

**BOARD OF SUPERVISORS  
FINANCE/GOVERNMENT OPERATIONS AND  
ECONOMIC DEVELOPMENT COMMITTEE  
INFORMATION ITEM**

**SUBJECT:** Quarterly Report/FY 2016 Third Quarter Financial Update,  
Cash Proffer and Debt Report

**ELECTION DISTRICT:** Countywide

**STAFF CONTACTS:** Erin McLellan, Management and Budget  
Megan Bourke, Management and Budget  
Doug Kinney, Management and Budget

**PURPOSE:** To provide an update on revenues, expenditures, and projected fiscal year-end outlook; and a review of cash proffer activity and debt financing activity.

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**BACKGROUND:** At the request of the Finance/Government Operations and Economic Development Committee, staff provides a report on General Fund revenues, expenditures, and projected fiscal year-end outlook on a fiscal year quarterly basis. This report provides the current outlook for revenues and expenditures based on actual financial data through March 2016 (third quarter) as well as a review of Cash Proffer activity (Attachment 2) and a Debt Financing activity (Attachment 3). The Cash Proffer report summarizes the cash proffer/condition balances accrued as of April 1, 2016. The Debt report summarizing FY 2016 debt financing activity through March 31, 2016.

At the conclusion of March 2016, the General Fund is projected to yield a year-end balance of approximately \$48.1 million from the Revised Budget. The balance derives from estimated unused budget authority and additional estimated revenue. Of the estimated FY 2016 balance, \$10 million is committed and unavailable as it has been identified as the approximate addition to the fiscal reserve for FY 2016 for both the County and Loudoun County Public Schools, resulting in a potential available balance of \$38.1 million.

Table 1 presents a high level summary of trends, forecasts, and variances for the General Fund based on data through March 31, 2016.

Table 1. General Fund Forecast Overview<sup>1</sup>

	<b>Adopted</b>	<b>Revised</b>	<b>Forecast</b>	<b>Variance</b>	
Revenues	\$1,356,277,900	\$1,407,627,600	\$1,431,392,400	\$23,484,000	1.7%
Expenditures	\$1,354,323,300	\$1,407,627,600	\$1,383,307,200	\$24,601,200	1.7%
<b>Total</b>				<b>\$48,085,200</b>	

### Revenue Drivers and Economic Summary

Table 2. General Fund Revenue Forecast

<b>Revenue Category</b>	<b>Adopted</b>	<b>Revised</b>	<b>Forecast</b>	<b>Variance</b>
General Property Taxes	\$977,167,600	\$977,167,600	\$998,266,400	\$21,098,800
Other Local Taxes	\$139,901,600	\$139,901,600	\$142,791,900	\$2,890,300
Permits, Fees & Licenses	\$21,036,300	\$21,019,600	\$21,350,300	\$330,700
Fines & Forfeitures	\$2,175,900	\$2,175,900	\$1,970,500	\$(205,400)
Revenues From Use Of Money	\$3,847,400	\$3,850,000	\$4,891,800	\$1,041,800
Charges For Services	\$33,802,900	\$33,898,900	\$35,311,300	\$1,412,400
Miscellaneous Revenues	\$296,500	\$538,700	\$669,500	\$130,800
Recovered Costs	\$9,671,100	\$9,820,600	\$7,330,600	\$(2,490,000)
Intergovernmental – Commonwealth	\$83,669,400	\$86,932,200	\$85,217,800	\$(1,714,400)
Intergovernmental – Federal	\$4,647,000	\$5,858,700	\$6,847,700	\$989,000
Other Financing Sources	\$80,062,200	\$126,744,600	\$126,744,600	\$0
<b>Total</b>	<b>\$1,356,329,000</b>	<b>\$1,407,908,400</b>	<b>\$1,431,392,400</b>	<b>\$23,484,000</b>

More than 80 percent of General Fund revenues are derived from six sources: Real and Personal Property taxes (70 percent), Local Sales and Use taxes (5 percent), Utility taxes (2 percent), BPOL (2 percent), Recordation taxes (1 percent), and Building Permits (1 percent). The revenues from these sources depend upon the willingness and ability of individuals to invest in homes and/or businesses in the County and to purchase goods and services within the County.

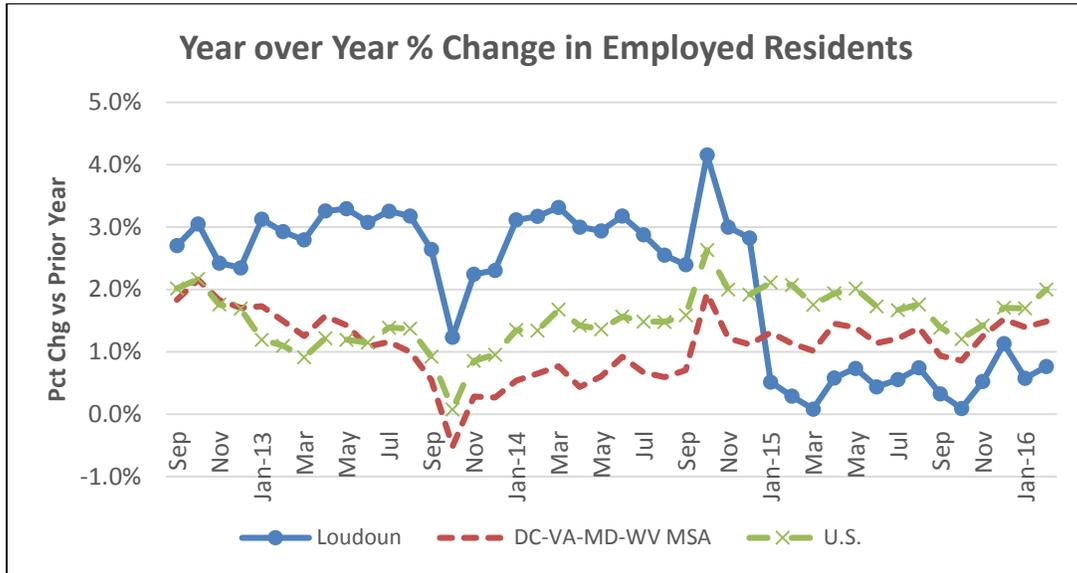
The April 2016 Wall Street Journal (WSJ) survey of 78 U.S. economic forecasters shows average expected U.S. GDP growth for 2016 of 2.1 percent – more than half a percentage point lower than the 2.7 percent rate expected last April when the FY 2016 Budget was adopted. Economic growth in 2016 appears to be gravitating toward the 2 percent range experienced in each of the past several years. No one in the WSJ survey is predicting a recession in 2016, but 60 percent of the respondents expect their future forecasts of U.S. economic activity to be lower than their current projection. Job growth remains steady; wages are starting to increase; mortgage rates and energy prices remain low, all of which should encourage consumer spending which represents 70 percent of GDP.

<sup>1</sup> The Revised Budget includes prior year encumbrances and use of assigned/committed fund balance.

However, apart from motor vehicles, consumer spending has not accelerated significantly. Recent episodes of financial market volatility in August 2015 and February 2016 reduced the financial wealth of households. The financial market volatility largely stems from the economic slowdown in China and several emerging economies that supplied large amounts of raw material to China. The U.S. exports a very small percentage of its output to China, but the appreciation of the U.S. dollar has made U.S. manufactured goods more expensive abroad, thereby reducing manufacturing exports. These circumstances do not make a recession inevitable, but they increase the risk of recession should an unforeseen shock occur (e.g., government shutdown, large bank failure, major terrorist attack, sovereign debt default). In recent weeks, financial volatility has moderated and equity markets have recovered some of their earlier losses. The Conference Board reports that its Consumer Confidence Index rose in March, which is a positive sign for consumer spending.

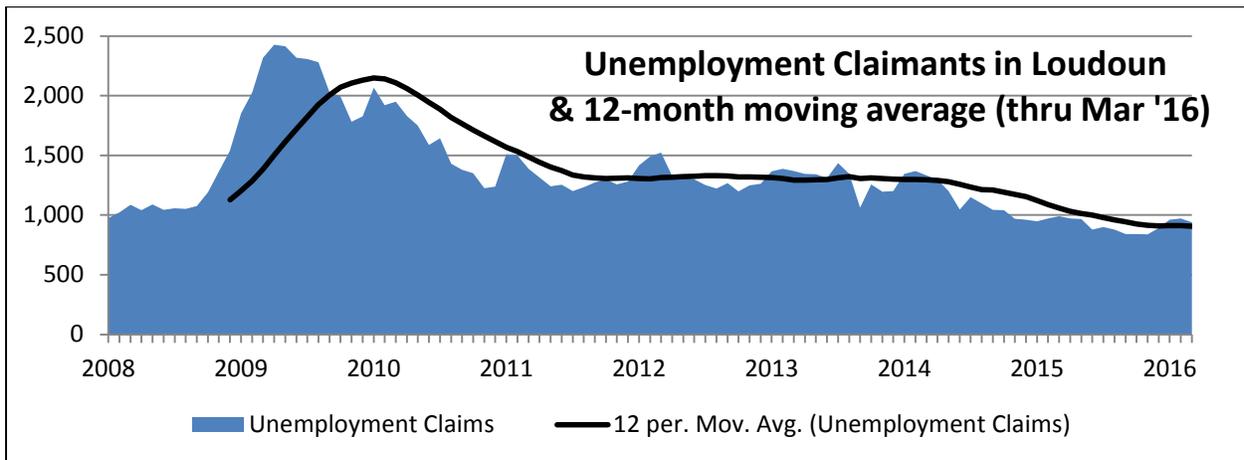
Meanwhile, economic growth in the Washington, D.C. region, including Northern Virginia, appears to be improving in 2016 after lagging the national economy for roughly two years. Employment growth in the region began slowing in the spring of 2013 from annual rates in the 1.5 to 2.0 percent range to less than 0.5 percent as of year-end 2013. This coincided with phased reductions in Federal discretionary spending imposed by the Budget Control Act of 2011 (BCA) which have reduced annual discretionary spending by \$179 billion relative to its 2011 peak. The reductions mandated by the BCA negatively impacted the regional economy, but federal spending has now stabilized; and the regional economy appears to be successfully transitioning to lines of business not dependent on federal spending. Preliminary Bureau of Labor Statistics payroll employment for the Washington, D.C. region in the first quarter of 2016 was 2.4 percent higher than in the first quarter of 2015. The same data show a 2.8 percent increase in the high-paying “Professional and Business Services” employment category. The following sections provide further discussion of the local economy.

**Labor Market – Employment Growth and Unemployment:** The chart below shows the year-over-year percent growth in the number of employed residents (including self-employed) for the United States, Loudoun, and for the Washington, D.C. Metropolitan Statistical Area (“MSA”), which includes the District of Columbia and many surrounding counties. Prior to the summer of 2013, employment growth among Loudoun residents significantly exceeded the rates of both the U.S. and the D.C. region. Since then, however, growth in employment among residents of the region, including Loudoun, fell below the national rate; but as of February 2016, these rates of employment growth have increased toward the U.S. rate. (Please see previous discussion of the BCA.)



The latest available data on payroll employment within Loudoun is preliminary for the third quarter (Q3) of 2015. This data indicates that employment within the County was 5.2 percent higher in 2015 Q3 than it was a year earlier. The number of private-sector jobs in the “Professional and Business Services” category increased by 9.5 percent. The improving regional employment situation should help to bolster the housing market as discussed below.

The improved employment picture for Loudoun residents in recent months is further evidenced by declines in unemployment claims. The County’s unemployment rate in February 2016 was 3.2 percent or 0.8 percentage points lower than a year prior. Moreover, Loudoun’s rate continues to be lower than either Virginia’s (4.1 percent) or the U.S. rate (5.2 percent, not seasonally adjusted).



**Real Property:** DAAR/RBI<sup>2</sup> market data for all of 2015 show that sales of existing homes, including detached homes, townhouses, and condos, are 11.8 percent higher than in 2014. Due to the significant increase in active inventory at the start of 2015, the extent of price appreciation was negligible. The increase in sales activity in 2015 was likely due to continuing low interest rates, improving regional employment, and the increase in sale inventory at the start of 2015. DAAR reports that at year's end, the active inventory is 10 percent lower than the number of a year ago, which should exert upward pressure on sale prices and new home construction in the coming months. DAAR/RBI data for the first 3 months of 2016 show closed sales of existing homes up 6.5 percent versus the first quarter of 2015 and median sales prices were higher than year-earlier values in each of the 3 months.

The Real Property Sales Report for Loudoun compiled from the County's own records is summarized below for the period covering the first eight months of FY 2016. Sales of newly constructed homes were down 20 percent. However, this was essentially offset by an increase in sales of existing homes, suggesting that the increased active inventory of existing homes in 2015 contributed to the softness of the new-home market. The number dwelling units permitted during 2015 was 11 percent higher than in 2014. Permits for multi-family and group quarters units were up sharply (i.e., 148 percent) while permits for single-family detached homes declined 12 percent versus 2014. Single-family attached permits in 2015 were almost the same as in 2014. Permitting activity in the first two months of 2016 is below prior-year levels, but activity should improve if housing demand strengthens and existing home inventories remain low. Both the Residential Permit Monthly Trends report and the Real Property Sales Report can be viewed via <https://www.loudoun.gov/index.aspx?nid=2528>.

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<sup>2</sup> Year-end Housing Market Update-2015, Loudoun County, VA; Dulles Area Association of REALTORS® (DAAR) is based on multiple listing data from Real Estate Business Intelligence, LLC (RBI).

**Single-Family Detached**

Time Period	Distressed	New Construction	Pending	Existing	Total#
8 mos.-ended Feb'15	115	987	1	1265	2253
<u>8 mos.-ended Feb'16</u>	<u>147</u>	<u>752</u>	<u>109</u>	<u>1419</u>	<u>2280</u>
Change	32	-235	108	154	27
Pct. Chg.	28%	-24%	10800%	12%	1%

**Townhouse, Duplex, Condo**

Time Period	Distressed	New Construction	Pending	Existing	Total#
8 mos.-ended Feb'15	121	984	1	1383	2368
<u>8 mos.-ended Feb'16</u>	<u>126</u>	<u>826</u>	<u>20</u>	<u>1610</u>	<u>2456</u>
Change	5	-158	19	227	88
Pct. Chg.	4%	-16%	1900%	16%	4%

**All Types**

Time Period	Distressed	New Construction	Pending	Existing	Total#
8 mos.-ended Feb'15	236	1971	2	2648	4621
<u>8 mos.-ended Feb'16</u>	<u>273</u>	<u>1578</u>	<u>129</u>	<u>3029</u>	<u>4736</u>
Change	37	-393	127	381	115
Pct. Chg.	16%	-20%	6350%	14%	2%

#Excludes Distressed sales.

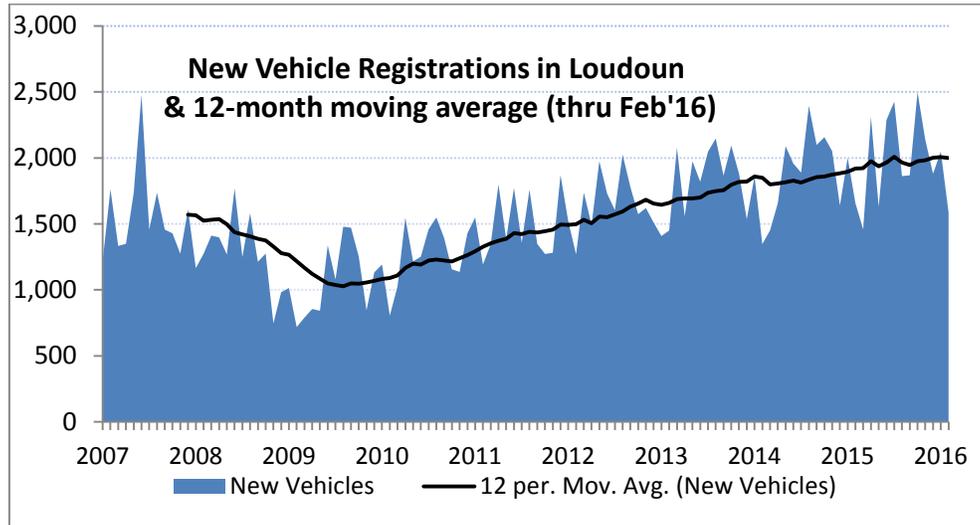
Source: Commissioner of the Revenue compiled by Dept. of Mgmt. and Budget

Commercial property development in Loudoun continues at a healthy pace. The Department of Economic Development reports that 3.14 million square feet of commercial space (excluding the “Other” category) was permitted in 2015, as compared to 1.93 million in 2014, an increase of more than 60 percent.

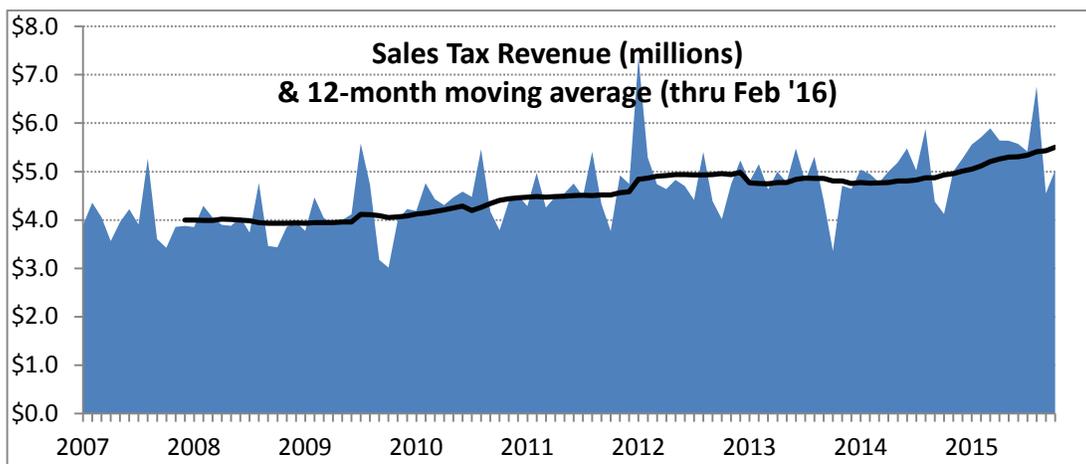
**Personal Property:** Personal property tax revenue in FY 2016 is expected to be \$20.4 million higher than projected in the budget. Higher than expected revenue on computer equipment accounts for \$14 million of the total, another \$5 million of the remainder is attributable to Furniture and Fixtures and \$1.2 million to motor vehicles. The dollar value of equipment declared by data center owners in their April 2015 filings with the County far exceeded the amount previously expected. Consequently, personal property tax revenue on Computer Equipment in FY 2015 increased by more than 20 percent for the third consecutive year. The higher-than-expected FY 2015 assessment and revenue result in an upward revision to expected FY 2016 revenue, which is slated to increase by 15 percent over FY 2015.

The chart below shows that since mid-2009 Loudoun residents have continued to purchase new automobiles and light trucks in greater numbers (source: VADA). New vehicle purchases exhibit substantial month-to-month swings due to such things as weather variations and sales promotions. Winter storm Jonas in January appears to have negatively impacted new vehicle registrations in

February causing the moving average to decline and flatten, as also happened in January 2014. New vehicle registrations in the first eight months of FY 2016 are 2.6 percent higher than for the corresponding period in FY 2015.



**Sales Tax Revenue** in FY 2016 is projected to total \$65.5 million, which is \$2.3 million above the adopted budget amount. In both FY 2013 and FY 2014, the County’s Sales & Use tax distribution was impacted by prior-period adjustments to correct distribution errors from previous years. (The potential for such corrections is always present as the State Auditor conducts its ongoing analysis of revenue distribution.) In six of the eight months of FY 2016 for which actual revenue is available, year-over-year growth in Loudoun sales tax revenue has exceeded the assumed 5 percent rate of increase in the FY 2016 forecast. This strong performance accounts for the upward revision to the expected FY 2016 revenue from this source.

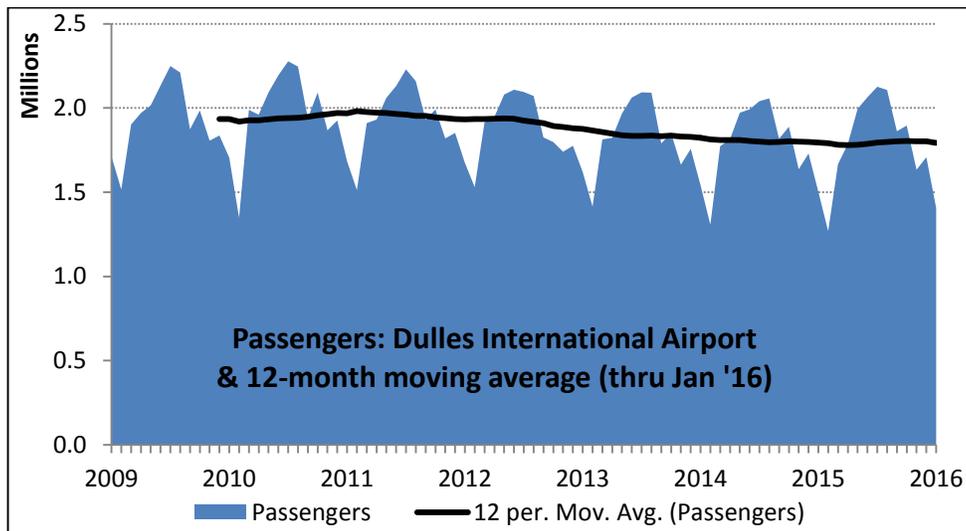


**Hospitality Industry:** The two-percent unrestricted portion of FY 2016 TOT revenue is expected to be \$447,000 above the budget estimate, a revision of 22 percent and a 5.2 percent

increase over FY 2015. FY 2015 revenue was 21 percent higher than in FY 2014. According to STR Global, Loudoun’s hotel industry has experienced two consecutive summers of high occupancy rates and higher prices for rooms. Occupancy rates for Loudoun hotels in May and June 2015 exceeded 80 percent and are the highest reported rates since the summer of 2000. These unusually high occupancy rates may partly be due to temporary circumstances (e.g., large construction crews at the Panda-Stonewall Energy Project and the 2015 Police and Fire Games). Nevertheless, the twelve-month moving average occupancy rate in February 2016 was 67.5 percent, the highest value in the past 14 years. Countywide hotel room revenue in the first eight months of FY 2016 are 8.5 percent higher than for the comparable portion of FY15. The latest TOT revenue estimate assumes that the occupancy rate will stabilize at the current high level, and room prices will increase moderately since they are currently below the levels experienced during previous high-occupancy years.

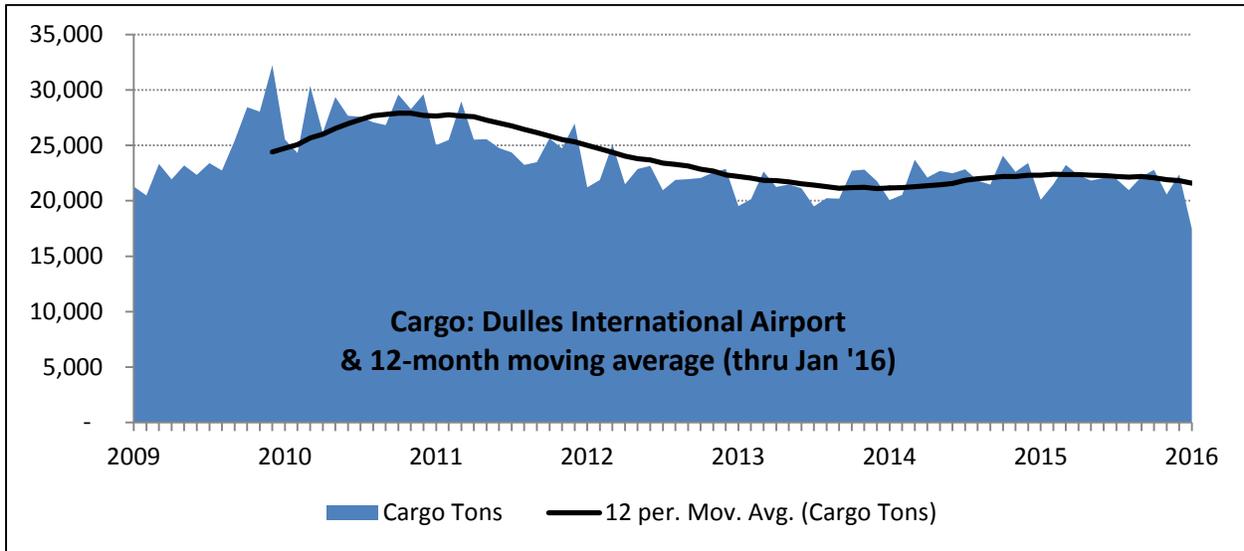
**Areas of Concern**

**Passenger counts** at Dulles International Airport stabilized in the first half of 2015 due to a pickup in domestic passenger traffic. It is unclear whether this increase is sustainable or whether there will be a return to established trend of declining domestic volume that is partially offset by increased international travel. Passenger volume in January 2016 was depressed due to Winter Storm Jonas. Domestic passenger traffic at Dulles has been negatively impacted by the FAA’s decision to allow longer-distance domestic flights to and from Reagan National Airport. Virginia’s 2016-18 biennium budget includes a \$50 million grant to the airport authority to be paid over two years for the purpose of assisting it in business attraction and retention by lowering airport fees. Whether this injection of funds will have a significant impact on airport fees and utilization in the long-run remains to be seen.



**Cargo traffic** through Dulles International Airport had exhibited a steeper decline than passenger traffic. In 2014 increased international cargo, which accounts for approximately 60 percent of all cargo traffic at Dulles, picked up significantly. However, this increase has not

been sustained in 2015 as evidenced by the recent decline in the 12-month average tonnage. The decline in January 2016 is exaggerated by snowstorm Jonas. The airport faces stiff competition for this business from other U.S. airports (notably Atlanta and Memphis), which have far more international cargo flights than Dulles.



### Expenditures Overview and Year-End Forecast

The following table reflects the projected year-end expenditure balances for the General Fund. These projections take into account previous year spending patterns, current vacant positions, projected turnover of staff, established contractual requirements, and future obligations.

Staff refines year-end projections on a monthly basis and works with County departments to identify revenue collection and spending trends as well as discusses any issues that could have an adverse impact on department budgets. The current projected year-end balance for the General Fund expenditure is \$24.6 million or 1.7 percent variance of the current Revised FY 2016 Budget. Table 3 reflects the projected year-end balance of unused appropriation for the General Fund.

Table 3. FY 2016 General Fund Expenditure Forecast

<b>Expenditure Category</b>	<b>Adopted</b>	<b>Revised</b>	<b>Forecast</b>	<b>Variance</b>
Personnel	\$312,189,400	\$314,575,800	\$302,115,800	\$12,460,000
Operating & Maintenance	\$795,508,600	\$855,878,800	\$845,867,100	\$10,011,700
Capital Outlay	\$2,387,600	\$2,877,700	\$2,738,100	\$139,600
Use of Other Sources/Transfers	\$244,237,700	\$234,576,100	\$232,586,200	\$1,989,900
<b>Total</b>	<b>\$1,354,323,300</b>	<b>\$1,407,908,400</b>	<b>\$1,383,307,200</b>	<b>\$24,601,200</b>

Attachment 1 reflects the projected year-end totals for each department in summary format. The variance column reflects the projected year-end balance or unused appropriation by department.

The FY 2016 Revised vacancy savings target is \$11.8 million; countywide personnel savings is projected to meet and exceed this vacancy factor, as shown in the table above. The Department of Human Resources tracks turnover closely and, based on February actuals, is projecting a turnover rate for FY 2016 of 10.8 percent; actual turnover for FY 2015 was 11.1 percent.

Attachment 1 includes a detailed summary of department expenditure projections.

**ISSUES:**

On February 2, 2016, the Board of Supervisors was presented with a report estimating the cost of emergency response and staffing related to the declaration of local emergency for Winter Storm Jonas. At the February 2 Business Meeting, the Board appropriated \$3.5 million of anticipated FY 2016 General Fund balance to account for these unforeseen expenditures during the local emergency.

The full costs of the response and the ability of departments to absorb its costs has continued to be evaluated since February. The third quarter report projects that all but an estimated \$1,510,100 of the incurred expenditures can be absorbed through General Fund department budgets at this time. The second quarter report estimated departments could absorb all but \$435,000 of storm-related costs. Though the cost of the storm response has been updated, it still remains likely that a significant amount of the approved use of current year fund balance will be unused and returned to year-end fund balance.

Staff has identified no issues that require Board action in the current FY 2016 forecast. The Department of Management and Budget will continue to monitor revenues and expenditures closely.

**ATTACHMENTS:**

1. FY 2016 Third Quarter Department Expenditure Projections
2. FY 2016 Third Quarter Cash Proffer/Condition Balance Report
3. FY 2016 Third Quarter Debt Report

Department	Adopted	Revised	Forecast	Variance
<b>GENERAL GOVERNMENT ADMINISTRATION</b>				
<b>Board of Supervisors</b>	\$ 2,181,600	\$ 2,220,900	\$ 2,218,400	\$ (2,500)
Personnel	\$ 1,653,100	\$ 1,643,600	\$ 1,641,100	\$ (2,500)
Operating & Maintenance	\$ 528,500	\$ 577,300	\$ 577,300	\$ -
<b>Commissioner of the Revenue</b>	\$ 6,514,300	\$ 6,605,400	\$ 6,175,800	\$ (429,600)
Personnel	\$ 5,909,300	\$ 5,978,100	\$ 5,583,000	\$ (395,100)
Operating & Maintenance	\$ 605,000	\$ 627,300	\$ 592,800	\$ (34,500)
<b>County Administrator</b>	\$ 3,720,500	\$ 3,811,700	\$ 3,717,100	\$ (94,600)
Personnel	\$ 3,214,400	\$ 3,125,400	\$ 3,076,900	\$ (48,500)
Operating & Maintenance	\$ 506,100	\$ 686,300	\$ 640,200	\$ (46,100)
<b>County Attorney</b>	\$ 2,856,500	\$ 3,662,200	\$ 3,625,900	\$ (36,300)
Personnel	\$ 2,694,000	\$ 2,746,100	\$ 2,746,100	\$ -
Operating & Maintenance	\$ 162,500	\$ 916,100	\$ 879,800	\$ (36,300)
<b>Elections and Voter Registration</b>	\$ 1,793,100	\$ 1,806,400	\$ 1,620,300	\$ (186,100)
Personnel	\$ 1,245,900	\$ 1,247,400	\$ 1,074,400	\$ (173,000)
Operating & Maintenance	\$ 547,200	\$ 559,000	\$ 545,900	\$ (13,100)
<b>Finance and Procurement</b>	\$ 4,883,600	\$ 5,684,200	\$ 5,156,200	\$ (528,000)
Personnel	\$ 4,270,400	\$ 4,505,200	\$ 4,237,900	\$ (267,300)
Operating & Maintenance	\$ 613,200	\$ 1,179,000	\$ 918,300	\$ (260,700)
<b>General Services</b>	\$ 33,279,700	\$ 38,326,700	\$ 37,568,300	\$ (758,400)
Personnel	\$ 9,403,600	\$ 9,819,100	\$ 9,501,700	\$ (317,400)
Operating & Maintenance	\$ 22,838,000	\$ 27,065,000	\$ 26,624,000	\$ (441,000)
Capital Outlay	\$ -	\$ 404,500	\$ 404,500	\$ -
Use of Other Sources/Transfers	\$ 1,038,100	\$ 1,038,100	\$ 1,038,100	\$ -
<b>Human Resources</b>	\$ 6,570,000	\$ 6,815,100	\$ 5,917,100	\$ (898,000)
Personnel	\$ 3,312,200	\$ 3,381,900	\$ 2,914,300	\$ (467,600)
Operating & Maintenance	\$ 3,257,800	\$ 2,403,500	\$ 1,973,100	\$ (430,400)
Use of Other Sources/Transfers	\$ -	\$ 1,029,700	\$ 1,029,700	\$ -
<b>Information Technology</b>	\$ 26,145,300	\$ 28,859,400	\$ 28,085,100	\$ (774,300)
Personnel	\$ 11,771,400	\$ 11,730,200	\$ 11,455,900	\$ (274,300)
Operating & Maintenance	\$ 14,294,900	\$ 16,776,800	\$ 16,276,800	\$ (500,000)
Capital Outlay	\$ 79,000	\$ 352,400	\$ 352,400	\$ -
<b>Management and Budget</b>	\$ 2,027,600	\$ 2,085,900	\$ 1,850,600	\$ (235,300)
Personnel	\$ 1,742,900	\$ 1,636,600	\$ 1,527,600	\$ (109,000)
Operating & Maintenance	\$ 284,700	\$ 449,300	\$ 323,000	\$ (126,300)
<b>Treasurer</b>	\$ 4,756,700	\$ 4,939,200	\$ 4,508,200	\$ (431,000)
Personnel	\$ 3,655,800	\$ 3,773,700	\$ 3,569,000	\$ (204,700)
Operating & Maintenance	\$ 1,065,900	\$ 1,130,500	\$ 919,200	\$ (211,300)
Capital Outlay	\$ 35,000	\$ 35,000	\$ 20,000	\$ (15,000)
<b>SUBTOTAL - General Government</b>	\$ 94,728,900	\$ 104,817,100	\$ 100,443,000	\$ (4,374,100)
<b>PUBLIC SAFETY AND JUDICIAL ADMINISTRATION</b>				
<b>Animal Services</b>	\$ 3,068,600	\$ 3,162,700	\$ 2,882,100	\$ (280,600)
Personnel	\$ 2,577,900	\$ 2,622,700	\$ 2,397,300	\$ (225,400)
Operating & Maintenance	\$ 490,700	\$ 540,000	\$ 484,800	\$ (55,200)
<b>Clerk of the Circuit Court</b>	\$ 3,921,000	\$ 4,135,200	\$ 4,048,800	\$ (86,400)
Personnel	\$ 3,658,900	\$ 3,873,100	\$ 3,796,700	\$ (76,400)
Operating & Maintenance	\$ 262,100	\$ 262,100	\$ 252,100	\$ (10,000)
<b>Commonwealth's Attorney</b>	\$ 3,384,600	\$ 3,426,500	\$ 3,341,000	\$ (85,500)
Personnel	\$ 3,246,200	\$ 3,281,200	\$ 3,205,100	\$ (76,100)
Operating & Maintenance	\$ 138,400	\$ 145,300	\$ 135,900	\$ (9,400)
<b>Community Corrections</b>	\$ 1,925,400	\$ 2,057,000	\$ 243,800	\$ (1,813,200)
Personnel	\$ 1,789,100	\$ 1,839,500	\$ 207,300	\$ (1,632,200)
Operating & Maintenance	\$ 136,300	\$ 217,500	\$ 36,500	\$ (181,000)

Department	Adopted	Revised	Forecast	Variance
<b>Courts</b>	\$ 1,451,700	\$ 1,487,500	\$ 1,366,100	\$ (121,400)
Personnel	\$ 1,047,800	\$ 1,080,300	\$ 1,070,900	\$ (9,400)
Operating & Maintenance	\$ 403,900	\$ 407,200	\$ 295,200	\$ (112,000)
<b>Fire, Rescue and Emergency Services</b>	\$ 71,160,500	\$ 74,244,300	\$ 73,627,600	\$ (616,700)
Personnel	\$ 55,217,300	\$ 56,961,200	\$ 56,961,200	\$ -
Operating & Maintenance	\$ 15,780,300	\$ 16,712,800	\$ 16,096,100	\$ (616,700)
Capital Outlay	\$ 162,900	\$ 225,600	\$ 225,600	\$ -
Use of Other Sources/Transfers	\$ -	\$ 344,700	\$ 344,700	\$ -
<b>Juvenile Court Service Unit</b>	\$ 2,051,300	\$ 2,087,600	\$ 2,010,800	\$ (76,800)
Personnel	\$ 1,718,700	\$ 1,718,700	\$ 1,665,300	\$ (53,400)
Operating & Maintenance	\$ 332,600	\$ 368,900	\$ 345,500	\$ (23,400)
<b>Sheriff's Office</b>	\$ 83,694,800	\$ 85,862,400	\$ 82,874,200	\$ (2,988,200)
Personnel	\$ 70,290,400	\$ 71,426,200	\$ 69,482,500	\$ (1,943,700)
Operating & Maintenance	\$ 12,753,400	\$ 13,398,100	\$ 12,353,600	\$ (1,044,500)
Capital Outlay	\$ 651,000	\$ 1,038,100	\$ 1,038,100	\$ -
<b>SUBTOTAL - Public Safety and Judicial Administration</b>	\$ 170,657,900	\$ 176,463,200	\$ 170,394,400	\$ (6,068,800)
<b>HEALTH AND WELFARE</b>				
<b>Extension Services</b>	\$ 403,500	\$ 405,500	\$ 402,500	\$ (3,000)
Personnel	\$ 298,200	\$ 316,100	\$ 316,100	\$ -
Operating & Maintenance	\$ 105,300	\$ 89,400	\$ 86,400	\$ (3,000)
<b>Family Services</b>	\$ 23,974,600	\$ 25,388,000	\$ 23,167,200	\$ (2,220,800)
Personnel	\$ 15,637,200	\$ 16,023,400	\$ 14,787,700	\$ (1,235,700)
Operating & Maintenance	\$ 8,247,000	\$ 9,223,000	\$ 8,237,900	\$ (985,100)
Capital Outlay	\$ 10,000	\$ 61,200	\$ 61,200	\$ -
Use of Other Sources/Transfers	\$ 80,400	\$ 80,400	\$ 80,400	\$ -
<b>Health Services</b>	\$ 2,691,800	\$ 2,691,800	\$ 2,678,000	\$ (13,800)
Personnel	\$ 721,000	\$ 721,000.00	\$ 707,200	\$ (13,800)
Operating & Maintenance	\$ 1,970,800	\$ 1,970,800	\$ 1,970,800	\$ -
<b>MHSADS</b>	\$ 34,522,600	\$ 37,323,900	\$ 35,019,900	\$ (2,304,000)
Personnel	\$ 28,335,200	\$ 29,200,700	\$ 27,355,800	\$ (1,844,900)
Operating & Maintenance	\$ 6,187,400	\$ 8,123,200	\$ 7,664,100	\$ (459,100)
<b>SUBTOTAL - Health and Welfare</b>	\$ 61,592,500	\$ 65,809,200	\$ 61,267,600	\$ (4,541,600)
<b>PARKS, RECREATION AND COMMUNITY SERVICES</b>				
<b>Library Services</b>	\$ 14,628,700	\$ 15,096,500	\$ 14,776,600	\$ (319,900)
Personnel	\$ 11,391,800	\$ 11,536,600	\$ 11,222,600	\$ (314,000)
Operating & Maintenance	\$ 3,236,900	\$ 3,359,200	\$ 3,353,300	\$ (5,900)
Capital Outlay	\$ -	\$ 200,700	\$ 200,700	\$ -
<b>Parks, Recreation and Community Services</b>	\$ 39,333,900	\$ 40,877,200	\$ 39,441,800	\$ (1,435,400)
Personnel	\$ 30,194,300	\$ 30,315,100	\$ 29,372,100	\$ (943,000)
Operating & Maintenance	\$ 9,127,500	\$ 10,456,500	\$ 9,964,100	\$ (492,400)
Capital Outlay	\$ 12,100	\$ 105,600	\$ 105,600	\$ -
<b>SUBTOTAL - Parks, Recreation and Culture</b>	\$ 53,962,600	\$ 55,973,700	\$ 54,218,400	\$ (1,755,300)
<b>COMMUNITY DEVELOPMENT</b>				
<b>Building and Development</b>	\$ 20,617,000	\$ 21,691,600	\$ 19,747,700	\$ (1,943,900)
Personnel	\$ 18,673,200	\$ 18,833,500	\$ 18,120,800	\$ (712,700)
Operating & Maintenance	\$ 1,774,200	\$ 2,688,500	\$ 1,581,900	\$ (1,106,600)
Capital Outlay	\$ 169,600	\$ 169,600	\$ 45,000	\$ (124,600)
<b>Economic Development</b>	\$ 3,226,800	\$ 3,393,400	\$ 3,247,600	\$ (145,800)
Personnel	\$ 2,342,700	\$ 2,362,700	\$ 2,253,000	\$ (109,700)
Operating & Maintenance	\$ 884,100	\$ 1,030,700	\$ 994,600	\$ (36,100)
<b>Mapping and Geographic Information</b>	\$ 2,395,800	\$ 2,450,200	\$ 2,336,300	\$ (113,900)
Personnel	\$ 2,256,300	\$ 2,268,800	\$ 2,171,900	\$ (96,900)
Operating & Maintenance	\$ 139,500	\$ 181,400	\$ 164,400	\$ (17,000)

Department	Adopted	Revised	Forecast	Variance
<b>Planning Services</b>	\$ 6,508,200	\$ 6,804,600	\$ 6,434,200	\$ (370,400)
Personnel	\$ 6,162,700	\$ 6,206,800	\$ 5,881,800	\$ (325,000)
Operating & Maintenance	\$ 345,500	\$ 597,800	\$ 552,400	\$ (45,400)
<b>Transportation &amp; Capital Infrastructure</b>	\$ 29,720,400	\$ 30,353,500	\$ 27,431,900	\$ (2,921,600)
Personnel	\$ 6,704,500	\$ 6,483,300	\$ 6,170,300	\$ (313,000)
Operating & Maintenance	\$ 22,720,400	\$ 23,289,700	\$ 20,681,100	\$ (2,608,600)
Capital Outlay	\$ 43,000	\$ 285,000	\$ 285,000	\$ -
Use of Other Sources/Transfers	\$ 252,500	\$ 295,500	\$ 295,500	\$ -
<b>SUBTOTAL - Community Development</b>	\$ 62,468,200	\$ 64,693,300	\$ 59,197,700	\$ (5,495,600)
			\$ -	\$ -
<b>NON-DEPARTMENTAL</b>	\$ 910,913,200	\$ 940,151,900	\$ 937,786,100	\$ (2,365,800)
Personnel	\$ 1,053,000	\$ (2,082,400)	\$ (2,357,700)	\$ (275,300)
Operating & Maintenance	\$ 665,768,500	\$ 710,446,600	\$ 710,346,000	\$ (100,600)
Capital Outlay	\$ 1,225,000	\$ -	\$ -	\$ -
Use of Other Sources/Transfers	\$ 242,866,700	\$ 231,787,700	\$ 229,797,800	\$ (1,989,900)
			\$ -	\$ -
<b>TOTAL - General Fund</b>	\$ 1,354,323,300	\$ 1,407,908,400	\$ 1,383,307,200	\$ (24,601,200)



OFFICE OF THE COUNTY ADMINISTRATOR

MEMORANDUM

DATE: April 28, 2016  
TO: Finance, Government Operations and Economic Development Committee  
FROM: Charles Yudd, Assistant County Administrator  
Daniel Csizmar, Capital Budget Manager, DTCI  
Amy Kresge, Proffer Manager, Building and Development  
RE: Quarterly Cash Proffer/Condition Balance Report – 3rd Quarter FY 2016

Attached is the cash proffer/condition balance reports reflecting balances accrued as of April 1, 2016. This information includes an accounting of cash received from rezoning applications as well as cash received from special exception, subdivision and site plan approvals.

- Current Balance.** The current balance of rezoning related cash proffers is \$112.6 million, a decrease of \$6.2 million from the FY 2016 3rd quarter report. The County received \$9.7 million in cash proffer payments between January 1, 2016 and March 31, 2016, an increase of \$3 million from the FY 2016 2nd quarter report. Please be advised, of the \$112.6 million balance, \$52 million is encumbered for capital projects in the Adopted FY 2016 - FY 2020 CIP budget.
- Revenues.** The following lists the largest proffer contributions received during the 2nd quarter of FY 2016:

**Table 1. Largest Proffer Contributions –3rd Fiscal Quarter, FY 2016**

Application #	Application Name	Contribution
ZMAP-2002-0017	Parc Dulles II	\$2,429,004
ZMAP-2005-0013	Marbury	\$1,587,095
ZMAP-2005-0001	Seven Hills (Virginia Manor)	\$1,252,593
ZMAP-2002-0003	CD Smith Property	\$1,069,615
ZCPA-2012-0003	Goose Creek Preserve	\$359,120
ZCPA-2011-0009	East Gate Three	\$327,000

- Expenditures.** The following lists the utilization of cash proffers for various capital improvement projects in the 3rd Quarter of FY 2016 that were amendments to the FY 2016 CIP:

**Table 2. Expenditure Activity – 3rd Fiscal Quarter, FY 2016**

Project	Appropriation
Tall Cedars Pkwy	\$915,918
Blue Seal Drive - Building Purchase	*\$800,000
Signal at Braddock Rd and Riding Center Dr	\$77,668
Claiborne Pkwy and Lansdowne Blvd	\$32,714

*\*Cash Proffer Interest*

A summary of the programmed proffers in the FY 2016 – FY 2020 Adopted CIP is reported in the “Encumbered in CIP” column of this Quarterly Proffer Report. Please note, the report shows some negative balances in the "Estimated Remaining Balance" column. This is due to the re-distribution of cash proffer interest earned into a central account. The current adopted CIP programmed the use of cash proffer interest from FY 2017 to FY 2020. The actual cash proffer accounts do not have negative balances; they only show as negative balances in this report due to the CIP encumbrances shown. The FY 2017 - FY 2022 CIP reprograms the use of cash proffers for capital projects without the use of this cash proffer interest. So the negative balances are only temporary until July 1, 2016 when the FY 2017 - FY 2022 CIP cash proffer encumbrances are shown in this report, which will correct the situation.

**3Q FY2016 CASH PROFFER BALANCES AS OF 4/1/2016 - REZONING APPLICATIONS**

CATEGORY/ADOPTED CIP PROJECT	REVENUES RECEIVED	EXPENDITURES	BALANCE	ENCUMBERED IN CIP	EST REMAINING BALANCE
ADU	\$1,178,812.74	\$137,213.73	\$1,050,828.25		\$1,050,828.25
(blank)	\$1,178,812.74	\$137,213.73	\$1,050,828.25		\$1,050,828.25
BOARD OPTION	\$3,917,096.47	\$3,973,842.87	\$208,919.67	\$140,389.00	\$68,530.67
FY 2017 Ashburn Recreation and Community Center	\$17,663.97	\$0.00	\$17,663.97	\$18,230.00	-\$566.03
FY 2017 Ashburn Senior Center	\$50,431.03	\$50,431.00	\$0.03	\$7,243.00	-\$7,242.97
FY 2017 Hanson Regional Park	\$114,400.00	\$0.00	\$114,400.00	\$114,916.00	-\$516.00
(blank)	\$3,734,601.47	\$3,923,411.87	\$76,855.67		\$76,855.67
CAPITAL/COMMUNITY FACILITIES	\$20,173,551.52	\$16,389,149.72	\$5,298,972.61	\$5,453,239.16	-\$154,266.55
FY 2017 Ashburn Recreation and Community Center	\$3,930,839.24	\$1,188,926.04	\$2,921,126.28	\$3,178,431.00	-\$257,304.72
FY 2017 Ashburn Senior Center	\$6,486,504.32	\$6,690,300.80	\$618,690.77	\$676,120.16	-\$57,429.39
FY 2017 Hanson Regional Park	\$6,320,373.68	\$4,984,725.00	\$1,561,866.68	\$1,565,757.00	-\$3,890.32
FY 2018 Leesburg South Fire and Rescue Station	\$67,800.00	\$38,285.00	\$32,760.00	\$32,931.00	-\$171.00
(blank)	\$3,368,034.28	\$3,486,912.88	\$164,528.88		\$164,528.88
CAPITAL FACILITIES	\$159,034,197.80	\$87,471,976.67	\$72,775,339.66	\$43,178,701.00	\$29,596,638.66
FY 2017 Ashburn Recreation and Community Center	\$10,638,572.21	\$5,866,490.28	\$4,933,646.67	\$4,954,900.00	-\$21,253.33
FY 2017 Ashburn Recreation and Community Center - FY 2018 Ashburn Recreation and Community Center	\$1,174,415.92	\$0.00	\$1,174,415.92	\$1,178,216.00	-\$3,800.08
FY 2017 Ashburn Senior Center	\$12,679,880.64	\$7,251,596.88	\$5,624,519.76	\$3,680,260.00	\$1,944,259.76
FY 2017 Hanson Regional Park	\$63,271,044.25	\$45,094,685.86	\$18,823,080.45	\$14,488,033.00	\$4,335,047.45
FY 2018 Ashburn Recreation and Community Center	\$24,343,810.78	\$3,482,323.56	\$20,882,496.22	\$18,625,223.00	\$2,257,273.22
FY 2018 Leesburg South Fire and Rescue Station	\$3,357,251.45	\$3,168,475.65	\$287,880.70	\$252,069.00	\$35,811.70
(blank)	\$43,569,222.55	\$22,608,404.44	\$21,049,299.94		\$21,049,299.94
COMMUTER	\$6,534,647.66	\$3,712,615.71	\$2,869,032.95		\$2,869,032.95
(blank)	\$6,534,647.66	\$3,712,615.71	\$2,869,032.95		\$2,869,032.95
CULTURAL HISTORIC	\$830,185.00	\$0.00	\$830,185.00	\$201,102.00	\$629,083.00
FY 2017 Hanson Regional Park	\$200,000.00	\$0.00	\$200,000.00	\$201,102.00	-\$1,102.00
(blank)	\$630,185.00	\$0.00	\$630,185.00		\$630,185.00
FIRE	\$1,538,122.10	\$1,464,643.63	\$77,788.56		\$77,788.56
(blank)	\$1,538,122.10	\$1,464,643.63	\$77,788.56		\$77,788.56
HUMAN SERVICES	\$677,295.34	\$459,421.09	\$292,587.71		\$292,587.71
(blank)	\$677,295.34	\$459,421.09	\$292,587.71		\$292,587.71
HOUSING	\$491,312.39	\$305,031.02	\$235,290.57		\$235,290.57

CATEGORY/ADOPTED CIP PROJECT	REVENUES RECEIVED	EXPENDITURES	BALANCE	ENCUMBERED IN CIP	EST REMAINING BALANCE
(blank)	\$491,312.39	\$305,031.02	\$235,290.57		\$235,290.57
WORKFORCE HOUSING	\$426,583.88	\$0.00	\$426,583.88		\$426,583.88
(blank)	\$426,583.88	\$0.00	\$426,583.88		\$426,583.88
LIBRARY	\$1,686,481.12	\$750,000.00	\$1,015,224.12	\$85,000.00	\$930,224.12
FY 2020 Brambleton Library	\$70,353.96	\$0.00	\$70,353.96	\$85,000.00	-\$14,646.04
(blank)	\$1,616,127.16	\$750,000.00	\$944,870.16		\$944,870.16
LANDSCAPING	\$18,989.00	\$0.00	\$18,989.00		\$18,989.00
(blank)	\$18,989.00	\$0.00	\$18,989.00		\$18,989.00
MISCELLANEOUS	\$346,548.02	\$331,500.00	\$15,371.02		\$15,371.02
(blank)	\$346,548.02	\$331,500.00	\$15,371.02		\$15,371.02
OPEN SPACE	\$2,741,114.55	\$1,065,547.33	\$1,869,112.50	\$57,554.00	\$1,811,558.50
FY 2017 Hanson Regional Park	\$476,297.84	\$466,607.00	\$56,798.84	\$57,554.00	-\$755.16
(blank)	\$2,264,816.71	\$598,940.33	\$1,812,313.66		\$1,812,313.66
PARK	\$1,522,159.96	\$537,222.24	\$1,030,303.78	\$167,638.00	\$862,665.78
FY 2017 Hanson Regional Park	\$472,866.10	\$316,780.00	\$200,076.10	\$167,638.00	\$32,438.10
(blank)	\$1,049,293.86	\$220,442.24	\$830,227.68		\$830,227.68
RECYCLING	\$90,250.00	\$0.00	\$90,250.00		\$90,250.00
(blank)	\$90,250.00	\$0.00	\$90,250.00		\$90,250.00
RESCUE	\$1,181,093.12	\$1,105,110.23	\$77,833.23		\$77,833.23
(blank)	\$1,181,093.12	\$1,105,110.23	\$77,833.23		\$77,833.23
ROAD	\$61,127,972.32	\$47,764,530.08	\$18,644,001.02	\$2,776,700.00	\$15,867,301.02
FY 2017 Arcola Boulevard	\$259,000.00	\$0.00	\$259,000.00	\$260,700.00	-\$1,700.00
FY 2019 Glascock Road - East of Arcola Boulevard	\$2,514,000.00	\$0.00	\$2,514,000.00	\$2,516,000.00	-\$2,000.00
(blank)	\$58,354,972.32	\$47,764,530.08	\$15,871,001.02		\$15,871,001.02
SCHOOL	\$2,443,825.31	\$2,712,473.88	\$308,976.68		\$308,976.68
(blank)	\$2,443,825.31	\$2,712,473.88	\$308,976.68		\$308,976.68
SIGNAL	\$5,932,409.79	\$747,925.80	\$5,301,501.19		\$5,301,501.19
(blank)	\$5,932,409.79	\$747,925.80	\$5,301,501.19		\$5,301,501.19
TRAIL	\$30,630.00	\$20,157.00	\$10,634.99		\$10,634.99
(blank)	\$30,630.00	\$20,157.00	\$10,634.99		\$10,634.99
UTILITIES	\$176,878.59	\$80,063.50	\$113,349.62		\$113,349.62
(blank)	\$176,878.59	\$80,063.50	\$113,349.62		\$113,349.62
<b>Grand Total</b>	<b>\$272,100,156.68</b>	<b>\$169,028,424.50</b>	<b>\$112,561,076.01</b>	<b>\$52,060,323.16</b>	<b>\$60,500,752.85</b>

**3Q FY2016 CASH CONDITION BALANCES AS OF 4/1/2016 - NON REZONING APPLICATIONS**

CATEGORY/ADOPTED CIP PROJECT	REVENUES RECEIVED	INTEREST*	EXPENDITURES	BALANCE	ENCUMBERED IN CIP	EST REMAINING BALANCE
BOARD OPTION	\$234,409.18	\$1,371.92	\$82,233.00	\$153,548.10		\$153,548.10
(blank)	\$234,409.18	\$1,371.92	\$82,233.00	\$153,548.10		\$153,548.10
COMMUTER	\$10,580.00	\$1,986.00	\$0.00	\$12,566.00		\$12,566.00
(blank)	\$10,580.00	\$1,986.00	\$0.00	\$12,566.00		\$12,566.00
FIRE	\$964.00	\$0.00	\$0.00	\$964.00		\$964.00
(blank)	\$964.00	\$0.00	\$0.00	\$964.00		\$964.00
LANDSCAPING	\$2,500.00	\$363.91	\$0.00	\$2,863.91		\$2,863.91
(blank)	\$2,500.00	\$363.91	\$0.00	\$2,863.91		\$2,863.91
PARK	\$41,004.42	\$306.50	\$0.00	\$41,310.92		\$41,310.92
(blank)	\$41,004.42	\$306.50	\$0.00	\$41,310.92		\$41,310.92
RESCUE	\$964.00	\$0.00	\$0.00	\$964.00		\$964.00
(blank)	\$964.00	\$0.00	\$0.00	\$964.00		\$964.00
ROAD	\$10,231,152.19	\$2,421,396.74	\$5,419,612.68	\$7,232,936.25	\$66,300.00	\$7,166,636.25
FY 2017 Arcola Boulevard	\$144,517.23	\$440.33	\$0.00	\$144,957.56	\$66,300.00	\$78,657.56
(blank)	\$10,086,634.96	\$2,420,956.41	\$5,419,612.68	\$7,087,978.69		\$7,087,978.69
ROAD RIGHT-OF-WAY	\$29,683.93	\$51,577.71	\$81,239.00	\$22.64		\$22.64
(blank)	\$29,683.93	\$51,577.71	\$81,239.00	\$22.64		\$22.64
SIGNAL	\$1,196,411.53	\$413,845.70	\$338,372.41	\$1,271,884.82		\$1,271,884.82
(blank)	\$1,196,411.53	\$413,845.70	\$338,372.41	\$1,271,884.82		\$1,271,884.82
STORMWATER	\$50,626.73	\$9,440.39	\$0.00	\$60,067.12		\$60,067.12
(blank)	\$50,626.73	\$9,440.39	\$0.00	\$60,067.12		\$60,067.12
TRAIL	\$75,012.23	\$8,453.58	\$0.00	\$83,465.81		\$83,465.81
(blank)	\$75,012.23	\$8,453.58	\$0.00	\$83,465.81		\$83,465.81
<b>Grand Total</b>	<b>\$11,873,308.21</b>		<b>\$5,921,457.09</b>	<b>\$8,860,593.57</b>	<b>\$66,300.00</b>	<b>\$8,794,293.57</b>

\* Balance includes interest. Interest earnings on individual condition entries can be obtained in LMIS.

# FY 2016 Debt Financing

Activity Through March 31, 2016

## Authorized, Unissued Bonds

	# Of Projects	Amount
<i>Approved at Referendum:</i>		
General Government	(41)	\$ 84,563,763
Transportation	(1)	3,180,000
Schools	(17)	363,361,000
<i>Approved for VPSA Submission:</i>		
		0
<b>Total:</b>		<b>\$ 451,104,763</b>

## Outstanding Debt - Principal

	# Of Issues	Amount
GO Bonds	(26)	\$ 978,795,000
Loans	(0)	0
Federal Loan (TIFIA)	(1)	11,271,200
Capital Leases	(12) (4 Sch /8 Gen)	158,762,958
<b>Total at June 30, 2015:</b>		<b>\$ 1,148,829,158</b>
<i>Issued since July 1, 2015:</i>		
GO Bonds	(0)	0
Federal Loan (TIFIA)		22,623,899
Capital Leases	(2) (1 Sch / 1 Gen)	85,390,000
Principal payments since June 30, 2015:		(112,400,217)
<b>Total As of March 31, 2016</b>		<b>\$ 1,144,442,840</b>

## Debt Service Expenditures

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
Principal	\$ 110,040,253	\$ 127,125,218	\$ 99,663,694	\$ 105,340,235	\$ 117,138,395	\$ 118,770,615
Interest	53,803,224	52,575,310	53,286,248	45,858,532	49,035,447	52,725,151
<b>Total:</b>	<b>\$ 163,843,477</b>	<b>\$ 179,700,528</b>	<b>\$ 152,949,942</b>	<b>\$ 151,198,767</b>	<b>\$ 166,173,842</b>	<b>\$ 171,495,766</b>

## Anticipated Debt Financings Per FY 2015 - 2020 Amended CIP (ADOPTED - April 1, 2015)

	FY 2015 Actual	FY 2016 Adpoted	FY 2017 Adopted	FY 2018 Adopted	FY 2019 Adopted	FY 2020 Adopted	Total
General	\$ 33,580,000	\$ 83,920,845	\$ 98,069,132	\$ 75,895,000	\$ 58,955,000	\$ 52,573,000	\$ 402,992,977
Transportation	15,000,000	32,495,000	19,117,000	20,000,000	7,500,000	15,000,000	109,112,000
Schools	120,560,000	79,766,056	75,963,000	101,500,000	125,710,000	114,545,000	618,044,056
<b>Total:</b>	<b>\$ 169,140,000</b>	<b>\$ 196,181,901</b>	<b>\$ 193,149,132</b>	<b>\$ 197,395,000</b>	<b>\$ 192,165,000</b>	<b>\$ 182,118,000</b>	<b>\$ 1,130,149,033</b>
<b>*Board Limit:</b>	<b>\$ 200,000,000</b>	<b>\$ 1,200,000,000</b>					

\*On January 6, 2016, the Board amended the Fiscal Policy to increase the annual debt issuance guideline from \$200 million to \$225 million effective in FY 2017