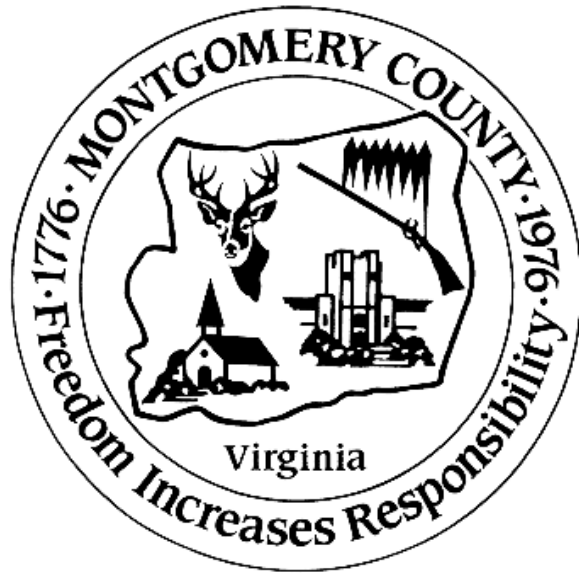


BUDGET SUMMARY



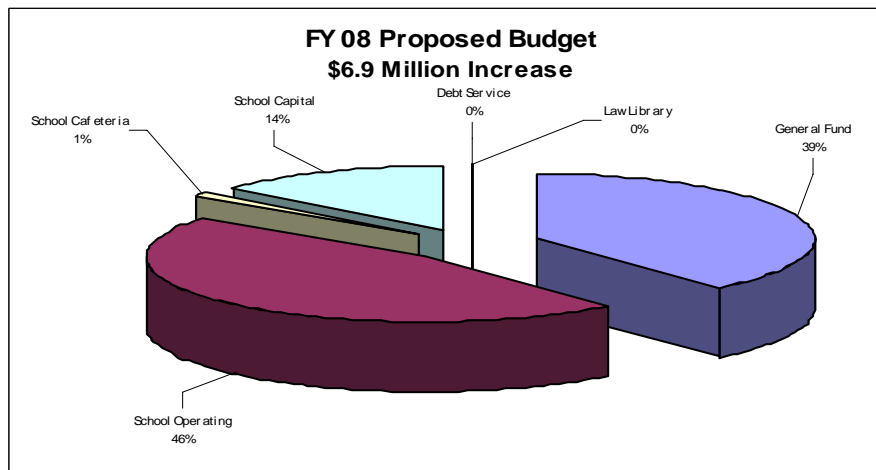
FISCAL YEAR 08 PROPOSED BUDGET

BUDGET SUMMARY FY 08

Introduction

The FY 08 budget for the General Fund and the School Operating Fund totals \$125.5 million. The General Fund totals \$36.0 million and the School Operating Fund totals \$89.5 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 (\$1.9 million). The County budget for all funds totals \$141.9 million.

The proposed 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 62 cents. This is a five cent real estate tax rate increase for FY 08, but a 12 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 \$6.9 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 5 cent tax rate increase. In addition to the transfer to the School Operating Fund, a total of \$1,904,127 or 3 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 Proposed 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 proposed 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 are held in Special Contingencies for FY 08. A total of \$179,553 is also held in Special Contingencies for the costs associated with implementing Phase III of the Compensation and Classification Plan approved in FY 06.

Costs for operations for the five constitutional officers total \$11.4 million, of which undesignated General Fund dollars now cover 37% for these offices.

BUDGET SUMMARY FY 08

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

BUDGET SUMMARY FY 08

Tax Collection

Tax Collection includes the Commissioner of Revenue and the Treasurer. Funding from FY 07 to the FY 08 budget increased 0.99%. These figures do not include compensation increases proposed in Special Contingencies.

	FY 07 Budget	FY 08 Budget	Difference	% Change
Commissioner of Revenue	\$961,949	\$991,941	\$29,992	3.12%
Treasurer	\$977,291	\$966,548	(\$10,743)	-1.10%
Total	\$1,939,240	\$1,958,489	\$19,249	0.99%

Public Safety

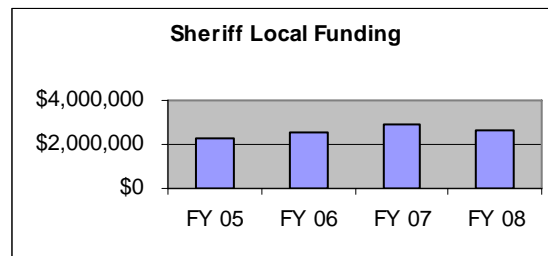
Expenditures for *Public Safety* are comprised of the Sheriff's Department and fire and rescue operations. This category increased 3.75%. These figures do not include compensation increases proposed in Special Contingencies.

	FY 07 Budget	FY 08 Budget	Difference	% Change
Sheriff	\$7,860,549	\$8,073,202	\$212,653	2.71%
Fire and Rescue	\$826,158	\$938,892	\$112,734	13.65%
Total	\$8,686,707	\$9,012,094	\$325,387	3.75%

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 \$2.6 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. Please note that the FY 08 amount does not include the proposed salary adjustment. With this adjustment, the total would be over \$3 million in local dollars



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 \$8.6 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, 67.74% 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 10.57% of the total in this category. The remaining funds support services through the Comprehensive Services Act (CSA), of which County dollars represent 21.69% of the total funding.

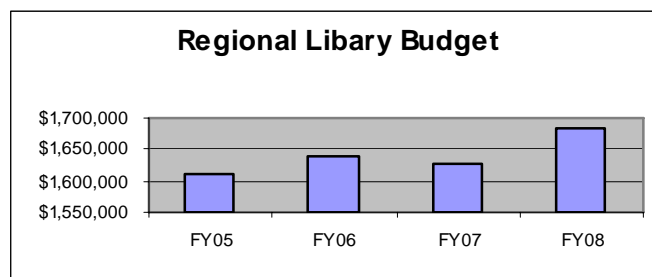
	FY 07 Budget	FY 08 Budget	Difference	% Change
Comprehensive Services Act	\$1,812,367	\$1,812,367	\$0	0.00%
Human Services	\$372,015	\$376,565	\$4,550	1.22%
Public Health	\$413,492	\$464,411	\$50,919	12.31%
Social Services	\$5,540,087	\$5,942,685	\$402,598	7.27%
Total	\$8,137,961	\$8,596,028	\$458,067	5.63%

Education

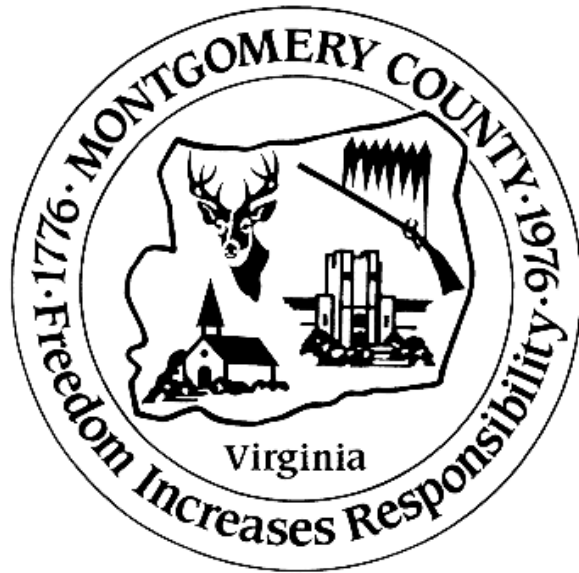
The Montgomery County Public Schools' total School Operating Fund increase in the FY 08 Proposed Budget is \$3.2 million. County funding in the FY 08 Proposed budget totals \$33.6 million. An additional \$1.9 million or 3 cents of the tax rate has been earmarked for new school capital construction, bringing total County funding for Schools to \$35.5 million.

Regional Library

The *Regional Library* accounts for 5% of the General Fund budget. Funding totals nearly \$1.7 million. The chart below shows the funding for the Regional Library over the past four fiscal years.



BUDGET SUMMARY



APPENDIX A

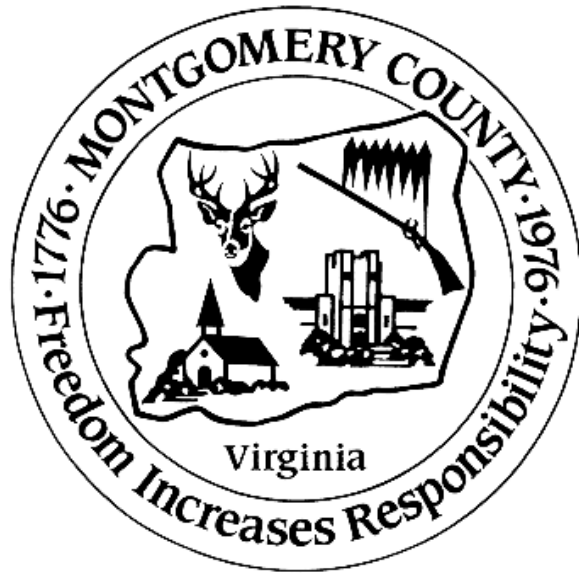
**COUNTY OF MONTGOMERY, VIRGINIA
 RECAP OF EXPENDITURES BY DIVISION
 FISCAL YEAR 2008**

					FY 08			Inc/(Dec) FY 08 Rec		Inc/(Dec) FY 08 Rec	
						Recommended		Over FY 07 Approved	Over FY 07 Appropriated		
REASSESSMENT	627,516	393,757	-	249,259	-	-	-	-	-	(249,259)	-100%
TREASURER - COMP BD	493,843	479,524	515,755	515,755	514,973	-	514,973	(782)	0%	(782)	0%
COLLECTIONS - COUNTY	458,452	453,152	461,536	480,906	451,575	-	451,575	(9,961)	-2%	(29,331)	-6%
ELECTORAL BOARD	276,709	270,687	286,619	290,936	287,075	31,179	318,254	31,635	11%	27,318	9%
INTERNAL SERVICES	298,588	286,385	210,284	212,052	210,135	275,100	485,235	274,951	131%	273,183	129%
COMMONWEALTH ATTORNEY	621,724	589,877	597,347	759,603	745,492	7,030	752,522	155,175	26%	(7,081)	-1%
CIRCUIT COURT	151,835	131,881	148,368	152,654	144,650	-	144,650	(3,718)	-3%	(8,004)	-5%
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	541,455	35,933	577,388	33,654	6%	(13,039)	-2%
SHERIFF - COMP BOARD	6,229,104	6,228,832	6,807,331	6,910,804	6,798,762	-	6,798,762	(8,569)	0%	(112,042)	-2%
SHERIFF - COUNTY	1,226,727	1,159,691	1,053,218	1,254,386	1,094,113	180,327	1,274,440	221,222	21%	20,054	2%
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	4,251,592	155,926	4,407,518	116,363	3%	(57,026)	-1%
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	374,165	2,400	376,565	4,550	1%	(4,061)	-1%
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	5,938,293	4,392	5,942,685	402,598	7%	359,998	6%
PARKS AND RECREATION	669,672	623,645	605,014	675,526	604,988	56,106	661,094	56,080	9%	(14,432)	-2%
REGIONAL LIBRARY	2,273,554	1,960,854	1,626,766	2,001,451	1,649,823	33,371	1,683,194	56,428	3%	(318,257)	-16%
PLANNING & GIS	577,868	568,746	569,542	658,081	549,864	12,938	562,802	(6,740)	-1%	(95,279)	-14%
ECONOMIC DEVELOPMENT	815,594	644,941	353,955	416,247	353,849	10,000	363,849	9,894	3%	(52,398)	-13%
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	1,339,479	1,469,479	739,739	101%	839,158	133%
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	\$ 33,445,290	\$ 2,573,716	\$ 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 Rec Over FY 07 Approved		Inc/(Dec) FY 08 Rec Over FY 07 Appropriated	
					Recommended			\$	%	\$	%
					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	\$ 87,954,756	\$ 1,586,773	\$ 89,541,529	3,205,366	4%	1,384,743	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	\$ 1,904,127	\$ -	\$ 1,904,127	946,577	-	(497,903)	-
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	\$ 137,753,690	\$ 4,160,489	\$ 141,914,179	\$ 6,903,139	5%	\$ 1,620,559	1%

BUDGET SUMMARY



APPENDIX B