



# FY 2023 Third Quarter Review

March 28, 2023

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# Third Quarter Summary

	<b>General Fund</b>
<b>Previous Balances</b>	<b>\$58,041,063</b>
<b>FY 2023 Third Quarter Adjustments</b>	
Revenue Adjustments	\$51,233,993
Expenditure Adjustments	(88,283,952)
Reserve Adjustments	(10,313,796)
<b>Net Third Quarter Adjustments</b>	<b>(\$47,363,755)</b>
<b>Net Available</b>	<b>\$10,677,308</b>

# Revenue Adjustments

- FY 2023 revenues are recommended to increase by \$51.23 million
  - Investment Interest - an increase of \$37.58 million due to interest rate increases by the Federal Reserve to rein in inflation
    - ✦ Including increases already recognized in the fall estimate, investment interest accounts for \$55.16 million of the total funding available
  - Personal Property Tax - an increase of \$11.23 million due to higher-than-expected vehicle and business personal property levies
  - Transient Occupancy Tax - an increase of \$2.42 million due to higher-than-expected year-to-date collections as hotel revenue continues to recover

# Expenditure Adjustments

- Focus on one-time needs and the FY 2023 impact of adjustments included in the FY 2024 Advertised Budget Plan.
- Expenditure requirements fall into the following broad categories:
  - Capital Paydown Projects
  - Information Technology
  - Vehicle Replacement
  - Support for Park Authority
  - Office of Elections
  - Other Spending Adjustments

## Capital Paydown Projects

*\$36.00 million*

- \$10.00 million to support higher than anticipated construction costs associated with the Willard Health Center and Sherwood Community Center project
- \$8.10 million for the final phase of courtroom renovations at the Jennings Judicial Center
- \$6.10 million for infrastructure replacement and upgrades at County facilities
- \$6.00 million to support design and development costs for the Original Mount Vernon High School
- \$3.80 million to address emergency systems failures at aging County facilities
- \$2.00 million to expand the Emergency Vehicle Preemption program

# Information Technology

**\$23.46 million**

- \$18.96 million to support new and ongoing Information Technology projects including:
  - \$5.00 million for phase two of a three-phase plan to replace election equipment
  - \$4.00 million for the modernization of the Department of Tax Administration's tax payment system
- \$4.50 million for the purchase of a safer and more efficient software storage system

# Vehicle Replacement

*\$10.70 million*

- \$5.70 million to support the Countywide Vehicle Replacement Program including the additional costs associated with the transition to hybrid and electric vehicles
- \$5.00 million to address inflationary increases for Fire and Rescue apparatus

## Support for Park Authority

*\$6.50 million*

- \$5.00 million to address higher than anticipated construction costs specific to Park Authority capital projects
- \$0.50 million for forestry operations
- \$0.40 million to support bamboo mitigation
- \$0.35 million to replace parks signage as part of the renaming of Route 29 and Route 50
- \$0.25 million for educational initiatives at the Sully Historic Site/Sully Plantation



## Office of Elections

*\$1.13 million*

- \$0.58 million for non-merit staffing as a result of new legislative requirements and additional polling places added as part of the 2022 redistricting
- \$0.47 million for costs associated with the 2023 special and primary elections
- \$0.08 million for mailers to inform voters of polling place and name changes
- \$0.06 million for the General Registrar's state-mandated salary increase. This adjustment is completely offset by additional revenue from the state for no net impact to the General Fund

## Other Spending Adjustments

**\$18.99 million**

- \$9.42 million for accrued liability adjustments in the County Insurance Fund
- \$4.10 million to support increased overtime costs in the Fire and Rescue Department
- \$1.50 million to address the increased number of families experiencing homelessness and the need to rely on motel placements for additional capacity
- \$1.40 million to replace road signage as part of the renaming of Route 29 and Route 50
- \$2.57 million to support needs associated with the new South County Police Station, American with Disabilities Act, enhanced security, Hypothermia program and maintenance previously provided by the Community Labor Force

## Other Spending Adjustments

*(\$8.50) million*

### Savings and Adjustments with No Net General Fund Impact

- \$10.00 million is transferred from the General Fund Pandemic Reserve to fund affordable housing initiatives
- Savings of \$6.00 million in Fringe Benefits is included based on year-to-date experience primarily due to position vacancies
- A reduction of \$5.00 million in mandated Children's Services Act expenditures based on year-to-date experience. The expenditure decrease is partially offset by a decrease in state funding of \$2.50 million for net savings to the General fund of \$2.50 million
- Net \$0 adjustments associated with the Auxiliary Grant Program, Hiring Incentive Program and the accelerated Benchmark/Pay Compression adjustments

# Budget Calendar

- A public hearing on the *FY 2023 Third Quarter Review* will be held concurrent to the public hearing on the FY 2024 budget on April 11, 12, and 13, 2023
- The Board is scheduled to take action on the *FY 2023 Third Quarter Review* on May 2, 2023, prior to adopting the FY 2024 budget on May 9, 2023