



Board of Supervisors
Meg Bohmke, Chairman
Gary F. Snellings, Vice Chairman
Jack R. Cavalier
L. Mark Dudenhefer
Wendy E. Maurer
Cindy C. Shelton
Robert "Bob" Thomas, Jr.

Thomas C. Foley
County Administrator

Finance, Audit & Budget Committee Meeting Agenda

January 23, 2018 - 1:30 PM
Conference Room A/B/C - Second Floor

Committee Members: Jack Cavalier, Mark Dudenhefer and Wendy Maurer

	Agenda Item	
	Election of Committee Chairman	Tom Foley
1.	Finance & Budget Monthly Report <ul style="list-style-type: none">Mid-Year ReviewVRE Refinancing	Maria Perrotte
2.	Human Resources Monthly Report	Shannon Wagner

FAB01232018





To Finance, Audit and Budget Committee

From: Maria Perrotte, Chief Financial Officer

Subject: Monthly Update

Date: January 18, 2018

CC: Thomas C. Foley, County Administrator

Staff has conducted a mid-year review of the budget and will present it to the Board. With the completion of the audit last month, and consistent with the mid-year review, staff is requesting several Board actions. The review and the requested resolutions are attached.

Virginia Railway Express (VRE) is in the process of refinancing a loan through the Virginia Resources Authority (VRA). To complete this, member jurisdictions are being asked to pass a resolution confirming this action. Attached are information and the requested resolution which is on the Board's agenda.

I would be happy to answer any questions you may have.

FY2018 Mid-Year Review

January 23, 2018



Revenue

- At midyear, total General Fund revenues are projected to be slightly above the adopted budget.
- Real Estate and Personal Property revenues are slightly lower as a percentage of the budget than the same time last year due in part to increasing exonerations. Our tax base is expected to grow and we will monitor as we go through the annual budget process.
- Consumption taxes remain strong and are outpacing budget projections.



Development Services Revenue

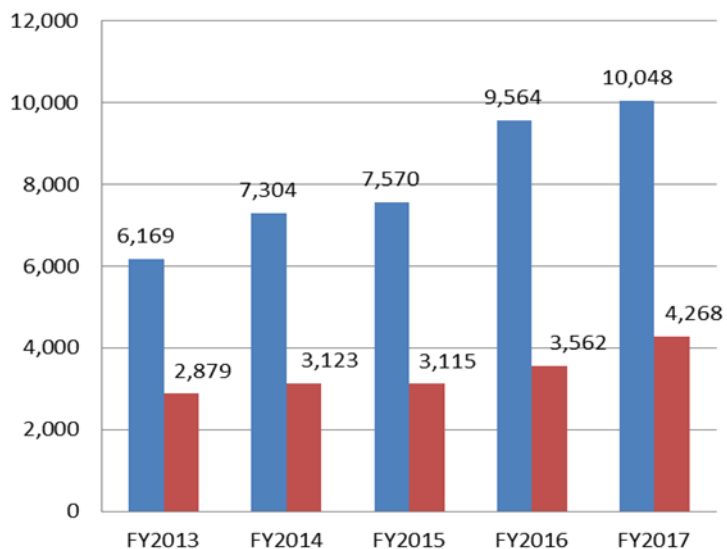
- Development Services Revenue continues to outpace budget. At mid-year, permitting fee revenues are projected to exceed budget.
- Activity remains strong, resulting in increased demand for services. To meet the increased workload, Proposed Resolution R18-25 requests the Board approve 2 FTE's, and budget and appropriate permit fees to cover the cost.



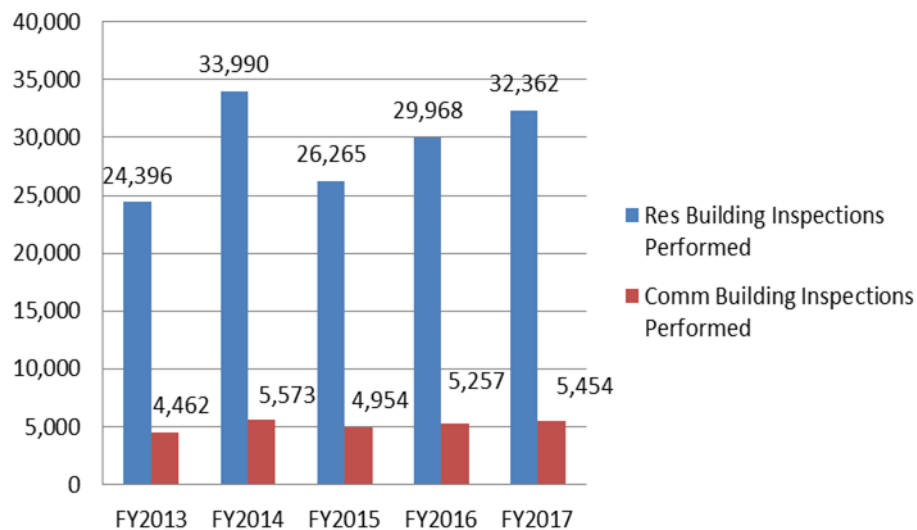
Public Works

Building Permit Workload

Building of Plan Reviews



Building Inspections Performed



Expenditures

- Health insurance costs are projected to be slightly under budget.
- It is anticipated the budgeted managed attrition of \$0.5M will be achieved.
- Costs for the Rappahannock Juvenile Detention Center are expected to exceed the budget due to our increased usage of the facility. A reserve fund for the Center is available if the additional cost can not be absorbed in the budget.



- During the first quarter review, we identified CSA as an item that we are monitoring.
- Children's Services Act expenditures are expected to exceed budget by \$1.9M. Proposed Resolution R18-23 will ask the Board to budget and appropriate the state share of \$1.1M. Savings in other budgets will be found to cover the County's share of \$0.8M. Strategies are being explored to address this issue.



Reservations for Capital Projects

- In anticipation of the need for major capital projects, staff recommends reserving funds from certain sources as follows:
- School Major Capital Projects:
 - Meals tax in excess of budget \$497,545
 - Debt Service Savings \$117,210
- Courthouse Project:
 - Recordation in excess of budget \$643,174
 - Debt Service Savings \$23,310



Other Fund

Balance Reservations

- Volunteer Fire and Rescue stations are anticipated to have repair needs. It is recommended that the volunteer budgets not spent in FY2017 continue to be held in fund balance for these needs: \$173,009.



School's Capital Projects Reserve

- The School's ended FY2017 with positive results of \$2,113,597 – which by policy was added to the Capital Project's Reserve, designated in the County's Fund Balance.
- Prior balance of \$1,773,025 are also captured.

School Related Fund Balance, Held in County Reserves		
FY2017 Ending Balance		3,886,622
Minimum Balance	(1,500,000)	2,386,622
*FY2017 Meals Tax over projection	497,545	2,884,167
*FY2017 Unspent Debt Service	117,210	3,001,377
*To be applied to major projects and new construction only		



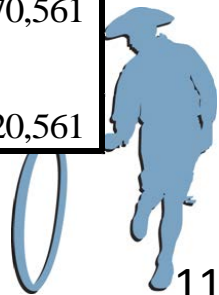
County's Capital Projects Reserve

- The County's Capital Projects Reserve, established by policy, continues to provide a source to reduce reliance on debt.
- One-time needs have been identified and Proposed Resolution R18-24 requests that Board approve, budget and appropriate these items.



County's Capital Projects Reserve

Capital Projects Reserve	Balance
FY17 year end balance	6,268,681
Minimum Balance	(1,500,000) 4,768,681
Proposed Resolution R18-24	
<u>Fire & Rescue Department</u>	
Priority Dispatch Software	(250,000) 4,518,681
Diesel exhaust extraction system (8 stations)	(400,000) 4,118,681
Station assessment to identify and prioritize repairs and maintenanc	(34,946) 4,083,735
<u>Information Technology Department</u>	
Centralized back-up system for all County data	(426,000) 3,657,735
Storage area network	(450,000) 3,207,735
<u>Sheriff's Department</u>	
Vehicles replacments and a radio study	(337,174) 2,870,561
<u>Lake Carroll Service District</u>	
Loan for dam repairs	(550,000) 2,320,561



Capital Project's Reserve Receivables

- The Capital Project's Reserve reduces reliance on debt. The Board's prior action in keeping with policy have created loans for certain purposes. These receivables are listed below.
- Proposed Resolution R18-24 includes a loan to the Lake Carroll Service District for dam repairs, which is included below for illustrative purposes only.

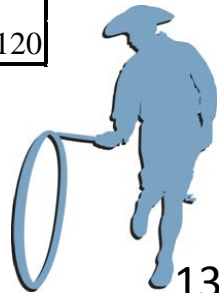
Capital Projects Reserve Receivables	
Shelton Knolls proffers (reimburse Mt View field)	850,000
Loan to R-Board	1,175,535
Loan to Armed Services Memorial	117,000
Capital Projects Reserve Receivables Balance	2,142,535
<i>Proposed Resolution R18-24 Loan to Lake Carroll Service District</i>	<u>550,000</u>
<i>Capital Projects Reserve Receivables Balance if approved</i>	2,692,535



Asides Strategic Investments

- At the end of FY2017, several one-time needs were identified. In Proposed Resolution R18-24, we will request the Boards approval of the following:

Department	Project	Amount
Fire and Rescue	One-time costs for Priority Dispatch Software - CAD System	\$ 250,000
Fire and Rescue	One-time expense for exhaust fans and assessment study of stations	434,946
Information Technology	Back-up System	426,000
Information Technology	County's Storage Area Network	450,000
Sheriff's Office	One-time operating costs for Vehicles and Radio System Study	337,174
Lake Carroll Service District	Loan to Lake Carroll Service District for dam repair, in support of O17-41	550,000
		<u>\$ 2,448,120</u>



- Utilities:
 - Water and Sewer User Fees revenues are slightly over budget; and,
 - Expenditures are anticipated to be in line with the Adopted Budget.
- Transportation Fund:
 - Fuel Tax Revenue is moderately stronger in the first six months than anticipated for in the budget.



Proposed Resolutions

- R18-22 – Requests release of School's 5% appropriation hold
- R18-23 – Requests release of County's 5% appropriation hold
- R18-24 – Requests appropriation of one-time uses for FY2017 year-end set aside
- R18-25 – Would authorize two full-time positions for Public Works
 - One Senior Building Inspector
 - One Commercial/Residential Planner



Conclusion

- We anticipate ending FY2018 with revenues exceeding budgets in the General Fund, Utilities and Transportation Funds.
- Staff will continue to monitor expenditures, including CSA and the Juvenile Detention Center to ensure overall budgets are not exceeded.
- Are there any questions?



BOARD OF SUPERVISORS**Agenda Item**

Meeting Date:	January 23, 2018
Title:	Consider Jurisdictional Confirmation of Virginia Railway Express Refinancing
Department:	Finance
Staff Contact:	Maria J. Perrotte, Chief Financial Officer
Board Committee/ Other BACC:	Finance, Audit, and Budget Committee
Staff Recommendation:	Approval
Fiscal Impact:	Estimated savings to locality \$ 3,000 per annum
Time Sensitivity:	Approvals needed by end of February 2018

ATTACHMENTS:

1.	Background Report	3.	VRA Term Sheet
2.	Proposed Resolution R18-19		

	Consent Agenda		Other Business		Unfinished Business
	Discussion		Presentation		Work Session
X	New Business		Public Hearing		Add-On

REVIEW:

X	County Administrator	<i>Thomas C. Foley</i>
X	County Attorney (legal review only)	<i>Ryphede M. McIlinden for C&S</i>

DISTRICT:	N/A
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BACKGROUND REPORT

Stafford County is a participating and contributing jurisdiction under the Virginia Railway Express (VRE) Master Agreement (Master Agreement).

VRE wishes to refinance \$52,000,000 of its Federal Railroad Administration loans over 15 years by obtaining financing through the Virginia Resources Authority (VRA) in order to generate a net present value savings of at least 3% of the refinanced principal. VRE would like to close on the VRA loan by the end of February. The refinance requires the consent of the participating jurisdictions.

As a condition of consenting to the VRA loan, VRA will be granted a security interest in the participating jurisdiction's payments to VRE, VRA will become a third party beneficiary to the Master Agreement, and the County will be subject to the VRA's Commonwealth Aid Intercept provision. If the County stopped making its participating payments to VRE, then VRA may intercept state aid provided to the County to satisfy the default in payment. Presently these payments are made with the County's portion of fuel tax receipts. These are disbursed from the State to the Potomac and Rappahannock Transportation District Commission (PRTC) and held by them. The County's moral obligation is limited to the VRE subsidy required each year under the Master Agreement.

Approximate annual savings to VRE would be \$600,000. Net savings to participating jurisdictions is small because the debt service is paid from federal, state and local funds. Only approximately 4% of debt service is paid from local funds, and the savings would need to be allocated among the participating jurisdictions.

At the Board meeting on February 6, 2018, staff recommends approval of proposed Resolution R18-19, which approves issuance of refinancing debt for VRE equipment.

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, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 23rd day of January, 2018:

MEMBERS:

Meg Bohmke, Chairman
Gary F. Snellings, Vice Chairman
Jack R. Cavalier
L. Mark Dudenhefer
Wendy E. Maurer
Cindy C. Shelton
George Washington District

VOTE:

VACANT

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

A RESOLUTION APPROVING ISSUANCE OF REFINANCING
DEBT FOR VIRGINIA RAILWAY EXPRESS EQUIPMENT

WHEREAS, the Northern Virginia Transportation District Commission (NVTC) and the Potomac and Rappahannock Transportation District Commission (PRTC, and, together with NVTC, the Commissions) jointly operate the Virginia Railway Express (VRE) commuter rail service in Northern Virginia pursuant to the Master Agreement dated as of October 3, 1989, as amended (the Master Agreement), among the Commissions and the Participating and Contributing Jurisdictions described in such Master Agreement; and

WHEREAS, NVTC, with the consent of PRTC and the Participating and Contributing Jurisdictions, entered into a financing agreement with the Federal Railroad Administration pursuant to its Railroad Rehabilitation and Improvement Financing program in 2007 and subsequently borrowed a total of \$68,953,913 pursuant to a series of draws under the program for railcars delivered between 2008 and 2012 (collectively, the FRA Loan); and

WHEREAS, the FRA Loan is now administered by the U.S. Department of Transportation's Build America Bureau; and

WHEREAS, Stafford County, Virginia, is a Participating Jurisdiction under the terms of the Master Agreement; and

WHEREAS, the Commissions have recommended to the Participating and Contributing Jurisdictions the refinancing of the FRA Loan with the proceeds of a loan to be obtained from the Virginia Resources Authority (VRA); and

WHEREAS, the Master Agreement provides that the Commissions shall utilize reasonable debt financing to the extent that such financing is advantageous to the VRE and is in the interest of the parties to the Master Agreement, but requires that the Commissions not incur debt related to the VRE without the consent of all Participating and Contributing Jurisdictions;

NOW, THEREFORE, BE IT RESOLVED BY THE STAFFORD COUNTY BOARD OF SUPERVISORS on this the 23rd day of January, 2018 that it be and it hereby does consent, in accordance with the terms of the Master Agreement, to the incurrence of a VRA loan by Northern Virginia Transportation District Commission (NVTC) on behalf of the Virginia Railway Express to refinance the FRA Loan upon substantially the terms and conditions described in the VRA Term Sheet dated as of December 15, 2017, accepted by the Commissions as of January 4, 2018 and presented at this meeting (the VRA Loan); and

BE IT FURTHER RESOLVED THAT it is acknowledged that the repayment obligations of the VRA Loan and the related financing covenants will be evidenced by a local bond to be issued by NVTC and a local bond sale and financing agreement to be negotiated and entered into by NVTC and VRA; and

BE IT FURTHER RESOLVED THAT the consent to the VRA Loan is contingent upon the achievement of net present value debt service savings of not less than three percent (3%) of the outstanding principal amount of the FRA Loan; and

BE IT FURTHER RESOLVED THAT as required by VRA as a condition to the making of the VRA Loan, the County further consents to the Commissions' granting to VRA of security interests in the Commissions' rights to participating jurisdictions' jurisdictional payments under the Master Agreement; and

BE IT FURTHER RESOLVED THAT as required by VRA as a condition to the making of the VRA Loan, the County agrees that VRA shall be deemed a third party beneficiary of the Master Agreement for purposes of repayment of the VRA Loan; and

BE IT FURTHER RESOLVED THAT as a condition to the making of the VRA Loan, the County further acknowledges that (i) the VRA Loan may be payable from and will be secured by amounts derived pursuant to the Master Agreement, (ii) VRA would not make the VRA Loan without the security and credit enhancement provided by the Participating Jurisdictions under the Master Agreement, and (iii) VRA is treating the County's obligations under the Master Agreement as a "local obligation" pursuant to Section 62.1-199 of the Code of Virginia of 1950, as amended. In the event of the failure of the County to appropriate a payment under the Master Agreement that causes a non-payment on the VRA Loan, VRA may institute the "state-aid intercept" process set forth in Section 62.1-216.1 of the Code of Virginia of 1950, as amended, under which the Governor may cause the Comptroller to withhold all further payment to the County of funds appropriated and payable by the Commonwealth to the County until the unpaid sum is obtained. The funds so withheld will be directed to VRA to cure the nonpayment; and

BE IT STILL FURTHER RESOLVED THAT the appropriate officers of the County are authorized to execute and deliver such agreements, instruments and certificates as may be necessary to accomplish the foregoing.

TCF:rh



Northern Virginia Transportation Commission

Virginia Pooled Financing Program – Revenue Pledge –Terms and Conditions

Below is an outline of the proposed principal terms and conditions for the type of financing requested in the Northern Virginia Transportation Commission application for funding from the spring Series 2018 Virginia Pooled Financing Program (“VPFP”), which has been authorized by the Credit Committee of Virginia Resources Authority (“VRA”), subject to receipt and satisfactory review of the City of Manassas Park fiscal year 2016 audited financial statements. The final terms and conditions will be set forth in the Local Bond Sale and Financing Agreement between VRA and the Northern Virginia Transportation Commission, which will be executed in advance of the VPFP spring Series 2018 bond issue pricing in May 2018. The following proposed terms are valid through June 30, 2018.

Borrower:	Northern Virginia Transportation Commission (the “Borrower”), as co-owner of the Virginia Railway Express (“VRE”), the provisions for which are detailed in the Master Agreement for Provision of Commuter Rail Services in Northern Virginia document originally dated October 3, 1989, as amended (the “Master Agreement”).
Amount:	Requested proceeds of up to \$52,000,000 plus costs of issuance and an amount sufficient to provide for the below-referenced local debt service reserve fund, if debt financed. (Any changes in the Requested Proceeds amount should be submitted no later than March 23, 2018)
Purpose:	To refinance the Borrower’s promissory note payable to the Federal Railroad Administration issued in fiscal year 2008, together with related expenses (the “Project”).
Security:	Gross pledge of Borrower revenues properly allocable to VRE in accordance with generally accepted accounting principles or resulting from the ownership or operation of VRE, specifically including: (1) fares and other operating revenues, (2) contributions to costs of VRE by the below defined Participating Jurisdictions and Contributing Jurisdictions, (3) federal, state, and local grants, subsidies, or other governmental revenues received with respect to VRE that can be legally pledged and (4) any investment or other income allocable to VRE that can be legally pledged (collectively, the “Gross Revenues”); Equity or debt-funded local debt service reserve equal to \$2,000,000 to be held by the VPFP trustee and if equity funded, the local debt service reserve requirement may be

Northern Virginia Transportation Commission

Virginia Pooled Financing Program – Revenue Pledge –Terms and Conditions

funded in four annual installments of \$500,000 on each July 1 in 2018, 2019, 2020, and 2021;

Moral obligation pledges as described below.

Moral Obligation Pledges:

Moral obligation pledges of the Counties of Fairfax, Prince William, Stafford, and Spotsylvania, and the Cities of Fredericksburg, Manassas, and Manassas Park (collectively, the “Participating Jurisdictions”) evidenced in resolutions of the governing body of each locality that acknowledge and consent to the following: (1) the issuance of the proposed debt, (2) VRA’s treatment of the Master Agreement and the related, subject to appropriation, financial responsibilities of the Participating Jurisdictions as a “local obligation” within the meaning of Section 62.1-199 of the Code of Virginia of 1950, as amended, which will enable VRA to invoke the “state-aid intercept” in the event of a non-payment under the master agreement that results in a payment default on the proposed VRA loan, and (3) VRA’s status as a third party beneficiary of the Master Agreement;

It is understood that the County of Arlington and the City of Alexandria (collectively, the “Contributing Jurisdictions”) are not providing moral obligation support for the proposed loan.

Rate Covenant:

Net revenues available for debt service consisting of Gross Revenues less cash-based operating and maintenance expenses (“Net Revenues Available for Debt Service”) shall be 100% of Borrower’s annual debt service on the proposed loan and any other debt obligations secured by a pledge of Gross Revenues, inclusive of contributions from the Participating Jurisdictions and Contributing Jurisdictions (the “Rate Covenant”); it is understood that debt obligations secured by a leasehold interest in property are excluded from the rate covenant calculation.

In the event that the Borrower does not meet the Rate Covenant based on results of the Borrower’s annual audited financial statements, the Borrower agrees to take immediate action to adjust the VRE budget to restore compliance with

Northern Virginia Transportation Commission

Virginia Pooled Financing Program – Revenue Pledge –Terms and Conditions

the Rate Covenant, including adjusting revenues and / or expenses and / or taking action under Section III(D) of the Master Agreement to seek supplemental appropriations from all Participating Jurisdictions that provided funding in support of VRE in the then current budget year and the most recent prior fiscal year.

Qualified Independent Consultant Report:

If as of the end of any fiscal year, the Borrower is not in compliance with the revenue covenant, the Borrower will within 30 days of receipt of the annual audited financial statements request a consultant report with recommendations to bring the Borrower into compliance with the rate covenant.

Liquidity Covenant:

Borrower covenants to maintain no less than 90 days of budgeted annual cash operating expenses (excluding budgeted annual debt service) in unrestricted cash as a working capital reserve fund (the “Working Capital Reserve Fund Requirement”); VRA will test compliance as of the end of the Borrower’s fiscal year (each June 30) based on audited financial statements, and if at any time during the life of the proposed loan the Borrower maintains an amount less than the Working Capital Reserve Fund Requirement, the Borrower covenants to replenish the related, unrestricted cash balance to the Working Capital Reserve Fund Requirement within six months of completion of the audited financial statements that showed non-compliance.

Parity Provisions:

In addition to the necessary local approvals required to issue additional debt, the Borrower may issue parity bonds on behalf of VRE provided that while the proposed VRA 2018 loan is outstanding: (1) Borrower provides evidence of compliance with the Rate Covenant in each of the five most recently audited fiscal years, (2) Borrower provides evidence of compliance with the Working Capital Reserve Fund Requirement in each of the five most recently audited fiscal years, and (3) Borrower will provide a third-party independent consultant certification that during the first three complete fiscal years following the completion of the improvements to be financed with the parity debt, the projected Net Revenues Available for Debt Service will be sufficient to meet the Rate Covenant; it is understood that the

Northern Virginia Transportation Commission

Virginia Pooled Financing Program – Revenue Pledge –Terms and Conditions

independent consultant may use the Borrower's six-year plan as the basis for projected Net Revenues Available for Debt Service.

Other Conditions:

Notice to VRA prior to the pricing of the VPFP spring Series 2018 bond issue if the Borrower becomes aware of any threatened or filed litigation with respect to the Project¹;

Notice to VRA of intent to participate in the VPFP spring Series 2018 bond issue no later than March 30, 2018² through the execution of the Borrower's Local Bond Sale and Financing Agreement related to the proposed loan;

Loan commitment is contingent on receipt and satisfactory review of the fiscal year 2016 audited financial statements of the City of Manassas Park.

Other Highlighted Documentation:

Certified copies of the Borrower, Potomac and Rappahannock Transportation Commission, Participating Jurisdictions, and Contributing Jurisdictions local resolutions authorizing the proposed financing.

Legal Opinions:

Customary opinions as to authorization, validity, no litigation, and no private activity and other matters requested by VRA

General Covenants:

To include those customary for these types of transactions, including events of taxability and others that are appropriate in the context of the financing

Payment Dates:

April 1 - Interest
October 1 – Principal and interest

Final Local Bond Maturity:

No later than October 1, 2032

¹ In the event of threatened or filed litigation with respect to the Borrower or the Project, VRA reserves the right to withdraw or alter the terms of this commitment in its sole discretion.

² If a material adverse change has occurred in the financial condition of the Borrower as indicated in the financial statements, application and other information furnished to VRA between the date of the Borrower's loan application to the VPFP and the VPFP bond pricing, VRA reserves the right to withdraw or alter the terms of this commitment in its sole discretion.

Northern Virginia Transportation Commission
Virginia Pooled Financing Program – Revenue Pledge –Terms and Conditions

VRA Loan Origination Fee:	12.5 basis points of par amount and added to costs of issuance (not to exceed \$25,000)
Annual Administrative Fee:	12.5 basis points of outstanding principal and payable semi-annually
Annual Pass-through fees:	Annual trustee fees; allocable costs associated with arbitrage rebate calculations

Acknowledgement:

The foregoing terms and conditions are hereby acknowledged the _____ day of _____, 2017 / 2018.

By: _____

Its: _____

VRA Contact:

Peter D'Alema
Director of Program Management
Virginia Resources Authority
1111 East Main Street
Suite 1920
Richmond, VA 23219
804-616-3446
pdalema@virginiaresources.org

BOARD OF SUPERVISORS

Agenda Item

Meeting Date:	January 23, 2018
Title:	Release of FY2018 County and Schools 5% Appropriation Hold, and Budget and Appropriate Children's Services Act State Funds
Department:	Finance and Budget
Staff Contact:	Maria J. Perrotte, Chief Financial Officer
Board Committee/ Other BACC:	Finance, Audit and Budget Committee
Staff Recommendation:	Approval
Budget Impact:	See background report
Time Sensitivity:	N/A

ATTACHMENTS:

1.	Background Report	3.	Proposed Resolution R18-23
2.	Proposed Resolution R18-22	4.	Dr. Benson Letter dtd 1/18/18

<input checked="" type="checkbox"/>	Consent Agenda	<input type="checkbox"/>	Other Business	<input type="checkbox"/>	Unfinished Business
<input type="checkbox"/>	Discussion	<input type="checkbox"/>	Presentation	<input type="checkbox"/>	Work Session
<input type="checkbox"/>	New Business	<input type="checkbox"/>	Public Hearing	<input type="checkbox"/>	Add-On

REVIEW:

<input checked="" type="checkbox"/>	County Administrator	<i>Thomas C. Foley</i>
<input checked="" type="checkbox"/>	County Attorney (legal review only)	<i>Ryshede M. Millerston for C.F.S.</i>

DISTRICT:	N/A
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BACKGROUND REPORT

At mid-year, staff provides the Board and the public with an update of the County's current economic conditions. To provide the maximum financial flexibility, when the FY2018 budget was adopted, a 5% appropriation hold was placed on the General Fund and the Schools' Operating budgets, with release of the 5% hold pending review of current economic conditions. At mid-year, staff projects that revenues are tracking slightly higher than budgeted. In light of current economic conditions, staff recommends full appropriation of the County's and Schools' budgets.

As we reported in the First Quarter Financial Review on October 17, we have continued to monitor the Children's Services Act (CSA) expenditures for fluctuations as immediate past years have been in excess of budget projections. The Human Services staff has since projected that state and federally-mandated Children's Services Act (CSA) expenditures will exceed budget by \$1,926,001 due to increased private day school placements for children in special education programs. Additional State support of \$1,101,859 is available to be appropriated. The County will absorb the additional local cost within the FY2018 budget.

The School Board has requested full appropriation of the Schools' Operating budget (Attachment 4).

Proposed Resolution R18-23 appropriates the General Fund 5% appropriation hold of \$11,899,608 and budgets and appropriates \$1,101,859 of state funds for the CSA. Proposed Resolution R18-22 appropriates the remaining \$13,945,737 of the Schools' Operating budget.

Staff recommends approval of proposed Resolutions R18-23(County) and R18-22 (Schools).

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, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 23rd day of January, 2018:

MEMBERS:

Meg Bohmke, Chairman
Gary F. Snellings, Vice Chairman
Jack R. Cavalier
L. Mark Dudenhefer
Wendy E. Maurer
Cindy C. Shelton
George Washington District

VOTE:

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

A RESOLUTION AUTHORIZING THE RELEASE OF THE SCHOOLS'
FY2018 APPROPRIATION HOLD

WHEREAS, to provide financial flexibility, the Board placed a 5% appropriation hold on the adopted FY2018 General Fund budget, including the Schools' Operating Fund, with release of the hold pending a mid-year fiscal review; and

WHEREAS, the FY2018 mid-year review projects sufficient revenues to warrant the release of the remaining 5% of the FY2018 Schools' Operating Fund appropriation; and

WHEREAS, the Board desires to release the full remaining 5% of the Schools' Operating Fund appropriation for FY2018;

NOW, THEREFORE, BE IT RESOLVED by the Stafford County Board of Supervisors on this the 23rd day of January, 2018, that it be and hereby does increase the appropriations to the Schools' FY2018 Operating Fund as follows:

<u>From the General Fund:</u>	Appropriation <u>Release</u>
Total all Expenditures	13,945,737

<u>To the Schools' Operating Fund:</u>	Appropriation <u>Release</u>
Total all Expenditures	13,945,737

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, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 23rd day of January, 2018:

MEMBERS:

Meg Bohmke, Chairman
Gary F. Snellings, Vice Chairman
Jack R. Cavalier
L. Mark Dudenhefer
Wendy E. Maurer
Cindy C. Shelton
George Washington District

VOTE:

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

A RESOLUTION AUTHORIZING THE RELEASE OF THE
COUNTY'S FY2018 APPROPRIATION HOLD, AND BUDGETING
AND APPROPRIATING \$1,101,859 IN CHILDREN'S SERVICES ACT
STATE FUNDS

WHEREAS, to provide financial flexibility, the Board placed a 5% appropriation hold on the FY2018 budget, with release of the hold pending a mid-year fiscal review; and

WHEREAS, the FY2018 mid-year review projects sufficient revenues to warrant the release of the remaining 5% General Fund appropriation, as well as the following additional appropriation; and

WHEREAS, Human Services staff projects that state and federally-mandated Children's Services Act (CSA) expenditures will exceed the FY2018 budget by \$1,101,859 due to increased private day school placements for special education students; and

WHEREAS, the Board desires to budget and appropriate additional state support received for increased CSA expenditures in the amount of \$1,101,859; and

WHEREAS, with full release of the 5% appropriation hold and careful management of all budgets, additional appropriation for locally-funded CSA expenditures is not expected to be necessary;

NOW, THEREFORE, BE IT RESOLVED by the Stafford County Board of Supervisors on this the 23rd day of January, 2018, that it be and hereby does increase the appropriations to the General Fund budget for FY2018 as follows:

<u>General Fund:</u>	<u>Appropriation Release</u>
Operating Budget Transfer to Schools	5,786,328
Public Day School	25,900
Shared Services / Audit	5,765
One-Time School Cash Capital	2,344
Board of Supervisors	34,521
Capital Projects	243,894
Central Rappahannock Regional Library	261,902
Commissioner of the Revenue	137,844
Commonwealth's Attorney	159,887
Cooperative Extension	9,303
Corrections	339,416
County Administration	70,169
County Attorney	54,049
Clerk of the Circuit Court	78,130
Circuit Court	18,655
General District Court	5,862
Juvenile and Domestic Relations Court	5,735
Magistrate	441
15th District Court Services Unit	18,557
Economic Development	46,988
Finance and Budget	83,100
Fire and Rescue	969,982
Human Resources	28,875
Human Services, Office of	299,861
Information Technology	128,192
Non-Departmental	151,199
Parks, Recreation and Community Facilities	605,964
Partner Agencies	104,067
Planning and Zoning	125,001
Public Works	213,273
Public Works - Stormwater	29,085
Registrar & Electoral Board	25,700
Sheriff	1,365,377
Social Services	358,050
Treasurer	106,192
Total All Expenditures	11,899,608

; and

BE IT FURTHER RESOLVED that One Million One Hundred One Thousand Eight Hundred Fifty-Nine Dollars (\$1,101,859) in state support received for the increased Children's Services Act expenditures is budgeted and appropriated as follows:

Human Services	\$1,101,859.
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W. BRUCE BENSON
Superintendent



STAFFORD COUNTY PUBLIC SCHOOLS

31 Stafford Avenue
Stafford, Virginia 22554
Telephone (540) 658-6000
www.staffordschools.net

SCHOOL BOARD

Patricia Healy, Chair
Dewayne McOsker, Vice-Chair
Sarah Chase, Ph.D.
Jamie Decatur
Irene Egan
Holly Hazard
R. Pamela Yeung

OFFICE OF THE SUPERINTENDENT

January 18, 2018

Mr. Thomas Foley
County Administrator
County of Stafford
P.O. Box 339
Stafford, Virginia 22555

Dear Mr. Foley:

The school division respectfully requests that the Board of Supervisors appropriate to the division the 5 percent local transfer holdback of \$13,945,737 from the School Board's FY 2018 Adopted Budget for School Operating Funds approved in Resolution R17-163 on June 6, 2017.

Your approval of this request will be greatly appreciated. Please contact me if you have any further questions or need additional information.

Sincerely,

W. Bruce Benson, Ed.D.
Superintendent

cc: School Board Members
Maria Perrotte
Andrea Light
Chris Fulmer
Kate Gilliam

BOARD OF SUPERVISORS

Agenda Item

Meeting Date:	January 23, 2018
Title:	Budget and Appropriate Capital Projects Reserve Funds
Department:	Finance and Budget
Staff Contact:	Maria J. Perrotte, Chief Financial Officer
Board Committee/ Other BACC:	Finance, Audit, and Budget Committee
Staff Recommendation:	Approval
Budget Impact:	See background report
Time Sensitivity:	N/A

ATTACHMENTS:

1.	Background Report	2.	Proposed Resolution R18-24
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X	Consent Agenda		Other Business		Unfinished Business
	Discussion		Presentation		Work Session
	New Business		Public Hearing		Add-On

REVIEW:

X	County Administrator	<i>Thomas C. Foley</i>
X	County Attorney (legal review only)	<i>Ryshede M. McIndoe for C&S</i>

DISTRICT:	N/A
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BACKGROUND REPORT

The FY2017 audit confirmed positive results of operations. Per the County's financial policy, after funding reserve requirements are met, year-end funds are added to the County's Capital Projects Reserve. Proposed Resolution R18-24 requests identified, one-time projects totaling \$2,448,120 are funded utilizing this source of funding. The following items were recommended for the Board's consideration and consent:

<u>Department</u>	<u>Projects</u>	<u>Amount</u>
Fire and Rescue	One-time costs for Priority Dispatch Software - CAD System which provides for a methodical interrogation, call prioritization, and efficient dispatch of unit to allow for the greatest operational impact. This was presented to the Public Safety Committee at the June 20, 2017 committee meeting.	\$250,000
Fire and Rescue	One-time costs for diesel exhaust extraction system at eight fire and rescue stations estimated to be \$50,000 per site.	\$400,000
Fire and Rescue	To provide for a station assessment to provide an estimate and a prioritized listing of repairs and maintenance needed.	\$34,946
Information Technology	One-time costs for a centralized back-up system for all County data to replace the outdated system currently used. This also provides the ability to back up to the cloud. The current system has been unreliable.	\$426,000
Information Technology	One-time cost to provide for the County's Storage Area Network. This will allow the County to move to the next generation of centralized storage that will increase performance (speed) by more than ten-fold over our current system which is outdated and reaching end-of-life.	\$450,000
Sheriff's Office	One-time costs for vehicles and radio system study to provide for a long term needs model, tower lease options, and ongoing shared services with schools.	\$337,174
Lake Carroll Service District	Loan to Lake Carroll Service District for dam repair, in support of Ordinance O17-41	\$550,000

Staff recommends approval of proposed Resolution R18-24, which budgets and appropriates funds from the Capital Project Reserve to the General Fund for the above-referenced items.

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, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 23rd day of January, 2018:

MEMBERS:

Meg Bohmke, Chairman
Gary F. Snellings, Vice Chairman
Jack R. Cavalier
L. Mark Dudenhefer
Wendy E. Maurer
Cindy C. Shelton
George Washington District

VOTE:

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

A RESOLUTION TO BUDGET AND APPROPRIATE FY2017 YEAR-END
SET ASIDES

WHEREAS, the County identified one-time uses for its FY2017 year-end set aside funds in the amount of \$2,448,120; and

WHEREAS, the FY2017 audit has confirmed that these funds are available;

NOW, THEREFORE BE IT RESOLVED, by the Stafford County Board of Supervisors on this the 23rd day of January, 2018, that the County Administrator be and he hereby is authorized to amend the FY2018 Budget to budget and appropriate \$2,448,120 from positive results of operations to the General Fund to be used as follows:

<u>Department</u>	<u>Projects</u>	<u>Amount</u>
Fire and Rescue	One-time costs for Priority Dispatch Software - CAD System which provides for a methodical interrogation, call prioritization, and efficient dispatch of unit to allow for the greatest operational impact. This was presented to the Public Safety Committee at the June 20, 2017 committee meeting.	\$250,000
Fire and Rescue	One-time costs for diesel exhaust extraction system at eight fire and rescue stations estimated to be \$50,000 per site.	\$400,000

Fire and Rescue	To provide for a station assessment to provide an estimate and a prioritized listing of repairs and maintenance needed.	\$34,946
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Sheriff's Office	One-time costs for vehicles and radio system study to provide for a long term needs model, tower lease options, and ongoing shared services with schools.	\$337,174
Lake Carroll Service District	Loan to Lake Carroll Service District for dam repair, in support of Ordinance O17-41	\$550,000

BOARD OF SUPERVISORS

Agenda Item

Meeting Date:	January 23, 2018
Title:	Authorize, Budget and Appropriate Funding for Two Full-Time Equivalent Positions for Public Works
Department:	Finance and Budget
Staff Contact:	Maria J. Perrotte, Chief Financial Officer
Board Committee/ Other BACC:	Finance, Audit, and Budget Committee
Staff Recommendation:	Approval
Budget Impact:	See background report
Time Sensitivity:	N/A

ATTACHMENTS:

1.	Background Report	2.	Proposed Resolution R18-25
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<input checked="" type="checkbox"/>	Consent Agenda	<input type="checkbox"/>	Other Business	<input type="checkbox"/>	Unfinished Business
<input type="checkbox"/>	Discussion	<input type="checkbox"/>	Presentation	<input type="checkbox"/>	Work Session
<input type="checkbox"/>	New Business	<input type="checkbox"/>	Public Hearing	<input type="checkbox"/>	Add-On

REVIEW:

<input checked="" type="checkbox"/>	County Administrator	<i>Thomas C. Foley</i>
<input checked="" type="checkbox"/>	County Attorney (legal review only)	<i>Ryshede M. McIlinden for C.A.</i>

DISTRICT:	N/A
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BACKGROUND REPORT

Development fee revenue continues to be higher than budget projections, which is driven by high permitting activity. In accordance with the Code of Virginia, §36-105, fees may be levied to defray the cost of development enforcement and appeals. The development fee revenue collected is required to be used to support those activities. The increase in revenue is directly related to the increase in both building inspections performed and building of plans reviewed. This work load is driving the need for additional positions. FY2017 development fee revenues exceeded the budget with FY2018 expected to continue that trend. The chart below provides a historical view of building inspections performed and the number of applications and plans reviewed. It is projected that activity in FY2018 will continue to outpace prior year.

	Fiscal Year				
	2013	2014	2015	2016	2017
Residential Building Inspections performed	24,396	33,990	26,265	29,968	32,362
% Change over prior year		39.3%	-22.7%	14.1%	8.0%
Commercial Building Inspections performed	4,462	5,573	4,954	5,257	5,454
% Change over prior year		24.9%	-11.1%	6.1%	3.7%

	Fiscal Year				
	2013	2014	2015	2016	2017
Residential Building Application/Plan Reviews	6,169	7,304	7,570	9,564	10,048
% Change over prior year		18.4%	3.6%	26.3%	5.1%
Commercial Building Application/Plan Reviews	2,879	3,123	3,115	3,562	4,268
% Change over prior year		8.5%	-0.3%	14.3%	19.8%

Staff recommends approval of proposed Resolution R18-25, which adds two full-time equivalent (FTE) positions to authorized strength for the Public Works Department, and budgets and appropriates funds in the amounts shown below.

Position	Annual Salary	Benefit Amount	Total	42% Remaining of FY2018
Commercial/Residential Plans Reviewer	\$70,824	\$31,666	\$102,490	\$43,046
Senior Building Inspector	\$53,206	\$28,261	\$81,467	\$34,206
Total Budget and Appropriation				\$77,252

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, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 23rd day of January, 2018:

MEMBERS:

Meg Bohmke, Chairman
Gary F. Snellings, Vice Chairman
Jack R. Cavalier
L. Mark Dudenhefer
Wendy E. Maurer
Cindy C. Shelton
George Washington District

VOTE:

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

A RESOLUTION TO AUTHORIZE AND BUDGET AND
APPROPRIATE FUNDING FOR TWO FULL-TIME EQUIVALENT
POSITIONS FOR PUBLIC WORKS

WHEREAS, revenue generated from permitting activity in FY2018 continues to outpace budgeted projections; and

WHEREAS, revenue generated from permitting activity must support that activity; and

WHEREAS, development fee revenues are also expected to exceed budget projections; and

WHEREAS, the increase in permitting activity exceeds current staff's ability to provide for timely response; and

WHEREAS, two full-time equivalent positions would mitigate delayed response to citizens requests, specifically one Senior Building Inspector and one Commercial/Residential Planner;

NOW, THEREFORE BE IT RESOLVED, by the Stafford County Board of Supervisors on this the 23rd day of January, 2018, that the County Administrator be and he hereby is authorized to recruit and maintain full-time positions up to the authorized full-time strength stated below, which increase shall be for positions in the Department of Public Works:

General Fund	
• Non-Public Safety	352 <u>354</u>

; and

BE IT FURTHER RESOLVED the County Administrator is authorized to amend the Department of Public Work's budget to increase by Seventy-seven Thousand Two Hundred Fifty-two Dollars (\$77,252) and appropriate the same.

TCF:al

Memorandum

Human Resources

To: Finance, Audit and Budget Committee

From: Shannon Wagner
Director of Human Resources

Subject: Human Resources Update

Date: January 23, 2017

CC: Thomas Foley

Performance Management

In January each year, staff work diligently to plan for and communicate performance results with employees. The evaluations are signed and sent up to HR by the end of the month to record and keep in each employee's personnel file. This marks the end of the performance management cycle which begins with setting goals and expectations for the year and ongoing/informal communication throughout the year.

The Performance Management Committee continues to work on streamlining our current performance management process and evaluation format within the guidelines of the County's approved policy. The goal of this committee is to ensure that the process is designed for regular communication between employees and supervisors and that the format of the evaluation is clear and meaningful.

HR Software for Talent Management

Staff continues to research Human Capital Management (HCM) systems to support and enhance critical components for developing our workforce. In particular, we are considering systems that would provide a learning management component, a performance management component, and a succession management component. Each of these components contributes to strategic planning and development across the organization. Other aspects that are available in some systems may help to streamline HR processing, online benefits enrollment, and social networking/knowledge resources.

We are discussing this project with SCPS to determine what systems they may already have to assist in these areas and whether this project would be of interest from a shared services perspective.

In summary, it is staff's desire to implement a system that connects all of the above features to be able to fully leverage talent management within our organization. As more data is connected across functions, departments

and managers will be able to make better business decisions and employees will have easier access and input into those processes.

To date, staff have been in conversations with multiple potential providers and have participated in a few system demos to better understand its functionality and how it might fit into what the County is looking for. We are obtaining price quotes for those vendors and have a few more systems that we are researching for additional information.

Wellness Committee

The Wellness Committee will be beginning planning programs for the 2018 year. In the meantime, you can save the date for the annual Stafford Hospital 5k! This year the event will occur on April 14th. We have several Team Stafford shirts available if you'd like one.

