



FY 2013 Budget Guidance

December 6, 2011

Budget Guidance and Timeline

■ Budget Guidance

- BOCS directs tax revenue policy upon which CXO and Superintendent will propose FY 13 budgets

■ Timeline:

- BOCS Budget Guidance - December 6
- Governor's Budget - December 19 (est)
- Efficiency Report - February 7
- CXO's Proposed Budget - February 14
- BOCS authorize advertised tax rate - February 21
- Budget work sessions & public hearing - March & April
- Budget adoption - April 24

Information Provided to Date

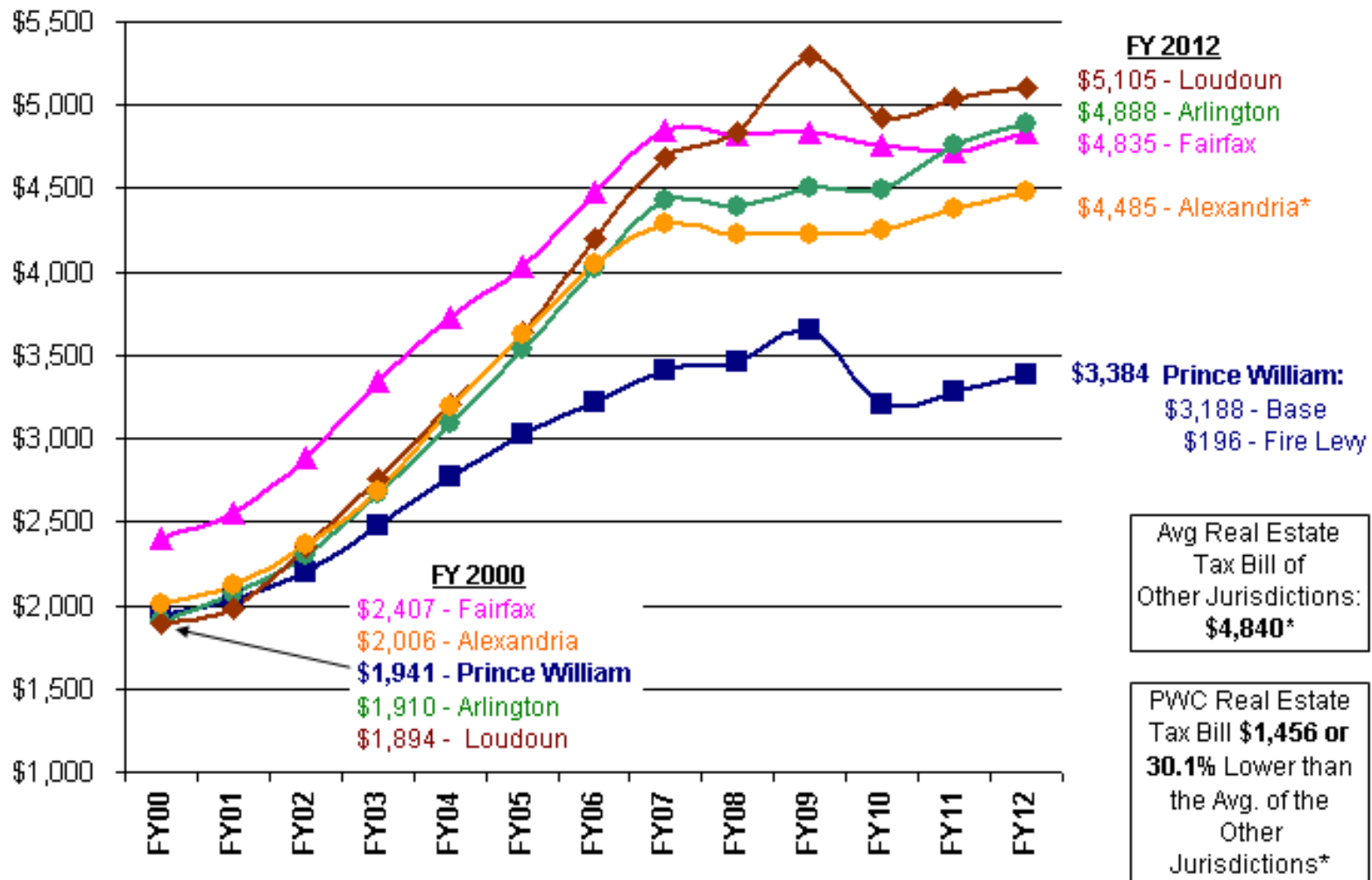
- **Financial Retreat**
- **Police presentation**
- **Fire and Rescue presentation**
- **School Board/County Board meeting**
- **Legislative presentation**
- **TIP Presentation**

Cost of Government in PWC Remains Low

■ Revenues:

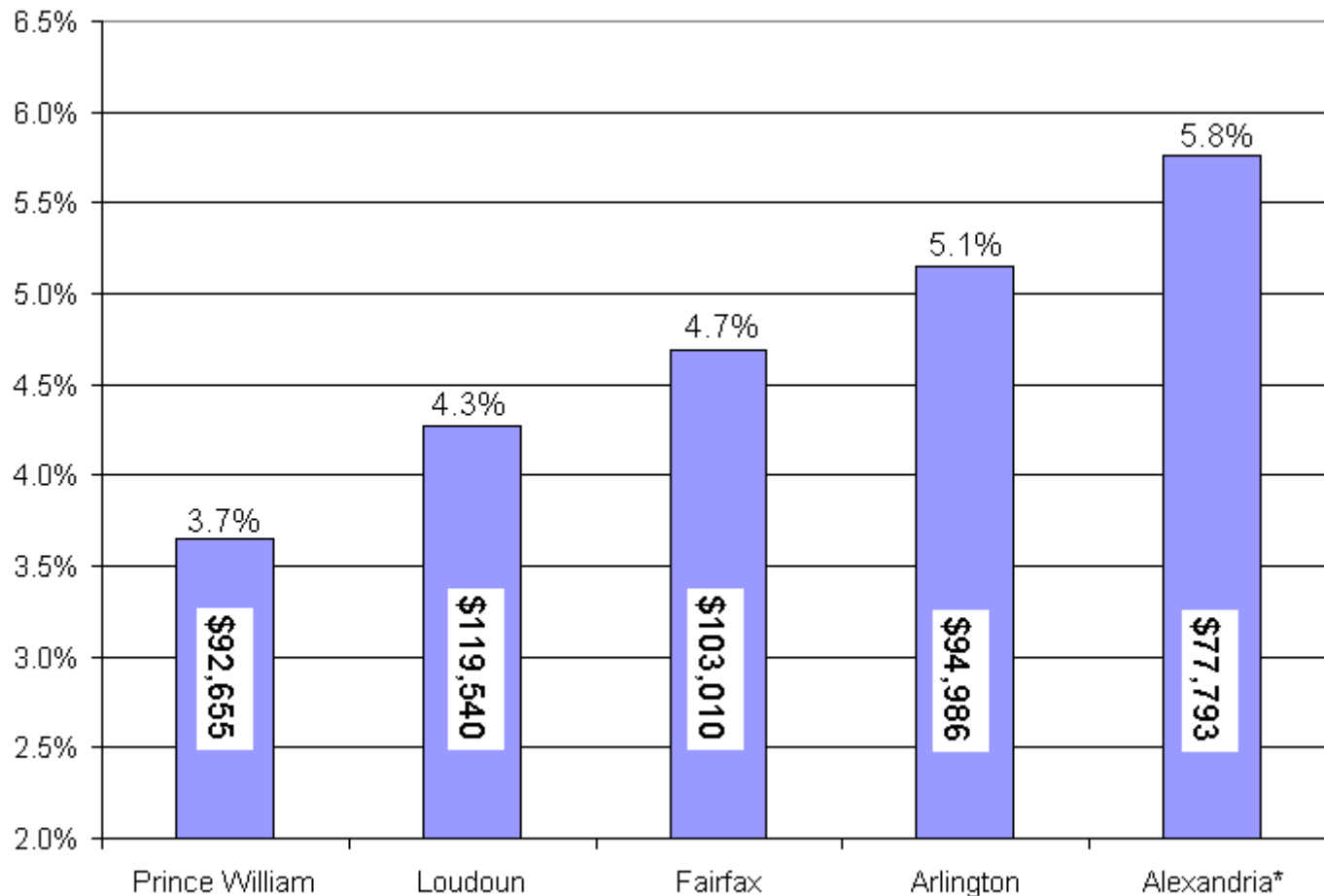
- BOCS has kept the tax burden low on homeowners and very competitive within the region
- Revenue projections conservative and very accurate
- Organization has culture of saving money:
 - ◆ Revenue Stabilization Reserve created during better budget times has helped County address downturn
 - ◆ Zero-based budget analyses have found considerable savings
- Fire levy reduced
- Solid waste fees remain flat

PWC has the Lowest Residential Tax Bill in Northern Virginia



Tax information taken from various jurisdiction's websites

PWC Also Has the Lowest Tax Burden (FY 2012 Avg. Tax Bill/Median Household Income)



Median Household Income Source: U S Census Bureau American Fact Finder 2010 American Community Survey 1-Year Estimate
Tax information taken from various jurisdiction's websites

We Have Fiscally Conservative Budget Policies

- BOCS does not automatically replace lost funding from Federal, State or outside sources
- Never spend one-time funding on ongoing operations
- Adopt a Five Year Budget Plan vs. one year budget
- No automatic increase for inflation in agency budgets

Our Population Continues to Grow

■ Total population

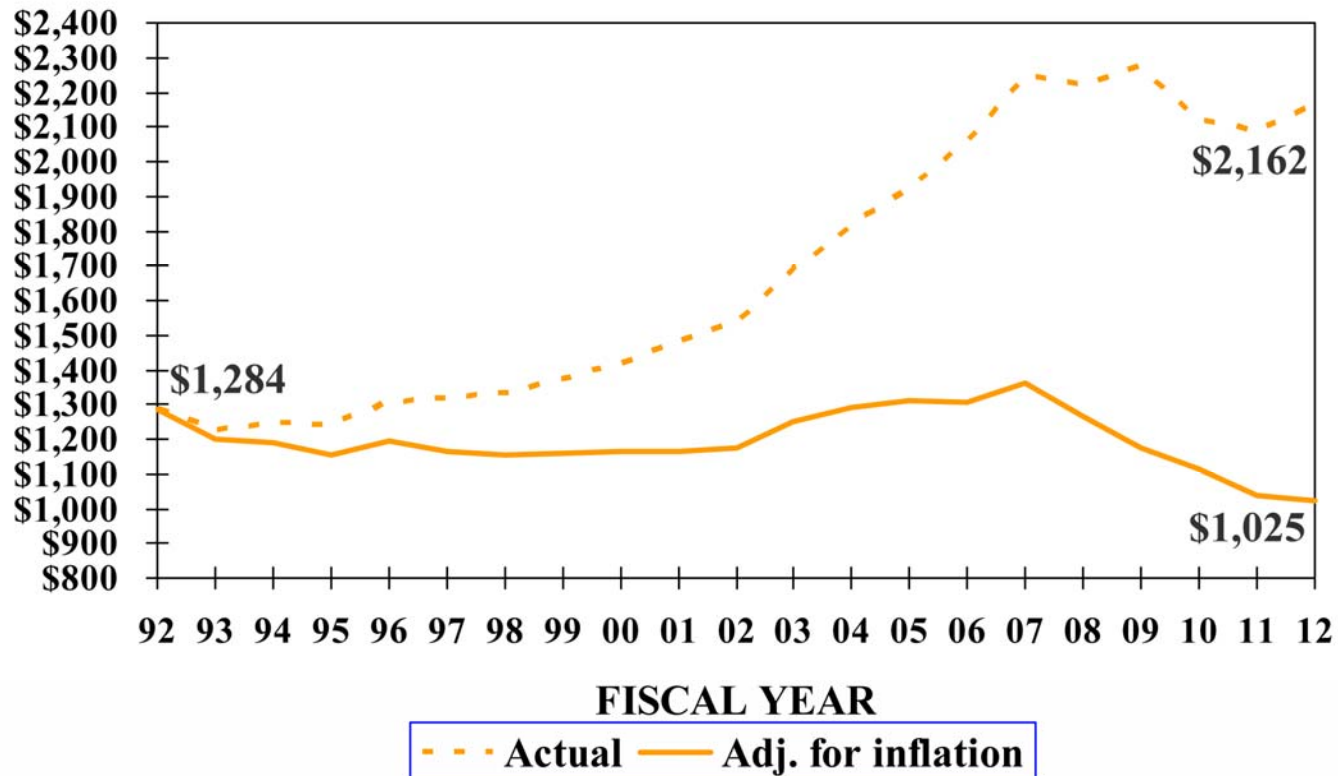
- FY 10 total population = 392,900
- FY 12 total population = 409,345 as of 6/15/11
- 4.2% increase over last three years

■ Student population:

- FY 10 student population = 76,656
- FY 12 student population = 81,635
- 6.5% increase over last three years

Our Cost per Capita Continues to Decline

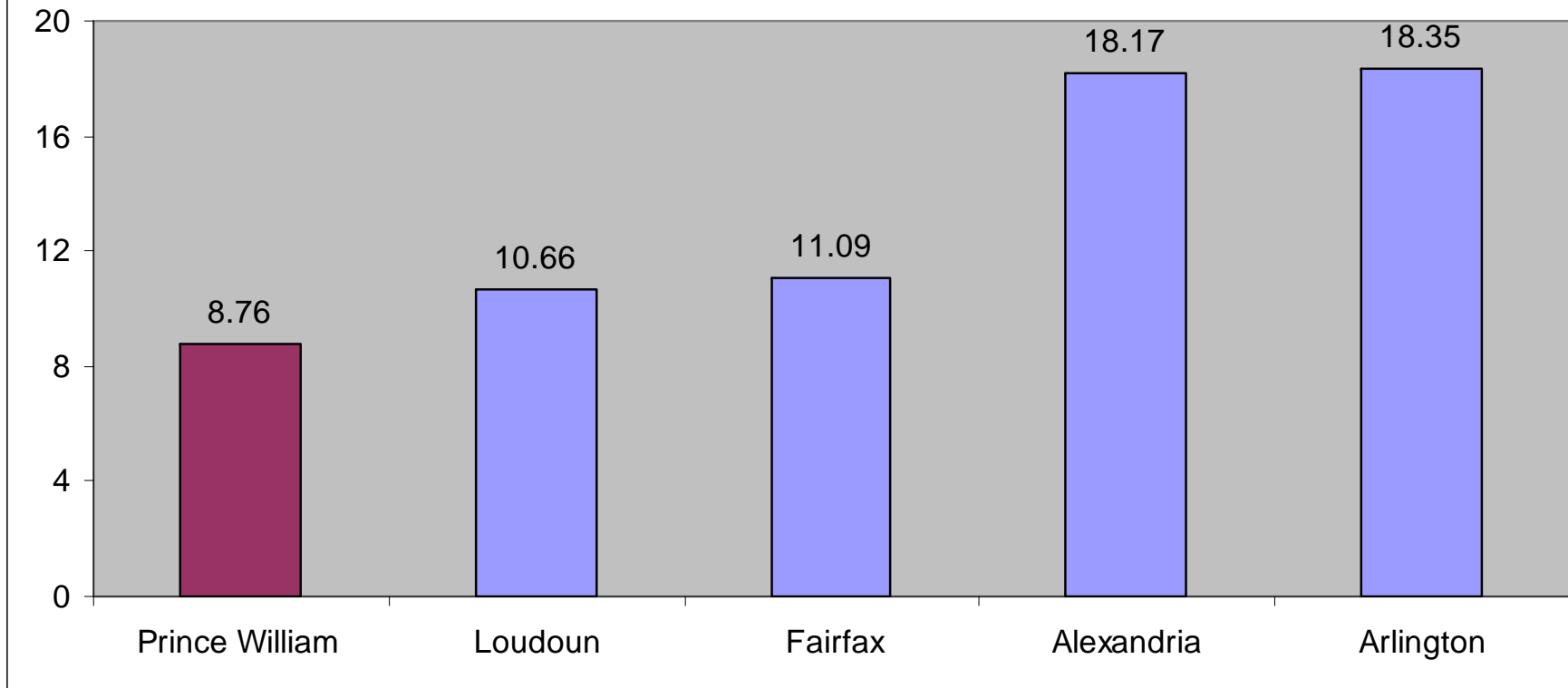
COST PER CAPITA OF GENERAL FUND BUDGETS



Note: All Years Adopted

We are Working with Only Core Staffing

FTEs per 1000 Population
Approved FY 2012 Budgets



FY 2012 First Quarter General Revenue Update (through September 23, 2011)

<i>(Amounts in millions)</i> Category of General Revenues	Prior Year	FISCAL YEAR 2012			
	<u>FY 11</u> Year-End	<u>1st Qtr.</u> Revised	<u>Adopted</u>	<u>Net</u> Variance	<u>% from</u> Adopted
Real Estate Taxes	\$478.7	\$493.1	\$494.0	(\$).9	-0.2%
Personal Property Taxes	122.8	125.8	124.7	1.1	0.9%
Sales Tax	49.6	50.8	50.8	.0	0.0%
Consumer Utility Tax	13.2	13.4	13.4	.0	0.0%
Communications Tax	18.9	19.6	19.6	.0	0.0%
BPOL Tax	21.0	22.0	22.0	.0	0.0%
Investment Income	11.5	7.1	11.0	-3.9	-35.5%
All Other	17.1	17.1	16.2	.9	5.6%
Total General Revenues	\$732.8	\$748.9	\$751.7	(\$2.8)	-0.4%

General Property Taxes:
0.03% Variance

Other Revenue Sources
-2.3% Variance

FY 2013 Have To Do List

■ Board Directive

- The Arc of Greater Prince William contribution \$200K

■ Contractual Obligations

- Birmingham Green \$127K
- Additional inflation for Public Works fuel, leases and Park Authority utilities \$209K
- Innovation dues \$35K
- Building security contract \$107K
- Washington Metropolitan Council of Governments membership increase \$10K
- Audit contract \$25K

■ Capital Projects

- Juvenile Detention Security \$640K

■ Other

- Police vehicle model change \$88K
- Transportation Engineer (50% GF) \$41K
- Park Authority FTE Internal Controls \$85K
- Stormwater Fee Increase

Capital Projects Funded by Adopted BOCS Policy

■ Roads - will complete 2006 road bond

● Minnieville Road (Spriggs - Route 234)	\$17.2M
● PW Parkway (Old Bridge - Minnieville)	\$16.2M
● Rollins Ford Road (Vint Hill - Songsparrow)	\$12.0M
● Route 1 (Neabsco Mills - Featherstone)	\$39.6M

■ Libraries

● Montclair	\$14.7M
● Gainesville	\$11.8M
● Annual Operating Costs (Both libraries - begins FY 15)	\$2.4M

■ Parks

● Fuller Heights Park	\$4.5M
● Catharpin Park	\$3.5M
● Occoquan Riverfront	\$1.5M
● Annual Operating Costs (beginning in FY 13)	\$0.5M

Adopted Five Year Plan Tax Bill Growth

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
<u>Revenue and Resources:</u>	\$1.204	\$1.216	\$1.228	\$1.228	\$1.228
General Revenue	\$756,073,434	\$792,094,851	\$834,683,885	\$878,799,084	\$929,359,378
Agency Revenue	\$104,194,434	\$97,348,969	\$97,149,632	\$96,863,099	\$96,810,364
County Resources	\$29,883,783	\$31,709,047	\$24,357,890	\$15,703,776	\$19,962
Total Revenue & Resources Available	\$890,151,651	\$921,152,867	\$956,191,407	\$991,365,959	\$1,026,189,704
<u>Expenditures:</u>					
County Government	\$464,371,477	\$474,996,369	\$485,932,779	\$496,140,445	\$502,341,083
Transfer To Schools	\$425,780,174	\$446,156,498	\$470,258,628	\$495,225,514	\$523,848,621
Total Expenditures	\$890,151,651	\$921,152,867	\$956,191,407	\$991,365,959	\$1,026,189,704
Total Revenue & Resource Balance	\$0	\$0	\$0	\$0	\$0

Residential Appreciation	5.24%	3.00%	3.00%	4.00%	4.00%
Real Property Tax Rate	\$1.204	\$1.216	\$1.228	\$1.228	\$1.228
Avg. Residential Tax Bill	\$3,188	\$3,316	\$3,449	\$3,587	\$3,731
\$ Increase Over Prior Year	\$78	\$128	\$133	\$138	\$144
% Increase Over Prior Year	2.5%	4.0%	4.0%	4.0%	4.0%

Adopted Five Year Plan Policy

- Average residential tax bill increases by 0.6% in constant dollars keeping tax burden low
- Revenue impacts in FY 13 from prior year
 - County \$15.5M, 4.8% increase
 - Schools \$20.4M, 4.8% increase
- Revenue stabilization fund remains over 1% in Five Year Plan

Recommended Budget Guidance

- Adhere to Principles of Sound Financial Management which resulted in three AAA bond ratings
- Implement BOCS Five Year Plan Policy Adopted in April
- Provide 56.75% of general revenues to Schools at adopted Five Year Plan level
- Continue work on road, park and library projects
- Continue to look for additional savings through zero-based budget analysis and efficiencies
- Provide for public safety improvements

Next Steps

- Governor's Budget December 19 (est.)
- Proposed CIP to BOCS January 10
- Efficiency Report February 7
- Proposed Budget to BOCS February 14
- BOCS Authorizes Advertised Tax Rate February 21
- Budget Work Sessions March
- Public Hearing April
- Budget Markup April 10
- Budget Recap April 17
- Adoption of FY 13 Budget April 24