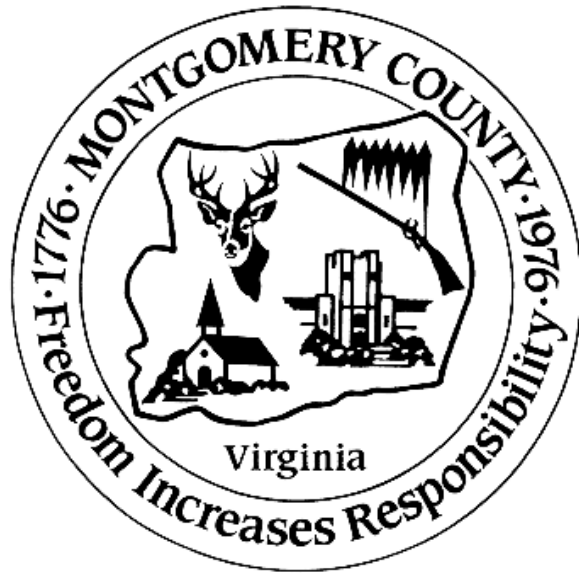


BUDGET SUMMARY



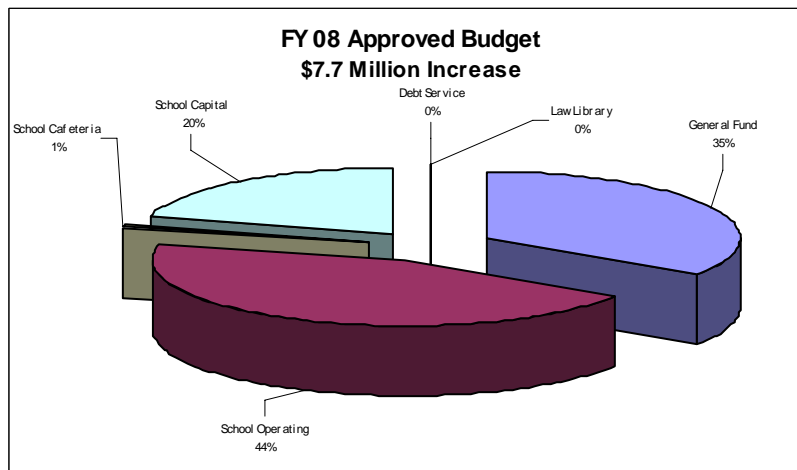
FISCAL YEAR 08
APPROVED BUDGET

BUDGET SUMMARY FY 08

Introduction

The FY 08 budget for the General Fund and the School Operating Fund totals \$125.7 million. The General Fund totals \$36.0 million and the School Operating Fund totals \$89.7 million. The total County budget also includes the Debt Service Fund (\$10.8 million), the Law Library Fund (\$17,600), the School Cafeteria Fund (\$3.7 million), and funding for new school capital construction (\$2.5 million). The County budget for all funds totals \$142.7 million.

The approved tax rate is increased from the adjusted tax rate of 57 cents (based on a revenue neutral tax rate from the recent general real estate reassessment) to 63 cents. This is a six cent real estate tax rate increase for FY 08, but an 11 cent decrease from the adopted tax rate of 74 cents in FY 07. Continuing to address state funding reductions, increases in fringe benefit costs, and additional County and public school needs require additional resources from both a tax rate increase and general growth in tax revenue. The total dollar increase within the FY 08 budget is \$7.7 million in state, federal, and local funds.



County funds provided in the School Budget total \$33.6 million. This a \$1.6 million increase in County funding from FY 07 to FY 08 and accounts for 2.5 cents of the total 6 cent tax rate increase. In addition to the transfer to the School Operating Fund, a total of \$2.5 million or 4 cents of the tax rate has been earmarked for new school capital construction.

Expenditure requests were reduced in an effort to contain the tax rate required to balance the budget. Departments' and agencies' funding requests were analyzed and many were deferred. Efforts were made to fund the priority items through fees, or redirecting monies from other items. Included in the FY 08 Approved Budget is an estimated decrease of 9.9% for health insurance premiums and a new fee structure for General Services and the Planning Department. Decreases in health insurance costs were used to help supplement the County's approved compensation increase for FY 08, while fee increases were used to help support the County's operations.

A total of \$1,054,765 is included in the budget to support a 5% regrade of the County's compensation scale, a 5% adjustment of each County employee's midpoint on the new scale on July 1 and a 1% merit on anniversary date. These increases were held in Special Contingencies for FY 08 Proposed Budget, but have now been distributed to County divisions for the FY 08 Approved Budget. A total of \$179,553 was also held in Special Contingencies for the costs associated with implementing Phase III of the Compensation and Classification Plan approved in FY 06. These costs have also been distributed to County divisions for the approved budget.

BUDGET SUMMARY FY 08

Costs for operations for the five constitutional officers total \$12 million, of which undesignated General Fund dollars now cover 39.8% for these offices.

Summaries of Major Selected Functions

General Government Administration

General Government Administration refers to divisions such as, the Board of Supervisors, County Administrator, County Attorney, Registrar, Financial and Management Services, Information Management Services, Human Services, Internal Services, and so forth. Highlights include:

- ✓ \$114,538 is added to the County Administration budget to cover the costs associated with the HealthStat health clinic that was added off-cycle in FY 07. This addition is expected to help improve the County's overall wellness, decrease medical claim rates, and ultimately reduce health insurance costs.
- ✓ \$35,000 is added to the Finance Department to cover the cost of actuarial and financial advisory services related to GASB 45 and \$3,000 is added for increased Audit Fees.
- ✓ \$145,100 is added to the Insurance budget to cover the costs associated with COBRA insurance, Flexible Benefits Administration and general insurance. Increases are based on usage and the County's experience rating.
- ✓ \$31,179 is added to the Registrar's budget to cover increased operating costs in the division and provide the division with one-time funding for two additional elections in FY 08.
- ✓ \$249,100 is added to the Internal Services Department for vehicles and vehicle replacement. In FY 07, the County eliminated the County's vehicle replacement funding of \$58,000. This addition replaces four vehicles including one roll-off trash truck, one SUV for Erosion and Sediment Control, one Animal Control Truck, and one Parks and Recreation truck. \$26,000 is also added to Internal Services to expand the County's T-1 connection for Internet Technology Use.
- ✓ \$37,738 is added for one new position for the Parks and Recreation Department to provide maintenance to all County operated parks.

Judicial Administration

Judicial Administration includes the Clerk of the Circuit Court, Juvenile and Domestic Court Clerk, Circuit Court, District Court, Magistrate, Commonwealth's Attorney, etc. The County is required to provide office space, furniture, filing cabinets and other minimal operational items for the Courts. The State Supreme Court provides funding for other costs such as personal services. While in the past offices such as the Commonwealth's Attorney were funded almost exclusively by the State Compensation Board, state budget reductions require additional local dollars. Highlights include:

- ✓ \$35,933 is added for one new position for the Clerk of Circuit Court. This position was added off-cycle in FY 07 in anticipation of state compensation board funding. This position is added with the understanding that if the position is funded by the State at a later date, the County will use the state funding to offset the cost of the position.

BUDGET SUMMARY FY 08

- ✓ \$14,120 is added for increased operating costs of Court agencies, including the Commonwealth's Attorney.

Tax Collection

Tax Collection includes the Commissioner of Revenue and the Treasurer. Funding from FY 07 to the FY 08 budget increased 6.76%.

	FY 07 Budget	FY 08 Budget	Difference	% Change
Commissioner of Revenue	\$961,949	\$1,052,231	\$90,282	9.39%
Treasurer	\$977,291	\$1,018,151	\$40,860	4.18%
Total	\$1,939,240	\$2,070,382	\$131,142	6.76%

Public Safety

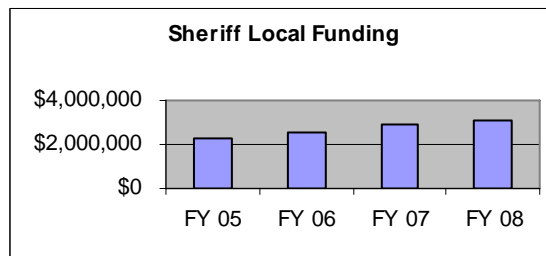
Expenditures for *Public Safety* are comprised of the Sheriff's Department and fire and rescue operations. This category increased 8.69%.

	FY 07 Budget	FY 08 Budget	Difference	% Change
Sheriff	\$7,860,549	\$8,502,315	\$641,766	8.16%
Fire and Rescue	\$826,158	\$938,892	\$112,734	13.65%
Total	\$8,686,707	\$9,441,207	\$754,500	8.69%

Highlights include:

- ✓ \$51,182 is added for one new Home Electronic Monitoring deputy position in the Sheriff's Office. This position is the second of two positions added to the Sheriff's Office to fully implement the Home Electronic Monitoring Program. The first position was added off-cycle in FY 07 and is included in the Sheriff's base budget. In addition to the position, \$68,445 is added to cover the costs associated with the rental of equipment, drug tests, and one-time capital.
- ✓ \$48,200 is added for operating costs of the new Riner Station of the Christiansburg Rescue Squad.
- ✓ \$41,180 is added to existing Fire and Rescue operations.

The Sheriff's Office is supported with \$3 million in County undesignated resources. The chart below shows the amount of local funding provided for the Sheriff's office over the past four fiscal years.



BUDGET SUMMARY FY 08

General Services

The *General Services* function consists of Solid Waste Removal, Maintenance of Buildings and Grounds, Animal Control, Engineering/Environmental Services, and Inspections. Increases to the General Services budget are included to cover the costs associated with basic expenses of maintaining the County's infrastructure, utility costs, and fuel costs.

- ✓ \$155,926 is added to the General Services budget to cover the costs of basic maintenance, utilities, and fuel at all County owned facilities and other miscellaneous operating costs.

Health and Welfare

Health and Welfare includes Social Services, Human Services, Public Health and the Comprehensive Services Act. Funding for these agencies includes federal, state and local dollars totaling \$8.8 million. An additional \$100,000 in local money is held in Special Contingencies to meet increased costs for the Comprehensive Services Act and \$120,838 is also held in abeyance to cover the County's required match should additional state dollars be provided for the Health Department and Social Services. Of the total amount budgeted for Health and Welfare, 68.29% is attributable to the Department of Social Services where funding is provided to cover the County's share of mandated costs related to public assistance programs and administration. Funding for Human Services and the Health Department provides 10.55% of the total in this category. The remaining funds support services through the Comprehensive Services Act (CSA), of which County dollars represent 21.16% of the total funding.

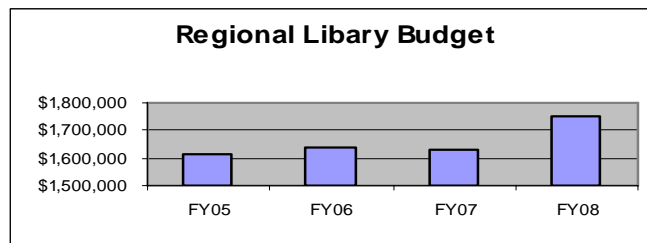
	FY 07 Budget	FY 08 Budget	Difference	% Change
Comprehensive Services Act	\$1,812,367	\$1,812,367	\$0	0.00%
Human Services	\$372,015	\$397,845	\$25,830	6.94%
Public Health	\$413,492	\$464,411	\$50,919	12.31%
Social Services	\$5,540,087	\$6,140,617	\$600,530	10.84%
Total	\$8,137,961	\$8,815,240	\$677,279	8.32%

Education

The Montgomery County Public Schools' total School Operating Fund increase in the FY 08 Approved Budget is \$3.4 million. County funding in the FY 08 Approved budget totals \$33.6 million. An additional \$2.5 million or 4 cents of the tax rate has been earmarked for new school capital construction, bringing total County funding for Schools to \$36.1 million.

Regional Library

The *Regional Library* accounts for 5% of the General Fund budget. Funding totals \$1.75 million. The chart below shows the funding for the Regional Library over the past four fiscal years.



BUDGET SUMMARY FY 08

Debt Service

In FY 06, debt service costs to pay principal and interest payments on outstanding County and School Debt were consolidated into one fund. Debt service requirements on existing and new debt are based on the sale of bonds and the interest rate at the time of sale. Debt service tables are established and dictate the retirement of debt over a fixed period. The following table shows a comparison of the debt service requirements for the County and the School System from FY 07 to FY 08.

Debt Service Adjustments			
	FY 07	FY 08	Difference
County Debt Principal	\$2,022,329	\$1,974,157	(\$48,172)
County Debt Interest	\$1,702,995	\$1,600,195	(\$102,800)
County Debt Fees	\$6,000	\$7,500	\$1,500
County Debt Total	\$3,731,324	\$3,581,852	(\$149,472)
School Debt Principal	\$3,843,379	\$3,861,971	\$18,592
School Debt Interest	\$3,181,700	\$2,949,224	(\$232,476)
School Debt Fees	\$12,801	\$17,251	\$4,450
School Debt Total	\$7,037,880	\$6,828,446	(\$209,434)
Total Existing Debt	\$10,769,204	\$10,410,298	(\$358,906)
Debt Service Contingency - New Debt County	\$0	\$149,472	\$149,472
Debt Service Contingency - New Debt Schools	\$0	\$209,434	\$209,434
Add. State Const. Funds - New Debt Schools	\$0	\$506	\$506
Total New Debt Adjustments	\$0	\$359,412	\$359,412
Grand Total	\$10,769,204	\$10,769,710	\$506

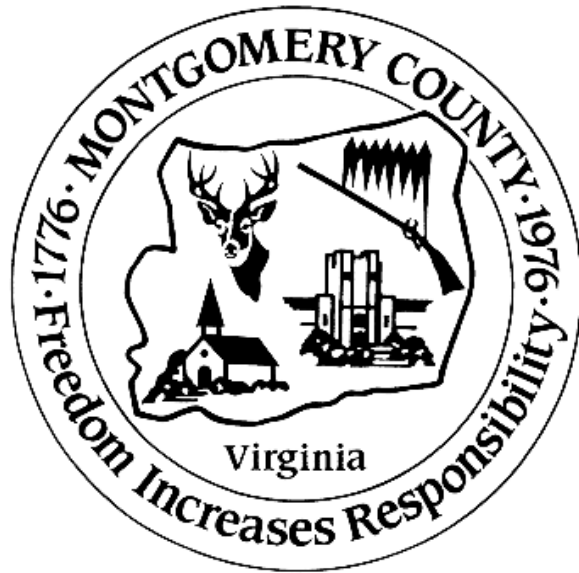
Contingencies - Special

Special contingencies includes monies held in abeyance for several functions:

- ✓ Funding to meet public assistance mandates (\$30,000).
- ✓ Funding to meet the mandated local share of the Comprehensive Services Act (\$100,000).
- ✓ Funding to meet the mandated local share of the Health Department, should the state provide their share of the increase (\$90,838).

Detailed explanations of the expenditure recommendations, a recap of expenditures by fund, County dollars by division, position (FTE) listing, and a graphic summary of the FY 08 Approved Budget are included in the Appendices at the end of this section.

BUDGET SUMMARY



APPENDIX A

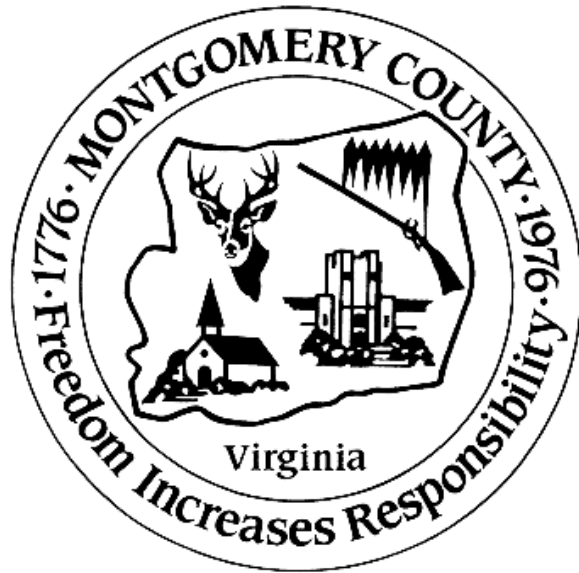
**COUNTY OF MONTGOMERY, VIRGINIA
 RECAP OF EXPENDITURES BY DIVISION
 FISCAL YEAR 2008**

DIVISION	FY 06 Appropriated	FY 06 Expended	FY 07 Approved	FY 07 Appropriated	FY 08			Inc/(Dec) FY 08 Approved Over FY 07 Approved		Inc/(Dec) FY 08 Approved Over FY 07 Appropriated	
					Approved			\$	%	\$	%
					Base	Addenda	Total				
REVENUE SHARING	164,106	147,970	164,106	164,106	164,106	-	164,106	-	0%	-	0%
BOARD OF SUPERVISORS	455,268	426,817	228,367	413,195	226,177	-	226,177	(2,190)	-1%	(187,018)	-45%
COUNTY ADMINISTRATION	1,058,185	990,279	1,072,802	1,155,067	1,132,902	119,538	1,252,440	179,638	17%	97,373	8%
COUNTY ATTORNEY	233,215	223,235	228,067	228,067	202,006	-	202,006	(26,061)	-11%	(26,061)	-11%
FINANCIAL & MANAGEMENT SERVICE	688,240	651,407	716,196	723,061	772,455	38,000	810,455	94,259	13%	87,394	12%
INSURANCE	171,337	170,355	129,563	248,563	129,563	145,100	274,663	145,100	112%	26,100	11%
INFORMATION MANAGEMENT SERVICE	908,237	799,224	846,349	869,176	861,779	7,073	868,852	22,503	3%	(324)	0%
COMMISSIONER OF REVENUE-COMP	500,269	489,163	534,120	569,361	597,104	-	597,104	62,984	12%	27,743	5%
ASSESSMENT - COUNTY	412,336	398,976	427,829	431,581	455,127	-	455,127	27,298	6%	23,546	5%
REASSESSMENT	627,516	393,757	-	249,259	-	-	-	-	-	(249,259)	-100%
TREASURER - COMP BD	493,843	479,524	515,755	515,755	546,585	-	546,585	30,830	6%	30,830	6%
COLLECTIONS - COUNTY	458,452	453,152	461,536	480,906	471,566	-	471,566	10,030	2%	(9,340)	-2%
ELECTORAL BOARD	276,709	270,687	286,619	290,936	300,769	31,179	331,948	45,329	16%	41,012	14%
INTERNAL SERVICES	298,588	286,385	210,284	212,052	218,555	275,100	493,655	283,371	135%	281,603	133%
COMMONWEALTH ATTORNEY	621,724	589,877	597,347	759,603	785,539	7,030	792,569	195,222	33%	32,966	4%
CIRCUIT COURT	151,835	131,881	148,368	152,654	150,446	-	150,446	2,078	1%	(2,208)	-1%
GENERAL DISTRICT COURT	22,216	22,004	20,366	29,031	20,366	1,090	21,456	1,090	5%	(7,575)	-26%
J & D RELATIONS COURT	15,989	13,276	11,637	14,305	11,637	6,000	17,637	6,000	52%	3,332	23%
MAGISTRATE	5,900	5,586	5,000	5,000	5,000	-	5,000	-	0%	-	0%
CIRCUIT COURT CLERK	534,406	532,348	543,734	590,427	572,411	35,933	608,344	64,610	12%	17,917	3%
SHERIFF - COMP BOARD	6,229,104	6,228,832	6,807,331	6,910,804	7,198,018	-	7,198,018	390,687	6%	287,214	4%
SHERIFF - COUNTY	1,226,727	1,159,691	1,053,218	1,254,386	1,123,970	180,327	1,304,297	251,079	24%	49,911	4%
FIRE AND RESCUE	734,011	717,045	826,158	853,196	826,158	112,734	938,892	112,734	14%	85,696	10%
GENERAL SERVICES	4,200,133	3,931,987	4,291,155	4,464,544	4,382,195	155,926	4,538,121	246,966	6%	73,577	2%
COMPREHENSIVE SERVICES ACT	2,155,537	1,480,356	1,812,367	1,812,367	1,812,367	-	1,812,367	-	0%	-	0%
HUMAN SERVICES	391,645	370,739	372,015	380,626	395,445	2,400	397,845	25,830	7%	17,219	5%
PUBLIC HEALTH	413,492	413,492	413,492	464,411	464,411	-	464,411	50,919	12%	-	0%
SOCIAL SERVICES	5,967,410	5,499,838	5,540,087	5,582,687	6,136,225	4,392	6,140,617	600,530	11%	557,930	10%
PARKS AND RECREATION	669,672	623,645	605,014	675,526	627,922	56,106	684,028	79,014	13%	8,502	1%
REGIONAL LIBRARY	2,273,554	1,960,854	1,626,766	2,001,451	1,719,076	33,371	1,752,447	125,681	8%	(249,004)	-12%
PLANNING & GIS	577,868	568,746	569,542	658,081	580,581	12,938	593,519	23,977	4%	(64,562)	-10%
ECONOMIC DEVELOPMENT	815,594	644,941	353,955	416,247	369,190	10,000	379,190	25,235	7%	(37,057)	-9%
OTHER AGENCIES	1,007,310	934,515	987,620	1,099,263	1,095,980	-	1,095,980	108,360	11%	(3,283)	0%
CONTINGENCIES - GENERAL	-	-	300,000	476	300,000	-	300,000	-	-	299,524	-
CONTINGENCIES - SPECIAL	191,877	-	729,740	630,321	130,000	90,838	220,838	(508,902)	-70%	(409,483)	-65%
ADJUSTMENTS	(91,700)	(51,684)	(91,700)	(91,700)	(91,700)	-	(91,700)	-	0%	-	0%
TOTAL GENERAL FUND	\$ 34,860,605	\$ 31,958,898	\$ 33,344,805	\$ 35,214,791	\$ 34,693,931	\$ 1,325,075	\$ 36,019,006	\$ 2,674,201	8%	\$ 804,215	2%

**COUNTY OF MONTGOMERY, VIRGINIA
 RECAP OF EXPENDITURES BY DIVISION
 FISCAL YEAR 2008**

DIVISION	FY 06 Appropriated	FY 06 Expended	FY 07 Approved	FY 07 Appropriated	FY 08			Inc/(Dec) FY 08 Approved Over FY 07 Approved		Inc/(Dec) FY 08 Approved Over FY 07 Appropriated	
					Approved			\$	%	\$	%
					Base	Addenda	Total				
LAW LIBRARY FUND	\$ 17,600	\$ 4,415	\$ 17,600	\$ 17,600	\$ 17,600	\$ -	\$ 17,600	-	0%	-	0%
SCHOOL OPERATING FUND	\$ 81,063,540	\$ 79,427,309	\$ 86,336,163	\$ 88,156,786	\$ 88,154,923	\$ 1,586,773	\$ 89,741,696	3,405,533	4%	1,584,910	2%
SCHOOL CAFETERIA FUND	\$ 3,451,264	\$ 3,476,672	\$ 3,585,718	\$ 3,733,209	\$ 3,662,207	\$ -	\$ 3,662,207	76,489	2%	(71,002)	-2%
SCHOOL CAPITAL CONSTRUCTION	\$ -	\$ -	\$ 957,550	\$ 2,402,030	\$ 2,538,836	\$ -	\$ 2,538,836	1,581,286	-	136,806	-
DEBT SERVICE FUND	\$ 11,004,847	\$ 10,761,475	\$ 10,769,204	\$ 10,769,204	\$ 10,769,710	\$ -	\$ 10,769,710	506	0%	506	0%
GRAND TOTAL ALL FUNDS	\$ 130,397,856	\$ 125,628,769	\$ 135,011,040	\$ 140,293,620	\$ 139,837,207	\$ 2,911,848	\$ 142,749,055	\$ 7,738,015	6%	\$ 2,455,435	2%

BUDGET SUMMARY



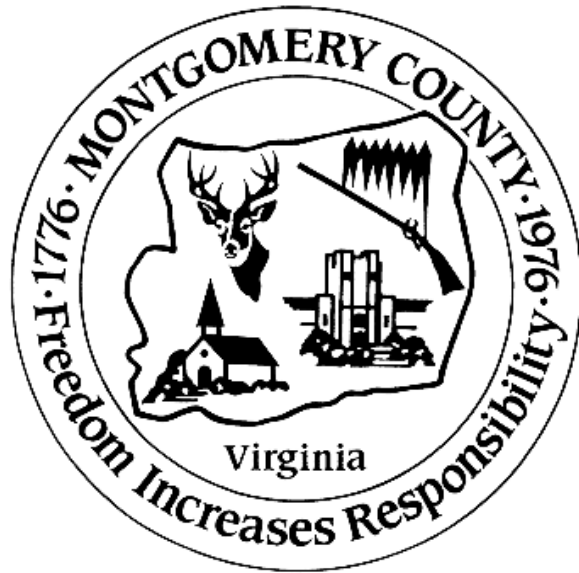
APPENDIX B

Summary of Authorized FTE or FTE Equivalent Positions

Division	Department	Approved Full-Time FY 06	Approved Part-Time FY 06	Approved Total FY 06	Approved Full-Time FY 07	Approved Part-Time FY 07	Approved Total FY 07	Approved Full-Time FY 08	Approved Part-Time FY 08	Approved Total FY 08
110	County Administration	5	0	5	5	0	5	5	0.5	5.5
110	Public Information Office	4	0	4	4	0	4	4	0	4
110	Human Resources	3	0	3	3	0	3	3	0	3
110	Emergency Services	1	0	1	1	0	1	1	0	1
120	County Attorney	2	0	2	2	0	2	1	0.5	1.5
130	Finance Department	8	0.5	8.5	8	0.5	8.5	8	0.5	8.5
130	Purchasing	2	0	2	2	0	2	2	0	2
140	Information Management Services	8	0.5	8.5	8	0.5	8.5	8	0.5	8.5
150	Commissioner of Revenue	10	0	10	10	0	10	11	0	11
152	Assessment	7	0	7	7	0	7	7	0	7
152	Land Use	1	0	1	1	0	1	1	0	1
160	Treasurer	9	0	9	9	0	9	9	0	9
162	Treasurer- Collections	8	0	8	8	0	8	8	0	8
170	Registrar/Electoral Board	4	0	4	4	0	4	4	0	4
180	Internal Services-Garage	2	0	2	2	0	2	2	0	2
200	Commonwealth Attorney	7	0	7	7	0	7	10	0	10
210	Circuit Court	2	0	2	2	0	2	2	0	2
220	General District Court	0	0	0	0	0	0	0	0	0
230	Juvenile & Domestic Relations	0	0	0	0	0	0	0	0	0
240	Magistrate	0	0	0	0	0	0	0	0	0
250	Clerk of Circuit Court	9	0	9	9	0	9	10	0	10
310	Sheriff-State	112	1	113	115	1.5	116.5	116	1.5	117.5
320	Sheriff-County	8	1.5	9.5	8	1.5	9.5	10	1.5	11.5
400	Animal Control	3	1	4	3	1	4	3	1	4
400	Public Facilities Administration	2	0	2	2	0	2	2	0	2
400	Building & Grounds	9	0	9	9	0	9	9	0	9
400	Housekeeping	8	1	9	8	1	9	8	1	9
400	Sanitary Collections	5	19.2	24.2	5	19.2	24.2	5	19.2	24.2
400	Litter Control	1	0	1	1	0	1	1	0	1
400	County Engineer	2	0	2	2	0	2	2	0	2
400	Soil Erosion	1	0	1	1	0	1	1	0	1
400	Inspections	5	0	5	5	0	5	5	0	5
520	Human Services	1	0	1	1	0	1	1	0	1
520	Office on Youth	3	0	3	3	0	3	3	0	3
520	RSVP	2	0.5	2.5	2	0.5	2.5	2	0.5	2.5
540	Social Services	61	0	61	66	0	66	65	0.5	65.5
700	Parks & Recreation	6	0	6	6	0	6	7	0	7
710	Regional Library	18	7.5	25.5	18	6.13	24.13	18	6.38	24.38
800	Planning & GIS	7	0	7	7	0	7	7	0	7
810	Economic Development	4	0	4	4	0	4	4	0	4
TOTAL		350	32.7	382.7	358	31.83	389.83	365	33.58	398.58

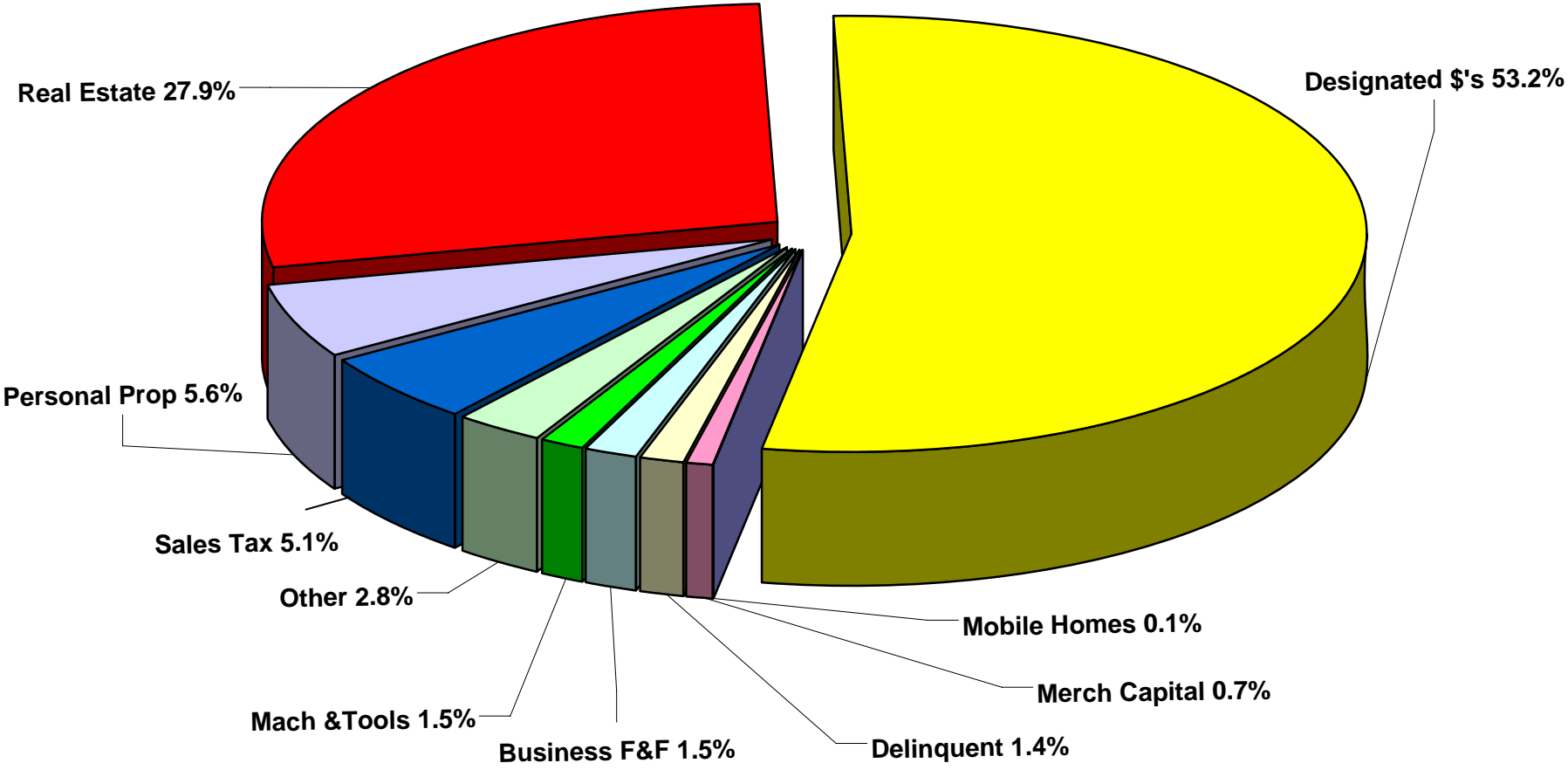
Note: Excludes Interns

BUDGET SUMMARY



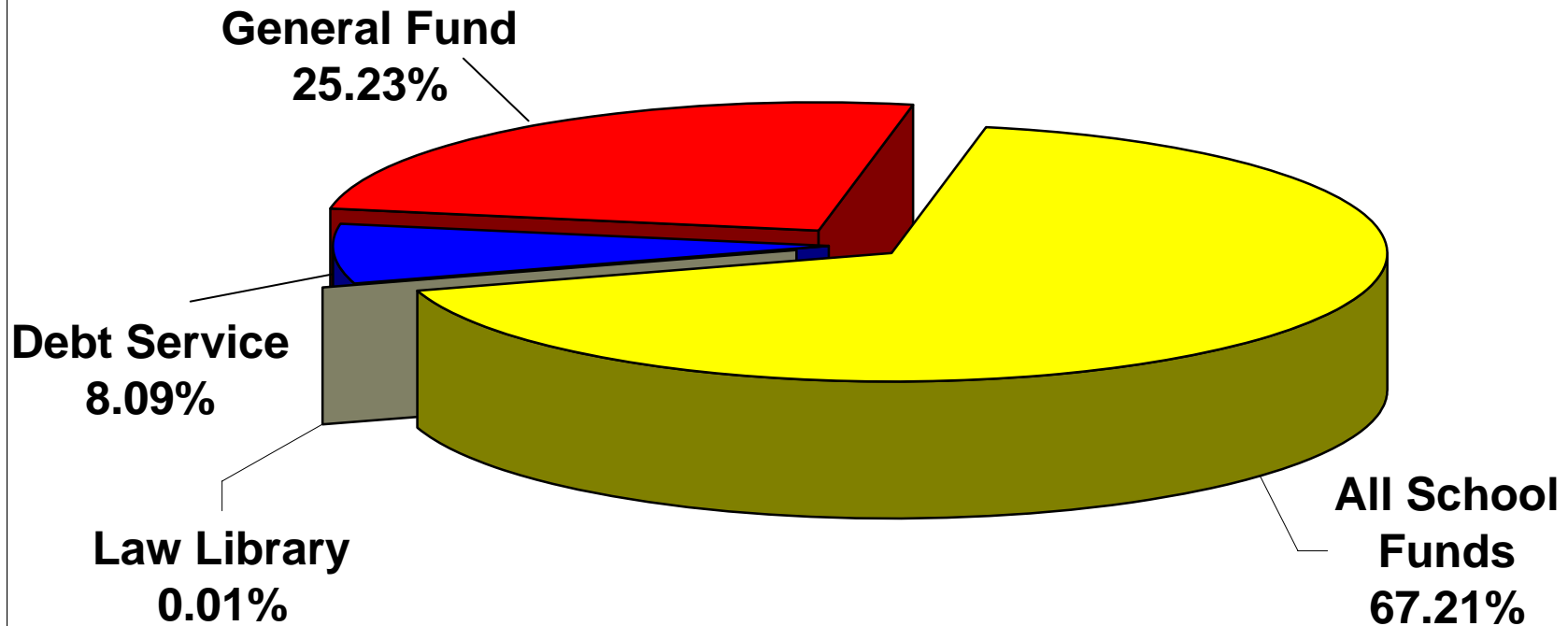
APPENDIX C

Where It Comes From FY 2008 Approved Budget

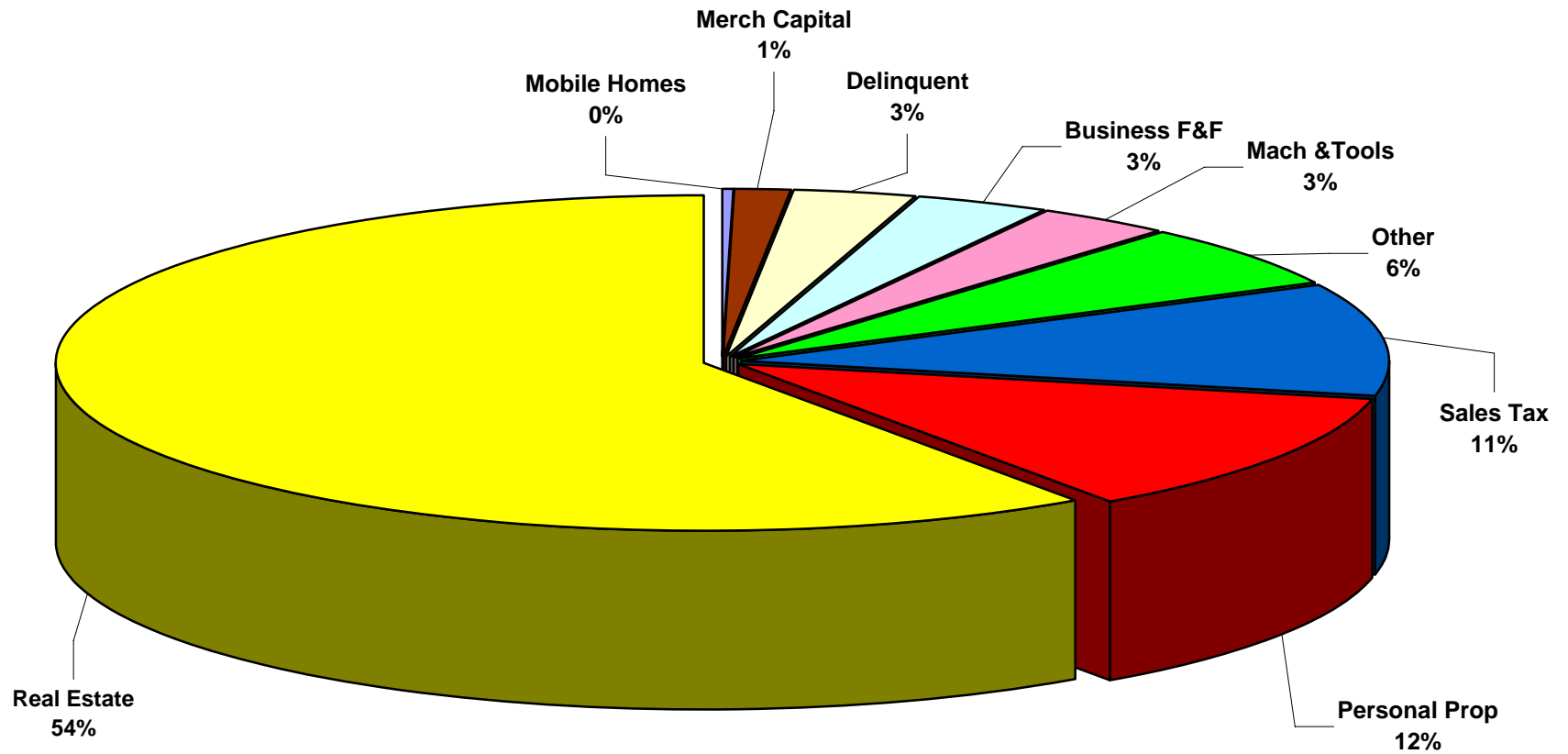


Where It Goes

FY 2008 Approved Budget
\$142.7 Million

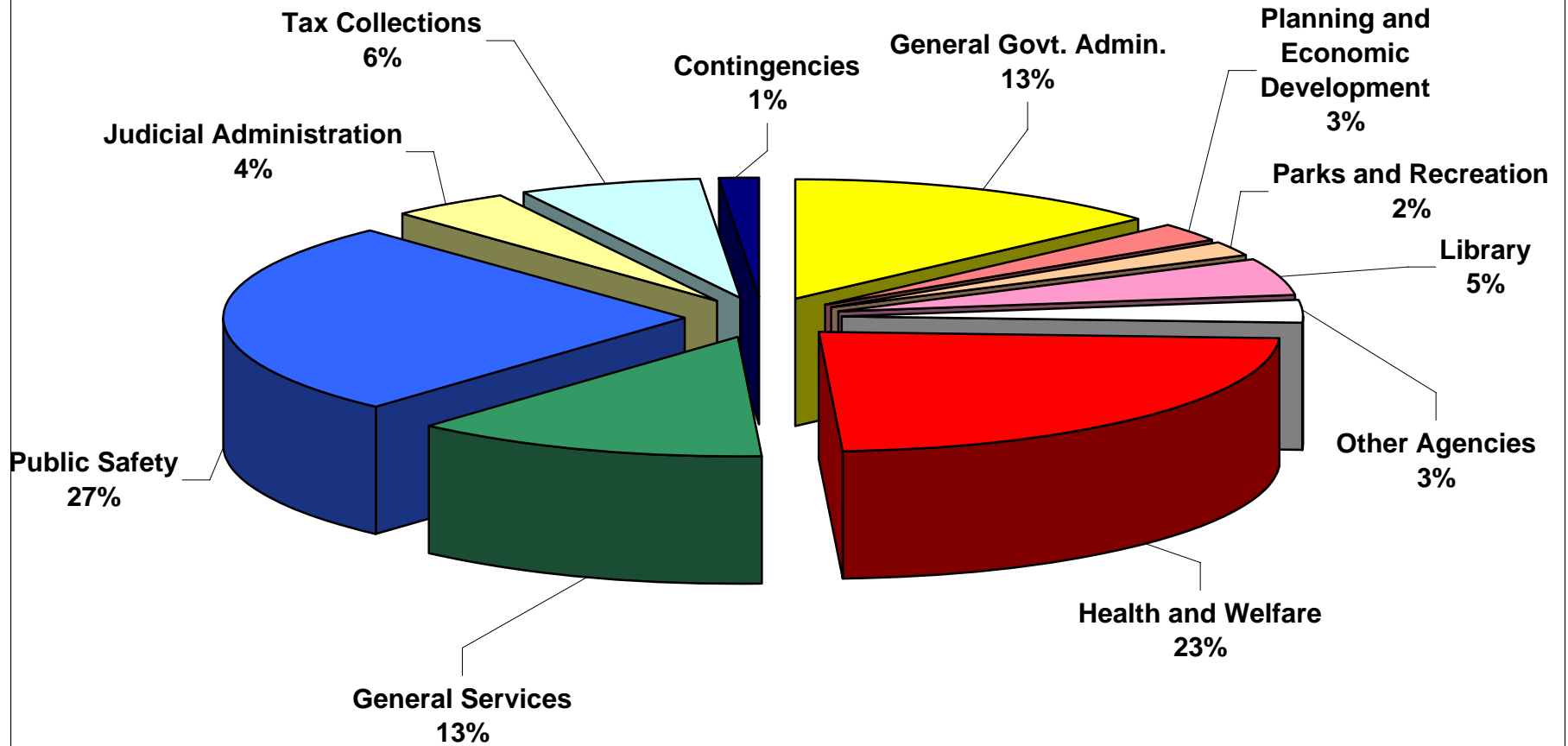


Undesignated Revenue \$66.8 Million



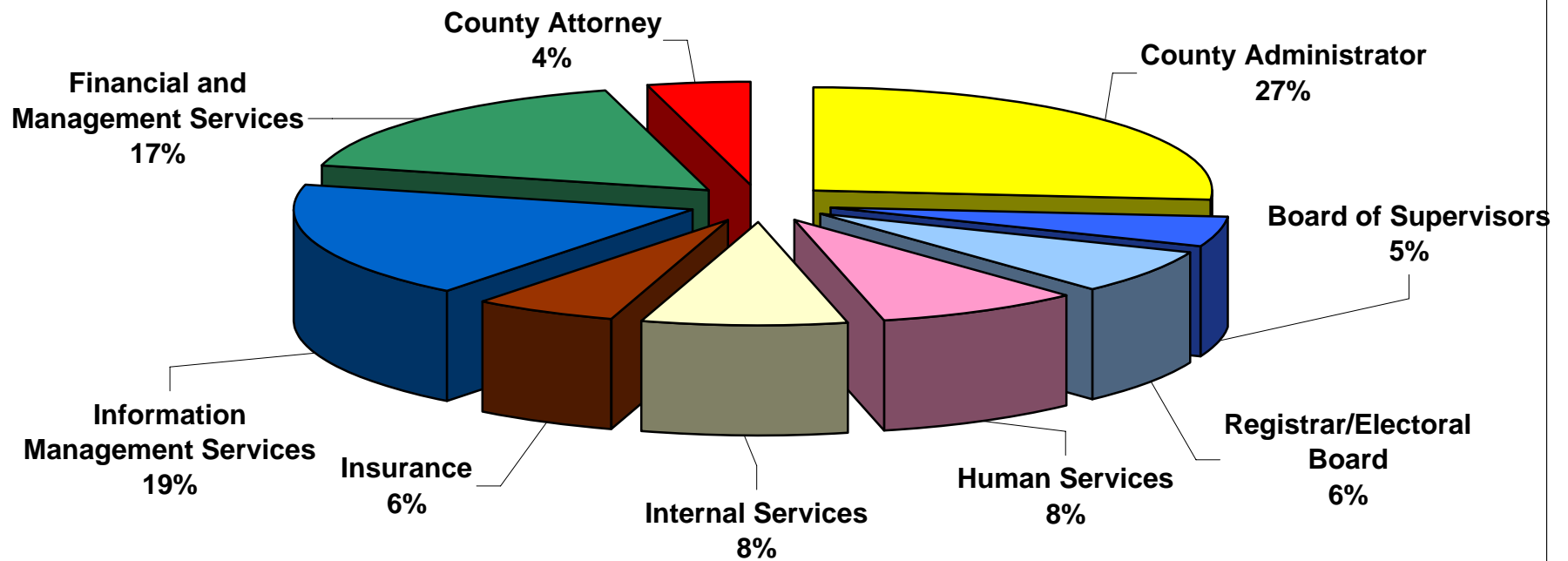
General Fund Functions

Total Approved \$36.0 million



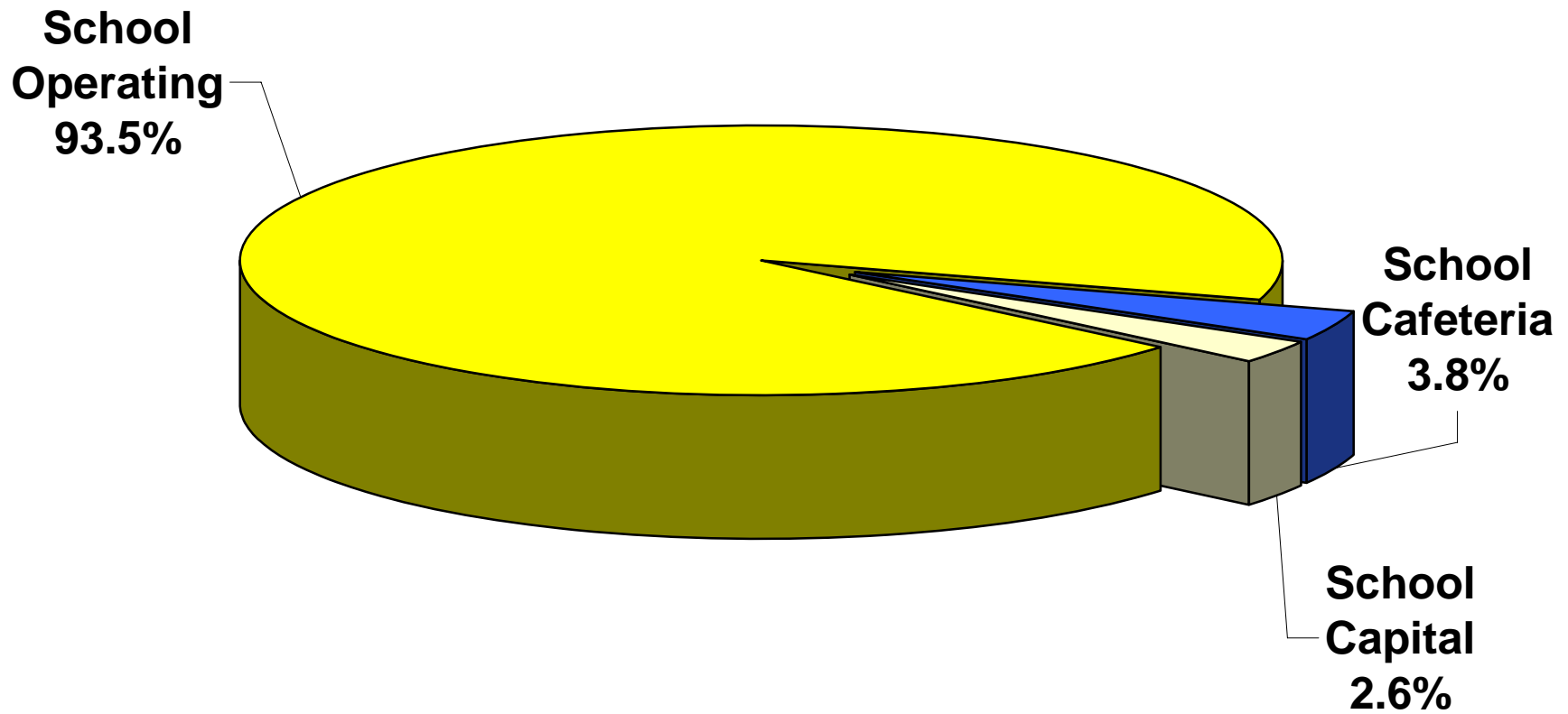
General Government Administration

Total Dollars \$4.8 million

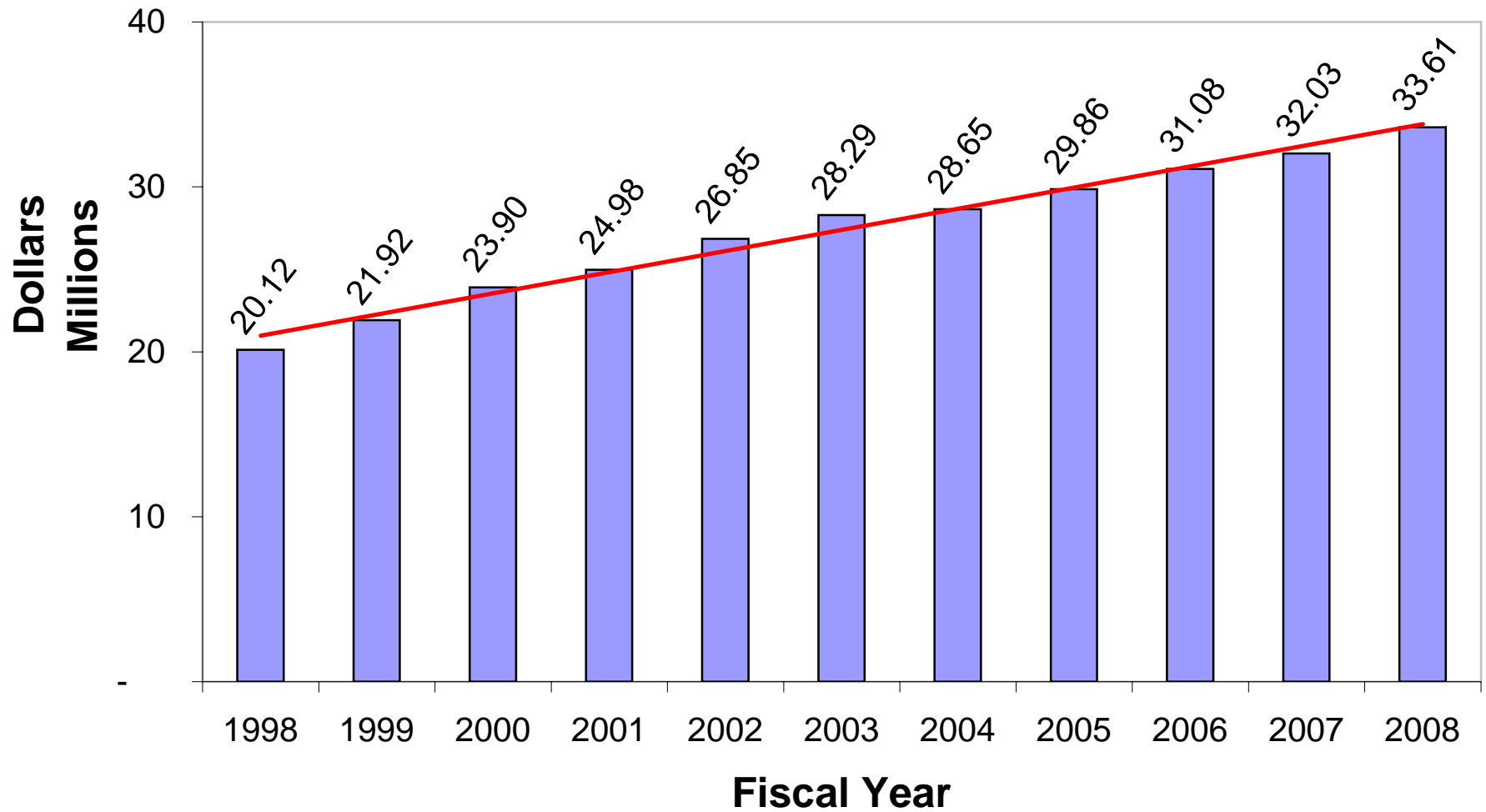


School Funds

Total Approved \$95.9 million

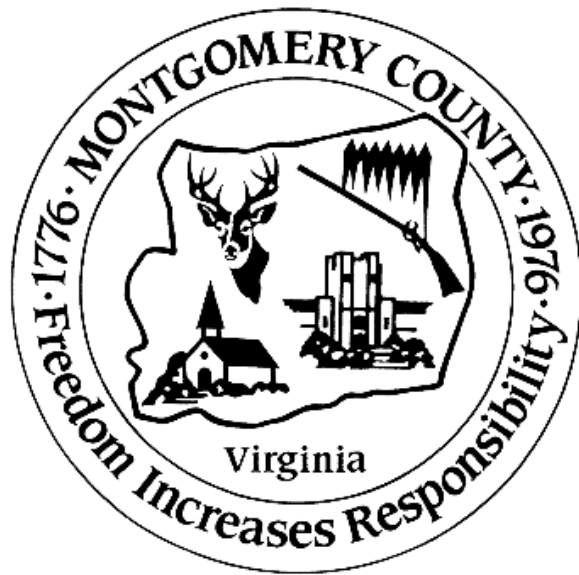


County Funding for Schools



All years are net of County funding provided for school debt service and school capital

BUDGET SUMMARY



APPENDIX D

Montgomery County, Virginia

