Overview

- Current Economic Outlook
  - National
  - State
  - Local
- FY 2014 2nd Quarter Revenue Update
- Five Year Revenue Forecasting Process
- FY 2015-2019 Revenue Forecast
  - Residential Real Estate Tax Revenue
  - Commercial Real Estate Tax Revenue
  - Personal Property Tax Revenue
  - Sales Tax Revenue
  - All Other Revenue
  - Summary
CURRENT ECONOMIC OUTLOOK
Current Economic Situation: National

- **S&P 500**: Closed at 1,831.37 on Dec. 31, 2013; Up 168% from 2009 bottom; lost some ground to start out 2014
- **GDP**: 3.2% in 4th Quarter 2013 (prel.), following 4.1% in 3rd Quarter; strengthening economy despite continued sequestration and federal government shutdown in October
- **U.S. Unemployment Rate**: 6.6% in Jan. 2014, compared to 7.9% one year earlier; 1.37 million net new jobs in 2013
- **First time unemployment claims**: currently bounded between 325,000 and 350,000, a slight improvement over 2013
- **New home sales**: total sales in 2013 increased 16.3% to 428,000 from 368,000 in 2012; still well below pre-recession levels
- **Retail sales**: increased 2.4% annually in December; if consumers continue to be willing to spend, consumption gains could be one of the leading contributors to 2014 GDP growth
**Current Economic Situation: State**

- **Unemployment** at 4.8% in December 2013 compared to 5.4% one year earlier.
- **Employment** grew by over 30,000 (0.8%) y-o-y in Q2 CY 2013.
- **Average weekly wages** increased 1.7% y-o-y in Q2 CY 2013.
- **Total state general fund revenue** collections exceeded the forecast by $263.6 million in fiscal year 2013. Total revenues rose 5.3 percent, ahead of the revised annual forecast of 3.6 percent growth.
Currently the Commonwealth does two-year revenue forecasts

The state’s FY 14-15 revenue forecast has been reduced by $140M

- FY 14 General Fund revenue estimates were reduced by $125 million
- FY 15 General Fund revenue estimates were reduced by $15 million

This revision was based on updated economic information and actual revenue collections through January 31, 2014

Year-to-date collections fell .5% from last year, compared to the December forecast for 1.7% growth

The two primary revenue classes that led to this decline are non-withholding individuals (primarily self-employed) and corporate income taxes

This will impact the Commonwealth budget process this year
Current Economic Situation:

Local

- **Unemployment Rate**: 4.3% December 2013 compared to 4.5% in December a year earlier and still below the nation and state rates

- **At-place employment** (117,965 in Q2 CY 2013) up 3.9% y-o-y—12.5% since 2008

- **Housing market values** are moving toward a more sustainable growth rate—inventory still down. Average sale price, Dec. 2013: $335,403—6.1% increase y-o-y

- **2013 foreclosures** (632) down 81% since 2009 peak; down 33% y-o-y

- **Office, Industrial and Flex commercial vacancy rates** improving, Retail vacancy slightly higher, y-o-y. Total vacancy rate (8.4% in December 2013) compared to 9.0% one year earlier; total new construction continues at a generally reduced level from peak

- **Sales tax** revenue growth experienced slight decline due to uncertainty caused by sequestration and the Federal government shutdown
Current Economic Situation: PWC Residential Real Estate Market

Peak to Trough (December 2005 - February 2009)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Peak Home Sale Price - Dec. 2005</td>
<td>$458,627</td>
</tr>
<tr>
<td>Trough Home Sale Price - Feb. 2009</td>
<td>204,378</td>
</tr>
<tr>
<td>Variance from Peak</td>
<td>(254,249)  -55.4%</td>
</tr>
</tbody>
</table>

December 2013

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Home Sale Price - Dec. 2013</td>
<td>$335,403</td>
</tr>
<tr>
<td>Variance from Peak</td>
<td>(123,224)  -26.9%</td>
</tr>
<tr>
<td>Variance from Trough</td>
<td>131,025   64.1%</td>
</tr>
</tbody>
</table>

Average Sale Price Growth Rate
February 2009 - December 2013
All Homes Prince William County and Northern Virginia

<table>
<thead>
<tr>
<th>City</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexandria</td>
<td>50.6%</td>
</tr>
<tr>
<td>Arlington</td>
<td>36.5%</td>
</tr>
<tr>
<td>Fairfax County</td>
<td>44.8%</td>
</tr>
<tr>
<td>Loudoun</td>
<td>45.3%</td>
</tr>
<tr>
<td>Prince William</td>
<td>64.1%</td>
</tr>
<tr>
<td>No. Virginia</td>
<td>58.9%</td>
</tr>
</tbody>
</table>
History of Residential Real Estate Assessment
Changes in Prince William County

Actual Residential Appreciation
Average Residential Real Estate Appreciation
4.5%
CPI (Balt./Wash. Metro Area), Avg. 3.1%

FY 2015-2019 General Revenue Forecast - February 18, 2014
FY 2014
SECOND QUARTER
REVENUE UPDATE
## FY 2014 2nd Quarter Revenue Update
### June 30, 2014 - Projected

(Amounts in millions)

<table>
<thead>
<tr>
<th>Category of General Revenues</th>
<th>Prior Year FY 13 Year-End</th>
<th>FISCAL YEAR 2014 Revised 1st Qtr.</th>
<th>Revised 2nd Qtr.</th>
<th>Adopted Net Variance</th>
<th>% from Adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Taxes</td>
<td>$516.4</td>
<td>$538.6</td>
<td>$537.1</td>
<td>$538.6</td>
<td>$-1.5</td>
</tr>
<tr>
<td>Personal Property Taxes</td>
<td>135.8</td>
<td>146.8</td>
<td>146.9</td>
<td>146.8</td>
<td>0.1</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>55.2</td>
<td>57.7</td>
<td>56.8</td>
<td>57.7</td>
<td>-0.9</td>
</tr>
<tr>
<td>Consumer Utility Tax</td>
<td>13.5</td>
<td>13.6</td>
<td>13.6</td>
<td>13.6</td>
<td>0.0</td>
</tr>
<tr>
<td>Communications Tax</td>
<td>18.5</td>
<td>19.0</td>
<td>18.7</td>
<td>19.0</td>
<td>-0.3</td>
</tr>
<tr>
<td>BPOL Tax</td>
<td>22.9</td>
<td>23.6</td>
<td>23.7</td>
<td>23.6</td>
<td>0.1</td>
</tr>
<tr>
<td>Investment Income</td>
<td>8.4</td>
<td>7.7</td>
<td>6.4</td>
<td>7.7</td>
<td>-1.3</td>
</tr>
<tr>
<td>All Other</td>
<td>18.2</td>
<td>17.5</td>
<td>18.2</td>
<td>17.5</td>
<td>0.7</td>
</tr>
<tr>
<td>Total General Revenues</td>
<td>$788.9</td>
<td>$824.5</td>
<td>$821.4</td>
<td>$824.5</td>
<td>$-3.1</td>
</tr>
</tbody>
</table>

**General Property Taxes:**
-0.20% Variance

**Other Revenue Sources:**
-1.22% Variance
FIVE YEAR REVENUE FORECASTING PROCESS
Multi-Year Revenue Forecasting

- PWC does multi-year revenue and expenditure forecasts through the Five Year Plan
  - The FY 14–18 forecast was developed in January 2013 – that is the revenue projection we are now updating
  - GFOA referred to this as a “best practice” that should be adopted by other local governments in the United States

- Currently the Commonwealth does two year revenue forecasts

- Every other local government jurisdiction in this region does one year forecasting
  - Those jurisdictions see the FY 15 projection for the first time when their FY 15 budget is presented
Revenue Forecasting Process

- BOCS Adopts a Tax Policy
- Identify Major Revenue Sources
- Ongoing Analysis of U.S., State, and Local Trends
- Bring in Knowledgeable Partners
- Developing Projections
  - Data driven
  - Conservative assumptions
- Monitor Trends
Identify The Revenue Sources

Real Estate, Personal Property, and Sales Taxes Comprise Over 89% of Prince William County Revenue

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Taxes</td>
<td>64.99%</td>
</tr>
<tr>
<td>Personal Property Taxes</td>
<td>17.74%</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>6.91%</td>
</tr>
<tr>
<td>Consumer Utility Tax</td>
<td>2.81%</td>
</tr>
<tr>
<td>Communications Sales Tax</td>
<td>2.89%</td>
</tr>
<tr>
<td>BPOL Tax</td>
<td>0.81%</td>
</tr>
<tr>
<td>Investment Income</td>
<td>1.62%</td>
</tr>
<tr>
<td>All Other Revenue</td>
<td>2.23%</td>
</tr>
</tbody>
</table>
Develop a Process To Become Knowledgeable About Local, State and National Economic Trends

<table>
<thead>
<tr>
<th>JOBS RELATED DATA</th>
</tr>
</thead>
<tbody>
<tr>
<td>24-Dec Initial Claims (000s)</td>
</tr>
<tr>
<td>31-Dec Initial Claims (000s)</td>
</tr>
<tr>
<td>7-Jan Initial Claims (000s)</td>
</tr>
<tr>
<td>10-Jan Unemployment Rate</td>
</tr>
<tr>
<td>10-Jan Nonfarm Payrolls (000s)</td>
</tr>
<tr>
<td>10-Jan Hourly Earnings</td>
</tr>
<tr>
<td>10-Jan Average Workweek</td>
</tr>
<tr>
<td>26-Dec Personal Income</td>
</tr>
<tr>
<td>10-Jan Wholesale Inventories</td>
</tr>
<tr>
<td>10-Jan Wholesale Inventories (Sales)</td>
</tr>
<tr>
<td>10-Jan Ratio Inventory to Sales (months)</td>
</tr>
<tr>
<td>10-Jan Business Inventories</td>
</tr>
<tr>
<td>10-Jan Business Inventories (Sales)</td>
</tr>
<tr>
<td>10-Jan Ratio Inventory to Sales (months)</td>
</tr>
<tr>
<td>6-Jan Factory Orders</td>
</tr>
<tr>
<td>6-Jan Durable Orders</td>
</tr>
<tr>
<td>16-Dec Industrial Production</td>
</tr>
<tr>
<td>16-Dec Capacity Utilization</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRODUCTION/INVENTORY DATA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-Jan ISM Index (survey)</td>
</tr>
<tr>
<td>6-Jan ISM Services (survey)</td>
</tr>
<tr>
<td>16-Jan NY Empire State Index - Seasonally Adjusted (survey)</td>
</tr>
<tr>
<td>9-Jan Philadelphia Fed (survey)</td>
</tr>
<tr>
<td>31-Dec Chicago PMI (survey)</td>
</tr>
<tr>
<td>9-Jan Consumer Credit (bill)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HOUSING</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-Dec Housing Starts (000s)</td>
</tr>
<tr>
<td>18-Dec Building Permits (000s)</td>
</tr>
<tr>
<td>10-Dec Existing Home Sales (m)</td>
</tr>
<tr>
<td>24-Dec New Home Sales (000s)</td>
</tr>
<tr>
<td>2-Jan Construction Spending</td>
</tr>
<tr>
<td>14-Jan Consumer Credit (bill)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SALES</th>
</tr>
</thead>
<tbody>
<tr>
<td>14-Jan Retail Sales</td>
</tr>
<tr>
<td>14-Jan Retail Sales ex-auto</td>
</tr>
<tr>
<td>6-Jan Auto Sales Domestic (m)</td>
</tr>
<tr>
<td>6-Jan Truck Sales - Domestic (m)</td>
</tr>
<tr>
<td>6-Jan All Light Vehicle Sales Including Foreign (m)</td>
</tr>
<tr>
<td>6-Jan Domestic Light Vehicle Sales % of All Sales Including Fe</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GOVERNMENT / GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>7-Jan Trade Balance ($b)</td>
</tr>
<tr>
<td>13-Jan Treasury Budget ($b)</td>
</tr>
<tr>
<td>3-Oct GDP Adv</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRICES / EX-IM</th>
</tr>
</thead>
<tbody>
<tr>
<td>14-Jan Import Prices ex-oil</td>
</tr>
<tr>
<td>14-Jan Import Prices with oil</td>
</tr>
<tr>
<td>14-Jan Export Prices ex-agriculture</td>
</tr>
<tr>
<td>14-Jan Export Prices with agriculture</td>
</tr>
<tr>
<td>15-Jan ppi</td>
</tr>
<tr>
<td>15-Jan Core PPI</td>
</tr>
</tbody>
</table>
Internal and External Partners in Developing a Revenue Forecast

- State Economists
- Association of Realtors
- Federal Reserve Bank of Richmond
- Local Builders Industry Assoc.
- Commercial Real Estate Brokers
- Auto Industry
- Retail Industry
- Budget
- Development Services
- Economic Development
- Planning
- Public Works
- Schools

FINANCE STAFF
Residential Real Estate Assessments

- The Virginia Constitution requires properties to be assessed at fair market value as of January 1 (tax year)
- Board cannot adopt separate rates for residential and commercial real estate
- Metropolitan Regional Information Systems (MRIS) is the service the County uses to monitor residential sales throughout the year
- The Assessments Office continuously studies the sales market and collects information about properties to estimate fair market value as of January 1 of each year
Residential Real Estate Assessments

- Sales occurring from January 1\textsuperscript{st} to December 31\textsuperscript{st} of each year are analyzed to determine if market values of residential properties should change.
- Since the assessment is as of January 1\textsuperscript{st}, sales occurring in the last quarter of the year are weighted more heavily.
- December 2013 average sales price ($335,403) were higher than the average of all other months.
Developing Projections: Real Estate Revenue Drivers

- Equalization (change in value of existing properties)
  - Residential (tax policy)
  - Commercial (retail, office, industrial, flex)
  - Apartments
  - Agricultural

- Growth (new value added through construction)
  - New residential units constructed
  - Value of new residential units
  - Square footage of new commercial construction completed
  - Value of new construction per square foot
Developing Projections: Residential Revenue Drivers

- Real Estate Market Metrics
  - Average Sales Price
  - Average Number of Days on the Market
  - Ratio of Active Listings to Sales (Months of Inventory)
  - Foreclosures

- External Factors
  - 30-Year Mortgage Rates
  - Unemployment rate
  - Credit environment
Real Estate Revenue Monitoring

- Sales price vs. assessed values
- Sales volume
- Foreclosures
- Real estate market metrics (MRIS)
  - Number of days on market
  - Inventory to sales ratio
  - Percentage of sales using financing
  - Percentage of sales price to list price
  - Market stratification data
  - Average sales price

Residential Financing
PWC – December, 2013

Source: MRIS.com
Commercial Real Estate Assessments

- The Virginia Constitution requires properties to be assessed at fair market value as of January 1 (tax year)
- The frequency of sales of comparable properties are not as prevalent in the commercial market as they are in the residential market
- As a result, Prince William County utilizes the “income” approach to valuing commercial property
- National and regional capitalization rate information is analyzed to determine if market values of income producing properties should change
- Income & expense information is gathered from County businesses to assess their “market value”
- Lease rates are valued at the “market rate” as of January 1 of the tax year
Developing Projections: Commercial Revenue Drivers

Commercial Real Estate Market Metrics

- Vacancy rates
- Lease rates per sq. ft.
- Prevailing capitalization rates
- Size and composition of commercial pipeline
- Income and expense data for each commercial property
- Market sales
- Additional weighting is given to information received closest to the valuation date (January 1)
Residential vs Commercial Assessments

- Residential Values
  - Average sales price
  - Average number of days on the market
  - Ratio of active listings to sales (months of inventory)
  - Foreclosures

- Commercial Values
  - Vacancy rates
  - Lease rates per sq. Ft.
  - Prevailing capitalization rates
  - Size and composition of commercial pipeline
  - Income and expense data for each commercial property
  - Market sales
FY 2015-2019 REVENUE FORECAST
Current Situation: Residential Values

- Housing values for existing residential properties were higher than anticipated this year
- Housing values are recouping value lost in the recession
- Reasons for increasing values of existing residential real estate:
  - Low inventory and strong demand – particularly under $450K price point
  - Fast home turnover – 39 days on average
  - Slow growth in new housing units
  - PWC homes still have an affordability advantage relative to most nearby jurisdictions
- Residential values appear to be growing faster than surrounding jurisdictions
- January 2013 forecast of residential value appreciation for FY 15 3.5%
- January 2014 projection forecast of residential value appreciation for FY 15 7.5%
Current Situation: New Residential Growth

- New residential growth is less than previously forecasted
  - The price point spread between existing and new home values is still very wide
- FY 14-18 forecast of new residential units for FY 15: 1,260
- FY 15-19 forecast of new residential units for FY 15: 1,201
- New residential growth is now expected to be lower throughout the five year plan than previously forecasted
**Current Situation: Commercial Values**

- Commercial values grew at a slower rate than previously forecasted
  - Values in the Office space were weaker than expected region-wide
  - Retail values did not advance as much as projected
- Among a group with unusually divergent commercial vacancy trends, PWC has the lowest rate at 8.9%
- FY 14-18 Forecast of Commercial Value Appreciation for FY 15: 3.0%
- FY 15-19 Forecast of Commercial Value Appreciation for FY 15: 2.5%
## FY 2015-2019 Real Estate Revenue Forecast

<table>
<thead>
<tr>
<th></th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17</th>
<th>FY 18</th>
<th>FY 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Taxes ($ in 000s)</td>
<td>$537,072</td>
<td>$550,239</td>
<td>$570,560</td>
<td>$592,219</td>
<td>$614,106</td>
<td>$637,252</td>
</tr>
<tr>
<td>Percent Change in Revenue</td>
<td>4.00%</td>
<td>2.45%</td>
<td>3.69%</td>
<td>3.80%</td>
<td>3.70%</td>
<td>3.77%</td>
</tr>
<tr>
<td>Residential Appreciation</td>
<td>4.70%</td>
<td>7.50%</td>
<td>5.00%</td>
<td>3.50%</td>
<td>3.50%</td>
<td>3.50%</td>
</tr>
<tr>
<td>New Residential Units</td>
<td>1,205</td>
<td>1,201</td>
<td>1,200</td>
<td>1,250</td>
<td>1,300</td>
<td>1,350</td>
</tr>
<tr>
<td>Commercial Appreciation</td>
<td>5.00%</td>
<td>2.50%</td>
<td>3.00%</td>
<td>3.00%</td>
<td>3.00%</td>
<td>3.00%</td>
</tr>
<tr>
<td>New Commercial S.F.</td>
<td>969,175</td>
<td>831,745</td>
<td>743,282</td>
<td>550,000</td>
<td>600,000</td>
<td>720,000</td>
</tr>
<tr>
<td>Apartment Appreciation</td>
<td>12.60%</td>
<td>5.00%</td>
<td>5.00%</td>
<td>5.00%</td>
<td>5.00%</td>
<td>5.00%</td>
</tr>
<tr>
<td>New Apartment Units</td>
<td>228</td>
<td>550</td>
<td>2,243</td>
<td>1,028</td>
<td>300</td>
<td>300</td>
</tr>
</tbody>
</table>
Projected New Apartment Unit Production

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Adopted FY14-18</th>
<th>Proposed FY15-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15</td>
<td>1,384</td>
<td>550</td>
</tr>
<tr>
<td>FY16</td>
<td>900</td>
<td>2,243</td>
</tr>
<tr>
<td>FY17</td>
<td>600</td>
<td>1,028</td>
</tr>
<tr>
<td>FY18</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>FY19</td>
<td>300</td>
<td>300</td>
</tr>
</tbody>
</table>
History of Residential Real Estate (Includes Projection)

Actual Residential Appreciation

FY15-19 Forecast

Average Residential Real Estate Appreciation 4.5%

CPI (Balt/Wash metro area), Avg. 3.1%

FY 2015-2019 General Revenue Forecast - February 18, 2014
Personal Property Tax Drivers

- Average value of vehicles located in the county
- Number of additional vehicles entering the county
- Business equipment replacement rate
Current Situation - Personal Property Tax Revenue

- Average assessment increase fell from 2.89% to 0.50% in the Preliminary forecast due to the overall national acceleration in the sale of new autos which brought the value of used cars down.

- Units increased modestly, however still not at the levels of the early 2000s:
  - FY 15 remains at 8,000 units
  - FY 16 increased from 7,500 to 9,790
  - FY 17-19 increased from 7,500 to 8,000
## Personal Property Revenue Forecast

<table>
<thead>
<tr>
<th></th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17</th>
<th>FY 18</th>
<th>FY 19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personal Property Taxes</strong></td>
<td>$146,860</td>
<td>$150,180</td>
<td>$158,250</td>
<td>$165,820</td>
<td>$173,690</td>
<td>$181,870</td>
</tr>
<tr>
<td><strong>Percent Change in Revenue</strong></td>
<td>8.16%</td>
<td>2.26%</td>
<td>5.37%</td>
<td>4.78%</td>
<td>4.75%</td>
<td>4.71%</td>
</tr>
<tr>
<td><strong>Assessed Value Growth</strong></td>
<td>1.66%</td>
<td>0.50%</td>
<td>2.84%</td>
<td>2.84%</td>
<td>2.84%</td>
<td>2.84%</td>
</tr>
<tr>
<td><strong>Billable Unit Growth</strong></td>
<td>2.90%</td>
<td>2.43%</td>
<td>2.91%</td>
<td>2.31%</td>
<td>2.25%</td>
<td>2.21%</td>
</tr>
<tr>
<td><strong>Business Tangible</strong></td>
<td>5.41%</td>
<td>2.50%</td>
<td>2.50%</td>
<td>2.00%</td>
<td>2.00%</td>
<td>2.00%</td>
</tr>
</tbody>
</table>
Sales Tax Drivers

- Consumer spending habits
- Median household income
- Population growth or contraction
- Inflation
- Number of businesses
Current Situation - Sales Tax Revenue

- Adopted sales tax revenue increase of 4% for FY 15 has been reduced to 3% in the preliminary forecast
  - Summer months showed some weakening in the consistency and strength of the upward trend that had been in place for over 3 years
  - The longer term local impacts of the government shutdown and sequestration are still not certain
## FY 2015-2019

### All Other Revenue Forecast

<table>
<thead>
<tr>
<th></th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17</th>
<th>FY 18</th>
<th>FY 19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales Tax</strong></td>
<td>$56,825</td>
<td>$58,525</td>
<td>$60,280</td>
<td>$62,090</td>
<td>$63,950</td>
<td>$65,870</td>
</tr>
<tr>
<td><strong>% Change</strong></td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>Consumer Utility Tax</strong></td>
<td>$13,566</td>
<td>$13,700</td>
<td>$13,910</td>
<td>$14,190</td>
<td>$14,540</td>
<td>$14,900</td>
</tr>
<tr>
<td><strong>% Change</strong></td>
<td>0.6%</td>
<td>1.0%</td>
<td>1.5%</td>
<td>2.0%</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>Communication Tax</strong></td>
<td>$18,720</td>
<td>$18,910</td>
<td>$19,290</td>
<td>$19,670</td>
<td>$20,070</td>
<td>$20,470</td>
</tr>
<tr>
<td><strong>% Growth</strong></td>
<td>1.0%</td>
<td>1.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td><strong>BPOL Tax</strong></td>
<td>$23,658</td>
<td>$24,427</td>
<td>$25,221</td>
<td>$26,041</td>
<td>$26,887</td>
<td>$27,761</td>
</tr>
<tr>
<td><strong>% Change</strong></td>
<td>3.3%</td>
<td>3.3%</td>
<td>3.3%</td>
<td>3.3%</td>
<td>3.2%</td>
<td>3.3%</td>
</tr>
<tr>
<td><strong>Investment Income</strong></td>
<td>$6,430</td>
<td>$6,831</td>
<td>$7,247</td>
<td>$7,676</td>
<td>$8,120</td>
<td>$8,578</td>
</tr>
<tr>
<td><strong>% Change</strong></td>
<td>-23.3%</td>
<td>6.2%</td>
<td>6.1%</td>
<td>5.9%</td>
<td>5.8%</td>
<td>5.6%</td>
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<tr>
<td><strong>All Other</strong></td>
<td>$23,290</td>
<td>$23,802</td>
<td>$24,384</td>
<td>$24,970</td>
<td>$25,614</td>
<td>$26,262</td>
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<tr>
<td><strong>% Change</strong></td>
<td>-5.4%</td>
<td>2.2%</td>
<td>2.4%</td>
<td>2.4%</td>
<td>2.6%</td>
<td>2.5%</td>
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</table>
## Changes in Revenue Drivers

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Value</td>
<td>3.5%↑</td>
<td>7.5%↑</td>
</tr>
<tr>
<td>Commercial Value</td>
<td>3.0%↑</td>
<td>2.5%↑</td>
</tr>
<tr>
<td>Personal Property</td>
<td>2.9%↑</td>
<td>0.5%↑</td>
</tr>
<tr>
<td>Sales Tax Revenue</td>
<td>4.0%↑</td>
<td>3.0%↑</td>
</tr>
<tr>
<td>Tax Rate</td>
<td>$1.170</td>
<td>$1.126</td>
</tr>
<tr>
<td>Avg. Residential Tax Bill Increase</td>
<td>2.5%</td>
<td>2.50%</td>
</tr>
<tr>
<td>Avg. Commercial Tax Bill Increase</td>
<td>2.0%</td>
<td>-2.3%</td>
</tr>
</tbody>
</table>
Impact of Real Estate Market Value Changes and the Tax Policy on the Revenue Forecast

- To keep average residential tax bills growing at just 2.5% require 5.5 cent tax rate reduction
- New lower tax rate is applied to all commercial and residential property
- Result is a reduction in most commercial tax bills
- Result is a reduction in projected commercial revenue in FY 15 of 4.64% and an average commercial tax bill decrease of 2.3%
Both the County and Schools have had to rebalance their Five Year Plans at the reduced projected revenue amounts

The County’s rebalancing is reflected in the Proposed FY 15-19 Five Year Plan
Summary

- Housing values are recouping value lost in the recession
  - Low inventory and strong demand – particularly under $450K price point
  - Fast home turnover – 39 days on average
  - Slow growth in new housing units
  - PWC homes still have an affordability advantage relative to most nearby jurisdictions

- Commercial values grew less than projected
  - Values in the Office space were weaker than expected region-wide
  - Retail values did not advance as much as projected

- Apartment appreciation projected at 5% over the five year plan with projected new construction in FY 16 of over 2,200 units

- Personal Property did not appreciate as much as expected due to the reduction in value of used cars

- Sales Tax revenue growth slowed its upward trend that had been in place for over 3½ years

- Investment income is projected to remain constrained given market conditions and Federal monetary policy
## FY 2015-2019 Revenue Forecast

**BOCS Guidance:** 2.5% Tax Bill Increase

<table>
<thead>
<tr>
<th>Real Estate Tax Rate:</th>
<th>$1.181</th>
<th>$1.126</th>
<th>$1.099</th>
<th>$1.088</th>
<th>$1.078</th>
<th>$1.068</th>
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<tbody>
<tr>
<td>% to Total (% in 000s)</td>
<td>FY 2014 Revised Est.</td>
<td>FY 2015</td>
<td>FY 2016</td>
<td>FY 2017</td>
<td>FY 2018</td>
<td>FY 2019</td>
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<tr>
<td>Real Estate Taxes</td>
<td>64.99%</td>
<td>$537,072</td>
<td>$550,239</td>
<td>$570,560</td>
<td>$592,219</td>
<td>$614,106</td>
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<tr>
<td>Personal Property Taxes</td>
<td>17.74%</td>
<td>146,860</td>
<td>150,180</td>
<td>158,250</td>
<td>165,820</td>
<td>173,690</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>6.91%</td>
<td>56,825</td>
<td>58,525</td>
<td>60,280</td>
<td>62,090</td>
<td>63,950</td>
</tr>
<tr>
<td>Consumer Utility Tax</td>
<td>1.62%</td>
<td>13,566</td>
<td>13,700</td>
<td>13,910</td>
<td>14,190</td>
<td>14,540</td>
</tr>
<tr>
<td>Communications Sales Tax</td>
<td>2.23%</td>
<td>18,720</td>
<td>18,910</td>
<td>19,290</td>
<td>19,670</td>
<td>20,070</td>
</tr>
<tr>
<td>BPOL Tax</td>
<td>2.89%</td>
<td>23,658</td>
<td>24,427</td>
<td>25,221</td>
<td>26,041</td>
<td>26,887</td>
</tr>
<tr>
<td>Investment Income</td>
<td>0.81%</td>
<td>6,430</td>
<td>6,831</td>
<td>7,247</td>
<td>7,676</td>
<td>8,120</td>
</tr>
<tr>
<td>All Other</td>
<td>2.81%</td>
<td>23,290</td>
<td>23,803</td>
<td>24,385</td>
<td>24,970</td>
<td>25,614</td>
</tr>
<tr>
<td><strong>Total General Revenue</strong></td>
<td>100.00%</td>
<td>$826,421</td>
<td>$846,614</td>
<td>$879,142</td>
<td>$912,676</td>
<td>$946,977</td>
</tr>
</tbody>
</table>

| Increase over Prior Year | 2.44% | 3.84% | 3.81% | 3.76% | 3.80% |

| School Portion | $469,030 | $480,508 | $499,024 | $518,112 | $537,616 | $558,081 |
| County Portion | 352,310 | 360,924 | 374,806 | 389,119 | 403,752 | 419,106 |
| Transportation Fund | 5,081 | 5,182 | 5,312 | 5,445 | 5,608 | 5,776 |
| **Total General Revenue** | $826,421 | $846,614 | $879,142 | $912,676 | $946,977 | $982,963 |
Proposed FY 2015

BUDGET Presentation

Melissa S. Peacor
County Executive

February 18, 2014
FY 2015 Proposed Budget Implements BOCS Policy Decisions

- Future Report
- Strategic Plan
- Comprehensive Plan
- BOCS Adopted Tax Policy
- Principles of Sound Financial Management
- Decisions in the Base Budget to fund an array of services used by citizens
- Decisions to invest in capital infrastructure
Strategic Vision Statement

Prince William County is a community of choice with a strong, diverse economic base, where individuals and families choose to live and work and businesses choose to locate.
Financial Management FY 11-14

- Zero-base budgeting - Began January 2010
  - To date has reduced base budget by $27M annually

- Debt Savings Team - Just-in-time debt sales, AAA bond rating, debt restructuring
  - To date has saved $7.8M

- Budget Turnback - Uses current year agency savings to reduce tax bill in coming year
  - Savings used for tax reduction = $13.2M in FY 14
  - County’s year end savings approximately 1.7%
  - In FY 14 tax rate reduced by 2.9 cents; taxpayers saved $83
FINDING SAVINGS IN FIVE YEAR PLAN
FY 2015 Budget Challenge: Rebalance Budget to Implement BOCS Tax Policy

- Residential values are growing more than anticipated - good news as people’s homes are typically their largest investment
- Commercial values are growing but not as much as residential
- PWC had best economic development year ever in 2013 - $1B new investment
- BOCS policy guidance - limit residential tax bill increase to 2.5%
- To do this, tax rate goes down by 6 cents
- Commercial tax bills decrease 2.3%
FY 2015 Budget Challenge: Rebalance to Updated Revenue Forecast

- FY 15 General Revenue Forecast Update
  - County share will be $7.4M more than FY 14, but $6.4M less than projected
  - County share is $36.8M less than projected in Five Year Plan

- Maintain Adopted Five Year Plan Elements
  - Capital Infrastructure Investments
  - Public Safety Staffing Plans
  - Employee Compensation

- Fund must-do items not funded in Five Year Plan
**Five Year Plan Savings**

- **VRS Savings**
  - $2.8M FY 15/$23.8M FYP
  - County did not take “holiday” offered by General Assembly in FY 11/12
  - VRS benefits have been reduced - Plan 2 and new Hybrid plan cost less
  - Stock market has improved-higher return on investment
  - Employees are now contributing to their retirement

- **CIP Project Timing/Just-in-Time Debt Sales**
  - $10.3M FY 15/$13.7M FYP
  - Bacon Race Station construction/occupancy delayed one year
  - Library debt sale delayed one year/projects remain on schedule
  - Route 1 debt sale altered to meet project cash flow needs

- **Health & Dental Insurance**
  - $1.4M FY 15/$6.1M FYP
  - Health premium increasing by just 2.7% in FY 15
  - County is self-insured
Five Year Plan Savings

- **Continued Zero-Based Budget Analysis** $1.7M FY 15

- **Remove one-time expenditures** $1.8M FY 15
  - Agencies are not allowed to retain money funded in FY 14 for one-time items

- **TRIP Cost Recovery** $0.3M FY 15/$1.5M FYP
  - Overhead costs recovered from project funding

- **Development Fee Reimbursement** $0.5M FY 15/$2.6M FYP
  - Payback support from General Fund provided during recession
FY 2015
PROPOSED BUDGET
Budget at a Glance

- Average residential tax bill up by 2.5%
- Average commercial tax bill down by 2.3%
- Homeowners will pay, on average, $85 more annually or $7 more per month for their school and government services
- Total general fund budget growth is 1.38%

<table>
<thead>
<tr>
<th></th>
<th>FY 14 ADOPTED</th>
<th>FY 15 PROPOSED</th>
<th>$ CHANGE</th>
<th>% CHANGE</th>
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<tbody>
<tr>
<td>COUNTY GOVERNMENT</td>
<td>$491,738,554</td>
<td>$495,279,856</td>
<td>$3,451,302</td>
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<td>TRANSFER TO SCHOOLS</td>
<td>$470,827,490</td>
<td>$480,577,170</td>
<td>$9,749,680</td>
<td>2.00%</td>
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<tr>
<td>TOTAL GENERAL FUND</td>
<td>$962,566,044</td>
<td>$975,857,026</td>
<td>$13,290,982</td>
<td>1.38%</td>
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</tbody>
</table>
Major Budget Drivers for FY 2015

- Public Safety staffing plans
- Capital projects approved in adopted CIP but not yet under contract
  - Timing of future debt and operating expenses
- Compensation
  - VRS, Line of Duty Act, employee health insurance, and employee merit
- Have to Do items
  - Commodities and inflation factors
OPERATING BUDGET PROPOSALS
Have to Do Items

- **Line of Duty Act actuarial increases** $1.5M
  - The General Assembly shifted the cost of this mandated benefit to local jurisdictions in FY 11

- **ADC 9.4 FTE and operating costs** $0.9M
  - Security & medical staff, food & maintenance

- **Fuel, leases & utilities** $0.6M
  - Increase in cost of fuel, space & electricity

- **At-Risk Youth support** $0.5M
  - Increasing population and decreasing state support for residential services - five additional youth served

- **Vehicle replacement** $0.4M
  - Unfunded replacements & future replacements due to public safety staffing increases

- **Federal Criminal Justice Information System** $0.2M
  - Mandated national upgrade to security controls & 1 FTE
Have to Do Items, cont.

- ADC Farm-out $0.3M
  - Modular jail refurbishment
- Streetlights $0.2M
  - Increase in cost of electricity & maintenance
- Birmingham Green $0.08M
  - One time engineering study, feasibility study & tech upgrades
- Council of Governments $0.02M
  - Annual membership increase
- Courthouse Security Plan $0
  - Transfer from Facilities Capital Reserve of $250K/no impact on general fund
- Parks Equipment Replacement $0
  - Transfer from Parks Capital Reserve of $469K/no impact on general fund

Total Have to Do Items $4.7M
FY 2015 Proposed Initiatives - Public Safety Staffing Plans

- Staffing Plans for both Police & Fire have been significantly reduced in FY 15

- Police Staffing Plan $1.36M
  - Five new sworn positions funded in budget
  - Civilianization - one sworn position freed up with the addition of one IT position
FY 2015 Proposed Initiatives - Public Safety Staffing Plans

- Add New Weekday Fire BLS Ambulance $0.5M
  - Includes four new uniform F&R positions
  - Unit will run out of Coles Station 6
  - Improve BLS response time by 0.4% to 48.4%
  - F&R currently staffs three weekday BLS ambulances

- Civilianization - one uniform Fire & Rescue (F&R) position freed up with the addition of one IT position

- Proposed budget contains total of nine new sworn/uniform positions for Police and F&R combined
FY 2015  Proposed Initiatives

- Add four DoIT system developer FTEs  $0.5M
  - Returns one sworn Police position and one uniform F&R position to regular service (currently supporting 800 MHz, CAD, RMS)
  - More support needed for legacy systems including financial management
  - Need to maintain/enhance internal controls

- Library Advance Staffing - Supervisory, Information, Circulation & Programming Staff  $0.6M
  - 6.06 FTEs for Montclair Library
  - 6.06 FTEs for Gainesville Library
  - 3.53 FTEs support staff in Library & 2.00 maintenance FTEs in Public Works

- Add four Community Services FTEs - DOJ settlement  $0
  - Serves 45 additional intellectually disabled citizens
  - Medicaid reimbursement
Parks

- Fuller Heights Park operating $238K
  - Three lighted baseball fields serve 585 additional children
- Operational increase for trail maintenance $159K
  - Maintenance along 6.5 miles of the Potomac Heritage National Scenic Trail
  - Maintenance along 37 miles of other existing County trails
- Elementary Field Upgrade $154K
  - Upgrade 90 fields at 59 elementary schools to serve 184 additional teams & 2,760 more participants
  - $6 fee increase in FY 15 will support increased maintenance
- Rollins Ford Park operating $103K
  - Operating equipment purchase
  - Fields will be ready for play in FY 16
Compensation in FY 2015

- Merit (3% increase) $4.8M
- VRS (includes mandated 1% offset) $2.0M
- Health (2.7% increase) $0.6M
- Group Life Insurance $0.3M
- Retiree Health (5% increase) $0.1M
- Police & Fire Retirement $0.1M
Proposed Fee/Levy Changes

- Development fees 3%
- Stormwater fees 3%
  - Single family fee increases $1.11 to $38.21 per year
- Fire Levy - 2.5% increase 6.93 cents
  - Per $100 assessed value
  - Average homeowner levy bill increases $6 to $216 per year
  - Rate decreases from FY 14 rate (7.27 cents) with 2.5% tax bill policy
- Mosquito/Forest Pests - no change 0.25 cents
  - Per $100 assessed value
  - $8 per year for average County residence
- Solid Waste fees - no change $70/year
  - Single family fee remains $70 per year
CAPITAL BUDGET PROPOSALS
Proposed CIP

- Funds all projects adopted in the FY 14-19 CIP
- Bacon Race delayed one year
  - Originally scheduled for FY 16
  - 24 hour engine, 24 hour medic - career staff
- All other projects on schedule as adopted last year
Capital Project Delivery Dates/Annual Cost at Completion

- Fuller Heights Park, Phase I  
  Annual Debt/Operating of $500K  
  October 2014 (FY 15)
- Montclair Library  
  Annual Debt/Operating of $4.5M  
  September 2015 (FY 16)
- Gainesville Library  
  Annual Debt/Operating of $4.0M  
  September 2015 (FY 16)
- Catharpin Park, Phase II  
  Annual Debt/Operating of $500K  
  August 2016 (FY 17)
- Central Police Station  
  Annual Debt/Operating of $4.6M  
  September 2016 (FY 17)
- Bacon Race Station  
  Annual Operating of $3.3M  
  May 2017 (FY 17)
Transportation Projects

- Fuller/Fuller Heights Road Improvements
- Kettle Run Road Sidewalk New
- Logmill Road (Parnell to Meander Creek)
- Minnieville Road (Spriggs to Rte. 234)
- Prince William Parkway (Old Bridge to Minnieville)
  - $850K annual debt service
- Purcell Road Intersection Improvement (@ Rte. 234) New
- Route 1 Improvements (Neabsco Mills to Featherstone)
  - $3M annual debt service
- Route 1/Route 234 Turn Lane Modification New
- Route 28 (Linton Hall to Fitzwater)
- U.S. Marine Corps Heritage Center Parkway New
- NVTA will provide new road funding
FIVE YEAR PLAN
FY 2015-2019
FUNDING YEARS 2-5
Five Year Plan - Funding Years 2-5

- Police Staffing Plan
  - 10 sworn positions per year - total 40
  - No civilians

- F&R Staffing Plan
  - FY 17-19 - 43 uniform F&R positions to improve response time
  - No civilians

- Public Safety Communications Staffing Plan
  - FY 16 - six telecommunicators to support Central District police channel 24/7
Five Year Plan - Funding Years 2-5

- Gainesville & Montclair Libraries - 28.97 positions at occupancy
- Parks (Catharpin Park, Rollins Ford Park and Trails) - 4.5 positions
- Central District Police Station - 13 civilian positions at occupancy
- Bacon Race F&R Station - 29 uniform F&R positions
- Park Sinking Fund for Turf Field Replacement
  - $3 increase in fees in FY 16 will create sinking fund to maintain/replace artificial turf fields

Employee Compensation
- Maintain BOCS adopted plan
- Health insurance increases factored into five year plan

<table>
<thead>
<tr>
<th></th>
<th>FY 16</th>
<th>FY 17</th>
<th>FY 18</th>
<th>FY 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay Plan Adjustment</td>
<td>2%</td>
<td>—</td>
<td>2%</td>
<td>—</td>
</tr>
<tr>
<td>Merit</td>
<td>—</td>
<td>3%</td>
<td>—</td>
<td>3%</td>
</tr>
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</table>
FY 2015 General Fund Sources
(Excludes School Share of General Revenue)

$495,279,856
**FY 2015 Average Residential Tax Bill - $3,499***

- **Schools**: $2,002 – 57.23%
- **Public Safety**: $758 – 21.67%
- **Community Development**: $143 – 4.08%
- **Transportation**: $123 – 3.50%
- **Parks & Library**: $111 – 3.17%
- **Other**: $36 – 1.04%
- **Human Services**: $176 – 5.02%
- **General Gov’t & Admin**: $134 – 3.84%
- **General Debt/CIP**: $16 – 0.45%

*With the fire levy the average tax bill is $3,715, increasing public safety to 24.73% of total.*
## Proposed Five Year Plan

### General Fund Resource and Expenditure Projection (2.5% Average Residential Tax Bill)

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
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<tbody>
<tr>
<td><strong>Revenue and Resources:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>General Revenue</td>
<td>$846,734,460</td>
<td>$879,263,196</td>
<td>$912,803,458</td>
<td>$947,107,828</td>
<td>$983,099,956</td>
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<tr>
<td>Agency Revenue</td>
<td>$111,166,900</td>
<td>$105,159,521</td>
<td>$105,091,727</td>
<td>$105,116,114</td>
<td>$105,193,858</td>
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<tr>
<td>County Resources</td>
<td>$17,955,666</td>
<td>$31,284,803</td>
<td>$29,366,347</td>
<td>$22,330,779</td>
<td>$18,686,560</td>
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<tr>
<td><strong>Total Revenue &amp; Resources Available</strong></td>
<td><strong>$975,857,026</strong></td>
<td><strong>$1,015,707,520</strong></td>
<td><strong>$1,047,261,532</strong></td>
<td><strong>$1,074,554,721</strong></td>
<td><strong>$1,106,980,374</strong></td>
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<tr>
<td><strong>Expenditures:</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County Government</td>
<td>$495,279,856</td>
<td>$516,614,307</td>
<td>$529,076,241</td>
<td>$536,863,517</td>
<td>$548,820,788</td>
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<tr>
<td>Transfer To Schools</td>
<td>$480,577,170</td>
<td>$499,093,213</td>
<td>$518,185,291</td>
<td>$537,691,204</td>
<td>$558,159,586</td>
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<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$975,857,026</strong></td>
<td><strong>$1,015,707,520</strong></td>
<td><strong>$1,047,261,532</strong></td>
<td><strong>$1,074,554,721</strong></td>
<td><strong>$1,106,980,374</strong></td>
</tr>
<tr>
<td><strong>Total Revenue &amp; Resource Balance</strong></td>
<td><strong>$0</strong></td>
<td><strong>$0</strong></td>
<td><strong>$0</strong></td>
<td><strong>$0</strong></td>
<td><strong>$0</strong></td>
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</table>
Revenue Stabilization Funds

Revenue Stabilization Fund is spent down to minimum policy level over the Five Year Plan.

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
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<tbody>
<tr>
<td>Beginning Balance</td>
<td>$34,978,681</td>
<td>$39,127,649</td>
<td>$26,366,645</td>
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<td>Contrib. To/(Use Of)</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>Adj. to Balance 5 Yr. Plan</td>
<td>$4,148,968</td>
<td>($12,761,004)</td>
<td>($9,055,358)</td>
<td>($4,392,343)</td>
<td>($844,823)</td>
</tr>
<tr>
<td>Turnback Addition</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>$39,127,649</td>
<td>$26,366,645</td>
<td>$17,311,287</td>
<td>$12,918,944</td>
<td>$12,074,121</td>
</tr>
<tr>
<td>Percent of Revenues</td>
<td>4.08%</td>
<td>2.68%</td>
<td>1.70%</td>
<td>1.23%</td>
<td>1.11%</td>
</tr>
<tr>
<td>S Needed to Maintain @ 1%</td>
<td>$9,530,988</td>
<td>$9,825,417</td>
<td>$10,160,293</td>
<td>$10,502,642</td>
<td>$10,861,915</td>
</tr>
</tbody>
</table>
LOOKING FORWARD - BOC'S POLICY DECISIONS/UNFUNDED ISSUES
The Policy Decisions Facing Our Community

Citizen demand for programs & services

Citizen willingness to pay for programs & services
Current Situation - Five Year Plan

- Average residential tax bill increases 2.5% a year
- Residential values grow more than commercial, reducing commercial revenue as tax rate declines
- All capacity in Five Year Plan is used
- **No new general fund capital investment proposed** over what was adopted in FY 14 is planned for next six years
- **No new staffing** in FY 16-19 for County government services
  - Human Services
  - General Government
  - Community Development (other than capital project-related staff)
  - Sheriff, Adult Detention Center and judicial agencies
Policy Decision - Public Safety Staffing Plans

- Police staffing plan prior to recession was 25 sworn and 4 civilian positions per year
  - This Five Year Plan funds ten new sworn positions per year FY 16-19 and 6 civilian positions for new station in FY 17
  - No civilian positions added in last five years (since FY 09)
  - Increasing civilianization of sworn positions

- F&R Staffing plan prior to recession was 31 positions per year (27 uniform/4 civilian)
  - Five Year Plan has total of 72 uniform F&R positions in FY 16-19
  - No general fund civilian positions added in last five years (since FY 09)
  - Increasing civilianization of uniform positions

- Public Safety Communications
  - 6 positions added in FY 16

- No new staffing for 5 years
  - ADC, Sheriff, Criminal Justice Services, judicial agencies
Policy Decision - Capital Investment - Park Bond

- Parks 2006 bond referendum authorized by 76% of voters
- $27M park bond + $5M in proffers = $32M for park projects
- Projects completed/underway/planned:
  - Hellwig Park $5.9M (bond funded = $4.4M)
  - Veterans Park $0.7M (cash to capital)
  - Trails & Land Acquisition $1.3M (cash to capital)
  - Sports Field Improvements $2.3M (cash to capital)
  - Fuller Heights Park $5.0M (bond funded = $3.9M)
  - Catharpin Park $4.2M (bond funded = $3.5M)
  - Occoquan Riverfront Park $1.5M (bond funded up to $1.5M)
- Two indoor projects were planned: Chinn Center expansion and Ben Lomond expansion
- $13.7M in bond authorization remains
- Bond authorization expires in November 2016
Policy Decision - Jail Overcrowding

- Community Corrections Plan (CCP) will be presented to BOCS in March
- Jail is currently 505 beds short to meet their needs based on State rated capacity and CCP inmate forecasts
- Report recommends construction of next 200 beds to be opened by 2019
  - Net debt and operating estimated at $7.5M annually
  - This is NOT funded in Proposed CIP/Five Year Plan
- Even with opening of next 200 bed addition, still short by 507 State rated beds in FY 19 based on CCP inmate forecasts
Five Year Plan Concerns

- Public Safety staffing
  - Increasing civilianization of sworn/uniform positions
  - Reduction in number of new sworn/uniform positions from previous plans
  - Judicial and justice functions overtaxed
- No staffing increases (other than capital project-related staff) elsewhere in the organization
- Investment in new community capital infrastructure
  - No new projects added
  - Unused park bond authorization
- Jail capacity
  - Community Corrections Plan indicates 505 beds needed today
- Transit
  - Constrained by motor vehicle fuel tax