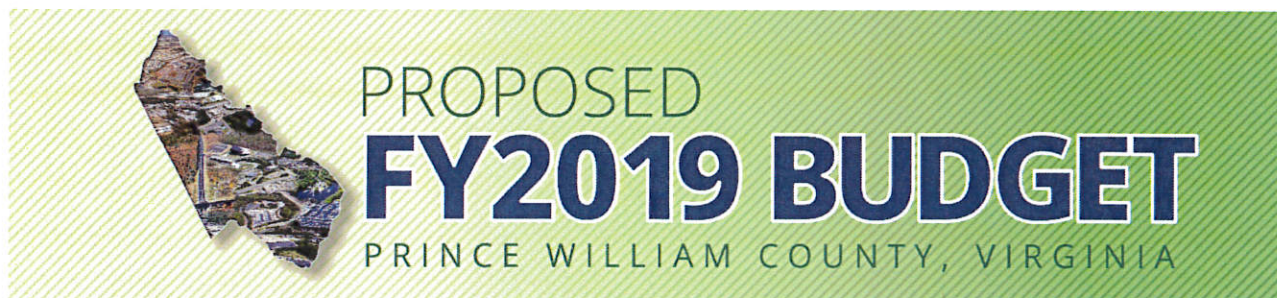


Transmittal Letter



February 14, 2018

Mr. Chairman and Members of the Board:

I am pleased to present the Proposed FY2019 Budget, FY2019-2024 Capital Improvement Program and accompanying Five-Year Budget Plan. The proposed budget meets statutory and administrative obligations to prepare and present a balanced budget for your consideration consistent with Board directed policies. Throughout the FY19 budget process, my role will be to facilitate discussion, provide professional guidance and seek solutions to accomplish the goals and priorities established by the Board. Working together, the fiscal plan will continue Prince William County's tradition of strong financial management while providing efficient, quality service to the community.

Similar to the FY2018 Budget, the Proposed FY2019 Budget incorporates the Board of County Supervisors' guidance to cap county government operating expenditure growth at 3.5%. This approach limits real estate tax revenue to the amount needed to support existing services, implement approved five-year plan initiatives and invest in the community's strategic priorities.

The Proposed FY2019 Budget and Five-Year Plan are sustainable based on a steadily growing national, state, and local economy. Prince William County's unemployment rate remains low at 3.3% and retail sales growth is 3.0%. The County's residential real estate appreciated an average of 3.1% last year, which is sustainable into the future. Average weekly wages for County residents increased 5.4% and the number of business establishments increased 4.1% during the past two years.

Bond rating agencies continue to acknowledge the Board's fiscal practices and financial management by rewarding the County with AAA ratings. This lowers the County's cost of financing infrastructure projects to the fullest extent possible and affirms the County is well positioned to prosper in the near and long-term. The Proposed Budget and Five-Year Plan provide a strong, stable and sustainable fiscal plan for the next five years to facilitate the accomplishment of the community's strategic goals and initiatives.

Quality of life is an essential and consistent factor that families, individuals and businesses rely upon when choosing where to locate. Therefore, the guiding principle of the Strategic Plan is that the Board of County Supervisors and the community should make every effort to accelerate continuous quality of life improvements within Prince William County.

Transmittal Letter



PRINCE WILLIAM COUNTY IS A
COMMUNITY OF CHOICE WITH A STRONG,
DIVERSE ECONOMIC BASE, WHERE
INDIVIDUALS AND FAMILIES CHOOSE TO LIVE
AND **BUSINESSES** CHOOSE TO LOCATE

In accordance with the Strategic Plan's guiding principle, this budget proposal accelerates quality of life enhancements by investing resources in vital service improvements within the five strategic goal areas described below.

Robust Economy - Improving quality of life in the County begins with an expanding tax base as the adopted Strategic Plan established a goal to increase the commercial tax base to 35%. This budget proposal supports that goal by establishing a small business program focused on streamlining the County's development review processes for entrepreneurs. It also provides resources for creating and updating small area sector plans which provide the blueprint for redevelopment in the County's Comprehensive Plan. In addition, the proposed budget provides resources to market eastern Prince William County to defense and cyber-security industries. Major road projects underway throughout the county relieve congestion and improve pedestrian access to retail and commercial areas.

Safe & Secure Community - The Board's ongoing commitment to keeping the community safe and secure is maintained and improved over the next five years. The County's most valuable resource is our public safety personnel. The Proposed FY2019 Budget begins the first phase of implementing the recommendations contained in the Public Safety Retention and Recruitment Study by addressing immediate salary compression issues for sworn staff. The Five-Year Plan also programs the second phase of compensation improvements for sworn staff in FY20 by creating pay scales competitive with neighboring jurisdictions.

The second phase also entails a momentous shift in Fire & Rescue service delivery to the community. Fire & Rescue staff will transition to a 24-hour shift consistent with the work schedule of other departments in the region and throughout the country. This will retain highly trained personnel and the number of annual hours worked will increase from 2,496 to 2,912 per employee. Additional staff hours will be available to operate more apparatus units throughout the County, thus reducing the need for new staffing over the life of the Five-Year Plan. Savings will also be realized as 88 fewer new positions will be required over the next five years compared to last year's Fire & Rescue staffing plan. Proposed Fire & Rescue staffing in FY19 provides the resources necessary to transition to the new 24-hour shift schedule.

Major investments in a Safe and Secure Community are realized through the next increment of the police staffing plan and future construction of Fire & Rescue Stations 22 and 27. The second and largest staffing complement for the expanded Adult Detention Center occurs in FY19. The proposed budget provides funding for the Intervention, Prevention and Education program to ensure at-risk youth are able to resist gang involvement through intensive services. A Crisis Assessment Center (CAC) is also proposed for eastern Prince William County where police officers can take citizens suffering from mental illness for evaluation by clinical staff. The CAC helps divert mentally ill citizens from jail while helping patrol officers return to their assigned duties. The proposed budget also provides public safety infrastructure staffing such as a communications teletype operator, pretrial probation officer, network operations center manager, and enhanced dispute resolution services for restorative justice.

Transmittal Letter

Mobility - Transportation remains a primary concern for residents and businesses alike in the Northern Virginia region. Prince William County provides an expanded roadway network, commuter rail, and regional and local bus services. A multi-modal transportation network is critical to our economic success and quality of life. All motor vehicle fuel revenues are dedicated to Potomac and Rappahannock Transportation Commission (PRTC) commuter and local bus service. Virginia Railway Express commuter rail operations are supported with a portion of the County's Northern Virginia Transportation Authority (NVTA) 30% local revenue. The County effectively uses NVTA local and regional revenue to leverage state and federal funding for road projects. The proposed budget also provides annual funding as directed by the Board for the Transportation Roadway Improvement Program, which constructs important, smaller scale projects such as sidewalks, trails, and safety improvements throughout the County.

Wellbeing - In response to the substance abuse crisis confronting every locality across the country, the Proposed FY2019 Budget includes local funding for enhanced adult substance abuse treatment services by reduce waitlists, providing residential treatment drug screens and medication-assisted treatment. The County also continues to provide local funding to fulfill state mandated performance contract services such as mental health outpatient restoration services for juveniles and adults found not guilty by reason of insanity. We are also sustaining our vital community partner organizations with a 3% operating support increase in FY19. Increased general fund support is provided for Birmingham Green, the residential long-term care facility serving the frail elderly and disabled adults based on higher utilization rates. Capital initiatives supporting the Wellbeing strategic goal include programming the Juvenile Detention Center replacement project in future years.

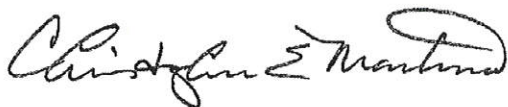
Quality Education and Workforce Development - The Board continues to support K-12 education with the revenue sharing agreement, providing 57.23% of general revenue to the Prince William County School Board. In addition to the revenue sharing agreement, the annual contribution for class size reduction continues in FY19. Debt service funding to support expanded student capacity at the 13th high school continues throughout the Five-Year Plan. County support for the Northern Virginia Community College is also maintained in the proposed budget.

Compensation - Our workforce is essential to continue providing high-quality services to the community. The proposed budget funds the existing level of health and retirement benefits including the VRS hazardous duty retirement multiplier for sworn personnel. This budget proposal focuses employee compensation on addressing internal compression concerns as highlighted in the aforementioned Public Safety Retention and Recruitment Study. These personnel issues have led to increased employee turnover rates, which threaten our ability to retain quality employees throughout the organization. Annual funding for 3% merit pay for performance increases is a significant step to retain our exceptional workforce.

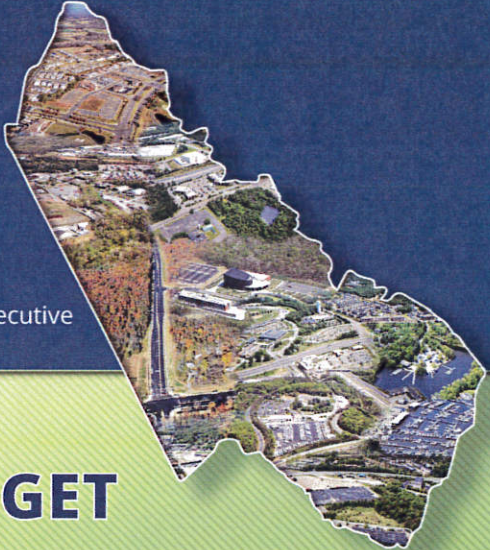
As noted, the Proposed FY2019 Budget continues to follow the Board's policy guidance by investing in our robust economy, quality education, mobility, safe and secure community, and wellbeing. The proposed budget meets the needs of a growing and diversifying community by continuing to build opportunities for businesses, families and individuals to grow and prosper, thus positioning Prince William County as a community of choice.

The Proposed FY2019 Budget is now in the hands of the Board and the community. County staff is ready to support you as these important decisions are considered in the coming months.

Sincerely,



Christopher E. Martino
County Executive

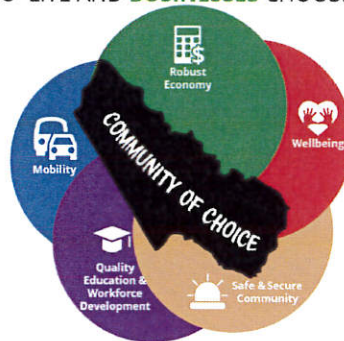


Christopher E. Martino, County Executive
February 20, 2018

Proposed
FY2019 BUDGET

Strategic Vision Statement

PRINCE WILLIAM COUNTY IS A
COMMUNITY OF CHOICE WITH A STRONG, DIVERSE
ECONOMIC BASE, WHERE **INDIVIDUALS AND FAMILIES**
CHOOSE TO LIVE AND **BUSINESSES** CHOOSE TO LOCATE



Fiscal Plan Based on BOCS Policy

- **Revenues**
 - Maintain County-Schools revenue agreement
- **Expenditures**
 - Cap operating expenditure growth at 3.5%
- **Services**
 - Advance strategic priorities
 - Address mandates

Proposed FY2019-2023 Five-Year Plan - Operating

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Revenue and Resources:						
General Revenue	\$966,181,459	\$1,019,476,816	\$1,060,755,529	\$1,102,887,810	\$1,143,720,822	\$1,184,022,740
Less Schools Share of General Revenue	\$548,092,545	\$578,868,182	\$602,446,205	\$626,512,726	\$649,835,675	\$672,854,678
County Share of General Revenue	\$418,088,914	\$440,608,634	\$458,309,324	\$476,375,084	\$493,885,147	\$511,168,062
County General Revenue	\$418,088,914	\$440,608,634	\$458,309,324	\$476,375,084	\$493,885,147	\$511,168,062
Agency Revenue	\$150,114,319	\$155,877,453	\$159,739,218	\$159,855,429	\$159,983,517	\$161,591,586
County Resources	\$1,817,589	\$4,179,172	\$4,621,512	\$5,761,281	\$5,486,126	\$5,204,140
Total County Revenue and Resources Available	\$570,020,822	\$600,665,259	\$622,670,054	\$641,991,794	\$659,354,790	\$677,963,788
County Operating Expenditures:						
County Operating Expenditures	\$566,967,111	\$586,611,205	\$605,845,016	\$620,250,902	\$629,152,411	\$642,036,447
Operating Expenditure % Change		3.46%	3.28%	2.38%	1.44%	2.05%

Proposed FY2019-2023 Five-Year Plan – Capital

County CIP Expenditures:	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Jail Expansion (Debt Service/Operating)	\$1,308,736	\$5,047,489	\$8,910,714	\$9,442,833	\$9,396,033	\$8,806,529
Animal Shelter (Debt Service/Operating)	\$0	\$0	\$2,041,830	\$2,124,390	\$2,023,780	\$1,991,999
F&R Station 22 (Debt Service/Operating)	\$0	\$0	\$1,432,636	\$3,348,215	\$3,007,459	\$2,973,528
F&R Station 27 (Debt Service/Operating)	\$0	\$0	\$0	\$0	\$1,644,643	\$4,743,517
13th HS Debt Service Equivalent	\$907,375	\$888,694	\$870,013	\$851,331	\$832,650	\$813,969
Police Body-Worn Cameras	\$0	\$0	\$675,506	\$675,506	\$675,506	\$675,506
Proffer Transfer to Capital Projects	\$837,600	\$3,194,891	\$0	\$0	\$0	\$0
PSTC (Debt Service/Operating)	\$0	\$0	\$0	\$0	\$3,000,000	\$3,500,000
JDC Replacement (Debt Service/Operating)	\$0	\$0	\$0	\$0	\$0	\$3,000,000
Building & Facility Capital Maintenance	\$0	\$2,000,000	\$1,000,000	\$1,000,000	\$3,000,000	\$3,000,000
TRIP Capital Contribution	\$0	\$1,575,000	\$1,575,000	\$1,575,000	\$1,575,000	\$1,575,000
Human Capital Management (HCM)	\$0	\$0	\$0	\$1,500,000	\$1,500,000	\$1,500,000
Technology Infrastructure	\$0	\$0	\$0	\$1,000,000	\$3,000,000	\$3,000,000
PWC Website Redevelopment	\$0	\$114,697	\$132,975	\$216,295	\$216,295	\$216,295
County CIP Expenditures	\$3,053,711	\$12,820,771	\$16,638,674	\$21,733,570	\$29,871,366	\$35,796,343
Total County Expenditure (Operating and CIP)	\$570,020,822	\$599,431,976	\$622,483,690	\$641,984,473	\$659,023,778	\$677,832,790
Available Capacity	\$0	\$1,233,283	\$186,364	\$7,322	\$331,012	\$130,998
Grand Total General Fund Expenditures	\$1,118,113,367	\$1,178,300,158	\$1,224,929,895	\$1,268,497,198	\$1,308,859,453	\$1,350,687,468

FY2019 Budget Initiatives



Quality Education & Workforce Development


- **Increase School transfer** **\$30.8M**
- **Maintain class size grant** **\$1.0M**
- **Continue 13th high school debt service** **\$0.9M**
- **Maintain cable grant revenue** **\$0.8M**
- **Northern Virginia Community College** **\$1.0M**

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Robust Economy


- **Small Business Program** **\$388K**
 - Navigation through development process
 - Plan review, permit assistance, inspection
- **Consultant Services** **\$240K**
 - Small area plans
 - Focus and direct growth/redevelopment
- **Eastern Business Development** **\$169K**
 - Cybersecurity partnership with NVCC
 - Government contractors initiative
 - Entrepreneurial accelerator initiative

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Mobility 

- **Transportation Roadway Improvement Program (TRIP) \$1.6M**
 - Recordation tax designated for transportation
 - \$225K/district
- **NVTA 30%**
 - VRE local subsidy \$6.2M
 - SMART SCALE preliminary design \$50K
- **PRTC maintained with fuels tax \$11.3M**


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Safe & Secure Community –
Public Safety Retention & Recruitment 

- **Phase I (FY19) \$3.1M**
 - Address internal pay compression
 - Develop pay scales based on years of service
 - PWCFRS* Volunteer Support – 1 FTE
- **Phase II (FY20) \$9.4M**
 - Address market competitiveness
 - Maintain pay progressions between ranks
 - PWCFRS conversion to 56-hour workweek

* Prince William County Fire & Rescue System

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Safe & Secure Community –
 Prince William County Fire & Rescue System
 Community Service 

- **Retention Issues**
 - Current day shift primary reason for leaving PWC
 - 16 voluntary resignations (October 2017 – January 2018)
 - Expensive training new staff:
 - \$58K / new recruit
 - \$245K / new paramedic
- **PWCFRS Collaboration**
 - Additional staff hours available to operate more units
 - Reduces need for new staffing programmed in adopted Five-Year Plan
 - 33 FTE in FY19 for transition
 - Savings generated after schedule change to 56-Hour workweek

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Safe & Secure Community 

- **ADC Expansion Staffing** **\$3.4M**
- **Police Staffing Plan** **\$1.9M**
- **Public Safety Infrastructure**
 - Gang Intervention, Prevention, Education Program \$290K
 - Park Rangers – 1.75 FTE \$160K
 - Pretrial Probation Officer – 1 FTE \$116K
 - Network Operations Center Manager – 1 FTE \$108K
 - Teletype Operator – 1 FTE \$50K
 - Enhanced Dispute Resolution Services \$41K

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Wellbeing



- **Adult Substance Abuse Treatment** **\$430K**
 - Address substance abuse waitlist
 - Residential drug placement screening
 - Medication assisted treatment
 - 3.0 FTE
- **Crisis Assessment Center (east)** **\$328k**
 - Mental illness evaluation as alternative to jail
 - Law enforcement officers return to patrol
 - Therapists - 1.5 FTE
- **3% Community Partner Increase** **\$74k**
- **Contractual/Jurisdictional Agreements**
 - Birmingham Green **\$212K**
 - Hilda Barg Homeless Prevention Center **\$17K**

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Address Mandates

- **Competency Restoration Services** **\$132K**
 - Serves juveniles & adults
 - Evaluate Not Guilty by Reason of Insanity clients
 - Requirement of State performance contract
 - 1 FTE
- **Two Election Precincts** **\$57K**
 - Reaching mandated threshold of registered voters
 - Elections work session
- **Stormwater Infrastructure** **\$116K**
 - Capital project management
 - Comply with MS4 permit requirements
 - 1 FTE funded by stormwater fees

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Address Risk

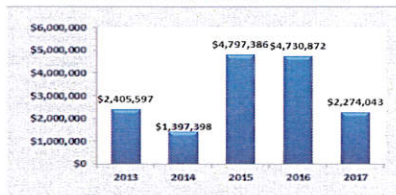
Workers' Compensation Incidents & Claims



○ **Worker's Compensation \$500K**

- Higher payroll & medical costs
- Increased exposure & claim severity
- FY20: \$1.0M
- FY21: \$1.5M

Workers' Compensation Severity



○ **Safety/Compliance Officer \$92K**

- Reduce liability and claims
- 1 FTE

○ **Records Manager \$113K**

- Audit finding
- 1 FTE

Maintain Level of Service



○ **Employee Compensation \$8.5M**

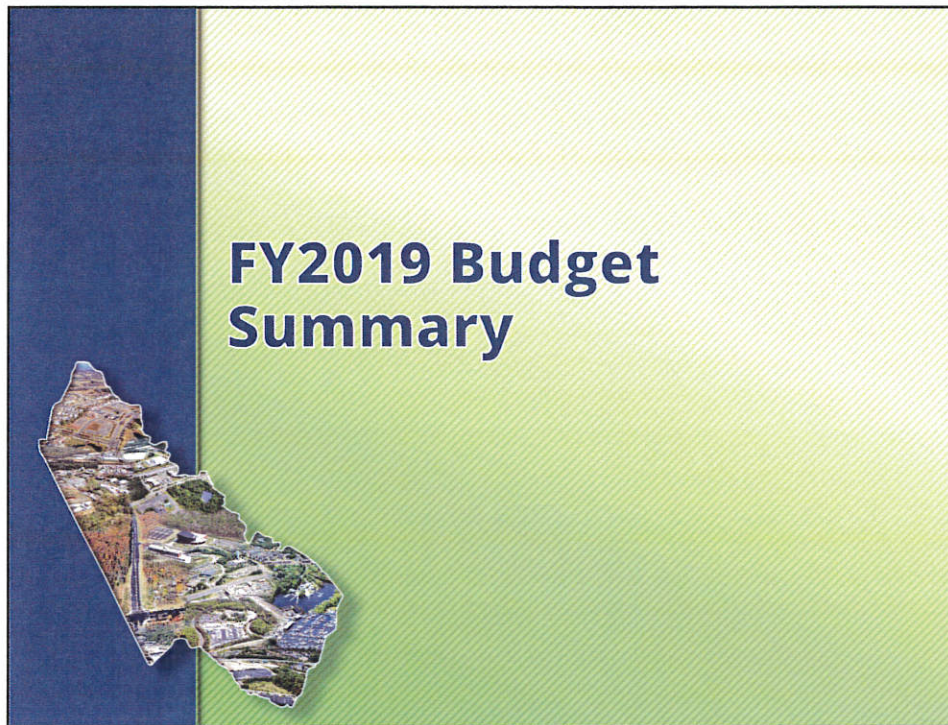
- 3% pay for performance \$5.7M
- Health/dental \$1.6M
- Pension/retirement \$1.2M

○ **Contractual/Operating Increases \$1.4M**

- Leases, utilities, fuel (savings), IT maintenance, financial/banking/audit contracts, postage, COG membership

○ **Increasing Workload \$0.5M**

- Next phases of landfill development 2.0 FTE
- Trails maint. & parks programming 3.4 FTE
- Website development 1.0 FTE

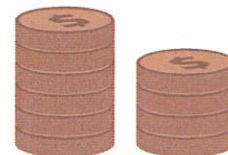


Rates Needed to Support Proposed Budget

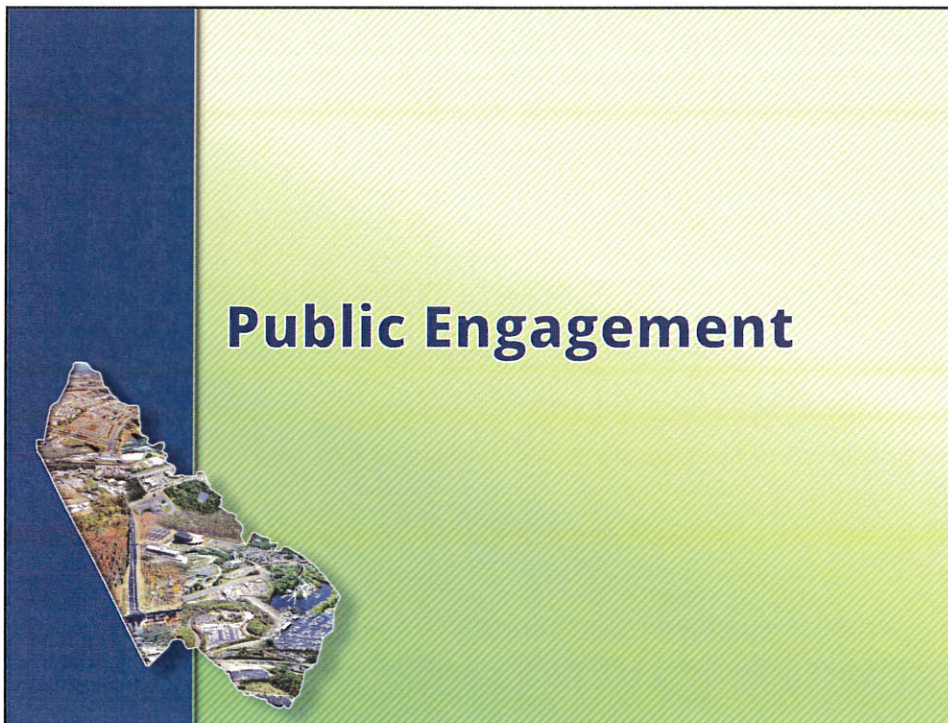
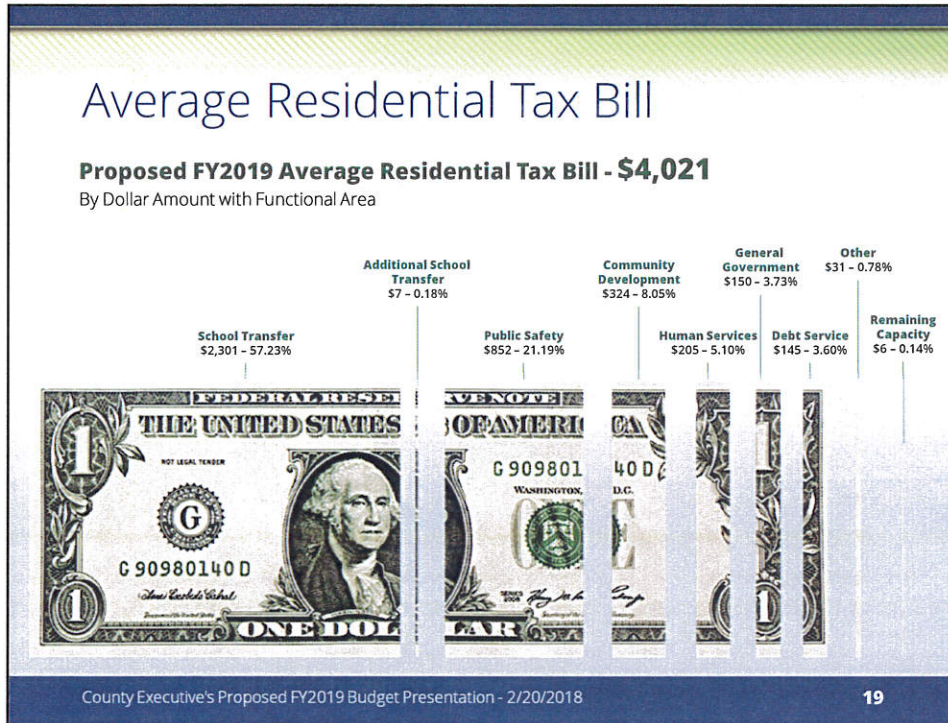
- **\$1.125 Real Estate Tax Rate**
 - Flat tax rate (current rate is \$1.125)
 - Avg. residential tax bill increases by \$121

- **\$0.0837 Fire Levy**
 - Current rate is \$0.0792
 - Avg. residential levy increases by \$25


- **Development Fee Schedule**
 - Avg. increase of 3.0% building, 6.5% land




*Each penny on the tax rate is
\$5.9M to general fund --
\$3.4M to Schools; \$2.5M to County*




Budget Apps & Information




FY19 Budget Calculator




Q&A Database




CIP Mapping Tool



Calendar



Video



Proposed Budget Documents

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Budget Calendar

- **Community Meeting – Proposed Budget & CIP** **Feb 24**
- **Budget & CIP Worksessions** **Mar 6, 13, 20**
- **CIP Work Session (Planning Commission)** **Mar 7**
- **PWCS Budget to BOCS** **Apr 3**
- **CIP Public Hearing (Planning Commission)** **Apr 4**
- **Budget Recap (Afternoon)** **Apr 10**
- **Budget & Tax Rate Public Hearing** **Apr 10**
- **Budget Markup** **Apr 17**
- **Budget Adoption** **Apr 24**

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