

NON-DEPARTMENTAL BUDGET SUMMARY

Non-departmental accounts include County-wide costs for insurance premiums and claims (including workers' compensation), fringe benefits for retirees (health and life insurance premiums), miscellaneous expenses, County building rent and overhead charges to certain County agencies, and contingents held for future County Board actions such as the General Contingent and Affordable Housing Investment Fund.

NON-DEPARTMENTAL FINANCIAL SUMMARY

	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	% Change '15 to '16
Insurance	\$3,638,378	\$4,850,000	\$4,341,185	-10%
Retiree Benefits/ Health Plan Adjustment	20,204,695	20,884,927	21,720,324	4%
Miscellaneous	52,731,088	20,648,192	21,773,239	5%
Contingents	-	16,205,716	15,706,017	-3%
Total Expenditures	\$76,574,161	\$62,588,835	\$63,540,765	2%

INSURANCE COSTS

The County's risk financing program is comprised of commercially purchased insurance coverage and retained risks paid for through a program of self-insurance. The liability program is self-insured up to \$1 million per occurrence. The program includes general liability, police legal liability, public officials' liability, and automobile liability. The County has a commercially purchased excess liability policy with limits of \$10 million per occurrence with no annual aggregate. The County has exposure for property losses to a current deductible of \$50,000. Losses above the deductible level are covered by a commercially purchased policy.

The County also maintains a Self-Insurance Reserve (\$5,000,000) and a General Fund Operating Reserve funded at five percent of General Fund expenditures. Insurance is purchased primarily for property, general liability, and automobile liability exposures subject to prudent deductible/retention levels. Insurance is provided for real and personal property, crime, garage keepers, professional liability, and constitutional office coverage. Retained exposures include general liability, automobile damage, and related liability up to specific retention levels.

	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	% Change '15 to '16
Insurance Cost	\$3,638,378	\$4,850,000	\$4,341,185	-10%
Total Expenditures	\$3,638,378	\$4,850,000	\$4,341,185	-10%

- ↓ The FY 2016 adopted budget decreases based upon previous actual expenditures and projected costs for FY 2016.

RETIREE BENEFITS and HEALTH PLAN ADJUSTMENT

This account includes the employer's share of retirees' health and life insurance premiums and adjustments related to the employer's share of health plan expenses for general employees.

	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	% Change '15 to '16
Retirees' Health & Life Insurance	\$10,608,322	\$11,784,793	\$12,256,185	4%
Other Post Employment Benefits (OPEB - trust)	7,024,633	9,100,134	9,464,139	4%
Health Plan Adjustment	2,571,740	-	-	-
Total Expenditures	\$20,204,695	\$20,884,927	\$21,720,324	4%

- OPEB funding levels are based on the most recent actuarial study and ensure that the County is fully meeting its annual required contribution to the fund. The total funding for OPEB (current costs plus future liability) is \$21.7 million in FY 2016.

MISCELLANEOUS EXPENSES

These County expenses include: rent, overhead charge-backs to some County agencies, the cost of the County's annual external audit and other consulting fees, national and state association memberships (National League of Cities, National Association of Counties, Virginia Municipal League, and Virginia Association of Counties), and other miscellaneous expenses not allocated to County departments.

	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	% Change '15 to '16
Facility Rent and Operating Charges	\$10,711,083	\$11,075,236	\$11,495,274	4%
Intra-County Charges	(156,789)	(156,489)	(161,787)	3%
Consultants	1,516,429	474,000	535,088	13%
Contracted Services	477,423	478,000	478,000	-
Memberships	122,332	129,783	129,783	-
Special Events & Unclassified Services	185,220	213,000	213,000	-
Employer of Choice	165,396	788,700	538,700	-32%
Public Defender Salary Supplement	-	-	80,000	-
Housing Projects	34,678,210	-	-	-
Hiring Slowdown / Early Retirement	-	(1,300,000)	(450,000)	-65%
Rental of County Owned Vehicles	-	-	(50,000)	-
Miscellaneous	55,888	65,000	65,000	-
Lease Purchase	4,975,896	6,480,962	6,500,181	-
IDA Debt Service on Ballston Skating Facility	-	2,400,000	2,400,000	-
Total Expenditures	\$52,731,088	\$20,648,192	\$21,773,239	5%

- ↑ The rent costs and operating expenses in various County facilities increased \$420,038 based upon previous actual expenditures and projected costs for FY 2016.
- ↑ Intra-County charges increase due to an increase in the Utilities Fund rent chargeback (\$5,298).

- ↑ Consultant expenses increase due to the addition of a contingent for the County Board to fund costs associated with new positions in the Fire Department if the County is awarded the SAFER grant (\$136,088), offset by the elimination of FY 2015 one-time funding for the detention facility staffing study (\$75,000).
- ↓ Employer of Choice expenses decrease due to the elimination of FY 2015 one-time funding set-aside in Non-departmental for the days after Christmas and New Year's holidays (\$250,000).
- ↑ The County Board added funding for a Public Defender salary supplement, phased in over two years (\$80,000).
- ↓ Removal of the adjustment for the Hiring Slowdown assumed in FY 2015 (\$1,300,000), offset by reduced compensation funding to reflect holding the positions vacant for a period in FY 2016 that took the early retirement option in FY 2015 (\$450,000).
- ↓ The County Board reduced the size of the County's vehicle fleet across departments. The specific low usage vehicles that will be reduced and vehicles that the County will delay purchasing are in the process of being identified (\$50,000).
- ↑ Net increase in lease purchase reflects an expansion of the debt service budget, which had been flat since FY 2013, partially offset by a reduction in licensing costs due to the County Enterprise Agreement with Microsoft (\$19,219).
 - The Ballston Skating Facility, the practice facility for the National Hockey League's Washington Capitals ice hockey team, which opened in November 2006, was financed with Industrial Development Authority (IDA) taxable revenue bonds. It is projected that lease payments to the IDA from the Capitals will be sufficient to pay the debt service on the bonds.

CONTINGENTS

The non-departmental accounts also hold the County Board's contingents. These contingents are appropriated funds established to cover unforeseen expense items, new projects initiated after a fiscal year has begun (General Contingent), or for a particular purpose (Affordable Housing Investment Fund).

The budget includes a \$250,000 General Fund General Contingent, and a combined total of \$12,456,017 in the Affordable Housing Investment Fund (AHIF). AHIF base funding of \$3,327,304 is augmented by one-time funding of \$8,200,000 added by the County Board during FY 2014 close-out, and a portion of recordation tax revenue, earmarked by the County Board when the recordation tax rate increased from \$0.05 to \$0.0833 in FY 2005. After setting aside the incremental recordation tax funds for previously approved, ongoing affordable housing programs, \$928,713 in additional recordation tax funding is available in FY 2016.

Over the last few years the County Board has set aside monies in a budget stabilization contingent. This existing practice from recent years was formally adopted by the County Board in a revised set of financial and debt management policies in FY 2014. The updated policies include a requirement to maintain an Economic and Revenue Stabilization Contingent with a minimum balance of \$3 million to address revenue declines and local or regional economic stress. These funds are one-time monies so any funds expended in FY 2015 would need to be replenished in FY 2016 to maintain the minimum level adopted by the County Board.

	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	% Change '15 to '16
General Contingent	-	\$250,000	\$250,000	-
Affordable Housing Investment Fund (AHIF)	-	11,527,304	11,527,304	-
AHIF - Incremental Recordation Tax	-	1,428,412	928,713	-35%
Economic & Revenue Stabilization Contingent	-	3,000,000	3,000,000	-
Total Expenditures	-	\$16,205,716	\$15,706,017	-3%

- ↓ The AHIF Incremental Recordation Tax funding decreases in FY 2016 due to the projected decrease in recordation taxes that will be collected by the County in FY 2016 and applied to AHIF (\$499,699)
 - Debt service payments associated with acquisition of Buckingham Village 3, estimated at \$1.8 million, will be paid from AHIF consistent with past practice.