



Finance and Budget

The Department of Finance and Budget (DFB) supports County agencies and Constitutional Officers in the provision of services to the residents and businesses of Loudoun County by professionally managing, on behalf of the County Administrator, organization-wide processes and providing sound advice in capital and operating budget management; revenue forecasting; demographic, economic, and fiscal impact analysis; long range fiscal planning; program evaluation and improvement; accounting and financial analysis; procurement; accounts payable and receivable; capital financing; debt management; and support of the County's financial reporting and payroll systems. In addition, the department functions as the County liaison to the Board of Equalization and the Fiscal Impact Committee.

In FY 2021, DFB reorganized its programs to improve the efficiency of operations, including the reclassification of an existing economist position into a capital budget manager, reclassification of an existing demographer position to a capital budget senior management analyst, reclassification of a senior management analyst into a second team lead in the Budget Office, and the consolidation of functional business analysts into the system support team. DFB also made changes in how its programs are structured.

Finance and Budget's Programs

Accounting, Finance, and Operations

Provides timely and accurate financial analysis; processing and reporting of financial transactions; processing of employee payroll, accounts payable, and accounts receivable; and support of the Oracle system. Coordinates the annual audit and produces the Comprehensive Annual Financial Report and Citizens Popular Report to provide financial transparency to residents, bond holders, and grantors.

Procurement

Responsible for the acquisition of all goods and services, including professional services and construction, required to meet the service needs of the growing population and County Government operations.

Finance and Budget Administration

Responsible for the department's administration, debt management, program evaluation, and the Board of Equalization.

Operating Budget Planning and Policy

Provides primary support to the County Administrator in development, analysis, review, implementation, and monitoring of the County's operating budget and special funds, working closely with and providing assistance to County agencies.

Capital Budget Planning and Policy

Provides support to the County Administrator in the development, analysis, review, planning and monitoring of the County's capital budget; Uses research methods and demographic and economic analysis to perform long-range fiscal planning.

**Finance and Budget****Budget Analysis****Department Financial and FTE Summary¹**

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted	FY 2022 Proposed	FY 2023 Projected
Expenditures					
Personnel	\$7,511,883	\$7,736,359	\$8,695,416	\$9,279,336	\$9,557,716
Operating and Maintenance	665,736	750,779	1,161,475	1,178,493	1,190,278
Total - Expenditures	\$8,177,619	\$8,487,138	\$9,856,891	\$10,457,829	\$10,747,994
Revenues					
Charges for Services	\$0	\$67	\$0	\$0	\$0
Miscellaneous Revenue	257,535	302,734	124,500	124,500	124,500
Recovered Costs	0	390	0	0	0
Other Financing Sources	867,781	143,323	153,487	421,358	421,358
Total - Revenues	\$1,125,316	\$446,514	\$277,987	\$545,858	\$545,858
Local Tax Funding	\$7,052,303	\$8,040,625	\$9,578,904	\$9,911,971	\$10,202,136
FTE^{2,3}	73.00	72.00	75.00	78.00	78.00

Department Financial and FTE Summary – Capital Improvement Program¹

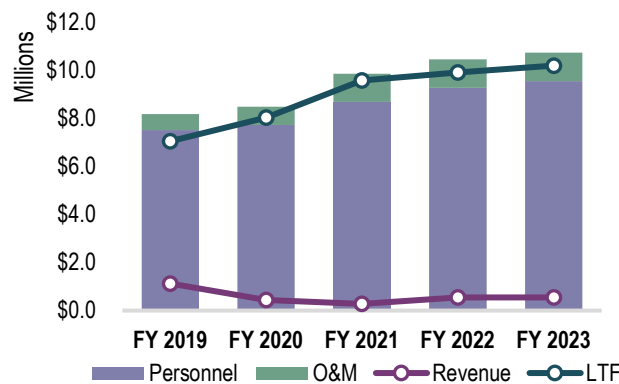
	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted	FY 2022 Proposed	FY 2023 Estimated
Expenditures					
Personnel	\$0	\$711,841	\$1,220,068	\$1,557,029	\$1,603,740
Total – Expenditures	\$0	\$711,841	\$1,220,068	\$1,557,029	\$1,603,740
Revenues					
Revenue	\$0	\$711,841	\$1,220,068	\$1,557,029	\$1,603,740
Total – Revenues	\$0	\$711,841	\$1,220,068	\$1,557,029	\$1,603,740
Local Tax Funding	\$0	\$0	\$0	\$0	\$0
FTE	0.00	9.00	10.00	11.00	11.00

¹ Sums may not equal due to rounding.² A demographer position was reclassified into a capital budget analyst, which moved the position from the General Fund to the Capital Fund during FY 2021.³ This department has two positions (2.00 FTE) included in the FY 2022 Proposed Budget within Board of Supervisors' Priorities (Collective Bargaining Staffing) included in the Board of Supervisors' narrative in the General Government section.



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Revenue and Expenditure History



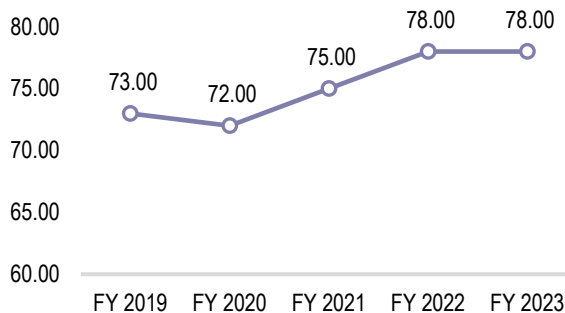
Revenue/Local Tax Funding

As shown, DFB is primarily funded by local tax funding (over 95 percent). Miscellaneous revenue is primarily rebates from purchasing card (PCard) use. Other financing sources include a transfer from the Debt Service Fund to offset personnel expenditures of the Debt Management and Financing positions.

Expenditure

The majority of the Department's expenditure budget is dedicated to personnel costs (89 percent). Major drivers of personnel increases are additional staffing as outlined in the Staffing/FTE History section, market and merit increases in each fiscal year, adjustments in FY 2020 and 2021 to reflect a new classification and compensation system approved by the Board in November 2019, and a 3.5 percent merit increase for FY 2021.

Staffing/FTE History



FY 2019: 5.00 FTE added to the unclassified, unfunded FTE position pool for the exclusive use by Loudoun County Fire and Rescue (LCFR) for the recruit academy

FY 2019 Mid-Year: 1.00 FTE demographer transferred from the Department of Planning and Zoning

FY 2020: 2.00 FTE contracting officers, 1.00 FTE capital budget manager, 1.00 FTE capital budget analyst, and 1.00 FTE capital budget specialist were transferred out of the General Fund to the Capital Projects Fund. 4.00 FTE were

added to the Capital Projects Fund for the following: 1) one assistant purchasing agent (1.00 FTE), 2) two contracting officers (2.00 FTE), and 3) one senior buyer (1.00 FTE). Positions added to the General Fund include 1.00 FTE financial analyst, 1.00 FTE for the unclassified, unfunded FTE pool position for the exclusive use by LCFR to provide FTE authority for a LCFR uniformed captain to fill an externally funded fire service liaison position with the Federal Bureau of Investigation (FBI) Washington Field Office's Joint Terrorism Task Force, and 1.00 FTE revenue analyst.

FY 2021: Mid-year position approved by the Board of Supervisors – senior management analyst (1.00 FTE) for the Board's collective bargaining initiative. Mid-year, the demographer position was reclassified to a capital budget analyst position and revised to be funded in the Capital Projects Fund and no longer in the General Fund.

DFB's expenditures increases are primarily attributed to personnel costs including higher compensation and added positions, as indicated in the Staffing/FTE History graph above. Over the last several years, operating and maintenance expenditures have grown due to increased contractual expenditures. Revenues decreased from FY 2019 to FY 2021 due to the FY 2020 change in budgeting several positions in the Capital Fund, instead of the General Fund. Prior to FY 2020, a transfer from the CIP fund covered the personnel expenditures for these positions. Effective FY 2020, that transfer was no longer budgeted. In FY 2022, the transfer from the Debt Service Fund to the General Fund (other financing sources) increased by \$160,730 due to



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the addition of personnel expenditures for the manager of the Debt Management and Financing Division and for salary increases for positions that are funded by the Debt Service Fund transfer.

The FY 2021 Adopted Budget included a total of seventy-five positions (75.00 FTE), which included the addition of four positions (4.00 FTE): 1) budget technician (1.00 FTE), 2) functional systems analyst (1.00 FTE), 3) grants financial analyst (1.00 FTE), and 4) grants management analyst (1.00 FTE). Due to the unclear economic picture resulting from the COVID-19 pandemic, the Board of Supervisors adopted the FY 2021 Budget, and simultaneously froze most new expenditures, including new positions, until revenues become available to support those expenditures. The Board unfroze the budget technician, which was budgeted in the Capital Projects Fund, and the functional systems analyst, which was budgeted in the General Fund, with the initial release of frozen expenditures and positions on December 15, 2020. The budget technician will focus on capital budget administrative duties, allowing capital budget staff members to complete the high-level and strategic aspects of their roles. The functional systems analyst will help address the backlog of Oracle report projects and will conduct Oracle system testing. The remaining two positions, the grants financial analyst and grants management analyst, will remain frozen until further Board action or until the start of FY 2022.

The department maintains a pool of unclassified, unfunded FTE for the organization, including 6.00 FTE available for LCFR and 5.00 FTE available for departments other than LCFR. Periodically and on a case-by-case basis, the department loans FTE authority to departments to support short-term position needs. Most often FTE authority is loaned when a department wishes to recruit and hire for a mission-critical position while the incumbent is still employed so that onboarding of new staff can overlap with the departing employee. LCFR uses FTE authority for the recruit academy. This additional FTE authority is not funded, and departments are required to fund the temporary use of these positions within their existing budgets.

The FY 2022 Proposed Budget includes a base adjustment of \$6,760 for increased contractual expenditures in operating and maintenance. Similar to some positions requested by DFB in recent fiscal years, the position included in the FY 2022 Proposed Budget relates to the thematic area of support to the capital improvement program (CIP). With the continued growth of the CIP, DFB continues to need more support in this area.

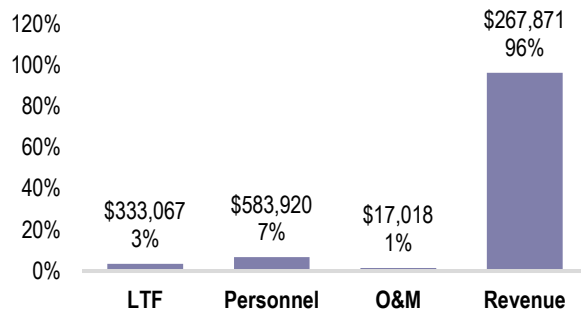
Support to the Capital Improvement Program

For FY 2022, the Department's budget request focuses on the thematic area of support to CIP. The Department's budget request for a senior management analyst - debt (1.00 FTE) is included in the FY 2022 Proposed Budget, with the personnel expenditures covered by the transfer from the Debt Service Fund to the Department. This position will provide support to the debt manager and will establish a fully formed debt management team to maintain current service levels, with the significant growth of the CIP. Currently, the debt manager is the only fully dedicated position for the debt management functions. A financial analyst performs accounting functions for debt management. The requested senior management analyst will be fully dedicated to the non-accounting, debt related activities that are ongoing and analytical and serve as the primary contact for the DFB capital budget analysts. In addition, the position will assist with the administrative aspects of debt issuance process, assist with debt modeling and analysis for CIP development, and analyze the use of bond proceeds for eligible projects to assist in identifying funding for projects in need of supplemental funding, as well as ensuring the optimal use of outstanding proceeds.



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Percent Change from Adopted FY 2021 to Proposed FY 2022



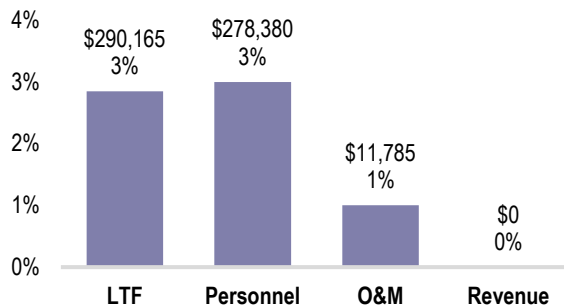
Reasons for Change:

Personnel: ↑ 3.00 FTE, general pay changes ||

O&M: ↑ increased contractual expenditures ||

Revenue: ↑ transfer from the Debt Service Fund to the General Fund increased to cover two additional debt management positions, resulting in three debt management positions' personnel expenditures being covered by the transfer

Percent Change from Proposed FY 2022 to Projected FY 2023



Reasons for Change:

Personnel: ↑ 3 percent || **O&M:** ↑ 1 percent

Revenue: ↔



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FY 2022 Proposed Resource Request^{1,2}

Support to the CIP: Senior Management Analyst - Debt						
Personnel: \$107,141	O&M: \$7,375	Capital: \$12,000	Reallocation: \$0	Revenue: \$107,141	LTF: \$19,375	FTE: 1.00
Details			Overview			
Service Level:	Current Service Level Request		<ul style="list-style-type: none">• Personnel expenditures will be covered by the Debt Service Fund Transfer to the General Fund in DFB.• This position will provide support to the debt manager and establish a fully formed debt management team to maintain current service levels.• Fully dedicated to the non-accounting, debt related activities that are ongoing and analytical and serve as the primary contact for the DFB capital budget analysts.• This position will assist with the administrative aspects of debt issuance process and debt modeling and analysis for CIP development.• This position will also analyze use of bond proceeds for eligible projects to assist in identifying funding for projects in need of supplemental funding, as well as ensuring the optimal use of outstanding proceeds.			
Mandates:	Not mandated					
PM Highlight:	Number of debt financed projects					
Program:	Finance and Budget Administration					
Positions:	1 Senior Management Analyst/Debt					
Theme:	Support to the CIP					
One-time Costs:	\$17,725					
Recurring Costs:	\$108,791					
Personnel: \$107,141	O&M: \$7,375	Capital: \$12,000	Reallocation: \$0	Revenue: \$107,141	LTF: \$19,375	FTE: 1.00

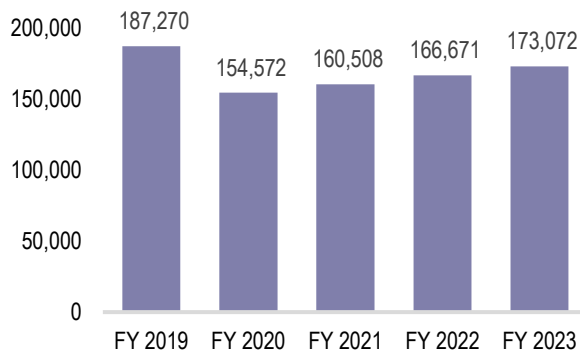
¹ The request presented displays total cost, including the acquisition of vehicles, technology, and office furniture (as applicable). Funds for these items are shown in the Non-Departmental section, page 6-2.

² This department has two positions (2.00 FTE) included in the FY 2022 Proposed Budget within Board of Supervisors' Priorities (Collective Bargaining Staffing) included in the Board of Supervisors' narrative in the General Government section.



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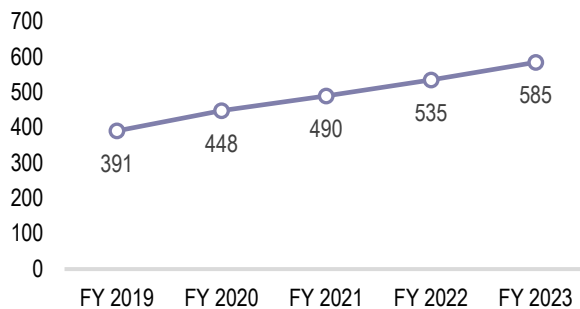
Key Measures¹



Objective: Maintain a workload of less than 200,000 transactions reviewed and reconciled per analyst.

Measure: Number of general ledger transactions reviewed and reconciled per analyst.

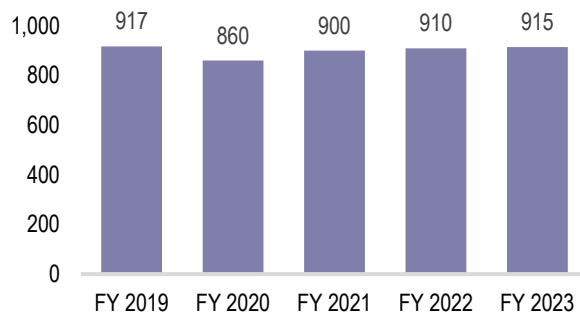
In FY 2020, the Board approved one financial analyst to address the increasing volume and complexity of accounting transactions. This position will help the department to continue to meet the objective of less than 200,000 transactions reviewed and reconciled per analyst.



Objective: Assemble and provide a full accounting of the stewardship of financial resources.

Measure: Number of active grant awards.

The number of active grant awards is on an increasing trend. Grant funding reduces the need for local tax funding to support the County's programs.



Objective: Process and approve budget adjustment requests received.

Measure: Number of budget adjustments.

The budget adjustments workload is becoming more complex, with many budget adjustments for capital projects including multiple funding sources.

¹ For key measures that relate to resources included in the Proposed Budget, FY 2022 and FY 2023 data reflect the estimated impact of these resources.

**Finance and Budget****Department Programs****Department Financial and FTE Summary by Program^{1,2}**

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Adopted	FY 2022 Proposed	FY 2023 Projected
Expenditures					
Accounting, Finance, & Operations	\$3,984,327	\$4,298,260	\$3,963,416	\$4,128,069	\$4,242,334
Procurement	1,567,985	1,445,948	1,680,475	1,708,987	1,758,409
Operating Budget	1,522,238	1,806,948	1,937,687	2,204,333	2,266,736
Finance and Budget Administration	753,938	525,229	1,901,320	2,036,840	2,090,330
Capital Budget and Planning	349,131	410,753	373,993	379,600	390,185
Total – Expenditures	\$8,177,619	\$8,487,138	\$9,856,891	\$10,457,829	\$10,747,994
Revenues					
Accounting, Finance, & Operations	\$0	\$0	\$4,500	\$4,500	\$4,500
Procurement	599,699	296,736	120,000	120,000	120,000
Finance and Budget Administration	142,043	149,777	153,487	421,358	421,358
Capital Budget Planning and Policy	383,574	0	0	0	0
Total – Revenues	\$1,125,316	\$446,514	\$277,987	\$545,858	\$545,858
Local Tax Funding					
Accounting, Finance, & Operations	\$3,984,327	\$4,298,260	\$3,958,916	\$4,123,569	\$4,237,834
Procurement	968,286	1,149,212	\$1,560,475	\$1,588,987	\$1,638,409
Operating Budget	1,522,238	1,806,948	\$1,937,687	\$2,204,333	\$2,266,736
Capital Budget and Planning	(34,443)	410,753	373,993	379,600	390,185
Finance and Budget Administration	611,895	375,452	\$1,747,833	\$1,615,482	\$1,668,972
Total – Local Tax Funding	\$7,052,303	\$8,040,625	\$9,578,904	\$9,911,971	\$10,202,136
FTE					
Accounting, Finance & Operations	30.00	31.000	27.00	28.00	28.00
Procurement	14.00	12.00	12.00	12.00	12.00
Operating Budget ³	23.00	25.00	25.00	26.00	26.00
Finance and Budget Administration	3.00	4.00	10.00	11.00	11.00
Capital Budget and Planning	3.00	0.00	1.00	1.00	1.00
Total - FTE⁴	73.00	72.00	75.00	78.00	78.00

¹ Sums may not equal due to rounding.² Effective with the FY 2020 Adopted Budget, three Capital Budget Planning and Policy Program positions (3.00 FTE) and two Procurement Program positions (2.00) are budgeted in the Capital Projects Fund, with personnel expenditures and FTE no longer budgeted in the General Fund.³ The Operating Budget Program includes the 6.00 FTE for the unclassified, unfunded pool available for temporary use by LCFR and the 5.00 FTE for the unclassified, unfunded pool available for temporary use by other County departments.⁴ This department has two positions (2.00 FTE) included in the FY 2022 Proposed Budget within Board of Supervisors' Priorities (Collective Bargaining Staffing) included in the Board of Supervisors' narrative in the General Government section.