

Non-Departmental

Non-Departmental Overview

The Non-Departmental budget is a miscellaneous collection of budgets not attributed to specific agency operations. As such, they do not directly impact agency services provided to the community. However, the Non-Departmental budget is necessary because it provides budgetary support for county-wide insurance expenditures (medical, casualty, property and workers compensation). It also includes restricted use funds that may only be expended for a specific purpose (proffers, transient occupancy tax for tourism, cable equipment grant). The Non-Departmental budget also includes those budgets where Prince William County acts in a trustee capacity for another organization (library donations and trust/fiduciary funds). In other instances, the County acts merely as a collecting agent and remits all revenue received to the Commonwealth or a Community Development Authority. Please see the General Overview section on the next page for a more detailed description of each program included in the Non-Departmental budget.

Mandates

The following mandated services are reported in the Non-Departmental section of the budget.

Federal Code: The unemployment insurance system, created by the [Social Security Act of 1935](#), is administered by each state.

State Code: The unemployment insurance system is administered in Virginia through Title [65.2](#) of the Code of Virginia. Title [2.2-1204](#) of the Code of Virginia requires local governments to make health insurance plans available to employees. The Auditor of Public Accounts for the Commonwealth requires political subdivisions in Virginia to adhere to Governmental Accounting Standards Board standards for financial reporting.

Non-Departmental



Expenditure & Revenue Summary

	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Adopted	FY17 Adopted	% Change Adopted16/ Adopted17
Expenditure by Program						
A County-wide Insurance:						
1 Medical Insurance (Internal Services)	\$44,145,490	\$44,794,671	\$49,390,676	\$60,341,000	\$68,932,000	14.24%
2 Workers Compensation	\$6,791,705	\$854,677	\$4,526,489	\$4,532,304	\$4,532,304	0.00%
3 Casualty Pool	\$2,961,533	\$1,749,775	\$1,192,834	\$1,629,381	\$1,629,381	0.00%
4 Property & Miscellaneous Insurance	\$707,119	\$968,370	\$733,774	\$931,491	\$1,260,491	35.32%
5 Unemployment Insurance	\$148,974	\$185,559	\$124,969	\$125,000	\$125,000	0.00%
B Restricted Use Funds:						
1 Proffers	\$19,070,032	\$6,520,135	\$12,751,205	\$2,415,142	\$8,284,094	243.01%
2 Transient Occupancy Tax for Tourism	\$2,060,000	\$2,121,032	\$2,280,215	\$2,383,500	\$2,100,000	(11.89%)
3 Cable Equipment Grant	\$881,091	\$1,687,144	\$1,340,000	\$1,385,000	\$1,480,500	6.90%
C County Pass-Through Collections:						
1 Community Development Authorities	\$0	\$0	\$0	\$0	\$2,593,361	—
2 Pass-Through Collections to Commonwealth	\$518,588	\$1,347,347	\$1,779,982	\$0	\$1,900,000	—
D Trust/Fiduciary Funds:						
1 Trust/Fiduciary Funds	\$5,019,987	\$5,566,816	\$6,443,505	\$0	\$0	—
E Other:						
1 Contributions (Hylton Performing Arts & NVCC)	\$0	\$0	\$0	\$0	\$3,065,412	—
2 Administration	\$4,373,952	\$3,679,602	\$2,635,674	\$693,729	(\$387,674)	(155.88%)
Total Expenditures	\$86,678,471	\$69,475,128	\$83,199,323	\$74,436,547	\$95,514,869	28.32%

Expenditure by Classification

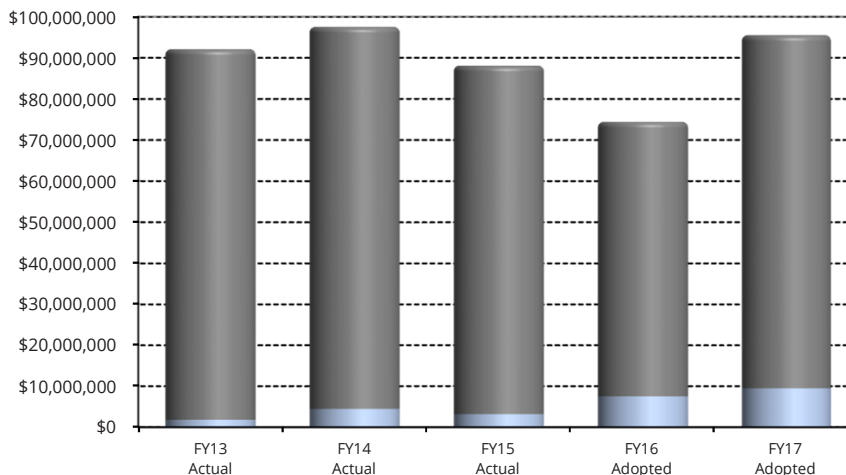
1 Personal Services	\$41,112	\$147,503	\$159,590	\$548,309	(\$746,523)	(236.15%)
2 Fringe Benefits	\$2,636,084	\$3,113,196	\$2,711,766	\$1,793,220	\$1,708,484	(4.73%)
3 Contractual Services	\$4,414,154	\$3,475,359	\$3,726,587	\$4,265,439	\$6,184,439	44.99%
4 Internal Services	\$354,473	\$471,799	\$363,392	\$6,571,380	\$7,555,545	14.98%
5 Purchase Goods & Supplies	\$53,340,159	\$48,925,812	\$57,548,991	\$56,362,024	\$67,642,436	20.01%
6 Payments to Other Local Agencies	\$0	\$0	\$0	\$0	\$2,593,361	—
7 Leases and Rentals	\$2,255	\$3,400	\$2,376	\$0	\$0	—
8 Recovered Costs/Budgeted Savings	\$0	\$0	\$0	(\$1,442,634)	(\$1,442,634)	0.00%
9 Transfers	\$25,890,235	\$13,338,060	\$18,686,621	\$6,338,809	\$12,019,761	89.62%
Total Expenditures	\$86,678,471	\$69,475,128	\$83,199,323	\$74,436,547	\$95,514,869	28.32%

Non-Departmental

Expenditure & Revenue Summary



Funding Sources	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Adopted	FY17 Adopted	% Change Adopted16/ Adopted17
1 General Property Taxes	\$0	\$0	\$0	\$0	\$2,593,361	—
2 Other Local Taxes	\$2,021,123	\$2,713,388	\$3,371,755	\$2,383,500	\$3,500,000	46.84%
3 Permits, Fees & Licenses	\$1,205,220	\$1,266,852	\$1,342,526	\$1,385,000	\$1,480,500	6.90%
4 Revenue From Use of Money & Property	\$4,545,017	\$11,631,456	\$1,871,967	\$325,000	\$400,000	23.08%
5 Charges for Services	\$43,893,088	\$45,808,639	\$50,651,591	\$48,543,000	\$53,257,000	9.71%
6 Miscellaneous Revenue	\$32,863,338	\$30,333,089	\$26,230,015	\$7,341,142	\$13,179,094	79.52%
7 Revenue From Other Localities	\$0	\$0	\$0	\$8,170	\$8,170	0.00%
8 Revenue From Federal Government	\$136,592	\$48,555	\$0	\$0	\$0	—
9 Non-Revenue Receipts	\$530,690	\$488,378	\$487,900	\$0	\$500,000	—
10 Transfers	\$2,748,754	\$1,015,037	\$699,000	\$98,000	\$98,000	0.00%
Total Designated Funding Sources	\$87,943,823	\$93,305,393	\$84,654,754	\$60,083,812	\$75,016,125	24.85%
(Contribution To) / Use of Medical Insurance Internal Service Fund Balance	\$2,397,482	(\$199,241)	\$292,417	\$6,809,000	\$10,971,000	61.12%
(Contribution To) / Use of Trust/Fiduciary Fund Balance	(\$9,952,279)	(\$24,769,802)	(\$3,924,231)	\$0	\$0	—
(Contribution To) / Use of Casualty Pool Internal Service Fund Balance	\$1,587,439	\$330,700	(\$292,527)	\$0	\$0	—
(Contribution To) / Use of Workers' Compensation Internal Service Fund Balance	\$2,937,142	(\$3,610,276)	(\$684,073)	\$0	\$0	—
Casualty Pool and Workers Compensation Costs Funded by Non-General Fund Sources	\$0	\$0	\$0	\$45,713	\$45,713	0.00%
Net General Tax Support	\$1,764,864	\$4,418,354	\$3,152,982	\$7,498,022	\$9,482,031	26.46%
Net General Tax Support	2.04%	6.36%	3.79%	10.07%	9.93%	



Expenditure History

Non-Departmental

General Overview

The components of the FY2017 Budget for Non-Departmental/Unclassified Administrative are discussed below.

A. County-wide Insurance:

- 1. Medical Insurance Internal Service Fund** - PWC established a health insurance fund to self-insure for employee medical coverage as well as provide fully insured dental, vision, and flexible spending benefits. The fund also provides additional insurance credits for retirees. Countywide medical and dental premiums are paid from the medical insurance internal service fund, which is funded primarily from charges to County departments. The FY17 medical insurance budget is \$68,932,000.
- 2. Casualty Pool, Workers Compensation, and Property and Miscellaneous Self-Insurance Programs** - The County maintains self-insurance programs for general liability, automobile, public official and law enforcement professional liability, pollution liability and workers compensation insurance through the Prince William County (PWC) Self-Insurance Group (PWSIG) casualty pool and workers compensation pool. The two self-insurance programs began operations July 1, 1989, and are licensed by the State Corporation Commission. The FY17 general fund workers compensation and casualty pool budget is \$5,746,115 and the all funds budget is \$6,161,685. The FY17 property and miscellaneous insurance budget is \$1,260,491.

These activities are reported in the internal services fund. Revenues come primarily from other County funds through "premiums" set to cover estimated self-insured claims and liabilities, excess and other insurance premiums, and operating expenses. Claims filed or to be filed through the end of the previous fiscal year are accrued liabilities. Each of the programs has sufficient reserves to cover its estimated claims liability.

- 3. Unemployment Insurance** - The Virginia Employment Commission (VEC) administers an unemployment insurance program that provides protection against loss of wages to individuals who become unemployed through no fault of their own. The FY17 unemployment insurance budget is \$125,000.

B. Restricted Use Funds:

- 1. Proffers** - Virginia Code 15.2-2303 allows Prince William County to accept voluntary proffers from zoning applicants. Proffers are intended to help mitigate the impacts of development resulting from a zoning change. The County's Zoning Ordinance includes provisions for the acceptance and enforcement of proffers submitted with rezoning applications. Proffers can be monetary in nature, but they may also take the form of land donations or public infrastructure improvements constructed by the applicant. Proffers are received to help maintain Level of Service standards contained in the County's Comprehensive Plan within the following areas: schools, parks, libraries, transportation, and fire and rescue. Available monetary proffers to support County capital projects are evaluated on an annual basis. Please see the Budget Initiatives section for detail on projected proffers in the FY2017 Budget.
- 2. Transient Occupancy Tax (TOT) for Tourism** - Section 58.1-3819 of the Code of Virginia authorizes Prince William County to levy a 5% TOT on hotels, motels, boarding houses, travel campgrounds, and other facilities offering guest rooms rented out for continuous occupancy for fewer than thirty (30) consecutive days. The Code of Virginia also mandates that any levy in excess of a 2% rate must be designated and spent solely on tourism initiatives. Therefore, the County's general revenue share generated by the TOT is 40% and 60% is budgeted for tourism-related purposes. The portion of the County's TOT revenue designated to support tourism-related expenditures is included under Other Local Taxes within the Funding Sources area of the Expenditure and Revenue Summary. Please see the Budget Initiatives section for a summary of how TOT revenue designated for tourism is allocated in the FY2017 Budget.

Non-Departmental

- 3. Cable Equipment Grant** - An annual 1% cable equipment grant is provided by cable television providers operating in the County. Grant proceeds must be used for cable related capital needs. Although not considered general revenue, revenue derived from the grant is shared with Prince William County Schools in accordance with the County/Schools revenue agreement. Both the County and Schools use cable equipment grant proceeds to support informational programming on their respective access channels. Cable equipment grant receipts are evaluated on an annual basis for potential, future adjustments. Please see the Budget Initiatives section for detail on projected grant increases in the FY2017 Budget.

C. County Pass-Through Collections:

- 1. Community Development Authorities** - Community Development Authorities (CDAs) are governed under §[15.2-5152](#) of the Code of Virginia. CDAs are created to promote the economic development of the County. Properties within established boundaries are levied a CDA assessment to provide certain public infrastructure such as road improvements, bridges, stormwater, and water and sewer improvements within the district. There are three CDAs in Prince William County: Virginia Gateway (created in 1998), Heritage Hunt (created in 1999), and Cherry Hill (created in 2013). It is important to note that property owners within each CDA boundary petitioned the County to create each CDA.

In accordance with §[15.2-51581](#) of the Code of Virginia, all three CDAs in the County request annually that the County levy and collect a special tax on taxable real property within the development authority's jurisdiction to finance the services and facilities provided by the authority. This code section also requires that all revenue received by the County will be paid over to the development authority subject to annual appropriation. The FY2017 Budget includes \$2,593,361 in a special revenue fund for the three CDAs in the County: Cherry Hill (\$1,524,361), Virginia Gateway (\$900,000), and Heritage Hunt (\$169,000). There is no impact on the County's general fund.

- 2. Pass-Through Collections to Commonwealth** - Prince William County collects revenue on behalf of the Commonwealth of Virginia. Such revenue includes Sheriff fees as well as an additional 2% TOT levied to support transportation improvements as part of the Northern Virginia Transportation Authority (NVTA). The revenue is collected by the County and remitted to the Commonwealth. The County receives NVTA funding for local and regional transportation projects.

D. Trust/Fiduciary Funds:

- 1. Trust/Fiduciary Funds** - Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, or other governments. Agency funds are custodial in nature whereby assets equal liabilities and do not measure results of County operations. Trust/Fiduciary funds do not require budget and appropriation by the Board of County Supervisors. Each respective fund is administered by a board of trustees. Trust/Fiduciary funds included in Non-Departmental are:

- Other Post-Employment Benefits (OPEB) - Police Officer and Uniformed Fire and Rescue Personnel Supplemental Retirement
- OPEB - Length of Service Award Program (LOSAP)
- OPEB - Post-Retirement Medical Benefits Credit Plan
- OPEB - Line of Duty Act (LODA)
- Innovation Property Owners Association
- Library donations from the Friends of the Library and private sources which are administered by the Library Board

Non-Departmental

For a detailed description of each OPEB plan as well as the benefits provided, please see Prince William County's [Comprehensive Annual Financial Report for the Year Ended June 30, 2015](#), beginning on page 109.

E. Other:

- Contributions (Hylton Performing Arts Center and NVCC)** - County contributions to the Hylton Performing Arts Center (\$2,046,529) and the Northern Virginia Community College (\$1,018,883) are transferred from the capital construction fund in FY16 to the Non-Departmental budget in FY17. The FY17 contribution to the Hylton Performing Arts Center (HPAC) provides \$1,896,529 for debt service and \$150,000 for capital expenses. Savings will be realized in future years due to refunded (refinanced) debt associated with the HPAC. Please see the detail below for County contributions to the HPAC in the Five-Year Plan.

	FY17	FY18	FY19	FY20	FY21
Debt Service	\$1,896,529	\$1,877,104	\$1,857,709	\$1,861,916	\$1,859,096
Capital	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Total	\$2,046,529	\$2,027,104	\$2,007,709	\$2,011,916	\$2,009,096

There are two components to Prince William County's contribution to the Northern Virginia Community College (NVCC). The first component provides a \$2.25 per capita annual capital development contribution of \$984,743 to NVCC in FY17. The second component includes a \$34,140 allocation to support maintenance and operations at NVCC. The annual contribution is planned to increase to \$2.50 per capita in FY18. Combined with projected population increases, the five-year cost of increased NVCC contributions is \$732,934.

- Administration** - The Unclassified Administrative area of the budget includes those general fund expenditures, which are not assigned to specific agency budgets. During the course of the fiscal year, many of these dollars are allocated against agency budgets to property account for where the expenditures actually occur. As a program becomes established, an unclassified administrative budget item will often be assigned to an agency on a permanent basis. The funds would then be transferred from Unclassified Administrative to the agency budget. Due to the many items coming into and out of the Non-Departmental/Unclassified Administrative budget area between budget years, it is difficult to compare different fiscal year totals.
- Transfer from Adult Detention Center (ADC) Fund** - The transfer of \$1,418,105 to the general fund from the ADC is required to compensate the general fund for the cost of implementing the Law Enforcement Officers' Supplement (LEOS) retirement program for Jail Officers and the Jail Superintendent. The funds are included as revenue in the Funding Sources area. Additional information concerning the ADC LEOS retirement program can be found in the General Overview section of the ADC departmental budget.
- Internal Service Fund (ISF) Technology Budget** - The County annually allocates all technology costs to agencies through an ISF, using the approved cost basis for each technology activity. Technology activities include phone, radio and computer support, business systems support, GIS, web services, capital equipment replacement, and administration. In addition to the annual allocation of technology costs, several technology initiatives are proposed, funded through an increase in the Non-Departmental/Unclassified Administration 4000 series - Microsoft Enterprise agreement, Oracle licensing and changes to the County computer standard. Details on these initiatives can be found in the Department of Information Technology section. In FY17, the Non-Departmental/Unclassified Administration technology bill increases by \$655,165 to \$879,637.

Non-Departmental

H. Budgeted Savings - For over two decades, the County has had a long-standing practice of using year-end savings as a funding source in the next year's budget. Utilizing these savings has provided significant tax bill savings for County residents. The three major credit rating agencies have recently revised their rating criteria used to evaluate the creditworthiness of jurisdictions using bond proceeds to finance capital infrastructure projects. Under the new criteria, year-end savings are considered to be one-time funds, which should not be used to support ongoing expenditures. In order to address the issue, the FY2016 Budget included a 2.5% reduction to the general fund portion of agency expenditure budgets (with the exception of state courts and magistrates), totaling \$13.0 million. This reduction has been implemented by adding a negative budget line item to agencies, similar to the budgeted salary lapse. The savings amount for Non-Departmental is \$2,310,549 with \$2,286,665 budgeted in the Administration program and \$23,884 budgeted in the Property and Miscellaneous Insurance program.

Budget Initiatives

1. County Proffers for Capital Projects

Expenditure	\$7,701,028
Revenue	\$7,701,028
General Fund Impact	\$0
FTE Positions	0.00

a. Description - Funding is transferred from proffer accounts to support capital projects. Of this amount, \$5,814,405 is budgeted for transportation projects, \$1,242,514 for parks and trail projects, \$451,994 for fire and rescue projects, and \$192,115 for watershed projects identified in the FY2017-2022 Capital Improvement Program (CIP). Please refer to the CIP section of this document for additional information regarding proffers and specific projects. This is a one-time transfer and there are no Five-Year Plan impacts.

2. Property and Miscellaneous Insurance Increase due to County Vehicle Claims

Expenditure	\$329,000
Revenue	\$329,000
General Fund Impact	\$0
FTE Positions	0.00

a. Description - A \$329,000 increase to the Property and Miscellaneous Insurance budget is proposed to cover insurance expense claims for County vehicles. Funding will be used to service/repair damaged vehicles and replace totaled vehicles. Insurance claims will provide the revenue for this increase with no net impact to the general fund and Five-Year Plan.

3. Cable Equipment Grant

Expenditure	\$95,500
Revenue	\$95,500
General Fund Impact	\$0
FTE Positions	0.00

a. Description - Cable equipment grant revenue is expected to increase \$95,500 from \$1,385,000 in FY16 to \$1,480,500 in FY17. The transfer to the Schools will increase \$54,654 from \$792,636 to \$847,290. The total revenue to the County will increase \$40,846 from \$592,364 to \$633,210. Both the County and Schools use cable equipment grant proceeds to support informational programming on their respective access channels.

Non-Departmental

4. TOT for Tourism

Expenditure	(\$283,500)
Revenue	(\$283,500)
General Fund Impact	\$0
FTE Positions	0.00

- a. **Description** - TOT revenue designated for tourism decreases \$283,500 from \$2,383,500 in FY16 to \$2,100,000 in FY17. The FY2017 Budget designated TOT fund allocation is shown in the table below:

TOT Tourism Allocations for FY2017 Budget	
The FY2017 Budget allocates the TOT Tourism funding in the following manner:	Total
1. Transfer to Public Works/Historic Preservation	\$852,249
2. Transfer to the Convention and Visitors Bureau (CVB)	\$1,180,801
3. Dumfries Weems-Botts Museum	\$36,050
4. Prince William Soccer, Inc.	\$25,750
5. Occoquan Mill House Museum	\$5,150
TOT Allocated Total	\$2,100,000
FY17 TOT Revenue Projection	\$2,100,000
Contribution To/(Use Of) TOT Fund Balance	\$0

TOT expenditures for tourism in the FY2017 Budget total \$2,100,000 and are allocated as follows:

1. The FY2017 Budget provided to the Public Works, Historic Preservation program decreases \$301,739 from \$1,153,988 in FY16 to \$852,249 in FY17. TOT revenue to support the Public Works Historic Preservation program results in annual, general tax support of \$301,739.
2. The FY2017 Budget for the Prince William/Manassas Convention and Visitors Bureau (CVB) increases by \$18,239 from \$1,162,562 in FY16 to \$1,180,801 in FY17. Additional information on the CVB budget can be found in the Community Development section of this document.
3. The FY2017 Budget for the Dumfries Weems-Botts Museum (\$36,050), Prince William Soccer, Inc. (\$25,750), and Occoquan Mill House Museum (\$5,150) are unchanged from FY16.