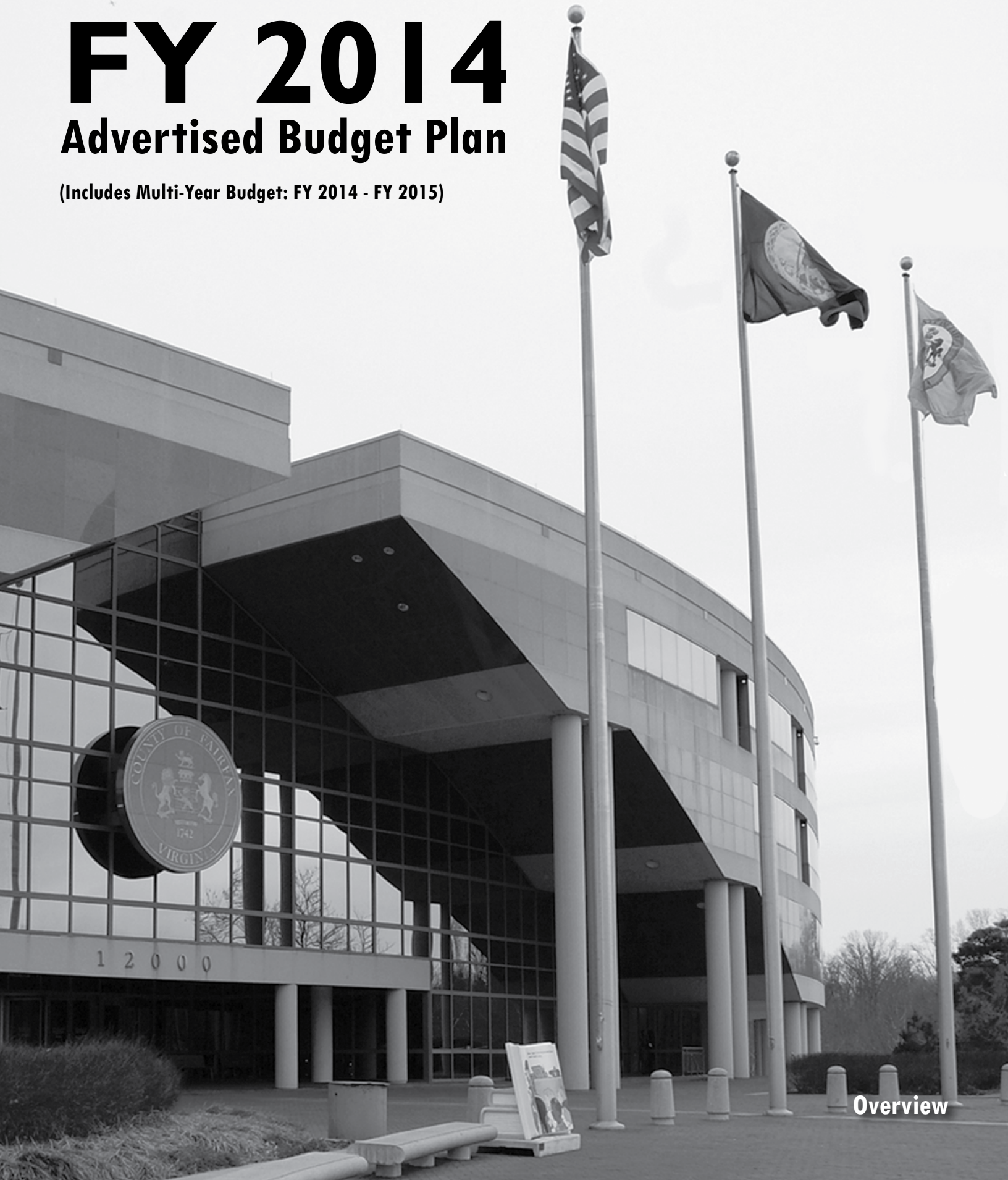


Fairfax County, Virginia

FY 2014

Advertised Budget Plan

(Includes Multi-Year Budget: FY 2014 - FY 2015)



Overview

Fairfax County, Virginia

Fiscal Year 2014 Advertised Budget Plan (Includes Multi-Year Budget: FY 2014 - FY 2015)

Overview



1742

Prepared by the
Fairfax County Department of Management and Budget
12000 Government Center Parkway
Suite 561
Fairfax, Virginia 22035

<http://www.fairfaxcounty.gov/dmb/>

The County of Fairfax is committed to a policy of nondiscrimination in all County programs, services and activities and will provide reasonable accommodations upon request. To request special accommodations, call 703-324-2391, TTY 711. Special accommodations/alternative information formats will be provided upon request. Please allow five working days in advance of events in order to make the necessary arrangements.



1742



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Fairfax County
Virginia**

For the Fiscal Year Beginning

July 1, 2012

Christopher P. Morinell

President

Jeffrey R. Egan

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to Fairfax County, Virginia for its annual budget for the fiscal year beginning July 1, 2012.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

BUDGET CALENDAR

For preparation of the FY 2014 Budget

July 1, 2012

Distribution of the FY 2014 budget development guide. Fiscal Year 2013 begins.



September - October 2012

Agencies forward completed budget submissions to the Department of Management and Budget (DMB) for review.



February 7, 2013

School Board adopts its advertised FY 2014 Budget.



February 26, 2013

County Executive's presentation of the FY 2014 Advertised Budget Plan.



March 5, 2013

Board authorization for publishing FY 2014 tax and budget advertisement.



July 1, 2013

Fiscal Year 2014 begins.



June 30, 2013

Distribution of the FY 2014 Adopted Budget Plan. Fiscal Year 2013 ends.



April 30, 2013

Adoption of the FY 2014 budget plan, Tax Levy and Appropriation Ordinance by the Board of Supervisors.



April 23, 2013

Board action on *FY 2013 Third Quarter Review*. Board mark-up of the FY 2014 proposed budget.



April 9, 10, and 11, 2013

Public hearings on proposed FY 2014 budget, *FY 2013 Third Quarter Review* and FY 2014-2018 Capital Improvement Program (with Future Years to 2023) (CIP).



Fairfax County is committed to complying with the Americans with Disabilities Act (ADA). Special accommodations will be made upon request. Please call 703-324-2391 (Virginia Relay: 711).

Board Goals & Priorities

Adopted by the Board in December 2009. Reaffirmed by the Board in February 2012.

By **engaging** our residents and businesses in the process of addressing these challenging times, **protecting investment** in our most critical priorities, and by **maintaining strong responsible fiscal stewardship**, **we must ensure**:

✓ **A quality educational system**

Education is Fairfax County's highest priority. We will continue the investment needed to protect and enhance this primary community asset. Our children are our greatest resource. Because of our excellent schools, businesses are eager to locate here and our children are able to find good jobs. A well-educated constituency is best able to put back into their community.

✓ **Safe streets and neighborhoods**

Fairfax County is the safest community of our size in the U.S. We will continue to invest in public safety to respond to emergency situations, as well as efforts to prevent and intervene in destructive behaviors, such as gang activity and substance abuse.

✓ **A clean, sustainable environment**

Fairfax County will continue to protect our drinking water, air quality, stream valleys and tree canopy through responsible environmental regulations and practices. We will continue to take a lead in initiatives to address energy efficiency and sustainability and to preserve and protect open space for our residents to enjoy.

✓ **Liveable, caring and affordable communities**

As Fairfax County continues to grow we will do so in ways that address **environmental** and **mobility** challenges. We will encourage housing that is affordable to our children, seniors and members of our workforce. We will provide compassionate and efficient services to members of our community who are in need. We will continue to protect and support our stable lower density neighborhoods. We will encourage and support participation in community organizations and other activities that address community needs and opportunities.

✓ **A vibrant economy**

Fairfax County has a well-earned reputation as a business-friendly community. We will vigorously pursue **economic development** and **revitalization** opportunities. We will support the business community and encourage this healthy partnership. We will continue to be sensitive and responsive to the needs of our corporate neighbors in the areas of **workforce development** and **availability, affordable housing, regulation and taxation**.

✓ **Efficient transportation network**

Fairfax County makes it a priority to connect People and Places. We will continue to plan for and invest in transportation improvements to include comprehensive bicycle and pedestrian initiatives, bus and paratransit, road and intersection improvements and expansion of Metrorail and VRE.

✓ **Recreational and cultural opportunities**

A desirable community is one where there is a lot going on that residents can enjoy. Fairfax County will continue to provide for athletic, artistic, intellectual and recreational activities, in our communities, parks, libraries and schools.

✓ **Taxes that are affordable**

The property tax is Fairfax County's primary source of revenue to provide services. We will ensure that taxes are affordable for our residents and businesses, and we will seek ways to diversify County revenues in order to make our tax base more equitable. We will ensure that County programs and services are efficient, effective and well run.

Fairfax County Vision Elements

To protect and enrich the quality of life for the people, neighborhoods, and diverse communities of Fairfax County by:

Maintaining Safe and Caring Communities -

The needs of a diverse and growing community are met through innovative public and private services, community partnerships and volunteer opportunities. As a result, residents feel safe and secure, capable of accessing the range of services and opportunities they need, and are willing and able to give back to their community.

Building Livable Spaces -

Together, we encourage distinctive “built environments” that create a sense of place, reflect the character, history, and natural environment of the community, and take a variety of forms – from identifiable neighborhoods, to main streets, to town centers. As a result, people throughout the community feel they have unique and desirable places to live, work, shop, play, and connect with others.

Connecting People and Places -

Transportation, technology, and information effectively and efficiently connect people and ideas. As a result, people feel a part of their community and have the ability to access places and resources in a timely, safe, and convenient manner.

Maintaining Healthy Economies -

Investments in the work force, jobs, and community infrastructure and institutions support a diverse and thriving economy. As a result, individuals are able to meet their needs and have the opportunity to grow and develop their talent and income according to their potential.

Practicing Environmental Stewardship -

Local government, industry, and residents seek ways to use all resources wisely and to protect and enhance the County’s natural environment and open space. As a result, residents feel good about their quality of life and embrace environmental stewardship as a personal and shared responsibility.

Creating a Culture of Engagement -

Individuals enhance community life by participating in and supporting civic groups, discussion groups, public-private partnerships, and other activities that seek to understand and address community needs and opportunities. As a result, residents feel that they can make a difference and work in partnership with others to understand and address pressing public issues.

Exercising Corporate Stewardship -

Fairfax County government is accessible, responsible, and accountable. As a result, actions are responsive, providing superior customer service and reflecting sound management of County resources and assets.

Note: The Board of Supervisors adopted its own goals and priorities in December 2009 (see previous page). In addition, in 2004 County staff developed long-term vision elements for strategic planning purpose.

FOR ADDITIONAL INFORMATION

Information regarding the contents of this or other budget volumes can be provided by calling the Fairfax County Department of Management and Budget at 703-324-2391 from 8:00 a.m. to 4:30 p.m.

Internet Access: The Fairfax County budget is also available for viewing on the Internet at:



<http://www.fairfaxcounty.gov/budget>

Reference copies of all budget volumes are available on compact disc at all branches of the Fairfax County Public Library:

City of Fairfax Regional
10360 North Street
Fairfax, VA 22030-2514
703-293-6227

George Mason Regional
7001 Little River Turnpike
Annandale, VA 22003-5975
703-256-3800

Pohick Regional
6450 Sydenstricker Road
Burke, VA 22015-4274
703-644-7333

Reston Regional
11925 Bowman Towne Drive
Reston, VA 20190-3311
703-689-2700

Sherwood Regional
2501 Sherwood Hall Lane
Alexandria, VA 22306-2799
703-765-3645

Chantilly Regional
4000 Stringfellow Road
Chantilly, VA 20151-2628
703-502-3883

Centreville Regional
14200 St. Germain Drive
Centreville, VA 20121-2299
703-830-2223

Tysons-Pimmit Regional
7584 Leesburg Pike
Falls Church, VA 22043-2099
703-790-8088

Martha Washington
6614 Fort Hunt Road
Alexandria, VA 22307-1799
703-768-6700

Great Falls
9830 Georgetown Pike
Great Falls, VA 22066-2634
703-757-8560

Herndon Fortnightly
768 Center Street
Herndon, VA 20170-4640
703-437-8855

Kings Park
9000 Burke Lake Road
Burke, VA 22015-1683
703-978-5600

John Marshall
6209 Rose Hill Drive
Alexandria, VA 22310-6299
703-971-0010

Lorton
9520 Richmond Highway
Lorton, VA 22079-2124
703-339-7385

Patrick Henry
101 Maple Avenue East
Vienna, VA 22180-5794
703-938-0405

Dolley Madison
1244 Oak Ridge Avenue
McLean, VA 22101-2818
703-356-0770

Richard Byrd
7250 Commerce Street
Springfield, VA 22150-3499
703-451-8055

Woodrow Wilson
6101 Knollwood Drive
Falls Church, VA 22041-1798
703-820-8774

Thomas Jefferson
7415 Arlington Boulevard
Falls Church, VA 22042-7409
703-573-1060

Kingstowne
6500 Landsdowne Centre
Alexandria, VA 22315-5011
703-339-4610

Access Services
12000 Government Center
Parkway, Suite 123
Fairfax, VA 22035-0012
703-324-8380
TTY 703-324-8365

Burke Centre
5935 Freds Oak Road
Burke, VA 22015-2599
703-249-1520

Oakton
10304 Lynnhaven Place
Oakton, VA 22124-1785
703-242-4020

Additional copies of budget documents are also available on compact disc (CD) from the Department of Management and Budget (DMB) at no extra cost. Please call DMB in advance to confirm availability of all budget publications.

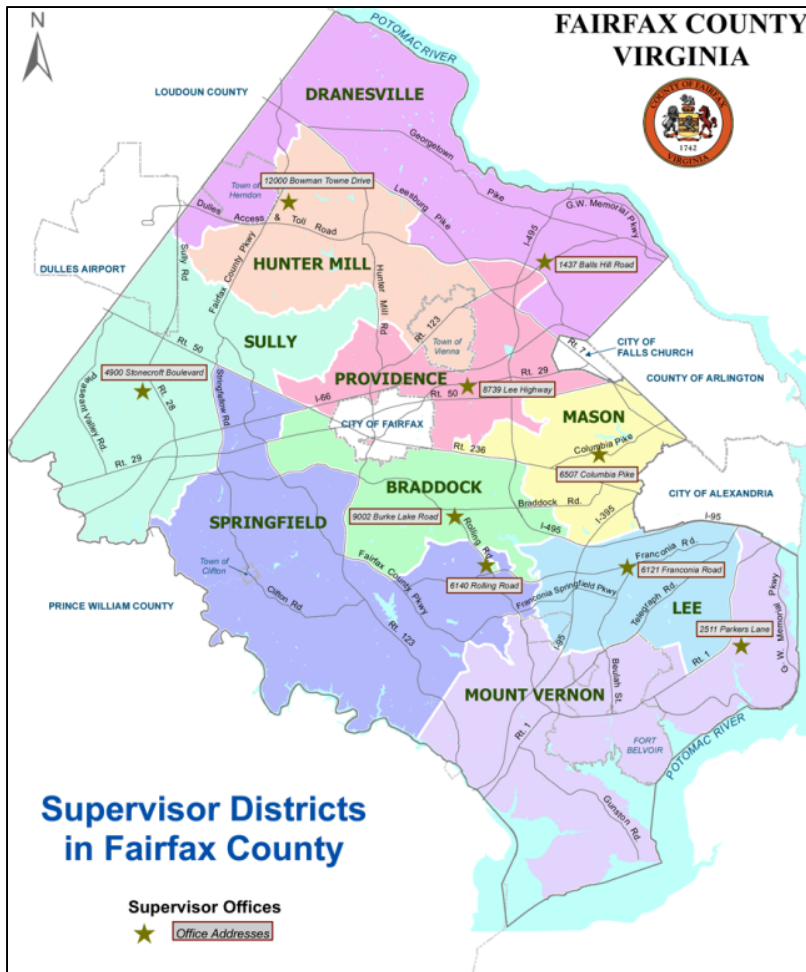
Department of Management and Budget
12000 Government Center Parkway, Suite 561
Fairfax, VA 22035-0074
(703) 324-2391

County Organization

Fairfax County Government

In Virginia, cities and counties are distinct units of government and do not overlap. Fairfax County completely surrounds the City of Fairfax and is adjacent to the City of Falls Church and the City of Alexandria. Property within these cities is not subject to taxation by Fairfax County, and the County generally is not required to provide governmental services to their residents. However, pursuant to agreements with these cities, the County does provide certain services to their residents.

In Fairfax County, there are three incorporated towns - Clifton, Herndon and Vienna - which are overlapping units of government within the County. With certain limitations prescribed by the Code of Virginia, the ordinances and regulations of the County are generally effective in them. Property in these towns is subject to County taxation and the County provides certain services to their residents. These towns may incur general obligation bonded indebtedness without the prior approval of the County.



The Fairfax County government is organized under the Urban County Executive form of government as defined under the Code of Virginia. The governing body of the County is the Board of Supervisors, which makes policies for the administration of the County.

County Organization

The Board of Supervisors consists of ten members: the Chairman, elected at large, and one member from each of nine supervisory districts, elected for four year terms by the voters of the district in which the member resides.

The Board of Supervisors appoints a County Executive to act as the administrative head of the County. The County Executive serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board of Supervisors.

The Fairfax County Board of Supervisors

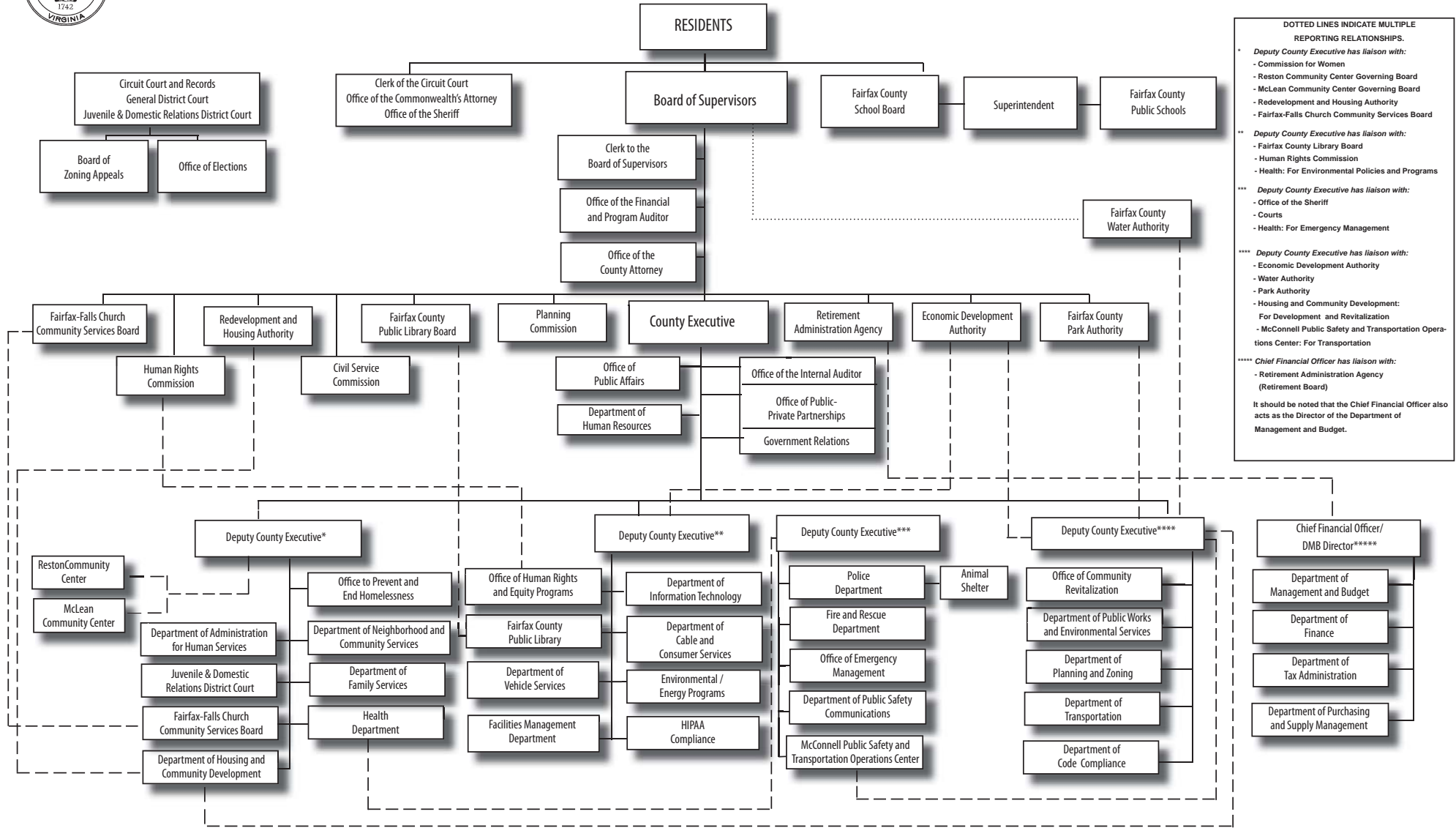


From left to right: Catherine M. Hudgins (Hunter Mill District); Michael R. Frey (Sully District); John C. Cook (Braddock District); Gerald W. Hyland (Mount Vernon District); Sharon Bulova (Chairman, At-Large); Penelope A. Gross (Mason District, Vice Chairman); John W. Foust (Dranesville District); Jeffrey C. McKay (Lee District); Pat Herrity (Springfield District); and Linda Q. Smyth (Providence District).

An organizational chart of Fairfax County government is provided on the next page.



ORGANIZATION OF FAIRFAX COUNTY GOVERNMENT



DOTTED LINES INDICATE MULTIPLE REPORTING RELATIONSHIPS.

- * Deputy County Executive has liaison with:
 - Commission for Women
 - Reston Community Center Governing Board
 - McLean Community Center Governing Board
 - Redevelopment and Housing Authority
 - Fairfax-Falls Church Community Services Board
- ** Deputy County Executive has liaison with:
 - Fairfax County Library Board
 - Human Rights Commission
 - Health: For Environmental Policies and Programs
- *** Deputy County Executive has liaison with:
 - Office of the Sheriff
 - Courts
 - Health: For Emergency Management
- **** Deputy County Executive has liaison with:
 - Economic Development Authority
 - Water Authority
 - Park Authority
 - Housing and Community Development: For Development and Revitalization
 - McConnell Public Safety and Transportation Operations Center: For Transportation
- ***** Chief Financial Officer has liaison with:
 - Retirement Administration Agency (Retirement Board)

It should be noted that the Chief Financial Officer also acts as the Director of the Department of Management and Budget.

County Organization

BOARDS, AUTHORITIES AND COMMISSIONS

Appeal Groups

Board of Building and Fire Prevention Code Appeals
Board of Equalization of Real Estate Assessments
Board of Zoning Appeals¹
Civil Service Commission
Human Rights Commission

Management Groups

Audit Committee (3 Board Members, 2 Citizens)
Burgundy Village Community Center Operations Board
Celebrate Fairfax, Inc. Board of Directors
Economic Development Authority
Electoral Board
Fairfax County Convention & Visitors Corporation Board of Directors
Fairfax County Employees' Retirement System Board of Trustees
Fairfax County Park Authority
Fairfax County Public Library Board of Trustees
Fairfax County Water Authority
Fairfax-Falls Church Community Services Board
Industrial Development Authority
McLean Community Center Governing Board
Police Officers Retirement System Board of Trustees
Redevelopment and Housing Authority
Reston Community Center Governing Board
Uniformed Retirement System Board of Trustees

Regional Agencies to which Fairfax County Contributes

Health Systems Agency Board
Metropolitan Washington Airports (MWA) Policy Committee
Metropolitan Washington Council of Governments
National Association of Counties
Northern Virginia Community College Board
Northern Virginia Regional Commission
Northern Virginia Regional Park Authority
Northern Virginia Transportation Commission
Northern Virginia Transportation Coordinating Council
Route 28 Highway Transportation District Advisory Board
Upper Occoquan Sewage Authority (UOSA)
Virginia Association of Counties
Washington Metropolitan Area Transit Authority

¹ The members of this group are appointed by the 19th Judicial Circuit Court of Virginia.

County Organization

BOARDS, AUTHORITIES AND COMMISSIONS

Advisory Groups

A. Heath Onthank Award Selection Committee
Advisory Plans Examiner Board
Advisory Social Services Board
Affordable Dwelling Unit Advisory Board
Agricultural and Forestal Districts Advisory Committee
Airports Advisory Committee
Alcohol Safety Action Program Local Policy Board
Animal Services Advisory Commission
Architectural Review Board
Athletic Council
Barbara Varon Volunteer Award Selection Committee
Bi-Partisan Election Process Improvement Commission
Chesapeake Bay Preservation Ordinance Exception Review Committee
Child Care Advisory Council
Citizen Corps Council, Fairfax County
Commission for Women
Commission on Aging
Commission on Organ and Tissue Donation and Transplantation
Committee for the Plan to Prevent and End Homelessness in the Fairfax-Falls Church Community
Community Action Advisory Board (CAAB)
Community Criminal Justice Board (CCJB)
Community Policy and Management Team, Fairfax-Falls Church
Community Revitalization and Reinvestment Advisory Group
Consumer Protection Commission
Criminal Justice Advisory Board (CJAB)
Dulles Rail Transportation Improvement District Advisory Board, Phase I
Dulles Rail Transportation Improvement District Advisory Board, Phase II
Economic Advisory Commission
Engineering Standards Review Committee
Environmental Quality Advisory Council (EQAC)
Fairfax Area Disability Services Board
Fairfax Community Long Term Care Coordinating Council
Fairfax County History Museum Subcommittees
Fairfax County Safety Net Health Center Commission
Geotechnical Review Board
GMU Fairfax Campus Advisory Board
Health Care Advisory Board

County Organization

BOARDS, AUTHORITIES AND COMMISSIONS

Advisory Groups

History Commission
Human Services Council
Information Technology Policy Advisory Committee
Juvenile & Domestic Relations Court Citizens Advisory Council
Laurel Hill Project Advisory Citizen Oversight Committee
Mosaic District Community Development Authority
Oversight Committee on Drinking and Driving
Planning Commission
Reston Master Plan Special Study Task Force
Road Viewers Board
Route 28 Highway Transportation Improvement District Advisory Board
Security Alarm Systems Commission
Small Business Commission, Fairfax County
Southgate Community Center Advisory Council
Supervised Visitation and Supervised Exchange Task Force
Tenant Landlord Commission
Trails and Sidewalks Committee
Transportation Advisory Commission
Tree Commission
Trespass Towing Advisory Board
Tysons Transportation Service District Advisory Board
Volunteer Fire Commission
Wetlands Board
Youth Basketball Council Advisory Board

How to Read the Budget

THE BUDGET

Each year, Fairfax County publishes sets of budget documents or fiscal plans: the Advertised Budget Plan and the Adopted Budget Plan. Submission and publication of the budget is contingent upon criteria established in the Code of Virginia. As required by the Code of Virginia, the County Executive must submit to the Board of County Supervisors a proposed budget, or fiscal plan, on or before April 1 of each year for the fiscal year beginning July 1. The Advertised Budget Plan is the annual budget proposed by the County Executive for County general government operations for the upcoming fiscal year, which runs from July 1 through June 30. The Advertised Budget Plan is based on estimates of projected expenditures for County programs and it provides the means for paying for these expenditures through estimated revenues. According to the Code of Virginia, the Board of Supervisors must approve a tax rate and adopt a budget for informative and planning purposes no later than the beginning of the fiscal year (July 1). Following extensive review, deliberation and public hearings to receive input from County residents, the Board of Supervisors formally approves the Adopted Budget Plan typically in late April in order to satisfy the requirement that the Board of Supervisors approve a transfer to the Fairfax County School Board by May 1, or within 30 days of receiving state revenue estimates from the state, whichever is later. The transfer amount has traditionally been included in the Board's Adopted Budget, requiring that the Board adopt the budget on or before May 1, not July 1 as the Code allows.

The Fairfax County Budget Plan (Advertised and Adopted) is presented in several volumes. A brief description of each document is summarized below:

The Citizen's Guide for the Advertised Budget includes a summary of the key facts, figures and highlights of the budget.

The Budget Overview summarizes the budget, thereby allowing a complete examination of the budget through this document. The Overview contains the County Executive's message to the Board of Supervisors; budget highlights; a summary of the County's fiscal condition, allocation of resources, and financial history; and projections of future revenues and expenditure requirements. Also included is information on the County's taxes and fees; fiscal, demographic and economic trends; direct spending by County departments; transfers to other public organizations, such as the Fairfax County Public Schools and Metro; and funded construction projects.

Volume 1 – General Fund details the budgets for County departments and agencies funded from general tax revenue such as real estate and personal property taxes. Included are summary budget schedules and tables organized by accounting classification and program area summaries. Detailed budget information is presented by program area and by department/agency. Also included are organizational charts, strategic issues, goals, objectives and performance indicators for each department/agency.

Volume 2 – Capital Construction and Other Operating Funds details budgets for County departments, agencies, construction projects and programs funded from non-General Fund revenue sources, or from a mix of General Fund and non-General Fund sources, such as federal or state grants, proceeds from the sale of bonds, user fees and special tax districts. Included are detailed budget schedules and tables organized by accounting classification, as well as budget summaries by fund group. This volume also details information associated with Fairfax County funding for Contributory Agencies.

Capital Improvement Program – The County also prepares and publishes a 5-year Capital Improvement Program (CIP) – separate from the budget – which is also adopted by the Board of Supervisors and published as a separate document. The CIP specifies capital improvements and construction projects which are scheduled for funding over the next five years in order to maintain or enhance the County's

How to Read the Budget

capital assets and delivery of services. In addition, the CIP also describes financing instruments or mechanisms for those projects. Financial resources used to meet priority needs as established by the CIP are accounted for in the Capital Project Funds. The primary type of operating expenditure included in the budget relating to the CIP is funding to cover debt service payments for general obligation bonds or other types of debt required to fund specific CIP projects. In addition, the cost of opening and operating new facilities is closely linked to the CIP.

To view information on Fairfax County's budget and budget process on the web, go to <http://www.fairfaxcounty.gov/budget>

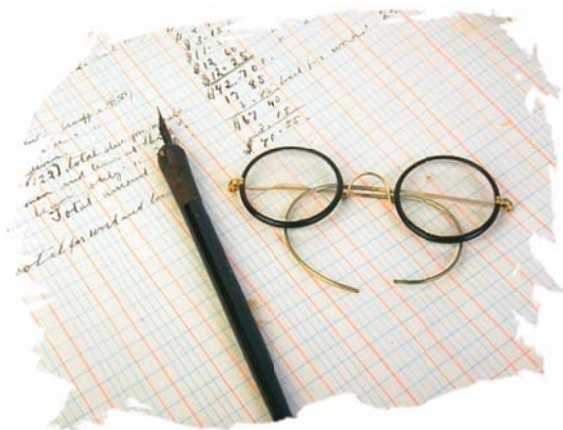
BASIS OF ACCOUNTING AND BUDGETING

A budget is a formal document that enables the County to plan for the future, measure the performance of County services, and help the public to understand where revenues come from and how they are spent on County services. The budget reflects the estimated costs of operation for the County's programs, services and activities. The budget serves many purposes and addresses different needs depending on the "audience" including, County residents, federal and state regulatory authorities, elected officials, other local governments, taxpayers or County staff.

The budget must comply with the Code of Virginia and regulatory requirements. Fairfax County is required to undergo an annual financial audit by independent auditors. Thus, the budget outlines the required information to serve legal and financial reporting requirements. The budget is prepared and organized within a defined basis of budgeting and financial structure to meet regulatory and managerial reporting categories of expenditures and revenues. The Commonwealth of Virginia requires that the County budget be based on fund accounting, which is a system that matches the sources of revenue (such as taxes or service fees) with the uses (program costs) of that revenue. Therefore, the County budgets and accounts for its revenues and expenditures in various funds. Financially, the County budget is comprised of three primary fund types: Governmental Funds (General Fund, Debt Service Fund, Special Revenue Funds and Capital Project Funds), Proprietary Funds (Enterprise Funds and Internal Service Funds), and Fiduciary Funds (Trust Funds and Agency Funds).

Accounting Basis

The County's governmental functions and accounting system are organized and controlled on a fund basis. Each fund is considered a separate accounting entity, with operations accounted for in a separate set of self-balancing accounts that comprise assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate.



Governmental and agency funds are accounted for on a modified accrual basis of accounting. Revenue is considered available and recorded if it is collectible within the current period or within 45 days thereafter, to be used to pay liabilities of the current period. Expenditures are generally recorded when the related fund liability is incurred, with the exception of certain liabilities recorded in the General Long-Term Obligations Account Group.

Proprietary, pension and non-expendable trust funds utilize the full accrual basis of accounting which requires that revenues be recognized in the period in

How to Read the Budget

which service is given and that expenses be recorded in the period in which the benefit is received. A description of the fund types is provided:

- ◆ **General Fund Group:** The largest fund in the General Fund Group, the General Fund, is the County's primary operating fund, and it is used to account for all revenue sources and expenditures which are not required to be accounted for in other funds. Revenues are derived primarily from real estate and personal property taxes as well as other local taxes, federal and state distributions, license and permit fees, charges for services, and interest from investments. A significant portion of General Fund revenues are transferred to other funds to finance the operations of the County's public schools, Community Services Board (CSB), and debt service, among others. The General Fund group also includes funds which are primarily funded through transfers from the General Fund.
- ◆ **Debt Service Funds:** The debt service funds are used to account for the accumulation of resources for, and the payment of, the general obligation debt service of the County and for the debt service of the lease revenue bonds and special assessment debt. Included in this fund type is the School Debt Service Fund as the County is responsible for servicing the general obligation debt it has issued on behalf of Fairfax County Public Schools (FCPS).
- ◆ **Capital Project Funds:** These funds are used to account for financial resources to be used for the acquisition or construction of any major capital facilities (other than those financed by Proprietary Funds), and are used to account for financial resources used for all general construction projects other than enterprise fund construction. The Capital Project Funds account for all current construction projects, including improvements to and the construction of schools, roads and various other projects.
- ◆ **Special Revenue Funds:** These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.
- ◆ **Proprietary Funds:** These funds account for County activities, which operate similarly to private sector businesses. Consequently, these funds measure net income, financial position, and changes in financial position. The two primary types of Proprietary Funds are Internal Service Funds and Enterprise Funds. Internal Service Funds are used to account for the provision of general liability, malpractice, and workers' compensation insurance, health insurance for County employees and retirees, vehicle services, the County's print shop operations, and technology infrastructure support that are provided to County departments or agencies on an allocated cost recovery basis. The Fairfax County Integrated Sewer System reflects the only enterprise funds of the County. These funds are used to account for the financing, construction, and operations of the countywide sewer system.
- ◆ **Fiduciary Funds:** These funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds or in a trustee capacity. Agency Funds are used to account for monies received, held, and disbursed on behalf of developers, welfare recipients, the Commonwealth of Virginia, the recipients of certain bond proceeds, and certain other local governments. Also included in Fiduciary Funds are Trust Funds, which include the funds used to account for the assets held in trust by the County for the employees and beneficiaries of its defined pension plans – the Employees' Retirement System, the Police Officers Retirement System, and the Uniformed Retirement System, as well as assets held to meet the County's Other Post-Employment Benefit obligations.

How to Read the Budget

Accounting Standards

During FY 2014, the County continues to use the Governmental Accounting Standards Board's (GASB) Statement Number 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, financial reporting model, otherwise known as GASB 34. These standards changed the entire reporting process for local governments, as they require new entity-wide financial statements, in addition to current fund statements and other additional reports such as management discussion and analysis. Infrastructure values are now reported, and various changes in accounting have been implemented.

It should be noted that, beginning in FY 2008, the County's financial statements were required to implement GASB Statement Number 45 for post employment benefits including health care, life insurance, and other non-retirement benefits offered to retirees. This standard addresses how local governments account for and report their costs related to post-employment healthcare and other non-pension benefits, such as the County's retiree health benefit subsidy.

The County's basis of budgeting is consistent with generally accepted accounting principles.

Historically, the County's subsidy was funded on a pay-as-you-go basis. GASB 45 required that the County accrue the cost of these post-employment benefits during the period of employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension/retirement benefits. The County decided to follow guidance provided by GASB 45 and established a trust fund as part of the FY 2008 Adopted Budget Plan to pre-fund the cost of post-employment healthcare and other non-pension benefits. For further details please refer to the Fund 603, OPEB Trust Fund, narrative in Volume 2.

Budgetary Basis

Annual budgets spanning the fiscal year (July 1 – June 30) are prepared on an accounting basis, with certain exceptions. Please refer to the table in the Financial Structure portion of this section for information regarding the purpose of various types of funds, supporting revenues and budgeting and accounting bases.

The budget is controlled at certain legal and managerial/administrative levels. The Code of Virginia requires that the County adopt a balanced budget. The adopted Supplemental Appropriation Resolution places legal restrictions on expenditures at the agency or fund level. Managerial budgetary control is maintained and controlled at the fund, department and character (i.e., Personnel Services, Operating Expenses, Capital Equipment, and Recovered Costs) or project level. Personnel Services include regular pay, fringe benefits and extra compensation. Operating Expenses are the day-to-day costs involved in the administration of an agency. Capital Equipment reflects items that have a value of more than \$5,000 and an expected life of more than one year, and Recovered Costs are reimbursements from other County agencies for specific services that have been provided.

There are also two built-in provisions for amending the adopted budget -- the *Carryover Review* and the *Third Quarter Review*. During the fiscal year, quarterly budget reviews are the primary mechanism for revising appropriations. The budget for any fund, agency, program grant, or project can be increased or decreased by formal Board of Supervisors action (budget and appropriation resolution). According to the Code of Virginia any budget amendment which involves a dollar amount exceeding one percent of total expenditures from that which was originally approved may not be enacted without the County first advertising the amendment and without conducting a public hearing. The advertisement must be

How to Read the Budget

published at least once in a newspaper with general County circulation at least 7 days prior to the public hearing. It should be noted that, any amendment greater than 1.0 percent of expenditures requires that the Board advertise a synopsis of the proposed changes. After obtaining input from residents at the public hearing, the Board of Supervisors may then amend the budget by formal action.

Carryover Review represents the analysis of balances remaining from the prior year and provision for the appropriation of funds to cover the prior year's legal obligations (encumbered items) in the new fiscal year without loss of continuity in processing payments. *Carryover* extends the prior year funding for the purchase of specific items previously approved in the budget process, but for which procurement could not be obtained for various reasons. All agencies and funds are reviewed during the *Carryover Review* and adjustments are made to the budget as approved by the Board of Supervisors.

All annual appropriations lapse at the end of the fiscal year. Under the County's budgetary process, outstanding encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities since the commitments will be reappropriated and honored the subsequent fiscal year.

In addition, the County's Department of Management and Budget is authorized to transfer budgeted amounts between characters, grant or projects within any agency or fund. The budget process is controlled at the character or project level by an appropriations system within the automated financial accounting system. Purchase orders are encumbered prior to release to vendors, and those that exceed character level appropriations are not released until additional appropriations are available.

DEPARTMENTS AND PROGRAM AREAS

The County's departments and program areas are easiest to understand if compared to a filing cabinet. Each drawer of the filing cabinet is a separate fund type/fund, such as Special Revenue, and within each drawer or fund there are many file folders which represent County agencies, departments or funds. County organizations in the General Fund are called agencies or departments, while organizations in the other funds are called funds. For example, the Health Department, which is a General Fund agency, is one agency or folder in the General Fund drawer.

For reporting purposes, all agencies and departments in the General Fund are grouped into "program areas." A program area is a grouping of County agencies or departments with related countywide goals. Under each program area, individual agencies and departments participate in activities to support the program area goals. The Public Safety Program Area, for example, includes the Police Department and the Fire and Rescue Department, among others.

While most of the information in the budget is focused on an agency or fund, there are several summary schedules that combine different sources of information such as General Fund receipts and expenditures, County position schedules and other summary schedules.



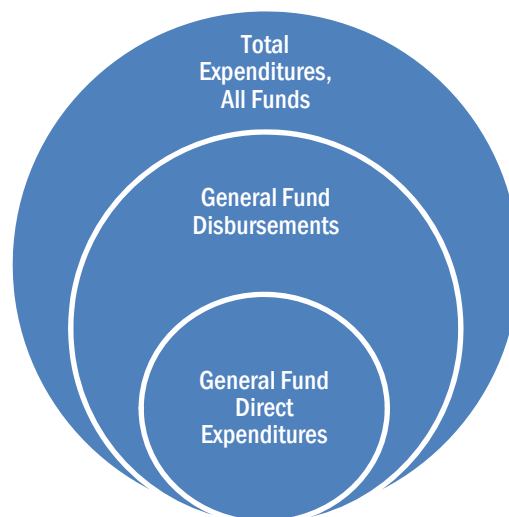
How to Read the Budget

COUNTY EXPENDITURES AND REVENUES

County Expenditures

Expenditures for Fairfax County services and programs can be categorized as three concentric circles. Each circle encompasses the funds inside it:

- ◆ In the smallest circle are the General Fund Direct Expenditures that support the day-to-day operations of most County agencies.
- ◆ The second largest circle is General Fund Disbursements. This circle includes General Fund Direct Expenditures as well as General Fund transfers to other funds, such as the Fairfax County Public Schools, Metro transportation system, and the County's debt service. The transfer of funding to the County Public Schools, including debt service, accounts for 52.6 percent of the County's disbursements in FY 2014.
- ◆ The largest circle is Total Expenditures. It represents expenditures from all appropriated funds.



County Revenues

The General Fund portion of Total Revenues consists of several major components, the two largest being Real Estate Tax revenues and Personal Property Tax revenues. In FY 2014, these categories are estimated to account for 62.4 percent and 15.3 percent of the total General Fund revenues, respectively. Please note that a portion of the Personal Property Taxes is paid to the County by the state. These funds are included in the aforementioned Personal Property Tax total, rather than in Revenue from the Commonwealth. Local Taxes, which include Local Sales Tax receipts, Consumer Utility Taxes, and Business Professional and Occupational License Taxes, comprise approximately 14.7 percent of General Fund revenues in FY 2014. The remaining revenue categories, including Revenue from the Federal Government, Fines and Forfeitures, Revenue from the Use of Money and Property, Revenue from the Commonwealth, Recovered Costs, Charges for Services, and Permits, Fees and Regulatory Licenses make up 7.6 percent of the total.

Total Revenues consist of all revenues received by all appropriated funds in the County. Total Revenues include all General Fund revenues, as well as sewer bond revenue, refuse collection and disposal fees, and revenue from the sale of bonds.

How to Read the Budget

FINANCIAL STRUCTURE

<u>Fund/Fund Type Title</u>	<u>Purpose</u>	<u>Revenue</u>	<u>Budgeting Basis</u>	<u>Accounting Basis</u>
GOVERNMENTAL FUNDS				
General Fund (Volume 1)	Accounts for the cost of general County government.	Primarily from general property taxes, other local taxes, revenue from the use of money and property, license and permit fees, and state shared taxes.	Modified Accrual, donated food not included, only lease payment due in FY included	Modified Accrual
General Fund Group: (Volume 2)	Account for the County's Revenue Stabilization Reserve, awards provided to community organizations through the Consolidated Community Funding Pool, contributions to County organizations through the Contributory Fund, and County Information Technology projects.	General Fund transfers, transfers from other County funds, and interest earnings.	Modified Accrual, donated food not included, only lease payment due in FY included	Modified Accrual
Debt Service Funds (Volume 2)	Account for the accumulation of resources for and the payments of general obligation bond principal, interest and related expenses.	General Fund transfers and special assessment bond principal and interest from special assessment levies.	Modified Accrual, donated food not included, only lease payment due in FY included	Modified Accrual
Capital Project Funds (Volume 2)	Account for financial resources used for all general County and School construction projects other than Enterprise Fund construction.	General Fund transfers, bond proceeds revenue from the real estate penny, and miscellaneous contributions.	Modified Accrual, donated food not included, only lease payment due in FY included	Modified Accrual
Special Revenue Funds (Volume 2)	Account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.	A variety of sources including fees for service, General Fund transfers, federal and state grant funding, cable franchise fees, and special assessments.	Modified Accrual, donated food not included, only lease payment due in FY included	Modified Accrual
PROPRIETARY FUNDS				
Internal Service Funds (Volume 2)	Account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units on a reimbursement basis.	Reimbursement via various inter-governmental payments, including the General Fund, for services and goods provided.	Accrual, depreciation expenses not included	Accrual
Enterprise Funds (Wastewater Management Program) (Volume 2)	Account for operations financed and operated in a manner similar to the private sector. The County utilizes Enterprise Funds for the Wastewater Management Program, which provides construction, maintenance, and operation of the countywide sewer system.	User charges to existing customers for continuing sewer service and availability fees charged to new customers for initial access to the system.	Accrual, depreciation expenses not included	Accrual
FIDUCIARY FUNDS				
Agency Funds (Volume 2)	Agency funds are custodial in nature and are maintained to account for funds received and disbursed by the County for various governmental agencies and other organizations.	Various inter-governmental payments, including the General Fund, and contributions by participants.	Modified Accrual	Modified Accrual
Trust Funds (Volume 2)	Account for assets held by the County in a trustee or agency capacity. Trust funds are usually established by a formal trust agreement.	Various inter-governmental payments, including the General Fund, and contributions by participants.	Accrual	Accrual

How to Read the Budget

ADDITIONAL BUDGET RESOURCES

In addition to the availability online of all of the County's published budget volumes, additional budgetary information including quarterly reviews, budget calendars, economic data, and historical files is available on the Department of Management and Budget's website at www.fairfaxcounty.gov/dmb/. The department has focused resources on expanding public access to essential information at all stages of the budget formulation process in order to afford residents a better understanding of their County government, the services it offers, and the role they can play. On the site, residents can access a County Budget Primer, whereby they can look up budget terms and find answers to common budget questions. Each fall, visitors to the site can provide their feedback on the budget or submit their own cost-cutting ideas. These ideas are compiled and presented to the County Executive and the Board of Supervisors for their use during budget deliberations. On each page, residents can also provide feedback on the website itself and offer suggestions of what additional information might be helpful to them in understanding the County's budget.

Transparency Initiative

Throughout FY 2013, County staff, including representatives from the Department of Management and Budget, Department of Information Technology, and Department of Finance, has worked closely with staff from Fairfax County Public Schools (FCPS) on a countywide transparency initiative. Once completed in spring 2013, residents will be able to visit www.fairfaxcounty.gov/transparency/ to view amounts paid to County vendors. Visitors will also be able to view budgetary data and actual expenditures by Fund or General Fund agency each month. The Fairfax County Public Schools will have their own website whereby residents will be able to view data specific to FCPS funds, departments, and schools. Used in collaboration with information already available to residents, such as the County's budget and the Comprehensive Annual Financial Report, the transparency initiative will provide residents with an additional tool to learn more about the County's overall finances or focus on specific areas of interest.

Budget Process

THE BUDGET CYCLE

The budget has several major purposes. It converts the County's long-range plans and policies into services and programs; serves as a vehicle to communicate these plans to the public; details the costs of County services and programs; and outlines the revenues (taxes and fees) that support the County's services, including the rate of taxation for the coming fiscal year. Once the budget has been adopted by the Board of Supervisors, it becomes a work plan of objectives to be accomplished during the next fiscal year.

The annual Fairfax County budget process is an ongoing cyclical process simultaneously looking at two fiscal years (current and future). The budget year officially starts on July 1; however, the budget process itself is a continuum which involves both the current year budget and the next fiscal year's budget. Changes to the current year budget are made at the Third Quarter and Carryover Reviews. The Carryover Review closes out the previous year in addition to revising the expenditure level for the current year. These changes must be approved by the Board of Supervisors. During the fiscal year, quarterly reviews of revenue and expenditures are undertaken by the Department of Management and Budget, and any necessary adjustments are made to the budget. On the basis of these reviews, the Board of Supervisors revises appropriations. Public hearings are held prior to Board action when potential appropriation increases are greater than 1.0 percent expenditure. Citizen involvement and understanding of the budget are a key part of the review process. The County received online comments and suggestions for cost-cutting measures regarding the FY 2014 budget between October 2012 and December 2012. The County Executive presented the FY 2014 Advertised Budget Plan (including the FY 2014 – FY 2015 Multi-Year Budget) on February 26, 2013. Public hearings for the County Executive's FY 2014 Advertised Budget Plan and the FY 2014 - FY 2018 Capital Improvement Program (CIP) will be held on April 9, 10, 11, 2013 at the Government Center. The mark-up of the FY 2014 budget will be held on Tuesday, April 23, 2013, and the Board of Supervisors will formally adopt the FY 2014 Adopted Budget Plan on Tuesday, April 30, 2013.

FY 2014-FY 2015 Budget Process

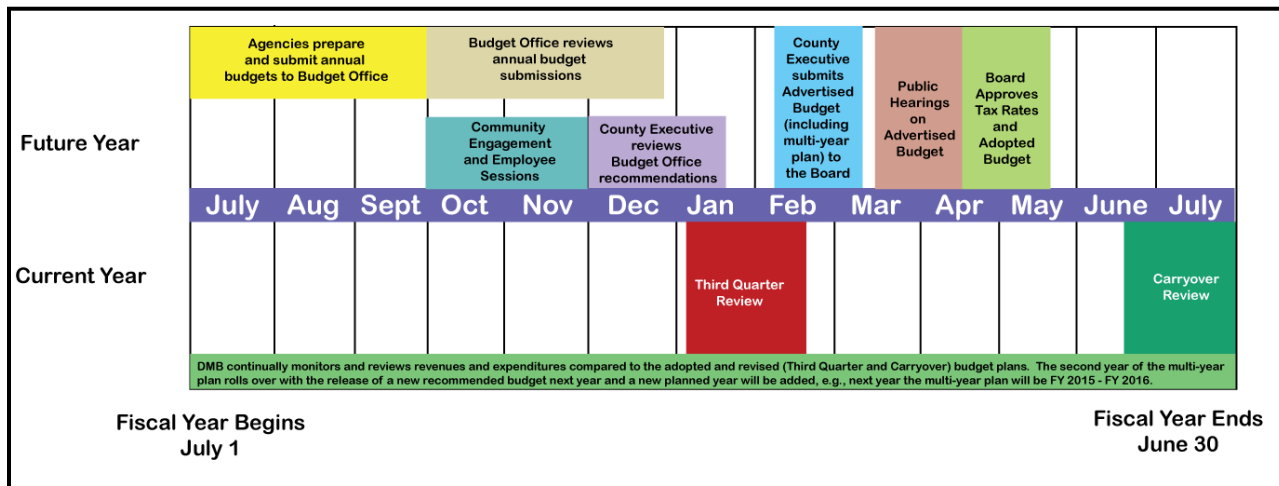


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County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

February 26, 2013

Honorable Board of Supervisors
County of Fairfax
Fairfax, Virginia

Chairman and Board Members:

I am pleased to present my first budget to the Board of Supervisors as County Executive. This budget has provided me the opportunity to put in place a longer-term focus and planning perspective to frame the important financial and programmatic choices facing the Board of Supervisors over the next several years. This longer-term emphasis will spotlight key decision points regarding the level of services and resources necessary to maintain and enhance the quality of County services, how the County will support growth and economic development opportunities, and the process and programming for employee compensation. The budget proposal for FY 2014 and FY 2015 is presented herein for Board consideration. For the first time ever, the Board will review and adopt the proposed budget for FY 2014, while at the same time setting specific spending and resource parameters around the FY 2015 budget strategy. I believe this multi-year approach to budgeting will give the Board, County agencies, and the public expanded information about how County services will be provided and will better manage expectations. There will be much discussion of specific items which are included, as well as those which are excluded. However, as we begin our work on the FY 2014 and FY 2015 budget plans, it is essential that we continue to focus on what has led us to this point and on some key topics that we need to consider as we work through what is proving to be yet another challenging budget process.

THE CONTEXT OF FY 2014 AND FY 2015 BUDGET DEVELOPMENT

Last year, as the FY 2013 budget was developed, the economy was slowly improving. Residential real estate assessments were up 0.71 percent and the County experienced a strong commercial assessment upswing of 8.21 percent. There was optimism that the federal tax cuts would be addressed and that federal budget issues would be resolved. The FY 2013 budget included a more normal compensation increase package for employees, the first in several years, and allowed for the continuation of most County programs. There were some areas for concern even during the adoption of this FY 2013 budget. The FY 2013 budget required the use of approximately \$61 million of one-time funds which need to be replaced for FY 2014 to avoid a significant, ongoing structural budget problem. In addition, the Board was notified of a significant funding shortfall for the Fairfax-Falls Church Community Services Board in FY 2012 and a projected shortfall for FY 2013 that would need to be addressed. The Board addressed

County Executive Summary

this shortfall with funding as part of the *FY 2012 Carryover Review* and approved a process to work through funding and service issues driving this shortfall. At year-end, the Board also reserved funding to begin addressing potential sequestration reductions directly impacting County government and established a reserve for likely tax appeals. I think it is important to note that balances available at year-end were extremely small for a budget of our size. I am concerned that our revenue estimates are within one percent of actual revenues and our spending estimates are very closely in line with actual expenditures. This leaves the County very little flexibility to deal with costs associated with unforeseen circumstances including weather emergencies. It will be my recommendation that funding available at the end of FY 2013 be held or targeted to address one-time requirements or unforeseen events. An example of these requirements is the need for additional generator capability at County facilities or to keep streetlights operational at affected intersections, the need for which was made very apparent during the long period of power outages following the Derecho and Hurricane Sandy.

As we begin our work on the FY 2014 budget, the economy is showing extremely slow growth. The federal budget showdown continues. Although it avoided the fiscal cliff, Congress must still deal with the debt ceiling, the federal budget deficit and sequestration. The impact of sequestration is potentially significant and perhaps more importantly, largely unknown. The uncertainty regarding federal budget actions clearly impacts our economy. Our residential real estate market continues to improve, and at a more healthy rate of 3.50 percent, but commercial assessments are only up 0.14 percent. This is a very sharp drop from the level last year and points to concern in the business community about the impact of sequestration since commercial values are reliant on vacancy lease rates. Commercial expansion is not likely until the sequestration impacts are clearer. The results of this uncertainty are likely to keep real estate tax growth down in the near term.

I am proud of how the County has responded to the economic downturn and the very slow growth occurring since the Great Recession. You have heard me say many times that “we’ve turned over every rock.” In saying that I mean:

- Between FY 2009 and FY 2013, General Fund Disbursements have increased 5.5 percent, or only about 1.4 percent annually.
- Total Disbursements decreased in both FY 2010 and FY 2011.
- From FY 2010 through FY 2013, agency budgets were cut over \$150 million through targeted reductions, eliminating over 500 County positions.
- Compensation increases were eliminated in both FY 2010 and FY 2011, and curtailed in FY 2012.

County Executive Summary

- Personnel Services budgets have been reduced across-the-board:
 - General Fund agencies are expected to manage Personnel budgets assuming a turnover rate of over 8 percent, more than double the budgeted turnover rate of 3.4 percent in FY 2007 and not reflective of actual turnover.
- Targeted fee and revenue increases have been required.

Despite the difficult decisions that we have already made, budget challenges continue. The County is in the midst of a multi-year, cyclical economic downturn and the primary budget challenge will be to develop a budget with an appropriate level of services that are affordable, sustainable and acceptable to the community. The combination of anemic revenue growth and increasing requirements for services means that the County faces projected budget shortfalls in both FY 2014 and FY 2015. The demand for services has also been impacted with more residents requiring assistance while options for helping them are becoming more limited. One primary means of addressing this budget gap is through service reductions. However, we are seeking to identify which potential reductions are acceptable and unacceptable to the community, and then determining if there are other means, such as revenue/fee increases, to balance the budget.

CONSIDERATIONS IN THE DEVELOPMENT OF THE BUDGET ACTION PLAN

The FY 2014 budget proposal and the FY 2015 plan have been formulated together in order to provide the Board of Supervisors a longer term budgeting horizon and to facilitate decisions on the quality and quantity of County services and revenues. In reviewing funding options, I have proposed an action plan that encompasses both years to provide stability and effective planning. The action plan depends on clear, decisive action which recognizes key aspects of Fairfax County, our economic base, our quality of life, and the future pressures and requirements facing County government. To be effective, the plan must protect the County's strengths and investments, be flexible, and continue to engage our residents in discussion about short- and long-term options.

THE BUDGET ACTION PLAN MUST PROTECT OUR STRENGTHS

Since being appointed County Executive, I have had the pleasure of meeting with community and business organizations, individual citizens, and County employees, all with a common message of the vital importance of preserving and enhancing the services and programs that make Fairfax County a great place to live, work and play. Our residents and businesses are attracted to and remain in Fairfax County because of, using an Economic Development Authority phrase, our Product! The Product we offer includes: an outstanding school system; a robust workforce essential in attracting and retaining our businesses; a very safe community due to our outstanding public safety

County Executive Summary

workforce; a community that is environmentally conscious; a safety net to catch those most in need; great amenities such as libraries and parks; a strong financially managed County; and outstanding leadership by the Board of Supervisors in charting the proper balance among our many competing demands. Therefore, the budget strategy for FY 2014 and FY 2015 must continue to protect those things that make our community strong and extraordinary. Our services are of highest quality because of those who deliver them - County employees. The budget action plan must include strategies to support our workforce including a fair and competitive compensation plan.

For the most part, despite reductions made to balance the budget in recent years, the impact on the County's core programs has been minimized. Based on many conversations, my conclusion is that as a community we are comfortable with our current service levels and do not want to see drastic changes. I rely on more than 35 years of local government experience in concluding that the County has downsized our services and programs effectively and efficiently and that further reductions, unless accompanied by a will to eliminate services all together, is undesired. Therefore, the budget action plan for FY 2014 and FY 2015 will include surgical rather than across the board cuts and continued emphasis on efficiencies and better ways of doing business. In addition, the plan will include a review of revenue opportunities to address funding gaps.

THE BUDGET ACTION PLAN MUST BE FLEXIBLE

In our current fiscal environment it is essential to vigilantly monitor the economy and its impact on County revenue and service requirements, as well as insure that adequate funding flexibility exists to address budgetary unknowns. Among the unknowns, the federal budget deficit and associated possibility of sequestration is foremost, but there are also funding implications of State budget issues and the more regular possibilities of bad weather events or other unknown threats. Another unknown is potential tax litigation and appeals. Like the County, our residents and businesses are very carefully reviewing any possibility for reducing costs, including the taxes they pay, or have recently paid. It is also very challenging, for example, to perform assessments, especially in the commercial arena, when we are beginning to shift from a period of decline to a period of increase. The swings in commercial values (from a decline of 18.29 percent in FY 2011, to the strong increase of 8.21 percent in FY 2013, down to nearly flat growth in FY 2014) illustrates this point. As a result we have conservatively estimated revenues in a number of key categories and reduced delinquent tax collection estimates in anticipation of higher than normal appeals.

County Executive Summary

THE BUDGET ACTION PLAN MUST INCLUDE NECESSARY INVESTMENTS AND TAKE ADVANTAGE OF OPPORTUNITIES

It is essential to ensure that the County continues to make the necessary investments to maintain our Product, even during times of fiscal challenges. For example, transportation requirements are a key to keeping the economy of the County moving forward. There has been significant discussion about both our transportation needs as well as the options for addressing them – and there is widespread agreement that we need to make those investments.

In some other areas we also need to take the lead and, in fact, have the responsibility to ensure that we are positioning the County to continue to ride out the downturn. Among the least glamorous but critical elements of this investment is maintaining the infrastructure that we already have. In addition, we need to look forward and comprehensively identify what infrastructure and facility gaps exist. To that end I am proposing revamping the Capital Improvement Program planning process. The need to plan, explore, and review our long-term capital and bond needs is critical to continued high quality services. We should never build or renovate a facility if we cannot adequately staff and maintain that facility.

In addition to the challenges that face us, we are in a period of great opportunity. Development and redevelopment in certain areas of the County will boost the local economy and tax base. Planning for these opportunities and being eventually prepared to take advantage of them when ready will serve to boost our Product. Some examples of these opportunities include:

- Silver Line Phase I Opening
- Silver Line Phase II to Reston and Dulles
- Tysons Redevelopment
- Mosaic Development
- BRAC Opportunities
- Springfield Mall Redevelopment
- Laurel Hill Adaptive Reuse

Finally, maintaining the investment in our workforce, our most valued asset, is also essential in meeting the requirements of the community. We were able to fund limited pay increases in FY 2012 and a more normal compensation package in FY 2013, after eliminating them in FY 2010 and FY 2011, but I am unable to do so in FY 2014. I have laid out a new initiative to focus on our employees in terms of evaluation and development, succession planning, and developing a fair compensation model that is affordable in the current environment and which continues to make us competitive as an employer.

County Executive Summary

THE BUDGET ACTION PLAN MUST CONTINUE TO ENGAGE THE COMMUNITY

In Fairfax County, we are fortunate to have an extremely informed and involved community. We engage the community in the budget discussion at various points and they respond. We meet with community groups, attend town meetings hosted by Board members, and provide opportunities for online comments.

I specifically requested input from community and business organizations, as well as employee groups, last fall to help me as I prepared this budget. I communicated with organizations like the Fairfax Chamber of Commerce, the League of Women Voters, the Federation of Citizen's Associations, the Taxpayers Alliance and the various employee groups. I sent emails to homeowners groups and all individual employees. The comments and ideas from these communications served to reinforce the strategies in the budget plan and identified areas for improved efficiency.

During the budget community meetings this Fall, community representatives were asked about service priorities. The Board of Supervisors' 8 County priorities of a Quality Educational System; Safe Street and Neighborhoods; Clean Sustainable Environment; Livable, Caring and Affordable Communities; Vibrant Economy; Efficient Transportation Network; Recreational and Cultural Opportunities; and Affordable Taxes were used as the basis of an exercise to have attendees think and talk about the County's most important service and budget concerns. As a result, I think it is fair to say that the Board "got it right." Those services and characteristics of Fairfax County continue to be those most highly regarded by meeting participants and community groups.

Before we discuss what I have included in the FY 2014 budget and planned for in FY 2015, I also want to provide context on the economy and the continued looming uncertainty of the budget debt ceiling debate and federal budget/deficit worries.

ECONOMIC OVERVIEW AND THE FEDERAL BUDGET

While the U.S economy continued to improve throughout 2012 it slowed down by the end of the year. The Gross Domestic Product (GDP) fell slightly in the fourth quarter of 2012 for the first time in more than three years mainly due to a sharp fall in government spending. Defense spending plummeted 22 percent, the largest drop on record in forty years. However, the mainstays of the domestic private economy - housing, consumer spending and business investment in equipment and software - were stronger, which suggests that the economy will continue to grow, albeit slowly, during 2013.

On the federal budget front, some progress was made, but there remain many unanswered questions concerning the federal budget and its impact on the County. To date, the agreement reached only deals substantively with the tax side of the fiscal cliff, while delaying negotiations

County Executive Summary

on the automatic sequestration. The deal does not address permanently raising the debt ceiling limit or resolving the federal budget. In January, Congress voted to extend the debt ceiling until May. The short-term extension of the \$16.4 trillion debt ceiling kept the United States from defaulting on its legal obligations and bought a bit more time for budget negotiations. In the meantime, federal agencies will not lay off employees, but are more likely to leave positions unfilled and to hold off on issuing new contracts until an agreement on sequestration and the debt ceiling is reached.

The key components of the legislation that passed both the House and Senate in January included changes to the social security payroll tax which revert the rate back to its previous 6.2 percent level, permanent extension of the lower and middle income tax brackets at current levels, preserving the Bush tax cuts for taxable income up to \$400,000 for individuals and \$450,000 for couples and an increase in the marginal tax rate and capital gains taxes for higher earners, an extension of federal unemployment insurance, and a five-year extension of the Earned Income Tax Credit, the Child Tax Credit, and the American Opportunity Tax Credit. Unfortunately, Congressional action only delayed the start of the sequestration cuts by two months, until March 1.

County Economy

County revenue is expected to increase a moderate 2.8 percent in FY 2014 and 2.9 percent in FY 2015. While the unemployment rate in Fairfax County continues to be one of the lowest in the state at 3.7 percent as of December 2012 and the residential housing market has stabilized, the biggest issue now facing Fairfax County as a direct result of the federal budget issue is sequestration. The uncertainty about sequestration puts Fairfax in a particularly vulnerable economic situation. The automatic budget reductions are estimated to cut cities and counties deeply by slashing state and local education investment by 36 percent, cutting investment in housing and community development by 28 percent, taking 18 percent from spending on health and the environment, and reducing public safety and disaster response investment by 5 percent. The good news is that Fairfax County's General Fund only receives about 1 percent of its budget from the federal government and our revenue stream is fairly resilient. The bad news is that residents and businesses within the County will also be impacted, which, in turn, will impact growth and substantial recovery in the real estate market, consumer consumption and business expansion. Contraction or even no growth in these components of the County's economy will negatively impact real estate, personal property, sales, and Business, Professional and Occupational License (BPOL) tax revenues.

Clearly the presence of federal employment and federal contracting in Fairfax County is important to the local economy. Federal employment makes up nearly 10 percent of all personal earnings in Fairfax County, with over 20,000 jobs in the County due to federal civilian employment alone. Federal procurement contract awards in Fairfax totaled nearly \$25 billion in 2010 and represent a large share of the County's economy. Federal sequestration action will likely impact employment in the federal sector and diminish overall job growth.

County Executive Summary

The effects of the uncertain political landscape and the possibility of sequestration were already felt in the County's commercial office market, which was stagnant in 2012. At year-end 2012, the office vacancy rate was at the highest level on record since 1992. The increase in the vacancy rate is attributed to the threat of sequestration, as government contractors consolidated operations throughout the Washington area and retooled operations in order to operate in an economic environment less dependent on government procurement spending. A bright spot in the commercial office market was the increase in new office construction activity. As of year-end 2012, there were 12 buildings totaling more than 2.2 million square feet under construction. More than 69 percent of the new office space under construction is 100 percent speculative development. This interest in speculative development reflects confidence in the stability of the Fairfax County office market, despite pending sequestration action. The primary factor driving much of the new development is the construction of the Metrorail Silver Line along the Dulles Toll Road corridor.

THE COUNTY'S BOND RATING

Finally, the issues surrounding the federal budget and debt concerns may also impact our AAA bond rating from the rating agencies. In the case of Moody's Investors Service, the County's bonds were put on "negative watch" last year as a result of a new indirect linkage to the federal government based on a perceived reliance on federal expenditures and contracting. Additionally, pending any downgrade of the federal rating, Moody's has been clear that Fairfax and 4 states and 40 other localities "linked" to the federal government would also be downgraded.

County staff and our financial advisors and bond counsel have been in frequent contact with the rating agencies, especially Moody's, to continue to make the case that the County's credit profile remains extremely strong. It is important to remember that the AAA is important to us for the following reasons:

- Provides security to investors, residents and employees that our government is well managed.
- Gives our bonds an unusually high level of marketability and results in the County being able to borrow for needed capital improvements at low interest rates, thus realizing significant savings now and in the future for the residents of Fairfax County.
 - Since 1975, the savings associated with the County having a triple-A bond rating is estimated at \$402.77 million. Including savings from the various refunding sales, the total benefit to the County exceeds \$580.63 million.
 - In addition to the more traditional methods of long-term financing through General Obligation Bonds, the County has been able to accomplish major capital improvements through the use of alternative financing while maintaining the County's fiscal integrity as required by the County's Ten Principles of Sound

County Executive Summary

Financial Management. Accomplishments, such as Metro station parking garages, construction of Route 28, the opening of a commuter rail, and construction of government facilities, have all been attained in addition to a robust general obligation bond construction program. In 2003, the County was able to accelerate the construction of a new high school by three years through the creative use of revenue bonds in connection with the joint development of a senior care facility and a golf course in conjunction with the high school. From 1999 through 2012, the County has approved \$3.12 billion of new debt at referendum, with \$2.06 billion for Schools.

To the credit agencies, County staff has maintained that it is too early to determine any impact of the potential federal reductions. In fact, if history is any indication, sequestration reductions could result in further consolidation of federal spending to this region with the latest example being the current round of BRAC (Base Realignment and Closure). The County has been rated triple-A since the late seventies, long before the presence of the federal government within the County took off. The County has maintained its stability and its triple-A ratings, through many economic cycles and changes (e.g., recession in the 1990's, post September 2001, current downturn, and numerous election cycles). Fairfax's credit strength is derived from multiple factors and the cornerstones of this strength are steadfast despite economic and other factors outside our control. These include:

- Absolute commitment from management and elected officials to fiscal discipline through both the boom and bust cycles
- Robust planning and forecasting procedures and practices that allow the County to stay ahead of external factors (changes in the economy, Governmental Accounting Standards Board (GASB) statements)
- Strong budget monitoring enabling rapid, responsive, mid-course corrections to both revenue and expenditures
- Strong, consistent financial performance and economic stability beyond the federal presence

Staff will continue to work with the rating agencies to present and highlight the County's strength in these areas. However, it is paramount that decisions around the FY 2014 and FY 2015 budget continue to demonstrate a commitment to these fiscal principles. If the County's credit rating is downgraded, our borrowing costs could increase.

In the context of the current economic outlook, I will now discuss the recommendations I have included in the FY 2014 budget and planned for FY 2015.

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FY 2014 BUDGET SUMMARY AND FY 2015 BUDGET PLAN

In November I briefed the Board on the County's fiscal forecast for FY 2014 and FY 2015. At that time, I indicated projected shortfalls of \$169 million for FY 2014 and \$274 million in FY 2015. These shortfalls were based on assumptions of moderate revenue growth, the need to address the one-time funding included in the FY 2013 budget, and a disbursement base fully inclusive of compensation adjustments and a 5 percent increase for schools. Today I am presenting a balanced FY 2014 budget and a plan for FY 2015 with a smaller, more manageable projected shortfall. In summary, the FY 2014 budget:

Includes Revenue and Transfers In increases totaling\$101.3 million
Net new resources of \$60.0 million and \$41.3 million from proposed tax rate increase

Fills most of the structural imbalance left from FY 2013..... (\$49.4) million
(Was \$61 million)

Dedicates 80 percent of net available funding to Schools (\$41.3) million

Funds the net change for all other County requirements..... (\$8.2) million
(Including managed reserve adjustments)

Results in a balance for Board consideration.....\$2.4 million

As a result of these recommendations for tax rate and spending and the FY 2015 required funding increases including implementation of the STRIVE program, the FY 2015 budget has a projected budget shortfall of \$39.7 million.

Investments-Keeping Our Product Strong

I am presenting a budget recommendation which is responsive to the challenges that I have laid out above, as well as responsible in maintaining the quality of life and array of services to which we are committed. In addition to limited growth in the County's various revenue categories, I am including a tax rate increase of \$0.02 per \$100 of assessed valuation. I am recommending this investment to get us through FY 2014 and FY 2015. This investment will maintain our strong Product and position us for opportunities, hopefully beginning in FY 2016. We have also initiated a review of potential support for the General Fund from funding streams such as Solid Waste and Wastewater, which benefit from services funded by the General Fund. The Board's auditor recommended consideration of an indirect services charge to those funds and programs outside the General Fund which are supported by General Fund resources. By charging these and other funds we will generate a recurring \$5.00 million in FY 2014, essentially reimbursing the General Fund for services provided to non-General fund programs.

In developing this budget I have reduced our reliance on one-time balances in FY 2014. It is important that we rely on recurring revenues for recurring expenditures. We used \$61.10 million in one-time balances in FY 2013 (primarily as a result of balances identified at the *FY 2011 Carryover Review* and the mid-year revenue review) but the FY 2014 budget includes

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one-time funding of \$11.75 million. Thus \$49.35 million has been recommended to address the structural imbalance left from the FY 2013 budget.

I have also included a recommendation to increase the transfer for Fairfax County Public Schools operations by 2 percent, as well as meet the requirements for existing and anticipated School debt service. This increase in operating support essentially funds the cost of increased student membership and changing student demographics. Funding to support the increase to Schools operations and debt service of \$41.3 million essentially equals the increased revenues from the proposed real estate tax increase and represents over 80 percent of the total increase in disbursements.

Limited funding increases associated with organizational obligations, and some important public safety and human services requirements, are included in the FY 2014 budget proposal, offset by program reductions of \$20.52 million. The net increase for County spending requirements is \$8.2 million (including managed reserve adjustments).

The net result of these revenue and spending recommendations is a remaining balance of \$2.41 million for the Board's consideration to address high priority requirements in FY 2014 or to be held in reserve for FY 2015.

Multi-Year Budget Plan

As I noted, my budget and tax rate recommendation for FY 2014 presents a framework to carry the budget through FY 2015. For FY 2015, I anticipate revenue will increase \$103.8 million, or 2.9 percent. Spending projected for FY 2015 is an increase of \$131.2 million and includes new positions and support of our many public safety and human services programs. For Fairfax County Public Schools, the FY 2015 budget proposal includes a 3 percent increase in the County transfer for School operations and the required increase for School debt service to continue to support annual School bond sales of \$155 million. In addition, the multi-year budget recommendation includes a new compensation program recommendation - STRIVE which stands for Sustainable Training, Resources and Incentives for Valued Employees. Although unable to provide funding for compensation increases in FY 2014, I have incorporated STRIVE's new, rational and affordable compensation strategies into the FY 2015 budget plan. As a result of these changes in revenues and disbursements, and the need to cover one-time FY 2014 balances and managed reserve adjustments of \$12.2 million, there is a deficit of \$39.7 million projected for FY 2015. Detailed information about the FY 2015 proposal is included in a new section of the budget (Multi-Year Budget – FY 2014 and FY 2015) which is found in the Overview following this letter.

I think it is important to discuss the budget in multiple years to allow the County to take advantage of opportunities and address challenges that do not limit themselves to a 12-month period. This multi-year budget approach produces a more informed discussion but does not replace the annual budget process as the Board will need to make annual budget appropriation and tax rate decisions. However, the 2-year approach will define the impacts of today's budget

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decision on the future. The \$0.02 increase in the Real Estate Tax rate is necessary but as I will show you in the multi-year budget, it gives us the ability to meet both FY 2014 and FY 2015 requirements. That said, FY 2015 as presented is not in balance, but there is a manageable projected deficit that includes the significant requirements and issues next year. In addition, agencies have started to think about additional reductions options that I will need to consider in the context of protecting our strengths.

FY 2014 BUDGET: ALL FUNDS

As always our focus is on the General Fund and its impact on our residents and businesses, but it is important to recognize that there are other funds through which important services are provided to the community. All Fund Revenues in the FY 2014 Advertised Budget Plan total \$7,017.38 million. This County revenue total is an increase of \$280.51 million or 4.2 percent over the FY 2013 Adopted Budget Plan. On the expenditure side, the FY 2014 Advertised Budget Plan totals \$6,714.82 million. This total County funding is an increase of \$175.88 million or 2.7 percent over the FY 2013 Adopted Budget Plan.

Additional detail concerning non-General Fund revenues, expenditures, and positions is available in the *Financial and Statistical Summary Tables* of the Overview and in Volume 2 of the County Budget.

FY 2014 BUDGET: GENERAL FUND

FY 2014 General Fund Revenue

FY 2014 General Fund revenues are projected to be \$3,570,191,999, an increase of \$96,133,093, or 2.77 percent, over the *FY 2013 Revised Budget Plan*, which contains the latest FY 2013 revenue estimates, and an increase of \$96,366,234, or 2.77 percent, over the FY 2013 Adopted Budget Plan. The net increase is primarily the result of a \$68.4 million increase in revenues due to FY 2014 real estate assessments and minimal growth in other County revenue categories, a decrease of \$13.3 million associated with the reduction of both revenue and expenditures due to state assumption of the state-funded portion of the Child Care Assistance and Referral (CCAR) program, and an increase of \$41.3 million generated by the recommended 2 cent increase in the Real Estate Tax rate from \$1.075 per \$100 of assessed value to \$1.095.

On the County's real estate front, residential home values are continuing to stabilize. The number of homes sold increased in 2012 after decreasing in the previous two years and the average price of homes sold rose. Foreclosures and mortgage delinquencies fell. Overall, residential equalization reflects a 3.50 percent increase in FY 2014, compared to a 0.71 percent increase in FY 2013. Non-residential values remained essentially level with FY 2013, increasing only 0.14 percent in FY 2014, compared to the 8.21 percent rise in FY 2013.

The value of a penny on the Real Estate Tax rate is \$20.65 million in FY 2014. Each penny change in the tax rate equals \$46.57 on a taxpayer's bill. My budget recommendation proposes

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increasing the Real Estate Tax rate to \$1.095 per \$100 of assessed value. At this rate, FY 2014 Real Estate taxes per “typical” household would increase \$262.45 over FY 2013.

How was the FY 2014 General Fund Budget Built?

(in millions)

Available Revenue Increase in FY 2014 over the FY 2013 Adopted Budget Plan

Increase generated by the \$0.02 increase in the real estate tax rate	\$41.31
Increase generated by increases in real estate assessments and all other revenue categories	\$68.38
Reduction in CCAR revenue as a result of state policy change	(\$13.32)
Total Increase in Revenues	\$96.37
Net Impact of Transfers In	\$4.88
Total Available	\$101.25

How Additional Resources Were Spent In FY 2014 (in millions)

Increase in transfer to FCPS for operations and debt service	\$41.27
Net One-Time Balances unavailable in FY 2014	\$49.35
Cost of County Operations	\$28.64
Human Services Requirements	\$10.67
Public Safety Requirements	\$3.99
Capital/Debt Service Requirements	\$0.44
Adjustment for CCAR program as a result of state policy change	(\$13.32)
Disbursement savings/reductions	(\$20.52)
Adjustments to managed reserve	(\$1.68)
Total uses	\$98.84
Available balance	\$2.41

FY 2014 General Fund Disbursements

FY 2014 General Fund disbursements are \$3,588,955,648, an increase of \$51,168,972, or 1.45 percent, over the FY 2013 Adopted Budget Plan and a decrease of \$13,372,869, or 0.37 percent, from the *FY 2013 Revised Budget Plan*. The increase over the Adopted budget is based on FY 2014 increased requirements of \$41.27 million for Fairfax County Public Schools for both Operating and Debt. Funding for the Fairfax County Public Schools system reflects more than 80 percent of the total increase in the FY 2014 budget proposal. Net increases for all non-School disbursements total \$9.90 million. As in prior years, total County increases have been reduced by savings from agency budget cuts and reorganizations which in FY 2014 total \$20.52 million. I am also recommending funding for 11/11.0 FTE new positions in the FY 2014 Advertised Budget Plan: 9/9.0 FTE positions for the Police Department for staffing associated with the opening of Phase I of the Silver Line and 2/2.0 FTE positions for the Police Department for the expanded Animal Shelter. It should be noted that 91 positions are included for abolishment as part of the reductions I am recommending in the FY 2014 budget which will result in a net reduction of 80 positions in FY 2014 from the FY 2013 level.

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Increases in the County General Fund budget fall into the following main categories: cost of County operations, human services requirements, public safety, and capital construction.

Fairfax County Public Schools

The recommended General Fund transfer to the Public School Operating Fund reflects a 2.0 percent increase over the funding level in the FY 2013 Adopted Budget Plan. The County General Fund transfer to Fairfax County Public Schools (FCPS) underscores that education continues to be our community's highest priority and this funding is consistent with the percentage allocated to FCPS over the past few years at 52.6 percent. The proposed County General Fund transfer for school operations and debt service in FY 2014 totals \$1.89 billion, an increase of \$41,277,031, or 2.23 percent, over the FY 2013 Adopted Budget Plan. Within this amount, the transfer for School operations is \$1.72 billion and the transfer in support of School debt service is \$172.37 million. The County also provides additional support for the Schools in the amount of \$69.8 million for programs such as Head Start, School Health, School Resource Officers, School Crossing Guards, after-school programming, field maintenance and recreational programs, among others. On February 7, 2013, the Fairfax County School Board requested an operating transfer of \$1.78 billion for FY 2014 that would give school employees raises, add more positions to address increased enrollment from the previous year, maintain class sizes and necessitates a \$95.4 million, or 5.7 percent, increase over the FY 2013 Adopted Budget Plan General Fund transfer to fully fund the Schools' budget request. This request would require an additional \$61.7 million, or a 3 cent Real Estate Tax rate increase, to fund, which has not been included in my budget proposal.

County General Fund Disbursements

The most significant changes for non-School Disbursements include:

Cost of County Operations

\$28.64 million

◆ **Full-Year Impact of FY 2013 Compensation Adjustments and Longevity Increases**

Funding of \$12.27 million is included for the full-year impact of a 2.50 percent increase effective January 2013 for non-uniformed employees and the full-year impact of merit and longevity increases provided to uniformed employees in FY 2013. Other than funding for longevity increments for our public safety personnel noted below, there is no salary increase included in this budget for County employees. In order to maintain the integrity of the public safety employee pay plans, funding of \$0.63 million is included for continued longevity increases for uniformed public safety employees in FY 2014.

◆ **Retirement Funding**

The FY 2014 budget includes a \$0.83 million increase for fiduciary requirements associated with the County's retirement systems. The global financial crisis during FY 2009 resulted in significant losses in the value of the invested assets of all three retirement systems. Capital markets rebounded significantly in FY 2010 and FY 2011, and the retirement systems achieved strong positive results for each year. The investment returns for FY 2012 were

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mixed, ranging from a small loss in the Police Officers system to strong positive returns in the Employees' system.

◆ **Health Insurance and Other Benefits**

An increase of \$9.37 million is primarily due to the full-year impact of calendar year 2013 premium increases and costs associated with a projected 8 percent premium increase for all health insurance plans, effective January 1, 2014. Additionally, dental insurance and group life insurance premiums are projected to increase 5 percent in calendar year 2014. It should be noted that these premium increases are budgetary projections only, and final premium decisions will be made in the fall based on updated claims experience. In addition, an increase of \$1.67 million reflects additional fringe benefit requirements for the Community Services Board as a result of increasing health benefits costs.

◆ **County Insurance**

An increase of \$1.49 million is required to reflect anticipated increases in expenditures in FY 2014 and to adjust for the existing imbalance in FY 2013 between revenues and expenditures which will result in a budgeted catastrophic reserve well below the policy level of \$10 million. Increases in FY 2014 expenditures are projected due to anticipated automobile claims litigation and increases in commercial insurance premiums.

◆ **Employee Development**

An increase of \$0.35 million is included for proposed STRIVE program initiatives designed to enhance succession planning and management by developing current high performing employees.

◆ **Vehicle Services Charges**

An increase of \$0.14 million for Department of Vehicle Services charges is based on anticipated charges for fuel, vehicle replacement, and maintenance-related costs in General Fund agencies and General Fund-supported funds. Fuel-related increases primarily result from higher price per gallon estimates.

◆ **Facilities Management**

A net increase of \$0.12 million is primarily due to custodial, utility, repair and maintenance, and landscaping costs associated with the partial or full-year opening of new or expanded facilities in FY 2014. These facilities include the West Ox Bus Operations Center Storage Facility, West Ox Road Animal Shelter Renovation and Expansion, Fair Oaks Police Station Renovation and Expansion, and the Newington Department of Vehicle Services (DVS) Renovation Expansion. These new facilities will provide an additional 85,000 square feet to the current square footage maintained by the Facilities Management Department.

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Human Services

\$10.67 million

We must continue to leverage our ability to assist the neediest in the community and maintain the safety net to which the Board is so committed. Some of the most significant Human Services adjustments are discussed below:

◆ ***Fairfax-Falls Church Community Services Board Requirements***

An increase of \$7.62 million supports:

- A net increase of \$6.52 million approved by the Board of Supervisors as part of the *FY 2012 Carryover Review* to support the increased fringe benefit requirements for the existing array of CSB positions, recognition of reduced revenue levels, and support for the June 2012 special education graduates of Fairfax County Public Schools, as well as a reserve to address potential Infant and Toddler Connection requirements pending pursuit of additional state support of the program.
 - Of this amount, \$1,000,000 is due to increased demand and rising costs in the Infant and Toddler Connection anticipated for FY 2014. This funding will be used primarily to support increased contractor expenses and additional services to provide clinical and therapeutic services to more eligible children. The funding will be held in an appropriated reserve pending the pursuit of additional state funding. The state is the appropriate source of support for this program.
- An increase of \$1.10 million in operating expenses supports the June 2013 special education graduates of Fairfax County Public Schools turning 22 years of age who are eligible for day support and employment services and who currently do not have a funding source for such services.

◆ ***Child Care Assistance and Referral Rate Increase***

An increase of \$2.50 million in operating expenses for child care subsidies in the Child Care Assistance and Referral (CCAR) Program is required to meet increased expenditure needs and match requirements resulting from state implementation of a new reimbursement rate for CCAR providers for FY 2014.

Public Safety

\$3.99 million

◆ ***E-911 Fund Support***

An increase of \$1.50 million in the General Fund transfer to the E-911 Fund is due primarily to lower than anticipated Communication Sales and Use tax revenues dedicated to the E-911 Fund and the use of one-time balances in prior years which are no longer available. Revenue from the Communications Sales and Use Tax has declined over the last several years from a high of \$20.4 million FY 2008 to the current level of \$16.8 million in FY 2014. It

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should be noted that the General Fund transfer supports approximately 44 percent of FY 2014 expenditure requirements in the E-911 Fund.

◆ **Police Department Staffing for Silver Line Phase I**

An increase of \$1.37 million and 9/9.0 FTE positions is necessary to support the Tysons Urban Center. These positions are required as part of the multi-year strategic plan to meet increased demand for service due to the December 2013 opening of the Metro Silver Line Phase I and redevelopment of Tysons. I have directed the Deputy County Executive for Public Safety to work with all of the public safety agencies to conduct a 5-year analysis of staffing requirements based on projected growth and other metrics. The requirements for FY 2015 are discussed in the Multi-Year Budget Plan and will consider both policing requirements associated with population increases and urban policing strategies.

◆ **Fire and Rescue Vehicle Replacement**

An increase of \$1.00 million is required to support the first year of a multi-year process to gradually increase the annual contributions to the Large Apparatus Replacement Fund and Ambulance Replacement Fund. This funding is in addition to the department dedicating additional grant funds, additional baseline funds and one-time contributions in support of this effort. Additional contributions are required due to increasing cost of vehicles, some fleet growth, and a contribution level that has remained flat since FY 2007. Without additional funding, the replacement reserves will be depleted in FY 2016. It should be noted that given the current inventory and replacement cycle, the annual contribution should be in the \$5-6 million range for the Large Apparatus Replacement Reserve and approximately \$1 million for the Ambulance Replacement Reserve. The current annual contributions are \$3.1 million and \$0.2 million, respectively.

◆ **Animal Shelter Positions**

An increase of \$0.12 million and 2/2.0 FTE Animal Caretaker I positions are required to provide additional support for the expanded West Ox Animal Shelter facility to be completed in July 2013. These positions are required to operate the expanded facility effectively, provide critical coverage at reduced cost, and care for the increased volume of animals. Once the expanded wing of the shelter is complete, it will nearly double the footprint, from 15,000 square feet (as the current 30-year-old facility sits) to just over 29,000 square feet. The new building will have space for 130 dog kennels (up from 72), 40 cat kennels (up from 26) and rooms for reptiles and birds.

Capital Construction and Debt and Environment ***\$0.44 million***

The total increase in funding for paydown capital construction and debt service is \$0.44 million. The FY 2014 budget recommendation holds General Fund support of capital construction nearly flat and funds a small increase in debt service based on actual requirements. Although not supported by the General Fund, I have directed that the Stormwater Management program undertake a long term strategic plan which will identify costs and required staff resources over the next 5 years. I anticipate sharing these results with the Board later this year.

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◆ **Capital Construction**

The Capital Construction Program is essential to the sustainability of County services and is organized to meet the existing and anticipated future needs of the residents of the County. Reinvestment in County facilities is critical to avoid deterioration and obsolescence. The Capital Program is primarily financed by the General Fund, general obligation bonds, fees, and service district revenues. General Fund support for the Capital Program in FY 2014 totals \$13,933,202. This represents a reduction of \$1,504,604 from the FY 2013 Capital Paydown level. The Paydown Program represents General Fund support only for the following projects and programs: Americans with Disabilities Act (ADA) compliance funding of \$1.90 million (it should be noted that an additional \$1.085 million in ADA support is included in FY 2014 by the Park Authority); Athletic Field Maintenance of \$4.64 million; Park Authority Grounds, Building and Equipment Maintenance of \$1.27 million; continued revitalization maintenance and support of \$0.41 million; funding associated with the County's Environmental Improvement Program of \$0.50 million; ongoing development such as Laurel Hill development, emergency road repairs and developer defaults of \$1.30 million; and obligations and commitments to the School-Age Child Care (SACC) program, the Northern Virginia Community College, and the annual Salona property payment of \$3.91 million.

◆ **Debt Service**

In addition to requirements associated with School debt service, FY 2013 General Fund support of County debt service requirements is \$118.8 million, an increase of \$1,944,919 over the FY 2013 level. The FY 2014 funding level supports debt service payments associated with existing debt service requirements. During FY 2014 it is anticipated that a general obligation bond sale of approximately \$264 million will be conducted to fund cash requirements for on-going capital projects for School and County purposes. This bond sale estimate is consistent with the FY 2014-FY 2018 Advertised Capital Improvement Program (With Future Fiscal Years to 2023).

◆ **Stormwater Services**

In FY 2014, the Stormwater Service District rate will remain at FY 2013 Adopted level of \$0.020 per \$100 of assessed real estate value. The FY 2014 levy of \$0.020 will generate just over \$41 million, supporting \$17.6 million for staff and operational costs, and \$23.6 million for capital project implementation including infrastructure reinvestment, stream and water quality improvements, regulatory requirements, and dam safety requirements. Stormwater staff is currently evaluating the required future funding levels to meet the increasing federal and state regulatory requirements pertaining to the Municipal Separate Storm Sewer System (MS4) Permit, and State and Federal mandates associated with the Chesapeake Bay. In the next year, staff will develop a long-term funding and staffing plan to be presented to the Board of Supervisors later this year. It is anticipated that this long range plan will include a five-year rate plan, a phased approach for funding and staffing, and a public outreach plan to support the anticipated regulatory increases.

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State Adjustments to Funding for CCAR program **(\$13.32) million**

FY 2014 revenues and expenditures are adjusted due to the State assumption of payment processing for state funded children in the Child Care Assistance and Referral program which began with the second quarter of FY 2013. This adjustment, with a net change of \$0, results in a decrease of \$13.32 million in operating expenses. An adjustment to the FY 2013 budget for the last nine months of the year, also resulting in a net impact of \$0, will be reflected in the *FY 2013 Third Quarter Review*.

Agency Budget Reductions **(\$20.52) million**

As part of the budget development process this past year, I directed General Fund agencies to identify the fiscal and operational impacts totaling a 5 percent reduction in their General Fund support for both FY 2014 and FY 2015. The net effect of this budget reduction exercise is the proposed reduction of \$13.83 million (and 91 positions) in General Fund and General Fund Supported spending which is detailed in the appropriate agency narratives and summarized at the end of this letter. There are also reductions of \$2.37 million in Information Technology Project support, \$2.32 million in Contributory payments, and \$2.00 million in the County share of the FY 2014 CONNECTOR expenses. The elimination of 91 positions will require implementation of a limited reduction in force process. Many of the positions proposed for elimination are vacant but there may be a small number of these, perhaps a dozen, which will be filled as of July 1, 2013 for which we will need to declare a reduction in force (RIF). I have directed staff to work to minimize the need for a RIF and will report back to the Board on our success in doing so.

As has been the case during most of the previous reduction exercises, I have focused on very specific programs or positions as opposed to across-the-board reductions. This is essential in ensuring that we maintain those services that our residents value most highly. As a result the reductions are spread among most agencies but are not necessarily proportional to their base budget. As an example, we need to be adding Police officers at this point for additional service needs we will have as Rail to Dulles opens in Tysons and Reston, as urbanization continues to occur in Merrifield and Springfield, and as growth occurs in many other parts of the County. Therefore reductions in the Police Department are minimal.

Reorganizations and Organizational Efficiencies

There are a number of reductions included that demonstrate some of the work County agencies continue to do to perform services more efficiently and effectively, and which are multi-year initiatives which demonstrate the value of our multi-year budgeting work.

Business Support Group: The first of these are savings generated by the initial phases of implementation of our new corporate financial, purchasing, human resource and budget system, FOCUS. As part of the FY 2014 budget, I am consolidating support for the FOCUS system that was previously spread out in the Departments of Finance, Purchasing and Supply Management, Human Resources, and Management and Budget into a consolidated unit (the

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FOCUS Business Support Group, or FBSG) within the Department of Management and Budget. In addition, the FY 2014 reductions reflect a reduction of \$983,565 in salary and mainframe costs and the elimination of 4 positions which we can now save as a result of the implementation of the initial phases of the new system. While the implementation of FOCUS has been a tremendous effort throughout the organization and there has been a steep learning curve as many processes and practices were adjusted to fit the new system, we are beginning to be able to harness the power and efficiencies and staff will be continuing to look at refinements to how we work with FOCUS in future years.

Library Services: As many in the community are aware, a number of reductions were made in Library service hours in previous budgets. The Board of Supervisors was able to restore some hours in FY 2013 which was very good news. There is now more good news in that the Library staff and Library Board have taken the opportunity of changes in the way libraries are used, not just in Fairfax but throughout the country, to develop a new system direction and strategic goals which are anticipated to result in future savings in staffing because of changes in how staff resources are deployed. The first phase of these savings, or \$275,000, is included in the FY 2014 budget. As the Library undertakes the multi-year work of transitioning, a number of specific changes will occur: moving from a print environment to a digital environment; expanding from in-branch services to in-the-community services; moving from separate departments to an integrated service delivery model; converting from covering service desks to providing services anywhere in the branch and community; ensuring staff mastery of e-formats and devices; and providing instruction to customers, more savings will be generated. I am committed to supporting Libraries in this effort and have agreed that the implementation of changes should take place as a result of attrition as opposed to laying off employees. There is much work to be done in accomplishing this goal but the end result is well worth it.

School-Age Child Care Program: Another County service which has received significant attention in the last several years of constrained budgets is the School-Age Child Care (SACC) program. County staff has worked to maximize cost recovery and generate efficiencies without compromising the high quality of the program. In FY 2014 rates will increase by 5 percent, thus bringing the SACC cost recovery rate closer to 80 percent. This was done while still maintaining the County's commitment to provide subsidized childcare to low-income families and children with special needs. Beginning in FY 2010, new SACC rooms were opened using a modified staffing model which utilized a combination of merit and benefits-eligible employees. After several years of experience, this model has been successful and staff will now implement the new model in all SACC rooms. As a result, a total of 115 Teacher I merit positions will be converted to benefits-eligible positions as they become vacant. Based on the current rate of attrition, it is anticipated that full implementation of the new staffing model will take three years. The first phase of the staffing model will be implemented in FY 2014 with the conversion of 30 positions generating savings of \$272,343. The remaining positions will be converted in FY 2015 and FY 2016. In addition, staff is evaluating the extended day pilot program implemented in September 2010 at White Oaks Elementary and will be reporting the results to

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the Board to see if this alternative service model is an option at the remaining three schools where SACC is not offered.

Services for Seniors: As the Board and community are aware, services for senior adults is an area that will continue to grow as our community ages while remaining active and engaged. As a result, staff is working to identify a more efficient and effective way of providing the current continuum of senior adult-specific services. A working group of staff from the Departments of Family Services, Health, Neighborhood and Community Services, Human Resources, and Management and Budget, under the direction of the Deputy County Executive for Human Services, will be identifying opportunities for changes in the way services are provided in the County. Savings of \$630,000 are included in FY 2014 based on actual experience within the Home based Care Services program. I specifically did not make any other adjustments to services for senior adults pending the review currently underway.

Wolftrap Fire Station: While not technically a reduction, I am also delaying the full staffing of the Wolftrap Fire and Rescue Station for one more year. As a result I anticipate the station would open in January of 2015. The department will utilize the station for training during FY 2013. The necessary increases for staffing and equipment will be included in the FY 2015 budget. I estimate that 29 new positions and increased funding of \$4.2 million will be necessary.

Revenue Changes: There are also fee increases and other revenue changes totaling \$3.15 million which are recommended as part of this budget. These fee increases include an increase in SACC fees, Rec-PAC fees, and land development services fees. I am making these adjustments recognizing again the need to balance service needs with affordability.

NEW INITIATIVES

I would now like to focus on a number of new initiatives which are underway and which are important as we look to maintain our high quality services and address the challenges that face us.

Multi-Year Budget

As part of FY 2014 budget development, the County is undertaking a more comprehensive multi-year General Fund budgeting process. This process builds on the existing approach which focuses on the annual budget supplemented by a financial forecast. The forecast is updated at least four times during the budget development calendar to provide me, the Board of Supervisors, and the public a framework within which budget decisions may be made, but is typically a high-level projection of anticipated future requirements. The enhancements introduced for FY 2014 and beyond are the development of a two-year framework for the budget. The two-year period includes the budget being approved by the Board of Supervisors (FY 2014) and the subsequent year (FY 2015). In this way County staff throughout the organization will be able to more completely outline the prospective issues that will need to be addressed as part of the budget process for the following year, more clearly demonstrate the

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impact of decisions in the budget being adopted, and lay out a more accurate projected shortfall or surplus for the next year as well as any associated options for balancing that budget. The process will culminate in the adoption each year of the annual budget, as required by the Code of Virginia.

In addition to the development of the FY 2014 requirements, the new process includes review and analysis by each General Fund agency of its upcoming requirements for FY 2015. Specifically agencies are projecting increased workload requirements, the impact of changing demographics, and the cycle of replacement for infrastructure, as well as areas for greater efficiency.

I am very excited about starting to talk about the budget over multiple years (FY 2014 – FY 2015) to maximize the effectiveness of the budget as a policy document indicating policy decisions and priorities, to be even better able to engage the community about the budget challenges and options and to ensure that County agencies think about implications of those issues that impact their ability to provide services and what the funding impact will be.

A multi-year budget also enhances the budget as a communication tool and allows us to use the budget process over multiple years to identify issues and opportunities such as the multi-year impact of revenue decisions and the potential for future reductions. I look forward to talking more with you about the multi-year budget and encourage you to read the new section of the Overview volume titled, *Multi-Year Budget – FY 2014 and FY 2015*.

STRIVE (Sustainable Training, Resources and Incentives for Valued Employees)

As a long-time County employee, I know the value of our workforce. I also know the challenges we have addressed recently and those that we face in the near future. As a result I think it is very important for me, as County Executive, and for the Board, to focus on our employees in a number of specific areas. As a result I have proposed a new initiative, which we are calling STRIVE. It has three key elements including sustainable compensation, employee development, and succession planning. The three are linked with the goal of enhanced organizational capacity:

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The primary elements of the initiative are:

Sustainable Compensation

As I said when I laid out the STRIVE initiative to the Board in December, I am concerned that the County's variable pay program is no longer effective and is financially unsustainable. It is also clear that the lack of a consistent plan for compensation increases from year to year is challenging for employees as they look ahead and try to plan their careers. I believe it is important that the County have a compensation model that we can sustain in our long-term financial planning. While we cannot afford pay increases in FY 2014, we do have costs of more than \$12 million in FY 2014 to pay for the full-year impact of increases received by employees in FY 2013. The full-year cost of our traditional salary increases, which provided step and longevity increases for public safety employees, performance awards for non-public safety employees and market rate adjustments for all merit employees, is now in excess of \$51 million. Factoring in required benefit increases, the annual increase could easily exceed \$70 million. As this budget demonstrates, we are no longer able to afford the current compensation model, nor are our local competitors.

STRIVE maintains the components of the County compensation model but adjusts the implementation schedule to more appropriately reflect our current funding capacity. As you

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have seen, I am recommending a \$0.02 increase in the Real Estate Tax rate for FY 2014, which results in an increase to the homeowner but which I believe is necessary to maintain our excellent County services and to fairly compensate our employees. The STRIVE compensation model would require closer to \$25 million in FY 2015. I believe \$25 million can be accommodated and is achievable with this multi-year budget plan.

The next step in addressing long term employee compensation is looking at the pay and benefits package to ensure we remain competitive – that includes pay, healthcare and retirement. Strong first steps were made last year when the Board endorsed maintaining a defined benefit retirement system. Additionally, the Board has consistently funded the County's retirement obligations supporting a secure financial future for our retirees. Options for health insurance and pharmacy design changes for the 2014 plan year are under review to provide more cost effective plan options for employees and retirees, as well as the County. All of these discussions are of concern to employees as they potentially impact take-home pay, but they are necessary as we navigate in the current fiscal environment. We need to ensure regular market salary reviews to assess our competitiveness; these too often in the past have been delayed due to budget constraints.

Performance Management

Employee development is essential to the maintenance of a strong, motivated workforce. Positive changes to the performance evaluation system are identified in STRIVE which will lift the moratorium on annual performance evaluations implemented during the conversion to the new payroll system. Objectives for the new performance management system include: simplification of the process to focus not on completing the form but rather on generating discussion; identification of development opportunities for those employees who are interested in further development; and elimination of the current variable pay award system to a flat percentage increase for all employees who meet or exceed the standards for their job. This will address concerns that have been expressed regarding inequities in opportunity for some job classes to earn higher variable pay increases due to the nature of the jobs they perform.

Succession Planning

A very significant number of employees will be eligible for retirement over the next several years. By December 31, 2015, 25 percent of all merit employees, or over 3000 employees, will be eligible for retirement. In specific job categories, those numbers are even greater. For example, by the end of 2015, 58 percent, or 129 County non-public safety senior managers will be eligible for retirement and 34 percent or over 400 mid-level management positions will be eligible. In the public safety agencies the numbers are even higher. In Police by the end of calendar year 2015, 82 percent of senior managers and 83 percent of mid-level managers will be eligible. To address this somewhat staggering trend, the County must re-tool and strengthen existing succession planning and knowledge transfer efforts – to build the capacity to support our “promote from within” when appropriate philosophy. We will recruit externally when strategically advantageous and will strengthen our recruitment effectiveness by encouraging employee referrals and deepening my leadership team's engagement with executive level

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recruitments. Shifting the performance evaluation focus from “the amount of the pay increase” to better communication and employee development will also help the County address the exit of many tenured County employees.

Dashboard

In preparation for publication in the FY 2014 Advertised Budget Plan, I requested that every General Fund and General Fund Supported agency identify key drivers of its budget to form the basis of a new agency dashboard. This dashboard is not replacing an agency’s performance measures, but rather provides an additional snapshot of relevant statistics that pertain directly to why our agencies are funded as they are. The purpose of these drivers is to keep us all aware of this key data and how they are changing over time.

The figures cited in the agency dashboards are a combination of key outputs, indicators or statistics. Similar to how performance measures were implemented in the mid 1990’s, I am primarily interested in starting the process of thinking in terms of the dashboard and what are an agency’s key drivers. Drivers will naturally change over time and these drivers will be built into the annual budget process and into needs discussions with the community. This visual representation of what is driving the County’s budget will improve the communications with the public and the Board as it relates to specific budget requests. We have also developed a dashboard for the County as a whole:

COUNTYWIDE DASHBOARD			
Key Data	FY 2013	FY 2014	FY 2015
1. Residential Real Estate Equalization	0.71 percent	3.50 percent	2.00 percent
2. Commercial Real Estate Equalization	8.21 percent	0.14 percent	1.00 percent
3. Projections for School Enrollment Growth/ cost of growth and demographic changes	3,907/ \$48 million	2,857/ \$22 million	3,007/ \$25 million
4. Increases in Employee Compensation	\$51.2 million	\$1.2 million	\$25.4 million
5. Impact of Sequestration	Unknown	Unknown	Unknown
6. Other unknowns (economy, job growth, tax appeals)	Unknown	Unknown	Unknown

The \$3.59 billion General Fund budget is certainly impacted by many, many things; however, I want to stress the mix of revenue and expenditure drivers above which represent a significant portion of our budget. In terms of our resources, real estate taxes equal 62.4 percent of General Fund receipts in FY 2014. The change in values of existing properties, or equalization, is clearly a very important driver in the development of annual budgets. Unfortunately, the message that the drivers provide is that the revenue increases available in FY 2014 and FY 2015 are going to be relatively modest.

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On the expenditure side, the countywide drivers include two categories that represent a significant portion of our budgets, the transfer to Schools, and compensation increases. Based on the Fairfax County Public Schools (FCPS) projections, student enrollment growth is occurring and must be accommodated within the budget. The demographics of students and the changes within specific special education services also drive the estimated costs. The Countywide dashboard includes a more level commitment for employee salary increases based on the STRIVE proposal.

While the first four drivers are consistently important to the County, there are other drivers which may vary based on the current economic or political environment, such as the impact of sequestration. The estimated impact is not available but is likely to be multi-year if the federal budget crisis is not otherwise resolved. These costs must be considered in budget decisions, so these are noted on the County dashboard as well.

Capital Improvement Program

The County's Capital Improvement Program (CIP) is a long-range plan consistent with our financial policies and constrained by affordability and our debt limits. The CIP summarizes facility and public improvement requirements as they relate to Schools and transportation, as well as County and park facilities. The process benefits from a strong partnership between the Board of Supervisors, School Board, Planning Commission and County agencies. Unfortunately, funding availability as well as constraints on borrowing based on our debt limits have prohibited sufficient investment.

Among one of the least glamorous but critical elements of our investment is maintaining the infrastructure that we already have. In addition, the County needs to look forward and comprehensively identify what infrastructure and facility gaps exist. That is always a difficult process in a period of limited resources, but it is necessary to clearly articulate to the Board and community what needs are and how and when they should be financed. The policy discussion that ensues will determine the course of action, but it is essential that this discussion is fully informed and all requirements, not just schools and transportation, are laid out. The Deputy County Executive responsible for planning development and transportation will lead, in coordination with the Departments of Planning and Zoning and Management and Budget, a CIP refinement process. The process will also strengthen linkages to the Comprehensive Plan and land use planning process to prepare the County for the development and redevelopment that is occurring across the County.

Environment

Fairfax County has been proactive in environmental actions, and strives to lower energy consumption and emissions by adopting and implementing policies that support transit-oriented mixed-use development, green buildings, and the incorporation of energy-conserving design elements and practices, particularly in redevelopment areas. Environmental initiatives will continue to be an important part of the County's development program.

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Green Energy Triangle

There are many examples of environmental initiatives in Fairfax County. The County's Energy Resource Recovery Facility (ERRF) recovers methane, controls nitrous oxide and generates about 80 megawatts of electricity from solid waste – enough energy to power about 75,000 homes and the facility itself. The County estimates that a half ton of greenhouse gas is avoided for every ton processed through waste-to-energy. The County also collects landfill gas generated by its two closed sanitary landfills as a substitute for fossil fuel to heat on-site buildings. Annual natural gas savings are estimated at \$40,000 to \$50,000. Installation of a second system at the West Ox Bus Operations Garage became operational in 2012 and produces enough electricity to power about 6,000 homes. Exciting opportunities exist to build upon current green energy initiatives in place in the Lorton/Laurel Hill area. The wastewater treatment plant supplies “reused water” to the waste-to-energy facility, the Laurel Hill Golf Course, and the little league fields adjoining the plant. These efforts are leading to a re-branding of the Lorton Area, changing its identity from being the site of the County's waste and debris disposal facilities to becoming the tangible expression of the County's renewable energy commitment – the Green Energy Triangle.

Energy Efficiency

In October 2009, Fairfax County was awarded an Energy Efficiency and Conservation Block Grant (EECBG) in the amount of \$9.6 million. The goals of the EECBG program, which was funded by the American Recovery and Reinvestment Act, included improving building and transportation energy efficiency and reducing both total energy use and fossil fuel emissions. The County completed the consolidation and virtualization of the County's enterprise servers and purchased software related to telework and desktop PC power management. Other EECBG projects included the replacement of rooftop heating/cooling units and the installation of energy management and lighting control systems; LED lighting at over 20 outdoor athletic fields; and the recovery of incremental costs associated with the purchases of a hybrid-electric school bus, a hydraulic launch-assist refuse truck, and numerous hybrid and electric vehicles. Finally, a portion of the County's EECBG award was used to undertake a greenhouse gas emissions inventory and to develop and implement a pilot residential energy education and outreach program.

The County has also undertaken innovative energy saving measures to achieve energy savings in many of its industrial plant processes. For example, the Norman M. Cole, Jr. Pollution Control Plant uses methane gas from a County landfill in its sludge-burning process, thereby avoiding the purchase of natural gas and recovering a gas that has a global warming potential that is 21 times that of carbon dioxide. The plant uses solar energy equipment to power nine remote wastewater flow-monitoring sites and to assist in treating wastewater saving approximately \$40,000 a year in energy costs. A Water Reuse Project to use reclaimed water from the plant for process and irrigation purposes avoids the energy use and costs associated with treating the water.

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Cleaner Vehicles

In response to the need for cleaner and more energy-efficient vehicles, the County began to replace gasoline-fueled vehicles at the end of their service life with hybrid-electric vehicles where appropriate. There are currently over 100 hybrid vehicles in the County's fleet, saving over 60,000 gallons of gas each year. The County has also undertaken a Diesel Exhaust Retrofit project, retrofitting 1,012 school buses, 167 CONNECTOR buses, and 113 heavy duty trucks to reduce particulate emissions. Other innovative energy-saving activities include programming automatic idle shutdown into all County solid waste trucks and all Fairfax CONNECTOR buses, and adding five electric vehicles to the County fleet.

LEED® Criteria

In early 2008, the Board of Supervisors adopted the Sustainable Development Policy for Capital Projects applicable to the construction of new County buildings and renovations or additions to existing buildings. The policy provides a framework for preserving and promoting a natural environment, conserving energy, meeting or exceeding air and water quality standards, creating healthy work environments and establishing a community standard for sustainable practices. As of January 2013, the County has implemented sustainable development practices on a total of 30 building projects. Nine of these projects are currently in design, six are in construction or in the LEED® certification process, and 15 have attained certification (13 under the LEED® program and two under the Green Globes program). Three library projects have received the LEED® Gold rating: Richard Byrd Library, Martha Washington Library, and Dolley Madison Library. Crosspointe Fire Station and Great Falls Volunteer Fire Station have also both received the LEED® Gold Rating. Other LEED® Gold Rated projects include the Gartlan Mental Health Center (formerly the Mt. Vernon Mental Health Facility) and Joanne Jorgenson Health Department Laboratory.

Waste Reduction and Pollution Prevention

The County focuses on waste reduction and pollution prevention activities providing opportunities to residents to properly recycle obsolete electronic equipment. Since 2009, the County has hosted monthly electronics recycling events for residents called Electric Sunday, recycling over 1 million pounds of electronics. It is estimated that approximately 25 tons of lead are prevented from entering the environment by recovering/recycling them rather than disposing of them in the County's waste disposal system. The County was one of the first jurisdictions in the United States to require that recycling be practiced by residents, businesses, and institutions. From FY 2001 to FY 2012, the County has collected almost 243,000 tons of recyclables for a total value of \$6.2 million. The estimated avoided disposal fee for this quantity of material is approximately \$11 million.

Finally, Fairfax County spends \$700 million annually on goods and services. Requiring increasing levels of energy efficiency in new electronics purchased – and even as it relates to services provided by contractors – is a powerful tool to reduce the operational impact on the environment. Accomplishments include acquiring a fleet of 14,000 computers, mostly meeting EPEAT (Electronic Product Environmental Assessment Tool) Silver and Gold standards, and

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software to remotely shut down computers every evening, which saved \$300,000 in a single year. Additionally, all of the more than 500 devices in the County's copier fleet are now energy-star certified, and vending machines in Fairfax County buildings have energy efficient technologies.

I am impressed by the commitment by the Board, staff, and community in environmental initiatives that save and preserve County resources. Further work and innovation in this area will be an integral part of the County's development plan.

CONCLUSION


I want to stress again that while the challenges facing us are significant, the opportunities facing the County are very exciting. The longer term focus and planning perspective will allow for a better framing of the important financial choices facing the Board of Supervisors over the next several years.

Fairfax County's priority services and programs survived the recession better than most local governments in the country. All the elements that I mentioned above as important to the rating agencies, which include the Board's fiscal discipline, strong financial management of reserves, balances and long-term liabilities, a well-managed debt program and adherence to a sound, strategic approach, really are important components of a successful local government, and have been critical to this success. I am certain that as the County moves forward and couples these long standing successes with the ability to remain flexible, recognizing and protecting our strengths, and looking to the community for their continued partnership, we will continue to be successful addressing challenges and taking advantage of opportunities. Our strengths are outstanding and we must maintain our quality Product.

In closing, I respectfully submit the FY 2014 Advertised Budget Plan for your consideration, and I look forward to working with you, our employees, and the community as you ask questions and propose alternatives.

I would like to express my gratitude to the many staff who contributed to the formulation of this budget recommendation. I would also like to thank the hundreds of people who took time to send in comments or speak to me. Together, Fairfax County will continue to be a shining example for the rest of the nation.

Respectfully submitted,



Edward L. Long Jr.
County Executive

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FY 2014 Advertised Summary General Fund Statement (in millions)

	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan	Inc/(Dec) Over Adopted	% Inc/(Dec) over Adopted
Beginning Balance ¹	\$236.24	\$132.12	\$209.44	\$87.94	(\$44.18)	(21.09%)
Revenue ²	\$3,379.68	\$3,473.83	\$3,474.06	\$3,570.19	\$96.36	2.77%
Transfers In	\$6.90	\$6.77	\$6.77	\$18.65	\$11.88	175.48%
Total Available	\$3,622.82	\$3,612.72	\$3,690.27	\$3,676.78	\$64.06	1.74%
Direct Expenditures ²	\$1,242.28	\$1,303.74	\$1,341.96	\$1,308.60	(\$33.37)	(2.49%)
Transfers Out						
School Operating ³	\$1,610.83	\$1,683.32	\$1,683.32	\$1,716.99	\$33.67	2.00%
School Debt Service	159.74	164.76	164.76	172.37	7.61	4.62%
Subtotal Schools	\$1,770.57	\$1,848.08	\$1,848.08	\$1,889.36	\$41.28	2.23%
Contributory Fund	\$14.61	\$15.68	\$15.68	\$13.37	(\$2.31)	(14.73%)
Information Technology	16.18	5.28	14.28	2.91	(2.37)	(16.60%)
County Debt Service	116.78	116.85	116.85	118.80	1.95	1.67%
County Transit	34.46	36.55	36.55	34.55	(2.00)	(5.47%)
Community Services Board	100.50	100.42	109.61	109.23	8.81	8.04%
E-911	14.38	15.26	15.26	17.05	1.79	11.73%
County Insurance	27.05	21.02	21.02	22.51	1.49	7.09%
Capital Pay down	19.63	15.44	17.89	13.93	(1.51)	(8.44%)
Other Transfers	56.94	59.47	65.15	58.65	(0.82)	(1.26%)
Subtotal County	\$400.53	\$385.97	\$412.28	\$391.00	\$5.03	1.22%
Total Transfers Out	\$2,171.10	\$2,234.04	\$2,260.36	\$2,280.36	\$46.32	2.05%
Total Disbursements	\$3,413.38	\$3,537.79	\$3,602.33	\$3,588.96	\$51.17	1.42%
Total Ending Balance	\$209.44	\$74.93	\$87.94	\$87.82	\$12.89	14.66%
Less:						
Managed Reserve	\$69.34	\$70.76	\$72.05	\$71.78	\$1.02	1.42%
Reserve to address FY 2013 Budget Shortfall ⁴	28.69				0.00	-
FY 2011 Audit Adjustments ⁵	0.62				0.00	-
Additional FY 2012 Revenue ⁶	29.51				0.00	-
FY 2012 Third Quarter Reserve ⁷	2.46				0.00	-
Child Care Assistance and Referral (CCAR) Reserve ¹	1.50				0.00	-
Reserve to address State/Federal Reductions ⁸		4.18			(4.18)	-
Reserve for State/Federal Reductions and Federal Sequestration Cuts ⁹			8.10	8.10	8.10	100.00%
Litigation Reserve ¹⁰			5.00	5.00	5.00	100.00%
Transportation Reserve ¹¹			0.54	0.54	0.54	100.00%
Reserve for FY 2014 Budget Development ¹²			0.74		0.00	0.00%
FY 2012 Audit Adjustments ²			1.51		0.00	0.00%
Reserve for Board Consideration ¹³				2.41	2.41	-
Total Available	\$77.31	\$0.00	\$0.00	\$0.00	\$0.00	-

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¹ The FY 2013 Adopted Budget Plan Beginning Balance included \$1,500,000 set aside in reserve in Agency 87, Unclassified Administrative Expenses, for the Child Care Assistance and Referral (CCAR) program for FY 2014. This funding was utilized to balance the FY 2013 budget.

² In order to appropriately reflect actual revenues and expenditures in the proper fiscal year, FY 2012 revenues are increased \$2,028,161 and FY 2012 expenditures are increased \$514,829 to reflect audit adjustments as included in the FY 2012 Comprehensive Annual Financial Report (CAFR). As a result, the FY 2013 Revised Budget Plan Beginning Balance reflects a net increase of \$1,513,332. Details of the FY 2012 audit adjustments will be included in the FY 2013 Third Quarter package. It should be noted that this amount has been set aside in reserve and utilized to balance the FY 2014 budget.

³ The proposed County General Fund transfer for school operations in FY 2014 totals \$1,716,988,731, an increase of \$33,666,446, or 2.0 percent, over the FY 2013 Adopted Budget Plan. It should be noted that the Fairfax County Public Schools Superintendent's Proposed budget reflects a General Fund transfer of \$1,775,701,373, an increase of \$92,379,088, or 5.5 percent, over the FY 2013 Adopted Budget Plan. In their action on the Superintendent's Proposed budget on February 7, 2013, the School Board increased the Superintendent's transfer request by \$3,009,714 to \$1,778,771,087.

⁴ As part of the FY 2011 Carryover Review, a balance of \$28,693,163 was held in reserve to address the projected budget shortfall in FY 2013 and was utilized to balance the FY 2013 budget.

⁵ As a result of FY 2011 audit adjustments, an amount of \$623,117 was available to be held in reserve in FY 2012 and was utilized to balance the FY 2013 budget.

⁶ Based on revised revenue estimates as of fall 2011, an amount of \$29,505,454 was available to be held in reserve in FY 2012 and was utilized to balance the FY 2013 budget.

⁷ As part of the FY 2012 Third Quarter Review, a balance of \$2,462,157 was held in reserve for Board of Supervisors' consideration for the FY 2012 Third Quarter Review, the development of the FY 2013 budget, or future year requirements. This reserve was utilized to balance the FY 2013 budget.

⁸ As part of their deliberations on the FY 2013 budget, the Board of Supervisors set aside \$4,178,357 in reserve to offset critical state and federal reductions to include requirements for the Community Services Board and other Human Service programs. At the FY 2012 Carryover Review, the Board utilized \$3,018,225 for requirements for the Community Services Board and moved the remainder to the Reserve for State/Federal Reductions and Federal Sequestration Cuts.

⁹ As part the County Executive's proposed FY 2012 Carryover Review, an amount of \$7,000,000 was set aside in reserve to address the potential impact of federal sequestration cuts. During their deliberations on the FY 2012 Carryover Review, the Board combined the \$1,099,768 balance remaining in the Reserve to Address State/Federal Reductions with the \$7,000,000, resulting in a reserve totaling \$8,099,768 for State/Federal Reductions and Federal Sequestration Cuts.

¹⁰ As part the FY 2012 Carryover Review, an amount of \$5,000,000 was set aside in reserve to address the impact of a number of potential refunds resulting from pending tax appeals.

¹¹ As part the County Executive's proposed FY 2012 Carryover Review, an amount of \$742,344 was set aside in reserve for transportation requirements, consistent with the Board of Supervisors' Budget Guidance approved with the adoption of the FY 2013 budget. During their deliberations on the FY 2012 Carryover Review, the Board approved an amount of \$200,000 to be utilized for a Traffic Calming initiative to address speeding in neighborhoods. After Managed Reserve adjustments, the new reserve total is \$538,344.

¹² As part the FY 2012 Carryover Review, an amount of \$742,333 was set aside in reserve for FY 2014 budget development. This reserve has been utilized to balance the FY 2014 budget.

¹³ As part of the FY 2014 Advertised Budget Plan, an amount of \$2,405,139 has been set aside in reserve for Board consideration during their deliberations on the FY 2014 budget.

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FY 2014 and FY 2015 MULTI-YEAR BUDGET PLAN: TAX AND FEE FACTS

Type	Unit	FY 2012 Actual Rate	FY 2013 Actual Rate	FY 2014 Recommended Rate	FY 2015 Planned Rate
GENERAL FUND TAX RATES					
Real Estate	\$100/Assessed Value	\$1.07	\$1.075	\$1.095	\$1.095
Personal Property	\$100/Assessed Value	\$4.57	\$4.57	\$4.57	\$4.57
NON-GENERAL FUND TAX RATES					
REFUSE RATES					
Refuse Collection (per unit)	Household	\$345	\$345	\$345	\$345
Refuse Disposal (per ton)	Ton	\$60	\$60	\$60	\$60
Leaf Collection	\$100/Assessed Value	\$0.015	\$0.015	\$0.015	\$0.015
Solid Waste Landfill Ash Disposal	Ton	\$15.50	\$17.50	\$19.50	\$19.50
Energy/Resource Recovery Facility	Ton	\$29	\$29	\$29	\$29
SEWER CHARGES					
Sewer Base Charge	Quarterly	\$5.00	\$5.50	\$12.79	\$20.36
Sewer Availability Charge	Residential	\$7,750	\$7,750	\$7,750	\$7,750
Sewer Service Charge	Per 1,000 Gallons	\$6.01	\$6.55	\$6.55	\$6.55
COMMUNITY CENTERS					
McLean Community Center	\$100/Assessed Value	\$0.023	\$0.022	\$0.022	\$0.022
Reston Community Center	\$100/Assessed Value	\$0.047	\$0.047	\$0.047	\$0.047
OTHER					
Stormwater Services District Levy	\$100/Assessed Value	\$0.015	\$0.020	\$0.020	TBD
Route 28 Corridor	\$100/Assessed Value	\$0.18	\$0.18	\$0.18	\$0.18
Dulles Rail Phase I	\$100/Assessed Value	\$0.22	\$0.22	\$0.22	\$0.22
Dulles Rail Phase II	\$100/Assessed Value	\$0.10	\$0.15	\$0.20	\$0.20
Integrated Pest Management Program	\$100/Assessed Value	\$0.001	\$0.001	\$0.001	\$0.001
Commercial Real Estate Tax for Transportation	\$100/Assessed Value	\$0.11	\$0.11	\$0.125	\$0.125
Tysons Service District	\$100 / Assessed Value	\$0.00	\$0.00	\$0.09	\$0.09

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FY 2014 Reductions General Fund Impact

The following table summarizes reductions proposed by the County Executive as part of the FY 2014 Advertised Budget Plan totaling \$16.98 million, including \$13.83 million in disbursement reductions and \$3.15 million in increased revenues. Additionally, the FY 2014 Advertised Budget Plan includes a reduction of \$2.37 million in support of Information Technology Projects, a reduction of \$2.32 million in Contributory payments, and a reduction of \$2.00 million in County support of CONNECTOR services, for a total disbursement reduction of \$20.52 million. In addition, 91 positions are proposed to be eliminated as part of these reductions. These reductions will be considered by the Board of Supervisors during their deliberations on the FY 2014 budget.

Reduction Title / Impact Statement	Reduction	
	Funding	Posn
10001 - General Fund		
02 - Office of the County Executive		
Reduce Operating Expenses	\$29,671	0
The reduction in Administration of County Policy will reduce Operating Expenses by \$29,671, a 6.4 percent reduction from the FY 2013 funding level of \$463,550. This reduction will have a minimal impact as efficiencies have been implemented which have increased flexibility within the agency's operating budget.		
Eliminate Miscellaneous Travel	\$37,500	0
The reduction in Administration of County Policy will eliminate miscellaneous travel. This reduction will eliminate opportunities for staff to attend work related conferences resulting in reduced awareness of emerging trends and issues.		
Eliminate 1/1.0 FTE Vacant Administrative Assistant V Position	\$56,716	1
The reduction in Administration of County Policy will eliminate 1/1.0 FTE vacant Administrative Assistant V position, one of four Administrative Assistant V positions in the office. This reduction will increase the workload of administrative staff resulting in delays in efficiencies, reduced employee and customer satisfaction and delays in the processing of internal items.		
Reduce Consultant Services	\$0	0
The reduction in the Office of Community Revitalization and Reinvestment will result in a decrease of \$190,000 in Fund 30010, General Construction and Contributions, Project 2G02-002-000, Revitalization initiatives. This will reduce consultant services which support commercial revitalization and reinvestment efforts in the County's Commercial Revitalization Districts and Areas, as well as in other strategic locations.		
Reduce the Hours of 1/1.0 FTE Filled Management Analyst III Position from 40 Hours Per Week to 20	\$38,137	0
The reduction in the Office of Public Private Partnerships will reduce the hours of 1/1.0 FTE filled Management Analyst III position, one of three Management Analyst III positions in the office, from 40 hours per week to 20. This position provides Certified Mediation Training for Fairfax County Public Schools and Fairfax County Government as part of the Alternative Dispute Resolution (ADR) program. In addition, the position assists with the development and maintenance of partnerships. This reduction will require ADR and agency staff to absorb the position's workload.		
02 - Office of the County Executive Total		\$162,024 1
04 - Department of Cable and Consumer Services		
Eliminate a vacant Consumer Specialist I in Consumer Affairs	\$71,016	1
This reduction will eliminate one vacant Consumer Specialist I position and will require the reallocation of the duties to the other seven positions in Consumer Affairs. This will result in a reduced level of service by limiting the timeliness of consumer complaints investigated, case inquiries closed, and outreach seminars conducted.		

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FY 2014 Reductions General Fund Impact

Reduction Title / Impact Statement	Reduction	
	Funding	Posn
Manage Position Vacancies	\$13,344	0
This reduction will lower the agency's Public Safety Program Area's Personnel Services budget by \$13,344, and will require the close management of position vacancies.		
04 - Department of Cable and Consumer Services Total		\$84,360 1
06 - Department of Finance		
Reduce Temporary Accounts Payable Staffing	\$200,000	0
The reduction will reduce temporary Accounts Payable support. The agency utilized an outside contractor to assist with the transition to a centralized Accounts Payable processing system. This support is no longer required as efficiencies associated with the new system have been implemented and staff has been trained to operate the system. This reduction is a result of efficiencies generated from the implementation of FOCUS.		
Eliminate 1/1.0 FTE Vacant Management Analyst III Position	\$62,984	1
This reduction will eliminate 1/1.0 FTE vacant Management Analyst III position, one of three Management Analyst III positions in the Accounts Payable business area. Eliminating this position will increase staff workload; however, efficiencies associated with the County's new financial system will mitigate this impact as the amount of time required to process an invoice has been reduced. This reduction is a result of efficiencies generated from the implementation of FOCUS.		
06 - Department of Finance Total		\$262,984 1
08 - Facilities Management Department		
Reduce Utility Funding	\$342,079	0
This reduction results in decreases to both natural gas and electricity budgets based on historical experience, projections for future requirements, and the implementation of energy savings initiatives. An amount of \$192,079 is associated with a 7.6 percent decrease in the total natural gas budget for County facilities of \$2,532,489. Based on actual experience in the last five years, funding requirements for natural gas have been lower than anticipated. The demand for natural gas is largely based on the severity of winter temperatures; however, the remaining funding level is sufficient to offset increased demand should the County experience a more severe winter season. In addition funding of \$150,000 is associated with electricity savings based on prior year experience and projected savings associated with the implementation of LED lighting and other energy savings initiatives.		
Eliminate Vacant Management Analyst IV Position that Supports Building Services	\$115,977	1
This reduction eliminates one of four Assistant Director (Management Analyst IV) positions. This position provides overall supervision of services provided by the Building Services Division. These services include security, custodial and grounds maintenance at designated County facilities. In addition, this position provides oversight of cafeteria services within three County facilities and parking management of two garages located at the Public Safety Complex. The elimination of this position will result in the reorganization of the agency and workload will be distributed to the three remaining Assistant Director positions for Real Estate Management Services; Design, Engineering, Energy and Construction; and Operations and Maintenance.		
Reduce Training and Travel Funding	\$28,482	0
This reduction results in a 47 percent decrease in the agency's total travel and training budget of \$60,262. Training opportunities and external travel for agency staff to learn new technologies and practices within the facility management industry will be reduced. This will partially suspend the participation in professional training, conferences, and any related events incurring travel expenses and may result in a lack of new technologies and practices being implemented in the area of repair and maintenance. This lack of knowledge may result in more maintenance being supported by contractors. In addition, technical and maintenance training provided by outside the Council of Government (COG) area will be deferred until the training is offered locally or the individual is willing to pay travel related expenses out of pocket.		

County Executive Summary

FY 2014 Reductions General Fund Impact

Reduction Title / Impact Statement	Reduction	
	Funding	Posn
Reduce Lease Purchase Program	\$26,522	0
<p>This reduction will eliminate one equipment master lease agreement contract for Energy Management Control Systems (EMCS) and HVAC systems purchased for various County facilities. Once these agreements are completed, funding is no longer required. This lease purchase agreement has been completed and requires no FY 2014 funding.</p>		
08 - Facilities Management Department Total		\$513,060 1
11 - Department of Human Resources		
Eliminate 1/1.0 FTE Vacant Management Analyst II Position	\$85,000	1
<p>This reduction in the Benefits Division would eliminate 1/1.0 FTE vacant Management Analyst II position, reducing the number of professionals available to provide in-house analysis and service for employees. This is one of two Management Analyst II positions in the Benefits Division. With the implementation of FOCUS, some efficiencies have been realized in the way that work is processed in the division. However, there is a looming workload in this division driven primarily by the need to go through an extensive Request For Proposal (RFP) process for several of the major benefits programs, most notably the County's health plans. There is also a significant amount of work anticipated to comply with health care reform legislation. Eliminating this position will require reliance on an external vendor for analysis related to these two major activities, in addition to the routine processing and servicing of the benefits plans. The division's ability to operate without this position will be reliant in part on the ability to leverage health vendor communications and tools as a result of the RFP for the County's self-insured health plans. This reduction is a result of efficiencies generated from the implementation of FOCUS.</p>		
11 - Department of Human Resources Total		\$85,000 1
12 - Department of Purchasing and Supply Management		
Eliminate 1/1.0 FTE to-be-vacated Contract Specialist II Position	\$70,962	1
<p>The reduction will eliminate a soon to-be-vacated Contract Specialist II position, one of seven Contract Specialist II positions in the Contracts Division. Any short-term increase in the amount of time required to award a contract is expected to be mitigated by a strategic initiative to increase the formal solicitation threshold, resulting in fewer contracts. This reduction is a result of efficiencies generated from the implementation of FOCUS.</p>		
Increase Rebate Revenue	\$64,000	0
<p>The agency will generate additional revenue of \$64,000 as a result of leading the national cooperative contract for multi-functional digital devices and establishing a special-use procurement card to pay for the Department of Information Technology's Verizon bills. This revenue enhancement will have a minimal impact on agency operations as increases in workload would be absorbed by existing staff. It is important to note that this revenue has been included in the FY 2014 Contract Rebates revenue estimate.</p>		
Eliminate 1/1.0 FTE Vacant Material Management Driver Position and Manage Vacancies	\$48,197	1
<p>The reduction will eliminate a vacant Material Management Driver position for a savings of \$44,560. This is one of nine Material Management Driver positions in the Material Management Division. This reduction will have a minimal impact on agency operations as the number of pickup and delivery dates associated with the excess and surplus property program has been reduced. The agency will manage vacancies to achieve an additional savings of \$3,637.</p>		
12 - Department of Purchasing and Supply Management Total		\$183,159 2

County Executive Summary

FY 2014 Reductions General Fund Impact

Reduction Title / Impact Statement	Reduction	
	Funding	Posn
13 - Office of Public Affairs		
Eliminate 1/1.0 SYE Vacant Assistant Director Position	\$56,288	1
<p>This reduction will eliminate a vacant Assistant Director position, one of two Assistant Director positions in the agency. The Assistant Director oversees human resource functions, workload assignments and a variety of other supervisory duties. In addition, the position works with both internal and external customers to provide support. These responsibilities would be absorbed by the remaining Assistant Director position. Additional savings from this position reduction have already been realized as part of managing vacancies in the FY 2013 Adopted Budget.</p>		
13 - Office of Public Affairs Total		\$56,288 1
20 - Department of Management and Budget		
Eliminate 1/1.0 FTE Vacant Business Analyst III Position	\$82,000	1
<p>The reduction would eliminate 1/1.0 FTE vacant Business Analyst III position. Due to the new FOCUS system, and the anticipated implementation of the budget module in FY 2015, it is projected that there will be fewer requirements to maintain separate systems for the tracking and maintenance of budget and performance measurement information. This reduction is a result of efficiencies generated from the implementation of FOCUS.</p>		
20 - Department of Management and Budget Total		\$82,000 1
25 - Business Planning and Support		
Eliminate a Part Time Vacant Administrative Assistant IV Position	\$25,584	1
<p>This reduction eliminates a part time vacant Administrative Assistant IV position, one of two Administrative Assistant positions in the agency. Eliminating this position will increase the workload of administrative staff resulting in delays in efficiencies, reduced employee satisfaction and limited review of Board Items and internal administrative procedures.</p>		
Reduce Operating Expenses	\$14,285	0
<p>This reduction results in a decrease in department wide trainings and other operating costs. Operational cost reductions are associated with additional server space. The reduction in server space will result in less computer storage capacity and may impact speed of information retrieval and processing.</p>		
25 - Business Planning and Support Total		\$39,869 1
26 - Office of Capital Facilities		
Increase Work Performed For Others (WPFO) Billing Charged to Projects	\$137,657	0
<p>The charges for Work Performed For Others (WPFO) are increased as a result of a review of actual costs incurred, including recent increases in salaries as approved by the Board of Supervisors in FY 2012 and FY 2013. This will result in an increase to the WPFO billing rate for 4/4.0 FTE positions which are located in Capital Facilities but work on stormwater projects and 5/5.0 FTE positions which are located in Capital Facilities but work on transportation projects. Currently, WPFO is charged at a rate of approximately 80 percent to Fund 40101, Stormwater Services. This reduction will result in an increase of 20 percent to stormwater projects fully recovering the cost of all 4 positions. This adjustment will result in consistency in the agency with all 7 stormwater positions 100 percent recoverable. Currently, WPFO is charged at a rate of approximately 72 percent to several transportation funds. This reduction will result in an increase of approximately 16 percent to transportation projects recovering 88 percent of the cost of all 5 positions. This adjustment will result in consistency in the agency with all 5 transportation positions 88 percent recoverable.</p>		

County Executive Summary

FY 2014 Reductions General Fund Impact

Reduction Title / Impact Statement	Reduction	
	Funding	Posn
Eliminate 1/1.0 FTE Filled Administrative Assistant II Position	\$42,539	1
<p>The reduction will eliminate a filled Administrative Assistant II position, one of two Administrative Assistant II positions in the agency. This reduction will increase the workload of administrative staff resulting in longer customer wait times and delays in the processing of internal items. In addition, eliminating this position will require senior engineer positions to spend an increased amount of time on administrative tasks, taking them away from projects that require more technical analysis, which could result in delays to these more complex projects.</p>		
26 - Office of Capital Facilities Total	\$180,196	1
31 - Land Development Services		
Revenue Enhancement	\$480,000	0
<p>The agency will increase various fees by an average of 2.8 percent resulting in additional revenue of \$480,000. This revenue enhancement will impact customers as they will be required to pay an additional fee for services provided. It is important to note that this revenue has been included in the FY 2014 Permits/Inspection Fees revenue estimate.</p>		
Increase Work Performed for Others (WPFO) Billing Charged to Projects	\$341,777	0
<p>The charges for Work Performed for Others (WPFO) are increased as a result of a review of actual costs incurred, including recent increases in salaries as approved by the Board of Supervisors in FY 2012 and FY 2013. In addition, staff has reviewed the mix of positions being charged to projects and determined that 5/5.0 FTE positions which are located in Land Development Services but work exclusively on Stormwater projects, should be charged to the appropriate projects. WPFO is charged for managing the planning, design and construction of capital projects. This reduction will result in a modest increase to Stormwater projects.</p>		
Eliminate 1/1.0 FTE Vacant Administrative Assistant II Position	\$42,540	1
<p>This reduction will eliminate 1/1.0 FTE vacant Administrative Assistant II position, one of five Administrative Assistant II positions in the Building Plan Review and Inspections Division. This reduction will have a minimal impact on agency operations due to recently implemented efficiencies.</p>		
31 - Land Development Services Total	\$864,317	1
35 - Department of Planning and Zoning		
Eliminate Funding for Limited Term Positions	\$132,665	0
<p>The elimination of this funding will reduce the Department of Planning and Zoning's Personnel Services budget of approximately \$9 million by approximately 1.4 percent. The elimination of funding for benefits-eligible positions will require the Zoning Evaluation Division to decrease their goal of responding to 50 percent of written requests for determination within 30 business days to 40 percent. In addition, review timeframes for zoning applications will be extended. The elimination of funding for temporary positions will require planners to spend an increased amount of time on lower level tasks, taking them away from projects that require more technical analysis, which will result in delays to these more complex projects. It should be noted that both benefits-eligible positions are currently filled.</p>		
35 - Department of Planning and Zoning Total	\$132,665	0
36 - Planning Commission		
Reduce Personnel Services Budget	\$33,689	0
<p>The reduction reduces the Personnel Services budget by \$33,689, a 5.2 percent reduction from the FY 2013 funding level of \$644,508. This reduction will primarily be managed through personnel services savings available due to the Executive Director position being vacated and then filled at a lower salary level as well as other management of position vacancies.</p>		
36 - Planning Commission Total	\$33,689	0

County Executive Summary

FY 2014 Reductions General Fund Impact

Reduction Title / Impact Statement	Reduction	
	Funding	Posn
38 - Department of Housing and Community Development		
Eliminate General Fund Support for Refuse Disposal	\$25,252	0
The reduction of \$25,252 provided for General Fund refuse disposal support at various FCRHA rental properties can be absorbed within the non-appropriated Public Housing and Fairfax County Rental Program budgets.		
38 - Department of Housing and Community Development Total	\$25,252	0
39 - Office of Human Rights and Equity Programs		
Eliminate Vacant Human Rights Analyst II Position	\$78,611	1
This reduction would result in eliminating the only Human Rights Analyst II position from the Equity Programs division. This position is currently vacant. The reduction could reduce the investigative capacity of the agency and may result in an increase in the time required to close investigations, which could impact customer satisfaction. However, due to enhanced efficiencies and production of the investigative staff, this is projected to have a manageable impact.		
39 - Office of Human Rights and Equity Programs Total	\$78,611	1
40 - Department of Transportation		
Increase Work Performed for Others (WPF0) Billing Charged to Projects	\$86,416	0
The charges for Work Performed for Others (WPF0) are increased as a result of a review of actual costs incurred, including recent increases in salaries approved by the Board of Supervisors in FY 2012 and FY 2013. In addition, staff has reviewed the mix of positions being charged to projects and determined that the full salary costs of 1/1.0 FTE Engineer III position in the Transportation Design Division (TDD) should appropriately be charged to Fund 40010, County and Regional Transportation Projects, as this position is currently working on numerous capital projects. Examples of these capital projects include Route 123/Braddock Road Interim Roadway improvements, Braddock Road/Roanoke River Road improvements, and Fairfax County Parkway improvements from Route 29 to Braddock Road.		
40 - Department of Transportation Total	\$86,416	0
41 - Civil Service Commission		
Reduce Personnel and Operating Budget	\$21,288	0
This reduction reduces flexibility in providing services, or responding to a large increase in appeals filed. The Commission is State mandated (Code of Virginia 15.2-1506, 1507) and does not control the number of grievance appeals filed, so if the number/ cost exceeded the budgeted amount, funds would still need to be expended. At this time, it is anticipated that the agency will be able to absorb the reduction without any reduced level of service as long as the current workload level does not increase.		
41 - Civil Service Commission Total	\$21,288	0
51 - Fairfax County Park Authority		
Increase REC-PAC fees	\$94,000	0
Rec-PAC is the Park Authority's summer recreation program for elementary school children that provides structured, supervised activities in community-based settings. Rec-PAC fees are on a sliding scale based on household income level and currently range from \$33 to \$109 per week. It should be noted that nearly one-half of the program participants enroll on a fee-waiver (scholarship) basis. There are approximately 18,800 registrations per year for Rec-PAC and in FY 2012, 4,887 children were served (many children register for multiple sessions). A sliding scale fee structure will be developed to generate the additional \$94,000 while minimizing the financial impact for lower-income families. The Park Foundation will continue to raise funds for the Rec-PAC program. The increase in fees will result in an additional \$94,000 in General Fund revenues.		

County Executive Summary

FY 2014 Reductions General Fund Impact

Reduction Title / Impact Statement	Reduction	
	Funding	Posn
Eliminate a filled HVAC Equipment Tradesman Position	\$67,759	1
<p>This reduction will result in the elimination of 1/1.0 FTE filled HVAC I position out of 2 HVAC Tradesman positions in the agency. The elimination of this position will limit the agency's ability to perform preventative maintenance and repairs on HVAC systems at the Nature Centers, Historic Sites and rental properties resulting in longer repair times and increased customer inconvenience. This position conducts HVAC repairs and kitchen appliance repairs (ice machines, coffee pots, fryers and freezers) at all park sites. This position worked on 150 work orders in the past year, including 68 planned (routine maintenance) and 82 emergency items. With this reduction, only demand (emergency) work will be performed; no planned (routine) work would be completed.</p>		
Increase Work Performed For Others (WPFO) Billing Charged to Projects	\$54,552	0
<p>The charges for Work Performed For Others (WPFO) are increased as a result of a review of actual costs incurred, including recent increases in salaries as approved by the Board of Supervisors in FY 2012 and FY 2013. Additional WPFO charges to capital projects may reduce the amount of flexibility available to address potential increases in project costs.</p>		
Eliminate Annual Funding for Park Athletic Court Renovations	\$0	0
<p>This \$200,000 reduction will result in the elimination of annual tennis and basketball court renovations. An average of nine athletic courts (approximately 6 tennis courts and 3 basketball courts) are renovated each fiscal year at a cost of \$20,000 to \$25,000 each. The total budget for court renovations was \$400,000; however this budget was reduced by 50% in FY 2013. This reduction will eliminate the remaining funding for court renovations. As tennis courts and basketball courts become unsafe for citizen use, they will be taken out of service. The life expectancy of a tennis and basketball court is 10 years. The Park Authority maintains 260 tennis courts and 128 basketball courts. The public can expect to see court closings to start to occur within one to two years. This reduction is in Fund 30010, General Construction and Contributions, Project 2G51-006-000, Parks Grounds Maintenance.</p>		
Support Park Authority ADA Compliance with a transfer from Fund 80300, Park Capital Improvement Fund	\$0	0
<p>In lieu of General Fund support, a transfer of \$1,085,000 is recommended from Fund 80300, Park Capital Improvement Fund, Project 2G51-017-000, Contingency to Fund 30010, General Construction and Contributions, to support Project PR-000083, Americans with Disabilities Act Improvements. This transfer is consistent with the recommendations presented in the November 2012 Office of Financial and Program Audit report entitled, Strategies to Reduce County General Fund support of the Park Authority. Funding will provide for the continuation of improvements required as part of the Department of Justice (DOJ) audit and identified in the settlement agreement signed by the Board of Supervisors on January 28, 2011. This adjustment to the contingency project within Fund 80300 will reduce the availability of funding should other projects in progress exceed existing resources.</p>		
51 - Fairfax County Park Authority Total		\$216,311 1
52 - Fairfax County Public Library		
Reduce Materials Allocation	\$374,237	0
<p>With this reduction, the Fairfax County Public Library (FCPL) will reduce the materials budget by \$374,237, or approximately 11 percent. This reduction will be applied across all selection targets reducing categories as appropriate to produce the least impactful consequences. This reduction will result in fewer titles and copies being available to library users. Customers could expect the holds ratio to remain steady at 1:6. This reduction would widen the gap for the materials allocation from FY 2000 to FY 2013 which is currently at approximately 50 percent. However, FCPL would work to mitigate this impact by reviewing the collection targets and purchasing the most customer utilized materials. Also, any surplus funds identified at the end of the fiscal year will be dedicated to materials in an effort to offset the reduction.</p>		

County Executive Summary

FY 2014 Reductions General Fund Impact

Reduction Title / Impact Statement	Reduction	
	Funding	Posn
Strategic Redefinition and Restructuring of Staffing Requirements	\$275,000	0
<p>The Library is beginning a multi-year process to more effectively manage its resources by aligning them with focused objectives to operate in the most efficient manner possible. Part of this process entails a significant realignment and restructuring of staffing requirements. Responding to the changes occurring industry-wide as well as customer expectations, FCPL is becoming a more customer-driven organization and through this effort plans to improve customer service, streamline operations, and achieve cost savings. The vision of this plan is to provide a popular materials collection that supports student homework needs, programs focused on early literacy education, programs that mesh organizational goals with specific community demographics, facilities that provide a place for customers to work, study and recreate, and to help customers utilize information resources and technology. One of the overall goals of this change is to ensure that branches become more customer-focused by strategically defining staffing criteria and requirements through attrition, position redirections and reductions. While the majority of this process (and the resulting savings) will not materialize until FY 2015 or later, it is anticipated that savings of \$275,000 will be possible through the initial phases of this process.</p>		
52 - Fairfax County Public Library Total	\$649,237	0
57 - Department of Tax Administration		
Increase Business Personal Property Tax and Business Professional and Occupancy License Tax Revenue	\$700,000	0
<p>This revenue enhancement will require the agency to reclassify four vacant positions to Business Tax Specialists, increasing the number of Business Tax Specialist positions in Tax Discovery and Compliance from 10 to 14. Reclassifying these positions is projected to increase revenue by \$700,000 as the positions will concentrate on finding new businesses within Fairfax County that are currently not paying the Business Personal Property Tax (BPP) or the Business Professional and Occupancy License Tax (BPOL) and ensuring that these businesses begin to pay these taxes. This revenue has been included in FY 2014 General Fund revenue estimates.</p>		
57 - Department of Tax Administration Total	\$700,000	0
67 - Department of Family Services		
Increase Fees for the School-Age Child Care (SACC) Program by 5 Percent in an Effort to Reach 80 Percent Cost Recovery	\$1,705,983	0
<p>SACC fees are collected from parents as payment for child care services. A 5 percent increase in fees would bring in an estimated \$1.7 million in additional SACC revenue in FY 2014 and increase the program's cost recovery rate from an estimated 77 percent (in FY 2013) to approximately 80 percent (in FY 2014). It should be noted that full cost recovery is not possible due to the County's commitment to provide subsidized child care to families with low-incomes and children with special needs.</p>		
Align Comprehensive Services Act (CSA) Utilization Review Revenues	\$50,000	0
<p>Utilization Review (UR) is done for all CSA residential placements, out of the ordinary (in terms of cost) cases, and at the request of case managers or CSA staff. The UR process has helped agencies involved with CSA services access and utilize better, more cost effective services for enrolled youth and their families by diverting services from residential placements, reducing lengths of stay in residential facilities, and increasing use of Medicaid funding. In FY 2011, UR processes were enhanced in an effort to contain CSA costs by utilization of more intensive monitoring of residential placements and treatment plans. Since this CSA service is reimbursable by the state, these revenues were formally incorporated into the budget, thereby reducing the costs borne by the County. Based on two years of experience and projected workload going forward, additional cost savings of \$50,000 are anticipated.</p>		
Eliminate Two Vacant Management Positions	\$198,434	2
<p>This reduction eliminates the Deputy Director position and a Program Manager position in the Adult and Aging Division for projected savings of \$198,434. While no significant external service impact is anticipated, this action will place additional pressure on current managers to provide all of the strategic visioning and leadership in service delivery, cross-system efforts, and representation of the County in regional settings and at the state level. It will also become more difficult for the County and the Department of Family Services to continue long-term succession planning efforts.</p>		

County Executive Summary

FY 2014 Reductions General Fund Impact

Reduction Title / Impact Statement	Reduction	
	Funding	Posn
<p>Realize Savings Associated with Position Realignments and Staff Turnover</p> <p>Positions throughout the Department of Family Services have been reviewed and work redesigned to enable the reallocation of some positions to direct service provision. Additionally, an analysis of compensation needs revealed a projected decrease in average salaries due to staff turnover. As a result, it is anticipated that additional savings of \$341,404 will be realized with minimal adverse impact.</p>	\$341,404	0
<p>Generate Operating Efficiencies within the Department of Family Services</p> <p>Based on the implementation of additional cost containment strategies, savings of \$106,888 in Operating Expenses is anticipated. Loss of this funding to address other operational needs could potentially limit the ability to accommodate service funding requirements.</p>	\$106,888	0
<p>Begin Implementation of a New Staffing Model in the School-Age Child Care (SACC) Program by Converting 30.0/24.30 FTE Teacher I Positions as Vacancies Occur</p> <p>Beginning in FY 2010, new SACC rooms were opened using a modified staffing model which utilized a combination of merit and benefits-eligible employees. After several years of experience, this model has been successful and staff will now implement the new model in all SACC rooms. This reduction is year one of a three year phase-in and will convert a total of 115 Teacher I positions to benefits-eligible positions as they become vacant. Based on the current rate of attrition, it is anticipated that 30 Teacher I positions will be converted in FY 2014 and the remaining positions in FY 2015 and FY 2016. It is anticipated that savings of \$272,343 in Fringe Benefits will be realized in Agency 89, Employee Benefits, in FY 2014.</p>	\$272,343	30
<p>Align Home-Based Care Services Budget with Actual Experience</p> <p>Home-based care services assist with activities of daily living and are provided to nearly 1,100 eligible adults in their own homes each year. Services are task-based and include assisting persons with personal care tasks such as bathing, meals, housekeeping, and laundry. Clients are eligible for the program provided they meet certain income and functional criteria. Staff efforts to maximize Medicaid by enrolling all eligible clients and capping the tasks available, have resulted in recent expenditures being lower than in previous years. Thus, home-based care funding is reduced by a total of \$630,000. This \$630,000 reduction also represents the beginning of efficiency savings that the County intends to see from a comprehensive 2-year review of various older adult services across the County's Human Services System (i.e., across initiatives between the Department of Family Services, the Department of Neighborhood and Community Services, and the Health Department). This reduction will not adversely impact the clients currently being served; however, significant increases in the number of clients requiring services, acuity of the clients being served, or changes in Medicaid eligibility and reimbursement may result in the need for a waiting list in the future.</p>	\$630,000	0
<p>Maximize State Funding by Redirecting Comprehensive Services Act (CSA) Non-Mandated Spending from Residential Placements to Community Based Services</p> <p>Youth served through non-mandated CSA funding have serious emotional and behavioral issues which place them at risk to self or others. Given the desire to serve youth in the community, this reduction caps expenditures on residential placements and increases utilization of community-based services. Since the state incentivizes spending on community-based services with a higher state match rate, this change would result in more revenue being drawn down to the County. Based on FY 2012 expenditure patterns, the revenue increase is estimated to be \$103,740. Serving more youth in the community facilitates more family involvement, thereby reducing length of system involvement and better outcomes. Since better outcomes typically result when youth are served in the community versus a residential facility, this proposal is not anticipated to have any significant adverse implications for the youth or their families.</p>	\$103,740	0
<p>Eliminate Comprehensive Services Act (CSA) Initiative Funding</p> <p>This reduction eliminates funding for CSA initiatives intended to reduce costs or improve outcomes for youth and their families; however, funding has not been needed for this purpose. Thus, the \$375,000 in savings can be achieved with minimal impact to this service area.</p>	\$375,000	0

County Executive Summary

FY 2014 Reductions General Fund Impact

Reduction Title / Impact Statement	Reduction	
	Funding	Posn
Close the Job Corner Providing Youth Employment Services	\$41,879	0
<p>Job Corner is a drop-in employment center that was created to provide employment and basic education services to young people through co-location of the Workforce Investment Act (WIA) Youth program and education partners in the Falls Church area. However, recent WIA program changes have required services to be tailored to individual needs, resulting in a shift away from the general employment services delivered through a center-operated approach. Additionally, Job Corner was relocated from Falls Church to Annandale which resulted in the loss of several key education and service providers who were instrumental in delivering free and/or low-cost services. As a result of these changes, the number of individuals visiting the Job Corner site has decreased substantially, thus limiting its utility and viability. This reduction closes the Job Corner. Services will continue to be provided by case managers for WIA enrolled youth, and services for non-WIA enrolled youth will continue to be available through the SkillSource Centers in Annandale, Reston, and South County.</p>		
67 - Department of Family Services Total		\$3,825,671 32
68 - Department of Administration for Human Services		
Eliminate Funding for Mail Services Contract	\$133,068	0
<p>This reduction eliminates all funding for mailroom services provided by a contractor at the Pennino Building through an enclave that provides employment for six persons with disabilities (sheltered workshop). As a result, all of the human services agencies located in the Pennino Building will be affected. DAHS will work with agencies to identify a process by which daily mail distribution will be accomplished. All agencies are likely to be able to absorb the work.</p> <p>The six existing employees of the contractor will require placement in other employment venues by the contractor. Depending on whether alternative work locations could be found, termination of the contract could result in an interruption in employment for these individuals.</p>		
Eliminate Vacant Grants Coordination Position	\$72,000	1
<p>This reduction will eliminate the Management Analyst II position in DAHS responsible for coordinating and supporting the grant application process across human services agencies. Although grant writing will continue in individual agencies, the elimination of this position will result in decreased oversight of and coordinated strategies for grant opportunities, as well as decreased maintenance of resource materials regarding current grants across the human services system. With the position being vacant since the end of FY 2011, the impact should be minimal. Positions in other departments that support program areas applying for grants have worked together to strengthen coordination efforts between the human services system.</p>		
Reduce One Filled Position Associated With Emergency Coordination Services	\$65,826	1
<p>This reduction will eliminate one of the two positions responsible for coordinating, preparing and implementing emergency response plans for all human services at the five co-located sites. This will result in a diminished capacity to manage and maintain the plans, as well as a diminished capacity to coordinate activities and trainings for approximately 2,000 to 3,000 human services employees. The functions of this position will be absorbed by the remaining staff person in Emergency Coordination Services and other human services departments.</p>		
68 - Department of Administration for Human Services Total		\$270,894 2
70 - Department of Information Technology		
Reduction in Telecomm Services Capacity	\$100,000	0
<p>The reduced funding will further challenge the agency's ability to provide the current level of telecommunications support. It is anticipated that services will be reduced, operational efficiencies will be tougher to achieve, customer satisfaction will be impacted, and flexibility to deal with unforeseen situations will be substantially reduced. One foreseeable result of this reduction is that it reduces the amount of funds for maintenance which could potentially increase the time needed to repair system troubles, could impact smaller sites that rely hourly on phone communication, and will increase backlogs and inefficiencies.</p>		
70 - Department of Information Technology Total		\$100,000 0

County Executive Summary

FY 2014 Reductions General Fund Impact

Reduction Title / Impact Statement	Reduction	
	Funding	Posn
71 - Health Department		
Eliminate Four Public Health Nurse II Positions from the Maternal Child Health Cost Center	\$276,984	4
<p>Provision of maternity services is a partnership between the Health Department and InovaCares Clinic for Women. Currently, the Health Department functions as the entry point for pregnancy testing and prenatal care through the 2nd trimester, at which time clients are transferred to Inova for the remainder of their prenatal care and delivery. To optimize continuity of care and eliminate the need for clients to transition services mid-pregnancy, a new service delivery model that allows clients to receive their entire prenatal care at Inova has been developed and will be implemented by FY 2014. As a result, elimination of the 4/4.0 FTE Public Health Nurse II clinic positions will have little or no impact to public health clinic services and the human services system.</p>		
Eliminate All Contracted On-Site Radiology Services at the Community Health Care Network (CHCN)	\$245,000	0
<p>While community-based radiology services are available through Inova-based radiology facilities under the Inova charity care policy, discontinuing on-site radiology services may result in patients having either to wait longer periods of time or to travel farther to receive needed radiology services. In addition, this change may reduce provider efficiency in reviewing radiology reports and increase time delays in implementing treatments for CHCN patients.</p>		
Eliminate One Environmental Health Specialist III and Three Environmental Health Specialist II Positions in the Consumer Protection Program	\$224,373	4
<p>The Environmental Health Division is currently in the process of merging the Food Safety Program and Community Health and Safety Program into one consolidated program known as Consumer Protection. Environmental health specialists within these programs are responsible for inspecting and responding to environmental complaints (e.g., food establishments, hotels, and pools). By the start of FY 2014, a total of 4/4.0 FTE Environmental Health II and III positions will be vacant. Eliminating these positions will increase caseloads by an average of 85 inspections per year. Currently, the frequency of these inspections exceeds local minimum mandates (two inspections per year). Through the reorganization of programs and use of risk-based inspections, the department will be able to maintain inspections at the levels necessary to safeguard public health and ensure safety. Thus the Health Department anticipates being able to manage this loss of staff resources while ensuring that external customers will not be impacted significantly.</p>		
Eliminate Three Contracted Pharmacy Technician Positions and One Contracted Lab Technician Position at Various Community Health Care Network (CHCN) Locations	\$199,826	0
<p>Over 12,000 patients receive laboratory testing annually and system-wide over 9,000 prescriptions are processed monthly. The elimination of three contracted Pharmacy Technicians would reflect a decrease of 30 percent system-wide (i.e., Pharmacy Technicians will be reduced from 10 to seven). The elimination of one contracted Lab Technician would reflect a 33 percent decrease in the number of Lab Technicians at the CHCN-Bailey's facility (i.e., from 3 to 2 Lab Technicians). Timeliness of pharmacy and laboratory services may be impacted by this reduction. It is anticipated that, on average, the wait times for pharmaceuticals and labs will increase from 20 minutes to 40 minutes. This may have an adverse financial impact on many CHCN patients who are employed in hourly wage jobs without paid time off.</p>		
Eliminate Three Contracted Full-Time Office Manager Positions in the Community Health Care Network (CHCN)	\$157,000	0
<p>Each of the three CHCN health centers has one contracted Office Manager position who is the key support staff person for the center's nurse manager. These individuals are responsible for creating and managing schedules, ordering and receiving supplies, billing and managing accounts, and balancing collections (e.g., cash, credit card payments, and checks). Elimination of these three contracted positions would leave no office manager at the primary health care centers, where the number of clients seeking services, and patients currently enrolled seeking primary and specialty care, prescriptions, diagnostic and laboratory tests, mental health care, and medical social work services averages between 300 to 500 individuals per day. This staff position also provides essential coverage for the nurse manager in his/her absence and staff shortages at the front desk. Therefore, the timeliness of services may be impacted as it is anticipated that the wait time during peak service hours may be up to 60 minutes. Scheduling of clients and account management would also be impacted; however, there would likely be no reduction in the number of clients served. A longer wait may have an adverse financial impact on many CHCN patients who are employed in hourly wage jobs without paid time off.</p>		

County Executive Summary

FY 2014 Reductions General Fund Impact

Reduction Title / Impact Statement	Reduction	
	Funding	Posn
Reduce Community Health Care Network (CHCN) Specialty Physician Care Payments	\$150,000	0
<p>CHCN arranges for and coordinates nearly 10,000 specialty referrals for patients annually. During the past two years, staff has worked to decrease the number of paid specialists, resulting in a savings of \$200,000 (from nearly \$500,000 to \$300,000). This reduction represents another 50 percent decrease in funding available for specialty care and may result in clients experiencing delays in the receipt of specialty care. Additionally, there is an insufficient supply of providers in the community who are willing to provide specialty pro bono care. Since purchase of specialty care is not a sustainable model for CHCN, staff from CHCN, the medical society, local federally qualified health centers, and free clinics are working together to develop capacity for specialty care in the community.</p>		
71 - Health Department Total	\$1,253,183	8
73 - Office to Prevent and End Homelessness		
Generate Continued Efficiencies in Operating Expenses	\$65,895	0
<p>This reduction will decrease operating expenses by \$65,895 based on historical spending patterns. This reduces funding available for internal needs such as training, office supplies, and document printing and distribution, but can be taken with minimal impact to the provision of homeless services.</p>		
73 - Office to Prevent and End Homelessness Total	\$65,895	0
79 - Department of Neighborhood and Community Services		
Redesign Administrative and Operational Oversight Functions	\$300,000	4
<p>This reduction is based on a redesign of the administrative and operational oversight functions for the Department of Neighborhood and Community Services (DNCS) and eliminates four positions, as well as increases the target for managed position vacancies. The four positions include a vacant Management Analyst III position that supports department-wide efforts in alternative resource development, with a focus on grant management and data-driven partnerships, and three Administrative Assistant positions (two of which are filled) that provide departmental support functions. The work responsibilities of the Management Analyst III position will be provided in a decentralized manner by a variety of positions throughout DNCS. The elimination of the three Administrative Assistant positions is associated with a redesign of the administrative support structure within DNCS that will seek to shift duties and responsibilities into a more centralized model to enable the absorption of the additional duties.</p>		
Redesign Dial-A-Ride	\$207,000	0
<p>This reduction proposes to redesign the Dial-A-Ride program (DAR) and turn it into a taxi voucher program. DAR is currently operated by FASTRAN during off-peak hours of service during the weekday (10 a.m. and 2 p.m.) and participants pay \$1 per one-way trip. DAR serves those with incomes at or below 225 percent of federal poverty levels, and 620 individuals participated in the program last year. With the redesign, individuals would purchase subsidized vouchers for a predetermined fee. For example, the proposal would provide DAR participants with a two-for-one book of taxi vouchers for the first purchase (each book is worth \$33 of vouchers), and then regular fees (proposed to be \$10) for each additional book. This will increase the cost of a ride from \$1 per one-way FASTRAN trip to a taxi trip which results in a scaled fee structure based on distance traveled. The proposed voucher program will also offer greater flexibility to participants because the vouchers can be used seven days a week at any hour. By redesigning the DAR program to become a taxi voucher program, participants will be required to make an increased financial commitment but in exchange, will have greater flexibility and independence.</p>		
Replace Some County Support for the Middle School After-School Program with a Participant Fee	\$200,000	0
<p>This reduction replaces some County General Fund support for the Middle School After-School (MSAS) program with additional FCPS revenue that would result from the implementation of a new annual fee for participants (not to exceed \$25 per year per participant, and students qualifying for the FCPS free and reduced price meals program would be exempt from the fee). All 26 FCPS middle schools currently provide a free, five-day-a-week after-school program to students that includes activities such as: recreational activities, homework assistance, tutoring, health and wellness activities, career preparedness, and family engagement. The program has approximately 24,000 students participating at various times, and some may not have the means or may not choose to remain in the program if a fee is implemented. As a result, some students who could benefit from the MSAS program may not have opportunities to engage in fun, positive, academically beneficial activities.</p>		

County Executive Summary

FY 2014 Reductions General Fund Impact

Reduction Title / Impact Statement	Reduction	
	Funding	Posn
Redesign Community Engagement Activities and Eliminate One Vacant Community Developer Position	\$138,931	1
<p>This reduction results in a redesign of how community engagement is conducted across the four Neighborhood and Community Services (NCS) regions and the elimination of one of eight Community Developer positions. This redesign will place an emphasis on assigning specific work to the remaining Community Developers based upon community need, emerging issues, or alignment with strategic focus areas as identified in regional and/or center-based plans, regardless of the geographic area in which the need is identified. In addition, funding for the Annandale Neighborhood Center (ANC), which is a hub for engaging a broad network of County, Fairfax County Public Schools and community partners in programs and activities that encourage the development of families and students, will be eliminated, along with a 5 percent reduction in funding for six existing neighborhood initiatives contracts, including those in Herndon, Southgate, Creekside and Sacramento. As a result of elimination of the contract funding for the ANC, approximately 70 youth and families will be impacted. The participants would have to seek services and resources at alternative facilities such as the Heritage Center - Region 2 Human Services Building and/or the Wedgewood Apartments complex.</p>		
Close Three Computer Learning Center (CLC) Sites	\$110,000	0
<p>This reduction results in the closure of three (of 12 total) Computer Learning Center (CLC) sites and is anticipated to impact more than 750 youth participants per day. CLCs offer participants activities such as: computer access, internet access, homework assistance, and literacy activities. The sites chosen for closure include Annandale Terrace Elementary, Hybla Valley Elementary, and Mount Vernon Woods Elementary. Fairfax County Public Schools (FCPS) has the option to continue these three CLC school-based sites. If FCPS does not continue the programs at the school sites, staff will try to redirect impacted students to other after-school programs. However, these other programs may have associated fees (CLC is free), waiting lists, or may create transportation issues depending upon location.</p>		
79 - Department of Neighborhood and Community Services Total	\$955,931	5
80 - Circuit Court and Records		
Manage Vacancies and Overtime	\$117,017	0
<p>Previous year budget reductions have forced the agency to hold positions vacant in order to achieve savings, and this further reduction will make an already difficult situation that much harder to manage. As positions continue to be held vacant, the need for work to be performed outside of the 40 hour work week inadvertently also increases. However, the agency will work to manage a reduction in overtime to achieve additional savings. These vacancies and a reduction in overtime will affect the service quality to the public and requires the Court to manage at significantly less than full proficiency.</p>		
80 - Circuit Court and Records Total	\$117,017	0
81 - Juvenile and Domestic Relations District Court		
Reorganize Court Services Administration (currently vacant positions) and Manage Vacancies	\$350,000	3
<p>This reduction requires the Juvenile and Domestic Relations District Court to generate savings by reorganizing Court Services Administration staffing. This unit manages the court's files and provides information to individuals involved in court hearings or authorized by law to receive court information. Employees in this unit are responsible for the storage, maintenance, security, filing and expungement of court records. This unit also retrieves files, copies, distributes documents, conducts record inspections and provides staff coverage for the public information desk associated with the file room. The reorganization is still in its early conceptual stages; however, the court estimates that it will be able to reduce a total of 3/3.0 FTE positions (all are vacant) in FY 2014 as part of this process. When combined with managing position vacancies in other parts of the court, an estimated \$350,000 in savings can be generated.</p>		
81 - Juvenile and Domestic Relations District Court Total	\$350,000	3

County Executive Summary

FY 2014 Reductions General Fund Impact

Reduction Title / Impact Statement	Reduction	
	Funding	Posn
87 - Unclassified Administrative Expenses (Public Works)		
Reduced funding for Solid Waste Community Clean Up	\$163,249	0
<p>This reduction will result in a 45 percent decrease to the Community Clean Up Program. The County provides support to community and civic organizations in their efforts to clean up, enhance and maintain the appearance of their neighborhoods. The Clean up program also provides funding for the elimination of hazardous conditions identified by the Courts, Board of Supervisors, Health Department and the Sheriff's Office primarily associated with evictions. In FY 2012, funding for this program allowed for the completion of 28 community clean ups, 12 mandatory clean ups associated with evictions and referrals and 34 storm related clean ups. This reduction will result in less clean up and maintenance support and only the most critical clean up efforts will be provided.</p>		
87 - Unclassified Administrative Expenses (Public Works) Total		\$163,249 0
90 - Police Department		
Eliminate Station Logistics Program (filled positions)	\$234,863	4
<p>The reduction of the Station Logistics Program, including 4/4.0 FTE filled Vehicle Maintenance Coordinator positions (of eight total), will severely diminish the Department's capacity to provide basic operational support to eight district stations, increase the workload of patrol officers, and adversely impact timely and effective response to calls for service. Operational tasks performed by these positions include maintaining the estimated 800 police cruiser fleet, such as coordinating routine and emergency maintenance, towing and/or transporting vehicles to/from the County garage, managing RADAR, LIDAR, and other in-cruiser technology, as well as other related tasks. It should be noted that these tasks cannot be eliminated or absorbed by station civilian personnel. While minor gains in efficiency may be possible, previous budget reductions in civilian positions have all but eliminated non-mission critical activities. Consequently, patrol officers will be required to absorb the workload, primarily by being taken out of service, adversely impacting timely and effective response to calls for service.</p>		
90 - Police Department Total		\$234,863 4
91 - Office of the Sheriff		
Reduce Personnel Budget	\$470,000	0
<p>This reduction reflects a slightly less than one percent reduction in the proposed Office of the Sheriff's Personnel Services budget and would result in a manageable level of service impacts. No core responsibilities of the Sheriff's Office are compromised by this reduction. In the unlikely event that an unanticipated situation would occur, positions can be held vacant or specialized training delayed until the problem is resolved.</p>		
Eliminate Deputy Presence from Various Classes of Juvenile and Domestic Relations Court and some Circuit Court Less Emotionally Capricious Civil Hearings (filled positions)	\$255,000	3
<p>Currently the Sheriff's Office provides courtroom security with the presence of a Deputy in all Juvenile and Domestic Relations District Court (JDRC), General District, and Circuit courtrooms. There are 24 Deputies that provide security at all civil hearings; this proposal will remove three Deputies from less emotionally capricious civil hearings. For perspective, there are currently 34 filled courtrooms, of which 8 are JDRC, 11 are General District Court, and 15 are Circuit Court, of these, 18 are reserved for civil hearings. Just under 100,000 civil cases are heard on an annual basis. Many cases are potentially volatile and require Deputy presence in the Courtroom; however, other cases are not as volatile. Currently one Deputy is assigned to be present during all of these hearings. It is proposed that Deputies only attend these hearings when there is credible concern for disruption. This proposal would remove three Deputies from those cases evaluated as less volatile. This would require three courtrooms to be covered by facility security staff. These courtrooms will continue to be video monitored from a central location and Judges will be able to confidentially contact security immediately should any issues arise. This would reduce the level of security for Judges and the public and increase the complexity of scheduling Deputies. Judges may require Deputy presence which would nullify this proposal.</p>		

County Executive Summary

FY 2014 Reductions General Fund Impact

Reduction Title / Impact Statement	Reduction	
	Funding	Posn
Eliminate Positions as a result of Video Visitation Implementation (filled positions)	\$145,851	2
<p>The video visitation program makes it possible to visit inmates over the internet, allowing much expanded visiting hours seven days per week. Presently, visiting can only occur for twenty minutes on the weekends during a six hour window. With video visitation, visiting is electronically scheduled by the visitor and it may take place any day of the week. The inmate is alerted of the visit and receives the visit in the cell block. This reduction takes advantage of efficiencies created through this program. It eliminates the need for the Deputy escort and civilian scheduler positions and it does not require the family to travel to the Adult Detention Center (ADC). This proposal would keep the ADC staffed at the level needed to maintain a safe, secure, and efficient facility.</p>		
Eliminate Deputy Presence from Juvenile and Domestic Relations Court Status Hearings (filled position)	\$85,000	1
<p>Currently the Sheriff's Office provides courtroom security with the presence of one Deputy in Juvenile and Domestic Relation Court (JDRC) status hearings. There are 24 Deputies that provide security at all civil hearings; this reduction would remove one Deputy that provides security at Juvenile and Domestic Relations Court Status Hearings. The status hearings occur every day, all day in one of the eight JDRC Courtrooms. It should be noted there are 34 filled courtrooms in total, of which eight are JDRC and 18 are civil courtrooms. Although a status hearing may be any type of hearing (child support, custody, etc.), generally the hearings last about 10 minutes, no evidence is heard, and the Judge asks the parties if they have resolved their differences so a judgment can be issued to bring the matter to closure, or a court date can be set. This reduction would impact the level of security in the Courtrooms provided to the Judges, the public and employees.</p>		
91 - Office of the Sheriff Total		\$955,851 6
92 - Fire and Rescue Department		
Reduce Number of Students in Advanced Life Support (ALS) School for One Year	\$1,000,000	0
<p>In order for the department to provide existing ALS capability, 30 percent of all providers must be ALS certified. The department currently trains incumbent providers and actively recruits and hires already trained ALS providers in order to meet operational requirements. A \$1 million savings will require the number of participants to decrease from 15 to 6 in FY 2014. Based on current ALS numbers and paramedic hiring practices, FRD can sustain a reduction in ALS students for a one to two-year period. Reductions continuing past the one to two-year time frame will jeopardize FRD's ability to maintain the appropriate number of ALS providers. Without the adequate number of ALS providers, daily staffing will be compromised.</p>		
Realignment of Relief Positions	\$531,319	0
<p>In order to ensure Fairfax County receives the same level of Fire and Rescue coverage daily, the department operates with minimum staffing levels. For the Fire and Rescue Department, the minimum staffing level is 334 personnel daily. This means there are 334 field personnel that must be on duty at all times. The proposed realignment would reclass 15 relief lieutenants to relief firefighters thus reducing the need for firefighter callback resulting in a reduction in callback overtime. This adjustment would have to be implemented through attrition, reclassing the positions as they become vacant. Based on the current department staffing configuration, leave usage, and injury rate trends, the department projects that this realignment will net a cost savings. However, the relief pool is a dynamic and ever changing balance that is continually evaluated to ensure it is functioning optimally to maximize cost savings.</p>		
Fire and Rescue Department (FRD) Efficiencies	\$205,000	0
<p>FRD has identified program efficiencies that will result in department-wide savings. The first efficiency is redesigning the overtime processes for Hazmat Logistics and Electronic Patient Care Reporting areas. A second efficiency is reducing uniform issuance to realize a savings. A third efficiency is redirecting a merit position to cover work currently covered by an existing Information Technology Contract. A fourth efficiency is eliminating Public Information Officer (PIO) on-call/incident presence, which is funded through overtime. As a result, FRD will no longer have a designated person "on-call" and available to respond to emergency incidents as the primary spokesperson to the press on large incidents. This process change will require officer's on-scene to respond to questions by the press. Because the primary function of officers' on-scene is to first mitigate the emergency incident, there could be a delay in responding to questions from the press resulting in a delay of information getting out to the public. A designated PIO would still be available Monday - Friday 8 hours a day, this reduction will impact after hours and weekend emergency incidents.</p>		

County Executive Summary

FY 2014 Reductions General Fund Impact

Reduction Title / Impact Statement	Reduction	
	Funding	Posn
Delay Opening Station 42 - Wolftrap	\$0	0
<p>The Wolftrap Fire Station will address response time delays on the highly traveled area of Leesburg Pike as well as along the Dulles Airport Access/Toll Road corridor. Construction is anticipated to be complete in Fall 2012, with the station available for occupancy in January 2013. Wolftrap Fire Station will house a Medic Unit, Engine Company and Tanker. Delay in opening Fire Station 42 will require the department to operate status quo without additional resources to address response time delays along Leesburg Pike/Route 7. It should be noted that the Fire and Rescue Department will continue to utilize the facility for specialized activities and training as possible. This action is an interim step in FY 2014. However, funding of \$4,164,498 will be necessary in FY 2015 and future years, including \$2,340,888 for staffing, \$802,956 for operating and capital equipment, and \$1,020,654 for fringe benefits, to ensure an opening of January 2015. It should be noted that this adjustment is not technically a reduction, but rather a cost avoidance, delaying the opening of the station until FY 2015.</p>		
92 - Fire and Rescue Department Total	\$1,736,319	0
10001 - General Fund Total	\$14,485,599	74

40040 - Fairfax-Falls Church Community Services Board

Eliminate One Filled Central Administration Position	\$103,992	1
<p>This reduction is based on a redesign of the CSB's administrative and operational oversight functions and eliminates a Management Analyst III position supporting the public-private partnership with Fairfax Resilience, Education, Advocacy, Community, Hope (REACH), Inc. through revenue oversight and processing. The administrative work will have to be absorbed by remaining staff.</p>		
Eliminate the Supported Apartment Program and Three Filled Intellectual Disability Specialist Positions	\$371,021	3
<p>This reduction eliminates three Intellectual Disability Specialist positions and will result in the closure of the CSB's supported apartment program serving 13 individuals with intellectual disability who live in their own homes or in shared living arrangements (e.g., apartment, townhomes). Individuals in this program receive training in personal skills, support in community living, and, in some instances, rental assistance. Support provided ranges from daily to periodic drop-in visits and is based on individual needs and preferences. As a result of the reduction, the CSB will transfer the service provision to a combination of private community partners on existing contracts and other similar CSB residential program staff that have capacity. There will be minimal impact to people who receive CSB services and modest workload increases for CSB staff.</p>		
Eliminate Two Filled Senior Management Positions (Will Be Vacant in Early FY 2014)	\$321,766	2
<p>This reduction eliminates two Senior Management positions. The first position is no longer needed due to the CSB's transformation and restructuring of the organization based on service intensity and overall consumer population needs. The second position provides support for key drivers such as Healthcare Reform, the Department of Justice settlement implementation, and projects associated with the County Executive's Work Plan, and the responsibilities can be absorbed by other staff.</p>		
Reduce Hours of a Vacant Senior Clinician Position at Stevenson Place	\$50,300	0
<p>This reduction reduces a full-time Senior Clinician position to part-time status at Stevenson Place, a specialized assisted living facility. This will impact the flexibility and availability of staff to provide clinical mental health services for up to 36 individuals with serious mental illnesses and medical needs living in the assisted living facility. These services include onsite therapy, supportive counseling, crisis intervention, clinical case management and coordination of clinical services. As the position is currently vacant, the work has already been absorbed by the Mental Health Therapist/Case Manager so there is minimal impact anticipated.</p>		

County Executive Summary

FY 2014 Reductions General Fund Impact

Reduction Title / Impact Statement	Reduction	
	Funding	Posn
Eliminate the Filled On-Site Manager Position at Annandale Outpatient	\$109,004	1
<p>This reduction will eliminate the on-site manager at the Annandale Outpatient site, who is responsible for oversight of Alcohol and Drug Services and leadership for site operations, and is also charged with participating in a future collaborative public safety initiative with the Mason District Police Station. The Annandale Outpatient site offers clinical counseling services for individuals with substance abuse, mental health, and co-occurring disorders. There are currently three CSB Outpatient sites across the County (i.e., Annandale Outpatient, Fairfax and Gartlan Center), all with on-site managers. This reduction will result in an off-site manager having responsibility for both Annandale Outpatient and Fairfax Outpatient, which are only a few miles apart, and may result in the on-site clinical supervisors absorbing some of the work while the manager is between sites. Annandale Outpatient served 475 individuals in FY 2012.</p>		
Eliminate Three Vacant Administrative Support Positions	\$191,465	3
<p>This reduction would eliminate three Administrative Assistant II positions responsible for providing various administrative support functions for clinical operations throughout the CSB, and reduce an additional position to part-time status. Currently, there are 78 administrative assistant positions located on-site in facilities offering direct services to people who receive CSB services. The elimination of these three positions and the reduction in hours of one additional position will result in their work needing to be absorbed by remaining administrative and/or clinical staff.</p>		
Eliminate Two Vacant Management Positions	\$256,369	2
<p>This reduction eliminates two vacant management positions and is part of the CSB's organizational restructuring that will allow for greater efficiencies. The two positions include a Mental Health Division Director, responsible for management oversight, and a Substance Abuse Counselor IV, responsible for supervising and providing quality assurance. Both positions provide oversight of internal quality control, but can be eliminated as a business efficiency associated with the CSB's transformation initiative.</p>		
Eliminate Two Vacant Wellness and Health Promotion Services Positions	\$190,000	2
<p>This reduction eliminates one Substance Abuse Counselor II and one Substance Abuse Counselor III position in the CSB's Wellness and Health Promotion Services, leaving 16 positions remaining in the program, and is part of a larger Human Services system redesign of Prevention Services that will allow for greater countywide system effectiveness and efficiencies.</p>		
Reclassify a Position at Beacon Hill Group Home for Program Efficiencies	\$11,253	0
<p>This reduction reclassifies a Mental Health Therapist position to a Mental Health Counselor position at the Beacon Hill Group Home. The Beacon Hill Group Home is a residential treatment program that provides a wide range of services to adults who have a serious mental illness, some of whom are being discharged from hospitals to the community. It has a capacity to serve 8 residents in the house and 6 residents in the aftercare apartments, and the program provides a structured, supportive environment for those in need of assistance to make a transition to a more independent living situation. As a result of the reclassification of the position, there will be an increased amount of individual case management, as the staff will be better aligned to meet consumer needs, resulting in more targeted mental health support services that will lead to increased consumer independent living skills.</p>		
Eliminate the Vacant Therapeutic Residential Services Director Position	\$128,141	1
<p>This reduction eliminates the Therapeutic Residential Services Director position and is based on a CSB reorganization of several service areas for greater business effectiveness and efficiency. Therapeutic Residential Services will be consolidated with Residential Treatment and Supportive Residential Services, allowing for a more consolidated and streamlined Residential Services administration.</p>		
Restructure Staff at the New Horizons Treatment Center	\$62,035	0
<p>This reduction is the result of savings that are based on a redesign of the clinical staff located at the New Horizons Therapeutic Residential Treatment Center. The CSB is replacing a Mental Health Counselor position with a Specialist Aide position; replacing a Behavioral Health Nurse Clinician with a Licensed Practical Nurse; and replacing a Mental Health Therapist with an Assistant Residential Counselor. As a result, there will be resulting efficiencies and an increase in customer satisfaction, as the 12 full-time staff will continue to serve the Center's residents (capacity of 16) in a much more direct manner. The redesign will allow more staff to provide services including case management, development of treatment plans, and facilitation of Medicaid pre-authorizations. There would be an increased focus by the restructured staff to facilitate the program goal of individual recovery and community reintegration.</p>		

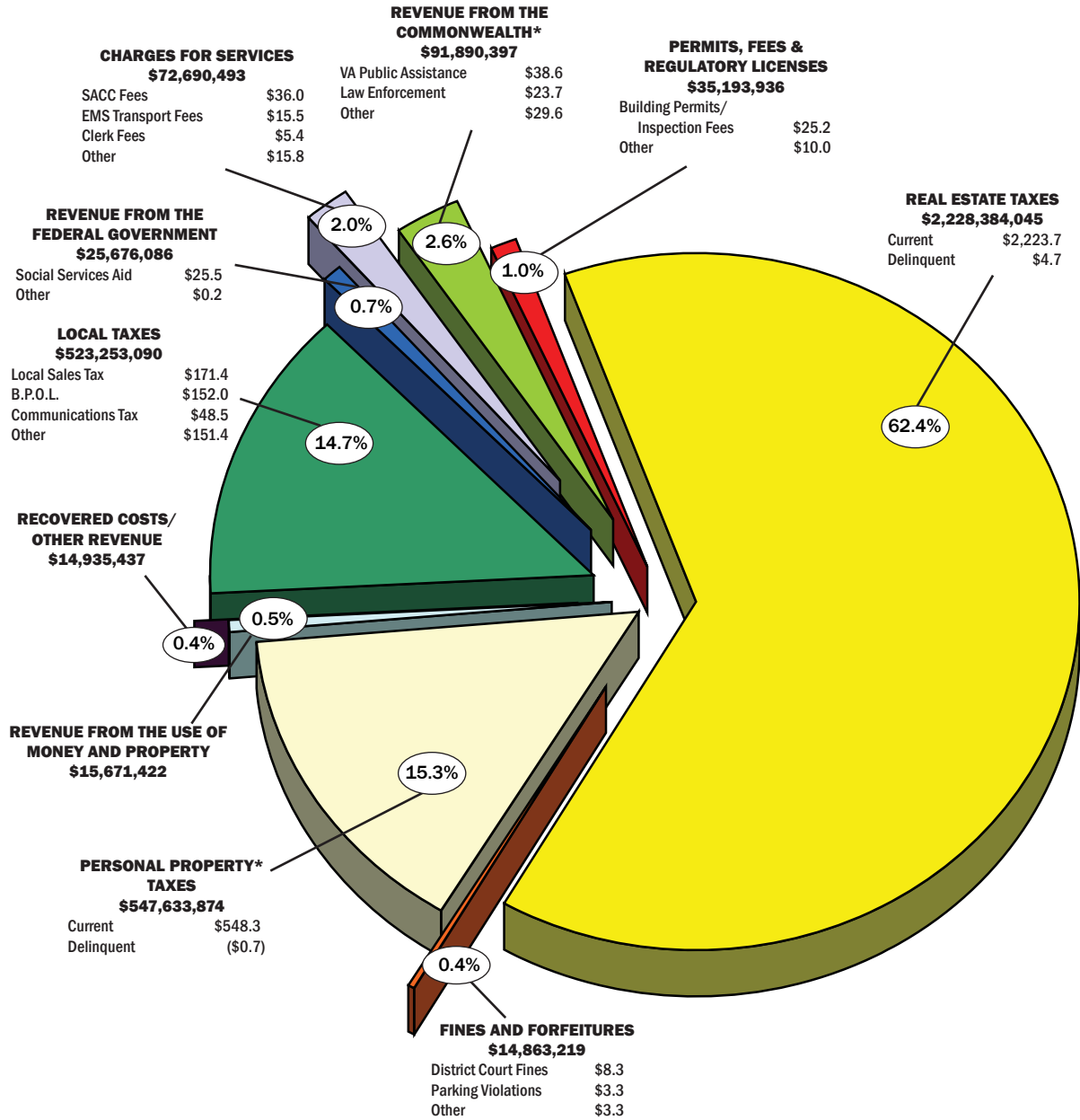
County Executive Summary

FY 2014 Reductions General Fund Impact

Reduction Title / Impact Statement	Reduction	
	Funding	Posn
Reclassify a Position at the Patrick Street Group Home for Program Efficiencies	\$15,586	0
<p>This reduction will reclassify a Behavioral Health Clinician position to a Licensed Practical Nurse position at the Patrick Street Group Home. The Patrick Street Group home is a residential treatment program for adults with serious mental illness, some of whom are being discharged from hospitals to the community. It has a capacity to house eight individuals, and the program provides a structured, supportive environment for those in need of assistance to make a transition to a more independent living situation. This reduction aligns staff to better provide case management, formulate treatment plans, and direct the implementation of service plans.</p>		
Total	\$1,810,932	15
40040 - Fairfax-Falls Church Community Services Board Total	\$1,810,932	15
40330 - Elderly Housing Programs		
Transfer Funding Source for a Filled Housing Services Specialist Position	\$132,131	1
<p>This reduction will transfer a Housing Services Specialist IV position that provides central support for the Department of Housing and Community Development's (HCD) Homeownership Division, from Elderly Housing Programs to Fund 81100, Fairfax County Rental Program, a non-appropriated fund. The impact of changing the funding source for this position will better align the position's funding source with its function. The amount of the reduction includes salary and benefits.</p>		
Transfer Funding Source for a Filled Administrative Assistant V Position	\$71,182	1
<p>This reduction will transfer an Administrative Assistant V position that provides central support for the Department of Housing and Community Development's (HCD) Property Management Division, from Elderly Housing Programs to Fund 81100, Fairfax County Rental Program, a non-appropriated fund. The impact of changing the funding source for this position will better align the position's funding source with its function. The amount of the reduction includes salary and benefits.</p>		
Total	\$203,313	2
40330 - Elderly Housing Programs Total	\$203,313	2
60030 - Technology Infrastructure Services		
Reduction in Mainframe Services	\$482,619	0
<p>A reduction of \$482,619 results from phasing out selected products supporting legacy financial and human resource systems. The FY 2014 mainframe reductions are as follows: \$272,619 to remove legacy databases and tools, \$18,000 in third party products that supported CASPS/FAMIS replaced by FOCUS, \$92,000 in retired third-party software (FAMIS), and \$100,000 to reduce mainframe operating system computing power. This reduction is possible as a result of efficiencies generated from the implementation of FOCUS.</p>		
Total	\$482,619	0
60030 - Technology Infrastructure Services Total	\$482,619	0
Total Reductions	\$16,982,463	91

FY 2014 ADVERTISED GENERAL FUND RECEIPTS **

Where it comes from . . .
(subcategories in millions)



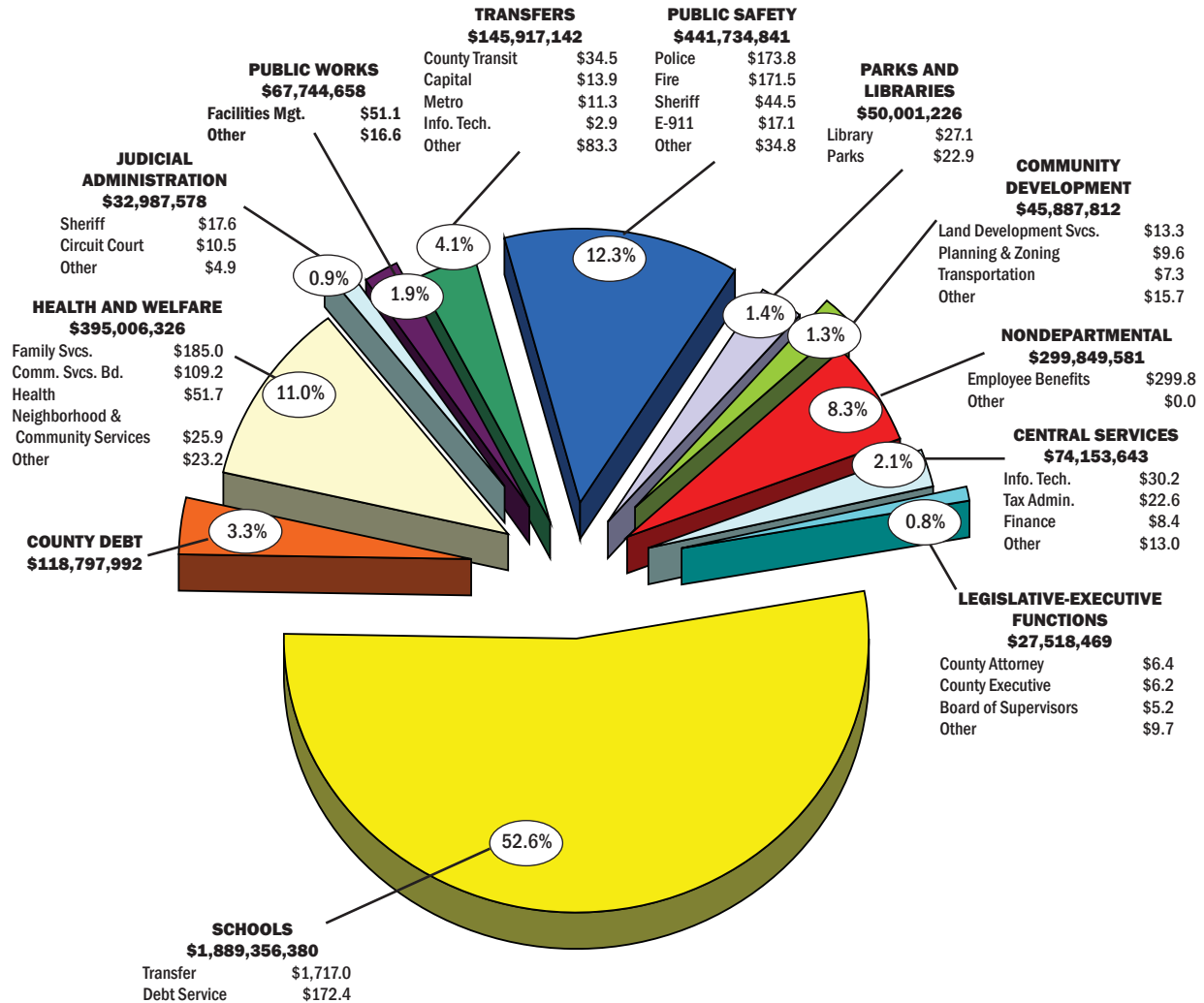
FY 2014 GENERAL FUND RECEIPTS = \$3,570,191,999 **

* For presentation purposes, Personal Property Taxes of \$211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Personal Property Taxes category.

** Total County resources include the receipts shown here, as well as a beginning balance and transfers in from other funds.

FY 2014 ADVERTISED GENERAL FUND DISBURSEMENTS

Where it goes . . .
(subcategories in millions)

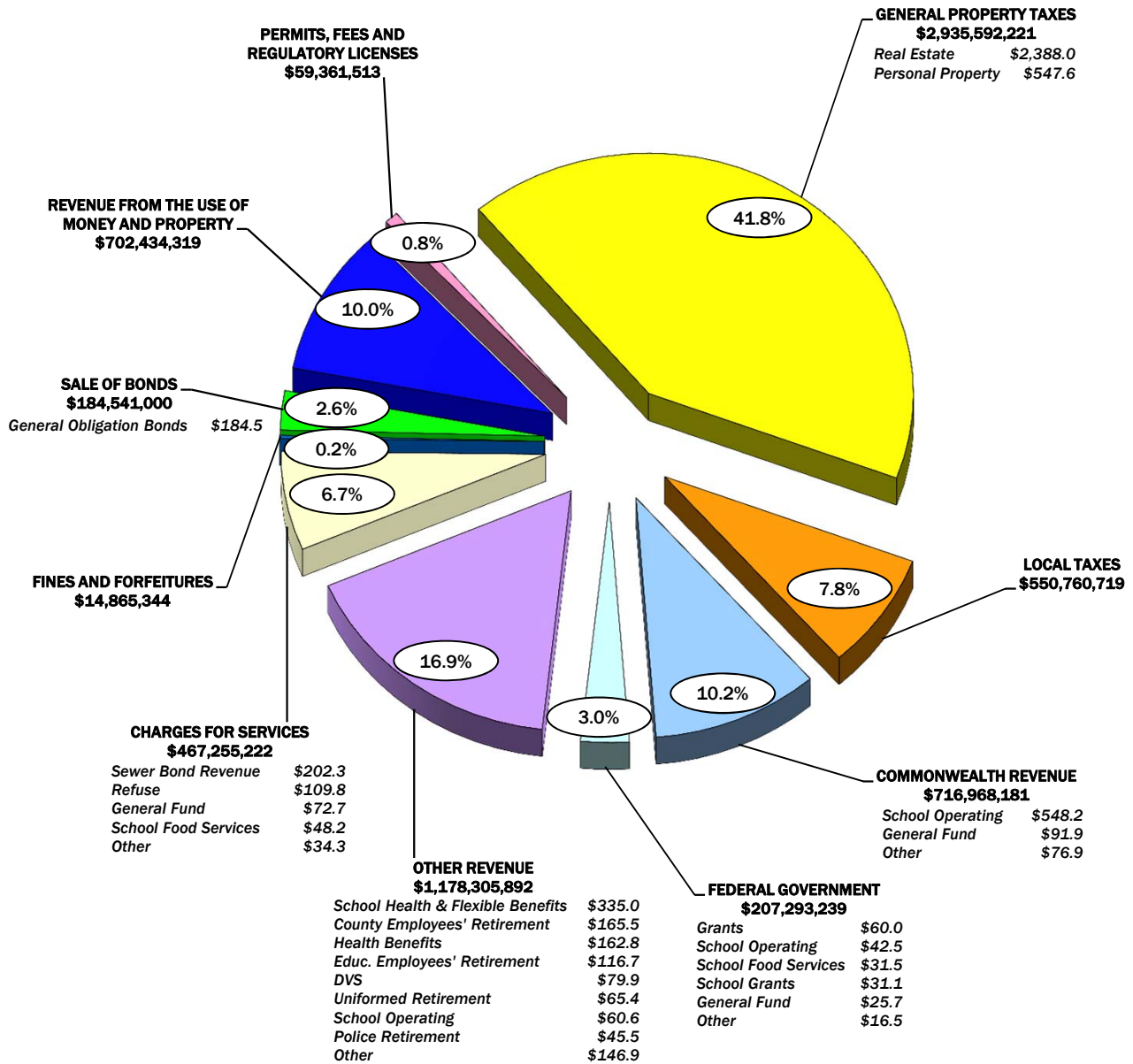


FY 2014 GENERAL FUND DISBURSEMENTS = \$3,588,955,648

In addition to FY 2014 revenues, available balances and transfers in are also utilized to support disbursement requirements.

FY 2014 ADVERTISED BUDGET PLAN REVENUE ALL FUNDS

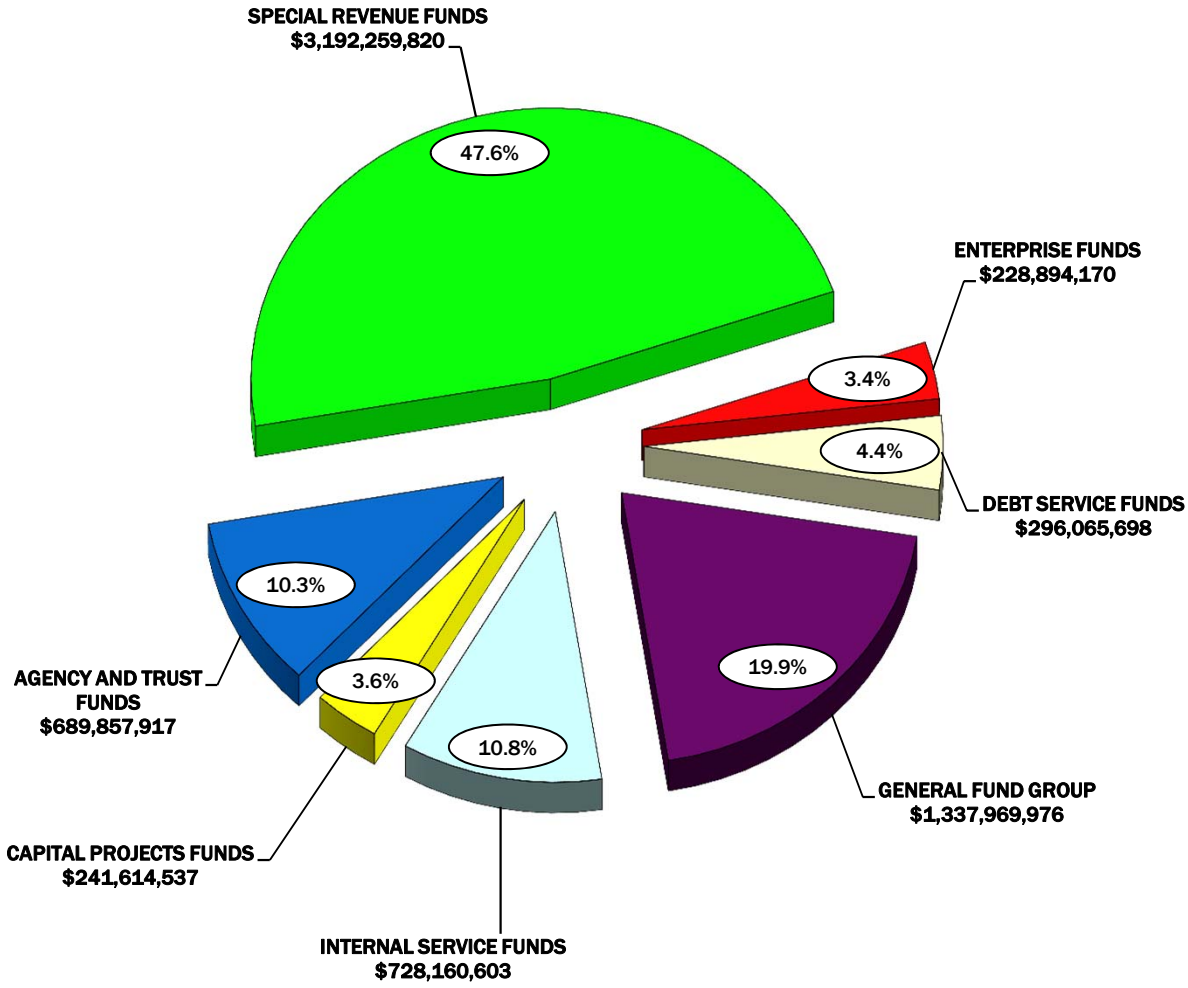
(subcategories in millions)



TOTAL REVENUE = \$7,017,377,650

For presentation purposes, Personal Property Taxes of \$211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Personal Property Taxes category.

FY 2014 ADVERTISED BUDGET PLAN EXPENDITURES ALL FUNDS



TOTAL EXPENDITURES = \$6,714,822,721

FY 2014

Advertised Budget Plan



Multi-Year Budget - FY 2014 and FY 2015

Multi-Year Budget – FY 2014 and FY 2015

Multi-Year Financial Planning Process/Financial Forecast

As part of FY 2014 budget development, the County is undertaking a more comprehensive multi-year General Fund budgeting process - the development of a two-year budget framework. The two years include the budget being approved by the Board of Supervisors (FY 2014) and the subsequent year framework (FY 2015). In this way County staff throughout the organization will be able to more completely outline the prospective issues that will need to be addressed as part of the budget process for the following year, more clearly demonstrate the impact of decisions in the budget being adopted, and lay out a more accurate projected shortfall or surplus for the next year as well as any associated options for balancing that budget. The process will culminate in the adoption each year of the annual budget, as required by State Code.

The multi-year budget process includes a three-year historic view of the General Fund, the FY 2013 revised budget, the County Executive's FY 2014 Recommendations and the FY 2015 Projections. In addition, a detail of increases, both in dollars and as percentages, are included at the end of this section. This review will be expanded in future years to include an even longer planning horizon to further enhance budget development.

In addition to the development of the FY 2014 requirements, the new process includes review and analysis by each General Fund agency of its upcoming requirements for FY 2015. Specifically, agencies are projecting increased workload requirements, the impact of changing demographics, and the cycle of replacement for infrastructure, as well as areas for greater efficiency.

Summary of the FY 2014 and FY 2015 Multi-Year Budget

As a result of the projections for revenues and expenditures included above, a manageable budget deficit of \$39.70 million exists for FY 2015. In summary (in millions):

General Fund	FY 2103 Revised	FY 2014 Advertised	FY 2015 Projected	% Change FY 2014 - FY 2015
Beginning Balance	\$209.44	\$87.94	\$85.42	
Revenues	\$3,474.06	\$3,570.19	\$3,673.95	2.91%
Transfers In	\$6.77	\$18.65	\$9.15	
Total Available	\$3,690.27	\$3,676.78	\$3,768.52	
School Disbursements	\$1,848.08	\$1,889.36	\$1,947.17	3.06%
County Disbursements	\$1,754.25	\$1,699.60	\$1,773.00	4.32%
Total Disbursements	\$3,602.33	\$3,588.96	\$3,720.17	3.66%
Ending Balance	\$87.94	\$87.82	\$48.34	
Managed Reserve	\$72.05	\$71.78	\$74.40	
Other Reserves	\$15.89	\$13.64	\$13.64	
<i>As included in the FY 2014 and FY 2015 Multi-Year Budget</i>				
Current Balance/(Shortfall)		\$2.41	(\$39.70)	
<i>As compared to November 2012 Forecast</i>				
Forecasted Shortfall		(\$169.10)	(\$274.30)	

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The detail of the revenue and expenditure assumptions discussed above are presented in the Multi-Year Budget Schedule at the end of this section, and the County Executive’s budget letter contains important information on the context of the FY 2014 and FY 2015 Multi-Year Budget.

Revenue Assumptions

Based on the assumptions and estimates detailed above, General Fund revenues are projected to experience moderate increases of 2.77 percent and 2.91 percent in FY 2014 and FY 2015, respectively. Revenue growth rates for individual categories are shown in the following table:

ACTUAL AND PROJECTED REVENUE GROWTH RATES

Category	ACTUAL	PROJECTIONS		
	FY 2012	FY 2013	FY 2014	FY 2015
Real Estate Tax - Assessment Base	3.27%	3.27%	3.40%	2.55%
Equalization	2.67%	2.53%	2.63%	1.75%
Residential	2.34%	0.71%	3.50%	2.00%
Nonresidential	3.73%	8.21%	0.14%	1.00%
Normal Growth	0.60%	0.74%	0.77%	0.80%
Personal Property Tax - Current ¹	2.55%	5.46%	1.07%	2.00%
Local Sales Tax	5.22%	2.48%	2.70%	3.00%
Business, Professional and Occupational, License (BPOL) Taxes	3.20%	3.50%	2.45%	2.00%
Recordation/Deed of Conveyance	17.58%	-10.20%	1.00%	1.00%
Interest Rate Earned on Investments	0.65%	0.58%	0.50%	0.55%
Building Plan and Permit Fees	15.57%	-8.20%	1.94%	3.00%
Charges for Services	8.63%	1.64%	2.72%	0.74%
State/Federal Revenue ¹	-1.86%	-2.37%	-9.87%	0.00%
TOTAL REVENUE	1.77%	2.79%	2.77%	2.91%

¹ The portion of the Personal Property Tax reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 is included in the Personal Property Tax category for the purpose of discussion in this section.

Economic Indicators and Assumptions

Economic projections for the national and local economies were reviewed from a variety of sources in the development of these revenue estimates, such as the Blue Chip Financial Forecasts, which incorporates economic projections from a panel of approximately 50 forecasters, Kiplinger, Global Insight, and the National Association of Realtors. For forecasts of the state and Northern Virginia economies, staff reviewed information from Chmura Economics & Analytics and George Mason University’s Center for Regional Analysis. Projections specific to Fairfax County are obtained from Moody’s Analytics.

Most national indicators suggest that the economy is slowly improving; however, growth remains uneven. The U.S. economy grew at a preliminary 2.2 percent clip in 2012 despite a contraction of 0.1 percent in the fourth quarter of the year. The fourth quarter report, however, is the advance estimate which is the first of three estimates and is often subject to sharp revisions. During the fourth quarter, defense spending plummeted 22 percent and inventories declined. Hurricane Sandy may have also hurt fourth quarter growth. In spite of the decrease in the fourth quarter, there are indications of economic resilience. Consumer spending, the largest component of U.S. growth, rose 2.2 percent in the fourth

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quarter and housing added to the annual growth in 2012 for the first time in six years. Most economists anticipate the economy to expand at a 2.0 to 2.5 percent rate in calendar year 2013.

Nationwide, employment increases averaged 181,000 jobs per month in 2012, a gain of 2.2 million jobs. The pace of job growth slowed somewhat in January 2013 with an increase of 157,000 jobs. The unemployment rate ticked up in January to 7.9 percent. The slower pace indicates that businesses remain cautious about hiring. The unemployment rate may continue to rise as workers once discouraged about job prospects return to the labor market.

Home prices nationwide improved in 2012. According to the Case-Shiller home price index, prices were 5.5 percent higher in the 12 months ending November 2012 than during the same period in the prior year. This was the strongest year-over-year growth since August 2006. Home prices in the Washington Metropolitan area posted a 4.4 percent gain during the same period.

Economic growth in the County rose modestly in FY 2012 based on preliminary estimates. Moody's Analytics estimates that Gross County Product (GCP), adjusted for inflation, rose at a rate of 1.0 percent in 2012. The County's unemployment rate remains well below the state and national level at 3.7 percent as of December 2012, a decline from 4.0 percent in December 2011.

The preliminary estimate of annual employment in the Northern Virginia area in 2012 is 1,355.2 thousand, an increase of 26,000 jobs, or 2.0 percent, over 2011. This rate is slightly higher than 2011 and the highest rate of growth since 2005, when job creation rose 2.5 percent.

Sequestration

The biggest downside risk for the revenue forecast is the potential impact of federal spending reductions. The Budget Control Act of 2011 established caps on discretionary spending through 2021. The automatic cuts, known as sequestration, were to take effect in January 2013 but were delayed until March. If lawmakers cannot agree on measures to meet these spending caps, automatic across-the-board cuts would be applied. The automatic cuts would require approximately \$60 billion annually in both defense and nondefense reductions. To stop the automatic across-the-board cuts, planned, more moderate spending cuts must be made; therefore, federal government spending is expected to slow over the next few years. The extent of this slowdown will not be known until Congress acts. Reduced government spending will impact direct federal revenue to the County as well as other revenue streams. Business Professional and Occupational License (BPOL) receipts will be impacted by reduced federal contracting; Sales Tax receipts will be impacted by lower employment and reductions in federal contracts.

The uncertainty about sequestration puts Fairfax in a particularly vulnerable economic situation. The automatic budget reductions are estimated to cut cities and counties deeply by slashing state and local education investment by 36 percent, cutting investment in housing and community development by 28 percent, taking 18 percent from spending on health and the environment, and reducing public safety and disaster response investment by 5 percent. The good news is that Fairfax County's General Fund only receives about 1 percent of its budget from the federal government and the County's total revenue stream is fairly resilient. The bad news is that residents and businesses within the County will also be impacted which in turn will impact growth and substantial recovery in the real estate market, consumer consumption and business expansion. Contraction or even no growth in these components of the County's economy will negatively impact real estate, personal property, sales and BPOL tax revenues. The potential impacts to the state are also significant which will further impact localities such as Fairfax.

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Real Estate Tax Revenues:

Total Real Estate: Based on the assumptions below, the total Real Estate Tax base is expected to rise 3.40 percent in FY 2014 and 2.55 percent in FY 2015.

Residential Housing Market

The housing market in the County has stabilized with average prices rising modestly for the past three years. Based on information from the Metropolitan Regional Information System (MRIS), the average sales price of homes sold in 2012 rose 4.5 percent from \$471,317 in 2011 to \$492,480. This does not translate directly into growth in residential equalization because it is highly dependent on the actual inventory of homes sold in a given year. MRIS also reported that 13,817 homes sold in 2012, up 9.3 percent over 2011 homes sales of 12,640, which had been a nine-year low. Sales in 2012 are still over 46 percent below the 2004 peak of 25,717 homes sold. The number of net foreclosures in Fairfax County set a new record low each month of 2012. Foreclosures are projected to remain at low levels and are not expected to be a factor in county-wide assessments.

After rising just 0.71 percent in FY 2013, residential values rose a moderate 3.50 percent in FY 2014 to a mean assessed value for residential property of \$465,713. Residential values are anticipated to continue to rise but at a more modest 2.0 rate in FY 2015. The anticipated growth in residential equalization is projected to be constrained as the impacts of sequestration are felt on job growth and personal earnings.

Nonresidential Real Estate

After rising for two consecutive years, nonresidential real estate values rose a meager 0.14 percent in FY 2014. The effects of the uncertain political landscape and the possibility of sequestration were already felt in the County's commercial office market. At year-end 2012, the office vacancy rate stood at 14.6 percent, the highest level on record since 1992. The increase in the vacancy rate is attributed to the threat of sequestration, as government contractors consolidated operations throughout the Washington area and retooled operations in order to operate in an economic environment less dependent on government procurement spending. The value of office elevator properties (mid- and high-rises), the largest component of the nonresidential tax base at over 36 percent, fell 2.41 percent. The County's total office space inventory as of year-end 2012 was 114.1 million square feet, an increase of just 500,000 square feet over year-end 2011.

Multi-family apartment properties, which make up over 21 percent of the nonresidential base, experienced an increase of 4.90 percent in FY 2014. Demand for apartments was strong during the year, which increased rental income. Retail property values increased 1.18 percent in FY 2014 reflecting a tepid rise in consumer spending. In FY 2015, the value of all types of nonresidential properties is projected to rise at a modest pace, with an overall increase of 1.00 percent.

New Construction

The Real Estate Tax base will also be impacted by new construction in the County. New office construction activity is being driven by the construction of the Metrorail Silver Line along the Dulles Toll Road corridor. At the end of 2012, there were 12 buildings totaling more than 2.2 million square feet under construction. Speculative development made up over 69 percent of this space. The continued interest in speculative development reflects confidence in the stability of the Fairfax County office market. Based on current activity, total new construction is projected to add 0.80 percent to the overall real estate base in FY 2015, a rate similar to the FY 2014 rate of 0.77 percent.

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Personal Property Taxes

Current Personal Property Tax revenue, which represents approximately 15 percent of total General Fund revenue, is anticipated to experience an increase of 1.1 percent in FY 2014 primarily due to a modest increase in the vehicle component which comprises over 73 percent of total Personal Property levy. Nationwide, vehicle sales picked up in late 2012 and new car sales are anticipated to increase at a somewhat higher rate in 2013. These factors will impact Personal Property Tax revenue in FY 2015 which is projected to increase 2.0 percent over FY 2014.

Other Major Revenue Categories

Sales tax receipts are projected to rise a moderate 2.5 percent in FY 2013. Slight up-ticks are projected in FY 2014 and FY 2015 with growth estimate at 2.7 percent and 3.0 percent, respectively. BPOL receipts will be impacted by slower projected federal procurement spending. Contractors and professional business services will feel the brunt of this impact. Combined, these categories comprise 46 percent of total BPOL receipts. Recordation and Deed of Conveyance revenues, which are paid for recording deeds, are anticipated to rise 1.0 percent in both FY 2014 and FY 2015 due to modest projected increases in home sales and mortgage refinancings.

Due to the construction of the Silver Line Metro and redevelopment around the Tysons area and Fort Belvoir, construction activity and building permit fee revenue are forecasted to grow approximately 3.0 percent in FY 2015. Other permits, licenses, and user fees are also expected to experience modest growth throughout the forecast period.

Revenue from Interest on Investments is highly dependent on Federal Reserve actions. The federal funds rate has remained unchanged since the end of 2008, when it was set at 0.0 to 0.25 percent, its lowest in history. Based on statements by the Federal Reserve, the federal funds rate is expected to remain at an ultra-low level in FY 2014. The average annual yield on County investments is anticipated to be 0.50 percent in FY 2014. A modest increase in the yield is anticipated in FY 2015 to 0.55 percent.

Charges for services reflect lower growth in FY 2015 as a result of the 5 percent increase in SACC fees included in FY 2014.

Due to budget shortfalls since FY 2009, the Commonwealth of Virginia significantly reduced funding to localities. From FY 2009 through FY 2013, funding to Fairfax County has been reduced nearly \$38 million, including cuts to state reimbursable salaries, Law Enforcement Funding and in overall aid to localities. This “flexible” cut required the County to choose the funding stream in which to make the reduction or to remit payment to the state. Except for the continuation of the “flexible” cut, few additional funding reductions were approved in FY 2013; however, previous cuts were not restored. For the purposes of this forecast, funding from the Commonwealth has been held at the FY 2014 level in FY 2015. In addition, revenue from the federal government is assumed to remain even with FY 2014 in FY 2015. This is an area that will be thoroughly monitored.

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Disbursement Assumptions

The disbursement adjustments for FY 2015 reflect a \$131.22 million increase over FY 2014. The most significant increases are discussed below. Detailed information on the Actuals and FY 2014 recommendations can be accessed online at:

http://www.fairfaxcounty.gov/dmb/fy2014/advertised/where_it_goes.htm

It is important to note that the assumptions contained below will be revalidated during the FY 2015 and FY 2016 multi-year budget development process and it may be necessary to make changes in order to attain a balanced budget.

Fairfax County Public Schools (FCPS) \$57.8 million

Assuming a 3 percent increase in the transfer to the Fairfax County Public Schools for operations results in an increase of approximately \$52 million. An increase of this size is not sustainable with the growth of less than 2 percent in revenue discussed above. As a result, the County Executive has included the real estate tax rate increase in FY 2014 to build a base of revenues that is sufficient to support the growth in requirements for both the County and Schools.

For planning purposes, the assumption of a 3 percent increase in the transfer is made to reflect the fact that school enrollment is anticipated to increase approximately 3,000, that some level of compensation increase will be required for FCPS employees and for anticipated increases in benefit costs which are expected to rise in future years.

In addition, and based on the size of bond sales for School facilities, an increase of \$6.3 million is anticipated for FY 2015 for debt service. As a result, the County commitment for Schools in FY 2015 would be at 52.3 percent based on the projected level of disbursements for FY 2015.

Compensation \$25.4 million

Consistent with the new approach for compensation (STRIVE) that has been outlined by the County Executive and which is proposed for approval as part of the FY 2014 Budget, funding of \$25.37 million is included in the FY 2015 budget. There is no compensation funding recommended for FY 2014 with the exception of the full-year funding for increases received by County employees in FY 2013 and longevities for public safety employees. The benefit of this revised compensation model is a much more uniform pattern of compensation increases, anticipated to be in the mid \$20 million range for a number of years to come. This approach results in more level funding from budget year to budget year and eliminates the need to fund the remaining full-year cost of actions from the prior year. It is important to note that the compensation increases will be included in future year budgets contingent on funding availability. It should be noted that in addition to the salary increases noted below, the STRIVE proposal includes a strengthened performance management and succession planning component.

The new proposal for compensation includes the following components:

- 1) Market rate increases (MRA) for all employees which will be granted in odd fiscal years, beginning in FY 2015 at a cost of \$21.67 million, based on the previously agreed to funding calculation. The MRA increase in funding is applied to employee salaries at the beginning of the fiscal year. The MRA provides a guide to the amount of pay structure adjustment needed to keep County pay rates competitive with the market. The funding increase assumes a 2 percent MRA but the actual MRA to be calculated in odd fiscal years is formula-driven.

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- 2) A flat-rate pay increase for General County employees are provided on an alternating year basis and are tied to the new evaluation system recommended by the County Executive. The new system is a meets/exceeds expectations evaluation system with reviews provided annually and pay increases (of 2 percent) granted in even fiscal years, at the beginning of the fiscal year, beginning in FY 2016. Performance reviews occur each year in the last quarter of the fiscal year and are focused on employee development and require input from both the employee and the supervisor.
- 3) Public Safety step increases are also granted in even fiscal years, but on the anniversary date of the employee, again beginning in FY 2016. Step increases are 5 percent and are awarded to employees not at the top of their pay scales. Approximately 45 percent of public safety employees receive a step increase in each year they are awarded.
- 4) Longevity increases for public safety employees are granted to employees as they reach 15 and 20 years of service once they have reached the top of the pay scale. Longevity awards are granted each year on the anniversary date of the employee. The FY 2015 projected cost of these longevity increases is \$600,000. In addition the full year impact of longevities earned in FY 2014 totals \$600,000 for a full year impact in FY 2015 of \$1.2 million.
- 5) A placeholder of \$2.5 million is included in FY 2015 for compensation adjustments that would result from the annual review of 25 percent of all County job classifications. This schedule of review is designed to ensure that all County classes are reviewed over each four year period. The process for review uses representation job classes from among job families and compares pay levels with our competitors in the local job market.

Fringe Benefits

\$10.4 million

The three primary increases for benefits for FY 2015 are for health insurance (\$7.50 million), retirement (\$2.55 million) and employee development (\$350,000) for a total of \$10.40 million.

Fairfax County Government offers its employees and retirees several health insurance alternatives, with the intent of offering options that are both comprehensive and cost effective. As the health care environment is in the midst of significant reform, staff is monitoring changes in the health plan market, incorporating required changes in the County's plans and processes, and examining the overall impact of reform on the County's benefits package. Upon a thorough examination, staff will be developing a long-term strategy to continue to provide cost-effective and comprehensive health care coverage to employees and retirees within the parameters of the new health care laws. Health insurance costs increases are primarily the result of actual experience in the County self-insured retirement plans, partially offset by anticipated savings resulting from plan redesign which is currently underway. The estimated increases in FY 2015 total \$7.5 million.

Retirement increases of \$1.9 million represent the employer contribution increase required for the General Fund net contribution to the three retirement systems as set by employer contribution rates. In FY 2015, it is also anticipated that the employee contribution rate for members of the Police Retirement System will be reduced by 0.675 percent with the employer rate increasing the same amount for a cost to the General Fund of \$0.65 million. Over a period of years the County has been reducing the employee contribution rate and at this point, the rate has been decreased from 12 percent to 10 percent with a goal of making the benefit more comparable between the Police and Uniformed Retirement systems, recognizing that Police do not participate in Social Security and the benefit structure and contribution rates are different between

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the two systems. As part of the multi-year review for the FY 2015 budget, the staff of the Retirement Administration agency and the County's actuary have reviewed the contribution rates to attempt to provide a comparison. As a result it is recommended that the Police employee contribution rate be reduced to 8.65 percent from the current level of 10 percent. It is anticipated that this reduction will be phased over two years with the first reduction taking place in FY 2015 resulting in a reduction from 10 percent to 9.325 percent.

Position Requirements

\$8.6 million

In order to reflect anticipated staffing requirements, the FY 2015 plan include projections of \$8.6 million and 69 positions anticipated for FY 2015. These positions are recommended based on current and planned conditions and service requirements. As part of the FY 2015 budget development process, all position requirements will be reviewed thoroughly and workload requirements analyzed prior to inclusion in the FY 2015 budget. As new information becomes available additional positions may be identified.

Fire and Rescue Department

The new Wolftrap Fire Station will address response times on the highly traveled Leesburg Pike near Wolftrap Farm Park as well as along the Dulles Airport Access/Toll Road corridor. Construction is substantially completed; however, as part of the FY 2014 budget, the opening was delayed to generate necessary savings to help balance the budget. The station will be used for specialized activities and training during FY 2014. When it officially opens in January 2015, it will house a Medic Unit, Engine Company and a Tanker. In FY 2015, operating the station will require \$4,164,498 and 29/29.0 FTE positions including \$2,340,888 for staffing, \$802,956 for operating and capital equipment and \$1,020,654 for fringe benefits. The heavy equipment has already been purchased for the station, so all of these expenses will be ongoing.

Facilities Management Department

Additional funding for the Facilities Management Department (FMD) of \$315,338 and 4/4.0 FTE positions associated with capital renewal requirements is included for FY 2015. These four positions include one Engineer III and three Project Managers. The Board of Supervisors approved a 3-year short-term borrowing plan of \$35 million as part of the FY 2011 Adopted Budget Plan for the backlog of renewal projects at the time. Many of these backlogged capital renewal projects required multiple years to complete both design and construction and many are still underway. In addition, current staffing levels, the complexity of some of the projects, and staff requirements in other areas has delayed the completion of renewal projects up to four years. In order to be able to keep on schedule going forward and successfully manage the backlog of work these positions are necessary.

Office of Elections

In anticipation of recommendations emerging from the Commission appointed to identify requirements for funding within the Office of Elections, 7/7.0 FTE positions, including 2 election officer recruiters, an absentee voting position, a language coordinator, a supervisor, a technical position, and an administrative position are included for FY 2015 at a cost of \$575,000. Additionally, \$6.0 million is identified for FY 2015 for voting machine equipment pending recommendations from the Commission.

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Department of Housing and Community Development

To address workload increases within the Board of Supervisors' initiative for Workforce Housing, 2/2.0 FTE positions are identified for FY 2015. Funding for the positions will be absorbed within Fund 30300, The Penny for Affordable Housing. Responsibilities for the positions include proffer review, inspections through the construction period, pricing, and coordination with other County agencies.

Department of Transportation

An additional position is included for the Department of Transportation for financial management support to address the increasingly complex work associated with the various funding streams supporting Department of Transportation projects and transit services. The cost for the position is \$75,000.

Department of Neighborhood and Community Services

A new 32,000 square foot facility will house offices for the Providence District Supervisor and County police (small office primarily for paperwork, bicycle storage, and interrogations) while also providing on-site programming for all age groups, including a Senior Center, Teen Center, Community Center, Technology Program and Therapeutic Recreation programs. Located within the facility will be a full size gymnasium, class rooms, computer rooms, meeting space, fitness room, multi-purpose activity rooms and a therapeutic sensory room to serve participants with disabilities.

This facility will allow the Departments of Neighborhood and Community Services and Family Services to better provide prevention-based strategies and community building approaches in the delivery of services, meeting the needs of youth, families, older adults and persons with special needs throughout the County through innovative partnerships with community-based organizations and various non-profits. The agencies also expect to better serve the senior population given the expected growth and current near capacity attendance at DNCS senior centers in proximity to the new Providence Community Center. The center will open in FY 2015 and require 6/6.0 FTE additional staff and \$1,891,061.

Police Department

Over the next twenty years, as the Tysons Corner Urban Center is developed, the County anticipates that the average daily population will double. The Fairfax County Police Department (FCPD) projects a similar increase in calls for police service, far outpacing the McLean District Station's resources. Long term, FCPD proposes merging all five existing patrol areas covering the planned Tysons Corner Urban Center into one patrol area. Driven by service needs, FCPD recommends the new patrol area be staffed strategically over the next thirty to forty years through a phased-approach, with Phase I implementation concurrent with the December 2013 opening of the Metro Silver Line. As part of the FY 2014 budget, FCPD total funding of \$1,365,303 and 9/9.0 FTE new positions has been included. County staff will conduct a 5 year analysis of staffing requirements based on projected growth and other metrics to identify future year needs. Pending that review, in FY 2015 an additional 3/3.0 FTE positions and \$405,321 is included. It should be noted that operational policing requirements for the Tysons Corner Urban Center are different than those for the current eight district stations. To ensure tactical safety due to the city scape, rail platforms, and vertical structure environments, officers assigned to the new Tysons Corner Urban Center district will patrol in pairs, utilizing other modes of transportation, such as foot patrol, bicycle patrol and Segways, reducing the need for police cruisers. Based on known research and information on the scope of development in Tysons, the increased population at certain times of day, and the resulting projected "mixed-use" policing needs in the Tysons corridor, staffing deployment methods need to change to meet these demands. It is anticipated that additional staff will be housed initially in a new McLean sub-station facility currently in the consideration phase; however final build-out plans will require a new district police station facility. The facility will be located to leverage redesign of other

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police station district boundaries to meet emerging crime trends in areas such as Merrifield/Dunn Loring and South County which are also undergoing urbanization.

Two new Fairfax County Public Schools (FCPS) were recently opened, Mason Crest Elementary and South County Middle School. Although no new positions were created for these specific schools FCPD assigned personnel to the crossings, absorbing the workload within the existing position count. While FCPD anticipates being able to absorb the workload as well as the increased cost through the FY 2014 budget, FCPD requests funding of \$75,787 and 2/2.0 FTE new School Crossing Guard positions in FY 2015.

Office of the Sheriff

Based on current projections of daily input populations it will likely be necessary to open additional space in the Adult Detention Center facility. Currently, sufficient staffing exists for the current ADP level being experienced; however, with projected growth of 50-60 inmates by 2015, it is likely that an additional ½ floor (and the commensurate additional positions that would be required to staff this) may be needed in the FY 2015 time period. This proposal would have a net cost to the County of \$729,536 for 6/6.0 FTE positions including \$436,061 for personnel services, \$241,279 in fringe benefits, and \$52,196 in operating costs. The proposal funds one Deputy Sheriff II, four Deputy Sheriffs II, and one Public Health Nurse II needed for one regular cell block or 48 beds. The operating costs include \$35,000 for radios and the remainder for uniforms.

Office of Emergency Management (OEM)

The Department of Homeland Security recently decreased the Urban Area Security Initiatives (UASI) grant funding for the Federal FY 2013 budget. The estimated 10 percent reductions will again affect Tier 1 sites, including the National Capital Region. The Emergency Planner, Training and Exercise Officer and National Incident Management System (NIMS) Compliance Officer positions are all supported by UASI funding. FY 2012 funding of these positions is projected to run out in FY 2014, unless additional funds become available. As a result, it is anticipated that full-year costs for these 3/3.0 FTE positions of \$350,000 is necessary for FY 2015. These merit positions are needed to create and maintain countywide emergency plans as well as develop and conduct countywide training and exercise functions to ensure County readiness for all disaster types. It should be noted that the impact of potentially losing UASI funding in the longer term is not limited to OEM. For example, the Police Department's NOVARIS program is primarily supported by UASI funding. At this time, they anticipate that sufficient UASI funding will be available to support estimated maintenance and upgrade costs. If federal UASI funding is not available, however, NOVARIS partner agencies may be requested to fund these costs, which are estimated at \$322,816 for Fairfax County. Another program that is highly dependent on UASI funding is the National Capital Region Interoperable Communications Infrastructure (NCR-ICI); however, the most recent projections indicate that existing funding will be sufficient in the short term.

Fairfax-Falls Church Community Services Board

A total of 6/6.0 FTE Intellectual Disability Specialist positions in the Fairfax-Falls Church Community Services Board (CSB) are potentially needed to fulfill requirements of the U.S. Department of Justice (DOJ) Settlement Agreement with the Commonwealth of Virginia to provide community-based services to individuals with intellectual and developmental disabilities currently residing in state residential training centers. The County is in negotiations with the state to determine next steps, and, as a result, a plan will be developed to determine next steps and lay out the responsibilities of the state and the County. Demographics of consumers coming out of Centers are: 1) all have severe to profound range of intellectual disabilities; 2) 85 percent have complex and/or multiple medical/physical challenges; 3) 15 percent have behavioral issues; and 4) most are age 40 to 60 years old. Most of these individuals would

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likely be given Medicaid Waivers and receive services from the CSB's Employment and Day Support and Intensive Service – Support Coordination programs. This additional staff that might be necessary is to provide the required Case Management Services that would need to accompany individuals entering the community with a Medicaid Home and Community-Based Waiver. The full-year personnel costs for these positions would be \$529,005 comprised of \$372,807 for salaries and \$156,198 for fringe benefits. In addition, operating costs of approximately \$60,000 are likely to be incurred due to Information Technology costs, mileage reimbursement, leased office space and other basic expenses of a CSB direct services staff. Thus, the total loaded cost for these 6/6.0 FTE positions is \$589,005. However, the six positions are anticipated to generate \$548,520 in revenue, thus leaving a net cost of \$40,485 to the CSB. An additional increase of \$1,100,000 will support the June 2014 special education graduates of Fairfax County Public Schools turning 22 years of age who are eligible for day support and employment services who currently do not have a funding source for such services.

Planning and Development positions

Positions may be required for planning and development requirements that arise in various parts of the County over the next year. There is a significant volume of potential development and redevelopment activities throughout Fairfax County which may require staff support. The County is currently evaluating staffing requirements in order to ensure expedited processing of development requests and plans. Also, a long-term review of stormwater planning which is being undertaken might also identify position needs, which while not funded with General Fund resources, will need to be incorporated into multi-year planning of the budget.

All other increases

\$29.0 million

The major categories of additional increases are discussed below:

Contract Rate Adjustments

Based on the assumption that pay increases would be funded in FY 2015 for County employees, an average contract rate adjustment of 2 percent or \$4.9 million is included for contract rates in the Department of Family Services, Health Department, Office to Prevent and End Homelessness, Department of Neighborhood and Community Services, County Transit Services and Fairfax-Falls Church Community Services Board. Individual contracts are not guaranteed a contract rate increase of 2 percent as a result of this funding, but the negotiated increases that are effective in FY 2015 would be funded from this adjustment.

New Facilities, Capital Construction and County Debt Service

Based on the timing of new facility construction, support will be required in FY 2015 for the Facilities Management Department totaling \$1.4 million for general maintenance, utilities, and security. These costs reflect the full-year impact for facilities to open in both FY 2014 and FY 2015.

The Mid-County Human Services Center

The new 200,000 square foot facility will be for the Woodburn Center replacement, including the 24/7 Emergency Services, and will house mental health, substance use disorder, intellectual disability, emergency, health and wellness, youth and administrative services, as well as INOVA services through a 10-year lease agreement of 40,000 square feet in the facility. The specific program has not been identified by INOVA, but is believed to be a mix of administrative offices and educational classrooms; overnight care is prohibited by the contract of sale. New spaces to be added at Mid-County include: small emergency operations center, peer resource center, pharmacy, satellite primary care clinic, satellite offices for the Department of Information Technology (DIT) and Facilities Management Department (FMD), and

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consolidation of related Fairfax-Falls Church Community Services Board (CSB) program leadership from various County and leased spaces. The Mid-County facility will consolidate CSB services from various County sites and annual lease savings of approximately \$1 million will be realized by the CSB. No new staff is needed for the new facility, although the CSB may request additional staff for program expansion in the future if INOVA vacates its space when the 10-yr lease ends. Occupancy is projected for September, 2104. In FY 2015, one-time startup costs of \$2.5 million for the new facility are required and are associated with furnishings and equipment. Partial-year lease savings for the five leased sites of approximately \$300,000 is used to offset this cost. Please note there may be other recurring savings such as reductions in maintenance costs, utilities, courier services, security personnel, and lab tests.

Capital Construction and Debt Service

One time savings in capital construction funding in FY 2014, primarily as the result of the use of \$1.1 million in Park Authority balances to fund American's with Disabilities Act (ADA) requirements in FY 2014, need to be replaced and results in an increase in capital construction funding for FY 2015 of \$1.5 million. In addition, a debt service increase of \$4,757,635 is included in FY 2015 to reflect the required costs for County bond projects.

Other Cost Drivers

A number of other large, specific adjustments are included for FY 2015 as follows:

Consolidated Community Funding Pool (CCFP)

FY 2015 is the first year of a two-year funding cycle. Consistent with prior year cycles, the FY 2015 budget contains an increase of 5 percent or \$493,388. Given potential reductions in federal support which are also part of the funding pool process, on top of reductions that have already occurred, this funding is necessary to maintain program goals as an important component of the human services system. The CCFP process is a partnership between the County and community nonprofit and faith-based organizations and leverages funding from all partners.

Fire and Rescue Apparatus – Volunteer Companies

Currently, out of the 12 volunteer fire departments in Fairfax County, four have notified the Fire and Rescue Department (FRD) of their inability to replace, two have identified concern over replacement and six have committed to the continued purchase of volunteer-owned large apparatus. FRD has proposed a partnership whereby FRD will use volunteer contributions (when available), one-time year-end balances, and Fire Programs Grant funding (up to \$1 million per year, maximum) to assist with the initial purchase of five large volunteer units (two engines, one tower and two rescues) that require replacement in the FY 2013 – FY 2018 time period. These five vehicles represent the known universe of large volunteer units that will require assistance in funding their replacement in this timeframe. While there are no FY 2014 General Fund dollars necessary to support this proposal, future-year General Fund increases to the Large Apparatus Fund will be required. Per FRD analysis, the addition of these vehicles to the fleet would require a maximum increase of \$775,000 to the annual contribution from County Funds. As a result, an increase of \$775,000 in annual vehicle replacement contributions is included for FY 2015 to ensure that the reserve remains adequately funded.

Of the 106 front-line vehicles career FRD staff operates daily for emergency response, 35 are owned by volunteer companies. These vehicles are not additional or extras, they are operated 24-hours a day/7 days a week with career personnel as part of the minimum staffing calculation. Without these vehicles, FRD does not have the apparatus available to provide the current level of emergency response coverage throughout the County.

Multi-Year Budget – FY 2014 and FY 2015

Because these are front line units, FRD must purchase replacements or daily emergency response coverage will fall below currently established numbers. These thresholds have been established in order to provide the greatest coverage by each vehicle type in order to reduce response times to medical and fire emergency calls. Elimination of vehicles and associated staffing would result in response time delays. Even with current staffing, FRD does not meet several of the National Fire Protection Association's (NFPA) standards for fire protection and emergency medical response.

The reasons that replacement by the volunteer organizations is no longer possible is the result of a combination of several factors – including the economy's impact on fundraising activities, as well as more stringent federal emissions standards, federal safety regulations and material costs.

Fire and Rescue Apparatus

An increase of \$1,000,000 is required to support the second year of a multi-year process to gradually increase the annual contributions to the Large Apparatus Replacement Fund and Ambulance Replacement Fund. This funding is in addition to the department dedicating additional grant funds, additional baseline funds and one-time contributions in support of this effort. Additional contributions are required due to increasing cost of vehicles, some fleet growth, and a contribution level that has remained flat since FY 2007. Without additional funding, the replacement reserves will be depleted in FY 2016. The FY 2014 budget also contains a \$ 1.0 million increase to the two FRD reserves. At the same time, FRD will also increase its baseline contribution to the Large Apparatus Reserve by \$250,000 and support some ambulance purchases through the use of Four-for-Life grant funds. FRD, with the assistance of the Department of Management and Budget, has developed several scenarios with the goal of stabilizing the replacement reserve and ensuring sufficient funding is available in future years. These plans include additional one-time, inflationary and baseline contributions from both FRD and the General Fund from FY 2013 forward. It should be noted that given the current inventory and replacement cycle, the annual contribution should be in the \$5-6 million range for the Large Apparatus Replacement Reserve and approximately \$1 million for the Ambulance Replacement Reserve. The current (FY 2013) annual contributions are \$2.9 million and \$0.2 million, respectively.

Fuel

Based on the latest estimates for increases in usages and per gallon costs, an adjustment of \$1.0 million is included for FY 2015. The increase for FY 2014 is only \$140,000.

Fairfax-Falls Church Community Services Board Intellectual Disability Services (IDS)

An increase of \$1,100,000 will support the June 2014 special education graduates of Fairfax County Public Schools turning 22 years of age who are eligible for day support and employment services who currently do not have a funding source for such services. This funding maintains the program as currently designed and is intended to prevent any Special Education graduates from being without services. It is anticipated that the Board of Supervisors will be reviewing the work of staff and the consultant tasked with identifying service model adjustments for IDS that will be available in the spring of 2013. Any adjustments generated as a result of that review and subsequent policy decisions will be available as savings to the FY 2015 budget.

INOVA Translational Medicine Institute

Based on the Board of Supervisors' support of the establishment of the Translational Medicine Institute, an increase of \$1.1 million is included for FY 2015. The Board has indicated that it intends to support the Institute over a multi-year period with a total contribution of \$11 million and it is anticipated that this support will commence in FY 2015. The Institute is intended to translate advances in genomics and molecular sciences into major improvements in personalized health care, both in the prevention and

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treatment of serious illnesses and is also an economic development initiative. It is anticipated that the Board of Supervisors will approve the means of making this contribution as part of the FY 2015 budget.

Information Technology (IT) Project Support

The County's strategic IT investments in major technology projects improve access to County services, promote government operational efficiencies and effectiveness, and increase performance and security capabilities. They include automation for County agencies, requirements aligned with countywide strategic importance, enterprise technology infrastructure, and enterprise-level or inter-agency corporate systems. The County's technological improvement strategy has two key elements. The first element is to provide an adequate infrastructure of basic technology for agencies in making quality operational improvements and efficiencies. The second is to redesign business processes and apply technology to achieve large-scale improvements in service quality and achieve administrative efficiencies. The County's long-term commitment to providing quality customer service through the effective use of technology is manifested in service enhancements, expedited response to citizen inquiries, improved operational efficiencies, better information for management decisions and increased performance capabilities. The FY 2014 budget reflected a reduction of \$2.4 million from the FY 2013 Adopted funding level as a budget balancing effort. In FY 2015, this \$2.4 million is funded to accommodate necessary information technology projects.

Office of Elections Voting Machines

In anticipation of recommendations emerging from the Commission appointed to identify requirements for funding within the Office of Elections, \$6.0 million is included for FY 2015 for voting machine equipment.

Next steps in the Multi-Year Process

While this comprehensive baseline sets the stage for the FY 2015 budget, as a result of the existence of the projected deficit, there will need to be adjustments made to what is funded or what is available. Some of these changes will occur naturally over the next year before the release of the FY 2015 and FY 2016 Multi-Year Budget. Some others will require policy decisions to be made. In addition, the following cost avoidance, efficiencies and service reductions and revenue enhancement options are identified to ensure a balanced budget in FY 2015.

Cost Avoidance

A number of items outlined above could be deferred beyond FY 2015 if necessary to balance the budget. As an example, the County has selectively made decisions to defer capital or IT projects in the past to balance the budget. In addition, some of the position requirements driven by anticipated workload, such as expansions in the Adult Detention center population, may not materialize.

Efficiencies and Service Reductions

The next items for review in order to balance the FY 2015 budget would be additional reduction options. As the County Executive stresses in his transmittal letter to the Board of Supervisors, the level of services that are being provided are repeatedly communicated to him by the community as the right array that the community wishes to have continued. However, in light of the need to balance the budget, these services will need to be reviewed again. As part of the development of the Multi-Year Budget, departments have identified what types of reductions would be reviewed and these will be evaluated to determine what program reductions may need to be discussed for FY 2015.

Multi-Year Budget – FY 2014 and FY 2015

Staff also has begun several significant projects anticipating the need for budget savings in FY 2015 that will be able to respond to changing dynamics and thereby minimize the impact on services while generating significant efficiencies. Among these is a review of the continuum of services provided by the Department of Neighborhood and Community Services, Health Department, and Department of Family Services for senior adult services, the school-age child care program, and the model of service provision at County Libraries.

Projects to Identify Service Efficiencies

Senior Services

Services for senior adults is an area that will continue to grow as the community ages while remaining active and engaged. As a result, staff is working to identify a more efficient and effective way of providing the current continuum of senior adult-specific services. A working group of staff from the Departments of Family Services, Health, Neighborhood and Community Services, Human Resources, and Management and Budget, under the direction of the Deputy County Executive for Human Services, will be identifying opportunities for changes in the way services are provided in the County.

School-Age Child Care (SACC)

Another County service which has received significant attention in the last several years of constrained budgets is the School-Age Child Care (SACC) program. County staff has worked to maximize cost recovery and generate efficiencies without compromising the high quality of the program. In FY 2014 rates will increase by 5 percent, thus bringing the SACC cost recovery rate closer to 80 percent. This was done while still maintaining the County's commitment to provide subsidized childcare to low-income families and children with special needs. Beginning in FY 2010, new SACC rooms were opened using a modified staffing model which utilized a combination of merit and benefits-eligible employees. After several years of experience, this model has been successful and staff will now implement the new model in all SACC rooms. As a result, a total of 115 Teacher I merit positions will be converted to benefits-eligible positions as they become vacant. Based on the current rate of attrition, it is anticipated that full implementation of the new staffing model will take three years. The first phase of the staffing model will be implemented in FY 2014 with the conversion of 30 positions generating savings of \$272,343. The remaining positions will be converted in FY 2015 and FY 2016. In addition, staff is evaluating the extended day pilot program implemented in September 2010 at White Oaks Elementary and will be reporting the results to the Board to see if this alternative service model is an option at the remaining three schools where SACC is not offered.

Library Operations

The Fairfax County Public Library (FCPL) will work over the coming years (FY 2015 and beyond) with a completion goal of three to four years to significantly restructure the agency. Staffing will be reduced through attrition and position redirection to centralized functions. Public service hours will be expanded, striving for consistent hours across all library branches; a single point of contact for customers will be developed in each branch, and the materials collection will be refreshed and circulated in a new manner resulting in greater efficiency with reduced resources.

Multi-Year Budget – FY 2014 and FY 2015

Revenue Enhancements

The final options for balancing the budget are a number of revenue enhancement options that are possible for consideration for FY 2015. These do not include an increase to the Real Estate Tax rate as the increase in FY 2014 is designed to preclude the need for any additional adjustments to the Real Estate Tax rate in FY 2015. The focus would therefore be on other revenues. The County periodically reviews all user fees to determine if there are necessary adjustments that should be made to the various rates and fees. This User Fee Study will be undertaken as part of the FY 2015 and FY 2016 Multi-Year Budget. It is important to note that many user fees such as School-Age Child Care fees and Land Development Service fees, which were raised in FY 2014, are already reviewed annually. In addition, many of the County's charges have maximums set by the State. User fees and charges not set by the State total approximately \$95 million, or 2.7 percent, of the total General Fund budget, so adjustments to individual fees will not result in significant increases.

Conclusion

As a result of the multi-year budget process, the projected deficit for FY 2015 is \$39.70 million. It is important to note that this deficit is predicated on the \$0.02 increase in the Real Estate Tax rate which is included in FY 2014, **and no tax increase is anticipated for FY 2015 based on the assumption of this tax rate being implemented.**

The importance of this tax rate increase in FY 2014 to address the multi-year issues that have been laid out in the County Executive's letter and above is significant. For example, without the tax rate increase, there would be a deficit in FY 2015 of \$80 million, which is not manageable without significant actions.

The FY 2015 projections are based on a comprehensive list of requirements based on information available today. There are clear priorities within the items identified for funding, and there is also the potential for changes as more information is available over the course of the next year. The items that need to be funded in FY 2015 will therefore be considered in the context of Board priorities, and decisions will be made by the County Executive on what specific items to recommend for FY 2015 and which items to exclude or delay until FY 2016. In addition, revenue estimates will change between February 2013 and February 2014. This is always the case, but even more likely given the uncertainties concerning the federal budget that currently exist.

The detailed summary of historical and projected funding follows:

Multi-Year Budget – FY 2014 and FY 2015

Fairfax County, Virginia Multi-Year Budget Plan Summary FY 2014 Budget Process FY 2010 - FY 2015

(in millions)

	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Revised	FY 2014 Recommended	FY 2015 Projected	Increase/ (Decrease) Over FY 2014	% Increase/ (Decrease) Over FY 2014
Positions	9,407	9,542	9,684	9,681	9,618	9,687	69	0.7%
Beginning Balance	\$185.39	\$240.28	\$236.24	\$209.44	\$87.94	\$85.42	(\$2.52)	(2.9%)
Revenues								
Real Property Taxes	\$2,115.97	\$2,019.84	\$2,047.28	\$2,116.23	\$2,228.38	\$2,290.09	\$61.70	2.8%
Personal Property Taxes	296.17	301.97	316.92	340.54	336.32	358.59	22.27	6.6%
General Other Local Taxes	460.15	505.52	517.38	523.49	523.25	543.29	20.03	3.8%
Permit, Fees & Regulatory Licenses	28.67	34.27	36.84	34.65	35.19	36.05	0.86	2.4%
Fine & Forfeitures	14.94	16.56	14.08	14.61	14.86	14.94	0.07	0.5%
Revenue from Use of Money & Property	21.82	18.81	18.40	17.16	15.67	13.96	(1.71)	(10.9%)
Charges for Services	62.98	64.09	69.63	70.77	72.69	73.23	0.54	0.7%
Revenue from the Commonwealth	295.69	309.03	304.69	307.35	303.20	303.20	0.00	0.0%
Revenue from the Federal Government	48.28	38.42	40.22	34.40	25.68	25.68	0.00	0.0%
Recovered Costs/Other Revenues	5.94	12.50	14.24	14.86	14.94	14.94	0.00	0.0%
Total Revenues	\$3,350.61	\$3,321.01	\$3,379.68	\$3,474.06	\$3,570.19	\$3,673.95	\$103.76	2.9%
Transfers In	\$12.12	\$8.06	\$6.90	\$6.77	\$18.65	\$9.15	(\$9.50)	(51.0%)
Total Available	\$3,548.12	\$3,569.35	\$3,622.82	\$3,690.27	\$3,676.78	\$3,768.52	\$91.74	2.5%
Direct Expenditures by Program Area								
Legislative-Executive Functions /								
Central Services	\$92.00	\$92.92	\$98.98	\$105.30	\$101.67	\$109.75	\$8.08	7.9%
Judicial Administration	31.18	31.52	31.02	33.80	32.99	33.49	0.50	1.5%
Public Safety	401.76	397.92	403.11	430.58	424.68	447.65	22.97	5.4%
Public Works	62.04	61.63	63.88	72.93	67.74	69.96	2.22	3.3%
Health and Welfare	253.26	278.25	293.63	311.50	285.77	299.01	13.24	4.6%
Parks and Libraries	69.73	47.75	47.35	51.37	50.00	51.00	1.00	2.0%
Community Development	47.56	43.02	42.77	47.16	45.89	46.71	0.83	1.8%
Non-Departmental	203.91	235.32	261.55	289.33	299.85	311.60	11.75	3.9%
Total Direct Expenditures	\$1,161.44	\$1,188.33	\$1,242.28	\$1,341.97	\$1,308.60	\$1,369.18	\$60.58	4.6%
Transfers Out								
Schools Operating	\$1,626.60	\$1,611.59	\$1,610.83	\$1,683.32	\$1,716.99	\$1,768.50	\$51.51	3.0%
Schools Debt Service	163.77	160.21	159.74	164.76	172.37	178.68	6.31	3.7%
Subtotal Schools	\$1,790.37	\$1,771.80	\$1,770.57	\$1,848.08	\$1,889.36	\$1,947.17	\$57.82	3.1%
County Transit	\$21.56	\$31.99	\$34.46	\$36.55	\$34.55	\$34.55	\$0.00	0.0%
Information Technology	13.43	19.02	16.18	14.28	2.91	5.28	2.37	81.3%
Community Services Board	93.62	93.13	100.50	109.61	109.23	111.87	2.64	2.4%
County Debt Service	110.93	121.66	116.78	116.85	118.80	123.56	4.76	4.0%
Metro	7.41	7.41	11.30	11.30	11.30	11.30	0.00	0.0%
OPEB	9.90	13.90	27.74	28.00	28.00	28.00	0.00	0.0%
Capital Paydown	20.90	15.91	19.63	17.89	13.93	15.43	1.50	10.8%
Other Transfers	78.28	69.96	73.95	77.80	72.28	73.83	1.56	2.2%
Subtotal County	\$356.03	\$372.98	\$400.53	\$412.28	\$391.00	\$403.82	\$12.82	3.3%
Total Transfers Out	\$2,146.40	\$2,144.78	\$2,171.10	\$2,260.36	\$2,280.36	\$2,351.00	\$70.64	3.1%
Total Disbursements	\$3,307.84	\$3,333.11	\$3,413.38	\$3,602.33	\$3,588.96	\$3,720.17	\$131.22	3.7%
Total Ending Balance	\$240.28	\$236.24	\$209.44	\$87.94	\$87.82	\$48.34	(\$39.48)	(45.0%)
Less:								
Managed Reserve	\$68.01	\$68.04	\$69.34	\$72.05	\$71.78	\$74.40	\$2.62	3.7%
Other Reserves	69.04	63.13	62.78	15.89	13.64	13.64	(0.00)	(0.0%)
Total Available	\$103.23	\$105.06	\$77.32	(\$0.00)	\$2.40	(\$39.70)	(\$42.10)	(1752.1%)

FY 2014

Advertised Budget Plan



Strategic Linkages

Strategic Linkages

Context and Background

Fairfax County has been working on a number of initiatives over the last ten years to strengthen decision making and infuse a more strategic approach into the way business is performed. These initiatives include developing an employee Leadership Philosophy and Vision Statement, identifying the priorities of the Board of Supervisors, implementing a coordinated agency strategic planning process, incorporating Performance Measurement and benchmarking into the budget process, implementing a countywide Workforce Planning initiative, redesigning the Budget Process, converting to Pay for Performance, and initiating a Balanced Scorecard at the agency level. The process has been challenging and has required a shift in organizational culture; however, the benefit of these efforts is a high-performing government in Fairfax County, which is more accountable, forward-thinking and better able to further its status as one of the premier local governments in the nation.

Strategic Thinking

Among the first steps Fairfax County took to improve strategic thinking was to build and align leadership and performance at all levels of the organization through discussions and workshops among the County Executive, senior management and County staff. This initiative included the development of an employee Leadership Philosophy and Vision Statement to help employees focus

Employee Vision Statement

As Fairfax County Employees we are committed to excellence in our work. We celebrate public service, anticipate changing needs, and respect diversity. In partnership with the community, we shape the future.

We inspire integrity, pride, trust and respect within our organization. We encourage employee involvement and creativity as a source of new ideas to continually improve service. As stewards of community resources, we embrace the opportunities and challenges of technological advances, evolving demographics, urbanization, revitalization, and the changing role of government. We commit ourselves to these guiding principles: Providing Superior Service, Valuing Our Workforce, Respecting Diversity, Communicating Openly and Consistently, and Building Community Partnerships.

Employee Leadership Philosophy

We, the employees of Fairfax County, are the stewards of the County's resources and heritage. We are motivated by the knowledge that the work we do is critical in enhancing the quality of life in our community. We value personal responsibility, integrity and initiative. We are committed to serving the community through consultative leadership, teamwork and mutual respect.

on the same core set of concepts. This dialogue among the County Executive, senior management and staff has continued over several years and culminated in the development of seven "Vision Elements" for the County, which are consistent with the priorities of the Board of Supervisors. These Vision Elements are intended to describe what success will look like as a result of the County's efforts to protect and enrich the quality of life for the people, neighborhoods, and diverse communities of Fairfax County by:



Maintaining Safe and Caring Communities: The needs of a diverse and growing community are met through innovative public and private services, community partnerships and volunteer opportunities. As a result, residents feel safe and secure, capable of accessing the range of services and opportunities they need, and are willing and able to give back to their community.



Building Livable Spaces: Together, we encourage distinctive "built environments" that create a sense of place, reflect the character, history, and natural environment of the community, and take a variety of forms – from identifiable neighborhoods, to main streets, to town centers. As a result, people throughout the community feel they have unique and desirable places to live, work, shop, play, and connect with others.

Strategic Linkages



Connecting People and Places: Transportation, technology, and information effectively and efficiently connect people and ideas. As a result, people feel a part of their community and have the ability to access places and resources in a timely, safe, and convenient manner.



Maintaining Healthy Economies: Investments in the workforce, jobs, and community infrastructure and institutions support a diverse and thriving economy. As a result, individuals are able to meet their needs and have the opportunity to grow and develop their talent and income according to their potential.



Practicing Environmental Stewardship: Local government, industry and residents seek ways to use all resources wisely and to protect and enhance the County's natural environment and open space. As a result, residents feel good about their quality of life and embrace environmental stewardship as a personal and shared responsibility.



Creating a Culture of Engagement: Individuals enhance community life by participating in and supporting civic groups, discussion groups, public-private partnerships, and other activities that seek to understand and address community needs and opportunities. As a result, residents feel that they can make a difference and work in partnership with others to understand and address pressing public issues.



Exercising Corporate Stewardship: Fairfax County government is accessible, responsible, and accountable. As a result, actions are responsive, providing superior customer service and reflecting sound management of County resources and assets.

Vision Element posters are prominently placed in County facilities to continue to foster the adoption of these concepts at all levels of the organization and to increase their visibility to citizens as well.

Strategic Planning

Strategic planning furthers the County's commitment to high performance by helping agencies focus resources and services on the most strategic needs. The County process directs all agencies to strengthen the linkage between their individual missions and goals, as well as to the broader County vision laid out in the seven countywide vision elements.

Fairfax County implemented its countywide strategic planning effort in spring 2002. By 2006, many County agencies were beginning to update their second phase of strategic plans. Agencies developed their plans after performing an agency-wide environmental scan to determine which factors influenced service delivery and customer demands, identified business areas within each agency to more specifically define the services provided, aligned the specific tasks performed by business areas within the agency and vision element framework, and refine goals to meet the countywide vision elements and agency mission. The strategic planning effort involved a cross-section of employees at all levels and in all areas of the organization.

Performance Measurement: Since 1997, Fairfax County has used performance measurement to gain insight into, and make judgments about, the effectiveness and efficiency of its programs, processes and employees. While performance measures do not in and of themselves produce higher levels of effectiveness, efficiency and quality, they do provide data that can help to reallocate resources or realign strategic objectives to improve services. Each Fairfax County agency decides which indicators will be

Strategic Linkages

used to measure progress toward strategic goals and objectives, gathers and analyzes performance measurement data, and uses the results to drive improvements in the agency.

Fairfax County also uses benchmarking, the systematic comparison of performance with other jurisdictions, in order to discover best practices that will enhance performance. The County has participated in the International City/County Management Association's (ICMA) benchmarking effort since 2000. According to ICMA, about 180 cities and counties provide comparable data annually in the following service areas: Police, Fire/EMS, Library, Parks and Recreation, Youth Services, Code Enforcement, Refuse Collection/Recycling, Housing, Fleet Management, Facilities, Information Technology, Human Resources, Risk Management and Purchasing, although not every participating jurisdiction completes every template. ICMA performs extensive data cleaning to ensure the greatest accuracy and comparability of data. In service areas that are not covered by ICMA's effort, agencies rely on various sources of comparative data prepared by the state, professional associations and/or nonprofit/research organizations. It is anticipated each year that benchmarking presentations will be enhanced based on the availability of information. Cost per capita data for each program area, (e.g., public safety, health and welfare, community development, etc.) has also been included at the beginning of each program area summary in Volume 1 of the FY 2014 Advertised Budget Plan. The Auditor of Public Accounts for the Commonwealth of Virginia collects this data and publishes it annually. The jurisdictions selected for comparison are the Northern Virginia localities, as well as those with a population of 100,000 or more elsewhere in the state. It should be noted that Fairfax County's cost per capita in each of the program areas is quite competitive with other Northern Virginia localities and large jurisdictions in the state.

Employee Compensation: In FY 2001, Fairfax County implemented a new performance management system for non-public safety employees. Based on ongoing dialogue between employees and supervisors regarding performance and expectations, the system focuses on using countywide behaviors and performance elements for each job class to link employees' performance with variable pay increases. In FY 2002 automatic step increases and cost-of-living adjustment were discontinued for over 8,000 non-public safety employees, so annual compensation adjustments were based solely on performance.

Consistent with the County's ongoing assessment of its compensation philosophy and policy, staff undertook a review of the pay for performance system during FY 2004, the fourth year of the program. As part of this analysis, other jurisdictions with pay for performance systems were surveyed for best practices. As a result, the County Executive recommended changes to the system for FY 2005, to better align the pay for performance system with the County's goals and competitive marketplace practices. Efforts will continue to update employee performance elements and assure their linkage to departmental strategic plans and performance measures. Countywide training for employees and managers will continue to be a priority, as will the expansion of options for multi-rater feedback as part of the performance management process.

During FY 2007 a further review of County compensation practices, including the pay for performance system, was undertaken. The Board of Supervisors approved changes during their deliberations on the FY 2008 budget. These changes targeted the disconnect between an employee rated as "fully proficient" who received a 1.7 percent pay raise. The previous five rating levels were expanded to seven rating levels in response to focus group feedback that greater rating flexibility was needed in the rating process. The rating labels were also removed. With the exception of the disconnect between "fully proficient" and the 1.7 percent pay increase, the consultant found the County's rating distribution (a basic bell curve but leaning to the higher end of ratings) to be consistent with that of a high performing workforce.

Strategic Linkages

In FY 2010, FY 2011 and FY 2012, the pay for performance (PFP) program was not funded given the fiscal environment. The Board of Supervisors approved a 2.00 percent market rate adjustment (MRA) during the *FY 2011 Carryover Review*, effective September 24, 2011. The FY 2013 Adopted Budget funded merit increments and longevity step increases for all uniformed public safety employees on their anniversary dates and 2.5 percent performance based scale increase in January 2013 for all non-uniformed merit employees. In addition, the Board of Supervisors also approved a Market Rate Adjustment (MRA) of 2.18 percent, effective July 1, 2012. In FY 2013, the County Executive introduced a new compensation program proposal entitled STRIVE. As proposed, STRIVE has three key elements including sustainable compensation, employee development and succession planning. The new STRIVE compensation program is an integrated model designed to enhance succession planning and management, implement the new performance management system, and optimize the County's total compensation package. The FY 2014 Advertised Budget Plan does not include compensation increases for non-uniformed merit employees; however, it does include longevity increases for uniformed employees as well as funding of more than \$12 million in FY 2014 to pay for the full-year impact of increases received by employees in FY 2013. The FY 2014 proposed budget also includes an increase of \$0.35 million for STRIVE program initiatives designed to enhance succession planning and management by developing current high performing employees.

Workforce Planning: The County's workforce planning effort began in FY 2002 to anticipate and integrate the human resources response to agency strategic objectives. Changes in agency priorities such as the opening of a new facility, increased demand for services by the public, the receipt of grant funding, or budget reductions can greatly affect personnel needs. Given these varying situations, workforce planning helps agency leadership to retain employees and improve employee skill sets needed to accomplish the strategic objectives of the agency. Effective workforce planning is a necessary component of an organization's strategic plan, to provide a flexible and proficient workforce able to adapt to the changing needs of the organization.

In FY 2008, Fairfax County added a Succession Planning component to workforce planning. The Succession Planning process provides managers and supervisors with a framework for effective human resources planning in the face of the dramatic changes anticipated in the workforce over the next five to ten years. It is a method for management to identify and develop key employee competencies, encourage professional development and contribute to employee retention. A very significant number of employees will be eligible for retirement over the next several years. By December 31, 2015, 25 percent of all merit employees will be eligible for retirement. In specific job categories, those numbers are even greater. For example, by December 31, 2015, 58 percent of County non-public safety senior managers will be eligible for retirement and 34 percent of mid-level management will be eligible. In the public safety agencies the numbers are even higher. In the Police Department by the end of calendar 2015, 82 percent of senior managers and 83 percent of mid-level managers will be eligible for retirement. To address this somewhat staggering trend, we need to re-tool and strengthen existing succession planning and knowledge transfer efforts—to build the capacity to support our “promote from within” when appropriate philosophy. We will recruit externally when strategically advantageous and will strengthen our recruitment effectiveness by encouraging employee referrals and deepening my leadership team's engagement with executive level recruitments. Shifting the performance evaluation focus from “the amount of the pay increase” to better communication and employee development will also help the county address the exit of many tenured county employees.

Information Technology Initiatives: The County is committed to providing the necessary investment in information technology, realizing the critical role it plays in improving business processes and customer service. Fund 104, Information Technology Fund, was established to accelerate the redesign of business processes to achieve large-scale improvements in service quality and to provide adequate enterprise-wide

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technological infrastructure. Consequently, the County is consolidating its investments to accommodate and leverage technological advancements and growth well into the 21st century. Constrained funding will impact the number of new IT projects that can be undertaken in the next year. However, the County continues to explore and monitor all areas of County government for information technology enhancements and/or modifications which will streamline operations and support future savings. In FY 2011, Fairfax County and Fairfax County Public Schools partnered to replace aging legacy financial, procurement, budget and human resource systems with one integrated solution. The County selected and completed the purchase of SAP as the FOCUS software. The Fairfax County Unified System (FOCUS) supports all County government and school employees in their daily operations. County Schools and Government employees welcomed the new system for Finance and Logistics transactions in November 2011. In June 2012, Fairfax County Government employees transitioned to FOCUS HCM (Human Capital Management) for all Human Resources transactions including time entry.

As part of the FY 2014 budget, the County Executive is consolidating support for the FOCUS system that was previously spread out in the Departments of Finance, Purchasing and Supply Management, Human Resources and Management and Budget into a new unit (the FOCUS Business Support Group or FBSSG) within the Department of Management and Budget. In addition, the FY 2014 reductions reflect a reduction of \$983,565 in salary and mainframe costs and the elimination of 4 positions as a result of the implementation of the initial phases of the new system.

Strategic Planning Links to the Budget

Since FY 2005 the annual budget has included links to the comprehensive strategic initiatives described above. To achieve these links, agency budget narratives include discussions of County Vision Elements and agency strategic planning efforts; program area summaries include cross-cutting efforts and benchmarking data; and the Key County Indicator presentation in this section demonstrates how the County is performing as a whole. As a result, the budget information is presented in a user-friendly format and resource decisions are more clearly articulated to Fairfax County residents.

- ▶ ***Agency Narratives:*** Individual agency narratives identify strategic issues, which were developed during the agency strategic planning efforts, link core services to the Vision Elements and expand the use of performance measures to clearly define how well the agency is delivering a specific service. Agency narratives are included in budget Volumes 1 and 2.
- ▶ ***Program Area Summaries:*** Summaries by Program Area (such as Public Safety, Health and Welfare, Judicial Administration, etc.) provide a broader perspective of the strategic direction of several related agencies and how they are supporting the County Vision Elements. This helps to identify common goals and programs that may cross over departments. In addition, benchmarking information is included on program area services to demonstrate how the County performs in relation to other comparable jurisdictions. Program area summaries are included in budget Volumes 1 and 2.
- ▶ ***Key County Indicators:*** The Key County Indicator presentation provides several performance measurement indicators for each Vision Element. The presentation gives the reader a high-level perspective on how the County is doing as a whole to reach its service vision. The presentation of Key County Indicators will continue to be refined to ensure that the measures best represent the needs of the community. A detailed presentation and discussion of the FY 2013 Key County Indicators is included following this discussion.

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- ▶ **Schools:** The Fairfax County Public Schools provide an enormous contribution to the community and in an effort to address the County's investment in education and the benefits it provides, a list of Fairfax County School Student Achievement Goals are included following the Key County Indicator presentation.

Next Steps

The development of the County's leadership philosophy and emphasis on strategic planning is an ongoing process that will continue to be refined in the coming years. The County budget is extremely well received within the County and nationally. As a measure of the quality of its budget preparation, Fairfax County was awarded the Government Finance Officers Association's Distinguished Budget Presentation Award by meeting rigorous criteria for the budget as a policy document, financial plan, operations guide, and communications device for the 28th consecutive year. In August 2012, Fairfax County was one of only 28 jurisdictions to receive ICMA's highest recognition for performance measurement, the "Certificate of Excellence." The County will continue to build on this success for future budget documents in order to enhance the accountability, transparency, and usefulness of the budget documents.

Key County Indicators


Introduction

The Key County Indicator presentation communicates the County's progress on each of the Vision Elements through key measures. The Indicators were compiled by a diverse team of Fairfax County senior management and agency staff through a series of meetings and workshops. Indicators were chosen if they are reliable and accurate, represent a wide array of County services, and provide a strong measure of how the County is performing in support of each Vision Element. The County also compiles Benchmarking data, providing a high-level picture of how Fairfax County is performing compared to other jurisdictions of its size. Benchmarking data is presented within the program area summaries in budget Volumes 1 and 2.

Key County Indicators—How is Fairfax County performing on its seven Vision Elements?

- ✓ Maintaining Safe and Caring Communities
- ✓ Practicing Environmental Stewardship
- ✓ Building Livable Spaces
- ✓ Maintaining Healthy Economies
- ✓ Connecting People and Places
- ✓ Creating a Culture of Engagement
- ✓ Exercising Corporate Stewardship

The following presentation lists the Key County Indicators for each of the Vision Elements, provides actual data from FY 2010, FY 2011, and FY 2012, and it includes a discussion of how the Indicators relate to their respective Vision Elements. In addition, the Corporate Stewardship Vision Element includes FY 2013 and FY 2014 estimates in order to present data related to the current budget and [FY 2014 Advertised Budget Plan](#). For some indicators, FY 2011 is the most recent year in which data are available, and FY 2012 Actuals will be included in the following year's budget document. All of the indicator data are for Fairfax County only, listed by Fiscal Year, unless otherwise noted in the text.

 **Maintaining Safe and Caring Communities:** The needs of a diverse and growing community are met through innovative public and private services, community partnerships and volunteer opportunities. As a result, residents feel safe and secure, capable of accessing the range of services and opportunities they need, and are willing and able to give back to their community.

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Key County Indicators	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual
Ratio of Group A Index Crimes (Violent Criminal Offenses) to 100,000 County Population (Calendar Year)	86.44	79.13	75.04
Clearance rate of Group A Index Crimes (Violent Criminal Offenses) (Calendar Year)	NA ¹	61.30%	62.45%
Percent of time Advanced Life Support (ALS) transport units on scene within 9 minutes	82.6%	88.0%	85.0%
Fire suppression response rate for engine company within 5 minutes	41.0%	60.0%	56.0%
Percent of low birth weight babies (under 5 lbs 8 oz)	7.0%	7.0%	NA ²
Immunizations: completion rates for 2 year olds	70.0%	69.0%	71.0%
Virginia Department of Education (VDOE) On-Time Graduation Rate	86.91%	91.40%	91.30%
Children in foster care per 1,000 in total youth population	1.15	1.18	NA ³
Percent of seniors, adults with disabilities and/or family caregivers who express satisfaction with community-based services that are provided by Fairfax County to help them remain in their home/community	91.2%	93.0%	93.0%
Percent of restaurants operating safely	97.0%	97.5%	98.3%

¹ Due to the implementation of the new Records Management System, crime data for FY 2010 is not available.

² Prior year actuals on the percent of low birth weight babies are provided by the Annie E. Casey Foundation, and FY 2011 is the most recent data available in time for budget publication.

³ Prior year actuals on Children in foster care per 1,000 in total youth population are provided by the American Community Survey (ACS) of the United States Census Bureau, and FY 2011 is the most recent data available in time for budget publication.

Fairfax County is one of the nation's safest jurisdictions in which to live and work. In early 2010, the Police Department implemented a new records management system (RMS), which tracks and reports on all statistical data. Pursuant to the migration to the new RMS system, the reporting format has also migrated from the Uniform Crime Reporting (UCR) to Incident-Based Reporting (IBR). Due to the change in formats, a direct comparison between 2010 and prior year crime numbers is not possible. Also, due to technical issues in data migration to the new system, clearance rate data for 2010 is not available. In FY 2012, the Fairfax County **ratio of Group A Violent Crimes** result of 75.04 incidences per 100,000 residents continues to reflect one of the lowest violent crime rates of any large jurisdiction in the United States.



The County also showed relatively consistent case **clearance rate of Group A Index Crimes**, which is an index of four major crimes (murder, rape, robbery, and aggravated assault). The annual Fairfax County case clearance rate of 62.45 percent was higher than preceding year's national average.

The Fairfax County Fire and Rescue Department Advanced Life Support (ALS) and fire unit measures are standards set by the National Fire Protection Association (NFPA). The five minute fire suppression response standard of the NFPA was met 56.0 percent of the time in FY 2012. Advanced Life Support transport units arrived on the scene within 9 minutes or 85.0 percent of the time in FY 2012.

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The health and well-being of children in Fairfax County is evident in the low percentage of children born with **low birth weight** and the high **immunization completion rates** for two-year-olds. *(Note: Prior year actuals on the percent of low birth weight babies are provided by the Annie E. Casey Foundation, and FY 2011 is the most recent data available in time for budget publication).* The County's FY 2011 incidence rate of 7.0 percent of low birth weight babies compares favorably against the state average of 8.0 percent. The FY 2012 immunization completion rate of 71.0 percent for two-year olds represents a two percentage point increase from FY 2011. Because of the downturn in the economy, there was an increase in clients coming to the Health Department for the first time, many who were not entering the system as infants and thus had incomplete immunizations; the Health Department will strive to achieve completion rates of 80.0 percent in FY 2013 and FY 2014. It is noted that by the time of school entry, many children are adequately immunized, although they may have lacked these immunizations at the age of two. Fairfax County also funds numerous programs to help children stay in school and provides recreational activities in after-school programs. These services contributed to the County's FY 2012 **Virginia Department of Education (VDOE) On-Time Graduation rate** of 91.3 percent. In FY 2011, the **ratio of children in foster care per 1,000** in the total population of children 0–17 years old was 1.18. Fairfax County remains committed to further decreasing the number of children in foster care as well as reducing the time spent in foster care through intensive prevention and early intervention efforts and a stronger emphasis on permanent placements of children in foster care who are unable to return safely to their families. *(Note: Prior year actuals on Children in foster care per 1,000 in total youth population are provided by the American Community Survey (ACS) of the United States Census Bureau, and FY 2011 is the most recent data available in time for budget publication).*



The Fairfax County Health Department is committed to protecting the health of County residents by ensuring restaurants operate safely.

The County continues to be successful in **caring for older adults and persons with disabilities by helping them stay in their homes** as indicated by the 93.0 percent combined satisfaction rating for two support programs: Adult Day Health Care (ADHC) and Congregate Meals programs. ADHC satisfaction was 100.0 percent in FY 2012. Department of Family Services staff solicited input from Congregate Meal clients, including the growing ethnic client population, and continued to work with food vendors to revise food options accordingly. However, client satisfaction decreased from 87.0 percent to 86.0 percent in FY 2012. It should be noted that in FY 2011, the methodology changed for calculating congregate meal satisfaction by only collecting general quality data.

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Fairfax County is committed to protecting the health of its residents, and in FY 2012, 98.3 percent of **restaurants operated safely**. This measure reflects restaurants that do not present a health hazard to the public and are determined to be safe at the time of inspection, otherwise the operating permit would be suspended and the restaurant would be closed. Studies have shown that high risk establishments, (those with complex food preparation; cooking, cooling and reheating) which are approximately 50 percent of Fairfax County restaurants, should be inspected at a greater frequency than low risk establishments (limited menu/handling) to reduce the incidence of food borne risk factors. The Food and Drug Administration (FDA) recommends that high risk establishments be inspected three times a year, moderate risk twice a year and low risk once a year. Therefore, the Food Safety Program transitioned to a risk based inspection process in FY 2009.

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Building Livable Spaces: Together, we encourage distinctive “built environments” that create a sense of place, reflect the character, history, and natural environment of the community, and take a variety of forms – from identifiable neighborhoods, to main streets, to town centers. As a result, people throughout the community feel they have unique and desirable places to live, work, shop, play, and connect with others.

Key County Indicators	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual
Acres of parkland held in public trust ¹	40,322	38,507	40,648
Miles of trails and sidewalks maintained by the County	644	647	649
Annual number of visitations to libraries, park facilities and recreation and community centers	11,963,753	11,485,816	11,418,849
Value of construction authorized on existing residential units	\$136,836,731	\$132,306,916	\$115,979,269
Annual percent of new dwelling units within business or transit centers as measured by zoning approvals	98.8%	75.0%	75.0%
Percent of people in the labor force who both live and work in Fairfax County	51.7%	54.1%	51.5%
Number of affordable rental senior housing units ²	3,029	3,119	3,119

¹ Acres of parkland was restated in FY 2009, based on a Park Authority reconciliation of its historical records on Park Authority park acreage received and granted.

² The number of affordable rental senior housing units was restated in FY 2009 and FY 2010 to account for a miscalculation in previous reports.

Many of the indicators above capture some aspect of quality of life for Fairfax County residents and focus on the sustainability of neighborhoods and the community. The amount of **acres of parkland held in public trust** is a preservation of open space that enhances the County’s appeal as an attractive place to live. This indicator measures parkland in the County held by the Fairfax County Park Authority, the Northern Regional Park Authority, state and federal governments, and other localities. In FY 2012, there was an upward adjustment in acres due primarily to revised calculations in Fairfax County, Fairfax City, the Commonwealth of Virginia and the Northern Virginia Regional Park Authority (NVRPA) acreage. These adjustments brought the FY 2012 total acreage to 40,648. In addition, the availability of trails and sidewalks supports pedestrian friendly access, and accessibility for non-motorized traffic. This indicator is measured by the **miles of trails and sidewalks** that are maintained by the Department of Public Works and Environmental Services (DPWES). A GIS-based walkway inventory now provides a more accurate estimate of miles. By the end of FY 2012, DPWES maintained 649 miles of trails and sidewalks. In addition to miles maintained by the County, nearly 1,640 miles are maintained by the Virginia Department of Transportation (VDOT) and over 320 miles are contained within County parks. In addition, nearly 1,140 miles of walkway are maintained by private homeowners associations.



The County maintains 649 miles of trails and sidewalks in addition to the nearly 1,640 miles of trails and sidewalks maintained by the Virginia Department of Transportation within Fairfax County’s boundaries.

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The number of walkways in the County contributes to the sense of community and connection to places. The County will continue to improve pedestrian access and develop walkways through the use of funding support from a variety of sources, including bond funding and the commercial and industrial real estate tax for transportation.

Availability and **use of libraries, parks and recreation facilities** is often used as a "quality-of-life" indicator and is cited as a major factor in a family's decision for home location and a company's decision for site location. In the fall of 2004, the voters approved a Public Library Bond Referendum totaling \$52.5 million for library projects. Funding was provided for the Burke Centre and Oakton libraries and the renovation of four of the oldest libraries, including Richard Byrd, Martha Washington, Thomas Jefferson and Dolley Madison libraries. These new libraries and the library renovations are now complete. Based on the favorable construction market and savings in the renovation projects, design work for the renovation and expansion of the Woodrow Wilson Library began in February 2012. Renovations are expected to be complete in the fall of 2014. In addition, on November 6, 2012, voters approved a bond referendum in the amount of \$25 million to renovate four priority library facilities. These libraries include Pohick, Tysons Pimmit, Reston and John Marshall. The renovations will provide a more efficient use of the available space, meet customers' technological demands and better serve students and young children. In FY 2012, the number of visits to all library, parks and recreation facilities decreased to 11,418,849. This number is anticipated to increase in future years as the FY 2013 budget provided additional funding to allow the Library to add hours at both regional and community libraries beginning in September 2012.


Resident investment in their own residences reflects the perception of their neighborhood as a "livable community." While many residents have moved forward with home renovations despite the slowdown of the real estate market and economic uncertainty, many other residents have delayed renovation plans. FY 2010, FY 2011 and FY 2012 data reflect the continuing decline in the homeowner-reported **value of construction authorized on existing residential units**. These figures result from a combination of the slowdown in home improvement projects, lower actual construction costs due to market competition, and underreporting of project costs by homeowners. It is projected that the total value of issued construction permits will rise in the future as the housing market strengthens.

The measure for the **percent of dwelling units within business or transit centers as measured by zoning approvals** provides a sense of the quality of built environments in the County and the County's annual success in promoting mixed use development. The Comprehensive Plan encourages built environments suitable for work, shopping and leisure activities. The County requires Business Centers to include additional residential development to facilitate an appropriate mix of uses. In FY 2012, 75 percent of proffered residential units were within business or transit centers. An increase in this proportion is expected by the close of FY 2013, as approximately 98.42 percent or 1,809 of the 1,838 new residential units approved through the second quarter of FY 2013 are located within business or transit centers. Such a large proportion is attributed to the approval of a large mixed-use development zoning case within Tysons. It is anticipated that additional pending rezoning cases within Tysons, Reston and other transit centers will be approved during the remainder of FY 2013.

The **percentage of employed people who both live and work in Fairfax County** is currently above 51 percent and may be linked to both quality of life and access to mixed use development in the County. Additional residential development in business centers also increases the potential for the members of the workforce to live in proximity to their place of work. In addition, the County is actively promoting the creation and preservation of affordable dwelling units to support those who both live and work within the County.

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Continued production of **affordable senior housing** by the Fairfax County Redevelopment and Housing Authority (FCRHA) and others, as well as FCRHA preservation efforts, are helping to offset the loss of affordable senior rental units on the market. As of the close of 2012, the County maintained an inventory of 3,119 affordable housing units, including both publicly and privately owned rental apartment complexes. This number includes 55 units at the Chesterbrook facility, delivered in November 2007, that are specifically for low-income residents.

 **Connecting People and Places:** Transportation, technology, and information effectively and efficiently connect people and ideas. As a result, people feel a part of their community and have the ability to access places and resources in a timely, safe and convenient manner.

Key County Indicators	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual
Number of times County information and interactive services are accessed electronically (millions)	NA	13.6 ¹	21.1 ²
Library materials circulation per capita	12.9	12.0	11.8
Percent of library circulation represented by materials in languages other than English	1.3%	1.4%	1.4%
Percent change in transit passengers	6.6%	1.17%	3.00%

¹ Beginning in FY 2011, the County began using a fundamentally different methodology and measure to gauge the access of County web pages from "hits" to "visits." A visit is an interaction, by an individual, with a website consisting of one or more requests for a definable unit of content. Visits are now viewed across the industry as a better indicator for measuring web traffic.

² Beginning in FY 2012, the County also began counting visits to other social media in addition to nearly 16 million website visits: Of the additional 5.1 million interactions are 1.5 million website searches, 2.1 million Facebook visits, approximately 690,000 SlideShare presentation views, more than 450,000 Flickr photo views, and nearly 120,000 mobile website visits.

An important measure of a community's quality of life is whether or not its residents can easily and conveniently access information, services and activities that are of interest. Fairfax County Government provides a wide range of resources and interactive platforms for people to access. For many years, Fairfax County has been a national leader in providing online services for people to conduct transactions such as paying taxes, requesting debris pickup and reserving library books. The county is now expanding these key resources to its mobile platform in response to a general shift in the public's usage patterns toward smartphones and tablet devices. Fairfax County also has a robust and nationally-known social media program that encourages interaction with and sharing of county information so residents can serve as information ambassadors to friends, neighbors and co-workers who may not otherwise have access (this is especially important during emergencies). By using tools like Facebook, Twitter, YouTube and an emergency blog, Fairfax County delivers a high quality experience for residents on those platforms with relevant, timely and actionable information. The county also interacts directly with residents and reaches people in ways that were not possible a few short years ago. These efforts are paying dividends both for the exchange of information and improving awareness of county resources. For example, in a recent survey of county Facebook page fans, 81 percent of respondents said Fairfax County's use of Facebook has helped them learn more about their local government, programs and services. Evidence of the county's success in providing useful and convenient access to information and services can also be found in the FY 2012 measure of 21 million total interactions with key county online platforms (website visits, mobile website visits, number of website searches, emergency blog views, Facebook daily total reach, YouTube video views, Flickr photo views and SlideShare presentation views). These numbers will continue to grow as the county invests more time on additional platforms to reach people in an increasingly fragmented communications world.

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For residents of Fairfax County who do not have access to a computer at home or at work, or who do not possess the technical skills or are not able to utilize technology due to language barriers, the County utilizes other methods and media to connect them with information and services. Libraries, for example, are focal points within the community and offer a variety of brochures, flyers and announcements containing information on community activities and County services. The utilization of Fairfax County libraries is demonstrated by the **library materials circulation per capita**, which was 11.8 in FY 2012. This high circulation rate indicates the availability of an extensive selection of materials and a desire for library resources among Fairfax County residents. In addition, interest in library resources can be seen in the number of unique visitors to the Library's website, which totaled 4,162,599 in FY 2012. For additional information on benchmarks, please refer to the Parks and Libraries Program Area Summary in Volume 1.

As previously mentioned, Fairfax County is becoming an increasingly diverse community in terms of culture and language. As of 2009, 35.0 percent of Fairfax County residents spoke a language other than English at home. In an attempt to better serve the non-English speaking population, the Fairfax County Public Library has dedicated a portion of its holdings to language appropriate materials for this portion of the community. In FY 2012, 1.4 percent of library circulation was represented by materials in languages other than English. With a circulation of more than 13 million items by Fairfax County Public Library (FCPL) in FY 2012, the 1.4 percent reported for the circulation of non-English materials represents a significant number of materials being used by a multi-language population.

Another important aspect of connecting people and places is actually moving them from one place to another. The County operates the FAIRFAX CONNECTOR bus service; provides FASTRAN services to seniors; and contributes funding to Metro and the Virginia Railway Express (VRE). The **percent change in transit passengers** measures the impact of County efforts as well as efforts of Metro and the VRE. The County experienced a 3.00% percent increase/decrease in Fairfax County transit passengers in FY 2012, up to 51.4 million in FY 2012 over 49.23 million in FY 2011. This increase was, in large part, attributable to a 5.4 percent increase in annual Metrobus trips originating in Fairfax County, from 9.0 million to 9.5, and a 8.7 percent increase in annual VRE ridership, from 1,030,656 to 1,119,888. There was a slight increase in the number of annual Metrorail trips originating in Fairfax County from 29,592,719 in FY 2011 to 29,899,000 in FY 2012.

In FY 2014, the County will continue its support of Metro Operations and Construction, CONNECTOR bus service, and the VRE subsidy. Additional General Fund support is required for the projected Metro jurisdictional subsidy and for critical CONNECTOR services. For more information, please see Fund 30000, Metro Operations and Construction, and Fund 40000, County Transit Systems, in Volume 2.

While transportation funding and improvements to date have been largely a state function, the County also has supported a large portion of local transportation projects in an effort to reduce congestion and increase safety. The County continues to broaden its effort to improve roadways, enhance pedestrian mobility, and support mass transit through funding available from the 2007 Transportation Bond Referendum and from the commercial and industrial real estate tax for transportation. This tax was first adopted by the Board of Supervisors in FY 2009, pursuant to the General Assembly's passage of the Transportation Funding and Reform Act of 2007 (HB 3202). The FY 2014 budget includes a rate of 12.5 cents per \$100 of assessed value, which is projected to provide approximately \$50.5 million in support of capital and transit projects, including continued support of CONNECTOR bus service from the West Ox Bus Operations Center, and funding of new bus services and increased frequencies.

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Maintaining Healthy Economies: Investments in the work force, jobs, and community infrastructure and institutions support a diverse and thriving economy. As a result, individuals are able to meet their needs and have the opportunity to grow and develop their talent and income according to their potential.

Key County Indicators	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual
Total employment (Total All Industries, All Establishment Sizes, equaling the total number of jobs in Fairfax County)	580,912	585,081	598,060
Growth rate	0.8%	0.7%	2.2%
Unemployment rate (not seasonally adjusted)	4.9%	4.3%	4.0% (est.)
Commercial/Industrial percent of total Real Estate Assessment Base	22.67%	19.70%	19.64%
Percent change in Gross County Product (adjusted for inflation)	3.20%	1.45%	0.95%
Percent of persons living below the federal poverty line (Calendar Year)	5.6%	5.8%	6.8%
Percent of homeowners that pay 30.0 percent or more of household income on housing (Calendar Year)	32.9%	31.6%	29.0%
Percent of renters that pay 30.0 percent or more of household income on rent (Calendar Year)	47.4%	44.2%	45.7%
Direct (excludes sublet space) office space vacancy rate (Calendar Year)	13.3%	13.8%	14.1% (mid-year)

Maintaining a healthy economy is critical to the sustainability of any community. In addition, many jurisdictions have learned that current fiscal health does not guarantee future success. Performance in this area affects how well the County can respond to the other six Vision Elements. The above eight indicators shown for the Healthy Economies Vision Element were selected because they are perceived as providing the greatest proxy power for gauging the overall health of Fairfax County's economy.

Total employment illustrates the magnitude of Fairfax County's jobs base. After increasing a slight 0.7 percent in FY 2011, the total number of jobs in the County grew again in FY 2012 and rose 2.2 percent. For context, there are more jobs in Fairfax County than there are people in the entire state of Wyoming. While related to the number of jobs, the **unemployment rate** is also included because it shows the proportion of the County's population out of work. Fairfax County enjoys a relatively low unemployment rate in comparison to state and national trends. While the County's estimated average unemployment rate was 4.0 percent in 2012, the Commonwealth of Virginia experienced 5.7 percent unemployment (not seasonally adjusted) in the same period. The strength of the County's economy is even more apparent when compared to the national unemployment rate of 8.1 percent in 2012.

The **Commercial/Industrial percent of total Real Estate Assessment Base** is a benchmark identified by the Board of Supervisors, which places priority on a diversified revenue base. The target is 25 percent of the assessment base. From FY 2001 to FY 2007, the Commercial/Industrial percentage declined from 25.37 percent to 17.22 percent, in part due to vacant office space early in this period and further exacerbated by the booming housing market attributable to record low mortgage rates that resulted in double-digit residential real estate assessment increases for several consecutive years. This imbalance increased the burden on the residential component to finance government services. Starting in FY 2008, when the housing market began to slow down, the Commercial/Industrial percentage increased for three consecutive years, reaching 22.67 percent in FY 2010 as a result of declining residential values. When nonresidential values declined a record 18.29 percent, the Commercial/Industrial percentage declined 2.97 percentage points to 19.70 percent in FY 2011 and another 0.06 percentage points in FY 2012. It rose to 20.77 percent in FY 2013, before it dropped again slightly in FY 2014 to 19.96 percent of the total Real Estate Assessment Base.

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Gross County Product (GCP) is an overall measure of the County's economic performance. The percentage change in the GCP indicates whether the economy is expanding or contracting. Moody's Analytics estimates that GCP, adjusted for inflation, rose at a preliminary rate of 0.95 percent in 2012. GCP growth is expected to be moderate in 2013 and 2014.

While it was recognized that **percent of persons living below the federal poverty line** is an imperfect measure due to the unrealistic level set by the federal government, i.e., \$20,000 for a family of four, it is a statistic that is regularly collected and presented in such a way that it can be compared to other jurisdictions, as well as tracked over time to determine improvement. In relative terms, Fairfax County's 6.8 percent poverty rate in FY 2012 is better than most, yet it still translates to nearly 74,000 persons living below the federal poverty level. *(Note: Census data are reported based upon the calendar year (CY) rather than the fiscal year and are typically available on a one-year delay. FY 2012 data represent CY 2011 data.)*

The next two measures, **percent of homeowners that pay 30 percent or more of household income on housing** and **percent of renters that pay 30 percent or more of household income on rent**, relate the cost of housing to income and provide an indication of the relative affordability of living in Fairfax County. That capacity has an effect on other aspects of the County's economy. For example, if housing is so expensive that businesses cannot attract employees locally, they may choose to relocate from Fairfax County, thus resulting in a loss of jobs. In FY 2012, 29.0 percent of homeowners paid 30 percent or more of their household income on housing, while a substantially greater number of renters, 45.7 percent, paid 30 percent or more of their household income on rent. *(Note: Census data are reported based upon the calendar year rather than the fiscal year and are typically available on a one-year delay. FY 2012 data represent CY 2011 data.)*

Finally, the **direct (excludes sublet space) office space vacancy rate** reflects yet another aspect of the health of the business community. In the last couple of years, the direct vacancy rate has remained elevated in historical terms, and at year-end 2012 was 14.6 percent, the highest on record since 1992. Including sublet space, the overall office vacancy rate was 16.7 percent, up from 15.7 percent at year-end 2011. The increase in the vacancy rate is attributed to the threat of sequestration, as government contractors consolidate operations throughout the Washington area and retool operations in order to operate in an economic environment less dependent on government procurement spending. Total leasing activity during 2012 hit a five-year low with 9.7 million square feet of activity, down over 17 percent from year-end 2011. This is significantly lower than the record 13.6 million square feet of leasing activity experienced in 2010.

Fairfax County devotes considerable resources to attracting and maintaining businesses that will contribute to the revenue base through income and jobs, which helps to ensure a healthy local economy. It should be noted that income growth does not affect Fairfax County tax revenues directly because localities in Virginia do not tax income; however, revenues are indirectly affected because changes in income impact the County's economic health.

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Practicing Environmental Stewardship: Local government, industry and residents seek ways to use all resources wisely and to protect and enhance the County's natural environment and open space. As a result, residents feel good about their quality of life and embrace environmental stewardship as a personal and shared responsibility.

Key County Indicators	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual
Unhealthy Air Days recorded on Virginia Department of Environmental Quality (DEQ) monitors located in Fairfax County based on the EPA Air Quality Index (Calendar Year)	11	11	12
Overall Level of Stream Quality as a weighted index of overall watershed/stream conditions on a scale of 5 (Excellent) to 1 (Very Poor)	2.60	2.88	2.33
Percent of Tree Coverage in County	40.5%	41%	42%
Number of homes that could be powered as a result of County alternative power initiatives	64,000	64,650	69,352
Solid Waste Recycled as a percentage of the waste generated within the County (Calendar Year) ¹	42%	47%	47%

¹ The FY 2012 Actual is estimated at 47 percent because results are not yet available. Recycling rates will become available on April 1, 2013 from the Virginia Department of Environmental Quality.

The Environmental Stewardship Vision Element demonstrates the County's continued commitment to the environment. Rapid growth and development since the 1980's created new challenges for environmental preservation and stewardship. In recent years, Fairfax County has sought greater integration of environmental issues into all levels of agency decision-making and a proactive approach in preventing environmental problems and associated costs. Success in this area continues to be demonstrated by the County's Solid Waste Management Program and the Department of Vehicle Services, having earned the Virginia Department of Environmental Quality's designation as Environmental Enterprises, or E2, in accordance with Virginia's Environmental Excellence Program. The Wastewater Management Program achieved an Exemplary Environmental Enterprise (E3) rating. These designations are given if a facility has a record of significant compliance with environmental laws and requirements and can demonstrate its commitment to improving environmental quality and evaluating the facility's environmental impacts. In addition, in FY 2006, the County was presented with a National Association of Counties Achievement Award (NACO) for its efforts to improve air quality.

On June 21, 2004, the Board of Supervisors adopted the Environmental Excellence 20-year Vision Plan (Environmental Agenda). The Environmental Agenda is organized into six areas: growth and land use; air quality and transportation; water quality; solid waste; parks, trails and open space; and environmental stewardship. The underlying principles of the Environmental Agenda include: the conservation of limited natural resources being interwoven into all governmental decisions; and the County commitment to provide the necessary resources to protect the environment. By adopting the Environmental Agenda, the Board of Supervisors endorsed the continued staff effort to support the Environmental Stewardship Vision Element. In addition, the Environmental Coordinating Committee developed the Environmental Improvement Program (EIP) to support the Board's Environmental Agenda. The EIP is a tactical plan with concrete strategies, programs and policies that directly support the goals and objectives of the



In FY 2006 and FY 2007, the County was presented with National Association of Counties (NACO) Achievement Awards for its efforts to improve air quality and for its Environmental Improvement Program.

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Board's Environmental Agenda. In FY 2007, the County was presented with a NACo achievement award for its Environmental Agenda and EIP Programs.

Fairfax County partnered with a select group of counties across the United States and the Sierra Club to create a template for local governments to begin reducing their greenhouse gas emissions in favor of more environmentally friendly practices. This "Cool Counties" initiative was inaugurated at the NACo annual conference in July 2007. It identifies specific strategies and actions for the nation's 3,000 counties to adopt as part of the regional, national and global effort to pursue smarter, cleaner energy solutions. A number of "Cool County" strategies have already been implemented in Fairfax County, including the purchase of hybrid vehicles (now totaling approximately 116 vehicles, resulting in a savings of over 60,000 gallons of gas per year). DVS has also undertaken a Diesel Exhaust Retrofit project, in which it retrofitted 1,012 school buses, 167 Connector buses and 113 heavy duty trucks with exhaust after-treatments that reduce particulate emissions. In addition, on March 31, 2008, the Fairfax County Board of Supervisors approved a resolution pledging to implement greenhouse gas emission reduction actions as part of the National Capital Region's Cool Capital Challenge.

Fairfax County continues to promote green building initiatives in both public and private facilities and has been recognized nationally for environmental construction initiatives. In early 2008, the Board of Supervisors adopted the Sustainable Development Policy for Capital Projects applicable to the construction of new County buildings and renovations or additions to existing buildings. The policy provides a framework for preserving and promoting a natural environment, conserving energy, meeting or exceeding air and water quality standards, creating healthy work environments and establishing a community standard for sustainable practices. As of January 2013, the County has implemented sustainable development practices on a total of 30 building projects. Nine of these projects are currently in design, six are in construction or in the LEED® certification process, and 15 have attained certification (13 under the LEED® program and two under the Green Globes program). Three library projects have received the LEED® Gold rating: Richard Byrd Library, Martha Washington Library, and Dolley Madison Library. Crosspointe Fire Station and Great Falls Volunteer Fire Station have also both received the LEED® Gold Rating. Other LEED® Gold Rated projects include the Gartlan Mental Health Center (formerly the Mt. Vernon Mental Health Facility) and Joanne Jorgenson Health Department Laboratory. Other initiatives include, the utilization of teleworking (Fairfax County has more than 1,000 employees telework an average of one day a month). The Facilities Management Department continues to implement energy savings strategies in County facilities which include the installation of energy management control systems, heating, ventilating, air conditioning and efficient lighting controls, resulting in significant energy savings. DPWES is also undertaking a Water Reuse Project to use reclaimed water from the plant for irrigation purposes.

In addition, in October 2009, the County received approval for a U.S. Department of Energy, Energy Efficiency and Conservation Block Grant (EECBG) as a result of the American Recovery and Reinvestment Act (ARRA). Funding of \$9,642,800 was approved for specific EECBG projects, each of which is aligned with the EECBG program's defined purposes and eligible activities. Some of the projects included: heating, ventilation and air conditioning systems; energy management control systems; lighting and lighting control systems; an enterprise server consolidation project which will reduce power demands in the County's data centers by approximately 90 percent; PC power management; and a comprehensive greenhouse gas emissions inventory of County operations. These projects are now complete. The Fairfax County Department of Information Technology received the "Green 15" award for its PC power management initiative that automatically shuts down over 14,000 County computers after working hours, resulting in electricity savings for the County. Other on-going environmental initiatives are detailed below, include minimizing unhealthy air days, enhancing stream quality, expanding tree coverage, exploring alternative forms of energy, and recycling.

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In support of the regional goal of attaining the federal standard for ozone levels, Fairfax County is committed to minimizing **unhealthy air days** as measured and defined by all criteria pollutants. The Environmental Protection Agency (EPA) has set National Ambient Air Quality Standards for these criteria pollutants: ground-level ozone, particulate matter including both coarse and fine particulates (PM₁₀ and PM_{2.5}), lead, carbon monoxide, sulfur dioxide, and nitrogen dioxide. The EPA Air Quality Index for the criteria pollutants assigns colors to levels of health concern, code orange indicating unhealthy for sensitive groups; code red – unhealthy for everyone; purple - very unhealthy; and maroon - hazardous. The Key County Indicator on unhealthy air days includes all of these color levels. In 2005, EPA revoked the one-hour ozone standard and completed the transition from the one-hour standard to a more stringent eight-hour ozone standard. Fairfax County, along with the metropolitan Washington region, continued its area designation “moderate non-attainment” of the eight-hour ground-level ozone standard. Fairfax County has implemented air pollution strategies including the previous purchase of wind energy credits, reducing County vehicle emissions through the purchase of hybrid vehicles, diesel retrofits and the use of ultra-low sulfur fuel, not allowing refueling of County vehicles except emergency vehicles on Code Red Days, transportation strategies including previous free FAIRFAX CONNECTOR bus rides on Code Red Days, teleworking, not allowing mowing of grass at County properties on Code Red Days, use of low Volatile Organic Compound (VOC) paints, County building energy efficiency programs, tree canopy and planting activities, green building actions, community outreach and maintaining standards and procedures that promote healthy air. On April 28, 2008, EPA announced that the Metropolitan Washington DC, MD, VA area met the 1996 one-hour ozone National Ambient Air Quality Standard by the required attainment date and changed the area designation to “marginal”. The number of unhealthy air days in both FY 2010 and FY 2011 were 11, with a slight increase to 12 in FY 2012 as reported by the Virginia DEQ. EPA was proposing another revision to lower the ozone standard further to 0.06-0.07 ppm as recommended by the Clean Air Scientific Advisory Committee and they planned to adopt the exact standard in **August** 2010; however, EPA has extended the timeline. In the fall of 2011, EPA stated they will continue the on-going 5 year review of the updated science in compliance with the Clean Air Act before making any recommendations for changes to the standard. This is scheduled to be completed in 2013. The County’s Environmental Coordinating Committee continues to examine the adequacy of current air pollution measures and practices, education and notification processes, and codes and regulations to make further progress. Fairfax County continues its membership with Clean Air Partners, a volunteer, non-profit organization chartered by the Metropolitan Washington Council of Governments (COG) and the Baltimore Metropolitan Council (BMC). Since FY 2005, the County has participated as a media sponsor for the group’s public awareness campaign. It is noted that in FY 2010, the County’s air monitoring program was eliminated due to budget reductions; however, the monitoring responsibility was turned over to DEQ.

Stream quality in Fairfax County may affect residents’ recreational use of streams and other water bodies as well as the quality of our drinking water. Monitoring the health of our waterways and preparing watershed management plans provide a head start for the County in satisfying the federal and state regulatory requirements as dictated by the County’s MS4 permit and Total Maximum Daily Loads (TMDLs) already established for several streams. A Chesapeake Bay TMDL was also established in December 2010 with the goal of restoring the Chesapeake Bay and eventually removing it from the national list of impaired bodies of water. Between 2005 and 2011, Fairfax County developed 13 watershed management plans for the County’s 30 watersheds in order to restore the health of local streams, meet regulatory requirements and help satisfy restoration goals for water quality and living resources for the Chesapeake Bay. All 13 plans have been adopted by the Board of Supervisors. These plans provide a systematic project framework for establishing restoration goals, implementation strategies, and prioritization of the most cost-effective projects that will help restore and protect our streams and watersheds countywide. Hard copies of the plans may be found in their respective Board of Supervisor’s office and local libraries. Additional information on watershed management planning may

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be found at www.fairfaxcounty.gov/DPWES/watersheds/. Since 2004, a stratified random sampling procedure has been used to assess and report the ecological conditions in the County's streams. A stream quality indicator (SQI) was developed from the annual benthic macroinvertebrate monitoring data to establish overall watershed/stream conditions countywide. The SQI is an index value ranging from 5 to 1, with the following qualitative interpretations associated with the index values: 5 (Excellent), 4 (Good), 3 (Fair), 2 (Poor) to 1 (Very Poor). The SQI continued to fluctuate over the last eight years between 2.03 at its low and 2.88 at its highest level as the County strives to meet the goal of a future average **stream quality index value** of 3 or greater (Fair to Good stream quality). The EPA recognized Fairfax County as a Charter 2003 Clean Water Partner for its leadership role in the protection of the Chesapeake Bay (April 2003). Fairfax County continues to work collaboratively with other area jurisdictions toward the common goal of a cleaner Chesapeake Bay.

Tree coverage contributes to healthy air, clean water, preservation of habitat for birds and other wildlife, and quality and enjoyment of the environment by County residents. County planning and land development processes emphasize tree preservation and integrate this concern into new land development projects when possible. Tree coverage in the County is expressed as the percent of the County's land mass covered by the canopies of trees. Annual estimates of tree coverage in the County for individual years are premised on statistical analyses and knowledge of recent development activities in the County. Satellite analysis is typically done approximately every five years with staff estimating annual changes based on interim surveys. Despite intense development in the County over the last 20 years, the County's Urban Forest Management Division estimates that the County has a tree coverage level of 42 percent. This percentage compares favorably to the average levels reported by the U.S. Forest Service for urbanized areas of Virginia (35.3 percent) and Maryland (40.1 percent). The County's tree coverage level is slightly above the percentage recommended by American Forests (40 percent) as the level needed to sustain an acceptable quality of life. In 2006, the County improved its ability to sustain its tree coverage through the completion of the Tree Action Plan which is a strategic document that will help guide the community's efforts to conserve and manage tree and forest resources over the next 20 years. In October 2007, the Board of Supervisors approved a 30-year Tree Canopy Goal of 45 percent. This goal will require the community to plant over 2 million trees over the next 30 years and requires the continued protection and management of existing native forest communities. In recent years, the County has partnered with several non-profit organizations that leverage the use of volunteers, and provide significant opportunities for community involvement and environmental awareness associated with tree planting projects. These tree planting projects are also consistent with the overall stormwater goals to re-establish native plant buffers and increase the natural absorption of stormwater runoff associated with ground imperviousness.

Alternative power initiatives highlight County efforts to contribute to lowering pollution through the generation, procurement and/or use of cleaner, more efficient energy sources. These initiatives go to the heart of environmental stewardship. County **alternative power initiatives** are expressed as the equivalent number of homes that could be powered by energy realized from alternative sources, such as the energy from the County's Energy/Resource Recovery Facility (E/RRF) and from methane recovery at the County's closed landfills. Locally, average energy use per home equals 800 Kilowatt-hours (kWh) per month. FY 2012 electric sales from the County's resource recovery facility were approximately 50,934,000 kWh/month while methane-to-electricity project sales have averaged approximately 4,548,000 kWh/month. Over the last several years, the number of homes powered by alternative power initiatives has increased to 69,352 homes in FY 2012.

Solid waste management is a key environmental responsibility, and waste reduction through reuse and recycling is considered the most desirable method of waste management at all government levels. Fairfax County manages trash and recycling through the County's 20-Year Solid Waste Management Plan

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approved by the Board of Supervisors in May 2004. This plan, mandated by state law and administered by the Virginia Department of Environmental Quality (DEQ), documents the County's integrated management system and provides long-range planning for waste disposal and recycling for the next 20 years. Recycling initiatives in FY 2014 will include continued emphasis on electronics recycling and fluorescent lamp recycling. Fairfax County continues to administer and enforce requirements to recycle paper and cardboard from all residential and nonresidential properties, including multi-family residential properties. Additionally, cardboard generated from construction projects is required to be recycled. The intent of requiring this recycling is to maximize the amount of paper and cardboard removed from the waste stream to ensure sufficient waste disposal capacity for waste in the County's waste management system. The County's recycling rate is calculated on a calendar year basis according to state regulations and is due to the Virginia Department of Environmental Quality on April 30 of each calendar year. The annual countywide estimated recycling rate of 47 percent (for calendar year 2012) exceeds the state-mandated requirement of 25 percent. Recycling information is collected under the authority of Fairfax County Code, Chapter 109.1, specifically Section 109.1-2-4. Solid waste collectors and certain businesses operating in the County are required to prepare an annual report due by March 1 of each year with information on the quantity of materials collected for recycling. The amount of solid waste recycled in Fairfax County is calculated by comparing the quantity of materials collected for recycling to the quantity of waste sent for disposal. Revenue is generated from the sale of recyclable materials, and since they are not disposed of, disposal fees are avoided for each ton of material recycled.



Creating a Culture of Engagement: Individuals enhance community life by participating in and supporting civic groups, discussion groups, public-private partnerships, and other activities that seek to understand and address community needs and opportunities. As a result, residents feel that they can make a difference and work in partnership with others to understand and address pressing public issues.

Key County Indicators	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual
Volunteerism for Public Health and Community Improvement (Medical Reserve Corps and Volunteer Fairfax)	16,058	20,770	19,832
Volunteer hours leveraged by the Consolidated Community Funding Pool	515,579	511,824	488,600
Residents completing educational programs about local government (includes Citizens Police Academy, Neighborhood College Program, and Fairfax County Youth Leadership Program) ¹	380	261	95
Percent of registered voters who voted in general and special elections	44.6%	49.1%	32.3%
Percent of Park Authority, Fairfax County Public Schools, and Community and Recreation Services athletic fields adopted by community groups	29.5%	31.0%	29.1%

¹ During 2012, the Neighborhood College program was temporarily suspended due to agency reorganization and human services system-wide efforts to identify and measure the impact of our various programs, including the Neighborhood College, on the community.

Volunteerism for Public Health and Community Improvement is strongly evident in two local programs: the **Medical Reserve Corps (MRC) and Volunteer Fairfax**. Fairfax County benefits greatly from citizens who are knowledgeable about and actively involved in community programs and initiatives. Nationally, the MRC consists of more than 203,000 volunteers organized into 973 individual units, whose purpose is to build strong, healthy, and prepared communities. MRC volunteers include medical and non-medical professionals alike, all trained to support their communities during times of emergency. At the local level, over 3,200 volunteers are enrolled in the Fairfax MRC. Volunteers participate in trainings, exercises and response activities to augment local resources used for protecting Fairfax residents health prior to, during, and after a public health emergency. Recruitment efforts during fiscal year 2012 yielded more

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than 200 new members. These efforts included an online and print advertisement campaign and direct mailings to medical professionals. This recruitment effort was followed by an extensive effort in early fiscal year 2013 to remove inactive volunteers from the program. Volunteers who had been with the program for over a year, but had yet to complete their required minimum training, were given a number of opportunities to do so. Some did, but 1,128 who did not were removed from “active” status, and advised that if they wanted to return in the future and complete their ten hours of required training, they would be returned to “active” status.

Also during fiscal year 2012, Fairfax MRC volunteers participated in a number of trainings and exercises, as well as several real-world emergencies. Over 1,000 volunteers participated in a variety of trainings related to the National Incident Management System (NIMS), the Incident Command System (ICS), radiological emergency response, shelter operations, and mass fatality incident response. These 1,000-plus volunteers donated 2,671 hours in service to the county while participating in these activities.

Current and future MRC program efforts are focused on enhancing volunteer skills and capabilities by increasing the number of volunteers that have completed the core training requirements; offering trainings in more convenient locations; finalizing a volunteer handbook; and completing a unit strategic plan. Volunteers are also being engaged to support the 2013 Presidential Inauguration, and were placed in stand-by more during the 2012 Derecho storm and Hurricane Sandy. MRC will continue to engage volunteers with meaningful training and exercise opportunities to better prepare them to support the Fairfax County Health Department in responding to natural and man-made disasters and emergencies.

Volunteer Fairfax, a private, nonprofit corporation (created in 1975) to promote volunteerism through a network of over 900 nonprofit agencies, has mobilized people and other resources to meet regional community needs. Volunteer Fairfax connects individuals, youth, seniors, families and corporations to volunteer opportunities, honors volunteers for their hard work and accomplishments, and educates the nonprofit sector on best practices in volunteer and nonprofit management. Through various programs and services, Volunteer Fairfax has referred or connected 15,554 individuals in FY 2012 which equates to 49,011 hours volunteers contributed to Fairfax County with a value of \$1,190,477.

Volunteerism not only reflects a broad-based level of engagement with diverse organizations and residents throughout Fairfax County, but also greatly benefits citizens through the receipt of expertise and assistance at minimal cost to the County. As indicated by the number of volunteer hours garnered by the **Consolidated Community Funding Pool** (CCFP), there is a strong nucleus and core of volunteers who feel empowered to freely participate in vital community programs, and they make a difference in the community. Numbers fluctuate from year to year since new and revamped programs are funded every two years. The decrease in volunteerism in FY 2012 is due in part to a reduction in programs funded by CCFP from 114 in FY 2011 to 112 in FY 2012.

In addition to its many volunteer opportunities, Fairfax County has designed several programs to educate citizens about local government. The **Citizens Police Academy** is an educational outreach program designed to provide a unique “glimpse behind the badge” as participants learn about police department resources, programs, and the men and women who comprise an organization nationally recognized as a leader in the law enforcement community. Participants learn about the breadth of resources involved in preventing and solving crime and the daily challenges faced by Fairfax County police officers. Academies are ten weeks in length and meet one night a week for 3.5 hours. Five-week academies may also be offered at the request of station commanders. The Fairfax County Citizens Police Academy was selected “best in the nation” in 2009 by the National Citizens Police Academy Association (NCPAA). In FY 2012, 68 residents completed this course.

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The **Neighborhood College Program** aims to promote civic engagement by preparing residents to participate in local government and in their neighborhoods and communities. Participants are encouraged to utilize the knowledge, skills, and access gained from the class to engage in activities that will contribute to healthy neighborhoods and strong communities. The program provides information on local government, services, the community, and opportunities for involvement through presentations, panels, activities, group discussion, and fieldwork. In FY 2012, there were no Neighborhood College Programs. The **Fairfax County Youth Leadership Program** is designed to educate and motivate high school students to become engaged citizens and leaders in the community. This is a very selective program with one to two students from each of the County's 25 high schools represented. The students are chosen based on a range of criteria including student activities and awards, written essays and recommendations. During a one-year period, the program includes a series of monthly sessions about County government, work assignments related to each session, a summer internship in a County agency and a presentation to 8th grade civics students. The goal of this initiative is to inspire young people to become citizens who will share their ideas and bring their energy to local government.

Fairfax County has a civic-minded population. Voter participation levels in Fairfax County reflect a community that is well informed, engaged, and involved with local government to address community needs and opportunities. The percent of Fairfax County residents voting in recent elections generally has exceeded state averages. Although the turnout for the November 2011 General Election for state and county offices (FY 2012) was only 32.3 percent it exceeded turnout in many Virginia counties. A low turnout, however, normally indicates that voters are satisfied with their county representatives and services. The County's 32.3 percent turnout represents 192,087 citizens voting at the polls on Election Day and 14,548 voters who applied for absentee ballots. Additionally, nearly 2,000 civic minded citizens and nearly 300 high school students volunteered at County polling places to conduct the 2011 election.

Another aspect of an engaged community is the extent to which residents take advantage of opportunities to improve their physical surroundings and to maintain the facilities they use. The percent of athletic field adoptions – 29.1 percent in FY 2012 – by community groups is solid and evidenced by the consistent community support of approximately one-third of total fields over the recent period. Athletic field adoptions reduce the County's financial burden to maintain these types of public facilities and improve their quality. Analysis indicates that organizations in Fairfax County annually provide over \$4 million in support for facility maintenance and development. In addition to natural turf field maintenance, community organizations continue to develop synthetic turf fields by partnering with the County and funding the development independently. New incentives have recently been put into place to encourage groups to maintain and increase adoptions despite the current economic climate. The Department of Neighborhood and Community Services, Fairfax County Park Authority (FCPA), and Fairfax County Public Schools (FCPS) continue to work with a very involved athletic community to design and implement the FCPS diamond field maintenance plan. This plan established an enhanced level of consistent and regular field maintenance at school softball and baseball game-fields. This benefits both scholastic users as well as community groups that are reliant upon use of these fields to operate their sports programs throughout the year. In FY 2011, the Fairfax County Athletic Council (FCAC) formed a committee to review the Friend of the Field and Field Adoption programs and recommend any suggestions to come up with ways to incentivize participation.

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Exercising Corporate Stewardship: Fairfax County government is accessible, responsible, and accountable. As a result, actions are responsive, providing superior customer service and reflecting sound management of County resources and assets.

Key County Indicators	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Estimate
Average tax collection rate for Real Estate Taxes, Personal Property Taxes and Business, Professional, and Occupational License Taxes	99.70%	99.58%	99.35%	99.41%	99.44%
County direct expenditures per capita	\$1,089	\$1,091	\$1,130	\$1,216	\$1,181
Percent of household income spent on residential Real Estate Tax	4.62%	4.47%	4.42%	4.41%	4.55%
County (merit regular) positions per 1,000 citizens	11.06	11.05	11.17	11.13	11.01
Number of consecutive years receipt of highest possible bond rating from major rating agencies (Aaa/AAA/AAA)	32	33	34	35	36
Cumulative savings from both County bond sales as compared to the Bond Buyer Index and County refundings (in millions)	\$434.23	\$486.30	\$543.28	\$580.63	\$580.63
Number of consecutive years receipt of unqualified audit	29	30	31	32	33

The Corporate Stewardship Vision Element is intended to demonstrate the level of effort and success that the County has in responsibly and effectively managing the public resources allocated to it. The County is well regarded for its strong financial management as evidenced by its long history of high quality financial management and reporting (See chart above for “**number of consecutive years receipt of highest possible bond rating**” and “**unqualified audit**”). The Board of Supervisors adopted *Ten Principles of Sound Financial Management* on October 22, 1975, to ensure prudent and responsible allocation of County resources. These principles, which are reviewed, revised and updated as needed to keep County policy and practice current, have resulted in the County receiving and maintaining a Aaa bond rating from Moody’s Investors Service since 1975, AAA from Standard and Poor’s Corporation since 1978 and AAA from Fitch Investors Services since 1997. Maintenance of the highest rating from the major rating agencies has resulted in significant flexibility for the County in managing financial resources generating **cumulative savings from County bond sales and refundings** of \$580.63 million since 1978. This savings was achieved as a result of the strength of County credit compared to other highly rated jurisdictions on both new money bond sales and refundings of existing debt at lower interest rates. This means that the interest costs that need to be funded by County revenues are significantly lower than they would have been if the County was not so highly regarded in financial circles as having a thoughtful and well implemented set of fiscal policies.

This strong history of corporate stewardship was also key to the naming of Fairfax County as “one of the best managed jurisdictions in America” by *Governing* magazine and the Government Performance Project (GPP). In 2001, the GPP completed a comprehensive study evaluating the management practices of 40 counties across the country and Fairfax County received an overall grade of “A-,” one of only two jurisdictions to receive this highest grade. Recent recognitions of sound County management include continuing annual recognition by the Government Finance Officers Association (GFOA) for excellence in financial reporting and budgeting, and receipt of the International City/County Management Association (ICMA) 2012 Certificate of Excellence for the County’s use of performance data from 15 different government service areas (such as police, fire and rescue, libraries, etc) to achieve improved planning and decision-making, training, and accountability. Fairfax County was one of 28 jurisdictions that earned this prestigious certificate out of 160 jurisdictions participating in ICMA’s Center for Performance Measurement.

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The success in managing County resources has been accompanied by the number of **merit regular positions per 1,000 citizens** being managed very closely. Since FY 1992 the ratio has declined from 13.57 to 11.01 in FY 2014. The ratio has declined since FY 2010 due to position eliminations as part of budget reductions to address shortfalls, partially offset by an increase in merit status positions primarily as a result of changes to federal regulations. The long term decline in the positions to citizen ratio indicates a number of efficiencies and approaches - success in utilizing technology, best management processes and success in identifying public-private partnerships and/or contractual provision of service.

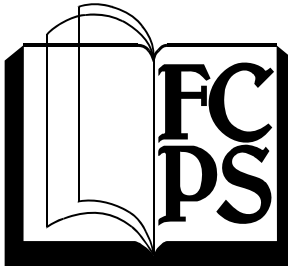
The County consistently demonstrates success in maintaining high **average tax collection rates**, which results in equitable distribution of the burden of local government costs to fund the wide variety of County programs and services beneficial to all residents.

County direct expenditures per capita of \$1,181 in FY 2014 reflect a small decrease from FY 2013. Budget shortfalls in recent years have prevented significant growth. Recent budgets have accommodated operating adjustments for new facilities, critical infrastructure requirements, population growth and workload increases within reduction levels. More cost per capita data, showing how much Fairfax County spends in each of the program areas, e.g., public safety, health and welfare, community development, etc., is included at the beginning of each program area section in Volume 1 of the FY 2014 Advertised Budget Plan. The jurisdictions selected for comparison are the Northern Virginia localities as well as those with a population of 100,000 or more elsewhere in the state (the Auditor of Public Accounts for the Commonwealth of Virginia collects this data and publishes it annually). Fairfax County's cost per capita in each of the program areas is highly competitive with others in the state.

The **percent of household income spent on residential Real Estate Tax** decreased from FY 2010 to FY 2014, primarily reflecting growth in average household income. It should be noted that Fairfax County continues to rely heavily on the Real Estate Tax at least in part due to the lack of tax diversification options for counties in Virginia. In FY 2014, real property taxes total **62.4** percent of total General Fund revenues.

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Fairfax County Public Schools (FCPS) Strategic Governance



FCPS Overview

- **FY 2013, FCPS' total approved membership is 184,393; nation's 11th largest school district.**
- **196 schools and centers.**
- **Full-day kindergarten at all elementary schools.**
- **Needs-based staffing at all schools.**
- **Nearly ninety-five percent of FCPS graduates plan to continue to post-secondary education.**
- **In the 2012 U.S. News and World Report ranking of Best High Schools in America, FCPS received thirteen gold medal awards, one silver, and one bronze medal award. Of the 13 gold medal schools, five were ranked in the top 100 high schools nationally.**

The School Board's Strategic Governance Initiative includes beliefs, vision, and mission statements, and student achievement goals to provide a more concentrated focus on student achievement and to establish clearer accountability. In addition to specifying the results expected for students, the Board has created comprehensive departmental operational expectations that provide a guiding framework for both the Superintendent and staff members to work within. The Strategic Governance Initiative includes those operational expectations as well as student achievement goals as measures of school system success.

Beliefs

- We Believe in Our Children.
- We Believe in Our Teachers.
- We Believe in Our Public Education System.
- We Believe in Our Community.

Vision

- Looking to the Future
- Commitment to Opportunity
- Community Support
- Achievement
- Accountability

FCPS students scored an average of 1659 on the SAT, exceeding both the state and national average for 2012:

FCPS	1659
VA	1510
Nation	1477

Mission

Fairfax County Public Schools, a world-class school system, inspires, enables, and empowers students to meet high academic standards, lead ethical lives, and demonstrate responsible citizenship.

Student Achievement Goals

1. Academics
2. Essential Life Skills
3. Responsibility to the Community

FCPS is Efficient

- **FCPS ranks 6th when compared to other local districts in average cost per pupil (FY 2013 WABE Guide).**

Fairfax County Public Schools' beliefs, vision, mission, and student achievement goals are discussed in more detail at:
<http://www.fcps.edu/schlbd/bmv.shtml>

School system performance is monitored regularly throughout the year by the School Board to assure that reasonable progress is being made toward achieving the student achievement goals and that the system is complying with the Board's operational expectations.



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FY 2014

Advertised Budget Plan



General Fund Statement

FY 2014 ADVERTISED FUND STATEMENT

FUND 10001, GENERAL FUND

	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
Beginning Balance ¹	\$236,235,961	\$132,124,545	\$209,439,502	\$87,940,348	(\$121,499,154)	(58.01%)
Revenue ^{2,3}						
Real Property Taxes	\$2,047,283,817	\$2,116,497,573	\$2,116,232,911	\$2,228,384,045	\$112,151,134	5.30%
Personal Property Taxes ⁴	316,918,241	341,383,416	340,539,570	336,319,930	(4,219,640)	(1.24%)
General Other Local Taxes	517,375,740	523,937,338	523,487,288	523,253,090	(234,198)	(0.04%)
Permit, Fees & Regulatory Licenses	36,843,892	34,902,539	34,647,734	35,193,936	546,202	1.58%
Fines & Forfeitures	14,084,487	13,595,913	14,612,835	14,863,219	250,384	1.71%
Revenue from Use of Money & Property	18,402,588	17,171,963	17,162,412	15,671,422	(1,490,990)	(8.69%)
Charges for Services	69,627,663	70,095,102	70,768,878	72,690,493	1,921,615	2.72%
Revenue from the Commonwealth ⁴	304,693,149	307,254,837	307,345,941	303,204,341	(4,141,600)	(1.35%)
Revenue from the Federal Government	40,215,942	34,270,839	34,402,876	25,676,086	(8,726,790)	(25.37%)
Recovered Costs/Other Revenue	14,235,285	14,716,245	14,858,461	14,935,437	76,976	0.52%
Total Revenue	\$3,379,680,804	\$3,473,825,765	\$3,474,058,906	\$3,570,191,999	\$96,133,093	2.77%
Transfers In ³						
Fund 20000 Consolidated Debt Service	\$0	\$0	\$0	\$8,000,000	\$8,000,000	-
Fund 40030 Cable Communications	6,901,043	4,270,457	4,270,457	4,145,665	(124,792)	(2.92%)
Fund 40080 Integrated Pest Management	0	0	0	138,000	138,000	-
Fund 40100 Stormwater Services	0	0	0	1,000,000	1,000,000	-
Fund 40140 Refuse Collection and Recycling Operations	0	0	0	535,000	535,000	-
Fund 40150 Refuse Disposal	0	2,500,000	2,500,000	535,000	(1,965,000)	(78.60%)
Fund 40160 Energy Resource Recovery (ERR) Facility	0	0	0	42,000	42,000	-
Fund 40170 I-95 Refuse Disposal	0	0	0	175,000	175,000	-
Fund 60030 Technology Infrastructure Services	0	0	0	1,500,000	1,500,000	-
Fund 69010 Sewer Operation and Maintenance	0	0	0	1,800,000	1,800,000	-
Fund 80000 Park Revenue	0	0	0	775,000	775,000	-
Total Transfers In	\$6,901,043	\$6,770,457	\$6,770,457	\$18,645,665	\$11,875,208	175.40%
Total Available	\$3,622,817,808	\$3,612,720,767	\$3,690,268,865	\$3,676,778,012	(\$13,490,853)	(0.37%)
Direct Expenditures ^{2,3}						
Personnel Services	\$675,284,262	\$714,121,262	\$713,958,895	\$719,448,146	\$5,489,251	0.77%
Operating Expenses	347,122,547	349,054,235	385,835,481	334,829,164	(51,006,317)	(13.22%)
Recovered Costs	(41,240,697)	(45,656,331)	(45,863,556)	(44,575,824)	1,287,732	(2.81%)
Capital Equipment	1,001,360	28,590	423,359	220,968	(202,391)	(47.81%)
Fringe Benefits	260,108,139	286,194,046	287,610,131	298,676,731	11,066,600	3.85%
Total Direct Expenditures	\$1,242,275,611	\$1,303,741,802	\$1,341,964,310	\$1,308,599,185	(\$33,365,125)	(2.49%)
Transfers Out ³						
Fund S10000 School Operating ⁵	\$1,610,834,722	\$1,683,322,285	\$1,683,322,285	\$1,716,988,731	\$33,666,446	2.00%
Fund 10010 Revenue Stabilization	0	0	1,680,445	0	(1,680,445)	(100.00%)
Fund 10020 Community Funding Pool	8,970,687	9,867,755	9,867,755	9,867,755	0	0.00%
Fund 10030 Contributory Fund	14,612,942	15,683,588	15,683,588	13,365,975	(2,317,613)	(14.78%)

FY 2014 ADVERTISED FUND STATEMENT

FUND 10001, GENERAL FUND

	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
Transfers Out (Cont.)						
Fund 10040 Information Technology	16,181,579	5,281,579	14,281,579	2,913,280	(11,368,299)	(79.60%)
Fund 20000 County Debt Service	116,780,133	116,853,073	116,853,073	118,797,992	1,944,919	1.66%
Fund 20001 School Debt Service	159,739,692	164,757,064	164,757,064	172,367,649	7,610,585	4.62%
Fund 30000 Metro Operations and Construction	11,298,296	11,298,296	11,298,296	11,298,296	0	0.00%
Fund 30010 General Construction and Contributions	18,519,369	15,137,806	16,437,806	13,833,202	(2,604,604)	(15.85%)
Fund 30050 Transportation Improvements	250,000	0	200,000	0	(200,000)	(100.00%)
Fund 30060 Pedestrian Walkway Improvements	100,000	300,000	300,000	100,000	(200,000)	(66.67%)
Fund 30070 Public Safety Construction	242,595	0	0	0	0	-
Fund 30080 Commercial Revitalization Program	0	0	950,000	0	(950,000)	(100.00%)
Fund 30300 The Penny for Affordable Housing	0	1,058,750	1,058,750	0	(1,058,750)	(100.00%)
Fund 30310 Housing Assistance Program	515,000	0	0	0	0	-
Fund 40000 County Transit Systems	34,455,482	36,547,739	36,547,739	34,547,739	(2,000,000)	(5.47%)
Fund 40040 Community Services Board	100,496,382	100,421,627	109,610,515	109,233,258	(377,257)	(0.34%)
Fund 40090 E-911	14,376,992	15,256,778	15,256,778	17,051,691	1,794,913	11.76%
Fund 40330 Elderly Housing Programs	2,004,183	2,043,297	2,043,297	1,852,376	(190,921)	(9.34%)
Fund 50000 Federal/State Grants	4,250,852	4,627,729	4,627,729	5,057,965	430,236	9.30%
Fund 50800 Community Development Block Grant	284,190	0	0	0	0	-
Fund 60000 County Insurance	27,054,366	21,017,317	21,017,317	22,510,363	1,493,046	7.10%
Fund 60020 Document Services Division	2,398,233	2,398,233	2,398,233	2,398,233	0	0.00%
Fund 60040 Health Benefits	0	0	4,000,000	0	(4,000,000)	(100.00%)
Fund 73030 OPEB Trust	27,737,000	28,000,000	28,000,000	28,000,000	0	0.00%
Fund 83000 Alcohol Safety Action Program	0	171,958	171,958	171,958	0	0.00%
Total Transfers Out	\$2,171,102,695	\$2,234,044,874	\$2,260,364,207	\$2,280,356,463	\$19,992,256	0.88%
Total Disbursements	\$3,413,378,306	\$3,537,786,676	\$3,602,328,517	\$3,588,955,648	(\$13,372,869)	(0.37%)
Total Ending Balance	\$209,439,502	\$74,934,091	\$87,940,348	\$87,822,364	(\$117,984)	(0.13%)
Less:						
Managed Reserve	\$69,340,654	\$70,755,734	\$72,046,571	\$71,779,113	(\$267,458)	(0.37%)
Reserve to address FY 2013 Budget Shortfall ⁶	28,693,163				0	-
FY 2011 Audit Adjustments ⁷	623,117				0	-
Additional FY 2012 Revenue ⁸	29,505,454				0	-
FY 2012 Third Quarter Reserve ⁹	2,462,157				0	-
Child Care Assistance and Referral (CCAR) Reserve ¹	1,500,000				0	-
Reserve to address State/Federal Reductions ¹⁰		4,178,357			0	-
Reserve for State/Federal Reductions and Federal Sequestration Cuts ¹¹			8,099,768	8,099,768	0	0.00%
Litigation Reserve ¹²			5,000,000	5,000,000	0	0.00%
Transportation Reserve ¹³			538,344	538,344	0	0.00%
Reserve for FY 2014 Budget Development ¹⁴			742,333		(742,333)	(100.00%)
FY 2012 Audit Adjustments ²			1,513,332		(1,513,332)	(100.00%)
Reserve for Board Consideration ¹⁵				2,405,139	2,405,139	-
Total Available	\$77,314,957	\$0	\$0	\$0	\$0	-

FY 2014 ADVERTISED FUND STATEMENT

FUND 10001, GENERAL FUND

FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
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¹ The FY 2013 Adopted Budget Plan Beginning Balance included \$1,500,000 set aside in reserve in Agency 87, Unclassified Administrative Expenses, for the Child Care Assistance and Referral (CCAR) program for FY 2014. This funding was utilized to balance the FY 2013 budget.

² In order to appropriately reflect actual revenues and expenditures in the proper fiscal year, FY 2012 revenues are increased \$2,028,161 and FY 2012 expenditures are increased \$514,829 to reflect audit adjustments as included in the FY 2012 Comprehensive Annual Financial Report (CAFR). As a result, the *FY 2013 Revised Budget Plan* Beginning Balance reflects a net increase of \$1,513,332. Details of the FY 2012 audit adjustments will be included in the FY 2013 Third Quarter package. It should be noted that this amount has been set aside in reserve and utilized to balance the FY 2014 budget.

³ As part of the County's implementation of a new enterprise resource planning system, FOCUS, several changes have been made which impact the display of budget information. The Revenues and Direct Expenditures sections reflect the County's new chart of accounts, which impacts the spread of funding among the various revenue and expenditure categories, but does not impact bottom-line funding. The new chart of accounts is used across all fiscal years; therefore, the presentation of the FY 2013 Adopted Budget Plan by category is slightly different than previously shown. Additionally, the Transfers In and Transfers Out sections reflect new fund numbers as assigned in FOCUS.

⁴ Personal Property Taxes of \$211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Revenue from the Commonwealth category in accordance with guidelines from the State Auditor of Public Accounts.

⁵ The proposed County General Fund transfer for school operations in FY 2014 totals \$1,716,988,731, an increase of \$33,666,446, or 2.0 percent, over the FY 2013 Adopted Budget Plan. It should be noted that the Fairfax County Public Schools Superintendent's Proposed budget reflects a General Fund transfer of \$1,775,701,373, an increase of \$92,379,088, or 5.5 percent, over the FY 2013 Adopted Budget Plan. In their action on the Superintendent's Proposed budget on February 7, 2013, the School Board increased the Superintendent's transfer request by \$3,009,714 to \$1,778,771,087.

⁶ As part of the *FY 2011 Carryover Review*, a balance of \$28,693,163 was held in reserve to address the projected budget shortfall in FY 2013 and was utilized to balance the FY 2013 budget.

⁷ As a result of FY 2011 audit adjustments, an amount of \$623,117 was available to be held in reserve in FY 2012 and was utilized to balance the FY 2013 budget.

⁸ Based on revised revenue estimates as of fall 2011, an amount of \$29,505,454 was available to be held in reserve in FY 2012 and was utilized to balance the FY 2013 budget.

⁹ As part of the *FY 2012 Third Quarter Review*, a balance of \$2,462,157 was held in reserve for Board of Supervisors' consideration for the *FY 2012 Third Quarter Review*, the development of the FY 2013 budget, or future year requirements. This reserve was utilized to balance the FY 2013 budget.

¹⁰ As part of their deliberations on the FY 2013 budget, the Board of Supervisors set aside \$4,178,357 in reserve to offset critical state and federal reductions to include requirements for the Community Services Board and other Human Service programs. At the *FY 2012 Carryover Review*, the Board utilized \$3,018,225 for requirements for the Community Services Board and moved the remainder to the Reserve for State/Federal Reductions and Federal Sequestration Cuts.

¹¹ As part the County Executive's proposed *FY 2012 Carryover Review*, an amount of \$7,000,000 was set aside in reserve to address the potential impact of federal sequestration cuts. During their deliberations on the *FY 2012 Carryover Review*, the Board combined the \$1,099,768 balance remaining in the Reserve to Address State/Federal Reductions with the \$7,000,000, resulting in a reserve totaling \$8,099,768 for State/Federal Reductions and Federal Sequestration Cuts.

¹² As part the *FY 2012 Carryover Review*, an amount of \$5,000,000 was set aside in reserve to address the impact of a number of potential refunds resulting from pending tax appeals.

¹³ As part the County Executive's proposed *FY 2012 Carryover Review*, an amount of \$742,344 was set aside in reserve for transportation requirements, consistent with the Board of Supervisors' Budget Guidance approved with the adoption of the FY 2013 budget. During their deliberations on the *FY 2012 Carryover Review*, the Board approved an amount of \$200,000 to be utilized for a Traffic Calming initiative to address speeding in neighborhoods. After Managed Reserve adjustments, the new reserve total is \$538,344.

¹⁴ As part the *FY 2012 Carryover Review*, an amount of \$742,333 was set aside in reserve for FY 2014 budget development. This reserve has been utilized to balance the FY 2014 budget.

¹⁵ As part of the FY 2014 Advertised Budget Plan, an amount of \$2,405,139 has been set aside in reserve for Board consideration during their deliberations on the FY 2014 budget.

FY 2014 ADVERTISED SUMMARY GENERAL FUND DIRECT EXPENDITURES

# Agency Title	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
Legislative-Executive Functions / Central Services						
01 Board of Supervisors	\$4,443,162	\$5,115,307	\$5,115,307	\$5,171,389	\$56,082	1.10%
02 Office of the County Executive	5,468,025	6,420,148	6,429,520	6,223,394	(206,126)	(3.21%)
04 Department of Cable and Consumer Services	1,019,913	947,244	997,254	955,853	(41,401)	(4.15%)
06 Department of Finance	9,034,536	9,654,002	10,030,719	8,387,352	(1,643,367)	(16.38%)
11 Department of Human Resources	7,683,980	7,519,208	7,554,349	7,190,025	(364,324)	(4.82%)
12 Department of Purchasing and Supply Management	4,977,296	5,061,847	5,118,758	4,411,712	(707,046)	(13.81%)
13 Office of Public Affairs	1,184,482	1,125,752	1,127,536	1,261,248	133,712	11.86%
15 Office of Elections	3,746,354	3,677,781	3,683,999	3,695,935	11,936	0.32%
17 Office of the County Attorney	6,167,941	6,279,548	6,995,738	6,357,795	(637,943)	(9.12%)
20 Department of Management and Budget	2,736,128	2,762,533	2,764,913	4,458,126	1,693,213	61.24%
37 Office of the Financial and Program Auditor	318,439	346,699	347,525	350,582	3,057	0.88%
41 Civil Service Commission	344,845	425,766	425,766	408,154	(17,612)	(4.14%)
57 Department of Tax Administration	22,013,511	22,439,745	23,039,364	22,644,049	(395,315)	(1.72%)
70 Department of Information Technology	29,845,209	28,899,083	31,669,577	30,156,498	(1,513,079)	(4.78%)
Total Legislative-Executive Functions / Central Services	\$98,983,821	\$100,674,663	\$105,300,325	\$101,672,112	(\$3,628,213)	(3.45%)
Judicial Administration						
80 Circuit Court and Records	\$9,984,864	\$10,465,013	\$10,587,702	\$10,462,252	(\$125,450)	(1.18%)
82 Office of the Commonwealth's Attorney	2,547,964	2,667,392	2,667,392	2,699,151	31,759	1.19%
85 General District Court	2,126,517	2,193,818	2,271,743	2,208,314	(63,429)	(2.79%)
91 Office of the Sheriff	16,356,554	17,746,877	18,274,664	17,617,861	(656,803)	(3.59%)
Total Judicial Administration	\$31,015,899	\$33,073,100	\$33,801,501	\$32,987,578	(\$813,923)	(2.41%)
Public Safety						
04 Department of Cable and Consumer Services	\$792,319	\$739,950	\$739,950	\$664,178	(\$75,772)	(10.24%)
31 Land Development Services	9,043,223	8,646,368	8,714,766	7,594,843	(1,119,923)	(12.85%)
81 Juvenile and Domestic Relations District Court	20,418,482	20,951,693	21,178,839	20,843,493	(335,346)	(1.58%)
90 Police Department	162,252,833	171,297,668	173,719,804	173,814,798	94,994	0.05%
91 Office of the Sheriff	41,916,058	44,470,147	45,038,485	44,497,605	(540,880)	(1.20%)
92 Fire and Rescue Department	163,219,725	170,176,454	175,063,408	171,459,601	(3,603,807)	(2.06%)
93 Office of Emergency Management	1,864,298	1,807,361	2,183,078	1,822,734	(360,344)	(16.51%)
97 Department of Code Compliance	3,599,279	3,640,203	3,944,247	3,985,898	41,651	1.06%
Total Public Safety	\$403,106,217	\$421,729,844	\$430,582,577	\$424,683,150	(\$5,899,427)	(1.37%)
Public Works						
08 Facilities Management Department	\$49,287,831	\$51,297,732	\$55,770,572	\$51,051,935	(\$4,718,637)	(8.46%)
25 Business Planning and Support	734,845	797,385	797,553	771,489	(26,064)	(3.27%)
26 Office of Capital Facilities	11,479,882	11,996,852	12,042,297	12,439,672	397,375	3.30%
87 Unclassified Administrative Expenses	2,373,270	3,644,811	4,320,429	3,481,562	(838,867)	(19.42%)
Total Public Works	\$63,875,828	\$67,736,780	\$72,930,851	\$67,744,658	(\$5,186,193)	(7.11%)

FY 2014 ADVERTISED SUMMARY GENERAL FUND DIRECT EXPENDITURES

# Agency Title	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
Health and Welfare						
67 Department of Family Services	\$193,751,023	\$196,325,656	\$203,818,746	\$184,997,583	(\$18,821,163)	(9.23%)
68 Department of Administration for Human Services	11,285,895	11,724,636	11,760,129	11,724,585	(35,544)	(0.30%)
71 Health Department	51,278,368	52,484,280	56,257,125	51,704,161	(4,552,964)	(8.09%)
73 Office to Prevent and End Homelessness	11,170,762	11,817,906	12,701,349	11,400,964	(1,300,385)	(10.24%)
79 Department of Neighborhood and Community Services	26,143,444	26,347,397	26,961,891	25,945,775	(1,016,116)	(3.77%)
Total Health and Welfare	\$293,629,492	\$298,699,875	\$311,499,240	\$285,773,068	(\$25,726,172)	(8.26%)
Parks and Libraries						
51 Fairfax County Park Authority	\$22,018,820	\$22,666,464	\$22,921,644	\$22,909,700	(\$11,944)	(0.05%)
52 Fairfax County Public Library	25,331,520	27,461,842	28,454,777	27,091,526	(1,363,251)	(4.79%)
Total Parks and Libraries	\$47,350,340	\$50,128,306	\$51,376,421	\$50,001,226	(\$1,375,195)	(2.68%)
Community Development						
16 Economic Development Authority	\$7,093,343	\$7,218,600	\$7,218,600	\$7,259,183	\$40,583	0.56%
31 Land Development Services	11,155,647	12,539,990	12,634,202	13,320,328	686,126	5.43%
35 Department of Planning and Zoning	9,137,984	9,653,293	10,540,464	9,632,368	(908,096)	(8.62%)
36 Planning Commission	637,453	673,771	673,771	646,007	(27,764)	(4.12%)
38 Department of Housing and Community Development	5,227,106	5,687,809	5,710,886	6,230,225	519,339	9.09%
39 Office of Human Rights and Equity Programs	1,459,701	1,566,705	1,568,850	1,506,522	(62,328)	(3.97%)
40 Department of Transportation	8,055,447	7,242,170	8,814,848	7,293,179	(1,521,669)	(17.26%)
Total Community Development	\$42,766,681	\$44,582,338	\$47,161,621	\$45,887,812	(\$1,273,809)	(2.70%)
Nondepartmental						
87 Unclassified Administrative Expenses	\$103,813	\$100,000	\$187,829	\$0	(\$187,829)	(100.00%)
89 Employee Benefits	261,443,520	287,016,896	289,123,945	299,849,581	10,725,636	3.71%
Total Nondepartmental	\$261,547,333	\$287,116,896	\$289,311,774	\$299,849,581	\$10,537,807	3.64%
Total General Fund Direct Expenditures	\$1,242,275,611	\$1,303,741,802	\$1,341,964,310	\$1,308,599,185	(\$33,365,125)	(2.49%)

FY 2014

Advertised Budget Plan



General Fund Revenue Overview

General Fund Revenue Overview

SUMMARY OF GENERAL FUND REVENUE

Category	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan ¹	FY 2014 Advertised Budget Plan	Over the FY 2013 Revised Budget Plan	
					Increase/ (Decrease)	Percent Change
Real Estate Taxes - Current and Delinquent	\$2,047,283,818	\$2,116,497,573	\$2,116,232,911	\$2,228,384,045	\$112,151,134	5.30%
Personal Property Taxes - Current and Delinquent ²	528,232,185	552,697,360	551,853,514	547,633,874	(4,219,640)	(0.76%)
Other Local Taxes	517,375,740	523,937,338	523,487,288	523,253,090	(234,198)	(0.04%)
Permits, Fees and Regulatory Licenses	36,843,892	34,902,539	34,647,734	35,193,936	546,202	1.58%
Fines and Forfeitures	14,084,488	13,595,913	14,612,835	14,863,219	250,384	1.71%
Revenue from Use of Money/Property	18,402,587	17,171,963	17,162,412	15,671,422	(1,490,990)	(8.69%)
Charges for Services	69,627,663	70,095,102	70,768,878	72,690,493	1,921,615	2.72%
Revenue from the Commonwealth and Federal Governments ²	133,595,146	130,211,732	130,434,873	117,566,483	(12,868,390)	(9.87%)
Recovered Costs / Other Revenue	14,235,285	14,716,245	14,858,461	14,935,437	76,976	0.52%
Total Revenue	\$3,379,680,804	\$3,473,825,765	\$3,474,058,906	\$3,570,191,999	\$96,133,093	2.77%
Transfers In	6,901,043	6,770,457	6,770,457	18,645,665	11,875,208	175.40%
Total Receipts	\$3,386,581,847	\$3,480,596,222	\$3,480,829,363	\$3,588,837,664	\$108,008,301	3.10%

¹FY 2013 revenue estimates were adjusted for a net impact of zero as part of a fall 2012 review of revenues. Explanations of these changes can be found in the following narrative. The *FY 2013 Third Quarter Review* may contain further adjustments as necessary.

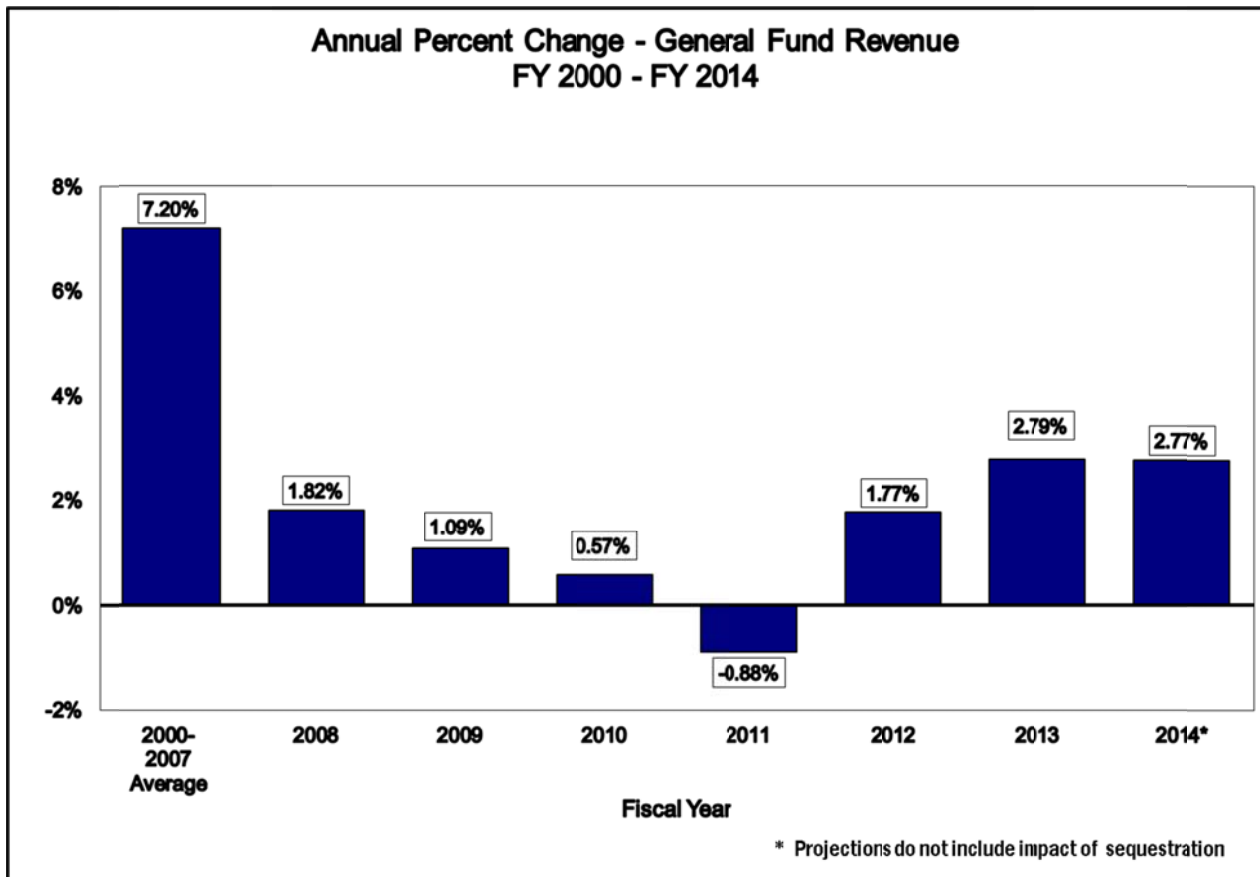
² The portion of the Personal Property Tax reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 is included in the Personal Property Tax category for the purpose of discussion in this section.

As reflected in the preceding table, FY 2014 General Fund revenues are projected to be \$3,570,191,999, an increase of \$96,133,093, or 2.77 percent, over the *FY 2013 Revised Budget Plan*. The increase is primarily the result of a \$112.2 million increase in current Real Estate Taxes resulting from a 3.4 percent increase in total assessed real property and the proposed Real Estate Tax rate of \$1.095 per \$100 of assessed value, which is an increase of two cents over the FY 2013 rate of \$1.075. Offsetting this increase is a net decrease of \$12.9 million in Revenue from the Commonwealth due to change in how the state pays for subsidized child care. This decrease is entirely offset with a corresponding expenditure reduction. In addition, Personal Property Taxes are projected to decline a net \$4.2 million due to projected refunds and Revenue from the Use of Money and Property is expected to decline \$1.5 million as a result of a lower anticipated yield on investments.

Incorporating Transfers In, FY 2014 General Fund receipts are anticipated to be \$3,588,837,664. The Transfers In to the General Fund total \$18.6 million and reflect \$4.1 million from Fund 40030, Cable Communications, for use of County rights of way, \$8.0 million from Fund 20000, Consolidated Debt Service, and \$1.5 million from Fund 60030, Technology Infrastructure Services, as a result of available balances, and a total of \$5.0 million from various other funds for indirect support provided by the County's General Fund agencies.

General Fund Revenue Overview

The following chart shows General Fund revenue growth since FY 2000. From FY 2000 through FY 2007, total General Fund revenue growth increased at an average annual rate of 7.2 percent. Real estate assessments rose each year and experienced annual double digit growth from FY 2002 through FY 2007. These assessment increases were partially offset with decreases in the Real Estate Tax rate from \$1.23 per \$100 of assessed value in FY 2002 to \$0.89 per \$100 of assessed value in FY 2007. General Fund revenue growth decelerated to 1.8 percent in FY 2008 as the housing market experienced an abrupt turnaround. Revenue growth in FY 2009 and FY 2010 was modest, rising 1.1 percent and 0.6 percent, respectively. Residential real estate values fell 3.38 percent in FY 2009 and 12.55 percent in FY 2010. Due to the economic downturn, other major revenue categories including Personal Property, Sales Tax and Business, Professional and Occupational License Taxes (BPOL) also dropped in FY 2010. General Fund revenue fell in FY 2011, decreasing 0.9 percent as both residential and nonresidential property values declined. Total real estate values fell 9.2 percent and the real estate tax was raised 5 cents to \$1.09 per \$100 of assessed value, a level that kept the tax bill of the typical homeowner essentially level with FY 2010.



FY 2012 General Fund revenue increased 1.8 percent mainly due to an increase in Real Estate Tax revenue, resulting from a moderate increase in assessments, as well as an increase in Personal Property Tax revenue due to higher vehicle and business levy. As a result of a moderate increase in FY 2013 Real Estate Tax assessments and projected growth in other revenue categories, FY 2013 revenue is expected to increase 2.8 percent. General Fund revenue in FY 2014 is projected to increase 2.8 percent primarily due to an increase in current Real Estate Taxes resulting from a 3.4 percent increase in total assessed real property and the proposed Real Estate Tax rate of \$1.095 per \$100 of assessed value, which is an increase of two cents over the FY 2013 rate of \$1.075.

General Fund Revenue Overview

Economic Indicators

The U.S. economy grew at a preliminary 2.2 percent in 2012 despite a contraction of 0.1 percent in the fourth quarter of the year. The fourth quarter report, however, is the advance estimate, which is the first of three estimates and is often subject to sharp revisions. During the fourth quarter, defense spending plummeted 22 percent and inventories declined. Storm Sandy may have also hurt fourth quarter growth. In spite of the decrease in the fourth quarter, there are indications of economic resilience. Consumer spending, the largest component of U.S. growth, rose 2.2 percent in the fourth quarter and housing added to the annual growth in 2012 for the first time in six years. Most economists anticipate the economy to expand at a 2.0 to 2.5 percent rate in calendar year 2013.

Employment gains accelerated nationwide in 2012. On average, 181,000 jobs per month were added during 2012, an increase of 2.2 million jobs. The pace of job growth slowed somewhat in January 2013 with an increase of 157,000 jobs created. The unemployment rate ticked up in January to 7.9 percent. The slower pace indicates that businesses remain cautious about hiring. The unemployment rate may continue to rise as workers once discouraged about job prospects return to the labor market.

Home prices nationwide improved in 2012. According to the Case-Shiller home price index, prices were 5.5 percent higher in the 12 months ending November 2012 than during the same period the prior year. This was the strongest year-over-year growth since August 2006. Home prices in the Washington Metropolitan area posted a 4.4 percent gain during the same period.

Economic growth in the County rose modestly in FY 2012 based on preliminary estimates. Moody's Analytics estimates that Gross County Product (GCP), adjusted for inflation, rose at a rate of 1.0 percent in 2012. The County's unemployment rate remains well below the state and national level at 3.7 percent as of December 2012, a decline from 4.0 percent in December 2011.

The preliminary estimate of annual employment in the Northern Virginia area in 2012 is 1,355.2 thousand, an increase of 26,000 jobs, or 2.0 percent, over 2011. This rate is slightly higher than 2011 and the highest rate of growth since 2005, when job creation rose 2.5 percent.

Housing Market

The housing market in the County has stabilized with average prices rising modestly for the past three years. Based on information from the Metropolitan Regional Information System (MRIS), the average sales price of homes sold in 2012 rose 4.5 percent from \$471,317 in 2011 to \$492,480. MRIS also reported that 13,817 homes sold in 2012, up 9.3 percent over 2011, but on par with the average number sold during the previous five years. The number of net foreclosures in Fairfax County set a new record low each month of 2012. The number of serious mortgage delinquencies continues to decline. As of the third quarter of 2012, 1.0 percent of prime loans and 5.8 percent of subprime loans were 90 or more days past due, compared to 1.1 percent and 7.6 percent, respectively, in the third quarter of 2011.

General Fund Revenue Overview

Nonresidential Market

According to the Economic Development Authority, the commercial office market in the County remained stagnant in 2012, primarily due to the uncertain political landscape and the possibility of sequestration – mandatory federal budget cuts scheduled to take place during 2013. At year-end 2012, the direct vacancy rate was 14.6 percent, the highest on record since 1992. Including sublet space, the overall office vacancy rate was 16.7 percent, up from 15.7 percent at year-end 2011. The increase in the vacancy rate is attributed to the threat of sequestration, as government contractors consolidated operations throughout the Washington area and retooled operations in order to operate in an economic environment less dependent on government procurement spending. Total leasing activity during 2012 hit a five-year low with 9.7 million square feet of activity, down over 17 percent from year-end 2011. This is significantly lower than the record 13.6 million square feet of leasing activity experienced in 2010. Lease rates for new space are adjusting to market conditions. Many tenants are taking advantage of favorable rates and others are looking to capitalize on market conditions by consolidating operations in newer space near Metro. The Tysons market is uniquely positioned to take advantage of this trend with more than 26 million square feet of new office space in the pipeline.

A bright spot in the commercial office market was the increase in new office construction activity. As of year-end 2012, there were 12 buildings totaling nearly 2.2 million square feet under construction. More than 69 percent of the new office space under construction is 100 percent speculative development. This interest in speculative development reflects confidence in the stability of the Fairfax County office market. The primary factor driving much of the new development is the construction of the Metrorail Silver Line along the Dulles Toll Road corridor.

Revenue

Current and Delinquent Real Estate Tax revenue comprises more than 62 percent of total County General Fund revenues. FY 2014 Real Estate property values were established as of January 1, 2013 and reflect market activity through calendar year 2012. The Real Estate Tax base is projected to increase 3.40 percent in FY 2014, and is made up of a 2.63 percent increase in total equalization (reassessment of existing residential and nonresidential properties), and an increase of 0.77 percent for new construction.

The FY 2013 and FY 2014 General Fund revenue estimates discussed in this section are based on a review of Fairfax County economic indicators, actual FY 2012 receipts, and FY 2013 year-to-date collection trends. Forecasts of economic activity in the County are provided by Moody's Analytics and a variety of national economic forecasts are considered. Based on analysis of projected trends, revenue categories are expected to experience modest growth through FY 2014.

General Fund Revenue Overview

MAJOR REVENUE SOURCES

The following major revenue categories discussed in this section comprise 93.8 percent of total FY 2014 General Fund revenue. Unless otherwise indicated, comparative data are presented relative to the *FY 2013 Revised Budget Plan*. The revenue estimates for all General Fund Revenue categories are shown in the Summary Schedule of General Fund Revenues in the section of this volume entitled "Financial, Statistical and Summary Tables."

Category	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan ¹	FY 2014 Advertised Budget Plan	Change from the FY 2013 Revised Budget Plan	
					Increase/ (Decrease)	Percent Change
Real Estate Tax - Current	\$2,039,030,516	\$2,106,805,659	\$2,106,540,997	\$2,223,692,131	\$117,151,134	5.56%
Personal Property Tax						
Current ⁴	514,451,205	543,403,772	542,559,926	548,340,286	5,780,360	1.07%
Paid Locally	303,137,261	332,089,828	331,245,982	337,026,342	5,780,360	1.75%
Reimbursed by Commonwealth	211,313,944	211,313,944	211,313,944	211,313,944	0	0.00%
Business, Professional and Occupational License Tax-Current	149,738,567	157,688,748	154,979,417	158,779,005	3,799,588	2.45%
Delinquent Taxes	27,761,932	21,026,766	22,226,766	(2,773,234)	(25,000,000)	(112.48%)
Local Sales Tax	162,839,599	166,876,306	166,876,306	171,377,177	4,500,871	2.70%
Recordation/Deed of Conveyance Taxes	31,023,186	25,627,223	27,857,670	28,136,468	278,798	1.00%
Gas & Electric Utility Taxes	44,880,564	46,490,044	45,104,967	45,330,492	225,525	0.50%
Communications Sales Tax	47,017,386	50,724,263	48,526,451	48,526,451	0	0.00%
Vehicle License Fee	26,354,485	27,871,714	26,354,485	26,612,402	257,917	0.98%
Transient Occupancy Tax	19,576,387	19,456,410	20,163,679	20,768,589	604,910	3.00%
Permits, Fees and Regulatory Licenses	36,843,892	34,902,539	34,647,734	35,193,936	546,202	1.58%
Investment Interest	14,355,548	13,141,516	13,141,516	11,320,530	(1,820,986)	(13.86%)
Charges for Services	69,627,663	70,095,102	70,768,878	72,690,493	1,921,615	2.72%
Revenue from the Commonwealth and Federal Governments ²	133,595,146	130,211,732	130,434,873	117,566,483	(12,868,390)	(9.87%)
Total Major Revenue Sources	\$3,139,595,577	\$3,235,606,280	\$3,232,977,482	\$3,349,555,438	\$116,577,956	3.61%

¹FY 2013 revenue estimates were adjusted for a net impact of zero as part of a fall 2012 review of revenues. Explanations of these changes can be found in the following narrative. The *FY 2013 Third Quarter Review* may contain further adjustments as necessary.

² The portion of the Personal Property Tax reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 is included in the Personal Property Tax category for the purpose of discussion in this section.

General Fund Revenue Overview

REAL ESTATE TAX-CURRENT

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2014 Advertised	Increase/ (Decrease)	Percent Change
\$2,039,030,516	\$2,106,805,659	\$2,106,540,997	\$2,223,692,131	\$117,151,134	5.6%

The FY 2014 Advertised Budget Plan estimate for Current Real Estate Taxes is \$2,223,692,131 and represents an increase of \$117,151,134, or 5.6 percent, over the FY 2013 Revised Budget Plan. The increase is the result of the rise in the Real Estate Tax base of 3.40 percent and an increase in the proposed FY 2014 General Fund Real Estate Tax rate from \$1.075 to \$1.095, an increase of \$0.02 over the FY 2013 rate of \$1.075 per \$100 of assessed value. The increase in Real Estate revenue associated with the proposed \$0.02 increase in the Real Estate Tax rate is \$40,804,056. In addition, the Real Estate Tax rate impacts two classes of personal property: mobile homes and non-vehicle Public Service Corporation property. The total General Fund impact of the \$0.02 increase is \$41,309,074.

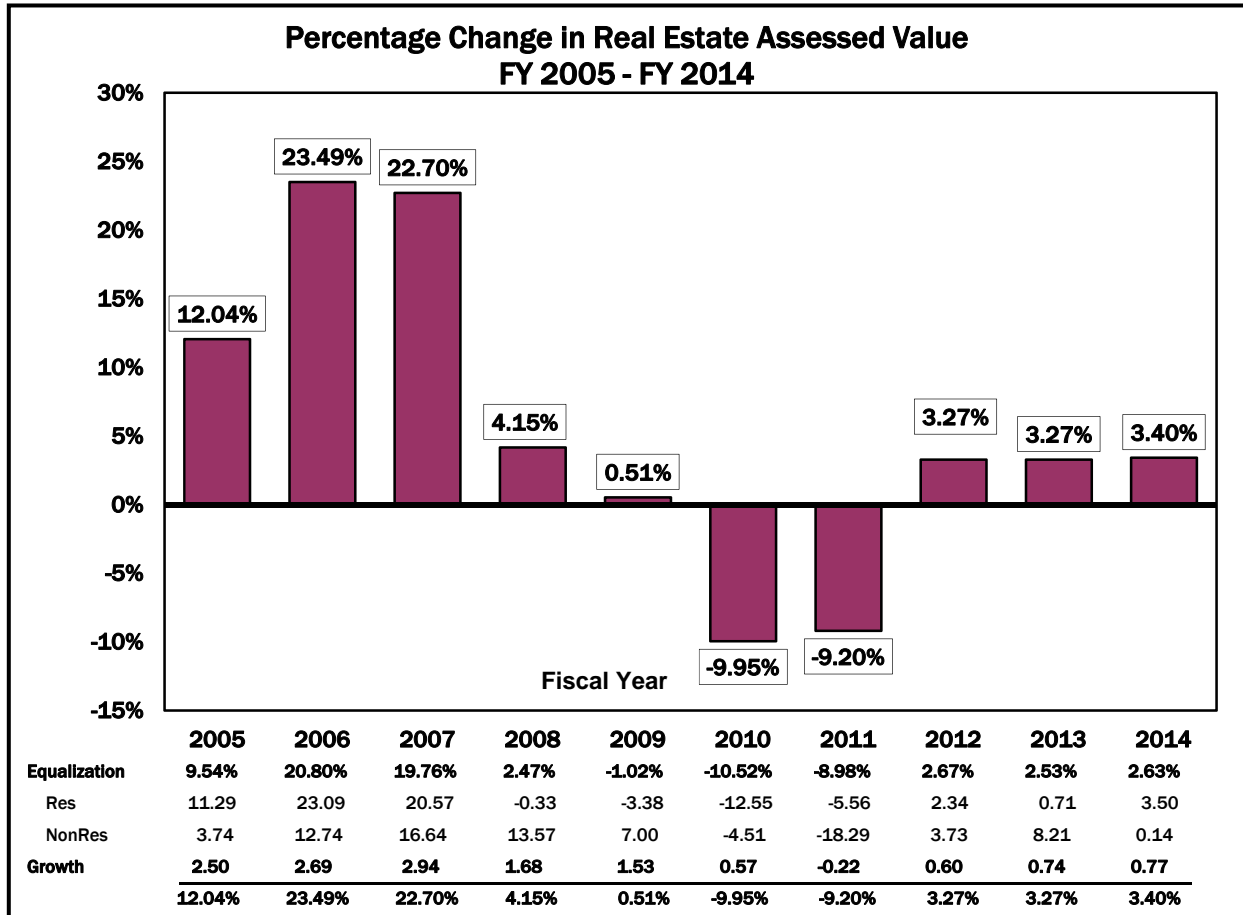
The FY 2014 value of assessed real property represents an increase of 3.40 percent, as compared to the FY 2013 Real Estate Land Book, and is comprised of an increase in equalization of 2.63 percent and an increase of 0.77 percent associated with new construction. The FY 2014 figures reflected in this document are based on final assessments for Tax Year 2013 (FY 2014), which were established as of January 1, 2013. In addition to the revenue shown in the table above, the projected value of one-half penny on the Real Estate Tax rate (\$10.33 million) is allocated to The Penny for Affordable Housing Fund. Throughout FY 2014, Real Estate Tax revenues will be adjusted as necessary to reflect changes in exonerations, tax abatements, and supplemental assessments, as well as any differences in the projected collection rate of 99.65 percent.

The FY 2014 **Main Assessment Book Value** is \$207,073,144,800 and represents an increase of \$6,809,800,890, or 3.40 percent, over the FY 2013 main assessment book value of \$200,263,343,910. FY 2014 marks the third consecutive year in which the main assessment book value increased, after the significant decreases experienced in FY 2010 and FY 2011. However, FY 2014 main book assessments still remain below FY 2007 levels. In addition, compared to the peak values experienced in FY 2009, FY 2014 assessments are down \$22.6 billion, or 9.8 percent.

From FY 2005 through FY 2007, the assessment base experienced double digit advances. Deceleration began in FY 2008, when the assessment base rose just 4.15 percent, and continued in FY 2009 with a modest increase of 0.51 percent. Following the financial crisis and a general decline in economic conditions, the FY 2010 assessment base declined 9.95 percent, which was the largest drop on record. The assessment base decreased for a second consecutive year in FY 2011, declining 9.20 percent, before it increased 3.27 percent in FY 2012, and another 3.27 percent in FY 2013.

General Fund Revenue Overview

The following chart shows changes in the County's assessed value base from FY 2005 to FY 2014.



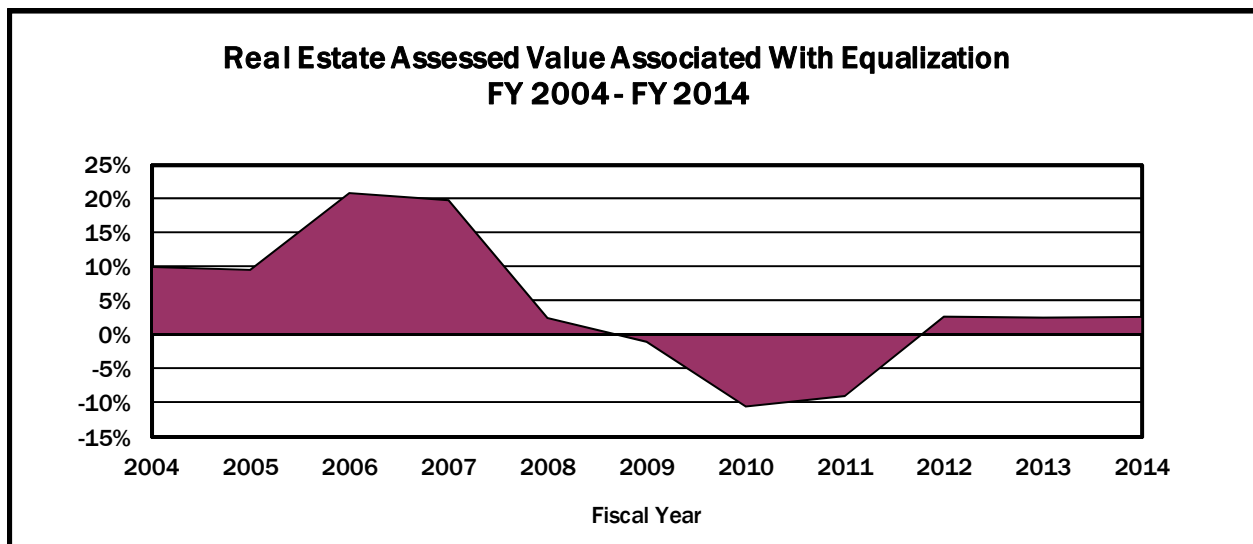
The overall change in the assessment base is comprised of **equalization** and **normal growth**. For reporting purposes, individual properties are identified as being in either the equalization category or the growth category, but not both. Equalization properties are those whose values change due to market fluctuations. Growth is a category of properties whose value changes are also influenced by new construction, remodeling or rezonings. Once growth factors are identified, *the entire property value* is shown in the growth category, even though the property is also influenced by equalization. The FY 2014 assessment base reflects a total equalization increase of 2.63 percent and an increase of 0.77 percent associated with the growth component. As a result of changes in equalization and growth, the residential portion of the total assessment base increased from 74.05 percent in FY 2013 to 74.42 percent in FY 2014. The table below reflects changes in the Real Estate Tax assessment base from FY 2008 through FY 2014.

General Fund Revenue Overview

Main Real Estate Assessment Book Value and Changes (in millions)

Assessed Base Change Due To:	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Equalization	\$5,410.2	(\$2,332.0)	(\$24,171.5)	(\$18,570.1)	\$5,015.3	\$4,904.1	\$5,259.4
% Change	2.47%	-1.02%	-10.52%	-8.98%	2.67%	2.53%	2.63%
Residential	-0.33%	-3.38%	-12.55%	-5.56%	2.34%	0.71%	3.50%
Nonresidential	13.57%	7.00%	-4.51%	-18.29%	3.73%	8.21%	0.14%
Normal Growth	\$3,683.6	\$3,502.6	\$1,309.6	(\$457.9)	\$1,123.5	\$1,440.4	\$1,550.4
% Change	1.68%	1.53%	0.57%	-0.22%	0.60%	0.74%	0.77%
Residential	1.00%	0.77%	0.51%	0.12%	0.37%	0.26%	0.42%
Nonresidential	4.38%	4.11%	0.74%	-1.16%	1.31%	2.26%	1.79%
Total Change	\$9,093.8	\$1,170.6	(\$22,861.9)	(\$19,028.0)	\$6,138.8	\$6,344.5	\$6,809.8
% Change	4.15%	0.51%	-9.95%	-9.20%	3.27%	3.27%	3.40%
Total Book	\$228,499.2	\$229,669.8	\$206,808.0	\$187,780.1	\$193,918.9	\$200,263.3	\$207,073.1

Equalization, or reassessment of existing residential and nonresidential property, represents an increase in value of \$5,259,354,660, or 2.63 percent, in FY 2014. Both residential and nonresidential property values rose in FY 2014. Existing residential property values have increased in each of the last three years, indicating the continued stabilization of the residential housing market. The number of homes sold increased in calendar year 2012 after decreasing in the previous two years and the average price of homes sold rose. Foreclosures and mortgage delinquencies fell. Overall, residential equalization reflects a 3.50 percent increase in FY 2014, compared to a 0.71 percent increase in FY 2013. Changes in the assessment base as a result of equalization are shown in the following graph.



General Fund Revenue Overview

Residential equalization rose at double digit rates from FY 2002 through FY 2007 due to high demand but a limited supply of housing. Strong job growth, the easy availability of credit and profit-led speculation contributed to price appreciation in the local housing market. In FY 2008, FY 2009, FY 2010, and FY 2011, overall residential equalization declined 0.33 percent, 3.38 percent, 12.55 percent, and 5.56 percent, respectively, as the inventory of homes for sale grew and home prices fell in the County, as they did throughout the Northern Virginia area. After falling four consecutive years, the value of residential properties in the County increased in the last three years: 2.34 percent in FY 2012, a slight 0.71 percent in FY 2013, and 3.50 percent in FY 2014. The County's median assessment to sales ratio is in the low 90 percent range, well within professional standards that assessments should be between 90 percent to 110 percent of the sales prices experienced in a neighborhood.

Overall, single family property values increased 3.13 percent in FY 2014. The value of single family homes has the most impact on the total residential base because they represent over 72 percent of the total. The value of condominium properties increased 5.42 percent in FY 2014, while that of townhouse properties rose 4.50 percent. Changes in residential equalization by housing type since FY 2009 are shown in the following table. Changes represented in this chart are for the category as a whole. Individual neighborhoods and properties may have increased or decreased by different percentages based on neighborhood selling prices.

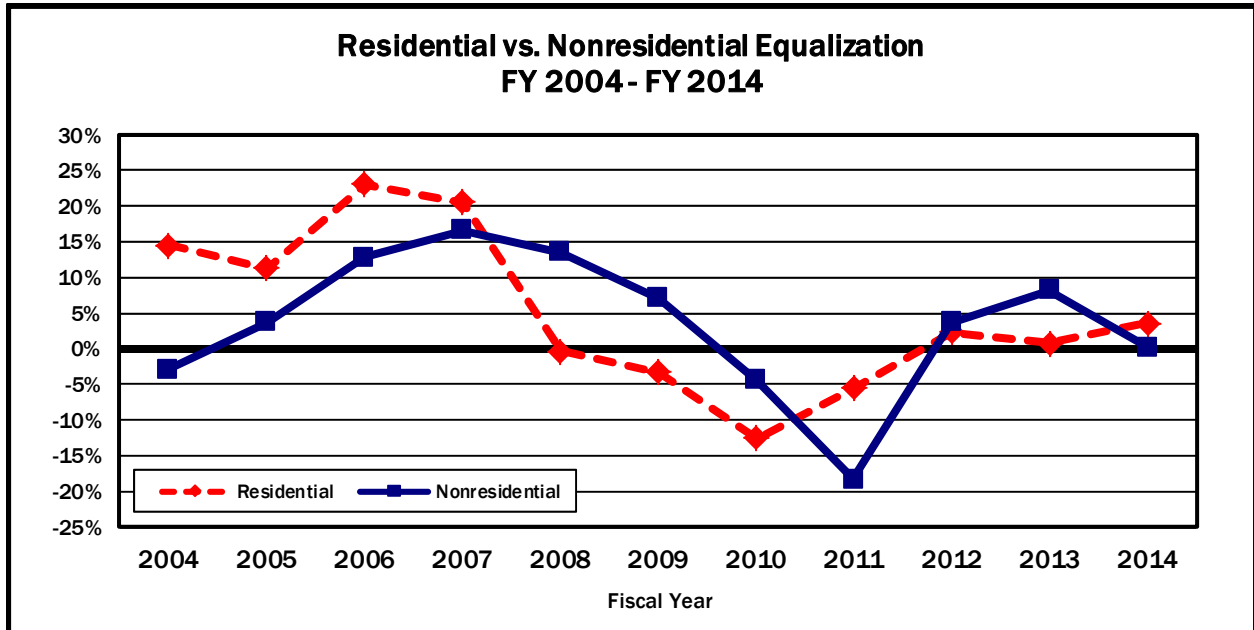
Residential Equalization Changes

Housing Type/ (Percent of Base)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Single Family (72.4%)	-3.12%	-11.34%	-5.50%	2.10%	0.70%	3.13%
Townhouse/Duplex (19.0%)	-4.96%	-16.06%	-4.44%	3.73%	1.20%	4.50%
Condominiums (7.9%)	-4.54%	-19.51%	-10.45%	2.53%	-0.06%	5.42%
Vacant Land (0.5%)	7.66%	-7.08%	-6.68%	-3.50%	-1.66%	2.89%
Other (0.2%) ¹	6.46%	-4.99%	-3.60%	2.69%	2.56%	4.74%
Total Residential Equalization (100%)	-3.38%	-12.55%	-5.56%	2.34%	0.71%	3.50%

¹ Includes, for example, affordable dwelling units, recreational use properties, and agricultural and forestal land use properties.

As a result of the increase in residential equalization, the mean assessed value of all residential property in the County is \$465,713. This is an increase of \$15,749 over the FY 2013 value of \$449,964. At the proposed Real Estate tax rate of \$1.095 per \$100 of assessed value, the typical residential annual tax bill will rise, on average, \$262.45 in FY 2014 to \$5,099.56.

General Fund Revenue Overview



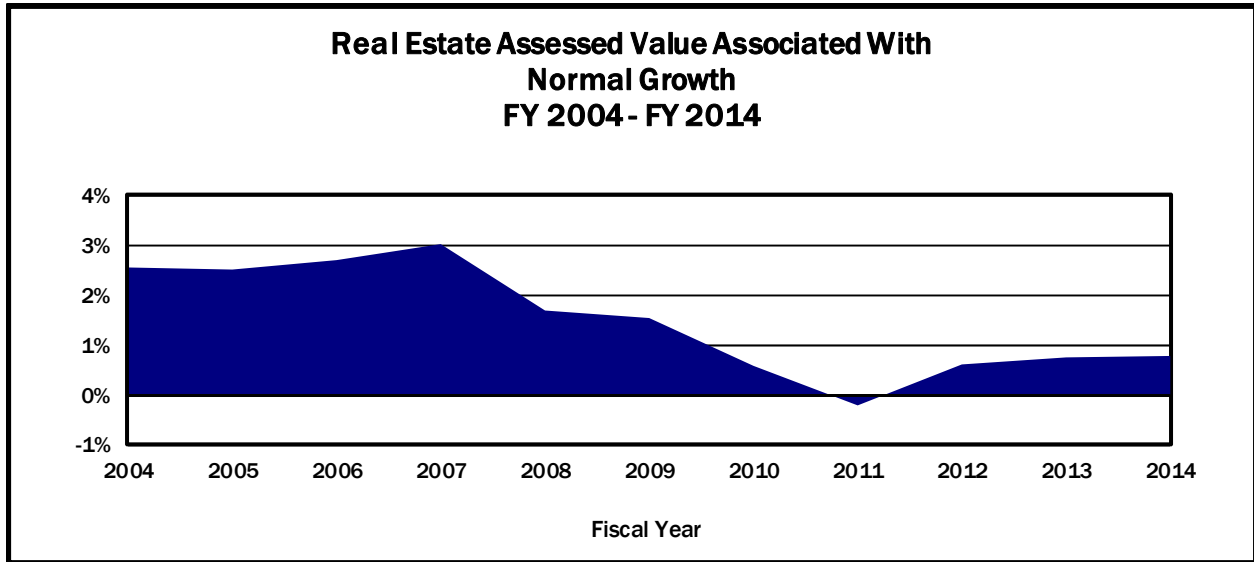
After experiencing a record decline of 18.29 percent in FY 2011, **nonresidential equalization** rebounded 3.73 percent in FY 2012, and a strong 8.21 percent in FY 2013. In FY 2014, nonresidential values stayed essentially level with FY 2013, increasing only 0.14 percent. The main cause for the slow growth is the decline in the values of Office Elevator properties. The County’s commercial office market was stagnant in 2012, which was primarily driven by the possibility of sequestration and the uncertain political landscape. Office Elevator properties (mid- and high-rises), the largest component of the nonresidential tax base at 36.3 percent, experienced a 2.41 percent decline in FY 2014, while in FY 2013 these types of properties increased 11.34 percent and were the main contributor to the strong overall growth in the nonresidential values. In addition, apartment values, which represent almost 22 percent of the total nonresidential base, rose only 4.90 percent in FY 2014, compared to a 12.60 percent increase in FY 2013. Nonresidential equalization changes by category since FY 2009 are presented in the following table.

Nonresidential Equalization Changes

Category (Percent of Base)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Apartments (21.7%)	6.41%	(6.96%)	(12.69%)	14.54%	12.60%	4.90%
Office Condominiums (4.2%)	4.78%	(1.10%)	(7.57%)	(1.53%)	(0.31%)	(0.66%)
Industrial (6.4%)	14.08%	(1.08%)	(23.48%)	(0.31%)	6.75%	0.69%
Retail (15.6%)	6.47%	(1.74%)	(16.07%)	1.90%	7.16%	1.18%
Office Elevator (36.3%)	5.68%	(6.62%)	(24.31%)	1.88%	11.34%	(2.41%)
Office - Low Rise (3.7%)	9.16%	(3.35%)	(23.86%)	0.49%	7.18%	(1.72%)
Vacant Land (3.4%)	7.67%	(3.87%)	(26.53%)	(2.07%)	2.01%	(0.74%)
Hotels (3.4%)	11.28%	(7.06%)	(34.03%)	11.35%	3.87%	(3.94%)
Other (5.3%)	7.63%	(2.07%)	(12.84%)	2.37%	3.27%	1.17%
Nonresidential Equalization (100%)	7.00%	(4.51%)	(18.29%)	3.73%	8.21%	0.14%

The **Growth** component increased the FY 2014 assessment base by \$1,550,446,230, or 0.77 percent, over the FY 2013 assessment book value. New construction increased the residential property base by 0.42 percent and nonresidential properties by 1.79 percent.

General Fund Revenue Overview



In addition to the final equalization and normal growth adjustments in the Main Assessment Book, the following projected adjustments were made to the FY 2014 Real Estate Tax revenue estimate:

Additional Assessments expected to be included in the new Real Estate base total \$272.8 million, or a levy increase of \$3.0 million, and include both prorated assessments and additional supplemental assessments. Prorated assessments are supplemental assessments that include assessments which are made during the year for new construction that is completed subsequent to finalizing the original assessment book.

Exonerations, Certificates and Tax Abatements are anticipated to reduce the Real Estate assessment base by \$766.2 million in FY 2014, resulting in a reduction in levy of \$8.4 million.

Mosaic District Community Development Authority (CDA) was created to assist commercial investment in the Merrifield area of the County. The Mosaic CDA is funded with tax increment financing which reduces the taxable value of property in the district. The reduction is based on the current assessed property value in the CDA compared to the property value in 2007 when the district was created. In FY 2014, the CDA reduces the assessment base by \$204.1 million and the tax levy by \$2.2 million. For more information, see Fund 70040 in Volume 2 of the budget.

Tax Relief for the Elderly and Disabled is projected to reduce the Real Estate assessment base in FY 2014 by \$2,492.8 million. The reduction in tax levy due to the Tax Relief program is approximately \$27.3 million at the proposed tax rate of \$1.095 per \$100 of assessed value. In FY 2014, the income limits of the Tax Relief program provide 100 percent exemption for elderly and disabled taxpayers with incomes up to \$52,000; 50 percent exemption for eligible applicants with income between \$52,001 and \$62,000; and 25 percent exemption if income is between \$62,001 and \$72,000. The allowable asset limit in FY 2014 is \$340,000 for all ranges of tax relief. Veterans, who have a 100 percent permanent and total disability related to military service, or their surviving spouse, are eligible for full Real Estate Tax relief regardless of income or assets. The table below shows FY 2014 income and asset thresholds for the Tax Relief Program for the Elderly and Disabled.

General Fund Revenue Overview

FY 2014			
Real Estate Tax Relief for the Elderly and Disabled			
	Income Limit	Asset Limit	Percent Relief
Elderly and Disabled	Up to \$52,000	\$340,000	100%
	Over \$52,000 to \$62,000		50%
	Over \$62,000 to \$72,000		25%
100% Disabled Veterans or Surviving Spouse	No Limit	No Limit	100%

The FY 2014 local assessment base of \$203,882,791,700 is derived from the main assessment book and subsequent adjustments discussed above. From this local assessment base, a local tax levy of \$2,232,516,569 is calculated using the proposed tax rate of \$1.095 per \$100 of assessed value. Based on an expected local collection rate of 99.65 percent, revenue from local assessments is estimated to be \$2,224,702,761. In FY 2014, every 0.01 percentage point change in the collection rate on the locally assessed Real Estate Tax levy yields a revenue change of \$0.2 million, while every penny on the tax rate yields \$20.65 million in revenue.

Added to the local assessment base is an estimated \$851,084,042 in assessed value for Public Service Corporations (PSC) property. Using the proposed rate of \$1.095 per \$100 of assessed value, the tax levy on PSC property is \$9,319,370. The collection rate on PSC property is expected to be 100.0 percent.

The total assessment base, including Public Service Corporations, is \$204,733,875,742, with a total tax levy of \$2,241,835,939 at the proposed tax rate of \$1.095 per \$100 of assessed value. Estimated FY 2014 revenue from the Real Estate Tax, including receipts from Public Service Corporations, totals \$2,234,022,131 at the proposed tax rate of \$1.095 per \$100 of assessed value. Of this amount, the approximate value of one-half cent on the Real Estate Tax rate, \$10,330,000, has been directed to Fund 30300, The Penny for Affordable Housing Fund.

General Fund Revenue Overview

FY 2014 Estimated Real Estate Assessments and Tax Levy

	Assessed Value	FY 2014 Tax Levy at \$1.095/\$100 of Assessed Value
FY 2013 Real Estate Book	\$200,263,343,910	\$2,192,883,616
FY 2014 Equalization	5,259,354,660	57,589,934
FY 2014 Growth	1,550,446,230	16,977,386
TOTAL FY 2014 REAL ESTATE BOOK	\$207,073,144,800	\$2,267,450,936
Exonerations	(\$632,750,214)	(\$6,928,615)
Certificates	(3,157,973)	(34,580)
Tax Abatements	(130,262,449)	(1,426,374)
Subtotal Exonerations	(\$766,170,636)	(\$8,389,569)
Supplemental Assessments	\$272,756,001	\$2,986,678
Mosaic District TIF	(\$204,109,200)	(\$2,234,996)
Tax Relief	(\$2,492,829,265)	(\$27,296,480)
Local Assessments	\$203,882,791,700	\$2,232,516,569
Public Service Corporation	\$851,084,042	\$9,319,370
TOTAL	\$204,733,875,742	\$2,241,835,939

Total General Fund revenue from the Real Estate Tax is \$2,223,692,131, which reflects an overall collection rate of 99.65 percent. The total collection rates experienced in this category since FY 1999 are shown in the following table:

Real Estate Tax Collection Rates

Fiscal Year	Collection Rate	Fiscal Year	Collection Rate
1999	99.50%	2007	99.64%
2000	99.63%	2008	99.66%
2001	99.53%	2009	99.66%
2002	99.65%	2010	99.71%
2003	99.67%	2011	99.67%
2004	99.61%	2012	99.69%
2005	99.62%	2013 (estimated) ¹	99.64%
2006	99.62%	2014 (estimated) ¹	99.65%

¹ In FY 2014, every 0.1 percentage point change in the collection rate yields a revenue change of \$2,232,517.

General Fund Revenue Overview

The Commercial/Industrial percentage of the County's FY 2014 Real Estate Tax base is 19.96 percent, a decrease of 0.81 percentage points from the FY 2013 level of 20.77 percent. Commercial/Industrial property values as a percentage of the Real Estate Tax base have decreased as a result of the larger increases experienced in the residential portion of the Real Estate Tax base. The Commercial/Industrial percentage is based on Virginia land use codes and includes all nonresidential property except multi-family rental apartments, which make up 5.62 percent of the County's Real Estate Tax base in FY 2014. Fairfax County's historical Commercial/Industrial percentages are detailed in the following table:

Commercial/Industrial Percentages

Fiscal Year	Percentage	Fiscal Year	Percentage
1998	21.84%	2007	17.22%
1999	24.32%	2008	19.23%
2000	25.37%	2009	21.06%
2001	24.84%	2010	22.67%
2002	21.97%	2011	19.70%
2003	19.14%	2012	19.64%
2004	18.20%	2013	20.77%
2006	17.36%	2014	19.96%

FY 2013 Real Estate Revenue

The FY 2013 Real Estate estimate was decreased \$0.3 million during the fall 2012 revenue review as a result of final Public Service Corporation assessments by the Commonwealth of Virginia.

PERSONAL PROPERTY TAX-CURRENT

	FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2014 Advertised	Increase/ (Decrease)	Percent Change
Paid Locally	\$303,137,261	\$332,089,828	\$331,245,982	\$337,026,342	\$5,780,360	1.75%
Reimbursed by State	211,313,944	211,313,944	211,313,944	211,313,944	0	0.0%
Total	\$514,451,205	\$543,403,772	\$542,559,926	\$548,340,286	\$5,780,360	1.07%

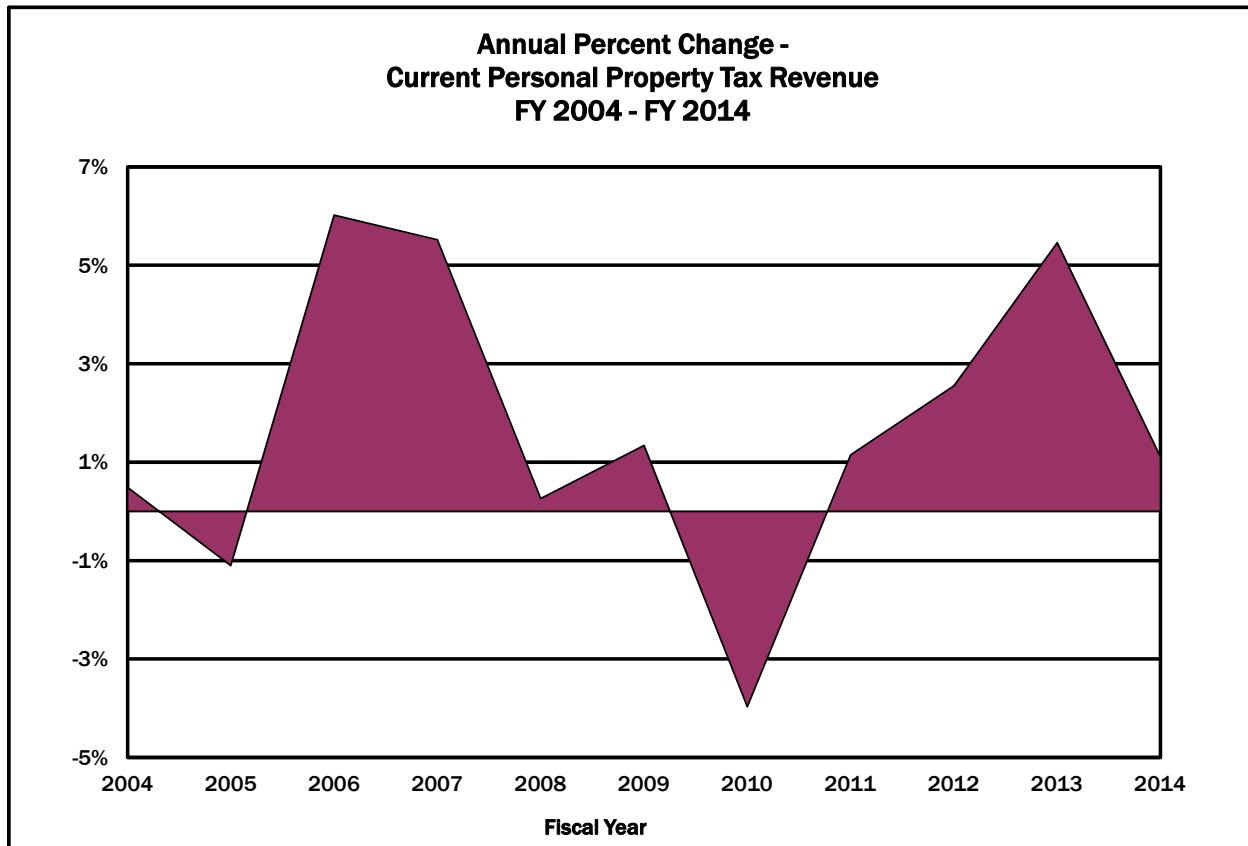
The FY 2014 Advertised Budget Plan estimate for Personal Property Tax revenue of \$548,340,286 represents an increase of \$5,780,360, or 1.1 percent, over the *FY 2013 Revised Budget Plan*. The increase is primarily due to an increase in the vehicle levy based on analysis of vehicles currently in the County valued with information from the National Automobile Dealers Association, as well as an increase in the Business Personal Property levy. In addition, the proposed \$0.02 increase in the Real Estate Tax rate to \$1.095 per \$100 of assessed value impacts two classes of personal property: mobile homes and non-vehicle Public Service Corporation property resulting in a revenue increase of \$0.5 million.

The Personal Property Tax on vehicles represents 73 percent of the total assessment base in FY 2014. The vehicle component is comprised of two parts, that which is paid locally and that which is reimbursed by the Commonwealth of Virginia to the County as a result of the Personal Property Tax Relief Act (PPTRA) of 1998. The PPTRA reduces the Personal Property Tax paid on the first \$20,000 of the value for vehicles owned by individuals. In FY 1999, the first year of implementation, taxpayers were billed for the entire amount of tax levy and received a refund of 12.5 percent of the tax on the first \$20,000 of the value of their personal vehicle from the Commonwealth of Virginia. Vehicles valued less than \$1,000 were refunded 100 percent. From FY 2000 to FY 2002, the PPTRA reduced the Personal Property Taxes paid by citizens by 27.5 percent, 47.5 percent, and 70 percent, respectively, with an offsetting reimbursement paid to the

General Fund Revenue Overview

County by the Commonwealth. Under the original approved plan, taxes paid by individuals were to be reduced by 100 percent in FY 2003. However, due to the Commonwealth's lower than anticipated General Fund revenue growth, the reimbursement rate remained at 70 percent in FY 2003 through FY 2006. The 2004 General Assembly approved legislation that capped statewide Personal Property Tax reimbursements at \$950 million in FY 2007 and beyond. Fairfax County's allocation has been set at \$211.3 million based on the County's share of statewide tax year 2005 collections. Each year County staff must determine the reimbursement percentage based on the County's fixed reimbursement from the state and an estimate of the number and value of vehicles that will be eligible for tax relief. As the number and value of vehicles in the County vary, the percentage attributed to the state will vary. Based on a County staff analysis, the effective state reimbursement percentage was 66.67 percent, 67.0 percent, and 68.5 percent in FY 2007, FY 2008 and FY 2009, respectively. The reimbursement percentage was set at 70.0 percent in both FY 2010 and FY 2011, and at 68.0 percent in FY 2012. Due to a continued increase in vehicle volume and average levy, the FY 2013 reimbursement percentage was lowered to 63.0 percent, where it remains for FY 2014.

Annual percentage changes in total Personal Property Tax revenues are shown in the following graph.



Total Personal Property Tax revenue rose just 0.5 percent in FY 2004 due to the stalled economy coupled with an enhanced computer depreciation schedule that reduced business levy. In FY 2005, Personal Property Tax revenue fell 1.1 percent from the FY 2004 level as a result of faster depreciation of vehicles and a decrease in the business levy due to reduced equipment purchases. Personal Property recovered and receipts grew 6.0 percent and 5.5 percent in FY 2006 and FY 2007, respectively. As the economy began to slow, Personal Property Tax receipts rose modestly in FY 2008 and FY 2009 at rates of 0.3 percent and 1.3 percent, respectively. In FY 2010, receipts decreased 4.0 percent mainly as a result of a significant

General Fund Revenue Overview

decline of 10.8 percent in average vehicle levy reflecting the downturn in the economy in calendar year 2009. FY 2011 Personal Property Tax receipts increased 1.1 percent due to an increase in the average vehicle levy, partially offset with a decrease in business volume and average business levy. FY 2012 Personal Property Tax receipts increased 2.6 percent due to an increase in both the average vehicle and business levies. In FY 2013, receipts are anticipated to increase 5.5 percent mainly as a result of a rise of 6.8 percent in the vehicle levy. A reduction in the supply of new vehicles increased prices of both new and used automobiles. The decrease in supply was a result of a decline in U.S. auto production due to the slowdown in the economy and the earthquake and tsunami in Japan, which not only impacted Japanese automakers but also U.S. automakers that rely on parts from Japan. This situation caused the value of many used vehicles to depreciate less than what traditionally has been experienced and resulted in some vehicles actually appreciating over the year. This was not unique to Fairfax County, but was experienced nationwide. Total FY 2014 Personal Property Tax revenue is projected to increase 1.1 percent. The vehicle component, which comprises nearly 73 percent of total Personal Property levy, is expected to increase a modest 0.9 percent as there is no longer a lack of vehicle supply and depreciation of vehicles has returned to more normal levels. Total vehicle volume is forecast to increase 0.7 percent in FY 2014, a rate similar to that over the past two years.

Changes in vehicle volume and average vehicle levy since FY 2004 are shown in the following table.

**Fairfax County
Personal Property Vehicles**

Fiscal Year	% Change in Vehicle Volume	Average Vehicle Levy	% Change in Average Levy
FY 2004	(0.7%)	\$389	5.4%
FY 2005	1.4%	\$379	(2.6%)
FY 2006	(0.9%)	\$411	8.4%
FY 2007	(0.6%)	\$431	4.9%
FY 2008	(0.1%)	\$424	(1.6%)
FY 2009	0.8%	\$434	2.4%
FY 2010	0.1%	\$387	(10.8%)
FY 2011	0.9%	\$397	2.6%
FY 2012	0.7%	\$411	3.5%
FY 2013 (est.)	0.7%	\$436	6.1%
FY 2014 (est.)	0.7%	\$437	0.2%

Business Personal Property is primarily comprised of assessments on furniture, fixtures and computer equipment. Due to concerns regarding federal budget cuts, existing businesses are anticipated to rise a modest 0.8 percent in FY 2014.

In accordance with assessment principles and the Code of Virginia, which require that property is taxed at fair market value, the Department of Tax Administration (DTA) reviews the depreciation rate schedule for computer hardware due to the speed with which computer values change. The current schedule depreciates computer equipment 50 percent, one year after acquisition. In subsequent years, the percent of the original purchase price taxed is 35 percent, 20 percent, and 10 percent, in year two, three and four, respectively. After five or more years, computer equipment is valued at 2 percent of its original acquisition price.

General Fund Revenue Overview

Personal Property Tax revenue estimates are based on a tax rate of \$4.57 per \$100 of valuation for vehicles and business property, and a tax rate of \$1.095 per \$100 of valuation for mobile homes and non-vehicle Public Service Corporations properties. The following table details the estimated assessed value and associated levy for components of the Personal Property Tax.

FY 2014 Estimated Personal Property Assessments and Tax Levy

Category	FY 2014 Assessed Value	Tax Rate (per \$100)	FY 2014 Tax Levy	Percent of Total Levy
Vehicles				
Privately Owned	\$9,469,753,879	\$4.57	\$358,372,382	64.7%
Business Owned	484,277,086	4.57	17,298,212	3.1%
Leased	893,535,922	4.57	29,032,063	5.2%
Subtotal	\$10,847,566,887		\$404,702,657	73.0%
Business Personal Property				
Furniture and Fixtures	\$1,817,456,792	\$4.57	\$82,958,948	15.0%
Computer Equipment	703,987,168	4.57	32,171,754	5.8%
Machinery and Tools	64,723,830	4.57	2,957,879	0.5%
Research and Development	501,154	4.57	22,903	0.0%
Subtotal	\$2,586,668,944		\$118,111,484	21.3%
Public Service Corporations				
Equalized	\$2,508,385,772	\$1.095	\$27,466,824	4.9%
Vehicles	9,661,714	4.57	441,540	0.1%
Subtotal	\$2,518,047,486		\$27,908,364	5.0%
Other				
Mobile Homes	\$16,907,738	\$1.095	\$185,140	0.1%
Other (Trailers, Misc.)	16,994,996	4.57	709,313	0.1%
Subtotal	\$33,902,734		\$894,453	0.2%
Penalty for Late Filing			\$3,031,831	0.5%
TOTAL	\$15,986,186,051		\$554,648,789	100.0%

FY 2014 Personal Property Tax assessments including Public Service Corporations are \$15,986,186,051, with a total tax levy of \$554,648,789. Personal Property Tax revenue collections are projected to be \$548,340,286, of which \$211.3 million will be reimbursed from the state. The collection rate associated with the taxpayer's share is estimated to be 98.0 percent. Total collection rates experienced in this category since FY 1999 are shown in the following table:

General Fund Revenue Overview

Personal Property Tax Collection Rates

Fiscal Year	Collection Rate	Fiscal Year	Collection Rate
1999	97.3%	2007	98.3%
2000	97.3%	2008	98.0%
2001	97.1%	2009	97.9%
2002	96.3%	2010	97.8%
2003	96.8%	2011	97.9%
2004	96.9%	2012	98.2%
2005	97.9%	2013 (estimated) ¹	98.0%
2006	98.1%	2014 (estimated) ¹	98.0%

¹ Each 0.1 percentage point change in the collection rate on the local tax levy will impact revenues by approximately \$0.3 million, and each penny on the tax rate yields a revenue change of \$1.1 million.

FY 2013 Personal Property Revenue

The FY 2013 Real Estate estimate was decreased \$0.8 million during the fall 2012 revenue review as a result of final Public Service Corporation assessments by the Commonwealth of Virginia.

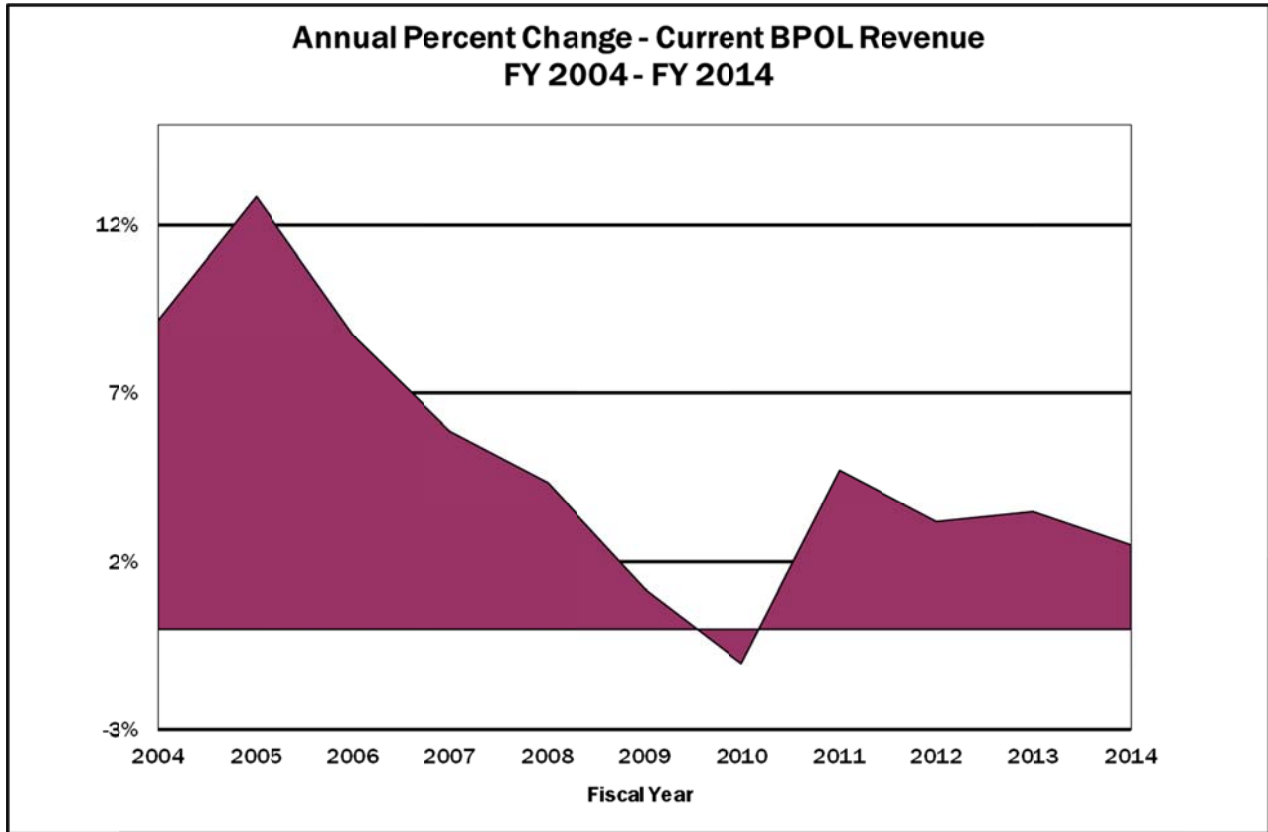
BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX-CURRENT

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2014 Advertised	Increase/ (Decrease)	Percent Change
\$149,738,567	\$157,688,748	\$154,979,417	\$158,779,005	\$3,799,588	2.5%

The FY 2014 Advertised Budget Plan estimate for Business, Professional, and Occupational License Taxes (BPOL) is \$158,779,005 and reflects an increase of 2.5 percent, over the *FY 2013 Revised Budget Plan*.

As shown in the chart below, BPOL receipts experienced healthy growth in FY 2004 through FY 2006, averaging 10.2 percent per year. This strong growth reflected increases in federal government procurement spending, as well as the robust housing market. Growth in BPOL receipts moderated to 5.9 percent and 4.4 percent in FY 2007 and FY 2008, respectively. In FY 2009, BPOL receipts were up just 1.2 percent over FY 2008. This modest rate of growth reflected the downturn in the local economy late in 2008. In FY 2010, BPOL receipts, which were based on the gross receipts of businesses in calendar year 2009, fell 1.0 percent. Growth of 4.7 percent in FY 2011 BPOL receipts reflected the improvement in local economic conditions. Receipts moderated in FY 2012, increasing 3.2 percent. The Retail category, which represents over 18 percent of total BPOL receipts, rose 7.0 percent in FY 2012. The combined Consultant and Business Service Occupations categories, which together represent 46 percent of total BPOL receipts, increased 3.0 percent in FY 2012. Professional and Specialized Occupations, which include physicians and attorneys, represent 11 percent of total BPOL and rose a slight 0.6 percent in FY 2012.

General Fund Revenue Overview



Since County businesses file and pay their BPOL taxes simultaneously on March 1 each year based on their gross receipts during the previous calendar year, little actual data are available at this time. Based on actual FY 2012 receipts and an econometric model that uses calendar year Sales Tax receipts and employment as predictors, the FY 2013 BPOL estimate was lowered \$2.7 million during the fall 2012 revenue review and represents a 3.5 percent increase over FY 2012. Growth in BPOL receipts is expected to slow in FY 2014 due to lower federal procurement spending. The projected 2.5 percent growth in FY 2014 is consistent with model projections.

DELINQUENT TAXES - REAL ESTATE/PERSONAL PROPERTY/BPOL

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2014 Advertised	Increase/ (Decrease)	Percent Change
\$27,761,932	\$21,026,766	\$22,226,766	(\$2,773,234)	(\$25,000,000)	(112.5%)

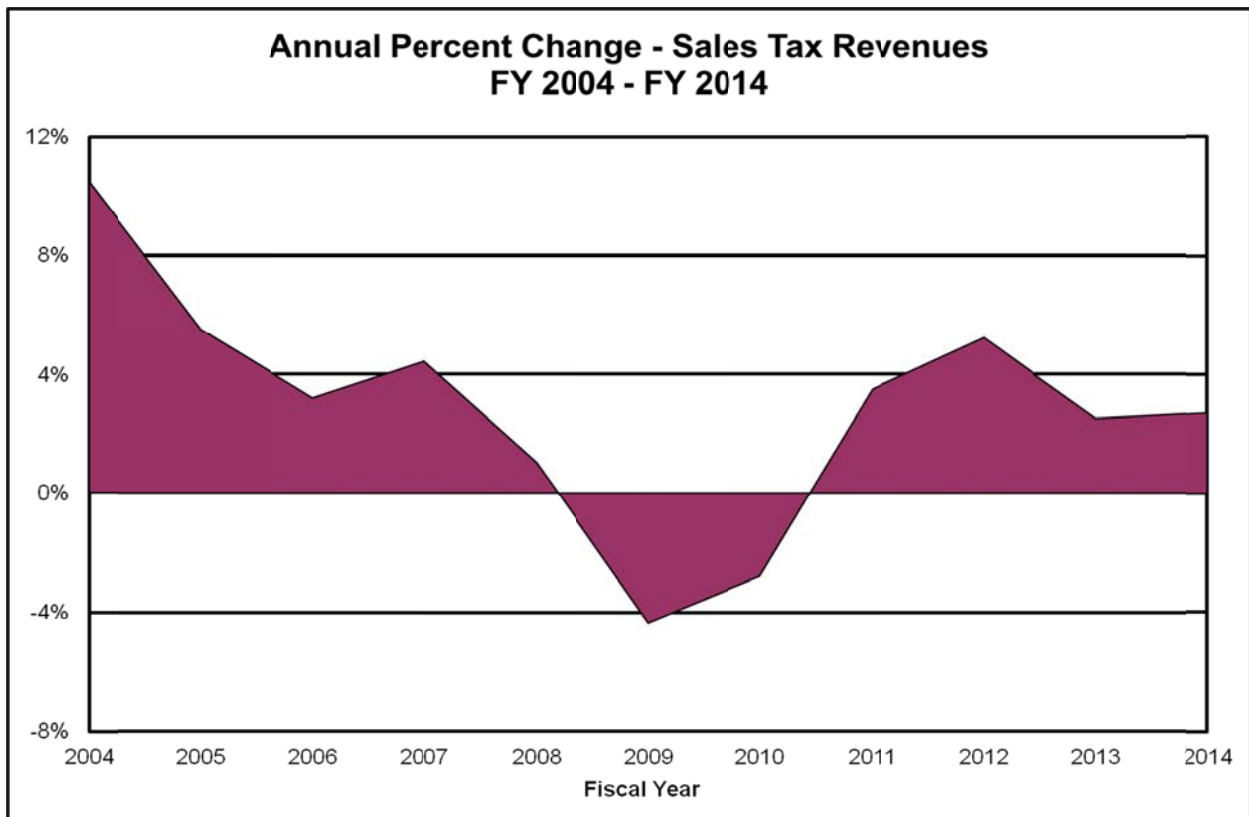
The FY 2014 Advertised Budget Plan estimate for Delinquent Taxes is a net negative \$2.8 million, a decrease of \$25.0 million from the *FY 2013 Revised Budget Plan*. Baseline delinquent collections of \$9.9 million in delinquent Real Estate Taxes, \$9.3 million in delinquent Personal Property Taxes and \$3.2 million in delinquent Business Professional and Occupational Licenses (BPOL) are projected to be offset by potential refunds totaling \$25 million during FY 2014. These potential refunds result from a significant number of appeals in each of these revenue categories by commercial taxpayers.

General Fund Revenue Overview

LOCAL SALES TAX

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2014 Advertised	Increase/ (Decrease)	Percent Change
\$162,839,599	\$166,876,306	\$166,876,306	\$171,377,177	\$4,500,871	2.7%

The FY 2014 Advertised Budget Plan estimate for Sales Tax receipts is \$171,377,177 and reflects an increase of 2.7 percent over the *FY 2013 Revised Budget Plan*. The chart below illustrates that the level of Sales Tax receipts has varied with economic conditions. From FY 2005 through FY 2007, Sales Tax receipts experienced moderate growth, increasing at an average annual rate of 4.4 percent. The national recession began in December 2007 and FY 2008 Sales Tax revenue rose just 1.0 percent, followed by a decline of 4.4 percent in FY 2009. This was the first decline since FY 2002 and only the third decrease in over 30 years. Although the national recession was reported to have reached its trough in December 2009, job losses continued and Sales Tax collections fell 2.8 percent in FY 2010. While consumer spending was weak in the first half of FY 2011, it rebounded strongly in the second half, and Sales Tax receipts rose 3.5 percent for the fiscal year, the first increase since FY 2008. Growth continued in FY 2012 with Sales taxes rising 5.2 percent, the strongest rate of growth since FY 2005. The FY 2013 estimate for Sales Tax receipts represents continued but more modest growth of 2.5 percent. This slower projected growth is based on consumers' concerns over sequestration and its potential impact on jobs and the economy. For the first half of FY 2013, sales tax receipts are rising just 2.2 percent. Holiday sales have a significant impact on this category and February receipts for retail purchases made in December will not be received by the County until late February. Any necessary adjustments to the FY 2013 estimate will be made as part of the *FY 2013 Third Quarter Review*. Sales Tax receipts in FY 2014 are anticipated to rise 2.7 percent over the FY 2013 estimate. This rate is consistent with Moody's Analytics projections for an increase in retail sales in FY 2014.



General Fund Revenue Overview

RECORDATION/DEED OF CONVEYANCE TAXES

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2014 Advertised	Increase/ (Decrease)	Percent Change
\$31,023,186	\$25,627,223	\$27,857,670	\$28,136,468	\$278,798	1.0%

The FY 2014 Advertised Budget Plan estimate for Recordation and Deed of Conveyance Taxes is \$28,136,468, an increase of \$278,798, or 1.0 percent, over the *FY 2013 Revised Budget Plan*. The FY 2014 estimate is comprised of \$23,475,205 in Recordation Tax revenues and \$4,661,263 in Deed of Conveyance Tax revenues. Recordation and Deed of Conveyance Taxes are levied in association with the sale or transfer of real property located in the County. Recordation Taxes are also levied when mortgages on property located in the County are refinanced, making Recordation Tax revenues more sensitive to interest rate fluctuations than Deed of Conveyance Taxes. Home values and interest rate projections are used in an econometric model that assists in developing estimates for these categories.

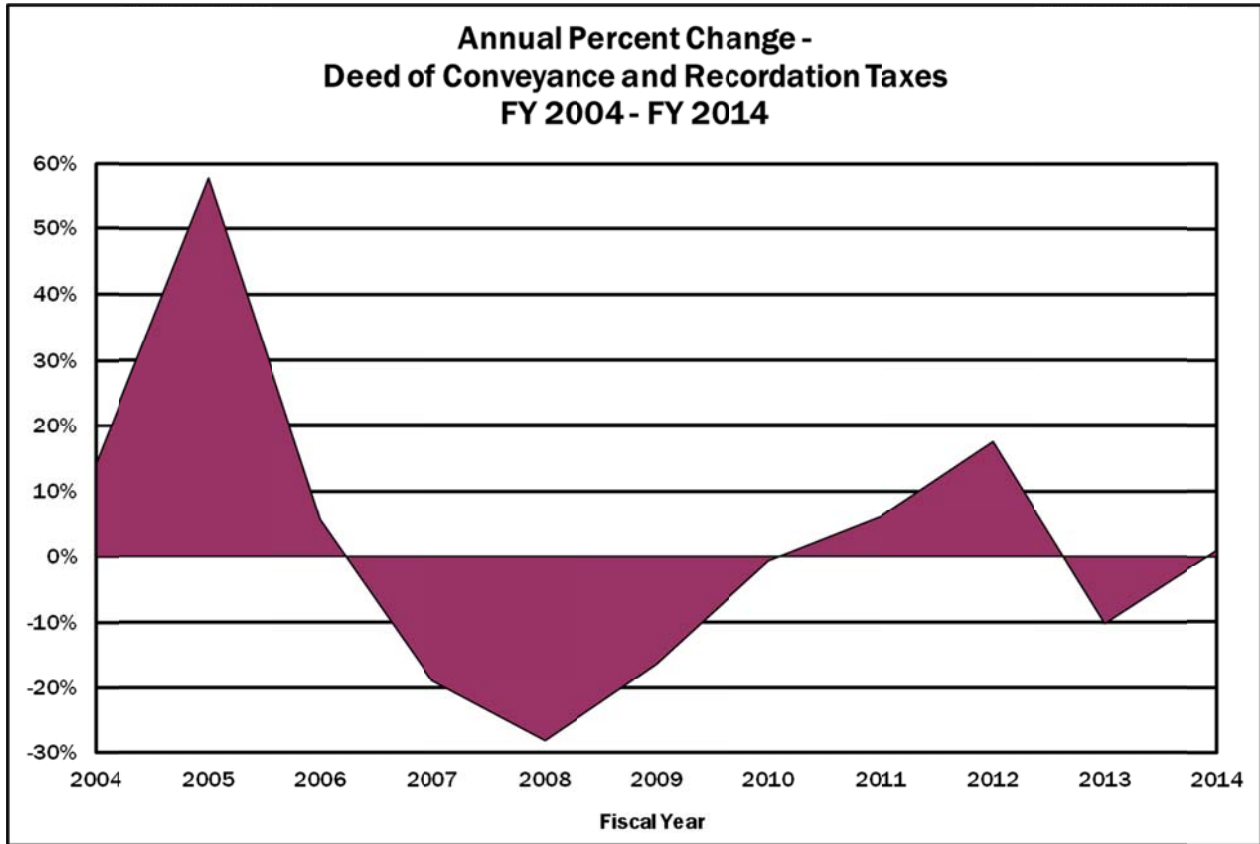
Fairfax County's Deed of Conveyance Tax is assessed at a rate of \$0.05 per \$100. Local Recordation Taxes are set at one-third the State's Tax rate. The County's Recordation Tax rate was raised from \$0.05 to \$0.0833 per \$100 of value in FY 2005 as a result of General Assembly action increasing the State's rate to \$0.25 per \$100. The 2012 General Assembly lowered the State Recordation tax rate on mortgage refinancing transactions from \$0.25 to \$0.18 per \$100 of value effective July 1, 2012; however, all refinancing transactions are now taxable, whereas previously refinancing with the same lender was exempt from the tax. The State Recordation Tax rate on home purchases was not reduced and remains at \$0.25 per \$100. As a result of this action, the County's Recordation Tax rate on mortgage refinancing was reduced from \$0.0833 to \$0.06 per \$100 of value.

During the housing slump, revenue from these categories decreased a combined 18.9 percent in FY 2007, 28.1 percent in FY 2008, 16.4 percent in FY 2009, and a slight 0.7 percent in FY 2010. Primarily due to increased mortgage refinancing activity as a result of historically low mortgage interest rates, revenues increased in FY 2011 and FY 2012 by 6.1 percent and 17.6 percent, respectively.

Based on collection trends, the FY 2013 estimate for Recordation Taxes was increased \$2.2 million during the fall 2012 revenue review. The FY 2013 estimate assumes that Recordation Tax collections will decrease 11.5 percent from the FY 2012 level primarily due to the lower tax rate on mortgage refinancing transactions noted above. The FY 2013 estimate will be reviewed during the *FY 2013 Third Quarter Review* to determine if further adjustment to the current estimate is necessary.

FY 2014 revenue from Deed of Conveyance and Recordation Tax is expected to increase 1.0 percent over the projected FY 2013 level based on the expectation that interest rates will remain low and mortgage refinancing activity will continue.

General Fund Revenue Overview



Note: In FY 2005, the Recordation Tax was increased from \$0.05 per \$100 of value to \$0.0833 per \$100 of value.

CONSUMER UTILITY TAXES - GAS AND ELECTRIC

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2014 Advertised	Increase/ (Decrease)	Percent Change
\$44,880,564	\$46,490,044	\$45,104,967	\$45,330,492	\$225,525	0.5%

The FY 2014 Advertised Budget Plan estimate for Consumer Utility Taxes on gas and electric services of \$45,330,492 represents an increase of \$225,525, or 0.5 percent, over the *FY 2013 Revised Budget Plan*. The FY 2014 estimate is comprised of \$36,424,974 in taxes on electric service and \$8,905,518 in taxes on gas service. County residents and businesses are subject to Consumer Utility Taxes based on their consumption of electricity and gas services. Tax rates by customer class are shown in the table below.

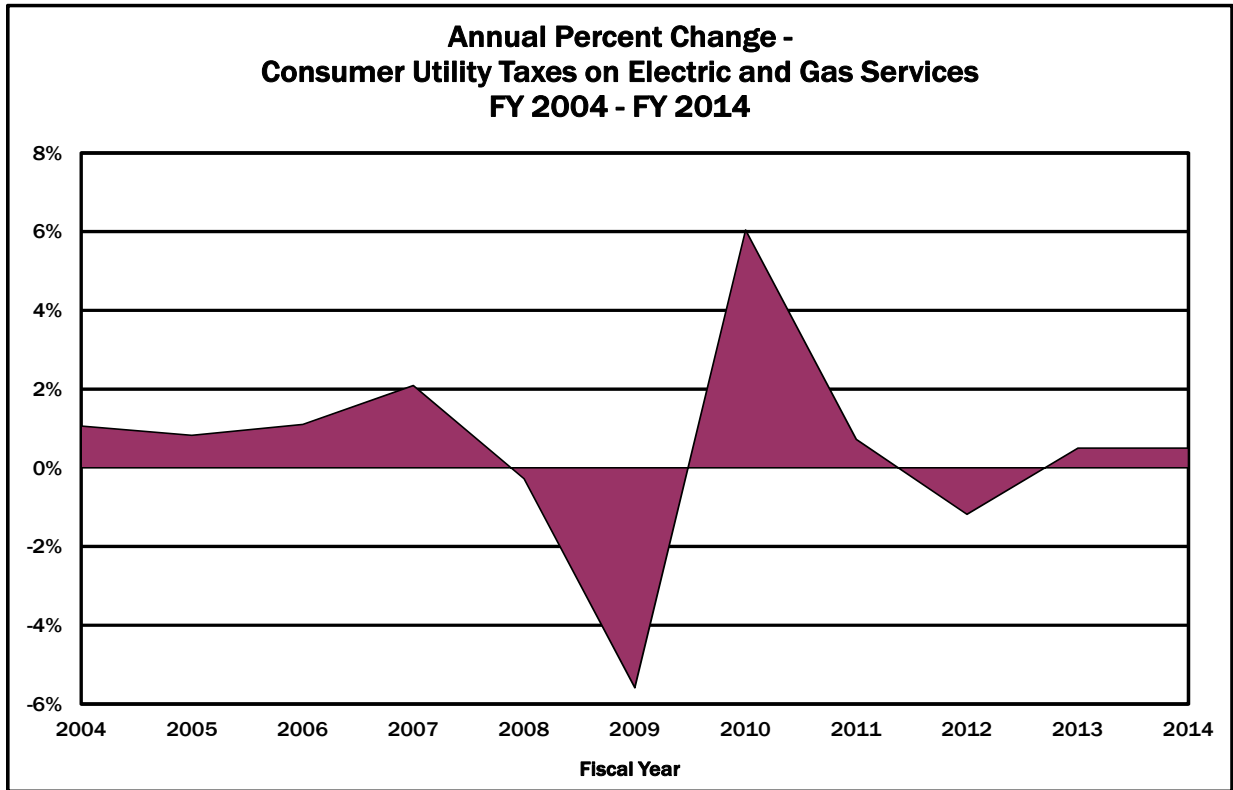
General Fund Revenue Overview

CONSUMER UTILITY TAXES ON ELECTRICITY AND NATURAL GAS

ELECTRICITY		NATURAL GAS	
Electric Power Customer Class	Monthly Tax FY 2001 - FY 2014	Natural Gas Customer Class	Monthly Tax FY 2001 - FY 2014
Residential	\$0.00605 per kWh	Residential	\$0.05259 per CCF
Minimum	+\$0.56 per bill	Minimum	+\$0.56 per bill
Maximum	\$4.00 per bill	Maximum	\$4.00 per bill
Master Metered		Master Metered	
Apartments	\$0.00323 per kWh	Apartments	\$0.01192 per CCF
Minimum	+\$0.56 / dwelling unit	Minimum	+\$0.56 / dwelling unit
Maximum	\$4.00 / dwelling unit	Maximum	\$4.00 / dwelling unit
Commercial	\$0.00594 per kWh	Nonresidential	\$0.04794 per CCF
Minimum	+\$1.15 per bill	Minimum	+\$0.845 per bill
Maximum	\$1,000 per bill	Maximum	\$300 per bill
Industrial		Nonresidential	
Industrial	\$0.00707 per kWh	Interruptible	\$0.00563 per CCF
Minimum	+\$1.15 per bill	Minimum	+\$4.50 per meter
Maximum	\$1,000 per bill	Maximum	\$300 per meter

Revenue from Consumer Utility Taxes on gas and electric services from FY 2002 to FY 2008 grew at an average annual rate of 1.4 percent. Receipts in FY 2009 fell 5.6 percent, while receipts in FY 2010 increased 6.0 percent due to an adjustment to align receipts in the proper fiscal year. Absent the adjustment, FY 2010 receipts were essentially level with FY 2008 collections. The FY 2011 receipts rose a slight 0.7 percent, while collections fell 1.2 percent in FY 2012 primarily due to mild winter weather. During the fall 2012 revenue review, the FY 2013 estimate was reduced \$1.4 million reflecting an increase of 0.5 percent over FY 2012 receipts. For the first five months of FY 2013, receipts are down 0.6 percent. If collections continue to fall, this category may need to be adjusted during the *FY 2013 Third Quarter Review*. The FY 2014 estimate represents a 0.5 percent increase over the FY 2013 estimate based on historical collection trends.

General Fund Revenue Overview



COMMUNICATIONS SALES AND USE TAX

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2014 Advertised	Increase/ (Decrease)	Percent Change
\$47,017,386	\$50,724,263	\$48,526,451	\$48,526,451	\$0	0.0%

The FY 2014 Advertised Budget Plan estimate for the Communications Sales and Use Tax of \$48,526,451 represents no change from the *FY 2013 Revised Budget Plan*. This statewide tax was first implemented in January 2007, after the 2006 Virginia General Assembly session approved legislation that changed the way in which taxes are levied on communications services. Based on this legislation, local taxes on land line and wireless telephone services were replaced with a 5 percent statewide Communication Sales and Use Tax. In addition to the communications services previously taxed, the 5 percent Communication Sales and Use Tax applies to satellite television and radio services, internet calling and long-distance telephone charges. As part of this legislation, local E-911 fees were repealed and replaced with a statewide \$0.75 per line fee. These rates were meant to provide revenue neutrality with FY 2006 receipts. All communications taxes are remitted to the state for distribution to localities based on the locality's share of total statewide FY 2006 collections of these taxes. Based on analysis by the Virginia Auditor of Public Accounts, Fairfax County's share has been set at 18.93 percent. Of the total amount of the Communications Tax, the Cable Franchise Fees are directed to Fund 40030, Cable Communications. Of the remaining tax, approximately 25 percent is deposited in Fund 40090, E-911, and 75 percent in the General Fund, which is presented here.

General Fund Revenue Overview

Since its inception, this statewide tax has been fraught with errors in under-reporting by some providers and over-collection by others. The Commonwealth found that revenue during FY 2007 was lower than anticipated due to errors in reporting the tax by two large communications providers which resulted in an under-collection of the statewide tax during FY 2007 and part of FY 2008. These providers remitted back taxes and corrected the errors in FY 2008. In FY 2009, the Virginia Department of Taxation verified that taxes totaling \$21.3 million statewide had been collected by service providers from entities that should have been tax exempt. Therefore, refunds were made over four months spanning FY 2009 and FY 2010. Fairfax County's share of the refunds was \$4.0 million. Due in part to the refunds, Fairfax County's receipts fell 3.9 percent in FY 2009 and another 3.2 percent in FY 2010. FY 2011 collections declined an additional 2.6 percent. FY 2012 receipts fell 7.3 percent, as a \$14.3 million statewide refund was processed relating to the erroneous collection of taxes on data services by a wireless provider. The County's share of this refund was \$2.7 million. Even without the refunds, collections in FY 2012 would have been lower possibly due to continued declines in land line telephones. During the fall 2012 revenue review, the FY 2013 Communication Sales Tax was reduced \$2.2 million based on year-to-date receipts. FY 2014 revenue is expected to remain at the FY 2013 level.

VEHICLE REGISTRATION LICENSE FEE - CURRENT AND DELINQUENT

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2014 Advertised	Increase/ (Decrease)	Percent Change
\$26,354,485	\$27,871,714	\$26,354,485	\$26,612,402	\$257,917	1.0%

The FY 2014 Advertised Budget Plan estimate for Vehicle Registration Fee revenue of \$26,612,402 represents an increase of \$257,917, or 1.0 percent, over the *FY 2013 Revised Budget Plan*. Fairfax County levies the fee at the maximum rates allowed by the Commonwealth, which are \$33 for passenger vehicles that weigh 4,000 pounds or less and \$38 on passenger vehicles that weight more than 4,000 pounds. In addition, fees are \$18 for motorcycles and \$25 for buses used for transportation to and from church. The County does not require the display of a decal on the vehicle.

Payment of Vehicle Registration License Fees is linked to the payment of Personal Property Taxes on October 5 each year. Vehicles owned by disabled veterans, members of volunteer fire departments and auxiliary police officers are exempt from the fee.

Based on FY 2012 year-end revenue and current collection trends, the FY 2013 estimate for the Vehicle Registration License fee was decreased \$2.5 million during the fall 2012 revenue review to the FY 2012 level. The FY 2014 estimate represents an increase of 1.0 percent based on the increase in projected vehicle volume and collections of delinquent fees.

TRANSIENT OCCUPANCY TAX

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2014 Advertised	Increase/ (Decrease)	Percent Change
\$19,576,387	\$19,456,410	\$20,163,679	\$20,768,589	\$604,910	3.0%

The FY 2014 Advertised Budget Plan estimate for Transient Occupancy Tax of \$20,768,589 represents an increase of \$604,910, or 3.0 percent, over the *FY 2013 Revised Budget Plan*. Transient Occupancy Taxes are charged as part of a hotel bill and remitted by the hotel to the County. The Transient Occupancy Tax has been levied at 4 percent since the Virginia General Assembly permitted the Board of Supervisors to levy an additional 2.0 percent Transient Occupancy Tax in FY 2005. A portion, 25 percent, of the additional 2.0

General Fund Revenue Overview

percent must be appropriated to a nonprofit convention and visitors' bureau located in the County. The remaining 75 percent must be used by the County to promote tourism. During the fall 2012 revenue review, the FY 2013 estimate was increased \$0.6 million, reflecting 3.0 percent growth over FY 2012, which rose 6.7 percent. The FY 2014 estimate assumes a continuation of modest growth and reflects a 3.0 percent increase over FY 2013.

PERMITS, FEES AND REGULATORY LICENSES

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2014 Advertised	Increase/ (Decrease)	Percent Change
\$36,843,892	\$34,902,539	\$34,647,734	\$35,193,936	\$546,202	1.6%

The FY 2014 Advertised Budget Plan estimate for Permits, Fees, and Regulatory Licenses of \$35,193,936 reflects an increase of \$0.5 million, or 1.6 percent over the *FY 2013 Revised Budget Plan*. The increase is primarily due to a modest rate increase in Land Development Services (LDS) fees that is projected to generate \$480,000. On average, fees are set to rise 2.8 percent in FY 2014. In addition, various other permits and fees such as Fire Marshal Fees and Fire Prevention Code Permits are expected to experience slight growth in FY 2014.

LDS fees for building permits, site plans, and inspection services make up over two-thirds of the Permits, Fees, and Regulatory Licenses category. Changes in LDS fee revenue typically track closely to the current conditions of the real estate market and construction industry, as well as the size and complexity of projects submitted to LDS for review. The FY 2013 estimate for LDS fee revenue remains unchanged from the adopted level of \$24.7 million, an 8.2 percent decrease from the FY 2012 based on year-to-date collections.

The FY 2013 estimate for Permits, Fees and Regulatory Licenses was reduced \$0.3 million during the fall 2012 revenue review as a result of lower than projected Zoning Fees. Zoning Fee revenue was reduced \$0.3 million to \$2.6 million, the same level achieved in FY 2012. The Zoning Fee schedule is being refined in FY 2014 and based on a consistent level of zoning activity, revenue is estimated to fall a slight \$30,000.

INVESTMENT INTEREST

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2014 Advertised	Increase/ (Decrease)	Percent Change
\$14,355,548	\$13,141,516	\$13,141,516	\$11,320,530	(\$1,820,986)	(13.9%)

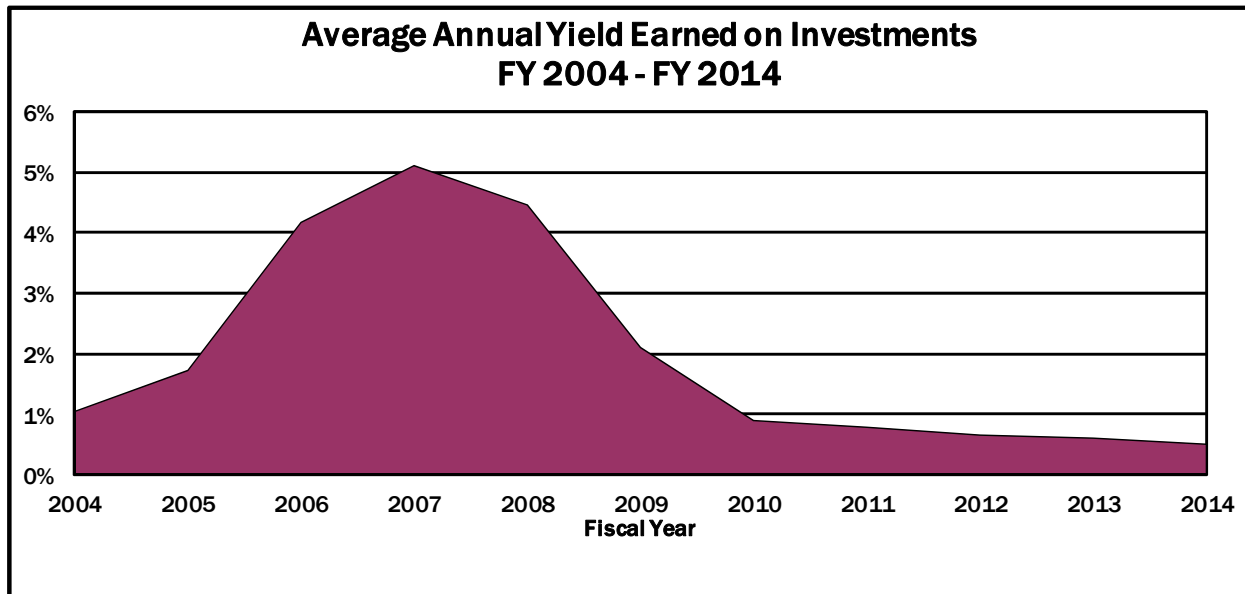
The FY 2014 Advertised Budget Plan estimate for Investment Interest is \$11,320,530 and reflects a decrease of \$1,820,986, or 13.9 percent, from the *FY 2013 Revised Budget Plan*. Revenue from this category is a function of the amount invested, the prevailing interest rates earned on investments, and the percentage of the total pooled investment portfolio attributable to the General Fund.

Revenue from Interest on Investments is highly dependent on Federal Reserve actions. From 2004 to 2006, the Federal Reserve increased interest rates from 1.0 percent to 5.25 percent in an effort to stem inflation. As a result of higher rates, the annual average yield on County investments was 5.1 percent in FY 2007, and revenue from Interest on Investments was a record high of \$92.1 million. In FY 2008, the County's portfolio generated \$78.2 million for the General Fund, with an average annual yield of 4.46 percent. The federal funds rate has remained unchanged since the end of 2008, when it was set at 0.0 to 0.25 percent, it's lowest in history. The yield earned in FY 2009 was 2.1 percent and General Fund

General Fund Revenue Overview

revenue from Investment Interest was \$36.5 million. In FY 2010, the County's portfolio generated \$16.8 million for the General Fund, with an average annual yield of 0.89 percent. The yield continued to fall in FY 2011 and FY 2012 to 0.78 percent and 0.60 percent respectively.

Interest on Investments is anticipated to be \$13.1 million in FY 2013, a decrease of \$1.8 million from the \$14.3 million earned in FY 2012. While the projected annual yield of 0.60 percent is the same as FY 2012, the size of the portfolio is anticipated to drop slightly. Based on statements by the Federal Reserve, the federal funds rate is expected to remain at ultra-low levels in FY 2013 and FY 2014. The FY 2014 Advertised Budget Plan estimate for Investment Interest of \$11.3 million is based on a projected average yield of 0.50 percent, a portfolio size of \$2,730,493,626 and a General Fund percentage of 70.1 percent. All available resources are pooled for investment purposes and the net interest earned is distributed among the various County funds, based on the average dollars invested from each fund as a percentage of the total pooled investment. Total Interest on Investments for all funds is estimated to be \$15.7 million in FY 2014. The following table shows the yield earned on investments since FY 2004.



General Fund Revenue Overview

CHARGES FOR SERVICES

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2014 Advertised	Increase/ (Decrease)	Percent Change
\$69,627,663	\$70,095,102	\$70,768,878	\$72,690,493	\$1,921,615	2.7%

The FY 2014 Advertised Budget Plan estimate for Charges for Services revenue is \$72,690,493, an increase of \$1,921,615, or 2.7 percent, over the FY 2013 *Revised Budget Plan*. This increase is primarily the result of increases in School Age Child Care (SACC) fees and Rec-PAC Program fees. These revenue enhancements are in lieu of implementing further reductions to balance the budget.

SACC fees for after school care for elementary school children will increase 5.0 percent beginning July 1, 2013. This fee increase is anticipated to increase revenue by \$1.7 million to \$36.0 million in FY 2014. Rec-PAC program fees will also be adjusted. Rec-PAC is the Park Authority's summer recreation program for elementary school children. Rec-PAC fees are on a sliding scale based on household income level and currently range from \$33 to \$109 per week. A new fee structure will be developed to generate an additional \$94,000 while minimizing the impact for lower-income families.

During the fall 2012 revenue review, Charges for Services was increased \$0.7 million primarily due to an increase in expected County Clerk Fees based on year-to-date receipts which were higher than anticipated as a result of continued strong refinancing activity.

REVENUE FROM THE COMMONWEALTH/FEDERAL GOVERNMENT¹

FY 2012 Actual	FY 2013 Adopted	FY 2013 Revised	FY 2014 Advertised	Increase/ (Decrease)	Percent Change
\$133,595,146	\$130,211,732	\$130,434,873	\$117,566,483	(\$12,868,390)	(9.9%)

¹ Excludes Personal Property Taxes that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998. See the "Personal Property Tax - Current" heading in this section.

The FY 2014 Advertised Budget Plan estimate for Revenue from the Commonwealth and Federal Government of \$117,566,483 reflects a net decrease of \$12,868,390, or 9.9 percent, from the FY 2013 *Revised Budget Plan*. This decrease is primarily due to a decrease of \$13.3 million for the Child Care Assistance and Referral Program. As a result of the implementation of a statewide automated case management and payment system, the state will be making payments for state funded subsidized child care services directly to providers. This revenue decrease is entirely offset with a corresponding decrease in expenditures. Partially offsetting this decrease is an increase in Comprehensive Services Act funding of \$0.1 million based on higher usage of community-based youth services which have a higher state match rate than residential placements. In addition, a \$350,000 increase results from a decrease in the cut in state aid to localities. Statewide the reduction in state aid to localities was reduced from \$50 million to \$45 million in FY 2014 during the 2012 General Assembly session. This cut requires localities to choose the funding stream in which to make the reduction or to remit payment to the state. The Governor's proposed budget released in December 2012 eliminates this cut entirely in FY 2014 but it has not yet been approved by the Virginia General Assembly.



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Advertised Budget Plan



General Fund Disbursement Overview

General Fund Disbursement Overview

SUMMARY OF GENERAL FUND DIRECT EXPENDITURES

Category	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan	Increase/ (Decrease) Over Revised	Percent Increase/ (Decrease)
Positions / Full-Time Equivalents	9,684 / 9,529.81	9,679 / 9,516.58	9,681 / 9,520.58	9,618 / 9,463.28	(63) / (57.30)	(0.65%) / (0.60%)
Personnel Services	\$675,284,262	\$714,121,262	\$713,958,895	\$719,448,146	\$5,489,251	0.77%
Operating Expenses	347,122,547	349,054,235	385,835,481	334,829,164	(51,006,317)	(13.22%)
Recovered Costs	(41,240,697)	(45,656,331)	(45,863,556)	(44,575,824)	1,287,732	(2.81%)
Capital Equipment	1,001,360	28,590	423,359	220,968	(202,391)	(47.81%)
Fringe Benefits	260,108,139	286,194,046	287,610,131	298,676,731	11,066,600	3.85%
Total Direct Expenditures	\$1,242,275,611	\$1,303,741,802	\$1,341,964,310	\$1,308,599,185	(\$33,365,125)	(2.49%)

Details of program and staffing adjustments are provided in the individual agency narratives in Volume 1. Major changes are summarized by category in the narrative description. Additional information is provided in the *Financial, Statistical and Summary Tables* section of this Overview volume.

The FY 2014 Advertised Budget Plan direct expenditure level of \$1,308,599,185 represents a decrease of \$33,365,125 or 2.49 percent from the FY 2013 Revised Budget Plan direct expenditure level of \$1,341,964,310. The FY 2014 funding level reflects an increase of \$4,857,383, or 0.37 percent, over the FY 2013 Adopted Budget Plan direct expenditure level of \$1,303,741,802.

Personnel Services

In FY 2014, funding for Personnel Services totals \$719,448,146, an increase of \$5,489,251, or 0.77 percent, over the FY 2013 Revised Budget Plan funding level of \$713,958,895. Personnel Services increased \$5,326,884, or 0.75 percent, over the FY 2013 Adopted Budget Plan funding level of \$714,121,262. The net FY 2014 General Fund agency positions represent a decrease of 63/57.30 FTE positions from the FY 2013 Revised Budget Plan and a decrease of 61/53.30 FTE positions from the FY 2013 Adopted Budget Plan. For agency-level detail, the FY 2014 Advertised Personnel Services by Agency chart in the Overview Volume under the *Financial, Statistical and Summary Tables* tab breaks out Personnel Services funding by each agency. The changes for each category of Personnel Services expenditures are provided as follows:

- ◆ **Regular Salary** funding (net of Position Turnover) of \$666,469,103 reflects a net increase of \$6,397,704 or 0.97 percent over the FY 2013 Adopted Budget Plan. This increase primarily reflects the full year impact of FY 2013 compensation adjustments, including merit and longevity increases for uniformed employees and the 2.5 percent performance-based scale and salary increase, effective January 2013, for non-uniformed employees, partially offset by position reductions necessary to balance the FY 2014 budget. It should be noted FY 2014 longevity increases for uniformed employees are also included in this total.
- ◆ **Limited Term** position funding (temporary and part-time employees) reflects an increase of \$55,112, or 0.43 percent, over the FY 2013 Adopted Budget Plan, primarily due to a reallocation of the Personnel Services budget in the Fairfax County Public Library.
- ◆ **Overtime Pay** funding reflects a decrease of \$853,644, or 2.34 percent, from the FY 2013 Adopted Budget Plan level, primarily due to budget reductions in the Fire and Rescue Department.

General Fund Disbursement Overview

Position adjustments in the FY 2014 Advertised Budget Plan reflect a net decrease of 63/57.30 FTE positions from the *FY 2013 Revised Budget Plan*, including the following reductions:

- 30/24.30 FTE positions in the Department of Family Services to begin implementation of a new staffing model in the School-Age Child Care Program that will convert regular merit positions to benefits-eligible by attrition;
- 8/8.0 FTE positions in the Health Department, including 4/4.0 FTE Public Health Nurse II positions in the maternal child health area due to a new service delivery model and 4/4.0 FTE as part of a consolidation of the Food Safety Program and Community Health and Safety Program;
- 6/6.0 FTE positions in the Office of the Sheriff, of which 4/4.0 FTE will eliminate Deputy presence from various classes of Juvenile and Domestic Relations Court (JDRC) and some Circuit Court less emotionally capricious civil hearings and JDRC status hearings and 2/2.0 FTE are the result of the implementation of the successful video visitation program;
- 5/5.0 FTE positions in the Department of Neighborhood and Community Services (DNCS), including 4/4.0 FTE positions based on a redesign of the administrative and operational oversight functions for DNCS and 1/1.0 FTE position based on a redesign of how community engagement is conducted across the four Neighborhood and Community Services (NCS) regions;
- 4/4.0 FTE in the Police Department reflects Vehicle Maintenance Coordinator positions which provide basic operational support to the eight district stations;
- 3/3.0 FTE positions in the Juvenile and Domestic Relations District Court through a reorganization in their Court Services Administration staffing; and
- An additional 18/18.0 FTE position reductions spread throughout County agencies due primarily to budget reductions, partially offset by increases of 2/2.0 FTE positions in the Police Department for the expanded Animal Shelter facility and an increase of 9/9.0 FTE positions in the Police Department providing core services in the Tysons Corner Urban Center associated with the December 2013 opening of the Metro Silver Line and associated redevelopment.

Fringe Benefits

In FY 2014, funding for Fringe Benefits totals \$298,676,731 an increase of \$11,066,600, or 3.85 percent, over the *FY 2013 Revised Budget Plan* level of \$287,610,131 and an increase of \$12,482,685 or 4.36 percent, over the FY 2013 Adopted Budget Plan level of \$286,194,046 primarily due to the following:

- ◆ FY 2014 employer contributions to the retirement systems total \$154,392,889, an increase of \$2,926,527, or 1.9 percent, over the FY 2013 Adopted Budget Plan. An increase of \$3,603,504 is based on projected increases in the employer contribution rates. An increase of \$269,511 is based on adjustments to reflect the inclusion of new positions. An increase of \$59,828 reflects longevity increases for uniformed employees in FY 2014; an increase of \$958,089 reflects the full year impact of a 2.5 percent performance-based scale and salary increase, effective January 2013, for non-uniformed employees; and an increase of \$931,199 reflects the full year impact of FY 2013 merit and longevity increases for uniformed employees. These increases are offset by a decrease of \$2,770,901 that is primarily attributable to anticipated savings based on year-to-date FY 2012 experience and a decrease of \$124,703 based on reductions included to balance the FY 2014 budget.

General Fund Disbursement Overview

- ◆ Health Insurance premiums total \$92,373,333, an increase of \$8,958,022, or 10.7 percent, over the FY 2013 Adopted Budget Plan. An increase of \$3,551,579 reflects the impact of projected premium increases of 8.0 percent for all health insurance plans, effective January 1, 2014. An additional increase of \$123,770 is based on adjustments to reflect the inclusion of new positions. The remaining increase of \$5,374,165 represents the full-year impact of January 2013 premium adjustments and increases based on year-to-date FY 2013 experience. These increases are partially offset by a decrease of \$91,492 based on reductions included to balance the FY 2014 budget.
- ◆ Dental Insurance premiums total \$3,606,190, an increase of \$455,399, or 14.5 percent, over the FY 2013 Adopted Budget Plan. An increase of \$87,923 reflects the impact of projected premium increases of 5.0 percent, effective January 1, 2014. An increase of \$5,157 is based on adjustments to reflect the inclusion of new positions, and an additional increase of \$366,131 is based on year-to-date FY 2013 experience. These increases are partially offset by a decrease of \$3,812 based on reductions included to balance the FY 2014 budget.

Operating Expenses

Operating Expenses total \$334,829,164, a decrease of \$51,006,317, or 13.22 percent, from the *FY 2013 Revised Budget Plan* funding level of \$385,835,481. Operating Expenses decreased by \$14,225,071, or 4.08 percent, from the FY 2013 Adopted Budget Plan funding level of \$349,054,235. Major adjustments from the FY 2013 Adopted Budget Plan are as follows:

- ◆ A decrease of \$13,322,130 in Operating Expenses for the Child Care Assistance and Referral Program in the Department of Family Services is required to align revenue and expenditures due to a change in how the state pays for subsidized child care services. In August 2012 the state completed implementation of a new statewide automated case management and payment system. As a result, the state is now making direct payments for all state funded children. This includes all children in the mandated population, as well as state funded children in the fee system (non-mandated population). As a result, only County dollars remain in the DFS budget for the remaining children in the fee system who are being served solely with County dollars. The number of children being served in the County has not changed; however, payment for services is either made directly by the state or the County. This expenditure adjustment is fully offset by a decrease in federal and state revenues for no net impact to the County.
- ◆ A decrease of \$2,033,500 in Operating Expenses in the Facilities Management Department is due to a reduction in contracted engineering, construction and architectural services in support of other County agencies. This decrease is a result of both a reduction in the amount of FMD support work that is being requested by County agencies due to budget constraints and the elimination of FMD's administrative process to recover costs. FMD will continue to act as a conduit for agencies by recommending contractors and overseeing construction and maintenance work; however, agencies will be billed directly, removing FMD from the financial process of paying the contractors and then recovering the costs from County agencies. This decrease is fully offset by a decrease of \$2,033,500 in Recovered Costs with no net impact to the General Fund.

General Fund Disbursement Overview

- ◆ An increase of \$1,000,000 is required to support the first year of a multi-year process to gradually increase the Fire and Rescue Department's annual contributions to the Large Apparatus Replacement Fund and Ambulance Replacement Fund. This funding is in addition to the department dedicating additional grant funds, additional baseline funds and one-time contributions in support of this effort. Additional contributions are required due to increasing cost of vehicles, some fleet growth, and a contribution level that has remained flat since FY 2007. Without additional funding, the replacement reserves will be depleted in FY 2016.

Capital Equipment

Capital Equipment funding for General Fund agencies totals \$220,968, a decrease of \$202,391, or 47.81 percent, from the *FY 2013 Revised Budget Plan* funding level of \$423,359. This funding is required to purchase vehicles and communications equipment in support of 9/9.0 FTE new uniformed Police positions providing core services in the Tysons Corner Urban Center associated with the December 2013 opening of the Metro Silver Line and associated redevelopment. These positions represent the first phase of a multi-year staffing plan to meet projected increases in calls for service.

Recovered Costs

Recovered Costs total \$44,575,824, a decrease of \$1,287,732, or 2.81 percent, from the *FY 2013 Revised Budget Plan* level of \$45,863,556, and decrease of \$1,080,507, or 2.37 percent, from the FY 2013 Adopted Budget Plan level of \$45,656,331. The decrease is primarily due to the budget realignment in the Facilities Management Department noted above.

General Fund Disbursement Overview

SUMMARY OF GENERAL FUND TRANSFERS

The FY 2014 Transfers Out from the General Fund total \$2,280,356,463, an increase of \$19,992,256, or 0.9 percent, over the *FY 2013 Revised Budget Plan* Transfers Out of \$2,260,364,207. These transfers support programs and activities that reflect the Board of Supervisors' priorities.

Major adjustments are summarized below.

	Increase/ (Decrease) Over FY 2013 Revised
Fund S10000, Public School Operating	\$33,666,446
Funds 20000 and 20001, Consolidated Debt Service	9,555,504
Fund 40090, E-911	1,794,913
Fund 60000, County Insurance Fund	1,493,046
Fund 50000, Federal-State Grant Fund	430,236
Fund 40330, Elderly Housing Programs	(190,921)
Fund 30060, Pedestrian Walkway Improvements	(200,000)
Fund 30050, Transportation Improvements	(200,000)
Fund 40040, Fairfax-Falls Church Community Services Board	(377,257)
Fund 30080, Commercial Revitalization Program	(950,000)
Fund 30300, The Penny for Affordable Housing Fund	(1,058,750)
Fund 10010, Revenue Stabilization Fund	(1,680,445)
Fund 40000, County Transit Systems	(2,000,000)
Fund 10030, Contributory Fund	(2,317,613)
Fund 30010, General Construction and Contributions	(2,604,604)
Fund 60040, Health Benefits Fund	(4,000,000)
Fund 10040, Information Technology	(11,368,299)
Total	\$19,992,256

Fund S10000, Public School Operating

The FY 2014 General Fund transfer to Fund S10000, Public School Operating, is \$1,716,988,731, an increase of \$33,666,446, or 2.0 percent, over the *FY 2013 Revised Budget Plan* transfer of \$1,683,322,285. The greatest share of the County budget is dedicated to Fairfax County Public Schools (FCPS), which underscores that education continues to be the highest priority. The transfer to Public School Operating and School Debt Service represents 52.6 percent of total General Fund Disbursements.

Funds 20000 and 20001, Consolidated Debt Service

The FY 2014 General Fund transfer to Funds 20000 and 20001, Consolidated Debt Service, is \$291,165,641, an increase of \$9,555,504, or 3.4 percent, over the *FY 2013 Revised Budget Plan* transfer of \$281,610,137. This increase is primarily attributable to scheduled requirements for existing debt service.

Fund 40090, E-911

The FY 2014 General Fund transfer to Fund 40090, E-911, is \$17,051,691, an increase of \$1,794,913, or 11.8 percent, over the *FY 2013 Revised Budget Plan* transfer of \$15,256,778. This increase is primarily associated with an increase of \$1,500,000 in the General Fund Transfer amount to cover an anticipated shortfall, resulting primarily from lower than anticipated Communication Sales and Use Tax revenues and lower available balances. The remaining amount of \$294,913 is due to longevity increases for uniformed employees and the full year impact of FY 2013 compensation adjustments.

General Fund Disbursement Overview

Fund 60000, County Insurance Fund

The FY 2014 General Fund transfer to Fund 60000, County Insurance Fund, is \$22,510,363, an increase of \$1,493,046, or 7.1 percent, over the *FY 2013 Revised Budget Plan* transfer of \$21,017,317. This increase offsets increased insurance expenditures to allow the Reserve for Catastrophic Occurrences to remain funded at the same level as the *FY 2013 Revised Budget Plan*. Detailed information on the County Insurance Fund can be found in the Fund 60000, County Insurance Fund, narrative in Volume 2 of the FY 2014 Advertised Budget Plan.

Fund 50000, Federal-State Grant Fund

The FY 2014 General Fund transfer to Fund 50000, Federal-State Grant Fund, is \$5,057,965, an increase of \$430,236, or 9.3 percent, over the *FY 2013 Revised Budget Plan* transfer of \$4,627,729. The Reserve for Local Cash Match is a projection of the County contributions required for anticipated and unanticipated grant awards. This increase in Local Cash Match requirements is primarily attributed to a transfer of General Fund resources from the Office to Prevent and End Homelessness needed to support the Emergency Shelter grant, as well as adjustments in funding requirements in the Juvenile and Domestic Relations District Court, Fire and Rescue Department, Department of Transportation, Department of Family Services, and Police Department.

Fund 40330, Elderly Housing Programs

The FY 2014 General Fund transfer to Fund 40330, Elderly Housing Programs, is \$1,852,376, a decrease of \$190,921, or 9.3 percent, from the *FY 2013 Revised Budget Plan* transfer of \$2,043,297. This decrease is primarily due to the transfer of 2/2.0 FTE merit positions to Fund 81100, Fairfax County Rental Program, in order to better align the positions' funding sources with their functions.

Fund 30060, Pedestrian Walkway Improvements

The FY 2014 General Fund transfer to Fund 30060, Pedestrian Walkway Improvements, is \$100,000, a decrease of \$200,000 from the *FY 2013 Revised Budget Plan* transfer of \$300,000. The General Fund transfer in FY 2013 was associated with a one-time condition assessment of existing trails, sidewalks, roadways and service drives maintained by the County.

Fund 30050, Transportation Improvements

There is no FY 2014 General Fund transfer to Fund 30050, Transportation Improvements, reflecting a decrease of \$200,000 from the *FY 2013 Revised Budget Plan* transfer. The General Fund transfer in FY 2013 was associated with the Traffic Calming Program as approved by the Board of Supervisors on September 11, 2012.

Fund 40040, Fairfax-Falls Church Community Services Board

The FY 2014 General Fund transfer to Fund 40040, Fairfax-Falls Church Community Services Board, is \$109,233,258, a decrease of \$377,257, or 0.3 percent, from the *FY 2013 Revised Budget Plan* transfer of \$109,610,515. The net decrease is primarily associated with one-time support of the department given the negative FY 2012 ending balance and reductions utilized to balance the FY 2014 budget, partially offset by increases for compensation adjustments and additional support for the June 2013 special education graduates of Fairfax County Public Schools turning 22 years of age who are eligible for day support and employment services who currently do not have a funding source for such services. Detailed information on the reductions and revenue enhancements can be found in the Fund 40040, Fairfax-Falls Church Community Services Board, narrative in Volume 2 of the FY 2014 Advertised Budget Plan.

General Fund Disbursement Overview

Fund 30080, Commercial Revitalization Program

There is no FY 2014 General Fund transfer to Fund 30080, Commercial Revitalization Program, reflecting a decrease of \$950,000 from the *FY 2013 Revised Budget Plan* transfer. The General Fund transfer in FY 2013 was associated with the undergrounding of utilities in the McLean area along the intersection of Chain Bridge Road and Old Dominion Drive to improve the reliability of utility services.

Fund 30300, The Penny for Affordable Housing Fund

There is no FY 2014 General Fund transfer to Fund 30300, The Penny for Affordable Housing Fund, reflecting a decrease of \$1,058,750 from the *FY 2013 Revised Budget Plan* transfer. The General Fund transfer in FY 2013 was one-time support to ensure the Blueprint project's affordable housing goals remained on track.

Fund 10010, Revenue Stabilization Fund

There is no FY 2014 General Fund transfer to Fund 10010, Revenue Stabilization Fund, reflecting a decrease of \$1,680,445 from the *FY 2013 Revised Budget Plan* transfer. The General Fund transfer in FY 2013 was necessary to maintain the reserve at the required level of 3.0 percent of General Fund disbursements.

Fund 40000, County Transit Systems

The FY 2014 General Fund transfer to Fund 40000, County Transit Systems, supporting the FAIRFAX CONNECTOR and Virginia Railway Express (VRE) subsidy, is \$34,547,739, a decrease of \$2,000,000, or 5.5 percent, from the *FY 2013 Revised Budget Plan* transfer of \$36,547,739. The reduced transfer is primarily due to the use of available balances in Fund 40000 that have resulted from lower than projected service-related costs in the FY 2012-FY 2013 timeframe as well as a small increase in State Aid applied to operating.

Fund 10030, Contributory Fund

The FY 2014 General Fund transfer to Fund 10030, Contributory Fund, is \$13,365,975, a decrease of \$2,317,613, or 14.8 percent, from the *FY 2013 Revised Budget Plan* transfer of \$15,683,588. More detail on the Contributory Fund follows the General Fund Disbursement Overview.

Fund 30010, General Construction and Contributions

The FY 2014 General Fund transfer to Fund 30010, General Construction and Contributions, is \$13,833,202, a decrease of \$2,604,604, or 15.9 percent, from the *FY 2013 Revised Budget Plan* transfer of \$16,437,806. FY 2014 funding is limited to only the most critical priority projects.

Fund 60040, Health Benefits Fund

There is no FY 2014 General Fund transfer to Fund 60040, Health Benefits Fund, reflecting a decrease of \$4,000,000 from the *FY 2013 Revised Budget Plan* transfer. The General Fund transfer in FY 2013 was associated with claims expenditures that increased at a higher rate than was previously anticipated, particularly among individuals with total claims over \$50,000. These increased claims expenditures depleted a portion of the unreserved ending balance in Fund 60040, and a General Fund transfer was required to maintain an unreserved ending balance equal to approximately 1.5 months of claims. Detailed information on the Health Benefits Fund can be found in the Fund 60040, Health Benefits Fund, narrative in Volume 2 of the [FY 2014 Advertised Budget Plan](#).

General Fund Disbursement Overview

Fund 10040, Information Technology

The FY 2014 General Fund transfer to Fund 10040, Information Technology, is \$2,913,280, a decrease of \$11,368,299, or 79.6 percent, from the *FY 2013 Revised Budget Plan* transfer of \$14,281,579. The decrease is due to several factors, including the one-time FY 2013 funding of \$6.5 million added at carryover to support final milestone payments related to the Fairfax County Unified System (FOCUS) implementation contract award. This funding provides for the development and implementation of key project functionality and supports training and ancillary obligations. In addition one-time FY 2013 funding of \$2.5 million was added at carryover to support the replacement of the Child Care Management System in the Department of Family Services. This increase to the FY 2013 General Fund Transfer was fully offset by additional General Fund revenue received from the state in FY 2012 for the Child Care Assistance and Referral (CCAR) program resulting in no net impact to the County. Finally, the remaining decrease of \$2,368,299 is due to limited available funding for IT projects. In accordance with the FY 2014 Budget Guidelines, funding requests for Fund 10040 IT projects were limited to IT projects requiring a funding increment to meet project milestones, contractual obligations, and security and infrastructure requirements for enterprise-wide IT systems. Detailed information on the Information Technology program may be found in the Fund 10040, Information Technology, narrative in Volume 2 of the [FY 2014 Advertised Budget Plan](#).

Fund 10030

Summary of Contributory Agencies

Summary of Contributory Agencies

Fund 10030 (formerly Fund 119), Contributory Fund, was established in FY 2001 to reflect General Fund support for agencies or organizations that receive County contributions. FY 2014 funding totals \$13,389,756 and reflects a decrease of \$2,343,832 or 14.9 percent from the FY 2013 Adopted Budget Plan funding level of \$15,733,588. The required Transfer In from the General Fund is \$13,365,975. Individual contributions are described in detail in the narrative of Fund 10030, Contributory Fund, in Volume 2 of the FY 2014 Advertised Budget Plan.

Contributory funding is in compliance with the Board of Supervisors' policy to make General Fund appropriations of specified amounts to various nonsectarian, nonprofit, or quasi-governmental entities for the purpose of promoting the general health and welfare of the community. Since public funds are being appropriated, contributions provided to designated agencies are currently made contingent upon submission and review of quarterly, semiannual and/or annual reports. This oversight activity includes reporting requirements prescribed by the County Executive, which require designated agencies to accurately describe the level and quality of services provided to County residents. Various County agencies may be tasked with oversight of program reporting requirements. Contributory agencies that do not file reports as requested, may, at the discretion of the County Executive, have payments withheld until appropriate reports are filed and reviewed.

The following chart summarizes the funding for the various contributory organizations.

Fairfax County	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan
Legislative-Executive Functions/Central Service Agencies:				
Alliance for Innovation	\$6,000	\$6,000	\$6,000	\$0
Dulles Area Transportation Association	9,000	9,000	9,000	15,000
Metropolitan Washington Council of Governments	889,890	899,965	899,965	939,972
National Association of Counties	19,049	19,049	19,049	21,635
Northern Virginia Regional Commission	593,534	623,862	623,862	631,073
Northern Virginia Transportation Commission	174,499	169,504	169,504	173,465
Virginia Association of Counties	237,980	242,740	242,740	245,950
Virginia Institute of Government	20,000	20,000	20,000	0
Washington Airports Task Force	50,000	50,000	50,000	50,000
Subtotal Legislative-Executive	\$1,999,952	\$2,040,120	\$2,040,120	\$2,077,095
Public Safety:				
Fairfax Partnership For Youth	\$40,375	\$40,350	\$40,350	\$40,350
NOVARIS	9,668	9,577	9,577	9,577
Subtotal Public Safety	\$50,043	\$49,927	\$49,927	\$49,927
Health and Welfare:				
Health Systems Agency of Northern Virginia	86,750	108,200	108,200	108,200
Medical Care for Children	237,000	237,000	237,000	213,300
Northern Virginia Healthcare Center/Birmingham Green Adult Care Residence	2,165,918	2,447,789	2,497,789	2,467,960
Volunteer Fairfax	305,247	305,247	305,247	305,247
Subtotal Health and Welfare	\$2,794,915	\$3,098,236	\$3,148,236	\$3,094,707

Fund 10030

Summary of Contributory Agencies

Fairfax County	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan
Parks, Recreation and Cultural:				
Arts Council of Fairfax County	\$231,694	\$281,694	\$281,694	\$281,694
Arts Council of Fairfax County - Arts Groups Grants	96,900	96,900	96,900	96,900
Challenge Grant Funding Pool for the Arts	444,125	444,125	444,125	444,125
Dulles Air and Space Museum	100,000	100,000	100,000	100,000
Fairfax Symphony Orchestra	236,032	261,032	261,032	261,032
Fort Belvoir Army Museum	100,000	100,000	100,000	100,000
Lorton Arts Foundation	2,950,000	3,350,000	3,350,000	750,000
Northern Virginia Regional Park Authority	1,979,537	1,979,537	1,979,537	2,080,308
Reston Historic Trust	16,150	16,150	16,150	16,150
Town of Herndon	40,000	40,000	40,000	40,000
Town of Vienna Teen Center	32,300	32,300	32,300	32,300
Wolf Trap Foundation for the Performing Arts	100,938	125,938	125,938	125,938
Subtotal Parks, Recreation & Cultural	\$6,327,676	\$6,827,676	\$6,827,676	\$4,328,447
Community Development:				
Architectural Review Board	\$2,826	\$2,826	\$2,826	\$2,826
Commission for Women	6,916	6,916	6,916	6,916
Convention and Visitors Corporation	2,507,644	2,608,344	2,608,344	2,730,901
Earth Sangha	16,150	16,150	16,150	16,150
Fairfax 2015 World Police and Fire Games	250,000	250,000	250,000	250,000
Fairfax County History Commission	21,013	21,013	21,013	21,013
Fairfax ReLeaf	41,990	41,990	41,990	41,990
Greater Reston Incubator	24,225	24,225	24,225	24,225
Northern Virginia 4-H Education Center	0	10,000	10,000	10,000
Northern Virginia Community College	89,856	90,636	90,636	90,030
Northern Virginia Conservation Trust	227,753	227,753	227,753	227,753
OpenDoor Housing Fund	31,776	31,776	31,776	31,776
Southeast Fairfax Development Corporation	183,320	183,320	183,320	183,320
VPI/UVA Education Center	50,000	50,000	50,000	50,000
Women's Center of Northern Virginia	27,023	27,023	27,023	27,023
Subtotal Community Development	\$3,480,492	\$3,591,972	\$3,591,972	\$3,713,923
Nondepartmental:				
Employee Advisory Council	\$0	\$33,000	\$33,000	\$33,000
Fairfax Public Law Library	92,657	92,657	92,657	92,657
Subtotal Nondepartmental	\$92,657	\$125,657	\$125,657	\$125,657
Total County Contributions	\$14,745,735	\$15,733,588	\$15,783,588	\$13,389,756



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Advertised Budget Plan



Other Funds Overview

Other Funds Overview

OTHER FUNDS OVERVIEW

Other Funds reflect programs, services and projects funded from non-General Fund revenue sources or a mix of General Fund and non-General Fund sources. These sources include federal or state grants, specific tax districts, proceeds from the sale of bonds, and user fees and charges. Included are the following categories of Other Funds:

- ◆ General Fund Group
- ◆ Debt Service Funds
- ◆ Special Revenue Funds
- ◆ Internal Service Funds
- ◆ Enterprise Funds
- ◆ Agency and Trust Funds

Other Funds expenditures are supported through a total available balance of \$8,522,363,521 (excluding the General Fund) and total revenues of \$3,447,185,651 (excluding the General Fund). The revenues are a decrease of \$847,455,919, or 19.73 percent, from the *FY 2013 Revised Budget Plan* and an increase of \$184,140,125, or 5.64 percent, over the *FY 2013 Adopted Budget Plan*. It should be noted that the decrease from the *FY 2013 Revised Budget Plan* is primarily the result of the carryover of authorized but unissued bonds for capital construction projects, sewer bond construction, anticipated grant revenue, and various other changes rather than the result of changes in the revenue stream for Other Funds. The increase in revenues over the *FY 2013 Adopted Budget Plan* is due primarily to increased County and FCPS retirement fund-related revenues, health fund revenues, sewer fund revenues, school operating revenues, and various other revenue changes. Details concerning significant changes in revenue growth are discussed for each specific fund in Volume 2, Capital Construction and Other Operating Funds, in the *FY 2014 Advertised Budget Plan*. Also, the FY 2014 revenues for Other Funds are summarized by revenue type and by fund type in the *Financial, Statistical and Summary Tables* section of this Overview Volume.

FY 2014 expenditures for Other Funds total \$5,406,223,536 (excluding General Fund direct expenditures), and reflect a decrease of \$1,547,269,131, or 22.25 percent, from the *FY 2013 Revised Budget Plan* funding level of \$6,953,492,667. This decrease is primarily due to the effect of significant carryover for capital construction projects, sewer construction projects, County and regional transportation projects, and grant-funded projects, and should not be perceived as a major change to programs or operations. Excluding adjustments in FY 2013, expenditures increase \$171,023,736, or 3.27 percent, over the *FY 2013 Adopted Budget Plan* total of \$5,235,199,800. Of this increase, an amount of \$43,146,724 reflects an increase to the Public School Operating Fund and \$36,544,828 reflects a combined increase to the Health Benefits Fund and the Public School Health and Flexible Benefits Fund. In addition, an amount of \$54,489,000 reflects an increase in the Sewer Construction Improvements Fund.

The following is a brief summary of the various funds types. Not included in these discussions are Capital Projects Funds, which are presented in the Capital Projects Overview of this Overview Volume. A complete discussion of funding and program adjustments for all Other Funds is found in Volume 2, Capital Construction and Other Operating Funds in the *FY 2014 Advertised Budget Plan*. Summary information is provided in the *Financial, Statistical and Summary Tables* section of this Overview Volume. It should be noted that Special Revenue funding for the Fairfax County Public Schools is discussed in further detail in the *FY 2014 Superintendent's Proposed Budget*.

Other Funds Overview

GENERAL FUND GROUP

The General Fund Group consists of four funds in addition to the General Fund and accounts for revenue and expenditures for the Community Funding Pool, Contributory, Revenue Stabilization, and Information Technology Funds. It should be noted that prior to the FY 2014 Advertised Budget Plan, all of these funds, except for the Revenue Stabilization Fund, were part of Special Revenue Funds. In FY 2014, General Fund Group expenditures total \$29,370,791, a decrease of \$47,419,278, or 61.75 percent, from the *FY 2013 Revised Budget Plan* funding level of \$76,790,069 due primarily to the carryover of ongoing IT project funds in the *FY 2013 Revised* funding level. Excluding adjustments in FY 2013, expenditures decreased \$5,072,131, or 14.73 percent, from the FY 2013 Adopted Budget Plan level of \$34,442,922.

DEBT SERVICE FUNDS

The Consolidated Debt Service Fund accounts for the general obligation bond debt service of the County as well as general obligation bond debt for the Fairfax County Public Schools (FCPS). In addition, debt service expenditures are included for the Economic Development Authority Lease Revenue bonds associated with County government and School facilities and payments for Fairfax County Redevelopment and Housing Authority (FCRHA) Lease Revenue bonds. Revenues for the debt service funds are derived principally from a transfer from the General Fund. It should be noted that debt service on sewer revenue bonds is reflected in the Enterprise Funds. FY 2014 Debt Service expenditures total \$296,065,698.

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds from specific sources that are legally restricted to expenditures for a specific purpose. These proceeds include state and federal aid, income derived through activities performed by the Division of Solid Waste, special levies, program activity revenue, and operation of the public school system. In FY 2014, Special Revenue Fund expenditures total \$3,192,259,820, a decrease of \$626,953,168, or 16.42 percent, from the *FY 2013 Revised Budget Plan* funding level of \$3,819,212,988 due primarily to the effect of significant carryover of unexpended project balances in the County and Regional Transportation Projects Fund, the Dulles Rail Phase I Transportation Improvement District Fund, and the Public School Operating Fund, as well as the carryover of unexpended grant balances previously approved by the Board of Supervisors in the Federal/State Grant Fund. Excluding adjustments in FY 2013, expenditures increase \$36,653,175, or 1.16 percent, over the FY 2013 Adopted Budget Plan level of \$3,155,606,645.

INTERNAL SERVICE FUNDS

Internal Service Funds account for services commonly used by most agencies, and for which centralized organizations have been established in order to achieve economies of scale necessary to minimize costs. These internal agencies provide services to other agencies on a cost reimbursement basis. Such services consist of vehicle operations, maintenance, and replacement; insurance coverage (health, workers compensation, automobile liability, and other insurance); data communications and processing; and document services. It should be noted that where possible without degradation of quality, joint County and School service delivery (printing and vehicle maintenance) or joint procurement (health insurance) activities are conducted in order to achieve economies of scale and to minimize costs. FY 2014 Internal Service expenditures total \$728,160,303, an increase of \$21,890,189, or 3.10 percent, over the *FY 2013 Revised Budget Plan* level of \$706,270,414 primarily due to increased benefits paid out of the Health Benefits Fund and School Health and Flexible Benefits Fund. Excluding adjustments in FY 2013,

Other Funds Overview

expenditures increased \$46,523,255, or 6.83 percent, over the FY 2013 Adopted Budget Plan total of \$681,637,048.

ENTERPRISE FUNDS

Fairfax County's Enterprise Funds consist of seven funds within the Wastewater Management Program (WWM), which account for the construction, maintenance and operational aspects of the countywide sewer system. The cost of providing sewer service to County citizens and businesses is financed or recovered primarily from user charges. FY 2014 Enterprise Funds expenditures for sewer operation and maintenance and sewer debt service total \$228,894,170, a decrease of \$97,511,954, or 29.87 percent, from the *FY 2013 Revised Budget Plan* total of \$326,406,124 primarily due to the carryover of unexpended project balances and the appropriation of fund balance to provide funding for future treatment plant and treatment by contract requirements. Excluding adjustments in FY 2013, expenditures increased \$54,667,352, or 31.38 percent, over the FY 2013 Adopted Budget Plan total of \$174,226,818.



The County's wastewater treatment plant serves an estimated 364,500 households with public sewer service.

AGENCY AND TRUST FUNDS

Agency and Trust funds account for assets held by the County in a trustee or agency capacity and include the four pension trust funds administered by the County and Schools, as well as County and Schools trust funds to pre-fund other post-employment benefits. FY 2014 Agency and Trust funds combined expenditures total \$689,857,917, an increase of \$41,594,397, or 6.42 percent, over the *FY 2013 Revised Budget Plan* funding level of \$648,263,520. This increase is primarily due to increases in the four existing retirement funds resulting from a higher number of retirees and higher individual payment levels. Excluding adjustments in FY 2013, combined Agency and Trust funds expenditures increase \$37,036,600, or 5.67 percent, over the FY 2013 Adopted Budget Plan level of \$652,821,317.

FY 2014

Advertised Budget Plan



Capital Projects Overview

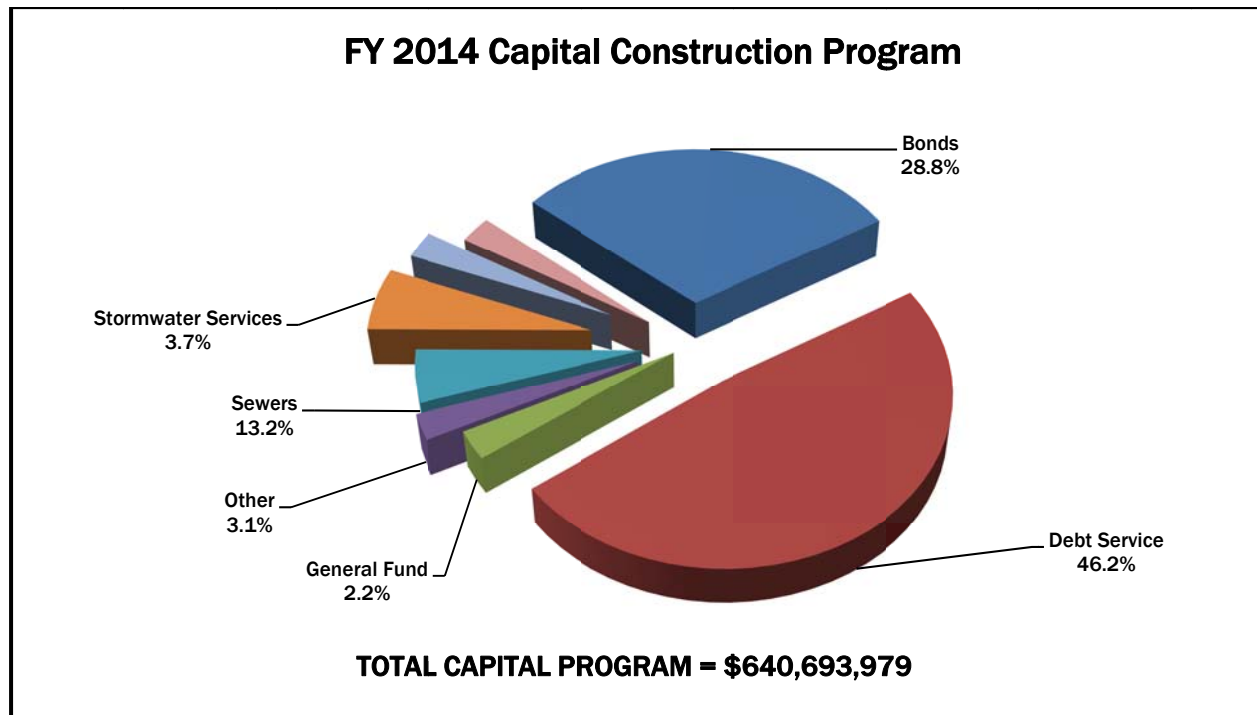
Capital Projects Overview

Summary of Capital Construction Program

The Capital Construction Program of Fairfax County is organized to meet the existing and anticipated future needs of the citizens of the County and to enable the County government to provide necessary services. The Capital Construction Program (other than sanitary sewer construction and resource recovery projects) is primarily financed through transfers from the General Fund and the sale of General Obligation Bonds. Supplementing the General Fund and General Obligation Bond monies are additional funding sources including federal and state grants, contributions, and tax revenues from special revenue districts.

The Fairfax County Capital Construction Program includes, but is not limited to: School construction of both new and renovated school facilities, park facilities, transportation improvements, libraries, trails/sidewalks, fire stations, government centers with police substations, stormwater management facilities, athletic field maintenance, the construction of housing units to provide affordable housing opportunities to citizens, commercial revitalization initiatives and the renovation/maintenance of County facilities. In addition, the Program includes contributions and obligations in support of the capital construction.

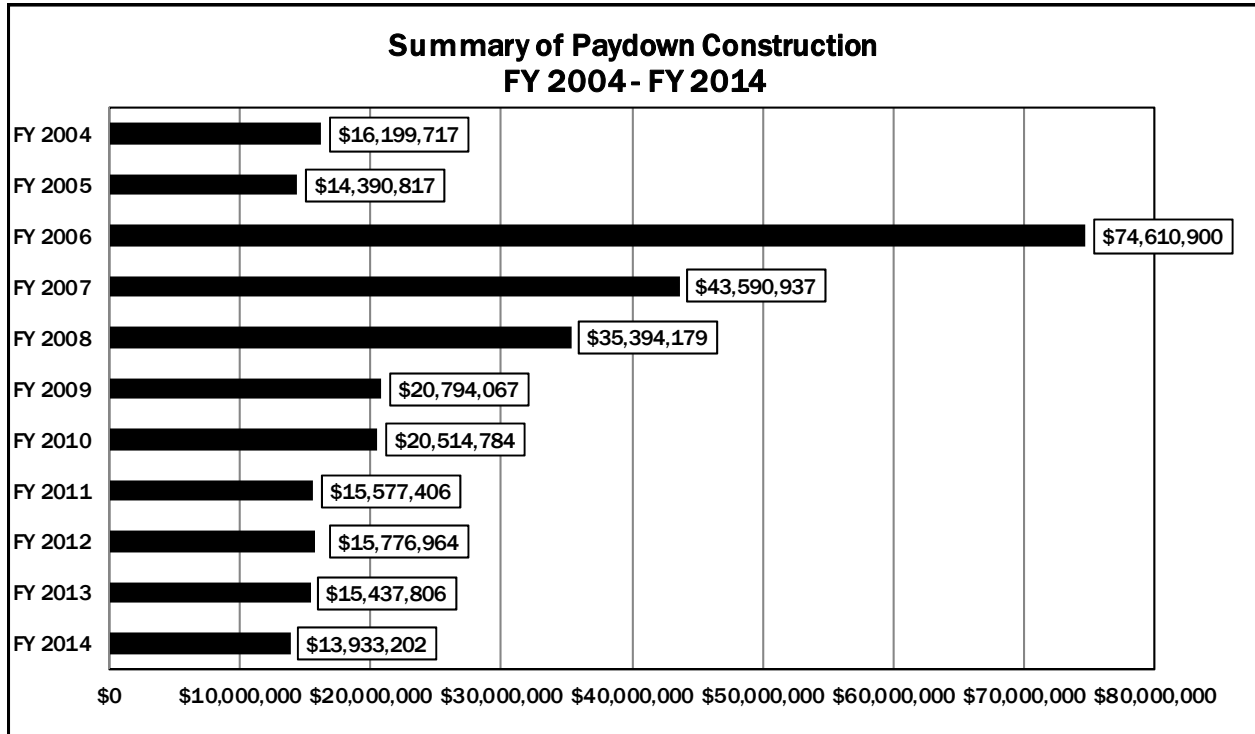
Funding in the amount of \$640,693,979 is included in FY 2014 for the County's Capital Construction Program. Of this amount, \$296,065,698 is included for debt service and \$344,628,281 is included for capital expenditures. The source of funding for capital expenditures includes: \$13,933,202 from the General Fund; \$184,541,000 in General Obligation Bonds; \$84,489,000 in sewer system revenues; \$18,298,400 in Real Estate revenues supporting the Affordable Housing Program; \$23,618,267 in Stormwater Services revenue; and \$19,748,412 in financing from various other sources. Other sources of financing include, but are not limited to, transfers from other funds, pro rata share deposits, user fees, developer contributions and/or payments.



Capital Projects Overview

Capital Paydown Program

In FY 2014, an amount of \$13,933,202 has been included for the Capital Paydown Program. This level of support reflects a decrease of \$1,504,604 from the FY 2013 Adopted Budget Plan level of \$15,437,806. General Fund support for the capital program is reviewed critically on a project by project basis and funding is provided for only the most essential maintenance projects and legally obligated commitments. In recent years the paydown construction program had been constrained based on budget limitations. The FY 2014 Advertised Budget Plan paydown program of \$13.9 million represents 0.01 percent of General Fund disbursements.



This graph depicts the level of paydown funding between FY 2004 and FY 2014. Paydown funding has remained at a fairly consistent annual level; however, the program grew substantially during FY 2006, FY 2007 and FY 2008. This dramatic increase was attributed to several major projects that were supplemented with General Fund dollars including the McConnell Public Safety and Transportation Operations Center (MPSTOC). In addition, the approximate value of a penny of assessed real estate values was transferred from the General Fund to both the Penny for Affordable Housing Fund and the Stormwater Management Fund. The Penny for Affordable Housing fund is now funded directly by revenue from the Real Estate tax and the Stormwater Fund is now funded by a special service district. This change allows the paydown program to more accurately reflect General Fund dollars dedicated to the County’s capital construction program. Specifics of the Paydown Program include:

ADA Compliance

FY 2014 funding in the amount of \$2,985,000 is included for the continuation of Americans with Disabilities Act (ADA) improvements. This level of funding is supported by \$1,085,000 from Fund 80300, Park Capital Improvement Fund and \$1,900,000 in General Fund monies. Funding is required as part of the Department of Justice (DOJ) audit and identified in the settlement agreement signed by the Board of Supervisors on January 28, 2011. In May and June 2007, the United States Department of Justice conducted an audit of County government facilities and programs to determine compliance with the

Capital Projects Overview

ADA. The audit of Fairfax County was part of a national audit program, and was not a result of any specific complaints in the County. The DOJ presented the County with the audit results in August 2009. The audit covered 78 buildings in the County and listed approximately 2,100 violations as well as approximately ten program areas which needed improvement in order to comply with the ADA. These violations ranged from updating emergency management procedures, web-based services, and general communication procedures, to improving access to buildings, parking garages, restrooms and elevators. Staff has categorized DOJ identified improvements by color: easy, inexpensive (green); more timely and costly (yellow); and difficult, time consuming, and/or expensive (red). Most projects categorized as green and yellow have been completed; however, the County and Parks are required as part of the agreement with the DOJ to perform assessments at all remaining facilities. These assessments are currently being conducted and will result in increased retrofitting requirements. Specific funding levels in FY 2014 include:

- ◆ Funding in the amount of \$1,085,000 is included for the continuation of Park Authority ADA improvements required as part of the Department of Justice audit. By FY 2013, the Park Authority will have completed improvements in the “green” and “yellow” categories identified to date. FY 2014 funding will provide for the mitigation of violations categorized as “red” within Park facilities. Additional funding for Park violations categorized as “red” will be required in future years. Funding is transferred from Fund 80300, Park Capital Improvement Fund to support Park facilities projects.
- ◆ Funding in the amount of \$1,900,000 is included for the continuation of ADA improvements at County owned facilities required as part of the Department of Justice audit. By FY 2013, FMD will have completed improvements in the “green” and “yellow” categories identified to date. FY 2014 funding will provide for the mitigation of violations categorized as “red” within County facilities and conduct a survey on 190 facilities. Based on these findings, additional funding for County violations categorized as “red” will be required in future years.

Athletic Field Maintenance and Sports Projects

FY 2014 funding in the amount of \$5,747,535 has been included for the athletic field maintenance and sports program. This level of funding is supported by a General Fund transfer of \$4,647,535 and revenue generated from the Athletic Services Fee in the amount of \$1,100,000. Of the Athletic Services Fee total, \$250,000 will be dedicated to maintenance of school athletic fields, \$350,000 will be dedicated to synthetic turf field development, \$150,000 will be dedicated to the turf field replacement program, \$275,000 will be dedicated to custodial support for indoor sports organizations and \$75,000 will partially fund the Youth Sports Scholarship Program.

Specific funding levels in FY 2014 include:

- ◆ Two projects support maintenance efforts at Fairfax County Public School (FCPS) fields, totaling \$1,722,535. An amount of \$722,535 supports general maintenance including mowing at over 450 athletic fields (approximately 176 school sites). This effort is supported entirely by the General Fund and is managed by the Park Authority. An additional amount of \$1,000,000 is also dedicated to maintenance of school athletic fields to supplement basic maintenance and directly applies revenue generated by the Athletic Services Fee to the athletic field maintenance program. This program provides twice weekly infield preparation on elementary, middle and high school game fields (110 fields); pre- or post-season infield renovations (200 fields); mowing and turf management on high school fields after June 1st (55 fields); and annual maintenance of irrigation systems (37 sites/67 fields).

Capital Projects Overview

All field maintenance is coordinated between the Park Authority and the Department of Neighborhood and Community Services. Of the total funding, an amount of \$250,000 is included for this program based on the FY 2014 projection of revenue generated from the Athletic Services Fee and \$1,472,535 is supported by the General Fund.

- ◆ An amount of \$200,000 is included to continue the replacement and upgrading of Fairfax County Public Schools (FCPS) athletic field lighting systems at middle and high schools used by many County organizations. Funding supports a replacement and repair schedule, as well as improvements to bring existing lighting systems up to new standards. The school system's Office of Design and Construction Services ensures lighting standards are maintained and FCPS annually prioritizes funding for field lighting. FY 2014 funding supports replacement and repair projects for existing lighting systems only. This project is supported entirely by the General Fund and coordinated by Department of Neighborhood and Community Services.
- ◆ An amount of \$50,000 is included for routine maintenance of girls' softball field amenities on select Fairfax County Public School sites. These amenities, such as dugouts, fencing and irrigation systems, were added or constructed by the County based on recommendations from the citizen-led Action Plan Review Team (APRT) in order to reduce disparities in the quality of fields assigned to boys' baseball and girls' softball organizations. Routine maintenance is necessary both to maintain equity and to ensure safety. For five years, funding of \$200,000 was provided to support Girls' Fast Pitch Field Maintenance improvements to various girls' softball fields throughout the County as requested by the Fairfax Athletic Inequities Reform (FAIR). FY 2014 funding will provide maintenance to the improvements and amenities previously made to girls' softball fields. This project is supported entirely by the General Fund and coordinated by Department of Neighborhood and Community Services.
- ◆ An amount of \$350,000 is included to support the development of synthetic turf fields. Fields are chosen through a review process based on the need in the community, projected community use and the field location and amenities. Synthetic turf fields improve the capacity, safety, playability, and availability of existing athletic fields. Artificial fields offer a cost effective way of increasing capacity on fields at existing parks and schools. This effort is coordinated between the Park Authority and the Department of Neighborhood and Community Services and funding is provided from revenue generated from the Athletic Services Fee. Funding of \$500,000 had been dedicated to this program annually; however, since FY 2012 athletic services fee revenue funding of \$150,000 has been redirected in order to establish a turf field replacement program.
- ◆ An amount of \$500,000 is included for the turf field replacement program. Funding of \$150,000 is supported by athletic services fee revenue and \$350,000 is supported by the General Fund. There are currently 35 operational turf fields managed by the Park Authority. The oldest field was built in September 2003 and is almost 10 years old. Generally the useful life of a turf fields is 8 to 10 years. Turf fields are superior to grass surfaces in terms of playability and safety. There are over 100,000 youth and adults that participate annually on rectangular fields that benefit from turf fields. If turf fields are not replaced when needed, they would need to be closed due to safety reasons. In FY 2012, the replacement program was initiated at the \$500,000 level; however, based on the age and number of turf fields, a contribution of approximately \$1.0 million annually would be required to fully fund the replacement program. The FY 2014 level will allow the County to continue to plan for the gradual replacement of turf fields as they reach the end of their useful life, without a significant disruption in service.

Capital Projects Overview

- ◆ An amount of \$2,500,000 is included for athletic field maintenance efforts, athletic field lighting and irrigation on 275 Park Authority athletic fields of which 113 are lighted and 119 are irrigated. The fields are used by 174,000 users and 200 user groups. This effort is supported entirely by the General Fund and is managed by the Park Authority.
- ◆ An amount of \$275,000 is included for custodial support for indoor gyms used by sports organizations. The use of FCPS indoor facilities on the weekend requires FCPS to schedule a school system employee to open and close the facility. Revenue generated from the Athletic Services Fee is used to provide payment for FCPS staff, eliminating the need for indoor sports organizations to pay the hourly rate previously charged. This project is entirely supported by revenue generated from the Athletic Services Fee and is managed by the Department of Neighborhood and Community Services.
- ◆ An amount of \$150,000 is included for the Youth Sports Scholarship Program. The Youth Sports Scholarship Program provides support to youth from low-income families who want to participate in community-based sports programs. Of the total funding, an amount of \$75,000 is included for this program based on the FY 2014 projection of revenue generated from the Athletic Services Fee, and \$75,000 is supported by the General Fund.

Park Maintenance Projects

FY 2014 funding in the amount of \$1,270,076 has been included for Park maintenance of both facilities and grounds. The Park facilities maintained with General Fund monies include but are not limited to: rental properties, historic properties, nature centers, maintenance facilities, sheds, shelters, and office buildings. Park priorities are based on the assessment of current repair needs including safety and health issues, facility protection, facility renewal and improved services. In addition, Park maintenance requirements are generated through scheduled preventative maintenance or from user requests for facility alterations. Without significant reinvestment in building and grounds, older facilities can fall into a state of ever decreasing condition and functionality, resulting in increased maintenance and repair costs in the future. Preventative and repair work is required for roof replacement and repair, HVAC, electrical and lighting systems, fire alarm systems and security systems. Funding is essential to the maintenance and repair of building stabilization, including capital renewal of over 538,086 square feet of buildings. Maintenance is also required on over 580 pieces of grounds equipment.

Specific funding levels in FY 2014 include:

- ◆ An amount of \$213,000 is included for general park maintenance at non-revenue supported Park facilities. These maintenance requirements include major non-recurring repairs and stabilization of properties, as well as repairs/replacements and improvements to roofs, electrical and lighting systems, sprinklers, HVAC systems, and the replacement of security and fire alarm systems. In FY 2014, funding is included to: repair and replace roofs at prioritized picnic shelters, nature centers and maintenance shops (\$138,000); and replace aged security systems at various sites throughout the County (\$75,000).
- ◆ An amount of \$587,076 is provided to fund annual requirements for Parks grounds maintenance at non-revenue supported parks. The Park Authority is responsible for the care of a total park acreage of approximately 24,000 acres of land, with 423 park site locations, maintenance and repair of tennis courts, basketball courts, trails, picnic areas and picnic shelters, playgrounds, bridges, parking lots and roadways, and stormwater ponds. This funding is also used for contract mowing of approximately 530 acres of land and arboreal services in response to citizens' requests, as well as

Capital Projects Overview

addressing multi-year deferred maintenance on the aging park infrastructure. FY 2014 funding represents a decrease of \$200,000 from the FY 2013 Adopted Budget Plan level of \$787,076. This reduction will eliminate annual tennis and basketball court renovations. An average of nine athletic courts (approximately 6 tennis courts and 3 basketball courts) are renovated each fiscal year at a cost of \$20,000 to \$25,000 each. The total budget for court renovations was \$400,000; however, this budget was reduced by 50 percent in FY 2013. This reduction in FY 2014 will eliminate the remaining funding for court renovations. As tennis courts and basketball courts become unsafe for citizen use, they will be taken out of service. The life expectancy of a tennis and basketball court is 10 years. The Park Authority maintains 260 tennis courts and 128 basketball courts. The public can expect to see court closings to start to occur within one to two years.

- ◆ An amount of \$470,000 is included to provide corrective and preventive maintenance for over 538,086 square feet at non-revenue supported Park Authority structures and buildings. These repairs include equipment repairs and the scheduled inspection and maintenance of HVAC, plumbing, electrical, security and fire alarm systems. This funding is critical in order to prevent the costly deterioration of facilities due to lack of maintenance.

On-Going Development Efforts

FY 2014 funding in the amount of \$1,602,383 has been included for costs related to on-going development efforts throughout the County, specifically:

- ◆ Funding of \$552,383 is included to address only the most critical aspects of property management at the Laurel Hill property. Laurel Hill was transferred to the County by the federal government and includes approximately 2,340 acres of land and 1.48 million square feet of building space. Of the amount funded in FY 2014, \$255,263 will fund the Facilities Management Department's security, maintenance services, grounds maintenance and support staff. Since FY 2012, savings associated with additional mowing services being performed by the Community Labor Force (CLF) have been realized. The Community Labor Force is a safe, low-risk offender labor force, under the supervision of the deputy sheriffs who complete routine maintenance such as grass mowing, landscaping, graffiti removal and litter control. Funding of \$500,000 in the project balance as a result of CLF work has been applied in order to reduce FY 2014 requirements. Requirements in FY 2015 and beyond may return to previous funding levels. The remaining \$297,120 will fund Park Authority critical maintenance activities and support staff.
- ◆ An amount of \$50,000 is included to support the maintenance and establishment of geodetic survey control points for the geographic information system (GIS). This project also supports the development and maintenance of an interactive, GIS-based website which will provide convenient and cost effective monumentation information to the County's land development customers.
- ◆ Funding of \$700,000 is included to support the Developer Default program. This project is necessitated by economic conditions surrounding the construction industry that result in some developers not completing required public facilities, including acceptance of roads by the state, walkways and storm drainage improvements. Land Development Services (LDS) will identify projects for resolution in FY 2014, as well as respond to requests to prepare composite cost estimates to complete existing developer default projects. The total FY 2014 funding is supported by \$300,000 in anticipated developer default revenue, and \$400,000 in General Fund monies.

Capital Projects Overview

- ◆ Funding in the amount of \$100,000 is included to meet emergency and critical maintenance requirements for County trails, sidewalks and pedestrian bridges. On-going critical maintenance includes the correction of safety and hazardous conditions such as the deterioration of trail surfaces, the replacement and/or repair of guardrails and handrails, and the rehabilitation of pedestrian bridges.
- ◆ Funding of \$100,000 is included to support the Road Viewers program. This maintenance effort includes upgrading roads for acceptance into the State Secondary Road System. Upgrades include survey, engineering, and construction projects within the Board of Reviewers Program. FY 2014 funding will allow for the completion of improvements to Dumas Street, located in the Mount Vernon District.
- ◆ An amount of \$100,000 is included for Emergency Road Repairs Program and the Road Maintenance Program, which were combined in FY 2010. Staff will prioritize funding for projects including emergency safety and road repairs to County-owned service drives and County-owned stub streets which are currently not accepted by the Virginia Department of Transportation (VDOT) into the state highway system for maintenance and other on-going road maintenance work. On-going road maintenance includes, but is not limited to, pothole repair, drive surface overlays, sidewalk and curb repairs, traffic and pedestrian signage, hazardous tree removal, grading, snow and ice control, replacement of substandard materials, patching of existing travelways, minor ditching and stabilization of shoulders, slopes and drainage facilities.

Obligations and Payments

FY 2014 funding in the amount of \$3,908,208 has been included for costs related to annual contributions and contractual obligations. Specific FY 2014 projects include:

- ◆ Funding of \$966,162 is included for the annual payment associated with the Salona property based on the Board of Supervisors' approval of the purchase of this conservation easement on September 26, 2005. The total cost of the property is \$18.2 million with payments scheduled through FY 2026.
- ◆ Funding of \$750,000 is included for the County's annual contribution to offset school operating and overhead costs associated with School-Age Child Care (SACC) Centers.
- ◆ Funding of \$2,192,046 is included for Fairfax County's contribution to the Northern Virginia Community College (NVCC). Funding provides for the continued construction and maintenance of various capital projects on college campuses within the NVCC system. The County contribution has been gradually increased to the FY 2014 level of \$2.00 per capita due to the unprecedented growth in the NVCC student enrollment and the corresponding capital program requirements. The NVCC currently serves approximately 78,000 students surpassing all previous expectations of growth and capital planning. It is estimated that the NVCC serves an average of 20 percent of each high school graduating class in addition to increased support for local workers seeking new skills in a tough job market. The NVCC capital plan has recently been adjusted to keep pace with this accelerated enrollment and it is anticipated that capital contributions from the partners will continue to be adjusted gradually to avoid a major commitment from supporting jurisdictions in any given year. It is projected that the per capita support from the NVCC partners could reach \$2.50 per capita in the next two years. The NVCC has indicated that every dollar contributed to the capital program leverages \$29 in state funds back to Northern Virginia. The \$2.00 rate is applied to the population figure provided by the Weldon Cooper Center.

Capital Projects Overview

Revitalization and Community Improvement Program Initiatives

FY 2014 funding in the amount of \$405,000 has been included for revitalization efforts. This funding is supported entirely by the General Fund.

- ◆ An amount of \$405,000 is included to continue non-routine maintenance in five major commercial revitalization areas (Annandale, Route 1, Springfield, McLean and Baileys Crossroads). This funding provides for: fixing benches, furniture and signs that are broken; fixing broken brick pavers; pruning trees and replacing dead trees; and maintaining appropriate site distances (trimming) on a priority basis. This funding partially supports the maintenance effort and does not fully fund the program. Funding for routine maintenance such as: mulching, fertilizing, broadleaf and weed control, edging, crack weed control, pest control, annual or perennial plantings, leaf removal in the fall, litter collection and removal of trash cans will be prioritized.

Environmental Initiatives

FY 2014 funding in the amount of \$500,000 has been included for environmental initiatives. In response to a recommendation included in the FY 2012 Environmental Quality Advisory Council (EQAC) Annual Report on the Environment, beginning in FY 2014, a new project selection process has been implemented. The Environmental Improvement Program Committee developed a more rigorous project selection process to support of the Board-adopted Environmental Agenda. The Environmental Excellence 20-year Vision Plan (Environmental Agenda) includes six topic areas: Growth and Land Use; Air Quality and Transportation; Water Quality; Solid Waste; Parks, Trails and Open Space; and Environmental Stewardship. With these topic areas in mind, the Committee developed specific project criteria, solicited requests from County agencies for project proposals, interviewed project teams and ranked each proposal. This new process was approved by EQAC and has resulted in funding for several high quality environmental projects in FY 2014. In addition, an amount of \$58,140 has been provided in Fund 10030 (formerly Fund 119), Contributory Fund to continue partnering with two non-profit agencies to support tree planting efforts throughout the County.

Specific funding levels include:

- ◆ An amount of \$110,000 is included for lighting retrofits and upgrades at Fairfax County Park Authority facilities for energy efficiency and conservation. Lighting will be upgraded to LED fixtures and controls will be installed to manage operating hours more efficiently. These energy saving retrofit replacements will reduce approximately 80 percent of energy usage, improve lighting, reduce the Greenhouse gas inventory and contribute to the dark skies initiative.
- ◆ An amount of \$100,000 is included to continue the Invasive Plant Removal Program. The Park Authority manages this volunteer program, as well as other invasive removal initiatives. These programs restore hundreds of acres of important natural areas, protect tree canopy, and reach thousands of volunteers. Currently 6,000 trained volunteer leaders have contributed 20,000 hours of service since the Program's inception in 2005, improving over 1,000 acres of parkland.

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- ◆ An amount of \$250,000 is included for Energy Education and Outreach initiatives. This program is intended to increase the awareness of Fairfax County residents, businesses and employees regarding their personal energy consumption and to encourage them to reduce consumption. Program objectives include educating citizens, businesses and employees about energy consumption, explaining the energy assessment (audit) process, and encouraging them to undertake energy-savings measures.
- ◆ An amount of \$10,000 is included for the Green Purchasing Program. This program is designed to support two interns to assist in clearly specifying environmental attributes during the County's procurement process. Fairfax County has a current inventory of over 2,400 contracts and emphasizing environmental attributes such as recycling, energy efficiency, durability and reduced toxicity during the procurement process can contribute to the purchase of green products, creating fiscal and environmental saving.
- ◆ An amount of \$6,500 is included to install a Weather Station for efficient water usage at Twin Lakes Golf Course. This system will help to measure air temperature, relative humidity, barometric pressure, rainfall, and other weather indicators in order to modify watering requirements. It is estimated that installing this weather station could save 20 million gallons of water per year.
- ◆ Finally an amount of \$23,500 is provided for other strategic environmental initiatives. This funding may also be used to offset any unanticipated project shortfalls in existing or proposed projects.

FY 2014 PAYDOWN PROJECTS

Project	FY 2014 Advertised
ADA Compliance	
GF-000001 ADA Compliance - FMD	\$1,900,000
Subtotal	\$1,900,000
Athletic Field Maintenance and Sports Projects	
2G51-001-000 Parks Maintenance at FCPS Athletic Fields	\$722,535
2G51-002-000 Athletic Field Maintenance (Park Fields)	2,500,000
2G51-003-000 Athletic Services Fee-Field Maintenance	750,000
2G51-004-000 Athletic Services Fee-Turf Field Replacement	350,000
2G79-220-000 APRT-Amenity Maintenance	50,000
2G79-221-000 Athletic Fields-Sports Scholarships	75,000
PR-000082 Athletic Field Lighting Requirements	200,000
Subtotal	\$4,647,535
Park Maintenance Projects	
2G51-005-000 Park Authority - General Maintenance	\$213,000
2G51-006-000 Park Authority - Grounds Maintenance	587,076
2G51-007-000 Park Authority - Facility Maintenance	470,000
Subtotal	\$1,270,076

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FY 2014 PAYDOWN PROJECTS

Project	FY 2014 Advertised
On-Going Development Efforts	
2G08-001-000 Laurel Hill Development-FMD	\$255,263
2G25-019-000 Survey Control Network Moumentation	50,000
2G25-020-000 Developer Defaults	400,000
2G25-021-000 Emergency Road Repair	100,000
2G25-022-000 Road Viewers Program	100,000
2G25-057-000 Emergency Maintenance of Existing Trails	100,000
2G51-008-000 Laurel Hill Development-Parks	297,120
Subtotal	\$1,302,383
Obligations and Payments	
2G06-001-000 Salona Property	\$966,162
2G25-012-000 School-Age Child Care (SACC)	750,000
2G25-013-000 Northern Virginia Community College	2,192,046
Subtotal	\$3,908,208
Revitalization Initiatives	
2G25-014-000 Maintenance-CRP	\$405,000
Subtotal	\$405,000
Environmental Initiatives	
2G02-001-000 Environmental Initiatives	\$400,000
2G51-032-000 EAI-Invasive Plant Removal	100,000
Subtotal	\$500,000
TOTAL PAYDOWN PROGRAM	\$13,933,202

County Capital Renewal

Capital renewal supports the long-term needs of the County's capital assets to maximize the life of County facilities, avoid their obsolescence, and provide for planned repairs, improvements and restorations to make them suitable for organizational needs. In FY 2014 the County will have a projected facility inventory of approximately 8.7 million square feet of space which requires the planned replacement of building subsystems such as roofs, electrical systems, HVAC, plumbing systems, carpet replacement, parking lot resurfacing, fire alarm replacement, emergency generator replacement and window replacement that have reached the end of their useful life. Without significant reinvestment in building subsystems, older facilities can fall into a state of ever-decreasing condition and functionality, and the maintenance and repair costs necessary to operate the facilities increase.

Each year, the Facilities Management Department (FMD) prioritizes and classifies capital renewal projects into five categories. Projects are classified as Category F: urgent/safety related, or endangering life and/or property; Category D: critical systems beyond their useful life or in danger of possible failure; Category C: life-cycle repairs/replacements where repairs are no longer cost effective; Category B: repairs needed for improvements if funding is available, and Category A: good condition.

In September 2009, a staff analysis indicated that a backlog of category D and F critical capital renewal projects existed. In order to address this backlog, as part of the FY 2011 Adopted Budget Plan, the Board of Supervisors approved a 3-year plan of short-term borrowing totaling \$35 million. The three-year plan was designed to eliminate the backlog and enable staff to determine the required level of annual funding for the program in the future. The proposed short-term borrowing program for capital renewal was

Capital Projects Overview

included in the debt capacity estimates in the Capital Improvement Program (CIP) and accommodated within established debt limits for General Fund supported debt.

FMD continues to work on the \$35 million backlog identified in 2009. Many of these backlogged capital renewal projects required multiple years to complete both design and construction and many are still underway. In addition, current staffing levels, the complexity of some of the projects, and staff requirements in other areas has delayed the completion of renewal projects.

Project Management staff has been involved in several time intensive programs which have reduced their capacity to work on capital renewal projects. FMD staff has been heavily involved in the retrofitting of County facilities to meet Americans with Disabilities Act (ADA) requirements. These improvements, required as part of the Department of Justice (DOJ) audit and identified in the settlement agreement signed by the Board of Supervisors on January 28, 2011, are in various stages of completion. In May and June 2007, the United States Department of Justice conducted an audit of County government facilities and programs to determine compliance with the ADA. The audit covered 78 buildings in the County and listed approximately 2,100 violations as well as approximately ten program areas which needed improvements. The agreement also requires that the County perform assessments at all remaining facilities. These assessments are currently being conducted and will result in increased retrofitting requirements.

In addition FMD staff has also been working on Energy Efficiency and Conservation Block Grant (EECBG) projects. On December 7, 2009, the Board of Supervisors approved the award of a U.S. Department of Energy (DOE), Energy Efficiency and Conservation Block Grant in the amount of \$9,642,800. This grant funding was awarded to Fairfax County as a result of the American Recovery and Reinvestment Act of 2009 (ARRA). Some of the projects included: heating, ventilation and air conditioning systems, energy management control systems and lighting and lighting control systems. These projects are now complete.

Based on this additional workload, capital renewal project completion has fallen behind. In FY 2014, staff will focus on completing the backlogged capital renewal projects and monitor expenditures to determine when short-term borrowing will be required. No new funding is included for Capital Renewal in FY 2014 but will be required in FY 2015.

Capital General Obligation Bond Program

The Board of Supervisors annually reviews cash requirements for capital projects financed by General Obligation bonds to determine the ongoing schedule for construction of currently funded projects as well as those capital projects in the early planning stages. The bond capital program is reviewed annually by the Board of Supervisors in association with the Capital Improvement Program (CIP), and revisions are made to cashflow estimates and appropriation levels as needed. The CIP is designed to balance the need for public facilities as expressed by the countywide land use plan with the fiscal capability of the County to meet those needs. The CIP serves as a general planning guide for the construction of general purpose, school, and public facilities in the County. The County's ability to support the CIP is entirely dependent upon and linked to the operating budget. The size of the bond program in particular is linked to the approved General Fund disbursement level.

The Virginia Constitution requires that long-term debt pledged by the full faith and credit of the County can only be approved by voter referendum. There is no statutory limit on the amount of debt the voters can approve. It is the County's own policy to manage debt within the guidelines identified in the *Ten Principles of Sound Financial Management*. The *Ten Principles* specifically indicate that debt service

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expenditures as a percentage of General Fund disbursements should remain under 10 percent and that the percentage of debt to estimated market value of assessed property should remain under 3 percent. The County continues to maintain these debt ratios with debt service requirements as a percentage of General Fund disbursements at 8.43 percent, and net debt as a percentage of market value at 1.32 percent as of June 30, 2012.

Continual monitoring and adjustments to the County's CIP have been necessary, as economic conditions have changed. The [FY 2014 - 2018 Capital Improvement Program \(With Future Years to 2023\)](#) is being released concurrently with the FY 2014 budget. It should be noted that the operating budget is directly affected by the approval of the capital budget and its capital project components. The operating budget must support the debt service costs of all bond issues related to the capital budget, as well as the operating and maintenance costs for each facility and improvement.

In FY 2014, an amount of \$184,541,000 is included in General Obligation Bond funding. Specific funding levels in FY 2014 include:

- ◆ Funding in the amount of \$155,000,000 is included for various school construction projects financed by General Obligation Bonds. For details, see the [Fairfax County Public School's FY 2014 Proposed Budget](#).
- ◆ Funding in the amount of \$26,541,000 is included to support the 106-mile Metrorail system as well as to maintain and/or acquire facilities, equipment, railcars and buses.
- ◆ Funding of \$3,000,000 is included for the County annual contribution to the Northern Virginia Regional Park Authority (NVRPA) Capital program. The NVRPA Park system includes 25 parks and over 11,000 acres of land, over 100 miles of trails, numerous historic sites, five waterparks, two family campgrounds, three golf courses, a nature center, botanical gardens, rental cabins and cottages, five marinas, and nearly 30 miles of protected shoreline along major rivers and reservoirs. In Fairfax County, NVRPA owns nearly 8,000 acres – most of which protect environmentally sensitive watersheds along the Potomac, Bull Run and Occoquan Rivers. The NVRPA's capital improvement and land acquisition costs are shared by its six member jurisdictions: the counties of Fairfax, Loudoun and Arlington, and the cities of Fairfax, Alexandria and Falls Church. The primary focus of NVRPA's capital program is to continue the restoration, renovation and modernization of existing park facilities, many of which were developed or constructed more than 20 years ago. Other elements of the capital program include land acquisition, the development of interpretive and educational displays and the addition of park features to meet the needs of the public. On November 6, 2012, the voters approved \$12.0 million to sustain the County's capital contribution to the NVRPA for four years.

Stormwater Management Program

The Stormwater Management Program is essential to protect public safety, preserve property values and support environmental mandates, such as those aimed at protecting the Chesapeake Bay and the water quality of other local jurisdictional waterways. Projects include: repairs to stormwater infrastructure, measures to improve water quality, such as stream stabilization, rehabilitation and safety upgrades of state regulated dams, repair and replacement of underground pipe systems, surface channels, structural flood proofing and Best Management Practices (BMP, site retrofits and improvements. This funding also supports implementation of watershed master plans, increased public outreach efforts, and stormwater monitoring activities as well as operational maintenance programs related to the existing storm drainage infrastructure as it pertains to stormwater conveyance and stormwater quality improvements.

Capital Projects Overview

As part of the FY 2010 Adopted Budget Plan, a special service district was created to support the Stormwater Management Program and provide a dedicated funding source for both operating and capital project requirements, as authorized by Va. Code Ann. Sections 15.2-2400. A stormwater service rate of \$0.15 per \$100 of assessed real estate value had been in place since FY 2011. In FY 2013, the stormwater service rate increased \$0.005 for a total of \$0.020 per \$100 of assessed real estate value. In FY 2014, the stormwater service rate will remain at \$0.020 per \$100 of assessed real estate value. The FY 2014 levy of \$0.020 will generate \$41.2 million, supporting \$17.6 million for staff and operational costs, and \$23.6 million for capital project implementation and infrastructure reinvestment, regulatory requirements, dam safety, and contributory funding requirements.

In FY 2014, an amount of \$23,618,267 is included for Stormwater Services capital projects. Specific funding levels in FY 2014 include:

- ◆ Funding in the amount \$5,000,000 is included for the Stormwater Regulatory Program. The County is required by Federal Law to operate under the conditions of a state issued Municipal Separate Storm Sewer System (MS4) Permit. The MS4 Permit allows the County to discharge stormwater from its stormwater systems into state and federal waters. The County currently owns and/or operates approximately 7,000 piped outfalls within the stormwater system that are governed by the permit. The current permit was issued in 2002 and expired in 2007, and the County has been operating under a state issued administrative extension, while the state and the EPA agree to new permit requirements. A draft permit has been prepared for the County which indicates that significant enhancements to all facets of the program will be required. In addition to the requirements outlined in the draft permit conditions, a recent EPA audit of the County's program identified the need for the County to initiate a high risk and industrial site inspection program for private properties throughout the County. This is anticipated to require a robust inspection and enforcement program to monitor stormwater discharges from all industrial facilities in the County. The permit further requires the County to better document the stormwater management facility inventory, enhance public out-reach and education efforts, increase water quality monitoring efforts, provide stormwater management and stormwater control training to all County employees, and thoroughly document all of these enhanced efforts. County staff is currently developing the procedures to implement these additional requirements.
- ◆ Funding in the amount of \$4,029,549 is included for Dam Safety and Facility Rehabilitation. The County currently has over 6,000 Stormwater management facilities in service, and by permit is responsible for inspecting and maintaining both County owned and privately owned facilities. This inventory increased by over 175 facilities between FY 2010 and FY 2011, and is projected to continually increase as new developments and redevelopment sites are required to install stormwater management controls. In addition, the County is required to provide a facility retrofit program to improve stormwater management controls on all existing stormwater management facilities that were developed and constructed prior to current standards being in place. This program maintains the control structures, including the dams that control and treat the water flowing to County owned facilities. This program also includes the removal of sediments that occur in both wet and dry stormwater management facilities to ensure that adequate capacity is maintained to treat the stormwater. This program results in approximately 25 retrofit projects annually that require redesign and construction management activities, as well as contract management and maintenance responsibilities.
- ◆ Funding in the amount of \$4,500,000 is included for Conveyance System Rehabilitation. The County owns and operates approximately 1,600 miles of underground stormwater pipe and paved channels

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with estimated replacement value of over one billion dollars. The County began performing internal inspections of the pipes in FY 2006. Of the initial pipes inspected, over 5 percent were in complete failure with an additional 15 percent of them required immediate repair. Increased MS4 permit regulations apply to these 1,600 miles of existing conveyance systems and 43,000 stormwater structures. The permit requirements do not address the current backlog of operational maintenance and rehabilitation needs of the entire stormwater conveyance system infrastructure, but they are additive and significantly increase inspection, reporting and management actions related to the infrastructure system. Acceptable industry standards indicate that one dollar re-invested in infrastructure saves seven dollars in the asset's life and \$70 dollars if asset failure occurs. The goal of this program is to inspect pipes on a 10-year cycle and rehabilitate pipes and paved channels before total failure occurs.

- ◆ Funding in the amount of \$8,616,095 is included for Stream and Water Quality Improvements. This program funds water quality projects necessary to mitigate the impacts to local streams and the Chesapeake Bay resulting from urban stormwater runoff. This includes water quality projects such as, the construction of stormwater management ponds, implementing low impact development techniques on stormwater facilities, stream restorations and approximately 1,700 water quality projects identified in the completed countywide Watershed Plans. In addition to the new permit requirements, the EPA, who is the federal regulator that oversees the Federal Clean-Water Act, completed an audit of the County's current Stormwater program in June 2011. The full impact of the audit findings has not been finalized. In addition, the Chesapeake Bay Total Maximum Daily Load (TMDL) requirements are the regulatory process by which pollutants entering impaired water bodies are reduced. The Chesapeake Bay TMDL was established by the EPA and requires that MS4 communities, as well as other dischargers, significantly reduce the nitrogen, phosphorous and sediment loads entering waters draining to the Bay by 2025. Compliance with the Bay TMDL will require the County to undertake construction of new stormwater facilities, retrofit existing facilities and properties, and increase maintenance. Preliminary estimates indicate that the projects needed to bring the County's stormwater system into compliance with the Bay TMDL could cost between \$70 to \$90 million, per year. The Bay TMDL facility retrofit requirement is additive to the current design and construction efforts associated with 1,700 Watershed Plan projects and ongoing stream and flood mitigation projects.
- ◆ Funding in the amount of \$900,000 is included for the Emergency and Flood Control Program. This program supports flood control projects for unanticipated flooding events that impact storm systems and flood residential properties. The program will provide annual funding for scoping, design, and minor construction activities related to flood mitigation projects.
- ◆ Lastly, FY 2014 funding of \$572,623 is included for County contributions. Contributory funds in the amount of \$460,064 are provided to the Northern Virginia Soil and Water Conservation District (NVSWCD). The NVSWCD is an independent subdivision of the Commonwealth of Virginia that provides leadership in the conservation and protection of Fairfax County's soil and water resources. It is governed by a five-member Board of Directors, three of whom are elected every four years by the voters of Fairfax County and two who are appointed by the Virginia Soil and Water Conservation Board. Accordingly, the work of NVSWCD supports many of the environmental efforts set forth in the Board of Supervisors' Environmental Excellence 20-year Vision Plan. The goal of the NVSWCD is to continue to improve the quality of the environment and general welfare of the citizens of Fairfax County by providing them with a means of dealing with soil, water conservation and related natural resource problems. It provides County agencies with comprehensive environmental evaluations for proposed land use changes with particular attention to the properties of soils, erosion potential,

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drainage and the impact on the surrounding environment. NVSWCD has consistently been able to create partnerships and leverage state, federal and private resources to benefit natural resources protection in Fairfax County. In addition, an amount of \$112,559 is provided for the Occoquan Watershed Monitoring Program (OWMP) to ensure that water quality is monitored and protected in the Occoquan Watershed. Given the many diverse uses of the land and water resources in the Occoquan Watershed (agriculture, urban residential development, commercial, and industrial activity, water supply, and wastewater disposal), the OWMP provides a critical role as the unbiased interpreter of basin water quality information.

The Penny for Affordable Housing Fund

Fund 30300, The Penny for Affordable Housing Fund, formerly known as the Housing Flexibility Fund, was established in FY 2006 and is designed to serve as a readily available local funding source with the flexibility to address emerging local affordable housing needs. For fiscal years 2006 through 2009, the Board of Supervisors dedicated revenue commensurate with the value of one cent from the Real Estate tax rate to the Preservation of Affordable Housing, a major County priority. In FY 2010, the Board of Supervisors reduced The Penny for Affordable Housing Fund by 50 percent to reallocate funding for critical human services and public safety program restorations in order to balance the FY 2010 budget. From FY 2006 through FY 2013, the fund has provided a total of \$136.1 million for affordable housing in Fairfax County; a total of \$18.3 million is provided in FY 2014.

Over the past years, a total of 2,470 affordable units have been preserved for both homeownership and rental purposes in a variety of large and small projects. Of that number, 252 units are preserved as affordable housing for periods of five years or less, and 2,218 units are preserved for 20 years or longer. A variety of funding sources were used to preserve these units; however, Fund 30300 funds were critical for the preservation efforts associated with five large multifamily complexes that were purchased by private nonprofits and which represent a significant portion of the units preserved: 216 units in Madison Ridge in Centreville (Sully District), 148 units in Hollybrooke II and III in the Seven Corners area of Falls Church (Mason District), 90 units in Sunset Park Apartments in Falls Church (Mason District), 319 units in Janna Lee Villages in the Hybla Valley area (Lee District) and 105 units in Coralain Gardens located on Arlington Boulevard (Route 50) in Falls Church (Mason District). Fund 30300 was also instrumental in preserving two large complexes: 180 units at the Crescent apartment complex in Reston (Hunter Mill District) and 672 units at the Wedgewood Apartments complex in Annandale (Braddock District). These projects were purchased by the County and are being managed by the Fairfax County Redevelopment and Housing Authority as part of the low- and moderate-income rental program. Without the availability of Fund 30300, both of these apartment complexes may have been lost as affordable housing.

In FY 2014, Fund 30300 funding of \$18,298,400 is comprised of \$10,330,000 in Real Estate Tax Revenue, \$5,218,400 in operating revenue from the Wedgewood and Crescent Apartments, and \$2,750,000 in Affordable Housing Partnership Program loan repayments which includes a one-time Olley Glen repayment of approximately \$2,500,000 million. FY 2014 funding is allocated as follows: \$5,750,963 for Wedgewood for the annual debt service, \$4,318,400 to fund the Bridging Affordability Program portion of the Housing Blueprint, \$3,349,000 for Crescent Apartments for the annual debt service, \$1,300,000 for Community Challenge, \$3,325,037 for Blueprint, and \$255,000 for the Affordable/Workforce Housing.

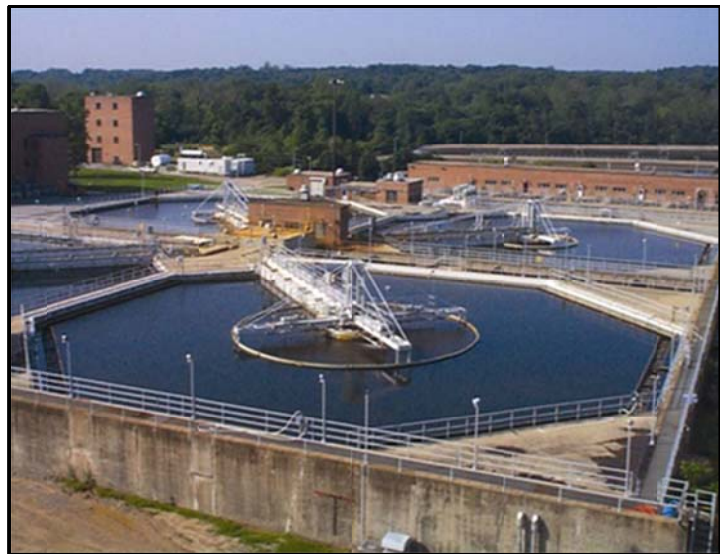
It should be noted that the Crescent Apartments FY 2014 debt service budgeted amount of \$3,349,000 is a placeholder amount pending refinancing decisions. On March 1, 2013, there will be a balloon payment due in the amount of \$26,725,000. At such time, the debt would be repaid from the proceeds generated as

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a result of the redevelopment of the property by a private builder/developer or repaid through refinancing. Adjustments to this project will be made as part of the FY 2014 Adopted Budget Plan.

Wastewater Management System

The Fairfax County Wastewater Management Program is operated, maintained, and managed within the Department of Public Works and Environmental Services (DPWES), and includes nearly 3,390 miles of sewer lines, 65 pumping stations, and 59 flow metering stations, covering approximately 234 square miles of the County's 407-square-mile land and water area. Treatment of wastewater generated is provided primarily through five regional wastewater collection and treatment plants. One of the five regional plants is the County's owned and operated Noman M. Cole, Jr. Pollution Control Plant (NCPCP), which is currently permitted to treat 67 million gallons per day (MGD) of flow. By agreement, other regional facilities include the Alexandria Renew Enterprises (AREnew) Treatment Plant, the Upper Occoquan Service Authority Plant, the District of Columbia Blue Plains Plant, Loudoun Water and the Arlington County Plant. Fairfax County utilizes all of these facilities to accommodate a total treatment capacity of 157 MGD.



The Chesapeake Bay water quality program requires reductions in the amount of nutrient pollutants. In December 2004, the state notified the County that the renewal of County's National Pollutant Discharge Elimination System (NPDES) permit would include a requirement that nutrient removal be performed using "State of the Art" technology and meet a waste load allocation (cap) for the nutrients nitrogen

and phosphorous. A phased approach has been under way to renovate and upgrade current plant facilities to accommodate these more stringent nutrient discharge requirements. FY 2014 will be the first full year of operation of the new Moving Bed Biological Reactors (MBBR) facility for nutrient removal. The Moving Bed Biological Reactors (MBBR) supports the wastewater treatment process that removes nutrients from the wastewater and is the final treatment process that ensures compliance with the plant nutrient discharge limits. Total funding of \$84,489,000 is included in FY 2014. Specific funding levels in FY 2014 include:

- ◆ Funding in the amount of \$26,690,000 is included for facility improvements to the DC Water's Blue Plains Treatment Plant to comply with nutrient discharge limits. Projects supporting the Enhanced Nitrogen Removal Program include, providing an additional 40 million gallons of new anoxic reactor capacity for nitrogen removal, a new post aeration facility, pump station, and other new facilities to store and feed methanol and alternative sources of carbon. Construction continues on this project and is scheduled to be completed in 2016. In addition, funding will also provide for the Clean Rivers Project to prevent combined storm and sanitary overflows during major storm events by storing the overflow in tunnels until the plant has capacity to fully treat the water. This project is currently under construction and is scheduled to be completed by summer 2016. The County is responsible for 31 of the 370 mgd or 8.38 percent of capacity at the Blue Plains Treatment Plant.

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- ◆ Funding in the amount of \$25,225,000 will fund the County's share of the upgrades to the Alexandria Renew Enterprises Treatment Plant. Fairfax County is one of many jurisdictions which participate in the Joint Capital Improvement Program. Funding supports the design and construction of a State of the Art Nitrogen Upgrade Program for nitrogen removal. The State of the Art Nitrogen Upgrade Program will be completed in 6 phases to allow the spread of design and construction costs over an eight-year period. The long range plan was completed in 2008, and 2 of the 6 phases were complete in 2011; the remaining phases will be completed by 2016. FY 2014 funding in the amount of \$25,225,000 is included for engineering design, construction management, landscape architecture and engineering services during construction to comply with the nutrient discharge limits. The County is responsible for 32.4 of the 54 mgd or 60 percent of capacity at the Alexandria Renew Enterprises' Treatment Plant.
- ◆ Funding in the amount of \$3,000,000 is provided for the annual appropriation requirement for the County's Extension and Improvement (E&I) Program as approved by the Board of Supervisors on April 12, 2011. This policy adjusts the Connection Charges such that the future cost of the E&I Program is shared equally between the County's Sewer Fund and the property owners seeking public sewer service.
- ◆ Funding in the amount of \$11,210,000 is provided for the systematic rehabilitation of the County's more than 3,390 miles of sanitary sewer lines. Rehabilitation includes techniques/products such as slip-lining, instituforn, and fold and form performed by outside contractors. Funding provides for the recurring repair, replacement and renovation of 20 miles of sewer lines using predominantly "no dig" technologies. Funding is also included to continue the systematic rehabilitation of the County's force mains. Currently Dead Run Force Main and Difficult Run Force Main are in the design phase for rehabilitation. There are nine other force mains scheduled for rehabilitation in FY 2014, including: Barcroft I, Barcroft II, Langley School, Mt. Vernon Terrance, Wellington I, Ravenwood, Springfield, Wayne Wood I, and Wayne Wood II.
- ◆ Funding in the amount of \$8,730,000 is included for the replacement of equipment and facilities at the Noman M. Cole, Jr. Pollution Control Plant to maintain efficient operations and meet permit requirements. The projects are generally completed by out-house contractors and focus on more complex facility and equipment rehabilitation.
- ◆ Funding in the amount of \$7,712,000 is included for the regularly scheduled repair, renovation, and replacement of pumping station equipment and facilities throughout the County.
- ◆ Funding in the amount of \$1,050,000 is included for improvements at the Robert P. McMath Facility. The McMath Facility houses staff who support pump station operation and maintenance; collection system maintenance, inspections and metering; the Miss Utility Program, the Trouble Response Center and administrative staff to support field operations for the Wastewater Collection Division. This funding will support interior repairs such as interior lighting upgrades for energy conservation.
- ◆ Funding in the amount of \$586,000 is included for plant upgrades at the Arlington Wastewater Treatment Plant. This funding will support annual repair and rehabilitation work for various facilities as scheduled in Arlington County's Capital Improvement Program. The County is responsible for 3.0 of the 40 mgd or 7.5 percent of capacity at the Arlington Wastewater Treatment Plant.

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- ◆ Funding in the amount of \$286,000 is provided for the planned replacement of sewer meters used for measuring wastewater flow to and from other jurisdictions for billing and monitoring purposes as well as portable meters used in infiltration and inflow studies to measure wet weather flows.

Other Financing

The remaining funding of \$17,263,412 supports various other projects financed by other sources of revenue. Specific funding levels in FY 2014 include:

Solid Waste:

- ◆ Funding of \$125,000 is included for an on-going project to repair and renovate the Newington Solid Waste equipment facility. This phase involves the replacement of worn and leaking metal siding and gutters on the main building, four obsolete garage doors and flooring in this 20 year old facility, all of which are in an advance state of deterioration.
- ◆ Funding in the amount of \$3,000,000 is included for I-95 Refusal Disposal capital projects. Of this amount, \$1,500,000 is included to continue to upgrade the leachate collection, conveyance and monitoring system, and \$1,500,000 is for closure activities at the site. As areas of the ashfill are filled and closed, capping must be completed. In addition, some of the areas that were closed nearly 15 years ago have experienced settlement problems and the capping systems in these areas must be replaced.

Housing:

- ◆ Funding of \$293,420 is included for the undesignated project for reallocation to specific projects when identified and approved by both the Fairfax County Redevelopment and Housing Authority (FCRHA) and Board of Supervisors during FY 2014.
- ◆ Funding in the amount of \$200,000 is included as a planning factor FCRHA for project feasibility studies by non-profits and for-profits as approved by the Board of Supervisors.

Other:

- ◆ Funding in the amount of \$12,844,992 is included for various school construction projects financed from a state construction grant, Parent Teachers Association/Parent Teacher Organization receipts, and transfers from Fund S31000, Public School Construction Fund. For more details, see the [Fairfax County Public School's FY 2014 Advertised Budget](#).
- ◆ Funding in the amount of \$500,000 is included to support the Developer Streetlight Program. The County coordinates with Virginia Power for the installation of the streetlights throughout the County. Developers then make direct payments to the County. Upon completion of the installation, the streetlights are incorporated into the Fairfax County Streetlight Program inventory. This program is offset entirely by payments from developers.
- ◆ Funding in the amount of \$250,000 is included for capital improvements at the McLean Community Center Improvements which includes \$100,000 for the replacement of the MCC carpeting, \$120,000 for the replacement of the Old Firehouse Teen Center roof, and \$30,000 for restroom improvements to be compliant with Americans with Disabilities Act requirements.

Capital Projects Overview

- ◆ Funding in the amount of \$50,000 is included for capital improvements at the Reston Community Center Improvements which include the removal of a dormant in-ground fuel tank, soil remediation and replacement of the existing emergency generator to ensure that environmental integrity is maintained for the area surrounding the RCC facility.

Capital Construction and Operating Expenditure Interaction

To maintain a balanced budget, annual revenues are projected and operating and capital construction expenditures are identified to determine the County's overall requirements and funding availability. Funding levels for capital construction projects are based on the merits of a particular project together with the available funding from all financing sources, with primary reliance on General Obligation bonds. The Board of Supervisors annually reviews cash requirements for capital project financing.

The County's capital program has a direct impact on the operating budget, particularly in association with the establishment and opening of new facilities. The Board of Supervisors continues to be cognizant of the effect of the completion of capital projects on the County's operating budget. The cost of operating new or expanded facilities or infrastructure is included in the fiscal year the facility becomes operational. However, in some cases, like the construction of the expanded and renovated Courthouse, the operating impact may be absorbed gradually over several years. For example, costs associated with loose and systems furniture, moving expenses, providing for additional security and staffing, renovating existing courtrooms, implementing new courtroom technology, and setting up an Operations and Maintenance satellite shop with staff dedicated to the courthouse facility are all costs that can be phased in over time, thus spreading the operating impact over a number of years, rather than concentrating costs in the fiscal year the facility opens.

Capital projects can affect future operating budgets either positively or negatively due to an increase or decrease in maintenance costs, or by providing capacity for new programs or services. Such impacts vary widely from project to project and, as such, are evaluated individually. Operating costs resulting from the completion of a capital project differ greatly depending on the type of capital project and construction delays. A new facility for example, will often require additional staff, an increase in utility costs, and increases in custodial, security and maintenance contracts. Conversely, a capital project that renovates an existing facility may reduce operating expenditures due to a decrease in necessary maintenance costs. For example, funding HVAC and electrical system repair or replacement projects has the potential to reduce operating expenditures by reducing costly maintenance and staff time spent addressing critical system repairs. The same is true for projects such as fire alarms, emergency generators, and carpet replacement, as well as roof repairs. Investing in aging and deteriorating building systems and components can alleviate the need for future expenditures, often resulting in significant cost avoidance. Additionally, if a system failure should occur, there is the potential that a County facility must shut down, suspending services to citizens and disrupting County business. The County's emphasis on capital renewal and preventative maintenance works to ensure these kinds of interruptions are avoided.

The opening of new County facilities results in the widest range of operating costs. For example, equipment and furniture, a book buy, additional staff, and an increase in utility costs may all be necessary to prepare for the opening of a new library or extensive library expansion/renovation. These costs are estimated as the project is developed and included in the appropriate agency budget in the year the facility becomes operational. In the FY 2014 timeframe, a limited number of new facilities will be completed which will require additional operating funds. The following list represents major new facilities which are scheduled to open during FY 2014 and beyond.

Capital Projects Overview

New, Renovated, or Expanded County Facilities in FY 2014

Facility	Fiscal Year Completion	Additional Positions	Estimated Net Operating Costs
FY 2014 New, Renovated, or Expanded Facilities			
Facilities Management Operating Costs	FY 2014	0/0.0 FTE	\$119,195
Total FY 2014 Costs		0/0.0 FTE	\$119,195

The following facilities are scheduled to open in upcoming years and may require additional staffing and operating costs. Requests for funding will be reviewed as part of the development of the annual budget in the year the facility opens.

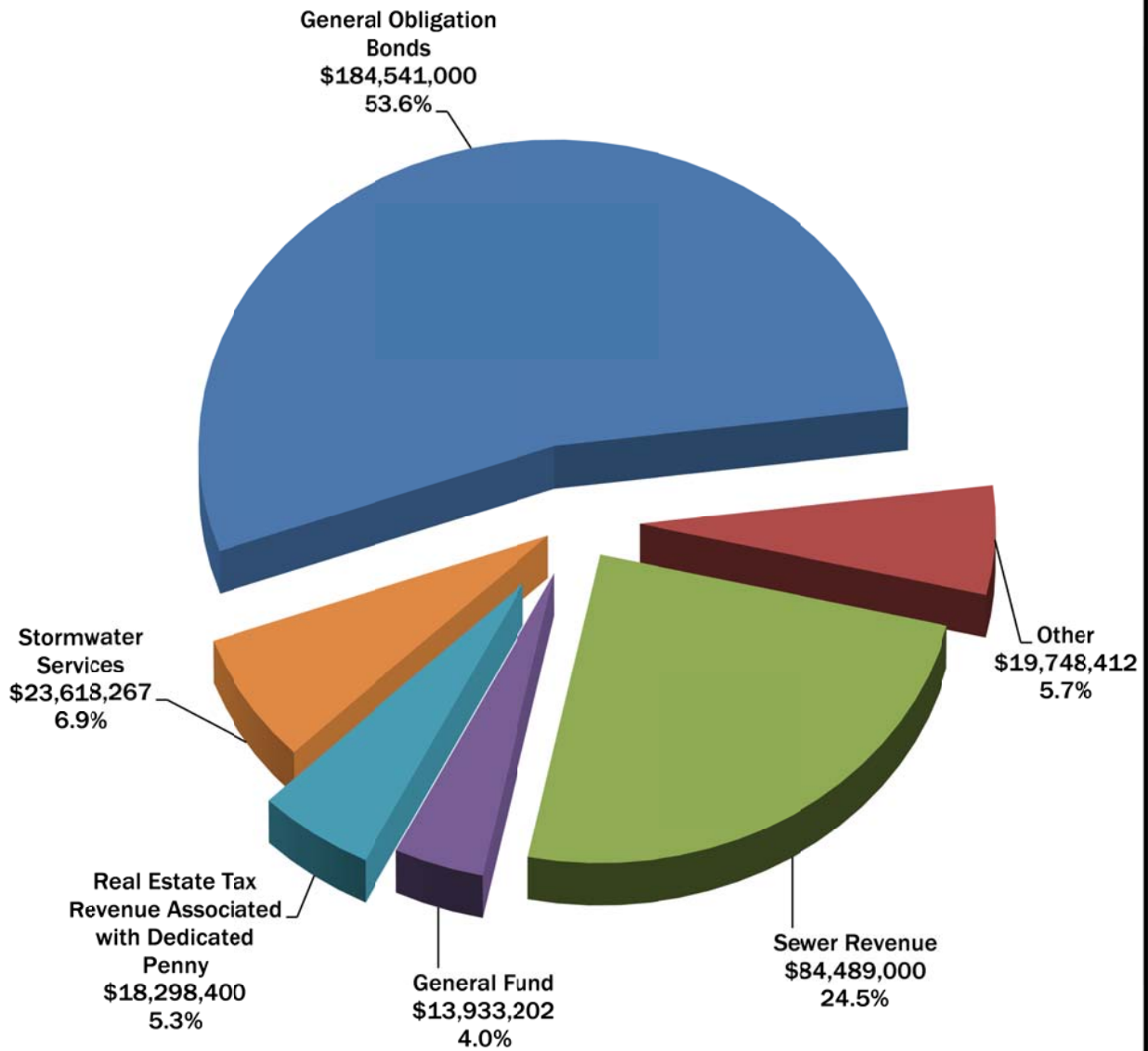
Facility	Fiscal Year Completion
Newington DVS Renovation/Expansion	FY 2013/FY 2014
Huntington Bus Maintenance Facility Ren./Expansion	FY 2014
Wiehle Ave Parking Garage	FY 2014
Stringfellow Road Park and Ride Expansion	FY 2014
Bailey's Crossroads Fire Station	FY 2014
West Ox Bus Operations Center Storage Facility	FY 2014
County Cemetery	FY 2014
Traditional Housing at Hanley Shelter	FY 2014
Fire and Rescue Training Academy Ren./Expansion	FY 2015
Reston Police Station Renovation/Expansion	FY 2015
Providence Community Center	FY 2015
McLean Police Station Renovation/Expansion	FY 2015
Mid-County Human Services Center (Woodburn)	FY 2015
Woodrow Wilson Community Library Ren./Expansion	FY 2015
Herndon Fire Station	FY 2015/2016
Pohick Regional Library	FY 2016
Public Safety Headquarters	FY 2016/FY 2017
John Marshall Community Library	FY 2017
Tysons Pimmit Regional Library	FY 2017
Jefferson Fire Station	FY 2018
Reston Regional Library	FY 2018
West Ox Bus Operations Center Phase II	TBD
East County Human Services Center	TBD

Summary of FY 2014 Capital Construction Program

Major segments of the County's FY 2014 Capital Construction Program are presented in several pie charts that follow to visually demonstrate the funding sources for capital expenditures. Capital construction expenditures by fund are shown in the Summary Schedule of FY 2014 Funded Capital Projects. In addition, a list of all projects funded in FY 2014 and their funding sources has been included in this section. For additional information, see the Capital Project Funds section of the Capital Construction and Other Operating Funds in Volume 2. Detailed information concerning capital projects in Fund S31000 (formerly Fund 390), Public School Construction, can be found in the [Fairfax County Public School's FY 2014 Advertised Budget](#).

Capital Projects Overview

CAPITAL CONSTRUCTION PROJECTS FY 2014 SOURCE OF FUNDS

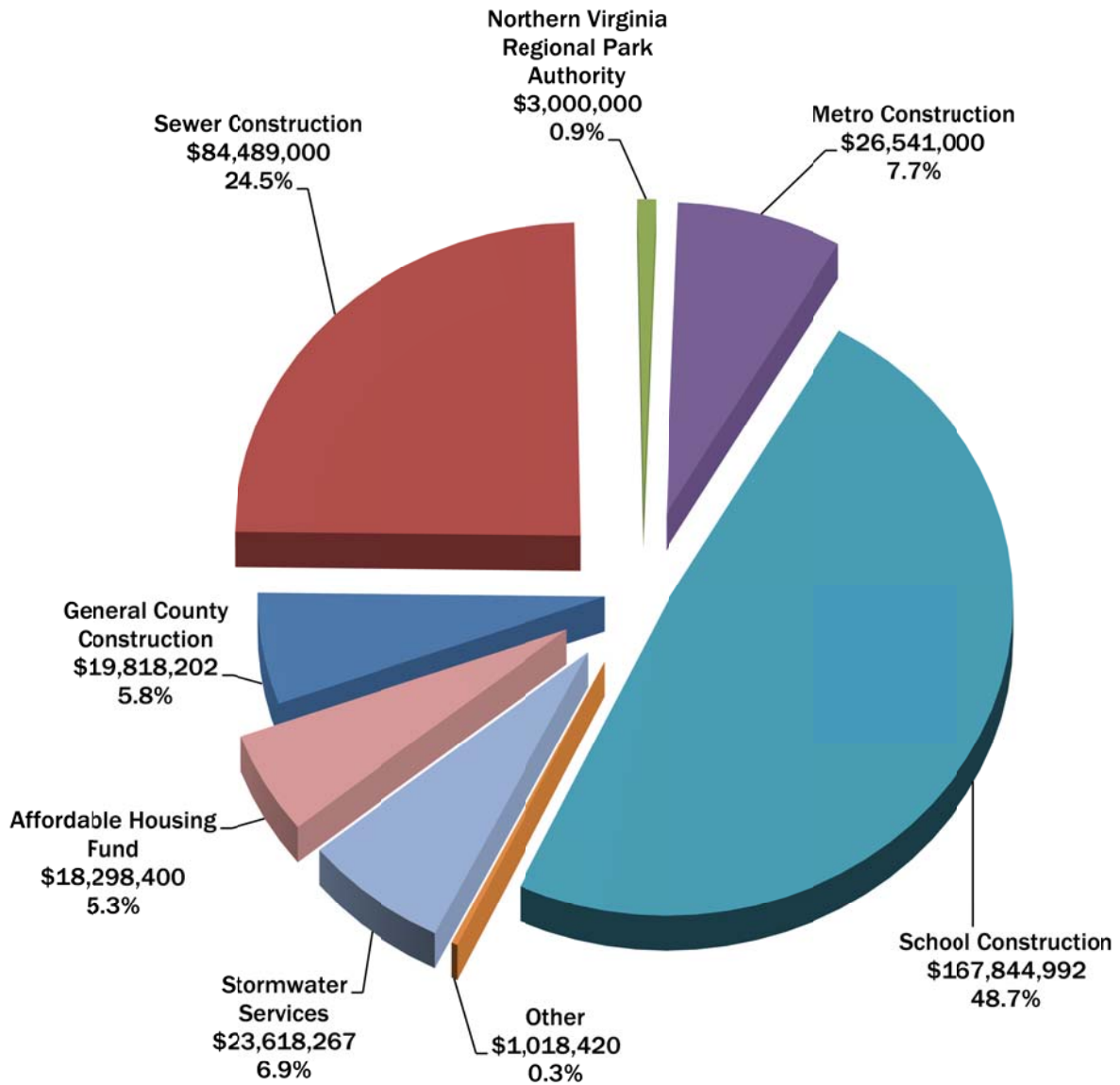


TOTAL = \$344,628,281

NOTE: This chart does not include debt service funding.

Capital Projects Overview

CAPITAL CONSTRUCTION PROJECTS FY 2014 EXPENDITURES

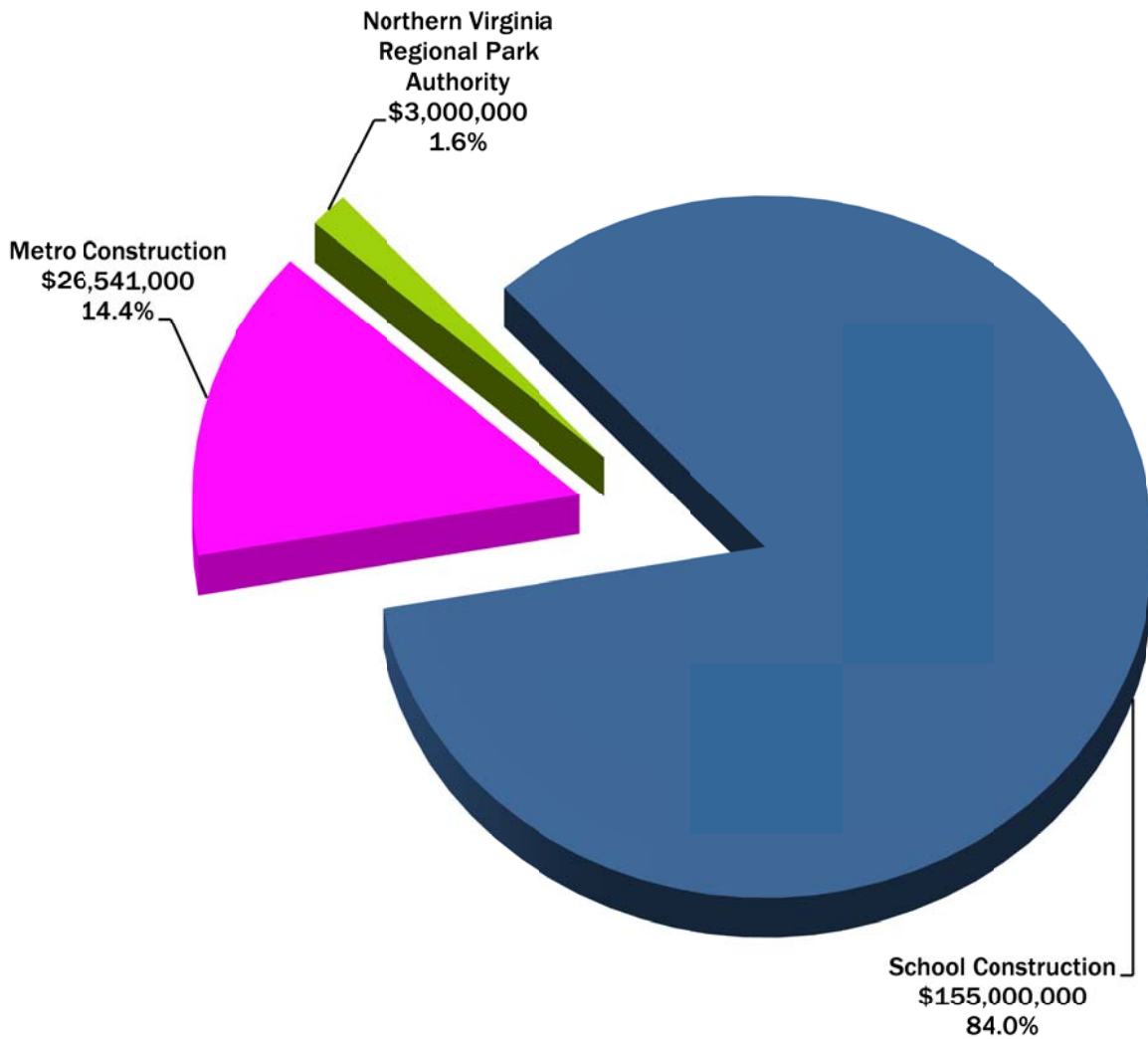


TOTAL = \$344,628,281

NOTE: This chart does not include debt service funding.

Capital Projects Overview

GENERAL OBLIGATION BOND FINANCED CAPITAL PROJECTS FY 2014 EXPENDITURES



TOTAL = \$184,541,000

**SUMMARY SCHEDULE OF FY 2014
FUNDED CAPITAL PROJECTS**

Fund/Title	EXPENDITURES				FY 2014 FINANCING				
	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan	General Obligation Bonds ¹	General Fund	Federal/ State Aid	Other ²	
SPECIAL REVENUE FUNDS³									
40050 Reston Community Center	\$1,089,307	\$0	\$533,982	\$50,000	\$0	\$0	\$0	\$50,000	
40060 McLean Community Center	609,824	627,000	999,954	250,000	0	0	0	250,000	
40100 Stormwater Services ⁴	13,349,239	25,070,961	46,452,008	23,618,267	0	0	0	23,618,267	
40140 Refuse Collection and Recycling	14,201	125,000	982,512	125,000	0	0	0	125,000	
40150 Refuse Disposal	1,462,271	2,050,000	2,354,323	0	0	0	0	0	
40170 I-95 Refuse Disposal	3,723,913	700,000	10,378,721	3,000,000	0	0	0	3,000,000	
40300 Housing Trust Fund	80,499	451,361	6,820,503	493,420	0	0	0	493,420	
Subtotal	\$20,329,254	\$29,024,322	\$68,522,003	\$27,536,687	\$0	\$0	\$0	\$27,536,687	
DEBT SERVICE FUNDS									
20000 Consolidated County and Schools Debt Service Fund	\$285,181,338	\$289,824,864	\$304,163,352	\$296,065,698	\$0	\$291,165,641	\$0	\$4,900,057	
Subtotal	\$285,181,338	\$289,824,864	\$304,163,352	\$296,065,698	\$0	\$291,165,641	\$0	\$4,900,057	
CAPITAL PROJECTS FUNDS									
30000 Metro Operations and Construction ⁵	\$20,901,964	\$21,839,000	\$22,574,000	\$26,541,000	\$26,541,000	\$0	\$0	\$0	
30010 County Construction and Contributions	38,938,487	20,537,806	121,858,811	19,818,202	3,000,000	13,833,202	0	2,985,000	
30020 Capital Renewal Construction	13,149,633	15,285,000	50,043,092	0	0	0	0	0	
30030 Library Construction	623,371	0	13,249,140	0	0	0	0	0	
30040 Contributed Roadway Improvement Fund	1,260,907	0	39,262,081	0	0	0	0	0	
30060 Pedestrian Walkway Improvements	426,919	300,000	4,582,682	100,000	0	100,000	0	0	
30070 Public Safety Construction	23,925,252	0	90,708,707	0	0	0	0	0	
30080 Commercial Revitalization Program	162,246	0	5,954,914	0	0	0	0	0	
30090 Pro Rata Share Drainage Construction	1,200,027	0	8,564,857	0	0	0	0	0	
30310 Housing Assistance Program	569,549	0	7,170,788	0	0	0	0	0	
30400 Park Authority Bond Construction	11,657,879	0	39,742,344	0	0	0	0	0	
S31000 Public School Construction	159,057,686	163,072,120	526,283,201	167,844,992	155,000,000	0	0	12,844,992	
Subtotal	\$271,873,920	\$221,033,926	\$929,994,617	\$214,304,194	\$184,541,000	\$13,933,202	\$0	\$15,829,992	

**SUMMARY SCHEDULE OF FY 2014
FUNDED CAPITAL PROJECTS**

Fund/Title	EXPENDITURES				FY 2014 FINANCING			
	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan	General Obligation Bonds ¹	General Fund	Federal/ State Aid	Other ²
Real Estate Tax Revenue								
30300 The Penny for Affordable Housing Fund	\$9,845,605	\$16,502,150	\$36,276,889	\$18,298,400	\$0	\$0	\$0	\$18,298,400
Subtotal	\$9,845,605	\$16,502,150	\$36,276,889	\$18,298,400	\$0	\$0	\$0	\$18,298,400
ENTERPRISE FUNDS								
69300 Sewer Construction Improvements	\$30,259,083	\$30,000,000	\$61,758,367	\$84,489,000	\$0	\$0	\$0	\$84,489,000
69310 Sewer Bond Construction	54,056,177	0	117,307,939	0	0	0	0	0
Subtotal	\$84,315,260	\$30,000,000	\$179,066,306	\$84,489,000	\$0	\$0	\$0	\$84,489,000
TOTAL	\$671,545,377	\$586,385,262	\$1,518,023,167	\$640,693,979	\$184,541,000	\$305,098,843	\$0	\$151,054,136

¹ The sale of bonds is presented here for planning purposes. Actual bond sales are based on cash needs in accordance with Board policy.

² Other financing includes developer contributions and payments, sewer system revenues, transfers from other funds, pro rata deposits, special revenue funds, short term borrowing, and fund balances.

³ Reflects the capital construction portion of total expenditures.

⁴ As part of the FY 2010 Adopted Budget Plan, a service district was created to support stormwater management operating and capital requirements, as authorized by Code of Virginia Ann. sections 15.2-2400.

⁵ Reflects capital construction portion of Metro expenses net of State Aid.

FY 2014 FUNDED CAPITAL PROJECTS
(For additional information see referenced Fund narratives)

Fund	Project	Project Name	FY 2014 Advertised Total	General Fund (Paydown)	General Obligation Bonds	Athletic Services Fee	Sewer Revenues	Stormwater Revenues	Penny for Affordable Housing	Short Term Borrowing	Other Revenues
40140	SW-000001	Newington Refuse Facility Enhancements	\$125,000								\$125,000
40170	2G25-002-000	I-95 Landfill Leachate Facility	\$1,500,000								\$1,500,000
40170	2G25-004-000	I-95 Landfill Closure	\$1,500,000								\$1,500,000
40050	CC-000007	Reston Com. Center-Fuel Tank Removal/Soil Remed.	\$50,000								\$50,000
40060	CC-000006	McLean Community Center Improvements	\$250,000								\$250,000
40100	SD-000031	Stream and Water Quality Improvements	\$8,616,095					\$8,616,095			
40100	SD-000032	Emergency and Flood Response Program	\$900,000					\$900,000			
40100	SD-000033	Dam Safety and Facility Rehabilitation	\$4,029,549					\$4,029,549			
40100	SD-000034	Conveyance System Rehabilitation	\$4,500,000					\$4,500,000			
40100	2G25-006-000	Stormwater Regulatory Program	\$5,000,000					\$5,000,000			
40100	2G25-007-000	NVSWD Contribution	\$460,064					\$460,064			
40100	2G25-008-000	Occoquan Monitoring Contribution	\$112,559					\$112,559			
40300	2H38-060-000	Undesignated Housing Trust Fund	\$293,420								\$293,420
40300	2H38-068-000	Rehabilitation of FCRHA Properties	\$200,000								\$200,000
30010	2G51-001-000	Parks Maintenance of FCPS Athletic Fields	\$722,535	\$722,535							
30010	2G51-002-000	Athletic Field Maintenance	\$2,500,000	\$2,500,000							
30010	2G51-003-000	Athletic Services Fee - Field Maintenance	\$1,000,000	\$750,000		\$250,000					
30010	PR-000080	Athletic Field Services - Turf Field Development	\$350,000			\$350,000					
30010	2G79-219-000	Athletic Service Fee- Custodial Support	\$275,000			\$275,000					
30010	PR-000082	FCPS Athletic Field Lighting	\$200,000	\$200,000							
30010	2G51-004-000	Athletic Services Fee - Turf Field Replacement	\$500,000	\$350,000		\$150,000					
30010	2G79-220-000	APRT Amenity Maintenance	\$50,000	\$50,000							
30010	2G79-221-000	Athletic Services Fee - Sports Scholarships	\$150,000	\$75,000		\$75,000					
30010	2G25-012-000	School Age Child Care (SACC) Contribution	\$750,000	\$750,000							
30010	2G25-013-000	No. Virginia Community College Contribution	\$2,192,046	\$2,192,046							
30010	GF-000001	ADA Compliance - FMD	\$1,900,000	\$1,900,000							
30010	PR-000083	ADA Compliance - Parks	\$1,085,000								\$1,085,000
30010	2G51-005-000	Parks-General Maintenance	\$213,000	\$213,000							
30010	2G25-014-000	Maintenance of Commercial Revitalization Areas	\$405,000	\$405,000							

FY 2014 FUNDED CAPITAL PROJECTS
(For additional information see referenced Fund narratives)

Fund	Project	Project Name	FY 2014 Advertised Total	General Fund (Paydown)	General Obligation Bonds	Athletic Services Fee	Sewer Revenues	Stormwater Revenues	Penny for Affordable Housing	Short Term Borrowing	Other Revenues
30010	2G51-006-000	Parks-Grounds Maintenance	\$587,076	\$587,076							
30010	2G51-007-000	Parks Facility/Equipment Maintenance	\$470,000	\$470,000							
30010	2G08-001-000	Laurel Hill - FMD	\$255,263	\$255,263							
30010	2G51-008-000	Laurel Hill - Parks	\$297,120	\$297,120							
30010	2G06-001-000	Salona Property Payment	\$966,162	\$966,162							
30010	2G02-001-000	Environmental Initiatives	\$400,000	\$400,000							
30010	2G51-032-000	Environmental Initiatives-Invasive Plant Removal	\$100,000	\$100,000							
30010	2G25-019-000	Survey Control and Network Monumentation	\$50,000	\$50,000							
30010	2G25-020-000	Developer Defaults	\$700,000	\$400,000							\$300,000
30010	2G25-021-000	Emergency Road Repairs	\$100,000	\$100,000							
30010	2G25-022-000	Road Viewers Program	\$100,000	\$100,000							
30010	2G25-024-000	Developer Streetlight Program	\$500,000								\$500,000
30010	2G06-003-000	Northern Virginia Regional Park Authority	\$3,000,000		\$3,000,000						
30060	2G25-057-000	Emergency Maintenance of Existing Trails	\$100,000	\$100,000							
30000	N/A	Metro Operations and Construction Contribution	\$26,541,000		\$26,541,000						
30300	2H38-072-000	Affordable/Workforce Housing	\$255,000						\$255,000		
30300	2H38-075-000	Crescent Apartments	\$3,349,000						\$3,349,000		
30300	2H38-081-000	Wedgewood	\$5,750,963						\$5,750,963		
30300	2H38-084-000	Bridging Affordability Program	\$4,318,400						\$4,318,400		
30300	2H38-180-000	Non-profit Blueprint Project	\$3,325,037						\$3,325,037		
30310	2H38-182-000	Community Challenge	\$1,300,000						\$1,300,000		
S31000	N/A	Public School Construction	\$167,844,992		\$155,000,000						\$12,844,992
69300	WW-000001	Pumping Stations	\$7,712,000				\$7,712,000				
69300	WW-000004	Facility Improvements (Fred Oaks)	\$1,050,000				\$1,050,000				
69300	WW-000005	Integrated Sewer Metering	\$286,000				\$286,000				
69300	WW-000006	Extension and Improvement Projects	\$3,000,000				\$3,000,000				
69300	WW-000007	Collection System Replacement and Rehabilitation	\$11,210,000				\$11,210,000				
69300	WW-000009	Noman Cole Treatment Plant Renewal	\$8,730,000				\$8,730,000				
69300	WW-000020	Arlington WWTP Rehabilitation	\$586,000				\$586,000				
69300	WW-000021	ASA WWTP Upgrades and Rehabilitation	\$25,225,000				\$25,225,000				
69300	WW-000022	Blue Plains WWTP Upgrades and Rehabilitation	\$26,690,000				\$26,690,000				
Total			\$344,628,281	\$13,933,202	\$184,541,000	\$1,100,000	\$84,489,000	\$23,618,267	\$18,298,400	\$0	\$18,648,412

FY 2014

Advertised Budget Plan



Trends and Demographics

Trends and Demographics

HOUSEHOLD TAX ANALYSES

The following analyses illustrate the impact of selected County taxes on the "typical" household from FY 2008 to FY 2014. This period provides five years of actual data, estimates for FY 2013 based on year-to-date experience, and projections for FY 2014. Historical dollar amounts are converted to FY 2014 dollar equivalents for comparison purposes using the Consumer Price Index for All Urban Consumers (CPI-U) for the Washington-Baltimore area. The Washington metropolitan area has experienced average annual inflation of 1.3 percent from FY 2008 to FY 2012. It should be noted that slight deflation occurred in FY 2009 due to the economic downturn. Moderate inflation returned in 2010 and the rate accelerated in FY 2011. Projections for inflation in FY 2013 and FY 2014 are based on a forecast of 3.0 percent in FY 2013 and 3.2 percent in FY 2014 using the January 2013 issue of the *Blue Chip Economic Indicators*, and adjusting for a somewhat higher rate of inflation that has occurred in the Washington area, compared nationally.

HOUSEHOLD TAXATION TRENDS: SELECTED CATEGORIES FY 2008 - FY 2014

The charts on the following pages show the trends in selected taxes (Real Estate Taxes, Personal Property Taxes, Sales Taxes and Consumer Utility Taxes) paid by the "typical" household in Fairfax County. The Real Estate Tax analysis includes the proposed FY 2014 Real Estate tax rate of \$1.095 per \$100 of assessed value. It is important to note that the following data are not intended to depict a comprehensive picture of a household's total tax burden in Fairfax County.

In FY 2014, selected County General Fund taxes are projected to remain relatively stable, when compared to FY 2013, after adjusting for inflation. The "typical" household in Fairfax County is projected to pay \$5,919.13 in selected County General Fund taxes in FY 2014, \$94.98 more than in FY 2013 after adjusting for inflation. From FY 2008 to FY 2014, the inflation adjusted County taxes paid by the "typical" household have declined \$350.77. Note that taxes paid in FY 2008 through FY 2014 reflect the Commonwealth's Personal Property Tax Relief Act, which reduces an individual's Personal Property Tax liability on vehicles valued up to \$20,000 (see the section entitled "Personal Property Tax per Typical Household" for more information.)

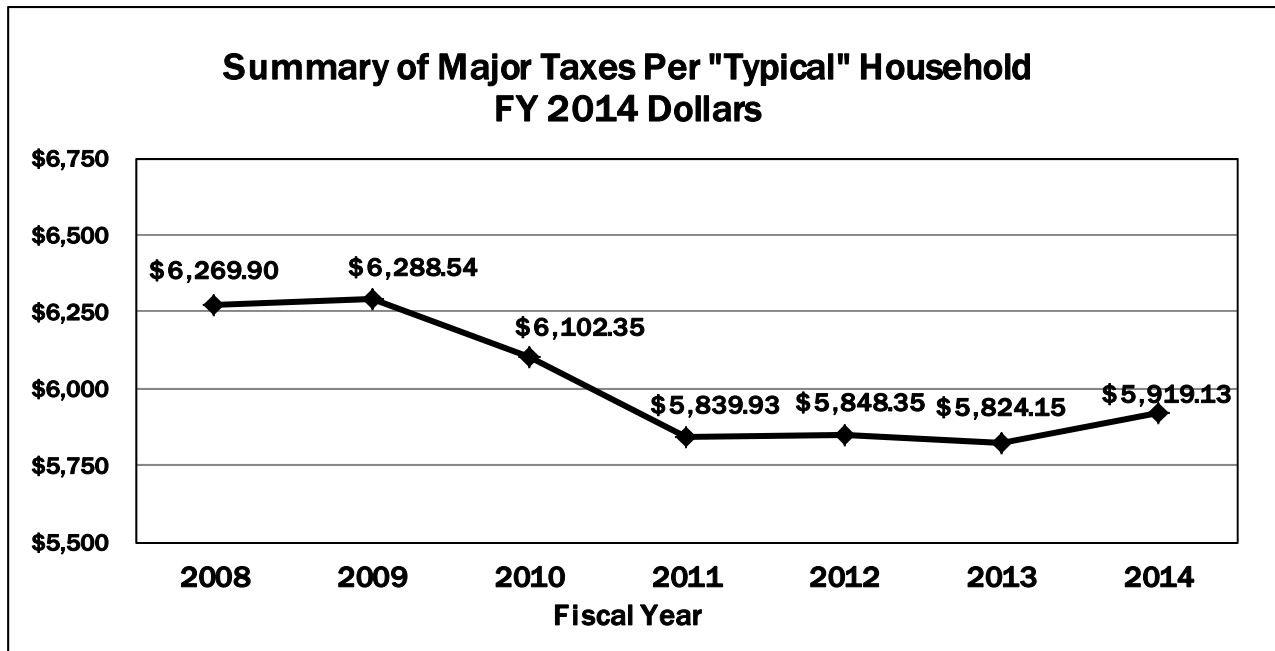
Trends and Demographics

Summary of Major Taxes Per "Typical" Household

	Number of Households	Real Estate Tax in FY 2014 Dollars	Personal Property Tax in FY 2014 Dollars ¹	Sales Tax in FY 2014 Dollars	Consumer Utility Tax in FY 2014 Dollars	Total Taxes in FY 2014 Dollars ¹
FY 2008	381,686	\$5,409.43	\$323.41	\$472.24	\$64.82	\$6,269.90
FY 2009	384,400	\$5,463.64	\$310.13	\$452.63	\$62.14	\$6,288.54
FY 2010	386,100	\$5,340.02	\$263.54	\$434.33	\$64.46	\$6,102.35
FY 2011	394,127	\$5,092.99	\$262.47	\$423.32	\$61.15	\$5,839.93
FY 2012	394,248	\$5,067.34	\$282.81	\$439.04	\$59.16	\$5,848.35
FY 2013²	395,177	\$4,991.90	\$338.86	\$435.79	\$57.60	\$5,824.15
FY 2014²	396,084	\$5,099.56	\$330.93	\$432.68	\$55.96	\$5,919.13

¹ Personal Property Taxes paid incorporate reductions in Personal Property Tax bills sent to citizens under the state's Personal Property Tax Relief program. The reductions were 67.0 percent in FY 2008, 68.5 percent in FY 2009, 70.0 percent in both FY 2010 and FY 2011, 68.0 percent in FY 2012, and 63.0 percent in FY 2013. The reduction in FY 2014 has been set at 63.0 percent, the same level as FY 2013. The difference in revenue will be paid to the County by the Commonwealth.

² Estimated.



Trends and Demographics

Real Estate Tax Per "Typical" Household

	Mean Assessed Value of Residential Property	Tax Rate per \$100	Tax per Household	Tax per Household in FY 2014 Dollars
FY 2008	\$542,409	\$0.89	\$4,827.44	\$5,409.43
FY 2009	\$525,132	\$0.92	\$4,831.21	\$5,463.64
FY 2010	\$457,898	\$1.04	\$4,762.14	\$5,340.02
FY 2011	\$433,409	\$1.09	\$4,724.16	\$5,092.99
FY 2012	\$445,533	\$1.07	\$4,767.20	\$5,067.34
FY 2013¹	\$449,964	\$1.075	\$4,837.11	\$4,991.90
FY 2014¹	\$465,713	\$1.095	\$5,099.56	\$5,099.56

¹ Estimated.

As shown in the preceding table, Real Estate Taxes per "typical" household are projected to increase \$262.45 between FY 2013 and FY 2014 to \$5,099.56, not adjusting for inflation. This increase is the result of the 3.50 percent increase in the mean assessed value of residential properties within the County and an increase in the proposed Real Estate Tax rate. The proposed FY 2014 General Fund Real Estate Tax rate is \$1.095 per \$100 of assessed value, up from \$1.075 per \$100 of assessed value in FY 2013.

Since FY 2008, Real Estate Taxes have increased \$272.12, or an average annual increase of 0.9 percent per year, not adjusting for inflation. Adjusted for inflation, Real Estate Taxes per "typical" household are \$309.87 less than in FY 2008, an average annual decrease of 1.0 percent.

Trends and Demographics

Personal Property Tax Per "Typical" Household

	Personal Property Taxes Attributed to Individuals	Number of Households	Tax per Household	Tax per Household In FY 2014 Dollars	After PPTRA	
					Adjusted Tax per Household ¹	Adjusted Tax per Household in FY 2014 Dollars ¹
FY 2008	\$333,823,546	381,686	\$874.60	\$980.04	\$288.62	\$323.41
FY 2009	\$334,648,575	384,400	\$870.57	\$984.53	\$274.23	\$310.13
FY 2010	\$302,475,782	386,100	\$783.41	\$878.48	\$235.02	\$263.54
FY 2011	\$319,851,985	394,127	\$811.55	\$874.91	\$243.46	\$262.47
FY 2012	\$327,790,000	394,248	\$831.43	\$883.78	\$266.06	\$282.81
FY 2013²	\$350,692,245	395,177	\$887.43	\$915.83	\$328.35	\$338.86
FY 2014²	\$354,254,832	396,084	\$894.39	\$894.39	\$330.93	\$330.93

¹ Personal Property Taxes paid incorporate reductions in Personal Property Tax bills sent to citizens under the state's Personal Property Tax Relief program. The reductions were 67.0 percent in FY 2008, 68.5 percent in FY 2009, 70.0 percent in both FY 2010 and FY 2011, 68.0 percent in FY 2012, and 63.0 percent in FY 2013. The reduction in FY 2014 has been set at 63.0 percent, the same level as FY 2013. The difference in revenue will be paid to the County by the Commonwealth.

² Estimated.

Personal Property Taxes paid by the "typical" household are shown in the preceding chart. Personal Property Taxes paid reflect the Commonwealth of Virginia's Personal Property Tax Relief Act (PPTRA), which reduced an individual's Personal Property Tax payment. In FY 2007, statewide reimbursements were capped at \$950 million, with each locality receiving a percentage allocation from this fixed amount determined by the locality's share of statewide tax year 2005 collections. Each year, County staff must determine the reimbursement percentage based on the County's fixed reimbursement of \$211.3 million and an estimate of the number and value of vehicles that will be eligible for tax relief. As the number and value of vehicles in the County vary, the percentage attributed to the state will fluctuate. Based on a County staff analysis, the effective state reimbursement percentage was 67.00 percent in FY 2008, 68.50 percent in FY 2009, 70.00 percent in both FY 2010 and FY 2011, 68.00 percent in FY 2013, and 63.00 percent in FY 2014. The FY 2014 reimbursement percentage has been set at 63.00 percent, the same level as FY 2013.

The tax per household analysis shown above assumes that the "typical" household's vehicle(s) are valued at \$20,000 or less in order to qualify for a reduction under the PPTRA. Personal Property Taxes per "typical" household are projected to increase \$2.58 between FY 2013 and FY 2014 to \$330.93 based on a 63.00 percent state share. The FY 2014 Personal Property Tax per "typical" household is \$42.31 higher than what was paid in FY 2008, not adjusting for inflation. When adjustments are made for inflation, the "typical" household is projected to pay \$7.52 more in FY 2014 than FY 2008. There have been no changes to the Personal Property Tax rate of \$4.57 per \$100 of assessed value for individuals during the FY 2008 to FY 2014 period, except for mobile homes and boats which are taxed at the prevailing Real Estate Tax rate each fiscal year.

Trends and Demographics

Vehicle Registration Fee

The FY 2014 Advertised Budget Plan also includes an annual Vehicle Registration Fee on motor vehicles. The fee will be levied at \$33 for passenger vehicles that weigh 4,000 pounds or less and \$38 on passenger vehicles that weight more than 4,000 pounds. The fee for motorcycles is \$18. This fee was levied prior to FY 2007 at \$25 for all passenger vehicles regardless of weight and at \$18 for motorcycles.

Sales Tax Per "Typical" Household

	Total Sales Tax	Number of Households	Tax per Household	Tax per Household in FY 2014 Dollars
FY 2008	\$160,855,221	381,686	\$421.43	\$472.24
FY 2009	\$153,852,596	384,400	\$400.24	\$452.63
FY 2010	\$149,547,338	386,100	\$387.33	\$434.33
FY 2011	\$154,757,415	394,127	\$392.66	\$423.32
FY 2012	\$162,839,599	394,248	\$413.04	\$439.04
FY 2013¹	\$166,876,306	395,177	\$422.28	\$435.79
FY 2014¹	\$171,377,177	396,084	\$432.68	\$432.68

¹ Estimated.

As shown in the table above, FY 2014 Sales Tax paid per household is estimated to be \$432.68, or \$11.25 more than FY 2008, not adjusting for inflation. This represents an average annual increase of 0.4 percent since FY 2008. Adjusting for inflation, Sales Tax paid per household has decreased \$39.56 during the same period, representing an average annual decrease of 1.4 percent.

Because this analysis assumes all Sales Taxes are paid by individuals living in Fairfax County, the impact on the typical household is somewhat overstated. A segment of the County's Sales Tax revenues are paid by businesses and non-residents who either work in the County or are visiting. As the County becomes more of a major employment hub in the region, the contribution of non-residents to the County's Sales Tax revenues will continue to expand.

Trends and Demographics

Consumer Utility Taxes - Gas & Electric Per "Typical" Household

	Total Consumer Utility Taxes Paid by Residential Consumers	Number of Households	Tax per Household	Tax per Household in FY 2014 Dollars
FY 2008	\$22,081,309	381,686	\$57.85	\$64.82
FY 2009	\$21,124,481	384,400	\$54.95	\$62.14
FY 2010	\$22,192,306	386,100	\$57.48	\$64.46
FY 2011	\$22,355,408	394,127	\$56.72	\$61.15
FY 2012	\$21,943,780	394,248	\$55.66	\$59.16
FY 2013¹	\$22,053,499	395,177	\$55.81	\$57.60
FY 2014¹	\$22,163,767	396,084	\$55.96	\$55.96

¹ Estimated.

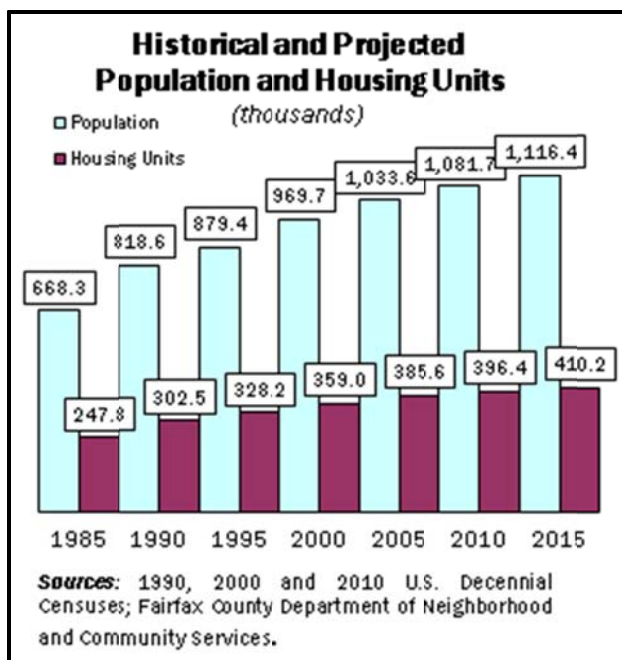
Based on data from the utility companies, it is estimated that residential consumers pay approximately 43.0 percent of the Electric Taxes and 73.0 percent of the Gas Taxes received by the County. Utility Taxes per household have remained relatively stable from FY 2008 through FY 2014. In FY 2014, the "typical" household will pay an estimated \$55.96 in Consumer Utility Taxes, a modest \$1.89 less than in FY 2008, without adjusting for inflation. From FY 2008 to FY 2014, the "typical" household has experienced an average annual decrease of 2.4 percent, or \$8.86 over the period, adjusted for inflation.

Trends and Demographics

DEMOGRAPHIC TRENDS

Demographic trends strongly influence Fairfax County's budget. Changing demographics or population characteristics affect both the cost of government services provided, as well as tax revenues. The descriptions and charts contained in this section provide some examples of how various demographic trends affect the Fairfax County budget. Although these trends are discussed separately, the interactions between these demographic trends ultimately influence the direction of expenditures and revenues. While certain demographic trends may suggest reduced expenditures in a program area, other demographic trends may increase program expenditures at the same time. The following information is based on the most recent data available at the time of publication.

Population and Housing



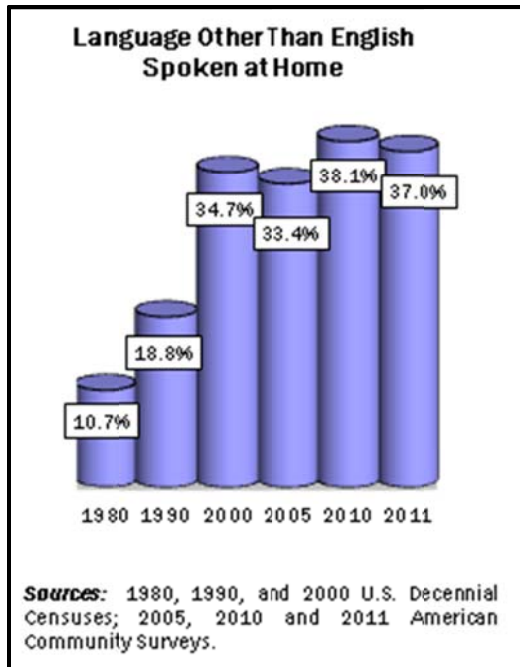
Some of the strongest demographic influences on Fairfax County expenditures and revenues are those associated with the growth in total population and housing units. During the 1980s, the County went through a period of notable population growth, adding over 220,000 residents. Growth moderated during the 1990s and the County's population expanded by 150,000 residents. Even though population growth in the 1990s was not as brisk as in the 1980s, the increase in Fairfax County's population between 1990 and 2000 is comparable to adding more than the entire population of the City of Alexandria to the County. The County's population growth continued to decelerate, adding 112,000 residents between 2000 and 2010. Based on the 2011 American Community Survey, Fairfax County had a population of 1,100,692 residents in 2011. Between 2010 and 2015, the population of Fairfax

County is expected to increase over 34,600 residents to 1,116,371.

From 1980 to 1990, the number of housing units in Fairfax County rose at a faster rate (40 percent) than population (37 percent). This was due to the construction boom of the 1980s. Between 1990 and 2000, housing units grew 18.7 percent, just slightly above population growth of 18.5 percent. From 2000 to 2010, this trend reversed, with population growth at 11.5 percent, surpassing housing unit growth of 10.4 percent. From 2010 to 2015, population and housing units are anticipated to grow 3.2 percent and 3.5 percent, respectively. Many County programs, such as fire prevention, transit, water and sewer, are impacted by the number of housing units. Other program areas such as libraries, recreation, and schools, are impacted more by the growth in population.

Trends and Demographics

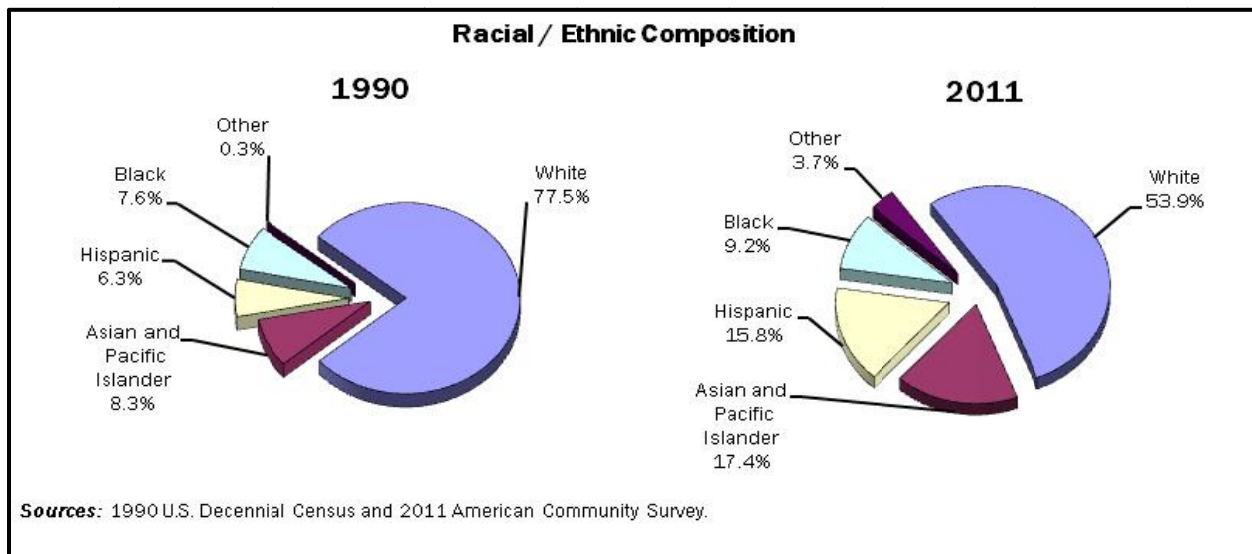
Cultural Diversity



Fairfax County’s population is rich in diversity. Based on the 2011 American Community Survey, the number of persons speaking a language other than English at home is estimated to be nearly 380,000 residents, or 37.0 percent of the County’s population age five years or older. In 1980, less than 11 percent of residents age five years or older spoke a language other than English at home. This percentage rose to nearly 19 percent in 1990. By 2000, it was 34.7 percent. The most frequently spoken languages other than English include Spanish, Korean, Vietnamese and Chinese.

These language trends affect many County programs. For example, the Fairfax County Public Schools have experienced rapid growth in English for Speakers of Other Languages (ESOL) programs. Between FY 2000 and FY 2012, total public school membership increased 15.1 percent, while ESOL enrollment grew approximately 107.5 percent. Also, general government services such as the

courts, police, fire and emergency medical services, as well as human service programs and tax related programs are impacted by the County’s cultural and language diversity. The County continues to develop various means to effectively communicate with residents for whom English is not their native language.



In 1990, racial and ethnic minorities comprised less than a quarter of Fairfax County’s population. In 2011, over 46 percent of County’s population consisted of ethnic minorities. The two fastest growing groups are Hispanics and Asians and Pacific Islanders, which have both more than doubled their share of the County’s population between 1990 and 2011. These two minority groups are anticipated to remain the County’s most rapidly expanding racial or ethnic groups during the next five years. As the County’s population continues to become more diverse, the number of persons speaking a language other than English at home is anticipated to continue to grow and impact a wide range of services provided by the County.

Trends and Demographics

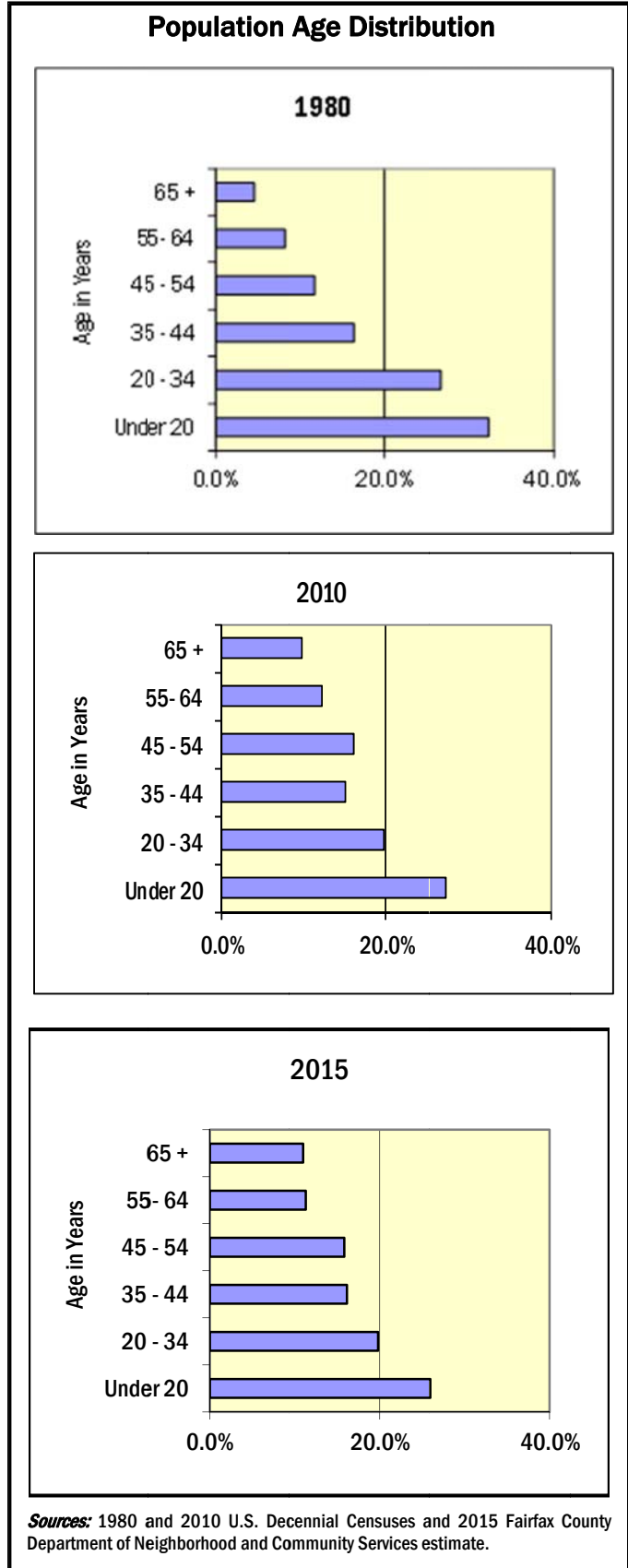
Population Age Distribution

Fairfax County's population has grown steadily older since 1980. Between 1980 and 2010, the percentage of children age 19 years and younger became a smaller proportion of the total population, dropping from 32.4 percent to 26.4 percent in 2010. This trend is anticipated to continue through 2015, with the percentage of those 19 years old and younger falling to 26.0 percent

The number of adults age 45 to 54 years expanded rapidly between 1980 and 2010, as the first "baby boomers" began to enter into their fifties. This age group's sharp growth trend will begin to reverse between 2010 and 2015, as the final "baby boomers" enter this age group and the oldest of the "baby boom" generation move to the next age group.

Between 1980 and 2010, the seniors' population, those age 65 years and older, more than doubled in size and was the fastest growing segment of County residents. This age group is expected to continue increasing in size, with its share of the population reaching 11.0 percent by 2015.

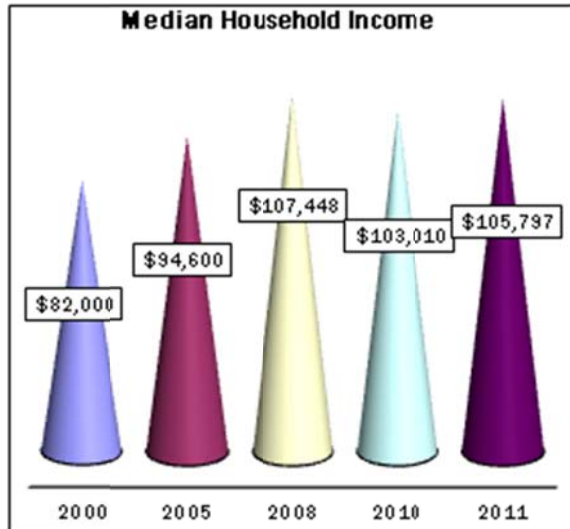
The age distribution of Fairfax County's population greatly impacts the demand and, therefore, the costs of providing many local government services. For example, the number, location, and size of school and day care facilities are directly affected by the number and proportion of children. Transportation expenditures for both street maintenance and public transportation are influenced by the number and proportion of driving age adults and their work locations. The growing number of persons age 65 years and older will influence expenditures for programs such as adult day care, senior centers, and health care.



Trends and Demographics

Public safety programs also are impacted by age demographics. Crime rates, for example, are highest among persons age 15 to 34. In addition, the youngest and the oldest drivers have the greatest probability of being involved in traffic accidents.

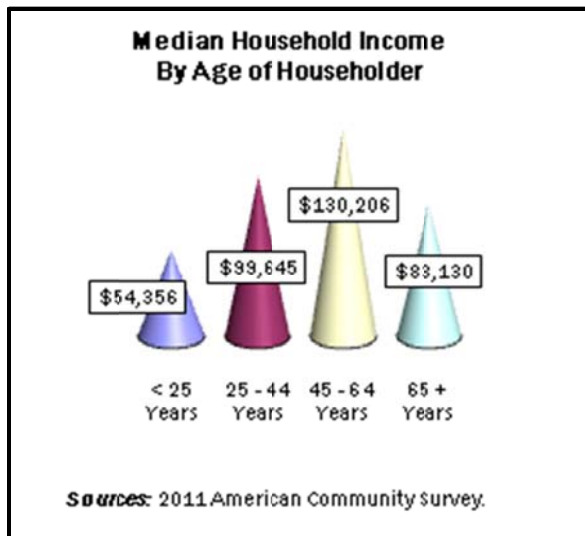
Household Income



Sources: 2000 and 2010 U.S. Decennial Censuses; 1998 Household Survey; 2000 Fairfax-Falls Church Community Assessment Survey; 2005, 2008 and 2011 American Community Surveys.

The median household income in Fairfax County was \$105,797 in 2011, the second highest in the nation for counties with a population of 250,000 or more after neighboring Loudoun County. Fairfax County's 2011 median household income increased 2.7 percent over 2010. Consequently, households in Fairfax County had slightly higher disposable income to spend or save. Since 1995, median household income in the County has risen at a rate of 2.6 percent per year.

Income growth does not directly impact Fairfax County tax revenues because localities in Virginia do not tax income; however, revenues are indirectly affected because changes in income impact the County's economic health. Tax categories affected by income include Sales Tax receipts, Residential Real Estate Taxes and Personal Property Taxes.



Sources: 2011 American Community Survey.

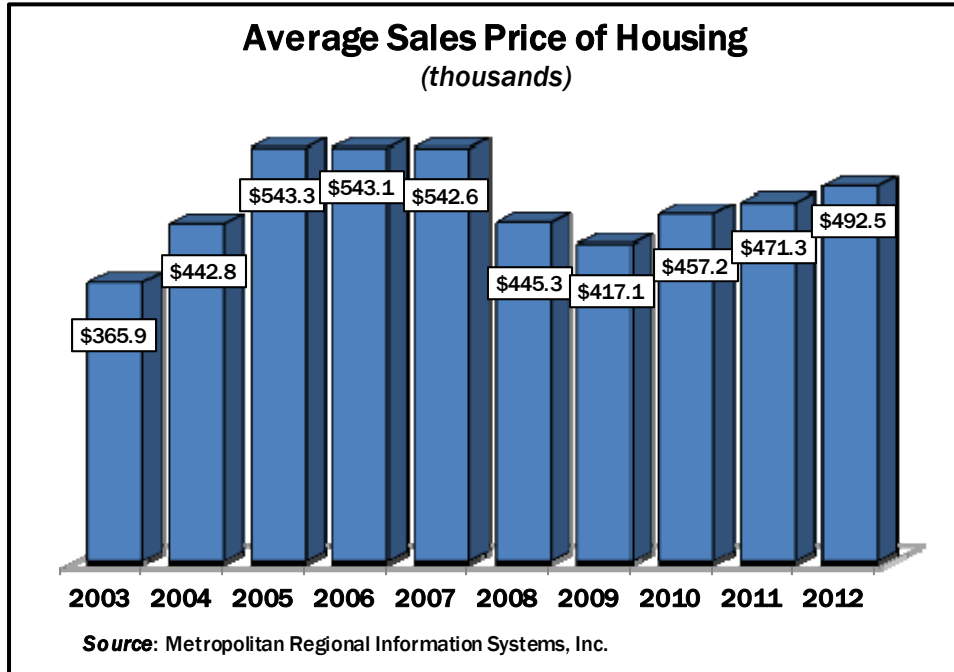
Incomes peak among persons aged 45 to 64 years, who are in their prime earning years. As the number of households headed by this age group is projected to shrink during the next 10 years, various tax revenues may be impacted. Sales Tax revenues, for instance, may experience more modest growth. The median income for heads of households between the ages of 45 and 64 was \$130,206 in 2011.

The median household income of people age 65 or older drops to \$83,130. A population containing a larger number of seniors, age 65 and older, will put downward pressure on tax revenues. These senior households are typically on a fixed income and have less discretionary money to spend. In addition, persons in this age group own fewer motor vehicles and may qualify for Real Estate Tax Relief.

Trends and Demographics

ECONOMIC TRENDS

Average Sales Price of Housing



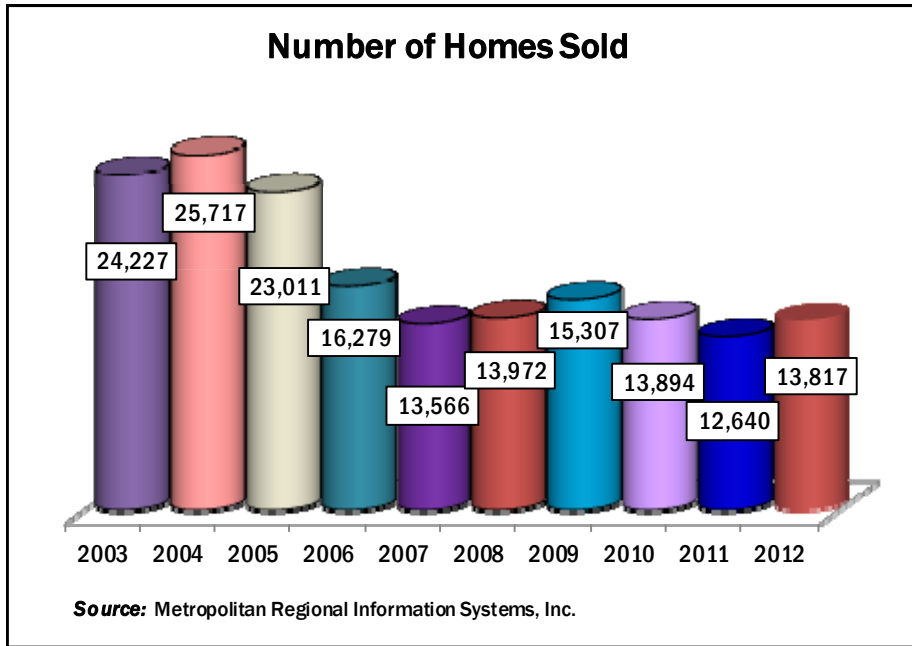
Based on data from the Metropolitan Regional Information Systems, Inc. (MRIS), the average sales price for all types of homes sold in Fairfax County increased 4.5 percent from \$471,317 in 2011 to \$492,480 in 2012. This marks the third consecutive year in which the average sales price of homes sold increased, after declining in the previous four years. The stagnant sales

price encountered in 2006 signaled a rapid turnaround from the double-digit increases in sales price appreciation experienced during the preceding five years. In 2005, the average sales price for housing in Fairfax County was more than 48 percent higher than the average sales price of a home sold in 2003. Homes prices fell each year from 2006 through 2009. Since 2009, the average sales price of housing has risen 18.1 percent.

In FY 2014, Real Estate Tax revenue is projected to comprise more than 62 percent of all General Fund Revenues and residential properties make up the majority of the value of the Real Estate Tax base. As a result, the changes in the residential housing market have a very significant impact on Fairfax County's revenues.

Trends and Demographics

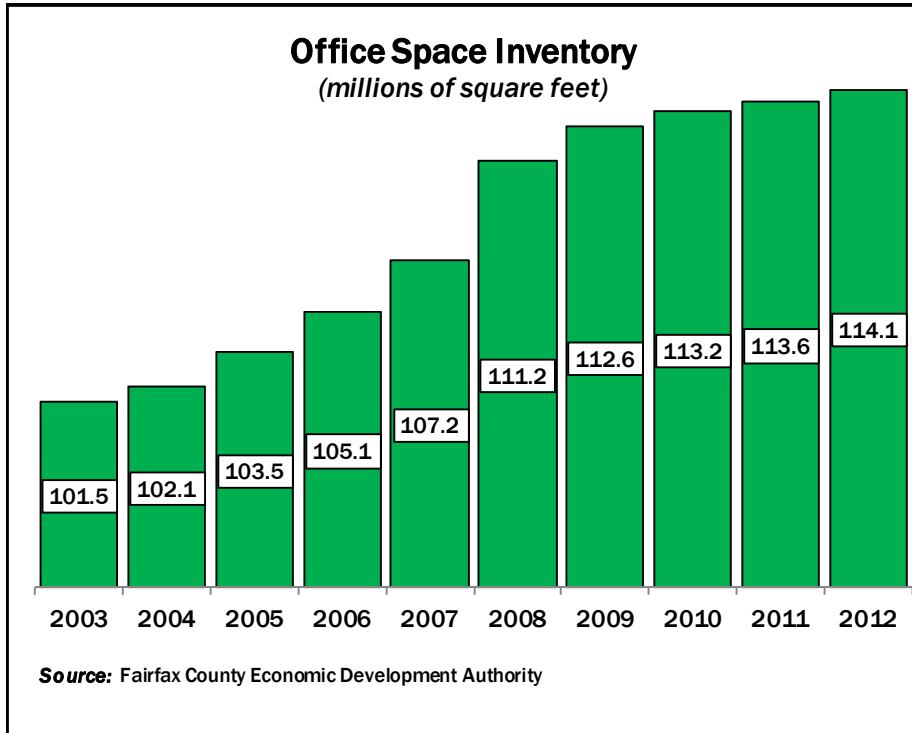
Homes Sold in Fairfax County



The number of homes sold in Fairfax County increased in 2012 after decreasing in the previous two years. Based on data from MRIS, the number of homes sold in 2012 was 13,817, a 9.3 percent increase over the 12,640 sold in 2011. The number of homes sold peaked in 2004, when 25,717 homes were sold and hit a nine-year low of 12,640 in 2011. Including 2012, the number of homes sold has averaged 13,866 over the past six

years. The average days on the market for active residential real estate listings in Fairfax County was 50 days for all of 2012 – 8 days faster than the 2011 level of 58 days.

Office Space Inventory



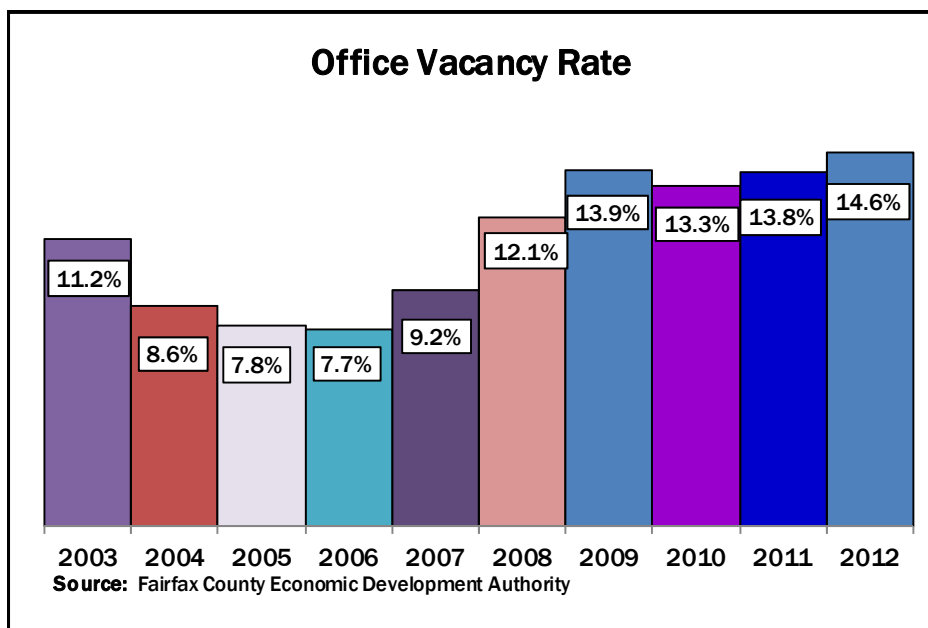
The amount and value of nonresidential space in Fairfax County has a significant impact on revenues and expenditures. Business activity has an effect on Real Estate Taxes, business Personal Property Tax revenues and Business, Professional and Occupational License (BPOL) revenues. Business expansion also influences expenditures for water and sewer services, transportation improvements, police and fire services, and refuse disposal. The

largest component of non-residential space in the County is office space. Since 2003, the total inventory of office space in Fairfax County has risen 12.6 million square feet to 114.1 million square feet as of year-end

Trends and Demographics

2012. According to the Economic Development Authority, the commercial office market in the County remained stagnant in 2012, primarily due to the uncertain political landscape and the possibility of sequestration – mandatory federal budget cuts scheduled to take place during 2013. A bright spot in the commercial office market was the increase in new office construction activity. As of year-end 2012, there were 12 buildings totaling nearly 2.2 million square feet under construction. More than 69 percent of the new office space under construction is 100 percent speculative development. This interest in speculative development reflects confidence in the stability of the Fairfax County office market. The primary factor driving much of the new development is the construction of the Metrorail Silver Line along the Dulles Toll Road corridor.

Office Vacancy Rates

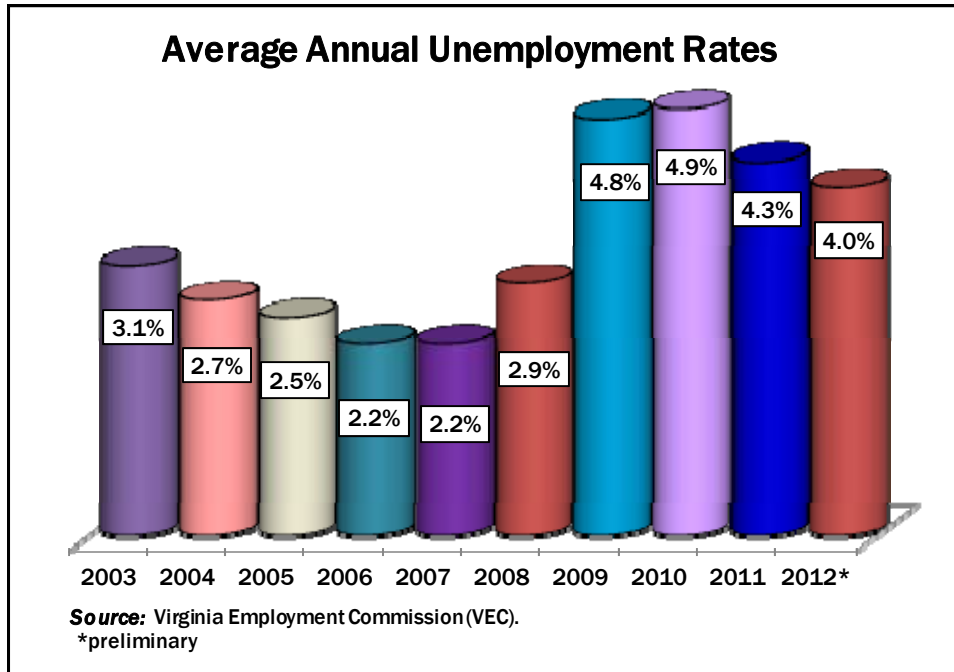


The inventory of office space rose an average of 600,000 square feet per year from 2001 through 2003. This, along with record leasing activity in 2003 and 2004, resulted in declining office vacancy rates. Construction of new office space began to accelerate in 2005, adding an average of 2.1 million square feet per year through 2009 to the office inventory. By year-end 2009, the direct office vacancy

rate increased to 13.9 percent. In the last couple of years, the direct vacancy rate has remained elevated in historical terms, and at year-end 2012 was 14.6 percent, the highest on record since 1992. Including sublet space, the overall office vacancy rate was 16.7 percent, up from 15.7 percent at year-end 2011. The increase in the vacancy rate is attributed to the threat of sequestration, as government contractors consolidate operations throughout the Washington area and retool operations in order to operate in an economic environment less dependent on government procurement spending. Total leasing activity during 2012 hit a five-year low with 9.7 million square feet of activity, down over 17 percent from year-end 2011. This is significantly lower than the record 13.6 million square feet of leasing activity experienced in 2010. Lease rates for new space are adjusting to market conditions. Many tenants are taking advantage of favorable rates and others are looking to capitalize on market conditions by consolidating operations in newer space near Metro. The Tysons market is uniquely positioned to take advantage of this trend with more than 26 million square feet of new office space in the pipeline.

Trends and Demographics

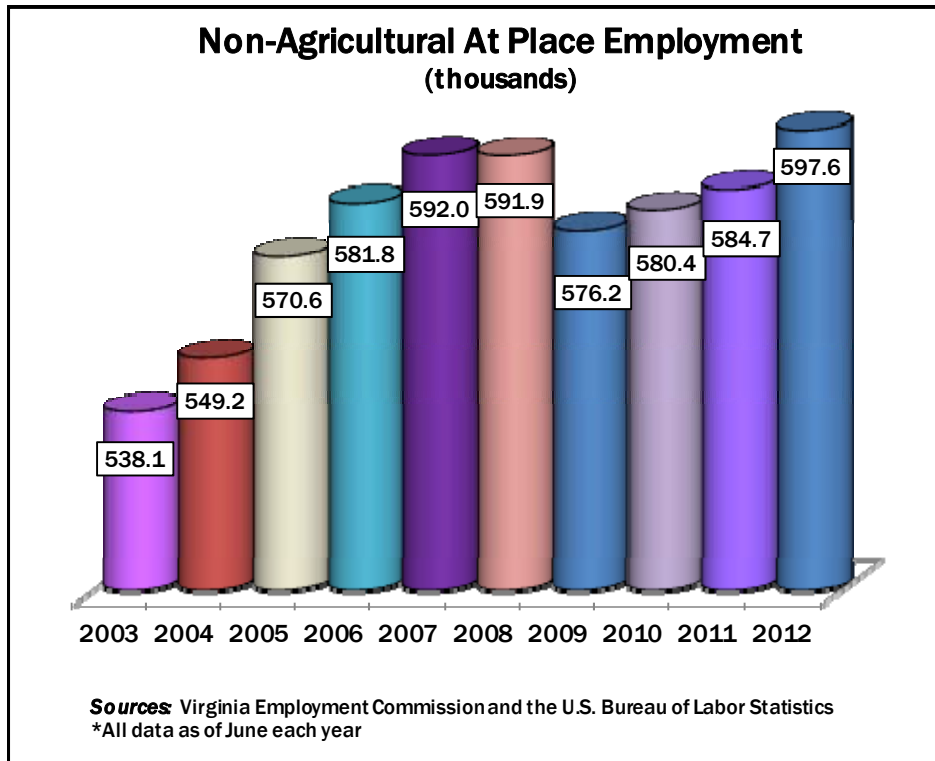
Employment



Unemployment rates show the strength of the Fairfax County economy by indicating how many Fairfax County residents are actively seeking but are unable to obtain employment. During the last decade, residents of Fairfax County have experienced low unemployment rates even during economic recessions. The annual unemployment rate

rose in 2002 to 3.4 percent due to the effects of the September 11 attacks and a decline in the technology sector. As the economy improved and the availability of jobs grew - mainly driven by an increase in federal procurement - the unemployment rate dropped in 2003 and 2004. The rate continued to fall through 2007. Due to the economic downturn, the average unemployment rate in 2008 increased to 2.9 percent. Job losses accelerated in 2009 as indicated by the average unemployment rate of 4.8 percent. In 2010, the unemployment rate rose again, albeit slightly, to 4.9 percent. In 2011, the unemployment rate declined to 4.3 percent. This trend continued in 2012, with the unemployment rate decreasing to 4.0 percent.

Trends and Demographics



At place employment serves as a gauge of the number of jobs created by businesses located in Fairfax County. Growth in both employment and the number of businesses generate increased tax revenues and additional expenditures for Fairfax County. According to data from the Bureau of Labor Statistics, the number of jobs in Fairfax County expanded at a rate of over 5.0 percent per year from 1998 to 2001. However, when the economy slowed, the number of jobs fell

in 2002 and 2003 a total of 15,100. Employment growth rebounded in 2004 and rose 2.0 percent, or 11,150 jobs. Job growth peaked in 2005 with an increase of 21,500 net new jobs, a 3.9 percent increase. Job growth slowed to rates of 2.0 percent and 1.8 percent in 2006 and 2007, respectively, and was essentially flat in 2008. Due to the recession, the number of jobs fell 2.7 percent in 2009, before it increased a modest 0.7 percent in 2010 and another 0.8 percent in 2011. As of June 2012, the estimated number of non-agricultural jobs in the County totals 597,572. This represents an increase of 12,855 jobs over 2011, or 2.2 percent.

FY 2014

Advertised Budget Plan



Long-Term Financial Policies and Tools

Long-Term Financial Policies and Tools

This section identifies some of the major policies, long-term financial management tools and planning documents which serve as guidelines for decisions, support the strategic direction of the County and contribute directly to the outstanding fiscal reputation of the County. Adherence to these policies historically has enabled the County to borrow funds at the lowest possible interest rates available in the municipal debt market.

Fairfax County is proud to have been named “one of the best-managed jurisdictions in America” by *Governing* magazine and the Government Performance Project (GPP) during their last evaluation of counties in 2001. The GPP conducted a comprehensive study evaluating the management practices of 40 counties across the country and Fairfax County received an overall grade of “A-,” one of only two jurisdictions to receive this highest grade. For the past 28 years, Fairfax County has earned the Government Finance Officer’s (GFOA) Distinguished Budget Presentation Award. Fairfax County also received accolades from GFOA for “Special Performance Measures Recognition” in fiscal years 2004, 2005, 2007, 2008 and 2009. Fairfax County has been nationally recognized as a leader in performance measurement, garnering awards such as the International City and County Management Association’s (ICMA) Center for Performance Measurement Certificate of Distinction for each fiscal year from 2004 through 2008. In addition, the County received ICMA’s Certificate of Excellence, its newest and highest level of recognition for excellence in performance measurement from 2009 through 2012.

The keystone to the County's ability to maintain its fiscal integrity is the continuing commitment of the County's Board of Supervisors. This commitment is evidenced by the Board of Supervisors' adoption in 1975 of *Ten Principles of Sound Financial Management*, which remain the policy context in which financial decisions are considered and made. These principles relate primarily to the integration of capital planning, debt planning, cash management, and productivity as a means of ensuring prudent and responsible allocation of the County's resources.

In addition to the *Ten Principles of Sound Financial Management*, this section includes an overview of the County's long-term financial policies with a brief description of policies relating to the budget guidelines, reserves, internal financial controls, debt management, risk management, information technology, and investments. Long-term financial management tools and planning documents used by the County are also briefly described.

Ten Principles of Sound Financial Management

The *Ten Principles of Sound Financial Management* adopted by the Board of Supervisors on October 22, 1975, endorsed a set of policies designed to contribute to the County's fiscal management and maintain the County's "triple A" bond rating. The County has maintained its superior rating in large part due to its firm adherence to these policies. The County's exceptional "triple A" bond rating gives its bonds an unusually high level of marketability and results in the County being able to borrow for needed capital improvements at low interest rates, thus realizing significant savings now and in the future for the residents of Fairfax County.

From time to time the Board of Supervisors has amended the *Ten Principles of Sound Financial Management* in order to address changing economic conditions and management practices. For FY 2014, no changes are recommended. In FY 2008, the Board authorized the use of variable rate debt. Variable rate obligations are debt obligations that are quite frequently used for short term or interim debt financing and have an interest rate that is reset periodically, usually for periods of less than one year. Variable rate debt is typically used to take advantage of low short-term rates in anticipation of converting to longer-term fixed rate financing for complex projects or to mitigate the impact of volatile markets. Prior to the FY 2008 change, the most recent amendment to the *Ten Principles* was in May 2006 reflecting changes in

Long-Term Financial Policies and Tools

the economy and the market place. Annual bond sale limits were increased from \$200 million to \$275 million per year. Prior to that update the last amendments occurred in 2002.

In addition to the more traditional methods of long-term financing through General Obligation Bonds, the County has been able to accomplish major capital improvements through the use of alternative financing while maintaining the County's fiscal integrity as required by the *Ten Principles*. Accomplishments such as Metro station parking garages, construction of Route 28, the opening of a commuter rail and construction of government facilities have all been attained in addition to a robust bond construction program. In 2003 the County was able to accelerate the construction of a new high school by three years through the creative use of revenue bonds in connection with the joint development of a senior care facility and a golf course in conjunction with the high school. From 1999 through 2012, the County has approved \$3.12 billion of new debt at referendum, with \$2.06 billion for Schools.

Since 1975, the savings associated with the County having a "triple-A" bond rating is estimated at \$402.77 million. Including savings from the various refunding sales, the total benefit to the County equates to \$580.63 million. Also, implementation of a Master Lease program and judicious use of short-term lease purchases for computer equipment, copier equipment, school buses and energy efficient equipment have permitted the County and the Schools to maximize available technology while maintaining budgetary efficiency.

The *Ten Principles* full text is as follows:

Ten Principles of Sound Financial Management April 21, 2008

1. **Planning Policy.** The planning system in the County will continue as a dynamic process, which is synchronized with the capital improvement program, capital budget and operating budget. The County's land use plans shall not be allowed to become static. There will continue to be periodic reviews of the plans at least every five years. Small area plans shall not be modified without consideration of contiguous plans. The Capital Improvement Program will be structured to implement plans for new and expanded capital facilities as contained in the County's Comprehensive Plan and other facility plans. The Capital Improvement Program will also include support for periodic reinvestment in aging capital and technology infrastructure sufficient to ensure no loss of service and continued safety of operation.
2. **Annual Budget Plans.** Annual budgets shall continue to show fiscal restraint. Annual budgets will be balanced between projected total funds available and total disbursements including established reserves.
 - a. A managed reserve shall be maintained in the General Fund at a level sufficient to provide for temporary financing of critical unforeseen disbursements of a catastrophic emergency nature. The reserve will be maintained at a level of not less than two percent of total Combined General Fund disbursements in any given fiscal year.
 - b. A Revenue Stabilization Fund (RSF) shall be maintained in addition to the managed reserve at a level sufficient to permit orderly adjustment to changes resulting from curtailment of revenue. The ultimate target level for the RSF will be three percent of total General Fund Disbursements in any given fiscal year. After an initial deposit, this level may be achieved by incremental additions over many years. Use of the RSF should only occur in times of severe economic stress. Accordingly, a withdrawal from the RSF will not be made unless the projected revenues reflect a decrease of more than 1.5 percent from the current year estimate and any such withdrawal may not exceed one half of the RSF fund balance in that year.

Long-Term Financial Policies and Tools

Ten Principles of Sound Financial Management

April 21, 2008

- c. Budgetary adjustments which propose to use available general funds identified at quarterly reviews should be minimized to address only critical issues. The use of non-recurring funds should only be directed to capital expenditures to the extent possible.
 - d. The budget shall include funds for cyclic and scheduled replacement or rehabilitation of equipment and other property in order to minimize disruption of budgetary planning from irregularly scheduled monetary demands.
 3. **Cash Balances.** It is imperative that positive cash balances exist in the General Fund at the end of each fiscal year. If an operating deficit appears to be forthcoming in the current fiscal year wherein total disbursements will exceed the total funds available, the Board will take appropriate action to balance revenues and expenditures as necessary so as to end each fiscal year with a positive cash balance.
 4. **Debt Ratios.** The County's debt ratios shall be maintained at the following levels:
 - a. Net debt as a percentage of estimated market value shall be less than 3 percent.
 - b. Debt service expenditures as a percentage of General Fund disbursements shall not exceed 10 percent. The County will continue to emphasize pay-as-you-go capital financing. Financing capital projects from current revenues is indicative of the County's intent to use purposeful restraint in incurring long-term debt.
 - c. For planning purposes annual bond sales shall be structured such that the County's debt burden shall not exceed the 3 and 10 percent limits. To that end sales of General Obligation Bonds and general obligation supported debt will be managed so as not to exceed a target of \$275 million per year, or \$1.375 billion over five years, with a technical limit of \$300 million in any given year. Excluded from this cap are refunding bonds, revenue bonds or other non-General Fund supported debt.
 - d. For purposes of this principle, debt of the General Fund incurred subject to annual appropriation shall be treated on a par with general obligation debt and included in the calculation of debt ratio limits. Excluded from the cap are leases secured by equipment, operating leases, and capital leases with no net impact to the General Fund.
 - e. Use of variable rate debt is authorized in order to increase the County's financial flexibility, provide opportunities for interest rate savings, and help the County manage its balance sheet through better matching of assets and liabilities. Debt policies shall stipulate that variable rate debt is appropriate to use when it achieves a specific objective consistent with the County's overall financial strategies; however, the County must determine if the use of any such debt is appropriate and warranted given the potential benefit, risks, and objectives of the County. The County will not use variable rate debt solely for the purpose of earning arbitrage pending the disbursement of bond proceeds.
 - f. For purposes of this principle, payments for equipment or other business property, except real estate, purchased through long-term lease-purchase payment plans secured by the equipment will be considered to be operating expenses of the County. Annual General Fund payments for such leases shall not exceed 3 percent of the annual General Fund disbursements, net of the School transfer. Annual equipment lease-purchase payments by the Schools and other governmental entities of the County should not exceed 3 percent of their respective disbursements.

Long-Term Financial Policies and Tools

Ten Principles of Sound Financial Management

April 21, 2008

5. **Cash Management.** The County's cash management policies shall reflect a primary focus of ensuring the safety of public assets while maintaining needed liquidity and achieving a favorable return on investment. These policies have been certified by external professional review as fully conforming to the recognized best practices in the industry. As an essential element of a sound and professional financial management process, the policies and practices of this system shall receive the continued support of all County agencies and component units.
6. **Internal Controls.** A comprehensive system of financial internal controls shall be maintained in order to protect the County's assets and sustain the integrity of the County's financial systems. Managers at all levels shall be responsible for implementing sound controls and for regularly monitoring and measuring their effectiveness.
7. **Performance Measurement.** To ensure Fairfax County remains a high performing organization all efforts shall be made to improve the productivity of the County's programs and its employees through performance measurement. The County is committed to continuous improvement of productivity and service through analysis and measurement of actual performance objectives and customer feedback.
8. **Reducing Duplication.** A continuing effort shall be made to reduce duplicative functions within the County government and its autonomous and semi-autonomous agencies, particularly those that receive appropriations from the General Fund. To that end, business process redesign and reorganization will be encouraged whenever increased efficiency or effectiveness can be demonstrated.
9. **Underlying Debt and Moral Obligations.** The proliferation of debt related to but not directly supported by the County's General Fund shall be closely monitored and controlled to the extent possible, including revenue bonds of agencies supported by the General Fund, the use of the County's moral obligation and underlying debt.
 - a. A moral obligation exists when the Board of Supervisors has made a commitment to support the debt of another jurisdiction to prevent a potential default, and the County is not otherwise responsible or obligated to pay the annual debt service. The County's moral obligation will be authorized only under the most controlled circumstances and secured by extremely tight covenants to protect the credit of the County. The County's moral obligation shall only be used to enhance the credit worthiness of an agency of the County or regional partnership for an essential project, and only after the most stringent safeguards have been employed to reduce the risk and protect the financial integrity of the County.
 - b. Underlying debt includes tax supported debt issued by towns or districts in the County, which debt is not an obligation of the County, but nevertheless adds to the debt burden of the taxpayers within those jurisdictions in the County. The issuance of underlying debt, insofar as it is under the control of the Board of Supervisors, will be carefully analyzed for fiscal soundness, the additional burden placed on taxpayers and the potential risk to the General Fund for any explicit or implicit moral obligation.
10. **Diversified Economy.** Fairfax County must continue to diversify its economic base by encouraging commercial and, in particular, industrial employment and associated revenues. Such business and industry must be in accord with the plans and ordinances of the County.

Long-Term Financial Policies and Tools

Through the application of the *Ten Principles*, careful fiscal planning and sound financial management, Fairfax County has achieved a "triple A" bond rating from the three leading rating agencies. The County has held a Aaa rating from Moody's Investors Service since 1975, a AAA rating from Standard and Poor's Corporation since 1978, and a AAA rating from Fitch Investors Services since 1997. As of January 2013, Fairfax County is one of only 39 counties in the country with "triple A" bond ratings from all three rating agencies.

Fairfax County Bond Rating Report Card



As of January, 2013 only a limited number of jurisdictions, including Fairfax County, have received a "triple A" bond rating from Moody's Investors Service, Standard and Poor's Corporation, and Fitch Investors Services:

- only 39 of the nation's 3,143 counties
- only 9 of the nation's 50 states
- only 33 of the nation's 19,429 cities

Long-Term Financial Policies

The following is a description of the primary financial policies that are used to manage the County's resources and contribute to its outstanding fiscal condition. Each year during budget adoption, the Board of Supervisors reaffirms and approves budget guidelines for the next budget year. These guidelines then serve as a future budget development tool.

Long-Term Financial Policies and Tools

BUDGET GUIDANCE FOR FY 2013 AND FY 2014 – April 24, 2012

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium of the Fairfax County Government Center on Tuesday, April 24, 2012, the Board approved the following Budget Guidance for FY 2013 and FY 2014:

FY 2014 Budget Development

The Board directs the County Executive to provide a financial forecast for FY 2014 by Fall 2012 to assist Board of Supervisors' decision-making as it relates to guidance to the County and the Schools on the strategic priorities and the budgetary support for programs and services in FY 2014.

The Board of Supervisors directs the County Executive to prepare an FY 2014 budget proposal that continues to consider the affordability of taxes for our residents and businesses. In addition, recognizing the need to address requirements such as increasing school enrollment, compensation, and long-term needs of the County, the Board directs the County Executive to present options for meeting these requirements to include efficiencies, service reductions, and revenue opportunities. The FY 2014 budget recommendation from the County Executive should also include a multi-year proposal.

The Board of Supervisors appreciates the ongoing hard work and recommendations of the various district budget committees. Their recommendations are extremely helpful to the Board in its consideration of the very complex budget decisions. The district committee approach and budget advisors in the districts continue to serve the County well in bringing numerous stakeholders to the table and providing individual supervisors and the Board as a whole with broad insights. The budget committees have made some suggestions concerning the budget process and budget information and staff is directed to review and incorporate changes as possible.

Staff also is directed to continue to monitor potential federal and state reductions and report back to the Board on their impact.

Fairfax County Public Schools (FCPS)

The Board of Supervisors would like to continue pursuing opportunities for further County and School collaborations that can result in efficiencies, reductions, and improvements. The Board of Supervisors will use regularly scheduled meetings with the School Board to identify and coordinate further opportunities for collaboration, in particular in the area of our most challenged schools which continues to be an issue of high concern for both of our Boards.

In recognition of the critical importance of early learning and development to a child's future academic potential as well as to our community's economic development and quality of life, the Fairfax County and Fairfax County Public School Boards should address the specific ways to work collaboratively in partnership with the community to ensure that all children entering kindergarten are well prepared to succeed. Much is already happening. At the February 9, 2012 meeting of the FCPS Board there was approval to fund a best practices study on early education.

To demonstrate the urgency of this issue and our Boards' commitment to the future of the County's economic success and the educational success of all our children, our boards should dedicate the next joint meeting discussing the opportunity to initiate a Fairfax County countywide kindergarten readiness plan that will ensure that all Fairfax County children enter kindergarten with necessary early learning skills and knowledge essential for school success.

Additionally, this first meeting provides the opportunity for the Board of Supervisors to understand savings from elimination of the year-round academic calendar versus the benefits the program provided in increasing achievement in schools with high numbers of low income populations.

Long-Term Financial Policies and Tools

BUDGET GUIDANCE FOR FY 2013 AND FY 2014 – April 24, 2012

The Board of Supervisors is supportive of School Board attempts to expand staffing in support of School Board members, to include an independent audit capability, within existing resources. The Board believes this approach, consistent with how the Board of Supervisors operates and with testimony we have heard from the community, would assist the School Board members to perform their governance role effectively.

The Board of Supervisors also recognizes the growing needs of the School capital requirements and continues to support the School Bond program of \$155 million a year (raised permanently from \$130 million), which represents two thirds of planned General Obligation bond sales for County and School purposes.

Available Balances / Transportation

Given the importance of finding solutions to the ongoing shortfall in funding for new transportation projects and as recommended by the County Executive and staff at the Board's February 2012 retreat, the Board of Supervisors directs that one-half of remaining balances made available at the Carryover Review, that are not required to support critical requirements, be identified for transportation funding. In addition, staff is directed to review options for use of proffer and contributed transportation funds for flexibility to address countywide multi-year transportation challenges.

The other one-half of balances remaining at Carryover and balances from Third Quarter should be held in reserve to address FY 2014 budget challenges, and the Board of Supervisors requests that the School Board also reserve available balances for FY 2014 requirements. Recognizing that with the slow economic recovery and the budgetary reductions taken by agencies that have reduced their flexibility, it is more important than ever that the County maintain adequate reserve funding for unforeseen requirements.

County Staff

While the last several years have been challenging, staff has continued to perform at high levels serving the needs of the community and meeting County priorities. The Board appreciates the important role that employees play in the delivery of County services. The reinstatement of a full compensation package in FY 2013 is a critical element in the long-term stability of the workforce. It is important to note that this reinstatement will not replace increases which were foregone in prior years, nor will adjustments be made to retirement or other benefits as a result of this loss; however, the FY 2013 funding does position the County to address the workforce challenges ahead of us.

Recognizing the need to ensure that the County continues to attract and retain the most high quality employees, the Board also directs that staff review recruitment data during FY 2012 and FY 2013 to identify which if any job classes are experiencing difficulty in recruitment or retention and report back to the Board at a Fall 2012 Personnel Committee meeting if some issues exist and if they are tied to pay levels or competitiveness in the marketplace. In addition, as future budgets are developed review of appropriate changes to the Social Security offset for service-connected disability and the employee contribution to Police retirement should be included. The Board further directs staff to explore the costs to the county and/or the employee of providing military service credits to the employee's retirement for those who served a minimum of 4 years of U.S. Military Service.

Human Services

Community Services Board (CSB)

The CSB is facing a significant budget shortfall in both FY 2012 and FY 2013 as a result of payroll costs that the CSB cannot fund out of the planned allocation and a service shortfall which includes full coverage of the ID high school graduates needs, full coverage of the Infant service needs, and full coverage of the estimated revenue shortfall in fees for services.

Long-Term Financial Policies and Tools

BUDGET GUIDANCE FOR FY 2013 AND FY 2014 – April 24, 2012

The CSB has already taken specific actions to decrease expenditures and increase revenue which include, the institution of a hiring freeze, limiting overtime, establishment of waiting lists for services, re-deploying staff to ensure adequate coverage in vital areas and continuing to maximize revenue collections from 18 the state and federal government through grants, Medicaid and Medicare billing, private health insurance, delinquent debt collection and reviewing fee policies to ensure adequacy of revenues.

The CSB Board is working with advocates and community agencies to address how to establish a new service model for all services recognizing that some services may require additional resources based on increasing caseloads and clients in need of services. While a reserve to address some of the funding shortfall does exist it will also be necessary to generate some program savings or to identify other funding resources.

In particular, services experiencing high growth, such as those services for people with Intellectual Disabilities and the Infant Toddler Connection which provides services for infants with developmental delays, will be reviewed to establish a mechanism to prioritize services based on available and anticipated funding. The partnership between the County and advocates has been extremely effective in the past when funding issues have arisen. These partners are encouraged to assist the County by concentrating their focus on maximizing state funding. In addition, the CSB will continue to review all services based on current utilization and staffing, consider consolidating services at a single site when possible, as well as adjusting or right-sizing funding for under-utilized services.

The CSB is directed to present a final FY 2013 Budget Management Plan to the Board of Supervisors as part of the *FY 2012 Carryover Review* and provide updates to the Board prior to the end of June. In addition, the CSB is directed to report to the Board on the ramifications of the potential closing of the Northern Virginia Training Center and options to address residential services for these clients and others in the CSB system.

Housing Blueprint

The FY 2013 Blueprint identifies specific requirements to fund Blueprint for Affordable Housing activities in the upcoming year. Included in the Blueprint is the development/acquisition of an additional 200 units of affordable housing. Specifically, the Blueprint identifies the need for a private or non-profit organization or organizations to develop or acquire one or more properties which will house individuals and families with a healthy mix of incomes across the spectrum of need ranging from homelessness to workforce. The approximate total development budget for a 200-unit multifamily development is \$40 million. It is anticipated that a portion of this cost can be met through debt along with equity generated through the federal Low Income Housing Tax Credit Program. However, to meet the targeted income levels, a funding gap of \$5 million remains. Of this \$5 million, \$3 million in funding has already been identified, leaving a balance of \$2 million. The Board has confirmed that funding is available in Fund 319, generated from program income, loan repayment, and reallocations, that can be used to meet this balance. Staff is directed to make the necessary funding adjustments as part of the *FY 2012 Carryover Review*. It is also directed that staff continue to identify opportunities made available within new developments in the County.

It is important to note that in addition to the 200-unit project, the FY 2013 Blueprint includes a Community Challenge to fund approximately \$2.6 million to serve the 307 households comprising the gap between the County's goals and anticipated resources (102 households for Goal 1 - End Homelessness in 10 years and 205 households for Goal 3 -Streamline and Reduce the Waiting Lists in Half in 10 years). The Board of Supervisors is providing \$1.3 million as a match for this purpose; however, the Community Challenge is dependent on resources from outside the County's budget and we strongly encourage our advocates and partners to continue to work with staff to help ensure that the Blueprint remains on track in FY 2013.

Long-Term Financial Policies and Tools

BUDGET GUIDANCE FOR FY 2013 AND FY 2014 – April 24, 2012

Partners in Prevention Fund

The Board of Supervisors supports the Human Services Council recommendation to replenish the Partners in Prevention Fund. The Fund provides a necessary source of resources to address a variety of prevention-related activities which generate long-term savings in Human Services and Public Safety. Similar to prior funding strategies, the Board directs that as part of the *FY 2012 Carryover Review* savings generated by the Human Services systems in FY 2012 be considered for the purpose of replenishment.

Sliding Fee Scale

The County has a number of distinct sliding fee scales within Human Services, some driven by federal guidelines and others controlled locally. There are also numerous processes involved in evaluating and setting fees. Staff is directed to review and make recommendations for modifying and perhaps streamlining sliding fee scales within Human Services as part of the FY 2014 budget process.

Rent Relief

The Board directs staff to review the Rent Relief program in the context of overall services to individuals in need and report back to the Human Services Committee in FY 2013 on potential redesign options for the program to ensure that the total resources available are maximized to the populations most in need of assistance.

HOME Funding

The Board is concerned about the continued erosion of federal funding as it relates to HOME grant funding. At the same time the County is not able to step in and fill the void of these funding reductions. As a result staff is directed to review options for reprioritizing existing federal funds and report back to the Board concerning options to minimize program impacts of these reductions.

Access Fairfax

Staff is directed to identify opportunities regarding the redesign of the Access Fairfax program to more adequately serve clients and services and to work with the County and nonprofit service providers in the region to leverage County and community services to meet current needs.

Consolidated Community Funding Pool

The Consolidated Community Funding Pool has long been an effective and innovative way to pool funding to support a variety of human service needs utilizing a competitive funding approach to fund eligible nonprofit organizations to meet specific unmet human service needs. For close to 15 years, the CCFP has enabled the county to leverage the County's funding with community resources to build the community's capacity to meet identified service needs and expand their service provision. Given the significant changes in Human Services since the inception of the CCFP, staff is directed to work with the CCFAC and representatives from the nonprofit community to review the current CCFP funding framework, practices and procedures to ensure they support the strategic human services outcomes and to ensure we are leveraging community resources for the maximum collective impact on communities and those individuals and families most at risk. Staff is directed to present their recommended changes to the Board prior to the start of the next funding cycle.

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Fairfax4Kids

The County has worked to outsource the Fairfax4Kids program as directed in the FY 2011 Budget. However, as result of reviewing options, another alternative, keeping the program in-house and shifting the responsibility to the Department of Neighborhood and Community Services (DNCS) has emerged. Rather than outsourcing the program in FY 2013, staff is directed to continue to resource the group program with County staff while the program is evaluated. Staff is further directed to review the program, in the context of the larger foster care and mentoring activities of the County and return to the Board with a comprehensive long-term plan. Among the specific issues to be reviewed are working with volunteer mentors to reestablish the program goals and objectives and activity components within the budget parameters and use the results-based accountability model currently being employed in cross systems human services work to clearly identify effectiveness of services and clear outcomes.

Additionally, program staff shall identify and pursue opportunities to leverage community resources to support the program. The ultimate recommendation to the Board will need to be design so that going forward staff can provide to the Board an evaluation of the program based on the outcomes and performance measures identified.

Stormwater Management

The Board continues to recognize the long term challenges associated with stormwater management in the County. The increase of the Stormwater Services rate from \$0.015 to \$0.020 in FY 2013 is a critical step as the County works to protect public safety, preserve property values and support environmental mandates, such as those aimed at protecting the Chesapeake Bay and the water quality of other local jurisdictional waterways. Future requirements will necessitate that the County adequately fund repairs to stormwater infrastructure, measures to improve water quality, such as stream stabilization, rehabilitation, safety upgrades of state regulated dams, repair and replacement of underground pipe systems, surface channels, structural flood proofing and best management practices (BMP) site retrofits and improvements. Staff is directed to evaluate future requirements and recommend multi-year rate planning similar to the methodology employed in the wastewater program.

Lorton Arts Foundation (LAF)

The Lorton Arts Foundation operates the Center for the Arts at the former Lorton Prison site. This site, transferred to the County from the federal government is a large, historically important facility in the County and the partnership with LAF will provide opportunities both for the stabilization and preservation of the site as well as enhanced art programming. The LAF funding relationship with the County has been in place since the *FY 2005 Carryover Review* when the Board of Supervisors approved funding to support the Lorton Arts Foundation (LAF) financing and capital renewal plan for operation of a center for the arts. The Board had previously approved the negotiation of a lease of the former prison site with the Foundation, which proposed to use funds generated by leasing the various facilities to individual artists and performing arts groups.

The Board is committed to identifying solutions for the current fiscal stress being experienced by LAF. During the economic recession fundraising has been a challenge for LAF as well as to other similar organizations nationally. The facility has not generated the level of patronage which was originally projected and the large campus has been a drain on the resources of the foundation. During the past twelve months serious deterioration has been identified to such an extent that LAF is on the verge of failure unless additional funds can be found to push through the recession and provide a chance for recovery. It should be noted that the County is not obligated to fund LAF's outstanding debt service. However, the substantial improvements to the site undertaken by LAF have directly benefited County-owned property. The recommendation of the County Executive to provide assistance and oversight to LAF in FY 2012 and FY 2013 is necessary and, while the Board is supportive of LAF being successful, it is not possible for the County to support the facility indefinitely.

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Therefore, staff is directed to continue to work with LAF on a list of recommendations intended to assist LAF with financial recovery, achieve its mission, and, most importantly, to protect the investment to date in the adaptive reuse of this historic County property. The County role at LAF must be expanded, through a County oversight committee, as it relates to the budget, capital construction and facility management and will include ex-officio representation on the LAF Board. County Facilities Management staff will assume maintenance responsibilities, paid for by LAF operations to generate efficiencies. LAF must also do its part, particularly by substantially increasing fundraising efforts, cutting expenses, and ensuring full cost recovery of all programs and services.

In addition, all potential uses of space on the LAF campus must be evaluated to identify the most appropriate use, including, but not limited to, recreational uses, County agencies, local nonprofits and partnerships with FCPS. Staff is also directed to report back to the Board on a quarterly basis regarding the status of LAF's financial condition and progress that has been made resolving the long-term stability of the organization. Funding provided to LAF by the County is to be paid quarterly.

Inova Translational Medicine Institute

The Board of Supervisors is very supportive of Inova Health System's pioneering efforts to establish the Inova Translational Medicine Institute intended to translate advances in genomics and the molecular sciences into major improvements in future patient care, both in the prevention and treatment of serious illnesses. Inova's entry in translational medicine will not only dramatically improve personalized health care of Fairfax County citizens, but will help solidify the County as a visionary jurisdiction on the cutting edge of the future of medicine, bringing notable increased economic development to the area.

The Board intends to partner with Inova by investing in the Translational Medicine Institute. The Board directs the County Executive to come back to the Board this fall with a proposal for how to fund the County's contribution toward Inova's Translational Medicine Institute.

A Copy Teste:


Catherine A. Chianese,

Clerk to the Board of Supervisors

Reserve Policies

The reserve policies adopted by the County are complimentary to the requirement for balanced budgets. Among the long standing policies are:

- that annual budgets be balanced between projected total funds available and total disbursements including funding for established reserves; and
- that it is imperative that positive cash balances exist in the General Fund at the end of each fiscal year; and
- that if an operating deficit appears to be forthcoming in the current fiscal year wherein total disbursements will exceed the total funds available, the Board will take appropriate action to balance revenues and expenditures as necessary so as to end each fiscal year with a positive cash balance.

There are two primary General Fund reserves:

- Managed Reserve - 2 percent of General Fund Disbursements or \$69.3 million as of the FY 2012 Carryover Review

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- Revenue Stabilization Fund Reserve - 3 percent of General Fund Disbursements or \$105.3 million as of the *FY 2012 Carryover Review*

A Managed Reserve (MR) shall be maintained in the General Fund at a level sufficient to provide for temporary financing of critical unforeseen disbursements of a catastrophic emergency nature. The reserve will be maintained at a level of not less than two percent of total Combined General Fund disbursements in any given fiscal year. The MR has been maintained since 1983 and a withdrawal has never been made from it.

A Revenue Stabilization Fund (RSF) shall be maintained in addition to the managed reserve at a level sufficient to permit orderly adjustment to changes resulting from curtailment of revenue. The ultimate target level for the RSF will be three percent of total General Fund Disbursements in any given fiscal year. The Board of Supervisors determined that a minimum of 40 percent of non-recurring balances identified at quarterly reviews would be transferred to the Revenue Stabilization Fund and the Fund would retain the interest earnings on this balance, and the retention of interest would continue until the Reserve is fully funded. The RSF was created in FY 2000 and fully funded in FY 2006. The Revenue Stabilization Fund will not be used as a method of addressing the demand for new or expanded services; it is solely to be used as a financial tool in the event of an economic downturn.

Therefore, three specific criteria that must be met in order to make a withdrawal from the Fund include:

- Projected revenues must reflect a decrease greater than 1.5 percent from the current year estimate;
- Withdrawals must not exceed one-half of the fund balance in any fiscal year; and
- Withdrawals must be used in combination with spending cuts or other measures.

The Revenue Stabilization Fund was used for the first/only time in FY 2009. A withdrawal of \$18.7 million was a small part of the total plan approved by the Board with included significant reductions, a furlough for employees and application of other balances to address a \$64.7 million shortfall at the *FY 2009 Third Quarter Review*. As a result of available balances at FY 2009 year end, the full reserve has been replenished.

In addition to the Managed Reserve and the Revenue Stabilization Fund, the County has many reserves maintained within various funds. Among these reserves are those designated for replacement of equipment and facilities, identified for long term liabilities, to meet debt service requirements and as operating / rate stabilization reserves. As part of the annual budget process staff identifies potential changes to funding levels and brings to the Board policy decisions which need to be made in relation to Reserve Policies. In addition, at yearend, during the Carryover process, reserve balances are often reset as a result of actual fund balances and/or actuarial analyses. More detail about the size of reserves and the specific use for them is available in each agency narrative but the Board policies concerning reserves are summarized below.

Replacement Reserve Policies: The Board of Supervisor's has repeatedly reaffirmed the policy that the County budget shall include funds for cyclic and scheduled replacement or rehabilitation of equipment and other property in order to minimize disruption of budgetary planning from irregularly scheduled monetary demands. These reserves are necessary to provide a source of funding for planned replacement of major equipment or infrastructure over several years. For example, the County maintains a vehicle replacement reserve within the Department of Vehicle Services to plan for vehicle replacement once age; mileage and condition criteria have been met. General Fund monies are set aside each year over the life of

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the existing vehicle in order to pay for its replacement. Helicopter, ambulance and large apparatus replacement funds are also maintained for the Police and Fire and Rescue Departments. Fixed payments to these reserves are made annually to ensure funding is available at such time that the equipment must be replaced.

Outstanding Liability Policies: The Board of Supervisor's has also consistently funded reserve requirements for outstanding liabilities as they are identified and in conformance with accounting standards and practices. It is important to note that contributions to these liability reserves have been sustained even as reductions in services have been made demonstrating the commitment of the Board to meet its fiduciary responsibilities. An example of a liability reserve is the County's Self Insurance program which is evaluated each year by an actuary and the liability for all self-insured programs is identified. The accrued liability reserve identified as of year-end each year is funded during the Carryover Review. An additional reserve is also currently identified by County policy for catastrophic loss above and beyond the identified accrued liability. Beginning in FY 2008 the County's financial statements were required to implement Governmental Accounting Standards Board (GASB) Statement No. 45 for post-employment benefits including health care, life insurance, and other non-retirement benefits offered to retirees. This new standard addresses how local governments should account for and report their costs related to post-employment healthcare and other non-pension benefits. As a result an annual required contribution (ARC) to meet the long term liability is funded by both the County and Schools.

Debt Service Reserve Policies: The majority of debt service reserves are maintained by a trustee as stipulated by the terms of the bond documents for the bonds which are being supported. However, as an Enterprise System of the County, Sewer Bond Debt Reserves were established in Funds 400, Sewer Revenue, 406, Sewer Bond Debt Reserve and 407, Sewer Bond Subordinate Debt Reserve to provide one year of principle and interest for the outstanding bond series as required by the Sewer System's General Bond Resolution.

Operating and Rate Stabilization Reserve Policies: The County has also identified reserves for potential operating adjustments that may be required and/or to help mitigate the need for significant shifts in tax rates or charges for services. The Boards of both the County and Schools have often approved set aside reserves to assist in budget development for the next year. These reserves have been established as the result of balances accumulated through expenditure savings and conservative revenue projections consistent with the policy that positive cash balances are available at year end.

Third Quarter/Carryover Reviews

The Department of Management and Budget conducts a *Third Quarter Review* on the current year *Revised Budget Plan* which includes a detailed analysis of expenditure requirements. All agencies and funds are reviewed during the *Third Quarter Review* and adjustments are made to the budget as approved by the Board of Supervisors. Section 15.2-2507 of the Code of Virginia requires that a public hearing be held prior to Board action when the potential increases in the appropriation are greater than 1.0 percent of expenditures. The Board's Adopted Budget guidelines indicate that any balances identified throughout the fiscal year, which are not required to support expenditures of a legal or emergency nature, must be held in reserve.

Carryover Review represents the analysis of balances remaining from the prior year and provision for the appropriation of funds to cover the prior year's legal obligations (encumbered items) in the new fiscal year without loss of continuity in processing payments. *Carryover* extends the prior year funding for the purchase of specific items previously approved in the budget process, but for which procurement could

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not be obtained for various reasons. All agencies and funds are reviewed during the *Carryover Review* and adjustments are made to the budget as approved by the Board of Supervisors. Again, the Code of Virginia requires that a public hearing be held prior to Board action when the potential increases in the appropriation are greater than 1.0 percent of expenditures.

Cash Management/Investments

Maintaining the safety of the principal of the County's public investment is the highest priority in the County's cash management policy. The secondary and tertiary priorities are the maintenance of liquidity of the investment and optimization of the rate of return within the parameters of the Code of Virginia, respectively. Funds held for future capital projects are invested in accordance with these objectives, and in such a manner so as to ensure compliance with U.S. Treasury arbitrage regulations. A senior interagency Investment Committee develops investment policies and oversees the effectiveness of portfolio management in meeting policy goals.

The County maintains cash and temporary investments in several investment portfolios. A general investment portfolio holds investments purchased by the County for the pooled cash and General Obligation Bond funds. Investments for this portfolio are held by a third-party custodian. Other portfolios are managed to meet the specific needs of County entities, such as, the Resource Recovery Bonds, the Fairfax County Economic Development Authority Parking Revenue Bonds (the Vienna and Huntington Metrorail Projects), Sewer Revenue Bonds, Housing Bonds, and the Equipment Acquisitions Fund. Investments for all portfolios are held by a third-party custodian.

Except where prohibited by statutory or contractual constraints, the General Fund is credited with interest earned in the general investment pool. Non-General Fund activities that earn interest through centralized investment management contribute to the cost of portfolio management by way of a market-based administrative charge that accrues to the General Fund.

Debt Management/Capital Improvement Planning

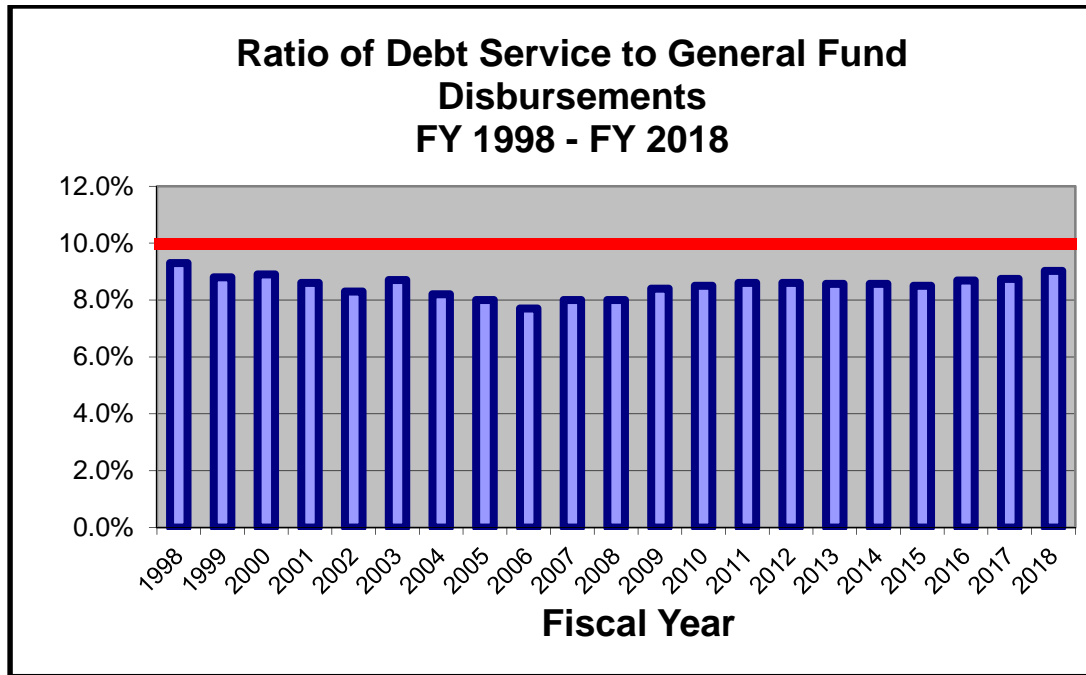
The Commonwealth of Virginia Constitution requires that long-term debt pledged by the full faith and credit of the County can only be approved by voter referendum. There is no statutory limit on the amount of debt the voters can approve. It is the County's own policy to manage debt within the guidelines identified in the *Ten Principles of Sound Financial Management*. Specifically, debt service expenditures as a percentage of General Fund disbursements should remain under 10.0 percent and the percentage of debt to estimated market value of assessed property should remain under 3.0 percent. The County continues to maintain these debt ratios, as illustrated below:

Debt Service Requirements as a Percentage of Combined General Fund Disbursements

<u>Fiscal Year Ending</u>	<u>Debt Service Requirements</u> ¹	<u>General Fund Disbursements</u> ²	<u>Percentage</u>
2010	277,370,000	3,309,904,535	8.38%
2011	285,551,000	3,343,688,525	8.54%
2012	288,302,000	3,419,952,550	8.43%
2013 (est.)	299,233,552	3,599,110,292	8.31%
2014 (est.)	304,131,821	3,588,955,648	8.47%

¹ The amount includes total principal and interest payments on the County's outstanding tax supported debt obligations, including general obligation bonds and other tax supported debt obligations. Source: Fairfax County Department of Management and Budget.

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Net Debt as a Percentage of Market Value of Taxable Property

<u>Fiscal Year Ending</u>	<u>Net Bonded Indebtedness¹</u>	<u>Estimated Market Value²</u>	<u>Percentage</u>
2010	\$2,318,699,000	\$218,549,357,276	1.06%
2011	2,554,051,000	200,523,239,485	1.27%
2012	2,734,135,000	207,327,568,596	1.32%
2013 (est.)	2,746,819,200	213,440,615,864	1.29%
2014 (est.)	2,807,447,400	220,720,061,793	1.27%

¹ The amount includes outstanding General Obligation Bonds and other tax supported debt obligations as of June 30 in the year shown and is from the Fairfax County Department of Management and Budget.

² Source: Fairfax County Department of Tax Administration and the Department of Management and Budget.

Per capita debt is also an important measure used in analyses of municipal credit. Fairfax County has historically had moderate to low per capita debt and per capita debt as a percentage of per capita income due to its steady population growth, and growth in the assessed valuation of property and personal income of residents, combined with a record of rapid repayment of capital debt.

The *Ten Principles of Sound Financial Management* establishes as a financial guideline a self-imposed limit on the level of the average annual bond sale. Actual bond issues are carefully sized with a realistic assessment of the need for funds, while remaining within the limits established by the Board of Supervisors. In addition, the actual bond sales are timed for the most opportune entry into the financial markets.

The policy guidelines enumerated in the *Ten Principles of Sound Financial Management* also express the intent of the Board of Supervisors to encourage greater industrial development in the County and to minimize the issuance of underlying indebtedness by towns and districts located within the County.

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It is County policy to balance the need for public facilities, as expressed by the countywide land use plan, with the fiscal capacity of the County to provide for those needs. The five-year Capital Improvement Program (CIP), submitted annually to the Board of Supervisors, is the vehicle through which the stated need for public facilities is analyzed against the County's ability to pay and stay within its self-imposed debt guidelines as articulated in the *Ten Principles of Sound Financial Management*. The CIP is supported largely through long-term borrowing that is budgeted annually in debt service or from General Fund revenues on a pay-as-you-go basis.

Pay-as-you-go Financing

Although a number of options are available for financing the proposed Capital Improvement Program, including bond proceeds and grants, it is the policy of the County to balance the use of the funding sources against the ability to utilize current revenue or pay-as-you-go financing. While major capital facility projects are funded through the sale of General Obligation Bonds, the Board of Supervisors, through its *Ten Principles of Sound Financial Management*, continues to emphasize the importance of maintaining a balance between pay-as-you-go financing and bond financing for capital projects. Financing capital projects from current revenues indicates the County's intent to show purposeful restraint in incurring long-term debt. No explicit level or percentage has been adopted for capital projects from current revenues as a portion of either overall capital costs or of the total operating budget. The decision for using current revenues to fund a capital project is based on the merits of the particular project in relation to an agreed upon set of criteria. It is the Board of Supervisors' policy that non-recurring revenues should not be used for recurring expenditures.

Risk Management

Continuing growth in County assets and operations perpetuates the potential for catastrophic losses resulting from inherent risks that remain unidentified and unabated. In recognition of this, the County has adopted a policy of professional and prudent management of risk exposures.

To limit the County's risk exposures, a Risk Management Steering Committee was established in 1986 to develop appropriate policies and procedures. The County Risk Manager is responsible for managing a countywide program. The program objectives are as follows:

- To protect and preserve the County's assets and workforce against losses that could deplete County resources or impair the County's ability to provide services to its citizens;
- To institute all practical measures to eliminate or control injury to persons, loss to property or other loss-producing conditions; and
- To achieve such objectives in the most effective and economical manner.

While the County's preference is to fully self-insure, various types of insurance such as workers' compensation, automobile, and general liability insurance remain viable alternatives when they are available at an affordable price.

Long-Term Financial Policies and Tools

Pension Plans

The County funds the retirement costs for four separate retirement systems including: Educational Employees Supplemental Retirement System, Police Officers Retirement System, Fairfax County Employees' Retirement System and Uniformed Retirement System. These retirement systems are administered by the County and are made available to Fairfax County government and school employees in order to provide financial security when they reach an older age or cannot work due to disability. In addition, professional employees of the Fairfax County School Board participate in a plan sponsored and administered by the Virginia Retirement System. The Board of Supervisors reviews the Police Officers Retirement System, Fairfax County Employees' Retirement System and the Uniformed Retirement System plans annually and takes action to fund the County's obligation. On March 18, 2002 the Board of Supervisors adopted a corridor approach to employer contributions. In the corridor method of funding, a fixed contribution rate is assigned to each System and the County contributes at the fixed rate unless the System's funding ratio falls outside of the pre-selected corridor of 90-120 percent. Once outside the corridor, the County rate is either increased or decreased to accelerate or decelerate the funding until the ratio falls back within the corridor. Additional changes to employer contribution rates may occur if benefit enhancements are approved. The corridor approach adds stability to the employer contribution rates and, at the same time, provides adequate funding for the Retirement Systems. It should be noted that, in their budget guidance approved with the adoption of the FY 2010 budget, the Board of Supervisors directed staff to review the requirements placed on the County's retirement systems as a result of the economic downturn. As the County continues to address increasing benefit costs, the volatility of the financial markets and uncertainty about future funding flexibility, the Board felt it was an opportune time to examine and refine a number of policies related to the County's retirement systems, including the corridor funding approach. Staff conducted a comprehensive examination of the current corridor policy and concluded that the corridor approach should be maintained, as it has cushioned the County from dramatic rate increases in the past and is currently providing insulation from the global financial crisis. However, recognizing the difficult economic environment and the impact on investment returns, it is unlikely that the funding ratios for the three systems will increase significantly over the next few years based on the current corridor parameters. Consequently, the corridor will remain at 90-120 percent, as codified in the Fairfax County Code, but every effort will be made to gradually move towards a narrower corridor of 95-105 percent. This solution will allow the County to maintain the flexibility afforded by the current policy with the understanding that increasing contributions to the retirement systems, when feasible from a budgetary perspective, will improve the systems' financial position. At a future date, when the funding ratios of the systems have risen above 95 percent, consideration will be given to formally revising the corridor to 95-105 percent.

As directed by the Board of Supervisors, the Department of Human Resources contracted with a benefits consultant to conduct a comprehensive review of the retirement plans. The consultant's report was presented in February and March 2012. Based on the results of this study, the Board of Supervisors adopted several modifications to the retirement systems, which apply only to new employees who are hired on or after January 1, 2013. These changes include:

- Increasing the minimum retirement age for normal service retirement from 50 to 55 in the Employees' system;
- Increasing the rule of 80 (age plus years of service) to the rule of 85 in the Employees' system;
- Placing a cap on the use of sick leave for purposes of determining retirement eligibility and benefits at 2,080 hours for all three retirement systems; and

Long-Term Financial Policies and Tools

- For the DROP program, removing the pre-Social Security supplement from balances accumulated during the DROP period in the Employees' and Uniformed systems. It should be noted that, as members of the Police Officers system do not participate in Social Security, they do not receive a pre-Social Security supplement.

No changes were made to benefits for current employees.

The School Board reviews the Educational Employees Supplemental Retirement plan annually and takes action to fund the County's obligation based on actuarial valuations that are usually performed annually. Benefits are defined in each system according to the requirements of an ordinance of the Fairfax County Code. Each retirement system is governed by a Board of Trustees whose function is the general administration and operation of the system. Each Board has full power to invest and reinvest the accumulated monies created by the systems in accordance with the laws of the Commonwealth as they apply to fiduciaries investing such funds. Investment managers are hired by each Board and operate under the direction of the Boards' investment objectives and guidelines. Each Board meets once a month to review the financial management of the funds and to rule on retirement applications.

Other Post-Employment Benefits (OPEB)

Beginning in FY 2008 the County's financial statements were required to implement Governmental Accounting Standards Board (GASB) Statement No. 45 for post-employment benefits including health care, life insurance, and other non-retirement benefits offered to retirees. This new standard addresses how local governments should account for and report their costs related to post-employment healthcare and other non-pension benefits. Currently, the County offers retirees the option of participating in County group health, life insurance, and dental plans. These benefits are offered to retirees at premium rates established using the blended experience of the active and retiree populations. As such, retirees receive an "implicit" benefit, as these premium rates are typically lower than those rates which would be charged by the market. In addition, County retirees receive an explicit benefit through the retiree health benefit subsidy. The County provides monthly subsidy payments to eligible County retirees to help pay for health insurance. The current monthly subsidy, approved in FY 2006, commences at age 55 and varies by length of service. It should be noted that the monthly subsidy is provided to retirees on a discretionary basis, and the Board of Supervisors reserves the right to reduce or eliminate the benefit in the future if the cost of the subsidy becomes prohibitive or an alternative is chosen to aid retirees in meeting their health insurance needs.

GASB 45 requires that the County accrue the cost of post-employment benefits during the period of employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the County. The County decided to follow guidance provided by GASB and established an OPEB Trust Fund in FY 2008 to pre-fund the cost of post-employment healthcare and other non-pension benefits. Establishing such a trust fund will allow the County to capture long-term investment returns, make progress towards eliminating the unfunded liability over a 30-year period, and is consistent with the preliminary guidance of the bond rating agencies as it relates to a "triple A" rated jurisdictions response to GASB 45. This methodology mirrors the funding approach used for pension/retirement benefits. As a result, the County is required to make an annual contribution towards the long-term liability. This includes an amount for benefits accrued by active employees during the fiscal year, as well as an additional amount in order to address the unfunded actuarial accrued liability. Progress towards funding the liability will be reported in the County's Comprehensive Annual Financial Report (CAFR) including schedules detailing assets, liabilities and the funding ratio (i.e. how much progress has been made towards funding the outstanding liability).

Long-Term Financial Policies and Tools

The actuarial accrued liability will be calculated annually as part of the actuarial valuation and will include adjustments due to benefit enhancements, medical trend experience, and normal growth assumptions. If necessary, adjustments will be made to the annual contribution. Before approving additional benefit enhancements, the County will need to carefully consider not only the impact on the current fiscal year budget, but also the long-term impact on the liability and the annual required contribution.

It should be noted that the Fairfax County Public Schools offer similar benefits to their retirees, which results in a separate OPEB liability. The Schools also created an OPEB Trust Fund, in accordance with guidance provided by GASB, in FY 2008 to begin to address their unfunded liability and pre-fund the cost of other post-employment benefits.

Grants

County policy requires that the initial application and acceptance of all grants over \$100,000 be approved by the Board of Supervisors. Each grant application is reviewed for the appropriateness and desirability of the program or service. Upon completion of the grant, programs are reviewed on a case-by-case basis to determine whether the program should be continued utilizing County funds. The County has no obligation to continue either grant-funded positions or grant-funded programs, if continued grant funding is not available.

Effective September 1, 2004, the Board of Supervisors established new County policy for grant applications and awards that meet certain requirements. If a grant is \$100,000 or less, with a required Local Cash Match of \$25,000 or less, with no significant policy implications, and if the grantor does not require Board of Supervisors' approval, the agency can work directly with the Department of Management and Budget to receive the award and reallocate funding from the anticipated/unanticipated reserve directly to the agency. If an award exceeds these limitations but was listed in the Anticipated Grant Awards table in the Adopted Budget for the current fiscal year, Board of Supervisors' approval is not required unless the actual funding received differs significantly from the projected funding listed in the budget. For any grant that does not meet all of the specified criteria, the agency must obtain Board of Supervisors' approval in order to apply for or accept the grant award.

Contributory Policies

To improve the general health and welfare of the community, as well as leverage scarce resources, it is the policy of the Board of Supervisors to make General Fund appropriations of specified amounts to various nonsectarian, nonprofit or quasi-government entities. Because public funds are being appropriated, funds provided to designated contributory agencies are currently made available contingent upon submission and review of financial reports. This oversight activity includes program reporting requirements that require designated contributories to describe accurately, in a manner prescribed by the County Executive, the level and quality of services provided to County residents.

Long-Term Financial Policies and Tools

Information Technology

The following ten strategic directions are fundamental principles upon which Fairfax County will base its Information Technology (IT) decisions in the upcoming years. These are intended to serve as guidelines to assist County managers in applying information technology to achieve business goals.

Ten Fundamental Principles of Information Technology

In addition to the Department of Information Technology's Mission and Goals, Fairfax County Information Technology (IT) projects and processes are guided by ten fundamental principles approved by the Board of Supervisors in 1996, and updated in 2003.

1. Our ultimate goal is to provide citizens, the business community, and County employees with timely, convenient access to appropriate information and services through the use of technology.
2. Business needs drive information technology solutions. Strategic partnerships will be established between the stakeholders and County so that the benefits of IT are leveraged to maximize the productivity of County employees and improve customer services.
3. Evaluate business processes for redesign opportunities before automating them. Use new technologies to make new business methods a reality. Exploit functional commonality across organizational boundaries.
4. Manage Information Technology as an investment.
 - Annually allocate funds sufficient to cover depreciation to replace systems and equipment before life-cycle end. Address project and infrastructure requirements through a multi-year planning and funding strategy.
 - Manage use of funds at the macro level in a manner that provides for optimal spending across the investment portfolio aligned to actualized project progress.
 - Look for cost-effective approaches to improving "legacy systems". Designate systems as "classic" and plan their modernization. This approach will help extend investments and system utility.
 - Invest in education and training to ensure the technical staffs in central IT and user agencies understand and can apply current and future technologies.
5. Implement contemporary, but proven, technologies. Fairfax County will stay abreast of emerging trends through an ongoing program of technology evaluation. New technologies often will be introduced through pilot projects where both the automation and its business benefits and costs can be evaluated prior to any full-scale adoption.
6. Hardware and software shall adhere to open (vendor-independent) standards and minimize proprietary solutions. This approach will promote flexibility, inter-operability, cost effectiveness, and mitigate the risk of dependence on individual vendors.
7. Provide a solid technology infrastructure as the fundamental building block of the County's IT architecture to support reliability, performance and security of the County's information assets. Manage and maintain the enterprise network as an essential communications channel connecting people to information and process via contemporary server platforms and workstations. It will provide access for both internal and external connectivity; will be flexible, expandable, and maintainable; be fully integrated using open standards and capable of providing for the unimpeded movement of data, graphics, image, video, and voice.

Long-Term Financial Policies and Tools

Ten Fundamental Principles of Information Technology (Continued)

8. Approach IT undertakings as a partnership of central management and agencies providing for a combination of centralized and distributed implementation. Combine the responsibility and knowledge of central management, agency staff, as well as outside contract support, within a consistent framework of County IT architecture and standards. Establish strategic cooperative arrangements with public and private enterprises to extend limited resources.
9. Consider the purchase and integration of top quality, commercial-off-the-shelf (COTS) software requiring minimal customization as the first choice to speed the delivery of new business applications. This may require redesigning some existing work processes to be compatible with beneficial common practice capabilities inherent in many off-the-shelf software packages, and, achieves business goals. In consideration of this, it is recognized that certain County agencies operate under business practices that have in established in response to specific local interpretations and constraints and that in these instances, the institutionalization of these business practices may make the acquisition of COTS software not feasible. Develop applications using modern, efficient methods and laborsaving tools in a collaborative application development environment following the architectural framework and standards. An information architecture supported by a repository for common information objects (e.g., databases, files, records, methods, application inventories); repeatable processes and infrastructures will be created, shared and reused.
10. Capture data once in order to avoid cost, duplication of effort and potential for error and share the data whenever possible. Establish and use common data and common databases to the fullest extent. A data administration function will be responsible for establishing and enforcing data policy, data sharing and access, data standardization, data quality, identification and consistent use of key corporate identifiers.

Financial Management Tools and Planning Documents

This section is intended to provide a brief description of some of the financial management tools and long-range planning documents used by the County.

Budget

The primary financial management tool used by the County is the annual budget process. This involves a comprehensive examination of all expenditure and revenue programs of the County, complete with public hearings and approval by the Board of Supervisors.

Capital Improvement Program (CIP)

The Board of Supervisors annually considers and adopts a five-year Capital Improvement Program (CIP) which supports and implements the Comprehensive Plan. The CIP includes five years of project planning and forecasts project requirements for an additional five-year period. The CIP helps to balance the need for public facilities identified by the Comprehensive Plan with the County's fiscal resources and serves as a planning guide for the construction of general County facilities, schools, and public utilities. The CIP process provides a framework for development of reliable capital expenditure and revenue estimates, as well as the timely scheduling of bond referenda.

The CIP is an integral element of the County's budgeting process. The Capital Budget is the foundation for the first year of the adopted five-year CIP. The remaining four years in the CIP serve as a general planning guide. Future planning requirements five years beyond the CIP period are also included. The CIP is supported largely through long-term borrowing, which is budgeted annually in debt service or from General Fund revenues on a pay-as-you-go basis.

Long-Term Financial Policies and Tools

The Board of Supervisors has approved Principles of Sound Capital Improvement Planning and Criteria for Recommending Capital Projects which are applied every year in the development of the CIP. The principles establish the County's Comprehensive Plan as the basis for capital planning requirements and emphasize the principle of life-cycle planning for capital facilities. The CIP is an integral part of the Adopted Budget Plan and is included on the Budget CD-ROM and on the County's Website.

In October 2005, Fairfax County adopted revised guidelines for review of unsolicited Public Private Educational Facilities and Infrastructure Act (PPEA) proposals. In FY 2008, project screening criteria as presented in the CIP was approved for determining when an unsolicited PPEA project should be pursued or rejected. It is anticipated that other refinements, including any required legislative updates to the PPEA evaluation and review process will be developed and presented to the Board of Supervisors as needed. As of January 28, 2008, the County will only pursue an unsolicited PPEA project if, based on minimal analysis; the project offers a significant contribution to near term CIP goals, it offers significant savings to the General Fund or a significant positive effect on our debt capacity.

Revenue Forecast

Revenue estimates are monitored on a monthly basis to identify any potential trends that would significantly impact the revenue sources. A Revenue Task Force meets regularly to review current construction trends, the number of authorized building permits, housing sales, mortgage rates, and other economic data which impact Real Estate Tax revenue collections. In addition, the Revenue Task Force uses statistical models to estimate such revenue categories as: the Personal Property Tax; Local Sales Tax; Business, Professional, and Occupational License Tax; Consumer Utility Tax; and Recordation Tax.

Financial Forecast

A forecast of General Fund receipts and disbursements is developed as part of each year's budget process and is updated periodically. Individual and aggregate revenue categories, as well as expenditures, are projected by revenue and/or expenditure type. Historical growth rates, economic assumptions, and County expenditure priorities are all used in developing the forecast. This tool is used as a planning document for developing the budget guidelines and for evaluating the future impact of current year decisions.

Fiscal Impact Review

It is County policy that all items having potential fiscal impact be presented to the Board of Supervisors for review. Effective management dictates that the Board of Supervisors and County citizens be presented with the direct and indirect costs of all items as part of the decision making process. In addition to its preliminary review of items presented to the Board of Supervisors, County staff also review state and federal legislative items, which might result in a fiscal or policy impact on the County.



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FY 2014

Advertised Budget Plan



Financial, Statistical and Summary Tables

Financial, Statistical and Summary Tables

Explanation of Schedules

General Fund Statement

General Fund Statement

Presents information for Fund 10001, General Fund. The General Fund Statement includes the beginning and ending balances, total available resources and total disbursements, including revenues, transfers in from other funds, expenditures and transfers out to other funds and reserves.

General Fund Direct Expenditures

Provides expenditure information, organized by Program Area and agency, with totals included for each Program Area and for the entire General Fund.

Summary of Appropriated Funds

Summary of Appropriated Funds by Fund Type

Includes Budget Year Summary of Beginning Balance, Revenues by Category, Summary of Transfers In, Expenditures by Program Area, and Summary of Transfers Out for all Appropriated Funds.

Revenue and Receipts by Fund - Summary of Appropriated Funds

Includes revenues for all appropriated funds, organized by the three major fund groups - Governmental, Proprietary and Fiduciary funds.

Expenditures by Fund - Summary of Appropriated Funds

Includes expenditures for all appropriated funds, organized by the three major fund groups - Governmental, Proprietary and Fiduciary funds.

Changes in Fund Balance - Summary of Appropriated Funds

Includes changes in fund balance for all appropriated funds by the three major fund groups - Governmental, Proprietary and Fiduciary funds.

Tax Rates and Assessed Valuation

Summary of County Tax Rates

Presents historical and current fiscal year tax rates for Real Estate, Personal Property, Sewage, Refuse Collection and Disposal, Consumer Utilities, E-911 Fees, and special taxing districts.

Assessed Valuation, Tax Rates, Levies and Collections

Details the assessed valuation and levy of taxable Real Estate and Personal Property, reports actual and estimated collections and reflects the percentage of the total levy collected.

Financial, Statistical and Summary Tables

Summary of Revenues

General Fund Revenues

Details General Fund revenues by each source, subtotaled by category, for the prior, current and upcoming fiscal year.

Revenue from the Commonwealth

Summarizes revenues from the Commonwealth of Virginia by fund for the prior, current and upcoming fiscal year.

Revenue from the Federal Government

Summarizes revenues from the Federal government by fund for the prior, current and upcoming fiscal year.

Other Expenditure Schedules

County Funded Programs for School-Related Services

Summarizes all Fairfax County contributions to school-related programs. Congregating the General Fund transfer to the Schools, school debt service, and the numerous school-related programs funded in County agency budgets, reflects a more complete picture of how much the County spends on its schools on an annual basis. Provides additional expenditure data on County-funded programs for youth services (non-school related youth programs) and County-administered programs for school-related services, including programs for which the County has administrative oversight, but not sole funding responsibility.

Services for Older Adults

Summarizes contributions to services for seniors in General Fund and General Fund Supported agencies.

**FY 2014 ADVERTISED FUND STATEMENT
FUND 10001, GENERAL FUND**

	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2012 Carryover	Other Actions July-January	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) over Revised
Beginning Balance ¹	\$236,235,961	\$132,124,545	\$75,801,625	\$1,513,332	\$209,439,502	\$87,940,348	(\$121,499,154)	(58.01%)
Revenue ^{2,3,4}								
Real Property Taxes	\$2,047,283,817	\$2,116,497,573	\$0	(\$264,662)	\$2,116,232,911	\$2,228,384,045	\$112,151,134	5.30%
Personal Property Taxes ⁵	316,918,241	341,383,416	0	(843,846)	340,539,570	336,319,930	(4,219,640)	(1.24%)
General Other Local Taxes	517,375,740	523,937,338	0	(450,050)	523,487,288	523,253,090	(234,198)	(0.04%)
Permit, Fees & Regulatory Licenses	36,843,892	34,902,539	0	(254,805)	34,647,734	35,193,936	546,202	1.58%
Fines & Forfeitures	14,084,487	13,595,913	0	1,016,922	14,612,835	14,863,219	250,384	1.71%
Revenue from Use of Money & Property	18,402,588	17,171,963	0	(9,551)	17,162,412	15,671,422	(1,490,990)	(8.69%)
Charges for Services	69,627,663	70,095,102	0	673,776	70,768,878	72,690,493	1,921,615	2.72%
Revenue from the Commonwealth ⁵	304,693,149	307,254,837	91,104	0	307,345,941	303,204,341	(4,141,600)	(1.35%)
Revenue from the Federal Government	40,215,942	34,270,839	132,037	0	34,402,876	25,676,086	(8,726,790)	(25.37%)
Recovered Costs/Other Revenue	14,235,285	14,716,245	10,000	132,216	14,858,461	14,935,437	76,976	0.52%
Total Revenue	\$3,379,680,804	\$3,473,825,765	\$233,141	\$0	\$3,474,058,906	\$3,570,191,999	\$96,133,093	2.77%
Transfers In ³								
Fund 20000 Consolidated Debt Service	\$0	\$0	\$0	\$0	\$0	\$8,000,000	\$8,000,000	-
Fund 40030 Cable Communications	6,901,043	4,270,457	0	0	4,270,457	4,145,665	(124,792)	(2.92%)
Fund 40080 Integrated Pest Management	0	0	0	0	0	138,000	138,000	-
Fund 40100 Stormwater Services	0	0	0	0	0	1,000,000	1,000,000	-
Fund 40140 Refuse Collection and Recycling Operations	0	0	0	0	0	535,000	535,000	-
Fund 40150 Refuse Disposal	0	2,500,000	0	0	2,500,000	535,000	(1,965,000)	(78.60%)
Fund 40160 Energy Resource Recovery (ERR) Facility	0	0	0	0	0	42,000	42,000	-
Fund 40170 I-95 Refuse Disposal	0	0	0	0	0	175,000	175,000	-
Fund 60030 Technology Infrastructure Services	0	0	0	0	0	1,500,000	1,500,000	-
Fund 69010 Sewer Operation and Maintenance	0	0	0	0	0	1,800,000	1,800,000	-
Fund 80000 Park Revenue	0	0	0	0	0	775,000	775,000	-
Total Transfers In	\$6,901,043	\$6,770,457	\$0	\$0	\$6,770,457	\$18,645,665	\$11,875,208	175.40%
Total Available	\$3,622,817,808	\$3,612,720,767	\$76,034,766	\$1,513,332	\$3,690,268,865	\$3,676,778,012	(\$13,490,853)	(0.37%)
Direct Expenditures ^{2,3}								
Personnel Services	\$675,284,262	\$714,121,262	\$117,128	(\$279,495)	\$713,958,895	\$719,448,146	\$5,489,251	0.77%
Operating Expenses	347,122,547	349,054,235	35,820,567	960,679	385,835,481	334,829,164	(51,006,317)	(13.22%)
Recovered Costs	(41,240,697)	(45,656,331)	213,548	(420,773)	(45,863,556)	(44,575,824)	1,287,732	(2.81%)
Capital Equipment	1,001,360	28,590	171,265	223,504	423,359	220,968	(202,391)	(47.81%)
Fringe Benefits	260,108,139	286,194,046	1,900,000	(483,915)	287,610,131	298,676,731	11,066,600	3.85%
Total Direct Expenditures	\$1,242,275,611	\$1,303,741,802	\$38,222,508	\$0	\$1,341,964,310	\$1,308,599,185	(\$33,365,125)	(2.49%)
Transfers Out ³								
Fund S10000 School Operating ⁶	\$1,610,834,722	\$1,683,322,285	\$0	\$0	\$1,683,322,285	\$1,716,988,731	\$33,666,446	2.00%
Fund 10010 Revenue Stabilization	0	0	1,680,445	0	1,680,445	0	(1,680,445)	(100.00%)
Fund 10020 Community Funding Pool	8,970,687	9,867,755	0	0	9,867,755	9,867,755	0	0.00%
Fund 10030 Contributory Fund	14,612,942	15,683,588	0	0	15,683,588	13,365,975	(2,317,613)	(14.78%)
Fund 10040 Information Technology	16,181,579	5,281,579	9,000,000	0	14,281,579	2,913,280	(11,368,299)	(79.60%)
Fund 20000 County Debt Service	116,780,133	116,853,073	0	0	116,853,073	118,797,992	1,944,919	1.66%
Fund 20001 School Debt Service	159,739,692	164,757,064	0	0	164,757,064	172,367,649	7,610,585	4.62%
Fund 30000 Metro Operations and Construction	11,298,296	11,298,296	0	0	11,298,296	11,298,296	0	0.00%

**FY 2014 ADVERTISED FUND STATEMENT
FUND 10001, GENERAL FUND**

	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2012 Carryover	Other Actions July-January	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) over Revised
Transfers Out (Cont.)								
Fund 30010 General Construction and Contributions	18,519,369	15,137,806	1,300,000	0	16,437,806	13,833,202	(2,604,604)	(15.85%)
Fund 30050 Transportation Improvements	250,000	0	200,000	0	200,000	0	(200,000)	(100.00%)
Fund 30060 Pedestrian Walkway Improvements	100,000	300,000	0	0	300,000	100,000	(200,000)	(66.67%)
Fund 30070 Public Safety Construction	242,595	0	0	0	0	0	0	-
Fund 30080 Commercial Revitalization Program	0	0	950,000	0	950,000	0	(950,000)	(100.00%)
Fund 30300 The Penny for Affordable Housing	0	1,058,750	0	0	1,058,750	0	(1,058,750)	(100.00%)
Fund 30310 Housing Assistance Program	515,000	0	0	0	0	0	0	-
Fund 40000 County Transit Systems	34,455,482	36,547,739	0	0	36,547,739	34,547,739	(2,000,000)	(5.47%)
Fund 40040 Community Services Board	100,496,382	100,421,627	9,188,888	0	109,610,515	109,233,258	(377,257)	(0.34%)
Fund 40090 E-911	14,376,992	15,256,778	0	0	15,256,778	17,051,691	1,794,913	11.76%
Fund 40330 Elderly Housing Programs	2,004,183	2,043,297	0	0	2,043,297	1,852,376	(190,921)	(9.34%)
Fund 50000 Federal/State Grants	4,250,852	4,627,729	0	0	4,627,729	5,057,965	430,236	9.30%
Fund 50800 Community Development Block Grant	284,190	0	0	0	0	0	0	-
Fund 60000 County Insurance	27,054,366	21,017,317	0	0	21,017,317	22,510,363	1,493,046	7.10%
Fund 60020 Document Services Division	2,398,233	2,398,233	0	0	2,398,233	2,398,233	0	0.00%
Fund 60040 Health Benefits	0	0	4,000,000	0	4,000,000	0	(4,000,000)	(100.00%)
Fund 73030 OPEB Trust	27,737,000	28,000,000	0	0	28,000,000	28,000,000	0	0.00%
Fund 83000 Alcohol Safety Action Program	0	171,958	0	0	171,958	171,958	0	0.00%
Total Transfers Out	\$2,171,102,695	\$2,234,044,874	\$26,319,333	\$0	\$2,260,364,207	\$2,280,356,463	\$19,992,256	0.88%
Total Disbursements	\$3,413,378,306	\$3,537,786,676	\$64,541,841	\$0	\$3,602,328,517	\$3,588,955,648	(\$13,372,869)	(0.37%)
Total Ending Balance	\$209,439,502	\$74,934,091	\$11,492,925	\$1,513,332	\$87,940,348	\$87,822,364	(\$117,984)	(0.13%)
Less:								
Managed Reserve	\$69,340,654	\$70,755,734	\$1,290,837		\$72,046,571	\$71,779,113	(\$267,458)	(0.37%)
Reserve to address FY 2013 Budget Shortfall ⁷	28,693,163						0	-
FY 2011 Audit Adjustments ⁸	623,117						0	-
Additional FY 2012 Revenue ⁹	29,505,454						0	-
FY 2012 Third Quarter Reserve ¹⁰	2,462,157						0	-
Child Care Assistance and Referral (CCAR) Reserve ¹	1,500,000						0	-
Reserve to address State/Federal Reductions ¹¹		4,178,357	(4,178,357)				0	-
Reserve for State/Federal Reductions and Federal Sequestration Cuts ¹²			8,099,768		8,099,768	8,099,768	0	0.00%
Litigation Reserve ¹³			5,000,000		5,000,000	5,000,000	0	0.00%
Transportation Reserve ¹⁴			538,344		538,344	538,344	0	0.00%
Reserve for FY 2014 Budget Development ¹⁵			742,333		742,333		(742,333)	(100.00%)
FY 2012 Audit Adjustments ²				1,513,332	1,513,332		(1,513,332)	(100.00%)
Reserve for Board Consideration ¹⁶						2,405,139	2,405,139	-
Total Available	\$77,314,957	\$0	\$0	\$0	\$0	\$0	\$0	-

¹ The FY 2013 Adopted Budget Plan Beginning Balance included \$1,500,000 set aside in reserve in Agency 87, Unclassified Administrative Expenses, for the Child Care Assistance and Referral (CCAR) program for FY 2014. This funding was utilized to balance the FY 2013 budget.

² In order to appropriately reflect actual revenues and expenditures in the proper fiscal year, FY 2012 revenues are increased \$2,028,161 and FY 2012 expenditures are increased \$514,829 to reflect audit adjustments as included in the FY 2012 Comprehensive Annual Financial Report (CAFR). As a result, the FY 2013 Revised Budget Plan Beginning Balance reflects a net increase of \$1,513,332. Details of the FY 2012 audit adjustments will be included in the FY 2013 Third Quarter package. It should be noted that this amount has been set aside in reserve and utilized to balance the FY 2014 budget.

FY 2014 ADVERTISED FUND STATEMENT FUND 10001, GENERAL FUND

FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2012 Carryover	Other Actions July-January	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) over Revised
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³ As part of the County's implementation of a new enterprise resource planning system, FOCUS, several changes have been made which impact the display of budget information. The Revenues and Direct Expenditures sections reflect the County's new chart of accounts, which impacts the spread of funding among the various revenue and expenditure categories, but does not impact bottom-line funding. The new chart of accounts is used across all fiscal years; therefore, the presentation of the FY 2013 Adopted Budget Plan by category is slightly different than previously shown. Additionally, the Transfers In and Transfers Out sections reflect new fund numbers as assigned in FOCUS.

⁴ The *FY 2013 Revised Budget Plan* reflects revised revenue estimates as of fall 2012, which had no impact to bottom-line revenues. These changes are shown in the "Other Actions July-January" column.

⁵ Personal Property Taxes of \$211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Revenue from the Commonwealth category in accordance with guidelines from the State Auditor of Public Accounts.

⁶ The proposed County General Fund transfer for school operations in FY 2014 totals \$1,716,988,731, an increase of \$33,666,446, or 2.0 percent, over the FY 2013 Adopted Budget Plan. It should be noted that the Fairfax County Public Schools Superintendent's Proposed budget reflects a General Fund transfer of \$1,775,701,373, an increase of \$92,379,088, or 5.5 percent, over the FY 2013 Adopted Budget Plan. In their action on the Superintendent's Proposed budget on February 7, 2013, the School Board increased the Superintendent's transfer request by \$3,009,714 to \$1,778,771,087.

⁷ As part of the *FY 2011 Carryover Review*, a balance of \$28,693,163 was held in reserve to address the projected budget shortfall in FY 2013 and was utilized to balance the FY 2013 budget.

⁸ As a result of FY 2011 audit adjustments, an amount of \$623,117 was available to be held in reserve in FY 2012 and was utilized to balance the FY 2013 budget.

⁹ Based on revised revenue estimates as of fall 2011, an amount of \$29,505,454 was available to be held in reserve in FY 2012 and was utilized to balance the FY 2013 budget.

¹⁰ As part of the *FY 2012 Third Quarter Review*, a balance of \$2,462,157 was held in reserve for Board of Supervisors' consideration for the *FY 2012 Third Quarter Review*, the development of the FY 2013 budget, or future year requirements. This reserve was utilized to balance the FY 2013 budget.

¹¹ As part of their deliberations on the FY 2013 budget, the Board of Supervisors set aside \$4,178,357 in reserve to offset critical state and federal reductions to include requirements for the Community Services Board and other Human Service programs. At the *FY 2012 Carryover Review*, the Board utilized \$3,018,225 for requirements for the Community Services Board and moved the remainder to the Reserve for State/Federal Reductions and Federal Sequestration Cuts.

¹² As part the County Executive's proposed *FY 2012 Carryover Review*, an amount of \$7,000,000 was set aside in reserve to address the potential impact of federal sequestration cuts. During their deliberations on the *FY 2012 Carryover Review*, the Board combined the \$1,099,768 balance remaining in the Reserve to Address State/Federal Reductions with the \$7,000,000, resulting in a reserve totaling \$8,099,768 for State/Federal Reductions and Federal Sequestration Cuts.

¹³ As part the *FY 2012 Carryover Review*, an amount of \$5,000,000 was set aside in reserve to address the impact of a number of potential refunds resulting from pending tax appeals.

¹⁴ As part the County Executive's proposed *FY 2012 Carryover Review*, an amount of \$742,344 was set aside in reserve for transportation requirements, consistent with the Board of Supervisors' Budget Guidance approved with the adoption of the FY 2013 budget. During their deliberations on the *FY 2012 Carryover Review*, the Board approved an amount of \$200,000 to be utilized for a Traffic Calming initiative to address speeding in neighborhoods. After Managed Reserve adjustments, the new reserve total is \$538,344.

¹⁵ As part the *FY 2012 Carryover Review*, an amount of \$742,333 was set aside in reserve for FY 2014 budget development. This reserve has been utilized to balance the FY 2014 budget.

¹⁶ As part of the FY 2014 Advertised Budget Plan, an amount of \$2,405,139 has been set aside in reserve for Board consideration during their deliberations on the FY 2014 budget.

FY 2014 ADVERTISED SUMMARY GENERAL FUND DIRECT EXPENDITURES

# Agency Title	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2012 Carryover	Other Actions July - January	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
Legislative-Executive Functions / Central Services								
01 Board of Supervisors	\$4,443,162	\$5,115,307	\$0	\$0	\$5,115,307	\$5,171,389	\$56,082	1.10%
02 Office of the County Executive	5,468,025	6,420,148	9,372	0	6,429,520	6,223,394	(206,126)	(3.21%)
04 Department of Cable and Consumer Services	1,019,913	947,244	50,010	0	997,254	955,853	(41,401)	(4.15%)
06 Department of Finance	9,034,536	9,654,002	376,717	0	10,030,719	8,387,352	(1,643,367)	(16.38%)
11 Department of Human Resources	7,683,980	7,519,208	35,141	0	7,554,349	7,190,025	(364,324)	(4.82%)
12 Department of Purchasing and Supply Management	4,977,296	5,061,847	56,911	0	5,118,758	4,411,712	(707,046)	(13.81%)
13 Office of Public Affairs	1,184,482	1,125,752	1,784	0	1,127,536	1,261,248	133,712	11.86%
15 Office of Elections	3,746,354	3,677,781	6,218	0	3,683,999	3,695,935	11,936	0.32%
17 Office of the County Attorney	6,167,941	6,279,548	716,190	0	6,995,738	6,357,795	(637,943)	(9.12%)
20 Department of Management and Budget	2,736,128	2,762,533	2,380	0	2,764,913	4,458,126	1,693,213	61.24%
37 Office of the Financial and Program Auditor	318,439	346,699	826	0	347,525	350,582	3,057	0.88%
41 Civil Service Commission	344,845	425,766	0	0	425,766	408,154	(17,612)	(4.14%)
57 Department of Tax Administration	22,013,511	22,439,745	599,619	0	23,039,364	22,644,049	(395,315)	(1.72%)
70 Department of Information Technology	29,845,209	28,899,083	2,770,494	0	31,669,577	30,156,498	(1,513,079)	(4.78%)
Total Legislative-Executive Functions / Central Services	\$98,983,821	\$100,674,663	\$4,625,662	\$0	\$105,300,325	\$101,672,112	(\$3,628,213)	(3.45%)
Judicial Administration								
80 Circuit Court and Records	\$9,984,864	\$10,465,013	\$122,689	\$0	\$10,587,702	\$10,462,252	(\$125,450)	(1.18%)
82 Office of the Commonwealth's Attorney	2,547,964	2,667,392	0	0	2,667,392	2,699,151	31,759	1.19%
85 General District Court	2,126,517	2,193,818	77,925	0	2,271,743	2,208,314	(63,429)	(2.79%)
91 Office of the Sheriff	16,356,554	17,746,877	527,787	0	18,274,664	17,617,861	(656,803)	(3.59%)
Total Judicial Administration	\$31,015,899	\$33,073,100	\$728,401	\$0	\$33,801,501	\$32,987,578	(\$813,923)	(2.41%)
Public Safety								
04 Department of Cable and Consumer Services	\$792,319	\$739,950	\$0	\$0	\$739,950	\$664,178	(\$75,772)	(10.24%)
31 Land Development Services	9,043,223	8,646,368	68,398	0	8,714,766	7,594,843	(1,119,923)	(12.85%)
81 Juvenile and Domestic Relations District Court	20,418,482	20,951,693	227,146	0	21,178,839	20,843,493	(335,346)	(1.58%)
90 Police Department	162,252,833	171,297,668	2,422,136	0	173,719,804	173,814,798	94,994	0.05%
91 Office of the Sheriff	41,916,058	44,470,147	568,338	0	45,038,485	44,497,605	(540,880)	(1.20%)
92 Fire and Rescue Department	163,219,725	170,176,454	4,886,954	0	175,063,408	171,459,601	(3,603,807)	(2.06%)
93 Office of Emergency Management	1,864,298	1,807,361	375,717	0	2,183,078	1,822,734	(360,344)	(16.51%)
97 Department of Code Compliance	3,599,279	3,640,203	304,044	0	3,944,247	3,985,898	41,651	1.06%
Total Public Safety	\$403,106,217	\$421,729,844	\$8,852,733	\$0	\$430,582,577	\$424,683,150	(\$5,899,427)	(1.37%)
Public Works								
08 Facilities Management Department	\$49,287,831	\$51,297,732	\$4,472,840	\$0	\$55,770,572	\$51,051,935	(\$4,718,637)	(8.46%)
25 Business Planning and Support	734,845	797,385	168	0	797,553	771,489	(26,064)	(3.27%)
26 Office of Capital Facilities	11,479,882	11,996,852	45,445	0	12,042,297	12,439,672	397,375	3.30%
87 Unclassified Administrative Expenses	2,373,270	3,644,811	675,618	0	4,320,429	3,481,562	(838,867)	(19.42%)
Total Public Works	\$63,875,828	\$67,736,780	\$5,194,071	\$0	\$72,930,851	\$67,744,658	(\$5,186,193)	(7.11%)

FY 2014 ADVERTISED SUMMARY GENERAL FUND DIRECT EXPENDITURES

# Agency Title	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2012 Carryover	Other Actions July - January	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
Health and Welfare								
67 Department of Family Services	\$193,751,023	\$196,325,656	\$7,493,090	\$0	\$203,818,746	\$184,997,583	(\$18,821,163)	(9.23%)
68 Department of Administration for Human Services	11,285,895	11,724,636	35,493	0	11,760,129	11,724,585	(35,544)	(0.30%)
71 Health Department	51,278,368	52,484,280	3,772,845	0	56,257,125	51,704,161	(4,552,964)	(8.09%)
73 Office to Prevent and End Homelessness	11,170,762	11,817,906	883,443	0	12,701,349	11,400,964	(1,300,385)	(10.24%)
79 Department of Neighborhood and Community Services	26,143,444	26,347,397	614,494	0	26,961,891	25,945,775	(1,016,116)	(3.77%)
Total Health and Welfare	\$293,629,492	\$298,699,875	\$12,799,365	\$0	\$311,499,240	\$285,773,068	(\$25,726,172)	(8.26%)
Parks and Libraries								
51 Fairfax County Park Authority	\$22,018,820	\$22,666,464	\$255,180	\$0	\$22,921,644	\$22,909,700	(\$11,944)	(0.05%)
52 Fairfax County Public Library	25,331,520	27,461,842	992,935	0	28,454,777	27,091,526	(1,363,251)	(4.79%)
Total Parks and Libraries	\$47,350,340	\$50,128,306	\$1,248,115	\$0	\$51,376,421	\$50,001,226	(\$1,375,195)	(2.68%)
Community Development								
16 Economic Development Authority	\$7,093,343	\$7,218,600	\$0	\$0	\$7,218,600	\$7,259,183	\$40,583	0.56%
31 Land Development Services	11,155,647	12,539,990	94,212	0	12,634,202	13,320,328	686,126	5.43%
35 Department of Planning and Zoning	9,137,984	9,653,293	887,171	0	10,540,464	9,632,368	(908,096)	(8.62%)
36 Planning Commission	637,453	673,771	0	0	673,771	646,007	(27,764)	(4.12%)
38 Department of Housing and Community Development	5,227,106	5,687,809	23,077	0	5,710,886	6,230,225	519,339	9.09%
39 Office of Human Rights and Equity Programs	1,459,701	1,566,705	2,145	0	1,568,850	1,506,522	(62,328)	(3.97%)
40 Department of Transportation	8,055,447	7,242,170	1,572,678	0	8,814,848	7,293,179	(1,521,669)	(17.26%)
Total Community Development	\$42,766,681	\$44,582,338	\$2,579,283	\$0	\$47,161,621	\$45,887,812	(\$1,273,809)	(2.70%)
Nondepartmental								
87 Unclassified Administrative Expenses	\$103,813	\$100,000	\$87,829	\$0	\$187,829	\$0	(\$187,829)	(100.00%)
89 Employee Benefits	261,443,520	287,016,896	2,107,049	0	289,123,945	299,849,581	10,725,636	3.71%
Total Nondepartmental	\$261,547,333	\$287,116,896	\$2,194,878	\$0	\$289,311,774	\$299,849,581	\$10,537,807	3.64%
Total General Fund Direct Expenditures	\$1,242,275,611	\$1,303,741,802	\$38,222,508	\$0	\$1,341,964,310	\$1,308,599,185	(\$33,365,125)	(2.49%)

FY 2014 ADVERTISED SUMMARY OF APPROPRIATED FUNDS BY FUND TYPE

	General Fund Group	Debt Service Funds ¹	Capital Project Funds	Special Revenue Funds ²	Internal Service Funds ^{3,4}	Enterprise Funds ⁵	Agency Funds	Trust Funds	Total by Category
Beginning Fund Balance	\$196,200,878	\$0	\$22,599	\$263,282,436	\$132,377,701	\$172,619,323	\$0	\$7,845,800,932	\$8,610,303,869
Revenues									
Real Property Taxes	\$2,228,384,045	\$0	\$10,330,000	\$147,009,306	\$0	\$0	\$2,234,996	\$0	\$2,387,958,347
Personal Property Taxes ⁶	547,633,874	0	0	0	0	0	0	0	547,633,874
General Other Local Taxes	523,253,090	0	0	16,800,000	0	0	10,707,629	0	550,760,719
Permits, Fees & Regulatory	35,193,936	0	0	24,167,577	0	0	0	0	59,361,513
Fines & Forfeitures	14,863,219	0	0	2,125	0	0	0	0	14,865,344
Revenue from the Use of Money and Property	15,779,662	0	0	5,728,816	4,596,375	485,000	0	675,844,466	702,434,319
Charges for Services	72,690,493	0	1,100,000	191,096,483	55,759	202,312,487	0	0	467,255,222
Revenue from the Commonwealth ⁶	91,890,397	0	0	625,077,784	0	0	0	0	716,968,181
Revenue from the Federal Government	25,676,086	0	0	177,062,423	3,254,730	0	0	1,300,000	207,293,239
Sale of Bonds	0	0	184,541,000	0	0	0	0	0	184,541,000
Other Revenue	14,935,437	380,000	9,184,400	78,310,480	630,584,792	180,000	0	444,730,783	1,178,305,892
Total Revenue	\$3,570,300,239	\$380,000	\$205,155,400	\$1,265,254,994	\$638,491,656	\$202,977,487	\$12,942,625	\$1,121,875,249	\$7,017,377,650
Transfers In	\$47,692,675	\$295,685,698	\$38,965,490	\$1,925,079,714	\$29,383,849	\$219,989,000	\$0	\$28,000,000	\$2,584,796,426
Total Available	\$3,814,193,792	\$296,065,698	\$244,143,489	\$3,453,617,144	\$800,253,206	\$595,585,810	\$12,942,625	\$8,995,676,181	\$18,212,477,945
Expenditures by Category									
Legislative-Executive/Central Services	\$109,945,487	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$109,945,487
Education	\$0	0	167,844,992	2,571,520,789	418,547,362	0	0	232,980,081	3,390,893,224
Judicial Administration	\$32,987,578	0	0	731,069	0	0	0	0	33,718,647
Public Safety	\$424,733,077	0	0	65,539,249	0	0	0	0	490,272,326
Public Works	\$67,744,658	0	0	152,836,558	0	228,894,170	0	0	449,475,386
Health and Welfare	\$298,735,530	0	0	201,459,207	0	0	0	0	500,194,737
Parks and Libraries	\$54,289,673	0	0	14,687,200	0	0	0	0	68,976,873
Community Development	\$49,591,735	0	53,851,343	180,410,748	0	0	12,942,625	0	296,796,451
Capital Improvements	\$0	0	19,918,202	0	0	0	0	0	19,918,202
Debt Service	\$0	296,065,698	0	0	0	0	0	0	296,065,698
Non-Departmental	\$299,942,238	0	0	5,075,000	309,613,241	0	0	443,935,211	1,058,565,690
Total Expenditures	\$1,337,969,976	\$296,065,698	\$241,614,537	\$3,192,259,820	\$728,160,603	\$228,894,170	\$12,942,625	\$676,915,292	\$6,714,822,721
Transfers Out	\$2,280,356,463	\$8,000,000	\$2,506,353	\$68,213,434	\$1,500,000	\$221,789,000	\$0	\$0	\$2,582,365,250
Total Disbursements	\$3,618,326,439	\$304,065,698	\$244,120,890	\$3,260,473,254	\$729,660,603	\$450,683,170	\$12,942,625	\$676,915,292	\$9,297,187,971
Ending Fund Balance	\$195,867,353	(\$8,000,000)	\$22,599	\$193,143,890	\$70,592,603	\$144,902,640	\$0	\$8,318,760,889	\$8,915,289,974

¹ Not reflected are the following adjustments to balance in FY 2014:
Fund 20000, Consolidated Debt Service, assumes carryover of \$8,000,000.

² Not reflected are the following adjustments to balance in FY 2014:
Fund 40000, County Transit Systems, assumes carryover of \$8,813,828.
Fund S10000, Public School Operating Fund, reflects \$600,000 as a transfer from Fund 40030, Cable Communications. Fund 40030 reflects this funding as a transfer to Fund S50000, Public School Grants and Self-Supporting.
Fund S40000, Public School Food and Nutrition Services, assumes carryover of General Reserve of \$15,690,511.
Fund S50000, Public School Grants and Self-Supporting Programs, does not reflect (\$600,000) as a transfer from Fund 40030, Cable Communications (this amount is shown in Fund S10000, Public School Operating Fund).

³ Not reflected are the following adjustments to balance in FY 2014:
Fund S60000, Public School Insurance Fund, assumes carryover of allocated reserve of \$9,375,748.
Fund S62000, Public School Health and Flexible Benefits, assumes carryover of premium stabilization reserve of \$46,099,540.

⁴ For presentation purposes, all County Internal Service Funds expenditures are included in the Nondepartmental Category.

⁵ Not reflected are the following adjustments to balance in FY 2014:
Fund 69020, Sewer Bond Parity Debt Service, does not reflect non-appropriated amortization expense of (\$25,000).

⁶ For presentation purposes, Personal Property Taxes that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Personal Property Taxes Category.

FY 2014 ADVERTISED REVENUE AND RECEIPTS BY FUND SUMMARY OF APPROPRIATED FUNDS

Fund	FY 2012 Actual ¹	FY 2013 Adopted Budget Plan ²	FY 2013 Revised Budget Plan ³	FY 2014 Advertised Budget Plan ⁴	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
GOVERNMENTAL FUNDS						
General Fund Group						
10001 General Fund	\$3,379,680,804	\$3,473,825,765	\$3,474,058,906	\$3,570,191,999	\$96,133,093	2.77%
10010 Revenue Stabilization	652,407	997,603	997,603	0	(997,603)	(100.00%)
10040 Information Technology	1,498,696	300,000	300,000	108,240	(191,760)	(63.92%)
Total General Fund Group	\$3,381,831,907	\$3,475,123,368	\$3,475,356,509	\$3,570,300,239	\$94,943,730	2.73%
Debt Service Funds						
20000 Consolidated Debt Service	\$3,891,108	\$3,562,291	\$3,562,291	\$380,000	(\$3,182,291)	(89.33%)
Capital Project Funds						
30000 Metro Operations and Construction	\$20,000,000	\$21,839,000	\$13,068,586	\$26,541,000	\$13,472,414	103.09%
30010 General Construction and Contributions	30,940,888	5,400,000	44,611,634	4,900,000	(39,711,634)	(89.02%)
30020 Capital Renewal Construction	3,446,063	15,000,000	41,000,000	0	(41,000,000)	(100.00%)
30030 Library Construction	2,000,000	0	9,380,000	0	(9,380,000)	(100.00%)
30040 Contributed Roadway Improvement	267,485	110,000	400,375	110,000	(290,375)	(72.53%)
30050 Transportation Improvements	18,638,787	0	78,762,000	0	(78,762,000)	(100.00%)
30060 Pedestrian Walkway Improvements	605,612	0	3,395,593	0	(3,395,593)	(100.00%)
30070 Public Safety Construction	6,000,000	0	80,719,134	0	(80,719,134)	(100.00%)
30080 Commercial Revitalization Program	1,471,995	0	3,565,750	0	(3,565,750)	(100.00%)
30090 Pro Rata Share Drainage Construction	1,200,027	0	8,557,290	0	(8,557,290)	(100.00%)
30300 The Penny for Affordable Housing	20,196,460	15,443,400	15,443,400	18,298,400	2,855,000	18.49%
30310 Housing Assistance Program	0	0	4,683,228	0	(4,683,228)	(100.00%)
30400 Park Authority Bond Construction	13,249,500	0	35,148,000	0	(35,148,000)	(100.00%)
S31000 Public School Construction	162,671,236	155,306,000	432,308,767	155,306,000	(277,002,767)	(64.08%)
Total Capital Project Funds	\$280,688,053	\$213,098,400	\$771,043,757	\$205,155,400	(\$565,888,357)	(73.39%)
Special Revenue Funds						
40000 County Transit Systems	\$43,362,805	\$29,392,195	\$29,392,195	\$35,493,207	\$6,101,012	20.76%
40010 County and Regional Transportation Projects	42,447,965	44,436,000	204,837,225	51,789,925	(153,047,300)	(74.72%)
40030 Cable Communications	23,066,212	24,827,920	24,827,920	24,092,577	(735,343)	(2.96%)
40040 Fairfax-Falls Church Community Services Board	40,210,385	42,198,401	39,539,771	39,735,541	195,770	0.50%
40050 Reston Community Center	6,951,256	7,011,132	7,074,242	7,359,257	285,015	4.03%
40060 McLean Community Center	4,988,530	5,039,038	5,039,038	5,021,281	(17,757)	(0.35%)
40070 Burgundy Village Community Center	53,209	49,120	53,775	56,900	3,125	5.81%
40080 Integrated Pest Management Program	1,987,569	1,793,417	1,793,417	1,851,659	58,242	3.25%
40090 E-911	21,561,560	21,751,524	21,751,524	21,458,430	(293,094)	(1.35%)
40100 Stormwater Services	29,672,230	39,775,000	39,855,585	41,200,000	1,344,415	3.37%
40110 Dulles Rail Phase I Transportation Improvement District	23,064,160	24,416,727	24,416,727	24,006,837	(409,890)	(1.68%)
40120 Dulles Rail Phase II Transportation Improvement District	6,747,073	11,062,172	11,062,172	14,484,978	3,422,806	30.94%
40130 Leaf Collection	2,014,511	2,124,762	2,124,762	2,114,254	(10,508)	(0.49%)
40140 Refuse Collection and Recycling Operations	20,139,690	21,071,810	21,071,810	20,400,836	(670,974)	(3.18%)
40150 Refuse Disposal	48,656,177	50,253,752	50,253,752	50,342,750	88,998	0.18%
40160 Energy Resource Recovery (ERR) Facility	30,809,771	31,893,600	31,893,600	31,418,600	(475,000)	(1.49%)
40170 I-95 Refuse Disposal	6,155,553	8,003,548	8,003,548	9,213,437	1,209,889	15.12%
40180 Tysons Service District	0	0	0	5,067,472	5,067,472	-
40300 Housing Trust	1,956,599	451,361	451,361	493,420	42,059	9.32%
40330 Elderly Housing Programs	2,347,153	2,299,568	2,342,276	1,575,860	(766,416)	(32.72%)
40360 Homeowner and Business Loan Programs	2,390,678	3,910,249	11,513,252	2,431,943	(9,081,309)	(78.88%)
50000 Federal/State Grants	76,859,501	82,184,239	173,708,886	85,922,239	(87,786,647)	(50.54%)
50800 Community Development Block Grant	8,111,893	5,418,429	10,716,594	4,414,224	(6,302,370)	(58.81%)

FY 2014 ADVERTISED REVENUE AND RECEIPTS BY FUND SUMMARY OF APPROPRIATED FUNDS

Fund	FY 2012 Actual ¹	FY 2013 Adopted Budget Plan ²	FY 2013 Revised Budget Plan ³	FY 2014 Advertised Budget Plan ⁴	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
Special Revenue Funds (Cont.)						
50810 HOME Investment Partnerships Grant	2,356,010	2,383,767	8,927,311	1,405,283	(7,522,028)	(84.26%)
S10000 Public School Operating	601,402,589	598,014,266	660,210,023	651,283,141	(8,926,882)	(1.35%)
S40000 Public School Food and Nutrition Services	76,245,973	75,590,775	78,682,200	80,698,087	2,015,887	2.56%
S43000 Public School Adult and Community Education	8,409,503	10,354,438	8,389,774	8,609,499	219,725	2.62%
S50000 Public School Grants and Self Supporting Programs	44,441,891	44,928,175	59,595,722	43,313,357	(16,282,365)	(27.32%)
Total Special Revenue Funds	\$1,176,410,446	\$1,190,635,385	\$1,537,528,462	\$1,265,254,994	(\$272,273,468)	(17.71%)
TOTAL GOVERNMENTAL FUNDS	\$4,842,821,514	\$4,882,419,444	\$5,787,491,019	\$5,041,090,633	(\$746,400,386)	(12.90%)
PROPRIETARY FUNDS						
Internal Service Funds						
60000 County Insurance	\$771,313	\$895,859	\$895,859	\$895,859	\$0	0.00%
60010 Department of Vehicle Services	80,325,432	74,324,976	75,424,976	79,880,820	4,455,844	5.91%
60020 Document Services Division	2,966,531	3,389,107	3,389,107	3,389,107	0	0.00%
60030 Technology Infrastructure Services	27,762,610	27,725,734	28,655,734	28,241,819	(413,915)	(1.44%)
60040 Health Benefits	136,651,682	149,790,703	150,488,171	163,011,977	12,523,806	8.32%
S60000 Public School Insurance	14,645,195	14,081,339	14,081,339	14,081,339	0	0.00%
S62000 Public School Health and Flexible Benefits	298,145,538	318,066,554	318,066,555	342,490,735	24,424,180	7.68%
S63000 Public School Central Procurement	7,187,412	6,500,000	6,500,000	6,500,000	0	0.00%
Total Internal Service Funds	\$568,455,713	\$594,774,272	\$597,501,741	\$638,491,656	\$40,989,915	6.86%
Enterprise Funds						
69000 Sewer Revenue	\$189,390,555	\$184,591,364	\$184,591,364	\$202,977,487	\$18,386,123	9.96%
69030 Sewer Bond Debt Reserve	0	0	9,706,000	0	(9,706,000)	(100.00%)
69310 Sewer Bond Construction	10,401,050	400,000	113,415,457	0	(113,415,457)	(100.00%)
Total Enterprise Funds	\$199,791,605	\$184,991,364	\$307,712,821	\$202,977,487	(\$104,735,334)	(34.04%)
TOTAL PROPRIETARY FUNDS	\$768,247,318	\$779,765,636	\$905,214,562	\$841,469,143	(\$63,745,419)	(7.04%)
FIDUCIARY FUNDS						
Agency Funds						
70000 Route 28 Taxing District	\$9,047,064	\$10,578,633	\$10,578,633	\$10,707,629	\$128,996	1.22%
70040 Mosaic District Community Development Authority	0	1,492,499	1,492,499	2,234,996	742,497	49.75%
Total Agency Funds	\$9,047,064	\$12,071,132	\$12,071,132	\$12,942,625	\$871,493	7.22%
Trust Funds						
73000 Employees' Retirement Trust	\$409,826,396	\$378,863,125	\$378,863,125	\$409,152,740	\$30,289,615	7.99%
73010 Uniformed Employees Retirement Trust	62,158,371	158,254,115	158,254,115	160,121,992	1,867,877	1.18%
73020 Police Retirement Trust	38,040,113	124,634,407	124,634,407	125,355,091	720,684	0.58%
73030 OPEB Trust	16,099,637	5,543,233	5,543,233	5,681,540	138,307	2.50%
S71000 Educational Employees' Retirement	113,632,645	343,065,199	344,373,883	369,308,886	24,935,003	7.24%
S71100 Public School OPEB Trust	42,090,875	52,255,000	52,255,000	52,255,000	0	0
Total Trust Funds	\$681,848,037	\$1,062,615,079	\$1,063,923,763	\$1,121,875,249	\$57,951,486	5.45%
TOTAL FIDUCIARY FUNDS	\$690,895,101	\$1,074,686,211	\$1,075,994,895	\$1,134,817,874	\$58,822,979	5.47%
TOTAL APPROPRIATED FUNDS	\$6,301,963,933	\$6,736,871,291	\$7,768,700,476	\$7,017,377,650	(\$751,322,826)	(9.67%)
Appropriated From (Added to) Surplus	(\$187,995,493)	(\$216,615,051)	\$526,500,290	(\$392,940,732)	(\$919,441,022)	(174.63%)
TOTAL AVAILABLE	\$6,113,968,440	\$6,520,256,240	\$8,295,200,766	\$6,624,436,918	(\$1,670,763,848)	(20.14%)
Less: Internal Service Funds	(\$568,455,713)	(\$594,774,272)	(\$597,501,741)	(\$638,491,656)	(\$40,989,915)	6.86%
NET AVAILABLE	\$5,545,512,727	\$5,925,481,968	\$7,697,699,025	\$5,985,945,262	(\$1,711,753,763)	(22.24%)

FY 2014 ADVERTISED REVENUE AND RECEIPTS BY FUND

SUMMARY OF APPROPRIATED FUNDS

Fund	FY 2012 Actual ¹	FY 2013 Adopted Budget Plan ²	FY 2013 Revised Budget Plan ³	FY 2014 Advertised Budget Plan ⁴	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
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EXPLANATORY NOTE:

The "Total Available" indicates the revenue in each fiscal year that is to be used to support expenditures. This amount is the total revenue adjusted by the amount of funding that is either appropriated from fund balance or added to fund balance. In some instances, adjustments to fund balance that are not currently reflected in the "Changes in Fund Balance" table also affect the "Total Available." Explanations for these adjustments are provided below. The "Total Available," plus (minus) the effect of these changes matches the expenditure totals by fiscal year on the "Expenditure by Fund/Summary of Appropriated Funds," net of any transfers between funds.

¹ Not reflected are the following adjustments to balance in FY 2012:

- Fund 69020, Sewer Bond Parity Debt Service, non-appropriated amortization expense of (\$25,000).
- Fund S10000, Public School Operating Fund, reflects \$600,000 as a transfer from Fund 40030, Cable Communications. Fund 40030 reflects this funding as a transfer to Fund S50000, Public School Grants and Self-Supporting.
- Fund S40000, Public School Food and Nutrition Services, change in inventory of \$154,811.
- Fund S50000, Public School Grants and Self-Supporting Programs, does not reflect (\$600,000) as a transfer from Fund 40030, Cable Communications (this amount is shown in Fund S10000, Public School Operating Fund).
- Fund S60000, Public School Insurance, net change in accrued liability of \$1,855,339.

² Not reflected are the following adjustments to balance in FY 2013:

- Fund 10001, General Fund, assumes available balance of \$1,500,000 set aside in reserve in Agency 87, Unclassified Administrative Expenses, for the Child Care Assistance and Referral program.
- Fund 69020, Sewer Bond Parity Debt Service, does not reflect non-appropriated amortization expense of (\$25,000).
- Fund S10000, Public School Operating Fund, reflects \$600,000 as a transfer from Fund 40030, Cable Communications. Fund 40030 reflects this funding as a transfer to Fund S50000, Public School Grants and Self-Supporting Programs.
- Fund S40000, Public School Food and Nutrition Services, assumes carryover of General Reserve of \$16,983,484.
- Fund S43000, Public School Adult and Community Education, assumes available FY 2012 balance of \$86,271.
- Fund S50000, Public School Grants and Self-Supporting Programs, assumes available FY 2012 balance of \$686,953, does not reflect (\$600,000) as a transfer from Fund 40030, Cable Communications (this amount was shown in Fund S10000, Public School Operating), and does not reflect a reduction in balance of (\$1,250,501) from an anticipated increase in FY 2013 expenditures as a result of the reconciliation of the transfer in from Fund 40030, Cable Communications, and the transfer assumed in the School Board's FY 2013 Advertised Budget.

³ Not reflected are the following adjustments to balance in FY 2013:

- Fund 69020, Sewer Bond Parity Debt Service, non-appropriated amortization expense of (\$25,000).
- Fund S10000, Public School Operating Fund, reflects \$600,000 as a transfer from Fund 40030, Cable Communications. Fund 40030 reflects this funding as a transfer to Fund S50000, Public School Grants and Self-Supporting.
- Fund S50000, Public School Grants and Self-Supporting Programs, does not reflect (\$600,000) as a transfer from Fund 40030, Cable Communications (this amount is shown in Fund S10000, Public School Operating Fund).

⁴ Not reflected are the following adjustments to balance in FY 2014:

- Fund 20000, Consolidated Debt Service, assumes carryover of \$8,000,000.
- Fund 40000, County Transit Systems, assumes carryover of \$8,813,828.
- Fund 69020, Sewer Bond Parity Debt Service, does not reflect non-appropriated amortization expense of (\$25,000).
- Fund S10000, Public School Operating Fund, reflects \$600,000 as a transfer from Fund 40030, Cable Communications. Fund 40030 reflects this funding as a transfer to Fund S50000, Public School Grants and Self-Supporting.
- Fund S40000, Public School Food and Nutrition Services, assumes carryover of General Reserve of \$15,690,511.
- Fund S50000, Public School Grants and Self-Supporting Programs, does not reflect (\$600,000) as a transfer from Fund 40030, Cable Communications (this amount is shown in Fund S10000, Public School Operating Fund).
- Fund S60000, Public School Insurance Fund, assumes carryover of allocated reserve of \$9,375,748.
- Fund S62000, Public School Health and Flexible Benefits, assumes carryover of premium stabilization reserve of \$46,099,540.

FY 2014 ADVERTISED EXPENDITURES BY FUND SUMMARY OF APPROPRIATED FUNDS

Fund	FY 2012 Estimate	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
GOVERNMENTAL FUNDS							
General Fund Group							
10001 General Fund	\$1,295,930,028	\$1,242,275,611	\$1,303,741,802	\$1,341,964,310	\$1,308,599,185	(\$33,365,125)	(2.49%)
10020 Community Funding Pool	9,253,396	9,199,232	9,867,755	9,921,919	9,867,755	(54,164)	(0.55%)
10030 Contributory Fund	14,819,042	14,745,735	15,733,588	15,783,588	13,389,756	(2,393,832)	(15.17%)
10040 Information Technology	52,714,141	19,926,269	8,841,579	51,084,562	6,113,280	(44,971,282)	(88.03%)
Total General Fund Group	\$1,372,716,607	\$1,286,146,847	\$1,338,184,724	\$1,418,754,379	\$1,337,969,976	(\$80,784,403)	(5.69%)
Debt Service Funds							
20000 Consolidated Debt Service	\$299,450,266	\$285,181,338	\$289,824,864	\$304,163,352	\$296,065,698	(\$8,097,654)	(2.66%)
Capital Project Funds							
30000 Metro Operations and Construction	\$36,404,834	\$30,094,697	\$30,943,110	\$31,678,110	\$35,552,943	\$3,874,833	12.23%
30010 General Construction and Contributions	135,103,564	38,938,487	20,537,806	121,858,811	19,818,202	(102,040,609)	(83.74%)
30020 Capital Renewal Construction	47,461,662	13,149,633	15,285,000	50,043,092	0	(50,043,092)	(100.00%)
30030 Library Construction	13,872,511	623,371	0	13,249,140	0	(13,249,140)	(100.00%)
30040 Contributed Roadway Improvement	40,365,503	1,260,907	0	39,262,081	0	(39,262,081)	(100.00%)
30050 Transportation Improvements	105,495,396	11,710,268	0	97,010,584	0	(97,010,584)	(100.00%)
30060 Pedestrian Walkway Improvements	4,276,750	426,919	300,000	4,582,682	100,000	(4,482,682)	(97.82%)
30070 Public Safety Construction	114,633,959	23,925,252	0	90,708,707	0	(90,708,707)	(100.00%)
30080 Commercial Revitalization Program	3,809,160	162,246	0	5,954,914	0	(5,954,914)	(100.00%)
30090 Pro Rata Share Drainage Construction	6,977,884	1,200,027	0	8,564,857	0	(8,564,857)	(100.00%)
30300 The Penny for Affordable Housing	29,092,284	9,845,605	16,502,150	36,276,889	18,298,400	(17,978,489)	(49.56%)
30310 Housing Assistance Program	7,727,170	569,549	0	7,170,788	0	(7,170,788)	(100.00%)
30400 Park Authority Bond Construction	47,317,723	11,657,879	0	39,742,344	0	(39,742,344)	(100.00%)
S31000 Public School Construction	454,014,900	159,057,686	163,072,120	526,283,201	167,844,992	(358,438,209)	(68.11%)
Total Capital Project Funds	\$1,046,553,300	\$302,622,526	\$246,640,186	\$1,072,386,200	\$241,614,537	(\$830,771,663)	(77.47%)
Special Revenue Funds							
40000 County Transit Systems	\$123,325,134	\$88,321,655	\$99,781,260	\$122,398,671	\$94,129,374	(28,269,297)	(23.10%)
40010 County and Regional Transportation Projects	240,584,235	13,821,877	17,734,014	244,615,562	40,347,491	(204,268,071)	(83.51%)
40030 Cable Communications	18,060,107	9,202,107	10,515,599	18,897,794	10,118,668	(8,779,126)	(46.46%)
40040 Fairfax-Falls Church Community Services Board	141,887,642	143,834,934	142,620,028	145,548,947	148,968,799	3,419,852	2.35%
40050 Reston Community Center	9,925,354	8,209,843	8,317,770	9,088,715	8,827,660	(261,055)	(2.87%)
40060 McLean Community Center	6,105,990	5,477,712	6,093,358	6,670,692	5,814,749	(855,943)	(12.83%)
40070 Burgundy Village Community Center	44,326	23,833	44,791	47,159	44,791	(2,368)	(5.02%)
40080 Integrated Pest Management Program	3,107,495	2,243,282	3,084,119	3,119,736	3,099,610	(20,126)	(0.65%)
40090 E-911	49,118,474	37,859,644	39,131,428	49,186,216	38,657,317	(10,528,899)	(21.41%)
40100 Stormwater Services	49,737,209	26,048,771	39,775,000	63,099,063	40,200,000	(22,899,063)	(36.29%)
40110 Dulles Rail Phase I Transportation Improvement District	45,000,000	14,368,331	52,066,583	69,382,082	17,446,663	(51,935,419)	(74.85%)
40120 Dulles Rail Phase II Transportation Improvement District	500,000	5,865	500,000	500,000	500,000	0	0.00%
40130 Leaf Collection	2,404,038	1,780,588	2,546,035	2,546,035	2,308,182	(237,853)	(9.34%)
40140 Refuse Collection and Recycling Operations	22,068,596	19,773,374	22,059,800	23,729,216	22,711,907	(1,017,309)	(4.29%)
40150 Refuse Disposal	54,488,466	48,648,753	53,560,609	55,729,426	51,427,385	(4,302,041)	(7.72%)
40160 Energy Resource Recovery (ERR) Facility	18,988,846	16,809,505	19,667,593	19,667,593	21,451,821	1,784,228	9.07%
40170 I-95 Refuse Disposal	22,541,694	12,156,891	9,900,325	19,690,057	11,637,653	(8,052,404)	(40.90%)
40300 Housing Trust	4,841,856	80,499	451,361	6,820,503	493,420	(6,327,083)	(92.77%)
40330 Elderly Housing Programs	4,948,132	3,998,581	4,219,074	4,744,434	3,321,887	(1,422,547)	(29.98%)
40360 Homeowner and Business Loan Programs	10,066,452	2,163,674	3,910,249	11,813,027	2,431,943	(9,381,084)	(79.41%)
50000 Federal/State Grants	209,788,127	77,172,721	86,811,968	217,030,668	90,980,204	(126,050,464)	(58.08%)
50800 Community Development Block Grant	14,608,812	8,595,911	5,418,429	11,223,944	4,414,224	(6,809,720)	(60.67%)
50810 HOME Investment Partnerships Grant	10,188,569	2,914,671	2,383,767	8,747,006	1,405,283	(7,341,723)	(83.93%)
S10000 Public School Operating ¹	2,331,543,378	2,188,382,816	2,353,308,729	2,500,907,794	2,396,455,453	(104,452,341)	(4.18%)
S40000 Public School Food and Nutrition Services	92,915,497	76,251,961	92,574,259	97,491,934	96,388,598	(1,103,336)	(1.13%)

FY 2014 ADVERTISED EXPENDITURES BY FUND SUMMARY OF APPROPRIATED FUNDS

Fund	FY 2012 Estimate	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
Special Revenue Funds (Cont.)							
S43000 Public School Adult and Community Education	11,233,172	9,981,929	10,840,709	8,815,096	9,009,499	194,403	2.21%
S50000 Public School Grants & Self Supporting Programs ²	93,612,729	63,765,696	68,289,788	97,701,618	69,667,239	(28,034,379)	(28.69%)
Total Special Revenue Funds	\$3,591,634,330	\$2,881,895,424	\$3,155,606,645	\$3,819,212,988	\$3,192,259,820	(\$626,953,168)	(16.42%)
TOTAL GOVERNMENTAL FUNDS	\$6,310,354,503	\$4,755,846,135	\$5,030,256,419	\$6,614,516,919	\$5,067,910,031	(\$1,546,606,888)	(23.38%)
PROPRIETARY FUNDS							
Internal Service Funds							
60000 County Insurance	\$21,792,725	\$20,034,593	\$22,539,885	\$22,539,885	\$23,406,222	\$866,337	3.84%
60010 Department of Vehicle Services	86,430,836	81,605,008	80,774,160	85,494,690	85,862,883	368,193	0.43%
60020 Document Services Division	6,478,178	5,488,677	6,092,037	6,450,444	6,092,037	(358,407)	(5.56%)
60030 Technology Infrastructure Services	30,946,458	29,965,061	34,114,566	36,003,988	31,258,312	(4,745,676)	(13.18%)
60040 Health Benefits	148,472,671	144,358,549	148,713,403	156,387,972	162,993,787	6,605,815	4.22%
S60000 Public School Insurance	23,016,743	13,642,344	16,577,166	26,090,402	23,457,087	(2,633,315)	(10.09%)
S62000 Public School Health and Flexible Benefits	291,721,814	301,421,945	366,325,831	366,803,033	388,590,275	21,787,242	5.94%
S63000 Public School Central Procurement	14,000,000	7,077,785	6,500,000	6,500,000	6,500,000	0	0.00%
Total Internal Service Funds	\$622,859,425	\$603,593,962	\$681,637,048	\$706,270,414	\$728,160,603	\$21,890,189	3.10%
Enterprise Funds							
69010 Sewer Operation and Maintenance	\$91,553,047	\$86,387,099	\$93,920,987	\$97,033,987	\$94,028,095	(\$3,005,892)	(3.10%)
69020 Sewer Bond Parity Debt Service	26,104,805	16,271,905	23,549,186	23,549,186	21,957,307	(1,591,879)	(6.76%)
69040 Sewer Bond Subordinate Debt Service	26,724,284	25,402,327	26,756,645	26,756,645	28,419,768	1,663,123	6.22%
69300 Sewer Construction Improvements	62,017,450	30,259,083	30,000,000	61,758,367	84,489,000	22,730,633	36.81%
69310 Sewer Bond Construction	171,364,116	54,056,177	0	117,307,939	0	(117,307,939)	(100.00%)
Total Enterprise Funds	\$377,763,702	\$212,376,591	\$174,226,818	\$326,406,124	\$228,894,170	(\$97,511,954)	(29.87%)
TOTAL PROPRIETARY FUNDS	\$1,000,623,127	\$815,970,553	\$855,863,866	\$1,032,676,538	\$957,054,773	(\$75,621,765)	(7.32%)
FIDUCIARY FUNDS							
Agency Funds							
70000 Route 28 Taxing District	\$9,800,864	\$9,056,896	\$10,578,633	\$10,604,259	\$10,707,629	\$103,370	0.97%
70040 Mosaic District Community Development Authority	0	0	1,492,499	1,492,499	2,234,996	742,497	49.75%
Total Agency Funds	\$9,800,864	\$9,056,896	\$12,071,132	\$12,096,758	\$12,942,625	\$845,867	6.99%
Trust Funds							
73000 Employees' Retirement Trust	\$228,845,147	\$222,043,918	\$248,800,074	\$248,800,074	\$272,554,840	\$23,754,766	9.55%
73010 Uniformed Employees Retirement Trust	80,654,662	73,711,485	90,433,096	90,433,096	93,244,483	2,811,387	3.11%
73020 Police Retirement Trust	62,721,109	55,740,587	65,909,160	65,909,160	69,717,613	3,808,453	5.78%
73030 OPEB Trust	16,544,085	17,192,995	7,627,316	7,627,316	8,418,275	790,959	10.37%
S71000 Educational Employees' Retirement	180,274,611	172,870,029	190,645,039	186,061,616	195,644,581	9,582,965	5.15%
S71100 Public School OPEB Trust	33,804,500	32,493,002	37,335,500	37,335,500	37,335,500	0	0.00%
Total Trust Funds	\$602,844,114	\$574,052,016	\$640,750,185	\$636,166,762	\$676,915,292	\$40,748,530	6.41%
TOTAL FIDUCIARY FUNDS	\$612,644,978	\$583,108,912	\$652,821,317	\$648,263,520	\$689,857,917	\$41,594,397	6.42%
TOTAL APPROPRIATED FUNDS	\$7,923,622,608	\$6,154,925,600	\$6,538,941,602	\$8,295,456,977	\$6,714,822,721	(\$1,580,634,256)	(19.05%)
Less: Internal Service Funds ³	(\$622,859,425)	(\$603,593,962)	(\$681,637,048)	(\$706,270,414)	(\$728,160,603)	(\$21,890,189)	3.10%
NET EXPENDITURES	\$7,300,763,183	\$5,551,331,638	\$5,857,304,554	\$7,589,186,563	\$5,986,662,118	(\$1,602,524,445)	(21.12%)

¹ Pending School Board approval, FY 2014 expenditures for Fund S10000, Public School Operating, are reduced by \$58,712,642 from the amount shown in the Superintendent's Proposed Budget to offset the discrepancy between the County's proposed Transfer Out from the General Fund to Fund S10000 and the Transfer In from the General Fund reflected in the Superintendent's Proposed Budget. Final adjustments will be reflected at the *FY 2013 Carryover Review*.

² Pending School Board approval, FY 2014 expenditures for Fund S50000, Public School Grants and Self-Supporting Programs, are reduced by \$415,994 from the amount shown in the Superintendent's Proposed Budget to offset the discrepancy between the proposed Transfer Out from Fund 40030, Cable Communications, to Fund S50000 as included in the *FY 2014 Advertised Budget Plan*, and the Transfer In from Fund 40030 reflected in the Superintendent's Proposed Budget. Final adjustments will be reflected at the *FY 2013 Carryover Review*.

³ Total Appropriated Funds Expenditures are reduced by Internal Service Fund Expenditures, as the amounts are already included.

FY 2014 ADVERTISED CHANGES IN FUND BALANCE SUMMARY OF APPROPRIATED FUNDS

Fund	Balance 6/30/11	Balance 6/30/12	Balance 6/30/13	Balance 6/30/14	Appropriated From/(Added to) Surplus
GOVERNMENTAL FUNDS					
General Fund Group					
10001 General Fund	\$236,235,961	\$209,439,502	\$87,940,348	\$87,822,364	\$117,984
10010 Revenue Stabilization	104,642,854	105,295,261	107,973,309	107,973,309	0
10020 Community Funding Pool	282,709	54,164	0	0	0
10030 Contributory Fund	328,254	195,461	95,461	71,680	23,781
10040 Information Technology	30,010,737	33,434,743	191,760	0	191,760
Total General Fund Group	\$371,500,515	\$348,419,131	\$196,200,878	\$195,867,353	\$333,525
Debt Service Funds					
20000 Consolidated Debt Service	\$14,905,001	\$14,761,432	\$0	\$0	\$0
Capital Project Funds					
30000 Metro Operations and Construction	\$10,407,378	\$9,505,414	\$0	\$0	\$0
30010 General Construction and Contributions	21,278,123	60,809,371	0	0	0
30020 Capital Renewal Construction	18,461,662	8,758,092	0	0	0
30030 Library Construction	2,492,511	3,869,140	0	0	0
30040 Contributed Roadway Improvement	40,075,128	38,971,706	0	0	0
30050 Transportation Improvements	10,870,065	18,048,584	0	0	0
30060 Pedestrian Walkway Improvements	608,396	887,089	0	0	0
30070 Public Safety Construction	27,472,230	9,989,573	0	0	0
30080 Commercial Revitalization Program	129,415	1,439,164	0	0	0
30090 Pro Rata Share Drainage Construction	7,567	7,567	0	0	0
30300 The Penny for Affordable Housing	9,423,884	19,774,739	0	0	0
30310 Housing Assistance Program	2,564,708	2,510,159	22,599	22,599	0
30400 Park Authority Bond Construction	3,002,723	4,594,344	0	0	0
S31000 Public School Construction	75,306,105	86,358,314	0	0	0
Total Capital Project Funds	\$222,099,895	\$265,523,256	\$22,599	\$22,599	\$0
Special Revenue Funds					
40000 County Transit Systems	\$29,752,106	\$40,923,773	\$13,471,208	\$12,035,395	\$1,435,813
40010 County and Regional Transportation Projects	57,313,707	66,480,323	0	0	0
40030 Cable Communications	24,288,130	17,936,386	6,282,583	4,003,399	2,279,184
40040 Fairfax-Falls Church Community Services Board	526,828	(2,601,339)	1,000,000	1,000,000	0
40050 Reston Community Center	7,467,169	6,208,582	4,194,109	2,725,706	1,468,403
40060 McLean Community Center	12,584,950	12,095,768	10,464,114	9,670,646	793,468
40070 Burgundy Village Community Center	270,644	300,020	306,636	318,745	(12,109)
40080 Integrated Pest Management Program	3,118,555	2,862,842	1,536,523	150,572	1,385,951
40090 E-911	14,655,780	12,734,688	556,774	409,578	147,196
40100 Stormwater Services	11,986,928	23,243,478	0	0	0
40110 Dulles Rail Phase I Transportation Improvement District	65,391,666	74,087,495	29,122,140	35,682,314	(6,560,174)
40120 Dulles Rail Phase II Transportation Improvement District	3,014,931	9,756,139	20,318,311	34,303,289	(13,984,978)
40130 Leaf Collection	3,214,530	3,448,453	3,027,180	2,833,252	193,928
40140 Refuse Collection and Recycling Operations	11,266,686	11,633,002	8,975,596	6,129,525	2,846,071
40150 Refuse Disposal	15,314,608	15,322,032	7,346,358	5,726,723	1,619,635
40160 Energy Resource Recovery (ERR) Facility	22,395,866	36,396,132	48,622,139	58,546,918	(9,924,779)
40170 I-95 Refuse Disposal	50,912,477	44,911,139	33,224,630	30,625,414	2,599,216
40180 Tysons Service District	0	0	0	5,067,472	(5,067,472)
40300 Housing Trust	4,722,102	6,598,202	229,060	229,060	0
40330 Elderly Housing Programs	1,593,103	1,945,858	1,586,997	1,693,346	(106,349)
40360 Homeowner and Business Loan Programs	3,336,124	3,563,128	3,263,353	3,263,353	0
50000 Federal/State Grants	32,032,208	39,350,468	656,415	656,415	0

FY 2014 ADVERTISED CHANGES IN FUND BALANCE SUMMARY OF APPROPRIATED FUNDS

Fund	Balance 6/30/11	Balance 6/30/12	Balance 6/30/13	Balance 6/30/14	Appropriated From/(Added to) Surplus
Special Revenue Funds (Cont.)					
50800 Community Development Block Grant	721,772	521,944	14,594	14,594	0
50810 HOME Investment Partnerships Grant	378,356	(180,305)	0	0	0
S10000 Public School Operating	260,709,318	259,183,922	68,239,001	2,562,513	65,676,488
S40000 Public School Food and Nutrition Services	18,660,911	18,809,734	0	0	0
S43000 Public School Adult and Community Education	197,748	(974,678)	0	0	0
S50000 Public School Grants and Self Supporting Programs	14,855,343	13,025,450	844,715	0	844,715
Total Special Revenue Funds	\$670,682,546	\$717,582,636	\$263,282,436	\$217,648,229	\$45,634,207
TOTAL GOVERNMENTAL FUNDS	\$1,279,187,957	\$1,346,286,455	\$459,505,913	\$413,538,181	\$45,967,732
PROPRIETARY FUNDS					
Internal Service Funds					
60000 County Insurance	\$42,234,526	\$50,025,612	\$49,398,903	\$49,398,903	\$0
60010 Department of Vehicle Services	40,594,945	39,315,369	29,245,655	23,263,592	5,982,063
60020 Document Services Division	2,188,180	2,064,267	1,401,163	1,096,466	304,697
60030 Technology Infrastructure Services	5,583,372	5,195,024	2,467,073	2,425,833	41,240
60040 Health Benefits	27,388,846	19,681,979	17,782,178	17,800,368	(18,190)
S60000 Public School Insurance	40,900,952	43,759,142	31,750,079	31,750,079	0
S62000 Public School Health and Flexible Benefits	52,012,885	48,736,478	0	0	0
S63000 Public School Central Procurement	223,023	332,650	332,650	332,650	0
Total Internal Service Funds	\$211,126,729	\$209,110,521	\$132,377,701	\$126,067,891	\$6,309,810
Enterprise Funds					
69000 Sewer Revenue	\$96,393,648	\$119,595,619	\$132,436,983	\$115,425,470	\$17,011,513
69010 Sewer Operation and Maintenance	5,640,993	5,253,894	1,969,907	2,141,812	(171,905)
69020 Sewer Bond Parity Debt Service	3,597,208	12,855,263	10,281,077	298,770	9,982,307
69030 Sewer Bond Debt Reserve	16,555,123	16,555,123	26,261,123	26,261,123	0
69040 Sewer Bond Subordinate Debt Service	1,164,990	1,396,287	1,639,642	719,874	919,768
69300 Sewer Construction Improvements	33,017,450	31,758,367	0	0	0
69310 Sewer Bond Construction	47,578,200	3,923,073	30,591	30,591	0
Total Enterprise Funds	\$203,947,612	\$191,337,626	\$172,619,323	\$144,877,640	\$27,741,683
TOTAL PROPRIETARY FUNDS	\$415,074,341	\$400,448,147	\$304,997,024	\$270,945,531	\$34,051,493
FIDUCIARY FUNDS					
Agency Funds					
70000 Route 28 Taxing District	\$35,458	\$25,626	\$0	\$0	\$0
70040 Mosaic District Community Development Authority	0	0	0	0	0
Total Agency Funds	\$35,458	\$25,626	\$0	\$0	\$0
Trust Funds					
73000 Employees' Retirement Trust	\$2,984,863,644	\$3,172,646,122	\$3,302,709,173	\$3,439,307,073	(\$136,597,900)
73010 Uniformed Employees Retirement Trust	1,220,411,972	1,208,858,858	1,276,679,877	1,343,557,386	(66,877,509)
73020 Police Retirement Trust	1,035,145,961	1,017,445,487	1,076,170,734	1,131,808,212	(55,637,478)
73030 OPEB Trust	87,050,168	113,693,810	139,609,727	164,872,992	(25,263,265)
S71000 Educational Employees' Retirement	1,886,988,080	1,827,750,696	1,986,062,963	2,159,727,268	(173,664,305)
S71100 Public School OPEB Trust	40,051,085	49,648,958	64,568,458	79,487,958	(14,919,500)
Total Trust Funds	\$7,254,510,910	\$7,390,043,931	\$7,845,800,932	\$8,318,760,889	(\$472,959,957)
TOTAL FIDUCIARY FUNDS	\$7,254,546,368	\$7,390,069,557	\$7,845,800,932	\$8,318,760,889	(\$472,959,957)
TOTAL APPROPRIATED FUNDS	\$8,948,808,666	\$9,136,804,159	\$8,610,303,869	\$9,003,244,601	(\$392,940,732)

**GENERAL FUND PROPERTY TAX RATES
FY 2003 - FY 2014
(per \$100 assessed valuation)**

Tax Category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013 Adopted	FY 2014 Proposed
Real Estate	\$1.21	\$1.16	\$1.13	\$1.00	\$0.89	\$0.89	\$0.92	\$1.04	\$1.09	\$1.07	\$1.075	\$1.095
Public Service	1.21	1.16	1.13	1.00	0.89	0.89	0.92	1.04	1.09	1.07	\$1.075	\$1.095
Personal Property ¹	\$4.57	\$4.57	\$4.57	\$4.57	\$4.57	\$4.57	\$4.57	\$4.57	\$4.57	\$4.57	\$4.57	\$4.57
Special Subclass ²	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Machinery and Tools	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Research and Development	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Mobile Homes ³	1.21	1.16	1.13	1.00	0.89	0.89	0.92	1.04	1.09	1.07	\$1.075	\$1.095
Public Service	1.21	1.16	1.13	1.00	0.89	0.89	0.92	1.04	1.09	1.07	\$1.075	\$1.095

¹ Includes vehicles owned by individuals, businesses and Public Service Corporations, business furniture and fixtures, and computers.

² On April 30, 1990, the Board of Supervisors established a subclass for personal property taxation purposes. This subclass includes vehicles specifically equipped for the handicapped, privately-owned vans used for van pools, and vehicles belonging to volunteer fire and rescue squad members. The same rate also applies to antique automobiles. In FY 1996, vehicles owned by auxiliary police officers, aircraft and flight simulators, and property owned by homeowners' associations were added to the special subclass. Boats were added in FY 2000 and vehicles owned by reserve deputy sheriffs were included in FY 2007. Beginning in FY 2012, one vehicle owned by a fully disabled veteran is included in this special subclass.

³ In accordance with the Code of Virginia, mobile homes are considered a separate class of Personal Property and are assessed and taxed in the same manner as local real property.

SUMMARY OF SELECTED NON-GENERAL FUND TAX RATES

FY 2004 - FY 2014

Tax Category	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013 Adopted	FY 2014 Proposed
Sewage Rates											
Sewer Charge (per 1,000 gal.)	\$3.03	\$3.20	\$3.28	\$3.50	\$3.74	\$4.10	\$4.50	\$5.27	\$6.01	\$6.55	\$6.55
Availability Fee - Single Family Home	\$5,431	\$5,621	\$5,874	\$6,138	\$6,506	\$6,896	\$7,310	\$7,750	\$7,750	\$7,750	\$7,750
Refuse Rates											
Collection (per unit)	\$210	\$240	\$270	\$315	\$330	\$345	\$345	\$345	\$345	\$345	\$345
Disposal (per ton)	\$45.00	\$48.00	\$48.00	\$50.00	\$52.00	\$57.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00
Leaf Collection ¹	\$0.01	\$0.015	\$0.015	\$0.015	\$0.015	\$0.015	\$0.015	\$0.015	\$0.015	\$0.015	\$0.015
Community Centers											
Lee - Burgundy Village ¹	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02
Dranesville - McLean ¹	\$0.028	\$0.028	\$0.028	\$0.028	\$0.028	\$0.026	\$0.024	\$0.024	\$0.023	\$0.022	\$0.022
Hunter Mill - Reston ¹	\$0.052	\$0.052	\$0.052	\$0.047	\$0.047	\$0.047	\$0.047	\$0.047	\$0.047	\$0.047	\$0.047
Other Special Taxing Districts											
Route 28 Corridor ¹	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18
Dulles Rail Phase I ¹	-	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22
Dulles Rail Phase II ¹	-	-	-	-	-	-	-	\$0.05	\$0.10	\$0.15	\$0.20
Integrated Pest Management Program ¹	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001	\$0.001
Commercial Real Estate Tax for Transportation ^{1,2}	-	-	-	-	-	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.125
Stormwater Services ^{1,3}	-	-	-	-	-	-	\$0.010	\$0.015	\$0.015	\$0.020	\$0.020
Tysons Service District ^{1,4}	-	-	-	-	-	-	-	-	-	-	\$0.09

¹ Per \$100 of assessed value.

² This district was created in FY 2009 after the Virginia General Assembly enacted legislation allowing Northern Virginia jurisdictions to levy an additional real estate tax on commercial and industrial properties for new transportation initiatives.

³ This service district was created in FY 2010 to support stormwater management operating and capital requirements, as authorized the Code of Virginia §15.2-

⁴ This service district was established on January 8, 2013 to fund transportation infrastructure in Tysons.

**ASSESSED VALUATION, TAX RATES, LEVIES AND COLLECTIONS
GENERAL FUND, FISCAL YEARS 2012-2014**

	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan
ASSESSED VALUATION OF TAXABLE PROPERTY				
Real Estate				
Local Assessment	\$193,918,874,000	\$200,263,343,910	\$200,263,343,910	\$207,073,144,800
Public Service Corporations	875,703,682	875,703,682	851,084,042	851,084,042
Supplemental Assessments	214,971,404	267,381,570	267,381,570	272,756,001
Less: Tax Relief for Elderly/Disabled	(2,380,203,231)	(2,496,029,265)	(2,496,029,265)	(2,492,829,265)
Less: Exonerations/Certificates/Tax Abatements	(567,277,121)	(1,152,812,673)	(1,152,812,673)	(766,170,636)
Less: Tax Increment Financing (TIF) ¹	0	(139,485,890)	(139,485,890)	(204,109,200)
Total Real Estate Taxable Valuation	\$192,062,068,734	\$197,618,101,334	\$197,593,481,694	\$204,733,875,742
Personal Property				
Vehicles	\$10,104,466,861	\$10,654,139,787	\$10,654,139,787	\$10,847,566,887
Business Property (excluding vehicles)	2,528,683,581	2,636,929,049	2,636,929,049	2,586,668,944
Mobile Homes	16,845,330	20,130,724	20,130,724	16,907,738
Other Personal Property ²	16,678,575	17,887,124	17,887,124	16,994,996
Public Service Corporations	2,598,825,515	2,598,825,515	2,518,047,486	2,518,047,486
Total Personal Property Valuation	\$15,265,499,862	\$15,927,912,199	\$15,847,134,170	\$15,986,186,051
Total Taxable Property Valuation	\$207,327,568,596	\$213,546,013,533	\$213,440,615,864	\$220,720,061,793
TAX RATE (per \$100 assessed value)				
Real Estate				
Regular-Local Assessment	\$1.07	\$1.075	\$1.075	\$1.095
Public Service Corporations-Equalized	1.07	1.075	1.075	1.095
Personal Property				
Vehicle/Business/Other	\$4.57	\$4.57	\$4.57	\$4.57
Public Service Corporations-Equalized	1.07	1.075	1.075	1.095
Mobile Homes	1.07	1.075	1.075	1.095

¹ Tax Increment Financing (TIF) includes the Mosaic District and reflects the difference between the 2007 base assessed value and the current assessed value.

² Other Personal Property includes boats, trailers, and miscellaneous.

**ASSESSED VALUATION, TAX RATES, LEVIES AND COLLECTIONS
GENERAL FUND, FISCAL YEARS 2012-2014**

	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan
LEVIES AND COLLECTIONS				
Property Tax Levy				
Real Estate Tax Levy	\$2,055,105,366	\$2,124,394,590	\$2,124,129,928	\$2,241,835,939
Personal Property Tax Levy	523,473,746	550,248,136	549,404,290	554,648,789
Total Property Tax Levy	\$2,578,579,112	\$2,674,642,726	\$2,673,534,218	\$2,796,484,728
Property Tax Collections				
Collection of Current Taxes ³	\$2,563,131,721	\$2,660,184,431	\$2,659,075,923	\$2,782,362,417
Percentage of Total Levy Collected	99.4%	99.5%	99.5%	99.5%
Net Collections of Delinquent Taxes	22,034,282	18,985,502	18,985,502	3,985,502
Total Property Tax Collections	\$2,585,166,003	\$2,679,169,933	\$2,678,061,425	\$2,786,347,919
Yield of \$0.01 per \$100 of Real Estate Tax Collections	\$19,407,949	\$19,951,957	\$19,941,347	\$20,654,537
Yield of \$0.01 per \$100 of Personal Property Tax Collections	\$1,064,924	\$1,127,692	\$1,127,762	\$1,140,031

³ Includes the approximate value of one-half of one cent on the Real Estate Tax rate, which is directed to The Penny for Affordable Housing Fund. The value of which is \$9.37 million, \$9.98 million and \$10.33 million in FY 2012, FY 2013 and FY 2014, respectively.

FY 2012 - FY 2014 GENERAL FUND REVENUE

REVENUE CATEGORY	FY 2012	FY 2013	FY 2013	FY 2014	INCREASE / (DECREASE) OVER REVISED	% INCREASE / DECREASE OVER REVISED
	ACTUAL	BUDGET PLAN	ADOPTED	REVISED BUDGET PLAN		
TOTAL REAL PROPERTY TAXES						
Real Estate Tax - Current	\$2,029,660,490	\$2,097,391,844	\$2,097,391,844	\$2,214,372,761	\$116,980,917	5.6%
R. E. Tax - Public Service Corps	9,370,026	9,413,815	9,149,153	9,319,370	170,217	1.9%
Subtotal R. E. Tax - Current	\$2,039,030,516	\$2,106,805,659	\$2,106,540,997	\$2,223,692,131	\$117,151,134	5.6%
R. E. Tax Penalties - Current	\$4,059,690	\$4,418,412	\$4,418,412	\$4,418,412	\$0	0.0%
R. E. Tax Interest - Current	94,893	63,249	63,249	63,249	0	0.0%
R. E. PSC - Penalty Current	8,780	2,038	2,038	2,038	0	0.0%
R. E. PSC - Interest Current	91	42	42	42	0	0.0%
R. E. Tax Delinquent - Prior Years	3,449,679	4,469,744	4,469,744	4,469,744	0	0.0%
R. E. Tax Penalties - Prior Years	545,771	659,812	659,812	659,812	0	0.0%
R. E. Tax Interest - Prior Years	94,398	78,617	78,617	78,617	0	0.0%
Subtotal R. E. Tax - Delinquent Collections	\$8,253,302	\$9,691,914	\$9,691,914	\$9,691,914	\$0	0.0%
Potential Real Estate Tax Refunds	\$0	\$0	\$0	(\$5,000,000)	(\$5,000,000)	--
Subtotal R. E. Tax - Delinquent Less Refunds	\$8,253,302	\$9,691,914	\$9,691,914	\$4,691,914	(\$5,000,000)	-51.6%
TOTAL REAL PROPERTY TAXES	\$2,047,283,817	\$2,116,497,573	\$2,116,232,911	\$2,228,384,045	\$112,151,134	5.3%
PERSONAL PROPERTY TAXES						
Personal Property Tax - Current	\$275,107,156	\$303,839,295	\$303,839,295	\$309,117,978	\$5,278,683	1.7%
P. P. Tax - Public Service Corps	28,030,105	28,250,533	27,406,687	27,908,364	501,677	1.8%
Subtotal P. P. Tax - Current	\$303,137,261	\$332,089,828	\$331,245,982	\$337,026,342	\$5,780,360	1.7%

FY 2012 - FY 2014 GENERAL FUND REVENUE

REVENUE CATEGORY	FY 2012 ACTUAL	FY 2013 ADOPTED BUDGET PLAN	FY 2013 REVISED BUDGET PLAN	FY 2014 ADVERTISED BUDGET PLAN	INCREASE / (DECREASE) OVER REVISED	% INCREASE / DECREASE OVER REVISED
P. P. Tax Penalties - Current	\$4,200,015	\$3,116,868	\$3,116,868	\$3,116,868	\$0	0.0%
P.P. Tax Interest - Current	322,787	112,356	112,356	112,356	0	0.0%
P.P. Tax Delinquent - Prior Years	7,981,651	5,363,291	5,363,291	5,363,291	0	0.0%
P.P. Tax Penalties - Prior Years	1,003,666	469,757	469,757	469,757	0	0.0%
P.P. Tax Interest - Prior Years	272,861	231,316	231,316	231,316	0	0.0%
Subtotal P. P. Tax - Delinquent	\$13,780,980	\$9,293,588	\$9,293,588	\$9,293,588	\$0	0.0%
Potential Personal Property Tax Refunds	\$0	\$0	\$0	(\$10,000,000)	(\$10,000,000)	--
Subtotal P. P. Tax - Delinquent Less Refunds	\$13,780,980	\$9,293,588	\$9,293,588	(\$706,412)	(\$10,000,000)	-107.6%
TOTAL PERSONAL PROPERTY TAXES	\$316,918,241	\$341,383,416	\$340,539,570	\$336,319,930	(\$4,219,640)	-1.2%
<u>GENERAL OTHER LOCAL TAXES</u>						
Short-Term Daily Rental	\$258,336	\$347,541	\$347,541	\$347,541	\$0	0.0%
Vehicle Registration Fee	25,424,532	27,871,714	25,791,739	26,049,656	257,917	1.0%
Vehicle Registration Fee - Delinquent	929,953	0	562,746	562,746	0	0.0%
Auto Delinquent - DMV Hold	63,593	0	0	0	0	--
Bank Franchise Tax	14,551,380	11,500,000	14,551,000	14,551,000	0	0.0%
Cigarette Tax	8,984,975	9,051,472	9,051,472	9,051,472	0	0.0%
Gross Receipts Tax on Rental Cars	2,710,649	2,462,498	2,805,522	2,903,715	98,193	3.5%
Land Transfer Fees	23,726	24,000	24,000	24,000	0	0.0%
Communication Sales and Use Tax	47,017,386	50,724,263	48,526,451	48,526,451	0	0.0%
Subtotal	\$99,964,531	\$101,981,488	\$101,660,471	\$102,016,581	\$356,110	0.4%
Sales Tax - Local	\$162,773,312	\$166,791,306	\$166,791,306	\$171,302,177	\$4,510,871	2.7%
Sales Tax - Mobile Home	66,286	85,000	85,000	75,000	(10,000)	-11.8%
Subtotal Sales Tax	\$162,839,599	\$166,876,306	\$166,876,306	\$171,377,177	\$4,500,871	2.7%

FY 2012 - FY 2014 GENERAL FUND REVENUE

REVENUE CATEGORY	FY 2012 ACTUAL	FY 2013 ADOPTED BUDGET PLAN	FY 2013 REVISED BUDGET PLAN	FY 2014 ADVERTISED BUDGET PLAN	INCREASE / (DECREASE) OVER REVISED	% INCREASE / DECREASE OVER REVISED
Deed of Conveyance Tax	\$4,799,439	\$4,661,263	\$4,661,263	\$4,661,263	\$0	0.0%
Recordation Tax	26,223,747	20,965,960	23,196,407	23,475,205	278,798	1.2%
Subtotal Deed of Conveyance/Recordation	\$31,023,186	\$25,627,223	\$27,857,670	\$28,136,468	\$278,798	1.0%
Transient Occupancy Tax	\$9,394,462	\$9,355,833	\$9,676,296	\$9,966,585	\$290,289	3.0%
Transient Occupancy Tax -- Additional	10,181,925	10,100,577	10,487,383	10,802,004	314,621	3.0%
Subtotal Transient Occupancy Tax	\$19,576,387	\$19,456,410	\$20,163,679	\$20,768,589	\$604,910	3.0%
TOTAL Other Local Taxes	\$313,403,703	\$313,941,427	\$316,558,126	\$322,298,815	\$5,740,689	1.8%
Electric Utility Tax - Dominion Virginia Power	\$34,357,226	\$34,854,454	\$34,529,012	\$34,701,657	\$172,645	0.5%
Electric Utility Tax - No. Va. Elec.	1,706,212	1,870,660	1,714,743	1,723,317	8,574	0.5%
Subtotal Electric Utility Tax	\$36,063,438	\$36,725,114	\$36,243,755	\$36,424,974	\$181,219	0.5%
Gas Utility Tax - Washington Gas	\$8,337,143	\$9,244,810	\$8,378,829	\$8,420,723	\$41,894	0.5%
Gas Utility Tax - Columbia Gas of VA	479,983	520,120	482,383	484,795	2,412	0.5%
Subtotal Gas Utility Tax	\$8,817,126	\$9,764,930	\$8,861,212	\$8,905,518	\$44,306	0.5%
TOTAL Consumer Utility Tax	\$44,880,564	\$46,490,044	\$45,104,967	\$45,330,492	\$225,525	0.5%
Electric Consumption Tax	\$2,975,259	\$2,953,515	\$2,953,515	\$2,953,515	\$0	0.0%
Natural Gas Consumption Tax	649,999	822,340	649,999	649,999	0	0.0%
Total Consumption Tax	\$3,625,258	\$3,775,855	\$3,603,514	\$3,603,514	\$0	0.0%

FY 2012 - FY 2014 GENERAL FUND REVENUE

REVENUE CATEGORY	FY 2012 ACTUAL	FY 2013 ADOPTED BUDGET PLAN	FY 2013 REVISED BUDGET PLAN	FY 2014 ADVERTISED BUDGET PLAN	INCREASE / (DECREASE) OVER REVISED	% INCREASE / DECREASE OVER REVISED
BPOL Tax - Amusements	\$220,511	\$214,466	\$228,230	\$232,795	\$4,565	2.0%
BPOL Tax - Builders and Developers	232,638	299,065	240,780	245,595	4,815	2.0%
BPOL Tax - Business Service Occupation	35,981,221	38,031,347	37,240,565	38,285,376	1,044,811	2.8%
BPOL Tax - Consultant/Specialist	32,926,425	35,477,411	34,078,850	35,060,430	981,580	2.9%
BPOL Tax - Contractors	8,147,168	8,813,883	8,432,320	8,600,966	168,646	2.0%
BPOL Tax - Hotels and Motels	1,404,539	1,407,900	1,453,698	1,482,772	29,074	2.0%
BPOL Tax - Money Lenders	606,601	1,295,911	627,832	640,388	12,556	2.0%
BPOL Tax - Personal Service Occupation	6,258,609	6,824,606	6,477,660	6,607,213	129,553	2.0%
BPOL Tax - Prof. & Spec Occupations	16,429,311	17,826,995	17,004,336	17,344,422	340,086	2.0%
BPOL Tax - Real Estate Brokers	1,315,157	1,315,171	1,361,187	1,388,411	27,224	2.0%
BPOL Tax - Rent of House, Apt & Condo	11,109,602	11,620,346	11,498,438	11,728,406	229,968	2.0%
BPOL Tax - Repair Service	1,883,778	2,273,662	1,949,710	1,988,705	38,995	2.0%
BPOL Tax - Research and Development	943,789	798,466	976,822	996,358	19,536	2.0%
BPOL Tax - Retail Merchants	27,514,485	28,159,635	28,477,490	29,147,040	669,550	2.4%
BPOL Tax - Telephone Companies	3,095,234	2,021,457	3,203,567	3,267,638	64,071	2.0%
BPOL Tax - Wholesale Merchants	1,669,499	1,308,427	1,727,932	1,762,490	34,558	2.0%
Subtotal BPOL - Current	\$149,738,567	\$157,688,748	\$154,979,417	\$158,779,005	\$3,799,588	2.5%
BPOL Tax - Penalties & Interest - Current Year	\$367,123	\$71,456	\$360,000	\$360,000	\$0	0.0%
BPOL Tax - Delinquent Taxes - Prior Years	5,219,084	1,594,528	2,731,264	2,731,264	0	0.0%
BPOL Tax - Delinquent Penalty & Interest - Prior Years	141,442	375,280	150,000	150,000	0	0.0%
Subtotal BPOL - Delinquents	\$5,727,649	\$2,041,264	\$3,241,264	\$3,241,264	\$0	0.0%
Potential BPOL Refunds	\$0	\$0	\$0	(\$10,000,000)	(\$10,000,000)	--
Subtotal BPOL - Delinq less Refunds	\$5,727,649	\$2,041,264	\$3,241,264	(\$6,758,736)	(\$10,000,000)	-308.5%
TOTAL Business, Professional & Occupational Licenses	\$155,466,216	\$159,730,012	\$158,220,681	\$152,020,269	(\$6,200,412)	-3.9%
TOTAL GENERAL OTHER LOCAL TAXES	\$517,375,740	\$523,937,338	\$523,487,288	\$523,253,090	(\$234,198)	0.0%

FY 2012 - FY 2014 GENERAL FUND REVENUE

REVENUE CATEGORY	FY 2012 ACTUAL	FY 2013 ADOPTED BUDGET PLAN	FY 2013 REVISED BUDGET PLAN	FY 2014 ADVERTISED BUDGET PLAN	INCREASE / (DECREASE) OVER REVISED	% INCREASE / DECREASE OVER REVISED
<u>PERMITS, FEES & REGULATORY LICENSES</u>						
Building Permits	\$8,689,971	\$7,709,350	\$7,709,350	\$8,189,350	\$480,000	6.2%
Electrical Permits	2,534,979	2,183,180	2,183,180	2,183,180	0	0.0%
Plumbing Permits	1,529,076	1,410,910	1,410,910	1,410,910	0	0.0%
Mechanical Permits	1,886,668	1,590,130	1,590,130	1,590,130	0	0.0%
Cross Connection Charges	539,183	572,020	572,020	572,020	0	0.0%
Home Improvement Inspection Licenses	10,725	25,077	25,077	25,077	0	0.0%
Elevator Inspection Licenses	1,527,970	1,682,577	1,682,577	1,682,577	0	0.0%
Appliance Permits	413,374	348,075	348,075	348,075	0	0.0%
Building Re-inspection Fees	11,958	11,922	11,922	11,922	0	0.0%
Electrical Re-inspection Fees	20,263	17,788	17,788	17,788	0	0.0%
Plumbing Re-inspection Fees	5,836	7,925	7,925	7,925	0	0.0%
Mechanical Re-inspection Fees	16,615	9,069	9,069	9,069	0	0.0%
Plan Resubmission Fee -New Construction	265,766	247,391	247,391	247,391	0	0.0%
Plan Resubmission Fee - Alteration Construction	399,688	418,172	418,172	418,172	0	0.0%
Subtotal Inspection Services	\$17,852,070	\$16,233,586	\$16,233,586	\$16,713,586	\$480,000	3.0%
Site Plan Fees	\$2,959,183	\$2,967,590	\$2,967,590	\$2,967,590	\$0	0.0%
Subdivision Plat Fees	242,492	225,956	225,956	225,956	0	0.0%
Subdivision Plan Fees	1,618,434	1,657,955	1,657,955	1,657,955	0	0.0%
Landfill Special Fees	3,625	0	0	0	0	--
Utility Permit Fees	36,838	23,765	23,765	23,765	0	0.0%
Developer Bond Extension	391,145	444,006	444,006	444,006	0	0.0%
Inspection - Site Plans	3,087,570	2,412,293	2,412,293	2,412,293	0	0.0%
Inspection - Subplans	709,985	729,047	729,047	729,047	0	0.0%
Subtotal Design Review	\$9,049,272	\$8,460,612	\$8,460,612	\$8,460,612	\$0	0.0%
TOTAL Inspection Services and Design Review	\$26,901,342	\$24,694,198	\$24,694,198	\$25,174,198	\$480,000	1.9%

FY 2012 - FY 2014 GENERAL FUND REVENUE

REVENUE CATEGORY	FY 2012 ACTUAL	FY 2013 ADOPTED BUDGET PLAN	FY 2013 REVISED BUDGET PLAN	FY 2014 ADVERTISED BUDGET PLAN	INCREASE / (DECREASE) OVER REVISED	% INCREASE / DECREASE OVER REVISED
Zoning Fees	\$1,966,886	\$2,170,918	\$1,966,886	\$1,936,886	(\$30,000)	-1.5%
Sign Permit Fees	106,637	107,870	106,637	106,637	0	0.0%
Quarry Inspection Fees	0	3,000	0	0	0	--
Board of Zoning Appeals Fees	152,414	273,722	152,414	152,414	0	0.0%
Wetlands Permits	600	900	600	600	0	0.0%
Non-Residential Use Permits Fees (NON-RUP's fees)	136,565	126,000	136,565	136,565	0	0.0%
Zoning Compliance Letters/Temp Special Permits	189,427	192,300	189,427	189,427	0	0.0%
TOTAL Zoning Revenue	\$2,552,529	\$2,874,710	\$2,552,529	\$2,522,529	(\$30,000)	-1.2%
Dog Licenses & Dangerous Dog Fees	\$933,173	\$883,845	\$883,845	\$883,845	\$0	0.0%
Auto Graveyard Licenses	200	100	100	100	0	0.0%
Bondsmen Licenses	30	30	30	30	0	0.0%
Dance Hall Licenses	2,230	1,840	1,840	1,840	0	0.0%
Fortune Teller Licenses	1,000	2,000	1,000	1,000	0	0.0%
Mixed Drink Establishment Licenses	126,525	154,300	135,525	135,525	0	0.0%
Land Use Assessment Application Fees	0	1,241	1,241	1,241	0	0.0%
Massage Therapist Permits	40,100	39,500	40,940	40,940	0	0.0%
Election Filing Fees	0	1,000	1,000	1,000	0	0.0%
Concealed Weapon Permits	142,742	112,200	149,880	157,375	7,495	5.0%
Precious Metal / Gem Dealers / Pawnbrokers Licenses	11,850	9,250	11,850	11,850	0	0.0%
Solicitors Licenses	12,240	11,520	11,520	11,520	0	0.0%
Going Out of Business Fees	65	780	65	65	0	0.0%
Fire Prevention Code Permits	1,415,850	1,405,000	1,405,000	1,433,100	28,100	2.0%
Fire Marshal Fees	3,548,364	3,600,000	3,600,000	3,654,000	54,000	1.5%
Acceptance Test Overtime Fees	32,768	23,810	46,080	46,080	0	0.0%
Home Childcare Permits	24,682	24,891	24,891	24,891	0	0.0%
Tax Abatement Application Fees	0	500	500	500	0	0.0%
Alarm Systems Registrations	122,795	136,810	122,795	122,795	0	0.0%
Taxicab Licenses	149,390	144,120	149,390	149,390	0	0.0%
Subtotal Misc. Permits, Fees & Licenses	\$6,564,005	\$6,552,737	\$6,587,492	\$6,677,087	\$89,595	1.4%

FY 2012 - FY 2014 GENERAL FUND REVENUE

REVENUE CATEGORY	FY 2012 ACTUAL	FY 2013 ADOPTED BUDGET PLAN	FY 2013 REVISED BUDGET PLAN	FY 2014 ADVERTISED BUDGET PLAN	INCREASE / (DECREASE) OVER REVISED	% INCREASE / DECREASE OVER REVISED
Sanitation Inspection Licenses	\$2,100	\$2,400	\$2,400	\$2,400	\$0	0.0%
Septic Tank Permits	51,190	42,360	58,500	60,125	1,625	2.8%
Septic Tank Truck Licenses	75,690	72,434	75,690	75,690	0	0.0%
Well Water Supply Permits	28,550	27,900	27,900	27,900	0	0.0%
Well Water Supply Licenses	900	2,650	900	900	0	0.0%
Routine Water Sample Fees	3,840	7,500	3,840	3,840	0	0.0%
Swimming Pool Licenses	248,807	251,665	251,665	254,182	2,517	1.0%
Portable Toilet Fees	540	600	600	600	0	0.0%
Private Schools/Day Care Center Licenses	15,880	15,490	16,585	16,750	165	1.0%
Food Establishment Operating Permits	92,910	90,625	90,625	90,625	0	0.0%
State Share Septic Tank Permits	75,370	61,725	76,900	78,400	1,500	2.0%
State Share Well Permit Fees	42,850	47,700	42,850	42,850	0	0.0%
Miscellaneous Environmental Fees	6,230	7,805	6,230	6,230	0	0.0%
Alternate Discharge Permits	530	525	525	525	0	0.0%
Site Development Review	18,700	17,075	18,700	18,700	0	0.0%
Building Permits Review	47,700	38,735	49,000	49,500	500	1.0%
Public Establishment Review	30,418	16,100	16,100	16,100	0	0.0%
Hotel Permits--State Health Fee	5,225	5,240	5,240	5,240	0	0.0%
Restaurants--State Health Fee	60,935	52,425	52,425	52,425	0	0.0%
Camps/Campgrounds--State Health Fee	260	240	240	240	0	0.0%
Plan Review--State Health Fee	2,590	5,700	0	0	0	--
Alternative Sewage Systems Plan Review	14,800	14,000	16,600	16,900	300	1.8%
Subtotal Health Dept. Permits, Fees & Licenses	\$826,016	\$780,894	\$813,515	\$820,122	\$6,607	0.8%
TOTAL Misc. Permits Fees & Licenses	\$7,390,020	\$7,333,631	\$7,401,007	\$7,497,209	\$96,202	1.3%
TOTAL PERMITS, FEES & REGULATORY LICENSES	\$36,843,892	\$34,902,539	\$34,647,734	\$35,193,936	\$546,202	1.6%

FY 2012 - FY 2014 GENERAL FUND REVENUE

REVENUE CATEGORY	FY 2012 ACTUAL	FY 2013 ADOPTED BUDGET PLAN	FY 2013 REVISED BUDGET PLAN	FY 2014 ADVERTISED BUDGET PLAN	INCREASE / (DECREASE) OVER REVISED	% INCREASE / DECREASE OVER REVISED
<u>FINES AND FORFEITURES</u>						
Attorney Fee - Collection of Delinquent Taxes	\$8,988	\$7,722	\$8,988	\$8,988	\$0	0.0%
Circuit Court Fines and Penalties	153,612	168,000	153,612	153,612	0	0.0%
Admin Fee for Collections of Delinquent Taxes	1,674,971	1,483,355	1,682,745	1,691,159	8,414	0.5%
Juvenile & Domestic Relations Court Fines/Interest	842	1,311	842	842	0	0.0%
General District Court Fines/Interest	92,409	96,000	96,000	96,000	0	0.0%
General District Court Fines	7,831,028	7,670,029	8,065,960	8,307,930	241,970	3.0%
County Fines - J&DR Court	85,256	79,659	79,659	79,659	0	0.0%
Alarm Ordinance Violations	598,499	611,044	598,499	598,499	0	0.0%
Collection Agency Fees	47,472	0	0	0	0	--
State Set-Off Debt Service (SOF)	206,675	207,446	200,600	200,600	0	0.0%
County Fines/Penalties	15,930	21,347	15,930	15,930	0	0.0%
Parking Violations	3,368,806	3,250,000	3,250,000	3,250,000	0	0.0%
Non-Tax Penalty for Late Payment	0	0	455,000	455,000	0	0.0%
Non-Tax Interest	0	0	3,000	3,000	0	0.0%
Non-Sufficient Funds Check Return	0	0	2,000	2,000	0	0.0%
TOTAL FINES AND FORFEITURES	\$14,084,488	\$13,595,913	\$14,612,835	\$14,863,219	\$250,384	1.7%
<u>REVENUE FROM USE OF MONEY & PROPERTY</u>						
Interest on Investments	\$14,355,548	\$13,141,516	\$13,141,516	\$11,320,530	(\$1,820,986)	-13.9%
Rent of Real Estate	3,037,749	3,232,502	3,232,502	3,356,550	124,048	3.8%
Rent on Communication Sites	912,386	690,576	690,576	896,524	205,948	29.8%
Rentals - Equipment & Misc	(914)	0	0	0	0	--
Cafeteria Commissions/Vending Machines	96,018	106,289	96,018	96,018	0	0.0%
Bicycle Locker Rentals	1,800	1,080	1,800	1,800	0	0.0%
TOTAL REV. FROM USE OF MONEY & PROPERTY	\$18,402,587	\$17,171,963	\$17,162,412	\$15,671,422	(\$1,490,990)	-8.7%

FY 2012 - FY 2014 GENERAL FUND REVENUE

REVENUE CATEGORY	FY 2012 ACTUAL	FY 2013 ADOPTED BUDGET PLAN	FY 2013 REVISED BUDGET PLAN	FY 2014 ADVERTISED BUDGET PLAN	INCREASE / (DECREASE) OVER REVISED	% INCREASE / DECREASE OVER REVISED
<u>CHARGES FOR SERVICES</u>						
Courthouse Maintenance Fees	\$537,601	\$531,000	\$531,000	\$531,000	\$0	0.0%
Court Security Fees	2,220,923	2,142,960	2,142,960	2,185,820	42,860	2.0%
Criminal Justice Academy Fee on Criminal Offenses	222,806	222,375	222,375	226,820	4,445	2.0%
EMS Transport Fee	16,853,661	15,492,187	15,492,187	15,492,187	\$0	0.0%
Copying Machine Revenue - DPWES	15,441	22,374	15,441	15,441	0	0.0%
Copying Machine Revenue - Misc.	101,838	116,567	101,838	101,838	0	0.0%
Reimbursement for Recorded Tapes/FOIA Fees	7,914	11,071	8,174	8,174	0	0.0%
Proposed Vacation Fees	1,000	800	800	800	0	0.0%
Precinct Locator Sales	0	30	0	0	0	--
Refuse Collection Fees	0	2,900	2,900	2,900	0	0.0%
Jail Fees / DNA Fees	81,355	87,700	81,355	82,980	1,625	2.0%
Parental Support - Boys Probation House	11,809	19,240	12,385	12,633	248	2.0%
Parental Support - Girls Probation House	2,297	5,566	2,297	2,297	0	0.0%
Parental Support - Supervised Visitation	10,182	10,892	10,892	10,892	0	0.0%
Commonwealth's Attorney Fees	36,681	19,229	28,986	28,986	0	0.0%
Police Reports and Photo Fees	267,236	290,843	267,236	267,236	0	0.0%
Sheriff Fees	66,271	66,271	66,271	66,271	0	0.0%
Police Reimbursement	1,535,951	1,162,654	1,535,951	1,566,670	30,719	2.0%
Animal Shelter Fees	86,327	92,580	86,327	86,327	0	0.0%
Miscellaneous Charges for Services	(20)	8,800	0	8,800	8,800	--
Seniors on the Go	56,778	65,000	55,000	55,000	0	0.0%
Taxi Access	10,120	0	10,300	10,300	0	0.0%
Parking Garage Fees	955,764	908,930	908,930	908,930	0	0.0%
Adoption Service Fees	5,059	5,408	5,408	5,408	0	0.0%
Street Sign Fees	1,170	2,180	2,180	2,180	0	0.0%
Restricted Parking Fees	2,950	2,000	2,000	2,000	0	0.0%
Sales - Mapping Division	25,599	23,088	23,088	23,088	0	0.0%
Copay - Inmate Medical	14,671	19,247	15,135	15,135	0	0.0%

FY 2012 - FY 2014 GENERAL FUND REVENUE

REVENUE CATEGORY	FY 2012 ACTUAL	FY 2013 ADOPTED BUDGET PLAN	FY 2013 REVISED BUDGET PLAN	FY 2014 ADVERTISED BUDGET PLAN	INCREASE / (DECREASE) OVER REVISED	% INCREASE / DECREASE OVER REVISED
Coin-Operated Copiers	144,668	150,474	150,474	150,474	0	0.0%
Library Database Fees	17,018	18,885	17,018	21,018	4,000	23.5%
Library Overdue Penalties	1,277,251	1,390,536	1,277,251	1,277,251	0	0.0%
Employee Child Care Center Fees	1,109,260	1,093,196	1,142,538	1,153,963	11,425	1.0%
School Age Child Care (SACC) Fees	31,870,981	34,705,318	34,245,318	35,951,301	1,705,983	5.0%
County Clerk Fees	5,220,338	4,626,050	5,392,416	5,392,416	0	0.0%
Domestic Violence Services Client Fees - ADAPT	90,334	70,100	90,334	90,334	0	0.0%
FASTRAN Rider Fees	29,238	18,500	29,825	30,425	600	2.0%
Subtotal Misc. Charges for Services	\$62,890,471	\$63,404,951	\$63,976,590	\$65,787,295	\$1,810,705	2.8%
Senior+ Monthly Participant Fees	\$45,305	\$42,000	\$46,200	\$47,125	\$925	2.0%
Senior Center Annual Participant Fees	153,388	152,000	152,000	152,000	0	0.0%
James Lee Theatre	10,501	10,500	10,500	10,500	0	0.0%
Recreation Athletic Programs	472,779	285,000	472,779	472,779	0	0.0%
Sport Activity Fees	0	40,000	0	0	0	--
Recreation Community Use Fees	34,451	56,113	56,113	56,113	0	0.0%
Recreation Classes Fees	1,735,885	1,944,286	1,736,093	1,830,093	94,000	5.4%
Recreation Neighborhood Center Fees	292,355	275,411	275,411	275,411	0	0.0%
Custodial Fees	228,254	221,719	232,819	237,475	4,656	2.0%
Subtotal Recreation Revenue	\$2,972,917	\$3,027,029	\$2,981,915	\$3,081,496	\$99,581	3.3%
Pre-Screening for Nursing Homes	\$85,290	\$85,006	\$85,006	\$85,006	\$0	0.0%
Speech Fees	147,511	150,892	160,951	165,981	5,030	3.1%
Hearing Fees	33,417	49,750	49,750	49,750	0	0.0%
Vital Statistic Fees	567,954	575,675	584,468	590,717	6,249	1.1%
Dental Health Fees	30,710	17,500	17,500	17,500	0	0.0%
Pharmacy Fees	18	25	25	25	0	0.0%
X-Ray Fees	22,209	21,887	21,887	21,887	0	0.0%
General Medical Clinic Fees	923,377	812,834	931,154	931,154	0	0.0%

FY 2012 - FY 2014 GENERAL FUND REVENUE

REVENUE CATEGORY	FY 2012 ACTUAL	FY 2013 ADOPTED BUDGET PLAN	FY 2013 REVISED BUDGET PLAN	FY 2014 ADVERTISED BUDGET PLAN	INCREASE / (DECREASE) OVER REVISED	% INCREASE / DECREASE OVER REVISED
Family Planning Services	43,298	45,918	43,298	43,298	0	0.0%
Medicaid Dental Fees	53,559	65,535	65,535	65,535	0	0.0%
Lab Services Fees	399,188	392,880	392,880	392,880	0	0.0%
Administrative Fees - Health Dept	2,340	3,290	2,385	2,435	50	2.1%
Non-Medicaid Pediatric Clinic Visits	0	30	30	30	0	0.0%
Non-Medicaid Maternal Clinic Visits	58,352	60,973	58,352	58,352	0	0.0%
Sewage Disposal/Well Water Evaluation	7,400	9,200	7,500	7,500	0	0.0%
Adult Day Health Care Fees	1,127,428	1,145,227	1,127,428	1,127,428	0	0.0%
Adult Day Health Care Medicaid Reimbursement	262,224	226,500	262,224	262,224	0	0.0%
Subtotal Health Dept Revenue	\$3,764,275	\$3,663,122	\$3,810,373	\$3,821,702	\$11,329	0.3%
TOTAL CHARGES FOR SERVICES	\$69,627,663	\$70,095,102	\$70,768,878	\$72,690,493	\$1,921,615	2.7%
<u>RECOVERED COSTS</u>						
City of Fairfax Public Assistance	\$958,176	\$867,612	\$867,612	\$867,612	\$0	0.0%
City of Fairfax Shared Govt. Expenses	2,344,298	2,951,632	3,151,544	3,151,544	0	0.0%
City of Fairfax - FASTERAN/Employment	1,184	12,839	12,839	12,839	0	0.0%
Falls Church Public Assistance	746,283	698,559	698,559	698,559	0	0.0%
Falls Church - FASTERAN/Employment	0	14,119	14,119	14,119	0	0.0%
Falls Church Health Dept. Services	279,764	265,590	279,764	279,764	0	0.0%
Inmate Room and Board	636,096	917,485	648,818	661,794	12,976	2.0%
Boarding of Prisoners	261,122	295,253	295,253	295,253	0	0.0%
Professional Dues Deduction	40,184	41,240	41,240	41,240	0	0.0%
Recovered Costs - Circuit Court	85	200	200	200	0	0.0%
Recovered Costs - General District Court	137,273	134,406	134,406	134,406	0	0.0%
Misc. Recovered Costs - Other	168,962	35,435	45,435	45,435	0	0.0%
Recovered Costs - Fire and Rescue Hazmat	0	5,000	0	0	0	--
Credit Card Charges	71	0	0	0	0	--

FY 2012 - FY 2014 GENERAL FUND REVENUE

REVENUE CATEGORY	FY 2012 ACTUAL	FY 2013 ADOPTED BUDGET PLAN	FY 2013 REVISED BUDGET PLAN	FY 2014 ADVERTISED BUDGET PLAN	INCREASE / (DECREASE) OVER REVISED	% INCREASE / DECREASE OVER REVISED
Child Care Services for Other Jurisdictions	135,555	122,715	135,555	135,555	0	0.0%
CPAN, Circuit Court Computer Service	175,052	317,606	317,606	317,606	0	0.0%
Golden Gazette	81,685	83,343	83,343	83,343	0	0.0%
Police Academy Cost Recovery	26,850	13,450	26,850	26,850	0	0.0%
FASTRAN	81,126	78,554	84,375	84,375	0	0.0%
Reimbursement - School Health	3,995,766	3,877,215	3,877,215	3,877,215	0	0.0%
State Reimbursement Adult Detention Center	2,595,339	2,504,911	2,633,103	2,633,103	0	0.0%
Admin -- City of Fairfax	7,043	7,131	7,131	7,131	0	0.0%
TOTAL RECOVERED COSTS	\$12,671,914	\$13,244,295	\$13,354,967	\$13,367,943	\$12,976	0.1%
<u>REVENUE FROM THE COMMONWEALTH</u>						
Reduction in State Aid - Requires Locality to Choose Funding Stream to Cut	(\$4,312,599)	(\$4,312,599)	(\$3,579,330)	(\$3,229,330)	\$350,000	-9.8%
State Shared Rolling Stock Tax	\$134,505	\$105,405	\$105,405	\$105,405	\$0	0.0%
State Law Enforcement Funding (HB 599)	23,731,260	23,731,261	23,731,261	23,731,261	0	0.0%
State Indirect Aid	74,214	54,217	54,217	54,217	0	0.0%
Subtotal Non-Categorical State Aid	\$23,939,979	\$23,890,883	\$23,890,883	\$23,890,883	\$0	0.0%
State Shared Retirement - Circuit Court	\$174,914	\$143,185	\$151,033	\$151,033	\$0	0.0%
State Shared Commonwealth Atty. Expenses	1,558,832	1,456,403	1,558,832	1,558,832	0	0.0%
State Shared Retirement - Commonwealth Atty.	30,525	29,848	29,848	29,848	0	0.0%
State Shared Dept. of Tax Admin/Finance Expenses	1,804,876	1,536,130	1,804,876	1,804,876	0	0.0%
State Shared Retirement - Dept. of Tax Admin/Finance	36,932	55,172	55,172	55,172	0	0.0%
State Shared Sheriff Expenses	14,080,224	14,072,119	14,080,224	14,080,224	0	0.0%
State Shared General Retirement - Sheriff	249,754	300,534	300,534	300,534	0	0.0%
State Shared Gen. Registrar/Electoral Board Expenses	357,248	84,476	84,476	84,476	0	0.0%
Subtotal Shared Expenses	\$18,293,305	\$17,677,867	\$18,064,995	\$18,064,995	\$0	0.0%

FY 2012 - FY 2014 GENERAL FUND REVENUE

REVENUE CATEGORY	FY 2012 ACTUAL	FY 2013 ADOPTED BUDGET PLAN	FY 2013 REVISED BUDGET PLAN	FY 2014 ADVERTISED BUDGET PLAN	INCREASE / (DECREASE) OVER REVISED	% INCREASE / DECREASE OVER REVISED
Libraries State Aid	\$501,827	\$517,949	\$517,949	\$517,949	\$0	0.0%
Virginia Share Public Assistance Programs	40,899,950	44,600,052	43,072,967	38,581,367	(4,491,600)	-10.4%
Va. Juvenile Crime Control Act Funding	613,374	621,170	621,170	621,170	0	0.0%
State Share J&DR Court Residential Services	2,566,429	2,566,428	2,566,428	2,566,428	0	0.0%
Subtotal Categorical State Aid	\$44,581,580	\$48,305,599	\$46,778,514	\$42,286,914	(\$4,491,600)	-9.6%
State Reimb. - General District Court	\$85,265	\$67,293	\$85,265	\$85,265	\$0	0.0%
State Reimb. - Health Department	9,314,714	8,834,894	9,314,714	9,314,714	0	0.0%
State Reimb. - Residential Beds - JDC	1,800	10,850	10,850	10,850	0	0.0%
State Reimb. - Commonwealth Atty. Witness Expense	21,382	16,400	16,400	16,400	0	0.0%
State Reimb.- Police Intoxication	5,625	6,125	6,125	6,125	0	0.0%
State Share J&DR Court Services	1,448,154	1,443,581	1,443,581	1,443,581	0	0.0%
Subtotal State Recovered Costs	\$10,876,940	\$10,379,143	\$10,876,935	\$10,876,935	\$0	0.0%
State Reimb - Personal Property Tax (PPTRA)	\$211,313,944	\$211,313,944	\$211,313,944	\$211,313,944	\$0	0%
TOTAL REVENUE FROM THE COMMONWEALTH	\$304,693,149	\$307,254,837	\$307,345,941	\$303,204,341	(\$4,141,600)	-1.3%
REVENUE FROM THE FEDERAL GOVT.						
J&DR Court - USA Grant	\$117,313	\$121,660	\$121,660	\$121,660	\$0	0.0%
USDA Grant - Office for Children/Human Svc.	48,886	44,689	44,689	44,689	0	0.0%
Criminal Alien Assistance Program	461,983	0	0	0	0	--
Federal Emergency Assistance	742,210	0	0	0	0	--
Subtotal Categorical Federal Aid	\$1,370,392	\$166,349	\$166,349	\$166,349	\$0	0.0%

FY 2012 - FY 2014 GENERAL FUND REVENUE

REVENUE CATEGORY	FY 2012 ACTUAL	FY 2013 ADOPTED BUDGET PLAN	FY 2013 REVISED BUDGET PLAN	FY 2014 ADVERTISED BUDGET PLAN	INCREASE / (DECREASE) OVER REVISED	% INCREASE / DECREASE OVER REVISED
DFS Federal and Federal Pass-Through	\$38,569,550	\$34,050,490	\$34,182,527	\$25,455,737	(\$8,726,790)	-25.5%
Payments in Lieu of Taxes - Federal	5,868	54,000	54,000	54,000	0	0.0%
Federal Aid for Indirect Costs	270,131	0	0	0	0	--
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	\$40,215,942	\$34,270,839	\$34,402,876	\$25,676,086	(\$8,726,790)	-25.4%
Combined State & Federal Public Assistance	\$79,469,500	\$78,650,542	\$77,255,494	\$64,037,104	(\$13,218,390)	-17.1%
<u>MISCELLANEOUS REVENUE - GIFTS, DONATIONS, OTHER FINANCING SOURCES</u>						
Litigation Proceeds	\$239,014	\$115,000	\$115,000	\$115,000	\$0	0.0%
Miscellaneous Revenue - Environ Mgmt.	35,968	40,000	20,000	20,000	0	0.0%
Contract Rebates	1,125,635	1,044,260	1,125,635	1,189,635	64,000	5.7%
Gifts, Donations & Miscellaneous Revenue	17,416	157,685	127,854	127,854	0	0.0%
Linebarger Collection Fees	15,591	0	0	0	0	--
Sales of Vehicles and Salvage	129,747	115,005	115,005	115,005	0	0.0%
TOTAL MISCELLANEOUS/OTHER	\$1,563,371	\$1,471,950	\$1,503,494	\$1,567,494	\$64,000	4.3%
Total Recovered Costs/Misc./Other Revenue	\$14,235,285	\$14,716,245	\$14,858,461	\$14,935,437	\$76,976	0.5%
GRAND TOTAL GENERAL FUND REVENUE	\$3,379,680,804	\$3,473,825,765	\$3,474,058,906	\$3,570,191,999	\$96,133,093	2.8%

FY 2014 ADVERTISED REVENUE FROM THE COMMONWEALTH ¹

Fund/Fund Title	FY 2012 Actual	FY 2013 Adopted Budget Plan ²	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
10001 General Fund ³	\$304,693,148	\$307,254,837	\$307,345,941	\$303,204,341	(\$4,141,600)	(1.35%)
10040 Information Technology	411	0	0	0	0	-
30010 General Construction and Contributions	0	0	3,838,964	0	(3,838,964)	(100.00%)
30020 Capital Renewal Construction	446,063	0	0	0	0	-
30040 Contributed Roadway Improvement	58,587	0	0	0	0	-
30050 Transportation Improvements	635,211	0	4,082,500	0	(4,082,500)	(100.00%)
30060 Pedestrian Walkway Improvements	383,411	0	1,652,269	0	(1,652,269)	(100.00%)
30080 Commercial Revitalization Program	171,995	0	1,305,750	0	(1,305,750)	(100.00%)
40000 County Transit Systems	32,201,878	18,201,878	18,201,878	24,829,770	6,627,892	36.41%
40040 Fairfax-Falls Church Community Services Board	13,314,430	12,871,445	12,905,035	12,713,033	(192,002)	(1.49%)
40080 Integrated Pest Management Program	60,000	0	0	0	0	-
40090 E-911	4,993,919	4,000,000	4,000,000	4,200,000	200,000	5.00%
40100 Stormwater Services	(4)	0	0	0	0	-
40140 Refuse Collection and Recycling Operations	100,879	0	0	100,879	100,879	-
50000 Federal/State Grants	22,581,558	21,933,141	21,340,490	23,452,919	2,112,429	9.90%
69310 Sewer Bond Construction	10,270,459	0	12,529,043	0	(12,529,043)	(100.00%)
S10000 Public School Operating	478,390,365	500,929,069	544,869,478	548,186,877	3,317,399	0.61%
S40000 Public School Food and Nutrition Services	883,163	836,574	836,574	892,202	55,628	6.65%
S43000 Public School Adult and Community Education	634,614	685,243	923,731	923,731	0	0.00%
S50000 Public School Grants and Self Supporting Programs	8,295,287	10,058,302	10,366,105	9,778,373	(587,732)	(5.67%)
Total Revenue from the Commonwealth	\$878,115,374	\$876,770,489	\$944,197,758	\$928,282,125	(\$15,915,633)	(1.69%)

¹ In addition to funds received by the County directly from the State in the funds listed herein, it is projected the State will provide \$56,616,843 to the Northern Virginia Transportation Commission (NVTC) in FY 2014 as a credit to help offset Fairfax County's Operating Subsidy and \$3,174,221 as a credit to help offset Fairfax County's Capital Construction Subsidy in Fund 30000, Metro Operations and Construction. State aid in the amount of \$19,129,770 is also projected to be disbursed to NVTC in FY 2014 which will be utilized to offset operations in Fund 40000, County Transit Systems.

² As part of the County's implementation of a new enterprise resource planning system, FOCUS, several changes have been made which impact the display of budget information. This schedule reflects the County's new chart of accounts, which impacts the spread of funding among revenue categories (including Revenue from the Commonwealth), but does not impact bottom-line funding. The new chart of accounts is used across all fiscal years; therefore, the presentation of the FY 2013 Adopted Budget Plan by category is slightly different than previously shown.

³ Personal Property Taxes of \$211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Revenue from the Commonwealth category in accordance with guidelines from the State Auditor of Public Accounts.

**FY 2014 ADVERTISED
REVENUE FROM THE FEDERAL GOVERNMENT**

Fund/Fund Title	FY 2012 Actual	FY 2013 Adopted Budget Plan ¹	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
10001 General Fund	\$40,215,941	\$34,270,839	\$34,402,876	\$25,676,086	(\$8,726,790)	(25.37%)
20000 Consolidated Debt Service	3,182,291	3,182,291	3,182,291	0	(3,182,291)	(100.00%)
30010 General Construction and Contributions	2,258,662	0	1,247,989	0	(1,247,989)	(100.00%)
30040 Contributed Roadway Improvement	7,770	0	290,375	0	(290,375)	(100.00%)
30060 Pedestrian Walkway Improvements	133,202	0	860,369	0	(860,369)	(100.00%)
30310 Housing Assistance Program	0	0	326,395	0	(326,395)	(100.00%)
40010 County and Regional Transportation Projects	0	0	6,730,000	0	(6,730,000)	(100.00%)
40040 Fairfax-Falls Church Community Services Board	4,969,708	4,245,895	4,358,839	4,358,839	0	0.00%
40100 Stormwater Services	798,066	0	80,585	0	(80,585)	(100.00%)
50000 Federal/State Grants	48,155,637	57,688,741	104,906,106	60,029,672	(44,876,434)	(42.78%)
50800 Community Development Block Grant	6,743,799	5,418,429	10,462,263	4,414,224	(6,048,039)	(57.81%)
50810 HOME Investment Partnerships Grant	2,356,010	2,383,767	9,696,414	1,405,283	(8,291,131)	(85.51%)
60040 Health Benefits	674,646	0	0	0	0	-
73030 OPEB Trust	1,495,907	1,300,000	1,300,000	1,300,000	0	0.00%
S10000 Public School Operating	64,388,133	41,367,235	54,461,607	42,489,699	(11,971,908)	(21.98%)
S40000 Public School Food and Nutrition Services	29,040,205	27,929,822	31,021,247	31,517,587	496,340	1.60%
S43000 Public School Adult and Community Education	804,877	662,139	1,781,117	1,781,117	0	0.00%
S50000 Public School Grants and Self Supporting Programs	32,969,206	32,695,982	46,257,060	31,066,002	(15,191,058)	(32.84%)
S60000 Public School Insurance	117,415	0	0	0	0	-
S62000 Public School Health and Flexible Benefits	2,728,439	3,254,730	3,254,730	3,254,730	0	0.00%
Total Revenue from the Federal Government	\$241,039,914	\$214,399,870	\$314,620,263	\$207,293,239	(\$107,327,024)	(34.11%)

¹ As part of the County's implementation of a new enterprise resource planning system, FOCUS, several changes have been made which impact the display of budget information. This schedule reflects the County's new chart of accounts, which impacts the spread of funding among revenue categories (including Revenue from the Federal Government), but does not impact bottom-line funding. The new chart of accounts is used across all fiscal years; therefore, the presentation of the FY 2013 Adopted Budget Plan by category is slightly different than previously shown.

FAIRFAX COUNTY
FY 2012 - FY 2014 County Funded Programs
for School-Related Services

	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan
General Fund Transfers				
General Fund Transfer to School Operating Fund	\$1,610,834,722	\$1,683,322,285	\$1,683,322,285	\$1,716,988,731
General Fund Transfer to School Debt Service	159,739,692	164,757,064	164,757,064	172,367,649
Subtotal	\$1,770,574,414	\$1,848,079,349	\$1,848,079,349	\$1,889,356,380
Police Department				
School Resource Officers (55/55.0 FTE)	\$6,063,284	\$6,522,819	\$6,477,587	\$6,639,668
Non-Billable Overtime Hours	248,967	300,667	267,640	267,640
School Crossing Guards (64/64.0 FTE)	2,525,542	2,686,813	2,722,345	2,793,863
Subtotal	\$8,837,793	\$9,510,299	\$9,467,572	\$9,701,171
Fire Department				
Fire safety programs for pre-school through middle school aged students	\$137,619	\$175,617	\$145,992	\$149,765
Subtotal	\$137,619	\$175,617	\$145,992	\$149,765
Health Department				
School Health (275/203.98 FTE)	\$12,986,292	\$14,441,758	\$14,376,516	\$14,957,813
Subtotal	\$12,986,292	\$14,441,758	\$14,376,516	\$14,957,813
Community Services Board (CSB) - Treatment				
Pre-Kindergarten programming (51/1.7 FTE)	\$189,489	\$180,258	\$170,204	\$174,185
Elementary school programming (1/0.01 FTE)	1,336	774	1,405	1,437
Middle school programming (1/0.01 FTE)	1,336	774	1,405	1,437
High school and alternative school programming (21/7.6 FTE)	621,684	642,203	716,133	732,775
Subtotal	\$813,845	\$824,009	\$889,147	\$909,834
Community Services Board (CSB) - Community Living¹				
Elementary school programming (4/1.6 FTE)	459,442	434,025	257,857	261,549
Middle school programming (34/2.13 FTE)	375,136	462,358	174,758	217,569
High school and alternative school programming (44/3.74 FTE)	1,772,468	1,833,044	362,587	448,514
Subtotal	\$2,607,046	\$2,729,427	\$795,202	\$927,632

FAIRFAX COUNTY
FY 2012 - FY 2014 County Funded Programs
for School-Related Services

	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan
Department of Family Services				
Net Cost of the School-Age Child Care (SACC) Program (623/569.53 FTE) - includes general services and services for special needs clients, partially offset by program revenues ²	\$8,285,215	\$10,310,570	\$9,607,557	\$8,804,738
Net Cost of the Head Start Program - General Fund (Higher Horizons, Gum Springs (18/18.0 FTE), Schools' Contract)	6,157,460	6,467,974	6,652,738	6,564,836
Head Start Federal Grant Funding (Local Cash Match) ³	985,844	1,019,786	1,019,786	1,019,786
Virginia Preschool Initiative Grant Funding (Local Cash Match)	1,287	100,000	100,000	100,000
Comprehensive Services Act (special education programs not in Fairfax County Public Schools)	20,507,026	19,016,225	20,794,930	20,771,584
County contribution to Schools for SACC space	750,000	750,000	750,000	750,000
Subtotal	\$36,686,832	\$37,664,555	\$38,925,011	\$38,010,944
Department of Neighborhood and Community Services				
After School Programs at Fairfax County Middle Schools	\$2,968,348	\$3,118,173	\$3,134,004	\$2,918,173
After School Partnership Program	145,000	145,000	145,000	145,000
Field improvements ⁴	377,383	200,000	335,583	200,000
Therapeutic recreation	64,126	61,145	66,073	66,242
Subtotal	\$3,554,857	\$3,524,318	\$3,680,660	\$3,329,415
Fairfax County Park Authority				
Maintenance of Fairfax County Public Schools' athletic fields	\$1,801,405	\$1,772,535	\$2,543,924	\$1,772,535
Subtotal	\$1,801,405	\$1,772,535	\$2,543,924	\$1,772,535
	\$1,838,000,103	\$1,918,721,867	\$1,918,903,373	\$1,959,115,489

TOTAL: County Funding for School Related Services

¹ Consistent with adjustments to specific Wellness and Health Promotion programs in schools as approved by the Board of Supervisors in the FY 2012 Carryover Review budget management plan, and resulting realignment of resources to broader community prevention programs, specific costs for these school-related services are reduced in the FY 2013 Revised Budget Plan and FY 2014 Advertised Budget Plan.

² Includes Fringe Benefits for merit employees in an effort to more accurately reflect true costs associated with the SACC program and to be consistent with SACC rate setting methodology.

³ This includes Local Cash Match funding for Federal Head Start and Early Head Start for the Higher Horizons, Gum Springs and Schools' contracts.

⁴ Only the cost of athletic field lighting is reflected here. All other Fairfax County Public Schools-related field improvement funding is managed by, and shown under, the Fairfax County Park Authority.

FAIRFAX COUNTY
FY 2012 - FY 2014 Additional County Funded Programs
for General Youth Services

	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan
Additional County Funded Youth Programs				
Family Services - Net cost of services for children (excluding SACC and Head Start)	\$21,004,300	\$20,389,664	\$23,813,433	\$23,793,560
Juvenile and Domestic Relations District Court - Residential Services	3,166,872	2,861,494	2,900,739	2,892,912
Department of Neighborhood and Community Services - Therapeutic Recreation	1,282,528	1,222,902	1,321,458	1,324,840
Department of Neighborhood and Community Services - Teen Centers (excluding Club 78)	1,134,210	1,383,613	1,385,244	1,390,302
Department of Neighborhood and Community Services - Community Centers	1,740,519	1,989,441	1,995,197	1,938,718
Department of Neighborhood and Community Services - Net cost Extension/Community Education	57,695	71,000	73,305	71,000
Department of Neighborhood and Community Services - Youth Sports Scholarship	150,000	150,000	150,067	150,000
Fairfax County Park Authority - Athletic Field Maintenance (non-school fields)	2,673,676	2,500,000	2,691,938	2,500,000
Subtotal: Additional County Funded Programs for General Youth Services (Non-School)	\$31,209,800	\$30,568,114	\$34,331,381	\$34,061,332
TOTAL: County Funded Programs for Youth (Includes Both School and Non-School Programs)	\$1,869,209,903	\$1,949,289,981	\$1,953,234,754	\$1,993,176,821

FAIRFAX COUNTY
FY 2012 - FY 2014 Additional County-Administered Programs
for School-Related Services
Funding can be Federal, State, Local, or a Combination Thereof
(Actual Direct County Funding is Minimal)

	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan
Additional County-Administered Programs for School-Related Services				
Department of Family Services - Head Start Grant Funding ¹	\$4,751,247	\$5,051,148	\$4,912,337	\$4,997,402
Department of Family Services - Early Head Start Grant Funding ¹	3,520,629	3,973,291	3,859,354	3,929,327
Department of Family Services - Virginia Preschool Initiative ¹	3,283,589	3,745,000	3,457,000	3,957,350
Subtotal: County-Administered Programs	\$11,555,465	\$12,769,439	\$12,228,691	\$12,884,079
 GRAND TOTAL	 \$1,880,765,368	 \$1,962,059,420	 \$1,965,463,445	 \$2,006,060,900

¹ It should be noted that these expenditures/budgets are by fiscal year. The amounts contain multiple program years in each fiscal year and therefore do not correlate to annual awards for these grants.

Services for Older Adults

In 1970, only 3.0 percent, or 13,764, of Fairfax County residents were age 65 or older. The 2011 American Community Survey estimated that 112,145 older adults (age 65 and older) were now living in Fairfax County. It is expected that there will be 158,000 by 2030. Given this aging of the population, the County highlights services currently provided to older adults. It should be noted that the figures in the following table do not reflect the cost of all services provided to older adults, as only those services specifically designed for older adults, or those where participation by this population has been tracked or can be reasonably estimated, have been included. There are many general County services that are used extensively by the older adult population, such as Emergency Medical Services and cultural tours, but limited data on actual utilization rates makes it difficult to quantify those costs.

Given the rapid growth in the older adult population in the County, the increasing trend of older adults aging in place and the commensurate increase in demand for services, a large number of service delivery models have been undertaken in various County agencies in recent years. Following the adoption of the FY 2010 budget and at the direction of the Board of Supervisors, staff from agencies providing services to older adults, including the Department of Family Services, the Fairfax-Falls Church Community Services Board, the Department of Housing and Community Development, the Health Department and the Department of Neighborhood and Community Services have evaluated the continuum of older adult services including but not limited to Senior Centers, Senior+ and Adult Day Health Care Centers to ensure coordination of programs and opportunities for provision of more cost efficient service delivery with the ultimate goal to promote long term sustainability.

The table on the following pages details the cost of services provided specifically to older adults included in the [FY 2014 Advertised Budget Plan](#). Following the table is a description of the programs, as well as utilization data by age if available. In FY 2014, services to older adults total \$74.9 million or 2.1 percent of General Fund Disbursements of \$3.6 billion. Excluding the General Fund Transfer to Fairfax County Public Schools and School Debt Service of \$1.9 billion, spending on services for older adults is approximately 4.4 percent of the remaining General Fund Disbursements.

Services for Older Adults

County Funded Programs for Older Adults¹

	FY 2012 Actual	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget
Facilities Management Department			
Lease for the Lorton Senior Center at Gunston Plaza (Operated by the Department of Neighborhood and Community Services)	\$93,977	\$99,702	\$103,122
Department of Neighborhood and Community Services			
Senior Center and Senior Plus Program	\$3,551,549	\$3,662,929	\$3,683,648
Seniors-On-the-Go! Taxi Cab Voucher Program	122,833	324,107	314,000
Congregate Meals	461,653	467,423	473,194
Subtotal Department of Neighborhood and Community Services	\$4,136,035	\$4,454,459	\$4,470,842
Fairfax County Public Library			
Programs Primarily Used by Older Adults	\$248,155	\$285,377	\$285,377
Department of Tax Administration			
Tax Relief for the Elderly and Disabled	\$25,426,942	\$26,832,315	\$27,296,480
Department of Family Services			
Adult Protective Services	\$1,482,157	\$1,666,512	\$1,656,757
Adult and Aging Services	10,547,881	13,736,200	11,062,071
Subtotal Department of Family Services	\$12,030,038	\$15,402,712	\$12,718,828
Health Department			
Long-Term Care Developmental Services ²	\$3,430,531	\$3,726,972	\$3,740,304
Fire and Rescue Department			
Senior Safety Programs ³	\$56,782	\$61,918	\$63,001
Subtotal - General Fund	\$45,422,460	\$50,863,455	\$48,677,954

Services for Older Adults

County Funded Programs for Older Adults¹

Name and Description of Service	FY 2012 Actual	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan
Fund 50000, Federal-State Grant Fund			
Community-Based Social Services	\$813,528	\$1,342,648	\$852,206
Ombudsman	546,701	895,389	741,902
Fee for Service	246,469	265,546	250,784
Congregate Meals	1,524,952	3,373,808	1,754,795
Home-Delivered Meals	1,232,987	1,792,207	1,279,880
Care-Coordination	617,945	868,208	724,847
Caregiver Support	226,820	589,884	380,383
ARRA Funding ⁴	49,738	14,707	0
Subtotal Fund 50000	\$5,259,140	\$9,142,397	\$5,984,797
Fund 40040, Community Services Board			
Countywide Older Adults and Families Program	\$1,025,134	\$1,097,533	\$1,097,533
Fund 10030, Contributory Fund			
Northern Virginia Healthcare Center/Birmingham Green Adult Care Residence	\$2,165,918	\$2,497,789	\$2,467,960
Fund 40330, Elderly Housing Programs⁵			
Lewinsville Senior Residence, Little River Glen, and Lincolnia Center	\$3,998,581	\$4,744,434	\$3,321,887
Fund 30000, Metro Operations and Construction			
MetroAccess	\$12,409,775	\$12,424,377	\$13,045,596
Fund 60030, Technology Infrastructure Services			
Computer Labs	\$311,928	\$324,314	\$324,314
Subtotal - General Fund Supported	\$25,170,476	\$30,230,844	\$26,242,087
TOTAL SPENDING ON SENIOR PROGRAMS	\$70,592,936	\$81,094,299	\$74,920,041

¹ This analysis reflects only those services included in General Fund and General Fund Supported agencies, and does not include services supported by non-General Fund or non-appropriated funds, such as rent relief provided through Fund 81100, Fairfax County Rental Program, or recreational activities provided by Fund 40050, Reston Community Center. Likewise, this analysis does not include capital projects funded in prior years, such as senior centers or adult day health care facilities. Capital expenses vary significantly from year to year and one year's data cannot serve as a proxy for "average" capital expenditures in a particular service area.

² Includes the Alzheimer's Family Day Center.

³ The FY 2013 funding level is based on estimated expenditures and actual funding may differ based on available resources including the use of grant funding in Fund 50000, Federal-State Grant Fund.

⁴ Funding received as part of the American Recovery and Reinvestment Act of 2009.

⁵ Figures reported reflect total expenditures. The County provides General Fund support for a portion of these expenditures with the remainder being funded by program income. The FY 2014 Advertised Budget Plan expenditure decrease is associated with the transfer of 2/2.0 FTE positions to Fund 81000 and a reduction in contract management costs at the Lincolnia facility.

Services for Older Adults

The following provides a brief description of the programs, as well as utilization data if available, included in the Services for Older Adults table above. For additional information please refer to the specific agency narrative in Volume 1 and Volume 2.

Department of Neighborhood and Community Services

Senior Center and Senior Plus Program

The Department of Neighborhood and Community Services offers services to individuals aged 55 years and older. Services are primarily offered through the 13 senior centers located throughout the County. The Senior Plus Program provides services for older adults who require a higher level of assistance to participate in older adult activities.

Seniors on the Go! Taxi Cab Voucher Program

The *Seniors on the Go!* Taxi Cab Voucher Program allows older adults to purchase vouchers that partially subsidize the cost of taxi rides. Vouchers can be used by married couples over 65 with less than \$50,000 in combined income and by single persons over 65 with less than \$40,000 in income. In FY 2012, 183 older adults were newly enrolled in the program. In FY 2013, the program is averaging approximately 13 new consumers per month.

Congregate Meals

Please see Congregate Meals under Fund 50000, Federal-State Grant fund for a description of services provided as this program is funded with General Fund dollars in the Department of Neighborhood and Community Services and grant funding administered by the Department of Family Services.

Fairfax County Public Library

Programs Primarily Used by Older Adults

The Fairfax County Public Library offers several programs which, although not limited to the older adult population, are heavily used by older adults (those 62 and older). Examples of programs include talking books; home delivery program; book collections maintained at older adult residences, nursing homes, and adult day care centers; large print books; and Dimview, a self-help group for adults who are coping with loss of vision.

Department of Tax Administration

Tax Relief for the Elderly and Disabled

Tax relief is provided to adults 65 and older and disabled persons on a graduated scale depending upon the level of income and net assets, which must not exceed \$72,000 and \$340,000, respectively. In FY 2012, 8,009 people participated in the program.

Department of Family Services

Adult Protective Services

Adult Protective Services provides mandated investigations of situations of suspected abuse, neglect or exploitation involving older adults age 60+ and incapacitated adults age 18+ as well as case management services to provide protection for at-risk adults in the community and in public and private facilities. In FY 2012, 1,040 investigations were conducted.

Adult Services and Aging Services

Adult Services and Aging Services provides case management, including needs assessment, care plans, coordination/authorization of services, and follow-up for adults age 60 and older and adults age 18 and older with disabilities. Services may include home-based care and mandated Medicaid preadmission screenings. Some services may have functional and financial eligibility requirements. In FY 2012, 2,580 clients were served. Transportation services are also provided between older adults' residences and

Services for Older Adults

their local senior center and adult day health care facility as well as trips in support of basic living. A fee of \$0.50 is charged for each one-way trip. Older adults 60 and older who are attendees of a senior center, adult day health center, or residents of senior housing are eligible for services. In FY 2012, 120,032 trips were provided.

Health Department

Long-Term Care Developmental Services

Long-Term Care Developmental Services includes both the Adult Day Health Care program and the Alzheimer Family Day Center. The Adult Day Health Care program provides therapeutic recreational activities, supervision and health care to meet the needs of adults, 18 years and older who have physical and/or cognitive disabilities. Services are provided on a sliding fee scale. The goal is to provide services to approximately 300 older adults, and that 90 percent of their family caregivers will state that their loved one's participation in the program enables them to continue to live at home in the community. The Alzheimer Family Day Center provides specialized day care services for people with Alzheimer's type illnesses as well as respite, support and education for their care giving families. In FY 2013, approximately 200 Fairfax family caregivers shall be reached through community outreach, education, support and training.

Fire and Rescue Department

Senior Safety Programs

The Fire and Rescue Department offers various older adult safety programs for individuals 55 and older, including Basic Fire Safety, Emergency Preparedness for the Older Adult, Life Safety Education Seniors Program, Caregiver and Staff Training for those who care for older adults, "Battery for Life" which provides free smoke alarm batteries, and the "File of Life" Program which is an educational program that stresses the importance of maintaining current medication dosages and current physician information. The department plans to reach 10,000 older adults in FY 2013.

Fund 50000, Federal-State Grant Fund

Community-Based Services

Community-Based Services provides services to adults age 60 and older to enable them to live as independently as possible in the community. This includes assisted transportation, information and referral, telephone reassurance, volunteer home services, insurance counseling, and other related services. In FY 2012, 12,843 callers or persons making email inquiries to the Adult and Aging Division within the Department of Family Services received information and referral services and/or access to the services.

Ombudsman

The Ombudsman Program, serving the City of Alexandria and the counties of Arlington, Fairfax, Loudoun and Prince William, improves quality of life for the more than 11,204 residents in 119 nursing and assisted living facilities by educating residents and care providers about patient rights and by resolving complaints against nursing and assisted living facilities, as well as home care agencies, through counseling, negotiation and investigation. More than 62 trained volunteers are part of this program. The program also provides information about long-term care providers and educates the community about long-term care issues.

Services for Older Adults

Fee for Service

Fee for Service provides home-based care to adults age 60 and older to enable them to remain in their homes rather than in more restrictive settings. Services are primarily targeted toward those older adults who are frail, isolated, of a minority group or in economic need.

Congregate Meals

Congregate Meals are provided in 31 congregate meal sites around the County including the County's senior and adult day health centers, several private senior centers and other sites serving older adults such as the Alzheimer's Family Day Center. Congregate Meals are also provided to residents of the five County senior housing complexes. In FY 2012, 253,001 congregate meals were served to 2,309 participants.

Home-Delivered Meals

Home-Delivered Meals provides meals to frail, homebound, low-income residents age 60 and older who cannot prepare their own meals. In FY 2012, 184,476 meals were provided to 679 older adults and younger adults with disabilities. Meals are delivered through partnerships with 21 community volunteer organizations that drive 46 delivery routes.

The Nutritional Supplement program targets low-income and minority individuals who are unable to consume sufficient calories from solid food due to chronic disabling conditions, dementia, or terminal illnesses. In FY 2012, the program provided 42,662 nutritional supplement meals to 206 older adults and younger adults with disabilities.

Caregiver Support

Caregiver Support provides education and support services to caregivers of persons 60 and older, or older adults caring for grandchildren. Services include scholarships for respite care, gap-filling respite and bathing services, assisted transportation (which is also reflected in Community-Based Services), assistance paying for supplies and services, and other activities that contribute to the well-being of older adults and help to relieve caregiver stress. In FY 2012, 58 clients received services through the Adult Day Health Care respite scholarship, 11 clients through the bathing and respite program, 50 clients through the Discretionary Fund, and 52 clients received assisted transportation services, taking 1,407 one-way trips. Over 25,000 readers of the Golden Gazette received caregiver related information through a regular feature, *Caregivers Corner*. An online version of Caregivers Corner reached 1,890 subscribers.

Fund 40040, Community Services Board (CSB)

Countywide Older Adults and Families Program

The Older Adult and Families Program of the Fairfax-Falls Church Community Services Board provides specialized services for persons age 60 and older who demonstrate behavioral symptoms consistent with serious mental illness, substance abuse disorder or dementia. The specialty Older Adult staff are integrated into core Adult Outpatient and Case Management Teams at five mental health center locations (Annandale, Reston, Mt. Vernon, Springfield, Chantilly). The CSB is currently expanding geriatric expertise within the broader workforce. This enhanced case management expertise on the larger mental health teams will supplement the resources and interventions available to the older adult population and allow for greater continuity of services. The program served 266 clients for a total of 1,178 service hours in FY 2012.

Services for Older Adults

Fund 10030, Contributory Fund

Northern Virginia Healthcare Center/Birmingham Green Adult Care Residence

This facility is owned by the counties of Fairfax, Fauquier, Loudoun and Prince William, and the City of Alexandria as tenants in common. During FY 2012, 126 Fairfax County citizens over the age of 55 were served in the facility (92 in the nursing facility and 34 in assisted living). To be eligible for admission to the nursing and assisted living facilities, older adults and adults with disabilities must meet income, resource, and functional requirements. The Department of Family Services' Self Sufficiency Division accepts and processes applications for Medicaid and auxiliary grants, and the Department of Family Services' Adult and Aging Division assesses for functional eligibility.

Fund 40330, Elderly Housing Programs

Lewinsville Senior Residence, Little River Glen, and Lincolnia Center

The Department of Housing and Community Development provides services related to the County's support of the operation of three locally-funded elderly housing developments, Lewinsville Senior Residence, Little River Glen, and Lincolnia Center Residences, which are owned or leased by the Fairfax County Redevelopment and Housing Authority (FCRHA). The programs' 220 available units/beds in the three facilities support clients who are 62 and older and also meet income requirements.

Fund 30000, Metro Operations and Construction

MetroAccess

MetroAccess is a door-to-door paratransit service for people with disabilities who are not able to use fixed-route forms (bus and rail) of public transportation due to functional limitations that relate to their disability. MetroAccess provided approximately 255,010 completed stops for Fairfax County residents in FY 2012. An estimated 51 percent of MetroAccess customers residing in Fairfax County are over 55 years old.

Fund 60030, Technology Infrastructure Services

Computer Labs

The Department of Information Technology supports computer labs at libraries and recreation/senior centers that are used by citizens, many of whom are older adults.



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Advertised Budget Plan



Compensation and Positions

Compensation and Positions

Explanation of Schedules

Personnel Services and Fringe Benefits

Personnel Services Summary

Summarizes Personnel Services funding by major expense categories (regular salaries, extra compensation, fringe benefits, etc.) for the General Fund, General Fund Supported Funds, and Other Funds.

Personnel Services by Agency

Displays Personnel Services funding, organized by fund, program area, and agency or fund.

Summary of General Fund Employee Benefit Costs by Category

Provides a breakdown of General Fund expenditures for all employee benefits by individual category, including health insurance, dental insurance, life insurance, FICA (Social Security), unemployment, language proficiency pay, employee assistance program, and training.

Distribution of Fringe Benefits by General Fund Agency

Combines personnel services, operating expenses, and capital equipment with fringe benefits expenditures for each General Fund agency to reflect a total cost per agency.

Summary of Positions

Regular Positions All Funds

Displays the number of General Fund positions by Program Area, the number of positions in the General Fund Supported Funds, and in Other Funds.

Summary of Position Changes

Provides the total position count for all agencies and funds with funding appropriated by the Board of Supervisors. The change in the position count for each year is broken out into categories, including positions which have been "Abolished", were necessary to support "New Facilities", or required for "Other Changes", including workload increases. Also included is the number of positions that were added by the Board of Supervisors at other times during the fiscal year, i.e. "Other Reviews."

Position Summaries

Details the position count and full-time equivalents (FTE) for the prior, current and upcoming fiscal year, including regular County positions, State positions, and County grant positions.

FY 2014 ADVERTISED PERSONNEL SERVICES SUMMARY

(All Appropriated Funds excluding Schools Funds)

	FY 2012 Actual	FY 2013 Adopted Budget Plan ¹	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan	Increase/ (Decrease) Over Revised
Regular Positions					
<i>General Fund</i>	9,684	9,679	9,681	9,618	(63)
<i>General Fund Supported</i>	1,593	1,595	1,572	1,555	(17)
<i>Other Funds</i>	1,001	1,028	1,028	1,028	0
Total	12,278	12,302	12,281	12,201	(80)
Regular Salaries					
<i>General Fund</i>	\$616,557,579	\$718,468,094	\$717,550,663	\$725,268,575	\$7,717,912
<i>General Fund Supported</i>	94,473,057	111,405,836	107,847,478	108,019,640	172,162
<i>Other Funds</i>	52,730,639	63,012,422	63,405,231	63,088,212	(317,019)
Total	\$763,761,275	\$892,886,352	\$888,803,372	\$896,376,427	\$7,573,055
Limited Term					
<i>General Fund</i>	\$14,182,440	\$12,835,598	\$12,938,598	\$12,890,710	(\$47,888)
<i>General Fund Supported</i>	5,537,062	3,251,634	3,251,634	3,270,689	19,055
<i>Other Funds</i>	2,986,297	3,071,351	3,119,952	3,064,809	(55,143)
Total	\$22,705,799	\$19,158,583	\$19,310,184	\$19,226,208	(\$83,976)
Shift Differential					
<i>General Fund</i>	\$5,806,161	\$4,496,553	\$4,496,553	\$4,496,553	\$0
<i>General Fund Supported</i>	601,035	797,841	797,841	799,955	2,114
<i>Other Funds</i>	75,217	63,837	63,837	73,720	9,883
Total	\$6,482,413	\$5,358,231	\$5,358,231	\$5,370,228	\$11,997
Extra Compensation					
<i>General Fund</i>	\$38,738,149	\$36,537,712	\$37,166,049	\$35,684,068	(\$1,481,981)
<i>General Fund Supported</i>	3,894,478	6,382,848	6,452,172	6,428,639	(23,533)
<i>Other Funds</i>	1,770,985	2,054,319	2,056,460	2,067,681	11,221
Total	\$44,403,612	\$44,974,879	\$45,674,681	\$44,180,388	(\$1,494,293)
Position Turnover					
<i>General Fund</i>	\$0	(\$58,216,695)	(\$58,192,968)	(\$58,891,760)	(\$698,792)
<i>General Fund Supported</i>	0	(8,987,174)	(8,987,174)	(9,097,868)	(110,694)
<i>Other Funds</i>	0	(2,184,766)	(2,184,766)	(2,201,907)	(17,141)
Total	\$0	(\$69,388,635)	(\$69,364,908)	(\$70,191,535)	(\$826,627)
Total Salaries					
<i>General Fund</i>	\$675,284,329	\$714,121,262	\$713,958,895	\$719,448,146	\$5,489,251
<i>General Fund Supported</i>	104,505,632	112,850,985	109,361,951	109,421,055	59,104
<i>Other Funds</i>	57,563,138	66,017,163	66,460,714	66,092,515	(368,199)
Total	\$837,353,099	\$892,989,410	\$889,781,560	\$894,961,716	\$5,180,156
Fringe Benefits					
<i>General Fund</i>	\$260,108,139	\$286,194,046	\$287,610,131	\$298,676,731	\$11,066,600
<i>General Fund Supported</i>	36,178,509	32,503,799	36,003,799	37,637,405	1,633,606
<i>Other Funds</i> ²	166,945,918	170,115,676	179,591,185	186,711,039	7,119,854
Total	\$463,232,566	\$488,813,521	\$503,205,115	\$523,025,175	\$19,820,060
Total Costs of Personnel Services					
<i>General Fund</i>	\$935,392,468	\$1,000,315,308	\$1,001,569,026	\$1,018,124,877	\$16,555,851
<i>General Fund Supported</i>	140,684,141	145,354,784	145,365,750	147,058,460	1,692,710
<i>Other Funds</i>	224,509,056	236,132,839	246,051,899	252,803,554	6,751,655
Total	\$1,300,585,665	\$1,381,802,931	\$1,392,986,675	\$1,417,986,891	\$25,000,216

¹ As part of the County's implementation of a new enterprise resource planning system, FOCUS, the County adopted a new chart of accounts which impacts the spread of funding among expenditure categories, including the categories outlined in this schedule. As a result, the presentation of the FY 2013 Adopted Budget Plan by Personnel Services category is slightly different than previously shown.

² It should be noted that the Other Funds amount for fringe benefits includes payments made for claims and administrative expenses for the County's self-insured health insurance plans in Fund 60040, Health Benefits Fund. Fringe benefit expenses for the General Fund, General Fund Supported funds, and all Other Funds include employer contributions made to the Health Benefits Fund to support claims and administrative expenses.

FY 2014 ADVERTISED PERSONNEL SERVICES BY AGENCY

# / Agency Title	Regular Compensation ¹	Fringe Benefits	New Positions	Limited Term	Shift Differential	Extra Compensation	Turnover	Personnel Services
Legislative-Executive Functions / Central Services								
01 Board of Supervisors	\$4,646,458	\$0	\$0	\$0	\$0	\$0	(\$47,019)	\$4,599,439
02 Office of the County Executive	5,802,023	0	0	157,935	0	0	(335,495)	5,624,463
04 Department of Cable and Consumer Services	791,439	0	0	10,658	0	2,913	(88,361)	716,649
06 Department of Finance	4,457,846	0	0	0	0	0	(524,431)	3,933,415
11 Department of Human Resources	6,145,001	0	0	0	0	16,396	(295,400)	5,865,997
12 Department of Purchasing and Supply Management	3,370,606	0	0	75,482	0	6,409	(376,622)	3,075,875
13 Office of Public Affairs	1,430,785	0	0	36,133	0	0	(94,069)	1,372,849
15 Office of Elections	1,539,982	0	0	1,033,750	0	256,288	(87,622)	2,742,398
17 Office of the County Attorney	6,839,433	0	0	0	0	0	(423,162)	6,416,271
20 Department of Management and Budget	4,641,922	0	0	0	0	0	(384,105)	4,257,817
37 Office of the Financial and Program Auditor	318,416	0	0	0	0	0	0	318,416
41 Civil Service Commission	289,431	0	0	52,187	0	0	0	341,618
57 Department of Tax Administration	18,413,997	0	0	188,785	0	210,156	(1,871,072)	16,941,866
70 Department of Information Technology	23,432,712	0	0	108,160	0	31,171	(1,664,103)	21,907,940
Total Legislative-Executive Functions / Central Services	\$82,120,051	\$0	\$0	\$1,663,090	\$0	\$523,333	(\$6,191,461)	\$78,115,013
Judicial Administration								
80 Circuit Court and Records	\$9,151,622	\$0	\$0	\$143,268	\$0	\$84,263	(\$915,477)	\$8,463,676
82 Office of the Commonwealth's Attorney	2,948,211	0	0	0	0	0	(336,744)	2,611,467
85 General District Court	1,240,964	0	0	43,663	14,271	10,218	(62,574)	1,246,542
91 Office of the Sheriff	13,406,976	0	0	0	6,500	1,380,527	(1,327,912)	13,466,091
Total Judicial Administration	\$26,747,773	\$0	\$0	\$186,931	\$20,771	\$1,475,008	(\$2,642,707)	\$25,787,776
Public Safety								
04 Department of Cable and Consumer Services	\$654,854	\$0	\$0	\$0	\$0	\$0	(\$119,854)	\$535,000
31 Land Development Services	8,062,524	0	0	0	0	0	(1,887,748)	6,174,776
81 Juvenile and Domestic Relations District Court	19,619,053	0	0	649,344	173,109	413,822	(1,941,738)	18,913,590
90 Police Department	135,642,938	0	129,734	202,100	1,330,195	17,949,165	(6,623,301)	148,630,831
91 Office of the Sheriff	40,177,839	0	0	0	470,699	3,347,091	(4,827,451)	39,168,178
92 Fire and Rescue Department	143,920,185	0	0	302,385	2,352,776	10,168,872	(9,950,162)	146,794,056
93 Office of Emergency Management	1,268,187	0	0	0	0	0	(14,557)	1,253,630
97 Department of Code Compliance	3,349,528	0	0	244,634	0	175,651	(311,161)	3,458,652
Total Public Safety	\$352,695,108	\$0	\$129,734	\$1,398,463	\$4,326,779	\$32,054,601	(\$25,675,972)	\$364,928,713
Public Works								
08 Facilities Management Department	\$12,685,687	\$0	\$0	\$0	\$4,200	\$271,445	(\$931,552)	\$12,029,780
25 Business Planning and Support	1,106,382	0	0	0	0	0	(10,703)	1,095,679
26 Office of Capital Facilities	10,323,553	0	211,963	0	0	0	(236,460)	10,299,056
Total Public Works	\$24,115,622	\$0	\$211,963	\$0	\$4,200	\$271,445	(\$1,178,715)	\$23,424,515

FY 2014 ADVERTISED PERSONNEL SERVICES BY AGENCY

# / Agency Title	Regular Compensation ¹	Fringe Benefits	New Positions	Limited Term	Shift Differential	Extra Compensation	Turnover	Personnel Services
Health and Welfare								
67 Department of Family Services	\$89,376,877	\$0	\$111,200	\$2,603,962	\$0	\$1,012,717	(\$9,332,678)	\$83,772,078
68 Department of Administration for Human Services	11,231,324	0	0	42,539	0	0	(850,687)	10,423,176
71 Health Department	37,604,129	0	0	351,588	0	0	(2,459,056)	35,496,661
73 Office to Prevent and End Homelessness	780,354	0	0	0	0	0	0	780,354
79 Department of Neighborhood and Community Services	14,311,182	0	0	2,892,534	15,982	75,577	(1,440,531)	15,854,744
Total Health and Welfare	\$153,303,866	\$0	\$111,200	\$5,890,623	\$15,982	\$1,088,294	(\$14,082,952)	\$146,327,013
Parks and Libraries								
51 Fairfax County Park Authority	\$21,725,868	\$0	\$0	\$2,351,148	\$10,762	\$114,070	(\$2,354,826)	\$21,847,022
52 Fairfax County Public Library	21,903,181	0	0	1,048,421	118,059	55,000	(1,809,966)	21,314,695
Total Parks and Libraries	\$43,629,049	\$0	\$0	\$3,399,569	\$128,821	\$169,070	(\$4,164,792)	\$43,161,717
Community Development								
16 Economic Development Authority	\$3,554,652	\$0	\$0	\$23,270	\$0	\$8,446	(\$235,277)	\$3,351,091
31 Land Development Services	13,846,241	0	0	0	0	0	(2,851,300)	10,994,941
35 Department of Planning and Zoning	9,894,652	0	0	0	0	0	(956,770)	8,937,882
36 Planning Commission	423,140	0	0	183,924	0	9,680	0	616,744
38 Department of Housing and Community Development	4,541,110	0	0	144,840	0	84,191	(380,988)	4,389,153
39 Office of Human Rights and Equity Programs	1,513,784	0	0	0	0	0	(127,307)	1,386,477
40 Department of Transportation	8,270,691	0	159,939	0	0	0	(403,519)	8,027,111
Total Community Development	\$42,044,270	\$0	\$159,939	\$352,034	\$0	\$102,317	(\$4,955,161)	\$37,703,399
Nondepartmental								
89 Employee Benefits	\$0	\$298,676,731	\$0	\$0	\$0	\$0	\$0	\$298,676,731
Total Nondepartmental	\$0	\$298,676,731	\$0	\$0	\$0	\$0	\$0	\$298,676,731
Total General Fund	\$724,655,739	\$298,676,731	\$612,836	\$12,890,710	\$4,496,553	\$35,684,068	(\$58,891,760)	\$1,018,124,877
GENERAL FUND SUPPORTED FUNDS								
40040 Fairfax-Falls Church Community Services Board	\$70,534,841	\$25,527,745	\$425,853	\$3,088,445	\$487,014	\$1,081,479	(\$6,477,906)	\$94,667,471
40090 E-911	12,414,337	4,974,026	0	0	148,400	4,982,788	(865,487)	21,654,064
40330 Elderly Housing Programs	639,013	252,793	0	84,226	5,478	24,373	(63,303)	942,580
60000 County Insurance	1,149,205	357,854	0	0	0	0	(91,880)	1,415,179
60010 Department of Vehicle Services	16,780,385	4,536,555	0	0	138,020	241,182	(1,238,248)	20,457,894
60020 Document Services Division	629,188	237,794	0	32,114	7,463	33,822	(21,074)	919,307
60030 Technology Infrastructure Services	5,446,818	1,750,638	0	65,904	13,580	64,995	(339,970)	7,001,965
Total General Fund Supported Funds	\$107,593,787	\$37,637,405	\$425,853	\$3,270,689	\$799,955	\$6,428,639	(\$9,097,868)	\$147,058,460

FY 2014 ADVERTISED PERSONNEL SERVICES BY AGENCY

# / Agency Title	Regular Compensation ¹	Fringe Benefits	New Positions	Limited Term	Shift Differential	Extra Compensation	Turnover	Personnel Services
OTHER FUNDS								
40010 County and Regional Transportation Projects	\$1,471,684	\$455,990	\$0	\$0	\$0	\$0	\$0	\$1,927,674
40030 Cable Communications	3,901,570	1,133,177	0	309,366	0	79,298	(88,079)	5,335,332
40050 Reston Community Center	2,591,319	1,346,789	0	1,293,629	13,560	40,215	(21,266)	5,264,246
40060 McLean Community Center	1,706,538	797,552	0	566,881	10,626	36,318	(129,792)	2,988,123
40070 Burgundy Village Community	0	1,311	0	17,834	0	0	0	19,145
40080 Integrated Pest Management Program	964,124	297,009	0	0	0	10,630	0	1,271,763
40100 Stormwater Services	11,544,099	5,014,797	0	201,559	0	174,240	(623,858)	16,310,837
40140 Refuse Collection and Recycling Operations	7,879,622	2,482,097	0	336,187	0	451,184	(407,962)	10,741,128
40150 Refuse Disposal	7,318,608	3,090,868	0	0	0	546,965	(143,413)	10,813,028
40160 Energy Resource Recovery (ERR) Facility	582,341	281,389	0	36,067	0	21,530	(5,018)	916,309
40170 I-95 Refuse Disposal	2,489,300	917,996	0	40,904	0	90,659	(32,270)	3,506,589
50800 Community Development Block Grant	1,014,574	292,467	0	0	0	0	0	1,307,041
50810 HOME Investment Partnerships Grant	75,466	27,865	0	0	0	0	0	103,331
60040 Health Benefits ²	48,000	162,272,435	0	74,500	0	0	0	162,394,935
69010 Sewer Operation and Maintenance	19,260,875	7,348,987	0	187,882	49,534	612,594	(750,249)	26,709,623
73000 Employees' Retirement Trust	1,508,037	647,573	0	0	0	2,832	0	2,158,442
73010 Uniformed Employees Retirement Trust	323,151	138,767	0	0	0	608	0	462,526
73020 Police Retirement Trust	323,151	138,767	0	0	0	608	0	462,526
73030 OPEB Trust	85,753	25,203	0	0	0	0	0	110,956
Total Other Funds	\$63,088,212	\$186,711,039	\$0	\$3,064,809	\$73,720	\$2,067,681	(\$2,201,907)	\$252,803,554
Total All Funds	\$895,337,738	\$523,025,175	\$1,038,689	\$19,226,208	\$5,370,228	\$44,180,388	(\$70,191,535)	\$1,417,986,891

¹ Regular Compensation includes the full-year impact of merit increments and longevity increases provided to uniformed public safety employees in FY 2013 and the full-year impact of the 2.5% increase for non-uniformed employees effective January 2013. Additionally, it includes the cost of longevity increases for uniformed employees in FY 2014. The total FY 2014 General Fund impact of the full-year cost of FY 2013 compensation increases is \$12,271,241 while the General Fund impact of FY 2014 longevity increases is \$632,827.

² It should be noted that the fringe benefit amount listed for Fund 60040, Health Benefits Fund, includes payments made for claims and administrative expenses for the County's self-insured health insurance plans. These expenses total \$162,251,787 for the FY 2014 Advertised Budget Plan. Fringe benefit expenditures for other funds include employer contributions made to the Health Benefits Fund, and these contributions support the \$162.3 million paid in claims and administrative expenses. Thus, this amount should be excluded when determining countywide Fringe Benefit expenditures.

FY 2014 ADVERTISED SUMMARY OF GENERAL FUND EMPLOYEE BENEFIT COSTS BY CATEGORY

This schedule summarizes total General Fund Employee Benefit costs, including certain benefit costs and associated reimbursements for employees of Non-General Fund agencies that are expended in the General Fund and reimbursed by Non-General Fund agencies and capital projects. It should be noted that, beginning in FY 2013, benefits for County employees in Non-General Fund agencies are paid directly by each agency. Budgetary adjustments will be made as part of the *FY 2013 Third Quarter Review* to update the *FY 2013 Revised Budget Plan* to reflect the change in how benefits are posted.

BENEFIT CATEGORY	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
FRINGE BENEFITS						
Group Health Insurance						
Expenditures	\$83,391,707	\$90,977,418	\$92,877,418	\$92,373,333	(\$504,085)	(0.5%)
Reimbursements	(6,218,185)	(7,562,107)	(7,562,107)	0	7,562,107	(100.0%)
Net Cost	\$77,173,522	\$83,415,311	\$85,315,311	\$92,373,333	\$7,058,022	8.3%
Dental Insurance						
Expenditures	\$5,573,774	\$5,401,065	\$5,401,065	\$3,606,190	(\$1,794,875)	(33.2%)
Reimbursements	(2,134,904)	(2,250,274)	(2,250,274)	0	2,250,274	(100.0%)
Net Cost	\$3,438,870	\$3,150,791	\$3,150,791	\$3,606,190	\$455,399	14.5%
Group Life Insurance						
Expenditures	\$3,511,910	\$3,540,371	\$3,540,371	\$1,791,238	(\$1,749,133)	(49.4%)
Reimbursements	(1,510,796)	(1,609,945)	(1,609,945)	0	1,609,945	(100.0%)
Net Cost	\$2,001,114	\$1,930,426	\$1,930,426	\$1,791,238	(\$139,188)	(7.2%)
FICA						
Expenditures	\$56,589,771	\$60,625,559	\$60,625,559	\$44,831,803	(\$15,793,756)	(26.1%)
Reimbursements	(15,340,935)	(16,260,592)	(16,260,592)	0	16,260,592	(100.0%)
Net Cost	\$41,248,836	\$44,364,967	\$44,364,967	\$44,831,803	\$466,836	1.1%
Employees' Retirement						
Expenditures	\$82,937,623	\$96,439,747	\$96,439,747	\$64,479,287	(\$31,960,460)	(33.1%)
Reimbursements	(26,978,966)	(30,830,160)	(30,830,160)	0	30,830,160	(100.0%)
Net Cost	\$55,958,657	\$65,609,587	\$65,609,587	\$64,479,287	(\$1,130,300)	(1.7%)
Uniformed Retirement						
Expenditures	\$50,351,335	\$54,002,191	\$54,002,191	\$53,495,490	(\$506,701)	(0.9%)
Reimbursements	(3,276,246)	(3,473,293)	(3,473,293)	0	3,473,293	(100.0%)
Net Cost	\$47,075,089	\$50,528,898	\$50,528,898	\$53,495,490	\$2,966,592	5.9%
Police Retirement						
Expenditures	\$31,700,690	\$35,327,877	\$35,327,877	\$36,418,112	\$1,090,235	3.1%
Reimbursements	0	0	0	0	0	--
Net Cost	\$31,700,690	\$35,327,877	\$35,327,877	\$36,418,112	\$1,090,235	3.1%
Virginia Retirement System	\$518,785	\$519,325	\$519,325	\$634,581	\$115,256	22.2%
Line of Duty	\$779,315	\$700,000	\$700,000	\$700,000	\$0	0.0%
Flexible Spending Accounts	\$139,810	\$125,000	\$125,000	\$114,908	(\$10,092)	(8.1%)
Unemployment Compensation	\$381,249	\$403,686	\$403,686	\$439,244	\$35,558	8.8%
Capital Project Reimbursements	(\$1,402,074)	(\$1,056,723)	(\$1,056,723)	(\$898,441)	\$158,282	(15.0%)
Language Skills Proficiency Pay	\$513,231	\$483,915	\$0	\$0	\$0	--
Employee Assistance Program	\$315,225	\$330,986	\$330,986	\$330,986	\$0	0.0%
Tuition Reimbursement	\$265,820	\$360,000	\$360,000	\$360,000	\$0	0.0%
Total General Fund Fringe Benefits:						
Expenditures	\$316,970,245	\$349,237,140	\$350,653,225	\$299,575,172	(\$51,078,053)	(14.6%)
Reimbursements	(56,862,106)	(63,043,094)	(63,043,094)	(898,441)	62,144,653	(98.6%)
Total General Fund Fringe Benefits	\$260,108,139	\$286,194,046	\$287,610,131	\$298,676,731	\$11,066,600	3.8%
OPERATING EXPENSES						
Training/Task Forces	\$1,309,260	\$822,850	\$1,513,814	\$1,172,850	(\$340,964)	(22.5%)
Employees Advisory Council	26,121	0	0	0	0	--
Total Operating Expenses	\$1,335,381	\$822,850	\$1,513,814	\$1,172,850	(\$340,964)	(22.5%)
TOTAL EXPENDITURES	\$318,305,626	\$350,059,990	\$352,167,039	\$300,748,022	(\$51,419,017)	(14.6%)
TOTAL REIMBURSEMENTS	(\$56,862,106)	(\$63,043,094)	(\$63,043,094)	(\$898,441)	\$62,144,653	(98.6%)
NET COST TO THE COUNTY	\$261,443,520	\$287,016,896	\$289,123,945	\$299,849,581	\$10,725,636	3.7%

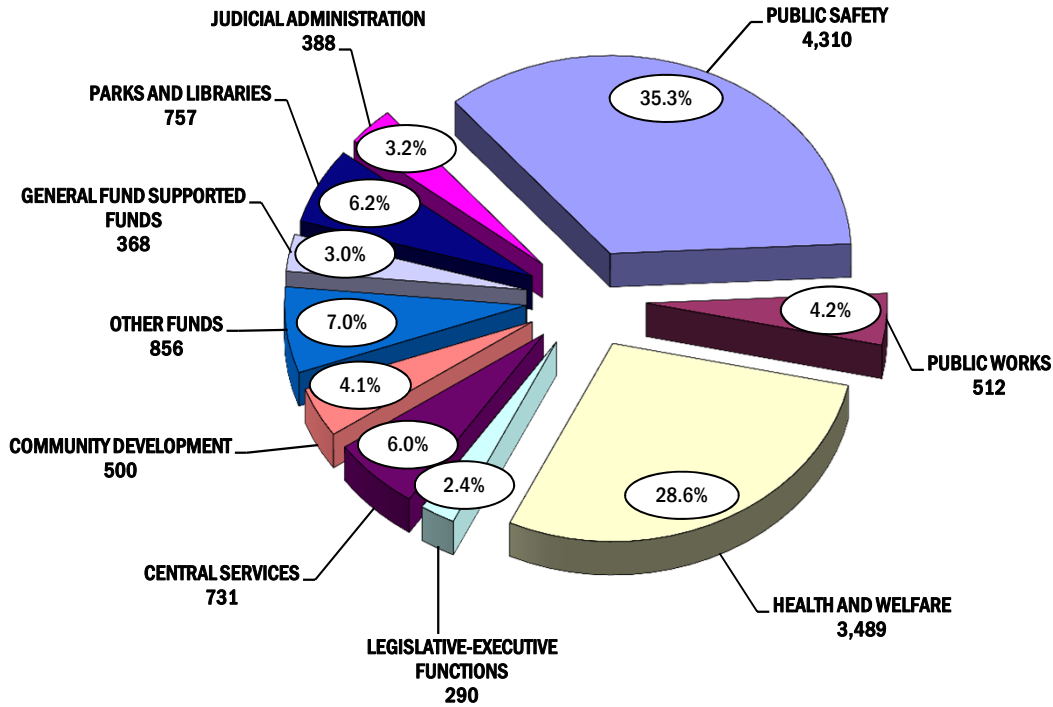
FY 2014 ADVERTISED DISTRIBUTION OF FRINGE BENEFITS BY GENERAL FUND AGENCY

#	Agency Title	Personnel Services	Fringe Benefits	Operating Expenses	Recovered Costs	Capital Equipment	Total Cost
Legislative-Executive Functions / Central Services							
01	Board of Supervisors	\$4,599,439	\$1,909,443	\$571,950	\$0	\$0	\$7,080,832
02	Office of the County Executive	5,624,463	2,334,979	598,931	0	0	8,558,373
04	Department of Cable and Consumer Services	716,649	297,515	3,350,191	(3,110,987)	0	1,253,368
06	Department of Finance	3,933,415	1,632,945	5,205,634	(751,697)	0	10,020,297
11	Department of Human Resources	5,865,997	2,435,251	1,324,028	0	0	9,625,276
12	Department of Purchasing and Supply Management	3,075,875	1,276,940	1,624,640	(288,803)	0	5,688,652
13	Office of Public Affairs	1,372,849	569,934	128,281	(239,882)	0	1,831,182
15	Office of Elections	2,742,398	1,138,498	953,537	0	0	4,834,433
17	Office of the County Attorney	6,416,271	2,663,696	408,046	(466,522)	0	9,021,491
20	Department of Management and Budget	4,257,817	1,767,620	200,309	0	0	6,225,746
37	Office of the Financial and Program Auditor	318,416	132,189	32,166	0	0	482,771
41	Civil Service Commission	341,618	141,822	66,536	0	0	549,976
57	Department of Tax Administration	16,941,866	7,033,365	5,702,183	0	0	29,677,414
70	Department of Information Technology	21,907,940	9,095,015	15,040,431	(6,791,873)	0	39,251,513
	Total Legislative-Executive Functions / Central Services	\$78,115,013	\$32,429,212	\$35,206,863	(\$11,649,764)	\$0	\$134,101,324
Judicial Administration							
80	Circuit Court and Records	\$8,463,676	\$3,513,670	\$1,998,576	\$0	\$0	\$13,975,922
82	Office of the Commonwealth's Attorney	2,611,467	1,084,143	87,684	0	0	3,783,294
85	General District Court	1,246,542	517,498	961,772	0	0	2,725,812
91	Office of the Sheriff	13,466,091	5,590,407	4,151,770	0	0	23,208,268
	Total Judicial Administration	\$25,787,776	\$10,705,718	\$7,199,802	\$0	\$0	\$43,693,296
Public Safety							
04	Department of Cable and Consumer Services	\$535,000	\$222,104	\$129,178	\$0	\$0	\$886,282
31	Land Development Services	6,174,776	2,563,440	1,420,067	0	0	10,158,283
81	Juvenile and Domestic Relations District Court	18,913,590	7,851,920	1,929,903	0	0	28,695,413
90	Police Department	148,630,831	61,703,641	25,660,405	(697,406)	220,968	235,518,439
91	Office of the Sheriff	39,168,178	16,260,551	5,585,427	(256,000)	0	60,758,156
92	Fire and Rescue Department	146,794,056	60,941,110	24,665,545	0	0	232,400,711
93	Office of Emergency Management	1,253,630	520,441	569,104	0	0	2,343,175
97	Department of Code Compliance	3,458,652	1,435,849	527,246	0	0	5,421,747
	Total Public Safety	\$364,928,713	\$151,499,056	\$60,486,875	(\$953,406)	\$220,968	\$576,182,206
Public Works							
08	Facilities Management Department	\$12,029,780	\$4,994,127	\$4,783,252	(\$8,761,097)	\$0	\$56,046,062
25	Business Planning and Support	1,095,679	454,868	168,588	(492,778)	0	1,226,357
26	Office of Capital Facilities	10,299,056	4,275,622	8,904,905	(6,764,289)	0	16,715,294
87	Unclassified Administrative Expenses	0	0	3,647,592	(166,030)	0	3,481,562
	Total Public Works	\$23,424,515	\$9,724,617	\$60,504,337	(\$16,184,194)	\$0	\$77,469,275
Health and Welfare							
67	Department of Family Services	\$83,772,078	\$34,777,726	\$102,336,844	(\$1,111,339)	\$0	\$219,775,309
68	Department of Administration for Human Services	10,423,176	4,327,150	1,365,552	(64,143)	0	16,051,735
71	Health Department	35,496,661	14,736,332	16,207,500	0	0	66,440,493
73	Office to Prevent and End Homelessness	780,354	323,962	10,620,610	0	0	11,724,926
79	Department of Neighborhood and Community Services	15,854,744	6,582,049	18,700,493	(8,609,462)	0	32,527,824
	Total Health and Welfare	\$146,327,013	\$60,747,219	\$149,230,999	(\$9,784,944)	\$0	\$346,520,287

FY 2014 ADVERTISED DISTRIBUTION OF FRINGE BENEFITS BY GENERAL FUND AGENCY

#	Agency Title	Personnel Services	Fringe Benefits	Operating Expenses	Recovered Costs	Capital Equipment	Total Cost
Parks and Libraries							
51	Fairfax County Park Authority	\$21,847,022	\$9,069,725	\$4,789,283	(\$3,726,605)	\$0	\$31,979,425
52	Fairfax County Public Library	21,314,695	8,848,731	5,776,831	0	0	35,940,257
	Total Parks and Libraries	\$43,161,717	\$17,918,456	\$10,566,114	(\$3,726,605)	\$0	\$67,919,682
Community Development							
16	Economic Development Authority	\$3,351,091	\$1,391,195	\$3,908,092	\$0	\$0	\$8,650,378
31	Land Development Services	10,994,941	4,564,517	2,752,041	(426,654)	0	17,884,845
35	Department of Planning and Zoning	8,937,882	3,710,535	694,486	0	0	13,342,903
36	Planning Commission	616,744	256,039	29,263	0	0	902,046
38	Department of Housing and Community Development	4,389,153	1,822,144	2,353,572	(512,500)	0	8,052,369
39	Office of Human Rights and Equity Programs	1,386,477	575,592	120,045	0	0	2,082,114
40	Department of Transportation	8,027,111	3,332,431	603,825	(1,337,757)	0	10,625,610
	Total Community Development	\$37,703,399	\$15,652,453	\$10,461,324	(\$2,276,911)	\$0	\$61,540,265
Non-Departmental							
87	Unclassified Administrative Expenses	\$0	\$0	\$0	\$0	\$0	\$0
89	Employee Benefits	0	0	1,172,850	0	0	1,172,850
	Total Non-Departmental	\$0	\$0	\$1,172,850	\$0	\$0	\$1,172,850
GENERAL FUND DIRECT EXPENDITURES		\$719,448,146	\$298,676,731	\$334,829,164	(\$44,575,824)	\$220,968	\$1,308,599,185

FY 2014 REGULAR POSITIONS ALL FUNDS



TOTAL REGULAR POSITIONS = 12,201

General Fund Program Areas include: General Fund agencies and Fund 40040, Fairfax-Falls Church Community Services Board, in Health and Welfare, Fund 40090, E-911, in Public Safety, and Fund 40100, Stormwater Services, in Public Works.

General Fund Supported Funds include: Fund 40330, Elderly Housing Programs; Fund 60000, County Insurance; Fund 60010, Department of Vehicle Services; Fund 60020, Document Services Division; and Fund 60030, Technology Infrastructure Services.

Other Funds include: Fund 40010, County and Regional Transportation Projects; Fund 40030, Cable Communications; Fund 40050, Reston Community Center; Fund 40060, McLean Community Center; Fund 40080, Integrated Pest Management Program; Fund 40140, Refuse Collection and Recycling Operations; Fund 40150, Refuse Disposal; Fund 40160, Energy Resource Recovery (ERR) Facility; Fund 40170, I-95 Refuse Disposal; Fund 69010 Sewer Operation and Maintenance; Fund 73000, Employees' Retirement Trust; and Fund 73030, OPEB Trust.

Summary of Position Changes FY 1991 - FY 2014

Authorized Positions - All Funds

Fiscal Years ¹	From	To	Abolished	New Facilities	Other Changes	Other Reviews	Total Change	Population ²	Positions Per 1,000 Residents
FY 1991 to FY 1992	11,164	11,124	(153)	41	20	52	(40)	832,130	13.57
FY 1992 to FY 1993	11,124	10,628	(588)	0	13	79	(496)	844,500	12.58
FY 1993 to FY 1994	10,628	10,685	(88)	62	56	27	57	857,496	12.46
FY 1994 to FY 1995	10,685	10,870	(157)	94	131	117	185	871,268	12.48
FY 1995 to FY 1996	10,870	11,016	(49)	60	76	59	146	889,526	12.38
FY 1996 to FY 1997	11,016	10,782	(477)	150	(14)	107	(234)	905,888	11.90
FY 1997 to FY 1998	10,782	10,802	(56)	4	43	29	20	921,789	11.72
FY 1998 to FY 1999	10,802	10,911	(35)	26	41	77	109	938,912	11.62
FY 1999 to FY 2000	10,911	11,108	(17)	106	26	82	197	958,060	11.59
FY 2000 to FY 2001	11,108	11,317	0	25	107	77	209	977,058	11.58
FY 2001 to FY 2002	11,317	11,385	(2)	14	39	17	68	994,401	11.45
FY 2002 to FY 2003	11,385	11,498	(48)	70	1	90	113	1,008,263	11.40
FY 2003 to FY 2004	11,498	11,443	(124)	49	0	20	(55)	1,017,194	11.25
FY 2004 to FY 2005	11,443	11,547	(4)	56	0	52	104	1,027,972	11.23
FY 2005 to FY 2006	11,547	11,742	(21)	163	50	3	195	1,035,479	11.34
FY 2006 to FY 2007	11,742	11,936	0	159	16	19	194	1,039,409	11.48
FY 2007 to FY 2008	11,936	12,024	0	55	15	18	88	1,043,601	11.52
FY 2008 to FY 2009	12,024	12,101	0	0	33	44	77	1,048,842	11.54
FY 2009 to FY 2010	12,101	11,796	(308)	2	0	1	(305)	1,066,858	11.06
FY 2010 to FY 2011	11,796	12,031	(191)	4	11	411	235	1,089,262	11.05
FY 2011 to FY 2012	12,031	12,278	0	3	36	208	247	1,098,992	11.17
FY 2012 to FY 2013	12,278	12,281	(26)	5	45	(21)	3	1,103,388	11.13
FY 2013 to FY 2014	12,281	12,201	(91)	2	9	0	(80)	1,107,801	11.01
Total	11,164	12,201	(2,435)	1,150	754	1,568	1,037		

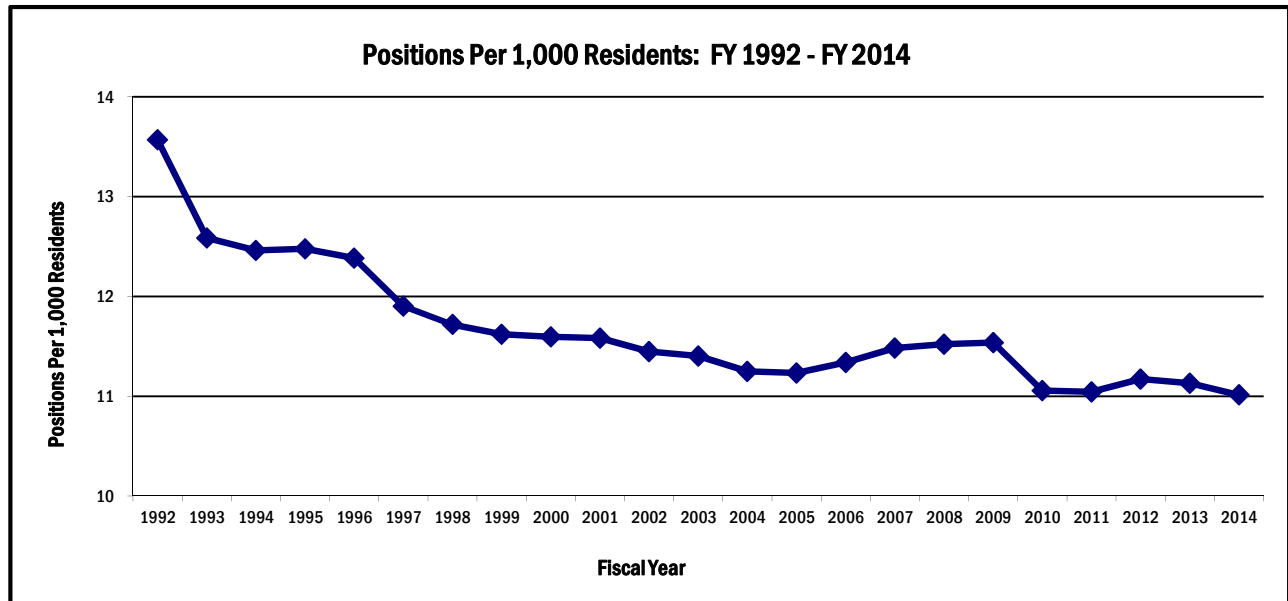
In addition, a total of 168 project positions have been abolished since FY 1991, resulting in a total of 2,603 abolished positions. This results in a net increase of 869 positions through the FY 2014 Advertised Budget Plan. Despite the net addition of positions, Positions Per 1,000 Residents have decreased dramatically during the period between FY 1992 and FY 2013, from 13.57 (including the 168 project positions) to 11.01, a 18.0 percent decrease.

() Denotes Abolished Positions

¹ Fiscal Year totals reflect actuals except for the current and budget year which reflect latest budgeted position counts.

² Population numbers used to compute Positions Per 1,000 Residents are provided by the Department of Neighborhood and Community Services and adjusted for fiscal year.

During the period FY 1992 - FY 2014, the following chart depicts the trend in merit regular positions per 1,000 residents:



Summary of Position Changes

FY 2014 Position Actions Total Change - (80) Regular Merit Positions

<u>Type of Position</u>	<u>Agency</u>	<u>Explanation</u>	<u># of Positions</u>
NEW POSITIONS			11
Police		Tysons Urban Center	9
Police		Animal Shelter expansion	2
REDUCTIONS/REALIGNMENTS			(91)
County Executive		Administrative support	(1)
Cable and Consumer Services		Consumer Specialist	(1)
Finance		FOCUS efficiencies	(1)
Facilities Management		Building services	(1)
Human Resources		FOCUS efficiencies	(1)
Purchasing and Supply Management		Deliveries	(1)
Purchasing and Supply Management		FOCUS efficiencies	(1)
Public Affairs		Assistant Director	(1)
Management and Budget		FOCUS efficiencies	(1)
Business Planning and Support		Administrative support	(1)
Capital Facilities		Administrative support	(1)
Land Development Services		Administrative support	(1)
Human Rights and Equity Programs		Equity Programs	(1)
Family Services		Conversion of SACC positions to non-merit	(30)
Family Services		Administrative reorganization	(2)
Administration for Human Services		Grants management	(1)
Administration for Human Services		Emergency coordination	(1)
Health		Maternal / Child reorganization	(4)
Health		Consumer Protection reorganization	(4)
Parks		HVAC maintenance	(1)
Neighborhood and Community Services		Administrative support	(4)
Neighborhood and Community Services		Community engagement	(1)
Juvenile and Domestic Relations District Court		Administrative support	(3)
Police		Station logistics	(4)
Sheriff		Video visitation	(2)
Sheriff		Courtroom security	(3)
Sheriff		Juvenile Court deputy presence	(1)

Summary of Position Changes

FY 2014 Position Actions Total Change - (80) Regular Merit Positions

<u>Type of Position</u>	<u>Agency</u>	<u>Explanation</u>	<u># of Positions</u>
	Community Services Board	Senior management	(2)
	Community Services Board	Central administration	(1)
	Community Services Board	Supported apartments	(3)
	Community Services Board	Management positions	(2)
	Community Services Board	Outpatient	(1)
	Community Services Board	Administrative support	(3)
	Community Services Board	Therapeutic residential	(1)
	Community Services Board	Wellness and Health promotion	(2)
	Elderly Housing	Transfer positions to non-appropriated housing funds	(2)

Summary of Position Changes

FY 2013 Position Actions Total Change - 3 Regular Merit Positions

<u>Type of Position</u>	<u>Agency</u>	<u>Explanation</u>	<u># of Positions</u>
NEW POSITIONS			50
	Libraries	Restore hours at Community Libraries	14
	Family Services	SACC - Graham Road and Mason Crest	3
	Capital Facilities	Stormwater Services requirements	3
	Transportation	Tyson's redevelopment	2
	Police	Animal Shelter expansion	2
	Fire and Rescue	Fire Prevention	2
	Community Services Board	Intellectual Disability case management	2
	Community Services Board	Medical Detoxification	3
	Stormwater Services	Stormwater Services requirements	19
REDUCTIONS/REALIGNMENTS			(26)
	Cable and Consumer Services	Transfer Financial Manager to Cable Communications	(1)
	Public Affairs	Transfer Courthouse front desk function to Circuit Court	(2)
	Public Affairs	Transfer Housing public affairs support from Housing	1
	Management and Budget	Budget Analyst	(1)
	Land Development Services	Call Center	(1)
	Land Development Services	Inspections	(2)
	Land Development Services	Division management	(2)
	Land Development Services	Transfer Urban Forestry to Stormwater Services	(7)
	Housing and Community Development	Transfer Housing public affairs support to Public Affairs	(1)
	Parks	Administrative and financial support	(3)
	Parks	Heritage Resources	(1)
	Tax Administration	Administrative Assistant	(1)
	Health	Braddock Glen Adult Day Health Care Center	(5)
	Circuit Court	Transfer of Courthouse front desk function from Public Affairs	2
	Police	Administrative Assistant	(1)
	Police	Weapons of Mass Destruction coordinator	(1)
	Police	Cadet program	(5)
	Cable Communications	Transfer Financial Manager from Cable and Consumer Services	1

Summary of Position Changes

FY 2013 Position Actions Total Change - 3 Regular Merit Positions

<u>Type of Position</u>	<u>Agency</u>	<u>Explanation</u>	<u># of Positions</u>
	Community Services Board	Transfer Youth Resource Team to grant funding	(2)
	Community Services Board	Prevention and Student Assistance Services	(1)
	Stormwater Services	Transfer Urban Forestry from Land Development Services	7
OTHER CHANGES DURING FISCAL YEAR			(21)
	County Executive/Administration of County Policy	Transfer to Information Technology	(1)
	Facilities Management	Maintenance at Lorton Arts Facilities	2
	Human Resources	Employee benefits	1
	Capital Facilities	Transfer from Land Development Services	1
	Land Development Services	Transfer to Capital Facilities	(1)
	Housing and Community Development	Transfer from Family Services	1
	Family Services	Transfer from Community Services Board	1
	Family Services	Transfer from Neighborhood and Community Services	1
	Family Services	Transfer to Housing and Community Development	(1)
	Administration for County Policy	Transfer from Community Services Board	1
	Prevent and End Homelessness	Homeless services	1
	Library	Realignment of positions	(5)
	Information Technology	Transfer from the County Executive	1
	Neighborhood and Community Services	Fairfax Families4Kids	1
	Neighborhood and Community Services	Transfer to Family Services	(1)
	Stormwater Services	Transfer from Refuse Collection	1
	Community Services Board	Reductions as a result of Budget balancing plan and realignment of positions	(21)
	Community Services Board	Transfer to Family Services	(1)
	Community Services Board	Transfer to Administration for Human Services	(1)
	Refuse Collection	Transfers to Stormwater Services and Refuse Disposal	(2)
	Refuse Disposal	Transfer from Refuse Collection	1

Summary of Position Changes

FY 2012 Position Actions Total Change - 247 Regular Merit Positions

<u>Type of Position</u>	<u>Agency</u>	<u>Explanation</u>	<u># of Positions</u>
NEW POSITIONS			39
Health		School Health Nurses	12
Community Services Board		Intensive Community Treatment Teams	20
Community Services Board		Diversion to Detoxification	4
Reston Community Center		Lake Anne facility expansion	3
REORGANIZATIONS			0
Cable and Consumer Services		Transfer of administrative position to Cable Fund	(1)
Facilities Management		Transfer of Conference Center to Cable Communications	(4)
Business Planning and Support		Transfer of human resource staff from Land Development Services	8
Business Planning and Support		Transfer of Deputy Director to Capital Facilities	(1)
Capital Facilities		Transfer of Deputy Director from Business Planning and Support	1
Land Development Services		Transfer of human resource staff to Business Planning and Support	(8)
Family Services		Transfer of support position to Prevent and End Homelessness	(1)
Family Services		Transfer of Seniors-on-the-Go to Neighborhood and Community Services	(1)
Prevent and End Homelessness		Transfer of support position from Family Services	1
Neighborhood and Community Services		Transfer of Seniors-on-the-Go from Family Services	1
Cable Communications		Transfer of Conference Center from Facilities Management	4
Cable Communications		Transfer of administrative position from General Fund	1
OTHER CHANGES DURING FISCAL YEAR			208
County Executive/Community Revitalization		Tysons redevelopment	2
Finance		Financial system support	2
Land Development Services		Tysons redevelopment	1
Land Development Services		Redistribution of positions	(1)
Library		Part time position adjustments	17
Administration for Human Services		Part time position adjustments	1
Family Services		Merit Position Conversion	102
Family Services		Part time position adjustments	1

Summary of Position Changes

FY 2012 Position Actions Total Change - 247 Regular Merit Positions

<u>Type of Position</u>	<u>Agency</u>	<u>Explanation</u>	<u># of Positions</u>
	Family Services	Foster Child Transportation	(2)
	Neighborhood and Community Services	Foster Child Transportation	2
	Neighborhood and Community Services	Merit Position Conversion	9
	Fire and Rescue	World Police and Fire games	1
	Community Services Board	Merit Position Conversion	97
	Refuse Collection and Recycling Stormwater Services	Redistribution of positions	(1)
		Specialized maintenance requirements	1
	Community Development Block Grant	Merit Position Conversion	(22)
	HOME Investment Partnerships Grant	Merit Position Conversion	(2)

FY 2014 ADVERTISED POSITION SUMMARY

(GENERAL FUND)

#	Agency Title	FY 2012		FY 2013						FY 2014		Increase/(Decrease)			
		Actual Pos	FTE	Adopted Pos	FTE	Carryover Pos	FTE	Out of Cycle Pos	FTE	Revised Pos	FTE	Advertised Pos	FTE	Pos	FTE
Legislative-Executive Functions / Central Services															
01	Board of Supervisors	75	75.00	75	75.00	0	0.00	0	0.00	75	75.00	75	75.00	0	0.00
02	Office of the County Executive	55	55.00	55	55.00	0	0.00	(1)	(1.00)	54	54.00	53	52.50	(1)	(1.50)
04	Department of Cable and Consumer Services	15	15.00	15	15.00	0	0.00	0	0.00	15	15.00	15	15.00	0	0.00
06	Department of Finance	66	66.00	66	66.00	0	0.00	0	0.00	66	66.00	55	55.00	(11)	(11.00)
11	Department of Human Resources	84	84.00	84	84.00	0	0.00	1	1.00	85	85.00	76	76.00	(9)	(9.00)
12	Department of Purchasing and Supply Management	55	55.00	55	55.00	0	0.00	0	0.00	55	55.00	47	47.00	(8)	(8.00)
13	Office of Public Affairs	20	20.00	19	19.00	0	0.00	0	0.00	19	19.00	19	19.00	0	0.00
15	Office of Elections	25	25.00	25	25.00	0	0.00	0	0.00	25	25.00	25	25.00	0	0.00
17	Office of the County Attorney	60	60.00	60	60.00	0	0.00	0	0.00	60	60.00	60	60.00	0	0.00
20	Department of Management and Budget	34	34.00	33	33.00	0	0.00	0	0.00	33	33.00	55	55.00	22	22.00
37	Office of the Financial and Program Auditor	3	3.00	3	3.00	0	0.00	0	0.00	3	3.00	3	3.00	0	0.00
41	Civil Service Commission	3	3.00	3	3.00	0	0.00	0	0.00	3	3.00	3	3.00	0	0.00
57	Department of Tax Administration	284	284.00	283	283.00	0	0.00	0	0.00	283	283.00	283	283.00	0	0.00
70	Department of Information Technology	251	251.00	251	251.00	0	0.00	1	1.00	252	252.00	252	252.00	0	0.00
Total Legislative-Executive Functions / Central Services		1,030	1,030.00	1,027	1,027.00	0	0.00	1	1.00	1,028	1,028.00	1,021	1,020.50	(7)	(7.50)
Judicial Administration															
80	Circuit Court and Records	161	161.00	163	163.00	0	0.00	0	0.00	163	163.00	163	163.00	0	0.00
82	Office of the Commonwealth's Attorney	37	37.00	37	37.00	0	0.00	0	0.00	37	37.00	37	37.00	0	0.00
85	General District Court	21	21.00	21	21.00	0	0.00	0	0.00	21	21.00	21	21.00	0	0.00
91	Office of the Sheriff	171	171.00	171	171.00	0	0.00	0	(0.50)	171	170.50	167	166.50	(4)	(4.00)
Total Judicial Administration		390	390.00	392	392.00	0	0.00	0	(0.50)	392	391.50	388	387.50	(4)	(4.00)
Public Safety															
04	Department of Cable and Consumer Services	12	12.00	11	11.00	0	0.00	0	0.00	11	11.00	10	10.00	(1)	(1.00)
31	Land Development Services	113	113.00	112	112.00	0	0.00	(20)	(20.00)	92	92.00	91	91.00	(1)	(1.00)
81	Juvenile and Domestic Relations District Court	307	305.50	307	305.50	0	0.00	0	0.00	307	305.50	304	302.50	(3)	(3.00)
90	Police Department	1,712	1,712.00	1,707	1,707.00	0	0.00	0	0.00	1,707	1,707.00	1,714	1,714.00	7	7.00
91	Office of the Sheriff	431	430.50	431	430.50	0	0.00	0	0.00	431	430.50	429	428.50	(2)	(2.00)
92	Fire and Rescue Department	1,498	1,498.00	1,500	1,500.00	0	0.00	0	0.00	1,500	1,500.00	1,500	1,500.00	0	0.00
93	Office of Emergency Management	13	13.00	13	13.00	0	0.00	0	0.00	13	13.00	13	13.00	0	0.00
97	Department of Code Compliance	44	44.00	44	44.00	0	0.00	0	0.00	44	44.00	44	44.00	0	0.00
Total Public Safety		4,130	4,128.00	4,125	4,123.00	0	0.00	(20)	(20.00)	4,105	4,103.00	4,105	4,103.00	0	0.00
Public Works															
08	Facilities Management Department	199	199.00	199	199.00	0	0.00	2	2.00	201	201.00	200	200.00	(1)	(1.00)
25	Business Planning and Support	12	12.00	12	11.50	0	0.00	0	0.00	12	11.50	11	11.00	(1)	(0.50)
26	Office of Capital Facilities	126	126.00	129	129.00	0	0.00	1	1.00	130	130.00	129	129.00	(1)	(1.00)
Total Public Works		337	337.00	340	339.50	0	0.00	3	3.00	343	342.50	340	340.00	(3)	(2.50)
Health and Welfare															
67	Department of Family Services	1,503	1,442.58	1,506	1,444.85	0	0.00	1	1.00	1,507	1,445.85	1,475	1,419.55	(32)	(26.30)
68	Department of Administration for Human Services	159	158.00	159	158.00	0	0.00	1	1.00	160	159.00	158	157.00	(2)	(2.00)
71	Health Department	666	594.98	661	589.98	0	0.00	0	0.00	661	589.98	653	581.98	(8)	(8.00)
73	Office to Prevent and End Homelessness	7	7.00	7	7.00	0	0.00	1	1.00	8	8.00	8	8.00	0	0.00
79	Department of Neighborhood and Community Services	218	217.75	218	217.75	0	0.00	0	0.00	218	217.75	213	212.75	(5)	(5.00)
Total Health and Welfare		2,553	2,420.31	2,551	2,417.58	0	0.00	3	3.00	2,554	2,420.58	2,507	2,379.28	(47)	(41.30)
Parks and Libraries															
51	Fairfax County Park Authority	360	358.00	356	354.00	0	0.00	0	0.00	356	354.00	355	353.00	(1)	(1.00)
52	Fairfax County Public Library	393	375.50	407	382.50	0	0.00	(5)	(2.50)	402	380.00	402	380.00	0	0.00
Total Parks and Libraries		753	733.50	763	736.50	0	0.00	(5)	(2.50)	758	734.00	757	733.00	(1)	(1.00)
Community Development															
16	Economic Development Authority	34	34.00	34	34.00	0	0.00	0	0.00	34	34.00	34	34.00	0	0.00
31	Land Development Services	159	159.00	148	148.00	0	0.00	19	19.00	167	167.00	167	167.00	0	0.00
35	Department of Planning and Zoning	124	124.00	124	124.00	0	0.00	0	0.00	124	124.00	124	124.00	0	0.00
36	Planning Commission	7	7.00	7	7.00	0	0.00	0	0.00	7	7.00	7	7.00	0	0.00
38	Department of Housing and Community Development	43	43.00	42	42.00	0	0.00	1	1.00	43	43.00	43	43.00	0	0.00
39	Office of Human Rights and Equity Programs	18	18.00	18	18.00	0	0.00	0	0.00	18	18.00	17	17.00	(1)	(1.00)
40	Department of Transportation	106	106.00	108	108.00	0	0.00	0	0.00	108	108.00	108	108.00	0	0.00
Total Community Development		491	491.00	481	481.00	0	0.00	20	20.00	501	501.00	500	500.00	(1)	(1.00)
Total General Fund Positions		9,684	9,529.81	9,679	9,516.58	0	0.00	2	4.00	9,681	9,520.58	9,618	9,463.28	(63)	(57.30)

FY 2014 ADVERTISED POSITION SUMMARY

(GENERAL FUND SUPPORTED AND OTHER FUNDS)

Fund	FY 2012		FY 2013								FY 2014		Inc/(Dec)	
	Actual Pos	FTE	Adopted Pos	FTE	Carryover Pos	FTE	Out of Cycle Pos	FTE	Revised Pos	FTE	Advertised Pos	FTE	Pos	FTE
General Fund Supported														
40040 Fairfax-Falls Church Community Services Board	1,018	1,014.75	1,020	1,016.75	(21)	(21.00)	(2)	(3.00)	997	992.75	982	977.25	(15)	(15.50)
40090 E-911	205	205.00	205	205.00	0	0.00	0	0.00	205	205.00	205	205.00	0	0.00
40330 Elderly Housing Programs	15	15.00	15	15.00	0	0.00	0	0.00	15	15.00	13	13.00	(2)	(2.00)
60000 County Insurance	14	14.00	14	14.00	0	0.00	0	0.00	14	14.00	14	14.00	0	0.00
60010 Department of Vehicle Services	258	258.00	258	258.00	0	0.00	0	0.00	258	258.00	258	258.00	0	0.00
60020 Document Services Division	10	10.00	10	10.00	0	0.00	0	0.00	10	10.00	10	10.00	0	0.00
60030 Technology Infrastructure Services	73	73.00	73	73.00	0	0.00	0	0.00	73	73.00	73	73.00	0	0.00
Total General Fund Supported	1,593	1,589.75	1,595	1,591.75	(21)	(21.00)	(2)	(3.00)	1,572	1,567.75	1,555	1,550.25	(17)	(17.50)
Other Funds														
40010 County and Regional Transportation Projects	19	19.00	19	19.00	0	0.00	0	0.00	19	19.00	19	19.00	0	0.00
40030 Cable Communications	51	51.00	52	52.00	0	0.00	0	0.00	52	52.00	52	52.00	0	0.00
40050 Reston Community Center	50	50.00	50	50.00	0	0.00	0	0.00	50	50.00	50	50.00	0	0.00
40060 McLean Community Center	31	28.18	31	28.18	0	0.00	0	0.00	31	28.18	31	28.18	0	0.00
40080 Integrated Pest Management Program	12	12.00	12	12.00	0	0.00	0	0.00	12	12.00	12	12.00	0	0.00
40100 Stormwater Services	145	145.00	171	171.00	0	0.00	1	1.00	172	172.00	172	172.00	0	0.00
40140 Refuse Collection and Recycling Operations	149	149.00	149	149.00	0	0.00	(2)	(2.00)	147	147.00	147	147.00	0	0.00
40150 Refuse Disposal	144	144.00	144	144.00	0	0.00	1	1.00	145	145.00	145	145.00	0	0.00
40160 Energy Resource Recovery (ERR) Facility	12	12.00	12	12.00	0	0.00	0	0.00	12	12.00	12	12.00	0	0.00
40170 I-95 Refuse Disposal	41	41.00	41	41.00	0	0.00	0	0.00	41	41.00	41	41.00	0	0.00
69010 Sewer Operation and Maintenance	321	320.50	321	320.50	0	0.00	0	0.00	321	320.50	321	320.50	0	0.00
73000 Employees' Retirement Trust	25	25.00	25	25.00	0	0.00	0	0.00	25	25.00	25	25.00	0	0.00
73030 OPEB Trust	1	1.00	1	1.00	0	0.00	0	0.00	1	1.00	1	1.00	0	0.00
Total Other Funds	1,001	997.68	1,028	1,024.68	0	0.00	0	0.00	1,028	1,024.68	1,028	1,024.68	0	0.00
Total All Funds	12,278	12,117.24	12,302	12,133.01	(21)	(21.00)	0	1.00	12,281	12,113.01	12,201	12,038.21	(80)	(74.80)

FY 2014 ADVERTISED POSITION SUMMARY

(GENERAL FUND STATE POSITIONS)

Agency Title	FY 2012		FY 2013								FY 2014		Inc/(Dec)	
	<i>Actual</i> Pos	<i>FTE</i>	<i>Adopted</i> Pos	<i>FTE</i>	<i>Carryover</i> Pos	<i>FTE</i>	<i>Out of Cycle</i> Pos	<i>FTE</i>	<i>Revised</i> Pos	<i>FTE</i>	<i>Advertised</i> Pos	<i>FTE</i>	<i>Pos</i>	<i>FTE</i>
Circuit Court and Records	15	15.00	15	15.00	0	0.00	0	0.00	15	15.00	15	15.00	0	0.00
Juvenile and Domestic Relations District Court	43	43.00	43	43.00	0	0.00	0	0.00	43	43.00	43	43.00	0	0.00
General District Court	93	91.10	93	91.10	0	0.00	1	0.00	94	91.10	94	91.10	0	0.00
Office of the Sheriff	27	26.50	27	26.50	0	0.00	0	0.50	27	27.00	27	27.00	0	0.00
Total General Fund	178	175.60	178	175.60	0	0.00	1	0.50	179	176.10	179	176.10	0	0.00

FY 2014 ADVERTISED POSITION SUMMARY (GRANT POSITIONS)

Fund/Agency Title	FY 2012		FY 2013								FY 2014		Inc/(Dec)	
	Actual Pos	FTE	Adopted Pos	FTE	Carryover Pos	FTE	Out of Cycle Pos	FTE	Revised Pos	FTE	Advertised Pos	FTE	Pos	FTE
Fund 50000, Federal/State Grant														
Department of Planning and Zoning	1	1.00	1	1.00	0	0.00	(1)	(1.00)	0	0.00	0	0.00	0	0.00
Office of Human Rights and Equity Programs	5	5.00	5	5.00	0	0.00	0	(0.10)	5	4.90	5	4.90	0	0.00
Department of Transportation	12	12.00	12	12.00	0	0.00	0	0.00	12	12.00	12	12.00	0	0.00
Department of Family Services	161	156.50	161	156.50	0	0.00	8	8.50	169	164.00	154	145.10	(15)	(18.90)
Health Department	57	57.00	57	57.00	0	0.00	0	0.00	57	57.00	58	58.00	1	1.00
Fairfax-Falls Church Community Services Board	68	66.50	68	66.50	0	0.00	(2)	(1.00)	66	65.50	48	47.50	(18)	(18.00)
Department of Neighborhood and Community Services	5	5.00	5	5.00	0	0.00	0	0.00	5	5.00	5	4.90	0	(0.10)
General District Court	9	8.80	9	8.80	0	0.00	0	0.00	9	8.80	9	8.80	0	0.00
Police Department	6	6.00	6	6.00	0	0.00	0	0.00	6	6.00	6	6.00	0	0.00
Fire and Rescue Department	17	16.00	17	16.00	0	0.00	0	1.00	17	17.00	18	18.00	1	1.00
Emergency Management	4	4.00	4	4.00	0	0.00	0	0.00	4	4.00	4	4.00	0	0.00
Total Federal/State Grant Fund ¹	345	337.80	345	337.80	0	0.00	5	7.40	350	344.20	319	309.20	(31)	(35.00)
Fund 50800, Community Development Block Grant														
Department of Housing and Community Development	22	22.00	22	22.00	0	0.00	0	0.00	22	22.00	22	22.00	0	0.00
Total Community Development Block Grant	22	22.00	22	22.00	0	0.00	0	0.00	22	22.00	22	22.00	0	0.00
Fund 50810, HOME Investments Partnership Grant														
Department of Housing and Community Development	2	2.00	2	2.00	0	0.00	0	0.00	2	2.00	2	2.00	0	0.00
Total HOME Investments Partnership Grant	2	2.00	2	2.00	0	0.00	0	0.00	2	2.00	2	2.00	0	0.00

¹ The FY 2014 Advertised Budget Plan includes 12/11.0 FTE positions resulting from awards that are continued in FY 2014 with funding from an existing award. This includes 2/1.5 FTE positions for the Department of Family Services, 1/1.0 FTE positions for the Department of Neighborhood and Community Services, 4/3.5 FTE positions for Juvenile and Domestic Relations Court, and 5/5.0 FTE positions for the Police Department. Since no new funding is anticipated for these positions in FY 2014, they are not reflected in the Agency Position Summary Table in Fund 50000, Federal/State Grant.



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GLOSSARY

Account – A separate financial reporting unit. All budgetary transactions are recorded in accounts.

Accounting Period – A period of time (e.g., one month, one year) where the County determines its financial position and results of operations.

Accrual – Accrual accounting/budgeting refers to a method of accounting/budgeting in which revenues are recorded when earned and outlays are recorded when goods are received or services are performed, even though the actual receipts and disbursements of cash may occur, in whole or in part, in a different fiscal period.

Accrual Basis of Accounting – A method of accounting where revenues are recorded when service is given and expenses are recognized when the benefit is received. In Fairfax County, governmental and agency funds are accounted for on a modified accrual basis of accounting in which revenue is considered available and recorded if it is collectible within the current period or within 45 days thereafter, to be used to pay liabilities of the current period. Expenditures are generally recorded when the related fund liability is incurred, with the exception of certain liabilities recorded in the General Long-Term Obligations Account Group.

Activity – A specific and distinguishable line of work performed within a program; the most basic component of service delivery for each County agency and its budget.

Actuarial – A methodology that makes determinations of required contributions to achieve future funding levels by addressing risk and time.

Adopted Budget Plan – A plan of financial operations approved by the Board of Supervisors highlighting major changes made to the County Executive's Advertised Budget Plan by the Board of Supervisors. The Adopted Budget Plan reflects approved tax rates and estimates of revenues, expenditures, transfers, agency goals, objectives and performance data. Sections are included to show major budgetary/financial policies and guidelines used in the fiscal management of the County.

Ad Valorem Tax – A tax levied on the assessed value of real estate and personal property. This tax is also known as property tax.

Advertised Budget Plan – A plan of financial operations submitted by the County Executive to the Board of Supervisors. This plan reflects estimated revenues, expenditures and transfers, as well as agency goals, objectives and performance data. In addition, sections are included to show major budgetary/financial policies and guidelines used in the fiscal management of the County.

Amortization – The reduction of debt through regular payments of principal and interest sufficient to retire the debt instrument at a predetermined date known as maturity.

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Appropriation – A specific amount of money authorized by the Board of Supervisors to a specified unit of the County government to make expenditures and to incur obligations for specific purposes. Appropriation authorizations expire at the end of the fiscal year.

Appropriation Controls – A specific amount of money authorized by the Board of Supervisors to a specified unit of the County government to make expenditures and to incur obligations for specific purposes. Spending is generally controlled either at the bottom line of appropriation categories such as Personnel Services, Operating Expenses, Recovered Costs (Work Performed for Others), or Capital Equipment (for operating agencies) or the bottom-line of a project budget, e.g., for capital construction funds or grant budget. In addition, agencies cannot transfer funds from one fund to another fund without authorization from the Board of Supervisors. Agencies cannot adjust their bottom-line budget expenditures without authorization from the Board of Supervisors. Typically, the Board of Supervisors approves agency bottom-line expenditure adjustments during the next budget review cycle, i.e., Third Quarter or Carryover. With adequate justification and DMB approval, agencies can perform a budget transfer of funds from one category to another, e.g., from Personnel Services to Operating Expenses, as long as there is no change to the agency's bottom-line budget and the budget transfer must occur within the same agency and/or fund.

Appropriated Fund – Funds budgeted and authorized by the Board of Supervisors for County agencies and funds to incur liabilities for the acquisition of goods and services. These funds, which include revenues derived from governmental sources, require annual appropriation by the Board of Supervisors for legal spending authority by agencies.

Arbitrage – With respect to the issuance of municipal securities, arbitrage usually refers to the difference between the interest paid on the tax-exempt securities and the interest earned by investing the security proceeds in higher yielding taxable securities. Internal Revenue Service regulations govern arbitrage on the proceeds from issuance of governmental securities.

Assessed Property Value – The estimated actual value set upon real estate or other taxable property by the County Property Appraiser (Department of Tax Administration) as a basis for levying real estate tax. Real property is assessed as of January 1 each year at the estimated fair market value of all land and improvements, with the resulting taxes being payable in the subsequent fiscal year. Real estate taxes are due in equal installments, on July 28 and December 5. Unpaid taxes automatically constitute liens on real property which must be satisfied prior to sale or transfer, and after three years, foreclosure proceedings can be initiated.

Assessment – The official valuation of property for purposes of taxation.

Assessment Ratio – The ratio of the assessed value of a taxed item to the market value of that item. In Fairfax County, real estate is assessed at 100 percent of market value as of January 1 each year.

Assets - Resources owned or held by a government which have monetary value. Assets may be tangible or intangible and are expressed in terms of cost or some other value. Assets are probable future economic benefits obtained or controlled by the government as a result past transactions or events.

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Auditor of Public Accounts – A state agency that oversees accounting, financial reporting and audit requirements for the units of local government in the Commonwealth of Virginia.

Authorized but Unissued Bonds - Bonds authorized by the Board of Supervisors following a referendum, but not issued to the bond markets. Bonds approved after July 1, 1991 have a maximum of 10 years available by law in which to be issued.

Balanced Budget – A budget is balanced when projected total funds available equal total disbursements, including established reserves. All local governments in the Commonwealth of Virginia must adopt a balanced budget as a requirement of state law no later than by July 1.

Basis Point – Equal to 1/100 of one percent. For example, if interest rates rise from 6.50 percent to 6.75 percent, the difference is referred to as an increase of 25 basis points.

Beginning Balance – Unexpended funds from the previous fiscal year that may be used to make payments during the current fiscal year.

Benchmarking – The systematic comparison of performance with other jurisdictions in order to discover best practices that will enhance performance. Benchmarking involves determining the quality of products, services and practices by measuring critical factors (e.g., how effective, how much a product or service costs) and comparing the results to those of highly regarded competitors.

Birmingham Green – A multi-jurisdictional entity that operates an assisted living facility and a nursing home for the care of indigent adults who are unable to live independently.

Bond – A written promise to pay a specified sum of money (called the principal), at a specified date in the future, together with periodic interest at a specified rate. In the budget document, these payments are identified as debt service. Bonds may be used as an alternative to tax receipts to secure revenue for long-term capital improvements. The two major categories are General Obligation Bonds (G.O. Bonds) and Revenue Bonds. The majority of bonds issued for County and School construction projects are known as General Obligation Bonds.

Bond Covenants – A legally enforceable promise made to the bondholders from the issuer, generally in relation to the source of repayment funding.

Bond Proceeds – The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

Bond Rating – A rating (made by an established bond rating company) from a schedule of grades indicating the probability of timely repayment of principal and interest on bonds issued. Fairfax County uses the services of the nation's three primary bond rating services – Moody's Investors Service, Standard & Poor's, and Fitch – to perform credit analyses to determine the probability of an issuer of debt defaulting partially or fully. Fairfax County has maintained a Triple A bond rating status from Moody's since 1975, Standard and Poor's since 1978, and Fitch since 1997.

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Bond Referendum – A process whereby the voters of a governmental unit are given the opportunity to approve or disapprove a proposed issue of municipal securities. An election is most commonly required in connection with General Obligation Bonds. Requirements for voter approval may be imposed by constitution, statute or local ordinance.

Bonds – A certificate of debt issued by an entity, guaranteeing payment of the original investment, plus interest, by a specified future date. Bonds are instruments used to borrow money for the debt financing of long-term capital improvements.

Budget – A plan for the acquisition and allocation of resources to accomplish specified purposes. The term may be used to describe special purpose fiscal plans or parts of a fiscal plan, such as "the budget of the Police Department," "the Capital Budget," or "the School Board's budget," or it may relate to a fiscal plan for an entire jurisdiction, such as "the budget of Fairfax County."

Budget Calendar – A schedule of key dates which the County follows in the preparation, adoption and administration of the budget.

Budget Message – Included in the Overview Volume, also referred to as the *County Executive Summary*, the budget message provides a summary of the most important aspects of the budget, changes from previous fiscal years, and recommendations regarding the County's financial policy for the upcoming period.

Budget Process Redesign – An ongoing effort to improve both the budget development process and the budget document.

Budget Transfers – Budget transfers shift previously budgeted funds from one item of expenditure to another. Transfers may occur throughout the course of the fiscal year as needed for County government operations.

Build-Out – This refers to the time in the life cycle of the County when no incorporated property remains undeveloped. All construction from this point forward is renovation, retrofitting or land cleared through the demolition of existing structures.

Business Process Redesign – A methodology that seeks to improve customer service by focusing on redesigning current processes, and possibly incorporating automation-based productivity improvements. Redesign efforts require an Information Strategy Plan (ISP) which identifies and prioritizes the business areas to be redesigned. New or enhanced business system applications (BSAs) are usually required to improve the flow of information across organizational boundaries.

Business, Professional and Occupational License (BPOL) – Businesses, professions, trades and occupations are assessed a license tax based on gross receipts for the prior year, without deductions. Exclusions are deductions from the definition of gross receipts. Section 4-7.2-1(B) of the Fairfax County Code and Chapter 37 of Title 58.1 of the Code of Virginia lists the only deductions that can be claimed. Individuals engaged in home occupations and who are self-employed must also file if their gross receipts are greater than \$10,000. Receipts of venture capital or other investment funds are excluded from taxation except commissions and fees.

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Calendar Year – Twelve months beginning January 1 and ending December 31.

Capital Equipment – Equipment such as vehicles, furniture, technical instruments, etc., which have a life expectancy of more than one year and a value of over \$5,000. Equipment with a value of less than \$5,000 is operating equipment.

Capital Expenditure – A direct expenditure that results in or contributes to the acquisition or construction of major capital assets (e.g., lands, roads, buildings). The expenditure may be for new construction, addition, replacement or renovations to buildings that increase their value, or major alteration of a capital asset. Capital assets include land, infrastructure, buildings, equipment, vehicles and other tangible and intangible assets that have useful lives longer than one year.

Capital Facilities – Fixed assets, such as buildings or land.

Capital Improvement Program (CIP) – A five-year plan for public facilities which addresses the construction or acquisition of fixed assets, primarily buildings but also including parks, sewers, sidewalks, etc., and major items of capital equipment and operating expenses related to new facilities.

Capital Paydown – Capital construction funded with current year General Fund revenues as opposed to construction financed through the issuance of bonds. This is also referred to as “pay-as-you-go” construction.

Capital Project – Major construction, acquisition, or renovation activities which add value to a government’s physical assets or significantly increase their useful life.

Capital Renewal – Capital renewal is the planned replacement of building subsystems such as roofs, electrical systems, HVAC systems and plumbing systems that have reached the end of their useful life. Major capital renewal investments are required in facilities to replace old, obsolete building subsystems that have reached the end of their life cycle.

Capital Projects Funds – Funds, defined by the State Auditor of Public Accounts, that account for the acquisition and/or construction of major capital facilities or capital improvements other than sewers.

Carryover – The process by which certain unspent or unencumbered funds for appropriations previously approved by the Board of Supervisors and for commitments to pay for goods and services at the end of one fiscal year are reappropriated in the next fiscal year. Typically, funds carried over are nonrecurring expenditures, such as capital projects or capital equipment items.

Cash Management – An effort to manage cash flows in such a way that interest and penalties paid are minimized and interest earned is maximized.

Cash Management System – A system of financial practices which ensures that sufficient cash is available on a daily basis for payment of County obligations when due.

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Character – A class of expenditures, such as salaries, operating expenses, recovered costs, or capital equipment.

Class – A group of positions which are sufficiently alike in general duties and responsibilities to warrant the use of the same title, specification and pay range.

Classification – The grouping of positions in regards to:

- kinds of duties performed and responsibilities;
- level of duties performed;
- requirements as to education, knowledge and experience and ability;
- tests of fitness; and ranges of pay.

Class Series – A number of classes of positions which are substantially similar as to the types of work involved and differ only in rank as determined by the level of the duties and degree of responsibility involved and the amount of training and experience required.

Class Specification – A written description of a class consisting of a class title, a general statement of the level of work, a statement of the distinguishing features of work, some examples of work, and the minimum qualifications for the class.

Comprehensive Annual Financial Report (CAFR) – This official annual report, prepared by the Department of Finance, presents the status of the County's finances in a standardized format. The CAFR is organized by fund and contains two basic types of information: (1) a balance sheet that compares assets with liabilities and fund balance, and (2) an operating statement that compares revenues and expenditures.

Comprehensive Plan – The plan that guides and implements coordinated, adjusted, and harmonious land development that best promotes the health, safety, and general welfare of County residents. It contains long-range recommendations for land use, transportation systems, community services, historic resources, environmental resources, and other facilities, services, and resources.

Comprehensive Services Act (CSA) – The Comprehensive Services Act (CSA) provides both community- and facility-based services to at-risk children and their families. Services offered through CSA are driven by federal and state mandates in foster care and special education. County agencies and Fairfax County Public Schools (FCPS) work collaboratively to design service plans meeting the unique needs of families with children and youth who have, or are at-risk of having, serious emotional or behavioral difficulties.

Congregate Meals – Meals served by the Area Agency on Aging's Nutrition Program to senior citizens who eat together at the County's senior centers.

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Consolidated Community Funding Pool – A separately-budgeted pool of County funding, located in Fund 10020, which was established in FY 1998 to facilitate the implementation of a competitive funding process through which community-based organizations, which are primarily human-services oriented, will be awarded County funding on a competitive basis. These organizations previously had received County funding either as a contribution or through contracts with specific County agencies. Since FY 2001, the County has awarded grants from this pool on a two-year funding cycle to provide increased stability for the community-based organizations.

Consolidated Plan – The U.S. Department of Housing and Urban Development (HUD) requires a Consolidated Plan application which combines the planning and application submission processes for several HUD programs: Community Development Block Grant, HOME Investment Partnerships Program, Emergency Shelter Grant, and Housing Opportunities for Persons with AIDS. Citizen participation is required as part of the process and is accomplished through representation on the Consolidated Plan Review Committee (CPRC), involvement in public hearings held on housing and community development needs, and participation in public hearings at which the Board of Supervisors takes action on the allocation of funds as recommended by the CPRC.

Consumer Price Index – CPI is a measure of the price level of a fixed “market basket” of goods and services relative to the value of that same basket in a designated base period. Measures for two population groups are currently published by the Bureau of Labor Statistics, CPI-U and CPI-W. CPI-U is based on a market basket determined by expenditure patterns of all urban households including professionals, self-employed, the poor, the unemployed, retired persons, and urban wage-earners and clerical workers. The CPI-W represents expenditure patterns of only urban wage-earner and clerical-worker families including sales workers, craft workers, service workers, and laborers. The CPI is used as appropriate to adjust for inflation.

Contingency – An appropriation of funds available to cover unforeseen events that occur during the fiscal year.

Contributory Agencies – Governmental and nongovernmental organizations that are supported in part by contributions from the County. Examples include the Northern Virginia Regional Commission, the Northern Virginia Regional Park Authority, and the Arts Council of Fairfax County, and community agencies such as Volunteer Fairfax.

Cost Center – Expenditure categories within a program area that relate to specific organizational goals or objectives. Each cost center may consist of an entire agency or a part of an agency. The Civil Service Commission, for example, being small and having a single purpose, is treated as a single cost center. The Office of the County Executive consists of four cost centers: Administration of County Policy, Office of Equity Programs, Office of Internal Audit, and Office of Partnerships.

Costs of Issuance – The expenses associated with the sale of a new issue of municipal securities, including such items as printing, legal and rating agency fees, and others.

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Cross-Cutting Initiative – A cross-cutting initiative involves the participation of two or more government agencies in addressing a challenge or implementing a program in Fairfax County. For example, there is a coordinated effort to address the challenge of West Nile Virus control by several agencies including the Health Department, the Park Authority, the Department of Public Works and Environmental Services, the Office of Public Affairs, and others.

Dashboard – Beginning with the [FY 2014 Advertised Budget Plan](#), each General Fund and General Fund Supported agency budget narrative features a high-level dashboard of approximately six key drivers and metrics.

Debt Limit – The maximum amount of debt which an issuer of municipal securities is permitted to incur under constitutional, statutory or charter provisions.

Debt Service – The amount of money necessary to pay interest on an outstanding debt; the principal of maturing serial bonds and the required contributions to a sinking fund for term bonds. Debt service on bonds may be calculated on a calendar year, fiscal year, or bond fiscal year basis.

Debt Service Funds – Funds defined by the State Auditor of Public Accounts to finance and account for the payment of principal and interest on borrowed funds such as bonds. Fairfax County has three debt service funds, one for school debt, one for the Wastewater Management Program, and one for bonds issued to finance capital expenditures for all other agencies (County debt service). These funds receive revenue primarily by transfers from the General Fund, except for the Sewer Debt Service Fund, which is supported by sewer service fees.

Defeasance – A provision that voids a bond when the borrower sets aside cash or bonds sufficient to service the borrower's debt. When a bond issue is defeased, the borrower sets aside cash to pay off the bonds; therefore, the outstanding debt and cash offset each other on the balance sheet and do not need to be recorded.

Deferred Retirement Option Plan (DROP) – A provision within a defined benefit retirement system that allows an employee who reaches retirement eligibility to agree to defer leaving employment until a specified date in the future, on the condition of being deemed to have retired for purposes of the retirement system. The employee continues to receive a salary and fringe benefits; however, contributions on the employees' behalf to the retirement system cease, while the payments the employee would receive if he/she was retired are invested and provided when the employee reaches the agreed upon date (no more than three years).

Deficit – The excess of liabilities over assets – or expenditures over revenues – in a fund over an accounting period.

Department – All office, divisions and other work units, which are under the control of a single department head. Example: Community Services Board (CSB).

Depreciation – The decrease in value of physical assets due to use and the passage of time. In financial terms, it refers to the process of allocating the cost of a capital asset to the periods during which the asset is used.

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Disbursement – An expenditure or a transfer of funds to another accounting entity within the County financial system. Total disbursements equal the sum of expenditures and transfers out to other funds.

Distinguished Budget Presentation Program – A voluntary program administered by the Government Finance Officers Association to encourage governments to publish efficiently organized and easily readable budget documents.

Efficiency – One of the four performance indicators in Fairfax County’s Family of Performance Measures. This indicator reflects inputs used per unit of output and is typically expressed in terms of cost per unit or productivity.

Employees Advisory Council – Established by the Fairfax County Merit System Ordinance to provide a continuing medium through which all employees in the competitive service, both Schools and County, may contribute their advice and suggestions for the improvement of the career merit system and other aspects of the government of Fairfax County.

Encumbrance – An obligation incurred in the form of purchase orders, contracts and similar items that will become payable when the goods are delivered or the services rendered. An encumbrance is an obligation of funding for an anticipated expenditure prior to actual payment for an item. Funds are usually reserved or set aside and encumbered once a contracted obligation has been entered.

ENSNI – Estimate, No Scope, No Inflation. Term used in the Fairfax County CIP to describe funding estimates for future capital projects which have not yet been scoped and are developed using today’s dollars without considering inflation.

Enterprise Funds – Funds, defined by the State Auditor of Public Accounts to account for operations that are financed and operated in a manner similar to private business enterprises. An enterprise fund is a self-supporting fund design to account for activities supported by user charges. For example, funds which support the Wastewater Management Program are classified as enterprise funds.

Equalization – An annual assessment of real estate to ensure that assessments accurately reflect current market values. Equalization revenue is the annual increase or decrease in collected revenue resulting from adjustments to the assessment of existing property in the County. This annual increase or decrease is due to value changes rather than to new construction.

Escrow – Money or property held in the custody of a third party that is returned only after the fulfillment of specific conditions.

Expenditure – The disbursement of appropriated funds to purchase goods and/or services. There are three basic types of expenditures: operating, capital and debt. Operating expenditures are, in a broad sense, current day-to-day expenses such as salaries, supplies, and purchase of equipment or property below a certain dollar threshold or useful life. Usually, these are items which are consumed during the fiscal year in which they are purchased or acquired.

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Fiduciary Funds – Fiduciary funds are used to account for assets held in a trustee or agency capacity for others and which, therefore, cannot be used to support the County’s own programs. The County maintains two types of fiduciary funds – pension trust funds to account for the assets of its pension plans, held by the County under the terms of formal trust agreements, and agency funds to account for assets received, held and disbursed by the County on behalf of various outside organizations.

Financial Forecast – A computer-aided financial model that estimates all future revenues and disbursements based on assumptions of future financial and economic conditions.

Fines and Forfeitures – Consists of a variety of fees, fines and forfeitures collected by the County.

Fiscal Plan – The annual budget.

Fiscal Planning Resolution – A legally binding document prepared by the Department of Management and Budget identifying changes made by the Board of Supervisors to the Advertised Budget Plan during the adoption of the annual budget. Fiscal Planning Resolutions approved by the Board subsequent to the Adopted Budget Plan change only transfers between funds. These documents are used at the annual or quarterly reviews whenever changes in fund transfers occur.

Fiscal Restraint – The practice of restraining growth in expenditures and disbursements to stay within revenue forecasts.

Fiscal Year – In Fairfax County, the twelve months beginning July 1 and ending the following June 30. (The Commonwealth of Virginia’s fiscal year begins on July 1. The federal government’s fiscal year begins October 1).

Fixed Asset – Items the County owns that have a considerable cost and a useful life exceeding two years, such as computers, furniture, equipment and vehicles.

Fleet – The vehicles owned and operated by the County.

FOCUS (Fairfax County Unified System) – This refers to a multi-year, joint initiative with the Fairfax County Government and Fairfax County Public Schools that replaces our budget, finance, procurement, and human resources systems with a single, unified system.

Forfeiture – The automatic loss of property, including cash, as a penalty for breaking the law, or as compensation for losses resulting from illegal activities. Once property has been forfeited, the County may claim it, resulting in confiscation of the property.

Fringe Benefits – The fringe benefit expenditures included in the budget are the County’s share of employees’ fringe benefits. Fringe benefits provided by Fairfax County include FICA (Social Security), health insurance, dental insurance, life insurance, retirement, and Unemployment and Workers’ Compensation. The County’s share of most fringe benefits is based on a set percentage of employee salaries. This percentage varies per category, e.g., Uniformed Fire and Rescue Employees; Uniformed Deputy Sheriffs; Police Officers; Trade, Manual and Custodial Service Employees; and General County Employees.

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Full-Time Equivalent (FTE) – Formerly known as Staff-Year Equivalent (SYE), an FTE reflects whether authorized positions are full-time or part-time. A position authorized for 40 hours per week is reflected in the budget as one authorized position with a full-time equivalent of one (1/1.0 FTE). In comparison, a position authorized for 20 hours per week would be indicated as one authorized position with a FTE of 0.5 (1/0.5 FTE).

Fund – A set of interrelated accounts to record revenues and expenditures associated with a specific purpose. A fund is also a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities, or balances and changes therein. Funds are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance – At the end of a fiscal year, if there are more resources than expenditures, the remainder is called “fund balance.” This is sometimes referred to as “carried forward fund balance” because the resources can be “carried” into the next fiscal year. This is an important resource because some may be used in combination with revenues to fund new expenses. Fund balance may be restricted or unrestricted, reserved for a specific purpose or unreserved and used for future requirements. Restricted fund balance may be set aside for funding certain programs and activities. A fund balance represents the residual funding on an annual basis from revenues and transfers-in less expenditures and transfers-out. A fund balance also reflects the fund equity of all funds.

Fund Type – A group of funds that have similar activities, objectives, or funding sources as defined by the State Auditor of Public Accounts. Examples include Special Revenue Funds and Debt Service Funds.

GASB – This refers to the Governmental Accounting Standards Board which is currently the source of generally accepted accounting principles (GAAP) used by state and local governments in the United States. It is a private, non-governmental organization. The GASB has issued *Statements*, *Interpretations*, *Technical Bulletins*, and *Concept Statements* defining GAAP for state and local governments since 1984.

GASB 34 – In June 1999, GASB Statement No. 34 (or GASB 34) set new GAAP requirements for reporting major capital assets, including infrastructure such as roads, bridges, water and sewer facilities, and dams. Fairfax County has implemented the Governmental Accounting Standards Board’s (GASB) Statement Number 34, Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments, financial reporting model. This standard changed the entire reporting process for local governments, requiring new entity-wide financial statements, in addition to the current fund statements and other additional reports such as Management Discussion and Analysis.

GASB 45 – Beginning in FY 2008, the County’s financial statements are required to implement Governmental Accounting Standards Board (GASB) Statement No. 45 for other post-employment benefits (OPEBs) including health care, life insurance, and other non-pension benefits offered to retirees. This new standard addresses how local governments should account for and report their costs related to post-employment health care and other non-pension benefits, such as the County’s retiree health benefit subsidy. Historically, the County’s subsidy was funded on a pay-as-you-go basis. GASB 45 requires that the County accrue the cost of the retiree health subsidy and other post-employment benefits during the period of employees’ active employment, while the benefits are being earned, and disclose the unfunded

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actuarial accrued liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension/retirement benefits. The County has established Fund 73030, OPEB Trust Fund, to fund the cost of post-employment health care and other non-pension benefits. Fund 73030 will allow the County to capture long-term investment returns and make progress towards reducing the unfunded liability. The schools have also established an OPEB trust fund to capture their costs, Fund S71100, School OPEB Trust Fund.

General Debt – Principal and interest payments on outstanding debt repaid from the General Fund.

General Fund – The primary tax and operating fund for County Governmental Activities used to account for all County revenues and expenditures which are not accounted for in other funds, and which are used for the general operating functions of County agencies. Revenues are derived primarily from general property taxes, local sales tax, utility taxes, license and permit fees, and state shared taxes. General Fund expenditures include the costs of the general County government and transfers to other funds, principally to fund the operations of the Fairfax County Public School system, the Fairfax-Falls Church Community Services Board, Metro, the Fairfax CONNECTOR, and County and School system debt service requirements.

General Fund Direct Expenditures – These are General Fund expenditures for County agencies and they are organized by Program Area categories.

General Fund Disbursements – Direct expenditures for County services such as Police or Welfare expenses and transfers from the General Fund to Other County funds such as School Operations or Metro Operations. General Fund Disbursements consist of two parts: (1) General Fund transferred support to other funds and (2) General Fund direct expenditures or agency expenditures. Some agencies, e.g., Housing, may have funds that reside both in the General Fund and other funds.

General Obligation Bond – Bonds for which the full faith and credit of the issuing government are pledged. County general obligation debt can only be approved by voter referendum. The State Constitution mandates that taxes on real property be sufficient to pay the principal and interest of such bonds.

Goal – A general statement of purpose. A goal provides a framework within which the program unit operates; it reflects realistic constraints upon the unit providing the service. A goal statement speaks generally toward end results rather than specific actions, e.g., "To provide maternity, infant and child health care and/or case management to at risk women, infants, and children in order to achieve optimum health and well being." Also see Objective.

Governmental Funds – Governmental funds are typically used to account for most of a government's activities, including those that are tax-supported. The County maintains the following types of governmental funds: a general fund to account for all activities not required to be accounted for in another fund, special revenue funds, a debt service fund, and capital projects funds.

Grant – A contribution by one governmental unit to another unit. The contribution is usually made to aid in the support of a specified function.

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Health Maintenance Organization – A form of health insurance combining a range of coverages in a group basis. A group of doctors and other medical professionals offer care through the HMO for a flat monthly rate with no deductibles. However, only visits to professionals within the HMO network are covered by the policy. All visits, prescriptions and other care must be cleared by the HMO in order to be covered. A primary physician within the HMO handles referrals.

Inflation – A rise in price levels caused by an increase in available money and credit beyond the proportion of available goods. This is also known as too many dollars chasing too few goods.

Infrastructure – Public domain, fixed physical assets including roads, curbs, gutters, sidewalks, drainage systems, lighting systems and other similar items that have value only to the users.

INOVA – Inova Health System is a not-for-profit health care system based in Northern Virginia that consists of hospitals and other health services including emergency and urgent care centers, home care, nursing homes, mental health and blood donor services, as well as wellness classes.

Input – The value of resources used to produce an output. Input can be staff, budget dollars, work hours, etc.

Interest – The amount paid by a borrower as compensation for the use of borrowed money. This amount is generally an annual percentage of the principal amount.

Interest Income – Revenue associated with the County cash management activities of investing fund balances.

Internal Service Funds – Funds established to finance and account for services furnished by a designated County agency to other County agencies, which charges those agencies for the goods and services provided. An example of an Internal Service Fund is Fund 503, Department of Vehicle Services.

Issuing Bonds – To “issue” bonds means to sell, deliver, and receive payment for bonds. The County may issues bonds throughout the year upon determining the amount of cash necessary to implement projects during that year.

Key County Indicators – Key County Indicators are high-level, countywide measures, organized by vision element, that help assess if Fairfax County government is meeting the needs of citizens and positively impacting the community as a whole.

Lease Purchase – This method of financing allows the County to construct or acquire property and pay for it over a period of time by installment payments rather than an outright purchase. The time payments include an interest charge which is typically reduced because the lessor does not have to pay income tax on the interest revenue.

Liability – An obligation incurred in past or current transactions requiring present or future settlement.

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Line Item – A specific expenditure category within an agency budget, e.g., rent, travel, motor pool services, postage, printing, office supplies, etc.

Lines of Business (LOBs) – Reference to the County’s review of 310 discrete agency lines of business. LOBs are essentially an inventory of County programs and services offered by each individual agency.

Local Composite Index (LCI) – The Commonwealth of Virginia’s Local Composite Index (CI) determines a school division’s ability to pay education costs fundamental to the Commonwealth’s Standards of Quality (SOQ). The Composite Index is calculated using three indicators of a locality’s ability-to-pay:

- True value of real property (weighted 50 percent)
- Adjusted gross income (weighted 40 percent)
- Taxable retail sales (weighted 10 percent)

Each locality’s index is adjusted to maintain an overall statewide local share of 45 percent and an overall state share of 55 percent.

Local Match – County cash or in-kind resources that are required to be expended simultaneously with federal, state, other locality, or private sector funding, and usually according to a minimum percentage or ratio.

Long-Term Debt – Debt with a maturity of more than one year after the date of issuance.

Managed Reserve – A reserve, held in the General Fund, which equals 2.0 percent of the General Fund disbursements. Established by the Board of Supervisors on January 25, 1982, the purpose of the reserve is to provide temporary financing for emergency needs and to permit orderly adjustment to changes resulting from the sudden, catastrophic termination of anticipated revenue sources.

Management by Objectives – A method of management of County programs which measures attainment or progress toward pre-defined objectives. This method evolved into the County’s performance measurement system.

Management Initiatives – Changes to internal business practices undertaken by County managers on their own initiative to improve efficiency, productivity, and customer satisfaction.

Mandate – A requirement from a higher level of government (federal or state), that a lower level government perform a task in a particular way or in conformance with a particular standard.

Market Pay – A compensation level that is competitive and consistent with the regional market. The County analyzes the comparability of employee salaries to the market in a number of different ways. A “Market Index” has been developed that factors in the Consumer Price Index, federal wage adjustments, and the Employment Cost Index (which includes state, local and private sector salaries). The index is designed to gauge the competitiveness of County pay scales in general.

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Measurement – A variety of methods used to assess the results achieved and improvements still required in a process or system. Measurement gives the basis for continuous improvement by helping evaluate what is working and what is not working.

Merit Grant – A position with full benefits and full civil service grievances, although the employment term is limited by the grant specifications. The position is funded by a specific grant. At the end of the grant position, the person is the first eligible for hire for another similar position in the County. Also see Position.

Merit Regular – A position with full benefits, full civil service grievance, and 52 work weeks in a year. Also see Position.

Mission Statement – A mission statement is a broad, philosophical statement of the purpose of an agency, specifying the fundamental reasons for its existence. A mission statement describes what an organization is in business to do. Therefore, it also serves as a guiding road map.

Modified Accrual Basis – The basis of accounting under which revenues are recognized when measurable and available to pay liabilities, and expenditures are recognized when the liability is incurred except for interest on long-term debt which is recognized when due, and the non-current portion of accrued vacation and sick leave which is recorded in general long-term liability. The General Fund and debt service fund budgets are prepared on the modified accrual basis of accounting except that encumbrances are treated like expenditures.

Municipal Bond – Bond issued by a state, local or another government authority especially in the U.S. The interest is exempt from U.S. Federal taxation and usually from state taxation within the state of issue, as is the case in Virginia.

Net Debt as a Percent of Estimated Market Value – Total debt (less debt that is self-supported by revenue-producing projects), divided by the total market value of all taxable property within the County expressed as a percentage. Since property taxes are a primary source of revenue for the repayment of debt, this measure identifies the debt burden compared with the worth of the revenue-generating property base.

Net Total Expenditures – See Total Budget.

Non-Appropriated Funds – These funds do not require annual appropriation by the Board of Supervisors and represent activities that are supported by non-governmental revenue sources such as direct fees for service or revolving loan programs. The legal spending authority is based on revenue availability and may be derived from an action by the Board in response to state, or federal mandate. The appropriation control for these funds resides with the respective boards associated specifically with the funded programs, e.g., Fairfax County Redevelopment and Housing Authority (Funds 40330 through 81530), Alcohol Safety Action Program Policy Board (Fund 83000), and the Park Authority Board (Funds 80000 and 80300). These boards are separate legal entities.

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Objective – A statement of anticipated level of achievement; usually time limited and quantifiable. Within the objective, specific statements with regard to targets and/or standards often are included, e.g., "To respond to 90 percent of ambulance calls within a 5-minute response time."

Operating Budget – A budget for general revenues and expenditures such as salaries, utilities and supplies.

Operating Equipment – Equipment that has a life expectancy of more than one year and a value of less than \$5,000 dollars. Equipment with a value greater than \$5,000 dollars is capital equipment.

Operating Expenses – A category of recurring expenses, other than salaries and capital equipment costs, which covers expenditures necessary to maintain facilities, collect revenues, provide services, and otherwise carry out the agency's goals. Typical line items under this character are office supplies, printing, postage, transportation and utilities.

Ordinance – A formal legislative enactment by the County that carries the full force and effect of the law within the boundaries of Fairfax County unless in conflict with any higher form of law, such as the Commonwealth of Virginia or the federal government.

Outcome – Qualitative consequences associated with a program service, e.g., reduction in fire deaths or percent of juveniles not reconvicted within 12 months. Also refers to quality performance measures of effectiveness and of achieving goals.

Out-of-Cycle – A term that characterizes budget adjustments approved by the County Board of Supervisors outside of the annual budget process.

Output – Quantity or number of units produced. Outputs are activity-oriented, measurable, and usually under managerial control. Also refers to process performance measures of efficiency and productivity, that is, per capita expenditures, transactions per day, etc.

Pay-As-You-Go Financing – The portion of capital outlay which is financed from current revenue, rather than by borrowing.

Pay for Performance – A system of pay and appraisal that is based on an employee's performance. An ongoing dialogue between employees and supervisors regarding performance and expectations is essential to the successful implementation of this system.

Paydown Construction – Capital construction funded with current year General Fund revenues as opposed to construction financed through the issuance of bonds. This is a method of paying for capital projects that relies on current tax and grant revenues rather than by debt. This is also referred to as "pay-as-you-go" construction.

Pension Fund – This is a fund that accounts for the accumulation of resources to be used for retirement benefit payments to retired County employees eligible for such benefits.

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Per Capita – A measurement of the proportion of some statistic to an individual resident determined by dividing the statistic by the current population.

Per Capita Debt – The amount of an issuing municipality's outstanding debt divided by the population residing in the municipality. This is used as an indication of the issuer's credit position since it can be used to compare the proportion of debt borne per resident with that borne by the residents of other municipalities.

Performance Budget – A budget wherein expenditures are based primarily upon measurable performance activities and work programs.

Performance Indicators – As used in Fairfax County's Performance Measurement System, these indicators represent the four types of measures that comprise the Family of Measures and consist of output, efficiency, service quality and outcome.

Performance Measurement – The regular collection of specific information regarding the results of service in Fairfax County, and which determines how effective and/or efficient a program is in achieving its objectives. The County's performance measurement methodology links agency mission and cost center goals (broad) to quantified objectives (specific) of what will be accomplished during the fiscal year. These objectives are then linked to a series of indicators that present a balanced picture of performance, i.e., output, efficiency, service quality and outcome.

Performance Measurement System – The County's methodology for monitoring performance measures and outcomes.

Permit Revenue – Fees imposed on construction-related activities and for non-construction permits such as sign permits, wetland permits, etc.

Personal Property – Property, other than real estate identified for purposes of taxation, including personally owned items, as well as corporate and business equipment and property. Examples include automobiles, motorcycles, boats, trailers, airplanes, business furnishings, and manufacturing equipment. Goods held for sale by manufacturers, wholesalers or retailers are not included.

Personal Property Tax Relief Act of 1998 – Legislation approved by the Virginia General Assembly that reduces the Personal Property Tax on the first \$20,000 of the value for vehicles owned by individuals. From FY 2000 to FY 2002, the PPTRA reduced the Personal Property Taxes paid by individuals by 27.5 percent, 47.5 percent, and 70 percent respectively, with an offsetting reimbursement paid to the County by the Commonwealth. Due to the Commonwealth's lower than anticipated General Fund revenue growth, the reimbursement remained at 70 percent from FY 2003 through FY 2006. The 2004 General Assembly approved legislation that capped statewide Personal Property Tax reimbursements at \$950 million in FY 2007 and beyond. Fairfax County's allocation has been set at \$211.3 million. Each year, County staff must determine the reimbursement percentage based on the County's fixed reimbursement from the state and an estimate of the number and value of vehicles that will be eligible for tax relief. As the number and value of vehicles in the County vary, the percentage of tax relief will vary.

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Personnel Services – A category of expenditures, which primarily covers salaries, overtime and shift differential paid to County employees and also includes certain fringe benefit costs.

Planning System – Refers to the relationship between the Annual Budget, the Comprehensive Plan, and the 5-year Capital Improvement Plan.

Position – A group of duties and responsibilities, as prescribed by an office or agency, to be performed by a person on a full-time or part-time basis.

The status of a position is not to be confused with the status of the employee. For the purpose of the County's budget, the following definitions are used solely in describing the status and funding of positions:

- An established position is a position that has been classified and assigned a pay grade.
- An authorized position has been approved for establishment by the Board of Supervisors. The authorized position is always shown as a single, not a partial position. Full-Time Equivalent (FTE) reflects whether positions are authorized for full-time (40 hours per week) or part-time. A full-time position would appear in the budget as one authorized position and one staff-year equivalent (1/1.0 FTE). A half-time position would be indicated as one authorized position and 0.5 staff-year equivalents (1/0.5 FTE).

The following defines the types of positions in Fairfax County. They can be either full or part-time status.

- A regular position is a career position, which falls within all provisions of the Merit System Ordinance.
- A benefits eligible, non-merit position is an employee working between 1,040 and 1,560 hours annually, and eligible for health, dental and flexible spending benefits.
- A benefits non-eligible, non-merit position is an employee working fewer than 900 hours annually and not eligible for benefits.
- An exempt position does not fall within the provisions of the Merit System Ordinance. It includes elected and appointed positions.
- Cooperative funding of some positions occurs between the federal and state governments and Fairfax County. Numerous funding and reimbursement mechanisms exist. The County's share of a position's authorized funding level is that portion of a position's salary and/or fringe benefits paid by the County which is over and above the amount paid by the state or federal government either based on the County's pay classification schedule or based on a formal funding agreement. The share of state or federal funding varies depending upon the eligibility of each individual agency and type of position.
- A state position is a position established and authorized by the state. These positions may be partially or fully funded by the state.

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- County supplement is the portion of a state position's authorized salary (based on the County's compensation plan) that exceeds the state's maximum funding level. This difference is fully paid by the County.

Position Turnover – An accounting debit which allows for gross salary projections to be reduced due to anticipated and normal position vacancies, delays in filling vacancies, and historical position turnover information.

Present Value – The discounted value of a future amount of cash, assuming a given rate of interest, to take into account the time value of money. Stated differently, a dollar is worth a dollar today, but is worth less tomorrow.

Prime Interest Rate – The rate of interest charged by banks to their preferred customers.

Principal – The face amount of a security payable on the maturity date.

Program – Group activities, operations or organizational units directed to attaining specific objectives and achievements and budgeted as a sub-unit of a department.

Program Area – A grouping of County agencies with related countywide goals. Under each program area, individual agencies participate in activities to support that program area's goals. The Public Safety Program Area, for example, includes the Police Department and the Fire and Rescue Department, among others. The Auditor of Public Accounts for the Commonwealth of Virginia provides direction on which agencies are included in each program area.

Program Budget – A statement and plan, which identifies and classifies, total expenditures and revenues by activity or program. Budgets are aggregated into program areas. This is in contrast to a line-item budget, which identifies expenditures only by objects for which money is spent, e.g., personnel services, operating expenses, recovered costs or capital equipment.

Property Tax – A tax levied on the assessed value of real and personal property. This tax is also known as an ad valorem tax.

Property Tax Rate – The rate of taxes levied against real or personal property, expressed as dollars per \$100 of equalized assessed valuation of the property taxed.

Proprietary Funds – Proprietary funds are enterprise and internal service funds used to account for business-type activities that are similar to the private sector and in which fees are charged for goods or services. They are related to assets, liabilities, equities, revenues, expenses and transfers. The County maintains both types of proprietary funds – enterprise funds to account for the Integrated Sewer System and internal service funds to account for certain centralized services that are provided internally to other departments such as Vehicle Services and Document Services.

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Public-Private Education Facilities and Infrastructure Act (PPEA) – During its 2002 session, the Virginia General Assembly enacted the Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA). This law provides that once a “responsible public entity” such as Fairfax County adopts appropriate procedures to implement the PPEA, it may solicit proposals to acquire a “qualifying project” from private entities (i.e., issue an Invitation for Bid or Request for Proposal) or may consider proposals that are submitted by a private entity without a prior solicitation (“unsolicited proposal”).

Rating Agencies – The organizations which provide publicly available ratings of the credit quality of securities issuers. The term is most often used to refer to the nationally recognized agencies, Moody’s Investors Service, Inc., Standard & Poor’s Corporation, and Fitch Investors.

Reallocation – With adequate justification and DMB approval, agencies can perform a budget transfer of funds from one category to another, e.g., from Personnel Services to Operating Expenses, as long as there is no change to the agency’s bottom-line budget and the budget transfer must occur within the same agency and/or fund.

Real Property – Real estate, including land and improvements (buildings, fences, pavements, etc.) classified for purposes of assessment.

Recovered Costs – Reimbursements to an agency for specific services provided to another agency. Recovered Costs, or Work Performed for Others, are reflected as a negative figure in the providing agency's budget, thus offsetting expenditures. An example is the reimbursement received by the Department of Information Technology from other agencies for telecommunication services.

Rec-PAC – Rec-PAC (Pretty Awesome Children), operated by Fairfax County Park Authority, is a six-week structured recreation program offered during the summer with emphasis on leisure skills designed for elementary school children.

Reduction in Force (RIF) - A permanent elimination of an excess number of filled merit positions.

Referendum – A referendum is a means by which a legislative body requests the electorate to approve or reject proposals such as Constitutional amendments, long-term borrowing; and other special laws.

Refunding – Retiring an outstanding bond issue at maturity (sometimes done before maturity date if rate is favorable) by using money from the sale of a new bond offering. In other words, issuing bonds to pay off the old bonds. In an Advance Refunding, a new bond issuance is used to pay off another outstanding bond. The new bond will often be issued at a lower rate than the older outstanding bond. Typically, the proceeds from the new bond are invested and when the older bonds become callable, they are paid off with the invested proceeds. In a Crossover Refunding, the revenue stream pledged to secure the securities being refunded is being used to pay off debt on the refunded securities until they mature.

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Reserves – A portion of the fund balance or retained earnings legally segregated for specific purposes. Reserves are lump sum dollars set aside in a budget for unanticipated needs or for specific future needs. Reserves are not distributed or allocated to operating expenditures or capital expenditures because the specific requirements for the reserves are not known at the time of budget adoption or because bond documents require their establishment. The County is required to amend its budget in order to allocate reserve funds to an operating or capital project account. In many cases, a reserve can only be used for a specific purpose.

Revenue – Monies received from all sources (with exception of fund balances) that will be used to fund expenditures in a fiscal year. In the broadest sense, a revenue is an increase in financial resources. Revenues are funds received by the County from its activities or external sources such as real estate taxes, property taxes, local sales tax, fees for services, fines, grants, payments from other governments, etc.

Revenue Bond – A municipal bond secured by the revenues of the project for which it is issued. Revenue Bonds are those bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. Sewer and utility bonds are typically issued as revenue bonds. The County also issues Lease Revenue bonds, a form of revenue bond in which the payments are secured by a lease on the property built or improved with the proceeds of the bond sale.

Revenue Forecast – A projection of future County revenue collections.

Revenue Stabilization Fund – In FY 2000, the Board of Supervisors approved the creation of this fund to provide a mechanism for maintaining a balanced budget without resorting to tax increases and/or expenditure reductions that aggravate the stresses imposed by the cyclical nature of the economy. This fund maintains a balance of 3 percent of General Fund Disbursements.

Sales Tax – Tax imposed on the taxable sales of all final goods.

School Board Budget – Includes the School Operating Fund, the School Food and Nutrition Services Fund, School Grants and Self Supporting Programs, School Adult and Community Education, Public School OPEB Trust Fund, the School Insurance Fund, the School Construction Fund, the School Central Procurement Fund, the School Health and Flexible Benefits Trust Fund and the Educational Employees' Supplementary Retirement Fund, identifying both expenditure levels and sources of revenue. The Board of Supervisors may increase or decrease the School Board budget but normally does so only at the fund level (i.e., by increasing or decreasing the General Fund Transfer to the School Operating Fund without specifying how the change is to be applied). By state law, the Supervisors may not make specific program or line item changes, but may make changes in certain major classifications (e.g., instruction, overhead, maintenance, etc.).

School Board Transfer – A transfer out of funds from the General Fund to the School Operating Fund. State law requires that this transfer be approved by the Board of Supervisors by May 1, for the next fiscal year.

Service Quality – Degree to which customers are satisfied with a program, or how accurately or timely, a service is provided.

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Set-Aside Reserve – A reserve made up from available balances materializing throughout one or more fiscal years which are not required to support disbursements of a legal or emergency nature and are held (set aside) for future funding requirements.

Sewer Funds – A group of self-sufficient funds that support the Wastewater Management Program. Revenues consist of bond sales, availability fees (a one-time fee paid before connection to the system and used to defray the cost of major plant and trunk construction), connection charges (a one-time fee to defray the cost of the lateral connection between a building and the trunk), service charges (quarterly fees based on water usage which defray operating costs and debt service), and interest on invested funds. Expenditures consist of construction costs, debt service, and the cost of operating and maintaining the collection and treatment systems.

Short-Term Debt – Debt with a maturity of less than one year after the date of issuance.

Special Revenue Funds – Funds defined by the State Auditor of Public Accounts to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. These funds account for the revenues and expenditures related to Fairfax County's state and federal grants, the operation of the Fairfax County Public Schools, and specific taxing districts that are principally financed by special assessment tax levies in those districts.

Strategic Plan – A document outlining long-term goals, critical issues and action plans to increase the organization's effectiveness in attaining its mission, priorities, goals and objectives. Strategic planning starts with examining the present, envisioning the future, choosing how to get there, and making it happen.

Strategic Planning Process – The strategic planning process provides the County the opportunity to identify individual agency missions and goals in support of the public need, action steps to achieve those goals and measures of progress and success in meeting strategic goals. Strategic planning helps ensure that limited resources are appropriately allocated to achieve the objectives of the community as determined by the Board of Supervisors.

Supplemental Appropriation Resolution – Any appropriation resolution approved by the Board of Supervisors after the adoption of the budget for a given fiscal year. The legal document reflecting approved changes to the appropriation authority for an agency or fund.

Taxable Value – The assessed value less homestead and other exemptions, if applicable.

Tax Base – The aggregate value of taxed items. The base of the County's real property tax is the market value of all real estate in the County. The base of the personal property is the market value of all automobiles, trailers, boats, airplanes, business equipment, etc., which are taxed as personal property by the County. The tax base of a sales tax is the total volume of taxable sales.

Tax Rate – The level of taxation stated in terms of either a dollar amount or a percentage of the value of the tax base. The Board of Supervisors fixes property tax rates for the period beginning January 1 of the current calendar year when the budget for the coming fiscal year is approved. The property tax rate is applied to the value of property assessed as of January 1 each year.

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Technology Infrastructure – The hardware and software that support information requirements, including computer workstations and associated software, network and communications equipment, and mainframe devices.

Third Quarter Review – The current year budget is reevaluated approximately seven months after the adoption of the budget based on current projections and spending to date. The primary areas reviewed and analyzed are (1) current year budget versus year-to-date expenditures plus expenditure projections for the remainder of the year, (2) emergency requirements for additional, previously unapproved items, and (3) possible savings. Recommended funding adjustments are provided for Board of Supervisors' approval.

Total Budget – The receipts and disbursements of all funds, e.g., the General Fund and all other funds. Net total expenditures (total expenditures minus expenditures for internal service funds) is a more useful measure of the total amount of money the County will spend in a budget year, as it eliminates double accounting for millions of dollars appropriated to operating agencies and transferred by them to service agencies. General Fund total disbursements (direct General Fund expenditures plus transfers to other funds, such as the School Operating Fund) are a more accurate measure of the cost of government to the local taxpayers.

Total Project Estimate – A capital project Total Project Estimate (TPE) is composed of funds already expended, currently appropriated, proposed or adopted in the budget year, and proposed for future years. In short, it is the total amount proposed to be expended over the life of the project.

Transfer – A movement of funding from one fund to another. The largest such transaction is the annual transfer of funds from the General Fund to the School Operating Fund. Further complicating the structure of the budget and the process of adopting a budget are numerous movements of dollars among the funds and they are, therefore, internal to the County structure. The amount transferred out of one fund is recorded ("Transfers In") and the amount transferred into another fund is also recorded ("Transfers Out"). The County records this movement of funds as a "transfer" in the budget and in the accounting system in order to more accurately represent financial activity. Transfers provide money to programs that may not have adequate revenue from grants or fees generated by the program.

Transport Fees – The cost to provide ambulance transportation to patients from home to hospital.

Trust Funds – A categorization of accounts defined by the State Auditor of Public Accounts consisting of funds established to account for money and property held by the County government in the capacity of a trustee or custodian for individuals or other specified purposes. Examples are the various retirement funds, which contain contributions from the County government and individual employees.

Unappropriated – Not obligated for a specific purpose.

Undesignated – Without a specific purpose.

Useful Life – The period of time that a fixed asset is able to be used. This can refer to a budgeted period of time for an equipment class or the actual amount of time for a particular item.

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User Fees – Charges for expenses incurred when services are provided to an individual or groups and not the community at large. The key to effective utilization of user fees is being able to identify specific beneficiaries of services and then determine the full cost of the service they are consuming or using.

Vision Elements – The vision elements were developed by the County Executive and the Senior Management team to address the priorities of the Board of Supervisors and emphasize the County's commitment to protecting and enriching the quality of life for the people, neighborhoods, and diverse communities of Fairfax County. There are seven vision elements including: Maintaining Safe and Caring Communities, Building Livable Spaces, Connecting People and Places, Maintaining Healthy Economies, Practicing Environmental Stewardship, Creating a Culture of Engagement and Exercising Corporate Stewardship.

Workforce Planning – A systematic process designed to anticipate and integrate the human resources aspect to an organization's strategic plan by identifying, acquiring, developing, and retaining employees to meet organizational needs.

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ACRONYMS

(Where items are underlined, see fuller definitions in the preceding *Glossary* section)

ADA – Americans with Disabilities Act

ADC – Adult Detention Center

ADHC – Adult Day Health Care

AED – Automatic External Defibrillator

AEOC – Alternate Emergency Operations Center

AFIS – A multi-jurisdictional Automated Fingerprint Identification System

ALS – Advanced Life Support

ASAP – Alcohol Safety Action Program (Fund 83000)

ASSB – Advisory Social Services Board

BPOL – See Business, Professional and Occupational License

BPR – See Business Process Redesign

CAD – Computer Aided Dispatch

CAFR – See Comprehensive Annual Financial Report

CCAR – Child Care Assistance and Referral program

CCFAC – Consolidated Community Funding Advisory Committee

CCFP – See Consolidated Community Funding Pool

CDBG – Community Development Block Grant

CERF – Computer Equipment Replacement Fund

CERT – Community Emergency Response Team

CHINS – Child In Need of Supervision or Services

CIP – See Capital Improvement Program

COG – Washington Metropolitan Council of Governments

CPAN – Courts Public Access Network

CPI – See Consumer Price Index

CRA – Clinic Room Aide

CRIS – Community Resident Information Services (kiosks used by Fairfax County)

CSA – Comprehensive Services Act

CSB – Fairfax-Falls Church Community Services Board

CSU – Court Service Unit (Juvenile and Domestic Relations District Court)

CTB – Commonwealth Transportation Board

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DROP – See Deferred Retirement Option Plan

DPWES – Department of Public Works and Environmental Services

EAC – See Employees Advisory Council

EAP – Employee Assistance Program

EMS – Emergency Medical Service

ENSNI – Estimate, No Scope, No Inflation

EOC – Emergency Operations Center

ESOL – English as a Second Language

FCEDA – Fairfax County Economic Development Authority

FCPA – Fairfax County Park Authority

FCPL – Fairfax County Public Library

FCPS – Fairfax County Public Schools

FCRHA – Fairfax County Redevelopment and Housing Authority

FOCUS – Fairfax County Unified System

FTE – Full-Time Equivalent

FY – Fiscal Year

GAAP – Generally Accepted Accounting Principles

GASB – Governmental Accounting Standards Board (See GASB in Glossary)

GFOA – Government Finance Officers Association

GIS – Geographic Information Systems

HIPAA – Health Insurance Portability and Accountability Act

HMO – See Health Maintenance Organization

ICMA – International City/County Management Association

iNet – Institutional network

LAN – Local Area Network

LCI – Local Composite Index

LOBs – Lines of Business

MPSTOC – McConnell Public Safety and Transportation Operations Center

MWCOG – Metropolitan Washington Council of Governments

MRA – Market Rate Adjustment

NACo – National Association of Counties

NOVARIS – Northern Virginia Regional Identification System

NVCC – Northern Virginia Community College

NVCT – Northern Virginia Conservation Trust

NVFS – Northern Virginia Family Services

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NVRC – Northern Virginia Regional Commission

NVRPA – Northern Virginia Regional Park Authority

NVSWCD – Northern Virginia Soil and Water Conservation District

NVTC – Northern Virginia Transportation Commission

OPEB – Other Post-Employment Benefits

PPEA – See Public-Private Education Facilities and Infrastructure Act

PPTRA – See Personal Property Tax Relief Act

PSCC – Public Safety Communications Center

PSCN – Public Safety Communications Network

PSOHC – Public Safety Occupational Health Center

P/T – Part-Time

Rec-PAC – See Rec-PAC (in Glossary)

SAC – Selection Advisory Committee

SACC – School-Age Child Care

SAR – Supplemental Appropriation Resolution

SBE – Small Business Enterprise

SCBA – Self-Contained Breathing Apparatus

SCC – State Corporation Commission

SYE – See Staff-Year Equivalency

SWRRC – Solid Waste Reduction and Recycling Centers

TANF – Temporary Assistance to Needy Families

UASI – Urban Areas Security Initiative

VACo – Virginia Association of Counties

VIEW – Virginia Initiative for Employment not Welfare program

VRE – Virginia Railway Express

WAHP – Washington Area Housing Partnership

WAHTF – Washington Area Housing Trust Fund

WAN – Wide Area Network

WMATA – Washington Metropolitan Area Transit Authority

WPFO – Work Performed For Others

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