

Other Funds

	FY15 Actual	FY16 Budget	FY17 Budget	% Change FY16 to FY17
Expenditures - by Fund	\$ 253,095,950	\$ 270,200,055	\$ 277,462,925	2.7%
School Funds	173,678,941	178,856,558	183,056,358	2.3%
Schools Operating Fund	166,937,086	171,839,758	176,014,358	2.4%
School Food Services Fund	6,741,855	7,016,800	7,042,000	0.4%
Enterprise Funds	29,165,613	37,314,427	40,696,724	9.1%
Utilities Operating Fund	28,723,762	32,728,981	33,201,809	1.4%
Airport Fund	441,851	4,585,446	7,494,915	63.5%
Special Revenue Fund	225,895	225,950	168,480	-25.4%
Economic Development Authority	225,895	225,950	168,480	-25.4%
Internal Service Fund	28,675,259	33,315,180	32,888,252	-1.3%
Self-Insurance Fund	28,675,259	33,315,180	32,888,252	-1.3%
Fiduciary Funds	2,007,595	819,440	795,411	-2.9%
Bell Creek CDA	207,136	160,000	120,000	-25.0%
Lewistown CDA	1,800,459	659,440	675,411	2.4%
Debt Service Fund	19,342,647	19,668,500	19,857,700	1.0%
Debt Service Fund	19,342,647	19,668,500	19,857,700	1.0%
Expenditures - by Category	\$ 253,095,950	\$ 270,200,055	\$ 277,462,925	2.7%
Personnel	186,753,345	195,242,406	198,886,111	1.9%
Operating	32,282,078	34,679,334	34,375,988	-0.9%
Debt Service	22,679,901	23,035,914	23,178,777	0.6%
Capital	11,380,626	17,242,401	21,022,049	21.9%
Revenues	\$ 283,102,610	\$ 270,200,055	\$ 277,462,925	2.7%
Local Revenue	96,819,089	69,698,196	72,104,927	3.5%
Intergovernmental Revenue	96,125,197	98,527,667	102,975,683	4.5%
Transfers In	90,158,324	97,002,018	99,624,106	2.7%
Use of Planned Surpluses	-	4,972,174	2,758,209	-44.5%
Non-General Fund Revenue Percent	68.2%	64.1%	64.1%	
General Fund Percent	31.8%	35.9%	35.9%	
Full-time Equivalents (FTE)	92.50	95.00	96.00	
Full-time Positions	92.00	95.00	96.00	
Part-time Positions	0.50	-	-	

Revenue reflected under 'Transfers In' represents General Fund Revenue.

County Improvements Fund and School Improvements Fund are not included in the above summary. See the CIP section of this document for information related to these two funds.

Positions exclude Schools. See School Board FY17 Budget for FTE summary: <http://hcps2.hanover.k12.va.us>

Hanover County Public Schools

SCHOOL FUNDS

DESCRIPTION

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

The quality of the school system has produced many accolades for Hanover's students and teachers. Hanover is fully accredited by the Southern Association of Colleges and Schools Council on Accreditation and School Improvement (SACS CASI) and AdvancED. In addition, Hanover was the first Virginia school district to receive the U.S. Senate Productivity and Quality Award for Continuing Excellence.

In an effort to align effectively with its mission statement, Hanover County Public Schools is divided into four (4) central departmental areas of responsibility: Instructional Leadership, Business & Operations, Human Resources and Administration and Communication.

Instructional Leadership is responsible for accreditation, curriculum, instructional programming, instructional materials, calendar/school day, library/media, student classification and academic requirements, counseling services, accountability and performance measurement, evaluation and reporting, student discipline appeals and school safety and security.

Business & Operations is responsible for management of funds, the annual operating budget, grant management, student activity fund accounting, business partnerships, food services, technology services, capital facility planning and budgeting, maintenance, building services, custodial services, pupil transportation, school closing and district records management.

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

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

Hanover County Public Schools

BUDGET SUMMARY	FY15 Actual	FY16 Budget	FY17 Budget	% Change FY16 to FY17
School Funds				
Expenditures	\$ 173,678,941	\$ 178,856,558	\$ 183,056,358	2.3%
Personnel	152,134,275	156,095,767	160,024,550	2.5%
Operating	19,395,392	20,981,465	21,232,482	1.2%
Capital	2,149,274	1,779,326	1,799,326	1.1%
Revenues	\$ 172,125,073	\$ 178,856,558	\$ 183,056,358	2.3%
Local Revenue	6,734,077	7,345,716	7,746,984	5.5%
Intergovernmental Revenue	94,936,568	94,057,029	95,780,374	1.8%
Use of Planned Surpluses	-	453,813	-	-100.0%
Transfers In	70,454,428	77,000,000	79,529,000	3.3%
Generated Revenue Percent	59.1%	56.9%	56.6%	
General Fund Percent	40.9%	43.1%	43.4%	

BUDGET HIGHLIGHTS

The FY17 budget reflects the input of School Board members, School staff, and parent and professional organizational representatives working together as a budget advisory focus group to develop a budget that maximizes resources. The focus remains on maintaining educational opportunities for our students. The significant highlight for this budget is a 2% pay increase for all employees.

BUDGET GOALS

- Develop budget proposals to support the stated goal of the superintendent and School Board of providing an education system that will foster the success of all students;
- Provide resources to ensure schools are safe for students, school visitors and employees;
- Provide salary and benefit plans that support Hanover’s competitive position and reflect market adjustments where necessary;
- Promote instructional programming that supports professional development for staff, curriculum development, career and technical education, state and federal accountability standards, special education services, technology integration and dual enrollment;
- Develop and maintain a responsive, systematic approach to long-term building maintenance, construction, custodial services, furniture/equipment replacement, technology (information) system upgrades, other operating efficiencies and long-range financial stability;
- Integrate recommendations, as approved by the School Board, from the Facility and Instructional Program Evaluation Committee;
- Identify the impact of emerging issues and mandates on the school budget.

SCHOOL FUNDS SUMMARY

Hanover County Public Schools currently operates three (3) separate funds; the School Operating Fund, Food Services Fund and School Capital Improvements Fund. Complete details of all funds can be found in the School Board’s Budget, which can be accessed on the School’s website at <http://hcps2.hanover.k12.va.us>. Following are summaries for the Schools Operating Fund and Food Services Fund.

School Operating Fund

DESCRIPTION

The School Operating Fund, comprising over 90% of the district's resources, encompasses five (5) components: General Support, Pupil Transportation, Operations & Maintenance, Instruction and Facilities.

General Support: Includes the Executive Board, Superintendent, Administration and Communications, Budget & Financial Reporting, Information Technology and Human Resources. School-based services of Health Services, Psychological Services and Speech/Audiology Services are also included in this component.

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

Operations & Maintenance: Building Services provides technical and maintenance support, enabling all facilities to remain in full and efficient operation. Services provided daily by staff include repairs and/or work in the following areas: carpentry, electrical, plumbing, painting, welding, grounds and kitchen equipment. Custodial Services provides complete custodial services to schools throughout the district.

Instruction: Comprised of three (3) levels of education: elementary, middle and high school. Fifteen (15) elementary schools: Battlefield Park, Beaverdam, Cold Harbor, Cool Spring, Elmont, Henry Clay, John M. Gandy, Kersey Creek, Laurel Meadow, Mechanicsville, Pearson's Corner, Pole Green, Rural Point, South Anna and Washington-Henry. Four (4) middle schools: Chickahominy, Liberty, Oak Knoll and Stonewall Jackson. Four (4) high schools: Atlee, Hanover, Lee-Davis and Patrick Henry. The division also provides an alternative learning opportunity at The Georgetown School as well as a Career and Technical education curriculum at The Hanover Center for Trades and Technology.

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

School Operating Fund

BUDGET SUMMARY	FY15	FY16	FY17	% Change
	Actual	Budget	Budget	FY16 to FY17
Expenditures	\$ 166,937,086	\$ 171,839,758	\$ 176,014,358	2.4%
Personnel	148,945,174	152,549,963	156,579,372	2.6%
Operating	15,864,758	17,560,469	17,685,660	0.7%
Capital	2,127,154	1,729,326	1,749,326	1.2%
Revenues	\$ 165,578,417	\$ 171,839,758	\$ 176,014,358	2.4%
Local Revenue				
Charges for Services	847,114	825,500	847,500	2.7%
Recovered Costs	380,123	573,000	463,000	-19.2%
Miscellaneous Revenue	615,611	1,169,200	1,189,200	1.7%
Intergovernmental Revenue				
Non-Categorical State Aid	66,042,765	66,574,264	67,386,082	1.2%
Sales Tax	18,206,793	18,201,206	19,276,746	5.9%
Categorical State Aid	1,951,448	779,488	537,730	-31.0%
Categorical Federal Aid	7,080,135	6,717,100	6,785,100	1.0%
Transfers In	70,454,428	77,000,000	79,529,000	3.3%
Expenditures - by Component	FY15	FY16	FY17	% Change
	Actual	Budget	Budget	FY16 to FY17
General Support	\$ 9,292,448	\$ 10,368,768	\$ 10,670,925	2.9%
Personnel	8,425,291	8,638,704	8,961,495	3.7%
Operating	860,101	1,705,064	1,684,430	-1.2%
Capital	7,056	25,000	25,000	0.0%
Pupil Transportation	\$ 8,103,644	\$ 8,423,911	\$ 8,435,801	0.1%
Personnel	6,125,423	6,359,178	6,471,068	1.8%
Operating	1,875,402	2,064,733	1,964,733	-4.8%
Capital	102,819	-	-	----
Operations & Maintenance	\$ 11,865,251	\$ 12,036,534	\$ 12,095,194	0.5%
Personnel	5,687,540	5,960,222	6,012,977	0.9%
Operating	6,103,611	6,009,429	6,015,334	0.1%
Capital	74,100	66,883	66,883	0.0%
Instruction	\$ 135,989,923	\$ 139,711,431	\$ 143,509,281	2.7%
Personnel	128,575,941	131,457,362	134,995,292	2.7%
Operating	5,791,015	6,915,800	7,155,720	3.5%
Capital	1,622,967	1,338,269	1,358,269	1.5%
Facilities	\$ 1,685,820	\$ 1,299,114	\$ 1,303,157	0.3%
Personnel	130,979	134,497	138,540	3.0%
Operating	1,234,629	865,443	865,443	0.0%
Capital	320,212	299,174	299,174	0.0%

School Operating Fund

Revenue Detail	FY15 Actual	FY16 Budget	FY17 Budget	% Change FY16 to FY17
Charges for Services	\$ 847,114	\$ 825,500	\$ 847,500	2.7%
Tuition Payments	607,570	555,500	577,500	4.0%
Drivers Ed Fees	141,000	170,000	170,000	0.0%
Student Parking Fees	98,544	100,000	100,000	0.0%
Miscellaneous Revenue	\$ 615,611	\$ 1,169,200	\$ 1,189,200	1.7%
Recovered Costs	\$ 380,122	\$ 573,000	\$ 463,000	-19.2%
Miscellaneous Refunds	344,731	545,000	420,000	-22.9%
Payments - Other Agencies	35,391	28,000	43,000	53.6%
Intergovernmental	\$ 93,281,142	\$ 92,272,058	\$ 93,985,658	1.9%
Sales Tax	18,206,793	18,201,206	19,276,746	5.9%
State Aid				
Basic Aid	47,412,841	46,576,343	45,949,185	-1.3%
Fringe Benefits	8,549,854	8,315,786	8,642,535	3.9%
Special Education-SOQ	6,711,741	6,650,548	6,679,243	0.4%
Incentive Funds	819,218	648,000	1,178,494	81.9%
Textbook	1,010,647	1,001,433	1,110,980	10.9%
Compensation Supplement	-	764,346	688,526	-9.9%
Prevention, Intervent & Remediation	790,908	562,018	647,684	15.2%
Vocational Education - SOQ	441,147	437,125	506,003	15.8%
Gifted and Talented-SOQ	493,665	489,164	485,763	-0.7%
Other Non-Categorical State Aid	452,273	355,500	355,500	0.0%
K-3 Class Size Reduction	182,785	180,580	334,331	85.1%
Virginia PreSchool Initiative	192,132	199,248	249,572	25.3%
At-Risk	264,905	262,466	226,523	-13.7%
Remedial Summer School	-	209,945	194,126	-7.5%
English as a Second Language	113,769	125,172	141,555	13.1%
Early Reading Intervention	124,095	122,215	121,294	-0.8%
Foster Home Children	113,251	110,507	113,486	2.7%
Career and Technical	114,813	93,377	92,356	-1.1%
SOL Algebra Readiness	86,783	86,783	84,336	-2.8%
Homebound Instruction	42,282	43,128	46,583	8.0%
Special Ed - Jail Program	36,213	78,910	34,579	-56.2%
Other Lottery Funds	31,708	31,708	31,708	0.0%
General Adult Education	9,182	9,450	9,450	0.0%
Categorical Federal Aid				
Title VI-B Flow Thru	3,084,825	3,200,000	3,200,000	0.0%
Title I	1,112,237	990,000	990,000	0.0%
Head Start	1,020,300	980,000	980,000	0.0%
Medicaid Reimbursement	766,068	564,900	625,400	10.7%
Title II	283,281	300,000	300,000	0.0%
JROTC	192,175	200,000	200,000	0.0%
Carl Perkins Grant	149,443	155,000	155,000	0.0%
Infants & Toddlers - Federal	126,339	130,000	130,000	0.0%
Preschool Grants	74,740	78,000	78,000	0.0%
Adult Education	106,464	62,500	70,000	12.0%
Title III Subgrant	45,196	40,000	40,000	0.0%
Other Federal Funds	119,069	16,700	16,700	0.0%
Transfers from General Fund	\$ 70,454,428	\$ 77,000,000	\$ 79,529,000	3.3%
Grand Total	\$ 165,578,417	\$ 171,839,758	\$ 176,014,358	2.4%

Food Services Fund**DESCRIPTION**

The Food Services Fund accounts for all of the operations of the school food services program. The elementary and middle schools participate in the National School Breakfast and Lunch Program, which provides subsidized meals to eligible students at reduced or no cost. An a la carte food service program is available at the high schools.

BUDGET SUMMARY	FY15	FY16	FY17	% Change
	Actual	Budget	Budget	FY16 to FY17
Expenditures	\$ 6,741,855	\$ 7,016,800	\$ 7,042,000	0.4%
Personnel	3,189,101	3,545,804	3,445,178	-2.8%
Operating	3,530,634	3,420,996	3,546,822	3.7%
Capital	22,120	50,000	50,000	0.0%
Revenues	\$ 6,546,656	\$ 7,016,800	\$ 7,042,000	0.4%
Local Revenue				
Charges for Services	4,864,428	4,752,016	5,221,284	9.9%
Use of Money & Property	1,731	4,000	4,000	0.0%
Miscellaneous Revenue	25,070	22,000	22,000	0.0%
Intergovernmental Revenue				
Categorical State Aid	49,443	53,061	44,716	-15.7%
Categorical Federal Aid	1,605,984	1,731,910	1,750,000	1.0%
Use of Planned Surpluses	-	453,813	-	-100.0%

Public Utilities Operating Fund

DESCRIPTION

The County's Department of Public Utilities owns, operates and maintains public water and wastewater systems in the Suburban Service Area, the Hanover Courthouse Area and five rural residential subdivisions (collectively, the "System"). The County provides utility service to approximately 19,995 water customers and 19,428 wastewater customers. Extensions of the System are made in support of and in compliance with the County's Comprehensive Plan.

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

The Department develops its overall operations, maintenance and capital construction plans for the System to ensure operational reliability, adequate capacity, and regulatory compliance. Department capital needs are impacted by projects constructed in support of the County's Comprehensive Plan, rehabilitation and maintenance requirements of the System and maintaining compliance with State and Federal regulations. The Department operates the System with County personnel and maintains the System with both County and private contractor personnel. The Department reads meters, prepares bills and maintains customer accounts. The Department's activities extend to providing assistance to other utility purveyors within the County, supporting economic development initiatives, and participating in regional approaches to providing water and wastewater services. These activities are accomplished with 94 full-time employees.

MISSION

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

EXISTING FACILITIES & SERVICE AREAS

The Department's water system consists of eight potable water wells, two surface water treatment plants, six water pumping stations and seven storage facilities. The water transmission and distribution system is comprised of approximately 429 miles of waterline ranging in size from 2 to 30 inches in diameter. The Doswell Water Treatment Plant, rated at 4 million gallons per day (mgd), was constructed in 1974 and upgraded and expanded in 1991. The South Anna Water Treatment Plant is rated at 2.0 mgd and was constructed in the early 1960's. The South Anna plant is currently not in service and would require rehabilitation and upgrades to return it to service. Additional water supplies are provided by long-term contracts with the City of Richmond and Henrico County. Rural systems owned and operated by the Department include Georgetown, Dianne Ridge, Oak Hill Estates, Strawhorn, Sinclair Manor, and Hanover Courthouse.

Public Utilities Operating Fund

The County's wastewater system consists of four wastewater treatment plants and thirty-nine wastewater pumping stations. The wastewater collection system is comprised of approximately 394 miles of sewerline. The Doswell Wastewater Treatment Plant, rated at 1.0 mgd, serves the Doswell area and was placed in service in 1975. Ashland is served by the 2.0 mgd Ashland Wastewater Treatment Plant, which was placed in service in 1992. The Hanover Courthouse area is served by the 0.08 mgd Courthouse Wastewater Treatment Plant, which was placed in service 1978. The Totopotomoy Wastewater Treatment Plant is rated at 7.0 mgd, and was placed in service in 2004. A portion of the wastewater generated in the Suburban Service Area is pumped from Hanover's Beaverdam Creek Wastewater Pump Station (5.4 mgd average capacity) to Henrico County's Strawberry Hill Wastewater Pump Station for conveyance to and treatment at Henrico's wastewater treatment plant under a long-term contract.

WATER SUPPLY CONTRACTS

The County has purchased water from Henrico County since 1974. On April 10, 1995, the County negotiated a new agreement with Henrico County to purchase up to 0.775 mgd. The term of the Henrico water contract is through June 30, 2014, and continues thereafter until terminated by either the County Manager of Henrico or the County Administrator of Hanover, upon giving the other party ten years written notice.

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

WASTEWATER TREATMENT CONTRACT

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

FINANCIAL & BUDGETARY PROCEDURES

The Director of Public Utilities is responsible for budgeting, accounting, procurement, billing, collection activities, capital construction and financial and strategic planning for the System.

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

Public Utilities Operating Fund

In support of the County's Comprehensive Plan and the Voluntary Settlement Agreement with the Town of Ashland (which provided for annexation of certain territory and the merger of the Ashland and County water and wastewater systems), the Department plans, implements and funds improvements to make water and wastewater capacity available for properties located within the County's suburban services area and the Town of Ashland.

The Utility Operating Fund, which is funded by utility ratepayers, reimburses the County's General Fund on an allocated cost basis for services such as procurement, finance, information technology, human resources, and legal that are provided by other County departments to support the Department. In addition, although the Department is a part of the County government and thus tax exempt, the County's General Fund assesses a separate charge to the Utility Enterprise Fund to recover public safety costs, which are not a part of the allocated cost payment.

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

RATES, FEES AND CHARGES

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

Public Utilities Operating Fund

BUDGET SUMMARY	FY15 Actual	FY16 Budget	FY17 Budget	% Change FY16 to FY17
Expenditures	\$ 28,723,762	\$ 32,728,981	\$ 33,201,809	1.4%
Personnel	5,907,634	6,299,515	6,599,141	4.8%
Operating				
Operating	10,100,198	10,871,669	10,499,847	-3.4%
Operating Capital	413,921	976,969	818,833	-16.2%
Reserve for Construction	-	99,780	-	-100.0%
Debt Service				
Principal	2,406,830	2,371,830	2,416,830	1.9%
Interest	876,988	872,085	779,849	-10.6%
Capital	9,018,191	11,237,133	12,087,309	7.6%
Revenues	\$ 32,550,047	\$ 32,728,981	\$ 33,201,809	1.4%
Local Revenue				
Permits, Fees & Licenses	442,993	405,000	440,000	8.6%
Use of Money & Property	108,365	100,000	100,000	0.0%
Charges for Services	22,943,104	22,127,000	23,772,000	7.4%
Non-Operating Revenue	7,859,486	5,920,000	5,920,000	0.0%
Recovered Costs	288,437	279,500	279,500	0.0%
Miscellaneous Revenue	243,472	175,000	175,000	0.0%
Intergovernmental Revenue				
Categorical State Aid	664,190	-	-	----
Use of Planned Surpluses	-	3,722,481	2,515,309	-32.4%
Full-time Equivalents (FTE)	91.00	93.00	94.00	
Full-time Positions	91.00	93.00	94.00	
Part-time Positions	-	-	-	

Public Utilities Operating Fund

LARGEST CUSTOMERS: WATER

The following table provides annual data on the County’s ten largest water customers for the fiscal year ended June 30, 2015:

	Water Usage*	Water Revenue	% of Total Revenue
Bear Island Paper Company, L.P.	443,889	\$ 1,036,641	7.40%
Tyson Food	256,137	611,361	4.37%
Kings Dominion	209,415	571,738	4.08%
Doswell Limited Partnership	61,413	156,701	1.12%
Hanover Medical Park	51,322	184,668	1.32%
Randolph - Macon College	33,611	170,490	1.22%
Covenant Woods	19,649	92,315	0.66%
Aqua Virginia	18,561	82,760	0.59%
Hanover Crossing Apartments	10,247	49,666	0.35%
Caroline County	9,407	47,527	0.34%
Total	1,113,651	\$ 3,003,867	21.45%

The ten largest water customers together represent about 21.45% of total water operating and non-operating revenues, with the largest customer representing approximately 7.40% of that total.

LARGEST CUSTOMERS: WASTEWATER

The following table provides annual data on the County’s ten largest wastewater customers for the fiscal year ended June 30, 2015:

	Wastewater Usage*	Wastewater Revenue	% of Total Revenue
Kings Dominion	54,857	\$ 244,618	1.57%
Hanover Medical Park	49,058	257,395	1.66%
Randolph - Macon College	29,249	170,962	1.10%
Covenant Woods	12,657	69,650	0.45%
Hanover Crossing Apartments	10,247	58,150	0.37%
Mill Trace Apartments	8,818	54,437	0.35%
Shelter Management	7,978	56,450	0.36%
Ashland Town Square	6,538	42,477	0.27%
Richfood	6,408	33,076	0.21%
Cold Harbor Apartments	6,185	67,647	0.44%
Total	191,995	\$ 1,054,862	6.79%

The ten largest wastewater customers together represent about 6.79% of total operating and non-operating wastewater revenues with the largest customer representing approximately 1.57% of that total. Water and wastewater usage by a specific customer may not be equal based upon the specific needs for each service.

**In 1,000 gallons*

Public Utilities Operating Fund

RATE STRUCTURE: WATER

Base Charge by Meter Size

Meter Size

5/8 inch & 3/4 inch

1 inch

1 1/2 inch

2 inch

3 inch

4 inch

6 inch

FY16

FY17

\$	9.62	\$	9.86
	24.08		24.68
	48.02		49.22
	76.80		78.72
	153.62		157.46
	240.03		246.03
	480.05		492.05

Residential Rates

Base Charge

By meter size (table above)

Consumption Charge (per 1,000 gallons):

Consumption

0 to 4,000 gallons

4,001 to 15,000 gallons

Above 15,000 gallons

\$	1.53	\$	1.57
	4.65		4.77
	6.05		6.20

Commercial Schedule I Rates

Base Charge

By meter size (table above)

Consumption Charge (per 1,000 gallons):

Consumption

0 to 15,000 gallons

15,001 to 1,000,000 gallons

Above 1,000,000 gallons

Separate irrigation meter

\$	4.13	\$	4.23
	4.65		4.77
	2.59		2.65
	5.73		5.87

Commercial Schedule II Rates

Base Charge

\$ 147.72 \$ 151.41

Consumption Charge (per 1,000 gallons):

Consumption

All usage

Peak Use Fee*

\$	2.40	\$	2.46
	1.48		1.52

Commercial Schedule III Rates

Base Charge

\$ 14,770.97 \$ 15,140.24

Consumption Charge (per 1,000 gallons):

Consumption

All usage

Peak Use Fee*

\$	1.96	\$	2.01
	1.48		1.52

*Peak Use Fee - Consumption charge is per 1,000 gallons greater than 150% of previous fiscal year average

Public Utilities Operating Fund

RATE STRUCTURE: WASTEWATER

Base Charge by Meter Size

Meter Size

	<u>FY16</u>		<u>FY17</u>
5/8 inch	\$ 20.23	\$	20.74
3/4 inch	20.23		20.74
1 inch	20.23		20.74
1 1/2 inch	20.23		20.74
2 inch	101.16		103.69
3 inch	101.16		103.69
4 inch	101.16		103.69
6 inch	101.16		103.69

Residential Rates

Base Charge By meter size (table above)

Consumption Charge (per 1,000 gallons):

Consumption

0 to 4,000 gallons	\$ 5.42	\$	5.56
Above 4,000 gallons	6.84		7.01
Flat Rate Wastewater	94.50		96.86

Commercial Schedule I Rates

Base Charge By meter size (table above)

Consumption Charge (per 1,000 gallons):

Consumption

0 to 50,000 gallons	\$ 6.32	\$	6.48
Above 50,000 gallons	5.07		5.20

Commercial Schedule II Rates

Base Charge \$ 1,264.65 \$ 1,296.27

Consumption Charge (per 1,000 gallons):

Consumption

All usage	\$ 4.17	\$	4.27
Peak Use Fee*	1.25		1.28

*Peak Use Fee - Consumption charge is per 1,000 gallons greater than 150% of previous fiscal year average

Public Utilities Operating Fund

CAPACITY FEES

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

	<u>FY16</u>	<u>FY17</u>
Residential Water		
Standard Connection	\$ 5,982	\$ 5,982
 Commercial, Industrial and Public Facilities Water		
Capacity fees for these entities are based on meter size.		
<u>Meter Size</u>		
5/8 inch	\$ 5,982	\$ 5,982
1 inch	13,226	13,226
1 1/2 inch	26,451	26,451
2 inch	42,322	42,322
3 inch	84,643	84,643
4 inch	**	**
6 inch	**	**
8 inch	**	**
 Residential Wastewater		
Standard Connection	\$ 6,149	\$ 6,149
 Commercial, Industrial and Public Facilities Water		
Capacity fees for these entities are based on meter size.		
<u>Meter Size</u>		
5/8 inch	\$ 6,149	\$ 6,149
1 inch	15,371	15,371
1 1/2 inch	30,744	30,744
2 inch	49,189	49,189
3 inch	98,380	98,380
4 inch	**	**
6 inch	**	**
8 inch	**	**

**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.

Public Utilities Operating Fund

OBJECTIVES

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

SERVICE LEVELS

	FY15 Actual	FY16 Budget	FY16 Forecast	FY17 Budget
Water customers	19,995	20,327	20,490	21,000
Wastewater customers	19,428	19,776	19,923	20,434
Customer calls	46,134	49,935	49,368	52,819
Plans reviewed	365	500	342	500
Water distributed (mgd)	8.80	9.84	9.42	9.65
Wastewater collected (mgd)	5.90	5.45	6.58	6.74
Miles of water line maintained	429	435	432	440
Miles of sewer line maintained	394	396	396	398

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Airport Fund

DESCRIPTION

The Hanover County Airport is a 260 acre facility strategically located between Ashland and Richmond, and is easily accessible to Interstates 95 and 295 for multimodal transportation. The airport is a reliever airport within the Richmond Metropolitan Service Area that provides over \$29 million in yearly economic impact, based on a 2010 study contracted by the Virginia Department of Aviation. The facility has a 5,400 x 100 foot runway, non-precision landing system and with the services provided by a contracted operator, the airport is able to accommodate corporate aircraft and the businesses which they represent. Services at the facility include flight instruction, aircraft fueling, aircraft charters, aircraft sales, repairs, rentals and aircraft storage.

BUDGET SUMMARY	FY15 Actual	FY16 Budget	FY17 Budget	% Change FY16 to FY17
Expenditures	\$ 441,851	\$ 4,585,446	\$ 7,494,915	63.5%
Personnel	104,123	105,944	107,068	1.1%
Operating				
Operating	56,543	61,561	60,535	-1.7%
Reserve for Revenue Transfers	-	50,000	50,000	0.0%
Debt Service				
Principal	-	77,883	81,890	5.1%
Interest	68,024	64,116	60,008	-6.4%
Capital	213,161	4,225,942	7,135,414	68.8%
Revenues	\$ 400,011	\$ 4,585,446	\$ 7,494,915	63.5%
Local Revenue				
Miscellaneous Revenue	(111,902)	-	-	----
Reserve for Revenue	-	50,000	50,000	0.0%
Use of Money & Property	199,970	207,290	207,300	0.0%
Intergovernmental Revenue				
Categorical State Aid	82,529	331,894	534,047	60.9%
Categorical Federal Aid	139,340	3,885,901	6,408,419	64.9%
Use of Planned Surpluses	-	50,000	242,900	385.8%
Transfers In	90,074	60,361	52,249	-13.4%
Generated Revenue Percent	77.5%	98.7%	99.3%	
General Fund Revenue Percent	22.5%	1.3%	0.7%	
Full-time Equivalents (FTE)	1.00	1.00	1.00	
Full-time Positions	1.00	1.00	1.00	
Part-time Positions	-	-	-	

Airport Fund

BUDGET HIGHLIGHTS

The Airport Fund tracks the revenue, debt service, operating and capital transactions for this activity. The personnel category increase is due to a countywide compensation adjustment. There is a slight decrease in operating due primarily to lower electricity rates. FY17 capital improvements include \$6.9M of grant funding.

Approximately \$5,300 in aircraft personal property tax was assessed in the County in 2015.

GOALS AND OBJECTIVES

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

SERVICE LEVELS

	FY15 Actual	FY16 Budget	FY16 Forecast	FY17 Budget
Number of based aircraft	110	110	110	110
Aircraft hangar spaces	54	54	54	54
Aircraft tie down spaces	56	56	56	56
Corporate Hangars (sq/ft)	14,800	14,800	14,800	14,800
Gallons of fuel sold	201,061	190,000	191,000	201,000

Economic Development Authority Fund

DESCRIPTION

The Economic Development Authority (EDA) consists of seven members appointed from each magisterial district in the County. The EDA (formerly Industrial Development Authority (IDA)) was created by ordinance on August 30, 1967, and is a political subdivision of the Commonwealth of Virginia, but has no taxing authority. The EDA is empowered to acquire, construct, improve, maintain, equip, own, lease and dispose of various types of facilities, including facilities for use by the County, and to finance the same by issuance of revenue bonds. Hanover's EDA is primarily used for considering industrial revenue bond requests and assisting the County in lease revenue bonds. Revenue is generated from a management fee of 1/10 of 1% of all outstanding debt issued after 1996 from inducement resolutions approved by the EDA.

BUDGET SUMMARY	FY15 Actual	FY16 Budget	FY17 Budget	% Change FY16 to FY17
Expenditures	\$ 225,895	\$ 225,950	\$ 168,480	-25.4%
Operating	225,895	225,950	168,480	-25.4%
Revenues	\$ 310,368	\$ 225,950	\$ 168,480	-25.4%
Local Revenue				
Permits, Fees & Licenses	204,218	187,550	168,480	-10.2%
Intergovernmental Revenue				
Categorical State Aid	50,000	-	-	----
Use of Planned Surpluses	-	38,400	-	-100.0%
Transfers In	56,150	-	-	----
Generated Revenue Percent	81.9%	100.0%	100.0%	
General Fund Revenue Percent	18.1%	0.0%	0.0%	

BUDGET HIGHLIGHTS

The FY17 budget includes the pass-through funds that are used to support the Economic Development Department in the General Fund. The decrease in revenue is due to having no budgeted Use of Planned Surpluses in FY17. The accompanying decrease in expenditures reduces the reimbursement to the County to offset costs associated with managing the Fund.

GOALS AND OBJECTIVES

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

Self-Insurance Fund**DESCRIPTION**

The Self-Insurance Fund provides for fiscal management of the County and School Board health insurance costs, Clinic and Wellness Program. The employer's share of health insurance costs and retiree healthcare liability costs are budgeted in departmental budgets, but this internal service fund serves in the payment of claims, accounting for employee health insurance deductions, and providing adequate reserves to mitigate increases in claims beyond those anticipated. The revenue for the fund comes primarily from employer contributions and employee deductions. Each employee has a deduction based on the level of coverage selected in the program.

BUDGET SUMMARY	FY15 Actual	FY16 Budget	FY17 Budget	% Change FY16 to FY17
Expenditures	\$ 28,675,259	\$ 33,315,180	\$ 32,888,252	-1.3%
Personnel	28,607,313	32,741,180	32,155,352	-1.8%
Operating	67,946	574,000	732,900	27.7%
Revenues	\$ 32,591,691	\$ 33,315,180	\$ 32,888,252	-1.3%
Local Revenue				
Investment Income	75,921	68,100	75,000	10.1%
Recovered Costs	99,122	75,000	75,000	0.0%
Employee	9,610,418	9,707,300	9,534,930	-1.8%
Employer	22,619,678	22,563,300	23,191,322	2.8%
Employer FICA Savings	12,654	10,000	12,000	20.0%
OPEB	173,898	184,000	-	-100.0%
Use of Planned Surpluses	-	707,480	-	-100.0%
Generated Revenue Percent	100.0%	100.0%	100.0%	
General Fund Revenue Percent	0.0%	0.0%	0.0%	
Full-time Equivalents (FTE)	0.50	1.00	1.00	
Full-time Positions	-	1.00	1.00	
Part-time Positions	0.50	-	-	

BUDGET HIGHLIGHTS

The overall decrease in FY17 expenses is based on market trend increases in health care claims offset by claims not increasing as high as budgeted in FY16. Employer health insurance costs will remain flat at \$7,470 for each full-time participating employee. The operating increase is due to increased funding for both the County Wellness Program and Clinic.

Bell Creek Community Development Authority (CDA)

DESCRIPTION

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

The Bell Creek Community Development Special Assessment Bonds were issued in 2003 in the total principal amount of \$15,980,000. The bonds were issued to finance the acquisition and construction of roads and road improvements, water and sanitary sewer improvements, storm water management improvements and certain other infrastructure improvements. The Board of Supervisors, at the request of the Bell Creek CDA, adopted a special assessment levy on all residential, retail, commercial and light industrial properties within the authority to repay the bonds. As of June 30, 2015, \$14,271,000 of the bonds has been repaid, reducing the outstanding debt to \$1,709,000.

BUDGET SUMMARY	FY15 Actual	FY16 Budget	FY17 Budget	% Change FY16 to FY17
Expenditures	\$ 207,136	\$ 160,000	\$ 120,000	-25.0%
Operating	207,136	160,000	120,000	-25.0%
Revenues	\$ 206,507	\$ 160,000	\$ 120,000	-25.0%
Local Revenue				
Recovered Costs	206,507	160,000	120,000	-25.0%



Lewistown Community Development Authority (CDA)

DESCRIPTION

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

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

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

BUDGET SUMMARY	FY15 Actual	FY16 Budget	FY17 Budget	% Change FY16 to FY17
Expenditures	\$ 1,800,459	\$ 659,440	\$ 675,411	2.4%
Operating	1,800,459	659,440	675,411	2.4%
Revenues	\$ 1,704,321	\$ 659,440	\$ 675,411	2.4%
Local Revenue				
Recovered Costs	1,170,832	133,440	137,411	3.0%
Transfers In	533,489	526,000	538,000	2.3%
Generated Revenue Percent	68.7%	20.2%	20.3%	
General Fund Revenue Percent	31.3%	79.8%	79.7%	

Debt Service Fund

DESCRIPTION

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

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

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

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

As of June 30, 2015, the County had total bonded debt outstanding of \$138.0 million. Of this amount, \$120.2 million comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured by specified revenue sources (i.e., revenue bonds and obligations under capital leases).

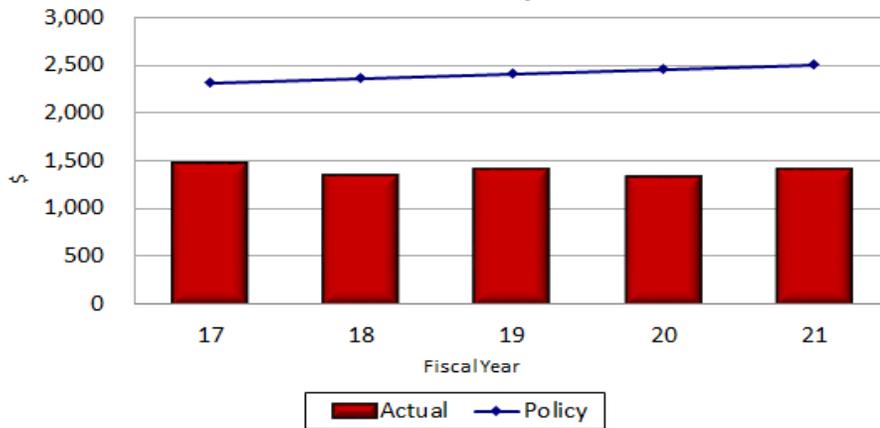
DEBT RATIO POLICIES

In an effort to maintain fiscal restraint and control, the Board of Supervisors has established guidelines for each of the following debt ratios: debt per capita (\$1,900 growing by 2% annually beginning FY2008); debt to assessed value (2.5%); debt service to general (non-capital) government expenditures (10%); and debt per capita income (\$5,000). The following graphs illustrate the County's actual and projected compliance with the debt policy.

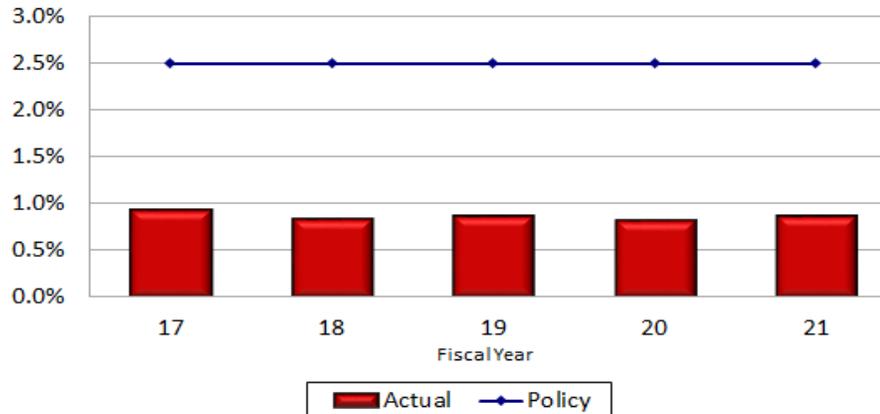
Debt Service Fund

BUDGET SUMMARY	FY15 Actual	FY16 Budget	FY17 Budget	% Change FY16 to FY17
Expenditures	\$ 19,342,647	\$ 19,668,500	\$ 19,857,700	1.0%
Operating	14,588	18,500	17,500	-5.4%
Debt Service				
Principal	12,581,509	12,377,200	12,788,600	3.3%
Interest	6,713,923	7,272,800	6,951,600	-4.4%
Issuance Costs	32,627	-	100,000	----
Revenues	\$ 43,214,592	\$ 19,668,500	\$ 19,857,700	1.0%
Local Revenue				
Miscellaneous Revenue	23,937,839	-	100,000	----
Intergovernmental Revenue				
Categorical Federal Aid	252,570	252,843	252,843	0.0%
Transfers In	19,024,183	19,415,657	19,504,857	0.5%
Generated Revenue Percent	56.0%	1.3%	1.8%	
General Fund Revenue Percent	44.0%	98.7%	98.2%	

Debt Per Capita

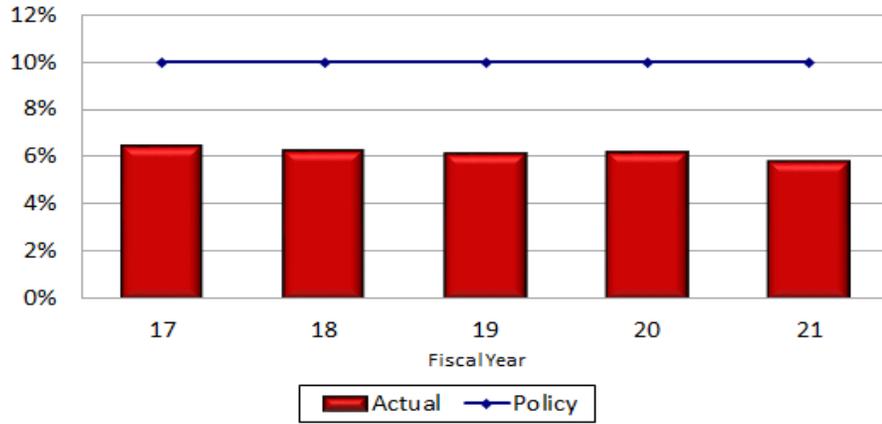


Debt to Assessed Value



Debt Service Fund

Debt to General Governmental Expenditures



Debt per Per Capita Income

