



Hanover County, VA Adopted FY14 Budget





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COUNTY BUDGET STAFF

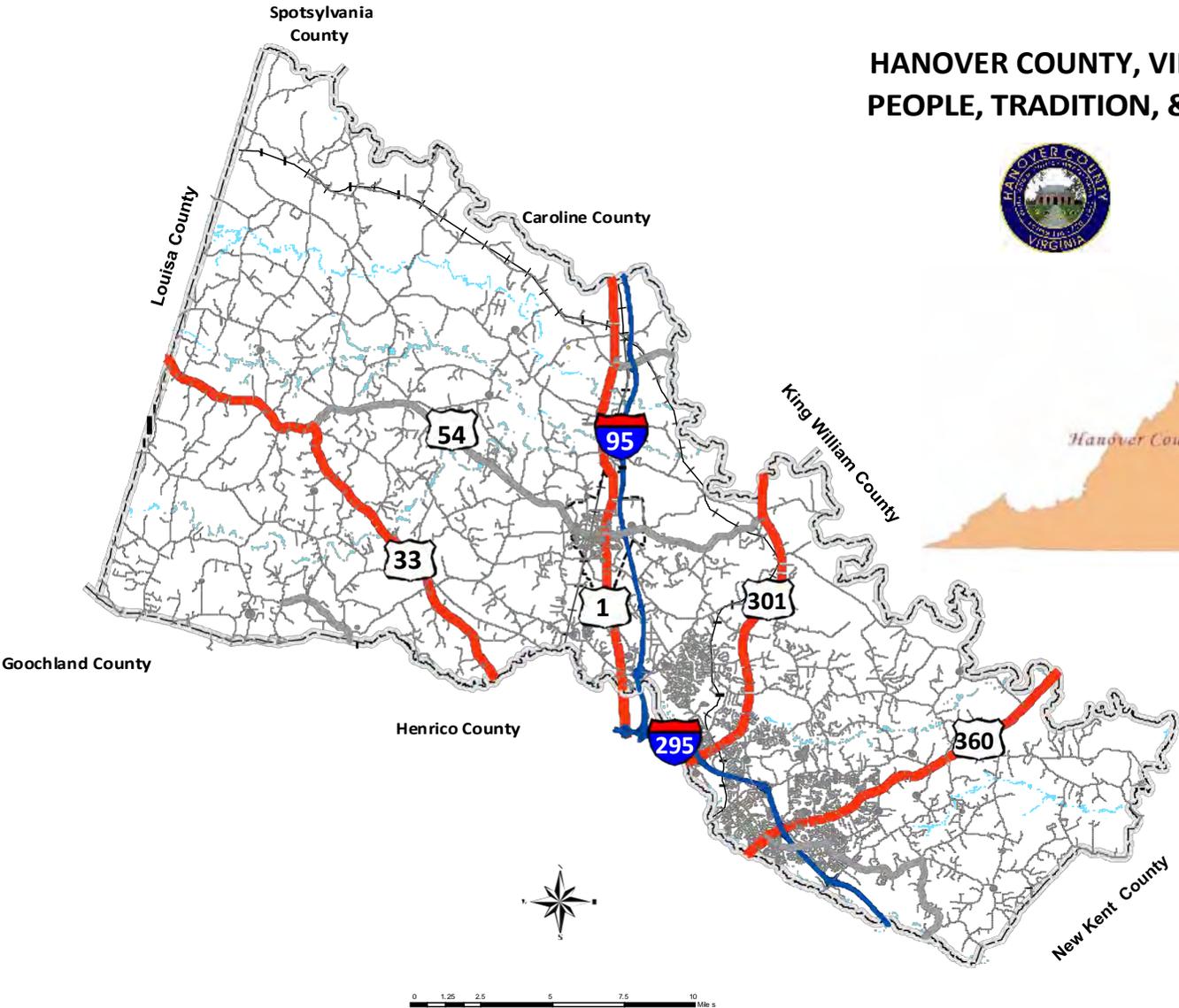
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HANOVER COUNTY, VIRGINIA PEOPLE, TRADITION, & SPIRIT





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Our Vision

A PLACE, INSPIRED BY
ITS PEOPLE, TRADITION & SPIRIT,
WHICH WILL BE THE PREMIER COMMUNITY
FOR PEOPLE & BUSINESSES TO ACHIEVE THEIR FULL POTENTIAL

Our Mission

TO BE A PREMIER COMMUNITY
BY PROVIDING SUPERIOR SERVICE THROUGH
CREATIVITY, INNOVATION & SOUND FINANCIAL PRACTICES

Our Values

INTEGRITY ♦ ACCOUNTABILITY ♦ RESPECT ♦ INCLUSIVENESS

HANOVER COUNTY
PEOPLE, TRADITION & SPIRIT



How to Use This Document

The Hanover County budget document is divided into the following five sections:

Overview: This section provides an overview of the budget that includes the County Administrator’s letter to the Board of Supervisors with an appendix of additional information and graphs and charts that outline the major functions and categories of expenditures and revenues. In addition, a history and description of the County, organizational chart, Five-Year General Fund Financial Plan, the County’s Service Level Plan for the budget year, a staffing table, and demographics are presented. Use this section to get a brief understanding of the overall size of the budget and its major components.

General Fund: This section provides a breakdown of the major expenditure categories by department and function. Each department’s analysis includes a description of the department, budget highlights, goals and objectives, service levels, and the percentage change between the prior year adopted budget and the next year’s funding level. The following is a brief example of a department:

	FY12	FY13	FY14	FY13
	Actual	Budget	Budget	to FY14
Expenditures				
Personnel	\$ 1,626,601	\$ 1,788,976	\$ 1,791,353	0.1%
Operating	1,924,591	1,967,629	1,911,419	(2.9%)
Capital	108,109	73,649	76,171	3.4%
Total Expenditures	<u>\$ 3,659,301</u>	<u>\$ 3,830,254</u>	<u>\$ 3,778,943</u>	<u>(1.3%)</u>
Revenues				
Intergovernmental Revenue	\$ 17,353	\$ 18,000	\$ 18,000	0.0%
Other Revenue	938,264	751,000	816,000	8.7%
General Fund Revenue	2,703,684	3,061,254	2,944,943	(3.8%)
Total Revenue	<u>\$ 3,659,301</u>	<u>\$ 3,830,254</u>	<u>\$ 3,778,943</u>	<u>(1.3%)</u>
Generated Revenue Percent	26.1%	20.1%	22.1%	
General Fund Percent	73.9%	79.9%	77.9%	
Full-time Positions	32	32	32	0.0%
Part-time Positions	1.1	1.1	0.5	(54.5%)
Full-time Equivalents	33.1	33.1	32.5	(1.8%)

Personnel expenditures include salaries and benefits. Operating expenditures are all other recurring expenditures (contractual services, utilities, supplies, etc.). Capital expenditures represent expenditures for capital items greater than \$5,000 per unit cost (equipment and furniture). The percent change is the change between the next year’s budget and the current adopted budget. Full-time positions represent all County employees who work 32 hours per week in a fully benefitted status. Other revenue consists of department-generated revenues directly charged by that department for services, permits, privilege fees, regulatory licenses, fines and forfeitures, recovered costs, and interdepartmental funding.

Other Funds: This section provides information regarding the County’s funds other than the General Fund and the Capital Improvements Funds, which are detailed in different sections.

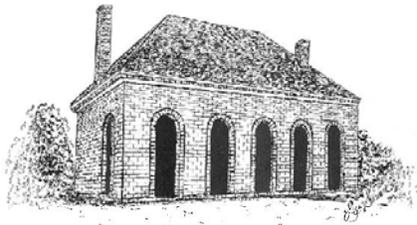
CIP: This section provides detailed descriptions for projects in the Five-Year Capital Improvements Program (CIP).

Supplemental Data: This section provides supplemental appendices to the County budget. Included in this section are such items as budget directives, financial policies and regulations, supplemental statistics, and glossary.



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HANOVER COURTHOUSE

HANOVER COUNTY

ESTABLISHED IN 1720

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COUNTY ADMINISTRATOR

FRANK W. HARKSEN, JR.
DEPUTY COUNTY ADMINISTRATOR

JAMES P. TAYLOR
DEPUTY COUNTY ADMINISTRATOR

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April 10, 2013

The Honorable Members of the Board of Supervisors
County of Hanover, Virginia

Dear Members of the Board:

As I write this budget message for Fiscal Year 2014, we are seeing signs that our local economy is beginning to stabilize and we all hope this prolonged recession will soon be behind us. Fiscal Year 2014 ongoing revenues are anticipated to increase 1.3% from the previous year. This positive news, however, is tempered by the continued reductions in our real estate values for this budget year.

Four years of budget reductions have required us to become more efficient. However, we have also had to reduce many of the service levels we take pride in and are known for. While I would like to begin restoring selective levels of service, at our current tax rate we can only maintain what we have until our revenue growth is more significant and sustainable.

Local Economy and State Impacts

Hanover has maintained a strong and stable business base throughout the recession and we expect modest growth in the coming years, particularly from small- and mid-sized businesses expanding and making investments. We also are encouraged about several announcements on the economic development front, including The Vitamin Shoppe building their flagship distribution center in Ashland, a \$39 million investment. This plant will open later this year and create about 170 jobs over the next 3 years. We were also pleased when Morooka America announced the opening of two plants which will create about 50 jobs in the next three years. These new employment opportunities and the continued resilience of our existing businesses

bring us hope that our unemployment rate, most recently 5.2%, will continue to improve along with the quality of life of our County's residents.

While I believe our local economy is stabilizing, there is some uncertainty with State and Federal budgets. In the Commonwealth's budget, local governments will no longer have to return State aid to the Commonwealth, as we have in the last five years. This change will allow Hanover County to retain State funding of approximately \$400,000. The Governor proposed State support for teacher pay raises, but unfortunately, it would cost the County more than \$2 million in local funding to match the state funding for eligible School employees only. School Superintendent, Dr. Jamelle Wilson and I feel that it is a priority to reward all of our employees, not a select group as the Governor's budget recommends. Unfortunately, this budget does not include the revenues to support a salary increase for our workforce.

Stabilizing General Fund Revenues

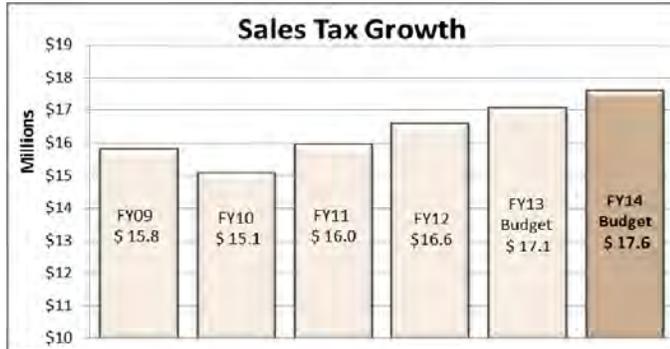
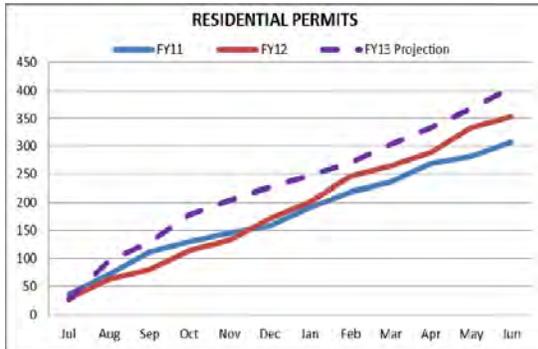
The economy's decline over the last five years has resulted in decreased local taxes for our residents, but has created growing financial challenges for local government because of our dependence on real property taxes. Since Fiscal Year 2009, County revenues have declined by nearly \$10 million. **Real Property Taxes** are down \$8 million or 8% since FY09 including the forecasted 1.0% decline in reassessments again in FY14. The County has worked hard to balance to the declining revenues, which have been compounded by corresponding inflation increases of over 6 percent over the same five-year period. By not increasing the



tax rate, we have offered relief to the taxpayers throughout the recession. Taxpayers have actually seen a decline in tax bills that will continue into next year. Had the Real Property Tax rate been annually equalized to produce the same amount of revenue, it would have increased 8 cents. Like many of our citizens, we have been living with less revenue while prioritizing our spending. The only fee or rate changes that are proposed in this budget are slight increases in EMS fees and an increase in the tax rate that applies to public service generating equipment.

Early indications for this fiscal year are that revenues are close to or perhaps above our budget assumptions. Our five-year plan assumes slow but steady economic growth over the next five years, with a modest recovery in real property revenues beginning in fiscal year 2015. New residential building permits issued were up 15% last year and show similar trends this year. There are also positive trends in personal property tax revenues which are estimated to

increase 3.8 percent or \$1.4 million in FY2014. Sales tax revenue is also expected to show a moderate increase of up to \$500,000 from the current fiscal year.

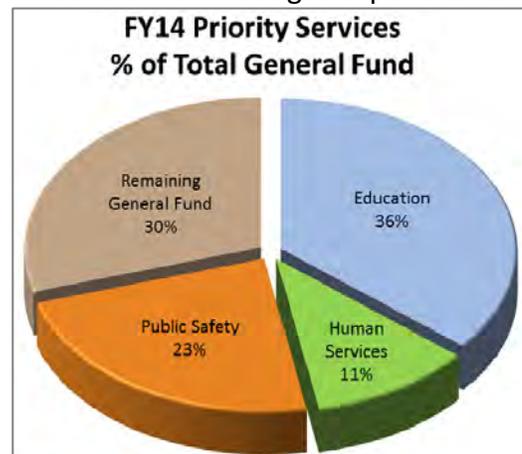


How we have balanced the budget

The leaner organization that we are today is evident when you compare the net changes in departmental budgets. Almost half of the County’s departmental budgets have decreased from last year while another 30% had slight increases of 1% or less. This brings the total decrease in our operating expenditures to \$20.5 million or 13.7% since FY09. In addition to savings identified in departmental budgets, we have continued the planned use of our prior year’s savings. We expect to draw down the balance of the reserve for revenue stabilization fund over the next two fiscal years.

Board-adopted Strategic Focus Areas

The Board adopted Strategic Focus Areas in September which include Education, Safety and Human Services. These areas comprise 70% of the FY14 General Fund budget expenditures. The local contribution to the **School** budget is \$74.9 million and is level with previous budgets net of the use of School reserve funds and the transfer of debt payments to the new Debt Service Fund. School enrollment and revenues have declined; however the percentage of our revenue which is directed to the Schools remains unchanged. The School Board, Dr. Wilson and her staff have made difficult decisions as they positioned the resources available to continue to provide superior classroom instruction. During this budget process, we have worked together to identify opportunities for consolidating the Accounting and Purchasing operations centrally in the County’s Department of Finance and Management Services. Our school system is critical to our mission of being a premier community. I thank them for their extended efforts to minimize the impact to our classroom



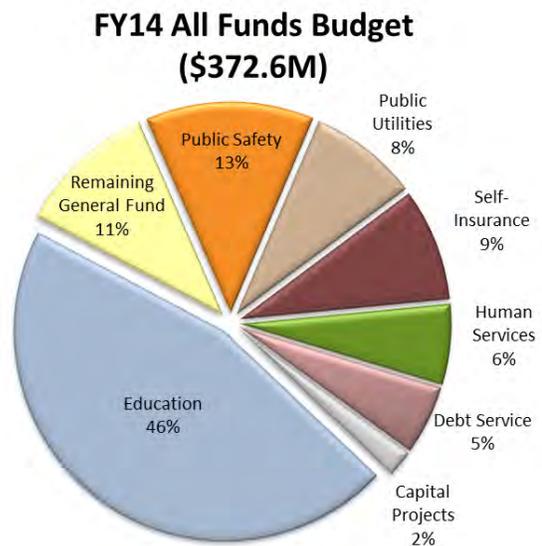
teachers and maintain student/teacher ratios. Together, the County and School Board leadership continue to prioritize our future through the education of our children.

Public Safety budgets total \$48.2 million and have remained relatively flat as a percent of the total General Fund for a second straight year. The Sheriff has worked within his budget and prior year's savings to fund three previously unfunded positions. Fire/EMS has developed a strategy to maximize fire truck replacement funding. The operating budget for Emergency Communications is up significantly because of the maintenance support agreement associated with the new 800 MHz radio system.

Funding has remained stable for **Human Services** budgets of \$23.0 million. This stable funding has enabled our Human Services departments to maintain State standards for benefits. While this area continues to be stressed by the demands of the recession, we have consolidated some management responsibilities and redeployed resources to Human Services departments to ensure that our services meet the County's goal of providing citizens with a higher quality of life and citizen independence.

Total Budget – All Funds

The total FY14 budget for all funds is \$372.6 million. That reflects an increase of \$4.8 million or 1.3%, which is primarily in the Utility Fund. The Education budget is 46% of the total budget for all funds, which is comparable to prior year funding when considering that debt is no longer shown as part of the Education budget. The \$170.3 million of Education funding includes the School Operating, Textbook, Food Service and School Improvement Funds. The other Strategic Focus areas, Public Safety and Human Services, make up 19% of the total budget for all funds, or \$71.2 million. The General Fund portion of the total budget is basically flat from FY13 at \$207.8 million.



Investing in the Future

As we navigate the path to financial recovery, I believe there are three areas that we should focus on. Our Workforce, Capital and Technology needs have been deferred during these difficult times and all three of these areas need resources for the future.

Our **Workforce** has continued to demonstrate their dedication to the citizens and the County. However, the leaner organization that we are today comes at a cost to our workforce that is not

reflected in the budget. Prior to the recession, we were able to invest in our employees with competitive salaries and benefits, pay increases and educational assistance. Most, if not all, of the employees have assumed additional duties. Unfortunately, this budget does not include any compensation increases for our employees but will reinstate the career development programs so that we can remain competitive with our peers and demonstrate to our employees the value we see in their professional growth. We anticipate health care rates for our employees will be stable for next year.

With the changes in our organization, pressures are building on our workforce and I am concerned about growing morale problems as employees take on additional responsibilities while continually falling behind in their take-home pay. One of our first priorities should be supporting our excellent employees, who are the key to the services we provide our citizens, and we need to be looking for opportunities to reward them.

Major **Capital** needs have been deferred and the focus of the capital improvements plan is on emergency vehicles and roads. Long term Capital projects such as a library, public safety training center and courts building that would require debt funding are removed from the Capital Improvement Plan. We must look to the future and develop funding strategies and savings plans for necessary Capital needs.

The FY14 budget begins to address the **Technology** needs. The FY14 County Capital Improvement Plan increase of \$1.5 million, or 45% from FY13, is primarily due to the use of \$950,000 of reserve funds for the replacement of the Public Safety Computer Aided Dispatch System. Our major business applications have all been evaluated to determine the necessary Technology investment strategy. The cost of replacing our outdated technology is estimated to exceed \$10 million. In the five-year plan, we have begun to save for future technology needs with annual expenditure savings. Current technology will reduce the workload impacts on our leaner workforce.

Public Utilities

Public Utilities continues to find alternative solutions for managing operating costs while maintaining system infrastructure and service levels. However, challenges associated with regulatory mandates, aging facilities, and long term contracts for water and sewer treatment services are increasing budgetary pressures. Although the operating budget is relatively flat, a \$6.7 million increase in the capital budget consists primarily of a required plant upgrade (\$4.7 million) and other renewal projects. Most projects related to extending the service area have been deferred. This budget includes rate increases of 5% for water, 1% for sewer and 2.5% for capacity. Associated with the increase in capacity fees is a change to meter sizing policies that will reduce meter sizes for some new customers, which we propose to implement this spring.

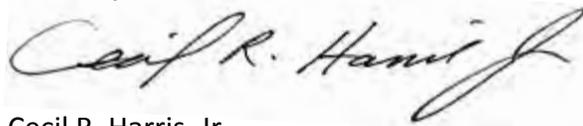
Conclusion

This budget attempts to sustain major services without raising property taxes on our citizens. We have worked hard to achieve operational efficiencies and this budget continues that focus with the consolidation of the county and schools finance operations, along with outsourcing a significant portion of our grounds maintenance functions. This budget does not increase our citizens' real estate taxes; however, we will have to address revenue alternatives if the recovery assumptions are not realized in the five-year plan. If these revenue assumptions are not achieved, we would need a modest 2-3% increase in funding sources to maintain service levels.

It is our hope that we have seen the bottom of the real estate recession and that going forward our citizens will see appreciation in their homes and businesses. This, along with our economic development efforts, keeps me positive about the County's future.

In closing, I wish to express my appreciation to our dedicated Budget staff and our senior County and School leaders, whose efforts truly epitomize Hanover County's spirit of teamwork.

Sincerely,

A handwritten signature in black ink that reads "Cecil R. Harris, Jr." The signature is written in a cursive style with a large, sweeping initial 'C'.

Cecil R. Harris, Jr.

County Administrator



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FY13 Initiatives Update

Following is a status update as of April 30, 2013 for the following Board of Supervisors Fiscal Year 2013 Initiatives, adopted by the Board on April 25, 2012:

- **Review and update the Comprehensive Land Use Plan:** The County reviews its 20-year Comprehensive Land Use Plan every five years, with the last update taking place in 2007. The current update began with a joint meeting between the Board of Supervisors, Planning Commission and Economic Development Authority in June 2012, following which the Planning Commission has conducted a series of workshops. Issues under consideration in this year's update include densities within the Suburban Services Area; new land use designation concepts; review of Economic Development Zones; and evaluation of Small Area Plans. The Planning Commission is holding work sessions with the goal of having the update completed by the end of FY13.
- **Review and update the Public Safety Strategic Plan, including a review of the Fire/EMS service standards:** The Public Safety Strategic Plan was adopted in 2007. Technology has changed significantly since that time and constraints on resources due to the ongoing economic recession have made this a good time to review the plan and engage the community in a discussion of what the service standards should be. A Steering Committee is beginning to align County-wide safety goals with department-specific strategies and plans to make a recommendation to the Board of Supervisors in the spring of 2013 after input from stakeholders.
- **Provide resources to assist the School Board in the update of their Education Strategic Plan:** The County provided resources to help the schools complete their 2012-18 Long-Range Plan, which was completed this past fall. The effort involved nearly 80 members of the community and school staff. The purpose of this document is to clearly define a foundation and a path to achieve the specific goals.
- **Identify compliance options for Chesapeake Bay and stormwater management mandates:** It has been estimated that coming into compliance with federal and state regulations designed to improve water quality in the Chesapeake Bay watershed will exceed \$15 billion for the Commonwealth of Virginia, its local governments, businesses and citizens. The largest portion of that will be the cost of meeting new stormwater regulations and most of that funding burden will fall on local governments. The County will be expected to begin complying with new Chesapeake Bay special conditions in state and federal permits effective July 1, 2013. Local government-imposed stormwater taxes or stormwater utility fees will likely become the main source for supporting the future costs of this program for existing developed land. The magnitude of these costs may vary greatly depending on the final state and federal implementation goals, but in every instance they are expected to be significant. The Department of Public Utilities has already started design and construction activities as part of a multi-phased, multi-year plan to bring facilities into compliance with new regulations. Current projects include initial upgrades to the Ashland Wastewater Treatment Plant at an estimated cost of \$500,000 in FY13 and to the Totopotomoy Wastewater Treatment Plant at an estimated cost of \$4.6 million in FY14.

FY13 Initiatives Update

- **Develop objectives and key indicators for County Strategic Plan:** In July 2011, the Board of Supervisors adopted new Vision, Mission and Value Statements as the first step towards an overall County Strategic Plan. The purpose of this overall Strategic Plan will be to clearly identify the County's strategic focus areas. The Plan will also help define and illustrate the local government's role in helping County citizens and business attain a high quality of life. Seven strategic focus area teams consisting of over 70 employees (senior leaders and other key service or technically-skilled employees) developed goals, strategies and objectives for education, community, safety, economic development, human services, stewardship and service and engagement – the components of the overall strategic plan. The Board adopted this Overall Strategic Plan in September 2012. With an Overall Strategic Plan developed, individual strategic plans can be developed for each focus area and community engagement sought. Key indicators will also be developed and then monitored to help better illustrate overall Strategic Plan performance.
- **Complete the comprehensive reorganization and re-codification of the Zoning Ordinance:** As part of its FY2012 Initiatives, the Board directed Planning staff to draft a reorganization of the Zoning Ordinance. Since its initial adoption in 1959, the Ordinance has been amended numerous times, which has resulted in a document that is no longer well organized and often challenging to follow. This effort will reorganize elements into a logical sequence, modernize terminology where necessary and remove ambiguities where they exist. This initiative does not include modifications to current policies or changes to zoning practices. This initiative was completed in January 2013.

FY14 Adopted Initiatives

The following initiatives for Fiscal Year 2014 were adopted by the Board of Supervisors on February 13, 2013:

- **Develop capital plans to meet general government and school renovation and improvement needs utilizing the debt service savings plan as a primary funding source:** Current debt service will decrease approximately \$12 million over the next five years, creating funding capacity for short-term capital improvement needs and related debt funding if necessary. The Board of Supervisors is in the process of determining priorities for the potential use of the debt service savings plan.
- **Complete the Comprehensive Plan 2012-32 update:** The Planning Commission has been holding public workshops for several months and anticipates holding a public hearing on June 13, 2013. It is anticipated that the Planning Commission will be able to make a recommendation to the Board of Supervisors this summer, with the Board then scheduling public input sessions.
- **Develop a County Plan to meet Chesapeake Bay & stormwater management mandates:** Staff is in the process of developing this plan, which will first go to the Board's Community Development Committee for recommendation to the full Board.
- **Further explore efficiency of collaboration between general government and schools on related functions:** School Board and County staff reviewed workflows, staffing, systems, policies and practices. The FY14 budget included consolidation of the processing and financial reporting functions of the accounting, debt, external audit, accounts payable, payroll and procurement operations and staff centrally within the Department of Finance and Management Services. Staff will analyze if opportunities for future consolidation exist in such departments as General Services, Human Resources and Information Technology.
- **Update the Human Services Strategic Plan:** The Human Services Strategic Plan has reached the end of its five-year span and is due for an update, including revisiting the goals of the current plan.
- **Develop strategies for increasing inventory of Tier 3 (prime) commercial property by at least 100 acres:** Hanover County does not compare favorably with Richmond, Henrico and Chesterfield in terms of commercial property available. Competiveness for these prospects is severely limited by a lack of available pad-ready sites and buildings. To be effective, any long-term economic development strategy must include the aggressive development of available pad-ready sites and buildings. Staff is currently in the process of developing these strategies.
- **Petition for termination of coverage of the preclearance requirements under Section 5 of the Voting Rights Act:** Staff filed the County's Complaint seeking exemption from

FY14 Adopted Initiatives

preclearance requirements with the D.C. District Court on April 30, 2013 and a three judge panel has been appointed to hear the case.

- **Update Information Technology Strategic Plan:** The current IT Strategic Plan 2011-14 provides direction for technology investments and operations. New technology capabilities and changing business needs will be used to update the current plan. Input will be provided by senior leadership, departments, and research into best practices. This Board initiative will result in a new IT Strategic Plan 2015-18.

Hanover County FY14 Adopted Budget Highlights

Quick Facts of the FY14 Adopted Budget:

The FY14 adopted budget is \$372.6 million, a 1.3% increase from the current year.

The County's General Fund budget is \$207.8 million, a 0.3% decrease from the current year.

Highlights of the FY14 Budget:

- All residential property tax rates remain unchanged.
- Real Property revenue decrease of \$350,000 or (0.4%) below FY13 budget. This assumes a conservative 1% decline in assessments in 2014.
- Personal Property increase of \$1.4 million or 6.3% above FY13 budget.
- Continued strategic use of Reserve for Revenue Stabilization to weather recession.
- Creation of a new Debt Service Fund for School and County debt costs.
- Intergovernmental revenues to the General Fund increase \$919k or 3.0%: 1) elimination of the requirement to return \$400,000 of state funding back to the Commonwealth; 2) increases in human services program reimbursements; and, 3) federal revenue to subsidize debt is reduced from the General Fund and now recorded in the new Debt Service Fund.
- Priority was given to maintaining service levels as much as possible in the areas of Public Safety, Education and Human Services which comprise 70% of the General Fund budget.
- Public Utility 5% water rate increase equals just under \$2 more per bill; the 1% wastewater rate increase equals \$0.75 per bill on average.

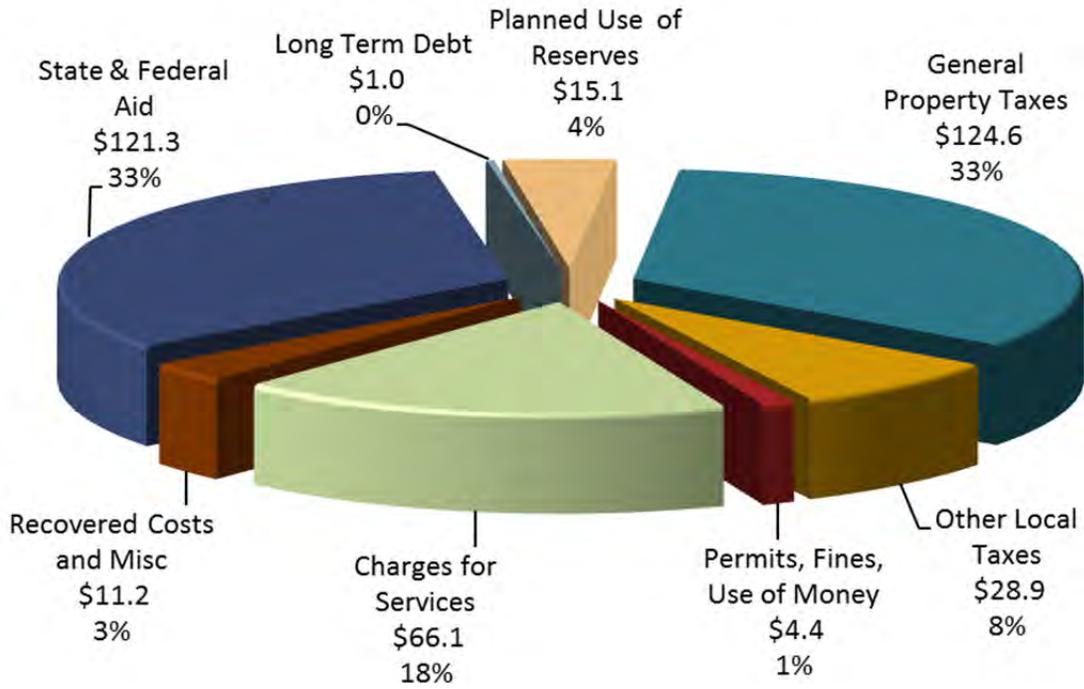
Schools

- Local contribution to the Schools is \$74.9M – an \$18.6M or 20% decrease from the prior year.
 - \$15M reflects debt service moving from the Schools budget to a separate fund
 - \$3.2M is a reduction in the use of one-time revenue
 - \$350k was reduced due to the transfer of some financial and purchasing functions from the Schools to the County
- Elimination of 36.8 leadership, support staff, vacant and instructional positions.

County Staff

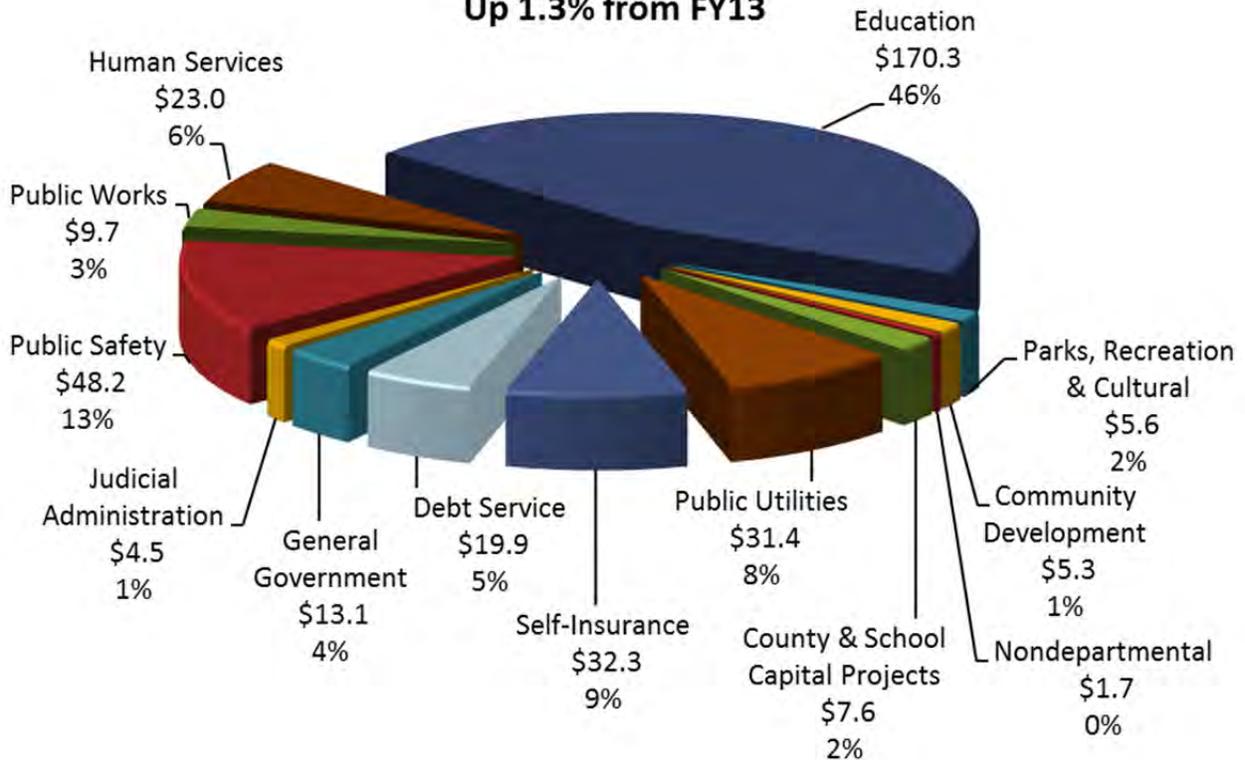
- General Fund staffing increase of 1.6 positions. The consolidation of financial and purchasing functions with the Schools results in the transfer of 6 positions from the Schools to the County. This is offset by the elimination of 4.9 vacant positions in multiple departments and the creation of a part-time position in the Treasurer's Office. Additionally, Public Utilities staffing is decreasing by 2 positions.
- Health insurance is budgeted to increase 4% for the employer. The employee contribution is expected to remain unchanged.

FY14 All Funds Revenues



FY14 All Funds Expenditures

\$372.6M Total
Up 1.3% from FY13



Appendix to County Administrator's Letter

While the preceding County Administrator's Letter is meant to highlight the budget, the following supplemental information details the more specific changes in the budget. The purpose is to provide a summarized version of the manner in which the County's budget funds are allocated, the sources of such funding, long-term financial planning and other items illustrating how the County attempts to provide the services needed and desired by the citizens in an efficient and effective manner. The following areas are presented:

- Employee Compensation and Benefits
- General Fund – Revenues by Category
- Expenditures by Function
 - Public Schools
 - Public Safety
 - Human Services
 - Parks, Recreation and Cultural
 - Community Development
 - Public Works
 - General Government
 - Judicial Administration
 - Nondepartmental
- County and School – Debt Service Fund
- County and School – Five-Year Capital Improvements Program
- Public Utilities – Operating Budget and Five-Year Capital Improvements Program
- Financial Condition Overview
- Economic Development Update

EMPLOYEE COMPENSATION AND BENEFITS

The Board of Supervisors has long recognized that competitive employee compensation is critical to the County's success. Recognizing that compensation is only one aspect of a quality work environment, the County has traditionally focused on employee development in addition to the maintenance of competitive compensation and benefits. While competitive compensation is crucial to the strength of the locality, revenues have not grown to a level that will support a compensation increase for FY14.

- Career ladders have been developed for many positions in the County to recognize the advancing achievements of the workforce during their careers with the County. Although this program was suspended in FY13, funding has been made available in this Five-Year Plan to support this program.
- The 2012 Session of the General Assembly ended with substantial changes to the Virginia Retirement System (VRS). Due to the extended nature of the session, the legislation was not passed until after adoption of the County's FY13 budget. As a result, the County passed an amendment on May 23, 2012 to recognize the cost of implementation of the VRS change that required the employees to pay the employee portion of their retirement that had previously been paid by the County. Additionally, the legislation required that this five percent (5%) employee contribution be matched by an increase in compensation of five percent (5%). These amendments were the basis for the FY14 personnel costs.

Appendix to County Administrator’s Letter

Self-Insurance Fund (\$1.1 million a 3.3% decrease): The Self-Insurance Fund provides for health insurance payments through employer contributions and employee deductions and other post-employment benefit (OPEB) payments. This program serves all County entities, including the Pamunkey Regional Jail and Pamunkey Regional Library. The opt-out credit is \$100 annually for employees that do not elect health insurance through the County, and provides \$50,000 for the employee health and wellness program funded with revenues from our insurance carrier. The increase in FY14 expenses is based on market trend increases in health care claims. Employee premiums are anticipated to remain unchanged from FY13. Employer health insurance costs will increase 4% to \$7,444 for each full-time participating employee.

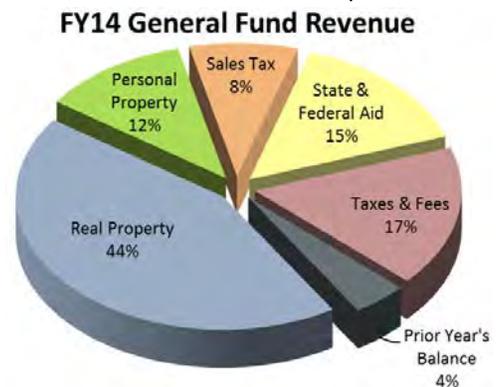
GENERAL FUND

The General Fund serves as the primary operating fund from which nearly all County services receive all or most of their local funding. In addition to specific funding adjustments noted in other sections, the budget is prepared to accommodate service level changes with many areas of the County’s operation being mandated by Federal or State law for which budgetary control is always a challenge.

GENERAL FUND – REVENUES BY CATEGORY

Available ongoing revenues in the General Fund have resulted in an overall increase of \$2.5 million or 1.3% due mainly to growth in personal property and sales tax as well as the elimination of the State’s required return of funds. After factoring in one-time funding sources, the General Fund budget is decreasing \$642,000 or 0.3%.

The following revenues have been highlighted to reflect the County’s reliance upon these revenue sources. In order to align revenues with specific expenditure functions, the revenues related to Schools and Public Utilities are addressed under their applicable expenditure by function narratives.



Real Property Taxes (\$90.8 million, a \$350,000 and 0.4% decrease): The total value of taxable real estate in the County decreased to \$12.0 billion for January 2013 (2.4% decrease from reassessment and a 0.9% increase from new construction and growth). The total revenue includes \$165,000 of incremental revenues generated by the Lewistown CDA, which will be transferred to the Lewistown CDA fund upon receipt.

Public Service Corporation Taxes (\$4.5 million, a \$450,000 and 11.1% increase): This revenue category is a compilation of businesses that are directly assessed by the State Corporation Commission (SCC) and have property tax rates, as applicable, that are the same as those classified under real and personal property tax categories. The increase is attributable to an increase in the generating equipment rate from \$0.55 to the maximum allowed of \$0.81 (or the rate equal to the local real property tax rate).

Appendix to County Administrator's Letter

Personal Property Taxes (\$24.0 million, a \$1.4 million and 6.3% increase): Personal property tax revenue is based upon our preliminary assessment of existing vehicle sales and continued conservative assumptions for new vehicle purchases. The State's fixed allotment of \$15.0 million for car tax relief is recognized as non-categorical State revenue. The actual percent relief to be applied to the taxpayer's bill is quantified in September of each year with completion of vehicle assessments. The 64% State relief for 2011 was reduced to 60% for 2012.

Sales Taxes (\$17.6 million, a \$510,000 and 3.0% increase): The current year trend for sales tax is up from FY12, and is projected to increase in FY14 by 3.0%. Sales Tax is expected to increase annually by 4.0% – 5.0% throughout the County's Five-Year Plan. The total sales tax includes \$250,000 incremental sales tax revenue generated by the Lewistown CDA.

State and Federal Revenues (\$31.1 million, a \$918,858 and 3.0% increase): The State budget assumptions were based on the information available from the Governor's 2012-2014 biennial budget as well as pending legislation currently under consideration in the General Assembly. Funding has been maintained for State support of local offices. Increases in this category are due to the elimination of the requirement to return a portion of State funding and increases in reimbursements for Social Services and the Sheriff's Office.

Charges for Services (\$6.3 million, a \$40,650 and 0.6% decrease): These revenue accounts include all of the user-related fees the County charges for services. The largest items in this category are Community Services Board charges, EMS cost recovery fees and Parks and Recreation fees.

Revenue from Use of Money & Property (\$664,000, a \$94,700 and 12.5% decrease): The FY14 budget anticipates a decrease in interest income from FY13. The decrease in this category is also attributable to the elimination of a lease of one of the former Community Services Board facilities.

EXPENDITURES BY FUNCTION

The following section of the budget synopsis illustrates all the functions of the County. Under each functional area are the departmental budgets with the dollar and percentage change noted. A brief description of a department's function and budget is presented on the departmental pages later in the document. Generally, all functional areas of the County are impacted by the current and projected economic climate. County-wide, departments are continuing to adjust to the staff reductions of prior years, and a Service Level Plan that primarily addresses equipment replacements without additions.

PUBLIC SCHOOLS

The County and School staffs continue to enjoy a solid working relationship to ensure that funding is provided and managed to meet the challenges and opportunities that accompany a successful school community. The School Board operates the 15th largest division in the Commonwealth, consisting of 25 schools throughout the County with a projected FY14 enrollment of 17,810 students (18,951 including non-K-12 students). The School Board is committed to preserving the core values of the Division during this time of economic recession and enrollment change.

Appendix to County Administrator's Letter

School Operating Budget (\$17.7 million and 9.8% decrease, 21.2% local decrease): Complete detail of all funds can be found in the School Board's Adopted FY13-14 Budget, which can be accessed on the School's website at <http://hcps2.hanover.k12.va.us>.

Textbook Fund Budget (\$502,646 and 93.0% increase): The budget reflects a substantial increase over previous years to allow the program to rebuild from the previous reductions. There is local funding for this program in FY14.

Food Services Budget (\$25,110 and 0.3% decrease): The Food Services budget is based upon continued participation of elementary and middle schools in both the National School Breakfast and Lunch Programs. There will be a price increase of \$0.05 cents for student and adult breakfasts and \$0.10 cents for lunches. There is no local funding for this program.

School Capital Budget: The \$2.8 million capital budget is funded with \$1.8 million of cash and \$1 million of debt. Funded projects include:

Facilities Renovation	\$ 1,000,000
Computer Replacement	\$ 1,820,000



PUBLIC SAFETY

Fire/EMS (\$72,449 and 0.5% increase, 3.0% increase in local funding): The FY14 budget for this department will remain relatively flat from FY13. There are operating increases for restored funding for leased trailers used as EMS classrooms and vehicle gas. However, those increases were negated by substantial decreases in funding for uniforms and wearing apparel, education and recreation supplies, noncyclical computer replacement, and educational training. Included in the Service Level Plan for FY14 are two (2) replacement vehicles for the administrative fleet. The personnel increase is due primarily to employee career development and moving a portion of the wireless communication costs from operating to personnel in the form of a stipend. Costs for the Line of Duty Insurance, an unfunded mandate, increased as well. The personnel category also includes pooled funding for non-benefitted employees. The Fire/EMS portion of the capital budget includes \$250,000 for the fire engine and heavy rescue apparatus replacement plan as well as \$376,000 for the ambulance replacement plan. The reduction in intergovernmental revenue is attributable mainly to the expiration of two (2) federal grants; 2011 Assistance to Firefighters Grant (AFG) and 2009 Urban Areas Security Initiative (UASI) Communications Grant.

Sheriff's Office (\$450,272 and 2.2% increase, 2.7% increase in local funding): The FY14 Sheriff's Office Service Level Plan has \$852,800 for twenty-nine (29) replacement vehicles, sixteen (16) mobile data terminal replacements, and an Extended Range Situational House. The personnel increase is due mainly to added funding for three (3) Deputy Sheriff's positions that were previously vacant unfunded. The cost of career development was mostly offset by six (6) less employees opting for health insurance coverage. The operating increase is due primarily to increased funding for vehicle gas.

Appendix to County Administrator's Letter

The Sheriff's Office also includes the Court Services division (addressed under the Judicial Administration function). Total funding provided to the Sheriff's Office, including Court Services, is \$21.9 million, a \$464,739 and 2.2% increase.

Emergency Communications (\$408,734 and 8.8% increase; 8.4% increase in local funding): The FY14 Emergency Communications Service Level Plan has \$30,200 for a radio calibration monitor and CALEA accreditation. The operating budget is up significantly because of the maintenance support agreement associated with the new 800 MHz radio system. Operating expenditures were partially offset by decreases in both repair and maintenance and electrical services. The personnel category does include pooled funding for non-benefited employees.

Animal Control (\$20,891 and 2.2% increase): The overall FY14 budget for this department increased by 2.2% from FY13. The personnel decrease is due primarily to filling three (3) vacant positions at lower rates of pay. The operating increase is due mainly to funding for physicals, restored funding for repair and maintenance, small capital to replace animal cage front doors, and increased funding for professional services and vehicle gas.

Juvenile Court Services Unit (\$62 and 0.0% change, 0.0% change in local funding): The budget is primarily comprised of the cost of housing juvenile offenders who are placed at the Merrimac Juvenile Detention Center as well as other community programs provided to address accountability, public safety, and treatment (e.g., case management, probation, electronic monitoring, community service, and treatment groups). The overall FY14 budget for this department will remain flat from FY13. The slight increase in personnel expenditures is due to increased benefit costs. The personnel category does include pooled funding for non-benefitted employees.

Pamunkey Regional Jail (\$30,011 and 0.6% decrease): This budget reflects the per diem costs (\$47.59 per day) to house inmates as part of the County's participation in the Pamunkey Regional Jail Authority (PRJA). The daily per diem rate has decreased for FY14. The costs for housing inmates have benefited from the economies of scale of the larger jail operations as well as the benefits of using available capacity for bed rentals to other governments.

Community Corrections (\$2,202 and 0.5% decrease, 5.9% increase in local funding): Community Corrections is required to provide pre-trial services to those deemed necessary by the Court. The Department of Criminal Justice Services provides a grant to Community Corrections. The overall FY14 budget for this department will remain relatively flat. The significant reduction in operating expenditures is due mainly to the termination of a lease agreement.

Building Inspections (\$2,893 and 0.2% increase): The FY14 Building Inspections budget will remain relatively flat overall. The slight personnel increase is due in part to increased benefit costs. The operating decrease is due primarily to computer related purchases that were funded in the prior year.

Appendix to County Administrator's Letter

HUMAN SERVICES

Social Services (\$86,833 and 1.7% increase, 6.4% decrease in local funding): Social Services is the primary local agency meeting the social service needs of individuals that arise from a variety of circumstances and who are being impacted dramatically by the downturn in the economy. Changes in the FY14 budget are correlated to serving individuals in mandated programs. All of the federal, state and/or local service standards have been met or exceeded (i.e. time application processing of the Supplemental Nutrition Assistance Program - SNAP, Medicaid, and Temporary Assistance for Needy Families – TANF). The increase in personnel is due mainly to the transfer of the CSA employee to Social Services. The full-time equivalent increase is also due to that transfer and the reclassification of a part-time benefitted employee in FY13. The operating increase is due mainly to an increase in adoption subsidy program funding.

Community Services Board (CSB) (\$232,916 and 2.3% decrease, 0.2% increase in local funding): The total CSB FY14 budget is \$9.9 million and reflects an overall decrease of 2.3%. The personnel decrease is due primarily to a reduction in the number of employees opting for health insurance coverage and the elimination of a vacant Account Clerk position. The personnel category does include pooled funding for non-benefitted employees. The reduction in revenue from use of money and property is the result of a property sale to a vendor that once leased county owned property. Revenue from the general fund is to remain unchanged from FY13.

Comprehensive Services Act (CSA) (\$83,990 and 1.5% increase, 3.0% decrease in local funding): The increase in the FY14 operating budget is due to an anticipated increase in mandated expenditures. The state revenue increased proportionately while general fund revenue remains flat. The state revenue reflects a decision by the County beginning in FY12 to no longer charge a prorated share of the State reversion account to the CSA State revenue. The personnel decrease is due to the department employee being transferred to the Social Services department.

Community Resources (\$116,157 and 28.3% decrease, 33.3% decrease in local funding): The personnel decrease is due to the elimination of a vacant funded Director position. The operating increase is due primarily to an increase in fees and miscellaneous charges.

Health Department (\$0 and 0.0% change): This budget represents the County's required funding of a 45% share of this State agency budget. The Health Department represents a stand-alone State function for which the County's share changes in proportion to State funding of this service. There will be no increase in local funding for FY14.

Tax Relief for the Elderly and Disabled (\$0 and 0.0% change): Enhancements to the relief program were adopted by the Board of Supervisors in October 2007 to increase the eligibility criteria for gross income limit to \$50,000, including the acreage exclusion to ten acres, maximum allowable net worth to \$200,000, and removed the maximum discount that could be received by participants. The primary reasons for the flat budget are that it appears that this program has reached a majority of the potential qualified population and the taxable value of real property has leveled, thereby stabilizing the value of the eligible property.

Appendix to County Administrator's Letter

PARKS, RECREATION AND CULTURAL

Parks and Recreation (\$31,999 and 1.0% increase, 0.6% decrease in local funding): The personnel decrease is due primarily to the elimination of two (2) vacant Groundskeeper positions. The operating increase is due primarily to the merger of Senior Travel Commission budgeting into the Parks and Recreation operating budget. The personnel category includes pooled funding for non-benefited employees associated with the Youth Summer Programs.

Pamunkey Regional Library (\$0 and 0.0% change): The County has benefited greatly as part of the Pamunkey Regional Library System that serves four counties. The County and the Pamunkey Regional Library often refer to the goal to have a ratio of 0.6 per square feet of library space per person in the County. With the replacement of the Mechanicsville Library the County's ratio is 0.43. The Library's budget is to remain flat in FY14.

COMMUNITY DEVELOPMENT

Economic Development (\$10,049 and 1.0% decrease): The overall FY14 Economic Development budget decreased from FY13. The personnel increase is due mainly to increased benefit costs. The operating decrease is due primarily to a reduction in maintenance service contracts and from moving a portion of wireless communications to the personnel category in the form of a stipend. Economic Development also provides administrative oversight over the following fund:

- **Economic Development Authority (EDA) Fund (\$28,925 and 11.5% increase)**: The EDA issues tax-exempt bonds for qualifying projects and partners with local developers in furthering economic development goals. The budget consists of fees to partially recover Economic Development costs on revenue bonds issued. Revenues are up slightly due to additional bond issuances.

Planning Department (\$11,249 and 0.6% decrease): The FY14 budget for this department has decreases in both personnel and operating budgets. Due to the lagging economic recovery, one (1) full-time Deputy Director position was eliminated. The overall decrease in the operating budget can be attributed to reductions in professional services. The personnel category does include funding for non-benefited Board and Commission members.

The budgets of the following community development divisions are generally small in scope and require little administrative oversight of the budget for the two divisions:

- **Extension Service (\$12,735 and 13.0% decrease)**: This function represents the County's share in participating in the State extension service (administered by Virginia Tech), which has been a valuable resource for our agribusiness and residents interested in horticulture, 4-H, and various other industry related programs. The decrease is due mainly to the elimination of a building lease for office space and moving the department to county owned and maintained facilities.
- **Soil and Water Conservation District (\$0 and 0.0% change)**: This is the County's share for participating in this district, which serves residents in conservation planning and education. Due to the current economic climate, the local contribution will remain flat in FY14.

Appendix to County Administrator's Letter

Community Support (\$38,210 and 3.5% increase): The contributions to various local and regional entities are classified under community development to reflect their community support intentions. Although the FY14 budget for Community Support reflects an overall increase, contributions to funded agencies have been held steady. One agency, Hanover Habitat for Humanity, was restored in FY14 as funding appropriated a few years ago had been stretched across fiscal years and has now been exhausted. Regional agency contributions were held flat and the only increase was offset by revenue.

PUBLIC WORKS

Public Works (\$15,343 and 0.9% decrease, 1.8% decrease in local funding): The FY14 budget for this department will remain relatively flat. Slight increases in office supplies and vehicle gas were primarily offset by the elimination of print shop funding. Funding has been included for automated stormwater facility monitoring (\$13,100) and the MS4 permit fee (\$3,000). The slight decrease in personnel is due mainly to a reduction in pooled funding for non-benefitted employees and the elimination of a transitional salary. There are no changes relative to the operation of the Cannery.

In the Capital Improvements Program (CIP), the funding of roadway improvements continues in the amount of \$1,250,000 (\$250,000 from the General Fund) and \$164,700 for regional stormwater implementation.

Public Works also provides administrative oversight over the following divisions:

- **Public Works Operations (\$146,382 and 3.8% decrease, 2.5% increase in local funding):** The FY14 budget combines the Recycling Service District budget with Public Works Operations. The Recycling Service District budget has been re-stated in this document for FY12 and FY13. The FY14 Service Level Plan for this division consists of \$76,170 for operational equipment (e.g. roll off containers and compactor systems). The reduction in operating is due mainly to substantial savings achieved through a rate reduction for contracted disposal services. The increase in personnel is due primarily to career development and restored pooled funding for a non-benefitted employee. In FY14 the contracted recycling collection rate with the Central Virginia Waste Management Authority (CVWMA) will increase to \$24.00 per lot in participating subdivisions for the purpose of funding recycling services.
- **Airport (\$266,081 and 33.3% decrease, 1.1% decrease in local funding):** The County has a fixed-base operator (FBO) in a lease agreement managing the Hanover Airport. The FY14 budget includes a slight increase in personnel due to increased benefit costs and a flat operating budget. The reduction in the capital improvements program is primarily due to land acquisition and perimeter security fencing that were funded in FY13. Also, Federal Aviation Administration (FAA) discretionary funds will be leveraged to complete obstruction removal, thus decreasing the amount of local funding. The local funding supports one (1) County employee as well as maintenance and improvements to the airfield and terminal facilities.

Appendix to County Administrator's Letter

General Services (\$28,879 and 0.8% increase): Beginning in FY14, the General Services department will no longer provide print shop services to other departments, which results in a reduction in "other revenue". General Services also has \$88,000 in capital funding for FY14. The operating decrease is due primarily to reductions in heating and electrical services. Also, a portion of wireless communications funding has been moved from operating to the personnel category in the form of a stipend.

GENERAL GOVERNMENT

The County continues to pride itself on providing high quality and technologically-current services to citizens in the most efficient and effective manner. This is further supported by the State's composite of the general government administration function statewide in which the County's cost for providing such services is 73.5% of the statewide per capita average. The following summarizes the operating budgets for these administrative departments:

Board of Supervisors (\$2,158 and 0.4% decrease): In FY14, the overall department budget will remain relatively flat. The slight personnel decrease is due mainly to one (1) less employee opting for health insurance coverage. The FY14 Service Level Plan does not contain funding for additional updating of audio visual equipment in the Boardroom. These matters will be addressed on an as needed basis by priority.

County Administrator's Office (\$9,858 and 0.9% increase): The increase in operating is due mainly to increases in professional services for the department's share of an annual laserfiche contract, printing and binding associated with publication of the Hanover Review, and vehicle gas. The personnel increase is due primarily to increased benefit costs and moving a portion of wireless communication costs from operating to personnel in the form of a stipend.

Human Resources (\$11,040 and 1.6% increase): The personnel increase is due primarily to an additional employee opting for health insurance coverage. The increase in operating is due mainly to increased funding for contractual services. As a continued cost savings measure, there is no funding for the county-wide tuition reimbursement program in FY14.

County Attorney's Office (\$10,171 and 1.0% decrease): The operating budget for this department will remain relatively flat in FY14. The personnel decrease is due mainly to the removal of a transitional salary. This budget includes funding for a non-benefitted employee. The department will continue with reduced employee hours for one (1) position in FY14.

Commissioner of the Revenue (\$35,729 and 2.9% increase, 1.2% increase in local funding): In addition to the many services provided by this office, two high volume activities include: 179,628 personal property taxpayer items valued in 2012 and approximately 3,382 State income tax returns requiring processing assistance. The FY14 budget does include pool funding for non-benefitted employees in the personnel category. The increase in other revenue represents a projected increase in DMV Select revenue. The FY14 Service Level Plan for this department consists of \$15,000 for a large format scanner.

Appendix to County Administrator's Letter

Assessor (\$22,030 and 2.7% increase): The personnel increase is due mainly to the removal of a transitional salary and added funding at grade minimum for a vacant Chief Assessor position. The operating increase is due primarily to printing and binding for an increased number of assessment notices and vehicle and powered equipment.

Treasurer (\$28,234 and 2.1% increase, 0.4% increase in local funding): The operating increase is due primarily to increases in professional services, printing and binding, and one-time funding for a laserfiche module. The increase in the personnel category is due to the reclassification of a non-benefitted employee to benefitted status. The personnel category does include pool funding for non-benefitted employees.

Finance & Management Services (\$425,541 and 31.8% increase): The personnel increase is due mainly to the addition of an Accounting Supervisor, two (2) Purchasing Officers, and three (3) Financial Technicians. All of these positions were transferred to general government from the School System as the result of a consolidation plan. There is a slight decrease in operating due primarily to the transfer of arbitrage and trustee fees to the new Debt Service Fund.

Internal Audit (\$10,521 and 4.2% increase): The decrease in operating is due primarily to reduced funding for educational training and the elimination of wireless communication costs. The personnel increase is due primarily to filling the vacant Internal Audit Director position at a higher rate of pay. There will be no change in the hours assigned to the part-time position, and the Average Audit Cycle will remain at 9 years.

Information Technology (IT) (\$28,966 and 0.7% increase): The overall budget increase for this department in FY14 is less than one percent. The personnel increase is due mainly to turnover. Also, a portion of the wireless communications budget has been moved from operating to personnel in the form of a stipend. The operating increase is due primarily to increased funding for maintenance service contracts.

Registrar (\$7,159 and 2.5% increase): There are no significant changes for the FY14 budget. The slight increase in personnel is due primarily to increased pooled funding for Officers of Election and one additional employee opting for health insurance coverage. The operating increase is due mainly to printing and binding and the wireless communication budget has been moved to the personnel category in the form of a stipend.

JUDICIAL ADMINISTRATION

Clerk of the Circuit Court (\$34,143 and 2.7% increase, 10.2% increase in local funding): The personnel increase is due primarily to pooled funding for non-benefitted employees. The operating increase is due to small capital outlay funded through the State Technology Trust Fund.

Commonwealth's Attorney's Office (\$4,380 and 0.3% increase, 6.2% decrease in local funding): The personnel increase is due mainly to one additional employee opting for health coverage. The operating decrease is due primarily to reductions in professional services, printing, and postage.

Appendix to County Administrator's Letter

Court Services (\$14,467 and 1.0% increase, 1.2% increase in local funding): The security of the courts through bailiffs and serving of court-related papers (e.g. subpoenas) is performed by this division of the Sheriff's Office. The FY14 Court Services Service Level Plan contains \$50,000 for two (2) replacement vehicles. The operating increase is due mainly to increases in small capital outlay, vehicle gas, and educational training. The personnel category is flat for FY14.

The following divisions of judicial administration (totaling \$176,300 in funding) represent the County's operating contributions to these State-related functions:

- **Circuit Court (\$1,168 and 1.7% decrease):** Overall budget will remain relatively flat. The operating increase in books and subscriptions is offset by the reduced VRS rate in personnel.
- **General District Court: (\$6,671 and 7.4% decrease):** The decrease seen in the departmental budget is directly linked to the trends in court appointed attorneys fees that the County has been incurring.
- **Juvenile and Domestic Relations Court (\$1,268 and 6.0% decrease):** The decrease in the budget can be attributed to reductions in maintenance service contracts and small capital outlay.
- **Magistrates (\$12 and 0.4% increase):** The budget remains relatively flat and the slight overall increase can be attributed to an increase in projected telecommunications costs.

NONDEPARTMENTAL

This category traditionally appropriates funds for those functions not identified elsewhere and includes airport, and utility obligations, General Fund transfers to other funds, as well as reserves available for future appropriation. Transfers to the School Fund, Other Funds, and Capital Funds are detailed on the respective department pages. A transfer to the Lewistown CDA for incremental generated revenues in the amount of \$425,000 is included in this budget. The Reserve for Contingencies decreased as a result of the elimination of additional funds budgeted in FY13 in anticipation of the costs associated with the Virginia Retirement System required compensation change. Finally, the Reserve for Revenue Transfers has increased on both the revenue and expense side as the need for the larger amount is necessary to keep pace with the grants being successfully received.

COUNTY/SCHOOL DEBT SERVICE FUND

Debt Service Fund: Beginning in FY14, the County consolidated debt service payments previously budgeted in the General Fund and the School Operating Fund into the new Debt Service Fund. Debt service for the County and Schools decreased \$318,700 in FY14 or 1.6%.

COUNTY/SCHOOL FIVE-YEAR CAPITAL IMPROVEMENTS PROGRAM

The Capital Improvements Program (CIP) is the County's plan for investing in facilities, equipment, and vehicles over the next five years and includes those items with a unit cost greater than \$50,000.

Appendix to County Administrator's Letter

The FY14 capital budget for County and School projects is \$7.6 million, which is \$258,130 less than the current fiscal year. The FY14 budget includes \$1,250,000 for road improvements (of which \$250,000 is from local funding sources), \$626,000 for Fire/EMS fire apparatus and ambulances, \$995,000 for Information Technology infrastructure, \$164,700 for regional stormwater implementation (all funded with non-local dollars), and \$125,000 for vehicle replacements. General Fund cash transfer for County and School projects is \$5.3 million, a \$1.8 million and 52.9% increase from the prior year.

PUBLIC UTILITIES **BUDGET AND CAPITAL IMPROVEMENTS PROGRAM**

Public Utilities operates as an enterprise fund, meaning the operations and capital expenditures are funded with revenues generated from customer user fees, miscellaneous fees, and one-time capacity fees paid at the time of connection. County tax revenues are not used to support Public Utilities' operations. The department provides water and wastewater services to a customer base of approximately 19,379 residences and businesses. Public Utilities pays a recovered cost fee to the General Fund for services provided by General Fund Departments in support of its operations and a service assessment charge to the General Fund for law enforcement, fire protection, and emergency medical services.

Utility Operating Budget: The \$21 million operating budget is slightly less (0.2% decrease) than the previous year's budget. This flat budget reflects the net impact of increased contract costs for water and sewer services from the City of Richmond and Henrico County, reductions in staffing levels in areas that support development activity, and lower debt service. User fees for water and sewer have been increased by 5% and 1%, respectively. The combined residential bill for water and sewer will increase \$16.38 annually for average customers. Capacity fees have increased by 2.5%. There are no changes in miscellaneous fees. Public Utilities will continue to provide an elderly and disabled customer relief program, estimated to cost \$110,000 in FY14, based upon the same qualifying criteria as the tax relief program.

Utility Capital Budget: Growth in Hanover County and the Suburban Services Area has slowed during the past several years, reducing Public Utilities financial ability to expand the water and sewer systems to new portions of the Suburban Services Area. Public Utilities will complete its Route 33 Utility Extension Projects during the current fiscal year. The final cost of the Route 33 projects, a Board of Supervisors' Initiative, is estimated to be approximately \$10,000,000. Utilities focus with the CIP is to ensure continued regulatory compliance, system reliability, and to meet the needs of its current customers. Public Utilities is in a position to support continued growth in areas with existing underutilized infrastructure. The \$10.2 million CIP budget includes both renewal and replacement projects (\$9.3 million) and system expansion projects (\$400 thousand). Two renewal and replacement projects of note are an anticipated \$2.6 million joint capital cost payment to the City of Richmond and a \$4.7 million nutrient improvement project at the Totopotomoy Wastewater Treatment Plant.

Appendix to County Administrator's Letter

FINANCIAL CONDITION OVERVIEW

In January 2011, Hanover County's 'Triple-AAA' rating status was affirmed by all three national bond rating agencies. Moody's Financial Service, Fitch Ratings and Standard & Poor's all praised Hanover's financial management and noted that economic trends are slowly improving. "The AAA ratings reflect the County's sizeable tax base, sound and effectively-managed financial position with sound reserve levels and manageable debt burden," Moody's reported. "Moody's expects Hanover County to continue its conservative budgeting approach and effective expenditure management to maintain a sound financial position." "The County's financial management is strong, mitigating concerns raised by growth pressures," reported Fitch Ratings, which cited the County's "ample reserves, controlled expenditure growth and conservative out-year financial planning." Standard & Poor's expects "economic development to continue to strengthen the economy further, as well as the employment and tax bases, while allowing the County to maintain its rural nature." "The County's excellent fiscal policies, as well as adherence to those policies, and overall health of its financial position provide rating stability," Standard & Poor's added.

The County relies upon a strong fund balance policy, which reserves at least 10.0% minimum (10.6% goal) of its General Fund revenues (the industry benchmark for a fiscally well-managed local government). When balances are projected to be above such thresholds, excess balances can be either saved for future years in which economic conditions warrant using it to mitigate one-time revenue shortfalls or for expenditure mandates targeted for future capital needs to mitigate debt or other local funding needs. The undesignated fund balance as of June 2012 was \$23.9 million, which represented 12.6% of General Fund revenues. The fund balance is projected to be favorable on June 30, 2013, after meeting year-end fund balance policy thresholds and planned needs for the FY14 budget. The Five-Year Financial Plan is balanced each year, and its reliance on the use of surplus each year reinvested into the subsequent year is at a conservative level that should be accomplished; therefore compliance with the fund balance policy is expected to be maintained throughout the next five years.

Beginning in August 2008, the County began to experience revenue reductions primarily in sales tax collections, personal property taxes and development related fees. By the end of FY09, the economic slowdown produced lower than budgeted revenue of \$8.5 million (4.1%). County management, recognizing that the recession would impact multiple years, established a new reserve for revenue stabilization on June 30, 2009. The intent of this reserve is to provide a source of one-time funding to provide flexibility as the County continues to weather the recession. The County has continued to fund the reserve and plans to use \$2.0 million of the reserve as a part of the FY14 budget.

Even through the recent recession, the County remains strong and resilient as demonstrated by the following indicators of continued economic strength and strong financial condition:

- Virginia historically weathers recessions better than the Country and Hanover weathers in a manner similar to Virginia. The County's unemployment rate of 5.2% in February 2013 is below the State's 5.7% and compares favorably to the national rate of 8.1%;
- Because our long-term facility requirements were substantially met with the 2005 referendum projects, the County is in an envious position of having reduced capital financing

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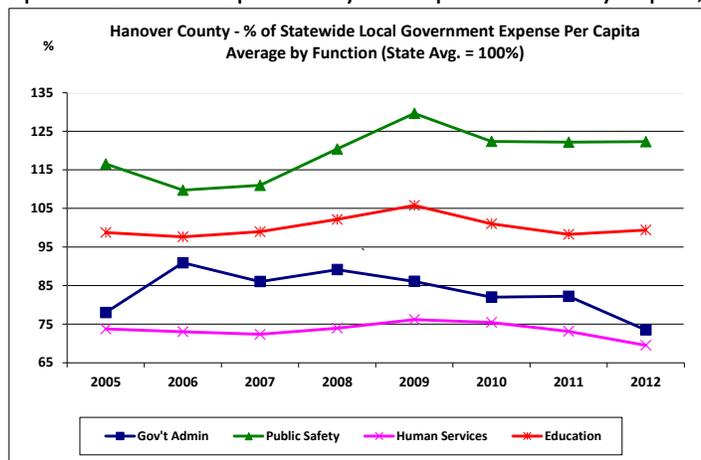
and cash funding needs in the Five-Year Plan which has provided for enhanced flexibility in financial planning;

- The County has long-term solid waste contracts through 2023;
- Our retail vacancy rate of 5.0% is very low;
- Foreclosures have declined for 2012 when compared to the 2011 calendar year and with other jurisdictions;
- Schools enrollment growth is expected to decrease by 0.7% in FY14, with a total enrollment of 18,951 estimated for September 2013.

To assess internally our financial health, the County has traditionally tracked State-published indicators of fiscal stress and median adjusted gross income. The most recent State report shows that Hanover has the 27th lowest level of fiscal stress and the 13th highest median adjusted gross income (\$47,362). A component of the fiscal stress index is a locality's tax rate compared to State-wide averages, with low tax rate jurisdictions assigned a lower stress as they would appear to have the greater capacity to generate additional revenue. Hanover has the lowest regional real property tax rate of \$0.81 as compared to Henrico's \$0.87, Chesterfield's \$0.95 and Richmond's \$1.20. The preceding economic highlights are not only very strong indicators of fiscal health, but also indicative of the traditionally strong indicators that the County has maintained or improved over many years.

A general indicator of the efficiency with which the County operates is an analysis of comparative per capita spending in functional areas as prepared by the State's Auditor of Public Accounts. Education is slightly below (0.6%) the state-wide average demonstrating the two Boards' commitment to quality education while maintaining efficient delivery of the educational services. Also, the State Department of Education reports that Hanover County Public Schools had the 25th lowest cost per pupil in the State of Virginia in FY12 (per pupil cost excludes debt service and capital costs).

All of our other functional areas are below the Statewide averages for counties. Demonstrating the County's emphasis on efficiently providing services, the County's general government function is at 73.5% of the statewide average. We are also regionally comparative: Henrico – 117.3%, Chesterfield – 90.8%, City of Richmond – 115.9%, Spotsylvania – 69.7%, Stafford – 62.3%, and Albemarle – 68.0%. While it is not practical to provide an in depth analysis as part of this synopsis, the four areas – Public Safety, Education, Human Services and General Administration – represent the Board's priorities and one other representative function of local government, respectively. The County's Community Development function, while operating at 68.0% below the statewide average, has significantly contributed in recent years to the quality of life in Hanover County, the diversification of the County's revenue base, and to the County's ability to attain triple AAA bond status.



Appendix to County Administrator's Letter

ECONOMIC DEVELOPMENT UPDATE

The Board of Supervisors' adopted Economic Development Strategic Plan encourages and supports the growth of existing and new businesses. This plan outlines the County's four major economic development goals: expansion of the tax base, economic stability, job retention, and job creation. The plan identifies target industries, utilization of incentives, the establishment of economic development zones for infrastructure enhancement, and revisions to the County's development regulations. Six (6) Economic Development Zones (EDZs) give priority consideration for development of infrastructure and fast track permitting to support new and expanding industrial and office projects in the County. The County's commercial tax base continues to grow through a combination of existing business expansions and new business attraction.

The Dominion Resources Innovation Center (DRIC), formerly known as the Dominion Resources GreenTech Incubator, is a partnership Hanover County has with the Virginia Biotechnology Research Park, the Town of Ashland, and Dominion Resources. DRIC serves entrepreneurs starting early and second stage technology based businesses. DRIC currently has four (4) member firms and recently had its inaugural "Tech Challenge Hanover" business plan competition, where 42 applicants competed their business concepts for privately funded prize money.

Recent economic development successes include:

- February 2012: Orbit Logistics consolidated 70,000 square feet of operations from three different buildings into one space in Hanover County. Orbit Logistics is a family-owned company doing business in the Richmond area since 1985, which provides order fulfillment, warehousing services, third party logistics and value added solutions. Their move to Hanover County encompassed 114,000 square feet off Route 1 in the former Best Products distribution center. In February, Orbit Logistics finished their second expansion within a 3-month period, adding an additional 30,000 square feet and 5 employees. November 2012 saw them acquire additional warehouse space next door to enable additional expansion.
- March 2012: East Penn Manufacturing Co., Inc., a privately-held company, operates one of the largest single-site lead-acid battery manufacturing facilities in the world. In early March 2012, the company completed a 13,500 square foot addition. This enhanced capabilities for its retail, commercial, and motive power service departments, and will create ten additional jobs in the future.
- April 2012: Virginia Crane (aka, Foley Material Handling Co.), a large manufacturer of industrial cranes, announced a significant expansion of their facility in Hanover County. Phase 1 of the project will include a 13,000 SF expansion that accommodates the production of a new, larger crane product. An additional 20,000 SF expansion is planned in Phase 2 that will add office and additional machine shop space. When both Phase 1 and Phase 2 are completed, Virginia Crane's footprint will be expanded to nearly 110,000 SF. The company also purchased the adjacent property, formerly occupied by Stafford Equipment, and will move vehicle maintenance, hoist repair, the parts department and mill operations. The total investment value of these expansion projects will equal \$2 million in construction and new equipment and include plans to hire an additional 15 employees
- July 2012: Morooka America, under a license agreement with Japan-based Morooka Co., Ltd., a manufacturer of rubber track carriers, will establish a manufacturing operation in

Appendix to County Administrator's Letter

Hanover County. The first Morooka Track Carrier plant in the U.S., along with its sister company Virginia Steel Specialties LLC, will establish two product assembly operations. The facilities will encompass 50,000 square feet and an output of 100 machines annually valued at more than \$15 million. The project will create up to 50 new jobs over the next 3 years.

- August 2012: The Vitamin Shoppe decided to build their flagship distribution center (300,000+ SF) in the Virginia Transportation Park, which is located on Washington Highway/Route 1 in the Town of Ashland. The Vitamin Shoppe, Inc. (NYSE:VSI), with more than 550 company-owned locations in 38 states and Puerto Rico, is dedicated to helping people fulfill their health and wellness needs. More than 250 jobs will be created over 5 years, and approximately \$39 million invested in the project.
- Additional information can be found at <http://www.hanovervirginia.com/news-events>.

Hanover County is regarded as a positive business environment by the majority of the business community. Last year's Business First program met with 101 companies of which three quarters rated its business climate as excellent or good. The recession still lingers, however, a full 55% feel the business climate is worse today than it was five years ago. Looking forward, nearly 90% of interviewed businesses are optimistic that the business climate will improve over the next five years. Nearly 90% rated local government operations as excellent or good, with other county provided services also given high marks.

The County has a number of vital business parks within the community. Atlee Station, Northlake, Lakeridge Industrial Park, and the Air Park house the majority of the county businesses. Winding Brook and Northlake continues to market aggressively to significant retail and hospitality end users. The increase in leasing activity at the Air Park has been another positive sign in our overall economic development outlook.

In terms of economic development advantages, Hanover has the lowest property tax rate in the Greater Richmond Partnership region; no business, professional and occupational license tax (BPOL); available commercial and industrial sites; and water and wastewater capacity. In addition, the County utilizes comprehensive planning that targets business development for appropriate areas while maintaining a high quality of residential, forestry, and agricultural uses in other parts of the County.

County and Departmental Achievements

Hanover County and several departments were recognized for outstanding achievement in the last year:

- For the fifth consecutive year, Hanover County was named one of America's Promise Alliance's **100 Best Communities for Young People**. The national award recognized Hanover for "its outstanding and innovative work in addressing the high school dropout crisis and for its programs and services that make it an outstanding place for youth to live, learn and grow."
- The Hanover Sheriff's Office was selected as one of only two agencies in the nation to receive the National Center for Missing & Exploited Children's 2012 **National Missing Children's Award** as a result of the successful search for a severely autistic and non-verbal 8-year-old boy who wandered away from his family during an outing to the North Anna Battlefield Park in October 2011. Sheriff David Hines directed a search effort that involved multiple law enforcement agencies and more than 3,500 volunteers. The young boy was safely recovered five days into the search and was in remarkably good health considering the amount of time he had spent out in the elements.
- The Sheriff's Office also received a 2012 **Virginia Association of Counties (VACo) Achievement Award** for the Motorist Assistance program. The Sheriff's Office currently has 24 trained Hanover residents participating in the Motorist Assistance patrol program. These volunteers work in pairs and drive well-marked Ford Explorers equipped with yellow emergency lights. Their duties include helping stranded motorists, directing traffic, assisting with traffic hazards, and providing guidance and assistance to those traveling in and through the County.
- **Emergency Communications** was one of only two local government agencies to be recognized as a 2012 "Industry Leader" by the National Safety Council. The Department's employees worked 98,753 hours without any time lost to injuries in 2011. Only 38 companies nationwide were honored with the Award, which recognizes the top 5% of member companies, units and facilities that meet safety criteria. Seven Hanover County departments received the National Safety Council's Occupational Excellence Award. Departments were the Assessor's Office, Community Corrections, Communications, Planning, the Sheriff's Office, Treasurer's Office and Voter Registration.
- For the third consecutive year, Hanover County achieved the goals of the **Go Green Challenge Award**, given by the Virginia Association of Counties and Virginia Municipal League to recognize local governments that reduce energy usage and promote sustainable practices. The Go Green Virginia Challenge is a friendly competition designed to encourage implementation of specific environmental policies and practical actions that reduce the carbon emissions generated by both the local government and its community.
- Water and wastewater systems operated by Hanover County's **Department of Public Utilities** were recognized for outstanding performance by the Virginia Department of Health (VDH) and the National Association of Clean Water Agencies (NACWA). DPU was awarded the VDH Office of Drinking Water's 2011 Excellence in Water Treatment Plant Performance Award for the **Doswell Water Treatment Plant**. The Doswell Water Treatment Plant also received a Silver Award for Excellence in Granular Media Filter Water Treatment Plant Performance from the Office of Drinking Water of the VDH. This award is given to those

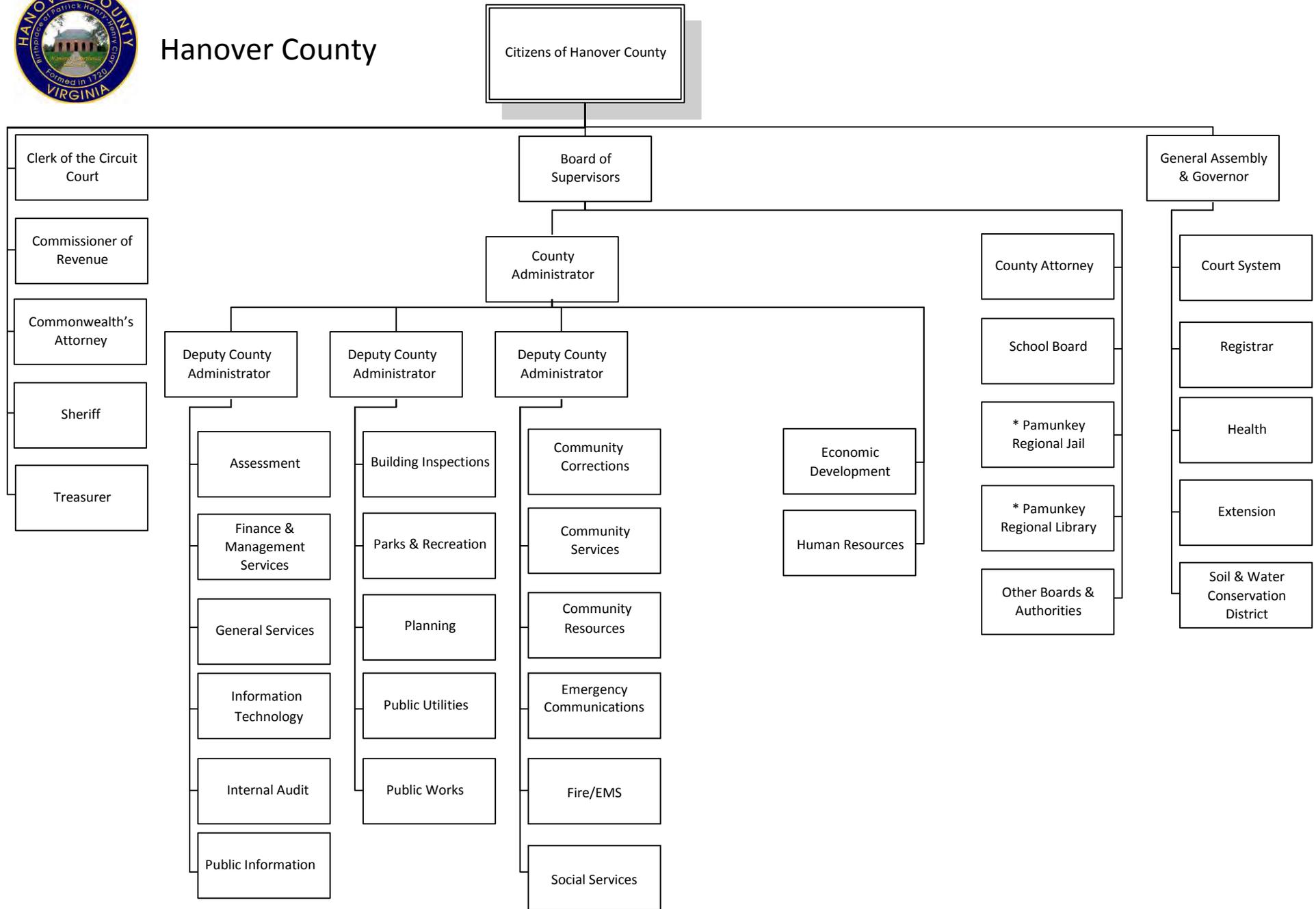
County and Departmental Achievements

operations which achieve Virginia's goals for clarification and filtration. The **Ashland and Totopotomoy Wastewater Treatment Plants** (WWTP) received the NACWA's Platinum Peak Performance Awards. *Platinum Awards* are given to facilities that have achieved 100% compliance with National Pollutant Discharge Elimination System (NPDES) permit limits for five or more consecutive years. The Ashland WWTP has had thirteen (13) consecutive years of perfect compliance and the Totopotomoy WWTP has had seven (7) consecutive years of perfect compliance. The **Courthouse Wastewater Treatment Plant** and **Doswell Wastewater Treatment Plant** received NACWA's *Silver Peak Performance Awards*. Silver awards are given to facilities that have less than five permit excursions during an entire year.

- The Government Finance Officers Association (GFOA) awarded a **Certificate of Achievement for Excellence in Financial Reporting** to Hanover County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. The County has received this prestigious award each fiscal year since 1985. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized CAFR that satisfied both GAAP and applicable legal requirements. The GFOA is a non-profit professional association serving approximately 17,500 government finance professionals. The GFOA also presented a **Distinguished Budget Presentation Award** to Hanover County for its FY2013 budget. The County has received this prestigious award each fiscal year since 1990. This award reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, Hanover County had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as a policy document, a financial plan, an operations guide, and a communications device.
- The **Pamunkey Regional Library** received a Voice of the People "Transformation" award given by the International City/County Management Association (ICMA) and the National Research Center (NRC), Inc. Hanover, through the regional library, was one of eight localities in the United States to receive the award, which is linked to Hanover's 2011 Citizens Survey done by the National Research Center, Inc. (NRC). According to the ICMA and NRC, communities receiving these awards showed the biggest improvement in service ratings and/or had the highest rated services according to a representative sample of their own residents. Award recipients were identified among all the jurisdictions that conducted the National Citizens Survey last year.



Hanover County



* Regional Board made up of some Hanover County appointees



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History and Description of Government

History

The County of Hanover, Virginia was formed on November 26, 1720 by the Virginia General Assembly in “An Act for dividing New Kent County.” It is named for King George I of England, who, at the time he came to the throne, was Elector of Hannover in Germany. Two of the County’s native sons – Patrick Henry and Henry Clay – distinguished themselves as orators, patriots, and statesmen in the early history of this country. Prior to English colonization in the 17th century, the Pamunkey Indians populated this area. Our northern boundary, the Pamunkey River, carries their name, and they maintain a reservation on the lower part of the river in neighboring King William County. The Town of Ashland, Virginia, was incorporated in 1858 and is located within the County. The Town was originally founded as a summer community by the Richmond, Fredericksburg, and Potomac (R,F&P) Railway.

Demographic and Economic Factors

Located in Central Virginia about 15 miles north of Richmond and 70 miles south of Washington, D.C., the County of 471 square miles, or 301,000 acres, lies in the Commonwealth’s Piedmont and Coastal regions. Approximately 33% of the land in the County is utilized for agricultural and 33% for forestal purposes. The County is bordered by the Counties of Caroline, King William, New Kent, Henrico, Goochland, Spotsylvania, and Louisa, and by the Pamunkey (where the North and South Anna Rivers merge), North Anna, and Chickahominy Rivers. The County’s residential, commercial, and industrial areas are growing at moderate rates. New residents are attracted to Hanover’s exceptional schools, low taxes, and low crime rate. The County houses Randolph-Macon College, founded in 1830.

Transportation

Based upon its proximity to Richmond and its rural character, the County has been an attractive location for businesses relocating or expanding, and for real estate developers interested in the opportunities in residential markets. The County is primarily served by Interstates 95 and 295, with Interstate 95 connecting the County to the metropolitan Richmond area to the south and providing the passage to Fredericksburg and Washington, D.C. to the north. Interstate 295 connects the east and west portions of the County together and represents a “loop” around the metropolitan Richmond area. U.S. Routes 1 and 301 are north/south primary roads: Route 1 runs parallel to I-95 and 301 runs northeastward toward Annapolis, Maryland. Maintenance of the primary and secondary roads of the County is under the jurisdiction of the Virginia Department of Transportation. Railroad passenger service is provided by Amtrak. Air transportation needs are served by the Richmond International Airport (RIC), located in neighboring Henrico County, while the Hanover County Municipal Airport operates primarily for small business and personal aircraft.

Tourism

Home of the internationally renowned Hanover Tomato, the County has a rich history and proud heritage. The landscape is marked by numerous historic sites and homes, including Scotchtown, the Hanover County Courthouse, and the Hanover Tavern. There are two (2) national battlefields maintained and opened year round. Over two million visitors annually

History and Description of Government

enjoy the thrills of Kings Dominion, a 630 acre amusement park featuring over 100 rides and shows. In addition to its tourism sites, the County is a point of origin from which many of the area's historical, amusement, and entertainment options can be visited.

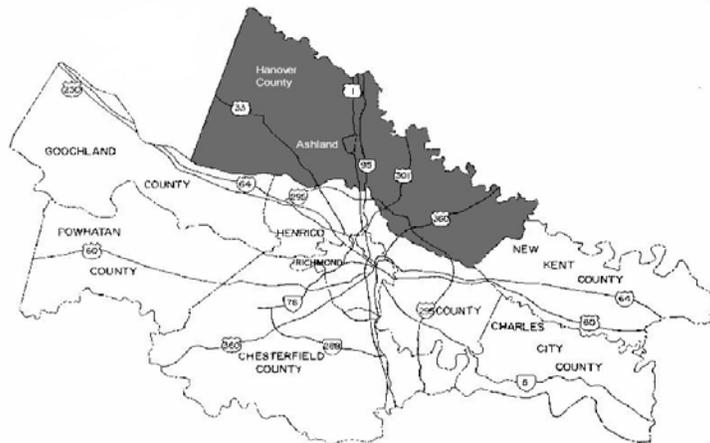
Description of Government

The County is a political subdivision of the Commonwealth of Virginia and operates under the traditional Board form of government with a County Administrator. Policies governing the administration of the County are set by a seven member Board of Supervisors, elected from seven magisterial districts. A chairman and vice-chairman are selected by the Board on an annual basis from among its members. The Board is responsible for formulating policy, directing certain governmental services, and appointing members of various boards and agencies to implement specific policies or provide certain services. The body also has responsibility for appointing the County Administrator, who serves at the pleasure of the Board, implements Board policies, directs business and administrative procedures, and provides recommendations for various County boards and agency appointments. The County has taxing powers subject to statewide restrictions and tax limits. The operation of public schools in the County is vested in a seven member Hanover County School Board, the members of which are appointed by the Board of Supervisors. The local share of the cost of operating public schools is met with an appropriation from the County's General Fund. Operations of the School Board are independent of the Board of Supervisors as prescribed by Virginia law. A Superintendent is appointed by the School Board to administer the operations of the public schools.

The Town of Ashland provides certain additional levels of service to its residents. The ordinances and regulations of the County, with certain limitations as prescribed by State law, generally apply to Ashland. Property in Ashland is subject to both Ashland and County taxation, and Ashland may incur bonded indebtedness without the approval of the County.



Estimated Population (2012) – 101,586
Per Capita Income (2012) – \$43,915
Median Age (Bureau of Census) – 41.0
Estimated School Enrollment (K-12)
(September 2012) – 18,951
Unemployment Rate (Feb. 2013) – 5.2%



County Funds Structure and Basis of Budgeting

Basis of Accounting

The County's accounting records are maintained on a modified accrual basis for the General Fund, Special Revenue Funds, and Capital Improvement Funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., as soon as they are both measurable and available. Revenues from intergovernmental reimbursement grants are recorded when earned. Other revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers general property tax and other intergovernmental revenues to be available if they are collected within 31 days of the end of the current fiscal period, and are due on or before the last day of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Fund Accounting

The accounts of the County and its discretely presented component units (Hanover County Public Schools and the Economic Development Authority) are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts, which comprise assets, liabilities, fund equities, revenues, and expenditures, or expenses, as appropriate. The various funds are summarized by governmental or business-type activities in the general purpose financial statements, while component units are reported in separate columns/rows. The following fund types and account groups are used by the County:

- A. Governmental Fund Type – Governmental type funds are those through which most governmental functions of the County are financed. The acquisition, use, and balances of the County's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are reported through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The County's governmental fund types are:

General Fund – The General Fund is the chief operating fund of the County. All general tax revenues and other receipts that are not allocated by law or other contractual agreement to another fund are accounted for in this fund. From this fund are paid the general operating expenditures, the fixed charges, and the capital improvement costs that are not paid through other funds. This fund contains the operating budgets for most traditional local government programs such as Public Safety, Parks and Recreation, and Public Works.

Special Revenue Funds – Special revenue funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds consist of the School, Food Service, and Textbook Funds of the School Board component unit; and the Economic Development Authority Fund.

County Funds Structure and Basis of Budgeting

1. School Fund – The School Fund is the primary operating fund for all education-related governmental activities. Revenues come primarily from General Fund transfers and state and federal aid.
2. Food Services Fund – The Food Service Fund accounts for all of the operations of the school food services program. Revenues are generated from charges for services and state and federal aid.
3. Textbook Fund – The Textbook Fund provides administration, maintenance, and control over all of the textbooks used in the schools. Revenues are derived from General Fund transfers and state aid.
4. Economic Development Authority (EDA) Fund – This fund reflects revenues and expenditures associated with the issuance of tax-exempt industrial development revenue bonds to qualifying enterprises wishing to utilize that form of financing. Those bonds representing limited obligations of the EDA are to be repaid solely from the revenue and receipts derived from the projects funded with the proceeds. The debt outstanding does not constitute a debt or pledge of the faith and credit of the County or the EDA.

Capital Improvement Funds – Capital Improvement Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds. The County maintains two (2) capital improvement funds.

1. County Improvement Fund – This fund controls the financing and construction of most non-educational County facilities, such as parks, libraries, and public safety facilities. The Board of Supervisors approves these projects through the County's Capital Improvement Program (CIP). Revenue sources for this fund include transfers of local tax funding from the General Fund, the issuance of debt, and grants.
2. School Improvement Fund – This fund controls the financing and construction of local educational facilities. Revenue sources consist of local tax funding from the General Fund, the issuance of debt, and developer contributions.

Debt Service Fund – The Debt Service Fund is used to account for financial resources to be used for the payment of principal, interest and fees associated with County and School indebtedness. The County maintains one (1) Debt Service Fund which was created beginning with the FY14 Adopted Budget.

- B. **Proprietary Fund Type** – Proprietary Funds are used to account for a government's business-type activities. The services provided in these funds are intended to recover all or a significant portion of their costs through user fees. The County's proprietary fund types are:

County Funds Structure and Basis of Budgeting

Enterprise Funds – Enterprise Funds are used to provide services that are financed and operated similarly to those of a private business enterprise. The County has two (2) enterprise funds: Public Utilities Fund and Airport Fund.

1. Public Utilities Fund – This fund accounts for the operation and maintenance of the County’s water and sewer system. The County’s Department of Public Utilities operates and maintains public water and wastewater systems in the Suburban Service Area, the Hanover Courthouse Area, and five rural residential subdivisions. Operations and capital expenditures are funded with revenues generated from customer user fees and one-time fees paid for capacity at the time of connection to the system.
2. Airport Fund – An Airport Fund was created in February 2007 to account for the County’s oversight of the Hanover County Airport. A fixed base operator (FBO) handles the day-to-day operations of the airport. Revenues are derived primarily from rental income provided by the FBO, state aid, and General Fund transfers.

Internal Service Fund – An Internal Service Fund is used to account for the costs of operations for services provided to other County departments. The County maintains one (1) internal service fund: Self-Insurance Fund.

1. Self-Insurance Fund – This fund provides for the fiscal management of the County and School Board health insurance premiums. Revenues are generated primarily from premiums charged to employees and to departments.

C. Fiduciary Fund Type – Fiduciary Funds are used to report resources that are used to report assets held for others and cannot be used to support the locality’s programs. The County has five (5) Fiduciary Funds; however, only the following two (2) are appropriated.

1. Bell Creek Community Development Authority Fund – This fund is used for the collection of revenue to provide for the repayment of the 2003 Special Assessment bonds issued for the Bell Creek Community Development Authority.
2. Lewistown Commerce Center Community Development Authority Fund – This fund is used for the collection of revenue to provide for the repayment of the 2007 Revenue bonds issued for the Lewistown Commerce Center Community Development Authority.

Basis of Budgeting

In most cases, the County’s budget follows the same basis of accounting used in preparing the County’s Comprehensive Annual Financial Report (CAFR), which is prepared in accordance with generally accepted accounting principles (GAAP). Several exceptions should be noted. The budget document does not include the following funds listed as Fiduciary Funds in the CAFR: the Escrow Fund, Special Welfare Fund, and the Retiree Medical Benefits trust. Fiduciary funds are used to account for resources received and held in a fiduciary capacity for the benefit of individuals, private organizations, or other governments. In addition, budgets for the proprietary funds are adopted in accordance with GAAP with the exception that the budget recognizes the flow of funds (i.e., payment of debt principal is budgeted and depreciation is not budgeted).



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Budget Process

The budget is the County's plan of how to collect and distribute revenues to departments in a manner that addresses the most critical public needs. In 1989 Hanover County began preparing a Five-Year Financial Plan for the General Fund. The plan is an integral part of the budget process, forming the basis for determining funding priorities. Priority is generally given to those items in the prior year's plan. Departments requesting funding for items not in the plan must clearly demonstrate what has occurred during the past year to make the item a priority. Knowing that the items included in the plan are more likely to be funded, departments plan for their growth and related resource needs five (5) years at a time instead of year-to-year. All five (5) years of the plan are adopted by the Board of Supervisors, however, only the first year is appropriated.

The County Administrator, after consultation with department heads, identifies budget objectives for the upcoming fiscal year. The budget objectives provide policy direction for the formulation of the County Administrator's proposed budget, while the County's budget calendar identifies important dates throughout budget preparation and adoption. The budget calendar is described in detail below.

September/October

The Finance and Management Services Department and County Administrator establish a budget schedule by October 1. Budget development begins in late September when operating and Capital Improvement Program (CIP) budget worksheets are made available to all County department and agency heads. Budget training is held the first week of October with instructions for the upcoming budget process. All budget requests are due to the Budget Division at the end of October, providing detail as to personnel, operating and capital requests, including five-year CIP requests, five-year financial plan requests and performance objectives. Letters are mailed to community organizations to solicit contribution requests. County and School officials meet to reach consensus on enrollment projections, funding resources available, CIP needs and operating needs.

November

Budget Division analyzes and compares operating budget, personnel and CIP requests to target budgets established in the Five-Year General Fund Financial Plan. Budget requests are reviewed for feasibility and adjustments to personnel are reviewed for cost/benefit justification and relation to performance objectives. Outside organizations submit contribution requests. The County Administrator begins meeting with each department head to discuss needs and requested enhancements. County and School officials continue to meet and agree on a School target.

December

The County Administrator continues to meet with department heads. Preliminary estimates of revenues are compiled. The Governor presents his Recommended Budget to the General Assembly. County and School officials agree on target allocation of General Fund resources.

January

The County Administrator adjusts departmental requested budgets and works with Budget Division staff and County Administrator's senior staff to prepare a balanced budget for the Five-Year Financial Plan. The Superintendent presents a recommended budget to the School Board by January 15 and the School Board approves the budget request, with any enumerated changes,

Budget Process

by February 1. During the second half of the current fiscal year, quarterly financial reports are prepared by the Department of Finance and Management Services and presented to the Board of Supervisors. The General Assembly begins to review the Governor's budget and applicable changes by the General Assembly are made in the County's budget.

February

Budget staff organizes, edits, and compiles the final draft of the County Administrator's Proposed Budget. The County Administrator presents the proposed budget to the Board of Supervisors. Copies are made available to the public and on the County's website. Summaries of the County Administrator's Proposed Budget are distributed to citizens, citizen action groups, businesses, media and other interested parties.

March

Department workshops are held by selected department heads and County staff to provide the Supervisors and citizens with an understanding of the proposed budget. Public notices of the budget summary, CIP, and all rate and user fee changes are published in the local paper, giving the citizens and other interested parties sufficient notice as to the date, time and place of public hearings. Based on input from County staff, the Supervisors make any necessary adjustments to the County Administrator's Proposed Budget. The Planning Commission also reviews the Five-Year CIP and issues a resolution for the Board of Supervisors' consideration.

April

Public hearings are held on the proposed budget and any changes in tax rates or County ordinances. The proposed budget and Five-Year Financial Plan are amended based on updated revenue projections, applicable General Assembly action and direction from the Board of Supervisors. The Board adopts a line-item budget, but appropriates by fund and major expenditure category as defined by the Auditor of Public Accounts. The Board sets tax rates and makes ordinance changes. The Board also adopts a Five-Year CIP and a Five-Year Financial Plan for the General Fund. Statutory deadlines for budget adoption are May 1 for the School Board and June 30 for the County. The County adopts the budget in early April to provide sufficient notice to taxpayers for the first half real property tax bills due on June 5.

May/June

The adopted budget is prepared, distributed, and posted to the County website.

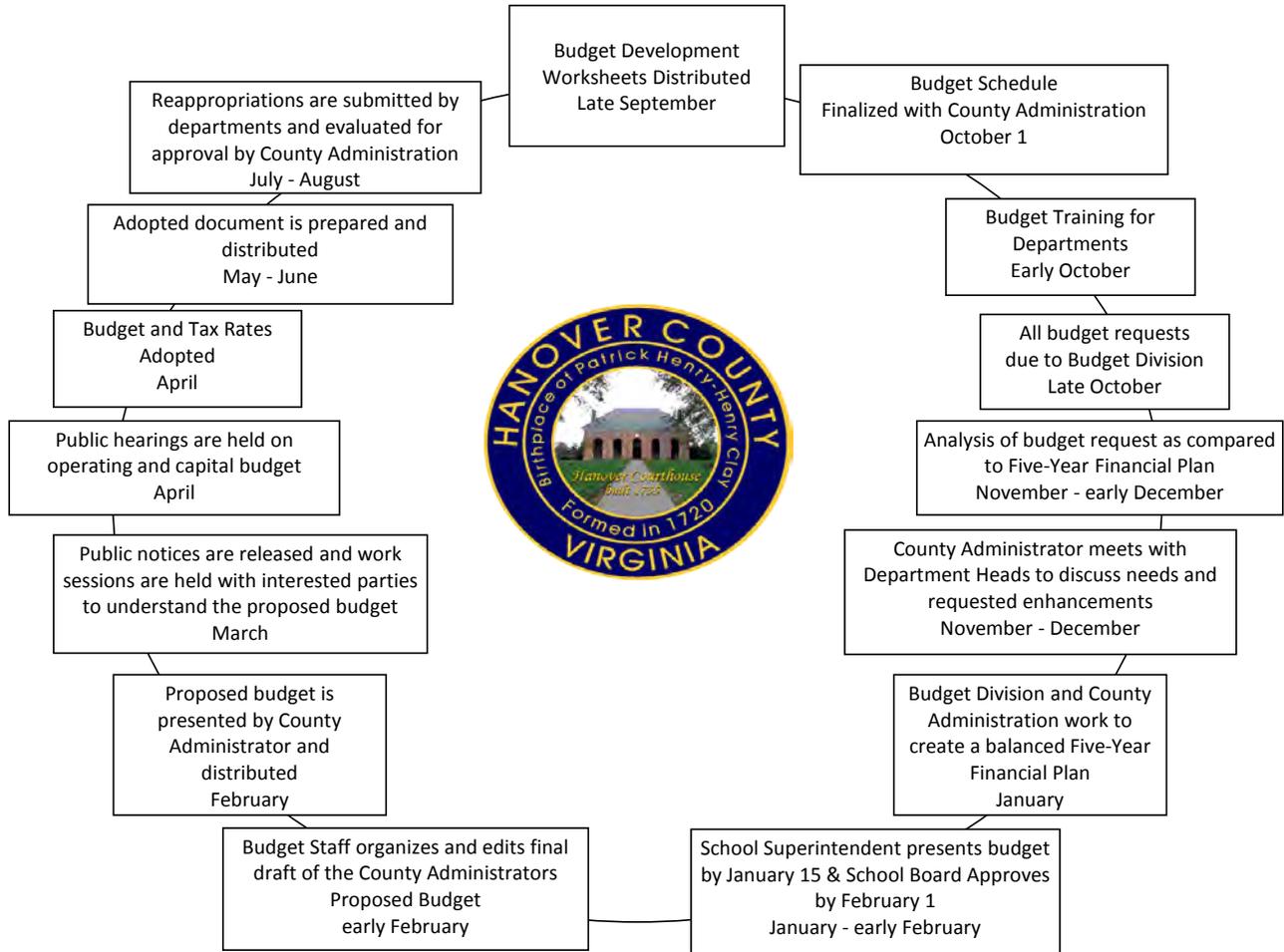
July

Department and agency heads submit requests to reappropriate unencumbered operating balances into the subsequent fiscal year. Reappropriations represent goods or services which had been previously approved in the existing budget but due to time constraints, delay in receipt, etc., were not acquired during the current fiscal year. Requests are reviewed and adjustments are made. Encumbered items and unencumbered capital balances are reappropriated for the life of the projects, unless amended by the Board, effective July 1 of each year.

August

The County Administrator recommends to the Board of Supervisors reappropriation of unencumbered operating balances from the previous fiscal year. Adjustments, if any, are made to the County Administrator's recommended reappropriations.

Hanover County Budget Process





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Summary of Revenues and Expenditures for All Funds

	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget
Revenues			
General Property Taxes	\$ 126,110,780	\$ 123,685,500	\$ 124,647,000
Other Local Taxes	27,362,807	28,342,000	28,883,000
Permits, Fees and Licenses	1,953,428	2,075,610	2,182,495
Fines and Forfeitures	1,123,148	1,269,200	1,202,200
Use of Money and Property	1,118,138	1,233,912	1,034,219
Charges for Services	65,581,809	67,972,385	66,094,384
Recovered Costs and Misc	12,155,069	10,176,838	11,184,335
Intergovernmental	122,812,974	118,740,586	121,308,450
Transfers In	-	-	-
Long Term Debt	6,471,989	2,000,000	1,000,000
Fund Balance	9,100,195	12,363,545	15,093,964
Total Revenues	\$ 373,790,337	\$ 367,859,576	\$ 372,630,047
Expenditures			
Salaries and Fringe Benefits	\$ 254,220,509	\$ 262,751,980	\$ 260,855,108
Operating Expenditures	59,560,117	63,030,060	61,424,506
Capital Expenditures	32,281,967	18,061,054	26,869,039
Transfers Out	-	-	-
Debt Service			
Principal Payments	15,008,737	15,824,583	14,940,167
Interest Payments	8,310,536	8,191,899	8,541,227
Total Expenditures	\$ 369,381,866	\$ 367,859,576	\$ 372,630,047
Estimated Beginning Fund Balance - June 30, 2013			\$ 78,762,320
Estimated Ending Fund Balance - June 30, 2014			\$ 77,762,320
Estimated Ending Fund Balance as a Percent of Net Operating Revenues			21.7%
Estimated Change in Fund Balance			-1.3%

All Funds FY 2014 Budget

	General Fund	School Fund	Capital Funds	Special Revenue Fund	Enterprise Funds	Internal Service Fund	Fiduciary Funds	Debt Service Fund	Transfers from Other Funds	Grand Total
Revenues										
General Property Taxes	\$ 124,647,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,647,000
Other Local Taxes	28,883,000	-	-	-	-	-	-	-	-	28,883,000
Permits, Fees and Licenses	1,615,800	-	164,700	199,635	202,360	-	-	-	-	2,182,495
Fines and Forfeitures	1,202,200	-	-	-	-	-	-	-	-	1,202,200
Use of Money and Property	664,300	8,000	-	-	271,919	90,000	-	-	-	1,034,219
Charges for Services	6,328,821	6,010,278	-	-	21,594,815	32,160,470	-	-	-	66,094,384
Recovered Costs and Misc	4,615,205	2,106,700	200,000	-	3,635,430	90,000	537,000	-	-	11,184,335
Intergovernmental	31,136,533	88,748,007	1,000,000	-	171,451	-	-	252,459	-	121,308,450
Transfers In	-	73,091,040	5,267,000	-	66,556	-	425,000	19,660,093	(98,509,689)	-
Long Term Debt	-	-	1,000,000	-	-	-	-	-	-	1,000,000
Fund Balance	8,730,386	337,000	-	80,000	5,946,578	-	-	-	-	15,093,964
Total Revenues	\$ 207,823,245	\$ 170,301,025	\$ 7,631,700	\$ 279,635	\$ 31,889,109	\$ 32,340,470	\$ 962,000	\$ 19,912,552	\$ (98,509,689)	\$ 372,630,047
Expenditures - by Function										
General Government	\$ 13,060,567	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,060,567
Judicial Administration	4,510,218	-	-	-	-	-	-	-	-	4,510,218
Public Safety	48,159,435	-	-	-	-	-	-	-	-	48,159,435
Public Works	9,274,171	-	-	-	532,426	-	-	-	(66,556)	9,740,041
Human Services	23,029,432	-	-	-	-	-	-	-	-	23,029,432
Education	73,091,040	170,301,025	-	-	-	-	-	-	(73,091,040)	170,301,025
Parks, Recreation & Cultural	5,619,759	-	-	-	-	-	-	-	-	5,619,759
Community Development	4,508,014	-	-	279,635	-	-	962,000	-	(425,000)	5,324,649
Nondepartmental	1,643,516	-	-	-	-	-	-	-	-	1,643,516
Capital Projects	5,267,000	-	7,631,700	-	-	-	-	-	(5,267,000)	7,631,700
Public Utilities	-	-	-	-	31,356,683	-	-	-	-	31,356,683
Self-Insurance	-	-	-	-	-	32,340,470	-	-	-	32,340,470
Debt Service	19,660,093	-	-	-	-	-	-	19,912,552	(19,660,093)	19,912,552
Total	\$ 207,823,245	\$ 170,301,025	\$ 7,631,700	\$ 279,635	\$ 31,889,109	\$ 32,340,470	\$ 962,000	\$ 19,912,552	\$ (98,509,689)	\$ 372,630,047
Expenditures - by Category										
Salaries and Fringe Benefits	\$ 72,477,229	\$ 149,873,864	\$ -	\$ -	\$ 6,304,215	\$ 32,199,800	\$ -	\$ -	\$ -	\$ 260,855,108
Operating Expenditures	30,402,156	18,623,455	-	279,635	10,999,940	140,670	962,000	16,650	-	61,424,506
Capital Expenditures	6,434,171	1,803,706	7,631,700	-	10,999,462	-	-	-	-	26,869,039
Transfers Out	98,509,689	-	-	-	-	-	-	-	(98,509,689)	-
Debt Service										
Principal Payments	-	-	-	-	2,411,511	-	-	12,528,656	-	14,940,167
Interest Payments	-	-	-	-	1,173,981	-	-	7,367,246	-	8,541,227
Total Expenditures	\$ 207,823,245	\$ 170,301,025	\$ 7,631,700	\$ 279,635	\$ 31,889,109	\$ 32,340,470	\$ 962,000	\$ 19,912,552	\$ (98,509,689)	\$ 372,630,047

General Fund

	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget
Revenues			
General Property Taxes	\$ 126,110,780	\$ 123,685,500	\$ 124,647,000
Other Local Taxes	27,362,807	28,342,000	28,883,000
Permits, Fees and Licenses	1,555,734	1,551,700	1,615,800
Fines and Forfeitures	1,123,148	1,269,200	1,202,200
Use of Money and Property	724,967	759,000	664,300
Charges for Services	6,078,973	6,369,471	6,328,821
Recovered Costs and Misc	4,542,282	4,358,408	4,615,205
Intergovernmental	31,443,570	30,217,675	31,136,533
Fund Balance	9,100,195	11,912,562	8,730,386
Transfers In	-	-	-
Total Revenues	\$ 208,042,456	\$ 208,465,516	\$ 207,823,245

Expenditures			
Salaries and Fringe Benefits	\$ 70,113,172	\$ 71,789,317	\$ 72,477,229
Operating Expenditures	29,543,813	31,926,669	30,402,156
Capital Expenditures	5,253,122	4,459,625	6,434,171
Transfers Out	91,663,970	95,791,265	98,509,689
Debt Service			
Principal Payments	2,201,996	2,541,464	-
Interest Payments	2,001,749	1,957,176	-
Total Expenditures	\$ 200,777,822	\$ 208,465,516	\$ 207,823,245

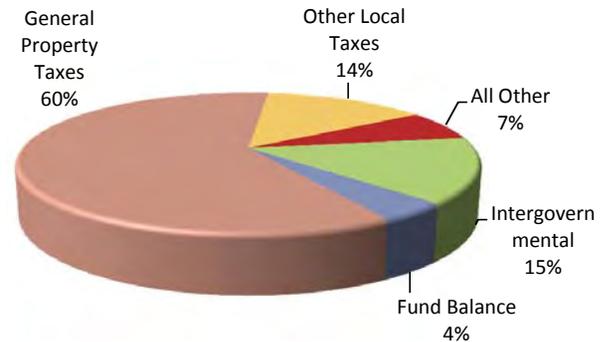
Estimated Beginning Fund Balance - June 30, 2013	\$ 33,720,294
Estimated Ending Fund Balance - June 30, 2014	\$ 24,989,908

Estimated Ending Fund Balance as a Percent of Net Operating Revenues	12.6%
Estimated Change in Fund Balance	-25.9%

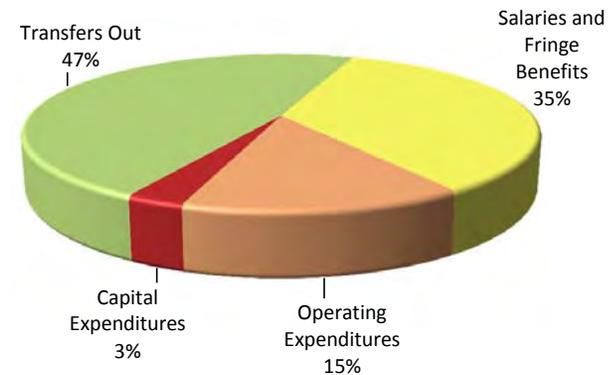
Notes:

- 1) In FY13, the Community Services Board (CSB) and Comprehensive Services Act (CSA) Funds were merged into the General Fund. For purposes of comparison, revenues and expenses for those functions have been restated in the General Fund for FY12.
- 2) In FY14, the Debt Service Fund was created. All County debt expenses which were previously shown in the table above as "Debt Service - Principal/Interest Payments" are now shown in General Fund as "Transfers Out" to the Debt Service Fund. All School debt expenses which were previously shown as "Transfers Out" to the School Fund are now "Transfers Out" to the Debt Service Fund.

FY 2014 General Fund Revenues



FY 2014 General Fund Expenditures



School Funds

	School Operating Fund			School - Textbook Fund			School - Food Service Fund		
	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget
Revenues									
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-	-	-	-	-
Permits, Fees and Licenses	-	-	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-	-
Use of Money and Property	-	-	-	3,781	-	-	-	8,000	8,000
Charges for Services	750,808	897,000	949,000	-	-	-	5,271,614	5,449,800	5,061,278
Recovered Costs and Misc	1,319,931	2,066,000	2,084,700	-	-	-	24,006	25,000	22,000
Intergovernmental	88,127,419	84,925,288	86,670,281	428,839	540,732	326,026	1,719,956	1,615,061	1,751,700
Fund Balance	-	-	-	-	-	-	-	107,227	337,000
Transfers In	86,899,750	91,841,500	72,373,688	-	-	717,352	-	-	-
Total Revenues	\$ 177,097,908	\$ 179,729,788	\$ 162,077,669	\$ 432,620	\$ 540,732	\$ 1,043,378	\$ 7,015,576	\$ 7,205,088	\$ 7,179,978
Expenditures									
Salaries and Fringe Benefits	\$ 145,741,177	\$ 147,104,128	\$ 146,077,036	\$ 73,889	\$ 82,258	\$ 76,034	\$ 3,260,088	\$ 3,812,302	\$ 3,720,794
Operating Expenditures	15,095,582	16,022,532	15,210,221	3,283	4,186	4,050	3,629,596	3,249,786	3,409,184
Capital Expenditures	1,208,088	887,128	790,412	358,202	454,288	963,294	98,331	143,000	50,000
Transfers Out	-	-	-	-	-	-	-	-	-
Debt Service									
Principal Payments	10,502,253	10,723,304	-	-	-	-	-	-	-
Interest Payments	5,092,904	4,992,696	-	-	-	-	-	-	-
Total Expenditures	\$ 177,640,004	\$ 179,729,788	\$ 162,077,669	\$ 435,374	\$ 540,732	\$ 1,043,378	\$ 6,988,015	\$ 7,205,088	\$ 7,179,978
Estimated Beginning Fund Balance - June 30, 2013			\$ 2,512,652			\$ 1,685,027			\$ 891,534
Estimated Ending Fund Balance - June 30, 2014			\$ 2,512,652			\$ 1,685,027			\$ 554,534

Capital Funds

	County Improvements Fund			School Improvements Fund		
	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget
Revenues						
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-	-
Permits, Fees and Licenses	-	154,000	164,700	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Use of Money and Property	2,858	-	-	2,591	50,000	-
Charges for Services	596,818	200,000	-	707,412	780,000	-
Recovered Costs and Misc	77,694	200,000	200,000	-	-	-
Intergovernmental	767,187	1,000,000	1,000,000	-	-	-
Fund Balance	-	-	-	-	-	-
Transfers In	2,333,000	1,757,000	3,447,000	1,810,000	1,687,000	1,820,000
Long Term Debt	-	-	-	6,471,989	2,000,000	1,000,000
Total Revenues	\$ 3,777,557	\$ 3,311,000	\$ 4,811,700	\$ 8,991,992	\$ 4,517,000	\$ 2,820,000
Expenditures						
Salaries and Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	-	-	-	-	-	-
Capital Expenditures	8,731,761	3,311,000	4,811,700	8,296,972	4,517,000	2,820,000
Transfers Out	-	-	-	-	-	-
Debt Service						
Principal Payments	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	-
Total Expenditures	\$ 8,731,761	\$ 3,311,000	\$ 4,811,700	\$ 8,296,972	\$ 4,517,000	\$ 2,820,000
Estimated Beginning Fund Balance - June 30, 2013			\$ 10,178,971			\$ 3,456,091
Estimated Ending Fund Balance - June 30, 2014			\$ 10,178,971			\$ 3,456,091

Special Revenue Fund

Internal Service Fund

	Economic Development Authority			Self-Insurance Fund		
	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget
Revenues						
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-	-
Permits, Fees and Licenses	178,765	170,710	199,635	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Use of Money and Property	-	-	-	86,663	150,000	90,000
Charges for Services	-	-	-	31,111,302	33,004,244	32,160,470
Recovered Costs and Misc	-	-	-	318,452	72,000	90,000
Intergovernmental	-	-	-	-	-	-
Fund Balance	-	80,000	80,000	-	213,756	-
Transfers In	-	-	-	-	-	-
Total Revenues	\$ 178,765	\$ 250,710	\$ 279,635	\$ 31,516,417	\$ 33,440,000	\$ 32,340,470
Expenditures						
Salaries and Fringe Benefits	\$ -	\$ -	\$ -	\$ 28,559,301	\$ 33,325,000	\$ 32,199,800
Operating Expenditures	276,688	250,710	279,635	80,225	115,000	140,670
Capital Expenditures	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Debt Service						
Principal Payments	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	-
Total Expenditures	\$ 276,688	\$ 250,710	\$ 279,635	\$ 28,639,526	\$ 33,440,000	\$ 32,340,470
Estimated Beginning Fund Balance - June 30, 2013			\$ 140,522			\$ 5,721,948
Estimated Ending Fund Balance - June 30, 2014			\$ 60,522			\$ 5,721,948

Enterprise Funds

	Public Utilities Fund			Airport Fund		
	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget
Revenues						
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-	-
Permits, Fees and Licenses	218,929	199,200	202,360	-	-	-
Long-term Debt	-	-	-	-	-	-
Use of Money and Property	112,728	100,000	100,000	184,550	166,912	171,919
Charges for Services	21,064,882	21,271,870	21,594,815	-	-	-
Recovered Costs and Misc	5,039,742	2,941,930	3,562,930	-	72,500	72,500
Intergovernmental	-	-	-	326,003	441,830	171,451
Fund Balance	-	-	5,896,578	-	50,000	50,000
Transfers In	-	-	-	192,889	67,265	66,556
Total Revenues	\$ 26,436,281	\$ 24,513,000	\$ 31,356,683	\$ 703,442	\$ 798,507	\$ 532,426
Expenditures						
Salaries and Fringe Benefits	\$ 6,374,187	\$ 6,538,894	\$ 6,203,335	\$ 98,695	\$ 100,081	\$ 100,880
Operating Expenditures	9,834,593	10,519,058	10,937,321	52,063	62,619	62,619
Capital Expenditures	7,968,477	3,797,183	10,774,512	367,014	491,830	224,950
Transfers Out	-	-	-	-	-	-
Debt Service						
Principal Payments	2,304,488	2,492,814	2,344,510	-	67,001	67,001
Interest Payments	1,137,247	1,165,051	1,097,005	78,636	76,976	76,976
Total Expenditures	\$ 27,618,992	\$ 24,513,000	\$ 31,356,683	\$ 596,408	\$ 798,507	\$ 532,426
Estimated Beginning Fund Balance - June 30, 2013			\$ 19,608,976			\$ 846,305
Estimated Ending Fund Balance - June 30, 2014			\$ 13,712,398			\$ 796,305

Fiduciary Funds

	Bell Creek Community Development Authority			Lewistown Community Development Authority		
	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget
Revenues						
General Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-	-	-	-
Permits, Fees and Licenses	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Use of Money and Property	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Recovered Costs and Misc	481,680	305,000	405,000	351,282	136,000	132,000
Intergovernmental	-	-	-	-	-	-
Fund Balance	-	-	-	-	-	-
Transfers In	-	-	-	428,331	438,500	425,000
Total Revenues	\$ 481,680	\$ 305,000	\$ 405,000	\$ 779,613	\$ 574,500	\$ 557,000
Expenditures						
Salaries and Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	482,274	305,000	405,000	562,000	574,500	557,000
Capital Expenditures	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Debt Service						
Principal Payments	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	-
Total Expenditures	\$ 482,274	\$ 305,000	\$ 405,000	\$ 562,000	\$ 574,500	\$ 557,000

Debt Service Fund

Debt Service Fund			
	FY 2012	FY 2013	FY 2014
	Actual	Budget	Budget
Revenues			
General Property Taxes	\$ -	\$ -	\$ -
Other Local Taxes	-	-	-
Permits, Fees and Licenses	-	-	-
Fines and Forfeitures	-	-	-
Use of Money and Property	-	-	-
Charges for Services	-	-	-
Recovered Costs and Misc	-	-	-
Intergovernmental	-	-	252,459
Fund Balance	-	-	-
Transfers In	-	-	19,660,093
Total Revenues	\$ -	\$ -	\$ 19,912,552
Expenditures			
Salaries and Fringe Benefits	\$ -	\$ -	\$ -
Operating Expenditures	-	-	16,650
Capital Expenditures	-	-	-
Transfers Out	-	-	-
Debt Service			
Principal Payments	-	-	12,528,656
Interest Payments	-	-	7,367,246
Total Expenditures	\$ -	\$ -	\$ 19,912,552

Note: In FY14, the Debt Service Fund was created. All County and School debt expenses are now represented in the Debt Service Fund instead of the General Fund and School Funds.



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Five-Year General Fund Financial Plan

Fiscal Years 2014 Through 2018

Background

The County began preparing a Five-Year Financial Plan for the General Fund in 1989. The plan plays a key role in assisting the County in determining funding priorities and balancing the budget each year. Because the plan is an important planning tool, priority funding is given to items in the previous year's adopted plan versus new requests. Departments wishing to fund an item that is not included in the previous year's approved plan must be able to clearly demonstrate what has occurred during the past year to make the item in question a funding priority over items that had been incorporated in the County's planning process. The plan helps identify which areas of the cumulative requests are higher than anticipated, allowing budget staff to focus on those areas and identify the unanticipated issues. The plan is also an assurance to our citizens that the County is planning long-term and financially positioning itself to meet the needs of the future.

When reviewing the plan, it is important to remember that only the first year is adopted and appropriated by the Board of Supervisors. The remaining years of the plan are based on current programmatic and financial conditions. The *exact* dollars or positions in the plan are likely to change, but, if current needs and conditions remain relatively constant, the overall direction and emphasis reflected in the plan should remain consistent. The Five-Year General Fund Financial Plan is adopted by the Board of Supervisors during the budget process and is subject to a public hearing.

Major Assumptions

Traditionally, great efforts have been spent on the Five-Year General Fund Financial Plan in illustrating conservative revenue growth and how such revenue growth over current year projections can be reinvested in the County. As fiscal flexibility is limited in meeting current service levels, the County is selective in any enhancements of service levels and prioritizes resources in areas where core services are most impacted (e.g., staffing of Fire/EMS, student-teacher ratios including the ever-increasing need for special education services, and sheriff patrols). Therefore, some service level enhancements are either staggered, phased-in or deferred until the County can afford to provide such enhancements, unless a corresponding revenue increase can be identified. This situation is mainly represented by the debt funded projects. Prior to the recession, such projects were staggered to enable revenue and debt affordability models to be accomplished without a tax rate increase. During this recession period, the same model has also assisted the County in determining how to appropriately time the final borrowing of referendum funding, and the deferral of all additional debt funded projects to allow time to assess the stability of the economy.

The Five-Year General Fund Financial Plan represents the County's attempt to quantify the impacts of future needs matched with a projection of available resources. Each year this plan is adopted by the Board of Supervisors, thereby indicating to the public the County's expected tax rates, operating costs, capital improvements, debt service requirements, school allocations and service level plans. Generally, the plan seeks to maintain or enhance all current budget guidelines and the Board's adopted initiatives.

Five-Year General Fund Financial Plan

Fiscal Years 2014 Through 2018

Overarching Philosophy

The overarching philosophy for this Five-Year Plan is that FY14 marks the last year of declines in the plan and the years following have conservative growth assumptions. The anticipated decline in 2013 real estate reassessments improved 0.5% over our budget estimate in last year's Five-Year Plan. This decline is coupled with the conservative estimate of a 0.5% increase in values in 2014. FY15 will begin what is anticipated to be four years of slow growth at levels climbing from 2.0% to 3.7% in ongoing revenues.

Revenues

General Property Taxes

- Real Property tax revenue from the reassessment of existing property is projected to decline by 1.0% in calendar year 2014, increase 1.0% in 2015, and increase 3.0% annually thereafter.
- Real Property tax revenue growth from the assessment of new construction is projected to be 1.5% in calendar year 2014, 2.0% in 2015, and 2.5% thereafter.
- The adopted \$0.81 per \$100 of assessed value real property tax rate has been maintained throughout the plan.
- Personal Property growth is projected to increase 3.0% in FY14, 4.0% in FY15, 4.5% in FY16, and 5.0% thereafter.

Other Revenues

- Sales tax receipts are projected to increase 3.0% over FY13 budget. The Plan anticipates a 4.0%-5.0% increase throughout the rest of the Five-Year Plan.
- The Five-Year Plan does not anticipate funding for any additional positions from the Compensation Board. Compensation Board funding is projected to increase 3.7% in FY14, 1.3% in FY15, then 2.5% per year thereafter.
- Permits, privilege fees, and regulatory licenses are projected to increase 4.1% in FY14. Then, in FY15, this category is budgeted to increase 23.1% with the addition of a fee to offset the cost of compliance with state mandated environmental programs. In FY16 and FY17, the increase is anticipated to return to a more inflationary norm of 2.4% and 2.9% respectively. Finally, in FY18, the increase is reduced to 0.5% to represent the potential leveling off of growth in permits.
- Interest on investments in FY14 is projected to decrease 12.5% from the FY13 budget, and then increase 2.5% on average annually thereafter.

Expenditures

County-wide

- There are no planned compensation increases throughout the adopted Five-Year Plan.
- Health insurance expenditures for the employer are projected to increase 4.0% in FY14 and FY15, 6.0% in FY16, and 10.0% in FY17 and FY18. The Plan assumes employee increases or plan modifications for premium adjustments above the employer's increase throughout the Plan. For budgeting purposes, the employee premium is expected to be unchanged in FY14. The data to support that final decision will not be available until after budget adoption.

Five-Year General Fund Financial Plan

Fiscal Years 2014 Through 2018

- Retirement benefit expenditures are based on information from the Virginia Retirement System actuarial valuation as of June 30, 2011. Because FY13 is the beginning of a biennium, the rate for FY14 was certified by the VRS last year as 11.82%. In FY13, the County chose to shift from the use of the blended rate provided by the VRS noted above to an imputed rate that applies the Law Enforcement Officers Supplement (LEOS) only to those positions (and those departments) that receive the benefit. The rate split for FY14 is 9.33% for non-LEOS eligible employees and 16.33% for LEOS eligible employees. It is assumed that the VRS rate will increase by 1% at each biennium.
- Base operating expenditures increase 1.5% in FY15, then increase 2.0% in FY16, and 3.0% thereafter.
- The tax relief for the elderly and disabled program has appeared to level off in terms of participation. Tax relief is anticipated to remain at the FY13 funding level. Thereafter, the cost of the program begins to rise again with the increase in real property values.

School Allocation Plan

- While funding from the General Fund's on-going revenues remains relatively flat in FY14, overall ongoing and one-time funding provided to the Schools will decrease 20% in FY14 due to three (3) main factors: 1) transfer of the debt service payments from the Schools budget to a new Debt Service Fund, 2) a reduction in the Schools use of one-time funding sources, and 3) consolidation of some School financial functions with the County operations. The transfer of debt service and the financial consolidation have no net impact on the School budget as both the revenue and expense have been transferred. Annually thereafter in the Five-Year Plan, the School budget is assumed to increase at the same rate as the increase in adjusted on-going General Fund revenues.

Other Allocation Plans

- The Pamunkey Regional Jail was able to lower its funding request to the County in FY14. The Plan projects increases of 2.0%-3.0% in the subsequent years.
- Funding to the Hanover County Airport is projected to stay relatively flat until FY17 due to a planned use of reserves in the Airport Fund. The General Fund will begin contributing its typical share again in year 4 of the Plan. The fluctuation in the funding of the Airport is due to the capital improvements portion of the transfer; funding fluctuates to best match available grant funding.

County of Hanover, Virginia
Five-Year General Fund Financial Plan
Fiscal Years 2014 through 2018

	Year 1 <u>FY14</u>	Year 2 <u>FY15</u>	Year 3 <u>FY16</u>	Year 4 <u>FY17</u>	Year 5 <u>FY18</u>
Revenues:					
General Property Taxes	\$ 124,647,000	\$ 127,032,000	\$ 131,499,000	\$ 137,344,000	\$ 143,380,000
Other Local Taxes	28,883,000	29,666,000	30,789,000	31,966,000	32,998,000
Permits, Fees, and Licenses	1,615,800	1,989,740	2,038,000	2,097,100	2,107,100
Fines and Forfeitures	1,202,200	1,203,300	1,215,400	1,227,500	1,239,600
Revenue from Use of Money	664,300	683,000	699,000	715,000	732,000
Charges for Services	6,328,821	6,416,823	6,548,747	6,672,846	6,786,962
Recovered Costs	3,514,455	3,593,949	3,679,800	3,768,530	3,862,424
Intergovernmental	31,136,533	31,373,201	31,709,901	32,057,201	32,413,201
Miscellaneous	1,100,750	1,109,750	1,122,350	1,134,750	1,148,750
Subtotal - Ongoing Revenues	199,092,859	203,067,763	209,301,198	216,982,927	224,668,037
Use of planned surpluses	8,730,386	7,673,315	6,600,850	5,400,633	5,825,125
Total Revenues	\$ 207,823,245	\$ 210,741,078	\$ 215,902,048	\$ 222,383,560	\$ 230,493,162
Expenditures:					
Salaries and Fringe Benefits	\$ 72,477,229	\$ 73,337,299	\$ 73,767,614	\$ 75,029,084	\$ 75,789,748
Operating	29,324,568	29,548,324	30,264,129	30,314,946	32,824,273
Tax Relief for the Elderly and Disabled	1,630,000	1,640,000	1,670,000	1,740,000	1,830,000
Capital	1,167,171	1,417,490	1,877,730	1,788,800	1,753,000
Service Level Plan	-	194,680	661,090	1,207,020	1,968,960
Debt Service	19,660,093	18,386,827	17,598,367	16,996,338	15,806,189
Airport Fund	66,556	63,022	61,932	111,113	109,593
Pamunkey Regional Jail	4,714,588	4,808,880	4,953,146	5,101,740	5,254,792
Lewistown CDA	425,000	438,000	459,000	486,000	514,000
County CIP	3,447,000	4,201,516	5,232,000	6,118,979	7,498,367
School Allocation Plan					
School Operating	73,091,040	72,115,040	74,655,040	78,039,540	81,511,240
School CIP	1,820,000	4,590,000	4,702,000	5,450,000	5,633,000
Total Schools	74,911,040	76,705,040	79,357,040	83,489,540	87,144,240
Total Expenditures	\$ 207,823,245	\$ 210,741,078	\$ 215,902,048	\$ 222,383,560	\$ 230,493,162

General Fund - Departmental Appropriations

	FY12 Actual	FY13 Budget	FY14 Budget	Percent Change	Dollar Change
General Government Administration					
Board of Supervisors	\$ 493,563	\$ 491,310	\$ 489,152	(0.4%)	\$ (2,158)
County Administrator	1,213,950	1,157,282	1,167,140	0.9%	9,858
Human Resources	741,524	696,046	707,086	1.6%	11,040
County Attorney	1,154,429	1,021,997	1,011,826	(1.0%)	(10,171)
Commissioner of the Revenue	1,283,749	1,234,939	1,270,668	2.9%	35,729
Assessor	867,880	803,693	825,723	2.7%	22,030
Treasurer	1,395,511	1,327,994	1,356,228	2.1%	28,234
Finance	1,305,632	1,336,148	1,761,689	31.8%	425,541
Internal Audit	228,168	250,353	260,874	4.2%	10,521
Information Technology	3,939,462	3,883,546	3,912,512	0.7%	28,966
Registrar	431,295	290,510	297,669	2.5%	7,159
Subtotal, General Government Admin.	\$ 13,055,163	\$ 12,493,818	\$ 13,060,567	4.5%	\$ 566,749
Judicial Administration					
Circuit Court	83,654	70,766	69,598	(1.7%)	(1,168)
General District Court	75,368	90,671	84,000	(7.4%)	(6,671)
Magistrates	2,494	2,889	2,901	0.4%	12
Juvenile & Domestic Relations Court	18,209	21,110	19,842	(6.0%)	(1,268)
Clerk of the Circuit Court	1,305,441	1,258,473	1,292,616	2.7%	34,143
Court Services	1,291,398	1,404,241	1,418,708	1.0%	14,467
Commonwealth's Attorney	1,542,837	1,618,173	1,622,553	0.3%	4,380
Subtotal, Judicial Administration	\$ 4,319,401	\$ 4,466,323	\$ 4,510,218	1.0%	\$ 43,895
Public Safety					
Sheriff	18,407,963	20,040,920	20,491,192	2.2%	450,272
Emergency Communications	3,855,327	4,624,171	5,032,905	8.8%	408,734
Fire/EMS	14,469,720	14,480,890	14,553,339	0.5%	72,449
Pamunkey Regional Jail	4,788,442	4,744,599	4,714,588	(0.6%)	(30,011)
Juvenile Court Services	636,716	706,442	706,380	(0.0%)	(62)
Community Corrections	448,405	442,909	440,707	(0.5%)	(2,202)
Building Inspections	1,300,974	1,247,994	1,250,887	0.2%	2,893
Animal Control	1,030,957	948,546	969,437	2.2%	20,891
Subtotal, Public Safety	\$ 44,938,504	\$ 47,236,471	\$ 48,159,435	2.0%	\$ 922,964
Public Works					
Public Works	1,895,679	1,752,445	1,737,102	(0.9%)	(15,343)
Public Works Operations	3,717,453	3,853,340	3,706,958	(3.8%)	(146,382)
General Services	3,624,393	3,734,676	3,763,555	0.8%	28,879
Transfer to Airport Fund	192,889	67,265	66,556	(1.1%)	(709)
Subtotal, Public Works	\$ 9,430,414	\$ 9,407,726	\$ 9,274,171	(1.4%)	\$ (133,555)
Human Services					
Health	504,233	496,000	496,000	0.0%	-
Community Services Board	10,119,257	10,174,588	9,941,672	(2.3%)	(232,916)
Social Services	4,854,699	5,053,161	5,139,994	1.7%	86,833
Community Resources	399,698	409,977	293,820	(28.3%)	(116,157)
Comprehensive Services Act	5,611,787	5,443,956	5,527,946	1.5%	83,990
Tax Relief for the Elderly and Disabled	1,718,837	1,630,000	1,630,000	0.0%	-
Subtotal, Human Services	\$ 23,208,511	\$ 23,207,682	\$ 23,029,432	(0.8%)	\$ (178,250)
Education					
Transfer to Education	\$ 86,899,750	\$ 91,841,500	\$ 73,091,040	(20.4%)	\$ (18,750,460)
Subtotal, Education	\$ 86,899,750	\$ 91,841,500	\$ 73,091,040	(20.4%)	\$ (18,750,460)

General Fund - Departmental Appropriations

	FY12 Actual	FY13 Budget	FY14 Budget	Percent Change	Dollar Change
Parks, Rec & Cultural					
Parks and Recreation	3,282,453	3,048,902	3,080,901	1.0%	31,999
Pamunkey Regional Library	2,672,482	2,538,858	2,538,858	0.0%	-
Subtotal, Parks, Rec & Cultural	\$ 5,954,935	\$ 5,587,760	\$ 5,619,759	0.6%	\$ 31,999
Community Development					
Planning	1,942,642	1,778,675	1,767,426	(0.6%)	(11,249)
Economic Development	918,651	1,028,546	1,018,497	(1.0%)	(10,049)
Extension Services	85,655	98,205	85,470	(13.0%)	(12,735)
Soil and Water Conservation District	95,545	92,680	92,680	0.0%	-
Community Support	1,166,742	1,080,731	1,118,941	3.5%	38,210
Transfer to Lewistown CDA	428,331	438,500	425,000	(3.1%)	(13,500)
Subtotal, Community Development	\$ 4,637,566	\$ 4,517,337	\$ 4,508,014	(0.2%)	\$ (9,323)
Debt Service					
Transfer to Debt Service Fund	-	-	19,660,093	100.0%	19,660,093
Principal	2,201,996	2,541,464	-	(100.0%)	(2,541,464)
Interest	2,001,749	1,957,176	-	(100.0%)	(1,957,176)
Subtotal, Debt Service	\$ 4,203,745	\$ 4,498,640	\$ 19,660,093	337.0%	\$ 15,161,453
Nondepartmental					
Reserve for Contingencies	-	1,414,259	1,143,516	(19.1%)	(270,743)
Reserve for Revenue Transfers	-	350,000	500,000	42.9%	150,000
Subtotal, Nondepartmental	\$ -	\$ 1,764,259	\$ 1,643,516	(6.8%)	\$ (120,743)
Capital Projects					
County Improvements Fund	2,333,000	1,757,000	3,447,000	96.2%	1,690,000
School Improvements Fund	1,810,000	1,687,000	1,820,000	7.9%	133,000
Subtotal, Capital Projects	\$ 4,143,000	\$ 3,444,000	\$ 5,267,000	52.9%	\$ 1,823,000
TOTAL	\$ 200,790,989	\$ 208,465,516	\$ 207,823,245	(0.3%)	\$ (642,271)
Salaries and Fringe Benefits	\$ 70,126,339	\$ 71,789,317	\$ 72,477,229	1.0%	\$ 687,912
Operating Expenditures	125,411,528	132,216,574	128,911,845	(2.5%)	(3,304,729)
Capital Outlay	5,253,122	4,459,625	6,434,171	44.3%	1,974,546
	\$ 200,790,989	\$ 208,465,516	\$ 207,823,245	(0.3%)	\$ (642,271)

Capital projects are segregated as to function in the Capital Improvements Program section. Operating expenditures includes all funds transferred from the General Fund to the Schools, Textbook, Airport, Debt, Lewistown Commerce Center CDA, and Capital Improvements funds. A portion of the transferred funds may have been used to pay for salaries and fringe benefits and capital outlay in those funds.

FY14 Service Level Plan

Service Level Projects	FY14	Personnel	Recurring Operating	Operating/Capital
General Fund	1,187,670	-	-	1,187,670
General Government	17,500	-	-	17,500
Commissioner of the Revenue	15,000	-	-	15,000
Large Format Scanner	15,000	-	-	15,000
Treasurer	2,500	-	-	2,500
Laserfiche Quick Fields Module	2,500	-	-	2,500
Judicial Administration	50,000	-	-	50,000
Court Services	50,000	-	-	50,000
Court Services Replacement Vehicles	50,000	-	-	50,000
Parks, Recreation & Cultural	23,000	-	-	23,000
Parks and Recreation	23,000	-	-	23,000
Storage Shed/modify PGP existing	5,000	-	-	5,000
Commercial Mowers (3) Replace	18,000	-	-	18,000
Public Safety	933,000	-	-	933,000
Emergency Communications	30,200	-	-	30,200
CALEA Accreditation	5,200	-	-	5,200
Radio Frequency Calibration Monitor	25,000	-	-	25,000
Fire/EMS	50,000	-	-	50,000
Fire Dept. Vehicles	50,000	-	-	50,000
Sheriff	852,800	-	-	852,800
Extend Range Situational House	12,000	-	-	12,000
MDTs (16,16,16,16)	130,300	-	-	130,300
Vehicles (29, 30, 39, 40)	710,500	-	-	710,500
Public Works	164,170	-	-	164,170
General Services	88,000	-	-	88,000
30 ton floor jack	3,200	-	-	3,200
Paving & Repairs Courthouse Complex	7,500	-	-	7,500
HVAC Taylor Building	7,500	-	-	7,500
Alterations to Building	9,500	-	-	9,500
Improvements - Historic Structures	10,000	-	-	10,000
Insurance Consultant Fees	10,300	-	-	10,300
Woods House Repairs	20,000	-	-	20,000
Exterior painting of Rockville Branch Library	20,000	-	-	20,000
Public Works Operations	76,170	-	-	76,170
Roll Off Containers	29,470	-	-	29,470
Compactor systems	46,700	-	-	46,700

FY14 Service Level Plan

Service Level Projects	FY14	Personnel	Recurring Operating	Operating/ Capital
Public Utilities Fund	447,590	-	-	447,590
Department of Public Utilities	447,590	-	-	447,590
DPU - Ashland Wastewater Treatment Plant	34,500	-	-	34,500
Maintenance Bldg Repairs	9,500	-	-	9,500
Orbal Drive Motors	25,000	-	-	25,000
DPU - Customer Service	112,690	-	-	112,690
Meter Purchases	112,690	-	-	112,690
DPU - Doswell Wastewater Treatment Plant	58,700	-	-	58,700
Purchase Composite Sampler - CHSTP	6,200	-	-	6,200
New Influent meter w/hydraulics analysis	8,000	-	-	8,000
Install above ground actuators - EQ Basin influent	44,500	-	-	44,500
DPU - Maintenance	130,000	-	-	130,000
Fluke 810 Vibration Tester	7,500	-	-	7,500
Man Basket for Crane Truck	7,500	-	-	7,500
Sewer Flowmeter (portable ultrasonic style)	10,000	-	-	10,000
Vehicle # 9400 - F150 4WD Crew Cab	25,000	-	-	25,000
Vehicle # 9050 - PU 4WD - Crew Cab - Diesel	35,000	-	-	35,000
Beaverdam PS - Rebuild Grinders	45,000	-	-	45,000
DPU - Operations	56,500	-	-	56,500
Tool Boxes, Bed Liners for New Vehicles	2,500	-	-	2,500
Replace Sinclair Well Pump	10,000	-	-	10,000
Replace Blowoffs	20,000	-	-	20,000
Vehicle #8834 w 1/2 ton XT Cab, 4WD	24,000	-	-	24,000
DPU - Totopotomoy Wastewater Plant	55,200	-	-	55,200
Spare IQ Analyzer (New in BUD14)	7,000	-	-	7,000
Replace 10 yr Defuser	8,200	-	-	8,200
Replace Lab Dishwasher w/distilled wtr rinse cycle	10,000	-	-	10,000
Addison Unit at Bruce Center (AC Unit)	30,000	-	-	30,000
Grand Total	1,635,260	-	-	1,635,260

FTE Summary Table

Departments	FY12		FY12	FY13		FY13	FY14		FY14	Change from FY13	% Change from FY13
	FT	PT		FT	PT		FT	PT			
General Government	128.0	4.5	132.5	119.0	4.0	123.0	125.0	4.5	129.5	6.5	5.3%
Assessor	10.0	-	10.0	10.0	-	10.0	10.0	-	10.0	-	0.0%
Board of Supervisors	1.0	3.5	4.5	1.0	3.5	4.5	1.0	3.5	4.5	-	0.0%
Commissioner of the Revenue	18.0	-	18.0	17.0	-	17.0	17.0	-	17.0	-	0.0%
County Administrator	9.0	-	9.0	7.0	-	7.0	7.0	-	7.0	-	0.0%
County Attorney	9.0	-	9.0	7.0	-	7.0	7.0	-	7.0	-	0.0%
Finance & Management Svcs.	17.0	-	17.0	16.0	-	16.0	22.0	-	22.0	6.0	37.5%
Human Resources	9.0	-	9.0	7.0	-	7.0	7.0	-	7.0	-	0.0%
Information Technology	34.0	-	34.0	34.0	-	34.0	34.0	-	34.0	-	0.0%
Internal Audit	3.0	-	3.0	2.0	0.5	2.5	2.0	0.5	2.5	-	0.0%
Registrar	3.0	-	3.0	3.0	-	3.0	3.0	-	3.0	-	0.0%
Treasurer	15.0	1.0	16.0	15.0	-	15.0	15.0	0.5	15.5	0.5	3.3%
Judicial Administration	55.0	1.6	56.6	55.0	-	55.0	55.0	-	55.0	-	0.0%
Clerk of the Court	17.0	1.6	18.6	17.0	-	17.0	17.0	-	17.0	-	0.0%
Commonwealth's Attorney	18.0	-	18.0	18.0	-	18.0	18.0	-	18.0	-	0.0%
Court Services	19.0	-	19.0	19.0	-	19.0	19.0	-	19.0	-	0.0%
Courts	1.0	-	1.0	1.0	-	1.0	1.0	-	1.0	-	0.0%
Public Safety	459.0	2.5	461.5	447.0	1.5	448.5	447.0	1.5	448.5	-	0.0%
Animal Control	15.0	-	15.0	13.0	-	13.0	13.0	-	13.0	-	0.0%
Building Inspections	20.0	-	20.0	15.0	-	15.0	15.0	-	15.0	-	0.0%
Community Corrections	7.0	-	7.0	7.0	-	7.0	7.0	-	7.0	-	0.0%
Emergency Communications	49.0	1.0	50.0	47.0	0.5	47.5	47.0	0.5	47.5	-	0.0%
Fire/EMS	144.0	-	144.0	144.0	-	144.0	144.0	-	144.0	-	0.0%
Juvenile Court Services	4.0	-	4.0	3.0	-	3.0	3.0	-	3.0	-	0.0%
Sheriff	220.0	1.5	221.5	218.0	1.0	219.0	218.0	1.0	219.0	-	0.0%
Public Works	85.0	2.9	87.9	81.0	2.3	83.3	81.0	2.3	83.3	-	0.0%
Airport Fund	1.0	-	1.0	1.0	-	1.0	1.0	-	1.0	-	0.0%
General Services	33.0	-	33.0	32.0	-	32.0	32.0	-	32.0	-	0.0%
Public Works	19.0	1.8	20.8	16.0	1.8	17.8	16.0	1.8	17.8	-	0.0%
Public Works Operations	32.0	1.1	33.1	32.0	0.5	32.5	32.0	0.5	32.5	-	0.0%
Human Services	181.0	7.7	188.7	173.0	9.6	182.6	171.0	9.4	180.4	(2.2)	-1.2%
Community Resources	5.0	-	5.0	5.0	-	5.0	4.0	-	4.0	(1.0)	-20.0%
Community Services Act (CSA)	119.0	7.7	126.7	115.0	8.8	123.8	114.0	8.6	122.6	(1.2)	-1.0%
Comprehensive Services Board (CSB)	2.0	-	2.0	1.0	-	1.0	-	-	-	(1.0)	-100.0%
Social Services	55.0	-	55.0	52.0	0.75	52.8	53.0	0.78	53.78	1.03	2.0%
Parks, Recreation & Cultural	34.0	3.1	37.1	30.0	3.4	33.4	28.0	3.6	31.6	(1.8)	-5.2%
Parks and Recreation	34.0	3.1	37.1	30.0	3.4	33.4	28.0	3.6	31.6	(1.8)	-5.2%
Community Development	29.0	-	29.0	24.0	0.5	24.5	23.0	0.5	23.5	(1.0)	-4.1%
Economic Development	5.0	-	5.0	5.0	-	5.0	5.0	-	5.0	-	0.0%
Planning	24.0	-	24.0	19.0	0.5	19.5	18.0	0.5	18.5	(1.0)	-5.1%
County Subtotal	971.0	22.3	993.3	929.0	21.2	950.2	930.0	21.8	951.8	1.6	0.2%

FTE Summary Table

Departments	FY12 FT	FY12 PT	FY12 FY12	FY13 FT	FY13 PT	FY13 FY13	FY14 FT	FY14 PT	FY14 FY14	Change from FY13	% Change from FY13
Public Utilities Fund	95.0	-	95.0	93.0	-	93.0	91.0	-	91.0	(2.0)	-2.2%
Public Utilities	95.0	-	95.0	93.0	-	93.0	91.0	-	91.0	(2.0)	-2.2%
Self-Insurance Fund	-	0.5	0.5	-	0.5	0.5	-	0.5	0.5	-	0.0%
Self-Insurance	-	0.5	0.5	-	0.5	0.5	-	0.5	0.5	-	0.0%
Schools			2,532.0			2,461.6			2,433.9	(27.7)	-1.1%
Total Education			2,532.0			2,461.6			2,433.9	(27.7)	-1.1%
Other Funds Subtotal	95.0	0.5	2,627.5	93.0	0.5	2,555.1	91.0	0.5	2,525.4	(29.7)	-1.2%
Grand Total	1,066.0	22.8	3,620.8	1,022.0	21.7	3,505.3	1,021.0	22.3	3,477.2	(28.1)	-0.8%

Notes:

1) In addition to the benefitted full-time equivalent (FTE) positions noted above, there are other authorized positions for non-benefitted employees working less than 50% of a full-time employee. For non-benefitted employees, the Department Head is required to incur only the number of hours that can be afforded within the appropriated dollars.

* In FY14, there are approximately **600** non-benefitted positions representing **\$995,000** in wages. This represents a **\$45,000** reduction from FY13. Of those positions, the majority are noted below:

- 300 (\$36k) are Officers of Elections brought in to work the polls during an election.
- 100 (\$290k) work as Clinicians, Relief Workers, and Vocational Trainers at the Community Services Board.
- 94 (\$225k) are seasonal Summer Youth Program workers. Fees pay for these staff hours.
- 14 (\$155k) are attendants at the Solid Waste Convenience Centers.
- 14 (\$120k) are Fire/EMS instructors. Fees are collected to offset the cost.

2) Positions that are unfunded:

FY13: Director of Planning, Chief Assessor, 3 Sheriff's Deputies

FY14: None

General Fund Revenue Detail

<u>Type of Revenue</u>	<u>FY12 Actual</u>	<u>FY13 Budget</u>	<u>FY14 Budget</u>	<u>Percent Change</u>	<u>Dollar Change</u>
GENERAL PROPERTY TAXES					
Real Estate Property Tax	\$ 94,232,364	\$ 91,150,000	\$ 90,800,000	(0.4%)	\$ (350,000)
Public Service Corporation Tax	4,306,198	4,050,000	4,500,000	11.1%	450,000
Personal Property Tax	22,514,391	22,580,000	24,000,000	6.3%	1,420,000
Mobile Home Tax	31,611	23,000	24,000	4.3%	1,000
Machinery and Tools Tax	1,682,357	1,663,000	1,670,000	0.4%	7,000
Merchants' Capital Tax	888,573	780,500	930,000	19.2%	149,500
Delinquent Taxes	1,493,498	2,338,000	1,683,000	(28.0%)	(655,000)
Penalties and Interest	961,788	1,101,000	1,040,000	(5.5%)	(61,000)
General Property Taxes	\$ 126,110,780	\$ 123,685,500	\$ 124,647,000	0.8%	\$ 961,500
OTHER LOCAL TAXES					
Local Sales and Use Tax	\$ 16,593,709	\$ 17,090,000	\$ 17,600,000	3.0%	\$ 510,000
Sales Tax on Mobile Homes	13,614	23,000	23,000	-	-
Consumer Utility Tax	1,787,974	1,800,000	1,800,000	-	-
Contractor's Licenses	323,765	400,000	400,000	-	-
Utility Franchise License Tax	680,698	750,000	700,000	(6.7%)	(50,000)
Motor Vehicle Licenses	10	-	-	-	-
Lodging Tax	709,471	711,000	750,000	5.5%	39,000
Bank Stock Tax	476,633	500,000	480,000	(4.0%)	(20,000)
Recordation Tax	1,666,670	1,675,000	2,000,000	19.4%	325,000
Tax on Wills	28,842	24,000	30,000	25.0%	6,000
Communications Tax	5,081,441	5,369,000	5,100,000	(5.0%)	(269,000)
Other Local Taxes	\$ 27,362,827	\$ 28,342,000	\$ 28,883,000	1.9%	\$ 541,000
PERMITS, FEES, AND LICENSES					
Well - Septic Inspection	\$ 2,300	\$ 3,000	\$ 3,000	-	\$ -
Animal Licenses	121,913	114,000	115,000	0.9%	1,000
Planning Permits & Fees	130,626	150,000	180,000	20.0%	30,000
Building Permits	434,195	420,000	430,000	2.4%	10,000
Mechanical Permits	178,836	179,000	185,000	3.4%	6,000
Electrical Permits	143,474	144,000	148,000	2.8%	4,000
Plumbing Permits	70,875	76,000	78,000	2.6%	2,000
Septic Tank Permits	3,809	3,700	3,800	2.7%	100
Fire Inspection Fees	143,800	148,000	148,000	-	-
Stormwater Management	154,000	155,000	160,000	3.2%	5,000
Erosion and Sediment Inspection	172,034	159,000	165,000	3.8%	6,000
Permits, Fees, and Licenses	\$ 1,555,862	\$ 1,551,700	\$ 1,615,800	4.1%	\$ 64,100
FINES AND FORFEITURES					
Court Fines and Forfeitures	\$ 566,270	\$ 750,000	\$ 675,000	(10.0%)	\$ (75,000)
Interest on Fines	21,636	13,000	20,000	53.8%	7,000
Security Alarm Fees	44,670	45,000	45,000	-	-
Clerk: Criminal Justice Fee	101,059	65,000	65,000	-	-
Jail Processing Fee	850	-	-	-	-
Courtroom Security Fee	208,398	245,000	245,000	-	-
Court Appointed Atty Fees	30,727	29,000	30,000	3.4%	1,000
Courthouse Maintenance Fees	123,516	120,000	120,000	-	-
Public Works: E&S Fines	26,022	2,200	2,200	-	-
Fines and Forfeitures	\$ 1,123,148	\$ 1,269,200	\$ 1,202,200	(5.3%)	\$ (67,000)
REVENUE FROM USE OF MONEY & PROPERTY					
Interest on Investments	\$ 391,434	\$ 408,000	\$ 350,000	(14.2%)	\$ (58,000)
Rental Income	368,304	305,000	310,000	1.6%	5,000
Community Services Board	37,770	41,000	-	(100.0%)	(41,000)
Non-Taxable Sales	3,973	4,000	4,000	-	-
Taxable Sales	74	1,000	300	(70.0%)	(700)
Revenue From Use of Money & Property	\$ 801,555	\$ 759,000	\$ 664,300	(12.5%)	\$ (94,700)

General Fund Revenue Detail

<u>Type of Revenue</u>	<u>FY12 Actual</u>	<u>FY13 Budget</u>	<u>FY14 Budget</u>	<u>Percent Change</u>	<u>Dollar Change</u>
CHARGES FOR SERVICES					
Circuit Court: Excess Fees	\$ 75,877	\$ 125,000	\$ 95,000	(24.0%)	\$ (30,000)
Circuit Court: Law Library Fees	22,701	24,000	24,000	-	-
Clerk of Court: Sheriff Fees	5,788	5,788	5,788	-	-
Transfer Fees	2,457	3,000	2,500	(16.7%)	(500)
Commonwealth's Attorney Fees	15,109	8,000	12,000	50.0%	4,000
Animal Control: Boarding Fees	15,475	18,000	18,000	-	-
Animal Control: Adoption Fees	10,290	15,000	15,000	-	-
Radio Shop Charges	15,835	8,000	8,000	-	-
Radio System Access Charge	-	-	325,000	100.0%	325,000
Landfill: Fees	500,008	530,000	320,000	(39.6%)	(210,000)
Landfill: Penalty	776	1,000	1,000	-	-
Cannery Fees	6,744	4,000	4,000	-	-
Parks & Rec: Recreation Fees	564,130	575,000	575,000	-	-
Planning: Brown Grove	6,800	2,500	2,500	-	-
Community Services Board	2,933,370	3,050,183	2,921,033	(4.2%)	(129,150)
EMS Cost Recovery	2,026,803	2,000,000	2,000,000	-	-
Charges for Services	\$ 6,202,163	\$ 6,369,471	\$ 6,328,821	(0.6%)	\$ (40,650)
RECOVERED COSTS					
Fleet	\$ 56,665	\$ 3,212	\$ 3,212	-	\$ -
General Services	32,315	79,000	45,000	(43.0%)	(34,000)
Pamunkey Regional Jail	404,000	421,200	429,200	1.9%	8,000
Utility Fund Cost Allocation	1,107,250	1,067,500	1,140,468	6.8%	72,968
Utility Service Assessment	397,000	326,013	325,000	(0.3%)	(1,013)
Sheriff Forfeiture State	11,312	-	-	-	-
Sheriff Forfeiture Federal	40,895	-	-	-	-
Comm. Atty-Forfeiture-State	4,537	-	-	-	-
Social Services: Bon Secours	27,917	26,000	26,000	-	-
Contributions: GRCCA	425,889	318,450	317,500	(0.3%)	(950)
CDA: Lewistown	25,462	26,226	27,013	3.0%	787
Treasurer - Delinquent Taxes	25,797	35,000	35,000	-	-
Landfill (Recycling)	371,119	285,000	285,000	-	-
Economic Development	170,790	165,310	194,000	17.4%	28,690
Community Resources	5,000	5,000	5,000	-	-
Fire: Instructor Reimbursement	161,543	45,000	100,000	122.2%	55,000
Fire - Dominion Resources	25,000	25,000	25,000	-	-
Bldg Inspector: Unsafe Bldg	-	5,000	5,000	-	-
General District Crt:Postage	7,765	9,000	9,000	-	-
Clerk: Copier Charges	10,195	10,000	9,300	(7.0%)	(700)
Recycling Service District	65,850	74,397	68,112	(8.4%)	(6,285)
Sheriff - DEA	51,925	42,000	42,000	-	-
Comm. Corr.-Caroline Cty	25,634	33,000	28,300	(14.2%)	(4,700)
Community Services Board	95,192	150,000	150,000	-	-
Comprehensive Services Act	142,052	85,000	85,000	-	-
DMV Select	72,070	50,000	80,000	60.0%	30,000
Comm. Corr.-Supervision Fee	29,373	27,000	28,000	3.7%	1,000
Planning - Sign Violations	-	1,000	1,000	-	-
Health: Recovered Cost	37,263	46,350	46,350	-	-
Recovered Costs: Miscellaneous	4,717	5,000	5,000	-	-
Recovered Costs	\$ 3,834,527	\$ 3,365,658	\$ 3,514,455	4.4%	\$ 148,797

General Fund Revenue Detail

<u>Type of Revenue</u>	<u>FY12 Actual</u>	<u>FY13 Budget</u>	<u>FY14 Budget</u>	<u>Percent Change</u>	<u>Dollar Change</u>
INTERGOVERNMENTAL REVENUE					
NON-CATEGORICAL STATE AID					
Rolling Stock Tax	\$ 64,907	\$ 71,000	\$ 70,000	(1.4%)	\$ (1,000)
Vehicle Rental Tax	170,699	133,000	170,000	27.8%	37,000
Personal Property State Share	15,002,745	15,002,000	15,002,000	-	-
Non-Categorical State Aid	\$ 15,238,351	\$ 15,206,000	\$ 15,242,000	0.2%	\$ 36,000
STATE SHARE OF					
LOCAL OFFICES					
Commonwealth's Attorney	\$ 758,583	\$ 803,742	\$ 848,500	5.6%	\$ 44,758
Sheriff and Court Services	3,223,164	3,184,763	3,291,700	3.4%	106,937
Commissioner of the Revenue	219,573	230,798	240,100	4.0%	9,302
Treasurer	193,774	207,798	216,800	4.3%	9,002
Clerk of Circuit Court	506,153	516,474	531,600	2.9%	15,126
Registrar	51,202	58,359	58,359	-	-
State Share of Local Offices	\$ 4,952,449	\$ 5,001,934	\$ 5,187,059	3.7%	\$ 185,125
CATEGORICAL STATE AID					
Social Services	\$ 1,169,277	\$ 1,228,955	\$ 1,416,637	15.3%	\$ 187,682
Juv. Ct. Serv:Youth & Family	81,243	80,000	80,000	-	-
Planning: COLG	22,509	-	-	-	-
Clerk: Comp Board Technology	55,694	27,200	45,150	66.0%	17,950
Emer. Comm.: State Cellular Tax	357,555	300,000	350,000	16.7%	50,000
Registrar's Office	52,477	-	2,400	100.0%	2,400
Comm. Atty: Victim Witness	88,550	80,000	85,000	6.3%	5,000
Sheriff: Hwy Safety Traffic Board	-	45,000	45,000	-	-
Fire: Dept of Emergency Mgmt	38,786	-	-	-	-
Fire: Fire Programs	257,788	240,000	240,000	-	\$ -
EMS: Four For Life	103,208	108,000	108,000	-	-
Juror Reimbursement	2,760	9,700	3,600	(62.9%)	(6,100)
Landfill : Environmental Quality	14,771	18,000	18,000	-	-
Community Resources: CASA	31,700	30,000	30,000	-	-
Spay & Neuter Contributions	530	-	-	-	-
Community Corrections	327,646	328,000	328,000	-	-
Sheriff: DCJS	13,829	10,000	10,000	-	-
Community Services Board	2,228,932	2,255,906	2,267,906	0.5%	12,000
Comprehensive Services Act	3,089,368	2,780,929	2,967,348	6.7%	186,419
State Reversion Clearing Account	(492,201)	(500,000)	-	-	500,000
Categorical State Aid	\$ 7,444,422	\$ 7,041,690	\$ 7,997,041	13.6%	\$ 955,351
CATEGORICAL FEDERAL AID					
Sheriff's Office Grants	\$ 215,861	\$ 10,000	\$ 10,000	-	\$ -
ARRA-EEC Block Grant DOE	55,141	-	-	-	-
FEMA Reimbursements	29,087	-	-	-	-
PILT - US Dept of Interior	2,221	2,000	2,000	-	-
Fire Department Grants	432,807	-	-	-	-
Social Services:Health	2,304,216	2,200,761	2,209,602	0.4%	8,841
Community Services Board	460,652	456,831	462,831	1.3%	6,000
Community Resources: Justice	27,890	26,000	26,000	-	-
BAB Debt Service Revenue	272,459	272,459	-	(100.0%)	(272,459)
Categorical Federal Aid	\$ 3,800,334	\$ 2,968,051	\$ 2,710,433	(8.7%)	\$ (257,618)
TOTAL INTERGOVERNMENTAL	\$ 31,435,556	\$ 30,217,675	\$ 31,136,533	3.0%	\$ 918,858

General Fund Revenue Detail

<u>Type of Revenue</u>	<u>FY12 Actual</u>	<u>FY13 Budget</u>	<u>FY14 Budget</u>	<u>Percent Change</u>	<u>Dollar Change</u>
MISCELLANEOUS					
Sheriff: Project Lifesaver	\$ 12,012	\$ 1,000	\$ 1,000	-	\$ -
Miscellaneous Refunds	307,346	261,000	265,000	1.5%	4,000
Worker's Compensation Refunds	3,485	9,000	9,000	-	-
Insurance Recoveries	107,593	31,000	32,000	3.2%	1,000
Sale of Assets	119,456	107,000	110,000	2.8%	3,000
Gifts and Donations	16,652	50,000	40,000	(20.0%)	(10,000)
Reserve for Revenue Transfers	-	350,000	500,000	42.9%	150,000
Comm. Res: Winterization Project	135	-	-	-	-
Extension Office - Misc Revenue	796	11,500	11,500	-	-
Risk Management Safety Grant	3,214	-	-	-	-
Tomato Festival	80,809	53,250	53,250	-	-
Senior Travel Commission	-	-	48,000	100.0%	48,000
Community Services Board	51,393	119,000	31,000	(73.9%)	(88,000)
Miscellaneous	\$ 702,891	\$ 992,750	\$ 1,100,750	10.9%	\$ 108,000
Subtotal	\$ 199,129,309	\$ 196,552,954	\$ 199,092,859	1.3%	\$ 2,539,905
Prior Year Balance	\$ 9,100,195	\$ 11,912,562	\$ 8,730,386	(26.7%)	\$ (3,182,176)
TOTAL	\$ 208,229,504	\$ 208,465,516	\$ 207,823,245	(0.3%)	\$ (642,271)



Real Property Tax Rate is \$0.81 per \$100 of assessed value

Real Property Assessable Base = \$13.3 billion

Real Property Tax Generated = \$90,800,000

One Penny Generates \$1.1 million

General Fund Revenue Information

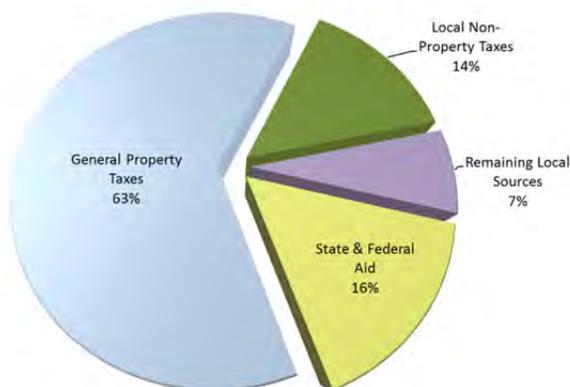
In order to support the County's mission of delivering quality services to the citizens of Hanover County, a great deal of time and resources are expended to make sure that supporting revenues are monitored and projected in a manner that allows for the most efficient, consistent, and cost effective delivery of those services.

The very factors that lend themselves to revenue strength and stability in Hanover have further translated to savings for taxpayers. Confidence in the County's diverse tax base and revenue stability are reflected in the AAA bond rating assigned to Hanover by all three of the major ratings agencies. These results have allowed the County access to some of the most attractive financing rates available while maintaining the low tax burden citizens have come to expect in Hanover County.

The General Fund is the general operating fund of the County. Ongoing revenue for the General Fund is divided into four major categories:

1. General Property Taxes;
2. Local Non-Property Taxes;
3. Remaining Local Sources; and
4. State & Federal Aid.

FY14 General Fund Ongoing Revenue

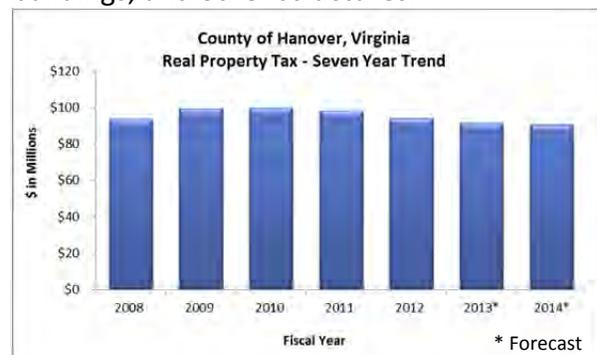


General Property Taxes

The majority of the County's General Fund revenue is generated through general property taxes, which refers to real property and personal property. The general property tax category refers to tax revenues received directly from taxpayers. In FY14, Hanover expects to receive \$124,647,000 in general property taxes.

Real Property Tax

The *Code of Virginia* §§ 58.1-3200 through 58.1-3389, authorizes localities to levy taxes on the assessed value of real estate property owned by businesses, individuals and public service corporations. Real property is defined as land and improvements, including buildings, and other structures.



Section §58.1-3201 provides that all general reassessments or annual assessments shall be at 100% of fair market value. The projection of real property tax revenue is contingent upon the accuracy of estimates of the real property tax base. In developing these estimates, the County Assessor incorporates a combination of factors, including historical trends, the current year's tax base, the cumulative effect of parcel reassessments, the value of land in the County's land use program, and an estimate of new construction during the upcoming year. The Assessor's Office appraises all real property annually.

General Fund Revenue Information

The Board of Supervisors adopted an ordinance allowing property tax relief for elderly and disabled persons. The applicant for tax relief must be either disabled or not less than 65 years of age and must be the owner of the property for which relief is sought. The property must be the sole dwelling of the applicant. The maximum income level is \$50,000 and maximum net worth is \$200,000, with no maximum discount.

Real property taxes are levied in April and are collected semiannually on June 5th and October 5th. Supplemental prorated levies are performed throughout the year for construction occurring during the year. The budget includes a county-wide real property tax rate of \$0.81 per \$100 of assessed value. This rate has remained unchanged since 2007. The County expects to generate \$90.8M, a \$350,000 or 0.4% decrease from FY13. This total includes \$165,000 of incremental revenue generated by the Lewistown CDA, which will be transferred to the Lewistown CDA Fund upon receipt. The decrease for the 2013 taxable year is a 2.44% decrease in reassessments and a 0.93% growth in new construction. Assumptions for the 2014 taxable year are a 1.0% decrease in reassessments and 1.5% growth in new construction.

Public Service Corporation Taxes

Public service corporation taxes are the real estate and personal property tax due from companies whose purpose is to provide utilities for the public. An example is a railroad line or telephone company. The County receives annual assessments from the State Corporation Commission (SCC) and Department of Taxation. The County's real and personal property tax rates are applied to

these assessments and from this the County expects to generate \$4.5M, a \$450,000 or 11.1% increase due to increasing the generating equipment tax rate from \$0.55 to the real property tax rate of \$0.81.

Personal Property Tax

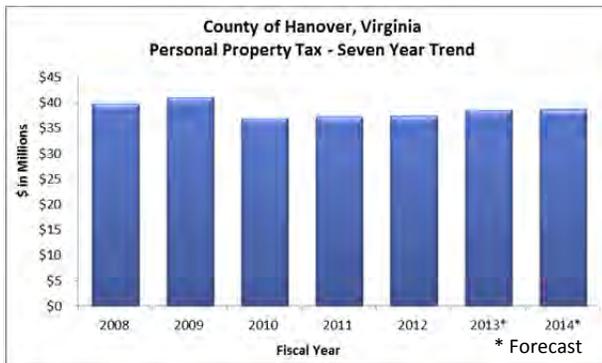
Pursuant to the *Code of Virginia* §§ 58.1-3500 through 58.1-3536, counties may levy a tax on tangible personal property. Included in this category are such items as motor vehicles, farming equipment, and a variety of motorized vehicles, including boats, aircraft, recreational vehicles, campers, and trailers. Taxes are levied on 100% of trade-in assessed value, which are based on published market guides. Personal property projections incorporate historical analysis, estimates of future growth, and information regarding tangible property market values.

In 1999, the State began a phased reduction of personal property taxes on the first \$20,000 in value of private vehicles. In 2004, the reduction was held to 70% of the tax eliminated, with the foregone revenue reimbursed to localities from the State. In FY07, the State's reimbursement to localities was capped at \$950 million. Thus, Hanover's payments from the State are a fixed sum that represents Hanover's pro rata share of the total State reimbursement. The actual percent relief to be applied to the taxpayer's bill is quantified in September of each year. The 64% State relief for 2011 was reduced to 60% for 2012.

Personal property taxes are estimated to generate \$39.0M, a \$1.4M or 3.8% increase. This includes \$15.0M of personal property tax paid to the County from the State. The State's portion is classified as non-categorical State aid. The current tax rate is \$3.57 per

General Fund Revenue Information

\$100 of value and is collected annually on February 5th of the subsequent year. The rate for airplanes is \$0.50 per \$100 assessed value. Assumptions for FY14 are a 4% increase in tax valuations, which includes prorations. Hanover County prorates the personal property tax on vehicles (not including boats). The County also has an incentive program to recognize the contributions of fire and rescue squad volunteers, providing a tax relief of 50% on the primary vehicles used by volunteers. In November 2006, the Board of Supervisors established a separate classification for disabled veterans, providing 50% tax relief. Finally, in an effort to determine accurately the value of vehicles, Hanover County offers a discount for vehicles with high mileage.



Machinery and Tools Tax

Pursuant to the *Code of Virginia* § 58.1-3507, certain machinery and tools, such as those used for manufacturing, mining, processing, radio/television broadcasting, dairy, and laundry or dry cleaning are segregated for local taxation. The original cost of the machinery and tools plus installation is reported to the Commissioner of the Revenue whereby an assessment ratio of 10% is applied to determine the assessed value for the tax levy. Machinery and tools taxes are expected to generate \$1.7M, a \$7,000 or 0.4% increase.

Merchants' Capital Tax

The *Code of Virginia* §§ 58.1-3509 and 58.1-3510, provides that localities may impose a local tax on merchants' capital, which is defined as the inventory of stock on hand, daily rental of passenger cars, daily rental property, and all other tangible personal property. An assessment ratio of 10% is applied to determine the assessed value for the tax levy. The County expects to generate \$930,000 in revenue from this source, a \$149,500 or 19.2% increase.

Delinquent Taxes

The County considers taxes to be delinquent as of August 1st of the next fiscal year after the assessment of the property.

Penalties and Interest

Penalties and interest are charges assessed for paying a bill after the due date. In FY09, penalties were lowered from 10% to 2% if the tax amount is paid in full by the first day of the month immediately following the due date, and if not paid in full 10% on the total tax amount thereafter. Interest accumulates at a 10% annual rate.

Other Local Taxes

Hanover County also collects substantial revenue from local sales tax, which includes a variety of local tax revenues independent of general property taxes such as sales tax. These other local taxes are projected to contribute \$28.9M in FY14 and are the General Fund's third largest revenue source.

General Fund Revenue Information

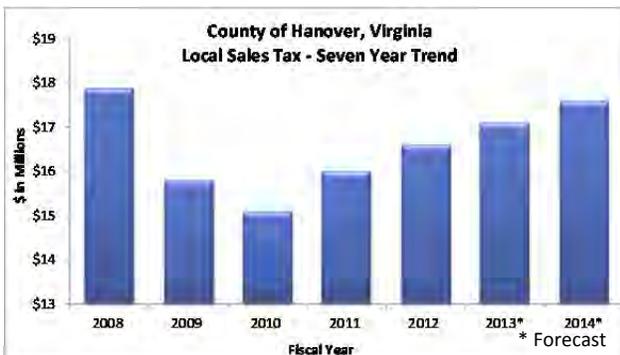
Local Sales Tax

The largest single item in this category is the local sales tax. The County receives 1% of the Commonwealth's 5% sales tax on all local sales, which is collected by merchants and remitted through the Commonwealth to Hanover. Pursuant to Virginia Code § 58.1-605, the County then remits 2.27% of that amount to the town of Ashland.

Local sales tax revenue is budgeted at \$17.6M in FY14, a \$510,000 or 3.0% increase over the FY13 budget. This includes \$250,000 of incremental revenue generated by the Lewistown CDA.

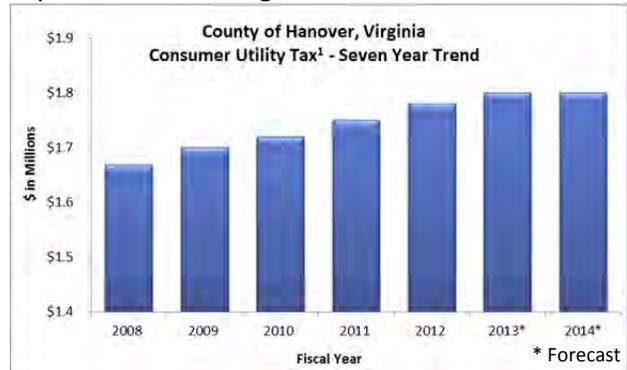
The following is the fiscal year 2012, taxable sales, as a percentage of total taxable sales, in the County:

Retail Trade	55.70%
Wholesale Trade	12.87%
Recreation/Food Services	10.99%
Non-classified	5.03%
Professional Services	4.93%
Manufacturing	4.79%
Construction	2.95%
Other Nonprofessional Services	2.20%
Agriculture	0.53%



Consumer Utility Tax

The *Code of Virginia* § 58.1-3814 authorizes localities to impose a tax on the consumers of public utilities. This tax is applied to all gas and electric service recipients residing within the County, excluding the Town of Ashland, which has a separate utility tax for Ashland residents. The County collects 20% of the first \$15 on utility purchases. Consumers pay these taxes on a monthly basis to their utility companies. Prior to January 2007, this tax also applied to all landline and wireless telephone service. Revenue from this utility tax is expected to generate \$1.8M; this represents no change from FY13.



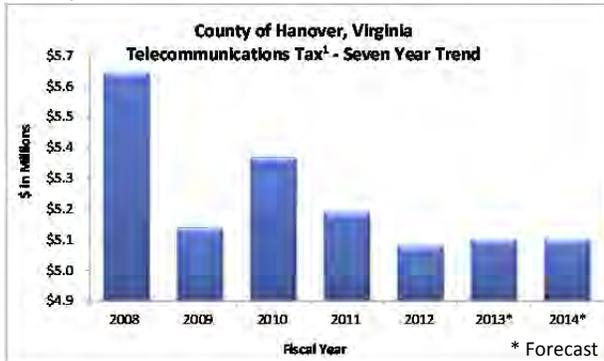
¹ Excluding Telephone Service

Communications Sales and Use Tax

Legislation enacted during the 2006 General Assembly session considerably changed the manner in which taxes are levied on communications services. This new tax, effective January 1, 2007, replaced local communications taxes and fees with a uniform 5% tax per month on all telecommunications services as well as a uniform 911 fee of \$0.75 per line per month. Satellite television and voice over internet telephone service are also subject to the 5% tax. The County's cable company, Comcast/AT&T Broadband, continues to pay a 5% franchise fee. Revenues are collected by the

General Fund Revenue Information

Virginia Department of Taxation and distributed to localities on a monthly basis. Hanover County is scheduled to receive approximately 1.19% of statewide collections. Projected revenue in FY14 is \$5.1M, a \$269,000 or 5.0% decrease.



¹Combined Telephone tax, E-911 and Cable Franchise fee

Contractor's Licenses

The contractor's licenses tax is based on prior year gross receipts of every contractor having in excess of \$100,000 in gross receipts and having a definite place of business in the County, or having no definite place of business but residing in the County or defined as a contractor by the *Code of Virginia*. The tax rate is \$0.10 per \$100 of gross receipts. Payment is due on or before March 1 of the license tax year. This tax is projected to generate \$400,000 in revenue for FY14, generating no additional revenue over FY13.

Utility Franchise License Tax

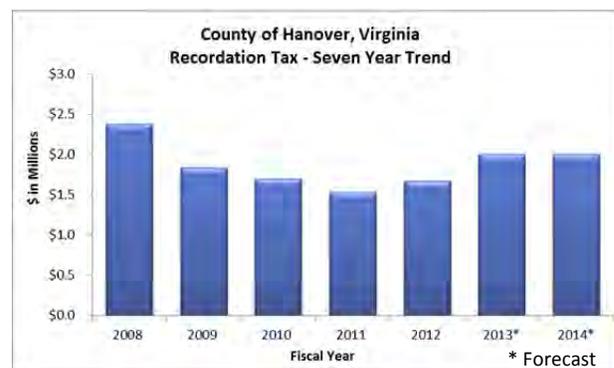
The *Code of Virginia* § 58.1-3731 authorizes localities to impose a license tax on telephone and water companies not to exceed one-half of 1% of the gross receipts of the previous year. This tax is due by January 31 of the license tax year. This tax is projected to generate \$700,000 in revenue, a \$50,000 or 6.7% decrease.

Lodging Tax

The lodging tax is a tax levied on limited-stay facilities, such as any hotel, motel, or travel campground occupied for a period of less than thirty (30) consecutive days. The tax is 8% of the charge and includes charges for all services provided for the space or room as a unit price. The lodging tax is projected to generate \$750,000, a \$39,000 or 5.5% increase from FY13. This entire revenue source is transmitted to the Greater Richmond Convention Center Authority and forms the basis for a 25% refund for Hanover's contribution to the Richmond Convention Center. The refund is recorded under recovered costs.

Recordation Tax

Section 58.1-3800 of the *Code of Virginia* authorizes localities to impose a recordation tax on transactions involving the recording of estates, deeds of trusts, mortgages, leases, contracts and agreements that are required to be admitted as matters of record to the Clerk of the Circuit Court. Amounts are collected by the Clerk of the Circuit Court's Office and are equal to one-third of the amount of the State recordation tax. The tax is projected to generate \$2.0M in revenue, a \$325,000 or 19.4% increase from the FY13 budget.



General Fund Revenue Information

Bank Stock Tax

The bank stock tax is a tax on the net capital of a bank. The tax rate is \$0.80 per \$100 of net capital and is apportioned to the locality based on the number of branches located in the locality. The tax is projected to generate \$480,000, a \$20,000 or 4.0% decrease.

Other Local Sources of Revenue

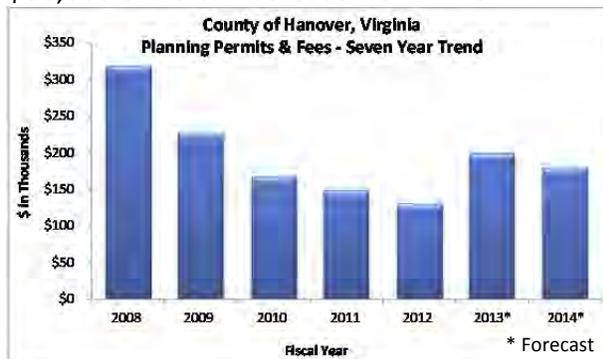
This category includes six (6) types of revenue received by the General Fund that are not considered general-purpose forms of taxation:

1. Permits, privilege fees and regulatory licenses;
2. Fines and forfeitures;
3. Use of money and property;
4. Charges for services;
5. Recovered costs; and
6. Miscellaneous revenue.

Only major sources of revenue are discussed.

Permits, Privilege Fees & Regulatory Licenses

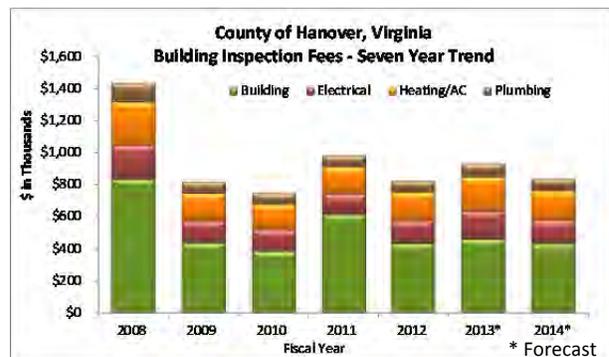
Planning Permits and Fees include all land use application fees and charges for service and materials such as documents for sale. These fees are used to recover a percentage of the costs associated with the processing, review and advertising of applications as well as the inspection of their respective projects. Projected revenue for FY14 is \$180,000, a \$30,000 or 20.0% increase from FY13.



Building Inspection Fees include building, mechanical, electrical and plumbing permits. All of the four permit fees are collected to defray the costs of conducting code compliance plan reviews and field inspections of the following:

1. Construction of buildings and structures;
2. Mechanical installations such as HVAC, gas installations and fire protection systems;
3. Electrical installations and alarm systems; and
4. Plumbing installations.

These costs also include the associated administrative costs. Projected revenue in FY14 is \$844,800, a \$22,100 or 2.7% increase.



The Virginia Erosion and Sediment (E&S) Control Regulations require all new development to obtain a land disturbance permit prior to land disturbance activities, such as land clearing or grading. Fees are charged to help recover the cost of the County's adherence to State guidelines for inspecting and monitoring construction projects along with providing funds for designing, acquiring and building drainage basins. Fees for projects, such as single-family housing projects that are eligible for an "agreement in lieu of a plan," pay the fees at the time of building permit application. All other projects pay a fee at the time of plan

General Fund Revenue Information

approval, which is based on the type of project, such as commercial, residential subdivision, general/early land-disturbance, etc., and the amount of area disturbed. Projected revenue in FY14 is \$165,000, a \$6,000 or 3.8% increase.

The County's regional Stormwater Program provides for the collection of a one-time pro-rata share fee from development based on the amount of impervious surface constructed. Fees collected are used to construct regional stormwater management facilities to meet water quality requirements. Participation in this program is voluntary and property owners have the option of constructing their own facilities rather than participating in the County's regional program. Fees are set based on the capital, personnel, and overhead costs incurred in designing, acquiring and constructing regional stormwater treatment facilities. Revenue is remitted to the County Capital Improvements Fund. A portion of revenue is transferred to the General Fund to reimburse costs associated with positions that manage this program. General Fund revenue support is projected to increase slightly in FY14 to \$160,000, a \$5,000 or 3.2% increase.

At this time it is uncertain how long the County's regional program will be able to continue as the State is proposing new stormwater regulations. Once adopted, Hanover's regional stormwater program will no longer be approved and will cease to be a viable option for new development in Hanover.

Fire Inspections Fees are charged to businesses that are required to obtain fire permits. Fees are based on occupancy, size and frequency of inspections. The fee was established in FY95 to provide adequate

personnel to inspect all "High Hazard" businesses annually. Projected revenue in FY14 is projected to remain unchanged at \$148,000.

Fines and Forfeitures

Fines and forfeitures include revenue received primarily as a result of violations of County criminal ordinances. The Clerk of the Circuit Court assesses fines and forfeitures for violations of County criminal ordinances. The Circuit Court transmits money collected in the General District Courts in addition to money collected in the Circuit Courts. Interest is collected on fines that are past due.

Localities are authorized by the Code of Virginia to assess a fee for the maintenance, renovation and construction of the courthouse. Hanover County Ordinance § 2-71 allows for the collection of this fee. In 2009, the State allowed an additional fee to be assessed by localities whose courthouses did not meet minimum guidelines established by the Department of General Services (VA Code §17.1-281; Hanover County Ordinance § 2-75). Hanover County's Courthouses were deemed non-compliant allowing us to begin assessing this additional fee January 1, 2010.

Security alarm fees are collected as a result of the Security Alarm Ordinance that went into effect April 1, 2002. The fees collected are for excessive false alarms during a calendar year, failure to respond to an alarm activation, failure to apply for a permit once notified that it is required and other civil penalties.

Projected revenue in FY14 for fines and forfeitures is anticipated to be \$1.2M, a \$67,000 or 5.3% decrease.

General Fund Revenue Information

Use of Money and Property

Revenues from Investments are expected to decline from FY13 to \$350,000, a \$58,000 or 14.2% decrease. This revenue source is affected by two variables: 1) the amount of cash available for investing (cash flow) and 2) the interest rate at the time of investment.

Charges for Services

The Community Services Board charges clients and insurance (including Medicaid) for certain eligible services such as case management, out-patient therapy, crisis, day support, transportation, and intensive community treatment. Revenues are projected to be \$2.9M, a \$129,000 or 4.2% decrease.

In March 2005, the County established an EMS Fee Recovery Program that leverages funding from Medicare/Medicaid and insurance companies for ambulance transports. Projections are based on the average number of transports and collection rates. Projected revenue for FY14 is unchanged at \$2.0M.

Hanover County Parks and Recreation offers a variety of educational, active and entertaining programs for both adults and children. Fees vary depending on the type of class. The budget for FY14 is flat from the prior year at \$575,000.

Landfill Fees are those fees charged at the transfer station per ton for disposal of solid wastes. The rate is \$50 per ton. Projected revenue for FY14 is down significantly due to the loss of a large contract. FY14 anticipated revenue is \$320,000, a \$210,000 or 39.6% decrease.

The Clerk of the Circuit Court's Office collects clerk's fees for every transaction. The expenses authorized by the State Compensation Board are subtracted monthly from the collected Clerk's fees. Historically, two-thirds of the Clerk's fees collected in excess of authorized expenditures are then remitted to the County. The remaining one-third is paid to the State. In the Governor's 2008-2010 biennium budget this calculation was reversed and only one-third of the fees collected are remitted to the County. Excess Fees are expected to generate \$95,000, a \$30,000 or 24% decrease.

Recovered Costs

Revenues are received from the Pamunkey Regional Jail and Public Utilities Fund in exchange for services from County departments such as information technology, finance, human resources, etc. Projected General Fund revenue for FY14 is \$429,200, an \$8,000 or 1.9% increase and \$1,140,468, a \$72,968 or 6.8% increase for the Jail and Utilities Funds, respectively. In addition, a service assessment charge is imposed on Public Utilities for law enforcement, fire protection and emergency medical services. Projected revenue is \$325,000, a \$1,000 or 0.3% decrease.

Due to the Sheriff's Office participation in local narcotics investigations and state and federal task forces, it is eligible to receive funds seized from narcotics enterprises and applicable criminal endeavors. Asset Forfeiture Funds received from these programs are maintained in an interest bearing escrow account and can only be expended on non-budgeted items with a direct correlation to law enforcement.

General Fund Revenue Information

Landfill Recycling recovered costs include proceeds from scrap metal recovery and recycling. The revenue projection for FY14 is unchanged at \$285,000.

Fees are paid to the General Fund from the Economic Development Authority (EDA) to offset the County's economic development costs. Fees are based upon debt issuances of the EDA. Projected recovered costs for FY14 increased due to the issuance of additional bonds in FY13. The anticipated revenue for FY14 is \$194,000, a \$28,690 or 17.4% increase.

The County receives an annual refund for its contribution to the Greater Richmond Convention Center Authority. Revenue assumption is based on 25% of the lodging tax plus anticipated rebates for any revenues exceeding costs. Projected recovered revenue is \$317,500, a \$950 or 0.3% decrease.

Miscellaneous

Miscellaneous revenue represents refunds received by departments for administrative charges, such as documents sold or copying charges and sale of assets and reserve for revenue transfers. Total projected revenue for FY14 is \$1.1M, a \$108,000 or 10.9% increase.

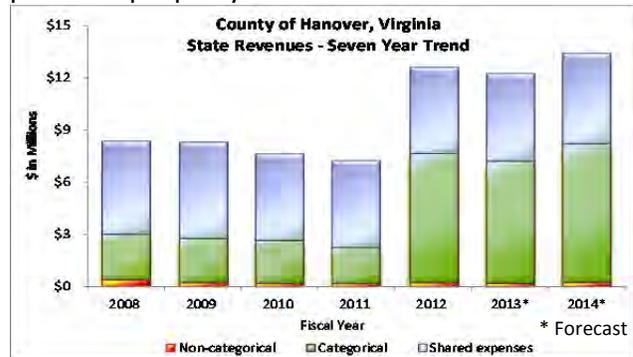
Intergovernmental

Intergovernmental revenues provide 15% of the General Fund budget. State revenue is divided into three categories: 1) State funding for programs that benefit both the County and the State, such as the Sheriff, Treasurer, Commonwealth's Attorney, Commissioner of the Revenue, Clerk of the Circuit Court and Registrar; 2) Non-categorical State Aid which includes vehicle rental tax and rolling stock;

and 3) Categorical State Aid for various County programs, primarily the human services agencies.

In 2008, the General Assembly adopted a biennium budget which included a \$50 million reduction in aid to localities. The reduction continued through FY13 at an annual cost to Hanover of approximately \$500,000. The elimination of the reduction in aid to localities accounts for \$500,000, and the remaining increases are in the areas of Social Services and the Comprehensive Services Act. General Fund revenue received from the State in FY14 should reach \$13,424,000 (excluding "Car Tax" funds). This represents an increase of \$1.2M, or 9.6% from FY13.

NOTE: Not shown in this graph is the non-categorical State aid that is part of the "No Car Tax" program mentioned above in the personal property tax section.



Non-Categorical State Aid

Non-Categorical State Aid and State Share of Local Offices are types of shared revenue and tend to be reasonably predictable. In FY14 the Rolling Stock tax is projected to remain relatively stable at \$70,000, a \$1,000 or 1.4% decrease.

Vehicle Rental Taxes are levied on the gross proceeds from the rental of motor vehicles in

General Fund Revenue Information

Virginia. The additional taxes (4-8%) are collected by the Department of Motor Vehicles and distributed to the County where the daily rental vehicle was delivered to the customer. Projected revenue for FY14 is \$170,000, a \$37,000 or 27.8% increase.

As mandated by the State in FY01, the State's portion of the personal property tax relief program, mentioned above, is classified as reimbursement from the State as non-categorical state aid. Beginning in FY07, the County receives a pro-rata share of \$950 million of relief to be distributed statewide. This tax relief amount is \$15.0M, and this funding is expected to remain constant in future years.

State Share of Local Offices

The State Compensation Board provides funding for the various departments with constitutional officers to provide for the cost of salaries and benefits and office expenses. The County supplements these funds. These departments include Commonwealth's Attorney, Sheriff and Court Services, Commissioner of the Revenue, Treasurer and Clerk of the Circuit Court. The State Board of Elections provides funding for the Registrar. Total projected revenue is \$5.2M, a \$185,000 or 3.7% increase.

Categorical State Aid

Federal and State categorical grants are earmarked for specific uses and are tightly restricted. Funding is generally granted on a project-by-project basis.

The Social Services Department receives state funding for a variety of purposes, including assistance for needy families. Projected State

funding is \$1.4M, a \$188,000 or 15.3% increase.

The Community Services Board receives state categorical funding for many programs, to include: crisis, case management, out-patient therapy, medication supports, intensive community treatment, and substance abuse treatment. Projected State funding is \$2.3M, a \$12,000 or 0.5% increase.

The Comprehensive Services Act receives state categorical funding for providing services mandated by State Code. Projected State funding is \$3.0M, a \$186,000 or 6.7% increase.

The General Assembly created the Information Technology Trust Fund consisting of revenues obtained from an additional \$5 recordation and filing fee collected by each circuit court clerk. The fund is to be used to help circuit court clerks obtain office and information technology, preserve and maintain court records, improve public access to court records and to study the design of a Statewide system of remote access to the clerks' land records. Projected State funding is \$45,150, a \$17,950 or 66.0% increase.

The emergency communications State Cellular Tax is collected by the State and is applied for annually through the State Wireless 911 Board. Funding is used to supplement local salaries as well as the cost of training and equipment used for wireless 911. Projected State funding is \$350,000, a \$50,000 or 16.7% increase.

The County receives funding from the Virginia Department of Fire Programs as "Aid to Localities." These funds are derived from one percent of fire-related insurance coverage. The funding provides the County with the

General Fund Revenue Information

funds to pay for training of volunteer and career firefighters, construction of training centers, firefighting equipment and protective clothing. Projected State revenue is projected to remain at \$240,000.

Community Corrections is required to provide community corrections and pre-trial services to those deemed necessary by the judges. Projected State funding is \$328,000 which is level funding from the prior year.

Categorical Federal Aid

The Social Services Department has multiple programs from which it receives federal funding, including Virginia's Temporary

Assistance for Needy Families (TANF) Program. The purpose of TANF is to provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives and end the dependence of needy parents on government benefits by promoting job preparation. Projected Federal revenue is \$2.2M, a \$9,000 or 0.4% increase.

The Community Services Board receives federal grants for certain programs such as out-patient therapy and alcohol/drug treatment. Revenues from these grants are projected to be \$463,000, a \$6,000 or 1.3% increase.

GENERAL GOVERNMENT ADMINISTRATION

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Board of Supervisors	\$ 493,563	\$ 491,310	\$ 489,152	(0.4%)
County Administrator	1,213,950	1,157,282	1,167,140	0.9%
Human Resources	741,524	696,046	707,086	1.6%
County Attorney	1,154,429	1,021,997	1,011,826	(1.0%)
Commissioner of the Revenue	1,283,749	1,234,939	1,270,668	2.9%
Assessor	867,880	803,693	825,723	2.7%
Treasurer	1,395,511	1,327,994	1,356,228	2.1%
Finance & Management Services	1,305,632	1,336,148	1,761,689	31.8%
Internal Audit	228,168	250,353	260,874	4.2%
Information Technology	3,939,462	3,883,546	3,912,512	0.7%
Registrar	431,295	290,510	297,669	2.5%
Total Expenditures	\$ 13,055,163	\$ 12,493,818	\$ 13,060,567	4.5%
Personnel	\$ 11,396,756	\$ 11,162,090	\$ 11,657,837	4.4%
Operating	1,562,251	1,331,728	1,387,730	4.2%
Capital	96,156	-	15,000	100.0%
Total Expenditures	\$ 13,055,163	\$ 12,493,818	\$ 13,060,567	4.5%
Revenues				
Intergovernmental Revenue	\$ 464,549	\$ 496,955	\$ 515,259	3.7%
Other Revenue	97,867	85,000	115,000	35.3%
General Fund Revenue	12,492,747	11,911,863	12,430,308	4.4%
Total Revenue	\$ 13,055,163	\$ 12,493,818	\$ 13,060,567	4.5%
Generated Revenue Percent	4.3%	4.7%	4.8%	
General Fund Percent	95.7%	95.3%	95.2%	
Full-time Positions	128	119	125	5.0%
Part-time Positions	4.5	4.0	4.5	12.5%
Full-time Equivalents	132.5	123.0	129.5	5.3%

Board of Supervisors

DESCRIPTION

The Board of Supervisors is a seven-member body elected to four-year terms by registered voters as representatives of each of the County's seven magisterial districts. The Board of Supervisors has both administrative and legislative responsibilities including, but not limited to, adopting the County budget; levying County taxes; appropriating funds; approving and enforcing ordinances; and establishing policies and procedures to efficiently and effectively improve the overall quality of life in Hanover County. In addition, the Board appoints the positions of County Administrator, County Attorney, School Board

members, Community Services Board members, Social Services Board members, Pamunkey Regional Library Board members, and Planning Commissioners, among others. Board meetings are traditionally held the second and fourth Wednesday of each month and are open to the general public. The Board provides residents with open lines of communication with which to voice concerns and suggestions and seeks to provide the most cost effective and efficient government services to Hanover residents.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 301,172	\$ 311,046	\$ 308,576	(0.8%)
Operating	190,171	180,264	180,576	0.2%
Capital	2,220	-	-	0.0%
Total Expenditures	<u>\$ 493,563</u>	<u>\$ 491,310</u>	<u>\$ 489,152</u>	<u>(0.4%)</u>
Revenues				
General Fund Revenue	\$ 493,563	\$ 491,310	\$ 489,152	(0.4%)
Total Revenue	<u>\$ 493,563</u>	<u>\$ 491,310</u>	<u>\$ 489,152</u>	<u>(0.4%)</u>
General Fund Percent	100.0%	100.0%	100.0%	
Full-time Positions	1	1	1	0.0%
Part-time Positions	3.5	3.5	3.5	0.0%
Full-time Equivalents	4.5	4.5	4.5	0.0%

BUDGET HIGHLIGHTS

In FY14, the overall department budget will remain relatively flat. The slight personnel decrease is due mainly to one (1) less employee opting for health insurance coverage. The FY14 Service Level Plan does

not contain funding for additional updating of audio visual equipment in the Boardroom. These matters will be addressed on an as needed basis by priority.

Board of Supervisors

GOALS AND OBJECTIVES

- Provide high quality customer service, prioritize essential services and emphasize a well-supported customer service oriented workforce;
- Provide for sound financial operations that emphasize efficiency in the delivery of services, stability in tax rates, and a strong program of economic development;
- Assess resident satisfaction with periodic citizen surveys; and,
- Provide for planned growth of the County that includes practical initiatives in controlled growth as well as a reliable strategy for the provision of necessary infrastructure.

SERVICE LEVELS

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Forecast</u>	FY14 <u>Budget</u>
Per capita cost of operating department	\$4.90	\$4.78	\$4.78	\$4.67
Adopt and utilize an Operating, Five-Year Capital Improvement, and Five-Year Financial Plan	4/13/2011	4/11/2012	4/11/2012	4/10/2013

County Administrator

DESCRIPTION

The County Administrator’s Office directs the daily operations of the County Government, provides advice and policy recommendations to the Board of Supervisors, and provides long range planning of government operations. The office is also responsible for implementing the policies and procedures established by the Board of Supervisors. The County Administrator’s Office will advise and evaluate department heads and other personnel consistent with present and future community needs and in conformity with all laws, policies, and direction provided by the Board. This Office also provides

administrative oversight over the Board of Supervisors’ budget and activities, as well as serving as the agent for the Board’s initiatives, policy-setting goals and other focus areas.

The Public Information Officer (PIO) is responsible for providing timely and accurate information on County services, programs and issues to the public through such means as the Hanover Review newsletter and an e-mail distribution list (“Hanover Access News”).

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 1,124,009	\$ 1,080,750	\$ 1,088,261	0.7%
Operating	89,941	76,532	78,879	3.1%
Total Expenditures	<u>\$ 1,213,950</u>	<u>\$ 1,157,282</u>	<u>\$ 1,167,140</u>	<u>0.9%</u>
Revenues				
General Fund Revenue	\$ 1,213,950	\$ 1,157,282	\$ 1,167,140	0.9%
Total Revenue	<u>\$ 1,213,950</u>	<u>\$ 1,157,282</u>	<u>\$ 1,167,140</u>	<u>0.9%</u>
General Fund Percent	100.0%	100.0%	100.0%	
Full-time Positions	9	7	7	0.0%
Full-time Equivalent	9.0	7.0	7.0	0.0%

BUDGET HIGHLIGHTS

The increase in operating is due mainly to increases in professional services for the department’s share of an annual laserfiche contract, printing and binding associated with publication of the Hanover Review, and

vehicle gas. The personnel increase is due primarily to increased benefit costs and moving a portion of wireless communication costs from operating to personnel in the form of a stipend.

County Administrator

GOALS AND OBJECTIVES

- Provide leadership and direction to staff in conducting the business of the County;
- Provide administrative and managerial support, and professional advice to the Board of Supervisors;
- Develop and implement programs, policies, and procedures to ensure the provision of effective and efficient government services;
- Present a proposed balanced budget to the Board of Supervisors by the fourth Wednesday in February;
- Formulate Board initiatives by July 1 of each year;
- Provide an agenda package to each Board member by the Friday prior to each Board meeting;
- Publish “The Hanover Review” three times annually;
- Provide weekly “News Flashes” on the County's homepage (www.co.hanover.va.us);
- Provide other informational content and photos to the County’s website;
- Prepare or assist in the preparation of press releases for County departments;
- Develop fact sheets for use by the County Administration and other departments;
- Provide news and photos for the County’s Facebook page; and,
- Send out Hanover Access News Bulletins in a timely fashion.

SERVICE LEVELS

	FY12	FY13	FY13	FY14
	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
Per capita cost of operating department	\$12.05	\$11.27	\$11.27	\$11.15
Size of budget (in millions)	\$369.4	\$367.9	\$367.9	\$372.6
Total number of full time equivalents (includes schools)	3,620.8	3,505.3	3,505.3	3,477.2

Human Resources

DESCRIPTION

The Human Resources Department provides support services to County departments, Constitutional offices, the Pamunkey Regional Jail, and the Pamunkey Regional Library. Primary areas of responsibility include policy development and interpretation, recruitment and selection, benefits, compensation, employee relations, training, and performance management. The Human Resources Department serves as the coordinating office to ensure fair and consistent application of County Human Resources policies in conformance with federal, state, and local laws and regulations.

The Human Resources Department is continuously interested in advancing the organization to a higher level. Employees continue to view Hanover County as a fair and consistent place to work, as evidenced by the very few grievances filed. In fact, in the most

recent employee opinion survey, 97% of participants stated that they were satisfied working for Hanover County. Similarly, 95% said that they would recommend Hanover County as a place to work to a friend.

Human Resources functions to help make Hanover County an attractive place to work, for both current and prospective employees. Human Resources is able to accomplish this by working directly with the departments to understand their needs and help them meet their staffing goals. Additionally, Human Resources evaluates employee compensation and benefits programs to ensure our competitiveness in the region. Human Resources monitors the climate of the County workforce, through employee surveys and other mechanisms, to ascertain employee satisfaction.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 638,160	\$ 602,767	\$ 610,233	1.2%
Operating	103,364	93,279	96,853	3.8%
Total Expenditures	<u>\$ 741,524</u>	<u>\$ 696,046</u>	<u>\$ 707,086</u>	<u>1.6%</u>
Revenues				
General Fund Revenue	\$ 741,524	\$ 696,046	\$ 707,086	1.6%
Total Revenue	<u>\$ 741,524</u>	<u>\$ 696,046</u>	<u>\$ 707,086</u>	<u>1.6%</u>
General Fund Percent	100.0%	100.0%	100.0%	
Full-time Positions	9	7	7	0.0%
Full-time Equivalents	9.0	7.0	7.0	0.0%

Human Resources

BUDGET HIGHLIGHTS

The personnel increase is due primarily to an additional employee opting for health insurance coverage. The increase in operating is due mainly to increased

funding for contractual services. As a continued cost savings measure, there is no funding for the county-wide tuition reimbursement program in FY14.

GOALS AND OBJECTIVES

- Manage position control – utilize redeployment options when available, and incorporate low-cost/high-impact recruiting strategies as needed;
- Enhance internal training programs to maximize development opportunities for all employees;
- Partner with consultants and health insurance provider to streamline Wellness programs;
- Partner with IT to develop plans for acquiring new HR systems to include Time, Attendance and Leave (TAL), Performance Management, and Payroll;
- Redesign performance evaluation tool and provide effective training; and,
- Develop HR Strategic Plan, incorporating the County’s mission, vision and focus areas.

SERVICE LEVELS

	<u>FY12 Actual</u>	<u>FY13 Budget</u>	<u>FY13 Forecast</u>	<u>FY14 Budget</u>
Per capita cost of operating department	\$7.36	\$6.78	\$6.78	\$6.75
Applications received (full-time)	2,909	4,000	4,000	3,500
*Positions filled	398	150	150	400
Total full-time employees	1,001	1,036	1,036	1,020
**Total part-time employees	481	200	200	500
Pamunkey Regional Library employees	128	132	132	130
Pamunkey Regional Jail employees	130	130	130	130
Grievances per 1,000 employees	1	4	4	4
Number of training classes offered	55	50	50	60

*FY12 actual includes 240 Election Officials

**FY12 actual includes 78 seasonal Recreation staff and 160 Officers of Election

County Attorney

DESCRIPTION

The County Attorney's Office represents the County in all civil legal matters and is responsible for providing a full range of legal services to the Board of Supervisors and all Boards, departments, agencies, Constitutional offices, and employees of the County, as well as the School Board and School divisions. This office drafts or reviews proposed County

ordinances and represents the County and its agencies in litigation. In addition, this office supervises work performed by outside legal counsel, maintains and updates the Hanover County Code, responds to resident inquiries and drafts or reviews all deeds, leases, contracts, bonds, and other legal documents.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 1,086,775	\$ 957,702	\$ 946,840	(1.1%)
Operating	67,654	64,295	64,986	1.1%
Total Expenditures	<u>\$ 1,154,429</u>	<u>\$ 1,021,997</u>	<u>\$ 1,011,826</u>	<u>(1.0%)</u>
Revenues				
General Fund Revenue	\$ 1,154,429	\$ 1,021,997	\$ 1,011,826	(1.0%)
Total Revenue	<u>\$ 1,154,429</u>	<u>\$ 1,021,997</u>	<u>\$ 1,011,826</u>	<u>(1.0%)</u>
General Fund Percent	100.0%	100.0%	100.0%	
Full-time Positions	9	7	7	0.0%
Full-time Equivalents	9.0	7.0	7.0	0.0%

BUDGET HIGHLIGHTS

The operating budget for this department will remain relatively flat in FY14. The personnel decrease is due mainly to the removal of a transitional salary. This

budget includes funding for a non-benefitted employee. The department will continue with reduced employee hours for one (1) position in FY14.

GOALS AND OBJECTIVES

- Provide prompt and effective legal assistance to all County elected and appointed Boards, Constitutional Officers, and all departments.



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Commissioner of the Revenue

DESCRIPTION

The Commissioner of the Revenue's office is divided into three (3) sections: Real Property, Personal Property, and Business Property. The Real Property Division prepares and maintains information in the Land Records Book and submits final assessments to the Treasurer for tax billing. Duties include incorporating land transfers and splits into the tax records, reviewing wills, and preparing and maintaining land parcel maps. Applications for land use tax deferrals and tax relief for the elderly and disabled are processed and administered by the Real Property Division. Rollback taxes are calculated and billed by this Division when changes in land use or zoning occur.

The Personal Property Division prepares information for the Personal Property Tax Book by assessing all vehicles, boats, motorcycles, trailers, airplanes, and mobile homes. In cooperation with the Virginia

Department of Taxation, the Division assists the public in the completion of income tax filing forms, processes filings, and performs initial audits for accuracy. The Personal Property Division works closely with the Division of Motor Vehicles for vehicle transfers and registrations.

The Business Property Division is responsible for all business taxes, licenses, and associated records. Tax categories overseen by this Division include business personal property, machinery and tools, merchant's capital, transient occupancy, and contractor's business licenses. The Division works with businesses to ensure they are knowledgeable of tax ordinances and assists them with compliance and related issues.

The Commissioner of the Revenue is a Constitutional Officer and is locally elected every four (4) years.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 1,181,607	\$ 1,151,378	\$ 1,164,694	1.2%
Operating	102,142	83,561	90,974	8.9%
Capital	-	-	15,000	100.0%
Total Expenditures	\$ 1,283,749	\$ 1,234,939	\$ 1,270,668	2.9%
Revenues				
Intergovernmental Revenue	\$ 219,573	\$ 230,798	\$ 240,100	4.0%
Other Revenue	36,035	25,000	40,000	60.0%
General Fund Revenue	1,028,141	979,141	990,568	1.2%
Total Revenue	\$ 1,283,749	\$ 1,234,939	\$ 1,270,668	2.9%
Generated Revenue Percent	19.9%	20.7%	22.0%	
General Fund Percent	80.1%	79.3%	78.0%	
Full-time Positions	18	17	17	0.0%
Full-time Equivalent	18.0	17.0	17.0	0.0%

Commissioner of the Revenue

BUDGET HIGHLIGHTS

In addition to the many services provided by this office, two (2) high volume activities include: 179,628 personal property taxpayer items valued in 2012 and approximately 3,382 State income tax returns requiring processing assistance. The FY14 budget does include pool funding

for non-benefitted employees in the personnel category. The increase in other revenue represents a projected increase in DMV Select revenue. The FY14 Service Level Plan for this department consists of \$15,000 for a large format scanner.

GOALS AND OBJECTIVES

- Issue business licenses by March 1;
- Update files for real estate transfers and wills by March 1;
- Process tax relief applications for the elderly and disabled by March 1 and June 30;
- Process land use applications by November 1 and February 1;
- Assess real estate taxes and complete the Land Book by April 1;
- Process and audit State income taxes by June 1;
- Prorate and assess all personal property classes by December 31;
- Monitor sales tax revenue monthly and prepare reports to track changes/trends; and,
- Assess and administer local option taxes on a monthly basis.

SERVICE LEVELS

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Forecast</u>	FY14 <u>Budget</u>
Per capita cost of operating department	\$12.75	\$12.02	\$12.02	\$12.14
Accounts in personal property file	84,824	86,500	85,750	86,000
Real estate transfers	3,027	3,000	3,100	3,170
Review of will disbursements	287	350	300	300
Land use applications	188	130	185	185
Land use parcels	3,384	3,330	3,390	3,400
Tax relief applications	1,821	1,800	1,860	1,890
Tax relief applications qualified	1,554	1,700	1,590	1,615
State income tax returns processed	3,382	6,500	3,380	3,380
Estimated tax forms processed	1,290	1,250	1,305	1,310

ASSESSED VALUE OF TAXABLE PROPERTY

(Dollars in Millions)

Calendar Year	Real Estate	Personal Property	Machinery & Tools	Merchants' Capital	Public Service Companies	Total
2010	13,200.6	1,289.2	49.7	53.2	710.1	15,302.9
2011	12,976.5	1,317.7	46.8	56.3	636.2	15,033.5
2012	12,473.1	1,305.6	48.4	50.4	640.2	14,517.7

Assessor

DESCRIPTION

The Assessor's Office is responsible for the appraisal of all real property for ad valorem tax purposes. In this capacity, the Assessor evaluates all real estate to assure equalization to market value. The scope of the Assessor's authority and the responsibility is controlled

by the statutes of the Commonwealth of Virginia. Included in the valuation of all real property are reassessments, property splits, consolidations, transfers of real estate, zoning changes, new subdivisions, and new construction.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 808,149	\$ 751,409	\$ 768,711	2.3%
Operating	59,731	52,284	57,012	9.0%
Total Expenditures	<u>\$ 867,880</u>	<u>\$ 803,693</u>	<u>\$ 825,723</u>	<u>2.7%</u>
Revenues				
General Fund Revenue	\$ 867,880	\$ 803,693	\$ 825,723	2.7%
Total Revenue	<u>\$ 867,880</u>	<u>\$ 803,693</u>	<u>\$ 825,723</u>	<u>2.7%</u>
General Fund Percent	100.0%	100.0%	100.0%	
Full-time Positions	10	10	10	0.0%
Full-time Equivalents	10.0	10.0	10.0	0.0%

BUDGET HIGHLIGHTS

All areas of the County (45,600 parcels) were evaluated for 2013 with 22,900 parcels or 50% receiving changes. The Assessor's office has maintained sales to assessment ratios of approximately 97% while keeping coefficient of dispersion levels (this is a measure of assessment equity) of less than 10%, and few appeals to the Board of Equalization resulting

in valuation changes. The personnel increase is due mainly to the removal of a transitional salary and added funding at grade minimum for a vacant Chief Assessor position. The operating increase is due primarily to printing and binding for an increased number of assessment notices and vehicle and powered equipment.

Assessor

GOALS AND OBJECTIVES

- Maintain and enhance the Computer Assisted Mass Appraisal System to further streamline functions of the Office;
- Provide accurate information to the public by maintaining all assessment files, computer print outs, and sales books;
- Appraise new construction within 30 days of completion; and,
- Complete 100% of all assigned assessments effective for January 1.

SERVICE LEVELS

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Forecast</u>	FY14 <u>Budget</u>
Per capita cost of operating department	\$8.62	\$7.83	\$7.83	\$7.89
Real estate property assessed as of January 1	100%	100%	100%	100%
Coefficient of Dispersion Levels <10%	6.29%	<10%	<10%	<10%
Successful Appeals <1% of total assessed value	<1%	<1%	<1%	<1%
Board of Equalization adjustments <0.5% of total assessed value	<0.5%	<0.5%	<0.5%	<0.5%
Sales to assessment ratios >90% of total assessed value	97.04%	>90%	>90%	>90%
Percent of appraisal staff with professional designations	50%	50%	50%	50%
Estimated taxable parcels of land	45,426	44,500	45,500	45,600
Estimated non-taxable parcels of land	891	850	895	895
Estimated new lots	149	350	200	200
Percent of appraisal staff with state license	100%	100%	100%	100%

Treasurer

DESCRIPTION

The Treasurer is a Constitutional Officer who is elected every four (4) years by the citizens of Hanover County. The Treasurer is charged with collecting taxes and other revenue of the County. Tax collection involves the billing and collection of current receivables and the management of a delinquent collection program. The Treasurer is responsible for the safeguarding of receipts and managing the County's investment program and banking relationships.

For many years now, this office has attained an almost 100% collection rate on taxes owed

within one year of the due date. Additionally, the Treasurer oversees an investment portfolio that has consistently outperformed established investment return benchmarks.

Beginning in May 2008, the offices of the Treasurer and the Commissioner of the Revenue opened a joint DMV Select Office. The Commonwealth of Virginia pays the County a commission to handle some basic transactions, such as vehicle registration renewals and handicapped parking placards on their behalf. The commission is split evenly between the two offices.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 1,191,533	\$ 1,131,784	\$ 1,136,633	0.4%
Operating	203,978	196,210	219,595	11.9%
Total Expenditures	\$ 1,395,511	\$ 1,327,994	\$ 1,356,228	2.1%
Revenues				
Intergovernmental Revenue	\$ 193,774	\$ 207,798	\$ 216,800	4.3%
Other Revenue	61,832	60,000	75,000	25.0%
General Fund Revenue	1,139,905	1,060,196	1,064,428	0.4%
Total Revenue	\$ 1,395,511	\$ 1,327,994	\$ 1,356,228	2.1%
Generated Revenue Percent	18.3%	20.2%	21.5%	
General Fund Percent	81.7%	79.8%	78.5%	
Full-time Positions	15	15	15	0.0%
Part-time Positions	1.0	-	0.5	100.0%
Full-time Equivalents	16.0	15.0	15.5	3.3%

BUDGET HIGHLIGHTS

The operating increase is due primarily to increases in professional services, printing and binding, and one-time funding for a laserfiche module. The increase in the personnel category is due to the

reclassification of a non-benefitted employee to benefitted status. The personnel category does include pool funding for non-benefitted employees.

Treasurer

GOALS AND OBJECTIVES

- Maintain core services;
- Provide excellent customer service to citizens, businesses, and internal departments;
- Prepare accurate and timely reconciliations (bank within 30 days, tax within 45 days);
- Maintain an on-line tax inquiry and payment system; and,
- Maintain high collection rates.

SERVICE LEVELS

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Forecast</u>	FY14 <u>Budget</u>
Per capita cost of operating department	\$13.86	\$12.93	\$12.93	\$12.95
Tax collected in fiscal year	98.9%	95.0%	95.0%	95.0%

PROPERTY TAX LEVIES AND COLLECTIONS

FY	General Property Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	<u>Tax Collections to Date</u>	
		Amount	Percentage of Levy		Amount	Percentage of Levy
08	139,951,410	134,776,945	96.3%	4,665,681	139,442,626	99.6%
09	146,731,880	140,814,064	96.0%	4,776,821	145,590,885	99.2%
10	142,757,714	137,896,486	96.6%	2,922,275	140,818,761	98.6%
11	141,464,681	136,643,777	96.6%	2,329,676	138,973,453	98.2%
12	138,147,691	136,569,536	98.9%	-	136,569,536	98.9%

Source: CAFR Schedule <http://www.co.hanover.va.us/finance/cafr12.htm>

Finance & Management Services

DESCRIPTION

The Department of Finance & Management Services is responsible for the financial management and planning of the County. This includes establishing and maintaining effective controls over the County's financial activities, providing accurate financial information to all County and School Board departments in a timely manner, and coordinating the annual budget and monitoring compliance after adoption.

The Accounting Division coordinates the annual audit and prepares the annual audited financial reports. Finance provides the resources needed in its Budget Division to support departments, County Administration,

and the Board of Supervisors. In addition, Finance also provides the support services for payroll, accounts payable, financial reporting, debt management and audit.

The Purchasing Division serves as administrative agent in the procurement of all goods and services above a \$5,000 unit cost as well as all procurement card oversight and disposal of surplus property. The Purchasing Division's primary responsibilities include oversight, review and assistance in preparation of specifications, commodity bidding, solicitation and oversight review of professional and non-professional service proposals.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 1,235,775	\$ 1,270,490	\$ 1,697,088	33.6%
Operating	69,857	65,658	64,601	(1.6%)
Total Expenditures	<u>\$ 1,305,632</u>	<u>\$ 1,336,148</u>	<u>\$ 1,761,689</u>	<u>31.8%</u>
Revenues				
General Fund Revenue	\$ 1,305,632	\$ 1,336,148	\$ 1,761,689	31.8%
Total Revenue	<u>\$ 1,305,632</u>	<u>\$ 1,336,148</u>	<u>\$ 1,761,689</u>	<u>31.8%</u>
General Fund Percent	100.0%	100.0%	100.0%	
Full-time Positions	17	16	22	37.5%
Full-time Equivalents	17.0	16.0	22.0	37.5%

BUDGET HIGHLIGHTS

The personnel increase is due mainly to the addition of an Accounting Supervisor, two (2) Purchasing Officers, and three (3) Financial Technicians. All of these positions were transferred to general government from the

School System as the result of a consolidation plan. There is a slight decrease in operating due primarily to the transfer of arbitrage and trustee fees to the new Debt Service Fund.

Finance & Management Services

GOALS AND OBJECTIVES

- Receive Government Finance Officers' Association's Distinguished Budget Award;
- Receive Government Finance Officers' Association's Certificate of Achievement for Excellence in Financial Reporting;
- Adopt FY15 Budget by third Wednesday in April; and,
- Hold Training Workshops semi-annually on purchasing policies and procedures.

SERVICE LEVELS

	<u>FY12</u> <u>Actual</u>	<u>FY13</u> <u>Budget</u>	<u>FY13</u> <u>Forecast</u>	<u>FY14</u> <u>Budget</u>
Per capita cost of operating department	\$12.97	\$13.01	\$13.01	\$16.83
Average days after month end to close	8	8	8	8
Number of budget transfers processed	207	200	200	200
Bids, Proposals & Quotes Issued	124	100	100	175

MUNICIPAL BOND RATING FOR HANOVER COUNTY

<u>Fiscal Year</u>	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
2003	Aa1	AA	AA+
2004	Aa1	AA	AA+
2005	Aa1	AA	AA+
2006	Aa1	AA+	AAA
2007	Aa1	AA+	AAA
2008	Aa1	AAA	AAA
2009	Aa1	AAA	AAA
2010	AAA	AAA	AAA
2011	AAA	AAA	AAA
2012	AAA	AAA	AAA

Internal Audit

DESCRIPTION

The Internal Audit Department conducts performance, financial and compliance audits of County, School Board, Regional Library and Regional Jail activities. Audit results and recommendations are reported to the respective Boards, Finance Committee, Administration and the agency reviewed. The Internal Auditors work closely with the Board and Administration to ensure the County provides quality service to the public through functions that are performed efficiently, effectively, and in compliance with applicable laws and regulations. The Internal Audit Department develops an audit plan based on risk assessments and resources available to

provide internal audit services for all areas of the County. The department also maintains the County's Fraud, Waste and Abuse Hotline. The annual Internal Audit Plan is approved by the Finance Committee of the Board of Supervisors.

Previous audits have identified performance recommendations that have resulted in business opportunities and position reclassifications in several departments. The Internal Audit Department has trained and maximized its own resources to assist with County-wide training in the areas of fraud and ethics.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 219,119	\$ 240,947	\$ 254,701	5.7%
Operating	6,988	9,406	6,173	(34.4%)
Capital	2,061	-	-	0.0%
Total Expenditures	\$ 228,168	\$ 250,353	\$ 260,874	4.2%
Revenues				
General Fund Revenue	\$ 228,168	\$ 250,353	\$ 260,874	4.2%
Total Revenue	\$ 228,168	\$ 250,353	\$ 260,874	4.2%
General Fund Percent	100.0%	100.0%	100.0%	
Full-time Positions	3	2	2	0.0%
Part-time Positions	-	0.5	0.5	0.0%
Full-time Equivalents	3.0	2.5	2.5	0.0%

BUDGET HIGHLIGHTS

The decrease in operating is due primarily to reduced funding for educational training and the elimination of wireless communication costs. The personnel increase is due primarily to filling the vacant Internal Audit Director

position at a higher rate of pay. There will be no change in the hours assigned to the part-time position, and the Average Audit Cycle will remain at 9 years.

Internal Audit

GOALS AND OBJECTIVES

- Develop, implement and execute an annual Internal Audit Plan adopted by the Board of Supervisors;
- Evaluate risk environments and systems of internal controls;
- Follow-up on prior internal audit recommendations and provide departmental assistance;
- Perform special projects to support Board initiatives and assist County Administration;
- Coordinate regional and external audit services;
- Meet Internal Audit Performance Measurement goals; and,
- Perform audits in accordance with Generally Accepted Government Auditing Standards.

SERVICE LEVELS

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Forecast</u>	FY14 <u>Budget</u>
Per capita cost of operating department	\$2.27	\$2.44	\$2.44	\$2.49
Number of internal audits performed	5	16	13	17
Average Internal Audit cycle (years)	18	9	12	9
Percent of Audit Universe audited to date	59%	64%	60%	62%

Information Technology

DESCRIPTION

The Information Technology Department endeavors to attain the highest levels of technical proficiency, maintain secure available systems, and assure data integrity. Department services are focused on implementing, operating, and maintaining County computer systems, as well as a wide area network which provides access to the County's central computer systems and various state systems. The County's major systems include email, website, financial management, payroll, tax assessment and billing, computer aided dispatch, public safety records management, utility billing, building permits, plan tracking, and code enforcement. Information Technology's role

in meeting the system and technological needs of departments and related entities is to continue to provide the support and leadership, where applicable, in ensuring a 24/7 fully functioning computer and system environment, with proper security, controls, archives and contingency plans.

The GIS division is responsible for maintaining, developing, and distributing geographic related data sets and applications. The GIS program provides service and support to public safety, community development, and other County agency operations.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 3,331,735	\$ 3,440,887	\$ 3,458,015	0.5%
Operating	538,789	442,659	454,497	2.7%
Capital	68,938	-	-	0.0%
Total Expenditures	<u>\$ 3,939,462</u>	<u>\$ 3,883,546</u>	<u>\$ 3,912,512</u>	<u>0.7%</u>
Revenues				
General Fund Revenue	\$ 3,939,462	\$ 3,883,546	\$ 3,912,512	0.7%
Total Revenue	<u>\$ 3,939,462</u>	<u>\$ 3,883,546</u>	<u>\$ 3,912,512</u>	<u>0.7%</u>
General Fund Percent	100.0%	100.0%	100.0%	
Full-time Positions	34	34	34	0.0%
Full-time Equivalents	34.0	34.0	34.0	0.0%

BUDGET HIGHLIGHTS

The overall budget increase for this department in FY14 is less than one percent. The personnel increase is due mainly to turnover. Also, a portion of the wireless communications budget has been moved

from operating to personnel in the form of a stipend. The operating increase is due primarily to increased funding for maintenance service contracts.

Information Technology

GOALS AND OBJECTIVES

- Attracting, developing and retaining highly competent staff;
- Cultivating an environment where innovation and strategic planning are encouraged;
- Integrating technology through communication, training, and support;
- Implementing innovative technologies to meet Hanover County government goals;
- Operating secure, robust, and reliable systems;
- Maintain address, street centerline, tax parcel, zoning, public utility, planimetric, and related data layers; and,
- Enhancing use of GIS technology to provide more accurate and timely information to the public and County staff.

SERVICE LEVELS

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Forecast</u>	FY14 <u>Budget</u>
Per capita cost of operating department	\$39.12	\$37.81	\$37.81	\$37.37
Personal computers and network stations	980	1,070	980	980
Printing Devices (Personal, Network, Copiers)	640	640	640	640
Panasonic ToughBooks	240	240	240	230
Network Connections-facilities	55	55	55	55
Total Supported Servers & Systems				
iSeries (AS400) Physical Servers	3	3	3	3
iSeries (AS400) Virtual Server Partitions	5	5	5	5
Windows Server Virtualization Rate	70%	70%	70%	70%
IT Services & Applications Supported	135	123	135	135
County web site hits - monthly average	398,767	356,869	410,000	425,000
County web site visits - monthly average	27,531	28,000	28,000	29,000
Data Loss due to Intrusions/Viruses	Zero Loss	Zero Loss	Zero Loss	Zero Loss
GIS Service Requests (total)	1,747	1,800	1,800	1,800
GIS Service Requests (public)	801	700	800	800
GIS Data Edits	1,947	1,700	2,000	2,000
Building Permits Reviewed	396	375	400	400
GIS Web Site Hits	268,821	500,000	250,000	250,000
GIS Web Site Queries	12,209	50,000	12,500	12,500

Registrar

DESCRIPTION

The Registrar's Office is under the Electoral Board and implements the election laws of the Commonwealth of Virginia. The Electoral Board is a three (3) member Board appointed by the Circuit Court to administer the election laws and other regulations promulgated by the State Board of Elections. The Electoral Board appoints the General Registrar, over 250 election officials and voting machine custodians. Primary functions of the Registrar are to accept statewide voter

registration applications and to maintain records of such residents pursuant to State Law. The Electoral Board accepts Campaign Finance Disclosure Reports from candidates who run for positions within the County. These reports are maintained for public inspection along with other election records from previous elections. The Electoral Board also supervises the elections to verify compliance with the law and verifies the results to the State Board of Elections.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 278,722	\$ 222,930	\$ 224,085	0.5%
Operating	129,636	67,580	73,584	8.9%
Capital	22,937	-	-	0.0%
Total Expenditures	\$ 431,295	\$ 290,510	\$ 297,669	2.5%
Revenues				
Intergovernmental Revenue	\$ 51,202	\$ 58,359	\$ 58,359	0.0%
General Fund Revenue	380,093	232,151	239,310	3.1%
Total Revenue	\$ 431,295	\$ 290,510	\$ 297,669	2.5%
Generated Revenue Percent	11.9%	20.1%	19.6%	
General Fund Percent	88.1%	79.9%	80.4%	
Full-time Positions	3	3	3	0.0%
Full-time Equivalents	3.0	3.0	3.0	0.0%

BUDGET HIGHLIGHTS

There are no significant changes for the FY14 budget. The slight increase in personnel is due primarily to increased pooled funding for Officers of Election and one additional employee opting for health insurance coverage. The operating increase is due

mainly to printing and binding and the wireless communication budget has been moved to the personnel category in the form of a stipend. The department continues to streamline processes in order to meet the current economic challenges.

Registrar

GOALS AND OBJECTIVES

- Develop election life cycle standards in order to save taxpayer dollars;
- Seek State and Federal funding and grants for the County’s voter registration and election needs;
- Continue to partner with the Virginia State Board of Elections, Virginia General Registrar Association, Virginia Electoral Board Association and our citizens to monitor legislative and election law changes impacting our County; and,
- Support the vision and mission of the County’s Administration through partnerships with the community and citizens.

SERVICE LEVELS

	<u>FY12</u> <u>Actual</u>	<u>FY13</u> <u>Budget</u>	<u>FY13</u> <u>Forecast</u>	<u>FY14</u> <u>Budget</u>
Per capita cost of operating department	\$4.28	\$2.83	\$2.83	\$2.84
Registered Voters:				
Number of registered voters	71,832	72,416	72,000	72,000
Voting age population	75,000	79,267	75,000	75,000
Percent of population	75%	79%	75%	75%
Percent of eligible voters	96%	91%	96%	96%
Voter Turnout:				
Number of voters	59,058	39,333	50,000	50,000
Percent of registered voters	82%	53%	69%	69%
Percent of eligible voters	79%	48%	66%	66%

JUDICIAL ADMINISTRATION

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Circuit Court	\$ 83,654	\$ 70,766	\$ 69,598	(1.7%)
General District Court	75,368	90,671	84,000	(7.4%)
Magistrates	2,494	2,889	2,901	0.4%
Juvenile and Domestic Relations	18,209	21,110	19,842	(6.0%)
Clerk of Circuit Court	1,305,441	1,258,473	1,292,616	2.7%
Court Services	1,291,398	1,404,241	1,418,708	1.0%
Commonwealth's Attorney	1,542,837	1,618,173	1,622,553	0.3%
Total Expenditures	\$ 4,319,401	\$ 4,466,323	\$ 4,510,218	1.0%
Personnel	\$ 3,926,049	\$ 3,995,250	\$ 4,017,074	0.5%
Operating	393,352	420,573	443,144	5.4%
Capital	-	50,500	50,000	(1.0%)
Total Expenditures	\$ 4,319,401	\$ 4,466,323	\$ 4,510,218	1.0%
Revenues				
Intergovernmental Revenue	\$ 1,411,740	\$ 1,458,028	\$ 1,513,850	3.8%
Other Revenue	382,519	453,788	432,588	(4.7%)
General Fund Revenue	2,525,142	2,554,507	2,563,780	0.4%
Total Revenue	\$ 4,319,401	\$ 4,466,323	\$ 4,510,218	1.0%
Generated Revenue Percent	41.5%	42.8%	43.2%	
General Fund Percent	58.5%	57.2%	56.8%	
Full-time Positions	55	55	55	0.0%
Part-time Positions	1.6	-	-	0.0%
Full-time Equivalents	56.6	55.0	55.0	0.0%

Courts

DESCRIPTION

The Courts system is made up of the Circuit Court, General District Court, Magistrate, and Juvenile and Domestic Relations Court. The Circuit Court of Hanover is a trial court of general jurisdiction which has authority to try both civil and criminal cases. The Supreme Court of Virginia establishes the rules of practice and procedures for the Circuit Court. The Circuit Court Judge is appointed to an eight year term by the General Assembly. The Circuit Court has appellate jurisdiction over all appeals from the General District Court and Juvenile and Domestic Relations Court. These cases are heard from the beginning as though there had been no prior trial. A final judgment of the Circuit Court may be appealed to the Virginia Court of Appeals or the Supreme Court of Virginia, depending on the nature of the case.

One of the principal functions of the Magistrate is to provide an independent review of complaints from Sheriff's Deputies and citizens of the County. These complaints

form the basis for determining whether a warrant of arrest should be issued. In addition, the Magistrate conducts bail bond hearings, commits offenders to jail, and releases prisoners from jail.

The Circuit Court appoints the following: jury commissioners, grand jurors, special policemen, Board of Zoning Appeals, Electoral Board, Courthouse Committee, Commissioner of Chancery, Marriage Commissioners, and others as provided by the Code of Virginia.

The Circuit Court is responsible for the law library. The law library (at the request of the Hanover Bar) contains legal information which may be of interest to local lawyers.

The Courts receive direct funding from the Commonwealth, in addition to funds appropriated by the County. Revenues recorded in the General Fund from the Courts represent fines, forfeitures, and excess fees from the Circuit Court.

BUDGET SUMMARY

Circuit Court

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 55,227	\$ 54,944	\$ 53,117	(3.3%)
Operating	28,427	15,822	16,481	4.2%
Total Expenditures	<u>\$ 83,654</u>	<u>\$ 70,766</u>	<u>\$ 69,598</u>	<u>(1.7%)</u>
Revenues				
General Fund Revenue	\$ 83,654	\$ 70,766	\$ 69,598	(1.7%)
Total Revenue	<u>\$ 83,654</u>	<u>\$ 70,766</u>	<u>\$ 69,598</u>	<u>(1.7%)</u>
General Fund Percent	100.0%	100.0%	100.0%	
Full-time Positions	1	1	1	0.0%
Full-time Equivalents	1.0	1.0	1.0	0.0%

Courts

General District Court

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Operating	\$ 75,368	\$ 90,671	\$ 84,000	(7.4%)
Total Expenditures	<u>\$ 75,368</u>	<u>\$ 90,671</u>	<u>\$ 84,000</u>	<u>(7.4%)</u>
Revenues				
Other Revenue	\$ 7,765	\$ 9,000	\$ 9,000	0.0%
General Fund Revenue	67,603	81,671	75,000	(8.2%)
Total Revenue	<u>\$ 75,368</u>	<u>\$ 90,671</u>	<u>\$ 84,000</u>	<u>(7.4%)</u>
Generated Revenue Percent	10.3%	9.9%	10.7%	
General Fund Percent	89.7%	90.1%	89.3%	

Magistrates

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Operating	\$ 2,494	\$ 2,889	\$ 2,901	0.4%
Total Expenditures	<u>\$ 2,494</u>	<u>\$ 2,889</u>	<u>\$ 2,901</u>	<u>0.4%</u>
Revenues				
General Fund Revenue	\$ 2,494	\$ 2,889	\$ 2,901	0.4%
Total Revenue	<u>\$ 2,494</u>	<u>\$ 2,889</u>	<u>\$ 2,901</u>	<u>0.4%</u>
General Fund Percent	100.0%	100.0%	100.0%	

Juvenile & Domestic Relations Court

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Operating	\$ 18,209	\$ 21,110	\$ 19,842	(6.0%)
Total Expenditures	<u>\$ 18,209</u>	<u>\$ 21,110</u>	<u>\$ 19,842</u>	<u>(6.0%)</u>
Revenues				
General Fund Revenue	\$ 18,209	\$ 21,110	\$ 19,842	(6.0%)
Total Revenue	<u>\$ 18,209</u>	<u>\$ 21,110</u>	<u>\$ 19,842</u>	<u>(6.0%)</u>
General Fund Percent	100.0%	100.0%	100.0%	

Courts

BUDGET HIGHLIGHTS

These state related functions within the judicial administration division represent a combined expense of \$176,300. The expenditures primarily represent operating expenditures and one full-time position.

Circuit Court – Overall budget will remain relatively flat. The operating increase in books and subscriptions is offset by the reduced VRS rate in personnel.

General District Court – The decrease seen in the departmental budget is directly linked to

the trends in court appointed attorneys fees that the County has been incurring.

Magistrates – The budget remains relatively flat and the slight overall increase can be attributed to an increase in projected telecommunications costs.

Juvenile and Domestic Relations Court – The decrease in the budget can be attributed to reductions in maintenance service contracts and small capital outlay.

GOALS AND OBJECTIVES

- Maintain file of drug offenders with suspended licenses;
- Maintain collections percentage at 75%;
- Set up receivables for cases within 24 hours; and,
- Send out payment request notices within two days of court.

SERVICE LEVELS

	<u>FY12</u> <u>Actual</u>	<u>FY13</u> <u>Budget</u>	<u>FY13</u> <u>Forecast</u>	<u>FY14</u> <u>Budget</u>
Per capita cost of operating Courts	\$1.78	\$1.81	\$1.81	\$1.68

Clerk of the Circuit Court

DESCRIPTION

The Circuit Court Clerk's Office was created by the Virginia Constitution and is headed by an elected Circuit Court Clerk. Its four primary responsibilities are the maintenance of public records pertaining to real estate, probate, the court system, and collection of fines, costs, taxes, and fees. The Clerk's Office also performs many other duties such as administering oaths to law enforcement and government officials, qualifying ministers to perform weddings, storing election records, jury coordination, and issuing marriage licenses and concealed handgun permits.

Maintenance of public records: The Clerk's Office is a repository for copies of documents pertaining to real estate such as deeds, plats, and deeds of trust. The Clerk's Office also maintains judgments, financing statements, wills, and court orders. These records are indexed and are available to the public for examination.

Probate: The Clerk's Office has the responsibility for admitting wills to probate, qualifying executors and administrators, and maintaining copies of fiduciary accounting records.

Court system: The Clerk's Office maintains the official court records for civil and criminal cases and the Court's dockets. It issues subpoenas and summons and prepares records for cases that are appealed to appellate courts. Deputy Clerks staff courtrooms while court is in session and draft over 1,500 criminal court orders annually.

Collection of fees, court costs, fines, and taxes: The Clerk's Office collects several million dollars annually that are transferred to state and local governments. It also collects clerk's fees on most transactions.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 1,167,279	\$ 1,136,443	\$ 1,150,752	1.3%
Operating	138,162	122,030	141,864	16.3%
Total Expenditures	\$ 1,305,441	\$ 1,258,473	\$ 1,292,616	2.7%
Revenues				
Intergovernmental Revenue	\$ 564,607	\$ 574,286	\$ 580,350	1.1%
Other Revenue	160,969	199,788	178,588	(10.6%)
General Fund Revenue	579,865	484,399	533,678	10.2%
Total Revenue	\$ 1,305,441	\$ 1,258,473	\$ 1,292,616	2.7%
Generated Revenue Percent	55.6%	61.5%	58.7%	
General Fund Percent	44.4%	38.5%	41.3%	
Full-time Positions	17	17	17	0.0%
Part-time Positions	1.6	-	-	0.0%
Full-time Equivalent	18.6	17.0	17.0	0.0%

Note: While the functions and services provided by the Circuit Court Clerk's Office generate more revenue than reported, only Excess Fee revenue and those revenues provided by the State to help fund the operations of the Office are reflected.

Clerk of the Circuit Court

BUDGET HIGHLIGHTS

The Clerk's Office has funding from the State Technology Trust Fund that is held on behalf of Hanover County. The personnel increase is due primarily to pooled funding for non-

benefited employees. The operating increase is due to small capital outlay funded through the State Technology Trust Fund.

GOALS AND OBJECTIVES

- Improve the land records management system by adding additional indices and plats, making it more useful for title examiners working remotely, and improve the court's case imaging system by allowing attorney/staff secure remote access to electronic case files;
- Continue verifying and correcting 1,100 remaining deed books converted to digital images and stored in the Clerk's Office land records management system; and,
- Secure sufficient staff to fully process evidence destruction and to scan, index and proofread daily all land records accepted for recordation.

SERVICE LEVELS

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Forecast</u>	FY14 <u>Budget</u>
Per capita cost of operating department	\$12.96	\$12.25	\$12.25	\$12.35
Land records recorded	16,189	16,500	19,750	21,000
Wills probated/Administrators appointed	377	380	380	380
Marriage Licenses issued	567	550	500	540
Notary public appointments processed	367	390	383	390
Judgments docketed	4,041	4,200	3,968	3,500
Criminal cases	2,857	2,950	2,860	2,860
Civil cases filed	1,197	1,200	1,200	1,200
Concealed weapon permits issued	1,145	900	2,350	3,000

Court Services

DESCRIPTION

The Court Services Division of the Sheriff's Office is responsible for the security of the judiciary in Hanover County, its officers, visitors, and prisoners. This includes the General District Court, the Juvenile and Domestic Relations Court, and the Circuit Court. The Court Services Division provides court security for multiple courtrooms each day of the week. Court Services helps insure security and maintains order of courtrooms prior to and during all court sessions as well as responding to and executing orders of the

Judges. In addition, the Court Services Division performs the "paper process" services of the Courts and Sheriff's Office. This includes delivery of all warrants, DMV notices, subpoenas/ summons, jury notices, bills of complaint, detinue actions, levies and other notices. The final major component of this Division is the safe and efficient transportation of prisoners between the courts and other destinations, including the transportation of those persons remanded by the court for mental health evaluation.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 1,210,966	\$ 1,261,205	\$ 1,261,485	0.0%
Operating	80,432	92,536	107,223	15.9%
Capital	-	50,500	50,000	(1.0%)
Total Expenditures	<u>\$ 1,291,398</u>	<u>\$ 1,404,241</u>	<u>\$ 1,418,708</u>	<u>1.0%</u>
Revenues				
Other Revenue	\$ 209,248	\$ 245,000	\$ 245,000	0.0%
General Fund Revenue	1,082,150	1,159,241	1,173,708	1.2%
Total Revenue	<u>\$ 1,291,398</u>	<u>\$ 1,404,241</u>	<u>\$ 1,418,708</u>	<u>1.0%</u>
Generated Revenue Percent	16.2%	17.4%	17.3%	
General Fund Percent	83.8%	82.6%	82.7%	
Full-time Positions	19	19	19	0.0%
Full-time Equivalents	19.0	19.0	19.0	0.0%

BUDGET HIGHLIGHTS

The FY14 Court Services Service Level Plan contains \$50,000 for two (2) replacement vehicles. The operating increase is due mainly to increases in small capital outlay,

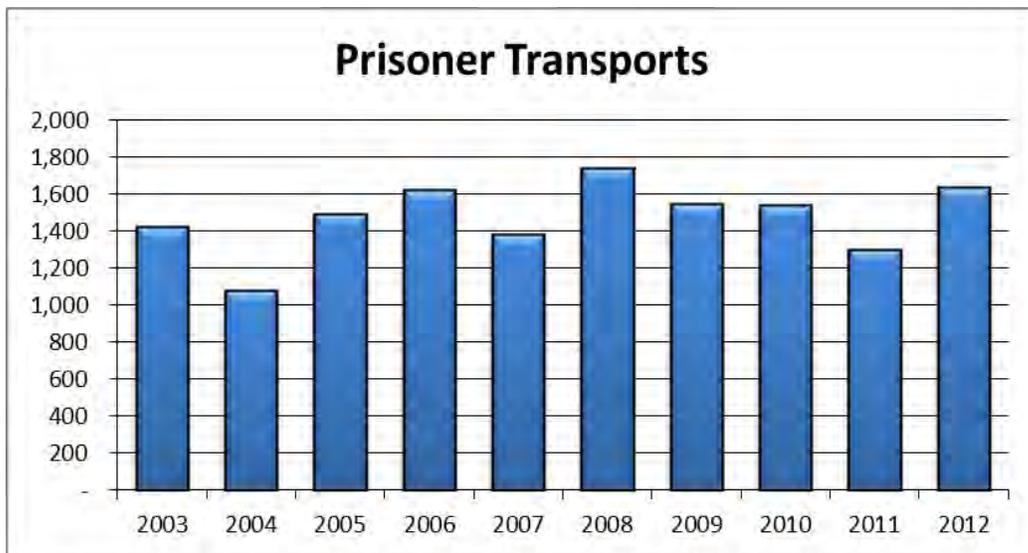
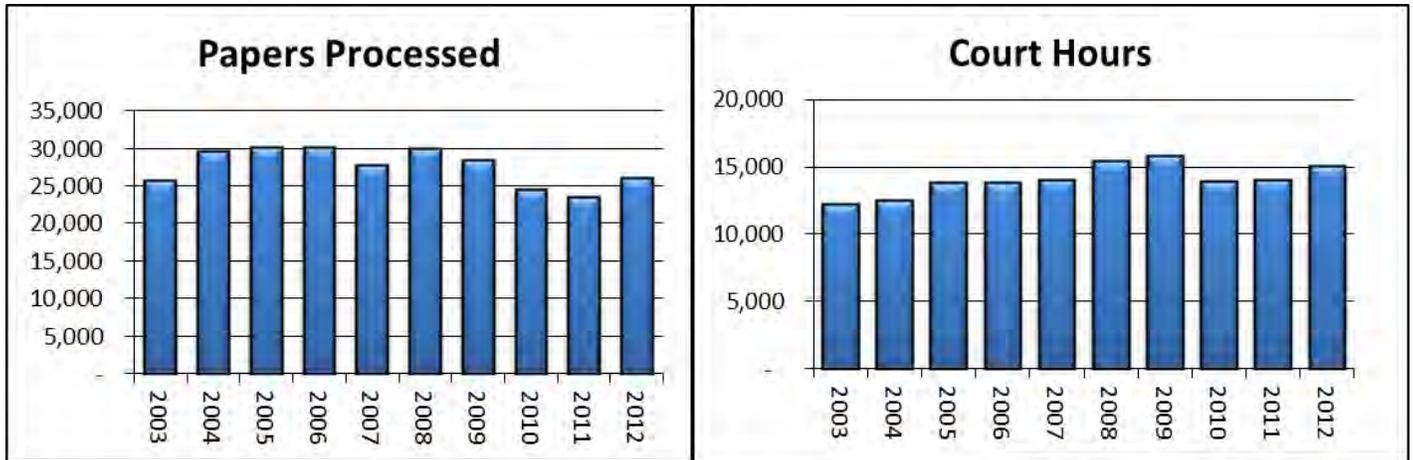
vehicle gas, and educational training. The personnel category is flat for FY14.

Court Services

SERVICE LEVELS

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Forecast</u>	FY14 <u>Budget</u>
Per capita cost of operating department	\$12.82	\$13.67	\$13.67	\$13.55

Each General District Court case utilizes three (3) deputies, each Juvenile and Domestic Court case utilizes two (2) deputies, and each Circuit Court case uses four (4) deputies.



GOALS AND OBJECTIVES

- Maintain a safe and secure environment in the County's Courts;
- Facilitate the expeditious service of civil papers; and,
- Conduct secure prisoner transports to and from Court appearances.

Commonwealth's Attorney

DESCRIPTION

The Commonwealth's Attorney is an elected Constitutional Officer serving a four-year term of office. This Office is responsible for providing Hanover County and the Commonwealth of Virginia with legal representation in the prosecution of criminal and traffic violations in the Circuit, General District, and Juvenile and Domestic Relations

Courts. The Commonwealth's Attorney is also charged with prosecuting asset forfeiture matters, and collecting delinquent fines and court costs. Legal advice is provided to all local and state law-enforcement agencies and their officers investigating matters in Hanover County.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 1,492,577	\$ 1,542,658	\$ 1,551,720	0.6%
Operating	50,260	75,515	70,833	(6.2%)
Total Expenditures	\$ 1,542,837	\$ 1,618,173	\$ 1,622,553	0.3%
Revenues				
Intergovernmental Revenue	\$ 847,133	\$ 883,742	\$ 933,500	5.6%
Other Revenue	4,537	-	-	0.0%
General Fund Revenue	691,167	734,431	689,053	(6.2%)
Total Revenue	\$ 1,542,837	\$ 1,618,173	\$ 1,622,553	0.3%
Generated Revenue Percent	55.2%	54.6%	57.5%	
General Fund Percent	44.8%	45.4%	42.5%	
Full-time Positions	18	18	18	0.0%
Full-time Equivalents	18.0	18.0	18.0	0.0%

BUDGET HIGHLIGHTS

The services of the Commonwealth's Attorney are needed almost in direct proportion to law enforcement personnel arresting and/or charging people with crimes, traffic violations, as well as referral needs for legal counsel. The personnel

increase is due mainly to one additional employee opting for health coverage. The operating decrease is due primarily to reductions in professional services, printing, and postage.

Commonwealth's Attorney

GOALS AND OBJECTIVES

- Be responsive to concerns of victims and witnesses throughout involvement with cases;
- Augment successful prosecution of all matters in courts through the increased use of technology;
- Seek appropriate punishment to deter criminal activity;
- Aggressively prosecute crimes victimizing children, including internet predators and cases involving sexual assault;
- Provide extensive training and advice to local law-enforcement departments, including annual legal legislative updates, academy instruction, and in-service training;
- Participate with County departments, schools, citizens groups and other organizations to conduct education on issues related to public safety and courts;
- Supervise and monitor the collection of restitution and court costs for all courts;
- Use allotted funding, technology, and programs designed to increase professionalism, job performance, and efficiency;
- Continue the office's ability to respond quickly to law enforcement, including after hours and weekend contacts;
- Continue cooperation between office and law enforcement agencies;
- Prosecute defendants with suspended sentences who did not obey conditions of suspended sentences;
- Advise and confer with magistrates; and,
- Draft and/or review search warrants.

SERVICE LEVELS

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Forecast</u>	FY14 <u>Budget</u>
Per capita cost of operating department	\$15.32	\$15.76	\$15.76	\$15.50
Population served per attorney	12,500	12,500	12,500	12,500
Law enforcement served per attorney	40	40	40	40



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PUBLIC SAFETY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Sheriff	\$ 18,407,963	\$ 20,040,920	\$ 20,491,192	2.2%
Emergency Communications	3,855,327	4,624,171	5,032,905	8.8%
Fire/EMS	14,469,720	14,480,890	14,553,339	0.5%
Pamunkey Regional Jail	4,788,442	4,744,599	4,714,588	(0.6%)
Juvenile Court Services	636,716	706,442	706,380	(0.0%)
Community Corrections	448,405	442,909	440,707	(0.5%)
Building Inspections	1,300,974	1,247,994	1,250,887	0.2%
Animal Control	1,030,957	948,546	969,437	2.2%
Total Expenditures	\$ 44,938,504	\$ 47,236,471	\$ 48,159,435	2.0%
Personnel	\$ 32,517,635	\$ 34,398,167	\$ 34,814,139	1.2%
Operating	12,011,241	11,949,350	12,412,296	3.9%
Capital	409,628	888,954	933,000	5.0%
Total Expenditures	\$ 44,938,504	\$ 47,236,471	\$ 48,159,435	2.0%
Revenues				
Intergovernmental Revenue	\$ 4,867,227	\$ 4,743,715	\$ 4,462,700	(5.9%)
Other Revenue	3,522,479	3,358,392	3,431,100	2.2%
General Fund Revenue	36,548,798	39,134,364	40,265,635	2.9%
Total Revenue	\$ 44,938,504	\$ 47,236,471	\$ 48,159,435	2.0%
Generated Revenue Percent	18.7%	17.2%	16.4%	
General Fund Percent	81.3%	82.8%	83.6%	
Full-time Positions	459	447	447	0.0%
Part-time Positions	2.5	1.5	1.5	0.0%
Full-time Equivalents	461.5	448.5	448.5	0.0%

Sheriff

DESCRIPTION

Law enforcement in the County is provided by the Sheriff's Office. The Sheriff is an elected Constitutional Officer serving a four-year term of office. This Office is divided into three sections: Administrative Support Operations, Investigative Operations, and Uniform Patrol Operations. Each unit is responsible for various areas of law enforcement. The Sheriff provides preventive patrol through community policing, responds to calls for service, arrests suspected offenders, promotes traffic safety, combats drug related activities, and conducts criminal

investigations. Under each unit there are many specialized teams that provide service to the County, including the Accident Investigation Team, Canine Unit, High Risk Entry Team, Hostage Negotiation Team, Search and Rescue, and Underwater Forensic Team.

The Sheriff is also responsible for courthouse security and the processing of civil court papers. The budget for these responsibilities is reflected under the Court Services section.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 15,880,881	\$ 17,099,570	\$ 17,458,575	2.1%
Operating	2,295,032	2,101,850	2,179,817	3.7%
Capital	232,050	839,500	852,800	1.6%
Total Expenditures	<u>\$ 18,407,963</u>	<u>\$ 20,040,920</u>	<u>\$ 20,491,192</u>	<u>2.2%</u>
Revenues				
Intergovernmental Revenue	\$ 3,274,818	\$ 3,358,538	\$ 3,356,700	(0.1%)
Other Revenue	63,937	44,692	43,000	(3.8%)
General Fund Revenue	15,069,208	16,637,690	17,091,492	2.7%
Total Revenue	<u>\$ 18,407,963</u>	<u>\$ 20,040,920</u>	<u>\$ 20,491,192</u>	<u>2.2%</u>
Generated Revenue Percent	18.1%	17.0%	16.6%	
General Fund Percent	81.9%	83.0%	83.4%	
Full-time Positions	220	218	218	0.0%
Part-time Positions	1.5	1.0	1.0	0.0%
Full-time Equivalent	221.5	219.0	219.0	0.0%

BUDGET HIGHLIGHTS

The FY14 Sheriff's Office Service Level Plan has \$852,800 for twenty-nine (29) replacement vehicles, sixteen (16) mobile data terminal replacements, and an Extended

Range Situational House. The personnel increase is due mainly to added funding for three (3) Deputy Sheriff's positions that were previously vacant unfunded. The cost of

Sheriff

career development was mostly offset by six (6) less employees opting for health insurance coverage. The operating increase is due primarily to increased funding for vehicle gas.

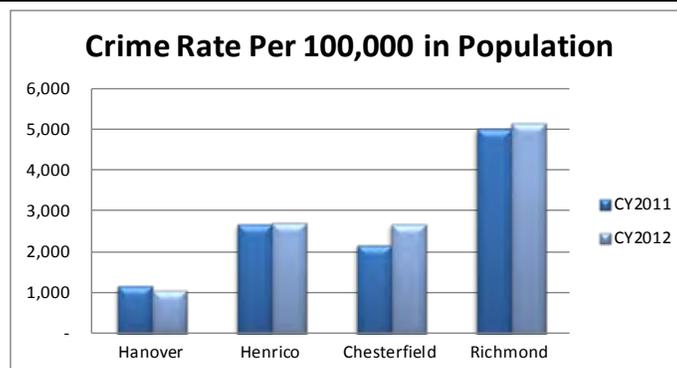
GOALS AND OBJECTIVES

- Create and foster safe communities through delivery of high-quality law enforcement services and community partnerships;
- Seek, hire, and retain skilled professionals committed to the community;
- Support and continually evaluate internal operations; and,
- Ensure fiscally responsible stewardship.

SERVICE LEVELS

	CY12 <u>Actual</u>	CY13 <u>Budget</u>	CY13 <u>Forecast</u>	CY14 <u>Budget</u>
Per capita cost of operating department (fiscal yr)	\$182.79	\$195.14	\$195.14	\$195.71
Total responses ¹	62,588	63,000	63,848	64,488
Cases per investigator	52	60	60	63
Average response time Priority 1 calls (minutes)	8.2	8.4	8.6	8.6
Number of funded sworn officers per 10,000 people	19.9	19.2	19.9	19.9

	CY2009		CY2010		CY2011		CY2012	
	Crimes	Clearance	Crimes	Clearance	Crimes	Clearance	Crimes	Clearance
Murder	-	-	1	1	2	2	5	5
Rape	6	6	10	7	9	10	8	9
Robbery	9	5	7	5	6	7	18	11
Aggr. Assault	25	22	33	27	34	27	47	37
Burglary	110	57	128	80	123	77	97	57
Larceny	876	466	761	329	945	409	843	381
Auto Theft	57	16	63	32	50	20	44	16
Arson	4	4	1	-	2	2	4	4
TOTAL	1,087	576	1,004	481	1,171	554	1,066	520



¹ Previously reported as total incidents

Emergency Communications

DESCRIPTION

The Emergency Communications Department serves as the 911 answering point and emergency dispatch center for Hanover County and the Town of Ashland. These services, as well as many other support activities, are provided to citizens and the various public safety and public service agencies and departments on a 24/7 basis. The Department is able to provide these

services with well trained professional Communications Officers and the use of modern technology, including a 15 site, twelve channel 800 MHz trunked radio system, enhanced wireline and wireless 911 systems, a computer aided dispatch system, CAD mapping, digital recording system, and interoperable communications systems.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 3,245,659	\$ 3,233,798	\$ 3,216,345	(0.5%)
Operating	609,668	1,390,373	1,786,360	28.5%
Capital	-	-	30,200	100.0%
Total Expenditures	\$ 3,855,327	\$ 4,624,171	\$ 5,032,905	8.8%
Revenues				
Intergovernmental Revenue	\$ 357,555	\$ 300,000	\$ 350,000	16.7%
Other Revenue	60,505	53,000	53,000	0.0%
General Fund Revenue	3,437,267	4,271,171	4,629,905	8.4%
Total Revenue	\$ 3,855,327	\$ 4,624,171	\$ 5,032,905	8.8%
Generated Revenue Percent	10.8%	7.6%	8.0%	
General Fund Percent	89.2%	92.4%	92.0%	
Full-time Positions	49	47	47	0.0%
Part-time Positions	1.0	0.5	0.5	0.0%
Full-time Equivalent	50.0	47.5	47.5	0.0%

BUDGET HIGHLIGHTS

The FY14 Emergency Communications Service Level Plan has \$30,200 for a radio calibration monitor and CALEA (Commission on Accreditation for Law Enforcement Agencies) accreditation. The operating budget is up significantly because of the maintenance support agreement associated

with the new 800 MHz radio system. Operating expenditures were partially offset by decreases in both repair and maintenance and electrical services. The personnel category does include pooled funding for non-benefited employees.

Emergency Communications

GOALS AND OBJECTIVES

- Answer 99% of all incoming 911 calls in 10 seconds or less (3 rings or less);
- Dispatch 90% of all Fire, EMS, Animal Control and Law enforcement priority 1 calls in 60 seconds or less from call entry;
- Maintain a 90% employee retention rate and maintain a core group of well-trained, experienced communications officers, supervisors, managers and administrators;
- Maintain a 90% customer satisfaction rate by ensuring the department provides its required services to the citizens and the user agencies in a timely, efficient, effective and professional manner;
- Assure the Hanover County Security Alarm Ordinance is administered in a proper and efficient manner;
- Maintain a 90% accuracy rate when handling emergency medical dispatch related calls;
- Ensure that all vital and critical systems and equipment remain up and operational 95% of the time to assure the emergency communications, law enforcement and public safety personnel have the tools and equipment readily available to them 24/7 to allow them to perform their duties in an efficient, timely and professional manner;
- Assure the department continues to research, evaluate, and pursue equipment, technology, facilities, services and systems that will enhance the emergency communications operation and provide the emergency communications officers and field personnel with the tools and technology they need to perform their duties in a safe, efficient and timely manner; and,
- Continue to increase the skills, knowledge and service levels of our Communications Officers, Supervisors and Administrative staff.

SERVICE LEVELS

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Forecast</u>	FY14 <u>Budget</u>
Per capita cost of operating department	\$38.28	\$45.03	\$45.03	\$48.07
Number of Non-911 telephone calls received	136,684	150,000	130,000	148,000
Number of Wireless 911 calls received	28,043	32,000	27,000	30,000
Number of Wire Line 911 calls received	12,285	14,500	11,000	14,000
Number of Public Safety Incidents received	73,104	79,000	70,000	75,000
Number of dispatch consoles	8	8	8	9
Number of call taker consoles	4	4	4	3

Fire/EMS

DESCRIPTION

The Department provides fire and emergency medical services to the citizens of Hanover County, utilizing a combination system of both paid and volunteer staff. Hanover County currently utilizes the support of approximately 600 volunteer personnel. Fire responsibilities include fire suppression, code inspections, investigations, hazardous materials coordination and response and training. Emergency Medical Services (EMS) responsibilities focus on providing the highest level of care and expertise in managing basic and advanced life support levels to critically ill or injured patients.

Services are provided out of twelve combination fire companies: Ashland (Company 1), Beaverdam (2), Black Creek (12), Chickahominy (10), Doswell (4), East Hanover (3), Farrington (11), Hanover Courthouse (5), Henry (6), Mechanicsville (7), Montpelier (8), and Rockville (9); and four combination rescue squads: Ashcake (13), Ashland (16), East Hanover (14), and West Hanover (15).

Staff is also responsible for the maintenance of buildings and equipment that is designated to Hanover County Fire-EMS. The upkeep of each station's grounds and landscaping is also

performed by company staff. Training is conducted on a daily basis to include pre-planning emergency response strategies of businesses and residential neighborhoods in response districts.

In preparation for large scale disasters, the department continues to review policies and procedures to ensure adequate response capability to mitigate any size event. The staff participates in numerous regional exercises and a regional grant program to prepare Hanover County and the Richmond area for any type of natural disaster or terrorist event.

Hanover County Fire-EMS provides a regional academy for career staff and volunteer members that includes over 300 hours of basic training to become an entry level Fire-EMS provider. The department offers dual enrollment college courses in conjunction with J. Sergeant Reynolds Community College. The dual enrollment program also includes Firefighter 1, Firefighter 2, and EMT-Basic in Hanover County high schools during the school year. Hanover County Fire-EMS uses schools and other community functions as an outlet to promote fire prevention and preparedness.

Fire/EMS

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 10,851,295	\$ 11,574,991	\$ 11,666,534	0.8%
Operating	3,481,625	2,856,445	2,836,805	(0.7%)
Capital	136,800	49,454	50,000	1.1%
Total Expenditures	\$ 14,469,720	\$ 14,480,890	\$ 14,553,339	0.5%
Revenues				
Intergovernmental Revenue	\$ 825,435	\$ 675,251	\$ 348,000	(48.5%)
Other Revenue	2,357,146	2,218,000	2,273,000	2.5%
General Fund Revenue	11,287,139	11,587,639	11,932,339	3.0%
Total Revenue	\$ 14,469,720	\$ 14,480,890	\$ 14,553,339	0.5%
Generated Revenue Percent	22.0%	20.0%	18.0%	
General Fund Percent	78.0%	80.0%	82.0%	
Full-time Positions	144	144	144	0.0%
Full-time Equivalent	144.0	144.0	144.0	0.0%

BUDGET HIGHLIGHTS

The FY14 budget for this department will remain relatively flat from FY13. There are operating increases for restored funding for leased trailers used as EMS classrooms and vehicle gas. However, those increases were negated by substantial decreases in funding for uniforms and wearing apparel, education and recreation supplies, noncyclical computer replacement, and educational training. Included in the Service Level Plan for FY14 are two (2) replacement vehicles for the administrative fleet. The personnel increase is due primarily to employee career development and moving a portion of the wireless communication costs from operating

to personnel in the form of a stipend. Costs for the Line of Duty Insurance, an unfunded mandate, increased as well. The personnel category also includes pooled funding for non-benefitted employees. The Fire/EMS portion of the capital budget includes \$250,000 for the fire engine and heavy rescue apparatus replacement plan as well as \$376,000 for the ambulance replacement plan. The reduction in intergovernmental revenue is attributable mainly to the expiration of two (2) federal grants; 2011 Assistance to Firefighters Grant (AFG) and 2009 Urban Areas Security Initiative (UASI) Communications Grant.

Fire/EMS

GOALS AND OBJECTIVES

- Respond to life threatening calls in less than 9 minutes on 80% of calls; respond in less than 13 minutes to emergency, nonlife threatening calls on 80% of calls, and respond to all other calls in less than 16 minutes on 80% of calls;
- Respond with Fire apparatus capable of flowing designated fire flows at an initial alarm of fire less than 9 minutes 80% of the time;
- Respond a minimum of 16 trained firefighters to an initial alarm of fire less than 9 minutes 80% of the time, and a minimum of 8 additional firefighters 90% of the time for a subsequent alarm on the same assignment;
- Conduct fire prevention programs for at least 10,000 citizens;
- Fire Inspectors/Investigators to conduct a fire prevention inspection on 100% of the identified commercial structures annually; and,
- Hazardous materials inspector to conduct 60 fuel tank removal/installation inspections annually.

SERVICE LEVELS

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Forecast</u>	FY14 <u>Budget</u>
Per capita cost of operating department	\$143.69	\$141.00	\$141.00	\$139.00
Respond to 80% Priority 1 calls in less than 9 minutes	83.9%	84.4%	80.6%	80.6%
Respond to 80% Priority 2 calls in less than 13 minutes	87.5%	87.6%	84.4%	84.4%
Respond to 80% Priority 3 calls in less than 16 minutes	87.9%	88.4%	87.6%	87.6%
Respond to 80% of urban fire calls in less than 9 minutes	79.2%	76.1%	81.6%	81.6%

Pamunkey Regional Jail

DESCRIPTION

The Pamunkey Regional Jail Authority (PRJA) operates a regional jail for the Counties of Hanover and Caroline, and the Town of Ashland, which began operations in 1998. The facility contains 437 beds, consisting of 403 general purpose beds, a 16 bed work

release center, a 6 bed infirmary, and 12 special management beds. Hanover County is charged a per diem prisoner fee by the Jail sufficient to pay its operating and debt service costs.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Operating	\$ 4,788,442	\$ 4,744,599	\$ 4,714,588	(0.6%)
Total Expenditures	<u>\$ 4,788,442</u>	<u>\$ 4,744,599</u>	<u>\$ 4,714,588</u>	<u>(0.6%)</u>
Revenues				
General Fund Revenue	\$ 4,788,442	\$ 4,744,599	\$ 4,714,588	(0.6%)
Total Revenue	<u>\$ 4,788,442</u>	<u>\$ 4,744,599</u>	<u>\$ 4,714,588</u>	<u>(0.6%)</u>

BUDGET HIGHLIGHTS

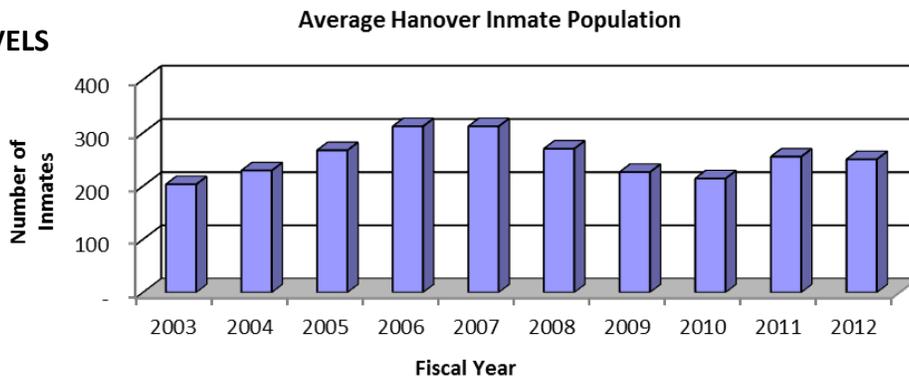
This budget reflects the per diem costs (\$47.59 per day) to house inmates as part of the County's participation in the Pamunkey Regional Jail Authority (PRJA). The daily per diem rate has decreased for FY14. The costs

for housing inmates have benefited from the economies of scale of the larger jail operations as well as the benefits of using available capacity for bed rentals to other governments.

GOALS AND OBJECTIVES

- Maintain a high level of service to member jurisdictions;
- Provide staff the needed training to ensure a safe work environment;
- Provide inmates with quality medical care and a safe living environment; and,
- Maintain American Correctional Association accreditation and Department of Corrections certification through staff development while adhering to facility policy and procedures.

SERVICE LEVELS



Juvenile Court Services Unit

DESCRIPTION

The Juvenile Court Services Unit (JCSU) is responsible for providing intake, probation, case management, psychological services and social investigations. The intake officer has the authority, based on the definitions in the Code of Virginia, to divert relatively minor cases and first offenders (Children in Need of Services, Children in Need of Supervision, and Delinquent) from the court system to programs and services operated by the JCSU or outside the Unit. The intake officer also processes all requests for juvenile criminal charges that are directed to the court for adjudication. The intake officer has the ability to issue detention orders for juveniles who are charged with a class 1 misdemeanor or felony and who pose a threat to the safety of themselves or others. There are four levels of detention: secure detention, non-secure (shelter care), electronic monitoring and house arrest. The JCSU monitors all juveniles

during any level of detention but does not have access to a shelter care option at this time. Domestic cases (custody, spousal and child support, spousal abuse and child visitation) are also prepared for the Court by the intake officer. The JCSU provides probation supervision as ordered by the court.

The length of probation is determined by the JCSU with judicial approval and time period is dependent on the juvenile's adjustment and compliance with court ordered requirements. Programs provided to juveniles and their parents include electronic monitoring, outreach detention anger management, group counseling, community improvement, community service work, and stop thief. The JCSU provides funding for intensive in-home counseling services for probationers and their families when appropriate.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 194,826	\$ 204,876	\$ 206,376	0.7%
Operating	441,890	501,566	500,004	(0.3%)
Total Expenditures	\$ 636,716	\$ 706,442	\$ 706,380	(0.0%)
Revenues				
Intergovernmental Revenue	\$ 81,243	\$ 80,000	\$ 80,000	0.0%
General Fund Revenue	555,473	626,442	626,380	(0.0%)
Total Revenue	\$ 636,716	\$ 706,442	\$ 706,380	(0.0%)
Generated Revenue Percent	12.8%	11.3%	11.3%	
General Fund Percent	87.2%	88.7%	88.7%	
Full-time Positions	4	3	3	0.0%
Full-time Equivalent	4.0	3.0	3.0	0.0%

Juvenile Court Services Unit

BUDGET HIGHLIGHTS

The budget is primarily comprised of the cost of housing juvenile offenders who are placed at the Merrimac Juvenile Detention Center as well as other community programs provided to address accountability, public safety, and treatment (e.g., case management, probation, electronic monitoring, community service,

and treatment groups). The overall FY14 budget for this department will remain flat from FY13. The slight increase in personnel expenditures is due to increased benefit costs. The personnel category does include pooled funding for non-benefitted employees.

GOALS AND OBJECTIVES

- Continue to provide an alternative to secure detention through the Electronic Incarceration Program;
- Continue to provide anger management groups for juveniles utilizing existing staff as facilitators;
- Continue to provide community service opportunities and supervision for juvenile offenders;
- Continue to provide shoplifters program for first time offenders; and,
- Continue to provide intensive supervision and coordination for Juvenile Drug Court program.

SERVICE LEVELS

	<u>FY12 Actual</u>	<u>FY13 Budget</u>	<u>FY13 Forecast</u>	<u>FY14 Budget</u>
Per capita cost of operating department	\$6.32	\$6.88	\$6.88	\$6.75
Program Participation:				
Community Service	154	136	136	136
Intensive Probation	11	10	10	10
Stop Thief!	33	38	30	30
Truancy Project	65	67	50	50
Anger Management	38	40	30	30
Intensive In-home Counseling	13	-	5	5
Number of electronic monitoring cases	84	80	70	70
Total caseload (delinquent and domestic)	2,111	1,962	1,972	1,972
Total delinquent	702	650	650	650
Total diverted	185	130	150	150

Community Corrections

DESCRIPTION

The Community Corrections Program assists the Courts in Hanover and Caroline Counties by providing supervision and investigation of adult offenders. The department is designed to provide an alternative to incarceration while maintaining public safety.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 394,891	\$ 418,731	\$ 422,735	1.0%
Operating	53,514	24,178	17,972	(25.7%)
Total Expenditures	\$ 448,405	\$ 442,909	\$ 440,707	(0.5%)
Revenues				
Intergovernmental Revenue	\$ 327,646	\$ 329,500	\$ 328,000	(0.5%)
Other Revenue	58,771	63,000	59,300	(5.9%)
General Fund Revenue	61,988	50,409	53,407	5.9%
Total Revenue	\$ 448,405	\$ 442,909	\$ 440,707	(0.5%)
Generated Revenue Percent	86.2%	88.6%	87.9%	
General Fund Percent	13.8%	11.4%	12.1%	
Full-time Positions	7	7	7	0.0%
Full-time Equivalent	7.0	7.0	7.0	0.0%

BUDGET HIGHLIGHTS

Community Corrections is required to provide pre-trial services to those deemed necessary by the Court. The Department of Criminal Justice Services provides a grant to Community Corrections. The overall FY14

budget for this department will remain relatively flat. The significant reduction in operating expenditures is due mainly to the termination of a lease agreement.

GOALS AND OBJECTIVES

- Protect the community by providing effective supervision to offenders and defendants;
- Provide the local courts with an alternative to incarceration; and,
- Offer a variety of resources and services to assist with treatment needs.

SERVICE LEVELS

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Forecast</u>	FY14 <u>Budget</u>
Per capita cost of operating department	\$4.45	\$4.31	\$4.31	\$4.21



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Building Inspections

DESCRIPTION

The Building Inspections Office is responsible for enforcement of the Virginia Uniform Statewide Building Code to protect the health, safety and welfare of the citizens of Hanover County. Traditionally this enforcement role has been focused on new construction and the renovation and rehabilitation of existing buildings. The Building Inspections Office has expanded its duties to include enforcement of the Property Maintenance Code in addition to its traditional role. The Property Maintenance Code provides the minimum standards for the maintenance of existing buildings and structures to promote their continued healthy use and usability.

Additionally, the Building Inspections Office enforces erosion and sediment control regulations relating to residential construction and proffered conditions for residential construction. A continuing focus of the department is customer service and the use of new technologies, as evidenced by the expansion of the Interactive Voice response telephone system and the continuing development and implementation of online services such as online inspection scheduling and permit tracking. Permanent records of these activities are maintained and available in the Building Inspections Office.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 1,198,255	\$ 1,132,655	\$ 1,136,405	0.3%
Operating	102,719	115,339	114,482	(0.7%)
Total Expenditures	\$ 1,300,974	\$ 1,247,994	\$ 1,250,887	0.2%
Revenues				
Other Revenue	\$ 833,489	\$ 830,700	\$ 852,800	2.7%
General Fund Revenue	467,485	417,294	398,087	(4.6%)
Total Revenue	\$ 1,300,974	\$ 1,247,994	\$ 1,250,887	0.2%
Generated Revenue Percent	64.1%	66.6%	68.2%	
General Fund Percent	35.9%	33.4%	31.8%	
Full-time Positions	20	15	15	0.0%
Full-time Equivalents	20.0	15.0	15.0	0.0%

Building Inspections

BUDGET HIGHLIGHTS

The FY14 Building Inspections budget will remain relatively flat overall. The slight personnel increase is due in part to increased benefit costs. The operating

decrease is due primarily to computer related purchases that were funded in the prior year.

GOALS AND OBJECTIVES

- Continue cooperative training program within the region to promote enforcement uniformity, customer satisfaction, and new code requirements;
- Process residential building permit applications within two weeks and commercial applications within 30 days;
- Utilize user fees to pay for departmental operating costs; and,
- Continue our focus on customer service and new technology to better serve the needs of the community.

SERVICE LEVELS

	<u>FY12</u> <u>Actual</u>	<u>FY13</u> <u>Budget</u>	<u>FY13</u> <u>Forecast</u>	<u>FY14</u> <u>Budget</u>
Per capita cost of operating department	\$12.92	\$12.15	\$12.15	\$11.95
Commercial plan reviews:				
Number of plans reviewed	414	372	365	442
Average number of days to review	5	6	5	6
Pre-application plan reviews:				
Number of plans reviewed	5	8	10	11
Average number of days to review	39	30	30	30
Residential plan reviews:				
Number of plans reviewed	1,098	1,068	1,208	1,329
Average number of days to review	3	3	3	3
Inspections:				
Number of inspections per day	78	87	126	147
Number of inspections per inspector	13	14	21	26
Number of days from requested to completed inspection	1	1	1	1

Animal Control

DESCRIPTION

Hanover County Animal Control is responsible for providing the public safety and health of the community by enforcing both county and state animal laws. Hanover County Animal Control directly assists all other local and state public safety, health and law enforcement agencies to protect and serve the citizens of Hanover County, their pets and livestock, while promoting humane care and treatment of all animals within the County. The Animal Pound Facility functions also

include: coordinating information for missing animals, placement of homeless animals, specialized care and security of impounded animals, assisting citizens and visitors with various animal related problems, quarantine and preparation for testing of animals involved with possible exposure to rabies and collection of fees associated with various facility and departmental functions. The Pound Facility currently has 144 kennels with an average daily capacity of ninety percent.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 751,828	\$ 733,546	\$ 707,169	(3.6%)
Operating	238,351	215,000	262,268	22.0%
Capital	40,778	-	-	0.0%
Total Expenditures	\$ 1,030,957	\$ 948,546	\$ 969,437	2.2%
Revenues				
Intergovernmental Revenue	\$ 530	\$ 426	\$ -	(100.0%)
Other Revenue	148,631	149,000	150,000	0.7%
General Fund Revenue	881,796	799,120	819,437	2.5%
Total Revenue	\$ 1,030,957	\$ 948,546	\$ 969,437	2.2%
Generated Revenue Percent	14.5%	15.8%	15.5%	
General Fund Percent	85.5%	84.2%	84.5%	
Full-time Positions	15	13	13	0.0%
Full-time Equivalents	15.0	13.0	13.0	0.0%

BUDGET HIGHLIGHTS

The overall FY14 budget for this department increased by 2.2% from FY13. The personnel decrease is due primarily to filling three (3) vacant positions at lower rates of pay. The operating increase is due mainly to

funding for physicals, restored funding for repair and maintenance, small capital to replace animal cage front doors, and increased funding for professional services and vehicle gas.

Animal Control

GOALS AND OBJECTIVES

- Increase community safety and health through enforcement of the nuisance ordinance;
- Increase community awareness on animal safety through positive proactive education;
- Increase and improve dog license sales and compliance through education, follow-up, and increased positive exposure through proactive public relations in cooperation with local organizations and businesses;
- Improve departmental sterilization program through community outreach, education, local business and other nonprofit support;
- Enhance volunteer programs by positive outreach and community interaction while working on projects with other local organizations; and,
- Improve both facility and field service customer satisfaction through surveys and education.

SERVICE LEVELS

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Forecast</u>	FY14 <u>Budget</u>
Per capita cost of operating department	\$10.24	\$9.24	\$9.24	\$9.26
Animal Control Total Incidents	9,864	10,000	10,000	10,500
Total Animals Handled	7,805	7,300	8,000	8,500
Total Animals Redeemed to Owner or placed	1,190	2,150	1,300	1,300
Licensed dogs	19,010	15,500	20,000	20,000
Animal Attack reports	571	570	600	650
Positive rabies exposure reports	15	30	20	20
Summons/Warrants issued	451	650	500	500
Lost and found reports	1,159	1,300	1,200	1,200



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PUBLIC WORKS

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Public Works	\$ 1,895,679	\$ 1,752,445	\$ 1,737,102	(0.9%)
Public Works Operations	3,717,453	3,853,340	3,706,958	(3.8%)
General Services	3,624,393	3,734,676	3,763,555	0.8%
Total Expenditures	\$ 9,237,525	\$ 9,340,461	\$ 9,207,615	(1.4%)
Personnel	\$ 5,531,311	\$ 5,594,756	\$ 5,604,297	0.2%
Operating	3,331,771	3,669,534	3,439,147	(6.3%)
Capital	374,443	76,171	164,171	115.5%
Total Expenditures	\$ 9,237,525	\$ 9,340,461	\$ 9,207,615	(1.4%)
Revenues				
Intergovernmental Revenue	\$ 14,771	\$ 21,315	\$ 18,000	(15.6%)
Other Revenue	1,328,868	1,289,597	1,050,312	(18.6%)
General Fund Revenue	7,893,886	8,029,549	8,139,303	1.4%
Total Revenue	\$ 9,237,525	\$ 9,340,461	\$ 9,207,615	(1.4%)
Generated Revenue Percent	14.5%	14.0%	11.6%	
General Fund Percent	85.5%	86.0%	88.4%	
Full-time Positions	84	80	80	0.0%
Part-time Positions	2.9	2.3	2.3	0.0%
Full-time Equivalents	86.9	82.3	82.3	0.0%

*Public Works Operations and Recycling Service District merged in FY14. Recycling Service District has been re-stated here in Public Works Operations for FY12 and FY13.

Public Works

DESCRIPTION

The Department of Public Works' (DPW) responsibilities include assisting with the planning, design and construction of capital projects within the County not related to Public Schools or Public Utilities, administration of the State mandated Chesapeake Bay, Floodplain, Stormwater Management, and Erosion and Sediment Control programs, implementation of the County's regional stormwater quality program, oversight responsibility over solid waste disposal, refuse collection and

recycling, management of airport operations and facilities, and management of the Cannery. DPW reviews subdivision and site plans, inspects subdivision roads, administers the flood plain ordinance, and manages underground storage tanks for County facilities. DPW provides input to the Virginia Department of Transportation (VDOT) regarding transportation projects being managed by VDOT and manages the planning, design and construction of County road projects.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 1,577,325	\$ 1,606,537	\$ 1,591,783	(0.9%)
Operating	314,086	145,908	145,319	(0.4%)
Capital	4,268	-	-	0.0%
Total Expenditures	\$ 1,895,679	\$ 1,752,445	\$ 1,737,102	(0.9%)
Revenues				
Other Revenue	\$ 358,800	\$ 320,200	\$ 331,200	3.4%
General Fund Revenue	1,536,879	1,432,245	1,405,902	(1.8%)
Total Revenue	\$ 1,895,679	\$ 1,752,445	\$ 1,737,102	(0.9%)
Generated Revenue Percent	18.9%	18.3%	19.1%	
General Fund Percent	81.1%	81.7%	80.9%	
Full-time Positions	19	16	16	0.0%
Part-time Positions	1.8	1.8	1.8	0.0%
Full-time Equivalents	20.8	17.8	17.8	0.0%

BUDGET HIGHLIGHTS

The FY14 budget for this department will remain relatively flat. Slight increases in office supplies and vehicle gas were primarily offset by the elimination of print shop funding. Funding has been included for automated stormwater facility

monitoring (\$13,100) and the MS4 permit fee (\$3,000). The application fee is required when updating the MS4 (Municipal Separate Storm Sewer System) permit with the Department of Conservation and Recreation. This Phase II permit is required

Public Works

of all localities with a population over 100,000 and is intended to address stormwater pollution. The slight decrease in personnel is due mainly to a reduction in

pooled funding for non-benefitted employees and the elimination of a transitional salary. There are no changes relative to the operation of the Cannery.

GOALS AND OBJECTIVES

- Provide construction management for assigned County projects;
- Review 100% of erosion and sediment control plans and utility plans within 14 days;
- Review 95% of building permits within four (4) days;
- Review 100% of construction plans within three (3) weeks of receipt from the Planning Department;
- Respond to 100% of all drainage complaints within ten (10) days; and,
- Operate the Cannery to meet citizen needs.

SERVICE LEVELS

	<u>FY12 Actual</u>	<u>FY13 Budget</u>	<u>FY13 Forecast</u>	<u>FY14 Budget</u>
Per capita cost of operating department	\$18.82	\$17.06	\$17.06	\$16.59
Number of erosion control and utility plans submitted	35	35	35	35
Number of site plans reviews	92	147	125	125
Number of subdivision construction plan reviews	29	40	35	35
Number of subdivision plat reviews	65	50	50	50
Number of drainage complaints	153	200	200	200
Number of building permits submitted:				
- residential	461	250	300	300
- commercial	101	60	70	70
Septic Tank Pump-out letters sent	3,195	2,000	2,000	2,000
Cannery items processed (can and jars)	4,128	6,000	5,000	5,000
Cannery patrons	137	150	150	150

Public Works Operations

DESCRIPTION

Public Works Operations provides for solid waste disposal and recycling for Hanover citizens. The County has six (6) manned convenience centers throughout the County that accept solid waste and numerous recyclables. The County either sells the recovered materials or they are processed through outside contractors. DPW transports the mixed and corrugated paper to market using hook lift trucks. Yard waste, leaves, and grass are accepted at the Mechanicsville Convenience Center and the Route 301 Transfer Station. Leaves and grass are accepted at the Courthouse and Elmont Convenience Centers. Brush is chipped and sold as mulch or fuel chips, used at schools/parks, and given away to the public. The agency operates the 301 Transfer Station

and Yard Waste Composting Facility. Solid waste is loaded into contractor trailers and hauled to a private landfill. Public Works Operations is also responsible for street sign installation, stormwater drainage easement maintenance and litter control.

The Board of Supervisors established Recycling Service Districts for the residents of the Ashcreek and Milestone subdivisions on January 23, 2008. There are now thirteen (13) subdivisions under one united Service District. This authorization was in response to petitions for establishment of service districts for the purpose of funding every other week curbside recycling service for plastic and glass bottles, metal cans and paper from these communities.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 1,782,194	\$ 1,791,353	\$ 1,819,304	1.6%
Operating	1,820,276	1,985,816	1,811,483	(8.8%)
Capital	114,983	76,171	76,171	0.0%
Total Expenditures	\$ 3,717,453	\$ 3,853,340	\$ 3,706,958	(3.8%)
Revenues				
Intergovernmental Revenue	\$ 14,771	\$ 21,315	\$ 18,000	(15.6%)
Other Revenue	937,753	890,397	674,112	(24.3%)
General Fund Revenue	2,764,929	2,941,628	3,014,846	2.5%
Total Revenue	\$ 3,717,453	\$ 3,853,340	\$ 3,706,958	(3.8%)
Generated Revenue Percent	25.6%	23.7%	18.7%	
General Fund Percent	74.4%	76.3%	81.3%	
Full-time Positions	32	32	32	0.0%
Part-time Positions	1.1	0.5	0.5	0.0%
Full-time Equivalent	33.1	32.5	32.5	0.0%

Public Works Operations

BUDGET HIGHLIGHTS

The FY14 budget combines the Recycling Service District budget with Public Works Operations. The Recycling Service District budget has been re-stated in this document for FY12 and FY13. The FY14 Service Level Plan for this division consists of \$76,170 for operational equipment (e.g. roll off containers and compactor systems). The reduction in operating is due mainly to substantial savings achieved through a rate reduction for contracted disposal services.

The increase in personnel is due primarily to career development and restored pooled funding for a non-benefitted employee. In FY14 the contracted recycling collection rate with the Central Virginia Waste Management Authority (CVWMA) will increase to \$24.00 per lot in participating subdivisions for the purpose of funding recycling services.

GOALS AND OBJECTIVES

- Maintain solid waste disposal services within resources;
- Maintain street sign maintenance services;
- Maintain drainage easement maintenance at the highest level within the resources available;
- Maintain compost program; and,
- Maintain litter and special waste programs within resources.

SERVICE LEVELS

	<u>FY12 Actual</u>	<u>FY13 Budget</u>	<u>FY13 Forecast</u>	<u>FY14 Budget</u>
Per capita cost of operating department Municipal Solid Waste (MSW) Tonnage received at convenience centers:	\$36.91	\$37.52	\$37.52	\$35.41
Private	9,180	10,000	7,000	7,000
Public	27,419	28,600	27,000	27,000
MSW Pulls from Convenience Center	2,943	3,450	2,775	2,775
Number of tons recycled	20,000	18,000	18,000	18,000
Drainage maintenance requests - DPW crews	279	150	200	200
Street Signs	229	200	220	220

General Services

DESCRIPTION

The General Services Department includes the Facilities, Fleet, and Risk Management Divisions.

The Facilities Division is responsible for property management, maintenance and renovation of all non-school, County-owned facilities. This consists of the overall responsibility for a preventative maintenance program, in-house repairs, and alterations of the buildings and related systems. This Division provides support and management services for the County and School telephone system, and administers the County's Facilities and Energy Management policies.

The Fleet Division provides preventive maintenance and repair service for County and School vehicles and motorized

equipment and administers the Fleet Management Policy. This Division provides services including vehicle registrations, preparing equipment specifications, vehicle acquisition and disposal, vehicle replacement, and maintaining vehicle history records. This Division administers the vehicle fuel management program for County and School vehicles.

Risk Management enhances safety practices for all County employees and assists departments with determining compliance with Federal OSHA requirements. This Division assists with administering the County's Vehicle Safety Policy and assists departments with application of the provisions of the Hanover Safety manual.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 2,171,792	\$ 2,196,866	\$ 2,193,210	(0.2%)
Operating	1,197,409	1,537,810	1,482,345	(3.6%)
Capital	255,192	-	88,000	100.0%
Total Expenditures	\$ 3,624,393	\$ 3,734,676	\$ 3,763,555	0.8%
Revenues				
Other Revenue	\$ 32,315	\$ 79,000	\$ 45,000	(43.0%)
General Fund Revenue	3,592,078	3,655,676	3,718,555	1.7%
Total Revenue	\$ 3,624,393	\$ 3,734,676	\$ 3,763,555	0.8%
Generated Revenue Percent	0.9%	2.1%	1.2%	
General Fund Percent	99.1%	97.9%	98.8%	
Full-time Positions	33	32	32	0.0%
Full-time Equivalent	33.0	32.0	32.0	0.0%

General Services

BUDGET HIGHLIGHTS

Beginning in FY14, the General Services department will no longer provide print shop services to other departments, which results in a reduction in “other revenue”. General Services also has \$88,000 in capital funding for FY14. The operating decrease is due

primarily to reductions in heating and electrical services. Also, a portion of wireless communications funding has been moved from operating to the personnel category in the form of a stipend.

GOALS AND OBJECTIVES

- Respond to all facilities emergency calls in 3 hours or less;
- Complete facilities preventive work requests within five days of issue;
- Review facilities open work orders weekly to prioritize workload;
- Identify and perform energy saving projects in line with the Board’s Energy Initiative;
- Maintain County and School fleets in a safe and cost effective manner;
- Use best practices to keep abreast of changing vehicle technology to provide improving customer service;
- Assist customers with fleet needs and promote effective fleet management through best practices;
- Administer the vehicle fuel management program for County and School vehicles;
- Improve safety and reduce losses by providing safety training, and increasing safety awareness through the use of departmental safety teams; and,
- Administer the County’s property, liability, and motor vehicle insurance programs.

SERVICE LEVELS

	<u>FY12</u> <u>Actual</u>	<u>FY13</u> <u>Budget</u>	<u>FY13</u> <u>Forecast</u>	<u>FY14</u> <u>Budget</u>
Per capita cost of operating department	\$35.99	\$36.36	\$36.36	\$35.95
Square Feet Maintained	615,779	615,779	615,779	615,779
Vehicles Maintained				
School Buses	310	310	310	305
Public Safety	421	440	425	425
Other	385	386	385	385
Special purpose equipment	77	77	77	80
Total	1,193	1,213	1,197	1,195
Number of safety audits performed	28	28	28	28



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HUMAN SERVICES

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Health	\$ 504,233	\$ 496,000	\$ 496,000	0.0%
Community Services Board	10,119,257	10,174,588	9,941,672	(2.3%)
Social Services	4,854,699	5,053,161	5,139,994	1.7%
Community Resources	399,698	409,977	293,820	(28.3%)
Comprehensive Services Act	5,611,787	5,443,956	5,527,946	1.5%
Tax Relief	1,718,837	1,630,000	1,630,000	0.0%
Total Expenditures	\$ 23,208,511	\$ 23,207,682	\$ 23,029,432	(0.8%)
Personnel	\$ 12,458,063	\$ 12,392,367	\$ 12,193,859	(1.6%)
Operating	10,657,037	10,815,315	10,835,573	0.2%
Capital	93,411	-	-	0.0%
Total Expenditures	\$ 23,208,511	\$ 23,207,682	\$ 23,029,432	(0.8%)
Revenues				
Intergovernmental Revenue	\$ 9,312,035	\$ 8,990,001	\$ 9,354,783	4.1%
Other Revenue	3,188,040	3,437,533	3,179,383	(7.5%)
General Fund Revenue	10,708,436	10,780,148	10,495,266	(2.6%)
Total Revenue	\$ 23,208,511	\$ 23,207,682	\$ 23,029,432	(0.8%)
Generated Revenue Percent	53.9%	53.5%	54.4%	
General Fund Percent	46.1%	46.5%	45.6%	
Full-time Positions	181	173	171	(1.2%)
Part-time Positions	7.7	9.6	9.4	(1.8%)
Full-time Equivalents	188.7	182.6	180.4	(1.2%)

*Community Services and Comprehensive Services merged into the General Fund in FY13 and are re-stated here in FY12 for comparative purposes.

Health Department

DESCRIPTION

The Hanover Health Department is part of the Virginia Department of Health's Chickahominy Health District. The District encompasses the Counties of Charles City, Goochland, Hanover, and New Kent. Funding is predominantly through a cooperative agreement with the Virginia Department of Health in which Hanover pays 45% of the allotted general funds designated to the Hanover Health Department's budget. The

Hanover Health Department provides medical, emergency preparedness, vital records, and environmental services. The Health Department collaborates with other agencies, health care providers and local communities to address public health issues and to provide public health leadership, guidance, education and consultation to the community. These services are detailed in the local cooperative agreement.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Operating	\$ 504,233	\$ 496,000	\$ 496,000	0.0%
Total Expenditures	<u>\$ 504,233</u>	<u>\$ 496,000</u>	<u>\$ 496,000</u>	<u>0.0%</u>
Revenues				
Other Revenue	\$ 37,263	\$ 46,350	\$ 46,350	0.0%
General Fund Revenue	466,970	449,650	449,650	0.0%
Total Revenue	<u>\$ 504,233</u>	<u>\$ 496,000</u>	<u>\$ 496,000</u>	<u>0.0%</u>

BUDGET HIGHLIGHTS

The Health Department represents a stand-alone State function for which the County's

share changes in proportion to State funding of this service.

GOALS AND OBJECTIVES

- Promote a healthy environment through education and enforcement of environmental regulations that consist of annual food safety inspections, the review of Authorized Onsite Soil Evaluator (AOSE) packets within ten (10) business days, and the standardization of environmental health training;
- Promote a healthy lifestyle through community education about important public health topics and the role of public health in the community;
- Provide clinical services in certain program areas (maternity care, family planning, immunizations, sexually transmitted diseases);

Health Department

- Prepare staff, community partners and volunteers to respond to emergencies by revising and updating emergency plans and Continuity of Operations Plans and provide the necessary training for those plans;
- Reduce the incidences of communicable diseases;
- Monitor the public’s health through epidemiologic surveillance; and,
- Provide epidemiologic investigation and response to outbreaks of disease.

SERVICE LEVELS

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Forecast</u>	FY14 <u>Budget</u>
Communicable disease visits/investigations	405	450	425	425
Family planning visits	742	800	805	825
Maternity	226	300	275	275
WIC participation	849	850	1,100	1,200
Immunization visits	312	300	650	650
Septic system new applications	205	125	138	140
Well applications	192	125	132	135
Restaurant inspection visits	710	800	765	791
Temporary event inspections	80	80	80	80
District's State Budget Contribution	\$616,285	\$606,883	\$606,883	\$646,225

Community Services Board (CSB)

DESCRIPTION

The Hanover Community Services Board (CSB) provides a range of services and programs to county residents and is licensed by the Virginia Department of Behavioral Health and Developmental Services and accredited by CARF International, an independent, nonprofit accreditor of health and human services agencies. The mission of the agency is “to partner with individuals to provide supports and services in the areas of mental health, intellectual disabilities and substance use disorders in their efforts to lead satisfying and productive lives in their communities”. Primarily, services fall under one of two areas: 1) Mental Health, Substance Use

Disorders and Prevention Services and 2) Intellectual Disabilities Services.

Mental Health, Substance Use Disorders and Prevention Services include the following program areas: Emergency/Crisis Services, Outpatient Mental Health and Substance Abuse Services, Psychosocial Rehabilitation Services, Residential Support Services, Intensive Community Treatment (ICT), and Prevention Services. Intellectual Disabilities Services include the following program areas: Case Management, and Day Health and Rehabilitation. Additionally, services are available to all clients as appropriate.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 8,717,548	\$ 8,653,009	\$ 8,584,534	(0.8%)
Operating	1,308,298	1,521,579	1,357,138	(10.8%)
Capital	93,411	-	-	0.0%
Total Expenditures	\$ 10,119,257	\$ 10,174,588	\$ 9,941,672	(2.3%)
Revenues				
Use of Money and Property	\$ 37,770	\$ 41,000	\$ -	(100.0%)
Charges for Services	2,933,370	3,050,183	2,921,033	(4.2%)
Recovered Costs	95,192	150,000	150,000	0.0%
Categorical State Aid	2,228,932	2,255,906	2,267,906	0.5%
Categorical Federal Aid	460,652	458,831	462,831	0.9%
Other Revenue	51,393	44,000	31,000	(29.5%)
Reserve for Revenue	-	75,000	-	(100.0%)
General Fund Revenue	4,311,948	4,099,668	4,108,902	0.2%
Total Revenue	\$ 10,119,257	\$ 10,174,588	\$ 9,941,672	(2.3%)
Generated Revenue Percent	57.4%	59.7%	58.7%	
General Fund Percent	42.6%	40.3%	41.3%	
Full-time Positions	119	115	114	(0.9%)
Part-time Positions	7.7	8.8	8.6	(2.3%)
Full-time Equivalent	126.7	123.8	122.6	(1.0%)

Community Services Board (CSB)

BUDGET HIGHLIGHTS

The total CSB FY14 budget is \$9.9 million and reflects an overall decrease of 2.3%. The personnel decrease is due primarily to a reduction in the number of employees opting for health insurance coverage and the elimination of an Account Clerk position. The personnel category does include pooled

funding for non-benefitted employees. The reduction in revenue from use of money and property is the result of a property sale to a vendor that once leased county owned property. Revenue from the general fund remains unchanged from FY13.

GOALS AND OBJECTIVES

- To improve program effectiveness and services to consumers;
- To improve finance and technology; and,
- To improve efficiency and service delivery.

SERVICE LEVELS

	FY12 <u>Actual</u> Served	FY13 <u>Budget</u> Served	FY13 <u>Forecast</u> Served	FY14 <u>Budget</u> Served
Mental Health Services				
Acute Psychiatric or Inpatient Services	23	30	23	25
Outpatient Services	769	720	750	750
Assertive Community Treatment	68	60	60	60
Case Management Services	606	540	600	600
Rehabilitation	86	75	90	90
Supportive Residential Services	26	20	10	20
Intellectual Disability Services				
Case Management Services	274	250	255	260
Rehabilitation	46	40	45	45
Sheltered Employment	24	22	23	25
Individual Supported Employment	74	75	75	75
Supportive Residential Services	26	30	23	25
Substance Abuse Services				
Acute Psychiatric or Inpatient Services	5	10	8	10
Outpatient Services	218	270	200	200
Case Management Services	207	135	200	250
Intensive Residential Services	30	25	25	25
Emergency Services				
Emergency Services	602	500	525	525
Assessment and Evaluation Services	829	750	700	750

Social Services

DESCRIPTION

The Department of Social Services provides a comprehensive array of services and benefit programs to County citizens. Benefit Programs include Medicaid, Supplemental Nutrition Assistance Program (formerly referred to as the Food Stamp Program), and Temporary Assistance for Needy Families. Social Services programs include child and adult protection, foster care, employment, child day care, and prevention. These programs assist Hanover's residents in achieving self-sufficiency, well-being and safety for their families and themselves. The Department provides temporary crisis help to the traditional poor, the "new" poor who do not make a living wage, the elderly who need

nursing home care, and low-income parents who cannot afford child care while they work. Other major programs include energy assistance, information and referral for housing, food, utilities and medication assistance. The Department's mission is Helping Others Promoting Empowerment (HOPE). Its values are to: recognize strengths; respond to needs; be service-oriented, innovative and creative; and be a strong community partner. The Department continues to work in partnership with other County agencies as part of the emergency response team, strategic planning teams for safe community and human services, and other collaborative county efforts.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 3,252,934	\$ 3,280,984	\$ 3,342,853	1.9%
Operating	1,601,765	1,772,177	1,797,141	1.4%
Total Expenditures	\$ 4,854,699	\$ 5,053,161	\$ 5,139,994	1.7%
Revenues				
Intergovernmental Revenue	\$ 3,473,493	\$ 3,438,335	\$ 3,626,239	5.5%
Other Revenue	27,917	26,000	26,000	0.0%
General Fund Revenue	1,353,289	1,588,826	1,487,755	(6.4%)
Total Revenue	\$ 4,854,699	\$ 5,053,161	\$ 5,139,994	1.7%
Generated Revenue Percent	72.1%	68.6%	71.1%	
General Fund Percent	27.9%	31.4%	28.9%	
Full-time Positions	55	52	53	1.9%
Part-time Positions	-	0.75	0.78	4.0%
Full-time Equivalents	55.00	52.75	53.78	2.0%

Social Services

BUDGET HIGHLIGHTS

Social Services is the primary local agency meeting the social service needs of individuals that arise from a variety of circumstances and who are being impacted dramatically by the downturn in the economy. Changes in the FY14 budget are correlated to serving individuals in mandated programs. All of the federal, state and/or local service standards have been met or exceeded (i.e. time application processing of the Supplemental Nutrition Assistance

Program - SNAP, Medicaid, and Temporary Assistance for Needy Families – TANF). The increase in personnel is due mainly to the transfer of the CSA employee to Social Services. The full-time equivalent increase is also due to that transfer and the reclassification of a part-time benefitted employee in FY13. The operating increase is due mainly to an increase in adoption subsidy program funding.

GOALS AND OBJECTIVES

- Promote safety, stability, and well-being (including independence and personal responsibility) for children, families and adults;
- Expand services and resources by maximizing all revenue and community sources; and
- Provide excellent customer service by developing public trust.

SERVICE LEVELS

	<u>FY12 Actual</u>	<u>FY13 Budget</u>	<u>FY13 Forecast</u>	<u>FY14 Budget</u>
Per capita cost of operating department	\$48.21	\$49.20	\$49.20	\$49.09
Continuous Quality Improvement and Customer Service:				
Eligibility application processing compliance	98%	99%	99%	99%
Front desk telephone calls	29,323	28,662	30,789	32,328
Lobby traffic	20,027	19,440	21,028	22,079
Abuse cases (child and adult) investigated/assessed:	366	317	384	403
Public Assistance recipients:				
Supplemental Nutrition Assistance Program	8,944	9,211	9,391	9,860
Medicaid	8,392	8,889	8,812	9,253
Temporary Assistance for Needy Families	834	1,089	876	920
Energy Assistance	3,890	4,628	4,084	4,288
Child Welfare recipients:				
Child Day Care	227	392	238	250
Foster Care	48	46	50	52
Foster Care Prevention	18	25	19	20
Adult Services recipients:	168	288	176	185

Community Resources

DESCRIPTION

The mission of the Department of Community Resources is to promote Hanover's people, traditions, and spirit by mobilizing volunteers and maximizing available resources to address community needs. To support this mission, the Department works with citizens, government departments and local non-profit agencies to assist in finding resources to address individual and community needs. The Department administers a number of programs, of which the following are the most popular. The first program is Hanover Court Appointed Special Advocate (CASA) Program, which utilizes trained community volunteers to advocate for abused and neglected children involved in the Juvenile Court system. The second notable program is the Volunteer Home Repair Referral Program, serving the County's elderly, low-income families, and persons with disabilities. The

Volunteer Home Repair Referral Program uses donated materials and volunteer work crews to either provide temporary heat-saving measures in preparation for the winter months or address home repair needs not otherwise eligible for existing community services/programs. The Youth Services is the third program, and includes the Hanover Youth Service Council, a group of middle and high school students dedicated to planning and implementing service projects and promoting youth service in the community such as through the annual Global Youth Service Day activities. Finally, there is Hanover's Promise, through which the business, faith-based, civic, and human service communities work together to help assure that the County's youth have access to the "five promises" they need to succeed.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 366,832	\$ 384,119	\$ 266,472	(30.6%)
Operating	32,866	25,858	27,348	5.8%
Total Expenditures	\$ 399,698	\$ 409,977	\$ 293,820	(28.3%)
Revenues				
Intergovernmental Revenue	\$ 59,590	\$ 56,000	\$ 56,000	0.0%
Other Revenue	5,135	5,000	5,000	0.0%
General Fund Revenue	334,973	348,977	232,820	(33.3%)
Total Revenue	\$ 399,698	\$ 409,977	\$ 293,820	(28.3%)
Generated Revenue Percent	16.2%	14.9%	20.8%	
General Fund Percent	83.8%	85.1%	79.2%	
Full-time Positions	5	5	4	(20.0%)
Full-time Equivalent	5.0	5.0	4.0	(20.0%)

Community Resources

BUDGET HIGHLIGHTS

The personnel decrease is due to the elimination of a vacant funded Director position. The operating increase is due

primarily to an increase in fees and miscellaneous charges. There is no funding for the winterization program in FY14.

GOALS AND OBJECTIVES

- Participate, as appropriate, in any relevant focus areas that result from the County's strategic planning efforts;
- Determine and implement strategies to best meet the Department's mission of mobilizing community resources to address community needs;
- Continue to administer the Court Appointed Special Advocate Program for abused and neglected children;
- Continue to promote youth service within the community through HYSC and expanded participation in GYSD; and
- Continue to support county-wide volunteer engagement and provide volunteer appreciation and recognition.

SERVICE LEVELS

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Forecast</u>	FY14 <u>Budget</u>
Per capita cost of operating department	\$3.97	\$3.99	\$3.99	\$2.81
Estimated volunteer hours reported	269,031	275,000	275,000	278,600
Hanover Specific Volunteer Opportunities posted	102	250	100	100
Volunteer Profiles for Hanover residents	721	750	825	875
Home repair projects completed	33	30	30	30
HYSC Projects	48	40	40	35
HYSC Service Hours	1,847	1,750	1,600	1,575
Number of CASA volunteers	16	12	12	14
Number of children served through CASA	32	32	32	32
*Number of Information & Referral Contacts	-	-	-	925
*Number of Information & Referral Sources Provided	-	-	-	1,900
Grant funds/donations received	\$70,325	\$66,670	\$69,115	\$66,670

**New service level indicators that the department will begin tracking in FY14.*

Comprehensive Services Act (CSA)

DESCRIPTION

The Comprehensive Services Act (CSA) was passed by the 1992 General Assembly to develop a method to improve services for youth with emotional or behavioral problems and to control the escalating costs of residential care to state and local governments. The intent of the legislation was to create a collaborative system of services and funding that is child-centered, family-focused, and community-based.

The statute requires the establishment of the Community Policy and Management Team appointed by the Board of Supervisors. The CPMT membership includes the department head (or designee) from the Court Services Unit, Hanover Public Schools, Social Services, and the Community Services Board. In addition, a private provider and community representative are included. The Act specifies children for whom access to funds and services is mandated or protected.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 120,749	\$ 74,255	\$ -	(100.0%)
Operating	5,491,038	5,369,701	5,527,946	2.9%
Total Expenditures	\$ 5,611,787	\$ 5,443,956	\$ 5,527,946	1.5%
Revenues				
Recovered Costs	\$ 142,052	\$ 85,000	\$ 85,000	0.0%
Categorical State Aid	3,089,368	2,780,929	2,941,807	5.8%
General Fund Revenue	2,380,367	2,578,027	2,501,139	(3.0%)
Total Revenue	\$ 5,611,787	\$ 5,443,956	\$ 5,527,946	1.5%
Generated Revenue Percent	57.6%	52.6%	54.8%	
General Fund Percent	42.4%	47.4%	45.2%	
Full-time Positions	2	1	-	(100.0%)
Full-time Equivalent	2.0	1.0	-	(100.0%)

BUDGET HIGHLIGHTS

The increase in the FY14 operating budget is due to an anticipated increase in mandated expenditures. The state revenue increased proportionately while general fund revenue

remains flat. The personnel decrease is due to the department employee being transferred to the Social Services department.

Comprehensive Services Act (CSA)

GOALS AND OBJECTIVES

- To ensure compliance with the Comprehensive Services Act;
- To continue to provide a high level of services to children mandated through the CSA;
- To continue cost containment and monitoring of CSA funds through the Utilization Review Process; and,
- To recover CSA expenditures by actively pursuing reimbursements, including Medicaid, parental co-pay/child support, Supplemental Security Income, and Title IV-E, as appropriate.

SERVICE LEVELS

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Forecast</u>	FY14 <u>Budget</u>
Number of children served	118	133	133	135
Total expenditures (Mandated & Non-mandated)	\$5,483,488	\$5,360,334	\$5,360,344	\$5,527,946
Average cost per child	\$46,470	\$40,303	\$40,303	\$40,948
Medicaid funding - total paid	\$621,882	\$1,000,000	\$1,000,000	\$1,000,000
Medicaid funding - local share	\$163,715	\$208,884	\$208,884	\$208,884
Total recoveries	\$142,696	\$85,000	\$85,000	\$85,000
Parental co-pay received	\$25,197	\$10,500	\$16,115	\$11,350

Tax Relief for the Elderly and Disabled

DESCRIPTION

The tax relief program is authorized by the Board of Supervisors to provide a discount on tax bills to elderly or permanently disabled residents meeting certain income and net worth thresholds. The discount applies to the taxes on the value of the house and up to ten

acres of land. Currently, the County maximum income level is \$50,000 and the maximum net worth is \$200,000. An application or renewal affidavit is required to be submitted to the Commissioner of the Revenue's Office each year.

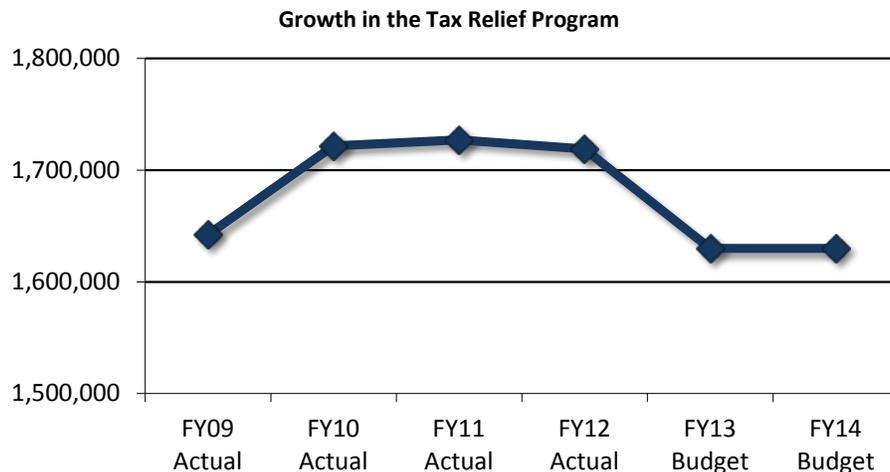
BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Operating	\$ 1,718,837	\$ 1,630,000	\$ 1,630,000	0.0%
Total Expenditures	<u>\$ 1,718,837</u>	<u>\$ 1,630,000</u>	<u>\$ 1,630,000</u>	<u>0.0%</u>
Revenues				
General Fund Revenue	\$ 1,718,837	\$ 1,630,000	\$ 1,630,000	0.0%
Total Revenue	<u>\$ 1,718,837</u>	<u>\$ 1,630,000</u>	<u>\$ 1,630,000</u>	<u>0.0%</u>

BUDGET HIGHLIGHTS

Enhancements to the relief program were adopted by the Board of Supervisors in October 2007 to increase the eligibility criteria for gross income limit to \$50,000, including the acreage exclusion to ten acres, maximum allowable net worth to \$200,000, and removed the maximum discount that

could be received by participants. The primary reasons for the flat budget are that it appears that this program has reached a majority of the potential qualified population and the taxable value of real property has leveled, thereby stabilizing the value of the eligible property.



PARKS, RECREATION AND CULTURAL

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Parks and Recreation	\$ 3,282,453	\$ 3,048,902	\$ 3,080,901	1.0%
Pamunkey Regional Library	2,672,482	2,538,858	2,538,858	0.0%
Total Expenditures	\$ 5,954,935	\$ 5,587,760	\$ 5,619,759	0.6%
Personnel	\$ 2,079,088	\$ 2,100,888	\$ 2,043,752	(2.7%)
Operating	3,739,363	3,486,872	3,571,007	2.4%
Capital	136,484	-	5,000	100.0%
Total Expenditures	\$ 5,954,935	\$ 5,587,760	\$ 5,619,759	0.6%
Revenues				
Other Revenue	\$ 564,130	\$ 575,000	\$ 623,000	8.3%
General Fund Revenue	5,390,805	5,012,760	4,996,759	(0.3%)
Total Revenue	\$ 5,954,935	\$ 5,587,760	\$ 5,619,759	0.6%
Generated Revenue Percent	9.5%	10.3%	11.1%	
General Fund Percent	90.5%	89.7%	88.9%	
Full-time Positions	34	30	28	(6.7%)
Part-time Positions	3.1	3.35	3.6	7.5%
Full-time Equivalent	37.1	33.35	31.6	(5.2%)

Parks and Recreation

DESCRIPTION

The Parks and Recreation Department provides and promotes leisure services to the citizens of Hanover County. The Department specifically offers, or is involved with, passive park activities, maintenance of County grounds, educational/hobby programs, senior citizen activities, youth programs, athletic leagues, bus tours and special events. Their stated mission is to promote, advocate and provide the highest quality parks and recreation resources and leisure services. The vision is to provide, through a comprehensive delivery system, safe, healthy

and strategically placed resources and leisure services of the highest quality. These resources and services are diversely funded, accessible and affordable. It is also part of the vision that the Parks and Recreation Department plays a key leadership role in providing for and improving the quality of life while conserving and protecting natural, cultural and historic resources. The Parks and Recreation Advisory Commission serves as a liaison between the citizens and the Board of Supervisors.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 2,079,088	\$ 2,100,888	\$ 2,043,752	(2.7%)
Operating	1,066,881	948,014	1,032,149	8.9%
Capital	136,484	-	5,000	100.0%
Total Expenditures	<u>\$ 3,282,453</u>	<u>\$ 3,048,902</u>	<u>\$ 3,080,901</u>	<u>1.0%</u>
Revenues				
Other Revenue	\$ 564,130	\$ 575,000	\$ 623,000	8.3%
General Fund Revenue	2,718,323	2,473,902	2,457,901	(0.6%)
Total Revenue	<u>\$ 3,282,453</u>	<u>\$ 3,048,902</u>	<u>\$ 3,080,901</u>	<u>1.0%</u>
Generated Revenue Percent	17.2%	18.9%	20.2%	
General Fund Percent	82.8%	81.1%	79.8%	
Full-time Positions	34	30	28	(6.7%)
Part-time Positions	3.1	3.35	3.6	7.5%
Full-time Equivalent	37.1	33.35	31.6	(5.2%)

Parks and Recreation

BUDGET HIGHLIGHTS

The personnel decrease is due to the elimination of two (2) vacant Groundskeeper positions. The operating increase is due primarily to the merger of Senior Travel Commission budgeting into the Parks and

Recreation operating budget. The personnel category includes pooled funding for non-benefited employees associated with the Youth Summer Programs.

GOALS AND OBJECTIVES

- Promote, advocate and provide the highest quality park and recreational resources and leisure services;
- Provide a balance of recreational programs and facilities to meet the present and planned population needs of Hanover County;
- Preserve, maintain and further enhance public grounds, areas of scenic beauty and areas of historic significance;
- Encourage the use of existing recreational and scenic areas;
- Pursue improvements outlined in Years 2-4 of the updated 2010 Parks & Recreation Comprehensive Facilities Master Plan;
- Continue to work with other County agencies, Martin Marietta and historic-based organizations in the development of the additional land at North Anna Battlefield Park and serve as host for planned Sesquicentennial events;
- Continue service enhancements to the general public by implementing the use of online registration for shelter reservations;
- Continue to identify services designed to bolster tournament use of park sites, which consequently increase tourism revenue countywide; and,

SERVICE LEVELS

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Forecast</u>	FY14 <u>Budget</u>
Per capita cost of operating department	\$32.60	\$29.69	\$29.69	\$29.43
Hanover parks	9	9	9	10
Boat ramps	4	4	4	4
% of time athletic fields mowed within 1 week	100%	100%	100%	100%
% of time all athletic fields are inspected monthly	100%	100%	100%	100%
% of time sites are mowed within 10 working days (March 15 – November 1)	95%	100%	98%	98%
Park visitation total	1,350,274	1,349,824	1,375,000	1,400,000

Pamunkey Regional Library

DESCRIPTION

The Pamunkey Regional Library is a political subdivision of the Commonwealth of Virginia, governed by a 10 member Board of Trustees appointed by the Board of Supervisors of the participating counties (four are appointed by Hanover), which provides public library service to Hanover County through six libraries. The mission of the Library is to enhance the quality of life in our communities by providing access to information, promoting reading and enjoyment, nurturing life-long learning, and providing places for people to interact with others.

The Library offers programs for all ages, such as story times, book groups, movies, author visits, teen activities, workshops and lectures, senior center visits and concerts. Citizens may borrow from more than 350,000 items for free, reserve a meeting room, connect on the wireless network for free, use a high-speed computer or join a summer reading program.

The County has benefited greatly as part of this regional library system. Over 1,064,835 items were circulated in the Hanover libraries in 2012, down 5% from the prior year.

LIBRARY DESCRIPTIONS

Hanover's public service outlets are as follows:

1. The Richard S. Gillis, Jr. Ashland Branch Library, 201 S. Railroad Avenue, Ashland, a 10,000 square foot library with 42,000 volumes, open 60 hours a week with a circulation of 268,023 in 2012.
2. The Atlee Branch Library, 9161 Atlee Road, Mechanicsville, a 10,000 square foot library with 50,000 volumes, open 60 hours a week with a circulation of 259,250 in 2012. Technical Services is also located in the building.
3. The Hanover Courthouse Library, 7527 Library Drive, Hanover Courthouse, a 3,000 square foot public service area library with 25,000 volumes, open 60 hours a week with a circulation of 44,444 in 2012. The Library's administrative headquarters are also located in the building.
4. The Mechanicsville Branch, 7461 Sherwood Crossing Place, Mechanicsville, a 16,000 square foot library with 35,000 volumes, open 60 hours a week with a circulation of 368,891 in 2012.
5. The Lois Wickham Jones/Montpelier Library, 17205 Sycamore Tavern Lane, Montpelier, a 2,500 square foot library with 10,000 volumes, open 40 hours a week with a circulation of 59,883 in 2012.
6. The Cochrane Rockville Branch Library, 16600 Pouncey Tract Road, Rockville, a 3,600 square foot library with 18,000 volumes open 60 hours a week with a circulation of 54,919 in 2012.
7. After many years of service, the PRL Bookmobile service ended in February 2012. The Hanover County circulation for the partial year of service was 9,317.

Pamunkey Regional Library

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Operating	\$ 2,672,482	\$ 2,538,858	\$ 2,538,858	0.0%
Total Expenditures	\$ 2,672,482	\$ 2,538,858	\$ 2,538,858	0.0%
Revenues				
General Fund Revenue	\$ 2,672,482	\$ 2,538,858	\$ 2,538,858	0.0%
Total Revenue	\$ 2,672,482	\$ 2,538,858	\$ 2,538,858	0.0%
General Fund Percent	100.0%	100.0%	100.0%	

BUDGET HIGHLIGHTS

The County and the Pamunkey Regional Library often refer to the goal to have a ratio of 0.6 per square feet of library space per person in the County. With the replacement of the Mechanicsville Library the County's ratio is 0.43. The Library's budget is to remain flat in FY14.

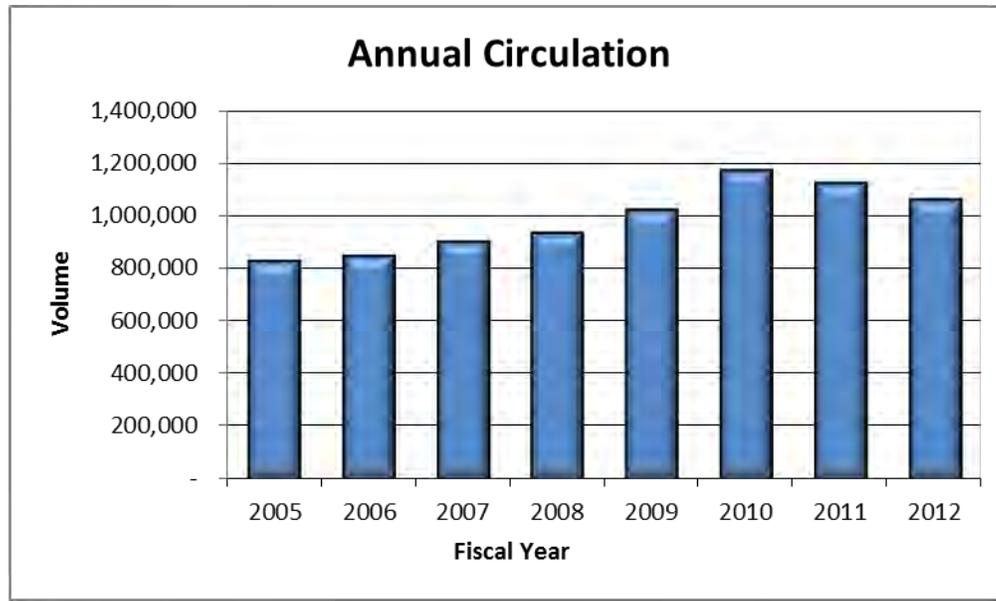
GOALS AND OBJECTIVES

- Provide convenient access to library materials and the Internet to all Hanover citizens;
- Provide web access to the library catalog and electronic databases;
- Maintain a collection of 3 volumes per capita;
- Continue to work to have 0.6 square feet of library space per capita; and
- Increase membership and attendance at library programs.

SERVICE LEVELS

	FY12 Actual	FY13 Budget	FY13 Forecast	FY14 Budget
Per capita cost of operating Library	\$26.54	\$24.72	\$24.72	\$24.25
Active cardholders	79,700	80,000	85,000	85,000
Attendance at library programs	41,579	38,000	41,000	41,000
Internet workstations – hours used	103,700	105,000	100,000	103,000
References questions answered	365,265	355,000	365,000	365,000
Average number of daily website hits	823	1,700	820	823
Library visits per capita	5.09	5.25	5.00	5.00

Pamunkey Regional Library



FY12 Statistics

Pamunkey Regional Library		Statewide Average	
Circulation per capita	10.42	Circulation per capita	7.8
Holdings per capita	2.24	Holdings per capita	4.04
Holdings turnover rate	4.65	Holdings turnover rate	2.21
Total expenditure per capita	29.57	Total expenditure per capita	31.34
Local expenditure per capita	23.58	Local expenditure per capita	27.44
Local expenditure per circulation	2.26	Local expenditure per circulation	2.76
Total expenditure per circulation	2.84	Total expenditure per circulation	3.31
% of total expenditure for materials	13%	% of total expenditure for materials	12%
Visits per capita	5.09	Visits per capita	5.38

COMMUNITY DEVELOPMENT

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Planning	\$ 1,942,642	\$ 1,778,675	\$ 1,767,426	(0.6%)
Economic Development	918,651	1,028,546	1,018,497	(1.0%)
Virginia Cooperative Extension	85,655	98,205	85,470	(13.0%)
Soil & Water Conservation District	95,545	92,680	92,680	0.0%
Community Support	1,166,742	1,080,731	1,118,941	3.5%
Total Expenditures	\$ 4,209,235	\$ 4,078,837	\$ 4,083,014	0.1%
Personnel	\$ 2,217,437	\$ 2,145,799	\$ 2,146,271	0.0%
Operating	1,991,798	1,933,038	1,936,743	0.2%
Total Expenditures	\$ 4,209,235	\$ 4,078,837	\$ 4,083,014	0.1%
Revenues				
Other Revenue	\$ 309,012	\$ 330,310	\$ 389,000	17.8%
General Fund Revenue	3,900,223	3,748,527	3,694,014	(1.5%)
Total Revenue	\$ 4,209,235	\$ 4,078,837	\$ 4,083,014	0.1%
Full-time Positions	29	24	23	(4.2%)
Part-time Positions	-	0.5	0.5	0.0%
Full-time Equivalents	29.0	24.5	23.5	(4.1%)

Planning

DESCRIPTION

The Planning Department assists the Board of Supervisors, Planning Commission, Historical Commission, Architectural Review Board, Board of Zoning Appeals, and other designated committees in establishing and implementing development policies for the County. Proposals for changes in plans, ordinances, land use, and the division of land are reviewed with Federal, State, and local agencies for consistency with applicable regulations and policies. The staff also disseminates policy information to the Board, Planning Commission, Architectural Review Board, other boards and committees, and the public.

The Planning Department is made up of four sections. The Administration Section of the Planning Department is responsible for overall management. It is also responsible for

the preparation of ordinances, ordinance amendments, procedures and forms for the Department, and the ongoing advance planning activity for the County, including the comprehensive plan amendments, demographics, and regional issues. The Current Section is responsible for the acceptance, review, and disposition of all land-use and subdivision applications, exclusive of variances. The Development Review Section is responsible for the acceptance, review, tracking, and coordination of County response to, and approval of site plan and subdivision applications. The Zoning Section is responsible for the administration and enforcement of the Zoning Ordinance to include review and approval of building permits, as well as processing variances and appeals.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 1,793,344	\$ 1,628,314	\$ 1,625,087	(0.2%)
Operating	149,298	150,361	142,339	(5.3%)
Total Expenditures	\$ 1,942,642	\$ 1,778,675	\$ 1,767,426	(0.6%)
Revenues				
Other Revenue	\$ 137,426	\$ 153,500	\$ 183,500	19.5%
General Fund Revenue	1,805,216	1,625,175	1,583,926	(2.5%)
Total Revenue	\$ 1,942,642	\$ 1,778,675	\$ 1,767,426	(0.6%)
Generated Revenue Percent	7.1%	8.6%	10.4%	
General Fund Percent	92.9%	91.4%	89.6%	
Full-time Positions	24	19	18	(5.3%)
Part-time Positions	-	0.5	0.5	0.0%
Full-time Equivalent	24.0	19.5	18.5	(5.1%)

Planning

BUDGET HIGHLIGHTS

The FY14 budget for this department has decreases in both personnel and operating budgets. Due to the lagging economic recovery, one (1) full-time Deputy Director position was eliminated. The overall

decrease in the operating budget can be attributed to reductions in professional services. The personnel category does include funding for non-benefited Board and Commission members.

GOALS AND OBJECTIVES

- Review Economic Development cases within 60 days;
- Review site plan applications in less than 30 days and subdivisions in less than 45 days;
- Continue to participate in the Virginia Citizen's Planning Association;
- Make presentations to civic and community organizations;
- Provide for educational and training opportunities for staff;
- Continue quarterly development community meetings; and,
- Prepare Annual Community Development Report.

SERVICE LEVELS

	<u>FY12 Actual</u>	<u>FY13 Budget</u>	<u>FY13 Forecast</u>	<u>FY14 Budget</u>
Per capita cost of operating department	\$19.29	\$17.32	\$17.32	\$16.88
Percentage of Zoning Cases completed in established time frame	100%	95%	95%	95%
Percentage of Development Reviews completed on time	100%	98%	95%	95%
Respond to code violation reports within established time frame	100%	99%	95%	95%

Economic Development

DESCRIPTION

The Economic Development Department provides services designed to create and cultivate business investment in Hanover County, resulting in a stable and diverse local economy and an improved standard of living for County citizens. The County has become an important part of the diverse and growing Richmond metropolitan economy. The main objective of the Department is to provide an expanding tax base and employment opportunities for Hanover citizens. Economic

Development assists existing County businesses with expansion, relocation (within the County), and retention issues. The Department recruits new businesses to the County from both domestic and international markets, assists start-ups and encourages entrepreneurial endeavors. The Department also works to strengthen the Comprehensive Plan for the needs of the business community.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 424,093	\$ 517,485	\$ 521,184	0.7%
Operating	494,558	511,061	497,313	(2.7%)
Total Expenditures	\$ 918,651	\$ 1,028,546	\$ 1,018,497	(1.0%)
Revenues				
Other Revenue	\$ 170,790	\$ 165,310	\$ 194,000	17.4%
General Fund Revenue	747,861	863,236	824,497	(4.5%)
Total Revenue	\$ 918,651	\$ 1,028,546	\$ 1,018,497	(1.0%)
Generated Revenue Percent	18.6%	16.1%	19.0%	
General Fund Percent	81.4%	83.9%	81.0%	
Full-time Positions	5	5	5	0.0%
Full-time Equivalent	5.0	5.0	5.0	0.0%

BUDGET HIGHLIGHTS

The overall FY14 Economic Development budget decreased from FY13. The personnel increase is due mainly to increased benefit costs. The operating decrease is due primarily to a reduction in maintenance service contracts

and from moving a portion of wireless communications to the personnel category in the form of a stipend.

Economic Development

GOALS AND OBJECTIVES

- Develop and implement long-term County economic development policy;
- Create and cultivate business investment in Hanover County;
- Foster economic development collaboration among County leaders, citizens, and businesses
- Market the County's business advantages;
- Serve as the primary contact when the County receives business-related inquiries; and,
- Serve as a resource to the Economic Development Authority.

Assist Existing Businesses

- Be a technical resource to the overall County business community;
- Encourage existing County businesses to invest and expand where/when appropriate;
- Visit/interview existing businesses to gauge specific business needs; and,
- Respond to local business needs and serve as a business community liaison with County.

Encourage New Business Ventures

- Provide local entrepreneurs with guidance and resources for their start-up ventures;
- Provide training resources/information to small businesses and start-up ventures; and,
- Provide marketing support for the Dominion Resources Greentech Incubator (DRGI).

Recruit/Relocate Out-Of-Town Businesses

- Respond to commercial prospect inquiries, whether sourced in-house or via regional partners;
- Expand the County supply of available commercial and industrial sites and buildings; and,
- Be a strategic resource and facilitator to groups looking to develop sites within the County.

SERVICE LEVELS

	<u>FY12</u> <u>Actual</u>	<u>FY13</u> <u>Budget</u>	<u>FY13</u> <u>Forecast</u>	<u>FY14</u> <u>Budget</u>
Per capita cost of operating department	\$9.12	\$10.02	\$10.02	\$9.73
Business prospects serviced	43	50	50	45
Information inquiries	142	135	135	150
Existing business visits	101	100	100	110

Lodging Available (Hotel Rooms)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013*</u>
Town of Ashland	1,177	1,117	1,117	1,117	981
County (excluding Town)	649	780	678	678	684

Source: RMCVB

* Projected

Virginia Cooperative Extension

DESCRIPTION

The Hanover Unit of the Virginia Cooperative Extension is one of 107 units across the Commonwealth bringing the resources of the two Land Grant Universities of Virginia Tech and Virginia State to their local communities. Cooperative Extension provides research-based information to residents in the areas of agriculture, horticulture, nutrition, budgeting, community resource development, disaster management and assessment, and youth

development and programming. The unit receives partial funding from the U. S. Department of Agriculture and the Commonwealth along with donations, grants and fees. Staff and volunteers utilize telephone contacts, print, video, computer media, hands-on workshops, office visits and lab testing to provide services throughout the county.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Operating	\$ 85,655	\$ 98,205	\$ 85,470	(13.0%)
Total Expenditures	<u>\$ 85,655</u>	<u>\$ 98,205</u>	<u>\$ 85,470</u>	<u>(13.0%)</u>
Revenues				
Other Revenue	\$ 796	\$ 11,500	\$ 11,500	0.0%
General Fund Revenue	84,859	86,705	73,970	(14.7%)
Total Revenue	<u>\$ 85,655</u>	<u>\$ 98,205</u>	<u>\$ 85,470</u>	<u>(13.0%)</u>
Generated Revenue Percent	0.9%	11.7%	13.5%	
General Fund Percent	99.1%	88.3%	86.5%	

BUDGET HIGHLIGHTS

This function represents the County's share in participating in the State extension service (administered by Virginia Tech), which has been a valuable resource for our agribusiness and residents interested in

horticulture, 4-H, and various other industry related programs. The decrease is due mainly to the elimination of a building lease for office space and moving the department to county owned and maintained facilities.

GOALS AND OBJECTIVES

- Continue to offer programs reflecting the interests, needs and demographics of current Hanover County residents and prepare to adapt to indicated trends;
- Enhance agribusiness profitability through programming including marketing, branding, and farm fiscal management and practices;

Virginia Cooperative Extension

- Provide 4-H youth development with in-school, afterschool and out of school programming;
- Facilitate mentoring program for at/high risk youth;
- Provide systematic recruitment and training of volunteers to optimize services offered to residents;
- Collaborate with other agencies/departments to seek outside funding to underwrite programming costs; and,
- Health, nutrition, and fitness will each be an interdisciplinary initiative across all three program areas.

SERVICE LEVELS

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Forecast</u>	FY14 <u>Budget</u>
Per capita cost of operating department	\$0.85	\$0.96	\$0.96	\$0.82
Telephonic and electronic citizen contact	19,000	21,000	21,000	21,500
Newsletter and mailing citizen contact	3,500	4,500	4,000	3,500
Volunteer members	450	500	500	550
Volunteer contacts	33,000	36,500	34,000	34,500
Volunteer hours	35,000	37,500	37,500	39,000
4-H Youth Participants	1,600	1,800	1,800	1,850

This information does not include services produced through the media including print and local broadcast stations.

Soil and Water Conservation District

DESCRIPTION

The Soil and Water Conservation District of Hanover and Caroline County (SWCD) is a subdivision of State government responsible under State law for conservation work within its boundaries. The activities are governed by a six (6) member Board of Directors of which four (4) members are elected and two (2) members are appointed by Virginia's Division of Soil and Water Conservation. The District maintains an office in Hanover and is staffed by four (4) employees. The Soil and Water Conservation District is designed to assist County landowners with conservation

planning and assistance with conservation programs. The District administers the Virginia Best Management Practices Cost Share Program and the Virginia Tax Credit Program. This program provides financial and technical assistance to install best management practices on agricultural land to reduce non-point source pollution and improve water quality. The District is funded with monies appropriated by the Commonwealth, the U.S. Environmental Protection Agency (EPA), and Hanover and Caroline Counties.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Operating	\$ 95,545	\$ 92,680	\$ 92,680	0.0%
Total Expenditures	<u>\$ 95,545</u>	<u>\$ 92,680</u>	<u>\$ 92,680</u>	<u>0.0%</u>
Revenues				
General Fund Revenue	\$ 95,545	\$ 92,680	\$ 92,680	0.0%
Total Revenue	<u>\$ 95,545</u>	<u>\$ 92,680</u>	<u>\$ 92,680</u>	<u>0.0%</u>

BUDGET HIGHLIGHTS

This is the County's share for participating in this district, which serves residents in conservation planning and education. Due

to the current economic climate, the local contribution will remain flat in FY14.

GOALS AND OBJECTIVES

- Continue to locally administer the Virginia Best Management Practices (BMP) Cost-share and Tax Credit Program in order to provide financial assistance to local landowners and operators for proper installation of conservation practices;
- Continue to bring landowners into compliance with USDA Farm Bill regulations through conservation planning and implementation of BMPs using federal programs such as the Environmental Quality Incentive Program (EQIP), Continuous Conservation Reserve Program (CCRP), and the Conservation Reserve Enhancement Programs (CREP);

Soil and Water Conservation District

- Continue to assist local citizens with the on-farm resource planning through the development of Chesapeake Bay Act Soil and Water Quality Conservation Plans and installation of riparian buffers on the land to reduce erosion and improve water quality;
- Continue to promote conservation no-tillage planting techniques and residue management through the District's Seeder Program;
- Continue to assist the Department of Public Works with the tracking of biosolids applications and CBPA tracts, plans, and plan revisions;
- Continue to administer the Ag Stewardship Act by investigating and resolving complaints against agricultural producers;
- Continue to assist the County with the development and implementation of TMDLs (total maximum daily loads) for locally impaired streams and basin-wide tributary strategies initiatives for the York and James Rivers;
- Continue to provide assistance to urban and suburban landowners for water quality problems, drainage problems, erosion and sediment control problems, and other natural resource problems as referred by the County;
- Actively promote flood hazard awareness, perform inspections and maintenance, and maintain a current and executable emergency action plan for dam Site 52-B in Hanover County;
- Continue to provide conservation education through such youth and adult programs as the Envirothon Competition, Ag Day, Conservation Awards Programs, Quarterly Newsletters, Website development, Conservation Camp, career days, Youth Scholarship Opportunities, Bayscapes Workshops, Scout Programs (Soil and Water Conservation Merit Badge), and conservation workshops/topics of interest as requested; and,
- Manage fiscal and administrative operations of the District to comply with regulations and directives.

SERVICE LEVELS

The SWCD works with agricultural landowners to verify if farms are in compliance with state and local ordinances of the Chesapeake Bay Preservation Act. SWCD provides a minimum of 30 Soil and Water Quality Conservation plans to landowners each year to document riparian buffer information and assist with nutrient management, erosion control measures, and pesticide management. SWCD provides Hanover County Department of Public Works with a current database and GIS information generated through the identification and tracking of these CBPA agricultural tracts, plans, and

biosolids applications. The Virginia BMP Cost-share program funding will be used to assist landowners in Hanover and Caroline Counties with implementing best management practices that reduce erosion and improve water quality on agricultural land. Education is provided on conservation and natural resource issues in the school systems through an annual agriculture day for third graders, an Envirothon competition, Youth Conservation Camp for 9th-12th graders, and college scholarships for a graduating senior at each county high school in the field of conservation.

Community Support

DESCRIPTION

The County recognizes the benefit obtained by its citizens from the agencies listed below and is pleased to provide a share of the operation of these agencies.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Operating	\$ 1,166,742	\$ 1,080,731	\$ 1,118,941	3.5%
Total Expenditures	<u>\$ 1,166,742</u>	<u>\$ 1,080,731</u>	<u>\$ 1,118,941</u>	<u>3.5%</u>
Revenues				
General Fund Revenue	\$ 1,166,742	\$ 1,080,731	\$ 1,118,941	3.5%
Total Revenue	<u>\$ 1,166,742</u>	<u>\$ 1,080,731</u>	<u>\$ 1,118,941</u>	<u>3.5%</u>
General Fund Percent	100.0%	100.0%	100.0%	

BUDGET HIGHLIGHTS

Although, the FY14 budget for Community Support reflects an overall increase, contributions to funded agencies have been held steady. One agency, Hanover Habitat for Humanity, was restored in FY14 as funding appropriated a few years ago had been stretched across fiscal years and has now been exhausted. Regional agency contributions were held flat and the only increase was offset by revenue.

GOALS AND OBJECTIVES

To continue to honor regional and local funding agreements that recognize the County's share of participation.

SERVICE LEVELS

The County appropriated funds for the following agencies. Note that during the course of a fiscal year additional contributions may be appropriated.

Community Support

<u>Organization</u>	<u>FY12 Actual</u>	<u>FY13 Adopted</u>	<u>FY14 Adopted</u>
American Red Cross	\$ 5,500	\$ 5,000	\$ 5,000
Beaverdam Heritage Days	2,500	-	-
Capital Area Training Consortium	5,000	5,000	5,000
Council On Aging	-	500	500
CultureWorks	10,500	9,500	9,500
FeedMore	3,600	3,600	3,600
Greater Richmond Convention Center Authority	709,471	711,000	750,000
Hanover Adult Center	3,000	-	-
Hanover Habitat for Humanity	51,188	-	10,000
Hanover Safe Place	5,500	5,700	5,700
Hanover Tavern Foundation	10,500	3,700	3,700
Historic Polegreen Church Foundation	1,350	750	750
Homeward	3,500	3,400	3,400
J. Sergeant Reynolds Community College	93,891	89,200	89,200
Jamestown 4H Educational Center	1,500	-	-
Maymont Foundation	9,000	8,300	8,300
Parson's Cause Foundation	2,000	-	-
Read Center	3,175	1,925	1,925
Regional Taxicab Program (GRTC)	850	250	250
Richmond Metro Convention & Visitors Bureau	147,530	148,613	148,613
Richmond Regional Planning District Comm	55,737	60,518	49,728
Richmond Sports Backers	5,000	4,850	4,850
Science Museum of VA	8,800	7,525	7,525
Scotchtown	3,800	3,700	3,700
Senior Connections	20,000	5,000	5,000
St. Joseph's Villa	2,800	2,700	2,700
Virginians for High Speed Rail	850	-	-
Western Hanover Committee for the Aging	200	-	-
	<u>\$ 1,166,742</u>	<u>\$ 1,080,731</u>	<u>\$ 1,118,941</u>

Community Support

American Red Cross – Provides free transportation to Hanover County residents to life-sustaining medical appointments.

Beaverdam Heritage Days – Nonprofit organization founded in 1996 for the purpose of broadening our understanding of the history, culture and contributions of various groups in the founding of the Town of Beaverdam. The foundation has received an antique collection contingent upon it providing suitable housing that would permit public access to the collection. Plans are to build a replica old store designated as a Pop's Country Store Heritage Museum and Learning Center in Beaverdam.

Capital Area Training Consortium – Provides job training and employment assistance services to all residents of Hanover.

Council on Aging – Provides services for the senior population including a health fair, health screenings, and health counseling.

CultureWorks – Consolidates and provides funding for the arts and cultural organizations in the Richmond metropolitan area. Direct benefits to the County include operational support for the Barksdale Theatre, Richmond Symphony's Musical Ambassadors Program, Theatre IV performances, and Virginia Opera's In-School Touring. Hanover County residents account for an estimated 33% of the population served by the Consortium.

FeedMore – Provides hot meals to seniors and homebound residents. FeedMore, Inc. is the umbrella organization that brings together Meals on Wheels, Central Virginia Food Bank, and the Community Kitchen. Funding will help acquire and distribute food to those in need.

Greater Richmond Convention Center Authority – The Authority is funded through the state lodging tax generated in each participating locality based on regional agreements supported by the hospitality industry. The amount appropriated totals 100% of this tax in Hanover.

Hanover Adult Center – The agency provides affordable, supportive adult day services to older adults and their families who face long-term care decisions.

Hanover Habitat for Humanity – Building and selling affordable homes in Hanover County. The contribution offset the associated fees and utility connection for building homes in Hanover County.

Hanover Safe Place (Domestic and Sexual Violence Program) – Provides financial counseling and legal services for victims, training programs, prevention programs, and batterers counseling groups.

Hanover Tavern Foundation – Hanover Tavern offers visitors cultural experiences, educational programming, a restaurant, professional theatre, and a venue for special events.

Community Support

Historic Polegreen Church Foundation – Provides educational programs based on the theme of the Polegreen Church site and the struggle for civil and religious freedom.

Homeward – Regional homeless services coordinating organization for Hanover, Richmond, Henrico, and Chesterfield.

J. Sargeant Reynolds Community College – Hanover pays approximately 15% of the College's operating and capital costs. Capital costs support infrastructure development in support of new facilities and to upgrade existing infrastructure as needed. Other contributors are the counties of Goochland, Henrico, Louisa, Powhatan, and the City of Richmond.

Jamestown 4-H Educational Center – The Center provides camping, environmental education, and leadership training to youth and adult volunteers.

Maymont Foundation – Hanover funds the Foundation along with the other localities in the region. These funds allow Maymont to provide admission-free cultural and educational opportunities to Hanover students and citizens.

Parson's Cause Foundation – (Hanover County Historical Society) Promotes Hanover County's role in American history by performing reenactments throughout Hanover County.

Read Center – Provides and supports literacy services to Hanover County residents who meet the entry requirements.

Regional Taxicab Program – Implements programs and improves services for taxicab customers.

Richmond Metropolitan Convention and Visitors Bureau - The Bureau is designed to promote the metropolitan Richmond area (including Hanover) as an attractive vacation spot, convention place, and motion picture filming location. Specifically for Hanover, this includes promotional inducement with Kings Dominion, familiarization tours of horse racing farms, Scotchtown, battlefields, shuttle service from County hotels to Richmond conventions, radio station advertising highlighting Hanover attractions, and coordinating all feature films, commercial production, and television shooting in Hanover.

Richmond Regional Planning District Commission – Represents the Counties of Hanover, Charles City, Chesterfield, Goochland, Henrico, New Kent, Powhatan, the Town of Ashland, and the City of Richmond. Funding is based on a per capita calculation.

Richmond Sports Backers – To support efforts to attract sports tourists and generate media exposure for the region through sporting events.

Science Museum of Virginia – Provides educational resources and exhibits focusing on the sciences.

Community Support

Scotchtown – The home of Patrick Henry. Provides tours and special events for the public.

Senior Connections - An agency for people age sixty and older living in Planning District 15 (includes Hanover) under the jurisdiction of the Older Americans Act.

St. Joseph's Villa – Flagler Home provides temporary housing and support to families who have experienced the crisis of homelessness.

Virginians for High Speed Rail – Nonprofit organization that advocates for the improvement and expansion of rail service in Virginia.

Western Hanover Committee for the Aging – Provides nourishing meals, programs, and companionship for senior citizens in Western Hanover County.



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Non-departmental

DESCRIPTION

Non-departmental is comprised of General Fund transfers to other funds and appropriated reserves. The County's General Fund provides transfers to the various other funds to supplement revenue collected by these funds. The School Fund, Textbook Fund, and the Airport Fund receive operating and capital funds from the General Fund. The County Improvement Fund and School

Improvement Fund receive capital funds from the General Fund. The Lewistown Commerce Center Community Development Authority (CDA) receives the transfer of its generated revenue. In addition, contingency funds for unexpected budgetary needs are included in this area. For further information on transfers to other funds, refer to each Fund's applicable section of this budget document.

BUDGET HIGHLIGHTS

Transfers to the School Fund, Other Funds, and Capital Funds are detailed on the respective department pages. The Reserve for Contingencies decreased as a result of the elimination of additional funds budgeted in FY13 in anticipation of the costs associated

with the Virginia Retirement System required compensation change. Finally, the Reserve for Revenue Transfers has increased on both the revenue and expense side as the need for the larger amount is necessary to keep pace with the grants being successfully received.

GOALS AND OBJECTIVES

- Provide necessary operating and capital funding from the General Fund as approved by the Board of Supervisors;
- Provide sufficient reserves for contingencies of at least 0.5% of total general revenues less general fund capital transfers to ensure unexpected budgetary needs are satisfied; and,
- Comply with all debt payment schedules and covenants contained in debt agreements.

Non-departmental

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
School Funds				
School Fund	\$ 86,899,750	\$ 91,841,500	\$ 72,373,688	(21.2%)
Textbook Fund	-	-	717,352	100.0%
Subtotal, School Fund	86,899,750	91,841,500	73,091,040	(20.4%)
Other Funds				
Debt Service Fund	-	-	19,660,093	100.0%
Airport	192,889	67,265	66,556	(1.1%)
Lewistown CDA	428,331	438,500	425,000	(3.1%)
Subtotal, Other Funds	621,220	505,765	20,151,649	3884.4%
Capital Funds				
County Improvements Fund	2,333,000	1,757,000	3,447,000	96.2%
School Improvements Fund	1,810,000	1,687,000	1,820,000	7.9%
Subtotal, Capital Transfers	4,143,000	3,444,000	5,267,000	52.9%
Total Transfers	\$ 91,663,970	\$ 95,791,265	\$ 98,509,689	2.8%
Reserves				
Reserve for Contingencies	-	1,414,259	1,143,516	(19.1%)
Reserve for Revenue Transfers	-	350,000	500,000	42.9%
Total Nondepartmental	\$ 91,663,970	\$ 97,555,524	\$ 100,153,205	2.7%

Debt Management

DESCRIPTION

Debt service is an expense to the County for principal and interest payments on financing mechanisms, which include: general obligation bonds, revenue bonds, lease-purchase arrangements and loans from the Virginia Department of Education Literary Loan Fund.

The Constitution of Virginia and the Virginia Public Finance Act provide the County with authority to issue general obligation debt secured solely by the pledge of its full faith and credit. The issuance of general obligation bonds must have been approved by public referendum, unless such bonds are issued to certain State authorities. In the Commonwealth of Virginia, there is no

statutory limitation on the amount of general obligation debt the County may incur. It should be noted that the County is restricted by its own policies to borrowing no more than 2.5% of its assessed value of taxable real and personal property. Debt secured solely by the revenues generated by the system for which the bonds were issued may be issued in any amount without a public referendum.

The County's commitment to established debt and financial management policies has enabled the County to achieve AAA bond ratings from all three rating agencies: Fitch Ratings, Standard & Poor's, and Moody's Investors Services.

BUDGET SUMMARY

For FY14 and subsequent fiscal years, the County has established a separate Debt Service Fund for both County and School debt service funding, which can be found in the Other Funds section of this document.

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Debt Service				
Principal	\$ 2,201,996	\$ 2,541,464	\$ -	(100.0%)
Interest	2,001,749	1,957,176		(100.0%)
Total Debt Service	<u>\$ 4,203,745</u>	<u>\$ 4,498,640</u>	<u>\$ -</u>	<u>(100.0%)</u>

OTHER FUNDS

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Hanover County Public Schools	\$ 185,063,393	\$ 187,475,608	\$ 170,301,025	(9.2%)
Economic Development Authority Fund	276,688	250,710	279,635	11.5%
Public Utilities Fund	27,618,992	24,513,000	31,356,683	27.9%
Airport Fund	596,408	798,507	532,426	(33.3%)
Self-Insurance Fund	28,639,526	33,440,000	32,340,470	(3.3%)
Bell Creek CDA	482,274	305,000	405,000	32.8%
Lewistown CDA	562,000	574,500	557,000	(3.0%)
Debt Service Fund	-	-	19,912,552	100.0%
Total Expenditures	\$ 243,239,281	\$ 247,357,325	\$ 255,684,791	3.4%
Personnel	\$ 184,107,337	\$ 190,964,663	\$ 188,377,879	(1.4%)
Operating	30,016,304	31,101,391	31,022,350	(0.3%)
Operating Capital	341,383	393,124	497,590	26.6%
Debt Service	19,115,528	19,517,842	23,481,394	20.3%
Capital Improvements	9,658,729	5,380,305	12,305,578	128.7%
Total Expenditures	\$ 243,239,281	\$ 247,357,325	\$ 255,684,791	3.4%
Revenues				
Non-General Fund Revenue	\$ 157,219,255	\$ 154,796,304	\$ 162,442,102	4.9%
General Fund Revenue	87,520,970	92,561,021	93,242,689	0.7%
Total Revenue	\$ 244,740,225	\$ 247,357,325	\$ 255,684,791	3.4%
Generated Revenue Percent	64.2%	62.6%	63.5%	
General Fund Percent	35.8%	37.4%	36.5%	
Full-time Positions	96	94	92	(2.1%)
Part-time Positions	0.5	0.5	0.5	0.0%
Full-time Equivalents	96.5	94.5	92.5	(2.1%)

*Debt service for both County and Schools combined into Debt Service Fund in FY14.

*Positions exclude Schools. See School Board Adopted FY14 Budget
<http://hcps2.hanover.k12.va.us> for FTE summary.

Hanover County Public Schools

DESCRIPTION

Hanover County Public Schools' mission is focused on providing a student-centered, community-driven school district that assures a quality education for success in a changing world. The Hanover County School Board is charged with the responsibility of preserving and enhancing public education in Hanover. The seven member body is appointed to four-year terms by the Board of Supervisors of Hanover County. The chief administrator and executive officer appointed by the School Board is Superintendent of Schools, Dr. Jamelle S. Wilson.

Hanover County Public Schools is the largest school district in the Commonwealth to have 100% of the schools achieve Adequate Yearly Progress under the No Child Left Behind Act. This was achieved while maintaining one of the lowest pupil costs in the State. The quality of the school system has produced many accolades for Hanover's students and teachers over the past year. Among them is the fact that Hanover County Public Schools is among the first in Virginia to receive SACS (AdvancEd)/CASI accreditation in 2005. The division was also the first to undergo the reaccreditation process in 2010. The division is also in the process of addressing recommendations resulting from its voluntary participation in the school efficiency review. This review was sponsored by the Virginia Department of Planning and Budget during the 2010-11 school year.

In an effort to effectively align with its mission statement, Hanover County Public Schools is divided into four central departmental areas of responsibility: Instructional Leadership; Business and Operations; Human Resources; and Administration and Communication.

Instructional Leadership is responsible for: accreditation, curriculum development, instructional programming, accountability and performance measurement, student classification and academic requirements, guidance, library/media, textbooks, instructional materials, development of the school calendar, summer school, long-range planning, evaluation and reporting.

Business and Operations is responsible for: management of funds, budget planning, the annual operating budget, grant management, student activity fund accounting, grants/gifts/bequests, business partnerships, risk management, food services, and technology services, capital facility planning and budgeting, maintenance, custodial services, facility usage, pupil transportation and records management.

Human Resources is responsible for: recruiting, staffing, staff development and evaluation, personnel policies and goals, board/staff communication, student health services, personnel records, ethics, hiring, conditions of employment, appointments, transfers, resignations, compensation, fringe benefits, and compliance with state and federal programs for Occupational Safety and Health Act (OSHA), Family and Medical Leave Act (FMLA) and Americans with Disabilities Act (ADA).

Administration and Communication is responsible for: administrative services for the Superintendent and the School Board, community and media relations, School Board relations, legislative services, school security and safety policy development, district website content, TV99 and publications.

Hanover County Public Schools

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 149,075,154	\$ 151,000,688	\$ 149,873,864	(0.7%)
Operating	18,728,461	19,274,504	18,623,455	(3.4%)
Capital	1,664,621	1,484,416	1,803,706	21.5%
Debt Service	15,595,157	15,716,000	-	(100.0%)
Total Expenditures	\$ 185,063,393	\$ 187,475,608	\$ 170,301,025	(9.2%)
Revenues				
Non-General Fund Revenue	\$ 97,646,354	\$ 95,634,108	\$ 97,209,985	1.6%
General Fund Revenue	86,899,750	91,841,500	73,091,040	(20.4%)
Total Revenue	\$ 184,546,104	\$ 187,475,608	\$ 170,301,025	(9.2%)
Generated Revenue Percent	52.9%	51.0%	57.1%	
General Fund Percent	47.1%	49.0%	42.9%	

BUDGET HIGHLIGHTS

The FY14 budget reflects the input of School Board members, School staff, and parent and professional organizational representatives working together as a budget advisory focus group to develop a budget that maximizes resources. The focus remains on maintaining educational opportunities for our students while adapting to the challenges of a \$5.4 million funding deficit.

Specific budget highlights include:

- 1) Utilization of non-base revenue sources and marginal increases in selected tuition and fees to reduce the need to impact staffing levels.
- 2) Reduction of non-personnel operating expenditures, non SOQ

required expenditures, elimination of reserve for contingency, and discontinued advanced placement testing and International Baccalaureate rebates.

- 3) Eliminate currently vacant positions.
- 4) Reduce leadership, transportation and support staff positions.
- 5) Reduce substitute teacher costs.
- 6) Realignment of staffing levels based on a projected reduced enrollment.
- 7) After all other balancing options, pupil teacher ratios were increased at all levels of instruction resulting in reduced personnel expenditures.

Hanover County Public Schools

GOALS AND OBJECTIVES

- To provide the highest quality education and appropriate support for each student while meeting and exceeding state, national and international standards;
- To manage the influences of prevailing enrollment trends;
- To incorporate the fiscal requirements and leadership focus for the implementation of the mandated No Child Left Behind Act;
- To employ and retain highly qualified staff for all positions; and,
- To increase family involvement and community partnerships.

SCHOOL FUNDS SUMMARY

Hanover County Public Schools operates four separate funds; the School Operating Fund, the School Textbook Fund, the School Food Service Fund and the School Capital Improvements Fund. Complete detail of all funds can be found in the School Board's Adopted FY13-14 Budget, which can be accessed on the School's website at <http://hcps2.hanover.k12.va.us>. Following are summaries for the School Fund, the Textbook Fund, and the Food Service Fund.

Hanover County Public Schools

SCHOOL FUND

DESCRIPTION

The School Operating Fund is the main operating fund from the School Division and is comprised of six components; General Support, Pupil Transportation, Operations and Maintenance, Instruction, Facilities and Other Use of Funds.

General Support

General Support includes the Executive Board, Superintendent, Administration and Communications, Finance, Budget and Risk Management, Purchasing, Information Technology, and Human Resources. Additionally, school based services of Health Services, Psychological Services, and Speech/Audiology Services are included in this component.

Pupil Transportation

The School Transportation Program plays a vital role in the education process in the County. In addition to providing safe and effective transportation to and from school, buses also transport students to extra curricular activities such as educational field trips, band and choral concerts, and sporting events.

Operations and Maintenance

Building Services provides technical and maintenance support to enable all facilities to remain in full and efficient operation. Services provided on a daily basis by the staff include installation, repairs and/or work in the following areas: carpentry, doors and locks, alarms and security systems, heating, ventilation, and air conditioning, electrical, plumbing, painting, welding, roof repairs, grounds, refrigeration, kitchen equipment, and many other miscellaneous tasks. Additionally, the custodial services

department provides complete custodial services to schools throughout the district.

Instruction

Instruction is comprised of three levels of education: elementary, middle, and high school education. The fifteen elementary schools are Battlefield Park, Beaverdam, Cold Harbor, Cool Spring, Elmont, Henry Clay, John M. Gandy, Kersey Creek, Laurel Meadow, Mechanicsville, Pearson's Corner, Pole Green, Rural Point, South Anna, and Washington-Henry. The four middle schools include Chickahominy, Liberty, Oak Knoll, and Stonewall Jackson, and the four high schools are Atlee, Hanover, Lee-Davis, and Patrick Henry. The division also provides an alternative learning opportunity at The Georgetown School as well as a Career and Technical education curriculum at The Hanover Center for Trades and Technology.

Facilities

Facilities oversees all construction and facility planning activities and is responsible for the acquisition and placement of temporary classrooms.

Other Use of Funds

Debt service costs comprised this portion of the School Operating Fund until debt service was moved to the Debt Service Fund in FY14. Debt service includes the payment of principal, interest, and debt handling charges on Virginia Public School Authority bonds, general obligation bonds, and obligations under capital leases.

Hanover County Public Schools

BUDGET SUMMARY

	FY12	FY13	FY14	FY13
	Actual	Budget	Budget	to FY14
Expenditures				
Personnel	\$ 145,741,177	\$ 147,104,128	\$ 146,077,036	(0.7%)
Operating Expenditures	15,095,582	16,022,532	15,210,221	(5.1%)
Capital Expenditures	1,208,088	887,128	790,412	(10.9%)
Debt Service				
Principal	10,502,253	10,723,304	-	(100.0%)
Interest	5,092,904	4,992,696	-	(100.0%)
Total Expenditures	<u>\$ 177,640,004</u>	<u>\$ 179,729,788</u>	<u>\$ 162,077,669</u>	<u>(9.8%)</u>
Revenues				
Charges for Services	\$ 750,808	\$ 897,000	\$ 949,000	5.8%
Recovered Costs	771,689	744,000	783,000	5.2%
Non-Categorical State Aid	59,016,849	60,699,507	61,266,762	0.9%
Categorical State Aid	686,530	793,702	799,563	0.7%
Sales Tax	17,485,728	17,339,097	18,126,256	4.5%
Categorical Federal Aid	10,938,312	6,092,982	6,477,700	6.3%
Miscellaneous	548,242	1,322,000	1,301,700	(1.5%)
Transfer from General Fund	86,899,750	91,841,500	72,373,688	(21.2%)
Total Revenue	<u>\$ 177,097,908</u>	<u>\$ 179,729,788</u>	<u>\$ 162,077,669</u>	<u>(9.8%)</u>

Hanover County Public Schools

SCHOOL OPERATING FUND EXPENDITURES

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
General Support				
Expenditures				
Personnel	\$ 8,795,020	\$ 9,042,182	\$ 8,641,888	(4.4%)
Operating	711,220	777,122	789,033	1.5%
Capital	65,251	90,000	25,000	(72.2%)
Total Expenditures	<u>\$ 9,571,491</u>	<u>\$ 9,909,304</u>	<u>\$ 9,455,921</u>	<u>(4.6%)</u>
Pupil Transportation				
Personnel	\$ 6,265,261	\$ 6,192,816	\$ 6,030,191	(2.6%)
Operating	1,864,315	1,974,287	1,969,018	(0.3%)
Capital	79,215	-	-	0.0%
Total Expenditures	<u>\$ 8,208,791</u>	<u>\$ 8,167,103</u>	<u>\$ 7,999,209</u>	<u>(2.1%)</u>
Operations and Maintenance				
Personnel	\$ 6,259,384	\$ 6,519,723	\$ 5,832,252	(10.5%)
Operating	5,608,083	6,086,919	6,117,291	0.5%
Capital	21,280	61,883	66,883	8.1%
Total Expenditures	<u>\$ 11,888,747</u>	<u>\$ 12,668,525</u>	<u>\$ 12,016,426</u>	<u>(5.1%)</u>
Instruction				
Personnel	\$ 124,209,806	\$ 125,160,673	\$ 125,455,948	0.2%
Operating	6,435,631	6,820,961	5,950,098	(12.8%)
Capital	400,828	418,271	381,555	(8.8%)
Total Expenditures	<u>\$ 131,046,265</u>	<u>\$ 132,399,905</u>	<u>\$ 131,787,601</u>	<u>(0.5%)</u>
Facilities				
Personnel	\$ 211,706	\$ 188,734	\$ 138,295	(26.7%)
Operating	476,333	363,243	363,243	0.0%
Capital	641,514	316,974	316,974	0.0%
Total Expenditures	<u>\$ 1,329,553</u>	<u>\$ 868,951</u>	<u>\$ 818,512</u>	<u>(5.8%)</u>
Other Use of Funds				
Operating	\$ 15,595,157	\$ 15,716,000	\$ -	(100.0%)
Total Expenditures	<u>\$ 15,595,157</u>	<u>\$ 15,716,000</u>	<u>\$ -</u>	<u>(100.0%)</u>
Total	<u>\$ 177,640,004</u>	<u>\$ 179,729,788</u>	<u>\$ 162,077,669</u>	<u>(9.8%)</u>

Hanover County Public Schools

SCHOOL OPERATING FUND REVENUE

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY14 <u>Budget</u>	Percent <u>Change</u>
Charges for Services				
Tuition Payments	\$ 480,988	\$ 622,000	\$ 677,000	8.8%
Drivers Ed Fees	171,350	175,000	173,000	(1.1%)
Student Parking Fees	98,470	100,000	99,000	(1.0%)
Charges for Services	\$ 750,808	\$ 897,000	\$ 949,000	5.8%
Recovered Costs				
Miscellaneous Refunds	\$ 583,299	\$ 575,000	\$ 650,000	13.0%
Payments-Other Agencies	188,390	169,000	133,000	(21.3%)
Recovered Costs	\$ 771,689	\$ 744,000	\$ 783,000	5.2%
Intergovernmental				
State Aid				
Basic Aid	\$ 43,735,919	\$ 44,083,356	\$ 43,540,742	(1.2%)
Vocational Education - SOQ	771,825	568,865	567,845	(0.2%)
Special Education-SOQ	5,804,549	6,019,630	6,050,132	0.5%
Gifted and Talented-SOQ	475,783	475,778	474,925	(0.2%)
Remedial Education	348,907	424,063	423,303	(0.2%)
Fringe Benefits	5,085,588	7,592,301	7,196,147	(5.2%)
Other Non-Categorical State Aid	3,172,869	1,643,270	2,912,629	77.2%
Sales Tax	17,485,728	17,339,097	18,126,256	4.5%
Textbook	-	387,346	601,388	55.3%
Foster Home Children	164,689	161,655	148,058	(8.4%)
General Adult Education	-	9,450	9,450	0.0%
Career and Technical	104,720	86,324	88,356	2.4%
Federal Stimulus Funds	-	-	-	0.0%
Other Categorical	38,530	41,171	53,350	29.6%
Subtotal State Aid	\$ 77,189,107	\$ 78,832,306	\$ 80,192,581	1.7%
Federal Aid				
Drug Free Schools Grant	-	-	-	0.0%
Carl Perkins Grant	154,164	166,000	155,000	(6.6%)
Preschool Grants	78,075	84,000	78,000	(7.1%)
Basic Skills-Adult	26,448	45,000	45,000	0.0%
Federal Stimulus Funds - Title VI B	-	-	-	0.0%
Title I	894,917	700,329	890,000	27.1%
Title II	349,708	310,000	310,000	0.0%
Medicaid Reimbursement	651,269	330,000	415,000	25.8%
Title VI-B Flow Thru	3,414,875	3,209,483	3,175,000	(1.1%)
Federal Jobs Education Bill	3,500,609	-	-	0.0%
Enhancing Edu thru Technology	-	-	-	0.0%
Title III Immigrant & Youth Grant	9,523	-	-	0.0%
Head Start	837,200	908,170	875,000	(3.7%)
Other Federal Funds	1,021,524	340,000	534,700	57.3%
Subtotal Federal Aid	\$ 10,938,312	\$ 6,092,982	\$ 6,477,700	6.3%
Intergovernmental	\$ 88,127,419	\$ 84,925,288	\$ 86,670,281	2.1%
Miscellaneous				
Miscellaneous Revenue	548,242	1,322,000	1,301,700	(1.5%)
Miscellaneous	\$ 548,242	\$ 1,322,000	\$ 1,301,700	(1.5%)
Interfund Transfers-In				
Transfers from General Fund	\$ 86,899,750	\$ 91,841,500	\$ 72,373,688	(21.2%)
Interfund Transfers-In	\$ 86,899,750	\$ 91,841,500	\$ 72,373,688	(21.2%)
Use of Prior Year Balance				
Fund Balance	\$ -	\$ -	\$ -	0.0%
Total	\$ 177,097,908	\$ 179,729,788	\$ 162,077,669	(9.8%)

Hanover County Public Schools

TEXTBOOK FUND

DESCRIPTION

The Textbook Fund provides administration, maintenance, and control over all of the textbooks used in the schools. The

Division's policy is to issue the books at no cost to the students during the school year. Revenue is received from the State.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 73,889	\$ 82,258	\$ 76,034	(7.6%)
Operating	3,283	4,186	4,050	(3.2%)
Capital	358,202	454,288	963,294	112.0%
Total Expenditures	<u>\$ 435,374</u>	<u>\$ 540,732</u>	<u>\$ 1,043,378</u>	<u>93.0%</u>
Revenues				
Use of Money and Property	\$ 3,781	\$ -	\$ -	0.0%
Categorical State Aid	428,839	540,732	326,026	(39.7%)
Transfer from General Fund	-	-	717,352	100.0%
Total Revenue	<u>\$ 432,620</u>	<u>\$ 540,732</u>	<u>\$ 1,043,378</u>	<u>93.0%</u>

Hanover County Public Schools

FOOD SERVICE FUND

DESCRIPTION

The Food Service Fund accounts for all of the operations of the school food services program. The elementary and middle schools participate in the National School Breakfast and Lunch Program, which

provides subsidized meals to eligible students at reduced or no cost. An a la carte food service program is available at the high schools.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 3,260,088	\$ 3,812,302	\$ 3,720,794	(2.4%)
Operating	3,629,596	3,249,786	3,409,184	4.9%
Capital	98,331	143,000	50,000	(65.0%)
Total Expenditures	<u>\$ 6,988,015</u>	<u>\$ 7,205,088</u>	<u>\$ 7,179,978</u>	<u>(0.3%)</u>
Revenues				
Use of Money and Property	\$ -	\$ 8,000	\$ 8,000	0.0%
Charges for Services	5,271,614	5,449,800	5,061,278	(7.1%)
Categorical State Aid	66,605	58,800	57,900	(1.5%)
Categorical Federal Aid	1,653,351	1,556,261	1,693,800	8.8%
Miscellaneous	24,006	25,000	22,000	(12.0%)
Prior Year's Fund Balance	-	107,227	337,000	214.3%
Total Revenue	<u>\$ 7,015,576</u>	<u>\$ 7,205,088</u>	<u>\$ 7,179,978</u>	<u>(0.3%)</u>

Economic Development Authority Fund

DESCRIPTION

The Hanover County Economic Development Authority (EDA) consists of seven members appointed by their respective Board member from each magisterial district in the County. The Industrial Development Authority (IDA) was created by an ordinance adopted by the Board of Supervisors on August 30, 1967, and is a political subdivision of the Commonwealth of Virginia, but has no taxing authority. The General Assembly amended the Code in 2004 to allow the governing body of any jurisdiction to change the name of its IDA to an EDA. The Board of Supervisors made the name change on July 28, 2004. The EDA is empowered to, among other things,

acquire, construct, improve, maintain, equip, own, lease, and dispose of various types of facilities, including facilities for use by the County, and to finance the same by issuance of revenue bonds. Though the powers of the EDA are legislatively broad, Hanover's EDA has primarily been used for the purpose of considering industrial revenue bond requests and assisting the County in lease revenue bonds. The EDA can be used as a conduit for land acquisition and development. Revenue is generated from a management fee of 1/10 of 1% of all outstanding debt issued after 1996 from inducement resolutions approved by the EDA.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Operating	\$ 276,688	\$ 250,710	\$ 279,635	11.5%
Total Expenditures	<u>\$ 276,688</u>	<u>\$ 250,710</u>	<u>\$ 279,635</u>	<u>11.5%</u>
Revenues				
Permits, Fees and Regulatory	\$ 178,765	\$ 170,710	\$ 199,635	16.9%
Prior Year Balance	97,923	80,000	80,000	0.0%
Total Revenue	<u>\$ 276,688</u>	<u>\$ 250,710</u>	<u>\$ 279,635</u>	<u>11.5%</u>
Generated Revenue Percent	100.0%	100.0%	100.0%	

BUDGET HIGHLIGHTS

The FY14 budget includes the pass through funds that are used to support the Economic Development Department in the General

Fund. Revenues are up due to additional bond issuances.

GOALS AND OBJECTIVES

The EDA intends to promptly service industrial revenue bond requests, other economic development opportunities and, after a thorough study, make timely recommendations to the Board of Supervisors for their consideration.

Public Utilities Fund

DESCRIPTION

The County's Department of Public Utilities Department owns, operates and maintains public water and wastewater systems in the Suburban Service Area, the Hanover Courthouse Area and five rural residential subdivisions (collectively, the "System"). The County provides utility service to approximately 19,379 customers and 18,816 wastewater customers. Extensions of the System are made in support of and in compliance with the County's Comprehensive Plan.

The County operates the System as a self-supporting enterprise fund, the Utility Enterprise Fund, whereby the operations and capital expenditures are funded with revenues generated from customer user fees and one-time fees paid for capacity at the time of connection to the System. County General Fund tax dollars are not used to fund the operating or capital expenses of the System. The Utility Enterprise Fund reimburses the County's General Fund for direct services provided to support the Department and also pays a service assessment charge to the General Fund in lieu of taxes for indirect Public Safety and Fire EMS Services. The Board of Supervisors establishes and revises both water and wastewater rates and fees as well as adopts the annual operating and capital improvement plan budget.

The Department develops its overall operations, maintenance and capital construction plans for the System to ensure operational reliability, adequate capacity, and regulatory compliance. Department capital needs are impacted by projects constructed in support of the County's Comprehensive Plan, rehabilitation and maintenance

requirements of the System and maintaining compliance with State and Federal regulations. The Department operates the System with County personnel and maintains the System with both County and private contractor personnel. The Department reads meters, prepares bills and maintains customer accounts. The Department's activities extend to providing assistance to other utility purveyors within the County, supporting economic development initiatives, and participating in regional approaches to providing water and wastewater services. These activities are accomplished with 91 full-time employees.

MISSION

The Mission of the Department is "to provide water and wastewater services that, within regulatory guidelines, meet or exceed our customers' needs and expectations for safety, quality and quantity; to provide these services at a competitive price and in a fair and equitable and environmentally responsible manner, and to provide opportunities for personal and professional development for employees at all levels of the department."

EXISTING FACILITIES & SERVICE AREA

The Department's water system consists of ten potable water wells, two surface water treatment plants, six water pumping stations and seven storage facilities. The water transmission and distribution system is comprised of approximately 412 miles of waterline ranging in size from 2 to 30 inches in diameter. The Doswell Water Treatment Plant, rated at 4 million gallons per day (mgd), was constructed in 1974 and upgraded

Public Utilities Fund

and expanded in 1991. The South Anna Water Treatment Plant is rated at 2.0 mgd and was constructed in the early 1960's. The South Anna plant is currently not in service and would require rehabilitation and upgrades to return it to service. Additional water supplies are provided by long-term contracts with City of Richmond and Henrico County. Rural systems operated by the County include Georgetown, Dianne Ridge, Oak Hill Estates, Strawhorn, Sinclair Manor, and Hanover Courthouse.

The County's wastewater system consists of four wastewater treatment plants and thirty-nine wastewater pumping stations. The wastewater collection system is comprised of approximately 379 miles of sewerline. The Doswell Wastewater Treatment Plant, rated at 1.0 mgd, serves the Doswell area and was placed in service in 1975. Ashland is served by the 2.0 mgd Ashland Wastewater Treatment Plant, which was placed in service in 1992. The Hanover Courthouse area is served by the 0.08 mgd Courthouse Wastewater Treatment Plant, which was placed in service 1978. The Totopotomoy Wastewater Treatment Plant is rated at 7.0 mgd, and was placed in service in 2004. A portion of the wastewater generated in the Suburban Service Area is pumped from Hanover's Beaverdam Creek Wastewater Pump Station (5.4 mgd average capacity) to Henrico County's Strawberry Hill Wastewater Pump Station for conveyance to and treatment at Henrico's wastewater treatment plant under a long-term contract.

WATER SUPPLY CONTRACTS

The County has purchased water from Henrico County since 1974. On April 10,

1995, the County negotiated a new agreement with Henrico County to purchase up to 0.775 mgd. The term of the Henrico water contract is through June 30, 2014, and continues thereafter until terminated by either the County Manager of Henrico or the County Administrator of Hanover, upon giving the other party ten years written notice.

On July 1, 1994, the County entered into a contract with the City of Richmond. The term of the Richmond contract is through June 30, 2035, and continues thereafter until terminated by either the City Manager of Richmond by giving fifteen years written notice (such notice may not be given earlier than July 1, 2020), or the County Administrator by giving ten years notice (such notice may not be given earlier than July 1, 2025), unless a shorter time for notice is mutually agreed upon. The County's available capacity from Richmond is 20 mgd.

WASTEWATER TREATMENT CONTRACT

The County treats most of the wastewater it collects. Since 1979 it has also purchased wastewater treatment services from Henrico County. On April 10, 1995, Hanover and Henrico entered a new wastewater agreement, which provides for long-term wastewater treatment services by Henrico for Hanover. The term of the contract is through June 30, 2014, and continues thereafter until terminated by mutual agreement. The new agreement increased the capacity from 3.69 mgd to 5.4 mgd, which is based upon a 90-day rolling average. Wastewater is conveyed to Henrico County's Strawberry Hill Pump Station from Hanover's Beaverdam Creek Pump Station.

Public Utilities Fund

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 6,374,187	\$ 6,538,894	\$ 6,203,335	(5.1%)
Operating	9,834,593	10,519,058	10,937,321	4.0%
Operating Capital	341,383	343,124	447,590	30.4%
Reserve for Construction	-	104,009	100,000	(3.9%)
Debt Service				
Principal	2,304,488	2,492,814	2,344,510	(5.9%)
Interest	1,137,247	1,165,051	1,097,005	(5.8%)
Capital Improvements	7,627,094	3,350,050	10,226,922	205.3%
Total Expenditures	\$ 27,618,992	\$ 24,513,000	\$ 31,356,683	27.9%
Revenues				
Permits, Fees, and Licenses	\$ 218,929	\$ 199,200	\$ 202,360	1.6%
Use of Money and Property	112,728	100,000	100,000	0.0%
Charges for Services	21,064,882	21,271,870	21,594,815	1.5%
Miscellaneous Revenue	156,911	175,000	175,000	0.0%
Recovered Costs	272,130	266,930	267,930	0.4%
Non Operating Revenue	4,435,854	2,500,000	3,120,000	24.8%
Other Revenue	368	-	-	0.0%
Prior Year Balance	-	-	5,896,578	100.0%
Capital Grants	174,479	-	-	0.0%
Total Revenue	\$ 26,436,281	\$ 24,513,000	\$ 31,356,683	27.9%
Full-time Positions	95	93	91	(2.2%)
Full-time Equivalent	95.0	93.0	91.0	(2.2%)

Public Utilities Fund

LARGEST CUSTOMERS

The following table provides annual data on the County's ten largest water customers for the fiscal year ended June 30, 2012:

	Water Usage*	Water Revenue	% of Total Revenue
Bear Island Paper Company, L.P.	465,836	\$ 978,991	8.28%
Tyson Food	224,771	\$ 785,612	6.65%
Kings Dominion	163,781	\$ 376,960	3.19%
Doswell Limited Partnership	102,131	\$ 223,173	1.89%
Hanover Medical Park	51,079	\$ 162,223	1.37%
Randolph - Macon College	28,840	\$ 137,803	1.17%
Aqua Virginia	19,165	\$ 82,833	0.70%
Covenant Woods	14,081	\$ 56,376	0.48%
Hanover Crossing Apartments	9,998	\$ 44,064	0.37%
Kosmo Village Campground	9,339	\$ 33,875	0.29%
Total	1,089,021	\$ 2,881,910	24.38%

*in 1,000 gallons

The ten largest water customers together represent about 24.38% of total water operating and non-operating revenues, with the largest customer representing approximately 8.28% of that total.

The following table provides annual data on the County's ten largest wastewater customers for the fiscal year ended June 30, 2012:

	Wastewater Usage*	Wastewater Revenue	% of Total Revenue
Kings Dominion	71,025	\$ 300,494	2.29%
Hanover Medical Park	49,764	\$ 250,840	1.91%
Randolph - Macon College	23,357	\$ 135,972	1.04%
Covenant Woods	10,461	\$ 55,912	0.43%
Hanover Crossing Apartments	9,998	\$ 55,116	0.42%
Mill Trace Apartments	8,688	\$ 52,002	0.40%
Ashland Town Square	7,880	\$ 47,686	0.36%
Richfood	7,268	\$ 36,200	0.28%
Cold Harbor Apartments	7,121	\$ 41,068	0.31%
Shelter Management	6,824	\$ 49,334	0.38%
Total	202,386	\$ 1,024,624	7.81%

*in 1,000 gallons

The ten largest wastewater customers together represent about 7.81% of total operating and non-operating wastewater revenues with the largest customer representing approximately 2.29% of that total. Water and wastewater usage by a specific customer may not be equal based upon the specific needs for each service.

Public Utilities Fund

FINANCIAL AND BUDGETARY PROCEDURES

The Director of Public Utilities is responsible for budgeting, accounting, procurement, billing, collection activities, capital construction and financial and strategic planning for the System. Steven P. Herzog, P.E. has served as Director of Public Utilities since July 1, 2011.

The operating budget and the Capital Improvement Plan for the System are updated and presented annually to the County Administrator in December and the Board of Supervisors in March. Approval usually occurs in April.

In support of the County's Comprehensive Plan and the Voluntary Settlement Agreement with the Town of Ashland (which provided for annexation of certain territory and the merger of the Ashland and County water and wastewater systems), the Department plans, implements and funds improvements to make water and wastewater capacity available. The County does not make water and wastewater service available to every parcel in an area when an area is in phase. The intent of the plan is that the Department make water and wastewater treatment capacity available so that every lot within the Suburban Service Area could be serviced by public water and wastewater if a property owner desired to extend public water and/or wastewater to their property.

The Utility Enterprise Fund, which is funded by utility ratepayers, reimburses the County's General Fund on an allocated cost basis for services such as procurement, finance, information technology, human resources, and legal that are provided by other County departments to support the Department. In addition, although the Department is a part of the County government and thus tax

exempt, the County's General Fund assesses a separate charge to the Utility Enterprise Fund to recover public safety costs, which are not a part of the allocated cost payment.

Utility customers are generally billed on a bi-monthly basis. Some commercial customers are billed monthly. Bills are due and payable upon receipt by the customer. A past due notice is mailed if the bill remains unpaid 30 days after the billing date. If payment is not made in accordance with the past due notice, the utility service may be disconnected. A \$40 fee is assessed to all accounts where service has been discontinued due to nonpayment. A 10% late penalty fee is charged for all past due accounts. Interest at an annual rate of 10% applies to unpaid balances beginning when the account is 60 days past due. The County's annual losses from uncollected accounts have been less than 1% of total billings since 1990. The Treasurer's Office has provided collection support for the Department in the past.

RATES, FEES, AND CHARGES

The principal sources of revenue for the Utilities Enterprise Fund are user fees and capacity fees. The user fee is a monthly or bi-monthly charge comprised of a base charge by meter size, levied regardless of usage, and a commodity charge that is typically based upon metered water consumption. The capacity fee is a one-time charge for each new connection to the water and/or wastewater systems. Capacity fees are based on the size of the water meter necessary to serve the new customer. In setting these fees, the goal is to cover projected operating, maintenance, general improvement, rehabilitation costs, and capital costs with user fees in a fair and equitable manner. This rate structure applies to both water and wastewater services.

Public Utilities Fund

Rate Structure

Water - Base Charges by Meter Size	FY13	FY14
5/8 inch & 3/4 inch	\$8.71	\$9.15
1 inch	21.83	22.92
1 1/2 inch	43.53	45.71
2 inch	69.64	73.12
3 inch	139.29	146.25
4 inch	217.63	228.51
6 inch	435.26	457.02

Water - Residential	FY13	FY14
Base charge by meter size (table above)		
Consumption charge as follows:		
0 to 4,000 gallons, per 1,000 gallons	\$1.38	\$1.45
4,001 to 15,000 gallons, per 1,000 gallons	4.21	4.42
15,001 and above, per 1,000 gallons	5.49	5.76

Water - Commercial Schedule I Rates	FY13	FY14
Base charge by meter size (table above)		
Consumption charge as follows:		
0 to 15,000 gallons, per 1,000 gallons	\$3.74	\$3.93
15,001 to 1,000,000 gallons, per 1,000 gallons	4.21	4.42
Above 1,000,000 gallons, per 1,000 gallons	2.34	2.46
Separate irrigation meter, per 1,000 gallons	5.19	5.45

Water - Commercial Schedule II Rates	FY13	FY14
Base charge	\$133.93	\$140.63
Consumption charge as follows:		
All usage, per 1,000 gallons	2.18	2.29
Peak Use Fee, per 1,000 gallons greater than 150% of previous fiscal year average	1.34	1.41

Water - Commercial Schedule III Rates	FY13	FY14
Base Charge	\$13,392.60	\$14,062.23
Consumption charge as follows:		
All usage, per 1,000 gallons	1.78	1.87
Peak Use Fee, per 1,000 gallons greater than 150% of previous fiscal year average	1.34	1.41

Public Utilities Fund

Wastewater - Base Charges by Meter Size	FY13	FY14
5/8 inch	\$19.63	\$19.83
3/4 inch	19.63	19.83
1 inch	19.63	19.83
1 1/2 inch	19.63	19.83
2 inch	98.19	99.17
3 inch	98.19	99.17
4 inch	98.19	99.17
6 inch	98.19	99.17
Wastewater - Residential	FY13	FY14
Base charge by meter size (table above)		
Consumption charge as follows:		
0 to 4,000 gallons, per 1,000 gallons	\$5.27	\$5.32
4,001 and above, per 1,000 gallons	6.63	6.70
Flat Rate Wastewater	91.71	92.63

Wastewater - Commercial Schedule I Rates	FY13	FY14
Base charge by meter size (table above)		
Consumption charge as follows:		
0 to 50,000 gallons, per 1,000 gallons	\$6.14	\$6.20
Above 50,000, per 1,000 gallons	4.92	4.97

Wastewater - Commercial Schedule II Rates	FY13	FY14
Base charge	\$1,227.46	\$1,239.73
Consumption charge as follows:		
All usage, per 1,000 gallons	4.05	4.09
Peak Use Fee (per 1,000 gallons greater than 150% of previous fiscal year average)	1.22	1.23

Public Utilities Fund

Capacity Fees

Capacity fees are the fees charged to customers when initially connected to the County's system. The detailed fee schedule is listed below.

*Capacity fees for commercial customers requiring larger than 3" meters shall be determined on a case by case basis and established by contract, but in no case shall be less than the capacity fee for a 3" meter.

Residential Water

In FY14 single and multi-family units are charged \$5,290 for a standard connection. There will be a 2.5% increase in the per unit fee for a standard connection in FY14.

Commercial, Industrial, and Public Facilities Water	FY13	FY14
All capacity fees for these entities are based on meter size		
5/8 inch	\$5,161	\$5,290
1 inch	12,903	13,226
1 1/2 inch	25,806	26,451
2 inch	41,290	42,322
3 inch	82,579	84,643
4 inch	129,030	*
6 inch	258,061	*
8 inch	412,897	*

Residential Wastewater

In FY14 single and multi-family units are charged \$8,034 for a standard connection. There will be a 2.5% increase in the per unit fee for a standard connection in FY14.

Commercial, Industrial, and Public Facilities	FY13	FY14
All capacity fees for these entities are based on meter size		
5/8 inch	\$7,838	\$8,034
1 inch	19,593	20,083
1 1/2 inch	39,187	40,167
2 inch	62,699	64,266
3 inch	125,399	128,534
4 inch	195,935	200,833
6 inch	391,870	401,667
8 inch	626,992	642,667

Public Utilities Fund

OBJECTIVES

- Provide reliable water and wastewater service in accordance with applicable regulatory requirements;
- Maintain fiscal integrity to provide for system growth, adequate maintenance, and replacement of capital to ensure quality service, system reliability and to control future costs;
- Emphasize continuing education to maintain staff competency ensuring EPA regulatory compliance; and
- Continue implementing Capital Improvement Plan, meeting customer capacity needs in support of the County's Comprehensive Plan and economic development.

SERVICE LEVELS	FY12	FY13	FY13	FY14
	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
Water customers	19,379	19,641	19,600	19,830
Wastewater customers	18,816	18,118	19,032	19,251
Customer calls	37,483	39,500	38,824	39,212
Plans reviewed	294	500	500	500
Water distributed (mgd)	8.74	8.30	9.28	9.38
Wastewater collected (mgd)	6.07	7.01	5.24	5.30
Miles of water line maintained	412	398	417	418
Miles of sewer line maintained	379	372	381	381



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Airport Fund

DESCRIPTION

The Hanover County Airport is a 260 acre facility strategically located between Ashland and Richmond, and is easily accessible to Interstates 95 and 295 for multimodal transportation. The airport is a reliever airport within the Richmond Metropolitan Service Area that provides over \$29 million in yearly economic impact, based on a 2010 study contracted by the Virginia Department

of Aviation. The facility has a 5,400 x 100 foot runway, non-precision landing system, and with the services provided by a contracted operator, the airport is able to accommodate corporate aircraft and the businesses which they represent. Services at the facility include flight instruction, aircraft fueling, aircraft charters, aircraft sales, repairs, rentals, and aircraft storage.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 98,695	\$ 100,081	\$ 100,880	0.8%
Operating	52,063	62,619	62,619	0.0%
Operating Capital	-	50,000	50,000	0.0%
Debt Service				
Principal	-	67,001	67,001	0.0%
Interest	78,636	76,976	76,976	0.0%
Capital Improvements	367,014	441,830	174,950	(60.4%)
Total Expenditures	\$ 596,408	\$ 798,507	\$ 532,426	(33.3%)
Revenues				
Use of Money and Property	\$ 184,550	\$ 166,912	\$ 171,919	3.0%
Miscellaneous Revenue	-	22,500	22,500	0.0%
Categorical State Aid	13,326	441,830	13,996	(96.8%)
Categorical Federal Aid	312,677	-	157,455	100.0%
Prior Year Balance	-	50,000	50,000	0.0%
Reserve for Revenue	-	50,000	50,000	0.0%
Transfer from General Fund	192,889	67,265	66,556	(1.1%)
Total Revenue	\$ 703,442	\$ 798,507	\$ 532,426	(33.3%)
Generated Revenue Percent	72.6%	91.6%	87.5%	
General Fund Percent	27.4%	8.4%	12.5%	
Full-time Positions	1	1	1	0.0%
Full-time Equivalent	1.0	1.0	1.0	0.0%

Airport Fund

BUDGET HIGHLIGHTS

In FY07 an airport enterprise fund was created to track the revenue, debt service, operating and capital transactions for this activity. The FY14 budget includes a slight increase in personnel due to increased benefit costs and a flat operating budget. The reduction in the capital improvements program is primarily due to land acquisition and perimeter security fencing that were funded in FY13. Also, Federal Aviation Administration (FAA) discretionary funds will be leveraged to complete obstruction removal, thus decreasing the amount of

local funding. The local funding supports one (1) County employee as well as maintenance and improvements to the airfield and terminal facilities.

This budget also includes funding for the maintenance of airfield lighting. When available, State funds are invested into this function, reducing the local burden of funding such operations. The general fund collected approximately \$12,000 in aircraft personal property tax in 2012.

GOALS AND OBJECTIVES

- Continue the removal of obstructions to accommodate safe operations;
- Protect air space;
- Continue land acquisition for East side development;
- Maximize grant recovery on eligible projects; and,
- Maintain 60 day turnaround time between invoice and revenue recovery for all grants and capital projects.

SERVICE LEVELS

	FY12 <u>Actual</u>	FY13 <u>Budget</u>	FY13 <u>Forecast</u>	FY14 <u>Budget</u>
Number of based aircraft	115	130	107	107
Aircraft hangar spaces	54	54	54	54
Aircraft tie down spaces	56	56	56	56
Corporate Hangars	14,800 sq/ft	14,800 sq/ft	14,800 sq/ft	14,800 sq/ft
Gallons of fuel sold	162,920	160,000	157,000	157,000

Self-Insurance Fund

DESCRIPTION

The Self-Insurance Fund provides for fiscal management of the County and School Board health insurance costs. The employer's share of health insurance costs and retiree healthcare liability costs are budgeted in departmental budgets, but this internal service fund serves in the payment of claims, accounting for employee health insurance deductions, and providing adequate reserves

to mitigate increases in claims beyond those anticipated. The revenue for the fund comes primarily from employer contributions and employee deductions. Each employee has a deduction based on the level of coverage selected in the program. The fund earns interest on cash balances. There are currently 3,158 budgeted plan participants.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Personnel	\$ 28,559,301	\$ 33,325,000	\$ 32,199,800	(3.4%)
Operating	80,225	115,000	140,670	22.3%
Total Expenditures	\$ 28,639,526	\$ 33,440,000	\$ 32,340,470	(3.3%)
Revenues				
Use of Money and Property	\$ 86,663	\$ 150,000	\$ 90,000	(40.0%)
Employee	8,586,449	9,580,000	9,580,000	0.0%
Employer	22,524,853	22,834,244	22,507,770	(1.4%)
OPEB	-	590,000	72,700	(87.7%)
Other	318,452	72,000	90,000	25.0%
Fund Balance	-	213,756	-	(100.0%)
Total Revenue	\$ 31,516,417	\$ 33,440,000	\$ 32,340,470	(3.3%)
Generated Revenue Percent	100.0%	99.4%	100.0%	
General Fund Percent	0.0%	0.6%	0.0%	
Part-time Positions	0.5	0.5	0.5	0.0%
Full-time Equivalents	0.5	0.5	0.5	0.0%

BUDGET HIGHLIGHTS

The increase in FY14 expenses is based on market trend increases in health care claims. Employee premiums are anticipated to remain unchanged from FY13. Employer

health insurance costs will increase 4% to \$7,444 for each full-time participating employee.

Self-Insurance Fund

Five-Year Financial Plan FY2014 - FY2018

	FY14	FY15	FY16	FY17	FY18
	Budget	Plan	Plan	Plan	Plan
Expenditures					
Personnel	\$ 32,199,800	\$ 34,781,600	\$ 37,541,101	\$ 41,286,961	\$ 45,428,988
Operating	140,670	149,690	140,569	151,499	142,532
Total Expenditures	<u>\$ 32,340,470</u>	<u>\$ 34,931,290</u>	<u>\$ 37,681,670</u>	<u>\$ 41,438,460</u>	<u>\$ 45,571,520</u>
Revenues					
Use of Money and Property	\$ 90,000	\$ 94,500	\$ 99,200	\$ 104,200	\$ 109,400
Employee	9,580,000	10,747,990	12,098,272	13,675,152	15,248,101
Employer	22,507,770	23,408,100	24,812,562	27,293,818	30,023,200
OPEB	72,700	90,100	80,100	87,100	95,810
Other	90,000	90,600	91,536	93,190	95,009
Use of Fund Balance	-	500,000	500,000	185,000	-
Total Revenue	<u>\$ 32,340,470</u>	<u>\$ 34,931,290</u>	<u>\$ 37,681,670</u>	<u>\$ 41,438,460</u>	<u>\$ 45,571,520</u>

Bell Creek Community Development Authority

DESCRIPTION

The Bell Creek Community Development Authority was created in 2002 and consists of 325 acres of land within the County. The property encompasses a mixed-use development and is expected to provide commercial development with retail space including a shopping center known as “The Shoppes at Bell Creek”, a light industrial park, and a residential development on 167 acres known as “The Bluffs at Bell Creek.”

The Bell Creek Community Development Special Assessment Bonds were issued in 2003 in the total principal amount of \$15,980,000. The bonds were issued to

finance the acquisition and construction of roads and road improvements, water and sanitary sewer improvements, storm water management improvements and certain other infrastructure improvements. The Board of Supervisors, at the request of the Bell Creek Community Development Authority, adopted a special assessment levy on all residential, retail, commercial and light industrial properties within the authority to repay the bonds. As of June 30, 2012, \$12,960,000 of the bonds has been repaid, reducing the outstanding debt to \$3,020,000.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Operating	\$ 482,274	\$ 305,000	\$ 405,000	32.8%
Total Expenditures	<u>\$ 482,274</u>	<u>\$ 305,000</u>	<u>\$ 405,000</u>	<u>32.8%</u>
Revenues				
Recovered Costs	\$ 481,680	\$ 305,000	\$ 405,000	32.8%
Total Revenue	<u>\$ 481,680</u>	<u>\$ 305,000</u>	<u>\$ 405,000</u>	<u>32.8%</u>



Lewistown Community Development Authority

DESCRIPTION

The Lewistown Commerce Center Community Development Authority was created in 2006 and consists of 186.5 acres of land within the County. The property is part of a business complex that is expected to provide commercial and retail spaces, recreation and tourism facilities and other amenities that are expected to be developed in phases by different entities. The overall development has been named Winding Brook.

The Lewistown Community Development Authority Revenue Bonds were issued in 2007 in the total principal amount of \$37,675,000. The bonds were issued to finance the acquisition of certain land and the construction of certain infrastructure improvements.

Pursuant to the terms of a Special Assessment Agreement between the County, the Authority, and the Developers, the 2007 Bonds will be payable from (1) a Special Real Property Tax, equal to \$0.10 per \$100 of the assessed or assessable value of taxable real and leasehold property, respectively, within the District, beginning with calendar year 2008, (2) Incremental Tax Revenues consisting of specified percentages of incremental real and personal property, hotel occupancy, and the County's portion of sales tax revenues collected beginning in 2007 over and above 2006 collections within the District, and (3) Special Assessments imposed and collected by the County, if necessary, at the request of the Authority on taxable real property within the District, in that order. Special assessments were imposed in fiscal year 2012.

BUDGET SUMMARY

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Operating	\$ 562,000	\$ 574,500	\$ 557,000	(3.0%)
Total Expenditures	<u>\$ 562,000</u>	<u>\$ 574,500</u>	<u>\$ 557,000</u>	<u>(3.0%)</u>
Revenues				
Recovered Costs	\$ 351,282	\$ 136,000	\$ 132,000	(2.9%)
Transfer from General Fund	428,331	438,500	425,000	(3.1%)
Total Revenue	<u>\$ 779,613</u>	<u>\$ 574,500</u>	<u>\$ 557,000</u>	<u>(3.0%)</u>

Debt Service Fund

DESCRIPTION

Debt service is an expense to the County for principal and interest payments on financing mechanisms, which include: general obligation bonds, revenue bonds, lease-purchase arrangements and loans from the Virginia Department of Education Literary Loan Fund.

The Constitution of Virginia and the Virginia Public Finance Act provide the County with authority to issue general obligation debt secured solely by the pledge of its full faith and credit. The issuance of general obligation bonds must have been approved by public referendum, unless such bonds are issued to certain State authorities. In the Commonwealth of Virginia, there is no statutory limitation on the amount of general obligation debt the County may incur. Debt secured solely by the revenues generated by the system for which the bonds were issued may be issued in any amount without a public referendum.

The County's commitment to established debt and financial management policies has

enabled the County to achieve AAA bond ratings from all three rating agencies: Fitch Ratings, Standard & Poor's, and Moody's Investors Services.

The process of debt funding begins with the Five-Year Capital Improvements Program (CIP). The Board of Supervisors is not only approving which projects are to be funded in which year, but the Board also approves a means of financing. The debt service of the CIP is designed to have minimal impact on the General Fund balance and not produce wide fluctuations of annual debt service requirements.

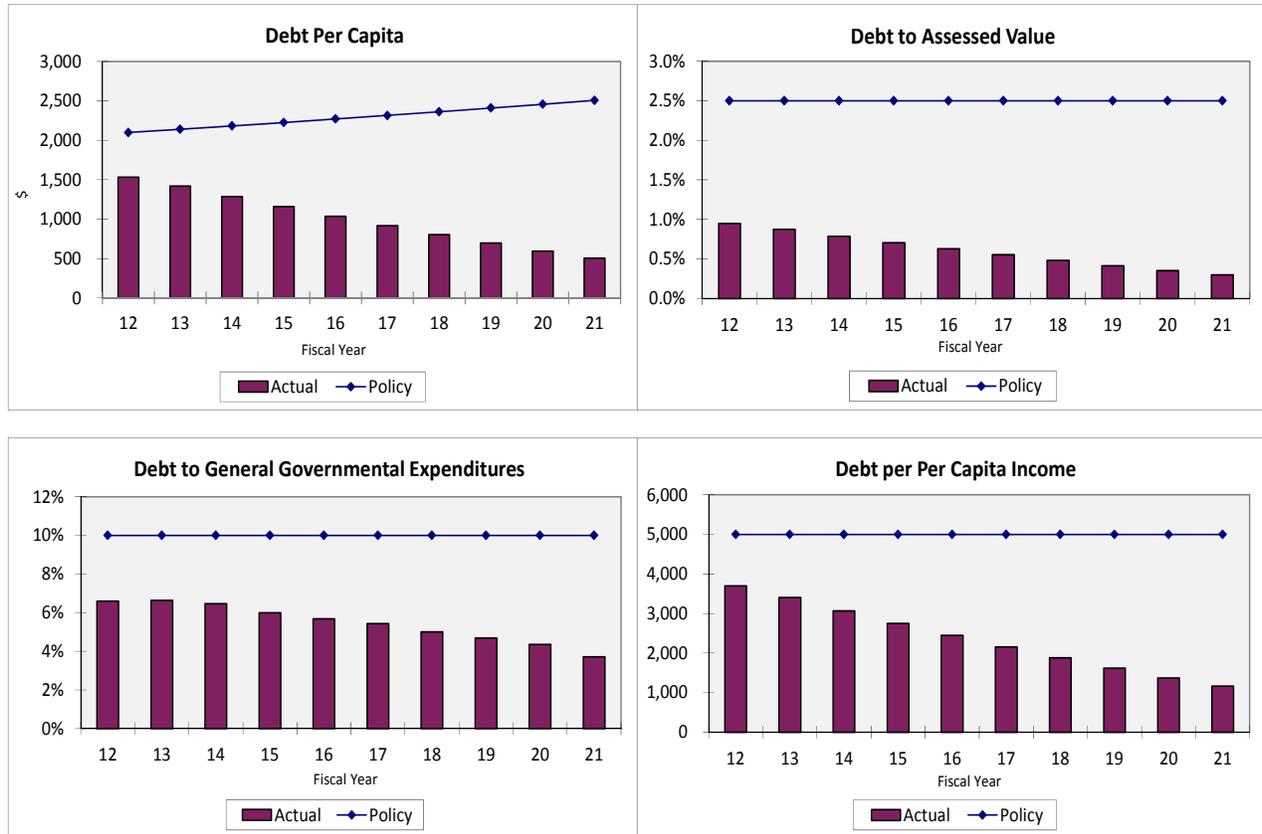
As of June 30, 2012, the County had total bonded debt outstanding of \$172.7 million. Of this amount, \$151.5 million comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured by specified revenue sources (i.e., revenue bonds and obligations under capital leases).

DEBT RATIO POLICIES

In an effort to maintain fiscal restraint and control, the Board of Supervisors has established guidelines for each of the following debt ratios: debt per capita (\$1,900 growing by 2% annually beginning FY2008); debt to assessed value (2.5%); debt service to

general (non-capital) government expenditures (10%); and debt per capita income (\$5,000). The following graphs illustrate the County's actual and projected compliance with the debt policy.

Debt Service Fund



BUDGET SUMMARY

Beginning in FY14, the County established this Debt Service Fund for both County and School debt service funding. These expenses were previously recorded in the Debt Management Department of the General Fund and the School Operating Fund.

	FY12 Actual	FY13 Budget	FY14 Budget	FY13 to FY14
Expenditures				
Operating	\$ -	\$ -	\$ 16,650	100.0%
Debt Service				
Principal	-	-	12,528,656	100.0%
Interest	-	-	7,367,246	100.0%
Total Expenditures	\$ -	\$ -	\$ 19,912,552	100.0%
Revenues				
Categorical Federal Aid	\$ -	\$ -	\$ 252,459	100.0%
Transfer from General Fund	-	-	19,660,093	100.0%
Total Revenue	\$ -	\$ -	\$ 19,912,552	100.0%



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Capital Improvements Program

Process

The Capital Improvements Program (CIP) is the County's plan for expenditures on facilities, equipment, and vehicles over the next five fiscal years. Capital improvements are separated from the annual operating budget because they include any proposed public construction, acquisition of land, buildings and accessory equipment, or vehicles or equipment with a unit cost greater than \$50,000. The Code of Virginia provides that a CIP be prepared to carry out policies adopted through the Comprehensive Plan. The CIP performs this function by outlining anticipated County projects by year, by cost and by recommended funding source. The Comprehensive Plan includes the Community Facilities Plan, which along with the CIP provides for capital improvements necessitated by growth for a twenty year period. Hanover County has maintained compliance with capital outlay programs as stated in Section 15.2-2239 of the Code of Virginia as follows:

"Local planning commissions to prepare and submit annually capital improvement programs to governing body or official charged with preparation of budget. -- A local planning commission may, and at the direction of the governing body shall, prepare and revise annually a capital improvement program based on the comprehensive plan of the locality for a period not to exceed the ensuing five years. The commission shall submit the program annually to the governing body, or to the chief administrative officer or other official charged with preparation of the budget for the locality, at such time as it or he shall direct.

The capital improvement program shall include the commission's recommendations, and estimates of cost of the facilities, including any road improvement and any transportation improvement the locality chooses to include in its capital improvement plan and as provided for in the comprehensive plan, and the means of financing them, to be undertaken in the ensuing fiscal year and in a period not to exceed the next four years, as the basis of the capital budget for the locality. In the preparation of its capital budget recommendations, the commission shall consult with the chief administrative officer or other executive head of the government of the locality, the heads of departments and interested citizens and organizations and shall hold such public hearings as it deems necessary."

The purpose of having a CIP is to assess the County's existing condition and identify needs which must be addressed to accomplish planning goals. A principal goal is to provide for the orderly and timed development of land consistent with the County's ability to provide services in accordance with the Comprehensive Plan.

The CIP sets forth needs and priorities to coordinate development of County facilities with anticipated revenues, growth and the community's ability to pay. By saying where public schools, water or sewer lines, drainage, and other improvements should be constructed, the County can encourage development in appropriate areas. "Appropriate" is used here to mean

Capital Improvements Program

consistent with adopted policies. This makes the CIP a key document in influencing and managing growth. The CIP is also an important tool in ensuring efficient use of limited financial resources. By reviewing anticipated revenues with anticipated capital needs, priorities can be established to ensure that essential public services can be continued and improved without interruption.

The CIP process is used to establish priorities between competing needs: 1) The County Departments recommend individual projects based on their needs assessment; 2) The Finance Department and County Administrator's office reviews and recommends proposals based on an assessment of community needs and financial resources available; 3) The Planning Commission reviews the recommendations and provides input to the Board of Supervisors; 4) The Board of Supervisors acts on the recommendations from public hearings, the County staff and the Planning Commission.

Financing

The Five-Year Financial Plan forecasts the anticipated expenditures, approximate timing, and source of funding for each project. The adoption of the CIP does not appropriate funds nor commit the Board to any expenditure in fiscal years two through five whereas fiscal year one is appropriated in conjunction with the Adopted Budget. The relationship between the CIP and the operating budget is carefully considered during the operating budget process. The CIP has three direct impacts on the operating budget: 1) Any projects funded with general fund resources must be evaluated with other needs for the competing resources for that year; 2) Any project funded with long term debt financing, must be in compliance with the debt policy and must anticipate the impact of the repayment of debt service on current and future years budgets; and 3) Implementation costs such as staffing and operating costs should be formulated. The following are the current CIP funding sources available to the County:

General Fund: Direct payments from the County's operating revenue.

General Obligation (GO) Bonds: Payments from the proceeds of the sale of General Obligation (GO) Bonds. These bonds must be approved by a general referendum of voters of the County, with the exception of Virginia Public School Authority (VPSA) bonds and State Literary Loans. GO bonds pledge the full faith and credit of the County for their repayment. VPSA bonds and State Literary Loans can only be issued for the financing of public school projects.

Revenue Bonds: Payments from the proceeds of the sale of Revenue Bonds. These bonds pledge the revenue generating potential of a facility or utility system.

State and Federal Grants: Payments from the State and Federal Government to provide facilities promoted by the State and Federal agencies.

Public Utility Capacity Fees: Fees associated with new water and sewer connections to obtain capacity in the utility system.

Capital Improvements Program

Public Utility User Fees: There may be certain utility projects which benefit the existing utility customer for which user fee charges are the appropriate funding source of the utility project.

Savings Plan: The County established a savings plan to mitigate the need for debt financing of school and/or County capital improvements. The savings plan is based upon designation of year-end General Fund surpluses and anticipated current fiscal year surpluses.

Stormwater Fees: The stormwater management program is funded by pro-rata fees charged to developers to fund appropriate stormwater management projects as a result of such development.

MS4 Fees: The revenue collected to support the control of the discharge of pollutants from the storm sewer system in order to protect the water quality in nearby streams, rivers, wetlands and bays.

New Facility Construction Cost Guide

Elementary, Middle and High Schools:

The County utilizes the Marshall Swift Valuation Index to provide square foot costs for new facilities. The Marshall Swift index is recognized nationally in evaluating construction costs based upon class and type of construction. The class component of the buildings define how well the building is constructed, with "A" being the best structurally built. Class A is a description of the quality and design of the building's exterior and interior. The square foot cost of a building is calculated using class and type with the cost adjusted by the local index multiplier and current multiplier. The local index multiplier adjusts for the variability in construction costs by region in the country and the current multiplier adjusts for inflation since class and type components were last valued. Therefore, the adjusted square foot cost represents a current square foot cost for the facility.

All schools in Hanover are excellent class A constructions. The schools have fireproof structural steel frames with reinforced concrete or masonry floors and roofs. The exterior walls are constructed of stone, brick, metal, glass, and are highly ornamental. The interior finish is made of plaster, glazed finishes, enamel, carpet, and vinyl. These types of schools have the best classroom lighting, cabling systems, and plumbing, including an elevator for high schools.

Marshall Swift Valuation Index

<u>Schools</u>	<u>Elementary</u>	<u>Middle</u>	<u>High</u>
Square Foot Cost	\$237.43	\$226.51	\$242.96
Local Multiplier	0.97	0.97	0.97
Current Multiplier	1.09	1.09	1.09
Adj. Sq. ft. Cost	<u>\$251.03</u>	<u>\$239.48</u>	<u>\$256.88</u>

Capital Improvements Program

Libraries

The libraries are good class A buildings. The libraries have masonry or concrete exterior walls and wood or steel roofs. The floors are made of concrete slab on grade. The exterior walls are made of special architecture metal and glass, face brick, stone, and concrete. The interior finish is constructed from the best plaster, carpeting, vinyl, and equipped with a kitchenette. Libraries have high-level lighting, audio-visual wiring, and good plumbing.

Marshall Swift Valuation Index

Libraries

Square foot cost	\$236.39
Local Multiplier	0.97
Current Multiplier	<u>1.05</u>
Adj. Sq. ft. Cost	<u><u>\$240.76</u></u>

Fire Stations and Rescue Squads

The fire stations and rescue squads are good class A buildings. The buildings have masonry or ornamental block concrete exterior walls; wood or steel roofs and floor structures or concrete slab on grade for the floors. The interior finish has an office, classroom, kitchenette, drywall and acoustic tile. In these buildings there is good lighting, adequate plumbing, and restrooms.

Marshall Swift Valuation Index

Fire Stations & Rescue Squads

Square foot cost	\$239.00
Local Multiplier	0.97
Current Multiplier	<u>1.05</u>
Adj. Sq. ft. Cost	<u><u>\$243.42</u></u>

Sample Capital Improvement

Functional Area: The functional area is a group of related activities aimed at accomplishing a major service or regulatory program for which a locality is responsible. Examples of functions are Judicial Administration, Public Safety, and Health and Welfare. This is located at the top of the form in the title box.

Department: The "Department" denotes the County (or School) department that has oversight responsibility for the capital improvement. If applicable, other departments will provide their services to ensure that the capital improvement meets all specifications, laws and budgetary controls.

Project: Denotes the project name.

Capital Improvements Program

- Location:** The physical address of where the capital improvement is to be located. Countywide is used for location if the capital improvement is not physically set (e.g. equipment) or maintained in one location.
- Description/
Justification:** A brief description outlines the capital improvement and will contain the reasons behind the capital improvement and other pertinent information. Included in the description, if applicable, are the number of acres required, square feet of structure desired, feasibility studies, and design work status. For construction projects, a cost/sq. ft. will be provided and adjusted for inflation and contingency.
- Timetable:** This is the date(s) anticipated that the capital improvement will be acquired or completed. If construction of a capital improvement is required, the estimated starting and ending dates are noted. Request for Bid (RFB) or Requests for Proposals (RFP) with a vendor are required, with an appropriate contract awarded, in completing a capital improvement. This is not provided for all projects.
- Operating Impact:** Operating impact will describe what effect, if any, the capital improvement will have on the operating budget. Impacts are salaries/fringe benefits, operating and/or capital outlay. Only incremental impacts are shown in subsequent years as growth of base impacts are correlated to growth rates in Five-Year Financial Plan assumptions. Debt service impacts are shown in the Five-Year Financial Plan and the Indebtedness Section of the Budget document. Any reduced expenditures or increased revenues are also noted, if applicable. Generally, if the impact is less than \$5,000 it will be noted as \$0 as base operating budget would be expected to absorb such costs.
- Funding Uses:** Funding uses represent, by fiscal year, the capital improvement expenditures and the classification of such expenditures. Classifications are segregated as follows: professional, land, construction, EDP equipment, vehicles, and other. Total costs are rounded to the nearest \$1,000.

CAPITAL IMPROVEMENTS PROGRAM

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>Grand Total</u>	<u>General Funds</u>	<u>Long-Term Debt</u>	<u>Other Sources</u>
GENERAL GOVERNMENT ADMINISTRATION									
County Administration:									
Time and Attendance System	\$ -	\$ 208,000	\$ 240,000	\$ -	\$ -	\$ 448,000	\$ 448,000	\$ -	\$ -
Total	\$ -	\$ 208,000	\$ 240,000	\$ -	\$ -	\$ 448,000	\$ 448,000	\$ -	\$ -
Finance:									
Legacy System Upgrades	\$ -	\$ 335,000	\$ -	\$ -	\$ -	\$ 335,000	\$ 335,000	\$ -	\$ -
Total	\$ -	\$ 335,000	\$ -	\$ -	\$ -	\$ 335,000	\$ 335,000	\$ -	\$ -
Assessor:									
Assessment CAMA System	\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ 350,000	\$ 350,000	\$ -	\$ -
Total	\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ 350,000	\$ 350,000	\$ -	\$ -
Information Technology:									
Technology Infrastructure	\$ 620,000	\$ 720,000	\$ 790,000	\$ 790,000	\$ 850,000	\$ 3,770,000	\$ 3,770,000	\$ -	\$ -
Enterprise Licenses	220,000	235,000	240,000	240,000	240,000	1,175,000	1,175,000	-	-
Storage Area Network	80,000	80,000	80,000	450,000	80,000	770,000	770,000	-	-
Computer Replacement Program	75,000	50,000	125,000	150,000	200,000	600,000	600,000	-	-
County Fiber Expansion	-	-	-	225,000	225,000	450,000	450,000	-	-
Data Center Upgrades	-	-	-	150,000	75,000	225,000	225,000	-	-
Tax Parcel Data Enhancement	-	104,000	-	-	-	104,000	104,000	-	-
Ektron Enterprise Licensing Agreement	-	75,000	-	-	-	75,000	75,000	-	-
Total	\$ 995,000	\$ 1,264,000	\$ 1,235,000	\$ 2,005,000	\$ 1,670,000	\$ 7,169,000	\$ 7,169,000	\$ -	\$ -
Category Total	\$ 995,000	\$ 2,157,000	\$ 1,475,000	\$ 2,005,000	\$ 1,670,000	\$ 8,302,000	\$ 8,302,000	\$ -	\$ -
PUBLIC SAFETY									
Sheriff:									
Records Management & Mobile Field Reporting System	\$ -	\$ -	\$ 685,000	\$ -	\$ -	\$ 685,000	\$ 685,000	\$ -	\$ -
Vaughan-Bradley Building HVAC	-	-	225,000	-	-	225,000	225,000	-	-
Vaughan-Bradley Building Chiller Replacement	-	-	-	175,000	-	175,000	175,000	-	-
Firing Range Lead Removal	-	-	-	-	100,000	100,000	100,000	-	-
Vaughan-Bradley Building Elevator Cylinder Replacement	-	-	-	75,000	-	75,000	75,000	-	-
Total	\$ -	\$ -	\$ 910,000	\$ 250,000	\$ 100,000	\$ 1,260,000	\$ 1,260,000	\$ -	\$ -
Emergency Communications:									
Radio Replacement - Portable & Mobile	\$ -	\$ -	\$ 1,250,000	\$ 1,250,000	\$ 500,000	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -
CAD Replacement	956,000	-	-	-	-	956,000	956,000	-	-
Total	\$ 956,000	\$ -	\$ 1,250,000	\$ 1,250,000	\$ 500,000	\$ 3,956,000	\$ 3,956,000	\$ -	\$ -
Fire/EMS:									
Fire Engine & Heavy Squad Replacement	\$ 250,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 750,000	\$ 2,500,000	\$ 2,500,000	\$ -	\$ -
Ambulance Replacement	376,000	386,000	396,000	414,120	434,826	2,006,946	2,006,946	-	-
Total	\$ 626,000	\$ 886,000	\$ 896,000	\$ 914,120	\$ 1,184,826	\$ 4,506,946	\$ 4,506,946	\$ -	\$ -
Category Total	\$ 1,582,000	\$ 886,000	\$ 3,056,000	\$ 2,414,120	\$ 1,784,826	\$ 9,722,946	\$ 9,722,946	\$ -	\$ -
PUBLIC WORKS									
Public Works:									
Road Improvements	\$ 1,250,000	\$ 1,300,000	\$ 1,350,000	\$ 1,350,000	\$ 1,500,000	\$ 6,750,000	\$ 1,750,000	\$ -	\$ 5,000,000
Watershed Improvement Program	-	1,394,000	1,086,000	1,108,000	1,130,000	4,718,000	-	-	4,718,000
Subtotal	\$ 1,250,000	\$ 2,694,000	\$ 2,436,000	\$ 2,458,000	\$ 2,630,000	\$ 11,468,000	\$ 1,750,000	\$ -	\$ 9,718,000
Regional Stormwater Implementation	\$ 164,700	\$ 264,700	\$ -	\$ -	\$ -	\$ 429,400	\$ -	\$ -	\$ 429,400
Subtotal	\$ 164,700	\$ 264,700	\$ -	\$ -	\$ -	\$ 429,400	\$ -	\$ -	\$ 429,400

CAPITAL IMPROVEMENTS PROGRAM

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>Grand Total</u>	<u>General Funds</u>	<u>Long-Term Debt</u>	<u>Other Sources</u>
Solid Waste Services:									
Solid Waste Equipment Replacement	\$ 200,000	\$ 100,000	\$ 100,000	\$ 190,000	\$ 100,000	\$ 690,000	\$ 690,000	\$ -	\$ -
Subtotal	\$ 200,000	\$ 100,000	\$ 100,000	\$ 190,000	\$ 100,000	\$ 690,000	\$ 690,000	\$ -	\$ -
Total	\$ 1,614,700	\$ 3,058,700	\$ 2,536,000	\$ 2,648,000	\$ 2,730,000	\$ 12,587,400	\$ 2,440,000	\$ -	\$ 10,147,400
General Services									
General Vehicle Replacement Schedule	\$ 125,000	\$ 140,000	\$ 200,000	\$ 300,000	\$ 300,000	\$ 1,065,000	\$ 1,065,000	\$ -	\$ -
Facility Maintenance	-	-	-	300,000	-	300,000	300,000	-	-
Telecommunications Switch Upgrades	-	150,000	-	-	-	150,000	150,000	-	-
HVAC Fan Units - Annex	-	-	-	-	145,000	145,000	145,000	-	-
HVAC Air Handler Replacement	-	-	-	-	97,000	97,000	97,000	-	-
Elevator Cylinder Replacement (Wickham Bldg)	-	-	51,000	-	-	51,000	51,000	-	-
Ashland Library Roof Replacement	-	-	-	-	51,000	51,000	51,000	-	-
Total	\$ 125,000	\$ 290,000	\$ 251,000	\$ 600,000	\$ 593,000	\$ 1,859,000	\$ 1,859,000	\$ -	\$ -
Category Total	\$ 1,739,700	\$ 3,348,700	\$ 2,787,000	\$ 3,248,000	\$ 3,323,000	\$ 14,446,400	\$ 4,299,000	\$ -	\$ 10,147,400
PARKS, RECREATION AND CULTURAL									
Parks and Recreation:									
Skate Park Repairs and Renovations	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -
Total	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -
Category Total	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -
HUMAN SERVICES									
COMMUNITY SERVICES BOARD									
RAFT House Purchase	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ -	\$ -
Category Total	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ -	\$ -
NON-DEPARTMENTAL									
Reserve for Revenue Transfers									
Debt Capacity Reserve	\$ 245,000	\$ 511,203	\$ -	\$ 559,859	\$ 2,350,541	\$ 3,666,603	\$ 3,623,916	\$ -	\$ 42,687
Reserve for Revenue Transfer	200,000	200,000	200,000	200,000	200,000	1,000,000	-	-	1,000,000
Total	\$ 445,000	\$ 711,203	\$ 200,000	\$ 759,859	\$ 2,550,541	\$ 4,666,603	\$ 3,623,916	\$ -	\$ 1,042,687
Category Total	\$ 445,000	\$ 711,203	\$ 200,000	\$ 759,859	\$ 2,550,541	\$ 4,666,603	\$ 3,623,916	\$ -	\$ 1,042,687
Total County Improvements Fund	\$ 4,811,700	\$ 7,102,903	\$ 7,518,000	\$ 8,426,979	\$ 9,828,367	\$ 37,687,949	\$ 26,497,862	\$ -	\$ 11,190,087
AIRPORT									
Airport:									
East Side Taxiway Apron	\$ -	\$ 490,000	\$ 4,008,614	\$ 4,008,614	\$ -	\$ 8,507,228	\$ -	\$ -	\$ 8,507,228
Airport Land Acquisition	-	-	-	1,281,942	-	1,281,942	-	-	1,281,942
Airport Improvements	174,950	-	-	-	-	174,950	3,499	-	171,451
Total Airport	\$ 174,950	\$ 490,000	\$ 4,008,614	\$ 5,290,556	\$ -	\$ 9,964,120	\$ 3,499	\$ -	\$ 9,960,621
EDUCATION									
School Board:									
Battlefield Park Elementary School	\$ -	\$ -	\$ -	\$ -	\$ 15,600,000	\$ 15,600,000	\$ -	\$ 15,600,000	\$ -
Washington-Henry Elementary School	-	-	-	15,000,000	-	15,000,000	-	15,000,000	-
Henry Clay Elementary School	-	-	-	-	14,600,000	14,600,000	-	14,600,000	-
Beaverdam ES Renovations	-	-	-	11,400,000	-	11,400,000	-	11,400,000	-
School Buses	-	2,040,000	2,065,000	2,780,000	3,113,000	9,998,000	9,998,000	-	-
Computer Replacement	1,820,000	1,550,000	1,637,000	1,670,000	1,520,000	8,197,000	8,197,000	-	-
Facilities Improvements	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000	4,000,000	1,000,000	-
Total Education	\$ 2,820,000	\$ 4,590,000	\$ 4,702,000	\$ 31,850,000	\$ 35,833,000	\$ 79,795,000	\$ 22,195,000	\$ 57,600,000	\$ -
Total County, Airport, & Education	\$ 7,631,700	\$ 11,692,903	\$ 12,220,000	\$ 40,276,979	\$ 45,661,367	\$ 117,482,949	\$ 48,692,862	\$ 57,600,000	\$ 11,190,087

CAPITAL IMPROVEMENTS PROGRAM

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>Grand Total</u>	<u>General Funds</u>	<u>Long-Term Debt</u>	<u>Other Sources</u>
PUBLIC UTILITIES									
Water Source and Distribution Projects:									
Hanover-Richmond Joint Capital Water Contract	\$ 2,636,922	\$ 4,308,942	\$ 7,042,326	\$ 6,295,945	\$ 4,903,810	\$ 25,187,945	\$ -	\$ -	\$ 25,187,945
Elmont Water Storage Tank and Booster Stn	-	697,000	-	2,955,000	-	3,652,000	-	3,652,000	-
New Ashcake Road Waterline Improvements	-	-	322,000	-	1,334,000	1,656,000	-	-	1,656,000
Cedar Lane Waterline Improvements	-	-	208,000	-	1,185,000	1,393,000	-	1,393,000	-
Chamberlayne Road Waterline Improvements	-	900,000	-	-	-	900,000	-	-	900,000
Water Tank Rehabilitation	-	110,000	350,000	75,000	295,000	830,000	-	-	830,000
Lockwood Pump Station Improvements	539,000	-	-	-	-	539,000	-	-	539,000
Walnut Grove Waterline Improvements	393,000	-	-	-	-	393,000	-	-	393,000
Powder Activated Carbon Feed System	-	-	-	354,000	-	354,000	-	-	354,000
Waterline Replacement	-	75,000	75,000	75,000	75,000	300,000	-	-	300,000
Water Treatment Plant Rehabilitation	-	75,000	75,000	75,000	75,000	300,000	-	-	300,000
Atlee Road Waterline Improvements	214,000	-	-	-	-	214,000	-	-	214,000
Rt. 360 at Bell Creek Rd Waterline Improvements	-	183,000	-	-	-	183,000	-	-	183,000
Quarles Rd. Water Facility Rehabilitations	-	162,000	-	-	-	162,000	-	-	162,000
Courthouse Water System Improvements	-	-	-	150,000	-	150,000	-	-	150,000
Dianne Ridge Water Treatment	39,000	102,000	-	-	-	141,000	-	-	141,000
Georgetown Wellhouse Rehabilitations	-	-	85,000	-	-	85,000	-	-	85,000
Race Course Street Waterline Improvements	70,000	-	-	-	-	70,000	-	-	70,000
Doswell WTP Basin Walkway & Loading Dock Rehab	66,000	-	-	-	-	66,000	-	-	66,000
Wastewater Collection and Treatment Projects:									
Totopotomoy WWTP Nutrient Removal Impr.	4,700,000	-	-	250,000	-	4,950,000	-	-	4,950,000
Henry Street Sewerline Rehabilitation	636,000	-	-	-	-	636,000	-	-	636,000
Ashland Sewerline Rehabilitation - Area 2	-	-	-	-	532,000	532,000	-	-	532,000
AWWTP UV System Replacement	-	54,000	458,000	-	-	512,000	-	-	512,000
Doswell WWTP Equalization Tank Rehabilitation	-	-	-	510,000	-	510,000	-	-	510,000
DWWTP UV System Replacement	40,000	340,000	-	-	-	380,000	-	-	380,000
DWWTP Clarifier Weir and Baffle Replacement	-	-	20,000	189,000	-	209,000	-	-	209,000
Ashland Sewerline Rehabilitation - Area 3	-	-	202,000	-	-	202,000	-	-	202,000
Beaverdam WWPS Pump Control Panel Replacement	-	-	-	-	200,000	200,000	-	-	200,000
Ashland Sewerline Rehabilitation - Area 1	191,000	-	-	-	-	191,000	-	-	191,000
Quarles Road WWPS Pump Replacement	-	180,000	-	-	-	180,000	-	-	180,000
CHSTP Aeration Tank Rehabilitation	18,000	153,000	-	-	-	171,000	-	-	171,000
AWWTP Polymer Control Panel	-	-	-	-	160,000	160,000	-	-	160,000
TWWTP UV Panel Replacement	-	142,000	-	-	-	142,000	-	-	142,000
AWWTP Annunciator Panel Equalization Controller	137,000	-	-	-	-	137,000	-	-	137,000
DWWTP Digester Blowers and Enclose Rplc	-	-	-	-	126,000	126,000	-	-	126,000
Pamunkey Lift Station Pump Replacement	-	-	-	-	122,000	122,000	-	-	122,000
Hanover Lift Station Pump Replacement	-	-	-	119,000	-	119,000	-	-	119,000
Beaverdam WWPS Divider Gate Replacement	-	-	93,000	-	-	93,000	-	-	93,000
Shelton Pointe Pump Station Upgrade	-	-	-	-	85,000	85,000	-	-	85,000
Snead Street WWPS Pump Replacement	-	-	77,000	-	-	77,000	-	-	77,000
Air Park WWPS Generator Replacement	-	-	-	73,000	-	73,000	-	-	73,000
AWWTP Belt Press Rehabilitation	-	69,000	-	-	-	69,000	-	-	69,000
Hardees WWPS Pump Replacement	-	59,000	-	-	-	59,000	-	-	59,000
Other Projects:									
Vehicle Replacement	547,000	-	-	-	250,000	797,000	-	-	797,000
Equipment Replacement	-	171,000	-	59,000	-	230,000	-	-	230,000
Total Public Utilities	\$ 10,226,922	\$ 7,780,942	\$ 9,007,326	\$ 11,179,945	\$ 9,342,810	\$ 47,537,945	\$ -	\$ 5,045,000	\$ 42,492,945
GRAND TOTAL	\$ 18,033,572	\$ 19,963,845	\$ 25,235,940	\$ 56,747,480	\$ 55,004,177	\$ 174,985,014	\$ 48,696,361	\$ 62,645,000	\$ 63,643,653



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CAPITAL IMPROVEMENTS PROGRAM

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>Grand Total</u>
SUMMARY OF FUNDING SOURCES:						
GENERAL FUND:						
School Improvements Fund	\$ 1,820,000	\$ 4,590,000	\$ 4,702,000	\$ 5,450,000	\$ 5,633,000	\$ 22,195,000
County Improvements Fund	3,447,000	4,201,516	5,232,000	6,118,979	7,498,367	26,497,862
Airport Fund	3,499	-	-	-	-	3,499
Utility Fund	-	-	-	-	-	-
TOTAL GENERAL FUND	\$ 5,270,499	\$ 8,791,516	\$ 9,934,000	\$ 11,568,979	\$ 13,131,367	\$ 48,696,361
LONG-TERM DEBT:						
School Improvements Fund	\$ 1,000,000	\$ -	\$ -	\$ 26,400,000	\$ 30,200,000	\$ 57,600,000
County Improvements Fund	-	-	-	-	-	-
Airport Fund	-	-	-	-	-	-
Public Utilities Fund	-	697,000	208,000	2,955,000	1,185,000	5,045,000
TOTAL DEBT FUNDING	\$ 1,000,000	\$ 697,000	\$ 208,000	\$ 29,355,000	\$ 31,385,000	\$ 62,645,000
OTHER SOURCES:						
School Improvements Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County Improvements Fund	1,364,700	2,901,387	2,286,000	2,308,000	2,330,000	11,190,087
Airport Fund	171,451	490,000	4,008,614	5,290,556	-	9,960,621
Public Utilities Fund	10,226,922	7,083,942	8,799,326	8,224,945	8,157,810	42,492,945
TOTAL OTHER SOURCES	\$ 11,763,073	\$ 10,475,329	\$ 15,093,940	\$ 15,823,501	\$ 10,487,810	\$ 63,643,653
TOTAL FUNDING SOURCES	\$ 18,033,572	\$ 19,963,845	\$ 25,235,940	\$ 56,747,480	\$ 55,004,177	\$ 174,985,014
SUMMARY BY FUNCTION:						
General Government Administration	\$ 995,000	\$ 2,157,000	\$ 1,475,000	\$ 2,005,000	\$ 1,670,000	\$ 8,302,000
Public Safety	1,582,000	886,000	3,056,000	2,414,120	1,784,826	9,722,946
Public Works	1,739,700	3,348,700	2,787,000	3,248,000	3,323,000	14,446,400
Human Services	-	-	-	-	500,000	500,000
Parks, Recreation and Cultural	50,000	-	-	-	-	50,000
Non-Departmental	445,000	711,203	200,000	759,859	2,550,541	4,666,603
Education	2,820,000	4,590,000	4,702,000	31,850,000	35,833,000	79,795,000
Airport	174,950	490,000	4,008,614	5,290,556	-	9,964,120
Public Utilities	10,226,922	7,780,942	9,007,326	11,179,945	9,342,810	47,537,945
TOTAL BY YEAR	\$ 18,033,572	\$ 19,963,845	\$ 25,235,940	\$ 56,747,480	\$ 55,004,177	\$ 174,985,014
Summary by Fund:						
School Improvements Fund	\$ 2,820,000	\$ 4,590,000	\$ 4,702,000	\$ 31,850,000	\$ 35,833,000	\$ 79,795,000
County Improvements Fund	4,811,700	7,102,903	7,518,000	8,426,979	9,828,367	37,687,949
Airport Fund	174,950	490,000	4,008,614	5,290,556	-	9,964,120
Public Utilities Fund	10,226,922	7,780,942	9,007,326	11,179,945	9,342,810	47,537,945
TOTAL BY YEAR	\$ 18,033,572	\$ 19,963,845	\$ 25,235,940	\$ 56,747,480	\$ 55,004,177	\$ 174,985,014
FUNDING ANALYSIS:						
General Funded % of County/School Projects	69%	75%	81%	29%	29%	41%
Other Sources Funded % of County/School Proj.	18%	25%	19%	6%	5%	10%
Total Non-Debt Funding %	87%	100%	100%	34%	34%	51%
Total Debt Funding %	13%	0%	0%	66%	66%	49%

CAPITAL IMPROVEMENTS PROGRAM

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>Grand Total</u>
FUNDING SOURCES						
COUNTY IMPROVEMENTS FUND						
General Fund	\$ 3,447,000	\$ 4,201,516	\$ 5,232,000	\$ 6,118,979	\$ 7,498,367	\$ 26,497,862
Other Sources	1,364,700	2,901,387	2,286,000	2,308,000	2,330,000	11,190,087
Total Capital Improvements Fund	\$ 4,811,700	\$ 7,102,903	\$ 7,518,000	\$ 8,426,979	\$ 9,828,367	\$ 37,687,949
SCHOOL IMPROVEMENTS FUND						
General Fund	\$ 1,820,000	\$ 4,590,000	\$ 4,702,000	\$ 5,450,000	\$ 5,633,000	\$ 22,195,000
Long-Term Debt	1,000,000	-	-	26,400,000	30,200,000	57,600,000
Total School Improvements Fund	\$ 2,820,000	\$ 4,590,000	\$ 4,702,000	\$ 31,850,000	\$ 35,833,000	\$ 79,795,000
AIRPORT FUND						
General Fund	\$ 3,499	\$ -	\$ -	\$ -	\$ -	\$ 3,499
Other Sources	171,451	490,000	4,008,614	5,290,556	-	9,960,621
Total Airport Fund	\$ 174,950	\$ 490,000	\$ 4,008,614	\$ 5,290,556	\$ -	\$ 9,964,120
UTILITY FUND						
Long-Term Debt	\$ -	\$ 697,000	\$ 208,000	\$ 2,955,000	\$ 1,185,000	\$ 5,045,000
Other Sources	10,226,922	7,083,942	8,799,326	8,224,945	8,157,810	42,492,945
Total Public Utilities Fund	\$ 10,226,922	\$ 7,780,942	\$ 9,007,326	\$ 11,179,945	\$ 9,342,810	\$ 47,537,945
TOTAL CAPITAL IMPROVEMENTS FUNDS						
General Funds	\$ 5,270,499	\$ 8,791,516	\$ 9,934,000	\$ 11,568,979	\$ 13,131,367	\$ 48,696,361
Long-Term Debt	1,000,000	697,000	208,000	29,355,000	31,385,000	62,645,000
Other Sources	11,763,073	10,475,329	15,093,940	15,823,501	10,487,810	63,643,653
Total Capital Improvements Fund	\$ 18,033,572	\$ 19,963,845	\$ 25,235,940	\$ 56,747,480	\$ 55,004,177	\$ 174,985,014
DETAIL OF OTHER SOURCES						
County Improvements Fund						
Reserve for Revenue	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,000,000
State Revenue	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Prior Year CIP Fund Balance	-	42,687	-	-	-	42,687
User Fees - MS4 Compliance	-	1,394,000	1,086,000	1,108,000	1,130,000	4,718,000
Stormwater Fees	164,700	264,700	-	-	-	429,400
Total Other Sources	\$ 1,364,700	\$ 2,901,387	\$ 2,286,000	\$ 2,308,000	\$ 2,330,000	\$ 11,190,087
Airport Fund						
State Revenue	\$ 13,996	\$ 15,000	\$ 122,713	\$ 161,956	\$ -	\$ 313,665
Federal Revenue	157,455	475,000	3,885,901	5,128,600	-	9,646,956
Total Other Sources	\$ 171,451	\$ 490,000	\$ 4,008,614	\$ 5,290,556	\$ -	\$ 9,960,621
Public Utilities Fund						
Capacity Fees	\$ 393,000	\$ 900,000	\$ 322,000	\$ -	\$ 1,419,000	\$ 3,034,000
User Fees	9,833,922	6,183,942	8,477,326	8,224,945	6,738,810	39,458,945
Total Other Sources	\$ 10,226,922	\$ 7,083,942	\$ 8,799,326	\$ 8,224,945	\$ 8,157,810	\$ 42,492,945

CAPITAL IMPROVEMENTS PROGRAM

OPERATING LIFE CYCLE COSTS

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>Full Year Online</u>
COUNTY						
Ektron Enterprise Licensing Agreement	\$ -	\$ -	\$ 11,250	\$ 11,588	\$ 11,935	\$ -
Records Management & Mobile Field Reporting System	-	-	-	70,000	72,100	-
CAD Replacement	20,000	20,300	20,706	21,327	21,967	-
Total County Improvements Fund	\$ 20,000	\$ 20,300	\$ 31,956	\$ 102,915	\$ 106,002	\$ -
EDUCATION						
Total Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total County Improvements Fund & Education	\$ 20,000	\$ 20,300	\$ 31,956	\$ 102,915	\$ 106,002	\$ -
AIRPORT						
Total Airport	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PUBLIC UTILITIES						
Water Source and Distribution Projects:						
Elmont Water Storage Tank and Booster Stn	\$ -	\$ -	\$ -	\$ -	\$ 31,000	\$ -
Dianne Ridge Water Treatment	-	-	3,000	3,090	3,183	-
Powder Activated Carbon Feed System	-	-	-	-	56,000	-
Wastewater Collection and Treatment Projects:						
Totopotomoy WWTP Nutrient Removal Impr.	-	12,000	12,240	12,607	12,985	-
Shelton Pointe Pump Station Upgrade	-	-	-	-	-	12,000
Total Public Utilities	\$ -	\$ 12,000	\$ 15,240	\$ 15,697	\$ 103,168	\$ -
GRAND TOTAL	\$ 20,000	\$ 32,300	\$ 47,196	\$ 118,612	\$ 209,170	\$ -

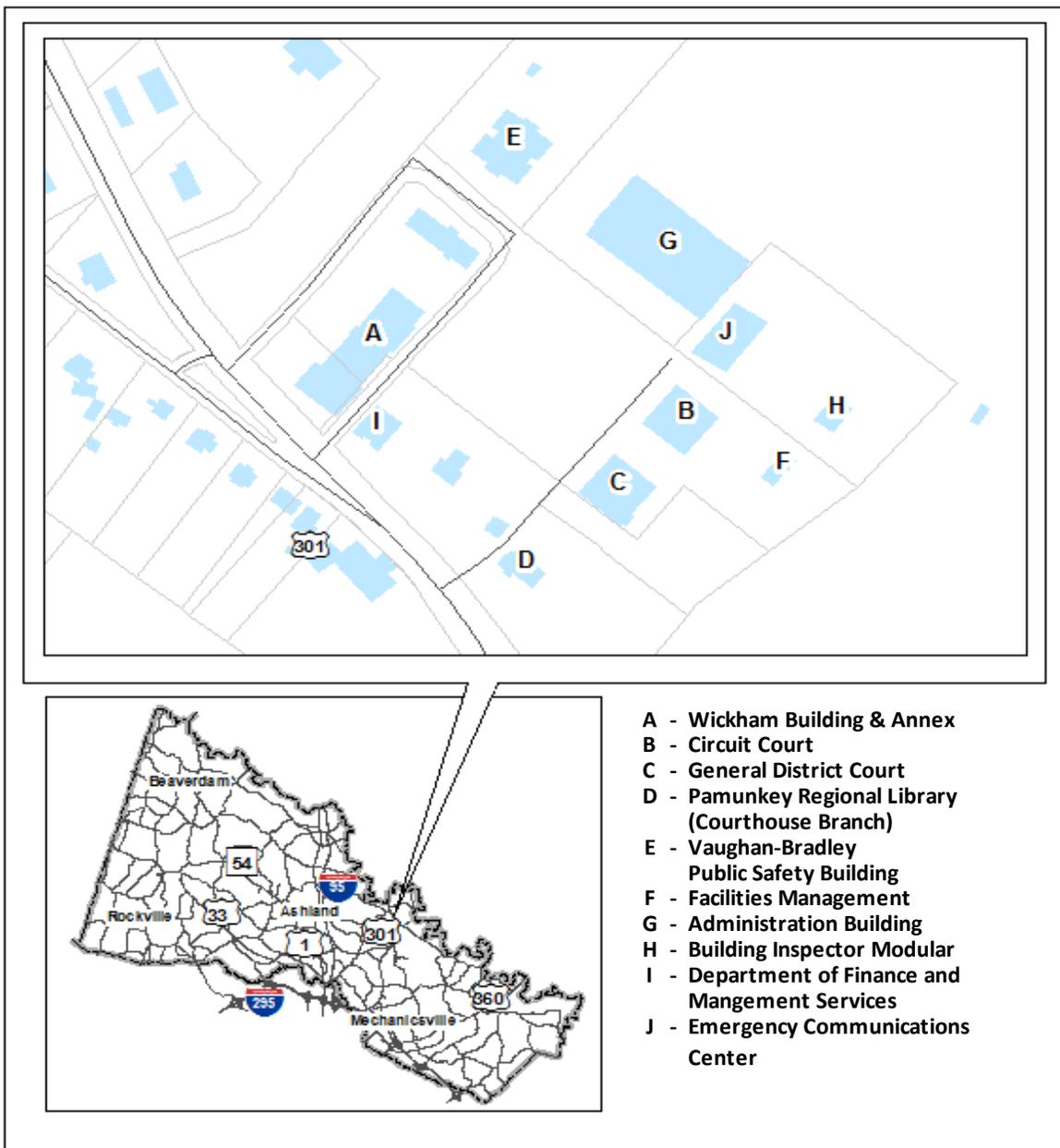
NOTES:

- (1) Operating impacts noted above are those that would increase the County's current level of funding, therefore, there is no operating impact on replacement equipment.
- (2) Through FY16, all Education projects are either replacement or facility improvements. In the last 2 years of the CIP, in addition to these similar types of projects, there are large scale facility renovations. Operationally, however, the facilities will not require additional staffing and will improve the efficiency of mechanical systems, resulting in no additional operating costs.
- (3) Any debt funding associated with CIP projects has been accounted for in the County's Five-Year Financial Plan and is not represented on this table of operating impacts.
- (4) The final column, "Full Year Online" is intended to show the operational costs of new facilities in Year 5 of the CIP. It could take up to three years before a new building would be constructed and incur a full year's worth of operational costs within a given fiscal year. Therefore, this table does not assume construction time, but rather the total cost in whatever year the full cost of operations becomes effective.

General Government Administration

The Hanover County Government Complex is comprised of ten buildings: Wickham Building & Annex, Circuit Court, General District Court, Pamunkey Regional Library (Courthouse Branch), Vaughan-Bradley Public Safety Building, Facilities Management, Administration Building, Building Inspector/Modular Building, Department of Finance and Management Services, and the Emergency Communications Center.

The Administration Building houses the Board of Supervisors meeting room and the offices for the following general government administrative functions: County Administrator, County Attorney, Public Utilities, Building Inspector, Public Works and the Planning Department. The Wickham Building houses the Commissioner of the Revenue, Treasurer, Information Technology, Registrar, and the Department of Human Resources. Offices for certain other functions are also housed in the Wickham and Wickham Annex Buildings.



General Government

Functional Area: General Government

Department: Human Resources

Project: Time and Attendance System

Location: All County

Description: The County currently does not have an automated system to track labor costs and collect time entries required for the payroll process. The tracking of employee time and leave information is currently in a manual, paper and labor intensive manner using Excel spreadsheets and manual workflows. In addition, there is no way to track time against work assignments and projects. This is a significant business need for departments to calculate the true costs of projects and/or services. The public safety departments have unique, complex scheduling requirements and pay rules that require significant manual effort. A time and attendance solution would greatly improve efficiencies, reduce risk and provide accurate cost data. Phase one (1) will implement the Countywide time and attendance system. Phase two will institute public safety scheduling.

Useful Life: 10 years

Timetable: Phase 1 in FY15 and Phase 2 in FY16

Operating Impact: Operating impact(s) are unknown at this time, but the maintenance is expected to be handled within the Human Resources Department budget.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ -	\$ 208,000	\$ 240,000	\$ -	\$ -	\$ 448,000
Total Sources	\$ -	\$ 208,000	\$ 240,000	\$ -	\$ -	\$ 448,000
Funding Uses						
Equipment	\$ -	\$ 208,000	\$ 240,000	\$ -	\$ -	\$ 448,000
Total Uses	\$ -	\$ 208,000	\$ 240,000	\$ -	\$ -	\$ 448,000

General Government

Functional Area: General Government

Department: Finance & Management Services

Project: Legacy System Upgrades

Location: All County

Description: The County's major business applications have all been evaluated to determine the necessary investment strategy. Approximately 36 (55%) of the major business applications should be retired. Over 28 (80%) of the systems slated for retirement run on the IBM AS/400 iSeries platform. Vendors that provide our current suite of major business application systems are no longer making significant improvements to their AS/400 products. The vendors are strongly encouraging moving to the windows based version of their products to get the functionality we require for conducting County business. Of the 36 applications scheduled for retirement, 28 are more than nine years old. Ten of the major business applications scheduled for retirement are more than 15 years old. Retiring aged business systems is an important goal for the County in order to provide adequate functionality and meet customer business requirements in the future. The CIP project for business application replacements establishes a capital project to begin replacing applications in a systematic manner. The IT Project Governance process has identified the highest priority and value potential for starting the application replacements. A number of systems have been preliminarily identified for replacement consideration in FY15. Those systems may include:

- 1) Payroll System Upgrade
- 2) Compensation System Upgrade

Useful Life: 10 years

Timetable: FY15 purchase and installation

Operating Impact: Operating impact(s) are unknown at this time, but the maintenance is expected to be handled within the Departmental budget.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ -	\$ 335,000	\$ -	\$ -	\$ -	\$ 335,000
Total Sources	\$ -	\$ 335,000	\$ -	\$ -	\$ -	\$ 335,000
Funding Uses						
Equipment	\$ -	\$ 335,000	\$ -	\$ -	\$ -	\$ 335,000
Total Uses	\$ -	\$ 335,000	\$ -	\$ -	\$ -	\$ 335,000

General Government

Functional Area: General Government

Department: Assessor

Project: Computer-Assisted Mass Appraisal (CAMA) Replacement System

Location: 7515 County Complex Road, Hanover, VA 23069

Description: Replace the existing CAMA system with a new system that meets the Assessor's business needs. This would include enhancements to the commercial modeling capability and the interface with the revenue and billing modules of the financial system.

Useful Life: 10-12 years

Timetable: FY15

Operating Impact: Operating impact(s) are unknown at this time, but the maintenance is expected to be handled within the Departmental budget.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ 350,000
Total Sources	<u>\$ -</u>	<u>\$ 350,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350,000</u>
Funding Uses						
Equipment	\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ 350,000
Total Uses	<u>\$ -</u>	<u>\$ 350,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350,000</u>

General Government

Functional Area: General Government

Department: Information Technology

Project: Technology Infrastructure

Location: Various county office buildings as required

Description: Technology Infrastructure includes the County's Network, Server, and iSeries, including the County's Security & Network Protection methods. Some of these costs are not separated by categories as vendors bid these as bundled prices to include the equipment, software licenses and their maintenance/warranty coverage. These upgrades are required as shifts in technology occur, to provide current support and warranty coverage, and provide system enhancements along with implementation of new technologies. These funds also ensure the Continuity of Operations for all technology services within the County. This CIP includes all hardware to operate the County's infrastructure in all County locations except for Public Utilities and Pamunkey Regional Jail.

Useful Life: The County has adopted a replacement strategy based upon the useful life or when the equipment vendor has classified the product as EOL (End Of Life) and is no longer supporting the product.

Timetable: Major purchases include an FY14 iSeries System Upgrade and enhancements to the County's major systems. FY14-17 also includes funds to allow the County to replace equipment that had been delayed from prior fiscal years.

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ 620,000	\$ 720,000	\$ 790,000	\$ 790,000	\$ 850,000	\$ 3,770,000
Total Sources	\$ 620,000	\$ 720,000	\$ 790,000	\$ 790,000	\$ 850,000	\$ 3,770,000
Funding Uses						
Equipment	\$ 620,000	\$ 720,000	\$ 790,000	\$ 790,000	\$ 850,000	\$ 3,770,000
Total Uses	\$ 620,000	\$ 720,000	\$ 790,000	\$ 790,000	\$ 850,000	\$ 3,770,000

General Government

Functional Area: General Government

Department: Information Technology

Project: Enterprise Licenses

Location: Wickham Building

Description: The County utilizes numerous enterprise software agreements to keep and maintain systems with up-to-date software that provides users and customers with extended functionality, corrections for known issues and key security upgrades. The Microsoft Enterprise Agreement is one example that provides software licensing and product access for all County computers. Servers, desktops, laptops and other device operating systems are funded and maintained through the Enterprise Agreement. Employees are licensed to use the latest version of Microsoft productivity tools, including Office, SharePoint, Exchange and many other products. Administrative costs are greatly reduced through the use of the Enterprise License Agreements. Licenses do not have to be purchased with new computers and the management of licenses are simplified and very efficient. Users have access to vendor issued patches and updates for their systems without the need to re-purchase software or pay vendors on a time and materials basis to correct problems. FY15 represents and actual cost increase, while FY16-18 show anticipated cost increases.

Useful Life: Varies based upon the product, however all product upgrades are included with the license agreement.

Timetable: Perform updates as deployed by the vendor, the enterprise agreement is done in 3 year terms.

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ 220,000	\$ 235,000	\$ 240,000	\$ 240,000	\$ 240,000	\$ 1,175,000
Total Sources	\$ 220,000	\$ 235,000	\$ 240,000	\$ 240,000	\$ 240,000	\$ 1,175,000
Funding Uses						
Facility Improvements	\$ 220,000	\$ 235,000	\$ 240,000	\$ 240,000	\$ 240,000	\$ 1,175,000
Total Uses	\$ 220,000	\$ 235,000	\$ 240,000	\$ 240,000	\$ 240,000	\$ 1,175,000

General Government

Functional Area: General Government

Department: Information Technology

Project: Storage Area Networks (SAN)

Location: Wickham Building

Description: Technology infrastructure enhancements for the County's Storage Area Network. The current SAN was originally purchased in FY11 using Energy Efficiency and Conservation Block Grant (EECBG) funds. The SAN provides the County with the ability to provide storage with greater capabilities and reliability. The SAN allows multiple system access, which helps the County ensure that we are utilizing all storage more effectively and efficiently than traditional server storage. The SAN also provides greater advance fault detection, allowing staff the ability to identify potential issues and correct them before the problems cause catastrophic system failures and service outages.

Useful Life: Varies - typically 10-15 years

Timetable: FY14 starts the renewal for warranty and maintenance. FY15 and FY16 address future growth and upgrades. FY17 includes the addition of a new unit to provide for anticipated storage growth as we migrate our major systems away from the IBM iSeries systems.

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14		FY15		FY16		FY17		FY18		Totals
Funding Sources											
General Fund	\$ 80,000	\$	80,000	\$	80,000	\$	450,000	\$	80,000	\$	770,000
Total Sources	\$ 80,000	\$	80,000	\$	80,000	\$	450,000	\$	80,000	\$	770,000
Funding Uses											
Equipment	\$ 80,000	\$	80,000	\$	80,000	\$	450,000	\$	80,000	\$	770,000
Total Uses	\$ 80,000	\$	80,000	\$	80,000	\$	450,000	\$	80,000	\$	770,000

General Government

Functional Area: General Government

Department: Information Technology

Project: Computer Replacement Program

Location: Wickham Building

Description: In FY10, declines in revenue as a result of the recession caused the County to migrate from a 4 year computer replacement plan that kept systems current and operating at a reasonable level of performance to a program whereby equipment is replaced only when it is no longer functional. The County currently has 358 computers that are more than four years old and 215 computers that are four years old. The large number of PCs of this age results in inefficiency and impacts workforce productivity. This funding level continues the recent practice and does not increase the replacement schedule or number of devices. These dollars have been maximized by the use of new lower cost device offerings recently put in place.

Useful Life: 4 years

Timetable: On-going

Operating Impact: There are no anticipated additional operating impacts as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ 75,000	\$ 50,000	\$ 125,000	\$ 150,000	\$ 200,000	\$ 600,000
Total Sources	\$ 75,000	\$ 50,000	\$ 125,000	\$ 150,000	\$ 200,000	\$ 600,000
Funding Uses						
Equipment	\$ 75,000	\$ 50,000	\$ 125,000	\$ 150,000	\$ 200,000	\$ 600,000
Total Uses	\$ 75,000	\$ 50,000	\$ 125,000	\$ 150,000	\$ 200,000	\$ 600,000

General Government

Functional Area: General Government

Department: Information Technology

Project: County Fiber Expansion

Location: County-wide, between primary sites

Description: The goal of this project is to provide enhancements to the existing fiber optic infrastructure that is being used by both the Schools and the County. This project will allow the County to complete the existing Fiber network to provide network failover during outages. The first step will be to utilize consultants to help plan and enhance our network by providing a path that runs from the County complex to the Taylor complex. The second phase will be to run fiber from the Taylor complex to the School Board office. This project will also be used to expand the use of the data path provided by the County Radio system into more County facilities.

Useful Life: 15+ years

Timetable: A good portion of FY17 will be spent in the design phase. The end of FY17 and into FY18 will comprise the construction phase.

Operating Impact: There are no anticipated additional operating impacts as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ -	\$ -	\$ -	\$ 225,000	\$ 225,000	\$ 450,000
Total Sources	\$ -	\$ -	\$ -	\$ 225,000	\$ 225,000	\$ 450,000
Funding Uses						
Facility Improvements	\$ -	\$ -	\$ -	\$ 225,000	\$ 225,000	\$ 450,000
Total Uses	\$ -	\$ -	\$ -	\$ 225,000	\$ 225,000	\$ 450,000

General Government

Functional Area: General Government

Department: Information Technology

Project: Data Center Upgrades

Location: Various Primary and Backup Data Centers in the County

Description: This project will provide required maintenance and enhancements of the County Data Centers to ensure the continuity of the county technology operations by ensuring that existing cooling and UPS (Uninterruptable Power Supply) systems continue to operate properly with regular maintenance and upgrades. Future expenditures are for annual and quarterly maintenance of existing cooling and UPS equipment, UPS battery replacements, major component upgrades and replacements, area modifications for growth of services, and improvements to center interconnects to provide highly available systems and services. Without this routine maintenance and upgrades of critical systems, the equipment may fail without warning or not operate as required. Loss of stabilized power or cooling could lead to catastrophic failure of major business systems affecting all county citizens.

Useful Life: 5 years for UPS batteries and major components of the cooling system. Major components of the UPS (such as capacitors and filtering ckts) have a 3-5 year useful life. Maintenance is an annual expense.

Timetable: Enhancements and maintenance will take place in FY17 and FY18 in a phased approach designed to minimize time that system components may be offline.

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ -	\$ -	\$ -	\$ 150,000	\$ 75,000	\$ 225,000
Total Sources	\$ -	\$ -	\$ -	\$ 150,000	\$ 75,000	\$ 225,000
Funding Uses						
Facility Improvements	\$ -	\$ -	\$ -	\$ 150,000	\$ 75,000	\$ 225,000
Total Uses	\$ -	\$ -	\$ -	\$ 150,000	\$ 75,000	\$ 225,000

General Government

Functional Area: General Government

Department: Information Technology

Project: Tax Parcel Data Enhancement

Location: Information Technology (GIS Division)

Description: The basis of the County’s real estate tax record system is the tax parcel. Local government tax parcel data is the legal repository of land ownership and property value. The original GIS parcel data layer was established in the mid 1990’s by digitally converting hard copy manually created maps that were not based on deeds or survey plats. Since the County’s assessment system (CAMA) is predominantly based on physical attributes of a parcel and characteristics of the land that comprises the parcel, it is imperative that parcels be as accurate as possible. The intent of this GIS Parcel Data Enhancement Proposal is to meet the following goals: improve the spatial integrity of the existing GIS parcel data layer; establish a master parcel database repository to integrate to CAMA system (discover missing tax revenue, reduce field work, equitable taxation); establish rules and procedures to ensure the accuracy of future GIS parcel edits; increase overall tax parcel record accuracy in other business systems; increase parcel data management efficiency; and, establish an environment that will integrate to future County business systems.

Useful Life: The intent is to use consulting services in conjunction with GIS staff to perform this work. The results of this project will establish the necessary policies and procedures to be used for future deed/plat related updates.

Timetable: The project will begin in July 2014 (FY15).

Operating Impact: There are no anticipated additional operating impacts as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ -	\$ 104,000	\$ -	\$ -	\$ -	\$ 104,000
Total Sources	\$ -	\$ 104,000	\$ -	\$ -	\$ -	\$ 104,000
Funding Uses						
Professional Services	\$ -	\$ 104,000	\$ -	\$ -	\$ -	\$ 104,000
Total Uses	\$ -	\$ 104,000	\$ -	\$ -	\$ -	\$ 104,000

General Government

Functional Area: General Government

Department: Information Technology

Project: Ektron Enterprise Licensing Agreement

Location: N/A

Description: The County is currently purchasing single user licenses for Ektron and is limited to one (1) web address (URL) for the use of the software. With the completed web site redesign, by FY15, the County should be in a position to take greater advantage of expanding access to Ektron for additional content providers and begin using the product for additional URLs. Continuing to purchase the single user licenses will not be cost-effective and the enterprise license is a much preferred way to complete this expansion.

Useful Life: 10+ years

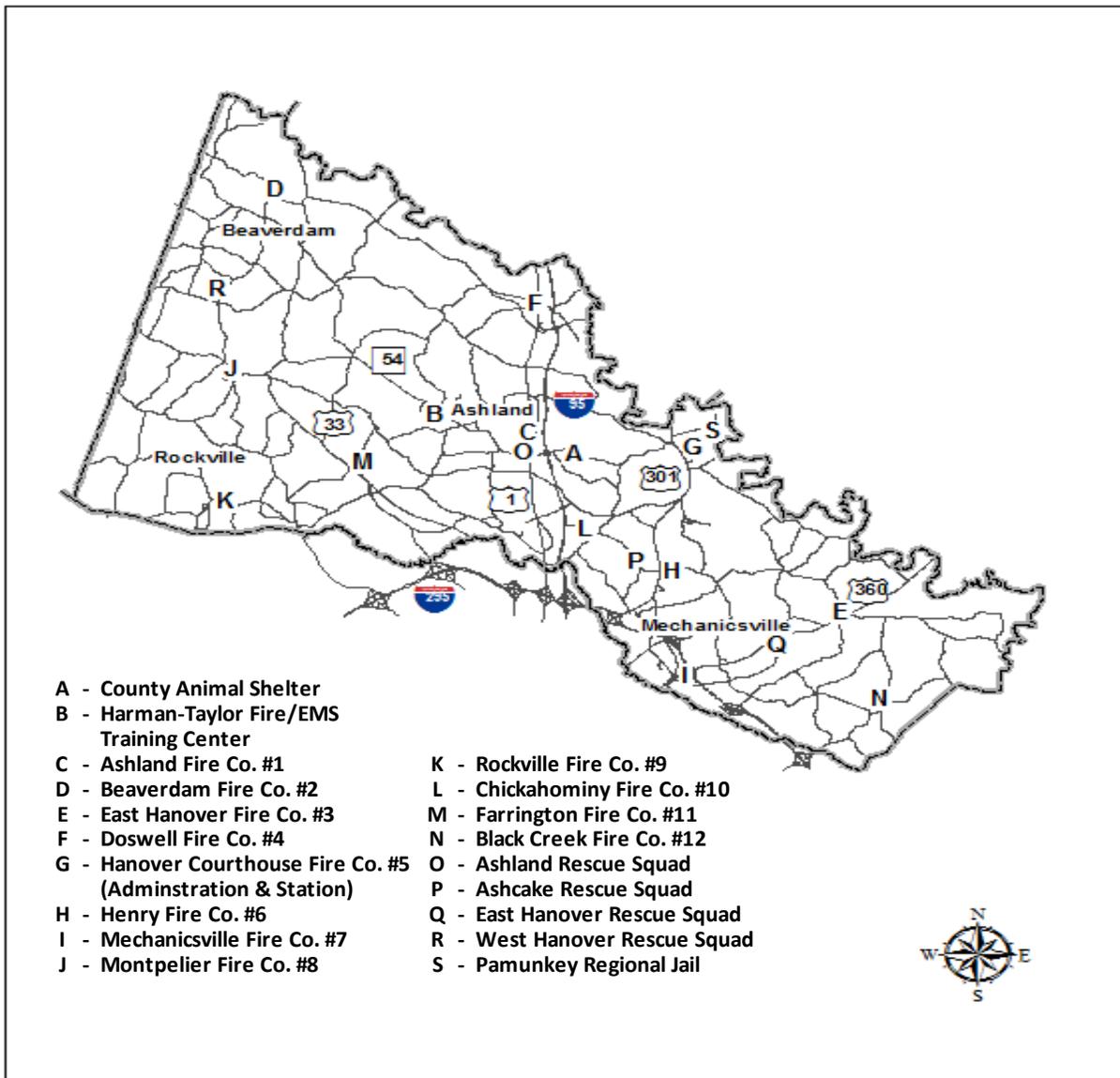
Timetable: FY15 purchase and implement the enterprise software.

Operating Impact: Annual software maintenance fees estimated to be 15% of license costs.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
Total Sources	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
Funding Uses						
Facility Improvements	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
Total Uses	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000

Public Safety

The existing Public Safety Functions include the Sheriff, Emergency Communications, Community Corrections, Juvenile Court Services, and Building Inspector's Office located at the Hanover County Government Complex. The County also provides a facility for the Animal Shelter at the Taylor House Complex (A). The Harman-Taylor Fire/EMS Training Center is located in Ashland, VA (B) and Fire/EMS administration is a part of Hanover Courthouse Station #5 (G). The twelve fire stations are: Ashland Co. #1 (C), Beaverdam Co. #2 (D), Black Creek Co. #12 (N), Chickahominy Co. #10 (L), Doswell Co.#4 (F), East Hanover Co. #3 (E), Farrington Co. #11 (M), Hanover Courthouse Co. #5 (G), Henry Co. #6 (H), Mechanicsville Co. #7 (I), Montpelier Co. #8 (J), and Rockville Co. #9 (K). The four rescue squads are: Ashland (O), Ashcake (P), East Hanover (Q), and West Hanover (R). The County participates in the Pamunkey Regional Jail (S).



Public Safety

Functional Area: Public Safety

Department: Sheriff

Project: Records Management and Mobile Field Reporting System

Location: Vaughn-Bradley Building

Description: The Sheriff's Office is currently using a Records Management System (RMS) that does not meet current law enforcement standards and requirements. The New World System was originally purchased in 1996. The current version runs on the AS/400 platform which is gradually being dropped from vendor support. Critical business needs for Mobile Data Computing like Mobile Field Reporting along with the ability for officers to search the RMS while on patrol do not exist in the current system. Integration with mapping and crime intelligence systems are also substandard. The ability to show linkages between victims, crimes, property, vehicles and suspects is not easily available in the current system. A modern Records Management System provides a wealth of data and functionality that will aid law enforcement and support the criminal justice system.

Useful Life: 10 years

Timetable: On-going

Operating Impact: There will be ongoing maintenance of approximately \$70,000.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ -	\$ -	\$ 685,000	\$ -	\$ -	\$ 685,000
Total Sources	\$ -	\$ -	\$ 685,000	\$ -	\$ -	\$ 685,000
Funding Uses						
Equipment	\$ -	\$ -	\$ 685,000	\$ -	\$ -	\$ 685,000
Total Uses	\$ -	\$ -	\$ 685,000	\$ -	\$ -	\$ 685,000

Public Safety

Functional Area: Public Safety

Department: Sheriff's Office

Project: Vaughan-Bradley Building HVAC

Location: Vaughn-Bradley Law Enforcement Office

Description: The manufacturer no longer makes an interface for the current HVAC system in the Vaughn-Bradley building. Toggle switches are being placed onto each control unit as an interim measure. With funding for this project, this unit will be replaced.

Useful Life: 15 years

Timetable: FY16 purchase and installation

Operating Impact: There are no anticipated additional operating impacts as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ -	\$ -	\$ 225,000	\$ -	\$ -	\$ 225,000
Total Sources	\$ -	\$ -	\$ 225,000	\$ -	\$ -	\$ 225,000
Funding Uses						
Facility Improvements	\$ -	\$ -	\$ 225,000	\$ -	\$ -	\$ 225,000
Total Uses	\$ -	\$ -	\$ 225,000	\$ -	\$ -	\$ 225,000

Public Safety

Functional Area: Public Safety

Department: Sheriff's Office

Project: Vaughan-Bradley Building Chiller Replacement

Location: Vaughn-Bradley Law Enforcement Office

Description: The Vaughan-Bradley building chiller has surpassed its life expectancy. Additionally, the controls are out of date and will cost more to fix than buy new.

Useful Life: 15-20 years

Timetable: FY17 purchase and installation

Operating Impact: There are no anticipated additional operating impacts as a result of this project.

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>Totals</u>
Funding Sources						
General Fund	\$ -	\$ -	\$ -	\$ 175,000	\$ -	\$ 175,000
Total Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,000</u>	<u>\$ -</u>	<u>\$ 175,000</u>
Funding Uses						
Facility Improvements	\$ -	\$ -	\$ -	\$ 175,000	\$ -	\$ 175,000
Total Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,000</u>	<u>\$ -</u>	<u>\$ 175,000</u>

Public Safety

Functional Area: Public Safety

Department: Sheriff's Office

Project: Firing Range Lead Removal

Location: Hanover County Sheriff's Office Range

Description: Lead removal is an EPA Best Practice for outdoor firing ranges and should be done every 10-12 years. The last removal was completed in 2007. This process will prevent the Hanover Sheriff's Office Range from being a hazardous environment.

Useful Life: N/A

Timetable: The lead removal process will be started and completed in FY18.

Operating Impact: There are no anticipated additional operating impacts as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Total Sources	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Funding Uses						
Professional Services	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Total Uses	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000

Public Safety

Functional Area: Public Safety

Department: Sheriff's Office

Project: Elevator Cylinder Replacement

Location: Vaughn-Bradley Law Enforcement Office

Description: The current elevator shaft/cylinder in the Vaughn-Bradley building is 17 years old and has a 20 year anticipated useful life. Scheduled replacement of this unit is preferred over an emergency repair or replacement. This project would plan for the replacement at the end of its useful life.

Useful Life: 20 years

Timetable: FY17 purchase and installation

Operating Impact: There are no anticipated additional operating impacts as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ 75,000
Total Sources	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ 75,000
Funding Uses						
Professional Services	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ 75,000
Total Uses	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ 75,000

Public Safety

Functional Area: Public Safety

Department: Emergency Communications

Project: Radio Replacement - Portable & Mobile

Location: 7501 Library Drive, Hanover, VA 23069

Description: Portable and mobile radio units purchased with the recent radio system upgrade project will be reaching the end of their anticipated useful life within this Five-Year Plan. The funding of this project anticipates setting aside money beginning in FY16 for use in a phased-in replacement plan.

Useful Life: Current radio subscribers are anticipated to have a useful life of 7-10 years. This project represents the initial lifecycle replacement plan request for a phased multi year replacement program.

Timetable: Preliminary procurement work will begin in FY15, with purchase of phase one equipment in FY16.

Operating Impact: There are no anticipated additional operating impacts as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ -	\$ -	\$ 1,250,000	\$ 1,250,000	\$ 500,000	\$ 3,000,000
Total Sources	\$ -	\$ -	\$ 1,250,000	\$ 1,250,000	\$ 500,000	\$ 3,000,000
Funding Uses						
Equipment	\$ -	\$ -	\$ 1,250,000	\$ 1,250,000	\$ 500,000	\$ 3,000,000
Total Uses	\$ -	\$ -	\$ 1,250,000	\$ 1,250,000	\$ 500,000	\$ 3,000,000

Public Safety

Functional Area: Public Safety

Department: Emergency Communications

Project: Computer Aided Dispatch (CAD) System Replacement

Location: 7501 Library Drive, Hanover, VA 23069

Description: The Information Technology Department has been working with Public Safety departments regarding the upgrade of critical Public Safety computer systems and applications. The Sheriff's Office, Regional Jail and Emergency Communications Departments all share an integrated solution that utilizes critical public safety data to improve response to the citizens and ensure essential information is available to our first responders. The Computer Aided Dispatch (CAD) system is the hub of the integrated system and has been identified as the first priority for replacement/upgrade.

Useful Life: The current Computer Aided Dispatch (CAD) system has been in service for 17 years. The anticipated useful life of a new CAD system is 15 years.

Timetable: Procurement will begin in FY14 with an anticipated 18 month implementation process.

Operating Impact:

FY14	FY15	FY16	FY17	FY18	Total Impact
20,000	20,000	20,000	20,000	20,000	100,000

The new CAD system is expected to have maintenance costs that are higher than our current application consistent with the increased value of the new software solution. The costs reflected are estimates of the net impact to the General Fund.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ 956,000	\$ -	\$ -	\$ -	\$ -	\$ 956,000
Total Sources	\$ 956,000	\$ -	\$ -	\$ -	\$ -	\$ 956,000
Funding Uses						
Equipment	\$ 956,000	\$ -	\$ -	\$ -	\$ -	\$ 956,000
Total Uses	\$ 956,000	\$ -	\$ -	\$ -	\$ -	\$ 956,000

Public Safety

Functional Area: Public Safety

Department: Fire/EMS

Project: Fire Engine and Heavy Squad Replacement

Location: Fire Stations in Hanover County

Description: The County operates a fleet of 21 engines, five (5) tankers, three (3) ladder trucks and miscellaneous air utility vehicles, brush trucks, heavy duty squad trucks, first responder all-purpose vehicles and a mobile command unit. The current replacement plan envisions a 10 year useful life for engines, a 15 year useful life for ladder trucks, and a 15 year useful life for tankers. To maintain this plan it is necessary to replace two engines per year within the five-year plan. The engines in this rotation are the first line engines for fire and medical response from the County fire stations. They have a capacity of 750 gallons of water, 2,000 gallon per minute pump, 2,000 feet of assorted hose, breathing apparatus and the capability of transporting six (6) fire fighters to emergency scenes. This plan will not expand the current fleet of fire engines beyond the 21 currently in operation.

Useful Life: The current replacement plan envisions a 10 year useful life for engines, a 15 year useful life for ladder trucks, and a 15 year useful life for tankers.

Timetable: Two (2) fire apparatus would be replaced each year with a projected delivery 300 days from the purchase date. Under current financial restraints, we are pursuing the concept of a refurbishment program for support vehicles, i.e. tankers, heavy rescues, ladder trucks, as a stop gap measure for a limited time period.

Operating Impact: Repair expenses increase and reliability decreases with the age of equipment. The replacement plan has been created to mitigate the cost and hazard of malfunctioning equipment in order to better ensure the prompt response to calls for service.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ 250,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 750,000	\$ 2,500,000
Total Sources	\$ 250,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 750,000	\$ 2,500,000
Funding Uses						
Vehicles	\$ 250,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 750,000	\$ 2,500,000
Total Uses	\$ 250,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 750,000	\$ 2,500,000

Public Safety

Functional Area: Public Safety

Department: Fire/EMS

Project: Ambulance Replacement

Location: Ambulance in Hanover County

Description: Hanover County currently operates 21 ambulances from 13 stations. The fleet will remain at 21 ambulances. Ambulances are chosen for replacement based on estimated maintenance costs, mileage, age, and the number of previous chassis applied to the ambulance. All ambulances will be outfitted to advanced life support standards. Expected useful life is 15 years with proper maintenance.

Useful Life: 15 years

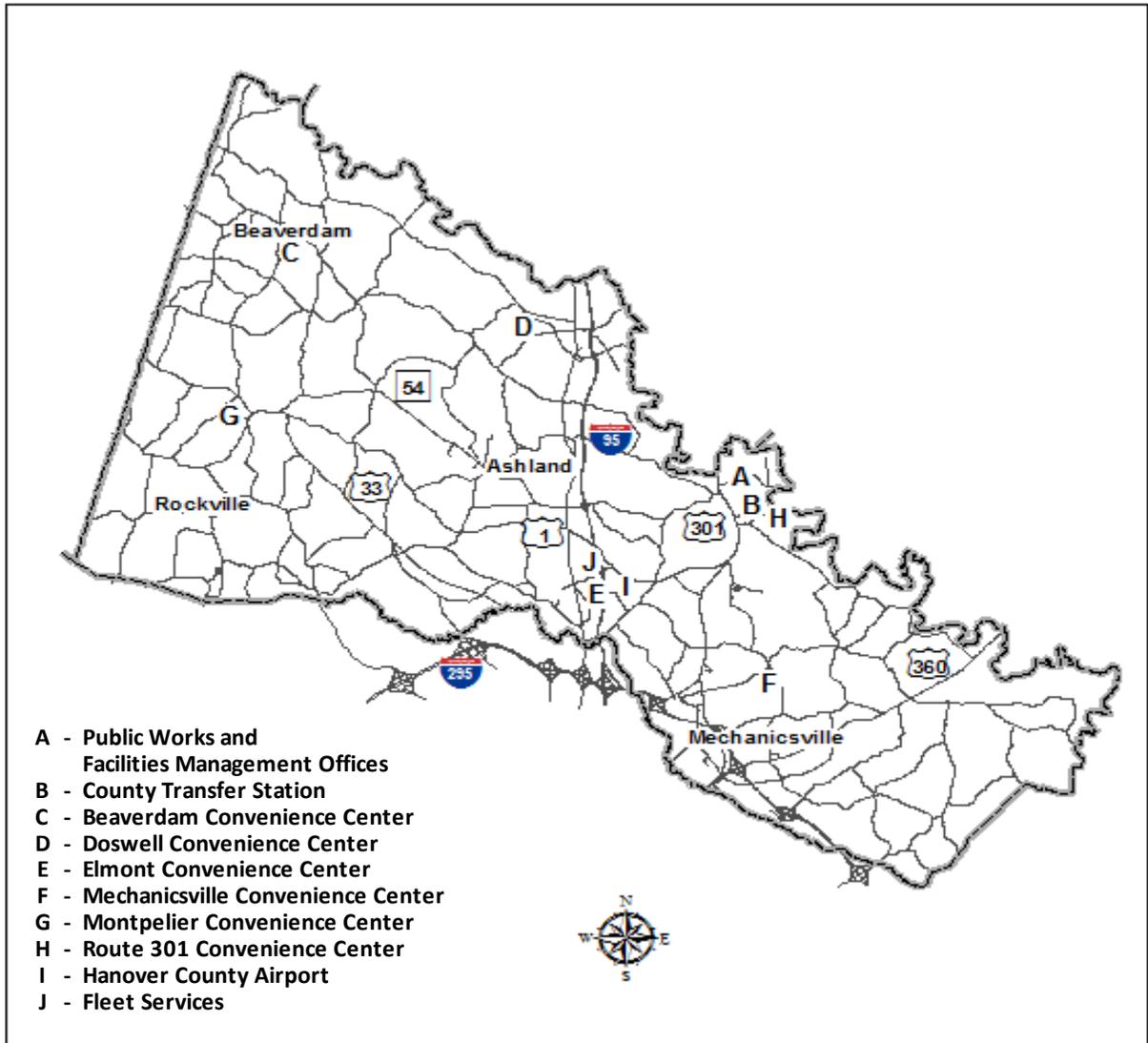
Timetable: At this funding level, the County will purchase two (2) ambulances per year.

Operating Impact: Repair expenses increase and reliability decreased with the age of equipment. The replacement plan has been created to mitigate the cost and hazard of malfunctioning equipment in order to better ensure the prompt response to calls for service.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ 376,000	\$ 386,000	\$ 396,000	\$ 414,120	\$ 434,826	\$ 2,006,946
Total Sources	\$ 376,000	\$ 386,000	\$ 396,000	\$ 414,120	\$ 434,826	\$ 2,006,946
Funding Uses						
Vehicles	\$ 376,000	\$ 386,000	\$ 396,000	\$ 414,120	\$ 434,826	\$ 2,006,946
Total Uses	\$ 376,000	\$ 386,000	\$ 396,000	\$ 414,120	\$ 434,826	\$ 2,006,946

Public Works

The Public Works function facilities include the Public Works and Facilities Management offices in the Administration Building at the Hanover County Government Complex (A). In addition, this function also includes the Hanover County Airport (I), and the County Transfer Station (B) and its six Solid Waste convenience centers: Beaverdam (C), Doswell (D), Elmont (E), Mechanicsville (F), Montpelier (G), and Route 301 (H). The County Garage is located on Lewistown Road (J).



Public Works

Functional Area: Public Works

Department: Public Works

Project: Reserve for Future Roadway Improvements

Location: Not Determined

Description: The intent of this project is to improve traffic operations and highway capacity or construct new roadways on an as-needed basis to be determined by the Board of Supervisors. The funds will also be used to match state funds for specific road projects and to help offset unforeseen construction cost increases on current and future road projects.

Useful Life: N/A

Timetable: Continuous improvements

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ 250,000	\$ 300,000	\$ 350,000	\$ 350,000	\$ 500,000	\$ 1,750,000
Categorical State Aid	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Total Sources	\$ 1,250,000	\$ 1,300,000	\$ 1,350,000	\$ 1,350,000	\$ 1,500,000	\$ 6,750,000
Funding Uses						
Construction	\$ 687,500	\$ 715,000	\$ 742,500	\$ 742,500	\$ 825,000	\$ 3,712,500
Land	375,000	390,000	405,000	405,000	450,000	2,025,000
Professional Services	187,500	195,000	202,500	202,500	225,000	1,012,500
Total Uses	\$ 1,250,000	\$ 1,300,000	\$ 1,350,000	\$ 1,350,000	\$ 1,500,000	\$ 6,750,000

Public Works

Functional Area: Public Works

Department: Public Works

Project: Watershed Improvement Program

Location: Hanover County

Description: A draft special condition in the State's Municipal Separate Storm Sewer System (MS4) draft general permit would require the County to develop and implement a Chesapeake Bay TMDL (Total Maximum Daily Load) action plan to reduce pollutants discharged from our public storm sewer system. The Chesapeake Bay TMDL is a "pollution diet" established by the U.S. Environmental Protection Agency (EPA) and implemented through Virginia's Watershed Implementation Plan (WIP) to improve water quality in the Chesapeake Bay watershed. Localities in the Bay watershed with MS4 permits like Hanover will be mandated to reduce pollutants from previously developed lands as a condition of their permit cycle. To accomplish these required pollutant reductions, projects to install stormwater treatment facilities or best management practices (BMPs) on existing developed lands will be implemented over a projected 15-year period. Capital implementation costs are projected to be \$71 million over the 15-year period. The State's WIP requires localities to address 5% of the required reductions in the first 5-year cycle, 35% in the second 5-year cycle, and the remaining 60% reductions in the third 5-year cycle. The estimates are very preliminary and will be refined by future analysis of permit conditions.

Useful Life: N/A

Timetable: FY14-FY28

Operating Impact: To be determined

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ 1,394,000	\$ 1,086,000	\$ 1,108,000	\$ 1,130,000	\$ 4,718,000
Total Sources	\$ -	\$ 1,394,000	\$ 1,086,000	\$ 1,108,000	\$ 1,130,000	\$ 4,718,000
Funding Uses						
Facility Improvements	\$ -	\$ 1,064,000	\$ 1,086,000	\$ 1,108,000	\$ 1,130,000	\$ 4,388,000
Professional Services	-	330,000	-	-	-	330,000
Total Uses	\$ -	\$ 1,394,000	\$ 1,086,000	\$ 1,108,000	\$ 1,130,000	\$ 4,718,000

Public Works

Functional Area: Public Works

Department: Public Works

Project: Regional Stormwater Implementation

Location: Suburban Service Area

Description: The County's stormwater program provides for the collection of a one-time pro-rata share fee from development based on the amount of impervious surface. Fees collected are used to construct regional stormwater management ponds to meet water quality requirements instead of requiring on-site Best Management Practices. Participation in the County's program is voluntary. The fee models that support the program are based upon stormwater program management, capital and oversight costs incurred in designing, acquiring and building drainage basins. The revenue is remitted to the Capital Improvements Fund, which then transfers a portion to the General Fund as a reimbursement for two part-time positions plus overhead. Due to changes to the State's stormwater management Regulations, the County's regional stormwater program may no longer be able to provide credits for development starting in FY15.

Useful Life: N/A

Timetable: FY14-FY15

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
Fees	\$ 164,700	\$ 264,700	\$ -	\$ -	\$ -	\$ 429,400
Total Sources	\$ 164,700	\$ 264,700	\$ -	\$ -	\$ -	\$ 429,400
Funding Uses						
Professional Services	\$ 164,700	\$ 164,700	\$ -	\$ -	\$ -	\$ 329,400
Facility Improvements	-	100,000	-	-	-	100,000
Total Uses	\$ 164,700	\$ 264,700	\$ -	\$ -	\$ -	\$ 429,400

Public Works

Functional Area: Public Works

Department: Solid Waste Services

Project: Solid Waste Equipment Replacement

Location: County Convenience Centers and Transfer Station

Description: The project will purchase replacement equipment to handle solid waste at the County Convenience Centers, Route 301 Transfer Station and Waste-to-Compost (WTC). This project is necessary to maintain a viable fleet of solid waste handling equipment. Aging equipment will be taken out of service and replaced with modern, reliable equipment. Acquisition of new equipment will provide for more efficient operations with less maintenance and repair downtime.

Useful Life: The estimated useful life varies for this equipment; Wheel Loader - 15 years, Roll-off Truck- 10 years, Road Tractor - 20 years, Stationary Compactor - 5 to 15 years (varies with usage).

Timetable: FY14-Wheeled Tire Loader; FY15-Roll-off Truck; FY16-Roll-off Truck; FY17-Farm Tractor and Equipment; FY18-Wheeled Loader

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ 200,000	\$ 100,000	\$ 100,000	\$ 190,000	\$ 100,000	\$ 690,000
Total Sources	\$ 200,000	\$ 100,000	\$ 100,000	\$ 190,000	\$ 100,000	\$ 690,000
Funding Uses						
Equipment	\$ 200,000	\$ 100,000	\$ 100,000	\$ 190,000	\$ 100,000	\$ 690,000
Total Uses	\$ 200,000	\$ 100,000	\$ 100,000	\$ 190,000	\$ 100,000	\$ 690,000

Public Works

Functional Area: Public Works

Department: General Services

Project: General Vehicle Replacement Schedule

Location: Fleet

Description: As the County's fleet ages, vehicle replacement is required. The yearly budgeted amounts would go directly to replacing County vehicles.

Useful Life: 7-10 years

Timetable: FY14 - FY18

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>Totals</u>
Funding Sources						
General Fund	\$ 125,000	\$ 140,000	\$ 200,000	\$ 300,000	\$ 300,000	\$ 1,065,000
Total Sources	\$ 125,000	\$ 140,000	\$ 200,000	\$ 300,000	\$ 300,000	\$ 1,065,000
Funding Uses						
Vehicles	\$ 125,000	\$ 140,000	\$ 200,000	\$ 300,000	\$ 300,000	\$ 1,065,000
Total Uses	\$ 125,000	\$ 140,000	\$ 200,000	\$ 300,000	\$ 300,000	\$ 1,065,000

Public Works

Functional Area: Public Works

Department: General Services

Project: Facility Maintenance

Location: Fleet facility

Description: Concrete floors in all bay areas are in need of top-coat application to protect and extend working life of garage floor. Dropped tools, spills, and the weight of vehicles all combine to destroy, split and crack the concrete surface.

Useful Life: 10 - 15 years

Timetable: FY17

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ 300,000
Total Sources	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ 300,000
Funding Uses						
Facility Improvements	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ 300,000
Total Uses	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ 300,000

Public Works

Functional Area: Public Works

Department: General Services

Project: Telecommunications Switch Upgrades

Location: Multiple

Description: This project would result in upgrading five (5) remaining telephone switches, including the Government Complex, to maintain compliance with the supported versions of the County's current Mitel software and hardware.

Useful Life: 10 - 15 years

Timetable: FY15 purchase and installation

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
Total Sources	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
Funding Uses						
Facility Improvements	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
Total Uses	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000

Public Works

Functional Area: Public Works

Department: General Services

Project: HVAC Fan Units - Annex

Location: Wickham Annex Building

Description: Present HVAC units in the Wickham Annex are failing and cannot be repaired due to their age. This project would replace all existing fan coil HVAC units and piping with more efficient 2-pipe units.

Useful Life: 25 - 30 years

Timetable: FY18 purchase and installation

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 145,000	\$ 145,000
Total Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,000</u>	<u>\$ 145,000</u>
Funding Uses						
Facility Improvements	\$ -	\$ -	\$ -	\$ -	\$ 145,000	\$ 145,000
Total Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,000</u>	<u>\$ 145,000</u>

Public Works

Functional Area: Public Works

Department: General Services

Project: HVAC Air Handler Replacement

Location: Wickham Building

Description: The HVAC Supply and Return building air handlers are continuing to age and deteriorate. This project would replace these units.

Useful Life: 25 - 40 years

Timetable: FY18 purchase and installation

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ -	\$ -	\$ -	\$ -	97,000	\$ 97,000
Total Sources	\$ -	\$ -	\$ -	\$ -	97,000	\$ 97,000
Funding Uses						
Facility Improvements	\$ -	\$ -	\$ -	\$ -	97,000	\$ 97,000
Total Uses	\$ -	\$ -	\$ -	\$ -	97,000	\$ 97,000

Public Works

Functional Area: Public Works

Department: General Services

Project: Elevator Cylinder Replacement

Location: Wickham Building

Description: Hydraulic cylinder elevators will ultimately fail due to corrosion brought about by water and electrolysis. The anticipated useful life of a cylinder can be anywhere from 20 to 40 years depending on the environment. This unit slated for replacement is past the 35 year mark.

Useful Life: 20 - 40 years

Timetable: FY16 purchase and installation

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ -	\$ -	\$ 51,000	\$ -	\$ -	\$ 51,000
Total Sources	\$ -	\$ -	\$ 51,000	\$ -	\$ -	\$ 51,000
Funding Uses						
Facility Improvements	\$ -	\$ -	\$ 51,000	\$ -	\$ -	\$ 51,000
Total Uses	\$ -	\$ -	\$ 51,000	\$ -	\$ -	\$ 51,000

Public Works

Functional Area: Public Works

Department: General Services

Project: Roof Replacement

Location: Ashland Library

Description: The Ashland Library is in need of a new roof and flashing due to age, condition, and warranty.

Useful Life: 20 years

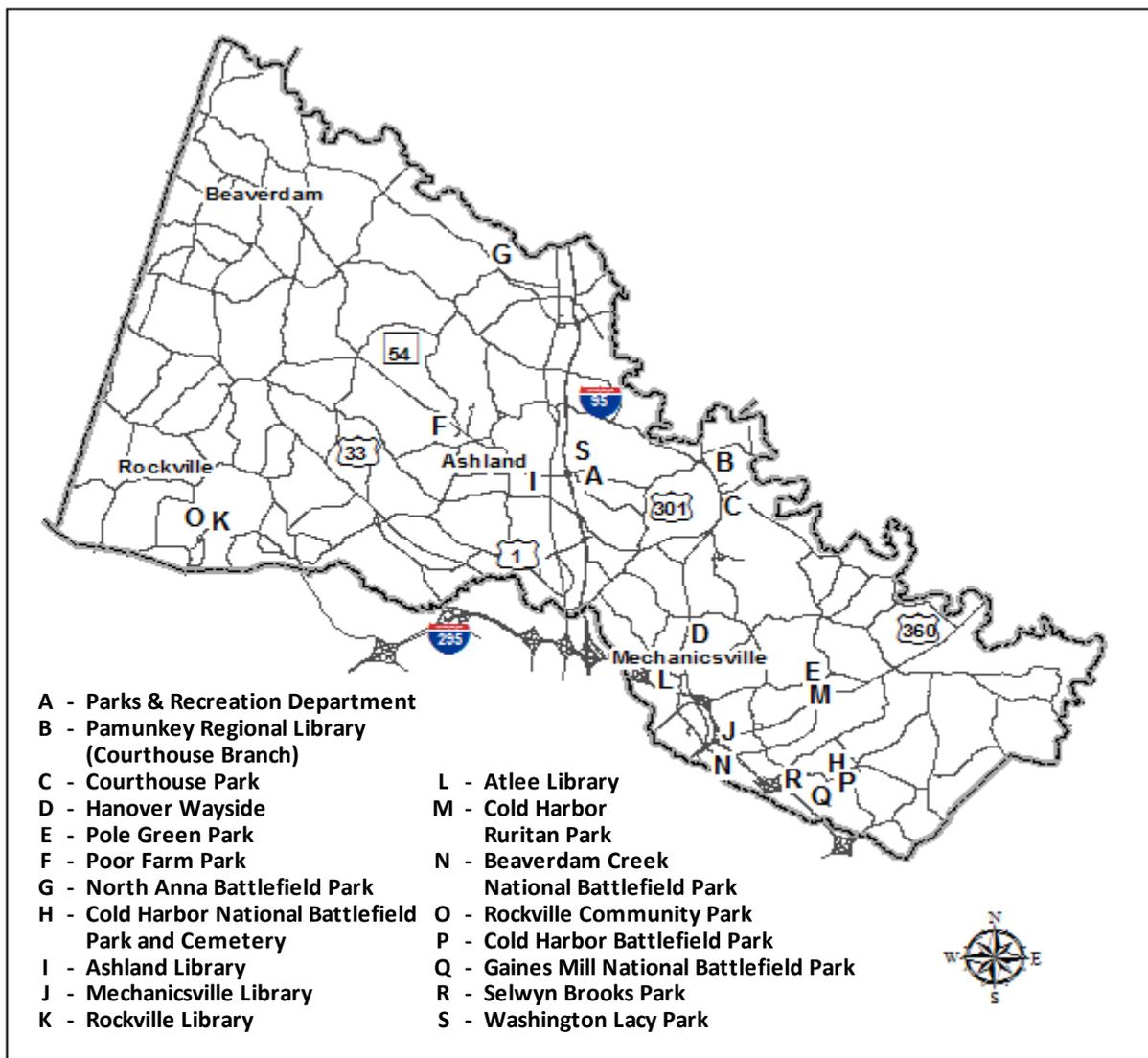
Timetable: FY18

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 51,000	\$ 51,000
Total Sources	\$ -	\$ -	\$ -	\$ -	\$ 51,000	\$ 51,000
Funding Uses						
Facility Improvements	\$ -	\$ -	\$ -	\$ -	\$ 51,000	\$ 51,000
Total Uses	\$ -	\$ -	\$ -	\$ -	\$ 51,000	\$ 51,000

Parks, Recreation and Cultural

Parks, Recreation and Cultural Facilities include the services provided by the Parks and Recreation Department located at the Taylor Complex (A) and the Pamunkey Regional Library located at the Hanover County Government Complex (B). Existing Parks include Courthouse Park (C), Hanover Wayside (D), Pole Green (E), Poor Farm (F), North Anna Battlefield Park (G), Cold Harbor National Battlefield Park & Cemetery (H), Cold Harbor Ruritan Park (M), Beaverdam Creek National Battlefield Park (N), Rockville Community Park (O), Cold Harbor Battlefield Park (P), Gaines Mill National Battlefield Park (Q), Selwyn Brooks Park (R), and Washington Lacy Park (S). Libraries include Ashland (I), Atlee (L), Hanover Courthouse (B), Mechanicsville (J), and Rockville (K).



Parks, Recreation and Cultural

Functional Area: Parks, Recreation and Cultural

Department: Parks and Recreation

Project: Skate Park Repairs & Renovations

Location: 8996 Pole Green Park Ln., Mechanicsville, VA 23116

Description: The Skate Park is currently in need of repairs and replacement of the existing equipment which has deteriorated as a result of exposure to the elements.

Useful Life: 20 + years

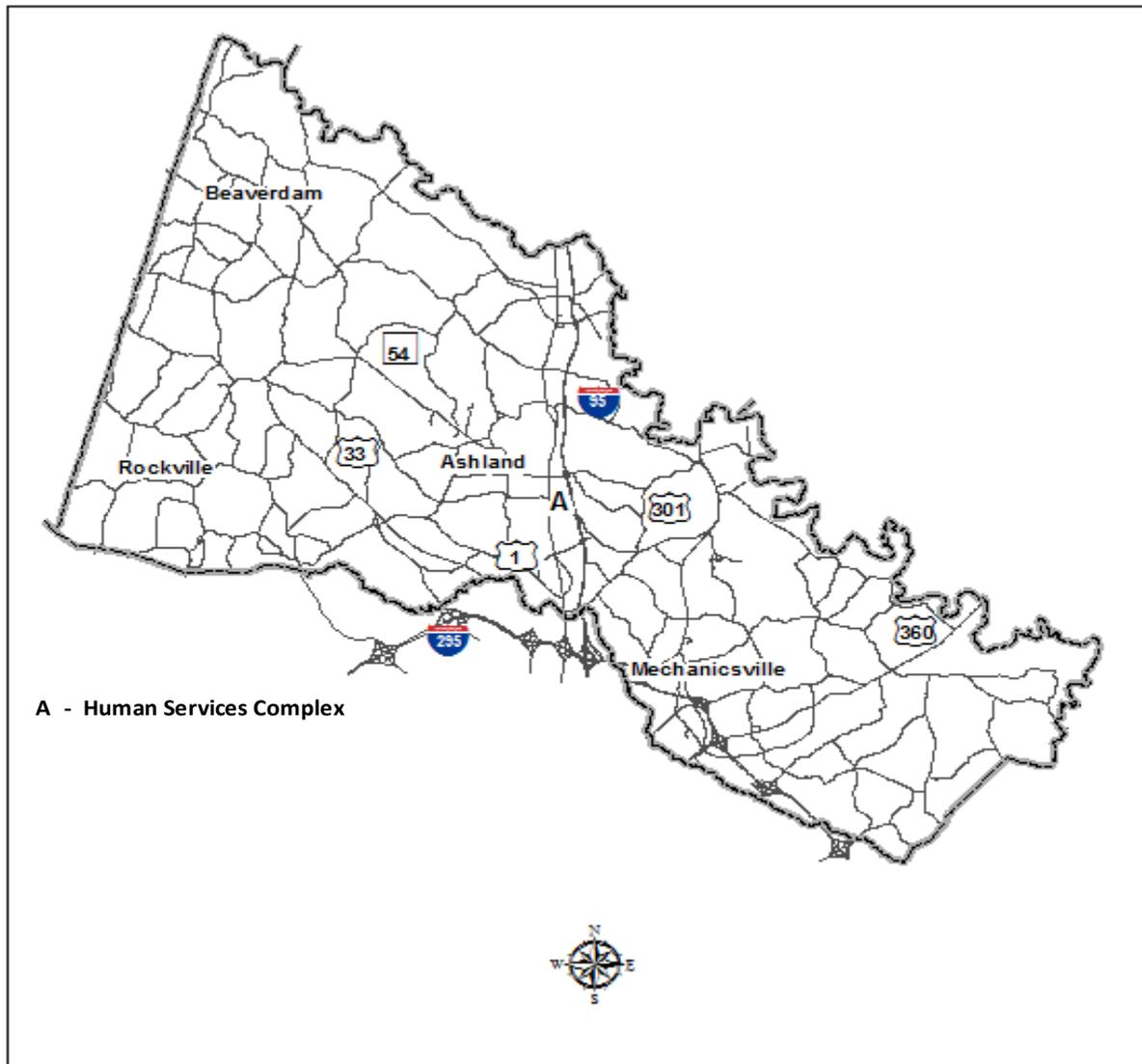
Timetable: FY14

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>Totals</u>
Funding Sources						
General Fund	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Total Sources	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>
Funding Uses						
Equipment	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Total Uses	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>

Human Services

The Human Services functions include Social Services, Community Services Board, and Community Resources. All Human Services related departments are located at the Hanover County Human Services Complex (A) located at 12310 Washington Hwy. in the Town of Ashland.



Human Services

Functional Area: Human Services

Department: Community Services Board (CSB)

Project: RAFT House Purchase

Location: Undetermined

Description: The RAFT House CIP is to provide a facility that fully meets the program needs of the CSB psychosocial rehabilitation program, while also eliminating the last remaining CSB leased facility. The current facility does not allow for needed expansion and configuration for optimum programming. Transition to a County owned facility will also provide a more cost effective alternative to long-term leasing.

Useful Life: 20 + years

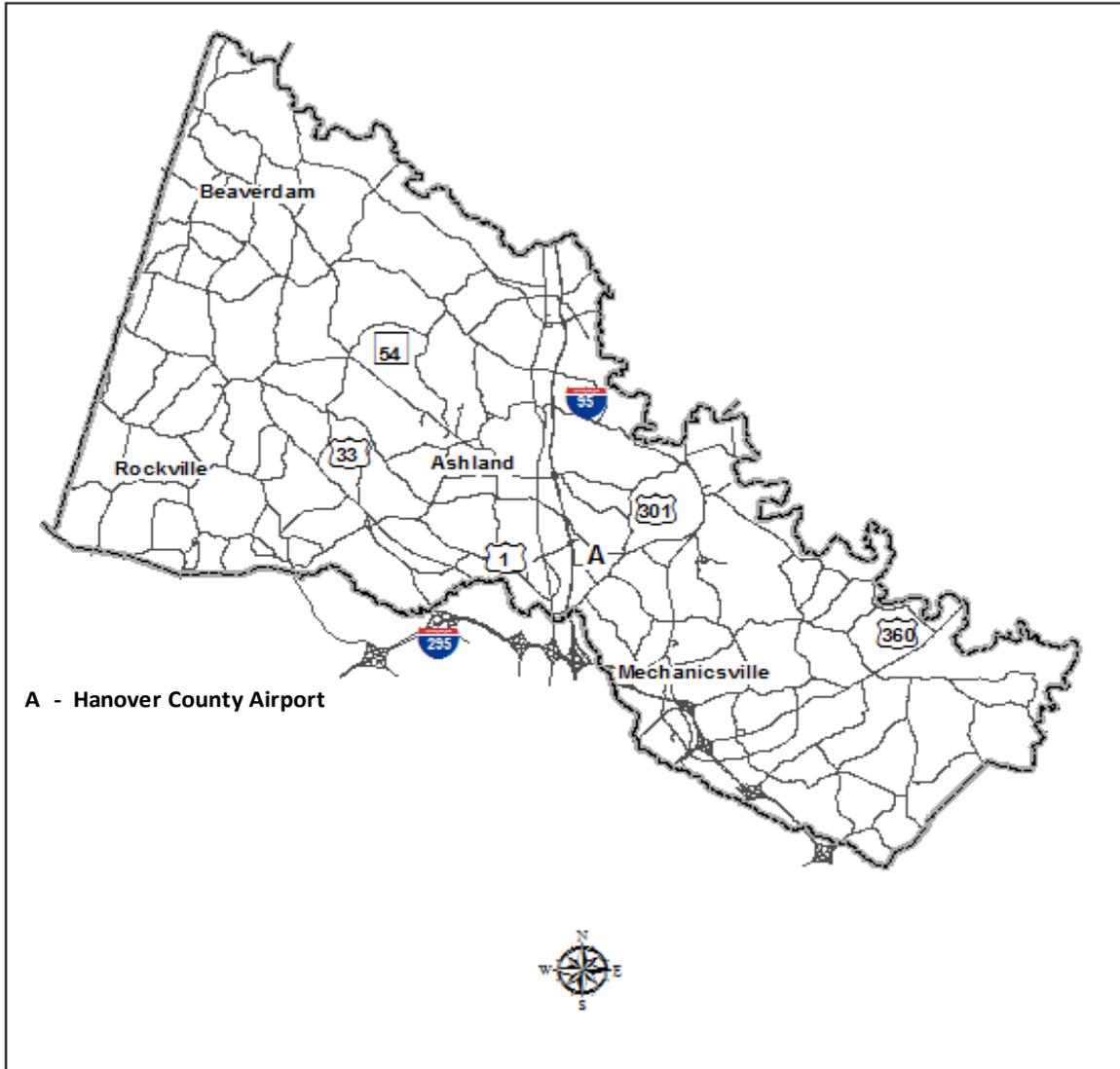
Timetable: Purchase of an existing property or construction in FY18

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
Total Sources	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
Funding Uses						
Equipment	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
Total Uses	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000

Hanover County Airport

The Hanover County Airport facilities include the County Airport (A) located at 11152 Airpark Rd.



Airport Fund

Functional Area: Public Works

Department: Airport

Project: East Side Taxiway and Apron

Location: Hanover County Airport, 11152 Airpark Road, Ashland, VA 23005

Description: This expansion allows use of space for needed aircraft overflow parking. No more land is currently available for parking on the west side and all aircraft tie down spots are occupied.

Useful Life: N/A

Timetable: FY15 Design, FY16-17 Construction

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
State VDOA Grant	\$ -	\$ 15,000	\$ 122,713	\$ 122,713	\$ -	\$ 260,426
FAA Grant	-	475,000	3,885,901	3,885,901	-	8,246,802
Total Sources	\$ -	\$ 490,000	\$ 4,008,614	\$ 4,008,614	\$ -	\$ 8,507,228
Funding Uses						
Professional Services	\$ -	\$ 490,000	\$ -	\$ -	\$ -	\$ 490,000
Construction	-	-	4,008,614	4,008,614	-	8,017,228
Total Uses	\$ -	\$ 490,000	\$ 4,008,614	\$ 4,008,614	\$ -	\$ 8,507,228

Airport Fund

Functional Area: Public Works

Department: Airport

Project: Airport Land Acquisition

Location: Hanover County Airport, 11152 Airpark Road, Ashland, VA 23005

Description: The 2000 Airport Master Plan indicates the need to purchase 58 acres of land and aviation easements to the North, South and East of the runway to meet FAA Airport Safety Criteria. Purchase of this land or easement is required to remove airspace obstructions and complete East side expansion. The County will give priority for acquisition of required land when it is on the market.

Useful Life: N/A

Timetable: FY17 purchase of land or easements

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
State VDOA Grant	\$ -	\$ -	\$ -	\$ 39,243	\$ -	\$ 39,243
FAA Grant	-	-	-	1,242,699	-	1,242,699
Total Sources	\$ -	\$ -	\$ -	\$ 1,281,942	\$ -	\$ 1,281,942
Funding Uses						
Land	\$ -	\$ -	\$ -	\$ 1,281,942	\$ -	\$ 1,281,942
Total Uses	\$ -	\$ -	\$ -	\$ 1,281,942	\$ -	\$ 1,281,942

Airport Fund

Functional Area: Public Works

Department: Airport

Project: Airport Improvements

Location: Hanover County Airport, 11152 Airpark Road, Ashland, VA 23005

Description: Funding initiative to be used toward the construction of projects identified in the Airport Master Plan.

Useful Life: N/A

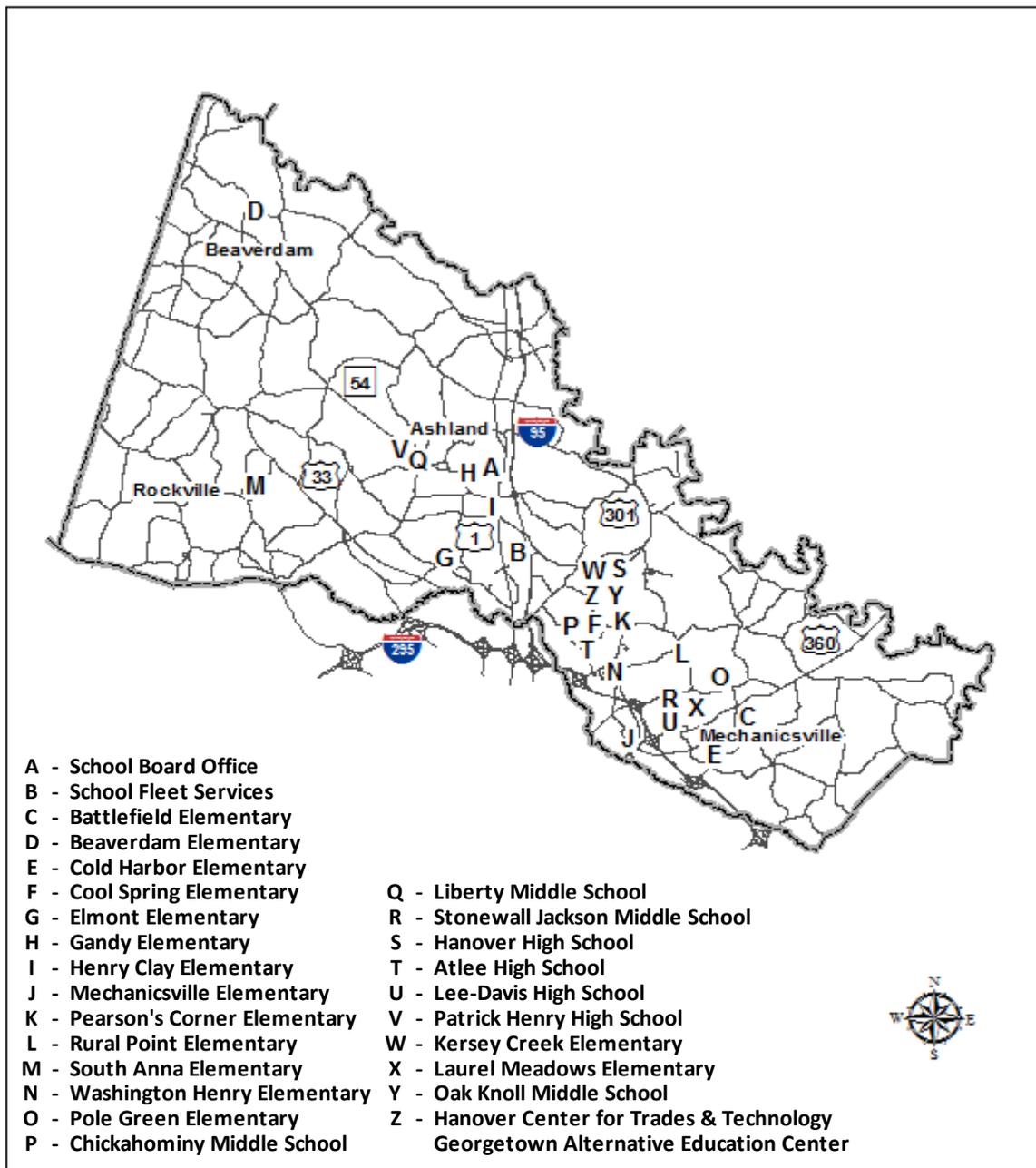
Timetable: FY14 obstruction removal. Projects will be initiated as sufficient funding is accumulated and/or grant funds become available.

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ 3,499	\$ -	\$ -	\$ -	\$ -	\$ 3,499
State VDOA Grant	13,996	-	-	-	-	13,996
FAA Grant	157,455	-	-	-	-	157,455
Total Sources	\$ 174,950	\$ -	\$ -	\$ -	\$ -	\$ 174,950
Funding Uses						
Construction	\$ 174,950	\$ -	\$ -	\$ -	\$ -	\$ 174,950
Total Uses	\$ 174,950	\$ -	\$ -	\$ -	\$ -	\$ 174,950

Education

The Education facilities for the Hanover County Public Schools include the School Board (A) where all administrative functions are performed and the School Bus Garage (B). There are twenty-four schools in the County including fifteen elementary schools: Battlefield (C), Beaverdam (D), Cold Harbor (E), Cool Spring (F), Elmont (G), Gandy (H), Henry Clay (I), Kersey Creek (W), Mechanicsville (J), Pearson's Corner (K), Rural Point (L), South Anna (M), Washington-Henry (N), Pole Green (O) and Laurel Meadows (X); four middle schools: Chickahominy (P), Liberty (Q), Stonewall Jackson (R), and Oak Knoll (Y); four high schools: Atlee (T), Lee-Davis (U), Patrick Henry (V), and Hanover (S); one trade school: Hanover Center for Trades & Technology; and one alternative school: Georgetown Alternative Education Center (Z).



Education

Functional Area: Education

Department: Hanover County Public Schools

Project: Facility Renovations: Battlefield Park

Location: Battlefield Park Elementary School

Description: As a result of the 2005 Facilities Renovation Study, a wholistic renovation of Battlefield Park Elementary School is planned. The renovation will include exterior windows, carpet/tile replacement, new marker boards, lighting, HVAC, and energy management among other items.

Useful Life: 20 years

Timetable: 2020 - Project complete

Operating Impact: The renovation replaces older equipment and provides more economical systems resulting in a better educational environment.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
Debt - VPSA	\$ -	\$ -	\$ -	\$ -	\$ 15,600,000	\$ 15,600,000
Total Sources	\$ -	\$ -	\$ -	\$ -	\$ 15,600,000	\$ 15,600,000
Funding Uses						
Construction	\$ -	\$ -	\$ -	\$ -	\$ 15,600,000	\$ 15,600,000
Total Uses	\$ -	\$ -	\$ -	\$ -	\$ 15,600,000	\$ 15,600,000

Education

Functional Area: Education

Department: Hanover County Public Schools

Project: Facility Renovations: Washington-Henry Elementary School

Location: Washington-Henry Elementary School

Description: As a result of the 2005 Facilities Renovation Study, a wholistic renovation of Washington Henry Elementary School is planned. The renovation will include exterior windows, carpet/tile replacement, new marker boards, lighting, HVAC, and energy management among other items.

Useful Life: 20 years

Timetable: 2019 - Project complete

Operating Impact: The renovation replaces older equipment and provides more economical systems resulting in a better educational environment. The school will also be equipped with better technology for teaching.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
Debt - VPSA	\$ -	\$ -	\$ -	\$ 15,000,000	\$ -	\$ 15,000,000
Total Sources	\$ -	\$ -	\$ -	\$ 15,000,000	\$ -	\$ 15,000,000
Funding Uses						
Construction	\$ -	\$ -	\$ -	\$ 15,000,000	\$ -	\$ 15,000,000
Total Uses	\$ -	\$ -	\$ -	\$ 15,000,000	\$ -	\$ 15,000,000

Education

Functional Area: Education

Department: Hanover County Public Schools

Project: Facility Renovations: Henry Clay Elementary School

Location: Henry Clay Elementary School

Description: As a result of the 2005 Facilities Renovation Study, a wholistic renovation of Henry Clay Elementary School is planned. The renovation will include exterior windows, carpet/tile replacement, new marker boards, lighting, HVAC, and energy management among other items.

Useful Life: 20 years

Timetable: 2020 - Project complete

Operating Impact: The renovation replaces older equipment and provides more economical systems resulting in a better educational environment.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
Debt - VPSA	\$ -	\$ -	\$ -	\$ -	\$ 14,600,000	\$ 14,600,000
Total Sources	\$ -	\$ -	\$ -	\$ -	\$ 14,600,000	\$ 14,600,000
Funding Uses						
Professional Services	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
Construction	-	-	-	-	13,600,000	13,600,000
Total Uses	\$ -	\$ -	\$ -	\$ -	\$ 14,600,000	\$ 14,600,000

Education

Functional Area: Education

Department: Hanover County Public Schools

Project: Facility Renovations: Beaverdam Elementary School

Location: Beaverdam Elementary School

Description: As a result of the 2005 Facilities Renovation Study, a wholistic renovation of Beaverdam Elementary School is planned. The renovation will include exterior windows, carpet/tile replacement, new marker boards, lighting, HVAC, and energy management among other items.

Useful Life: 20 years

Timetable: 2019 - Project complete

Operating Impact: The renovation replaces older equipment and provides more economical systems resulting in a better educational environment.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
Debt - VPSA	\$ -	\$ -	\$ -	\$ 11,400,000	\$ -	\$ 11,400,000
Total Sources	\$ -	\$ -	\$ -	\$ 11,400,000	\$ -	\$ 11,400,000
Funding Uses						
Construction	\$ -	\$ -	\$ -	\$ 11,400,000	\$ -	\$ 11,400,000
Total Uses	\$ -	\$ -	\$ -	\$ 11,400,000	\$ -	\$ 11,400,000

Education

Functional Area: Education

Department: Hanover County Public Schools

Project: School Buses

Location: Transportation

Description: Annually, school buses need to be purchased on a replacement schedule to minimize the number of buses over 12 years old in the fleet. Further, additional buses need to be purchased for growth in enrollment, special needs and out of service units.

Useful Life: 10-15 years

Timetable: Annual purchases

Operating Impact: The annual replacement of school buses removes the oldest, least efficient buses from the fleet and increases the operational efficiency and reliability of the fleet.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ -	\$ 2,040,000	\$ 2,065,000	\$ 2,780,000	\$ 3,113,000	\$ 9,998,000
Total Sources	\$ -	\$ 2,040,000	\$ 2,065,000	\$ 2,780,000	\$ 3,113,000	\$ 9,998,000
Funding Uses						
Vehicles	\$ -	\$ 2,040,000	\$ 2,065,000	\$ 2,780,000	\$ 3,113,000	\$ 9,998,000
Total Uses	\$ -	\$ 2,040,000	\$ 2,065,000	\$ 2,780,000	\$ 3,113,000	\$ 9,998,000

Education

Functional Area: Education

Department: Hanover County Public Schools

Project: Computer Replacement

Location: All Schools

Description: This request provides for a phased replacement of computer units at various facilities. Provisions are also made for Specialty Center equipment replacement cycle.

Useful Life: 5 years

Timetable: Annual purchase of computers and related hardware

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
General Fund	\$ 1,820,000	\$ 1,550,000	\$ 1,637,000	\$ 1,670,000	\$ 1,520,000	\$ 8,197,000
Total Sources	\$ 1,820,000	\$ 1,550,000	\$ 1,637,000	\$ 1,670,000	\$ 1,520,000	\$ 8,197,000
Funding Uses						
Equipment	\$ 1,820,000	\$ 1,550,000	\$ 1,637,000	\$ 1,670,000	\$ 1,520,000	\$ 8,197,000
Total Uses	\$ 1,820,000	\$ 1,550,000	\$ 1,637,000	\$ 1,670,000	\$ 1,520,000	\$ 8,197,000

Education

Functional Area: Education

Department: Hanover County Public Schools

Project: Facilities Improvement

Location: School facilities constructed prior to 2000

Description: During the 1998-99 school year, all facilities constructed prior to Pole Green Elementary School were surveyed to determine infrastructure system and/or improvements needs. The work will be prioritized and improvements will occur annually.

Useful Life: 20 years

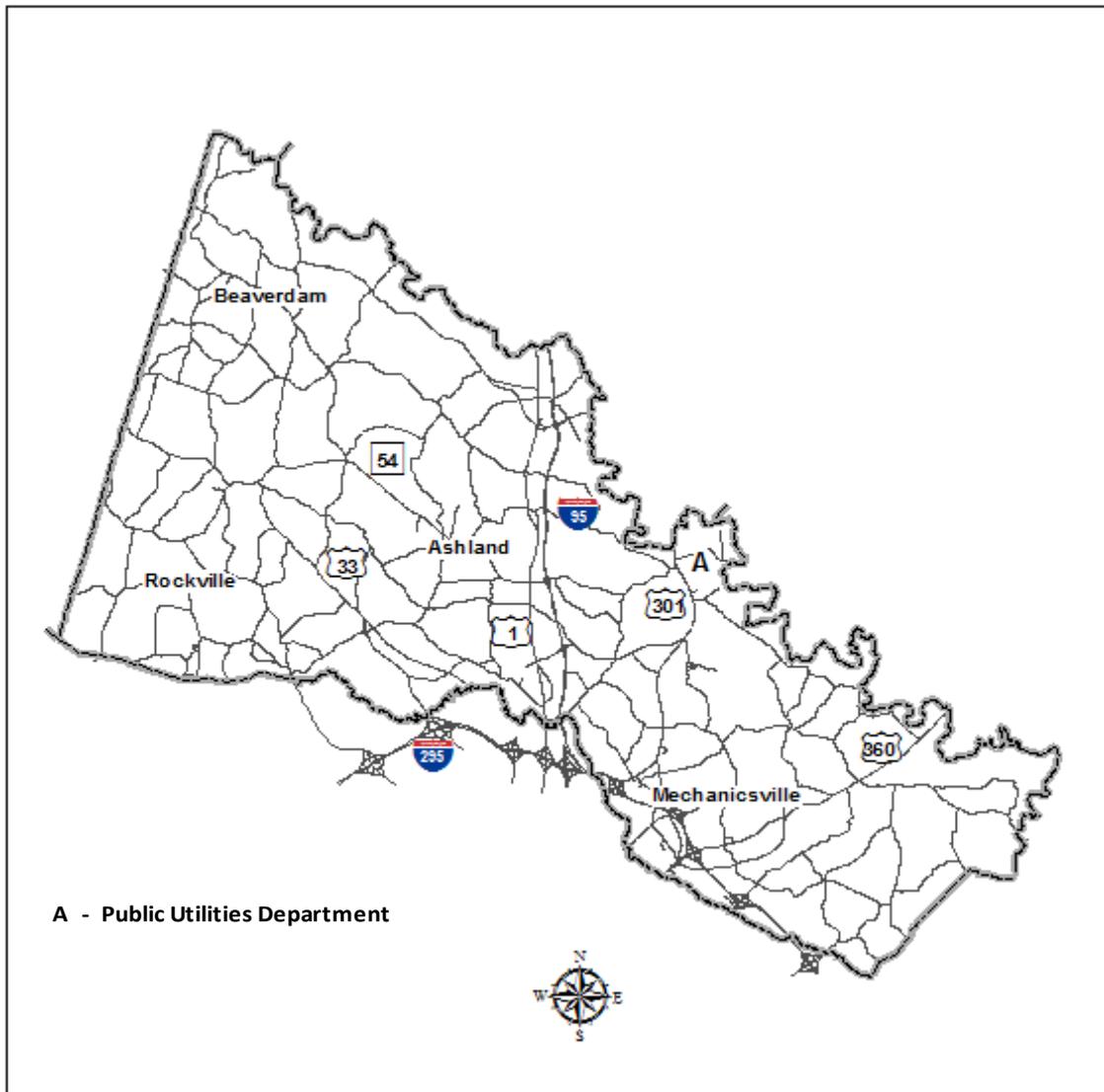
Timetable: On-going

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
Debt - VPSA	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
General Fund	-	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
Total Sources	\$ 1,000,000	\$ 5,000,000				
Funding Uses						
Construction	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 5,000,000
Total Uses	\$ 1,000,000	\$ 5,000,000				

Public Utilities

The Public Utilities Department is located at the Hanover County Complex on Rt. 301. Capital improvements (e.g., water/sewer lines) are shown with a map, if applicable. Refer to the description of the Public Utilities Department in the operating budget document for a comprehensive overview of the utility system.



Public Utilities

Functional Area: Public Utilities

Project: Hanover-Richmond Joint Capital Contract Payment

Description: This project provides for improvements to the City of Richmond water system to support Hanover County's water demands. Included in this project is \$25,187,945 over five years for jointly funded capital improvements in the City.

Useful Life: N/A

Timetable: FY14 - FY18

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>Totals</u>
Funding Sources						
User Fees	\$ 2,636,922	\$ 4,308,942	\$ 7,042,326	\$ 6,295,945	\$ 4,903,810	\$ 25,187,945
Total Sources	<u>\$ 2,636,922</u>	<u>\$ 4,308,942</u>	<u>\$ 7,042,326</u>	<u>\$ 6,295,945</u>	<u>\$ 4,903,810</u>	<u>\$ 25,187,945</u>
Funding Uses						
Joint Capital	\$ 2,636,922	\$ 4,308,942	\$ 7,042,326	\$ 6,295,945	\$ 4,903,810	\$ 25,187,945
Total Uses	<u>\$ 2,636,922</u>	<u>\$ 4,308,942</u>	<u>\$ 7,042,326</u>	<u>\$ 6,295,945</u>	<u>\$ 4,903,810</u>	<u>\$ 25,187,945</u>

Public Utilities

Functional Area: Public Utilities

Project: Elmont Water Storage Tank and Booster Station

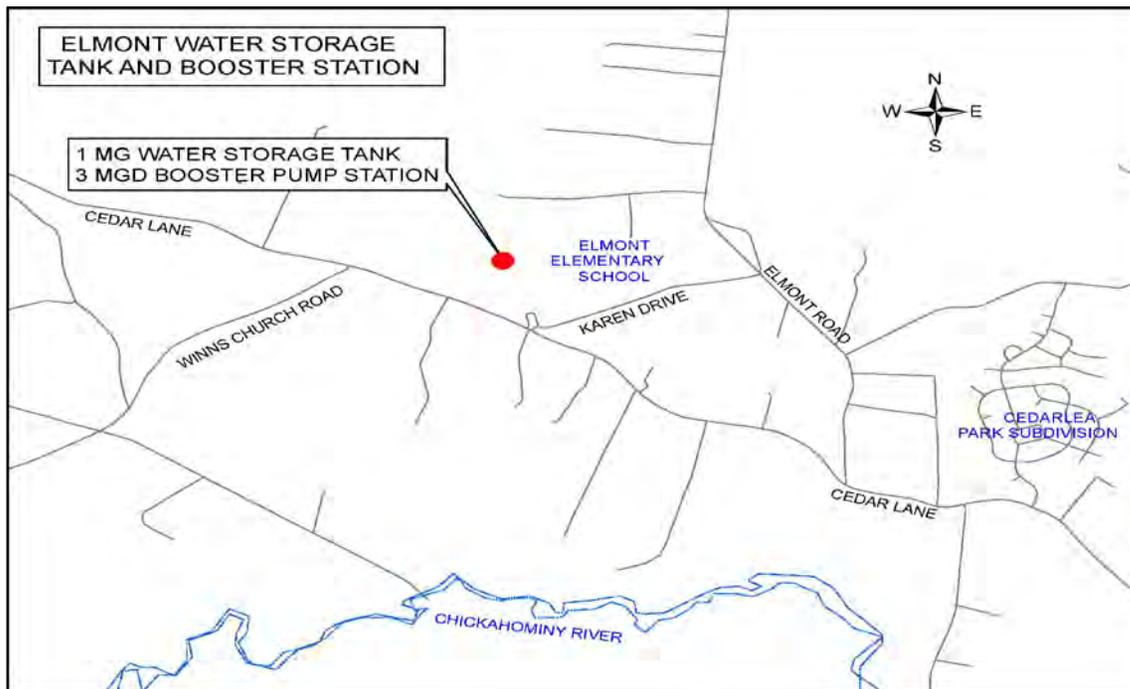
Location: Intersection of Cedar Lane and Karen Drive (FMP W93 & W94)

Description: This project provides for the FY15 design and FY17 construction of a 1 MG water storage tank and a 3 MGD booster pump station to be located near the intersection of Cedar Lane and Karen Drive. This project provides water storage to the southwestern portions of the Suburban Service Area (SSA) and is needed to provide adequate system pressures and fire flows in the far western portions of the growth area.

Useful Life: 35-75 years

Timetable: Design (FY15); Construction (FY17)

Operating Impact: \$31,000/year



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
Long Term Debt	\$ -	\$ 697,000	\$ -	\$ 2,955,000	\$ -	\$ 3,652,000
Total Sources	\$ -	\$ 697,000	\$ -	\$ 2,955,000	\$ -	\$ 3,652,000
Professional Services	\$ -	\$ 697,000	\$ -	\$ -	\$ -	\$ 697,000
Construction	-	-	-	2,955,000	-	2,955,000
Total Uses	\$ -	\$ 697,000	\$ -	\$ 2,955,000	\$ -	\$ 3,652,000

Public Utilities

Functional Area: Public Utilities

Project: New Ashcake Road Waterline Improvements

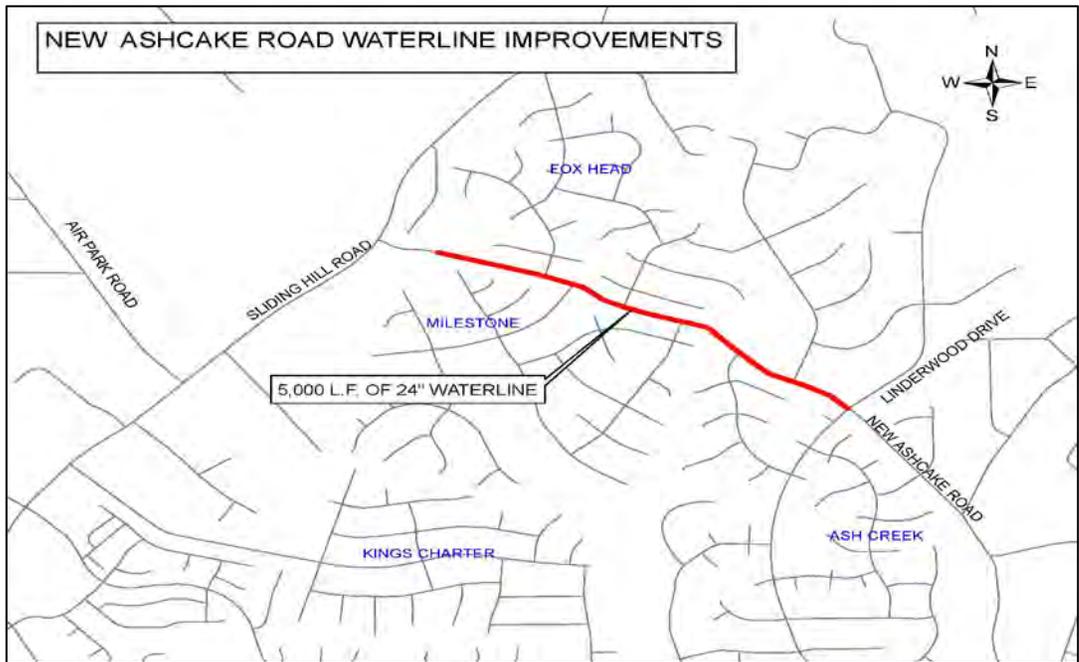
Location: Along New Ashcake Road from Linderwood Drive to Sliding Hill Road (FMP W14)

Description: This project provides for the FY16 design and easement acquisition and FY18 construction of approximately 5,000' of 24" waterline along New Ashcake Road from Linderwood Drive (end of the existing 20") to the vicinity of the intersection of New Ashcake and Sliding Hill Roads, where it will tie to the existing 24" waterline. This waterline improvement provides increased transmission capacity to the planned Garnett/Ashcake Road Water Storage Tank and Pump Station while maintaining pressure for domestic service and fire suppression use along New Ashcake Road.

Useful Life: 50 years

Timetable: Design and Easement Acquisition (FY16); Construction (FY18)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
Capacity Fees	\$ -	\$ -	\$ 322,000	\$ -	\$ 1,334,000	\$ 1,656,000
Total Sources	\$ -	\$ -	\$ 322,000	\$ -	\$ 1,334,000	\$ 1,656,000
Funding Uses						
Professional Services	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ 200,000
Land	-	-	122,000	-	-	122,000
Construction	-	-	-	-	1,334,000	1,334,000
Total Uses	\$ -	\$ -	\$ 322,000	\$ -	\$ 1,334,000	\$ 1,656,000

Public Utilities

Functional Area: Public Utilities

Project: Cedar Lane Waterline Improvements

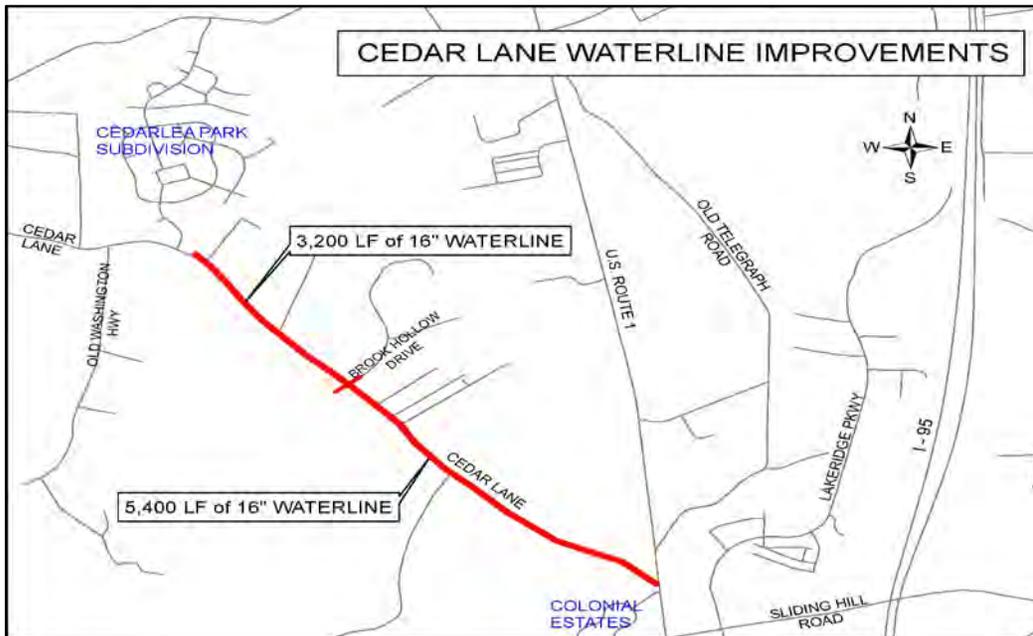
Location: Along Cedar Lane from Cedarlea Parkway to Route 1 (FMP W25)

Description: This project provides for the FY16 design and easement acquisition and FY18 construction of approximately 3,200' of 16" waterline from Cedarlea along Cedar Lane to Brookhollow Drive and the FY18 design and easement acquisition and FY20 construction of approximately 5,400' of 16" waterline from Brookhollow Drive to Route 1. This waterline project provides improved water distribution service for both domestic service and fire suppression use along Cedar Lane and will support the Cedar Lane-Winns Church Road-Route 33 waterline project.

Useful Life: 50 years

Timetable: Design and Easement Acquisition (FY16); Design, Easement Acquisition and Construction (FY18)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
Long Term Debt	\$ -	\$ -	\$ 208,000	\$ -	\$ 1,185,000	\$ 1,393,000
Total Sources	\$ -	\$ -	\$ 208,000	\$ -	\$ 1,185,000	\$ 1,393,000
Funding Uses						
Professional Services	\$ -	\$ -	\$ 125,440	\$ -	\$ 215,000	\$ 340,440
Land	-	-	82,560	-	144,000	226,560
Construction	-	-	-	-	826,000	826,000
Total Uses	\$ -	\$ -	\$ 208,000	\$ -	\$ 1,185,000	\$ 1,393,000

Public Utilities

Functional Area: Public Utilities

Project: Chamberlayne Road Waterline Improvements - Phase II

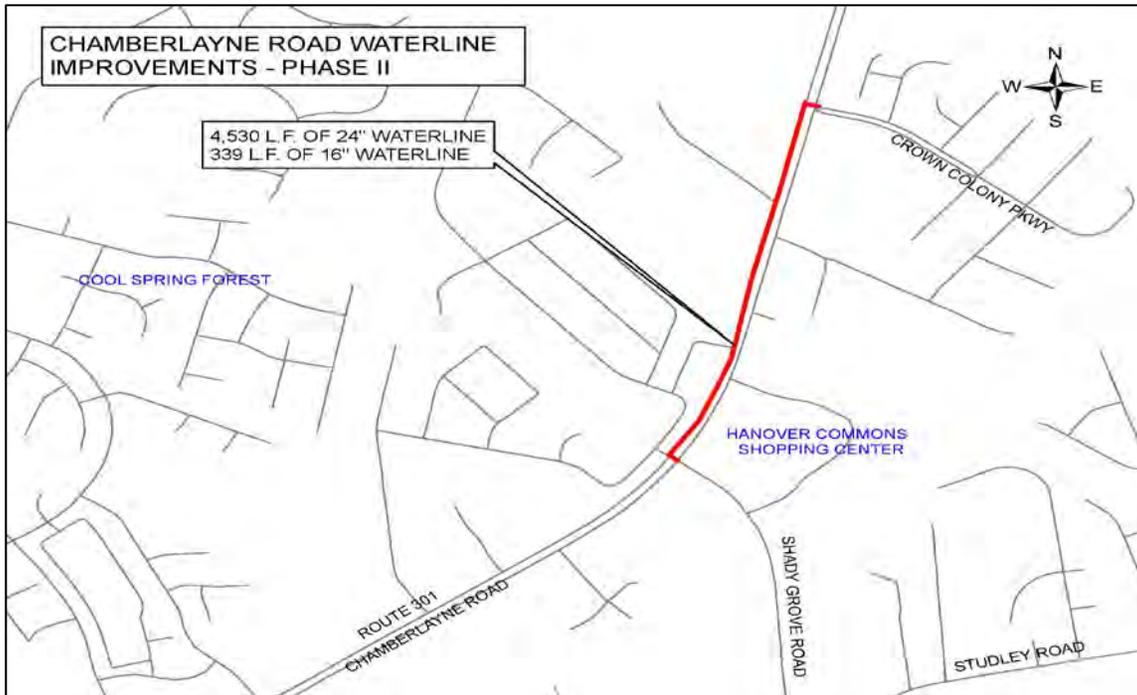
Location: Along Chamberlayne Road from Shady Grove Road to Crown Colony Parkway (FMP W34)

Description: This project provides for the FY10 design and easement acquisition and FY15 construction of 4,530' of 24" and 339' of 16" waterline from Shady Grove Road to Crown Colony Parkway along Chamberlayne Road. This waterline improvement provides increased transmission capacity to the planned Garnett/Ashcake Road Water Storage Tank and Pump Station while maintaining pressure for domestic service and fire suppression use in the Chamberlayne Road and New Ashcake Road areas.

Useful Life: 50 years

Timetable: Construction (FY15)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
Capacity Fees	\$ -	\$ 900,000	\$ -	\$ -	\$ -	\$ 900,000
Total Sources	\$ -	\$ 900,000	\$ -	\$ -	\$ -	\$ 900,000
Funding Uses						
Professional Services	\$ -	\$ 17,000	\$ -	\$ -	\$ -	\$ 17,000
Construction	-	883,000	-	-	-	883,000
Total Uses	\$ -	\$ 900,000	\$ -	\$ -	\$ -	\$ 900,000

Public Utilities

Functional Area: Public Utilities

Project: Water Tank Rehabilitation

Location: Suburban Service Area and Rural Systems

Description: This project provides for the continuing funding to rehabilitate existing water storage tanks throughout the Suburban Service Area and Rural Systems. Specific and planned repairs are scheduled for the following tanks: Oakhill Hydro and Storage Tank FY15; Jackson Avenue Elevated Storage Tank FY16; Pamunkey Regional Jail Tank FY18.

Useful Life: 50-75 years

Timetable: Design and Construction (FY15-FY18)

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ 110,000	\$ 350,000	\$ 75,000	\$ 295,000	\$ 830,000
Total Sources	\$ -	\$ 110,000	\$ 350,000	\$ 75,000	\$ 295,000	\$ 830,000
Funding Uses						
Professional Services	\$ -	\$ 15,000	\$ 40,000	\$ -	\$ 20,000	\$ 75,000
Construction	-	95,000	310,000	75,000	275,000	755,000
Total Uses	\$ -	\$ 110,000	\$ 350,000	\$ 75,000	\$ 295,000	\$ 830,000

Public Utilities

Functional Area: Public Utilities

Project: Lockwood Pump Station Improvements

Location: Lockwood Pump Station on Richfood Road

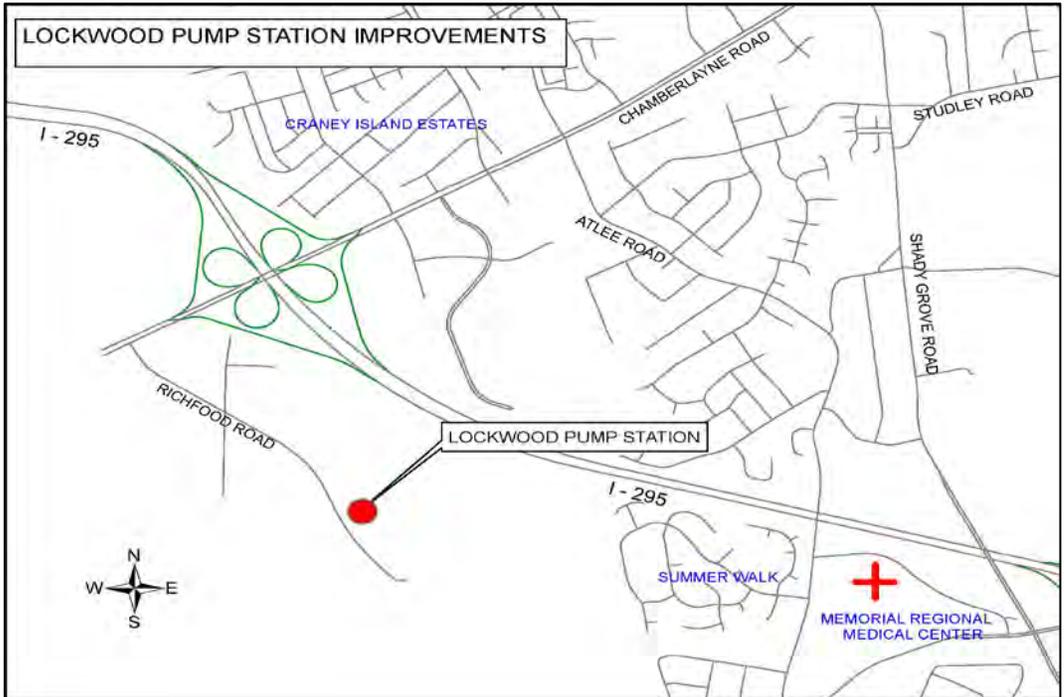
Description: This project provides for the FY14 design and construction of the following:

- upgrade of the Programmable Logic Controller (PLC)
 - hard wired controls to each Adjustable Frequency Drive (AFD)
 - control of the discharge valves
- communication change to Modbus protocol
- replacement of all existing AFDs as they have reached the end of their useful lives
- replacement of 16" meter

Useful Life: 20 years

Timetable: Design and Construction (FY14)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ 539,000	\$ -	\$ -	\$ -	\$ -	\$ 539,000
Total Sources	\$ 539,000	\$ -	\$ -	\$ -	\$ -	\$ 539,000
Funding Uses						
Professional Services	\$ 65,700	\$ -	\$ -	\$ -	\$ -	\$ 65,700
Construction	473,300	-	-	-	-	473,300
Total Uses	\$ 539,000	\$ -	\$ -	\$ -	\$ -	\$ 539,000

Public Utilities

Functional Area: Public Utilities

Project: Walnut Grove Road Waterline Improvements

Location: Along Walnut Grove Road from Route 360 to Old Calvary Drive (FMP W16)

Description: This project provides for the FY12 design and easement acquisition and FY14 construction of 1,700' of 12" waterline from its terminus on Walnut Grove Road near Battlefield Park Elementary School, across Route 360 to Old Calvary Drive. This project is required to improve fire flow in the Battlefield Park Elementary School and Battlefield Green Subdivision areas.

Useful Life: 50 years

Timetable: Construction (FY14)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
Capacity Fees	\$ 393,000	\$ -	\$ -	\$ -	\$ -	\$ 393,000
Total Sources	\$ 393,000	\$ -	\$ -	\$ -	\$ -	\$ 393,000
Funding Uses						
Professional Services	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ 8,000
Construction	385,000	-	-	-	-	385,000
Total Uses	\$ 393,000	\$ -	\$ -	\$ -	\$ -	\$ 393,000

Public Utilities

Functional Area: Public Utilities

Project: Powder Activated Carbon Feed System

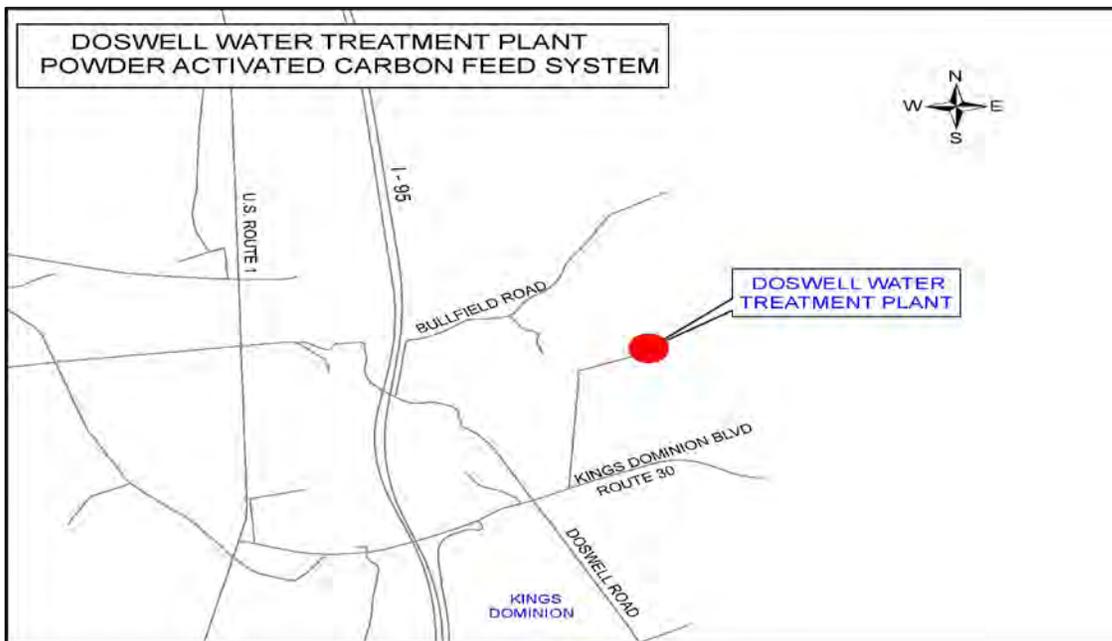
Location: Doswell Water Treatment Plant

Description: The Stage II Disinfectant By Product Rule is more stringent than the previous rule. This project provides for powdered activated carbon addition if warranted.

Useful Life: 30 years

Timetable: Design and Construction (FY17)

Operating Impact: \$56,000/year



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ -	\$ -	\$ 354,000	\$ -	\$ 354,000
Total Sources	\$ -	\$ -	\$ -	\$ 354,000	\$ -	\$ 354,000
Funding Uses						
Professional Services	\$ -	\$ -	\$ -	\$ 54,000	\$ -	\$ 54,000
Construction	-	-	-	300,000	-	300,000
Total Uses	\$ -	\$ -	\$ -	\$ 354,000	\$ -	\$ 354,000

Public Utilities

Functional Area: Public Utilities

Project: Waterline Replacement

Location: Suburban Service Area and Rural Systems

Description: This project provides for the replacement of aged and undersized waterlines in various streets within the Suburban Service Area and Rural Systems.

Useful Life: 50 years

Timetable: Design and Construction (FY15-FY18)

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 300,000
Total Sources	\$ -	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 300,000
Funding Uses						
Professional Services	\$ -	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 30,000
Construction	-	67,500	67,500	67,500	67,500	270,000
Total Uses	\$ -	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 300,000

Public Utilities

Functional Area: Public Utilities

Project: Water Treatment Plant Rehabilitation

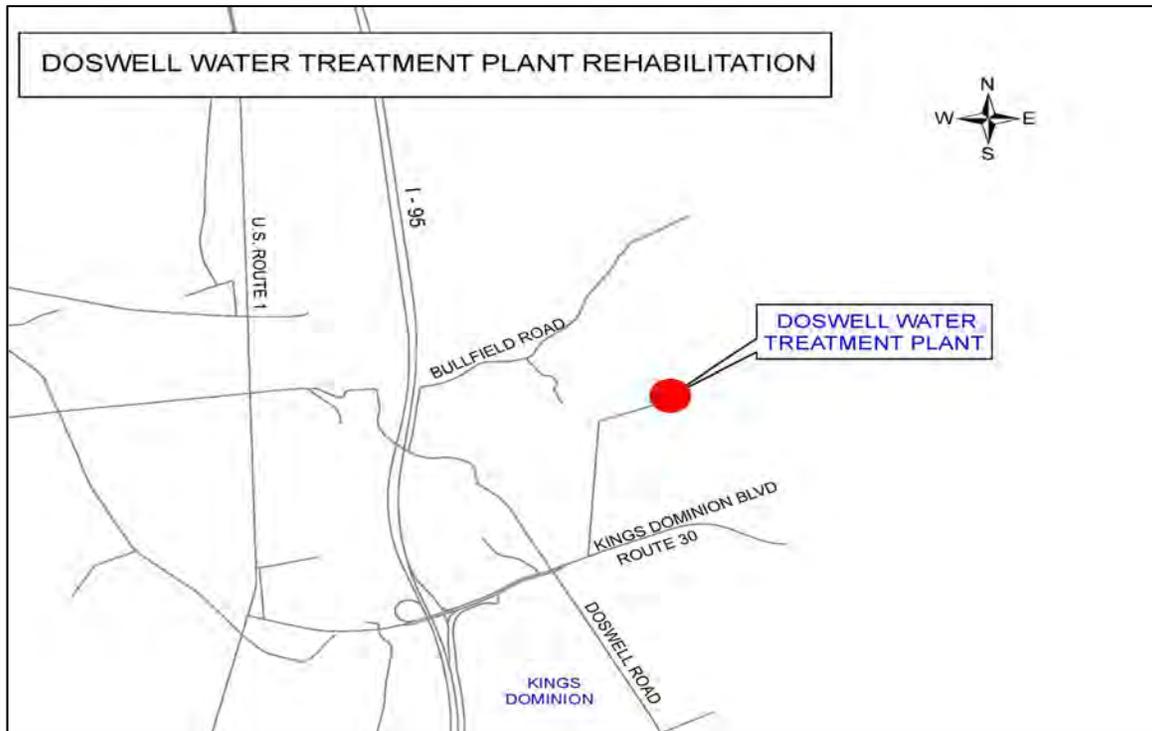
Location: Doswell Water Treatment Plant

Description: This project provides for the continuing funding to rehabilitate various equipment, structural components and process enhancements at the Doswell Water Treatment Plant.

Useful Life: 5-35 years

Timetable: Design and Construction (FY15-FY18)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 300,000
Total Sources	\$ -	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 300,000
Funding Uses						
Professional Services	\$ -	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 30,000
Construction	-	67,500	67,500	67,500	67,500	270,000
Total Uses	\$ -	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 300,000

Public Utilities

Functional Area: Public Utilities

Project: Atlee Road Waterline Improvement

Location: Along Atlee Road to Cool Spring Road

Description: This project provides for the FY14 construction of approximately 824' of 16" waterline along Atlee Road extended to its proposed intersection with the "old" Cool Spring Road service road. This project will provide improved water distribution service for both domestic and fire suppression use in this mixed use area of the Lockwood Pressure Zone and is being done in conjunction with the proposed DPW Atlee Road extension road improvement project.

Useful Life: 50 years

Timetable: Construction (FY14)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ 214,000	\$ -	\$ -	\$ -	\$ -	\$ 214,000
Total Sources	\$ 214,000	\$ -	\$ -	\$ -	\$ -	\$ 214,000
Funding Uses						
Construction	\$ 214,000	\$ -	\$ -	\$ -	\$ -	\$ 214,000
Total Uses	\$ 214,000	\$ -	\$ -	\$ -	\$ -	\$ 214,000

Public Utilities

Functional Area: Public Utilities

Project: Route 360 at Bell Creek Road Waterline Improvements

Location: Across and along Route 360 at Bell Creek Road

Description: This project provides for the FY15 construction of approximately 530' of 12" waterline across and along Route 360 at Bell Creek Road. This project will provide improved water distribution service for both domestic and fire suppression use in this largely commercial area of the Lockwood Pressure Zone and is being done in conjunction with the proposed VDOT Route 360 Widening Project from I-295 to Wynbrook Lane.

Useful Life: 50 years

Timetable: Construction (FY15)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ 183,000	\$ -	\$ -	\$ -	\$ 183,000
Total Sources	\$ -	\$ 183,000	\$ -	\$ -	\$ -	\$ 183,000
Funding Uses						
Construction	\$ -	\$ 183,000	\$ -	\$ -	\$ -	\$ 183,000
Total Uses	\$ -	\$ 183,000	\$ -	\$ -	\$ -	\$ 183,000

Public Utilities

Functional Area: Public Utilities

Project: Quarles Road Water Facility Rehabilitation

Location: Quarles Road Tank and Booster Station

Description: This project provides for the FY15 rehabilitation of the Quarles Road Tank and Booster Station including:

- chemical feed room addition
- new pumps
- replacement valves

Useful Life: 20-35 years

Timetable: Design and Construction (FY15)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ 162,000	\$ -	\$ -	\$ -	\$ 162,000
Total Sources	\$ -	\$ 162,000	\$ -	\$ -	\$ -	\$ 162,000
Funding Uses						
Professional Services	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Construction	-	142,000	-	-	-	142,000
Total Uses	\$ -	\$ 162,000	\$ -	\$ -	\$ -	\$ 162,000

Public Utilities

Functional Area: Public Utilities

Project: Courthouse Water System Pump Station Improvements

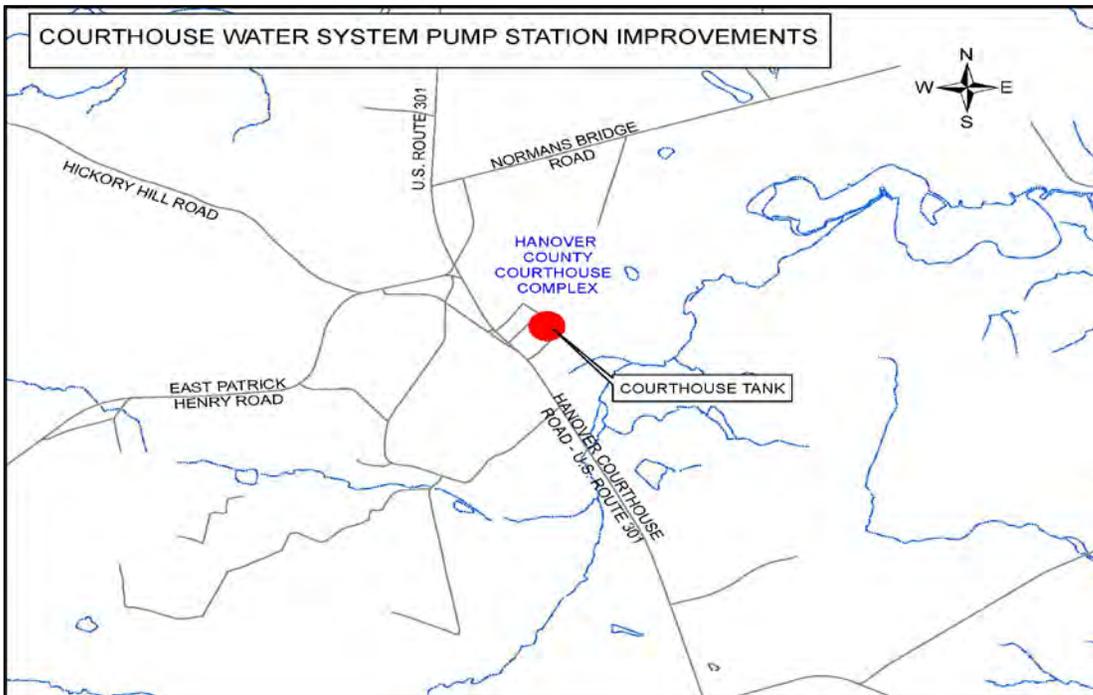
Location: Pamunkey Regional Jail Water Pump Station

Description: This project provides for modifications to pump piping, electrics and controls to enhance metering, chemical feed, booster pump and fire pump operation capabilities.

Useful Life: 5-20 years

Timetable: Construction (FY17)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ 150,000
Total Sources	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ 150,000
Funding Uses						
Construction	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ 150,000
Total Uses	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ 150,000

Public Utilities

Functional Area: Public Utilities

Project: Dianne Ridge Water Treatment

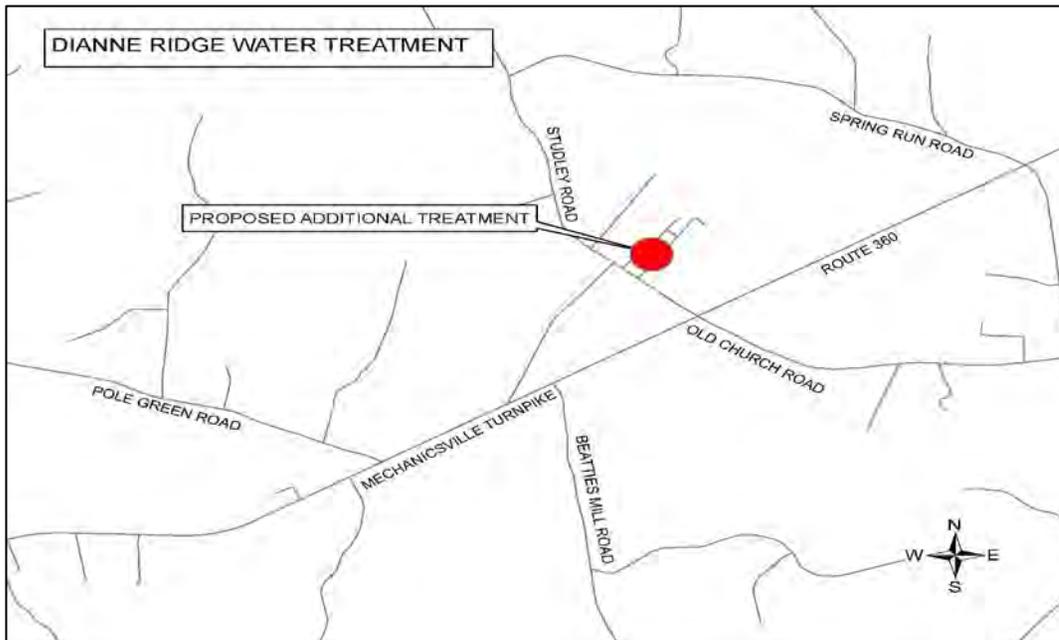
Location: Dianne Ridge Subdivision

Description: This project provides for the FY14 design and the FY15 construction for treatment of the well water for removal of gross alpha should levels increase beyond maximum contaminant level (MCL). The well water is in compliance with EPA/VDH regulations; however, levels have been increasing over the years. Sampling is required every three years and will be used to determine when or if the project is needed. Testing results that are above the MCL will trigger quarterly sampling.

Useful Life: 30 years

Timetable: Design (FY14); Construction (FY15)

Operating Impact: \$3,000/year



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ 39,000	\$ 102,000	\$ -	\$ -	\$ -	\$ 141,000
Total Sources	\$ 39,000	\$ 102,000	\$ -	\$ -	\$ -	\$ 141,000
Funding Uses						
Professional Services	\$ 39,000	\$ -	\$ -	\$ -	\$ -	\$ 39,000
Construction	-	102,000	-	-	-	102,000
Total Uses	\$ 39,000	\$ 102,000	\$ -	\$ -	\$ -	\$ 141,000

Public Utilities

Functional Area: Public Utilities

Project: Georgetown Wellhouse Rehabilitation

Location: Georgetown Wellhouse

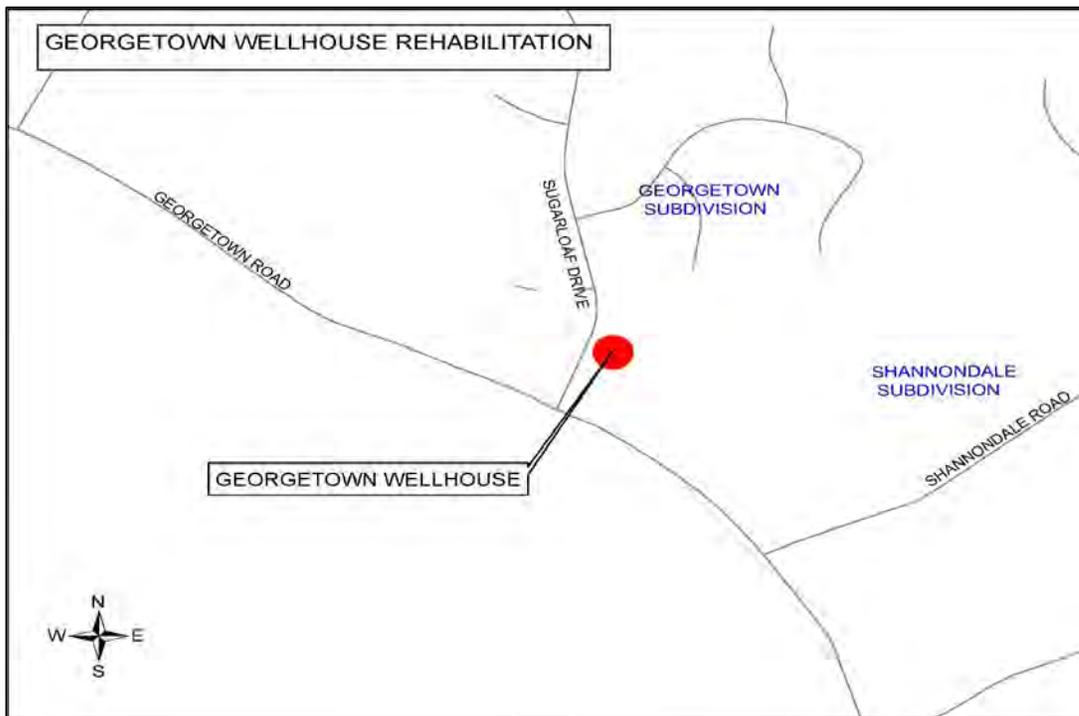
Description: This project provides for the FY16 rehabilitation of the Georgetown Wellhouse facility.

- chemical feed room addition
- new electrical service
- pipe and pump replacement

Useful Life: 20-35 years

Timetable: Design and Construction (FY16)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ -	\$ 85,000	\$ -	\$ -	\$ 85,000
Total Sources	\$ -	\$ -	\$ 85,000	\$ -	\$ -	\$ 85,000
Funding Uses						
Professional Services	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ 20,000
Construction	-	-	65,000	-	-	65,000
Total Uses	\$ -	\$ -	\$ 85,000	\$ -	\$ -	\$ 85,000

Public Utilities

Functional Area: Public Utilities

Project: Race Course Street Waterline Improvements

Location: Along Race Course Street between Duncan Street and South Center Street

Description: This project provides for the FY14 design and construction of replacing 450' of 4" cast iron waterline between Duncan Street and South Center Street with new 4" PVC. This project will improve water quality and pressure.

Useful Life: 50 years

Timetable: Design and Construction (FY14)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000
Total Sources	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000
Funding Uses						
Professional Services	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Construction	60,000	-	-	-	-	60,000
Total Uses	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ 70,000

Public Utilities

Functional Area: Public Utilities

Project: Doswell Water Treatment Plant Basin Walkway and Loading Dock Rehabilitation

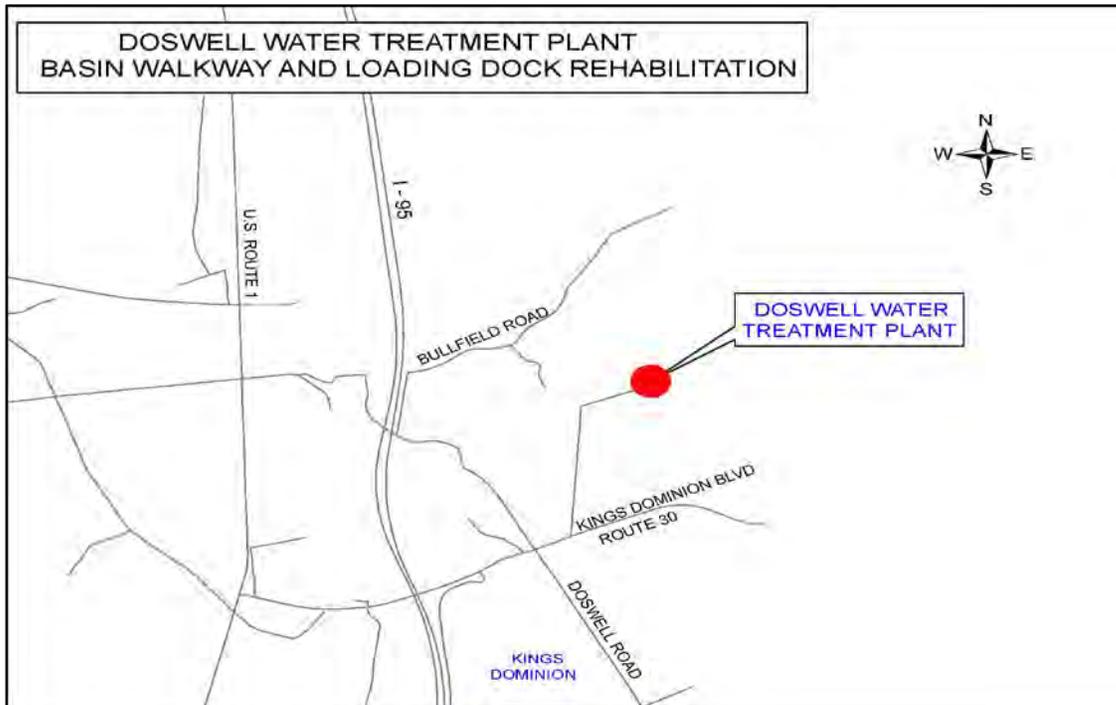
Location: Doswell Water Treatment Plant

Description: This project provides for the FY14 repair and coating of the two walkways which run along the sedimentation basins, the rehabilitation of the loading dock and replacement of the associated railing.

Useful Life: 10-35 years

Timetable: Design and Construction (FY14)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ 66,000	\$ -	\$ -	\$ -	\$ -	\$ 66,000
Total Sources	\$ 66,000	\$ -	\$ -	\$ -	\$ -	\$ 66,000
Funding Uses						
Professional Services	\$ 11,000	\$ -	\$ -	\$ -	\$ -	\$ 11,000
Construction	55,000	-	-	-	-	55,000
Total Uses	\$ 66,000	\$ -	\$ -	\$ -	\$ -	\$ 66,000

Public Utilities

Functional Area: Public Utilities

Project: Totopotomoy Wastewater Treatment Plant Nutrient Improvements

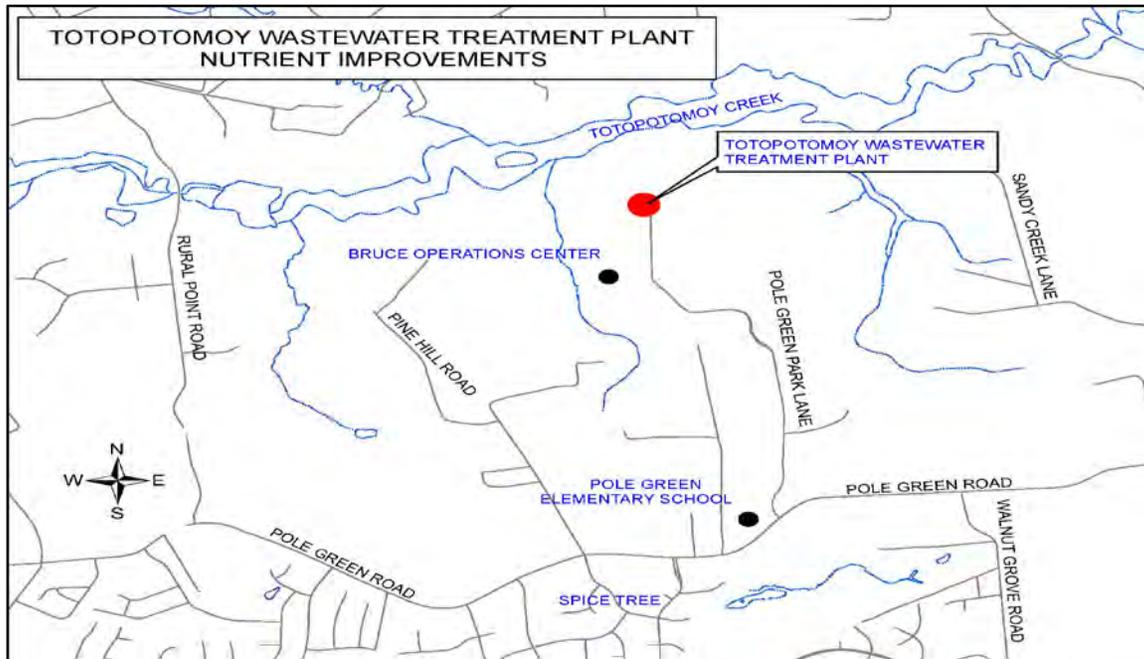
Location: Totopotomoy Wastewater Treatment Plant

Description: This project consists of the FY14 replacement of the existing blowers, construction of two filters, and other miscellaneous improvements. The FY17 project consists of the addition of a second influent step screen.

Useful Life: 20-50 years

Timetable: Design and Construction (FY14 & FY17)

Operating Impact: \$12,000/year



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ 4,700,000	\$ -	\$ -	\$ 250,000	\$ -	\$ 4,950,000
Total Sources	\$ 4,700,000	\$ -	\$ -	\$ 250,000	\$ -	\$ 4,950,000
Funding Uses						
Professional Services	\$ 405,000	\$ -	\$ -	\$ -	\$ -	\$ 405,000
Construction	4,295,000	-	-	250,000	-	4,545,000
Total Uses	\$ 4,700,000	\$ -	\$ -	\$ 250,000	\$ -	\$ 4,950,000

Public Utilities

Functional Area: Public Utilities

Project: Henry Street Sewerline Rehabilitation

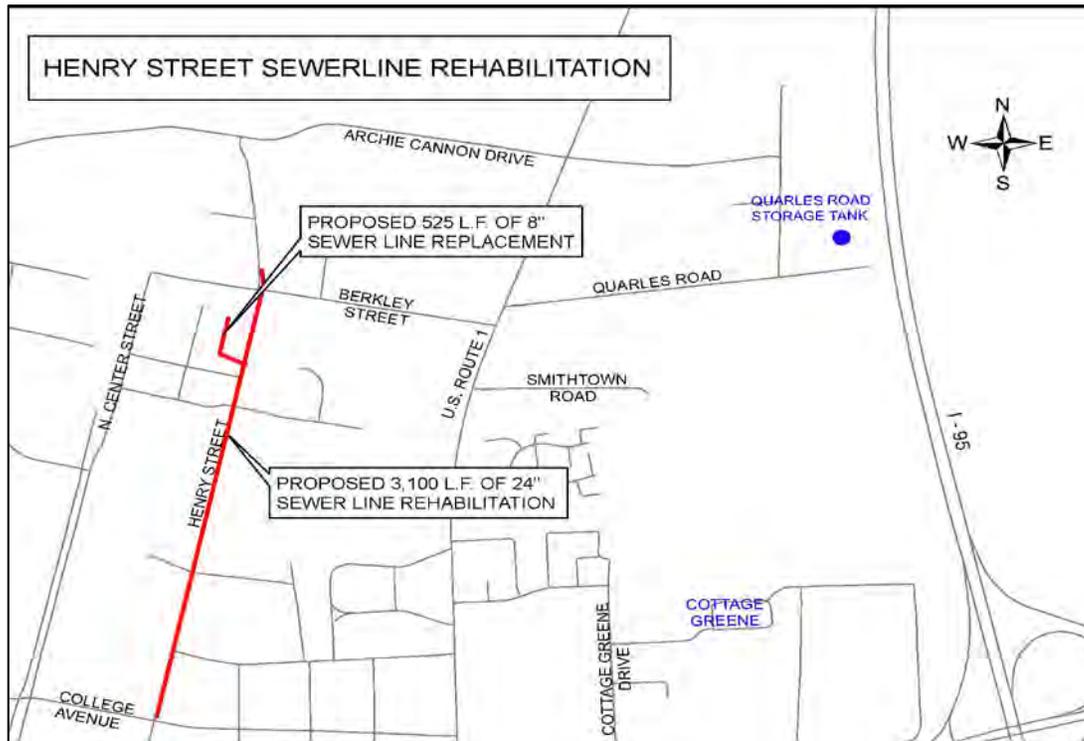
Location: Along Henry Street from College Avenue to Berkley Street

Description: This project provides for the FY13 design and FY14 construction necessary to rehabilitate the Henry Street sewer main, which is one of the main trunk lines through the Town and into the Ashland Wastewater Treatment Plant. This main is approximately 3,100' in length and is 24" in diameter. This also includes the replacement of approximately 525' of 8" sewer that runs parallel to this line in the rear yards north of A Street in the 600 block of Henry Street.

Useful Life: 50 years

Timetable: Construction (FY14)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ 636,000	\$ -	\$ -	\$ -	\$ -	\$ 636,000
Total Sources	\$ 636,000	\$ -	\$ -	\$ -	\$ -	\$ 636,000
Funding Uses						
Construction	\$ 636,000	\$ -	\$ -	\$ -	\$ -	\$ 636,000
Total Uses	\$ 636,000	\$ -	\$ -	\$ -	\$ -	\$ 636,000

Public Utilities

Functional Area: Public Utilities

Project: Ashland Sewerline Rehabilitation - Area 2

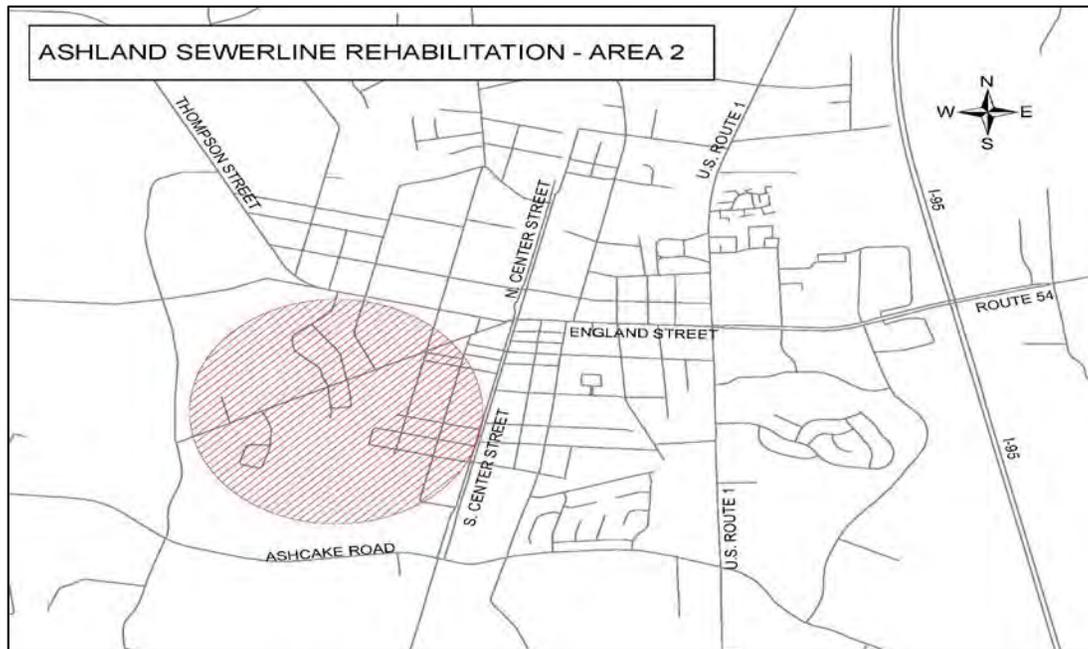
Location: Ashland Wastewater Treatment Plant drainage basin

Description: This project provides for sewerline rehabilitation within the Ashland Wastewater Treatment Plant drainage basin. This project consists of lining approximately 2,500' of pipe, installing approximately five point repair liners and repairing/sealing 40 lateral connections. These repairs are needed to correct structural defects in the sewer pipes and to reduce the volume of inflow and infiltration to the sanitary sewer system.

Useful Life: 50 years

Timetable: Design and Construction (FY18)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ -	\$ -	\$ -	\$ 532,000	\$ 532,000
Total Sources	\$ -	\$ -	\$ -	\$ -	\$ 532,000	\$ 532,000
Funding Uses						
Professional Services	\$ -	\$ -	\$ -	\$ -	\$ 67,000	\$ 67,000
Construction	-	-	-	-	465,000	465,000
Total Uses	\$ -	\$ -	\$ -	\$ -	\$ 532,000	\$ 532,000

Public Utilities

Functional Area: Public Utilities

Project: Ashland Wastewater Treatment Plant UV System Replacement

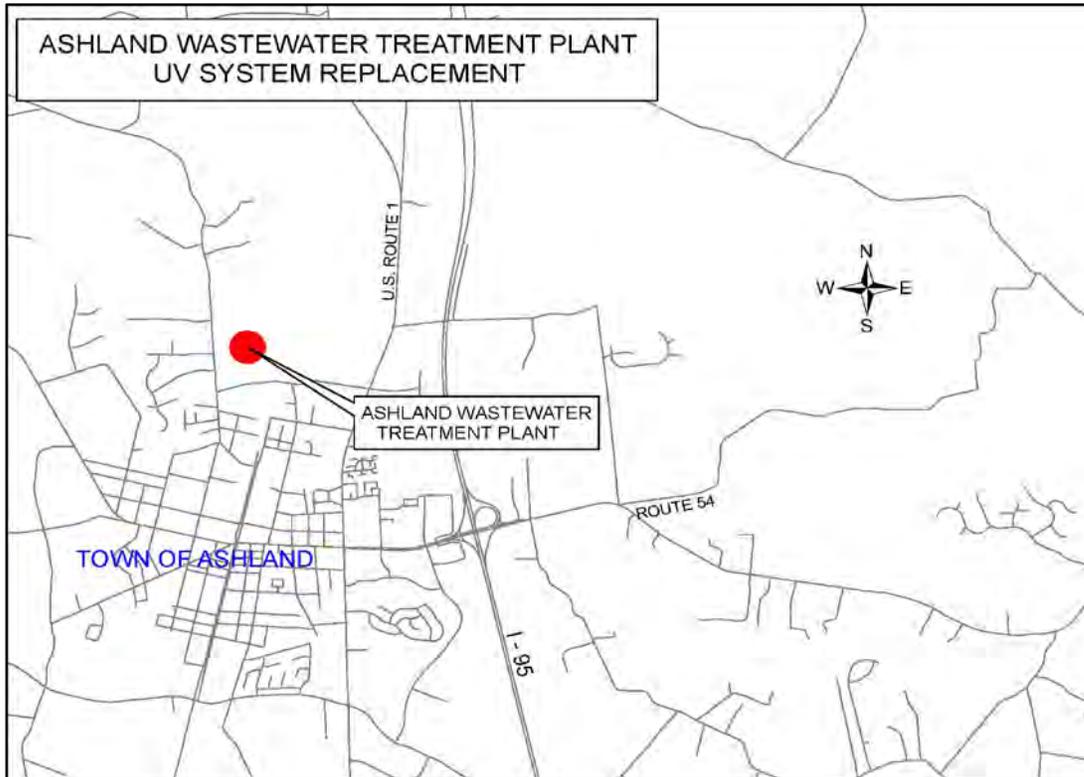
Location: Ashland Wastewater Treatment Plant

Description: This project includes the replacement of the existing UV disinfection system as the current system has been discontinued. The manufacturer has indicated they are no longer supporting this equipment.

Useful Life: 20 years

Timetable: Design (FY15); Construction (FY16)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ 54,000	\$ 458,000	\$ -	\$ -	\$ 512,000
Total Sources	\$ -	\$ 54,000	\$ 458,000	\$ -	\$ -	\$ 512,000
Funding Uses						
Professional Services	\$ -	\$ 54,000	\$ -	\$ -	\$ -	\$ 54,000
Construction	-	-	458,000	-	-	458,000
Total Uses	\$ -	\$ 54,000	\$ 458,000	\$ -	\$ -	\$ 512,000

Public Utilities

Functional Area: Public Utilities

Project: Doswell Wastewater Treatment Plant Equalization Tank Rehabilitation

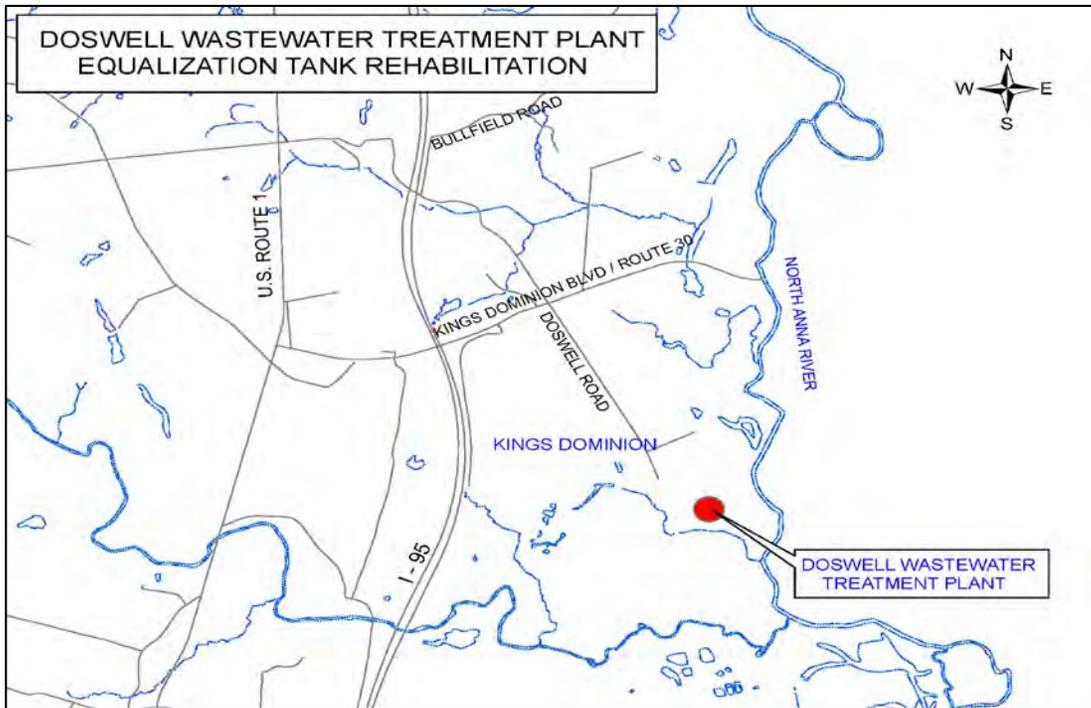
Location: Doswell Wastewater Treatment Plant

Description: This project consists of the FY17 rehabilitation and recoating of the two steel equalization tanks. This includes cleaning, complete recoating of the interiors and spot repair and recoating of the exteriors.

Useful Life: 20-35 years

Timetable: Design and Construction (FY17)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ -	\$ -	\$ 510,000	\$ -	\$ 510,000
Total Sources	\$ -	\$ -	\$ -	\$ 510,000	\$ -	\$ 510,000
Funding Uses						
Professional Services	\$ -	\$ -	\$ -	\$ 56,650	\$ -	\$ 56,650
Construction	-	-	-	453,350	-	453,350
Total Uses	\$ -	\$ -	\$ -	\$ 510,000	\$ -	\$ 510,000

Public Utilities

Functional Area: Public Utilities

Project: Doswell Wastewater Treatment Plant UV System Replacement

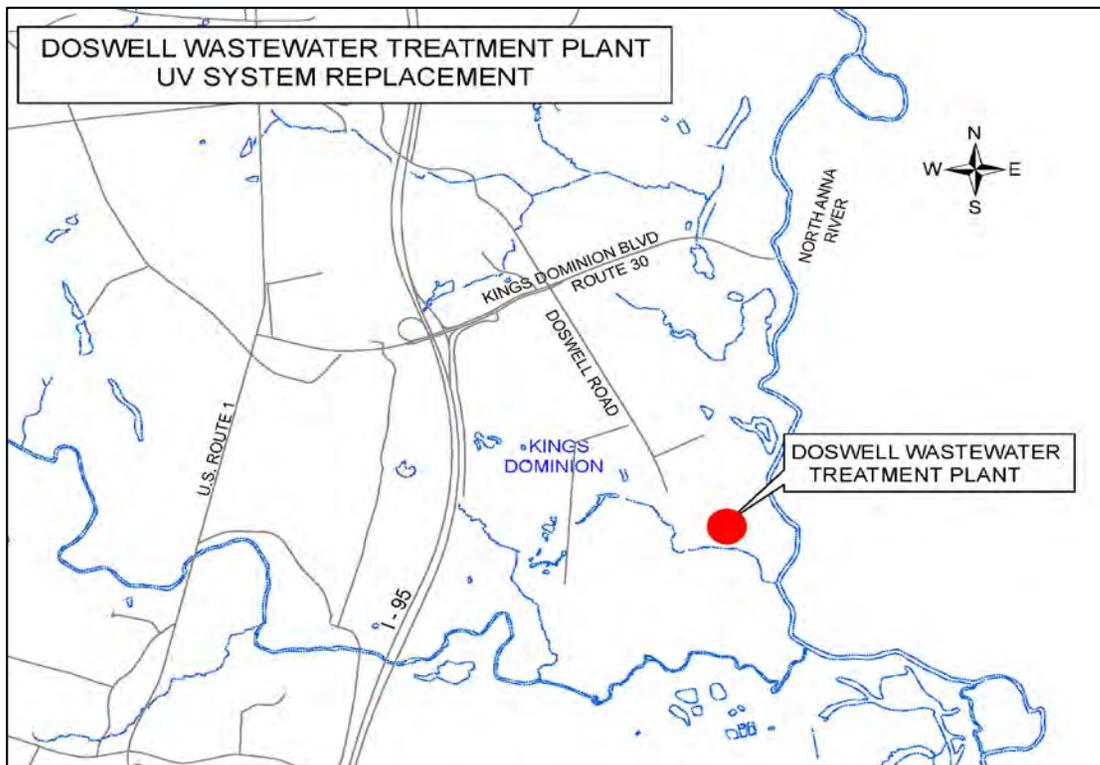
Location: Doswell Wastewater Treatment Plant

Description: This projects includes the replacement of the existing UV disinfection system as the current system has been discontinued. The manufacturer has indicated that they are no longer supporting this equipment.

Useful Life: 20 years

Timetable: Design (FY14); Construction (FY15)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ 40,000	\$ 340,000	\$ -	\$ -	\$ -	\$ 380,000
Total Sources	\$ 40,000	\$ 340,000	\$ -	\$ -	\$ -	\$ 380,000
Funding Uses						
Professional Services	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000
Construction	-	340,000	-	-	-	340,000
Total Uses	\$ 40,000	\$ 340,000	\$ -	\$ -	\$ -	\$ 380,000

Public Utilities

Functional Area: Public Utilities

Project: Doswell Wastewater Treatment Plant Clarifier Weir and Baffle Replacement

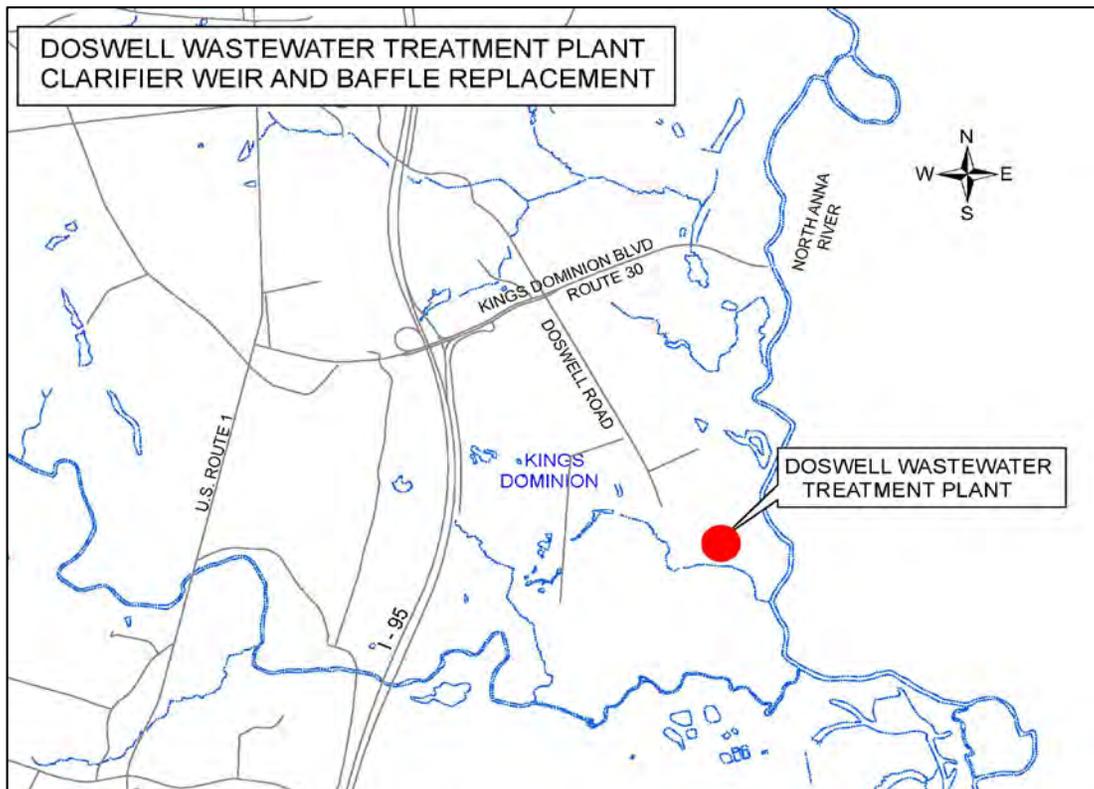
Location: Doswell Wastewater Treatment Plant

Description: This project provides for the replacement of the both clarifier weir and baffles along with the effluent trough and wall coating.

Useful Life: 20 years

Timetable: Design (FY16); Construction (FY17)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ -	\$ 20,000	\$ 189,000	\$ -	\$ 209,000
Total Sources	\$ -	\$ -	\$ 20,000	\$ 189,000	\$ -	\$ 209,000
Funding Uses						
Professional Services	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ 20,000
Construction	-	-	-	189,000	-	189,000
Total Uses	\$ -	\$ -	\$ 20,000	\$ 189,000	\$ -	\$ 209,000

Public Utilities

Functional Area: Public Utilities

Project: Ashland Sewerline Rehabilitation - Area 3

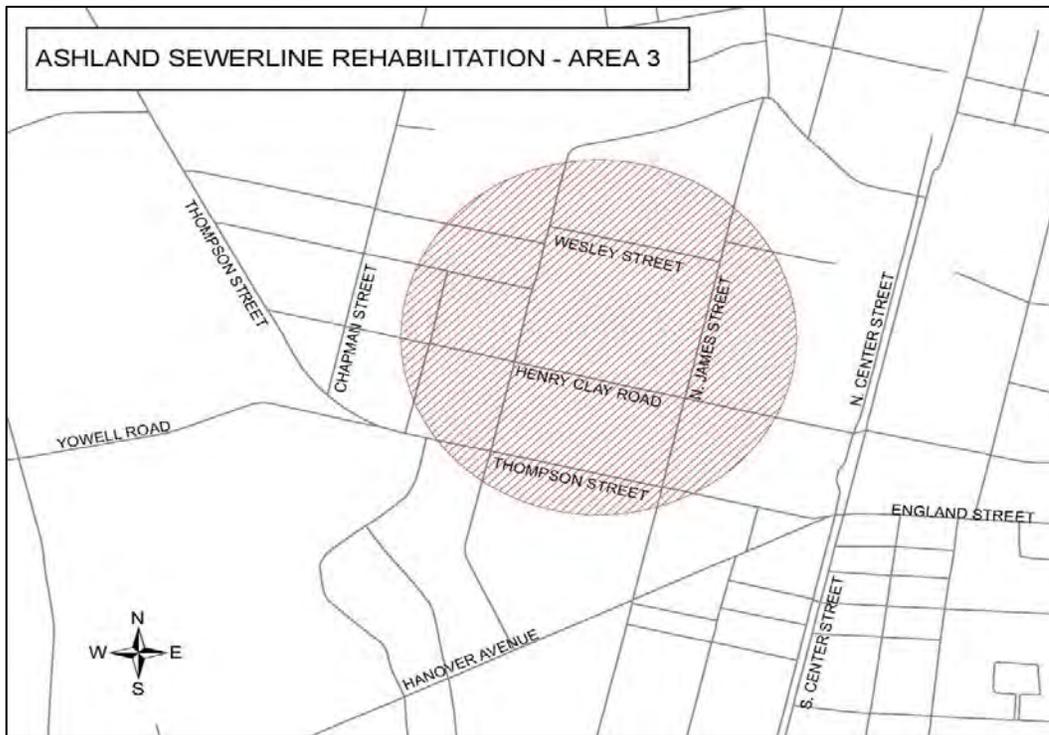
Location: Ashland Wastewater Treatment Plant drainage basin

Description: This project provides for sewerline rehabilitation within the Ashland Wastewater Treatment Plant drainage basin. This project consists of replacing approximately 350' of pipe, lining approximately 400' of pipe and repairing/sealing 15 lateral connections. These repairs are needed to correct structural defects in the sewer pipes and to reduce the volume of inflow and infiltration to the sanitary sewer system.

Useful Life: 50 years

Timetable: Design and Construction (FY16)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ -	\$ 202,000	\$ -	\$ -	\$ 202,000
Total Sources	\$ -	\$ -	\$ 202,000	\$ -	\$ -	\$ 202,000
Funding Uses						
Professional Services	\$ -	\$ -	\$ 29,000	\$ -	\$ -	\$ 29,000
Construction	-	-	173,000	-	-	173,000
Total Uses	\$ -	\$ -	\$ 202,000	\$ -	\$ -	\$ 202,000

Public Utilities

Functional Area: Public Utilities

Project: Beaverdam Wastewater Pump Station Control Panel

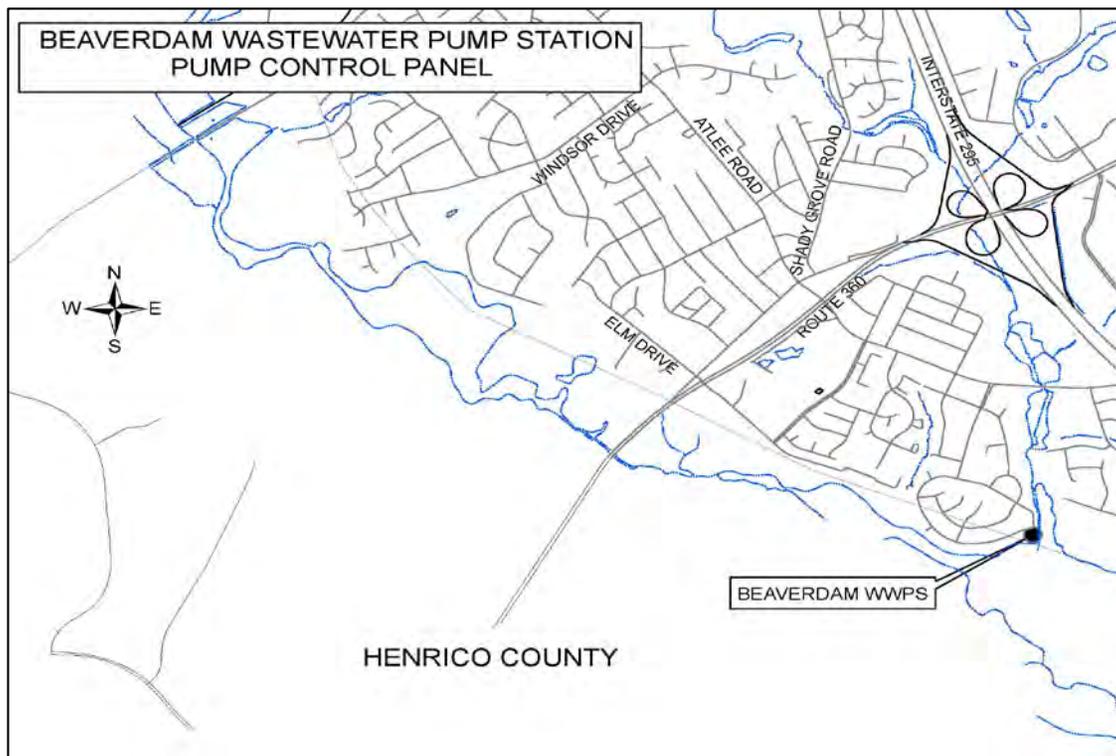
Location: Beaverdam Wastewater Pump Station

Description: The existing control panel has been in service since 2001 and will be near the end of its service life at the time of replacement.

Useful Life: 10-20 years

Timetable: Construction (FY18)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000
Total Sources	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000
Funding Uses						
Construction	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000
Total Uses	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000

Public Utilities

Functional Area: Public Utilities

Project: Ashland Sewerline Rehabilitation - Area 1

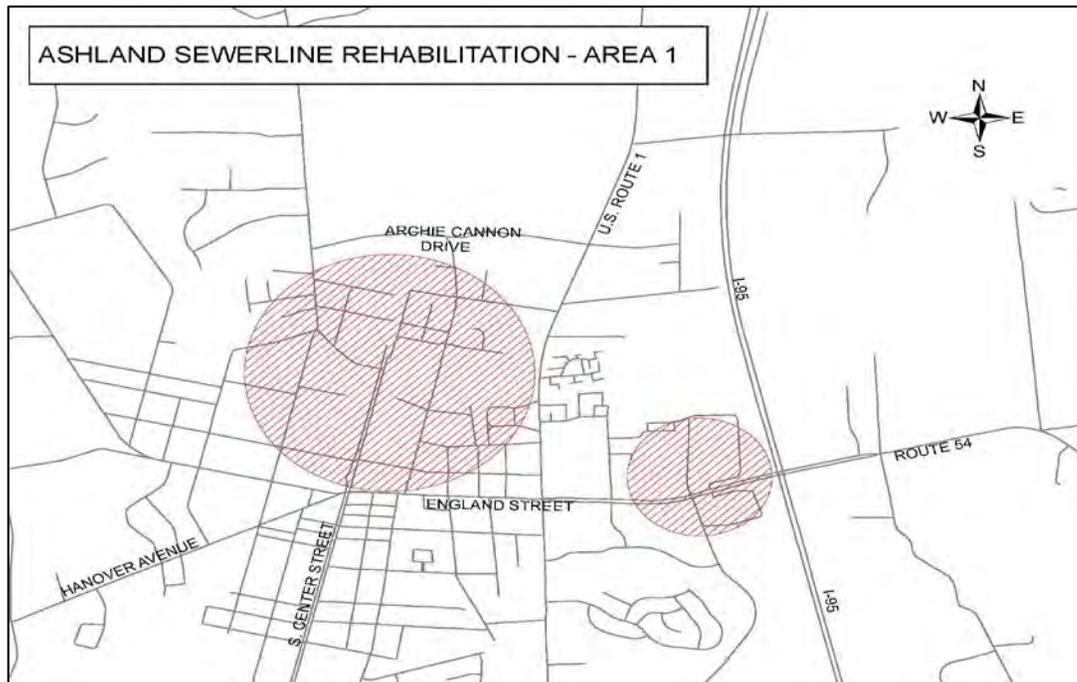
Location: Ashland Wastewater Treatment Plant drainage basin

Description: This project provides for sewerline rehabilitation within the Ashland Wastewater Treatment Plant drainage basin. This project consists of lining approximately 400' of pipe, installing approximately ten point repair liners and repairing/sealing 50 lateral connections. These repairs are needed to correct structural defects in the sewer pipes and to reduce the volume of inflow and infiltration to the sanitary sewer system.

Useful Life: 50 years

Timetable: Design and Construction (FY14)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ 191,000	\$ -	\$ -	\$ -	\$ -	\$ 191,000
Total Sources	\$ 191,000	\$ -	\$ -	\$ -	\$ -	\$ 191,000
Funding Uses						
Professional Services	\$ 27,500	\$ -	\$ -	\$ -	\$ -	\$ 27,500
Construction	163,500	-	-	-	-	163,500
Total Uses	\$ 191,000	\$ -	\$ -	\$ -	\$ -	\$ 191,000

Public Utilities

Functional Area: Public Utilities

Project: Quarles Road Wastewater Pump Station Pump Replacement

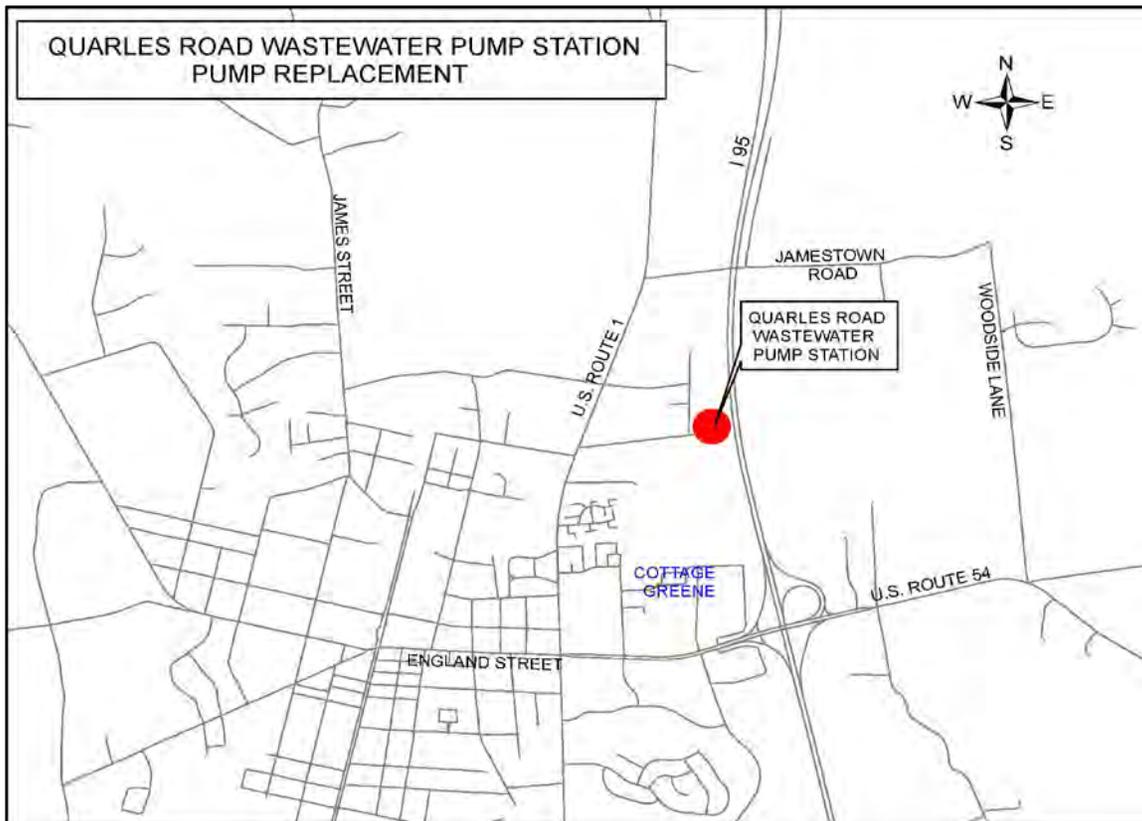
Location: Quarles Road Wastewater Pump Station

Description: This project provides for the replacement of the existing submersible pumps (installed in 1998). In addition, these pumps are no longer supported by the manufacturer.

Useful Life: 20 years

Timetable: Construction (FY15)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ 180,000	\$ -	\$ -	\$ -	\$ 180,000
Total Sources	\$ -	\$ 180,000	\$ -	\$ -	\$ -	\$ 180,000
Funding Uses						
Construction	\$ -	\$ 180,000	\$ -	\$ -	\$ -	\$ 180,000
Total Uses	\$ -	\$ 180,000	\$ -	\$ -	\$ -	\$ 180,000

Public Utilities

Functional Area: Public Utilities

Project: Courthouse Sewage Treatment Plant Aeration Tank Rehabilitation

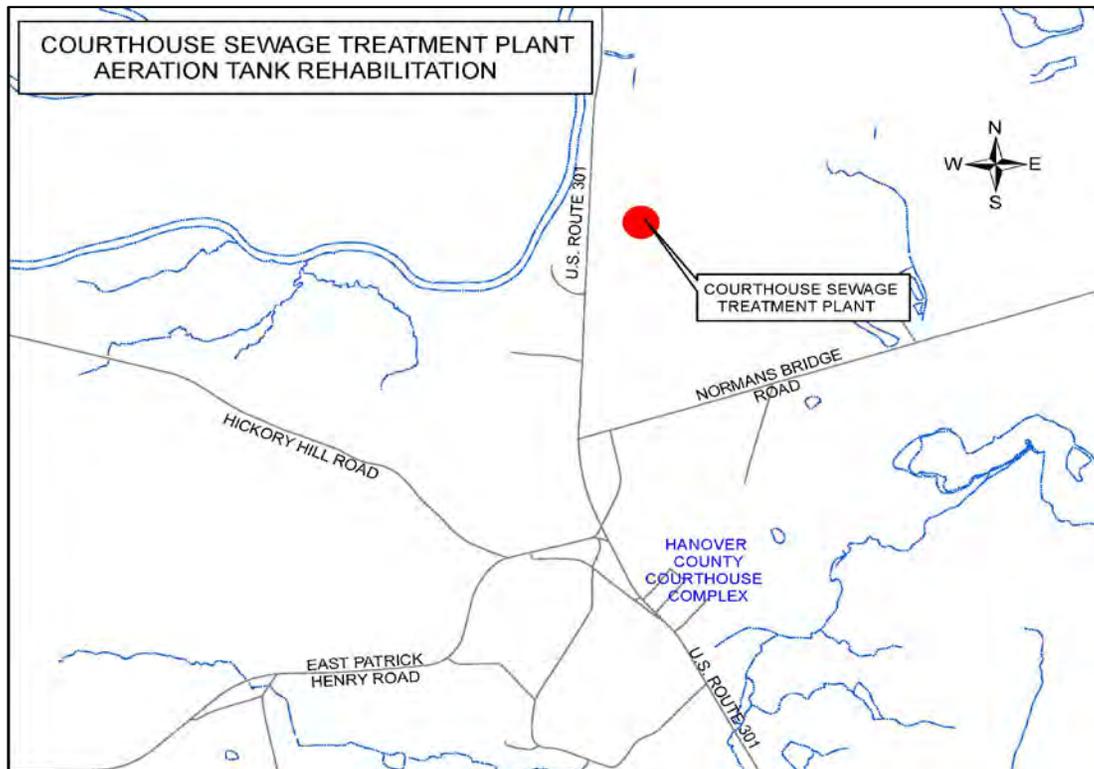
Location: Courthouse Sewage Treatment Plant

Description: This project provides for the recoating of aeration tanks, railings, piping and steel appurtenances including blower pipe recoating. Anode replacement will also be included.

Useful Life: 20-35 years

Timetable: Design (FY14); Construction (FY15)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ 18,000	\$ 153,000	\$ -	\$ -	\$ -	\$ 171,000
Total Sources	\$ 18,000	\$ 153,000	\$ -	\$ -	\$ -	\$ 171,000
Funding Uses						
Professional Services	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ 18,000
Construction	-	153,000	-	-	-	153,000
Total Uses	\$ 18,000	\$ 153,000	\$ -	\$ -	\$ -	\$ 171,000

Public Utilities

Functional Area: Public Utilities

Project: Ashland Wastewater Treatment Plant Polymer Control Panel

Location: Ashland Wastewater Treatment Plant

Description: This project provides for the replacement of the polymer feed panel located adjacent to the belt press room at the Ashland Wastewater Treatment Plant. The panel has been in service since 1992.

Useful Life: 20 years

Timetable: Construction (FY18)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ -	\$ -	\$ -	\$ 160,000	\$ 160,000
Total Sources	\$ -	\$ -	\$ -	\$ -	\$ 160,000	\$ 160,000
Funding Uses						
Construction	\$ -	\$ -	\$ -	\$ -	\$ 160,000	\$ 160,000
Total Uses	\$ -	\$ -	\$ -	\$ -	\$ 160,000	\$ 160,000

Public Utilities

Functional Area: Public Utilities

Project: Totopotomoy Wastewater Treatment Plant UV Panel Replacement

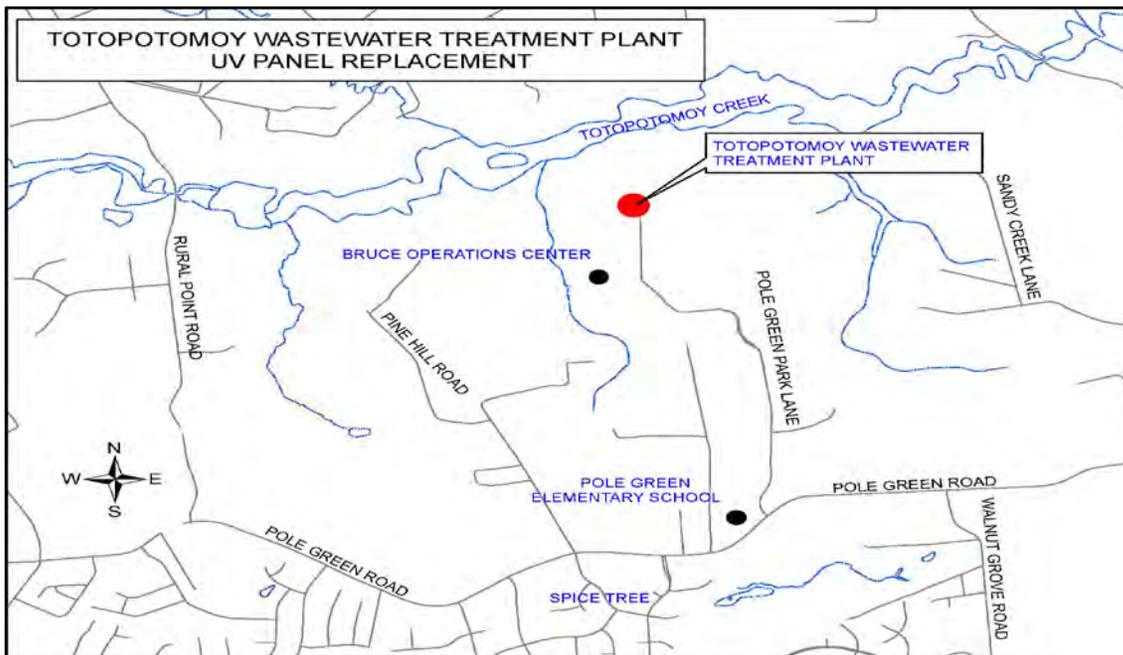
Location: Totopotomoy Wastewater Treatment Plant

Description: This project provides for the replacement of the UV control panels. The existing panel components are no longer supported by the manufacturer.

Useful Life: 20 years

Timetable: Construction (FY15)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ 142,000	\$ -	\$ -	\$ -	\$ 142,000
Total Sources	\$ -	\$ 142,000	\$ -	\$ -	\$ -	\$ 142,000
Funding Uses						
Construction	\$ -	\$ 142,000	\$ -	\$ -	\$ -	\$ 142,000
Total Uses	\$ -	\$ 142,000	\$ -	\$ -	\$ -	\$ 142,000

Public Utilities

Functional Area: Public Utilities

Project: Ashland Wastewater Treatment Plant Annunciator Panel and Equalization Controller

Location: Ashland Wastewater Treatment Plant

Description: This project provides for the FY14 upgrade of the main plant annunciator panel and an equalization controller at the Ashland Wastewater Treatment Plant.

Useful Life: 5-10 years

Timetable: Construction (FY14)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ 137,000	\$ -	\$ -	\$ -	\$ -	\$ 137,000
Total Sources	\$ 137,000	\$ -	\$ -	\$ -	\$ -	\$ 137,000
Funding Uses						
Construction	\$ 137,000	\$ -	\$ -	\$ -	\$ -	\$ 137,000
Total Uses	\$ 137,000	\$ -	\$ -	\$ -	\$ -	\$ 137,000

Public Utilities

Functional Area: Public Utilities

Project: Doswell Wastewater Treatment Plant Digester Blowers and Enclosures Replacement

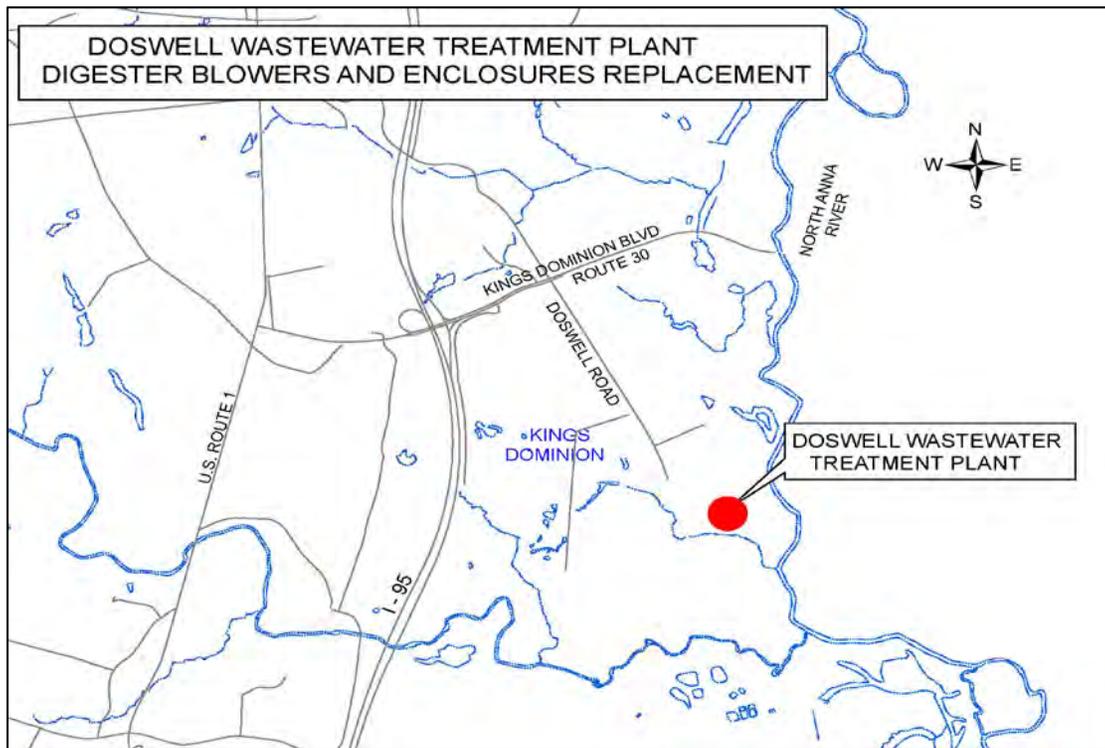
Location: Doswell Wastewater Treatment Plant

Description: The existing centrifugal blowers will be 25 years old at the time of replacement (installed in 1993). This project provides for the replacement in kind of both blowers.

Useful Life: 20 years

Timetable: Construction (FY18)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ -	\$ -	\$ -	\$ 126,000	\$ 126,000
Total Sources	\$ -	\$ -	\$ -	\$ -	\$ 126,000	\$ 126,000
Funding Uses						
Construction	\$ -	\$ -	\$ -	\$ -	\$ 126,000	\$ 126,000
Total Uses	\$ -	\$ -	\$ -	\$ -	\$ 126,000	\$ 126,000

Public Utilities

Functional Area: Public Utilities

Project: Pamunkey Jail Lift Station Pump Replacement

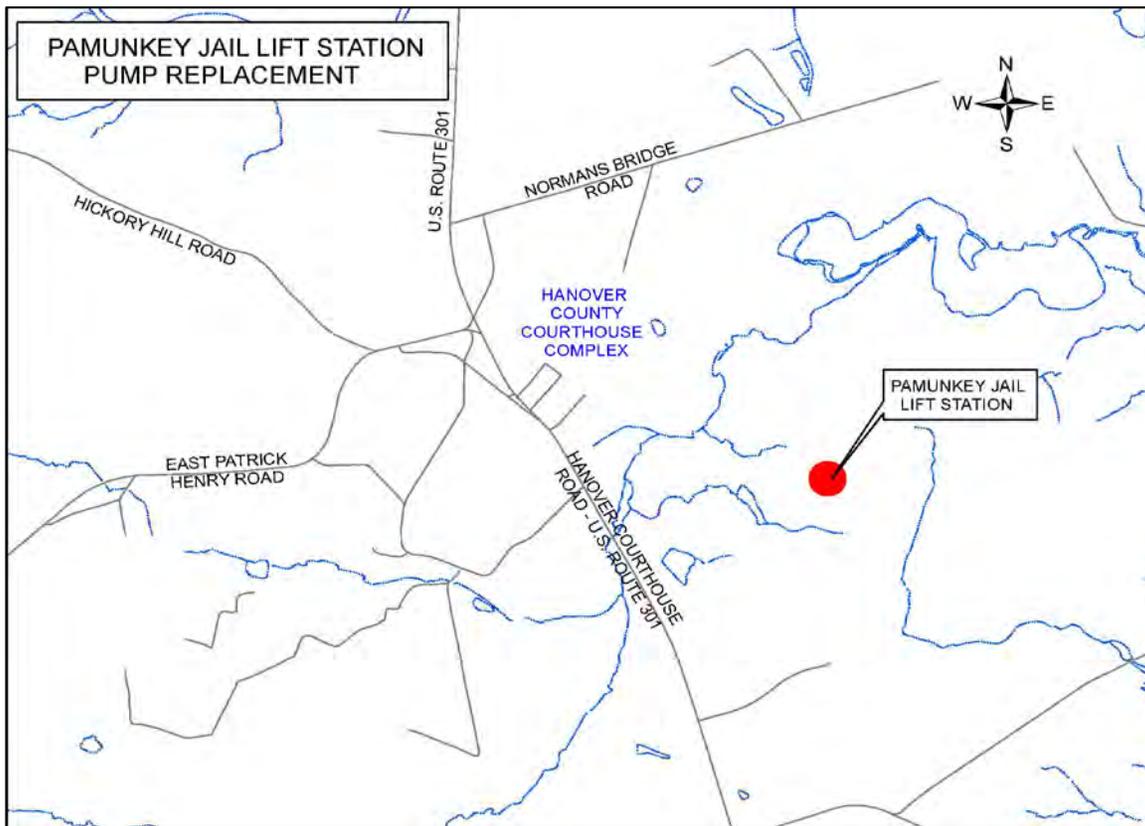
Location: Pamunkey Jail Lift Station

Description: This project provides for the replacement of the existing submersible pumps (installed in 1998).

Useful Life: 20 years

Timetable: Construction (FY18)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ -	\$ -	\$ -	\$ 122,000	\$ 122,000
Total Sources	\$ -	\$ -	\$ -	\$ -	\$ 122,000	\$ 122,000
Funding Uses						
Construction	\$ -	\$ -	\$ -	\$ -	\$ 122,000	\$ 122,000
Total Uses	\$ -	\$ -	\$ -	\$ -	\$ 122,000	\$ 122,000

Public Utilities

Functional Area: Public Utilities

Project: Hanover Lift Station Pump Replacement

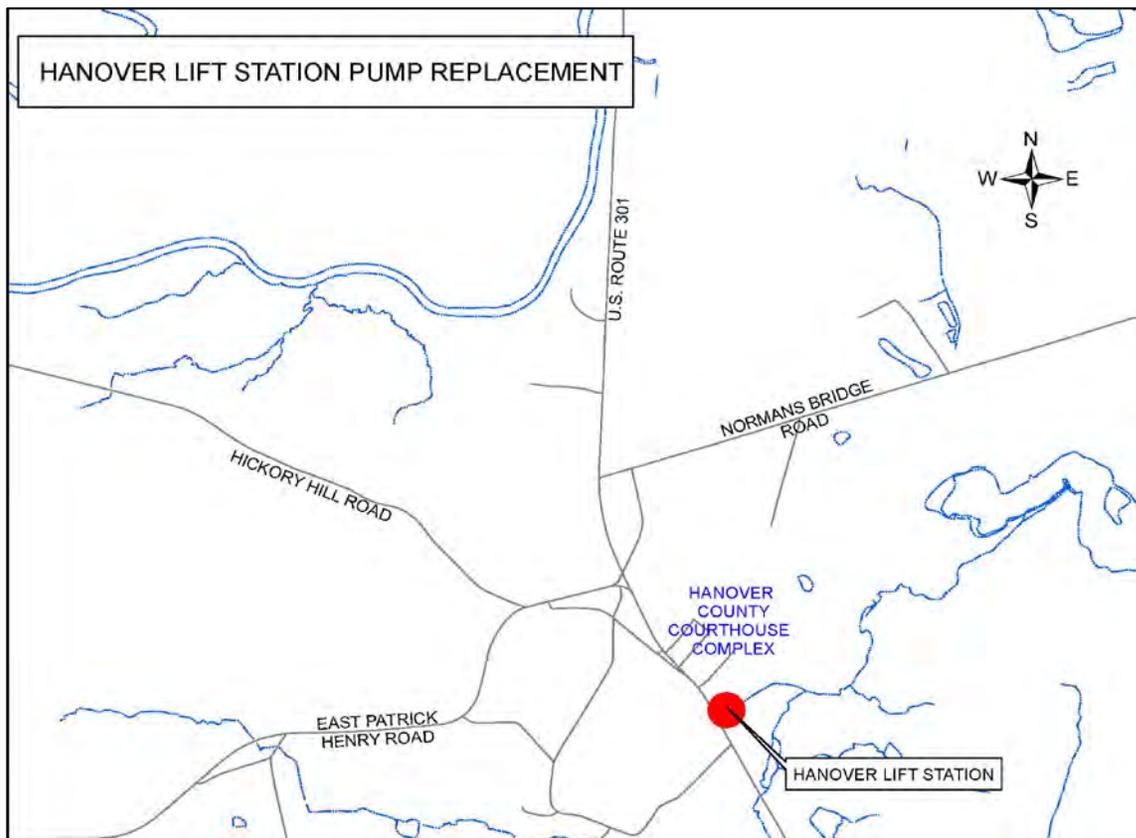
Location: Hanover Lift Station

Description: This project provides for the replacement of the existing submersible pumps (installed in 1997).

Useful Life: 20 years

Timetable: Construction (FY17)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ -	\$ -	\$ 119,000	\$ -	\$ 119,000
Total Sources	\$ -	\$ -	\$ -	\$ 119,000	\$ -	\$ 119,000
Funding Uses						
Construction	\$ -	\$ -	\$ -	\$ 119,000	\$ -	\$ 119,000
Total Uses	\$ -	\$ -	\$ -	\$ 119,000	\$ -	\$ 119,000

Public Utilities

Functional Area: Public Utilities

Project: Beaverdam Wastewater Pump Station Divider Gate Replacement

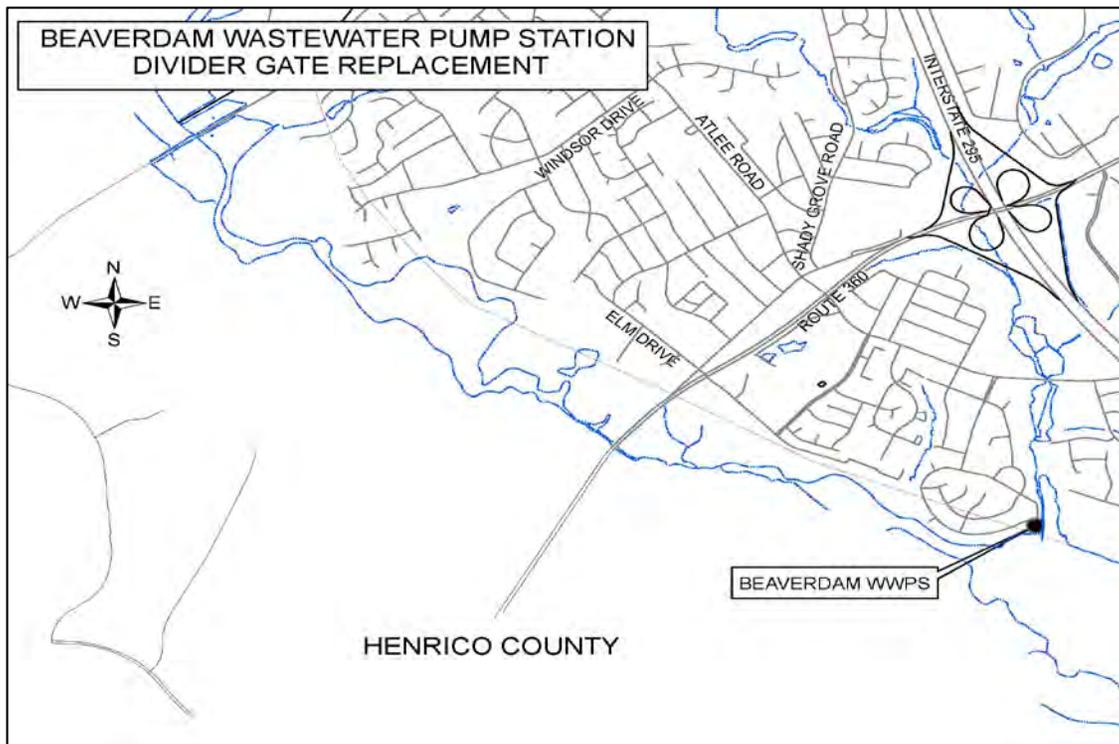
Location: Beaverdam Wastewater Pump Station

Description: The existing 30" divider gate has been in service since 1978. The gate is becoming increasingly difficult to operate and is critical to the operation of the pump station.

Useful Life: 20-35 years

Timetable: Design and Construction (FY16)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ -	\$ 93,000	\$ -	\$ -	\$ 93,000
Total Sources	\$ -	\$ -	\$ 93,000	\$ -	\$ -	\$ 93,000
Funding Uses						
Professional Services	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
Construction	-	-	83,000	-	-	83,000
Total Uses	\$ -	\$ -	\$ 93,000	\$ -	\$ -	\$ 93,000

Public Utilities

Functional Area: Public Utilities

Project: Shelton Pointe Wastewater Pump Station Upgrade (FMP S59)

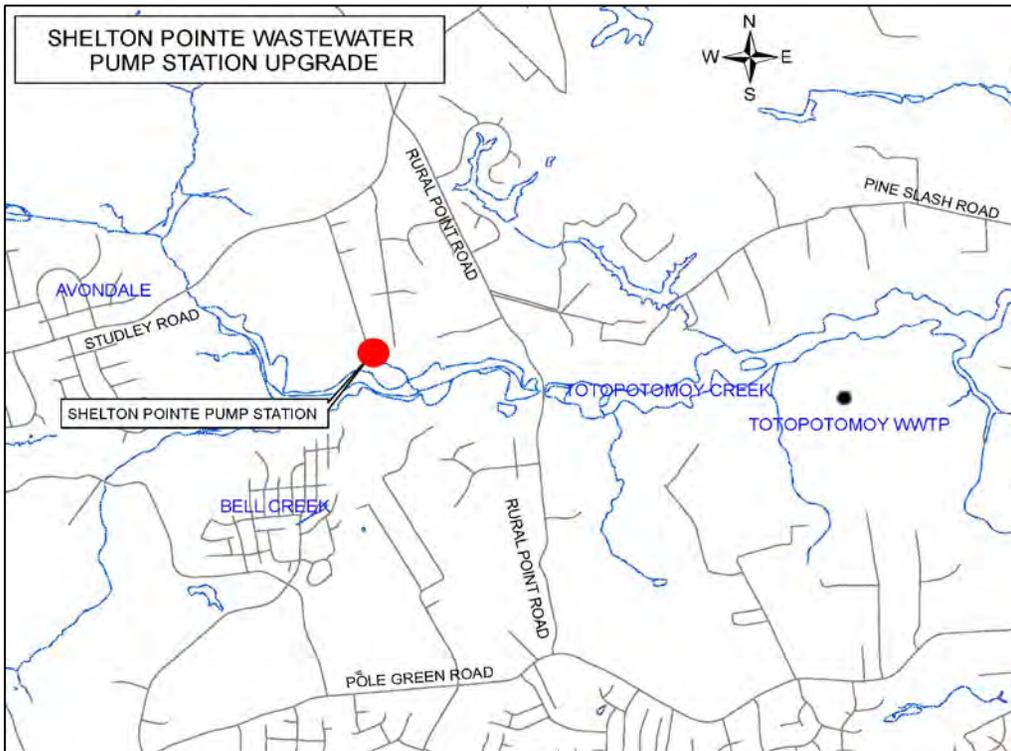
Location: Shelton Pointe Pump Station

Description: This project provides for the FY18 design and FY19 construction of an expansion of Shelton Pointe Wastewater Pump Station to peak capacity of 5.75 MGD through the installation of new pumps to address growth.

Useful Life: 20 years

Timetable: Design (FY18)

Operating Impact: \$12,000/year



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
Professional Services	\$ -	\$ -	\$ -	\$ -	\$ 85,000	\$ 85,000
Total Sources	\$ -	\$ -	\$ -	\$ -	\$ 85,000	\$ 85,000
Funding Uses						
Professional Services	\$ -	\$ -	\$ -	\$ -	\$ 85,000	\$ 85,000
Total Uses	\$ -	\$ -	\$ -	\$ -	\$ 85,000	\$ 85,000

Public Utilities

Functional Area: Public Utilities

Project: Snead Street Wastewater Pump Station Pump Replacement

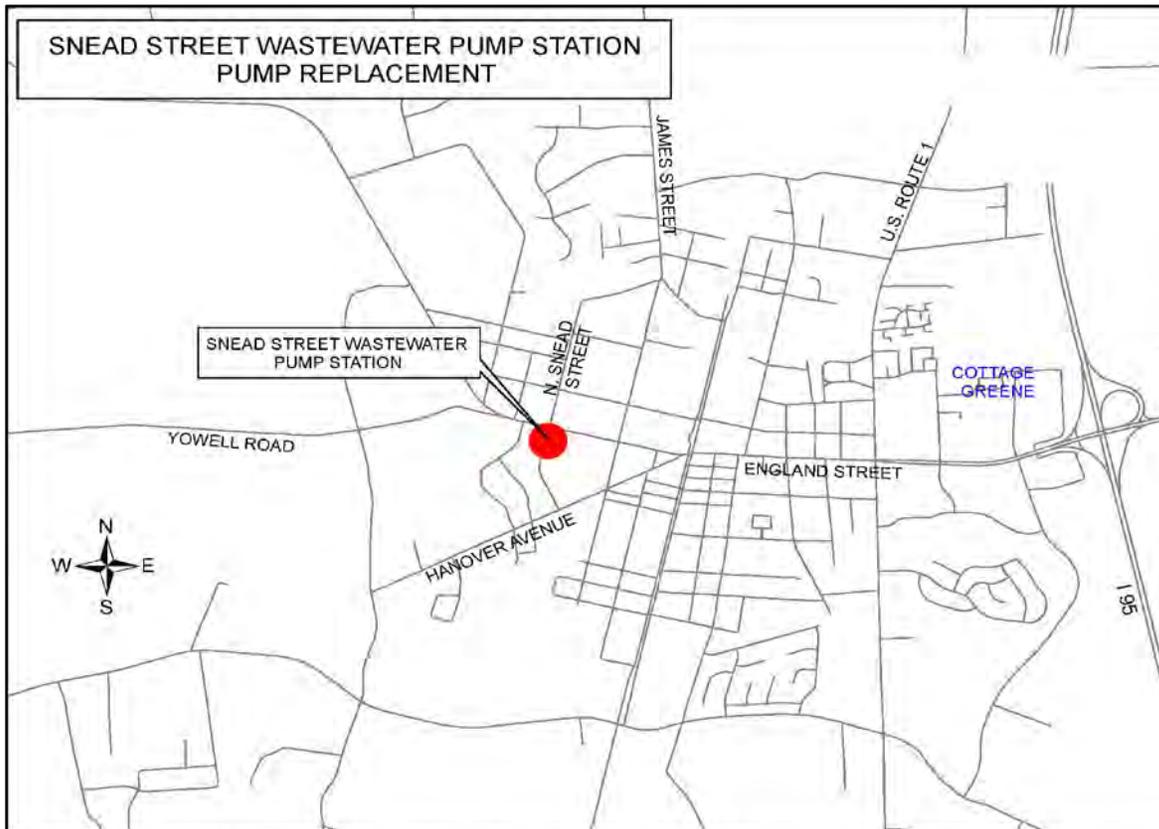
Location: Snead Street Wastewater Pump Station

Description: This project provides for the replacement of the existing submersible pumps (installed in 1995).

Useful Life: 20 years

Timetable: Construction (FY16)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ -	\$ 77,000	\$ -	\$ -	\$ 77,000
Total Sources	\$ -	\$ -	\$ 77,000	\$ -	\$ -	\$ 77,000
Funding Uses						
Construction	\$ -	\$ -	\$ 77,000	\$ -	\$ -	\$ 77,000
Total Uses	\$ -	\$ -	\$ 77,000	\$ -	\$ -	\$ 77,000

Public Utilities

Functional Area: Public Utilities

Project: Air Park Wastewater Pump Station Generator Replacement

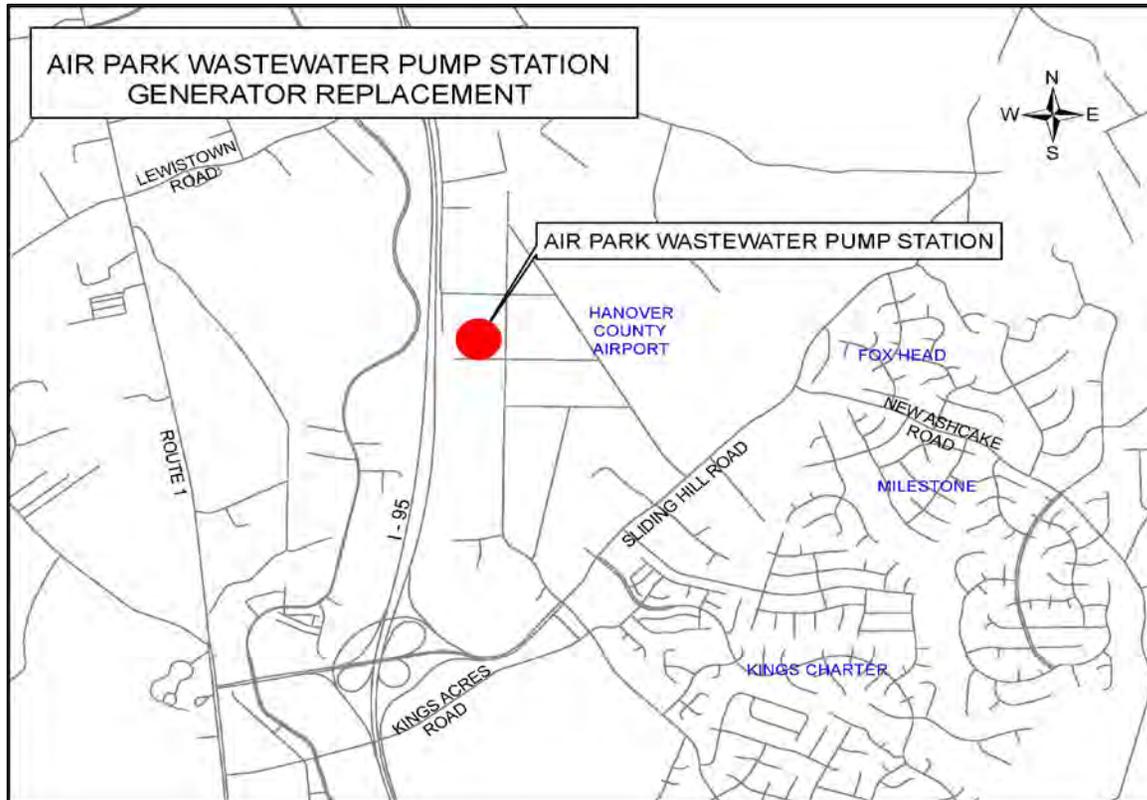
Location: Air Park Wastewater Pump Station

Description: The generator at the Air Park Wastewater Pump Station will have been in service for over 20 years and is nearing the end of its service life. Project includes design and construction to replace the existing unit.

Useful Life: 20 years

Timetable: Design and Construction (FY17)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ -	\$ -	\$ 73,000	\$ -	\$ 73,000
Total Sources	\$ -	\$ -	\$ -	\$ 73,000	\$ -	\$ 73,000
Funding Uses						
Professional Services	\$ -	\$ -	\$ -	\$ 8,000	\$ -	\$ 8,000
Construction	-	-	-	65,000	-	65,000
Total Uses	\$ -	\$ -	\$ -	\$ 73,000	\$ -	\$ 73,000

Public Utilities

Functional Area: Public Utilities

Project: Ashland Wastewater Treatment Plant Belt Press Rehabilitation

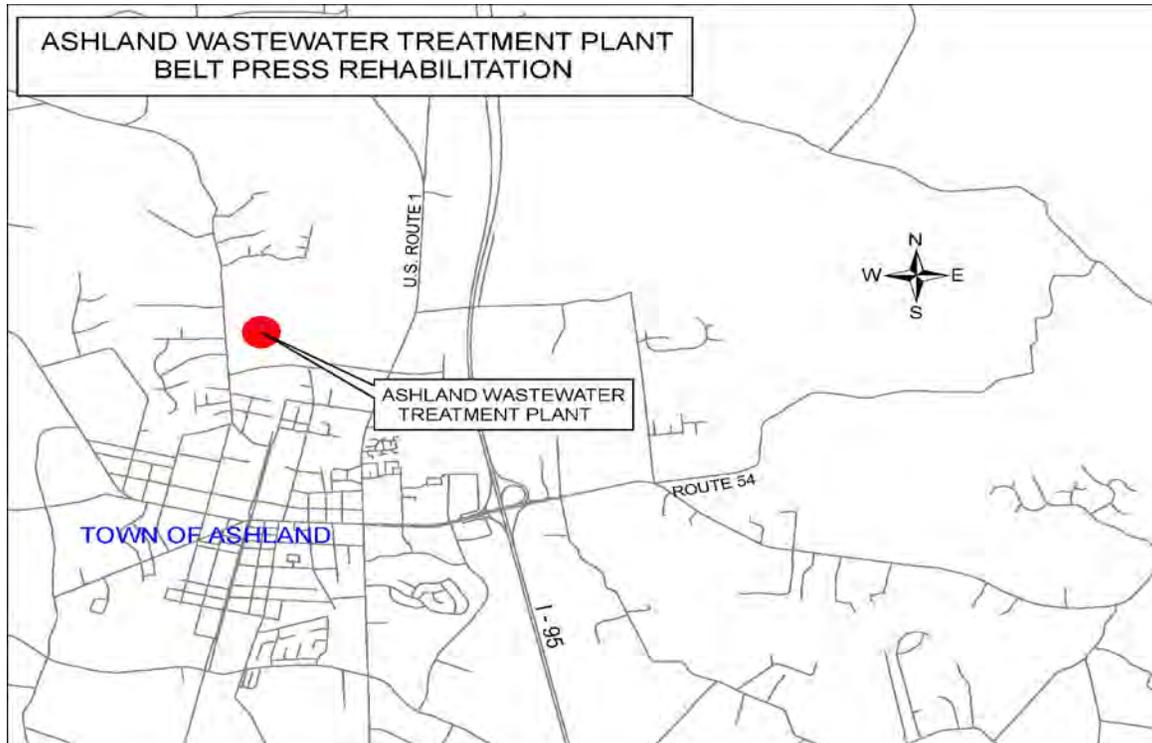
Location: Ashland Wastewater Treatment Plant

Description: The Ashland Wastewater Treatment Plant belt press has been in service since approximately 1992. This project provides for a complete overhaul of the unit.

Useful Life: 20 years

Timetable: Construction (FY15)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ 69,000	\$ -	\$ -	\$ -	\$ 69,000
Total Sources	\$ -	\$ 69,000	\$ -	\$ -	\$ -	\$ 69,000
Funding Uses						
Construction	\$ -	\$ 69,000	\$ -	\$ -	\$ -	\$ 69,000
Total Uses	\$ -	\$ 69,000	\$ -	\$ -	\$ -	\$ 69,000

Public Utilities

Functional Area: Public Utilities

Project: Hardees Wastewater Pump Station Pump Replacement

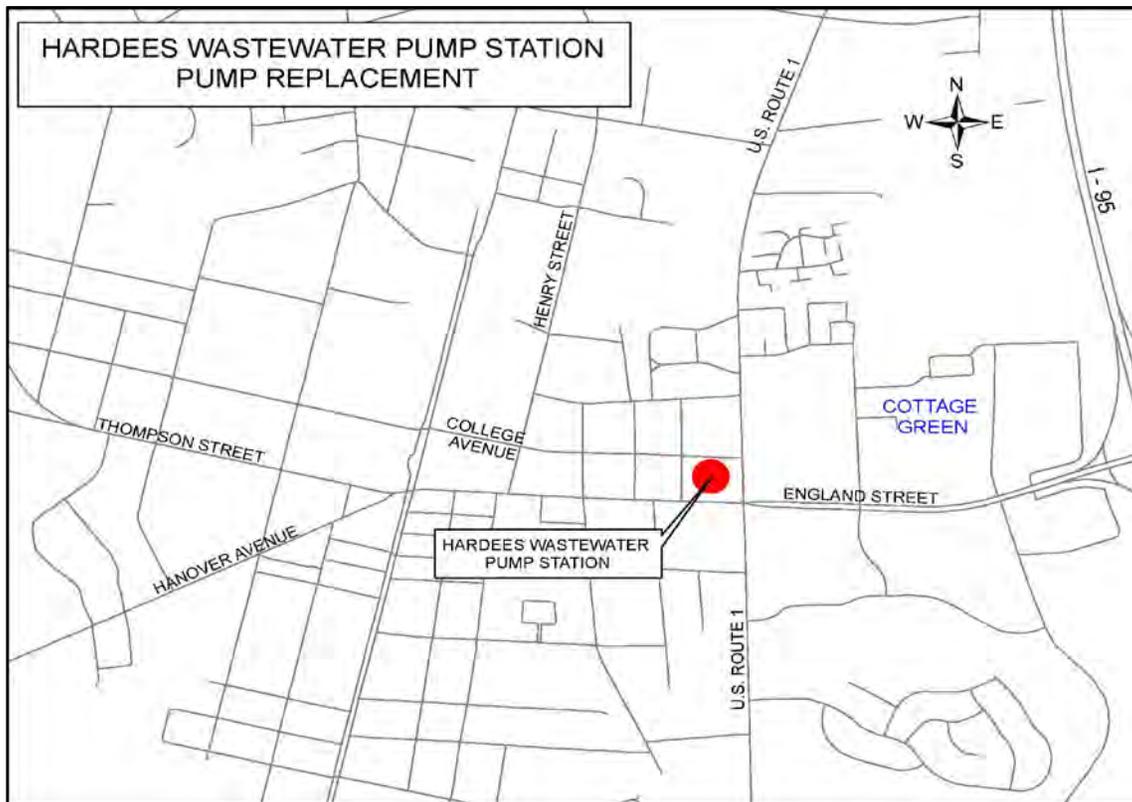
Location: Hardees Wastewater Pump Station

Description: This project provides for the replacement of the existing submersible pumps (installed in 1995).

Useful Life: 20 years

Timetable: Construction (FY15)

Operating Impact: There is no anticipated additional operating impact as a result of this project.



	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ 59,000	\$ -	\$ -	\$ -	\$ 59,000
Total Sources	\$ -	\$ 59,000	\$ -	\$ -	\$ -	\$ 59,000
Funding Uses						
Construction	\$ -	\$ 59,000	\$ -	\$ -	\$ -	\$ 59,000
Total Uses	\$ -	\$ 59,000	\$ -	\$ -	\$ -	\$ 59,000

Public Utilities

Functional Area: Public Utilities

Project: Vehicle Replacement

Location: N/A

Description: FY14 - \$62,000 Utility body truck (electrical/mechanical crew) (originally purchased in 2004)
 FY14 - \$135,000 Dump truck replacement (originally purchased in 1999)
 FY14 - \$350,000 Sewer vacuum/flush combination truck (collections crew) (originally purchased in 2000)
 FY18 - \$250,000 Sewer Flush Truck

Useful Life: 5-10 years

Timetable: Purchase vehicles (FY14 and FY18)

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ 547,000	\$ -	\$ -	\$ -	\$ 250,000	\$ 797,000
Total Sources	\$ 547,000	\$ -	\$ -	\$ -	\$ 250,000	\$ 797,000
Funding Uses						
Vehicles	\$ 547,000	\$ -	\$ -	\$ -	\$ 250,000	\$ 797,000
Total Uses	\$ 547,000	\$ -	\$ -	\$ -	\$ 250,000	\$ 797,000

Public Utilities

Functional Area: Public Utilities

Project: Equipment Replacement

Location: N/A

Description: FY15 - \$81,000 Vacuum excavator replacement (originally purchased in 2001)
 FY15 - \$90,000 Backhoe replacement (originally purchased in 1997)
 FY17 - \$59,000 Diesel powered portable pump to be used as backup at large sewer lift stations & treatment plants

Useful Life: 10-20 years

Timetable: Equipment replacement (FY15 and FY17)

Operating Impact: There is no anticipated additional operating impact as a result of this project.

	FY14	FY15	FY16	FY17	FY18	Totals
Funding Sources						
User Fees	\$ -	\$ 171,000	\$ -	\$ 59,000	\$ -	\$ 230,000
Total Sources	\$ -	\$ 171,000	\$ -	\$ 59,000	\$ -	\$ 230,000
Funding Uses						
Equipment	\$ -	\$ 171,000	\$ -	\$ 59,000	\$ -	\$ 230,000
Total Uses	\$ -	\$ 171,000	\$ -	\$ 59,000	\$ -	\$ 230,000

Budget Directives

In September, County department and agency heads are requested by the Director of Finance to submit operating and capital improvement budget in accordance to the following guidelines:

1. Operating Budget

- a) Provide detailed descriptions of each line item request, highlighting any changes that have caused a fluctuation in amounts from one year to another. Detailed descriptions include, for example, listing of all memberships, dues, continuing education, professional service contracts and maintenance contracts.
- b) Provide documentation for any requests for additional personnel or position changes, including detailed operating and capital costs incurred as a result of the additional personnel or position change, and an organizational chart indicating where this position is classified in relation to the department.
- c) Provide a detailed justification of capital items greater than \$5,000 unit cost submitted in the budget, including capital item name, whether capital item is a replacement or an addition, unit cost of capital item, and quantity of each item.
- d) Verify all departmental positions, both vacant and filled, and proposed compensation as provided by the Finance department.
- e) Departments charged with the oversight of the calculation and/or collection of revenue (tax, service fee, grant, etc.), must provide a detailed analysis of both demand factors and rates are formulated to calculate such revenue.

2. Capital Budget

- a) Submit justification and description of any major capital expenditure (\$50,000 or more) complete with an analysis of impact on the operating budget for the following five years.
- b) Provide documentation of any non-local funding (e.g. debt proceeds, grants, etc.) to be used to fund the capital project.
- c) Construction projects must be supported with common attributes, such as square footage, and cost per square foot, and acreage.

3. Five-Year Financial Plan

- a) Submit justification and description of any service level change, additional personnel, position changes, or capital items for the following five fiscal years.
- b) Provide documentation of any non-local funding for the Service Level Plan.

Finance and Management Services Policies

1. General Provisions

1-1 Adoption and Application of Policies

The Hanover County Financial Policies (Policies) set forth in this document supersede all previous Financial Policies. These Policies have been approved by the County Administrator and adopted by the Board of Supervisors of Hanover County (County), and shall apply to all County funds and School funds except the School Activity Funds as defined by the Department of Education. Other funds identified by action of the Board of Supervisors may be included in the coverage of these policies.

1-2 Purpose of Policies

- A. Accounting: This policy addresses the accounting methods and other related requirements to be used by all covered funds.
- B. Audit: This policy provides guidance on the selection of an independent accounting firm to provide opinions and/or reports on the County's financial statements, internal control over financial reporting and compliance with federal and State laws, regulations, contracts and grants. The role of the County's Internal Auditor is defined in this policy.
- C. Budget: This policy prescribes procedures and requirements of the budget formulation process, including the adoption of the Five-Year Financial Plan and the Capital Improvements Program (CIP). This budget policy also prescribes procedures and requirements of the budget management process.
- D. Debt: This policy establishes the debt issuance and post-issuance compliance guidelines.
- E. Deposit and Investment Policy: The Treasurer of Hanover County has established a Detailed Deposit and Investment Policy. The Board of Supervisors has adopted the Detailed Deposit and Investment Policy as a joint policy between the County and the Treasurer. The Detailed Deposit and Investment Policy is subject to amendment by the Treasurer. It is the intent of the Board of Supervisors that such amended Detailed Deposit and Investment Policy will remain a joint policy between the County and the Treasurer, as long as it continues to agree with the overarching Deposit and Investment Objectives outlined below, or until the Board adopts otherwise.
- F. Fund Balance and Net Assets Policy: This policy establishes guidelines for the appropriate fund balance and net asset levels needed to maintain positive financial position.
- G. Purchasing Policy: This policy is adopted to guide the County in obtaining high quality goods and services at reasonable cost, in conducting all procurement procedures in a fair and impartial manner with avoidance of any impropriety or appearance of impropriety. The policy provides access to the County's public

Finance and Management Services Policies

business for all qualified vendors, and promotes efficient procurement practices among all County departments. The statutes governing the procurement of goods and services from nongovernmental sources are contained in the Virginia Public Procurement Act (*VPPA*) (*Code of Virginia*, § 2.2-4300 et seq.) and Hanover County Code Chapter 2, Article IV.

- H. Revenue Policy: This policy establishes measures to maintain control over all revenues (including federal, state and private grants and cooperative agreements), to ensure strong fiscal management. This includes control over revenue budgeting and forecasting, reconciliations, accounts receivable management, compliance with grant awards, regulations and cooperative agreements and general oversight over the various revenues the County collects.
- I. Travel and Business Expense Policy: This Policy establishes authority for payment and reimbursement of certain travel and business expenses incurred for County purposes by officials, employees and volunteers. Oversight of the department travel budgets is vested in the department heads, or Chair of the Board of Supervisors, respectively. County business for the purpose of this Policy includes conferences, seminars, workshops, hearings, educational programs, conventions and meetings and other activities which are directly related to or associated with the business of the County, and which provide a substantial benefit to the County.

1-3 Internal Controls

All aspects of accounting and financial reporting shall be subject to proper controls with standard controls documented and followed by all departments.

1-4 Delegation of Authority

The County Board of Supervisors delegates the responsibility for financial and contractual activities and reporting to the County Administrator subject to the limitations and terms included in this policy. In all cases, reference to a County or other official in this policy shall be deemed to include designees of the official. The County Administrator and School Superintendent may designate the Director of Finance and Management Services to be responsible for the financial and contractual reporting functions.

1-5 Ethics

Finance Department staff and all County employees engaged in financial and contractual activities and reporting should be generally familiar with the applicable provisions of the Government Finance Officers Association Code of Professional Ethics and the County Ethics Policy

- A. Purchasing staff and all County employees engaged in procurement activities are subject to and should be generally familiar with the provisions of the *VPPA*

Finance and Management Services Policies

relative to Ethics in Public Contracting, Article 6 (*Code of Virginia*, § 2.2-4367 et seq.).

- B. No official or employee shall have a personal interest in a transaction or contract if such interest is prohibited by the *State and Local Government Conflict of Interests Act* (*Code of Virginia*, § 2.2-3100 et seq.). The County Administrator shall endeavor to provide appropriate information regarding these prohibitions to employees and affected volunteers.

1-6 Compliance

Department heads and School Cost Center Managers shall take necessary and prompt action to insure compliance with these Policies within their respective departments.

1-7 Amendment of Policies

These rules may be changed or amended by resolution of the Board of Supervisors.

1-8 Availability of Policies

The Financial Policies shall be maintained by the Director of Finance Management & Services and an electronic copy shall be maintained on the County's website.

Finance and Management Services Policies

2. Accounting Policy

2-1 Financial Statements

- A. All activities for which generally accepted accounting principles (GAAP) consider the County to be financially accountable are incorporated into the audited financial statements to form the reporting entity.
- B. The year-end financial statements shall be formulated based upon GAAP and the Comprehensive Annual Financial Report (CAFR) will be prepared at the conclusion of the County audit to meet Government Finance Officer Association (GFOA) guidelines.
- C. Interim and year-end financial reports shall be presented to the Board of Supervisors (the Board) for each fiscal year.

2-2 Fund Accounting

- A. Accounts are organized on the basis of funds, each of which is considered to be a separate accounting entity.
- B. Appropriate accruals of revenues and expenditures will be in accordance with GAAP.
- C. Purchase orders, contracts, and other commitments for expenditure of moneys are recorded for budget purposes as encumbrances in order to reserve that portion of the appropriation.
- D. Board approval is required for the establishment of any new County reporting entity fund that requires an appropriation. The County Administrator authorizes all other funds.

2-3 Capital Assets

- A. Tangible capital assets shall be recorded when the unit cost is greater than \$5,000, the useful life exceeds five years, and the expenditure meets the GAAP definition of land, building, improvements to building, infrastructure, equipment or other relevant tangible fixed asset class. Intangible assets over \$25,000 in value acquired in fiscal year 2010 and future years shall be capitalized when they meet the GAAP definition of a capitalizable intangible asset.

2-4 Donation Acceptance

- A. Personal property, monetary and in kind donations:
 - (i) The department head may authorize acceptance of these donations with an estimated value below \$5,000.
 - (ii) The County Administrator may authorize acceptance of these donations with an estimated value between \$5,000 and \$50,000.

Finance and Management Services Policies

- B. Board of Supervisor's authorization is required for acceptance of these donations with an estimated value greater than \$50,000.

2-5 Authorization of Disbursements and Transfers

- A. All checks, bank transfers, and disbursements to a non-County account generated by the County and Treasurer's Office will contain dual signatures with one signature representing an authorized signature of the County and the other signature representing an authorized signature of the Treasurer's Office.
- B. Manual checks with dual signatures will be issued only in circumstances that are deemed appropriate by the Director of Finance and Management Services.
- C. All disbursements of funds will have proper supporting documentation, approval of a department authorized signer, and be filed in a manner to provide the proper audit trail to such disbursement.
- D. State tax and fee collections that are administered by the Treasurer's Office are recorded in a separate Commonwealth fund. The Treasurer's transfer of State tax and fee collections to the Commonwealth requires dual signatures, but does not require authorization of both the Treasurer and County.

2-6 Petty Cash

- A. Petty cash funds shall be maintained in order to provide timely payment or reimbursement for proper expenses that do not exceed the transaction amount established by the Accounting Regulations.
- B. Petty cash funds shall also be established at cashiering points to provide change for County business transactions.
- C. Internal controls shall be followed to ensure the appropriate reconciliations are performed and petty cash is safeguarded.
- D. Petty cash balances and locations shall be documented in the Accounting Regulations.

2-7 Record Retention

All records shall be retained, and when required, disposed of in accordance with the Virginia Public Records Act and related schedules.

2-8 Accounting System

Unless otherwise approved by the Board, common accounting systems will be utilized by all covered funds, for all payroll, general ledger, cash receipts, cash disbursements, and other accounting transactions.

Finance and Management Services Policies

3. Audit Policy

3-1 External Auditors

- A. External auditors will be selected to perform annual audits through a request for proposal (RFP) process every five years, unless otherwise approved by the Finance Committee.
- B. Recommendation of the selection committee is reviewed by the Finance Committee for concurrence prior to Board of Supervisors approval.
- C. External auditors will review the Comprehensive Annual Financial Report (CAFR) for submission to the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting.
- D. External auditors are responsible for the issuance of any and all required opinions, internal control and compliance reports and management letters in connection with the audit of the financial statements. County assistance will be provided to external auditors in order to produce timely and accurate financial statements and related audit opinions and reports. The external auditor shall coordinate the annual audit objectives with the County's Internal Auditor who may also provide assistance as necessary.

3-2 Internal Audit

- A. The mission is to independently ascertain whether the ongoing processes for controlling fiscal and administrative operations throughout the County are adequately designed and functioning in an effective manner.
- B. The Internal Audit Department will ensure that:
 - (i) Resources are adequately protected.
 - (ii) Significant financial, managerial and operating information is accurate and reliable.
 - (iii) The actions of employees comply with the County's policies, regulations, procedures and applicable laws and regulations.
- C. To provide for the independence of the Internal Audit function, the Internal Audit Department reports functionally to the Finance Committee of the Board of Supervisors and reports administratively to the Deputy County Administrator. The Finance Committee approves the annual Internal Audit Plan and assists in the evaluation of the performance of the Internal Audit Director.
- D. The Internal Audit Department also has responsibility to:
 - (iv) Develop an Internal Audit Plan annually and submit that plan to the Finance Committee for approval.

Finance and Management Services Policies

- (v) Consider the scope of work of external auditors for the purpose of providing optimal audit coverage to the County including the contracting with external auditors for annual and as needed audit services.
 - (vi) Implement the Internal Audit Plan as approved, including any special projects assigned by the Finance Committee and County Administrator.
 - (vii) Issue periodic reports to the Finance Committee summarizing results of audit activities.
 - (viii) Communicate audit findings/reports to the appropriate level of management and request a written response.
 - (ix) Follow-up on corrective action plans to address audit recommendations.
- E. The Internal Audit staff is authorized to have access to all of the County's functions, records, property and personnel.
- F. The Internal Audit staff will maintain audit documentation in compliance with applicable privacy requirements and Government Auditing Standards.
- G. The Internal Audit staff may perform special audits for Schools and other audit entities, as directed by the Finance Committee. Audits of Constitutional Officers will require concurrence from the applicable Constitutional Officer.
- H. The Internal Audit staff is not authorized to initiate or approve accounting transactions external to the Internal Audit function.

Finance and Management Services Policies

4. Budget Policy

4-1 Budget Calendar

- A. The following guidelines will be used in establishing the annual budget calendar:
- (i) The proposed operating budget, Capital Improvements Program, and Five-year Financial Plan will be presented by the fourth Wednesday in February.
 - (ii) Informational budget sessions and workshops will be presented between presentation of proposed budget and adoption of the budget, with special meetings held by the Board if necessary.
 - (iii) The budget shall be adopted in accordance with applicable statutes.
- B. Budget Board meeting dates will be established as part of the Board of Supervisors' Meeting Schedule.

4-2 Budget Guidelines

- A. The overall objective of the budget is to provide a balanced financial plan in total and by fund that adheres to the County's mission statement, long range strategic plans and/or current initiatives. A balanced budget is a budget with total expenditures equal to total revenues, including use of fund balance.
- B. Initiatives that are presented to the Board of Supervisors should ensure compliance with the mission statement.
- C. Annual recurring budget guidelines shall be focused in certain areas, with additional guidelines and/or objectives formulated, if applicable, by the County Administrator in the formulation of the proposed budget.
- (i) Priority service levels
 - a) Education: Provide a funding plan for the Hanover County Schools that maintains favorable student -teacher ratios, provides appropriate instructional materials and provides appropriate capital infrastructure to limit overcrowding.
 - b) Public Safety: Provide staffing and equipment, for law enforcement and public safety departments to ensure that desired standards can be achieved and maintained in an effective and efficient manner.
 - (ii) Sound financial management practices
 - a) Mitigate the tax rate burden upon the citizens and dependency upon the real property tax rate through provision of service delivery in the most efficient and effective manner while maximizing opportunities for additional revenues from non-local tax sources (e.g., State

Finance and Management Services Policies

- revenues) and diversification of local revenue sources.
 - b) Prepare and adopt Five-Year Financial Plans and Five-Year Capital Improvements Program to describe funding sources and anticipated expenditures for operating and capital needs.
 - c) Provide recommendations which include recurring revenue to meet recurring expenses.
 - d) Ensure adequate reserves, limits on the County's debt burden, and maintenance or improvement of the County's bond ratings.
 - e) Include general obligation bond funding only if any required referendum is anticipated to be supported by the community.
- (iii) Employee compensation
- a) Provide adequate employee compensation including consideration of pay for performance increases, salary benchmark adjustments, if applicable, and a comprehensive benefits plan.
 - b) Ensure that compensation and benefits provided will be market sensitive and enable the County and School system to attract and retain outstanding employees.

D. Public Utilities

- (iv) Operate a water and wastewater system as a self-supporting enterprise fund that provides high quality and reliable service delivery to customers, including the development of a capital improvement program.
- (v) Limit user and/or capacity fee rate increases to that which is needed to ensure long-term viability of the system.

4-3 Five-Year Capital Improvements Program

- A. The Capital Improvements Program is a plan for capital and capital-related expenditures and a means of planning for funding the following throughout the Five-Year Financial Plan:
- (i) facilities, equipment, and vehicles with a unit cost greater than \$50,000; and,
 - (ii) purchases for multiple departments that are generally:
 - a) managed by a single department/agency; or,
 - b) over \$50,000 annually in aggregate.
- B. General governmental projects will be funded by General Fund revenues (i.e. "pay as you go funding"). In general at least 10% of the total five-year general

Finance and Management Services Policies

government portion of the Capital Improvements Program should be funded by non-debt sources (e.g., General Fund and grants) over the five-year period.

- C. In designing a school capital improvement program, formulation of the Capital Improvements Program will illustrate that no individual school is over capacity by 20% for more than three consecutive years and meets the definition of overcrowding per the School regulations without consideration of attendance boundary adjustments or other appropriate measures.

4-4 Five-Year Financial Plan

- A. The plan will identify all major budget assumptions, including the anticipated collection of revenues, use of fund balance, expenditures, future operating costs of capital improvements, and proposed changes in service levels and fees.
- B. The plan will clearly describe proposed service levels and the means to finance such service levels over the five-year period.
- C. Compliance with debt and fund balance policies shall be maintained for each year of the plan.
- D. Reserve for Contingencies will be appropriated in the General Fund at an amount equal to at least 0.5% of the General Fund budget, net of capital improvement transfer.
- E. Financial plans enable the funds subject to such plans to be managed to maintain financial stability over the long-term by identifying current trends and future challenges; identifying the most appropriate mix of funding sources; analyzing debt options and timing to minimize borrowing costs; encouraging strong fiscal and operational management; and encouraging consistency and financial integrity.

4-5 Public Utilities

- A. The costs associated with providing water and wastewater service shall be allocated between service types, uniform for similar types and classes of customers, and separate rates shall be established for each service.
- B. Capacity fees and user fees will be established using a generally accepted methodology that includes analysis of revenue requirements, cost of services, rate design and rate implementation impact.

4-6 Budget Adoption

- A. The budget adoption resolutions include approval for the reappropriation of all encumbered balances and capital project unencumbered balances at fiscal year-end.

Finance and Management Services Policies

- B. All related ordinance changes and other budgetary issues requiring Board of Supervisors approval will be presented to the Board for consideration with the proposed budget adoption.
- C. The Adopted Budget Document will be forwarded to the GFOA and other interested parties within 90 days of budget adoption for the Distinguished Budget Award program.

4-7 Budget Amendments

- A. Department Heads or School Cost Center Managers are authorized to transfer up to \$2,000 per month within their departmental or school cost center budget categories of personnel, operating or capital.
- B. The County Administrator (County funds) and School Superintendent (School funds) are authorized to:
 - (i) Transfer within departmental or school cost center budget categories of personnel and capital, or within departmental categories in the Capital Improvements Funds.
 - (ii) Transfer within departmental or school cost center budget operating category up to \$50,000 per topic or issue.
 - (iii) Transfer up to \$50,000 per topic or issue across departmental or school cost center budget categories and/or departments or school cost center and related capital projects.
 - (iv) Transfer up to \$50,000 per topic or issue for any revenue change (e.g., insurance recoveries, grants and gifts).
 - (v) Transfer Reserve for Contingencies to departmental, school cost center, and/or capital budgets up to \$10,000 per topic or issue involving need for such reserve funding.
 - (vi) All other transfers exceeding these thresholds must be approved by the Board of Supervisors for transfers within County funds and the School Board for transfers within School Board funds,
- C. All transfers that increase the County's total appropriated budget require approval of the Board of Supervisors.
- D. Any transfer that increases the total revenues for any of the School Board funds shall require the approval of the Board of Supervisors following approval by the School Board.
- E. Public hearings and associated notice for budget amendments will be conducted in accordance with applicable statutes.

Finance and Management Services Policies

4-8 Reappropriation of Balances

- A. Both unencumbered and encumbered funds for capital projects, and encumbered funds in departmental budgets, are reappropriated annually by the Board of Supervisors during the budget approval process.
- B. Except for those funds reappropriated by the Board, appropriations lapse on June 30.
- C. A review of capital projects will be conducted at year end to determine the necessity for reappropriated funds. Those which are determined to be unnecessary will be transferred to other uses, as determined by the County Administrator.

Finance and Management Services Policies

5. Debt Policy

5-1 Issuance Guidelines

- A. The County will not use short-term borrowing to finance operating needs.
- B. The maturity of any debt will not exceed the expected useful life of the project(s) for which the debt is issued.
- C. Debt shall not be incurred which would be an unreasonable burden to residents and taxpayers. Total general governmental debt and debt service expenditures shall not exceed the limits of this policy.
- D. Debt ratios for general governmental debt:
 - (i) Debt as a percentage of assessed value will not exceed 2.5%.
 - (ii) The debt per capita will not exceed a ratio of \$1,900 as of June 30, 2007, growing annually at 2% (\$2,140 as of June 30, 2013).
 - (iii) Debt service as a percentage of general (non-capital) governmental expenditures will not exceed 10%.
 - (iv) Debt per capita income will not exceed a ratio of \$5,000.

For purposes of these debt ratios, contingent obligations of the General Fund extending beyond the current fiscal year incurred subject to annual appropriation (i.e., Support Agreement debt) shall be treated on a par with general obligation debt and will be included in the calculation of debt ratio limits.

- E. At least 25% of total debt will be repaid within 5 years and at least 50% of total debt within 10 years.
- F. Variable rate debt will be limited to 10% of total outstanding debt.
- G. Debt coverage ratios for all Proprietary Fund debt will be in compliance with all debt covenants and all debt coverage ratios will meet or exceed minimum legally required thresholds.
- H. The following issuances of debt require approval and appropriation of the proceeds by the Board.
 - (v) Bond and revenue anticipation notes
 - (vi) General obligation bonds
 - (vii) VPSA Bonds and State Literary Fund loans
 - (viii) Revenue bonds and subject-to-appropriation debt

Finance and Management Services Policies

- (ix) Capital acquisition leases and notes
- (x) Refundings and refinancings, excluding proprietary fund debt that does not require appropriation of debt proceeds
- (xi) Moral obligation debt

I. In order to seek timely access to market conditions, proposals for refunding and refinancings can be solicited with County Administrator's authorization noting that Board approval is still needed for any issuance of debt.

5-2 Post-Issuance Compliance

- A. The Director of Finance and Management Services will oversee post-issuance activities to ensure compliance with federal guidelines and other legal and regulatory requirements.
- B. Post-issuance compliance responsibilities include:
 - (i) Tracking that proceeds of a debt issuance are spent on qualified tax-exempt debt purposes;
 - (ii) Maintaining detailed records of all expenditures and investments related to debt funds;
 - (iii) Ensuring that projects financed are used in a manner consistent with the legal requirements; and
 - (iv) Timely reporting of necessary disclosure information and other required filings.
 - (v) Monitoring compliance with applicable arbitrage rules and performing required rebate calculations in a timely manner.
- C. The Director of Finance and Management Services may consult with bond counsel or other financial advisors or professionals they deem appropriate to meet the requirements of the Debt Policy.

Finance and Management Services Policies

6. Deposit and Investment Policy

6-1 Deposit and Investment Objectives

- A. This Deposit and Investment Policy applies to the investment activities of Hanover County, except for investments of the Retiree Medical Benefits Trust.
- B. All investable balances shall be invested with the same care, skill, prudence and diligence that a prudent and knowledgeable person would exercise when undertaking an enterprise of like character and aims under circumstances prevailing at that time.
- C. Safety - the safeguarding of principle shall be the foremost objective of the investment program by mitigating credit risk and interest rate risk with all other objectives subordinated to the attainment of this objective.
- D. Liquidity - the investment portfolio shall be managed at all times with sufficient liquidity to meet all daily and seasonal needs, as well as special projects and other operational requirements either known or which might be reasonably anticipated.
- E. Yield - the investment portfolio shall be managed with the objective of obtaining no worse than a fair value rate of return over the course of budgetary and economic cycles, taking into account the above objectives and the cash flows of the County.

6-2 Allowable Investments

- A. All investments shall be in compliance at all times with provisions of the Code of Virginia and the Treasurer's Detailed Deposit and Investment Policy.

6-3 Prohibited Securities

- A. The following securities shall be expressly prohibited, unless specifically approved in writing by the Treasurer:
 - (i) Derivative products that include any of the following characteristics: high price volatility, illiquid markets, products that are not market tested, highly leveraged products, products requiring a high degree of sophistication to manage, and products that are difficult to value.
 - (ii) Reverse repurchase agreements (repos).

6-4 County and Treasurer Internal Controls

- A. The County and Treasurer shall maintain a system of internal controls which shall be documented and reviewed with internal and independent auditors and meet the requirements of the Government Accounting Standards Board and other applicable regulators.

Finance and Management Services Policies

- B. These controls shall be designed to provide reasonable assurance of loss prevention due to fraud, error, misrepresentation, unanticipated market changes or imprudent actions.
- C. There shall be a separation of transaction authority from accounting and record keeping with all transaction activity properly documented in the Treasurer's cash receipts system and bank reconciliations to the general ledger performed monthly.
- D. Treasurer and County officials involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.
- E. The Treasurer shall annually update the Board of Supervisors and at least quarterly update County administration on securities held, maturities, investment returns, unrealized gains (loses), comparisons to established benchmarks, market conditions and prevailing investment philosophy.
- F. Bank transfers.
 - (i) Dual authorizations representing the County and the Treasurer shall be in compliance with the Accounting Policy for all transfers that move County funds from a County account to a non-county account (e.g., debt service payments).
 - (ii) In addition, the Treasurer's Office will have dual processing procedures requiring two people to conduct transfers with County bank accounts.
 - (iii) All financial institutions used by the County will have written instructions regarding County authorizations for wire transfers, restrictions on accounts funds can be wired and other procedures that will mitigate unauthorized movement of funds (e.g., call-back to independent person, written confirmations, etc.).

Finance and Management Services Policies

7. Fund Balance and Net Assets Policy

7-1 All Funds

- A. Financial statement presentation of fund balances and net assets shall comply with Governmental Accounting Standards Board (GASB) standards.

- B. Fund balance will be displayed in the following GASB-defined classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:
 - (i) *Nonspendable fund balance* – amounts that are not in a spendable form, such as inventory, or are required to be maintained intact.

 - (ii) *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

 - (iii) *Committed fund balance* – amounts constrained to specific purposes by the County Board of Supervisors (the Board) (its highest level of decision-making authority). To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same (highest-level) action to remove or change the constraint.

 - (iv) *Assigned fund balance* – amounts a government intends to use for a specific purpose, including budgeted use of prior year fund balance.

 - (v) *Unassigned fund balance* – amounts that are available for any purpose. These amounts are reported only in the General Fund, unless otherwise required by GASB standards.

7-2 Committed Fund Balances

- A. In accordance with GASB criteria, unless otherwise established by Board policy, the Board shall pass a resolution to establish any desired committed fund balances for specific purposes. As required by GASB, such policy or resolution shall be established prior to the fiscal year-end, but the amount of such committed fund balances may be determined subsequent to the fiscal year end.

7-3 Assigned Fund Balances (permitted by GASB and applicable to all County Governmental Funds)

- A. General Fund
 - (i) GASB standards define assigned fund balance as any amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed.

Finance and Management Services Policies

B. Special Revenue Funds and Capital Projects Funds

- (ii) By reporting particular amounts that are not restricted or committed in a special revenue or capital projects fund, the County has assigned those amounts to the purposes of the respective funds.

C. All Governmental Funds

- (iii) The Board has determined that the establishment of assigned fund balances, including the intent, specific purpose, and amounts may be made by the County Administrator for all County governmental funds, although any expenditure of assigned fund balances is subject to prior legal appropriation by the Board.
- (iv) The County Administrator shall provide a summary to the Finance Committee of the Board of any specific assigned fund balances, including their purposes and amounts, prior to their establishment. In accordance with GASB standards, any fiscal year-end assigned fund balances shall be established prior to issuance of the annual Comprehensive Annual Financial Report (CAFR).

7-4 Unassigned Fund Balance

A. General Fund

- (i) The unassigned fund balance is the residual classification for the General Fund and represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes with the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.
- (ii) The unassigned fund balance is established to protect against unanticipated expenditures, to provide for cash flow reserves during the fiscal year due to the timing difference between the receipt of revenues and disbursement of expenditures, and to meet desired unassigned fund balance targets.
- (iii) Unassigned fund balance shall be at least equal to 10% of the General Fund's total revenues as measured during the annual budget adoption process as total budgeted revenues, net of any budgeted uses of fund balance, and as measured at fiscal year-end as actual revenues recognized in accordance with generally accepted accounting principles over the preceding fiscal year. A target unassigned fund balance is determined by the requirements of the Fund Balance Regulations.
- (iv) If there is a shortfall in the General Fund unassigned fund balance beneath the 10% minimum fund balance percent, the County

Finance and Management Services Policies

Administrator shall approve a plan to achieve the minimum within three fiscal years.

- (v) If there is a shortfall in the General Fund unassigned fund balance beneath the target established by the Fund Balance Regulations, the goal of the next Five-Year Financial Plan shall be to attain the target.

B. Special Revenue Funds and Capital Projects Funds

- (vi) For governmental funds such as Special Revenue and Capital Projects Funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

- (vii) It is the goal of the County that funds do not maintain a negative unassigned fund balance. The County Administrator shall approve a plan to eliminate any negative unassigned fund balance within three fiscal years.

7-5 Unrestricted Net Assets

- A. Unrestricted net assets are reflected in entity-wide financial statements for governmental and business-type activities under the primary government and for the component units.

- B. It is the County's goal to have positive unrestricted net assets in its statement of net assets, which reflects economic well-being.

C. Business-type Activities and Proprietary Funds

- (i) Business-type activities and proprietary funds do not reflect fund balance accounting, but instead report net assets, in accordance with GASB standards.

(ii) Proprietary Funds

- a) It is the County's goal that unrestricted net assets shall be at least equal to 10% of total operating revenues at fiscal year-end, net of any donated assets recognized, to provide reserves for operations and future capital improvements. In the event of a shortfall, the County Administrator shall approve a plan to achieve the minimum within three fiscal years.

Finance and Management Services Policies

8. Purchasing Policy

8-1 Administration of Procurement Functions

- A. Purpose and Applicability: Rules governing contract awards shall be made clear in advance of the competition, specifications shall reflect the procurement needs of the County rather than being drawn to favor a particular vendor, and the County and the vendor shall freely exchange information concerning what is sought to be procured and what is offered. In addition, surplus property is to be disposed of on a competitive basis whenever practicable.
- B. General Authority: The County reserves the right to accept, reject or cancel any or all solicitations or parts thereof, to waive informalities, and to reissue solicitations. The County also reserves the right to award the contract as it deems will best serve its interests. It further reserves the right to award the contract on a lump sum basis, individual item basis, or such combination as shall best serve the interests of the County. This may include multiple awards if provided for in the solicitation.
- C. Specific Authority: Procurement authority for functions governed by the Virginia Public Procurement Act shall be delegated to the County Administrator pursuant to *Code of Virginia, § 2.2-4302*. The County Administrator may delegate authority for those functions to other officials or employees.
- D. Award of Term Contracts: For purposes of this Policy, the authorization required for award of term contracts shall be determined by the estimated value of the initial term plus all available renewals.

8-2 Nondiscrimination

- A. The County does not discriminate in the solicitation or award of contracts because of race, religion, color, gender, national origin, age, disability, status as a service disabled veteran, or any other basis prohibited by state law relating to discrimination in employment (*Code of Virginia, § 2.2-4310A*). The County will prominently display a nondiscrimination statement in all invitations to bid, requests for proposals, contracts, and purchase orders indicating that the County does not discriminate against faith-based organizations (*Code of Virginia, § 2.2-4343.1D*).
- B. Competitive solicitations, or notices of the issuance thereof, shall be sent to small businesses and businesses owned by women, minorities, and service disabled veterans (*Code of Virginia, § 2.2-4310B*).

Finance and Management Services Policies

9. Revenue Policy

9-1 Diversification of Revenues

- A. Diversification of revenues is a primary goal of the County.
- B. The County does not have a profit motive when setting tax and fee rates. Tax and fee rates are based on the County's cost of services.

9-2 Establishment and Modification of Fees

- A. Fees will be calculated based on appropriate cost of service delivery.
- B. Fees will be reviewed and updated based on criteria defined in the Revenue Regulations.

9-3 Accounts Receivable Collection

- A. Bad Debt Expense
 - (i) The determination of the need for an allowance for doubtful accounts will be based upon accepted business practices and accounting standards.
 - (ii) Write-offs of uncollectable balances will be based on:
 - a) The type of balance (i.e. tax or non-tax balance);
 - b) The dollar amount outstanding;
 - c) The length of time delinquent; and
 - d) The status of standard collection efforts performed.
 - (iii) All write-offs require approval of the department head for non-tax balances or the Treasurer for general property tax balances.

9-4 Identity Theft Prevention Program

As required by the Federal Trade Commission's Red Flag Rules (Rules), the Board of Supervisors has adopted a written Identity Theft Prevention Program (ITPP) to detect, prevent and mitigate identity theft for customer accounts deemed "covered accounts" under the Rules and has authorized the County Administrator to implement the Program and to adopt and amend standard operating procedures appropriate to the size, complexity and nature of covered County operations. Oversight of the ITPP, including review of compliance reports and approval of amendments to the standard operating procedures, shall be the responsibility of the County Administrator.

9-5 Federal, State and Private Grants and Cooperative Agreements

- A. This portion of the revenue policy prescribes procedures and requirements for the fiscal and program administration of all Federal, state and private grants and cooperative agreements.
- B. The purpose of this policy is to:
 - (i) Ensure proper oversight of all funds appropriated to the County from federal, state and local governments, non-profit agencies, and private sources;

Finance and Management Services Policies

- (ii) Minimize the County's risk of non-compliance with the requirements of grant awards, regulations and cooperative agreements;
- (iii) Ensure proper fiscal administration, accounting, audit and reporting of all grants and cooperative agreements.
- (iv) Ensure proper program management of all grants and cooperative agreements.

C. Applicability

- (v) This policy and related Revenue Regulations apply to all grant and cooperative agreement applications prepared and/or submitted by County departments and Constitutional Officers to agencies outside the County government for funds, materials, or equipment to be received and/or administered by the County or by an agency for which the County acts as fiscal agent, including any grant or cooperative agreement funds or items passed through to a sub-recipient.

D. Centralized Responsibility

- (vi) The County Administrator shall establish underlying Revenue Regulations and procedures to help ensure that the purposes of this Policy regarding grants and cooperative agreements are met.
- (vii) Responsibility for the overall fiscal management of all County grants and cooperative agreements shall reside in the Department of Finance and Management Services.

E. Decentralized Responsibility

- (viii) Responsibility for the overall program management of all County grants and cooperative agreements shall reside with the Director or Directors of the Department(s) having functional responsibility for the individual grants or cooperative agreements, or as otherwise delegated by the County Administrator (hereinafter referred to as Senior Program Managers).
- (ix) It shall be the responsibility of the Senior Program Managers and their delegates having program management responsibility for a grant or cooperative agreement to cooperate with and perform all duties prescribed by the Department of Finance and Management Services necessary for the proper fiscal management of all grants and cooperative agreements, and to file all required reports with grantors/agencies on a timely basis.

Finance and Management Services Policies

10. Travel and Business Expense Policy

10-1 Allowable Expenses

- A. Expenses incurred for County purposes for travel and business by employees, officials or volunteers may be paid or reimbursed in accordance with requirements established by the Internal Revenue Service for an accountable plan in which those amounts are not subject to income taxation, and in compliance with this Policy and related Regulations approved by the County Administrator.
- B. With the exception of travel for the purpose of promoting County economic development, meals and incidental per diem expense for travel shall not exceed the federal per diem rate established for the destination locality by the Internal Revenue Service. Payment or reimbursement of expenses for travel for the purpose of promoting economic development shall be in the amount of actual documented reasonable costs. The mileage reimbursement rate shall equal that established by the Internal Revenue Service.
- C. Allowable expenses for lodging, public transportation and business expenses shall be the actual costs provided they are reasonable.
- D. This Policy shall be administered so as to provide for the most cost effective travel and business activity for the benefit of the County. Expenses may be paid or reimbursed only when they are reasonable and necessary for the conduct of County business, within amounts appropriated by the Board of Supervisors, properly documented and approved by the appropriate authority.
- E. The County Administrator shall interpret and administer this Policy and shall prescribe Regulations implementing this Policy and describing additional detailed requirements.

10-2 County Procurement Cards and Other Methods of Payment

Expenses paid by use of County procurement cards and other methods shall be subject to the same limits and standards of documentation as reimbursed expenses.



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VIRGINIA: At a regular meeting of the Board of Supervisors for Hanover County held in the Board Room of the Hanover County Administration Building on the 10th day of April, 2013, at 2:00 p.m.

Present: W. Canova Peterson, Chairman
Sean M. Davis, Vice Chairman
Wayne T. Hazzard
Angela Kelly-Wiecek
Aubrey M. Stanley
G. E. "Ed" Via, III
Elton J. Wade, Sr.
Cecil R. Harris, Jr., County Administrator
Sterling E. Rives, III, County Attorney

**HANOVER COUNTY BOARD OF SUPERVISORS
RESOLUTION
FY14 BUDGET ADOPTION**

BE IT RESOLVED that the Board of Supervisors of Hanover County does hereby adopt the County of Hanover's FY14 Budget as presented by the County Administrator to the Board of Supervisors on February 27, 2013, with the amendments presented April 10, 2013, including the following funds and amounts, and the detail included in the FY14 Budget document filed with the Board papers:

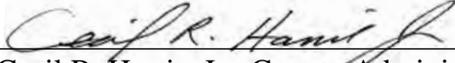
General Fund	\$ 207,823,245
School Fund	162,077,669
Textbook Fund	1,043,378
Food Services Fund	7,179,978
County Improvements Fund	4,811,700
School Improvements Fund	2,820,000
Debt Service Fund	19,912,552
Economic Development Fund	279,635
Utilities Fund	31,356,683
Airport Fund	532,426
Self-Insurance Fund	32,340,470
Lewistown CDA Fund	557,000
Bell Creek CDA Fund	405,000

On motion of Mr. Davis, seconded by Mrs. Kelly-Wiecek, the members of the Board of Supervisors voted to approve this Resolution as follows:

	Vote:
W. Canova Peterson	Aye
Sean M. Davis	Aye
Wayne T. Hazzard	Aye
Angela Kelly-Wiecek	Aye
Aubrey M. Stanley	Aye
G. E. "Ed" Via, III	Aye
Elton J. Wade, Sr.	Aye

The undersigned certifies that this is a correct copy of the Resolution of the Board of Supervisors.

Dated: April 19, 2013


Cecil R. Harris, Jr., County Administrator
Clerk, Hanover County Board of Supervisors

VIRGINIA: At a regular meeting of the Board of Supervisors for Hanover County held in the Board Room of the Hanover County Administration Building on the 10th day of April, 2013, at 2:00 p.m.

Present: W. Canova Peterson, Chairman
Sean M. Davis, Vice Chairman
Wayne T. Hazzard
Angela Kelly-Wiecek
Aubrey M. Stanley
G. E. "Ed" Via, III
Elton J. Wade, Sr.
Cecil R. Harris, Jr., County Administrator
Sterling E. Rives, III, County Attorney

**HANOVER COUNTY BOARD OF SUPERVISORS
RESOLUTION
FY14 BUDGET APPROPRIATION**

BE IT RESOLVED that the Board of Supervisors of Hanover County does hereby appropriate the funds detailed in the County of Hanover's adopted FY14 budget in the same funds and amounts included in the budget adoption resolution approved April 10, 2013. *(A complete copy of the FY14 Budget is filed with the Board's papers.)*

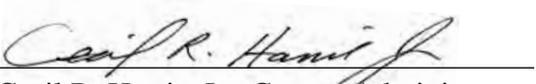
BE IT FURTHER RESOLVED that all encumbered funds outstanding on June 30, 2013, both operating and capital, and all funds designated for capital improvements, shall be reappropriated for the 2014 fiscal year, to the same department and account for which they were appropriated for fiscal year 2013. At the close of the fiscal year, all unencumbered appropriations lapse for budget items other than capital improvements. This reappropriation action applies to all appropriations for the Capital Improvements Program outstanding on June 30, 2013, and to all encumbered appropriations in the FY13 budget.

On motion of Mr. Davis, seconded by Mrs. Kelly-Wiecek, the members of the Board of Supervisors voted to approve this Resolution as follows:

	Vote:
W. Canova Peterson	Aye
Sean M. Davis	Aye
Wayne T. Hazzard	Aye
Angela Kelly-Wiecek	Aye
Aubrey M. Stanley	Aye
G. E. "Ed" Via, III	Aye
Elton J. Wade, Sr.	Aye

The undersigned certifies that this is a correct copy of the Resolution of the Board of Supervisors.

Dated: April 19, 2013


Cecil R. Harris, Jr., County Administrator
Clerk, Hanover County Board of Supervisors

VIRGINIA: At a regular meeting of the Board of Supervisors for Hanover County held in the Board Room of the Hanover County Administration Building on the 10th day of April, 2013, at 2:00 p.m.

Present: W. Canova Peterson, Chairman
Sean M. Davis, Vice Chairman
Wayne T. Hazzard
Angela Kelly-Wiecek
Aubrey M. Stanley
G. E. "Ed" Via, III
Elton J. Wade, Sr.
Cecil R. Harris, Jr., County Administrator
Sterling E. Rives, III, County Attorney

**HANOVER COUNTY BOARD OF SUPERVISORS
RESOLUTION
2013 TAX RATES**

BE IT RESOLVED that the Board of Supervisors of Hanover County does hereby adopt the following taxes for calendar year 2013:

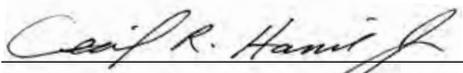
Real Property Tax Rate	\$0.81	per \$100 of assessed valuation
Personal Property Tax Rate	\$3.57	per \$100 of assessed valuation
Qualifying Fire and Rescue Vehicle Personal Property Tax Rate	\$1.78	per \$100 of assessed valuation
Qualifying Disabled Veterans Vehicle Personal Property Tax Rate	\$1.78	per \$100 of assessed valuation
Machinery and Tools Tax Rate.....	\$3.57	per \$100 of assessed valuation
Aircraft Personal Property Tax Rate.....	\$0.50	per \$100 of assessed valuation
Merchants' Capital Tax Rate	\$1.90	per \$100 of assessed valuation
Mobile Home Tax Rate.....	\$0.81	per \$100 of assessed valuation
Generating Equipment Tax Rate.....	\$0.81	per \$100 of assessed valuation
Hanover County Recycling Service District Tax Rate	\$24.00	per residential lot in Service District
Atlee Manor Sewer Service District Tax Rate....	\$780.00	per residential lot in Service District

On motion of Mr. Davis, seconded by Mrs. Kelly-Wiecek, the members of the Board of Supervisors voted to approve this Resolution as follows:

	Vote:
W. Canova Peterson	Aye
Sean M. Davis	Aye
Wayne T. Hazzard	Aye
Angela Kelly-Wiecek	Aye
Aubrey M. Stanley	Aye
G. E. "Ed" Via, III	Aye
Elton J. Wade, Sr.	Aye

The undersigned certifies that this is a correct copy of the Resolution of the Board of Supervisors.

Dated: April 19, 2013



Cecil R. Harris, Jr., County Administrator
Clerk, Hanover County Board of Supervisors

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF HANOVER, VIRGINIA DECLARING ITS INTENTION TO
REIMBURSE THE COST OF CERTAIN EXPENDITURES IN THE MAXIMUM
PRINCIPAL AMOUNT OF \$1,000,000**

WHEREAS, the County of Hanover, Virginia (the “County”) and the Hanover County School Board (the “School Board”) have made or will make expenditures (the “Expenditures”) in connection with capital projects for school purposes. The expenditures for the school improvements, including without limitation mechanical and roofing repair (the “School Projects”), are being made from the School Improvements Fund;

WHEREAS, the County may determine that the funds advanced and to be advanced to pay the Expenditures for the Projects will be reimbursed to the School Board from the proceeds of tax-exempt obligations (the “Indebtedness”) issued by the Virginia Public School Authority on behalf of the County; and

WHEREAS, as of the date hereof, there are no funds of the County or the School Board that are, or are reasonably expected to be, allocated on a long-term basis or reserved to finance that portion of the Projects that is to be financed with the Indebtedness;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF HANOVER, VIRGINIA (THE “BOARD”):

1. The Board hereby adopts this declaration of official intent under Treasury Regulations Section 1.150-2 and declares that the County intends to reimburse itself or the School Board, as appropriate, with the proceeds of Indebtedness for Expenditures made on, after or within sixty (60) days prior to the date hereof with respect to the Projects. Further, Expenditures made more than sixty (60) days prior to the date hereof may be reimbursed as to certain *de minimis* or preliminary expenditures described in Treasury Regulations Section 1.150-2(f) and as to other expenditures permitted under applicable Treasury Regulations.

2. The maximum principal amount of Indebtedness expected to be issued by the County in Fiscal Year 2014 for the Projects is \$1,000,000 (\$4.0 million minimum, inflated for premium, etc.).

3. This Resolution shall take effect immediately upon its adoption.

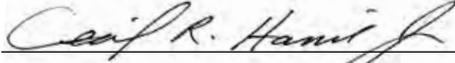
Adopted: April 10, 2013

On motion of Mr. Davis, seconded by Mrs. Kelly-Wiecek, the members of the Board of Supervisors voted to approve this Resolution as follows:

	Vote:
W. Canova Peterson	Aye
Sean M. Davis	Aye
Wayne T. Hazzard	Aye
Angela Kelly-Wiecek	Aye
Aubrey M. Stanley	Aye
G. E. "Ed" Via, III	Aye
Elton J. Wade, Sr.	Aye

The undersigned certifies that this is a correct copy of the Resolution of the Board of Supervisors.

Dated: April 19, 2013



Cecil R. Harris, Jr., County Administrator
Clerk, Hanover County Board of Supervisors

VIRGINIA: At a regular meeting of the Board of Supervisors for Hanover County held in the Board Room of the Hanover County Administration Building on the 10th day of April, 2013, at 2:00 p.m.

Present: W. Canova Peterson, Chairman
Sean M. Davis, Vice Chairman
Wayne T. Hazzard
Angela Kelly-Wiecek
Aubrey M. Stanley
G. E. "Ed" Via, III
Elton J. Wade, Sr.
Cecil R. Harris, Jr., County Administrator
Sterling E. Rives, III, County Attorney

**HANOVER COUNTY BOARD OF SUPERVISORS
RESOLUTION
EMS REVENUE RECOVERY PROGRAM FEE INCREASE**

WHEREAS, the Board of Supervisors has determined that there is a need for additional funding to support provision of fire and emergency medical services and that the funding should be provided through the revenue recovery program authorized by Virginia Code Section 32.1-111.14(B) and Hanover County Code Section 9-33; and,

WHEREAS, it is the desire of the Hanover County Board of Supervisors to avoid increases in tax rates to the extent practicable, and to diversify funding sources, while continuing to provide necessary services; and,

WHEREAS, fees are based on the costs of providing the services and on the reasonable and customary fees approved for reimbursement by the Medicare program and commercial insurance companies; and,

WHEREAS, fees have not been adjusted for increased cost since 2010; and

WHEREAS, the fees detailed below have been recommended by the staff as reflecting actual costs of services and as being consistent with reimbursement levels approved for purposes of Medicare reimbursement and with fees for similar services within the Commonwealth.

NOW THEREFORE BE IT RESOLVED that the Hanover County Board of Supervisors finds that increasing emergency medical transport fees is in the best interest of the County, and finds that the fees listed below are appropriate and proper in all respects, and adopts those fees for the services defined, to superseded previously adopted fees, effective July 1, 2013.

The Board further directs that the County Administrator and staff shall take all other actions necessary to begin charging the amended fees effective July 1, 2013.

EMS REVENUE RECOVERY PROGRAM FEE SCHEDULE:

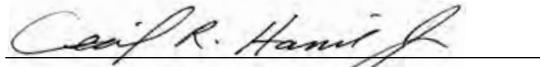
Advanced Life Support Level 1	\$535
Advanced Life Support Level 2	\$775
Basic Life Support	\$451
Ground Transport Mileage	\$9 per mile
Annual Subscription	\$60.00

On motion of Mr. Davis, seconded by Mrs. Kelly-Wiecek, the members of the Board of Supervisors voted to approve this Resolution as follows:

	Vote:
W. Canova Peterson	Aye
Sean M. Davis	Aye
Wayne T. Hazzard	Aye
Angela Kelly-Wiecek	Aye
Aubrey M. Stanley	Aye
G. E. "Ed" Via, III	Aye
Elton J. Wade, Sr.	Aye

The undersigned certifies that this is a correct copy of the Resolution of the Board of Supervisors.

Dated: April 19, 2013


Cecil R. Harris, Jr., County Administrator
Clerk, Hanover County Board of Supervisors

ORDINANCE 13-03

AN ORDINANCE AMENDING CHAPTERS 20 AND 23 OF THE HANOVER COUNTY CODE TO INCREASE WATER AND SEWER USER FEES AND CAPACITY FEES PURSUANT TO TITLE 15.2, CHAPTER 21 OF THE CODE OF VIRGINIA, AND INCLUDING SPECIFICALLY VA. CODE §§ 15.2-2111, 15.2-2119 AND 15.2-2122, PROPOSED TO BE EFFECTIVE FOR THE FIRST FULL BILLING CYCLE OF THE FISCAL YEAR, AND TO MAKE VARIOUS OTHER CHANGES PROPOSED TO BE EFFECTIVE JULY 1, 2013

WHEREAS the Director of the Department of Public Utilities has performed a yearly review of the cost of utility service and has recommended increases in the utility rates and capacity fees; and

WHEREAS the Director of the Department of Public Utilities has recommended other minor changes to correct and clarify the language in the Water and Sewer Codes; and

WHEREAS the Board of Supervisors has decided to implement these recommendations;

NOW, THEREFORE, BE IT ORDAINED by the Board of Supervisors of Hanover County:

1. That the Hanover County Code, Chapter 20, Sewers and Sewage Disposal, Sections 20-23 and 20-24 shall be amended to read in their entirety as follows:

Sec. 20-23. - Service fees and capacity fees—Residential (including individually metered multi-family housing units).

(a) Residential service charge. For those customers connected to a county-owned sewerage system, the sewer rates consist of a base charge, plus a consumption charge under rate tiers based on usage as follows:

Bimonthly base charge\$19.83

Consumption charge

0-4,000 gallons, per 1,000 gallons5.32

Above 4,000, per 1,000 gallons6.70

For residential customers, bimonthly sewer volume charges shall be based on the lesser of:

- (1) Actual water usage, or
- (2) One hundred twenty-five (125) percent of the average water usage determined during the customer's winter billing cycle.

For the purpose of this subsection, if the winter billing cycle reading is estimated or if the customer joins the system after the reading cycle, or an allowance is made for a leak during a winter billing cycle, billing shall not exceed charges for fifteen thousand (15,000) gallons. For

residential units under construction, bimonthly sewer volume charges may be waived at the discretion of the director.

For residential customers where sewer service is provided by the County and water service is provided by an individual well, ninety-two dollars and sixty three cents (\$92.63) per living unit every two (2) months will be charged.

The base charge for a residential customer served by a water meter larger than five eighths (5/8) inch shall be the base charge as prescribed in section 20-24(a).

(b) *Capacity fees for all county-owned sewerage facilities.* For residential customers, eight thousand thirty-four dollars (\$8,034.00).

For a residential customer served by a water meter larger than five-eighths (5/8) inch, the capacity fee shall be as prescribed in section 20-24(c).

(c) *Connection agreement.* Upon approval by the department of public utilities of a connection agreement, the user shall pay the minimum bimonthly sewer rate for the applicable category above, if service has not been initiated by the user. Charges for portions of the billing period shall be prorated.

Sec. 20-24. - Same—Commercial I, Commercial II.

(a) For Commercial I customers, including master-metered multi-family housing units (average usage of five million (5,000,000) gallons or less per month) connected to a county-owned sewerage system, the sewer rates consist of a base charge, plus a consumption charge under rate tiers based on usage as follows:

Bimonthly base charges

Meter size

1½" or less19.83

Greater than 1½"99.17

Volume charge

0-50,000 gallons, per 1,000 gallons\$6.20

Above 50,000, per 1,000 gallons4.97

(b) For Commercial II customers (average monthly usage of greater than five million (5,000,000) gallons) connected to a county-owned sewerage system, the sewer rates consist of a base charge of one thousand two hundred thirty-nine dollars and seventy-three cents (\$1,239.73) per month, a consumption charge on all usage, and a peak use rate applied to all monthly consumption greater than one hundred fifty (150) percent of the previous fiscal year's historical twelve-month average usage as follows:

Consumption charge

All usage, per 1,000 gallons\$4.09

Peak use fee, per 1,000 gallons1.23

Sewer charges will be prorated for each one thousand (1,000) gallon increment or portion thereof.

Bimonthly sewer billings shall be based on either:

- (1) One hundred (100) percent of the water consumption as determined by a county-owned water meter or privately owned water meter; or
- (2) The wastewater flow allocable to the subject property as determined by a raw sewage flow recorder installed by the commercial, industrial, business or public user at his own expense.

Any raw sewage flow recorder installed pursuant to this section shall be subject to the approval of the director and shall be calibrated to accurately record the wastewater flows allocable to the subject property connection. The maintenance and ownership of such recorders will remain that of the property owner; provided, however, that the county shall at all times have access to said recorder and/or flow data for the county's use in billing.

If the county determines that an infiltration and inflow problem exists because of deficiencies located on private property or within the control of the user, the director shall notify the user of such infiltration and inflow problem by certified mail, return receipt requested, and within sixty (60) days of the date on the notice, the user shall eliminate such problem by replacing or repairing the fixtures, lines or facilities. The infiltration and inflow determination will be based on the observation of infiltration or inflow, the rate of flow of wastewater through a monitoring manhole, by the rate of flow recorded on a wastewater flow recorder, or by other monitoring means as deemed necessary by the director. If the county determines that such infiltration and inflow is continuing after the sixty (60) day period, the director shall require installation of a raw sewage recorder at the owner's expense and the user will be billed based upon readings of the raw sewage recorder.

For private wastewater collection systems, wastewater collection systems on private property or within the control of the user which have the potential to receive flow in excess of metered water consumption or those wastewater systems with private pumping facilities connected to the public wastewater system, the director may require installation of a raw sewage meter/recorder at the owner's expense and the user will be billed based upon readings of the raw sewage recorder. Any raw sewage meter/recorder installed pursuant to this section shall be subject to the approval of the director and shall be calibrated to accurately record the wastewater flows allocable to the subject property connection.

Commercial customers that obtain all or part of their water supply from approved private sources other than the water distribution system of the county shall provide a water meter for each private source in order to determine the quantities of wastewater from the total metered water consumption, both county and private supplies, or provide a raw sewage flow recorder as provided for herein. All meters on private water supplies shall be provided and maintained to produce an accurate record of actual quantities of water. All cost of meter installation, calibration and maintenance shall be borne by the user. The type of meters shall be acceptable to the director, and the meter shall be accessible at all times for inspection by the county.

(c) Capacity fees for Commercial I and Commercial II customers. Capacity fees for commercial customers requiring 3” and smaller meters shall be based upon the meter size according to the following schedule:

Meter Size	Fee
5/8"	\$8,034.00
1"	20,083.00
1½"	40,167.00
2"	64,266.00
3"	128,534.00

Capacity fees for commercial customers requiring larger than 3” meters shall be determined on a case by case basis and established by contract, but in no case shall be less than the capacity fee for a 3” meter.

For meter sizes 3” and smaller, if an existing commercial customer desires to redevelop and replace an existing sewer connection with a single or multiple sewer connections, the value of the capacity fee associated with the existing sewer connection shall be determined based on the fee schedule above and credited for use on the property. For commercial customers with connections associated with meters larger than 3”, the property will be credited the value of a 3” meter capacity fee unless documentation of payment of a greater capacity fee is provided, in which case the capacity fee credited shall be the actual amount paid. Once a capacity fee has been credited to a property, the amount of the credit is fixed and available for use on the property. Refunds shall not be made for any unutilized amount.

(d) Connection agreement. Upon approval by the department of public utilities of a connection agreement, the user shall pay the minimum bimonthly sewer rate for the applicable category above, if service has not been initiated by the user. Charges for portions of the billing period shall be prorated.

Once service has been initiated, use of the property established, and the property used normally for a period of time, the director may waive the minimum bimonthly sewer charge during the time sewer service to the property is temporarily discontinued.

(e) Disposal of sludge and septic tank waste service charge. The fee for sludge, septage or other material disposal provided for in section 20-16 shall be:

- (1) Twenty-five dollars (\$25.00) per five hundred (500) gallons, or fraction thereof;
- (2) Fifty dollars (\$50.00) per five hundred (500) gallons, or fraction thereof, for oil and grease laden discharge;
- (3) Two (2) times that of the regular disposal charge for emergency after hours disposal, when such service can be provided by the County.

(f) Industrial waste discharge, pretreatment permit fees. Permits provided for in section 20-42 shall be issued for one (1), two (2) or three (3) years as appropriate in the opinion of the director and are nontransferable. The fee for such permits shall be:

- (1) One (1) year\$25.00
 - (2) Two (2) years50.00
 - (3) Three (3) years75.00
- (g) Grease interceptor re-inspection fees. The fee for re-inspections as provided for in section 20-46.1 shall be:
- (1) Up to two (2) grease interceptors per site\$85.00
 - (2) Additional grease interceptors per site42.50
- (h) Strong waste surcharge. A surcharge for strong waste as provided for in section 20-47 shall be applied as follows:
- (1) Twenty-five dollars and seventy cents (\$25.70) per hundred weight for BOD in excess of two hundred fifty (250) milligrams per liter; and
 - (2) Sixteen dollars and seventy-five cents (\$16.75) per hundred weight for suspended solids in excess of 250 milligrams per liter.
 - (3) If no access point is available for sampling, pursuant to section 20-46(c), the surcharge shall be as stated in subsections (1) and (2) above based upon the seventy-fifth percentile of BOD and suspended solids for the same or similar types of commercial/industrial businesses as determined by the director.

2. That the Hanover County Code, Chapter 23, Water Code, Sections 23-2, 23-7, 23-47, 23-49, and 23-62 shall be amended to read in their entirety as follows:

Sec. 23-2. - Definitions.

For the purposes of this chapter, the following words and terms shall have the meanings respectively ascribed to them by this section:

Applicant: The person who makes application for the establishment of a new, or the extension of an existing, water system.

Capacity fee: All nonrecurring charges the county collects from developers, builders or others to compensate the county for providing public water system capacity and the right to connect facilities to the public water system.

Commercial I customer: Business, commercial and industrial water customers not otherwise classified as commercial II or commercial III. This rate class includes master-metered multi-family housing units.

Commercial II customer: Business, commercial and industrial water customers with average annual use greater than five million (5,000,000) gallons per month and less than twenty million (20,000,000) gallons per month.

Commercial III customer: Business, commercial and industrial water customers with average

annual use greater than twenty million (20,000,000) gallons per month.

Connection: A tap into the water main for the purpose of supplying water to a potential user.

Connector: The person connected to a public water system for the purpose of receiving public water.

Contract customer: An entity for which the terms and conditions of water supply are unique and are established by contract approved by the board of supervisors rather than governed by the fee ordinance.

Design standards and specifications: The latest edition of the Hanover County Department of Public Utilities Water and Sanitary Sewer Standards.

Developer: An owner of property being subdivided.

Director: The director of the department of public utilities or his agent.

Extension: The construction of a part or parts of a water system to be dedicated to the county.

Multi-family housing unit: A housing unit in a building with two or more housing units which is divided into living quarters for two or more families or households and in which one household lives above another. This category also includes houses originally intended for occupancy by one family (or for some other use) that have been converted into separate dwellings for two or more families.

Private fire protection system: A fire suppression system serving one building or facility, not interconnected with the facility's potable water system, consisting of a low flow meter and water mains, pipe, valves, sprinklers, and other facilities on private premises and located outside a County utility easement for the purpose of providing water from the public water system for fire suppression inside a building.

Public water system: A water system owned and operated by the county.

Residential customer: A group of rooms, including cooking accommodations, occupied exclusively by one or more persons living as a single housekeeping unit, including any approved accessory dwelling unit. This customer category includes individually metered multi-family housing units.

Separate central private fire system: A fire suppression system serving one or more buildings or facilities, not interconnected with the development, building or facility's potable water system, consisting of a fire meter and a low flow meter and water mains, pipe, valves, sprinklers, hydrants, tanks, pumps, and other facilities on private premises and located outside a county utility easement for the purpose of providing water from the public water system for external and internal fire suppression to a building or buildings pursuant to section 23-5(d). Such a system is subject to a minimum bimonthly base charge pursuant to section 23-62(g).

Single-family housing unit: A unit that provides living space for one household or family, which may be detached or attached to another unit. Attached houses are considered single-family houses as long the house is not divided into more than one housing unit, it has an independent outside entrance, and it is designed to house a single family from lowest level to roof.

Townhouses, rowhouses, and duplexes are considered single-family housing units, as long as there is no household living above another one within the walls from the lowest level to the roof.

Source: The origin of water for a new water system or extension of an existing water system.

Water: Unless otherwise indicated, "water" shall mean water provided for drinking, and meeting or exceeding the applicable mandatory standards for drinking water promulgated by the U.S. Environmental Protection Agency, the U.S. Public Health Service, the state health department and such other state or federal agencies as shall have jurisdiction from time to time to enact or promulgate such standards.

Water main: A conduit used for the purpose of conveying water from a source to a point where an individual user may make a connection for service, or to a dead-end water line.

Water regulations: The state waterworks regulations, as promulgated by the state health department, bureau of water supply engineering, dated June, 1977, or the current amended revision thereof.

Water system: The term shall mean, collectively, well lots, wells, or other sources, pumping stations, treatment plants, water mains, storage facilities, valves, fire hydrants and all other appurtenances, except the private individual water lines from the property side of the water meter to its destination, when a meter is present, and from the water main to its destination, when a meter is not present, such lines being the property and responsibility of the water user.

Sec. 23-7. - Exclusion meters.

(a) *Irrigation meters.* At the request of any commercial I, commercial II, or commercial III customer, a separate water meter may be supplied for the purpose of recording water used for irrigation of lawns and landscaping and not returned to the county's sewer system. This irrigation meter shall be paid for by the customer and supplied by the county. The charge for such meter shall be cost plus fifteen (15) percent. All cost of meter installation, calibration and maintenance shall be borne by the user. The meter shall be accessible at all times for inspection by the county. It shall be the customer's responsibility to protect such meter from theft, freezing and any other damage that may render such meter unsuitable, as determined by the county.

(b) *Production meters.* At the request of any commercial I, commercial II, or commercial III customer, a separate water meter may be supplied for the purpose of recording water used for a process or product production by an industrial or commercial customer and not returned to the county's sewer system. This process or product production must be an independent system and the water used in this system not able to be returned to the sanitary sewer system. Buildings that also include use of water that is returned to the sewer system are not eligible for the utilization of a production meter unless such use is covered by a separate contract between the County and the customer. This production meter shall be paid for by the customer and supplied by the county. The charge for such meter shall be cost plus fifteen (15) percent. All cost of meter installation, calibration and maintenance shall be borne by the user. The meter shall be accessible at all times for inspection by the county. It shall be the customer's responsibility to protect such meter from theft, freezing and any other damage that may render such meter unsuitable, as determined by the county.

Sec. 23-47. - Capacity fees.

(a) For residential customers using a standard three-quarter (¾) inch service pipe and a five-eighths (5/8) inch meter, the capacity fee shall be five thousand two hundred ninety dollars (\$5,290.00). Capacity fees for meters larger than five-eighths (5/8) inch shall be in accordance with section 23-47(b).

(b) Capacity fees for Commercial I, Commercial II, and Commercial III customers. Capacity fees for commercial customers requiring 3” or smaller meters shall be based upon the installed meter size according to the following schedule:

Meter Size	Capacity Fee
5/8"	\$ 5,290.00
1"	13,226.00
1½"	26,451.00
2"	42,322.00
3"	84,643.00

Capacity fees for commercial customers requiring larger than 3” meters shall be determined on a case by case basis and established by contract, but in no case shall be less than the capacity fee for a 3” meter.

For meter sizes 3” and smaller, if an existing commercial customer desires to redevelop and replace an existing meter with a single or multiple meters, the value of the capacity fee associated with the existing meter shall be determined based on the fee schedule above and credited for use on the property. For commercial customers with meters larger than 3”, the property will be credited the value of a 3” meter capacity fee unless documentation of payment of a greater capacity fee is provided, in which case the capacity fee credited shall be the actual amount paid. Once a capacity fee has been credited to a property, the amount of the credit is fixed and available for use on the property. Refunds shall not be made for any unutilized amount.

(c) For contract customers or customers with irregular usage patterns, the capacity fee shall be as determined by the board of supervisors based on the anticipated usage of the customer, the cost of the components of the system which will provide service to the customer, the amount of capacity that will need to be reserved for the customer, and how these elements correlate with the rate structure set forth in subsection (b) of this section.

(d) Nothing in this section shall prohibit the installation of a single meter of sufficient size to serve multi-business offices or multi-public units, housed within one (1) building, provided, however, that the applicable capacity fees provided for in this section shall apply. A single meter shall be installed for each single-family housing unit. Multi-family housing units may be metered either individually or by a single meter.

Sec. 23-49. - Capacity fees—Payment.

(a) The capacity fees prescribed by this article shall be paid at the time of application for service; provided, however, that persons entitled to a reduction in water charges under the provisions of section 23-63 of this chapter shall be allowed to pay the capacity fee in equal bimonthly installments over a twenty-four (24) month period, without interest, and may pay the balance due at any time.

(b) The capacity fee for the water system must be paid prior to the setting of the water meter by the County.

(c) Bimonthly water billing will begin immediately after payment of the capacity fee.

Once service has been initiated, use of the property established, and the property used normally for a period of time, the director may waive the minimum bimonthly water charge during the time water service to the property is temporarily discontinued.

Sec. 23-62. - Service fees.

(a) For residential customers connected to county-owned water systems, the bimonthly water rate consists of a base charge of nine dollars and fifteen cents (\$9.15), plus a consumption charge under rate tiers based on usage as follows:

Consumption charge

0 to 4,000 gallons, per 1,000 gallons\$1.45

4,001 to 15,000 gallons, per 1,000 gallons4.42

Over 15,000 gallons, per 1,000 gallons5.76

The base charge for a residential customer served by a meter larger than five-eighths (5/8) inch shall be the base charge in subsection 23-62(b).

(b) For Commercial I customers connected to county-owned water systems the water rate consists of a base charge, plus a consumption charge under rate tiers based on usage as follows:

Bimonthly base charges

Meter Size	Fee
5/8"	\$ 9.15
3/4"	9.15
1"	22.92
1½"	45.71
2"	73.12
3"	146.25
4"	228.51
6"	457.02

Consumption charge

0 to 15,000 gallons, per 1,000 gallons\$3.93

15,001 to 1,000,000 gallons, per 1,000 gallons4.42

Over 1,000,000 gallons, per 1,000 gallons2.46

(c) For Commercial II customers connected to county-owned water systems the water rate consists of:

- (1) A base charge of one hundred forty dollars and sixty-three cents (\$140.63) per month;
- (2) A consumption charge of two dollars and twenty-nine cents (\$2.29) per one thousand (1,000) gallons; and
- (3) A peak use fee of one dollar and forty-one cents (\$1.41) per one thousand (1,000) gallons on all consumption greater than one hundred fifty (150) percent of the previous fiscal year's twelve-month average.

(d) For Commercial III customers connected to county-owned water systems the water rate consists of:

- (1) A base charge of fourteen thousand sixty-two dollars and twenty-three cents (\$14,062.23) per month;
- (2) A consumption charge of one dollar and eighty-seven cents (\$1.87) per one thousand (1,000) gallons; and
- (3) A peak use fee of one dollar and forty-one cents (\$1.41) per one thousand (1,000) gallons on all consumption greater than one hundred fifty (150) percent of the previous fiscal year's 12-month average.

(e) For customers with water meters used for irrigation purposes only, the water rate consists of:

- (1) A base charge in accordance with section 23-62(b), (c), or (d); and
- (2) A consumption charge of five dollars and forty-five cents (\$5.45) per one thousand (1,000) gallons.

(f) Upon approval by the department of public utilities of a connection agreement, the customer shall pay the water rate for the applicable category above, or the minimum rate stated above, if the customer has not initiated service. Charges for portions of the billing period shall be prorated.

(g) Separate central private fire systems. The minimum bimonthly base charge will be equivalent to that charge in section 23-62(b) based upon the meter size of the low flow meter. The consumption charge for separate central private fire systems will be in accordance with section 23-62(b) and will be applied to any water not used to extinguish a fire.

(h) Private fire protection systems. No person shall use water from a private fire protection system, other than for extinguishing a fire, without the written consent of the Director of Public Utilities. If water from a private fire protection system is used in a manner not authorized herein, all water service may be cut off unless such unauthorized use is terminated immediately upon notice from the department of public utilities and payment is made for all water consumed in accordance with section 23-62.

3. That this Ordinance shall be effective on July 1, 2013, except that changes in rates shall be effective for each full billing cycle beginning after July 1, 2013.

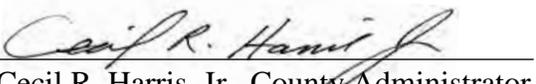
On motion of Mr. Davis, seconded by Mrs. Kelly-Wiecek, the members of the Board of Supervisors voted to approve Ordinance No. 13-03, as follows:

Public Hearing: April 3, 2013
Adopted: April 10, 2013

	Vote:
W. Canova Peterson	Aye
Sean M. Davis	Aye
Wayne T. Hazzard	Aye
Angela Kelly-Wiecek	Aye
Aubrey M. Stanley	Aye
Elton J. Wade, Sr.	Aye
G. E. "Ed" Via, III	Aye

This is to certify that the above is a true copy of Ordinance 13-03 adopted by the Hanover County Board of Supervisors on April 10, 2013.

Dated: April 19, 2013


Cecil R. Harris, Jr., County Administrator
Clerk, Hanover County Board of Supervisors

VIRGINIA: At a regular meeting of the Board of Supervisors for Hanover County held in the Board Room of the Hanover County Administration Building on the 10th day of April, 2013, at 2:00 p.m.

Present: W. Canova Peterson, Chairman
Sean M. Davis, Vice Chairman
Wayne T. Hazzard
Angela Kelly-Wiecek
Aubrey M. Stanley
G. E. "Ed" Via, III
Elton J. Wade, Sr.
Cecil R. Harris, Jr., County Administrator
Sterling E. Rives, III, County Attorney

**HANOVER COUNTY BOARD OF SUPERVISORS
RESOLUTION
FIVE-YEAR CAPITAL IMPROVEMENTS PROGRAM FY14 – FY18**

WHEREAS, the County Administrator has prepared and recommended a Five-Year Capital Improvements Program to the Board of Supervisors and that Program is included in the Board papers; and

WHEREAS, the Five-Year Capital Improvements Program was reviewed by the Hanover County Planning Commission at a work session held on March 21, 2013, and the recommendations of the Commission have been transmitted to and considered by the Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Hanover County does hereby adopt the Five-Year Capital Improvements Program for FY14 – FY18 as presented by the County Administrator on February 27, 2013, with amendments presented on April 10, 2013, including the following categories and amounts:

Education	\$ 79,795,000
Utility Fund	47,537,945
Public Works	14,446,400
Airport Fund	9,964,120
Public Safety	9,722,946
General Government Admin.	8,302,000
Debt and Revenue Reserve	4,666,603
Human Services	500,000
Parks, Recreation & Cultural	50,000
CIP 5-YR Total	\$ 174,985,014

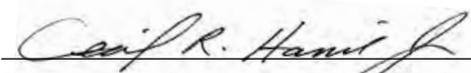
A complete copy of the adopted FY14 – FY18 Capital Improvement Program is in the Board papers.

On motion of Mr. Davis, seconded by Mrs. Kelly-Wiecek, the members of the Board of Supervisors voted to approve this Resolution as follows:

	Vote:
W. Canova Peterson	Aye
Sean M. Davis	Aye
Wayne T. Hazzard	Aye
Angela Kelly-Wiecek	Aye
Aubrey M. Stanley	Aye
G. E. "Ed" Via, III	Aye
Elton J. Wade, Sr.	Aye

The undersigned certifies that this is a correct copy of the Resolution of the Board of Supervisors.

Dated: April 19, 2013


Cecil R. Harris, Jr., County Administrator
Clerk, Hanover County Board of Supervisors

VIRGINIA: At a regular meeting of the Planning Commission for Hanover County held in the Board Room of the Hanover County Administration Building on the 14th day of March, 2013, at 7:00 p.m.

Present: Mr. C. Harold Padgett, Jr., Chairman
Ms. Claiborne R. Winborne, Vice-Chairman
Mr. Jerry W. Bailey
Mrs. Edmonia P. Iverson
Mr. Larry A. Leadbetter
Mrs. Ashley H. Peace
Mr. Randy A. Whittaker

Mr. John A. Bender, Deputy Director of Planning
Mr. Dennis A. Walter, Senior Assistant County Attorney
Mr. Lee W. Garman, Principal Planner

WHEREAS, the Hanover County Planning Commission is charged by State Law and County Ordinance with responsibility for advising the Board of Supervisors on matters dealing with growth and development of the County; and

WHEREAS, the Board of Supervisors adopted a Comprehensive Plan Update on March 28, 2007, guiding the role of development in the County and the provision of public utilities; and

WHEREAS, on April 11, 2012, the Board of Supervisors adopted a Five Year Capital Improvements Program for FY 2013 through 2017, to provide a guide for implementing County development policies; and

WHEREAS, in accordance with State Law, a Capital Improvements Program document for FY 2014 through FY 2018, has been drafted by the County Administration and has been presented to the Planning Commission for its consideration and advise; and

WHEREAS, the Hanover County Planning Commission has considered the recommended Capital Improvements Program, at a public hearing held on March 14, 2013;

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of Hanover County that the FY 2014 through FY 2018, Capital Improvements Program, as proposed by the County Administrator, is recommended to the Hanover County Board of Supervisors subject to the modifications adopted by the School Board and received from the Finance Department on March 13, 2013.

BE IT FURTHER RESOLVED that the Secretary shall transmit this resolution to the Board of Supervisors and the County Administrator along with a copy of the minutes the Commission meeting.

A Copy
Teste:



David P. Maloney, Secretary
Hanover County Planning Commission

VIRGINIA: At a regular meeting of the Board of Supervisors for Hanover County held in the Board Room of the Hanover County Administration Building on the 10th day of April, 2013, at 2:00 p.m.

Present: W. Canova Peterson, Chairman
Sean M. Davis, Vice Chairman
Wayne T. Hazzard
Angela Kelly-Wiecek
Aubrey M. Stanley
G. E. "Ed" Via, III
Elton J. Wade, Sr.
Cecil R. Harris, Jr., County Administrator
Sterling E. Rives, III, County Attorney

**HANOVER COUNTY BOARD OF SUPERVISORS
RESOLUTION
FIVE-YEAR GENERAL FUND FINANCIAL PLAN**

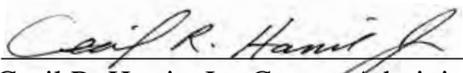
BE IT RESOLVED that the Board of Supervisors of Hanover County does hereby adopt the Five-Year General Fund Financial Plan for FY14 - FY18 as presented by the County Administrator on February 27, 2013, with amendments presented on April 10, 2013. (*A complete copy of the Five-Year General Fund Financial Plan is included in the Board papers.*)

On motion of Mr. Davis, seconded by Mrs. Kelly-Wiecek, the members of the Board of Supervisors voted to approve this Resolution as follows:

	Vote:
W. Canova Peterson	Aye
Sean M. Davis	Aye
Wayne T. Hazzard	Aye
Angela Kelly-Wiecek	Aye
Aubrey M. Stanley	Aye
G. E. "Ed" Via, III	Aye
Elton J. Wade, Sr.	Aye

The undersigned certifies that this is a correct copy of the Resolution of the Board of Supervisors.

Dated: April 19, 2013


Cecil R. Harris, Jr., County Administrator
Clerk, Hanover County Board of Supervisors

Supplemental Statistics

Property Tax Rates ⁽¹⁾ Last Ten Calendar Years

<u>County of Hanover, Virginia (Direct and Overlapping)</u>								<u>Town of Ashland (Overlapping) ⁽⁵⁾</u>		
Calendar Year	Real Property	Personal Property	Fire and Rescue Volunteers ⁽²⁾	Disabled Veterans ⁽³⁾	Aircraft ⁽⁴⁾	Machinery and Tools	Merchants' Capital	Real Property	Personal Property	Machinery and Tools
2003	0.82	3.64	1.82	-	1.00	3.64	1.90	0.09	0.77	0.77
2004	0.86	3.64	1.82	-	1.00	3.64	1.90	0.09	0.77	0.77
2005	0.86	3.64	1.82	-	1.00	3.64	1.90	0.09	0.77	0.77
2006	0.86	3.57	1.78	-	1.00	3.57	1.90	0.07	0.77	0.77
2007	0.81	3.57	1.78	1.78	0.50	3.57	1.90	0.07	0.77	0.77
2008	0.81	3.57	1.78	1.78	0.50	3.57	1.90	0.09	0.77	0.77
2009	0.81	3.57	1.78	1.78	0.50	3.57	1.90	0.09	0.77	0.77
2010	0.81	3.57	1.78	1.78	0.50	3.57	1.90	0.09	0.77	0.77
2011	0.81	3.57	1.78	1.78	0.50	3.57	1.90	0.09	0.77	0.77
2012	0.81	3.57	1.78	1.78	0.50	3.57	1.90	0.09	0.77	0.77

Notes: ⁽¹⁾ Per \$100 of assessed value.

⁽²⁾ Fire and rescue volunteers who satisfy eligibility criteria have a separate personal property tax rate for their vehicle used in volunteer fire and rescue activities. Levies and assessments are classified under personal property for disclosure purposes.

⁽³⁾ Qualifying disabled veterans have a separate personal property tax rate for their vehicle. Levies and assessments are classified under personal property for disclosure purposes.

⁽⁴⁾ Levies and assessments are classified under personal property for disclosure purposes.

⁽⁵⁾ The Town of Ashland rates are in addition to the County rates charged to the taxpayers within the Town's borders.

Principal Taxpayers ⁽¹⁾

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2012 General Property Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>
Doswell Limited Partnership	Power generation facility	\$ 275,527,206	1.9%
Virginia Electric and Power Company	Electric company	150,913,119	1.0%
Memorial Regional Medical Center	Hospital	126,262,670	0.9%
Paramount Parks, Inc.	Entertainment	85,417,975	0.6%
Verizon Virginia	Telecommunications	49,471,902	0.3%
Bear Island Paper Company	Paper mill	46,038,950	0.3%
Covenant Woods	Nursing home	42,074,420	0.3%
Richmond Newspapers, Inc./Media General, Inc.	Newspaper publisher	38,743,295	0.3%
SuperValu	Food distributor	36,813,935	0.3%
Virginia Natural Gas	Natural Gas Distributor	34,569,904	0.2%
		<u>\$ 885,833,376</u>	<u>6.1%</u>

Notes: ⁽¹⁾ Hanover County Commissioner of the Revenue's Office

Supplemental Statistics

Demographic Statistics Last Ten Fiscal Years

Fiscal Year	Population ⁽¹⁾	Per Capita Personal Income ⁽¹⁾	Median Age ⁽²⁾	Unemployment Rate ⁽³⁾	School Enrollment ⁽⁴⁾	School Instructional Positions ⁽⁵⁾	School Enrollment to Instructional Positions Ratio
2003	93,647	35,824	37.4	3.2%	17,580	1,315	13.4
2004	95,459	37,022	37.4	3.0%	17,979	1,381	13.0
2005	96,250	38,944	39.5	2.9%	18,150	1,434	12.7
2006	98,126	40,854	39.2	2.5%	18,518	1,485	12.5
2007	99,047	43,478	38.9	2.5%	18,844	1,563	12.1
2008	99,713	45,466	40.4	3.5%	18,686	1,577	11.8
2009	100,051	43,484	41.1	6.6%	18,566	1,614	11.5
2010	100,408	43,915	41.0	6.5%	18,420	1,569	11.7
2011	100,822	43,915	41.0	5.8%	18,191	1,492	12.2
2012	101,586	43,915	41.0	5.7%	18,125	1,490	12.2

(1) Population estimates at June 30th for each year from Hanover County Planning Department. Per Capita Personal Income is calculated by dividing Personal Income by the population estimate for each fiscal year. Personal Income data for 2002 through 2009 (the last year available) is obtained from the Bureau of Economic Analysis, U.S. Department of Commerce. Per Capita Personal Income for 2010 and 2011 is assumed to be equal to 2009, the last year for which Personal Income data is available from the U.S. Department of Commerce. Personal Income amounts for 2010 and 2011 are calculated by multiplying the population estimates by the Per Capita Income estimate for each year.

(2) U.S. Department of Commerce, Bureau of Census.

(3) Virginia Employment Commission.

(4) Hanover County School Board (30th day enrollment for school fiscal year).

(5) Hanover County School Board (instructional positions include teachers, guidance counselors, librarians and other instructional-related positions).

Age	Age Distribution		Age Distribution	
	Calendar Year 2000	Calendar Year 2010	Calendar Year 2000	Calendar Year 2010
	Population	Population	Percent of Total	Percent of Total
Less than 5	5,611	5,473	6.5%	5.5%
5-19	19,909	22,274	23.1%	22.3%
20-24	3,764	5,086	4.4%	5.1%
25-44	26,486	23,208	30.7%	23.2%
45-64	21,391	30,718	24.8%	30.8%
65 and older	9,159	13,104	10.6%	13.1%

Additional References

In addition to the budget document, the County prepares several other documents which relate to County operations and finances which include, but are not limited to, the following reports:

Comprehensive Annual Financial Report (CAFR) – This document is the examination of the County’s financial statements as of June 30 of each fiscal year. This report is prepared by the Finance Department and audited by the County’s independent auditors in accordance with generally accepted auditing standards and as required under State law. The report is available to the public in November of each fiscal year. The County has been awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada each year since 1985. <http://www.co.hanover.va.us/finance/cafr12.htm>

School Activities Fund Report – This report provides a detail by school of the activity funds associated with each school at June 30 of each fiscal year. These funds represent monies collected by the individual schools for specific purposes at that school (Art Club, Band, Student Council, etc.). The report is prepared by each school and audited by the County’s independent auditors in accordance with generally accepted auditing standards. The report is available to the public in October of each fiscal year.

Hanover County Schools Annual Financial Plan – This document is the Superintendent of Schools’ recommended budget to the School Board. Included in this report are the following sections: the Superintendent’s message, missions and goals, proposed budget, budget summary, detailed budget, salary scales and rates, personnel and salary surveys, per pupil comparisons, all fees for services, and appendices. This report is available to the public in January of each fiscal year. http://hcps2.hanover.k12.va.us/finance/Financial_Operations.htm

Financial Statements – The Finance Department prepares interim and year-end financial statements which are generally available to the public in February for the six months ended December 31, May for the nine months ended March 31, August for the preliminary year-end report and November for the audited financial statements.

Comparative Cost Report – This document is prepared by the Finance Department and reviewed by the County’s independent auditors. The County’s report enables the State to prepare an overall report which compares each locality’s revenues and expenditures by department and category. The County’s report is made available to the public in December and the State’s report is usually available in March for the prior fiscal year.

Official Statements – These documents are issued in conjunction with the issuance of lease revenue or general obligation bonds, and give a detailed description of the bonds as well as economic and financial information of the County. These documents are prepared by the Finance Department and County Attorney’s Office with assistance from bond counsel, financial advisors, and underwriters. These statements are available to the public at the time of each bond sale.

Additional References

Auditor of Public Accounts (APA) Reports – These are reports prepared by the State’s APA and are reviews of various State related agencies (Clerk of the Circuit Court, Treasurer, etc.). These reports are made available to the public when published by the APA.

Comprehensive Plan – This document is prepared by the Planning Department and is Hanover’s statement of goals, objectives, and plans for the future. The plan consists of an inventory and analysis of past trends and development, as well as an analysis of existing conditions and a statement of goals and objectives for the future. This plan was adopted in 1972 and has been updated at least every five years since 1982.

<http://www.co.hanover.va.us/planning/compplan.htm>

Resumes of Certain County Officials

Cecil R. Harris, Jr. was appointed **County Administrator** in November 2004. Prior to that appointment, he had served as Deputy County Administrator since July 1998 and as Assistant County Administrator for Finance and Administration since July 1994. Mr. Harris was also the Director of Finance and Administration from 1991 to 1994, Acting Assistant County Administrator from 1990 to 1991, Director of Finance from 1987 to 1990, and Assistant Director of Finance from 1984 to 1987. Prior to his employment with the County, Mr. Harris was employed in industry from 1983 to 1984, and as a staff accountant with KPMG Peat Marwick from 1982 to 1983. Mr. Harris received his Bachelor of Science in Accounting from the University of Richmond in 1980 and became a Certified Public Accountant (CPA) in 1982. He is a member of the Government Finance Officers Association (GFOA), the American Institute of Certified Public Accountants (AICPA), and the Virginia Government Finance Officers Association (VGFOA) since 1984, serving as its president in 1995-96.

Frank W. Harksen, Jr. was appointed **Deputy County Administrator** in March 2011. He oversees the Departments of Planning, Public Utilities, Public Works, Building Inspections, and Parks and Recreation. Mr. Harksen was hired by the County in 1999 as the Public Utilities Director and remained in that position until his appointment as Deputy County Administrator. Prior to his employment with the County, Mr. Harksen was Acting Director of the City of Richmond's Department of Public Utilities. He is the Immediate Past President of the Virginia Association of Municipal Wastewater Agencies and a member of that organization's Board of Directors. He is chairman of the Water Utility Committee for the Virginia section of the American Water Works Association and is vice president of the Virginia Nutrient Credit Exchange Association, an organization which helps wastewater treatment plant owners comply with regulations designed to protect the Chesapeake Bay. Mr. Harksen graduated from Virginia Tech with a B.S. degree in Engineering, Electrical Technology.

James P. Taylor was appointed **Deputy County Administrator** in February 2013. Prior to this appointment, Mr. Taylor served in a similar role as Assistant County Administrator since 2008 and previously served as Director of Human Resources from 2000 to 2008. Mr. Taylor had previously been employed by St. Joseph's Villa, Central Fidelity Bank, Capital One, and Retreat Hospital. He received a Bachelor of Arts degree in Government from the College of William and Mary and received his Master of Public Administration degree from Virginia Commonwealth University in 1996. He has completed the Senior Executive Institute and is in the Leadership Metro Richmond class of 2013. He is a member of the Virginia Local Government Manager's Association and the International Public Management Association for Human Resources, serving as Southern Region President in 2013.

Resumes of Certain County Officials

Sterling E. Rives, III was appointed in September 1987 to serve as the **County Attorney**. Prior to his appointment, Mr. Rives served from 1983 to 1987 as an associate attorney with private law firms providing legal services to the City of Fairfax and other governmental entities. Mr. Rives received his Bachelor of Arts from the University of Richmond in 1973, a Master of Arts from Duke University Graduate School in 1975, and his law degree from the T. C. Williams School of Law of the University of Richmond in 1983. Mr. Rives is an officer on the Board of Directors for Local Government Attorneys of Virginia. Mr. Rives was admitted to the Virginia State Bar in 1983, and is admitted to practice in the Supreme Court of Virginia, the Federal District Court for the Eastern District of Virginia, the Fourth Circuit Court of Appeals, and the United States Supreme Court.

Glossary

Accrual Basis	A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.
Appropriation	A legal authorization of the Board of Supervisors to incur obligations and to make expenditures for specific purposes.
Assessed Valuation	The valuation set upon real estate and certain personal property as a basis for levying property taxes.
Assessment Ratio	The ratio at which the tax rate is applied to the tax base.
Asset	Resources owned or held by a government which have monetary value.
Balance Sheet	The financial statement disclosing the assets, liabilities, and equity of an entity at a specified date.
Balanced Budget	The County Administrator annually proposes, and the Board of Supervisors adopts, a budget and five-year financial plan for the upcoming year in which the revenues available (including any available fund balance from prior years) match or exceed the projected expenditures. The County also appropriates and executes the annual budget each year so that expenditures will not exceed revenues.
Base Budget	Cost of continuing the existing levels of service in the current budget year.
Bond	A long-term promise to pay. It is a promise to repay a specified amount of money (the face value of the bond) on a particular date (the maturity date). Bonds are primarily used to finance capital projects.
Bond - General Obligation (GO)	This type of bond is backed by the full faith, credit, and taxing power of the government.
Bond - Revenue	This type of bond is backed only by the revenues from a specific enterprise or project, such as a hospital or toll road.
Bond Rating	An evaluation performed by an independent rating service of the credit quality of bonds issued. Ratings are intended to measure the probability of timely repayment of principal and interest on municipal securities.
Bond Refinancing	The payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.

Glossary

Budget	A plan of financial activity for a specific period of time indicating all planned revenues and expenses for the budget period.
Budget Amendment	Transferring funding from one department to another, or from an existing capital project to a new capital project; decreasing funding of a fund or department; or providing supplemental funding to a fund or department or for the establishment of a new capital project.
Budget Calendar	The schedule of key dates which a government follows in the preparation and adoption of the budget.
Budgetary Basis	Refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual. The County utilizes the GAAP basis.
Budgetary Control	The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.
Capital Improvements	Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life. Assets greater than \$50,000 and having a useful life of several years.
Capital Improvements Program (CIP)	A five-year plan for capital outlay to be incurred each year over five years to meet capital needs arising from the government's long-term needs.
Capital Outlay	Fixed assets which have a value of \$5,000 or more and have a useful economic lifetime of more than one year; or, assets of any value if the nature of the item is such that it must be controlled for custody purposes as a fixed asset.
Cash Basis	A basis of accounting in which transactions are recognized only when cash is increased or decreased.
Constitutional Officers	Refers to the officers or agencies directed by elected officials (Clerk of the Circuit Court, Commissioner of the Revenue, Commonwealth's Attorney, Sheriff, and Treasurer) whose positions are established by the Constitution of the Commonwealth of Virginia or its statutes.
Contingency	A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Glossary

Contractual Services	Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements, and professional consulting services.
Debt Service	The cost of paying principal and interest on borrowed money according to a predetermined payment schedule.
Deficit	The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.
Department	The basic organizational unit of government which is functionally unique in its delivery of service.
Depreciation	Expiration in the service life of capital assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.
Disbursement	The expenditure of monies from an account.
Distinguished Budget Award	A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budgets.
Encumbrance	The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.
Enterprise Fund	A fund to account for operations financed and operated similar to a private business where the cost of providing a good or service is recovered primarily through user charges.
Expenditure	The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service, or settling a loss.
Expenditure Object	An expenditure classification, referring to the lowest and most detailed level of classification, such as electricity, office supplies, and furniture.
Expense	Charges incurred (whether paid immediately or unpaid) on operations, maintenance, interest, or other charges.

Glossary

Fiscal Year	A twelve month period (July 1 – June 30) designated as the operating fund for accounting and budgeting purposes in an organization.
Fringe Benefits	Contributions made for the government's share of costs for Social Security and the various pension, medical, and life insurance plans.
FTE	Full-time equivalent staff, considering all staff members, including full-time and part-time employees.
Function	A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible (public safety for example).
Fund	A fiscal entity with revenues and expenses which are segregated for the purpose of carrying out a specific purpose or activity.
Fund Balance	The excess of the assets of a fund over its liabilities, reserves, and carryover.
GAAP	Generally accepted accounting principles. Uniform minimum standards for financial accounting and recording.
GASB	The Governmental Accounting Standards Board which is the ultimate authoritative accounting and financial reporting standards setting body for state and local governments.
General Fund	The general operating fund of the County.
GFOA	Government Finance Officers Association of the United States and Canada. The purpose of the GFOA is to enhance and promote the professional management of governments for the public benefit.
Grants	A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.
Infrastructure	The physical assets of a government (streets, water, sewer, parks, buildings).
Interfund Transfers	The movement of monies between funds of the same governmental entity.

Glossary

Intergovernmental Revenue	Funds received from Federal, State, or other local governments in the form of grants, shared revenues, and payments in lieu of taxes.
Internal Service Fund	A fund used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis.
Levy	To impose taxes for the support of government activities.
Line-item Budget	A budget prepared along departmental lines that focuses on what is to be bought.
Mission Attributes	Represents the three (3) terms used to categorize Mission Focus Areas, which are the action areas in pursuit of the Mission Theme with each of these attributes a descriptor of three focus areas.
Mission Focus Areas	Represents the nine terms used to categorize strategic focus areas for which Hanover uses as a connection point in virtually all manners of governance and operation. From these focus areas, strategic plans are developed and interconnected to other focus areas in order for Mission Themes to be realized.
Mission Themes	Represents the qualities of the organization constantly pursued in attaining Mission with the three Mission Attributes being the action areas for which the coordinated nine Mission Focus Areas provide the connection to strategic plans and more detailed action and monitoring plans.
Net Budget	The legally adopted budget less all interfund transfers and interdepartmental charges.
Objective	Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.
Obligation	Amounts to which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.
Operating Expenses	The cost for personnel, materials, and equipment required for a department to function.

Glossary

Operating Revenue	Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.
Performance Indicators	Specific quantitative and qualitative measures of work performed as an objective of specific departments and programs.
Performance Measures	Data collected to determine how effective or efficient a program is in achieving its objectives.
Personal Property	A category of property, other than real estate, identified for purposes of taxation. It includes resident owned items, corporate property, and business equipment. Examples of personal property include automobiles, motorcycles, trailers, boats, airplanes, business furnishings and manufacturing equipment.
Proffers	Cash or property offered by contractors/developers to the City/County in land development projects. An example is a proffer of land from a developer to the County.
Program	A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.
Property Tax Rate	The dollar amount applied to the assessed value of various categories of property used to calculate the amount of taxes to be collected. The tax rate is usually expressed as an amount per \$100 of assessed valuation.
Real Property	Real estate, including land and improvements (buildings, fencing, paving) classified for purposes of tax assessment.
Reserve	An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.
Resolution	A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.
Resources	Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

Glossary

Revenue	Sources of income financing the operations of government.
Revenue Sources	Revenues are classified according to their source or point of origin.
Reversion Account	The Virginia Legislature passed a measure in 2008 to capture savings in state aid to local government programs. The reversion account is a method used to return a portion of the localities state aid back to the state for the purpose of offsetting state budget shortfalls.
Salaries and Fringe Benefits	Expenditures for salaries, wages, and the localities contributions made for the costs for Social Security and the various pension, medical, and life insurance plans.
Service Level	Services or products which comprise actual or expected output of a given program. Focus is on results, not measures of workload.
Special Revenue Fund	This fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. This includes resources obtained and used relating to State and Federal grants and Utilities.
Target Budget	Desirable expenditure levels provided to departments in developing the coming year's recommended budget. Based on the prior year's adopted budget, excluding one-time expenditures, projected revenues, and reserve requirements.
Tax Levy	The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.
Taxes	Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of all people.
Transfers In/Out	Amounts transferred from one fund to another to assist in financing the services for the recipient government.
Unassigned Fund Balance	This refers to the funds remaining from the prior year, which are available for appropriation and expenditure in the current year.
Unassigned or Unreserved Fund Balance	The portion of a fund's remaining balance that is not restricted for a specific purpose and is available for general appropriation and expenditure in the current year.

Glossary

Unencumbered Balance	The amount of an appropriation that is neither expended or encumbered. It is essentially the amount of money still available for future purposes.
User Charges	The payment of a fee for direct receipt of a public service by the party who benefits from the service.
VPSA	Virginia Public School Authority, which was created by the General Assembly in 1962 for the purpose of supplementing the existing method of capital programs for public schools.
VRS	The Virginia Retirement System is the retirement program that the County is statutorily required to participate in, which is overseen by the General Assembly who has the authority to set the rates.