

Non-Departmental/Unclassified Administration

Expenditure and Revenue Summary



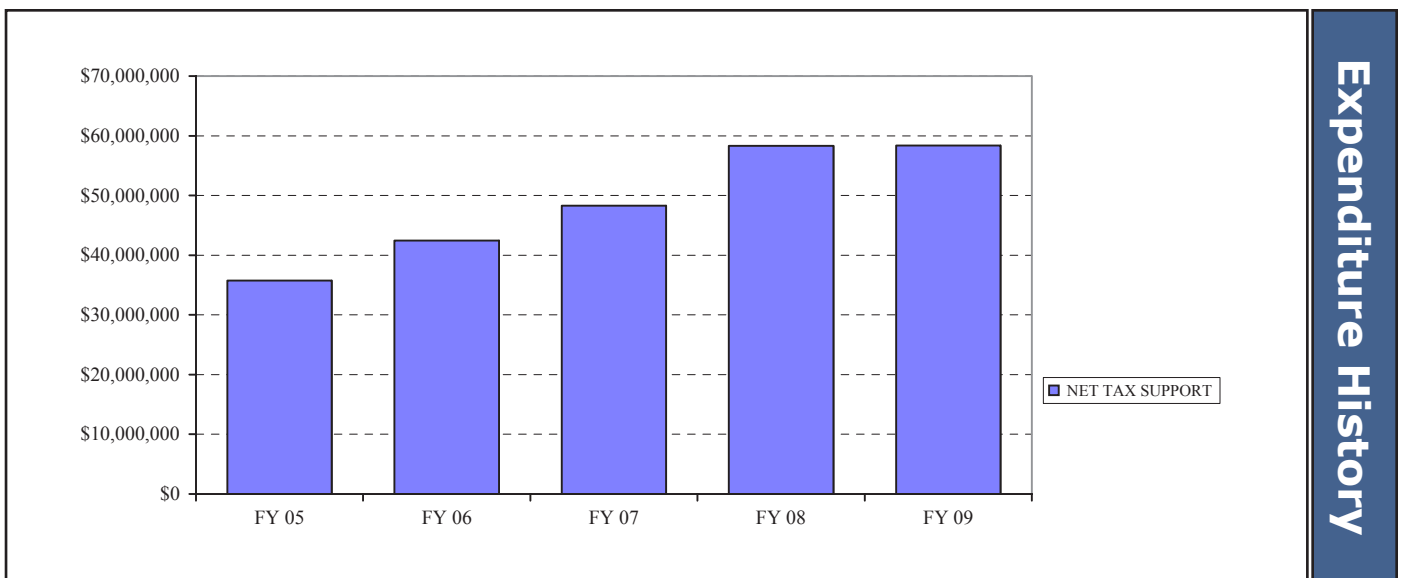
A. Expenditure by Program	FY 07 Approp	FY 07 Actual	FY 08 Adopted	FY 09 Adopted	% Change Adopt 08/ Adopt 09
1 Administration	\$34,894,489	\$25,152,139	\$21,974,641	\$21,343,735	-2.87%
2 Medical Insurance - (Internal Services)	\$32,488,200	\$24,379,407	\$36,361,000	\$37,019,000	1.81%
Total Expenditures	\$67,382,689	\$49,531,546	\$58,335,641	\$58,362,735	0.05%

B. Expenditure by Classification

1 Personal Services	\$269,408	\$34,276	\$1,182,048	\$974,037	-17.60%
2 Fringe Benefits	\$838,776	\$838,687	\$883,441	\$946,382	7.12%
3 Contractual Services	\$1,974,600	\$1,762,444	\$2,155,000	\$2,290,000	6.26%
4 Internal Services	\$980,644	\$563,628	\$15,075,843	\$16,503,152	9.47%
5 Other Services	\$38,682,495	\$21,913,785	\$33,517,884	\$33,992,739	1.42%
6 Debt Maintenance	\$0	\$0	\$190,624	\$190,624	0.00%
7 Transfers	\$24,636,766	\$24,418,726	\$5,330,801	\$3,465,801	-34.99%
Total Expenditures	\$67,382,689	\$49,531,546	\$58,335,641	\$58,362,735	0.05%

C. Funding Sources

1 Other Local Taxes	\$2,114,588	\$1,976,481	\$2,311,107	\$2,198,160	-4.89%
2 Revenue From Use of Money & Property	\$400,000	\$854,165	\$700,000	\$1,000,000	42.86%
3 Charges for Services	\$26,383,000	\$26,586,016	\$28,423,000	\$28,753,000	1.16%
4 Miscellaneous Revenue	\$22,516,094	\$21,007,655	\$9,113,838	\$12,011,011	31.79%
5 Transfers	\$1,190,861	\$1,190,861	\$4,347,916	\$2,607,016	-40.04%
Total Designated Funding Sources	\$52,604,543	\$51,615,178	\$44,895,861	\$46,569,187	3.73%
Net General Tax Support	\$14,778,146	(\$2,083,632)	\$13,439,780	\$11,793,548	-12.25%



I. Major Issues

General Overview Of Unclassified

Administrative - The Unclassified Administrative area of the budget includes those budget areas representing general expenditures which cannot be assigned appropriately to specific agency budgets. During the course of the fiscal year, many of these dollars are allocated against agency budgets to properly account for where the expenditures actually occur. Actual expenditure for the previous year in Unclassified Administrative will always be less than the next years proposed budget because the previous years expenditures have been reallocated to other departmental areas. As a program becomes established, it will often be assigned to an agency on a permanent basis. The funds, once established, would then be transferred from Unclassified Administrative to the agency budget on a permanent basis. Due to the many items coming into and out of the Unclassified Administrative budget area between budget years, it is difficult to compare different fiscal year totals. The items in the FY 09 Adopted Budget for Unclassified Administrative are discussed below:

A. Data Processing Support - \$6,766,115 - The Data Processing Internal Service Fund budget, which is part of the Office of Information Technology, requires general fund support for general governmental and unanticipated data processing applications, as well as major capital and program expansions not associated with a particular agency. Additional information on these funds can be found in the Office of Information Technology departmental budget.

B. Self-Insurance Support - \$7,229,979 - The Unclassified Administrative area of the General Fund includes funds to support the internal service fund of the Prince William County Self-Insurance Group (PWSIG). Included in this group are the Self-Insurance Workers Compensation, and the Self-Insurance Casualty Pool. The FY 09 Self-Insurance budget includes a \$1,500,000 Workers Compensation Premium Increase over the FY 08 Adopted amount. The \$1,500,000 budget increase provides for increased self-insurance premium costs for the Casualty Pool and Workers' Compensation programs of the Prince William County Self Insurance Group (PWSIG). Due to the increased excess workers' compensation insurance, increased payroll, increased medical costs, and the increased frequency in large losses, the premiums have increased substantially over the past four years.

C. Transient Occupancy Tax for Tourism - \$2,198,160 - FY 09 funding represents a \$112,947 decrease from the adopted FY 08 Budget of \$2,311,107. The portion of the County's Transient Occupancy Tax revenue designated to support tourism-related expenditures is included under Other Local Taxes within the Funding Sources area. Funding is restricted to a portion of the 3 cents of each 5 cents received from transient occupancy tax revenue collected by the County. The 3 cents represent 60 percent of total transient occupancy tax revenue collected and is designated for the promotion of tourism in the County. Transient occupancy tax revenue is derived from a levy on hotels, motels, boarding houses, travel campgrounds and other facilities offering guest rooms rented out for continuous occupancy for fewer than thirty consecutive days. This tax is reinvested to attract and serve more visitors. The FY 09 budget designated Transient Occupancy Tax fund allocation is shown in *Table 1: Transient Occupancy Tax Fund Allocation for FY 09* (by purpose, agency/program responsible for expenditures and amount).

The grant amounts for the National Museum of Americans at War and SciencePort (formerly Belmont Bay Science Museum) have been increased from their adopted FY 08 Budget amount. Both of the museums will receive a grant amount of \$100,000 each. The FY 09 operating transfer to the Convention and Visitors Bureau (CVB) is a reduction from the FY 08 transfer, because the CVB has a fund balance which can be used to partially support the operating expenses of the CVB in FY 09.

In addition, there is no change in the amount of funding to support special events, assist with the programming of all County-owned historic sites and with site preservation by the Historic Preservation Division of the Public Works Department. However, there is an increase in the matching funds available for projects at Ben Lomond Manor House, Brentsville Historic Centre and Rippon Lodge historic sites.

D. Fleet Maintenance Support - \$2,507,058 - The Fleet Maintenance Internal Service Fund budget, which is part of the Department of Public Works, requires Non-Departmental General Fund support for expenditures not associated with a particular agency when the budget is adopted. Over the course of the year the funds are allocated against agency budgets to properly account for where the expenditures actually



occur. The funds primarily support fleet maintenance and gasoline expenditures. Additional information concerning the Fleet Maintenance Program budget can be found in the Public Works departmental budget.

E. Funds to Support GASB 45 Requirements

- \$1,500,000 - This item helps support the Board's adopted compensation policy for Prince William County to have a combination of salaries, benefits that include post employment health care, employee development, and workplace environment that will attract and retain the most qualified employees in order to implement our vision.

F. Transfer from Adult Detention Center Fund

- \$1,107,016 - The transfer of \$1,107,016 to the General Fund from the Adult Detention Center

(ADC) is required to compensate the general fund for the cost of implementing the LEOS retirement program for Jail Officers and the Jail Superintendent. The funds show up under Transfers within the Funding Sources area. Additional information concerning the ADC LEOS retirement program can be found in the Major Issues section of the ADC departmental budget.

G. Classification and Compensation Adjustments

- \$134,862 - Included in the budget is \$134,862 to continue the Board of County Supervisors direction to eliminate the salary "lag" between Prince William and the other Northern Virginia jurisdictions. This amount funds HR administrative reclassification studies which occur during the course of a Fiscal Year.

Table 1: Transient Occupancy Tax Fund Allocation for FY 09

<u>Purpose</u>	<u>Agency/Program</u>	<u>Amount</u>
1. Rippon Lodge Acquisition	General Debt	\$190,624
2. Operating Transfer to CVB	Convention and Visitors Bureau	\$1,016,661
Subtotal		\$1,207,285

The Prince William Board of County Supervisors does hereby allocate the \$990,875 for grants and matching funds in the following manner:

<u>Purpose</u>	<u>Agency/Program</u>	<u>Amount</u>
3. Historic Properties Programming/Events	Public Works/Historic Preservation	\$237,540
4. Ben Lomond Manor House Matching Fund Grants	Capital Improvement Program	\$120,000
5. Brentsville Historic Centre Matching Fund Grants	Capital Improvement Program	\$120,000
6. National Museum of Americans at War	Capital Improvement Program	\$100,000
7. SciencePort (formerly Belmont Bay Science Museum)	Capital Improvement Program	\$100,000
8. Advertising/Promotions Matching Fund Grants	Convention and Visitors Bureau	\$97,260
9. Rippon Lodge Matching Fund Grants	Capital Improvement Program	\$70,000
10. Bristoe Station Battlefield (Historic Preservation)	Capital Improvement Program	\$50,000
11. Dumfries Weems-Botts Museum	Public Works/Facilities Construction Management	\$35,000
12. Prince William Soccer, Inc.	Non-Departmental	\$25,000
13. Historic Properties - Public Events Grants	Non-Departmental	\$16,735
14. Matching Fund Grants for Other Capital Improvements Grants	Public Works/Facilities Construction Management	\$14,340
15. Occoquan Mill House Museum	Public Works/Facilities Construction Management	\$5,000
Total		\$990,875
Total Designated Transient Occupancy Tax Revenues for Tourism		\$2,198,160



H. Pay Plan Market Adjustment

Implementation Date - \$122,576 - Funding is included to implement the Pay Plan Market Adjustment at the beginning of the pay period in which July 1 falls.

I. Properties Receiving Tax Reimbursement

- \$47,004 - Funds are included in the FY 09 Proposed Budget to relieve the following non-profit organizations of the burden of tax year 2008 real estate taxes.

Good Shepherd Housing Foundation	\$23,304
Northern Virginia Family Service	<u>\$23,700</u>
TOTAL	\$47,004

II. Compensation Budget Adjustments

Attracting and Retaining Quality County Employees

Prince William County Compensation Policy

- The compensation policy is as follows:

Prince William County will have a combination of salaries, benefits, employee development, and workplace environment that will attract and retain the most qualified employees in order to implement our vision. To accomplish this, the County recognizes the importance of maintaining salaries that are competitive with other Northern Virginia jurisdictions. Our success in implementing this strategy will be measured by our ability to attract quality applicants, our ability to retain quality employees, and our ability to maintain employee satisfaction.

To implement this compensation policy, we will make every effort, within our position classification structure, to maintain salaries comparable to salaries of similar positions in Fairfax and Arlington counties and the City of Alexandria. The County will annually benchmark its starting salaries with the average starting salaries for these three jurisdictions. Since the County's pay grades are built off of the starting salary figure, increases in the starting salary will result in increases throughout the pay grade.

Implementing the Compensation Policy - The County's policy will be implemented through the following:

A. Market Pay Adjustment

Total Cost -	\$0
Supporting Revenue -	\$0
Total PWC Cost -	\$0

- Market Pay Adjustment** - \$0 - For years in which adjustment is required to maintain salaries that are competitive between Prince William and the other Northern Virginia jurisdictions, an across-the-board market pay adjustment will be proposed for all County employees. For FY 09 no market pay adjustment is added.
- Sunday and Holiday Pay Increase** - \$0 - This increase is included for agencies which pay out Sunday and Holiday Pay for years in which a market pay adjustment is granted to County employees.
- Five-Year Plan Impact** - The Five-Year Plan includes the following market pay adjustments.

Market Plan Adjustment

<i>FY 09</i>	0.0%
<i>FY 10</i>	2.0%
<i>FY 11</i>	2.0%
<i>FY 12</i>	2.0%
<i>FY 13</i>	2.0%

Market pay adjustments are a moving target, however, and may need to be adjusted based on actions taken by other Northern Virginia jurisdictions. The total Five-Year Cost for these salary initiatives is as follows:

Market Pay Adjustment	\$52,608,793
Sunday and Holiday Pay Increase	<u>\$733,913</u>
TOTAL	\$53,342,706

B. Pay for Performance Increase

Total Cost -	\$4,230,744
Supporting Revenue -	\$451,541
Total PWC Cost -	\$3,779,203

- Pay for Performance Increase** - \$4,230,744 - These funds have been added to the Budget, and have been spread to agency budgets, due to the following:

For FY 09 the County is implementing a new



individual value-based evaluation system which will go live on October 1, 2008. The County has reviewed and revised its 26 year old pay-for-performance system to make a clear connection to the “Prince William Way” which includes the community’s Strategic Goals, agency performance measures, and the Vision, Values and Leadership Philosophy. Much has happened in this community and in our organization since the pay-for-performance system was put into place in 1982. Our population has grown tremendously and the number of employees has grown along with it. Back in 1982, we didn’t have Strategic Goals and we didn’t have performance measures in the budget which promise the community what we will achieve for the money they provide through their taxes. That has since happened and it will enable us to Deliver Responsive Individual Value-based Evaluations (DRIVE) as part of the DRIVE system of Pay for Performance.

The Basic DRIVE compensation performance increase is calculated on the employee’s current salary/pay as a percentage increase until the employee reaches the maximum salary/pay for that position. Steps in each pay scale have been eliminated. Shown in *Table 2: DRIVE Compensation*.

“Performance Plus” is a lump-sum award that will be added to the first paycheck the employee receives after his/her evaluation, if the performance is rated as higher than the “Fully Achieved” rating. This one-time amount will not be added to the employee’s base pay. Also, employees at the maximum salary/pay for their position (“topped out”) can receive this award. Shown in *Table 2: DRIVE Compensation*.

All employees will also receive whatever pay plan market adjustment is budgeted by the Board of County Supervisors, except those who receive a “Significantly Below” rating. Shown in *Table 2: DRIVE Compensation*.

2. **Compensation “Roll-Over”** - \$1,516,458 - These funds have been added to the Budget, and have been spread to agency budgets, due to the following:

Each year the County’s budget funds the roll-over of compensation actions in the current year into the next budget year. Primarily, this is due to positions which were funded for a part year in the prior year requiring a full year budget for the next fiscal year and due to pay for performance increases necessary because all employees do not receive their pay for performance increases at the beginning of the fiscal year. Therefore, a pay for performance increase given half-way through a fiscal year needs to be funded for the entire next fiscal year. This roll-over increases the cost of providing a pay for performance increase to all employees.

3. **Five-Year Plan Impact** - The total Five-Year Cost for annual pay for performance and compensation roll-over is as follows:

Pay for Performance Increase	\$54,735,506
Compensation Roll-Over	\$11,626,007
TOTAL	\$66,361,513

Table 2:

DRIVE Compensation

DRIVE Rating	Increase to Current Salary/Pay	"Performance Plus"	Eligible for Pay Plan Market Adjustment
Greatly Exceeds	3.0%	2.0%	Yes
Exceeds	3.0%	1.0%	Yes
Fully Achieves	3.0%	0.0%	Yes
Does Not Fully Achieve	1.0%	0.0%	Yes
Significantly Below	0.0%	0.0%	No



C. County Health Insurance / Delta Dental Rate Increase

Total Cost -	\$595,329
Supporting Revenue -	\$72,649
Total PWC Cost -	\$522,680

- Description** - The County employer contributions to the Medical Insurance Self Insurance Internal Service account for Health Insurance and Delta Dental increases by \$595,329. Five years ago the County moved primarily to self-insurance for Health Insurance with the creation of a County Wide Medical Insurance Self Insurance Internal Service account. The FY 09 amount for the Medical Insurance Self Insurance Internal Service account is \$37,019,000.
- For FY 09** - The County employer share of the contribution increase to the Medical Insurance Self Insurance Internal Service account is \$595,329 and is required to maintain the stability of the County's self-insurance for Health Insurance. This increase amounts by approximately a 3.0% average increase for the County's Health Insurance.
- Five-Year Plan Impact** - The total Five-Year Cost for the County's employer contribution for Health Insurance is \$19,693,816.

D. Retiree Health Care Cost Increase

Total Cost -	\$79,191
Supporting Revenue -	\$34,714
Total PWC Cost -	\$44,477

- Description** - The County Retiree Health Credit Program is applicable to employees upon separation and retirement from County service. This Retiree Health Credit Program is separate from and in addition to the existing VRS Health Credit Program, which is also totally funded by County contributions. All full-time employees and existing retirees with a minimum of 15 years of County service can receive \$5.50 per month for each year of PWC service, up to a maximum of \$165 per month for 30 years of County service. When the \$45 maximum per month currently offered as part of the State VRS is added, the maximum for 30 years of County service increases to \$210 per month.

An approximate 4% PWC Cost increase of \$44,477 in the Retiree Health Care budget is

included to cover projected growth in this benefit due to additional retirees, not to increase the amount paid to each individual retiree.

- Five-Year Plan Impact** - The cumulative Five-Year Cost to increase the Retiree Health Care budget at approximately 4% per year is projected to be \$703,829.

III. Other Budget Adjustments

A. County Proffers

Total Cost -	\$11,906,011
Supporting Revenue -	\$11,906,011
Total PWC Cost -	\$0

- Description** - Funding from proffer accounts are budgeted to support the transfer of \$11,906,011 to Capital Project accounts for FY 09. These funds are identified in the FY 09 CIP and additional detail concerning these transfers can be found in the Capital Improvements Program section of the budget.

