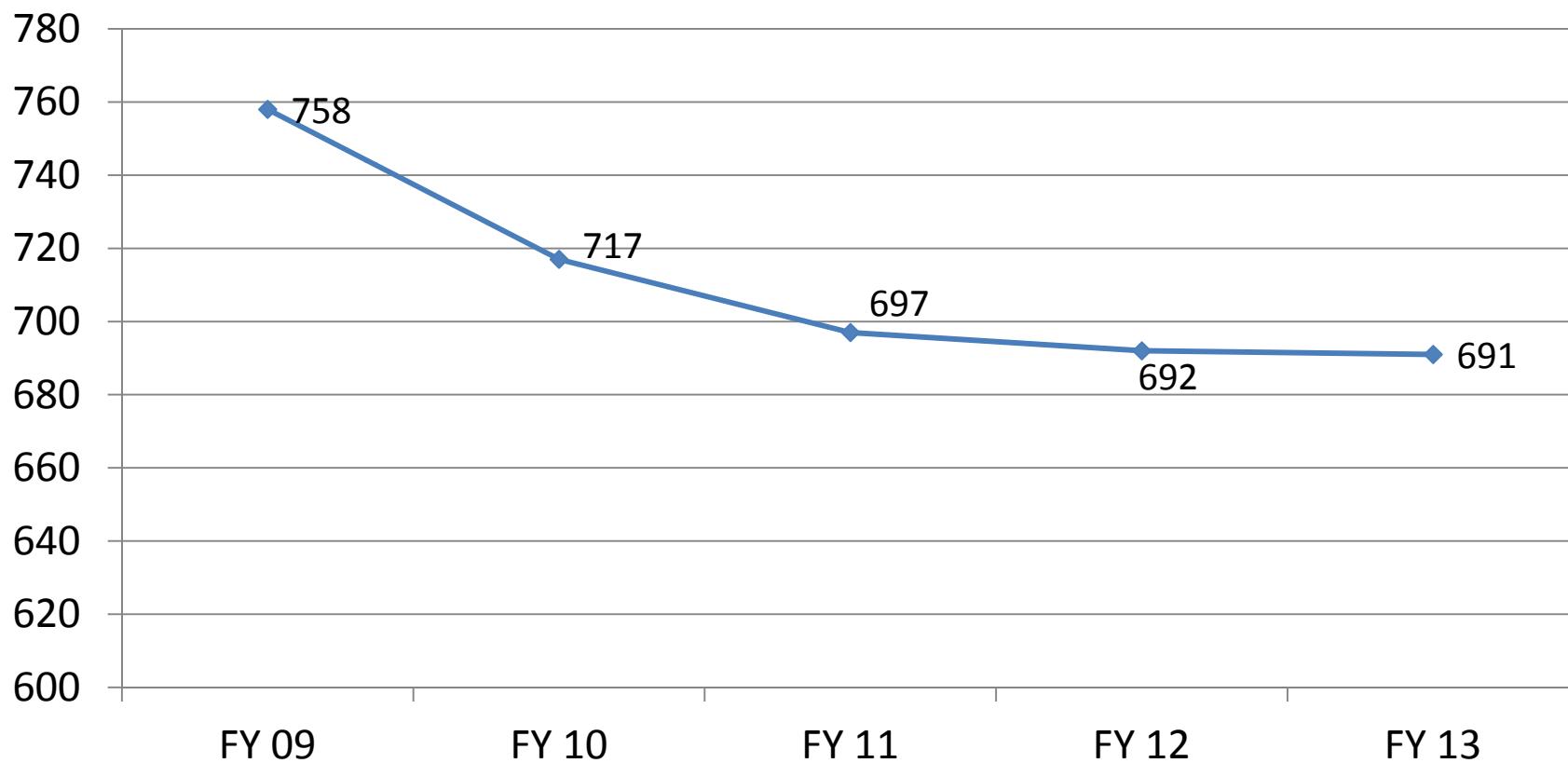
County	Years of Service		
	0	0-5	10-15
Rockingham	\$ 31,000.00	\$ 33,000.00	\$ 41,740.00
Fauquier	\$ 33,579.00	\$ 45,095.00	\$ 48,306.00
Albemarle	\$ 34,378.00	\$ 38,260.00	\$ 49,169.00
York	\$ 36,875.00	\$ 45,886.00	\$ 54,192.00
Average	\$ 33,958.00	\$ 40,560.25	\$ 48,351.75
Frederick	\$ 32,777.60	\$ 35,930.97	\$ 45,698.07

*Salaries are prior to VRS "make whole" amount

Budgeted Full-Time Personnel

Last Five Fiscal Years

County Govt.



Employee Benefits

Health Insurance

To maintain current health insurance plan for employees	11.9%
To close gap to fund at 100% of expected claims liability	<u>17.8%</u>
	29.7%
What does 29.7% increase in health care costs mean in total dollars?	\$2,069,216
How about General Fund dollars?	\$1,158,760
Possible solutions to help offset increase:	<ul style="list-style-type: none">-Change health care plan that either reduces coverage or increases premium costs to employees or a combination of both.-Continue to fund at a % less than expected claims; currently we have sufficient reserves.-Implement a County wellness plan to manage health care costs.

Employee Benefits, cont.

- Merit System
 - The merit system is currently being restructured to:
 - Allow for more consistent scoring
 - Allow for more accurate budgeting
- How.....
 - Approved merit increases will be budgeted at department level versus fund level.
 - Increases will be capped for higher salaries.
- Employee Benefits:
 - Paid Time –Off Flexibility
 - County subsidized health insurance plans
 - Dental/Vision Plan
 - Valley Health Fitness Center Discount
 - Wellness Program
 - Holidays
 - Cafeteria Plan/Pre-Tax
 - Retirement System/Paid Life Insurance

Employee Benefits, cont.

- Leave
 - Frederick County has moved forward to taking the two leave policies, annual and sick, and converting to a combined PTO (Paid Time Off) policy.
 - Advantages
 - Employees manage their time.
 - Allows time to be scheduled.
 - Allows flexibility.
- Retirement Plan
 - House Bill 1130/Senate Bill 498 passed by the General Assembly creates a hybrid retirement plan for employees hired after January 1, 2014. This plan combines the concepts of a defined contribution and a defined benefits plan. Current employees have a defined benefits plan.

Employee Benefits, cont.

- New Employees
 - For new employees hired after July 1, 2012, there is no retiree health insurance thereby reducing the OPEB liability.
 - Reduced retirement benefits with plan change, length of service increase and benefit calculator using an average versus highest payout.
 - 60-90 day waiting period on insurance coverage.
 - Sick Leave pay-out occurs after being vested for five years.
- What Does This Mean?
 - That the 9.5% gap between public and private sector employees will increase as benefits decrease resulting in low attraction and low retention for public employees.

What Now:

How do we apply priorities with inadequate funding: Actual new funding above previously committed amount is \$1,561,257.

Health Insurance Increased Costs	600,000 – 1,200,000
Salary Increase Comparable to Proposed School salary Increase	1,000,000
Jail Fund increase	800,000 (originally \$1.6 million)
Items not being considered:	
- Positions	
- Increased operating costs (will have to be cut in other areas to fund increases in overtime and gasoline.	
- Capital Needs / Continued Delayed Maintenance	
- Technology Needs	

Key Factors in this Presentation:

- Revenue growth of only \$5.8 million to fund all general and school operating funds.
- Five years have gone by and we have cut maintenance, cut capital purchases, utilized reserves, and have not given employees salary adjustments. It is clear that expectations are not going to be met.
- Health care costs and the Affordable Care Act will cause a major restructuring of the health care that we provide, what we are required to do, and the costs will not decrease. Employees will have to pay more or have less.
- The County's leave structure is being proposed to change to a Paid-Time Off system. Why? Sustainability.