



Melissa S. Peacor
County Executive

COUNTY OF PRINCE WILLIAM

OFFICE OF EXECUTIVE MANAGEMENT

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February 9, 2015

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
Second 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 was 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 Second 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 December 31, 2014, the revised County general fund budget, less transfers, was \$464,645,669. This amount includes restricted subfunds within the general fund.
1. Second Quarter General Fund Expenditures and Projections – As of December 31, 2014, 51.2% of the County’s revised general fund budget had been expended. Since full year technology costs were accrued in December, this total is slightly overstated. When adjusted to include six months of technology costs, 48.8% of the County’s revised general fund budget had been expended. It is projected that 97% of the expenditure budget will be expended by year-end.
- B. Expenditure Detail by Agency – Attachment A provides the second 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 second 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 of \$21.6 million were accrued 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 \$112.2 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) Second Quarter Agency Revenues – As of December 31, 2014, 53.6% of the total agency revenue budget has been received.
 - b) Reversion of State Aid to Localities – On December 16, 2014 the BOCS approved Res.14-736, amending the FY2015 budget as follows:
 - agency revenue budgets were reduced by \$752,473,
 - \$2,210 in rolling stock revenue was returned to the state treasury, and
 - 3.5 FTE were eliminated
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 second 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) Planning – The high rate of expenditures is due to the accrual of full year technology costs for the GIS application. Planning hosts the GIS application, which is used by development agencies, real estate assessments and the general public.
 - c) Public Safety Communications – Employee turnover contributes to this positive variance.
 - d) Clerk of the Court – Less than 20% of the Contractual and Other Services budgets have been expended.
 - e) General District Court – Only 20% of the contracted services budget has been expended.
 - f) 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.
 - g) Public Works - The variance is due to a combination of vacant positions and the nature of encumbered services. Public Works has a significant non-personnel budget to deal with issues related to the support and maintenance of County facilities and structure, including the maintenance and replacement of capital

equipment, and lease payments for County office space. There is \$10.5 million encumbered for services yet to be delivered.

- h) Transportation – The variance is due to cost recovery activities yet to be charged, 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 second quarter, there was \$721,000 in actual expenditures that will be charged to capital projects in the future.
 - i) Public Health – Public Health is making quarterly payments to the State. Payments for Q1, Q2 and Q3 have been made.
 - j) At-Risk Youth & Family Services – At-Risk Youth expenditures do not meet the anticipated 50% expenditure level due to the timing between service delivery and the completed billing cycle. Normally vendors have 45 days to present invoices to At-Risk Youth for processing.
 - k) Board of Equalization – No per diem requests have been processed as of December 31, 2014.
 - l) Registrar – The replacement voting machines have not yet been purchased. There is a bill under consideration by the General Assembly regarding the purchase of voting machines; new machines will not be purchased until the state reaches a decision on this matter.
 - m) Non-Departmental – Approximately 71% of the County’s Non-Departmental budget has been expended through the end of the second quarter. The high expenditure rate is driven by the general debt budget whereby approximately 69% of the expenditure budget has been spent through the second quarter. This is attributed solely to scheduled debt service payments to bond holders. It is projected that the general debt budget will realize \$1.7 million in expenditure savings due to the deferral of debt sales for the Rollins Ford Road and Prince William Parkway transportation projects until spring 2015. The Non-Departmental expenditure rate is also attributed to annual, insurance premiums paid during the first quarter.
- C. Development Fee-Funded Flex Positions – One of the eight fee-funded flex positions authorized by the Board during FY14 remains available for use.
- D. Status of FY15 New Position Hires – The Board authorized 100 new positions in the FY15 budget. Some of these positions, such as the new staffing needed for the opening of the two new libraries this September,

were funded as half-year positions. Fifteen authorized library positions were created and began recruitment after 1/1/2015.

Total New Positions	100
% New Positions filled through Q2	81, or 81%

III. Federal and State Government Financial Update:

- A. FY2016 State Budget – The Governor announced his recommended changes to the FY2015-2016 biennium budget in December. The General Assembly is currently in session and actively reviewing these and other proposals.
 - B. FY2015 Federal Budget Status – On December 17, 2014 President Obama signed the FY2015 federal budget into law. The FY2015 federal fiscal year runs from October 1, 2014 through September 30, 2015.
- IV. Recommendation:** This report is provided for information purposes only – no action is needed at this time.

Staff Contact: Michelle Casciato – x5539

Attachment: FY15 Q2 General Fund Expenditures by Department

Sum of m06						
Department	Department Name	OL1	OL1 Title	Budget Exp.	Actual Exp.	% of the budget
1	Board of County Supervisors	20	Personal Services	1,957	881	
		25	Fringe Benefits	562	269	
		30	Contractual Services	116	31	
		40	Internal Services	108	108	
		50	Other Services	953	345	
		70	Capital Outlay	1		
		80	Leases and Rentals	33	14	
1 Total				3,731	1,648	44.17%
2	County Attorney	20	Personal Services	2,586	1,191	
		25	Fringe Benefits	776	349	
		30	Contractual Services	56	16	
		40	Internal Services	76	76	
		50	Other Services	126	59	
		70	Capital Outlay	1		
		80	Leases and Rentals	5	3	
		87	Reserves & Contingencies	(89)		
2 Total				3,538	1,694	47.87%
3	Audit Services	20	Personal Services	88	43	
		25	Fringe Benefits	33	16	
		30	Contractual Services	645	196	
		40	Internal Services	4	4	
		50	Other Services	17	2	
3 Total				787	261	33.21%
6	Office of Executive Management	20	Personal Services	2,234	1,111	
		25	Fringe Benefits	685	333	
		30	Contractual Services	390	159	
		40	Internal Services	102	97	
		50	Other Services	167	58	
		80	Leases and Rentals	10	4	
6 Total				3,588	1,763	49.14%
7	Dept of Information Technology	50	Other Services	21	5	
7 Total				21	5	22.22%
8	Human Resources	20	Personal Services	1,795	822	
		25	Fringe Benefits	527	254	
		30	Contractual Services	232	90	
		40	Internal Services	395	395	
		50	Other Services	82	(2)	
		80	Leases and Rentals	13	6	
		87	Reserves & Contingencies	(74)	(51)	
8 Total				2,969	1,515	51.02%
9	Planning	20	Personal Services	834	410	
		25	Fringe Benefits	277	139	
		30	Contractual Services	130	19	
		40	Internal Services	1,705	1,699	
		50	Other Services	484	458	
		80	Leases and Rentals	14	7	
9 Total				3,445	2,730	79.25%
10	Economic Development	20	Personal Services	1,065	520	
		25	Fringe Benefits	333	147	
		30	Contractual Services	519	57	
		40	Internal Services	39	37	
		50	Other Services	535	357	
		70	Capital Outlay	30	(0)	
		80	Leases and Rentals	246	109	
10 Total				2,766	1,227	44.34%
20	Finance	20	Personal Services	9,700	4,488	
		25	Fringe Benefits	3,336	1,505	
		30	Contractual Services	2,173	768	
		40	Internal Services	2,339	2,322	
		50	Other Services	983	405	
		70	Capital Outlay	10		

Sum of m06						
Department	Department Name	OL1	OL1 Title	Budget Exp.	Actual Exp.	% of the budget
		80	Leases and Rentals	53	19	
		87	Reserves & Contingencies	(433)	(192)	
20 Total				18,161	9,316	51.30%
23	Office of Management & Budget	20	Personal Services	1,062	530	
		25	Fringe Benefits	351	162	
		30	Contractual Services	116	26	
		40	Internal Services	41	41	
		50	Other Services	53	12	
		80	Leases and Rentals	5	1	
23 Total				1,628	774	47.55%
24	Public Safety Communications	20	Personal Services	6,919	2,882	
		25	Fringe Benefits	2,029	968	
		30	Contractual Services	287	3	
		40	Internal Services	246	240	
		50	Other Services	487	197	
		70	Capital Outlay	5		
		80	Leases and Rentals	12	4	
24 Total				9,985	4,294	43.00%
25	Police	20	Personal Services	58,995	26,549	
		25	Fringe Benefits	19,594	9,756	
		30	Contractual Services	1,593	544	
		40	Internal Services	9,875	6,622	
		50	Other Services	5,261	1,467	
		70	Capital Outlay	783	477	
		80	Leases and Rentals	534	117	
25 Total				96,635	45,533	47.12%
27	Commonwealth Attorney	20	Personal Services	3,863	1,866	
		25	Fringe Benefits	1,168	565	
		30	Contractual Services	26	7	
		40	Internal Services	130	126	
		50	Other Services	103	71	
		80	Leases and Rentals	15	6	
27 Total				5,306	2,640	49.75%
28	Sheriff	20	Personal Services	5,955	2,904	
		25	Fringe Benefits	2,180	1,115	
		30	Contractual Services	143	49	
		40	Internal Services	636	416	
		50	Other Services	543	209	
		70	Capital Outlay	13	13	
		80	Leases and Rentals	8	2	
28 Total				9,477	4,708	49.67%
29	Juvenile Court Service Unit	20	Personal Services	565	259	
		25	Fringe Benefits	171	84	
		30	Contractual Services	276	100	
		40	Internal Services	83	77	
		50	Other Services	30	10	
		80	Leases and Rentals	2	1	
		87	Reserves & Contingencies	(4)		
29 Total				1,123	531	47.27%
30	Juv and Domestic Rel Court	30	Contractual Services	17	7	
		40	Internal Services	21	21	
		50	Other Services	49	24	
		80	Leases and Rentals	20	8	
30 Total				106	60	56.51%
31	Circuit Court Judges	20	Personal Services	463	242	
		25	Fringe Benefits	168	74	
		30	Contractual Services	1		
		40	Internal Services	26	26	
		50	Other Services	32	15	
		80	Leases and Rentals	2	1	
31 Total				693	358	51.70%

Sum of m06						
Department	Department Name	OL1	OL1 Title	Budget Exp.	Actual Exp.	% of the budget
32	Clerk of the Court	20	Personal Services	2,417	1,173	
		25	Fringe Benefits	855	425	
		30	Contractual Services	905	194	
		40	Internal Services	131	131	
		50	Other Services	506	33	
		80	Leases and Rentals	12	5	
32 Total				4,826	1,962	40.66%
33	General District Court	20	Personal Services	42	22	
		25	Fringe Benefits	16	8	
		30	Contractual Services	126	25	
		40	Internal Services	27	27	
		50	Other Services	42	26	
		80	Leases and Rentals	15	3	
33 Total				267	112	41.98%
34	Criminal Justice Services	20	Personal Services	2,238	1,086	
		25	Fringe Benefits	667	321	
		30	Contractual Services	161	41	
		40	Internal Services	138	137	
		50	Other Services	233	142	
		80	Leases and Rentals	7	3	
34 Total				3,444	1,729	50.20%
35	Magistrates	20	Personal Services	232	166	
		25	Fringe Benefits	18	13	
		30	Contractual Services	0		
		40	Internal Services	17	17	
		50	Other Services	4	3	
		80	Leases and Rentals	3	1	
35 Total				274	199	72.69%
37	Human Rights Office	20	Personal Services	413	204	
		25	Fringe Benefits	130	64	
		30	Contractual Services	3		
		40	Internal Services	19	19	
		50	Other Services	16	7	
		80	Leases and Rentals	4	2	
37 Total				586	297	50.72%
38	Fire and Rescue	20	Personal Services	49,950	23,074	
		25	Fringe Benefits	15,652	8,071	
		30	Contractual Services	1,911	621	
		40	Internal Services	5,671	4,957	
		50	Other Services	3,420	1,128	
		70	Capital Outlay	716	112	
		80	Leases and Rentals	70	26	
		87	Reserves & Contingencies	(3,899)		
38 Total				73,492	37,990	51.69%
40	Public Works	20	Personal Services	8,665	4,025	
		25	Fringe Benefits	3,069	1,396	
		30	Contractual Services	6,753	2,617	
		40	Internal Services	1,187	642	
		50	Other Services	6,478	2,154	
		70	Capital Outlay	3,679	(150)	
		80	Leases and Rentals	6,472	3,093	
		87	Reserves & Contingencies	(2,240)	(225)	
40 Total				34,063	13,552	39.79%
41	Transportation	20	Personal Services	2,427	724	
		25	Fringe Benefits	787	183	
		30	Contractual Services	204	4	
		40	Internal Services	114	67	
		50	Other Services	2,239	941	
		70	Capital Outlay	43	26	
		80	Leases and Rentals	55	0	
		87	Reserves & Contingencies	(2,992)		

Sum of m06						
Department	Department Name	OL1	OL1 Title	Budget Exp.	Actual Exp.	% of the budget
41 Total				2,877	1,945	67.59%
	44 Dept. of Parks & Rec	20	Personal Services	7,378	3,614	
		25	Fringe Benefits	2,093	1,108	
		30	Contractual Services	3,000	420	
		40	Internal Services	1,191	1,191	
		50	Other Services	4,119	2,305	
		58	Debt Maintenance	432	432	
		70	Capital Outlay	822	557	
		80	Leases and Rentals	39	23	
		87	Reserves & Contingencies	(60)		
44 Total				19,014	9,649	50.75%
50	Social Services	20	Personal Services	17,872	8,828	
		25	Fringe Benefits	5,993	2,907	
		30	Contractual Services	1,933	691	
		40	Internal Services	996	953	
		50	Other Services	5,963	3,694	
		70	Capital Outlay	149	36	
		80	Leases and Rentals	96	30	
50 Total				33,003	17,137	51.93%
51	Office on Aging	20	Personal Services	1,738	816	
		25	Fringe Benefits	476	232	
		30	Contractual Services	2,295	1,726	
		40	Internal Services	146	129	
		50	Other Services	1,295	426	
		80	Leases and Rentals	12	4	
51 Total				5,961	3,334	55.93%
52	Public Health	20	Personal Services	224	108	
		25	Fringe Benefits	77	39	
		30	Contractual Services	2	0	
		40	Internal Services	23	17	
		50	Other Services	3,608	2,770	
52 Total				3,933	2,934	74.61%
53	Community Services Board	20	Personal Services	20,181	9,670	
		25	Fringe Benefits	6,202	2,950	
		30	Contractual Services	8,228	3,404	
		40	Internal Services	1,431	1,356	
		50	Other Services	2,001	1,015	
		58	Debt Maintenance	24	24	
		80	Leases and Rentals	157	78	
53 Total				38,225	18,497	48.39%
56	At Risk Youth & Family Service	20	Personal Services	378	189	
		25	Fringe Benefits	138	60	
		30	Contractual Services	64	56	
		40	Internal Services	16	16	
		50	Other Services	8,148	2,737	
56 Total				8,743	3,058	34.97%
58	Board of Equalization	20	Personal Services		-	
		25	Fringe Benefits		-	
		50	Other Services		-	
58 Total						0.00%
59	Cooperative Extension Service	20	Personal Services	662	258	
		25	Fringe Benefits	126	65	
		30	Contractual Services	2		
		40	Internal Services	77	77	
		50	Other Services	73	44	
59 Total				940	444	47.26%
60	Office of Elections	20	Personal Services	647	377	
		25	Fringe Benefits	219	99	
		30	Contractual Services	470	260	
		40	Internal Services	58	58	
		50	Other Services	103	37	

Sum of m06						
Department	Department Name	OL1	OL1 Title	Budget Exp.	Actual Exp.	% of the budget
		70	Capital Outlay	1,000	84	
		80	Leases and Rentals	18	4	
60 Total				2,516	921	36.60%
62	Library	20	Personal Services	9,061	4,253	
		25	Fringe Benefits	2,430	1,123	
		30	Contractual Services	287	92	
		40	Internal Services	782	759	
		50	Other Services	1,939	861	
		80	Leases and Rentals	44	23	
62 Total				14,543	7,112	48.91%
89	Law Library	20	Personal Services	91	45	
		25	Fringe Benefits	28	14	
		30	Contractual Services	4	0	
		40	Internal Services	6	6	
		50	Other Services	27	12	
		80	Leases and Rentals	3	0	
89 Total				159	78	49.19%
90	Non-Departmental Activities	20	Personal Services	450		
		25	Fringe Benefits	(46)	244	
		30	Contractual Services	62	(2)	
		40	Internal Services	7,532	6,744	
		50	Other Services	1,169	1,367	
		58	Debt Maintenance	44,212	30,169	
		60	Payments to Joint Operations	442	76	
90 Total				53,821	38,597	71.71%
Grand Total	Grand Total			464,646	238,604	51.35%