

## FY09 Budget Highlights

The following budget highlights are presented to illustrate how the budget strives to achieve the Board's adopted policy-budget guidelines:

**Quality of Life/Efficient and Effective:** The budget is based upon enabling the County to provide a *superior quality of life* that focuses *efficiently and effectively on the general well being, education and safety of the people*.

**Revenue Sources – Mitigate Tax Burden, Maximize Non-Local Sources, Diversify Local Sources:** The real property tax rate remains at 81 cents and the personal property tax rate remains at \$3.57, while continuing to meet priority service level demands and position the County with a strong financial base for long-term capital needs. No property tax rate changes are projected in the Five-Year Financial Plan. Fee-recovery programs have been targeted in those areas in which inflationary costs and other service level demands were warranted. Non-local revenue sources continue to be recognized, primarily in human service areas of Social Services and Community Services Board, although State revenues are below expectations for FY09. This budget includes a property tax due date modification that will mitigate the burden of December 5<sup>th</sup> payments on taxpayers and results in greater efficiency and accuracy of tax bills.

**Service Delivery:** Through *sound financial management practices*, funding is provided to ensure *service delivery* is maintained in all County departments and capital planning goals are also attained in the Capital Improvements Program.

**Priority - Education:** Total school operating budget increased by 7.4% and local funding of schools increased by 5.1%. The revenues provided by the State for FY09 have increased by 9.8%, with local funding 49.0% of the total operating budget. The five-year target operating budget and schools capital plan were formulated to accommodate existing service level demands as well as the significant operating impacts of Laurel Meadow Elementary School and the Hanover Center for Trades and Technology. The opening of opening Laurel Meadow Elementary School in 2008 will provide the County with the capacity to meet long-term enrollment needs.

**Priority - Public Safety:** This priority service continues to be addressed through the addition of 14 positions - Sheriff's Office (5), Fire/EMS (8), and Emergency Communications (1). The Sheriff's Office continues to increase its sworn officers to 10,000 population ratio from 19.5 in FY08 to 19.7 in FY09 with ultimate goal of 20.0 by FY13. The additional positions in Fire/EMS will allow for daytime staffing of the Black Creek Fire Station, additional support to the Mechanicsville Station, and additional EMS coverage in the rural areas of Hanover. Finally, this budget includes funding for the enhanced VRS LEOS benefit for both the Sheriff's Office and Fire/EMS department beginning January 1, 2009.

**Compensation/Benefits:** The provision of a 3.5% average salary increase for the schools and the County further ensures that the compensation program remains competitive to attract and retain outstanding employees. Additionally, funding is provided for the annual salary benchmark review, health insurance to enable a moderate increase of only 3% to employee's premiums after two years of no increases, and funding for VRS retiree health care benefits for non-LEOS positions beginning January 1, 2009.

**Financial Management:** Debt and fund balance financial policies continue to be met in each year of the Five-Year Financial Plan. This ensures adequate reserves, limits the County's debt burden and maintains the AAA bond rating. The County continues to stagger construction of the 2005 referendum projects and the new Courts building to manage the debt burden. In addition, the budget utilization of prior year's balance maintains the undesignated fund balance goal of 10.6% of revenues.

**Public Utilities:** To reflect accurately the costs of providing quality and reliable *service delivery* to new and existing customers, water utility user fees are increasing by 6.0%, sewer user fees by 5.0% and capacity fees by 6.0%. These increases are slightly lower than anticipated in the five-year rate study model, which indicated that additional revenue is required for Public Utilities to fund its long-term capital plans.

Note: Words *italicized* in the above highlights are meant to illustrate connection to words and phrases used in the County's mission statement.