

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

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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*

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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.

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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.

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- 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.

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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.

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- (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.

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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

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- 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

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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 polices 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.

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- 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.

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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.

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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

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- (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.

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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.

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- 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.).

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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.

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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

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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.

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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:

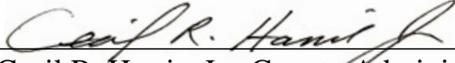
General Fund	\$ 207,823,245
School Fund	162,077,669
Textbook Fund	1,043,378
Food Services Fund	7,179,978
County Improvements Fund	4,811,700
School Improvements Fund	2,820,000
Debt Service Fund	19,912,552
Economic Development Fund	279,635
Utilities Fund	31,356,683
Airport Fund	532,426
Self-Insurance Fund	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.)*

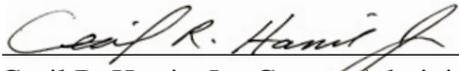
BE IT FURTHER RESOLVED that all encumbered funds outstanding on June 30, 2013, both operating and capital, and all funds designated for capital improvements, shall be reappropriated for the 2014 fiscal year, to the same department and account for which they were appropriated for fiscal year 2013. At 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
¾"	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**

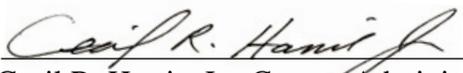
BE IT RESOLVED that the Board of Supervisors of Hanover County does hereby adopt the Five-Year General Fund Financial Plan for FY14 - FY18 as presented by the County Administrator on February 27, 2013, with amendments presented on April 10, 2013. (*A complete copy of the Five-Year General Fund Financial 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%
		\$ 885,833,376	6.1%

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.