

FY 2017 Third Quarter Review

Board of Supervisors
Budget Committee Meeting

Joe Mondoro,
Chief Financial Officer

March 21, 2017



Third Quarter Summary



Previous Balances

\$16.49 million

Mid-Year Revenues and Balances identified at Carryover and during Audit

FY 2017 Third Quarter Adjustments

Spending Adjustments due to Operations

(\$16.47) million

Reductions/Savings in County Agencies

\$2.00

Required Reserve Adjustments

(\$1.62)

Total Third Quarter Adjustments

(\$16.09) million

Net Balance

\$0.40 million

Spending Adjustments due to Operations



- \$5.54 million for Infrastructure Replacement and Upgrades at County facilities, including the fire alarm system at the Adult Detention Center and the HVAC system at the Government Center
- \$3.73 million for increases in self-insurance based on actuarially-determined accrued liability expenses
- \$2.57 million for capital improvements related to the Americans with Disabilities Act (ADA), developer defaults and Laurel Hill
- \$1.72 million for costs associated with the Fair Labor Standards Act (FLSA) ruling for Captain I and Captain II positions in the Fire and Rescue Department
- \$1.40 million for one-time costs associated with the second year of a three-year plan to eliminate the Social Security Offset for Service-Connected Disability Retirees in the Uniformed and Employees' Retirement Systems
- \$0.31 million to address an increase in Children's Services Act (CSA) requirements, including an increase in the number of youth served and changes in state policy

Spending Adjustments due to Operations



- \$0.30 million for training and development requirements resulting from the Cultural Organizational Assessment Report in the Fire and Rescue Department
- \$0.26 million for replacement of snow removal equipment
- \$0.20 million for increased costs based on significant voter turnout during the November 2016 Presidential Election and projected turnout for the June Primaries
- \$0.20 million for a consultant study to examine uniformed Fire and Rescue compensation and the department's organizational structure
- \$0.20 million for personnel costs in the Department of Tax Administration
- \$0.04 million to be used at the Chairman's discretion to support the Fairfax County 275th Anniversary celebration
- All other adjustments are net \$0 reallocations or are fully offset by revenue adjustments

Reductions/Savings in County Agencies



- **(\$1.50) million in savings associated with a reduction in the County's Other Post Employment Benefit (OPEB) liability due to the implementation of an Employer Group Waiver Plan (EGWP) for retirees in 2016**
- **(\$0.50) million in savings associated with the Incentive Reinvestment Initiative**

Required Reserve Adjustments



- Based on a General Fund disbursement increase of \$16.23 million, \$1.62 million, or 10%, is set aside in reserves
 - \$0.90 million in Revenue Stabilization
 - \$0.72 million in Managed Reserve
- With these contributions, total reserves are estimated at 6.95% of General Fund disbursements in FY 2017 and 7.20% in FY 2018 (based on the FY 2018 Advertised Budget Plan)