



Melissa S. Peacor
County Executive

COUNTY OF PRINCE WILLIAM

OFFICE OF EXECUTIVE MANAGEMENT

1 County Complex Court, Prince William, Virginia 22192-9201
(703) 792-6600 Metro 631-1703 FAX: (703) 792-7484

BOARD OF COUNTY SUPERVISORS

Corey A. Stewart, Chairman
Michael C. May, Vice Chairman
Maureen S. Caddigan
Pete Candland
John D. Jenkins
Martin E. Nohe
Frank J. Principi

November 13, 2014

TO: Board of County Supervisors

FROM: Michelle A. Casciato
Management & Budget Director

THRU: Melissa S. Peacor
County Executive

RE: Quarterly Management and Expenditure Budget Report
First Quarter Fiscal Year 2015

I. Background is as follows:

- A. General Fund Expenditure Budget – The Board of County Supervisors (Board) adopted the FY2015 Budget in April 2014. The adopted general fund budget was \$989.8 million. \$503.1 million represents the County government general fund budget. \$486.7 million will be transferred to the Schools in accordance with the current revenue sharing agreement (last amended in April 2013).
- B. Adherence to State Code – §15.2-516 of the Code of Virginia requires that the County Executive execute the budget as adopted and keep the Board fully advised as to the County's financial condition.
- C. Quarterly Updates – Section 2.09 of the "Principles of Sound Financial Management" requires quarterly updates within 45 days of the end of each quarter on the County's general fund budget and trends presented to the Board with revenue and expenditure projections through the end of the year.
- D. FY15 First Quarter Expenditure Update – This report satisfies the general fund quarterly expenditure update requirement in the County's Principles of Sound Financial Management.

II. Current Situation is as follows:

- A. Revised FY2015 Budget – As of September 30, 2014, the revised County general fund budget, less transfers, was \$464,128,383. This includes restricted subfunds within the general fund.
- B. First Quarter General Fund Expenditures and Projections – As of September 30, 2014, 33.1% of the County's revised general fund budget had been expended and/or encumbered. With encumbrances removed, first quarter expenditures were 25.5%. It is projected that 99% of the expenditure budget will be expended by year-end.
- C. Expenditure Detail by Agency – Attachment A provides the first quarter detail for general fund agency expenditures. Accounts are maintained on the modified accrual basis of accounting for governmental, expendable trust and agency funds. Dollar amounts are expressed in thousands. Items of particular interest are noted below.
 1. Operating Budgets – Agencies function within the adopted annual appropriation and subsequent amendments. Encumbrances for routine operational expenses are generally set up in the first quarter. Personnel and fringe benefit costs are distributed fairly consistently throughout the year through the bi-weekly payroll; however, agency variances can occur due to vacant positions. Internal services such as information technology and fleet management are billed on an allocated cost recovery basis and cannot be spent or reallocated independently by agencies.
 2. Annual Technology Billing – Information technology costs are billed to agencies annually. FY15 full year costs will be billed during the second quarter.
 3. Agency Revenues – There are revenue sources other than the general fund that support the general fund expenditure budget. These include charges for services, federal and state revenue, and court fines and fees. The total FY15 agency revenue budget is \$105.9 million. Department heads monitor revenues carefully throughout the course of the year. If agency revenues are less than budgeted, the appropriated budget expenditure authority will be reduced to ensure that expenditures do not exceed the available funding.

- a) First Quarter Agency Revenues – As of September 30, 2014, 31% of the total agency revenue budget has been received.
4. General Fund Agency Variances – Notable variances, as reported in the *% of Budget* column in Attachment A are described below. Encumbrances are not included. Some general fund agencies have restricted subfunds, which are included in the department budget totals. As noted above, information technology costs are not reflected in the first quarter expenditures.
- a) Audit Services – The entire amount has been encumbered (\$644,958). Payments will be made upon audit deliverables based on the approved FY15 audit plan.
 - b) General District Court – Only 10% of the contracted services budget has been expended.
 - c) Magistrates – In FY15, the method used to pay the Magistrates changed from a single payment in arrears to a biweekly paycheck. This transition will result in a one-year overage in the Magistrate budget.
 - d) Transportation – The variance is due to a delay in the charge of cost recovery activities, including the Design and Construction and Right of Way activities within the department. Those cost recovery activities charge expenses to capital projects. At the end of the first quarter, there was \$607,381 that will be charged to capital projects in the future.
 - e) Aging – The PWC FY15 share of the Birmingham Green interjurisdictional (\$1.4M) agreement was paid in the first quarter.
 - f) Public Health – Public Health is making payments to the State semiannually instead of annually. Payment for Q1 and Q2 has been made.
 - g) At-Risk Youth & Family Services – The usage of residential services is being evaluated since residential is the most expensive form of direct service.
 - h) Registrar – The replacement voting machines have not yet been purchased.
 - i) Non-Departmental – Approximately 61% of the County's Non-Departmental budget was spent during the first quarter. The largest expenditure during the first quarter was \$26.8 million from the County's general debt budget (nearly 58% of the total general debt budget). Debt service payments are generally made in July (first quarter) and January (third quarter) of each

fiscal year. In addition to debt service, the following, annual payments are made during the first quarter of each fiscal year from the Non-Departmental budget:

- i. Self-Insurance Workers Compensation (\$4.3 million)
- ii. Self-Insurance Casualty Pool (\$1.1 million)
- iii. Property and miscellaneous insurance premiums (\$0.3 million)

D. Development Fee-Funded Flex Positions – One of the eight fee-funded flex positions authorized by the Board during FY14 remains available for use.

E. Status of FY15 New Position Hires – The Board authorized 100 new positions in the FY15 budget.

Total New Positions	100
% New Positions filled through Q1	56, or 56%

III. Federal and State Government Financial Update:

A. FY2015 State Revenue Reversion – The Governor announced that state aid to localities would be reduced by \$30 million statewide. The specific reductions are expected to be announced in November 2014.

B. FY2015 Federal Budget Status – The new federal fiscal year began on October 1, 2014. A continuing resolution is currently in effect which funds the federal government through December 11, 2014, mostly at FY14 levels. Another continuing resolution will be needed in order to fund affected federal appropriations beyond this date.

IV. Recommendation: This report is provided for information purposes only – no action is needed at this time.

Staff Contact: Michelle Casciato – x5539

Attachment: FY15 Q1 General Fund Expenditures by Department

Sum of m03						
Department	Department Name	OL1	OL1 Title	Budget Exp.	Actual Exp.	% of the budget
1	Board of County Supervisors	20	Personal Services	1,771.30	422.26	
		25	Fringe Benefits	561.74	140.70	
		30	Contractual Services	118.13	18.31	
		40		107.43		
		50	Other Services	954.93	194.30	
		70	Capital Outlay	1.19		
		80	Leases and Rentals	32.20	6.67	
1 Total				3,546.92	782.25	22.05%
2	County Attorney	20	Personal Services	2,586.41	543.02	
		25	Fringe Benefits	776.41	179.18	
		30	Contractual Services	56.01	6.77	
		40		76.24	0.04	
		50	Other Services	125.98	34.31	
		70	Capital Outlay	1.13		
		80	Leases and Rentals	4.85	1.32	
		87	Reserves & Contingencies	(88.70)		
2 Total				3,538.33	764.63	21.61%
3	Audit Services	20	Personal Services	88.29	19.97	
		25	Fringe Benefits	32.52	8.12	
		30	Contractual Services	644.96	40.14	
		40		4.22		
		50	Other Services	17.16	0.62	
3 Total				787.14	68.86	8.75%
6	Office of Executive Management	20	Personal Services	2,175.88	495.19	
		25	Fringe Benefits	684.88	163.79	
		30	Contractual Services	389.37	61.11	
		40		101.59	0.82	
		50	Other Services	166.29	23.01	
		80	Leases and Rentals	9.71	2.75	
6 Total				3,527.71	746.66	21.17%
7	Dept of Information Technology	50	Other Services	20.51	0.37	
7 Total				20.51	0.37	1.79%
8	Human Resources	20	Personal Services	1,754.09	354.66	
		25	Fringe Benefits	526.56	120.94	
		30	Contractual Services	231.60	55.10	
		40		395.25		
		50	Other Services	81.73	(10.93)	
		80	Leases and Rentals	13.44	2.70	
		87	Reserves & Contingencies	(74.29)		
8 Total				2,928.39	522.48	17.84%
9	Planning	20	Personal Services	834.29	197.97	
		25	Fringe Benefits	277.22	74.03	
		30	Contractual Services	127.19	10.44	
		40		1,705.14	0.26	
		50	Other Services	484.41	446.32	
		80	Leases and Rentals	13.76	2.56	
9 Total				3,442.00	731.59	21.25%
10	Economic Development	20	Personal Services	1,064.51	239.56	
		25	Fringe Benefits	333.49	72.47	
		30	Contractual Services	518.65	15.89	
		40		37.49	0.23	
		50	Other Services	536.28	304.79	
		70	Capital Outlay	30.34	0.77	
		80	Leases and Rentals	245.54	65.21	
10 Total				2,766.29	698.92	25.27%
20	Finance	20	Personal Services	9,700.08	2,018.66	
		25	Fringe Benefits	3,335.58	762.33	
		30	Contractual Services	2,181.00	244.31	
		40		2,338.70	4.45	

Sum of m03						
Department	Department Name	OL1	OL1 Title	Budget Exp.	Actual Exp.	% of the budget
			50 Other Services	992.63	180.75	
			70 Capital Outlay	9.91		
			80 Leases and Rentals	53.28	9.79	
			87 Reserves & Contingencies	(433.01)	(82.84)	
20 Total				18,178.17	3,137.45	17.26%
23	Office of Management & Budget	20	Personal Services	1,061.89	250.81	
		25	Fringe Benefits	351.05	84.05	
		30	Contractual Services	115.76	-	
		40		40.97	0.23	
		50	Other Services	52.73	7.66	
		80	Leases and Rentals	5.38	0.83	
23 Total				1,627.78	343.58	21.11%
24	Public Safety Communications	20	Personal Services	6,919.00	1,288.25	
		25	Fringe Benefits	2,029.24	490.53	
		30	Contractual Services	287.24	2.17	
		40		246.49	0.03	
		50	Other Services	486.68	115.03	
		70	Capital Outlay	5.00		
		80	Leases and Rentals	11.78	2.02	
24 Total				9,985.43	1,898.03	19.01%
25	Police	20	Personal Services	58,888.18	12,106.67	
		25	Fringe Benefits	19,594.47	4,333.71	
		30	Contractual Services	1,386.67	293.82	
		40		9,874.51	608.49	
		50	Other Services	5,257.39	819.25	
		70	Capital Outlay	754.85	6.16	
		80	Leases and Rentals	534.33	59.96	
25 Total				96,290.40	18,228.05	18.93%
27	Commonwealth Attorney	20	Personal Services	3,863.31	860.35	
		25	Fringe Benefits	1,168.23	292.71	
		30	Contractual Services	27.62	6.53	
		40		129.98	0.23	
		50	Other Services	101.65	22.62	
		80	Leases and Rentals	15.16	2.87	
27 Total				5,305.95	1,185.30	22.34%
28	Sheriff	20	Personal Services	5,954.98	1,334.93	
		25	Fringe Benefits	2,179.59	476.38	
		30	Contractual Services	128.11	39.69	
		40		620.89	44.68	
		50	Other Services	525.14	124.78	
		70	Capital Outlay	12.65	12.65	
		80	Leases and Rentals	8.40	0.94	
28 Total				9,429.77	2,034.04	21.57%
29	Juvenile Court Service Unit	20	Personal Services	565.58	114.57	
		25	Fringe Benefits	171.48	42.65	
		30	Contractual Services	276.06	43.19	
		40		82.87	2.06	
		50	Other Services	29.53	6.02	
		80	Leases and Rentals	1.58	0.25	
		87	Reserves & Contingencies	(4.45)		
29 Total				1,122.64	208.74	18.59%
30	Juv and Domestic Rel Court	30	Contractual Services	16.82	3.17	
		40		20.78		
		50	Other Services	49.31	15.32	
		80	Leases and Rentals	19.50	4.18	
30 Total				106.41	22.67	21.31%
31	Circuit Court Judges	20	Personal Services	462.91	121.75	
		25	Fringe Benefits	168.14	40.02	
		30	Contractual Services	0.55		

Sum of m03						
Department	Department Name	OL1	OL1 Title	Budget Exp.	Actual Exp.	% of the budget
		40		26.38		
		50	Other Services	32.35	7.25	
		80	Leases and Rentals	2.20	0.29	
31	Total			692.53	169.31	24.45%
32	Clerk of the Court	20	Personal Services	2,417.24	531.78	
		25	Fringe Benefits	855.01	218.70	
		30	Contractual Services	616.22	51.53	
		40		131.17		
		50	Other Services	121.86	18.77	
		80	Leases and Rentals	11.50	2.73	
32	Total			4,153.00	823.50	19.83%
33	General District Court	20	Personal Services	41.93	10.35	
		25	Fringe Benefits	15.83	4.22	
		30	Contractual Services	125.85	12.53	
		40		26.70		
		50	Other Services	41.74	14.04	
		80	Leases and Rentals	14.55	1.41	
33	Total			266.60	42.55	15.96%
34	Criminal Justice Services	20	Personal Services	2,237.64	485.16	
		25	Fringe Benefits	666.97	160.61	
		30	Contractual Services	170.55	17.24	
		40		138.50	1.13	
		50	Other Services	254.58	49.57	
		80	Leases and Rentals	7.38	1.40	
34	Total			3,475.62	715.10	20.57%
35	Magistrates	20	Personal Services	231.91	138.84	
		25	Fringe Benefits	17.74	10.62	
		30	Contractual Services	0.05		
		40		16.97		
		50	Other Services	4.31	2.14	
		80	Leases and Rentals	2.60	0.20	
35	Total			273.58	151.81	55.49%
37	Human Rights Office	20	Personal Services	412.99	93.29	
		25	Fringe Benefits	130.00	32.50	
		30	Contractual Services	3.65		
		40		19.49		
		50	Other Services	15.54	5.14	
		80	Leases and Rentals	4.46	0.76	
37	Total			586.12	131.68	22.47%
38	Fire and Rescue	20	Personal Services	49,950.24	10,687.13	
		25	Fringe Benefits	15,651.93	3,778.40	
		30	Contractual Services	1,895.48	310.59	
		40		5,666.17	139.10	
		50	Other Services	3,420.28	639.80	
		70	Capital Outlay	735.97	75.05	
		80	Leases and Rentals	70.37	11.62	
		87	Reserves & Contingencies	(3,898.57)		
38	Total			73,491.87	15,641.70	21.28%
40	Public Works	20	Personal Services	8,655.47	1,866.65	
		25	Fringe Benefits	3,069.19	717.26	
		30	Contractual Services	6,552.54	1,205.01	
		40		1,187.22	57.50	
		50	Other Services	6,697.91	978.77	
		70	Capital Outlay	3,664.22	191.15	
		80	Leases and Rentals	6,472.00	1,550.26	
		87	Reserves & Contingencies	(2,240.29)		
40	Total			34,058.27	6,566.59	19.28%
41	Transportation	20	Personal Services	2,427.34	520.77	
		25	Fringe Benefits	786.82	158.24	

Sum of m03						
Department	Department Name	OL1	OL1 Title	Budget Exp.	Actual Exp.	% of the budget
		30	Contractual Services	205.36	0.60	
		40		127.46	5.02	
		50	Other Services	2,224.07	497.05	
		70	Capital Outlay	43.04	25.90	
		80	Leases and Rentals	55.07	0.60	
		87	Reserves & Contingencies	(2,992.08)		
41 Total				2,877.07	1,208.19	41.99%
	44 Dept. of Parks & Rec	20	Personal Services	7,382.71	1,653.13	
		25	Fringe Benefits	2,077.30	560.26	
		30	Contractual Services	3,078.43	222.78	
		40		1,180.64	17.73	
		50	Other Services	4,202.68	1,011.06	
		58	Debt Maintenance	216.07	216.07	
		70	Capital Outlay	1,333.49	110.95	
		80	Leases and Rentals	39.31	12.94	
		87	Reserves & Contingencies	-		
44 Total				19,510.62	3,804.92	19.50%
50	Social Services	20	Personal Services	17,720.49	3,977.27	
		25	Fringe Benefits	6,010.75	1,490.32	
		30	Contractual Services	2,011.98	371.78	
		40		996.48	21.51	
		50	Other Services	5,613.57	1,378.57	
		70	Capital Outlay	113.64	5.17	
		80	Leases and Rentals	90.93	15.27	
50 Total				32,557.83	7,259.89	22.30%
51	Office on Aging	20	Personal Services	1,737.66	379.14	
		25	Fringe Benefits	476.31	121.12	
		30	Contractual Services	2,176.37	1,544.68	
		40		144.63	7.33	
		50	Other Services	1,238.18	336.24	
		80	Leases and Rentals	11.00	2.39	
51 Total				5,784.15	2,390.91	41.34%
52	Public Health	20	Personal Services	223.63	48.85	
		25	Fringe Benefits	76.93	19.78	
		30	Contractual Services	1.82	0.01	
		40		22.58	3.95	
		50	Other Services	3,608.07	1,660.59	
52 Total				3,933.02	1,733.19	44.07%
53	Community Services Board	20	Personal Services	20,152.05	4,464.26	
		25	Fringe Benefits	6,198.48	1,515.88	
		30	Contractual Services	7,949.99	1,344.39	
		40		1,430.35	17.57	
		50	Other Services	1,929.48	532.72	
		58	Debt Maintenance	24.26	24.26	
		80	Leases and Rentals	156.88	38.64	
53 Total				37,841.49	7,937.71	20.98%
56	At Risk Youth & Family Service	20	Personal Services	378.18	85.31	
		25	Fringe Benefits	137.73	30.22	
		30	Contractual Services	58.44	31.76	
		40		15.87		
		50	Other Services	8,351.32	1,125.22	
56 Total				8,941.54	1,272.50	14.23%
58	Board of Equalization	20	Personal Services	-	4.20	
		25	Fringe Benefits	-	0.14	
		50	Other Services	-	(0.38)	
58 Total				-	3.95	#DIV/0!
59	Cooperative Extension Service	20	Personal Services	651.41	98.72	
		25	Fringe Benefits	125.30	29.89	
		30	Contractual Services	1.65		

Sum of m03						
Department	Department Name	OL1	OL1 Title	Budget Exp.	Actual Exp.	% of the budget
		40		76.90	0.29	
		50	Other Services	71.74	41.30	
59 Total				927.00	170.20	18.36%
60	Office of Elections	20	Personal Services	646.64	138.41	
		25	Fringe Benefits	219.47	47.65	
		30	Contractual Services	470.38	52.07	
		40		57.46		
		50	Other Services	106.30	12.65	
		70	Capital Outlay	1,000.00	84.23	
		80	Leases and Rentals	17.72	2.23	
60 Total				2,517.98	337.25	13.39%
62	Library	20	Personal Services	9,060.65	1,958.45	
		25	Fringe Benefits	2,429.77	572.29	
		30	Contractual Services	281.78	67.42	
		40		781.90	9.29	
		50	Other Services	1,959.48	385.23	
		80	Leases and Rentals	42.91	9.87	
62 Total				14,556.49	3,002.55	20.63%
89	Law Library	20	Personal Services	90.71	20.78	
		25	Fringe Benefits	27.81	7.04	
		30	Contractual Services	3.50	0.08	
		40		6.40		
		50	Other Services	26.95	5.71	
		80	Leases and Rentals	3.36	-	
89 Total				158.72	33.60	21.17%
90	Non-Departmental Activities	20	Personal Services	449.97		
		25	Fringe Benefits	(45.95)	222.25	
		30	Contractual Services	62.44	8.71	
		40		7,532.21	5,442.89	
		50	Other Services	1,169.02	863.04	
		58	Debt Maintenance	45,311.78	26,839.12	
		60	Payments to Joint Operations	441.57		
90 Total				54,921.03	33,376.01	60.77%
Grand Total				464,128.38	118,146.73	25.46%