


**ACTION ITEM
BOARD OF SUPERVISORS**

DATE: February 6, 2007

TO: Board of Supervisors

FROM: Cheryl L. Beagle
Budget Director 

ISSUE: Budget and Appropriate Additional Funds in Accordance with the Midyear Review

RECOMMENDATION: Approval

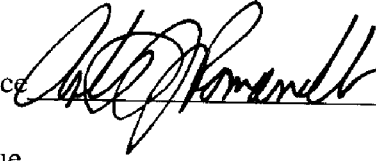
BUDGET IMPACT: As detailed herein

ATTACHMENTS: (2)

[1] Background Report [2] Reso/Ord/Proc # R07-37

[] [] Reso/Ord/Proc #

[] [] Reso/Ord/Proc #

REVIEW: [X] County Administrator's Office 
[] Commissioner of the Revenue _____
[] Finance _____

[] **Consent Agenda** [] **Other Business** [X] **Public Hearing**
[] **Discussion Item** [] **Presentation** [] **Unfinished Business**
[] **New Business**

PRESENTATION BY: Cheryl Beagle, Budget Director

ELECTION DISTRICT: N/A

BACKGROUND REPORT

The FY2007 Midyear Budget Review was presented to the Board on January 23, 2007, at which time the Budget staff reviewed the revenues and expenditures for the six-month period from July through December, 2006. The General Fund Budget for the first half of FY2007 indicates that revenues are expected to be less than budgeted by \$1.9 million. The analysis of General Fund expenditures anticipates savings of \$ 5.1 million. See attachment 1, pages 3 through 6, for details.

The Unreserved Fund Balance projection for FY2007 is now estimated to be \$20.4 million, or 9.8% of the year-end revenue projections of \$20.8 million. The unreserved projection of \$20.4 is under the Board's 10% minimum by \$445,848. The chart below illustrates the FY2007 General Fund Budget from Adoption to Estimate.

	FY2006 Audit	FY2007 Adopted	FY2007 Adjusted Budget	FY2007 Estimate
Revenues	199,124,120	209,887,698	210,298,725	208,416,130
Expenditures	208,082,240	213,352,796	224,903,056	219,809,612
Use of Fund Balance	8,958,120	3,465,098	14,604,331	11,393,482
Unreserved Fund Balance	17,535,465	23,817,491	17,184,916	20,395,765
% of Revenues	8.8%	11.3%	8.2%	9.8%

While expenditures taken together are estimated to be less than budgeted, certain appropriated categories need additional funds. Since the amount exceeds \$500,000, a public hearing is required, which the Board authorized on January 23rd. The amendments to the FY2007 County Budgets have been advertised.

- \$600,000 from fund balance for the Comprehensive Services Act Mandated expenses. Additional funds are needed due to the overall increases within several populations within the CSA program. The diversity of needs and disabilities of children within the Stafford community has drastically impacted the CSA program. The number of children requiring hospitalization or placement within a residential facility has steadily increased since the beginning of the fiscal year. The CSA program has seen a rise in the percentage of children that are involved with the Court Services Unit requiring more out of home placements than in previous years. Typically these placements are behaviorally based instead of medically based and are therefore not reimbursable by Medicaid. Due to the policy changes and more stringent guidelines within the Medicaid program the CSA program has also had to offset some of the costs related to children placed within residential facilities accepting Medicaid for payment. Another pertinent factor is the severity of the diagnoses and the emotional and mental issues that these children face. Due to these needs placements at more specialized residential and day-school facilities are required causing costs to increase. This is primarily due to the severe behaviors and disabilities of the children and the need for specialized services not offered by Stafford County Public Schools.

- \$514,414 for Transfer to Other Funds represents proffers collected. Of these funds \$93,727 are for the Parks and Recreation Capital Projects Fund. The remaining funds of \$417,687 are for the Transportation Fund for traffic signals at two intersections: Mine Road (SR-684) and Highpointe Boulevard (SR-1455 and Shelton Shop road (SR-648 and Courthouse Road (SR-630).
- \$639,430 from Fund Balance for the County's costs for outside legal counsel for the following cases, Crucible, Stafford Lakes Limited Partnership, Ward Corporation, Virginia Electric and Power Company, Department of Social Services, Richard R. Nageotte and bond counsel services, for the bond referendum. The total estimated outside legal cost for FY2007 is \$949,054.
- \$105,178 from Fund Balance for costs for the Potomac Hills Fire Department acquisition.
- \$81,153 of Grant funds of which \$36,153 for a Rescue Squad Assistance Grant to purchase Life Packs and the remaining \$45,000 is for the "Get Alarmed, Virginia" Fire Safety Grant. Approximately 68% of the funds will be used on personnel costs and the remainder spent on advertising, travel costs and supplies.
- \$40,000 for the Department of Social Services (DDS) for the Adoption Subsidy Program, these expenses are federal and state supported.

In addition to the General Fund the following funds are also requiring additional appropriations:

Capital Projects Fund:

The contract for the Public Safety Building includes approximately \$800,000 for the furniture, fixtures and equipment budget. Due to additional staff positions in the building, additional training rooms, meeting rooms and industrial filing system an increase of \$491,000 is needed. The funding source for these change orders is interest income earned on the bond proceeds. There is no contractor upcharge for this equipment and the County is saving over 70% off retail.

Transportation Fund:

\$417,687 for the Transportation Fund for traffic signal at two intersections: Mine Road (SR-684) and Highpointe Boulevard (SR-1455 and Shelton Shop road (SR-648 and Courthouse Road (SR-630).

Parks & Recreation Bond Fund:

\$93,727 proffer funds for the Parks and Recreation Capital Projects

Tourism Fund:

The 2006 Discovery Days Festival took in \$31,202 of revenue. Staff has requested these funds be appropriated to the Tourism Fund to offset a portion of the cost. The total cost of the event was \$117,165.

GENERAL FUND REVENUES

	FY2006 Actual	FY2007			Variance (Under)/Over
		Adjusted Budget	To Date	Estimate	
PROPERTY TAXES					
REAL PROPERTY - CURRENT	\$94,718,461	\$106,004,091	\$48,557,595	\$101,800,034	(\$4,204,057)
PERSONAL PROP - CURRENT	31,922,210	30,873,922	17,167,128	33,892,695	3,018,773
REAL PROPERTY - DELINQUENT	2,806,720	2,800,000	1,341,886	2,958,819	158,819
PENALTIES & INTEREST	1,744,527	1,500,000	524,442	1,891,432	391,432
REAL PROPERTY - ROLL BACK	1,043,719	700,000	100,199	1,361,913	661,913
PERSONAL PROP - DELINQUENT	1,584,045	1,290,000	784,704	1,639,084	349,084
PUBLIC SERVICE CORPORATIONS	1,451,049	1,600,000	861,628	1,692,274	92,274
Total Property Taxes	<u>\$135,270,731</u>	<u>\$144,768,013</u>	<u>\$69,337,582</u>	<u>\$145,236,250</u>	<u>\$468,237</u>
OTHER REVENUE					
LOCAL SALES & USE TAXES	10,242,024	11,500,000	3,231,944	11,500,000	0
SERVICE CHARGES & OTHER	9,084,770	9,121,906	4,163,528	8,297,348	(824,558)
UTILITY CONSUMERS' TAXES	7,405,930	7,310,000	3,108,734	7,628,108	318,108
SOCIAL SERVICES	5,739,321	6,041,718	2,471,283	6,041,718	0
LOCAL MEALS TAX	4,804,578	5,000,000	2,027,608	5,297,047	297,047
STATE SHARED EXPENSES	5,163,101	5,356,099	2,266,198	5,442,617	86,518
CODE ADMINISTRATION FEES	4,737,808	5,381,935	1,679,166	3,371,100	(2,010,835)
RECORDATION TAXES - LOCAL	5,051,156	4,300,000	1,427,943	4,293,483	(6,517)
PLANNING FEES	2,389,577	2,581,000	997,298	2,091,760	(489,240)
MOTOR VEHICLE LICENSES	2,268,866	2,425,000	247,712	2,645,000	220,000
OTHER STATE SOURCES	2,202,758	2,112,872	742,619	2,336,906	224,034
COMPREHENSIVE SERVICES ACT	1,832,983	2,181,960	611,914	1,977,955	(204,005)
USE OF MONEY & PROPERTY	1,387,139	926,861	837,476	926,861	0
FEDERAL REVENUE	869,263	781,361	224,768	781,361	0
UTILITY LICENSE TAXES	236,991	300,000	105,941	261,283	(38,717)
BANK STOCK TAXES	260,620	210,000	0	287,334	77,334
TRANSIENT OCCUPANCY TAX	176,504	0	0	0	0
Total Other Revenue	<u>\$63,853,389</u>	<u>\$65,530,712</u>	<u>\$24,144,132</u>	<u>\$63,179,880</u>	<u>(\$2,350,832)</u>
Total Revenues	<u>\$199,124,120</u>	<u>\$210,298,725</u>	<u>\$93,481,714</u>	<u>\$208,416,130</u>	<u>(\$1,882,595)</u>

FY2007 JULY THROUGH DECEMBER GENERAL FUND REVENUES

Revenue Description	FY2006			FY2007		
	Actuals	1st 6 Months Revenue Actuals	% Actual Revenue Received Through Dec.	Adjusted Budget	1st 6 Months Revenue Actuals	% Budget Revenue Received Through Dec
Total Property Taxes	135,270,731	61,557,852	45.5%	144,768,013	69,337,582	47.9%
Service Charges & Other	9,084,770	5,445,816	59.9%	9,121,906	4,163,528	45.6%
Sales & Use	10,242,024	3,454,382	33.7%	11,500,000	3,231,944	28.1%
Utility Consumers' Taxes	7,405,930	2,874,116	38.8%	7,310,000	3,108,734	42.5%
State/Fed Social Services	5,739,321	2,018,696	35.2%	6,041,718	2,471,283	40.9%
State Shared Expenses	5,163,101	2,172,123	42.1%	5,356,099	2,266,198	42.3%
Code Administration Fees	4,737,808	2,519,408	53.2%	5,381,935	1,679,166	31.2%
Meals	4,804,578	2,002,616	41.7%	5,000,000	2,027,608	40.6%
Recordation	5,051,156	2,418,800	47.9%	4,300,000	1,427,943	33.2%
Planning Fees	2,389,577	1,239,205	51.9%	2,581,000	997,298	38.8%
Motor Vehicle Licenses	2,268,866	265,162	11.7%	2,425,000	247,712	10.2%
Comprehensive Services Act	1,832,983	409,912	22.4%	2,181,960	611,914	28.0%
Other State Sources	2,202,758	1,046,013	47.5%	2,112,872	742,619	35.1%
Use of Money & Property	1,387,139	474,003	34.2%	926,861	837,476	90.4%
Federal Revenue	869,263	396,493	45.6%	781,361	224,768	28.8%
Utility License Taxes	236,991	-3,883	0.0%	300,000	105,941	35.3%
Bank Stock Taxes	260,620	0	0.0%	210,000	0	0.0%
2% Transient Occupancy	176,504	176,501	100.0%	0	0	0.0%
Total Revenues	199,124,120	88,467,215	44.4%	210,298,725	93,481,714	44.5%

FISCAL YEAR 2007 YEAR END GENERAL FUND
EXPENDITURE PROJECTION

Uses of Finances	FY2006 Actual	Revised Budget	FY2007			Remaining Balance	
			Actual Expenditures	Percent Expended	Year End Estimate	Amount	%
Local School Funding							
Operating	\$89,547,690	\$97,312,929	(\$9,505,369)	-9.77%	\$97,312,929	\$0	0.00%
Debt	24,879,649	26,208,223	16,235,809	61.95%	26,208,223	0	0.00%
Total	\$114,427,339	\$123,521,152	\$6,730,440	5.45%	\$123,521,152	\$0	0.00%
General Government							
Sheriff	14,758,072	16,835,415	4,895,257	29.08%	16,334,396	501,019	2.98%
Fire and Rescue	8,005,632	10,627,703	2,659,435	25.02%	9,971,234	656,469	6.18%
Social Services	6,902,508	8,101,528	2,286,534	28.22%	7,635,534	465,994	5.75%
Corrections	5,480,172	6,457,342	3,105,530	48.09%	6,457,342	0	0.00%
Code Administration	4,787,203	6,016,430	1,455,740	24.20%	5,715,509	300,921	5.00%
Parks & Recreation	4,414,590	5,043,741	1,551,858	30.77%	4,817,485	226,256	4.49%
Debt Service	3,496,189	3,721,954	731,461	19.65%	3,721,954	0	0.00%
Public Services Team	3,160,301	4,174,132	1,138,734	27.28%	3,888,900	285,232	6.83%
Central Rappahannock Regional Library	3,781,388	4,165,906	2,082,953	50.00%	4,165,906	0	0.00%
Comprehensive Services Act	3,820,331	4,409,069	898,111	20.37%	4,409,069	0	0.00%
Commissioner of the Revenue	2,340,981	2,520,855	764,172	30.31%	2,463,577	57,278	2.27%
Capital Projects	6,939,471	4,309,793	858,793	19.93%	2,585,876	1,723,917	40.00%
Information Technology	2,314,762	2,551,391	839,933	32.92%	2,438,998	112,393	4.41%
Planning	1,536,342	3,123,888	649,482	20.79%	2,947,151	176,737	5.66%
Commonwealth's Attorney	2,004,761	2,368,620	695,925	29.38%	2,327,663	40,957	1.73%
Regional & Community Agencies	1,917,745	2,032,421	1,132,761	55.73%	2,032,421	0	0.00%
Treasurer	1,742,702	2,153,156	532,679	24.74%	2,057,328	95,828	4.45%
Finance	1,356,619	2,133,207	861,356	40.38%	2,028,291	104,916	4.92%
Courts	1,696,877	1,993,410	541,951	27.19%	1,923,305	70,105	3.52%
Non-Departmental	674,473	583,791	92,265	15.80%	542,049	41,742	7.15%
County Attorney	1,160,234	1,979,545	449,512	22.71%	1,914,179	65,366	3.30%
County Administration	856,071	1,038,851	265,276	25.54%	1,018,400	20,451	1.97%
Economic Development/Legislative Affairs	938,193	997,717	268,612	26.92%	946,445	51,272	5.14%
Board of Supervisors	515,206	593,897	219,523	36.96%	553,382	40,515	6.82%
Other Transfers	7,497,046	1,650,958	441,563	26.75%	1,650,958	0	0.00%
Human Resources	555,492	680,440	185,466	27.26%	661,726	18,714	2.75%
Budget	311,805	352,076	108,716	30.88%	344,673	7,403	2.10%
Registrar & Electoral Board	309,396	342,220	83,593	24.43%	331,805	10,415	3.04%
Cooperative Extension Program.	161,668	213,765	34,574	16.17%	201,735	12,030	5.63%
Solid Waste	218,671	208,683	53,515	25.64%	201,169	7,514	3.60%
Total General Government	93,654,901	101,381,904	29,885,280	29.48%	96,288,460	5,093,444	5.02%
Total Expenditures	\$208,082,240	\$224,903,056	\$36,615,720	16.28%	\$219,809,612	\$5,093,444	2.26%

GENERAL FUND BALANCE

	FY2006 Audit	FY2006 Fund Balance To Date	FY2007 Adopted	FY2007 Adjusted Budget	FY2007 Estimate
Fund balance, beginning of year	<u>41,808,546</u> *	<u>41,808,546</u>	<u>28,339,333</u>	<u>32,850,426</u>	<u>32,850,426</u>
Revenues	199,122,358	199,124,120	209,887,698	210,298,725	208,416,130
Local School Funding	(89,547,690)	(89,547,690)	(91,904,806)	(97,312,929)	(97,312,929)
Debt Service	(24,879,649)	(24,879,649)	(28,095,194)	(26,208,223)	(26,208,223)
Expenditures	<u>(93,654,905)</u>	<u>(93,654,901)</u>	<u>(93,352,796)</u>	<u>(101,381,904)</u>	<u>(96,288,460)</u>
Total expenditures & transfer	(208,082,240)	(208,082,240)	(213,352,796)	(224,903,056)	(219,809,612)
Fund balance, end of year	<u>32,850,426</u>	<u>32,850,426</u>	<u>24,874,235</u>	<u>18,246,095</u>	<u>21,456,944</u>
Fund Balance Allocation:					
Reserved:					
Debt Service - COPS	1,061,179	1,061,179	1,056,744	1,061,179	1,061,179
Encumbrances Resolution R06-379	3,697,465	3,697,465	-----	-----	-----
Capital Improvements & Commitments	1,469,440	1,469,440	-----	-----	-----
Prepaid Expenditures for FY2007	307,019	307,019	-----	-----	-----
Supplemental Appropriations					
Adopted FY2007 Budget R06-261	3,465,098	3,465,098	-----	-----	-----
Transfer to School Operating Fund R06-296	800,000	800,000	-----	-----	-----
Capital Projects Aquisition of Land R06-422	449,000	449,000	-----	-----	-----
Schools one-time non-recurring exp. R07-16	-----	2,721,152	-----	-----	-----
Midyear Review R07-37	-----	1,344,608	-----	-----	-----
School Emergency Contingency Requested	<u>2,411,976</u>	-----	-----	-----	-----
Sub-total	<u>7,126,074</u>	<u>8,779,858</u>	-----	-----	-----
Unreserved:					
	<u>19,189,249</u>	<u>17,535,465</u>	<u>23,817,491</u>	<u>17,184,916</u>	<u>20,395,765</u>
% of Revenues	9.64%	8.81%	11.35%	8.17%	9.79%
10% Target of Revenues	<u>19,912,236</u>	<u>19,912,412</u>	<u>20,988,770</u>	<u>21,029,873</u>	<u>20,841,613</u>
Variance above (below)	(722,987)	(2,376,947)	<u>2,828,721</u>	(3,844,957)	(445,848)
Fund balance, end of year	<u>32,850,426</u>	<u>32,850,426</u>	<u>24,874,235</u>	<u>18,246,095</u>	<u>21,456,944</u>

During the FY2006 audit, the Auditors adjusted the 6/30/06 Fund Balance by an increase of \$244,793.

PROPOSED

BOARD OF SUPERVISORS
COUNTY OF STAFFORD
STAFFORD, VIRGINIA

RESOLUTION

At a regular meeting of the Stafford County Board of Supervisors (the Board) held in the Board Chambers, Stafford County Administration Center, Stafford, Virginia, on the 6th day of February, 2007:

MEMBERS:

Jack R. Cavalier, Chairman
Mark Dudenhefer, Vice Chairman
M. S. "Joe" Brito
Peter J. Fields
Robert C. Gibbons
Paul V. Milde III
George H. Schwartz

VOTE:

On motion of , seconded by , which carried by a vote of , the following was adopted:

A RESOLUTION TO BUDGET AND APPROPRIATE ADDITIONAL
FUNDS IN ACCORDANCE WITH THE FY2007 MIDYEAR REVIEW

WHEREAS, an analysis of the revenues and expenditures at midyear for FY2007 indicates that various expenditures require appropriations;

NOW, THEREFORE, BE IT RESOLVED by the Stafford County Board of Supervisors on this the 6th day of February, 2007, that the County Administrator be and he hereby is authorized to budget and appropriate funds in accordance with the FY2007 Midyear Review as follows:

GENERAL FUND:	
Transfer to Other Funds	511,414
Fire and Rescue	186,331
Social Services	40,000
Comprehensive Services Act	600,000
County Attorney	664,430
General Fund Total	2,002,175
CAPITAL PROJECTS FUND	491,000
TRANSPORTATION FUND	417,687
PARKS & RECREATION FUND	93,727
TOURISM FUND	31,202

SC:CLB:kah