

**PURPOSE**

This budget provides for a contingency reserve to pay for needs caused by unforeseen events falling into three categories: 1) Catastrophic reserves, to provide limited emergency funds in the event of natural or man-made disasters; 2) Operational reserves, to provide additional funds for limited unexpected service needs; and 3) Revenue reserves, to provide limited funds to smooth fluctuations in revenues caused by changes in economic conditions. A negative contingency captures savings created by personnel turnover.

**BUDGET SUMMARY**

	FY 11 <u>Adopted</u>	FY 12 <u>Plan</u>	FY 12 <u>Adopted</u>
Contingency	\$ 708,944	\$ 914,638	\$ 887,023
Personnel Contingency	(600,000)	(700,000)	(600,000)
Economic Development Incentives	105,000	50,000	50,000
Matching Funds - Grants	200,000	200,000	200,000
Archaeological Studies	8,810	-	-
Local Aid to State Government	98,248	98,248	98,200
Peninsula Metropolitan YMCA	50,000	-	-
Total	<u>\$ 571,002</u>	<u>\$ 562,886</u>	<u>\$ 635,223</u>

**BUDGET COMMENTS**

Contingency continues to be budgeted at a much higher level than normal, in order to guard against the uncertainties of the present economy. Personnel contingency is budgeted at an amount equal to FY 2011 as turnover has decreased. Economic Development Incentives are funded for commitments for Enterprise Zone Grants. Also included is the amount that will be returned to the State of Virginia that is not allocated specifically to a department.