



Frederick County, VA



BUDGET WORKSESSION 02/27/2013

CURRENT REVENUES/EXPENDITURES

✖ Additional detail

+ \$5.8 million in revenue

✖ Where? Property taxes \$4.8 million

Sales Tax \$1 million

✖ Revenue split between General Fund and Schools

✖ Schools 57% = \$3.3 million

✖ General Fund 43% = \$2.5 million (\$950,000 already committed)

✖ Expenditures – Committed Items as well as other highlights:

+ Two Firefighters approved in Fall 2012

+ Three Dispatchers approved in Fall 2012

+ Asst. Commonwealth Attorney approved in Fall 2012

+ Career Development for Sheriff, Fire & Rescue, Jail

+ Increased overtime for Fire & Rescue

+ Info. Technology – Maintenance Service Contracts increases and Phase III

+ VRS make whole salary adjustments

+ Internet Expenses

+ Outside Agency funding at present level

+ Capital Expenses/Improvements deferred another year

+ Budgeted Gasoline Expenses - no increases in last three years

WHAT HAVE WE DONE SINCE LAST BUDGET WORKSESSION?

✖ Anthem

- + Rate increase proposed: 11.3%.
- + Increased costs to fund at maximum liability rate: 17.8%.

✖ Solutions

- + Change health care plan to higher deductibles, larger co-pays and increase maximum out of pocket costs.
- + Increase employee health care contributions.
- + Continue to fund at an amount less than the maximum rate.

✖ Current Proposal

- + Monthly costs to decrease benefits showed minimal savings – so maintained current health care plan.
- + Increased employee costs from \$50 - \$100 per month.
- + Fund at expected rates, not maximum rates.

✖ Reality – Example: Employee makes \$40,000 annual salary

- + Potential health care costs: \$600 - \$1,200 annually.
- + Salary increase needed to offset increase in health care only: 1.5% - 3%.

WHAT HAVE WE DONE SINCE LAST BUDGET WORKSESSION?

✖ Merit

+ Original Goal:

- ✖ 4-5% merit increase for county employees
- ✖ Implementation date: July 1, 2013
- ✖ Estimated cost: \$1,000,000

+ Scenario I:

- ✖ 3.5% merit increase for county employees (FY 14 annual increase equals 2.6%)
- ✖ Implementation date: October 1, 2013
 - ★ Why? Reduces costs by 25% by deferring for 3 months
- ✖ Estimated cost: \$600,000
- ✖ Drawback: Increases in health insurance withholdings begin in June. Employees will have 4 months of increased costs with no salary increase to help in offsetting this expense.

+ Scenario II:

- ✖ 3.5% merit increase for county employees
- ✖ Implementation date: July 1, 2013
- ✖ Estimated cost: \$800,000
- ✖ Drawback: Additional cost to the County of \$200,000.

WHAT HAVE WE DONE SINCE LAST BUDGET WORKSESSION?

Jail Board directed the Jail Finance Committee to reduce costs by 50%.

Original Increase	1,500,000
Jail Finance Committee Proposed Cuts	700,000
	800,000
Jail Finance Committee Requested Cuts	400,000
Net Increase	400,000

Above increases do not reflect any funds for salary adjustments

UPDATED RECAP – GENERAL FUND

Estimated new revenue available	2,511,244
FY 13 Budget Amendments (already committed)	(949,987)
Salary Increases (with Oct. 1 implementation)	(600,000)
Health Insurance	(561,257)
Regional Jail Increase	(400,000)
	0

FUND BALANCE FUNDING

- ✖ Staff recommends that fund balance funding should remain at \$4.3 million.
- ✖ After year-end, fund balance should be reviewed to fund one-time capital expenditures. Requests for re-appropriation for Schools and General Fund should be submitted to Finance Committee for funding consideration from fund balance.

ITEMS/REQUESTS DEFERRED TO FUTURE YEARS

- ✖ Sheriff
 - + 13 Marked and 3 Unmarked Vehicles
 - + Crisis Negotiation/Command Post Vehicle
 - + Livescan System – Updates/Replacements
 - + Servers – Updates/Replacements
 - + Automated Fingerprint ID System
 - + Overtime Increases
- ✖ Fire & Rescue
 - + 5 Replacement Vehicles/2 new vehicles
 - + Support Trailer
 - + Lifepaks and Defibrillators
 - + Training Manikins
 - + Increased contributions to Fire Companies/Rescue Squads
- ✖ Refuse Collection – Improvements to compactor sites and equipment replacements
- ✖ County Office Buildings – Increases for maintenance and improvements
- ✖ Parks
 - + Fleet trip vehicles and Maintenance vehicles
 - + Park Buildings/Land Improvements
 - + Parks Maintenance Equipment
- ✖ Handley Library - reopening of evening hours
- ✖ Delay in opening of the Jail Annex for increased population

- ✖ These items listed total \$6.2 million. This list does not include large facilities and new positions which are reflected on the budget detail spreadsheet with departmental requests being \$30.7 million above present level.

WHAT'S NEXT?

- ✖ Public Hearing on FY 2014 budget is scheduled for March 27, 2013 with zero tax increase, new revenue of \$5.8 million, and \$4.3 million in fund balance funding.