



**COUNTY OF FAUQUIER
OFFICE OF THE COUNTY ADMINISTRATOR**

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February 25, 2022

TO: Board of Supervisors

FROM: Paul S. McCulla, County Administrator

SUBJECT: Proposed Fiscal Year 2023-2024 Budget

A handwritten signature in black ink, appearing to be "P. McCulla", is written next to the "FROM:" line.

Enclosed for your consideration is the County Administrator's proposed Fiscal Year 2023 (FY 2023) and Fiscal Year 2024 (FY 2024) budgets for the Fauquier County Government, representing the County's proposed budget plan of revenue and expenditures for the period of July 1, 2022 through June 30, 2023 and proposed fiscal plan for the period of July 1, 2023 through June 30, 2024, based on the County's biennial budgeting process. Both fiscal year proposed budgets are prepared in accordance with the requirements contained in Title 15.2 of the *Code of Virginia*, as amended. The Board of Supervisors may, legally, only adopt a final budget for FY 2023 and tax rates for Tax Year 2022. The draft FY 2024 budget and tax rates for Tax Year 2023 may only be finally adopted next year through the same statutorily mandated process for adopting budgets and tax rates. The FY 2024 draft budget will serve as the basis for the FY 2024 proposed budget in next year's budget cycle, with adjustments only as a result of significant changes in revenue projections, the imposition of newly mandated or regulated requirements, or other significant events constituting an emergency that require additional consideration.

The County Administrator's Budget Proposal was primarily driven by mandatory or critical service delivery factors including but not limited to:

- The full and permanent funding based on the emergency request for 24/7 staffing in the Warrenton Volunteer Fire and Rescue Company in July 2021 which necessitated the creation of twelve additional, permanent positions in the Department of Fire, Rescue, and Emergency Management (ten new positions and two assumed positions transferred from the Town of Warrenton in January 2022);
- The expected need to replace a loss of \$2.5 million in local grocery tax revenue should the Governor and General Assembly make good on his campaign promise to repeal the grocery sales tax, as 1% of the 2.5% tax is direct local funding;
- The need to replace an additional loss of \$217,000 in recording fees not returned by the State to the County, and reallocated to State transportation projects in the Hampton Roads area;
- A \$757,000 increase in VRS payments due to the increased life expectancy in actuarial calculations of employees classified for high-risk duty retirement;

- The continued rise in health care costs primarily driven by the increased costs of prescription drugs; and
- The need to continue to be competitive in an already tight labor market and a rising inflationary environment.

The FY 2023 proposed budget totals \$409.3 million and recommends an overall real estate tax rate of \$0.933 per \$100 of assessed value. The proposed \$0.933 overall real estate tax rate decreases the present \$0.994 overall rate by \$0.061 (six and one-tenth cents). The proposed overall real estate tax rate includes \$0.771 for the general rate, a decrease of \$0.084 (eight and four-tenths cents); an increase in the fire and rescue levy rate up to \$0.157 from \$0.133, an increase of \$0.024 (two and four-tenths cents); and the conservation easement service district levy totaling \$0.005, down from \$0.006, a decrease of 0.001 (one-tenth of a cent). The FY 2024 proposed budget projects an overall real estate tax rate of \$0.937, a \$0.004 (four-tenths cent) increase over the TY 2022 Real Estate tax rate. This increase includes a \$0.775 or a \$0.004 (four-tenths cent) increase in the general rate with no other component increases.

The County has advertised a Tax Year 2022 overall real estate tax rate of \$0.994. While this is higher than the County Administrator's recommended overall real estate tax rate of \$0.933 for Tax Year 2022, this allows the Board of Supervisors flexibility to adopt both the FY 2023 and FY 2024 recommended rates as well to make other adjustments that occur based on the outcome of budget deliberations and pending legislation in the General Assembly.

The proposed budget would also adjust the various personal property tax rates to take into account the current market volatility in valuations particularly due to current market conditions. For most taxpayers, this will mitigate the impacts of substantially increasing new and used motor vehicle assessments. For residents and businesses, this will create a balanced taxation between real and personal property taxes. The proposed Business Furniture, Fixtures, & Equipment tax and the Machinery and Tools tax would adjust from \$2.30 to \$3.45, a \$1.15 (one dollar and fifteen cent) increase and the Personal Property – General tax would be reduced from \$4.65 to \$3.45, a \$1.20 (one dollar and twenty cent) decrease. The budget also assumes the adoption of a new six percent meals tax, as allowed by a 2020 action of the General Assembly through the annual budget public hearing and adoption of a food and beverage tax ordinance. The County continues to monitor current legislation under consideration by the General Assembly. These changes could create the potential for adjustments in tax rates to lessen the local tax impact.

2022 General Real Property Reassessment and Tax Year 2022 Real Property Tax Rates

The FY 2023 Proposed Budget incorporates the recently completed County-wide real property reassessment effective January 1, 2022. The County's reassessment process is completed on a four-year basis, with the change in assessed value of real property on that cycle, exclusive of additions or improvements assessed annually. The overall impact of the reassessment, or change in value of real property since January 2018, resulted in an approximately 26.5% increase in the total assessed value of real properties and 29.0% increase in the total taxable value, adjusted for land use, prior to adjustments for tax relief for the elderly and disabled. A significant portion of increased value is related to residential properties experiencing an approximately 30.1% increase, while overall commercial and industrial properties and larger parcels, those with twenty to one-hundred acres, experienced an increase in assessed value of 11.2% and 25.7%, respectively. In addition, multi-family residential units experienced a 46.9% increase, and large parcels in excess

of one-hundred acres experienced a 24.8% change in assessed value. As a result of the 2022 general reassessment the average residential assessment increased by 21.8% from \$378,000 to \$460,445.

The County Administrator’s recommended overall real estate tax rate of \$0.933 would increase the average homeowner’s tax bill by \$538.63, or 14.3%, from \$3,757.32 to \$4,295.95. If the advertised rate of \$0.994 were adopted instead of the County Administrator’s recommended rate the average homeowner’s tax bill would increase by \$819.50 overall. The *Code of Virginia* requires the calculation of a “lowered rate” based on reassessment, or the rate by which the County would yield the equivalent amount of revenue as the prior fiscal year. The lowered rate would establish an overall real estate tax rate of \$0.795 and would equate to a tax bill increase of \$96.32 for the average homeowner. However, the lowered rate would be insufficient to fund contractual and mandated increases; unfunded State mandates; and those funding commitments the Board of Supervisors approved during the course of FY 2022 such as the portion of the June 2022 5% raises for the School Division not funded by the State. In addition, the Board of Supervisors paused any tax rate adjustments since the onset of the COVID-19 pandemic in March, 2020. At that time, the Board of Supervisors was faced with a tax rate increase of \$0.044 cents which equated to an average homeowner’s tax bill increases from \$3,757.32 to \$3,923.64 or an increase of \$166.32 between FY 2021 and FY 2022 which was not approved to mitigate potential mid-year reductions or cut in services to meet any necessary funding requirements of the pandemic that were otherwise not funded at the federal or state level.

The following chart sets forth the County Administrator’s recommended tax rates as well as the overall impact on the average homeowner’s tax bill. The proposed budget, if adopted without changes, would result in an increase of \$538.63 in TY 2022 and an additional \$18.42 in TY 2023 for a total increase of \$557.05 over the biennium.

| Tax Rate Change | Tax Year 2021 | Tax Year 2022 | Tax Year 2022 Change | Tax Year 2023 | Tax Year 2023 Change |
|--|--------------------------|--------------------------|-------------------------------------|--------------------------|-------------------------------------|
| Overall Real Estate Tax Rate: | \$0.994 | \$0.933 | (\$ 0.061) | \$0.937 | \$ 0.004 |
| Real Estate – General | \$0.855 | \$0.771 | (\$ 0.084) | \$0.775 | \$ 0.004 |
| Real Estate – Fire & Rescue | \$0.133 | \$0.157 | \$ 0.024 | \$0.157 | \$ 0.000 |
| Real Estate – Conservation Easement District | \$0.006 | \$0.005 | (\$ 0.001) | \$0.005 | \$ 0.000 |

| Annual Tax Bill Change | Tax Year 2021 | Tax Year 2022 | Tax Year 2022 Change | Tax Year 2023 | Tax Year 2023 Change |
|--|--------------------------|--------------------------|-------------------------------------|--------------------------|-------------------------------------|
| Annual Tax Bill by Assessed Value: | \$0.994 | \$0.933 | (\$ 0.061) | \$0.937 | \$ 0.004 |
| Per \$100,000 of assessed value | \$994.00 | \$933.00 | (\$ 61.00) | \$937.00 | \$ 4.00 |
| Average Residential Assessment: \$460,445 | \$3,757.32 | \$4,295.95 | \$ 538.63 | \$4,314.37 | \$ 18.42 |

Note: All tax bills also include \$13.64 per parcel fee for the County-wide Stormwater Management Fee, but not displayed above.

FY 2023 and FY 2024 Proposed Budget Overview

The FY 2023 proposed budget totals \$409.3 million, with General Fund expenditures totaling \$210.6 million, an overall increase of \$17.9 million. Overall local tax funding would increase by \$20.2 million or 10.6% under the proposed budget, including \$115.5 million for Schools; \$22.9 million for fire and rescue operations; and \$9.1 million supporting capital and debt service needs.

The FY 2024 proposed budget, which serves as a draft plan, totals \$382.3 million, with General Fund expenditures totaling \$211.8 million, an all funds decrease of \$26.9 million. Overall local tax funding would increase by \$2.4 million or 1.1% under the proposed budget, including \$117.7 million for Schools; \$20.4 million for fire and rescue operations; and \$14.6 million supporting capital and debt service needs.

The FY 2023 and 2024 proposed budget revenues show positive growth in both the real and personal property tax base. Real property is averaging less than one percent growth outside of the County's reassessment process, through new construction and improvements. In response to the current market, personal property tax rates have been proposed at a lower rate to lessen the impact of inflation and supply chain issues on residents as used and new car prices have soared over the past year. These adjustments are anticipated to be revenue neutral. Other adjustments to major local revenues are based on historical collections or changes approved throughout FY 2022.

How the Budget Relates to the Strategic Plan

The FY 2023 and FY 2024 proposed budgets focus on key areas of enhancement as identified in the County's Strategic Plan priorities or Five-Year Plan. The Board of Supervisors approved their Five-Year Plan with the FY 2020 adopted budget and reaffirmed the Five-Year Plan with adoption of the FY 2020-2024 Strategic Plan in January 2020. Both plans are closely aligned with the recurring themes voiced by the Board of Supervisors that have been a continued focus of budget decisions in recent years. These themes will continue to be a primary focus in the upcoming years as the County seeks to balance capital needs and priorities including opportunities to enhance economic development, and needs within the public safety arena, with the overall delivery of County programs and services. The following presentation outlines the key budget enhancements included in the proposed budget and how they align with the County's Strategic Plan. The County intends to update the Strategic Plan after the adoption of the FY 2023 – FY 2024 budget.

- Assist with the growth of a balanced economic base for Fauquier County and enhanced quality of life for citizens (Strategic Plan priority #1).
 - Capital improvement funding for infrastructure projects to attract and promote economic development activities in the service district areas or other related economic development activities in the County.
 - Increase hours of a part-time administrative associate in the Economic Development office to full-time. This would move the position to 30 hours per week to assist the economic development and tourism professional staff, while also ensuring regular presence for potential or expanding business clients and prospects.
- Ensure the ongoing safety and welfare of the community, through an adequate and effective delivery of public safety services (Strategic Plan priority #2).
 - The FY 2023 proposed budget includes key enhancements for fire and rescue services:
 - Funding for all required increases such as health insurance, VRS retirement, and workers compensation.
 - An increase of 5.8% for operating contributions to the volunteer fire stations to align with current consumer price index levels.
 - Adjustments to over-time funding to reflect prior year actuals.
 - Full-year funding for the 12.0 FTEs added in mid-FY 2022 to support the 2021 request from the Warrenton Volunteer Fire & Rescue Company for full-time, 24/7 staffing. With the establishment of staffing at Warrenton, all

- stations within the County now have a full-time career staffing presence for fire and emergency services.
 - Continued implementation of the SAFER 2020 grant which provided 15 new FTEs in FY 2022 provided full 12/7 staffing in the southern end of the County and one of the final fire and rescue staffing goals as outlined in the strategic plan.
 - The FY 2023 and 2024 proposed budgets also include increases for Sheriff's Office support supplies, and jurisdictional funding formula increases to the Northwestern Regional Adult Detention Center and the funding of one patrol deputy.
 - The Proposed Capital Improvement Plan includes funding in FY 2023 and FY 2024 for the Bealeton Fire and Rescue station, with design money in FY 2023 and debt for construction in FY 2024.
- Address the identified capital needs and priorities of the County (Strategic Plan priority #3).
- The proposed Capital Improvement Plan totals \$134.6 million from FY 2023 through FY 2027, with an additional \$186.0 million designated for future fiscal years. Over the five-year planning period (FY 2023-FY 2027), \$6.1 million would be allocated for public safety and fire and rescue projects, \$55.4 million for judicial administration, \$6.4 million for parks and recreational projects, \$1.8 million for environmental services projects, \$1.0 million for utility and infrastructure projects, \$0.19 million for Airport projects, and \$35.9 million for school division projects.
 - The proposed CIP primarily maintains the projects listed and slated in the previously adopted CIP. Some of the projects, specifically those related to the development of infrastructure or economic development activities are related to other priorities (priority #1 or #2 noted above) of the Strategic Plan while also addressing the primary goal of priority #3.
 - On-going projects related to infrastructure include:
 - Broadband infrastructure development
 - Water infrastructure projects in Opal, Midland and Bealeton areas of the County.
 - A series of transportation granted-fund projects, landfill regulatory projects, and parks and recreation projects are the primary focus of this priority of the Strategic Plan.
 - The Proposed CIP continues to focus on completion of the projects within this priority, while maintaining other projects in future years for acknowledgement of the importance of these projects but providing a realistic view of the availability of resources.
- Provide support for a quality education (Strategic Plan priority #4).
- Provide a \$2.8 million increase to the School Division in FY 2023 to contribute to the funding of compensation increase provided in FY 2022 as committed by the Board of Supervisors. Funding for FY 2024 is proposed level with FY 2023 funding.
 - The FY 2023 proposed budget includes the first debt service payment totaling \$1.1 million for the Cedar Lee Middle School project. Likewise, the FY 2024 proposed budget for debt service includes the first payment of debt service for the Taylor Middle School project which is estimated to total \$3.2 million.
 - The FY 2023 and FY 2024 also includes funding for consolidated or shared services between the schools and the County. The schools estimated cost of these services

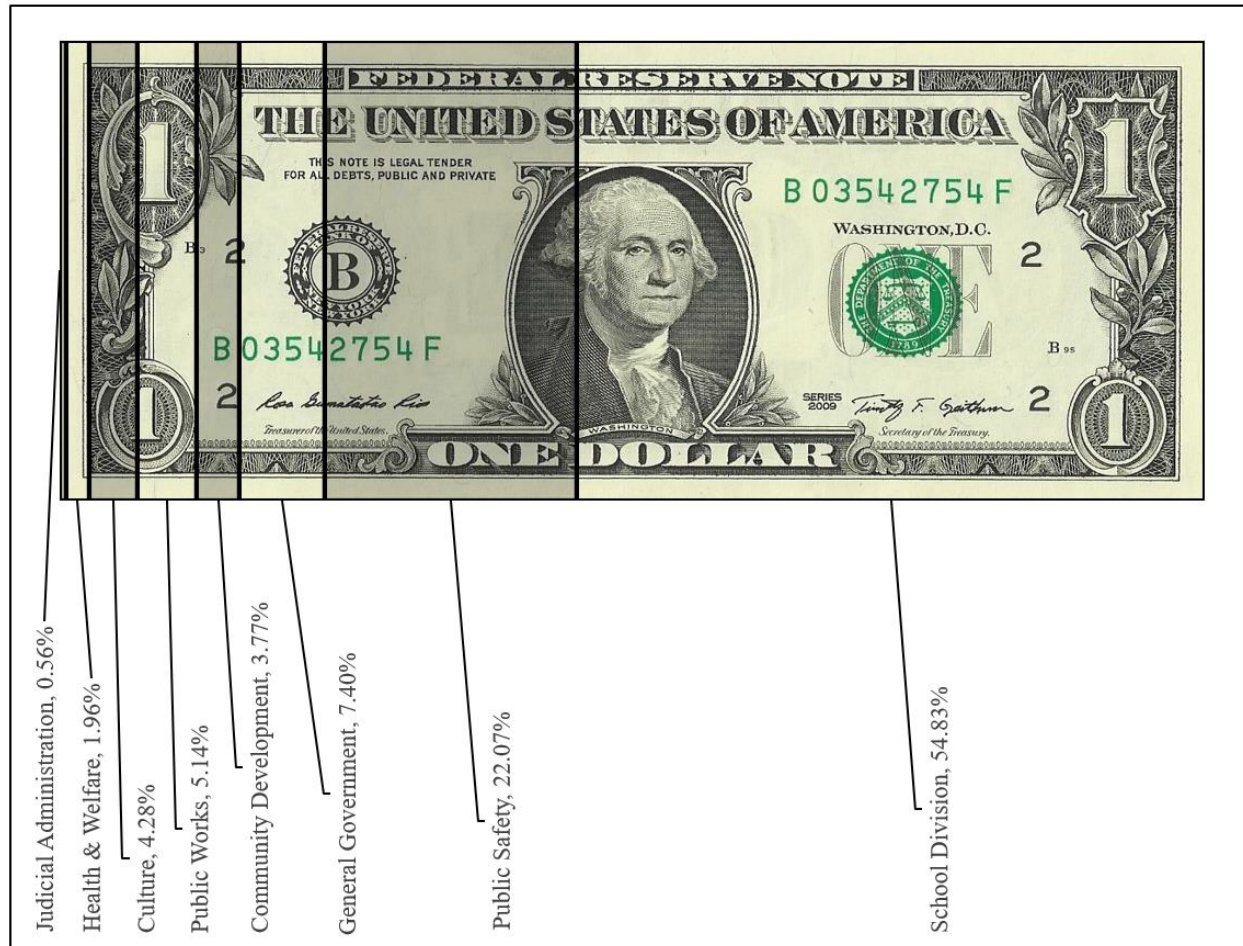
is \$10.3 million and \$10.4 million, respectively. These services are funded directly by the County.

- Ensure the County hires and retains staff to provide quality services and programs (Strategic Plan priority #6).
 - As part of the Strategic Planning process, the Board of Supervisors placed an emphasis on adequate compensation for our employees including compensation increases to meet the cost of living, compression adjustments, and being competitive with the market to ensure we can recruit and retain staff to provide the utmost quality in our programs and services. The proposed budget continues to address those initiatives begun in the FY 2021 budget by:
 - The proposed FY 2023 budget includes the third year of a three-year plan to address compression in salaries that began in FY 2020 but was placed on pause in FY 2021 due to the pandemic. This plan will address ongoing compression issues that have limited the County's ability to recruit and retain staff at marketable wages.
 - In FY 2023, the proposed budget provides funding for compensation adjustments including a proposed Public Safety pay-scale with steps for the Sheriff's Office and Fire and Rescue staff as requested by the Public Safety Committee. Fire and Rescue also includes a proposal to update to certification payments. General government employees are proposed to stay on the pay-band, adjusting the minimum pay to \$15 per hour and providing an overall 3% increase. The pay increases are offset by an increase in employee health insurance premiums of 15.3%.
 - The FY 2024 proposed budget includes no additional compensation increases for employees. As such, any form of increase would be considered separately by the Board of Supervisors based on minimum wage requirements and other related market recruitment and retention impacts.
- Maintain continuity of service delivery for County programs and services (Strategic Plan priority #7).
 - Many of the departments in the County government that provide support services or programs have been limited in the level of enhancement implemented since the recession. This is due to finite financial resources, the need to provide key services enhancements in public safety, and to augment declining State funding. In addition, the tax rate has remained stable, despite proposed increases, due to the COVID-19 pandemic. The FY 2023 and 2024 budget include a series of positions in key areas of the County government including 9.63 net FTEs in FY 2023 and no new positions in FY 2024. These positions support departments that have maintained current staff levels for several years but given growth in other County programs and services have expanded internal service delivery which limits the ability to provide support services at efficient levels which is often impacted by leave and vacancies. The follow positions enhancements are included in the budget:
 - Positions funded via reimbursement, revenue increases or adjustments include:
 - Adjust part-time Administrative Associate to full-time in Social Services to support the Adult Program Services division which continues to see increased growth in their programs and level of citizens served based on an aging population. The adjustment will provide an additional \$9,373 in departmental reimbursement.

- The conversion of three deputy clerk positions within the Clerk of the Circuit Court to move all part-time permanent positions to full-time to address continued increased workload and backlog. In addition, the FY 2023 budget includes the establishment of (1.0) Deputy Clerk II position. Funding for these positions is off-set by an increase in local recordation taxes based on increased volume of and valuations.
 - The Library establishes a Library Assistant position for the Marshall Library to increase the hours of services and more closely align Marshall Library with the Warrenton and Bealeton branches. This position is partially funded by removing a part-time Accounting Clerk position.
 - Establish a Marketing Assistant and Farmers Market Coordinator position within Agricultural Development. This position could be supported by outside entities with Farmers Markets in the County, including the Towns.
- Adjust the part-time Administrative Associate to full-time in Economic Development from 25 hours per week to 30 hours per week.
 - Funding for an additional (1.0) Patrol Deputy FTE in the Sheriff's Office to focus on traffic enforcement initiatives which started as a pilot with over-time funding in FY 2022.
 - Establish 1.0 FTE Senior Planning in Community Development, to address increased applications related to business development, specifically to assist with consultation, pre-application meetings, site-plan review and more for local businesses.
 - An additional Assistant County Attorney FTE to help address the increased workload as the number of documents and opinions requested from departments has increased 28% over the past year.
 - Establishment of 1.0 FTE Contract Administrator to support Finance, the Procurement Division and all departments with various construction and operating related contracts particularly for re-solicitation, renewals, modification and termination.
 - Establishment of 1.0 FTE Inventory Control Clerk in General Services as this function was performed by a former Fleet funded position which is proposed to be eliminated.
 - The addition of (1.0) Maintenance Worker FTE in Parks and Recreation to focus on ballfield and other assigned maintenance.
 - Establish a (1.0) Flight Line Technician FTE at the Airport to help with fueling flights throughout the week and decrease the amount of part-time labor necessary to complete this service.

Local Tax Funding

The following graphic displays how a tax dollar is allocated to County services based on the FY 2023 proposed budget.



FY 2023 and 2024 Proposed Budget – General Fund Expenditures

| <u>General Fund</u> | <u>FY 2022 Adopted</u> | <u>FY 2023 Proposed</u> | <u>FY 2022-23 Change (\$)</u> | <u>FY 2022-23 Change (%)</u> | <u>FY 2024 Proposed</u> | <u>FY 2023-24 Change (\$)</u> | <u>FY 2023-24 Change (%)</u> |
|-------------------------------|------------------------|-------------------------|-------------------------------|------------------------------|-------------------------|-------------------------------|------------------------------|
| General Government | \$ 16,528,579 | \$ 18,543,409 | \$ 2,014,830 | 12.19% | \$ 18,680,496 | \$ 137,087 | 0.74% |
| Judicial Administration | 4,399,249 | 4,947,590 | 548,341 | 12.46% | 4,988,709 | 41,119 | 0.83% |
| Public Safety | 22,422,540 | 24,391,522 | 1,968,982 | 8.78% | 24,615,370 | 223,848 | 0.92% |
| Public Works | 5,673,877 | 6,196,879 | 523,002 | 9.22% | 6,185,671 | (11,208) | -0.18% |
| Health & Welfare | 14,118,901 | 15,101,043 | 982,142 | 6.96% | 15,355,912 | 254,869 | 1.69% |
| Culture | 7,199,277 | 8,115,161 | 915,884 | 12.72% | 8,057,274 | (57,887) | -0.71% |
| Community Development | 6,454,589 | 7,317,749 | 863,160 | 13.37% | 7,312,818 | (4,931) | -0.07% |
| Non-Departmental | 2,111,196 | 4,638,535 | 2,527,339 | 119.71% | 4,265,271 | (373,264) | -8.05% |
| <u>Local Transfers</u> | | | | | | | |
| Airport Fund | \$ 17,656 | \$ 62,668 | \$ 45,012 | 254.94% | \$ 63,384 | \$ 716 | 1.14% |
| Capital Improvement Fund | 450,000 | 573,000 | 123,000 | 27.33% | 1,125,960 | 552,960 | 96.50% |
| County Asset Replacement Fund | 2,026,665 | 4,892,551 | 2,865,886 | 141.41% | 3,122,030 | (1,770,521) | -36.19% |
| Debt Service Fund | 12,412,125 | 13,072,059 | 659,934 | 5.32% | 15,214,653 | 2,142,594 | 16.39% |
| Environmental Services Fund | 5,812,886 | 6,931,675 | 1,118,789 | 19.25% | 6,985,245 | 53,570 | 0.77% |
| School Division Operating | 93,091,478 | 95,803,591 | 2,712,113 | 2.91% | 95,803,591 | - | 0.00% |
| Total Local Transfers | 113,810,810 | 121,335,544 | 7,524,734 | 6.61% | 122,314,863 | 979,319 | 0.81% |
| General Fund Total | \$ 192,719,018 | \$ 210,587,432 | \$ 17,868,414 | 9.27% | \$ 211,776,384 | \$ 1,188,952 | 0.56% |

School Division

The County Administrator's Budget Proposal for FY 2023 includes a total of \$115.5 million to the School System in the form of direct cash contribution; payment of debt service and in-kind services through the Consolidated Services divisions representing 54.83% of total local tax funding in FY 2023. For the FY 2023 Proposed Budget, the School Division's Operating Fund totals \$160,983,588, a \$9.51 million increase over the FY 2022 Adopted Budget, including a \$2.71 million increase in the direct local transfer from the County's General Fund to the School Division Operating Fund, which includes funding previously committed by the Board of Supervisors in mid-FY 2022 for compensation increases. In addition, the School Division anticipates an increase of approximately \$7.69 million from the State, primarily as a result of the Local Composite Index re-benchmarking from .5879 to .5824 and an approximate \$87,500 decrease in Federal funding. The local support of the FY 2023 School Division's operating budget is projected to fund 63.93% of total expenditures, including \$10.32 million in consolidated services within the General Fund and \$9.39 million in debt service costs funded in the Debt Service Fund. The School Division requested a local transfer of \$103,590,329, an increase of \$10.5 million or 11.3% compared to FY 2022. The proposed local transfer to the Schools totals \$95,803,591.

For the FY 2024 Proposed Budget, the School Division's Operating Fund totals \$162,480,747, a \$1.50 million increase over the FY 2023 Proposed Budget, due to a projected increase in State revenue. The local support of the FY 2024 School Division's operating budget is projected to fund 63.84% of total expenditures. The School Division requested a local transfer of \$109,292,055, an increase of \$13.5 million or 14.1% compared to FY 2023 Proposed budget. The proposed local transfer to the Schools totals \$95,803,591.

Capital Improvement Program

As stated in the above section on the budget in relation to the Strategic Plan, the proposed Capital Improvement Plan totals \$134.6 million from FY 2023 through FY 2027, with an additional \$186.0 million designated for future fiscal years. Over the five-year planning period (FY 2023-FY 2027), \$6.1 million would be allocated for public safety and fire and rescue projects, \$55.4 million for judicial administration, \$6.4 million for parks and recreational projects, \$1.8 million for environmental services projects, \$1.0 million for utility and infrastructure projects, \$0.19 million for Airport projects, and \$35.9 million for school division projects.

The proposed CIP contains a cash funding commitment totaling \$7.4 million, with \$5.2 million anticipated from General Fund contribution and \$2.2 million from non-General Fund sources, including donations and agency specific funds. The \$7.4 million in cash funding equates to approximately 5.5% of total appropriations over the course of the five-year planning period, with 70.4% from General Fund sources and 29.6% sourced from non-General Fund sources. The General Fund cash component is anticipated to be fully funded in the FY 2023 and FY 2024 proposed budget transfers to the CIP Fund. The remaining \$127.1 million would be financed by debt issuances, through a variety of financing methods including approved Virginia bonding authority pools or bank financing.

Annual debt service expenditures are projected to increase by about \$5.3 million from FY 2023 to FY 2027, which would require funding as additional revenue growth or increases in tax revenues of \$0.037, slightly offset in reduction in cash funding requirements, over the planning period. The projected increase in annual debt service expenditures will place the proposed CIP below the

Board's 10% policy limit for debt service, in comparison with overall revenue over the course of the five-year planning period to 8.2% in FY 2027.

Budget Process and Board Consideration

The Board of Supervisors is scheduled to begin its formal consideration of the proposed FY 2023 and FY 2024 budget with a work session on March 4, 2022. In addition, the Board has scheduled work sessions for March 10, at their regular monthly meeting, a joint work session with the School Board on March 15 and a follow up work session on March 18. Mark-up/mark down is scheduled for March 29, 2022. The Board will hold a public hearing on March 15, 2022 on the FY 2023 proposed budget, CIP and Tax Year 2022 tax rates.

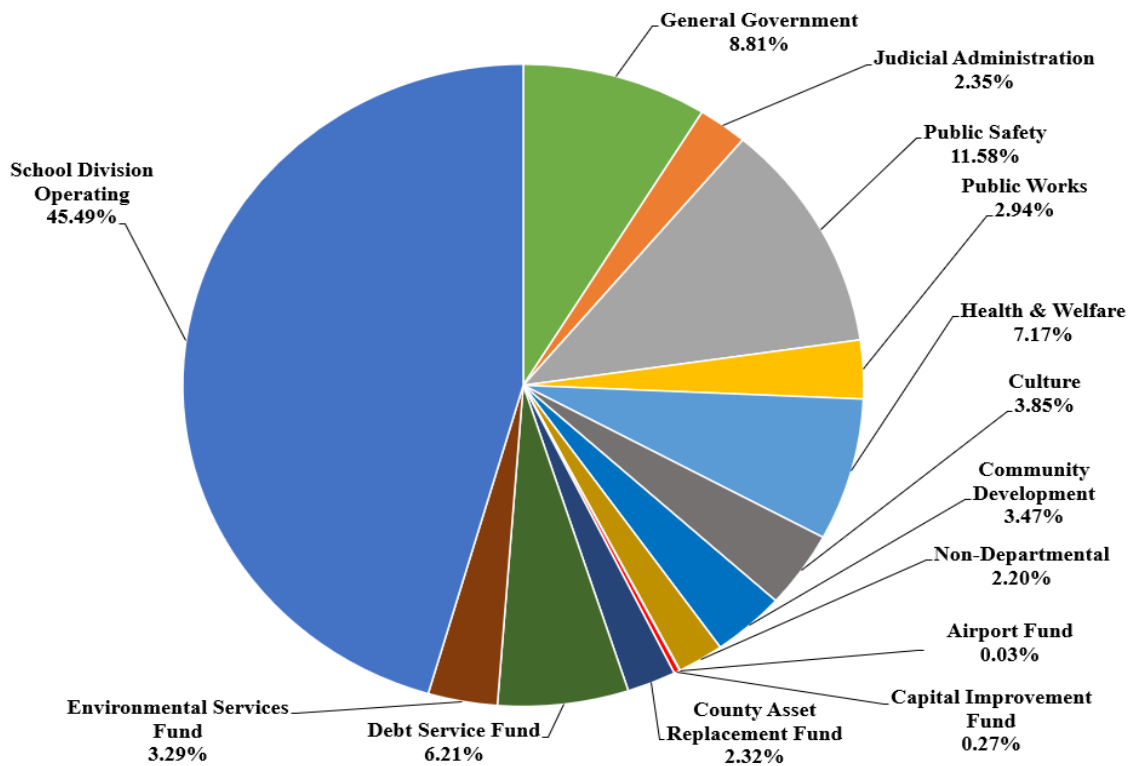
The Board may at its discretion add or remove work sessions as necessary to the budget deliberations. The Board is scheduled to adopt tax rates and its FY 2023 budget and CIP on April 4, 2022.

Summary

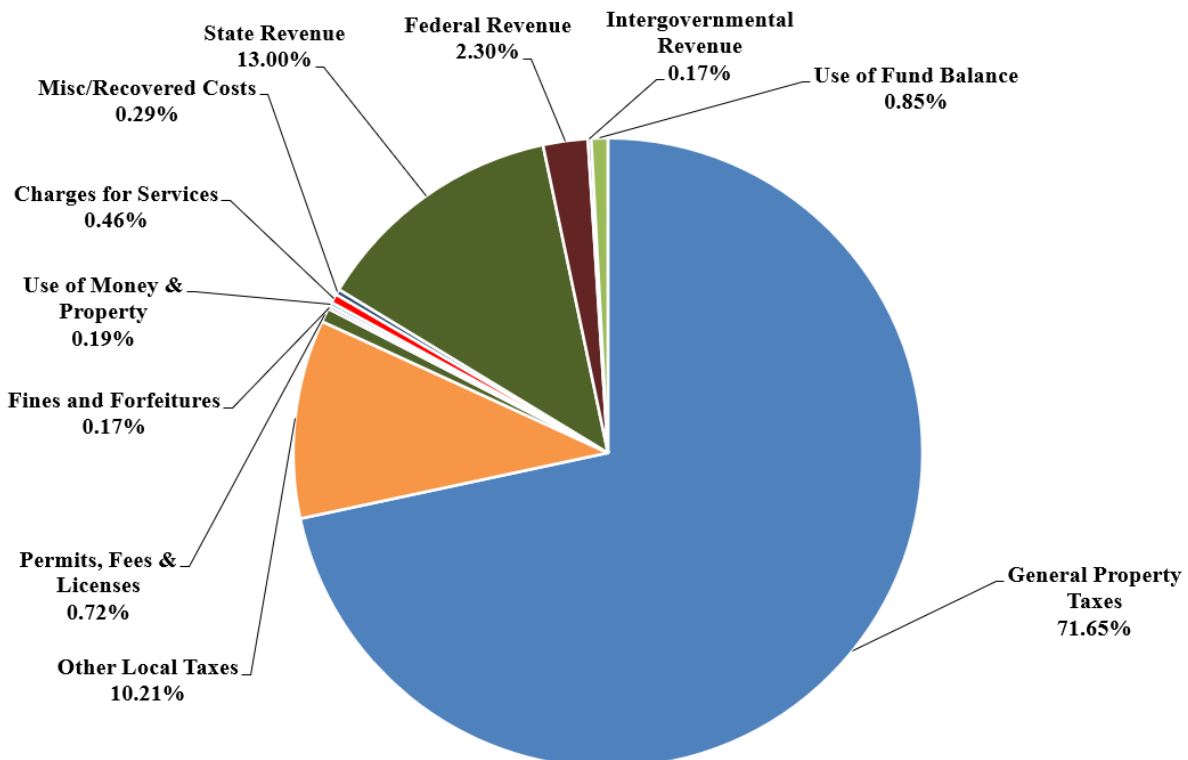
The annual budget process continues to be a complex process given growing and changing needs in the community including capital projects and public safety, balanced against fixed and mandated cost increases for the County and School Division. However, the continued use of the biennial budget process enhances the County's ability to be financially resilient while developing strategic and fiscal planning models that outline the needs of the County and the resources required to meet those operating and capital initiatives. I continue to look forward to working with the Board of Supervisors to develop a budget that focuses on managing financial resources, while ensuring the provision of key programs and services of the County.

Summary of Revenue and Expenditures

FY 2023 Proposed General Fund Expenditures

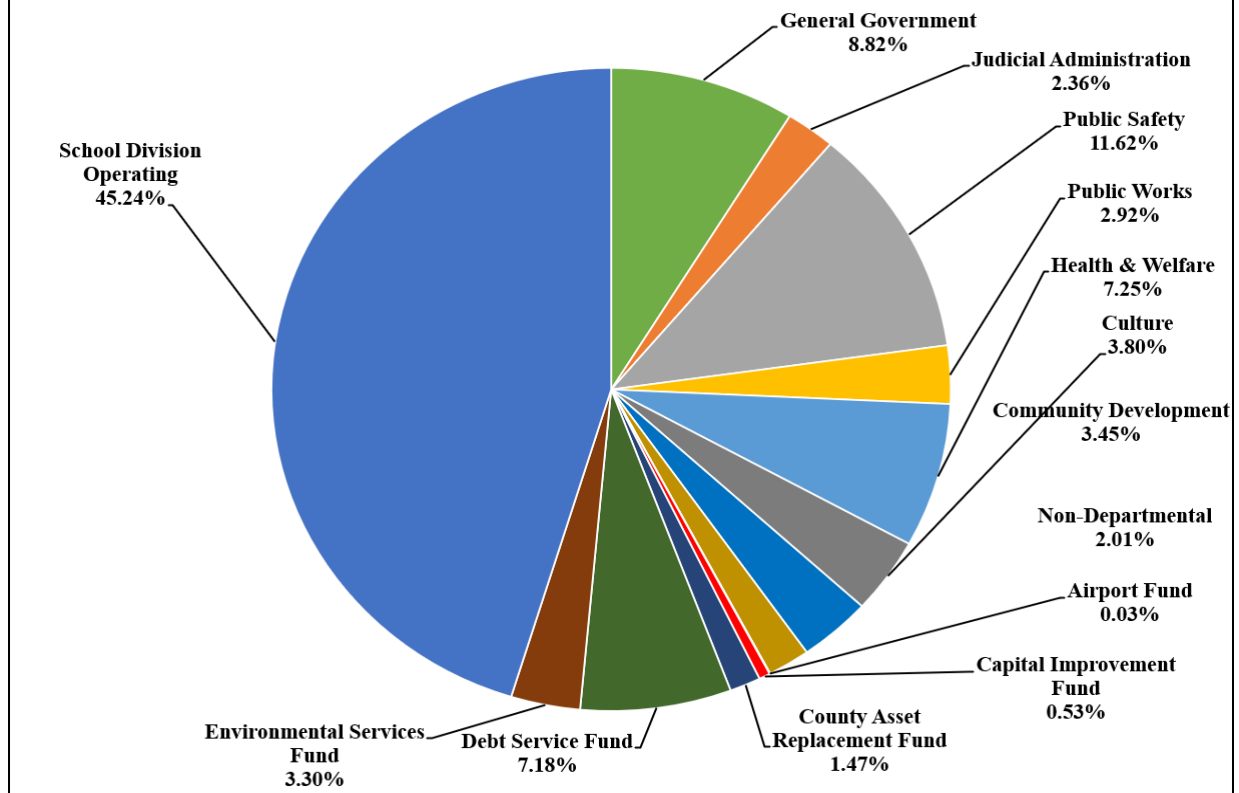


FY 2023 Proposed General Fund Revenue Sources

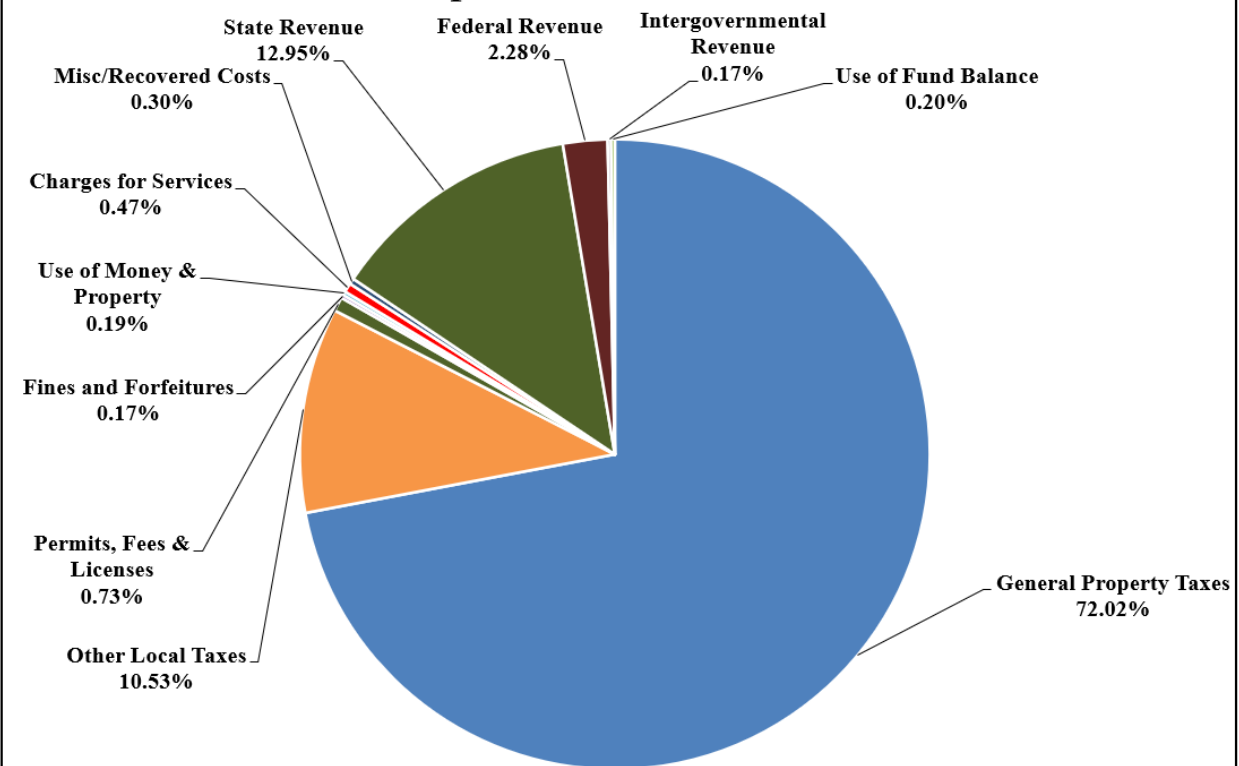


Summary of Revenue and Expenditures

FY 2024 Proposed General Fund Expenditures



FY 2024 Proposed General Fund Revenue Sources



Summary of Revenue and Expenditures

FY 2023-FY 2024 Proposed Expenditures by Fund

| <u>General Fund</u> | <u>FY 2022 Adopted</u> | <u>FY 2023 Proposed</u> | <u>FY 2022-23 Change (\$)</u> | <u>FY 2022-23 Change (%)</u> | <u>FY 2024 Proposed</u> | <u>FY 2023-24 Change (\$)</u> | <u>FY 2023-24 Change (%)</u> |
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| Public Safety | 22,422,540 | 24,391,522 | 1,968,982 | 8.78% | 24,615,370 | 223,848 | 0.92% |
| Public Works | 5,673,877 | 6,196,879 | 523,002 | 9.22% | 6,185,671 | (11,208) | -0.18% |
| Health & Welfare | 14,118,901 | 15,101,043 | 982,142 | 6.96% | 15,355,912 | 254,869 | 1.69% |
| Culture | 7,199,277 | 8,115,161 | 915,884 | 12.72% | 8,057,274 | (57,887) | -0.71% |
| Community Development | 6,454,589 | 7,317,749 | 863,160 | 13.37% | 7,312,818 | (4,931) | -0.07% |
| Non-Departmental | 2,111,196 | 4,638,535 | 2,527,339 | 119.71% | 4,265,271 | (373,264) | -8.05% |
| <u>Local Transfers</u> | | | | | | | |
| Airport Fund | \$ 17,656 | \$ 62,668 | \$ 45,012 | 254.94% | \$ 63,384 | \$ 716 | 1.14% |
| Capital Improvement Fund | 450,000 | 573,000 | 123,000 | 27.33% | 1,125,960 | 552,960 | 96.50% |
| County Asset Replacement Fund | 2,026,665 | 4,892,551 | 2,865,886 | 141.41% | 3,122,030 | (1,770,521) | -36.19% |
| Debt Service Fund | 12,412,125 | 13,072,059 | 659,934 | 5.32% | 15,214,653 | 2,142,594 | 16.39% |
| Environmental Services Fund | 5,812,886 | 6,931,675 | 1,118,789 | 19.25% | 6,985,245 | 53,570 | 0.77% |
| School Division Operating | 93,091,478 | 95,803,591 | 2,712,113 | 2.91% | 95,803,591 | - | 0.00% |
| Total Local Transfers | 113,810,810 | 121,335,544 | 7,524,734 | 6.61% | 122,314,863 | 979,319 | 0.81% |
| General Fund Total | \$ 192,719,018 | \$ 210,587,432 | \$ 17,868,414 | 9.27% | \$ 211,776,384 | \$ 1,188,952 | 0.56% |
| <u>School Division Funds</u> | | | | | | | |
| School Division Operating Fund | \$ 151,473,662 | \$ 160,983,588 | \$ 9,509,926 | 6.28% | \$ 162,480,747 | \$ 1,497,159 | 0.93% |
| School Nutrition Fund | 6,176,461 | 6,016,493 | (159,968) | -2.59% | 6,207,304 | 190,811 | 3.17% |
| School Textbook Fund | 1,085,743 | 1,407,259 | 321,516 | 29.61% | 1,407,213 | (46) | 0.00% |
| School Asset Replacement Fund | 4,829,027 | 3,275,777 | (1,553,250) | -32.16% | 3,275,777 | - | 0.00% |
| Regional Governor's School Fund | 1,710,522 | 1,837,188 | 126,666 | 7.41% | 1,762,683 | (74,505) | -4.06% |
| School Division Funds Total | \$ 165,275,415 | \$ 173,520,305 | \$ 8,244,890 | 4.99% | \$ 175,133,724 | \$ 1,613,419 | 0.93% |
| <u>Other Funds</u> | | | | | | | |
| Airport Fund | \$ 739,450 | \$ 836,080 | \$ 96,630 | 13.07% | \$ 836,796 | \$ 716 | 0.09% |
| Ambulance Revenue Recovery Fund | 2,029,130 | 1,573,678 | (455,452) | -22.45% | 1,628,079 | 54,401 | 3.46% |
| Capital Improvement Fund | 8,440,830 | 36,790,469 | 28,349,639 | 335.86% | 11,013,730 | (25,776,739) | -70.06% |
| Conservation Easement Service District Fund | 880,196 | 936,459 | 56,263 | 6.39% | 944,212 | 7,753 | 0.83% |
| County Asset Replacement Fund | 3,068,850 | 5,380,551 | 2,311,701 | 75.33% | 4,570,725 | (809,826) | -15.05% |
| Debt Service Fund | 14,154,477 | 14,818,458 | 663,981 | 4.69% | 17,039,709 | 2,221,251 | 14.99% |
| Environmental Services Fund | 8,498,467 | 9,560,025 | 1,061,558 | 12.49% | 9,737,395 | 177,370 | 1.86% |
| Fire and Rescue Levy Fund | 19,521,193 | 25,941,899 | 6,420,706 | 32.89% | 27,373,185 | 1,431,286 | 5.52% |
| Fleet Maintenance Fund | 3,536,821 | 3,605,372 | 68,551 | 1.94% | 3,616,460 | 11,088 | 0.31% |
| American Rescue Plan Act Fund | - | 6,917,019 | 6,917,019 | 0.00% | - | (6,917,019) | -100.00% |
| Health Insurance Fund | 37,202,376 | 42,734,424 | 5,532,048 | 14.87% | 44,813,239 | 2,078,815 | 4.86% |
| Other Funds Total | \$ 98,071,790 | \$ 149,094,434 | \$ 51,022,644 | 52.03% | \$ 121,573,530 | \$ (27,520,904) | -18.46% |
| Total All Funds | \$ 456,066,223 | \$ 533,202,171 | \$ 77,135,948 | 16.91% | \$ 508,483,638 | \$ (24,718,533) | -4.64% |
| Less Transfers | (115,475,178) | (123,928,536) | (8,453,358) | 7.32% | (126,136,278) | (2,207,742) | 1.78% |
| Total Appropriations | \$ 340,591,045 | \$ 409,273,635 | \$ 68,682,590 | 20.17% | \$ 382,347,360 | \$ (26,926,275) | -6.58% |

Summary of Revenue and Expenditures

FY 2023-FY 2024 Proposed Revenues by Fund

| <u>General Fund</u> | <u>FY 2022 Adopted</u> | <u>FY 2023 Proposed</u> | <u>FY 2022-23 Change (\$)</u> | <u>FY 2022-23 Change (%)</u> | <u>FY 2024 Proposed</u> | <u>FY 2023-24 Change (\$)</u> | <u>FY 2023-24 Change (%)</u> |
|---|----------------------------|-----------------------------|-----------------------------------|----------------------------------|-----------------------------|-----------------------------------|----------------------------------|
| General Property Taxes | \$ 140,795,412 | \$ 150,878,372 | \$ 10,082,960 | 7.16% | \$ 152,521,638 | \$ 1,643,266 | 1.09% |
| Other Local Taxes | 15,194,700 | 21,497,500 | 6,302,800 | 41.48% | 22,297,500 | 800,000 | 3.72% |
| Permits, Fees & Licenses | 1,334,878 | 1,509,518 | 174,640 | 13.08% | 1,536,029 | 26,511 | 1.76% |
| Fines and Forfeitures | 511,000 | 356,739 | (154,261) | -30.19% | 360,605 | 3,866 | 1.08% |
| Use of Money & Property | 947,619 | 403,675 | (543,944) | -57.40% | 408,611 | 4,936 | 1.22% |
| Charges for Services | 928,779 | 975,094 | 46,315 | 4.99% | 995,695 | 20,601 | 2.11% |
| Miscellaneous/Recovered Costs | 633,792 | 614,490 | (19,302) | -3.05% | 627,048 | 12,558 | 2.04% |
| State Revenue | 27,684,867 | 27,375,291 | (309,576) | -1.12% | 27,419,373 | 44,082 | 0.16% |
| Federal Revenue | 3,503,381 | 4,834,532 | 1,331,151 | 38.00% | 4,836,264 | 1,732 | 0.04% |
| Intergovernmental Revenue | 358,657 | 358,657 | - | 0.00% | 358,657 | - | 0.00% |
| Use of Fund Balance | 825,933 | 1,783,564 | 957,631 | 115.9% | 414,964 | (1,368,600) | -76.7% |
| General Fund Total | \$ 192,719,018 | \$ 210,587,432 | \$ 17,868,414 | 9.27% | \$ 211,776,384 | \$ 1,188,952 | 0.56% |
| <u>School Division Funds</u> | | | | | | | |
| School Division Operating Fund | \$ 151,473,662 | \$ 160,983,588 | \$ 9,509,926 | 6.28% | \$ 162,480,747 | \$ 1,497,159 | 0.93% |
| School Nutrition Fund | 6,176,461 | 6,016,493 | (159,968) | -2.59% | 6,207,304 | 190,811 | 3.17% |
| School Textbook Fund | 1,085,743 | 1,407,259 | 321,516 | 29.61% | 1,407,213 | (46) | 0.00% |
| School Asset Replacement Fund | 4,829,027 | 3,275,777 | (1,553,250) | -32.16% | 3,275,777 | - | 0.00% |
| Regional Governor's School Fund | 1,710,522 | 1,837,188 | 126,666 | 7.4% | 1,762,683 | (74,505) | -4.06% |
| School Division Funds Total | \$ 165,275,415 | \$ 173,520,305 | \$ 8,244,890 | 4.99% | \$ 175,133,724 | \$ 1,613,419 | 0.93% |
| <u>Other Funds</u> | | | | | | | |
| Airport Fund | \$ 739,450 | \$ 836,080 | \$ 96,630 | 13.07% | \$ 836,796 | \$ 716 | 0.09% |
| Ambulance Revenue Recovery Fund | 2,029,130 | 1,573,678 | (455,452) | -22.45% | 1,628,079 | 54,401 | 3.46% |
| Capital Improvement Fund | 8,440,830 | 36,790,469 | 28,349,639 | 335.86% | 11,013,730 | (25,776,739) | -70.06% |
| Conservation Easement Service District Fund | 880,196 | 936,459 | 56,263 | 6.39% | 944,212 | 7,753 | 0.83% |
| County Asset Replacement Fund | 3,068,850 | 5,380,551 | 2,311,701 | 75.33% | 4,570,725 | (809,826) | -15.05% |
| Debt Service Fund | 14,154,477 | 14,818,458 | 663,981 | 4.69% | 17,039,709 | 2,221,251 | 14.99% |
| Environmental Services Fund | 8,498,467 | 9,560,025 | 1,061,558 | 12.49% | 9,737,395 | 177,370 | 1.86% |
| Fire and Rescue Levy Fund | 19,521,193 | 25,941,899 | 6,420,706 | 32.89% | 27,373,185 | 1,431,286 | 5.52% |
| Fleet Maintenance Fund | 3,536,821 | 3,605,372 | 68,551 | 1.94% | 3,616,460 | 11,088 | 0.31% |
| American Rescue Plan Act Fund | - | 6,917,019 | 6,917,019 | 100.00% | - | (6,917,019) | -100.00% |
| Health Insurance Fund | 37,202,376 | 42,734,424 | 5,532,048 | 14.9% | 44,813,239 | 2,078,815 | 4.86% |
| Other Funds Total | \$ 98,071,790 | \$ 149,094,434 | \$ 51,022,644 | 52.03% | \$ 121,573,530 | \$ (27,520,904) | -18.46% |
| Total All Funds | \$ 456,066,223 | \$ 533,202,171 | \$ 77,135,948 | 16.91% | \$ 508,483,638 | \$ (24,718,533) | -4.64% |
| Less Transfers | (115,475,178) | (123,928,536) | (8,453,358) | 7.32% | (126,136,278) | (2,207,742) | 1.78% |
| Total Appropriations | \$ 340,591,045 | \$ 409,273,635 | \$ 68,682,590 | 20.17% | \$ 382,347,360 | \$ (26,926,275) | -6.58% |

Summary of Revenue and Expenditures

FY 2023-FY 2024 Proposed Budget General Fund Expenditure Summary

| <u>Department</u> | <u>FY 2022 Adopted</u> | <u>FY 2023 Proposed</u> | <u>FY 2022-23 Change (\$)</u> | <u>FY 2022-23 Change (%)</u> | <u>FY 2024 Proposed</u> | <u>FY 2023-24 Change (\$)</u> | <u>FY 2023-24 Change (%)</u> |
|---------------------------------------|----------------------------|-----------------------------|-----------------------------------|----------------------------------|-----------------------------|-----------------------------------|----------------------------------|
| <u>General Government</u> | | | | | | | |
| Board of Supervisors | \$ 296,777 | \$ 328,983 | \$ 32,206 | 10.85% | \$ 334,775 | \$ 5,792 | 1.76% |
| Commissioner of the Revenue | 1,861,898 | 2,197,092 | 335,194 | 18.00% | 2,194,388 | (2,704) | -0.12% |
| County Administration | 760,586 | 813,983 | 53,397 | 7.02% | 818,735 | 4,752 | 0.58% |
| County Attorney | 854,886 | 1,063,391 | 208,505 | 24.39% | 1,056,474 | (6,917) | -0.65% |
| Finance | 1,651,182 | 1,997,837 | 346,655 | 20.99% | 2,009,224 | 11,387 | 0.57% |
| Geographic Info Systems | 350,212 | 508,876 | 158,664 | 45.31% | 414,723 | (94,153) | -18.50% |
| Human Resources | 3,340,146 | 3,575,873 | 235,727 | 7.06% | 3,655,414 | 79,541 | 2.22% |
| Independent Auditor | 196,410 | 199,283 | 2,873 | 1.46% | 202,955 | 3,672 | 1.84% |
| Information Technology | 4,634,697 | 4,893,675 | 258,978 | 5.59% | 5,043,605 | 149,930 | 3.06% |
| Management & Budget | 615,323 | 654,961 | 39,638 | 6.44% | 658,963 | 4,002 | 0.61% |
| Registrar | 494,790 | 663,617 | 168,827 | 34.12% | 632,730 | (30,887) | -4.65% |
| Treasurer | 1,471,672 | 1,645,838 | 174,166 | 11.83% | 1,658,510 | 12,672 | 0.77% |
| Subtotal, Gen Government | \$ 16,528,579 | \$ 18,543,409 | \$ 2,014,830 | 12.19% | \$ 18,680,496 | \$ 137,087 | 0.74% |
| <u>Judicial Administration</u> | | | | | | | |
| Adult Court Services | \$ 1,084,555 | \$ 1,188,700 | \$ 104,145 | 9.60% | \$ 1,198,204 | \$ 9,504 | 0.80% |
| Circuit Court | 143,340 | 148,361 | 5,021 | 3.50% | 149,153 | 792 | 0.53% |
| Clerk of the Circuit Court | 1,311,787 | 1,576,154 | 264,367 | 20.15% | 1,592,055 | 15,901 | 1.01% |
| Commissioner of Accounts | 15,600 | 15,600 | - | 0.00% | 15,600 | - | 0.00% |
| Commonwealth's Attorney | 1,671,301 | 1,838,406 | 167,105 | 10.00% | 1,853,328 | 14,922 | 0.81% |
| General District Court | 32,700 | 32,700 | - | 0.00% | 32,700 | - | 0.00% |
| Juv & Dom Relations Court | 17,726 | 17,726 | - | 0.00% | 17,726 | - | 0.00% |
| Public Defender's Office | 34,467 | 42,170 | 7,703 | n/a | 42,170 | - | 0.00% |
| Magistrates | 87,773 | 87,773 | - | 0.00% | 87,773 | - | 0.00% |
| Subtotal, Judicial Admin | \$ 4,399,249 | \$ 4,947,590 | \$ 548,341 | 12.46% | \$ 4,988,709 | \$ 41,119 | 0.83% |
| <u>Public Safety</u> | | | | | | | |
| Juvenile Detention & Probation | \$ 309,532 | \$ 309,532 | \$ - | 0.00% | \$ 309,532 | \$ - | 0.00% |
| Sheriff's Office | 22,113,008 | 24,081,990 | 1,968,982 | 8.90% | 24,305,838 | 223,848 | 0.93% |
| Subtotal, Public Safety | \$ 22,422,540 | \$ 24,391,522 | \$ 1,968,982 | 8.78% | \$ 24,615,370 | \$ 223,848 | 0.92% |
| <u>Public Works</u> | | | | | | | |
| General Services | \$ 5,673,877 | \$ 6,196,879 | \$ 523,002 | 9.22% | \$ 6,185,671 | \$ (11,208) | -0.18% |
| Subtotal, Public Works | \$ 5,673,877 | \$ 6,196,879 | \$ 523,002 | 9.22% | \$ 6,185,671 | \$ (11,208) | -0.18% |

Summary of Revenue and Expenditures

FY 2023-2024 Proposed Budget General Fund Expenditure Summary

| <u>Department</u> | <u>FY 2022 Adopted</u> | <u>FY 2023 Proposed</u> | <u>FY 2022-23 Change (\$)</u> | <u>FY 2022-23 Change (%)</u> | <u>FY 2024 Proposed</u> | <u>FY 2023-24 Change (\$)</u> | <u>FY 2023-24 Change (%)</u> |
|---------------------------------------|----------------------------|-----------------------------|-----------------------------------|----------------------------------|-----------------------------|-----------------------------------|----------------------------------|
| <u>Health & Welfare</u> | | | | | | | |
| Community Services Board | \$ 791,431 | \$ 922,809 | \$ 131,378 | 26.84% | \$ 968,949 | \$ 46,140 | 5.00% |
| Public Health | 638,750 | 649,276 | 10,526 | 1.71% | 662,262 | 12,986 | 2.00% |
| <u>Social Services</u> | <u>12,688,720</u> | <u>13,528,958</u> | <u>840,238</u> | <u>7.40%</u> | <u>13,724,701</u> | <u>195,743</u> | <u>1.45%</u> |
| Subtotal, Health & Welfare | \$ 14,118,901 | \$ 15,101,043 | \$ 982,142 | 6.96% | \$ 15,355,912 | \$ 254,869 | 1.69% |
| <u>Culture</u> | | | | | | | |
| Library | \$ 2,605,917 | \$ 2,855,134 | \$ 249,217 | 9.90% | \$ 2,873,437 | \$ 18,303 | 0.64% |
| Lord Fairfax Comm College | 78,764 | 76,628 | (2,136) | -3.03% | 78,764 | 2,136 | 2.79% |
| <u>Parks & Recreation</u> | <u>4,514,596</u> | <u>5,183,399</u> | <u>668,803</u> | <u>16.11%</u> | <u>5,105,073</u> | <u>(78,326)</u> | <u>-1.51%</u> |
| Subtotal, Culture | \$ 7,199,277 | \$ 8,115,161 | \$ 915,884 | 12.72% | \$ 8,057,274 | \$ (57,887) | -0.71% |
| <u>Community Development</u> | | | | | | | |
| Agriculture Development | \$ 73,789 | \$ 197,396 | \$ 123,607 | 180.88% | \$ 156,289 | \$ (41,107) | -20.82% |
| Community Development | 3,810,351 | 4,391,287 | 580,936 | 15.53% | 4,433,751 | 42,464 | 0.97% |
| Contributions | 1,092,518 | 1,151,203 | 58,685 | 5.41% | 1,155,622 | 4,419 | 0.38% |
| Cooperative Extension | 228,106 | 262,251 | 34,145 | 21.16% | 263,043 | 792 | 0.30% |
| Economic Development | 919,723 | 970,370 | 50,647 | 5.56% | 957,263 | (13,107) | -1.35% |
| John Marshall SWCD | 178,471 | 187,606 | 9,135 | 5.70% | 189,214 | 1,608 | 0.86% |
| <u>Planning Commission/BZA</u> | <u>151,631</u> | <u>157,636</u> | <u>6,005</u> | <u>3.96%</u> | <u>157,636</u> | <u>-</u> | <u>0.00%</u> |
| Subtotal, Comm Develop | \$ 6,454,589 | \$ 7,317,749 | \$ 863,160 | 13.37% | \$ 7,312,818 | \$ (4,931) | -0.07% |
| <u>Non-Departmental</u> | <u>\$ 2,111,196</u> | <u>\$ 4,638,535</u> | <u>\$ 2,527,339</u> | <u>119.71%</u> | <u>\$ 4,265,271</u> | <u>\$ (373,264)</u> | <u>-8.05%</u> |
| Subtotal, Non-Departmental | \$ 2,111,196 | \$ 4,638,535 | \$ 2,527,339 | 119.71% | \$ 4,265,271 | \$ (373,264) | -8.05% |
| <u>Transfers</u> | | | | | | | |
| Airport Fund | \$ 17,656 | \$ 62,668 | \$ 45,012 | 254.94% | \$ 63,384 | \$ 716 | 1.14% |
| Capital Improvement Fund | 450,000 | 573,000 | 123,000 | 27.33% | 1,125,960 | 552,960 | 96.50% |
| County Asset Replacement Fund | 2,026,665 | 4,892,551 | 2,865,886 | 141.41% | 3,122,030 | (1,770,521) | -36.19% |
| Debt Service Fund | 12,412,125 | 13,072,059 | 659,934 | 5.32% | 15,214,653 | 2,142,594 | 16.39% |
| Environmental Services Fund | 5,812,886 | 6,931,675 | 1,118,789 | 19.25% | 6,985,245 | 53,570 | 0.77% |
| School Division Operating | 93,091,478 | 95,803,591 | 2,712,113 | 2.91% | 95,803,591 | - | 0.00% |
| Subtotal, Transfers | \$ 113,810,810 | \$ 121,335,544 | \$ 7,524,734 | 6.61% | \$ 122,314,863 | \$ 979,319 | 0.81% |
| Total, General Fund | \$ 192,719,018 | \$ 210,587,432 | \$ 17,868,414 | 9.27% | \$ 211,776,384 | \$ 1,188,952 | 0.56% |

Summary of Revenue and Expenditures

FY 2023 Proposed Local Tax Funding Summary

| Functional Area | FY 2023 Expenditures | FY 2023 Revenue | FY 2023 Net Local Funding | % of Total Local Funding |
|---|---------------------------------|----------------------------|--------------------------------------|-------------------------------------|
| General Fund Supported Programs | | | | |
| <u>County Operational Funding</u> | | | | |
| General Government | \$ 19,163,098 | \$ 1,076,877 | \$ 18,086,221 | 9.67% |
| Community/Ag/Econ Devo | 6,166,546 | 1,518,175 | 4,648,371 | 2.49% |
| Contributory Agencies | 2,745,916 | 12,653 | 2,733,263 | 1.46% |
| General Services | 1,859,064 | 80,194 | 1,778,870 | 0.95% |
| Judicial Administration | 5,257,122 | 3,870,295 | 1,386,827 | 0.74% |
| Library | 2,855,134 | 270,553 | 2,584,581 | 1.38% |
| Parks and Recreation | 5,183,399 | 561,949 | 4,621,450 | 2.47% |
| Sheriff's Office | 23,396,117 | 4,804,617 | 18,591,500 | 9.94% |
| Social Services | 10,214,061 | 7,901,784 | 2,312,277 | 1.24% |
| Airport Fund | 836,080 | 773,412 | 62,668 | 0.03% |
| Env Services Fund | 8,141,497 | 2,628,350 | 5,513,147 | 2.95% |
| Subtotal, Government Operations | \$ 85,818,034 | \$ 23,498,859 | \$ 62,319,175 | 32.46% |
| <u>Asset Replacement Fund</u> | | | | |
| Environmental Services | \$ 593,910 | \$ - | \$ 593,910 | 0.32% |
| Fire and Rescue Services | 465,000 | - | 465,000 | 0.25% |
| Government Wide Services | 1,621,000 | - | 1,621,000 | 0.87% |
| Judicial Administration | 23,000 | 23,000 | - | 0.00% |
| Parks and Recreation | 250,000 | - | 250,000 | 0.13% |
| Sheriff's Office | 2,427,641 | - | 2,427,641 | 1.30% |
| Subtotal, County Asset Replacement | \$ 5,380,551 | \$ 23,000 | \$ 5,357,551 | 2.87% |
| <u>Capital Improvement Fund</u> | | | | |
| Airport Fund | \$ - | \$ - | \$ - | 0.00% |
| Fire and Rescue Services | 300,000 | - | 300,000 | 0.16% |
| Judicial Administration | - | - | - | 0.00% |
| Environmental Services | 50,000 | - | 50,000 | 0.03% |
| Parks and Recreation | 323,000 | - | 323,000 | 0.17% |
| Government Wide | - | - | - | 0.00% |
| Utilities/Infrastructure | 200,000 | - | 200,000 | 0.11% |
| Subtotal, County Capital Improvement | \$ 873,000 | \$ - | \$ 873,000 | 0.47% |
| <u>Debt Service Fund</u> | | | | |
| Parks and Recreation | \$ 645,417 | \$ - | \$ 645,417 | 0.35% |
| Environmental Services | 1,418,528 | - | 1,418,528 | 0.76% |
| Fire and Rescue Services | 772,282 | - | 772,282 | 0.41% |
| Judicial Administration | - | - | - | 0.00% |
| Sheriff's Office | 843,441 | - | 843,441 | 0.45% |
| Utilities/Infrastructure | 775,056 | - | 775,056 | 0.41% |
| Subtotal, County Debt Service | \$ 4,454,724 | \$ - | \$ 4,454,724 | 2.38% |
| Subtotal, General Fund Support-County | \$ 94,989,027 | \$ 23,521,859 | \$ 71,467,168 | 38.22% |
| Subtotal, Fire and Rescue Levy Support | \$ 1,537,282 | \$ - | \$ 1,537,282 | 0.82% |

Summary of Revenue and Expenditures

FY 2023 Proposed Local Tax Funding Summary

| Functional Area | FY 2023 Expenditures | FY 2023 Revenue | FY 2023 Net Local Funding | % of Total Local Funding |
|---|---------------------------------|----------------------------|--------------------------------------|-------------------------------------|
| <u>School Division</u> | | | | |
| School Division Operating Fund | \$ 160,983,588 | \$ 65,179,997 | \$ 95,803,591 | 51.2% |
| School Division Share Consolidated Services | 12,411,432 | 2,086,621 | 10,324,811 | 5.52% |
| School Nutrition Fund | 6,016,493 | 6,016,493 | - | 0.00% |
| School Textbook Fund | 1,407,259 | 1,407,259 | - | 0.00% |
| Regional Governor's School Fund | 1,837,188 | 1,837,188 | - | 0.00% |
| School Asset Replacement Fund | 3,275,777 | 3,275,777 | - | 0.00% |
| Capital Improvements | 35,917,469 | 35,917,469 | - | 0.00% |
| Debt Service | 10,363,735 | 974,117 | 9,389,618 | 5.02% |
| Subtotal, General Fund Support-Schools | \$ 232,212,941 | \$ 116,694,921 | \$ 115,518,020 | 61.78% |
| Total, General Fund Support | \$ 327,201,968 | \$ 140,216,780 | \$ 186,985,188 | 88.60% |
| <u>Internal Service Funds</u> | | | | |
| Fleet Maintenance Fund | \$ 3,605,372 | \$ 3,605,372 | \$ - | 0.00% |
| Health Insurance Fund | 42,734,424 | 42,734,424 | - | 0.00% |
| Subtotal, Internal Service Funds | \$ 46,339,796 | \$ 46,339,796 | \$ - | 0.00% |
| <u>Special Revenue Funds</u> | | | | |
| American Rescue Plan Act Fund | \$ 6,917,019 | \$ 6,917,019 | \$ - | 0.00% |
| Fire and Rescue Levy Fund | 24,404,617 | 3,011,033 | \$ 21,393,584 | 10.14% |
| Conservation Easement | 936,495 | 160,000 | 776,495 | 0.37% |
| Ambulance Revenue Recovery Fund | 1,573,678 | 1,573,678 | - | 0.00% |
| Subtotal, Special Revenue Funds | \$ 33,831,809 | \$ 11,661,730 | \$ 22,170,079 | 10.50% |
| Total Appropriations | \$ 409,273,635 | \$ 198,218,306 | \$ 211,055,329 | 100.00% |

Summary of Revenue and Expenditures

FY 2024 Proposed Local Tax Funding Summary

| <u>Functional Area</u> | <u>FY 2024 Expenditures</u> | <u>FY 2024 Revenue</u> | <u>FY 2023 Net Local Funding</u> | <u>% of Total Local Funding</u> |
|---|---------------------------------|----------------------------|--------------------------------------|-------------------------------------|
| General Fund Supported Programs | | | | |
| <u>County Operational Funding</u> | | | | |
| General Government | \$ 18,857,331 | \$ 1,123,927 | \$ 17,733,404 | 9.24% |
| Community/Ag/Econ Devo | 6,157,196 | 1,555,611 | 4,601,585 | 2.40% |
| Contributory Agencies | 2,811,597 | 12,653 | 2,798,944 | 1.46% |
| General Services | 1,855,701 | 80,194 | 1,775,507 | 0.92% |
| Judicial Administration | 5,298,241 | 3,883,942 | 1,414,299 | 0.74% |
| Library | 2,873,437 | 270,553 | 2,602,884 | 1.36% |
| Parks and Recreation | 5,105,073 | 573,449 | 4,531,624 | 2.36% |
| Sheriff's Office | 23,613,866 | 4,792,575 | 18,821,291 | 9.80% |
| Social Services | 10,399,031 | 7,913,474 | 2,485,557 | 1.29% |
| Airport Fund | 836,796 | 773,412 | 63,384 | 0.03% |
| Env Services Fund | 8,318,361 | 2,752,150 | 5,566,211 | 2.90% |
| Subtotal, Government Operations | \$ 86,126,630 | \$ 23,731,940 | \$ 62,394,690 | 32.50% |
| <u>Asset Replacement Fund</u> | | | | |
| Environmental Services | \$ 615,030 | \$ - | \$ 615,030 | 0.32% |
| Fire and Rescue Services | 1,425,695 | - | 1,425,695 | 0.74% |
| Government Wide Services | 1,265,500 | - | 1,265,500 | 0.66% |
| Judicial Administration | 23,000 | 23,000 | - | 0.00% |
| Parks and Recreation | 250,000 | - | 250,000 | 0.13% |
| Sheriff's Office | 991,500 | - | 991,500 | 0.52% |
| Subtotal, County Asset Replacement | \$ 4,570,725 | \$ 23,000 | \$ 4,547,725 | 2.37% |
| <u>Capital Improvement Fund</u> | | | | |
| Airport Fund | \$ 5,960 | \$ - | \$ 5,960 | 0.00% |
| Fire and Rescue Services | 4,352,500 | 3,917,250 | 435,250 | 0.23% |
| Judicial Administration | 5,535,270 | 5,535,270 | - | 0.00% |
| Environmental Services | 200,000 | - | 200,000 | 0.10% |
| Parks and Recreation | 720,000 | - | 720,000 | 0.38% |
| Government Wide | 3,917,250 | - | 3,917,250 | 2.04% |
| Utilities/Infrastructure | 200,000 | - | 200,000 | 0.10% |
| Subtotal, County Capital Improvement | \$ 14,930,980 | \$ 9,452,520 | \$ 5,478,460 | 2.85% |
| <u>Debt Service Fund</u> | | | | |
| Parks and Recreation | \$ 648,760 | \$ - | \$ 648,760 | 0.34% |
| Environmental Services | 1,419,034 | - | 1,419,034 | 0.74% |
| Fire and Rescue Services | 851,151 | - | 851,151 | 0.44% |
| Sheriff's Office | 843,441 | - | 843,441 | 0.44% |
| Utilities/Infrastructure | 775,065 | - | 775,065 | 0.40% |
| Subtotal, County Debt Service | \$ 4,537,451 | \$ - | \$ 4,537,451 | 2.36% |
| Subtotal, General Fund Support-County | \$ 103,536,440 | \$ 29,290,210 | \$ 74,246,230 | 38.67% |
| Subtotal, Fire and Rescue Levy Support | \$ 6,629,346 | \$ 3,917,250 | \$ 2,712,096 | 1.41% |

Summary of Revenue and Expenditures

FY 2024 Proposed Local Tax Funding Summary

| Functional Area | FY 2024 Expenditures | FY 2024 Revenue | FY 2023 Net Local Funding | % of Total Local Funding |
|---|---------------------------------|----------------------------|--------------------------------------|-------------------------------------|
| <u>School Division</u> | | | | |
| School Division Operating Fund | \$ 162,480,747 | \$ 66,677,156 | \$ 95,803,591 | 0.0% |
| School Division Share Consolidated Services | 12,490,047 | 2,091,626 | 10,398,421 | 49.9% |
| School Nutrition Fund | 6,207,304 | 6,207,304 | - | 5.4% |
| School Textbook Fund | 1,407,213 | 1,407,213 | - | 0.0% |
| Regional Governor's School Fund | 1,762,683 | 1,762,683 | - | 0.0% |
| School Asset Replacement Fund | 3,275,777 | 3,275,777 | - | 0.0% |
| Capital Improvements | - | - | - | 0.0% |
| <u>Debt Service</u> | 12,502,258 | 973,904 | 11,528,354 | 0.0% |
| Subtotal, General Fund Support-Schools | \$ 200,126,029 | \$ 82,395,663 | \$ 117,730,366 | 61.33% |
| Total, General Fund Support | \$ 303,662,469 | \$ 111,685,873 | \$ 191,976,596 | 89.94% |
| <u>Internal Service Funds</u> | | | | |
| Fleet Maintenance Fund | \$ 3,616,460 | \$ 3,616,460 | \$ - | 0.00% |
| Health Insurance Fund | 44,813,239 | 44,813,239 | - | 0.00% |
| Subtotal, Internal Service Funds | \$ 48,429,699 | \$ 48,429,699 | \$ - | 0.00% |
| <u>Special Revenue Funds</u> | | | | |
| Fire and Rescue Levy Fund | \$ 20,743,839 | \$ 3,087,760 | \$ 17,656,079 | 0.00% |
| Conservation Easement | 944,212 | 160,000 | 784,212 | 8.27% |
| Ambulance Revenue Recovery Fund | 1,628,079 | 1,628,079 | - | 0.37% |
| Subtotal, Special Revenue Funds | \$ 23,316,130 | \$ 4,875,839 | \$ 18,440,291 | 0.00% |
| Total Appropriations | \$ 382,347,360 | \$ 168,908,661 | \$ 213,438,699 | 100.00% |

Permanent Positions – Full Time Equivalents

Total County Personnel Adjustments

The following provides an overview of all adjustments to County permanent positions as approved by the Board of Supervisors since the adoption of the FY 2022 budget, and those changes recommended by the County Administrator and included in the FY 2023 and FY 2024 Proposed Budgets.

| <u>Department</u> | <u>Adjustment</u> | <u>FTE</u> |
|--|--|--------------|
| <u>Mid-FY 2022 Adjustments</u> | | |
| DFREM | Fire Technicians | 15.00 |
| DFREM | Reclassification of 1.0 Technician to 1.0 Captain for SAFER | 0.00 |
| DFREM | Reclassification of 2.0 Technicians to 2.0 Lieutenants for SAFER | 0.00 |
| DFREM | 1.0 Captain, 2.0 Lieutenants, 9.0 Technicians | 12.00 |
| General Services | Building and Grounds Crew Chief position added | 1.00 |
| Information Technology | Electronics Technician position removed | (1.00) |
| Library | Librarian position increased from 0.72 to 1.0 FTE | (0.21) |
| | Accounting Clerk position decreased from 1.0 to 0.51 FTE | |
| Management and Budget | Budget Technician III to Budget and Management Analyst I | 0.00 |
| Subtotal, Mid-FY 2022 Adjustments | | 26.79 |
| <u>FY 2023 Proposed Budget Adjustments</u> | | |
| Agricultural Development | Establish Marketing Assistant and Farmers Market Coordinator | 1.00 |
| Airport Fund | Establish Flight Line Technician | 1.00 |
| Clerk of the Circuit Court | Convert PTP Deputy Clerk IV to FTP Administrative Manager | 0.31 |
| Clerk of the Circuit Court | Convert PTP Deputy Clerk I to FTP | 0.25 |
| Clerk of the Circuit Court | Convert PTP Deputy Clerk III to FTP Deputy Clerk III | 0.40 |
| Clerk of the Circuit Court | Establish Deputy Clerk II | 1.00 |
| Community Development | Establish Senior Planner | 1.00 |
| County Attorney | Establish Assistant County Attorney | 1.00 |
| Economic Development | Convert PTP Administrative Associate to FTP | 0.33 |
| Finance | Establish Contract Administrator | 1.00 |
| Fleet Maintenance | Remove Administrative Associate | (1.00) |
| Fleet Maintenance | Remove Senior Administrative Associate | (1.00) |
| General Services | Establish Inventory Control | 1.00 |
| Information Technology | Establish Information Security Analyst II | 1.00 |
| Library | Establish Library Assistant | 0.69 |
| Library | Remove Accounting Clerk | (0.51) |
| Parks and Recreation | Establish Maintenance Worker | 1.00 |
| Sheriff's Office | Establish Patrol Deputy - Traffic Enforcement | 1.00 |
| Social Services | Convert PTP Social Services Associate to FTP | 0.47 |
| Subtotal, FY 2023 Proposed Budget Adjustments | | 9.94 |
| <u>FY 2024 Proposed Budget Adjustments</u> | | |
| Subtotal, FY 2024 Proposed Budget Adjustments | | 0.00 |

Permanent Positions – Full Time Equivalents

FY 2023 Proposed Budget – FTE History

| Department | FY 2020 Actual | FY 2021 Actual | FY 2022 Adopted | FY 2023 Requested | FY 2023 Proposed | FY 2024 Requested | FY 2024 Proposed |
|--|-------------------|-------------------|--------------------|----------------------|---------------------|----------------------|---------------------|
| <u>General Government</u> | | | | | | | |
| Board of Supervisors | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Commissioner of Revenue | 22.00 | 22.00 | 23.00 | 23.00 | 23.00 | 23.00 | 23.00 |
| County Administration | 8.00 | 8.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 |
| County Attorney | 6.53 | 6.53 | 6.53 | 7.53 | 7.53 | 7.53 | 7.53 |
| Finance | 18.00 | 18.00 | 18.00 | 19.00 | 19.00 | 20.00 | 19.00 |
| Geographic Information Systems | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Human Resources | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 |
| Independent Auditor | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Information Technology ³ | 23.67 | 23.67 | 23.67 | 29.67 | 23.67 | 29.67 | 23.67 |
| Management & Budget | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Registrar | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| <u>Treasurer</u> | <u>16.00</u> | <u>16.00</u> | <u>16.00</u> | <u>16.00</u> | <u>16.00</u> | <u>16.00</u> | <u>16.00</u> |
| Subtotal, General Government | 125.20 | 125.20 | 125.20 | 133.20 | 127.20 | 134.20 | 127.20 |
| <u>Judicial Administration</u> | | | | | | | |
| Adult Court Services | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 |
| Circuit Court | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Clerk of Circuit Court | 16.04 | 16.04 | 16.04 | 18.60 | 18.00 | 19.00 | 18.00 |
| Commissioner of Accounts | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Commonwealth's Attorney | 16.00 | 16.00 | 16.00 | 16.00 | 16.00 | 16.00 | 16.00 |
| General District Court | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Juv. & Domestic Relations Court | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Magistrates | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <u>Public Defender's Office</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| Subtotal, Judicial Administration | 45.04 | 45.04 | 45.04 | 47.60 | 47.00 | 48.00 | 47.00 |
| <u>Public Safety</u> | | | | | | | |
| Juvenile Detention & Probation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <u>Sheriff</u> | <u>185.50</u> | <u>185.50</u> | <u>185.50</u> | <u>187.50</u> | <u>186.50</u> | <u>188.50</u> | <u>186.50</u> |
| Subtotal, Public Safety | 185.50 | 185.50 | 185.50 | 187.50 | 186.50 | 188.50 | 186.50 |
| <u>Public Works</u> | | | | | | | |
| General Services ^{2, 3} | <u>54.00</u> | <u>54.00</u> | <u>54.00</u> | <u>57.00</u> | <u>56.00</u> | <u>57.00</u> | <u>56.00</u> |
| Subtotal, Public Works | 54.00 | 54.00 | 54.00 | 57.00 | 56.00 | 57.00 | 56.00 |
| <u>Health and Welfare</u> | | | | | | | |
| Community Services Board | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Public Health | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <u>Social Services</u> | <u>59.53</u> | <u>59.53</u> | <u>60.53</u> | <u>61.00</u> | <u>61.00</u> | <u>61.00</u> | <u>61.00</u> |
| Subtotal, Health and Welfare | 59.53 | 59.53 | 60.53 | 61.00 | 61.00 | 61.00 | 61.00 |

Permanent Positions – Full Time Equivalents

| Department | FY 2020 Actual | FY 2021 Actual | FY 2022 Adopted | FY 2023 Requested | FY 2023 Proposed | FY 2024 Requested | FY 2024 Proposed |
|--|-------------------|-------------------|--------------------|----------------------|---------------------|----------------------|---------------------|
| <u>Culture</u> | | | | | | | |
| Library | 34.31 | 34.31 | 34.31 | 34.28 | 34.28 | 34.28 | 34.28 |
| Lord Fairfax Community College | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <u>Parks & Recreation</u> | <u>30.85</u> | <u>29.85</u> | <u>29.89</u> | <u>31.90</u> | <u>30.90</u> | <u>31.90</u> | <u>30.90</u> |
| Subtotal, Culture | 65.16 | 64.16 | 64.20 | 66.18 | 65.18 | 66.18 | 65.18 |
| <u>Community Development</u> | | | | | | | |
| Agricultural Development ¹ | 1.00 | 1.00 | 1.00 | 1.53 | 2.00 | 1.53 | 2.00 |
| Community Development ⁵ | 40.53 | 40.00 | 40.00 | 43.00 | 42.00 | 43.00 | 42.00 |
| Contributions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cooperative Extension | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Economic Development | 3.67 | 3.67 | 3.67 | 4.00 | 4.00 | 4.00 | 4.00 |
| John Marshall Soil & Water Cons. I | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <u>Planning Commission/BZA</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| Subtotal, Community Development | 46.20 | 45.67 | 45.67 | 49.53 | 49.00 | 49.53 | 49.00 |
| <u>Non-Departmental</u> | | | | | | | |
| <u>Non-Departmental</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| Subtotal, Non-Departmental | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <u>Other Funds</u> | | | | | | | |
| Airport Fund | 3.00 | 3.00 | 3.00 | 6.63 | 4.00 | 6.63 | 4.00 |
| Ambulance Revenue Fund | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Conservation Easement District Fur | 2.00 | 2.00 | 2.53 | 2.53 | 2.53 | 2.53 | 2.53 |
| Environmental Services Fund ² | 37.00 | 37.00 | 37.00 | 52.31 | 37.06 | 52.31 | 37.06 |
| Fire and Rescue Tax Levy Fund ⁴ | 124.00 | 124.00 | 125.00 | 155.00 | 152.00 | 164.00 | 152.00 |
| <u>Fleet Maintenance Fund</u> | <u>16.00</u> | <u>16.00</u> | <u>16.00</u> | <u>14.00</u> | <u>14.00</u> | <u>14.00</u> | <u>14.00</u> |
| Subtotal, Other Funds | 183.00 | 183.00 | 184.53 | 231.47 | 210.59 | 240.47 | 210.59 |
| County Total | 763.63 | 762.10 | 764.67 | 833.48 | 802.47 | 844.88 | 802.47 |
| School Division | 1,900.88 | 1,904.96 | 1,915.19 | 1,929.33 | 1,929.33 | 1,929.33 | 1,929.33 |
| Total FTE | 2,664.51 | 2,667.06 | 2,679.86 | 2,762.81 | 2,731.80 | 2,774.21 | 2,731.80 |

¹ Funding for one position is shared by the General Fund (33%) and the Conservation Easement Service District Fund (67%).

² Funding for one position is shared by the General Fund (50%) and the Environmental Services Fund (50%).

³ Includes position transferred to General Services from Information Technology mid-FY 2022.

⁴ Includes 15.00 FTE firefighter positions established mid-FY 2022 as a result of receipt of the SAFER grant award.

⁵ (1.0) FTE was funded but not included in Adopted FTE count in FY 2022. This is being corrected in FY 2023 Proposed FTE Count.

