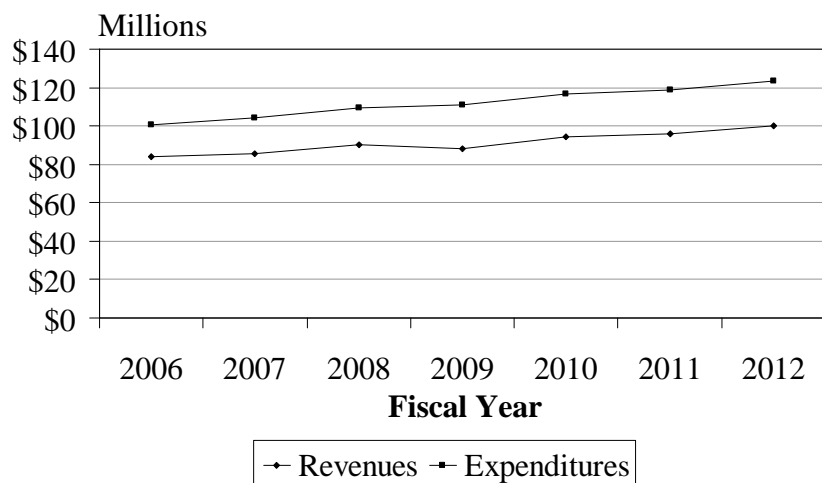


### Three Year Forecast Revenues and Expenditures Special Revenue Fund



Fiscal Years 2009 through 2012 are estimated. Revenues exclude transfers from other funds.

#### SPECIAL REVENUE FUND

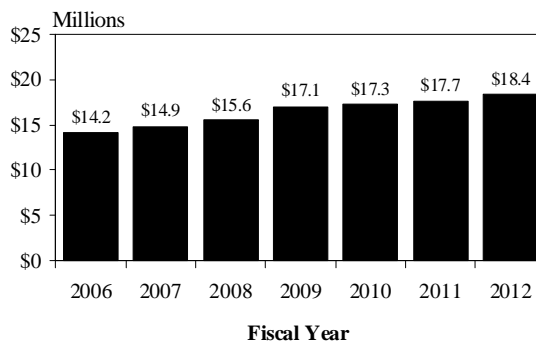
##### (Fund 11)

The Special Revenue Fund accounts for proceeds from revenue sources that legally restrict expenditures to specified purposes. Henrico County's Special Revenue Fund includes the Department of Public Utilities' Solid Waste and Street Lighting operations; Public Works' Watershed and Best Management Practices programs; Schools' Cafeteria Programs; Mental Health; State and Federal grants for various educational and County programs; the Economic Development Authority, and the Police Metro Aviation Unit. The Special Revenue Fund budget for FY2010 is \$116,690,603, an increase of \$5,730,236 or 5.2 percent, over the current fiscal year. Projected resources and requirement for FY2011 and FY2012 are included in the pages that follow.

##### Revenues Assumptions

**School Cafeteria** revenues support the operations of all County public school cafeterias. Funding is received from specific State and Federal governments grant programs as well as revenues generated by the school lunch program. Receipts for FY2010 are estimated at \$17,323,258 compared to \$17,116,654 in FY2009. The increase is based on an expected enrollment increase of 537 students in the Henrico school system next fiscal year. FY2011 and FY2012 revenue estimates of \$17,669,723 and \$18,376,512 respectively reflect projected increases of 2.0 percent and then 4.0 percent, which are based on anticipated growth in pupil enrollment and cafeteria operations.

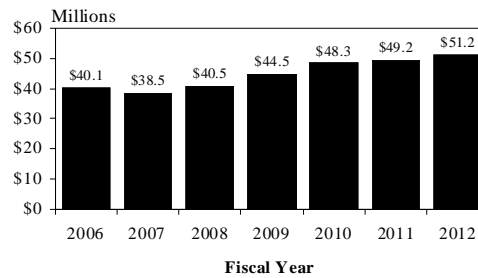
#### School Cafeteria Revenue



Fiscal Years 2009 through 2012 are estimated.

**State, Federal and Other Grants** revenue funds various programs, principally those related to Education, the Capital Area Training Consortium (CATC), the Community Corrections Services Program, the Community Development Block Grant (CDBG), the Comprehensive Services Act (CSA), and the Virginia Juvenile Community Crime Control Act (VJCCCA). Grant funding, for FY2010, totals \$48,266,992. In the event additional grant funding is received during the fiscal year, the County will recognize the revenue only after official notification has been received from the State or Federal government, and approval has been obtained in the form of a budget amendment from the Board of Supervisors.

### State, Federal, and Other Grant Revenue

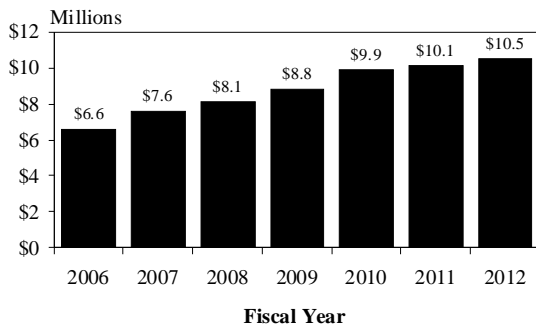


Fiscal Years 2009 through 2012 are estimated. Revenues do not include transfers from other funds.

**Solid Waste** revenues support the operation and maintenance of the County's solid waste disposal operation. A portion of the funding is user charges from customers who receive County refuse removal service. Revenue is also collected from landfill user fees paid by commercial trash hauling companies and County residents. The cost of providing curbside recycling, bagged leaf collection, neighborhood cleanup and bulky waste services throughout the County will be funded by a General Fund subsidy to the Solid Waste Fund. The amount of the General Fund subsidy will be net of any user fee revenue generated by these services. Incremental increases in the General Fund subsidy are forecasted to support inflationary and population growth in existing subsidized programs. There are no additional program subsidies forecasted.

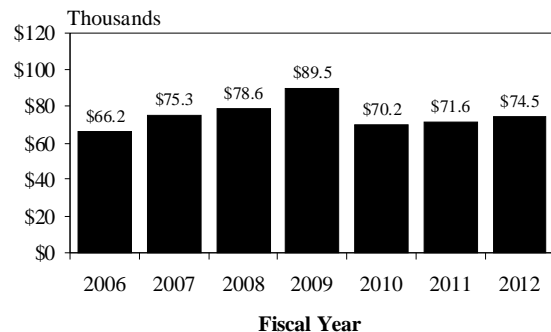
In FY2010, the \$30 bi-monthly refuse collection fee and the bulky waste collection fee of \$43 per trip are forecasted to remain unchanged. The forecasts for FY2011 and FY2012 reflect annual increases in revenues of 2.0 percent and 4.0 percent respectively.

### Solid Waste Revenue



Fiscal Years 2009 through 2012 are estimated. Revenues do not include transfers from other funds.

### Street Lighting Revenue



Fiscal Years 2009 through 2012 are estimated.

**Street Lighting** revenues fund the operation and maintenance of the street lighting districts throughout the County. Funding is provided by a specific annual surcharge levied on each property within a street light district. Street lighting revenue estimates throughout the forecast period support operating costs of existing streetlights.

**Mental Health** revenues are restricted to providing community based mental health, mental retardation and substance abuse services to the residents of Henrico County, Charles City County, and New Kent County. The Mental Health budget for FY2010 is \$32,111,037 including the General Fund contribution of \$14,628,871, State/Federal funds of \$17,141,766, and \$340,400 of contract revenues from Sheltered Employment. A 2.0 percent increase in Mental Health revenues is projected for FY2011, followed by a projected increase of 4.0 percent in FY2012. The forecast is based on anticipated increases in State and Federal grant funding. Additionally, in FY2005 MH/MR/SA began receiving additional funding through State and Federal Aid programs including the Reinvestment Program, an

increase in community care funds from the State, and growth in the level of funding received through the Part C Grant program. It is expected that these funding sources should continue in the future.

**The Police Metro Aviation Unit** is a regional multi-jurisdictional effort that includes the City of Richmond, Chesterfield and Henrico counties. Each locality will contribute \$135,895 in FY2010, \$138,613 in FY2011, and \$144,157 in FY2012 based upon a 2.0 percent increase in FY2011 and a 4.0 percent increase in FY2012. It is anticipated that The State Supreme Court will reimburse the Metro Aviation Unit \$55,000 for costs incurred to extradite prisoners in each year of the forecast period.

**Best Management Practice** devices are basins for treating storm water to improve water quality. The Department of Public Works is responsible for the long-term maintenance of Best Management Practice (BMP) devices in single family residential subdivisions within Henrico County. The BMP maintenance fee of \$100 per lot is paid by developers at the time subdivisions are recorded. **The Watershed Management Program** provides alternatives to construction of BMPs in certain areas and will reduce the number of BMPs constructed in the future. The fee for the environmental fund is \$8,000 per pound of pollutant removal required and is paid by developers prior to POD approval and subdivision recordation.

**(To) From General Fund** represents local revenues, received by the General Fund and transferred to the Special Revenue Fund. Several State and Federal programs require a commitment of local funds before the locality is eligible to receive grant funds.

In FY2010, the transfer of \$23,235,305 includes the County's contribution of \$1,550,232 to fund the State Community Corrections Programs, the Capital Area Training Consortium (CATC), the Special Drug Prosecutor, the Virginia Juvenile Community Crime Control Act (VJCCCA) and the State Victim/Witness Program; \$135,895 for Henrico County's portion of the regional Police Metro Aviation Unit; \$3,064,001 in support of Solid Waste programs; \$3,856,306 in local support of the Comprehensive Services Act; and \$14,628,871 for Mental Health. The total transfer from the General Fund is projected to increase to \$23,700,011 in FY2011 and \$24,648,012 in FY2012.

**(To) Capital Projects Fund-Solid Waste** represents the amount of Solid Waste fund balance allocated for capital projects. The \$3,600,000 total, which was approved in the FY2009-10 Capital Budget, is associated with the Springfield Road Landfill. This figure represents construction costs of \$1,000,000 associated with the construction of a transfer station as well as \$2,600,000 for the closure of cell IV at the Landfill.

**(To) From School Cafeteria Fund Balance** is a reserve, which has accumulated over time from the operation of the school cafeterias. The School Board's practice in the past has been to charge enough for cafeteria meals to cover the cost of providing the service to County students. Expenditure projections are based on prior experience and student enrollment. Occasionally, operational costs exceed revenues and a use of reserves is required.

**(To) From Solid Waste Fund Balance** is a reserve, which has accumulated over time from the solid waste operations to fund expansion and closure projects related to County owned landfills. It is the County's practice to ensure solid waste charges are sufficient to cover operating expenditures. The forecast for FY2011 and FY2012 reflects an increase in the Solid Waste Fund Balance as a result of revenues exceeding expenditures.

**(To) From Street Light Fund Balance** represents an accumulation of funds from street light related services. It is the County's practice to ensure street light charges are sufficient to cover operating expenditures, and subsequently limit the use of the Street Light Fund Balance to fund capital expenditures related to installing new lights.

#### **Expenditures** **Assumptions**

The development of the FY2010 Special Revenue Fund budget assumes recurring revenues will support recurring expenditures in future years. Special Revenue Fund resources and requirements for FY2011 and FY2012 are expected to grow at an average rate of 1.9 percent and 4.0 percent respectively. The growth rate in grant related revenue is predicated on the basis that ongoing Federal and State budgetary constraints will limit substantial increases in grant funding in FY2011, and then return to more normal levels of growth in FY2012.

**Ending Special Revenue Fund Balance** is the sum of all sub-fund fund balances, which are expected to remain on June 30th of each of the forecasted fiscal years, within the School Cafeteria Fund, Solid Waste Fund, and Street Light Fund. The State and Federal Grants fund balance and the Economic Development Authority fund balance are forecasted to be zero in FY2009 through FY2012 based on the assumption that all funding will be spent in the fiscal year it is budgeted. If a balance exists on June 30th, it is the County's policy to carry those funds forward to the next fiscal year.

**Special Revenue Fund Forecast**

	<u>FY 07-08 Actual</u>	<u>FY 08-09 Original</u>	<u>FY 09-10 Forecast</u>	<u>FY 10-11 Forecast</u>	<u>FY11-12 Forecast</u>
<b>Revenues:</b>					
School Cafeteria	\$ 15,584,738	\$ 17,116,654	\$ 17,323,258	\$ 17,669,723	\$ 18,376,512
State, Federal & Other Grants	40,538,630	44,513,407	48,266,992	49,232,332	51,201,625
Asset Forfeitures	131,785	0	0	0	0
Donations	221,598	0	0	0	0
Revenue from Local Sources - EDA	3,511,996	0	0	0	0
Other Local Taxes - EDA	4,471,708	0	0	0	0
Solid Waste	8,076,284	8,790,856	9,855,701	10,052,815	10,454,928
Street Lighting	78,589	89,500	70,200	71,604	74,468
Mental Health	16,934,070	16,513,939	17,482,166	17,831,809	18,545,082
Metro Aviation/Extradition	286,096	316,792	326,792	326,792	326,792
Watershed/Best Management Practices	264,738	897,000	897,000	897,000	897,000
<b>Subtotal Revenues</b>	<b>\$ 90,100,232</b>	<b>\$ 88,238,148</b>	<b>\$ 94,222,109</b>	<b>\$ 96,082,075</b>	<b>\$ 99,876,407</b>
<b>From General Fund:</b>					
State, Federal & Other Grants	\$ 5,762,648	\$ 5,702,880	\$ 5,406,538	\$ 5,514,669	\$ 5,735,256
Mental Health	11,874,376	14,228,224	14,628,871	14,921,448	15,518,306
Metro Aviation	160,650	130,895	135,895	138,613	144,157
Solid Waste	2,631,381	2,801,995	3,064,001	3,125,281	3,250,292
<b>Subtotal From General Fund</b>	<b>\$ 20,429,055</b>	<b>\$ 22,863,994</b>	<b>\$ 23,235,305</b>	<b>\$ 23,700,011</b>	<b>\$ 24,648,012</b>
(To) Capital Projects Fund for Solid Waste	0	(150,000)	(3,600,000)	0	0
(To) Capital Projects Fund for Mental Health	(776,000)	(868,000)	0	0	0
(To) Capital Projects Fund for Wireless	(533,784)	(250,000)	0	0	0
(To) From Wireless Fund Balance	533,784	250,000	0	0	0
(To) From Economic Development Fund Balance	(1,842,093)	0	0	0	0
(To) From Mental Health Fund Balance	776,000	868,000	0	0	0
(To) From School Cafeteria Fund Balance	1,416,722	165,025	88,823	0	0
(To) From Solid Waste Fund Balance	(660,191)	(128,155)	2,744,366	(872,747)	(907,657)
(To) From Street Light Fund Balance	(23,096)	(28,645)	0	0	0
<b>Total Resources</b>	<b>\$ 109,420,629</b>	<b>\$ 110,960,367</b>	<b>\$ 116,690,603</b>	<b>\$ 118,909,340</b>	<b>\$ 123,616,762</b>
<b>Expenditures:</b>					
School Cafeteria	\$ 17,001,460	\$ 17,281,679	\$ 17,412,081	\$ 17,669,723	\$ 18,376,512
State, Federal & Other Grants	47,058,661	50,216,287	53,673,530	54,747,001	56,936,881
Economic Development Authority	6,141,611	0	0	0	0
Solid Waste	10,047,474	11,314,696	12,064,068	12,305,349	12,797,563
Street Lighting	55,493	60,855	70,200	71,604	74,468
Mental Health	28,404,446	30,742,163	32,111,037	32,753,258	34,063,388
Metro Aviation/Extradition	446,746	447,687	462,687	465,405	470,949
Watershed/Best Management Practices	264,738	897,000	897,000	897,000	897,000
<b>Total Expenditures</b>	<b>\$ 109,420,629</b>	<b>\$ 110,960,367</b>	<b>\$ 116,690,603</b>	<b>\$ 118,909,340</b>	<b>\$ 123,616,762</b>
<b>Ending Special Revenue Fund Balance:</b>					
Schools	\$ 1,663,233	\$ 1,498,208	\$ 1,409,385	\$ 1,409,385	\$ 1,409,385
State, Federal & Other Grants, Forfeitures (*)	11,497,913	0	0	0	0
Economic Development Authority	6,529,777	0	0	0	0
Solid Waste	7,331,944	7,460,099	4,715,733	5,588,480	6,496,136
Street Lighting	740,524	769,169	769,169	769,169	769,169
<b>Total Fund Balance</b>	<b>\$ 27,763,391</b>	<b>\$ 9,727,476</b>	<b>\$ 6,894,287</b>	<b>\$ 7,767,034</b>	<b>\$ 8,674,690</b>

\* Forecast assumes miscellaneous grant appropriations will be spent by 6/30/09. EDA balances will be appropriated annually, through a budget amendment, based on actual receipts. Any unspent appropriations will be carried forward into FY2009-10.